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Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, SECOND SESSION

SENATE

WEDNESDAY, MAY 17, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O God, in whose strong hands are the threads of every man's life; who under all the wild commotion dost still control the evil forces which seem to defeat Thy purpose and hinder Thy kingdom: Into Thy hands we would commit our lives, with all their powers and all their desires. We confess that our peace is often so ill-founded that we lose it easily and then rush to all sorts of subterfuges in order to recover it or make ourselves forget.

In this quiet moment may there come a revealing glimpse of reality, reminding us that there is no peace which is not the gift of Thy love. Grant us so to love Thee with all our hearts, with all our minds, with all our souls, and our neighbor for Thy sake, that the grace of charity and brotherly love may dwell in us, that sadness and despair may flee away, and all envy, harshness, and ill will be transmuted to kindness and understanding. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HAYDEN, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 16, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 2225. An act for the relief of William B. Buol;

H. R. 2229. An act for the relief of John P. Hayes;

H. R. 2535. An act for the relief of Samuel J. D. Marshall;

H. R. 2766. An act for the relief of Maria Geertriude Mulders;

H. R. 3007. An act for the relief of Harry C. Goakes;

H. R. 3535. An act for the relief of William A. Cross;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 4140. An act for the relief of the Great American Indemnity Co.;

H. R. 4364. An act for the relief of Mrs. Ruth B. Moore; John Robert Lusk III; John R. Lusk, Sr.; Mrs. Minnie P. Pruitt; and Mrs. Billie John Bickle;

H. R. 4370. An act for the relief of May Hosken;

H. R. 4803. An act for the relief of Bernard F. Elmers;

H. R. 4960. An act for the relief of Mrs. Elizabeth H. Whitney;

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes;

H. R. 5221. An act for the relief of Mrs. Maria Grazia Riccio DiPietro;

H. R. 5252. An act for the relief of W. M. Tindal;

H. R. 5799. An act for the relief of the Acme Finance Co.;

H. R. 5947. An act for the relief of Alfio Batelli;

H. R. 6066. An act for the relief of Cheng Sick Yuen;

H. R. 6416. An act for the relief of Paul E. Rocke;

H. R. 6482. An act for the relief of Antonio Artolozaga Euscola;

H. R. 6644. An act for the relief of Edwin F. Rounds;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7315. An act for the relief of Daijiro Yoshida;

H. R. 7564. An act for the relief of Maria Margareta Ries and Konrad Horst Wilhelm Ries;

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806;

H. R. 7991. An act for the relief of D. C. Hall Motor Transportation;

H. R. 8287. An act to authorize the Secretary of the Interior to issue duplicate of William Gerard's script certificate No. 2, subdivision 13, to Lucy P. Crowell; and

H. R. 8290. An act for the relief of Jeffrey Bracken Spruill and Susan Spruill.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. THOMAS of Oklahoma was excused from attendance on the sessions of the Senate for an indefinite period.

On his own request, and by unanimous consent, Mr. TOBEY was excused from attendance on the sessions of the Senate during next week, because of official business.

Mr. LEHMAN, on his own request, and by unanimous consent, was excused from attendance on the session of the Senate tomorrow.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. KEFAUVER, the subcommittee of the Committee on the Judiciary considering bankruptcy reorganization was authorized to meet during the session of the Senate this afternoon.

CALL OF THE ROLL

Mr. HAYDEN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Maybank
Benton	Holland	Mundt
Brewster	Humphrey	Myers
Bricker	Hunt	Neely
Bridges	Ives	O'Conor
Butler	Jenner	O'Mahoney
Byrd	Johnson, Colo.	Robertson
Cain	Johnson, Tex.	Russell
Capehart	Johnston, S. C.	Saltonstall
Chapman	Kefauver	Schoeppel
Connally	Kem	Smith, Maine
Cordon	Kerr	Smith, N. J.
Darby	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Langer	Taft
Dworshak	Leahy	Taylor
Eastland	Lehman	Thomas, Okla.
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Ferguson	Lucas	Tobey
Fulbright	McCarran	Tydings
George	McCarthy	Watkins
Gillette	McClellan	Wherry
Green	McFarland	Wiley
Gurney	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Malone	Young
Hill	Martin	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ] and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

CONTINUATION OF RENT CONTROL—RESOLUTION OF DULUTH-SUPERIOR (MINN.) RENT ADVISORY BOARD NO. 1

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Duluth-Superior (Minn.) Rent Advisory Board No. 1 on April 27, recommending the continuation of rent controls in the city of Duluth.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Whereas it is the considered opinion of this board that residential housing and particularly rental housing for families in the moderate- and small-income groups is in short supply in the city of Duluth, and that undue hardship will result if rent controls are lifted in this community after June 30, 1950, and that rentals demanded for present accommodations may be expected to rise exorbitantly if such controls are not maintained: Therefore, be it

Resolved, That this board recommends the continuation of rent controls for this community until such time as an adequate additional supply of housing accommodations shall become available; and be it further

Resolved, That a copy of this resolution be mailed to Tighe E. Woods, Housing Expediter; to our Representatives in Congress: The Honorable Edward J. Thye, United States Senator; the Honorable Hubert H. Humphrey, United States Senator, and the Honorable John A. Blatnik, Representative from the Eighth Minnesota Congressional District.

O. E. WESTIN, *Chairman.*

ECONOMY IN GOVERNMENT—RESOLUTION OF SOMERSET COUNTY (MD.) FARM BUREAU

Mr. O'CONOR. Mr. President, in line with the widespread demand among the citizens of my State of Maryland for greater economy in government and reduction of Federal expenditures, there is wholehearted approval of the recommendations made by the Hoover Commission following its exhaustive study of the various executive departments of the Government.

A resolution adopted by the Somerset County (Md.) Farm Bureau recently, and presented to me by Stanley F. Benson, president, voices the deep approval of the members of that public-spirited county farm bureau of the manner in which the chairman and members of the Hoover Commission have conducted this splendid study.

It places the members of the Somerset County Farm Bureau squarely behind the Commission and the citizens committee for the Hoover report in their support of the recommendations.

I ask unanimous consent to have the resolution printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the RECORD, as follows:

Whereas Congress clearly recognized the necessity for Government reorganization when it unanimously created the bipartisan Commission on Organization of the Executive Branch of the Government in July 1947; and

Whereas Chairman Herbert Hoover and the members of the Commission admirably and efficiently performed their duties of investigation and made specific recommendations concerning—

(1) The elimination of expenditures to the lowest amount consistent with the efficient performance. The elimination of duplications and overlappings, and the consolidation of services, activities, and functions of a similar nature.

(2) The elimination of services, activities, and functions unnecessary to efficient government.

(3) Definition and limitation of executive functions, services, and activities; and

Whereas there is a universal demand for such economy and efficiency in government by thoughtful, public-spirited men and women throughout the United States; and

Whereas the Commission's report promises lasting benefit to all citizens not only in terms of economy and efficiency but also in terms of the effective use of our resources, human and material, in the cause of world peace and progress; and

Whereas an educational program to acquaint the public with the findings of the Commission report and to stimulate the interest of all citizens in continuous participation in the affairs of government on a bipartisan, voluntary basis has been undertaken by the citizens committee for the Hoover report: Therefore be it

Resolved, That the Somerset County Farm Bureau, at it meeting on the 24th day of April 1950, urges the Congress to make effective the recommendations of the Commission by enacting appropriate legislation;

That cooperation be given to the educational program of the citizens committee for the Hoover report;

That copies of this resolution be sent to appropriate legislative representatives and to the Maryland Citizens Committee for the Hoover report, 636 Equitable Building, Baltimore 2, Md.

STANLEY F. BENSON,
President, Somerset County Farm Bureau.

P. MORRIS FURNISS,
Secretary, Somerset County Farm Bureau.

FLOOD DAMAGES IN WALSH AND GRAND FORKS COUNTIES, N. DAK.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, telegrams from the Boards of County Commissioners of Walsh and Grand Forks Counties, N. Dak., relating to flood damages in those counties.

There being no objection, the telegrams were referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

GRAFTON, N. DAK., *May 16, 1950.*

Hon. WILLIAM LANGER,
United States Senate:

A preliminary estimate of the flood damages in Walsh County has been completed, which is as follows: 48 bridges totally destroyed with a value of $1,200,000; 122 miles of road washed out with a value of $275,000; 40 miles of gravel road has been lost with a value of $80,000; damage to bridges not totally destroyed, $675,000. The foregoing estimate includes loss to township and county roads and is only a preliminary survey as much of the eastern portion of Walsh County is still inundated from the second flood, which caused more damages than the preceding one. Although this estimate is incomplete at this time it will give the figures to present to your colleagues to help secure Federal aid for us. Thank you for your assistance.

BOARD OF WALSH COUNTY COMMISSIONERS.

GRAND FORKS, N. DAK., *May 9, 1950.*

Hon. WILLIAM LANGER,
United States Senator,
Washington, D. C.:

On motion by Commissioner McIntyre, seconded by Commissioner Block, the following resolution was adopted by the board:

"Resolution

"Whereas flash floods and recurring subsequent floods have sustained enormous damage to roads, bridges, and culverts; inundated several hundred thousand acres of fertile farm lands in the Red River Valley; and

"Whereas these disastrous circumstances are also reflected in grievous human suffering and untold loss of livestock, grain, and erosion of fertile topsoil, which at this time it is physically impossible to determine; and

"Whereas the loss to Grand Forks County alone to its roads and bridges will in all probabilities exceed the sum of $1,500,000; and

"Whereas the counties and other political subdivisions are financially unable to rehabilitate themselves in the vast reconstruction program: Now, therefore, be it

"Resolved by the Board of County Commissioners of Grand Forks County, N. Dak., That financial assistance be requested to be made available by the Federal Government and that every effort be made by the Members of Congress to facilitate the passage of bills to make such appropriations available immediately."

Dated at Grand Forks, N. Dak., this 9th day of May 1950.

E. O. BRY,
Chairman of Board of County Commissioners, Grand Forks County, N. Dak.

RESOLUTIONS OF DISTRICT COUNCIL NO. 2, OIL WORKERS INTERNATIONAL UNION, CIO, GREAT FALLS, MONT.

Mr. LANGER. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD three resolutions adopted by District Council, No. 2, Oil Workers International Union, CIO, in regular meeting at Great Falls, Mont., on April 16, 1950, relating to the importation of foreign oil in competition with American industry and labor; the practice of certain major oil companies operating in the United States to import large quantities of petroleum and petroleum products produced and refined in foreign countries, and voluntary arbitration between labor and management as a means of settling their disputes.

The VICE PRESIDENT. The resolutions will be received and appropriately referred, and, without objection, the resolutions will be printed in the RECORD. The Chair hears no objection.

To the Committee on Finance:

Whereas the major oil companies are importing foreign oil into this country which

is causing unemployment among American workers; and

Whereas this importation of foreign oil has reduced the income of farmers and ranchers who own the land and is undermining the economy in the oil-producing States; and

Whereas this loss of income, whether it be in taxes, wages, or royalties, is hurting all business in the localities affected; and

Whereas this unfair competition is aiding the major oil companies to build a monopoly as it forces the small producer, who cannot afford to operate in foreign countries, out of business: Therefore be it

Resolved, That District Council No. 2, Oil Workers International Union, CIO, in regular meeting at Great Falls, Mont., on this 16th day of April 1950, go on record in opposition to the importation of foreign oil in competition with American industry and American labor; and be it further

Resolved, That a copy of this resolution be sent to Congressmen and Senators representing all States in district No. 2, to the governors of these States, requesting that they use their influence in protecting American industry and American labor in this matter; and be it further

Resolved, That a copy of this resolution be sent to the secretaries of the other six districts of the union in the United States and to the president of the union, requesting their aid in reducing the imports of foreign oil.

Whereas it is the present practice of certain major oil companies operating in the United States of America to import large quantities of petroleum and petroleum products produced and refined in foreign countries; and

Whereas this importation has reached a daily volume far in excess of current domestic demand, resulting in curtailment of production within the United States of an average of 800,000 barrels daily, or 13 percent; and

Whereas employment and economic security of all employees of the independent refineries which are totally dependent upon stable domestic conditions surrounding the refining of crude oil produced within the United States has been sharply affected; and

Whereas the security of the United States is jeopardized by a national petroleum policy favoring increased imports of crude oil and curtailment of domestic production and refining of such petroleum: Now, therefore, be it

Resolved, That District 2 Council, Oil Workers International Union, CIO, declare ourselves opposed to the unlimited importation of foreign-produced petroleum and foreign-refined petroleum products into the United States of America, does not endorse any specific petroleum-importation legislation now pending before the Congress, and goes on record as demanding the passage of legislation which would limit such imports to a volume that would not supplant the domestic production and refining of crude oil beyond that point at which reserves of the United States are capable, under accepted conservation practices of supplying the domestic demand.

To the Committee on Labor and Public Welfare:

Whereas labor and management are making an ever wider use of voluntary arbitration as a means of settling their disputes; and

Whereas the present facilities for providing arbitration services are designed mainly to accommodate the larger industrial operations located near larger cities; and

Whereas the majority of our membership works in widely scattered areas which are not near any major cities and our average local union has less than 200 members; and

Whereas the costs of resorting to arbitration have become so excessive as to be beyond the reach of many of our local unions: Now, therefore, be it

Resolved, That we call upon the Federal Mediation and Conciliation Service and the American Arbitration Association to explore with us the possibilities of meeting these problems. Specifically, we ask that efforts be made to accomplish the following ends:

1. Present panel lists should be expanded so that suggested panel members can be drawn from a smaller geographical area near the scene of the dispute, unless the parties request they be drawn from a wider area.

2. The fees of arbitrators should be geared to the resources of the local union and management involved ranging from no fee, or a nominal fee, to a maximum of $50 per day.

3. Arbitrators who make unreasonable expense charges should be dropped from panel lists, or at least from those future lists submitted to unions and companies who have complained of this fact.

4. A uniform code of ethics and rules of procedure should be adopted by the Service and the association and the adherence to such code and rules should be mandatory upon arbitrators unless mutually waived by the parties.

5. The possibilities of securing arbitration services financed by the Federal Government, just as mediation and conciliation services are now so paid, should be immediately examined.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 638. A bill to amend title 28, United States Code; with an amendment (Rept. No. 1568);

S. 819. A bill for the relief of Herman L. Weiner; with an amendment (Rept. No. 1569);

S. 846. A bill for the relief of Satirios Christos Roumanis; with amendments (Rept. No. 1570);

S. 848. A bill for the relief of Lorenzo Buira Sarrate; without amendment (Rept. No. 1571);

S. 920. A bill recording the lawful entry for permanent residence into the United States and authorizing the naturalization of Ellen Rodriguez Moreno; with amendments (Rept. No. 1572);

S. 1049. A bill for the relief of Amy Alexandrovna Taylor and Myrna Taylor; without amendment (Rept. No. 1573);

S. 1259. A bill for the relief of Mr. and Mrs. Lucillo Grassi; without amendment (Rept. No. 1574);

S. 1276. A bill for the relief of Marta Faugno; with an amendment (Rept. No. 1575);

S. 1347. A bill for the relief of Jose Da Silva; without amendment (Rept. No. 1576);

S. 1357. A bill for the relief of Gregory Pirro and Nellie Pirro; without amendment (Rept. No. 1577);

S. 1654. A bill for the relief of Kyra Kita Riddle; with an amendment (Rept. No. 1578);

S. 1792. A bill for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades; without amendment (Rept. No. 1579);

S. 1816. A bill for the reimbursement of the S. A. Healy Co.; with amendments (Rept. No. 1580);

S. 1900. A bill for the relief of Mary Di Rezza; without amendment (Rept. No. 1581);

S. 1925. A bill for the relief of Pejsach Lederman and his wife and daughter; with amendments (Rept. No. 1582);

S. 1942. A bill for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos Zuniga; Felipa Casado del Blanco, Mercedes Rodriguez Villaneuva, Selina Milan Gonzalez, Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde; without amendment (Rept. No. 1583);

S. 1963. A bill for the relief of Augusto Segre; without amendment (Rept. No. 1584);

S. 1981. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon certain claims for basic and overtime compensation; with an amendment (Rept. No. 1585);

S. 1996. A bill for the relief of Eugene Frohlinger; with an amendment (Rept. No. 1586);

S. 2035. A bill for the relief of John David Logan; with an amendment (Rept. No. 1587);

S. 2047. A bill for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito; with an amendment (Rept. No. 1588);

S. 2092. A bill for the relief of Rosa Ottaviani; with amendments (Rept. No. 1589);

S. 2183. A bill for the relief of Nicholas J. Chicouras; with an amendment (Rept. No. 1590);

S. 2231. A bill for the relief of Marco Murolo, and his wife, Romana Pellis Murolo; without amendment (Rept. No. 1591);

S. 2242. A bill for the relief of John E. Dwyer; without amendment (Rept. No. 1592);

S. 2296. A bill for the relief of Maria Cicerelli; with an amendment (Rept. No. 1593);

S. 2297. A bill for the relief of the estate of Lee Jones Cardy; without amendment (Rept. No. 1594);

S. 2349. A bill for the relief of Ho Paak-Sui; without amendment (Rept. No. 1595);

S. 2442. A bill for the relief of Yone T. Park; with an amendment (Rept. No. 1596);

S. 2462. A bill for the relief of Ruzina Skalova; with an amendment (Rept. No. 1597);

S. 2492. A bill for the relief of Maria, Magdalena, Margit, and Martha Battha; without amendment (Rept. No. 1598);

S. 2499. A bill for the relief of Daijiro Yoshida; without amendment (Rept. No. 1599);

S. 2526. A bill for the relief of Vera Stein; without amendment (Rept. No. 1600);

S. 2565. A bill for the relief of Edward E. Duff; without amendment (Rept. No. 1601);

S. 2575. A bill for the relief of Yayoko Kobayashi and June Kobayashi, and for other purposes; without amendment (Rept. No. 1602);

S. 2620. A bill for the relief of Chyon Yong Yun; without amendment (Rept. No. 1603);

S. 2662. A bill for the relief of Evzen Syrovatka and his wife; without amendment (Rept. No. 1604);

S. 2676. A bill for the relief of Kimie Yamada Ina and her daughter, Ritsuko Ina; without amendment (Rept. No. 1605);

S. 2682. A bill for the relief of Naum Ionescu and his wife; without amendment (Rept. No. 1606);

S. 2723. A bill for the relief of Maria del Carmen Morano Elorza, Maria Luisa Luri Acin, Rafaela Garcia Casini, Giovanna Imporia, and Teresa Compagnoni; with amendments (Rept. No. 1607);

S. 2735. A bill for the relief of Mrs. Vernon B. Rasmussen; with an amendment (Rept. No. 1608);

S. 2741. A bill for the relief of Stephania Ziegler, Anna Hagl, and Theresia Tuppinger; without amendment (Rept. No. 1609);

S. 2745. A bill for the relief of Marie De Champourcin; without amendment (Rept. No. 1610);

S. 2774. A bill to redefine the term "bank" as used in section 2113 of title 18 of the United States Code, dealing with bank robbery and incidental crimes, so as to include within the meaning of such term any savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation; with an amendment (Rept. No. 1611);

S. 2866. A bill for the relief of Egbert G. Gesell; with amendments (Rept. No. 1612);

S. 2901. A bill to repeal the prohibition against the filling of a vacancy in the office

of district judge for the district of Delaware; with amendments (Rept. No. 1613);

S. 3007. A bill for the relief of Steganie Pfister and Hildegarde Werber; with an amendment (Rept. No. 1614);

S. 3253. A bill for the relief of Lyon F. Hibberd and the estate of George T. Erb; without amendment (Rept. No. 1615);

H. R. 589. A bill for the relief of C. M. Smart; without amendment (Rept. No. 1616);

H. R. 714. A bill for the relief of Pieter Cornelis ten Wolde and family; with an amendment (Rept. No. 1617);

H. R. 1038. A bill for the relief of William Richard Geoffrey Malpas; with an amendment (Rept. No. 1618);

H. R. 1082. A bill conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corp.; with amendments (Rept. No. 1619);

H. R. 1170. A bill for the relief of Mrs. John Kaudy (formerly Stella Cappler); without amendment (Rept. No. 1620);

H. R. 1272. A bill for the relief of Edward A. Seeley; without amendment (Rept. No. 1621);

H. R. 1275. A bill for the relief of Anna Helman; without amendment (Rept. No. 1622);

H. R. 1602. A bill for the relief of Ben Grunstein; without amendment (Rept. No. 1623);

H. R. 1817. A bill for the relief of Mrs. Rose A. Mongrain; with amendments (Rept. No. 1624);

H. R. 1866. A bill for the relief of Honorio Canciller and Nancy Ting Evangelista; without amendment (Rept. No. 1625);

H. R. 2224. A bill for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.; without amendment (Rept. No. 1626);

H. R. 2230. A bill to reimburse Arthur S. Horner, Leah B. Horner, and Maude Brewer, partners composing a firm, doing business as A. S. Horner Construction Co.; with an amendment (Rept. No. 1627);

H. R. 2705. A bill for the relief of Martin Kenneth Ikeda; with an amendment (Rept. No. 1628);

H. R. 2803. A bill for the relief of Albert J. Peterson; with an amendment (Rept. No. 1629);

H. R. 3009. A bill for the relief of Dr. Ali Reza Bassir; with an amendment (Rept. No. 1630);

H. R. 3254. A bill for the relief of Iva Gavin; with an amendment (Rept. No. 1631);

H. R. 3436. A bill to amend section 3 of the Lucas Act with respect to redefinition of request for relief; with amendments (Rept. No. 1632);

H. R. 3996. A bill for the relief of Dr. J. Carlyle Nagle; without amendment (Rept. No. 1633);

H. R. 4015. A bill for the relief of Kate Laursen; without amendment (Rept. No. 1634);

H. R. 4532. A bill for the relief of Dr. Ta Fu Wu; with an amendment (Rept. No. 1635);

H. R. 4604. A bill to authorize the admission into the United States of certain aliens possessing special skills, namely, Tepdor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis; without amendment (Rept. No. 1636);

H. R. 4653. A bill for the relief of the New York Quinine & Chemical Works, Inc.; Merck & Co., Inc.; and Mallinckrodt Chemical works; without amendment (Rept. No. 1637);

H. R. 4747. A bill for the relief of Louise Ahting; without amendment (Rept. No. 1638);

H. R. 4781. A bill for the relief of Veronica Jolly; without amendment (Rept. No. 1639);

H. R. 4996. A bill for the relief of Lonnie M. Abernathy; without amendment (Rept. No. 1640);

H. R. 5019. A bill for the relief of Fella H. Holbrook; with amendments (Rept. No. 1641);

H. R. 5126. A bill for the relief of Mrs. Nathalie E. Cobb; without amendment (Rept. No. 1642);

H. R. 5199. A bill for the relief of Mr. and Mrs. Thurman L. Bomar; without amendment (Rept. No. 1643);

H. R. 5682. A bill for the relief of William T. Orton; with amendments (Rept. No. 1644);

H. R. 5846. A bill for the relief of Mrs. Lillian Coolidge; with an amendment (Rept. No. 1645);

H. R. 6271. A bill for the relief of Mrs. Harry Schneider; without amendment (Rept. No. 1646);

H. R. 6329. A bill for the relief of Betsy Sullivan; without amendment (Rept. No. 1647);

H. R. 6344. A bill for the relief of Mrs. William Y. Imanaka; without amendment (Rept. No. 1648);

H. R. 6371. A bill for the relief of J. O. Evans; without amendment (Rept. No. 1649);

H. R. 6385. A bill for the relief of Louise M. Koch; without amendment (Rept. No. 1650);

H. R. 6414. A bill for the relief of Mrs. Chikako Mary Ohori Hori; without amendment (Rept. No. 1651);

H. R. 6480. A bill to revise title 18, United States Code, entitled "Crimes and Criminal Procedure"; with amendments (Rept. No. 1652);

H. R. 6577. A bill for the relief of Haruko Teramoto; without amendment (Rept. No. 1653);

H. R. 6689. A bill for the relief of Mitsuko Uemura; without amendment (Rept. No. 1654);

H. R. 6934. A bill for the relief of E. H. Corrigan; with an amendment (Rept. No. 1655);

H. R. 6991. A bill for the relief of E. G. Morris; without amendment (Rept. No. 1656);

H. R. 7092. A bill for the relief of Mrs. Karry Wakefield; without amendment (Rept. No. 1657);

H. R. 7094. A bill for the relief of Kazuyo Dohi; without amendment (Rept. No. 1658);

H. R. 7173. A bill for the relief of Toshiko Ono; without amendment (Rept. No. 1659);

H. R. 7560. A bill for the relief of Mary Frances Yoshinaga; without amendment (Rept. No. 1660); and

H. R. 7778. A bill for the relief of Miyoko Oishi; without amendment (Rept. No. 1661).

By Mr. WILEY, from the Committee on the Judiciary:

S. 648. A bill to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes; with an amendment (Rept. No. 1664);

H. R. 577. A bill to correct possible inequity in the case of a certain application for letters patent of William R. Blair; with an amendment (Rept. No. 1665); and

H. R. 7609. A bill to grant a renewal of patent No. 59,560, relating to the emblem of the Disabled American Veterans of the World War; without amendment (Rept. No. 1666).

By Mr. BYRD, from the Committee on Armed Services:

S. 2857. A bill to amend section 12 of the Missing Persons Act, as amended, relating to travel by dependents and transportation of household and personal effects; with amendments (Rept. No. 1667).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 4509. A bill to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes; without amendment (Rept. No. 1668).

FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM—REPORT OF FINANCE COMMITTEE

Mr. GEORGE. Mr. President, from the Committee on Finance, I report favorably, with an amendment in the nature of a substitute, the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes. The report on the bill will not be ready before Tuesday of next week, and will contain supplemental views of the Senator from Illinois [Mr. LUCAS] and the Senator from Pennsylvania [Mr. MYERS], and minority views of the Senator from Nebraska [Mr. BUTLER]. By that date the report itself will be filed.

I merely make that statement for the information of the Senate.

The VICE PRESIDENT. The bill will be received and placed on the calendar.

(The report, when submitted, will be S. Rept. No. 1669.)

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS—REPORTS OF JUDICIARY COMMITTEE

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution (S. Con. Res. 90) favoring the suspension of deportation of certain aliens, and I submit a report (No. 1662) thereon.

The VICE PRESIDENT. The report will be received and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 90) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months.

[redacted], Kuszer, Czeslawa (alias Cywie or Czeslawa Miller, alias Sylvia Kuszer).

[redacted], Kuszer, Szymon (alias Symcha or Simka or Sam Kuszer).

[redacted], Paulson, Grace.

[redacted], Weinberger, Irena Szenker.

[redacted], Martinez, Fernando Antonio.

[redacted], Martinez. Roberto, or Roberto Martinez-Sanchez.

[redacted], Martinez, Maria Eugenia Del Socorro.

[redacted], Martinez, Mario Sergio.

[redacted], Rempaldi, Riccardo (alias Riccardi Rampaldi).

[redacted], Scheinberg, Noach.

[redacted], Scheinberg, Pola.

[redacted], Soto, Jesus.

[redacted], Sperapani, Giannina Caffereccl.

[redacted], Sperapani, Roger Joseph, or Ruggero Temperini.

[redacted], Torres, Hermelinda, or Maria Hermelinda Torres.

[redacted], Torres, Anastacio, or Anastacio Torres-Villa.

[redacted], Wecker, Karl Ludwig Paul.

[redacted], Wein, Martin, or Moshe Weinschenker.

[redacted], Wong, Ella Guadalupe (nee Elia Guadalupe Fuu Perez).

[redacted], Minner, Robert Franz Cornelius.

[redacted], York, Norma Louise, or Norma Louise Smith or Sunny York or Sunny Smith or Norma Howell or Sunny Howell.

[redacted], Grey, Alice Mary (nee Samson).
[redacted], Grey, Henry James.
[redacted], Medina-Zamudio, Isidro Medina.
[redacted], Medina, Emilia Garcia, or Amelia Garcia Medina or Amelia Garcia Medina-Zamudio or Amelia Medina or Amelia Garcia or Emilia Garcia or Emilia Medina.
[redacted], Avalos, Elias.
[redacted], Avalos, Francisco, or Francisco Avalos Rios or Francisco Rios Avalos.
[redacted], Avalos, Jose.
[redacted], Britton, Wilfred.
[redacted], Deste, Mario.
[redacted], De Valdespino, Aurelia Villarreal, or Aurelia Villarreal De Devalos or Aurelia Villarreal-Gomez or Maria Villarreal.
[redacted], Fischer, Felice Breier, or Felice Breyer Fischer.
[redacted], Ghilarducci, Francesco (Frank) (alias Joe Martini).
[redacted], Glunz, Richard Johann.
[redacted], Maroudis, John Leonidas.
[redacted], Tarazon, Dionicio, or Francisco Valencia or Jose Sanchez.
[redacted], Barry, Olive Inez (nee Williams).
[redacted], Barry, Leopold Orlando.
[redacted], Callwood, Gladys.
[redacted], Callwood, Ina.
[redacted], Callwood, Princess Andora (nee Fahie).
[redacted], Stavrides, Theoharis Stavros.

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution (S. Con. Res. 91) favoring the suspension of deportation of certain aliens, and I submit a report (No. 1663) thereon.

The VICE PRESIDENT. The report will be received and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 91) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Abramovich, Esther (nee Edelman).
[redacted], Adler, Anton Joseph.
[redacted], Afable, Trinidad Barcelon.
[redacted], Aigner, Thomas Siegfried.
[redacted], Alonso, Juan Vidal.
[redacted], Alvarado-Tinajero, Alfonso, or Alfonso Ramirez-Mendoza.
[redacted], Alvarez, Jose.
[redacted], Ammouri, Naim Moussa, or Neal Korey.
[redacted], Andrato, Gregorio, or Gregorio Andrade.
[redacted], Andreadis, Marie Chris, or Mary Chris Andreadis or Maria G. Hadjigeorgiou or Maria Hadjigeorgiou.
[redacted], Andreu, Clarivel Azcuy y.
[redacted], Arico, Mary (nee Magadding or Concetta Catanzaro).
[redacted], Arrieta-Gobantes, Genaro.
[redacted], Artinian, George Kevork (alias Kevord Palutzian).
[redacted], Atanasoff, Peter Petooff, or Peter Petooff.
[redacted], Bagley, Jeanne Modeste (nee Milet).
[redacted], Bainbridge, Harry.
[redacted], Bak, Wong Sing, or Sing Bak Wong or Wong Hick Chuen or Wong Dock or Wong Dock Sou.
[redacted], Barajas-Macias, Miguel, or Miguel Barajas-Macias.
[redacted], Barrow, Albertha Geraldine.
[redacted], Barsan, Frank, or Sofron or Sofronie Barsan or Borson.
[redacted], Beiro, Jesus Garcia.
[redacted], Bell, Maybelle Lillian (Ditcham), or Maybelle Lillian Ditcham.
[redacted], Beltran, Jose Bernabeu, or Jose Bernabeu.
[redacted], Bembibre, Elisardo Dieguez y, or Elisardo Dieguez.
[redacted], Bemelmans, Anton Hubert, or Mathew Jansen.
[redacted], Bennett, Sophy (nee Ellis).
[redacted], Benson, Heman, or Hemon Benson.
[redacted], Berkon, Morris Joseph, or Jose Barrkan.
[redacted], Bernsten, Reidar Norman Hansen.
[redacted], Bidabe, Pedro Morales, or Pete Bidabe.
[redacted], Billi, Gyorgy, or George Bally.
[redacted], Block, Stanislaw Marius, or Marius Stanley Block or George Grot.
[redacted], Borst, William Frederick Ernst (also William Frecerick Borst).
[redacted], Bosch, Maria, or Maria Gasne y Valencia De Bosch.
[redacted], Brozda, Bruno Ludwig.
[redacted], Burkle, Angela Augusta (nee Trentmann).
[redacted], Bustamante, Pedro.
[redacted], Cabrera, Luis Quiros, or Luis Quiros.
[redacted], Caneira, Joao Antonio; John Antonio Lavarado; Joao Caneira Lavarado.
[redacted], Cannon, John Dyson.
[redacted], Cannon, Patricia Ivy.
[redacted], Caputo, Andrew or Andrea.
[redacted], Carlson, Carl Ivar, or Karl Ivar Karlsson.
[redacted], Carpico, Lorenzo (alias Lawrence Carpico).
[redacted], Carrasco, Therese (nee Teresa Preciado).
[redacted], Catania, Vincenzo, or James Catania.
[redacted], Catingub, Glicerio Tenchavez, or Glicerio Serna, Sam Lohn.
[redacted], Catingub, Saturnina Reyes.
[redacted], Chandler, Eustace Anysley (alias George Chandler).
[redacted], Chateau, Felix Victor Henri, or Felix Chateau or Felix Victor Chateau.
[redacted], Chau, Gee Lun, or Lew Shee (Lew Gee Lun) or Lew Gee Lun or Lee Shee.
[redacted], Chau, Lim Hung, or Chau Lim Hung or Chau (Jew) Lim Hung or Henry Chau.
[redacted], Chien, Helen Jeanne.
[redacted], Chen, Tung Chang.
[redacted], Chen, Tung-Yu, or Jeannette Chen Tung-Yu Jeannette Chen.
[redacted], Chernos, Joseph.
[redacted], Christensen, Jens.
[redacted], Conde, Jose.
[redacted], Coppa, Carmelo.
[redacted], Curran, Owen Gerard.
[redacted], Czaikowsky, Jozef, or Joseph Choda.
[redacted], Da Graca, Eduardo (alias Edward Grace).
[redacted], Da Silva, Antonio Joaquim.
[redacted], Dactylidis, Evangelos Dimitrios.
[redacted], De Castro, Enid Marjorie.
[redacted], De Escobedo, Teresa Villa Michel (nee Michel).
[redacted], De Flores; Luisa Chavarria, or Luisa Chavarria-Reyes.
[redacted], De Llamas, Maria Del Refugio Esquivel.
[redacted], De Lopez, Marta Mendoza, or Marta Mendoza de Munoz.
[redacted], De Martinez, Eulogia Reyna, or Eulogia Reyna or Eulogia Reyna De Picasie.
[redacted], De Mendonca, Juliao Furtado, or John Rodrigues or John Furtado.
[redacted], De Rodriguez, Alejandra Gonzalez Delgadillo.
[redacted], Rodriguez, Leon Garcia.
[redacted], De Rosas, Maria Agundez.
[redacted], Deneau, Marvin.
[redacted], Derosier, Maisie Mary, or Maisie Mary Derosa or Maisie Derosier.
[redacted], Desmarais, Estela Emma.
[redacted], Deveau, Harry Henry.
[redacted], Deveau, Marie Domethilde, or Marie Le Blanc.
[redacted], Diaz-Lomeli, Toribio, or Juan Perez or Jose Miranda.
[redacted], Dienesch, Johann, or John Dienesch.
[redacted], Dilalla, John, or Giovannattonio Dilalla.
[redacted], Dimitroff, Milenko, or Milo Dimitroff or Milenko Demetroff or Milo Demetroff or Mike Dimitroff or Menelaos Miliangos or Menelaos Diom Milianis.
[redacted], Dollah, Amir Bin, or Winalaeng Anthony or Hermanus or Herman Anthony.
[redacted], Duff, William.
[redacted], Durazo-Murillo, Jose Trinidad.
[redacted], Durazo-Murillo, Mercedes.
[redacted], Eide, Malvin Hansen, or Melvin Hansen Eide.
[redacted], Einheiber, Schame Berl, or Sidney Berl Einheber or Schame Berl Einheiber (alias Sidney Berl Einheber alias Jack Orman or Jack Orman).
[redacted], Esteves, Manuel Rosales.
[redacted], Estwick, Saint Clair Aubrey.
[redacted], Evtikhieff, Alexander Nicholas.
[redacted], Evtikhieff, Taistia (nee Blinoff).
[redacted], Falquez, Guadalupe Gomez, or Guadalupe Gomez or Guadalupe Aguirre or Guadalupe Gomez Fontes or Guadalupe Gomez Olvera.
[redacted], Fatovic, Ante, or Anthony Fatovic.
[redacted], Faur-Kovach, Anna (nee Savony).
[redacted], Fernandes, Antonio, or Antonio Fernandez Cortez.
[redacted], Fernandez-Mendez, Jose.
[redacted], Filipas, George, or Giorgio Filipas.
[redacted], Flaman, Joseph, or Joseph Fleming.
[redacted], Fohr, Terezia, or Terezia Mueller.
[redacted], Fong, Yee Get, or Fong Yee Get.
[redacted], Fung, Ka, or Carl Fung.
[redacted], Gajdos, Andrew, or Ondrej Gajdos.
[redacted], Galaviz, Antonio, or Antonio Galaviz Valdez or Antonio Galaviz Medina or Juan Antonio Galaviz.
[redacted], Ganazlez, Biendenido Teodoro.
[redacted], Gandolfo, Pietro, or Pete Gandolfo.
[redacted], Gasca, Gabriel.
[redacted], Gee, Chung Yuk, or Chung Shee or Lam Kee or Lum Chun Shee or Chee.
[redacted], Gold, Sam, or Shmelich Kogonovitch.
[redacted], Goldfarb, Olga Caplin, or Olga Goldfarb Moskowitz or Anna Moskowitz or Rachael Bader.
[redacted], Gomez, Joseph Isabel, or Joseph I. Castillo.
[redacted], Goncar, Joseph or Joseph Goncar Smith.
[redacted], Gonzales-Madrigal, Salvador.
[redacted], Gray, Mary, or May Mackintosh.
[redacted], Greenfield, Ben.
[redacted], Griffith, Pamela Ann or McGuire.
[redacted], Griffith, Victoria Mary (nee de Leon).
[redacted], Grimanis, Demetrios.
[redacted], Groll, Majer Marcus, or Mayer Groll or Mark Groll.
[redacted], Guerrero, Luisa Torres, or Luisa Torres.
[redacted], Gugliotti, Carmine, or Charles Gugliotti.
[redacted], Guida, Mathilda Marion.
[redacted], Guzman-Villalobos, Hilario.
[redacted], Harris, Nathan Benjamin.
[redacted], Hartung, Eckbert Michael Heinz.

[redacted], Hassan, Sayeda Mahgoub Mohamed Hanafi, or Sayda Hahgoub Mohammed Hahafi Hassan, Sayda Mahgoub Hanafi Hassan (nee Hanafi, Sayeda Mohamed Hanafi, Sayeda Hassan).
[redacted], Hecker, Edgar Alexander (also known as Edgar Alexander Mourey).
[redacted], Hencke, Wilhelm Carl, or William Carl, or William Kalow.
[redacted], Herbert, Lionel Austin Lee (alias Lionel Austin Lee Triggs-Herbert).
[redacted], Herberth, Maria.
[redacted], Hermanovsky, Askold, or Askold Felix Hermanovsky, or Askolds Feliss Hermanovskis.
[redacted] Hernandez, Rodolfo Rodriguez, or Rodolfo Chavez.
[redacted], Herrmann, Charles Henry.
[redacted], Hickman, Ingeborg (nee Killan).
[redacted] Ho, Laura Wen-Wei Fong (nee Laura Wen-Wei Fong).
[redacted], Hodge, Clothilda Albertha or Fahlie.
[redacted], Hok, Quon On, or Quon On or On H. Quon.
[redacted], Holstein, David, or Dezso Holczstein.
[redacted], Hong, Chang Kan, or Wy Hong.
[redacted], Iovanut, Vasile.
[redacted], Ip, Ching-U.
[redacted], Isaksen, Isak William.
[redacted], Jackson, Benjamin, or Benny Jackson.
[redacted], Jaquez, Antonio.
[redacted] Jerman, Pawel, or Pawel Korczak.
[redacted], Kadas, James Louis, or Emeric Louis Kadas or James Kadas or Iwre Kadas.
[redacted], Keczan, Gyorgy, or George Keczan or George Kecan.
[redacted], Keppler, Minna.
[redacted], Kirkinis, Peter Spyros, or Petros Spyros Kirkinis.
[redacted], Kirs, Oskar.
[redacted], Knudsen, Olive Beulah (nee Thompson).
[redacted], Kollen, Derk, or Dirk Kollen.
[redacted], Konrad, Wilhelm, or William Conrad.
[redacted], Kontogeorge, Nick Kostas, or Nick Constantinos Kontogeorge or Nick Constinos Contogeorge.
[redacted], Kostanoff, Atanas Naum, or Tom Kostanoff.
[redacted], Krawciw, Stefan.
[redacted], Kristensen, Kaare, or Kare Kristensen.
[redacted], Kromdijk, Wilhelmus Franciscus, or William Francis Kromdijk.
[redacted], Kruse, Hans Holger Ekkart.
[redacted], Lamberton, Robert Ferdinand (alias Robert Hans Ferdinand Lenaerts).
[redacted], Lamclos, Edalia Delida (nee Smith).
[redacted], Larsen, Helge Carl.
[redacted], Larsen, Reidar.
[redacted], Lee, Sheridan Hsio-Tao.
[redacted], Leidemann, Erhard Franz Rudolf.
[redacted], Leng, Junior, Christopher.
[redacted], Levy, George Raphael.
[redacted], Macropoulos, Achilles Konstantine, or Achille K. Macropoulos.
[redacted], Madamba, Jorge Arzaga.
[redacted], Malkhasian, Maria (nee Khojayian Sinamian or Mary or Marisa Malkjasian).
[redacted], Mandujano-Urbano, Jesus.
[redacted], Mantzouras, Constantinos Demetrios, or Costas Mantzouras.
[redacted], Mantzouras, Elias Demetrios, or Ilias Dimitriou Mantzouras Matsouras.
[redacted], Mashkovzeff, Stanislava Kazemirevna.
[redacted], Mata, Clara, or Clara Luz Mata or Clara Mata Salinas.
[redacted] Mattina, Concetta (nee Morreale).
[redacted], Maudrame, Theodore.
[redacted], Maus, Jacob.
[redacted], Maus, Katherine.
[redacted], Maxwell, Coburn Dain.
[redacted], Mazurkiewicz, Jan, or John Mazurkiewicz.
[redacted] McDonnell, Ella Gertrude, or Ella Gertrude Macdonnell (nee Fitzgerald).
[redacted] Mekota, Marie or Maria (nee Zsilinszky (Zsilinsky)).
[redacted], Meling, Hans Kristian.
[redacted], Meren, Joseph, or Guiseppe Meren.
[redacted], Merry, Fanny Louisa, or Louise Merry.
[redacted], Merry, Francis John, or Frank John Merry.
[redacted], Mitchell, George Ernest (alias Noel Drayton).
[redacted], Molano, Edward Joseph, or Hernando Eduard Molano or Herman Molano.
[redacted], Molfesis, Elias Antonis.
[redacted], Molfetas, Spyridon, or Spiros Molfetas or Molfis or Molefis.
[redacted], Molnar, Yolanda Margaret.
[redacted], Morales, Nicolas Concepcion.
[redacted], Morales, Maria Wijsfinger.
[redacted], Motecus, Frank, or Pranas Motecius.
[redacted], Moutafis, Panagiotis, or Pete Moitis.
[redacted], Mrazek, Emanuel, or Emanuel Mracek or Fred Koerner.
[redacted], Natali, Gervasio, or Gerry Nata.
[redacted], Nejman, Chaim, or Charles Nejman or Neiman.
[redacted], Nelson, Alena, or Elena Pacinaityte or Alena Miller or Victoria Miller.
[redacted], Neves, Joaquim Duarte (alias Jack Duarte).
[redacted], Ogilvie, Donald Fitzgerald, or Donald Fitzgerald Bloomfield.
[redacted], Olsen, Ole Alfred.
[redacted], Osinga, Ellen Marjorie Hephzibah, or Ellen M. Osinga.
[redacted], Palomba, Salvatore.
[redacted], Panagopoulos, Efthimios Peter, or Tom Peter Poulos.
[redacted], Panos, Andonios, or Tony Panoff or Doncho Mincoff.
[redacted], Park, Elizabeth Gertrude (formerly Elizabeth Gertrude Reed).
[redacted], Pascu, Elena.
[redacted], Pascu, Livia.
[redacted], Passalacqua, Silvio.
[redacted], Pasut, Agostino.
[redacted], Pazos, Manuel Fernandez, or Manuel Fernandez Pazos.
[redacted], Pearson, Samah Alexander.
[redacted], Pedersen, Karl Leo, or Carl Leo Pedersen.
[redacted] Perez, Ignacio.
[redacted], Perez, Juan.
[redacted], Perez, Jose Baldemero, or Jose Perez Lloret.
[redacted], Perreman, Pierre Gustaaf, or Peter Gus Perreman.
[redacted], Person, Nils Nilson, or Nils Nilsson Rodrich or Nils Nilsson (also known as Frank Nelson or Nils Nelson or Nils Rodrick).
[redacted], Petillo, Eduardo, or Edward Petillo or Frank Petillo.
[redacted], Pierce, Anne Rita.
[redacted], Pierce, James Bernard.
[redacted], Pissolito, Pietro, or Pete Pissolto or Pete Pissolito.
[redacted], Ponsen, Gerrit Dionisius Jacques Cornelis, or Joseph Dionsisius Posum.
[redacted], Ponton, Manuel Rivas (alias Manuel Rivas y Ponton or Manuel Rivas).
[redacted] Pouillion, Pierre, or Pierre Pouillon.
[redacted], Pousatis, Vasilios Michael (alias Bill Hatzes).
[redacted], Pouso, John, or John Poso or Juan Pouso or John Poseo.
[redacted], Primosigh, Gustav Viktor.
[redacted], Raavik, August Taaniel.
[redacted], Rabon, Antonio Pan, or Tony Pong.
[redacted], Raddell, Frank, or Franc Radelj.
[redacted], Raftopoulos, Gerasimos Sacrates, or Raftis, Jerry.
[redacted], Rambing, Bastian, or Ratag Bastian Rambing or Arnocoukar.
[redacted], Ramirez-Garnica, Efrain, or Ygnacio Ramirez.
[redacted] Raphael, Cecil.
[redacted], Rascon-Uranga, Francisco.
[redacted] Rear, Margarita Flores.
[redacted], Ready, Bessie, Bessie Dyer (maiden name).
[redacted], Ready, Patrick John.
[redacted], Ready, Vincent Hugh.
[redacted], Rebarber, Francis Joseph.
[redacted], Rebenstock, Filip.
[redacted] Reinartz, Klara, or Klara Schaefer or Klara Hoppe.
[redacted], Reisinger, Martin.
[redacted], Richardson, Albert Nicholas.
[redacted], Richardson, Ellen Marie.
[redacted] Rios, Rodolfo, or Rudolf Rios or Rodolfo Rios Aranda.
[redacted], Robinson, Earl Denzil.
[redacted] Rodrigues, Gaspar.
[redacted], Rodriguez-Barberii, Efrain Emeterio.
[redacted] Rodriguez, Segundo, or Segundo Rodriquez.
[redacted], Roelofs, Johanna.
[redacted], Roggia, Bruno.
[redacted], Rojas, Maria Luisa, or Maria Luisa Rojas De Resendez.
[redacted] Rojas-Gomez, Baltazar, or Baltazar Rojas.
[redacted] De Rojas, Michaela Reyes.
[redacted], Rojas-Reyes, Catalina.
[redacted], Roos, Pieter Cornelis.
[redacted] Roos, Helen Elizabeth (nee (Pigeon).
[redacted], Rubio-Sanchez, Sebastian (alias Sebastian Sanchez Rubio; Rubio S. Sanchez).
[redacted] Ruffoni, Antonio Geosue, or Jose Rossi or Alfred Aquistopace.
[redacted], Rusin, John Steven (also John S. Ofsonka).
[redacted] Sadgrove, John Edwin, or Charles Trevor Brent.
[redacted], Sala, Jose Costa, or Jose Prats Serra.
[redacted], Salminen, Clara Ray (formerly Freyermuth nee Hanlon).
[redacted] Salvet, Emma, or Emma Swetonic or Svitonek.
[redacted], Sammels, Joseph Oscar, or John Sammels or Joseph George Sammels.
[redacted], Sanchez-Gonzalez, Gilberto, or Gilberto Sanchez or Gilberto Gonzalez Sanchez.
[redacted], Satray, Louis Edgard, or Louis Edgard Schwartz.
[redacted], Sauerlender, Oscar Sewell, or Oscar S. Sauerlender.
[redacted], Savala, Manuel Reyes, or Manuel Reyes Zavala.
[redacted], Schiller, Sigrid Augusta (nee Andriassen).
[redacted], Schlue, Charles Wilheim.
[redacted], Schramm, Emma Bertha Friederike.
[redacted], Schramm, Gustav Adolf Louis Wilhelm.
[redacted] Scuderi, Carmelo.
[redacted], Seid, Gam Jun, or Kam Jun Seid or Seid Kam Jun.
[redacted], Seijas, Jose Fernandez.
[redacted] Lemus-Serrano, Francisco, or Francisco Lemus-Serrano or Francisco Lemus Serrano.
[redacted] Shapiro, Adeline Chagnon (alias Adeline Chagnon).
[redacted], Siaba, Manuel, or Malvarez, Manuel Siaba or Sadamalbares, Manuel or Sabo, Manuel.
[redacted] Silldorff, Rita (nee Rederiksen, alias Rita Jensen).
[redacted], Silvestri, Henri, or Henry Silvestri.
[redacted], Simon, Magdalena.
[redacted], Sjostrom, Isak Erick, or Eric Erickson.
[redacted], Smolich, Augustus, or Augustin Smolich.
[redacted], Sofikitis, Demitros, or Demetrios Sofikitis or James Sofikitis.

[redacted], Sousouris, Louis, or Leonidas Sousouris.
[redacted], Sove, Ole Johan.
[redacted], Sparozich, John.
[redacted], Spielman, Zelda, or Zelda Gizella Spielman.
[redacted], Spinati, Nicola Mario, or Nicola Mario Spinati.
[redacted], Stilling, Sandra Helen, or Sandra Helen Cryderman.
[redacted], Stokel, Antonietta (nee Altea).
[redacted], Stowe, Aubrey Edwin.
[redacted], Struhs, Henry.
[redacted], Sung Henry Hsien-Yung, or Hsien Yung Sung.
[redacted], Suzuki, Nobuo.
[redacted], Swanton, Richard Alfred Ernest.
[redacted], Szymanski, John Joseph.
[redacted], Tani, Denkichi.
[redacted], Tarango, Josefa.
[redacted], Martinez, Ramona.
[redacted], Thury, Elizabeth (nee Geschrey).
[redacted], Todte, Rudolf.
[redacted], Trojanowski, Aleksander.
[redacted], Tsangaris, Haralambos Markos, or Harry Tsangaris.
[redacted], Tsanopoulos, Nicholas.
[redacted], Tsai, Albert Lou Suen, or Lou Suen Tsai.
[redacted], Twinchek, Mary Antoinette, or Mary Antoinette Pittgrino.
[redacted], Vallianos, Gerassimos P., or Gerry P. Vallianos.
[redacted], Urtaza-Cabrera, Francisco.
[redacted], Vagianos, Nicholas Michael.
[redacted], Vakerlis, Marie George (alias Marie Keramida).
[redacted], Valerio, Juan.
[redacted], De Valerio, Maria Alaniz, or Maria Alaniz-Gonzales.
[redacted], Varga, Antoniu.
[redacted], De Vasquez, Dolores Silva, or Dolores Silva.
[redacted], Ventouras, Ioannis Dimitrios.
[redacted], Venturas, Christos Nicholoas (alias Chris Vans).
[redacted], Virgo Selvyn or Selwyn or Selvin.
[redacted], Vittoratos, John Gerassimos, or John Victor.
[redacted], Vlamis, Phillip T., or Filippos Vlamis.
[redacted], Vlisides, Sam Hetros or Slamatios.
[redacted], Wah, Lee Yow, or Lee Wah or Wah Lee or Tommy Lee.
[redacted], Ward, Amos Alexander, or Amos Ward.
[redacted], Warnken, Helen Agatha Marjory.
[redacted], Weber, Doreen Florence, or Doreen Florence McCoy.
[redacted], Westover, Edwin Harold.
[redacted], Whangbo, Ik Jun, or Eugene Whangbo or Eugene Park Hwangbo or Ik Choon Whangbo.
[redacted], White, Aimee Lucy De Mowbray Bone, or Aimee Lucy De Mowbray Bond.
[redacted], White, Mary Eva (nee Mullin).
[redacted], Wikiel, Mieczyslaw, or Mitchell M. Wickel or Mitchell Wickel.
[redacted], Williams, Irene Constantia, or Irene Constancia Williams.
[redacted], Wilson, Mary Augusta, or Mary Augusta Teske or Mary Teski.
[redacted], Wing, Char.
[redacted], Wong, Gim Foon.
[redacted], Wong, Ho, or Pak Chung Wong.
[redacted], Wong, Kah-King.
[redacted], Yagoda, Jona, or Jona Jagoda or Joseph Silverman or Joe Silverman Jagoda or Jose Iesek or Iezek or Tezek or Izek.
[redacted], Yoanou, Nicola, or Nicola Kousma Ioanou.
[redacted], Yoshida, Toshiko.
[redacted], Yung, Ching, or Yung Ching.
[redacted], Zammitt, Kenneth Joseph A.
[redacted], Zammit, Norman Charles.
[redacted], Zorrilla, Anibal Augustin.

[redacted], Facchin, Umberto, or Alberto Feroli.
[redacted], Fellensteiner, Josef Harold.
[redacted], Feola, Joseph, or Giuseppe Feola.
[redacted], Hsih-Heng, Wang (also Si Heng Wang).
[redacted], Wang, Louise Siu-Tuan Chen.
[redacted], Adler, Katherina, or Katherine (nee Germani Schskaja).
[redacted], Di Vito, Frank or Francesco.
[redacted], Giordano, Nicola.
[redacted], Iliades, Constantine Emanuel or Iliades, Kosstas.
[redacted], Kim, Chang Ha.
[redacted], Paap, Cornelia.
[redacted], Paap, Antonie.
[redacted], Stefenatos, Apostolos, or Apostolos Stephenatos.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HENDRICKSON:

S. 3603. A bill for the relief of Sister Anna Ettl;

S. 3604. A bill for the relief of Mitsu Komai; and

S. 3605. A bill for the relief of Dr. Alexander Renner and Mrs. Teresa Renner; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 3606. A bill for the relief of Linda Ann and Christina Jean Kerschen; to the Committee on the Judiciary.

By Mr. MYERS:

S. 3607. A bill to incorporate the Italian-American World War Veterans of the United States; and

S. 3608. A bill authorizing the naturalization of Leilah Alaoui Mullin; to the Committee on the Judiciary.

By Mr. McMAHON:

S. 3609. A bill for the relief of Heinz Lichtenstern and family; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 3610. A bill for the relief of R. W. Harris, authorized certifying officer, Bureau of Federal Supply, Treasury Department; to the Committee on the Judiciary.

By Mr. McCARRAN (by request):

S. 3611. A bill for the relief of Dorrance Ulvin, former certifying officer, and for the relief of Guy F. Allen, former Chief Disbursing Officer;

S. 3612. A bill for the relief of M. S. Davis;

S. 3613. A bill for the relief of certain Chinese stewards of the United States Navy; and

S. 3614. A bill for the relief of John B. Underwood, Jr., TMC, United States Navy; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3615. A bill for the relief of Elena Bohdanecka; to the Committee on the Judiciary.

By Mr. SALTONSTALL (by request):

S. 3616. A bill to recognize nonprofit nonpolitical veterans' organizations for purposes of bestowing upon them certain benefits, rights, privileges, and prerogatives; to the Committee on Finance.

By Mr. LANGER:

S. 3617. A bill for the relief of Hans Udo von Schultz; to the Committee on the Judiciary.

LAURENCE A. STEINHARDT, LATE AMBASSADOR TO CANADA

Mr. LEHMAN submitted the following resolution (S. Res. 276), which was referred to the Committee on Foreign Relations:

Resolved, That it is the sense of the Senate that the services to his country of the late Ambassador to Canada, Hon. Laurence A. Steinhardt, were of a high and devoted order and that he died in the line of duty.

Resolved, That the Senate hereby expresses its high praise of his sacrifice and recognizes that his skill and courage in the administration of his difficult responsibilities reflected great credit to himself and to the United States.

Resolved, That the Secretary of the Senate transmit a copy of these resolutions to the family of the late Ambassador.

MRS. JENNIE M. GARDNER—INDEFINITE POSTPONEMENT OF BILL

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the Committee on Finance be discharged from the further consideration of the bill (S. 3271) for the relief of Mrs. Jennie M. Gardner, and that it be indefinitely postponed.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Jersey? The Chair hears none, and it is so ordered.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles and referred, or ordered to be placed on the calendar, as indicated:

H. R. 1991. An act for the relief of Alexander Stewart;

H. R. 2225. An act for the relief of William B. Buol;

H. R. 2229. An act for the relief of John P. Hayes;

H. R. 2535. An act for the relief of Samuel J. D. Marshall;

H. R. 2766. An act for the relief of Maria Geertriude Mulders;

H. R. 3007. An act for the relief of Harry C. Goakes;

H. R. 3535. An act for the relief of William A. Cross;

H. R. 3805. An act for the relief of Yuk Onn Won;

H. R. 4140. An act for the relief of the Great American Indemnity Co.;

H. R. 4364. An act for the relief of Mrs. Ruth B. Moore, John Robert Lusk III, John R. Lusk, Sr., Mrs. Minnie P. Pruitt, and Mrs. Billie John Bickle;

H. R. 4370. An act for the relief of May Hosken;

H. R. 4803. An act for the relief of Bernard F. Elmers;

H. R. 4960. An act for the relief of Mrs. Elizabeth H. Whitney;

H. R. 5221. An act for the relief of Mrs. Maria Grazia Riccio DiPietro;

H. R. 5252. An act for the relief of W. M. Tindal;

H. R. 5799. An act for the relief of the Acme Finance Co.;

H. R. 5947. An act for the relief of Alfio Batelli;

H. R. 6066. An act for the relief of Cheng Sick Yuen;

H. R. 6416. An act for the relief of Paul E. Rocke;

H. R. 6482. An act for the relief of Antonio Artolozaga Euscola;

H. R. 6644. An act for the relief of Edwin F. Rounds;

H. R. 7315. An act for the relief of Daijiro Yoshida;

H. R. 7564. An act for the relief of Maria Margareta Ries and Konrad Horst Wilhelm Ries;

H. R. 7991. An act for the relief of D. C. Hall Motor Transportation; and

H. R. 8290. An act for the relief of Jeffrey Bracken Spruill and Susan Spruill; to the Committee on the Judiciary.

H. R. 5074. An act to promote the national defense by authorizing specifically certain functions of the National Advisory Committee for Aeronautics necessary to the effective prosecution of aeronautical research, and for other purposes; to the Committee on Armed Services.

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors; to the Committee on Finance.

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806; ordered to be placed on the calendar.

H. R. 8287. An act to authorize the Secretary of the Interior to issue duplicate of William Gerard's script certificate No. 2, subdivision 13, to Lucy P. Crowell; to the Committee on Interior and Insular Affairs.

FLOOD CONTROL, IRRIGATION, AND POWER PROJECTS IN OKLAHOMA

[Mr. THOMAS of Oklahoma asked and obtained leave to have printed in the RECORD a statement relating to flood control, irrigation, and power projects in the State of Oklahoma, which appears in the Appendix.]

ADDRESS BY DR. ABBA HILLEL SILVER ON THE SECOND ANNIVERSARY OF ESTABLISHMENT OF THE STATE OF ISRAEL

[Mr. TAFT asked and obtained leave to have printed in the RECORD an address delivered by Dr. Abba Hillel Silver on the second anniversary of the establishment of the State of Israel, the address being delivered at Madison Square Garden, in New York City, on May 11, 1950, which appears in the Appendix.]

USE OF THE ATOM BOMB WHEN NOT NECESSARY—EDITORIAL FROM THE ASHLAND (WIS.) DAILY PRESS

[Mr. TAFT asked and obtained leave to have printed in the RECORD an editoral entitled "The Horror of Having Used the Atom Bomb When it Was Not Necessary," published in the Ashland (Wis.) Daily Press of May 11, 1950, which appears in the Appendix.]

PERSONS NATURALIZED IN FISCAL YEARS 1948 AND 1949

[Mr. GREEN asked and obtained leave to have printed in the RECORD a table listing by States the number of persons naturalized during the fiscal years 1948 and 1949, which appears in the Appendix.]

ORGANIZATION OF ALL-AMERICAN CONFERENCE TO COMBAT COMMUNISM

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a statement of policy, abstracts from the minutes of the organization meeting, a list of the officers, newspaper comments, and a statement prepared by him relating to the organization of the All-American Conference to Combat Communism, which appear in the Appendix.]

PRESIDENT TRUMAN'S POINT 4—ADDRESS BY DEWEY ANDERSON

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement summarizing an address by Dr. Dewey Anderson, director of the Public Affairs Institute, at the annual meeting of the Nation Associates in New York, April 29, 1950, which appears in the Appendix.]

INVOCATION BY REV. GEORGE G. HIGGINS

[Mr HUMPHREY asked and obtained leave to have printed in the RECORD the invocation delivered at the national convention of Americans for Democratic Action on April 1, 1950, by Rev. George G. Higgins, assistant director of the Social Action Department of the National Catholic Welfare Conference, which appears in the Appendix.]

CIVIL RIGHTS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "TWUA Ignores Rights Barriers," by Murray Kempton, from the New York Post of May 8, 1950, which appears in the Appendix.]

APPRENTICES IN GOVERNMENT SERVICE TO VETERANS—LETTER FROM J. F. VICTORY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a letter from J. F. Victory, executive secretary of the National Advisory Committee for Aeronautics, dated May 3, 1950, regarding appointment of apprentices in Government service to veterans, with the names of the committee, which appears in the Appendix.]

PROPOSED TRANSFER OF WATSON LABORATORIES—COMMUNICATIONS AND NEWS COMMENT

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD several communications and an article from the Rome Daily Sentinel regarding the proposed transfer of the Watson Laboratories from Red Bank, N. J., to Rome, N. Y., which appear in the Appendix.]

TWO WORLDS?—OR ONE? OR NONE

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article entitled "Two Worlds?—Or One? Or None," written by Betty Knowles Hunt, and published in the New Hampshire Morning Union of May 13, 1950, which appears in the Appendix.]

NATIONAL AFFAIRS PLATFORM OF THE AMERICAN VETERANS COMMITTEE

[Mr. BENTON asked and obtained leave to have printed in the RECORD the National Affairs Platform of the American Veterans Committee adopted at its fourth annual convention at Chicago, Ill., in November 1949, which appears in the Appendix.]

INTERNATIONAL AFFAIRS PLATFORM OF THE AMERICAN VETERANS COMMITTEE

[Mr. BENTON asked and obtained leave to have printed in the RECORD the International Affairs Platform of the American Veterans Committee, adopted by its fourth annual convention at Chicago, Ill., in November 1949, which appears in the Appendix.]

THE ST. LAWRENCE SEAWAY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him relating to the proposed St. Lawrence seaway, a statement by Mr. George M. Humphrey, president of the M. A. Hanna Co., on the need of the American steel industry for new sources of iron ore, an editorial from the April 1950 issue of Great Lakes Outlook, and a list of American leaders who serve in the Great Lakes-St. Lawrence Association which appear in the Appendix.]

EFFECT OF PROPOSED TARIFF REDUCTION ON AMERICAN LEATHER-GLOVE INDUSTRY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement on the effect of the proposed tariff reduction on the American leather-glove industry, prepared by the National Association of Leather Glove Manufacturers, under date of May 5, 1950, which appears in the Appendix.]

NEED FOR THE MARINE CORPS—EDITORIAL FROM THE TERRE HAUTE STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Nation Needs Marines," published in the Terre Haute Star on April 18, 1950, which appears in the Appendix.]

THE ARGUMENT ABOUT "SOCIALISM"—EDITORIAL BY WALTER LECKRONE

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "The Argument About 'Socialism,'" written by Walter Leckrone and published in the Indianapolis (Ind.) Times on May 14, 1950, which appears in the Appendix.]

FOR A REPUBLICAN CONGRESS IN 1952—NO RUBBER STAMP APPROVAL OF SOCIALIST PROGRAM—ADDRESS BY SENATOR TAFT

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD a radio address delivered by Senator TAFT on the principles of the Republican Party, on Tuesday, May 16, 1950, which appears in the Appendix.]

FEDERAL FAIR EMPLOYMENT PRACTICE ACT—CLOTURE MOTION

The Senate resumed the consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. LUCAS. Mr. President, as all Senators know, the Senate has under consideration Senate bill 1728, to prohibit discrimination in employment because of race, religion, or national origin. I send to the desk a petition, and ask that the clerk read it.

The VICE PRESIDENT. Under the unanimous-consent agreement of yesterday the junior Senator from Minnesota [Mr. HUMPHREY] has the right to the floor. Does he yield?

Mr. LUCAS. Mr. President, will the Senator from Minnesota yield in order that I may make this request, without the Senator losing the floor?

Mr. HUMPHREY. Yes; I am happy to yield.

The VICE PRESIDENT. Under the rule the Chair is required to state the proposal to the Senate. The Chair will ask unanimous consent that he may authorize the clerk to read it. Without objection, it is so ordered, and the clerk will read.

The legislative clerk read as follows:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the motion of Mr. LUCAS that the Senate proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, color, religion, or national origin.

SCOTT W. LUCAS; FRANCIS J. MYERS; BRIEN MCMAHON; MATTHEW M. NEELY; ELBERT D. THOMAS; DENNIS CHAVEZ; WM. BENTON; PAUL H. DOUGLAS; HERBERT H. LEHMAN; HARLEY M. KILGORE; THEODORE FRANCIS GREEN; HUBERT H. HUMPHREY; EDWARD L. LEAHY; GLEN TAYLOR; HOMER E. CAPEHART; B. B. HICKENLOOPER (by KENNETH S. WHERRY); FORREST C. DONNELL; CHARLES W. TOBEY; ROBERT A. TAFT; WILLIAM F. KNOWLAND; KENNETH S. WHERRY; HOMER FERGUSON; WILLIAM E. JENNER; LEVERETT SALTONSTALL; H. C. LODGE; EDWARD J. THYE; H. ALEXANDER SMITH; MARGARET CHASE SMITH; ROBERT C. HENDRICKSON; GEORGE D. AIKEN; I. M. IVES; JOHN W. BRICKER; JAMES P. KEM; OWEN BREWSTER; HUGH BUTLER; HARRY DARBY; ANDREW F. SCHOEPPEL; JOE MCCARTHY; ARTHUR V. WATKINS; EDWARD MARTIN.

Mr. LUCAS. Mr. President, I should like to make a brief statement.

The VICE PRESIDENT. For the benefit of the Senate, the Chair would like to announce that under the rule 1 hour from the hour of meeting on Friday, the Chair will lay the cloture petition before the Senate, and automatically will have a quorum called, and after that the

vote will be taken without further debate.

The Senator from Illinois.

Mr. LUCAS. Mr. President, the distinguished Vice President has said practically what I had intended to say.

The VICE PRESIDENT. The Chair apologizes to the Senator.

Mr. LUCAS. No; the Senator from Illinois is very happy that the Vice President made the statement, because he has more influence with Senators than I have, and I am satisfied that as a result of the statement made, Senators will be present Friday. That is the point I desired to emphasize.

I reiterate what I previously said with respect to the importance of the vote. I appeal to Senators to be present on Friday at 1 o'clock, because the Senate will no doubt convene at 12 o'clock, and therefore, under the rule, as the distinguished Vice President has said, 1 hour thereafter the vote will be taken automatically under the rule.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I do not have the floor, but with the permission of the Senator from Minnesota, I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the majority leader if he plans to take up for consideration any of the resolutions dealing with reorganization plans prior to the vote at 1 o'clock on Friday.

Mr. LUCAS. The Senator from Colorado [Mr. JOHNSON] served notice yesterday that two plans would be taken up as soon as he could obtain the floor today. I believe that is correct; is it not?

Mr. JOHNSON of Colorado. Yes.

Mr. LUCAS. The Senator from Minnesota, under the unanimous-consent agreement, has the floor at the present time.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Colorado. In that connection I will say that I shall attempt to secure the floor the moment the Senator from Minnesota, who secured the floor yesterday and has it now, completes his statement. I shall try to obtain the floor in order to move the consideration of Senate Resolution 253 disapproving Reorganization Plan No. 7. Later on I shall move to the consideration of Senate Resolution 256 dealing with Reorganization Plan No. 11.

Mr. LUCAS. Mr. President, of course, we all know that under the rule each of the resolutions could be debated for 10 hours. In the event the Senator from Colorado succeeds in having the first resolution considered, it is my hope that we may be able before we conclude the session today to complete action on it, as well as the other resolution dealing with plan No. 11, to which he referred. I now serve notice on the Senate that we may have a night session in order to do that very thing. I believe the time has come when we should proceed with some expedition, even though it necessitates a night session, to make disposition of the two resolutions. I believe we can complete action on both today.

Mr. JOHNSON of Colorado. Mr. President, will the Senator again yield?

Mr. LUCAS. I yield.

Mr. JOHNSON of Colorado. It is my hope, though I may be too optimistic, that we can have both resolutions out of the way by 4 o'clock today.

Mr. LUCAS. The Senator is very optimistic. I certainly hope his optimism will be justified. I doubt it, however.

The VICE PRESIDENT. Under the unanimous-consent agreement, the Senator from Minnesota [Mr. HUMPHREY] is recognized.

JOHN W. KERN, JUDGE, TAX COURT OF THE UNITED STATES—MESSAGE FROM THE PRESIDENT

Mr. LUCAS. Mr. President, will the Senator from Minnesota yield for a unanimous-consent request?

Mr. HUMPHREY. I am glad to yield to the Senator from Illinois if I do not lose my rights to the floor by doing so.

The VICE PRESIDENT. Without objection, the Senator from Minnesota yields to the Senator from Illinois without losing his rights to the floor.

Mr. LUCAS. Mr. President, the distinguished Senator from Missouri [Mr. DONNELL] has for some time been discussing the appointment and confirmation of the Honorable John W. Kern, who is now a judge of the Tax Court of the United States. The President of the United States has issued a release as a result of a resolution adopted by the Senate on May 9, and I ask unanimous consent that, as in executive session, the clerk read the release.

The VICE PRESIDENT. The Chair was just about to lay before the Senate a message from the President of the United States on that subject. The Chair lays the message before the Senate, as in executive session, and asks that it be read.

Mr. LUCAS. Mr. President, I stand corrected.

The legislative clerk read as follows:

To the Senate of the United States:

On May 10, 1950, there was delivered to the White House a resolution adopted by the Senate on May 9 requesting me to return to the Senate that body's resolution advising and consenting to the appointment of John W. Kern to be a judge of the Tax Court of the United States.

The nomination of Judge Kern was confirmed by the Senate on April 25, 1950. On the same day the Senate ordered that the President be immediately notified of this confirmation, and I was so notified on that day.

Judge Kern's commission, dated April 25, 1950, was signed by me and was delivered to him on April 27, 1950.

I am unable to comply with the Senate's request for the return of the resolution of confirmation because, before this request was received by me, I had signed and delivered the commission of Judge Kern to him in reliance upon the resolution of confirmation.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 17, 1950.*

The VICE PRESIDENT. The message will lie on the table.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed the consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. HUMPHREY. Mr. President, let me say at the beginning of my remarks that it is my intention not to yield for the purpose of permitting questions during the delivery of my prepared statement. Following the presentation of my statement, I shall be more than happy to receive whatever questions may be asked and to endeavor to answer them to the best of my ability.

Mr. President, I have no desire to prolong extensively the debate on this important motion and on this important measure. I feel that the question of whether S. 1728 should move from the calendar to the floor for consideration and a vote is one which can be decided rapidly and without lengthy debate. S. 1728 in this respect should be treated no differently than any proposal made by the majority leadership. Those who oppose this bill, or any bill, have ample opportunity to debate it in full once it reaches the floor and have every opportunity to oppose it and vote against it when that time comes.

The Senate of the United States has been accredited with being the greatest deliberative body in the world. Those of us who have the honor and the privilege to have been chosen by our fellow citizens to represent them in this distinguished body have a particular responsibility to maintain its dignity and prestige. I urge all of my colleagues, of whatever persuasion with regard to the merits of this bill, to be guided by that consideration.

The American people have a right to expect that the Senate of the United States will discuss and vote on all vital legislation which affects them. S. 1728, a Federal Fair Employment Practice Act, is one in which the American people are vitally interested. We of the United States Senate have a responsibility and a duty to allow this measure to reach the floor for our consideration and our vote. Although we have a responsibility to permit any minority to persuade and then actively to oppose legislation if their consciences so guide them, I submit that no minority has a right to prevent the Senate of the United States from considering and eventually voting on that legislation.

In the past, civil-rights legislation has been surrounded either by prolonged filibuster or by threats of filibuster. I urge the Senate of the United States not to enter into such a performance again. The United States cannot afford a prolonged filibuster, or, in more polite language, unlimited debate, if it is to maintain, abroad and at home, the dignity and prestige of the institutions of representative government.

Toward that end, therefore, I shall be content with a mere summary statement of my position and ask unanimous consent that the more detailed text of my remarks be placed in the body of the RECORD following my spoken comments.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, there is one point I wish to emphasize. S. 1728 is probably as significant a piece of legislation as we in the Congress of the United States will have an opportunity to consider. On it hinges not only the true fulfillment of our democratic heritage in America, but the prestige of democracy in the world. Discrimination in America on account of race, color, religion, or national origin, is a cancer in our body politic. Two-thirds of the people in the world are colored. So long as men and women and children of color are discriminated against in the United States, so long as they are denied equal opportunities, the colored peoples of the world have a right to suspect our professed friendship for them and to look upon our international efforts for world understanding and democracy with suspicion. At this time I wish to pay high tribute to the remarks of the junior Senator from Connecticut [Mr. BENTON] on this very subject. He delivered a masterful address in pointing out the relationships between the foreign policy of this country and its domestic policy, a policy which we are now considering in the field of civil rights.

Ralph Waldo Emerson once said:

> The peoples of the world cannot hear what we say because what we do keeps dinning in their ears.

Ralph Waldo Emerson had the insight of a great philosopher when he reminded us that our words seem empty but our actions seem to fill the atmosphere.

The preservation and extension of human rights is the paramount issue of our generation. Basic civil rights is the core of our struggle against Communist totalitarianism.

There has been a great deal of discussion on the floor of the Senate about Communism. Our antagonism to communism, our hatred of the Communist philosophy, is based upon the fact that communism denies basic civil rights, denies man's relationship to his God, denies the equality of men. So we hear all kinds of speeches in the Senate about what we should do about the Communists, when the one thing we could do to strike a real blow for freedom and a real blow against totalitarianism is to pass Senate bill 1728, which would open up the benefits of opportunity to all people, regardless of their race, color, national origin, or religion. The issue of civil rights penetrates our foreign policy and I submit that adulterates our domestic policy. By denying basic civil rights to American people because of their color or race or religion or national origin, we are denying the basic principles of human equality on which the foundations of American democracy rest.

This year of 1950 is a rather memorable and historic year, for it was fourscore and seven years ago, on January 1, 1863, that a noble American and a beloved President, issued for his day and for the pages of world history the Emancipation Proclamation. Fourscore and seven years ago, on November 19, 1863, Abraham Lincoln, standing bareheaded at Gettysburg, rededicated our Nation "to the proposition that all men are created equal."

We in the Congress of the United States today, then, have the opportunity and the privilege to say to the world that the great message of human equality proclaimed to the world by Thomas Jefferson and Abraham Lincoln and Franklin Roosevelt still remains the true beacon light which fashions and molds American life and American hopes and aspirations.

Americans believe in the Godlike principles of the Declaration of Independence that all men are created equal. Americans believe in a society based on human dignity and equal opportunity. That is the expressed purpose of Senate bill 1728, namely, to create a body of public law that will guarantee the realization and the protection of human dignity and equal opportunity.

Let us not allow a minority here in America, though it be strong here in the Senate of the United States, to becloud the true nature of the deep convictions of the American people.

Let us not forget that a majority of the American people have expressed their support for the legislation which we now propose to have the Senate of the United States consider. They have expressed their support through their churches, of all denominations, as the report of the committee of the House and the report of the members of the Senate Committee reveal; through their labor organizations, through their civic and community councils, and through the growing number of municipal and State FEPC ordinances.

Today, 50,000,000 Americans, or more than one-third of the country's population, live in communities governed by State and municipal FEPC laws.

Permit me to digress for a moment to cite the importance of this legislation for communities not now covered by FEPC laws. Many times during these debates I have heard our friends from the South say, "Why pick on the South?" Frankly, they have said that in many instances southern communities are more humane and more fair in their treatment of minority groups than are northern communities. I am not here to dispute that assertion. I simply say that, because of the migration of people, and particularly at this stage, the migration of Negro American citizens into the northern cities, it is of paramount importance that social patterns be established, and that we not allow a type of social pattern to be established in the communities which would be one of discrimination, bigotry, and intolerance.

I have heard my friends from some of the Southern States refer to violence in northern cities, to the lack of opportunity in northern communities on the part of minorities. I want to say to them in all charity, this is one of the reasons for our wanting a national or Federal FEPC Act, because we know that the people of the United States move from community to community and from State to State. We want to be sure that the patterns of human conduct are established in decent and equitable relationships in the new communities to which they go, whether the communities be in the North, the South, the East, or the West.

This proposed legislation has no sectional import. We are not trying to point the accusing finger at any one area of America. Discrimination is a universal sin in all parts of America. It is not the part, it should not be the part, of any Member of the Senate to feel that any one section of the country is being singled out for purposes of criticism or condemnation.

The issue is simply this: Are we to permit patterns of discrimination to become universal and to become set, or are we to legislate against actions and conduct—antisocial conduct—involving discrimination and intolerance?

Let us not forget these facts. Let us not allow the false issues raised by opponents of this proposed legislation to becloud the real issues. I shall have something to say about some of these false issues. To raise the issue of whether the Senate committee should have held hearings—and I make particular reference to that—to raise such an issue, even though hearings have been held since 1944 on this question, or to raise the issue of how early or how late the report on this bill was submitted is to talk with tongue in cheek.

Let me digress for a moment. I said yesterday on the floor of the Senate that with respect to hearings on fair-employment practices we have had thousands of hearings, we have had testimony from hundreds of witnesses. But now the issue has been raised that we have had no hearings on this bill in the Senate, in the Eighty-first Congress, despite the fact that on an identical bill in the House hearings were held. The House of Representatives is a coordinate branch of the Federal legislative process. But the question of hearings does not appear to be an issue, except when some of our friends want it to be.

Yesterday on the floor of the Senate I pointed out that the bill for the National Science Foundation, a bill of great import to the future of the Nation, was passed without even a yea-and-nay vote in the United States Senate, yet there were no hearings in the Eighty-first Congress. The bill entitled "Federal Aid to Education," a highly controversial piece of legislation, one which has provoked a great storm of criticism in America, was passed by the United States Senate without any hearings in the Eighty-first Congress. I did not hear any Senator rise on the floor of the Senate to say, "Where are the hearings?" As a matter of fact, members of both political parties, in committee and out of committee, said that in the previous hearings of the Eightieth Congress, and in other Congresses, we had all the testimony that it was possible to get.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I must say I want to yield to the majority leader, but I said at the beginning that I was not going to yield, and I desire to be fair.

We passed a school health services bill providing direct Federal assistance to every school child in America, and not 1 minute was spent in hearings on the bill, yet it was passed unanimously with

less than 10 minutes of consideration on the floor of the United States Senate.

This great hue and cry about the lack of hearings is a convenient argument. We have hearings when we need them. We have had hearings galore upon FEPC legislation, with thousands upon thousands of pages of testimony. When we see that there is no need of further hearings, because the testimony is in and the record is there for all men to read, it has been the policy of the United States Senate to proceed with the legislation. I submit that it ill behooves those who voted for Federal aid to education, who voted for the National Science Foundation bill, who voted for the school health services bill, all without any hearings in the Eighty-first Congress—and the school health services bill did not even have any hearings in the Eightieth Congress, the Seventy-ninth, the Seventy-eighth, or the Seventy-seventh—it ill behooves those Senators to rise in righteous indignation and say, "This is a momentous piece of legislation. We cannot consider FEPC without hearings in the Senate." We have had hearings far beyond any need of further hearings.

Let us take the committee report, now. Had this report been filed last year, the present debate would still be held, the present threat of unlimited debate would still face us, and the opponents of this legislation would not be one whit happier about the bill. No matter what kind of report might have been made, the opposition to this bill would be exactly as it is at this moment, report or no report. So I say that the talk about, "Where are the hearings? How come the report was so late?" has nothing to do with the issue. But I may also point out that anyone who wanted to be heard on the issue of fair employment practices before a congressional committee, could have been heard. No requests to be heard were made by individual Members of the Senate to the House of Representatives when the hearings were held by a committee of that body, nor were any such requests made to the Senate committee.

Mr. President, I make a further plea. Let us put aside partisanship, if there is any in this debate. I hope there is none, because both political parties have made a solemn commitment to the American people on this issue. My friends from the Southern States did not make that commitment. They are acting in good faith. But I submit that those of us who did make the commitment in the Democratic platform and those on the opposite side of the aisle who made it in the Republican platform had better come through. We had made a solemn promise to the American people.

Now, let us face the facts; let us realize the need; let us understand that our very security as a nation is involved in this proposed legislation. To pass this bill is to bridge the gap between our protestations and our practice of democracy. The passage of this bill would strengthen the hands of the United States in foreign affairs and raise our prestige throughout the world. I say again that the greatest criticism we have in foreign areas is by reason of our failure to live up to the practices of human rights in America. To be sure, we know the criticism is unfair; to be sure, it is exaggerated; but the fact is that we need to bolster our foreign policy by the intangible forces which are known as good will and sound democratic practice, and by living the faith that we have declared to be our faith—the democratic faith.

Mr. President, those who would like to save a few dollars on the budget will do more to strengthen our foreign policy by voting for civil-rights legislation, than the contribution of another billion dollars of economic aid could do for it. It will not cost the Government of the United States a dime, except for the administration of the law.

The global conflict in which we are engaged is a conflict between the ideas and moral values of our democratic civilization and the philosophy of totalitarianism. In the consciousness of our people everywhere, the dignity of the individual, the innate value of the human personality—these are the touchstone of the democratic ideal. To the extent that we permit men to be denied the right to work because of the irrelevancies of race, religion, or origin, to that extent we do violence to the democratic ideal, and to our position as the spiritual arsenal of democracy.

Mr. President, I wish to say a few words in analysis of the argument of the opposition, up to this time, after having read the RECORD.

The opponents of fair-employment-practice legislation are guilty of gross misinterpretation of the objectives, and of distortion of the facts. They are guilty of political trickery and subterfuge. They are guilty of efforts to smear the proposed legislation by continuous reference to and use of such terms as "communism," "socialism," and "un-Americanism."

Strange as it may seem, Mr. President, we are not at this stage of the game even debating the merits of FEPC. The average American citizen thinks we are debating FEPC, when, in fact, all we are debating is a motion to consider the bill. I should like to have one of my colleagues explain that to intelligent American citizens. I should like to have them explain why this motion should be treated any differently from any others. We take up appropriation bills without any difficulty. There is no debate on taking up such a bill, though it is debated when once it is on the floor. We took up the question of foreign-aid programs without any argument about the motion to take up; but when it comes to a civil-rights bill, we have unlimited debate upon the question of whether we should even consider the issue for the purpose of a final vote. It is not only strange, but, I submit, it is an effort to evade responsibility for constructive legislation. It is an effort to delude the American people. It is an effort to deny the Congress of the United States an opportunity to vote upon a highly controversial and vital piece of legislation. We are engaged in parliamentary trickery——

Mr. CONNALLY. Mr. President, a point of order.

The PRESIDING OFFICER (Mr. LONG in the chair). The Senator will state it.

Mr. CONNALLY. Did the Senator say that those who are opposing cloture are deluding the American people?

Mr. HUMPHREY. The Senator from Minnesota said that the effort to deny this bill a chance to come up on the floor to be considered upon its merits is an effort to delude the American people.

Mr. CONNALLY. Mr. President, I make the point of order that that statement is a reflection on every Senator who does not agree with the Senator from Minnesota.

The PRESIDING OFFICER. Under the provisions of rule XIX, the Senator from Minnesota should take his seat.

Mr. RUSSELL. Mr. President, notwithstanding the invoking of rule XIX, I move that the Senator from Minnesota be permitted to proceed in order.

Mr. CONNALLY. That means that he shall not violate the rule in proceeding in order, does it not?

The PRESIDING OFFICER. That is the understanding. The question is on the motion of the Senator from Georgia [Mr. RUSSELL].

The motion was agreed to.

Mr. HUMPHREY. Mr. President, I can assure the distinguished Senator from Texas that the Senator from Minnesota has no desire to violate the rule, and he holds the Senator from Texas in the highest regard.

Mr. CONNALLY. He does not, if he charges the Senator from Texas with undertaking to delude someone. If the Senator from Minnesota is deluded, it is not with reference to this subject.

Mr. HUMPHREY. Mr. President, the Senator from Minnesota has not yielded, not even to the Senator from Texas.

The PRESIDING OFFICER. The Chair will state that under rule XIX any time a Senator infringes upon the rules of the Senate, any Senator may invoke the rule.

Mr. HUMPHREY. The Senator from Minnesota is very happy to be reminded of the rules of the Senate, and will surely abide by them. However, on this occasion, since it is something which should be brought to the attention of this honorable body, I make note of the fact that some weeks ago while the Senator from Minnesota was being assailed on the floor of the Senate he saw no Senator rise to invoke the rule. At that time the Senator from Minnesota was accused of misstatements, falsehoods, and other things. I thought it was appropriate that one take that kind of comment in the give-and-take of debate. The Senator from Minnesota was fortunate enough to be reared in a good, decent family, and he will abide by the rules.

Mr. LUCAS. Mr. President, will the Senator yield for an observation?

Mr. HUMPHREY. The Senator is glad to yield.

Mr. LUCAS. I want to say that the Senator from Illinois is going to be very flexible in his conscience as to when rule XIX is violated.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. The Senator from Minnesota will not yield at this time.

Mr. HOLLAND. The Senator was fair enough to yield to one of his cohorts.

Will he not yield to one who does not see the question exactly as he does?

Mr. HUMPHREY. The Senator from Minnesota wants to be fair, so he suggests that the Senator from Florida proceed.

Mr. HOLLAND. Mr. President, I want to say that I have no disposition to enforce the rule. I recall that yesterday afternoon the distinguished Senator saw fit to use the word "blasphemy" as applied to the Senator from Florida, the senior Senator from Georgia, and perhaps the junior Senator from Georgia, but no effort to invoke the rule was made. But I invite the attention of the Senator from Minnesota to the fact that we should much prefer to have him cease the use of such terms and extravagant expressions, which certainly have no relation to the debate, and which certainly are imputing to Senators who do not feel as he does things which are not imputed in the course of ordinary, decent partliamentary discussion.

Mr. HUMPHREY. I am delighted to have the Senator's observation, because I am sure that when it comes to speaking with exaggeration there are many exaggerations throughout the country in reference to fair-employment-practice legislation. But the Senator from Minnesota is sticking to the facts. My position is that in this debate there has been gross misrepresentation, and there have been beclouding and befogging of the issues. There has been a practice of political and parliamentary trickery. Whether the rule is violated or not, that is my position, and I shall enunciate it on the Senate floor whenever I have an opportunity. The attempt to smear this proposed legislation by such terms as "communism," "socialism," and "un-Americanism," is an attempt to defraud the American people.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. I am not much interested in protecting the Senator from Minnesota. He can protect himself——

Mr. RUSSELL. He has done that.

Mr. LUCAS. I am interested in the rule which applies. I maintain that the rule is not in keeping with the best practices of the United States Senate. I maintain that when one Senator can cause another Senator to take his seat by simply calling him to order under rule XIX, as the Vice President said a few days ago, even while he is saying the Lord's Prayer—I maintain that a rule which permits one Senator to discipline another Senator under such circumstances is absolutely wrong and is not in keeping with the best parliamentary practices of a great deliberative body of this kind. It is very easy to call a Senator to order and require him to take his seat. It can be done without any rhyme or reason, perhaps. I mentioned it awhile ago more or less as a matter of protection for myself in the future.

The PRESIDING OFFICER. The Chair will state that, although the Chair does completely disagree with the interpretation of the rule as laid down by the distinguished Vice President a short time ago, to the effect that a Senator could be made to take his seat, even though he had not said anything violative of the rule, it is the opinion of the present occupant of the chair that the rule of the Senate has been considerably violated in the debate today. The Senator from Texas was correct in raising the point of order, because there had certainly been an unfair reflection cast upon the action of certain Senators.

Mr. NEELY. Mr. President, a parliamentary inquiry.

Mr. HUMPHREY. I yield only for a parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia will state his parliamentary inquiry.

Mr. NEELY. Mr. President, a few weeks ago a Senator, in debate, asserted that a statement made by another Senator was untrue. I called the Senator who made the assertion to order. Thereupon the present occupant of the chair the Senator from Louisiana [Mr. LONG] contended that it did not impugn a Senator's motives to say that he had made an untrue statement. I submit that the Chair's present ruling is not consistent with his former contention.

The PRESIDING OFFICER. It was the feeling of the present occupant of the chair that when one Senator says the statement of another Senator is not true it does not represent a reflection upon him or anyone else unless he implies that he knowingly told an untruth. Certainly it is possible for anyone to make an erroneous statement. The Chair feels that it reflects upon a Senator to say that he knowingly said something that was not true. The Chair does not think it is a reflection upon a Senator to state that a particular statement is not true if the Senator made it in all good faith thinking it to be true.

Mr. NEELY. Is it the opinion of the Chair that it is a more serious infraction of rule XIX for a Senator to say that our present proceedings are deluding the public than it would be for him to charge that a Senator has uttered an untruth? In other words, under the rule or regardless of it, is "delude," which is synonymous with "mislead," a more offensive expression than "untruth," which is synonymous with "lie"? If it is not, and the Chair's former contention was correct, the Senator from Minnesota has not been out of order.

Mr. HUMPHREY. I refuse to yield for further observations. I got into one fishing expedition sometime ago. I shall now maintain my rights to the floor and shall yield for questions at a later time.

Mr. President, I should like to make an observation with reference to another argument which the opposition has made repeatedly. I have heard it said that FEPC legislation caters to a minority. The opponents say it caters to a minority. That charge has been made again and again. The argument is made that Congress is giving far too much consideration to minorities, not only in this proposed legislation but in other pieces of legislation, as well. It appears to me, Mr. President, that the only minority the Senate seems to be catering to is the minority of Senators who are opposed to consideration of FEPC legislation. It appears to me that the minority is in the Senate, not in the country.

The next argument is that FEPC was initially supported by Communists and Socialists, that it is Communist inspired, and that its source and inspiration are in Communist doctrine. This is an attempt to condemn a worthy piece of legislation by association with an unworthy group. I take sharp exception to that kind of argument. Efforts to damage this important piece of legislation by association with Communist doctrine and Socialist programs borders upon blasphemy. That is the same word I used yesterday. It borders upon blasphemy. Great spiritual leaders of the Catholic, Protestant, and Jewish faiths have testified in behalf of this legislation. I submit that to try to color the argument in this debate by saying that FEPC is somehow or other Communist supported is to try in some way to throw a misrepresentation or misinterpretation upon the legislation and the testimony of the great spiritual leaders who have testified in its behalf before the Senate committee.

I have already quoted what the late Monsignor John A. Ryan of the Catholic Church has said, I have quoted Bishop Haas, Bishop Sheil, and noted rabbis. I have also quoted from letters received from the Federal Council of Churches of Christ in America. These great spiritual leaders put their blessings upon fair-employment-practice legislation. What did they say? What did they say as to its source? Not what did the Senator from Minnesota say, but what did these great spiritual leaders say was the source and inspiration of FEPC legislation? They said the inspiration was the doctrine of Christianity and the words of Jesus Christ. I resent the implication that this legislation by any stretch of the imagination can even be considered to border upon the vicious philosophy of communism. I am sure that the great spiritual leaders of this country would feel the same resentment. I ask that the bill be debated upon its merits. I ask that it be debated upon the issues as represented by the provisions in the bill. Every time a piece of legislation comes before Congress which somebody does not like someone drags out the "red herring" or Socialist paint brush, and proceeds to attack it as un-American. If there is anything that can be considered to be anti-Christian, immoral, un-American, and antidemocratic, it is discrimination. The terms bigotry and intolerance are not to be found in the philosophy of democracy or Christianity. To the contrary, they represent a denial of intolerance, discrimination, and bigotry. Communism is intolerance compounded and confounded. Bigotry and intolerance are a basic part of Communist philosophy.

To intimate that this legislation, by any stretch of the imagination, has communistic lineage or has communistic background is exactly what I have said—blasphemy.

Mr. HOLLAND. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. The Senator is proceeding out of order. Blasphemy is defined as cursing of the Deity or cursing

of some divine or holy thing. I resent its application equally to myself, to the senior Senator from Georgia [Mr. GEORGE] and to the junior Senator from Georgia [Mr. RUSSELL], all of whom have truthfully pointed out the fact that the first suggestion of setting up a Government agency to handle fair employment practices was and is in the platform of the Communist Party of 1928. Mr. President, I invoke the rule.

The PRESIDING OFFICER. In accordance with rule XIX, the Senator from Minnesota will take his seat.

Mr. LUCAS. Mr. President, I move that the Senator from Minnesota be allowed to proceed in order.

Mr. CONNALLY. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CONNALLY. May a Senator proceed and repeat what he has already said? What would it mean to have the Senator proceed?

The PRESIDING OFFICER. The Senator would be permitted to proceed in order and without violating the rules of the Senate.

Mr. CONNALLY. The Senator has already violated them, and he is going to violate them again if he proceeds. I want to know what the Chair will rule if the Senator repeats what he said a short time ago.

The PRESIDING OFFICER. A motion that a Senator be permitted to proceed in order is not subject to debate. However, if the Senator violates a rule of the Senate, the rules state the Presiding Officer or any Senator may invoke the rule, at which time the Senator shall take his seat and remain in his seat until the Senate permits him to proceed. The Senator from Illinois has made a motion that the Senator be permitted to proceed in order.

Mr. SALTONSTALL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. Mr. President, I ask that the Official Reporter read the words of the Senator.

The PRESIDING OFFICER. The Official Reporter will read the words to which exception was taken.

Mr. HOLLAND. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. The Senator from Minnesota is not in his seat.

The PRESIDING OFFICER. The Senator from Minnesota will be seated. The Official Reporter will read the words of the Senator from Minnesota.

The Official Reporter (Charles J. Drescher) read as follows:

> To intimate that this legislation, by any stretch of the imagination, has communistic lineage or has communistic background is exactly what I have said—blasphemy.

The PRESIDING OFFICER. The question is on agreeing to the motion of the senior Senator from Illinois [Mr. LUCAS]. [Putting the question.]

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUCAS. Mr. President, I ask unanimous consent that the roll call be discontinued.

The VICE PRESIDENT. Without objection, the order for a quorum call is rescinded, and further proceedings under the call will be suspended.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may make a short statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Illinois may proceed.

Mr. LUCAS. Mr. President, we are in the midst of a very unusual debate, on an issue which is highly controversial, and the debate is one which can stir the emotions of Senators on both sides of the question. It has been my hope throughout the debate that the bill would be debated upon its merits, on a high plane, in keeping with the dignity and the traditions of the United States Senate. The Senator from Minnesota has been called to order twice under rule XIX. Obviously a Senator can be called to order at any time under the rules of the Senate. The Senator from Georgia moved the first time that the Senator from Minnesota proceed in order, and the last time the Senator from Minnesota was compelled to take his seat, the Senator from Illinois moved that he proceed in order.

Mr. President, it is the hope of the Senator from Illinois that all Senators will, in the debate, regardless of whether they are speaking for or against the bill, debate the bill in line with the rules of the Senate. I hope the Senator from Minnesota may be permitted to continue to debate the issues.

Mr. SALTONSTALL. Mr. President, as acting minority leader I ask unanimous consent to make a very brief statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I have listened to the words of the majority leader. At my request the reporter read the words of the Senator from Minnesota. They were extremely strong words, words which should not be used on the floor of the Senate in debate. I believe that the debate, no matter what our feelings may be in respect to the issue involved, has been conducted on a very high, dignified plane. I have high respect for the opponents of the measure, although I am on the other side. I hope the issue raised by the remarks of the Senator from Minnesota will not be put to a vote and that he will be permitted to regain the floor, but I hope that with the warning he has twice received, the membership of the Senate will not permit the type of words to be used that he has used, and that the Senator from Minnesota will proceed, as he is capable of proceeding, on a high plane in a debate that is, to many people, of great emotional character.

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may make a brief statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I have no desire whatever to take the Senator from Minnesota or any other Senator off the floor of the Senate provided he proceeds in order and provided he does not trespass against the rules of the Senate, which do very clearly prevent the use of such terms as the Senator from Minnesota used in his last spoken words, and as he used yesterday afternoon, and as he used on other occasions today.

The distinguished senior Senator from Massachusetts, who is acting as minority leader, has expressed my sentiments exactly. I am perfectly willing, and I hope that without record vote, the Senator from Minnesota may be allowed to proceed.

It was my understanding that the majority leader and the minority leader were both going to make statements such as that made by the minority leader. I am unable to say that the statement made by the majority leader measures up to that standard. It was my understanding that he was to assure the Senate that in the event the Senator from Minnesota or any other Senator insisted upon using such words, such terms, such tactics, he would no longer have the protection of the majority leader and that he would make no motion that the Senator from Minnesota resume the floor, such as he has made in this instance.

I should like at this time to address a query to the distinguished majority leader, as to whether I misunderstood him in that statement, whether it is his feeling that the Senator from Minnesota and all other Senators, including the junior Senator from Florida, must comply with the rule and the decencies and amenities of parliamentary procedure, in order to be allowed to proceed with the consent of the majority leader when such a situation as this may arise?

The VICE PRESIDENT. Does the Senator from Illinois wish to respond?

Mr. LUCAS. Mr. President, I wish to speak briefly. I doubt the propriety of the Senator from Florida discussing the private conversation we had here a moment ago. The Senator from Illinois did move that the Senator from Minnesota be allowed to proceed in order, and I thought perhaps that if the Senator from Minnesota violated the rules again probably the action of the majority leader would speak louder than words. I think probably that is the situation. I do not care to become involved in any debate with the Senator from Florida upon this proposition.

I repeat what I said a moment ago. I implore—I plead—with Senators on both sides of the aisle to debate the issues raised by the bill in line with the rules and the precedents of the Senate. That is all I care to repeat, Mr. President. If a Senator does violate the rules, then the actions of the majority leader at that particular time will speak for themselves.

The VICE PRESIDENT. The question is on the motion of the Senator from Illinois [Mr. LUCAS] that the Senator from Minnesota [Mr. HUMPHREY] be permitted to proceed in order. (Putting the question.) The motion is agreed to,

and the Senator from Minnesota may proceed in order.

Mr. HUMPHREY. Mr. President, with reference to the most recent situation which has been before the Senate I make the following comments, and I shall make every effort to be in order. I should like to quote from the CONGRESSIONAL RECORD of yesterday, on page 7096, the remarks of the Senator from Florida [Mr. HOLLAND]. Speaking of the fair-employment-practice measure he said:

That does not mean necessarily that the particular program would have to be bad, simply because the Communists suggested it, but it means that it comes from their philosophy, that they claim paternity, as they have repeatedly, in the Daily Worker, that that paternity is recognized by such writers as Mr. Arthur Krock, that paternity was recognized by the California Committee on Un-American Activities of the California Legislature, and that, following that declaration, Communists generally have been active in the promotion of FEPC, just as was shown in the case of the California activity—

He proceeded to say:

that over 30 of the active members of 63 on the committee there which was sponsoring FEPC as a constitutional measure were themselves Communists and in the communistic effort.

That does not at all mean that everyone who has sponsored FEPC or who is now sponsoring FEPC has the remotest idea of supporting anything which is communistic. It does not mean at all that the Senator from Florida is charging that everyone who is supporting FEPC is communistic; quite the contrary.

Let me make this very clear. This whole program that is related in that part of the Communist platform which has already been placed in the RECORD, radicalism of the worst sort, has the earmarks of destructive effort, which will make itself felt in every part of the Nation and upon every part of our United States Government, both at the Federal level and at the State and local levels, and we might as well know, when we are seriously considering bringing up such legislation as this, this is the source from which it comes. Not only does it come from that source—

Referring to the Communist Party—

but it has had active lip service and active foot service from that source ever since it sprung full-formed from Communist brains back in 1928.

Mr. President, the junior Senator from Minnesota, in reply to that, as of yesterday, quoted as follows from page 5 of the report on Senate bill 1728, which was presented to the Senate by the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Illinois [Mr. DOUGLAS], the Senator from New York [Mr. LEHMAN], the Senator from Ohio [Mr. TAFT], the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. MORSE], the Senator from New Jersey [Mr. SMITH], and the Senator from Minnesota [Mr. HUMPHREY], with some dissenting views. From page 5 of that report I read as follows:

Great leaders of the Roman Catholic Church added their voices in behalf of a Federal Fair Employment Practice Act. As long ago as 1944, the late Msgr. John A. Ryan told a subcommittee of this committee that he favored this legislation because—

And now I quote from the monsignor—

the Christian precept of brotherly love is not satisfied by mere well-wishing, nor benevolent emotion, nor sentimental yearning. It requires action.

Therefore, on the basis of that statement, Mr. President, it has seemed to me that Monsignor Ryan said that its source was to be found in the Christian precepts and concepts and philosophy, and not in the source that has been alluded to by the Senator from Florida. Then I stated that in 1947 the Most Reverend Francis J. Haas, bishop of Grand Rapids, said in a letter to the chairman of the committee, namely, the Senate Committee on Labor and Public Welfare, as follows, as appears on page 5 of the report:

I earnestly hope that this bill will become law.

I offer no lengthy comment on the underlying principle of the bill; that is, that all American citizens are equal and that all are entitled to have their right to equal opportunity protected by law. To me, both as an American citizen and as a Catholic bishop, this principle needs no supporting argument. Equality is among our most treasured American possessions, as it is a central doctrine of Christian faith, which proclaims that all men are equal before God, made equal before Him through His Divine Son, Jesus Christ.

Yet another distinguished Catholic bishop, the Most Reverend Bernard J. Sheil, of Chicago, said:

A fair-employment-practice law would give legal recognition to that God-given dignity which every human being possesses. Economic discrimination is immoral; it is clearly sinful. How long are we expected to sit by while children of God find their paths blocked at every point by the forces of bigotry and discrimination?

Mr. President, my reference to those quotations is simply this: There seems to be an argument as to the source of inspiration for FEPC. I submit that the testimony of those three great churchmen, backed up by the testimony of Dr. Cavert, of the Federal Council of Churches of Christ in America, indicates in clear language that the moral, ideological inspiration of this proposed legislation, is not to be found in the venom of communism, but is to be found in the doctrine of the Christian faith itself.

Because of that, I have some resentment regarding the association of a worthy piece of legislation with what I consider to be the composite and the compound of all evil, the Communist totalitarian doctrine. It appears to me that it is appropriate for one who is interested in this legislation to feel deeply and sincerely that real wrong has been done in this debate, wrong which hurts my own personal feelings, and which damages the faith in which I believe; and I am not going to stand idly by, either on the floor of the Senate or off the floor of the Senate, and hear that faith associated with Communist doctrine.

I had hoped that that was not the intention. However, I can assure the Members of the Senate, my distinguished colleagues, that this proposed legislation has its antecedents in the Christian faith, the Judeo-Christian faith, the teachings of the Catholic and the Protestant spiritual leadership. Therefore, to associate this bill with everything that is in complete opposition to the moral standards of this country, to my mind, is unfair and inexcusable. It represents the kind of argument that is extremely distasteful, and one that does not have merit.

Mr. President, I had a brief concluding statement, and I wish to make it:

I have tried to summarize the argument about the lack of hearings and the argument that FEPC supposedly caters to a minority.

I have tried to summarize by fact, not by fancy, the other important bills which have been before the Senate and which have been passed despite the lack of hearings.

I have tried to point out what I consider to be the philosophical background of this proposed legislation.

I wish to say that it seems to me it is more appropriate that we should discuss legislation in the philosophical background of Holy Scripture than in the propaganda background of Joe Stalin and the Daily Worker.

Yesterday on the floor of the Senate the Daily Worker was brought into the debate again and again. Mr. President, I am amazed that we would still refer to the Daily Worker. At that time I said that I preferred to take my inspiration from the writings and literature of the Federal Council of Churches of Christ in America and from the leaders of the Jewish and the Protestant and the Catholic faiths, rather than to take any kind of argument from the moth-eaten, ragged pages of the Daily Worker and its insidious philosophy.

Mr. IVES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. IVES. Is the Senator from Minnesota acquainted with the fact that the Senator from New York knows it to be a fact that the Communists really do not want this legislation?

Mr. HUMPHREY. I am very happy to have that observation made, and I recall that the Senator from New York pointed that out in the initial address he made during this debate on this particular subject.

Mr. IVES. The Senator from New York would like to state that upon the occasion of the hearings on this subject in New York State prior to the passage of the Antidiscrimination Act which now is in force in that State, Communist representatives appeared; and in their appearance before the temporary commission which was holding the hearings, of which the Senator from New York had the honor to be chairman, they were very vehement in their objection to anything of the moderate type which now is under consideration by us. They wanted extreme penalties, penalties impossible of enforcement, penalties which,

if imposed, would ruin the whole effort and upset our whole social order.

I happen to know from experience at that time that no Communist is really in favor of this particular type of moderate legislation.

Mr. HUMPHREY. I thank the Senator.

Mr. President, repeatedly in my remarks in reference to this legislation, throughout the country and on this floor, I have paid high tribute to the sincerity of purpose, to the arguments, and to the character of those who were in opposition. I have said repeatedly that we have always known where certain Members of the United States Senate have stood on this issue. I have never once made an accusation as to what I consider to be their honesty in taking their particular position.

I have made an appeal for fair-employment-practice legislation because I believe it is needed throughout this country, because I believe it is needed in order that some of the aspirations and goals of American democracy may be realized.

I have appealed for this legislation because I believe it is needed to fortify our foreign policy, and to fortify our foreign policy in the Asiatic world, where it needs great help at this particular moment.

I have appealed for this legislation because I think it makes good economic sense to permit people to have jobs on the basis of their ability, rather than on the irrelevancies of their religion, their national origin, or their particular race.

And I have appealed for this legislation on the basis of the constructive argument that the efforts to damage this legislation by association with Communist doctrine and Socialist programs do not constitute a sound argument.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I wonder whether the Senator from Minnesota has referred to the charge, which was made on a number of occasions yesterday on the floor of the Senate, that this FEPC bill was of Communist inspiration back in 1928 and still today is Communist supported.

Mr. HUMPHREY. I have.

Mr. LEHMAN. The clear inference was that those who support this meritorious bill have, in some way, some sympathy with Communist doctrine.

I am wondering whether the distinguished Senator from Minnesota realizes that in the State of New York, the Governor of the State has declared himself strongly in favor of this bill; a former great Governor of New York, who later became President of the United States, Franklin Delano Roosevelt, declared himself strongly in favor of this bill; and my colleague, the senior Senator from New York [Mr. IVES] and I have both declared ourselves strongly in favor of this bill.

It was brought up in every political campaign in the State of New York, as far back as my memory goes, within the past decade or more.

I have no hesitation whatever in saying that if the question were directly put to my fellow citizens in the State of New York, "Are you in favor of an FEPC bill or are you against it?" at least 80 percent of the voters of the State of New York would declare themselves in favor of the FEPC bill; and very few of the citizens of the State of New York are Communists or Communist sympathizers.

I wanted to make that very clear, and I wish to say that I think the Senator from Minnesota is entirely correct and within his rights and is justified in doing so when he brings to light the accusation by innuendo, by implication, which has been made, namely, that those who favor the FEPC bill are Communists or Communist sympathizers.

Mr. HUMPHREY. I wish to thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. I am sorry, Mr. President, that the distinguished junior Senator from New York has read into the arguments of yesterday matters which not only were not there, but were specifically excluded by the Senators who participated, as did the junior Senator from Florida, in making the true charge that the original source of the suggestion that a Government agency be set up to control employment practices was a plank in the Communist Party platform of 1928. We likewise said that in the State of California the Committee on Un-American Activities there had very clearly made it to appear and had conclusively found that a majority of the members of the committee sponsoring the FEPC effort in that State in 1946 were Communists. But I assure the Senator from New York, of whom I am extremely fond, as I believe he knows, that, so far from making any imputation of guilt by association or tinge of red by community of interest, the Senators who made that charge made it very clear—in fact, their statements to that effect were quoted in part by the Senator from Minnesota but a few moments ago—that by no manner of means were we imputing to the many fine citizens of both parties who now support FEPC any association or sympathy or community of interest with communism. We suspect that they would be happier than anyone else if the fact could be forgotten that the real origin of FEPC was as truthfully stated by us yesterday—and no one can successfully controvert that statement.

Mr. LEHMAN. Mr. President, will the Senator yield for a statement?

The PRESIDING OFFICER (Mr. IVES in the chair). Does the Senator from Minnesota yield to the Senator from New York?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I thank the Senator, indeed, for his expression of regard for me, and I can assure the Senator from Florida that that regard is sincerely and wholeheartedly reciprocated. I made my statement merely because I felt that the speeches which I heard on the floor yesterday were not made for the purpose of historical reference but in order to influence the votes and the thinking of Senators on this floor, and, in order to do that, what I considered a clear implication that those who favored the FEPC bill were in some way Communists or Communist sympathizers was made pretty clear. I am very glad indeed, though, to have this assurance of the distinguished Senator from Florida.

Mr. HUMPHREY. Mr. President, I should like merely to make a note of the fact that on page 7094 of the RECORD of yesterday, the Senator from Florida had this to say:

> However, in the case of other States which have voted against FEPC legislative proposals, certainly there would be court trials and court appeals; and we would hope there would be, because only in that way, if such legislative proposals were enacted, could we knock down this un-American proposal which threatens the lives and liberties of all the people of the United States.

I merely place that in the RECORD.

In reference to this proposal, since the junior Senator from New York has made reference to the issue of Communist support, yesterday I placed in the RECORD a list of the religious organizations in this country that had endorsed this bill and had testified in its behalf. I think it is important that that list be made part of the record:

> The General Conference of the Methodist Church.
>
> The Presbyterian Church in the United States of America.
>
> The Northern Baptist Convention.
>
> The General Council of the Congregational Christian Churches.
>
> The General Synod of the Evangelical and Reformed Church.

The Negro Protestant churches on record for FEPC include the four leading denominations—the National Baptist Convention, the African Methodist Episcopal Church, the African Methodist Episcopal Zion Church, and the Colored Methodist Church. Dr. Cavert of the Federal Council of Churches indicated only two exceptions to this statement of the views of American Protestantism, namely, the Southern Baptists and the Presbyterian Church in the United States, Southern.

I went on to point out that leaders of American Judaism have joined the Christian clergy in pointing to the spiritual and moral need and foundation for this bill. Rabbi William F. Rosenblum, president of the Synagogue Council of America, told a subcommittee of the Senate committee:

> It is natural that religious groups should come strongly to the support of any measure which puts into practice the fundamental principle that we have "one Father and that one God made us all * * *."
>
> However, it is not merely from the theological point of view that we feel strong effort must be made against discrimination, but from the more practical aspect of preserving the rights of our citizens and especially of furthering the aims of our form of government.

Mr. President, it appears to me that that is not un-American. It appears to me that people who have devoted their lives to a spiritual understanding recognize the logical base of this legislation, and it appears to me, by the fact that we accept the doctrine of human equality—"We hold these truths to be self-evident, that all men are created equal"—that this proposed legislation is anything but un-American, but, on the contrary, is definitely within the American tradition, and surely within the principles of democracy.

I conclude my statement by pointing out that to me the argument we have heard pertaining to bringing up this bill does not get to its merits. I have asked and I continue to ask, the Members of the United States Senate to support the petition for cloture. I ask the Members of the United States Senate to support that petition, whether they are for FEPC or not, because it is of the utmost importance to the American people, who were promised by two political parties and by a host of spiritual, educational, and political leaders that this legislation would be brought to a vote, that the United States Senate permit that vote to be taken.

The arguments which have been used are not arguments against the merits of the bill. The arguments which have been used are arguments for delay. I submit that at this time American democracy needs to have constructive effort made in legislative proposals. We need to meet these issues head on. We need to be able to study the pros and cons, for there are two sides to these issues, and honest differences of opinion. But those differences of opinion can never be clearly and effectively stated so long as we find ourselves in a parliamentary situation such as now prevails.

I submit, Mr. President, that if this Nation can enter upon a great and broad Marshall plan without an argument as to whether we should take up the bill, if we can enter into Federal aid to education, if we can have a program embracing more than a billion dollars for rivers and harbors development, if we can have a program that embraces broad price-support legislation for American agriculture, if we can have programs that enter into the school system of America for vocational education and medical education, if we can debate on the floor of the Senate a bill which affects the lives of every young man and every young woman in the land, such as selective service, without ever once having a moment's debate as to whether such legislation should be considered, we ought to be able to get the FEPC bill before the Senate without the parliamentary maneuvering which is very evident on the floor of the United States Senate.

Therefore, regardless of whether one is for the proposed legislation or against it, I appeal to the Senate to give the people of America the opportunity to see their Senate, the greatest deliberative body in the world, vote upon one of the most controversial issues of our time, for only in that manner can men stand up and be registered, and stand up and be counted as to whether they are for it or against it.

Mr. President, earlier in the debate I asked that certain material which I had prepared analyzing this bill, a factual analysis of it, its purposes, its intent, be incorporated in the RECORD following my remarks. I was given unanimous consent that that be done.

The PRESIDING OFFICER. The present occupant of the chair is advised that, without objection, it was so ordered.

(See exhibit 1.)

Mr. HUMPHREY. I know that in looking over this material my colleagues in the Senate will find answers—straightforward, constructive answers—to some of the charges which have been made. They will find answers, if you please, to what I consider to be a misinterpretation of some of the purposes of this bill.

EXHIBIT 1

STATEMENT BY SENATOR HUBERT H. HUMPHREY ON S. 1728, FAIR EMPLOYMENT PRACTICE ACT

Mr. President, on January 5, 1949, the President of the United States, in his state of the Union message, recommended that the Congress establish a Fair Employment Practice Commission to prevent unfair discrimination in employment. He said:

"We in the United States believe that all men are entitled to equality of opportunity. Racial, religious, and other invidious forms of discrimination deprive the individual of an equal chance to develop and utilize his talents and to enjoy the rewards of his efforts.

"Once more I repeat my request that the Congress enact fair-employment-practice legislation prohibiting discrimination in employment based on race, color, religion, or national origin. The legislation should create a Fair Employment Practice Commission with authority to prevent discrimination by employers and labor unions, trade and professional associations, and Government agencies and employment bureaus. The degree of effectiveness which the wartime Fair Employment Practice Committee attained shows that it is possible to equalize job opportunity by Government action and thus to eliminate the influence of prejudice in employment."

This recommendation followed the report of the President's Committee on Civil Rights. Here, in the most careful study on civil rights ever made in America, a nonpartisan group of distinguished citizens representing all segments of American life, declared: "A man's right to an equal chance to utilize fully his skills and knowledge is essential."

The committee recommended the enactment of a Federal Fair Employment Practice Act prohibiting all forms of discrimination in private employment based on race, color, creed, or national origin.

Bills to achieve this end have been introduced in the Seventy-eighth, the Seventy-ninth, the Eightieth, and the Eighty-first Congresses. Hearings were held in the Senate in the Seventy-eighth, the Seventy-ninth, and the Eightieth Congresses.

Last year, identical bills were introduced in the Senate and in the House.

Hearings were held in the House. Testifying in opposition to the bill were five Members of the House and one private individual. Testifying in favor of the bill were 13 Representatives, 3 Senators, and the Secretary of Labor; various State commissioners of local FEPC's, and former staff members of the wartime Federal FEPC; the Catholic Church, Federal Council of Churches of Christ in America, National Baptist Convention, National Fraternal Council of Negro Churches, American Friends Service Committee, Methodist Church, and the Synagogue Council of America; American Civil Liberties Union; CIO and A. F. of L.; NAACP and Urban League; Americans for Democratic Action and Students for Democratic Action; Improved BPOE of the World; American Jewish Committee; American Jewish Congress; American Veterans Committee; Jewish War Veterans; National Council of Jewish Women; Jewish Labor Committee; Japanese-American Citizens League; National Community Relations Advisory Committee.

During the course of the 10-day hearing, a subcommittee of the House of Representatives heard some 78 witnesses and compiled 583 pages of printed testimony.

Numbered among the organizations testifying are the Federal Council of Churches of Christ in America, composed of 25 leading Protestant denominations with a membership of 25,000,000; the United Council of Churchwomen, composed of some 66 Protestant denominations representing 10,000,000 women; the Council of Negro Churches in America, representing over 6,000,000 members, the Catholic Interracial Councils, and the Synagogue Council of America, comprising the Orthodox, Conservative, and Reformed branches of Judaism.

The two great American labor bodies, the American Federation of Labor and the Congress of Industrial Organizations, representing approximately 15,000,000 American wage earners, united in support of FEPC in recognition of the fact that the denial of equal job opportunities to any group of workers threatens the hard-won standards of all workers. Altogether, the witnesses for these and the many other civic, veterans, racial and ethnic organizations who appeared before the committee, are reliably estimated (after discounting the overlapping of the various organizations) to represent upward of 65,000,000 of our citizens.

The need for FEPC legislation is clear and unmistakable. The pattern of discrimination in America is threatening the fabric of our democratic life. The pattern of economic discrimination in America is a threat to the welfare of our society. S. 1728 has for its purpose the establishment of economic opportunity.

The need for FEPC legislation is urgent. Discriminatory employment practice throughout the United States is widespread. Today, with unemployment a constant threat, the fear of discriminatory discharges weighs heavily upon all who have ever known the frustration and bitterness of job discrimination. I refer to 26,000,000 Catholics, 15,000,000 Negroes, 5,000,000 Jews, 3,000,000 Americans of Mexican or Spanish origin, 11,000,000 foreign-born, and 23,000,000 children of foreign-born. This insecurity and fear on the part of Americans who have contributed to the welfare and the defense of our country is well-grounded.

Recent statistics compiled by the Bureau of the Census reveal that whereas unemployment among whites increased 176.4 percent between July 1945 and April 1949 there was an increase of 280 percent in unemployment among nonwhites during the same period. The Census Bureau concluded that because of the tendency to lay off Negroes before whites, and because of the relative lack of skill required in jobs usually assigned to them, Negroes will suffer an increasingly higher percentage of unemployment in any recession that may overtake us.

In my own city of Minneapolis, a self-survey conducted by the mayor's commission on human relations found that Jews, Negroes, Japanese-Americans, and other minority group members were widely discriminated against by employers. Of 523 Minneapolis firms from which reports were tabulated, 63 percent hired no Jews, Negroes or Japanese-Americans; 37 percent hired one or more Jews, Negroes and/or Japanese-Americans; 13 percent hired Jews only; 5 percent

hired Negroes only; 2 percent hired Japanese-Americans only; 9 percent hired Jews and Negroes; 3 percent hired Jews, Negroes, and Japanese-Americans.

The record of House hearings is replete with additional evidence that economic discrimination in America is a serious threat. In virtually every section of America qualified workers are being denied the opportunity to make a living solely because of their race, color, religion or national origin.

Discrimination in employment, however, does not merely contribute to a growing insecurity in America; it also is a threat to the welfare of our economy. To remove discrimination in employment is not merely to be consistent with the basic principles of morality and justice, but is to serve the best self-interests of the American economy.

Discrimination in employment is nothing more than a waste of human resources. Our economy, to fulfill its productive capacity, must utilize the human resources of its citizens to their fullest extent. When a skilled mechanic is unable to assume his rightful place as a member of his craft, simply because of his color, the community suffers. It suffers not only because his skill as a mechanic is not utilized by the economy, not only because his education and training is wasted, but also because a man who cannot earn, cannot take his rightful place as a consumer in our society. A community of workers discriminated against in employment is also a community of consumers who discriminate against the purchase of goods and services. When the average salary of a Negro teacher in a school is 60 percent that of a white teacher, quite obviously that Negro teacher provides only three-fifths of the economic stimulation to our economy of which he is capable.

The factors add up to an enormous cost to any area where a large segment of the population is discriminated against. In a commencement address to last year's graduating class of the University of Miami, Ralph McGill, editor of the Atlanta Constitution, declared:

"The South, as it sees its agricultural economy changing and industry coming, surely is not so blind it fails to see that the industrialization will not be a complete regional success until the Negro is integrated into it, using what skills he has on equal terms and wages."

The States which had a per capita income of only $300 in the boom year of 1940 were those in which discrimination was greatest, whereas the income for more democratic States was the highest per capita in the country, averaging $800. There have been responsible estimates that the total cost of discrimination in our country is more than $15,000,000,000 a year.

The House report on FEPC well points out that discrimination in employment keeps in motion a vicious cycle in our economy. It depresses the wages and income of minority groups and, because of competition for jobs by these groups, exerts a downward drag on all wages. As a result, purchasing power is curtailed and markets reduced. Reduced markets result in reduced production. This cuts down employment which, of course, means lower wages and still fewer job opportunities. In the absence of effective standards of fair employment, rising fear, prejudice, and insecurity aggravate the very discrimination in employment which sets the vicious cycle in motion.

It is not possible to indicate precisely the dollar and cents cost of certain aspects of discrimination. When jobs are denied because of race, color, religion, or national origin, the group affected is forced to a lower economic level, a lower level of health, of housing, and of education. The Negro's average life is 10 years shorter than that of the white population. Three times more Negro than white women die in childbirth. Illness and disease do not confine themselves conveniently within color groups. Wherever the death rate for the Negro is highest, so too does the death rate rise for the members of the white race. In those States in which infant mortality among the Negroes is greatest, the deaths of infant white children are greatest. We who dare not estimate the value of a single life should ponder this incalculable and appalling cost to our society.

The problem of FEPC is more than an economic problem, however. It is also a psychological and a social problem. I want to bring to the attention of the Senate the testimony of a very distinguished judge, Hon. Stephen S. Jackson, who for 10 years was a judge of the children's court and director of the bureau for prevention of juvenile delinquency in New York. We must remember, as I am sure those of us with children will, that when children are shut up for any length of time with nothing to do, they are quite likely to become boisterous and irresponsible. When adults, mature men and women, are deprived for long of useful work for their hands and their minds solely because of their color or manner of worship, they are just as likely to become irresponsible and impatient with the social order in which they live.

I quote from Judge Jackson:

"Over and over again I have found in the mental and emotional make-up of these children a strong, bitter sense of hostility and resentment against society. A society which glibly prated of equality to all but which in practice turned an unfriendly, unfair, and unyielding hand against the child and his fellow Negroes; a society which had caused him and his family to be relegated to the relief rolls because, too often, the breadwinner of the family was the first to be dropped and the last to be hired in employment because he was a Negro. * * * One does not have to be an expert in the field of psychosocial analysis to appreciate the force of the emotional trauma of such crass injustice on a child whose father is in such enforced idleness, or the 18 youths who left the portals of their alma mater with enthusiastic anticipation. Is it strange that such youngsters might develop a hostility to society? Is it not quite understandable that such young people might become, in its literal sense, antisocial? An antisocial attitude, when translated into overt, specific acts, is less euphemistically characterized as crime and delinquency. Ironically enough, many of those who decry the so-called crime wave among Negro youth are probably among the foremost in opposition to this very bill."

The existence of discrimination in America is therefore unmistakable. The evil effects of employment discrimination in America is unmistakable. The need for FEPC legislation is unmistakable.

Those of us who support S. 1728 are under no illusions that the enactment of our bill will bring a rapid solution to the problem. FEPC will, however, minimize the problem of economic discrimination. Enactment of our bill may not eliminate prejudice, but it will establish as a national policy that, although prejudice may be personal, discrimination is not.

Experience with State and municipal FEPC ordinances prove that FEPC is effective. It is effective primarily because it establishes a policy that decent, humanitarian Americans are perfectly willing to conform to a humanitarian and democratic policy. I am pleased to place in the RECORD a 2-year report on the operation of the FEPC in my own city of Minneapolis. It covers the operation of the FEPC from June 1, 1947, to June 30, 1949.

FEPC ordinances now prevail in Cincinnati, Ohio; Chicago, Ill.; Milwaukee, Wis.; Philadelphia, Pa.; Minneapolis, Minn.; Phoenix, Ariz.; and Cleveland, Ohio. There is now a total of 10 States which have FEPC laws on their statute books: Connecticut, New Jersey, Indiana, Massachusetts, New York, Wisconsin, New Mexico, Oregon, Rhode Island, and Washington.

These local and State attempts to solve the problem of discrimination are to be commended. They are effective. They demonstrate the basic desire of the American people to eliminate the scourge of employment discrimination from their midst. They receive popular support wherever they operate. They have allayed all previous fears as to their operation. They prove conclusively that FEPC can work.

I am pleased that in S. 1728, the bill we are now asking the right to consider; that State and local governments have an important role to play in promoting fair employment and in cooperating with the Federal Government toward achieving that end. Under the terms of our bill, jurisdiction over discriminatory cases would be transferred to State and local agencies where those agencies are operating effectively.

The evidence is clear, however, that State and municipal FEPC laws by themselves, important and effective as they are, cannot adequately solve the problem. National legislation is necessary to provide national standards of decency and fair play. The Federal Government has an obligation to establish a national pattern and a basic standard of employment rights for all Americans.

Discrimination does not recognize State boundaries, just as employment does not recognize State boundaries. We have on many occasions established the principle of Federal employment legislation. We can do no less in the realm of human rights as it affects employment.

We have said that employers may not hire children because we need an educated America. We have said that employers must provide safety measures because we need a healthy America. We must now say that employers may not discriminate against qualified workers because of race, color, religion, or national origin, because we need a unified, prosperous, and democratic America.

S. 1728 is particularly noteworthy in this connection in that it recognizes that the Federal Government cannot effectively and should not extend its jurisdiction to all areas of employment. The bill, therefore, will not only limit its operation to interstate employment but also has a size limitation in that it is limited to those employers with 50 or more employees.

There is one other area, important in its own right, in which S. 1728 will have an effect. The Federal Government is today the largest single employer of labor in America. Approximately 2,000,000 persons are now on its payroll. Only a Federal FEPC will provide these workers with the protection to which they are entitled.

In my testimony before the House of Representatives on May 11, 1949, I pointed to the fact that the Federal Government in 1948 spent more than $6,000,000,000 in direct expenditures for employment. In addition to the approximately 2,000,000 workers on the Federal payroll, an average of 175,000 persons were employed by private contractors on construction projects financed either in whole or in part by Federal funds, amounting to $1,900,000,000. This estimate does not include Federal loans such as REA-financed projects and the employment resulting from them.

Furthermore, even though exact data is not available, partial data as a result of the Walsh-Healey Public Contracts Act, which provides for the inclusion of stipulations with regard to pay, hours, and working conditions in Federal Government contracts, is available. The estimate by the Public Contracts Division of the Department of Labor

is that contracts awarded under the act during 1948 amounted to $2,900,000,000.

The volume of expenditures estimated by the Division of Public Contracts resulted in a direct employment of approximately 550,000. However, for most employers, Government contracts constitute only a small portion of their business. Consequently, the Public Contracts Division estimated in 1941 that 5,000,000 persons were affected by the act during that fiscal year; no estimates have been made since then, however.

Sufficient data are not available to permit a total estimate of the State and local employment arising from Federal-State joint programs and other grant-in-aid programs financed either in part or entirely by Federal funds. Federal grants-in-aid amounted to $1,500,000,000 in the fiscal year 1948 and nearly $2,000,000,000 in fiscal 1949. Much of these funds were for individual beneficiaries, such as the recipients of public assistance; of the funds which go into administrative expenses, some are used for payrolls at the State level, but a considerable amount trickles down to the county and local levels.

After consulting with staff members in the agencies which are the most concerned with Federal-aid programs, it is our estimate that, outside of the field of construction, there are 200,000 persons in the employ of State and local governments who are paid in part or in entirety from Federal funds.

There can be no question, therefore, but that the Federal Government has a responsibility to deal legislatively with the growing problem of employment discrimination in America.

The only reasonable question that remains is the question as to the extent and the need for enforcement powers within the legislation. Without in any way detracting from the importance of education and persuasion in solving the problem of discrimination, I want to make it very clear that to rely solely on education is insufficient. Legislation itself, in fact, is an educative process.

Legislation is one of the most powerful instruments for education. To enact FEPC legislation is to indicate that public policy is opposed to racial or religious discrimination. Furthermore, I am proud that S. 1728 relies extensively on the educative process. It is through the use of investigation, conference, conciliation, and community organizations that the FEPC Act would in the main operate.

To establish a law without a penalty, however, is fruitless. We must recall the words of Daniel Webster, who said: "A law without a penalty is simply good advice."

Discrimination in America has world-wide repercussions as well, Mr. President.

We have fewer than half a million American Indians; there are 30,000,000 more in the Western Hemisphere. Our Mexican American and Hispano groups are not large; millions in Central and South America consider them kin. We number our citizens of oriental descent in the hundreds of thousands; their counterparts overseas are numbered in the hundreds of millions; throughout the Pacific, Latin America, Africa, the Near, Middle, and Far East, the treatment which our Negroes receive is taken as a reflection of our attitudes toward all dark-skinned peoples. In a letter to the House Committee, Secretary of State Dean Acheson has attested that "the existence of discriminations against minority groups in the United States is a handicap in our relations with other countries" and John Foster Dulles, United States delegate to the United Nations, has urged enactment of Federal fair employment practice legislation in order to "erase what today is the worst blot on our national escutcheon."

In our foreign policy the United States stands committed to a policy of nondiscrimination. As a participant in the Inter-American Conference in Mexico City on March 6, 1945, we joined with other nations in a resolution recommending that the participating governments "make every effort to prevent in their respective countries all acts which may provoke discrimination among individuals because of race or religion." In signing the Charter of the United Nations at San Francisco, and in the subsequent ratification of that Charter by the United States Senate, we undertook to promote "universal respect for and observance of human rights and freedoms for all without distinction as to race, sex, language, or religion" (art. 1, par. 3). And we are morally bound to secure for our own citizenry those rights and freedoms, including the right to work, which under the leadership of the United States delegate, have been incorporated into the Universal Declaration of Human Rights proclaimed by the general assembly of the United Nations.

Every act of discrimination here in America is seized upon by our enemies as proof that we in the United States do not really believe in democracy. We owe it to ourselves. We owe it to the teeming millions in Europe who yearn for freedom. We owe it to our heritage to deprive our totalitarian enemies of that weapon. We owe it to our own security to demonstrate to the world that the democratic ideal remains ours—that the United States is indeed the land of opportunity and that the mantle of freedom and liberty has its rightful place on our shores.

APPENDIX

CITY OF MINNEAPOLIS FAIR EMPLOYMENT PRACTICE COMMISSION—2-YEAR REPORT ON OPERATIONS, JUNE 1, 1947–JUNE 30, 1949

The Minneapolis fair-employment-practice ordinance was passed by the city council on January 31 and became effective on February 5, 1947. The commission members were appointed by Mayor Hubert H. Humphrey and were confirmed by the city council on May 9. The commission held its first meeting on June 2, 1947. The first complaint of discrimination was presented to the commission on June 19.

The commission had no budget or staff during 1947. The nine complaints of discrimination handled during the last 6 months of that year were investigated by Wilfred C. Leland, Jr., whose services were loaned by the mayor's council on human relations for that purpose. These complaints were adjusted by the commission members, who also filled a considerable number of requests to discuss the commission's work with labor, business, and civic groups.

The commission received an appropriation of $3,475 from the city council for 1948 which enabled it to employ an executive director on approximately a quarter-time basis and to finance a limited amount of clerical and educational work. In 1949 the commission was granted an appropriation of $6,693, which enabled it to use the executive director's services a little more than half-time and to pay for some additional clerical and educational work.

During the 2-year period from June 1, 1947, through June 30, 1949, the commission has adjusted some 75 complaints of discrimination in employment. In approximately 45 percent of these cases a favorable settlement has been achieved and the complainant either obtained the position he was seeking or was satisfied with the commitment made by the party charged to follow a policy of nondiscrimination in the future.

About 23 percent were dismissed because no discrimination was found. In these cases the commission determined that the complainant was denied the opportunity sought for some valid reason other than his race, religion, national origin, or ancestry. In most of these cases the commission also found positive evidence that the party charged was carrying out a policy of hiring on merit and without discrimination.

Approximately 11 percent of the cases were dismissed for the reason that the commission lacked jurisdiction because the employment was outside the city of Minneapolis, was in domestic services, or was by an employer with less than two employees, or by an organization limited in its membership to persons of a single religious faith.

In approximately 11 percent of the cases, a final determination could not be made as to whether or not discrimination had been practiced. Action on these cases was deferred pending further evidence of violation or compliance. The remaining 11 percent of the cases were still in the process of adjustment by the commission on June 30, 1949.

In about 65 percent of the cases, it was alleged that discrimination was practiced because the complainant was a member of the Negro race. Approximately 23 percent claimed discrimination against people of the Jewish faith. In approximately 4 percent of the cases the complainant was of the American Indian race and in 1.3 percent, the complainant was of Japanese ancestry. In the remaining three cases, it was alleged that discrimination had been practiced because the complainant was not a Lutheran, not a Jew, or not a Catholic.

Of the parties charged with discrimination, private employers made up about 83 percent of the total, Government agencies made up about 12 percent, and labor unions and employment agencies about 3 percent each. A further analysis of the parties charged revealed that about 30 of them were in the service industries, including such establishments as hotels, beauty shops, dry cleaners, laundries, and restaurants. Twelve of the parties charged were manufacturing concerns, 10 of them were insurance and finance companies, 4 were construction contractors, 4 were retail stores, and 2 were wholesale distributors. There were six complaints against local government agencies, three against Federal agencies and one against a State government office. As suggested above, two were against labor unions and two were against employment agencies.

In about 79 percent of the cases, the complaint was based upon refusal to hire. About 8 percent were concerned with working conditions, wages or up-grading, 7 percent involved discharge, 3 percent of the cases were based upon refusal to register and refer and another 3 percent on temporary suspension from work. One case was based upon denial of opportunity for apprenticeship training.

(See statistical summary attached.)

In addition to the cases handled since it began operations in June 1947, the Commission has reviewed and corrected discriminatory items on the application for employment forms of 41 additional employers. The Commission members spent a total of 35 hours in the 20 meetings which they held during 1948, and a total of 26 additional hours in the 11 meetings which they held in the first 6 months of 1949 working to correct problems of discrimination in employment.

The executive director addressed over 30 meetings of civic, business, labor, and student groups and the commission members themselves addressed a substantial number of other community organizations. The executive director and individual commission members have also held over 100 personal conferences with city government officials, with workers in other intergroup relations agencies and with representatives of business, labor, and employment agency organizations to work out programs for employing qualified workers on merit and without discrimination.

Minneapolis Fair Employment Practice Commission—Cases handled from June 1, 1947, to June 30, 1949

	Number	Percent
DISPOSITION OF CASES		
Dismissed because—		
Commission lacked jurisdiction	8	10.7
No discrimination found	17	22.6
Favorable settlement achieved by—		
Satisfactory adjustment with complainant	6	8.0
Commitment to follow nondiscrimination policy	28	37.3
Action deferred pending—		
Further action by party charged	8	10.7
Further investigation by commission	8	10.7
Total	75	100.0
NATURE OF CASES		
Discrimination because complainant was—		
Of the Negro race	51	68.0
Of the American Indian race	3	4.0
Of the Japanese ancestry	1	1.3
Of the Jewish ancestry	17	22.8
Not a Lutheran	1	1.3
Not a Jew	1	1.3
Not a Catholic	1	1.3
Total	75	100.0
Party charged was—		
Private employer	62	82.7
Government agency	10	13.3
Labor union	2	2.7
Employment agency	1	1.3
Total	75	100.0
Complaint based upon—		
Refusal to hire	59	78.6
Discharge	5	6.7
Working conditions, wages or upgrading	6	8.0
Denial of training opportunity	1	1.3
Refusal to register and refer	2	2.7
Temporary suspension	2	2.7
Total	75	100.0

ANALYSIS OF OPERATING EXPERIENCE, CITY OF MINNEAPOLIS FAIR EMPLOYMENT PRACTICE COMMISSION

Technique of handling a case: We have accepted and investigated complaints of discrimination brought to us by the Urban League, the Minnesota Jewish Council and the social workers dealing with American-Indian and Japanese-American groups in Minneapolis. We have also investigated problems of discrimination brought to our attention by any individuals in the community having a knowledge of such problems, whether or not they themselves have been the victims of discrimination.

We endeavor to take immediate action on a compliant as soon as it is brought to our attention. We find that our chances for obtaining a satisfactory adjustment of the problem are much better if it is brought to our attention immediately after it arises and if we take immediate action on it.

Relations with parties charged: As soon as the complaint of discrimination is received, the executive director calls by phone the individual who is charged with the discriminatory practice and seeks to arrange for a personal interview with him at the earliest possible time. In carrying out that interview, the executive director uses the nondirective technique to as great an extent as possible. He usually opens the interviews with a statement of the commission's responsibilities and a brief outline of the problem which has been presented to it. He then encourages the party charged to talk as freely as he will about both this specific problem and the general principle of employment on merit.

The result of this approach is normally to bring forth from the party charged a statement of his belief in the principle of employment without discrimination. The remainder of the interview is devoted to seeking ways in which the particular problem presented to the commission can be resolved in terms of this principle. This procedure normally results in as favorable an adjustment of the specific complaint as can be worked out and in an agreement to carefully follow a policy of nondiscrimination in the future.

Enforcement powers: The three principal barriers which sometimes prevent a satisfactory adjustment being achieved by the interviewing procedure outlined above are: (a) the fact that the job has already been filled and the employer is reluctant to displace the worker already hired by hiring the person who brought the complaint, or (b) the employer fears an unfavorable reaction from his employees, or (c) the employer fears an unfavorable reaction from his customers.

When faced with refusal to comply with the ordinance for one of these reasons, the executive director calls in one or more of the commission members to attempt further conciliation of the case. In some cases, the party charged has been invited to attend an informal session of the entire commission to discuss the problem and to seek a solution.

If these initial efforts at conciliation fail, the commission makes it clear to the party charged that its next responsibility is to schedule a public hearing at which the facts in the case would be publicly presented and the party charged would be given an opportunity to present his side of the problem. In one or two cases, the prospect of such a hearing has been used successfully to persuade the party charged to satisfactorily adjust the complaint. However, most employers have worked constructively with the commission to overcome any barriers which they believed might stand in the way of employment of minority workers in accordance with their skills. Therefore, the instrument of a public hearing or the penalties of fine and imprisonment which could be applied through court action have never been used. However, the commission believes that these enforcement powers are necessary in order to make sure that the party charged will give serious attention to the complaint and will work constructively with the commission in adjusting it.

Relations with complainant: Prompt and sympathetic attention to each complaint has resulted in establishing a favorable and friendly relationship with most of the complainants. However, in most cases, the person bringing a complaint of discrimination to the commission no longer wants to secure employment with the employer complained against. In the majority of cases, the complainant tells the commission that he would like to have the policy of the party charged corrected for the sake of future applicants, but that he does not want the job himself because he believes that the employer is prejudiced. This has created a serious problem in securing a satisfactory adjustment of the case. In such cases, the best the commission can do is to get a commitment from the employer that he will not discriminate in the future and then to put the case in an "action deferred" category to await positive proof that the employer has corrected his discriminatory policy. In those cases where the complainant has been willing to press the charge, the commission has been reasonably successful in securing a satisfactory adjustment of the complaint.

In those cases where investigation has proved that the original charge of discrimination was not justified, the complainant has usually accepted this finding with good grace and has expressed appreciation to the commission for clearing up his suspicion of discrimination. In order to make a finding of nondiscrimination, the commission has normally required both proof that the refusal of employment was based on some valid consideration other than race, religion, national origin or ancestry, and positive demonstration that the party charged has employed members of the same group as the person making the complaint and at comparable levels of status and skill.

Effects of commission's work: The most important effect of the passage of the ordinace and the establishment of the commission has been to focus the attention of the major employers in Minneapolis on their employment practices in regard to the members of different racial, religious, and nationality groups. When employers do review their practices, they inevitably conclude that employment on merit is the only sound policy. When they examined the record, they find that other firms have employed minority workers without any serious objections from other employees or customers. Thus, any fears they may have on this score are proved to be without foundation. The clear statement of a public policy of nondiscrimination in employment, and the establishment of the commission with enforcement powers, have proved to be powerful instruments with which to overcome the ignorance and apathy which have been the principal barriers to the employment of qualified workers simply on the basis of their ability to do the job. Employment opportunities in retail and wholesale trade in manufacturing and in office and clerical jobs have been significantly expanded for minority workers by voluntary changes in policy by a great number of important employers entirely apart from any specific complaints of discrimination handled by the commission.

During the delivery of Mr. LONG's speech,

Mr. HUMPHREY. I should like to ask whether the Senator will yield for a unanimous-consent request in order that I may have a statement incorporated at the conclusion of my remarks pertaining to the motion to take up the FEPC bill. It is a statement from the Legislative Reference Service of the Library of Congress, in reference to the reapportionment of State legislatures, an item which was brought to the attention of the Senate on yesterday.

Mr. LONG. Mr. President, I ask unanimous consent that I may yield to the distinguished junior Senator from Minnesota without prejudice to my rights on the floor of the Senate.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, in a colloquy between the junior Senator from Minnesota and the junior Senator from Florida, later on entered into by the junior Senator from California, there was reference made to the reapportionment of State legislatures. At that time the junior Senator from Minnesota said he would request of the Legislative Reference Service of the Library of Congress factual information as to the reapportionment of legislative bodies within the past 50 years or more. That information was made available to me late this afternoon.

I therefore ask that, following my remarks pertaining to the motion of the Senator from Illinois [Mr. LUCAS] to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin, this information, in the

form of a letter dated May 17, 1950, from the Library of Congress, be incorporated.

Mr. MAYBANK. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAYBANK. I understood the Senator from Louisiana yielded for a question.

Mr. LONG. No, I asked unanimous consent that I might yield, without prejudice to my rights, in order that the Senator could make an insertion in the RECORD.

Mr. MAYBANK. As acting majority leader, at the moment, I wished to avoid any unnecessary trespass upon the time of the Senator from Louisiana, who is making a very fine speech. I hope he will not yield further for insertions.

Mr. LONG. I may say to the Senator from South Carolina that I yielded only by unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered. The remarks will be placed in the RECORD following the remarks of the Senator from Minnesota on the motion to take up the consideration of the FEPC bill.

Mr. HUMPHREY. I thank the Senator from Louisiana.

The letter submitted by Mr. HUMPHREY is as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
AMERICAN LAW SECTION,
Washington, D. C., May 17, 1950.

To Hon. HUBERT H. HUMPHREY, attention Mr. Kampelman.

Subject: Reapportionment of State legislatures.

Although the constitutions of nearly all States require reapportionment of their legislatures, reapportionments range from 1890 to 1948. Only nine States have reapportioned their senate since 1925. Only 19, or less than half of the States reapportioned their lower houses following the 1940 census. One State, South Dakota, adopted a constitutional amendment in 1948 requiring the legislature to reapportion both houses every 10 years.

In Mississippi where reapportionment is provided for in the constitution, the last reapportionment was made by a constitutional convention in 1890. No reapportionment was made in Kentucky from 1893 until 1942 except for an amendment in 1918. There has been no legislative reapportionment in Delaware since 1897. In Illinois and Alabama, the last complete reapportionment was made in 1901. Except for a reapportionment of its lower house in 1941 and some prior amendments, Tennessee had not reapportioned since 1901. Connecticut's constitution established the number of State representatives in 1818 and the number of State senators was established by the legislature in 1903. Oregon reapportioned in 1907 but since then has only reapportioned its senate, that being in 1945.

The council of State governments in 1941 stated the reasons for the lagging in reapportionment of the State legislatures as struggles between rural and urban areas to prevent a shift in the balance of political power, efforts of areas where population has been depleted to retain disproportionate representation, and the size and difficulty of reapportioning itself. * * * Struggles between upstate and downstate political forces are given as the reason for delayed reapportionment in * * * Illinois. The same reason was given for failure to reapportion in New York from 1917 until 1943.

SAMUEL H. STILL.

Action by State since 1940

	Senate	House	Constitutional amendments making reapportionment mandatory
California	1941	1941	
Kentucky	1942	1942	
Maine	1941	1941	
Montana	----------	1941	
New Hampshire	----------	1942	
New Jersey	----------	1941	
New Mexico	----------	----------	1942 refused to adopt constitutional amendment.
North Carolina	1941	1941	
Oklahoma	----------	1941	
South Carolina	----------	1942	
Tennessee	----------	1941	
Florida	----------	----------	1943 refused to adopt constitutional amendment.
Kansas	----------	1943	
Michigan	----------	1943	
New Hampshire	----------	1943	
New York	1943	1943	
Missouri	----------	1945	
Oregon	1945	----------	
California	----------	----------	Refused to adopt constitutional amendment to reapportion Senate, 1948. Adopted amendment in 1948 making it mandatory.
Massachusetts	1948	1948	
Nevada	1947	1947	
South Dakota	1947	1947	
Virginia	1948	1948	

The following action was taken in the States following the 1940 census:

California reapportioned both senatorial and assembly districts in 1943 after a mandatory constitutional provision had been adopted in 1941. (Laws 1941, p. 3550, res. ch. 143).

Kentucky reapportioned both houses in 1942 (Laws 1942, ex. chs. 1 and 2).

Maine reapportioned both houses in 1941 (Laws 1941, res. chs. 117 and 132).

Montana reapportioned representatives in 1941 (Laws 1941, ch. 37).

New Hampshire by constitutional amendment in 1942 reduced the lower house in size (Const. Conv. Amend. No. 1, November 3, 1942).

New Jersey reapportioned assemblymen in 1941 (Laws 1941, ch. 310).

New Mexico in 1942 rejected a constitutional amendment requiring a reapportionment (Laws 1942, p. 509).

North Carolina reapportioned both houses in 1941 (Laws 1941, chs. 112, 225).

Oklahoma reapportioned representatives in 1941 (Laws 1941, pp. 39–43).

South Carolina reapportioned representatives in 1942 (Laws 1942, No. 602).

Tennessee reapportioned representatives in 1941 (Laws 1941, ch. 58).

Florida in 1943 rejected a proposed amendment to its constitution which would have required a general reapportionment (Laws 1943, p. 1131) and in 1948 a constitutional amendment which would have required a senatorial reapportionment (Laws 1947, p. 1615).

Kansas reapportioned its representatives in 1943 (Laws 1943, ch. 8; amended Laws 1945, chs. 7 and 8).

Michigan reapportioned its house of representatives in 1943 (Laws 1943, No. 228).

New Hampshire reapportioned its house of representatives in 1943 (Laws 1943, ch. 36).

New York had a general reapportionment of senate and assembly districts in 1943 (Laws 1943, chs. 359; amended Laws 1944, chs. 559, 725, 733).

Missouri reapportioned its representatives in 1945 (Laws 1945, p. 1125).

Oregon had a reapportionment of senators in 1945 (Laws 1945, ch. 343).

Wisconsin redescribed districts in one county (Kenosha) in 1945 (Laws 1945, ch. 337).

California in 1948 defeated a constitutional amendment requiring reapportionment of the senate (initiated measure, November 2, 1948).

Massachusetts in 1947 reapportioned its lower house (Laws 1947, ch. 182), and in 1948 reapportioned its senate districts (Laws 1948, ch. 250).

Nevada in 1947 reapportioned both its house and senate (Laws 1947, ch. 189).

South Dakota in 1947 had a general reapportionment of both senators and representatives. In 1948 a constitutional amendment was adopted making a reapportionment mandatory every 10 years beginning in 1951 (Laws 1947, ch. 250).

Virginia in 1948 passed a general reapportionment law redescribing both districts for both the house of delegates and senate (Laws 1948, ch. 40).

The State constitutions require reapportionment at following frequency:

Every 5 years (Kansas, X 2).

Every 10 years (Florida, VII 2; Illinois, IV 6; Kentucky, 33; Michigan, V 4; Ohio XI 1; South Dakota, art III 5, amendment; Tennessee, II 4; Virginia IV 43).

Decennially or when new county established; apportionment not to take effect until general election next succeeding (South Carolina, III 3, 5).

To be made after every United States census (Alabama, IX 199, 200; Georgia, III, sec. II 3; New Jersey, IV, sec. III; Pennsylvania, II 18; Texas, III 28; West Virginia, VI 4).

To be made at first regular session after each United States census (California, IV 6; Louisiana, 18; Mississippi, XIII 256; North Carolina, II 4, 5; Oklahoma, V 9 b).

May be made at session next after completion of United States census (Connecticut, amendment XXXI 2).

To be made at first session after each decennial enumeration of inhabitants made by State (Massachusetts, amendment 21, 22; New York, III 4, 5).

To be made after each enumeration of inhabitants made by State within every period of at most 10 years (Maine, IV pt. I 2).

To be made at session next following enumeration of inhabitants by United States or by State (Arkansas, VIII 4; Maryland, III 5; Oregon, IV 6).

To be made after each United States census or after census taken by State for purpose of such apportionment (senate) (Vermont, II 18).

To be made at first session after United States census, or after State census if United States census not taken every tenth year or delayed (Missouri, IV 7).

May be made by legislature after any new census taken by United States or by State (Rhode Island, amendment XIII 1).

To be made at first regular session held after taking of decennial census by State and after United States census (Colorado, V 45; Iowa, III 34, 36; Minnesota, IV 23; Montana, VI 2; Nebraska, III 2; Utah, IX 2; Washington, II 3; Wyoming, III apportionment 2).

To be made after each decennial enumeration to be made by legislature and also after each Federal census; and at any regular session, legislature may redistrict State and apportion senators and representatives (North Dakota, II 35).

REORGANIZATION PLAN NO. 7, 1950

Mr. JOHNSON of Colorado. Mr. President, I move that the Senate proceed to consider the resolution (S. Res. 253) disapproving Reorganization Plan No. 7 of 1950. It is Calendar No. 1575.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). The clerk will state the resolution.

The CHIEF CLERK. A resolution (S. Res. 253), that the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on March 13, 1950.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CAIN. May I inquire of the Senator from Colorado——

The PRESIDING OFFICER. The Chair wishes to point out that the motion is not debatable. Is the question of the Senator from Washington only for information?

Mr. CAIN. Yes; Mr. President.

The PRESIDING OFFICER. The Senator may proceed.

Mr. JOHNSON of Colorado. Mr. President, I call for the regular order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado, that the Senate proceed to the consideration of Senate Resolution 253.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 253), as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on March 13, 1950.

Mr. JOHNSON of Colorado. Mr. President, I ask that the time on this highly privileged matter be divided equally between the chairman of the Committee on Expenditures in the Executive Departments [Mr. MCCLELLAN] and the Senator from Minnesota [Mr. HUMPHREY], who signed minority views opposing the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Washington.

Mr. CAIN. I should like to say to the Senator that the suggestion of the absence of a quorum is in order because of the interest of a number of absent Senators in this particular measure. With the permission of the Senator, I should like to suggest the absence of a quorum.

Mr. JOHNSON of Colorado. I am anxious to proceed with the matter. Of course, if the Senator from Washington wants to suggest the absence of a quorum, I shall not object; but I was in hopes that we could proceed. I have noticed that quorum calls sometimes thin out the membership on the floor rather than adding to the number of Senators present.

Mr. CAIN. The junior Senator from Washington is merely acting temporarily in the absence of the minority leader, and, at his request and that of other Senators, I am constrained to suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Maybank
Benton	Holland	Mundt
Brewster	Humphrey	Myers
Bricker	Hunt	Neely
Bridges	Ives	O'Conor
Butler	Jenner	O'Mahoney
Byrd	Johnson, Colo.	Robertson
Cain	Johnson, Tex.	Russell
Capehart	Johnston, S. C.	Saltonstall
Chapman	Kefauver	Schoeppel
Connally	Kem	Smith, Maine
Cordon	Kerr	Smith, N. J.
Darby	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Langer	Taft
Dworshak	Leahy	Taylor
Eastland	Lehman	Thomas, Okla.
Ecton	Lodge	Thomas, Utah
Ellender	Long	Thye
Ferguson	Lucas	Tobey
Fulbright	McCarran	Tydings
George	McCarthy	Watkins
Gillette	McClellan	Wherry
Green	McFarland	Wiley
Gurney	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Malone	Young
Hill	Martin	

The PRESIDING OFFICER (Mr. GILLETTE in the chair). A quorum is present. The Senator from Colorado may proceed.

Mr. JOHNSON of Colorado. Mr. President, before I proceed, I should like to ask unanimous consent that debate be limited to 3 hours.

The PRESIDING OFFICER. Does the Senator mean a total of 3 hours?

Mr. JOHNSON of Colorado. Yes. I ask that debate be limited to a total of 3 hours, to be divided equally between the proponents and the opponents.

The PRESIDING OFFICER. The Senator from Colorado asks unanimous consent that debate on this proposal be limited to 3 hours, the time to be controlled on behalf of the proponents by the Senator from Arkansas [Mr. MCCLELLAN], and on behalf of the opponents by the Senator from Minnesota [Mr. HUMPHREY]. Each side will be limited to 1½ hours of debate.

Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Colorado. Mr. President, plan No. 7 is opposed by a majority of the Committee on Interstate and Foreign Commerce, the committee which has jurisdiction over the Interstate Commerce Commission under the Legislative Reorganization Act, of which I have the honor to be chairman. I urge the Senate, therefore, to adopt Senate Resolution 253 disapproving Reorganization Plan No. 7. This plan would vest all administrative and executive authority of the Interstate Commerce Commission in the Chairman of the Commission and give the President the power to appoint that Chairman. It would repeal many vital provisions of the present law respecting that Commission without following the legislative processes provided in the Constitution for enacting laws.

Mr. President, today I shall emphasize my opposition to this plan for at least two compelling reasons. First, it has the effect of making a one-man commission out of the Interstate Commerce Commission. This would be a complete destruction of the democratic safeguards which Congress enacted into law when it created the Interstate Commerce Commission.

Secondly, by giving the President the right to appoint the Chairman of this all-powerful Commission, we are in effect transferring to the executive branch of the Government control over an agency which was established as an arm of the Congress.

The reorganization plans proposed by the Hoover Commission had as their over-all purpose to promote greater efficiency and more economy in government. It is not claimed, however, that this plan will effect any economy whatever, although with full power over the agency vested in the chairman, they might well have saved the salaries of the other members of the commission by eliminating them entirely. I am in favor of greater efficiency in government as much as any Senator on this floor, but not where it is accomplished at the expense of our liberty and of our democratic institutions. Theoretically, while a degree of efficiency may be obtained by giving administrative control to one man if he be an especially able man, there can be no increased efficiency by giving the President the power to appoint that one man. I challenge the supporters of this outrageous plan to show by what magic a Presidential appointment will save money. No, Mr. President, the object cannot be to save money or promote efficiency by giving this tremendous power over an arm of Congress to the President.

I am perfectly willing to admit that in a sense a 1-man commission may be more efficient than a 11-man commission. But only in the sense that a three-Member Congress would be more efficient than a Congress of 531 Members who are of varying political faiths, springing from all sections of the country, and representing the economic views held by the various groups of our people. A three-man Congress could have disposed of the entire legislative program with which we have been struggling and could have adjourned within a month.

Mr. President, lack of efficiency has never been the criticism made of totalitarian governments. But in this Republic we should not value our democratic institutions so lightly that we will sacrifice the safeguards of democracy merely for greater efficiency. And I repeat, there is no increased efficiency at all and there can be none by giving the President the power to appoint this all-powerful chairman. Under present law the chairman is appointed by the commission itself and that is the way it should remain, and that is the way it will remain if this Senate believes in democracy.

In the establishment of administrative agencies the Congress provided for bipartisan representation. In the case of the ICC we provided for 11 members, not more than six of whom may be of the same political party. We have also provided for staggering the 7-year terms of these commissioners so that a change in the office of the President cannot result in a new commission and new policies dictated solely by politics. All of these precautions in effect will go out the window under plan No. 7.

Those safeguards were adopted originally and wisely to insure the independence of this arm of the Congress; safeguards which it is now proposed be swept away. Before specifically pointing out the effects of this plan, I should like to call attention to an exact analogy which will be readily apparent to every Senator. Suppose a proposal were made to give the chairman of the congressional committees full power over the entire staffs of such committees, and the President the power to select that chairman. Certainly we would not sanction any such proposal. But that is precisely what plan No. 7 does to one of the arms of Congress. In the Legislative Reorganization Act, the Congress has gone so far as to expressly provide for minority staff appointments on congressional committees. If we are to maintain the two-party system such provisions must be observed.

Let us not strip the ICC—an arm of the Congress—of the democratic safeguards which we know are so necessary to our liberty.

The reorganization plan before us would take away from the 11 members of the Commission, and vest in 1 man, 6 important functions, 5 of which it has had from its inception and which have contributed materially to its successful operation. These six are:

First. The appointment and supervision of personnel—except for the Commissioner's personal staff.

Second. The assignment and distribution of work among the administrative units of the agency.

Third. The use and expenditure of funds.

Fourth. The control and supervision of hearing examiners, thus amending substantive law and striking a telling blow at the separation of prosecutory and judicial functions.

Fifth. The direction and control of the Director of Locomotive Inspection and his two assistants in the performance of their functions.

Sixth. The democratic right to select its own Chairman. Five of the functions which I have just listed would be vested in the Chairman and the Chairman would be the appointee of the President. As Mr. C. A. Miller, vice president and general counsel of the American Short-line Railroad Association, said in testifying against this reorganization plan:

> If Reorganization Plan No. 7 becomes effective, the Chairman of the Commission will be designated by the President from the membership of the Commission. We regard this as being the wrong thing to do, and for reasons which I think will be apparent. First of all, the Chairman will be political and politically minded. He will be chosen for his politics and political backing rather than for his ability. The Chairman would have the ear of the President, so that the other members of the Commission would be under the necessity of agreeing with him if they expected to be reappointed. It would take a man of great courage to disagree with the Chairman of the Commission if he wanted to be reappointed.

This reorganization plan is also opposed, and the disapproval resolution is supported, by the railroad brotherhoods, the Association of American Railroads, the Association of Interstate Commerce Practitioners, the American Trucking Associations, the Freight Forwarders Institute, and the Council of Private Motor Truck Owners.

The spokesman for the railroad brotherhoods called attention to their great concern over the "impartial administration of the various safety laws," which are administered by this Commission, and that for at least 30 years one member of the Commission has had a background of actual railroad experience specializing in matters relating to railway safety. This expert commissioner has always had supervision over the safety activities of the Commission.

The railroad brotherhoods, alarmed as I have not seen them in many a day, are opposing vigorously transferring these activities to the supervision of a chairman who in all probability would be without actual experience in this field as is now required by law.

Railroad management opposes the plan because of its "impairment of the independence of a regulatory agency such as the Interstate Commerce Commission," as they point out.

The truckers oppose the plan because, as they said: "We believe the value of this streamlining is outweighed by the possibility, even the probability, that the judicial processes may be subjected to political influence."

I assert most emphatically, Mr. President, that the claimed greater efficiency of transferring administrative duties to one commissioner, to free the other commissioners for their judicial and legislative tasks, could have been accomplished equally well without taking away from the Commission as a whole the selection of the Chairman. Even if it were desirable to give much of the administrative control to the Chairman, why must control over the Chairman be given to the Executive? I insist that the supporters of this highly offensive plan—this backward step when we ought to be going forward—say why they are doing this to the American people. The Hoover Commission did not recommend that the President appoint the Chairman of the ICC.

Of course we hear, and shall no doubt continue to hear, that the best man on the Commission should be made Chairman and then be given full power over the administration of the Commission. I would prefer, however, Mr. President, to have 11 good men on this Commission rather than one superman and 10 men reduced by law to be mere "yes men." Under the reorganization arrangement the supporters of plan No. 7 are advocating, instead of getting a superman Chairman we are more apt to get a super politician in that office. I have great fear that we will not be able to get good men to accept appointment to the ICC if they are to be mere figureheads with all of the power vested in a political Chairman appointed by the President.

The functions of the so-called arms of Congress are both regulatory and quasi-judicial. In the case of the ICC the functions are largely regulatory but do also include quasi-judicial activities.

As practical and reasonable men we know that the decisions which a regulatory body makes do not depend so much on the views of the commissioners as upon the statistics, the background material, and the research which is made available to them by their staffs. Such regulatory action must be supported by facts and the power to select what particular facts are made available is the power to control the decision.

There is a well-known saying in Washington: "Commissioners may come and commissioners may go, but the staff goes on forever."

The power to control appointments to the staff, and to dominate the performance of the staff, is the power to control and dominate the Commission. How can the Congress be blind to that situation?

In the Administrative Procedure Act the Congress sought to preserve the right to a fair trial before an administrative agency by protecting the independence of the examiner. Now we are asked to remove that safeguard of a fair and impartial trial, in the name of efficiency. Mr. President, I ask, at what price is such efficiency sought to be obtained? I say that price is too high. I will not pay it.

The prosecuting staff at the Commission has the obligation of prosecuting the complaints presented by the investigating division. But it is the privilege of these investigators to decide what complaints should be disregarded and what complaints should culminate in litigation. There you have it.

Again the trial examiners under present law are intended to be autonomous, impartial men whose job is to decide, initially, the merits and demerits of opposing claims made before the Commission. The trial examiner is required to make an independent and honest appraisal of the facts, and is not to presume a complaint is well founded merely because it has been issued by the Commission. Now we are asked to make him subservient to the Chairman.

Ultimately the commissioners themselves theoretically review the trial examiner's report, but this is, of course, actually done for them by other staff employees. Under plan No. 7, these staff employees will also be subservient to the chairman. The Administrative Procedure Act was intended to separate these functions in order to insure a fair and impartial hearing. These divisions cannot remain independent if they are all under the exclusive supervision of the chairman. To place the chairman in full charge of all divisions is to bring them under a central authority. When all of the staff is under the same control the resulting theoretic efficiency will tend to avoid independent decisions being made at each level. If the President should happen to appoint an especially able chairman, this may be more efficient, but even in that improbable case it does not assure a fair hearing.

Section 1 (c) of plan No. 7 provides that the Director of Locomotive Inspection and the two Assistant Directors of Locomotive Inspection shall perform their functions subject to the direction and control of the chairman.

Now, Mr. President, section 3 of the Locomotive Inspection Act provides for

the appointment by the President, subject to confirmation by the Senate, of a Director and two assistants, who—and I quote from the statute—

shall be selected with special reference to their practical knowledge of the construction and repairing of boilers, and to their fitnesses and ability to systematize and carry into effect the provisions hereof relating to the inspection and maintenance of locomotive boilers.

Against this plan, H. E. Lyon, secretary-treasurer of the Railway Labor Executives Association, representing 20 national railway organizations with over a million members, said they opposed the plan because it was unwise to—

place the functions of those experts under the direction and control of a person who would almost surely be lacking in competence in this important field of work.

I certainly agree with that plea for safety by the men who risk their lives in the hazardous job of railroading. If the minority of the Committee on Expenditures in the Executive Departments care nothing about the safety of the railroad workers, I beg them to think of the thousands of passengers who ride the trains. Furthermore I agree with the brotherhoods' warning that—

A chairman with such broad authority and lacking familiarity with technical and practical matters would probably bring about chaotic conditions in the administration and enforcement of these important safety laws.

Surely the Congress does not want to hamstring the Bureau of Locomotive Inspection or weaken the enforcement of the safety standards which have been built up after years of hard work. This feature of plan No. 7, standing alone, is enough to warrant rejection of the entire plan. We cannot take chances where the lives of thousands of people are concerned.

Mr. President, at this point I wish to read a telegram into the RECORD. Similar telegrams have been received by all other Senators. It is dated Chicago, Ill., May 8, 1950, and is as follows:

The forty-fourth grand division Order of Railway Conductors of America, consisting of 650 delegates from all 48 States, now in session at Congress Hotel, Chicago, Ill., respectfully urges you to actively support Senate Resolution 253 by Senator JOHNSON, Colorado, Reorganization Plan No. 7.

Signed by H. W. Fraser, president.

Mr. President, I regret to say that shortly after Mr. Fraser signed the telegram he passed on, but the interest of the railroad workers themselves continues, and I am sure that many Senators have been contacted by the railroad workers and their organizations who have told them of their deep interest in the resolution.

Of all the administrative agencies the Interstate Commerce Commission is the oldest and probably the most highly respected. The experienced members of that Commission are themselves opposed to this transfer of administrative duties to a chairman. In a letter to me dated October 11, 1949, submitted by the Chairman of the ICC on its behalf, and commenting on the pending bill which would have accomplished this transfer, the Commission said:

From the beginning of this Commission in 1887 consideration has been given continuously and intensively to the duties assigned to the Chairman and to his length of term. Initially the term was indefinite, and it continued so until the resignation in 1910 of Chairman Knapp as a member of the Commission to become a judge of the United States Commerce Court. The Commission then unanimously adopted a policy of annual rotation of the chairmanship in order of seniority, as grave weaknesses had developed in the system of a continuing or permanent chairmanship. Annual rotation was the rule until July 1, 1940, when as a necessary part of the reorganization of its internal organization the Commission extended the term to 3 years, and gave the holder of the office greater administrative and executive responsibilities, including the duty of seeing that the work of the Commission is done promptly and efficiently. However, annual rotation was resumed at the end of one 3-year period.

The Commission itself desires to rotate its chairmanship. In that letter the Commission further wrote—

On the whole it has been found best from our standpoint to fill the chairmanship by rotation for a 1-year term. Hence, it would be wholly impractical to transfer to the chairman those duties now in large part performed by the secretary of the Commission under the supervision of the adminstrative division of the Commission on which there are, at present, three commissioners. Moreover, it would be an undue burden on one commissioner to ask him to supervise all the personnel in all the bureaus of the Commission. Such general supervision is now divided among all the commissioners. It is our experience that supervision of one or two bureaus by a single commissioner is much more thorough and satisfactory than could possibly follow from assigning all such supervision of every bureau to a single commissioner designated as chairman. The secretary of the Commission is the chief executive officer, and works as easily with the individual commissioners in respect to the various bureaus as could be hoped for if he had only one commissioner with whom to deal. And we believe there is a more competent appraisal and direction of the work of the bureaus under this division of labor among the commissioners than would follow under an attempt to assign it all to one commissioner. The Commission is in itself an entity. It is composed of 11 individual commissioners but these commissioners act collectively. Cooperation and division of labor among and between the individual commissioners have been achieved without lessening the responsibility of the Commission. We do not see that moving the secretary of the Commission in effect into the office of a single commissioner who would be given the title of chairman would accomplish any beneficial result. It would overburden the commissioner selected as chairman, and it would shut the secretary off from the active and responsive counsel of the other commissioners. * * * We do not believe there is any particular magic in the title of chairman. We assign to our chairman general duties of presiding and coordinating which any commissioner can perform in addition to his other duties. For that reason it is convenient to rotate this responsibility among the commissioners.

Mr. President, as every Member of the Senate knows, there is a tendency in all independent agencies for a small group of senior members of the staff to try to form the policy and run the Commission. When all staff powers are vested in one man, this objective is greatly simplified because there is only one man for the staff to take under its wing, only one man for them to convert to their cause. At the same time the staff not only has nothing to fear because other commissioners may hold different views, but the staff can actually prevent the other commissioners from obtaining research or investigations which the staff does not wish them to have to support their views and their suspicions.

I am opposed to small groups of the staff running the affairs of an agency—men who were neither appointed by the President nor confirmed by the Senate, and who are not responsible to the people in any degree. Make no mistake about it, plan No. 7 is away from democratic institutions and is a long step toward malignant bureaucracy.

We hear a great deal, Mr. President, about the greater efficiency of private corporations where all executive control is concentrated in a president. This is obviously more efficient, but do not lose sight of the fact that corporate law makes the president of a corporation subject to the direction of the board of directors. That board of directors may remove the president at any time and it has full power to direct the policies of the corporation. Moreover, the members of the board of directors, Mr. President, are the representatives of the stockholders.

There is no similar provision in government making the all-powerful chairman of these agencies subject to the direction and control of any representatives of the people. The agency chairman would be primarily responsible to the President of the United States. Indeed, this is the express intention of the Hoover Commission, although it results in neither economy nor greater efficiency.

It is clear that divesting the whole Commission of authority and concentrating power in the chairman is intended to carry out the philosophy and recommendation expressed in the Hoover Commission's first report (H. Doc. 55, 81st Cong. p. 7) to establish by statute "a clear line of control from the President" to department and agency heads "cutting through the barriers which have in many cases made bureaus and agencies partially independent of the Chief Executive."

The plain fact is, Mr. President, that plan No. 7 would make the Interstate Commerce Commission dependent upon and subordinate to the policy determining power of the Executive, including the political direction and emphasis to be given in the administration of the law.

This is directly contrary to the express intention of Congress in creating the ICC. It was intended to be an arm of the Congress, and I vigorously oppose its transfer to the Executive.

Mr. President, I desire to read into the RECORD three paragraphs from a letter received by me and signed by Mr. Lowe P. Siddons traffic manager-commerce attorney for the Holly Sugar Corp., dated Colorado Springs, Colo., April 27, 1950.

I skip the first paragraph and read the following three paragraphs because they are significant and very pertinent. I am sure they deserve the attention of every lawyer in this body. The three paragraphs are as follows:

> The President states that under the several plans Nos. 7, 13, and 21, the heads of departments and the chairmen of the regulatory bodies "will be made clearly responsible for the effectiveness and economy of governmental administration and will be given corresponding authority, so that the public, the Congress, and the President may hold them accountable for results in terms both of accomplishments and of cost."

Listen to the next paragraph, Mr. President and Senators:

> Under the Constitution of the United States, section 8, powers of Congress. The Congress shall have power "to regulate commerce with foreign nations, and among the several States, and with the Indian Tribes."

That provision of the Constitution does not say anything about the President having the power to regulate commerce. It grants that power to the Congress. Under that power and under that authority Congress has created the regulatory bodies which I mentioned, and more particularly the Interstate Commerce Commission.

The third paragraph is as follows:

> This section of the Constitution does not seem to admit any requirement that the President or the public hold the Interstate Commerce Commission or its Chairman "accountable for results in terms both of accomplishments and of costs." The regulation of interstate commerce under the Constitution is a function of government assigned to Congress—it alone is responsible therefor—not the President.

Not anyone else; only Congress.

I repeat the provision in plan No. 7 is directly contrary to the express intention of Congress in creating the Interstate Commerce Commission.

I urge the Senate not to sell short the democratic safeguards now attaching to administrative agencies. I urge it to preserve the independence of the arms of Congress dispensing quasi-judicial justice to the people. While we need have no fears of arbitrary executive control over these agencies by the Executive so long as the present occupant remains in the White House, this is permanent legislation that is before us. I urge the Senate to preserve the independence and the safeguards against political domination which the Interstate Commerce Commission now enjoys. I urge the Senate to adopt resolution 253 disapproving Reorganization Plan No. 7 and thereby to preserve our democratic institutions.

Mr. President, I now desire to read some excerpts from statements made by certain of our distinguished leaders. I shall first quote from a statement made by former Senator Barkley, now Vice President of the United States who, when speaking of the very commissions about which I am speaking, said as follows:

> They are quasi-judicial and quasi-legislative. They are quite different from a commission which is created merely to aid the President in determining how he shall perform his executive duty of appointing people to office, in the way of testing their qualifications (for instance, the Civil Service Commission). One is an executive function, the others are legislative and judicial, and the only reason why the Interstate Commerce Commission was set up, and why the Federal Trade Commission, and the Power Commission, and the Communications Commission, were set up under the authority to regulate commerce among the States and with foreign governments, was the knowledge that Congress itself could not do that.

But plan No. 7 does just exactly what Vice President Barkley said he would never approve; it makes the ICC a one-man agency, just as plans Nos. 8, 9, and 11 make one-man agencies of the Trade, Power, and Communications Commissions.

Mr. President, many of the Members of the Senate now present remember one of our former distinguished colleagues, former Senator Bennett Clark, of Missouri, a parliamentarian of national reputation. I read now what he said regarding the necessity of maintaining independent regulatory bodies; this statement was made by him during the Senate debate in 1938 on the Government departments reorganization bill, the legislative culmination of a professional study of government and how to organize it. In that debate former Senator Bennett Clark, of Missouri, one of the Senate's greatest students of parliamentary history, pointed out that "the principal functions of such commissions as the Interstate Commerce Commission, the Federal Trade Commission, and the Communications Commission, are as agencies of the legislative branch of the Government and as extensions of the legislative power" and that "the important function which has been conferred on such commissions is the ascertainment of particular facts in order to carry out a policy of Congress enunciated in a statute" and "they are legislative rather than executive or administrative in character."

Mr. President, I wish to remind the Senate once more that the provision in the pending reorganization plan that the President shall designate the Chairman of the Interstate Commerce Commission is not a recommendation of the Hoover Commission.

Mr. SCHOEPPEL. Mr. President——

The PRESIDING OFFICER. Let the Chair inquire whether time has been yielded to the Senator from Kansas.

Mr. JOHNSON of Colorado. Mr. President, the Senator from Arkansas gave me authority to assign the time for him; and I assign 20 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 20 minutes.

Mr. SCHOEPPEL. I thank the Senator. I probably shall not use that much time.

Mr. President, in common, I think, with a number of other Senators—with the great majority of the Members of the Senate, I hope—I have approached in a friendly spirit all the 21 reorganization plans sent to us with the President's message of March 13. I have considered all of them with the idea of giving them the benefit of every doubt and of supporting them unless it should appear that they are open to some substantial measure of objection. But my study of Reorganization Plan No. 7 of 1950, dealing with the reorganization of the Interstate Commerce Commission, leads me to the conclusion that it is essentially unwise and should be rejected, as proposed by Senate Resolution 253.

Plan 7 purports to carry out the recommendations of the Commission on Organization of the Executive Branch of the Government—the so-called Hoover Commission. Yet when we analyze its terms, we find that the most important feature of the plan represents a departure from the recommendations of the Hoover Commission.

The two really important changes which plan 7 is designed to bring about in the Interstate Commerce Commission are: First, centralization of control of the administrative affairs of the Commission in the office of the Chairman; and second, the transfer of the power to select the Chairman from the Commission to the President, so that the Chairman will hold office, as such, at the pleasure of the President. The Hoover Commission recommended the first of these two changes, but deliberately refused to recommend the second, which is by all odds, the most important and the most far-reaching part of the plan we now have before us. In spite of that fact, we are asked to support plan 7 as a product of the labors of the Hoover Commission. The truth is that this is not a Hoover Commission plan, but one that represents a very material departure from the recommendations of that body.

The movement for the reorganization of the Government is founded upon the expectation that it will secure two very desirable objectives: First, greater economy in governmental expenditures; and, second, greater efficiency of administration. It is very unlikely that either of these objectives would be furthered by the adoption of plan 7. In the message transmitting plan 7 the President candidly states that the plan "may not in itself result in substantial immediate savings." The view is expressed that the reduction in expenditures will probably come about in future years, although it is not possible to make a concrete estimate of the amount. The vagueness of this hope for savings in future years is indicated by the entire inability of the Director of the Budget, when he appeared as a witness in behalf of plan 7 before the Committee on Expenditures in the Executive Departments, to give the slightest indication of the amount of the prospective savings.

In the current budget for the next fiscal year, which now calls for approximately $42,000,000,000, the amount included for all the activities of the Interstate Commerce Commission is about $11,800,000. It would, of course, be something of an accomplishment if any substantial part of that sum could be saved by the proposed changes in organization; but those who advocate the plan are able to point to no accurate evidence of any such savings. The Committee on Expenditures in the Executive Departments, in making its favorable report on Senate Resolution 253, stated that plan 7 would not bring about any substantial economy in the expenditure of Government funds. It could come to no other

conclusion on the basis of the showing made at the hearings.

There was likewise an absence of any real showing that the proposed changes would bring about an increase in the efficiency of the administration of the affairs of the Interstate Commerce Commission. The industries regulated by the Commission, those that are affected by the exercise of its regulatory powers, as well as those that practice before it, are unanimous in their condemnation of the plan. Carriers, shippers, and railroad labor speak with one voice in opposition to the plan. Among the organizations expressing opposition were: Railway Labor Executives Association, National Industrial Traffic League, American Bar Association, Association of Interstate Commerce Commission Practitioners, Association of American Railroads, American Short Line Railroad Association American Trucking Associations, Freight Forwarders Institute, National Council of Private Motor Truck Owners, Transportation Association of America.

One certainly would think that if plan 7 really provided for greater efficiency in handling the business of the Commission, it would be favored by some of these organizations whose members would stand to benefit. The fact that all of them are arrayed in opposition to the plan is of more than ordinary significance. It means that those who are in day-to-day contact with the work of the Commission, and who are better acquainted than anyone else with its organizational structure, with its procedure, and with its functioning, find nothing in the plan of reorganization sufficient to warrant their lending their support to it. They represent divergent interests before the Commission, but all of them see eye-to-eye on this proposition. They are opposed to plan 7, and are asking us to vote in favor of Senate Resolution 253, which would register our disapproval.

The same position is taken by chairmen of the Senate and House Committees on Interstate and Foreign Commerce. The chairman of the Senate committee, the senior Senator from Colorado [Mr. JOHNSON] is the author of Senate Resolution 253. The chairman of the House committee, Representative CROSSER, of Ohio, is the author of House Resolution 545, the companion measure in the House.

As I have stated, the two principal changes in the Interstate Commerce Commission proposed by Reorganization Plan No. 7 are (1) centralization of the control of the affairs of the Commission in the office of its Chairman, and (2) the transfer of the power to select the Chairman from the Commission to the President. Each of these changes is objectionable, but the evils inherent in the separate features are magnified many times by their combination in a single plan. The cumulative effect of these two revisions in structure is to center in the hands of the Chairman a tremendous amount of control over the affairs of the Commission, and then to make him a subordinate of the President—holding office as Chairman at the pleasure of the President—thus opening the way for Executive domination of an independent establishment which has always been and should continue to be a bipartisan arm of the Congress.

The very essence of the value of a regulatory tribunal lies in its independence. The Interstate Commerce Commission is now an independent regulatory agency performing quasi-legislative and quasi-judicial functions, as well as certain incidental administrative functions. Most of those duties are quasi-legislative, such as fixing rates for the future. Some are quasi judicial, such as the awarding of reparations for the past. Since, generally speaking, the Interstate Commerce Act requires a public hearing before the entry of an order, most of the procedure of the Commission is quasi judicial, even where the nature of the function exercised is of another kind. This requirement of notice and hearing in the procedure of the Interstate Commerce Commission as stated by the Supreme Court in the *Chicago Junction case* ((1924) 264 U. S. 258, 265), "implies both the privilege of introducing evidence and the duty of deciding in accordance with it." As the Court said in *ICC* v. *Chicago and Pacific Ry.* ((1910) 218 U. S. 88, 102), the powers of the Commission "are expected to be exercised in the coldest neutrality." The Commission has no policy other than that of the statute which it administers.

If the Commission were subject to executive direction or political influence, if it were made amenable to pressure to decide not on the basis of the law and the facts but on the basis of someone else's notion of the requirements of public policy, then confidence in its impartiality would be gone and its usefulness would be destroyed. Yet one of the avowed objectives of plan No. 7 in having the Chairman of the Interstate Commerce Commission hold office as such at the pleasure of the President is said to be to "enable the President to obtain a sympathetic hearing for broader considerations of national policy which he feels the Commission should take into account," to use the words of the Hoover Task Force Report on Regulatory Commissions—page 32—a viewpoint repeated by the former executive secretary of the task force, Mr. Harold Leventhal, in his testimony on the pending resolution. In the President's message of March 13, 1950, transmitting the 21 plans, it is said that the first 13 of them, including plan No. 7, "all have the same objective: To establish clear and direct lines of authority and responsibility for the management of the executive branch."

These proposals are all incompatible with the constitutional doctrine of separation of powers and the traditional system of checks and balances. They are designed to give the President an improper measure of control over the quasi-legislative and quasi-judicial functions of the Interstate Commerce Commission.

This incompatibility is strikingly illustrated by the unanimous decision of the Supreme Court of the United States in *Humphrey's Executor* v. *United States* (1934), (295 U. S. 602), one of the great landmarks of constitutional law on the subject of the relation of the independent regulatory commission to other branches of the Federal Government. President Roosevelt had attempted to remove Commissioner Humphrey of the Federal Trade Commission, for reasons, as stated by the President, that "I do not feel that your mind and my mind go along together on either the policies or the administration of the Federal Trade Commission," and "that the aims and purposes of the administration with respect to the work of the Commission can be carried out most effectively with personnel of my own selection." The case presented squarely the question whether a member of an independent regulatory commission holds office at the pleasure of the President, subject to removal by him at any time for failure to carry out Presidential policies. This, in turn, involved the further question whether such a commission is a part of the executive branch of the Government or is independent of it. The Supreme Court decided against the President on both points. It held that (1) the President was without the power of removal, and (2) the Federal Trade Commission, like the Interstate Commerce Commission, is not a part of the executive branch of the Government, but is a quasi-legislative and quasi-judicial agency which cannot, consistently with the purpose of its establishment, be subjected to Executive control. The Court, at pages 625–626, said:

> Thus, the language of the act, the legislative reports, and the general purposes of the legislation as reflected by the debates, all combine to demonstrate the congressional intent to create a body of experts who shall gain experience by length of service, a body which shall be independent of Executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government. To the accomplishment of these purposes, it is clear that Congress was of opinion that length and certainty of tenure would vitally contribute. And to hold that, nevertheless the members of the Commission continue in office at the mere will of the President, might be to thwart, in large measure, the very ends which Congress sought to realize by definitely fixing the term of office.

Again, at page 628, the Court said:

> The Federal Trade Commission is an administrative body created by Congress to carry into effect legislative policies embodied in the statute in accordance with the legislative standard therein prescribed, and to perform other specified duties as a legislative or as a judicial aid. Such a body cannot in any proper sense be characterized as an arm or an eye of the Executive. Its duties are performed without Executive leave and, in the contemplation of the statute, must be free from Executive control * * * to the extent that it exercises any executive function—as distinguished from executive power in the constitutional sense—it does so in the discharge and effectuation of its quasi-legislative or quasi-judicial powers, or as an agency of the legislative or judicial departments of the Government.

Again at page 629, the Court said:

> We think it plain under the Constitution that illimitable power of removal is not possessed by the President in respect of officers of the character of those just named. The authority of Congress, in creating quasi-legislative or quasi-judicial agencies to require them to act in discharge of their duties independently of Executive control cannot

well be doubted; and that authority includes, as an appropriate incident, power to fix the period during which they shall continue in office, and to forbid their removal except for cause in the meantime. For it is quite evident that one who holds his office only during the pleasure of another, cannot be depended upon to maintain an attitude of independence against the latter's will.

On page 630 the Court said:

The power of removal here claimed for the President falls within this principle, since its coercive influence threatens the independence of a commission, which is not only wholly disconnected from the executive department, but which, as already fully appears, was created by Congress as a means of carrying into operation legislative and judicial powers, and as an agency of the legislative and judicial departments.

The Court, while conceding that the President had the power to remove an executive officer, reviewed the expressions of James Madison on the question of the President's power of removal, showing that while Madison maintained that the President had the inherent right to remove officers of the executive department, he did not believe that this rule could properly be extended to the case of an officer whose functions partook of a judicial quality. The Court, at page 631, said:

And it is pertinent to observe that when, at a later time, the tenure of office for the Comptroller of the Treasury was under consideration, Mr. Madison quite evidently thought that, since the duties of that office were not purely of an executive nature but partook of the judiciary quality as well, a different rule in respect of Executive removal might well apply.

The proposal to place independent regulatory commissions within an executive department, or to put them under the direct administrative control of the President, is violative of the constitutional principle of separation of powers and the system of checks and balances. The functions of these agencies are not executive but quasi-legislative and quasi-judicial. The Message to Congress of March 13, 1950, dealing with plan 7, characterizing it, among other things, as a bold approach to the problem of delineating responsibility and authority for the management of the executive branch of the Government, reveals the same basic misconception of the status of the independent commissions that was unanimously condemned by the Supreme Court in the Humphrey case. The purpose of providing that the Chairman of the Interstate Commerce Commission shall hold office as such at the pleasure of the President is expressly stated to be to provide clearer lines of management responsibility in the executive branch. But as the decision of the Court in the Humphrey case makes clear, the Interstate Commerce Commission is not in the executive branch, and should have no line of responsibility to that branch. The Chairman should not be made to hold office as such at the pleasure of the President, because, to quote the language of the Court:

It is quite evident that one who holds his office only during the pleasure of another cannot be depended upon to maintain an attitude of independence against the latter's will—

Nor are the apprehensions of danger in subordinating these independent quasi-legislative, quasi-judicial tribunals to executive control in any sense hypothetical or imaginary or unreal. Quite to the contrary they are solidly based on past experience. While President Wilson is reported to have said that he would as soon think of proffering suggestions to the Supreme Court upon a matter before it as to suggest how the Interstate Commerce Commission should decide a case—D. Philip Locklin, Economics of Transportation, third edition, 1947, page 299—in later years there have been, in spite of the Commission's secure legal status—up to this time—as an independent agency, attempts to bring political influence to bear upon it. Many of these incidents, some of them involving attempted exertions of Executive pressure, have become a matter of public knowledge and are recounted in standard books dealing with the work of the Commission or the economics of transportation—Sharfman, The Interstate Commerce Commission, volume 2, pages 452–489; Vanderblue and Burgess, Railroads: Rates—Service—Management (1923), pages 113–114; D. Philip Locklin, Economics of Transportation, third edition, 1947, page 299.

Some of them are set forth in the testimony at the hearings on Senate Resolution 253. It may not be amiss to quote an excerpt from an address entitled "In the Public Interest" delivered in 1928 before the University of Wisconsin chapter of Phi Beta Kappa by Mr. B. H. Meyer, then a member of the Interstate Commerce Commission:

The Commission has always been an independent body. It has nothing to do with politics and no political influence has ever determined its official action on any question. I must admit, however, that occasionally attempts have been made to nibble politically at the Commission. In the past these nibbles were sometimes annoying but never harmful. It has remained for recent time to attempt to control Commission action through political channels. These attempts were made boldly and at times with fury. Every one of them has failed. I do not believe they ever will succeed, but it will be a sorry day for our Government if they ever should succeed.

There have been in the past attempts by the executive branch to exert pressure upon the Commission to influence its decisions in important contested cases. Up to this time the Commission by virtue of its independent status has been able to resist these pressures. If the independence of the Commission is destroyed or substantially impaired by making it amenable to the suggestions of the President or his associates in the executive branch of the Government, it may no longer be able to resist these improper encroachments. The only way to insure the continued independence of the Commission, in my humble opinion, is to vote in favor of Senate Resolution 253 and to disapprove the encroachments upon the Commission's independence which are inherent in plan 7.

The PRESIDING OFFICER. The question is on agreeing to Senate Resolution 253.

Mr. McCLELLAN. Mr. President, the proponents of the resolution have consumed their time. I suggest that the opponents should now proceed.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Chair is ready to recognize the junior Senator from Minnesota.

Mr. JOHNSON of Colorado. Mr. President, on behalf of the Senator from Minnesota, I yield 30 minutes to the Senator from Connecticut [Mr. BENTON].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 30 minutes on the time of the junior Senator from Minnesota.

Mr. BENTON. Mr. President, the distinguished Senator from Colorado has suggested 30 minutes, but I do not expect to continue for that long a time.

I pointed out last Thursday, Mr. President, that I felt my role was an unhappy one in my opposition to the resolution disapproving Reorganization Plan No. 1. I said it was unhappy because, as the most junior Member of this body, I did not like the lonesome feeling which was generated in me at that time, when I gave the only talk on the floor opposing the resolution rejecting the President's reorganization proposal.

I feel lonesome again today, Mr. President, and I feel unhappy about it. I feel unhappy, further, because it was only yesterday that the reports on the resolution we are now debating were filed. At 11:30 o'clock this morning I was still endeavoring to get a printed copy of the report, and I did not anticipate that this debate would come up on the floor so precipitously, from my standpoint at least, at this time.

Finally, Mr. President, I feel unhappy at the nature of the current debate, because, just as I stated on the floor last Thursday, we have here before us an illustration—another one—of a business group in our economy taking a position which is against its own best interests and against the long-range interests of the businessmen and business communities of America.

As I conceive these long-range interests, they are tied up with the securing of greater efficiency in the Federal Government. It is the large business corporations which pay a high percentage of national taxes and by whom a large percentage of the waste and inefficiency of the Federal Government is destined to be felt in the billions of dollars which former President Hoover estimates are being wasted by the present inefficiencies in our governmental establishments.

Last Thursday the bankers were the opposition to the reorganization of the Treasury Department. On Reorganization Plan No. 5—the Department of Commerce—it is the patent attorneys. This afternoon it is the railroads.

I should like to point out to the Senate that there is a substantial group of regulatory commissions covered in these several plans. What applies to the ICC applies to many others. Recent regulatory commissions, under the laws establishing them, have their chairmen appointed by the President. That is exactly what is feared—applied to the ICC—by the railroads and their attor-

neys who appeared before the Committee on Expenditures in the Executive Departments. Yet the Congress, when it established the Maritime Commission, the Federal Communications Commission, the CAB, and the NLRB provided that the President should appoint the chairmen. So there is nothing novel or revolutionary about the proposal that the President now be allowed to appoint the Chairman of the Interstate Commerce Commission.

Moreover, in other reorganization proposals which have been considered by the Committee on Expenditures in the Executive Departments, the proposal that the President be allowed to appoint the chairman has been agreed to by the committee. This applies to the Federal Trade Commission, the Federal Power Commission, and the Securities and Exchange Commission. There were virtually no witnesses before the committee opposing the similar reorganization plans for these agencies. The committee, in the cases of these three agencies, voted to approve the President's reorganization plans. As to the Interstate Commerce Commission, which we are now debating, the vote was only 6 to 5 against the proposed reorganization, with two members absent. Thus the committee was closely divided on the pending proposal, which is the only such proposal coming from the President which was rejected by the Committee on Expenditures in the Executive Departments.

Many of the inquiries coming to my office express surprise at the inconsistency on the part of the committee. They ask me to explain it. Why do we approve three and reject a fourth which is similar? Mr. President, the inconsistency is not very hard to explain. We do not have to look very far for it. We need look only at the list of witnesses who appeared before the committee to oppose Reorganization Plan No. 7.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. BENTON. I am glad to yield.

Mr. LUCAS. My attention was diverted a moment ago when the Senator was naming to the Senate the different agencies as to which the committee has already approved a transference of power to the chairman. Will the Senator name those agencies again? It seems to me that it is of tremendous importance.

Mr. BENTON. Yes; I am grateful for the question. There are two broad categories of these regulatory agencies, which are 11 in number, I believe. There are, first, the agencies with respect to which the President already has statutory power to appoint the Chairman. These include agencies which were most recently established by Congress. They are the Federal Communications Commission, the National Labor Relations Board, the Civil Aeronautics Board, the Maritime Commission, and the Federal Reserve Board. The Maritime Commission and the Federal Reserve Board are in a special category because they are not the subject of reorganization proposals. The Maritime Commission was reorganized by plan No. 6 in 1949, along exactly the lines proposed here for the ICC.

The second broad group which are the subject of reorganization proposals are agencies whose chairmen the President does not now have the power to appoint. In each of the four reorganization proposals to which I have referred this power is sought on behalf of the President. As I have said, in the case of three of these agencies virtually no witnesses appeared before the committee in opposition to this grant of power to the President, and the Committee on Expenditures in the Executive Departments has acted favorably on the reorganization proposals as recommended by the President. In the case of the fourth, the Interstate Commerce Commission, which we are now discussing, a group of formidable witnesses appeared in opposition to the proposed reorganization, and it was that group that I was about to comment on when the Senator from Illinois asked me the question.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. BENTON. I yield.

Mr. LUCAS. In other words, the Congress of the United States, by passing statutes and approving certain reorganization plans has done the very thing that those who oppose the resolution are now seeking to do? In other words, it has been done in two different ways. In the case of two of the agencies the Senator has named Congress has acted by passing statutes.

Mr. BENTON. In the case of six agencies.

Mr. LUCAS. In the case of six agencies the Congress has passed upon that very phase of legislation which is now being challenged by those who seek the disapproval of plan No. 7. In other words, with reference to six agencies, the Congress has said that such power shall reside in the Chairman.

Mr. BENTON. Yes; by law.

Mr. LUCAS. By law.

Mr. BENTON. That is correct.

Mr. LUCAS. We have also done the same thing, as I understand, in the case of some of the reorganization plans which have heretofore been passed upon.

Mr. BENTON. Congress has not exercised its final say-so, but the committee has given its approval on three more.

Mr. LUCAS. The committee has given its approval to the President's recommendations.

Mr. BENTON. Yes; in three of the four agencies now under discussion it has recommended approval of the reorganization proposals. That is exactly correct. Therefore there is this inconsistency, applied to the ICC, and I was about to examine into what seemed to be the reasons for the inconsistency.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. JOHNSON of Colorado. I should like to correct a conclusion which the Senator from Illinois [Mr. LUCAS] seems to have reached. It is not the appointment of the Chairman that is so important. It is the transfer of the duties of the Commission to the Chairman. As I pointed out a few moments ago, under plan No. 7 six important functions of the Commission would be transferred to the Chairman, who would be appointed by the President. I listed them a short time ago, and I do not wish to take the time of the Senator to list them again. However, it will take only a moment. They are: First, the appointment and supervision of personnel. Second, the assignment and distribution of work among the administrative units of the agency. Third, the use and expenditure of funds. Fourth, the control and supervision of hearing examiners, thus amending substantive law and striking a telling blow at the separation of prosecutory and judicial functions. Fifth, the direction and control of the Director of Locomotive Inspection and his two assistants in the performance of their functions. That is why the railroad brotherhoods are pleading that this plan be not approved. Sixth, the democratic right to select its own Chairman.

Mr. LUCAS. Will the Senator from Connecticut yield so that I may ask the chairman of the committee a question?

Mr. BENTON. I am glad to yield.

Mr. LUCAS. With respect to the executive functions which would be transferred, as the Senator suggested, may I inquire whether or not the Hoover Commission made the recommendation that this transfer be made.

Mr. JOHNSON of Colorado. The Hoover Commission did not make the recommendation that the Chairman of the ICC be appointed by the President.

Mr. LUCAS. That is not what I asked. I asked whether the Hoover Commission made the recommendation with reference to the transfer of the executive functions which the Senator is now complaining about.

Mr. JOHNSON of Colorado. The Hoover Commission made the recommendation of the transfer of these functions to the Chairman, but the Hoover Commission left the appointment of the Chairman to the Commission.

Mr. LUCAS. Did it? That is the question.

Mr. JOHNSON of Colorado. That is what it did.

Mr. LUCAS. Will the Senator yield for another question?

Mr. BENTON. Yes.

Mr. LUCAS. I undertake to say that the Hoover Commission said this:

> As a general proposition we recommend that all administrative responsibility be vested in the Chairman of the Commission.

The citizens committee, which has had such great interest in these reorganization plans, has this to say in its report:

> The President lacks power under present laws to appoint the chairmen of four independent regulatory agencies. These are the Interstate Commerce Commission, the Federal Power Commission, the Federal Trade Commission, and the Securities and Exchange Commission. Conformance with general recommendations of the Hoover Commission is properly claimed for plans Nos. 1 through 11 and 13.

In other words, the citizens committee for the Hoover Commission report definitely says that in its opinion what is being done here under the plan laid down by the President is proper under any construction of what the Hoover Commission recommended.

Mr. President, I should like to say one further thing. I do not believe I have received as many letters on any major piece of legislation from my constituents as I have on the reorganization of the Government. I do not think that any Senator can conscientiously go back to the people and tell them that we are not reorganizing the Federal Government in line with what the Hoover Commission has said and in line with what the President of the United States has requested on the theory that because one chairman would be getting a certain amount of power we are not reorganizing the Government.

That is especially true in view of what Congress has done on six different occasions previously in lodging power, by statute, in the chairmen of commissions, and especially in view of the report of the committee which has just come forward, as explained by the Senator from Connecticut, showing that three out of four of the regulatory commissions have been passed on by the committee favorably from the standpoint of the recommendation of the President of the United States.

Mr. President, there is being done exactly what has always been done with respect to the reorganization of the branches of the Government. Every time we attempt to reorganize the Government, there is always someone who wishes to be exempted, there is always something in the way of an excuse to exempt some particular agency from being reorganized.

If we do not reorganize the four different agencies of the Government now under consideration by the Congress, and give the President some power to do the job, then, in my opinion, we will have neglected to carry out the essential recommendations made by the Hoover Commission.

Mr. BENTON. Mr. President, I am very grateful to the eloquent Senator from Illinois for making such an appropriate statement on this question at this time. He makes me feel less lonely than I feared I was going to feel during the course of my remarks.

I should like now to quote and supplement the statement of the task force of the Hoover Commission which bears directly on the remarks of the Senator from Illinois. This is what the task force said, as applied to the Interstate Commerce Commission:

> We recommend that the chairman of each commission should be designated from among the members by the President and should serve as chairman at his pleasure.
>
> This proposal is closely related to our recommendations, discussed in the next chapter, that the chairman should be recognized as the administrative head of the agency.
>
> The designation of the chairman by the President is not a novel proposal. Under existing law, the President names the chairmen of five of the nine commissions—

Mr. President, I have stated that the President appoints 6 of the 11. Perhaps I have included two which were not included by the task force and this may reconcile the figures. I continue the quotation:

> one to serve for 4 years, one for 1 year, and the other three apparently at pleasure. While the other four commissions select their own chairmen, the members of two of them have frequently chosen a member informally suggested by the President (Securities and Exchange Commission and Federal Power Commission).
>
> Our recommendation is merely that the practice of selection by the President be made the general rule by statute, and that the chairman serve as such at the pleasure of the President in all cases, although protected against removal as a member.
>
> Designation by the President provides an acceptable channel of communication between the commission and the President, without impairing the proper independence of the commission.
>
> The second important advantage of Presidential designation is that it assists in achieving the objective of improving the internal administration of the commissions.

Mr. President, the points of new authority to be given to the new Chairman of the ICC under the proposal under discussion, as set forth by the able Senator from Colorado who favors the resolution of disapproval, is exactly the same list that also applies to the proposed chairmen of the other three commissions on which the committee has acted favorably. If this proposal is undemocratic in the case of the ICC, it is manifestly undemocratic in the case of the SEC, the FTC, and the FPC. I deny that it is undemocratic. I do not approve the use of the word "democratic" as applied to the problem of securing administrative efficiency. I think it is a word which confuses and beclouds the fundamental subject we should be discussing, namely, fixing authority and fixing responsibility, so that responsibility and authority will coincide, and can be seen in public, out in the open, where we can get our eyes upon them, know who is responsible, and hold him responsible when things go wrong, instead of getting lost in the murk and obscurity of the labyrinthine halls of the great buildings of Washington.

I wish to revert, if I may, to the point I was discussing when I was interrupted by the question of the Senator from Illinois. I should like to read the list of witnesses who appeared before the committee in opposition to the President's proposal for the reorganization of the Interstate Commerce Commission. It is as follows:

> Jonathan C. Gibson, vice president and general counsel, Santa Fe Railroad, representing the Association of American Railroads.
>
> J. Ninian Beall, chairman, Association of Interstate Commerce Commission Practitioners.
>
> R. Granville Curry, Association of ICC Practitioners.
>
> Edgar S. Idol, American Trucking Association.
>
> Giles Morrow, Freight Forwarders Institute.
>
> Arthur L. Winn, Jr., Association of Interstate Commerce Commission Practitioners.
>
> Donald D. Conn, Transportation Association of America.
>
> A. E. Lyon, Railway Labor Executive Association.
>
> Herschel A. Hollopeter, transportation director of Indiana State Chamber of Commerce.
>
> W. H. Ott, Jr., National Council of Private Motor Truck Owners, Inc.
>
> C. A. Miller, vice president and general counsel, The American Short Line Railroad Association.

Senators will notice that very largely these are lawyers who have an interest in the Interstate Commerce Commission, and representatives of trade associations, who also have a direct interest in it.

Mr. President, I now wish to read a selection from the testimony before the Committee on Expenditures in the Executive Departments, to show how I, as a member of the committee, attempted to secure from the witnesses evidence growing from the operation of those regulatory commissions where the chairmen are now serving by Presidential appointment.

When Mr. Beall, the chairman of the Association of Interstate Commerce Commission Practitioners, with a long background of legal practice in Washington, was before the committee, I asked him questions which I desire to read. I quote this testimony because it has a direct bearing on the fears expressed previously on this floor by the opponents of the proposal to reorganize the Interstate Commerce Commission.

I asked Mr. Beall:

> Do you have any evidence that the kind of political influence that you fear in the Commission through a Presidential appointment of the chairman exists in the case of other commissions where the President now has the authority to appoint the chairman?

I will say, Mr. President, that surely there should be such evidence with respect to the six other commissions, if there exists sufficient bona fide evidence of danger concerning the Interstate Commerce Commission.

Mr. Beall replied:

> With respect to your question, I am in the unfortunate position of not being too familiar with the other commissions. My testimony and background is with the Interstate Commerce Commission.

In other words, Mr. President, this distinguished lawyer, out of his own interests as he sees them, is testifying against a reorganization of the Interstate Commerce Commission designed to put it on efficient lines paralleling those of six other commissions now operating under chairmen with administrative authority, without having even found out or inquired as to how these other six commissions are operating with their chairmen who are appointed by the President.

I then said to Mr. Beall:

> The President does have the power to appoint the chairmen of certain commissions. If the practice is unsound and opens the commission to political pressures and influence, I think there should be a good deal of evidence from other boards where we have been following this other practice for some years.

Mr. Beall replied:

> My information on the subject is very limited. I heard testimony to the effect that for a number of years the President had considerable influence, or was thought to have, with the Maritime Commission. That situation prevailed for a period of about 9 years, according to some of the testimony, but in the last 2 or 3 years it has not been the case.
>
> Senator BENTON. The clerk points out that the President appoints the Chairman of the Securities and Exchange Commission. I have heard reports of influence in the Securities and Exchange Commission. • • •

But—and I wonder if you think there is political pressure there or in the Federal Communications Commission or in the National Labor Relations Board or the Civil Aeronautics Board, to the point where, in these four agencies, we have experience or evidence to validate your fears about the Interstate Commerce Commission.

Mr. Beall replied:

I think there is all the danger in the world.

Upon which I asked him:

Have you heard of any? You are in Washington. You have been practicing here for 30 years.

Mr. Beall replied.

That is the trouble, Senator. I want to stay here.

Then I said:

I wonder if you have heard of political pressures. You are practicing law here, and if you are not familiar with such charges, if we do not have the sinister political influences at work in these four where the President appoints the Chairman, I think there would be a presumption that he might appoint the Chairman of the Interstate Commerce Commission without throwing it open to these sinister political influences.

Mr. Beall replied:

I do not want to volunteer a lot of hearsay information.

Then I queried:

We are having too much hearsay these days. I yield to your thought.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired.

Mr. BENTON. Mr. President, the Senator from Minnesota [Mr. HUMPHREY] is not on the floor at the moment. If the Senator were on the floor, I would ask him for another 5 minutes of time. He is voting on reorganization proposals in a meeting which is now being held by the Committee on Expenditures in the Executive Departments.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senator from Connecticut be allowed 5 minutes additional time, that time to be charged to the time controlled by the Senator from Minnesota.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BENTON. Mr. President, I believe these witnesses in looking at this issue wholly and, I feel, narrowly from the standpoint of their own perspective and their own interest, as the testimony I have just read brings out, are doing themselves a disservice, because in blocking these reorganization proposals, the one now under consideration being the third one to reach the floor, they are encouraging every vested group, each in its turn, to move in upon the proposals that are still to come before us, and they are furnishing an object lesson which is a very unhappy one, at the Federal level, which will in turn be used in connection with problems to be dealt with at the State level and even at the municipal level.

Mr. President, I should like to point out that the famous and esteemed Mr. Eastman, whose name we all associate with the leadership of the Interstate Commerce Commission favored a permanent instead of a rotating chairman of the Interstate Commerce Commission. Mr. Eastman was referred to by Mr. Beall as follows:

Mr. Eastman was a very capable man who had dedicated his life to this kind of work. He was an outstanding administrator. Everybody had confidence in him.

Mr. President, the opponents of the reorganization of the ICC do not discuss in any detail the administrative matters which are to be turned over to the Chairman. The so-called quasi-judicial and quasi-legislative functions of these commissions are not to be turned over. On the contrary, Mr. President, this plan would free the commissioners, and give them time to think and study and to devote themselves to these high-level policy questions which are involved in the judicial and legislative aspects of their responsibilities.

Having listened to the testimony of the opposition witnesses it is my own view that better men would be attracted to these posts if they were not weighted down with this jockeying, this log-rolling in committee meetings over administrative details, and so forth. Time spent on these administrative matters seriously impinges on the time of the individual commissioners which is required for high-level policy thinking and action in the legislative and judicial fields. I submit to the Senate that it is in the interest of efficiency to have a system which will attract the highest type of men into the Federal Government.

I therefore believe, Mr. President, that Reorganization Plan No. 7 should be approved and should be approved on the basis of its merits.

I agree with the remarks of the distinguished Senator from Illinois that improved administration in all these regulatory commissions does not call for any more lip service from us. Improved administration calls for concrete approval and actual support, and I hope we will show the vested and special interests of the country that they will meet resistance when they come and plead with the Government "to reorganize everybody but leave me alone," "do it to the other fellow, but do not touch me."

The opposition to these plans right straight through comes from groups which do not see the problem of Government efficiency as a whole, and which are prepared, thoughtlessly or heedlessly, to sacrifice the public interest for what they often mistakenly deem to be their own interest.

Further, the witnesses often claim to speak for groups which they do not truly represent. I documented that at length on the floor last Thursday. Many groups seemingly in opposition have heard one side only, and would favor the reorganization proposals if the many complex issues were adequately presented to them.

It is, of course, my opinion that even the semijudicial functions and the semilegislative functions will be better handled under this new plan when under the kleig lights of responsibility directly vested in department heads. They would be far less subject to abuse than when handled, as all too often at present, in obscurity, as so frequently is the case, by subordinate officials.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired.

Mr. HUMPHREY. Mr. President, let me ask how much time remains for the proponents of the reorganization plan.

The VICE PRESIDENT. The Senator has 54 minutes remaining.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield for the purpose of permitting me to ask of him certain questions which I have, not only about Reorganization Plan No. 7, but also about all the reorganization plans affecting regulatory agencies in general?

The Senator is a member of the Committee on Expenditures in the Executive Departments and is supporting these reorganization plans. Therefore, I am particularly interested in his interpretation of these plans as to how they affect such bodies as the Federal Trade Commission and the Federal Power Commission.

Mr. HUMPHREY. I am very happy to yield to the Senator from Illinois for that purpose.

Mr. DOUGLAS. Let me ask the Senator from Minnesota if it is not true that the reorganization plans affecting the regulatory commissions generally, and Reorganization Plan No. 7 in particular, give to the Chairman, who is to be appointed by the President, administrative powers and control over procedural issues, but still leave to the body of the various commissions the determination of policies and the determination of so-called substantive issues. Is my understanding of that matter correct?

Mr. HUMPHREY. The Senator's interpretation of the reorganization plan is accurate, according to the testimony which was presented before the committee and according to my observations.

These regulatory agencies were set up to provide stability in their enforcement and regulatory functions. In order to be able to provide stability and to be able to handle the tremendous amount of administrative detail that is required of an agency of such scope, it is important, according to the Hoover Commission task force reports on reorganization and the report of the Hoover Commission itself, that there be a concentration of administrative, functional powers—what we call the housekeeping powers—in the chairmen of the respective agencies. This would not, however, include powers affecting substantive policies of a commission.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Suppose the chairman of a commission states that a given matter is procedural and that, therefore, he has jurisdiction over it; but suppose other members of the commission believe that the matter is substantive and policy making in nature or character. Would the commission then have any authority to overrule the chairman, and make the determination themselves?

Mr. HUMPHREY. Mr. President, it is my understanding that matters which deal with the substance of regulations,

the substance of policy, and the substance of the law are left to the commission as a whole; and where there is a conflict as between what is procedural and what is substantive, it is my interpretation that the vote of the commission as a whole will overrule the administrative decision of the chairman.

Mr. DOUGLAS. Without wishing to make an all-inclusive list of the subjects which are substantive, rather than procedural, let me inquire whether it is the opinion of the distinguished Senator from Minnesota that the following subjects would be substantive, rather than procedural, and therefore would be under the control of the commission, rather than under control of the chairman: For example, first, the choice of the particular subjects to be investigated by the commission.

Mr. HUMPHREY. That is a substantive matter.

Mr. DOUGLAS. The commission itself, not the chairman, would have power over that; is that correct?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. Second, the methods to be used by the commission in conducting its major investigations.

Mr. HUMPHREY. That is a substantive matter.

Mr. DOUGLAS. Third, the assignment of personnel to carry out the investigations.

Mr. HUMPHREY. I would say that the ultimate bookkeeping as to the assignment of personnel would be an administrative matter, but the assignment of personnel to duties—for example, the bureau chiefs or assistant bureau chiefs—is a substantive matter, and would be left to the commission. I think it very important that the distinguished Senator bring up that point and stress it as a part of the legislative history of the reorganization plan.

Mr. DOUGLAS. But the final decisions as to the subjects to be investigated by the commission, the methods to be used, and the personnel to make the investigations would be made and determined by the commission; is that correct?

Mr. HUMPHREY. Yes, by the commission as a whole.

Mr. DOUGLAS. If the Chairman of the Commission should wish to punish a member of the staff by sending him to some far-off place or by assigning him duties of little consequence in order to get him out of the way, but the Commission felt that to do so was not in the public interest, could the Commission overrule the Chairman?

Mr. HUMPHREY. They could.

Mr. DOUGLAS. They could prevent him from causing that employee to be sent to the American equivalent of Coventry?

Mr. HUMPHREY. I am sure they could, according to my understanding of the reorganization plan.

Mr. DOUGLAS. Will the Senator from Minnesota give his interpretation of the following: Is the appointment of heads of major administrative units a procedural matter or a substantive matter?

Mr. HUMPHREY. I wish to say to the Senator from Illinois that that question has been brought up for considerable study, and it was brought up in the form of questioning at the time of the hearings.

It is my interpretation that these reorganization plans affecting regulatory agencies mean that the commission or agency as a whole shall have a voice in the appointment, in the promotion, or in the demotion of the heads of major administrative units—and in that connection, the word "heads" is used in a plural sense. That is to say, the Commission would have a voice in the selection of and in the assignment of duties for bureau chiefs, assistant bureau chiefs, division chiefs, or chiefs of similar administrative units.

I want that point made crystal clear, because I am sure there is a great deal of misunderstanding about the powers of the Commission as compared to the powers of the administrative head or of the Chairman of the Commission.

Mr. DOUGLAS. In other words, we are not creating administrative czars?

Mr. HUMPHREY. Certainly we are not. What we are attempting to do is to expedite the work of the Commission.

If every single commissioner is going to be engaged in a great deal of administrative detail, in the signing of all kinds of documents and in the processing of innumerable papers, and is going to be involved in all manner of personnel relationships, insofar as they are routine, that will bog down the quasi-judicial and quasi-legislative functioning of the Commission.

The report of the task force and of the Hoover Commission itself indicated the desirability of having a chairman who had such administrative powers, and to relieve the other commissioners of them.

Mr. DOUGLAS. But am I correct in concluding that this power is not to be used as a cloak behind which the Chairman of the Commission can take over the disciplining of the staff and the determination of the policies of the Commission? Is it true that the Commission is ultimately to be responsible for the delegation of work and for the major policies to be followed, not only in the final determination of issues, but in the investigation and processing of complaints and requests; is that correct?

Mr. HUMPHREY. The Senator from Illinois has stated the matter very accurately. When the words which are used tell me that the Commission as a whole shall make the determinations of policy and the policy decisions, that is the fact; and then the Chairman of the Commission shall be left to carry out, if you please, the determinations of policy and the other procedures involving policy which have been prescribed by the Commission.

Mr. DOUGLAS. I thank the Senator from Minnesota. I hope this record in the debate will be taken to heart by the chairmen of the various administrative bodies and will be authoritative legislative history, with the understanding that it applies not only to Reorganization Plan No. 7, but to all the other reorganization plans affecting regulatory agencies.

Mr. HUMPHREY. In reference to the comment which has been made by the Senator from Illinois, I may say that insofar as plans Nos. 8, 9, and 11 are concerned, which plans are identical in purpose, but relate to other administrative agencies, the Committee on Expenditures in the Executive Departments rejected the resolutions of disapproval of those plans. Let me say that the committee by majority vote approved those plans, as was brought out very clearly by the Senator from Connecticut.

At this time I think it would be well to listen to the words of the Director of the Bureau of the Budget, Mr. Lawton, who testified before the committee. His testimony is recorded in the minority views on Reorganization Plan No. 7.

Mr. Lawton said:

> The sole objective of these plans is improved organization and administration of these agencies, and in no way do they modify or alter the substantive laws administered by these bodies.

Mr. President, I think his words are quite clear in that respect, namely, that "in no way" do these reorganization plans "modify or alter the substantive laws administered by these bodies."

He further said:

> These plans were developed as a part of a general pattern of reorganization for all regulatory commissions.

Again I wish to emphasize a part of his statement, namely, that the plans are "a part of a general pattern of reorganization for all regulatory commissions."

Mr. President, I see no reason why any one commission should receive specialized treatment. This is not to say that the work of the Interstate Commerce Commission is not good work. However, this program is one designed to secure basic improvement. It appears to me that, as the majority leader said so well a few minutes ago, if we are going to have reorganization, then we ought to have reorganization.

I should like to point out also that my office has been deluged with letters from all over America, written by people who are tremendously concerned with the matters of executive reorganization. There is overwhelming support in this country for the basic recommendations of the Hoover Commission. I must say in all honesty I am sure that some folks who write us letters are not fully familiar with all those recommendations, but there is a desire that there be an improvement in the organizational structure of the Government. That improvement may yield what we call dollar economy. In some instances it may not yield dollar economy. But it is the intention of the reorganization plans to yield efficiency of service, to expedite the tremendous workload with which the respective regulatory commissions are confronted.

Mr. Lawton went on to state further that this general pattern was recommended by the Commission on Organization of the Executive Branch of the Government. I think it should be clearly stated that the Hoover Commission did not necessarily in each and every in-

stance go right down the line and suggest language that was identical with the President's reorganization plan. What the President attempted to do in his reorganization plan was to follow a general pattern of reorganizational structure, such as that recommended by the Hoover Commission. As the report states—and I do not think any better language can be found to state the objectives of this reorganization plan—

The purpose of plan No. 7, therefore, is to improve the organization of the Interstate Commerce Commission by making the chairman responsible for day-to-day administration, subject—

And this is what the Senator from Illinois was asking about—

subject to the general policy guidance of the Commission.

In other words, the commission establishes the general policy. This plan has no purpose of altering the performance of the substantive functions; that is, the regulatory functions, the fact-finding functions the trial-examiner functions vested by law in the Interstate Commerce Commission. I am sure that the inspectional services, the trial-examiner functions, the regulatory and investigative functions are the functions which are most important to the parties affected, that is, to the railroads, to the trucking lines, to the agents of commerce.

What did the Hoover Commission really have to say about this reorganization program with respect to the administrative agencies? In the minority views, particularly those of the Senator from Rhode Island [Mr. LEAHY], the Senator from Connecticut [Mr. BENTON], and myself, we pointed out that this reorganization plan is in strict conformity with the recommendations of the Hoover Commission and its task force on regulatory agencies. Here is what the Hoover Commission had to say on regulatory commissions, quoting now directly from the Hoover Commission report:

Administration by a plural executive is universally regarded as inefficient. This has proved to be true in connection with these commissions. Indeed, those cases where administration has been distinctly superior are cases where administrative as distinguished from regulatory duties have been vested in the chairman.

There are many of these administrative duties. Their efficient handling will frequently mean the difference between a commission's keeping abreast of its work or falling woefully behind.

The first recommendation, then, of the Hoover Commission was this:

1. We recommend that all administrative responsibility be vested in the Chairman of the Commission.

In commenting on this recommendation, the Commission went on to say that this recommendation does not derogate from the statutory responsibilities placed upon the other members of the Commission. They remain exactly as they are, and because of the better functioning of the organization the Commission members will be enabled to discharge these responsibilities much more effectively.

The Hoover Commission then made a further recommendation. This was the Commission's sixth recommendation in the report on regulatory commissions: It recommended therefore that the statutes be amended so as to permit the Commissions to delegate routine, preliminary, and less important work to members of the staffs under their supervision.

The Hoover Commission's recommendations were based on a study by its task force on regulatory agencies, and that particular task force made a very brilliant report on the regulatory agencies of government. From that report we have a very important quotation or paragraph which I think sets forth the meat of the report. Here is what the Hoover Commission task force had to say:

In order to prevent the absorption of all the Commissioners in administrative details at the expense of the substantive work the Chairman should be specifically designated as the person responsible for administration within the Commission.

The duties of the Chairman should include—

First. Supervision of the various bureaus and divisions from the administrative point of view, such as their workload, backlog, progress, and programs.

In other words, keep the respective bureaus up to their quota of work, see that their program is progressing well, get the monthly reports from the respective bureaus; and instead of having the reports go to each and every Commissioner, have them go to a central office and then to the administrative head.

The second recommendation as to the duties of the Chairman was this:

Direction of the administrative divisions of the Commission—those dealing with the budget, personnel, management analysis, and office and miscellaneous services.

In other words, the Chairman of the Commission would be responsible for the procurement of supplies, for his agents under his direction, for the keeping of personnel records, for the preparation of the budget. Under the present situation, this is a uniform responsibility for the entire Commission.

Mr. BENTON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Connecticut?

Mr. HUMPHREY. I am glad to yield.

Mr. BENTON. Is the Senator aware of the fact that last year, in Reorganization Plan No. 6, the Congress acted favorably on giving to the Chairman of the Maritime Commission exactly the responsibilities which are sought by plan No. 7 to be bestowed on the Chairman of the Interstate Commerce Commission? I have before me the two documents, which are almost word for word identical. Is the Senator aware of that?

Mr. HUMPHREY. I am. I am very familiar with it, because I was present on the floor when those reports were brought to the attention of the Senate. I was a member of the committee, and I recall at that time that we felt that this was notable progress.

Mr. BENTON. Has the Senator heard any criticism of the Maritime Commission within the past year with respect to its being undemocratic or less democratic or in any way having suffered adversely along the lines of the fears expressed on the floor of the Senate this afternoon, because of the reorganization of 1 year ago?

Mr. HUMPHREY. The Senator from Minnesota has heard some criticism of the Maritime Commission, but not because of what happened under the reorganization. The criticism I have heard is that the reorganization was not carried far enough and that further reorganization needs to be accomplished, which will soon be before the Senate. So I want to say I think the point made by the Senator from Connecticut is extremely pertinent, because it is quite evident now that we have already set a pattern by congressional approval of plan No. 6, and as both the Senator from Connecticut and myself have pointed out, in plans 8, 9, and 11, there is approval on the part of the committee which heard the testimony.

Mr. President, one of the bureaus of the Interstate Commerce Commission which has been very dear to the hearts of the men who operate locomotives, to those who work on the railroads, has been the Bureau of Locomotive Inspection. The activities and duties of this Bureau have been of great importance to those who are in charge of the locomotives, the engineers and the firemen; in other words, to the men who work on the railroads. That is exactly the way it ought to be, because proper inspection means the difference between life and death. I want it quite clear from my interpretation of the pending reorganization plan that the administrative officer in charge, the chairman, has no power to alter the functions of that Bureau and no power to change its responsibilities under the law pertaining to its establishment.

I note that in the minority report specific language has been used, and I think it should be called to the attention of all persons interested in this reorganization plan:

It should be emphasized that Reorganization Plan No. 7 does not provide for the transfer of the Bureau's functions to the chairman.

The Bureau's functions are still those of the Bureau.

The Bureau's functions remain with the locomotive inspectors. The only change made by the plan in respect to the Bureau is that the performance of locomotive inspections is placed under the direction and control of the chairman, placing the Director of Locomotive Inspection on a par with the Chief of the Bureau of Motor Carriers in the Interstate Commerce Commission. The chairman in exercising direction over the Bureau would be subject to the Commission's policies, regulatory decisions, findings, and determinations to the same extent as in the case of the other bureaus of the Commission.

The chairman could not change the regulations under which locomotive inspectors operate.

I should like to have the attention of the junior Senator from Connecticut to see whether he recalls this particular language, and in order to get his interpretation:

The chairman could not change the regulations under which the locomotive inspectors operate.

In other words, the regulations for the protection of the lives and well-being of the locomotive engineer and the fireman. Is that the Senator's interpretation?

Mr. BENTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BENTON. That is my interpretation. May I, in turn, ask the Senator from Minnesota, in line with the testimony, whether he recalls the fact brought out by Mr. Lawton that the status of hearing examiners will remain exactly as it is at the present time?

Mr. HUMPHREY. That is correct.

Mr. BENTON. Is it not a fair assumption that some of the persons who are opposing this reorganization plan have needlessly alarmed themselves about changes which are not contemplated or involved in any way in the proposal? The Senator from Minnesota has just cited one, and I have added another.

Mr. HUMPHREY. That is correct. I think it should also be pointed out that the bipartisan nature of the Commission is in no way interfered with or destroyed. All that is proposed is to spell out what is considered to be a sound recommendation pertaining to regulatory agencies, a recommendation which has been made after years of survey and study as to a reorganization which has already been written into statutory law by the Congress of the United States pertaining to other commissions, and a reorganization which only recently, in last year's plan No. 6, was accepted in good faith as doing what should be done. That was in 1949, in the first session of the Eighty-first Congress.

I hope that the Senate will approve this reorganization plan. I may say, in all candor, that reorganization plans are not a matter of life and death in connection with good government. Plans such as this improve the operation of the Government. Since we have big government, and since it becomes ever more complex and its problems become more intricate, it is important that we improve the machinery of government. It is not critical of what has gone on to suggest a change. When the Interstate Commerce Commission was established, it had very little work to do as compared with what it has to do at the present time. Its problems were not what they are today. More and more work is being placed upon the Commission.

Mr. BENTON. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. BENTON. Is the Senator aware of the fact that originally the Interstate Commerce Commission had only five commissioners?

Mr. HUMPHREY. Yes.

Mr. BENTON. Later the number was increased to seven, and later to eleven. Does the Senator agree that with the expansion of the Commission and the increase in the number of commissioners, the need becomes greater for administrative responsibility and for a responsible chairman?

Mr. HUMPHREY. It is my conviction that the observation made by the junior Senator from Connecticut is entirely sound. One argument I have heard is that if the President of the United States has the power to select or to appoint a chairman, there might possibly be some undue partisan influence exerted. I think it should be quite clear that the Commission already has a 6-to-5 partisan balance. It is an 11-man Commission, and I believe the proper interpretation of the political attitudes of the members of the Commission is that there are six Democrats and five Republicans. So the appointment of the chairman by the President is not going to alter that situation at all, unless it might be that the President would appoint a Republican member of the Commission as chairman, in which case I do not think there would be a protest from the minority side, and I do not think there would be one from this side of the aisle. I am confident that the President would appoint someone who could carry out properly his administrative duties. In the future there may be a man on the Commission who is a strong-willed man, and he might become chairman; and if he does become chairman he may dominate the Commission by the fact that he is the chairman. The record of the past is the only thing by which we can prophesy as to the future. The record of the past is that the character of the men on the Commission has been good.

No policy of the Commission is established by the chairman. All policies and all rules and regulations are established by statute or by the Commission itself. The responsibility of the chairman of the Commission is merely to expedite the carrying out of a particular policy which has been promulgated by the Commission.

It should also be pointed out, Mr. President, that the Commission chairman has only those powers which are delegated to him, and delegated powers can always be retrieved. If a delegated power is abused, it can be retrieved.

It is also to be assumed that the President of the United States will be ever vigilant as to the character and activities of the chairman of any regulatory commission. I think the record is quite clear that the chairman of responsible regulatory commissions have not abused their power. I think the record is quite clear, from reports to the Congress, that chairmen of regulatory commissions who are in charge of administrative responsibilities perform their duties with dispatch and efficiency.

Mr. BENTON. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield.

Mr. BENTON. Was the junior Senator from Minnesota present when the junior Senator from Connecticut repeatedly asked witnesses at the hearings whether they could produce any evidence on the part of any of the other regulatory bodies which would substantiate the fears of future black-outs and future mishandling of power which were being attributed to the possible appointment of the Chairman of the Interstate Commerce Commission by the President? Does the Senator recall that no witness was able to deduce or bring forth any charges that could be substantiated against chairmen of other regulatory bodies?

Mr. HUMPHREY. It was not my privilege to be present on the day the Senator from Connecticut asked the questions to which he has referred, but the record has been made available to all members of the committee, and since some of us have some responsibility on the floor with reference to the plans, I recall that the Senator's questions were not answered by any kind of evidence that would indicate that there would be anything wrong in the future. As a matter of fact, the record was quite clear that no one could make such a prophecy except on mere conjecture.

Mr. BENTON. Is it not a perfectly sound assumption that the Presidents of the United States in their appointments to other regulatory commissions have conducted themselves on such a high level that there is no justifiable basis for fearing that there will suddenly be a different attitude in the case of the Interstate Commerce Commission?

Mr. HUMPHREY. I think the Senator's position is entirely correct, and I wish to thank him for the intimate knowledge he has of the reorganization plan and for his participation in the discussion of it. I think we are all indebted to the Senator from Connecticut for the interest he has demonstrated and for the knowledge of the subject which he has supplied.

Mr. BENTON. Mr. President, will the Senator further yield?

Mr. HUMPHREY. I yield to the Senator from Connecticut.

Mr. BENTON. The distinguished Senator from Rhode Island has just pointed out to me a quotation from former President Hoover on the subject, and I wonder if the Senator from Minnesota knows that former President Hoover said:

> There has been overalarm, I think, that the President intends or any President will intend to invade the legislative and judicial functions of these bodies. In my view, they are not, in their regulatory functions, a part of the executive branch.

Mr. HUMPHREY. I am very happy that the Senator brought that observation to our attention. I want to thank the Senator from Rhode Island [Mr. LEAHY] for his contribution to the minority report which was prepared, which sets forth what I consider to be a pretty sound basis of argument for the adoption of the plan.

Just a final word, Mr. President, and then I shall yield the floor, because I want the majority leader to conclude our argument in reference to this plan.

Mr. President, the time has come for the American people to make up their minds whether we shall have reorganization in government. It appears to me that there is throughout the country a great deal of general feeling for reorganization, and it appears to me that there is a good deal of general talk in the country about economy. One of the principles of government economy is to promote efficiency in government. It does not necessarily mean spending fewer dollars; it means spending well the dollars which are made available; it means getting the most out of every taxpayer's dollar that is made available to the Fed-

eral Government. Ultimately, of course, that means that there will be need for fewer dollars, because if we get the most out of each dollar we shall get a greater amount of service. I think all the evidence up to this time is that the reorganization plans which have been sent to the Congress by the President, in the main points, set forth plans which will promote efficiency and modern administration. I repeat, that big Government cannot be handled by antiquated administrative techniques and tools. This is a twentieth century Government, and we cannot get along with nineteenth century mechanism. We must improve the executive branch of the Government insofar as the machinery of government is concerned. If we do not do that, we may very well thwart the public will by maladministration or by poor administration, not because the heads of Government agencies do not want to do a good job, but simply because there is confusion confounded.

During the war a great many businessmen came to Washington. They represented large business corporations, Mr. President. All of them had one general complaint to make. The complaint was not that they did not have enough work. In fact, they never worked harder in their lives. The complaint was not that they did not have all sorts of equipment made available to them. Mr. President, their complaint was that there was no one place that they could go to and speak to one person who had authority. The authority was all over the lot. The administrative policy was never under the control of one individual in any one agency, but was shared by a half dozen or more individuals. These practical businessmen, many of them who served on the task force, or were advisers to the Hoover Commission, came to the conclusion that if there was one thing the Government needed in its agencies it was modernization and streamlining of administrative responsibility. It is from that great backlog of experience that these reports have come. I think this reorganization plan represents a creditable improvement in the executive branch of the Government. Mr. President, I yield the floor to the Senator from Arkansas if he desires it.

Mr. McCLELLAN. Mr. President, I yield 15 minutes to the Senator from Ohio.

Mr. BRICKER. Mr. President, I rise to speak in opposition to the plan submitted and in support of the resolution of the Committee on Expenditures in the Executive Departments. By a vote of 6 to 5 the committee reported adversely the reorganization plan dealing with the Interstate Commerce Commission. Great impetus has been given to reorganization plans because of the support throughout the country of what has become known as the Hoover Commission report. The Hoover Commission was created by act of the Eightieth Congress. As chairman of the subcommittee, I had some responsibility in the final approval of the resolution offered by the Senator from Massachusetts [Mr. LODGE] and the Member of the House of Representatives from Ohio, Mr. CLARENCE J. BROWN. I wish that it might be possible to go along with the reorganization plans as submitted, but I wish even more that the plans had followed the recommendations of the Hoover Commission. The impetus given to the recommendations of the Hoover Commission report is due, in part, to the charges of inefficiency on the part of many of the independent agencies, administrative bodies of government, and the delays which have been inherent in the processes of adjudication and administration of their responsibilities.

It is also due to the educational program which has been carried on throughout the country to the effect that the adoption of the Hoover Commission report would mean a saving of taxpayers' dollars. It was on that premise that we received here a short time ago, delivered to the Vice President of the United States, the signatures of hundreds of thousands—and perhaps reaching into the millions—of members of junior chambers of commerce in the United States. They wanted money saved.

Mr. President, Reorganization Plan No. 7, submitted by the President and affecting the Interstate Commerce Commission, does not amount to the saving of 1 penny. Neither do the other three plans, which are comparable to the reorganization plan of the Interstate Commerce Commission, save 1 penny of taxpayers' money. They are submitted wholly on the ground and with the argument that they will promote efficiency in government. In my judgment, they will result in a more cumbersome administrative set-up.

Since 1887 the independent agencies of government, known as administrative boards and bureaus, have been operating in the public interest. Under our constitutional system, there was originally a clear division of the powers of government into executive, legislative, and judicial. As business became more complex and social problems became more demanding, the Congress of the United States in its wisdom created first, in 1887, the Interstate Commerce Commission, which I believe met a great public need, and it has rendered a constructive public service throughout the whole period of its existence. In subsequent years other commissions were established to meet needs in other fields. The Federal Communications Commission and the Federal Trade Commission were established to act in fields outside that of transportation, which was the prime responsibility of the Interstate Commerce Commission.

Around the decisions, judgments, and actions of each one of these commissions there has been built a great body of administrative law. We have bar associations and subdivisions of bar associations which are composed of members of the bar who are practicing sometimes exclusively and many times mainly before the various commissions and boards. Generally, I think the Federal commissions have met the approval of the public served by them.

I know of no group in the transportation field which is supporting the reorganization plan as submitted. I likewise think that the bar, labor organizations, and transportation companies generally would support it if the plan had followed the recommendation of the Hoover Commission and would bring about any real efficiency and economy in administration.

This is not a new question. It was in 1934 that the then President of the United States in what is now known as the Humphrey case attempted to remove a member of the Federal Trade Commission by the name of Humphrey. The excuse for removing him, as given by the President, was: "This member does not go along with my thinking, and he does not agree with what I think ought to be the operating functions of the Federal Trade Commission." The case was taken to the Supreme Court of the United States. In a unanimous decision the Supreme Court held that it was without the power of the President of the United States to remove a member of such an administrative agency, because the administrative boards of this character are arms of Congress which carry on a quasi-legislative and quasi-judicial function of government.

Their function is to meet the complex industrial and business problems of the time. As a result of that decision, they were left as administrative arms of the Congress of the United States to carry out the details of legislative authority granted in the act creating them and taken out of the power of the Chief Executive of the United States, who, had he been successful in the removal, would have been able to bend to his will these so-called arms of the legislative branch of the Government.

The plans submitted are merely efforts to accomplish the same thing by an indirect move, in another way. Plans 7, 8, 9, and 11, submitted for our approval or disapproval, by giving the President the power of appointment of the chairmen of the boards, arms of the Congress, actually accomplish what the President attempted to accomplish in 1934, and which was declared outside his authority by the Supreme Court of the United States.

Indirectly, then, these four reorganization plans to which I wish to address myself now actually transfer from the legislative authority, and place out of the reach of the power of the Congress of the United States, these commissions, so long as they continue to serve, and turn them over to the direct will of the President of the United States, by the appointment of the chairmen, and the delegation to the chairmen of additional powers.

I oppose these plans; I oppose all of them. We cannot separate them, because the same principle of power on the part of the Executive runs through every one of the reorganization plans. They are a part of the whole program and policy of those who believe in subordinating the legislative branch to the will of the Executive. It is a part of the whole, over-all policy of the totalitarian philosophy of government. It may not be a long step, but it is a step directly in that direction.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator

from Ohio yield to the Senator from Illinois?

Mr. BRICKER. I yield.

Mr. LUCAS. There is no difference in principle, so far as the transfer of power in any one of the agencies is concerned, as I understand the Senator from Ohio.

Mr. BRICKER. That is correct; there is no difference in the underlying philosophy of government, so far as the four plans are concerned.

Mr. LUCAS. In other words, if we are going to defeat one, we should defeat all. If we are to let them all live, we should not kill any one of them.

Mr. BRICKER. That is a logical conclusion, and I for one am not able to understand the various votes in the Committee on Expenditures in the Executive Departments, whereby one plan was rejected and others were approved, because the same principle is involved in each one of the plans, as has been suggested by the majority leader.

In the first place, they are contrary to the recommendations of the Hoover Commission.

In the second place, they violate the policy of the Hoover Commission not to alter matters of substantive law by repealing essential features of the Administrative Procedures Act.

Third, they are beyond the authority which Congress intended to confer by the Reorganization Act of 1949.

Fourth, they undermine the independence of regulatory commissions, which has been maintained ever since the establishment of the Interstate Commerce Commission in 1887.

The Hoover Commission on Organization of the Executive Branch was established, pursuant to Public Law 162 of the Eightieth Congress. The title of the Commission is somewhat misleading, because it was given authority to investigate independent establishments, as well as components of the executive branch. But it gave but slight attention to the independent administrative agencies, because only 17 pages of the report of the Hoover Commission was devoted to all of them—some 11, as I remember—so that there was not a great deal of attention given, and not any recommendations made as to their reorganization. The Hoover Commission was primarily dealing with the executive branch of the Government, and never at any time contemplated the transfer of these legislative arms over to the domination or the control of the executive.

It is obvious that the Hoover Commission did not subject the independent regulatory commissions to the detailed study which it gave to the departments and agencies of the executive branch of the Government. The Hoover report deals with these regulatory commissions, as I have said, in only 17 pages of its total report, which includes many volumes. The Hoover Commission should not be criticized for the summary treatment of these regulatory agencies, because undoubtedly the Commission realized that Congress had already established the basic pattern of organization in the Administrative Procedures Act of 1947, and subsequent legislation amending that act.

More important, however, was the realization by the Hoover Commission that the independent regulatory agencies were almost exclusively concerned with quasi-judicial and quasi-legislative functions. The Commission concluded, quite properly, that the performance of these functions was beyond the scope of its investigation. In its report it said about these bodies:

> In this report the Commission on Organization has confined itself to the discussion of the organizational problems of these agencies and does not deal with their quasi-judicial or quasi-legislative functions.

Yet the plans on which we are voting this afternoon, and on which we will vote in the days immediately ahead, definitely do change the very character of the boards and transfer control of the quasi-legislative and quasi-judicial functions of the administrative boards to the executive branch of the Government.

Mr. President, of the 12 recommendations which affect the regulatory commissions, 11 deal with tenure, salaries, suggested studies, delegation of authority by the Commission, and the transfer of executive functions which the Hoover Commission found could be carried out more efficiently by some executive department or agency.

Reorganization Plans 7, 8, 9, and 11—and we cannot discuss them separately—are all based on the Commission's recommendation No. 1 in its report on regulatory commissions, and in that report is this statement:

> We recommend that all administrative responsibility be vested in the Chairman of the Commission.

Mr. President, that recommendation was applied generally to the nine regulatory commissions. The first question to be answered is, What did the Hoover Commission mean by the words "administrative responsibility"?

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. McCLELLAN. I yield the Senator from Ohio 5 minutes more.

The PRESIDING OFFICER. The Senator from Ohio is recognized for five more minutes.

Mr. BRICKER. There is so much of vital importance involved that I should like to be able to discuss the plans more at length, but will not be able to do so.

Let me conclude by saying that what is proposed would mean the repeal of the Administrative Procedure Act, and that it is not in compliance with the President's power under the Reorganization Act of 1949. It is a violation of the whole concept of the separation of the powers of government into the executive, legislative, and judicial. It disrupts a history of more than half a century of successful service to the American people and to American business generally. It is not supported by any organization that is interested in the detailed administration, the hearings, and the decisions of these administrative boards.

Mr. President, the necessity for preserving the independence of the regulatory commissions becomes more and more important day by day when we realize that some of them, within the experience of some of those now in the Senate, have gone contrary to the judgment and the majority vote of the Congress of the United States, and their decisions have been sustained by the Supreme Court of the United States, thereby violating the intent of the Congress, and going beyond the powers delegated to them.

That being so, it should be realized that to place them in the hands of the Chief Executive would mean a concentration of power inimical to the best interests and liberties of the American people.

Mr. President, the adoption of these plans would be a long step toward authoritarian government, desired by those who wish to wield power over others, and they are justly feared by all those who desire to be free to continue their business and to live their own lives.

The proposal is a part of a well-conceived program to subordinate Congress to the will of the Executive, and a planned program to take the policy-making power of the Government out of the hands of the elected representatives of the people, and turn it over to appointed bureaucrats, who already have assumed more authority than the Congress ever intended to give them.

Mr. President, these reorganization plans are dangerous. They threaten the liberties of the American people. They mean a further concentration of power in the Executive, and a further limiting of power of the Congress of the United States.

Mr. President, I hope that the plans will be turned down, and that the pending resolution will be adopted.

Mr. LUCAS. Mr. President, if the Congress of the United States follows the arguments which have been made by the able junior Senator from Ohio [Mr. BRICKER] there will never be any reorganization of Government to the end that efficiency may be promoted and economy brought about in the various branches of the executive agencies of Government.

I undertake to say that the heart of the Hoover recommendations for efficiency is the concentration of administrative functions in the heads of agencies or commissions. In the case of the regulatory commissions this means the chairman of the commission. Unless the responsibility for the day-to-day administration of the executive agencies of the Government is placed upon some one individual in these respective agencies which have been created by Congress, Senators can be as certain as that we are debating this issue today, that there will never be any real and effective reorganization of the executive agencies of Government.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from Illinois yield to the Senator from New Hampshire?

Mr. LUCAS. I yield.

Mr. TOBEY. The question in my mind, and it is a very sincere and conscientious one, is this: I happen to be one of those who wanted to go all along the line with the Hoover recommenda-

tions. Now we are confronted with reorganization plans which come to us from the administration. In the judgment and belief of sincere men, some of the reorganization plans which have come to us from the administration go far beyond the import and spirit and suggestions of the Hoover recommendations. In other words, they would bring about a centralization of power which we believe would be dangerous. That applies particularly to the four bureaus which have been mentioned, and which are dealt with by the four resolutions reported by the Committee on Interstate and Foreign Commerce, that is, the Interstate Commerce Commission, the Federal Trade Commission, Federal Power Commission, and the Federal Communications Commission.

We are now about to vote on one of the resolutions. Faced with the vote, and perplexed by various difficulties, I ask this question of the Senator: In the judgment of honest men, when they see such conditions obtaining, with the reorganization plans submitted to us by the administration going far beyond the recommendations of the Hoover Commission, should it not be the policy of those of us who feel that way to vote in favor of the resolutions of disapproval, to kill the plans as suggested, return them so that they may be reviewed consistently with the Hoover plan and then come back to us as children of the Hoover plan rather than as children of the minds of men in the Government bureaus in Washington?

Mr. LUCAS. Mr. President, I will answer my able friend from New Hampshire in this way: I call his attention to the recommendations numbered 1 and 6 in the volume on Regulatory Commissions, prepared by the Hoover Commission. This is a general recommendation it has made for all regulatory commissions: Recommendation No. 1:

> We recommend that all administrative responsibility be vested in the Chairman of the Commission.

Recommendation No. 6:

> The Commission therefore recommends that the statutes be amended so as to permit the commissions to delegate routine, preliminary, and less important work to members of the staffs under their supervision.

One provision of this reorganization plan transfers the function of the commission with respect to choosing a chairman from the commission membership to the President. This was not recommended by the Commission, but it was recommended by the task force on regulatory commissions.

In the Task Force Report on page 86 this statement is made:

> We think the most effective way to achieve this objective is to have the chairman appointed by the President.

This appeared in the section dealing with the Interstate Commerce Commission.

Furthermore, I call attention to what the Citizens' Committee for the Hoover Report said about what the Hoover Commission intended with respect to this very thing. I shall read it. It is a statement which was released by the Citizens' Committee for the Hoover Report on Friday, May 12:

> Dr. Robert L. Johnson, chairman of the Citizens' Committee for the Hoover Report, today called on the Nation's 150,000,000 "silent citizens" to get behind President Truman's 20 remaining Government reorganization plans.

Who are the board of directors of the Citizens' Committee for the Hoover Report, which is stating what ought to be done with respect to the Hoover recommendations? Members of the board of directors included Warren R. Austin, Neal Don Becker, Hon. James F. Byrnes, Dr. William E. Cotter—Council for Union of Carbide and Carbon Chemicals; Hon. Colgate A. Darden, president of the University of Virginia; Hon. Chester C. Davis, president of the Federal Reserve Bank of St. Louis; Gen. Charles G. Dawes; Maj. Gen. William J. Donovan; Hon. Charles Edison, head, Thomas A. Edison Corp. of New York; Hon. James A. Farley; Mr. Henry Ford II; Mr. Clarence Francis, chairman of the board of General Foods Corp.; Hon. John N. Garner, former Vice Presiden from Texas; Mr. Albert S. Goss; Mr. William Green, A. F. of L.; Mr. Philip Murray, president of the CIO, and so on and so on. Some of the most prominent men in this country are members of the board of the Citizens' Committee for the Hoover Report. Listen to what they say:

> One of the 21 Truman proposals, Plan No. 12, to reorganize the National Labor Relations Board, was defeated in the Senate yesterday. Dr. Johnson said the Senate action was not a true test of the over-all reorganization program since Plan No. 12 contained provisions beyond those recommended by the Hoover Commission.
>
> Dr. Johnson, who is also president of Temple University, warned that the next 2 weeks will vitally affect the success or failure of the entire reorganization program.
>
> "Unless more than 80 percent of the President's plans are enacted this session of Congress," he said, "the drive for better government will be slowed down.
>
> "These plans all have the unqualified support of the Citizens' Committee, 45 State citizens' committees, more than 300 local citizens' committees, and hundreds of thousands of public-spirited citizens who want more efficient and economical government," he said.
>
> Dr. Johnson pointed out that disapproval resolutions are presently before Congress to reject 11 of the remaining 20 plans.
>
> Savings from the enactment of the President's reorganization plans would not come "today or tomorrow," Dr. Johnson said, but that "eventual savings are a certitude.
>
> "It is virtually impossible to run the Federal Government economically when every department bristles with autonomous bureaus, which are not responsible to the department heads who supervise them."

That is the very essence of this entire thing, Mr. President. In the various bureaus authority cannot be delegated to every Tom, Dick and Harry if we expect to get efficiency in Government from the reorganization standpoint. Such efficiency cannot be had unless the power and authority is lodged in someone, and that someone is made responsible. Authority should be given to an efficient administrator—such an administrator as, for example, Louis Johnson, and let an individual of that type do the work which is necessary to be done.

I continue to read:

> Dr. Johnson said that only the President has the direct authority over these semi-independent bureaus. "As a practical matter, the President is unable personally to direct several hundred of these floating ribs of Government," he added.
>
> "Now is the time for 150,000,000 silent citizens to speak out for better government at a better price, or they will never get it."

Mr. TOBEY. Mr. President, will the Senator yield to me for a moment?

Mr. LUCAS. I yield.

Mr. TOBEY. I thank the Senator from Illinois. The point I make is that those of us who have sincerely committed ourselves to supporting the Hoover plan, and who want to do that thing, and who have gone before our people and told them we are going to do so, now find ourselves in an anomalous position. We find by advices received from top men connected with the Hoover plan—I will not mention any name, but I talked with one of them over the telephone, a man who was near the top, and he assures very definitely, without mentioning any names, that in his judgment the reorganization plans do go far beyond what was contemplated and what was intended by the Hoover Commission. Therefore, as an individual Senator, I say that when I vote in favor of the resolution to disapprove the pending reorganization plan, it will be with the distinct understanding that the plan should go back and be clearly reviewed so as to make sure it squares with the Hoover Commission's recommendations. What we are afraid of is centralization of power of commissions, against the people's interest, and in such a way as to contravene the legislation which puts them under the watchful eye of standing committees of the Senate.

Mr. LUCAS. Mr. President, my time is limited. I appreciate the Senator's statement.

Mr. TOBEY. They are words of wisdom.

Mr. LUCAS. I understand the Senator's position. He brings to the Senate words of wisdom whenever he speaks. I simply have no time, however, to listen to all he has to say today.

Mr. TOBEY. That is an excuse, but not a reason. Go ahead.

Mr. LUCAS. I do not have much time, I will say to my friend.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. LUCAS. Mr. President, I wish to read another statement which Dr. Johnson made:

> As former President Hoover told the Sales Executives Club of New York on Tuesday, violent campaigns are being waged against many Presidential plans: "Practically every single item in the program has invariably met with opposition of some vested official, or it has disturbed some vested habit and offended some organized minority." And, he added, "It has aroused paid propagandists. All these vested officials, vested habits, organized propaganda groups are in favor of every item of reorganization except that which affects the bureau or the activity in which they are specially interested."

Mr. President, at that point Dr. Johnson was quoting the statement of Herbert Hoover himself.

I do not believe that Herbert Hoover would make a statement of that sort if

he did not believe that the reorganization plans which have been sent to us by the President of the United States are at least in the spirit of what the Hoover Commission was attempting to do when it made its recommendations.

The sole question now before the Senate is whether we are going to have reorganization in government or whether we are not going to have reorganization in government.

The Senator from New Hampshire has spoken of sending back these plans for review. If that is done, that will be the end of them. So surely as the Senate kills this plan and kills the other three plans which are in the same category with this one, we in the Senate can rest assured that there will be no reorganization in the Government this year and there will be none for a long, long time to come.

Mr. President, we have come a long way from the time when Theodore Roosevelt, then President of the United States, attempted to reorganize the Government. This is the first time the Congress has ever in reality given the President an opportunity to submit reorganization plans, and now these plans come to us from the President. We have a grave responsibility to approve them.

When we consider the fine type of persons who represent the Citizens' Committee for the Hoover Report, who watch these plans day after day, it is obvious that their views carry weight. If now we do not do anything about these reorganization plans except kill all of them, we can kiss reorganization goodbye. If that happens, the people of the United States will be disappointed.

As I said a moment ago in a colloquy with the Senator from Connecticut, I have never received so much mail regarding any one proposition as I have received from my constituents in Illinois in regard to the reorganization plans. Every chamber of commerce in the State of Illinois has asked me to go "all out" for them. Thousands of persons who are interested in efficiency and economy in Government have asked that we support these plans.

Many persons in my State who have followed the activities of the Johnson committee, which is composed of the distinguished and able citizens whose names are on the list which is before us today, believe that the members of that committee know what they are talking about when they write a letter of this kind and ask the Senate of the United States to go along with the reorganization plans which have been submitted by the President of the United States.

Mr. President, I am not going back to Illinois to face the chambers of commerce there and say to them that I voted against Reorganization Plan No. 7 or the other reorganization plans dealing with four vital agencies of Government. All of these agencies have persons who are ready to speak up for them, just as former President Hoover has said. Practically every item in the program has invariably met with the opposition of some vested official or has disturbed some vested habit and offended some organized minority.

Certainly I am not going to go back to Illinois and tell my constituents that I voted against this kind of plan. I sincerely hope that when the vote is taken on the resolution which has been submitted by the distinguished Senator from Colorado, the resolution of disapproval of the plan will be rejected.

Mr. President, let me inquire how many minutes I have remaining.

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The Senator from Illinois has 7 minutes remaining.

Mr. LUCAS. Mr. President, let me conclude by informing the Senate what Reorganization Plan No. 7 will do, according to my opinion.

In the first place, it will vest in the Chairman of the Commission the following executive functions:

First. The appointment and supervision of personnel.

Why should not the Chairman of the Commission have the power to say who shall be the personnel in that particular agency of Government? Would any Senator want to delegate to some board around him the power to appoint the personnel in his own office?

Second. The distribution of business among the personnel or administrative units.

Is it not properly the duty of the Chairman of the Commission to do that very thing, and to hold all individuals serving in the agency responsible for the work assigned to them? It seems to me that the only way by which we shall obtain efficiency in government is by authorizing the Chairman of the Commission to distribute the business of the Commission among the personnel or administrative units in that agency.

Third. The expenditure of funds, subject to general policies of statutes.

Next, Reorganization Plan No. 7 provides:

First. That the Chairman shall appoint the heads of major administrative units, with the approval of the Commission.

In other words, the approval of the Commission must be obtained by the Chairman in such matters before any head of a major administrative unit can be appointed.

Second. That regularly employed personnel in the immediate offices of Commissioners, other than that of the Chairman, are not affected by the proposed reorganization plan.

Third. That the reviewing of budget estimates and the distribution of appropriated funds shall be reserved to the Commission.

In other words, Mr. President, the important duty of reviewing the budget estimates and distributing the appropriated funds is to be reserved to the Commission itself, rather than to the Chairman of the Commission.

Fourth. That the Director of Locomotive Inspection and two assistant directors shall perform their functions subject to the direction of the Chairman.

Mr. President, that is where the great trouble has arisen. My friends in the railroad world are seriously objecting to this reorganization plan. However, I do not believe their fears are well grounded. I think that over a long period of time it will be proved conclusively that those who are vitally interested in this matter will not be seriously injured or jeopardized if this plan becomes the law.

This plan also authorizes the Chairman of the Commission to delegate to any officer, employee, or administrative unit any function.

The plan also transfers from the Commissioners to the President the function of the Commission with respect to choosing a Chairman.

Mr. President, I wish to conclude by repeating—it would be well to repeat it again and again—that the fundamental and basic principle laid down by the Hoover Commission, in its No. 1 recommendation was:

> We recommend that all administrative responsibility be vested in the Chairman of the Commission.

Unless we do vest that responsibility in the Chairman, and let the President find and appoint the kind of man who will do that job—a man who has administrative and executive ability, and upon whom the President may lay the responsibility, and to whom the President may say, "Mr. Jones, this is your responsibility, and you cannot shift it to this or that agency or branch of your commission, but it is your responsibility"—we shall not gain the efficiency and economy in government which we seek. It is only through that kind of an organization that we shall ever obtain increased efficiency or economy in the Federal Government.

Mr. McCLELLAN. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield merely long enough to permit me to propound a parliamentary inquiry?

Mr. McCLELLAN. I yield.

Mr. HUMPHREY. Mr. President, I wish to inquire whether any time remains to the proponents of the plan.

The PRESIDING OFFICER. The Senator from Minnesota has 4 minutes remaining.

The Senator from Arkansas has 20 minutes remaining.

Mr. McCLELLAN. Mr. President, does the Senator from Minnesota wish to use now any of his time?

Mr. HUMPHREY. No; I was simply inquiring whether those on our side of the question have any time remaining.

Mr. McCLELLAN. Very well.

Mr. President, I do not wish to speak at length on the pending resolution.

Earlier this afternoon, when the able Senator from Connecticut was expressing his loneliness, in a sense, by virtue of his being a junior Member of this body and having a heavy responsibility fall upon him with respect to discussing this plan and supporting it and probably carrying the burden of the debate in favor of the plan, I, too, felt the responsibility which rests upon me, as chairman of the Committee on Expenditures in the Executive Departments, which has jurisdiction of these proposals, and to which these reorganiza-

tion plans were referred; and I also feel responsibility in this matter by reason of the fact that I served as a member of the Hoover Commission, and am anxious to see a proper reorganization of the executive branch of the Government.

Mr. President, frequently the task force of the Hoover Commission is quoted in support of some plan or some phase of some plan which is submitted to us, and which we have under consideration. Yet the task force's recommendations and report are not the Hoover Commission's recommendations and report. The task force simply made studies; and the recommendations and report of the task force were made by those who conducted those studies, who made those recommendations to the Commission, but the Hoover Commission rejected many of those recommendations. So, when the report of the task force is quoted, it should be remembered that that is not necessarily the decision and recommendations of the Commission which was constituted to make this study and to make the recommendations respecting reorganization plans. We must not let anyone confuse us by quoting what some task force may have said.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. McCLELLAN. I yield briefly for a question.

Mr. LONG. As a matter of fact, is not the distinguished senior Senator from Arkansas who presently has the floor actually a member of the Hoover Commission which made this study?

Mr. McCLELLAN. The Commission is no longer in existence. I served as a member of it, that is true. What I want to emphasize, Mr. President, is that we come here with these plans, and we go back and go through the task force reports and begin quoting them in support of some plan. Mr. President, you will find that the test is to read the words of the Commission, not the words of the task force. We hold committee hearings, and someone comes before the committee in support of a bill and testifies at length on the subject. The very provision that the witness who supports the bill may testify, which is put so strongly, may be deleted when the committee acts on it, or when the bill reaches the floor of the Senate. The Hoover Commission reports and the task force reports must be weighed in the light of this situation. Because the Hoover Commission deleted or rejected much that its task forces recommended.

I may say that in my humble opinion, having served on that Commission, it was never the intent of the Commission, by any language it used anywhere or at any time, to have these regulatory bodies tampered with through a reorganization which goes to the extent of having any effect, influence, control, supervision, or direction over their quasi-judicial or quasi-legislative functions. I am sure the Commission never had any such purpose, whatever language one may find in the report.

Mr. President, surely I should like to see reorganization. I, too, have received a great many letters urging adoption of the Hoover Commission report. But let us bear this in mind, that in what has been said by Citizens' Committee for the Hoover Report, which has been organized to carry on this program, to educate the people of the country and to acquaint them with this reorganization plan, and to build up support for it, there has been no differentiation as to proper and effective reorganization. The general program, the general theme, has been to get reorganization, with the idea that the Government will thereby save from $3,000,000,000 to $5,000,000,000 a year. I dare say there is not a Senator on the floor now, and there will not be one here, who can pick up one of these plans and point to one dollar's saving in it. The whole theme regarding saving is theoretical. It is not laid down in practical evidence by which it can be properly understood.

What is wrong with this agency, the ICC, that it must be reorganized? Mr. President, if you search the record of the testimony you will not find one statement of inefficiency, you will not find any proof of lack of economy. What is the purpose of reorganizing it? All one needs to do is to read the plan itself, to find that the whole effect of it is to converge power. It is not to promote efficiency, it is not to reorganize in order to effect economies, but it is to concentrate more and more power. Where? Under the direction and control and authority of the Chief Executive of this Nation. Let us see whether I am correct about it.

We are placing great emphasis here, as we consider these reorganization plans, on this Citizens' Committee for the Hoover Report. Let us turn to the evidence. We had a witness who testified for this plan who said he was representing the citizens' committee, that he was testifying on behalf of the citizens' committee for this very plan, and in opposition to the resolution. Turning to page 130 of the hearings on Reorganization Plans 7, 8, 9, and 11 of 1950, we find that Mr. Leventhal, who testified for this plan as a representative of the citizens' committee, was asked this question:

> Who makes the determination for the citizens' committee as to what it shall support when they come down here, etc.

His answer was that he did not know. I said the Congress was entitled to know. I asked:

> Do they have an executive board?

He did not know. Read it, Mr. President. He could not tell. He said he would try to get the information. A few days later I received a letter from Mr. Robert L. Johnson, which will be found on page 138 of the hearings. From his letter we find out who makes the decisions. Mr. President, listen to this. After a considerable amount of rehashing, we here get down to the meat of it. Mr. Johnson said:

> The committee's policies are determined by its board of directors in accordance with the charter and bylaws under the laws of the State of New York in which it was incorporated. At the last meeting of the board of directors, I, as chairman, was authorized to act as spokesman for the citizen's committee and to consult with members of the Hoover Commission and its task forces on matters on which special information was required. I was also authorized to undertake two principal steps with regard to legislative measures and Presidential reorganization plans—

Mr. President, listen to this. He is authorized, he is speaking for the entire Commission.

> First, to have studies made by the committee's staff in order to determine factually the extent to which such measures and plans conform with or differ from the majority recommendations of the Commission on Organization of the Executive Branch of the Government; and, second, to endorse those matters which are, after such studies, so determined to be generally in accord with the recommendations of that Commission.

The entire power of that citizens' committee has been vested in one man, who makes the decisions. One man is selecting the representatives of that committee to come before the Senate committees to testify in its name. No board or subcommittee of the citizens' committee passes upon and determines the policies.

I think we are entitled to something a little better than that, if we are going out to propagandize the country—and I believe in it; I believe every citizen should be made as fully acquainted with the Hoover Commission's recommendations as possible. But I know we talk about receiving letters. I know that many persons write to us who know nothing about the subject, who know nothing of what is in the plans, or what their effect will be. They have not studied the plans. They are simply thinking in terms of a great sprawling government which ought to be reorganized, that it ought to be reorganized to put into effect the general objectives of the reorganization act. The objectives are greater efficiency and greater economy in government. The writers of these letters have been thinking in terms of the statements which have been made by the Chairman of the Hoover Commission—with which I do not agree—that if all the Hoover Commission's recommendations were adopted, there would be effected a saving of from $3,000,000,000 to $5,000,000,000 a year. I have never expected so great a saving from it, and, if the plans which come to the Senate are an indication or an example of the economy that is going to result from the reorganization, then I think the entire $3,000,000,000 or $5,000,000,000 will evaporate.

Speaking of this particular plan—and I must hurry on—a plan which deals with the greatest transportation system in the world, that regulatory body, regulating all our commerce—and, Mr. President, I do not have time to refer to the testimony, but representatives of management, of ownership, of the transportation systems testified.

Not only that, Mr. President, but representatives of labor testified. One representative of labor listed the number of organizations he represented. He stated that practically all of the labor organizations within the railroad systems were against it, that labor in transportation is against it, and management in transportation is against it. Patrons

of transportation facilities are opposed to it.

What is the reason for that opposition? Because, Mr. President, they have respect for the present independent agency which Congress has created as an agency of Congress. They do not want executive power over it, any more than they want Congress to control it. They want it to be independent.

What is to be gained by this reorganization plan? Let us go back to the citizens' committee representative. Let us see what he said is to be gained. I read the concluding paragraph of his prepared statement before the committee. Listen to this: I quote:

> In addition, designation of the Chairman by the President is likely to improve channels of communication with the Executive.

Why do we need to improve channels of communication from the Commission to the President? Why do we need to improve channels of communication if the Commission is to be independent, to act independently in making judicial decisions on the basis of facts developed before it?

The witness went on to say:

> Commissioners, although independent—

Listen to this—

> do not live in a vacuum.

Does that have any significance, Mr. President? He went on to say:

> They may and rightly should give consideration to the President's views on national policies without in any way being bound by those views.

What does that mean? Unless they expect the Chief Executive's policies to have some influence, unless they expect them to be effective, although not binding, why is it necessary?

Why, Mr. President, we may just as well have the Committee on Interstate and Foreign Commerce influence the Commission. We want to keep it independent. It has been said that it will still be independent if the President has the power to appoint the Chairman. Will it? Suppose we delegate to the Chairman the enumerated powers in this plan, how long does the Chairman serve? He serves at the will of the President. What does "will" mean? At the President's pleasure. How long would he be pleased? He would not be pleased very long if the Chairman did not carry out his policies. We know that.

We may as well have the test right now, Mr. President. Are we going to reorganize for efficiency and economy, or are we going to reorganize for the concentration of more and more power in a centralized head of the Government? That is the test. Whether we vote for or against these plans, Mr. President, means something.

Some question has been raised about the committee being inconsistent. My vote has not been inconsistent. I have voted against controls over regulatory agencies, and I intend to continue to vote against them. I do not believe these agencies, which are really a branch of the legislative body itself, should be subjected to any undue influence from any source in the performance of their functions. Let us keep them independent. There is no complaint against them. Who has complained? I have not heard of any complaint, and there is none in the record. There are plenty of places in Government to reorganize, where economies can be effected and where some efficiency might be gained. Let us not go into these agencies which are serving well, and with no complaint against them. The only thing in this package, Mr. President, is more and more power. If it means anything at all, that is all there is in it. We can accept it or we can reject it. I agree with the majority leader that this is a test. Let us settle the question now, and serve notice that this body wants reorganization for economy and efficiency, and not for the purpose of permitting the executive branch to grab more and more power, particularly with respect to regulatory agencies which are actually servants of the Congress itself. When that is done, Mr. President, it is not reorganization; it is concentration of power.

Let us make the test this afternoon. Let these plans go back. Let the President send plans which in some measure conform to the Hoover recommendations. Then we can try to do an effective and successful job of reorganizing toward the general objectives of the Reorganization Act.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I yield.

Mr. LONG. Does not the Senator's argument boil down to the fact that the Hoover Commission never recommended that the President be given authority to designate the Chairman, and if he does designate the Chairman, the Chairman will be compelled to follow the President's views, while, if the Commission designates its own Chairman, he will have to follow the Commission's views?

Mr. McCLELLAN. The Commission has power to submit to the Chairman any task it wants him to perform, by a simple resolution. Once it delegates it to the Chairman it can withdraw it if the duty is not properly performed. If the President appointed the Chairman, the Commission would be helpless if it did not perform its duties in accordance with the wishes of the President.

Mr. President, this plan should be overwhelmingly defeated. I hope it will be.

Mr. HUMPHREY. Mr. President, I desire to make a brief comment. If the position of the Senator from Arkansas is to be followed, then I suggest that Reorganization Plan No. 6, which was adopted last year, be repealed, because that plan, which pertained to the Maritime Commission, is identical with the reorganization plan which is now before the Senate pertaining to the Interstate Commerce Commission.

Furthermore, I suggest that the observations in the general recommendations on regulatory commissions made by the Hoover Commission fall within the objectives and purposes of Reorganization Plan No. 7. In fact, Reorganization Plan No. 7 is in strict accordance with the recommendations of the Hoover Commission and its task force on regulatory agencies. The Senator from Minnesota pointed out that fact, and it was pointed out and well documented by the majority leader. The majority leader pointed out the recommendations of the Citizens' Committee report, as well as the recommendations of the head of the Hoover Commission, the former President of the United States, Mr. Herbert Hoover.

I hope the Senate will approve this plan. It is perfectly obvious that every time a reorganization plan comes here it will be met with a frontal assault, with testimony on the part of interested parties. It is perfectly understandable that interested parties would like to leave things as they are.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LUCAS. In addition to what the Senator from Minnesota has said, the able Senator from Connecticut [Mr. BENTON] pointed out this afternoon, when there were only three Senators on the floor, that the Congress of the United States on six different occasions has passed laws delegating to the chairmen of various commissions the same kind of power which is asked for in this reorganization plan. In other words, Congress cannot consistently take the position of the proponents of the resolution in view of the laws it has enacted. As the Senator from Connecticut has pointed out, on six different occasions Congress has given chairmen of boards the power which the President seeks in this Reorganization Plan No. 7.

Mr. JOHNSON of Colorado and other Senators rose.

Mr. HUMPHREY. My time has about expired, and I wish to conclude my argument. The general policy of the chairman is established by the vote of the regulatory commission. The powers of delegation are made by the members of the regulatory commission. Under the reorganization plans, the chairman of a commission has only those powers which are inherent in the law and which have been delegated by the members of the commission. I hope the Senate will approve the plan and reject the resolution.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Kilgore
Benton	George	Knowland
Brewster	Gillette	Langer
Bricker	Green	Leahy
Bridges	Gurney	Lehman
Butler	Hayden	Lodge
Byrd	Hendrickson	Long
Cain	Hill	Lucas
Capehart	Hoey	McCarran
Chapman	Holland	McCarthy
Connally	Humphrey	McClellan
Cordon	Hunt	McFarland
Darby	Ives	McKellar
Donnell	Jenner	McMahon
Douglas	Johnson, Colo.	Malone
Dworshak	Johnson, Tex.	Martin
Eastland	Johnston, S. C.	Maybank
Ecton	Kefauver	Mundt
Ellender	Kem	Myers
Ferguson	Kerr	Neely

Robertson	Stennis	Wherry
Russell	Taylor	Wiley
Saltonstall	Thomas, Okla.	Williams
Schoeppel	Thomas, Utah	Withers
Smith, Maine	Thye	Young
Smith, N. J.	Tydings	
Sparkman	Watkins	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to Senate Resolution 253.

Mr. JOHNSON of Colorado. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOUGLAS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Will not the Chair state the precise question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to Senate Resolution 253. Those in favor will vote "yea" when their names are called and those opposed will vote "nay."

Mr. DOUGLAS. Those in favor of Reorganization Plan No. 7 should vote "nay" and those who are opposed to Reorganization Plan No. 7 should vote "yea"?

The PRESIDING OFFICER. The resolution provides that the Senate does not favor Reorganization Plan No. 7. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Maryland [Mr. O'CONOR], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY], and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR], and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from Wyoming [Mr. O'MAHONEY] is detained on official business.

The Senator from New Mexico [Mr. CHAVEZ] is paired on this vote with the Senator from Maryland [Mr. O'CONOR]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Maryland would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Oregon [Mr. MORSE], would each vote "yea."

The Senator from Ohio [Mr. TAFT] and the Senator from New Hampshire [Mr. TOBEY] are detained on official business.

The yeas and nays resulted—yeas 66, nays 13, as follows:

YEAS—66

Aiken	Hendrickson	Martin
Brewster	Hill	Maybank
Bricker	Hoey	Mundt
Bridges	Holland	Myers
Butler	Hunt	Neely
Byrd	Ives	Robertson
Cain	Jenner	Russell
Capehart	Johnson, Colo.	Saltonstall
Chapman	Johnson, Tex.	Schoeppel
Connally	Johnston, S. C.	Smith, Maine
Cordon	Kem	Smith, N. J.
Darby	Kerr	Stennis
Donnell	Kilgore	Taylor
Dworshak	Langer	Thomas, Okla.
Eastland	Lodge	Thomas, Utah
Ecton	Long	Thye
Ellender	McCarran	Tydings
Ferguson	McCarthy	Watkins
Fulbright	McClellan	Wherry
George	McFarland	Wiley
Gurney	McKellar	Withers
Hayden	Malone	Young

NAYS—13

Benton	Kefauver	McMahon
Douglas	Knowland	Sparkman
Gillette	Leahy	Williams
Green	Lehman	
Humphrey	Lucas	

NOT VOTING—17

Anderson	Hickenlooper	O'Mahoney
Chavez	Magnuson	Pepper
Downey	Millikin	Taft
Flanders	Morse	Tobey
Frear	Murray	Vandenberg
Graham	O'Conor	

The PRESIDING OFFICER. On this vote the yeas are 66, the nays 13. A majority of the authorized Members of the Senate having voted in the affirmative, the resolution (S. Res. 253) is agreed to.

REORGANIZATION PLANS

Mr. JOHNSON of Colorado obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. McCLELLAN. I wish to make an announcement for the information of the Senate. Twenty-one reorganization plans were originally sent to the Congress, some 2 months ago, on which the deadline will be Tuesday night, and I wish to announce that the Committee on Expenditures in the Executive Departments, to which they were referred, has taken action on all 21, with the following results:

The committee has reported favorably 10 of the plans against which no resolution of disapproval was submitted. Of the 11 plans against which resolutions of disapproval have been submitted, the committee reported four of the resolutions favorably, three unfavorably, and four have been reported without recommendation.

I may say that one reason for reporting three of the last four without recommendation was the fact that the committee does not have time to make reports on them. We concluded the hearings, but the hearings have not yet been printed, and we simply did not have time to give the resolutions the further deliberation we felt they should have.

I call this to the attention of the Senate, and will have the hearings printed as quickly as possible, so that each Senator may have an opportunity to study the record and make up his mind with respect to the merits of the various resolutions.

REORGANIZATION PLAN NO. 11

Mr. JOHNSON of Colorado. Mr. President, in a moment I shall move to proceed to the consideration of Senate Resolution 256 with respect to Reorganization Plan. No. 11. If that motion is agreed to I shall ask unanimous consent that 15 minutes be allotted to each side, and that a vote be taken at the end of the 30-minute period.

Mr. President, I now move that the Senate proceed to the consideration of Senate Resolution 256 relating to Reorganization Plan No. 11 of 1950.

The PRESIDING OFFICER. (Mr. CHAPMAN in the chair). The resolution will be read.

The Chief Clerk read the resolution (S. Res. 256), as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 11 transmitted to Congress by the President on March 13, 1950.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado [Mr. JOHNSON].

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. JOHNSON of Colorado. Mr. President, I move to limit debate to 15 minutes to each side, making a total of 30 minutes for both sides.

Mr. LUCAS. Mr. President, reserving the right to object, I understand that the Senator has made a motion?

Mr. JOHNSON of Colorado. I have put it in the form of a motion, yes.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Is that motion debatable?

The PRESIDING OFFICER. The motion is not debatable under the rules.

Mr. LUCAS. Mr. President, I ask unanimous consent to speak for 1 minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and the Senator from Illinois may proceed.

Mr. LUCAS. Mr. President, under the rule 10 hours is provided for debate. It seems to me that 15 minutes to each side is not a sufficient amount of time.

Mr. JOHNSON of Colorado. I may say to the Senator that the various plans reported from the committee are all of one kind. The Senator himself made a statement to that effect a few moments ago. We have discussed plan No. 7 quite thoroughly. It would seem that we could proceed with the plan now before the Senate without repeating all the debate that was had previously on plan No. 7.

Mr. LUCAS. It seems to me that 15 minutes on each side on a reorganization plan so important as this one is not sufficient.

Mr. JOHNSON of Colorado. How much time does the Senator suggest?

Mr. LUCAS. I am not a member of the committee. I do not know whether any other member of the committee wants to discuss the plan.

Mr. JOHNSON of Colorado. I will say to the majority leader that I do not

know of any speeches that are proposed to be made on this matter.

Mr. LUCAS. I do not know whether or not there will be any speeches made on it.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McCLELLAN. As chairman of the Committee on Expenditures in the Executive Departments, I do not know what Senators desire to speak on this particular resolution. So far as I am concerned I have no objection to a limitation of 30 minutes. However, a limitation of an hour can be fixed if Senators desire, or some other period of time.

It is a matter of accommodating the whole membership of the Senate. So far as I am concerned I am perfectly willing that every Senator may have as much time as he wants to discuss the plan. It is a matter of accommodating ourselves, that is all I see in it. If any Senator believes he will require more time I have no objection to granting him whatever time he believes he requires.

Mr. LUCAS. May I ask the Senator from Colorado, When was the resolution of disapproval reported to the Senate?

Mr. JOHNSON of Colorado. It was voted on in the committee a week ago, but the report was placed on the calendar yesterday. However, there is a deadline which must be met, which is the 23d of May. We will have to press as hard as we can to get these plans out of the way. We must press as hard as we can if we are to have an opportunity to vote on each one of them.

Mr. LUCAS. Mr. President, so far as I am concerned I shall make no objection, because I am not a member of the committee. It seems to me that 30 minutes is not sufficient time, however, on a plan of this kind.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Minnesota.

Mr. WHERRY. Mr. President, is the motion debatable?

The PRESIDING OFFICER. It is not.

Mr. WHERRY. I ask for the regular order.

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado [Mr. JOHNSON].

The motion was agreed to.

Mr. JOHNSON of Colorado. I yield the Senator from Arizona [Mr. McFARLAND] 10 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized for 10 minutes.

Mr. McFARLAND. Mr. President, it is with regret that I find myself in disagreement with the recommendations of the President of the United States upon this plan. However, it is my opinion that there is involved here a fundamental principle of government, a principle which Congress must decide for itself, because this plan, as the preceding plan which has just been discussed at length and voted down, involves one of the arms of Congress, a commission which exercises quasi-legislative and quasi-judicial functions. I personally feel that it is important that Congress preserve the independence of that commission, the independence of which was established in the act creating that commission some years ago.

Mr. President, there was quoted this afternoon, with approval, the famous Humphrey case. That decision involved questions which are directly pertinent to the issue here and because of the importance to our Government of the principles involved, I wish again to quote from that decision. The case was one in which the President of the United States sought to remove Mr. Humphrey from the Federal Trade Commission, another independent commission. The Supreme Court held that the President did not have the power to remove the Commissioner except for the specific causes set forth in the act by the Congress. In rendering that decision, the Supreme Court used this language:

> Such a body (FTC) cannot in any proper sense be characterized as an arm or an eye of the Executive. Its duties are performed without Executive leave and, in the contemplation of the statute, must be free from Executive control.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. McFARLAND. I yield.

Mr. CONNALLY. Is it not true though that the Humphrey case was based upon the idea that in the statute creating the office provision was made as to the manner in which commissioners could be removed, and that therefore any removal had to follow what was prescribed in the statute; but that without those instructions the President had the absolute right, as held in the Myers case, to remove them?

Mr. McFARLAND. That may be true, but the point I am trying to make here is the law which the Supreme Court has laid down, the principles enunciated by the Supreme Court in making its holding. I submit that they are applicable to the plan we have under consideration.

Mr. President, I have only a few minutes and I do not want to yield further until I conclude my statement. I continue to quote from the Humphrey case:

> The authority of Congress, in creating quasi-legislative or quasi-judicial agencies, to require them to act in discharge of their duties independently of executive control cannot well be doubted. * * *
>
> The fundamental necessity of maintaining each of the three general departments of government entirely free from the control or coercive influence, direct or indirect, of either of the others, has often been stressed and is hardly open to serious question. So much is implied in the very fact of the separation of the powers of these departments by the Constitution—

That is the Supreme Court of the United States talking, Mr. President—

> and in the rule which recognizes their essential coequality. The sound application of a principle that makes one master in his own house precludes him from imposing his control in the house of another who is master there. James Wilson, one of the framers of the Constitution and a former justice of this Court, said that the independence of each department required that its proceedings "should be free from the remotest influence, direct or indirect, of either of the other two powers."

Mr. President, this Nation has survived all these years under its Constitution, which assigns the executive, the legislative, and the judicial powers to three separate branches of our Government. Our Government has functioned marvelously well under that division of powers. I submit that we should not deviate from principles which were laid down in the Constitution, and which have been emphasized and reiterated by the Supreme Court of the United States.

Mr. President, I shall not attempt at this late hour to repeat the arguments which have been made with respect to the Interstate Commerce Commission. However, it has been thoroughly demonstrated that the Hoover Commission did not recommend that the President of the United States be given the power to appoint the chairmen of these commissions. However, it was only the task force which recommended that the chairmen of the commissions be appointed by the President. The Hoover Commission itself recommended only the transfer of certain powers to the chairmen.

Mr. President, there is a distinct difference between transferring certain functions of a commission to a man who owes his appointment as chairman of the commission to the President of the United States, and transferring those functions to a chairman who owes his appointment as chairman to the commission itself.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McFARLAND. Mr. President, I am sorry that I cannot yield at this time. I have only a few minutes remaining. The Senator from Illinois will have his own time to reply.

The PRESIDING OFFICER. The Senator from Arizona declines to yield.

Mr. McFARLAND. Mr. President, it is very important that we recognize the distinction to which I have just referred, because when the chairman of the commission is appointed by the commission itself, the commission can remove him from the office of chairman if he tries to coerce or influence either the commission members or the members of the staff in a particular instance.

Certainly the staffs of these independent agencies have become more and more important. The commissioners must consult the staff for advice and for expert opinions on the various subjects the commission handles. Are the commissioners going to have to consult staff members who do not owe allegiance to them? Are the commissioners to be placed in a position where they will not be able to function independently because staff work and staff opinions, on which they must rely, are prepared under the direction of the chairman, who, in turn, is wholly within the domination of the executive? These commissioners need experts to advise them and they should have for that purpose experts who are responsible to the commission itself.

What did the Communications Commission itself say about this plan, following the report of the Hoover Commission? The Committee on Expenditures in the Executive Departments asked the opinion of the various commissions about these plans. This is what the Federal Communications Commission said at that time—and what I read now

is a statement by the Federal Communications Commission itself, not a statement of one member of the Commission or of its Chairman:

> The Commission believes that the existing provisions of sections 4 and 5 of the Communications Act of 1934 provide sufficient flexibility to enable the Commission to delegate to the Chairman necessary authority to expedite Commission administrative activity. Under these provisions the Commission has over a period of years delegated increasing powers to the Chairman with respect to administrative matters. Administrative order No. 8 has recently been adopted setting forth this principle of Chairman initiative in Commission administration.

The Commission further said:

> To the extent that any additional legislation may be deemed advisable to expressly designate the Chairman as the chief executive officer of the Commission, the language proposed in section 5 (a) of S. 1973, a bill providing for extensive changes in Commission procedure and organization which was favorably reported by the Senate Committee on Interstate Commerce on July 21, 1949, would appear to meet such requirements.

The PRESIDING OFFICER. The time of the Senator from Arizona has expired.

Mr. McFARLAND. Mr. President, will the Senator from Colorado yield further time to me?

Mr. JOHNSON of Colorado. I yield 5 minutes more to the Senator from Arizona.

Mr. McFARLAND. I thank the Senator very much.

Mr. President, I shall not use all of that time, for I wish to save a few minutes for Senators who wish to close the debate.

It is true that the Chairman of the Commission did support this plan, and I assume he had good reason therefor. However, only one other member of the Commission supported him in that respect. Two of the commissioners wrote letters in opposition to the pending plan and I call Senators' attention to those letters which will be found on pages 110 and 111 of the hearings. The remainder of the Commission took no official position publicly. I assume this was because they had previously adopted and sent to us their report in opposition to the Hoover legislative reorganization plan to which I have referred and quoted.

Mr. President, that is the situation which confronts us today. Are we going to take away the independence of these agencies? Are we going to change the fundamental character of these agencies as arms of Congress? Everyone knows that the appointive power is an important power. A staff member will naturally be guided by the wishes of the chairman of a commission and particularly so if the chairman has complete appointive and administrative power, for otherwise that staff member might lose his job.

Whether or not such developments have occurred in the past these commissions should not be put in a position where they can properly be subjected to criticism of that sort. We want to keep them on a high plane, a judicial plane, on the same level as that of our judicial system.

We must keep these commissions independent of the executive power; we must maintain their independence as arms of Congress performing quasi-judicial duties and performing the quasi-legislative duties imposed upon them by the Congress of the United States.

Mr. LUCAS. Mr. President, will the Senator from Colorado yield 4 minutes to me?

Mr. JOHNSON of Colorado. Yes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 4 minutes.

Mr. LUCAS. Mr. President, I wish to call the attention of the Senate to what I consider to be a very important point. The arguments which have been made against plan No. 7 were primarily based upon the fact that the Congress thus would give the President of the United States the power to appoint the Chairman of the Commission involved, which was the Interstate Commerce Commission.

However, Mr. President, Congress has already passed on that question, so far as the Federal Communications Commission is concerned, because Congress has already by law authorized the President to appoint the Chairman of the Federal Communications Commission. I repeat that the Congress of the United States has passed a law authorizing the President—granting to him that power—to appoint the Chairman of the Federal Communications Commission.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. BRICKER. As the Senator asked the Senator from Ohio a while ago, the same principle runs through all four of these plans, does it not?

Mr. LUCAS. I understand that. However, the point I am making is that the main argument which was made in regard to the previous reorganization plan was that by it we would be delegating to the President of the United States the power to appoint the Chairman of the Commission, so that by means of appointing the Chairman of the Commission, the President would have the power to dominate the Chairman.

Mr. BRICKER. The same argument is made in all four cases; is it not?

Mr. LUCAS. That is correct. However, the point I now make is that heretofore, when the Congress established the Federal Communications Commission, Congress did that very thing, namely, Congress delegated to the President of the United States the power to appoint the Chairman of the Federal Communications Commission.

Yet, Mr. President, all this argument is made here this afternoon about the fear of certain persons that that proposal of the plan is unwarranted. Some persons do not believe that this power should be delegated to the President of the United States, thus permitting him to appoint the Chairman of the Commission. Some persons oppose the granting to the President of that power, for fear that the Chairman of the Commission himself would be subservient only to the President of the United States, not to the Congress and the people of the country.

How that fear happened to develop, I do not know. I suppose that probably at the time when the Federal Communications Commission Act was passed by the Congress, arguments similar to those made in the Senate Chamber this afternoon were made.

Nevertheless, Mr. President, in creating one of the most important Commissions of the Government, Congress established the right on the part of the President of the United States to appoint its Chairman.

What does it matter what the Hoover Commission says that Congress should do with respect to this matter? In other words, the argument to the effect that Mr. Hoover did not recommend that the President have such power, passes out of the picture entirely in this particular case, because Mr. Hoover had nothing to do with the action which previously was taken by the Congress. Before Mr. Hoover got around to making his recommendation, Congress had given the President the power to appoint the Chairman of the Federal Communications Commission.

The functions proposed by this plan to be transferred are similar to the functions proposed to be transferred by means of plan No. 7, which we discussed earlier today.

It vests in the Chairman what? The appointment and supervision of personnel. I ask any Senator whether the Chairman of that Commission ought not to have the right to appoint the personnel, and whether he should not be responsible for the supervision of the duties of the personnel of that particular agency?

Secondly, it vests in the Chairman power over the distribution of business among personnel or administrative units. Should not the Chairman of the Federal Communications Commission have the power to make a distribution of the business which comes before the Commission? Does he have to take it up with the Commission every time he makes a minor work assignment?

Mr. President, it seems to me that argument is ridiculous and fallacious.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. LUCAS. Mr. President, may I have three more minutes?

Mr. HUMPHREY. I yield three more minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for an additional 3 minutes.

Mr. LUCAS. Third, Mr. President, the expenditure of funds is lodged in the Chairman, subject to the general policies of the statutes enacted by the Congress of the United States. He is responsible to the Congress.

What else? The Chairman shall appoint the heads of major administrative units, with the approval of the Commission.

The Commission approves whatever the Chairman does with respect to the appointment of the major administrative units in the field.

The plan also provides that the regularly employed personnel in the immediate office of the Commissioners,

other than the Chairman, are not affected by the proposed reorganization plan, and that the reviewing of the budget estimates and the distribution of appropriated funds shall be reserved to the Commission.

In other words, the vital function dealing with the expenditure of money and the reviewing of budget estimates is still held within the power of the Commission itself.

Mr. President, it is difficult for me to understand why Senators will oppose this particular reorganization plan, in view of the fact that they have already placed in the hands of the President the power to appoint the kind of chairman he wants, not the kind of chairman the Commission wants.

That has been the sole argument all afternoon, that we should not delegate this power, and should not give to the President, but should retain in the Congress as the prerogative of Congress the appointment of chairmen. It has been argued that we should not give the President of the United States, whoever he may be, that kind of unwarranted power, because he may at some time use it in an arbitrary and capricious manner.

Mr. President, this resolution should be defeated, if we believe in reorganization of the Government. If we want to continue to do as we have always done and not reorganize the Government, disappointing the Citizens' Committee, disappointing those people throughout the country who are constantly writing to us to reorganize the Government—in that case, Senators should vote in line with the resolution of disapproval.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. HUMPHREY. Mr. President, it appears that each one of the members of the Committee on Expenditures in the Executive Departments is generally privileged to read the reports, listen to some of the testimony, and decide upon these plans. There devolves upon me the duty of making a comment pertaining to the majority report, a copy of which is on the desk of each Senator. The majority report is an unfavorable report upon the resolution of disapproval, which means, in other words, that the President's plan should be approved, and that the resolution which is now under consideration should be rejected by the Members of the Senate.

I must say that the evidence before the committee was rather overwhelming as to the need of this reorganization plan. Apparently the weight of the Hoover Commission evidence or task force evidence is not too persuasive. However, one of the most important witnesses before the Senate Committee on Expenditures in the Executive Departments was Mr. Harold Leventhal, who served as a consultant to the Hoover Commission and as an executive officer of task force No. 16, which reported on the independent regulatory commissions. Task force No. 16 consisted of Mr. Robert R. Bowie and Mr. Owen D. Young. The substance of the report and the testimony of Mr. Leventhal and others who testified in behalf of the Commission and in behalf of the Citizens' Committee for the Hoover Report has already been stated by the distinguished and able majority leader. I must say it is rather ironical that the Senate Committee on Expenditures in the Executive Departments, on the one hand, should report favorably the President's Reorganization Plan No. 11, and then report unfavorably plan No. 7, because, while I do not expect consistency to be a virtue in political life, believe me, there is plenty of inconsistency in the attitudes exemplified in the case of respective reorganization plans.

Reorganization Plans 7, 8, 9, and 11 are identical in purpose. This is Reorganization Plan No. 11. Reorganization Plans 7, 8, 9, and 11, are identical with Reorganization Plan No. 6. Reorganization Plan No. 6 was accepted by the Congress, and it did for the Maritime Commission exactly what we should have done for the Interstate Commerce Commission a moment ago, but which we did not do. Reorganization Plan No. 11 will do for the Federal Communications Commission what we did for the Maritime Commission in 1949, and what we should have done for the Interstate Commerce Commission 25 minutes ago. If we want to have consistency, I do not know how we are going to attain it unless we declare a stalemate and take no action. The United States Senate has approved one reorganization plan and rejected another one having identical language and purpose, but relative to another commission. In other words, for the Maritime Commission we said "Yes, let us reorganize it." For the Interstate Commerce Commission we say "Let us not reorganize it," under the same kind of plan. The committee now comes forward with the majority report in which I concurred. I refer to the majority report of disapproval of the resolution which, in effect, says, "Let us reorganize the Federal Communications Commission."

What does this reorganization plan propose to do? The Congress has already given the President power to appoint the members of the Federal Communications Commission, which was described today in the course of the debate on the previous resolution as being a "terrible power," calculated to give our great Executive influence over an agency. But we, the Congress of the United States, provided by statute that the members of the Federal Communications Commission and its Chairman should be appointed by the President and supposedly he is under the direction of the President.

What does this plan do? It merely puts into permanent form an administrative plan which is already in operation in the Federal Communications Commission. As a matter of fact, there is at the present time an Executive order, Federal Communications Commission Administrative Order No. 8, which is practically identical with Reorganization Plan No. 11. This administrative reorganization plan, Administrative Order No. 8, of the Federal Communications Commission, has already been in effect for 1 year and I have not noticed a great deal of dictatorship.

What this plan authorizes is merely that the plan which has been in effect for 1 year on a temporary basis shall become a permanent administrative plan for the organization. It will be noted that we are relieved of the responsibility of designating the Chairman of the Commission, because Congress in its wisdom has already done that through a Presidential selection. I want to repeat that what the Congress did for the Federal Communications Commission by permitting the President to appoint its Chairman, it just now denied the Interstate Commerce Commission.

This reorganization plan then says that an administrative order which has worked successfully for a year shall be incorporated into public law by Reorganization Plan No. 11, and I submit that the majority of the committee concurred in that point of view. The majority of the committee concurred in the reorganization plan of the President. The majority of the committee asked that that reorganization plan be accepted. It asked that the resolution itself which is before the Senate be rejected.

I hope, Mr. President, that some time in the consideration of these reorganization plans we shall make up our minds what we want, because the Hoover Commission's task force and the Commission itself set forth a general pattern for regulatory commissions. The way the score stands now, it is one for reorganization of the Maritime Commission and one against reorganization of the Interstate Commerce Commission. This is the third strike in the ball game of reorganization. It is doubtful what will happen, but I hope the Senate will make a home run, or, at least, a safe hit, on Reorganization Plan No. 11.

The PRESIDING OFFICER. The Senator from Colorado has 3 minutes remaining.

Mr. JOHNSON of Colorado. Mr. President, the junior Senator from Minnesota said that the Chairman of the Federal Communications Commission was appointed by the President and that we have seen no dictatorship in that office. I want to read to him from his own committee report. His own committee asked its staff to get information from all the commissions, and this was the result:

> Of the five agencies from which information was required in the compilation of this memorandum, only the Federal Communications Commission has declined to cooperate.

The only agency which declined to cooperate was the Federal Communications Commission, whose Chairman was appointed by the President of the United States. I read further:

> In view of the necessity for expeditious accumulation of the data asked, the staff made requests by telephone for the several reports required.

Did they fail to report because they did not have time to prepare something? That is not it. Listen to these words:

> We are advised—

This is the committee speaking—

> We are advised by the Federal Communications Commission that the material requested by us had been prepared, but the

delivery thereof was countermanded by the Commissioner, understood to be Mr. Wayne Coy, Commission Chairman.

He was appointed by the President; and the Senator from Minnesota said there was no dictatorship. The Commission prepared a report, Congress wanted that report, but Mr. Wayne Coy vetoed the request. I call that dictatorship.

Mr. President, I desire to make an additional point. It is true that the President appoints the Chairman of the Federal Communications Commission, but there are powers under the reorganization plan which have always been exercised by the Commission itself and which are being exercised by the Commission itself at the present time, but which Reorganization Plan No. 11 changes and gives to the Chairman who is appointed by the President. This plan gives all the powers of the Commission to the Chairman, so that he can become, in the operation of the Commission, a complete dictator, just as he indicated he would become when a committee of the Senate asked him for a report on the operation of the Commission. After the report had been prepared, he said, "Nothing doing. Congress shall not get that report."

The VICE PRESIDENT. The question is on agreeing to the resolution of disapproval of Reorganization Plan No. 11. Those Senators who are in favor of disapproval will vote "yea," and those who are in favor of Reorganization Plan No. 11 will vote "nay."

Mr. LONG and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON] is absent by leave of the Senate.

The Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Iowa [Mr. GILLETTE], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are detained on official business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Maryland [Mr. O'CONOR], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from California [Mr. DOWNEY], and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR], and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from Virginia [Mr. ROBERTSON] is paired on this vote with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Washington would vote "nay."

The Senator from Oklahoma [Mr. THOMAS] is paired on this vote with the Senator from Maryland [Mr. O'CONOR]. If present and voting, the Senator from Oklahoma would vote "yea," and the Senator from Maryland would vote "nay."

Mr. WHERRY. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting the Senator from Oregon [Mr. MORSE] would vote "nay."

The Senator from Ohio [Mr. TAFT] and the Senator from Delaware [Mr. WILLIAMS] are detained on official business.

The Senator from Massachusetts [Mr. SALTONSTALL] is necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER] is paired with the Senator from Delaware [Mr. WILLIAMS]. If present and voting, the Senator from Iowa would vote "yea" and the Senator from Delaware would vote "nay."

The Senator from Colorado [Mr. MILLIKIN] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Massachusetts would vote "nay."

The yeas and nays resulted—yeas 50, nays 23, as follows:

YEAS—50

Brewster	Gurney	McFarland
Bricker	Hayden	McKellar
Bridges	Hendrickson	Malone
Butler	Hill	Martin
Cain	Hoey	Maybank
Capehart	Holland	Mundt
Chapman	Hunt	Russell
Connally	Jenner	Schoeppel
Cordon	Johnson, Colo.	Smith, Maine
Darby	Johnson, Tex.	Stennis
Donnell	Johnston, S. C.	Thomas, Utah
Dworshak	Kem	Tydings
Eastland	Kerr	Watkins
Ecton	Long	Wherry
Ferguson	McCarran	Wiley
Fulbright	McCarthy	Young
George	McClellan	

NAYS—23

Aiken	Kilgore	Myers
Benton	Knowland	Neely
Douglas	Langer	Smith, N. J.
Ellender	Leahy	Sparkman
Green	Lehman	Taylor
Humphrey	Lodge	Thye
Ives	Lucas	Tobey
Kefauver	McMahon	

NOT VOTING—23

Anderson	Hickenlooper	Robertson
Byrd	Magnuson	Saltonstall
Chavez	Millikin	Taft
Downey	Morse	Thomas, Okla.
Flanders	Murray	Vandenberg
Frear	O'Conor	Williams
Gillette	O'Mahoney	Withers
Graham	Pepper	

The VICE PRESIDENT. On this vote the yeas are 50, the nays are 23. A majority of the authorized membership of the Senate having voted in the affirmative, the resolution (S. Res. 256) is agreed to.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, it is 6:05 o'clock. Are there any more reorganization plan resolutions to be presented?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. Yes.

Mr. WHERRY. I am very serious in asking the distinguished majority leader if there be any objection to a unanimous-consent request to take up the concurrent resolution which the junior Senator from Nebraska submitted yesterday for relief and aid to Winnipeg, Canada.

Mr. LUCAS. Mr. President, I have not had an opportunity to communicate with the State Department or with any other agency of the executive branch of the Government, to ascertain whether they have any interest in it. I have not had any telegram or communication from Canadian people requesting that I have the resolution move forward. So that I think we should wait for another day or two before we consider the resolution.

Mr. WHERRY. Does the Senator object to a unanimous-consent request?

Mr. LUCAS. I would have to object under those circumstances.

Mr. President, I am serious about these reorganization plans. If any other resolutions are to be presented it seems to me we should take them up at this time and dispose of them, because we are trying to move along as fast as possible. If any Senator has ready a resolution of disapproval to any reorganization plan, I think we should take it up now while Senators are on the floor.

Mr. KEM. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KEM. Mr. President, I ask unanimous consent that I may have the floor when the Senate convenes tomorrow.

The VICE PRESIDENT. Is there objection to the request of the Senator from Missouri?

Mr. CONNALLY. I object. I do not object because it is the Senator from Missouri, but because I do not think it would be proper to grant such a request. The rules prescribe that the Presiding Officer shall recognize Senators. In presiding over the Senate he recognizes Senators who wish to be recognized. In my opinion, to pledge the Senate to do something which it has no authority to do is not proper. I shall have to object to the request.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

The legislative clerk read the nomination of Harold W. Dodds, of New Jersey, to be a member of the United States Advisory Commission on Educational Exchange.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. Mr. President, my parliamentary inquiry is directed to whether or not there was any suggestion, motion, or observation made to the

effect that the President should be notified of the confirmation.

The VICE PRESIDENT. There was no such observation, motion, or suggestion.

Mr. DONNELL. I may say to the Chair that I expect to make objection to such suggestion or motion if it is made.

The legislative clerk read the nomination of Edwin B. Fred, of Wisconsin, to be a member of the United States Advisory Commission on Educational Exchange.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

The legislative clerk read the nomination of Howland H. Sargeant, of Rhode Island, to be a representative of the United States of America to the fifth session of the United Nations Educational, Scientific, and Cultural Organization.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George D. Stoddard, of Illinois, to be a representative of the United States of America to the fifth session of the United Nations Educational, Scientific, and Cultural Organization.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Miss Bernice Baxter, of California, to be a representative of the United States of America to the fifth session of the United Nations Educational, Scientific, and Cultural Organization.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Isidor I. Rabi, of New York, to be a representative of the United States of America to the fifth session of the United Nations Educational, Scientific, and Cultural Organization.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George F. Zook, of Virginia, to be a representative of the United States of America to the United Nations Educations, Scientific, and Cultural Organization.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

The legislative clerk read the nomination of Edwin F. Stanton, of California, to serve as the representative of the United States of America on the Economic Commission for Asia and the Far East.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the diplomatic and foreign service.

Mr. LUCAS. Mr. President, I ask unanimous consent that the nominations in the Diplomatic and Foreign Service be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

Mr. DONNELL. Mr. President, a further parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. I desire to be correct in understanding that no motion was made and no action taken toward directing that the President be notified of the confirmation of the nominations.

The VICE PRESIDENT. If any such motion or suggestion was made, it escaped the attention of the Chair.

LEGISLATIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed the consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. LONG. Mr. President, I ask unanimous consent that when the Senate meets at 12 o'clock tomorrow I may have the floor.

Mr. LUCAS. The Senator from Texas just objected to the Senator from Missouri having similar unanimous-consent request granted. In view of the request made a moment ago by the Senator from Missouri and the objection of the Senator from Texas, I shall be constrained to object.

The VICE PRESIDENT. Objection is heard.

Mr. LONG. I withdraw the request.

Mr. President, I desire to speak on the pending question before the Senate, the motion of the Senator from Illinois to proceed to the consideration of the fair-employment-practice bill, unless there is other business before the Senate at this time. A parliamentary inquiry. Is there other business before the Senate?

The VICE PRESIDENT. The Senator has stated the pending question.

Mr. LONG. The motion of the Senator from Illinois to proceed to the FEPC bill is the pending question?

The VICE PRESIDENT. The Senator is correct. The Senate is now in legislative session, and automatically returns to the consideration of the unfinished business.

Mr. WHERRY. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. WHERRY. How long does the distinguished Senator from Louisiana expect to speak?

Mr. LONG. Approximately 1 or 2 hours.

Mr. WHERRY. Will the Senator yield that I may propound a question to the distinguished majority leader?

Mr. LONG. I ask unanimous consent that I may yield to the distinguished Senator from Nebraska in order that he may propound a question to the majority leader, without prejudicing my right to the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. How long does the majority leader intend to keep the Senate in session?

Mr. LUCAS. I had hoped we might recess a moment ago, but now that the Senator from Louisiana has the floor, as soon as he concludes, I will ask the Senate to take a recess.

Mr. WHERRY. That will be in the neighborhood of 8 o'clock, if the Senator from Louisiana carries out his intention as disclosed by his observation a moment ago, that his speech would take approximately 2 hours.

Mr. LONG. If there are very few interruptions, I may conclude my speech within 1 hour.

Mr. DONNELL. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. LONG. I ask unanimous consent that I may yield to the distinguished senior Senator from Missouri without prejudicing my right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. DONNELL. May I have unanimous consent to inquire of the majority leader whether or not a motion will be made later, before a recess this evening, to take up any executive business?

Mr. LUCAS. I can say to the Senator from Missouri that the executive business has all been disposed of. We shall not return to the Executive Calendar, and the Senator will be protected in his rights.

Mr. DONNELL. I thank the Senator.

ASSAULT ON THE AMERICAN COMPETITIVE SYSTEM

Mr. MALONE. Mr. President——

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. LONG. I ask unanimous consent that I may yield to the distinguished Senator from Nevada without prejudicing my right to the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MALONE. Mr. President, total destruction of the American competitive economic system is evidently the deliberate aim of the present administration, and in this connection I call attention to the very definite pattern which the plot is following.

From an objective examination of what has been done and what is threatened to be done, the conclusion is inescapable that there is a deliberately designed pattern to overthrow the economic system which made this country great.

Mr. President, socialism, fascism, and communism have their roots in a totalitarian system. The first move of any totalitarian system, whether it be Mussolini's or Hitler's fascism, England's socialism, or Russia's communism, is to destroy any competitive economic system or any individual initiative not wholly controlled by the government.

The Socialist and "one economic world" planners have been selling a bill of goods to our country over the past 15 years with the statement that "if private industry does not provide full employment, then the Government must," and

then proceeded through a combination of free trade, taxation, and the Securities and Exchange Commission regulations to stop venture capital, and thus prevent private industry from providing such employment.

Now, after effectively slowing down the flow of venture capital into the business stream of the Nation, the same planners are saying that our national economy has not kept pace with the population, and that, therefore, Congress must furnish the money for needed business investments.

Here are the steps in the plot; here is what the socialistic plotters set out to do: (a) Make the people dependent upon a gigantic central government; (b) choose the industries and employment that are to survive—and those that are to be sacrificed on the altar of "one economic world" (b) subsidize industries that are chosen to survive; (c) buy off opposition; (d) harass businessmen; (e) curtail domestic production; (f) encourage slave-labor imports; (g) make private investment unprofitable; (h) make all production unprofitable; and (i) bring on socialism step by step through discouraging the investment of venture capital.

The President, with his new RFC plans, proposes now to have the Government lend several hundred million dollars for business development to do what his socialistic planners have prevented private American business and industry from doing.

The Spence bill, providing for an appropriation of $15,000,000,000, is still in a House committee, and under that bill the President can build, upon his own initiative, anything from a steel mill to a cigar store, on the pretext of priming the pump or of strengthening the national economy. Its purpose, of course, is to kill private industry and bring on socialism, fascism, or communism through one-man rule.

The administration has been able to accomplish much of its socialistic aims by three methods:

(a) Taxation so designed that if an American worker or investor has a profit on invested venture capital it belongs to "Uncle", and if he has a loss it belongs to him;

(b) A foreign free trade policy so designed as to curtail domestic production and eventually pauperize American workers and investors, which is being done through the provisions of the 1934 Trade Agreements Act, as extended, by indiscriminate lowering of tariffs and import fees, importing the products of foreign countries with low-wage standard and slave labor; and

(c) Government regulations, through the Securities and Exchange Commission, so designed as to eliminate the investment of venture capital, which made this country the greatest nation in the world, all of our progress and all of our advancement having their roots in the investment of venture capital.

The American competitive system provides more and better products of all kinds, for more people, than any other system in the world. The American competitive system provided shorter hours and higher wages than any other system in the world. The American capitalistic competitive system provided more employment opportunities and a higher standard of living than any other system in the world.

There are those who would tear down this economic system, and they have been making headway. All of those who have been helping in this destruction are not conspirators in the plot. Some are under foreign influence. Some are quite unaware of what they are doing, excusing their aid to the Socialists, or Fascist forms of government, by saying that there is an emergency. This 17-year-old emergency seems to be here to stay, and spread, unless the Congress wakes up and puts an end to these constant attacks on the American economy.

Let us not forget that our competitive economic system is as much a part of America as is our countryside, our traditions, and our form of government, and those who attack this system attack America.

Our competitive economic system, with available venture capital, is the hope of new generations to come. When the American economic system is gone, the death of the American form of government cannot be far behind. That this is known by the socialistic and "one economic world" plotters against things American is clearly indicated by the pattern being followed. That this is known by the socialistic and one-economic-world plotters against things American, is clearly indicated by the pattern which is being followed.

DEATH OF MRS. JAMES E. MURRAY

Mr. LUCAS. Mr. President, will the Senator from Louisiana yield to me in order that I may make a brief statement?

Mr. LONG. Mr. President, I ask unanimous consent that I may yield to the distinguished majority leader, the Senator from Illinois, without jeopardizing my rights to the floor to make a speech.

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, I desire to call the attention of the Senate to something which happened today, concerning which I know will cause deep sorrow to every Member of the Senate. I refer to the passing away of the wife of one of our distinguished Members, the senior Senator from Montana [Mr. MURRAY].

I know of nothing that can affect a man more deeply, more grievously, than to lose his helpmate. Both the Senator from Montana and members of his family suffer from such a loss. I am sure that I express the sentiments of every Member of this body when I say that our deepest feelings of sorrow and our heartfelt sympathy go out to Senator MURRAY and the members of his family. On behalf of the Members of the Senate I send to him our condolences in his hour of trouble.

Mr. DONNELL. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. Mr. President, I ask unanimous consent that I may yield to the Senator from Missouri without prejudicing my rights to the floor.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. DONNELL. Mr. President, until he made the announcement, I had not heard the sad news which has just been communicated to us by the distinguished Senator from Illinois.

It has been my privilege and pleasure to be associated as a fellow committee member with the distinguished Senator from Montana over a period now of something in excess of 5 years. I have noted in recent weeks his grief and his sorrow, and yet his bravery, in attempting to carry on his duties as if the sorrow which was so obviously impending were not before him.

Mr. President, I join in the expression of sympathy which has been so eloquently expressed by the Senator from Illinois. Now is the time when our distinguished friend and brother from Montana needs friendship, and I am sure that he will appreciate the kindly expressions of friendship which evidence to him our deep sorrow.

Mr. President, I join in the hope that there may be conveyed to our friend and brother from Montana the expression of sorrow and sympathy of every Member of the United States Senate.

Mr. DONNELL subsequently said: Mr. President, I should like the RECORD to show that the distinguished Senator from Nebraska [Mr. WHERRY] is absent, and was absent from the Senate at the time announcement was made of the death of the wife of the senior Senator from Montana. Had he been present, I am confident he would have expressed on behalf of himself and of his friends on this side of the aisle, the same sentiments of sympathy that have been expressed by other Senators this afternoon. It happened that at the moment I was occupying his seat, and both by reason of that fact, and by reason of my relations to the Senator from Montana, I expressed my feelings of sympathy for the Senator from Montana. I would not want the RECORD to indicate, however, in any sense, any lack of sympathy on the part of the distinguished minority leader, the junior Senator from Nebraska.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield to the senior Senator from North Dakota with the understanding that I shall not prejudice my rights to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LANGER. Mr. President, my distinguished colleague from Montana [Mr. MURRAY], together with his wife, lived practically all their lives as neighbors to those of us who live in the State of North Dakota. Consequently it has been my privilege to go to Montana many, many times to visit them. I want the Members of the Senate to know that Mrs. Murray was universally beloved by the people of the State of Montana.

In behalf of the people of North Dakota particularly, I extend to the Senator from Montana their deep sympathy in the hour of his great loss.

Mr. ECTON subsequently said: Mr. President, it was with deep regret and sorrow that all of us learned a few minutes ago that the very fine lady and companion of my colleague the senior Senator from Montana [Mr. MURRAY] has passed away.

Mrs. Murray was known to all her acquaintances as a very kind and lovely person. I know that the people of Montana join us this afternoon in extending to Senator MURRAY and the remaining members of his very fine family our heartfelt sympathy in this hour of their great bereavement.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed the consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. LONG. Mr. President, I am compelled to express my surprise and disappointment that an attempt is being made to bring the FEPC bill before the Senate at this time. Certainly we know that this is one of the most controversials bills to appear before any Congress. It is a bill on which feeling runs most high, and it is a subject which generates a greater amount of strong feeling and resentment than any legislation with which I am familiar. I have always believed that it was the function of Congress to sift and to explore legislation, and that it was particularly the function of our committees to develop legislation. From reading history I have learned that one of the purposes of establishing the United States Senate as a second House of Congress was to permit hot issues to be cooled by further study after passing the House. Therefore, I felt that the Members of the United States Senate had every reason to expect that, after the heated battles which occurred on the floor of the House of Representatives in the passage of the FEPC bill in that body, we should have been entitled to the most thorough, painstaking committee hearings and committee deliberations by the proper committee servant of the United States Senate, and that we were entitled to expect a sincere effort to seek a solution to this problem of racial discrimination, which might do the greatest justice to all concerned with the least harm or injury to any.

I certainly had grounds for my hopes because, when I was a member of the Committee on Rules and Administration of the Eighty-first Congress, and the only new member from the South, at my request that great committee, under the chairmanship of the able and distinguished senior Senator from Arizona, whom we all so greatly admire, permitted 6 weeks of committee hearings to explore and develop the views of Senators in regard to the proposed change of the rules of the United States Senate. Those committee hearings were permitted at my request, although many members of both the Democratic and Republican Parties were clamoring for haste and speed to rush through a change of the rules of the Senate. Even this great body, the United States Senate itself, when a motion was brought to the floor to force an early conclusion to the hearings and the deliberations of the Committee on Rules and Administration, refused to discharge that committee from proper consideration of a change of the rules, in order that the new members of that committee might have the benefit of full hearings and in order that the old members of that committee might further develop new evidence, new testimony, and further explore previous evidence given to committees of the earlier Congresses.

My first speech on the floor of the United States Senate was in favor of the preservation of the sacred traditions and procedures of the United States Senate, which has so long served as a pillar for all the great rights we enjoy as American citizens. I have always been one to recognize that the great American Constitution, with the sacred rights there set forth, as well as the rules of the United States Senate, which I hold dear to my heart, would be no more meaningful than the words of the constitution of Soviet Russia—pious platitudes meaning nothing—had we not the men who so conscientiously interpret and believe in both the letter and the spirit of our Constitution and our rules that they would go to great pains to see that every right would be scrupulously followed and invoked, regardless of whether it was enforced for the benefit of a majority, or a minority, or even a single individual. So I must say that it pains me and distresses me beyond my powers of expression to see that this vicious piece of legislation, so bitterly despised by the people of the State that I have the honor to represent, would be forcibly taken from the committee of the Senate where it had been properly referred, without hearings and without recommendation at that time, and merely thrown on the doorstep of the Senate in the effort to force it through in the earliest and most expeditious manner.

Mr. President, few Senators realize what harm they do to our American Government when they attempt to take these short cuts for partisan advantage. How much I regret that so few Senators realize that the orderly preservation of the American Government and the preservation of rights of American citizens depend upon the insistence of Senators in Congress that the orderly processes of constitutional government be carefully and painstakingly followed with regard to legislation, and especially, Mr. President, with regard to legislation that generates so much heat.

Here we have legislation by which, its proponents contend, millions shall gain great advantages and great new opportunities; and, certainly, if that claim be true, then it necessarily must be legislation under which millions of others must suffer disadvantages and must be compelled to relinquish the full enjoyment of their rights which they consider to be a substantial portion of their enjoyment of full American citizenship with all the privileges it entails. And so, Mr. President, I say, far from attempting to rush through this FEPC bill, it is our duty not to take this bill up at this time but to recommit it to the Committee on Labor and Public Welfare with the strong recommendation that free and full hearings be afforded all persons interested in opposing this legislation, as well as all the proponents who might desire to show why such legislation is needed and is necessary.

Mr. KEM. Mr. President, will the Senator from Louisiana yield to me, to permit me to propound a unanimous-consent request?

Mr. LONG. Yes, provided unanimous consent is given that I may do so without prejudicing my right to the floor at this time.

The PRESIDING OFFICER (Mr. STENNIS in the chair). Is there objection? The Chair hears none, and the Senator from Missouri may proceed.

Mr. KEM. Mr. President, I ask unanimous consent that I may have the floor when the Senate convenes tomorrow, provided the Senator from Louisiana has concluded his remarks by that time; or if the Senator from Louisiana has not concluded at that time, then I would ask unanimous consent to have the floor at the conclusion of his remarks.

The PRESIDING OFFICER. The Chair is advised that as a Member of the Senate he has the right to object on his own behalf. Therefore the Chair objects, for the reason that he hopes to obtain the floor himself. [Laughter.]

Mr. LONG. Mr. President, we have precedents for saying that full and free hearings should be held. We have many precedents. We have the precedent to which I have just referred, wherein the Senate Committee on Rules and Administration permitted free and full hearings, at least to the extent of permitting Senators to testify regarding their opinions on the proposed changes of the Senate rules.

We have other precedents. We have the precedent in the case of the Taft-Hartley bill, in the very opening days of the present Eighty-first Congress. I recall that at that time there were many Senators who felt that the Taft-Hartley Act should be immediately repealed, and that the measure proposing the repeal of the Taft-Hartley Act should be thrown onto the floor of the United States Senate without committee hearings, without the study of any committee.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. DONNELL. Did I correctly understand the Senator from Louisiana to indicate that committee hearings were held on the bill amending the Taft-Hartley Act, in the Eighty-first Congress, that is to say, on Senate bill 249, which was passed by the Senate?

Mr. LONG. There were committee hearings on the Thomas bill at that session. Of course, that bill would have repealed much of the Taft-Hartley Act.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. LONG. I yield for a question.

Mr. DONNELL. Is not the Senator from Louisiana mistaken in saying that hearings were held on that measure?

I premise my question on my recollection that notwithstanding the fact that members of the Committee on Labor and Public Welfare were very desirous of presenting amendments which they desired to have considered in the committee itself, the committee, notwithstanding the assurances which had been given by one of the distinguished members of the committee that there would be an opportunity for debate and discussion, itself reported the bill without affording such opportunity.

I cannot from my own personal recollection be certain that no hearings were held; but I do recall, and I ask the Senator whether he recalls, that the action to which I have referred was taken and that very strong protests were made by the Republican members of the committee, for the reason that adequate opportunity had not been given in the committee to consider the proposals of some of us on the minority side.

Mr. LONG. I was under the impression that there had been a reasonably full hearing on the bill to repeal the Taft-Hartley law. Possibly part of my impression was derived from the fact that when the bill came before the Senate at a later date, there were approximately five bound volumes of hearings on my desk, and therefore I was under the impression that the committee must have conducted rather full hearings.

I regret to hear at this time that amendments proposed by Senators were not fully considered in the committee, because I was at that time under the impression that the committee had considered such amendments.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. LONG. I yield for a question.

Mr. DONNELL. Will the Senator permit me to state, so that I may not be guilty of any misrepresentation, that I might be in error in stating that no hearings were held, but I can assure the Senator very definitely that what I have stated transpired did transpire, namely, that the amendments were not permitted to be considered, argued, and debated in the Senate Committee on Labor and Public Welfare, but action was taken immediately on the bill by the committee.

Mr. President, will the Senator yield for a further question?

Mr. LONG. I yield for a question.

Mr. DONNELL. The question is to this effect: I ask the Senator whether he recalls that on the FEPC bill, I was entirely in harmony with the view suggested by the Senator from Louisiana. I am not now taking any position with respect to the merits of that measure; but possibly the Senator from Louisiana recalls that in the Committee on Labor and Public Welfare the Senator from Missouri—and I ask whether the Senator from Louisiana knew of that fact—was one of those who took the position that we should by all means have hearings on the FEPC bill, and I voted against a motion to report the bill favorably, and did so on the ground that we had not had hearings. Does the Senator recall that?

Mr. LONG. I do recall that, and I certainly admire the distinguished Senator from Missouri for being one of the great believers in the orderly constitutional processes of government, and I admire the consistency with which he has steadfastly maintained that we should follow the rules of the Senate and that we should act in accordance with the proper concepts of orderly legislative procedure in this body.

Mr. DONNELL. I thank the Senator.

Mr. LONG. The Senator from Missouri has been one of those most anxious to have that done, and certainly he has been one of those who have fought most strenuously to see that the precedents and the rules of the Senate and the Constitution of the United States are observed in this body—for which all of us so greatly admire him.

Mr. DONNELL. Mr. President, let me state, if I may have unanimous consent to do so, that I greatly appreciate the very complimentary words of the Senator from Louisiana; and I am sure of his sincerity in saying them, and I thank him for so doing.

Mr. LONG. I assure the Senator from Missouri that I am entirely sincere in making those statements.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. HUMPHREY. I wonder whether the Senator from Louisiana has checked the records of the Committee on Labor and Public Welfare to see whether either the Senator from Missouri or the Senator from Montana sought and beseeched the committee to hold hearings on the Federal aid to education bill, the National Science Foundation bill, or the school health services bill, and whether the Senator noted that those bills were reported from the committee without a minute of hearings?

Mr. LONG. Mr. President, I was not cognizant of the fact that those bills were reported by the committee without hearings, and certainly I would feel that anyone opposing any of that legislation should have the right to be heard before the committee, and to present arguments, to petition Congress through our congressional committees, and to express their views on this matter. I regret it if there was anyone who desired to be heard before the committee, which the Committee on Labor and Public Welfare did not hear, and I can only assume that if the committee did not hear them, it must have been because there was no interest on the part of the opponents of this legislation manifested by a request to be heard.

(At this point Mr. LONG yielded to Mr. HUMPHREY, who obtained unanimous consent to have an insertion made in the RECORD following his remarks on the motion to take up the consideration of the bill S. 1728, to prohibit discrimination in employment because of race, religion, or national origin.)

Mr. LONG. As a junior Senator, serving my first days in this great body, I was greatly impressed by the arguments of the distinguished senior Senator from Ohio [Mr. TAFT] and of the brilliant and eloquent junior Senator from Oregon [Mr. MORSE], as well as the highly principled senior Senator from Missouri [Mr. DONNELL], who certainly has no peer in either House of this Congress when it comes to insisting that the rights and privileges of the American citizens and the orderly processes in American government be carefully and painstakingly preserved.

And so it resulted that there were committee hearings held, and I was under the impression that they were very lengthy committee hearings, although they were compressed into the short period of 1 or 2 months, because at that time the committee would meet, if possible, 10 hours at a time and conduct the hearings, in order to develop the experiences under the Taft-Hartley bill and to develop the good points and the bad points, and to explore them. Notwithstanding the haste of the Truman administration to repeal this law, the committee went into the matter thoroughly. When it came before the United States Senate for consideration there were then on my desk five volumes of printed hearings, representing in full and complete fashion the views and conclusions of both industry and labor on all phases of that most important legislation.

Many people who may not be satisfied with the decision of the United States Senate can at least take some solace in the fact that they were accorded the right to be heard by the Senate committee, and certainly those of us who in some respects may have been dissatisfied with the decision of the Senate at that time, are at least gratified to know that an opportunity was given for all interested parties to be heard before the Senate committee, and I feel that even those who bitterly opposed the Taft-Hartley bill, and who are still bitterly opposed to its continuance on the statute books, can at least feel that they were given an opportunity to express their views through the proper committee, the servant of this Congress.

Again, Mr. President, it is my impression that the Eightieth Congress also gave both labor and management the most full and fair opportunity to be heard and to express their views at the time that legislation was originally passed.

Today we have a situation where millions of American people are to be subject to harassment, to prosecution, to investigation, and to every other odious deprivation of their rights as American citizens through FEPC legislation. Here the effort is being made to force this radical legislation through——

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Missouri for a question?

Mr. LONG. I yield for a question.

Mr. DONNELL. Will the Senator permit me to suggest that, on reflection, I think he is correct as to the holding of the hearings? I think my memory was somewhat obscured by the distinct and clear recollection of what transpired in the matter of the amendments. But I

think—and I ask the Senator, if I may at this time assure him—that in my judgment he is correct, that the hearings were held on the Taft-Hartley amendments of last year.

Mr. LONG. I very much appreciate the remarks of the Senator from Missouri at this point, and I am gratified to know that the hearings were held, that those who proposed amendments to the Taft-Hartley bill had an opportunity to have those amendments considered by the committee. Certainly they should have been considered by the committee. I should like to state at this point, also, that I am surprised to hear the distinguished junior Senator from Minnesota state to this body that there were several very important pieces of legislation which were reported by that committee without hearings, because it is my feeling that even though there may not have been a great number of people opposing any particular piece of legislation, if it is important to the entire Nation, there should be hearings conducted, and I know of no other committee which has reported first one vital piece of legislation and next another, with the sole exception of this one committee, without at least according to those interested the right to be heard by the committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. LONG. I yield for a question.

Mr. MAYBANK. I merely wanted to suggest that, since the distinguished Senator from Louisiana is making such an able address, I was wondering how long the Senator might continue the address, because I certainly want to remain here to hear every word he has to say.

Mr. LONG. I believe this speech will take about another 50 minutes.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Alabama for a question?

Mr. LONG. I yield for a question.

Mr. SPARKMAN. I wonder whether it would please the Senator to suspend at this point, provided we could obtain unanimous consent for him to resume when the Senate convenes tomorrow. Personally, I should like to see many more Senators on the floor listening to the very excellent speech which the able Senator from Louisiana is making.

Mr. LONG. I believe that it would be better if the Senator from Louisiana proceeded with his speech at this time. I should like to make this speech, and certainly hope that Senators who cannot be here will have the opportunity of reading it in the RECORD. I very much appreciate the remarks of the very able junior Senator from Alabama.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, here we have the effort being made to force this radical legislation through, to short-circuit committee hearings and merely throw such a bill on the floor of the United States Senate without even permitting those who would suffer so greatly by the enforcement of its terms to be heard before the Senate committee.

Whoever thought that we would see the day when American citizens would be deprived of their right to trial by jury, basic and fundamental as it is to the freedom of American citizens? Whoever thought that they would be deprived of such a right by irregular, unprecedented, and unusual methods without even the right to be heard before the committee considering such legislation?

Can it be that the Senate of the United States could permit such vicious injustice? Whoever thought, Mr. President, that American citizens would be deprived of their right against self-incrimination by such ill-considered legislation? And whoever dreamed that the United States Senate would consider such vicious, socialistic legislation without holding committee hearings to permit those aggrieved by this communistic enactment at least to be heard and to petition their Representatives and Senators of the United States against such injustice? But here we see, Mr. President, that such a thing is being done; at least, that such an attempt is being made. Here we see before the United States Senate a motion to proceed to the consideration of one of the most despised pieces of legislation ever proposed in the American Congress. Even before committee hearings have been held, here we have the motion to proceed to consideration of this most controversial legislation only a day or so after this make-shift committee report was placed on the calendar of the United States Senate. I say this bill should be recommitted, Mr. President; this bill should be sent back to the Committee on Labor and Public Welfare to conduct hearings.

When I say that, I assure the distinguished majority leader, as well as the distinguished minority leader—I regret that they are not present—and all other Members of this body, that, if this legislation is sent back for further hearings, it will greatly expedite the business of the United States Senate. In the long run, it will save the time of the Senate even on this legislation because, certainly, the failure of the Senate's committee to conduct hearings and permit the American people to be heard on this legislation will make necessary long and unnecessary debate to develop and explore matters which might have been disposed of by the Senate committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MAYBANK. I want to ask the Senator a question as to the hearings. When were they held?

Mr. LONG. The hearings were held in July 1947, almost 3 years ago. Certainly there has been much experience with this type of legislation and much information that could be added to the RECORD if the committee had made an effort further to explore the subject. The majority of the members of the subcommittee to whom the bill was referred are new Members of the Senate. I think they may be advised as to how such legislation affects their States, but they could not know how it would affect other States.

Mr. MAYBANK. Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. MAYBANK. Is the distinguished Senator from Louisiana a member of the committee?

Mr. LONG. No.

Mr. MAYBANK. Is it not a fact that his colleague was a member of the committee?

Mr. LONG. That is correct. At that time my colleague, the distinguished senior Senator from Louisiana [Mr. ELLENDER] was a member of that committee and, I believe, conducted some of the hearings. At the present time he is not a member of it. Some junior Senators, who have come to the Senate since that time, have been placed on that committee.

Mr. MAYBANK. I thank the Senator.

Mr. LONG. So I again suggest to the majority leader that at this time his motion for consideration of this legislation should be withdrawn, but, in view of the determination of the majority and minority leaders, as well as the apparent majority of this Senate to proceed to the consideration of this legislation at this time, I feel that it would be necessary to discuss the imperfections and hardships that would be imposed upon our people by this legislation in the hope that I may convince Senators that this legislation should not be considered at this time.

Mr. President, I must also express my surprise and disappointment at the fact that two great political parties have planks in their platforms promising the enactment of FEPC legislation——

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MAYBANK. Is it not a fact that, according to Mr. Arthur Krock, a distinguished writer for the New York Times, the Communist Party had such a plank in its platform in the 1920's?

Mr. LONG. As far back as 1928. I have not read that particular article, but it is my understanding that the Communist Party favored this kind of legislation as far back as 1928, which was before the major parties picked it up.

Mr. President, I know, as well as do many other Senators, that the bill cannot be enacted at this time, and it should not be considered at this time. It should not be considered without further hearings having been held with reference to it. We shall waste an enormous amount of time in the long run, and we cannot possibly, on the floor of the Senate, work out any proper solution to the problem, with the result that other people of the Nation who should have consideration by the Congress will be deprived of the consideration to which they are entitled.

In 1948 our two great parties met and pledged every segment of American life that something was going to be done in some form or fashion which would affect all the people. For one thing they were going to be the friends of the farmers. Well, what are we doing for the farmers of the Nation?

Mr. President, I have a newspaper clipping which informs me that the Commodity Credit Corporation is running short of funds. It appeared in the

Washington Post of Sunday, May 7, headed as follows:

Nineteen hundred and fifty-one programs delayed by lag in CCC money. Crop support plans held up by $2,000,000,000 bill on Senate snag.

The story, which appeared on page 1, reads as follows:

The Commodity Credit Corporation is running out of funds with which to continue the Government farm-price support program.

For several months the Senate has been dragging its feet on a measure to grant CCC an additional $2,000,000,000 to carry on the program next year. CCC has enough left from the original $4,750,000,000 to continue for the remainder of this crop year, which ends June 30.

One result of the Senate's delay in voting more funds has been to hold up announcement of next year's programs, even those for the so-called basic commodities for which price supports are "mandatory." Price-support officials are wondering what would happen to the mandatory supports if CCC ran out of funds.

Normally the programs for such crops as wheat, oats, rye, barley, grain sorghums, soybeans, and hogs would have been announced by now. It has been a sort of unwritten law that the farmers be told before planting time what they can expect in Government supports when the crop is harvested. But CCC hasn't dared to do that this year.

There it is, Mr. President. The farmer today in many parts of the country can make no plans. He has no idea what the new program will be or if there will be any program at all. His Government should keep faith with him. It is the least that should be expected. He feeds and clothes us, in good times and bad. He prospers and fails as the rest of us prosper and fail. He is the very cornerstone of our American economy. I say without fear of contradiction that there is no segment of our population which works harder and thinks with more clarity than does the American farmer. Do not ever for a minute think that he is being fooled by what goes on here. He knows, and Senators can be certain that he will remember.

Some Senators who propose this legislation shed crocodile tears in behalf of our aged. They cry for more liberal old-age pensions. They declare themselves for a broadened social-security law. They preach for aid to the disabled. Every fiber within them, they say, is straining for legislation to do these things. What are they doing about it? Why, they are blocking the very legislation they claim to hold near and dear to their hearts. They make it impossible for the Senate to consider it. They are willing to run a very real risk that this Congress will come to an end without having accomplished one single, solitary thing to help these deserving and helpless people.

The House, last session, passed a social-security bill, House bill 6000. Early in this session, the Senate Finance Committee began its hearings and they continued for many weeks. Then followed several weeks of markup sessions and now the committee is ready with its proposals on this legislation. It is obvious that the bill will require much debate in the Senate before final action can be taken. Some Senators already have stated publicly that they expect to fight certain features of the bill. In any event, regardless of its final form, it is legislation that is desperately needed. It is long overdue. Our duty to our people demands that we do something and do it quickly. But, no, Mr. President, we must talk about FEPC. We must impose a Communist-inspired thought-police system on part of our population while our unfortunate needy people will go without. Is that keeping the faith?

Last week, the President sent a message to Congress pointing up very effectively the need for legislation to strengthen small business and assure its continued vigor. There are those who have voiced their disagreement of the remedies suggested by the President, but insofar as I know, there is no disagreement about the need for some sort of action aimed at assisting small-business enterprise. True, it is too soon after receipt of the message for us to expect implementing legislation to be on the Senate Calendar, but that is unimportant for it is plain that the legislative log-jam which will develop if this motion prevails, will make it impossible for any such legislation to be acted on by this Congress.

Is all this stir in behalf of small business just a vote catcher, too? Did the Senate create a Small Business Committee recently as just a demonstration of devotion to the cause of small business?

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. MAYBANK. The able Senator from Louisiana is making a very able address, and in speaking of bills on the calendar he has had referred to the Small Business Committee. The Senator is aware of the fact that we have several bills on the calendar concerning small business, which are before the committee of which he is a member, the Banking and Currency Committee. I hope that the Senator will enlarge upon his observations when we convene tomorrow, because I notice that the Senator has mentioned only a few of the bills. I know it would take a long time to refer to others. I am suggesting that the Senator may desire to continue with his address in the morning, when more members of our committee may be present. I make that suggestion to the Senator from Louisiana.

Mr. LONG. Mr. President, I ask unanimous consent that I may continue with my address tomorrow as part of my first address on the pending motion, reserving my right to a second address on the motion to consider the important legislation to which it is directed.

The PRESIDING OFFICER. Will the Senator restate his request?

Mr. LONG. I ask unanimous consent that I may have the floor when the Senate meets tomorrow morning in order to continue with my address, without its counting as a second address on the pending motion.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

RECESS

Mr. MAYBANK. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 18, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 17 (legislative day of March 29), 1950:

UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

Members of the United States Advisory Commission on Educational Exchange for terms expiring January 27, 1953, and until their successors have been appointed and qualified:

Harold W. Dodds
Edwin B. Fred

UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

The following-named persons to be representatives of the United States of America to the fifth session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization:

Howland H. Sargeant
Isidor I. Rabi
George D. Stoddard
George F. Zook
Miss Bernice Baxter

ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Edwin F. Stanton, now Ambassador Extraordinary and Plenipotentiary to Thailand, to serve concurrently and without additional compensation as the representative of the United States of America on the Economic Commission for Asia and the Far East established by the Economic and Social Council of the United Nations March 28, 1947.

DIPLOMATIC AND FOREIGN SERVICE

Stanley Woodward to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Canada.

John G. Erhardt to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of South Africa.

To be consul general of the United States of America

James E. Brown, Jr.

To be consuls of the United States of America

Henry L. Pitts, Jr.
Franklin H. Murrell
John A. Lehrs
J. A. Tuck Sherman

To be consul general of the United States of America

Thomas H. Lockett

To be consuls of the United States of America

Carl Breuer
Frederick L. Jochem
Kenneth C. Beede
George H. Reese
Charles C. Sundell

To be vice consuls of the United States of America

Mrs. Frances H. Baker
Mrs. Margaret M. Parkin
Phillip I. La Sage

To be secretary in the diplomatic service of the United States of America

Lloyd A. Free

To be consuls general of the United States of America

George D. LaMont
Patrick Mallon
Donald W. Smith
Evan M. Wilson
Richard M. de Lambert

To be consuls of the United States of America

Bruce R. Crooks
John G. Hrones
George H. Zentz

To be vice consuls of the United States of America

Miss Jane Ellis
Gordon P. Hagberg

To be secretary in the diplomatic service of the United States of America

Lewis Rex Miller

PROMOTIONS

To be Foreign Service officers of class 1

Walworth Barbour
Jacob D. Beam
James C. H. Bonbright
Philip W. Bonsal
Homer M. Byington, Jr.
Robert D. Coe
Everett F. Drumright
Elbridge Durbrow
Wilson C. Flake
John Wesley Jones
Foy D. Kohler
Livingston T. Merchant
James S. Moose, Jr.
James K. Penfield
William J. Sebald
Ben H. Thibodeaux
Llewellyn E. Thompson, Jr.
Angus Ward
George H. Winters
Robert F. Woodward

To be Foreign Service officers of class 2

Stephen E. Aguirre
Sidney A. Belovsky
Samuel D Berger
Max Waldo Bishop
Richard W. Byrd
Archie W. Childs
Howard Rex Cottam
John K. Emmerson
Francis A. Flood
William A. Fowler
Laurence C. Frank
Carlos C. Hall
Thomas A. Hickok
Heyward G. Hill
Outerbridge Horsey
John D. Jernegan
Robert P. Joyce
C. Porter Kuykendall 2d
Douglas MacArthur 2d
Robert Mills McClintock
Walter P. McConaughy
Jack K. McFall
Elbert G. Mathews
Gerald A. Mokma
Sidney E. O'Donoghue
J. Graham Parsons
Hector C. Prud'homme
G. Frederick Reinhardt
Livingston Satterthwaite
Henry E. Stebbins
Edward G. Trueblood
Harry R. Turkel
Ivan B. White
Charles W. Yost

To be Foreign Service officers of class 3

R. Austin Acly
W. Stratton Anderson, Jr.
Waldo E. Bailey
William Belton
M. Williams Blake
Clarence Boonstra
William O. Boswell
Leonard J. Cromie
H. Francis Cunningham, Jr.
Frederic C. Fornes, Jr.
Fulton Freeman
Edward L. Freers
Daniel Gaudin, Jr.
Forrest K. Geerken
William M. Gibson
John Goodyear
John P. Hoover
Paul C. Hutton
Douglas Jenkins, Jr.
Richard A. Johnson
Nat B. King
Ridgway B. Knight
M. Gordon Knox
Eric Kocher
William L. Krieg
Nathaniel Lancaster, Jr.
Harold E. Montamat
Horatio Mooers
Bolard More
Walter W. Orebaugh
Joseph Palmer 2d
Harold D. Robison
Stuart W. Rockwell
John C. Shillock, Jr.
Francis L. Spalding
Robert C. Strong
Jay Walker
William W. Walker
Alfred T. Wellborn
Philip P. Williams
Randall S. Williams, Jr
Robert E. Wilson

To be Foreign Service officers of class 4

William H. Christensen
Donald A. Dumont
C. H. Walter Howe
Henry A. Hoyt
Merlin E. Smith
Charles D. Withers

To be Foreign Service officers of class 4 and consul of the United States of America

David M. Bane
Harry H. Bell
Mrs. Katherine W. Bracken
Herbert D. Brewster
James M. Byrne
Kenneth A. Byrns
Edward W. Clark
William N. Dale
Rodger P. Davies
Richard C. Desmond
John E. Devine
Enoch S. Duncan
A. David Fritzlan
Michael R. Gannett
Paul F. Geren
James R. Gustin
Douglas Henderson
David H. Henry 2d
Charles E. Hulick, Jr.
Ben D. Kimpel
Spencer M. King
William E. Knight 2d
G. Wallace LaRue
William Leonhart
Rupert A. Lloyd
LaRue R. Lutkins
William A. McFadden
William L. Magistretti
James V. Martin, Jr.
Francis E. Meloy, Jr.
Armin H. Meyer
Warren S. Moore, Jr.
David G. Nes
R. Kenneth Oakley
Douglas W. Overton
Richard I. Phillips
Henry Clinton Reed
Frederick D. Sharp 3d
Albert W. Sherer, Jr.
Garrett H. Soulen
Emory C. Swank
Joseph J. Wagner
Harvey R. Wellman

To be Foreign Service officers of class 5

Hugh G. Appling
John A. Armitage
Douglass K. Ballentine
William J. Barnsdale
Archer K. Blood
Robert C. Bone, Jr.
John A. Bovey, Jr.
William H. Bruns
Edward West Burgess
Gardner C. Carpenter
Stanley S. Carpenter
Philip H. Chadbourn, Jr.
Robert A. Christopher
William B. Cobb, Jr.
Ralph S. Collins
John C. Craig
Oliver S. Crosby
Richard T. Davies
Leon G. Dorros
Robert B. Dreessen
William R. Duggan
Lawrence B. Elsbernd
Baird E. Emmons
David H. Ernst
Thomas R. Favell
E. Bruce Ferguson
E. Allen Fidel
Seymour M. Finger
Richard B. Finn
James W. Gould
Philip J. Halla
Norman B. Hannah
Edwin M. Harbordt
John Calvin Hill, Jr.
Peter Hooper, Jr.
Rogers B. Horgan
Robert B. Houghton
John M. Howison
Richard M. Hughes
John D. Iams
Robert L. James
Miss Dorothy M. Jester
Alexander C. Johnpoll
John Keppel
David Klein
Max V. Krebs
Bruce M. Lancaster
Donald S. Macdonald
David S. McMorris
Charles P. McVicker, Jr.
Robert J. Mautner
James A. May
Everett K. Melby
Miss Susannah Mirick
Edward W. Mulcahy
Joseph W. Neubert
David D. Newsom
William F. Penniman, Jr.
Sandy MacGregor Pringle
Herbert F. Propps
Ellwood M. Rabenold, Jr.
Thomas M. Recknagel
Lowell G. Richardson
Jordan T. Rogers
John W. Rozier
Peter Rutter
Sidney Sober
Ernest L. Stanger
William Perry Stedman, Jr.
Richard W. Sterling
Robert A. Stevenson
William N. Stokes
Galen L. Stone
Kenneth P. T. Sullivan
Kingdon W. Swayne
Charles R. Tanguy
Nicholas G. Thacher
Malcolm Toon
Charles M. Urruela
Raymond A. Valliere
Hendrik van Oss
Wayland B. Waters
Robert W. Weise, Jr.
Richard R. Wilford
Robert M. Winfree
Stephen Winship
Parker D. Wyman
Joseph O. Zurhellen, Jr.

APPOINTMENTS

To be Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America

Norman Armour, Jr.
Miss Dorothy M. Barker
Robert J. Barnard
Carl E. Bartch
Frederic H. Behr
Emerson M. Brown
Douglas V. Bryan
Charles T. Butler, Jr.
William A. Chapin
George T. Churchill
James D. Crane
Robert W. Dean
Gordon L. Deegan
Adolph Dubs
Warrick E. Elrod, Jr.
Michael A. Falzone
Richard T. Foose
Robert M. Forcey
Emmett B. Ford, Jr.
Jack B. Gabbert
John I. Getz
Culver Gleysteen
Gerald Goldstein
John D. Gough
Pierre R. Graham
Pierson M. Hall
Miss Martha C. Halleran
William N. Harben
Harry W. Heikenen
Harold L. Henrikson
Henry L. Heymann
Thomas F. Hoctor
Miss Priscilla Holcombe
Borrie I. Hyman
William M. Johnson, Jr.
John M. Kane
Bayard King
Clive E. Knowlson
Francis X. Lambert
Donald E. Larimore
Herbert B. Leggett
Earl H. Luboeansky
Robert A. McKinnon
John A. McVickar
Dayton S. Mak
Doyle V. Martin
Kenneth W. Martindale
Sam Moskowitz
Clifford R. Nelson
Daniel O. Newberry
Howard F. Newsom
Robert L. Ouverson
Charles H. Pletcher
Lawrence P. Ralston
Joseph H. Raymond, Jr.
Marion J. Rice
Lloyd M. Rives
Lucian L. Rocke, Jr.
William F. Ryan
Frederick H. Sacksteder, Jr.
Stanley D. Schiff
Edwin E. Segall
Richard R. Selby, Jr.
John P. Shaw
Jack M. Smith, Jr.
Matthew D. Smith, Jr.
Ralph S. Smith
Moncrieff J. Spear
Daniel Sprecher
Myles Standish 3d
Thomas C. Stave
Lee T. Stull
Harold C. Swope
Adelphos H. TePaske
Malcolm Thompson
David R. Thomson
Arthur T. Tienken
John T. Wheelock
J. Robert Wilson
Park F. Wollam
Douglas J. Worcester

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 17, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Infinite and eternal God, who art the light of all that is true and the inspiration of all that is good, we thank Thee for the joys which cheer us and the trials which teach us to put our trust in Thee.

May the words of our mouth, the meditations of our heart, and the work of our hands be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

The reading of the Journal of the proceedings of Tuesday, May 16, 1950, was dispensed with, and the Journal was approved.

GENERAL LEAVE TO EXTEND

The SPEAKER. Without objection, all Members may have leave for 60 legislative days to extend their remarks in the RECORD on the lives, character, and public service of the deceased Members.

There was no objection.

RECESS

The SPEAKER. Pursuant to House Resolution 521, the Chair declares the House to be in recess for the purpose of holding memorial services as arranged by the Committee on Memorials.

Accordingly the House stood in recess to meet at the call of the Speaker.

MEMORIAL SERVICE PROGRAM, MAY 17, 1950

Prelude, sacred selections (11:30 to 12)---
United States Air Force Symphony Orchestra
Presiding officer----------The Speaker
Hon. SAM RAYBURN
Invocation----------The Chaplain
Rev. Bernard Braskamp, D. D.
A cappella Emmette Spiritum (Schuetky), Lord's Prayer (Malott)----------
USAF Band Glee Club
Scripture reading and prayer--The Chaplain
Roll of deceased Members----------
The Clerk of the House of Representatives
Devotional silence.
Address----------Hon. BROOKS HAYS
Representative from the State of Arkansas
Solo: Bless This House (Brahe), Recessional (De Koven)----------
Master Sgt. Glenn Darwin, USAF
Address----------Hon. JOHN DAVIS LODGE
Representative from the State of Connecticut
Taps----------Master Sgt. Arthur Will
Echo----------Staff Sgt. Carl Costenbader
Benediction----------The Chaplain

The Members of the House rose and stood while the relatives of the deceased Members were escorted to seats in the House Chamber by the Committee on Memorials, preceded by the Doorkeeper of the House of Representatives.

MEMORIAL SERVICES

The SPEAKER presided.

INVOCATION

The CHAPLAIN. Almighty God, in the life of each of us there are times when all our feelings seem to impose silence.

Grant that in this hour of sacred memory we may enter into a blessed communion with Thy Spirit, and the spirit of all upon whom Thou hast bestowed the glorious benediction, "Well done, thou good and faithful servant, enter thou into the joy of thy Lord."

Hear us for the sake of the Christ, our Saviour. Amen.

CHORAL SELECTION

The United States Air Force Band Glee Club sang a cappella Emmette Spiritum (Schuetky) and Lord's Prayer (Malott).

SCRIPTURE READING AND PRAYER

The CHAPLAIN. The Scripture readings are taken from the Old and New Testaments.

Psalm 85:

I will hear what God the Lord will say, for He will speak peace unto His people and to His saints.

Psalm 90:

Lord, Thou hast been our dwelling place in all generations.

Before the mountains were brought forth, or ever Thou hadst formed the earth and the world, even from everlasting to everlasting, Thou art God.

So teach us to number our days, that we may apply our hearts unto wisdom.

Then from the New Testament these gracious words which were spoken by our blessed Lord:

John 14:

Let not your heart be troubled; ye believe in God, believe also in me.

In my Father's house are many mansions; if it were not so, I would have told you. I go to prepare a place for you.

And if I go and prepare a place for you, I will come again and receive you unto Myself, that where I am there ye may be also.

Peace I leave with you, My peace I give unto you; not as the world giveth, give I unto you. Let not your heart be troubled, neither let it be afraid.

In St. Paul's great chapter on the resurrection, the fifteenth of First Corinthians, we find these words:

Now is Christ risen from the dead, and become the first fruits of them that slept.

For since by man came death, by man came also the resurrection of the dead.

For as in Adam all die, even so in Christ shall all be made alive.

Therefore, my beloved brethren, be ye steadfast, unmovable, always abounding in the work of the Lord, for as much as ye know that your labor is not in vain in the Lord.

May God add His blessing to these readings from His holy word.

The closing verses from the poem entitled "Victory," by Alfred Noyes:

"There's but one gift that all our dead desire,
One gift that men can give, and that's a dream,
Unless we, too, can burn with that same fire
Of sacrifice; die to the things that seem;

"Die to the little hatreds; die to greed;
Die to the old ignoble selves we knew;
Die to the base contempts of sect and creed,
And rise again, like these, with souls as true.

"Nay (since these died before their task was finished)
Attempt new heights, bring even their dreams to birth—
Build us that better world, Oh, not diminished
By one true splendor that they planned on earth.

"And that's not done by sword, or tongue, or pen,
There's but one way. God make us better men."

Let us pray.

Most merciful and gracious God, the God of our fathers and of their succeeding generations, through Thy holy word Thou hast spoken and in our hearts Thy voice is heard.

Thou art the author and disposer of human life, from whom our spirits have come and unto whom they return.

We thank Thee for Thy servants who walked and worked with us for a little while upon this earth and who now are with Thee in heavenly blessedness, having received, as the reward of their faith and their fidelity, the salvation of their souls.

We rejoice that whatever was noble and beautiful in their life, in Thy sight and in our sight, abides forever. We bless Thee for the glorious testimony that they sought to serve their generation according to Thy holy will and were numbered among those who do justly, who love mercy, and who walk humbly with the Lord. We have not said "farewell" but only "good night," hoping on some blessed morn to meet and dwell with them in hallowed union in that land whose language is music and where joys are unceasing.

Grant unto the sorrowing and the lonely the consolation of Thy grace. May they yield themselves without murmur or complaint to the dispensations of Thy providence for Thou dost give and Thou dost take away, and blessed is Thy name forevermore. Help them to lay hold of the peace and the eternal companionship of the Christ.

We pray that Thou will continue to bless our Nation. We are not asking Thee to deal with us in any preferential manner. May we be a people whose God is the Lord.

May we be loyal partners with all who are laboring to build the kingdom of justice and righteousness, the social order in which there shall be peace and good will among men. Enable us to carry on in faith, in faithfulness, and in the fear of the Lord as we daily meet the problems and tasks which challenge the consecration of our noblest manhood and womanhood.

In Christ's name we pray. Amen.

ROLL OF DECEASED MEMBERS

Mr. Alney E. Chaffee, reading clerk of the House of Representatives, read the following roll:

BERT HENRY MILLER, a Senator from the State of Idaho: Born December 15, 1879, lawyer; graduate Brigham Young University 1901 and Cumberland University Law School; prosecuting attorney of Fremont County, Idaho, 1912–14; elected attorney general of Idaho 1934, reelected 1936; regional attorney, Fair Labor Standards Act, Seattle, Wash., region; elected justice of Idaho Supreme Court 1944; elected to the United States Senate 1948; died October 8, 1949.

CLYDE MARTIN REED, a Senator from the State of Kansas: Born October 19, 1871, teacher, mail clerk, editor and publisher; secretary to the Governor of Kansas in 1919; appointed member Kansas Court of Industrial Relations 1920; chairman of the Kansas Public Utilities Commission 1921–24; Governor of Kansas 1929–31; elected to the United States Senate 1938, reelected 1944; died November 8, 1949.

RICHARD JOSEPH WELCH, Fifth Congressional District of California: Born February 13, 1869; machinist; State senator 1901–13; harbor master, port of San Francisco, 1903–07; supervisor city and county of San Francisco, 1916–26; member of the Seventieth to the Eighty-first Congresses, inclusive (12 successive Congresses); died September 10, 1949.

GEORGE JOSEPH BATES, Sixth Congressional District of Massachusetts: Born February 25, 1891; member State house of representatives, 1918–1924; mayor of Salem, 1924–37; Member of the Seventy-fifth and six succeeding Congresses; died November 1, 1949.

MARTIN GORSKI, Fifth Congressional District of Illinois: Born October 30, 1886; lawyer; graduate Chicago Law School, 1917; assistant State's attorney, Cook County, 1918–20; master in chancery, superior court, Cook County, 1929–42; Member of the Seventy-eighth to the Eighty-first Congresses, inclusive; died December 4, 1949.

SCHUYLER OTIS BLAND, First Congressional District of Virginia: Born May 4, 1872; teacher; lawyer; attended Gloucester Academy and William and Mary College; president of the Chamber of Commerce of Newport News, and vice president, Virginia State Bar Association; Member of the Sixty-fifth to the Eighty-first Congresses, inclusive (17 consecutive Congresses); died February 16, 1950.

RALPH EDWIN CHURCH, Thirteenth Congressional District of Illinois: Born May 5, 1883; lawyer; graduate University of Michigan, 1907, and Northwestern University, 1909; member State house of representatives, 1916–32; lieutenant commander, United States Naval Reserve, 1938–41; delegate, Interparliamentary Conference, Oslo, Norway, 1939; Member, Seventy-fourth to the Seventy-sixth and Seventy-eighth to the Eighty-first Congresses; died March 21, 1950.

Mrs. NORTON, a Representative from the State of New Jersey, standing in front of the Speaker's rostrum, placed a memorial rose in a vase as the name of each deceased Member was read by the Clerk.

DEVOTIONAL SILENCE

There followed a period of devotional silence, during which the Members stood.

The SPEAKER. The Chair recognizes the gentleman from Arkansas [Mr. HAYS].

Hon. BROOKS HAYS, a Representative from the State of Arkansas, delivered the following address:

ADDRESS BY HON. BROOKS HAYS

Mr. HAYS of Arkansas. Mr. Speaker, this is one of the occasions when it is appropriate to speak of the unity the House of Representatives cherishes. We wish to accentuate our common creed, to contemplate the common experience of death and our common faith which triumphs over it.

The story of a man's life is never told in the offices he holds, or the honors he receives. It is inadequately related in the things he does. It is only as we come in close contact with our fellow men and by the kind of intimate associations treasured here, learn to know what a man believes, that we really come to understand and appreciate him. By these associations we learned something of the loyalties and convictions of our departed colleagues and today we make a record of our appraisal of their indefinable qualities of soul which found expression here. Now we assume the rather difficult role of honoring them, difficult because we touch a very tender theme and a delicate one, but it is altogether proper for us to rejoice in honoring them.

I think one would have to endure some of the hard tests of service here to understand the depth of our affection and admiration for them. If one sees only the surface, he might mistake our disputes for distrust. One would have to know something of these experiences that exhibit a sharp clash of opinion to understand that underneath are abiding friendships and mutual confidence.

It was not my privilege to know either of the Senators, either Senator REED or Senator MILLER, but as I read the eulogies that were paid to them I could understand something of the sense of grief that pervaded the ranks of the Senate when they passed on.

I read of Senator REED of Kansas, for example, that he was "a great legislator, a great pioneer, a great American." And then there was an interesting line, "the most colorful warrior that his State had produced in the battles of his day."

I read of Senator MILLER, of Idaho, that "his life was a shining example of unselfish service to his fellow man," and that "he was a noble person."

I was in the Chamber of the House on most of the occasions when the passing of our five Members was announced. Their closest friends stood and rendered honest tribute. I have reflected upon those things that were said of them. I am impressed by the characterizations that were used with reference to all of them. That is, that each of them was "fearless, honest, able, persevering, conscientious, generous, strong, and kind."

Then there are the special observations about each life and career. Some of the finest eulogies put into the RECORD are from those who had not been associated with them here, but were evidently based upon a close study of their public service. There was that interesting comment of Archbishop Cushing, of Boston, for example, upon the life of GEORGE J. BATES, of Massachusetts, "More men knew the merits of the man than knew the man himself." Since each of the Members represented close to a third of a million people and were known outside their districts in many areas for distinguished public service, it might well have been said of them all.

It was said of GEORGE BATES in addition, "He was a man of expansive human sympathy; completely devoted to the public welfare; truly a great American."

Of RICHARD J. WELCH, of California—and these were the words of the majority leader, Mr. MCCORMACK, who sat on the opposite side of the aisle, that "he was an ideal gentleman, a perfect legislator."

Of MARTIN GORSKI of Illinois that he was "a man of high principles, an unassuming friend, an effective public servant".

Of SCHUYLER OTIS BLAND, of Virginia, that he was "modest, scholarly, and tolerant," and the words of the Speaker of the House, Mr. RAYBURN, "he was one of the greatest souls that it has ever been my privilege to know."

Of my friend RALPH CHURCH: "Earnest, sincere; he built his career upon conviction"; and that in his service of community, State, and Nation, "he conformed to the standards of a Christian."

These short biographies tell us a lot about the men of whom they were spoken. They relate to what each believed and what each did in consonance with that belief. These testimonies reflected the life of faith, and as Thomas Carlyle said, "A man's faith, or his lack of it, is the most considerable part of him."

So, Mr. Speaker, here we have exemplified the elements of faith. These men all believed in something, and it bears out the point that I think I made in the beginning, they had convictions. It is always difficult to speak of religion without being obstrusive or being misunderstood, yet I think the people of the Nation would like to know that their Representatives find time in which to do it appropriately, and they would certainly wish us to honor these men in their faith and religious ideals.

The total service of the seven was slightly in excess of a hundred years, their legislative achievements were enormous. As long as the Republic shall stand, perhaps, the impact of their minds will be felt in our legislative policy. Yet, Mr. Speaker, a man does not live in his craftsmanship. I do not disparage it, but a legislative monument is insecure and impermanent, for laws are changed, and the policies that we all help devise, so valuable at the hour, will be altered.

Neither can a man live in the sustained recognition of his family. As a parent and grandparent, I have that normal pride in my own family. I would like to think that 400 years from now my name will be perpetuated, but I am impressed by this thought, if four centuries later someone should bear my name, 2,047 other persons of the present generation—and this is an unalterable biologic principle—would have contributed as much to his heritage as I.

No, even though this is a noble impulse and worthy, a man cannot live by pride of family alone, any more than he can live in legislative glory.

Neither can a man live in the physical things that he helps to create. Every one of us in our travels over the country is impressed with the fact that communities constantly seek to honor their Representatives in the Congress

I was in Syracuse the other day, and I saw the very handsome memorial to our friend, CLARENCE HANCOCK. I think that is typical.

A man cannot live in the bridges and buildings or dams or airports or highways that he helps to build. RICHARD WELCH, for example, is identified with the Golden Gate Bridge. But considering the ephemeral nature of life itself, some day that great structure may be destroyed. Its superstructure may lie beneath the restless waters of the sea because a more ingenious people will replace it with something that better fits their times.

A man must live in something else. He may surely live in attachment to immortal principles. What I would like to say out of the depth of my great appreciation for these men is that by attaching themselves to things that are infinite and eternal they knew one phase of immortality. The older I grow the more convinced I am of the necessity for interpreting, for example, the ideal of justice. It is not abstract at all. It has reality for all men eventually in some human experience. This delicate and important instrument which the people commit to us their lawmakers is to be used with that sense of its serving an infinite force, an undying influence in life—the attainment of justice.

We are only partly right, though it represents a great American ideal, when we say that ours is a Government of laws and not of men. For that ideal itself would fail unless it be a government of laws, good laws, administered by righteous men. Something like this was perhaps in the mind of Cicero, when he said:

> True law is right reason, consonant with nature, everlasting and unchanging. It does not differ for Rome or for Athens, but one law shall be for all times and all people. We cannot repeal that law; we cannot be relieved by any legislature of the obligations which it imposes, and we do not need to look outside ourselves for the true expounder of it.

Another pillar in the structure of faith is one's belief about man himself. When the prophet spoke of man as of "few days and full of trouble, like a flower he is cut down," he was speaking gloomily of death, which is only one aspect of life, and one has but to turn a few pages to come upon an equally authentic view, that of the psalmist who said, "What is man that Thou art mindful of him. Thou hast made him a little lower than the angels and hast crowned him with glory and honor," and then a thought that has thrilling implications for the philosophy of free government, "Thou madest him to have dominion." This high opinion of man's capacity for self-government is the basis of our institutions in the West. It finds expression in the Declaration of Independence whose author believed in the spiritual origin of our rights and liberties. Here are the moral bonds that unite us. "We hold these truths," said Jefferson—and "we" means all—not the Jeffersonians

but the Hamiltonians as well, not the Virginians but the New Englanders and all colonists as well. We, the people of a free land, have built upon the foundations of faith.

Here, Mr. Speaker, is an American doctrine worthy of perpetuation. It follows that if we think sound thoughts about man, viewing him as God's creation, we will think soundly about his human society. The good life is devoted to putting moral content into political institutions. It is the one thing that the forces of materialism cannot conquer. The blandishments of those who think only in terms of power will be unavailing against a good man. This was the thought of Ernest Hocking:

> It is only a religious faith reaching the ultimate solitudes of the soul, for which our pleasing amiabilities are but husks, that can create the unpurchasable man, and it is only man, unpurchasable by any society, that can create the sound society.

For fullest consolation in the loss of these friends we reach out eagerly for the hope that is found in the writings of great men of the past. For what men think of death is also distinguishing. They have told us in ways that vary with the moods in which they wrote what they believed death to be like, and they have helped us. For whatever our fears, we, too, believe it is but an interlude, a temporary separation. We like to think of it as the gateway to a larger life. It is, as the poet said, "but the velvet footstep of the Father himself, His voice so low and His step so soft, that we cannot see or hear Him."

When death comes to a colleague and grief spreads through our ranks, we feel as Douglas Malloch did when his friend, Emerson Hough, passed away—

> To all eternity he binds us.
> He links the planet and the star,
> He rides ahead, the trail he finds us,
> And where he is and where we are
> will never seem again so far.

It is difficult, Mr. Speaker, to find something new to say. It is hardly worth the struggle. We can draw upon these great resources of the past, and without apology I offer them today. Even the great Robert Ingersoll, almost afraid to grasp the hope of a reunion with his loved ones and so intellectually honest that he never avowed a strong faith, voiced a beautiful aspiration when he said, "in the night of death, hope sees a star and listening love can hear the rustling of a wing."

I hope, therefore, Mr. Speaker, in the songs that are sung and the things that are said, and in the rich thought of mighty minds repeated we may renew our belief that God has planned a greater destiny for us.

The gentleman from Virginia [Mr. SMITH] said, when Judge BLAND went away, that he believed the arduous duties of the war had shortened his life. It is fair to say, without exalting ourselves nor stressing the importance of our position, that the hazards of legislative service are indeed great. I am sure of this—that since we live in one of the most difficult periods of human history, others dangers are ahead.

Therefore, in closing let me repeat the lines penned in the midst of his perils during the Second World War by a member of the Australian Air Force, Sergeant Hugh Brodie, who was killed in action shortly afterwards.

> Almighty and All Present Power,
> Short is the prayer I make of Thee.
> I do not ask, in battle hour,
> For any shield to cover me.
>
> The vast unalterable way,
> From which the stars do not depart,
> May not be turned aside to stay
> The bullet flying to my heart.
>
> I ask no help to strike my foe,
> I seek no petty victory here.
> The enemy I hate, I know
> To Thee is also dear.
>
> But this I ask; be at my side
> When death is drawing through the sky.
> Almighty God, who also died,
> Teach me the way that I should die.

We thank God for these good men. It is the finest epitaph that could be written and it has been said of each, "He was a good man."

Mr. Speaker, it was not in the buildings they erected nor their legislative achievements, but in their beliefs, their loyalties, their convictions, the hopes they raised, the fears they dispelled, and the sound beliefs which they strengthened, that they built their greatest monument.

SOLO

Master Sgt. Glenn Darwin, United States Air Force, sang Bless This House, by Brahe; and Recessional, by DeKoven.

The SPEAKER. The Chair recognizes the gentleman from Connecticut [Mr. LODGE].

Hon. JOHN DAVIS LODGE, a Representative from the State of Connecticut, delivered the following address:

ADDRESS BY HON. JOHN DAVIS LODGE

Mr. LODGE. Mr. Speaker, it is altogether fitting that we should pause amid the din and dust of our daily existence to pay our respects to those Members of Congress who have recently been gathered to their fathers. Since we assembled in this chamber on a similar occasion a year ago two Senators and five Representatives have crossed the bar. We are met to commemorate their passing. We are convened to mourn their absence from these halls. But our meeting here has, it seems to me, a significance beyond the natural sadness which we feel at the irremediable departure of these friends. For just as theirs were lives of service so must we on this occasion resolve to continue in that service with resourcefulness, with imagination, and with courage. Only in that way can we justify their peacetime sacrifice and the wartime sacrifice of so many others.

I call the roll:

Senator BERT HENRY MILLER, Idaho.

Senator CLYDE MARTIN REED, Kansas.

Representative RICHARD JOSEPH WELCH, California.

Representative GEORGE JOSEPH BATES, Massachusetts.

Representative MARTIN GORSKI, Illinois.

Representative SCHUYLER OTIS BLAND, Virginia.

Representative RALPH EDWIN CHURCH, Illinois.

These are the men whose lives and whose work we eulogize today. These colleagues of ours made an indelible imprint upon the legislative history of their time.

This moving occasion should, I am convinced, be one not merely of commemoration but also of rededication to the timeless truths for which they worked and struggled and died. Ours is the torch and we must carry on. Our constructive action is the noblest monument which we can erect in their memory.

Joined with us here today are the friends and relatives of the men who in recent months have made the great discovery. We stretch out our hands to them in friendly remembrance. We open our hearts to them with understanding and with compassion.

This is an occasion of dignity and tenderness in which the memory of these upright and devoted public servants lingers like a perfume on a summer breeze. It is a time for poignant recollection.

This memorial service is an apt tribute. It is most appropriately a permanent part of the report of the activities of the Congress. It testifies to the lasting place which they will occupy in the minds and hearts of those who loved them and knew them. It is a confession of our regard for their accomplishments and of our respect for their memory.

As we meet many of us can recall with nostalgic vividness the idiosyncrasies, the indefinable charms and gestures of each of these men. Their personalities return to us with touching clarity. We who serve in the Congress are bound together by a common experience irrespective of party. All of us have been through gruelling campaigns. We, their colleagues, know that in the Congress no one can dissemble for very long. A Member who gains influence and distinction does so because of his intrinsic worth. He does so by virtue of his character and ability. The vital opportunities for useful employment and effort which we regard as involving the essential welfare of the American people exist in these halls in terms of service to mankind. And while we have violent differences of opinion and sometimes harsh words are spoken there is a basic sense of fellowship which suffuses all our doings and which in times of common stress and strain unite us in friendship.

We grieve. But we do not grieve for these men who now are a part of the mysterious immensities which circumscribe our lives. We grieve because we shall miss them. We shall miss these friendly associations. We shall miss their vigorous participation in the work of the Congress.

Yet, this is no time to strain with desperate longing against the chasm which seems insuperably to separate us from them. We, too, are a fateful part of the events which have carried them beyond our pale. We cannot stem the rush of the resistless hours. The days of our years are numbered. Some day we shall

join them. We, the living, are a part of their infinity. Let us therefore not beat our breasts in helpless anguish but rather "leave our spirits bare to feel the truth they cannot understand."

We are living in urgent times, times in which men search their hearts and minds for at least a few answers to the great and grievous problems with which we are beset. These are, indeed, times which try men's souls. The first half of the twentieth century has been critical, difficult, full of change. Man is passing through a great Gethsemane of moral readjustments to the machines which he has created. Those to whom we pay tribute today have gone from this worldly tempest of doubt and indecision into the soothing calmness and serenity of that long lagoon to which there is no ending. They have served their fellow men. Their day on earth is done. They have been tried and not found wanting. They have gone to their just reward. They live in the enduring quality of their achievements and in the fond recollections of those who knew and loved them. We remain.

Peace, peace! he is not dead, he doth not sleep—
He hath awakened from the dream of life—
'Tis we, who lost in stormy visions, keep
With phantoms an unprofitable strife,
And in mad trance, strike with our spirit's knife
Invulnerable nothings—we decay
Like corpses in a charnel; fear and grief
Convulse us and consume us day by day,
And cold hopes swarm like worms within our living clay.
He hath outsoared the shadow of our night;
Envy and calumny and hate and pain,
And that unrest which men miscall delight,
Can touch him not and torture not again;
From the contagion of the world's slow stain
He is secure.

In sober truth we are not secure save in our unassailable faith that liberty is an imperishable truth. Had Patrick Henry said "Give me security or give me death" we would not know his name today. Liberty. It is for this that we must persevere, that we must live our lives. It is for freedom that we must live and be prepared to die. We must reject the arid atheism with which sinister tyrants are attempting to undermine our institutions, to sabotage our freedom, to corrupt our youth, to dissipate our convictions and to deprive both life and death of their meaning. These godless doctrines point the way to dishonor and despair.

We who are destined to remain for a while in our earthly harness must take counsel of our faith rather than of our fears. In the words of Winston Churchill:

We must be prepared for further efforts of mind and body and further sacrifices to great causes if we are not to fall back into the confusion of aim, the rut of inertia, and the craven fear of being great.

Each of us must do his allotted task in an effort to meet successfully the grim and somber challenge which is crowding down upon us from every corner of the globe. Then when we shall be called to join our dear departed colleagues it shall be said of us, "Well done, thou good and faithful servant."

Life's diverse inceptions, birth and death, are beyond the comprehension of man. Just as nature abhors a vacuum, so man abhors the word death. Our hearts grow numb as we contemplate "the wide harmonic silences of death." There are no words because there is essentially no end. But there is faith. Faith in an indissoluble identity, faith in our own infinity. This meeting of commemoration and of rededication is also one of celebration. We meet to celebrate the soul. Those with whose spirits we commune today have met the dawn of an eternal sun. Our task here is to assure the soul's advance. Plato said "Time is the moving image of eternity." Eternity is now. The time of revelation is now. We are the trustees, the repositories of "all the innumerable yesterdays of time." We are the harbingers of "onward latent long millenniums." We can take heart from the sure knowledge that our opportunities for useful service, for dynamic leadership are equal to our grave responsibilities.

The challenge which faces us who have chosen public service as our mission is essentially the same challenge which has always faced the people's representatives. It is, in its basic elements, the challenge which faces the people of America. We bring that challenge into sharp focus. We must have vision for "where there is no vision the people perish."

This age-old challenge has been given a wonderful clarity and an exciting substance by the turbulent events of the last few decades. We know "deep down in that dumb region of the heart in which we dwell alone" that we cannot meet this challenge merely with procedural devices and man-made machinery. There must be the massive motive power of a moral force. Even the atom bomb will move to the measure of men's thoughts. We shall be hoist with our own delinquency if in this spiritual emergency we rely solely on our material prowess. The dialectical materialism of the brutal Communist dogma cannot be combated solely with plans and agreements, equipment and things. Our material world will crash in splinters around us unless it has some lofty thoughts to hold it up.

Let us then rededicate ourselves to the sublime truths on which our great Nation was founded and forsake the base and mutable alloy which tempts us to seek refuge in vulgar expediencies, trivial pastimes, and ineffectual felicities. Let us be resolute and meet this onslaught of barbarism as our colleagues have met the challenge of the sunrise. Only in this way can we really escape "the tyranny of time, and brief content of all achievement and prosperity." Let us resolve "to illustrate in thought and word and deed, in life and death, the utmost that we are."

So shall this occasion serve to give us a true perspective of the battle in which we are inextricably engaged. So shall we get a clear and steady view of the one prize that is not counterfeit. So shall we transmit to our successors the soul's divine inheritance. So shall these solemn memorial exercises serve not only to punctuate with reverence and warm regard the end of these precious lives but especially to ignite in the living a vibrant determination that this trembling hour shall be the touchstone for future accomplishments and progressions. So shall we at long last achieve a peace based on freedom, virtue, and reason.

Well may we know it lies before us still,
Who are the Pilgrims, as it stretched for them
Whose pilgrimage is done; the self-same road,
Hazardous, hard, unknown, which leads afar,
Thro' lusts and lies, thro' laws and governments,
Thro' all substantial things and sensible forms.
And well for us if we may find it out,
And walk thereon our spirtual way
Forward to real achievements and progressions—
Pilgrims, as once they were, in high resolve
Launched on the Pilgrimage that once was theirs.

TAPS

Master Sgt. Arthur Will sounded taps, the echo being sounded by Staff Sgt. Carl Costenbader.

BENEDICTION

The Chaplain pronounced the following benediction:

The Lord bless you and keep you; the Lord make His face to shine upon you and be gracious unto you; the Lord lift upon you His countenance and give you peace.

Amen.

The relatives of the deceased Members were escorted from the Chamber by the Committee on Memorials.

AFTER RECESS

At the conclusion of the recess, the Speaker called the House to order.

ADJOURNMENT

The SPEAKER. Pursuant to the provisions of House Resolution 521, as a further mark of respect to the memory of the deceased, the Chair declares the House adjourned until 11 o'clock a. m. tomorrow.

Thereupon (at 1 o'clock and 8 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, May 18, 1950, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 2969. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce; without amendment (Rept. No. 2076). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. S. 3226. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior; without amendment (Rept. No. 2077). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8137. A bill to confirm and establish the titles of the States to lands beneath navigable waters within State boundaries and to the natural resources

within such lands and waters, to provide for the use and control of said lands and resources, and to provide for the use, control, exploration, development, and conservation of certain resources of the Continental Shelf lying outside of State boundaries; without amendment (Rept. No. 2078). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee on the Judiciary. S. 947. An act for the relief of the Baggett Transportation Co., Inc.; without amendment (Rept. No. 2062). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1423. An act for the relief of Alex Morningstar; without amendment (Rept. No. 2063). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1510. An act for the relief of James I. Bartley; without amendment (Rept. No. 2064). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1863. An act for the relief of Fremont Rider; without amendment (Rept. No. 2065). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 2070. An act for the relief of the Clark Funeral Home; without amendment (Rept. No. 2066). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. S. 2339. An act for the relief of the Davis Grocery Co., of Oneida, Tenn.; without amendment (Rept. No. 2067). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 2385. An act for the relief of Edward C. Ritche; without amendment (Rept. No. 2068). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 1022. A bill for the relief of Alvin Smith; with amendment (Rept. No. 2069). Referred to the Committee of the Whole House.

Mr. JENNINGS: Committee on the Judiciary. H. R. 2808. A bill for the relief of Grace G. Walker; with amendment (Rept. No. 2070). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 4528. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Louis J. Marx; without amendment (Rept. No. 2071). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5109. A bill for the relief of Thomas Clayton Smith; with amendment (Rept. No. 2072). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5157. A bill for the relief of the legal guardian of Anthony Albanese, a minor; with amendment (Rept. No. 2073). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 6458. A bill for the relief of Maj. Roy E. Bevel; with amendment (Rept. No. 2074). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 7046. A bill for the relief of C. W. Jacobs; without amendment (Rept. No. 2075). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 8534. A bill to authorize the acceptance of donations of land to supplement present parkway lands along the line of the Chesapeake & Ohio Canal between Great Falls and Cumberland, Md.; to the Committee on Public Lands.

By Mr. CAMP:

H. R. 8535. A bill relating to the redemption of stock to pay death taxes; to the Committee on Ways and Means.

By Mr. CROSSER:

H. R. 8536. A bill to promote the development of improved commercial transport aircraft by providing for the operation, testing, and modification thereof; to the Committee on Interstate and Foreign Commerce.

By Mr. HUBER (by request):

H. R. 8537. A bill to provide a permanent secondary market for home mortgages insured or guaranteed by the Veterans' Administration, and for other purposes; to the Committee on Banking and Currency.

By Mrs. DOUGLAS:

H. J. Res. 472. Joint resolution designating the period beginning July 25 and ending July 31 as National Inventors' Week; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 8538. A bill for the relief of the families of certain merchant seamen who lost their lives in an airplane crash; to the Committee on the Judiciary.

By Mr. BEALL:

H. R. 8539. A bill for the relief of Daniel B. Fogle; to the Committee on the Judiciary.

SENATE

THURSDAY, MAY 18, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Most gracious Lord, Thy mercy is over all Thy works, and new mercies, each returning day, hover around us while we pray. As, when curtains are lifted, through the smallest window streams the light of a vast and distant sun, so Thou, whose light fills all the universe, illuminate the rooms of our being which are darkened only because we shut Thee out. And not only for ourselves, but for our Nation, we pray: that it may not miss the true path, amid the world's confusion. In such a day, as stewards of the future, give us, O Lord, an undimmed faith, a firm hope, a fervent charity, and a will to labor valiantly for the things for which we pray. We ask it in the name that is above every name. Amen.

THE JOURNAL

On request of Mr. MAYBANK, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 17, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 17, 1950, the President had approved and signed the joint resolution (S. J. Res. 176) to suspend the application of certain Federal laws with respect to attorneys employed by the special Senate committee in connection with the investigation ordered by Senate Resolution 202, Eighty-first Congress.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 469. An act for the relief of Cathryn A. Glesener;

S. 1145. An act for the relief of Persephone Poulios;

S. 2071. An act for the relief of Mrs. Alice Willmarth;

S. 2258. An act for the relief of Dr. Apostolos A. Kartsonis;

S. 2308. An act for the relief of William Alfred Bevan;

S. 2427. An act for the relief of Masae Marumoto;

S. 2431. An act for the relief of Sumiko Kato;

S. 2443. An act for the relief of Mrs. Georgette Ponsard;

S. 2479. An act for the relief of A. D. Strenger and his wife, Claire Strenger;

S. 2568. An act for the relief of Carmen E. Lyon; and

S. 3122. An act to authorize the Secretary of the Navy to convey to the Goodyear Aircraft Corp., Akron, Ohio, an easement for sewer purposes in, over, and across certain Government-owned lands situated in Maricopa County, Ariz.

LEAVE OF ABSENCE

On request of Mr. MAYBANK, and by unanimous consent, Mr. CHAVEZ was excused from attendance on the sessions of the Senate for an indefinite period.

On his own request, and by unanimous consent, Mr. LANGER was excused from attendance on the sessions of the Senate, following this evening, until Tuesday.

MEETING OF COMMITTEE DURING SENATE SESSION

On request of Mr. MCCARRAN, and by unanimous consent, the subcommittee of the Committee on the Judiciary considering House bill 3111, to amend the Bankruptcy Act, was authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. MAYBANK. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. WHERRY. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. The Senator from Louisiana [Mr. LONG] has the floor, has he not, by unanimous consent?

The VICE PRESIDENT. The Senator from Nebraska is correct. The Senator from Louisiana has the floor under the unanimous-consent agreement entered into last night.

Mr. WHERRY. May I ask the distinguished acting majority leader if, after the quorum call has been had, an opportunity will be afforded Senators to transact what is called ordinary routine business?

Mr. MAYBANK. I presume I shall have to ask the Senator from Louisiana, who has the floor, if he will agree to such a unanimous-consent proposal.

The VICE PRESIDENT. Without affecting the right of the Senator from Louisiana to the floor, the Chair will recognize Senators for that purpose, after the quorum call.

The absence of a quorum having been suggested, the Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Maybank
Anderson	Hoey	Mundt
Benton	Holland	Myers
Brewster	Humphrey	Neely
Bricker	Hunt	O'Conor
Bridges	Ives	O'Mahoney
Butler	Jenner	Robertson
Byrd	Johnson, Colo.	Russell
Cain	Johnson, Tex.	Saltonstall
Capehart	Johnston, S. C.	Schoeppel
Chapman	Kefauver	Smith, Maine
Connally	Kem	Smith, N. J.
Cordon	Kerr	Sparkman
Darby	Kilgore	Stennis
Donnell	Knowland	Taft
Douglas	Langer	Taylor
Dworshak	Leahy	Thomas, Utah
Eastland	Lodge	Thye
Ecton	Long	Tobey
Ellender	Lucas	Tydings
Ferguson	McCarran	Watkins
Fulbright	McCarthy	Wherry
George	McClellan	Wiley
Gillette	McFarland	Williams
Green	McKellar	Withers
Gurney	McMahon	Young
Hayden	Malone	
Hendrickson	Martin	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from New York [Mr. LEHMAN], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] and the Senator from Washington [Mr. MAGNUSON] are absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from Florida [Mr. PEPPER] is absent on public business.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will now recognize Senators for routine matters.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AUTHORITY FOR CERTAIN PERSONS TO ACCEPT AND WEAR DECORATIONS BESTOWED BY FOREIGN COUNTRIES

A letter from the Under Secretary of State, transmitting a draft of proposed legislation to authorize certain persons to accept and wear decorations bestowed upon them by certain foreign countries (with accompanying papers); to the Committee on Foreign Relations.

REPORT ON EXCHANGE STABILIZATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report on the Exchange Stabilization Fund, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Banking and Currency.

LAWS ENACTED BY LEGISLATURE OF PUERTO RICO

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a copy of laws enacted by the first special session of the Seventeenth Legislature of Puerto Rico, August 29 to September 11, 1949 (with an accompanying volume); to the Committee on Interior and Insular Affairs.

AUDIT REPORT ON PANAMA RAILROAD COMPANY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Panama Railroad Company, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

REPORT ON ADVANCE PLANNING OF NON-FEDERAL PUBLIC WORKS

A letter from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on advance planning of non-Federal public works, for the quarter ended March 31, 1950 (with an accompanying report); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the unification of Ireland; to the Committee on Foreign Relations.

(See resolutions printed in full when presented by Mr. LODGE (for himself and Mr. SALTONSTALL) on May 15, 1950, p. 7000, CONGRESSIONAL RECORD.)

The petition of Jessica Pierce, and sundry other citizens of Kansas City, Mo., relating to the cost of government; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the Louisiana State Bar Association, of New Orleans, La., protesting against the ratification of the genocide treaty; to the Committee on Foreign Relations.

A letter in the nature of a memorial from the Ruling Elders' Association of Chester and Delaware Counties, Pa., signed by G. Roy Hosler, president, remonstrating against the appointment of another Ambassador to the Vatican; to the Committee on Foreign Relations.

A resolution adopted by a mass meeting of American citizens of Polish ancestry, Lackawanna, N. Y., relating to freedom for the Polish Nation; to the Committee on Foreign Relations.

A resolution adopted by we, the women of Hawaii, Honolulu, T. H., favoring the principles of the Hawaiian Homes Commission Act and that said act should be incorporated into the constitution of the State of Hawaii; to the Committee on Interior and Insular Affairs.

A resolution adopted at a mass meeting of the people of Hawaii, Aala Park, Honolulu, T. H., relating to statehood for Hawaii; to the Committee on Interior and Insular Affairs.

A letter from Edwin C. M. Dickey, Washington, D. C., transmitting briefs relating to his case No. 197 MCS, Supreme Court of the United States, which has been referred to the House Judiciary Committee (with accompanying papers); to the Committee on the Judiciary.

A resolution adopted by the Eighty-second Division Association, of New York, N. Y., favoring the appointment of a nonpolitical commission of civilians to investigate communism in the Government service; to the Committee on the Judiciary.

Resolutions adopted by the board of trustees of the Columbia (Ohio) Life Underwriters' Association, and the Virginia State Dental Association, at a meeting in Roanoke, Va., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A letter in the nature of a memorial from the Women's College Club, of Danville, Pa., signed by Theresa Krakowsky, president, remonstrating against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

The petition of Howard Johnson, and sundry other patients of Glen Lake Sanatorium, of Oak Terrace, Minn., praying for the enactment of House bill 7440, to amend veterans' regulations to establish, for persons who served in the Armed Forces during World War II, a further presumption of service connection for active pulmonary tuberculosis; to the Committee on Labor and Public Welfare.

A resolution adopted by the Oil Workers International Union, of Denver, Colo., favoring the enactment of fair employment practices legislation; ordered to lie on the table.

RESOLUTIONS OF MASSACHUSETTS LEGISLATURE

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. LODGE] and myself, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD three resolutions adopted by the Legislature of Massachusetts, one relating to the Federal fair employment practices legislation, one requesting funds for public works projects for the Commonwealth of Massachusetts, and one calling for legislation reducing to 60 years the age for eligibility for old-age assistance.

The VICE PRESIDENT. The resolutions will be received, appropriately referred, and, under the rule, printed in the RECORD.

Ordered to lie on the table:

"Resolutions memorializing Congress to pass a Federal Fair Employment Practice Act

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to pass legislation creating a Federal Fair Employment Practice Act; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the

Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, May 3, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, May 9, 1950.

"IRVING N. HAYDEN,
"Clerk."

To the Committee on Public Works:

"Resolutions memorializing Congress to pass legislation providing funds for public-works projects for the Commonwealth of Massachusetts

"*Resolved,* That the General Court of Massachusetts hereby urges the Congress of the United States to pass legislation to provide funds for public-works projects for the Commonwealth of Massachusetts; and be it further

"*Resolved,* That copies of these resolutions be sent forthwith by the Secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, May 3, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, May 9, 1950.

"IRVING N. HAYDEN,
"Clerk."

To the Committee on Finance:

"Resolutions memorializing Congress to pass legislation reducing to 60 years the age for eligibility for old-age assistance

"Whereas many inhabitants of the Commonwealth who have attained the age of 60 years are in need of old-age assistance; and

"Whereas the provisions of Federal law relative to old-age assistance are inadequate to care for such persons: Therefore be it

"*Resolved,* That the General Court of Massachusetts hereby urges the Congress to take immediate action to the end that legislation may be enacted which will make possible the granting of old-age assistance to persons who have attained the age of 60 years; and be it further

"*Resolved,* That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, May 3, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, May 9, 1950.

"IRVING N. HAYDEN,
"Clerk."

PROTECTION OF AMERICAN MARKET ON LEATHER AND KNIT WOOLEN GOODS—RESOLUTION OF SHEBOYGAN (WIS.) COMMON COUNCIL

Mr. WILEY. Mr. President, supplementing my previous comments on the need for protection of the American market for American producers, including my statement on the floor a few days ago, I send to the desk a resolution adopted by the mayor and the common council of the city of Sheboygan, Wis., urging the protection of leather goods and knit woolen goods manufactured in America.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas in September 1950 the Federal Government of the United States of America will proceed with international conferences relating to reduction of tariff rates on various commodities, including those of leather imports and woolen knit goods; and

Whereas the standards of living, comparative wage rates, governmental subsidies and monopoly practices in the tanning and wool manufacturing industries of foreign nations gives to such imports an unfair and unconscionable advantage over the products produced in this Nation's factories; and

Whereas the continuance of full employment in these industries, high levels of wages, efficient operation of such businesses have been protected, at least in part, by tariffs imposed on leather and woolen knit goods imports from foreign countries; and

Whereas any continued reduction in the rates of tariffs on these imports will jeopardize the sound existence, and prevent any growth of the respective industries in the United States; and

Whereas this community has a leather manufacturing plant and a producer of knit woolen goods which are essential to the economic virility of our city: Now, therefore, be it

Resolved by the mayor and common council of the city of Sheboygan, That this body go on record as being in opposition to any national legislation or international treaties or agreements which would result in any reduction of the present levels of tariff rates on leather or knit woolen goods imports; and be it further

Resolved, That the city clerk is hereby authorized and directed to make immediate certification of 10 copies hereof to the Committee for Reciprocity Information, Tariff Commission Building, Washington, D. C., and to Senators ALEXANDER M. WILEY and JOSEPH R. MCCARTHY, and to the Honorable FRANK B. KEEFE, Member of Congress.

CONTINUATION OF RENT CONTROL

Mr. MYERS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Erie Industrial Union Council, CIO, of Erie, a letter from the City Council of Bethlehem, signed by Bertram L. Nagle, city clerk, a letter from the City Council of Easton, signed by Chester E. Rogers, city clerk, and a letter from the Monaca Borough Council, Beaver County, signed by W. A. Eberle, secretary, all in the State of Pennsylvania, and an article by William Green, president of the American Federation of Labor, appearing in the May 1950 issue of the American Federationist, urging the continuation of rent control.

There being no objection, the resolution, letters, and article were referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

ERIE CIO COUNCIL,
May 15, 1950.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

HONORABLE SIR: Enclosed is resolution which is self-explanatory.

Fraternally,

ROBERT BEALS,
Recording Secretary.

RESOLUTION ON RENT CONTROL

Whereas the end of rent control is to take effect with the expiration of the act on June 30, 1950, and the attitude of Congress, the real-estate boards, and business generally, is to effect that the Rent Act has served its purpose and should be allowed to expire, thereby removing all restraints and controls over the rental problems; and

Whereas this attitude of indifference on the part of Congress and the positive high-pressure lobbying of the real-estate interests to kill all rent control by permitting the act to die in Congress, shall work severe hardships on workers living in rental quarters by imposing increased rents; and

Whereas there is already accumulated a huge body of evidence that such rent increases shall be in order upon the expiration of the act and a statement made by United States Senator MYERS before the Senate Banking and Currency Committee on the issue of rent increases on April 26 shows convincingly that in areas where rent control has already been removed there have been unwarranted and extensive increases in rents; and

Whereas while the act was considered a wartime measure, it is nevertheless true that the problem of housing shortage is still an extremely acute one, as pointed out in Senator MYERS' statement on April 26. Competent surveys indicate it will be years before the housing shortage has been met by new construction, and that expiration of rent control will prove a disaster to thousands of families least able to afford paying higher rentals: Therefore be it

Resolved by the Erie Industrial Union Council meeting in regular session Thursday, April 27, 1950, That we who represent many thousands of the city and county industrial workers, do hereby enter our emphatic protest against the removal of rent control at this time and call upon the Congress to reenact controls without delay; and be it further

Resolved, That this resolution be presented to the City Council of Erie, Pa., with a request for endorsement of our position as set forth in this resolution, and that additioned copies be mailed to United States Senator MYERS and to the press of this city.

Adopted Thursday, April 27, 1950.

DIRECTOR OF PUBLIC AFFAIRS,
Bethlehem, Pa., May 12, 1950.

Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SIR: At the meeting of city council held on May 9 I was directed to inform you that the city council of the city of Bethlehem is in favor of extending rent control for a period of 1 year because of the serious housing shortage which still exists in our city. We feel that the lifting of rent control would mean the charging of high rents in our area, and we feel that these controls should continue for another year. I trust that you will consider our position when this proposed legislation comes up for a vote.

Very truly yours,

BERTRAM L. NAGLE,
City Clerk.

CITY OF EASTON, PA.,
May 9, 1950.

Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SIR: Please be advised that during a special meeting of our city council held yesterday a resolution was adopted favoring the extension of Federal rent controls for at least another year. May we ask that this matter be given your serious consideration?

Very truly yours,

CHESTER E. ROGERS,
City Clerk.

BOROUGH OF MONACA,
BEAVER COUNTY, PA.,
May 11, 1950.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: The members of the Monaca Borough Council at a regular meeting on May 10, 1950, voted unanimously to urge you to make every effort to have rent-control legislation approved. This community is highly industrial, and the housing problem remains serious. Hundreds of families in our community are still doubled up and living in cramped quarters. The sudden removal of rent controls would result in a definite hardship for the residents of this area.

Although considerable construction of new homes is under way, the prices are beyond the reach of the average worker, and the housing shortage has not been met for the worker earning $50 or less per week. If rent controls are lifted at this time when the quantity of housing available for the bulk of the population with average incomes is not sufficient to meet the demand, we would have a situation where people would be bidding against each other for rental housing, and this would have an adverse effect on the economy of this area.

Very truly yours,
MONACA BOROUGH COUNCIL,
W. A. EBERLE, *Secretary.*

RENT CONTROL MUST BE EXTENDED

(By William Green)

Within a matter of a very few weeks, your Congressman and Senators will be voting on a subject of utmost importance—continuation of rent control for another year. Whether or not Congress decides to extend the rent-control law not only will affect the 8,000,000 members of the American Federation of Labor as well as all the tenants and landlords of this country, but also, because of its broad implications, will have an important bearing on the well-being of every man, woman, and child in America.

The sixty-eighth convention of the A. F. of L., which met last October, unanimously recommended that until the supply of low-price housing units can be equalized with the demand, effective rent control must be maintained so that families will not be faced with exorbitant increases in rents.

Following this convention action, the executive council, at its most recent meeting, unanimously adopted a statement emphasizing that until there is a large increase in the supply of homes for low- and middle-income families, an effective rent-control program must be continued. The executive council concluded its statement with the following sentence:

"We can safely remove rent controls in only one way—by building an adequate supply of homes that fit the pocketbooks of the millions of families who are without decent housing today."

Opponents of rent control have attempted to show that there is no longer any shortage of housing. The fact is that despite a recent spurt in residential construction, there still remains a severe housing shortage, particularly of homes and apartments renting at levels that low- and middle-income families can afford.

The Rent Control Act passed in 1949 contained a provision permitting local governing bodies of cities and towns to decontrol their own communities. This is the so-called local-option provision.

If opponents of rent control were correct and there were no longer a housing shortage, the American people would have acted to take advantage of this very liberal local-option decontrol provision. The fact is that very few cities have elected under this provision to remove rent controls.

Despite intense pressure from the real-estate interests, the city councils of only 249 cities—only 6 percent of communities under rent control today—had elected to remove rent control by April 1 of this year. This total includes only 10 cities with more than 100,000 population and 13 others with over 50,000.

In order to determine just how the removal of rent controls would affect A. F. of L. members, the A. F. of L. housing committee has just completed a special survey of all communities throughout the country in which there are A. F. of L. central labor unions.

The survey shows that of the 691 communities which have ever been under rent control, 459 or two-thirds are still under rent control. Only 87, or less than 13 percent, were decontrolled by the local-option method.

These over-all figures are supported by a State-by-State analysis indicating even more conclusively the catastrophic impact that sudden decontrol would have on A. F. of L. members. Thus there are 10 States and 1 Territory where not a single community with a central labor union has been decontrolled. In some of the larger States only a few of the very smallest cities have been decontrolled.

This survey clearly indicates that the great majority of A. F. of L. members, including those in a great many relatively small communities, are still protected by rent control. The sudden removal of rent controls would inevitably be reflected in a sudden increase in family expenditures for millions of union families throughout the country.

The wisdom of maintaining rent controls becomes crystal clear when we discover what has happened to rents in some of the communities where rents have been decontrolled. In November 1949, the Department of Labor made a survey of residential rents in seven decontrolled communities. The survey showed that in those communities tenants whose rents had been raised were forced to bear an average increase of from 16 percent in Salt Lake City to 40 percent in Houston. Moreover, the rent increases affected from one-third to three-fifths of all the tenants in those communities.

The Labor Department's findings have been confirmed by a recent survey made by a very strange source, the National Association of Real Estate Boards, which is the backbone of the notorious real-estate lobby in Washington. Of 100 decontrolled cities in 30 States, the survey showed that rents increased for half of the tenants in decontrolled areas of over 50,000 and for 55 percent in cities of over 100,000, thus pointing out the tremendous number of families whose rent would be raised if all remaining rent controls were removed.

According to the survey, the average tenant whose rent was raised had to pay 22 percent more for rent after decontrol. Moreover, tenants in the smaller cities whose rents were raised sustained larger rent increases than tenants in the larger cities.

This indicates very clearly that rent control is by no means exclusively a big-city problem.

While these figures are significant in themselves, they are averages which tend to conceal the fact that decontrol hits low-income families the hardest. Low-income families spend a larger proportion of their income on rent than families in the higher income groups. The Federal Reserve Board reports that in 1948 families with annual incomes under $2,000 spent 23 percent on rent, compared with 12 percent for all families and only 9 percent for families with incomes of $5,000 and over. Thus it is clear that a rent increase for a low-income family looms larger in the total family budget than a comparable increase for a higher income family.

Yet the Labor Department survey of decontrolled communities to which I have referred indicates that a greater proportion of the low-income families reported rent increases than those in the higher income groups. In the cities where income data was obtained, the proportion of families with incomes under $2,000 whose rents were raised ranged from 48 to 71 percent as compared with a range of only 22 to 37 percent for families with incomes of $4,000 or more.

Let us examine specifically what these increases in rent would mean to the average worker and his family. Let us use for our example a factory worker whose earnings are $50 a week, approximately the present Nation-wide average. Let us assume that this worker is spending approximately 20 percent of his income for rent, about $10 a week.

If rents in his community are decontrolled, the Department of Labor survey indicates that his rent would rise by at least 25 percent or $2.50 a week. This increase in rent is equivalent to a wage cut of 5 percent, or over 6 cents an hour, assuming a 40-hour week. Under these circumstances the implications for collective bargaining are bound to be quite far-reaching. From my long experience in the labor movement, I know that a widespread wave of sizable rent increases will inevitably be reflected in the demands of organized workers for higher wages.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

S. 3510. A bill to amend Public Law 74, Seventy-seventh Congress, as amended, relating to the rate of penalty on the farm marketing excess of corn and wheat; without amendment (Rept. No. 1670);

H. R. 4969. A bill to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands; without amendment (Rept. No. 1671);

H. R. 5913. A bill to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within the Symmes Creek Purchase Unit in Lawrence County, Ohio, and for other purposes; without amendment (Rept. No. 1672); and

H. R. 7700. A bill to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; without amendment (Rept. No. 1673).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. Res. 265. Resolution disapproving Reorganization Plan No. 21 of 1950, relating to the establishment of a Federal Maritime Board, and a Maritime Administration in the Department of Commerce; without recommendation (Rept. No. 1674);

S. Res. 270. Resolution disapproving Reorganization Plan No. 18 of 1950, relating to the transfer to the Administrator of General Services the functions now vested in other agencies with respect to leasing and assigning general purpose space in buildings, and the operation, maintenance, and custody of office buildings; without recommendation (Rept. No. 1675); and

S. Res. 271. Resolution disapproving Reorganization Plan No. 17 of 1950, relating to the transfer from the Administrator of General Services, General Services Administration, to the Housing and Home Finance Administrator, Housing and Home Finance Agency, functions relating to advance planning of non-Federal public works and functions relating to management and disposition of certain war public works; without recommendation (Rept. No. 1676).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 3099. A bill to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania; with amendments (Rept. No. 1677).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 18, 1950, he presented to the President of the United States the following enrolled bills:

S. 469. An act for the relief of Cathryn A. Glesener;

S. 1145. An act for the relief of Persephone Poulios;

S. 2071. An act for the relief of Mrs. Alice Willmarth;

S. 2258. An act for the relief of Doctor Apostolos A. Kartsonis;

S. 2308. An act for the relief of William Alfred Bevan;

S. 2427. An act for the relief of Masae Marumoto;

S. 2431. An act for the relief of Sumiko Kato;

S. 2443. An act for the relief of Mrs. Georgette Ponsard;

S. 2479. An act for the relief of A. D. Strenger and his wife, Claire Strenger;

S. 2568. An act for the relief of Carmen E. Lyon; and

S. 3122. An act to authorize the Secretary of the Navy to convey to the Goodyear Aircraft Corp., Akron, Ohio, an easement for sewer purposes in, over, and across certain Government-owned lands situated in Maricopa County, Arizona.

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GURNEY:

S. 3618. A bill authorizing the issuance of a patent in fee to Maud Barry; to the Committee on Interior and Insular Affairs.

By Mr. THOMAS of Utah:

S. 3619. A bill to give military status and grant discharges to the members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany; to the Committee on Armed Services.

(Mr. LANGER introduced Senate bill 3620, to repeal the war tax rates of taxes on admissions; use or lease of boxes or seats; sales of tickets outside box office; cabarets, roof gardens, etc.; dues or membership fees; initiation fees; jewelry; furs; toilet preparations; distilled spirits; imported perfumes containing distilled spirits; still wines; sparkling wines; liqueurs and cordials; fermented malt liquors; billiard and pool tables, and bowling alleys; electric light bulbs and tubes; telephone, long distance; domestic telegraph, cable, or radio dispatches; leased wires, etc.; wire and equipment service; local telephone service; transportation of persons; seats, berths, etc.; and luggage, purses, and other similar items, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. LODGE:

S. 3621. A bill to amend the act entitled "An act to authorize the Secretary of War and the Secretary of the Navy to make certain disposition of condemned ordnance, guns, and cannonballs in their respective departments," approved May 22, 1896, as amended, to include additional veterans' organizations; and

S. 3622. A bill to amend section 2 of the act entitled "An act to provide for the disposition of vessels, trophies, relics, and material of historical interest by the Secretary of the Navy, and for other purposes," approved August 7, 1946, so as to include certain additional veterans' organizations; to the Committee on Armed Services.

By Mr. KILGORE (for himself and Mr. NEELY):

S. J. Res. 182. Joint resolution to authorize the temporary operation of the Morgantown Ordnance Works at Morgantown, W. Va.; to the Committee on Armed Services.

REPEAL OF EXCISE TAXES

Mr. LANGER. Mr. President, I introduce for appropriate reference, a bill to repeal all the war excise taxes.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3620) to repeal the war tax rates of taxes on admissions; use or lease of boxes or seats; sales of tickets outside box office; cabarets, roof gardens, etc.; dues or membership fees; initiation fees; jewelry; furs; toilet preparations; distilled spirits; imported perfumes containing distilled spirits; still wines; sparkling wines; liqueurs and cordials; fermented malt liquors; billiard and pool tables, and bowling alleys; electric light bulbs and tubes; telephone, long distance; domestic telegraph, cable, or radio dispatches; leased wires, etc.; wire and equipment service; local telephone service; transportation of persons; seats, berths, etc.; and luggage, purses, and other similar items, introduced by Mr. LANGER, was read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENT

Mr. BRIDGES submitted an amendment intended to be proposed by him to the bill (S. 3424) to amend and supplement the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, which was referred to the Committee on Public Works and ordered to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

Harold K. Hill, of Wisconsin, to be a member of the Board of Directors of the Commodity Credit Corporation, vice William B. Crawley, resigned.

HOW THE NEW DEAL HAS CHANGED LIFE IN THE SOUTH—STATEMENT BY SENATOR MUNDT

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a statement prepared by him and an accompanying poem, which appear in the Appendix.]

TURKISH ELECTION SHOULD MAKE WALLACE EAT HARD WORDS—ARTICLE BY MILTON BERLINER

[Mr. LUCAS asked and obtained leave to have printed in the RECORD an article entitled "Turkish Election Should Make Wallace Eat Hard Words," by Milton Berliner, published in the Washington Daily News for Friday, May 12, 1950, which appears in the Appendix.]

THE ST. LAWRENCE SEAWAY—STATEMENT BY CLYDE T. ELLIS

[Mr. AIKEN asked and obtained leave to have printed in the RECORD a statement favoring the development of the St. Lawrence seaway, made by Clyde T. Ellis, executive manager of the National Rural Electric Cooperative Association, before the Committee on Public Works of the House of Representatives, May 9, 1950, which appears in the Appendix.]

ENCROACHMENT OF GOVERNMENT ON PRIVATE UTILITY FIELD—NEWS COMMENT AND RESOLUTION OF CIO

[Mr. ECTON asked and obtained leave to have printed in the RECORD an article entitled "CIO Union Scores Federal Utilities," published in the New York Times of Sunday, April 30, 1950, and a resolution and statement of policy adopted by the CIO Utility Workers of America at a convention held in New York on April 30, which appear in the Appendix.]

FAIR EMPLOYMENT PRACTICE COMMISSION ACT—NEWSPAPER COMMENT

[Mr. HOEY asked and obtained leave to have printed in the RECORD several editorials and special articles relative to the Fair Employment Practice Commission Act, which appear in the Appendix.]

SEPARATION OF MAIL PAY FROM AIRLINE SUBSIDIES—EDITORIAL FROM AMERICAN AVIATION

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial entitled "Thanks, Senator," published in the magazine American Aviation for May 15, 1950, which appears in the Appendix.]

SENATOR CHAVEZ' ATTACK ON LOUIS S. BUDENZ—STATEMENT OF REV. LAURENCE J. McGINLEY, S. J.

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD a statement by the Reverend Laurence J. McGinley, S. J., president of Fordham University, in reply to the attack on Louis S. Budenz by Senator CHAVEZ, which appears in the Appendix.]

OUR GREAT AMERICAN HERITAGE: LIBERTY—PRIZE ESSAY BY JEANETTE STANZIL

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD an article reproducing the winning essay by Jeanette Stanzil, of Three Lakes, Wis., on the subject Our Great American Heritage: Liberty, from a recent issue of a Three Lakes, Wis., newspaper, which appears in the Appendix.]

IDAHO OPPOSITION TO PROPOSED COLUMBIA VALLEY AUTHORITY

[Mr. DWORSHAK asked and obtained leave to have printed in the RECORD an editorial entitled "Mr. Truman's Trip May Not Be Politics for Democrats, But He Sure Did the Republicans a Big Favor in Boise," published in the Idaho Sunday Statesman of Boise, Idaho, on May 14, 1950, which appears in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF WILLIAM ROBERT WALLACE TO BE UNITED STATES DISTRICT JUDGE, NORTHERN, EASTERN, AND WESTERN DISTRICTS OF OKLAHOMA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, May 26, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of William Robert Wallace, of Oklahoma, to be United States district judge for the northern, eastern, and western districts of Oklahoma, vice Hon. Bower Broaddus, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF RABE FERGUSON MARSH, JR., TO BE UNITED STATES DISTRICT JUDGE, WESTERN DISTRICT OF PENNSYLVANIA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, May 26, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Rabe Ferguson Marsh, Jr., of Pennsylvania, to be United States district judge for the western district of Pennsylvania, vice Hon. Robert M. Gibson, retired. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

NOTICE OF HEARING ON NOMINATION OF AUSTIN L. STALEY TO BE A UNITED STATES CIRCUIT JUDGE, THIRD CIRCUIT

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, May 26, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Austin L. Staley, of Pennsylvania, to be a United States circuit judge, third circuit, vice John J. O'Connell, deceased. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Kentucky [Mr. WITHERS], and the Senator from Indiana [Mr. JENNER].

RAILROAD STRIKES

Mr. DONNELL. Mr. President, on May 16, at page 7112 of the CONGRESSIONAL RECORD I called attention to the fact that the railway strike of the firemen had been settled on that day but that there was a possibility of a strike by the switchmen's union on 12 railroads, a possibility of a strike by the conductors, a possibility of a strike by the Pullman conductors, and a possibility of a strike by the Railroad Yardmasters of America. I ask unanimous consent to have inserted in the body of the RECORD at this point in my remarks a news article entitled "Switchmen Call Strike on 10 Western Railroads," published in the Washington Post of this morning, announcing that a new railroad strike on 10 midwestern and western lines was called last night by the Switchmen's Union to start at 6 a. m. local time Tuesday, May 23.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SWITCHMEN CALL STRIKE ON 10 WESTERN ROADS

A new railroad strike on 10 midwestern and western lines was called last night by the switchmen's union to start at 6 a. m., local time Tuesday, May 23.

Arthur J. Glover, president of the A. F. of L. Switchman's Union of North America, said the strike was being called to back up demands for 48 hours' pay for a 40-hour-work week.

The strike call came within less than a week after the settlement of a paralyzing shutdown on five major railroads by the Brotherhood of Locomotive Firemen and Enginemen. Glover said the mediation machinery under the Railway Labor Act had been exhausted. He said 6,000 switchmen will be affected.

The 10 railroads against which Glover said the strike will be directed are:

Chicago Great Western; Chicago, Rock Island & Pacific; Davenport, Rock Island & Northwestern; Denver & Rio Grande Western; Great Northern; Minneapolis & St. Louis; Northern Pacific Terminal Co. of Oregon; St. Paul Union Depot Co.; Sioux City Terminal Railway Co.; Western Pacific Railroad Co.

Mr. DONNELL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD—and I want to make clear that I do not refer to the Appendix, but to the body—an editorial entitled "Rail Strike: The Real Issue," published in the New York Times of May 17.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RAIL STRIKE: THE REAL ISSUE

The strike of 18,000 railroad firemen, which began May 10, was settled in the early hours of yesterday morning, just as it was going into its seventh day. Although the number of striking workers was comparatively small, the walk-out had been directed at four great railroad systems serving the heavily populated industrial East, the manufacturing and shipping centers of the South and the agricultural West. Thus strategically it was carefully calculated to achieve a maximum effectiveness in terms of economic dislocation; railroad, mining, and industrial disemployment, and public inconvenience. The number of people made jobless up to Monday is placed at 200,000. But the effects were then only beginning to gain momentum. It is estimated that continuance of the strike a few days more would have raised the number of idle workers in industry to 500,000.

Under the terms of the settlement the union has agreed to withdraw its major demand—namely, its insistence on a second fireman on multiple-unit Diesel-electric engines. The carriers, for their part, have granted two concessions to the union. They have agreed to submit to arbitration union charges that certain practices in connection with the operation of these locomotives were in violation of existing contracts, and they have recognized in part the demand for an extra fireman on about 200 small ("teapot") Diesels used in switching service. Where a fireman is now employed on these light Diesels he will be retained; in other cases the question of an extra man will be subjected to arbitration.

The real issue presented by this short-lived but spectacular walk-out, however, has nothing to do with what constitutes the proper crew for a Diesel engine. It is the issue of collective bargaining versus compulsory arbitration. When 18,000 union members, by walking off their jobs, can throw anywhere from 200,000 to 500,000 people out of work and cripple important segments of the national economy we are faced with a very real question of policy with respect to strikes in key industries. That question becomes even more pointed when, as in the case of the firemen's strike, a union is prepared to use this powerful lever to try to exact by force demands which have been judicially processed and denied under the Railway Labor Act, not once, but twice.

Nobody would take compulsory arbitration as a first choice. It is not necessary to subscribe to the picturesque statement by some labor leaders that arbitration means "involuntary servitude" to agree that the unions are instinctively right in opposing it. Many employers are equally strong in their objections. In December 1946, for example, the industry members of a Federal advisory committee joined the labor members in the conclusion that it might frustrate, rather than foster, industrial peace. The authors of the Taft-Hartley Act, in providing for fact-finding boards to pass on national emergency disputes, purposely refrained from giving such boards the authority even to make specific recommendations for settlements. The theory was that the element of compulsion should not be present, even though that compulsion was merely the compulsion of public opinion.

If compulsory arbitration comes, therefore, it will not be because either labor or management wants to see it supplant negotiation, mediation, voluntary arbitration, and presidential fact finding—all of which are presently provided under the Railway Labor Act—but because the public has decided that the existing machinery cannot be depended upon to protect it from recurrent paralyzing transportation strikes and the even more frequent threats of such stoppages. In a large majority of the major railroad disputes in recent years the unions have refused to accept as final the conclusions of Presidentially appointed fact-finding boards. But it would be an oversimplification of the situation to say that the unions were exclusively to blame for this breakdown of the delicately balanced machinery for settling railway disputes. The fact is that this machinery functioned very satisfactorily, indeed, until the administration itself undermined its effectiveness by making it profitable for the unions to go over the heads of its own fact-finding bodies.

This interference with the machinery by the Government, however well meant, has not only been a disservice to these boards and to the public but to railroad labor as well. That is because, if it is continued, it can only serve to hasten the day when the present well-conceived machinery for the voluntary settlement of disputes will have to give way, whether we like it or not, to one smacking more of compulsion and less of what we have become accustomed to think of as the American way of handling such problems.

Mr. DONNELL. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD—not in the Appendix—at this point in my remarks

an editorial entitled "Three Things About the Firemen's Strike," published in the Baltimore Sun of May 17.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THREE THINGS ABOUT THE FIREMEN'S STRIKE

Three things about the railroad firemen's strike, now ended, are especially worth noting.

1. It was not a total strike in the sense that the entire railroad network of the United States was closed down. For many a community, it is true, the strike was total so far as its rail communications were concerned. But, speaking broadly, and thanks to competing railroads and alternate forms of transportation, the kind of damage which this strike did to the economic life of the Nation was by no means intolerable. The strike ran its course without the irresistible pressure to reach a settlement at any cost which accompanies total strikes.

2. The principal demand of the union—that a second fireman be included in the crews of Diesel engines—was preposterous on its face, a piece of brazen featherbedding. The union failed to win its demand by striking. The Diesels going out today as schedules are resumed on the affected railroads will carry one fireman, not two.

3. Both the union and the railroad managements agreed to hand over certain disputed points to arbitration—not politically motivated fact-finding boards, but arbitration with the result of the arbitration binding on both parties. In this case, the arbitration is voluntary. But it supports the belief of many thoughtful people that, in the case of labor controversies involving industries affected with a public interest and so subject to public regulation, resort to arbitration, compulsory arbitration if necessary, offers the only hope of satisfactory industrial relations.

Mr. DONNELL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point—not in the Appendix, Mr. President—an editorial entitled "Senator DONNELL'S Antistrike Bill," published in the Railway Age on May 13, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SENATOR DONNELL'S ANTISTRIKE BILL

There is nothing in the Ten Commandments, or the Declaration of Independence, or the Constitution of the United States—or in any other authoritative tabulation of fundamental moral precepts—which ascribes to any minority group of citizens the right to tie up the entire commerce of the country until this privileged group is granted the particular formula of working conditions which it prescribes, and on the merits of which it insists that it be the sole judge.

If any minority group should be thus privileged to establish its own wages and working conditions—subject to no check whatever by impartial judges—then there is no reason to expect that such demands would stop merely with an extra "featherbedded" fireman on each Diesel locomotive, as the Brotherhood of Locomotive Firemen and Enginemen now insists. If this union is able to persuade the American people that it is within its rights in bringing to a stop four of the Nation's largest railroads because this union alone has decided that a do-nothing fireman must be employed on Diesels (a demand for which no justification has ever been discovered by impartial authority), then the hiring of a superfluous fireman will be only the beginning of a whole chain of similar demands by this union and all the others.

If the railroad industry and the American people can, by union coercion, be forced to concede the employment of a completely useless additional fireman, then what restraint will operate to prevent the union from demanding two unneeded firemen—or three or four or a dozen? Experience suggests that, like blackmail, concessions granted as a result of coercion are not terminated by success, but that each exaction gives rise to more and larger ones. Success of the demand of the Brotherhood of Locomotive Firemen and Enginemen for a "featherbedded" extra fireman on each Diesel locomotive, would, therefore, inevitably subject the railroads to an interminable series of exactions, from this and other unions, which could completely bankrupt the industry in only a few months.

What then? If the railroads are not going to concede this racketeering demand—and they obviously cannot make such a concession—are they just going to close up shop indefinitely, and let the public shift as best it can for an indefinite period without railroad service?

QUESTION FOR THE PUBLIC—AND CONGRESS

That is a question for the public—and Congress which is the public's servant—to answer. The railroad industry is almost a century and a quarter old, without having demonstrated the need, until recently, for an explicit law outlawing strikes. The reason why no such law has heretofore been necessary is that, until the past decade or so, railroad managements were permitted to fight strikes by employing replacements; by withdrawing recognition from striking unions; and by securing injunctions to hamper the conduct of strikes designed to close down the Nation's commerce. As long as managements had the power thus to oppose strikes, it was quite impossible that any strike could be so successful that all train service would be suspended. When no danger of a complete shut-down of railroad service existed, there was obviously no need in the public interest for drastic legislation to forbid railroad strikes.

Management, however, has now been deprived of practically all means of combating work stoppages—e.g., it is expressly forbidden by law from transporting strikebreakers across State boundaries; it cannot secure injunctions to hinder collusive and coercive action to bring all train movements to a halt. Unless the public—with the consent of Congress, the public's servant—is willing to be deprived of all railroad service, then one of two courses must be followed—

1. Either all legislative restraints which hinder management in combating strikes must be repealed;

2. Or strikes by railroad employees must be outlawed.

THE ONLY REALISTIC PROPOSAL

A bill to give effect to this second course, the outlawing of railroad strikes, has been introduced in the Senate by Senator DONNELL, of Missouri. This bill would invoke injunctions and other sanctions against either railroads or unions engaging in strikes or lock-outs in defiance of the findings of Presidential boards established to investigate and make recommendations for the settlement of labor-management disputes in the railroad industry. Provision is made in the bill—designated as S. 3463—for court review of the findings of these Presidential boards, a safeguard not provided in the existing Railway Labor Act.

The bill also provides for court review of decisions of the National Adjustment Board—a body which does not deal with negotiations for new wages or working conditions, but which interprets agreements already in effect. The decisions of this board have given rise to many bitter controversies, especially in questions of conflicting jurisdiction by rival unions; and provision of court review for these decisions is an important feature of the Donnell bill, as it must be of any realistic measure to promote industrial peace in the railroad industry.

The Donnell bill is drastic, no doubt of it. Not all objection to it comes from the unions. There are many on the conservative side who do not want to leave the final say as to what railroad wages and working conditions are to be to some presidential board, or even to regular Federal judges. This paper shares the misgivings of these conservatives, but it doubts that the drastic remedy put forward by Senator DONNELL is anywhere nearly as dangerous as doing nothing at all—which is the only alternative that opponents of the measure have to offer.

There should be no heat in this discussion. The railway unions are not, by nature, aggregations of bandits. They began as legitimate organizations of employees. They came into existence after experience had demonstrated that, without such protective association, employees were too often subjected to gross abuses. In recent years, however, the politicians for their own selfish purposes have maneuvered these employee organizations into competition with each other of a kind to put a premium on extravagant demands and irresponsible leadership. All power corrupts and absolute power corrupts absolutely. When the inordinate power placed in the hands of these labor organizations to hold up the public at will is removed or diminished, they will be encouraged to give greater consideration to the public welfare. As conditions now stand, the Donnell bill is the only measure seriously proposed which deals realistically with the crisis in railway labor relations now confronting the country. For the necessary protection of the public interest in uninterrupted railroad transportation, the bill should be speedily enacted.

If it turns out that Federal judges make poor final arbiters of wages and working conditions, there will be time later to look for better ones. As things now stand, the demand is being made, in effect, that each railroad union be made the recognized arbiter of its own wages and working conditions. That, in substance, is the contention for which the Brotherhood of Locomotive Firemen and Enginemen has called its strike. If that doctrine can be made to stick, the railroad industry might just as well fold up as private enterprise. For that matter, if this doctrine is victorious, Congress might just as well shut up shop, too. If the unions are going to run the country, without any power in Government great enough to sit in judgment on their actions, then the only sensible course is to force them to accept responsibility for running the country along with their power to do so.

Mr. TOBEY. Mr. President, the Senator was very careful to point out that he was referring to the body and not to the appendix. Is there not always an appendix in every body?

Mr. DONNELL. Yes; the Senator's knowledge of anatomy cannot be excelled.

The VICE PRESIDENT. This operation is not an appendectomy.

OPEN LETTER FROM WISCONSIN COOPERATIVE DAIRY

Mr. WILEY. Mr. President, I have recently received several communications from various businesses and cooperatives in my State protesting against the proposed effort to cut down on importation of fuel oil. These communications point out that many organizations have recently converted to fuel oil on the assumption that there would be sufficient oil at fair prices. Now, however, many cooperatives find that there is a move to

restrict imports of oil, thus causing increased prices here at home, at the same time as there is a contradictory move to flood the American market with foreign dairy products. Yet at this very time dairy prices are falling throughout Wisconsin and further imports will only put the dairy groups in that much more difficulty. In other words, expenses are mounting while income is falling, which is certainly a disastrous sort of situation.

I ask unanimous consent, therefore, that there be printed in the body of the CONGRESSIONAL RECORD at this point an open letter which I received this morning from Mr. H. K. Olson, manager of Wisconsin Cooperative Dairies, Inc., at Menomonie, Wis.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WISCONSIN COOPERATIVE DAIRIES, INC.,
Menomonie, Wis., May 16, 1950.

ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

HONORABLE SIR: As a large user of heavy fuel oil, we would like to call your attention to a condition which may be of interest to you and which has a vital effect on our business.

Last year we were purchasing Bunker C fuel oil for as low as 70 cents a barrel, f. o. b. the refinery. During this past winter, with the coal strike bringing about an abnormal use of fuel oil and the large demand for fuel oil by industrial users of natural gas who operate on a stand-by basis whereby they switch to fuel oil when the gas demand is heavy for house heating, our price went to $1.55 per barrel and, according to the Chicago Journal of Commerce, seems to be going higher.

We had thought that this price was only temporary due to the excessive demand of last winter, however the refineries now tell us that there is a large demand from steel companies and others and, if the information we have is correct, the imports of fuel oil have been curtailed or cut off entirely. There was some newspaper publicity on this during the last year to which we did not pay much attention at the time but apparently it is having an effect on increasing the cost of our fuel oil and, if we are properly informed, the inventory of fuel oil at this time is extremely low.

From our position we feel, with all the talk of trade agreements and imports, it would certainly do the majority of the public considerable good to import oil into this country in order to keep the cost to the consumer on a more reasonable basis. It would also seem that it would be good business to have a substantial backlog of fuel oil on hand in case of war or other emergency.

Certainly there would be more justification in importing fuel oil than in importing cheese and dairy products which are now in excess supply. We understand there have also been other items imported which we need a lot less than we need fuel oil.

With the mounting surplus of dairy products and farm products, we think that the dairymen and milk plants in this country should have consideration from the standpoint of keeping their fuel costs within reason and at the same time not run up excessive imports of supported dairy products.

Anything you can do along these lines will be very much appreciated.

Yours very truly,

H. K. OLSON,
Manager.

THOMAS JEFFERSON

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent that I may speak for about 2 minutes on the Jefferson papers which were dedicated yesterday.

The VICE PRESIDENT. Is there objection?

Mr. LONG. Mr. President, I understand that the Senator asks unanimous consent that he may speak without prejudicing the right of the Senator from Louisiana to the floor.

Mr. SMITH of New Jersey. I meant, of course, that it should not prejudice the right of the Senator to the floor.

The VICE PRESIDENT. Without objection, the Senator from New Jersey has 2 minutes.

Mr. SMITH of New Jersey. Mr. President, yesterday afternoon, at the Library of Congress, President Harold Dodds, of Princeton University, presented to President Truman a specially bound copy of the first volume of the Papers of Thomas Jefferson. This is the first of a monumental series of 52 volumes which is being edited by Julian P. Boyd, Librarian of Princeton University, and being published by the Princeton University Press with the assistance of a generous grant from the New York Times.

I ask unanimous consent that at this point in my remarks there be inserted in the RECORD an editorial appearing in today's New York Times entitled "Freedom and Responsibility," which emphasizes the significance of this undertaking.

The VICE PRESIDENT. Is there objection?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREEDOM AND RESPONSIBILITY

Ceremonies at the Library of Congress yesterday observing publication of the first volume of The Papers of Thomas Jefferson not only paid fitting tribute to the towering genius of this extraordinary man but also marked an important event in the cultural and intellectual history of the American people. This is the first of a series of at least 50 volumes which, it is expected, will take 20 years to complete and, it is hoped, will include "everything legitimately Jeffersonian," whether in the field of statecraft or education, law or religion, mathematics or music. The editor, Dr. Julian P. Boyd, librarian of Princeton University, and the publishers, Princeton University Press, have embarked on a tremendous undertaking which cannot be praised too highly.

For the written record of Thomas Jefferson's career—as preserved in his 18,000 letters, his speeches, reports, manuscripts, documents of every type and description—constitutes what one authority has called "the richest treasure house and historical information ever left by a single man." If it is possible for one individual to have encompassed the spirit of a people and an age, Thomas Jefferson was that individual. A man of incredible versatility, of encyclopedic knowledge, of scientific skill and humanistic philosophy, Jefferson directed his brilliant intellect and inexhaustible energies toward one overwhelming purpose; the establishment and preservation on this continent of a free government of free men. And Thomas Jefferson knew that to this end free speech, freedom of conscience and a free press were indispensable.

Indeed, as Jefferson felt that the press "is the best instrument for enlightening the mind of man," so the New York Times feels honored to have had a share in the realization of this great project. Publication was, in fact, assured through a gift made by the Times as a memorial to its late publisher, Adolph S. Ochs. And we at the Times are particularly proud of the fact that at the beginning of each volume of The Papers of Thomas Jefferson there will appear this inscription: "Dedicated to the memory of Adolph S. Ochs, publisher of the New York Times, 1896–1935, who by the example of a responsible press enlarged and fortified the Jeffersonian concept of a free press."

We believe that were Jefferson here today he would agree that freedom and responsibility go hand in hand.

Mr. SMITH of New Jersey. Mr. President, at the ceremony marking publication of this first volume President Truman noted that—

Jefferson thought deeply about how to make liberty a living part of our society, and he proved the rightness of his thinking by practical demonstration. That is why I think it is particularly important that we are reasserting Jefferson's ideals by publishing these volumes.

Then the President went on to say:

History can be fairly written only when all the facts are on the record. Jefferson has suffered at the hands of unscrupulous biographers and biased partisans ever since his death. The publication of his papers should correct the mistakes that have been made about him and should help prevent misinterpretations in the future.

Mr. President, I would like to take this opportunity to agree wholeheartedly with this statement and to suggest that perhaps President Truman himself may have been guilty of biased partisanship and of misrepresentation of the principles of this great statesman. Last Monday, in Chicago, President Truman spoke at a Jefferson jubilee celebration. He said confidently:

The Democratic Party is still true to the great principles that shine through all—

I emphasize the word "all"—

that Jefferson said or wrote.

The facts are now being put on the record in this new publication. I hope that the President will put on his dark glasses and take a long and thoughtful look at the principles that "shine through" the papers of Thomas Jefferson. I fear that in his previous readings of Jefferson's works he may have been somewhat dazzled by the glare and failed to see that Jefferson warned constantly against the dangers of the leviathan state, the state that through its very size and complexity tends to grow less and less subject to popular control and understanding.

Yes, Mr. President, Thomas Jefferson had great faith in the individual American citizen, but he recognized that the freedom and the initiative of that citizen might be choked to death by the entwining tentacles of big government.

I wonder what principles justifying the increasing centralization of power in the Federal Government may be found "shining through" Jefferson's statement—and the President says we should follow all the principles of Jefferson—

That if a principle were to prevail of a common law being in force in the United States (which principle possesses the general Government at once of all the powers

of State governments) it would become the most corrupt Government on earth. * * * What an augmentation of the field for jobbing, speculating, plundering, office building, and office hunting would be produced.

Writing to a friend, Jefferson declared that—

The way to have good and safe government is not to trust it all to one, but to divide it among the many, distributing to every one exactly the functions he is competent to.

I ask further: What, Mr. President, would Thomas Jefferson have thought if he had known the national debt of his country would amount to $256,000,000,000, and that even in years of prosperity there would be a budget deficit of more than $5,000,000,000? What principle does President Truman see "shining through" Jefferson's statement that—

Private fortunes are destroyed by public as well as private extravagance, and this is the tendency of all human governments. A departure from principle in one instance becomes a precedent for a second, that second for a third, and so on till the bulk of society is reduced to be mere automatons of misery, to have no sensibilities left but for sinning and suffering. * * * The fore horse of this frightful team is public debt. Taxation follows that, and in its train wretchedness and oppression. * * * I place economy among the first and most important of republican virtues, and public debt as the greatest of the dangers to be feared.

The VICE PRESIDENT. The time of the Senator from New Jersey has expired.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent to present the concluding paragraph.

The VICE PRESIDENT. Without objection, the Senator from New Jersey may proceed.

Mr. SMITH of New Jersey. Mr. President, I hope that President Truman will read the papers of Thomas Jefferson carefully and that he will come to share with Jefferson the realization that we must constantly guard against the dangers coincident with the centralization of Government power. Of all our statesmen, Jefferson was one of the first to recognize that true security may be gained only by a determined effort to protect and strengthen individual freedom and to enlarge the opportunity for the individual to think and act for himself. Yes, Mr. President, we may agree with President Truman that times have changed since Jefferson's day, but let us beware lest with changing times we yield to the destruction of the principles upon which our democracy is based. And let us be especially on guard when one of the greatest champions of individual liberty is presented as an advocate of a program that is belied by the very words he wrote.

We Republicans have a right to rejoice in the Republican half of the Democratic-Republican Party which Jefferson founded.

FAVORABLE ACTION BY SUBCOMMITTEE ON BILL AFFECTING LABOR UNIONS

Mr. ROBERTSON. Mr. President, I ask unanimous consent to proceed for 30 seconds to make an announcement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Virginia may proceed.

Mr. ROBERTSON. Mr. President, on yesterday a subcommittee of the Senate Committee on the Judiciary, composed of the Senator from Mississippi [Mr. EASTLAND], the Senator from Maryland [Mr. O'CONOR], and the Senator from Missouri [Mr. DONNELL], favorably reported to the full committee my bill to place labor unions on a par with industry if they use their monopolistic power unreasonably to control production or prices in commodities that affect the national economy, safety or health. I express the hope that the full committee will find time within the near future to act upon that important measure.

THE REPUBLICAN OBSERVER ON THE PRESIDENT'S RECENT WESTERN TOUR

Mr. BREWSTER. I have spoken to the Senator from Louisiana to inform him that I would ask unanimous consent to proceed for 2 minutes. In this connection I should like to make it clear that those 2 minutes are Maine minutes, not New Jersey minutes [laughter], so that there may be no misunderstanding regarding the request.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. DONNELL. Which minutes does the Senator from Maine mean are shorter, New Jersey minutes or Maine minutes?

Mr. BREWSTER. Mr. President, Maine minutes are very brief.

Mr. TOBEY. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. TOBEY. Will not all of us admit that New Jersey mosquitoes are much larger than Maine mosquitoes?

Mr. BREWSTER. They are.

Mr. LONG. Mr. President, I ask unanimous consent that the time now taken will not prejudice the right of the junior Senator from Louisiana to resume his address at the conclusion of these matters and other routine business.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BREWSTER. Mr. President, this is rather a personal matter. During the President's trip throughout the West, there was repeated comment about the presence of an observer, a member of our staff. I think it proper to state for the RECORD the reason why that observer accompanied the President's trip.

We did send an observer to accompany by plane the President's train. We were not able to accept the courtesy which was extended that observer to go on the President's train; but we thought that such an observer should accompany the President's tour because we had been assured that we would not be able to rely on the press reports of the President's tour. The President made it very clear, both before and during his trip, that the facts could not always be obtained through the medium of the press. That led us to believe that we should have an observer there to get the facts as the President was presenting them.

Of course, the President was on a "nonpolitical" tour, so it might seem that we would not be interested in it. However, as the Senator from Illinois, the majority leader, has occasionally indicated that I was rather of a suspicious nature, I suspected that possibly a little politics might creep into that tour; and that was why we sent the observer along.

There has been inquiry as to how that was arranged. I am very happy to assure those who are concerned that the Republican Senatorial Campaign Committee was not obliged to take care of the expense of the plane which made that trip, because a very distinguished Democrat, who has served as an Under Secretary of the Treasury under the Democratic administration, Mr. John Hanes, of New York and North Carolina, very generously offered to take care of the financing of the trip. I think that should be made clear, so that it will be realized generally that other persons are concerned.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. FERGUSON. Now that we have that information on the official RECORD, I wonder whether the Senator from Maine has the list of contributors who put on the show at Chicago on Monday, as a part of the same trip.

Mr. BREWSTER. I understand that information has not yet been published. I do not know; I suppose the Senator from Illinois could tell us whether that will be made available or not.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. The 2 minutes of the Senator from Maine have expired.

Mr. BREWSTER. Mr. President, I ask unanimous consent to have incorporated in the RECORD at the conclusion of my remarks the entire poem from which the President quoted, although he did not quote the full poem when he commented on it during his trip.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

"I have a little shadow that goes in and out with me,
"And what can be the use of him is more than I can see."

(What Mr. Truman didn't get to in the famous poem were these lines:)

"He hasn't got a notion of how children ought to play
"And can only make a fool of me in every sort of way."

Mr. LUCAS and Mr. LONG addressed the Chair.

The VICE PRESIDENT. The Senator from Louisiana has not yet been recognized, inasmuch as routine matters are not yet concluded.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may proceed at this time for 4 minutes.

Mr. LONG. Mr. President, I shall not object if it is understood that the recognition of the Senator from Illinois will not prejudice the right of the junior Senator from Louisiana to resume his address at the conclusion of the routine business.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LUCAS. Mr. President, in view of the fact that the Senator from Maine

has seen fit to tell the Senate why the Republicans happened to send the shadow along with the President of the United States, I think it probably worth while to read into the RECORD at this point just what Mr. Johnston had to say about the President's trip, at least on one particular occasion.

Mr. Johnston found himself almost agreeing with the President, as he went along. Mr. Johnston was so thrilled with the crowd and so fascinated with what the President said, that he reached a very unusual conclusion in the State of Washington, a conclusion which is set forth in an article by Edwin A. Lahey, who is a staff writer of the Chicago Daily News—who, by the way, is no friend of President Harry S. Truman. I think I shall read what Mr. Lahey had to say, under date of Saturday, May 13:

ABOARD TRUMAN TRAIN.—"Vic" Johnston, who has been following President Truman in a chartered plane to case the crowds and report back to the Republicans in Washington, summed it up about as well as it could be done.

Vic stood in front of the Elks Club at Pasco, Wash., a few yards from the stand on which the jaunty President, an old Elk himself, was addressing an enthusiastic crowd.

"Nobody hates him," Vic said with finality.

And why, the disinterested spectators might ask, should anybody hate Harry S. Truman?

He never tries to play God, or even the grand squire. He remembers his mother telling about the grasshopper plague in Missouri, when they even ate the pitchfork handles.

He pins a blue ribbon on a little 4-H girl at the Spokane stockyards, and tells her:

"That's a mighty pretty pig you raised."

And he calls a reservoir a reservoy.

But Mr. Truman's home-spun personality is only part of the reason "Vic" Johnston was so gloomy the other night in Pasco.

Mr. President, I can understand why Senators on the other side of the aisle are gloomy and why they regret now that they sent Mr. Johnston along on that tour.

Mr. BREWSTER. We are proud of it.

Mr. LUCAS. Mr. President, I read further from Mr. Lahey's article:

The President has a political technique that is devastatingly simple. He tells the customers at the whistle stops what the New Deal and the Fair Deal have done for them particularly, and promises more to come.

The taxpayer never goes away from a Truman meeting with the feeling that he has to tighten his belt. There is always the Truman argument that money spent by the Government on the conservation and development of human and natural resources is an investment in future happiness and well-being.

Mr. Truman wants everybody to be happy, just like him.

Mr. President, the only persons who are unhappy about the Truman tour, so far as I can determine, are my friends on the other side of the aisle, who day after day, after conniving in secret to do something terrible and desperate to the President while he was on his trip to the West, had one Senator after another appear on the floor of the Senate and make devastating remarks about the President. They almost crucified this "little fellow from Missouri," as a result of what they did. It will be recalled that the Senator from Illinois suggested to them that they keep on condemning and criticizing the President, because the Senator from Illinois said the result of what they were doing, together with sending their Boy Scout to follow Mr. Truman, would be that President Truman would return more popular than ever.

Mr. FERGUSON. Mr. President——

Mr. LUCAS. Just a minute, Mr. President. I know how anxious my friend the Senator from Michigan is to get into this argument. Of course, he has been in it for weeks; in fact, he has been in it ever since he has been in the Senate; for that matter, he was in it before he came to the Senate. He has never seen anything except as a result of Republican crystal-globe gazing; so, certainly, it cannot be inferred that by rising on the floor he can help me out at this particular time. I refuse to yield, Mr. President, at the moment. [Laughter.]

The VICE PRESIDENT. The Senator's time has expired.

Mr. LUCAS. I ask unanimous consent that I may finish my statement. It will not take more than about 2 minutes.

Mr. BREWSTER. Mr. President, will the Senator allow me a minute to ask him a question, and include that in his request?

Mr. LUCAS. I will include that in my request.

Mr. FERGUSON. Mr. President, will the Senator also include in his request permission for me to ask a question?

The VICE PRESIDENT. What is it the Senator from Illinois is asking?

Mr. LUCAS. I am asking unanimous consent to have 1 minute more in which to conclude.

The VICE PRESIDENT. Without objection, the Senator will be recognized for 1 minute.

Mr. LUCAS. Mr. President, I continue reading from Mr. Lahey's article:

The President has come a long way since he fought his successful battle for vindication by the voters in 1948. In that year he used scatter shot. He nagged. He shrieked.

Today he is smooth and self-confident.

If the Presidential special were passing through a mountain hamlet where the major problem was the crookedness of the cues in the town poolhall, Mr. Truman's staff would know all about it. The President would be able to promise the townsfolk a long-range Federal program for straightening pool cues.

All the way along the line on this 6,000-mile nonpolitical trip, which is terrifying politically to the GOP, the President has been precise and to the point.

Ah, Mr. President, it has been terrifying. The friends of mine across the aisle thought they were really doing something to the President, but they were terrified by the way the gentleman was received, the way the President of the United States was applauded, and the crowds which came out to see him. As for all the speeches they prepared and sent out through Vic Johnston, the crowds just pushed them aside and never had anything to do with them. They only wanted to hear the President.

Mr. Lahey concludes:

Is it any wonder that Vic Johnston should say with despairing political insight: "Nobody hates him?"

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

IMPORTATION OR TRANSPORTATION OF OBSCENE MATTERS

Mr. FERGUSON. Mr. President——

The VICE PRESIDENT. If the Senator will wait a moment, the Chair desires to lay before the Senate a message from the House, to which he calls the attention of the Senator from Nevada.

Mr. FERGUSON. Very well.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2811) to amend section 1462 of title 18 of the United States Code, with respect to the importation or transportation of obscene matters, which was, on page 2, line 14, to strike out "things," and insert "things".

Mr. McCARRAN. I move that the Senate concur in the House amendment.

The motion was agreed to.

RELIEF OF CERTAIN CONTRACTORS IN CONSTRUCTION OF UNITED STATES APPRAISERS BUILDING, SAN FRANCISCO, CALIF.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif., which were, on page 1, line 10, strike out all after "California:" over to and including "$2,902.23;" on page 2, line 1; on page 2, line 1, strike out "$105,286.51" and insert "$36,127.93"; on page 2, line 2, strike out "$40,892.56" and insert "$27,221.01"; on page 2, line 3, strike out "$23,910.04" and insert "$15,044.93"; and on page 2, line 4, strike out "$9,283.00" and insert "$5,366.40; Plant Rubber and Asbestos Works, $8,502.17; Emil Solve, $2,483.34; Dohrmann Hotel Supply Co., $97.30; Mundet Cork & Co., $7,253.95; S. H. Pomeroy, $8,128.18; Fire Protection Products Co., $895.49; Lamson Corp., $267.84; Texas Quarries, $709.84; Frank B. Smith, $1,509; Turner Resilient Floors, Inc., $4,068.02; D. N. and E. Walter & Co., $573.93; Phoenix Simpton Co., $362.13; and Acme Floors, $115.92."

Mr. McCARRAN. I move that the Senate concur in the House amendments.

Mr. SALTONSTALL. Mr. President, will the Senator be willing to tell us what the amendments are? Apparently the bill involves the construction of a building.

Mr. FERGUSON. Mr. President——

The VICE PRESIDENT. The Senator from Nevada has the floor.

Mr. McCARRAN. Mr. President, the bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif., passed the Senate August 9, 1949. In the form in which it passed the Senate, the bill provided for the payment of sums totaling $182,274, to five named contractors. The House of Representatives passed the bill on May 2, 1950, after amending it substantially, eliminating entirely one of the five proposed beneficiaries named in the Senate bill, and reducing the amounts to be paid to the remaining four beneficiaries named in the Senate bill, so as to provide for total payments, to these beneficiaries, of $83,760. The House also added 13 additional bene-

ficiaries, for whom payments aggregate $34,957. Thus, the sum total of all payments provided for in the bill as amended by the House is $118,717, which is a reduction of $63,557 from the total approved by the Senate.

The author of the bill, the Senator from Oregon [Mr. MORSE], has informed the chairman of the Committee on the Judiciary that he is agreeable to accepting the House amendments. The additional contractors added to the bill by the House, as beneficiaries of the measure, appear to fall in the same category as those whose claims were previously approved by the Senate, and appear to have equally meritorious claims. Therefore, Mr. President, I move that the Senate concur in the amendments of the House.

Mr. FERGUSON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. MCCARRAN. I yield to the Senator.

Mr. FERGUSON. I should like to ask a question of the distinguished majority leader.

Mr. MCCARRAN. I prefer to have this motion disposed of. It is a motion to concur in the House amendments.

The VICE PRESIDENT. The question is on the motion to concur in the House amendments.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FERGUSON. Is this matter debatable?

The VICE PRESIDENT. It is debatable.

Mr. FERGUSON. Then, Mr. President, I ask for the floor.

Mr. MCCARRAN. What does the Senator propose to debate?

Mr. LONG. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. It was understood, Mr. President, that no interruption would prejudice my right on the floor to deliver the speech I had prepared. I said I would yield on condition that my right to the floor would not be prejudiced. I have no objection to the distinguished Senator from Michigan speaking briefly in my time, I shall be glad to yield for that purpose, as soon as I have the floor, but I must protect my rights.

The VICE PRESIDENT. The matter before the Senate now is privileged. It does not interfere with the Senator's right to the floor automatically as soon as it is disposed of. The question as to how long it will take may be a matter to which the Senator from Louisiana might address himself by way of objection, before yielding for the purpose of considering it as a privileged matter.

Mr. MCCARRAN. Mr. President, I should like to ask, before I yield to the Senator from Michigan, whether he proposes to debate the motion I have made.

Mr. FERGUSON. I answer that by saying I desire the floor, to put a matter in the RECORD, and also to ask the distinguished Senator from Illinois some questions.

The VICE PRESIDENT. The pending question is debatable, and the Chair has no way of controlling the contents of any Senator's speech.

Mr. LONG. I should like to request the distinguished Senator from Michigan to wait until the pending matter has been disposed of, at which time I shall be pleased to yield to him in order that he may ask his question.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nevada [Mr. MCCARRAN].

Mr. BREWSTER. Mr. President, I am sure this matter can be disposed of very much more quickly if Senators will allow us the opportunity to complete the discussion which was carried on by the Senator from Illinois. I hope that the Senator from Nevada will permit it, and I think I can assure him that it should not take very long.

Mr. MCCARRAN. I know that I cannot control the time. I should rather withdraw the motion and conclude it now, and then I will not have the floor to yield.

Mr. BREWSTER. If the debate is unduly extended, I am sure there would be no objection, if the Senate wants to return to the subject in which the Senator from Nevada is interested.

Mr. MCCARRAN. All I am asking is the concurrence of the Senate in the House amendments.

Mr. BREWSTER. All we are asking for is time to be heard.

Mr. MCCARRAN. I withdraw the motion.

The VICE PRESIDENT. The Senator from Nevada withdraws the motion.

THE REPUBLICAN OBSERVER ON THE PRESIDENT'S RECENT WESTERN TOUR

Mr. LONG. Mr. President, I ask unanimous consent, without prejudicing my rights, that I may yield 4 minutes to the distinguished Senator from Michigan, in order that he may propound a question to the Senator from Illinois.

Mr. LUCAS. Mr. President, reserving the right to object, I do not know what question the Senator is going to propound, or how long it may take. I may want some time in which to reply, I may say to my friend.

Mr. LONG. Mr. President, I ask permission to yield four additional minutes to the distinguished Senator from Illinois, in order that he may have an opportunity to reply.

The VICE PRESIDENT. The Senator from Louisiana asks unanimous consent that the Senator from Michigan may have 4 minutes in which to ask the Senator from Illinois a question, and that the Senator from Illinois may have 4 minutes in which to reply, if necessary.

Mr. LUCAS. If necessary. I do not think it will take that long, but I would like to have the opportunity of answering the Senator from Michigan.

The VICE PRESIDENT. Without objection it is so ordered.

Mr. FERGUSON. Mr. President, I may want to split my 4 minutes into two parts, so that I may have an opportunity for rebuttal.

Mr. LUCAS. The Senator always tries to get that advantage; I understand that.

Mr. FERGUSON. No; I am not trying to take any advantage of the distinguished Senator.

Mr. LUCAS. No; the Senator never has.

Mr. FERGUSON. I merely want to say I was glad that the Senator read from the Chicago Daily News, the newspaper which printed the story that most of the money raised in the campaign program of last Monday, at Chicago, when the President spoke at Soldier's Field, was raised by the liquor interests. My question is, Mr. President, after I read this one paragraph, which I notice the Senator omitted——

Mr. LUCAS. No; the Senator from Illinois did not omit it. I read every word of it. I challenge the Senator's statement.

Mr. FERGUSON. Did the Senator read the whole statement?

Mr. LUCAS. I read the whole statement, every word of it.

Mr. BREWSTER. I think it will bear repetition.

Mr. LUCAS. That is all right. I do not care how often it is repeated, but I do not want the Senator challenging me. I do not want that to be done.

Mr. FERGUSON. I ask the Senator whether he read this part——

Mr. LUCAS. I read it all, so it is unnecessary to ask the Senator from Illinois that question.

Mr. FERGUSON. I read:

> If the Presidential special were passing through a mountain hamlet where the major problem was the crookedness of the cues in the town pool hall, Mr. Truman's staff would know all about it.

Mr. LUCAS. I read that.

Mr. FERGUSON (continuing):

> The President would be able to promise the townsfolk a long-range Federal program for straightening pool cues.

Mr. LUCAS. Mr. President, that shows how efficient is the executive branch of the Government.

Mr. FERGUSON. Mr. President, I should like to ask the Senator if he will give to the Senate and to the people of the United States a list of the donors, as the Senator from Maine [Mr. BREWSTER] has given the name of the man who furnished the plane and financed the trip for Mr. Johnston. I should like to ask the Senator if he will give us a list of the donors who contributed to the financing of the meeting at Chicago last Monday, at which the President spoke.

Mr. BREWSTER. Mr. President, will the Senator yield to me so that I may also propound a question?

Mr. FERGUSON. I yield.

Mr. LUCAS. The Senators want to "two time" me.

Mr. BREWSTER. I want to quote the language which the President used at Chicago:

> There are still many backward-looking Senators and Representatives who have tried to defeat every progressive measure they could and to obstruct or delay those they could not defeat. I hope that by next January some of the obstructionists will be defeated.

I should like to ask the distinguished Senator from Illinois, as majority leader, whether the President referred to the Brannan plan, to socialized medicine, and to various other measures, such as the reorganization bill which the Senator from Illinois has been obstructing for a long time, and whether the President referred to the Senator from Illinois as one of the obstructionists who have defeated the Brannan plan, who have obstructed organized medicine, and also whether he referred to the distinguished majority whip, the Senator from Pennsylvania [Mr. MYERS], and to the distinguished chairman of the Committee on Labor and Public Welfare [Mr. THOMAS of Utah] as being among the obstructionists.

The VICE PRESIDENT. The time of the Senator from Michigan has expired. The Senator from Illinois is recognized for 4 minutes.

Mr. LUCAS. Mr. President, I deeply appreciate the very deep-seated questions which the Senators have asked me, especially the latter one. The Senator from Maine is probably as close to the President of the United States as is any Member of the Senate on this side of the aisle. He was a member of the famous Truman investigating committee which did such wonderful work and for which the Senator from Maine has praised the President many times. I would suggest to the Senator that he ask the President of the United States, because he knows how to get into the front door of the White House, and how to get into the back door. He has been in both ways. He has talked to the President upon confidential matters many times. I suggest that he take the matter up with the President, and he will receive the answer he requests of the Senator from Illinois. Coming from the Chief Executive of the Nation, it will be far more important than would be any answer I could give, and I am satisfied that the Senator from Maine would consider it as probably more accurate than anything which the Senator from Illinois might tell him.

So far as concerns the question of the Senator from Michigan, I do not know who furnished the money for the meeting in Chicago to which he has referred, but it was sufficient to put on a good show. I do not know why Senators on the other side of the aisle should probe into such things, unless it is done to prejudice the people. That is their chief stock in trade. Ask Mr. Peabody, who is chairman of the jubilee festival. No doubt the Senators can get the information from him. But whatever was done, it pleased the Senator from Illinois, because it was really a great meeting.

I should like to know who paid the expenses of Mr. Johnston on that trip?

Mr. BREWSTER. Mr. John Hanes, former Under Secretary of the Treasury, under a Democratic administration.

Mr. LUCAS. What position does he hold at the present time with the National Democratic Committee?

Mr. BREWSTER. He does not hold any position with the National Democratic Committee, thank God.

Mr. LUCAS. I should say that that answer is perfect as to this trip.

Mr. BREWSTER. He is an employee of the Republican Senatorial Campaign Committee.

Mr. LUCAS. The Republican Senatorial Campaign Committee?

Mr. BREWSTER. Yes.

Mr. LUCAS. On what basis does Mr. Johnston assume the right to be on the Senate floor, if he is an employee of the Republican Senatorial Campaign Committee?

Mr. BREWSTER. Because he is also an employee of a senatorial office.

Mr. LUCAS. He is on a Senator's payroll too, is he?

Mr. BREWSTER. Is there anything wrong with that?

Mr. LUCAS. No. I noticed him sitting in the back of the room, and if he is employed by the National Republican Committee, I doubted whether he had any right to the floor, but since he is an employee of a Senator we understand better than ever why he went West.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. LONG. Mr. President, I am speaking at this time on the motion to proceed with the consideration of the FEPC bill. It has been stated that it should not be considered without careful thought and without committee hearings. Yesterday, in a colloquy between the junior Senator from Louisiana and the junior Senator from Minnesota the issue was raised as to whether committee hearings should have been held on this measure. The Senator from Minnesota informed me that there were several measures, including the Federal-aid-to-education bill, the bill for school health service, as well as the National Science Foundation bill, which had been reported to the Senate without hearings. I inquired about those matters, and I understand there was not one Senator who requested any hearings on those bills, although they were offered an opportunity to request hearings to express themselves as to whether hearings were necessary on the Federal-aid-to-education bill and on the school-health-service bill. A similar situation existed with regard to the National Science Foundation bill. There were a few requests to be heard, but there was no great interest in holding hearings. In connection with the FEPC bill, at least one Senator requested hearings. The distinguished Senator from Missouri moved that hearings be held, and five other Senators voted that hearings should be held. It was only by a tie vote that the motion was defeated, thus denying those Senators the holding of hearings. So here we have a different situation from that which existed in connection with the bills which I have mentioned, as to which no controversy was evident in the committee. In the case of those bills, the chairman asked the members of the committee if they thought hearings were necessary, but no Senators said they thought hearings were necessary or to be desired. Here we have a bill with reference to which five members of the committee wanted to be heard, but were denied the opportunity to hold hearings.

Mr. President, as I was saying on yesterday, this legislation should not be considered at this time:

First. Because of the irregular methods that have been used in forcing this vicious piece of legislation before the United States Senate without careful consideration and without committee hearings; and

Second. Because by bringing this measure before the Senate without following the orderly processes of legislation, lengthy and extended debate will undoubtedly develop which will delay the consideration of other important legislation that could properly be enacted in short order.

As I mentioned on yesterday, the Commodity Credit Corporation is now running out of money, and, by failure of the Senate to act, the CCC is not able to plan its program for the next year, and, therefore, farmers will not be able to know what price they can expect to receive for their mandatory commodities. House bill 6000, liberalizing and broadening social security and improving upon public-welfare systems of this Nation, is now on the calendar and cannot be considered. Legislation affecting small business is being blocked and held up by the log jam that necessarily results from the effort to force this measure through in this abrupt and unusual method.

Then, Mr. President, we have tax legislation that should be considered. I venture to assert that scarcely one among us has refused to commit himself to his constituents in some form or other in favor of some sort of tax relief. And what is going to be done about such legislation? Why, it is going to go by the board, while Senators debate FEPC. Measures that might have the effect of relieving the taxpayer of the burden of paying for unnecessary thousands of bureaucrats cannot be considered because of the determination of the majority and minority leaders to force through the Senate this new legislation, to add additional thousands to the public payrolls.

Many Senators claim to be interested in rent control, and in various parts of the Nation Senators tell me that dire consequences will follow if rent control is not extended.

Do Senators who have been loud in their demands for a continuation of rent control really mean it or are these preachments, too, just for the purpose of garnering votes come November? I know that rent control does not expire until June 30, but is the leadership going to wait until then to bring it up? Is the leadership going to manufacture an emergency, force limited debate on the issue—an important question, I add—and try to run it through overnight? What are Senators going to do? Why, they are going to talk about FEPC. Yes, Mr. President, they will keep faith with the tenants and landlords—millions of them all over America—by bowing to the will of a handful of profes-

sional agitators who want FEPC even if it wrecks the country in the effort. That is what we would be doing if we debate this question, in my opinion.

Mr. HUMPHREY. Mr. President, I call the Senator to order.

The PRESIDING OFFICER (Mr. NEELY in the chair). In accordance with rule XIX, the Senator from Louisiana will take his seat.

Mr. HUMPHREY. The Senator is referring to Senators who made pledges to constituents on rent control. The Senator has intimated that Senators who made such pledges are not keeping faith with their constituents.

Mr. LUCAS. Mr. President, I move that the Senator from Louisiana be allowed to proceed in order.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Louisiana will proceed in order.

Mr. LONG. I said that in my opinion that is what we would be doing. I said in my opinion we would be breaking faith with tenants and landlords if we adopted this motion. I believe that would be the case with Senators who pledged themselves to support rent-control legislation to continue rent control. I meant no reflection on any Senators. It is for every Senator to say how he believes the rule should be interpreted. I meant to cast no aspersion on any Senator.

Of course, Mr. President, we have the task of appropriating $40,000,000,000 before this Congress ends. Are we to fulfill that duty in one afternoon by voice vote? Even though the Appropriations Committee carefully examines each item and amply substantiates each of its recommendations, as I have every confidence it will, are Senators to forego their individual responsibilities and plunge the country deeper into debt without any study or debate of the various items? Is the first success to be chalked up for FEPC the bankruptcy of the Nation? Some Senators may want to face their constituents with the explanation that FEPC had to be passed, and, therefore, they had insufficient time to devote to appropriations. Must that be done merely because Senators desire to debate FEPC over a long period of time? I say, Mr. President, that should not be done. Mr. President, I know some Senators will say that Congress need not adjourn. They will say that Congress can stay here and debate the forthcoming $40,000,000,000 appropriation bill until November or December. I submit, Mr. President, that some of the Senators who want to enact FEPC legislation will want to adjourn and go home after another 2 or 3 months, because I know that when September, October, or November rolls around they will want to face their constituents and tell them about Democratic and Republican issues—issues other than FEPC. Therefore, Senators from the South will be the ones who will be most willing to stay here and consider proposed legislation, including appropriation bills and other measures providing for the needs of the people. At that time the Senators who most desire to have FEPC legislation brought before the Senate will be the ones most eager to go home to speak in their own behalf or in behalf of a friend who may be running for office. Adopt this motion if you must, but in my opinion a great injury will result if it is adopted.

Let me briefly explain some of the things this FEPC bill would do. Here in section 5 we find the definition of unfair employment practices as set forth. Listen to what section 5 says:

> It shall be unlawful employment practice for an employer (1) to refuse to hire, (2) to discharge or otherwise to discriminate against any individual with respect to his terms, conditions, or privileges of employment because of such individual's race, color, religion, or national origin.

This act declares a lot of other things to be illegal, but we need only stop at that point. That act says in effect that the Fair Employment Practice Commission is to send agents throughout this country to compel businessmen to hire people whom they prefer not to hire and to make them promote people they feel they should not promote.

Now, let us take an example or two of what they would mean. Suppose a man, as some businessmen do, prefers to have all colored people working in his shop, and some white man decides he would like to work there. According to this act, if the white man was qualified for the position, the employer would be forced to hire that man even though he would prefer to have all people of the same race working in his plant. The same thing works the other way around. Suppose a company doing business mostly with white people wants to hire a white receptionist to meet people in the front office. Maybe that company might feel that because they are doing business almost entirely with white people they should have a white receptionist. Now if a colored girl and a white girl applied for the job, under this law the colored girl could file charges and have these charges heard by one of these FEPC agents, and under the wartime FEPC bill 79 percent of these agents were colored; and then, when this hearing was through, the FEPC Commission in Washington would offer the manager of the business a chance to be heard at some distant point, say Washington or Atlanta; and if this board decided that the fact that this girl was colored had something to do with her not being employed, then this board would compel the firm to hire the colored girl.

Of course, business people try to conduct their business with the least possible friction. Ordinarily, they would prefer to avoid lawsuits and litigation, and they would prefer to avoid all types of unnecessary harassment, and so in many cases they would hire the member of the minority race in order to prevent their having to go to court, even though they might know they would win the case. So, in the last analysis, this FEPC bill would amount not to eliminating discrimination, but to actually giving a preference to members of minority races over members of the majority races.

Now, let us see what else could be envisioned by this act. Here is a provision in that act that says that it would be unlawful for any employer to discharge or otherwise discriminate against any person because he has filed a charge or testified or participated in any proceedings under this act. Now let us say that we have a businessman operating his business where he has 10 secretaries working in the outer office, and 1 of these is a colored girl. He goes to promote one of the secretaries, and the colored girl probably feels she has been discriminated against because she has not been chosen, then she would have the right to file charges that she had been discriminated against because she had not been chosen for promotion. The way this FEPC bill is drawn she would not have to pay any attorney's fee—the Government would supply her with an attorney whenever she needed one—but the businessman would have to pay all that expense fighting a lawsuit, and he would have to be traveling around the country testifying before boards and commissions and possibly appealing his case into the Federal circuit court of appeals at New Orleans, La., all of which might involve him in anywhere from $300 to $2,000 of expense; and then, even if he won his case, he would have to keep that girl in his office, and the next time he promoted somebody else in the office she would file the same charges and put him through the same long process of litigation all over again.

It will be noticed that this FEPC bill would give the employees every kind of right against the boss, but nowhere do they give the boss any rights against these numbers of minority races who might want to file charges against this businessman. For example, in Louisiana, if I should file an unsuccessful lawsuit against a man, I would have to pay the court cost if I lost the case, and I would have to pay my own attorney's fees. That tends to make a person hesitate to file a frivolous, unnecessary lawsuit against someone, because the plaintiff knows that it would cost him money to prosecute the lawsuit. But we do not see this under the FEPC bill. Under this bill the Government is to hire FEPC agents, have them swarming throughout the country, setting up hearings, hearing complaints; and if the business does not come to them, then the law would make it their business to go out and promote unrest and discontent by conducting the investigations, by filing their own complaints, and by stirring up unrest and hard feeling where everybody is getting along all right.

For example, in section 9 of the FEPC bill it is made the business of the Commission and its agents to conduct investigations which the Commission deems necessary or proper for the exercise of its powers, and these investigations can be conducted either by the Commission, by one of its members, or by any of its agents so designated, and at these hearings they can require a businessman to go from any place in America to any other place in America. For example, they might have one of these agents set up a summer residence in Bangor, Maine, from which place he could subpena some poor devil to bring his records all the way from California. The Constitution of

the United States says that every man shall be entitled to a fair and speedy trial before a fair and impartial jury in his own judicial district, which would mean that, if a Louisiana man is to be tried, he must be tried in Louisiana before a jury of Louisiana people.

But we do not see anything like that in this FEPC bill. Oh, no; this bill permits the Commission to try some poor businessman from Louisiana anywhere in the entire United States—not before a jury of Louisiana people but before any of these FEPC agents—and then, after the FEPC agents complete the record, they will invite the businessman to a hearing, probably in Washington. It does not say what kind of a hearing it shall be; it may be any kind of a hearing—it could be a kangaroo hearing, if they wanted it to be that kind—before the FEPC Commission.

Mr. President, we can all anticipate the kind of people we would see on the FEPC Commission, judging by the kind of people employed by the wartime FEPC. They were 79 percent colored and the remainder were members of other minority races. We all know that the President of the United States would name as members on the FEPC Commission people who were race conscious—people who were imbued with the idea that someone was being discriminated against in this country; that they were going to ferret out people who were believed to be prejudiced and discriminating against others and punish them in Federal courts until they stopped any type of discrimination. The kind of people who would be picked are the kind of people who feel themselves called upon to engage in campaigns for the destruction of our southern customs and traditions, particularly our custom of separation of races and our tradition against intermarriage of the races and miscegenation.

Mr. President, I consider it my duty to fight that type of legislation with all the power that is within me. I am not saying that a white man should not live with a colored man if he wants to, I am not saying that if white men and colored men are on the same ship they should not be able to share the same cabin if they are so disposed, but I deny the Federal Government's right to tell them that they have to share the same accommodations, that they have to live side by side, that they must mix and mingle with one another whether they want to or not, because to me the most fundamental thing about American freedom is the right of a man to choose his own company and the right of a man to be left alone when he has not done anything wrong. As a matter of fact, I am just old-fashioned enough to believe that a person is even entitled to dislike another person, in a purely peaceful sort of way, without being put in jail, prosecuted, fined, or sued by some thought-policemen such as this FEPC Commission proposes to hire.

Mr. President, I know that we should help the colored to get ahead in this world. I have tried to help colored people of my State to get better pay for their school teachers, better education for their children, more school lunches, old-age pensions, better homes, parks, playgrounds, and many other things of that sort; and I will continue to support and to vote for every reasonable, sensible program that will help not only the colored, but all underprivileged people to enjoy their full share of the blessings of American citizenship; but I will not vote for any such ridiculous proposal as this FEPC bill, which would injure everybody, in the long run, by creating so much unrest and disturbance, making people persecution conscious, and so impede production by continual harassment of business that in the long run both business and labor, and everyone, would suffer.

Mr. President, I was pleased to see the Republican Party decide to adopt as its campaign motto "Liberty Versus Socialism," because certainly in these crucial times it is important that we exercise every care to protect the sacred liberties of our American heritage. But I am constrained to inquire whether the Republican Party is actually pursuing a course of preserving the fundamental liberties of the American people when that great party supports such unconstitutional and un-American legislation as the FEPC bill. If this bill is not socialistic, then what is it? This is a piece of legislation that denies employers of this Nation the right to freely choose their own employees. It gives to a Federal commission the power to send agents into every business in America, and tell a businessman how he must run his business. It denies an accused businessman one of the most fundamental American rights and one of the first rights acquired by man in his fight for the recognition of his sacred freedom, namely, the right to trial by jury. It also denies every man the right to be tried in his own judicial district, in pursuance of the sixth amendment of the American Bill of Rights. It gives to the FEPC Commission, or any of its agents, the right to compel a man to appear at hearings thousands of miles from his home, and it circumvents his right to be tried in his own judicial district, saving to him only the right to defend himself before a circuit court of appeals.

The bill also proposes a provision expressly designed to deny an American his right against self-incrimination. Why, Mr. President, even the United States Senate does not have the right to compel a man to testify on matters that might incriminate him. But look at this notorious section 9 (e) of Senate bill 1728, dealing with the investigatory powers of the FEPC Commission. There we see the provision that—

> No person shall be excused from attending and testifying or from producing documentary or other evidence in obedience to the subpena of the Commission, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. The immunity herein provided shall extend only to natural persons so compelled to testify.

It is true, Mr. President, that under that provision a man could not be convicted for an offense which the was compelled to confess to at these FEPC hearings, but there is nothing there to prevent the FEPC Commission from compelling a man's wife to testify to her own misdeeds, and sending her husband to jail on her testimony. Nor is there anything there to prevent taking an employee of a business who has participated in any practice which is completely legal today but which this bill proposes to outlaw, and using his testimony to convict every other person connected with the person so compelled to testify.

Mr. President, the role of a stool pigeon is not one highly admired even by our law-enforcement agencies. I have known many fine mothers who have made a point to train their children against being tattletales from the early days of childhood. It is true that sometimes law-enforcement agencies find that they must use third-degree methods, or must promise immunity to underworld characters, in order to obtain necessary testimony, but certainly our law recognizes that it is better to have some law violators go free than to undermine the freedom of our people. That is why some Senators do not approve of wire tapping. That is why our Constitution forbids unauthorized search and seizure of a citizen's property. Yet here we see in this notorious FEPC bill a stool-pigeon law. It is a provision which, by law, would require a man to be a stool pigeon or else go to jail himself for his refusal to be a stool pigeon. Now, certainly we cannnot look upon such impairment of an American's fundamental rights, as contained in this legislation, to be the end of it. If this stool-pigeon provision does not do the job completely, we can be sure that these Communist-inspired FEPC advocates will soon be back to Congress with some provision, if there is any possible way to work it out, even to prosecute a man on evidence which he has been compelled to give against himself.

Will Senators say that this type of provision is not socialistic? If they do, then, in fairness, they must admit that some of these provisions are worse than socialism, that here are some of the worst elements of communism. Who ever thought the distinguished representatives of sovereign States of this Nation, pledged to uphold the Constitution of the United States, would permit legislation to be forced onto the floor of the Senate, which would have the effect of depriving American citizens of their right of trial by jury, of their right of trial in their own judicial district, of their right freely to choose their own employees and associates, of their right freely to promote or discharge their own employees and associates? And who ever thought that we would see legislation before the Senate, even without committee hearings, designed to permit commissions and agents to deprive American citizens of their right against self-incrimination?

If the Republican Party is sincere when it states that it is for liberty and against socialism, then I say, Mr. President, that it is time the Republican Party stopped just talking against socialism and started voting against socialism. It does little good for Senators who profess to be against socialism to vote against some socialistic measures and to vote for other socialistic measures. Everyone knows that, if socialism is to come, it will come upon us by degrees.

Here is a provision far more socialistic than socialized medicine. At least socialized medicine would permit a man to choose his own doctor. Here is a bill far more dangerous than the Brannan plan.

Very little good will be done if a Senator merely votes against compulsory health insurance and against the Brannan plan and then votes to send these hordes of thought police across the United States to tell every businessman in America what he can and cannot do. No, I say, Mr. President, the passage of the bill would be a long stride into socialism. It would be an enormous deprivation of the fundamental rights of free Americans.

Now, possibly the Republican Members of the Senate may recall that only a year ago the Republicans were not using the word "socialism" so much as they were the word "statism." They were speaking of the dangers of the all-powerful state, which in many respects meant the same as socialism and probably more accurately conveyed just the exact thought that the Republicans had in mind when they said they were against socialism. Does not this FEPC bill contain exactly the type of dangers of the all-powerful state which our Republican colleagues feared when they clamored last year to stop this movement down their famous "last mile on the road to statism?" Does not this FEPC bill at least take us half way, or maybe three-fourths of the way, on that last mile on the road to statism? It certainly impairs the fundamental freedoms of our people.

I mention these faults of S. 1728, Mr. President, only to touch briefly on the vicious, harmful nature of this legislation. No one could possibly dispose of or fully develop all the many wrongful and harmful things about this legislation without the benefit of full committee hearings and without the benefit of long, careful study that the bill should have had in the proper committee before being reported to the floor of the United States Senate. I have briefly discussed these points at this time only to indicate that the Committee on Labor and Public Welfare and our distinguished majority leader have done serious harm to our orderly legislative process. The Committee on Labor and Public Welfare did a grievous wrong by reporting the bill to the floor of the Senate without hearings and without considering any of the amendments even of the members of the committee itself.

The majority leader has attempted to further aggravate this harm to our legislative process by now moving that the Senate proceed to consideration of this harmful and ill-considered legislation. Mr. President, so far as I know, this is an unprecedented move. I dare say this is the first time in the Eighty-first Congress that Senators have been denied the right to be heard by a Senate committee considering legislation. I warn the Senate that, if our American freedom ever perishes, it will be done in just this fashion, by rough-shod, ill-considered procedure on vicious, harmful measures that destroy our fundamental freedoms. It is for this reason that we should be so extremely careful to follow the process carefully devised and laid down for us by our founding fathers and by our predecessors in this body. It is for that reason that the FEPC legislation should not be considered by the Senate until the appropriate committee has conducted full and thorough hearings and until it has considered the views and the amendments of the members of the committee and all Senators, as well as other interested groups.

Therefore, Mr. President, the only proper action the Senate could take at this time would be either to refuse to consider this irregular piece of legislation or else to recommit it to the appropriate committee. Therefore, I sincerely trust that the Senate will refuse to take up the measure at this time.

INVALIDATION OF CALIFORNIA LAND ACT UNDER UNITED NATIONS CHARTER

Mr. DONNELL. Mr. President, on April 28, 1950, there was called to the attention of the Senate a decision of the California court of appeal holding the California alien land act invalid under the United Nations Charter. I ask unanimous consent that there be set forth at this point in my remarks, in the body of the RECORD—and I may say, parenthetically, that the decision was set forth likewise in the body of the RECORD, as well as various comments with respect thereto—an article entitled "The UN Charter and the Discrimination Issue," written by Arthur Krock and published in the New York Times of May 16, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UN CHARTER AND THE DISCRIMINATION ISSUE

(By Arthur Krock)

WASHINGTON, May 15.—The California court of appeal, when it held that the Charter of the United Nations supersedes the California alien land statute because the Charter is a treaty, and a treaty is "the supreme law of the land," reentered one of the foggiest areas of the law. The court said that, in adopting the Charter as a treaty, the United States committed itself to the doctrine of equal rights for all persons regardless of race, etc.; hence Sei Fugii, a Japanese, may own and occupy the California land he purchased regardless of the fact that under the State law he cannot.

If this ruling reaches and is upheld by the Supreme Court, and the Senate talks down the administration's bill for a Federal Fair Employment Practice Commission, as is expected, many are asking why the substance of the FEPC bill would not automatically become the supreme law of the land also. As George A. Benson, editorials editor of the Toledo Times, pointed out the other day, part A of article 55 and all of article 56 (of the United Nations Charter) set forth the doctrine of equal rights for all persons regardless of race, religion, sex, and color, and the United States has subscribed to this in the form of a treaty.

Lawyers, Mr. Benson also, offer two grounds for the belief that, if a citizen invoked those articles in the Charter on charges of employer discrimination in hiring or dismissing, or in union labor membership, the Supreme Court would reject the argument that they are the same as a precise act of Congress.

THE "SELF-EXECUTING" POINT

The first ground is the ruling by Chief Justice Marshall in 1829 in which he said: "A treaty is * * * to be regarded in courts of justice as equivalent to an act of the legislature whenever it operates of itself, without the aid of any legislative provision. But when * * * either of the parties engages to perform a particular act, the treaty addresses itself to the political, not the judicial, department; and the legislature must execute the contract before it can become a rule for the court."

The second ground is that in subscribing to articles 55 and 56 of the Charter the United States made no such legislative commitment as is proposed in the FEPC bill. Article 55 begins with the statement that the signatories agree "the United Nations shall promote" certain fundamental rights and human freedoms for all. But in article 56 the signatories merely "pledge themselves to take joint and separate action * * * for the achievement of the purposes set forth in article 55." While this is a promise by the executive and legislative departments of the United States Government to adopt specific measures, it is not "self-executing"; it must take statutory form before it is operative as "the supreme law of the land."

Until or unless—assuming the FEPC bill and others in the President's "civil-rights" program are not enacted—a citizen attempts to make a legal test of the contention that some or all of this program went automatically into effect when he ratified the Charter, the ultimate judicial finding must remain a matter of guesswork. But it is difficult to see how the Supreme Court, if it upheld this position, could compel Congress to provide the legislative machinery to give life to it. And it is difficult to envisage the executive department, since this part of the Charter is not self-executing, enforcing such a ruling on its own.

THE SUPREMACY OF TREATIES

But on several occasions the Supreme Court has gone very far in asserting the substantive principle of the supremacy of a treaty pledge. In *Missouri* v. *Holland* (1920), "the court set forth the theory that a treaty could accomplish anything of a national character so long as its subject matter were plausibly related to the general welfare" (Kelly & Harbison, The American Constitution). The issue raised by the State of Missouri was whether a 1916 migratory-bird treaty with Great Britain, and a 1918 act of Congress carrying it out, did not exceed Federal powers, invade those of the States, and violate the tenth amendment. No; they did not, said Justice Holmes for a majority of seven: "Here a national interest of very nearly the first magnitude is involved * * *. It can be protected only by national action in concert with another power * * *. It is not sufficient to rely on the States."

But, observed Messrs. Kelly and Harbison, this "statute and treaty did not impair or damage the interests of any powerful vested right. The treaty in question did not touch upon the fundamentals of the social order, seriously involve the sanctity of private property, nor even work any very important practical change in the extent of Federal power." In many respects the opposite would be true

if the principle of the California court decision were applied to the pending legislation. And in *Missouri* v. *Holland* there was no issue of "self-executing," since Congress specifically executed that treaty.

The attorney general of California has asked the court of appeals for a rehearing, challenging the ruling and calling for a less general foundation than the agreement of the United States as a signatory to the Charter to "promote" its doctrine by eventually "taking action" in consonance therewith. Whatever the State court does about this challenge, its ruling has raised questions as grave as they are interesting which must somehow be resolved by the highest authority.

CALL OF THE ROLL

Mr. McMAHON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Johnston, S. C.	Saltonstall
Bricker	Kem	Schoeppel
Darby	Long	Smith, Maine
Donnell	Lucas	Stennis
Gurney	McClellan	Taylor
Hendrickson	McMahon	Watkins
Holland	Martin	Wiley
Humphrey	Neely	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The names of the absent Senators were called, and Mr. ANDERSON, Mr. BYRD, Mr. DWORSHAK, Mr. GILLETTE, Mr. HAYDEN, Mr. KEFAUVER, Mr. MAYBANK, Mr. MCFARLAND, Mr. MCKELLAR, Mr. O'MAHONEY, Mr. ROBERTSON, and Mr. WHERRY answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. HUMPHREY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The provision of the rule is that a majority of Senators present may direct the Sergeant at Arms to request, and when necessary, to compel the attendance of absent Senators. Does the Senator from Minnesota make that motion?

Mr. HUMPHREY. I make that motion, Mr. President.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. BENTON, Mr. BREWSTER, Mr. BRIDGES, Mr. BUTLER, Mr. CAIN, Mr. CAPEHART, Mr. CHAPMAN, Mr. CONNALLY, Mr. CORDON, Mr. EASTLAND, Mr. ECTON, Mr. ELLENDER, Mr. FERGUSON, Mr. FULBRIGHT, Mr. GEORGE, Mr. GREEN, Mr. HILL, Mr. HOEY, Mr. HUNT, Mr. IVES, Mr. JENNER, Mr. JOHNSON of Colorado, Mr. JOHNSON of Texas, Mr. KERR, Mr. KILGORE, Mr. KNOWLAND, Mr. LANGER, Mr. LEAHY, Mr. LODGE, Mr. MALONE, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MUNDT, Mr. MYERS, Mr. O'CONOR, Mr. RUSSELL, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. TAFT, Mr. THOMAS of Utah, Mr. THYE, Mr. TOBEY, Mr. TYDINGS, Mr. WILLIAMS, Mr. WITHERS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

NOMINATIONS IN THE ARMY AND MARINE CORPS

Mr. STENNIS obtained the floor.

Mr. BYRD. Mr. President, will the Senator from Mississippi yield so that I may make a report and submit a request?

Mr. STENNIS. Mr. President, I ask unanimous consent that I may yield to the Senator from Virginia for that purpose without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, as acting chairman of the Armed Services Committee, I report from that committee the nomination of Earl Dallam Johnson, of Connecticut, to be Assistant Secretary of the Army, and also the nomination of Oliver P. Smith and a group of 365 other officers of the Marine Corps. In order to avoid printing these names in the RECORD, Mr. President, I ask unanimous consent that, as in executive session, these nominations be confirmed and that the President be notified.

Mr. SCHOEPPEL. Mr. President, I would suggest the absence of a quorum.

The PRESIDING OFFICER. The presence of a quorum has just been announced.

Mr. BYRD. Mr. President, I have no desire to press my request if there is any objection at all. There are 366 nominations in the Marine Corps, which would take up space in the RECORD. They are all routine matters.

Mr. SCHOEPPEL. Mr. President, will the Senator withhold his request for a little while?

Mr. BYRD. I withhold my request for the time being, Mr. President.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed the consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. STENNIS. Mr. President, I rise to address the Senate regarding Senate bill 1728, the FEPC bill, a motion to consider which is now pending.

It might be interesting to note, with reference to the debate, that since it opened a week ago last Monday morning and until the Senate took a recess last evening, 9,683.5 inches of printed matter have appeared in the CONGRESSIONAL RECORD regarding it. Of that number, the opponents of the bill have taken up in their speeches only 2,218 inches of space, which is approximately 22 percent of the space in the RECORD consumed by the opposition.

Mr. MCCLELLAN. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield to the Senator from Arkansas for a question only.

Mr. MCCLELLAN. Is that the factual basis for the charge against the opponents of the measure that they are now conducting a filibuster?

Mr. STENNIS. I say to the Senator from Arkansas that that is a very timely question. Charges were made, right and left, about obstructionist tactics, a filibuster, and unreasonable delay. I wanted the Senate to know just what the actual figures are with reference to the time consumed.

Mr. President, I shall address the Senate very briefly——

Mr. CORDON. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I yield for a question.

Mr. CORDON. The Senator from Oregon is not certain whether the Senator from Mississippi said that the time taken by the opposition amounts to 2 percent of the total time.

Mr. STENNIS. I said, 22 percent of the total amount of space in the RECORD is devoted to the subject.

Mr. President, inviting the attention of the Senate to page 1, line 7, of the bill, the opening sentence of section 2 is as follows:

The Congress hereby finds—

In other words, there is an attempt to set forth certain findings of fact by the Congress. Lo and behold, we find that there are no real facts presented in the customary way, whereby Congress, sitting as a legislative body, could make any findings at all. The criticism of the committee for not holding hearings has been spoken of lightly. I have learned in my very limited experience in the Senate that hearings serve a very useful purpose. In January 1949, when the proposal was made to change the rule of the Senate with reference to cloture, the Committee on Rules and Administration conducted hearings for approximately 10 days. At that time a gentleman who had just taken his seat as a Member of the Senate became a member of the Committee on Rules and Administration. He attended every one of the hearings and listened very attentively. At the conclusion of the hearings he said to me: "I came here with my mind already made up on the subject. I did not have any doubt about what my position was; but after hearing the testimony and considering the points raised, I have changed my mind."

At the hearings there were six or eight members of the press, representing the Associated Press and other news agencies. One of them told me that when the hearings started they were all of the same opinion, that the rule should be changed so as to make the majority able to cut off debate. Seasoned men of the press as they were, after attending the hearings, this gentleman said that half of them had changed their minds.

It was a great revelation to me. I find that 23 Senators have taken their seats in this body since there have been any hearings on a bill of this kind.

Mr. President, we are called on to make a finding of fact that alleged discriminations are actually depriving the United States of the fullest utilization of its capacity for production. Where is there any evidence that any discrimination which might prevail is depriving

the Nation of the fullest utilization of its capacity for production? The United States has the greatest production it has ever had in peacetime history. Sixty million persons are employed. We are asked to find as a fact that the alleged discrimination would adversely affect the interstate and foreign commerce of the United States. Where is there any evidence, or anything except mere imagination, which would lead anyone to believe that the things which are alleged adversely affect the interstate commerce of the United States? There is not a scintilla of evidence. I do not believe any such evidence would have been procurable even if hearings had been held. The statement of findings in the bill illustrates the groping tendency of the writers of this bill to hang this measure on some kind of hook of legality or constitutionality. After searching all the way through the Constitution from beginning to end and through all the amendments they had to come back and hang this bill on the interstate commerce clause, perhaps according to some definitions or according to some interpretations. Mr. President, I submit it is farfetched. It is too farfetched.

I shall not try to develop the subject of constitutionality, but the bill does not have a substantial constitutional basis to rest on. All that is brought before the Senate to give it a constitutional basis are the insistent allegations of the man who wrote the bill in setting forth in a so-called finding of fact that interstate commerce is affected. There is not only no evidence to support it, but neither in the realities of life nor in a vivid imagination can the author of the bill find anything substantial along that line.

Mr. President, I want first to commend the junior Senator from Connecticut [Mr. BENTON] for the very able presentation he made on this subject. I warned him this morning that I would mention him in a complimentary way as to himself and in a critical way as to some of the points he had made. I read his address very carefully. He brought out some matters that I believe should receive special attention.

Before going into that, however, I wish to speak briefly with reference to something that was found more or less by accident. I read in the findings and declaration of policy contained in the bill a reference to the integrity and dignity of the individual upon which this Nation was founded and which distinguishes it from the totalitarian nations. The draftsman's later provisions of the bill and his reckless disregard for the destruction of many of the cardinal principles of the Constitution of the United States impressed me with the fact that his bill itself is a long step in the direction of a totalitarian state.

This led me, along with the article by Mr. Krock, which has already been placed in the RECORD, to investigate a little further where the FEPC was first proposed in a party platform. I was amazed to find that it traces directly back as a party platform to the May 26, 1928, issue of the Daily Worker, a photostatic copy of which I hold in my hand. Under date of May 26, 1928, which was the Presidential election year when the Honorable Alfred E. Smith was the candidate of the Democratic Party, and the Honorable Herbert Hoover was the standard bearer of the Republican Party, and a Mr. Foster was the candidate of the Communist Party, the Daily Worker in the issue of May 26, 1928, has headlines which read: "Quit capitalist parties—Join the Communists—On to workers, farmers' rule.

I pause there, Mr. President, to say that the Communist Party will never get the farmers, because for some reason Communists do not live out in the country.

Reading further from their headlines in the same issue:

> The Communist Party is the champion of workers, working farmers, and the Negro race.

Mr. President, I do not intend to raise any question here about the Negro race as a race. I am arguing this matter as it pertains to the origin and genesis of this bill in a political platform. One paragraph of the article in the Daily Worker reads as follows:

> This is the platform of the class struggle. These are the demands the Workers' (Communist) Party puts forth in the present Presidential election campaign.

This was 1928. The writer of this column seems to follow the pattern of stating a long list of alleged facts and then setting forth in numerical order the demands of the party. Enumerated are nine demands. I shall not put this article in the RECORD, because I understand that has already been done; but I have a photostatic copy of it, if any Senator wishes to examine it.

> Their fourth demand: Abolition of laws forbidding intermarriage of persons of different races.
>
> Their eighth demand: Immediate removal of all restrictions in all trade unions against the membership of Negro workers.

I mention that because that is one of the things brought forth in this bill.

> No. 9: Equal opportunity for employment, wages, hours, and working conditions for Negro and white workers.

That language is almost identical with some of the language in this bill. Of course, other groups have been added. However, Mr. President, this is the first time—in item 9 of these demands—that any political party has spelled out its political demand for the substance of the present FEPC bill.

Thus we have in 22 short years this group legislation, which I call here and now a civil-strife bill, rather than a civil-rights bill, working its way from an obscure column in a Communist newspaper to the floor of the United States Senate. It got here even though it had to come without a committee recommendation.

This bill did not come all the way from the Daily Worker to the United States Senate through any command of the people. It has never been submitted to the people directly except in one instance which I shall mention later. It made its devious way through caucus rooms of political parties at the insistence of various pressure groups and through the misguided encouragement of a great many well-meaning enthusiasts who have never heard both sides of the question debated on its merits or demerits, or had explained to them its application to the everyday affairs of life.

Twenty-two short years from the year 1928 it is in the platforms of both major political parties of this Nation. Mr. President, it is a long way from representing anything like a majority view of either party. It has never been endorsed by a large segment of the party represented on this side of the aisle. Whatever votes may be taken on the bill will reflect that fact.

As representing at least part of the views on the other side of the aisle, I am going to read very briefly from Report No. 1539, filed by the Committee on Labor and Public Welfare. I read, on page 27, from the "Individual Views of Mr. TAFT." The fourth paragraph of his statement, beginning on page 27, reads as follows:

> I feel that the compulsory provisions of the bill reported by the committee without recommendation will hinder progress toward solving the problem rather than achieve it. Few realize how extensive these compulsory provisions are.

Let me repeat that, if I may:

> I feel that the compulsory provisions of the bill reported by the committee without recommendation will hinder progress toward solving the problem rather than achieve it.

The distinguished senior Senator from Ohio of course was not speaking for his party, but he certainly represents a fair measure of the thought of that party. In making this statement he could hardly be accused of blasphemy, when he said his considered opinion was that the bill would cause more trouble do more harm than good, and hurt the cause which it was intended to further.

Mr. President, the idea that this bill has the approval of both major parties and that there has been a great promise made to the people, will not stand up under analysis. My position is that the bill does not have the support of the people of the United States. It has come before various parties in caucus rooms, even before conventions, but this matter has never been explained to the great masses of the people of the United States. They have had but one chance to pass on what the bill proposes, and that was in California. The period immediately before the vote was taken in California was the high point in the life history of legislation of this character. I believe it hit its all time high right there.

In 1946 the people of the State of California passed directly on this question. That was the straight issue. It was a head-on collision between a proposal like that before the Senate now, and what the people wanted. They voted on it through an initiative. There was what we call a good "turn out," and on that vote, when the issue was direct and certain, the people voted 675,697 for and

1,682,646 against. This was a majority of over a million votes, and a vote against the measure of almost 3 to 1.

Mr. President, California certainly could not be called a reactionary State, and in that great State, of much liberality, there are 58 counties, and the bill did not get a majority of the votes in a single county.

It is strange to note that the proponents of these measures have never let them come to a vote of the people since that time. I bottom my argument on the fact that the great masses of the people, when a proposal such as this is explained to them and they understand its implications, and understand how it would affect them in their daily lives, are overwhelmingly against it.

I predict no such measure ever will be adopted by a vote of the people in any State. I believe it has already hit its high water mark of support throughout the United States. The votes in the Senate, before this matter is finally disposed of, I am confident will reflect the same reaction of the people as that of the people of California.

As I said a while ago, I wish to take up, briefly, some of the arguments presented in a very splendid manner by the junior Senator from Connecticut [Mr. BENTON], when he asked the Senate the other day:

> What is the greatest single factor in our national life which mars the mobilization of our forces of human freedom in the cold war?

That is a very broad and a very important question. The Senator's answer was:

> The answer is our failure to live up to our democratic preachments on civil rights for all Americans, regardless of race, religion, color, or national origin.

Mr. President, in these parlous times, and in the troubled condition of world affairs, the greatest single factor in our national life, as the Senator from Connecticut sees it, is living up "to our democratic preachments on civil rights for all Americans, regardless of race, religion, color, or national origin," and to achieve that end he proposes a law which will meet this need, and which will help win the cold war.

I wish to refer briefly to some of the arguments the Senator from Connecticut made to sustain that position. On page 6692 of the RECORD of Tuesday, May 9, 1950, the junior Senator from Connecticut, referring to the Russian radio and Russian propaganda, made this point:

> The Soviet radio tells the Russian people that our Constitution was written by representatives of exploiting classes and does not truly guarantee civil rights; that our judiciary is a corrupt instrument of the same exploiters; that our Congress—and, Mr. President, Congress is one of their favorite targets, as one of the objectives of the U. S. S. R. is to pillory, vilify, and destroy the United States Congress—is an "unimaginable tangle of amendments, explanations, interpretations, and precedents"; and that the will of the majority does not truly prevail because of the poll tax and the filibuster.

Mr. President, what can we do about that? Shall we remedy that by passing a law indicating that the Russians were telling the truth? Of course not. A mere asking of the question shows the absurdity of the inquiry. Shall we abolish the Constitution because it is misinterpreted to the Russian people through the Russian radio? Can we do anything to keep them from misrepresenting the facts? Are they going to stop misrepresenting the facts when we pass a law, whether it is one they want or not? Are we going to abolish the Constitution merely to meet that situation?

The bill we are discussing would go a long way toward abolishing the Constitution, in my opinion, and, perhaps, one of the best favors the Russian propagandists could receive, would be such action on our part as would enable them to show their people that the Constitution of the United States is being gradually chiseled away, that personal freedom is having to yield every day, that men are being told whom they must employ. It is only one step from that to take another step and say for whom a man must work.

I submit there is nothing we can do to stop the Soviet propaganda, that they are not going to confine themselves to the truth, and that those matters are entirely beside the point.

On the same page of the RECORD the junior Senator from Connecticut is reported as saying:

> The Soviet radio is very skillful, Mr. President, in the way it keeps track of promises on civil-rights questions by our political parties and our statesmen in political campaigns, and in the way it plays up any failure to make the promises good.

These promises which are so freely and glibly made during campaigns are made without consulting the people. They are made without the approval of the people. That is why this opposition is here, and remains here, and is so insistent that the bills not become law. There is opposition to such measures, and the opposition is not confined to one section. The people in their hearts and minds are gradually realizing more and more what the bills mean; what would be the result of the legislation, if passed.

I am confident that the opposition to the FEPC bill is mounting rather than decreasing. We cannot pass an unsound law simply because some political party overspeaks itself in writing campaign promises.

The junior Senator from Connecticut said further:

> The radio of one satellite, that of Bucharest, even broadcast a report on January 17, 1950—and note this characteristic Communist twist—that "Joe Louis is forced to take up boxing activities again because racial laws hinder his finding other means of livelihood."

I pause at that point, Mr. President, because I wish to ask the question: In what other nation in the world, besides the United States, can a Negro man make a million dollars mauling a white man's face into jelly? That is exactly what Joe Louis did. He is one of the greatest assets his race ever had. He has conducted himself in a fine way in the ring and out of the ring, as I have observed. In what other nation could a Negro man achieve what he has achieved? Yet we are asked to pass FEPC legislation in order to keep face before the nations of the world. In what nation that is alleged to be condemning us, if any such there be, can a man like Joe Louis find the opportunities he found in this country. I make this point, with due deference to the Senator who made the argument, to show how ridiculous it is to make the points he did as being justification for passing such a farfetched bill as this.

I wish to read only two more statements made by the junior Senator from Connecticut:

> The second reason for the Communist propaganda on our civil-rights front is equally obvious—to sow and fertilize seeds of disunity among our diverse population, to divide us, to get us fighting each other, to weaken our democratic faith. As the world's leading democracy, as well as the leading capitalist nation, we are the obvious target; and in the U. S. S. R. we have an opponent who will spend billions to exploit our weaknesses in an effort to provoke us into destroying ourselves.

Mr. President, what issue has been raised in this country in recent years which has resulted in so much disunity as the FEPC legislation? What has resulted in pitting one group against another, people of one color against people of another, people of one religion against people of another, to the extent that this bill has done? What issue has been raised in our generation which has tended more to promote misunderstanding and disunity? With respect to what issue has such an attempt been made to teach certain groups that they do not receive any consideration from their Government?

Consider the statement made by the senior Senator from Ohio [Mr. TAFT]. It is his deliberate conclusion that if the bill becomes law it will result in more trouble rather than affording help. That statement is in line with our argument, which is that the proposed legislation promotes disunity, that it sows the seeds of disunity.

I believe this country will be better off if we stick to the line of constitutional government and work out these matters through constitutional processes, aided by time and enlightenment. We are making rapid progress now. We should continue along that line, rather than go overboard with respect to a regulatory measure which affects so radically the right of individuals to make the choices they wish to make. The choices now involved are economic in character, it is true, but the passage of the bill would set a precedent; it would result in further endeavors to reach far down into the choices men may make with respect to whom they shall employ and whom they shall promote. It is only one step from that point to providing for whom a man must work.

Mr. President, I am satisfied in my own mind that the great broad objectives of the bill would better be served through constitutional processes. We are making rapid progress toward the attainment of the objectives which are sought.

We have heard a great deal about the United States being obliged to save face before the countries of Europe. I

do not much like that argument. I had the opportunity a few months ago of traveling in 14 countries of western Europe. I have never been to Asia, Africa, or South America. I have not had the privilege or opportunity of traveling in all those countries as to which it is said we must do something to save face. I want to be charitable, Mr. President, but I must say that in my travels I saw evidence of strife in some of the European countries between various groups of people who live within their borders. I saw strife and enmity there between groups, classes, or castes, or whatever one might call them, enmity which far exceeded anything I had ever seen in Mississippi among the whites and the Negroes.

In none of those 14 countries of western Europe did I ever hear a single word of criticism of our organic law nor of its administration. I simply did not hear any such criticism. The people of those countries simply seemed to be mighty well pleased with America.

I heard much talk over there about our immigration laws. The people of those countries desire a relaxation or a repeal of those laws. Nearly everyone over there wants to come to the United States. Barring family ties, or peculiar situations, I believe that every person who had a chance to do so would gladly come to the United States. The only criticism of the laws of the United States I heard in those countries was of our immigration laws. If we should repeal those laws, overnight people from every land and every clime, not only from Europe but from everywhere would come to the United States in hoards and droves, overrunning every point of entry we have, and seeking what? Seeking individual freedom, seeking a place where they would be respected, where they would find a better means of livelihood, and drink at the stream and fount of our unparalleled freedom and liberty. That is what is on their minds. I do not think we have lost face with those people.

I read one more paragraph from the speech of the junior Senator from Connecticut:

> The third and most fundamental reason for the Soviet's civil-rights propaganda I have touched on before.

I now skip over a few sentences.

> These sensitive areas, where the fate of mankind may be decided, are in Latin America, in Germany, and the Slavic countries of Europe, among the dark-skinned nations of Africa and southeast Asia, and among the yellow-skinned peoples on the Asiatic mainland and the nearby island areas. All of these peoples are judging our preachments of democracy by our actual practices in relation to their own counterparts in the American population.

Mr. President, that is the indictment the Senator draws against us; that all these people are comparing our preachments of so-called civil rights with how people from those nations, now living in the United States, are treated here. I submit that they are not making that comparison. The peoples in other areas are comparing their own fate with the fate of their cousins who are fortunate enough to be on American shores. It is in those terms they are thinking. The Chinaman, whatever he knows about it, does not compare his condition in China with a political platform in America. He compares his condition in China with the prosperous Chinese merchant cousins of his who live in Mississippi. They are good workers, thrifty, industrious, and they are really getting along well. The people in Latvia and other nations in Europe are not comparing their conditions with our political campaign promises. They are comparing their conditions with the opportunity afforded their cousins who have come to America.

I wish to take time to read briefly from an article I wrote not so long ago which was published in Collier's magazine. I recited a few actual cases based on documented facts:

> An Arkansas plantation owner is providing college scholarships for the children of his Negro tenants. To every qualified Negro in Mississippi who applies, the State provides an all-expenses-paid medical scholarship. Negro farmers in Georgia, learning from their children through the 4–H Club program, have completed 60,000 home-improvement projects.

There is something that the people from foreign nations can discover by looking beyond our political campaign platforms.

I read another case:

> In Alabama, 90 percent of the expectant mothers helped by the prenatal clinics maintained by the State public health service are Negroes.

Another case:

> The 60,000,000 home-improvement projects carried out by young Negro members of the 4–H Clubs in Georgia are a large sample of what is happening in every Southern State.

Another case:

> Frank Wheeler, the Arkansas plantation owner, who provides college scholarships for the children of his tenants, tells the story of a big-city writer who called on him for information about the downtrodden tenant farmer. Mr. Wheeler made this proposition:
>
> "You get in the car with me and we'll take a ride. Every time we come to a tenant house that does not have a radio inside and a car outside, I'll pay you $25, if you'll pay me $5 for every house that does.'
>
> The proposition wasn't accepted.

Another case:

> In the famous Mississippi delta country, Negro farmers have gone beyond the small-farm status and are successful on what might be called the planter scale. Among these is 52-year-old Johnnie Brown, of Issaquena County, Miss. He owned one mule when he bought his first small tract and had to borrow a second mule from a neighbor in order to break the land. Today he owns about 5,000 acres and is partner in the ownership of nearly 2,000 more. He owns a cotton gin and general store. During the past cotton-picking season he bought his first mechanical picker.

Mr. President, there are some things the people of the foreign nations can look to and consider, in terms of their counterparts in this country.

I have here some figures about the amount of land owned by Negroes in the State of Mississippi. They have absolute ownership of 1,727,095 acres. The value of the land, including improvements, owned by Negroes in that State is a total of $44,696,710, and the number of Negro farm owners in the State of Mississippi is 23,426. There is something that our friends in foreign nations should consider before they condemn us. That is something definite, something tangible, something that will help us save face before our foreign friends.

I wish to remind the Senate that these achievements of our colored friends in Mississippi have been made by people who are only two generations removed from slavery. Can the foreign nations in whose eyes it is said we have lost face point to any other people who have made such outstanding achievements in such a short period of time? Can any other people on the face of the earth point to such achievements in so short a time as that made by this group in the United States who are only two generations removed from slavery? I submit that these things are unmatched anywhere else in the world, by any other group or race or in any other area.

This progress was not made under the threat of bayonets or under a compulsory law. These things were worked out in the process of time and achievement, and they are a credit to both races. Where else in the world where people of two races are living together in almost equal numbers have those who were slaves two generations before progressed as the Negroes in Mississippi have progressed?

I am tempted to give just one or two more illustrations in terms of individual cases:

One landowner, 74-year-old John B. Lee, of Sunflower County, in 1905 bought the original 120 of his present 460 acres. He paid $15 per acre for an area of which all but 6 acres was thick with gum trees and other timber. Today, largely cleared, this same land, where yields of more than one bale to the acre of cotton can be produced, is worth at least $125 per acre.

Then there is George Hull, who in 1912 got off the train at Indianola, Miss., with, as he tells it, "60 cents, my wife and a suitcase." Hull today owns 1,700 acres not far from Indianola, and each year grows about 800 acres of cotton yielding a bale per acre. Besides farm land, he owns a store, a funeral home, the house in town in which he resides, and 14 other houses which he rents.

Mr. President, do you suppose that people in Africa, people in Liberia, realize those things? Do you think that we have anything to apologize for to them or to the people of China or any other people, when the actual facts are as illustrated by cases of the kind to which I have referred?

Permit me to cite one other instance:

Isaac Daniel, 46-year-old Negro farmer of Bolivar County, typifies such progressive management.

Anyone who passes Daniel's new house and surrounding farm buildings beside Highway 61 about 10 miles north of Cleveland, Miss., can see at a glance that the owner is a careful and orderly as well as a prosperous farmer. The one story house with seven large rooms is of white asbestos shingle construction.

Metal awnings trimmed in blue have been installed over each door and window. I shall not go into further detail, except to quote what he says in regard to his situation when he started working as a share cropper, during his first year of farming: "I gave $1.50 for a Brinley turning plow, $2.50 for a double shovel and borrowed a middle buster," he recalled.

So, Mr. President, I submit that so far as concerns the point of saving face before the other nations of the world, what we need is, not the passage of this bill or any other similar bill, but more aggressive messengers in our foreign affairs, in our State Department, who will really stand up to the line and "slug it out" with the accusers. As the situation now is, we seem to have a group of apologists who will not stand up and "slug it out," who will not stand up to the line and state the facts.

I have before me a statement by the Senator from Connecticut in which he quoted the present Secretary of State, who in a speech in 1946 said:

> Frequently we find it next to impossible to formulate a satisfactory answer to our critics in other countries; the gap between the things we stand for in principle and the facts of a particular situation may be too wide to be bridged. An atmosphere of suspicion and resentment in a country over the way a minority is being treated in the United States is a formidable obstacle to the development of mutual understanding and trust between the two countries.

Mr. President, I cite that in the face of the facts I have presented, in order to show that the real facts and figures are not made known to the people of other countries. Instead, the Secretary of State publicly makes statements to the effect that it is impossible to dispute the criticisms which are made of us by some foreigners, that we do not have the facts to bridge the gap between our assertions and the facts and the realities. However, Mr. President, to the contrary, I submit that we do have the facts, and that we have them far more so than does any other nation, as is illustrated over and over again, during all the past years, by the very fine and very splendid progress along that line which has been made.

Mr. President, I do not wish to prolong this discussion unduly, but I desire to emphasize the point that instead of attempting to pass a law to remedy every defect which may be found—and of course we do have defects—what we need to do is strengthen our constitutional government, our constitutional safeguards. The theme song of the proponents of this proposed legislation seems to be that the great weak point in our position before the other nations of the world is what they call an inadequate civil-rights program. However, it seems to me that one of the weakest points in our armament before the people of the world and before our own people is the selling of our own people down the river by bartering away our Constitution bit by bit.

The next weakest point in our relations with other nations is that it seems that all too often we have a group of apologists who, when speaking for us in our foreign affairs, do not stand toe to toe and "slug it out" with our critics by presenting the facts. After all, the facts are on our side. Instead of doing that, they are acting as apologists. They come here and want us to pass a law.

Speaking of civil rights, I think the greatest civil-rights program that has ever been undertaken is that which relates to the right of trial by jury, and that is the subject of one of the principal complaints I have about this bill. In the name of civil rights, the bill runs over, ignores, and to that extent, abolishes trial by jury—the greatest citadel of freedom for the average person which has ever been erected by any race, any time, anywhere.

I desire to say a few words about jury trials, and about what they mean to me. I have found that jurors who serve on juries find it a great training ground, and it is a great training ground for American citizenship. Jurors are chosen from all walks of life. They are interrogated as to their predilections, their prejudices, and their viewpoints, and then each side has a chance to excuse a certain number of them without any reason being assigned. Finally, the 12 who are chosen sit in the jury box and hear the evidence, which they interpret in the light of their own common sense and their own experiences in life. After all, that is the bedrock of our freedom. It is the bedrock which has made our Government effective. It is an embodiment of the common sense of the American people. And, Mr. President, it is not found in many other countries anywhere else. There cannot be found anywhere in any other government in the world a finer, higher expression than the American ideal of justice and right as expressed through the jury box. Juries make mistakes. They make mistakes in individual cases, it is true. But there is nearly always a chance to correct the mistakes, and they are corrected. By and large the jury system is the finest test, it is the finest preserver, the finest protector. I think the jury system is a very large part of the very soul of the American form of government. But this bill merely sets it aside.

I am going into details briefly as to how this bill will operate, because I think it should be told over and over and over again to the American people. The bill actually provides that if an employer has a complaint filed against him, there shall be hearings on that complaint—somewhere. It is not said where, so far as specifying any particular district, area, or State is concerned. But the bill provides that hearings shall be held. Before a jury? Oh, no. It provides that hearings will be held before the Commission, or a commissioner, or an agent. The defendant is merely going to be called to account in these hearings. They are very important. "Oh, well," one may say, "that is merely preliminary, somewhat like a coroner's inquest." No, no—it is more than that. These hearings are held before a commissioner or an agent, who files a report with the Commission. The Commission may pass on the report, or it may delegate the duty to a committee composed of three of its members. The Commission may take further testimony, though it does not have to do so. It has the discretion, however, and may take further testimony. The Commission shall then make a final order. It can sustain the employer, or it can require him to adjust his hiring facilities, or to restore someone who has been discharged, either with or without back pay, and with other affirmative relief. There is no jury. There is no judge. No one who is trained in the law, no one of real impartiality has passed on the matter as yet. The Commission is to be an administrative body, picked partly on the basis of individual zeal in carrying out and administering this particular act, if the bill shall become a law.

Then, if the man is convicted under this procedure—please note this, Mr. President—he may appeal. To whom? To a court. That sounds good, does it not? He may appeal to the Federal circuit court. The Federal circuit court in his State? Oh, no; it does not have to be in his State. In my State the Federal circuit court represents five States. If the court is in vacation, the appellant may go into the United States district court. On the other hand, if he does not obey the order of the Commission, the Commission may file with the circuit court of appeals a petition for enforcement of its order. The defendant is then brought before that court, not on the facts, but on the record. That is why the initial hearings are so important, Mr. President, whereas perhaps little is thought about the case at the time. The defendant is largely tried later when he gets into the higher court, where he is tried on the record.

Note further, it is expressly provided that no objections not previously urged shall be considered by the court, unless extraordinary circumstances are shown and the court permits them to be heard. The court may order the taking of additional testimony, but the court does not take the evidence. The case is sent back to the Commission for the purpose of hearing the evidence. The court merely sits as an appellate court. A man never has his day in court, in the American sense in which that term is used.

Mr. President, I am confident you do not approve of that. I do not believe there is a Senator on the floor who likes the idea of subjecting the processes of law throughout this great Nation and subjecting all employers to any such law as that. How much good will come from it, compared with the harm it will do? It is a thing which in the everyday affairs of life affects all our people. If the bill is passed, it will be amended so as to apply to employers having less than 50 employees. We need not doubt that. This is something which affects the daily affairs of people throughout the entire Nation. The bill abolishes the jury system to the extent I have indicated. In that respect it is like OPA in wartime. Do we really want to do that? Mr. President, how do you like that? I know it does not set well with any of us.

Mr. McCLELLAN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Sen-

ator from Mississippi yield to the Senator from Arkansas?

Mr. STENNIS. I am glad to yield to the Senator.

Mr. McCLELLAN. Does this bill permit the use of volunteer services in the administration of the act as other bills in the past have permitted to be done?

Mr. STENNIS. I have read the entire act and I have studied it considerably. I am doubtful about that. I do not think this bill does, I may say to the Senator.

Mr. McCLELLAN. I was very much interested in what the able Senator was discussing a few moments ago in respect to the examination, the holding of hearings, and I was wondering whether the Senator could advise us whether those who might be selected to hold these hearings, the agents who, it provides, may hold hearings, might be volunteers serving the Commission, or whether they have to be regular employees of the Commission. Does the Senator know?

Mr. STENNIS. I am not certain on that point. It is my impression, though, that they must be agents. There was in some other bill such a provision as that to which the Senator refers. But I think that provision has been stricken from this bill.

Mr. McCLELLAN. Mr. President, will the Senator yield for a further question?

Mr. STENNIS. I yield for a further question.

Mr. McCLELLAN. Is there any provision in this bill requiring the agent of the Commission who holds the hearings to take any oath faithfully to perform his duties, or does the bill provide any qualifications for him, as to his having any experience or knowledge which would permit him to perform these services with a proper and judicial attitude and capacity?

Mr. STENNIS. There are no such requirements in the bill.

As I said a moment ago, Mr. President, the law, if this bill is enacted, will be administered by men who necessarily have to be chosen as administrators, and at least a large percentage of them should have considerable zeal in their desire successfully to administer the law. There is an entire absence of any of the judicial processes or methods of determining a person's guilt, except that there is the right of appeal to the United States court of appeals, which is merely a form of law, for the court does not redecide nor disturb the facts.

Let me cite an illustration. Let us suppose that a man is convicted and that no rules of evidence have been applied. We have spent a thousand years working out sound rules of evidence. There is not any application of them in these cases. No rule of relevancy is required. Nothing is said about a fixed place of hearing, which is another complete abrogation of one of the fundamental concepts which the English-speaking world spent a thousand years in working out through the common law. There is no fixed place for hearings, there is no impartial tribunal, there is no jury——

Mr. McCLELLAN. Mr. President, will the Senator yield further?

Mr. STENNIS. Will the Senator permit me to read the sixth amendment to the Constitution, and then I shall be glad to yield.

I have made the point that the bill provides for no rules of evidence or relevancy, no fixed place for a hearing, and no jury. Compare that with the sixth amendment to the Constitution of the United States, which expressly provides that no person shall be prosecuted for a criminal offense except before a jury of his peers, in the district wherein the crime occurred, and that district has to be previously determined by law.

That is what the Constitution provides. Where is there in the bill any semblance of the judicial process provided for in the sixth amendment?

It can be said with some plausibility that technically it does not involve a prosecution; but where is the spirit of the constitutional mandate? I submit to all fair-minded men that the bill absolutely abrogates, discharges, and sets aside completely the whole basic concept of jury trials and judicial processes, under rules of evidence, rules of relevancy, before a criminal tribunal, as reflected throughout the entire Constitution of the United States and specifically provided for in the sixth amendment.

I now yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, the Senator has just covered some aspects of the question I had in mind. I shall ask the Senator, however, to be more specific. Is there anything in the bill which would preclude the examiner, or the person holding an investigation, from finding the accused guilty of violating the act on strictly hearsay testimony? Is there anything which would prevent the accused from being found guilty of violating the act, guilty of a discriminatory practice, on strictly hearsay evidence?

Mr. STENNIS. That is a very fine point and it is clearly brought out. There is absolutely nothing in the bill which would prohibit such a finding. As I understand, when the court makes its review it is bound by the rule that if there is any element which tends to sustain the decision of the Commission, it is compelled, under the law, to confirm it. It does not have to be on the weight of the evidence, as is required in a civil case, and it certainly does not have to be beyond a reasonable doubt, as is required in a criminal case.

Mr. President, let us suppose a man has been through the process which I have outlined. I shall try not to overstate the case. What do Senators think he is going to do? Is he going to run the gantlet of all the processes about which I have been speaking? Absolutely not. He will not take chances against himself. He will, so far as he can, "play safe." He is not going to run the gantlet of being tried before the Commission, with no judicial process, and take the chance of being taken before the circuit court of appeals and having to obey the mandate of the Commission, or of going himself before the circuit court of appeals. He will not take that chance. Who is going to suffer? He will favor the alleged minority, or the group against which he is charged with discriminating. That is simply human nature, Mr. President. He will lean over toward them.

The framers of the bill were not trying to establish any fair and impartial tribunal to try these cases. I think that is one of the deliberate purposes of establishing the plan which is presented. They want to force the accused person to lean toward and favor the group against which it is claimed he has discriminated. Who is going to lose by that process? Who is going to bear the burden? It is not the employer; he will not bear the burden. The man who will have to pay the freight is the common, ordinary, garden variety of American citizen, who does not belong to any minority group. He is the man against whom the case will be decided, not by the Commission, not by the court, but by the employer; and he is the man who will not have any remedy before the Commission or before the employer, because he does not belong to any minority group.

That is why, Mr. President, I have a growing belief that this bill will never become law. If we establish an all-powerful Federal bureau with Nation-wide jurisdiction over all employers, there is a growing realization on the part of the little man, who is worried every morning when he awakes as to how he can make ends meet to take care of his family, that the practical operation of the law will fall upon him. I do not believe there will be sufficient votes to pass such a bill. With all deference to those who are sponsoring the bill, I believe it is the greatest legislative hoax of our generation against the common, ordinary, garden variety of American citizen whom I have described.

Mr. President, as I stated a while ago, I believe this bill has already hit its peak. I think it hit its peak before it was submitted to the voters of California. When the people of California had an opportunity to pass on it, they then placed the skids under it, which will mean its eventual defeat.

There is one particular point which I should like to cover——

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield for a question.

Mr. McCLELLAN. Speaking of the bill having hit its peak, the Senator from Mississippi and other Senators have been ridiculed and condemned because we exercise our constitutional rights to oppose it and to use every legitimate means at our command, parliamentary and otherwise, to defeat the bill. I should like to ask the Senator if he recalls whether similar bills in the past, up until this time, have had the word "creed" in them, along with religion, race, and color?

I ask the able Senator to point out the progress that has been made, not only toward informing and educating the American people as to the evil in this proposal, but also that we have convinced the original authors and sponsors of the bill of what they were about to do when they had the word "creed" in the bill. If the word "creed" were in the bill, no one could refuse to employ a Communist. Neither could a Communist be fired. That demonstrates what this fight has meant in informing the country and even the proponents of the

bill of how ill-advised this whole proposal is and how it violates the liberty and democracy of the American people.

Mr. STENNIS. Mr. President, I appreciate very much the fine contribution from the Senator from Arkansas. I wish to mention one other State. I obtained the legislative history of FEPC legislation in the State of Minnesota. We find that it was introduced in Minnesota in 1945, 1947, and 1949. The last action in Minnesota was on March 18, 1949. Senate file No. 82 was killed by being rereferred by a vote of 28 to 26. That was in the State Senate of Minnesota. It is merely another illustration.

This bill is very vigorously advocated by the very able junior Senator from Minnesota [Mr. HUMPHREY], and he has made a strong argument in support of it. But on his home ground, in his home State, where he is a man of great influence and great leadership, not sufficient strength can be mustered in the State legislature to pass such a bill. It lost; it keeps losing; it keeps losing ground. I wish the Senator were here. A few months ago in New York I referred to him, in a joking manner—and he understood it as such, of course—as the high priest of this program in Washington. I think he deserves that title, but his influence in his home State is simply not strong enough to put over such a measure, even on a State level, much less on a national level.

I wish to say something about the 50-employee provision. This bill does not apply to a man who has less than 50 persons in his employ. The argument is made that this type of legislation is needed in order to get at the corporations and that there is not much need, if any at all, to have it apply to the smaller employer class. Let us not be fooled by that argument. Just so soon as the bill is passed we shall have the same pressure for amendments. I believe authors of the bill wrote the provision as to 50 employees in order to try to divide the opposition. In 1945 an FEPC bill was introduced in the Seventy-ninth Congress by the Senator from New Mexico, Mr. Chavez, the Senator from California, Mr. Downey, former Senator Wagner, the Senator from Montana, Mr. Murray, former Senator Capper, the Senator from North Dakota, Mr. Langer, and the Senator from Vermont, Mr. Aiken. Certainly they are respectable men. They knew what they were doing. It was referred to the committee, and a subcommittee held hearings on the bill on March 12, 13, and 14. It was reported by the committee. That bill applied to all employers who had six or more employees. Those men knew what they were doing. In 1945 the bill was reported to the Senate with a favorable report. It got more support in 1945 than this bill gets in 1950, when it exempts every employer having less than 50 employees. The previous bill reached the floor of the Senate with a favorable report. This one, which exempts every employer having fewer than 50 employees, comes limping into the Senate without the recommendation of the majority of the committee. It comes to the Senate without any recommendation and only the individual views of Senators. That is another reason why I say it has already passed the high peak. Under this 50-employee clause, 98 percent of the employers are exempt. If that is the answer, why invoke all of these constitutional processes? I am sure in my mind that there will be amendments introduced which will make it apply to employers having six or more employees. The legislative history of this bill proves the argument is not sound that this is merely a process to cover the larger employers.

Mr. President, I have transgressed somewhat on the time of the Senate.

Mr. MAYBANK. Mr. President, I appreciate the fact that the Senate has other matters before it in addition to the motion which it is now discussing. Accordingly, I have prepared a rather short address. Originally I had prepared some 300 pages. I have reduced the address to 10 pages. I realize the importance of getting a vote by 1 o'clock tomorrow on the motion to consider the bill under the cloture petition.

Mr. President, we are now engaged in a serious and unprecedented departure from our established legislative process. The burden of screening legislation has traditionally fallen to the standing committees of the Congress.

It was only 4 years ago that the Congress took the time and expended a great amount of effort strengthening the weak points and consolidating the gains under this system. The Reorganization Act of 1946 tends to emphasize the importance of committee deliberations. It even goes so far as to set forth procedures under which a committee will operate in order to further assure its place in the legislative process.

Now, Mr. President, in the light of these long-standing traditions and customs, let me call a serious departure to the attention of the Senators. The motion has been made that the Senate now consider S. 1728.

I hesitate to express my opinion on this motion. I almost feel apologetic at taking the time of this august body in standing here and explaining to Senators and to the American people why I believe this bill should not be considered by the Senate.

Were it not for the fact that multitudes of the American public have been alternately bulldozed and sweet-talked into closing their eyes and ears to the despicable inequities of this proposal, I would not be forced to use this time opposing the motion. Almost every sound argument against the present consideration of this bill has already been most ably propounded.

However, Mr. President, in the hope that some word or phrase of mine might fall even yet on an open mind, I shall consider myself rewarded for the effort. If, on the other hand, the proponents of this utterly ridiculous plan are successful in gathering far more favorable votes for cloture than I predict they will be able to get, the senior Senator from South Carolina will be adequately prepared.

I am willing to let it be known right now that if and when the times comes, I am prepared, willing, and able to take my stand here on this floor and talk for days and nights on the absurdities of forcing human beings to love one another by law.

Now, I ask Senators to consider with me for a moment this serious deviation from our established policy. Here is a bill which was introduced in the closing days of the first session of this Congress by a Senator who is no longer among us. It was referred to a committee which was not even willing to bless the bill with public hearings. In an unheard of effort to report such a controversial bill to the Senate, the proponents were not even successful in garnering sufficient support among 13 Senators to report the bill with recommendations. As a result, we are now asked to act on a proposal which has been dumped on the doorstep of the Senate.

In examining the last hearings which were held on this proposed legislation I note that they were held in June of 1947, 3 years ago. In comparing the membership of the committee of the Eightieth Congress and the present one, I note further that there have been some changes. For instance, among those Members who acted on the bill in 1947, I now miss the names of Senators Ball, Jenner, Ives, and Ellender. Among the members of the present committee, I find Senators NEELY, DOUGLAS, HUMPHREY, and LEHMAN who were not even in the Senate in 1947.

Mr. President, I am sure there is sufficient doubt in the minds of more than enough Senators to prevent the Senate from imposing cloture and cutting off debate on legislation with such a dubious ancestry. Not only have the demerits and merits, if any, of this bill not been aired in recent public hearings, but a survey of the testimony from 1947 will reveal kindred language and objectives in certain State laws which have been enacted. A close examination will further reveal affirmative actions in the absence of adequate testimony or documentary evidence.

It is worthy of note that the coauthor of the first State law which set the pace for similar legislation was the author of this measure in the Eightieth Congress. The argument has been made constantly that the New York law has been working smoothly, and that it is now time to impose similar legislation upon the whole United States. Let us review the history of similar State legislation and see what merit there is to these claims.

In 1947, the present senior Senator from New York [Mr. IVES], the sponsor of the then pending measure, which was substantially the same as the present bill, told the committee:

> There is no longer ground for doubt that legislation of this kind can be made to function effectively, fairly, and satisfactorily for all concerned. Right now in the States of New York, Massachusetts, and New Jersey statutes of this same nature are in effect and are operating satisfactorily.

The Senator from New York stated further:

> I understand that Wisconsin, Connecticut, and Indiana each has an act. The

Wisconsin act has been in effect since 1943 but is of an entirely different type. I am not familiar with it, but I doubt that it covers this matter at all as is contemplated here. The question has been covered in the States that I named. However, Connecticut and Indiana enacted legislation during this current year. Indiana's, I think, went into effect on February 27, last, and Connecticut's will go into effect on July 1 next, along the same lines of the acts in New York, New Jersey, and Massachusetts. However, the experience of those last two States is not sufficient to prove of great value in the consideration of this particular legislation. It is the States that I have named that have had the experience—that is, the States in the written document which I have mentioned that have had the real experience in this field to date.

It will be noted that the Senator urged legislation of the character now being discussed, because of the experience with the New York, New Jersey and Massachusetts laws.

The Senator further pointed out that Senate bill 984, then being discussed, was patterned after the New York statute, as the present bill is. To this effect the Senator stated:

Actually, Senate bill 984 is patterned after the New York statute. In effect, it is the New York plan applied to the Federal level.

In fact, the one who largely drafted the New York State law against discrimination is the one who has largely drafted the bill we are now considering. He is one of New York's most distinguished citizens, the Honorable Charles H. Tuttle of New York City.

It was enlightening to find out that the great New York reformers had a hand in "largely" drafting this measure. The fact is that the Ives bill, S. 984, Eightieth Congress, was in all substantial respects the Ives-Guinn law against discrimination. I refer to New York Statute Laws, 1945, chapter 118.

I have had a comparison made by my secretary showing the differences between Senate bill 984 and the New York law, and I ask that this comparison be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER (Mr. MYERS in the chair). Is there objection?

There being no objection, the comparison was ordered to be printed in the RECORD, as follows:

Subject	Ives bill	New York law
1. Application to Government	Applicable to agencies of Federal Government (sec. 3 (b)); Commission may request President to obtain compliance (sec. 10); not applicable to States and municipalities (sec. 4).	States and municipalities not expressly included or excluded but have been held subject to law by attorney general.
2. Application to Government contractors	President to make rules to prevent discrimination by Federal contractors employing 50 or more employees; enforceable by Commission (sec. 10).	Not applicable unless otherwise included.
3. Limitation as to number of employees	Applies only to employers of 50 or more employees (sec. 3 (b))	Applies only to employers of 6 or more employees (sec. 127 (5)).
4. Other exemptions	Exempts nonprofit religious, charitable, fraternal, social, educational, or sectarian organizations (sec. 4).	Nonprofit social clubs, fraternal, charitable, educational, or religious organizations (sec. 127 (5)).
5. Illegal discrimination by employers	To refuse to hire, discharge, or otherwise discriminate because of race, etc. (sec. 5 (a)); to recruit employees through employment agency, union, or other source which discriminates (sec. 5 (a) (2)).	To refuse to hire, discharge, or discriminate because of race, etc. (sec. 131 (1)).
6. Illegal discrimination by unions	To discriminate against any person or to classify membership so as to deprive such person of employment opportunities or otherwise affect his status as an employee or applicant for employment or his working conditions, because of race, etc. (sec. 5 (b)).	To expel from membership or discriminate in any way against its members or any employer or individual employed by an employer because of race, etc. (sec. 131 (s)).
7. Illegal inquiries, advertisements, etc	No provision	For an employer or employment agency to print any statement, use any application form, or make oral inquiry which expresses any limitation on employment as to race, etc., unless based on a bona fide occupational qualification (sec. 131 (3)).
8. Illegal aiding and abetting	do	For any person to aid, abet, etc., the commission of any act made illegal under this act (sec. 131 (5)).
9. Enforcing agency	National Commission Against Discrimination in Employment; 7 members (sec. 6 (9)).	State commission against discrimination; 5 members (sec. 128).
10. Conciliation efforts in evidence	Nothing said or done during conciliation efforts may be used in evidence (sec. 7 (a)).	Commission shall not disclose what transpires during conciliation efforts and such efforts shall not be used in evidence (sec. 132).
11. Notice of hearing	10 days' notice must be given (sec. 7 (b))	No provision.
12. Hearing officer	Hearing officer must be resident of judicial circuit where violations occurred (sec. 6 (f)).	Hearing is held before 3 members of the commission (sec. 132).
13. Rules of evidence	No provision	Rules of evidence not controlling in Commission hearings (sec. 132).
14. Other procedural matters	Bill incorporates provisions of Administrative Procedure Act dealing with separation of functions, declaratory orders, interventions, burden of evidence, etc. (sec. 7 (k)).	No similar detailed provisions.
15. Hearing before agency	3 members of Commission must hear oral argument after hearing (sec. 7 (d)).	No provision.
16. Scope of judicial review	Incorporates Administrative Procedure Act (sec. 8 (a)). Sec. 10 (c) of that act gives broad ground of review; findings must be sustained by substantial evidence on the whole record and must not be arbitrary or capricious.	Commission fact findings conclusive in court if supported by sufficient evidence on the record as a whole (sec. 133).
17. Adoption of rules and regulations	Commission may make "suitable" rules subject to Administrative Procedure Act, but Congress may nullify them by a concurrent resolution (sec. 13).	Commission may make "suitable" rules (sec. 130 (5), 132).
18. Assistance to persons subject to act	Commission may furnish employers subject to act technical assistance to further compliance (sec. 6 (g) (4)).	Employers whose employees refuse to cooperate may file complaint with Commission asking assistance by conciliation or other remedial action (sec. 132).
19. Limitation on filing charges	Charges must be filed within 1 year of violation (sec. 7 (h))	Charges must be filed within 90 days of violation (sec. 132).
20. Criminal penalties	Up to $500 and/or 1 year for forcible interference with commission agents (sec. 14).	Up to $500 and/or 1 year for willful interference with commission agents or willful violation of commission order (sec. 134).
21. Notices	Employers and unions must post notices on their premises describing act (sec. 11).	No provision; but notices required by rule of commission.
22. Veterans	Act not to be construed as modifying rights of veterans (sec. 12)	No provision.

Mr. LUCAS, Mr. SCHOEPPEL, and Mr. HENDRICKSON addressed the Chair.

Mr. MAYBANK. Mr. President, I have not yet concluded. I do not expect to make too lengthy remarks, because I want other Senators to have a chance to speak, but I have been present in the Senate every day this week, I was here last night to see that the junior Senator from Louisiana [Mr. LONG] got unanimous consent to speak today; I was here the night before last; I have been here every day; I have taken part in the debate every day since the bill has been on the floor; but this is the first chance I have had to make a speech on the bill. I am not filibustering. I have risen to speak but about 15 minutes, and this is my first opportunity, except to ask distinguished Senators on both sides of the argument a few questions in order to enlighten myself. I could not enlighten myself by reading the hearings, because they were held 3 years ago, and conditions have changed much since that.

The PRESIDING OFFICER. The Chair can testify to the fact that the Senator from South Carolina has been very diligent in his attention to the sessions, and the Chair knows the Senator has been endeavoring to get the floor for some time. The Chair takes note of the fact that the Senator has not concluded his remarks, and the Chair is not able to recognize any other Senator.

Mr. MAYBANK. I appreciate the announcement by the Chair, but so many Senators seem to be anxious to talk—I heard "Mr. President" here and "Mr. President" there—that I shall cut my remarks even shorter than I had intended, so that there cannot be any charge of a filibuster on the part of a southerner. I wish to make the record clear in that regard.

Mr. President, the comparison I have had inserted in the RECORD establishes without a doubt that the bill introduced

in the Eightieth Congress, S. 984, is patterned almost verbatim after the New York law. There are slight differences, but the approach is substantially the same. Both are compulsory on the employer. Both give a Commission almost unlimited discretionary powers. Both punish disobedience to the Commission's dictates by a fine of $500 or imprisonment for 1 year, or both.

Now let us compare the proposed bill, S. 1728, with the bill introduced in the last Congress to see if any substantial changes have been made.

The designation of the bill has been changed by dropping the word "ancestry." Consistently therewith, the word "ancestry" has been left out of the bill wherever the types of discrimination are mentioned.

The title of the act has been changed from the "National Act Against Discrimination in Employment" to the "Federal Fair Employment Practice Act."

The declaration of policy in S. 1728 takes into account the fact that there has been continuing progress in our Nation with respect to protection of the rights of individuals. The bill introduced in the Eightieth Congress did not do so.

The former bill (S. 984) defines "affecting commerce" as follows:

> The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce.

S. 1728 declares one of the aims of this bill to be: "To remove obstruction to the free flow of commerce among the States and with foreign Nations." The present bill also defines "commerce" in the traditional way.

The former bill stated:

> This act has also been enacted as a step toward fulfillment of the International Treaty obligations imposed by the Charter of the United Nations upon the United States as a signatory thereof to promote "universal respect for and observance of human rights and fundamental freedoms for all without distinction as to race, sex, language, and religion."

Mr. President, the bill we are discussing merely seeks to make effective "recommendations of certain of the rights and freedoms proclaimed by the General Assembly of the United Nations in the Universal Declaration of Common Rights." As the words "sex" and "language" are left out of the present bill, there is apparently no attempt to fulfill those requirements of the universal declaration.

The name of the Commission has also been changed. In S. 1728 it is called Fair Employment Practice Commission. In the former bill it was named the National Commission Against Discrimination in Employment. S. 1728 would place five members on that Commission. The former bill provided for seven members. The former bill had provided that any member of the Commission might be removed by the President upon notice and hearing for neglect of duty or malfeasance in office, but for no other cause. S. 1728 has eliminated that provision.

The former bill provided for a more detailed report than the present one.

Under the former bill each member of the Commission would have received a salary of $10,000 a year. S. 1728 provides for a salary of $20,000 a year for the Chairman and of $17,500 per annum for the other members.

The former bill did not specifically include the United States, or any agency or instrumentality thereof, or any territory, or any officer, or employee thereof as persons who could be proceeded against in the courts. The bill did, however, give the President power to provide for rules and regulations to prevent the committing or continuing of any unlawful employment practice as defined in the bill. S. 1728 specifically includes the United States and its agencies, instrumentalities, and employees along with employers.

The bill introduced in the Eightieth Congress provided for overriding the decrees of the Commission by a concurrent resolution of the two Houses of Congress, as follows:

> If at any time after the issuance of any such regulation or any amendment or rescission thereof, there is passed a concurrent resolution of the two Houses of the Congress stating in substance that the Congress disapproves such regulation, amendment, or rescission, such disapproved regulation, amendment, or rescission shall not be effective after the date of the passage of such concurrent resolution nor shall any regulation or amendment having the same effect as that concerning which the concurrent resolution was passed be issued thereafter by the Commission.

S. 1728 eliminates that provision.

Except for smoothing the language and making a few technical amendments, the sponsors of this legislation made no other changes.

S. 1728 is a little more stringent than the former bill. However, in substance it is still a duplicate of the Ives bill and the New York Ives-Quinn law. It is the product of the great reformers from New York.

The same great reformers in New York were hard at work as eager beavers in New Jersey. They wanted to make sure that this could be forced upon the people without the chance of an unexpected development upsetting the apple cart. Passage of this type of legislation was regarded as a good political maneuver in both States.

Furthermore we see the hand of the great reformer, Mr. Turner, of the New York Commission, in the formulation of the Massachusetts law. The three States upon which the sponsor of this legislation in the Eightieth Congress rested the merits of this measure were guided in their social reform by the great planners of New York. Now they want to impose this legislation upon all the people of the United States.

The fight for this legislation was not always easy, however. Similar legislation was passed in Connecticut. The vote in the Connecticut House was 121 for, to 105 against, a majority of the Republicans being against the measure. When we consider the fact that all of these States have scarcely a good handful of Negroes, it is surprising that such a large number of legislators voted against the law.

The pattern of similarity is well established. The great New York reformers imposed an antidiscrimination law upon its people. They then lobbied for passage of similar legislation in the Massachusetts and New Jersey legislatures. Then they drafted a bill for our colleague, the Senator from New York [Mr. IVES]. They boasted that the great Mr. Turner, "largely drafted the bill." The sponsor of the pending bill copied the Ives bill in all substantial respects. The great reformers from New York appeared before the subcommittee 3 years ago to urge passage of the Ives bill. S. 1728 is so similar to the Ives bill, that the committee reported it out without hearings.

LACK OF STATISTICS ON THEIR LEGISLATIVE HISTORY

One would think that in citing these State laws as examples, the proponents of S. 1728 would be able to cite statistics or reasons why the State laws were considered necessary. Senators will scan the record in vain to find what prompted enactment of these State laws. It would seem that other States simply copied the New York law because it had been found expedient in New York. We cannot find out what prompted New York to pass the law because no record was kept of the preliminary investigations before the law was enacted.

No record was ever kept of whether there was discrimination and what form it took. A record might have been too embarrassing for the great reformers if they had been asked in what forms discriminations appeared in the State. It was much better for the great reformers to be able to say that they gathered the impression from their investigations that some people discriminated against Negroes, Catholics, and foreign-born. When asked whether they based their findings upon hearsay, they could safely answer that they did not. If pressed to cite examples, they could say: "We cannot be specific; no record was ever kept of it." Then they could whoop up great sentiment and strong feeling against a supposed plague of discrimination sweeping the State. Then they could ram the antidiscrimination law through the New York Legislature. Then, without losing momentum they could urge other States to join in the Don Quixote crusade to stamp out the evils of discrimination in other States. The great crusade might serve a useful political purpose in these sister States. Finally the same pressure methods might work upon the Congress of the United States. Some politicians in Washington would recognize a good political thing when they saw it. Congressional committees would not peer too closely at the legislative history of the State statutes.

LACK OF STATISTICS ON THE EFFECT OF THESE STATE LAWS

Not only is there an absolute lack of statistics and information upon the existence of discrimination which could have prompted the enactment of these State laws, but there is a lack of statistics on the effects of these laws.

Mr. Henry C. Turner, an attorney connected with the New York State Commission Against Discrimination, made very clear to the committee in 1947 that

even the commission had no means of knowing what effect the law has had in New York. He stated:

> We have no means of knowing—it is impossible to make a satisfactory census, and we have had neither the money nor the facilities to do it—as to those concerns or managements who at that time changed over from a discriminatory practice to a voluntary nondiscriminatory practice, but we do know that from time to time we come across business concerns whose change-over had been effected.

How they come across these business concerns who made such a change-over is not explained. Are their conclusions based upon hearsay? Can even these few examples of the effectiveness of the law be proved? Still, we are asked to pass a Federal law patterned after the stringent State laws without even knowing whether they do produce good results. I have never witnessed, in my experience in the Congress, a demand for legislation that was based upon such flimsy grounds.

Has the time come when in America we give a group of dictators the authority to analyze the fears of our workingmen? Note how they solve the problem over the conference table. They solved the problem by pointing out to the employees that they could be prosecuted for a serious crime if they did not give in to the wishes and dictates of the commission.

So, even in the very few instances where the law has been carried out it has been blackjacked upon an unwilling public through threat of prosecution. Shame upon those States who think so little of the freedom of their citizens. Shame upon America, if we ever make a similar situation possible through an act of Congress. Let the people know that this would be possible under this bill. Publicize that fact throughout the country. Let your Senators, your constituents find out what they are voting for in this measure. If they understand what is involved, such Senators can say goodby to the Congress at their next election. If this bill is passed and enforced they can kiss good-by to the free America that has grown into the mightiest nation in the world.

DOMESTIC AGRICULTURAL "GIVE-AWAY" PROGRAMS

Mr. WILLIAMS. Mr. President, during recent months the Department of Agriculture, under its "give-away" program, has distributed substantial quantities of agricultural commodities in this country. This is in addition to any "give-away" program that might be operating for the distribution of agricultural commodities abroad. During recent weeks I have heard rumors that these free commodities were being distributed heavily in those States in which there were key elections scheduled, special emphasis being placed on the State of Illinois. In order to determine the accuracy of these rumors I have obtained from the Department of Agriculture a breakdown, by commodities and States, of the distribution under this program during the past 6 months.

I ask unanimous consent to have inserted in the RECORD at this point, as a part of my remarks, a chart giving a breakdown of this distribution by commodities and States as of May 1, 1950.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Orders placed as of May 1, 1950

[In pounds]

State	Sec. 416					Sec. 3, Public Law 471, Irish potatoes [2]
	Butter	Cheese	Dried eggs	Nonfat dry milk solids	Irish potatoes [1]	
Alabama	1,216		22,568	157,825	929,300	
Arizona		24,010	29,960	40,000	182,000	252,000
Arkansas	26,432	20,300	22,400	45,000	1,026,000	684,000
California	54,400	49,400	102,088	79,950	3,914,000	1,332,000
Colorado	24,000				1,880,200	430,900
Connecticut					720,000	400,000
Delaware			4,760	17,400	360,000	
District of Columbia			10,808	20,475	216,000	172,000
Florida	20,032	20,020	19,264	41,725	1,009,200	
Georgia	50,816	17,780	10,024	29,000	908,950	
Idaho	128	140	504	5,825	238,330	
Illinois	1,473,760	715,590	480,940	960,200	3,373,000	5,463,000
Indiana				225	233,200	708,000
Iowa	13,056	5,950	2,275	3,150	1,207,900	313,100
Kansas	64,128	3,990			141,400	396,000
Kentucky	55,296	16,380	10,374	29,200	657,000	765,000
Louisiana	72,000	24,500		30,000	378,000	936,000
Maine			35,280	87,075	1,133,200	213,700
Maryland	32,640	42,000	16,048	55,950	1,252,200	771,000
Massachusetts	147,840	71,820	3,360	33,075	4,227,000	2,350,000
Michigan	183,232	160,790			3,206,800	2,154,300
Minnesota	119,040	68,020			1,850,900	882,000
Mississippi					145,000	
Missouri	72,960	34,400	49,056	61,800	1,422,000	1,080,000
Montana				15,750	124,400	
Nebraska					865,200	72,000
Nevada	1,920	630	1,050	1,250	86,700	37,000
New Hampshire	35,200	22,890	11,760	26,000	436,000	336,000
New Jersey	132,800	44,240	51,520	194,975	677,000	1,900,000
New Mexico			56,476	78,750	432,000	360,000
New York	376,768	128,590	111,104	476,700	4,868,100	3,825,000
North Carolina			4,326	22,275	485,900	990,000
North Dakota					286,100	465,000
Ohio			56,875	72,750	3,489,100	2,966,000
Oklahoma			32,032		1,638,000	612,000
Oregon	512	70	336	24,475	153,500	6,000
Pennsylvania	205,824	145,390	293,160	942,875	8,790,100	3,584,000
Rhode Island	21,120	23,940			932,000	718,000
South Carolina			525	1,125	646,000	300,000
South Dakota			5,768	9,385	1,058,100	365,700
Tennessee	40,464	23,170	560	1,000	432,000	1,265,000
Texas			1,960	66,160	2,507,500	1,044,000
Utah	21,120	47,880	16,968	50,125	1,646,800	14,500
Vermont				14,000	307,900	
Virginia	21,120		1,239	12,150	510,000	1,150,000
Washington	74,496	20,650	1,085	105,075	1,011,550	296,000
West Virginia	84,480	95,760	235,144	330,600	3,203,000	1,900,000
Wisconsin			9,520	11,250	1,017,400	1,125,000
Wyoming			3,472	66,600	523,000	9,700
Alaska						36,000
Hawaii						
Puerto Rico						
Virgin Islands						
Total	3,426,800	1,828,300	1,714,589	4,221,145	66,738,930	42,679,900

[1] Freight paid by the recipient.
[2] Freight paid by the Government.

Mr. WILLIAMS. Mr. President, an examination of the chart shows:

Out of a total distribution of 4,211,145 pounds of dry milk solids, 960,200 pounds, or 23 percent, was distributed in the State of Illinois.

Out of a total distribution of 1,714,589 pounds of dried eggs, 480,940 pounds, or 28 percent, was distributed in the State of Illinois.

Out of a total distribution of 1,828,300 pounds of cheese, 715,590, or 39 percent, was distributed in the State of Illinos.

Out of a total distribution of 3,426,800 pounds of butter, 1,473,760 pounds, or 43 percent, was distributed in the State of Illinois.

In addition to these items there has been distributed in the State of Illinois under this "give-away" program 8,836,000 pounds of potatoes.

As a comparison, in the adjoining State of Indiana, in which a Republican is up for reelection, we find that there has been distributed less than a million pounds of potatoes, only 225 pounds of dry milk solids, and no butter, cheese, or dried eggs.

After examining this chart it is not at all surprising that the Presidential train rolled through Illinois last week on its "nonpolitical" tour to the tune of Santa Claus Is Coming to Town.

ORDER OF BUSINESS

Mr. LUCAS. Mr. President, there seems to be more anxiety in the Senate this afternoon about obtaining the floor than has been exhibited at any time since I have been a Member of the United States Senate. It all centered around Reorganization Plan No. 4. I am not going to say to my colleagues that we are not going to consider Reorganization Plan No. 4. We certainly are going to do so between now and May 23; but why there should be all this hurry, why all this insistence on taking it up this afternoon when a number of Senators are anxious to speak on the FEPC legislation, is a little more than I can understand. The vote on the cloture petition

will take place tomorrow afternoon at 1 o'clock. It certainly seems to me that after the vote on that petition any reorganization plans which are pending will be in order.

The distinguished Senator from New Jersey [Mr. HENDRICKSON] has a speech to make on FEPC. He wants to make it, of course, before the vote takes place tomorrow at 1 o'clock. The distinguished occupant of the chair has a speech to make on FEPC and I presume he desires to deliver his speech upon that measure before the vote is taken on cloture. It is simply a question of whether Reorganization Plan No. 4 shall be taken up now—which probably will require an hour and a half or 2 hours or perhaps 3 hours of debate, thus denying to a number of Senators who are anxious to make addresses upon the pending motion which is to be voted on tomorrow the opportunity to do so—or whether it shall wait until tomorrow afternoon when practically every Senator will be present to vote on the motion. Immediately following that Senators can move to take up all the reorganization plans they want to, so far as the Senator from Illinois is concerned.

Mr. President, last evening I asked if any Senator wanted any other reorganization plans considered then. I stood here and invited Members to move to bring up any other reorganization plans, and I agreed to remain and to have considered then, any plans Senators desired to have the Senate act on. I did that for the reason that I hoped Senators who are interested in FEPC would have an opportunity to speak upon the bill today.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. AIKEN. Does the Senator contemplate holding night sessions and a Saturday session?

Mr. LUCAS. No; I do not contemplate holding a Saturday session.

Mr. AIKEN. How does the Senator believe we can act upon 17 more reorganization plans between now and Wednesday of next week without holding night sessions and a Saturday session? If we assume that Members of the Senate should decide to speak on reorganization plans for the entire 10 hours allowed, it would be possible to block the vote on some of the reorganization plans.

Mr. LUCAS. The Senator well knows that under the rules a motion can be made to limit debate on any reorganization plan. If a Senator who is for or against any reorganization plan happens to be with the majority he knows that he can move to limit debate to 10 minutes to a side, and that motion will prevail. So there will not be any question on that score. I say to my friend from Vermont that I will remain here 48 hours straight if necessary in order to complete the work. But I do not believe it is fair to attempt to bring up for consideration reorganization plans in the middle of the afternoon when in perhaps 3 hours the Senate will have recessed, thus taking up the time of Senators who have not yet had an opportunity to speak on the FEPC bill. Does the Senator believe it is right to make an attempt to bring up reorganization plans now or does he not?

Mr. AIKEN. Do we have the assurance of the majority leader that Reorganization Plan No. 4 will be taken up immediately following the vote on cloture tomorrow?

Mr. LUCAS. The Senator has my assurance that Reorganization Plan No. 4 will be taken up immediately following the vote on cloture tomorrow, certainly; and any other reorganization plans the Senator wants to have considered. The Senator from Illinois will remain here as long as any other Senator tomorrow night so long as there are reorganization plans which Senators desire to debate. Last night I issued the invitation to any Senator who desired to have a reorganization plan considered, to make his desire known at that time, and that I would remain, and that the Senate would vote on it. Apparently no Senator wanted any other reorganization plan taken up last night and voted upon.

Mr. AIKEN. The reason for that was that not a sufficient number of Senators remained on the floor last night really to show the sentiment of the Senate.

Mr. LUCAS. I will say to my friend from Vermont that votes were taken, one after the other, on two reorganization plans yesterday, and after the second vote was taken I issued the invitation to Senators who desired other plans considered, to move that they be considered.

Mr. AIKEN. Can we have any assurance that debate on reorganization plans will be limited, or that any Senator who desires to make a motion or intends to make a motion to limit debate tomorrow afternoon will be recognized by the Presiding Officer? If not there might not be a vote on the resolution until 10 o'clock tomorrow night?

Mr. LUCAS. The Senator is indulging in a tremendous amount of speculation respecting events the Senator from Illinois does not believe will take place.

No Senator on this side of the aisle is going to filibuster for a period of 5 hours against a vote in connection with Reorganization Plan No. 4.

So far as I am concerned, the time can be limited to 1 hour or 1½ hours or 2 hours. After all, I am not a member of the committee. It is up to Senators who are on the committee, and who know something about the plan, to decide whether the time should be limited.

I assume that Senators who oppose the plan may have sufficient votes to carry the resolution of disapproval of the plan; and if they have sufficient votes for that purpose, certainly they will have sufficient votes to carry a proposal to limit the time for debate in any degree they may want.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HOLLAND. I think it only fair to say, if the Senator from Illinois will be gracious enough to yield to me for a moment——

Mr. LUCAS. I yield to the Senator.

Mr. HOLLAND. I think it only fair to say that the reason why this plan was not called up last night is clearly apparent to anyone who reads the RECORD.

On the first vote, to which the distinguished majority leader has alluded, there were six more Senators present than there were for the vote on the resolution of disapproval of the second reorganization plan which was before us yesterday afternoon. That vote occurred approximately three-quarters of an hour after the first vote.

I say to the Senator from Illinois that in the effort to be cooperative, Senators who have been speaking on the FEPC proposal and have been opposing it, had ready a Senator who was prepared to speak on FEPC as soon as the debate on the reorganization plans and resolutions of disapproval concluded; and that Senator did so, and continued his speech for some time. However, before he concluded his speech, for some reason the Senate saw fit to take a recess until today. Accordingly, when the Senate convened today, that Senator resumed and concluded his speech.

As soon as his speech was concluded, the Senator from Florida had assurance from the President of the Senate, the Vice President of the United States, who was presiding in the Senate at that time, that the Senator from Florida would be recognized for the purpose of bringing up the resolution in regard to the fourth reorganization plan.

I say to the Senator from Illinois that at least the junior Senator from Florida felt that the exact objections which the Senator from Illinois had in mind—in other words, as to continuity of action as between speeches either for or against the FEPC bill and speeches and action on the reorganization plans—were borne in mind in arranging the program which was followed, and with the further assurance that there would be more Senators here today, because the Senator from Illinois well knows that there is a requirement of 49 affirmative votes in favor of a resolution of disapproval, if a reorganization plan is to be disapproved.

I think the RECORD should show that, because on the vote yesterday on the second resolution of disapproval of a reorganization plan there were six less Senators present than the number of Senators present for the vote on the first resolution of disapproval of a reorganization plan, as it was voted on yesterday.

I think it should also be clearly stated that the exact plan of the majority leader was carried out, in that a so-called FEPC speech was begun immediately following the votes on the resolutions of disapproval of the reorganization plans, and that speech continued until the Senate took a recess yesterday evening, and then was resumed today.

Mr. LUCAS. Yes; I understand all that perfectly well, Mr. President. However, I am not responsible for the fact that there were six fewer Senators present for the second vote yesterday than were present for the first vote. If Senators are not sufficiently interested to remain in the Senate Chamber and vote on the reorganization plans or the resolutions of disapproval in connection with the reorganization plans, the Senator from Florida cannot charge me with responsibility for that.

Mr. President, I notice that three Senators have made FEPC speeches today, namely, the Senator from Mississippi [Mr. STENNIS], the Senator from Louisiana [Mr. LONG], and the Senator from South Carolina [Mr. MAYBANK]. However, the Senator from Florida did not try to take the floor away from those Senators, at the time when they were making their speeches. He must have had some kind of arrangement to let those Senators make their speeches.

Mr. HOLLAND. Mr. President——

Mr. LUCAS. Just a minute, Mr. President; I do not yield now to the Senator.

However, when the Senator from Illinois wishes to make a speech on the FEPC bill and when the Senator from New Jersey [Mr. HENDRICKSON] wishes to make a speech on the FEPC bill, speeches in which they will take a position contrary to the position the Senator from Florida took, he then invokes something which the Vice President said he would do after two other Senators had made speeches, following the time when the Vice President said he might recognize the Senator from Florida.

Mr. HOLLAND. Mr. President, will the Senator yield to me again?

Mr. LUCAS. Certainly I yield.

Mr. HOLLAND. I am sure the Senator from Illinois would not want a misstatement to appear in the RECORD. I want him to know, inasmuch as he was not here at the time, that the Senator from Florida did attempt very energetically to get the floor on both of the occasions to which the Senator from Illinois has referred, but was unsuccessful in that effort.

Mr. LUCAS. Yes; I can understand that very well.

Mr. HOLLAND. I am glad the Senator from Illinois can understand it.

Mr. LUCAS. Yes; I thoroughly understand how the Senator from Florida tried to get the floor at that particular time. There is no doubt about that in my mind.

Mr. JOHNSON of Colorado and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield first to the Senator from Colorado.

Mr. JOHNSON of Colorado. I thank the Senator from Illinois for yielding to me.

I merely wish to say that tomorrow, after the vote on cloture, and perhaps after the action on the reorganization plan in which the Senator from Vermont is interested, it is my intention to call up the resolutions of disapproval pertaining to Reorganization Plans Nos. 8 and 9. At the time when I call them up, I shall also make a motion to limit the time for debate on them, so that it will not take more than the usual amount of time to present those resolutions and plans.

Mr. LUCAS. Mr. President, I stated on the floor of the Senate 3 days ago, I think, that probably following the vote on cloture tomorrow at 1 o'clock, it would be my intention to have the Senate proceed to consider the reorganization plans. At that time I notified the Senate that probably we would have a night session on Friday, in order to be able to take care of the reorganization plans.

I am willing to stay here as long as there are any reorganization plans to be considered, and I am willing to cooperate with other Senators in regard to a limitation of the time for debate on the plans, provided that is satisfactory to the members of the Committee on Expenditures in the Executive Departments, who have been handling the reorganization plans. Certainly those Senators should receive consideration in connection with that matter.

However, if the Senator from Colorado or the Senator from Vermont and the Senators associated with them have sufficient votes to adopt the resolutions disapproving any of the reorganization plans, I assume that those Senators will have sufficient votes to limit the time. I suppose there can be no question about that.

Mr. AIKEN. Mr. President will the Senator yield?

Mr. LUCAS. I yield to my friend the Senator from Vermont.

Mr. AIKEN. Would the Senator from Illinois consider having the Senate meet at 11 o'clock tomorrow morning and vote at 12 o'clock on cloture and then have some of the reorganization plans considered immediately thereafter under a time limitation so that we can be certain to dispose of the reorganization plans tomorrow?

Mr. LUCAS. I do not believe we can do that under the Senate rules because no doubt before the vote on cloture begins some one or more Senators will wish to speak on FEPC.

Mr. AIKEN. Is there anything in the rules which requires the Senate to convene at 12 o'clock on the day when a cloture vote is taken? Cannot we meet at 11 o'clock tomorrow?

Mr. LUCAS. However if we met at 11 o'clock presumably all the time between 11 o'clock and 1 o'clock would be consumed by discussion of the FEPC bill and the cloture petition.

Mr. AIKEN. I had hoped that the majority leader would make his plans in such a way that as many of the reorganization plans as possible could be handled at the time when most Members of the Senate would be present.

Mr. LUCAS. That is why I have been saying that tomorrow afternoon would be the proper time for the Senate to consider the remaining reorganization plans, because it seems to me that at that time probably more Senators will be present than at any other time during this session of Congress.

Mr. AIKEN. Of course there is a propensity on the part of Senators to make speaking engagements for Friday, in various parts of the country, with the result that many Senators are likely to be absent from the Senate on Friday.

Mr. LUCAS. I cannot control that. I have been trying to tell the Senate, for about 10 days now, that the reorganization plans would come up following the vote on cloture on Friday, and that probably we should have a session on Friday night. So Senators must govern themselves accordingly. If they are not here then, I cannot take the responsibility for that.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 4433. An act to make retrocession to the Commonwealth of Massachusetts over certain lands in Shirley, Mass.;

H. R. 4732. An act to direct the Secretary of the Army to convey certain lands to the Two Rock Union School District, a political subdivision of the State of California, in Sonoma County, Calif., and for other purposes; and

H. R. 6171. An act to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps to administer certain oaths, and for other purposes.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed the consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. LUCAS. Now, Mr. President, I wish to speak on the pending question.

Mr. President, the majority Members of the Senate will shortly go on record before the American people on the issue of whether or not they firmly believe in the principle of fair-employment practices in America, and whether or not they are willing to translate their belief into positive action. The Members who are present and who vote on the cloture motion will be responsible to the American people for their action. Senators absent and not voting on this question, unless their absence from this Chamber is unavoidable, will be equally responsible to the American people.

At the beginning, it is necessary that the significance of the vote on this cloture motion be made clear to all. Every American citizen should know that if the Senate fails to apply cloture to the question of bringing up the FEPC bill, the long, hard struggle which has been waged for reasonable fair-employment practice legislation will receive a serious setback.

This vote on cloture is crucial. If 64 Senators fail to support this motion, we shall try again, after business has been transacted in the Senate, with a hope that even Members who may oppose this bill will at least vote to permit the bill to come before the Senate.

I confess that I am unable to understand how any Senator can oppose this motion. Whether a Senator approves or disapproves the bill itself, surely he should permit the Senate of the United States to consider the bill. That is the traditional way of doing business in the Senate.

Mr. President, supposing that a minority group in the Senate took this position upon every bill which came up; supposing a minority group took the same position upon the European recovery program; supposing a minority group took the same position upon the social-security bill which will soon be considered by the Senate of the United States. In that event, as a result of this type of

action, the Senate would remain absolutely static so far as the transaction of any business is concerned. No piece of legislation could pass the Senate if a group of 8 or 10 Senators decided to block its passage. Some day, Mr. President—I do not know how long it is going to be, but surely some day—the Senate of the United States will revise its rules to the point where this great deliberative body, in these unusual and troublous times, with all the complex and intriguing problems which are before it for consideration, will be able to take action on proposed legislation irrespective of whom it may hit or whom it may miss in this great Republic.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. LUCAS. I yield.

Mr. WHERRY. I should like to ask the majority leader, commenting upon the statement he has just made, with which I am totally in sympathy, whether it is not a fact that the junior Senator from Nebraska during all his service on the Committee on Rules and Administration has not attempted to have the rules revised so that a constitutional two-thirds vote of the Senators present and voting would be required on cloture petitions, applied not only to motions but also to proposed legislation?

Mr. LUCAS. I am not sure that I fully understand the Senator's question. I know I have fought for a two-thirds rule. I did so, 2 years ago.

Mr. WHERRY. The Senator well remembers that the junior Senator from Nebraska, during the Eightieth Congress, in conjunction with the Senator from Arizona, sponsored an amendment to the rule that would do exactly what the Senator is talking about.

Mr. LUCAS. The Senator is correct about that. That was on the calendar during the Eightieth Congress. No action was taken on it.

Mr. WHERRY. In this session, the tables are reversed. The distinguished chairman, the Senator from Arizona [Mr. HAYDEN], and the junior Senator from Nebraska joined in bringing out a measure with the same identical provision respecting the vote. Is not that true?

Mr. LUCAS. No; I do not agree with the Senator that the rule is the same today as it was.

Mr. WHERRY. No; I say, is it not true that the Senator from Arizona and the junior Senator from Nebraska brought from the Committee on Rules and Administration the identical proposal which was sponsored in the Eightieth Congress, providing for a rule requiring only two-thirds of those present and voting?

Mr. LUCAS. It is not on the calendar.

Mr. WHERRY. But it was brought up at the beginning of the Eighty-first Congress, and debated on the floor and, after a hopeless filibuster, the rule was changed to provide for 64, or the constitutional two-thirds. But a resolution which was offered by the Senator from Arizona [Mr. HAYDEN] and the coauthor, the Senator from Nebraska [Mr. WHERRY], provided for a two-thirds rule, is not that correct?

Mr. LUCAS. The Senator is correct about that.

After considerable discussion the Senate amended the resolution and established the present rule, which requires a constitutional two-thirds, or 64.

Mr. WHERRY. Rather than get nothing, we took what we could get; that is true. But I am in complete accord with the Senator on the proposition that if we could obtain a rule requiring the votes of two-thirds of those present and voting, it would be thoroughly agreeable to the Senator from Nebraska. In view of his statement, I should like to say to the majority leader now that I should be glad to join with him in a proposal to change the rule so as to require two-thirds of those present and voting at any time the distinguished Senator would like to introduce such a resolution. I should be glad to cooperate with him in attemping to change the rule, which, as the Senator knows as well as I do, would require the breaking of a filibuster.

Mr. LUCAS. I am glad to have the statement of the Senator from Nebraska that he is now in favor of two-thirds rather than 64, which provision is fastened upon the Senate at the present time. Of course, it is too late now to talk about changing the rule at this particular moment, when we are in the heat of debate under a rule for which the Senator, as cosponsor, is responsible.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. But the majority leader could have offered a resolution amending the rule at any time since the beginning of the Eighty-first Congress, could he not?

Mr. LUCAS. Yes, I understand that.

Mr. WHERRY. No one has raised the question.

Mr. LUCAS. I understand.

Mr. WHERRY. No one has offered a resolution providing for a change of the rule.

Mr. LUCAS. No. I understand all that, and the reason we have not done so is that the Senator from Nebraska, as the author of the present rule, fastened on the Senate, in a coalition with my good southern friends, last year, a rule which I undertake to say we shall never be able to change, as a result of the language which it contains.

In other words, there can be a filibuster from now until doomsday, and there will, before we will ever be able to change the rule itself. Of course, there is nothing before the Senate at the present time dealing with the rule. We are now trying out the rule which was fastened on the Congress by the Senator from Nebraska, as author and sponsor, along with other Senators, to determine whether it will work. In the midst of that, we now find the Senator from Nebraska saying to me that we could amend the requirement of the rule from the constitutional two-thirds, or 64, to the ordinary two-thirds. It is hardly the place to debate that now, Mr. President. I am trying to debate the issue which is before the Senate. I do not want to get into an argument with my friend as to whether the rule is right or wrong, at this time, because he and I are cooperating in trying to make effective the rule which is now a part of the rules of the Senate.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I am glad to yield to the Senator from Nebraska.

Mr. WHERRY. I ask the distinguished majority leader whether anything has been changed? Is it not a fact that nothing has been changed?

Mr. LUCAS. Not since the Senator fastened a rule on us. It has not been changed since then.

Mr. WHERRY. The same procedure exists now as that which existed before the rule requiring the constitutional two-thirds majority was adopted so far as changing of any rule of the Senate is concerned. The Senator well knows that that has not been changed, and that, if it is desired to change the rule, the Senator has the same right now that he had before. The only way in the world by which it can be changed is to break a filibuster. The only difference now is that for the first time in the history of the United States Senate we have the opportunity of closing debate on a motion on the basis of the constitutional two-thirds, which is something we never had before.

I have stated I agreed with the majority leader when he said he hoped the time would come when we could get the rule changed to two-thirds of those present and voting, which really means about a vote and a half. I agree with him. The Senator knows that my record is clear, and that I brought out a rule on that basis, not only in the Eightieth Congress, but I also joined with the Senator from Arizona [Mr. HAYDEN] in the Eighty-first Congress, and I should be glad to join with him now in attempting to change the rule, not merely because this particular bill is up but because, as the majority leader has said, other bills will come before the Senate as to which cloture on a motion for consideration to be effective, or more eftive than it is now, should require the vote of only two-thirds of the Senators present and voting.

Mr. NEELY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. LUCAS. I doubt that we can obtain a quorum. Senators are very busy with hearings these days. There are apparently no Senators on the floor except those who wish to speak.

Mr. NEELY. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Chapman	Ferguson
Anderson	Connally	Fulbright
Benton	Cordon	George
Brewster	Darby	Gillette
Bricker	Donnell	Green
Bridges	Douglas	Gurney
Butler	Dworshak	Hayden
Byrd	Eastland	Hendrickson
Cain	Ecton	Hill
Capehart	Ellender	Hoey

Holland	McCarran	Smith, Maine
Humphrey	McCarthy	Smith, N. J.
Hunt	McClellan	Sparkman
Ives	McFarland	Stennis
Jenner	McKellar	Taft
Johnson, Colo.	McMahon	Taylor
Johnson, Tex.	Malone	Thomas, Utah
Johnston, S. C.	Martin	Thye
Kefauver	Maybank	Tobey
Kem	Mundt	Tydings
Kerr	Myers	Watkins
Kilgore	Neely	Wherry
Knowland	O'Conor	Wiley
Langer	O'Mahoney	Williams
Leahy	Robertson	Withers
Lodge	Russell	Young
Long	Saltonstall	
Lucas	Schoeppel	

The PRESIDING OFFICER. A quorum is present.

Mr. LUCAS. Mr. President, when the quorum was called the Senator from Illinois was discussing the rules of the Senate.

The only way that we will ever get a fair employment practice law is by imposing cloture. An effort to break by a test of endurance a filibuster on a motion to take up would avail us very little. Should we be successful in such an effort, and ultimately bring up the bill, there would follow another filibuster on the bill itself.

Under the Senate rules, it would be virtually impossible to break this second filibuster. As every Senator knows, the only possible way of breaking a filibuster is by forcing the opponents of a measure to exhaust their speaking privileges under the Senate rules. This procedure would be impractical in the case of a filibuster on the FEPC bill itself. Senate rule 19 limits each Senator to no more than two speeches upon any one question during the same legislative day. By recessing rather than adjourning, we can extend the legislative day for the duration of the filibuster. But this will not help very much, as every amendment that might be offered to the bill is considered another question upon which each Senator can speak twice. If no more than 10 amendments were introduced to the FEPC bill, each filibustering Senator, under the Senate rules, would be privileged to speak a total of 22 times.

I point these facts out in order to make it clear to all the significance of the vote which we shall take on this cloture motion. I point this out to make it clear to every American citizen that, under the rules of the Senate, it will be practically impossible to adopt an effective fair employment practice law at any time unless we succeed in first imposing cloture.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Ohio.

Mr. TAFT. The Senator makes an interpretation of rule XXII which, as I understand, is contrary to what I had thought the rule meant. I had assumed that no Senator could speak more than 1 hour altogether.

Mr. LUCAS. That is after cloture has been imposed. The Senator is correct about that. But after cloture is imposed on the motion to take up, for instance, we will have to file a second cloture petition before we can discuss the bill.

Mr. TAFT. Not before we can discuss the bill. We could discuss the bill at considerable length before that.

Mr. LUCAS. What I mean to say is that before the Senate could vote on the bill, it would be necessary to file a second cloture petition if we were successful in obtaining cloture on the motion. The point I make is that, if we cannot get cloture on the bill, those who are opposed to the measure can offer one amendment after another, and under the rules of the Senate any Senator could speak twice on any amendment.

Mr. TAFT. At any time during the pendency of amendments, cloture could be applied on the whole bill and the amendments.

Mr. LUCAS. I agree with the Senator, but the question is of getting the 64 votes. What I am saying is that if we continue to debate the bill itself, and permit each Senator to make two speeches on the bill, and cannot get cloture, those opposed to the bill would not be denied the right to file a dozen amendments, giving every Senator an opportunity to speak twice upon every amendment.

Mr. TAFT. Of course, any bill may be indefinitely filibustered, so far as the time permitted to Senator to speak is concerned.

Mr. LUCAS. The Senator and I are agreed upon that. That is why the cloture petition is so important.

Practically every aspect of S. 1728, the Senate's Fair Employment Practice bill, has been discussed at great length on the Senate floor. I shall not take the time to review all the reasons why it is imperative that the Senate approve the cloture motion, and promptly proceed to the consideration and passage of this bill.

However, I believe that there is no better time than now to clear away the misconceptions, unreasoned and emotional, that have beclouded this whole problem. It is time that we looked at this matter in its true light.

Much has been said about the fact that there were no hearings on the bill. Obviously that is true, so far as the particular bill we are discussing is concerned, but hearings were held upon the fundamental, basic principles of the bill over a long period of time.

So far as those who make much ado about the fact that no hearings were held are concerned, we could pile hearings 10 feet high on the Senate floor and that would not change the position of those opposed to the bill. So the argument made about no hearings being held is simply a smoke screen, and does not mean a single thing.

It has been seriously argued that Congress, in the face of widespread violations of basic human rights, is powerless to raise its hand. Let us put this argument in its proper place once and for all. It is for the Supreme Court to determine ultimately whether or not Congress has the constitutional power to enact a fair employment practice act.

Congress has a clear right and duty to act when a problem comes to its attention which can be solved only through congressional action, and when Congress has sound reasons for believing that it has the constitutional authority to take action. Such is the case with an FEPC bill. The broad authority of Congress over interstate commerce is basis enough for a reasonable belief that Congress has this authority. We should leave the final decision to the Supreme Court.

Another misconception in the minds of many which is beclouding the real issue is the false assumption that this is sectional legislation. There have been before Congress very few bills which were less sectional than this. There have been before Congress very few bills that were more necessary to our national interest and security than this. It is time that we take the question of fair employment practices out of the narrow realm of provincialism and consider it in its proper sphere of our national interest.

There are two good reasons why this is not sectional legislation. In the first place, discriminatory practices are not sectionalized; they are widespread throughout the Nation. Secondly, wherever they may be, their existence weights down our democracy with a heavy burden that we must throw off in this world-wide struggle between communism and democracy.

My southern friends for years have been pointing to the discriminations against minorities that occur outside the South. I sadly admit that the pointed finger can be turned in every direction. As a nation, we are guilty. As a nation, we must courageously face the problem and take positive action, not aimed at the South, not limited to the South; action not on a local State-wide basis that merely covers up one blot but allows all the rest to show in full view of the world, but action that is calculated to solve the problem for what it is—a national problem.

It has been argued also that the bill will seriously interfere with existing social relationships, since it is an attempt to outlaw prejudices. First of all, the bill does not attempt to legislate away traditional ways of thinking. It merely denies one the right to translate his personal views into positive conduct that injures another.

Also, every precaution has been taken in the preparation of the bill to confine it to economic rather than personal relations. All fraternal and charitable associations are exempted. The more than 3,000,000 enterprises in America employing less than 50 persons are exempted. Only the large impersonal business organizations are covered.

It has been insisted also that the enactment of the legislation will make it extremely difficult for employers to dismiss known Communists. That argument is entirely groundless. There is nothing in the provisions of S. 1728 that justifies such a view.

The bill is intended to eliminate discrimination based upon race, color, religion, or national origin. An employer's attitudes or policies with regard to Communists is not affected one way or the other by the bill. In fact, the committees were very careful to exclude from the bill the word "creed," as they wanted nothing in the bill which might possibly

be interpreted as protecting Communists. This is a baseless argument and has no place in a fair discussion of the FEPC bill.

Once we have set aside the arguments and charges that confuse and becloud the real issues, we can view fair employment practice legislation in its proper light.

Discrimination in employment against minority groups is of great national concern It is of the greatest national importance that we move forward toward perfecting our democracy and securing to millions of Americans the rights which the signers of the Declaration of Independence envisioned as belonging to every man.

The one right which was placed above all others by the founders of our democratic institutions was the right of life. In putting first the right to live, our forefathers were giving preeminence to the highest moral teachings of civilized religion. They were also giving recognition to one basic fact learned through centuries of man's experience with organized government—which is, that political government in our society exists for the primary purpose of securing to man his right to live. The laws of a government are considered civilized to the extent that they protect the life of its citizens against the conduct and acts of others.

The right of life is no less the right to work and earn a livelihood. It is this right that a fair-employment-practices act is intended to protect for every American citizen.

We are already late in securing to all these rights upon which our Nation was founded. We cannot afford to wait longer.

Discrimination in America against minority groups is also of national concern, because it is harming the cause of democracy throughout the world. It is one of the most powerful weapons which the Communists have in the battle which is now being waged all over the world for the minds of men.

This truth has never been stated more eloquently than it was by the late Wendell Willkie in an article published in Collier's in 1944. These are the words of Mr. Willkie:

> The equitable treatment of racial minorities in America is basic to our chance for a just and lasting peace. We, as Americans, cannot be on one side abroad and the other side at home. We cannot expect small nations and men of other races or color to credit the good faith of our professed purposes, and to join us in international collaboration for future peace if we continue to practice an ugly discrimination at home against our own minorities.

The truth of these words is self-evident. The Mexican-American and Hispanic groups in the United States are not large, but the way they are treated has been made the personal concern of foreign nations. During the recent war, the Mexican Chamber of Deputies established a special committee for the purpose of keeping the attention of the Mexican Congress focused on discrimination against Mexicans in the United States.

The foes of democracy are capitalizing upon the discriminations which exist in America. Our actions here, today, threaten to take from those who would destroy freedom everywhere one of their best propaganda lines. Throughout the world, people who are struggling to keep their liberties will take strength in observing that we in America can do, and want to do, something about the shortcomings in our democratic society.

The Communists will take very little pleasure from our efforts here to erase these inequalities. With all our shortcomings, the fact should never be forgotten that the system which the Communists would impose not only destroys freedom and liberty, but it takes from the people the power to do anything about it.

The struggle for men's minds in the world today has caused us to reexamine ourselves in light of the basic ideals of democracy. This examination has shown that there is still much to be done at home. If we ourselves remain static it will be difficult for the United States to encourage progress toward democratic ideals throughout the world.

A nation which must call upon every man and woman, regardless of race or religion, to protect it in time of grave crisis should, as a national policy, secure to each of its citizens, regardless of race or religion, the right equally with all men to earn a livelihood.

In times of peril our country can draft men of all races, creeds, and colors and send them to every part of the world to die for America. But when those men return from fighting for our country, it does not make sense that they should be prohibited from voting, for instance, unless they pay a poll tax; that they should be discriminated against because of their color or their national origin or because of their creed. If we believe deeply in the fundamental and basic principles of the Constitution of the United States we cannot also believe that such discrimination should continue to exist.

It is truly a misfortune that veterans of all races who fought side by side in our last great war have returned home to find that they cannot, on equal terms, enjoy the benefits of democracy.

This state of affairs is on the conscience of our great Nation. We must not delay in correcting it. It brings to my mind the words of Chaplain Gittelsohn at the burial services on Iwo Jima:

> Here lie officers and men, Negroes and whites, rich men and poor—together. Here are Protestants, Catholics, and Jews—together. Here there are no quotas of how many from each group are admitted or allowed. Among these men there is no discrimination. Theirs is the highest and purest democracy * * *.
>
> To this, then, as our solemn, sacred duty, do we the living now dedicate ourselves: To the right of Protestants, Catholics, and Jews, of white men and Negroes alike, to enjoy the democracy for which all of them have here paid the price.

In conclusion, I want to emphasize that what we are doing here is trying to solve rationally a serious national problem. We are trying to correct a condition that no American looks upon with pride. We are trying to broaden the base of democracy by securing its fine ideals to greater numbers of our citizens. We are trying to take the lead in demonstrating to the world what democracy can mean to the average citizen. The responsibility of attaining this goal is upon each of us. How we each measure up to this great task will be determined by the vote on this cloture motion.

In conclusion, Mr. President, I make one observation. I think it is admitted by every Senator that these probably are the most dangerous peacetime days America has ever experienced. I make that statement on the basis of what is happening throughout the world today. It is based upon the fact that in this particular age not only America but other countries no doubt have the know-how on the atomic and hydrogen bomb. It is based upon the fact that there are two ideologies competing for men's souls and lives in this great world. It is based upon the fact that every move Russia makes indicates more or less an aggressive attitude upon her part against the free men who live in this world today.

Mr. President, we in the United States of America must demonstrate beyond the peradventure of a doubt to the peoples of western democracies of Europe and to the peoples of Asia that we here in the United States of America live up to the principles of equality for all as laid down by the founding fathers.

I undertake to say, Mr. President, that the time has come in this great Nation when people, regardless of their origin, regardless of what has occurred in the past, regardless of the experiences through which they have passed, must be treated with equal economic consideration. We ourselves must become more tolerant in our handling of this problem and more understanding of it. We must try in some way, somehow, to find the proper solution of this problem, so that Americans can march united down that road which will lead America and the world to peace, prosperity and happiness.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield to the distinguished Senator from California.

Mr. KNOWLAND. I should like to ask the able Senator from Illinois, since a little earlier he mentioned the cloture rule, whether he will agree with me that under the precedents of the Senate prior to the time when the present rule was adopted, cloture did not lie against a motion to consider a bill or take up a bill?

Mr. LUCAS. The Senator is correct. I did not agree with that position, but nevertheless the Senate did.

Mr. KNOWLAND. Both the Senator from Illinois and I voted, on the question of sustaining the ruling of the Chair, that that narrow interpretation should not be placed on the old rule. Nevertheless, the precedents of the Senate, as they had been interpreted, definitely indicated that cloture could not be applied against a motion to take up a bill. Does the Senator from Illinois agree?

Mr. LUCAS. Yes. I think the Senate unfortunately overruled the wisdom of

the Senator from Illinois and the Senator from California.

Mr. KNOWLAND. That being so, under the parliamentary situation in which we now find ourselves, if it were not for the fact that the rule was amended, a cloture petition could not be effectively filed on a motion to take up a bill. Is that correct?

Mr. LUCAS. That is correct.

Mr. KNOWLAND. So, Mr. President, at least for the first time, under the rules of the Senate, we shall get a test vote on that issue, on the motion to take up a bill.

Mr. LUCAS. The Senator from California is correct.

Mr. KNOWLAND. The Senator from Illinois is also familiar, is he not, with the fact that during the time when the cloture rule was under debate, several amendments were offered, one by the Senator from Oregon [Mr. MORSE], which would have applied cloture by a simple majority vote; and the Senate rejected that amendment by a vote of 7 yeas to 80 nays; so it is obvious that the Senate by an overwhelming vote did not want cloture to apply by means of a simple majority vote. In fact, I think even the able Senator from Illinois voted against the amendment to apply cloture by means of a simple majority vote.

Mr. LUCAS. Yes; I voted against applying cloture by means of a simple majority vote.

Mr. KNOWLAND. The Senator from Illinois is also familiar, is he not, with the fact that an amendment was offered by the able senior Senator from Pennsylvania [Mr. MYERS], which would have applied cloture by means of a so-called constitutional majority vote; and on that vote the yeas were 17 and the nays were 69—a rather overwhelming vote on the part of the Senate. Therefore, from a practical point of view, it was not considered that the Senate wanted to apply cloture by even a constitutional majority vote.

So the question then was whether the rule would be retained under its old two-thirds procedure or under the new constitutional two-thirds procedure.

The Senator from California, as I think the Senator from Nebraska had pointed out earlier at that time, had originally favored the application of cloture by means of the affirmative votes of two-thirds of the Senators voting in the Senate at that time. However, we were running into difficulty, so the present rule was a compromise.

As a matter of fact, if all Senators are in their seats and voting—and the able Senator from Illinois has made a very strong case that all Senators should be present and voting unless illness or some great emergency keeps them away—if all Senators are in their seats and voting, there is absolutely no difference between the old two-thirds rule and the new constitutional two-thirds rule; is not that correct?

Mr. LUCAS. The Senator from California is correct.

Mr. KNOWLAND. So I think at least we have gained this much: We now have an opportunity, for the first time, to get a test vote on cloture on a motion to take up a bill. Is not that correct?

Mr. LUCAS. The Senator from California is correct; this is the first time we have had an opportunity to invoke cloture on a motion to take up a measure.

Mr. President, I now yield the floor.

Mr. HENDRICKSON. Mr. President, I have been deeply impressed with the able and sincere arguments which have been presented in the course of this debate on both sides of the issue raised by the motion to take up S. 1728. Indeed, I would be less than frank, Mr. President, if I did not admit at the outset of my remarks that my able and distinguished colleagues from our great Southland have raised constitutional questions involved in the issue before us which should cause those of us who are lawyers to "stop, look, and listen," as we are frequently admonished to do in our travels over the highways.

But, sir, I had already heard so many of these constitutional questions propounded in respect to the rights intended by our great Charter of Liberty, the Constitution of the United States, that long ago I fell back upon the noble instrument which preceded it and in great measure served as its guide and preceptor—I refer, of course, to the Declaration of Independence. It was to this document I looked to see if I could find therein the connecting link which related so closely these two great instruments of human rights and government. It is to me crystal clear that the contemporaries who lived in the era of our national history when these instruments were drawn and first were made a living force for the good of mankind would today resolve this debate, not upon legalistic terms, but rather upon the broad concepts of the Constitution as they would interpret it in the light of the charter which gave birth to our Nation, the Declaration of Independence.

What did it say in respect to the rights of man? It said, among other things, but most important of all, that—

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness.

I ask, Mr. President, how can a man or woman be entitled to the "pursuit of happiness" if he or she is to be discriminated against on account of race, creed, color, or national ancestry, in seeking worthy employment?

Anticipating that I would be subjected to many queries and questions on the legal and constitutional phases of this issue, I have listened with the greatest of interest to many of the colloquies on the legal side of the question before us. I was particularly interested in the colloquies which took place between the able senior Senator from New York [Mr. IVES] and the able junior Senator from Florida [Mr. HOLLAND] in respect to some of the legalisms involved. Although I know that the Senator from Florida is an able constitutional lawyer, for whose judgment and integrity I have tremendous regard and respect, I was forced to the conclusion that the very able lay viewpoint of the questions raised in these colloquies should prevail, as a result of those very interesting exchanges of views. I am definitely convinced, on this score, that despite the legalistic interpretations which can be placed upon the ninth and tenth amendments, the intention of the framers of the Bill of Rights was to save for the people, through their duly chosen representatives, those rights not specifically enumerated. The ninth and tenth amendments were the "saving clauses" to insure popular sovereignty in all things not theretofore included in our carefully designed system of checks and balances.

Thus, I feel constrained to ask, why not a national fair employment practices law to insure the right to the "pursuit of happiness" for all the people? Why not spell out the things which were intended by both of the great charters of liberty to which I have referred? As I answer these questions, let me assure you at the cutset that I am in full agreement with those great leaders in both parties, including New Jersey's distinguished Governor, Alfred E. Driscoll, who seek to handle these problems locally and voluntarily by community action and through public opinion. But there will always be situations when local control is inadequate and then either the State or Federal Government must step in as circumstances may require. This is the proper and just approach as I interpret it. This approach permits the people to solve their own problems as free men, rather than as controlled or directed servants of government, and in most things leaves the Federal Government free to devote its great powers and special talents to such things as world affairs, national defense, fiscal management, economic emergencies, and the other time- and energy-consuming burdens which today rest upon its shoulders. But the issue involved here is one which should no longer wait upon the much-sought-for local and voluntary solutions, for we have certain important areas of our country which insist on a "stand pat" position in the matter.

Meanwhile the propaganda of our greatest enemy, the Communists, is effectively making our complete devotion to "liberty and justice" sound like a mockery in other areas of the world. I am one of those, Mr. President, who hold that it is a dangerous thing to provide propaganda of this sort. We must all be well aware of the fact that our prestige in the world is suffering because of the inescapable charges that discrimination against race, religion, and color does exist in this great haven of freemen. Oh, I know that charges would be made even though we were perfect in all things, but why, in this crucial hour and in this crucial era of the world's history, give our enemies the advantage of the use even of a half truth when we ourselves, our people, clearly want naught but whole truths based upon actualities. We cannot effectively combat adverse propaganda or maintain our position as the champions of free men within any family of nations unless we set an inspiring example, and to do this, we must immediately set our house in order. True, a number of our States, eight of them as I recall, have effectively outlawed discrimination in employment, but that is not enough. For, sir, too many of our States have refused to act at all.

To me, it is imperative that we make fair-employment practices a national policy and habit in order to live up to our avowed declarations to bring their fullest benefits of life, liberty, and the pursuit of happiness" to all of our people. It is also important that our people be not divided in this crucial and vital cold war by racial or religious lines. As never before, we must find a way to unify our common interests and our common aims in order that our energies may follow parallel channels toward the defense of our national ideals and principles—toward the ways of a just and a lasting peace. To even think that the utilization of our manpower, at a time when full production is vital, should be restricted by discriminatory practices is to my mind well-nigh criminal. At this very moment, there are thousands of Negroes and representatives of other racial and religious groups and minorities who are receiving technical education and training—thousands more than ever before. Surely, it is uneconomic, it is not sound economy for this great Nation to waste these trained talents by closing the doors to the employment thereof on a basis of prejudice or class distinction.

Moreover, it is my considered opinion that this Congress has a clear mandate from the people. As I review the elections of 1948, in which I happened to be a very active participant, I cannot help but feel that I have a very definite and specific duty and obligation in respect to this issue. Surely, I do not need at this point to belabor the Senate with one of the major pledges of both the Democratic and Republican platforms adopted at the 1948 conventions. Both parties at that time responded generously to the demands of the religious, labor, and civic organizations on the subject of civil rights. Are both major parties to stand convicted of hypocrisy, sham, and deceit? I, for one, will support and be counted in favor of the pledge my party made to the people of this Nation in 1948.

Even before and since those conventions, however, the demand of the youth of our country should be a significant factor on this subject. Our youth, among which I proudly number five of my own children, have far out-stripped their elders in the hope of a quick solution to this problem. In this connection, I point out that there have been countless examples in our great universities and colleges where students have honored representatives of minority races with important posts both in sports and in university life generally. Indeed, in most universities, the students themselves have carried on campaigns to eliminate discrimination in fraternal and campus activities.

I firmly believe that the enactment of S. 1728 would contribute more than anything else to the solution of the whole civil-rights problem in the United States. Certainly, the experience in my own State supports this view. New Jersey has had civil-rights legislation on its statute books since 1884, providing for equality of opportunity with regard to accommodations in hotels, restaurants, places of amusement, and the like. I have always been rather proud of the fact that it was my privilege to guide some amendments to this law through the legislature to successful passage during my service in the New Jersey State Senate.

In 1945 progressive forces in New Jersey mobilized support behind a Fair Employment Practice Act, and in April of that year, despite opposition similar to that expressed in this Congress, New Jersey became the second State in the Union to pass legislation outlawing discrimination in employment. Men of ability and good judgment were charged with the administration of the law, and with the fine cooperation of the employers of my State, the measure has been highly successful.

At this point I ask unanimous consent that there be incorporated in the body of the RECORD as a part of my remarks excerpts from the annual report, 1946–47, of the New Jersey Division Against Discrimination.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ANNUAL REPORT (1946–47) OF NEW JERSEY DIVISION AGAINST DISCRIMINATION

It is important to point out that in the majority of cases when a formal complaint is adjusted, it has great significance upon the number of job opportunities afforded to members of so-called minority groups in the future. Very often when the existing policy of an employer or a union is modified as the result of a complaint, a great many job opportunities are opened to qualified applicants who were previously rejected because of race, creed, color, national origin, or ancestry. In one case, a large corporation with over 30,000 employees working in all parts of the State liberalized its entire policy due to a complaint based on religion. In another instance, a nationally known concern with 3 plants in New Jersey hired Negroes for the first time in 3 different cities in the State with the result that in the last year over 100 have been employed. This particular complaint had involved a labor union in one of the three plants.

SPECIFIC CASE HISTORIES

Case A: An employer called the division for advice concerning racial policies in his plant having over 500 workers. For years he had employed Negro workers in all skills; but one department of his plant, manned by white workers with exceptional skills, had never had full-time Negro workers. At least 4 long-time Negro employees were eligible for upgrading to this department but the group of 25 white workers refused to permit the fruition of this promotional plan. Subsequent to this call and visitation to the plant by a staff member, two of the colored workers filed complaints against the workers in the special department, and against the labor union of which all workers were members.

The division entered into full investigation, found that all officers of the union were workers in this exclusive department, and that combined efforts of management and top union leadership had been fruitless in changing their attitudes. A series of individual conferences and interviews led to a round-table conference involving management, union officials both local and regional, the parties charged in the complaint, and the complainants and their witnesses.

From the discussion it was learned that Negroes were doing casual work in the department in question, dismissing the assumption that racial antipathies were involved. Further, it was disclosed that the objectors feared a repetition of an incident several years back, when management assigned colored workers to the department without induction training or wage adjustments, and that in the interest of their own personal safety in a hazardous operation, and in protection of their own wage scale, they had forced the removal of these workers. Exposure of the causes of fear led to mutual agreement that any worker to be promoted to this department should receive necessary induction training and commensurate wage adjustments. This plan was instituted and the deserving workers upgraded without further resistance. Case closed on satisfactory adjustment.

Case B: Three separate complaints were registered against a large New Jersey corporation whose negative policy on race and creed was well known throughout the State. The complainants were carefully interviewed to determine their qualifications for the positions for which the corporation was seeking help. Investigation of the complainants' charges apparently justified their belief that racial discrimination was involved in their rejection by the personnel officer. He, in turn, claimed that the applicants had not been able to meet minimum qualifications demanded by the corporation.

Examination of employment records disclosed that workers selected during the period involved in the complaint were not superior in training or experience to the complainants. Deprived of this defense by the evidence contained in his own records, the employer agreed to reinterview the complainants, two of whom were employed at completion of the interview. The third complainant declined to reappear. Since the satisfactory closing of these cases, several more colored workers have been engaged voluntarily by this corporation.

Case C: Two job-seeking colored girls filed routine applications with a plant receptionist and were dismissed with the statement, "We'll send for you if we need you." After 10 days, a phone call to the plant brought the information that jobs were available, that their applications were approved, and that they should report for work. Upon their appearance at the personnel office for assignment, they were informed that Negro workers had never been employed on production jobs and that "there must have been a mistake."

Complaint was filed. Screening disclosed both girls possessed superior qualifications and investigation verified the substance of their complaints. The employer admitted that racial barriers prevailed but claimed with considerable justification that his employees objected to racial mixing in his several plants. Management was considering the employment of Negroes in one of these plants but on a segregated plan.

The division representative conferred with plant labor leaders and, with full cooperation of management and union, arranged meetings with supervisors and production workers, respectively. These discussions permitted full examination of points of objection, meaning, and effect of law, and gave opportunity for effective expressions by the majority of workers who rejected the intolerant viewpoints of their fellow workers. On the basis of these discussions, and the cooperative position displayed by the union, management embarked upon a program of minority hiring and integration that now represents a completely democratic recruitment policy. Case closed as a satisfactory adjustment.

Mr. HENDRICKSON. During the 5 years in which New Jersey's FEPC has been in operation, the people of the State have become accustomed to discussing interracial problems. State and regional councils have been active in supplying educational material on the problem to service clubs of all types, labor groups, employer groups, church groups, high

schools, colleges, adult schools, employment agencies, professional groups and organizations, parent-teacher associations, women's clubs and minority veterans groups. Our radio stations have cooperated in this educational program and a summer workshop for teachers dealing with the problems of intercultural education was established at Rutgers University, sponsored jointly by the National Conference of Christians and Jews, the university, and the State Division Against Discrimination. Greatly encouraged by the favorable public reaction to the State FEPC and the outstanding results of the educational program conducted in connection therewith, progressive leadership in the State was convinced that the time was ripe to bring the opportunities of full citizenship to all the people of New Jersey.

One of the major accomplishments of the New Jersey Constitutional Convention of 1947 was the broadening of the bill of rights in that constitution to include the provision that "no person shall be denied the enjoyment of any civil or military right, nor be discriminated against in the exercise of any civil or military right, nor be segregated in the militia or in the public schools because of religious principles, race, color, ancestry, or national origin." Within the spirit of the mandate in the new constitution of 1947, the New Jersey Legislature, in 1949, acted to strengthen the substantive civil rights of equality in places of public accommodations by combining the administration of these rights with the law against discrimination in employment.

It is not necessary for me to repeat today the success of FEPC in New Jersey. It has been read into the CONGRESSIONAL RECORD by other supporters of this measure and documented in the hearings before a subcommittee of the Senate Committee on Labor and Public Welfare in 1947. I should like to point out, however, that since the passage of FEPC in my State and the subsequent related legislation which followed it, segregation in the public schools and in the National Guard has been eliminated. Negroes are now admitted to privately endowed educational institutions, with no ill effects, despite the fact that some of the institutions have a strong southern tradition. Racial minorities are now free to enter any restaurant, hotel, or place of amusement and are working amicably beside representatives of majority groups in all types of employment.

Moreover, this is happening in a State which, in the southern portion, at least, the portion from which I stem, adhered until very recently to the southern biracial pattern. It was accomplished mainly because our citizens have learned to reorient their thinking under a law which brought new hope to large segments of our population. The result was achieved not by imposing extreme penalties, but rather through conciliation, persuasion, conference, and education. The very existence of the New Jersey law has touched off a new sense of Christian brotherhood of man in my State. It has given those who have always believed in a single, first-class citizenship, the encouragement and opportunity to practice their belief.

Just as the interdependence of our economy has justified national wage and hour legislation, so also does it justify Government intervention to save human dignity and equality of economic opportunity. We have heard many arguments against Senate bill 1728, which run all the way from assertions that the Declaration of Independence is self-limiting to the assertion that the enactment of FEPC "would impair and undermine the very foundations of our economic strength." It is said that the bill could not work, and it is threatened that it would be "nullified by concerted violation." The opposition appeals to the Bill of Rights and contends in effect that this bill which would guarantee equality of opportunity would violate the guaranties of freedom of religion, of speech, of press, and of assembly. Can there be any more basic freedom than freedom from discrimination?

I submit that there is only one real argument against FEPC, and that argument is fear, fear of its effect upon ingrained custom, fear of its influence on patterns of thought, fear of its result upon economic controls. These are sincere fears, but I submit that the record shows they are misplaced fears. America cannot indulge in the luxury of protecting those who fear at a time when we need courage to sustain our self-respect as a Nation in the world at large. The experience in forward-looking States which have tried fair employment practices legislation gives assurance that fear of the consequences of this type of law is unfounded.

It is argued that such a law either could not be administered or would be only partly administered. Sponsors of this legislation certainly have no illusions that it will be perfect in its inception or its administration. Even if it is imperfect in the inception and only partially administered, it will express the public policy of our Nation for equality of economic opportunity.

It is high time that we strike out against economic injustice which threatens the foundations of our economic strength. To deprive a large segment of our population of equality of economic opportunity is to bleed our economic strength. It just does not make sense, as the distinguished majority leader has said, to be concerned with the welfare of the underdeveloped areas and underprivileged peoples over the four corners of the earth and to neglect the very same problems within the borders of our own Nation.

Mr. President, I shall support this proposed legislation.

AMENDMENT OF ECONOMIC COOPERATION ACT OF 1948—CONFERENCE REPORT (S. DOC. NO. 168)

Mr. CONNALLY submitted the conference report on the bill (H. R. 7797) to provide foreign economic assistance, which was ordered to lie on the table and to be printed as Senate Document 168.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Foreign Economic Assistance Act of 1950.'

"TITLE I

"SEC. 101. This title may be cited as the 'Economic Cooperation Act of 1950'.

"FINDINGS AND DECLARATION OF POLICY

"SEC. 102. (a) Section 102 (a) of the Economic Cooperation Act of 1948 is amended by striking out in the fourth sentence thereof 'trade barriers' and inserting in lieu thereof 'barriers to trade or to the free movement of persons'; and by inserting in the fifth sentence thereof the word 'further' before the word 'unification'.

"(b) Section 102 (b) (1) of such Act is amended by inserting a comma and the phrase 'increased productivity, maximum employment, and freedom from restrictive business practices' after the word 'production'.

"GUARANTIES AND LIBERALIZATION OF TRADE BETWEEN EUROPEAN COUNTRIES

"SEC. 103. (a) Section 111 (b) (3) (ii) of such Act is amended to read as follows:

"'(ii) the Administrator shall charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty under clause (1) of subparagraph (v), and not exceeding 4 per centum per annum of the amount of each guaranty under clause (2) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and'.

"(b) Section 111 (b) (3) (iv) of such Act is amended to read as follows:

"'(iv) as used in this paragraph, the term "investment" includes (A) any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of a loan or loans to any enterprise to be conducted within a participating country, (B) the purchase of a share of ownership in any such enterprise, (C) participation in royalties, earnings, or profits of any such enterprise, and (D) the furnishing of capital goods items and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made; and'.

"(c) Section 111 (b) (3) (v) of such Act is amended to read as follows:

"'(v) the guaranty to any person shall be limited to assuring one or both of the following: (1) The transfer into United States dollars of other currencies, or credits in such currencies received by such person, as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof; and (2) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the Administrator to have been lost to such person by reason of expropriation or confiscation by action of the government of a participating country. When any payment is made to any person pursuant to a guaranty as hereinbefore described, the currency, credits, asset, or investment on account of

which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith.'

"(d) Section 111 (b) (3) of such Act is further amended by striking out the words between the second and last provisos therein and inserting in lieu thereof the following: 'It being the intent of the Congress that the guaranty herein authorized should be used to the maximum practicable extent and so administered as to increase the participation of private enterprise in achieving the purposes of this Act, the Administrator is authorized to issue guaranties up to a total of $200,000,000'.

"(e) Section 111 (c) (2) of such Act is amended by striking out '$150,000,000' and inserting in lieu thereof '$200,000,000'.

"(f) Section 111 of such Act is further amended by adding at the end thereof the following new subsection:

"'(d) The Administrator is authorized to transfer funds directly to any central institution or other organization formed to further the purposes of this Act by two or more participating countries, or to any participating country or countries in connection with the operations of such institution or organization, to be used on terms and conditions specified by the Administrator, in order to facilitate the development of transferability of European currencies, or to promote the liberalization of trade by participating countries with one another and with other countries.'

"PROTECTION OF DOMESTIC ECONOMY

"SEC. 104. (a) Section 112 (a) of such Act is amended by striking out the period at the end thereof and inserting a comma and the following: 'and (3) minimize the burden on the American taxpayer by reducing the amount of dollar purchases by the participating countries to the greatest extent possible, consistent with maintaining an adequate supply of the essentials for the functioning of their economies and for their continued recovery.'

"(b) Subsections (b) and (c) of section 112 of such Act are hereby repealed.

"(c) Section 112 (l) of such Act is amended to read as follows:

"'(l) No funds authorized for the purposes of this title shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment. A bulk purchase within the meaning of this subsection does not include the purchase of raw cotton in bales.'

"(d) Section 112 of such Act is further amended by adding at the end thereof the following new subsections:

"'(m) Notwithstanding any other provision of law, the pricing provisions of section 112 (e) of this title and section 4 of the Act of July 16, 1943 (57 Stat. 566) shall not be applicable to domestic wheat and wheat flour procured under this title or any other Act providing for assistance or relief to foreign countries, supplied to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchases thereunder.

"'(n) It is the sense of Congress that no participating country shall maintain or impose any import, currency, tax, license, quota, or other similar business restrictions which discriminate against citizens of the United States or any corporation, partnership, or other association substantially beneficially owned by citizens of the United States, engaged or desiring to engage, in furtherance of the purposes of this title, in the importation into such country of any commodity, which restrictions are not reasonably required to meet balance of payments conditions, or requirements of national security, or are not authorized under international agreements to which such country and the United States are parties. In any case where the Department of State determines that any such discriminatory restriction is maintained or imposed by a participating country or by any dependent area of such country, the Administrator shall take such remedial action as he determines will effectively promote the purposes of this subsection (n).'

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 105. (a) Section 114 (c) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: '*Provided further*, That in addition to the amount heretofore authorized and appropriated, there is hereby authorized to be appropriated for carrying out the provisions and accomplishing the purposes of this title not to exceed $2,700,000,000 for the fiscal year ending June 30, 1951: *Provided further*, That $600,000,000 of the funds appropriated hereunder shall be available during the fiscal year 1951 solely for the purpose of encouraging and facilitating the operation of a program of liberalized trade and payments, for supporting any central institution or other organization described in subsection (d) of section 111, and for furnishing of assistance to those participating countries taking part in such program: *Provided further*, That not more than $600,000,000 of such funds shall be available during the fiscal year 1951 for transfer of funds pursuant to subsection (d) of section 111: *Provided further*, That, in addition to the foregoing, any balance, unobligated as of June 30, 1950, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligation through the fiscal year ending June 30, 1951, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year.'

"(b) The last sentence of section 114 (c) of such Act is amended to read as follows: 'The authorizations in this title are limited to the period ending June 30, 1951.'

"(c) Section 114 of such Act is further amended by adding at the end thereof the following new subsections:

"'(h) The President is authorized to transfer to any department or agency any portion of the funds allocated for assistance to Germany from appropriations authorized by subsection (c). This portion may be used for expenses, not otherwise provided for, necessary to meet responsibilities of the United States related to the rehabilitation of occupied areas of Germany, including the furnishing of minimum civilian supplies to prevent starvation, disease, and unrest prejudicial to the objectives of the occupation. This portion may be expended under authority of this subsection or any provisions of law, not inconsistent herewith, applicable to such department or agency and without regard to such provisions of this title as the President may specify as inapplicable.

"'(i) As agreed upon by the Secretary of State and the Administrator, a part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany, or any supplementary or succeeding agreement, shall be deposited into the GARIOA (Government and Relief in Occupied Areas) special account under the terms of article V of the said bilateral agreement. In quantities and under conditions determined by the Secretary of State after consultation with the Administrator, the currency so deposited shall be available for meeting the responsibilities of the United States in the occupation of Germany.'

"COUNTERPART FUNDS

"SEC. 106. (a) Section 115 (b) (6) is amended to read as follows:

"'(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis: *Provided*, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates: *Provided further*, That such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be used in furtherance of any central institution or other organization formed by two or more participating countries to further the purposes set forth in subsection (d) of section 111 or otherwise shall be held or used for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the declaration of policy contained in section 102 and the purposes of this title, including local currency administrative expenditures of the United States within such country incident to operations under this title: *Provided further*, That the use of such special account shall be subject to agreement between such country and the Administrator, who shall act in this connection after consultation with the National Advisory Council on International Monetary and Financial Problems and the Public Advisory Board provided for in section 107 (a): *And provided further*, That any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution by the Congress, be agreed to between such country and the Government of the United States;'.

"(b) Section 115 (e) of such Act is amended by adding at the end thereof the following new sentence: 'The Administrator shall also encourage emigration from participating countries having permanent surplus manpower to areas, particularly underdeveloped and dependent areas, where such manpower can be effectively utilized.'

"(c) Section 115 of such Act is further amended by adding at the end thereof the following new subsection:

"'(j) The Administrator shall utilize such amounts of the local currency allocated pursuant to subsection (h) as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer.'

"FAR EASTERN ECONOMIC ASSISTANCE ACT OF 1950

"SEC. 107. (a) Section 3 (c) of the Far Eastern Economic Assistance Act of 1950 is amended by striking out 'June 30, 1951' and inserting in lieu thereof 'June 30, 1952'.

"(b) Section 3 (d) of such Act is amended by striking out the period at the end and in-

serting in lieu thereof a comma and the following: 'and $100,000,000 for the fiscal year ending June 30, 1951.'

"(c) Section 4 of such Act is amended by striking out 'June 30, 1950' and inserting in lieu thereof 'June 30, 1951'.

"TITLE II

"AID TO CHINA

"SEC. 201. This title may be cited as the 'China Area Aid Act of 1950'.

"NATURE OF ASSISTANCE

"SEC. 202. Funds, now unobligated or hereafter released from obligation, appropriated by section 12 of the Act entitled 'An Act to amend the Economic Cooperation Act of 1948,' approved April 19, 1949 (Public Law 47, Eighty-first Congress), are hereby made available for furtherance of the general objectives of the China Aid Act of 1948 through June 30, 1951, and for carrying out the purposes of that Act through economic assistance in any place in China and in the general area of China which the President deems to be not under Communist control, in such manner and on such terms and conditions as the President may determine, and references in the said Act to China shall, insofar as applicable, apply also to any other such place: *Provided,* That, so long as the President deems it practicable, not less than $40,000,000 of such funds shall be available only for such assistance in areas in China (including Formosa): *Provided further,* That not more than $8,000,000 of such funds (excluding the $40,000,000 mentioned in the foregoing proviso) shall be available for relief on humanitarian grounds through the American Red Cross, or other voluntary relief agencies in any place in China suffering from the effects of natural calamity, under such safeguards as the President shall direct to assure nondiscriminatory distribution according to need and appropriate publicity as to source and scope of the assistance being furnished by the United States: *Provided further,* That not more than $6,000,000 of such funds (excluding the amounts mentioned in the foregoing provisos), shall be available for allocation to the Secretary of State, to remain available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China for study or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes, or for research and related academic and technical activities in the United States, and the Attorney General is hereby authorized and directed to promulgate regulations providing that such selected citizens of China who have been admitted for the purpose of study in the United States, shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization.

"TITLE III

"AID TO PALESTINE REFUGEES

"SEC. 301. This title may be cited as the 'United Nations Palestine Refugee Aid Act of 1950'.

"SEC. 302. The Secretary of State is hereby authorized to make contributions from time to time before July 1, 1951, to the United Nations for the 'United Nations Relief and Works Agency for Palestine Refugees in the Near East', established under the resolution of the General Assembly of the United Nations of December 8, 1949, in amounts not exceeding in the aggregate $27,450,000, for the purposes set forth in this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 303. (a) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed $27,450,000 to carry out the purposes of this title.

"(b) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (a) of this section, to make advances to the Secretary of State, not to exceed in the aggregate $8,000,000, to carry out the provisions of this title. From appropriations authorized under subsection (a) of this section, there shall be repaid to the Reconstruction Finance Corporation, without interest, the advances made by it under authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section.

"NATURE OF ASSISTANCE

"SEC. 304. (a) The provisions of sections 301, 302, and 303 of the Act of January 27, 1948 (62 Stat. 6), are hereby made applicable with respect to the United Nations Relief and Works Agency for Palestine Refugees in the Near East to the same extent as they apply with respect to the government of another country: *Provided,* That when reimbursement is made by said Agency, such reimbursement shall be credited to the appropriation, fund, or account utilized for paying the compensation, travel expenses, and allowances of any person assigned hereunder.

"(b) Departments and agencies of the United States Government are authorized, with the approval of the Secretary of State, to furnish or procure and furnish supplies, materials, and services to the United Nations Relief and Works Agency for Palestine Refugees in the Near East: *Provided,* That said agency shall make payments in advance for all costs incident to the furnishing or procurement of such supplies, materials, or services, which payments may be credited to the current applicable appropriation or fund of the department or agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.

"TITLE IV

"SEC. 401. This title may be cited as the 'Act for International Development'.

"SEC. 402. The Congress hereby finds as follows:

"(a) The peoples of the United States and other nations have a common interest in the freedom and in the economic and social progress of all peoples. Such progress can further the secure growth of democratic ways of life, the expansion of mutually beneficial commerce, the development of international understanding and good will, and the maintenance of world peace.

"(b) The efforts of the peoples living in economically underdeveloped areas of the world to realize their full capabilities and to develop the resources of the lands in which they live can be furthered through the cooperative endeavor of all nations to exchange technical knowledge and skills and to encourage the flow of investment capital.

"(c) Technical assistance and capital investment can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived. In the case of investment this involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will provide adequate wages and working conditions for local labor. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation; that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

"SEC. 403. (a) It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power.

"(b) It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes, shall take into consideration (1) whether the assistance applied for is an appropriate part of a program reasonably designed to contribute to the balanced and integrated development of the country or area concerned; (2) whether any works or facilities which may be projected are actually needed in view of similar facilities existing in the area and are otherwise economically sound; and (3) with respect to projects for which capital is requested, whether private capital is available either in the country or elsewhere upon reasonable terms and in sufficient amounts to finance such projects.

"SEC. 404. (a) In order to accomplish the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, and their related organizations, and by other international organizations, wherever practicable.

"(b) Within the limits of appropriations made available to carry out the purposes of this title, the President is authorized to make contributions to the United Nations for technical cooperation programs carried on by it and its related organizations which will contribute to accomplishing the purposes of this title as effectively as would participation in comparable programs on a bilateral basis. The President is further authorized to make contributions for technical cooperation programs carried on by the Organization of American States, its related organizations, and by other international organizations.

"(c) Agencies of the United States Government on request of international organizations are authorized, upon approval by the President, to furnish services and such facilities as may be necessary in connection therewith, on an advance of funds or reimbursement basis, for such organizations in connection with their technical cooperation programs. Amounts received as reimbursements from such organizations shall be credited, at the option of the appropriate agency, either to the appropriation, fund, or account utilized in incurring the obligation, or to

an appropriate appropriation, fund, or account currently available for the purposes for which expenditures were made.

"SEC. 405. The President is authorized to plan, undertake, administer, and execute bilateral technical cooperation programs carried on by any United States Government agency and, in so doing—

"(a) To coordinate and direct existing and new technical cooperation programs.

"(b) To assist other interested governments in the formulation of programs for the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas.

"(c) To receive, consider, and review reports of joint commissions set up as provided in section 410 of this title.

"(d) To make, within appropriations made available for the purpose, advances and grants in aid of technical cooperation programs to any person, corporation, or other body of persons, or to any foreign government or foreign government agency.

"(e) To make and perform contracts or agreements in respect of technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency: *Provided,* That with respect to contracts or agreements which entail commitments for the expenditure of funds appropriated pursuant to the authority of this title, such contracts or agreements, within the limits of appropriations or contract authorizations hereafter made available may, subject to any future action of the Congress, run for not to exceed three years in any one case.

"(f) To provide for printing and binding outside the continental limits of the United States, without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111).

"(g) To provide for the publication of information made available by the joint commissions referred to in section 410, and from other sources, regarding resources, opportunities for private investment capital, and the need for technical knowledge and skill in each participating country.

"SEC. 406. Agreements made by the United States under the authority of this title with other governments and with international organizations shall be registered with the Secretariat of the United Nations in accordance with the provisions of article 102 of the United Nations Charter.

"SEC. 407. In carrying out the programs authorized in section 405 of this title—

"(a) The participation of private agencies and persons shall be sought to the greatest extent practicable.

"(b) Due regard shall be given, in reviewing requests for assistance, to the possibilities of achieving satisfactory results from such assistance as evidenced by the desire of the country requesting it (1) to take steps necessary to make effective use of the assistance made available, including the encouragement of the flow of productive local and foreign investment capital where needed for development; and (2) to endeavor to facilitate the development of the colonies, possessions, dependencies, and non-self-governing territories administered by such requesting country so that such areas may make adequate contribution to the effectiveness of the assistance requested.

"(c) Assistance shall be made available only where the President determines that the country being assisted—

"(1) Pays a fair share of the cost of the program.

"(2) Provides all necessary information concerning such program and gives the program full publicity.

"(3) Seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that country.

"(4) Endeavors to make effective use of the results of the program.

"(5) Cooperates with other countries participating in the program in the mutual exchange of technical knowledge and skills.

"SEC. 408. The President is authorized to prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this title.

"SEC. 409. The President shall create an advisory board, hereinafter referred to as the "board", which shall advise and consult with the President or such other officer as he may designate to administer the program herein authorized, with respect to general or basic policy matters arising in connection with operation of the program. The board shall consist of not more than thirteen members to be appointed by the President, one of whom, by and with the advice and consent of the Senate shall be appointed by him as chairman. The members of the board shall be broadly representative of voluntary agencies and other groups interested in the program, including business, labor, agriculture, public health, and education. All members of the board shall be citizens of the United States; none except the chairman shall be an officer or an employee of the United States (including any agency or instrumentality of the United States) who as such regularly receives compensation for current services. Members of the board, other than the chairman if he is an officer of the United States Government, shall receive out of funds made available for the purposes of this title a per diem allowance of $50 for each day spent away from their homes or regular places of business for the purpose of attendance at meetings of the board or at conferences held upon the call of the chairman, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses. The President may appoint such committees in special fields of activity as he may determine to be necessary or desirable to effectuate the purposes of this title. The members of such committees shall receive the same compensation as that provided for members of the board.

"SEC. 410. (a) At the request of a foreign country, there may be established a joint commission for economic development to be composed of persons named by the President and persons to be named by the requesting country, and may include representatives of international organizations mutually agreed upon.

"(b) The duties of each such joint commission shall be mutually agreed upon, and may include, among other things, examination of the following:

"(1) The requesting country's requirements with respect to technical assistance.

"(2) The requesting country's resources and potentialities, including mutually advantageous opportunities for utilization of foreign technical knowledge and skills and investment.

"(3) Policies which will remove deterrents to and otherwise encourage the introduction, local development, and application of technical skills and the creation and effective utilization of capital, both domestic and foreign; and the implementation of such policies by appropriate measures on the part of the requesting country and the United States, and of other countries, when appropriate, and after consultation with them.

"(c) Such joint commissions shall prepare studies and reports which they shall transmit to the appropriate authorities of the United States and of the requesting countries. In such reports the joint commissions may include recommendations as to any specific projects which they conclude would contribute to the economic development of the requesting countries.

"(d) The costs of each joint commission shall be borne by the United States and the requesting country in the proportion that may be agreed upon between the President and that country.

"SEC. 411. All or part of United States support for and participation in any technical cooperation program carried on under this title shall be terminated by the President—

"(a) If he determines that such support and participation no longer contribute effectively to the purposes of this title, are contrary to a resolution adopted by the General Assembly of the United Nations that the continuance of such technical cooperation programs is unnecessary or undesirable, or are not consistent with the foreign policy of the United States.

"(b) If a concurrent resolution of both Houses of the Congress finds such termination is desirable.

"SEC. 412. The President may exercise any power or authority conferred on him by this title through the Secretary of State or through any other officer or employee of the United States Government.

"SEC. 413. In order to carry out the purposes of this title—

"(a) The President shall appoint, by and with the advice and consent of the Senate, a person who, under the direction of the President or such other officer as he may designate pursuant to section 412 hereof to exercise the powers conferred upon him by this title, shall be responsible for planning, implementing, and managing the programs authorized in this title. He shall be compensated at a rate fixed by the President without regard to the Classification Act of 1949 but not in excess of $15,000 per annum.

"(b) Officers, employees, agents, and attorneys may be employed for duty within the continental limits of the United States in accordance with the provisions of the civil-service laws and the Classification Act of 1949.

"(c) Persons employed for duty outside the continental limits of the United States and officers and employees of the United States Government assigned for such duty, may receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), as amended, may receive allowances and benefits not in excess of those established thereunder, and may be appointed to any class in the Foreign Service Reserve or Staff in accordance with the provisions of such Act.

"(d) Alien clerks and employees employed for the purpose of performing functions under this title shall be employed in accordance with the provisions of the Foreign Service Act of 1946, as amended.

"(e) Officers and employees of the United States Government may be detailed to offices or positions to which no compensation is attached with any foreign government or foreign government agency or with any international organization: *Provided,* That while so detailed any such person shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits, an officer or employee of the United States Government and of the United States Government agency from which detailed and shall receive therefrom his regular compensation, which shall be reimbursed to such agency from funds available under this title: *Provided further,* That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

"(f) Experts and consultants or organizations thereof may be employed as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and individuals so employed may be compensated at a rate not in excess of $75 per diem.

"(g) Such additional civilian personnel may be employed without regard to subsection (a) of section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as amended, as may be necessary to carry out the policies and purposes of this title.

"SEC. 414. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this Act until such individual has been investigated by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided, however,* That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be employed or assigned to duties under this Act for the period of three months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

"SEC. 415. The President shall transmit to the Congress an annual report of operations under this title.

"SEC. 416. (a) In order to carry out the provisions of this title, there shall be made available such funds as are hereafter authorized and appropriated from time to time for the purposes of this title: *Provided, however,* That for the purpose of carrying out the provisions of this title through June 30, 1951, there is hereby authorized to be appropriated a sum not to exceed $35,000,000, including any sums appropriated to carry on the activities of the Institute of Inter-American Affairs, and technical cooperation programs as defined in section 418 herein under the United States Information and Educational Exchange Act of 1948 (62 Stat. 6). Activities provided for under this title may be prosecuted under such appropriations or under authority granted in appropriation acts to enter into contracts pending enactment of such appropriations. Unobligated balances of such appropriations for any fiscal year may, when so specified in the appropriation act concerned, be carried over to any succeeding fiscal year or years. The President may allocate to any United States Government agency any part of any appropriation available for carrying out the purposes of this title. Such funds shall be available for obligation and expenditure for the purposes of this title in accordance with authority granted hereunder or under authority governing the activities of the Government agencies to which such funds are allocated.

"(b) Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries, or to any international organization.

"SEC. 417. If any provision of this title or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"SEC. 418. As used in this title—

"(a) The term 'technical cooperation programs' means programs for the international interchange of technical knowledge and skills designed to contribute to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas. Such activities may include, but need not be limited to, economic, engineering, medical, educational, agricultural, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources and productive capacities of underdeveloped areas. The term 'technical cooperation programs' does not include such activities authorized by the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) as are not primarily related to economic development nor activities undertaken now or hereafter pursuant to the International Aviation Facilities Act (62 Stat. 450), nor pursuant to the Philippine Rehabilitation Act of 1946 (60 Stat. 128), as amended, nor pursuant to the Foreign Assistance Act of 1948 (62 Stat. 137), as amended, nor activities undertaken now or hereafter in the administration of areas occupied by the United States armed forces or in Korea by the Economic Cooperation Administration.

"(b) The term 'United States Government agency' means any department, agency, board, wholly or partly owned corporation or instrumentality, commission, or independent establishment of the United States Government.

"(c) The term 'international organization' means any intergovernmental organization of which the United States is a member.

"TITLE V

"INTERNATIONAL CHILDREN'S WELFARE WORK

"SEC. 501. (a) There is hereby authorized to be appropriated to the President not to exceed $15,000,000 for the fiscal year ending June 30, 1951, to enable him to make contributions to the United Nations, or any subordinate body thereof, in such manner and on such terms and conditions as he may deem to be in the interests of the United States, to support permanent arrangements within the United Nations structure for international children's welfare work.

"(b) If at any time during such fiscal year the President deems it to be in the interests of the United States, he is authorized to make contributions, out of any funds appropriated pursuant to the authorization contained in subsection (a), to the International Children's Emergency Fund to carry out the purposes of the International Children's Emergency Fund Assistance Act of 1948 upon such terms and conditions as he may prescribe; but such contributions shall not exceed the limitation provided by section 204 of such Act.

"(c) No additional appropriation shall be made under the authorization contained in such Act of 1948.

"(d) Funds appropriated by the second paragraph of title I of the Foreign Aid Appropriation Act, 1949, shall remain available for the purposes for which appropriated through June 30, 1951."

And the Senate agrees to the same.

That the Senate recede from its amendment to the title of the bill.

TOM CONNALLY,
WALTER F. GEORGE,
ELBERT D. THOMAS,
ALEXANDER WILEY,
H. ALEXANDER SMITH,
Managers on the Part of the Senate.

JOHN KEE,
JAS. P. RICHARDS,
THOMAS S. GORDON,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.

Mr. HOLLAND and Mr. KEM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

REORGANIZATION PLAN NO. 4

Mr. HOLLAND. Mr. President, I wish to give notice, before I make the motion which I intend to make in a few minutes, that Senate Resolution 263, which is a resolution disapproving Reorganization Plan No. 4 of this year, which is the reorganization plan affecting the Department of Agriculture, was reported favorably by the Senate Committee on Expenditures in the Executive Departments several days ago, and is on the calendar.

Mr. President, I am sure that every Senator is thoroughly familiar with the procedure laid down under the terms of the Reorganization Act which was passed last year, under which reorganization proposals in the executive departments, when submitted by the President of the United States, become highly privileged matters and may be called up under procedure quite different from the normal procedure on the floor of the Senate. The procedure which I shall attempt to follow, if the Senate shall agree, will be, first, to move to take up Senate Resolution 263, which disapproves Reorganization Plan No. 4. Under the provisions of the law, at least, as understood by the junior Senator from Florida, a majority vote would be effective to make the reorganization proposal and the resolution disapproving the plan the pending business of the Senate. Under the law, as the Senator from Florida understands, there would then be effective a period of time of 10 hours, or not to exceed 10 hours, for debate on the measure, which time would be controlled respectively by the proponents and the opponents of the resolution and would be equally divided. The Senator from Florida understands that at any later stage of the proceedings it is entirely proper, under the Reorganization Act, to make a motion to further limit the time of consideration within the 10-hour period.

The Senator from Florida would hope, after making his motion to make the resolution the pending business, to follow, if same were adopted by the Senate with a motion which would suspend or postpone further action upon the resolution until 30 minutes after the convening of the Senate tomorrow.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. HAYDEN. It is my understanding that there is pending a cloture petition which requires a vote at 1 o'clock tomorrow. How can we settle that conflict?

Mr. HOLLAND. The Senator is eminently correct. However, there need not be any conflict, because, as the Senator from Florida understands, if this measure were to come up for consideration at 12:30 tomorrow it would be entirely within the power of the Senate, by its action at that time by a majority vote, to postpone consideration until a fixed hour after the vote on the cloture petition, or immediately thereafter, by limiting the time and determining who should be in control of the time. I will say for the information of the Senate that the matter has been taken up with the majority leader and the minority leader. It has also been taken up with two Members of the Senate who, as members of a Senate committee are understood by the Senator from Florida to be interested in opposing the resolution which disapproves Reorganization Plan No. 4. Those two Senators have said that in their judgment a limitation of 30 minutes to a side would be adequate. The Senator from Florida suggested 1 hour to a side. However, the two Senators, the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Connecticut [Mr. BENTON] responded with the suggestion that 30 minutes be allowed to each side and that 30 minutes would be adequate. That is the understanding of

the Senator from Florida. I see the Senator from Minnesota on the floor.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield if I may do so without losing my right to the floor. With that understanding I shall be glad to yield for an observation by the Senator from Minnesota.

The PRESIDING OFFICER (Mr. SPARKMAN in the Chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. The Senators from Minnesota and Connecticut were speaking only as two members of the Committee on Expenditures in the Executive Departments. I assume that the Committee on Agriculture is also interested. So far as we are concerned, as two majority members, we felt that it would be adequate time, since we have no particular presentation to make.

Mr. HOLLAND. That was the understanding of the Senator from Florida. The Senator from Florida has mentioned the matter to all members of the Committee on Agriculture whom he knew to be present in the city at the time. He does not understand that any member of the Committee on Agriculture and Forestry wishes to oppose the resolution to disapprove the reorganization plan. If the Senator from Florida misunderstood the situation, of course any Senator who is a member of the Committee on Agriculture and Forestry may call that fact to the attention of the Senate. At least that is the understanding of the Senator from Florida.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield, provided I do not lose the floor by yielding.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HAYDEN. Will the Senator indicate whether he expects to dispose of this entire matter today, or tomorrow?

Mr. HOLLAND. The Senator from Florida would expect to dispose of the matter tomorrow, preferably at 12:30, if debate could be completed this afternoon. If it could not be completed this afternoon, the Senator from Florida would like to see the matter disposed of immediately after the vote is taken on the cloture petition.

Mr. HAYDEN. Mr. President, it seems to me that the time is running so close that there may be a conflict, which should be avoided.

Mr. HOLLAND. I am glad that the Senator from Arizona made his point with reference to time running close on these matters. Time is running close in two ways. It is running close, first, as between the two privileged matters, to which the Senator has alluded. Those are the cloture matter and the matter which the Senator from Florida expects to bring up. I refer also to the time which is existent during which these resolutions of disapproval of reorganization plans can be effectively considered. As the Senator from Florida understands, the time runs out on next Tuesday. If that be not correct, the Senator from Florida sees on the floor of the Senate the distinguished chairman of the Committee on Expenditures in the Executive Departments, the Senator from Arkansas, and with unanimous consent of the Senate, I should be glad to yield in order that he may comment on that point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. Plans on which action has not been taken by either House to disapprove will go into effect—that is, plans 1 through 21—at midnight on Tuesday next. They will go into effect then unless disapproval by one House or the other has taken place before that time.

I rose to inquire of the Senator whether it is his plan to conclude debate on the resolution this evening and vote on it at 12:30 tomorrow. I have no objection as to the amount of time that may be consumed, because whatever is agreeable to other Senators is satisfactory to me. If that is what the Senator has in mind I call the Senator's attention to the fact that if it is planned to have a vote at 12:30 tomorrow, consideration should be given to the fact that it takes a little time to get a quorum present, and probably very little or no time would be left for debate. That should be borne in mind if it is intended to take a vote at 12:30 tomorrow.

Mr. HOLLAND. I appreciate the suggestion of the Senator from Arkansas. If debate cannot be completed this afternoon, it would be thoroughly agreeable to the Senator from Florida, to have the vote taken immediately after the cloture vote.

Mr. WHERRY. Mr. President, will the Senator permit me to make a parliamentary inquiry?

Mr. HOLLAND. The Senator from Florida would like to say, first, if he may continue for another moment, that four Senators appear as sponsors of this measure, which makes it a little difficult for the Senator from Florida to speak with the certainty with which he should like to speak. The Senator from Kansas [Mr. SCHOEPPEL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Minnesota [Mr. THYE] and the Senator from Florida are joint introducers and sponsors of this resolution. It would be entirely acceptable to the Senator from Florida, as one of the sponsors to complete debate tonight and to postpone action on the resolution until immediately after the taking of the vote on the cloture petition, if that course be agreeable to the Senators who are joint sponsors.

Mr. WHERRY. Mr. President may I make a parliamentary inquiry?

The PRESIDING OFFICER. Does the Senator from Florida yield for that purpose?

Mr. HOLLAND. By unanimous consent I yield for that purpose, if I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. I ask this question, Mr. President. If the motion to take up this resolution is agreed to, and there is no limitation of debate agreed upon, is it not a fact that the cloture motion will be voted on at 1 o'clock regardless of whether debate on this resolution has been terminated?

The PRESIDING OFFICER. The time for the vote on the cloture petition is set for 1 o'clock, or immediately following a quorum call, which is made at 1 o'clock, assuming the Senate meets at 12 tomorrow.

Mr. WHERRY. Then, taking up this resolution by vote or unanimous consent in no way interferes with or changes the condition under which the cloture vote is to be taken?

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. After the motion to take up the resolution has been made, regardless of a time limitation—and I am in favor of a limitation—it does not change the cloture situation whether the debate has been concluded by 12:30. The motion to consider the resolution can be voted on either before or after the vote on the cloture motion has been had, even though there is no limitation.

Mr. HOLLAND. I thank the Senator from Nebraska. The understanding of the Senator from Florida is in accord with his.

Mr. McCLELLAN. Mr. President, will the Senator yield for a suggestion?

Mr. HOLLAND. Yes.

Mr. McCLELLAN. I make the suggestion, if the resolution is taken up this afternoon, that the Senator from Florida undertake to get a unanimous-consent agreement that 1 hour after the vote on the cloture petition tomorrow we shall vote on the resolution, with the 1 hour's time divided equally between the proponents and the opponents. In that way we would have some time for discussion before the vote is taken. The vote should be taken not later, I should say, than 2:30 tomorrow.

Mr. HOLLAND. I am completely willing to accede to any reasonable request from the Senator from Arkansas. However, I wish to remind him that the Senator from Colorado has already given notice of his intention to call up two other reorganization proposals tomorrow afternoon, and of the further fact that several Members of the Senate have given notice of the necessity for their leaving shortly after the taking of the vote on the cloture petition. Of course, the Senator is aware of the fact that 49 affirmative votes are required for the successful handling of this particular procedure.

Mr. McCLELLAN. Then I suggest we make it 30 minutes after the cloture vote. That will leave 15 minutes on each side for closing the discussion.

Mr. HOLLAND. I think well of that suggestion, and unless there is some better one——

Mr. SCHOEPPEL. Mr. President, does the Senator from Florida see any objection, if, by the will of the Senate, by a vote tonight, it shall decide to start tomorrow's session at 11 o'clock? In that case there would be no dispute and no difficulty.

Mr. HOLLAND. I am sorry to have to advise the Senator that, as stated by the Presiding Officer just a few moments ago, under the rule the vote will come at

no fixed hour on the calendar day, but 1 hour after the convening of the Senate on the calendar day. Unless I am mistaken, that is the situation. That therefore would prevent the handling of the matter in the way the Senator suggested. In other words, if the Senate convenes at 11 o'clock, at least as the rule is understood by the Senator from Florida, the cloture vote would come at 12 o'clock, 1 hour after the convening of the Senate. I should be glad to yield to the majority leader if he has a different understanding of the cloture proceeding.

The PRESIDING OFFICER. The Chair will state that the Senator is correct.

Let the Chair make another suggestion, which he thinks would be fitting at this time. The Chair calls attention to the exact wording of rule XXII pertaining to the vote on cloture:

> And if that question shall be decided in the affirmative by two-thirds of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

Mr. HOLLAND. I appreciate the fact that the Chair has called attention to that provision. It is one which I had temporarily forgotten, but it is one which I had in mind in making the suggestion that the vote on this particular matter be taken at 12:30 o'clock, rather than following the cloture vote. I see no possible reason why a quorum call could not make the Members of the Senate available by 12:30 tomorrow, which would be 30 minutes before the time of the cloture vote.

Mr. President, I say again, I am perfectly willing, and I am sure the Senator from Kansas, whom I see present, and the Senator from South Carolina, and the Senator from Minnesota, would be quite agreeable to the debating of the measure this afternoon. I do not see here at this time the Senator from Connecticut and the Senator from Minnesota, but perhaps we can complete the debate this afternoon. They have already stated, as I have remarked to the Senate heretofore, that 30 minutes is all they require for the discussion of the matter.

Mr. President, I move at this time that the Senate proceed to the consideration of Senate Resolution 263, relative to Reorganization Plan No. 4.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Eastland	Jenner
Anderson	Ecton	Johnson, Colo.
Benton	Ellender	Johnson, Tex.
Brewster	Ferguson	Johnston, S. C.
Bricker	Fulbright	Kefauver
Bridges	George	Kem
Butler	Gillette	Kerr
Byrd	Green	Kilgore
Cain	Gurney	Knowland
Capehart	Hayden	Langer
Chapman	Hendrickson	Leahy
Connally	Hill	Lodge
Cordon	Hoey	Long
Darby	Holland	Lucas
Donnell	Humphrey	McCarran
Douglas	Hunt	McCarthy
Dworshak	Ives	McClellan
McFarland	Robertson	Thye
McKellar	Russell	Tobey
McMahon	Saltonstall	Tydings
Malone	Schoeppel	Watkins
Martin	Smith, Maine	Wherry
Maybank	Smith, N. J.	Wiley
Mundt	Sparkman	Williams
Myers	Stennis	Withers
Neely	Taft	Young
O'Conor	Taylor	
O'Mahoney	Thomas, Utah	

The PRESIDING OFFICER. A quorum is present. The question is on the motion of the Senator from Florida [Mr. HOLLAND]. The motion is not debatable.

The motion was agreed to, and the Senate proceeded to the consideration of the resolution (S. Res. 263), which reads as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 4 of 1950 transmitted to Congress by the President on March 13, 1950.

Mr. HOLLAND. Mr. President, before making the next motion I should like to make a statement for the information of the Senate. It is the information of the Senator from Florida that one Senator desires to speak on the FEPC question, and that he will confine his remarks to not to exceed 30 minutes. Therefore when the Senator from Florida makes the next motion, which he understands is not debatable, and that is the reason he makes the explanation before he attempts to make the motion, it will be his intention to state by his motion that the debate upon the resolution which has now been taken up for consideration, shall be suspended until 6 o'clock; that thereafter the matter of Reorganization Plan No. 4 will be debated for 1 hour, the time to be equally divided between the proponents of the resolution, and the opponents of the resolution, the time to be controlled by the Senator from Kansas [Mr. SCHOEPPEL] for the proponents, and the majority leader for the opponents of the resolution.

Mr. LUCAS. No, Mr. President; I am not a member of the committee.

Mr. HOLLAND. The time for the opponents to be controlled by the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I have no comments whatsoever to make with reference to the resolution. I appreciate the dubious honor, but I would suggest that the time be controlled by someone who is more concerned with this particular plan.

Mr. LUCAS. Mr. President, I will take control of the time for the opponents if no other Senator will do so.

Mr. HOLLAND. The time to be controlled, then, Mr. President and Senators, by the Senator from Illinois, the majority leader, for the opponents of the resolution and by the Senator from Kansas [Mr. SCHOEPPEL] for the proponents.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. LUCAS. May I inquire as to how many members of the committee voted against the disapproval of the plan?

Mr. HOLLAND. Mr. President, I ask that I may be allowed to yield so that reply may be made by the Senator from North Carolina [Mr. HOEY].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOEY. Mr. President, my recollection is that there were 3 Senators voting against it.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield for a question.

Mr. MAYBANK. Am I correct in understanding that the unanimous-consent request of the Senator from Florida was that some Senator desiring to speak on the FEPC legislation be limited to 30 minutes? I could never assent to such a request as that, because the matter is too important to permit such limitation. The question should be debated more fully.

Mr. HOLLAND. It is not my purpose to include any unanimous-consent request at all in my motion.

Mr. MAYBANK. But I understood that a unanimous-consent request had been made which contained a limitation of time.

Mr. HOLLAND. No; my motion would contain no unanimous-consent request. I desire to be considerate, Mr. President——

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. MAYBANK. I wish to make it perfectly clear that I am in accord with the Senator's views respecting the reorganization plan, but I would never permit a limitation of half an hour for a Senator to speak on so important a question as FEPC.

Mr. HOLLAND. Mr. President, I may explain to the Senator from South Carolina that the Senator from Florida has discussed this matter with the Senator who wishes to be heard on the subject of the FEPC, and has been assured by that Senator that 20 or 25 minutes would be sufficient, but he was trying to obtain a little more time than that, because he thought 30 minutes would probably be nearer the full amount of time he would need. The Senator in question is the Senator from Pennsylvania [Mr. MYERS].

Mr. MAYBANK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Florida has the floor. Does he yield for that purpose?

Mr. HOLLAND. I will yield for that purpose; but first I should like to explain the nature of the motion, because I think by doing so I may relieve the apprehension of the Senator from South Carolina.

Mr. MAYBANK. I thank the Senator.

Mr. HOLLAND. Mr. President, my motion, as now intended, would be that the consideration of the pending business, which is the resolution disapproving Reorganization Plan No. 4, be suspended until 6 o'clock; that debate on it resume at 6 o'clock and continue until 7 o'clock this evening, when it be suspended until tomorrow at 12:30 p. m., at which time the vote would be taken.

That is the motion which I have in mind submitting.

Mr. ROBERTSON. Mr. President, I should like to say that I am in thorough sympathy with the Senator's proposal as to Reorganization Plan No. 4, because

I know that all Virginia farmers are opposed to having the Secretary of Agriculture take charge of their own extension service.

However, I rather share the view of the Senator from South Carolina, our distinguished colleague, about this matter. I am quite reluctant to agree to impose a limitation of 30 minutes in regard to a speech by a proponent of FEPC, because although I hope I will not have to speak, yet if I am called upon to speak, it will take me 3 days to say what I have to say. [Laughter.] So I do not like to see a Senator on the opposition side be subjected to a squeeze play on the basis of a 30-minute limitation.

Mr. HOLLAND. Mr. President, I see that various Members of the Senate have varying views on this matter. So if I may be yielded 10 minutes by the Senator from Kansas, after he obtains the floor, I shall ask that in connection with the further consideration of this matter, the time be controlled by the Senator from Kansas and the Senator from——

Mr. LUCAS. Mr. President, how much time does the Senator propose be allowed?

Mr. HOLLAND. We do not propose to limit the time at present. It would be divided equally, under the general arrangement of the Reorganization Act.

It would be the intention of the proponents to use 30 minutes for debate. The opponents could spend that much time in debate if they saw fit to do so. At the end of that time, if both the opponents and the proponents were through, as I believe would be the case, we would then move to suspend further action on that matter until 12:30 tomorrow.

Mr. LUCAS. Mr. President, here we have a perfect example of consistency. The Senator from Florida intends to move that the Senate vote at 12:30 o'clock tomorrow on this matter, thus cutting off debate. Yet the Senator from Florida and all other Senators who are opposed to the FEPC have debated it for 2 weeks, and they are going to continue to debate it from now on, they say. They do not want debate on that issue to be cut off.

Mr. President, I myself may wish to have an hour for debate on plan No. 4. Perhaps some other member of the Committee on Agriculture and Forestry will want an hour to debate the problem that is before us. Then again no debate may be necessary as there is much opposition to plan No. 4. However, under the rule we have 10 hours for the debate.

So it comes to me with great surprise that one of the Senators who is violently opposed to any limitation on debate on FEPC now should tell us that he will move to have the Senate vote at 12:30 tomorrow on plan No. 4, regardless of how much time Senators may take on it tonight.

In other words, Senators may debate the resolution for an hour and a half or 2 hours this evening, or perhaps we shall not have enough Senators present at that time to constitute a quorum, and perhaps then the Senate will take a recess until tomorrow.

However, regardless of what happens tonight, the Senator from Florida would have the Senate vote at 12:30 tomorrow on this question; he would cut off the debate by all Senators, if he could get the Senate to agree to do so. He would not give the Senator from Illinois an opportunity to debate this question, should he want to debate it, unless we stay here tonight.

Mr. President, throughout this debate I have suggested that we take up this matter immediately following the disposition of the cloture petition tomorrow, and debate it at that time.

Simply because some Senator wants to go home, simply because some Senator has an appointment somewhere in the hinterlands to make a speech, it is proposed that we be denied the right to debate this issue, and a motion to that effect is to come from a Senator who does not believe in any limitation of debate.

Mr. President, I hope the Senate will not agree to the 12:30 proposal.

Furthermore, the time proposed in that connection would come just before the quorum call preceding the vote on the cloture petition on FEPC, and some Senator might wish to make a speech on FEPC at that time.

Apparently, Mr. President, some Senators are more interested in rejecting this reorganization plan than they are interested in the FEPC bill.

The FEPC is an important matter, and the question of imposing cloture on it is to be voted on tomorrow at 1 o'clock. It seems to me that immediately before that time, any Senator should be able to speak on that question, instead of having all the time taken by one or perhaps two quorum calls and by a vote on this reorganization issue.

Mr. HOLLAND. Mr. President, I should like to reply, please.

First, let me say that I inquired as to what Senators wished to be heard on FEPC. I learned of only one, namely, the Senator from Pennsylvania. So I asked him how much time he would need for his speech. He said he would need 20 or 25 minutes. Therefore, I was suggesting that 30 minutes be allowed.

However, I am perfectly willing to go ahead with the regular order on what is now the pending question, if that is the will of the Senate.

Let me say to my friend, the Senator from Illinois, that so far as tomorrow is concerned, we have been debating FEPC for 9 days. Nevertheless, if the Senator from Illinois thinks that in that additional hour there is something which should be said about FEPC, I am perfectly willing to leave that time clear, also.

However, I thought it would be a little presumptuous for me to suggest by my motion a conclusion which would indicate that I felt that the situation regarding the vote on cloture is predetermined, because that would have to be the basis of a motion to take up the reorganization plan issue immediately following the vote on the cloture petition.

If the petition for cloture should fail, of course a motion made by the Senator from Florida to have the Senate take up the reorganization plan issue immediately following the vote on cloture would be valid and would govern the proceedings of the Senate. However, if the cloture petition succeeded, the contrary would be the case.

Inasmuch as apparently the Senator from Illinois thinks the cloture petition will fail, and has thrown in the towel at this time, I shall change my mind about making the motion, and shall proceed first to try to obtain consent regarding the control of the time—which consent I hope will be given—and next, in regard to the debate on this reorganization plan. Apparently there is no Senator to defend it, although I certainly hope it will be defended here on the floor of the Senate.

Mr. President, I have tried to be diligent. I have gone to the two Senators who had indicated a refusal to approve the motion intended to be proposed by the Senator from Florida and by the other Senators who have joined with him regarding that matter. The two Senators who had indicated their refusal suggested that 30 minutes be allowed them, but I am perfectly willing to have us go ahead without any limitation except that which the act itself imposes.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Virginia for a question.

Mr. ROBERTSON. My question is this: Does not the Senator from Florida know that all farm organizations and all farmers who know about the matter and practically all Senators are opposed to Reorganization Plan No. 4?

Mr. HOLLAND. I believe that to be the case.

Mr. ROBERTSON. Does not the Senator from Florida realize that "When you have the votes," it is not necessary to speak? [Laughter.]

Mr. HOLLAND. I may say to my good friend, the Senator from Virginia, that to my dismay, I noticed yesterday afternoon that when two reorganization issues were under consideration—one of them half an hour ahead of the other—between the times for the votes on those two issues, six Senators left the Senate, and therefore there was a leeway of only 1 vote above the 49 votes required, when the vote was taken on the second reorganization issue, despite the fact that I believe that at least 70 Senators disapproved of that particular reorganization plan. So, the Senator from Florida does not want to find the proponents of this measure in that or a worse situation this afternoon.

Mr. ROBERTSON. But in view of the position taken by our beloved friend and distinguished majority leader that this proposal is not going to give an adequate opportunity to those who favor FEPC to present their views and convince us from the South that we are wrong and they are right, would it not be in the interest of harmony and less embarrassing to some of us if the Senator from Florida would ask permission to vote, say, at 2 o'clock tomorrow? Certainly there is not going to be any great exodus from Washington by distinguished Members of this body before 2 o'clock, and we could have the vote on the cloture motion at 1 o'clock, and have it promptly, and then have as much as nearly an hour in which to discuss the resolution, on

which Senators already know how they are going to vote. I do not think the Senator will be hazarding his chances to get 49 votes by making that concession to the majority leader. Certainly it would make me feel considerably better about the Senator's resolution on Reorganization Plan No. 4, if we could take about an hour to settle the matter.

Mr. HOLLAND. I appreciate the statement of the Senator from Virginia, and I recognize the fact that we do have some value involved in making a concession, because I suggest it would be the first time in his senatorial life that the Senator from Illinois would be against the limitation of debate, and I think it is worth while for us to have that in the record on this matter.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WHERRY. I may suggest to the distinguished Senator, I was under the impression that if the motion to take up this reorganization plan carried, there would be an effort made to agree on a proposal to limit debate. I ask the distinguished Senator, why not start in now with plan No. 4, and limit the time to whatever the distinguished Senator feels is necessary? There are other Senators besides the distinguished Senator from Pennsylvania who would like to address the Senate. I assure the Senator there will be an audience here. The junior Senator from Missouri [Mr. KEM] has been attempting to get the floor for 2 days. In fact, he is ready to speak now. The Senator from Indiana is ready to speak. He would like to speak tonight. I am trying to be of assistance. We on this side of the aisle are not obstructionists. [Laughter.] I should like to see if there is not some way by which the Senator can move that the Senate start now to debate plan No. 4, limiting debate to an hour or an hour and a half, or to whatever time the Senator thinks is satisfactory. I think it will carry. And then we can start with FEPC. We could debate it here until the majority leader moves to recess or adjourn.

Mr. HOLLAND. Mr. President, I am going to make one more effort before beginning debate on the resolution, that is, I ask unanimous consent that the vote on this measure be set for 2 o'clock tomorrow afternoon.

Mr. LUCAS. Reserving the right to object, why can we not get it out of the way tonight, in view of what the distinguished Senator says? We have everyone here.

Mr. HOLLAND. Mr. President, the reason we cannot get it out of the way, I think, is obvious. The law, the very unusual law, under which we are operating, does not permit reconsideration. The Senate will not know until the vote is cast how many Senators have done today as they did yesterday—left the Senate after about 5 o'clock. I think the proponents of this measure are entitled to have a vote at a time when the membership of the Senate is present, and I am sure all the proponents would want that, likewise.

Mr. THYE. Mr. President, will the Senator yield to me for a brief comment on the question?

Mr. HOLLAND. I yield for a question.

Mr. THYE. Inasmuch as the Senator is speaking about voting possibly at 2 o'clock, it would be more convenient to one Senator, other than myself, if the vote could be taken at 1:45. That would permit him possibly to cast his vote and catch the plane on which he has a reservation.

I would say, Mr. President, if I may be allowed another moment, I do not believe that discussion or debate on Reorganization Plan No. 4 would take many minutes. I believe we have already discussed the question to this extent, that we have consumed more than half the required time necessary to discuss it under parliamentary procedure, in which we have engaged, and, not wishing to cast any reflection on the able majority leader, I believe he will be able to say all that he has in mind to say on this question in 15 minutes. I am sure of that. I personally would not want to speak more than about 2 or 3 minutes, and I know of no other Senator who would want to speak more than 10 or 15 minutes.

Mr. LUCAS. Mr. President, if the Senator will yield——

Mr. HOLLAND. I yield for a question.

Mr. LUCAS. I do not know whether I can make a question out of it. I will try an observation, if I am not called to order. I do not see why we cannot vote on this resolution, say, at 7 o'clock tonight. According to all the speeches, no one is going to vote against disapproval. The Senator should be able to get 49 votes here tonight, I should think, the way everyone is talking about getting it over with.

Mr. HOLLAND. Mr. President, I shall proceed to debate the resolution as quickly as I can. It will be in the pleasure of the Senate to control the situation thereafter.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield for a question.

Mr. WHERRY. Will not the Senator again request unanimous consent to vote on this resolution at 7 o'clock tonight, and to divide the time?

Mr. HOLLAND. Mr. President, the Senator from Florida does not know how many Senators have left the Chamber, and the Senator from Florida does not feel that he has a right to foreclose Senators who have left the Chamber not knowing that this resolution was coming up, nor does he feel that he has any right to jeopardize the adoption of the resolution, which requires 49 affirmative votes. It is a measure on which there can be no reconsideration. Therefore, the Senator from Florida, much as he would like to dispose of the matter tonight, will not agree on that hour for voting.

Mr. WHERRY. Mr. President, will the Senator from Florida object if I make a unanimous-consent request to vote at 7 o'clock tonight?

Mr. HOLLAND. Mr. President, I will debate this matter just as rapidly as possible. If the Senator from Kansas will control the time, and will allow me 10 minutes, I shall appreciate it.

Mr. SCHOEPPEL. The Senator from Florida is yielded 10 minutes.

Mr. HOLLAND. Mr. President, I shall cover this matter as quickly as possible. It ought to be clearly apparent from the short debate we have had that no one favors this reorganization plan. The reorganization plan completely bypasses and defeats and violates the intention of Congress in the passage of the reorganization law last year. Under the provisions of that law, the Congress permitted or, I may say, directed the Executive to work out reorganization plans and to submit them, but, in defense of its own jurisdiction and in the performance and protection of its own duties and responsibilities, it required that reorganization plans be submitted so that either House by a constitutional majority of its membership might exercise its duty by disapproving such a measure if it found it to be unwise. The fact is that this measure has nothing specific in it except two or three matters of relatively minor importance. It leaves out all of the tremendously important suggestions and recommendations of the Hoover Commission, and it simply asks the Congress to allow the granting of a blank check to the Secretary of Agriculture to reorganize at his pleasure and at his will all the far-flung activities of the Department of Agriculture, except those that are performed by corporations within the Department of Agriculture.

Mr. President, I wish to remind the Members of the Senate and the public that there are tremendous activities in the Department of Agriculture affecting every farm family and all those who depend upon farm production for their prosperity throughout the Nation. There are activities, for instance, such as the Agricultural Extension Service, which is not incorporated, and which comes under this particular reorganization plan; the Production and Marketing Administration would be given over to the Secretary of Agriculture to remake, as he saw fit under this particular reorganization plan. Likewise, the Soil Conservation Service, and various other activities, such as the Farmers Home Administration, and numerous other activities of tremendous importance.

So far as the Senator from Florida is concerned—and he speaks now for himself and for his cosponsors—we could not feel that we had adequately discharged our responsibility or lived up to our obligations to our own people if we did anything which would make it possible for the havoc to be wrought which could be wrought by the disruption of those great activities, or their reorganization one within the other. We realize perfectly well that there are difficult and dangerous suggestions now being discussed by the public affecting each one of those activities, and we feel that the Senate and the House ought to have an opportunity to see ahead of time what is actually suggested in the way of reorganization of those vital activities before we are asked to give our approval.

Mr. President, I suggest to the Senate that not only do we not know what is to be expected, but we know that last July, when the chairman of the Committee on

Agriculture and Forestry asked the Secretary of Agriculture to comment on the proposed Hoover recommendations, he at that time indicated in writing that he was not in accord with any of the major measures covered by those recommendations.

We know, in addition to that, that the Secretary of Agriculture, when he appeared before the committee, stated a few days ago that he was still of that opinion. because he was asked on three different occasions by the distinguished Senator from Minnesota [Mr. THYE] the following question, in substance:

Mr. Secretary, if you have something in mind that you can assure this committee and the Senate that you intend to do, we should like to pass upon that. We do not like to oppose recommendations coming from the Chief Executive which are supposed to be in accord with the Hoover plan. We do not believe this is.

The Secretary of Agriculture stated that he did not know what reorganizations he would accomplish if the measure should become operative.

Mr. President, we know that is the fact, and we know, likewise, that numerous highly reputable farm organizations of the Nation have made it very clear that they disapprove of this particular plan. The Farm Bureau Federation, not only by its national officers, but by nearly every State office in the Nation, and by action of the legislative committees in nearly every State of the Union, have disapproved it. Likewise, the National Grange disapproved it, as did the National Council of Cooperatives. The National Cotton Council took exactly the same action.

Mr. President, we also know that this is the only reorganization plan among all those submitted which has actually drawn the formal fire of the task force of the Hoover Commission, which drafted, after 10 or 11 months of very arduous work, the recommendations, most of which were adopted and became the basis of the recommendations of the Hoover Commission.

The task force appeared through four representatives before the committee to say that they did not favor the plan, that they felt it would be a travesty for it to be approved, because it would completely bypass the intention of Congress, that it so completely threw away the work and the labors of the Hoover Commission and the task force, so completely subjected the agriculture of the Nation to grave dangers, that they did not want to approve it.

Briefly, Mr. President, that is the situation. Those four great farm organiaztions and numerous other farm organizations are taking that position. The committee has told us that this is not a good plan and that we should turn it down. We know of a few minor particulars which are included in the plan, one of them being three additional Assistant Secretaries for the Secretary of Agriculture; another being the giving to the Secretary himself of all powers and duties of his agencies, his employees, and personnel. Except for those, there is no pattern, plan, or intention shown in the proposed reorganization plan, except to give the Secretary carte blanche not only for a first reorganization, but for as many reorganizations, so long as this plan is in effect, as he may care to undertake. That is without limitation as to the activities, other than the incorporated activities in the Office of the Secretary of Agriculture. And other minor exceptions.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BRICKER. The Senator has had experience with the Extension Service in his State, has he not?

Mr. HOLLAND. Yes.

Mr. BRICKER. Under this plan, as I read it and as I have listened to the Senator from Florida, I believe the Extension Service would be put directly under the charge of the Secretary of Agriculture.

Mr. HOLLAND. It would, and he would have the power of life and death over it.

Mr. BRICKER. He could do as he pleased with it; he could change the relationship between the educational institutions, the State departments of agriculture, and the field agents in any way he saw fit, and make them directly responsible to the Secretary of Agriculture or any other political appointee if he so desired.

Mr. HOLLAND. The Senator is exactly correct; and the same observations are true with reference to the Soil Conservation Service and the other activities which I have mentioned.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. SCHOEPPEL. Mr. President, I yield 10 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 10 additional minutes.

Mr. HOLLAND. Mr. President, I ask that marked portions of the testimony of each of the witnesses whom I shall now name may be placed in the RECORD as a part of my remarks.

First, a part of the statement of Mr. Short, the vice president of the American Farm Bureau Federation, appearing on pages 50 and 51 of the hearings; next, a part of the statement of Dean Rusk, of the Illinois State College of Agriculture, who was chairman of the task force, the statement appearing on pages 33 and 34 of the printed report of the hearings; next, the testimony of Mr. John Davis, the head of the National Council of Farm Cooperatives, that portion of his testimony appearing on page 39; next, a portion of the testimony appearing on pages 41, 42, and 43, being the testimony of Mr. Blake, the head of the National Cotton Council; lastly, the testimony of J. T. Sanders, speaking for the National Grange, whose testimony appears on page 35 of the hearings.

I ask unanimous consent, Mr. President, that those excerpts may be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excerpts of testimony referred to are as follows:

EXCERPT FROM STATEMENT OF R. E. SHORT, VICE PRESIDENT, AMERICAN FARM BUREAU FEDERATION

Reorganization Plan No. 4 submitted by the President on March 13 constitutes a general grant of authority to the Secretary of Agriculture, without direction or guidance to him to carry out any phase of reorganization recommended either by the Hoover Commission or its task force on agriculture. Since it is without guide or direction, we regard the plan as an unwise grant of general authority and power.

* * * * *

Some question might be raised—we are so concerned about this particular reorganization plan. We would like to call attention to the fact that the United States Department of Agriculture is a very large department; its agencies reach into every State, into every community, and into every county, not with just one program, but with several. If in the future, effort was made to misuse this extensive administrative organization, the ill effects or the disadvantages of centralized government might be much more noticeable in an organization of this kind than in some of the other administrative branches of government. We would like to call attention to the fact that the legislative history of the Reorganization Act indicates that the reorganization plans submitted to Congress would be in some detail, so that the Congress would know, and everyone else would know something about the direction the reorganization was taking. Reorganization plans are supposed to go into considerable detail, thus enabling the Congress to have some check on authority granted in the Reorganization Act.

Therefore, we want to again say that by reason of the fact that plan No. 4 is really not a plan—just a grant of authority without congressional check—we feel it should be rejected.

EXCERPT FROM STATEMENT OF H. P. RUSK, DEAN, ILLINOIS STATE COLLEGE OF AGRICULTURE, AND CHAIRMAN OF THE HOOVER COMMISSION TASK FORCE ON AGRICULTURAL ACTIVITIES, URBANA, ILL.

We believe that the bare minimum in the way of needed guidance is a directive to reorganize the USDA along functional lines that will group related functions and activities into integrated administrative units, reduce overlap and duplication, promote economy, increase efficiency of operation, and provide through a reorganization of State and county committees an effective two-way process of policy making and program building so that the will of the people may, through democratic procedures, be assured of due consideration.

* * * * *

We as former members of the agricultural task force believe that Reorganization Plan No. 4 should be rejected and that specific directives should be provided by the Congress to effectuate the basic principles and recommendations of the Commission.

I am advised that legislation is now being prepared to accomplish this objective and will be introduced at an early date.

* * * * *

Senator HOLLAND. Mr. Chairman, I found the members of this committee exceedingly modest yesterday afternoon in conferring with them—modest as to their own service in this matter. I would like to ask Dean Rusk, if he would please state in the record at my request the period of time, the nature and the extent of the services rendered by the eight members of this task force.

Mr. RUSK. In the letter submitting our report, I made this statement. Including January 13 and 14, 1948, when the committee was organized, 11 meetings have been held ranging from 2 to 6 days in length; 8 were held in Washington, 2 in St. Louis, and 1 in Chicago. Almost without exception they were attended by the entire committee. In addition, subcommittees held meetings in several parts of the country.

I could add that in official committee meetings we spent approximately 40 days, and many members of the task force spent a great deal of time between committee meetings in actually working on the program of the task force, and interviewing people.

Senator HOLLAND. What was the entire lapsed period of time?

Mr. RUSK. Approximately 10 months.

Senator HOLLAND. From the beginning of your functioning and making your recommendations to the Hoover Commission.

Mr. RUSK. Approximately 10 months, I believe.

EXCERPT FROM STATEMENT OF JOHN DAVIS, REPRESENTING NATIONAL COUNCIL OF FARM COOPERATIVES

At the present time our basic agricultural policy is in more or less of a state of flux. The farm plan that will be the basic structure for the next several years is not definitely crystallized. There are various plans that are up for discussion, and it seems to us that it is very difficult and unwise to try to reorganize the Department until we know what kind of farm plan the Department is to carry out.

I think we will know much more about the shape of our farm policy within a few months, and the reorganization should be geared to the evolving farm policy. So we do not think now is a good time for a reorganization to take place.

We feel further that Congress should assume the responsibility for the laying out of the general outline of organization at the time Congress lays out the general outline of basic farm policy.

The other point that I want to make is this: Within the Department of Agriculture there are a number of strong, well-organized agencies. They are agencies that are set up to carry out important functions. The people that are heading those agencies and that are working in those agencies are most of them very sincere people, but it is only human nature for a person to think that his particular task and his particular agency is the most important. The result is that whenever a reorganization takes place in the Department, and they are fairly common, it is more or less a matter of rivalry among agencies as to which particular program and agency will be dominant. I think that any future reorganizations will pretty much suffer from the same type of pressure from within the Department. This being true, it seems to us that it is going to be very difficult for any Secretary of Agriculture, and this is no reflection upon any particular Secretary of Agriculture, to build and put into effect from within the Department the outline of a sound reorganization.

EXCERPTS FROM STATEMENT OF WILLIAM RHEA BLAKE, EXECUTIVE VICE PRESIDENT, NATIONAL COTTON COUNCIL

Under plan 4, if the Congress permits it to go into effect, as we see it, the Secretary could do exactly what the Hoover Commission recommended. He could also do exactly opposite from what the Hoover Commission recommended, or he could do nothing, or he could do anything in between. We do not think that that is in keeping with either the spirit or the letter or the Hoover Commission report.

* * * * *

So I do not quite understand this theory of broad executive authority, such as is contemplated in this plan. I think it is just fundamentally bad. I do not think there is any need for it. I do not think it is a safe and sound procedure, and for that reason, if for no other, I think Reorganization Plan No. 4 should be disapproved.

Another point in that same connection, Mr. Chairman, is why did we have a Hoover Commission in the first instance? If the plan of reorganizing the executive departments of the Government, if the method of reorganization was going to be to simply turn over to the heads of those executive departments carte blanche authority to reorganize them any way they saw fit, then what did we need with the Hoover Commission? Why did this task force committee that some of us worked on, spend 10 months sweating and stewing around and talking to dozens and dozens of people and trying to put something together that made sense in the way of an orderly reorganization plan for the Department? And why did the Hoover Commission itself spend all of the months of work that it spent if in the final analysis the way to reorganize the Federal Government was simply to write blank checks to each of the department heads and let them go their way?

EXCERPT FROM STATEMENT OF J. T. SANDERS, LEGISLATIVE COUNSEL, NATIONAL GRANGE, WASHINGTON, D. C.

We trust the Senate will reject plan 4 for reorganization of the Department of Agriculture. It grants to the Secretary of Agriculture practically complete authority to reorganize any of the agencies in the Department in any way he sees fit without regard to the expressed wishes of Congress or the expressed recommendations of the Hoover Commission. * * *

The only way to avoid the possibility of such abuse is for the Congress itself to lay down in the law the broad course it desires to be followed in the administration of the law. Plan 4 would abolish all these safeguards and policies and give the Secretary power to do anything he wanted. We feel this is a most dangerous grant of power.

Mr. HOLLAND. Mr. President, there is just one additional matter to which I wish to invite attention. If the Senators have the plan before them—and I am sorry that the limitation of time does not permit discussion of it item by item—if they will look at the last section, which is section 5 of the plan, they will find it allows not only complete reorganization at this time, but it allows reorganization over and over again. I especially want every Senator to mark and to note that that particular section allows the Secretary of Agriculture, in his discretion, to defeat the will of Congress by transferring unused appropriations or appropriations from year to year and from time to time from one objective to another, within his department, which are affected by this reorganization plan——

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BRICKER. By that power the Secretary of Agriculture could destroy or could completely limit the activities of the marketing section by transferring additional funds to some other section within his department. Is that correct?

Mr. HOLLAND. Certainly. That is, of course, what is permitted by provisions of the last section.

Mr. BRICKER. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. BRICKER. The Senator mentioned witnesses who appeared before the committee, including Dean Rusk, who was a member of the task force.

Mr. HOLLAND. He was chairman of the task force.

Mr. BRICKER. Were the other witnesses members of the task force?

Mr. HOLLAND. There were three other witnesses present who were members of the task force. They spoke for seven members out of eight. All eight members were in accord, but one member, who is an educator, felt he should not go further than the duties which he had already performed.

Mr. President, a moment ago I referred to the last section, section 5. It reads as follows:

SEC. 5. Incidental transfers: The Secretary of Agriculture may from time to time effect such transfers within the Department of Agriculture of any of the records, property, personnel, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of such Department as he may deem necessary in order to carry out the provisions of this reorganization plan.

Mr. President, witness after witness called attention to the fact that such power was unparalleled and that a legislative body could not properly surrender or delegate its powers to that degree. Speaking only as one Senator, regardless of what happens on this measure, the Senator from Florida wants it to be clearly and unequivocally stated on the RECORD that he feels no Senator can surrender so completely his power, duty, and prerogative to someone else, no matter how high of character that other person may be, because it is a personal duty and an obligation which I feel no Senator can evade.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. BRICKER. I am very much interested in the extension service. It has rendered fine and constructive service in every relation it has had with State departments of agriculture. Under this proposed reorganization plan, it seems to me that the Secretary of Agriculture is empowered to cut off a portion of that service and transfer it from one section of the country to another section, to locate an agent in four counties, instead of in each one, as we have at the present time, or to do practically anything he desired with the extension service. Is that not correct?

Mr. HOLLAND. That is absolutely correct. He is given the specific power of redistribution, reallocation of personnel, records, or files, and money appropriations, not just now existing, but any to be made hereafter from time to time. Such power is sweeping, unprecedented, and unsafe to give. I do not feel that any Senator wishes to give to any public servant, no matter how devoted or

how high of character he may be, the power to do such a monumental task as this, or to approve in advance whatever may be done.

Mr. BRICKER. Will the Senator yield for one more question?

Mr. HOLLAND. Yes.

Mr. BRICKER. Under this reorganization plan, the authority is complete in the Secretary of Agriculture except insofar as it may apply to agricultural corporations under the Department and to the Commodity Credit Corporation. Is that correct?

Mr. HOLLAND. The Senator is correct. One other small group is omitted from the operation of this law, and that is the group comprised of hearing examiners, which of course is not of any great importance.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. STENNIS. The Senator has not brought out just how the Extension Service is now governed. Will the Senator enlarge on the Extension Service?

Mr. HOLLAND. The Senator has asked a question which, of course, goes to the very heart of the functioning of the Department of Agriculture's Extension Service. It functions in a cooperative capacity with the States, and in complete harmony with the States. There is no other joint effort of the Nation which has brought more expressions of general satisfaction, and in which a number of responsibilities have been discharged cooperatively and effectively by the States with the Federal Government with so little friction or dissatisfaction.

Mr. STENNIS. Mr. President, will the Senator yield further?

Mr. HOLLAND. Yes.

Mr. STENNIS. As a matter of fact, that harmony and cooperation has extended over three-quarters of a century. Can the Senator think of any far-reaching agency which has set a record which exceeds that record?

Mr. HOLLAND. Certainly it is one of the finest agencies which we have in existence in our Nation, and I do not wish to jeopardize its existence.

Mr. STENNIS. The Extension Service and directors are now chosen jointly by the board of trustees of the institution where the service is located, with the Federal Government, of course, cooperating and consenting thereto. Is that correct?

Mr. HOLLAND. The Senator is correct.

Mr. STENNIS. Under this reorganization plan that authority will be invested in Washington. Is that correct?

Mr. HOLLAND. The Senator is correct. The Department of Agriculture could renew and continue that existing arrangement, or could adopt a different arrangement. The Senator will remember that only a few years ago it was suggested that certain educational functions of the Department should be completely transferred to another agency. The Senator will remember the furore which arose in agricultural sections at that time.

Mr. STENNIS. If the plan is not disapproved by the Congress, and it goes into effect, and the authority is exercised as outlined by the Senator from Florida, it would take a legislative act, passed by Congress and signed by the President, to change the situation?

Mr. HOLLAND. That is correct. The Senate would have given its approval to the doing of just that act.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. McCLELLAN. Mr. President, I ask the Senator if it is not correct to say that under the Reorganization Act we gave to the President the power to submit reorganization plans subject to Congress retaining the right to veto by a constitutional majority any plan which the President might submit reorganizing any department of the Government. In other words, we are now about to exercise the right to veto a plan? That is correct, is it not?

Mr. HOLLAND. If we should approve this hollow shell of a plan, we would in advance foreclose ourselves from disapproving anything that could be done legally under it.

Mr. McCLELLAN. That is what I wanted to ask the able Senator. If we approve this plan, we release and relinquish the very power of veto that we have reserved against the action of the President.

Mr. HOLLAND. And surrender.

Mr. McCLELLAN. Therefore, the Secretary of Agriculture, a Cabinet member, could do what Congress would not agree to have the President do under the original Reorganization Act.

Mr. HOLLAND. That is correct. We would do it knowing two things: First, that the Secretary of Agriculture in July of last year, in writing, said that he was not in accord with the principal provisions of the Hoover recommendation, and, second, that he a few days ago testified before the committee which the able Senator heads to the effect that up to this time he had no specific plan.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. I yield the floor.

Mr. SCHOEPPEL. Mr. President, I yield 5 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, I think all of us are aware of the fact that many definite reforms are needed in the Department of Agriculture, and the so-called Hoover Commission recommended several reorganizations. However, Reorganization Plan No. 4 does not assure us that any of the internal reorganizations of the Department as recommended by the Hoover Commission would be put into effect. This reorganization plan simply gives the Secretary of Agriculture authority to shuffle agencies, take over the powers which Congress has given various agencies within the Department of Agriculture, and to shuffle the funds which are appropriated to each agency within the Department of Agriculture.

It seems rather incredible, Mr. President, that the Committee on Expenditures in the Executive Departments has been unable to find out what changes are contemplated in the Department of Agriculture by the Secretary. It appears that if the Secretary felt that Congress would be in accord with the changes he would have made them known to the Members of Congress and to the Committee on Expenditures in the Executive Departments. Under this reorganization plan the Secretary of Agriculture is given not only the power to make changes or reforms within the Department of Agriculture, but he is given the power not to make reforms, and actually to controvert the acts of Congress.

Much fear has been expressed that something would happen to the Extension Service, which reaches into every home, almost, in rural America. So far as I know, we have had no assurance that the Extension Service would not be reorganized, and its functions given to other agencies of the Government. If that should happen, it would be a calamity to the farming areas of the United States.

So, Mr. President, I should dislike very much to give this power to the Secretary of Agriculture at this time, and have the Congress recess later this summer without any action having been taken by the Congress, only to find that as soon as Congress recessed, certain changes which would be objectionable to the Congress, such as dismemberment of the Extension Service, would be put into effect, at a time when Congress would be unable to make any correction, or to do anything about it.

As a matter of fact, there is no harm in delaying Reorganization Plan No. 4. In the meantime, the Secretary could give some evidence that he intended to put into effect the other reforms recommended by the Hoover Commission.

Not only is there no harm in delaying this plan until next winter, but there is a considerable element of danger in giving our approval to it at this time. For that reason I think we should practice safety first, and make sure that the great Department of Agriculture, which has had such a glorious tradition, is not reorganized in a way that would be harmful to the farm interests of the country, and objectionable to the Congress.

I hope that the resolution disapproving Reorganization Plan No. 4 will be approved by the Senate.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. McKELLAR. Mr. President, I ask unanimous consent that the Senate vote on the pending resolution in 1 minute.

Mr. AIKEN. Following a quorum call?

Mr. McKELLAR. Following a quorum call. I will amend the request to that extent.

Mr. HUMPHREY. Mr. President, I wish to make a brief statement in reference to Reorganization Plan No. 4, and in reference to the report the committee has prepared, which I believe to be an excellent report, upon the part both of the majority and the minority.

The PRESIDING OFFICER. Does the Senator wish to make his statement under a reservation to object, or under an allotment of time?

Mr. HUMPHREY. I want to make my statement under a reservation to object.

The PRESIDING OFFICER. The Senator may proceed.

Mr. HUMPHREY. In a discussion of the resolution disapproving plan No. 4, as presented by the majority and the minority, it will be noted that the main point of contention is that the plan as sent to the Congress by the President is a plan without a plan. That seems to be the main objection. I think it should be clear, however, that the proposal as submitted by the President, insofar as its objectives are concerned, is a constructive proposal. It meets the basic need of a reorganization of the Department of Agriculture. It was quite clear from the testimony presented before the committee that each and every affected interest group had some reason why it did not approve the plan, and those reasons were not always identical. In fact, many of them were contradictory.

The second main point that was brought up against the plan was that it altered the substantive law, and permitted the Secretary of Agriculture, by the transfer of funds, to alter the general policy and program as laid down by the Congress.

I believe we should support these reorganization plans. However, it appears to me that the executive branch of the Government would do a great service for the Congress if, when these plans are prepared, the officials of the agency affected would come to the interested standing committee of the United States Senate or House of Representatives and consult the committee. I for one am becoming just a little tired of having plans come before the Congress without those persons in the Congress who are familiar with the basic law of the land being given an opportunity to know what is going on.

The plan we are discussing was presented before the Senate Committee on Expenditures in the Executive Departments. I say, frankly, as a member of that committee, that I am not fully familiar with all the basic law pertaining to agricultural policies. Each Senator has a general knowledge, but the law pertaining to the many agencies and bureaus of the Department of Agriculture is complex, and oftentimes it is most difficult to be able to put one's finger on a particular provision at the moment. I should like to have the Secretary of Agriculture and the Director of the Budget, who presented the initial statement of the plan, come to the appropriate committees of the Congress, both of the Senate and the House, and discuss the over-all reorganization of the Department of Agriculture. I should like to have that done with the view in mind of following out the basic recommendations of the Hoover Commission insofar as the administrative structure is concerned.

I should like to solicit the attention of my colleagues to the minority report, which points out what those recommendations were, and I should like to solicit the particular attention of my colleagues to the importance of basic reorganization in the Department of Agriculture.

Mr. President, it is perfectly obvious that, in view of the lack of certainty of the plan as proposed, it does not withstand the test of a detailed plan of reorganization. It is general and all-inclusive. I believe it to be the duty of the executive department to do a little more than just send down plans. I think it is about time that the executive branch of the Government send down plans after the officials have consulted the individual Members of the Congress who are responsible for legislation. Once that is done, we are going to get a kind of reorganization that is definitely needed.

Mr. President, this is the view of one Member of the minority, and I think I am fair in saying that those of us who have taken time to prepare the minority report, primarily as a declaration and statement of policy, feel that the views therein expressed are sound views.

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that I may have incorporated in the body of the RECORD a statement which I intended to make on Senate Resolution 263, and I should like to have the statement appear before the final vote is taken.

There being no objection, Mr. SCHOEPPEL's statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCHOEPPEL IN FAVOR OF SENATE RESOLUTION 263

Mr. President, I am sure that many other Members of the Senate, who, like myself, are vitally interested in the welfare of rural America, were encouraged by and approved in principle the Reports of the Task Force and the Recommendations of the Hoover Commission relating to the Department of Agriculture.

The 16 recommendations contained in the report were vital to a substantial reorganization of the department. They would provide for a more efficient organization—elimination of duplication of effort—sound conservation policy, and most important, a real saving to the American taxpayer.

I join, Mr. President, with millions of our fellow citizens who endorse and praise the work of this great Commission. I do not feel that its effective and constructive work to establish a better operation of the affairs of Government should be lost by doing only lip service to its constructive recommendations.

Reorganization Plan No. 4 falls far short of accomplishing the objectives so needed within this important Department, which objectives were approved by four large farm organizations of the country.

Mr. President, four of the leading farm organizations of the Nation, the American Farm Bureau Federation, the National Grange, the National Council of Farm Cooperatives, and the National Cotton Council, are opposed to plan 4 as submitted.

Seven members of the task force of eight, which made the study of the Department of Agriculture and which was headed by Dean H. P. Rusk of the College of Agriculture of the University of Illinois, have filed a statement opposing the plan.

It should be noted that those with unselfish interests and those most affected by the administration of the plan are opposed to it.

The President, in his message to Congress, submitting the plan said: "The taking effect of the reorganization included in this plan may not itself result in a substantial saving." I believe he is right, for he has not included the provision for more efficient and economical administration.

If the Commission recommendations were adopted it is estimated that there would be an annual saving of $44,000,000, with an additional annual saving of $36,000,000, with the adoption of recommendations relating to credit agencies.

This plan, Mr. President, gives the Secretary a blank check authorizing him to reorganize the Department in any manner without any guide or restraint as to when or how it is to be done.

It was developed, during hearings before the Expenditures Committee, that he has no plan.

It is a matter of record that he is opposed to, or noncommittal concerning, the recommendations, with the exception of the creation of new top-level positions.

I am opposed to granting this directionless discretion. I submit that this resolution should be adopted and that the President should then submit a plan based on the report of the Commission. The public support of the recommendations of the Commission, Mr. President, is based upon their substance. When plans are submitted to the Congress, under the guise of implementing the recommendations, when in fact they do not, we should reject them and let the people know why they have been rejected. It is time to put an end to political expediency as a guide to great decisions. The question here is, Shall we bow to ineffectual and political maneuvers, or shall we insist upon that which we know is best for the country and that which we know our people support?

It is my belief that plan 4 ought to be rejected by the Congress at this time for the following reasons:

1. Adoption of plan 4 now might well forestall the type of sound, money-saving reorganization which the Hoover Commission recommended and which the farm population of the United States will endorse.

2. Plan 4 is opposed by major farm groups of the Nation which are fearful of the piecemeal and arbitrary character of the plan 4 approach to reorganization.

3. Plan 4 delivers to the Secretary of Agriculture an authority and power not coupled with a clear directive to do a real and responsible job of reorganizing his Department.

4. Plan 4 removes from subordinates in the Department responsibility spelled out in legislative act without vesting such specific responsibility and instructions in the Department head.

Let us look at some of the difficulties of the plan 4 approach to reorganization.

Plan 4 vests new powers in the Secretary of Agriculture, but it offers neither assurance nor promise that such powers will be used to effect greater efficiency, better service to the farmer, or more economy to the taxpayer.

The expressed attitude of the present Secretary, reflected in his public utterances on the recommendations of the Hoover Commission and his testimony before the Expenditures Committee, gives no indication that the passage of plan 4 will further the cause of reorganization of the Department along practical lines as set forth by the Hoover Commission or the task force.

To be effective in carrying out Commission suggestions, plan 4 must be accompanied by a strong desire by the Secretary to put his Department in order; or else it must have a clear record of congressional intent to give it effectiveness. Passage of plan 4 now assures neither of these forces for departmental reform.

Plan 4, in and of itself, does not save the American people one dime. Indeed, it authorizes new employment of an administrative assistant secretary and two assistant secretaries. (Only one was recommended by the Hoover Commission.)

Plan 4, in and of itself, assures no better service to the farmer. None of the specific suggestions of the Hoover Commission for departmental reform are spelled out.

Plan 4, in and of itself, would let the Secretary of Agriculture write his own ticket in the Department. There is nothing in the record to indicate that he would use his new authority to effect a streamlining of the sprawling bureaucracy which the Hoover Commission task force has described.

What would plan 4 bring about?

It would transfer to the Secretary of Agriculture "all functions of all other officers of the Department and all functions of all agencies and employees of such Department."

Specifically exempted from this sweeping language are the corporations of the Department, the advisory board of the Commodity Credit Corporation, and the hearing examiners of the Department.

It is claimed by the proponents of plan 4 that it is partial implementation of the recommendations of the Hoover Commission.

With full emphasis on the partial, such a claim is true only in a very technical sense. The Commission does not recommend clear lines of authority from the President down through his department heads.

But in this plan 4 approach to reorganization, the sins of omission are of greater consequence than the Commission suggestions that would be acted upon.

There is nothing in plan 4 that treats directly the general findings of the Commission which I summarize briefly for its highlights:

"In the last 20 years the Department of Agriculture has expanded from about 22,000 employees to over 82,000. Its expenditures during this period have increased from $25,000,000 to over $834,000,000. Instead of a well-integrated, efficient organization, the Commission found a loose confederation of independent bureaus and agencies with authority diffused among 20 different offices which report directly to the Secretary. The Commission found wasteful duplication of effort and irritating policy conflicts within the Department, between the Department and State and county farm services, and between the Department and other Federal agencies.

"EXAMPLES

"(1) Ten field services of the Department of Agriculture, with a multitude of county advisory committees, work at the county level. By setting up one advisory committee in each county, the Government could save about $4,300,000 per annum.

"(2) In one Georgia cotton-producing county, the Commission found 47 employees attached to seven separate field services of the Department working with only 1,500 farmers. A fruit and grazing county in the State of Washington had 184 employees of separate field services working with 6,700 farmers. A Maryland dairy county had 88 Department employees working with less than 3,400 farmers.

"(3) A Missouri farmer received varying advice on the application of fertilizer from five different agencies.

"(4) Thirteen farm credit agencies, four of which are in liquidation, have $3,500,000,000 on loan, and lending authorizations of nearly $7,000,000,000. Simplification of this unwieldy agricultural credit structure would save $36,000,000 a year in administrative costs alone.

"(5) Producers, manufacturers, and retailers of food and drugs are hopelessly confused by conflicting regulations of the Department of Agriculture, the Federal Security Agency, and the Federal Trade Commission. Although the requirements for labeling and advertising of foods and drugs should be almost identical, labeling is regulated by the Federal Security Agency and advertising by the Federal Trade Commission. A disinfectant may be subject to diverse regulations of the Federal Security Agency and the Department of Agriculture.

"(6) Ranchers who run livestock on both national forest pastures and public grazing lands must obtain separate permits with different terms and conditions from agencies of both the Agriculture and Interior Departments.

"(7) Two sets of regional and local forest officers representing the Agriculture and Interior Departments carry on conflicting and duplicating activities on intermingled or adjacent timber land.

"MAJOR RECOMMENDATIONS

"(1) The organization of the Department should be thoroughly overhauled at the Department, State, county and farmer levels to eliminate costly duplication of effort and existing conflicts in policy.

"(2) Regulatory functions relating to food products should be transferred to the Department. Regulation of drugs should be the function of a proposed public health agency.

"(3) Major land agencies should be grouped in the Department of Agriculture."

Plan 4 gives no answer to the problems which the Commission raises. The net effect of plan 4 would be to strengthen the position of the present Secretary, although he is clear in his opposition to many phases of the sound reorganization program advocated by the Commission after much careful consideration.

On July 8, 1949, the Secretary of Agriculture addressed a letter to the chairman of the Expenditures Committee, setting out his views on the recommendations of the Hoover Commission. The letter was introduced into the CONGRESSIONAL RECORD, volume 95, part 7, page 9250.

In stating his views, the Secretary gave unqualified endorsement to the creation of new, top-level positions in the Department. The remainder of the letter was opposed to, or noncommittal concerning, all other recommendations.

Certainly no expression of opinion contained in that letter warrants giving to the Secretary of this time the considerable authority inherent in plan 4.

A far wiser course, I am sure, would vote the rejection of plan 4 at this time.

Mr. President, I would suggest a course of action to the Senate. I would propose the rejection of plan 4 and the undertaking of consideration on S. 2055, which was introduced by Senator MCCARTHY and prepared, I believe, by the citizens committee to effect some of the major recommendations of the Commission. Or the approach as set forth in the statement of seven members of the task force as follows:

"In order to strengthen the hands of the Secretary in dealing with reorganization of vested interests, safeguard the basic principles set forth in section 2 (a) of the Reorganization Act of 1949, and assure that insofar as possible under existing laws the Commission's recommendations will be adhered to, we recommend that Congress return Reorganization Plan No. 4 of 1950 to the President with the suggestion that he resubmit it after adding to section 2 the following sentence:

" 'In carrying out the provisions of this section, the Secretary shall be guided by the purposes expressed in section 2 (a) of the Reorganization Act of 1949 and by the plan of organization proposed for the Department of Agriculture by the Commission on Organization of the Executive Branch of the Government'."

I do not hold that the Hoover recommendations are the last and final word on organization of the Department of Agriculture. They do offer a definite and reasonable pattern for the discussion of Congress and the Executive in seeking better order.

My plea is that the Congress shall not increase the power of the Secretary to effect reorganization until such time as it has heard and considered fully the reorganization which the Secretary plans to accomplish. If he is going to follow the Hoover recommendations, the Congress should be assured of that fact. If he is going to reject most of the Commission's suggestions, then he should spell out the course which he intends to pursue.

I am opposed to the plan 4 approach to reorganization of the Department of Agriculture because it is vague in its instructions and dangerous in its vagueness.

I want this Congress to do more than to authorize new positions and to increase the powers of the Secretary for good or for ill. I want this Congress to take positive action that will guarantee a constructive effort to reorganization along the lines suggested by the Hoover Commission. As I read the letters of hundreds of my constituents, I gather that they desire the same end.

Reorganization ought not be attacked in a piecemeal, half-hearted manner. We should take action that will assure sound reorganization now and provide an efficient and economical basis for future operation. A job half done or poorly done at this time is worse than no action at all.

The distinguished Senator from New Mexico, the former Secretary of Agriculture, has made these pertinent remarks concerning reorganization of the Department.

"What, to me, is important is that we decide to press for a pattern of simplification in the Department of Agriculture. When we examine the committee's study of that Department, we observe that any activity heretofore carried on, now being conducted, or needed in the future will fit into that pattern under one of the eight units. It permits the Department to care for new developments in an orderly manner.

"If there is no such pattern and a new law such as the Research and Marketing Act is passed, there is no place for the action agency and a reorganization is indicated. Reorganizations are bad, even if required. Employees become worried about their jobs. Morale is at a low point for months.

"The pattern proposed for the Department should make unnecessary any sweeping reorganizations in the future. There will be adjustments, yes—maybe some adjustment every year—but there will not need to be any more basic changes. Assurance that permanence of that nature could be given to the structure of the Department would be helpful to those who administer its programs as well as those who work far down the line in its services and agencies."

For the reasons I have outlined, I hope the Senate will pass the resolution to reject plan 4 and will undertake hearings on S. 2055.

We should act in this matter with knowledge of what we are doing and with reasonable assurances of the ultimate success of our efforts.

There is no such knowledge or assurance in the plan 4 approach.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Tennessee that the vote on the pending question be taken in 1 minute?

Mr. RUSSELL. Mr. President, reserving the right to object, did the request contemplate a quorum call?

The PRESIDING OFFICER. There was no quorum call included in the request.

Mr. MCKELLAR. I will include it.

Mr. RUSSELL. I would prefer that the distinguished Senator from Tennessee included it.

The PRESIDING OFFICER. The Senator from Tennessee amends the unanimous-consent request to include a quorum call preceding the vote. Is there objection?

Without objection, the unanimous-consent request, as modified, made by

the Senator from Tennessee [Mr. McKELLAR], is agreed to.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Martin
Anderson	Hoey	Maybank
Brewster	Holland	Mundt
Bricker	Humphrey	Myers
Bridges	Ives	Neely
Butler	Jenner	Robertson
Byrd	Johnson, Colo.	Russell
Capehart	Johnson, Tex.	Saltonstall
Chapman	Johnston, S. C.	Schoeppel
Connally	Kem	Smith, Maine
Cordon	Kerr	Smith, N. J.
Darby	Kilgore	Sparkman
Donnell	Knowland	Stennis
Dworshak	Lodge	Taft
Eastland	Long	Thye
Ecton	Lucas	Watkins
Ellender	McCarthy	Wherry
Ferguson	McClellan	Wiley
Fulbright	McFarland	Williams
George	McKellar	Young
Gurney	McMahon	
Hendrickson	Malone	

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. A quorum is present.

The question is on agreeing to Senate Resolution 263. [Putting the question.] A majority of the authorized membership of the Senate having voted in the affirmative, the resolution is agreed to.

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, several telegrams received by me in regard to the matter which has just been before the Senate.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MEMPHIS, TENN., *May 18, 1950.*

K. D. McKELLAR,
Senate Office Building:

Please support and vote for Senate Resolution 263 to disapprove plan 4 for reorganizing Department of Agriculture.

V. ALEXANDER,
Executive Secretary, Mississippi Valley Interior Cotton Compress and Cotton Warehouse Association.

MEMPHIS, TENN., *May 18, 1950.*

Senator K. D. McKELLAR,
Senate Office Building:

I sincerely hope you will support and vote for Senate Resolution 263 to disapprove plan 4 for reorganizing Department of Agriculture.

NORRIS BLACKBURN.

NEW ORLEANS, LA., *May 18, 1950.*

Senator KENNETH D. McKELLAR,
Senate Office Building:

Will appreciate if you will support Senator McCLELLAN'S resolution with respect to Reorganization Plan 4; this pertains to Department of Agriculture. All your Memphis friends looking forward this action your part.

Regards,

SID Y. WEST.

SOME FACTS FOR MR. TRUMAN

Mr. KEM. Mr. President, unfair foreign competition, created by dollars taken from the American people under the power to tax, is paralyzing large parts of the industry of the United States.

According to the Bureau of the Census, there are now more than 3,500,000 workers unemployed in this country. The Department of Labor of Missouri advises me that during the period of 4 months ending May 1, 1950, more than 114,000 workers in Missouri filed unemployment insurance claims for the first time.

BILLIONS OF DOLLARS TAKEN FROM AMERICAN PEOPLE BY TAXING POWER ARE BEING USED TO BUILD CHEAP LABOR, FOREIGN COMPETITION

Last year ECA Administrator Hoffman was warned that by using Marshall-plan money to build factories overseas he might put a lot of industry in this country out of business. Mr. Hoffman's comment was:

> Sir, I cannot tell you how little concerned I am about European competition.

The administration has continued to use billions of Marshall-plan dollars to build up industries in western Europe. According to Mr. Hoffman—

> Industrial production has not merely been lifted to the prewar level but stands 20 percent above it.

The products of these European industries are now competing with those produced by American workers. Marshall-plan countries are now dumping their products on markets in the United States and in overseas markets formerly supplied by us. The Truman administration has given hearty approval.

ECA Administrator Hoffman recently said:

> We must sell less to and buy more from Europe.

He wants American producers to give up more of their overseas business and forfeit more of their markets here at home to foreign producers.

I should like to invite the attention of the Senate to the effect of this program as it becomes apparent in my own State of Missouri. I fear the instances which I shall cite are typical illustrations of the disastrous effects of the foreign competition blight that may soon spread over the country—from Maine to California.

WIDESPREAD UNEMPLOYMENT IN MISSOURI SHOE INDUSTRY

Mr. President, during the last several days I have received over 600 postals and letters from workers in the important shoe industry in my State, protesting bitterly that foreign competition is rapidly forcing increasing numbers of them into full-time or part-time unemployment. I have brought these protests into this Chamber. They now lie on my desk. Perhaps some of my colleagues may be interested to see how men and women feel when they are forced into unemployment through the activities of their own Government. Senators are welcome to inspect these communications; they are here.

Mr. President, shoes turned out by cheap labor abroad are being dumped on the American market at prices lower than comparable shoes can be manufactured in this country.

Several Marshall-plan countries are busily dumping shoes on the American market. In 1949, Great Britain and Italy exported more than $1,600,000 worth of boots and shoes to the United States. In Britain the average hourly wages of shoe workers amount to only 35 cents an hour, less than half the wages paid to American workers. In Italy the wages paid to highly skilled shoe workers amount to only 28 cents an hour.

While this is going on, the administration is pouring millions of dollars into Europe to build up the shoe industry there—$13,000,000 worth of hides, skins, and leather have been given to Britain, Italy, and other Marshall-plan countries for manufacture into shoes, boots, and other articles.

A complete shoe factory is being sent by the ECA as a gift to Trieste. This factory was formerly operated by a Boston shoe concern, which was forced to close down because of financial difficulties. Now, under the Marshall plan, the factory is being transferred to Trieste, so that it can employ cheap labor. Most of the shoes which it will turn out are expected to go into the markets of the United States.

Mr. MARTIN. Mr. President, will the Senator from Missouri yield, or would he prefer to complete his remarks before yielding?

Mr. KEM. I would prefer to complete a few remarks first, and then I shall be glad to yield to my able friend, the Senator from Pennsylvania.

Mr. MARTIN. Very well.

Mr. KEM. Mr. President, shoes made in Communist-controlled Czechoslovakia are being shipped into the United States to sell to importers at costs less than the American manufacturer must pay for leather and other materials alone—with no allowance for the wages paid American workers. Trade estimates indicate that over 1,000,000 pairs of Czechoslovakian shoes will be imported into the United States in 1950. Hats are coming into the United States in great quantities from Czechoslovakia, at a time when the American hat industry is already staggering from foreign competition. Such commerce encourages totalitarian labor methods, undermines American prosperity, and plays right into Stalin's hands.

Mr. President, is this a continuation of the policy of appeasement of communism begun at Yalta, continued at Potsdam, which blossomed into full bloom in China?

But that is not all. On Thursday, April 13, 1950, the State Department announced that negotiations would begin with foreign countries in September of this year to reduce the tariff on 2,500 items imported into this country including boots, shoes, or other footwear. This means, if carried out, a further flood of cheap-labor shoes on the American market.

GIVE-AWAY PROGRAM HAS CAUSED THOUSANDS OF LEAD MINERS TO BE THROWN OUT OF WORK

The lead-mining industry regularly affords employment for thousands of Americans, not only in Missouri, but in many other States. This important American industry, vital in time of war, is now threatened with near extinction by competition from abroad—competition built up by gifts of Marshall-plan dollars.

Last year as much lead was imported into this country as was produced here. As a result, the market price for lead has dropped from 21½ cents in March, 1949, to about 12 cents a pound at present.

So far, the unfavorable price situation in lead has resulted in widespread unemployment in the Missouri lead belt and in other parts of the country.

Last year, Germany and Italy dumped nearly $4,000,000 worth of lead on the American market. These World War II enemies of ours have received large amounts of aid under the Marshall plan, including $18,000,000 worth of construction, mining, and conveying equipment.

Last December the ECA announced that it would use $3,600,000 in Marshall-plan funds to modernize and expand lead and zinc mining in French Morocco. The program includes the development and mechanization of the mines, the construction of an entirely new mill including a crushing plant, and the addition of grinding and flotation facilities. In addition, $1,140,000 worth of American equipment has been furnished by ECA to aid in the search for new deposits of metals, including lead. Last year, French Morocco exported more than 10,000,000 pounds of lead to the United States. With the ECA now furnishing funds to modernize and expand the lead mines there, the amount exported this year to the United States promises to be even greater. The result is easy to foresee—more of our miners will, as Mr. Hoffman advises, be looking for something else to do.

FARM PRODUCTS FROM OVERSEAS, EVEN FROM BEHIND THE IRON CURTAIN, ARE INVADING OUR MARKETS, WHILE DISASTROUS SURPLUSES CONFRONT OUR FARMERS

Our farmers are being squeezed tighter and tighter by competition from abroad. Last fall, ECA Administrator Hoffman and Secretary of Agriculture Brannan permitted the Socialist Government of Great Britain to use $175,000,000 of Marshall-plan funds to buy Canadian wheat, at a time when wheat was—and still is—running out of our ears here at home.

In 1949, 2,500,000 pounds of dried eggs were imported into the United States from China. This was about eight times as many dried eggs as were imported from China in 1948. These eggs were dumped on the American market—with the approval of the administration—even though the Government now has about $100,000,000 worth of dried eggs in storage under the farm program.

Last year the administration permitted more than a million pounds of Polish hams to be imported into the United States. Poland, I need not remind the Senate, is behind the iron curtain.

Five million pounds of cheese are to be exported to this country from New Zealand, with the consent of our own State Department. This is equivalent to the output of all 52 cheese plants in Missouri for nearly a month. Some 6,000,000 gallons of United States milk will be replaced by the imports.

At the same time this is going on, our dairy industry is plagued with surpluses. Millions of bushels of potatoes are shipped into this country from Canada to take advantage of our prices, supported by our Government money, while our own potatoes are being destroyed in the field.

The State Department has announced that as part of its new tariff-reduction proposal, it will seek tariff cuts on a large number of farm products being imported into this country, including cream, cheese, meats—fresh, chilled, and frozen—and cotton.

UNITED STATES MAY SUFFER AN ECONOMIC COLLAPSE IF TRUMAN ADMINISTRATION CONTINUES ITS PRESENT PROGRAM

The administration seems to believe that unless Government spending for foreign aid continues unabated, the country will face a depression. Mr. President, if the Truman program to build up foreign industries abroad continues unchecked, if the administration continues to use American dollars to create socialistic cartels in western Europe, if American workers are forced to compete with cheap foreign labor, this country may suffer an economic collapse. I urge my colleagues in this body, and I urge them very earnestly, to give this situation thoughtful consideration before the Marshall plan appropriation bill leaves this body.

Mr. Truman says he likes facts. Here are facts, Mr. President of the United States. Please think them over.

Many American workers, heavily overburdened with direct and hidden taxes, now are being deprived of their jobs by the give-away policy of the Truman administration. I have opposed, and shall continue to oppose, this ruinous program.

Mr. MARTIN and Mr. BREWSTER addressed the Chair.

Mr. KEM. I yield first to the Senator from Pennsylvania, after which I shall yield to my good friend from Maine.

Mr. MARTIN. Mr. President, I have been very much interested. I did not realize that shoes were being imported to such an extent. Does the very able and distinguished Senator realize that importations of glass, china, and pottery have almost shut down several industries of that character?

Mr. KEM. I did not realize it. Those facts have not been brought to my attention. I mentioned industries which had been brought to my attention by people in Missouri, who have written to me complaining and protesting about the situation.

Mr. MARTIN. Does the Senator realize that the importation of Swiss watches is badly crippling the watch industry of America? I should like to comment that the precision workers, men who work in precision plants during wartime, are largely men who are in peacetimes engaged in the watch industry.

Mr. KEM. I suppose such importations had something to do with the closing of the Waltham Watch Co. in Waltham, Mass., recently.

Mr. MARTIN. They were very much the reason for it.

Mr. KEM. I remember seeing in the press not long ago that the New Haven Clock Co., an industry which had been established in New Haven, Conn., for about a hundred years, had been closed.

Mr. MARTIN. Mr. President, will the Senator yield further?

Mr. KEM. I am glad to yield.

Mr. MARTIN. The Senator mentioned the importation of hats. Does the Senator realize, for example, that Canada can export hats to America, but that the American hat industries cannot send hats into Canada?

Mr. KEM. I believe the same thing is true of many other articles—in the case of Great Britain, France, and Italy, for instance. I am told that we formerly had a very profitable market for shoes in Great Britain. We now export only limited quantities of shoes to Great Britain, which country is in turn sending vast quantities produced by cheap labor into the United States, absorbing our own markets.

Mr. MARTIN. Mr. President, if the Senator will yield for a further question, is it not true that the manufacturing concerns of America that are being most seriously damaged are the small industries, industries with but one factory, not a chain of factories, such as the large corporations can maintain?

Mr. KEM. I think that is undoubtedly true, because they have not had resources with which to withstand the drain of this unfair foreign competition.

Mr. MARTIN. If I may be permitted to make this comment, that applies to glass, pottery, chinaware, shoes, and other articles of similar character. For example, the Stetson Hat Co., which is a large concern, has been able to build a factory in Canada, so it can continue its business in Canada. But if it were not a large concern, it would be unable to do that.

If the Senator will yield for another question, did he happen to be on the floor recently when the able junior Senator from West Virginia [Mr. NEELY] discussed the question of the importation of oil, which is destroying the markets for coal, and has put, I think the Senator said, about 35,000 coal miners out of employment thus far?

Mr. KEM. Yes; I heard that. It so happens that the distinguished Senator from West Virginia today showed me a newspaper clipping indicating that employment conditions in the coal industry of his State and of adjoining States were rapidly becoming worse.

Mr. MARTIN. Is it not also true that in the case of men who are employed in shoe factories and glass factories and in coal mines, it is impossible for them to find other jobs, because of the fact that they are particularly skilled as craftsmen in one certain line?

Mr. KEM. I think it is certainly true. I do not believe Mr. Hoffman's advice to them that they find something else to do is very adequate, under the circumstances, because after a man has become a skilled worker, following years of apprenticeship and years of training, he does not find it very easy to adapt himself to another craft or to find employment in some other field of activity.

Mr. MARTIN. Mr. President, if I may be permitted to do so, I should like to

make this observation: We talk about the American way of life which provides for giving a man an opportunity for gainful employment. He does not want something from the public for nothing. That is particularly true with regard to specially trained men. It is as if we were to tell a lawyer to go into some other professional work. In some cases they are men whose fathers and grandfathers worked in the same line of business.

Mr. KEM. Exactly. The situation with which we are confronted in Missouri is that shoe workers and hat makers are working 1, 2, or 3 days a week. If they can work 5 days a week, their income is adequate for the support of themselves and their families, but when they are able to work only half that time, it means their economic situation becomes very serious, and it is reflected in the economy of the State.

Mr. MARTIN. Mr. President, I apologize for taking so much time at this late hour, but in today's mail there came to me information with reference to the corduroy industry. That industry is being badly damaged by importations. I do not think there is any corduroy industry in Pennsylvania, but I have noticed that the industry is to be found in Maine, Georgia, New York, South Carolina, North Carolina, and Rhode Island. Importations are so great that many of those plants are required to close down.

I have here information with regard to the Pin, Clip, and Fastener Association. That is a very important line of manufacture. Importations are so heavy that many of the factories are closed down. They are small factories, located in small towns, and when they shut down, the economy of the section in which they are located is very badly affected.

I also have information on magnesite which comes from Austria. We never had it in America until World War I, but after the supply from Austria was shut off, it was necessary to develop the business in the United States. The business is being crippled to the extent that in the event of war we would not have a supply available for our steel mills.

Mr. KEM. A part of Austria is behind the iron curtain.

Mr. MARTIN. Yes.

Mr. KEM. Does the distinguished Senator from Pennsylvania see any possible justification for our buying goods from countries which are behind the iron curtain and building up their economy so that they will be more prosperous and more able to exert military effort?

Mr. MARTIN. The Senator is correct. I do not intend to take the time now, but I should like later on to go into the matter rather thoroughly from the standpoint of national defense and the absolute necessity of our having certain critical war items, such as the various things needed in the manufacture of steel, and in the oil industry, the clothing industry, and so forth.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. BREWSTER. I think the Senator overlooked the item of potatoes in his category.

Mr. KEM. I believe I mentioned potatoes.

Mr. BREWSTER. Did the Senator give the figures of imports?

Mr. KEM. I do not believe I did.

Mr. BREWSTER. It is interesting to note that in Maine some 15,000,000 bushels of potatoes which the Government has bought are being destroyed, and, in the meantime, we are importing 15,000,000 bushels of potatoes from Canada, which represents a big loss to our economy.

Is the Senator from Missouri further familiar with the fact that the President has absolute power, under existing law, to stop these imports of farm commodities which are under support?

Mr. KEM. I so understand.

Mr. BREWSTER. Last year the President exercised that power, but this year, for some curious reason, he has refused or failed to exercise it.

Mr. KEM. I also believe that under existing law the Treasury Department has the right to raise the tariff in case goods manufactured abroad below the cost of production here, are dumped into this country. I endeavored today to ascertain whether some action was contemplated in the case of Czechoslovakian shoes, which seems to me to be a clear case requiring action, and the most I could get was that the matter was under investigation.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. KEM. I yield.

Mr. DONNELL. I should like to say a word of hearty congratulation to my distinguished colleague on his earnest and appropriate warning to the people of the United States of America, and his exhortation to the President that he look into the subject. I take it that both the warning and the exhortation are well justified by the facts which the distinguished Senator has so clearly presented to the Senate this afternoon.

Mr. KEM. I appreciate the comment of the Senator.

Mr. DONNELL. I should like to ask the Senator a very few questions, if he will permit me to do so at this late hour.

Mr. KEM. I shall be glad to yield for that purpose.

Mr. DONNELL. I assume the Senator recalls, as do we all, that it was only 3 days ago that the Senate itself recognized the increasing unemployment in the coal, oil, silver, zinc, lead, and railroad industries, by the adoption of a resolution presented by our distinguished friend, the junior Senator from West Virginia [Mr. NEELY] for himself and the senior Senator from Utah [Mr. THOMAS], under which resolution it was resolved that the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to make an investigation of the cause or causes of increasing unemployment in the coal, oil, silver, zinc, lead, and railroad industries, and the committee was directed by the resolution to report its findings, together with such recommendations as it might deem proper, to the Senate on or before the 17th day of June 1950.

Mr. KEM. That is very interesting. I am glad to know that included in the resolution is the investigation of conditions in the lead industry, which is one of the aggravated cases of unemployment in our own State. I am sorry that the shoe industry is not likewise included, because the flood of complaints and protests which I have received in my office makes me know that the senior Senator from Missouri has had a large number of communications in regard to the same situation.

Mr. DONNELL. Yes. I may say that my office has received many communications to similar effect. I am very much pleased that the Senator acquainted the Senate this afternoon with the facts which are obvious from the receipt by him of such a great number of protests as are upon his desk for exhibition.

Mr. President, I should like to ask if the Senator will yield for a few further questions?

Mr. KEM. I shall be glad to yield.

Mr. DONNELL. In the first place, the Senator has been in the northeastern part of our State many times, in Lewis County, in which Canton and La Grange are located——

Mr. KEM. I was born and reared in that section of the State.

Mr. DONNELL. I knew the Senator was born in Macon County. Has it come under the Senator's observation that in Lewis County, certainly at the town of Canton, and I have been informed recently, also at the town of La Grange, although I did not know it until I was so informed, there is a very striking illustration, which has endured for years after its origin, of the effect of removing the tariff from products of our country? I am referring, as the Senator doubtless knows, to the mussel-shell button factory and the fact that today, notwithstanding the lapse of many years, I do not know how long, along the side of the Mississippi River, close at hand, is a mute witness to the short-sighted policy of taking off tariffs; in that there are literally millions, and, I have no doubt, billions of mussel shells which might have been in large part made into buttons in the thriving factory which used to be located at Canton, but which was closed down because of the taking off the tariff.

Mr. KEM. I think that is a very striking instance. I remember very well that in the days of my youth it was an important industry in that section of the State and that it offered employment to large numbers of persons. I believe the business is almost nonexistent today.

Mr. DONNELL. My understanding is, if I may say so, that it is nonexistent. I think it has entirely disappeared. Will the Senator yield further?

Mr. KEM. Yes.

Mr. DONNELL. Does the Senator agree with me that not only is it the owner of the factory which is shut down who may be injured by foreign competition, or suffer from it, but that the employees, the workers, the members of the union and nonmembers of the union, who are compelled to go out and look for something else to do, suffer also.

Mr. KEM. I am sure of that.

Mr. DONNELL. Does not the Senator agree further, as has been pointed out on the floor of the Senate, that not only are the owner of the factory and the

employees injured, but that the merchant who sells to the employees and the farmer who sells to the merchants are dependent upon the operation of the factory. Therefore, if a factory is closed down because of a shortsighted tariff or other national policy, the employers, employees, merchants, butcher, baker and candlestick maker, and everybody else suffer by reason of such a short-sighted policy.

Mr. KEM. I am sure that is the case. The senior Senator from Missouri may be interested to know that I have not received a single complaint or protest from manufacturers. The mail which I have had has come entirely from workers. When this mail came in such large volume, I called on two or three shoe manufacturers in Missouri whom I know, in order to confirm the situation and to inquire whether or not it was as bad as the letters indicated. I found that the employees had not yet received the full impact of the conditions as they have developed.

Mr. DONNELL. If I may have unanimous consent I should like to close my interrogation by a repetition of my congratulations to my distinguished colleague upon the fine public service he has rendered this afternoon in this warning and exhortation to the Chief Executive I assume that the Senator has observed in the press the Chief Executive's announcement that he expected to take credit for the prosperity which the country has had. I judge that the Senator would agree with me, and I ask him if he does, that it might be appropriate, in view of such claim, that the President give careful consideration to whether or not there would be responsibility on himself and his administration in the event such results as the Senator has referred to come upon the country in increasing volume.

Mr. KEM. I thank the Senator for his timely observations and for his important contributions.

Mr. BREWSTER. Mr. President, I think the RECORD should show, in connection with the resolution submitted by the Senator from West Virginia [Mr. NEELY] for himself and the Senator from Utah [Mr. THOMAS], that those of us who were on the floor at the time discussed it with him, and out of deference to his recent conversion and certain tender solicitude for his inauguration of this investigation, did not suggest that the other items, such as shoes and various other items, both agricultural and industrial, should be included in it, although the Senator from West Virginia stated that as rapidly as the facts unfolded he would cooperate with all of us who were concerned over this subject.

Therefore, we have the assurance that he does not by any means intend to limit his exploration, as time goes on, to the immediate subjects enumerated in the resolution, but will cooperate with us for a broader investigation. Is the Senator also familiar with the repeated pledges of the President that he would not permit any tariff reductions which would injure any American industry? Is he aware of those repeated promises?

Mr. KEM. I did not know that the President had made such promises. However, it seems to me that by his works we may know him, and some effective action, I am sure, would be appreciated by the workers who have been put out of employment by the flood of cheap-labor-produced foreign goods which are now coming into the country.

Mr. McMAHON. Mr. President, now that the lamentations, the wailing, and the gnashing of teeth about the 60,000,000 persons who are employed in this country have been heard, I should like to address myself to the FEPC proposal.

Mr. KEM. Mr. President, will the Senator yield for a question?

Mr. McMAHON. I should like very much to yield, but I have been waiting all day to make this address on the proposed FEPC legislation, and I should like to continue with it. The hour is late. I may say, Mr. President, that some day at a more propitious time I shall be glad to discuss the issues which the Senator has raised. However, I cannot do so at this time.

Mr. KEM. Mr. President, will the Senator permit me to refer him to a rather interesting statement, which appeared recently in the CONGRESSIONAL RECORD, by the Honorable JOHN DAVIS LODGE, a Representative from Connecticut, with regard to the effect of cheap foreign competition on the hat industry of Connecticut?

Mr. McMAHON. That also would take us into quite a long discussion. I saw the statement by Representative LODGE. The Senator, therefore, is not calling anything new to my attention. I saw the statement.

Mr. KEM. Is the Senator interested in what was said by Representative LODGE?

Mr. McMAHON. I am interested in everything pertaining to the hat industry, but only moderately interested in the statement by Representative JOHN DAVIS LODGE.

Mr. KEM. Was the Senator interested in the announcement that the New Haven Clock Co. had gone out of business after some 100 years of successful operation?

Mr. McMAHON. I did not intend to become involved in the discussion of that question, Mr. President, but the statement of the Senator from Missouri must be corrected, because the New Haven Clock Co.'s business is booming. Orders are pouring in for clocks, I am informed, from the automobile manufacturers in Detroit, who are turning out more than 6,000,000 automobiles this year. They have made the New Haven Clock people very happy indeed, and the stock of the New Haven Clock Co. went up on the stock market last week.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed the consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. McMAHON. Mr. President, frequently, during the course of recent discussions on this floor, Members of the Senate have stressed the fact that our deliberations are of momentous importance, not only to the citizens of our own country, but to millions elsewhere in the world. Today, many look to this country to exemplify all that is just and democratic in the government of men.

This is particularly true at this moment, as we take up the measure presented to this body by the former Senator from Rhode Island who is now the Attorney General of the United States. Our decision is of paramount concern to some 50,000,000 of our own citizens who belong to those racial, religious, and national origin groups most frequently subjected to discrimination in employment. But, our allies in Europe and Asia are also of varied racial and religious stocks. What we in this Chamber decide concerning this bill will indicate to those allies the degree of our sincerity when we speak, through our representatives at the United Nations and at international conferences, of such human values as equality and freedom.

It is self-evident that, in this day and age, freedom becomes an empty promise unless it means freedom to develop one's highest skills; freedom to engage in work best suited to one's talents; freedom from the frustration, the indignity, and the impoverishment brought on by discrimination in employment.

No smooth words of rationalization, no pious excuses, will repair the damage to our international reputation that must result from failure to act—and to act positively—on this issue now. Whatever our decision, we must be prepared to stand, not only before our own constituencies, not only before the American people as a whole, but before the great tribunal of world opinion, where the case for democracy is even now being weighed.

So much irrelevant comment, so much emotion, has been engendered by this proposed legislation that we are in great danger of permitting the facts underlying this bill to be obscured and lost. There are irrefutable reasons—social, economic, and humanitarian—in favor of immediate passage. But even before we discuss these reasons, I should like—as a citizen of Connecticut, a State where fair employment practices have been in successful operation for some time now—to clear away some of the misconceptions surrounding FEPC. I should like to state very plainly just what this bill does not propose to do.

First. There is nothing in this measure, either in language or intent, that would force any employer to hire a specific quota or percentage of workers from any racial, religious, or national origin group, or to hire any applicant, whatever his race or religion may be, who is not fully qualified for the job.

Second. There is nothing in this measure, either in language or intent, that confers special privileges of any kind upon any racial, religious, or national origin group in this country.

Third. There is nothing in this measure, either in language or intent, to promote social equality or to govern the social relationships of any workers or employers.

All that this bill will do is to erase those peculiarly un-American handicaps which too often in the past have been

placed in the way of too many of our people when they sought jobs or up-grading or promotions.

So much for what this bill will not do.

Unfortunately, a fair employment practices bill is often dismissed as if it were a poisonous dose about to be forced down the throats of American businessmen. Yet, in those States where FEPC is in operation, businessmen are overwhelmingly in favor of it. Experience has proved that, far from interfering with the free operation of business enterprise, FEPC opens up a broader labor market, increases consumer demand, and makes for greater stability in the working force. Thus, we find such leading figures on the industrial scene as William Batt, president of SKF Industries, Dwight Palmer, of General Cable, and dozens of others, speaking out vigorously in support of Federal fair employment practices. Organized labor is, without exception, in favor of this measure, as are the churches, veterans' organizations, and numerous other groups most representative of public opinion—the conscience of the American people.

Let us not make the mistake of selling this conscience short. Let us remember that the phrase "all men are created equal" has inspired Americans to greater dreams and the greater fulfillment of those dreams than any other people on earth. Yet, we have been guilty of a glaring inconsistency in our actions. The glorius words of our Declaration of Independence offer cold comfort to any man who is turned away from a job he can do, and do well, just because some other person does not like the color of his skin or the way he worships God. And that man's children, future citizens of the United States, are more than a little puzzled as they learn our Nation's history in their classrooms, to understand the reasons for this cruel inconsistency.

We teach our boys and girls to be justly proud of our great tradition of regard for human dignity and individual worth. We point—and rightly so—to the numerous Americans who have risen from humble beginnings to positions of social, political, and economic leadership. We strive, by precept and example, to instill in the hearts and minds of young Americans the conviction that in this Nation opportunity is unlimited for those who are willing to work for it. And we train our children to scorn anyone who claims special privilege or special dispensation without having earned it.

Ask yourselves, as you look back over our proud history, what it was that set the United States apart from all other nations at the time when the 13 courageous colonies established their independence. See if you do not agree with me that, more than any other single factor, it was that we recognized no aristocracy of birth; we denied the right of any man to claim inherent mastery and superiority over his fellows.

In our great universities, the student who earns the highest grades is awarded the highest honors. On the team, the player who makes the largest number of runs holds the favored position. It is performance—it is performance alone—that counts. That is as it should be. That is the American way—the democratic way—the only way to justice and peace for all mankind.

But when our young people grow up; when they leave the classroom and the baseball team behind and turn to the all-important task of earning a living, they find a wide gap between the equality we preach and the discrimination we too often practice.

Today, this is our most alarming weakness in the ideological battle that is raging in the world. Unless we correct this weakness we run the risk of alienating millions of our own idealistic youth who feel that lip service to democracy must be translated into action now, not to mention those victims of discrimination who naturally must feel that justice to themselves and to their neighbors on the employment front is long overdue. And we will lose, by default, our struggle for men's minds and their allegiance to democracy in Europe, in Asia, and in South America.

We must not permit ourselves to become distracted by charges and countercharges, by petty sectionalism and political side shows. We must not be turned away from our clear duty to adopt the McGrath bill as quickly as possible.

Probably few, if any, issues that have come before the Senate in recent months will have as telling an impact on the morale of our citizens, the economic stability of our Nation, and the security of our international position.

RECESS

Mr. McMAHON. Mr. President, I now move that the Senate stand in recess until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 7 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 19, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 18 (legislative day of March 29), 1950:

DEPARTMENT OF STATE

H. Freeman Matthews, of Maryland, now Ambassador Extraordinary and Plenipotentiary to Sweden, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

W. Walton Butterworth, of Louisiana, now an Assistant Secretary of State, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sweden.

IN THE COAST GUARD

The following-named persons to be lieutenants in the United States Coast Guard:

William Walter Richter
John Andrew Corso
William Henry St. George
George Thomas Treffs
Robert Justice Bloxson

The following-named persons to be lieutenants (junior grade) in the United States Coast Guard:

Nathaniel Foote Main
Edwin Allen Schmidt
Roger Harry Swain
Robert Daniel Valentine
Edgar Stanley Carlson
Vincent Joseph Mitchell
Richard Taylor Houlette
Andrew Stefan Skucy
Ross Lynn Moore
Walter Edward Johnson
Benjamin Franklin Rush
Thomas Comfort Duncan, Jr.
Adam Stanley Zabinski
William James Brasier

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 18, 1950

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of might and of mercy, may we be grateful for this new day, challenging us with the opportunity and the privilege of having some part in solving the many problems in this busy world of human affairs and human relationships.

We pray that Thou wilt take our groping and faltering spirits and illumine them with Thy divine spirit and may it be the master light in all our understanding and all our decisions.

Fill us with a more vivid sense of the reality and the worth of the ideals and principles of our Christian democracy. May we seek to authenticate and validate them by our daily character and conduct.

Make us more thoughtful and considerate of all who are finding the struggle of life so burdensome. May we have a word of kindness and encouragement and a hand of helpfulness for Thy needy children.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

SPECIAL ORDER GRANTED

Mr. HOBBS (at the request of Mr. MCCORMACK) was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

THE LATE MRS. VIOLA EDNA HORGAN MURRAY

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, it is with deep regret that I inform the House of the passing of Mrs. Viola Edna Horgan Murray, wife of the senior Senator from Montana, the Honorable JAMES E. MURRAY. Mrs. Murray, who was 71 years of age, died yesterday in Roosevelt Hospital in New York. Previous to that time, she had spent several months at Johns Hopkins Hospital in Baltimore where she underwent a series of difficult operations.

A native of Memphis, Tenn., Mrs. Murray was the daughter of William D. and Mary Sweeney Horgan. She attended

high school and college at the Georgetown Visitation Convent here, and was married to Senator MURRAY in 1905. Surviving besides her husband are five sons, James A., William D., Edward E., Howard A., and Charles A. Murray; and two sisters, Mrs. Walter Lytzen and Mrs. Howard McIntyre.

Mrs. Murray was one of the most respected citizens of the State of Montana and her loss will be keenly felt by her many friends in that part of our country. She was an outstanding wife and an outstanding mother who was loved and revered by all who knew her. She contributed much to the building up of our State and became an inspiration for all of us by her daily example of living a Christian life. She will be missed and mourned by the people of Montana, but we will remember her with gratefulness and respect for the many fine things she did during her lifetime.

I wish to extend to Senator MURRAY and his family the sympathy of the people of the State of Montana, and I know I express their feelings when I say may her soul rest in peace.

CURTAILMENT ORDER OF POSTMASTER GENERAL DONALDSON

Mr. WALSH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WALSH. Mr. Speaker, on April 24, 1950, I introduced a bill, H. R. 8172, that in effect will invalidate the recent curtailment order of Postmaster General Donaldson. Since then many Members of the House have introduced companion bills. I am also the author of House Resolution 547 that provides for a special committee of seven members to investigate this particular order. Due to the fact that this order of Mr. Donaldson's is now being carried out, and due to the fact that many of us feel that the order is ill-advised, and unnecessary, I have today called upon the Post Office and Civil Service Committee to start immediate hearings on my bill, or one of the companion bills. The time is of the very essence, and these hearings must be held at once, or this outrageous order will be put into full effect, and the postal service will be greatly affected. If the committee does not act, I will file a discharge petition at the end of 30 legislative days.

ANNUAL MEMORIAL OBSERVANCE

Mr. REGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. REGAN. Mr. Speaker, I take the floor at this time to express my appreciation to those Members who honored us with their presence here yesterday for the annual memorial observance arranged by the Committee on House Administration. Extra effort was applied this year to provide a worthy program and to attract a larger attendance, and I think I can speak for the committee when I say that we were well pleased with your response; this view was also reflected in the expressions heard from the relatives of our colleagues.

As the Speaker reminded us yesterday, all Members have 60 legislative days to revise and extend any remarks they may choose to make with respect to our departed comrades.

PROF. LOUIS F. BUDENZ

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a statement by the president of Fordham University regarding a statement made about one of their teachers.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have been appalled by the attack which a national legislator made upon Louis Budenz, who has repudiated communism, rather than being one who advocates its teachings. I am shocked that innocent children should be exploited before the public gaze in an effort to attack the testimony of Louis Budenz.

Fordham University, where Louis Budenz is employed as a professor, is indignant at what has been done and is making a battle against what has been said against Louis Budenz. The gentleman could not know, I could not know, and you could not know whether Louis Budenz acted in good faith when he repudiated his Communist ties and the sordid life which is part of the Communist philosophy.

I believe, Mr. Speaker, that the sincerity of a sinner's repentance is a matter to be judged by God, not by anyone else.

Yet, I wonder where the legislator got his information. Who collected and compiled these data for him? Did he unknowingly accept data from Communist sources? Were these data obtained from the court records, showing material used by Attorney Harry Sacker while defending the 11 convicted Communist leaders? Mr. Sacker used this same material to try to discredit Louis Budenz, because he had been a witness against the 11 now-convicted Communists. This Harry Sacker, who used the same material in attacking Budenz long before the front page was made by a public servant, is now awaiting sentence after having been cited for contempt of court by Judge Medina, one of the liberal New Deal judges.

Or perhaps the legislator secured material from Mr. Abe Fortas, who is now counsel for Owen Lattimore. Mr. Fortas, even long ago, could probably have had easy access to any dossier the Communists and their friends would have prepared through his friends in the International Juridical Association. I think that organization is no longer functioning—at least, not under that name—since it was cited as a Communist-front organization. But in its heyday the International Juridical Association included among its top leaders Alger Hiss, Lee Pressman, Joseph Brodsky, and Mr. Lattimore's attorney, Mr. Fortas. Did this attorney, Mr. Fortas, furnish the public servant with this material?

I raise this question because the source of the material through which it is sought to discredit Budenz is very important. Who, what sources want to discredit Budenz' testimony today? Who wants to detract attention from the real issue?

The real issue to me today is: Was our Government wise in urging collaboration with the Communists in the Far East? If not, should we continue to allow those who formulated this policy to continue to advise, to orient, as it is now said, those who hold the top positions?

If the judgment of these sources of guidance was bad in the past, are we to glorify them for their bad judgment because one who attacks them admits that he once worked in a bad group with which he has now broken?

I would ask the public official to join with me in examining what has been our Far East policy and in evaluating the wisdom of its implementation so that, together, his party and mine, we may seek to evolve a foreign policy which would protect our own national interests and promote international cooperation among men of good will, rather than seeking to defend those who have made and those who have defended a policy of collaboration with the Communists in China and at home.

The following is the statement I have referred to by Father McGinley, of Fordham University:

[From the New York Times of May 14, 1950]

HEAD OF FORDHAM CHAMPIONS BUDENZ—FATHER MCGINLEY ASSAILS CHAVEZ AS COWARDLY, SAYS WITNESS HAS UNIVERSITY CONFIDENCE

The attack made on the Senate floor by Senator DENNIS CHAVEZ, Democrat of New Mexico, against Louis F. Budenz brought "personal vilification of Professor Budenz to a point even lower than that reached in the columns of the Daily Worker," the Very Reverend Laurence J. McGinley, president of Fordham University, said here yesterday.

He issued a statement defending the Fordham assistant professor of economics as "continuing to enjoy the full confidence of the university," according to the Associated Press.

In his statement, Father McGinley said:

"Prof. Louis Budenz joined the faculty of this university in 1946. Since that time he has given complete satisfaction in the discharge of his academic duties.

"Within the limits imposed on him by his obligations as a scholar and teacher, he has at times complied with the requests of public and private agencies to lecture on the philosophy of communism and on the subversive techniques of the Communist Party. This was done with the knowledge and consent of the university authorities.

"During his years at Fordham, Professor Budenz—both as a teacher and as a Christian gentleman—has deserved and continues to enjoy the full confidence of the university."

CALLS FROM GOVERNMENT CITED

"From time to time—much to his own inconvenience and the occasional inconvenience of the university—Professor Budenz has been subpenaed by the Government to

testify in cases involving alleged Communists or Communist activities."

Father McGinley's statement continued:

"It has always been his wish that such information as might be sought from him by the Government be given solely on his own responsibility. He foresaw that he would be subjected to violent attack from Communist quarters and he did not wish to involve the university.

"It has remained, however, for a member of the United States Senate to bring this personal vilification of Professor Budenz to a point even lower than that reached in the columns of the Daily Worker. It might fairly be said that never within recent memory has a Member of Congress so used his immunity in personal attack upon the character of a fellow citizen.

"The Senator had the effrontery, moreover, to pose as a Catholic while publicly enacting this vicious offense against Christian charity. As a priest of the Catholic Church, and as president of the university of which Professor Budenz is a respected faculty member, I cannot allow so slanderous and cowardly a demonstration go unanswered."

CONSCIENTIOUSNESS PRAISED

"Under Government subpena, Professor Budenz has appeared as a witness in many trials over the last 5 years. He has, as was to be expected, when he testified against Communists or Communist activities, been castigated both here and abroad by those whose conspiracy he was called upon to expose.

"Never, to my knowledge, have responsible officials of our own Government or members of the American press had other than praise for his conscientiousness as a witness."

Father McGinley said in conclusion:

"It was not until he went recently to Washington—once again not at his own request but under subpena from a Senate committee—to testify in an inquiry into alleged Communist influences in our own Government, that those who should have been his friends turned on him with that weakest and most cowardly of all weapons—slanderous attack on his character and his family.

"As an American and a teacher of young Americans, I find Senator CHAVEZ' attack disturbing in the extreme. As a priest, I must denounce the hypocrisy and uncharitableness that have characterized it.

"Whatever mistakes Professor Budenz has made in the past are an open book. Unfortunately for him, he has had to live under the constant threat of Communist reprisals, and to bear in silence the sneers of modern Pharisees who are always ready to point a self-righteous finger at their fellow man.

"The Catholic Church, convinced of the sincerity of his repentance, welcomed Louis Budenz back into the fold. Let those, who, in the name of the church of charity, presume to shout another man's alleged transgressions from the housetops, look instead into their own hearts."

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include excerpts from the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. LUCAS asked and was given permission to extend his remarks and include a statement which he had prepared.

Mr. LARCADE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. ENGLE of California (at the request of Mr. HOLIFIELD) was given permission to extend his remarks and include an editorial.

Mr. HOLIFIELD asked and was given permission to extend his remarks in two instances.

Mr. McGREGOR asked and was given permission to extend his remarks.

Mr. DAGUE asked and was given permission to extend his remarks and include a clipping from a recent issue of the Philadelphia Inquirer.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in two instances and in each to include a newspaper article.

Mr. RICH asked and was given permission to extend his remarks and include an editorial from the Altoona Tribune entitled "New Pattern for Democracy."

Mr. LEFEVRE asked and was given permission to extend his remarks and include an editorial.

Mr. VELDE (at the request of Mr. ARENDS) was given permission to extend his remarks and include an editorial.

Mr. MICHENER asked and was given permission to extend his remarks and include a resolution passed by the Michigan State Legislature.

Mrs. ROGERS of Massachusetts asked and was given permission to extend his remarks and include an editorial that appeared in this week's issue of the Disabled American Veterans' semimonthly magazine entitled "Let Congress Decide."

Mr. LANE asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. SUTTON asked and was given permission to extend his own remarks.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HOLIFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 169]

Albert	Coudert	Hall,
Allen, Calif.	Davenport	Edwin Arthur
Allen, Ill.	Davies, N. Y.	Hall,
Anderson, Calif.	Davis, Tenn.	Leonard W.
Auchincloss	Deane	Havenner
Barden	DeGraffenried	Heller
Blatnik	Dingell	Hoeven
Bolton, Md.	Dollinger	Irving
Bolton, Ohio	Douglas	Jackson, Calif.
Boykin	Doyle	Jacobs
Bramblett	Durham	James
Buckley, N. Y.	Eaton	Jenison
Bulwinkle	Eberharter	Jones, N. C.
Burdick	Engel, Mich.	Judd
Cannon	Engle, Calif.	Kearney
Carlyle	Frazier	Kearns
Case, S. Dak.	Furcolo	Kennedy
Cavalcante	Gathings	Keogh
Chatham	Gillette	Kirwan
Chudoff	Gilmer	Kruse
Cole, Kans.	Gore	LeCompte
Cooley	Granger	Linehan
Lodge	Passman	Secrest
Lyle	Pfeiffer,	Sheppard
McConnell	William L.	Sims
McDonough	Phillips, Tenn.	Smathers
McGrath	Plumley	Smith, Ohio
McMillen, Ill.	Poulson	Stigler
Macy	Powell	Taylor
Magee	Quinn	Welch
Mahon	Rabaut	Wheeler
Martin, Iowa	Rhodes	Whitaker
Miles	Richards	White, Calif.
Miller, Calif.	Riehlman	White, Idaho
Monroney	Rivers	Wickersham
Morgan	Sabath	Wood
Moulder	Sadowski	Woodhouse
Murphy	Sanborn	Yates
Nixon	Sasscer	Zablocki
O'Toole	Scott, Hardie	
Pace	Scudder	

The SPEAKER. Three hundred and fourteen Members are present, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REORGANIZATION PLAN NO. 6, 1950—DEPARTMENT OF LABOR

Mr. DAWSON. Mr. Speaker, notice having been served that this resolution would be called up, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 522) rejecting Reorganization Plan No. 6 of 1950.

Pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the resolution may continue not to exceed 4 hours, the time to be equally divided and controlled by the gentleman from Michigan [Mr. HOFFMAN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 522, rejecting Reorganization Plan No. 6 of 1950, with Mr. GARY in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the order of the House, the gentleman from Illinois [Mr. DAWSON] is recognized for 2 hours and the gentleman from Michigan [Mr. HOFFMAN] will be recognized for 2 hours.

Mr. DAWSON. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, the Committee on Expenditures in the Executive Departments, to which was referred the resolution (H. Res. 522) rejecting Reorganization Plan No. 6 of 1950, having considered the same, reports unfavorably thereon without amendment and recommends that the resolution do not pass.

The purpose of House Resolution 522 is to express disapproval of Reorganization Plan. No. 12 of 1950, and the effect of the adoption of this resolution by the Congress will be to prevent such plan from coming into force and effect on May 24, 1950.

The purpose and effect of the reorganization plan, in the absence of a disapproval by a House resolution, are set

forth in the plan in the following words and figures. I think, first, we ought to know exactly what is in plan No. 6:

SECTION 1. Transfer of functions to the Secretary: (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of Labor all functions of all other officers of the Department of Labor and all functions of all agencies and employees of such Department.

(b) This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) in hearing examiners employed by the Department of Labor.

SEC. 2. Performance of functions of Secretary: The Secretary of Labor may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Department of Labor of any function of the Secretary, including any function transferred to the Secretary by the provisions of this reorganization plan.

SEC. 3. Administrative Assistant Secretary: There shall be in the Department of Labor an Administrative Assistant Secretary of Labor, who shall be appointed, with the approval of the President, by the Secretary of Labor under the classified civil service, who shall perform such duties as the Secretary of Labor shall prescribe, and who shall receive compensation at the rate of $14,000 per annum.

SEC. 4. Incidental transfers: The Secretary of Labor may from time to time effect such transfers within the Department of Labor of any of the records, property, personnel, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of such Department as he may deem necessary in order to carry out the provisions of this reorganization plan.

Mr. Chairman, there are few matters engaging the attention of the American public at this time of greater importance than is either the approval or rejection of these plans of the President. They have been sent to us under a law that we ourselves passed in an endeavor to carry out the recommendations of the Hoover Commission.

The Hoover Commission was set up in the Eightieth Congress, and its purpose was to streamline our Government; the purpose of that Commission was to bring order out of chaos, and the recommendations of that Commission were designed to settle authority upon those who should bear that authority. The Hoover Commission came into existence because throughout the years under laws passed by the Congress the executive department has grown into an unwieldy proposition.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Was the plan now under consideration recommended by the Hoover Commission?

Mr. DAWSON. The plan under consideration was recommended by the Hoover Commission. This Commission was composed of Members of the Senate, Members of the House, and members appointed by the President, so the legislative branch that passed the law and passed on the plans was represented on the Hoover Commission, and the head of the executive department that executes the law also appointed members in order that there might be an impartial study made. This House was fortunate to have on that Commission two of its most able Members. From the Republican side we had the gentleman from Ohio [Mr. BROWN]. We all know his ability; we know the power that he has displayed always for the welfare of his country. On the other side of the aisle, on the Democratic side, we were represented by Congressman Manasco. I submit to you there is not a man in this House who was more interested in the Government and the streamlining of it and in saving the taxpayers money than was Congressman Manasco.

So when we pass upon these plans we are seeking to carry out recommendations that we ourselves created; we are seeking to carry out a thing which will be beneficial to all citizens of these United States, a thing which will place responsibility for governmental action in the hands of those who should bear this responsibility.

We were also fortunate in that we had as head of that Commission the only living ex-President, who had experience as the President of this Nation. President Hoover was the only living ex-President, and other than our present President who is now holding down the Executive Office, who has had such experience. So when we deal with this question, we are dealing with the recommendations of one who had been President and we are sustaining the plan of the man who is now President in order to give that President the responsibility for everything that goes on in the executive department.

Mr. Chairman, I submit to you that is good governmental procedure; it is good business procedure. Certainly you want the head of a department to be responsible to the President who appointed him for everything that transpires in that department. It just happens that the Congress at various times, because of change of circumstances, has set up various agencies and bureaus, but many times these agencies and bureaus were put into a department and the head of the agency or bureau was told to report to the Congress instead of to the department head.

I submit to you as Members of Congress that that is bad procedure. We are the legislative body. We are the men that make the laws under which all departments of the Government must act. Certainly we ought never to put a bureau or an agency into an executive department unless we put it under the department head or the President, if we are going to hold the President responsible for what happens in his executive departments. Certainly we should never put an agency in a department and then have the administrator of that department not responsible to the head of that department if we are going to hold the department head responsible for what happens in his department. That is plain business, that is plain common sense, and that is all this plan tries to do. This plan seeks to put the responsibility into the hands of the Secretary of Labor for every function that is put into his department. That was certainly the recommendation of the Hoover Commission.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to our distinguished majority leader.

Mr. McCORMACK. Support of this plan, the President's plan No. 6, by the House will be a vote in support of the Hoover Commission's recommendations, and will at least show that one branch of the Congress is supporting the Hoover Commission's recommendations.

Mr. DAWSON. On that I will say, humbly standing before you as a Member of the Congress, that I am not yielding to the other body greater ability to decide national questions than we here possess. I say to you, Members of Congress, that we live closest to the people. We go to the people every 2 years, and we, of all Members of Congress, ought to know what is in the minds of the people. The people of this Nation are interested in the reorganization of our executive departments. Probably there is no one subject matter now before the Congress that has engaged the attention of more people favorably than the implementation of the Hoover Commission's report by sufficient legislation, either by this Congress or by plans of the President, in order to carry out the recommendations of the Hoover Commission.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I ask whether the majority leader, when he asked a question a few moments ago about a number of resolutions that were vetoed by another body, is criticizing the other body because they have taken action on something on which the House has had no opportunity yet to voice its opinion?

Mr. DAWSON. I do not think it is necessary for our majority leader to answer that. The Senate is sufficient unto itself. Whatever they want to do is their business. But I think this House is closer to the people, and I think this House is in a better position to know the wishes of the people. I say to you once again, the people of this Nation are for the reorganization plans as recommended by the Hoover Commission. This is a good example of everybody being for reorganization except when it touches one of their pets.

I certainly have the highest respect for my distinguished friend from Texas [Mr. LUCAS], but he is in this position. He is the author of a bill that this plan would change about a little. He feels a natural pride in anything that he created, just like a hen with one chicken. Did you ever see a hen with many chickens? She scratches and lets the chickens pick up the food, but a hen with one chicken will not only scratch the food but kind of peck it over to the one little biddy. That is the position of my very distinguished friend [Mr. LUCAS]. This is his one biddy, it is his little chicken, and he wants to feed it and he wants to preserve it. But it just happens that the thing he is interested in is one of those mistakes that we made when we put into the department an agency that was not amenable to the head of that department.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield to the gentleman from Indiana.

Mr. MADDEN. I notice in the hearings there is a statement by Robert McCormick, research director of the Citizens' Committee for the Hoover Report, who is for this resolution.

Mr. McCormick stated in his testimony:

It is our view under the United States Constitution that the President as the only elected official in the executive branch should be given the authority to act. If he acts properly, wisely, and does not abuse his authority, it is up to the people to reelect that administration, and if he acts unwisely and abuses his authority, it is up to the people to vote against that administration.

I believe Mr. McCormick made a sound statement on this problem.

Who is Mr. McCormick of the Citizens' Committee for the Hoover Report?

Mr. DAWSON. We had quite a few members before us and quite a few witnesses and I cannot at this moment recall each individual witness. But certainly from all over the Nation we are getting commendations on the particular plan from the different organizations whose purpose is to bring the Hoover Commission recommendations into being, asking that it be passed.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. JONAS. Is the gentleman advocating a plan that is the same plan verbatim as the one contained in the Hoover plan or are you deviating from the original plan?

Mr. DAWSON. We are not deviating from the recommendations of the Hoover Commission, as will be told by other speakers. If I had the time I could read to you recommendation after recommendation sustaining the provisions of this plan.

Mr. JONAS. Is the plan that you are now advocating substantially that of the Hoover plan? Is it the recommendation of the Hoover Commission?

Mr. DAWSON. Essentially it is the recommendation of the Hoover Commission.

Mr. JONAS. What did your committee do with reference to adopting or rejecting this legislation?

Mr. DAWSON. We disapproved of the rejecting petition and ask the Congress not to pass the resolution seeking to disapprove this plan.

Mr. JONAS. I thank the gentleman.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. CURTIS. The gentleman, having made a considerable study of this—may I ask him some questions for the purpose of gaining some information?

Are you able to cite in the Hoover Commission the direct recommendation for this particular plan of placing the Wage and Hour Administrator under the Secretary of Labor?

Mr. DAWSON. I am so certain that the answer to the gentleman's question will be made by those who follow me, sir, that if, when I take the time to close debate, the gentleman's question has not been answered, then I will be happy to answer him—if that is convenient to my distinguished colleague.

Mr. CURTIS. I just want you to tell me where to find it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. DAWSON. I yield.

Mr. HOLIFIELD. All of these recommendations are right here, and I will be glad to read them, if the gentleman from Illinois will yield me the time.

Mr. DAWSON. I yield to my colleague from California.

Mr. HOLIFIELD. The basis for Reorganization Plan No. 6 is as follows: In the Commission's report on organization, the report on general management, recommendation No. 13: Within each department a subsidiary division should also be created as nearly as possible according to the major policy.

That was what was done.

Recommendation No. 14: Under the President the heads of the departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

This plan takes care of that.

Recommendation No. 16: Department heads must have adequate staff assistance if they are to achieve efficiency and economy in departmental operations.

This plan takes care of that.

Recommendation No. 18: Each department head should receive from the Congress administrative authority to organize his department and to place him in control of its administration.

This plan takes care of that.

I could go on and give you so many additional recommendations which are in harmony with this plan.

Mr. CURTIS. I do not want recommendations that are in harmony with it.

Mr. HOLIFIELD. I see that you do not.

Mr. CURTIS. I want to know whether or not the Hoover Commission recommended this specifically—that the Wage and Hour Division should go into and be subject to the Secretary of Labor. Did they or did they not specifically spell out that one thing?

Mr. HOLIFIELD. The Hoover Commission did not spell out any plan that has been brought, or will be brought, before the Congress. It set up general principles for the compliance with the plans, and I state that this plan does comply with the general principles of organization which the Hoover Commission recommended for every department of Government.

Mr. CURTIS. Is it not true that President Hoover wrote a letter and attached a statement made by Professor Taylor directing and pointing out that these general recommendations should not be used to do the very thing that you are doing today?

Mr. DAWSON. That is not so. May I answer the gentleman? President Hoover, in a speech on May 14, talking about this very thing which is transpiring here today, said that these groups for their own reasons are undermining the broad principles and purposes laid down in his recommendations, and he said:

We have urged in our first report that the foundation of good departmental administration is authority from the Congress for the Secretary—

Talking about the Secretary of Labor—

to organize and control his Department. The granting by the Congress of independent authority to subordinates, of which there are several instances in the Department—

Talking about the Department of Labor—

should be eliminated.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it is encouraging to be able to agree with the chairman of my committee, the gentleman who is vice president of the Democratic National Committee, in at least one thing, that is, that the House is nearer the people than is the other body, and that the House is in duty bound to act not only upon this plan but should have acted upon all the other plans.

It is rather surprising to find the gentleman from Illinois [Mr. DAWSON], chairman of the committee, and other members of the committee on the majority side, coming in and agreeing with Mr. Hoover, advocating a procedure which they say he promulgated. For a great many years all the ills of this country have been charged to the Hoover administration. Now we find those who have always opposed him are all for Mr. Hoover's recommendations—as interpreted by them—do not forget that thought—as construed by them.

We are here today because the House saw fit to write a reorganization law which permits the President to send down proposed legislation affecting the executive departments which shall become the law of the land unless at least one House of the Congress vetoes that plan within 60 calendar days. That reorganization legislation was written because the people had become aware of the fact that this country was on the way to ruin unless we injected a little efficiency, a little economy in Federal operations. So the Congress, in its wisdom, or lack of it, passed the first basic reorganization law. Under that law we now have from the President some 25 plans, sent down here to be acted upon within 60 days.

The gentleman from Illinois [Mr. DAWSON] made a statement with which I cannot agree. He said that this plan No. 6, which transfers all of the functions of the Labor Department to the Secretary of Labor, was the recommendation of the Hoover Commission. With that statement I cannot agree.

PAST ATTEMPTS TO PLACE THE ADMINISTRATION OF THE WAGE AND HOUR LAW IN THE SECRETARY OF LABOR

The Congress has three times rejected the President's proposal, as outlined in Reorganization Plan No. 6, which would lodge administrative and enforcement powers under the Fair Labor Standards Act of 1938 (the Federal wage-and-hour law) in the Secretary of Labor.

First. The first attempt was made at the time of the consideration by Congress of the original Fair Labor Standards Act in 1937 and 1938. The House at that time passed a bill vesting the administrative power in the Secretary of Labor—see House Report 2182, April 21, 1938, Seventy-fifth Congress, third session, and Eighty-third CONGRESSIONAL RECORD, page 7450, May 24, 1938—while the Senate passed a bill placing the administrative authority in a five-man board—see Report 884, July 6, 1937, Seventy-fifth Congress, first session, and Eighty-first CONGRESSIONAL RECORD, page 7957, July 31, 1937. The conference committee, in reconciling the differences between the Senate and House bills, declined to place the administrative power in the Secretary of Labor and instead set up an independent Administrator of the Wage and Hour Division in the Department of Labor—see section 4 (a) of the Fair Labor Standards Act of 1938; see also Eighty-third CONGRESSIONAL RECORD, pages 9178, 9246, 9255, 9266, 9267, June 14, 1938.

Second. Again, on May 1, 1947, the President, pursuant to the Reorganization Act of 1945, submitted to the Congress a reorganization plan, one part of which would have transferred to the Secretary of Labor the functions vested in the Administrator by the Fair Labor Standards Act of 1938. This proposal was rejected by the House on June 10, 1947—Ninety-third CONGRESSIONAL RECORD, page 6740; see also House Report No. 499, June 2, 1947, Eightieth Congress, first session—for the following reasons:

(a) Such transfer was contrary to the plain intention of Congress when it passed the Fair Labor Standards Act of 1938.

(b) The transfer would place responsibility for administering and enforcing a regulatory statute affecting employers and employees in the hands of one whose basic duty it is to foster and promote the interests of only one of the regulated groups—employees.

(c) The transfer was contrary to the public interest, in that it would increase the workload and responsibility of a Cabinet officer by placing under his direct control administrative and enforcement duties, which experience has shown require the full-time services of a responsible and trained officer of the Government.

(d) The transfer would place in the Secretary of Labor responsibilities so conflicting that he would be unable to perform them in accordance with the intent and mandate of Congress.

The Senate also rejected this reorganization plan of 1947—Ninety-third CONGRESSIONAL RECORD, page 7874, June 30, 1947. The two principal reasons were expressed in the Senate for such rejection—Ninety-third CONGRESSIONAL RECORD, pages 7860–7861, June 30, 1947. The first was that the transfer would vest in a department, required by law to be a fiduciary for labor, functions affecting both management and labor. The second reason advanced against the transfer was that it would create a condition of uncertainty as to whether there would be any officer on whose rulings with respect to the Fair Labor Standards Act an employer might rely under section 10 of the Portal-to-Portal Act. Under that section an employer may not be held liable for his failure to pay minimum wages or overtime compensation under the Fair Labor Standards Act, if his failure was in reliance on rulings, orders, regulations, etc., of the "Administrator of the Wage and Hour Division of the Department of Labor." If the administrative authority under the law is taken from the Administrator and placed in the Secretary of Labor, there would be grave uncertainty as to whether an employer could thereafter rely upon the rulings of either the Administrator or the Secretary of Labor.

Third. At the last session of Congress, the Congress passed and on October 26, 1949, the President approved amendments of the Federal wage-and-hour law. A major problem raised under the many different proposals to amend the act was whether the administrative and enforcement authority thereunder should be taken from the Administrator and placed in the Secretary of Labor.

The Congress answered this question with an emphatic negative—see CONGRESSIONAL RECORD, August 9, 1949, page 11126; CONGRESSIONAL RECORD, August 10, 1949, pages 11227–11228; CONGRESSIONAL RECORD, August 11, 1949, pages 11287–11288; Senate Report No. 640, July 8, 1949, Eighty-first Congress, first session, pages 2, 6; CONGRESSIONAL RECORD, August 31, 1949, page 12583—despite the fact that the House Committee on Education and Labor had favorably reported a bill which, among other things, would have effected this transfer—see House Report No. 267, March 16, 1949, Eighty-first Congress, first session, page 14.

Notwithstanding these facts, the main object of Reorganization Plan No. 6 of 1950 is to accomplish through indirection that which only 6 months ago the Congress said should not be done; namely, to transfer the administrative powers under the wage-and-hour law to the Secretary of Labor.

THE OFFICE OF THE SECRETARY OF THE DEPARTMENT OF LABOR IS NOT AN APPROPRIATE ONE TO ADMINISTER THE DUTIES AND FUNCTIONS NOW PERFORMED BY THE WAGE-AND-HOUR ADMINISTRATOR

The organic act establishing the Department of Labor, the philosophy which guides the policy-making officials of that Department, and the organization through which it administers the laws which are entrusted to it all show that the office of Secretary of Labor is not an appropriate one to administer the wage-and-hour law.

The organic act of 1913 establishing the Department of Labor states the purpose of the Department is "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." The Department of Labor is staffed with Assistant Secretaries recruited from organized labor. The Assistant Secretaries at present are: John Gibson, former CIO director for the State of Michigan; Ralph Wright, former official of the International Typographical Union, AFL; and Philip Kaiser, who heads the Office of International Labor Affairs. The Department of Labor takes the position that it is spokesman for labor in the President's official family, and the loyalties of the Department's staff are keyed to labor's interests.

A department which by law, by organization, and by philosophy is set up to advocate labor's interests cannot administer impartially and fairly a great statute affecting the rights and obligations of both employers and employees. The most essential possession of any governmental body charged with enforcing the law is its ability to inspire public confidence in its impartiality and freedom from bias. Obviously, the Secretary of Labor and the Department which he heads fall short of meeting this test for the fundamental reason that they are required to play a partisan role in labor-management controversies. The transfer of the functions of the Wage and Hour Administrator to the Secretary of the Department would place in the Secretary of Labor responsibilities so conflicting that he would be unable to perform them with the even-handed justice intended by Congress.

THE DUTIES AND FUNCTIONS PERFORMED BY THE WAGE AND HOUR ADMINISTRATOR REQUIRE IMPARTIAL ADMINISTRATION

The exercise of the duties and functions of the Administrator determines to a large extent which employers are subject to the requirements of the act and which employees are entitled to its minimum-wage and maximum-hour benefits. This can be shown by a series of examples.

(a) Under the law, an exemption from minimum wages and overtime is granted to executive, administrative, professional, local retailing capacity employees and also to outside salesmen. The exemptions for these employees, however, are not spelled out in the statute. The Administrator of the law is given the final responsibility to define these terms from time to time and thereby fix their scope. In carrying out this responsibility he must decide between the conflicting contentions of labor and management; i. e., whether the terms should be defined narrowly or broadly.

(b) Under the law, employees engaged in processing agricultural commodities are exempt if they perform their work within the "area of production." The Administrator is required to define the term "area of production" in order to determine the extent of the exemption. Here again he is required to accommodate his definition to the competing claims of labor and management.

(c) Under the law, an overtime exemption is granted to employees working in seasonal industries. But the exemption is not available to any employer until the Administrator finds that his industry is seasonal in nature.

(d) In determining employees' regular rates of pay for purposes of paying overtime, an employer need not include amounts contributed by him to profit-sharing plans. Such plans, however, must meet standards set up by the Administrator.

(e) Under the law, learners, apprentices, messengers, and handicapped workers may be employed at less than 75 cents an hour. This is permitted, however, only under terms and condi-

tions prescribed by the Adminstrator. To provide employment opportunities for these types of workers, it is frequently necessary for employers to employ them at subminimum rates. Labor unions, however, by and large, oppose any such employment.

(f) One of the most important functions the Administrator performs is to issue interpretations concerning the coverage of employees and employers under the law. These interpretations are his determinations as to which employees are engaged in interstate commerce or the production of goods for interstate commerce and which employees come within the provisions of various exemptions, such as those granted to agricultural labor and retail and service establishments. The courts have held that these interpretations are entitled to great weight and thus they have gone a long way in establishing the extent of the application of the minimum-wage and overtime provisions to employees throughout the country.

The Adminstrator of the Wage and Hour Division also has the responsibility of instituting litigation against employers to enforce the law. Such litigation may be either in the form of an injunction suit or in the form of a suit on behalf of employees to collect unpaid back wages or overtime. The Administrator, in other words, exercises not only the legislative function of deciding in many instances the extent to which employers and employees come under the law, but also the prosecutorial function of instituting proceedings against employers to enforce his rules and interpretations against those charged with violations of the law. He also collects unpaid wages and overtime compensation from employers as a part of his enforcement activities.

As the legislative charter of the Department requires the Secretary to act as a special pleader for labor and to promote its special welfare, the Secretary and his assistants are not appropriate officers to resolve the conflicting interests of labor and management as is required by the wage-and-hour law. To place administration of the law in the hands of such officers would be to require those who by law are required to "foster, promote, and develop the welfare of wage earners" to render an impartial decision, a duty impossible of performance. Such a situation would tend to destroy the confidence of the public in their Government.

THE ATTITUDE OF THE HOOVER COMMISSION

The recommendations of the Hoover Commission were based upon investigations of so-called task forces and expert consultants. Mr. Herbert Hoover, Chairman of the Commission, in submitting the report on the Department of Labor to the Congress, also submitted a typescript memorandum on the Department of Labor, which was prepared by George W. Taylor, professor of labor relations, University of Pennsylvania, and former Chairman of the National War Labor Board, Professor Taylor is widely regarded by labor unions as a warm friend of organized labor. The text of Mr. Hoover's letter of transmittal to the Congress, dated March 11, 1949, is as follows:

The honorable the PRESIDENT OF THE SENATE.
The honorable the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

DEAR SIRS: In accordance with Public Law 162, Eightieth Congress, approved July 7, 1947, the Commission on Organization of the Executive Branch of the Government submits herewith its report on the Department of Labor, and separately, in typescript, a memorandum on the Department by George W. Taylor, professor of labor relations, University of Pennsylvania, and former Chairman, National War Labor Board.

The Commission wishes to express its appreciation to Professor Taylor, the members of the task forces listed in the acknowledgment, and to the officials of departments and agencies concerned for their cooperation.

Respectfully,

HERBERT HOOVER.

Professor Taylor in his memorandum set forth the basic consideration which should govern in any reorganization of the Department of Labor. He said, in part:

NATIONAL POLICY AS RESPECTS THE RELATION BETWEEN THE DEPARTMENT OF LABOR AND LABOR UNIONS

Previous mention has been made of the relation between labor unions and the Department of Labor as one of the three fundamental areas that need investigation, and it was then suggested that the tripartite task force might best be able to operate in this area. It would appear that such a task force might be assigned the responsibility for considering just what role the Department of Labor should play. Any determination in this regard would dictate, in no small measure, the functions that should be assigned to the Department of Labor.

The legislation of March 3, 1913, which created a separate Department of Labor, also stated its purposes, in general terms, as follows:

"* * * to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment."

It is of the utmost importance to recognize that these purposes were expressed at a time when wage earners were largely unorganized. No Wagner Act was on the statute books. Collective bargaining had not received legislative approval as the sound method for determining, hours, wages, and working conditions.

The generally stated purposes of the Department of Labor are substantially the same as the general purposes of most labor unions. Since most employees look to the unions rather than to the Department of Labor for improvement of their conditions of employment, the Department and the labor unions may be expected to cooperate closely in seeking to achieve the stated purposes of labor unions.

In line with such reasoning, the Department of Labor has been widely looked upon as the advocate of organized labor in the Government—except perhaps by organized labor. Experience has shown the need for an avenue of consultation between the Government and the labor unions—and even through which union participation in many governmental matters may be secured. This raises the question: Should the Department of Labor be developed primarily as the representative of organized labor in the Government? If so, then the governmental functions assignable to administration by the Department of Labor would be the ones not incompatible with such a position.

On the basis of experience it would appear that the Department of Labor cannot be a vital agency as long as it is expected, in various quarters, to be an advocate of labor interests in conformance with its legislative charter, and at the same time an impartial administrator of the national labor policy in the public interest. It follows that, if the advocacy function is emphasized, then consideration might well be given to the creation of one separate department or agency, instead of the large number of independent agencies which now obtain, to administer those parts of the national labor policy in which conflicting interests must be appraised in the light of public necessities.

No recommendation on this fundamental question at this time would constitute a resolution of the difficulty. Urgently needed, however, is some procedure or mechanism for grappling with it. In my judgment, the tripartite task force previously discussed might well be selected as the agency for examining this question.

Then, in his conclusions and as part of his recommendations, Professor Taylor stated:

1. Any recommendation of the Commission respecting organization of the Department of Labor should be made only after extensive consultation with representatives of organized labor and of management as well as with the Secretary of Labor.

2. There has been as yet no thorough investigation of the Department of Labor comparable to that made of other executive departments. This seems to indicate that the more or less generally used investigating procedures cannot be applied to the Labor Department.

3. Since substantive recommendations should not be made in the absence of careful investigation, it is suggested:

(a) That substantive recommendations should not now be made, but

(b) That recommendations should be limited to procedures to be followed in investigating the Department of Labor problem and in composing differences respecting the activities of that Department.

4. Inasmuch as the problem to be dealt with is complex, consideration might also be given to proposing an agenda for the guidance of any investigating agency that might be set up.

Thus, as Professor Taylor pointed out, the Department of Labor cannot serve both as an advocate of labor interests in conformance with its legislative charter and as an impartial administrator of national labor policy in the public interest.

The Hoover Commission, in its report on the general management of the executive branch, stated in recommendation No. 14:

Under the President, the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

In its report on the Labor Department, the Hoover Commission stated:

We have urged in our first report that the foundation of good departmental administration is authority from the Congress for the Secretary to organize and control his Department. The granting by the Congress of independent authority to subordinates, of which there are several instances in the Department, should be eliminated.

It will thus be seen that the Hoover Commission recommended that no subordinate bureau in a department should exercise independent authority. The

Administrator, however, is not in any sense a subordinate officer of the Secretary but rather is a wholly independent officer, as the Fair Labor Standards Act so plainly shows and the decisions of the courts verify.

The Wage and Hour Division was not established by Congress as an integral and subordinate unit of the Department of Labor as were other bureaus which were set up in that Department or in other departments.

On the contrary, the Wage and Hour Division was created as a completely independent agency, with final authority for the administration of the law vested in an Administrator, who makes his own annual report to Congress—section 4 (d), Fair Labor Standards Act. In other words, the Division was placed in the Department of Labor only in name but not as a subordinate unit thereof. Unfortunately, the report on the Department of Labor shows that the Commission was unaware of these facts, since it refers to the Wage and Hour Division as a functional unit of the Department of Labor.

It will also be noted that the Commission's report on the Department of Labor was submitted to the Congress on March 11, 1949. The Congress thereafter passed the fair labor standards amendments of 1949, and plainly expressed its desire to keep the administrative powers lodged in an independent administrator.

UNSOUND ARGUMENTS IN FAVOR OF REORGANIZATION PLAN NO. 6

First. It has been urged that it is the policy of the Hoover Commission that the various functions and duties of independent agencies and officers should be subordinated to the authority of a Cabinet officer who is answerable to and under the immediate direction of the President. It is argued that this will assist the President in the exercise of his manifold duties of directing and supervising the executive establishment of the Government. The Hoover Commission recommendations, however, recognize that consistent with good government, this cannot be done in all cases. The Commission has not recommended that the National Labor Relations Board, the Securities and Exchange Commission, the Interstate Commerce Commission, the Federal Trade Commission, the Federal Power Commission, the Federal Communications Commission, and many other agencies be subordinate to any Cabinet officer. All these agencies, like the Wage and Hour Division, exercise powers affecting the conflicting interests of different economic groups. If good administration requires that these agencies remain separate and independent, there is as much reason to continue the independent status of the Wage and Hour Division.

Second. It has been argued that the powers of administration under the Walsh-Healey Act, which imposes wage-and-hour requirements upon Government supply contractors, are in the Secretary of Labor and therefore the administrative powers under the Fair Labor Standards Act should also be placed in the Secretary. The coverage of the two statutes, however, is completely dissimilar. The application of the Walsh-Healey Act to any employer is optional with him, since the act does not apply unless he elects to enter into a contract with the Government to furnish it supplies and under the conditions which it imposes. Under those circumstances, even if the act is administered by an agency which is a partisan for labor, the employer has no basis for complaint.

The application of the Fair Labor Standards Act, however, is in no sense optional with the employer, as the law automatically applies to him if he is engaged in interstate commerce or in the production of goods for interstate commerce and is not specifically exempt. He is entitled, therefore, as a matter of simple fairness, to have the law administered by an unbiased and impartial agency.

CONCLUSION

The administrative and enforcement powers under the Fair Labor Standards Act should remain where the Congress has three times determined they should be. If such powers are to be transferred to the Secretary of Labor, the organic act of the Department should be revised to make the Department a guardian of the public interest rather than solely that of labor.

It is the duty of the Congress to provide good government for the American people. This cannot be done by placing in the hands of a biased agency, an agency created and charged by law with the duty of promoting the interests of one group, authority which should be exercised by unprejudiced and dispassionate administrators.

The need for economy and efficiency in the executive departments is not questioned. However, the sole purpose in the formation of our Government was not the promotion of either economy or efficiency, or even a combination of the two. The primary purpose in the minds of those who fathered our Government and enunciated the principles upon which it was to proceed was the preservation of the liberty of the citizen.

Mr. Justice Brandeis recognized that fact when he said:

> The doctrine of the separation of powers was adopted by the Convention of 1787 not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was not to avoid friction but by means of the inevitable friction incident to the distribution of the governmental powers among three departments to save the people from autocracy.

The basic thought behind the Hoover Commission recommendations was the promotion of economy and efficiency. Reorganization Plan No. 6 does neither. Nor can an argument for the adoption be based upon the contention advanced in favor of adoption of Reorganization Plan No. 12, that it would tend to eliminate controversy between the Administrator and the Secretary of Labor, for in this situation there is no friction.

Frederick J. Lawton, Director of the Bureau of the Budget, when testifying before the committee, admitted that he knew of no conflict in policy between the Administrator and the Secretary of Labor. He conceded that the adoption of the plan would not give economy or increased efficiency.

In the hearings it was admitted and frankly stated that, if the plan was adopted, the Secretary of Labor would immediately redelegate to the same individuals the authority now exercised by them.

About the only reason Mr. Lawton could advance in favor of the adoption of the plan was that it might at some future time tend to prevent some potential danger, which he apparently could not name or describe.

Plan No. 6 should be rejected by an affirmative vote for Resolution 522, for the reason that it is conceded that plan No. 6 (a) will not give increased efficiency; (b) will not reduce expenditures; and (c) will deprive all those interested of an unbiased interpretation and administration of the law.

Mr. DAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HUBER].

Mr. HUBER. Mr. Chairman, I think we had better be a little careful about this confusion of names, because someone may accuse the gentleman from Michigan [Mr. HOFFMAN] of being the ECA Administrator.

Mr. Chairman, I support Reorganization Plan No. 6 of 1950 under which the Secretary of Labor would have full authority to organize and control the Department of Labor, and urge the rejection of House Resolution 522 which would disapprove this plan.

The Hoover Commission has pointed out, in its report on the Department of Labor, that there are several instances of "grants of independent authority to subordinates" in the Department of Labor. The existence of these independent agencies within the Department is inconsistent with some of the major findings of the Hoover Commission concerned with organization of the Executive Departments. The Commission found and recommended that each head of an Executive Department should have full responsibility for the conduct of his Department; that there must be a clear line of authority reaching down through every step of the organization; and that no subordinate should have authority independent from that of his superior.

The principal instance of a grant of independent authority to a subordinate in the Department of Labor is, of course, a semi-independent authority conferred upon the Wage and Hour Administrator by the Fair Labor Standards Act. As the Secretary of Labor explained in his statement submitted to the House Committee on Expenditures in the Executive Departments during the course of its hearings on House Resolution 522 by the Under Secretary of Labor, the Honorable Michael J. Galvin:

> The Department, of course, handles personnel and budget matters and provides legal services for him, so that his operations are closely tied into the Department on the management side. Under a delegation of authority from the Secretary, the Administrator also has charge of certain functions under the child-labor provisions of the act, so he is also tied into the Department in an operating way to a considerable extent. Yet, under the law, the wage-and-hour provisions of the act are his to administer, and the Secretary has nothing to say about his administration of these provisions.

The confusion that can result from this situation was clearly set forth by the Secretary of Labor in his statement. He pointed out that—

Although we have done as much as we can to coordinate administration of the child-labor and wage-and-hour provisions of the Fair Labor Standards Act, there are problems we cannot solve under the present division of authority between the Secretary of Labor and the Wage and Hour Administrator. For example, when a Department inspector goes into an establishment, finds violation of both the child-labor provisions and the wage-and-hour provisions, and attempts to secure compliance with the act, two actions must be brought in the courts if the employer refuses to come into compliance with the act. The Administrator cannot enforce compliance with the child-labor provisions in the courts. Nor can I, as Secretary of Labor, enforce in the courts compliance with the wage-and-hour provisions. Accordingly, in a situation such as I have described, an action must be brought in my name to enforce the child-labor provisions and a separate action must be brought in the name of the Administrator to enforce the wage-and-hour provisions. So, the employer is faced with two suits instead of only one as would be the case if Reorganization Plan No. 6 were in effect. This is needless and burdensome on him and on us.

But let me carry the illustration a little further. If in the course of the investigation it becomes necessary to subpena an employee or any of the employer's books or records, the subpena must be issued by the Administrator if the desired information related to compliance with the wage-and-hour provisions; if it relates to the child-labor provisions, it must be issued by the Secretary. Such situations can only be construed by employers and employees as unnecessary harassments and can do much to undermine public confidence in the efficiency and effectiveness of administration of the Fair Labor Standards Act.

Another illustration of the situations that the present division of authority by the Administrator and the Secretary of Labor results in was given by the Secretary in his statement, as follows:

Let me give another illustration of the kind of thing that can and does happen. As Secretary of Labor, people come to me with problems which confront them arising out of laws administered by the Department. It is confusing to them, and unsatisfactory to me, when I have to tell them that if their problem concerns child labor under the Fair Labor Standards Act I can listen to what they have to say, investigate the facts, and make appropriate disposition of the matter; but if it involves wages or hours, I must refer them to the Wage and Hour Administrator.

Or suppose an inquiry comes from an employer, or a union representing employees, who are working on a Government contract covered by the Public Contracts Act and are also engaged in work covered by the wage-and-hour law. If the inquiry relates to the employer's wage practices, I can give definite answers so far as the public contract work goes, but I can't give binding advice on whether the requirements of the wage-and-hour law are being met. Only the Wage and Hour Administrator can do that. So the inquiring employer or union must see both the Administrator and myself. This kind of situation, too, makes for dissatisfaction and confusion. If Reorganization Plan No. 6 of 1950 goes into effect, however, such sources of confusion for those who have business to do with the Labor Department will be eliminated.

We should not be swayed, Mr. Chairman, in approaching the question whether to approve or reject House Resolution 522 by any contention that a semi-independent Administrator of the Wage and Hour Division is in a better position to administer the wage-and-hour provisions of the Fair Labor Standards Act fairly and impartially than is the Secretary of Labor. The Administrator, himself, testified in support of the plan, stating:

I believe that the placement of full responsibility in the Secretary's office will result in considerable improvement in the administration of the act. The Secretary has indicated in his testimony and has assured me that he intends to delegate his responsibility to the Administrator with full responsibility to act, subject to the Secretary's general direction and control. I believe this policy of centralized responsibility, to be exercised under the direction and control of the Secretary, will result in an effective as well as impartial administration of the law.

Mr. Chairman, the provisions of Reorganization Plan No. 6 of 1950 carry out, with respect to the Department of Labor, important recommendations of the Hoover Commission. They are consistent with the Hoover Commission's recommendations on executive departments and in no way depart from such recommendations. The plan will make for greater efficiency and effectiveness in the administration of the Department of Labor.

I strongly urge my colleagues to reject House Resolution 522 and to give its approval to Reorganization Plan No. 6 of 1950.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HUBER] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. MORTON].

Mr. MORTON. Mr. Chairman, I shall not take 5 minutes. I just want to look at the form sheet and let you know exactly what you are doing.

This House passed an amendment to the Fair Labor Standards Act last year, known as the Lucas bill. It was a substitute, brought in on the floor, for the administration measure, for the committee measure. One of the major differences between the Lucas substitute and the committee bill was the placement of the Wage and Hour Administration. By a rather substantial vote you supported the Lucas substitute. The rejection of this resolution today reverses that action.

Now let us understand exactly what we are doing. I yield back the remainder of my time, Mr. Chairman.

Mr. DAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the resolution (H. Res. 522) rejecting Reorganization Plan No. 6. I would point out that the Committee on Expenditures in the Executive Departments, in its report on this resolution, has recommended that it do not pass. Significantly, of the 25 members of the committee, only two joined in the minority report.

Reorganization Plan No. 6, which would transfer functions of other officers of the Department of Labor to the Secretary of Labor and permit him to rearrange functions within his Department, is only one of several similar reorganizations proposed for the Justice, Interior, Agriculture, and Commerce Departments.

I would just like to say to my good friend and fellow member on the committee, the gentleman from Michigan [Mr. HOFFMAN] that when he tries to ridicule President Truman and the administration for submitting reorganization plans to the Congress, in carrying out the recommendations of former President Hoover, simply because we happen to agree with former President Hoover on the needs of reorganization in the executive branch, that, as a Democrat, I will always feel free to agree with former President Hoover, whenever the issues in question permit me to do so—without feeling ridiculous.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. In just a minute. For example, I have often commended President Hoover for his action during his term of office, in inaugurating the Reconstruction Finance Corporation. There are many matters of government which should not be lowered to a purely political, partisan attitude. We as representatives of the people, like former President Hoover as a former President of the United States, should approach matters such as efficiency of government, economy of government, from a nonpartisan, nonpersonalized, nonpolitical attitude. I have long advocated the carrying out of the Hoover Commission reports. As a Democrat I am proud that the President, the leader of my party, has eliminated politics from his problem. I hope to be able to continue to do my bit to see that the reorganization plans sent to the Congress by the President based on the Hoover Commission recommendations are carried out.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. Yes; I shall be delighted to yield, provided this is kept on a nonpartisan, nonpolitical level.

Mr. HOFFMAN of Michigan. The gentleman may so construe it.

I was not attempting to ridicule Mr. Truman at all; I was merely paying tribute to his political astuteness and calling attention to the fact that the only time, to my knowledge at least, in which the Democratic Party had agreed with Mr. Hoover was when it thought it would serve its own political interests. That is all I was trying to do.

Mr. ROOSEVELT. I am glad that I have added to the gentleman's fund of information by telling him that I for one as a Democrat have long commended President Hoover for inaugurating the RFC. So now we have at least two things upon which we agree.

The Hoover Commission in its report stressed the fact that there existed within the Department of Labor grants of independent authority to subordinates. These independent powers of subordinate officials not only hamper efforts to

attain administrative efficiency, but create uncertainty as to where final authority for some functions rests.

The most obvious case of such independent authority in the Labor Department is that of the Wage and Hour Administrator. He is responsible for the administration of the wages and hours provisions of the Fair Labor Standards Act, among the most important acts administered by the Department. On the other hand, the Secretary of Labor is responsible for the enforcement of the child-labor provisions of that act. He is also responsible for the administration of the Walsh-Healey Public Contracts Act, which protects labor standards of employees of contractors supplying the Government. He is also responsible for the determination of prevailing minimum wages under the Davis-Bacon Act.

The Fair Labor Standards Act and the Public Contracts Act relate to the same general subject. Because the Secretary of Labor has delegated his authority under the Public Contracts Act to the Administrator, they are administered by the same personnel. Yet ultimate responsibility is in two heads.

Mr. Chairman, this clear lack of integration in the administration of laws of the same general purpose, using the same personnel, but headed up by two separate heads, this confusion would be eliminated by the adoption of plan No. 6. Luckily, at the moment, the Secretary of Labor and the Wage and Hour Administrator have been able to cooperate in the administration of the Fair Labor Standards Act, but this is dependent, and based not on law but the sheer coincidence that we have two cooperative personalities involved. This, Mr. Chairman, will not always perhaps be the case, and the confusion that could result from two diametrically opposed personalities can be envisioned.

Some reference has been made to a Mr. Taylor, who was a consultant of a task force of the Commission; in other words, he is about the third or fourth echelon down. I am going to put into the RECORD because I have not time to read it the statements before the committee of Mr. McCormick, executive assistant to former President Hoover during the time of his work with the Hoover Commission, who I think is now the executive director of the Citizens Committee for the Hoover reports. He foresaw some of the objections which would be raised in connection with this plan, but he foresaw that attempts would be made to say that, because this is a delegation of authority to the Secretary of Labor, that therefore the administration of this authority would be from a biased point of view. Mr. Chairman, I cannot subscribe to that kind of evidence of a complete lack of confidence in the integrity of public officials. The Secretary of Labor is appointed by the President of the United States. Under the Constitution, the President is the only elected official of the executive branch. If he administers his office and if his subordinates administer their offices with integrity and with wisdom, then the people at election time may reelect that group, that administration, to office; but if there is evidence of lack of integrity by the Secretary of any department, I do not care whether it is the Secretary of Labor or Agriculture, or Commerce, or Justice—if there is evidence of lack of integrity of administration, any unfairness to those covered by existing legislation, then the people will note that lack of integrity and they have their recourse on election day. I think this kind of an argument not only is invalid but those who make it declare publicly their lack of confidence in our American system of government.

It is strange that nearly every measure taken to improve the operations or to strengthen the functions of the Department of Labor is opposed year after year.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DAWSON. Mr. Chairman, I yield the gentleman one additional minute.

Mr. ROOSEVELT. These measures are opposed on the same ground by many of the same identical pressure groups. For example, when we were considering plan No. 2 last summer the same groups were opposed to it as are now opposed to this. Undaunted by setbacks, unmoved by the merits and unimpressed by the weight of the evidence, they come back time after time and raise the same unsound allegations.

Mr. Chairman, I would like to conclude my remarks by making two points that I made before in connection with Reorganization Plan No. 2 only last week. First of all, it is time that some of the private groups opposing this plan get over their old fire-horse reaction to the word "labor." Any time the word "labor" is mentioned a curtain goes down over their minds and they charge off in all directions to oppose whatever is being discussed. It is opposition unthinking. Secondly, it is time that those who do most of the talking about Government efficiency and businesslike management do a little act for it to prove their good faith.

Mr. Chairman, I will urge the rejection of this resolution.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I shall vote "no" on the resolution to reject this plan and I think my reasons for so voting of sufficient importance as to describe them to the House, because I believe in this respect I occupy the position of almost any Member who is not a member of the Expenditures Committee, and, therefore, is trying to find his way through the facts that are presented to us. Certainly most of us have expressed our desire to support the recommendations of the Hoover Commission and this regardless of party. That is a great tribute to the only living ex-President of the United States.

There is an old adage that the way to begin is to begin. When a recommendation of the President stems directly from the recommendation of the Hoover Commission I think the burden of proof is very definitely on those who would ask us to veto it.

I have examined the report of the minority because I think it is well to look at the opposition's arguments first. The question is whether these recommendations are or are not the recommendations of the Hoover Commission. I find this statement which may be of some interest to the other Members, as it was quite decisive with me, on page 19 of the minority views:

> In other words, the Division was placed in the Department of Labor only in name but not as a subordinate unit thereof. Unfortunately, the report on the Department of Labor shows that the Commission was unaware of these facts, since it refers to the Wage and Hour Division as a functional unit of the Department of Labor.

I submit that we certainly cannot assume in passing on these reorganization plans that a commission which did as complete and thorough a job as the Hoover Commission was unaware of the facts with respect to this Wage and Hour Division. I think we have a right to assume when it is stated that the division was a functional unit of the Department of Labor that if there was any doubt about that they have made a finding of fact in connection with its report that the Wage and Hour Division was a functional unit of the Department.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Michigian.

Mr. HOFFMAN of Michigan. The gentleman will note on the preceding page Mr. Hoover sent down the Taylor letter and Mr. Taylor says we should not do anything about this nonsense. I think, again, we have to stick to one of the recommendations, the principal recommendations, the recommendations in principle of the Commission and its main task force.

Mr. JAVITS. I may say to the gentleman from Michigan that I am indebted to him for this time, and that if there is some additional light which the gentleman can cast on this statement, I think it should be done for the benefit of the House, because I think we are all as one, or at least most of us are as one, in the desire to help the practice of efficiency and economy. There we all stand together. Certainly I should say on my side of the aisle Members would be very much disposed to go along with the Hoover recommendations and to practice the kind of efficiency and economy they were supposed to provide. So I would appreciate, and I think other Members would, any further light the gentleman from Michigan can cast on that statement.

Mr. HOFFMAN of Michigan. Then I have two questions. The first is this: Has the gentleman ever been able to find anywhere in any of the testimony that any witness stated there would be either economy or efficiency in the adoption of this plan? I have not been able to, and I listened to the testimony.

Mr. JAVITS. That was implicit and certainly implied in the organization of the Hoover Commission and its recommendations. That was its purpose. It seems to me that would be stating the obvious.

Mr. HOFFMAN of Michigan. Certainly the Hoover Commission was created and it is tabbed in the minds of the people as recommending economy and efficiency, but when the committee was

hearing the testimony on these various plans, especially on one other, when the Assistant Secretary, I think it was—I will put it in the RECORD—was testifying, the most he would say for the plan was, no economy, but he hoped that sometime it would prevent some potential dangers there might be. There is no evidence supporting the thesis that there is economy or efficiency.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield five additional minutes to the gentleman from New York.

I wanted to ask this question also: Does the gentleman consider the functions of the Wage and Hour Administrator to be quasi-judicial in making his interpretations and decisions as to whether the law does or does not apply?

Mr. JAVITS. I consider some of those administrative decisions to be quasi-judicial, but I believe, the gentleman as a member of the Expenditures Committee has studied more in detail the internal operations of many more of the Government departments than I have, and knows that in every department, including Labor, one will find more quasi-judicial functions of the same character which are vested in the hands of the secretaries without question. That goes for Agriculture and for Interior. Therefore, I see no particular inhibition when we come to the Department of Labor.

Mr. HOFFMAN of Michigan. I call the attention of the gentleman to this statement from Mr. Hoover to the Honorable SAM RAYBURN. It is printed in the record:

> Similarly, the inclusion of general language like is contained in section 5 (a) (6) of the Reorganization Act of 1945 is intended to prevent the submission of any plan which imposes limitations upon the independent exercise of quasi-legislative or quasi-judicial functions, would in the committee's opinion be unwise.

Mr. Hoover expressly stated that they did not want to interfere with quasi-legislative or quasi-judicial functions. Those who are familiar with the operations of the wage-hour law have never doubted that the acts of the Wage-Hour Administrator were quasi judicial and quasi legislative.

Mr. JAVITS. May I ask the gentleman from Michigan if the major ground of his opposition is that this plan is not in accord with the recommendations of the Hoover Commission?

Mr. HOFFMAN of Michigan. The gentleman is correct, because I do not believe the Hoover Commission ever intended to interfere with those quasi-judicial or quasi-legislative agencies, independent agencies, and their functions that were set up by the Congress because Congress deemed it absolutely necessary to make them independent. For instance, the Tax Court; you would not think of putting that back into the Treasury Department again.

Mr. JAVITS. I hardly think that is quasi judicial.

I should like to make one other point, that I hope as we go on with these Hoover Commission recommendations we will understand that we are dealing with a theory of Government. The Secretary of Labor and the President are sworn public officials. They are our Secretaries and our President, sworn to enforce the laws as the Congress has made them. If we do not like the laws, let us not take it out on the reorganization plans. I hope that fundamental principle will be established as we consider these plans and go on to others in the future.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. KEATING. I would appreciate the views of both the gentleman from New York and the gentleman from Michigan on this point. The gentleman from Michigan is concerned, and properly so, about not interfering with the quasi-judicial functions of the Administrator. But I wonder if that is not taken care of by subsection (b), which provides that the transfer of functions to the Secretary shall not apply to the functions vested by the Administrative Procedure Act in hearing examiners employed by the Department of Labor. I would think that that applied to the hearing examiners of the Wage-Hour Division, and that their quasi-judicial functions would not be interfered with and would be subject to the same review they now have if this plan were put into operation.

But I appreciate the views of the gentleman from New York and the gentleman from Michigan.

Mr. JAVITS. I do want to yield to the gentleman from Michigan to state his views, but I would like to state mine very briefly.

I assume the basis of the argument against this plan probably is that administratively, through the influence which administration has over subordinate officials, it would disturb their judgment and make them do things which they otherwise would not do. There is no question about the fact as the gentleman from New York says, there would be no effect on substantive powers of quasi judicial officers or on their substantive responsibilities or obligations which are imposed by the established administrative procedures.

Mr. KEATING. But I would still think, if they made a decision which was contrary to the law, it would be subject to review and reversal, the same as it is now, after this plan is put into operation.

Mr. JAVITS. Absolutely.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. HOFFMAN of Michigan. I would be glad to go along with the gentleman and adopt that idea that we must have confidence in all these departmental heads if it were not for the reason that some years ago I was rudely awakened by a statement of a member of the Department of Justice, I think his name was Cox, who stated, in substance, that in years gone by it was the function of the Justice Department to examine the law and interpret the laws to enforce the intent of the Congress. But in more recent years the interpretation was for the purpose of doing the things that the Department wanted to do. You see, that makes it bad.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. MULTER. Is not the complete answer to those who are opposed to your view on this subject found in the recommendations of the Hoover Commission Report with specific reference to the Department of Labor contained in House Document No. 119, page 5, where the Commission says:

> We have urged in our first report that the foundation of good departmental administration is authority by the Congress for the Secretary to organize and control his Department. The granting by the Congress of independent authority to subordinates, of which there are several instances in the Department, should be eliminated.

Is not that the complete answer?

Mr. JAVITS. I think the question that has been raised is whether or not the Commission knew what it was doing when it said the Wage and Hour Division is—and I quote—"A functional unit of the Department of Labor." I happen to believe it did, and I gather that the gentleman thinks the same thing.

Mr. Chairman, I thank the gentleman from Michigan for yielding me this time.

Mr. DAWSON. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, first of all I want to express my gratification at the high plane on which these debates have been and are being conducted. We are dealing here with a matter which affects our people and will affect them for a long time to come. It is gratifying to see there is no middle aisle dividing the two parties as the Members consider this most important question of Government reorganization.

One speaker earlier made some reference to the action by the other body on these different reorganization plans. I call the attention of the membership to the statement of Senator JOHN MCCLELLAN, chairman of the Committee on Expenditures in the Executive Departments, of that body, which appeared in yesterday's RECORD at page 7173. At the beginning of the next page, with reference to the reports which have been submitted by the Senate committee, he said:

> The committee has reported favorably 10 of the plans—

That is the reorganization plans which the President has sent down—

> against which no resolution of disapproval was submitted.

I went down to the other end of the Capitol a few minutes ago and talked to Senator MCCLELLAN. He told me, and I am sure his memory is correct, that this Reorganization Plan No. 6 is one plan reported favorably by his committee, on which there is not even a resolution of disapproval pending in the other body for consideration. I thought the membership would be interested in knowing that.

Mr. Chairman, I believe in a proper reorganization of various departments and agencies of the Government to increase efficiency and cut down the cost

of government. And while I do not favor every recommendation of the Hoover Commission, I have supported each reorganization plan as submitted by the President that has come to a vote here in the House. Incidentally, I want to remark in passing that to me the job done by ex-President Hoover, as Chairman of the Commission that bears his name, is an inspiring example of unselfish public service. And no matter whether one agrees with all the conclusions and recommendations which his Commission submitted, I think Mr. Hoover deserves the gratitude of the American people. Also, I think President Truman, in his efforts at reorganization, deserves the appreciation and gratitude of the American people for the forthright manner in which he has tackled the problem. And that regardless of whether one agrees with all of his recommendations and submitted plans or not. Reorganization is a tremendous task and a mighty important one. And we in the Congress rest under a very heavy responsibility to exercise good judgment and to consider every plan submitted without partisanship. The job we do will affect the American people for a long time to come. It is important to every citizen and we should not be motivated by partisan consideration.

Let me state here and now that I am in favor of the President's Reorganization Plan No. 6 of 1950 which we are now considering and that I will oppose House Resolution 522. Reorganization Plan No. 6 is in accord with recommendations of the Hoover Commission--it is, in my judgment, perfectly sound and reasonable.

Reorganization Plans Nos. 1 to 6, which were submitted to the Congress by the President under the authority we granted him in the Reorganization Act of 1949, are all directed toward the accomplishment of a simple and desirable end, namely, extending to various Cabinet officers full authority to organize and control the executive departments which they respectively head. I can see nothing mysterious or sinister in attempting to achieve this goal. It looks like just plain common sense to me.

I am sure that it would come as a shock to most of our citizens to hear that some Cabinet officers have no authority over some subordinates within their Departments. But, of course, it would not come as a surprise to those who have attempted to do business with, or to seek information from, various executive departments of the Government. Such persons have dealt, and I venture to say not in all cases successfully, with the almost impossible task of slaying the hydra of Washington, an executive department which has more than one head.

Recently while testifying before the House Committee on Expenditures in the Executive Departments, Secretary of Labor Tobin pointed out some of the difficulties arising in such a situation. He stated:

> As Secretary of Labor, people come to me with problems which confront them arising out of laws administered by the Department. It is confusing to them, and unsatisfactory to me, when I have to tell them that if their problem concerns child labor under the Fair Labor Standards Act I can listen to what they have to say, investigate the facts, and make appropriate disposition of the matter; but if it involves wages or hours, I must refer them to the Wage and Hour Administrator. Or, suppose an inquiry comes from an employer, or a union representing employees, who are working on a Government contract covered by the Public Contracts Act and are also engaged in work covered by the wage-and-hour law. If the inquiry relates to the employer's wage practices, I can give definite answers so far as the public contract work goes, but I can't give binding advice on whether the requirements of the wage-and-hour law are being met. Only the Wage and Hour Administrator can do that.

To my mind this is an intolerable and indefensible situation. In Government as in private business executive authority must be lodged somewhere. We cannot have accountability without responsibility.

Reduced to its simplest terms, plan No. 6 provides for nothing more than that the head of a Government department shall have the authority to run his department. This does not appear to me to be a strange concept to adopt. It would be strange indeed if we did not. We should no more expect efficient operation of Government agencies headed by officials with limited authority over the activities of operating personnel than we would expect successful operation of a business venture in which the vice president in charge of production can ignor directives of the company's board of directors if he so wished.

Failure of the Congress to approve plan No. 6 would mean a repudiation of basic tenets of the reports submitted by the Hoover Commission. The Secretary of Labor, no less so than any other Cabinet officer, should have full responsibility for the conduct of his department. It seems almost too obvious to state that within the Department of Labor, there must be a clear line of authority reaching down through every step of the organization and that no subordinate should have authority independent from that of his superior. These simple precepts are implicit in the Hoover Commission report throughout. They are basic and ought to be followed in considering all reorganization plans. Of what value will the recommendations of the Hoover Commission be if we fail to give them practical effect whenever the occasion to do so is presented. Recently, while testifying before a Senate committee, ex-President Hoover was asked the question as to whether or not he is satisfied with the progress so far made in carrying out the recommendations of his Commission. His reply was most gratifying and was, in substance, that under the circumstances he felt astonishing progress has been made. Now, if in a partisan spirit or otherwise we refuse to follow sound principles of reorganization and reject plans which are obviously sound and needed, the effect may very well be to delay or halt indefinitely reorganization of the Government.

In this unfortunate and trying cold-war period, inefficient governmental machinery is a luxury which we simply cannot afford. Military preparedness and a healthy industrial economy are vitally essential in these times but a businesslike governmental structure is equally essential if we are not to dissipate our resources and if we are to utilize to the fullest extent the vigor that is ours.

So it does seem to me that we have a great deal to show that we mean business in this reorganization effort, that we in the Congress are looking down the future years in our effort to improve the structure of the Government for the better service of the people, as good Americans and as representatives regardless of party.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield.

Mr. MADDEN. I want to compliment the gentleman on the outstanding contribution he has made toward the adoption of Reorganization Plan No. 6. I read some time ago where the Wall Street Journal had criticized the administration of the wage-hour law under the present set-up. I notice in the hearings that the gentleman from Georgia [Mr. LANHAM] called this fact to the attention of the committee at the time of the open hearings and stated that the Wall Street Journal in commenting on the administration conducted by the present wage-hour law set-up said the law was being enforced by a horde of snoopers. The Wall Street Journal calls the administrators of this law under the present set-up a horde of snoopers in an editorial. It seems to me, therefore, that if the Wall Street Journal condemns the present set-up and the Hoover Commission condemns it that we certainly should support the President's recommendation and adopt Reorganization Plan No. 6.

Mr. COMBS. I thank the gentleman for his contribution. He is certainly correct.

With the indulgence of the membership I think I can give a very good illustration of present conditions by citing something that came to my notice 2 weeks ago. I got a letter from a friend down home who is engaged as a consignee agent of an oil company in the distribution of oil and gasoline. He makes no deliveries whatsoever outside the State. He writes me that the lawyer of the oil company cannot tell him whether he is under the wage-hour law or not; that he took it up with the Wage and Hour Administration and they cannot tell him, as a matter of fact, nobody can tell him under the present situation.

I know an experience had by our colleague the gentleman from Georgia [Mr. LANHAM], some years ago, as a lawyer advising a client who was setting up a new company, as to whether he was under the wage and hour law; they went down to Atlanta and conferred with the Administrator and he said: "While I cannot bind anybody, I can only give you my best judgment, but I do not see how you could be under it." Three years later, the court held he was, and penalized him for penalties and back wages for 3 years and almost bankrupted his little company. If this sort of thing is to be avoided, we must centralize authority and fix responsibility.

The idea of centering this authority in the Department is to make it subject to the Procedure Act, reviewable by the courts. As it is the interpretation of the Administrator of the Wage-Hour Division is only for the purpose of applying the act, not for fixing the law which will be done by the courts under the Procedure Act which the Congress adopted a couple of years ago.

One effect of the Reorganization Act would be to put the authority and responsibility in the Secretary of Labor and make his decision subject to review by the court so that we can have a government of law and not of snoopers, if that is what the Wall Street Journal wants to call the investigators. Their main trouble is that they have no authority to promulgate proper rules, or interpret anything, so they just arrive at nothing.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I was very much interested in the statement of the gentleman who just preceded me wherein he stated that he wants somebody to render decisions and he did not believe in the way the law was now being administered. May I ask him if he would get any better decisions if this were left to the Secretary of Labor?

We have come to a point in our legislating where we must do the thing that will be right and just as between men. Personally, I have lost a great deal of faith in many of the administrators and the plans of our Government in the last few years of the New Deal. I do not know where we are heading in our country.

I think back a few years ago to the time when Hitler took charge of affairs in Germany. I look at the decisions that are being rendered in this country. It seems to me we are headed in the same direction that Germany was when Hitler took over the reins in that great country of Germany. What happened to Germany? A complete wreck of at one time a great Germany. We ought to look at the pages of history and get a lesson from those pages if we are to make this world a better place in which to live and, certainly, if we want this country of ours to be a better place in which to live. We must be more just as between men in the laws we make. We must be very, very careful what we do because, in my opinion, the road we are traveling now will lead us eventually to downfall. That is too bad when our founding fathers left us such a great country. Through laws that we have enacted in past years we have developed this into the greatest country on the face of the earth, up to 1933, yet it is being destroyed day by day and hour by hour through the things that are presently transpiring in this country. We as legislators have a mighty rocky road to travel and I hope we cease following some of the trends we are on now.

Mr. Chairman, if the plan now pending before us would result in increased efficiency, I would be for it, if the plan that we are now considering would reduce the expenses of the operation of the Government I would be for it, if the plan we are now considering would result in unbiased decisions by the administrator in the Department of Labor I would be for it. However, the Secretary of Labor is diligently trying to have this legislation passed in order that he might determine a course of procedure in connection with the handling of the affairs of the Wage and Hour Division to his liking. Why is he interested in it to the extent he is? He ought to leave that up to the Congress and have the Congress determine the matter. That would be the proper course of procedure. He ought to keep his nose out of the Capitol and leave it to those who are charged with the responsibility of making these laws to govern the Department and the people.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from California.

Mr. HOLIFIELD. It is understandable that the Secretary of Labor is interested in this because he has the responsibility for what happens. At the present time he does not have the authority to supervise his subordinates, yet he is legally responsible to the Congress and to the President for what happens in his department.

Mr. RICH. I thank the gentleman for his statement.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, there is no Member of this House for whom I have greater respect than the gentleman from California who just made the statement in reference to the Secretary of Labor. The gentleman from California is bright, he is shrewd, he is smart, and I have a lot of respect for him. I have a lot of respect also for our chairman. I like all of the Members. You know in committee we sometimes speak freely, we disagree, but we all have much respect for each other. I do not agree with them however. May I suggest to the committee at this time that we have been centering the power of Government in the hands of too few people. We are bringing into Washington a great deal of the power that belongs to the States and the local communities. We have been centering it down here in Washington, and I again refer to the statement I made a few minutes ago with reference to what happened in Germany when Hitler took over that country. It can happen here. He seemed to want all power and he got all power because he cracked the whip. We are doing the same thing here in Washington. We are giving to Presidential appointees in the Cabinet all power. Then the President has all power over them. They are going to do the things the President wants them to do or they are not going to be permitted to serve. They are going to resign their positions in order that the President of the United States can crack the whip over all the people of this country.

I do not care whether it is Mr. Truman or Mr. Hoover, the man you are lauding so greatly today as being a man whom you are now trying to emulate in trying to pass this legislation. I stood here in the House of Representatives in 1932 and I never heard a man torn to pieces in all my life as the Democrats in the Congress at that time tore Mr. Hoover apart. It was a crime and a shame, and you continue to do it. Yet now you come along and laud him as a great man, a man who served this great country and served it well. You have had a change of heart, that is fine. Hoover would give his last drop of blood to know that America was being handled for the best interests of the American people.

Mr. DAWSON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to my colleague, the distinguished gentleman from Illinois, a man whom I believe to be honest and honorable, who I am glad to have serve as the chairman of our committee; but I do not always agree with him.

Mr. DAWSON. Does the gentleman concede that any President, whether he be a Democrat or a Republican, would go beyond the laws or seek to go beyond the laws passed by this Congress?

Mr. RICH. I would not say that he should not do it, but I will say that we have a President in the White House now that does not believe in the Taft-Hartley Act. Congress has said that that is the law of the land, but the President says to the people of this country, "I am going to change the Taft-Hartley Act if it is the last thing I do." He is creating distrust and dishonor among the laboring class of people and the business people of this country who create the jobs. Whenever you tear apart the good, thinking people of this country, whether they be labor or whether they be employers, that is no way to get the country on a good, sound basis.

Have I answered the gentleman correctly? Does he agree with me?

Mr. DAWSON. No.

Mr. RICH. All right; I did not think the gentleman would agree with me.

Mr. DAWSON. I agree with the gentleman that there are many differences of opinion on the efficiency of the Taft-Hartley law, but the President will administer the Taft-Hartley law as it is put upon the books, and will seek to change it by law if he does not agree with it. That is his duty.

Mr. RICH. When the President of the United States has the Taft-Hartley law to act upon, does the gentleman believe honestly that he tried to enforce the Taft-Hartley law in the yast year?

Mr. DAWSON. I believe the President of the United States has done everything in his power to work under and with and obey every law passed by this Congress, once it became a law, whether he agreed with it or not, but if he did not agree with it, and it is up to him to execute it, it is his duty as President to bring it back to the Congress and ask Congress to take action on it.

Mr. RICH. There is where the gentleman and I differ.

The most casual observer can see that President Truman is not making a real effort to use the Taft-Hartley law. It is true, as my distinguished chairman has said, that it is his duty to enforce this law and every other Federal law.

But the President has shown by his public utterances for several years that he is not in sympathy with the act and wants it repealed. That feeling has manifested itself in the administration of this act.

Look at the situation in the coal strike last winter. It was obvious that there was an emergency, since there were very few coal reserves and the amount on hand was getting smaller, due to the 3-day workweek imposed on the miners by John L. Lewis. Finally the law was evoked. The fact that we had a mild winter is what saved the President from a bad situation. Had a sudden and prolonged cold spell come upon the country, as it usually does each winter, we would have been in real trouble.

When Mr. Lewis was cited for contempt of court, it was obvious, so lawyers in whom I have confidence tell me, that the President's Department of Justice fell down on the job completely. They could have gone out and gotten hundreds of affidavits to show that Mr. Lewis, in defiance of the court's order, really called a strike. But they did not do this, which was the natural thing to do in such a case if they wished to win it and if they wished to really give the court all the facts. It must be very plain to anyone who is really objective in the matter that the President is not and will not give a vigorous administration of our present labor law, although it was passed by more than two-thirds in each House of Congress. I think the President is letting his feeling against this law and his abortive efforts to have it repealed adversely affect his duty to enforce this law.

Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, a good deal of heat that is quite irrelevant to the issue that is now before this Congress has recently been generated. I should like in a few moments, if I can, to get back to some basic reasoning in connection with the reorganization program that is now before the House.

I have studied this situation and of necessity must have a little information on it, because I have been privileged to serve on the subcommittee of the Committee on Appropriations that has handled the appropriations for the Department of Labor and the Wage and Hour Division for many years. I am very familiar with the actions of the Wage and Hour Division. I have tremendous confidence in its Administrator, Mr. McComb. I am rather surprised, therefore, to hear the rather specious argument presented that we ought to vote for this resolution in opposition to the reorganization plan because, it is contended, the administration of the present wage-hour law is inefficient and there are a lot of snoopers and this, that, and the other. That, to me, is not a valid or sound argument. It is just like a dog chasing his tail around in a circle. The fact of the matter is I think you have a good administration of the wage-and-hour law. You have as good an administration as it is possible to have under the appropriations which the Congress has made available for expenditure to the Wage and Hour Administrator. I would call your attention to this simple fact in connection with this program—first, the Wage and Hour Administrator and his department are presently under the general housekeeping authority of the Department of Labor. They operate under the appropriations made under the general appropriation to the Department of Labor. Every regulation and every decision which is made by the Wage and Hour Administrator is made as a result of the action of the solicitor of the Department of Labor who is at present, I believe, Mr. Tyson, and his group.

So when a request for information comes into the Wage and Hour Administrator for a determination under the past law or under the present new wage-hour law, the Wage and Hour Administrator has no separate, independent legal branch to advise him, but he gets his advice and information from the same source that advises the Secretary of Labor. I have found in my dealings and attempts to get interpretations of this new wage-hour law that they have been most meticulous in the Department of Labor in endeavoring to get me exact information which would permit me to advise those whom I have the honor to represent as to their status under the new law. I know in every case where I have taken it up, Mr. McComb has referred the matter to the Solicitor's office of the Department of Labor for an opinion. I have many opinions from that Department with respect to proposed regulations and interpretations under the present wage-hour law.

Therefore, is it not perfectly apparent that those who feel they will get a more advantageous administration of the law if it is left with the Wage and Hour Administrator and with the line of authority not transferred to the Secretary of Labor that they are whistling in the dark because, after all, the over-all authority, whether it is written meticulously in the law, is with the Secretary of Labor and the interpretations which are made and the advice given by the Secretary of Labor through his legal arm, which is the Solicitor's office of the Department of Labor, is going to control in the administration of this situation and in the writing of rules and regulations.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HOFFMAN of Michigan. If that is correct, and if the Wage and Hour Administrator gets his interpretation of the law from the office of the Secretary of Labor, what is gained by transferring the functions to the Secretary of Labor?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield five additional minutes to the gentleman from Wisconsin.

Mr. KEEFE. I had something to do with the attempt to form a reorganization of the Federal Security Agency in its direct relationship to the Department of Labor. I had something to do with the establishment of the regional offices set up throughout the country and the offices of the Department of Labor and the Federal Security Agency. All through that reorganization program, which was adopted in connection with an appropriation bill, the gentleman from Michigan, and every other Member of Congress, with the exception of a very few, stood with the gentleman from Wisconsin, who is now addressing you, in an attempt to define the line of authority from the Office of the Secretary or from the Administrator's office on down, and to define a line of authority in the regional offices which would permit decisions to be made by someone, so that when people came to these regional offices, there would be in the regional office set-up a line of authority similar to that which exists in the executive departments of Government.

The gentleman will recall that under a previous reorganization order which the President submitted, and which was approved, he transferred the Children's Bureau out of the Department of Labor to the Federal Security Agency. Under the social security law, the enforcement of the child-labor provisions of the Fair Labor Standards Act was invested in the Children's Bureau and it was originally in the Department of Labor. What happened? When it was transferred to the Federal Security Agency the President left the enforcement provisions as to child labor with the Secretary of Labor. He did not transfer them to the Wage and Hour Division. So that we have the Secretary of Labor charged with the mandatory obligation of enforcing the child-labor provisions of the law and the child-labor provisions in the present law are vested in the Secretary of Labor. Whereas authority for administering the wage-and-hour law is vested in the Administrator of the Wage and Hour Division. There became a cleavage of authority, both dealing with the same basic law. My concept of government, and I believe that is a fundamental concept that applies all through the reasoning of the Hoover Commission, is that there should be a direct line of authority, from the Secretary on down, in each of these executive agencies of Government, so that responsibility may be placed upon the agency head or the independent office head in the various departments of Government where we can look, and place fundamental responsibility. It is because of the fact that, as I read the Hoover Commission finding, that basic concept runs clear through them, that I believe an attempt to put into the hands of the Secretary of Labor overall authority for the administration of the wage-hour law and make the Administrator the administrative officer, which he is in any event—I do not care what you say about the present fineness and niceties of law, he is under the Secretary of Labor today. Mr. McComb very much favors this present reorganization plan of the President.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes, I yield.

Mr. HOFFMAN of Michigan. The question I asked you was this, that inasmuch as you are arguing that the Wage and Hour Administrator, in making his legal or quasi-legal decisions, was always

guided by the Solicitor of the Department of Labor, what is the purpose, then, of this transfer of the Administrator, from a legal standpoint?

Mr. KEEFE. Do you agree that my statement is correct, that he is guided by the Solicitor of the Department of Labor?

Mr. HOFFMAN of Michigan. You said he was. I am not questioning that.

Mr. KEEFE. All right, if you accept that as a premise, then the fact of the matter is you have got rather an odd situation in the law that ought to be corrected. You have a situation in the law, in my humble opinion, by which you have something stated in the law that pretends and presumes that the Administrator of the Wage and Hour Division has authority which in fact he does not have, and if he has it he does not exercise it. Thus, in my humble opinion, as one who is committed firmly to support the Hoover Commission report and its findings wherever I can, and to implement them into action as rapidly as I can, I have concluded that as far as I am concerned this proposal approaches as nearly as possible, in the reorganization of the Government, the implementation of the attitude of the Hoover Commission task force and ultimate findings that were made by the Hoover Commission. I feel that my action today would be derelict to those who have asked me to support the Hoover Commission finding if I failed to so vote.

Mr. HOFFMAN of Michigan. Will the gentleman yield again?

Mr. KEEFE. I yield.

Mr. HOFFMAN of Michigan. Have you been able to find anywhere in the testimony one word which says that the adoption of this plan will give us either increased efficiency or economy?

Mr. KEEFE. I have never felt that this law will give either increased efficiency or increased economy or anything else, unless we get proper administration. I can say to you, you will not get increased economy, because, as I pointed out when the appropriation bill was before the Congress, the budget that came to the Congress with respect to the Wage and Hour Administration was almost double the appropriation that was requested and granted for the fiscal year in which we are now operating. That was alleged to be due to the fact that the Congress passed, in the intervening time, this new wage-and-hour law, which called for more interpretation, more legal work, more inspection, and more inspectors. I am not charged with the responsibility for administering these laws. I can only assume, as far as my duty is concerned, that those upon whom the Congress has placed that responsibility will exercise their responsibility in the interest of the public. That was the attitude of the Hoover Commission, as I interpret it, when they suggested that this reorganization plan be adopted.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE] has again expired.

Mr. DAWSON. Mr. Chairman, I yield 12 minutes to the gentleman from West Virginia [Mr. BURNSIDE].

Mr. BURNSIDE. Mr. Chairman, I rise to speak in opposition to House Resolution 522, and to speak in favor of plan No. 6.

Before I take up this resolution I want to say just a word or two about the Hoover Commission. We have been giving so much credit to Mr. Hoover today that I want to give some due credit to the six Republicans and six Democrats that acted, believe it or not, in a nonpartisan capacity, to bring out good reports for us to review here in Congress, and for the administration to make available, so that we could review them, by having competent men to work with us in the way of expert opinion in drawing up the right type of legislation.

One thing I would like to bring out is that the Citizens Committee, which was formed to try to put into execution the Hoover Commission reports, with members all over the United States—the secretary of that body, acting for that body, which is nonpartisan, has recommended that we do pass plan No. 6.

One thing that was very interesting to me when we were having these hearings was that nearly everyone who came before the Committee on Expenditures in the Executive Departments was very much in favor of the Hoover Commission reports and would like to see them adopted, but please do not adopt this one because this particular one hurts me. We have to get beyond these personal attacks and think about principles that vitally affect our Government and think about good administration and good organization. Due to that type of approach it became rather amusing to a group of us on the committee. There were seven of us who, when one of these "yes, but-ers" appeared before the committee, would automatically say to ourselves: "Same chapter, same verse"; and all of us could not help but get a laugh out of it.

This resolution would disapprove Reorganization Plan No. 6. Approval of these six plans would establish a uniform pattern of internal organization for the Treasury, Justice, Interior, Agriculture, and Commerce Departments, as well as the Labor Department. Let us stop here for just a moment and ask: Is it asking too much to want to reorganize the Government on sound business principles? Let us take the recommendation of men appearing before our committee claiming to be businessmen; let us take a concrete example. These businessmen in their own corporate organization like to have a fan-shaped organization, and that is what the Government is asking, that is, where you have a center and from that center radiate not more than 18 reporting agencies, reporting back to an administrator. If you have more than that number you do not have good administration.

I shall not go into the details of the plan. I am sure that the Members of this House are thoroughly familiar with them.

There is one matter, however, which I would like to discuss at this time. It has been alleged that the powers of the Administrator of the Wage and Hour Division under the Fair Labor Standards Act are quasi judicial in character and that the effect of the plan is to vest such quasi judicial powers in the Secretary of Labor who, under the organic act of the Department of Labor, is required to be prolabor in his attitude and administration. There are two points about this allegation, Mr. Chairman, that I want to talk about.

First, it is not true, Mr. Chairman, that the functions of the Administrator of the Wage and Hour Division under the Fair Labor Standards Act are quasi judicial in nature.

Let us make it clear that it is not quasi judicial in nature, and let me call your attention to our report:

> A cardinal feature of this reorganization plan, and the central point to bear in mind is that the Wage and Hour Administrator has no quasi judicial duties.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. DAWSON. Mr. Chairman, I yield three additional minutes to the gentleman from West Virginia.

Mr. BURNSIDE. Anyone who has made any study of Government would readily realize that quasi judicial means a body that has legislative, executive, and judicial functions. This set-up here does not have legislative, executive, and judicial functions; its determinations are not final. You would find in this set-up that in compliance cases the Government is a plaintiff. A plaintiff does not have quasi judicial powers. Let us get this clear. That is what they have been asking this question for, to confuse the House. Let us get it clear. This set-up here only has plaintiff's functions in enforcement or in compliance cases.

The report goes on to state:

> He acts in no way similar to any agency which would require a separation of prosecutive and judicial functions. His determinations are not final; he is in compliance cases a plaintiff in Federal court seeking appropriate enforcement for a violation of law. Reorganization Plan No. 6 does not carry with it the implication that the Secretary would receive thereby quasi-judicial powers affecting wage-and-hours matters.

I want to follow that further. This matter, then, was gone into by the Committee on Expenditures in the Executive Departments during its hearings on House Resolution No. 522, the situation of the Administrator enforcing the Fair Labor Standards Act was thoroughly explained by the Solicitor of Labor, Mr. William S. Tyson.

I think I can do no better, by way of getting the true picture before the House on this matter, than by quoting from the record of the hearings. The matter from which I am going to quote can be found by members on pages 94 and 95 of the hearings. The quote is as follows:

> Mr. TYSON. The Administrator is the only one who can institute an investigation under the wage-and-hour provisions of the wage-and-hour law. He sends his inspector in to find out if the complaint is justified or not. In many cases he finds it is not. In other cases he finds that there are violations. If there are violations, then his inspector sends the case to his regional director, and we have nine regional directors. The regional director then decides whether or not he thinks it is a case that can be settled without taking it into court. If he thinks not, then he sends it to the lawyers and the lawyers institute a civil action if they find the evidence justifies it.

On the other hand, if they find the violations are willful, they will send it over to the Department of Justice to institute proceedings before the grand jury and ask for a criminal indictment.

Mr. RICH. If a man has disobeyed the wage-and-hour law and has done it deliberately, he can be incarcerated because of the willful act of not paying someone the wage that the wage-and-hour law states should be paid, where the individuals might have some kind of agreement among themselves that the employer is not to pay them the full amount that the wage-and-hour law would demand?

Mr. TYSON. Congressman Rich, the situation is this: If it is a willful violation and a recommendation is made for criminal indictment, the person can be indicted. It is only a misdemeanor. In the first indictment the penalty is only a fine. It is only on the second indictment, where he is charged with violating the act for a second time that he can be imprisoned. The first offense is nothing but a fine.

Mr. BONNER. The Administrator makes that ruling?

Mr. TYSON. That is right, the Administrator.

Mr. BONNER. On the first offense he has the authority to fine the man?

Mr. TYSON. No; he has no authority; it is only the court. He sends it to court.

Mr. BONNER. The Administrator then finds there is an infraction of the law?

Mr. TYSON. He finds there is an infraction of the law.

Mr. BONNER. He issues an order to correct it, does he not?

Mr. TYSON. No; he does not. If the man will not comply with the law then, after this inspection where he has been shown that he is in violation——

Mr. BONNER. I say, he issues a directive that he should comply with the law?

Mr. TYSON. He asks him to, but he has no authority to direct. Then, if he refuses, he sends it into court.

Mr. BONNER. If the employer says he has not violated the law and the Administrator insists that he has, then it goes to the court for decision?

Mr. TYSON. That is right, sir.

Mr. BONNER. You say that the Administrator has no authority to penalize the man?

Mr. TYSON. That is right; he did not prior to the recent amendments. Under the recent amendments which were passed by the Congress last fall he has an additional authority which permits him under section 16 (c) of the amended act to bring a suit for back wages owed employees.

Mr. BONNER. He does not have the authority to set a penalty?

Mr. TYSON. No.

Mr. BONNER. Then on appeal it has to go to the court anyway?

Mr. TYSON. That is right.

Mr. BONNER. Anyway, pro or con either side, it has to finally wind up in a court decision if it is a contest on the Administrator's decision?

Mr. TYSON. That is correct.

* * * * * *

Mr. BONNER. If this plan goes into effect then, he goes along just like he is functioning now, and it does not jeopardize the rights of either side to go into the courts; is that correct?

Mr. TYSON. I think that is absolutely correct.

The other point that I want to make is that, as the Secretary of Labor pointed out in the statement submitted to the Committee on Expenditures in the Executive Departments by the Under Secretary, the Honorable Michael J. Galvin, is that at the present time the Wage and Hour Administrator, like all other officers of the Department of Labor, must carry out his functions in accordance with the Organic Act of the Department of Labor. All officers of the Department of Labor are bound to act in a manner consistent with the purposes of the Department as set forth in the organic act. But he is also, of course, bound to carry out his functions in accordance with the intent of Congress as set forth in the act which he administers, namely the Fair Labor Standards Act of 1938 and the Fair Labor Standards Amendments of 1949. Being an officer of the Department of Labor has not hampered the Administrator in administering the provisions of these two acts in a fair and impartial manner. The Secretary of Labor pointed out that—

> If the transfer of functions provided for in Reorganization Plan No. 6 is approved the Secretary of Labor will, in administering the wage-and-hour provisions of the act, be bound by the same duty in this respect that the Administrator now has. Whether the Fair Labor Standards Act be administered by the Wage and Hour Administrator or by myself makes no difference in this respect.

We are dealing, Mr. Chairman, with a bugaboo which just simply will not stand the scrutiny of fair and impartial study on our part.

Finally, I would like to point out, Mr. Chairman, that the plan has the approval of the Administrator of the Wage and Hour Division himself. In his testimony before the House Committee on Expenditures in the Executive Departments Mr. McComb stated:

> I understand there has been some testimony before you gentlemen in opposition to the President's proposal on the ground that the transfer of authority to the Secretary would be detrimental to the impartial administration and enforcement of the Fair Labor Standards Act. I want to say very plainly that I do not agree with that argument.

Otherwise, he states that he is in favor of and wishes to urge the House to reject House Resolution 522 and give its approval to Reorganization Plan No. 6 of 1950, in order that we can establish this principle of good administration for our Government. We will not save large sums of money by this change, but we can have excellent administration so that we may eventually save money for our taxpayers.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. BURNSIDE. I yield to the gentleman from New York.

Mr. KEATING. The gentleman is a member of this committee, and has studied this problem. The Wage and Hour Division is now in the Department of Labor. Would the gentleman address himself to the question how the transfer of the functions of this agency to the Secretary would really affect the present situation other than in a purely administrative manner?

Mr. BURNSIDE. I think someone will speak to that point later. I would be glad to go into it, but the gentleman from California will speak about it later.

Mr. KEATING. If the gentleman from California is going to cover that point, I would be glad to defer my question.

Mr. HOLIFIELD. If the gentleman will yield, I will say that the gentleman's statement is correct. The functions will be placed in the Secretary of Labor purely from an administrative standpoint and will be redelegated back to the Wage and Hour Administrator. He so testified before us that he would do that. That is, of course, done in every department of Government. We are lining up all the departments of Government and placing all authority, all function, and all responsibility in the head of the department. He, in turn, as any good organization executive would do, delegates back to the different subordinate agencies the power and function necessary to perform their duties under the law.

Mr. KEATING. Specifically, am I correct in my understanding that, if this plan were adopted, it would not result in the decisions of the Administrator on quasi-judicial matters being subject to review by the Secretary of Labor prior to review by the courts, or whatever procedure is now provided in the Administrative Procedure Act?

Mr. BURNSIDE. In the first place, this is not a quasi-judicial body we are discussing. I gave you decisions over and over again here showing it is not even quasi-judicial.

Mr. KEATING. I think perhaps that is an unfortunate phrase. Perhaps that should go by some other name. But we do know that the Administrator does decide issues where both sides present their conflicting views.

Mr. BURNSIDE. Only as an administrator.

Mr. KEATING. They are subject to review under the Administrative Procedure Act in the courts.

Mr. BURNSIDE. That is correct, but you are shifting your action from administrative to judicial. The moment the court takes action it is a new case.

Mr. KEATING. My question is, Would the adoption of this plan in any way interfere with that procedure?

Mr. HOLIFIELD. No, it will not change any of the substantive features of the Administrative Procedure Act under which the Wage and Hour Administration hearing examiners now work.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, the resolution now before us would, if adopted, set at naught the President's Reorganization Plan No. 6. I am not in favor of the resolution. I believe the plan should be adopted.

The President's plan, in general, transfers all functions of the Department of Labor to the Secretary of Labor. This, in my opinion, is in line with the general recommendations of the Hoover Commission. Is it true that there is some difference of opinion as to whether the Hoover Commission on Organization of the Executive Branch of the Government specifically recommended this specific plan as submitted by the President?

But, whether it specifically did so or not, it is plain to me that it comes within the general purview of what was intended by the Hoover Commission. For this reason, I will support the President's plan as a fulfillment of the views set forth in the report of the Hoover Commission.

The House Committee on Expenditures in the Executive Departments, to whom was referred the resolution (H. Res. 522), made a full and complete study of the entire matter and has submitted its report to the House in favor of the President's plan. The report of the committee sets forth the reasons that brought it to a favorable conclusion.

The effect of Reorganization Plan No. 6 is, in general, to transfer to the Secretary of Labor all functions of all other officers of the Department of Labor. Certain restrictions on these powers are disclosed by reference to the Administrative Procedure Act. In this way independency of action on the part of hearing examiners is assured. Further, the power of the Secretary to delegate to subordinate officers and agencies the performance of his functions where desirable is provided for. Moreover, records, property, personnel, unexpended balances, and other funds may be transferred within the Department of Labor, whenever it is deemed necessary by the Secretary of Labor for the purpose of carrying out the provisions of this reorganization plan.

This reorganization plan will not ascribe to the Department of Labor any more powers, authority, functions, or responsibilities than it now possesses. In the main, this legislation will centralize authority, responsibility, and accountability in the Secretary. This action, of course, carries with it as its necessary concomitant proper delegation of powers and duties on the part of the Secretary.

The Commission on Organization of the Executive Branch of the Government, after a detailed study, emphasized in its initial report the urgency for reposing "full responsibility for the conduct" of a department in its secretary.

In the report on general management and its accompanying task-force report on departmental management, the Commission on Organization of the Executive Branch of the Government went to considerable trouble to make plain the urgency in our Government for sound business management and unmistakable delineation of authority in a clear line of authority reaching down through every step of the organization. The gist of their viewpoint, concisely stated, is: If the superior is responsible and accountable, then no subordinate should have authority independent from that of his superior.

Reorganization Plan No. 6 thus seems to coincide with the recommendations the Commission on Organization indicated necessary for internal departmental management. The adoption of this plan by the Congress will result in unification of departmental organization which over a period of years, I trust, will reward with economy of operation. Then, also, the resultant centralization of responsibility and authority should effect rich returns through immediate improvement of efficiency and service.

For the above reasons, I give the plan my support.

Mr. CHRISTOPHER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, on February 7, 1949, while H. R. 2361 was under consideration in this House, I made the following remarks:

> I am going to vote in support of the Hoover report, but I am going to do so with full knowledge of the fact that we are passing on to the President a job that Congress has repeatedly tried to do and failed. I am supporting the measure because I think the recommendation of the Commission ought to be carried out in the interest of economy and better service. The only thing that gives me concern in the enactment of this bill is the knowledge that no matter what kind of reorganization measure the President may propose he is sure to be condemned by part of the people on the ground that it did not go far enough and by everybody else on the ground that it goes too far. In other words, whatever measures are offered will lead only to criticism.

Perhaps I was too pessimistic at that time but I still find that several of the reorganization measures submitted by the President are being severely criticized. I supported the recommendations of the Hoover Commission in the beginning and I feel that this House should lend its support to the end that the recommendations of that Commission may be put into effect. They were the result of many months of hard work and conscientious study by a nonpartisan commission.

If applying their recommendations to the different departments of the Federal Government will give us better service at less cost to the taxpayers, they should be adopted as soon as possible. I am in favor of the adoption of recommendation No. 6 and shall vote for it on final roll call.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LUCAS], and if he so desires, I will yield him another 10 minutes.

Mr. LUCAS. Mr. Chairman, so much has been said about the proposal before us, and so many other subjects, that I hesitate to take the floor to discuss this matter, which should be approached in a dispassionate way.

Of course, I do not subscribe to all the views which have been expressed here by those who are on my side in this debate. I dislike the fact that politics have been injected into the question. My purpose in introducing House Resolution 522 was as a result of the so-called Lucas bill being adopted in the last session of the Congress, which bill had to do with the field of minimum-wage legislation. I was called upon by many of my fellow Members in the Congress to express their views in this regard when the President offered Reorganization Plan No. 6, which would set aside and undo much of the work which the Congress accepted last year. Whether it be my chick or not, when I looked in the paper last October 26, I saw a great big picture of the President and Philip Murray and William Green, as well as other labor leaders, taking great glory in the fact that the President was signing the new minimum-wage law. I say to the distinguished chairman, the gentleman from Illinois [Mr. DAWSON] that if this bill is my chick, it certainly was hatched by the President of the United States.

Mr. Chairman, there are serious questions involved here which I think should be treated calmly and dispassionately. I say that because we are undoing and repealing what the House did last year in passing the Lucas bill. We are doing it by indirection because this reorganization plan of the President is legislation and nothing else. It is not reorganization.

The Members who have spoken in favor of this reorganization plan time and time again have used the words "subordinate agencies." Why do they do that? Because the Hoover Commission says that the duties of subordinate agencies should be given over to the chiefs of departments. They say that the responsibility being in the chief of the department, he should be given the power to administer the laws. I agree with this. But the Wage-Hour Administrator is an independent officer of the Government, and not a subordinate of the Secretary of Labor. He is independent because the Congress of the United States has on three occasions declared him to be independent.

In 1937, when the bill was first before Congress to create an agency of the Government to administer a wage-hour law, the House of Representatives, it is true, set up this power in the Secretary of the Department of Labor and gave it to the Secretary of Labor. But the Senate had set up a separate agency entirely, a board, to administer this law. The conferees, in reconciling the differences between the two Houses, compromised this problem and made an agency within the Department of Labor, under an independent Administrator, appointed by the President, answerable to the President and to the Congress; not answerable to the Secretary of Labor. The agency to perform these functions was placed within the Department of Labor for housekeeping purposes only. It could as well have been placed in the Commerce Department, because it affects as much business as it does labor. No one can deny that the payroll of a businessman is the lifeblood of the business. While it was for humanitarian purposes that the Congress adopted the law to raise minimum wages in interstate commerce, also it was for business reasons that business wanted the law passed, because there were sweatshops in the country competing with fair businesses which were paying less than a decent wage. It was felt necessary that a national law should be enacted in order to force those sweatshops to raise their minimum standards. So the Commerce Department could as well have been placed in charge of this legislation. But the House and the Senate, in reconciling their differences, set up an independent agency in charge of an Administrator,

appointed by the President, answerable to the President and to the Congress, and not to the Secretary of Labor.

In 1947, under the old Reorganization Act, the President submitted a plan to take those powers away from the Administrator of the Wage and Hour Division and give them to the Secretary of Labor. What did the Congress do? The Congress immediately voted down that plan. The Congress voted down that plan because it was felt that the Secretary of Labor, being by the organic act establishing the Department of Labor, charged as a partisan of labor, was not the proper person to enforce this law impartially as affecting both employees and employers.

We are beset with the same proposition again today, where the President has said that the Secretary of Labor should enforce this law, but it is my contention that the law should be enforced impartially and in an unbiased manner, because it affects the operations of every business in the land. It has been said, "What is the difference? Both of those fellows down there are scoundrels anyway, and we cannot get any worse treatment if it is placed in the hands of the Secretary of Labor than in the hands of the Wage and Hour Administrator."

I do not subscribe to any such theory. I think each is doing his best to perform the duties entrusted to him. I contend, however, that the duties which are entrusted to the Secretary of Labor are those which are partisan, in the sense that the Secretary of Labor is duty-bound to represent the workingmen in our governmental functions, and the Congress set up the Administrator of the Wage and Hour Division to administer impartially a law affecting both labor and management and the public, who, after all, are paying the bill.

The CHAIRMAN. The time of the gentleman from Texas [Mr. LUCAS] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield the gentleman such further time as he may desire.

Mr. LUCAS. It may be of interest to those of you who represent labor districts to know that even the labor leaders are not too enthusiastic about this plan. It is my information that some of the labor leaders have questioned the advisability of enacting this reorganization plan into law, because they feel that if the present friendly administration places this law in the hands of an official who is bound to take labor's view, then an unfriendly administration might come along and put it in the hands of, for instance, the Department of Commerce. I say to you, when we come to the question of deciding who shall determine the interpretations of various sections of the wage-and-hour law and take that power out of the hands of one who is bound by law to be impartial and place it in the hands of one who is bound by law to be partial, we are in effect taking a step which will destroy the confidence of the people in their Government.

Now, let us talk about some of these definitions which under the law must be determined by the one who enforces this law. Under the wage-and-hour law there are many sections which the Congress back in 1937, in passing the original act, and in 1949, when we passed the amendments known as the Lucas Act, simply could not define; they were not susceptible of legislative definition. I speak of the "area of production" provision; I speak of the regulations regarding executive, administrative, and professional employees. Another definition was that of learners, apprentices, and handicapped people.

The definition of these terms, for instance, of "executive, administrative, and professional employees" must be made by the Administrator. In the past the Court with consistent regularity has supported the definitions of the Administrator; his definitions have been accepted by the courts. In making his definitions the Administrator had to decide between the contentions of labor on the one hand, which wanted the terms defined narrowly, and those of management on the other hand, which wanted them terms defined broadly. The Administrator struck a fair balance between the conflicting contentions and issued impartial definitions which avoided the extremes of either group.

This "area of production" definition caused us a great deal of trouble. We tried to redefine it last year but finally decided to allow it to stand as it was in order to permit the existing definitions, which had in effect been fair to both sides, to continue in force. This is a definition which is of especial interest and importance to farmers. The first definition had been declared invalid by the Supreme Court because it was based upon the number of employees, I think it was, employed in the processing plant, but after working on a new definition the Administrator determined on a rather fair definition which was based largely upon two factors, the distance of the processing plant from the farms where the commodities were grown, and the size of the towns in which the processing plant was located. This definition is necessarily discriminatory in some cases, but it was thought to be the fairest that could be worked out, and the Congress did not choose in the Lucas bill to change that definition. Let me call your attention to what the Secretary of Labor said regarding this "area of production" definition. I am reading from page 16 of the hearings on H. R. 2033, which was the Lesinski bill which after being changed was defeated by substituting the Lucas bill. Mr. Tobin in his testimony stated that "the unworkable agricultural 'area of production' exemption should be dropped." Now, you who represent farmers in this House remember the fact that if you vote against House Resolution 522 you vote to place the administrative power under this law in the hands of one who believes that the "area of production" exemption ought to be dropped.

You are not only doing that, but the Secretary of Labor has committed himself in advance to a broadened definition and administration of this law. He said that he wanted it to cover every activity affecting interstate commerce, and when the question was put to him as to what business or occupation did not affect commerce, Mr. Tyson, his solicitor, spoke up and said: "Well, a barber shop, probably." So you can see that the Secretary of Labor wants to carry this law into every field of endeavor within the United States and its possessions.

One of the greatest fights we had in our debate on this legislation last year was in reference to the definition of retail and service establishments. You remember the pressure that was brought upon the Congress to exempt retail establisments and the reason for that was because there are not enough people working for the Government to go out and enforce a law which would regulate employment in every little retail store in the land.

How does Mr. Tobin look upon such a law? What does he think about such a suggestion? He says:

> Unjustified exemptions should be eliminated. Employees in large chains and department stores, for instance, should not be exempt.

And he goes ahead to clarify what he meant by that.

And those who support Mr. Tobin's view even come along and propose that every retail store should be covered ny the law. There is no doubt in Mr. Tobin's complete statement that he wants to cover everybody in the land under this law. He stated that he felt every employee should get $1 an hour by law. Now, I am not opposed to employees making a dollar an hour or more, but I do oppose—and I think this Congress opposes—a legislative fiat that every employer in the land shall pay every employee in the land $1 an hour. We know it is economically impractical.

So when we are transferring these powers, Mr. Chairman, from the impartial Administrator to the partial Secretary of Labor, we are put on notice in advance what the Secretary of Labor is going to do when he defines professional, executive, and administrative employees; we are put on notice what the Secretary of Labor will do when he defines learners, apprentices, messengers, and handicapped employees; we are put on notice when he says he wants to abolish the area-of-production exemption in the present law. So you are in effect voting to repeal the Lucas law when you vote against House Resolution 522.

I spoke about messengers, learners, and apprentices.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield the gentelman five additional minutes.

Mr. LUCAS. Mr. Chairman, the present law provides that these types of employees, learners, apprentices, mesengers, and handicapped workers, may be employed at less than 75 cents an hour upon the issuance of certificates by the Administrator—not the Secretary of Labor but by the Administrator. The Administrator has been impartial in acceding to the demand by these marginal employees for permission to work, although the labor unions have been very forcibly opposed to their employment. If the authority to issue the

certificates is now turned over to the Secretary of Labor, it can be expected that he will bow to the wishes of the labor unions.

There is still another way in which the Administrator determines which employees are subject to the requirements of the law, and that is by issuing interpretations concerning the meaning of various terms and phrases used in the law. These interpretations are his determinations as to which employees are engaged in interstate commerce or the production of goods for interstate commerce and which employees come within the provisions of various exemptions such as those granted to agricultural labor and retail and service establishments. In the recent amendments to the wage-and-hour law many of those exemptions were rewritten, and although the Congress provided these exemptions as clearly as it was possible legislatively to draft them, the Secretary, if granted this power, may be expected to interpret them in a biased manner in favor of labor unions. Of course, it is his duty to represent the workingmen in the Government.

I want to turn now to the Hoover Commission recommendations with reference to this suggestion. You know, ex-President Hoover and those who were members of the Commission, including our two distinguished Members of this House, did not have time to do all of the studying and make all of the investigations necessary to draft these recommendations. They had task forces—that is what they call them, task forces—to go out into the various departments and make these studies. The task force that studied the Labor Department was headed by Dr. George W. Taylor who is professor of labor relations in the University of Pennsylvania, and former chairman of the War Labor Board.

Mr. HOLIFIELD. Mr. Chairman, the gentleman does not want to make a statement that is in error, I know. Dr. George Taylor was a consultant, an outside consultant, and not head of the task force.

Mr. LUCAS. At least Dr. Taylor signed a report to the Hoover Commission. And in his letter of transmittal to Congress, dated March 11, 1949, Mr. Hoover stated that the Commission wished to express its appreciation to Professor Taylor for his cooperation. Professor Taylor is widely regarded by labor unions as a warm friend of organized labor.

What were the basic considerations which Professor Taylor said should govern in any reorganization of the Department of Labor? As his statement is far more eloquent than any summary I could give you, I beg the indulgence of the Committee to permit me to read what he had to say in part:

NATIONAL POLICY AS RESPECTS THE RELATION BETWEEN THE DEPARTMENT OF LABOR AND LABOR UNIONS

Previous mention has been made of the relation between labor unions and the Department of Labor as one of the three fundamental areas that need investigation, and it was then suggested that the tripartite task force might best be able to operate in this area. It would appear that such a task force might be assigned the responsibility for considering just what role the Department of Labor should play. Any determination in this regard would dictate, in no small measure, the functions that should be assigned to the Department of Labor.

The legislation of March 3, 1913, which created a separate Department of Labor, also stated its purposes, in general terms, as follows: * * * to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment.

It is of the utmost importance to recognize that these purposes were expressed at a time when wage earners were largely unorganized. No Wagner Act was on the statute books. Collective bargaining had not received legislative approval as the sound method for determining hours, wages, and working conditions.

The generally stated purposes of the Department of Labor are substantially the same as the general purposes of most labor unions. Since most employees look to the unions rather than to the Department of Labor for improvement of their conditions of employment, the Department and the labor unions may be expected to cooperate closely in seeking to achieve the stated purposes of labor unions.

In line with such reasoning the Department of Labor has been widely looked upon as the advocate of organized labor in the Government—except perhaps by organized labor. Experience has shown the need for an avenue of consultation between the Government and the labor unions—and even through which union participation in many governmental matters may be secured. This raises the question: Should the Department of Labor be developed primarily as the representative of organized labor in the Government? If so, then the governmental functions assignable to administration by the Department of Labor would be the ones not incompatible with such a position.

On the basis of experience it would appear that the Department of Labor cannot be a vital agency as long as it is expected, in various quarters, to be an advocate of labor interests in conformance with its legislative charter, and at the same time an impartial administrator of the national labor policy in the public interest.

What does Dr. Taylor recommend? He says this:

A task force made up exclusively of public representatives working with the help of specialists and with the advice of labor and management assistance might very well prove to be adequate for considering one of the three major aspects of the problem previously mentioned—administration of legislation for social security for all citizens and for economic security of wage earners. Although organized labor has a vital concern in the administration of these laws, so do all wage earners as well as citizens generally. On the other hand, it cannot be casually assumed that all would be well if the administration of these laws were concentrated in a new Department of Welfare. Minimum-wage legislation, the Federal employment service policy, and the administration of unemployment benefit plans impinge directly upon the conduct of collective bargaining.

We know this only too well.

These and similar matters should be assigned for intensive study by a task force adapted to the needs of the case.

Procedures for the study of how to administer the Government's policy respecting regulation of collective bargaining present entirely different needs, especially since the policy itself is highly uncertain. The procedures also have to be devised in light of the dilemma about the Department of Labor.

He admits it is a dilemma.

Is this department to be developed as the representative of organized labor in the Government or is it to become a sort of ministry of labor charged with impartial administration of labor legislation in the public interest?

So Dr. Taylor recommends to the Hoover Commission, which in turn by reference recommends to the Congress, that there should be a study of this Department in order to get impartial enforcement of the laws the Congress has passed.

I now yield to my distinguished fellow member of the Committee on Education and Labor, the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. May I ask the gentleman to return to the citation of the testimony of the Secretary of Labor before the Committee on Education and Labor in the case of the minimum-wage law? Is it not true that subsequent to the hearing at which the Secretary appeared the phrase "operations affecting commerce" was written out of the law in every place where it occurred, and in both bills, both the committee concept and the Lucas substitute, the words "operations affecting commerce" were not part of the bill and are not part of the law at the present time?

Mr. LUCAS. That is right. The phrase "affecting commerce" was stricken from the bill on my motion in executive session, but that does not change the expressed attitude of the Secretary of Labor when he says that he wants that coverage in the law.

That is the reason I did that. No, it is not presently in the law. But the Secretary of Labor endorsed it, which means that he would carry the coverage of this act everywhere he possibly could, and he would like to see it cover all the activities affecting commerce. The gentleman cannot deny that.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. I yield to my colleague on the committee.

Mr. BREHM. In other words, it was not taken out on the recommendation of the Secretary of Labor.

Mr. LUCAS. No, it was not taken out on the recommendation of the Secretary of Labor. He would like to have seen it remain in the law.

I yield to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Was the reorganization plan to which the gentleman referred, which was sent to the Congress in 1947, and rejected at that time I believe in the House by a voice vote, precisely the same as the plan which is now before us?

Mr. LUCAS. I am not familiar with that. I cannot answer that definitely. I know in this regard it was the same: It transferred all the powers of the Administrator of the Wage and Hour Division of the Department of Labor to the Secretary of Labor. In that regard it is the same.

Mr. KEATING. Does the gentleman feel there would be any substantial and practical difference if this plan were adopted from the situation now obtaining as regards the Administrator of the

Wage and Hour Division still clearing most of his major decisions through the Secretary of Labor? Does not the gentleman feel that procedure is now taking place?

Mr. LUCAS. Oh, I do not feel so, sir. The Administrator of the Wage and Hour Division does not have to report to the Secretary of Labor. He is an independent officer appointed by the President, and he makes reports only to the President and to the Congress. He is not subordinate to any officer except to the President himself. Those who continue to refer to the Wage and Hour Division as a subordinate agency within the Department of Labor simply are not realistic about it and have not looked at the law. The Wage and Hour Division is not a subordinate agency nor is the Administrator of that Division subordinate to the Secretary of Labor.

The report of the majority recognizes that fact.

Therefore, my friends, in the interest of good government, impartial government, I urge you to join with me in passing House Resolution 522.

Mr. DAWSON. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, if I felt like the gentleman from Texas, whom I greatly admire, I would certainly recommend that the resolution be approved. I think the gentleman has gone far afield to find reasons for his opposition to this plan. I think he has conjured up a great many hobgoblins of fear, distrust, and suspicion of Government officials who will be under their oaths of office obligated to conform to laws which Congress has passed in the administration of the Wage and Hour Act and other related acts which come under the Department of Labor. Therefore, I believe my prepared analysis and comments on this plan will refute a great deal of his fears and suspicions and show at least that there are reasons to believe that they are groundless. I would prefer to finish my prepared analysis first, and then yield for questions, if the membership will permit.

First, the Reorganization Plan No. 6 which transfers to the Secretary of Labor all functions of the Department with authority to delegate, provides for an administrative assistant secretary and follows the basic recommendations of the Hoover Commission. A great deal of talk has been brought up about Mr. Hoover. Let it be said for all time that Mr. Hoover was the chairman of a bipartisan commission of 12 members. He is the only living ex-President of the United States. He is entitled to commensurate respect for the wonderful record of public service that he has performed for the people of the Nation.

But the recommendations of the Hoover Commission are not specifically the recommendation of Mr. Hoover, or of any other one member of the Commission. They are the recommendations which have been agreed to by the majority of 12 men on the Commission. I think to be perfectly fair we should not let this question rise or fall on any judgment of Mr. Hoover as an individual. These recommendations which were given by the Commission set forth in its very first report, the Report on General Management, emphasize that the heads of departments must have full responsibility for the conduct of their departments.

REORGANIZATION PLAN NO. 6 CARRIES OUT BASIC RECOMMENDATIONS OF THE HOOVER COMMISSION

Reorganization Plan No. 6, which transfers to the Secretary of Labor all functions of the Department, with authority to delegate, and provides for an Administrative Assistant Secretary, follows basic recommendations of the Hoover Commission. These recommendations of the Commission, set forth in its very first report—the Report on General Management—emphasize that the heads of the departments must be fully responsible for the conduct of their departments, that they must have adequate staff assistance to achieve efficiency and economy in departmental operations, and that they should be authorized to organize and control the administration of their departments.

The task force of the Hoover Commission, in its report on Departmental Management, has documented and underscored these principles of good management. The relevant recommendations of the Hoover Commission and its task force are presented in the committee's majority report approving Reorganization Plan No. 6 of 1950—House Report No. 1907, Eighty-first Congress, second session, pages 4–6.

In accord with these basic findings and recommendations of the Hoover Commission, the President has transmitted six reorganization plans to place full administrative authority and responsibility in the Secretaries of the Departments of the Treasury, Justice, Interior, Agriculture, Commerce, and Labor. Previously this objective was realized in the case of the Post Office Department by Reorganization Plan No. 3 of 1949, and in the case of the State Department by Public Law 73 of the Eighty-first Congress.

The attention of the Members is called to the fact that the basic recommendations for all departments stressed in the first report of the Hoover Commission are restated specifically in the Commission's Report on the Department of Labor. Thus, the Commission states, in regard to that Department—page 5:

> We have urged in our first report that the foundation of good departmental administration is authority from the Congress for the Secretary to organize and control his Department. The granting by the Congress of independent authority to subordinates, of which there are several instances in the Department, should be eliminated.

This statement is clear and unequivocal. All of us who are sincerely committed to the basic principles of organization proposed by the Hoover Commission should support Reorganization Plan No. 6.

In testimony before the committee this position was reaffirmed by our very first witness, Mr. Robert L. L. McCormick, research director of the Citizens' Committee for the Hoover Report. Mr. McCormick, who also had a position of responsibility under the Hoover Commission itself as assistant to Mr. Hoover, testified unqualifiedly in favor of Reorganization Plan No. 6. Speaking for the Citizens' Committee, he stated:

> There is no question but that Reorganization Plan No. 6 directly follows through on the general recommendation of the Commission. (Hearings on Reorganization Plan No. 6 of 1950, p. 3.)

Opponents of Reorganization Plan No. 6 appear to have grounded their objection solely on the fact that the Wage and Hour Division, a unit within the Labor Department, would be placed by this plan under the administrative control of the Secretary of Labor. To get around the clear evidence that the Hoover Commission recommended the reorganization now before us, these opponents have asserted that the Hoover Commission did not properly understand the role of the Wage and Hour Administrator. They have said that the Commission erred in regarding the Wage and Hour Division as a functional unit of the Department of Labor, rather than as an independent agency. The fact is, of course, that the Wage and Hour Division is not an independent agency. Congress placed it under the roof of the Labor Department. At the same time the Congress did not make the Wage and Hour Administrator fully answerable to the head of the household—the Secretary of Labor. The uncertain and ambiguous position of the offspring reflected a compromise, when the Fair Labor Standards Act originally was passed, between the Senate proposal for an independent board and the House proposal that the administration of the act be vested in the Secretary of Labor.

A dozen years of administrative experience, reinforced by the findings of the Hoover Commission, have demonstrated that this kind of makeshift arrangement does not comport with the principles of good management. We hold the Secretary of Labor responsible—the public holds him responsible—for the proper conduct of his department. In that department we have placed the Wage and Hour Administration. What is a more simple and common sense matter than that the Wage and Hour Administrator, as an operating unit of that department, ar a member of the household, should be responsible to the Secretary of Labor?

Aside from the need, repeatedly stressed by the Hoover Commission, of removing independent authority from subordinate officials within a department, we cannot now even hold the Wage and Hour Administrator fully responsible for the administration of the Fair Labor Standards Act. We have charged him by law with administering those provisions relating to wages and hours and we have charged the Secretary of Labor by the same law, with administering the provisions relating to child labor.

Secretary Tobin, in testimony presented to our committee, pointed out the difficult administrative position in which he finds himself. The Secretary said—hearings on Reorganization Plan No. 6 of 1950, page 89:

> The situation of the Wage and Hour Administrator in the Department of Labor is peculiar, to say the least. The Department

has responsibility under a number of statutes, for administering provisions relating to labor standards. These statutes include, in addition to the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act, the Davis-Bacon Act, and certain provisions of the National Housing Acts, the Federal Airport Act and the Hospital Survey and Construction Act. The Secretary of Labor as the head of the Department, is held responsible by the public and, I venture to say, by the Congress for the administration of each of these labor standards provisions. In the case of all but a part of one, he has full authority as well as responsibility in this respect. In the case of the Fair Labor Standards Act, while he is held responsible for all of the provisions of the act, he has full authority only with respect to the child-labor provisions. He does not have full authority with respect to the wage-and-hour provisions of the act. These provisions are independently administered by the Administrator of the Wage and Hour Division.

How this divison of authority and responsibility works out in practice was described by the Secretary in the following words—page 89:

Although we have done as much as we can to coordinate administration of the child labor and wage-and-hour provisions of the Fair Labor Standards Act, there are problems we cannot solve under the present division of authority between the Secretary of Labor and the Wage and Hour Administrator. For example, when a Department inspector goes into an establishment, finds violation of both the child-labor provisions and the wage-and-hour provisions, and attempts to secure compliance with the act, two actions must be brought in the courts if the employer refuses to come into compliance with the act. The Administrator cannot enforce compliance with the child-labor provisions in the courts. Nor can I, as Secretary of Labor, enforce in the courts compliance with the wage-and-hour provisions. Accordingly, in a situation such as I have described, an action must be brought in my name to enforce the child-labor provisions and a separate action must be brought in the name of the Administrator to enforce the wage-and-hour provisions. So, the employer is faced with two suits instead of only one as would be the case if Reorganization Plan No. 6 were in effect. This is needless and burdensome on him and on us.

But let me carry the illustration a little further. If in the course of the investigation it becomes necessary to subpena an employee or any of the employer's books or records, the subpena must be issued by the Administrator if the desired information related to compliance with the wage-and-hour provisions; if it relates to the child-labor provisions, it must be issued by the Secretary. Such situations can only be construed by employers and employees as unnecessary harassments and can do much to undermine public confidence in the efficiency and effectiveness of administration of the Fair Labor Standards Act.

The Secretary and Administrator have worked cooperatively to overcome the handicap of a faulty administrative structure imposed by the law. Thus the Secretary, to avoid duplicating staffs, has delegated to the Administrator the larger part of his authority to administer the provisions of the Walsh-Healey Public Contracts Act. The wage-and-hour law and the Public Contracts Act are now administered by the same personnel, both in Washington and the field. And yet, the Administrator has ultimate authority over wages and hours under the one act, while the Secretary has ultimate authority under the other.

Reorganization Plan No. 6 will put an end to the division of authority without impairing delegation of authority, cooperative endeavor, and economical operation. Indeed, it will provide greater assurance of continued good administration in the future.

Opponents of this plan have fallen back on the familiar but fallacious argument that it is an attempt to circumvent or modify a basic policy of Congress. Let me say, first of all, that this argument is self-defeating. If we took it seriously, no reorganization whatever would be possible. The Reorganization Act of 1949, which is also a basic policy of Congress, giving the President a positive mandate to initiate reorganizations, would be an idle gesture. And the work of the Hoover Commission would count for nought.

In a valid sense, every reorganization plan changes some policy of Congress; otherwise it would be simply an administrative action without coming before this Congress for review and approval. The Reorganization Act signifies that some previous actions of Congress were unwise or can be improved upon from the standpoint of administration. That is why we are considering Reorganization Plan No. 6 today.

Now what has been the policy of Congress with regard to the administrative relationship of the Wage and Hour Administrator to the Secretary of Labor? As noted earlier, this relationship—an uncertain and ambiguous one—represented a compromise when the Fair Labor Standards Act was first enacted. Then in 1947 President Truman submitted a reorganization plan, pursuant to the Reorganization Act of 1945, which included a provision for the transfer of the functions of the Wage and Hour Administrator to the Secretary of Labor. That earlier plan was known as Reorganization Plan No. 2 of 1947. In his message transmitting it, President Truman outlined the administrative problem which the plan proposed to solve; he said in part—Eightieth Congress, first session, House Document No. 231:

The plan transfers the functions of the Administrator of the Wage and Hour Division to the Secretary of Labor to be performed subject to his direction and control. The fair-labor-standards bill was drafted on the assumption that the Wage and Hour Division would be made an independent establishment. As finally passed, however, the act placed the Division in the Department of Labor but was entirely silent on the authority of the Secretary over it. As a result, the Secretary has lacked an adequate legal basis for supervising and directing the affairs of the Division, and it has had an ambiguous status in the Department. The transfer effected by the plan will eliminate uncertainty as to the Secretary's control over the administration of the Wage and Hour Division and will enable him to tie it into the Department more effectively. This in turn will facilitate working out a sound combination of wage-and-hour, child-labor, and related enforcement activities of the Department, and will permit the Secretary to simplify and strengthen the organization of the Department.

It is true, as our opponents say, that Reorganization Plan No. 2 of 1947 was rejected by the Eightieth Congress. What they fail to say is that the primary reasons for rejecting the plan had little connection with this particular portion of it. The real controversy was over the transfer of the United States Employment Service to the Department of Labor, as the hearings on this earlier matter will plainly show.

Reorganization Plan No. 2 of 1947, you will recall, was a three-package plan. In addition to the transfer of the functions of the Wage and Hour Administrator to the Secretary of Labor, it proposed also the permanent transfer of the United States Employment Service to the Department of Labor and coordination by the Secretary of Labor of the administration of labor laws relating to Federal works.

Whatever the merits of the earlier objections to transfer of the Employment Service, the controversy has now been resolved, for that transfer was accomplished during the Eighty-first Congress through Reorganization Plan No. 2 of 1949. Furthermore, the coordination of labor-law administration will be accomplished by Reorganization Plan No. 19 of 1950, to which no resolution of disapproval has been entered.

Thus it will be seen that one of the three proposals affecting the Department of Labor—the one previously and primarily the cause for rejection of plan No. 2 of 1947—was subsequently approved by the Congress; that another one is soon to take effect; and the remaining one, involving the transfer of functions of the Wage and Hour Administrator, will also take effect if we vote against the resolution of disapproval now before us.

It is neither a fair nor reasonable interpretation of past events to say that Congress has previously rejected the substance of Reorganization Plan No. 6. As already explained, this portion of the earlier plan was not considered squarely and fully on its own merits, and even on the portion relating to the transfer of the Employment Service, Congress in 1949 reversed its decision of 1947.

The administrative difficulties caused by the semi-independent position of the Wage and Hour Administrator within the Department of Labor, to which President Truman adverted in his message on Reorganization Plan No. 2 of 1947, cited above, were also emphasized by the House Committee on Education and Labor in its report on Fair Labor Standards Act amendments of 1949. This report—Eighty-first Congress, first session, House Report No. 267—pointed out that the original Fair Labor Standards Act, as passed in 1938, was an advance in a new field of Federal legislation, untried in practical application on a broad, national scale. After a decade or more of administrative experience, it was widely recognized that the act must be strengthened, improved, and clarified. Listing various difficulties in the original 1938 act, the committee report stated in part as follows—page 14:

Sixth, experience has shown certain weaknesses in present provisions for administration and enforcement of the act. For example, under the act there is divided responsibility for a carrying out of its provisions.

Responsibility for carrying out most of its provisions rests in the Administrator of the Wage and Hour Division whereas the administration of the child-labor provisions as well as similar labor laws rests in the Secretary of Labor. We believe that the Secretary of Labor, as an officer of Cabinet rank, represents the most appropriate authority through whom may be coordinated the labor policies of the Government, both on a departmental basis and as to the executive branch as a whole. Centralized administration of this kind would seem to be dictated by sound concepts of efficient government, as pointed out by the Hoover Commission.

The fact that the bill—H. R. 3190—on which this report was made was superseded by a substitute or second Lesinski bill—H. R. 5856—and that the bill finally passed in the House was the Lucas version—H. R. 5894 as amended—cannot be taken fairly as an indication that the House repudiated the proposal to give the Secretary of Labor full control over his Department. The compromise legislation was offered to meet the objections to broadened coverage and other substantive matters. There was little, if any, debate in the House when it passed the Lucas substitute, on the question whether the Wage and Hour Administrator should be placed fully under the Secretary of Labor. The minority of our committee is stretching the interpretation of congressional interest very thin when it asserts that "the Congress answered this question with an emphatic negative"—Eighty-first Congress, second session, House Report No. 1907, page 15. The pages of the CONGRESSIONAL RECORD cited by the minority on this point contain no discussion whatever of the administrative relationship of the Wage and Hour Administrator to the Secretary of Labor.

The Senate Committee on Labor and Public Welfare, in its Report on the Fair Labor Standards Act Amendments of 1949—Eighty-first Congress, first session, Senate Report No. 640—made the following observation with respect to the problem of administration, page 6:

> The committee received a number of proposals by the Department of Labor for improving the administration of the provisions of the Fair Labor Standards Act of 1938. Among these proposals were suggestions to give the administering officials the authority to issue rules and regulations, to consolidate and coordinate the administration of the act under the Secretary of Labor, and to enable the administrative officials more effectively to enforce the act by supervising the payment of back wages owing to employees in accordance with the provisions of the act, and in appropriate cases, to bring court actions to collect such back wages on behalf of the employees.
>
> The committee has not undertaken to pass upon the merits of the first two of these several proposals, although it would point out that with respect to the proposal to consolidate administration of the Fair Labor Standards Act under the Secretary of Labor this can as well be acomplished through the exercise by the President of powers conferred upon him by the Reorganization Act of 1949, in the light of the over-all reorganization of Government labor functions envisaged by the Commission on Organization of the Executive Branch of Government, as in special legislation. At this time the committee is confining its recommendations to the third proposal referred to above.

The Senate report from which I have just quoted was cited by the minority of our committee to support its opposition to Reorganization Plan No. 6. But what can be clearer than this observation of the Senate committee that the desired reorganization within the Department of Labor should be accomplished through Presidential initiative under the Reorganization Act of 1949? The President has exercised this initiative; we have a reorganization plan before us, and we should adopt it in the interest of good administration.

It seems that the opponents of this plan always put their foot down when it comes to good administration in the Labor Department. Somehow they cannot conceive that a Secretary of Labor will be a good administrator; they cannot conceive that he will be a man of integrity and an impartial, conscientious public servant. He cannot be, they argue, because the Department of Labor is obligated by its organic act to promote the welfare of wage earners.

Why a Secretary of Labor should be any less conscientious or more biased than a Secretary of Agriculture or a Secretary of Commerce, each of whom is obligated to promote the welfare of a broad segment of our population, I cannot, for the life of me, understand. When Congress passed a law to put a floor under wages and a ceiling over hours, it intended to promote the welfare of wage earners in keeping with the public welfare, and it decided that the administration should be in the Department of Labor. There is no inherent conflict between this law and the statutory responsibilities imposed on the Department of Labor by the organic act of 1913.

Please note, furthermore that this organic law requires the Department of Labor, not the Secretary as such, to promote the welfare of wage earners. Every official in the Department, including the Wage and Hour Administrator is bound by that mandate.

Let it be noted, too, that promoting the welfare of wage earners is by no means the exclusive domain of the Department of Labor. Under the Sugar Act we have authorized the Secretary of Agriculture to make minimum wage determinations for sugar workers. The Department of Agriculture, I take it, was established to advance the interests of farmers. Shall we say that the Secretary of Agriculture, because of his concern for farmers, will not deal equitably as between sugar growers and workers?

Under the Merchant Marine Act we have authorized the Maritime Commission—soon to be under the Department of Commerce—to investigate employment and wage conditions in ocean shipping and to fix minimum wages. The Maritime Commission is concerned with the problem of an efficient merchant marine and is authorized to grant huge subsidies to ship operators. Shall we say that the Maritime Commission will not deal equitably as between ship owners and the men who run the ships?

The valid answer to such questions, I submit, is that the men who head these agencies and departments must be presumed to be honest and impartial public servants who have taken an oath to uphold the Constitution and laws of the United States and to be faithful in the discharge of their public duties. This goes for the Secretary of Labor as well as for other executives.

Opponents of Reorganization Plan No. 6, in the face of a clear and positive recommendation of the Hoover Commission in support of this plan, have dug up a typescript memorandum by George W. Taylor, professor of labor relations at the University of Pennsylvania, which discusses the problem of possible conflict between advocacy of labor interests and impartial administration in the Department of Labor. This memorandum was not a finding of the Hoover Commission; it was simply a set of tentative suggestions thrown on the table, to use Professor Taylor's phrase, as a basis for deciding how a task force might be set up to study the organization of the Department of Labor. The Commission decided not to set up a separate task force for that Department. A perusal of the memorandum indicates that Professor Taylor was mainly concerned with the problems of collective bargaining, an issue which is not before us in this reorganization plan.

The author of the resolution of disapproval has argued in testimony before our committee that the Wage and Hour Administrator should remain in his present semi-independent position because he acts as both prosecutor and judge in administering the Fair Labor Standards Act—hearings on Reorganization Plan No. 6 of 1950, page 40. As a matter of fact, the Administrator does not adjudicate cases. To the contrary, specific violations of the Wage-Hour Act are prosecuted in the Federal courts before Federal judges, and the Administrator appears as plaintiff, not judge.

Granted, the Administrator makes important determinations concerning coverage under the law and other rulings which affect employers. So does the Secretary of Labor under other statutory requirements. Indeed the Secretary of Labor, under the Walsh-Healey Public Contracts Act signs complaints alleging violations of the provisions of Government supply contracts, and he also adjudicates the same cases in an appellate capacity. Certain of these duties he has delegated to the Wage and Hour Administrator, who serves also as the Administrator of the Public Contracts Division. Under Reorganization Plan No. 6, the functions of the Administrator which would be transferred to the Secretary of Labor do not require greater impartiality and fairness than functions already vested in the Secretary by acts of Congress.

The whole matter of the fitness of the Department of Labor to administer statutes which affect the interests of employers and employees alike was considered by this Congress last year in connection with Reorganization Plan No. 2 of 1949, transferring the Employment Service to that Department. The same old arguments of bias were trotted out, as they are today. The Congress, I am happy to say, approved Reorganization Plan No. 2 of 1949, showing very clearly that it placed no credence in the argument.

Finally, we should take heed of the judgment of the Administrator himself, the man who has been entrusted with the actual administration and who can testify from experience. In his statement before the committee, Mr. William R. McComb, Administrator of the Wage and Hour and Public Contracts Division, Department of Labor, restated what he had told another committee of the House previously. His words are worth quoting—hearings on Reorganization Plan No. 6 of 1950, page 96:

> I do not believe it is sound administration to hold an official responsible for administration of the law and yet have important functions under the law performed by employees not subject to his direction or control. This has been the situation in the administration of the Fair Labor Standards Act in recent years. I am still of the belief that it is unsound in principle and unsatisfactory in practice.
>
> The transfer of complete authority to the Secretary of Labor as provided in S. 653 is a satisfactory way to correct this anomalous situation. I believe that the placement of full responsibility in the Secretary's office will result in considerable improvement in the administration of the act. The Secretary has indicated in his testimony and has assured me that he intends to delegate his responsibility to the Administrator with full responsibility to act, subject to the Secretary's general direction and control. I believe this policy of centralized responsibility, to be exercised under the direction and control of the Secretary, will result in an effective as well as impartial administration of the law.

I want to comment on the memorandum which was quoted by the gentleman from Texas [Mr. LUCAS], where he made reference to a task force report. It was not a task force report. It was a memorandum by Professor Taylor, a consultant to the task force. It was not adopted by the Hoover Commission. It was not even given the dignity of a recommendation to cover the memorandum which Mr. Taylor threw on the table for their consideration.

The Commission did not decide to set up a separate task force as recommended by Mr. Taylor for the Labor Department. A perusal of the memorandum further will show that Professor Taylor was concerned mostly with the subject of collective bargaining and not with the wage-and-hour problem.

In voting on this matter, remember that a "no" vote is required if you are in favor of the Hoover Commission recommendation. If you are in favor of the President's plan of reorganization you will vote "no." If you are against the President's plan, and if you are against the Hoover Commission recommendations, then you will vote "yes" on the disapproving resolution which is before us. In other words, a "no" vote will sustain the plan.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. RICH. Is that not the way the New Deal is doing everything? In order to accomplish something you vote "no" and everything is just cockeyed?

Mr. HOLIFIELD. May I say to my friend we always enjoy his wit and his amiable personality. As a matter of fact the Congress directed this procedure.

Mr. DAWSON. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I rise in opposition to House Resolution 522 and in support of Reorganization Plan No. 6. I rise not only to oppose House Resolution 522 in its specific attack upon Reorganization Plan No. 6, but to express my most vigorous opposition to the underlying menace beneath the whole series of hamstringing resolutions which have appeared, and will appear, to jeopardize the chances for bringing to successful fruition the program of major reforms embodied in the Hoover Commission recommendations. I rise also to support not only Reorganization Plan No. 6 but to emphasize my support of the major part of those recommendations and the President's admirable and conscientious attempt to carry out the Commission's basic program through the series of reorganization plans which he has submitted.

The President has been not too subtly accused on the floor of the House this afternoon of playing politics and using the Hoover Commission as a camouflage behind which to play his game. I say that the program of opposition, of which House Resolution 522 is only a part, is a far more deadly game, even were it true that the President's plans were colored by political motivations, a charge which I do not for one moment believe and strongly deny. It is the game of pressure groups and special interests each seeking to project and expand its niche of influence, motivated by desire for personal and private profit at the expense of the public welfare and at enormous cost in terms of economy and efficient administration of governmental affairs. It is the old philosophy of "the public be damned" seeking to penetrate to the floor of this House, and to corrupt the thinking of a body whose philosophy should be "the public be served."

The effect of submission to the pressures of every set of special interests who fear the results of efficient administrative programs is not hard to predict. The painstaking work and concentrated thought upon which the recommendations of the Hoover Commission and the President's reorganization plans were based will be nullified. The regime of confusion, inefficiency, and mismanagement which the program seeks to overthrow will continue to reign triumphant.

That is no imaginary danger, gentlemen. The Senate has already seen fit to reject four of the 21 plans originally submitted by the President during this session. More of them are being attacked in that body and in the House. Should we, without the gravest consideration, pass House Resolution 522 this afternoon we will set for ourselves a precedent which cannot but endanger the whole plan of the Hoover Commission as implemented by the President's individual reorganization plans.

One of the most important features of the master plan is embodied in the recommendations for streamlining the organization of the executive departments. Reorganization Plan No. 6 effectuates that streamlining for the Department of Labor. Other plans, with similar recommendations for other executive departments have either been submitted or are forthcoming. If we reject plan No. 6 now for one particular reason or set of reasons we must, in all consistency, apply that reasoning to other plans as they come before us.

Let us examine the principal argument advanced for rejecting plan No. 6. The quasi-judicial functions of the Wage and Hour and Public Contracts Division of the Department, as vested in the Division Administrator in his present independent status, are cited as necessitating continued separation of that Division from the administrative authority of the Secretary of Labor. It is stated that without such separation the wage-and-hour provisions of the Fair Labor Standards Act may be so administered as to be prejudicial to the interests of one of the parties at interest—the employer in this case, since it is charged that the Department of Labor is inherently biased in favor of the employee. Passing over without comment the implied slur upon the integrity of the holders of one of the highest offices in this Government—the present occupant of which has my most complete confidence—I turn to broader considerations.

I venture to assert that there is practically no law upon the statute books which does not require of its administrative agent quasi-judicial functions. The policeman on his beat exercises quasi-judicial authority in his determination of whether to make an arrest for any offense. Yet we do not deprive him of this authority, although it might conceivably be used in a manner prejudicial to the interests of the criminal. We repose in him a degree of trust worthy of the responsibility placed in him. The courts exist for the purpose of passing final judgment on how well he upholds that trust. This situation is exactly parallel to the problems in administering the wage-and-hour laws. The Administrator makes his initial determination—just as does the policeman. If the party charged with a violation of the law does not wish to plead guilty and accept this determination, then he may appeal to the courts.

Now, gentlemen, bearing this in mind and following the argument to its logical conclusion, if we accept the validity of prejudicial effect in administration as a sound basis for rejecting plan No. 6, then we should proceed to set up a new, independent administrative agency for every new piece of legislation which we place upon the books. Further, rather than centralize the administrative authority of the various departments, as this plan does for the Labor Department, and as the Hoover Commission has so strongly recommended, we should throw the whole Commission report out the window and continue to subsidize the chaos out of which we piously say we want order to emerge. That is exactly what we will do if we listen to the kind of reasoning which has been advanced today, in considering the many other phases of reorganization of the Government with which we shall have to deal.

Let me point out to you also that plan No. 6 will have no harmful effect on the present administration of the wage-and-hour laws. It does not abolish the position of Administrator—he will continue to perform his duties as before and as required by existing law. It will not change one iota of the procedures for administration which are now being followed and which are likewise fixed by law. It will simply channel the operations of this Division, and other agencies of the Labor Department, through the head of the Department of which it is a part. It will relieve the Chief Executive of part of the burdensome load of direct responsibilities which so hamper him in performance of his duties. It conforms admirably to the well known management principle which relates an executive's efficiency of performance inversely to his span of control—the number of individuals reporting directly to him.

The Labor Department is cited in the Task Force Report on Departmental Management as one of those characterized as the holding-company type. Their characteristics include restriction of the responsibility of the department head and heterogeneity of its constituent units. On page 5 of that task force report we find the statement that "in general we believe that such a structural arrangement is undesirable and should be eliminated wherever possible." Reorganization Plan No. 6 goes far toward eliminating the first of these undesirable characteristics. If we accept the plan we can be sure that we are in complete harmony with the spirit of the Hoover report and do no violence to its letter.

Mr. DAWSON. Mr. Chairman, I yield such time as he may require to the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Chairman, I want to go on record at this time as being 100 percent in favor of the President's Reorganization Plan No. 6 of 1950 and 100 percent opposed to House Resolution 522, introduced by the esteemed Congressman from Texas.

To my mind, plan 6 is a sensible and praiseworthy effort to put to wise use the President's powers under the Reorganization Act. It is a conscientious attempt to improve the administration and enhance the efficiency of one of the important departments of our Government. It is fully in accord and harmony with the recommendations of the Hoover Commission. Speaking frankly, I regard the objections raised to this reorganization plan as being very much in the nature of a tempest in a teapot.

But I would confine my remarks, Mr. Chairman, to the argument—if I may so dignify the objection—that the Secretary of Labor either could not or would not impartially and dispassionately administer the duties and functions of the Wage and Hour Administrator under the Fair Labor Standards Act, which duties and functions this plan would vest in the Secretary of Labor. It is alleged that this is true because the Secretary of Labor is required by law to be an advocate of the cause of workingmen.

Adherents of this view warn us, in effect, that if this plan goes through, we may picture the Secretary of Labor one day at his desk about to make a decision involving the Fair Labor Standards Act and musing to himself as follows:

> Now, let's see. It's true that I took an oath to uphold the Constitution and laws of the United States. And it's also true that the people expect me to be an honest administrator. But wait. The organic act of 1913 establishing the Department of Labor says its purpose is "to foster, promote, and develop the welfare of the wage earners of the United States." Therefore, what I must do is to consider merely what the employees want, and act accordingly.

Absurd? Of course it is absurd, and I submit, Mr. Chairman, that the charge of bias raised in opposition to this plan is unwarranted and is not justified by the realities of the situation.

There has been no charge of bias from any source, to my knowledge, in the Secretary of Labor's exercise of his duties and functions under the Walsh-Healey and Davis-Bacon Acts. Why should it be assumed that he would suddenly become biased if he were given certain duties and functions under the Fair Labor Standards Act?

It simply is not accurate to say that a fair administration of these duties and functions by the Secretary of Labor is incompatible with the organic duty of his Department to "foster, promote, and develop the welfare of the wage earners of the United States." This overlooks the fact that the act itself is a remedial and humanitarian statute, one of the purposes of which is to promote, within the framework of our processes, the interest of wage earners.

The most impartial and unprejudiced administration of this act that can be conceived would still, in the broad view, promote the interest of wage earners. Not to promote that interest would require the most flagrant disregard of Congress' intent when it enacted the law. This does not mean, of course, that in the administration of the act, and in the exercise of duties and functions under it, that there must be a slavish adherence to what, in any given instance, the particular wage earners might desire.

And so, rather than foreseeing a conflict between the Secretary of Labor's organic duty and his administering of the Fair Labor Standards Act, it would appear that the very best way he could fulfill his organic duty would be to administer the act fairly and honestly and in the manner that Congress intended.

But in any event, the charge is completely lacking in logic. It overlooks the fact that the organic act is applicable not only to the Secretary of Labor, but to every official and employee of the Department of Labor, including the Wage and Hour Administrator himself. If any conflict of duties did exist, then the Administrator has been living with it since 1938. Yet the opponents of the plan are sufficiently pleased with the way the Fair Labor Standards Act has been administered up to now that they tell us we dare not transfer the power. I say that they cannot have it both ways. They cannot tell us that the organic act would preclude impartial administration by the Secretary, and in the same breath contrast the fair and honest enforcement of past years by administrators who were bound by that same organic act. I mean no disrespect to two high officials of our Government when I say that if there is no sauce for the goose there should be no sauce for the gander.

Mr. Chairman, for myself, may I say that I have every confidence that the Secretary of Labor is aware of these broad considerations and that he will not lightly disregard his oath of office and his duty to be a public servant whose integrity is not open to honest doubt. I see no reason why the Secretary could not, or would not, without favor or prejudice or partisan spirit, administer the duties and functions which this reorganization plan would vest in him.

Mr. DAWSON. Mr. Chairman, I yield such time as he may require to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, I rise in support of the President's Reorganization Plan No. 6.

Some of the interests opposing this plan appear to be very badly informed. Some of the statements made in opposition to the plan are ridiculous.

Let me give you an example: Mr. Rowland Jones, Jr., president of the American Retail Federation, testified before the Committee on Expenditures in the Executive Departments on March 30, 1950. During his testimony Mr. Jones repeatedly referred to the judicial and quasi-judicial authority which he said the Administrator of the Wage and Hour Division now has, and which, according to Mr. Jones, would be transferred to the Secretary of Labor under this reorganization plan. I quote from his testimony:

> Thus, were Reorganization Plan No. 6 to be approved, the Secretary of Labor would become the repository of the powers as prosecutor, judge, and jury not only in cases of alleged violation of the act but also in all controversies concerning interpretation of the act and regulations thereunder.

Now, Mr. Chairman, there is no way to characterize that statement as incorrect. It is simply untrue. What are the facts? Who has the powers of prosecutor, judge, and jury under the Wage and Hour Law at present? If it is a criminal prosecution, the United States Attorney is the prosecutor, the United States district judge is the judge, and a Federal jury is the jury. If the case is a civil action for injunction, it is prosecuted by the Labor Department attorneys representing the Administrator and tried in the Federal courts. If it is a civil action by the Administration for back wages, the situation is the same. The case is prosecuted by Labor Department lawyers in either a Federal or a State court.

Would this reorganization plan take these powers away from the United States attorneys and the Federal and State court systems of this country? Absolutely not. The only change in the system would be that civil actions would be brought in the name of the Secretary of Labor rather than in the name of the Administrator. This would obviate the necessity of bringing two separate actions in the event that both child-labor and wage-hour violations are involved. Under the present condition of divided authority, child-labor actions must be brought in the name of the Secretary

and wage-hour actions in the name of the Administrator.

One would think that Mr. Jones, representing a group which, according to him, has a particular and important interest in the Wage and Hour Division and in the Fair Labor Standards Act, would be better informed than to make the statement that under this reorganization plan the Secretary of Labor would become the repository of the powers of prosecutor, judge, and jury in cases of alleged violation of the act. The Administrator does not now have such powers; the Secretary of Labor would not have such powers under the reorganization plan.

There is one very significant fact in this whole situation which I think should be brought to the attention of the Members of this House. Some opponents of this plan have contended that it would take powers away from the Administrator and that the Secretary would not delegate powers back to him. Let us see what has actually happened in the past. There is a statute administered by the Department of Labor which Mr. Jones could have made his sweeping statement about with some degree of accuracy. That statute is the Walsh-Healey Public Contracts Act. Under that statute the Secretary of Labor has the power to issue complaints, to sit as judge and jury in an administrative hearing, and to render a decision which, if supported by preponderance of the evidence, is binding in the United States courts. I repeat, the statutory authority under that act is in the Secretary of Labor and in no one else. Now, let us see what the Secretary has done with that statutory power.

Who makes the inspections to determine whether violations of the act have occurred? Those inspections are made by the Wage and Hour and Public Contracts Divisions under the supervision of the Administrator. Who has the authority to settle such cases administratively? The Administrator of the Wage and Hour Division has that authority. And, finally, who has the power to render the final decision, after an administrative hearing? Again it is the Administrator. Under the present procedure, the initial hearing is before an examiner who holds his position pursuant to the Administrative Procedure Act. If an appeal is taken from his decision, it is subject to review on the question of liability by the Administrator, and by him alone, insofar as the administrative proceeding is concerned. Subsequently, suit may be instituted by the Attorney General in the district courts to enforce the decision of the Administrator, but the point I am emphasizing is, it is the Administrator and not the Secretary who makes the final administrative determination as to liability.

This delegation by the Secretary of his statutory authority is, in my opinion, an effective answer to those critics of Reorganization Plan No. 6 who maintain that the concentration of responsibility in the Secretary is unsound. It is a particularly effective answer when it is remembered that no such statutory authority is involved in the Fair Labor Standards Act. Under that act, contrary to statements which have been made, violations are prosecuted in the courts, not in the Department of Labor, and before Federal judges, not before the Secretary of Labor.

Mr. Chairman, I am going to support the President's Reorganization Plan No. 6 and I hope it will be adopted.

Mr. DAWSON. Mr. Chairman, I yield such time as he may require to the gentleman from Georgia [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I am in favor of Reorganization Plan No. 6 and shall vote against the resolution opposing the plan. I do this, in the first place, because I am committed to support and try to put into effect the recommendations of the Committee on the Reorganization of the Executive Branch of our Government, commonly known as the Hoover Commission. I have committed myself to these ends because I am convinced that it is only in this way that we shall get responsibility, efficiency, and economy in our Government. Reorganization Plan No. 6 is strictly in line with the Hoover Commission recommendations.

One of the plans, No. 12, I had grave doubts about. While this plan was sent down by the President, the Hoover Commission had taken no direct stand either for or against the transfer of the functions of the general counsel of the Labor Relations Board to the Secretary of the Board. But my main doubt about the plan came from the fact that it seemed to violate a principle which I think is sound in law and equity and in justice, that the same person or board should not be prosecutor, judge, and jury. While I realize that the present conflict between the general counsel and the Labor Relations Board is most confusing and a detriment to the proper conduct of the business devolving upon the Board and the general counsel, nevertheless, I think that that is a matter of personalities which the President can handle without violating the fundamental principle which, it seems to me, would be violated if Reorganization Plan No. 12 had been adopted.

When the matter was before the committee, of which I am a member, I voted against the resolution which would have killed plan No. 12. However, I reserved the right to oppose the plan and to vote for the resolution on the floor of the House. As it came about, the Senate acted adversely upon the plan and it was defeated so it never reached the floor of the House for action.

I recite these facts because somewhat the same argument has been made against Reorganization Plan No. 6. However, in my opinion, the argument does not apply to Reorganization Plan No. 6 since the duties of the Administrator of the Wage-Hour Act are administrative and are not, in my opinion, even quasi-judicial in their nature.

Under this plan, the Secretary of Labor would be authorized to exercise all functions of all other officers, employees, and agencies of the Department of Labor. Merely to state the effect of the reorganization plan is to contend for its adoption. The functions of the Department of Labor under the plan would be within the jurisdiction of the Secretary. The Secretary's authority would be coextensive with the operations of the Department. This makes good sense to me. It is in line with the recommendations of the Hoover Commission and the President. It makes good sense to the Commission and to the President.

The existing law which reposes independent administrative authority in the Administrator of the Fair Labor Standards Act, an officer within the Department of Labor, creates an anomoly, which I feel should be eliminated. The Administrator is in the Department of Labor but not of the Department of Labor. The Secretary of Labor is accountable for the efficient operations of his department, but a subordinate officer has independent authority respecting one of the most important operations of such department, namely, administration of the Fair Labor Standards Act.

One argument that has been advanced for the continuance of the present situation and disapproval of Reorganization Plan No. 6 is that the authority of the Administrator was set up by Congress and that Congress has in the past amended the Fair Labor Standards Act but continued its original method of administration. The facts are true but this argument is unsound. If taken seriously, it can be utilized to block any and every reorganization plan submitted by the President or reorganization undertaken by Congress. Congress has the authority and the responsibility to adopt new policies when new considerations come to their attention. If Congress feels it necessary to follow a pattern in this matter, then the most compelling pattern is not the present paradoxical set-up of Fair Labor Standards administration in the Department of Labor, but rather the established Government pattern in which the executive department heads are vested with administrative authority concerning the functions of their department.

The extent or degree of administrative authority under the Fair Labor Standards Act would in no wise be changed or broadened by the proposed plan. The great concern expressed over a change in the basic administrative policies or an application of such policies, I believe, has no realistic foundation. The Department of Labor, under the general direction and supervision of the Secretary, administers a number of laws and in my observation such laws are administered successfully. The Wage Determination statutes, such as the Davis-Bacon and Public Contracts Acts, the Wagner-Peyser Act, relating to the United States Employment Service and the unemployment insurance program of the Federal Government, you will find have been administered effectively and fairly. In the view of this experience, the loud cry of wolf rings with a particularly hollow sound.

It is my opinion that Reorganization Plan No. 6 is in keeping with the letter and the spirit of the Reorganization Act of 1949. I think its justification grows consistently out of that part of section 2 (1) of the act, which authorizes the President to examine and reexamine all of the agencies of the Government to determine what changes are necessary

to accomplish, among other purposes, "the more effective management of the executive branch of the Government and its agencies and the most expeditious administration of the public business."

In the interest of more effective management of the Department of Labor and the most expeditious administration of the public business, I intend to support Reorganization Plan No. 6.

Mr. DAWSON. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I am opposed to the Lucas resolution which we are now considering. I concur in all that has been said by the distinguished chairman of the House Committee on Expenditures in the Executive Departments in favor of the President's Reorganization Plan No. 6.

This plan would concentrate control and authority in the same person who has the responsibility for the operation of our important Department of Labor.

Some of the captious arguments urged against this plan revolve around the antagonism against our distinguished and able Secretary of Labor.

Permit me to direct your attention to the fact that the Administrator is as much subject to discipline and removal by our President as any member of his Cabinet.

In the light of that fact, it must be obvious that those who raise the cry of politics to this plan lack any sound ground for opposition.

Many Members opposing this plan have been asking for reference to support therefor by the Hoover Commission.

Permit me to direct the following to their attention, which conclusively disposes of the question.

Reference to House Document No. 55 of this Congress shows that recommendation No. 14 provides:

> Under the President, the heads of departments must hold full responsibility for the conduct of their departments. There must be a clear line of authority reaching down through every step of the organization and no subordinate should have authority independent from that of his superior.

In the same document, at page 32, we find this important comment:

> The line of authority from departmental heads through subordinates is often abridged by independent authorities granted to bureau or division heads, sometimes through congressional act or stipulations in appropriations. Department heads, in many instances, do not have authority commensurate with their responsibilities. Such bureau autonomy undermines the authority of both the President and the departmental head. There is, therefore, a lack of departmental integration in performing the department's major mission.

In House Document No. 119 of this Congress the point under discussion is specifically dealt with at page 5. The Hoover Commission report is there concerning itself with the Department of Labor. It says:

> We have urged in our first report that the foundation of good departmental administration is authority from the Congress for the Secretary to organize and control his Department. The granting by the Congress of independent authority to subordinates, of which there are several instances in the Department, should be eliminated.

The Secretary of Labor has the ultimate responsibility imposed upon him by law to administer statutory provisions. This plan will vest him with the control of all the personnel to whom the detail of enforcement must be delegated.

We approve the plan by voting against this resolution.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. RICH] may extend his remarks in the RECORD immediately following the comments of the gentleman from Massachusetts [Mr. MCCORMACK] in which the gentleman referred to Mr. RICH. And, may I say by way of explanation, it was at the time that the gentleman from Pennsylvania said he did not yield to him, but this is in order that the gentleman may be able to make a reply.

Mr. McCORMACK. Mr. Chairman, reserving the right to object, and, of course I shall not object, I have no recollection of the occasion.

Mr. HOFFMAN of Michigan. It was something complimentary, and the gentleman from Pennsylvania wanted to return the compliment.

Mr. McCORMACK. Under the circumstances, Mr. Chairman, I must withdraw my reservation of objection.

Mr. RICH. The gentleman from Massachusetts and I always exchange compliments.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DAWSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TAURIELLO].

Mr. TAURIELLO. Mr. Chairman, let me express myself at this time as being wholeheartedly and enthusiastically in favor of the President's Reorganization Plan No. 6 of 1950. I am, therefore, in accord with what has been said here today in support of that plan. I sincerely believe it to be a faithful effort to effectuate in the Department of Labor the recommendations of the Hoover Commission. I believe it will improve the efficiency of operation of that Department, particularly with respect to the administration of the Fair Labor Standards Act. I believe that it will be a boon to the businessmen of this country whose employees are covered by the provisions of that act. And I do not for one second believe that this plan will, to the slightest degree, affect the fair, honest, and impartial enforcement of that act.

But, if I may, Mr. Chairman, I would like to direct my comment to one objection which has been raised to this reorganization. It is said that its undesirability is demonstrated by the fact that, on three occasions, the Congress has refused to vest in the Secretary of Labor the duties and functions of the Wage and Hour Administrator. I submit that this is an oversimplification which distorts the true facts.

It is true that when the Fair Labor Standards Act was originally enacted in 1938, the powers of enforcement were lodged in an independent administrator in the Department of Labor. Legislative history shows that this was a compromise between the creation of an independent agency and the vesting of powers under the act in the Secretary of Labor. We should not forget, however, that in those days a Federal wage-and-hour law of such scope was a great experimental voyage on uncharted legislative seas. Congress could well have thought—as it did—that the administrative framework adopted was the most practicable at that time. There may have been personalities involved. But we cannot assume that Congress intended to engraft onto the substantial portions of the law a structural rigidity of administration which was to last for all time to come. Now that the provisions of this great statute have become part of the warp and woof of our commerce and our law, the time has arrived to bring its administration in harmony with the most recent recommendations for the executive branch of our Government.

It is also said that Congress in 1947 rejected Reorganization Plan No. 2 of that year which would have accomplished what the present plan seeks to do. But the statement does not go far enough. It must be remembered that the primary purpose of the 1947 plan was to relocate the United States Employment Service in the Department of Labor. It is clear from the legislative history that this was the principal reason for the disapproval of that plan. It should also be noted that when Congress so acted in 1947, it did not have before it the benefit of the exhaustive study and research which buttress the report of the Hoover Commission.

Finally, it is said that Congress, in enacting the 1949 amendments to the Fair Labor Standards Act, did not change the administration of the act. An inference is claimed that Congress thereby expressed its desire that no change be made. This inference is unwarranted. The Senate Committee on Labor and Public Welfare, in its report on the amendments, stated clearly that "with respect to the proposal to consolidate administration of the Fair Labor Standards Act under the Secretary of Labor, this can as well be accomplished through the exercise by the President of powers conferred upon him by the Reorganization Act of 1949, in the light of the over-all reorganization of Government labor functions envisaged by the Commission on Organization of the Executive Branch of the Government, as in special legislation."

I submit that at no time has Congress unequivocally rejected the change embodied in this plan. For the first time, standing alone, this proposed administrative reorganization is now before the Congress. It has supporting it not only the Secretary of Labor, but the Wage and Hour Administrator himself. It has supporting it the weight of the Hoover Commission report. It has supporting it the principles of good management.

It has supporting it not only logic, but experience.

Mr. Chairman, I reiterate my approval of Reorganization Plan No. 6, and urge the rejection of House Resolution 522.

Mr. DAWSON. Mr. Chairman, I yield 5 minutes to our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the pending resolution has been discussed from every angle on both sides, and the several speakers have addressed themselves to the issue involved. The debate has been on a very high and instructive plane.

The evidence is overwhelming, as I view it, in favor of the reorganization plan of the President being sustained and the disapproving resolution being rejected. This is consistent, as the various speakers have said, with the recommendations of the Hoover Commission. Two million dollars was appropriated by this Congress to enable that Commission to make its investigations, survey, and report. This plan is consistent with efficiency in the executive branch of the Government. It certainly will go a long ways toward taking off the shoulders of the President some of the tremendous tasks that devolve upon him now by law.

There are other departments of the Government in which the same plan has been recommended by President Truman—namely, Justice, Interior, Agriculture, and Commerce—and no disapproving resolutions have been filed against any of those plans, which involve identically the same policy of efficiency in a department as is involved in the reorganization plan relating to the Labor Department. Certainly if this plan is to be rejected the other plans should be rejected.

It seems to me that this is a reorganization which is sound and constructive, and I hope that the disapproving resolution will be rejected, which will mean that the Reorganization Plan No. 6 involved in the resolution pending before the House will go into operation.

Mr. DAWSON. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. LANHAM] to correct the RECORD.

Mr. LANHAM. Mr. Chairman, I want to call attention to a mistake in the report of the hearings on page 45.

The record reads:

> Mr. LUCAS. I am surprised at my friend, HENDERSON LANHAM, quoting from the Wall Street Journal to this committee.
>
> Mr. LANHAM. I read both sides of the street, and try to waltz down the middle.

I was not reported correctly. What I said was:

> I read both sides of the street, and try to walk down the middle.

I would like to have that correction made.

Mr. MADDEN. Mr. Chairman, Reorganization Plan No. 6, as recommended by the Hoover Commission and submitted by the President of the United States, should be ratified by this Congress.

All functions relating to labor-management problems should be under one head and that executive should be the Secretary of Labor. The functions of the Labor Department are executive and the President of the United States was elected by the people to carry on the executive functions of our Government. It is the function of the President to coordinate the interests of management and labor so that these interests will harmonize and be more effective with the other segments of our national economy.

Reorganization Plan No. 6 provides that all functions vested in any other officer, agency, or employee of the Department of Labor are transferred to the Secretary of Labor. This plan conforms and is in the same pattern of streamlining organization which was recommended for each of the other executive departments by the Hoover Commission on Organization of the Executive Branch of the Government.

By adopting this plan, the Department of Labor will not gain any more powers, authority, functions, or responsibility than it already has. It will merely centralize authority in the Secretary of Labor, where it should be. The public looks to the Secretary of Labor for responsibility and accountability of functions concerning labor-management relations, which are at present outside of his authority and should be placed under his jurisdiction as Reorganization Plan No. 6 provides.

Members who are opposed to this plan feel that it will give the Secretary of Labor additional power, which is not true. Under the present set-up, responsibility for mismanagement and inefficiency in the Wage and Hour Division is thrown on the shoulders of the Labor Department, of which the Secretary of Labor is the head. He receives all criticism for improper functioning of the Wage and Hour Division, although the authority and operating is under a separate executive. Opponents of this plan say that the Wage and Hour Division has done a good job. Only recently the Wall Street Journal, which cannot be classified as a friend of labor or the administration, complained that the present administration of the wage-hour law is being done by a horde of snoopers and so set their opinion out in an editorial.

Robert L. L. McCormick, research director of the Citizens' Committee for the Hoover Report, in testifying at the hearings for Reorganization Plan No. 6, stated that the plan should be adopted, and that the responsibility should be under the Secretary of Labor. He further stated that this would place the responsibility solely where it belongs and if it does not function properly, the Secretary of Labor, being the President's appointee, is more directly responsible to the people.

Thus, if there are abuses of the administration of the wage-hour law or of any other law, it becomes a campaign issue and can be taken to the people for ratification or rejection. Under our system of the executive department, the President must delegate this authority down the line and these various department heads are directly responsible to him as he is directly responsible to the people of the country.

The adoption of this plan will merely be another step toward streamlining the operations of our Government and placing into operation the practical recommendations of the Hoover Commission.

Mr. DONOHUE. Mr. Chairman, Reorganization Plan No. 6 does conform specifically to the organizational pattern for each of the executive departments which was expressly recommended by the Commission on Organization of the Executive Branch of the Government. It is identical and in no respect different from the parallel plans proposed by the President for the Departments of Justice, Interior, Agriculture, and Commerce. It is important that we bear in mind that the Department of Labor will not, through this plan, add anything to its present powers, authority, functions, or responsibilities by operation of this legislation. It will accomplish one of the basic needs and long-delayed reforms so essential in the executive branch of the Government, for it will centralize authority in the Secretary of Labor where he is presently the repository for its correlatives, responsibility, and accountability.

A great amount of discussion has been had on the status of the Wage and Hour Administrator. Here we have one of those anomalous situations engendered by compromise, where independent grants of authority to subordinate officials have weakened the structure of the Department.

It is a pertinent point to demonstrate that the Wage and Hour Administrator and the Secretary, both political appointees, confirmed by the Senate, are working together in harmony and cooperation. However, this same harmony and cooperation that has been obtained is based upon the compatible premise of personal grounds, rather than the requisite legislative basis that should underlie such departmental integration.

One last point might be urged. Every examination of the functions of the Wage and Hour Administrator induces the conclusion that he does not act in a quasi-judicial capacity. He has no similarity in his duties to any agency which would require a separation of prosecutive from judicial functions. His determinations are not final; he is merely a plaintiff in the Federal courts attempting appropriate enforcement for a violation of law.

Reorganization Plan No. 6 will not confer upon the Secretary any aura of quasi-judicial powers which involve wage and hour administration.

In the matter of structural organization and the strengthening of the framework of business organization, a direct and attributable answer cannot be made in economy by allusions to dollar-and-cents savings. Economy will essentially flow from increased efficiency, arising out of a delineation of clear-cut authority extending from the very top of the Department to the bottom. Duplication in practices, overlapping personnel and procedures are made patent, and remedial steps auguring well for savings to the taxpayer will result from legislation of

this nature. Reorganization must of itself necessarily mean change; but every change should bring progress. Reorganization Plan No. 6 supplies that answer.

The CHAIRMAN. Are there further requests for time? [After a pause.] The Chair hears none.

The Clerk will read the resolution.

The Clerk read as follows:

Resolved, That the House of Representatives does not favor the Reorganization Plan No. 6 of 1950 transmitted to Congress by the President on March 13, 1950.

Mr. DAWSON. Mr. Chairman, I move that the Committee do now rise and report the resolution (H. Res. 522) rejecting Reorganization Plan No. 6 of 1950, back to the House with the recommendation that it be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and Mr. PRIEST having assumed the chair as Speaker pro tempore, Mr. GARY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Resolution 522, directed him to report the same back to the House with the recommendation that it be not agreed to.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, the resolution, not having received the affirmative vote of a majority of the authorized membership of the House, the resolution is not agreed to.

So the resolution was rejected.

DISAPPROVING REORGANIZATION PLAN NO. 5—DEPARTMENT OF COMMERCE

Mr. DAWSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 546) disapproving Reorganization Plan No. 5; and pending that motion I ask unanimous consent that debate on the resolution may continue not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Michigan [Mr. HOFFMAN] and myself.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, and I shall not, I have had no requests for time. I think the debate may be concluded in half an hour, although I am glad to have the reservation of an hour. We will try to get through on this side in 10 minutes.

Mr. DAWSON. And we will try to get through in 10 minutes.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. DAWSON] asks unanimous consent that debate on the resolution continue not to exceed an hour, the time to be equally divided and controlled by the gentleman from Michigan [Mr. HOFFMAN] and himself.

Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Illinois.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 546, disapproving Reorganization Plan No. 5, with Mr. GARY in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

Mr. DAWSON. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the question that now comes up is the same question that was raised in reference to Reorganization Plan No. 6 of 1950. The same arguments that could have been made for rejection of plan No. 6 could be made and will be made upon plan No. 5. The same arguments for plan No. 5 would be the same ones used for plan No. 6. So I am not going to take the time of the committee that has listened to all the arguments, and knows the purpose of these plans.

There is only one difference between the two and that is in the exemption of one or two agencies other than the Board of Examiners. That exemption is made because of the peculiar nature of the agencies. For instance, in plan No. 5 the Inland Waterways Corporation and the Advisory Board of the Inland Waterways Corporation are exempted from the plan of reorganization. That has been a deliberate act and aimed at recognition of the corporate structure of these particular institutions. The third and last exemption involves the Civil Aeronautics Board. This body has its functions vested in a board possessing in large measure the qualities of an independent regulatory board, and reposes within the structure of the Department of Commerce largely for housekeeping purposes. So for that reason the exemption was made.

I am going to ask, Mr. Chairman, that we vote "nay" on House Resolution No. 546, rejecting Reorganization Plan No. 5 of 1950.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, there is no use in taking other than a realistic view of the situation as it is here today. Apparently there is no disposition to carry on an effective opposition to any of these reorganization plans. I have done my part by attending the hearings in preparing reports.

In answer to the gentleman from Illinois, I do want to say this plan No. 5 does exempt the Civil Aeronautics Board, but if you will take a look at plan No. 13 you will find that the President grabs it there. I cite that to show the hypocrisy in the method of treating the Hoover recommendations.

Reorganization Plan No. 5 of 1950, prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, March 13, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949, proposes to transfer to the Secretary of Commerce all functions of all other officers of the Department of Commerce, except those specifically exempted, as follows:

DEPARTMENT OF COMMERCE

SEC. 1. Transfer of functions to the Secretary: (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of Commerce all functions of all other officers of the Department of Commerce and all functions of all agencies and employees of such Department.

(b) This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) in hearing examiners employed by the Department of Commerce, nor to the functions of the Civil Aeronautics Board, of the Inland Waterways Corporation, or of the Advisory Board of the Inland Waterways Corporation.

SEC. 2. Performance of functions of Secretary: The Secretary of Commerce may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Department of Commerce of any function of the Secretary, including any function transferred to the Secretary by the provisions of this reorganization plan.

SEC. 3. Administrative Assistant Secretary: There shall be in the Department of Commerce an Administrative Assistant Secretary of Commerce, who shall be appointed, with the approval of the President, by the Secretary of Commerce under the classified civil service, who shall perform such duties as the Secretary of Commerce shall prescribe, and who shall receive compensation at the rate of $14,000 per annum.

SEC. 4. Incidental transfers: The Secretary of Commerce may from time to time effect such transfers within the Department of Commerce of any of the records, property, personnel, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of such Department as he may deem necessary in order to carry out the provisions of this reorganization plan.

The four agencies whose officers are specifically exempted from the operation of plan No. 5 are the hearing examiners employed by the Department of Commerce; the Civil Aeronautics Board; the Inland Waterways Corporation; and the Advisory Board of the Inland Waterways Corporation.

No explanation is made as to why these bodies or agencies have been exempted, but the Secretary of Commerce in his testimony ventured the explanation that the hearing examiners employed by the Department of Commerce were to be exempted because of the judicial functions which they perform. Perhaps the functions of the Civil Aeronautics Board were also thought to be judicial or quasi judicial in nature and to thus warrant exemption from the operation of the plan. The Secretary has made the point that the inland waterways bodies were exempted because of the corporate form of organization.

Unless rejected, plan No. 5 will, among others, transfer to the Secretary of Commerce all functions of the Patent Office.

By plan No. 5 the Secretary is authorized to redelegate all functions which he acquires by virtue of the plan to such subordinates as he may select.

The Hoover report to the Congress on the Department of Commerce carries on page 8 a proposed organization of the Department of Commerce which shows some 16 bureaus or agencies grouped together as parts of the Department of Commerce. In this group is the Patent Office. A number of the other agencies of the group of 16 have for some time been under the general supervision of

the Secretary of Commerce while others are for the first time, under plan No. 5, to be placed under the Secretary of Commerce.

THE PATENT OFFICE—THE REASON FOR

Evidently believing that genius and effort should be rewarded, the public protected, the framers of the Constitution provided that—

The Congress shall have power * * * to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.[1]

To implement that constitutional provision, as far back as April 10, 1790, the Congress enacted legislation to promote the purpose therein enunciated.

In 1802, the Patent Office was established as a distinct bureau in the Department of State with an official then known as the Superintendent of Patents.

There was a general revision of the patent laws in July of 1836, when the Office was reorganized and the official in charge was designated as Commissioner of Patents.

In 1849, the Patent Office was transferred to the Department of Interior and, in April of 1925, in accordance with statutory authority previously given, it was transferred to the Department of Commerce. It now administers, not only the patent laws, but the Federal trade-mark laws under Fifteenth United States Code, page 1051.

Notwithstanding the fact that the Patent Office, its officers, and employees are housed in the Department of Commerce—Thirty-fifth United States Code, page 1—it has been and is an independent quasi-judicial, quasi-legislative office—*Butterworth* v. *Hoe* (112 U. S. 50)—with a history running back to the adoption of the Constitution.

The present statute creates the offices of Commissioner of Patents, one First Assistant Commissioner, two Assistant Commissioners, and nine Examiners in Chief appointed by the President by and with the advice and consent of the Senate. All other officers, clerks, and employees are appointed by the Secretary of Commerce upon the nomination of the Commissioner of Patents—Thirty-fifth United States Code, section 2.

The Commissioner of Patents, under the direction of the Secretary of Commerce, shall superintend or perform all duties respecting the granting and issuing of patents directed by law; and he shall have charge of all books, records, papers, models, machines, and other things belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, from time to time establish regulations, not inconsistent with law, for the conduct of proceedings, in the Patent Office.

The Examiners in Chief shall be persons of competent legal knowledge and scientific ability. The Commissioner of Patents, the First Assistant Commissioner, the assistant commissioners, and the Examiners in Chief shall constitute a board of appeals, whose duty it shall be, on written petition of the appellant, to review and determine upon the validity of the adverse decisions of examiners upon applications for patents and for reissues of patents and in interference cases. Each appeal shall be heard by at least three members of the board of appeals, the members hearing such appeal to be designated by the Commissioner. The board of appeals shall have sole power to grant rehearings.[2]

Since 1870 the Patent Office has had a seal of its own. The seal provided for the Patent Office prior to July 8, 1870, shall be the seal of the Office, with which letters patent and papers issued from the Office shall be authenticated—United States Code, title 35, section 3.

By subsequent statutory provisions of chapter 1 of title 35 of the code, covering 78 pages, the Congress over the years has attempted to safeguard the integrity of the Patent Office and the procedure governing the granting and use of patents. The most casual reading of the statutory provisions shows clearly that the Patent Office was created as, and was intended to be, not an executive, but a quasi-judicial, quasi-legislative office.

No protest has apparently been made to the enactment into law of Reorganization Plan 5 on behalf of any bureau purported to be covered by the plan except the United States Patent Office.

But as to the Office, industry and the entire patent bar have spoken as one in favor of the rejection of the plan, on the ground that the independence and efficiency of that Office should not be destroyed by including the Patent Office in the scope of its operation.

So far as appears, it has not been contended by any person interested in the welfare of the patent system that Reorganization Plan No. 5 is defective in any respect other than that it includes the Patent Office.

NO ECONOMY OR INCREASED EFFICIENCY

Industry and the patent bar are unanimous in the approval of all moves for economy and efficiency. But no showing has been made that economies would be realized or efficiency of operation increased by the enactment into law of plan 5 insofar as the operation of the Patent Office is concerned.

The Secretary of Commerce, who should know whether inclusion of the Patent Office in the operation of the plan would promote economy or increased efficiency of operation, has not so stated. That he does not believe that such economies can be effected or that efficiency can be increased is evident from the fact that he has issued assurances to the effect that, if Reorganization Plan 5 becomes law, he will immediately redelegate to the Commissioner of Patents and others in the Patent Office the duties and functions which they now perform.

It is clear that no change in the Patent Office structure is warranted at this time on the theory that economy and increased efficiency will result.

A JUDICIAL AGENCY

It is doubtful if there is any other executive bureau of the Government—any agency or office—more judicial in its functions than is the United States Patent Office. That its functions are judicial or quasi judicial in nature is known throughout the land, to the hundreds of thousands of inventors who have received patents, to business, both big and little, to all manufacturers, and to all those who follow the legal profession.

Each application for patent is taken up for examination by an examiner who has especially qualified himself for that purpose. He has been selected by the Patent Office as a result of a written examination prepared by the Patent Office and solely on the basis of his knowledge and ability. Even the subordinate examiners are called upon to decide daily whether or not, in view of all the facts at hand and the applicable law, an applicant for patent has made an invention for which a patent should be issued.

The Patent Office as a whole is engaged daily in establishing or refusing to establish property rights of the citizens—a strictly judicial function. Judicial temperament of the highest quality is required, as is vast experience, extensive training, and a knowledge of the patent law obtained by careful study of the decisions rendered from time to time by the Federal courts in patent cases.

The Board of Appeals of the Patent Office, comprising nine examiners, the Assistant Commissioners, and the Commissioner, are selected by the President because of special fitness and are confirmed by the Senate after investigation as to fitness. They are versed in the law and are eminently qualified to give proper weight to the many technical facts inherent in all patent decisions.

The Commissioner of Patents and Assistant Commissioners, and many subordinates, are likewise engaged day by day in the examination of applications for registration of trade-marks and, in the trade-mark field, the Commissioner has most important decisions to make.

Again, these decisions of the Commissioner are of a judicial nature, as has been recognized and established by the courts.

One most interesting decision establishing the fact that the Commissioner of Patents is entirely independent of his superior, insofar as his judicial acts are concerned, is the early case of *Butterworth* v. *Hoe* (112 U. S. 50). In that case—and it was decided in 1884—the Court in a unanimous decision called attention to one of the objectives of the patent law. It said:

The general object of that system is to execute the intention of that clause of the Constitution, article I, section 8, which confers upon Congress the power "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries." The legislation based on this provision regards the right of property in the inventor as the medium of the public advantage derived from his invention; so that in every grant of the limited monopoly two interests are involved, that of the public, who are the grantors, and that of the patentee. There are thus two parties to every application for a patent, and more, when, as in case of interfering claims or patents, other private interests compete for preference. The questions of fact arising in this field find their answers in every department of physical science, in every branch of mechanical art; the questions of law, necessary to be applied in the settlement of this class of public and private rights, have founded a special branch of technical jurisprudence. The investigation of every claim

[1] Art. I, sec. 8, the Constitution.

[2] 35 U. S. C., secs. 6 and 7.

presented involves the adjudication of disputed questions of fact, upon scientific or legal principles, and is, therefore, essentially judicial in its character, and requires the intelligent judgment of a trained body of skilled officials, expert in the various branches of science and art, learned in the history of invention, and proceeding by fixed rules to systematic conclusions (pp. 58–59).

Then the Court speaking of the duties and functions of the Commissioner of Patents, said:

The conclusion cannot be resisted that, to whatever else supervision and direction on the part of the head of the Department may extend, in respect to matters purely administrative and executive they do not extend to a review of the action of the Commissioner of Patents in those cases in which, by law, he is appointed to exercise his discretion judicially. It is not consistent with the idea of judicial action that it should be subject to the direction of a superior, in the sense in which that authority is conferred upon the head of an executive department in reference to his subordinates. Such a subjection takes from it the quality of a judicial act. That it was intended that the Commissioner of Patents, in issuing or withholding patents, in reissues, interferences, and extensions, should exercise quasi-judicial functions, is apparent from the nature of the examinations and decisions he is required to make, and the modes provided by law, according to which, exclusively, they may be reviewed (p. 67).

The Secretary of Commerce may or may not be a lawyer but the Commissioners of Patents have always been chosen from the ranks of patent lawyers and, no doubt, on the theory that a patent lawyer of considerable capacity must be in charge of the Patent Office in order that it may function in a proper manner. If it were not for the fact that the Commissioner must necessarily perform judicial functions, any good administrator could be placed in charge of the Patent Office. But the Commissioner, Assistant Commissioners, members of the Board, and other members of the examining corps function as judges in patent matters.

The Commissioner has, among his judicial functions—

(a) The right to decide appeals as a member of the board of appeals—Thirty-fifth United States Code, page 7;

(b) The right to disbar attorneys—Thirty-fifth United States Code, page 11;

(c) The right to determine who shall receive patents—Thirty-fifth United States Code, page 36;

(d) The right to decide which invention shall be kept secret and which made public—Thirty-fifth United States Code, page 42;

(e) The right to decide whether or not an interference should be declared between two applicants for the same invention—Thirty-fifth United States Code, page 52; and

In trade-mark matters, the Commissioner has—

(a) The right to decide who shall receive certificates—Fifteenth United States Code, page 1051;

(b) The right to decide inter partes controversies between rival applicants for registration—Fifteenth United States Code, page 1068;

(c) The right to decide all controversies on appeal—Fifteenth United States Code, page 1070; and

(d) The right to prescribe rules and regulations governing trade-mark registration procedures—Fifteenth United States Code, page 1051.

The Commissioner also has certain supervisory functions over which the Secretary of Commerce has presently only a veto power and these functions are of importance, although not as important as his judicial functions. Thus he—

(a) Selects his employees, although the Secretary must actually appoint them—Thirty-fifth United States Code, page 2;

(b) Makes the rules under which the Patent Office operates, although here the Secretary has a veto power—Thirty-fifth United States Code, page 6; and

(c) Performs all duties relative to the lawful issue of patents subject to the direction of the Secretary—Thirty-fifth United States Code, page 6.

These various functions as above set forth will all be transferred to the Secretary of Commerce if the reorganization plan becomes law.

The Secretary of Commerce is a political appointee, a very busy man. No Secretary of Commerce has ever been a patent lawyer and none is likely to be versed in patent law through experience. The Secretary will, therefore, inevitably be forced to exercise his right to redelegate powers to the Commissioner and to others in the Patent Office, as the present Secretary has promised to do. But no Secretary is required by the plan to redelegate the functions which he acquires under the plan to any certain individual in the Patent Office.

THE AMERICAN WAY, OUR WAY

Whatever else may be said of "a profit motive" or "the incentive system," the writers of the Declaration of Independence seemed to feel that ability and use of it were desirable and to be encouraged.

Few, if any, will argue that we as a people are superior either physically or mentally to those in other lands—in fact, our Nation has often been referred to as the "melting pot of the world." We are of no distinct race, creed, or color but, as a Nation, under our system of government, we have the greatest degree of individual liberty, freedom of action, and material prosperity possessed by any people. Hence, it must be our system of government rather than our physical or mental characteristics which has made us what we are.

One of the important factors contributing to the attainment of that enviable position in the world is the fact that the Congress has wisely exercised the power given it by the Constitution "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries," when it created the office of Commissioner of Patents, making it a quasi-judicial position, requiring that examiners be men of ability with technical training, insisting that the Office be free from political interference, its decisions reviewable only by the courts.

As to the wisdom of the proposition that, at least for a limited time, the individual who, through the exercise of his talent, created something new and useful should enjoy the benefit of his effort, there was evidently some argument at the time the Constitution was written; otherwise, express protection would not have been given by section 8 of article 1 of that document.

The Patent Question Under Free Trade, published in London in 1864; Copyright and Patents for Inventions—Pleas and Plans for Cheaper Books and Greater Industrial Freedom, published in London, Paris, New York, and Philadelphia in 1883, indicate that the arguments submitted to the writers of the Constitution still continue.

In December of 1941 President Franklin D. Roosevelt, by Executive order, appointed a National Patent Planning Commission, for the purpose of making a study "of our existing patent laws and procedure, together with appropriate action taken by a commission familiar with the problems of science, industry, agriculture, labor, and the consumer."

The National Patent Planning Commission in its report stated:

This system has accomplished all that the framers of the Constitution intended. It is the only provision of the Government for the promotion of invention and discovery and is the basis upon which our entire industrial civilization rests * * * the basic principles of the present system should be preserved.

In recent years there has been advanced by those who would share the wealth, take from those who have to give to those who have not, establish socialism, the proposition that the laws giving and protecting patents and copyrights should be repealed. It has been argued, and by honest and sincere individuals, that even though one may work long and intensely in an effort to discover something new and useful, when successful, the result should be freely, without compensation, given to all.

The question as to just how far the Congress and the courts should go under the constitutional power "to promote the progress of science and useful arts" has perplexed the Justices of the United States Supreme Court.

It has been affirmatively established by the Court that for a limited period a patentee has a monopoly in the use of his patent. As to just how far the patentee can go by agreement with others in authorizing or limiting by the licenses the use of that patent raises another question, that is, whether the agreement violates the Sherman Act prohibiting monopolies.

In the case of *U. S.* v. *Line Material Company* (333 U. S. 287) three opinions were written. In the prevailing opinion it was said that it was well settled "that the possession of a valid patent or patents does not give the patentee any exemption from the provision of the Sherman Act beyond the limits of the patent monopoly."

Mr. Justice Douglas, with whom Justices Black, Murphy, and Rutledge concurred, agreeing with the majority in holding the agreement in the Line Mate-

rial case to be a violation of the Sherman Act, desired to overrule a previous decision of the Court in *U. S.* v. *General Electric Company* (272 U. S. 476), in which it was held that certain price-fixing agreements were not a violation of the Sherman Act, said:

But I would be rid of *United States* v. *General Electric Company*.

Justice Douglas evidently would strictly limit the monopoly given a patentee. The Justice further said:

Congress, faithful to that standard, has granted patentees only the "exclusive right to make, use, and vend the invention or discovery." * * * And as early as 1853 the Court, speaking through Chief Justice Taney, defined the narrow and limited monopoly granted under the statutes as follows: "The franchise which the patent grants consists altogether in the right to exclude everyone from making, using, or vending the thing patented, without the permission of the patentee."

* * * The effort through the years has been to expand the narrow monopoly of the patent. The Court, however, has generally been faithful to the standard of the Constitution, has recognized that the public interest comes first and reward to inventors second, and has refused to let the self-interest of patentees come into the ascendency. As we stated in *B. B. Chemical Co.* v. *Ellis* (314 U. S. 495, 498), "The patent monopoly is not enlarged by reason of the fact that it would be more convenient to the patentee to have it so, or because he cannot avail himself of its benefits within the limits of the grant." From *Motion Picture Patents Co.* v. *Universal Film Mfg. Co.* (243 U. S. 502), which overruled *Henry* v. *A. B. Dick Co.* (224 U. S. 1), to *International Salt Co.* v. *United States* (332 U. S. 392), decided only the other day, the Court has quite consistently refused to allow the patentee's "right to exclude" to be expanded into a right to license the patent on such conditions as the patentee might choose. For the power to attach conditions would enable the patentee to enlarge his monopoly by contract and evade the requirements of the general law applicable to all property. The philosophy of those decisions was summed up in *Mercoid Corp.* v. *Mid-Continent Investment Co.* (320 U. S. 661, 666), where we said:

"The necessities or convenience of the patentee do not justify any use of the monopoly of the patent to create another monopoly. The fact that the patentee has the power to refuse a license does not enable him to enlarge the monopoly of the patent by the expedient of attaching conditions to its use. * * * The patent is a privilege. But it is a privilege which is conditioned by a public purpose. It results from invention and is limited to the invention which it defines. When the patentee ties something else to his invention, he acts only by virtue of his right as the owner of property to make contracts concerning it and not otherwise. He then is subject to all the limitations upon that right which the general law imposes upon such contracts."

The Court, however, allowed an exception in this long line of cases. In *United States* v. *General Electric Co., supra*, decided in 1926, it followed *Bement* v. *National Harrow Co.* (186 U. S. 70), decided in 1902, and sustained a price-fixing provision of a license to make and vend the patented invention. By that decision price-fixing combinations which are outlawed by the Sherman Act (*United States* v. *Socony-Vacuum Oil Co.* (310 U. S. 150)) were held to be lawful when the property involved was a patent. By what authority was this done?

The patent statutes do not sanction price-fixing combinations. They are indeed wholly silent about combinations. So far as relevant here, all they grant, as already noted, is the "exclusive right to make, use, and vend the invention or discovery" (Rev. Stat., sec. 4884, 35 U. S. C. sec. 40). There is no grant of power to combine with others to fix the price of patented products. Since the patent statutes are silent on the subject, it would seem that the validity of price-fixing combinations in this field would be governed by general law. And since the Sherman Act outlaws price-fixing combinations it would seem logical and in keeping with the public policy expressed in that legislation to apply its prohibitions to patents as well as to other property. The Court made an exception in the case of these price-fixing combinations in order to make the patent monopoly a more valuable one to the patentee. It was concerned with giving him as high a reward as possible. It reasoned that if the patentee could not control the price at which his licensees sold the patented article, they might undersell him; that a price-fixing combination would give him protection against that contingency and therefore was a reasonable device to secure him a pecuniary reward for his invention. Thus the General Electric case inverted clause 8 of article I, section 8 of the Constitution and made the inventor's reward the prime rather than an incidental object of the patent system.

In that manner the Court saddled the economy with a vicious monopoly.

Writing of the attempt of the Government to limit the application of the General Electric case and to make that decision applicable to the case then pending, the dissenting judges wrote:

The long and unfaltering development of our patent law often has been touched upon in our decisions. However, in the face of the direct attack now made upon some of its underlying principles, the infinite importance of our inventions justifies a brief review here of the development and nature of the patent rights attacked.[3]

Mr. Justice Burton, with whom the Chief Justice and Mr. Justice Frankfurter concurred in dissenting, recognizing the attempt to limit the reward given a patentee, called attention to the fact that a patent was—

A reward for the invention or discovery of something new, something before unknown, something added to the sum total of human knowledge, utility, well-being; something which the inventor or discoverer, despising the lure of money or fame, might have withheld from his fellow men. By the monopoly that goes with a patent, then, the Government recompenses and, for a limited time, protects the inventor or discoverer who gives to the world the use and benefit of his invention or discovery. This is a kind and a degree of mutuality that negatives monopoly in the old or the current concept. Monopoly in the latter sense of the term gave to an individual or a group complete dominion of something already existent. A patent awards monopoly to the producer of something original, something superadded to the common store. So it is that two things bearing the same name need not be of the same nature.

It has been contended that there sometimes occurs a clash between the antitrust laws and the patent statutes. I might suggest that since the first antitrust legislation in 1890, the patent laws and the antitrust laws have coexisted without any irreconcilable conflicts between them. They have each of them at least one common objective; namely, the retention by the public of a right once acquired by it. As a matter of fact, patents accomplished more than the retention of the acquired rights. Their influence is creative; they operate to multiply and expand acquisitions by the public.[4]

The Justice then added:

The exceptional recent activity in seeking, by statutory amendment, a change in the patent laws as interpreted in the Bement and General Electric cases indicates a widespread understanding that, if such interpretation is to be changed, the remedy calls for congressional action. The resistance to such a change which has been shown by Congress is impressive (333 U. S. 362).[5]

Under the authority given it by the Constitution, the Congress has consistently sought to encourage inventions by giving the patentee a limited monopoly and, through the Sherman Act, preventing the misuse of that monopoly. The courts through the years have upheld Congress in that attempt. It would be the most unwise, by the indirect method proposed in this plan, to make it possible for a political appointee to destroy the established legislative and judicial policy with reference to patents.

To date the Patent Office has been and now is a quasi-judicial office. It has served the inventor and the public with ability and fairness.

Plan No. 5 would discard the method of dealing with patents as it has been established by the Congress and the courts, destroy the judicial character of

[3] 333 U. S. 331, 332.

[4] 333 U. S. 338, 339.

[5] Many bills relating to these issued have been introduced in Congress and referred to appropriate committees. Not one has been reported back to either House of Congress.

As early as 1912, H. R. 22345, 62d Cong., 2d sess., proposed that a patentee be not permitted to fix the price of articles to be sold by others under his patent.

During the hearings held by the Temporary National Economic Committee, the Department of Justice recommended many fundamental as well as minor changes in the patent law. These included the prohibition of price-limiting patent licenses comparable to those here at issue (Preliminary Report, Temporary National Economic Committee, S. Doc. No. 95, 76th Cong., 1st sess., pp. 16–17 (1939)).

The Department of Commerce took an opposite position. It submitted recommendations for retaining but improving the patent system substantially in accordance with its traditional underlying policies. The Final Report of the Temporary National Economic Committee incorporated the substance of the proposals of the Department of Justice. It included a recommendation that patentees be not permitted to limit the price at which a licensee might sell a product made under the license (Final Report, Temporary National Economic Committee, S. Doc. No. 35, 77th Cong., 1st sess., pp. 36–37 (1941)).

In 1941, the President appointed the National Patent Planning Commission to submit recommendations on questions dealt with in the report. * * * In 1943, among the examples of the proposed reforms which it concluded "would not be a beneficial innovation in our patent system," it listed "outlawing certain limitations in patent licenses, * * *." This evidently referred to the above-mentioned proposals of the Temporary National Economic Committee to outlaw price restrictions and other limitations in patent licenses (Report of the National Patent Planning Commission, H. Doc. No. 239, 78th Cong., 1st sess., p. 9 (1943)).

Bills to the same general effect as the proposals of the Temporary National Economic Committee have been introduced and referred to committees of Congress but have advanced no further.

the Patent Office, make it a part of, and subject to, a political appointee.

The Secretary of Commerce is a busy man. Obviously he has no time to himself perform the functions of a Commissioner of Patents or of any member of that organization, nor does the plan contemplate that he shall perform any of those functions. If the plan becomes law, he is authorized to, and necessarily he must, redelegate those functions to individuals of his own choosing.

While the statute creating the Department of Commerce outlines and circumscribes some of the duties of the Secretary of Commerce, he is nevertheless a part of, and subject to and guided by a political machine. Under the two-party system of government, that is to be expected—it is inevitable. A political party operates from the top down and the Secretary of Commerce can but carry out, implement, the political philosophy of his party.

A Henry Wallace was once Vice President. But for a turn in fortune's wheel he might have been President. He was Secretary of Commerce. Most people are familiar with some of Henry Wallace's political theories. Had Plan No. 5 been in effect when he was Secretary of Commerce, would he, who advocated the killing of little pigs, the plowing under of crops, the giving of a pint of milk to everyone in the wide, wide world, have been an advocate of legislation to repeal the laws protecting patents and trademarks?

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from California.

Mr. HOLIFIELD. The gentleman does not want the House to believe that this changes any of the patent laws, or that the Commissioner of Patents by this plan is deprived of any of his duties or responsibilities in complying with all the laws on patents? In fact, the present law puts him under the Secretary of Commerce in most instances outside of those instances which have been excluded for the purpose of protecting the rights of the industry in obtaining patents. Any of the decisions which the Commissioner of Patents or the Secretary of Commerce makes is appealable to any court of law. Therefore ample protection is given to applicants for patents.

Mr. HOFFMAN of Michigan. The cases I have cited show that the Supreme Court is fully aware of that situation and recognizes the fact that the administration of the law could change our whole economic philosophy. All you need to do is read the Supreme Court decisions.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Michigan.

Mr. DONDERO. Following up the statement made by the gentleman from California, what is the justification for this plan?

Mr. HOLIFIELD. The justification is to line up the clear line of authority of the department head so that he cannot only be responsible but have supervision over his subordinates.

Mr. DONDERO. But this is an independent agency.

Mr. HOFFMAN of Michigan. Let me answer that question for the gentleman. The Patent Office has been held by the United States Supreme Court in Butterworth against Hoe to be a quasi-legislative, quasi-judicial office. The Supreme Court of the United States said so.

Mr. Hoover in his original report said that there was no intention to deal with quasi-legislative, quasi-judicial agencies. Mr. Hoover so reported in his letter to the Speaker of the House in connection with the 1949 reorganization bill, yet here, in spite of the fact that this has been by the Supreme Court declared to be one of those agencies with which reorganization was not supposed to deal, along comes a plan.

I assume the purpose is to get it under the control of the Secretary of Commerce. There is no efficiency, no economy, I would say to the gentleman, involved in this case. There is not a word of testimony in the record that indicates there will be any efficiency or any economy in it.

I will tell you what is the matter with all these plans. Let me quote you from real authority from the other body, the upper body, the body that has the learning and the dignity and all the things that are necessary to make statesmen. It comes from a majority Member over there:

> The congressional-declared purpose of the whole reorganization authorization is to bring more efficiency and greater economy into the Federal Government. It is my judgment, after study of many of the plans which are being submitted to us, that many of them tend more in the direction of centralizing power in the executive branch of the Government than they do in the direction of reorganizing the executive branch for the purpose of obtaining greater efficiency or economy.

That is from the CONGRESSIONAL RECORD of May 11. You will find it on page 6865.

The whole procedure as I have said before, is to pin the Hoover label on a quack remedy, to get Republicans to go along with it, and they will wake up to find out you have centralized government. You can yell all you want to about socializing the Government, you are getting it in these plans the President is sending down.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. RICH. Is it not a fact that our former colleague from Texas, Fritz Lanham, who was chairman of the Patents Committee for a good many years, came before our committee, and he tore this apart in every way possible, saying it was poor legislation. Yet the Democratic House today wants to put through what a lot of good, sound Democrats said was the wrong kind of legislation. Will the chairman explain how these New Deal and Fair Deal Democrats are handling affairs now when so many of the good Jeffersonian Democrats got sick and tired and got out of Congress? Can he explain that?

Mr. DAWSON. That is not so very hard to explain. Mr. Lanham was before our committee.

Mr. RICH. And he opposed this one in every way possible, did he not?

Mr. DAWSON. He was once a Member of Congress. Do you know his present occupation?

Mr. RICH. I know he is a fine fellow. I do not know what he is doing now. I suppose he is trying to earn an honest livelihood instead of putting through a lot of legislation which the present administration wants.

Mr. DAWSON. Then I am of the opinion if you knew what he is doing now, that would explain to you his interest in appearing before the committee at that time.

Mr. RICH. Are you ashamed to tell what he is doing?

Mr. HOFFMAN of Michigan. Did the gentleman from Pennsylvania get an answer to his question?

Mr. RICH. No, I did not get an answer. They never answer anything on that side.

Mr. HOFFMAN of Michigan. Mr. Chairman, the gentleman from Illinois, the chairman of our committee, asked did we know the present occupation of Mr. Lanham. In what way is that question relevant here? I think most of the Members of the House know Mr. Lanham, a former Member of the House.

Mr. DAWSON. I think he testified because if a person was paid to protect certain interests and asked to be heard as a witness we would hear him and we would also ask what his occupation was and what his interest was in the subject matter. He so testified before the committee, which would show the interest he had in the matter and why he came there. Once more, a small group of people, the patent attorneys, felt that any change might interfere with their status quo and that would place them against the reorganization plan to reorganize the Government.

Former President Hoover told the sales executive club of New York on Tuesday, May 14:

> Violent campaigns are being waged against many Presidential plans. Practically every single item in the program has invariably met with opposition of some vested official or it has disturbed some vested habit or has offended some organized minority.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, the gentleman from Illinois has used pretty near 5 minutes of my time. Will the gentleman yield me 5 minutes of his time?

Mr. DAWSON. I yield to the distinguished ranking minority member of the committee 5 minutes of my time.

Mr. Chairman, will the gentleman permit me to read the balance of this statement?

Former President Hoover added:

> It has aroused paid propagandists of these vested officials, vested habits, and organized propaganda groups, all of whom are in favor of every item of reorganization except that which affects the bureau or activity in which they are specifically or specially interested.

Mr. HOFFMAN of Michigan. In reply to that, I would say that is the old, old argument and we always have it

whenever we try to cut something somewhere someone always objects.

Mr. Chairman, what I really wanted to say, however, is that no Member of the House sitting today thinks for one moment that the opinion or testimony of Fritz Lanham would be influenced by the fact that he is employed by any group. If that argument were to apply here, then what about the Department of Labor which by law is not only authorized, but directed to look after the interests of the wage earner?

Mr. DAWSON. I will explain the difference to the gentleman if he wishes.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. DONDERO. Mr. Chairman, I was a Member of the House when Mr. Lanham was a Member. No finer or more honorable man ever represented his constituency in this body than Fritz Lanham. Whatever he said to the committee was said on the basis of sound judgment rather than any personal interest. I am here to defend the name of Fritz Lanham against any imputation that he would do wrong to further any special interest if he did not believe in it.

Mr. DAWSON. And no one would rally to his defense more quickly than I would, and I do not think he meant to do a wrong. I merely stated that his employment brings him within the group of people that former President Hoover was talking about when he said they are all for reorganization until it affects that special little group which they are specifically interested in. Then they are against reorganization. He did not appear before any other plan, but only appeared against this one.

Mr. HOFFMAN of Michigan. Let us get back to the resolution.

Economy and efficiency are desirable, but far more desirable and essential to people who would be free is the integrity and independence of those who interpret and administer our laws. As suggested by Justice Brandeis, efficiency and economy mean little to the individual who has lost his freedom of action.

Plan No. 5 should be rejected, for it gives no promise of either efficiency or economy, it would destroy the integrity of an agency which has functioned without serious criticism, which has promoted the progress of science and useful arts, encouraged the able and industrious, while, at the same time, it has protected the public.

Plan No. 5 should be rejected by an affirmative vote for House Resolution 546.

Mr. DAWSON. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I want to take just a minute to sincerely, though briefly, as a member of this committee, tell you of the great esteem and admiration I feel for our chairman. During both sessions of the Eighty-first Congress, he has been charged with the responsibility of guiding the reorganization plans through the hearings of our committee and then on the floor for the consideration of the Congress. He, at all times, has shown—and I am sure I speak for all the members of my committee—great tact, great understanding, and a great human heart. He has demonstrated great powers of intellect, and the ability to rise above the petty side of any issue to the loftier principles and policies involved.

I am personally grateful for the opportunity I have had in my short time in the Congress to be able to serve under his leadership. I hope I will have the honor and privilege of serving with him in this capacity and in others for many years to come.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROOSEVELT] has expired.

Mr. DAWSON. I thank the gentleman very much and I appreciate his words and I am embarrassed.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, I ask unanimous consent that I may insert this article by a good old Democrat on the whistle-stop campaign, at this point in the RECORD.

The CHAIRMAN. The gentleman is out of order. That request will have to be made in the House.

Mr. RICH. That is too bad.

The CHAIRMAN. The gentleman can get that permission in the House.

Mr. RICH. You think I can?

The CHAIRMAN. Undoubtedly.

Mr. DAWSON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. ROONEY].

Mr. ROONEY. Mr. Chairman, first permit me to say that I wholeheartedly join in the commendatory remarks just made by the gentleman from New York [Mr. ROOSEVELT], concerning my friend and colleague the distinguished gentleman from Illinois [Mr. DAWSON].

I am going to show the gentleman from Pennsylvania [Mr. RICH] how to get the item he holds in his hand into the RECORD.

I hold in my hand an editorial published in today's Washington News entitled "Republicans, Be Smart"——

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the gentleman is not speaking on the resolution.

Mr. ROONEY. I am addressing my remarks to the pending resolution.

Mr. HOFFMAN of Michigan. A point of order, Mr. Chairman. The gentleman is not speaking to the resolution.

The CHAIRMAN. The gentleman will proceed in order.

Mr. ROONEY. Mr. Chairman, I submit that I am proceeding in order and I assure you and the gentleman from Michigan that I shall show the pertinency of this in a very few seconds.

This editorial, as I have said, is entitled "Republicans, Be Smart." It reads in part as follows:

> If Republicans in Congress want to do something really smart, they should rally to the defense of the Hoover Commission's Government reorganization program.
>
> Bureaucrats who don't want to be disturbed by reorganization, Congressmen who want to protect their pet agencies, special-interest groups which would profit by keeping things as they are, all are attacking in force.

The gentleman from Michigan should carefully listen to this. It is meant for those on his side of the aisle.

Mr. HOFFMAN of Michigan. Mr. Chairman, I renew the point of order.

The CHAIRMAN. The gentleman from New York is proceeding in order.

Mr. HOFFMAN of Michigan. But he is not speaking to this present resolution.

The CHAIRMAN. The recommendations of the Hoover report are involved in this resolution, and the Chair rules that the gentleman from New York is proceeding in order.

Mr. ROONEY. I wish the gentleman from Michigan would carefully listen to the balance of this. He might gain something. I repeat:

> Bureaucrats who don't want to be disturbed by reorganization, Congressmen who want to protect their pet agencies, special-interest groups which would profit by keeping things as they are, all are attacking in force.
>
> In most cases, these (reorganization) plans accord closely with recommendations of the Hoover Commission.
>
> They would promote the efficiency and economy in Government which the Republican Party professes to consider so vitally important.
>
> Yet many Republicans seem inclined to vote against a large number of these plans on the misguided theory that it's good politics to oppose practically anything Mr. Truman favors.
>
> Such Republicans, actually, contemplate undoing major parts of the great job done by a bipartisan commission headed by their party's own elder statesman, Herbert Hoover.
>
> They should avoid such a foolish mistake. They should earn for their party credit for saving and making effective the best hope this country may ever have for sound and sensible reorganization of the Government.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. ROONEY. I yield to my distinguished friend.

Mr. RICH. It is not a fact that Republicans are opposing things that Mr. Hoover has recommended. What we oppose is the New Deal philosophy of trying to center everything in Washington.

Mr. ROONEY. Of course that last sentence is so much hogwash insofar as this debate is concerned.

Mr. RICH. Now you yielded to me.

Mr. ROONEY. Yes, for an intelligent question. But I did not yield to you for a speech. I understood the gentleman was going to ask a question. I respectfully suggest that the gentleman carefully read the Scripps-Howard editorial. He might learn something.

The CHAIRMAN. The time of the gentleman from New York [Mr. ROONEY] has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, I will say to the gentleman from New York [Mr. ROONEY] that we have heard several times today, and of course it is a fact, that a law is no better than those who administer it. It matters little or not at all what laws the Congress may write as long as we have an administration whose standard of honesty is measured by the statement of the President that he was on a nonpolitical trip. There is no use writing

any law unless it is honestly interpreted and administered. I doubt if there is a man or woman in the country who can read or write who does not know that the President's recent journey was a campaign trip, paid for by the taxpayers.

Mr. ROONEY. Mr. Chairman, will the gentleman yield for a question?

Mr. HOFFMAN of Michigan. He will give you time. I am through.

Mr. DAWSON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, at this late date, when most of the reports of the Commission on Organization have been published for well over a year, it would at first appear to be unnecessary to elaborate upon the principles upon which those reports were based. These principles were fundamentally sound. They have been given wide publicity. They have received—as has the work of the Commission on organization generally—a wide and a well-justified acclaim. Everyone professes to be in favor of the idea of reorganization and of the Hoover Commission recommendations for carrying it out—in general. There the agreement ends.

As soon as the attempt is made to apply these basic and generally accepted principles to specific situations, the "yes, but" boys begin to make themselves heard. They are in favor of reorganization; but they want reorganization if, and only if, it can be accomplished without making any change in some department, agency, or service in which they happen to be particularly interested. They want the other fellow's department or agency reorganized, in the interests of economy and efficiency, as long as their own remains untouched. The most popular means of achieving this objective is to establish a claim for exemption.

Mr. Chairman, and Members of the House, I want to emphasize the fact, as forcefully as I know how, that no worthwhile reorganization of the executive branch of Government will ever be achieved on the basis of such a philosophy. This task of Executive reorganization is one of the largest and most important now confronting the Congress and the American people today. It can be accomplished only by resolute adherence to sound principles of organization and management. The Commission on Organization has indicated very clearly what those principles are. The question before us is equally clear: Are we going to apply these principles systematically and consistently, or are we going to reject this plan or that because it does not strike our fancy, thereby making a mockery of the whole reorganization movement?

The group of reorganization plans now before the Congress represents a part of an over-all plan to bring about an Executive organization in the Federal Government in which: First, authority and responsibility will be concentrated in the head of the department or agency for all or substantially all functions performed by that particular unit of Government; second, there will be straight-line responsibility, and unbroken line of authority extending from the head of the agency on down through bureau and division chiefs, section and unit heads, to the individual employee.

This is the purpose, and it is the only purpose, of Reorganization Plan No. 5. This plan was drawn up and submitted in four sections, which I would like to discuss—briefly—in the order in which they appear in the text of the plan.

Section 1 deals with the transfer of functions to the Secretary of Commerce; it reads:

> Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of Commerce all functions of all other officers of the Department of Commerce and all functions of all agencies and employees of such Department.

The exceptions listed in subsection (b), which will be discussed a little later, are four in number, as follows:

First. Functions vested by the Administrative Procedure Act of 1946 in hearing examiners employed by the Department of Commerce.

Second. Functions of the Civil Aeronautics Board.

Third. Functions of the Inland Waterways Corporation.

Fourth. Functions of the Advisory Board of the Inland Waterways Corporation.

This transfer of functions from the heads of subordinate units to the head of the Department is important. The task force of the Commission on Organization on Department Management called attention to the anomalous situation then generally existing throughout the Federal service—a situation in which the head of the Department was held responsible by the President, by the Congress, and by the American people, for the administration of various units and services over which he had either inadequate legal authority, or, in many cases, no authority at all. Secretary Sawyer, in his testimony on Reorganization Plan No. 5, at the hearing of the Senate Expenditures Committee on April 27, 1950—page 25—commented very effectively on this point when he said:

> During my tenure as Secretary of Commerce, I have had many occasions to consider the nature of my legal responsibilities in connection with the various activities conducted by the Department. It has struck me rather forcefully that I am held responsible to Congress, to the President, and to the people for faithful execution of several functions for which the direct statutory authority is scattered among different bureau officials of the Department.

The obvious solution to this unsatisfactory situation is to make such changes in the law as may be necessary to transfer this scattered authority from the Bureau officials to the Secretary. This is exactly what the Commission on Organization recommended, and exactly what this first section of Reorganization Plan No. 5 seeks to accomplish. In its Report on General Management, the Commission said—page 7:

> Any systematic effort to improve the organization and administration of the Government, therefore, must: * * * (2) Establish a clear line of control from the President to these Department and agency heads and from them to their subordinates with correlative responsibility from these officials to the President, cutting through the barriers which have in many cases made bureaus and agencies partially independent of the Chief Executive.

In its Report on the Department of Commerce, the Commission recommended an internal organization of the Department, divided into four main services. Under the heading of Industrial and Commercial Service is included a number of agencies such as the Patent Office, the Bureau of Standards, the Bureau of the Census, the National Investors Council, etc. The Commission states in connection with its proposed internal organization:

> We do not, however, recommend a hard and fast rule. The Secretary should determine the organization and be free to amend it (p. 6).

It seems clear from this reference that the Commission intended the Patent Office to be one of the units of administration under the full and active supervision and direction of the Secretary of Commerce. Inasmuch as the Commission was very emphatic that the Secretary of Commerce should have authority to organize and control his Department and that separate authority to subordinates should be eliminated, the fact that the Commission made no specific recommendation for the Patent Office indicates much more strongly that the Commission did not intend to except that unit.

The Secretary of Commerce now has by law considerable control over the Commissioner of Patents and the Patent Office. The United States Code—1946 edition—deals with patents in title 35. Thus section 1 of that title recited that—

> There shall be in the Department of Commerce an office known as the Patent Office.

Section 2 provides that there shall be in the Patent Office a Commissioner of Patents, one first assistant commissioner, two assistant commissioners, and nine examiners in chief, who shall be appointed by the President, by and with the advice and consent of the Senate. Section 2 goes on to say:

> The First Assistant Commissioner and the Assistant Commissioners shall perform such duties pertaining to the Office of Commissioner as may be assigned to them respectively, from time to time by the Commissioner of Patents. All other officers, clerks, and employees authorized by law for the Office shall be appointed by the Secretary of Commerce upon the nomination of the Commissioner of Patents, in accordance with existing law.

Section 6 of this title, prescribing duties of the Commissioner, recites as follows:

> The Commissioner of Patents, under the direction of the Secretary of Commerce, shall superintend or perform all duties respecting the granting and issuing of patents directed by law; and he shall have charge of all books, records, papers, models, machines, and other

things belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, from time to time, establish regulations, not inconsistent with law, for the conduct of proceedings of the Patent Office.

Section 11 authorizes the Commissioner of Patents, subject to the approval of the Secretary of Commerce, to prescribe rules and regulations governing the recognition of agents, attorneys, or other persons representing applicants or other parties before his Office.

Further indication of the direction that the Secretary of Commerce now exercises over the Patent Office is given in Executive Order No. 9424, February 18, 1944, 9 F. R. 1959. This order directed the Secretary of Commerce to cause to be established in the Patent Office a separate register for the recording of all rights and interests of the Government in relation to patents and also authorized the Commissioner of Patents, with the approval of the Secretary of Commerce, to prescribe such rules and regulations as he might deem necessary to effectuate his purposes.

I cannot leave this question of the authority of the Secretary of Commerce over the Commissioner of Patents without making some observations on the general subject of exemptions. It is the desire of the administration, and of all of us who are sincerely interested in reorganization, that these basic principles of organization be applied throughout the Federal service on as nearly a uniform basis as possible. At the same time, it is realized that some exceptions must of necessity be made. The Bureau of the Budget, which, through its Division of Administrative Management, has the responsibility for the actual drafting of these plans, has had to grapple with this problem. In making decisions with regard to exemptions, it has acted on the basis of two very sound principles: First, that the number of exemptions should be held to an irreducible minimum; second, that such exemptions as are provided for should not only be justified, but that they be applied consistently wherever a given situation occurs.

The exemptions provided for in Reorganization Plan No. 5 have already been enumerated. The functions of the hearing examiners are exempted from transfer in this and other plans in the Nos. 1 to 6 group, in recognition of the need for independence for any primarily judicial work handled by them. They were not exempted in plans Nos. 7 to 13 because the limited transfer provided in those plans did not affect the status of the examiners. The exemption of the Civil Aeronautics Board in this plan was in accord with the general recognition of the principle that an independent board may be a necessary and effective instrument for fulfilling regulatory responsibilities. The Inland Waterways Corporation—and its Advisory Board—like other corporations connected with other departments, was exempted in recognition of its corporate form of organization, and in the belief that the existing arrangements afford the heads of departments adequate authority with respect to the corporations located within their respective departments.

During his appearance at the Senate committee hearing on Reorganization Plan No. 5, Mr. Frederick J. Lawton, Director of the Bureau of the Budget, testified that some consideration was given to the possibility of exempting the Patent Office from the effect of the plan, but that an adverse decision was reached on the ground that exemption could not be adequately justified. One such exemption invites others, and to the extent that such pressures are acceded to, you have—in the words of Mr. Lawton—"a series of semi-independent or semi-autonomous groups within a department" which the Secretary would find it either difficult or impossible to modify at some future time, should the need arise.

We followed the belief of the Hoover Commission, which we shared—

Continued Mr. Lawton, page 14—

that straight-line authority with responsibility and accountability in the department head for the functioning of his Department was the proper form of administrative organization for the executive branch.

There were, furthermore, certain other aspects of the situation of the Patent Office which seemed to justify this position and to make inadvisable an exemption regarding it. There is already in existence an appeals procedure, and a United States Court of Customs and Patents Appeals. These procedures and this court should provide assurance to the most questioning persons that the rights of petitioners will be no less secure in the future, if Reorganization Plan No. 5 becomes effective, than they have been in the past under the existing organizational arrangements.

Section 2 of the plan deals with the performance of the functions of the Secretary, granting him full authority to delegate any of his functions, including any of those transferred to him under the provisions of this plan. This provision is in full accord with sound principles of management. No high ranking executive officer, whether he be in public or in private employment, can possibly perform personally any considerable portion of the duties assigned to him. And that is not his job. His is the responsibility for organizing and directing the use of manpower, money, and materials in such a manner as to get the job done in the most economical and efficient basis possible.

I have been particularly impressed with the fact that in one instance after another, as these reorganization plans have been under consideration, and hearings have been held on them, the plea has been made that the concentration of authority in the hands of the Secretary might be all right as long as the group testifying had confidence in the Secretary, but that, at some future time, we might get a Secretary who was incompetent, dishonest, or personally unacceptable. The argument runs that, therefore, we should continue with an admittedly poor and inadequate administrative organization, for fear that some time in the future, the President of the United States might make a poor or unsatisfactory appointment to a particular Cabinet post.

Mr. Chairman, I must say that I have very little patience with this approach to problems of public administration on the basis of apprehension and fear. I refuse to accept and to act upon the theory that every official appointed by the President of the United States, the responsible head of this great Government, may turn out to be a scoundrel. Public administration in a democratic society simply cannot operate on any such basis. In our democracy, government functions under law. Our system presupposes responsibility under law in the selection of officials and in their administration of their duties, and its assumes—I believe it must assume—public trust and confidence in these officials, once they have been selected and duly appointed.

There are already in the Constitution and in the statutes adequate remedies available in that almost insignificant number of cases in which high public officials prove faithless to the trust and responsibility that has been imposed in them, or in which they prove to be incapable of discharging their duties. They may be removed by the Chief Executive, by whom they were appointed, and to whom they are administratively responsible. Their conduct of their office may be made the subject of investigation by a committee of the Congress, or in other instances, where the rights of private individuals or organizations are involved, resort may be had to the courts. I see no justification for hampering our efforts at executive reorganization because of the remote possibility of abuses for which suitable remedies are already clearly provided by law.

This type of arguments seems to me to be particularly lacking in merit, as related to Reorganization Plan No. 5. In this connection, it is claimed that the Patent Office should have been exempted because, while the present Secretary of Commerce is all right, some future Secretary might not be. Fear is expressed that the Commissioner of Patents might be subjected to pressure by a politically selected Secretary of Commerce, but may I remind you that there are no qualifications of any sort established by law for either of these positions. Both officials are selected by, are responsible to, and are removable by the President of the United States. What reasonable basis there may be for having a greater confidence in the one than in the other, or for distrusting the one more than the other, I am completely at a loss to understand.

According to information furnished to the Committee on Expenditures and included in its Report on Reorganization Plan No. 5 (H. Rept. No. 1976), there are eight bureaus and offices, including the Patent Office, whose powers and duties, now vested by law in the Bureau

Chief, would be transferred to the Secretary of Commerce. These are:

Weather Bureau.
Civil Aeronautics Adminstration.
Bureau of the Census.
National Bureau of Standards.
Bureau of Foreign and Domestic Commerce.
Coast and Geodetic Survey.
Patent Office.
Bureau of Public Roads.

Why the Secretary of Commerce would be any more likely to exert political pressure on the Patent Office, or why the effect of such pressure would be more disastrous in that office than in any one of these other agencies, I am likewise at a loss to understand. An example of another pressure group defending their own pet bureau—unwilling, and so forth.

Secretary of Commerce Sawyer has publicly stated that, if this plan No. 5 goes into effect, he will immediately delegate his duties with regard to the Patent Office to the Commissioner of Patents so that there will, in fact, be no disturbance of existing operating arrangements. In view of this assurance by the Secretary, and of the fact that by force of circumstances, any succeeding Secretary would in all probability do the same, I see no reason for alarm regarding the effect of the operation of this plan.

Sections 3 and 4 of Reorganization Plan No. 5 are uniform with similar provisions in other plans, and seem to have caused no controversy. Section 3 provides, in accordance with the recommendations of the Commission on Organization, for the establishment of a new Administrative Assistant Secretary of Commerce who shall perform such duties as the Secretary of Commerce shall prescribe. Section 4 provides for such incidental transfers as may be deemed necessary in order to carry out the provisions of this reorganization plan.

I have tried to make clear the purpose and effect of Reorganization Plan No. 5, and to consider such objections to it as have come to my attention. These objections do not seem to me to be valid, or in harmony with the purposes and objectives of the movement for executive reorganization. We, as Members of the Eighty-first Congress, passed last year the Reorganization Act of 1949, authorizing the President to prepare and submit to us, specific plans for the improvement of the organization of the executive departments and agencies. We made this authorization because, on the basis of past experience, this appeared to be a likely means of securing effective action in the field of reorganization.

Acting under the provisions of that law, in complete good faith, the President has now sent up more than 30 reorganization plans since that act was passed. He is doing his part, and I trust we will continue to do ours. We will not be doing our part if we accede to every plea of every pressure group that dislikes some particular provision in a reorganization plan, nor will we get an effective reorganization by that method. As President Robert L. Johnson, of the citizens' committee said in an address a few days ago:

Reorganization can be nibbled to death by its friends as easily as it can be bludgeoned to death by its enemies.

Mr. DAWSON. Mr. Chairman, I ask unanimous consent that all Members have permission to extend their remarks on House Resolution 522 and House Resolution 546, Reorganization Plans Nos. 6 and 5, respectively.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOLLING. Mr. Chairman, I am in favor of the President's Reorganization Plan No. 5, and will vote against House Resolution 546, which, if passed, would defeat this plan and further delay the reorganization of the executive establishment.

Mr. WAGNER. Mr. Chairman, in their report on general management of the executive branch, the Committee on Organization of the Executive Branch, after a thorough and objective review of operations of the executive branch, made the following observations which, in my opinion, are directly pertinent to plan No. 5:

The President and, under him, his chief lieutenants, the department heads, must be held responsible and accountable to the people and the Congress for the conduct of the executive branch.

Responsibility and accountability are impossible without authority—the power to direct. The exercise of authority is impossible without a clear line of command from the top to the bottom, and a return line of responsibility and accountability from the bottom to the top.

Any systematic effort to improve the organization and administration of the Government, therefore, must: * * * (2) Establish a clear line of control from the President to these department and agency heads and from them to their subordinates with correlative responsibility from these officials to the President, cutting through the barriers which have in many cases made bureaus and agencies partially independent of the Chief Executive.

(c) The line of authority from departmental heads through subordinates is often abridged by independent authorities granted to bureau or division heads, sometimes through congressional act or stipulations in appropriations. Department heads, in many instances, do not have authority commensurate with their responsibilities. Such bureau autonomy undermines the authority of both the President and the department head. There is, therefore, a lack of departmental integration in performing the department's major mission.

And in recommendation No. 18:

Each department head should receive from the Congress administrative authority to organize his department and to place him in control of its administration. * * * Each department head should determine the organization and be free to amend it.

In the report on the Department of Commerce, the Commission restated its position as follows:

We have urged in our first report that the foundation of good departmental administration is that the Secretary shall have authority from the Congress to organize and control his organization and that separate authority to subordinates be eliminated.

The Honorable Charles Sawyer, Secretary of Commerce, in a statement before the Committee on Expenditures in the Executive Departments of the House of Representatives, stated:

There is little that I can add to the words of this distinguished Commission except to say that my experience, both in business and as Secretary of Commerce, leads me to give my full support to the Commission's findings and recommendations on this subject. Reorganization Plan No. 5 is entirely consistent with these recommendations. Based upon my experience, it is difficult for me to believe that any business concern would give to subordinate officials authorities independent of the responsible head of the firm. Likewise, I do not believe that any business concern would be inclined to freeze organizational arrangements so as to make it impossible to adjust to changing conditions and new circumstances. There is no doubt in my mind that plan No. 5 is sound in theory and in practice. Only the most compelling evidence should be permitted to dilute or obstruct this plan. In my judgment, such evidence has not yet been presented.

The CHAIRMAN. Are there further requests for time? [After a pause.] The Chair hears none. The Clerk will read the resolution.

The Clerk read as follows:

Resolved, That the House of Representatives does not favor the Reorganization Plan No. 5 transmitted to Congress by the President on May 13, 1950.

Mr. DAWSON. Mr. Chairman, I move that the Commttiee do now rise and report the resolution (H. Res. 546) disapproving Reorganization Plan No. 5, back to the House with the recommendation that it be not agreed to.

The motion was agreed to.

Accordingly the Committee rose; and Mr. PRIEST having assumed the chair as Speaker pro tempore, Mr. GARY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 546) disapproving Reorganization Plan No. 5, had directed him to report the same back to the House with the recommendation that it be not agreed to.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, the resolution not having received the affirmative vote of a majority of the authorized membership of the House, the resolution is not agreed to.

So the resolution was rejected.

FEDERAL AID HIGHWAY ACT OF 1950

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 565, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, ap-

proved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, and all points of order against said bill are hereby waived. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH] and at this time I yield myself 1 minute.

Mr. Speaker, this resolution provides for the consideration of the bill H. R. 7941, which is a highway bill. This is an important bill, but it is one in which there is unanimity of opinion on both sides of the aisle. It simply provides for an authorization of appropriation to carry on a road-building program which has been in effect for some years.

Mr. WADSWORTH. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, the gentleman from Georgia has already described the rule which is now before the House and the effect of its adoption in bringing up for consideration the bill H. R. 7941. It is not my intention to take up the time of the House at this moment except to say that, speaking personally, I have grave doubts as to the wisdom of committing the United States Government to such large expenditures in the future.

Mr. COX. Mr. Speaker, this bill is an important bill and does provide for an appropriation of an enormous sum of money, but it is an amount which probably is necessary for the carrying on of a program that has been outlined and it is for something we have been carrying on a long time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

(Mr. WHITTINGTON asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole on the bill H. R. 7941 and to include certain tables and other matter.)

Mr. WHITTINGTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7491) to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

Mr. HOFFMAN of Michigan. Mr. Speaker, if the gentleman will yield, are you going to vote on this bill tonight?

Mr. WHITTINGTON. There are 2 hours of general debate. As far as I am concerned, I am going to go along until the gentleman and the other leaders ask me to stop work for today. Personally I trust we may finish general debate, read the first section, and that the Committee will then rise.

Mr. HOFFMAN of Michigan. Some of the Members of the House want an opportunity to vote on the bill. We would like to know if it is to be taken up tomorrow or disposed of tonight.

Mr. WHITTINGTON. I have answered the gentleman as best I can. I am not trying to dodge or equivocate. There are 2 hours of general debate on the bill. I would assume that if we finish the general debate the House would like to complete the bill this evening, but I cannot make any positive statement to that effect at this time.

Mr. HOFFMAN of Michigan. May I inquire of the leadership whether the bill is to be voted on tonight?

Mr. WHITTINGTON. I do not see the gentleman from Massachusetts [Mr. MARTIN] or the gentleman from Massachusetts [Mr. MCCORMACK] on the floor at the moment, but I will endeavor to find out and inform the gentleman as soon as I can locate them, and ascertain their wishes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present, but I withhold it until we find out if the bill will be voted on tonight.

The SPEAKER pro tempore. The Chair will count.

Mr. HOFFMAN of Michigan. Mr. Speaker, I withdraw my point of order for the present. I want a roll call on the bill, though, when the vote comes up.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 7941, with Mr. KARSTEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WHITTINGTON. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, a country without roads is a country which has never developed. Highways and progress have always gone hand in hand. Civilizations have advanced as highways have been constructed. The early roads of the United States were the roads of hope. They led the pioneers to new lands. They were the means of opening up new lands and extending civilization. In response to the need for transportation in the first 40 years of the Republic, Congress appropriated funds for a number of road projects. Thomas Jefferson early recognized the importance of roads. He stated that it was much more rational to spend public money for roads than for waging war. George Washington in 1785 in a letter to Patrick Henry said that the convenience of the country required that roads leading from one public place to another should be straightened and established by law. Appropriations were made for the Cumberland or National Road, and for roads for military and mail purposes. Travel was by coach, by canal, and by boat. The steamboat supplemented the stagecoach. With the advent of the railroads prior to the War Between the States, and with the expansion of railroads following that war, appropriations for Federal roads were discontinued. The stagecoach was supplanted by the passenger coach. The steamboat was supplanted by the passenger train. River traffic largely disappeared with the beginning of the twentieth century.

ONE HUNDRED YEARS

For almost 100 years there were no Federal appropriations for road construction. The roads were built and maintained by the States and counties, and the streets were constructed by the municipalities.

THE AUTOMOBILE

With the advent of the automobile in the beginning of the twentieth century better roads become imperative. Appropriations for experiments were made by Congress, and in 1912 Congress made a modest appropriation to construct a few roads as an example for State and local road building. Federal appropriations for roads, which were only small for about 40 years and then disappeared for almost 100 years, became a necessity when the motor vehicle was perfected. As Herbert Spencer said: "Progress, therefore, is not an accident, but a necessity." Good roads became imperative. They are responsible for the development of the motor vehicle and for the industrial and agricultural progress of the country. The growth and development of the United States today depends on adequate roads and streets.

FEDERAL AID ROAD ACT OF 1916

The Federal Aid Road Act of 1916 was the beginning of the present system of Federal aid. It was amended and perfected in 1921. It made provision for Federal aid for primary roads. Construction costs were on a 50–50 basis. Authorizations have been passed for 2-year periods since.

EXPANSION

In 1934 and in 1936 the policy of Federal aid was expanded and extended to embrace secondary roads. Railway grade crossings were eliminated. As the production of motor cars increased, highway construction increased. It was stepped up in the 1930's and particularly during the depression of that decade. During World War II, except in aid of the war effort in the construction of defense highways and access highways, highway construction was materially reduced and in many cases highway construction was delayed.

FEDERAL AID HIGHWAY ACTS OF 1944 AND 1948

Before the end of hostilities in 1944 Congress made provision for the continued expansion of Federal aid for highways. The act of 1944 provided for continued aid to primary roads and it extended and largely increased aid for secondary roads. It provided for aid for urban areas. It provided for the continued elimination of railway grade crossings. For the first and only time

authorizations were provided in the act of 1944 for each of the 3 years. On account of the increased cost of construction and the scarcity of material, construction was delayed. The act was amended to extend the time in which States could match Federal funds. The 1944 act provided for annual appropriations of $500,000,000 for each of the 3 years and also provided for an interstate system of approximately 40,000 miles primarily on Federal and State highways connecting all of the States of the Union.

The act of 1948 continued provisions of the act of 1944 and authorized appropriations of $450,000,000 for each of the two fiscal years, 1950 and 1951.

THE PENDING BILL

The Federal Aid Highway Act of 1950 now under consideration continues the main provisions of the acts of 1944 and 1948 and authorizes $500,000,000 for primary, secondary, and urban roads for each of the fiscal years 1952 and 1953. Comprehensive hearings were conducted and are available to the membership. The bill was unanimously reported by the Committee on Public Works. The report on the bill is full and complete and contains a detailed description of the bill section by section with the approximate apportionment among the States pursuant to the provisions of the bill.

TWO YEARS

Existing authorizations expire with the fiscal year 1951, and the bill, as stated, is for authorizations for the next two fiscal years in accordance with the policy that has obtained for more than 25 years of making authorizations every 2 years. Among other reasons for the passage of the pending bill is the fact that the legislatures of some 44 States of the Union convene in 1951 when provisions are made for matching Federal aid funds. The bill should be passed during the present session so that all of the States may be advised as to the program for the fiscal years 1952 and 1953, as the State legislatures must make provision for matching the Federal funds. The President in his budget message recommended $500,000,000 Federal aid for each of the said 2 years.

GENERAL PROVISIONS

As was the case with the 1944 and 1948 acts, 45 percent of the $500,000,000 annual authorization is for primary roads; 30 percent for secondary, feeder, or farm-to-market roads; and 25 percent for urban areas. All of the reasons for passing the acts of 1944 and 1948 apply with equal force for continuing and enlarging the highway program as provided in the pending bill. There is additional support for the authorization particularly on account of the phenomenal increase in the number of motor vehicles registered throughout all of the States. For 1949 the number of motor vehicles registered reached an all-time record of 44,350,000. The terms and provisions of the acts of 1944 and 1948 generally apply to the pending bill.

In addition to the $500,000,000 the bill authorizes an additional sum of $70,000,000 for each of said fiscal years for expenditure on the national system of interstate highways located on parts of the Federal aid highways designated in accordance with provisions of section 7 of the 1944 act. The bill also provides that any States that issue bonds for toll-free facilities to accelerate the improvements on the national system of interstate highways may apply for the funds apportioned to the States not to exceed the amounts apportioned to the States. The interstate system is in aid of national defense. The general public will benefit. Wider and better roads must be constructed.

There is a constructive provision in the bill that instead of penalizing the entire State for the failure of a county or other local subdivision to maintain the roads constructed with the Federal aid funds, the penalty will be confined only to the county or other legal subdivision.

The costs of rights-of-way especially in the urban areas and in the large centers of population have materially increased. The bill provides that the Federal share on account of the costs of rights-of-way shall therefore be increased from one-third not to exceed one-half.

Floods occur in some of the States every year. Federal aid highways, roads, and bridges are damaged. From time to time authorizations have been made for emergency relief funds in the repair or reconstruction of roads that have suffered serious damages from floods, hurricanes, tidal waves, earthquakes, severe storms, and other catastrophes. For such emergency work $10,000,000 is authorized to be appropriated.

There is a section in the bill to promote safety. The Commissioner of Public Roads is authorized and directed to assist in carrying out the program of the President's Highway Safety Conference and to cooperate with the State Highway Departments to advance the cause of safety on the streets and highways with a provision that not to exceed $75,000 of the administrative funds of the Bureau of Public Roads, may be used to promote safety.

In addition to the authorizations for the Federal-aid program, the bill contains the authorizations for work in the national forests, national parks and monuments, parkways, and roads on Indian reservations in substantially the same amounts as authorized by the 1944 act.

The local interests are required to maintain all Federal-aid roads. The plans for the construction of roads, while approved by the Commissioner of Public Roads, are executed by the State Highway Departments. As provided by section 12 of the act of 1921 the Federal statute with respect to minimum wages and hours is applicable to highway construction. The forest highways, the park roads and trails, and the parkways are constructed by the Bureau of Public Roads, and all Federal laws with respect to construction including the Fair Labor Standards Act respecting hours and minimum wages, and including the Bacon-Davis act with respect to the prevailing wages are applicable to the Bureau of Public Roads. The Forest Service constructs the roads and trails in the national forests and the Department of the Interior constructs the Indian roads.

CONTRACT OBLIGATIONS

The bill continues the authority for contract obligations that have obtained in all previous authorizations. Such authority is essential and was first provided in order to prevent the accumulation of appropriations in the Federal Treasury. It has obtained as I recall ever since the Budgeting and Accounting Act was passed during the Harding administration. Such authority is essential to the sound administration of the program and prevents appropriations from being made until the funds are required for payment.

MATCHING

The States are required to match the funds generally on a 50–50 basis but in the public lands States because of the ownership of lands in those States by the Federal Government and because of nontaxable Indian lands as provided in the Federal Aid Highway Acts including section 11 of the act of 1921, section 4 of the act of 1925, and section 5 (a) of the act of 1944 for years, the Federal contribution is in excess of 50 percent.

Under leave to extend, I include the following percentage of Federal and State cost of Federal aid highway projects prepared by the Bureau of Public Roads:

Percentage of Federal and State cost of Federal-aid highway projects

State	Federal share	State share
Alabama	50.0	50.0
Arizona	71.66	28.34
Arkansas	50.0	50.0
California	58.33	41.67
Colorado	56.66	43.34
Connecticut	50.0	50.0
Delaware	50.0	50.0
Florida	50.0	50.0
Georgia	50.0	50.0
Idaho	62.59	37.41
Illinois	50.0	50.0
Indiana	50.0	50.0
Iowa	50.0	50.0
Kansas	50.0	50.0
Kentucky	50.0	50.0
Louisiana	50.0	50.0
Maine	50.0	50.0
Maryland	50.0	50.0
Massachusetts	50.0	50.0
Michigan	50.0	50.0
Minnesota	50.0	50.0
Mississippi	50.0	50.0
Missouri	50.0	50.0
Montana	57.06	42.94
Nebraska	50.0	50.0
Nevada	82.69	17.31
New Hampshire	50.0	50.0
New Jersey	50.0	50.0
New Mexico	63.80	36.20
New York	50.0	50.0
North Carolina	50.0	50.0
North Dakota	50.0	50.0
Ohio	50.0	50.0
Oklahoma	52.78	47.22
Oregon	62.04	37.96
Pennsylvania	50.0	50.0
Rhode Island	50.0	50.0
South Carolina	50.0	50.0
South Dakota	56.17	43.83
Tennessee	50.0	50.0
Texas	50.0	50.0
Utah	73.76	26.24
Vermont	50.0	50.0
Virginia	50.0	50.0
Washington	53.68	46.32
West Virginia	50.0	50.0
Wisconsin	50.0	50.0
Wyoming	64.98	35.02
District of Columbia	50.0	50.0
Hawaii	50.0	50.0

Also under leave to extend, I include the following apportionment of Federal aid highway funds to the States under the provisions of the bill for roads on the interstate system, for primary, secondary, and urban roads, to wit:

Approximate apportionment of Federal-aid highway funds, pursuant to H. R. 7941[1]

State	Interstate system ($70,000,000)	Primary ($225,000,000)	Secondary ($150,000,000)	Urban ($125,000,000)	Subtotal—primary, secondary, and urban ($500,000,000)	Total ($570,000,000)
Alabama	$1,246,000	$4,605,000	$3,620,000	$1,160,000	$9,385,000	$10,631,000
Arizona	505,000	3,291,000	2,305,000	338,000	5,934,000	6,439,000
Arkansas	838,000	3,711,000	2,958,000	486,000	7,155,000	7,993,000
California	4,551,000	10,273,000	5,734,000	10,830,000	26,837,000	31,388,000
Colorado	519,000	3,948,000	2,661,000	872,000	7,481,000	8,000,000
Connecticut	862,000	1,421,000	784,000	2,660,000	4,865,000	5,727,000
Delaware	505,000	1,083,000	722,000	205,000	2,010,000	2,515,000
Florida	1,064,000	3,392,000	2,284,000	1,816,000	7,492,000	8,556,000
Georgia	1,364,000	5,419,000	4,117,000	1,433,000	10,969,000	12,333,000
Idaho	505,000	2,746,000	1,924,000	206,000	4,876,000	5,381,000
Illinois	3,605,000	8,442,000	4,587,000	8,788,000	21,817,000	25,422,000
Indiana	1,704,000	5,325,000	3,587,000	3,084,000	11,996,000	13,700,000
Iowa	1,128,000	5,354,000	3,826,000	1,432,000	10,612,000	11,740,000
Kansas	831,000	5,466,000	3,843,000	1,034,000	10,343,000	11,174,000
Kentucky	1,235,000	4,040,000	3,247,000	1,141,000	8,428,000	9,663,000
Louisiana	1,122,000	3,372,000	2,531,000	1,472,000	7,375,000	8,497,000
Maine	505,000	1,886,000	1,360,000	520,000	3,766,000	4,271,000
Maryland	928,000	1,872,000	1,204,000	1,846,000	4,922,000	5,850,000
Massachusetts	2,011,000	2,832,000	772,000	6,234,000	9,838,000	11,849,000
Michigan	2,711,000	6,925,000	4,191,000	5,931,000	17,047,000	19,758,000
Minnesota	1,271,000	5,856,000	4,042,000	2,031,000	11,929,000	13,200,000
Mississippi	909,000	3,923,000	3,175,000	505,000	7,603,000	8,512,000
Missouri	1,679,000	6,408,000	4,399,000	2,829,000	13,636,000	15,315,000
Montana	505,000	4,450,000	3,029,000	247,000	7,726,000	8,231,000
Nebraska	549,000	4,289,000	3,015,000	660,000	7,964,000	8,513,000
Nevada	505,000	2,871,000	1,931,000	83,000	4,885,000	5,390,000
New Hampshire	505,000	1,083,000	722,000	454,000	2,259,000	2,764,000
New Jersey	2,080,000	2,911,000	1,061,000	5,593,000	9,565,000	11,645,000
New Mexico	505,000	3,585,000	2,483,000	246,000	6,314,000	6,819,000
New York	6,141,000	10,295,000	4,134,000	17,314,000	31,743,000	37,884,000
North Carolina	1,649,000	5,339,000	4,370,000	1,394,000	11,103,000	12,752,000
North Dakota	505,000	3,220,000	2,298,000	175,000	5,693,000	6,198,000
Ohio	3,409,000	7,797,000	4,605,000	7,531,000	19,933,000	24,342,000
Oklahoma	982,000	4,831,000	3,529,000	1,147,000	9,507,000	10,489,000
Oregon	741,000	3,932,000	2,714,000	1,115,000	7,761,000	8,502,000
Pennsylvania	4,537,000	8,797,000	5,096,000	9,755,000	23,648,000	28,185,000
Rhode Island	505,000	1,083,000	722,000	1,011,000	2,816,000	3,321,000
South Carolina	854,000	2,955,000	2,429,000	595,000	5,979,000	6,833,000
South Dakota	505,000	3,419,000	2,424,000	194,000	6,037,000	6,542,000
Tennessee	1,380,000	4,717,000	3,638,000	1,526,000	9,881,000	11,261,000
Texas	3,214,000	14,227,000	10,074,000	4,527,000	28,828,000	32,042,000
Utah	505,000	2,545,000	1,698,000	465,000	4,708,000	5,213,000
Vermont	505,000	1,083,000	722,000	188,000	1,993,000	2,498,000
Virginia	1,324,000	4,115,000	3,215,000	1,492,000	8,822,000	10,146,000
Washington	1,102,000	3,783,000	2,582,000	1,885,000	8,250,000	9,352,000
West Virginia	828,000	2,360,000	1,970,000	712,000	5,042,000	5,870,000
Wisconsin	1,432,000	5,236,000	3,559,000	2,451,000	11,246,000	12,678,000
Wyoming	505,000	2,746,000	1,865,000	130,000	4,741,000	5,246,000
Hawaii	----------	1,083,000	722,000	428,000	2,233,000	2,233,000
District of Columbia	505,000	1,083,000	722,000	1,299,000	3,104,000	3,609,000
Puerto Rico	----------	1,137,000	1,173,000	843,000	3,153,000	3,153,000

[1] The population factors used in computing these apportionments were based on 1949 Census Bureau estimates of total population (1948 estimates for Hawaii and Puerto Rico), and on 1940 ratios of rural and urban population to total population. The area factor used was based on 1940 census data and the factor for mileage of rural delivery and star routes was based on 1949 data. The apportionments are subject to revision upon availability of 1950 data for population, area, and mileage of rural delivery and star routes.

ANALYSIS OF THE BILL, SECTION BY SECTION

I shall now undertake to explain the bill, section by section.

AUTHORIZATION OF APPROPRIATIONS

Section 1, as I have already stated, authorizes the appropriation of $500,000,000 for each of the fiscal years 1952 and 1953, and divides the amount 45 percent or $225,000,000 for primary roads, 30 percent or $150,000,000 for secondary roads, and 25 percent or $125,000,000 on the Federal-aid highway system in urban areas. The section provides that said sums shall be apportioned among the States in the manner now provided by law. There is a modification that will enable the latest available Federal census to be used instead of the census of 1940. This will enable the latest available population figures to be used in apportioning both secondary and urban funds.

ADDITIONAL AUTHORIZATION FOR INTERSTATE HIGHWAYS

Section 2 (a) of the bill authorizes an additional sum of $70,000,000 for each of the said two fiscal years to expedite construction on the national system of interstate highways. If the State uses Federal-aid funds on said national system of interstate highways, it would be possible to increase the Federal share above the 50 percent pro rata by as much as one-half of the State's 50 percent, assuming the State contributed 50 percent of the cost of the roads. It will be remembered that under the Defense Highway Act of November 11, 1941, the Federal share under that act was 75 percent of the costs. It will also be remembered that during the war access highways were constructed at the sole expense of the Federal Government. The interregional highway system is in the aid of national defense. It is proper, therefore, to increase the Federal contribution.

Section 2 (b) provides for accelerating the improvement of the interstate system by issuing bonds and applying for the State apportionment within authorizations for the payment of said bonds. No payment, however, is authorized except from the State's apportionment, and there is no commitment nor obligation on the part of the United States to provide such funds.

AVAILABILITY

I have already inserted a table which shows the approximate amount of the funds which each State will receive of the amounts authorized by sections 1 and 2 of the bill based upon the 1940 Federal census. Under sections 1 and 2 the States have 2 years in which to match the funds apportioned to them. There is a provision that sums shall be deemed to have been expended if a sum equal to the total of the sums apportioned to the State for such fiscal year is covered by formal agreements with the Commissioner of Public Roads. Any money not expended within the period provided by the law would lapse. These provisions are identical with those respecting the period of availability of the funds authorized by the Federal Aid Highway Act of 1948.

FOREST HIGHWAYS AND FOREST DEVELOPMENT ROADS AND TRAILS

Section 3 of the bill authorizes an appropriation of $20,000,000 for forest highways for each of the fiscal years 1952 and 1953. This is the same amount that was authorized in the Federal Aid Highway Act of 1948, but is $5,000,000 less than was authorized by the Federal Aid Highway Act of 1944. It also authorizes $17,500,000 for forest development roads and trails, which is the identical amount carried in the Federal Aid Highway Act of 1948. There is the omission of a limitation that will provide slightly more funds than are needed for the construction of forest roads in Alaska. The forest highways are constructed by the Commissioner of Public Roads, and the forest roads and trails are constructed by the Forest Service.

PARK ROADS AND TRAILS

Section 4 (a) provides for an authorization of $10,000,000 for each of the two fiscal years for roads, trails, and bridges in national parks and monuments and approach roads thereto. These are the same amounts authorized in the Federal Aid Highway Act of 1948. The construction is done by the Commissioner of Public Roads. There are provisions for maintenance and limitation on the amounts that may be used in the construction of minor roads.

PARKWAYS

Section 4 (b) authorizes $13,000,000 for each of the two fiscal years for the construction and maintenance of parkways to give access to the national parks and monuments, or to become connecting sections of a national parkway plan, over lands to which title has been transferred to the United States. This is $3,000,000 more than was authorized in 1944 and 1948. This increase is due to the fact that new parkways have been acquired or added to the parkway system of the United States since 1948. It is provided that not more than $500,000 shall be used for the maintenance of parkway roads and not more than $400,000 shall be used for the construction of minor roads and trails.

INDIAN LANDS

Section 4 (c) authorizes $6,000,000 for each of the two fiscal years for the construction, improvement, and maintenance of roads and bridges within Indian reservations and provides access to Indian reservations and Indian lands, which is the same amount that was authorized in the acts of 1944 and 1948.

PREVIOUS PROVISIONS

Section 5 provides that all provisions of the acts of 1944 and 1948 not inconsistent with the provisions of the bill shall remain in full force and effect.

MAINTENANCE

Section 6 amends section 14 of the Federal Aid Highway Act of 1921 so as to penalize the agency that is responsible for the maintenance of the Federal-aid road. The whole State will not be penalized in case a county or municipality fails to maintain a road. The penalty will be limited to the county or municipality.

RIGHTS-OF-WAY

Section 7 provides for an increase in the Federal share of the cost of rights-of-way from one-third to one-half. The evidence presented to the committee showed that in addition to the simplification in handling Federal aid, such provision is necessary in view of the increased costs of rights-of-way, especially in urban areas.

COOPERATION WITH STATE HIGHWAY DEPARTMENTS WITHIN NATIONAL PARKS

Section 8 is a new provision. It amends the existing law so as to authorize the Secretary of Commerce in which Department the Bureau of Public Roads is located to cooperate with the State highway departments and with the Department of the Interior in construction of the public highways within national parks and monuments and to pay all or any part of the cost thereof from funds apportioned to the States in the same manner as has been authorized in Indian reservations since the Federal Aid Highway Act of 1921.

EMERGENCIES

Section 9 authorizes the use of not to exceed $10,000,000 of any money heretofore or hereafter appropriated for emergency repairs, restoration, and reconstruction of Federal-aid highways damaged by floods, storms, or other catastrophes. Similar legislation was previously made in the acts of 1934, 1938, and 1943.

SAFETY

Section 10 authorizes the expenditure of not to exceed $75,000 by the Commissioner of Public Roads out of administrative funds to promote safety.

DELEGATION OF AUTHORITY

Section 11 authorizes the Secretary of Commerce to delegate to the Commissioner of Public Roads any authority vested in him under the provisions of the bill. The Bureau of Public Roads was formerly under the Department of Agriculture, then under the Administrator of Public Works, and then it was in the Federal Works Agency. More recently it was in the General Services Administration, and now it has been transferred to the Department of Commerce.

Sections 12, 13, and 14 are self-explanatory.

INCREASED COSTS

There has been an increase in the costs of construction from 1940 to 1949, of approximately 123½ percent. The increase since 1945 has been 48 percent, but little construction was done during and following the war. Generally the cost of construction today is double the prewar costs. For the last 2 or 3 years the average cost of highways per mile in Mississippi where I live is approximately $56,000, or to be exact, $55,700 per mile for 26.5 miles, while the average cost per mile throughout the United States is $86,200, or to be exact, for 22- or 24-foot concrete that is the average cost at 3,000 miles. An authorization of $500,000,000 is thus the equivalent of a prewar authorization of $250,000,000.

SELF-LIQUIDATION

For the fiscal year 1949 the Government collected $1,326,054,091 in highway-user taxes, of which $503,648,471 were derived from 1½-cent Federal gasoline tax. The policy of Federal aid for highways is self-liquidating.

TOTAL AUTHORIZATION

The total authorization including Federal aid for highways in the sum of $500,000,000 and including the aggregate of the authorizations for interregional national forests, national parks and monuments, parkways, and roads on Indian reservations of $136,000,000, totals the sum of $636,000,000.

THE FEDERAL-AID HIGHWAY SYSTEM

There are in the United States 3,300,000 miles of highways, roads, and streets. In the rural areas there are 3,000,000 miles, and over 300,000 miles are in the urban areas. Federal aid is being extended to 636,037 miles of roads today. The primary system in rural areas contains 219,588 miles. The secondary system is 398,488 miles. Urban roads total 18,000 miles. The interstate highway system is included in the primary and urban roads. It embraces 37,800 miles.

In the State system there are 349,929 miles. The city streets contain 316,537 miles. In addition there are 72,000 miles of roads under Government control in the national parks, forests, and reservations.

OBSOLESCENCE

The average life of a Federal-aid road is 30 years. Obsolescence is multiplying. Twelve thousand miles of primary roads must be reconstructed annually, and 30,000 miles of secondary roads must be reconstructed annually. Roads are wearing out.

REGISTRATIONS

There has been an increase of 35 percent in the estimated registrations of automobiles, busses, and trucks since 1940, and today they aggregate 44,350,000 miles. There has been an increase of more than 38 percent in the vehicle miles of traffic since 1940.

LOADS AND SIZES

The average load carried by trucks in 1948 was 38 percent higher than in 1941 and 73 percent higher than in 1936. Not only are the loads larger, but many of the trucks resemble boxcars and many of the trailers look like pullmans. Roads are being destroyed and lives are being lost on the highways. More roads and better roads are essential. Safety is most important.

NEW CONSTRUCTION

There were 20,000 miles of new construction in highways in 1948 but the production in that year of automobiles, busses, and trucks placed bumper to bumper aggregated 20,000 miles.

RURAL AND URBAN AREAS

One-half of the traffic is in the rural areas, and one-half in the urban areas. More and better streets, as well as more and better roads, are needed.

DIVERSION

The Federal-Aid Highway Act of 1934, known as the Hayden-Cartwright Act, penalized States for diverting gasoline taxes. That provision is permanent law. The inhibition against diversion as stipulated in said act remains.

There is a growing sentiment against diversion. The committee was advised that 21 States have amended their constitutions so as to prohibit the diversion of road-user taxes.

INCREASES OF STATE GASOLINE TAXES

As I recall, in the past 2 or 3 years some 20 of the States, as disclosed by the hearings, have increased the State gasoline taxes for road purposes. The highest State gasoline tax is in Louisiana. The tax is 9 cents per gallon, as I recall. Kentucky has an 8-cent tax. A number of other States have a tax of 7 cents a gallon. In a number of the larger States the rate is 3 cents a gallon. Generally the rate ranges from 3 to 9 cents a gallon in the States.

While there has been a tendency to increase the taxes, diversion is becoming less frequent.

THROUGH ROADS

A number of States like New York and New Jersey are expending hundreds of millions of dollars in constructing throughways, and other States like Pennsylvania and Ohio are spending large amounts in extending the Pennsylvania Turnpike. There is acute need for divided four-line highways, especially in the urban areas and within 10 miles of all large cities. Express highways are also being constructed in many parts of the country. The need for highways of all types was never greater.

THE PACE

While Federal aid contributes to the construction of approximately 15 percent of all highways, roads, and streets annually, it sets the pace for all road and street construction. Improvements are being made as a result of the experiments carried on in the laboratory of the Bureau of Public Roads. Foundations are being stabilized. Soil studies are contributing to a better type of road. The experiments are resulting in more economical local roads. The Bureau of Public Roads is leading in better road construction.

THE FUTURE

There is a $250,000,000,000 economy in the United States today. Production is not only essential in the economy of the United States but in the progress of the

Nation. The Federal Government is profoundly interested in highway construction. Employment is provided for millions. For the expanding population and for the progress of the Nation, production must be increased, and production without transportation is impossible.

The Federal-Aid Highway Act of 1950 will not only set the pace for the highway needs of the present but will provide for the highway needs of the future. The policy of Federal aid has been tried. It has been tested. It should be continued and expanded to provide for the multiplying needs of a $250,000,000,000 national economy and for a population of 152,000,000.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. STEFAN. Mr. Chairman, I wish to take this opportunity to commend the gentleman from Mississippi [Mr. WHITTINGTON] for his most unusual report on this very important Federal aid highway authorization bill. His wide knowledge of all highway matters is well known to all of us who serve on the committee on roads of the House.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield myself six additional minutes.

Mr. STEFAN. I wish the gentleman would be so kind as to turn to page 3 of the bill which he so completely explained. There are two questions I would like to propound of the gentleman. I have reference to this new feature for interregional highways which the gentleman indicates will take in about 40,000 miles of existing primary roads. Does that refer to the table on page 5 of the report headed "Interstate system—$70,000,000"?

Mr. WHITTINGTON. It does.

Mr. STEFAN. And indicates that the State of Nebraska will receive under that $549,000?

Mr. WHITTINGTON. That is right.

Mr. STEFAN. That is the new feature. This would be matched the same as the other money, 50 percent by the State and 50 percent by the Federal Government?

Mr. WHITTINGTON. Yes. The gentleman understands the $70,000,000 is not going to build 40,000 miles of interregional highways. Those highways are estimated to require something like 500 to 600 million dollars and it is further estimated it will probably take 20 years to rebuild and recondition them. This is to encourage the State to use their funds in rebuilding those interregional roads where they come through the States. The States will match and under this provision the Federal Government will allocate the additional sum that the gentleman mentioned to the State of Nebraska to supplement the matching.

Mr. STEFAN. That $549,000 will be in addition?

Mr. WHITTINGTON. Yes.

Mr. STEFAN. In addition to what they will match on the $70,000,000?

Mr. WHITTINGTON. Yes. Nebraska will be allocated $549,000 out of the $70,000,000 for each of the 2 years, in addition to the allocations to Nebraska out of the $500,000,000 authorized. Assuming the State of Nebraska matches 50–50 and the State of Nebraska applies to rebuild or to straighten out or to reconstruct an interregional section in its primary system, the State may apply to the Commission of Public Roads to increase the Federal contribution from 50 to 75 percent, so that Nebraska will only pay 25 percent, because the Nation at large will get more benefit from that interregional section than from other primary Federal-aid roads.

Mr. STEFAN. Is this $70,000,000 part of the $500,000,000?

Mr. WHITTINGTON. No. I said it was in addition. It is contained in this bill for the first time.

Mr. STEFAN. The bill authorizes $660,000,000?

Mr. WHITTINGTON. Yes. The bill, as I stated, authorizes the $500,000,000 for each of the 2 years for primary, secondary, and urban roads; and secondly, the $70,000,000 for international systems; and thirdly, the usual appropriations that are made for the forest roads, for the forest trails, for the park roads, and for the parkways, and $10,000,000 may be used for emergencies, for repairs. The aggregate of the $500,000,000, the $70,000,000, and the parks and other roads, is $660,000,000, substantially the same amount that we authorized in 1944 and again in 1948, with the said sum of $70,000,000 to supplement the Federal share, if desired, to 75 percent on those parts of the primary and urban roads that are on the interregional system, as explained in the report.

Mr. STEFAN. The gentleman has explained that very thoroughly, and I thank him very much. Now turn to page 9 of the bill, section 14, and the proviso beginning in line 14:

Provided, That in any State wherein the highway department is without legal authority to maintain highways so constructed—

And so forth.

Mr. WHITTINGTON. I understand the gentleman's question.

Mr. STEFAN. Is that a new proviso?

Mr. WHITTINGTON. It is, sir. I have mentioned it.

Mr. STEFAN. I want to say to the gentleman that I am very much worried about that proviso because it penalizes counties where perhaps they cannot do any maintenance work. You know, the Federal Government does not pay the States one penny for maintenance and repairs of highways.

Mr. WHITTINGTON. I anticipate the gentleman's question. The committee went into this section very carefully. Let me say that under existing law the States and the State highway departments are required to maintain Federal-aid roads, but when there is a county road, a farm-to-market road or a secondary road, that road is located at the request of the county authorities and approved by the State highway commission and those county authorities have got to provide for the maintenance of that road. This section stipulates that if the county authorities fail in Nebraska in one county to maintain the road as they have agreed to maintain it, the whole State of Nebraska, all the other counties in the State shall not be penalized and be prevented from getting any further Federal aid until that road has been repaired.

Mr. STEFAN. I do not read it that way.

Mr. WHITTINGTON. Even so, that is the way it should have been read. That was recommended to us by the State highway departments in the United States and I think it is most constructive.

Mr. STEFAN. The language of the bill is to the effect that if it is not being properly maintained he shall call such fact to the attention of the highway department.

Mr. WHITTINGTON. I stated that. That county is to be penalized alone without penalizing the entire State.

Mr. STEFAN. The States have not been getting anything at all for maintaining or repairing their highways.

Mr. WHITTINGTON. The Federal Government helps to build them and under the Federal Aid Highway Act the Federal Government has not maintained the roads. The Federal Government aids to build them.

Mr. STEFAN. Are you penalizing them if they do not maintain them?

Mr. WHITTINGTON. We have been authorizing that ever since we had a Federal-aid program.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield to the gentleman from Ohio.

Mr. McGREGOR. Is it not true that under existing law the whole State can be penalized because of the act of a portion of a State and we have corrected that in this bill so the whole State cannot be penalized on account of one section?

Mr. WHITTINGTON. I believe that is crystal-clear to everybody.

Mr. STEFAN. Does this meet with the approval of the various State road engineers?

Mr. WHITTINGTON. Yes. It was recommended very highly by them, as were the other provisions of this bill.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. DONDERO. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, we are living in an age of rapid transportation. The automobile has come in our day and generation as a means of rapid transportation. The entire Nation uses that particular method to travel from place to place, for pleasure and for business.

Fifty years ago there were about 8,000 registered cars in the United States. According to the National Commissioner, Bureau of Public Roads, today we have approximately 44,000,000 registered automobiles in the United States. By the end of 1950 it is predicted that that number will be increased to 45,000,000 cars, or about 78 percent of the automobiles of this world, one car for every 3.6 people in the United States. Great Britain has one car for 18 people, and the rest of the world one car for every 222 people. This is convincing evidence, when we consider the number of cars in this country, 78 percent of the world's

supply, of the wide distribution of the wealth of our country among the people of the Nation. It might be well for those among us who praise the ideologies of other countries, where we find but 1 car for every 222 people, to take note of the advantage and the privileges we have in America under the free enterprise system and free government in the United States.

During the World Columbian Exposition in Chicago in 1893 a motto was engraved over the doorway of the Transportation Building. It was a motto or quotation from one of Bacon's sayings. It was this:

> There be three things that make a nation great and strong; strong men, a fertile soil, and the easy conveyance of goods from place to place.

That last one includes good roads.

What Bacon said a century or two centuries ago applies with equal force today as we consider this bill, H. R. 7941, for the building of good roads in the United States. The bill is larger than the one we considered in the Eightieth Congress. I could wish that it were somewhat smaller. We could build and construct the necessary roads of our country if the bill was somewhat lower, but the amounts included in the bill have been recommended by the Public Roads Administration. Your Committee on Public Works listened to testimony for days and the consensus of opinion was that this program as outlined would best advance Federal-State highway construction at the present time.

I happen to come from the automobile capital of the world. Within the metropolitan area of Detroit, where I have the honor to represent a district, 14 different makes of automobiles are manufactured. Of course, automobiles and good roads are inseparable. You cannot have one without the other.

As has been so well stated by the able chairman of our committee, the roads of the Nation are wearing out. Travel greatly exceeds anything we have seen before. Earlier in the week when we were considering the road between Washington and Baltimore it was shown that over 32,000 vehicles traversed that road every day, an example of the immense amount of traffic that passes over our roads and highways. Naturally it wears them out. The average life of these roads runs from 20 to 30 years.

Unless this great system of roads is kept up and new roads built, quite naturally our method of transportation in time of peace and certainly in time of war will be greatly depreciated. It would soon adversely affect the business and economy of the Nation. For that reason it seems to me we must continue, as we have for many years past, to provide funds out of Federal money to assist the States in building and expanding this great network of roads.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. BROWN of Georgia. What percentage of the $500,000,000 is allocated to the secondary roads?

Mr. DONDERO. It is $150,000,000.

Mr. WHITTINGTON. That is correct, it is 30 percent of $500,000,000, or $150,000,000.

Mr. BROWN of Georgia. Then it is the same on a percentage basis as was allocated a couple of years ago?

Mr. WHITTINGTON. Yes; it is the same percentage as was allocated in the bill which the gentleman from Michigan [Mr. DONDERO] reported and which the House passed in 1948.

Mr. DONDERO. That is correct.

Mr. WHITTINGTON. If the gentleman will yield further.

Mr. DONDERO. Certainly I yield to my colleague.

Mr. WHITTINGTON. It is fair to say that the principal provisions of this bill are a repetition of the provisions of the act of 1948 as well as the act of 1944, except as we have pointed out in amendments to which both the gentleman from Michigan [Mr. DONDERO] and I have made reference in our remarks.

Mr. DONDERO. That is correct, with the one exception of $70,000,000, which is a new section, and which has already been called to the attention of the committee.

Mr. WHITTINGTON. That is correct.

Mr. ANGELL. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. ANGELL. Will the gentleman state to the committee the amount of revenue received from gasoline and oil taxes?

Mr. DONDERO. Yes; I will do that in just a moment. I have that in mind.

Mr. ANGELL. It is true, is it not, that much more money is raised by taxes on gasoline and oil than is put back into the roads?

Mr. DONDERO. Yes; far in excess.

I want to place in the RECORD the names of the automobiles manufactured either in the congressional district which I have the honor to represent, immediately adjoining, or in southeast Michigan including the Detroit area. These are the cars that are made in the automobile capital of the world: Cadillac, Buick, Oldsmobile, Pontiac, Chevrolet, Lincoln, Mercury, Ford, Chrysler, DeSoto, Dodge, Plymouth, Packard, and Hudson. There are 14 different makes.

To answer the inquiry of the gentleman from Oregon [Mr. ANGELL] as to how much money the people of the United States paid for the privilege of using the good roads and how much we pay in Federal taxes on gasoline, oil, and automobile accessories, as well as on automobiles. Last year the amount was $1,345,000,000. It is estimated that for this year the amount will be about $1,500,000,000. In this bill we are asking the Federal Government to pay back to the people of the States $636,500,000 each year for 1952 and 1953, or less than the 50 percent collected.

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. McSWEENEY. Is it not true that any educational program would have to be predicated to a great extent on the ability to get our children to school over a system of roads?

Mr. DONDERO. Oh, yes. And it also includes the transporting of people, whether to the office or factory, and other places of employment. It is one of the most important things we have to consider. All men cannot live near their place of employment. In my area some of them live as far away as 25 miles from their work. They need good roads to travel back and forth between their homes and their places of employment.

The whole economy of the United States, as I mentioned a minute ago, is closely linked with good roads.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. SHORT. While good roads are essential to maintain our domestic economy in time of peace, they are almost indispensable to the winning of a modern war because wars are lost or won by transportation.

Mr. DONDERO. The gentleman is entirely correct. We found that out in the last war.

How many miles of roads do we have in the United States? There are 632,000 miles of Federal-aid highways. At the present time we have 3,200,000 miles of roads and streets, classified as follows: The Federal-aid primary system comprises 231,000 miles, the secondary system 372,761 miles; the State primary system 39,000 miles; State secondary system 143,000 miles; other State roads 16,768 miles; county roads, 1,500,000 miles; township and other local roads, 634,000 miles; local city streets, 255,000 miles.

Mr. SHORT. Mr. Chairman, will the gentleman yield again at that point.

Mr. DONDERO. I yield.

Mr. SHORT. Considering the enormous size of the United States, more than 3,000,000 square miles, certainly our mileage of good roads is far below what it should be at this time.

Mr. DONDERO. We could use many more miles of good roads in this country to properly and adequately provide transportation for that increased number of automobiles and other motor vehicles which are coming onto the market and on the roads every day.

Mr. SHORT. It certainly would reduce the number of death casualties that occur each year. I think the Members should recall that during the war our road-building program was seriously interrupted. Many of our roads were pounded to pieces, particularly in those States that had great military installations, and particularly in the States where maneuvers were held. Those of us who visited Louisiana, Texas, and other States, witnessed highways literally torn to pieces because of the heavy trucks, even tanks, heavy artillery, bulldozers, steam shovels, and every other type of modern equipment.

Mr. DONDERO. I might say that my own city of Detroit, where great military installations were located during the past war, experienced that same amount of destruction in streets and roads, because of the heavy vehicles passing over them.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. STEFAN. The gentleman indicates that this year the gasoline tax and

other taxes would amount to around $1,500,000,000?

Mr. DONDERO. That is correct.

Mr. STEFAN. That is this year?

Mr. DONDERO. This year. It was $1,345,000,000 in 1949.

Mr. STEFAN. In the calendar year 1950 it will be $1,500,000,000?

Mr. DONDERO. That is the estimate.

Mr. STEFAN. We just passed a bill in the House appropriating approximately $455,000,000 for the road program for the fiscal year 1951. This bill makes authorization for the years 1952 and 1953?

Mr. DONDERO. Yes.

Mr. STEFAN. This half billion dollars that we are appropriating from the General Treasury of the Government must be matched by an equal amount from the States, making approximately a billion dollars?

Mr. DONDERO. That is correct.

Mr. STEFAN. Will the gentleman tell the membership what is the story of the gasoline taxes today; what is the highest tax and what is the lowest?

Mr. DONDERO. I think the State of Louisiana is one of the highest States in the Union. It ranges from 3 cents to 9 cents.

Mr. WHITTINGTON. The gentleman is correct. As a matter of fact, probably 20 States have increased the gasoline taxes in the last 2 or 3 years.

Mr. STEFAN. Because they cannot raise enough revenue to match the Federal contribution?

Mr. WHITTINGTON. No, not exactly that.

Mr. STEFAN. If they do not raise this tax, can they meet the Federal contribution requirements? Are some States up against it?

Mr. WHITTINGTON. For both purposes. Generally they want additional roads. Frankly, the people of this Nation are road conscious, and they are raising the taxes on gasoline in many States.

Mr. STEFAN. That is a very important question that I raise, and I would like to have the question answered. Are there some States in the position today where they cannot meet the Federal contribution?

Mr. DONDERO. I cannot answer the question directly, but I doubt it.

No evidence was presented to our committee, that any State was not able to do it.

Mr. STEFAN. Maintenance and repair of our roads and highways is one of the greatest problems facing our country today. States cannot get Federal funds for this purpose under present laws. The States must pay this huge expense for maintenance and repairs 100 percent from their own funds. It results in some States having serious trouble in matching Federal funds for the regular road construction programs. That is one reason why some roads in some States cannot be constructed. It results in shrinking the programs in some States to expand their programs on primary and also secondary roads. There have been some suggestions that sometime in the future demands may be made upon the Federal Government to come to the aid of States in their tremendous maintenance and repair problem.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. DONDERO. Mr. Chairman, I yield myself three additional minutes.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield.

Mr. WHITTINGTON. The information furnished the committee by the Bureau of Public Roads is that all States will be able to match the funds that have been allocated to them up to the 1st of July and that no State will be in default. The gentleman will keep in mind that each State has 2 years within which to match. If they default, that money goes back into the Treasury and is allocated to the other States.

Mr. STEFAN. Has there been some diversion of the gasoline and road tax?

Mr. WHITTINGTON. There has not been much. There was back during the depression, to provide for unemployment. Under the laws of some States, by constitutional provision, some of the gas funds have been used, but that could not be called "diversion," because it has been so from the beginning. But under the general Federal-aid road laws, including the act of 1934, a State is penalized if it diverts its gasoline taxes to other purposes.

Mr. DONDERO. Permit me to say, as an indication of the extent the roads of this country are being used, last year the testimony before our committee showed that 32,000,000 people visited our national parks and recreation centers. About one person out of every five of the entire population. I mention that to show the need for more and better highways.

It may be of some interest to know the amount and how these excise taxes are levied on automobiles, gasoline and oil, and where we get this $1,345,000,000 which was collected last year from the automobile users of this country. I have the figures before me. These are Federal taxes only.

Seven percent on automobiles and motorcars. That is 7 percent excise tax. Five percent on trucks, busses, tractors, and semitrailers. Five percent on parts and accessories. One and one-half cents a gallon on gasoline. Six cents a gallon on lubricating oils.

As chairman of the Committee on Public Works in the Eightieth Congress, I supported a Federal-aid highway bill that corresponds substantially to the authorizations of H. R. 7941. I urge the adoption of H. R. 7941, which is reported to the House by the unanimous vote of the Committee on Public Works, that our highways may keep pace with the growing motor transportation needs of our Nation.

Mr. WHITTINGTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

DUTY OF FEDERAL GOVERNMENT TO MEET NEEDS OF PEOPLE WITHIN THE CONSTITUTION

Mr. PATMAN. Mr. Chairman, today it seems that every effort to have our Federal Government meet the needs of our people is branded by some people as socialistic.

Yet, those who recklessly bandy about the charge of socialism never seem to recognize the fact that the Government has certain responsibilities. They like to ignore the fact that the Constitution of the United States placed upon the Federal Government the benefit of promoting the general welfare.

They like to ignore the fact that the Congress of the United States by almost unanimous vote enacted the Murray-Patman Employment Act of 1946.

They like to forget section 2 of the Employment Act of 1946 which declares that it is the responsibility of the Federal Government to utilize all its plans, functions, and resources to promote maximum employment, production, and purchasing power.

The philosophy which guided Congress in making this historic declaration has been recited time and again by thoughtful Americans in both of our great political parties. That some thought has been expressed on many occasions by those whom the President appointed and the Senate confirmed to administer the Employment Act. To take one example from many, Leon H. Keyserling, now Chairman of the Council of Economic Advisers, wrote an article in June 1945 for a businessman's magazine located in Detroit, called Bildor. In this article, long before anyone thought there was to be a council of economic advisers, Mr. Keyserling, who is widely recognized as one of the ablest and most courageous men in Government today, said:

> A democratic and free society, in its own self-interest and self-preservation, cannot afford to let any part of its population fail to enjoy at least basic minimum standards with respect to such things as their health, their shelter, their food, and their clothing, plus protection against unemployment, accident, and old age.

He then pointed out that private business also has a responsibility, that in fact the primary task of the Government is to encourage private enterprise:

> Our system of private enterprise should be encouraged and stimulated to do as big a job as it can, but insofar as it falls short of providing these basic securities, the people should act through the medium of their Government in striving for the balance.

The same article provided an affirmative answer to the phony charges of socialism which at that time were being uttered by the devotees of Hayek's The Road to Serfdom. Let me quote from the same article:

> The practical application of this philosophy will place private enterprise on a basis of more stable and flourishing prosperity than ever before, and will consequently offer the prospect of a tapering off of the volume and scope of governmental activity. Conversely, the rejection of this philosophy, by confusing freedom with license or irresponsibility, and by confusing security with socialism, can lead only to bitter internal divisions, economic breakdown, and a vast increase in governmental activity.
>
> This economic policy seems to present to us, in modern dress, the same central problem of our democracy which Lincoln had in mind when he talked about a government strong enough to protect the interests of the people and yet not so strong as to invade their liberties. We must arrive at that

middle ground of cooperation between enterprise and Government which is essential in the American tradition; adjust this cooperation to the complex economic problems of today and tomorrow; and make this cooperation the vehicle for keeping our Government democratic and our enterprise truly free.

It seems to me that in this important but now forgotten article, the Acting Chairman of the Council of Economic Advisers expressed the sentiments felt by the great majority of the Members of Congress when they voted for the Employment Act of 1946.

At a time when we need above all a practical and realistic understanding of the responsibilities of the American Government, at a time when free enterprise is being challenged throughout the world, we would all do well to stick by this philosophy rather than be led astray by those who brand almost every governmental action as socialistic.

RFC TRANSFER TO DEPARTMENT OF COMMERCE MISUNDERSTOOD BY BUSINESS WEEK

The President's recent proposals with respect to the RFC have been the subject of interesting and completely contradictory interpretations. The May 13 issue of Business Week carries an article titled "Truman's Death Knell for the RFC" which claims that the reorganization plan transferring the Corporation to the Department of Commerce will "virtually kill" the RFC and make it "a stand-by agency prepared to finance production and construction in case of war." On the other hand, a Washington Post editorial, also on May 13, criticizes the President for not converting the RFC into a stand-by agency and for recommending a broadening of its lending powers. It is small wonder that the average citizen who wants to find the facts is often confused. A careful reading of the President's message transmitting Reorganization Plan No. 24 relating to the RFC and his special message on small business lends no support to the charge that the President is attempting either to kill the RFC or greatly to expand its operations.

NO ULTERIOR MOTIVE

There is no need to search for an ulterior motive. The proposed reorganization has the single and laudable purpose of improving Government organization and making more effective the Government's services to business, particularly small business. The President expressed this purpose clearly when he said:

> This reorganization plan is an important step in simplifying the organization of the executive branch of the Government and also in making more effective the various Government services to business.

In his small business message the President stated:

> Moreover, by concentrating in the Secretary of Commerce the supervision of the principal services to small business, we can more effectively mobilize the variety of resources available to the Government in meeting these problems.

ORDER RESTORES FORMER SITUATION

The transfer of the RFC to the Department of Commerce merely restores the situation which existed from February 1942 to February 1945. As many Members of the House will recall, the removal of the RFC from the jurisdiction of the Secretary of Commerce was motivated by reasons wholly unrelated to any congressional determination as to the appropriate role and organization of the RFC. The Hoover Commission unanimously recommended that the RFC should be placed again within an executive department. The Commission was divided as to whether this Department should be Commerce or the Treasury.

The President gave careful study to the Hoover Commission's recommendation. In his judgment, the activities of the RFC, like those of the Department of Commerce, are designed to assist the development of American business and industry; they are not related to those of the Treasury which is neither a lending agency nor an agency charged directly with the responsibility for promoting business. He, therefore, in accordance with the specific direction of the reorganization act that the Government be organized according to major purposes, recommended that the RFC be returned to the Department of Commerce.

SAME AS IN AGRICULTURE

I have long advocated the strengthening of the Government's services to business, especially small business. We have already demonstrated in the field of agriculture what can be done and we should profit from this experience in approaching problems of small business. The small-business man needs and should be afforded assistance similar to that now furnished to the farmer. By grouping in one agency the principal services to business, both financial and nonfinancial, the reorganization plan follows the pattern established in 1939, when the major agricultural credit programs were transferred to the Department of Agriculture.

It is only by this kind of organization that we can make it easier for the small-business man to take advantage of the various forms of Federal assistance available to him. It is only through unified supervision that we can assure the most effective and coordinated direction of our aids to small business. The purpose of the reorganization is to provide such unified supervision. This is its exclusive purpose.

CORPORATE POWERS OF RFC BOARD NOT AFFECTED

An analysis of Reorganization Plan No. 24 makes it clear that, except for placing the RFC under the supervision, coordination, and policy guidance of the Secretary of Commerce, it in no way alters its corporate powers or the functions of its Board of Directors. The Corporation's status within the Department of Commerce will be much the same as that of those 35 wholly owned Government corporations, including the Federal intermediate credit banks, Federal Crop Insurance Corporation, Federal Savings and Loan Insurance Corporation, and Commodity Credit Corporation, which are already within departments or agencies or subject to the supervision of department heads. In addition to the RFC, there are at the present time only two independent wholly owned Government corporations—the Export-Import Bank and the Tennessee Valley Authority.

The President has recommended that certain housing functions be transferred from the RFC to the Housing and Home Finance Agency. The purpose of these transfers, just as in the case of the RFC transfer to Commerce, is to improve Government organization by grouping programs according to their major purpose. The removal of these housing functions will not weaken the RFC, but, on the contrary, will enable the Corporation better to concentrate its energies on the fulfillment of its basic mission.

REORGANIZATION PLAN NO. 24

Reorganization Plan No. 24, by itself, neither decreases nor increases the functions of the RFC. It is hoped, however, that the provision of other types of aids, such as insurance of bank loans up to $25,000 and the establishment of privately owned national investment companies, will substantially reduce the need for direct loans by the RFC. But the RFC will still have a vital role to play. The RFC is our last line of defense, and it must not only be retained, but also strengthened so that it can meet reasonable demands for credit which private institutions are unable or unwilling to provide. The RFC can perform this essential job most effectively if its operations are closely integrated with other services to business under the supervision of the Secretary of Commerce.

(Mr. PATMAN asked and was given permission to revise and extend his remarks.)

Mr. WHITTINGTON. Mr. Chairman, I yield 8 minutes to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, I strongly urge that the purposes of H. R. 7941, which is now being considered, be acted upon favorably. This bill, providing approximately $600,000,000 per year for a 2-year period in Federal grants to States for highway construction is of tremendous importance to each of the 48 States—not only as a means of improving the highways which is a most important factor, but as a means of supplementing the employment and utilizing the labor for national benefit.

As chairman of the Subcommittee on Roads of the Public Works Committee, I approached the President last year concerning the need for better highways and he indicated his interest and strong support for better roads throughout the country, realizing I am sure that ease of intra and interstate transportation, or travel, has contributed greatly to the growth and wealth of this country, as well as the understanding existing between our people.

During the time that hearings were held on this legislation, I heard many qualified persons testify and their testimoney proves conclusively the unquestioned need for bringing the country's highway transportation system to a higher standard of efficiency. As I just pointed out, the Nation's economy would benefit in many ways if adequate highway facilities are provided.

During the recent war, great numbers of our armed forces were engaged in road building. Had we had adequate highways, this would not have been nec-

essary and their endeavors could have been utilized to a much better advantage. Thousands and thousands of miles of road were built by the Army.

The use of the highway today is expanding at a record-breaking rate. When the automobile became a necessity, instead of a luxury, good roads likewise became a necessity for the rich and the poor, for business and pleasure.

The trucking industry is of tremendous importance. Nearly 8,000,000 trucks now operate throughout the United States, an increase of 3,000,000 since the war. It is estimated today that 60 percent of all commodities move over our highways. Many of these roads are outmoded and in need of constant repair. At the time they were built, no one could envision the traffic as it is at present and the cost of maintenance and repairs is a constant recurring one. Thousands of miles must be rebuilt wider, heavier, and in many instances, straighter.

While maintenance organizations are performing a splendid job, nevertheless, it is an expensive one because money spent for maintenance and repairs does not have the same economic value as money spent for construction. In other words, the more money spent for maintenance and repairs, the less there is to be expended in capital outlay.

The motor truck is an integral part of our economic life, and from the reports of the improvements which are taking place in the motor industries, it is safe to assume that this is not a passing phase of our development. It is a specific fact which cannot be disputed that adequate highway facilities will advance greatly the economic value of motor transportation thereby stimulating growth in other industries and vitally effecting the Nation's economy. From the President down, I do not believe there is any variance in opinion over the fact that there is need for a larger highway-construction program. The problem to overcome is the financing. That is our problem today. The passage of this bill would be a partial present solution.

While I do not cry "war," I have brought continually to the attention of the House and to the committee of which I am a member the importance of being prepared and one of the factors of preparedness is a mobile nation. Should the cold war develop into a warm one, we have no assurance now where the attack would first come. Certainly we know that railroads and large industries would be among the first targets. Good roads would give an added avenue for escape or attack, as well as transportation to and from any section.

In speaking for this bill, I feel that I should bring to the attention of the House, the services of our good chairman, the Honorable WILLIAM M. WHITTINGTON. He has been in Congress since 1924 and will have served continuously 26 years the end of this session. Under his able chairmanship, there have been many pieces of important legislation developed and passed, among them legislation improving the highways of our country.

I should like to say, at this time, that it has been a distinct honor and pleasure to serve on the Public Works Committee with Mr. WHITTINGTON. He is respected by the Members for his honesty, fairness, and his impartiality. They recognize that he is one of the best-informed men in the country on the subject of flood control, roads, and rivers and harbors. Men in Government and private industries who have cause to contact the committee are all impressed by the qualifications which I have just outlined.

As you all know, Congressman WHITTINGTON is retiring at the end of this session. It will be a loss to the State of Mississippi and to the Nation as a whole. I feel that the passage of this legislation today would be one of the culminating achievements of his career as chairman of the Public Works Committee.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Chairman, I first want to concur in the statement made by the distinguished gentleman from Maryland with regard to the activities of our retiring chairman of the Committee on Public Works.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MCGREGOR. I yield to the gentleman from Michigan.

Mr. DONDERO. I should like also to confirm what the gentleman from Maryland said about our distinguished chairman. I join heartily in the remarks and the sentiment he expressed regarding the gentleman from Mississippi [Mr. WHITTINGTON], our chairman, who will retire voluntarily from Congress this session.

Mr. MCGREGOR. I have served under his leadership for about 10 years. Without question he is more familiar with the subjects that come before his committee than many, many of the witnesses that appear before us who are supposed to be experts in their particular lines. At a later time I expect to say more relative to our distinguished chairman.

Mr. Chairman, I want to discuss with you just a few minutes the bill that is before us for consideration, H. R. 7941. I concur in the statement made by previous speakers that without question this legislation must be passed. My personal opinion is that there should be a few changes made, but in the over-all picture we must recognize the needs of our highway system.

I know of no project submitted to the people that will give more employment than a mile of road construction. Its ramifications are broad. It really gives employment in the area where it is absolutely needed.

However, I do want to call to your attention the fact that in this particular piece of legislation we are starting on a new procedure. Let us not be misguided about it, because section 2 definitely starts us into a new field. Prior to section 2 of this bill we have always had a 50–50 matching basis. I have heard a number of Members on the floor asking if there is a section in the bill that has a 75–25 matching basis. I definitely say there is. That is section 2. It is based on 75 percent of the money being allocated by the Federal Government and 25 percent being matched by States. I refer to that portion of the bill which calls for $70,000,000 for the interstate highway system.

I recognize the fact that the 75 percent will not be used if the States do not want to use it. They can still go along on a 50–50 matching basis. But when we come down to the actual reality of the subject, there are very few States that will not ask for the 75 percent of Federal funds.

Let us all remember that there is not a State in this Union that is not better fixed financially than our Federal Government. We are saying, "Let us give the interstate system 75 cents from Federal Government and 25 cents from State." If you are going to do that for the interstate system and take care of some of the city folks, we of the rural districts in a very short period of time will say that what is good for one group is good for another. The first thing you know we will be outside the category of a 50–50 matching clause and away on a 75–25 basis.

Some of you know that I have been quite interested for a long time in what are known as farm-to-market roads. Here we establish a new procedure. This bill is in excess of the bill of the last biennium. At that time we carried an authorization for $450,000,000. This one is for $500,000,000, on a 50–50 matching basis, and $70,000,000 for the interstate system on a 75–25 basis. So in reality we have before us today a bill carrying $120,000,000 over what the authorization was for the last biennium.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. MCGREGOR. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. It is fair to say in that connection, and of course the gentleman is correct, that, when we passed the authorization back in 1948, when that bill left the House it carried $500,000,000 and we agreed to $450,000,000 in conference.

Mr. MCGREGOR. The gentleman is correct, as he usually is, but the bill that was passed and is now law calls for $450,000,000. This one calls for $500,000,000 plus the $70,000,000. So I believe my statement is still correct that we are $120,000,000 over what the existing law provides.

I think we recognize that in the last year we have completely destroyed approximately 23,000 miles of highways and have constructed only approximately 20,000 miles of highways. In other words, our highway system is 3,000 miles worse off than it was last year. What is causing this, as was so ably brought out by the distinguished gentleman from Maryland and other speakers, is that our tremendous load increases have so depreciated and torn up our roads that it requires practically all the money our States have to take care of the maintenance. They do not have the money to match the Federal funds for construction costs.

Getting back to my pet theory, that is, farm-to-market roads, I am of the firm belief that the activities of those officials in charge of our highway program are such that they have not carried out the

intent of the Congress. I refer to Public Law 834 of the Eightieth Congress, and I quote from the law:

In selecting county and township roads on which funds are to be expended, the State Highway Department shall cooperate with township trustees and other appropriate local road officials.

It was my privilege to introduce that amendment 2 years ago. I appreciate the fact that our committee accepted it and the Eightieth Congress accepted it, but I cannot help but make the observation that we still have too many muddy roads in the United States, because on the local road distribution we have 49.4 percent of the miles unsurfaced and 50.6 percent of the miles surfaced. In other words we still have 49.4 percent of mud roads.

Again I say, Mr. Chairman, it is time that we gave further consideration to these matters and insist that the proper officials of the highway department, whether it is of our State or of our National Government, get our farmers out of the mud before we spend $70,000,000 for an interstate highway system based on a 75–25 matching formula.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. WHITTINGTON. The gentleman from Ohio is very modest. No member of the committee, or of the House, has been more vigilant in behalf of the township roads, or as we know them, in many cases the county roads, than the gentleman from Ohio. If the gentleman will permit me, I should like to point out to the committee that as a result of his vigilance and persistence the committee has been advised that none of those roads are to be selected or approved, and that whatever work is done on the farm-to-market or feeder roads will be done at the request of the local authorities, and that the Bureau of Public Roads will see to it, and if anybody brings it to their attention they will see that the State highway commission does not disregard the township or county authorities.

The gentleman from Ohio is entitled to much of the credit. The committee was advised by the Commissioner of Public Roads that the recommendations of the township and county authorities would have the consideration of the Commissioner even in cases where the highway department might refuse to approve.

Mr. McGREGOR. I thank my chairman for those remarks, because under the existing law it says that the State highway department shall advise and take into consideration and consult with the local and township and county commissioners and township trustees. Some of our highway officials have taken that particular clause with a grain of salt, and when they establish secondary and farm-to-market road systems and programs the various county commissioners and township trustees have not been called upon to make suggestions before the road program is finally adopted. So I am very glad to hear from our chairman that the Public Roads Administrator will insist that local officials, both county and township, will be consulted as to how and where the money will be spent. This will be good news to the farmers, school-bus drivers, and mailmen of our Nation.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. STEFAN. I think the language of the law was "in cooperation with the county commissioners and county supervisors." I believe that was an amendment which I suggested at the time the bill was written.

Mr. McGREGOR. That is right.

Mr. STEFAN. Has there been any change in it at all? Is the word "cooperation" in the law, or is it an authorization? Do they have some authority or some responsibility?

Mr. McGREGOR. It says, and I quote from the law:

In selecting county and township roads, on which funds are to be expended, State highway departments shall cooperate with the township trustees and other appropriate local road officials.

Mr. STEFAN. Yes; I wanted to know just exactly what the language was.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DONDERO. Mr. Chairman, I yield three additional minutes to the gentleman from Ohio.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. WHITTINGTON. If the gentleman from Ohio will pardon my interrupting him, since the gentleman from Nebraska has asked that question, I am glad the gentleman from Ohio went into the matter of the township and county roads because no man is more responsible for the initiation of this program which was started in such a modest way in 1934 and 1936 than the gentleman from Nebraska [Mr. STEFAN]. With the permission of the gentleman from Ohio, I would like to say I have refreshed my memory and in response to his question with the respect to diversion that the committee, as disclosed by the hearings, was advised, as I have already stated, that 21 of the States now have a constitutional inhibition against diversion and that the provisions of the Federal Aid Act of 1934 against diversion still obtain.

Mr. STEFAN. I thank the gentleman from Mississippi, as well as the distinguished gentleman from Ohio.

Mr. McGREGOR. I might say to the distinguished gentleman from Nebraska that I, too, recall distinctly his activity with respect to the farm-to-market secondary roads. I am sure it will do his heart good, as well as the heart of the gentleman from Ohio who is now speaking, when our chairman tells us that today he has been advised by the Public Works Administration that our county commissioners and township officials and local officers are going to be given some consideration when the road program is mapped out. They will have some say as to where the money is to be spent, and that, Mr. Chairman, is the intent of Congress.

Mr. STEFAN. I want to thank the greatest booster of the farm-to-market roads that the State of Ohio ever had.

Mr. McGREGOR. I thank the gentleman very kindly.

Mr. Chairman, in my opinion, this bill must pass. There are some amendments which will probably be suggested because I think the House should decide whether or not they want to start on the 75–25 matching basis or continue the 50–50 matching basis. I think we should decide whether or not we want to increase this authorization $120,000,000. Personally, I recognize the tremendous need for an adequate highway program.

Mr. WHITTINGTON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. PICKETT], a member of the committee.

Mr. PICKETT. Mr. Chairman, for the third time in the history of our Government, we have under consideration a comprehensive bill to further Federal aid on the primary, secondary, and urban highways of this Nation. There is no substantial change in the provisions of this bill from that contained in the original act.

A brief review of the history of Federal aid in the construction of our highway system will call to mind that the basic act, commonly known as the Federal-Aid Road Act, was approved July 11, 1916. Since that time, great progress has been made by the program of mutual assistance between the Federal, State, and local units of government in the construction of main highways, farm-to-market roads, as the secondary or feeder system of roads is usually called, and urban-highway development. However, it was not until the Federal-Aid Highway Act, approved for the postwar period became effective in 1945 that any substantial emphasis was laid on farm-to-market road improvement by the combined efforts of National, State, and local governments.

Because of the benefits derived from the improvements by hard-surfacing and better construction of the farm-to-market road system by those who live both in the towns and in the country; because of the importance of continued development and expansion of that program to the economy of this Nation, I want to emphasize that phase of the subject.

I note with some pride that the first money made available for allocation to the farm-to-market road system was appropriated after I came to Congress, the date of approval being December 28, 1945. That appropriation was made by Public Law 269 of the Seventy-ninth Congress.

The act authorizing money to be appropriated permitted the expenditure of $150,000,000 per year of Federal funds, for each of the three postwar fiscal years of 1946, 1947, and 1948. The funds were to be apportioned among the several States on the basis of a formula written into the bill. The formula provided the apportionment should be made as follows:

One-third in the ratio which the area of each State bears to the total area of all the States; one-third in the ratio which the rural population of each State bears to the total rural population of all the States, as shown by the Federal census of 1940; and one-third in the ratio which the mileage of

rural delivery and star routes in each State bears to the total mileage of rural delivery and star routes in all the States.

The act provided in effect that the moneys allocated under that formula to be spent in the respective States should be matched by State and other funds on a 50–50 basis, except for rights-of-way costs.

In 1948 the Congress enacted the Federal Aid Highway Act of that year carrying authorizations for each of the fiscal years ending June 30, 1950 and 1951. The same fundamental principles were contained in that authorization as were written in the original act, although the sum of money authorized was not quite so large.

Your committee, of which I have the honor to be a member, is again recommending to the Congress the extension of the principles of Federal aid that have been incorporated in the two preceding acts. This bill provides for $150,000,000 per year of Federal money to be allocated to the States under the same formula as the previous law for farm-to-market roads.

While the sums allocated to the various States are substantial in keeping with the application of the formula written into the law, my own State of Texas will receive a far larger sum than any other State for farm-to-market road purposes during each of the years involved. That is the result of the physical facts: Texas is the largest State in area; more than one-half of its population lives in rural areas; and it has the greatest mileage of rural delivery and star routes of any State. Texas will receive, according to the estimated apportionment, the sum of more than $10,000,000 per year for each of the 2 years to be used in the construction of farm-to-market roads. That amount of money will be matched by the State in the required proportions. Therefore the total sum of money to be available for farm-to-market roads for the 2 years in question will exceed $20,000,000 per year.

While the sum involved is large, the need is far greater. Since the program began during my service in Congress, it has been diligently prosecuted. We have completed construction of 6,099 miles of farm-to-market roads in Texas in 4 years. The mileage programmed and in some stage of advancement, but not yet completed, totals 2,452. That in itself is a substantial accomplishment, but there are thousands of miles yet to be improved. Many miles of roads are in the planning stage and will be constructed in due course under an orderly program.

We in Texas have our share of the total number of motor vehicles registered during the year 1949 throughout the Nation. According to the best evidence available the number in the United States approximated the all-time record of 44,350,000. Along with our share of that staggering number of motor vehicles traveling the highways, we in Texas have our portion of the hazards of highway travel and sustain our portion of accidents resulting in death and injury to persons and property destruction. Only by continued improvement in engineering and technique in construction, as well as by diligent application of sound principles of driving, can those hazards be reduced.

In order that continued progress may be made we must authorize and appropriate the Federal funds for farm-to-market road improvement. I am glad to add my endorsement of a continuation of the Federal aid highway program in general, and the farm-to-market road system in particular. By passing this bill we continue the road to prosperity for those who bring their produce from the farm to the market place in town, transport our children in safety and comfort to their schools, carry the mail to the rural homes with dispatch, and travel to worship in our churches in security.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield gladly.

Mr. WHITTINGTON. Is it not true that respecting the provisions of this bill as to existing law, as well as respecting the provisions that have been embraced in this bill for the first time, every section of this bill was carefully considered by the committee and by the full committee, and the committee had the benefit not only of the advice of the counsel for the committee but the benefit of the advice of the counsel for the Bureau of Public Roads. That advice was considered before these sections were adopted one at a time by the committee and embraced in this bill?

Mr. PICKETT. As is always the case, my chairman is eminently correct. May I say further that we had not only the advice and counsel of those persons and groups to whom the chairman has referred, but we had that of highway engineers and other experts throughout the United States during the course of the hearings prior to the committee's consideration of the bill in executive session.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. CUNNINGHAM], a member of the committee.

Mr. CUNNINGHAM. Mr. Chairman, I wish to concur in what has been said already by other members of the committee regarding our distinguished and able chairman, the gentleman from Mississippi [Mr. WHITTINGTON]. He has rendered valuable service to his committee, to the Congress, and to the country; and I regret that he will not return to Congress in the future.

This bill, H. R. 7941, is basically a reenactment of the law first passed in 1944 and extended in 1948. As pointed out by the gentleman from Ohio and others, the only difference is some variation in amounts. The amount for the farm-to-market roads will be the same as it was started in 1944. At that time it was stated that the measure would give for the farm-to-market roads seven times more Federal aid in any 1 year than had ever been given in any previous legislation by this Congress.

This is a good bill; it is one that is necessary for the social and economic development of the United States. I predict that this bill, which extends previous law, will serve as a basis for all Federal-aid highway legislation for a long time to come.

I have jotted down some reasons why this legislation is necessary, although I recognize there are others who think it should be larger in amount as well as those who think it should be less; but, certainly, the sum arrived at in this bill and as agreed upon unanimously in the committee is a substantial and fair amount at the present time, although in the future, if I understand properly the picture according to the testimony, it will be necessary to authorize larger amounts than called for in this measure.

There are today over 12,000,000 more motor vehicles using the highways of the United States than there were in 1940. Obviously this calls for new and improved and better highways if we are to give them the facilities they are entitled in connection with the use of our highways and to do the job they are supposed to do. We are collecting today from the highway users more money than has ever been collected in the form of excise taxes, paid into the Federal Treasury from the gasoline tax, the tax on lubricating oils, tires, tubes, new automobiles, and automobile parts. I do not know what it will be for the present fiscal year, but the estimates are it will exceed $1,200,000,000, possibly as much as a billion and a half and maybe more.

So, generally, this bill, as well as the law in the past that we are extending, is only giving back to the highway users approximately one-third of the money they have paid into the Federal Treasury. That is not exorbitant. In fact, if we do not give back more proportionately in the future to what they are paying in now I do not see how we can keep the highways in the State of repair that will be necessary for the automobile traffic.

Another point, Mr. Chairman, why this measure is necessary is the way the highways are wearing out. You all realize that the majority of the paved highways and hard-surfaced roads in the United States today were built about 20 to 25 years ago. Someone told me the average is about 23 years. They are beginning to wear out. They are wearing out rapidly today and a tremendous amount of work will be necessary to rehabilitate them and to keep them in the state of repair they have been in in the past without building new ones. It has been estimated that at the rate these highways are now wearing out it will take more money each year than is authorized by this bill or in the previous pieces of legislation just to keep the present highways in a proper state of repair without widening them and without building more highways.

Mr. Chairman, certainly with those facts before the Committee of the Whole there is no reason why this bill should not be passed by an overwhelming vote. The country needs it.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WHITTINGTON. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, in the consideration of this bill before the committee one of the most refreshing things to come to my attention was the fine relationship that existed between the various State highway departments and the Bureau of Public Roads. It attested the splendid work

that had been done by these two organizations in bringing about a program of highway construction and reconstruction throughout the various States. From that wealth of intercourse between those two agencies, most of the changes proposed in this bill have been advanced through the interchange of ideas and working together.

It is a fine demonstration of teamwork, of the ability of the Federal Government with its Federal aid program and the States to carry out a program that will inure to the national interest. There is nothing in this bill that will impair those relationships, there is nothing that will incite differences between the agencies that I have mentioned. The bill keeps that fine relationship intact.

One of the tremendous problems that we faced in the committee and that probably is faced by every committee in the consideration of legislation of prime importance to the country, was to keep in mind the thought in these days of peril that we must give a proper accounting of our action in relationship to national defense. So it was that we wrote into the bill section 2, that authorizes $70,000,000 to be spent on the interstate highway system. This interstate highway system is comprised of some 40,000 miles of roads. It was brought about by the Highway Act of 1944, section 7. This was the result of the studies that had been made by the State highway departments and the Bureau of Public Roads, and of course took into consideration the highway needs of national defense.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. In connection with the interstate highway system, the hearings disclose that for the fiscal year 1949 the improvements on that system accounted for 30 percent of the total amount programmed for primary and urban roads? Twenty-three percent of the primary funds and 46 percent of the urban funds were interstate improvements.

In that connection, it is fair to say that the purpose of this $70,000,000 was to enable the most speedy completion of the interstate system, in which all of the people of the country are interested, and at the same time to make available to the States funds, much needed otherwise, that they need on their State primary, secondary, and urban systems.

Mr. JONES of Alabama. I appreciate the distinguished chairman's observation. The explanation he has given is my understanding of the situation we considered in the committee, and which prompted the inclusion of this section.

Mr. WHITTINGTON. Those who feel that there is an increase here might well keep in mind that during the war those municipalities, the communities where there were roads constructed and reconstructed in aid of the war effort, received 75 percent Federal aid, so that there is nothing new in this 75-percent proposition. This interregional highway system is essential to our national defense.

Mr. JONES of Alabama. The gentleman's observation reminds me of the military maxim of N. B. Forrest. After the War Between the States the great Confederate general was querried on what he attributed his great military successes to. He stated that his military successes were based upon the theory of getting there first with the most.

So it is with a national highway bill. The measure of the success of a national defense highway system depends on the ability to mobilize and get to a fixed point with the least amount of time, trouble, and inconvenience. So it is that we have given thought to adequately preparing our national defense by building up a fine highway system that will connect this Nation from one end to the other.

As has been repeatedly stated by members of the committee who have spoken on this bill, it is evident that there are not sufficient moneys to do all the things we would like to see done. We would like to see an even greater expanded program for rural roads and the immediate relief of urban traffic problems, which are manifold, and certainly are obvious to all who use the city streets in the large municipalities of our country. We would like to see other improvements made. But we realize that in view of the overall situation this bill will give assistance and get the program once more on a sound footing.

So, Mr. Chairman, I support this measure. I know the passage of this bill will contribute to the economic growth and well-being of our great Republic.

Mr. WHITTINGTON. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, on tomorrow the Subcommittee on Indian Affairs will have before it the top officials of the Bureau of Indian Affairs, to discuss the resolution introduced by the distinguished gentlewoman from Utah [Mrs. BOSONE], in an effort to determine what steps are being taken and what steps can be taken, to relieve the American Indians as soon as possible from the restrictions, the hardships, and the burdens of wardship, and to relieve the Government from all unnecessary activities over the several Indian tribes. I predict that these discussions will be very important and productive of some profound changes in our Indian policy.

I hope that in those discussions, consideration will also be given to some more immediate problems and to the steps that need to be taken to relieve those problems pending the time when all restrictions and hardships imposed on the Indians by wardship may be totally ended.

There are tribes, such as for example the Taos Pueblo Tribe, where the rights of the individual Indian have been totally neglected.

It has become more and more evident that, so far as the individual Indian citizen in that pueblo is concerned, he has absolutely no protection under our revered Bill of Rights.

For example, the Indians in that pueblo have no right of assembly whatever. Young veterans who have attempted to hold meetings in the pueblo for the purpose of discussing their common problems, have been prohibited from doing so by the tribal council. The superintendent, an official of the Government, who called a meeting together for the purpose of discussing ways and means of providing space for GI training, was barred from attending the meeting by a road blockade thrown up at the gates of the reservation. The Indian veterans who desired to confer at a meeting with the superintendent, were forced to find byways in the middle of the night to avoid the road blockade and hold their meeting outside the pueblo with their own superintendent. Some of them were forced to break a human blockade standing arm to arm across the road by driving a car in low gear through that blockade.

They have been forced to organize and attend GI classes outside the reservation, in defiance of the tribal authorities who prohibited it.

They have no freedom of worship in the religion of their choice. On the contrary, their children are taken out of schools to carry out religious duties imposed upon them by the council in their ancient religion, even though they now belong to and believe in some other religion.

The council has interfered with their right to vote at State and general elections by the threat of arrest and fine. Last year the Governor, who insisted on registering as a citizen for the general election, was forced to resign as governor of the pueblo because of his refusal to arrest others who were registering and because of his own determination to himself register for the election.

They have no right of trial by jury, no right of appeal, and in fact no adequate courts of any kind to deal justly with them and with their problems.

They have no right to install electricity in their own homes; they have no right to install telephone services in their own homes; they have no right to install water facilities in their own homes. This is effectively denied them by the council on the theory that it violates ancient customs of the pueblo.

Although individual Indians have been assigned their little tracts of land on which they have built their homes, they are restricted in the improvements they can make in their own homes and restricted in the control over their own places of abode. The council has undertaken to eject from the reservation Indians from other tribes who have intermarried with Taos Pueblo Indians, who have lived therein in the homes of their spouses for many years, and have children as the result of such marriage. The Federal court has sustained the right of the pueblo to eject those people, thereby effectively also ejecting the Pueblo Indian spouses and the children of such marriage.

All of this has been done arbitrarily by the council.

The Pueblo Indians have no right of self-government, in that no popular elections are permitted, the council members who do the governing being either hereditary members or members added to the council from time to time through selection by the council itself.

The tribe has no constitution written or otherwise, has no ordinances or rules written or otherwise, and has refused

to permit the adoption of a constitution for the government of their people, and has refused to permit assemblies for the discussion of any such matters. It rules without constitution and without laws through arbitrary interpretation of customs, respecting the validity of which the council and the governor are the sole judges.

Indians who in any way fail to submit to that kind of rule are harassed, abused, and are entirely without protection. The council gives them none, and they have no appeal to State or any other courts. The council refuses to permit the submission of a constitution for these people.

We have thrust upon the Indians the rights, duties and responsibilities of citizens, and yet we continue to deny them the most elementary civil rights.

Unless some action is taken by the subcommittee to investigate and act upon this deplorable situation, it is my intention to introduce a bill in the nature of a bill of rights for these unfortunate Indians, in order that they may have a forum where they may have the right to be heard about their desperate situation. It is my intention to introduce a bill that will give them the protection any ordinary citizen is entitled to in the sanctity of his own home. Too long have we upheld the rights of the tribal councils, wholly failing to protect the rights of the individual Indian. The Bureau of Indian Affairs has completely failed in any progressive thinking that will extend to the individual Indians, limiting themselves to creating power between themselves and the tribal councils. The Government pays attorneys and expenses for the protection of the rights of the tribal authorities, and no action and no thinking is directed toward the most elemental rights of the Indian citizens themselves. By the authority of the Federal Government we have forced these people to live under the most autocratic dictatorship.

I have patiently waited on a request transmitted by me to the Indian Office on behalf of veterans in the Taos Pueblo for a ruling to the effect that the Indians in that pueblo have at least the right to assemble and discuss their problems among themselves. I have patiently waited only to be advised that there are rulings and opinions from the solicitors which prevent the Bureau of Indian Affairs from writing a letter or an order declaring such right, which the Indian people can present to their council in their efforts to exercise at the very least the right to assemble. We cannot wait forever. The Indians are patient and I am patient, but there comes a time when action is demanded. It is with regret that once again I have to take the floor to say things that will be interpreted and criticized as an attack on the Bureau of Indian Affairs. No one appreciates more than I do the difficulties and the problems confronting the Bureau of Indian Affairs, but when they are unable to move even in the most simple request, and to find a solution to such a request, I can hold back no longer.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That for the purpose of carrying out the provisions of the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355), and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated the sum of $500,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953.

The sum herein authorized for each fiscal year shall be available for expenditure as follows:

(a) $225,000,000 for projects on the Federal-aid primary highway system.

(b) $150,000,000 for projects on the Federal-aid secondary highway system as set forth in paragraph (b) of section 3 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), as amended or supplemented by the Federal-Aid Highway Act of 1948 (62 Stat. 1105).

(c) $125,000,000 for projects on the Federal-aid highway system in urban areas.

The said sums, respectively, for any fiscal year, shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944: *Provided,* That the census figures used in making said apportionments shall be those shown by the latest available Federal census.

Any sums apportioned to any State under the provisions of this section and under the provisions of section 2 hereof shall be available for expenditure in that State for two fiscal years after the close of the fiscal year for which such sums are authorized, and any amount so apportioned remaining unexpended at the end of such period shall lapse: *Provided,* That such funds for any fiscal year shall be deemed to have been expended if a sum equal to the total of the sums apportioned to the State for such fiscal year is covered by formal agreements with the Commissioner of Public Roads for the improvement of specific projects as provided by this act.

Mr. WHITTINGTON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KARSTEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, had come to no resolution thereon.

THE WHISTLE-STOP CAMPAIGN

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an article entitled "The Whistle-Stop Campaign."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, let me insert this article by a good old Democrat on The Whistle-Stop Campaign:

THE WHISTLE-STOP CAMPAIGN

The wheels of the old Pendergast machine recently rolled across the Nation with the Chief aboard dropping a little oil here and there.

The Chief is for everything the taxpayers can pay for plus a balance that goes on the cuff. Nowhere did men and women, who have something to think with, hear him reiterate F. D. R.'s safe and sane platform of 1932 which was ballyhooed when F. D. R. toured the Nation preaching economy and promising to run the bureaus out of Washington.

But after March 4, 1933, F. D. R. threw the platform into the ashcan and got out the alphabet soup which he ladled out from the Three A's to X Y Z, and he set up so many bureaus that the boys had to find office space all over the Nation. The greatest spending spree was the order of day and night.

Prior to and during this time the Boys from Moscow were crying for recognition. Neither Coolidge nor Hoover would lend an ear. But Joe took control by bullets instead of ballots, and then—who admitted this Al Capone gangster? You guessed it—The New Deal.

In 1915 and 1916 Paris and London sold the U. S. A. a fine bill of goods when we joined them to destroy the Kaiser and save the world. The doughboys threw in their weight and won the war. After this job was done Wilson set up a peace treaty, and then the boys had to pay most of the bills too, with Paris and London running out on their payments.

Then Hitler came into power and built up a war machine. Colonel Lindbergh made a tour of Germany and returned and reported the facts. Washington only sneered at him. And then Hitler marched into the Ruhr while neither Paris nor London made any effort to stop him. In the second act, Hitler made a corridor through Poland and signed up a teammate—Uncle Joe of Moscow. Joe's boys overran the helpless small nations and helped sack Poland while Hitler was doing all right in the west with France knocked out and England on her knees.

In London, Winston Churchill—the greatest salesman on earth—said, "Give us the materials and we will do the job." He got the materials. Then he wanted the money. The United States of America piped over. Then he wanted the men. The flower of our youth was again conscripted and the greatest Army and Navy in the world was set up until D-day, when Hitler was driven out of France and the GI's marched across Germany and would have captured Berlin. But they were held back so Joe's boys could march in with the implements of war and money and know-how furnished by good old Uncle Sucker.

With MacArthur alone knocking out the Japs, Uncle Joe never turned a hand to help, but F. D. R. went to Yalta and permitted Joe to come in for the glory after the Japs were defeated.

Hitler and Stalin both got their power through gangsterism and knew each other's tricky methods, so when these two fell out among themselves we saddled ourselves with Pal Joe. Mothers and fathers often wonder why their sons were snatched away from them to leave their bones scattered all over the world to win a pair of wars we did not promote.

When a nation has the greatest army and navy, plus the atomic knowledge, it would seem that a smart administrator could say to Joe, "This is the Second World War we won, we saved you, and now—by gad—we are going to draw the lines and write the peace treaty." Did we do this? No. Bungling Washington junked the Navy and air power and reduced the Army, and Joe is riding high and handsome in Germany. And another conscription bill is in the hopper to recruit another million young men to go over and eventually fight Pal Joe. Who has been the boss in Washington since 1933?

We won both wars. But since 1945 we have had a pipeline from the United States Treasury and our resources are flowing everywhere.

We do all this in the name of democracy, but we have been financing a socialistic government in England, and the Chief is riding around telling the people what his Fair Deal is going to do for them.

As Al Smith always said, let's take a look at the record. When you stop and think, we never had a Federal income tax, nor an inheritance tax until Woodrow Wilson was President, and that the country was in fine shape without these taxes and had a small national debt. Now we have had two unnecessary wars and after 5 years of supposed peace, we have the same war taxes on our wages, our food, clothing, and practically everything we buy, and the national debt is so big and even if the Federal workers were reduced by half, the generations born today will not see a penny of the wasted money returned to the Treasury. It is to be regretted that the Chief at the whistle stops did not tell the people about what has happened under the administrations of F. D. R. and H. T. But the people are waking up, and know we need men to run the show, the type of men now in the limelight such as BYRD and TAFT.

The Chief's Chicago production was "corny" with a lot of "hams" on the bill.

EXTENSION OF REMARKS

Mr. SHORT asked and was given permision to extend his remarks and include an article entitled "Water Resource Projects and the Budget" which exceeds two pages and is estimated by the Public Printer to cost $218.68.

Mr. SMITH of Wisconsin (at the request of Mr. BARRETT of Wyoming) was given permission to extend his remarks in three instances and include extraneous matter.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include a speech delivered by him at Du Bois, Pa., last night.

Mr. HESELTON asked and was given permission to extend his remarks and include an editorial.

Mr. GAMBLE asked and was given permission to extend his remarks and include a speech.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks.

Mr. JENSEN asked and was given permission to extend his remarks and include a letter and an article from the Malvern (Iowa) Leader.

Mr. PHILBIN asked and was given permission to extend his remarks and include certain resolutions.

Mr. DONOHUE asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. FURCOLO asked and was given permission to extend his remarks and include an editorial, also extraneous matter.

Mr. ROOSEVELT asked and was given permission to extend his remarks and include a statement by Mr. Justice Jackson of the Supreme Court of the United States.

Mr. MURPHY (at the request of Mr. PRICE) was given permission to extend his remarks.

Mr. KEOGH (at the request of Mr. PRICE) was given permission to extend his remarks and include an address of Hon. WALTER A. LYNCH.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include an editorial.

Mr. HILL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks.

Mr. LATHAM (at the request of Mr. DONDERO) was given permission to extend his remarks and include extraneous matter.

Mr. O'NEILL asked and was given permission to extend his remarks and include an editorial.

LEGISLATIVE PROGRAM

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I have asked for this time to announce, at the direction of the majority leader, that following the conclusion of the highway bill tomorrow, it is expected to take up the bill, H. R. 7579, from the Committee on Armed Services, extending the Synthetic Rubber Act.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. WHITTINGTON. So that we may have the information for the benefit of the Members of the House, the consideration of the pending bill will be unfinished business, and will be resumed when the House convenes tomorrow?

Mr. PRIEST. That is my understanding.

MOTHER RUSSELL DAY

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia.

There was no objection.

Mr. DAVIS of Georgia. Mr. Speaker, the people of Georgia set aside last Thursday, May 11, as a day to especially honor a beloved Georgian, Mrs. Ina Dillard Russell. The day was designated as "Mother Russell Day."

Mrs. Russell is the widow of former Chief Justice Richard B. Russell, Sr., of the Georgia Supreme Court, who was one of Georgia's outstanding statesmen and whose life was a record of service to our people. Mrs. Russell is the mother of the junior Senator from the State of Georgia, one of the most able Members of that body, who was Governor of the State of Georgia, before his election to the Senate, and whose remarkable ability has won for him national and international recognition.

Another of Mrs. Russell's sons is a distinguished jurist in the State of Georgia, now serving as a judge of the United States circuit court of appeals. All of the children of this beloved couple are outstanding in their respective fields of endeavor, and it was most fitting that this day be set aside to honor and pay tribute to the mother of this remarkable family of men and women of whom we are justly proud.

On the occasion of these ceremonies in Winder, Ga., Rev. George Scotchmer, offered a beautiful and touching prayer. Reverend Scotchmer was for a number of years pastor of the Winder Presbyterian Church. He is now pastor of the Pryor Street Presbyterian Church in Atlanta.

His prayer is so appropriate that I have included it as a part of these remarks. I believe this prayer will be an inspiration to everyone who reads it. It is a beautiful recognition of the fact that Christian motherhood, of which Mrs. Russell is such a shining example, is one of the finest blessings of Almighty God.

Our Father, upon this coronation day in the life of this sainted mother, make us careful to remember Him who through the years has been the source of her strength and the secret of her greatness—even Jesus Christ our Lord. We rejoice that in the morning of her life she received Him who is the bright and morning star and that He continued with her as the sun of righteousness through the heat of high noon, and that He the Light of the World is increasingly her light in these sunset years—crowning her with His radiant mercies and granting her gracious harbingers of greater glories still ahead.

We thank Thee for the foundation upon which she has premised her life—even Thine infallible word, O Lord. We rejoice that by its counsel, its consolation, its revelation of Thy redemption in Christ, she has been bulwarked to face triumphantly the trials and vicissitudes of life, and has grown in the likeness of Him who is the living word of God.

We thank Thee for the inspiration she has received in Thy church and the blessing she has brought to Thy church in these years of unselfish Christian service.

And we would not forget to thank Thee for the children who rise up to call her blessed and who have been led into the highway of holiness by her precepts and example.

We pray as we honor her this day that Thou wilt be pleased to give America many many mothers of her kind. May her tribe increase until she be typical rather than unique among the daughters of this land.

Now, Lord, we ask that Thou will bless her with Thy presence and grant her length of years and strength of days. Honor us with Thy benediction as we honor her, for we ask it in the name of Him who loved us and gave Himself to us. Amen.

SPECIAL ORDER TRANSFERRED

Mr. KARSTEN. Mr. Speaker, our colleague the gentleman from Rhode Island [Mr. FOGARTY] had a special order for today. On his behalf I ask unanimous consent that the special order be transferred to Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. Under previous order of the House, the gentleman from Colorado [Mr. MARSALIS] is recognized for 10 minutes.

SIXTY-FOURTH ANNIVERSARY OF THE CITY OF LAMAR, COLO.

Mr. MARSALIS. Mr. Speaker, situate in southeastern Colorado near the Kansas border and within the Third Congressional District is the city of Lamar. Located in the rich and fertile Arkansas River Valley this progressive and growing city is also within the great Wheat Belt that takes in part of eastern Colorado.

Having fully recovered from the bleak period of the simultaneous Dust Bowl and depression, this bustling agricultural and marketing center is now enjoying a period of good times and its future outlook was never brighter. With the John Martin Dam insuring a more uniform and stable water supply for irrigation and with the surrounding wheat farmers cooperating in the soil-conservation program for the preservation of their wheatlands, this city at the turn of the half century is looking ahead to a most promising future.

And so in 1950 the city of Lamar has decided to celebrate its sixty-fourth anniversary in a most decided and glorious manner. Its actual anniversary date is on May 24. However, one day was felt far insufficient for the occasion planned. Instead the whole week starting Sunday, May 21, and concluding the following Saturday night has been set aside for the purpose of a great homecoming for its former residents, friends, and visitors. Elaborate programs, dinners, and entertainment have been provided. All citizens, veterans' groups, service clubs, and school children are cooperating in this great community endeavor.

I should like now to dwell on the history of the founding of this city. It was named in honor of a great American who in 1886 was serving as Secretary of the Interior under President Grover Cleveland. Prior to his term as Secretary of Interior, Lucius Q. C. Lamar had served most ably in the House and Senate, representing the State of Mississippi. It was while serving in the House in 1874 that he first won national attention by his chivalrous eulogy upon the death of Charles Sumner which contributed much to bind up sectional wounds and to reunite the North and South. As Secretary of Interior Lamar was one of the first to recognize the great possibilities of the West and to promote its development. It was no doubt this farsighted public policy that endeared him to the hearts of the founders of Lamar and caused them to name their city in his honor.

In making preparation for their homecoming celebration, officials of the committee checked into the descendants of Secretary Lamar and found them living here in Washington. They discovered Marjorie Ayers Lamar, age 16, and her sister, Mrs. Peter W. Peirce, age 21, to be his great granddaughters. They thereupon contacted these young ladies and prevailed upon Marjorie Lamar to become "Miss Lamar" for the homecoming celebration and Mrs. Peirce to accompany her sister as chaperon. It has been my good fortune to make the acquaintance of Miss Lamar and Mrs. Peirce and I found each attractive, gracious and charming—worthy descendants of so great a statesman. They will most certainly add great color and dignity to this celebration. They will be flown to and from Colorado and will be taken on scenic trips over part of that great State while there. These trips they will never forget, nor will they ever forget the fine hospitality that the people of Lamar and Colorado will extend them.

In further preparing for this occasion the committee also invited the Honorable Oscar L. Chapman, present Secretary of the Interior, and a Colorado man, to be a guest and speaker during this celebration. He will speak on the Friday night program honoring his predecessor in office, Secretary Lamar. Everything points to a most successful homecoming and those citizens and organizations which have worked and planned so hard for it are entitled to great credit for a job well done.

Mr. Speaker, the first half of the twentieth century has seen the greatest progress of any comparable period in the history of the world—this in spite of two world wars and a present period of world uncertainty and fear. It is indeed most refreshing to see Lamar and other future-minded cities going ahead with plans to make even greater progress during the second half of this century. They are proceeding in keeping with the best American tradition. I am proud to represent in Congress the people of such a fine, progressive city.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PLUMLEY (at the request of Mr. ARENDS), for 2 weeks, on account of official business.

To Mr. MAHON (at the request of Mr. LUCAS), for 1 week, on account of official business.

To Mr. HOEVEN (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of official business.

To Mr. EDWIN ARTHUR HALL, for an indefinite period, on account of illness in the family.

To Mr. KEARNEY (at the request of Mr. COLE of New York), for 1 week, on account of official business.

To Mr. WILLIAM L. PFEIFFER (at the request of Mr. ARENDS), for 2 days (May 18 and 19), on account of death in family.

To Mr. STIGLER (at the request of Mr. MORRIS), for May 18 to May 31, on account of official business.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4433. An act to make retrocession to the Commonwealth of Massachusetts over certain lands in Shirley, Mass.;

H. R. 4732. An act to direct the Secretary of the Army to convey certain lands to the Two Rock Union School District, a political subdivision of the State of California, in Sonoma County, Calif., and for other purposes; and

H. R. 6171. An act to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps to administer certain oaths, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 469. An act for the relief of Cathryn A. Glesener;

S. 1145. An act for the relief of Persephone Poulios;

S. 2071. An act for the relief of Mrs. Alice Willmarth;

S. 2258. An act for the relief of Dr. Apostolos A. Kartsonis;

S. 2308. An act for the relief of William Alfred Bevan;

S. 2427. An act for the relief of Masae Marumoto;

S. 2431. An act for the relief of Sumiko Kato;

S. 2443. An act for the relief of Mrs. Georgette Ponsard;

S. 2479. An act for the relief of A. D. Strenger and his wife, Claire Strenger;

S. 2568. An act for the relief of Carmen E. Lyon; and

S. 3122. An act to authorize the Secretary of the Navy to convey to the Goodyear Aircraft Corp., Akron, Ohio, an easement for sewer purposes in, over, and across certain Government-owned lands situated in Maricopa County, Ariz.

BILLS AND JOINT RESOLUTION PRESENTED THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on May 16, 1950, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 1151. An act to amend the act establishing grades of certain retired noncommissioned officers;

H. R. 1354. An act to provide for a per capita payment from funds in the Treasury of the United States to the credit of the Indians of California;

H. R. 2387. An act authorizing the Governor of Alaska to fix certain fees and charges with respect to elections;

H. R. 2783. An act to authorize the Secretary of the Interior to convey a certain parcel of land, with improvements, to the city of Alpena, Mich.;

H. R. 3494. An act to authorize the Secretary of the Interior to transfer a building in Juneau, Alaska, to the Alaska Native Brotherhood and/or Sisterhood, Juneau (Alaska) Camp;

H. R. 5097. An act for the administration of Indian livestock loans, and for other purposes; and

H. J. Res. 466. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the First United States International Trade Fair, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 28 minutes p. m.) the House adjourned until tomorrow, Friday, May 19, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1452. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 9, 1950, submitting a report, together with accompanying papers and illustration, on a preliminary examination and a survey of St. Joseph Bay, Fla., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 595); to the Committee on Public Works and ordered to be printed, with an illustration.

1453. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1950, submitting a report, together with accompanying papers and illustrations, on a cooperative beach erosion control study of the shore of Lake Erie in Lake County, Ohio, appendix IX, prepared under the provisions of section 2 of the River and Harbor

Act approved on July 3, 1930, as amended and supplemented (H. Doc. No. 596); to the Committee on Public Works and ordered to be printed, with eight illustrations.

1454. A letter from the national president, American War Mothers, Kansas City, Mo., transmitting the report of the American War Mothers for the period October 1, 1948, to October 1, 1949; to the Committee on Veterans' Affairs.

1455. A letter from the Secretary of the Treasury, transmitting the annual report for the fiscal year ending June 30, 1949, of the exchange stabilization fund created by section 10 (b) of the Gold Reserve Act of 1934, including a summary of operations of the fund from its establishment to June 30, 1949, pursuant to section 10 (a) of the Gold Reserve Act of 1934, approved January 30, 1934, as amended; to the Committee on Banking and Currency.

1456. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a draft of proposed legislation entitled "A bill to strengthen the common defense by extending for 5 years the authority for the Texas City tin smelter operation"; to the Committee on Banking and Currency.

1457. A letter from the Acting Attorney General, transmitting a letter relative to the case of Helga Jonsson or Helga Gudmundsdottir and Sigmundur Magnus Jonsson, file Nos. [redacted] and [redacted] CR 27226, requesting that they be withdrawn from those before the Congress and returned to the jurisdiction of the Department of Justice; to the Committee on the Judiciary.

1458. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend title 14, United States Code, entitled 'Coast Guard'"; to the Committee on Merchant Marine and Fisheries.

1459. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated December 22, 1949, submitting a report, together with accompanying papers, on a preliminary examination of Gardiners Bay, N. Y., authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. S. 1719. An act to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma; without amendment (Rept. No. 2079). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. S. 3093. An act to amend section 82 of the Hawaiian Organic Act relating to the Supreme Court of the Territory of Hawaii and temporary vacancies therein; without amendment (Rept. No. 2080). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 3125. A bill to amend the Jurisdictional Act of August 30, 1935, affecting the Chippewa Indians of Lake Superior; with amendment (Rept. No. 2081). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 6986. A bill relating to the acquisition and addition of certain lands to Fort Frederica National Monument, in the State of Georgia, and for other purposes; without amendment (Rept. No. 2085). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. Sixth intermediate report of the Government Operations Subcommittee of the Committee on Expenditures in the Executive Departments, relative to further inquiry into the operations of the Maritime Commission; without amendment (Rept. No. 2104). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H. R. 8198. A bill to provide for the organization of the Army and the Department of the Army, and for other purposes; with amendment (Rept. No. 2110). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. H. R. 6699. A bill to authorize the sale of certain land on the Rosebud Indian Reservation, S. Dak., allotted to Susan Eagle Dog; without amendment (Rept. No. 2082). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 6703. A bill to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.; without amendment (Rept. No. 2083). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 6963. A bill authorizing the Secretary of the Interior to issue a patent in fee to Cuy C. Hickenlively; with amendment (Rept. No. 2084). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 7293. A bill authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby; with amendment (Rept. No. 2086). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3995. A bill for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi; without amendment (Rept. No. 2087). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 5979. A bill for the relief of John Tweit; without amendment (Rept. No. 2088). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 6173. A bill for the relief of Sun Yip Chin and Chung Lum (Lum Chung); without amendment (Rept. No. 2089). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 6461. A bill for the relief of Jirina Zizkovsky; with amendment (Rept. No. 2090). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7074. A bill for the relief of Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka; with amendment (Rept. No. 2091); Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 7078. A bill for the relief of Mrs. Eiko Yamada Nagatoshi and her son; with amendment (Rept. No. 2092). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7114. A bill for the relief of John Joseph Griffin; without amendment (Rept. No. 2093). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 7428. A bill to admit Mrs. Erna Tvedt to the United States for permanent residence; without amendment (Rept. No. 2094). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 7608. A bill for the relief of Mitsuko Morita; without amendment (Rept. No. 2095). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7706. A bill for the relief of Ayako Kurihara; without amendment (Rept. No. 2096). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 7961. A bill for the relief of Chiyoko Yano; without amendment (Rept. No. 2097). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8067. A bill for the relief of Mrs. Yup Boon (Joan) Kim Skanes; without amendment (Rept. No. 2098). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8117. A bill for the relief of Yoshiko Emory; without amendment (Rept. No. 2099). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8119. A bill for the relief of Midori Ohta (also known as Mary Stephen); without amendment (Rept. No. 2100). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8125. A bill for the relief of Mrs. Hisae Kawauchi Kelly; without amendment (Rept. No. 2101). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8155. A bill for the relief of Chiyo Furumura Yoshida; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8180. A bill for the relief of Parue K. Tsugami; with amendment (Rept. No. 2103). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 274. An act for the relief of Constantin E. Aramescu; without amendment (Rept. No. 2105). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 356. An act for the relief of Hugo Geiger; without amendment (Rept. No. 2106). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1856. An act for the relief of Sisters Maria Rita Rossi, Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli; without amendment (Rept. No. 2107). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2108. An act for the relief of Italo Vespa de Chellis; without amendment (Rept. No. 2108). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2611. An act for the relief of Roland Roger Alfred Boccia, also known as Roland Barbera; without amendment (Rept. No. 2109). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PACE:

H. R. 8540. A bill to amend the cotton-acreage allotment and marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. HOLIFIELD:

H. R. 8541. A bill to provide a permanent secondary market for home mortgages insured or guaranteed by the Veterans' Administration, and for other purposes; to the Committee on Banking and Currency.

By Mr. KENNEDY (by request):

H. R. 8542. A bill to authorize the coinage of 25-cent pieces in commemoration of the three hundredth anniversary of the pine-tree shilling; to the Committee on Banking and Currency.

By Mr. KLEIN:

H. R. 8543. A bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. BARRETT of Wyoming:

H. R. 8544. A bill for the relief of certain counties in the State of Wyoming; to the Committee on the Judiciary.

By Mr. CROCK:

H. R. 8545. A bill to provide for the carrying of mail on star routes, including screen-vehicle service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEE:

H. R. 8546. A bill to amend the Philippine Property Act of 1946; to the Committee on Foreign Affairs.

By Mr. SASSCER:

H. R. 8547. A bill to repeal section 9 of the Central Intelligence Agency Act of 1949; to the Committee on Armed Services.

By Mr. VINSON:

H. R. 8548. A bill to permit the appointment to the position of senior specialist in the Legislative Reference Service of retired officers of the Armed Services without loss of pensions and other benefits, and for other purposes; to the Committee on Armed Services.

By Mr. BAILEY:

H. R. 8549. A bill to provide for the conveyance of Holly River State Park to the State of West Virginia; to the Committee on Agriculture.

By Mr. BLACKNEY:

H. R. 8550. A bill to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of the Rebekah degree, Independent Order of Odd Fellows; to the Committee on Post Office and Civil Service.

By Mr. LANE:

H. R. 8551. A bill to provide for the issuance of a special postage stamp in honor of freedom of the press, with a likeness of Heywood Broun on said stamp; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of Michigan:

H. R. 8552. A bill to amend the act of July 6, 1945, as amended, with respect to automotive-equipment-maintenance payments to special-delivery messengers in post offices of the first class, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PHILLIPS of California:

H. R. 8553. A bill to amend section 2455 of Revised Statutes, as amended, to provide for preferences to States in securing isolated or disconnected tracts of public domain; to the Committee on Public Lands.

H. R. 8554. A bill to amend the act of June 29, 1934 (48 Stat. 1269), as amended, to provide for preferences to States in the selection of lands under the school indemnity selection laws; to the Committee on Public Lands.

By Mr. SMITH of Virginia:

H. R. 8555. A bill to promote the extension of the park, parkway, and playground system of the National Capital in the northern Virginia environs of Washington; to the Committee on Public Works.

By Mrs. ROGERS of Massachusetts:

H. J. Res. 473. Joint resolution to authorize the Administrator of Veterans' Affairs to continue providing automobiles and other conveyances to certain disabled veterans, and to provide funds therefor; to the Committee on Appropriations.

By Mr. JENKINS:

H. J. Res. 474. Joint resolution requesting the President of the United States to withdraw on January 1, 1951, all trade-agreement concessions made since 1947 on glassware, chinaware, and pottery; to the Committee on Ways and Means.

By Mr. KEE:

H. J. Res. 475. Joint resolution authorizing the President or such officer or agency as he may designate to conclude and give effect to agreements for the settlement of intercustodial conflicts involving enemy property; to the Committee on Foreign Affairs.

By Mr. JENKINS:

H. Con. Res. 208. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. McGREGOR:

H. Con. Res. 209. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. BOGGS of Delaware:

H. Con. Res. 210. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. BURNSIDE:

H. Con. Res. 211. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. KILDAY:

H. Res. 605. Resolution to provide for the consideration of the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, requesting passage of legislation providing funds for public-works projects for the Commonwealth of Massachusetts; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Massachusetts, requesting passage of a Federal Fair Employment Practices Act; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Massachusetts, requesting passage of legislation reducing to 60 years the age for eligibility for old-age assistance; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHESNEY:

H. R. 8556. A bill for the relief of Stanislaw Poborski; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 8557. A bill for the relief of Jose Encarnacion Ortiz; to the Committee on the Judiciary.

By Mr. KENNEDY:

H. R. 8558. A bill for the relief of Kimiko Yamaguchi; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8559. A bill for the relief of Mrs. Mary E. Free; to the Committee on Post Office and Civil Service.

By Mr. O'TOOLE:

H. R. 8560. A bill for the relief of Rocco Carmelo Andriello, M. D.; to the Committee on the Judiciary.

By Mr. PETERSON:

H. R. 8561. A bill for the relief of Harriet T. Johnston; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 8562. A bill for the relief of Yukie Yabe and Gabriel Eugene Yackanich; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 8563. A bill for the relief of Alonzo P. Brown; to the Committee on the Judiciary.

By Mr. WILLIS:

H. R. 8564. A bill for the relief of David Thomas Church; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2139. By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress to pass a Federal Fair Employment Practices Act; to the Committee on Education and Labor.

2140. Also, resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress to pass legislation providing funds for public-works projects for the Commonwealth of Massachusetts; to the Committee on Public Works.

2141. Also, resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress to pass legislation reducing to 60 years the age of eligibility for old-age assistance; to the Committee on Ways and Means.

2142. By Mr. LANE: Memorial of the General Court of Massachusetts, requesting Congress to pass legislation providing funds for public-works projects for the Commonwealth of Massachusetts; to the Committee on Appropriations.

2143. Also, memorial of the General Court of Massachusetts, requesting Congress to pass a Federal Fair Employment Practices Act; to the Committee on Education and Labor.

2144. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, urging funds for public-works projects in Massachusetts; to the Committee on Appropriations.

2145. Also, memorial of the General Court of Massachusetts, urging enactment of a Federal Fair Employment Practices Act; to the Committee on Education and Labor.

2146. Also, memorial of the General Court of Massachusetts, urging legislation providing for payment of old-age assistance at age 60; to the Committee on Ways and Means.

2147. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, to pass a Federal Fair Employment Practices Act; to the Committee on Education and Labor.

2148. Also, memorial of the General Court of Massachusetts, to pass legislation providing funds for public-works projects for the Commonwealth of Massachusetts; to the Committee on Appropriations.

2149. Also, memorial of the General Court of Massachusetts, to pass legislation reducing to 60 years the age for eligibility for old-age assistance; to the Committee on Ways and Means.

2150. By Mr. SMITH of Wisconsin: Resolution of Bishop McGavick Post, No. 421, Catholic War Veterans, Inc., La Crosse, Wis., opposing any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

2151. By the SPEAKER: Petition of Stephen A. Mascaro, assistant secretary, Louisiana State Bar Association, New Orleans, La., stating their opposition to the granting of admiralty jurisdiction to the bankruptcy court, as is proposed in House bill 3111, Eighty-first Congress; to the Committee on the Judiciary.

2152. Also, petition of Jose Palermo Jordan, chairman, Industrial Soldiers Association, Guayama, P. R., requesting that legislation be passed giving relief to and making justice for those who gave their best efforts for the cause of democracy; to the Committee on the Judiciary.

SENATE

FRIDAY, MAY 19, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, we beseech Thee that Thou wilt make this moment of devotion a pavilion of Thy peace, as trusting only in Thy mercy we bring our soiled souls to Thy cleansing grace. We come with heavy burdens on our minds and hearts for our Nation and for the world. We come with deep anxiety concerning the future our children will inherit from our hands. Yet we live and labor in the faith that Thy truth is marching on, even in the perplexities of these terrific days. Take us, we pray Thee, as we are, with unfulfilled purposes and disappointed hopes, with impulses, strivings, longings, so often frustrated and thwarted; and even with what is broken and imperfect in us make Thy radiant dreams for all Thy children come true. We ask it in the name of Him who made human life a sacrament and a cross a throne. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 18, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate on Monday, Tuesday, and Wednesday of next week.

Mr. GREEN. Mr. President, under date of February 22 the Senate unanimously passed Senate Resolution 231, authorizing the Senate Committee on Foreign Relations, or any duly authorized subcommittee thereof, to conduct a full and complete study and investigation as to whether persons who are disloyal to the United States are, or have been, employed by the Department of State. As a result a special subcommittee, of which I am a member, was immediately established and has been operating since that time. On Monday, April 24, this special subcommittee, by vote, appointed me and the Senator from Massachusetts [Mr. LODGE] a special committee of two for the purpose of investigating the security program of the Department of State and its foreign establishments.

In this connection it is necessary for this special committee of two to visit Frankfurt-am-Main, Germany, and possibly other places in Europe, for the purpose of conducting the investigation abroad. It is expected that we shall depart on May 23 or shortly thereafter and that we shall return to Washington approximately on June 6.

I am asking that we be excused from attendance at sessions of the Senate and its committee meetings during that time.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Rhode Island? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Anderson	Hill	Maybank
Benton	Hoey	Mundt
Brewster	Holland	Myers
Bricker	Humphrey	Neely
Bridges	Hunt	O'Conor
Butler	Ives	O'Mahoney
Byrd	Jenner	Robertson
Cain	Johnson, Colo.	Russell
Capehart	Johnson, Tex.	Saltonstall
Chapman	Johnston, S. C.	Schoeppel
Connally	Kefauver	Smith, Maine
Cordon	Kem	Smith, N. J.
Darby	Kerr	Sparkman
Donnell	Kilgore	Stennis
Douglas	Knowland	Taft
Dworshak	Leahy	Taylor
Eastland	Lehman	Thomas, Utah
Ecton	Lodge	Thye
Ellender	Long	Tobey
Ferguson	Lucas	Tydings
Flanders	McCarran	Vandenberg
Fulbright	McCarthy	Watkins
George	McClellan	Wherry
Gillette	McFarland	Wiley
Green	McKellar	Williams
Gurney	McMahon	Young
Hayden	Magnuson	
Hendrickson	Malone	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from Florida [Mr. PEPPER] is absent on public business.

The Senator from Kentucky [Mr. WITHERS] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Oregon [Mr. MORSE] are absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

SENATOR VANDENBERG, OF MICHIGAN

The VICE PRESIDENT. For himself and for the entire membership of the Senate, the Chair expresses the pleasure and happiness we all feel in the presence today of the distinguished senior Senator from Michigan [Mr. VANDENBERG]. The Chair hopes that his health may continue to improve until it is entirely restored. [Applause, Senators rising.]

PRESENCE IN THE GALLERY OF DISTINGUISHED JURISTS

Mr. MYERS obtained the floor.

Mr. ROBERTSON. Mr. President, will the Senator yield so that I may make a short announcement?

Mr. MYERS. I yield for that purpose.

Mr. ROBERTSON. Mr. President, I feel highly honored today to have in the family gallery as my guests an old college mate who is the chief justice of Virginia Court of Appeals, Chief Justice Edward W. Hudgins. He is accompanied by a very distinguished jurist from Ohio, Carl V. Weygandt, chief justice of the Supreme Court of Ohio, by F. D. G. Ribble, dean of the University of Virginia Law School, whose opinions on constitutional law have been quoted more frequently by the United States Supreme Court than those of any other lawyer, and by John L. Walker, former president of the Virginia Bar Association. These distinguished jurists have come here today to look upon the greatest legislative body in the world. If at some future date they are forced to hand down decisions expressing a contrary viewpoint, I feel it will be our own fault.

ANNOUNCEMENT AS TO TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, if the Senator from Pennsylvania concludes his address before 1 o'clock and sufficient time intervenes, Senators will be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD. If not, I shall make a unanimous-consent request for that purpose immediately after the vote on the cloture petition.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. MYERS. Mr. President, at the beginning, I want to emphasize the grave responsibility which was placed upon this body by the action of its Members in the last session in adopting a new cloture rule which requires the votes of 64 Senators to impose a limit on debate. This new rule was adopted by the Senate shortly after both political parties concluded their presidential campaigns in which they solemnly pledge their support to platforms that promised the American people positive action by Congress in eliminating discriminatory employment practices.

As chairman of the committee which wrote the Democratic platform of 1948, I can attest to the deep sincerity of those who successfully urged that our party state emphatically and explicity its views on fair employment practices. I can attest also to the sincerity and enthusiasm of those who accepted and supported our party's platform.

The Republican Farty, just as sincerely, I am sure, wrote the following words into its platform:

> This right of equal opportunity to work and to advance in life should never be limited in any individual because of race, religion, color, or creed. We favor the enactment and just enforcement of such Federal legislation as may be necessary to maintain this right at all times in every part of this Republic.

Senators of both political parties who urged or supported our present cloture rule were fully cognizant of these pledges in the platforms of both great parties.

Distinguished Members of the Senate have said that they have no doubt that cloture can be obtained under this rule on an antilynching bill, or on a poll-tax bill. Let me point out to those Senators, and to every American citizen, that the grave responsibility placed upon this body by the adoption of the new rule will not be fulfilled unless cloture can be obtained not only on an antilynching bill or a poll-tax bill, but also on the question before us now. It is clear to all that without cloture, we are not likely to have a fair-employment-practice law.

In view of the pledges that have been made by both great political parties, and in view of the responsibility which was placed upon us by the adoption of our new cloture rule, we are all impelled to assert our finest efforts and greatest influence in marshaling the forces necessary to approve this cloture motion. We shall not be fulfilling our responsibility to the American people if we content ourselves with what we have already done, if, with greater effort, we might do more.

If we are to have a proper understanding of S. 1728, the Senate fair-employment-practice bill, we must view it in its proper perspective. It is not a plan aimed at a particular section of the country. Rather, it is a positive and proved method of ameliorating discriminatory practices against American citizens; practices which prevail in practically every section of the United States.

Abundant evidence of discriminatory practices in nearly every part of the United States has been presented to committees in the Congress, and has been reviewed in speeches on the Senate floor. I shall not take the time to repeat these specific examples of discriminatory practices which are occurring daily throughout our country. It is more important that we emphasize here, and that we remember that there are millions of Americans who are being deprived of an equal opportunity with the rest of our American citizens in earning a livelihood.

Too many Americans—millions of people living in this great Republic founded on the principles of freedom and justice—are being discriminated against, systematically or otherwise, in respect to the most fundamental and basic right which democracy offers, that is, the right, along with other men, to pursue a profession or earn a living.

In the words of our former great Secretary of State, George C. Marshall:

> Society is not free if law-abiding citizens live in fear of being denied the right to work.

So, Mr. President, I shall take at the outset the position that there are substantial numbers of "law-abiding citizens" who "live in fear of being denied the right to work."

Operating on this assumption, I think we should make three main inquiries in regard to the bill before us.

First, what do we propose to do about assuring the right to work? Second, will our proposal accomplish what we intended to do? And, finally, do we in Congress have the constitutional power to enact such a law?

I want to turn my attention now to the matter of insuring the right to work. The right to work under a free-enterprise system is the right to live, the right to earn a livelihood which will support an individual and his family, the right to engage as a productive member of society, turning out the goods we need to maintain our standard of living, and, finally, the right as a consumer to share in the use of the product by which our living standard is defined.

A man without a job is certainly making no contribution to the productive wealth of our country. This is obvious. It is overwhelmingly true as well that most men out of work lack any independent resources which would otherwise permit them to consume any appreciable quantity of the goods and services furnished by others. I do not have to impress upon anyone the importance of the argument that our economy flourishes in direct relation to the purchasing power of our people. The man who buys but little contributes but little toward the employment and productivity of our Nation.

A dozen years ago Congress determined as a matter of national policy to establish the principle of a minimum wage for those whose work flowed through the channels of interstate commerce. That law was vigorously attacked before it was passed, and the attack continued in some force for years after the law was enacted. Today the principle of a minimum wage for those who work in interstate commerce is almost universally accepted, and the only arguments that are pressed with any insistence are raised against the amount of minimum wage, and not against the principle itself.

Now the primary principle which underlay the original minimum-wage legislation was the recognition that the purchasing power of the worker as consumer was an all-important requirement to the productive wealth of our economy. Unless a man can purchase in proportion to the goods or services he creates, it is quite evident that the market for the things we make is seriously curtailed, and, furthermore, the worker whose pay is woefully inadequate is clearly deprived of anything approaching real participation in what we like to think of as the American way of life.

The minimum-wage law has the beneficial effect not only of increasing the purchasing power of those on the bottom of the economic stack, who are covered by the law itself, but, by raising the wage standards in covered employment, the law has the effect of raising purchasing power generally for low-paid workers, even though their jobs are not covered by the minimum-wage law.

But the minimum-wage law applies only to those who can obtain a job. For those others—and there are many of them—who are unable to find work, not because they are incapable of working, but simply because they have been rejected for reasons of their religious beliefs, or their race, or their national origins, the minimum-wage law has no force or effect whatsoever. The people who are turned down for employment in work which they are capable of doing are forced to accept any kind of wage that is offered them. These rejected people in a given community or State or section of the Nation form pools of surplus labor available for a song. Their abilities are not utilized as they might be, and their purchasing power, apart from the barest necessities of life, contributes nothing to the employment of others. These people, discriminated against because of race, religion, or national origin, are certainly not, in an economic sense, participants in the American way of life. And I think that most of those who object to the legislation presently before us will have no argument with me on that score.

I feel, however, that those who oppose legislation which would assure the right to work to those capable of working fail to see the broader consequences of the piteous economic standards which so often characterize those who have been discriminated against. They fail to realize that the very existence of a pool of labor available for a pittance has the net result of pulling down the wage standards and purchasing power of groups of people able to find work without discrimination. There is no doubt about this, Mr. President. Those who are forced to work for next to nothing are the rankest kind of unfair competition against others who work in the same area. In short, those who because of discrimination are deprived of a right to work at a job they are capable of performing, pull down the living standards not only of themselves, but of all others in their communities and, for that matter, of the Nation itself.

Unfair employment practices are a broad detour around the whole principle of a minimum-wage law. The right to work is a fundamental part of the right to the reasonable minimum-wage standards which have been in force on a national basis for a dozen years.

No one can calculate the loss to our national wealth which we suffer as a consequence of failing to make use of the skills and capabilities of all our people, and no one can calculate the loss we sustain as a result of limited purchasing power on the part of so substantial a group of Americans.

There is no part of America, Mr. President, in which unfair employment practices do not exist to some degree. I think if we look realistically at the living standards and wealth of any part of our country we shall find the lowest standards in the areas in which discrimination is worst.

I realize it may be argued that discrimination may well increase as the economic health of an area grows worse—the argument, in substance, that discrimination is the result, not the cause, of worsening economic conditions. There is no simple answer to this argument; but I believe that those who argue that discrimination is the result of economic distress may be answered sufficiently by pointing out the tremendous strides toward economic health which have been made in our poorest communities as a result of a minimum-wage law. This cannot be challenged. The minimum-wage law, even without the companion protection of the right to work, has brought about substantial advances in the living standard of many of the poorer sections in the United States.

The case which I make here for the enactment of a fair-employment-practice law has been couched squarely in economic terms. I have not done this because I am unaware of the human feelings which are very, very much involved in a matter of this sort. Heaven knows, we are all very much aware of the feelings in the hearts of the millions of Americans who live, day after day, with the knowledge that they do not enjoy the full-fledged rights and privileges of American citizenship. The injustice of this is alone sufficient to demand enactment of FEPC legislation in a nation which is predicated on the belief of freedom and opportunity for all.

Neither have I said anything about the social implications of this law, because I feel that they more properly belong to the second question which I raised earlier, namely, Will the pending FEPC bill accomplish what we intended to do? That is the question which I shall take up at this time.

I have no doubt at all that a Federal FEPC law will be highly successful. The experiences of the States and communities which have adopted fair-employment-practice laws are convincing proof that the principle of this proposed statute is sound, and that it will work.

The objections which are being voiced today against a Federal statute on this subject were also leveled against State and local FEPC laws. Businessmen feared consumer resistance if certain minorities were employed in public establishments. It was argued that the right of employers to manage and operate their own business enterprises would be largely destroyed. Mass walk-outs of employees were predicted.

It should be kept in mind that these State and local laws apply to communities where deeply grained prejudices exist—prejudices that run just as deeply in those communities as they do in any area of the Nation. Yet, we have learned that not one of those forebodings was justified.

There has been no consumer resistance in the areas where these laws are in force.

Studies conducted in New York, the first State to adopt a fair-employment-practice law, have shown that the public has fully accepted the employment of minority groups in public establishments.

Similarly, employers have not found that the requirements of fair-employment-practice laws interfere with their independence in operating their businesses.

Of 65 employers in the State of New Jersey whose views on FEPC were solicited by the State enforcement agency, not one expressed a negative or unfavorable reaction to the law. Let me state some typical responses. The St. Regis Paper Co. reported:

> No problems that had not previously been with us have been raised since the inception of the law, nor has it interfered with our hiring procedure.

The New York Shipbuilding Corp. made this comment:

> In reply to your inquiry * * * we wish to say that the subject law has caused no new difficulties or problems in our business. * * * The law in question has not interfered with our right to select the most competent workers for our operations. * * * We have heard no adverse criticism concerning the administration of the antidiscrimination law.

Likewise, no mass walk-outs have resulted from the passage of these laws. The chairman of the New York State Commission on Discrimination, in his testimony before a congressional committee, stated that the dire predictions voiced by one-time opponents of the New York law had not materialized, that mass walk-outs of employees in protest of the law have not occurred.

It is a fair conclusion that the State and local FEPC laws have been accepted generally in the finest cooperative spirit by nearly all groups in those communities.

Of course, it has been contended here that our Southern States are entirely different; that an FEPC law would not work in the South, that it would meet with solid and persistent opposition in every southern community. I seriously question the soundness of those views. Basically, the South is no different from the other parts of our country. In the final analysis, prejudices are made of the same stuff, regardless of where they are found. I have every confidence that an FEPC law would be accepted by most southern communities in a fine spirit of cooperation.

A survey made by Fortune magazine has shown that a substantial portion of the white population in the South favor fair-employment-practice legislation. I have been advised that white workers in a plant at Anniston, Ala., went on strike to obtain equal pay for both white and Negro workers. Today in that particular plant, Negro and white workers are paid the same for equal work.

Many thousands of southerners share the view expressed by former Gov. Ellis Arnall, of Georgia, when he said:

> Pay the Negro good wages for his work, give him the opportunity to demonstrate his own capacity to learn, work, and earn, give him his constitutional rights and you have solved this distorted so-called race problem.

An editorial from the Birmingham News, in Alabama, gives force to my belief that FEPC will work in the South. This editorial reads in part as follows:

> There are always some people everywhere who are disposed to taking a suspicious or prejudiced view toward FEPC. Here, in Birmingham, happily, we surely can say such persons are decidedly in the minority. (Editorial, June 18, 1942.)

The prospects for successful administration of a fair-employment-practice law in the South are so promising that we should not permit the forebodings of overcautious persons to divert us from our great objective—equal opportunity for all men.

Every precaution has been taken to confine the application of this measure to economic problems. Small-business enterprises where close personal relations may exist between employer and employees have been exempted from the application of this proposed law. The modern factory is not a social club. All charitable and fraternal organizations likewise have been exempted, as another precaution to assure that this bill, if enacted into law, will not tread upon close personal relationships.

The opponents of this measure have argued with considerable force that Congress does not have the constitutional authority to enact a Federal FEPC law, and this raises the third question I asked earlier. This question must be answered ultimately by the Supreme Court. However, I have no doubt at all that the commerce clause of the Constitution places in Congress full power to act on this matter.

The authority of Congress over interstate commerce has been interpreted through a long series of Supreme Court decisions as being full and complete. In 1913 the Shreveport rate case laid down the principle that Congress, under its commerce authority, could regulate activities confined entirely within a State, if those activities affected interstate commerce.

This doctrine was recently reaffirmed by the Supreme Court in National Labor Relations Board against Jones & Laughlin Steel Corp., where it was held that Congress under its commerce authority could lay down rules governing the conduct of workers and employers engaged in industrial production, even though the production process was confined entirely within a State. The production process was subject to congressional authority because it affected commerce by influencing the flow of goods into the State and out of the State.

Since the proposed bill is limited by its terms to business engaged in, or carrying on, operations affecting interstate commerce, there is no doubt that Congress can regulate some of the activities of these businesses. The important inquiry is: Does Congress have the authority to regulate under the commerce clause the specific matter of discriminatory employment practices?

Here again, the answer is clear. If these practices affect the flow of com-

merce, they are clearly within the power of Congress. It is argued by the opponents of this bill that employment practices are a strictly local matter, merely an internal business procedure, with no bearing on interstate commerce.

Opponents of FEPC will note with interest that our courts, in Troppy against LaSara Farmers Gin Co., held that Congress, under the commerce clause, could validly authorize the Department of Agriculture to place penalties upon strictly local sales of cotton. This decision is the basis of the cotton-support program. Our courts, in Wallace against Currin, also held that Congress, under the commerce power, had the authority to prohibit the local auctioning of tobacco, unless it was first inspected and graded.

In both cases Congress, under its commerce power, asserted authority over the day-to-day activities of business enterprises. Upon these decisions is based the authority of the Department of Agriculture to conduct its cotton price-support program and the tobacco-inspection program. These laws affect purely local activities and limit the freedom of action of individual businessmen every bit as much as would the bill which is the subject of this motion. I do not believe that the opponents would argue that Congress did not have authority to act in these cases.

Fair employment practices are clearly subject to the control of Congress. The failure of employers to utilize fully the high skills available to them in the labor force adversely affects the free flow of commerce. Discriminatory practices in some States, which have resulted in cheap sources of labor, burden interstate commerce to the extent that they create a detriment to other States where the cost of labor has not been depressed through discriminatory practices. I have no doubt of the authority of Congress to pass this bill.

Those who question the constitutionality of the bill point to the reserved power of the States under the tenth amendment. The argument ceases to have any force at all, once it is assumed that Congress has authority to act under the commerce clause. This will be made clear by the following quotation from Troppy against LaSara Farmers Gin Co., the case which sustained the validity of the cotton price-support program:

> The tenth amendment is not applicable to Federal regulations within the scope of the commerce power, because in case of conflict this power granted to the Federal Government dominates the power reserved to the States.

I submit that we should not delay action here because of any fear that this bill is not within the authority of Congress. The decisions of our courts establish the power of Congress beyond any serious doubt.

In conclusion, I want again to impress upon the Members of this body the grave responsibility which the Senate accepted in approving our present cloture rule. It is clearly our duty to the American people to exert every effort and to do all in our power to obtain cloture on the motion to take up the FEPC bill.

The enactment of a fair-employment-practice law will be a positive step forward. We will be rededicating ourselves to the basic ideals of democracy. I am confident that this proposed legislation, which has been most carefully drafted, can be successfully administered in every part of the country. I am confident that most southern communities, once they have become familiar with the great objectives of this bill, will give it their finest cooperation.

The power to act is clearly defined within the authority of Congress. The solution to this serious problem can wait no longer. I therefore sincerely hope that the cloture motion will be adopted.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RELIEF OF CERTAIN CONTRACTORS IN CONSTRUCTION OF UNITED STATES APPRAISERS BUILDING, SAN FRANCISCO, CALIF.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif., which were, on page 1, line 10, strike out all after "California:" over to and including "$2,902.23;" on page 2, line 1; on page 2, line 1, strike out "$105,286.51" and insert "$36,127.93"; on page 2, line 2, strike out "$40,892.56" and insert "$27,221.01"; on page 2, line 3, strike out "$23,910.04" and insert "$15,044.93"; and on page 2, line 4, strike out "$9,283.00" and insert "$5,366.40; Plant Rubber and Asbestos Works, $3,502.17; Emil Solve, $2,483.34; Dohrmann Hotel Supply Co., $97.30; Mundet Cork & Co., $7,253.95; S. H. Pomeroy, $8,128.18; Fire Protection Products Co., $395.49; Lamson Corp., $267.84; Texas Quarries, $709.84; Frank B. Smith, $1,509; Turner Resilient Floors, Inc., $4,068.02; D. N. and E. Walter & Co., $573.93; Phoenix Simpton Co., $362.13; and Acme Floors, $115.92."

Mr. McCARRAN. Mr. President, I made a brief explanation of the House changes yesterday, and I now move that the Senate concur in the House amendments.

The motion was agreed to.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PERMISSION FOR NATIONAL BANKS TO GIVE SECURITY FOR DEPOSIT OF CERTAIN FUNDS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers (with accompanying papers); to the Committee on Banking and Currency.

AMENDMENT OF UNITED STATES CODE ENTITLED "COAST GUARD"

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend title 14, United States Code, entitled "Coast Guard" (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

A letter from the Acting Attorney General, withdrawing the names of Helga Jonsson or Helga Gudmundsdottir and Sigmundur Magnus Jonsson from a report relating to aliens whose deportation he suspended more than 6 months ago, transmitted to the Senate on January 16, 1950; to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE TO MIHAIL MARINESCU OR MIHAI Z. MARINESCU

A letter from the Acting Attorney General, transmitting, pursuant to law, a copy of the order of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to Mihail Marinescu or Mihai Z. Marinescu, together with a complete and detailed statement of the facts and pertinent provisions of law and the reasons for granting him such status (with an accompanying paper); to the Committee on the Judiciary.

EXTENSION OF AUTHORITY FOR OPERATION OF TEXAS CITY TIN SMELTER

A letter from the Chairman of the Reconstruction Finance Corporation, transmitting a draft of proposed legislation to strengthen the common defense by extending for 5 years the authority for the Texas City tin-smelter operation (with an accompanying paper); to the Committee on Banking and Currency.

REPORT ON OPERATIONS OF GENERAL ACCOUNTING OFFICE UNDER CONTRACT SETTLEMENT ACT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the activities of the General Accounting Office under section 16 of the Contract Settlement Act of 1944 (with an accompanying report); to the Committee on the Judiciary.

AUDIT REPORT OF GOVERNMENT SERVICES, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of Government Services, Inc., for the fiscal year ended December 31, 1948 (with an accompanying report; to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to Federal fair employment practices legislation; ordered to lie on the table.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on May 18, 1950, pp 7190–7191, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the reduction to 60 years the age for eligibility for old-age assistance, which was referred to the Committee on Finance.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on May 18, 1950, pp 7190–7191, CONGRESSIONAL RECORD.)

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to funds for public-works projects for the Commonwealth of Massachusetts; to the Committee on Public Works.

(See resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on May 18, 1950, pp. 7190–7191, CONGRESSIONAL RECORD.)

A resolution adopted by the Louisiana State Bar Association, at Monroe, La., protesting against the enactment of House bill 3111, granting of admiralty jurisdiction to the bankruptcy court; to the Committee on the Judiciary.

A resolution adopted by the Massachusetts Department, Auxiliary to the Sons of Union Veterans of the Civil War, of Lexington, Mass., relating to protection of the American flag and the pledge of allegiance; to the Committee on the Judiciary.

Letters in the nature of memorials from Joseph H. Brown and Wesley E. Cauthorn, both of Chickamauga, Ga., Carl R. Johnson, of Ooltewah, Tenn., and Arthur E. Kirby, remonstrating against the enactment of amendments to the so-called Taft-Teague bill, S. 2596, relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944); to the Committee on Labor and Public Welfare.

A telegram in the nature of a memorial from local 122, United Shoe Workers of America, CIO, signed by George C. Knapp, business agent, remonstrating against the enactment of the so-called Mundt-Ferguson bill, S. 2311, to protect the United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

SOUTHWEST POWER ADMINISTRATION—LETTER AND RESOLUTION OF BOARD OF CITY COMMISSIONERS OF OTTAWA, KANS.

Mr. SCHOEPPEL. Mr. President, I am in receipt of a letter from L. I. Crater, city clerk, of Ottawa, Kans., transmitting a resolution adopted by the Board of City Commissioners, of Ottawa, relating to House bill 7786, the omnibus appropriation bill, which includes appropriations for the Southwest Power Administration, amounting to about $16,350,000. I present the letter and resolution for appropriate reference, and ask unanimous consent that they be printed in the RECORD.

There being no objection, the letter and resolution were referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

THE CITY OF OTTAWA,
Ottawa, Kans., May 15, 1950.

The Honorable ANDREW SCHOEPPEL,
United States Senator,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We are transmitting herewith a copy of a resolution passed by the Board of City Commissioners, Ottawa, Kans., at the regular meeting, May 10, 1950.

The text of this resolution represents the consolidated views of a number of the cities of southeastern Kansas. These views were crystalized at a meeting held April 24, 1950, in Chanute, Kans. Present at that meeting were officials, or representatives, of the following cities: Kansas City, Kans.; Ottawa, Kans.; Osawatomie, Kans.; Fredonia, Kans., Garnett, Kans.; McPherson, Kans.; Chanute, Kans.; Neodesha, Kans., and Girard, Kans.

It was the opinion of those present, that current policies of the Federal Government, if continued will lead us away from our constitutionally founded system of freedom, individual enterprise and personal initiative. The thought prevailed that immediate and energetic action is mandatory if we wish to continue as a free people. With particular reference to the illogical, unnecessary and undesirable encroachment of the Southwestern Power Administration into areas already adequately served, a committee appointed by the chairman of that meeting has prepared this resolution. It has been carefully considered by our board of commissioners at a regular meeting and their approval made a matter of official action.

In transmitting this resolution to you, the board asks for your earnest consideration of the resolution, and that you personally request the Interior Department Subcommittee on Appropriations to give this resolution particular attention.

I have the honor to remain,
Respectfully yours,

L. I. CRATER,
City Clerk.

Whereas there is now pending in the Congress of the United States a bill known as the omnibus appropriation bill for fiscal 1951 (H. R. 7786), one part of which includes appropriations for the Southwest Power Administration (SPA), an agency of the Department of the Interior, which appropriation amounts to some $16,350,000; and

Whereas such bill sets out that such appropriation is to be used for the purpose of constructing certain transmission lines and related facilities and engineering studies relating thereto in certain portions of the Middle Western and Southwestern United States, including eastern and southeastern Kansas; and

Whereas the construction of such facilities would result in a duplication of electric power facilities in such area; and

Whereas a study of the proposed program of the Federal Government for distributing Government-produced electric power in such middle western area indicates that such Federal program is but an additional attempt, in the guise of furnishing electric power to the public at a lesser cost, to further project the strong arm of the Federal Government into private business, and to invade the sphere and rights of local and State governmental bodies; and

Whereas such an effort, if a fact, should be condemned as un-American and unwholesome; and

Whereas, even though said action might be in good faith, it is lacking in wisdom in its ultimate effect; and

Whereas such action would produce a duplication of power in the area referred to in this resolution; and

Whereas the municipal-owned power plants within said area now have adequate capacity and the means for projecting additional capacity for the furnishing of the power requirements of their localized municipal area; and

Whereas Kansas, through a benevolent Government, has been able to successfully establish and operate many REA cooperatives in said area; and

Whereas such power has been made available by the municipalities and the utility companies for the successful operation of all industry requiring electric power within the area, including all municipal and REA requirements, and far-reaching plans are now being projected by these existing power suppliers to furnish all additional power as may be needed; and

Whereas said power now being furnished to the consumers thereof is being produced and sold at rates brought about in the American way by bargaining between producer and consumer, as evidenced by the many contracts in existence throughout the State of Kansas; and

Whereas the Federal Government's production and transmission of power through the area would tend to create a Federal Government monopoly of power, and would eliminate many elements of business that now are producing, transmitting, and distributing power and which support local, State, and Federal Government and the payment of taxes; and

Whereas the effect of carrying out this design on the part of the Federal Government in the exercising of its sovereign power would be to weaken and take away from private enterprise and local governmental units through inherent characteristics of freedom, would result in the loss of self-respect, and the loss of the idea of thrift and self-confidence; and

Whereas the ultimate results of the proposed action would result in a weakened community in which they seek to serve; would result in said community becoming more and more dependent upon the Federal Government; would create an intolerable condition that shocks the conscience of Kansans who respect the principle of freedom; and

Whereas the amount of electric power now available satisfactorily meets the demands of the consumers in the area; and in view of the far more important considerations referred to above, such action on the part of the Federal Government should be condemned: Therefore be it

Resolved by the Governing Body of the City of Ottawa, Kans., and it herewith expresses itself for the purpose of preserving free enterprise, That it condemn the spirit of the program to extend public power into the projects contemplated by the SPA in the omnibus appropriation bill for fiscal 1951, and that it urge the members of the Kansas congressional delegation to use the influence of their high office in preserving the idea of thrift, self-respect, and confidence in government by vigorous action in opposition to the appropriation being requested by the SPA in such proposed bill.

Adopted by a unanimous vote of the Governing Body of the City of Ottawa, Kans., this 10th day of May 1950.

ROBERT W. LUCE,
Mayor.

GEORGE W. HERZOG,
Commissioner of Finance and Revenue.

K. E. ANDREWS,
Commissioner of Streets and Utilities.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUNT, from the Committee on Armed Services:

S. 3520. A bill to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abaca by the United States; with amendments (Rept. No. 1678).

By Mr. CHAPMAN, from the Committee on Armed Services:

H. R. 5368. A bill to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes; with amendments (Rept. No. 1687).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 2949. A bill authorizing the Secretary of the Interior to issue a patent in fee to James Chief, to certain lands; with amendments (Rept. No. 1679).

By Mr. BUTLER, from the Committee on Interior and Insular Affairs:

S. 3128. A bill authorizing the issuance of a patent in fee to John D. Decora; with amendments (Rept. No. 1680);

S. 3130. A bill authorizing the issuance of a patent in fee to Lot Smith and Helen Seymour Smith, heirs of Charles Smith, deceased; with amendments (Rept. No. 1681); and

H. R. 6521. A bill to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear; without amendment (Rept. No. 1682).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

Reorganization Plan No. 2 of 1950, providing for reorganizations in the Department of Justice; favorably (Rept. No. 1683); and

Reorganization Plan No. 6 of 1950, providing for reorganizations in the Department of Labor; favorably (Rept. No. 1684).

By Mr. O'CONOR, from the Committee on Expenditures in the Executive Departments:

Reorganization Plan No. 10 of 1950, providing for reorganizations in the Securities and Exchange Commission; favorably (Rept. No. 1685); and

Reorganization Plan No. 13 of 1950, providing for reorganization in the Civil Aeronautics Board; favorably (Rept. No. 1686).

TERRITORIAL ENABLING ACT OF 1950—REPORT OF A COMMITTEE

Mr. MAYBANK. Mr. President, from the Committee on Banking and Currency, I report an original bill which will enable the governments of Alaska, Hawaii, Puerto Rico, and the Virgin Islands to take advantage of the present housing legislation passed by the Congress, and I submit a report (No. 1688) thereon. The Committee on Banking and Currency ordered the bill reported today.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 3635) to enable the governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes, reported by Mr. MAYBANK, from the Committee on Banking and Currency, was read by its title and placed on the calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CORDON (by request):

S. 3623. A bill to authorize payment of salaries and expenses of officials of the Klamath Tribe; and

S. 3624. A bill to provide for a final settlement of individual shares in the tribal estate and assets of the Klamath Indians through voluntary withdrawal from membership in the Klamath Tribe of Indians, of Oregon; to the Committee on Interior and Insular Affairs.

(Mr. LUCAS (for himself Mr. MAYBANK, Mr. O'MAHONEY, and Mr. SPARKMAN) introduced Senate bill 3625, to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. HUMPHREY:

S. 3626. A bill for the relief of Kajiko Kajitani;

S. 3627. A bill for the relief of Mary Gemma Kawamura; and

S. 3628. A bill for the relief of Fukuko Endo; to the Committee on the Judiciary.

By Mr. LONG:

S. 3629. A bill for the relief of Joseph A. Myers, Hazel C. Myers, and Helen Myers; to the Committee on the Judiciary.

(Mr. YOUNG introduced Senate bill 3630, authorizing the construction of flood-control work on Little Missouri River and Little Beaver Creek, North Dakota, which was referred to the Committee on Public Works, and appears under a separate heading.)

By Mr. McCARRAN:

S. 3631. A bill to authorize the establishment of the Virginia City National Historical Monument in the State of Nevada; to the Committee on Interior and Insular Affairs.

By Mr. HUNT:

S. 3632. A bill authorizing loans from the United States Treasury for the expansion of the District of Columbia water system, and authorizing the United States to pay for water and water services secured from the water system; to the Committee on the District of Columbia.

By Mr. WILEY:

S. 3633. A bill for the relief of Tadeusz Herka; and

S. 3634. A bill for the relief of Waclaw Betlejewski; to the Committee on the Judiciary.

(Mr. MAYBANK, from the Committee on Banking and Currency, reported an original bill (S. 3635) to enable the governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes, which was placed on the calendar, and appears under a separate heading.)

(Mr. FULBRIGHT introduced Senate Joint Resolution 183, to suspend the application of certain Federal laws with respect to attorneys and assistants employed by Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session, which was passed, and appears under a separate heading.)

SMALL BUSINESS ACT OF 1950

Mr. LUCAS. Mr. President, on behalf of the Senator from South Carolina [Mr. MAYBANK] the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and myself, I introduce for appropriate reference a bill which may be cited as the Small Business Act of 1950.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3625) to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes, introduced by Mr. LUCAS (for himself, Mr. MAYBANK, Mr. O'MAHONEY, and Mr. SPARKMAN), was read twice by its title, and referred to the Committee on Banking and Currency.

Mr. MAYBANK. Mr. President, I merely want to say that the Banking and Currency Committee has before it several small-business bills at this time, and the committee will begin hearings next week on those bills, and the bill just introduced.

CONSTRUCTION OF FLOOD-CONTROL WORK ON LITTLE MISSOURI RIVER AND LITTLE BEAVER CREEK, N. DAK.

Mr. YOUNG. Mr. President, I introduce for appropriate reference a bill authorizing the construction of flood-control work on Little Missouri River and Little Beaver Creek, N. Dak., and I ask that a brief statement by me be printed in the body of the RECORD with reference to the bill.

Mr. CONNALLY. Reserving the right to object, what is it that the Senator wants to put into the RECORD?

Mr. YOUNG. A brief explanation of a bill.

Mr. CONNALLY. Why not put it in the Appendix?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. TAFT. Mr. President, it has been universally customary, when a Senator introduces a bill to have a statement explaining it printed in the RECORD. That refers, likewise, to resolutions, such as the one presented by the Senator from New York [Mr. IVES].

Mr. CONNALLY. Mr. President, I thought I had the floor.

The VICE PRESIDENT. The Senator has reserved the right to object.

Mr. CONNALLY. Yes; I have. I thank the Senator from Ohio for instructing me on the points which I have presented. If what the Senator from North Dakota wishes to have printed in the RECORD is merely a statement, and it appears as a statement, I shall not object.

Mr. YOUNG. Mr. President, I ask unanimous consent to read the statement. It will not take more than a minute. It is on a very important subject, regarding the flood at Winnipeg as it extends to the North Dakota-Minnesota line on the United States side.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. YOUNG. Mr. President, I am introducing the bill for the purpose of having an early review made by the Board of Engineers for Rivers and Harbors of their earlier recommendations for flood-protection works in the Red River of the North Basin, and also for the purpose of urging a speed-up of the cooperative studies thereon already under way by both United States and Canada.

On January 12, 1948, the International Joint Commission was requested by the Governments of Canada and the United States to make investigations and report covering waters from the western boundary of the Milk River Drainage Basin on the west to and including the drainage basin of the Red River of the North (Minn.-N. Dak.) on the east. These investigations should be expedited with a view to securing the earliest possible action toward alleviation of the serious flood problems which are plaguing the Red River Basin.

The disastrous floods of April and May, 1950, which affected millions of acres of land and important centers of population in both Canada and the United States have again called attention to

the need for prompt and vigorous action to prevent recurrence of these damaging floods. It is my earnest hope that the work under way may be accelerated, and that the Army engineers may find ways to further improve their plans to meet the situation.

The bill (S. 3630) authorizing the construction of flood-control work on Little Missouri River and Little Beaver Creek, North Dakota, introduced by Mr. YOUNG, was read twice by its title, and referred to the Committee on Public Works.

DISAPPROVAL OF PARTICIPATION BY UNITED STATES IN CERTAIN INTERNATIONAL ORGANIZATIONS

Mr. JENNER submitted the following resolution (S. Res. 277), which was referred to the Committee on Foreign Relations:

Resolved, That the Senate does not favor participation by the United States in any international organization outside of the United Nations which involves the surrender of our national sovereignty or any part thereof or which in any way impairs our legislative processes.

AMENDMENT OF RULE RELATING TO ORDER IN DEBATE

Mr. NEELY submitted the following resolution (S. Res. 278), which was referred to the Committee on Rules and Administration:

Resolved, That paragraph 4 of rule XIX of the Standing Rules of the Senate is amended to read as follows:

"4. (a) If a Senator, in speaking or otherwise, transgress the rules of the Senate, the Presiding Officer shall, or any Senator may, call him to order. When a Senator is called to order by another Senator, the Presiding Officer shall, without debate, immediately decide whether the Senator who has been called to order has violated a Senate rule. The decision shall be subject to an appeal to the Senate which shall, without debate, be decided at once. When the Presiding Officer calls a Senator to order, an appeal shall lie from such action to the Senate and it shall be decided at once, without debate.

"(b) When it is determined under this rule that a Senator is not in order, he shall sit down, and not proceed without leave of the Senate. If such leave is granted, it shall be upon motion that the speaker be allowed to proceed in order. This motion shall be decided without debate."

GENERAL APPROPRIATIONS, 1951—AMENDMENT

Mr. YOUNG submitted an amendment intended to be proposed by him to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

CREDIT TO COMMERCIAL AND INDUSTRIAL ENTERPRISES—AMENDMENT

Mr. O'MAHONEY submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 2975) to establish corporations to assist financial institutions in making credit available to commercial and industrial enterprises and to provide capital for such enterprises, which was referred to the Committee on Banking and Currency, and ordered to be printed.

REMARKS OF THE PRESIDENT AT BRECKENRIDGE, MINN.

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD the remarks of President Truman, made on the occasion of his visit to Breckenridge, Minn., on May 13, 1950, which appear in the Appendix.]

THE PRESIDENT'S MESSAGE TO 1950 CONFERENCE OF MAYORS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a copy of President Truman's message to the 1950 conference of mayors, held on May 11 to 13, 1950, in New York, N. Y., which appears in the Appendix.]

DIAMOND JUBILEE, SONS OF THE AMERICAN REVOLUTION—ADDRESS BY SENATOR McCARTHY

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD an address delivered by him before the Diamond Jubilee Convention of the Sons of the American Revolution, May 15, 1950, at the Claridge Hotel in Atlantic City, N. J., which appears in the Appendix.]

LETTER FROM SENATOR BENTON FAVORING FEPC BILL

[Mr. MYERS asked and obtained leave to have printed in the Appendix of the RECORD a letter written by Senator BENTON favoring the FEPC bill, published in the New York Times of Thursday, May 18, 1950, which appears in the Appendix.]

HELPING THE DAV AND DAV SERVICE FOUNDATION

[Mr. WILEY asked and obtained leave to have printed in the RECORD an appeal made by him for the purpose of mobilizing aid for the DAV organization and for the DAV Service Foundation, which appears in the Appendix.]

BOYS CLUBS OF AMERICA—ADDRESSES BY HON. HERBERT HOOVER AND HON. J. EDGAR HOOVER

[Mr. DARBY asked and obtained leave to have printed in the RECORD addresses delivered by Hon. Herbert Hoover and Hon. J. Edgar Hoover on the occasion of the final meeting of the annual convention of the Boys Clubs of America in Washington on May 18, 1950, which appear in the Appendix.]

REVISION OF ADMINISTRATIVE PROCEDURE OF CUSTOMS BUREAU—RESOLUTION OF GREATER ENDICOTT CHAMBER OF COMMERCE, ENDICOTT, N. Y.

[Mr. IVES asked and obtained leave to have printed in the RECORD a resolution of the board of directors of the Greater Endicott Chamber of Commerce, Endicott, N. Y., in opposition to revision of administrative procedure of the Bureau of Customs, which appears in the Appendix.]

SENATOR WILEY'S AID TO WISCONSIN DAIRY FARMERS — EDITORIAL FROM CHIPPEWA FALLS HERALD TELEGRAM

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled "Waging Courageous Fight," from the Herald-Telegram of Chippewa Falls, Wis., of May 15, 1950, which appears in the Appendix.]

AMENDMENT OF SOCIAL SECURITY ACT—STATEMENT BY SENATOR LEHMAN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a statement issued by him on the subject of a bill to be introduced to amend the Social Security Act, extending its public assistance provisions to the people of Puerto Rico and the Virgin Islands, which appears in the Appendix.]

PLIGHT OF DAIRY FARMERS IN NEW YORK

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD excerpts from a letter discussing the plight of the dairy farmers in New York, written by William E. Maier, under date of May 10, 1950, which appear in the Appendix.]

REMOVAL OF EXEMPTION APPLICABLE TO PUBLIC CONTRACTS PERFORMED IN PUERTO RICO AND THE VIRGIN ISLANDS

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a statement issued by him commenting on a proposal by the Secretary of Labor to remove the administrative exemption applicable to public contracts performed in Puerto Rico and the Virgin Islands, and also the announcement by the Secretary, which appear in the Appendix.]

FORCE AGAINST THE PUBLIC—EDITORIAL FROM THE KANSAS CITY TIMES

[Mr. DONNELL asked and obtained leave to have printed in the RECORD an editorial entitled "Force Against the Public," published in the Kansas City (Mo.) Times of Thursday, May 11, 1950, which appears in the Appendix.]

SUCH IS A UNION'S POWER—EDITORIAL FROM THE KANSAS CITY STAR

[Mr. DONNELL asked and obtained leave to have printed in the RECORD an editorial entitled "Such Is a Union's Power," published in the Kansas City (Mo.) Star, May 13, 1950, which appears in the Appendix.]

THE RAILROAD STRIKE

[Mr. DONNELL asked and obtained leave to have printed in the RECORD an article entitled "Switchmen's Strike 'Wholly Unjustified.' Railroads Protest," from the Washington Evening Star of May 19, 1950, which appears in the Appendix.]

THE RAILROAD STRIKE — EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

[Mr. DONNELL asked and obtained leave to have printed in the RECORD an editorial entitled "Now That the Strike Is Over," from the St. Louis Post-Dispatch of May 17, 1950, which appears in the Appendix.]

POINT 4 AND SOUTHEAST ASIA—EXCERPTS FROM STATEMENT BY RADEN SUDJATMOKO

[Mr. KILGORE asked and obtained leave to have printed in the RECORD excerpts from a statement by Mr. Raden Sudjatmoko, acting chief of the Indonesian Observer's Mission to the United Nations, on the subject of point 4 and southeast Asia, delivered before the fifty-fourth annual meeting of the American Academy of Political and Social Science, on April 15, 1950, which appear in the Appendix.]

THE ST. LOUIS STAR-TIMES RECEIVES MISSOURI UNIVERSITY AWARD—ADDRESS BY ELZEY ROBERTS

[Mr. KEM asked and obtained leave to have printed in the RECORD an address delivered by Elzey Roberts, publisher, on the occasion of the award to the St. Louis Star-Times of a citation conferred by the University of Missouri for distinguished service to journalism, which appears in the Appendix.]

THE SIREN SONG OF SOCIALISM—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "The Siren Song of Socialism," published in the Indianapolis (Ind.) Star of Tuesday, May 16, 1950, which appears in the Appendix.]

ACHESON MUST GO—EDITORIAL FROM WASHINGTON TIMES-HERALD

[Mr. JENNER asked and obtained leave to have printed in the RECORD an editorial entitled "Acheson Must Go," from the Washington Times-Herald of May 19, 1950, which appears in the Appendix.]

DEVIATION OF REORGANIZATION PLANS FROM RECOMMENDATIONS OF HOOVER COMMISSION—EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. SMITH of New Jersey. Mr. President, I think I speak not only for myself but for many of my colleagues in expressing great regret that the President of the United States in submitting certain of the reorganization plans, has apparently missed the spirit of the Hoover Commission recommendations, and, in some instances, has definitely changed the direction which the Hoover Commission intended, in making its recommendations. It had been my own personal hope that I could support each of the reorganization plans, which I confidently expected would be in line with the recommendations of the Hoover Commission. It has been a matter of great regret to me to have to oppose some of these plans. I merely make this preliminary statement, in asking unanimous consent that there be incorporated at this point in my remarks an editorial which appeared in the New York Herald Tribune this morning, entitled "The President's Error."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S ERROR

The results of the President's error in playing politics with the Hoover Commission reports are now glaringly apparent. Among the 21 reorganization proposals which Mr. Truman submitted to Congress in March, 19 were close to the spirit of the Commission's recommendations. Two, however—those relating to the National Labor Relations Board and the Maritime Commission—diverged sharply; the first constituted an effort by Mr. Truman to legislate Mr. Denham, the NLRB counsel out of office, and the second would have destroyed the Maritime Commission's independence in a field where the Hoover Commission believed it should be retained. These mistakes were all that the congressional opponents of reorganization needed. One after another, proposals on the rest of the program are being voted down.

The President does not appear to have realized that the task of streamlining the Government was so big, so delicate, that it would need all the prestige of the Hoover Commission behind every plan, all of the popular support that could be mustered. The fear of Congressmen—and the many interests affected by Government agencies—that efficiency would be used as an excuse for executive usurpation, is very strong. The quality of the leadership and membership in the Hoover Commission was high enough to give the proponents of governmental reform a fighting chance. But when Mr. Truman loaded down his plans with palpable efforts to achieve political ends, all the supporters of the status quo leaped joyfully into the struggle, and are making a hash of the whole program.

It might be argued, with justice, that Congress should be more selective, that the Senators who are using arguments which are only valid against a few of the reorganization plans to condemn them all, are being neither fair nor wise. But it was the President who gave the initial grounds for suspicion and it is he who must bear the final responsibility. The reforms projected by the Hoover Commission are urgently needed; they are basic to any attempt to cut Government costs by efficient administration. Mr. Truman's efforts to use reorganization for any other purpose casts doubt upon his sincerity in tackling this problem at all, and jeopardizes a great national movement.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

Mr. TAFT. Mr. President, I ask that the following statement be incorporated in the body of the RECORD. It was issued by me on last Monday, and I shall read the first two sentences:

I intend to join in a cloture petition this week and vote for cloture to limit debate on the motion to take up the FEPC bill, which motion has been pending before the Senate already for 10 days.

I have always felt that a majority of the Senate should have the right to take up any measure it desires to debate and, after adequate debate, to vote on such measure regardless of the merits of the measure itself.

I ask that the entire statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I intend to join in a cloture petition this week and vote for cloture to limit debate on the motion to take up the FEPC bill, which motion has been pending before the Senate already for 10 days.

I have always felt that a majority of the Senate should have the right to take up any measure it desires to debate and, after adequate debate, to vote on such measure regardless of the merits of the measure itself. I know that all Republican leaders are urging Republican Senators to take similar action. At least 75 percent of the Republicans, and probably more, will vote to limit debate. If the Democrats can do as well, cloture will be voted, or even if they get a much smaller percentage of their 54 votes.

Before the Chicago meeting of the Democratic Party breaks up, I hope President Truman, Senate Majority Leader Scott Lucas, and Democratic Senate Campaign Chairman Clinton P. Anderson will get down to cases and arrange for the necessary votes instead of talking in beautiful terms about the theory of civil rights.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. It is 1 o'clock, and the Chair must lay before the Senate the motion to close debate, which involves, automatically a quorum call.

The hour of 1 o'clock having arrived, the Chair lays before the Senate a motion adequately signed by a sufficient number of Senators to close debate on the motion of the Senator from Illinois [Mr. LUCAS] to proceed to the consideration of Senate bill 1728. The Secretary will call the roll to ascertain if a quorum is present.

The roll was called, and the following Senators answered to their names:

Aiken	Bricker	Cain
Anderson	Bridges	Capehart
Benton	Butler	Chapman
Brewster	Byrd	Connally
Cordon	Jenner	Mundt
Darby	Johnson, Colo.	Myers
Donnell	Johnson, Tex.	Neely
Douglas	Johnston, S. C.	O'Conor
Dworshak	Kefauver	O'Mahoney
Eastland	Kem	Robertson
Ecton	Kerr	Russell
Ellender	Kilgore	Saltonstall
Ferguson	Knowland	Schoeppel
Flanders	Leahy	Smith, Maine
Fulbright	Lehman	Smith, N. J.
George	Lodge	Sparkman
Gillette	Long	Stennis
Green	Lucas	Taft
Gurney	McCarran	Taylor
Hayden	McCarthy	Thomas, Utah
Hendrickson	McClellan	Thye
Hickenlooper	McFarland	Tobey
Hill	McKellar	Vandenberg
Hoey	McMahon	Watkins
Holland	Magnuson	Wherry
Humphrey	Malone	Wiley
Hunt	Martin	Williams
Ives	Maybank	Young

The VICE PRESIDENT. A quorum is present. The question before the Senate is, Is it the sense of the Senate that the debate shall be brought to a close? Those who favor bringing the debate to a close will vote "yea" when their names are called; those who are opposed will vote "nay." The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHAPMAN (when Mr. WITHERS' name was called). My colleague, the junior Senator from Kentucky [Mr. WITHERS], is necessarily absent today. I am authorized by him to say that if he were present he would vote "nay."

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from Florida [Mr. PEPPER] is absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent on official business in connection with his duties as chairman of a subcommittee of the Committee on Foreign Relations.

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Montana [Mr. MURRAY], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Oregon [Mr. MORSE] are absent by leave of the Senate. If present and voting, the Senator from North Dakota [Mr. LANGER] and the Senator from Oregon [Mr. MORSE] would each vote "yea."

The yeas and nays resulted—yeas 52, nays 32, as follows:

YEAS—52

Aiken	Brewster	Cain
Anderson	Bricker	Capehart
Benton	Butler	Cordon

Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Leahy	Smith, N. J.
Dworshak	Lehman	Taft
Ferguson	Lodge	Taylor
Flanders	Lucas	Thomas, Utah
Gillette	McCarthy	Thye
Green	McMahon	Tobey
Hendrickson	Magnuson	Vandenberg
Hickenlooper	Martin	Watkins
Humphrey	Myers	Wherry
Hunt	Neely	Wiley
Ives	O'Conor	Williams
Jenner	O'Mahoney	
Kem	Saltonstall	

NAYS—32

Bridges	Hill	McFarland
Byrd	Hoey	McKellar
Chapman	Holland	Malone
Connally	Johnson, Colo.	Maybank
Eastland	Johnson, Tex.	Mundt
Ecton	Johnston, S. C.	Robertson
Ellender	Kefauver	Russell
Fulbright	Kerr	Sparkman
George	Long	Stennis
Gurney	McCarran	Young
Hayden	McClellan	

NOT VOTING—12

Chavez	Langer	Pepper
Downey	Millikin	Thomas, Okla.
Frear	Morse	Tydings
Graham	Murray	Withers

The VICE PRESIDENT. On this vote the "yeas" are 52, the "nays" 32. Under the rule, the votes of 64 Members of the Senate, or two-thirds of those duly elected and sworn, would be required to carry the motion, and not having received a sufficient number, the motion is not agreed to.

FAILURE OF CLOTURE RULE

Mr. LUCAS. Mr. President, the effort to bring to a close by a cloture motion the debate on the motion to consider the FEPC bill has failed. Naturally, I regret that the Senate of the United States would not, by 64 votes, at least give this great deliberative body an opportunity to discuss the merits and the demerits of the bill. The motion will still be the unfinished business. A number of Senators were unavoidably absent, and I am sure that another vote upon the motion to consider the bill, through a cloture petition, will bear greater fruit in the future.

I am willing that the unfinished business be laid aside temporarily for the purpose of taking up some of the measures now on the calendar, especially some of the resolutions regarding reorganization plans, which the Senator from Colorado [Mr. JOHNSON] served notice on the Senate yesterday he would ask to have considered immediately following the vote upon the cloture motion.

I again say, Mr. President, that I regret the result of the vote. I regret that Senators were unavoidably absent. It was a tremendously important vote. We shall carry on the fight, and get another vote on the motion at some time when a greater number of Senators are present than at this hour.

Mr. President, do I correctly understand that the Senator from Colorado desires to have considered a reorganization plan?

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Does the Senator from Illinois yield?

Mr. WHERRY. If the Senator from Illinois is going to yield the floor, I should like to have a chance to be recognized.

Mr. LUCAS. I thought the Senator from Colorado desired to proceed.

Mr. JOHNSON of Colorado. The Senator from Maine [Mr. BREWSTER] desires to call up the reorganization plan with respect to the Maritime Commission, and he is on his feet ready to call it up.

The VICE PRESIDENT. Does the Senator from Nebraska desire recognition?

Mr. WHERRY. I should like to have recognition.

The VICE PRESIDENT. The Senator is accorded it.

Mr. WHERRY. I thank the Chair.

Mr. President, the vote on cloture, just taken, shows very definitely, in my opinion, that the Democratic Party cannot keep its promises. The Democratic Party is split wide open. I point out that 78½ percent of the Republican membership of the Senate voted for cloture, and only 36½ percent of the Democrats voted for cloture.

For the first time in the history of the United States Senate we have had an out-and-out vote on the issue of applying cloture under a petition filed to close debate on a motion.

The people of the United States who are wondering what is going to be done can see from this vote who their friends are, and who can make good on their promises. Despite the fact that the Republican Party has only 42 seats in the Senate, compared to 54 for the Democrats, we produced this morning 14 more votes for cloture than did the Democratic Party. The vote of 52 Senators in support of cloture was 4 votes short of the number required under the old rule, which provided that there must be a two-thirds vote of the Senators present in order to adopt cloture. Therefore, so far as the followers and advocates of FEPC are concerned, it does not make any difference whether the vote today had been taken under the old rule or under the new rule. Whether it had been taken under the old rule or under the new rule, it would have failed to provide cloture. Even under the old rule, the vote today failed by 4 votes to provide cloture. On the basis of the showing made on the Democratic side, if we are to have cloture after a petition has been filed asking for cloture, the majority leader had better endeavor to have the rule amended so as to provide for a constitutional majority rather than a rule providing for a two-thirds vote of the Senators who are present.

Mr. President, today's vote in the Senate shows that the Republican Party is the party of the Great Emancipator, Abraham Lincoln, and that the Republican Party is the only agency through which equal opportunity for legislation of this kind can be guaranteed to the voters of the United States of America.

Mr. BREWSTER. Mr. President——

The VICE PRESIDENT. The Chair recognizes the Senator from Maine.

Mr. MALONE. Mr. President, will the Senator from Nebraska yield for a question?

The VICE PRESIDENT. The Senator from Nebraska has yielded the floor.

Mr. LUCAS. Mr. President, will the Senator from Maine yield so I may make a few appropriate remarks?

Mr. BREWSTER. Mr. President, I ask unanimous consent that the distinguished majority leader be permitted to make such comments as he thinks appropriate, without prejudicing my rights to the floor.

The VICE PRESIDENT. The Chair will say to the Senator from Maine that under the circumstances, if he wishes to yield the floor, the Chair will recognize him again.

Mr. BREWSTER. Will the Chair recognize me following the remarks of the Senator from Illinois?

The VICE PRESIDENT. That is what the Chair was about to say. Ordinarily he would not make a promise of that sort, but under the circumstances, in view of his long and intimate friendship with the Senator from Maine, he will make an exception in this case. [Laughter.]

Mr. BREWSTER. I appreciate the nonpolitical character of the Chair's ruling.

The VICE PRESIDENT. Do not be so sure about that. [Laughter.]

Mr. LUCAS. Mr. President, I am not surprised that the Senator from Nebraska at this particular moment would try to inject a bit of partisanship into this debate. [Laughter.]

The VICE PRESIDENT. The Senate will be in order; likewise the galleries.

Mr. LUCAS. The Democratic Party, Mr. President, has always been split upon the subject of civil rights. Everyone knows that. I do not think there is anyone, whether he be a Democrat or a Republican, who does not believe that the Senators who come from the South have a very deep conviction and take a very tenacious position with respect to the issues which are involved in the proposed legislation.

Mr. President, I do not blame the Senator from Nebraska for trying to get out from under the rule which he, as sponsor, fastened upon the Senate last year. We remember that coalition very well, and I think the country will remember it for a long time, Mr. President. A debate took place in the Senate, lasting for some 3 weeks, during which an attempt was made to get a rule through the United States Senate by which a two-thirds majority of Senators present and voting could break a filibuster. It will be recalled that the distinguished Vice President made a ruling at the time that upon a motion to take up a measure for consideration the Senate of the United States had the right to declare the debate closed upon the favorable vote of a two-thirds majority of Senators present and voting.

That ruling afforded the greatest opportunity we ever have had in the United States Senate to break a filibuster. The country and the Senate will remember who was responsible at that particular time for the failure to sustain the decision of the Vice President of the United States. The Senator from Nebraska, who now talks about this issue, was one of the leaders of the group of Republi-

cans who overruled the decision made by the Vice President of the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. LUCAS. The Senator from California was with me on that question, and I congratulate him again. I now yield to him.

Mr. KNOWLAND. Mr. President, I should like to say to the able Senator from Illinois that while it is true that a vote was taken on the ruling of the Vice President, and the junior Senator from California happened to have voted the same way the Senator from Illinois voted on the ruling, the fact remains that under the rules as they had been interpreted since the original adoption of the cloture rule, cloture would not apply against a motion to take up, and that now, for the first time, under the rules of the Senate clearly set forth, the Senate has had a chance to get a test vote on a motion to take up a measure before the Senate. The Senator will admit that that is correct, will he not?

Mr. LUCAS. I understand all that. If the Senator wants to ask me a question, that is one thing; but if he wants to make a speech, I would rather have him do so on his own time.

The truth of the matter is that the Senator from California was one of the Republican Senators who sustained the position of the Vice President at that particular time. I commended him for it then, and still do, Mr. President, because I am absolutely convinced the Vice President was right. So close were we at that time, to getting an opportunity to vote on the basis of a two-thirds majority, regardless of the number of Senators who were present that those who were opposed to such a rule saw the danger and immediately formed a coalition at that time which fastened the present unholy rule on the Senate of the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I will yield in a moment. I desire to read a statement which has been issued by minority groups which are vitally interested in civil rights with respect to this rule which has been fastened upon the Senate.

I have in my hand a release dated May 18, from the National Council for a Permanent FEPC in Cooperation With National Emergency Civil Rights Mobilization:

"The Senate is in a parliamentary mantrap of its own making and can escape only by casting 64 or more votes Friday to break the filibuster on the motion to take up fair employment practice legislation," it was pointed out here today by A. Philip Randolph and Roy Wilkins, spokesmen for forces supporting the FEPC bill.

Sixty-three Senators dug this pit in which the Senate finds itself by voting for the 64-vote cloture rule March 11, 1949. They said then that the rule would work, that cloture could be secured on civil-rights legislation. The opportunity and responsibility for making it work are upon them in the vote scheduled for 1 p. m. Friday. Excluding the 22 southern Senators, there remain 10 votes more than are necessary.

We appeal to the members of both parties to see to it that 64 votes are forthcoming to save the country from having to explore the constitutional crisis that would be precipitated if it were demonstrated that many more than a majority, but a few less than two-thirds, can be denied the democratic right even to take up a bill.

Mr. President, what I deplore as much as anything else, is that Senators, whether they are on this side of the aisle or on the other side of the aisle, on a simple motion to take up a bill will deny the Senate of the United States the right even to consider the bill.

They could at least have done so much as to give the Senate the opportunity to consider the bill, so it could be discussed from the point of view of its merits or its demerits, and thereafter have voted against a second cloture petition, if they wanted to do so. But, no; we get a "nay" vote on this side of the aisle and a "nay" vote on the other side of the aisle.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. Mr. President——

Mr. WHERRY. Mr. President, what does the Senator from Illinois mean by saying "the 'nay' vote" on this side of the aisle? Senators on this side of the aisle gave 33 votes in favor of cloture.

Mr. LUCAS. Mr. President, I did not yield.

Mr. WHERRY. But the Senator from Illinois wants the record to be correct, does he not? He does not want a misstatement to appear in the RECORD, does he?

The VICE PRESIDENT. The Senator from Illinois declines to yield.

Mr. LUCAS. Mr. President, is there any way we can exclude the Senator's remarks? I did not yield to him. I should like to have those remarks deleted from the RECORD. I shall yield to him later.

Mr. WHERRY. Mr. President, a point of order.

The VICE PRESIDENT. When a Senator has the floor and refuses to yield, no other Senator has a right to inject remarks into his speech.

Mr. LUCAS. Mr. President, I want them stricken from the RECORD.

Mr. WHERRY. Just a moment, Mr. President——

Mr. LUCAS. Mr. President, I do not yield.

Mr. WHERRY. Mr. President, will the Senator from Illinois yield, to permit the RECORD to be corrected?

Mr. LUCAS. I should like to correct the RECORD——

Mr. WHERRY. The Senator had better do so.

Mr. LUCAS. I had better, had I?

Mr. President, I have the floor, and I do not yield.

The VICE PRESIDENT. The Chair rules that the Senator from Illinois has the floor; and if he declines to yield, no other Senator has a right to question him or to make remarks during the course of his speech.

Mr. LUCAS. Mr. President, I am surprised at my friend, the Senator from Nebraska. He is the great minority leader, so-called, on the other side of the aisle; and he is the Republican leader of the country. The Senator from Ohio is called "Mr. Republican"; but that is all wrong, for the Senator from Nebraska is "Mr. Republican." He is the Republican leader.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I do not yield. I ask the Senator please to let me alone.

Mr. President, the Senator from Nebraska is the unusual minority leader. He leads Senators on his side of the aisle; but he votes with them about 1 time out of 12, so far as the record shows. [Laughter in the galleries.]

The VICE PRESIDENT. The Senate will be in order and the occupants of the galleries will be in order. The occupants of the galleries are prohibited, under the rule, from making any demonstration, either of approval or of disapproval. The Chair insists that the rule be observed.

The Senator from Illinois may proceed.

Mr. LUCAS. Mr. President, we on this side of the aisle even though we may be opposed to one another on this civil-rights measure, are very happy to know that the Republican Party in this country is led by the Senator from Nebraska. We are delighted to have the Senator from Nebraska, the so-called great Republican leader, here in the United States Senate.

What I said a moment ago was that certain Senators on that side of the aisle voted "nay" when the roll was called on the question of invoking cloture, and also certain Senators on this side of the aisle voted "nay." Certain Senators whom I hoped would not vote that way, nevertheless voted "nay." Other Senators, whom I thought would vote "nay," did vote "nay."

However, Mr. President, we cannot control Senators; and the Senator from Nebraska knows that, too. He, himself, votes with his colleagues about 1 time out of 12, in most cases.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I decline to yield.

Mr. President, I read further from the release of the national council to which I referred:

Such a crisis would center around the most reckless and dangerous part of the new cloture rule, that part which proposes to deny the Senate the right to put any limit whatsoever on debate upon a motion to change this or any other Senate rule. If this provision of the rule were to stand the Senate would have nailed its feet to the floor for a thousand years.

Mr. President, that is what these gentlemen say, and that is correct. In such case, Senators would never break the rule which was fastened on the United States Senate last year, the rule sponsored by the Senator from Nebraska; Senators would never break it in a thousand years, as is said by the gentleman who issued the release from which I have been reading.

No wonder the Senator from Nebraska is attempting to get out from under this rule, as a result of what has happened here today.

I read further from the release:

If, on Friday, May 19, at least 64 votes are not cast for cloture we urge the leaders of both parties to keep the motion to take up FEPC before the Senate until cloture is voted

or until, after repeated petitions and roll calls, it is conclusively demonstrated to the American people——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I shall yield in a moment—

that, under the present Senate rules, the will of the majority is powerless to break through and overcome the veto power of a minority of one-third-plus-one.

The Members of the Senate can escape the pit they have dug for themselves—and, more important, they can open the way to fair employment—only by climbing the cloture ladder they have built, all 64 rungs of it.

Now I yield to the Senator from Ohio.

Mr. TAFT. Mr. President, the Senator from Illinois is not under the impression, is he, that if his own rule, which he tried to have the Senate adopt last year, had been adopted by the Senate, cloture would have been adopted today? The Senator from Illinois has counted the votes, has he not, to see that his own rule would have failed, just as the present rule failed, so far as the adoption of cloture is concerned?

Mr. LUCAS. The Senator from Ohio is correct. But when we try again to obtain cloture and have present the five Senators on this side of the aisle who are absent today, and also have present the Senators on the other side of the aisle who are absent today, cloture, I am sure, would carry under the two-thirds rule; there is no question about that.

Mr. JOHNSTON of South Carolina and Mr. WHERRY addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I believe the Senator from Illinois stated that it would be hopeless to try to invoke cloture and that we never could invoke cloture with the present rule in existence. Did I correctly understand the statement of the Senator from Illinois?

Mr. LUCAS. I did not say that. I said that if that provision of the rule remains in effect, we cannot break in a thousand years the rule which was fastened on us last year.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. I wish the Senator were correct in the statement he made; but the Senator may have noticed that there were 32 "nay" votes, and the distinguished Senator from Kentucky [Mr. WITHERS] was announced as "nay," making 33 votes on that side of the question. So, as a matter of fact, if all Senators were present, the attempt to invoke cloture would still be defeated, either under the present rule or under the rule sponsored by the Senator from Illinois.

Mr. LUCAS. Very well, have it any way you desire.

Mr. TAFT. I make that statement for the sake of the accuracy of the RECORD.

I think it is unfortunate that the Senate has not voted in favor of cloture. I am in favor of cloture.

However, I am afraid the Senator from Illinois cannot blame the failure to invoke cloture on the rule the Senate adopted last year; that is all.

Mr. LUCAS. Very well. The Senator can have it any way he wants. At least, the rule we tried to adopt last year, as the Senator must admit, was a more liberal rule than the one which was fastened on us, the rule under which we are now operating.

PERSONAL STATEMENT—DREW PEARSON ARTICLE

Mr. HICKENLOOPER. Mr. President——

Mr. LUCAS. Just a moment, please; I ask the Senator to give me a chance.

Mr. HICKENLOOPER. Mr. President, I have a favor to ask of the Senator from Illinois, in asking him to yield, for I must catch an airplane at 2:30 this afternoon.

Mr. LUCAS. Very well; I yield.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that I may make a statement for about 2 minutes about an article in which my name is mentioned, appearing in this morning's newspapers, regarding the vote.

Mr. LUCAS. Cannot the Senator put the statement in the RECORD? That would do just as well.

Mr. HICKENLOOPER. I am afraid it would not do just as well. I ask the Senate's indulgence, if I may obtain unanimous consent to speak for the time I have indicated, without prejudicing the right of the Senator from Illinois to the floor.

Mr. LUCAS. Very well.

The VICE PRESIDENT. Is there objection to the request for the Senator from Illinois to yield to the Senator from Iowa for 2 minutes, without causing the Senator from Illinois himself to lose the floor? The Chair hears none, and the Senator from Iowa may proceed.

Mr. HICKENLOOPER. Mr. President, in this morning's Washington Post, in a column by Drew Pearson, there is a perfect example of the utmost and unbridled freedom of the press and the extent to which it can be carried, even to the protection of fantastically untrue statements.

I shall ask to have the entire article printed in full in the RECORD at the conclusion of my remarks, but at this point I shall read only a portion of it. It insinuates that the Senator from Ohio [Mr. TAFT] had made some kind of "deal" with the Senator from Georgia [Mr. RUSSELL]. It says:

TAFT not only estimated that he could keep at least six GOP Senators from voting to end the filibuster but he actually named them. They are: Senators MILLIKIN, of Colorado; MALONE, of Nevada; BRIDGES, of New Hampshire; GURNEY, of South Dakota; YOUNG, of North Dakota; and HICKENLOOPER, of Iowa; and two or three others might also be persuaded, TAFT said.

Somewhat later in the article the following appears:

However, the six GOP Senators whom TAFT has said he would deliver to the southern Democrats have already expressed their views privately as against cloture. This is probably something which TAFT did not tell Senator RUSSELL.

Mr. President, publicly and privately, I have always maintained that cloture should be invoked whenever debate was used as a delaying tactic. I even wrote a letter, several days ago, asking whether my name could be included among the sponsors of the cloture petition.

I have publicly and privately maintained that I would vote for cloture.

I made a special trip from Iowa back to Washington, arriving here last night, and my reservations were made 3 days ago, for the specific purpose of voting in favor of the cloture petition.

No more fantastically unfounded statement could be made, so far as I am concerned. Of course, I cannot speak for other Senators——

Mr. MALONE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I cannot yield.

Mr. President, no more fantastically unfounded statement could be made, so far as I am concerned, than the statement from which I have read, as it appears in the newspaper this morning. There is no foundation whatever for it. It is utterly and fantastically untrue.

Again I say that it certainly demonstrates the great lengths to which freedom of the press, for such unbridled and unfounded statements, is protected in this land of ours.

I regret, of course, that opportunity is given for statements of this kind to be made public; but under the great, free American system, I assume that we shall have to continue to be subjected to such untruths and such unfounded rumors, whether for political purposes or otherwise.

I thank the Senator from Illinois for yielding to me. I would not have asked him to do so, had I not been required to leave very shortly.

Mr. MALONE. Mr. President, will the Senator from Illinois yield, to permit me to ask a question of the Senator from Iowa?

Mr. LUCAS. It is my understanding that the Senator from Iowa has to leave almost at once.

The VICE PRESIDENT. The time of the Senator from Iowa has expired.

Mr. LUCAS. Mr. President, it is my understanding—I may be incorrect—that the name of the Senator from Iowa was on the original cloture petition; at least, it was put there by someone at his request, I understand.

Mr. HICKENLOOPER. I had asked permission to have it put on the cloture petition.

Mr. LUCAS. Yes.

Mr. HICKENLOOPER. Mr. President, I now send the entire article to the desk and ask that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 19, 1950]

TAFT CIVIL RIGHTS DEAL REPORTED

(By Drew Pearson)

Civil rights is the rock on which Abraham Lincoln founded the Republican Party. Yet Senator TAFT of Ohio, who is Mr. Republican himself, has just made a cold-blooded deal with southern Democrats to help them defeat civil rights.

TAFT has promised to hold back enough Republican votes to prevent cloture—in other words, prevent the Senate from breaking the

civil-rights filibuster. In return, TAFT got southern votes to support him in blocking the proposed Truman-Herbert Hoover reorganization of the National Labor Relations Board.

Under present rules it requires 64 votes to break the filibuster—which means that every available northern Democrat and Republican must be present and vote for cloture. Therefore, if TAFT can keep only four or five Republicans from voting, southern Senators will be able to talk civil rights to death.

This is exactly the deal which the Senator from Ohio made with Senator DICK RUSSELL of Georgia, the astute southern spokesman. The agreement has been kept a top political secret, and undoubtedly will be denied. However, other Senators were in on it, and this column has carefully confirmed the facts.

TAFT not only estimated that he could keep at least six GOP Senators from voting to end the filibuster, but he actually named them. They are: Senators MILLIKIN of Colorado, MALONE of Nevada, BRIDGES of New Hampshire, GURNEY of South Dakota, YOUNG of North Dakota, and HICKENLOOPER of Iowa—and two or three others might also be persuaded, TAFT said.

TAFT GOES IN REVERSE

In return, Senator RUSSELL promised to give TAFT a solid block of southern votes against the reorganization of the National Labor Relations Board, a plan which would have abolished the general counsel's office. The interesting thing about this reorganization is that it was not only proposed by Herbert Hoover, but 1 year ago it was also sponsored by TAFT himself.

However, Robert Denham, the NLRB general counsel whose job would be abolished, has been a faithful follower and fought tooth and nail to block NLRB reorganization.

TAFT's trade with Senator RUSSELL has already borne fruit regarding this part of the deal. For, last week, southern Democrats delivered a block of votes to defeat NLRB reorganization—with the exception of Senator WITHERS of Kentucky. He voted against TAFT and for Truman.

Today it's TAFT's turn to keep his part of the bargain. He himself will vote against the South and line up to break the filibuster in order to keep his record clean. He would be defeated for reelection in Ohio if he didn't.

However, the six GOP Senators whom TAFT has said he would deliver to the southern Democrats have already expressed their views privately as against cloture. This is probably something which TAFT did not tell Senator RUSSELL.

For, in secret Republican councils, the above-mentioned six had argued against the principle of shutting off Senate debate. In fact, TAFT had little to do with wooing them over to the other side.

Meanwhile, it is significant that TAFT has been noticeably uncooperative in rounding up Republican votes against the filibuster, though fellow Republicans have not suspected the reason. Senator WHERRY, of Nebraska, on the other hand, has been quite active.

Prediction—The TAFT-RUSSELL deal will be more vigorously and vehemently denied than anything in years, in addition to which several of the above six Senators will switch their votes in order to give the denials more validity.

DEWEY BACKS ELLIOTT

No one would ever expect Governor Dewey to propose a Roosevelt for public office.

But, believe it or not, that's what Dewey did the other day. He sent word to Elliott Roosevelt, urging him to run for Congress from New York City against Representative VITO MARCANTONIO of the American Labor Party.

Dewey's message was brought to Elliott by Paul Lockwood, one of the Governor's confidential secretaries, who promised that if Elliott could get Tammany's backing, he would also have Republican support in running against MARCANTONIO.

MARCANTONIO has had pro-Communist support and represents the Puerto Rican-Negro district of New York, which ordinarily would be hard for an outsider to carry. But just as young FRANKLIN ROOSEVELT, then an outsider, was able to carry the Eighteenth District, so it is believed Elliott could carry MARCANTONIO's district if he had support from Tammany and the Republicans.

Following Lockwood's proposal to Elliott, the latter conferred with Tammany leaders, and their decision is expected shortly.

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from Iowa whether Mr. Pearson spelled our names correctly.

Mr. HICKENLOOPER. So far as I know, he did.

FAILURE OF CLOTURE RULE

Mr. LUCAS. Mr. President, I regret that I am compelled to reply to my friend from Nebraska. I made a short statement expressing regret at what had happened, and advised the Senate we would carry on this fight. I had hoped we would carry it on with the same kind of cooperation we have had in the past, without getting into a political wrangle as to who is responsible, and so forth. I made no attack with respect to this rule in my short statement. I thought the vote had ended it, until meanwhile we could take up certain other business, and later on, discuss and debate FEPC with a view to having another vote on cloture, and that when we secured the presence of some seven or eight Senators who were absent today we could perhaps make a better showing, and with a change of heart by a few Senators might be able to make the grade. That was the sincere hope at least of the Senator from Illinois.

The Senator from Nebraska rose majestically, and immediately said the Democratic Party was split, high, wide, and handsome, and so forth and so on.

Mr. President, I do not propose to speak any longer on this question. I am simply interested in trying to secure the passage of the FEPC bill. I hope when we bring up the motion again some of my friends on the Democratic side of the aisle will at least—I repeat, will at least—give the Senate an opportunity to discuss the measure—and I repeat, an opportunity to discuss the measure.

The idea of a Senate of the United States binding this body to the point where it is impossible even to talk about a measure is a preposterous doctrine. The opposition will not even let a Senator, under this rule, vote favorably upon the motion itself. Surely that ought to be done, if nothing else, and it is difficult for me to understand how any Senator, regardless of how he may feel upon this measure, regardless of where he may come from, could fail to give the Senate an opportunity at least to discuss the merits and demerits of the measure, even though he might be opposed to the bill itself.

Some day, Mr. President—I repeat, some day—other Senators in this Chamber will have measures they will want to have considered. We are now laying a ground work here, as a result of failure to take up this bill that may prove disastrous. We are sowing the seeds, as I see it, for some small group of Senators to band together any time they want upon any measure, regardless of how important or how meritorious it may be, and proceed to stop the Senate cold in its tracks from considering any important legislation.

Surely, Mr. President, viewing the conditions which prevail throughout the world today this should not be done. As I said yesterday, this is probably as dangerous a peacetime period as we have ever had in America. It is a time when we may require action at any time, and we ought to be able to expedite action in the Senate.

Mr. KNOWLAND and Mr. LEHMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield, and if so to whom?

Mr. LUCAS. I yield first to the Senator from California.

Mr. KNOWLAND. Mr. President, I should merely like to ask the able Senator from Illinois, the majority leader, whether it is not true that, since his party is in substantial control of the Senate of the United States and in control of the Committee on Rules and Administration, if the able Senator wants to modify the rule, he is in the position and has the power to do it, by bringing out a new rule. Under the rule which was adopted at the last session, the problem of changing the cloture rule, as it now stands, has been neither increased nor decreased. The Senator therefore is in the same position, with respect to making a change that we were in at the last session of the Congress. Of course, as the able Senator from Illinois knows, it would require the breaking of a filibuster, through day-and-night sessions, which cannot be done in the month of May, but must be started in the month of January.

Mr. LUCAS. I understand now what the Senator is talking about. I regret that my friend, who has usually been with me on these things, brings that up and implies that we have started too late. Last year, according to many people, we started too early. This year, according to many people, we started too late. At least, Mr. President, we started each year. We started during the first session of the Eighty-first Congress, and we started during the second session of the Eighty-first Congress. That is more than my Republican friends did during the Eightieth Congress. They brought in an amendment to the rule, as I recall, in April, during the first session of the Eightieth Congress, but they never did consider it, either during the first session or the second. So I do not want to be charged with negligence by my friends on the other side of the aisle. They do not come in with clean hands when they try to charge neglect upon the part of the Democratic leadership.

I yield now to the Senator from New York.

Mr. LEHMAN. Mr. President, I ask the Senator from Illinois whether he does not think it is apparent that the result of this vote has been received by some of our friends on the other side of the aisle in a spirit almost of jubilation? Their demeanor has made it evident that

they believed it to be a victory for the Republican Party.

I ask the Senator from Illinois whether he does not agree with me that this is no victory for anyone, but that it is a tragic defeat for a rightful cause, the cause of equal rights and freedom for all our people? I think some Members on the other side of the aisle, instead of exhibiting a spirit of jubilation, instead of trying to capitalize on this vote for political advantage, should feel, as I do, that it is one of the most discouraging developments I have known in my entire public life.

Mr. IVES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the senior Senator from New York?

Mr. LUCAS. I yield.

Mr. IVES. I regret very much that my colleague from the State of New York saw fit to question the motives of all of us on this side of the aisle, which he apparently did in the statement he just made. I happen to know personally that a great number of Senators on this side of the aisle regret, as does my colleague himself, and as does the majority leader, the outcome of the vote which has just been taken.

At the outset of this debate, I pleaded with Members of the Senate to keep partisan politics out of this matter. We are never going to solve anything in the field of labor relations or in the field of human relations generally by injecting partisan politics. I think I personally have kept partisan politics out of this throughout my whole life. Again, I plead with other Members of the Senate for an honest effort to keep partisan politics out of this thing, and in doing so I join with the majority leader. The majority leader can count on me until the end of time, insofar as that is concerned. [Manifestations of applause in the galleries.]

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LEHMAN. I fully concur in what my distinguished colleague from the State of New York has said about keeping partisan politics out of this debate. But it was certainly evident from the very first remarks which were made, after result of the vote was announced, that an attempt was being made from the other side of the aisle to capitalize on the outcome and to seek partisan advantage of this situation.

I do not care whether this bill is passed by Democratic votes or by Republican votes. My only interest is in having it passed, in having the Senate obtain a right at least to vote on it. That is the democratic process, a process I have always supported and which I always will support. I hope the distinguished majority leader will again attempt to obtain cloture on this motion, and that the cloture motion will receive the support of additional members of the Republican Party and the support of more members of my own party.

Mr. LUCAS. Mr. President, I have had a number of talks with Senators on the other side of the aisle during the debate on FEPC. One Senator who has given me much courage and counsel in connection with it has been the senior Senator from New York [Mr. IVES]. There are a number of other Republican Senators who are genuinely interested in the proposed legislation, without thought of partisanship. But I repeat—the RECORD will show, and Senators know, what I said immediately following the vote, was a sincere statement—and devoid of the slightest tinge of partisan politics. It was, and is now, my hope that we carry on and harmonize our efforts to the end that we accumulate the necessary votes on this side of the aisle and on the other side of the aisle to gain a victory. Mr. President, I disclaim any interest in the starting of the partisan spirit of the debate. I place the responsibility on my friend from Nebraska [Mr. WHERRY] who started out with a big hip, hip, hurrah about splitting the Democratic Party in two and claiming much in defeat for what the Republican Senators have done.

Mr. BREWSTER obtained the floor.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BREWSTER. I shall be glad to yield, if I do not lose my right to the floor.

Mr. President, I ask unanimous consent that I may yield to the Senator from Nebraska for about 5 minutes, without losing my right to the floor.

The VICE PRESIDENT. Without objection, it is so ordered. The Senator from Maine yielded to the Senator from Nebraska in order that he might ask unanimous consent to proceed.

Mr. WHERRY. Mr. President, the junior Senator from Nebraska asks unanimous consent that he may proceed for 5 minutes.

The VICE PRESIDENT. Without objection, and without affecting the right of the Senator from Maine to the floor, the Senator from Nebraska may proceed.

Mr. WHERRY. Mr. President, the reason the junior Senator from Nebraska rose to his feet was because of the speech which the majority leader made yesterday, in which he referred to the rule to which he has again referred in his remarks this afternoon. He referred to the rule requiring a two-thirds constitutional majority, which rule the junior Senator from Nebraska helped to have adopted by the Senate and which the majority leader said had been fastened upon the Senate for a thousand years. Had it not been for that rule, Mr. President, the majority leader would not have been in position today even to present a motion for closing debate. He voted against the rule.

The point which the junior Senator from Nebraska wants to make is that the requirement of 64 votes had nothing to do with the outcome this afternoon. I say it is a good rule. I was willing to make the rule require two-thirds of the Senators present and voting, and I went along with the distinguished Senator from Arizona [Mr. HAYDEN] to that end. But, since, when the amendment to the rule was under consideration, the distinguished Senator from Illinois stated he would proceed no further and would ask the Senate to take up some other measure, then it was that a compromise was worked out, whereby, for the first time in the history of the United States Senate, a motion could be made to impose cloture if 64 Senators voted to terminate debate. It carried by 63 votes. It was not an unholy alliance, as the majority leader has stated more than once on the floor of the Senate. I am as much interested today in adopting a better cloture rule as I was at that time, and, in this instance, I worked incessantly to get out the vote.

Of course there is jubilation on this side of the aisle, because we finally got a test vote upon a vital issue for the first time in all the history of the Senate, and I am proud of the fact that on this side of the aisle 78½ percent of the membership voted in favor of the motion. If there is any partisan politics involved, it comes from the other side of the aisle, where continuously promises have been made to the people of the country that civil-rights legislation would be passed. The best they could do, as I pointed out, was only 19 votes out of 54.

Why should any blame be attached to the Republican side of the aisle Why should any blame be attached to this rule which has permitted the majority leader, for the first time in his life, to be able to test a cloture motion? I am as sincere as is any Senator on the floor with reference to cloture. The point I desire to make is that it has been through this rule that we have had an opportunity, for the first time I have been a Member of the Senate, and the first time any Member of the Senate has ever had such an opportunity on either side of the aisle, to make the test.

Attacks are continuously being made by the majority leader, and he has stated that it is because of this rule that the bill has failed. It is not because of the rule, because if we mean what we say and will say what we mean we can apply cloture if we have the necessary votes.

Mr. President, only six Republicans voted against it. Three Senators were absent. One Senator is present, even against his doctor's orders, in order that he might vote for the cloture petition.

That shows the length to which the minority leader has gone in trying to get out the vote. I am proud of that fact. I say, again, that it is the efforts on this side of the aisle which have produced results. If there is going to be any preaching or any censure, it should be applied by the majority leader to those who, he says, always criticize him for everything he does.

The majority leader refused to yield to me. I think yielding is a courtesy which should be extended. I have always yielded to him. In a sarcastic way he made me the great leader of the Republican Party——

Mr. LUCAS. I was honest about it.

Mr. WHERRY. I accept the nomination from the majority leader.

Mr. President, two more points, and I shall be through. I was made a great general on one occasion by the Senator from West Virginia [Mr. NEELY]. I appreciated that. I have now been made the undisputed leader of the Republican Party by the nominating speech of the

majority leader, and I also appreciate that honor.

Mr. President, I believe that we should not change the precedents of the United States Senate every time a measure is brought up. I voted to support the Senator from Michigan [Mr. VANDENBERG], who was presiding at the time, in his decision, and, I believe, rightly so. If there are to be rules in the Senate, we must approach them in the proper way and not try to change them every time a piece of proposed legislation is brought up. As I said to the majority leader yesterday—and I say it again—there are no politics involved in the matter. Nothing has been taken away from us.

I hope I have heard the last of the indictments made by the majority leader that I have been involved in an unholy alliance. We can change the rule just as it could have been done on the very day about which the majority leader has been speaking. The rule could be changed by breaking a filibuster, but until Senators are willing to do that they are not going to change the rule.

I accept this compromise rule as a great victory for the Republican Party because I feel that at long last we have a right to vote upon a measure and place every Senator on record as to how he feels concerning the issue. Even though we did not get a constitutional two-thirds majority, I say the showing is a good one. It shows where the friends of the proposed legislation are. Mr. President, I shall always join in any coalition which is interested in good, forthright legislation. I believe those with whom I joined are not unholy, whether they come from the South, West, North, or East. I respect the dignity and truthfulness of every Member of the United States Senate, and I do not like the statement that I joined with any group in an unholy alliance to be for or against any measure.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The Senator from Maine [Mr. BREWSTER] is entitled to the floor.

PERSONAL STATEMENT—DREW PEARSON ARTICLE

Mr. TAFT. Mr. President, will the Senator from Maine yield, with unanimous consent, that I may make a 2-minute statement on another matter?

Mr. BREWSTER. I shall be glad to answer any question.

Mr. TAFT. I should like to make a statement.

Mr. BREWSTER. I should first like to know what the statement is.

Mr. TAFT. I ask unanimous consent only because the distinguished Senator from Iowa has put in the RECORD an article by Mr. Drew Pearson which was published in this morning's Washington Post. The statement is as follows: I have seen Drew Pearson's story regarding an alleged deal on FEPC cloture and Reorganization Plan No. 12. There was no such deal or anything resembling it. It should be noted that the Senator from Tennessee [Mr. MCKELLAR], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Alabama [Mr. HILL], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Georgia [Mr. RUSSELL] were not among those who voted for the resolution of disapproval of Reorganization Plan No. 12. Furthermore, Mr. Hoover publicly stated that the Hoover Commission did not approve the plan, nor did I approve the plan last year, contrary to statements made in the article. I have publicly and privately continuously urged every Republican to vote for cloture on FEPC. The whole story is an unmitigated lie.

Mr. BREWSTER. I am glad to yield to the Senator from Ohio for the purpose of making that statement.

SENATOR MALONE'S POSITION ON CLOTURE

Mr. MALONE. Mr. President, I ask unanimous consent that I may be permitted to make a statement for not more than 2 minutes, without prejudicing the rights of the Senator from Maine.

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I ask unanimous consent that I may yield for the purpose of permitting the Senator from Nevada to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The Senator from Maine yields to the Senator from Nevada for 2 minutes, without losing his right to the floor.

Mr. MALONE. Mr. President, the junior Senator from Nevada has announced on many occasions in the past 3½ years that he would not vote for cloture on any measure except in a national emergency. Mr. President, the word "filibuster" has been bandied about very loosely for a considerable time on the Senate floor. The best definition of a filibuster which the junior Senator from Nevada can think of, at least as the word is used on the floor of the Senate, is that a filibuster is a debate to which one does not subscribe. In other words, if a Senator does not agree with the speaker, it is a filibuster. On the other hand, if the Senator does agree with him, it comes under the head of profound debate. The junior Senator from Nevada has listened with much interest to the addresses and debates of Senator STENNIS from Mississippi, the Senators from Georgia, Mr. GEORGE and Mr. RUSSELL, and other Members of this body, when they were engaged in debate, and has commented later to those Senators upon the character and high plane of their thoughts. The junior Senator from Nevada is still listening to the debate on FEPC with an open mind.

Mr. President, I have visited most of the nations of the world, and I have become familiar with most of the legislative bodies of the world. I attended a session of the legislature in Bangkok, Siam, for example. It is a small body of men operating within a very limited field when considered from the point of view of authority.

If the King of Siam were to send word that they should abolish themselves, they probably would do so. When I visited the country their King had been shot only a few days prior to my arrival. I note that another King has now been appointed.

In considering the results of his visits to various countries, the junior Senator from Nevada came to the conclusion that the Senate of the United States is the last open forum in the world in which a subject may be freely debated and in which Senators and the public may become informed. It is even more important that the public become informed, because when the public is informed, they are generally right in their conclusions. If a measure is hurried through the Congress without full debate, the public has no chance to become informed. If that happens, it is possible for Senators, as well as other persons, to give the impression that a vote means something other than what it actually means on the floor of the Senate.

Mr. President, in closing, I wish to say that the House of Representatives is not an open forum. Any administration which controls the House of Representatives can pass a bill in an afternoon.

In the Senate on the contrary there is full opportunity under our rules for Senators to become informed, and the people of the United States to become informed.

The junior Senator from Nevada, would not vote for cloture on any subject except in a national emergency.

Mr. President, the Constitution of the United States provided the two independent Houses of Congress—the House of Representatives and the Senate. The Senate, by its very nature is the more deliberative body.

Both Houses, under the Constitution, are entirely independent of the executive branch of the Government—the President of the United States.

Continual pressure is exerted by the executive branch for greater control of the legislative branch—if cloture could be invoked on the Senate floor without full and unrestricted debate the executive would increase its control over the legislative—the stage would then be set for a dictator to take over under a Socialist, Fascist, or Communist form of government.

I am, therefore, thoroughly opposed to exercise of cloture control except in an emergency.

COMMENT ON CLOTURE VOTE—PERSONAL STATEMENT ON DREW PEARSON ARTICLE

The PRESIDING OFFICER. The Senator from Maine is again recognized.

Mr. RUSSELL rose.

Mr. BREWSTER. For what purpose does the Senator from Georgia rise?

Mr. RUSSELL. Mr. President, I ask unanimous consent that the Senator from Maine yield to me for 4 minutes, without taking the Senator off the floor.

Mr. BREWSTER. I should like to say that I wish to proceed with my remarks as quickly as possible. I hope the Senator's request will be the last one, because I know many Members of the Senate are eager to get away. I am happy to yield to the Senator from Georgia provided I do not lose my right to the floor.

The PRESIDING OFFICER. The Senator from Maine asks unanimous consent that the Senator from Georgia may make a brief statement without the

Senator from Maine losing his right to the floor. Is there objection? The Chair hears none, and the Senator from Georgia may proceed.

Mr. RUSSELL. Mr. President, I was interested in the political discussion between the minority leader and the majority leader as to where to place the blame for the failure to gag the Senate of the United States in the discussion of the pending motion. The majority leader, having failed in his attempt to create a bipartisan bloc in the Senate which would gag the Senate, now denounces what he terms a coalition between Senators on this side of the aisle with those on the other side of the aisle.

I say, Mr. President, that today should be a day of rejoicing on the part of those who believe in preserving the fundamental processes of the Senate of the United States, which guarantee the right of petition to every American citizen. It should be a day of rejoicing to those who have an appreciation of the dignity of the United States Senate and its processes. The Senate has rejected the effort to bring before it this naked bill, without one line of hearings, or any recommendation on the part of the committee to which it was referred, and there should be rejoicing at the action in the nature of a rebuke to a committee for bringing this bill out without having discharged its proper functions.

Indeed, all those who value their individual rights and liberties today have reason to be proud that 33 Senators either voted or were announced in opposition to this movement which some of us believe to be largely political in its character and so dire in its consequences. So much for that.

Some mention has been made on the floor of the Senate of an article by Drew Pearson which appears in this morning's newspaper. This is not the first time I have been accused by this man of having made some kind of a deal with Republican Senators on legislative matters. As I recall, this is the third or fourth time. I do not remember the exact dates or the nature of all of these false charges, but I did refresh my memory as to another that was made this year. On February 4, when there was talk of bringing up some civil-rights legislation, Pearson carried a long column charging that there had been a deal between the Senator from Nebraska [Mr. WHERRY] and myself as to something which had taken place more than a year ago. The charge was utterly baseless and without foundation, just as was the one in today's newspaper that I had made a trade with the Senator from Ohio [Mr. TAFT].

Mr. President, I resent the charges, not only as they are directed at me, but as they are directed at my colleagues from the South. I resent the inference that they could be driven like cattle, and would vote as I might direct them to vote. The cold record shows that the charges are false, and the fact that the record was available to Pearson shows that the charges were knowingly, wilfully, and falsely made.

The charge that was made in February had to do with a vote on some power-line legislation that took place in the last Congress. He claimed that a conspiracy between the Senator from Nebraska [Mr. WHERRY] and myself, whereby I was to deliver southern Senators, was discovered by three alert Senators—I forget at this time who they were—and that they succeeded in preventing a large number of southern Democrats from voting against an amendment, and thereby foiled the plot. A yea-and-nay vote of the Senate was taken on that particular item, and it showed that of the three record votes on public-power matters taken on the bill, more southern Democrats voted on the one he claimed was the subject of a meretricious trade than on any other one. The cold record showed the falsity of his charge that it was necessary or possible to prevent my colleagues from the South from voting on the amendment.

The record today shows the falsity of the charge in regard to the item he discussed. He charges that I delivered the votes of southern Senators to the Senator from Ohio to disapprove the resolution reorganizing the NLRB. The cold record shows every southern Senator voted exactly as they had on the passage of the labor bill over a year ago. Mr. Pearson abuses the freedom of the press for political blackmail. The article this morning had no other purpose, nor did the article in February have any other purpose, than to deter men on this floor from voting their convictions. He thought that by coming out with this figment of a distorted and perverted imagination he would frighten Senators from voting their convictions by threats of smears. He gave some names.

Mr. President, there was not a reporter in the Press Gallery who did not have a better idea of how the vote would go than Mr. Pearson did, as expressed in his article. Reporters have been checking Senators for at least a week, and all of them knew how nearly every Senator would vote on the cloture issue. Even at that, he failed to correctly list those opposed to cloture, though past votes on cloture petitions enabled him to name some of those who voted against it today.

Of course, it would be impossible for any Senator to attempt to add to Mr. Pearson's stature as the prince of liars. I would not undertake to gild a lily. He has been charged by Presidents of the United States, by members of the Cabinet, by other men in public life, world without end, again and again, of being the creature who long ago wrested away the laurels of Ananias and placed them proudly on his own brow.

He has been compared to a skunk by one Senator, I believe. Of course, the Senator would not have made that statement if skunks could vote and were able to speak. [Laughter.] If skunks had been able to understand the odious nature of the comparison, I am sure they would have committed mass suicide, to the last skunk. [Laughter.]

The President of the United States publicly referred to Pearson as being a s. o. b. There was a great deal of discussion as to whether or not it was proper for the President to use such language. But not one person ever questioned the correctness of the President's statement. [Laughter.] I doubt not that if the canine family in this country could have understood that comparison, every one of them have been seized with rabies of the most virulent type in their madness at being so compared. [Laughter.]

Mr. President, my time is up. I merely wish to say that the Prince of Peace was indeed omniscient. He looked down through 2,000 years, and in the eighth chapter of John, the forty-fourth verse, described Pearson when he said:

> There is no truth in him. When he speaketh a lie, he speaketh of his own; for he is a liar, and the father of it.

I thank the Senator from Maine for yielding.

THE FEPC BILL—RULES OF THE SENATE

Mr. BREWSTER. Mr. President, I have been requested by the Senator from Minnesota to yield to him, if I may have unanimous consent, for 5 minutes.

Mr. HUMPHREY. I should like to have 10 minutes.

Mr. BREWSTER. I am a little concerned about that——

Mr. HUMPHREY. I should like 5 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, first I desire to thank the Senator from Maine for the courtesy he has extended to me.

I have listened this afternoon to the remarks of several of our distinguished colleagues in reference to the situation which confronts the United States Senate with regard to the measure providing for fair employment practices. I feel very much like my colleagues the junior Senator from New York and the senior Senator from New York. There is little rejoicing in the hearts of the people, and I do not believe there should be any rejoicing in the hearts of the Members of the United States Senate or of the Congress.

To my Democratic friends, I say, if this Democratic Party of ours is going to survive, if it is going to do what it has pledged itself to do, it had better make up its mind to fulfill its commitments to the American people.

I am not going to admonish the Republican Party. It must face its own record. However, I think there is a little bit of admonishing that needs to be done on the home front, right in the ranks of the Democratic Party. I believe that those of us on this side of the aisle who remember the last election, whether we like to face the facts or not, recall that the two candidates for the office of the Presidency of the United States who received tremendous votes were the two men who gave full and complete support to the issue of civil-rights legislation. I submit that the candidate who stood on the issue of an anti-civil-rights program did not get enough votes to know he was in the election; yet that candidate made a campaign before the American people.

It may be that some of the United States Senators, some of us in this body, have failed to remember that election. It may be that we fail to remember it because our term of office is 6 years. But

I submit, Mr. President, that the position of Harry S. Truman as a candidate for the Presidency of the United States was well known by the American people on the issue of civil rights. The record of Mr. Dewey, the candidate for the Republican Party, was also well known and Mr. Truman and Mr. Dewey were the two candidates who were able to muster the votes—not the Dixiecrat candidate.

What has happened is not a matter of rejoicing to me as a member of the Democratic Party. The Democratic Party has made promises and pledges on civil rights, and it behooves the membership of the party to fulfill its commitments.

Now a few words about Senate rules. If this rule of the United States Senate applying to cloture had been in effect at the time of the birth of this Nation, we never would have had a republic. Majority rule was the rule of the Constitutional Convention. This rule, the Wherry cloture rule, violates the principle of the Golden Rule. There seems to be more concern over a Senate rule than there is for the Golden Rule.

Mr. President, there are Senate rules which give a Senator immunity from being called to account for any kind of remarks—true or false—he wishes to make about any person. For such remarks a Senator is immune from any form of action.

There is a Senate rule which provides that any Senator can be put in his seat for anything he says, regardless of the justice of the cause he is pleading or the nature of his remarks. This rule is ridiculous and subject to wholesale abuse.

The rule relating to immunity of Senators for anything they may say about persons within the confines of the United States Senate protects Senators from all possible civil action. But when it comes to a rule pertaining to Members of the Senate in relation to each other, we are very careful to protect our own prerogatives and privileges.

I submit that the rules of the Senate ought to be rewritten so that they protect the American people, and not provide privileges for the Members of the United States Senate.

The Constitution of the United States was adopted upon the principle of majority rule. Seventy-seven Delegates were invited to the Constitutional Convention. Fifty-five came and 39 remained. Had such a rule as the present Senate rule been in existence at that time, and had it been controlling of the action of the Delegates who were considering adopting the Constitution, we would have failed in our attempt to establish constitutional government. We never would have adopted the Constitution. The only provision in the Constitution providing for a two-thirds majority vote is one which provides for a simple two-thirds majority, not a so-called constitutional two-thirds majority. The two-thirds majority vote rule applies to impeachment proceedings, ratification of treaties, to the expelling of a Member or to overriding the veto of the President or submitting constitutional amendments.

Mr. President, I think it is time to revise the rules of the Senate on the basis of simple majority rule. This so-called constitutional two-thirds majority, which is not constitutional, which violates the Constitution ought to be eliminated from the rules of the Senate. I shall suggest to the majority leader that we have a new rule come out of the Committee on Rules and Administration which will permit the Senate of the United States to act for the best interests of the people.

(The following statement by Mr. HUMPHREY, appearing in the daily RECORD of Monday, May 22, page 7510, was on his request, and by unanimous consent, ordered to be transposed and printed at this point in the permanent RECORD:)

IMMUNITY OF SENATORS

Mr. HUMPHREY. Mr. President, on Friday, May 19, in the course of my comments I discussed the rules of the Senate. In doing so I did not appropriately take note of the fact that the rule relating to immunity of Senators for statements they make on the floor of the United States Senate is based on section 6, article I, of the Constitution.

I ask unanimous consent that this statement be placed in the permanent RECORD for May 19, together with article I, section 6, of the Constitution, which reads as follows.

1. The Senators and Representatives shall receive a compensation for their services to be ascertained by law, and paid out of the Treasury of the United States. They shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses; and for any speech or debate in either House they shall not be questioned in any other place.

The PRESIDING OFFICER. The time of the junior Senator from Minnesota has expired.

Mr. BREWSTER. Mr. President, I am sure the Senator from Minnesota has made a valuable contribution. I think it has brought to the fore the real issue here. I was present when the other difficulty rose over the rules, and up to the time of the adoption of the present rule there was no way under heaven of stopping discussion even on a motion to consider the measure. Adoption of the new rule is a step in the right direction. Many will agree it does not go far enough, but it is fully in the purview of the Senate at any time to proceed again, though the Senate will come to the same dead end on a motion to change the rule. It cannot be taken up. That has been the roadblock. We adopted the 64-vote rule only because we could not get anything else. We could get that, however. Now if the Senator from Minnesota and other of his associates, with their persuasive eloquence, can make a further advance, it is one which will be appreciated. But I do not think there should be criticism of those who have achieved as much as we have achieved up to date.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. HUMPHREY. It is not my desire simply to rehash the past. I think the present moment is a tragic one. I think it is a very bad moment for the Republican Party, for the Democratic Party and for the people of America. I prefer to think of tomorrow, and to think of what we are going to do. I for one want to see the issue fought out. We have much time to stay here and fight it out.

Mr. President, I want to see the rules of this body amended in such a way that we will give, first of all, consideration to the American people so that irresponsible, reckless charges cannot be made on the floor of the Senate with the privileges of immunity, and, second, that we will carry out our responsibilities in respect to legislation for the benefit of the American people, and will carry out our responsibility not by words but by performance.

REORGANIZATION PLAN NO. 21 OF 1950

Mr. BREWSTER. Mr. President, I move that the pending motion be temporarily laid aside, and that the Senate proceed to consider Senate Resolution 265, dealing with the proposed abolition of the Maritime Commission.

The PRESIDING OFFICER. The motion will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 265) disapproving Reorganization Plan No. 21 of 1950, reported from the Committee on Expenditures in the Executive Departments without recommendation.

The PRESIDING OFFICER. The question is on the motion of the Senator from Maine that the motion to proceed to the consideration of Senate bill 1725 be temporarily laid aside, and that the Senate proceed to consider Senate Resolution 265. The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 265) as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 21 of 1950 transmitted to Congress by the President on March 13, 1950.

Mr. BREWSTER. I should like now to move a limitation of debate, but I should like to have the Senate hear first from my friend the Senator from Washington.

Mr. MAGNUSON. Mr. President, I should first like to ask the Senator from Maine how long he himself expects to discuss the resolution.

Mr. BREWSTER. I expect 15 minutes will be ample for the proponents.

Mr. MAGNUSON. Second, I wish to ask the Senator from Maine whether he expects that the Senate shall vote on the resolution today.

Mr. BREWSTER. I hope the Senate will vote on it today. We are coming near to the dead line. We have only Monday and Tuesday to consider such resolutions. I do not know what may come up. We have a larger attendance now than we have had for some time.

Mr. MAGNUSON. I expect to take at least 45 minutes to an hour myself on the matter.

Mr. BREWSTER. I have canvassed the situation as well as I can, and the Senator from Minnesota is the only Senator who indicated a desire to speak on the subject. He asked for only 15 minutes. I would accordingly move that the debate be limited to an hour and a half, to be divided equally between either the Senator from Maine and the Senator

from Minnesota [Mr. HUMPHREY] or the Senator from Washington [Mr. MAGNUSON].

Mr. MAGNUSON. I could not agree on such a time limitation.

Mr. BREWSTER. The Senator does not need to. I think it desirable that some time limitation be fixed, however.

I move that debate be limited to one hour and a half, the time to be divided equally between the Senator from Maine and the Senator from Minnesota.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. Just a moment until the Chair states the question. The motion is that debate on Senate Resolution 265 be limited to 3 hours, an hour and a half to each side.

Mr. BREWSTER. No, Mr. President. The motion was that debate be limited to an hour and a half.

The PRESIDING OFFICER. The Chair begs the Senator's pardon.

The question is on the motion of the Senator from Maine that debate be limited to an hour and a half, the time to be divided equally, and to be controlled by the Senator from Maine and the Senator from Washington.

Mr. MAGNUSON. Mr. President, I shall have to oppose that motion. I do not think we can present the case in an hour and a half.

The PRESIDING OFFICER. The motion is not debatable.

Mr. MAGNUSON. Is not a motion to limit debate open to debate?

The PRESIDING OFFICER. No. Under the reorganization law such a motion is not debatable.

Mr. EASTLAND. I suggest the absence of a quorum.

Mr. MAGNUSON. In my opinion, Mr. President, a motion to limit debate is, under the Senate rules, a debatable motion, and is not limited by the Reorganization Act.

The PRESIDING OFFICER. Under the Reorganization Act itself it is provided that a motion to consider a resolution or a motion to limit debate shall be decided without debate.

Mr. MAGNUSON. Then I suggest the absence of a quorum.

Mr. BREWSTER. We have discussed that particular question over and over again for the past week or 10 days.

Mr. MAGNUSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to withdraw my suggestion of the absence of a quorum and that the order for the call of the roll may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREWSTER. Mr. President, I move that the time for debate on Senate Resolution 265 be limited to 1 hour and one-half, to be divided equally between myself and the Senator from Washington or the Senator from Minnesota, whichever Senator wishes to handle the time.

Mr. HUMPHREY. I shall be glad to do so.

Mr. BREWSTER. Very well; the time to be divided equally between the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Maine.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MAGNUSON. In order that the Senate may be informed, let me say that it is my understanding that under the rule regarding reorganization plans, inasmuch as the resolution of disapproval of the plan is not subject to amendment, the effect of the motion just agreed to is that the Senate will vote on this matter at approximately 4 o'clock. Is that correct?

Mr. BREWSTER. That is correct.

I hope the vote may occur even a little earlier than that, because I doubt whether those of us on this side of the question will use the entire time available to us. If that occurs, we shall be happy to allow a little more time to Senators on the other side of this issue.

Does the Senator from Minnesota care to proceed?

Mr. HUMPHREY. No. I prefer that the Senator from Maine proceed. I shall speak later on.

Mr. BREWSTER. Mr. President, I shall try to persuade my two dissenting colleagues and point out that this reorganization plan is in a distinct category from most of the others we have considered. First, there was plan 6, which was adopted last year without objection, which carried out the reorganization contemplated by the Hoover Commission, and which has been operative for about 7 months. There had been exhaustive examination of the affairs of the Maritime Commission, concerned with the conduct of its affairs, prior to the time of this reorganization proposal, that is, covering the fiscal years 1948 and 1949, but not applying to its operation under the reorganization recommended by the Hoover Commission, carried into effect by the President under plan 6, without objection either by the Senate or by the House. We now face plan No. 21, of which the citizens' committee dealing with this program says in its report:

> The plan 21 is in part consistent with, and in part goes considerably further than, the Hoover Commission's program.

That refers to the fact that under this plan the Commission is made for all practical purposes a subordinate agency of the Department of Commerce. It gives to the Secretary of Commerce not only the power to lay down general policies—and just what the meaning of that phrase is is not clear, but it is certainly very broad in its language, and, too, Congress was supposed to lay down the policies for the functioning of this independent Commission—but, in addition, it provides, as testified by the Secretary of Commerce, that the Secretary of Commerce shall have the power to determine routes. The power to determine routes strikes directly at the base of the power of the Maritime Commission. Authority to determine whether a given route shall be subsidized is of the very essence of the power of the Commission. I asked the Secretary of Commerce, Mr. Sawyer, for whose intelligence and integrity I have the highest regard, particularly after the frank way in which he testified, about this matter. He said yes; that was the power lodged in his hands, and the responsibility. I asked him how he could exercise it. I asked him how many men he had in his department. He testified that he had 46,000 employees in his department. I said, "It is not, of course, feasible for you to do this job of determining routes all over the world, is it?" He admitted that was so. So that he would either be obliged to defer to the Commission, which very frequently might be his action, or he would be obliged in order to carry out his responsibility to set up another executive agency, as contemplated under the Under Secretary of Commerce, provision for whom is made in the plan which would not be a measure of economy.

A new Under Secretary of Commerce necessarily means a large number of employees associated with his office to assist him in fulfilling these new functions. Instead of efficiency and streamlining, and in contradistinction to the objectives of the Hoover report, this would expand and diffuse the responsibility so that either the Secretary or the Under Secretary would have to set up independent groups to determine the route allocations, and then the Maritime Commission would be obliged to go ahead and determine what lines, if any, should be put upon a given route. The question of what lines shall run on a route is still left to the determination of the Maritime Commission.

I am fortified in my impression that this plan is distinct from any of the ones we have had, by an editorial which appeared this morning in the New York Herald Tribune, which has been a constant friend of the Hoover Commission reorganization. It is an editorial dealing with this matter, and from it I should like to read very briefly:

> Among the 21 reorganization proposals which Mr. Truman submitted to Congress in March, 19 were close to the spirit of the commission's recommendations. Two, however—those relating to the National Labor Relations Board and the Maritime Commission—diverged sharply; the first constituted an effort by Mr. Truman to legislate Mr. Denham, the NLRB counsel, out of office, and the second would have destroyed the Maritime Commission's independence in a field where the Hoover Commission believed it should be retained.

I ask that the entire editorial be incorporated in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRESIDENT'S ERROR

The results of the President's error in playing politics with the Hoover Commission reports are now glaringly apparent. Among the 21 reorganization proposals which Mr. Truman submitted to Congress in March, 19 were close to the spirit of the Commission's recommendations. Two, however—those relating to the National Labor Relations Board and the Maritime Commission—diverged sharply; the first constituted an effort by Mr. Truman to legislate Mr. Denham, the NLRB counsel, out of office, and the second

would have destroyed the Maritime Commission's independence in a field where the Hoover Commission believed it should be retained. These mistakes were all that the congressional opponents of reorganization needed. One after another, proposals on the rest of the program are being voted down.

The President does not appear to have realized that the task of streamlining the Government was so big, so delicate, that it would need all the prestige of the Hoover Commission behind every plan, all of the popular support that could be mustered. The fear of Congressmen—and the many interests affected by Government agencies—that efficiency would be used as an excuse for executive usurpation, is very strong. The quality of the leadership and membership in the Hoover Commission was high enough to give the proponents of governmental reform a fighting chance. But when Mr. Truman loaded down his plans with palpable efforts to achieve political ends, all the supporters of the status quo leaped joyfully into the struggle, and are making a hash of the whole program.

It might be argued, with justice, that Congress should be more selective, that the Senators who are using arguments which are only valid against a few of the reorganization plans to condemn them all, are being neither fair nor wise. But it was the President who gave the initial grounds for suspicion and it is he who must bear the final responsibility. The reforms projected by the Hoover Commission are urgently needed; they are basic to any attempt to cut Government costs by efficient administration. Mr. Truman's efforts to use reorganization for any other purpose casts doubt upon his sincerity in tackling this problem at all, and jeopardizes a great national movement.

Mr. BREWSTER. Mr. President, that I think establishes pretty clearly that this Maritime Commission proposal is in a class by itself, or at least in a class or two by itself, and it is to be pointed out and borne in mind that the proposal to place these powers in the Secretary of Commerce constitutes what could certainly be termed a second phase. The first phase was the concentration of responsibility in the Chairman, the issue we have been arguing here all week and against which the Senate has repeatedly decided. That phase, however, was carried out under plan 6, and it has been in effect for the past 7 months. I very much hope the Senate will decide to let it operate for a while longer before taking another step, which would be quite inconsistent with the position of the Hoover Commission, particularly since this very solution was tried in 1933, soon after the former Democratic administration came into power. For 3 years the Maritime Commission was administered under the Department of Commerce, with such unfortunate effect that the action was then rescinded and the independent status of the Maritime Commission reconstituted. The Hoover Commission, in its report, declared in favor of the independence of the Maritime Commission, which would certainly be destroyed by the action which is here contemplated.

I desire to say a word also about the situation as to the acceptance or rejection of these plans. There is a feeling throughout the country, perhaps very naturally, that the Hoover Commission recommendations are not faring so well. That is a result of the fact that we have taken up those to which we have objected and have rejected some of them. The score, however, is not at all so bad as one would infer from a reading of the entirely accurate reports in the press.

Last year there were seven plans reported, of which six were accepted without serious question. The one concerned with the social welfare was rejected, and the other six went into effect. The reorganization of the Maritime Commission, consolidating its executive functions in the Chairman, in accordance with the Hoover Commission recommendation, was accepted under plan 6.

This year there have been 21 plans submitted, of which 11 have been accepted, apparently without question, as no resolutions have even been offered to reject them. The other 10 are still under question, aside from the 3 or 4 which have already been rejected. So I think the country is quite in error in the assumption that the recommendations of the Hoover Commission are not receiving considerate and sympathetic attention.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Maine yield to the Senator from Nevada?

Mr. BREWSTER. I will in a moment.

This is made very clear in an article on the editorial page of the New York Times this morning, by Arthur Krock. I ask unanimous consent that the article be inserted in the RECORD at this point, in order to support the proposition, as he says the net score of the Hoover report is still good.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NET SCORE ON HOOVER REPORTS STILL GOOD

(By Arthur Krock)

WASHINGTON, May 18.—Though the Senate has disapproved the first 5 of the 21 plans to reorganize the executive branch which the President submitted in March, and prospects for 6 more are dim, friends of the general enterprise are not downhearted. Some of them offer this explanation of the Senate's current rejections:

1. The administration exceeded or altered the recommendations of the Commission headed by former President Hoover, sometimes fundamentally, as in the instance of the plan to return the functions of the general counsel of the National Labor Relations Board to the members of the Board.

2. The President, by giving precedence to certain plans that were open to charges of partisan animation, and by the timing of those he submitted, materially changed the Commission's plan of procedure.

3. These tactics enabled Members of Congress who oppose the entire reorganization concept because they want to protect certain Government personnel to cite bases of opposition more acceptable to the large public which the citizen's committee, the Junior Chamber of Commerce, etc., have assembled in favor of the Hoover Commission reports. In the words of Senator LODGE, of Massachusetts, coauthor of the resolution which established the Commission, "they gave everybody an out."

But Mr. LODGE is only one of those who believe that what has already been made effective in the Commission program justifies its creation and its cost. And many of these also feel that, though administration tactics will prevent the attainment of the economy that otherwise was possible, the net score will be considerable when all the plans have been acted on.

THE HISTORY SO FAR

In 1949, when the reorganization plans submitted were much more faithful to the Commission's proposals, all but one became effective. The exception established a new Department of Welfare. The remaining six shifted two employment units to the Department of Labor; added to the powers of the Postmaster General; put the National Security Council and the National Security Resources Board into the President's executive office; increased the administrative powers of the Chairmen of the Civil Service and Maritime Commissions and transferred the administration of public roads to the Department of Commerce.

The 1950 submissions, 21 in number, of which the Senate has already rejected 5, to date have drawn 17 resolutions to disapprove 11 of them. By the terms of the General Reorganization Act a constitutional majority of either the House or the Senate (which means one more than half of the entire Membership) is sufficient to reject a plan. This arrangement was opposed by the administration and by many of the members of the Hoover Commission. But, while it might have been responsible for the disapproval of a good, nonpolitical plan even if the administration had been more faithful to the Commission's blueprints, the arrangement is in the public interest. The political pressure a President can successfully exert on the House is fortified by the restrictive rules of that branch.

If, as the administration urged, disapproval by constitutional majorities of both the House and the Senate had been required to kill any plan the President submitted, the legislative branch would have been too greatly subordinated in business where its responsibility is at least as great as the Executive's. Already, by the veto powers granted him in the Constitution, the President can prevent the enactment of any legislation except that which is supported by two-thirds majorities of the House and the Senate. And these must be assembled and held together for the act of overriding a veto.

TOO MUCH POWER

To have made it possible for the President to reorganize any part of the executive branch and the independent, semijudicial agencies and commissions unless both branches of Congress disapproved by constitutional majorities would have given him a new affirmative power as great as the negative one he derives from the veto. And, once a statute is enacted, this veto power enables the President to defeat the will of a two-thirds majority of one legislative branch and one short of a two-thirds majority of the other if these favor repeal of the statute. He can disapprove the repeal, and it can be effected only by two-thirds majorities in both the House and the Senate on a motion to override.

These facts induced many legislators who are sincere believers in the Hoover Commission's work to deny the Executive request that, to disapprove a reorganization plan, it must be rejected by constitutional majorities of both branches.

Of the 1950 crop the Senate followed the advice of the banking community and the Secretary of the Treasury in voting, 65 to 13, against the new Treasury plan. By 66 to 13 it defeated reorganization of the Interstate Commerce Commission that would have taken away its independence of the Executive. It voted 50 to 23 against the Federal Communications Commission plan, and 63 to 12 against the most controversial proposal—that which affected the National Labor Relations Board.

But, if the American Legion's overture of protest against legislation carrying out reports 2, 9, 14, and 15 of the Hoover Commission is an indication of how noisy this actual battle will be, we haven't heard any real uproar yet.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MALONE. I should like to ask the distinguished senior Senator from Maine, in regard to the plans which have been turned down by the Senate, if most of the plans submitted were not perverted to a certain extent, giving the Executive more power, as in the case of the labor council, as in the case of the Interstate Commerce Commission, and in several other instances, where it was not the intention of the Hoover Commission or of Mr. Hoover that we should place more power in the hands of the Executive, but it was the intention to save money and to improve the administration of such branches of the Government without placing more power in the hands of the already too powerful Executive.

Mr. BREWSTER. I think it is very clear that the Hoover Commission did not contemplate dealing with questions of policy, which are certainly implicit in the Maritime Commission proposal, nor did it contemplate destroying the independence of the Commission. It did contemplate a concentration of power in the Chairman of the Commission, but not what could be construed as control of policies. I am sure that has been the reason why some of the plans have been rejected. In this particular case the plan is not one about which I think there will be any argument. It radically alters the policy-making function of the Commission in taking away from it the determination of routes to certain areas of the world.

Mr. MALONE. That would destroy its effectiveness.

Mr. BREWSTER. It certainly would destroy its independence and stability. The curious part of it is that there are two functions dealing with subsidies. One is the so-called construction subsidy; the other is the route subsidy. On the construction subsidy there has been much argument, although some of those who have argued have come out of the same place wherein they went. The subject has been under very careful study. In 1948 and 1949 the Committee on Expenditures in the Executive Departments studied it, and the matter is having most careful scrutiny.

The route subsidy is a phase of the program which has operated with most amazing success, such success, I think, as cannot be matched in the annals of our recent fiscal policy, since on the route subsidy, in the past 10 years, the total expense of the Government for the entire subsidy program has amounted to a net of approximately $10,000,000 as a result of the payments made by the shipping lines from their profits. That conclusively demonstrates, to my mind, the wisdom of the way in which the Maritime Commission has exercised its responsibilities in the allocation and determination of routes. That is the very power which is now proposed to be taken away from it, whereas the other power, which has been in controversy and has been subjected to some criticism, is the one still left with the Commission. That is a rather curious way to go about it.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. BREWSTER. I shall be glad to yield.

Mr. MALONE. It has been a matter of considerable importance to the junior Senator from Nevada as to how we can make the people understand that some of these plans are not reaching the Senate in the same form in which they were recommended by the Hoover Commission. For example, most of the chambers of commerce, the junior chambers of commerce, and the women's clubs were entirely sold on the idea of the Hoover plans of reorganization, and Members of the Senate were also sold on them. The majority on this side of the aisle created the Reorganization Commission, thinking we would have a President who would put the plans into effect, save money, and spread the authority so that it could not be abused. Some of the soundest people in the United States are sold on the Hoover Commission reorganization plans but know nothing about the reorganization plans as actually submitted to the Senate and have no time at this late date to learn of the type of reorganization plan in each case as it arrives on the Senate floor. It is a serious disappointment to the people who have gone out systematically and sold the Hoover plans to counties and districts within their States that now it is found necessary to cut the throat of some of the trick plans finally served up on the Senate floor. For example, last year, when Mr. Oscar Ewing was going into the Cabinet, he had openly announced intention of putting into effect a form of socialized medicine and several other plans which had not been passed upon by the Congress. We had, therefore, to defeat the plan we had fathered.

Mr. BREWSTER. I am limited as to time, but I will say that the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from North Carolina [Mr. HOEY] are very close together on this matter of economy, and I think that one of the things they have found in the programs, certainly in connection with the current proposal, is that there is no substantial evidence to indicate any economy which would result. We are, instead, creating another officer under the Secretary of Commerce to administer functions which are being taken away from the Maritime Commission and placed in the Department of Commerce. There must be a whole coterie of persons to advise and furnish the Secretary with studies. So it would seem that the almost inevitable result would be that it would be uneconomical rather than otherwise.

I am sorry I am limited in time.

Mr. MALONE. The Senator is doing a very good job in presenting the matter to the Senate.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MAGNUSON. Of course the Secretary of Commerce has stated over and over again that in taking over the administrative functions of the Maritime Commission he did not intend to hire any more employees. The fact is that he probably will screen them out and have fewer persons perform those administrative functions. The only addition to personnel would be the establishment of the office of an assistant Secretary.

Mr. BREWSTER. An Under Secretary, I think it is.

Mr. MAGNUSON. It would amount purely to an office staff. The net result, in the opinion of the Maritime Commission, would be the abolishment of several jobs; particularly, persons now employed in the Maritime Commission would be screened out.

Mr. BREWSTER. The question was gone into rather carefully by the committee when the Secretary was testifying. I think, if the Senator will read the testimony of the Secretary of Commerce, he will see that it was not contemplated that there would be any economies, and there was no evidence presented as to any economies which would result from this action. Certainly, if there were any, they were negligible.

On the other hand, there was the danger, as I have pointed out, that unless the Secretary or the Under Secretary accepted the commission as the functioning agency, it would be necessary to have more persons to do the job. If they accept the commission, why create additional jobs? That is the anomaly in the situation.

Mr. MAGNUSON. I do not want to take the Senator's time. There may be some discussion to the effect that it would not result in economy in personnel, but there has never been any indication that it would result in an increase in personnel.

Mr. BREWSTER. I was making that suggestion based entirely on the discussion.

Mr. THYE. Mr. President, will the Senator yield in order that I may make a unanimous-consent request?

Mr. BREWSTER. I yield for that purpose.

Mr. THYE. Mr. President, I ask unanimous consent that I may be absent from the Senate the remainder of this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. THYE. Mr. President, it is my understanding that Reorganization Plan No. 21 would be voted on this afternoon, and Senate Resolution 265 is the resolution which opposes this reorganization plan. Were I present at the time the vote is taken I would vote for Senate Resolution 265 disapproving Reorganization Plan No. 21.

The PRESIDING OFFICER. The Chair takes note of the fact that although the Senator from Minnesota was excused from attendance on the sessions of the Senate for the remainder of this afternoon, his physical as well as astral body was present for some minutes thereafter.

Mr. BREWSTER. I think I have stated the reasons, Mr. President. In the first place, the plan is not in accord

with the Hoover Commission report, as the Citizens' Committee clearly pointed out. They singled it out as one plan which clearly went beyond the recommendation. Second, because the Maritime Commission has already experienced reorganization by vesting the powers in the Chairman, which is contemplated under most of the plans we are discussing. Third, because it returns to a program which was demonstrated did not operate successfully from 1933 to 1936.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. JOHNSON of Colorado. Does the Senator understand that the present plan may set a pattern for the formation of a department of transportation in one of the executive departments?

Mr. BREWSTER. That is implicit in some of the statements which have been made regarding it. I know it is a matter of concern to many of the witnesses who have testified.

Mr. JOHNSON of Colorado. Can the Senator tell the Senate to what extent shippers and others interested in maritime matters are opposed to this plan.

Mr. BREWSTER. So far as I know, opposition is almost unanimous. I have a list of the agencies which oppose it. They are the American Association of Railroads, American Waterways Association, American Trucking Association, Air Transport Association, Isbrandtsen Steamship Co., Shortline Railroad Association, National Industrial Traffic League, Southern Traffic League, Southwest Industrial Traffic League, Texas Traffic League, Freight Forwarders, National Lumber Manufacturers, Transportation Association of America, Shipbuilders Council, and Mississippi Valley Association. All of them were opposed to the implementation of plan No. 21.

Mr. JOHNSON of Colorado. That was my understanding. Those are the reasons why I made up my mind to support the Senator's resolution.

Mr. BREWSTER. I think it is of very great concern to these people.

Mr. JOHNSON of Colorado. Does the Senator know whether the opposition is fairly well based?

Mr. BREWSTER. Two members of the Committee on Expenditures in the Executive Departments who have stood up most strongly for this program of reorganization are not here and not prepared to discuss it as a result of the testimony of the Secretary of Commerce and others. Both those Senators, after opposing it, said they did not care to enter into a discussion of this program. I think the Senator from Minnesota may have something to say, but certainly he was not too eager to oppose the plan.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. MAGNUSON. Does the list which the Senator has read, with the exception of the Isbrandtsen Line, contain the name of one ship operator in the United States, one maritime union, or one industry associated with our vast merchant marine which is opposed to this plan?

Mr. BREWSTER. Not one of those agencies dared to appear in opposition to the plan, because if they did, their very existence would be at stake if the program went through. In my judgment, that is one of the most unfortunate aspects of this whole affair. So far as labor organizations are concerned, if the Senator from Washington had been at the discussions, he would have heard read excerpts from a book written by the present adviser of the Secretary of Commerce, Professor Zeis, who wrote that we should have no American merchant marine, that the whole subsidy program was ridiculous, and we ought to do away with it. He said the argument that we should have a merchant marine in order to train our seamen was equally ridiculous, because the way to train them was in the Navy.

We had a letter from a labor organization, which was not presented by the representative of that organization, Mr. Hoyt Haddock, who is assigned to protect seamen. He did not present it. They sent us the letter, saying that they endorsed this proposal. I wonder whether the Senator from Washington has asked the opinion of Mr. Hoyt Haddock, who has represented this organization and who knows more about the implications and results of this program than any other member, certainly, of a labor organization, as to what he thinks about it and what he thinks the inevitable result would be of the program which is apparently involved in this situation.

Mr. MAGNUSON. Mr. President, if the Senator will not become so excited, I will answer the question. I was here during all this discussion. I had someone from my office present at the committee meetings every day to listen to the testimony.

Mr. BREWSTER. The Senator from Washington was unfortunately detained by a nonpolitical trip. We understand that. I am not criticizing him in the slightest. If he had had an opportunity to read the evidence, I think his eyes would have been opened.

Mr. MAGNUSON. I have just spent the last 2 hours reading it, but the Senator who is a member of the Subcommittee on the Merchant Marine, of which I am the chairman, must realize that we have been holding hearings for six long weeks on maritime matters, on all these subjects. Unfortunately the Senator has not been able to attend many of those hearings. I think he attended 1 or 2 hearings out of a total of 60.

Mr. BREWSTER. Unfortunately I was there when the Senator from Washington was absent.

Mr. MAGNUSON. We are about ready to make a report. We have had about 6 weeks of hearings.

Mr. BREWSTER. I really think the Senator from Washington should speak in his own time. He is using much of my time.

Mr. MAGNUSON. This will take only a minute. In the course of the hearings we took it upon ourselves to request all those associated with the maritime industry and all shipping people to give us their opinion of this reorganization plan. So far as I know, we received no reply which was in opposition to the plan, with maybe one or two exceptions out of hundreds of people who replied. There have been many informal discussions. I have talked to Mr. Haddock about this plan. Some of the people wanted to examine it, but none of them has been opposed to it. So far as I know even before the executive committee there was no testimony on behalf of the maritime people.

Mr. BREWSTER. There was testimony ex parte of the Maritime Commission which expressed very strong opposition to the arrangement prior to the time the plan was issued, after which they felt it was necessary to withhold their objection. Mr. President, I must yield the floor. How much time have I used?

The PRESIDING OFFICER. The Senator from Maine has used 27 minutes. Therefore 18 minutes remain.

Mr. BREWSTER. I now yield the floor to my friend, the Senator from Washington.

Mr. MAGNUSON. Mr. President, I hope we can get a vote on this resolution. However, I wish to take up the points mentioned by the Senator from Maine in favor of his resolution which of course is opposed to the reorganization plan. The Senator from Maine stressed the point that this plan was a departure from the Hoover Commission recommendations; that whereas many of the plans sent to Congress by the President, supported the Hoover Commission recommendations generally, this one and the one affecting the National Labor Relations Board were a departure from the Hoover Commission recommendations.

Mr. President, I do not think that is the case at all. Reorganization Plan No. 21 follows again verbatim the Hoover Commission recommendations regarding the Maritime Commission. The Hoover Commission report to Congress, in a booklet called Regulatory Commissions, in which they deal with the Maritime Commission and others, at page 12, in recommendation No. 9, recommends:

> The Commission recommends that the functions of ship construction and the operation, charter, and sale of ships should be transferred to the Department of Commerce.
>
> The functions of the Maritime Commission relating to rates, conditions of service, and the grant of subsidies should remain with that Commission.

Mr. President, that is exactly what Reorganization Plan No. 21 does. I refer also to a long statement to Congress by the Hoover Commission in the task force report, entitled "Regulatory Commissions, Appendix N," sent to Congress in July 1949. I will not take the time to read it, but they point out, insofar as the Maritime Commission is concerned, what they think is the necessity of doing exactly what plan 21 does. In other words, they separate certain present functions of the Maritime Commission, place those functions under the Department of Commerce, and leave within the so-called Maritime Board, which was in the Department of Commerce, certain other functions which now exist with them.

What is proposed is not a departure from the Hoover Commission report, and, if the Senator from Maine will listen to me, I should like to refer to the statement of Robert L. McCormick, in

the hearings on plan 21. Mr. McCormick is the research director for the Citizens' Committee on the Hoover Report, which the Senator mentioned. This is what he says:

Reorganization Plan No. 21, on the Maritime Commission, was analyzed, in advance of submission to Congress, by the staff of the citizens' committee and it was felt to offer a workable solution to an extraordinarily complex administrative matter. It is the opinion of the citizens' committee that this plan is a practical, generalized application of the Hoover Commission's recommendations for the reorganization of the Maritime Commission and for the reorientation of the Department of Commerce. The committee strongly supports Reorganization Plan No. 21, and urges that it be approved by this Senate committee. In short, I am appearing in support of the plan.

His testimony goes on at great length, covering their research and analysis of plan 21, which was analyzed before its submission to Congress, showing how it would follow out the recommendations of the Hoover Commission task-force report and the Hoover Commission report itself.

Mr. BREWSTER. Mr. President, will the Senator yield to me to read an additional sentence which I think clarifies the quotation? May I read him a further passage from Mr. McCormick's testimony immediately following?

Mr. MAGNUSON. I was about to read the rest of it.

Mr. BREWSTER. If the Senator will read the next paragraph, I think he will find that it very much qualifies what he has just said.

Mr. MAGNUSON. I do not think it qualifies it at all.

Mr. BREWSTER. Will the Senator read it?

Mr. MAGNUSON. I will read it. The officials were before the committee urging that Reorganization Plan 21 be approved, and they strongly urged it. They go further and say:

The plan is in general conformance with the specific recommendations of the Hoover Commission (recommendation 2, report on Department of Commerce), although, in putting the regulatory as well as the nonregulatory functions in the Commerce Department, the plan diverges from the Commission's program for the following reason.

Mr. BREWSTER. Did he not say this was not the Hoover Commission recommendation?

Mr. MAGNUSON. No. Plan 21 has to be in detail. The Hoover Commission recommendation to the Congress is that we should separate the two functions. It is a general recommendation. Of course, there may be some departures in this matter.

Let me take up the recommendation of the plan. I say that in general it follows the Hoover Commission recommendations, and in general carries out the recommendations of not only the Citizens' Committee but the task-force report.

The Senator made the point that this plan should not be approved because we had what he says was an unfortunate experience in 1933, when we transferred the old Shipping Board activities under the Department of Commerce. The situation in 1933 was somewhat different from the situation now. In 1933, when the Department of Commerce had the old Shipping Board functions, we did not have a basic maritime law. Since that time the Maritime Act of 1936 has become the basic national maritime policy and law of the country. It has worked well. It has been testified to, in all the weeks of our hearings, by all those involved in the maritime business, that they were satisfied with its basic approach and general philosophy as related to the Maritime Commission.

Plan No. 21 does not in one iota affect the basic Maritime Act. It does not change one line, it does not change one function, it does not change the general basic approach, which requires operational subsidies, and the other matters with which the Senator from Maine is very familiar.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Maine.

Mr. BREWSTER. Does not the Senator consider that placing the power to determine routes in the Secretary of Commerce is both a very wide departure from the existing practice and also a most unfortunate one?

Mr. MAGNUSON. Not at all. It does not change any portion of the act. It merely says that in the establishment of routes the Secretary of Commerce shall establish the routes. The basic Maritime Act says to the Maritime Commission that certain essential trade routes shall be established. It does not say to the Maritime Commission where they shall be established, it does not say how they shall be established, it does not say to what extent, or what type of contract they shall enter into with an operator when he gets a route. The basic concept of the act is not touched. All it says is that in the establishment of what we call essential trade routes the Secretary of Commerce, because it is a commercial matter, shall establish the routes.

The Maritime Board within the Department of Commerce continues to have the full say as to the type of contract, the amount of subsidy, the type of subsidy, the chartering or the type of ships which may be used, and all the other regulatory features which go with a contract of a ship operator on an essential trade route.

In that respect there is a change and in that respect there may be some departure from the specific recommendations and discussions in the Hoover Commission Report, but every one who studies the report has repeatedly said in public statements, and the testimony of McCormick of the Citizens' Committee is, that this follows the usual recommendations. Insofar as I can see their recommendations, it does.

The Hoover task-force report also refers, in making its general recommendations, to the operation of the Maritime Commission. I would not refer to the present operations, because I do not know what changes in administrative procedure have taken place. We have first to analyze and come to a conclusion as to whether it has been bettered. At the time the task force investigated the Maritime Commission, in an effort to make recommendations as to what should be done with that Commission, in effect they said—though I do not know whether I quote them correctly—it was the most incompetent, most inefficient commission, on the whole, in the United States Government, and they used several other adjectives of the same tenor. That is probably why they came to the quick conclusion that it probably should be reorganized, and that something of the kind proposed should be done.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Maine.

Mr. BREWSTER. The recommendation of the Hoover Commission—not the task force, which is a very different thing—was for the concentration of the administrative powers in the Chairman, which was carried out under plan 1 and plan 6, which have only been in operation for 7 months. Would not the Senator feel that while this plan is beginning to demonstrate its workability, and while the Senator from Washington is chairman of the subcommittee which has been carrying out this very extensive study, it would be desirable to defer at least the adoption of another reorganization plan, of so extreme a character as the proposed one, which takes away from the Commission the entire power to determine routes, so that in the future the Secretary of Commerce would exercise the power?

Mr. MAGNUSON. The Senator from Washington does not believe that, because the Chairman of the Maritime Commission himself has said repeatedly that he favors this reorganization, and the fact that he received only a small amount of extra authority as Chairman he does not think makes any substantial difference.

This is no departure. The Senator from Maine is worried about the establishment of further trade routes. Most of the essential trade routes in the shipping lines of the world, so far as maritime operations are concerned, have already been established.

Mr. BREWSTER. They can be disestablished.

Mr. MAGNUSON. They are already established. The plan would not change that establishment whatsoever. As a practical matter, if a route is not going to be used, the authority to make that decision as a practical matter is going to lie with the independent maritime board within the Department of Commerce, which has the authority to determine the type of contract and subsidy which shall be given. That is what counts with respect to a trade route. The matter of what is an essential trade route is pretty well established. We know what our essential trade routes are in the world. They have been patterned for many years the world over.

Mr. BREWSTER. The Senator from Washington understands that Professor Zeiss' theory is that there should be no trade routes.

Mr. MAGNUSON. Who is Professor Zeiss?

Mr. BREWSTER. Professor Zeiss is an employee of the Department of Commerce advising the Secretary of Commerce. He had him appear to testify.

He referred to him. He is the adviser to the Secretary of Commerce on maritime matters. Professor Zeiss says that there should be no trade routes. The Secretary of Commerce would have to decide between Professor Zeiss and the Commission.

Mr. MAGNUSON. I do not know who Professor Zeiss is. But I know the Secretary of Commerce does not hold to the opinion that we should not have any trade routes. The Senator from Maine has no such opinion. Neither do I have such an opinion. The world maritime trade routes are established, and the Secretary of Commerce has stated repeatedly in a letter to the subcommittee, which I shall place in the RECORD, and to the Committee on Expenditures in the Executive Departments, that the matter of trade routes is no longer an important matter at all, because the trade routes have been established for a long time.

The tenor of the testimony of the witnesses in opposition to the plan, not from the maritime industry at all, but from other industries, railroads, and possibly air lines and others who have a great problem of establishment of routes, is—"Oh, we are afraid that this procedure may spread to some other commissions." I do not know whether it is going to spread to some other commissions, but I know it is going to be good for the maritime industry, and those who are interested in the maritime business of the country have said so. They did not appear in opposition.

The question of trade routes might have been important years ago at the beginning of the establishment of subsidies. It is not of such importance now at all. The important thing is not the shuffling of any important trade routes, because they cannot be shuffled. We know that the North Atlantic route is an essential trade route. Nothing can change that route. Other important trade routes are the essential trade route to the western shores of South America and the essential trade route to the eastern shores of South America. We know that the great North Pacific short route to the Orient is an essential trade route. All those routes are established. No one can change them, and no one is going to change them.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I yield.

Mr. BREWSTER. Since the Senator has quoted the Maritime Commission, would the Senator be interested in what I shall read from the letter of February 9, 1950, to Dr. John R. Steelman. Assistant to the President, the White House, Washington, D. C., signed by Philip B. Fleming, Chairman, Grenville Mellen, Vice Chairman, Joseph K. Carson, Commissioner, and David J. Coddaire, Commissioner, in which they say:

The Commission—

That is the Maritime Commission—

opposes the grouping of all major promotional activities under unified direction and control. It is our considered judgment that Secretary Sawyer's distinction between regulatory and promotional activities is unrealistic and impracticable.

The letter continues:

The Commission recognizes the need for continuous improvement in the administration of transportation programs. To this end it has been engaged in major revisions of its own structure and operations under Reorganization Plan No. 6 and substantial progress has been made. It is not improvement to go back to that which has been tried and failed. The Merchant Marine Act of 1936 removed the United States Shipping Board Bureau from the Department of Commerce and restored the Maritime Commission as an independent agency.

Would that affect the Senator's view as to the position of the Maritime Commission?

Mr. MAGNUSON. No, that statement does not affect this proposal at all. The Commission was asked for suggestions when its members knew it was proposed to abolish it and move its functions elsewhere, and the commissioners made certain suggestions. There was not a complete agreement between them. Of course, the Maritime Commission itself would like a few more days of grace. After all, two commissioners are going to lose their jobs, and naturally they want to keep the authority in the Commission.

Mr. DOUGLAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NEELY in the Chair). Does the Senator from Washington yield to the Senator from Illinois?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Is it not a fact that last year the Comptroller General of the United States issued a report on the operations of the Maritime Commission, which was extremely critical of the way they conducted their business?

Mr. MAGNUSON. Yes.

Mr. DOUGLAS. And is it not a fact that a subcommittee of the House Committee on Expenditures in the Executive Departments, under the chairmanship of Representative PORTER HARDY issued a very thorough report also condemning the Maritime Commission for the way in which they have misconducted affairs?

Mr. MAGNUSON. That is correct.

Mr. DOUGLAS. And is it not a fact that the same subcommittee issued in the last few days a further report confirming the charges of maladministration and condemning the majority of the Commission in the most unsparing terms?

Mr. MAGNUSON. That is correct. I will say to the Senator from Illinois that the report was made public only today, when it was submitted to the House. The subcommittee recommends the type of reorganization proposed, and continues its criticism of the Maritime Commission.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. Yes.

Mr. DOUGLAS. Is it not true that the one member of the Commission who was exonerated by the Comptroller General in his report, and by the subcommittee of the House Committee on Expenditures in the Executive Departments, in both its reports, was Commissioner Raymond S. McKeough, who has been in the minority right along trying to prevent excessive subsidies on both construction and operation?

Mr. MAGNUSON. Yes; I think so. I did not read that portion of it, but I understand that is true.

Mr. DOUGLAS. And that therefore there is a clear indication that a reorganization of the Commission is needed.

Mr. MAGNUSON. I can answer the Senator best by saying that someone asked me about the reorganization plan today. I said I favored it because I thought there should be some type of reorganization of the Maritime Commission. He said he did not know too much about the details, but he said "It could not be any worse than it is. It has got to be better."

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. BREWSTER. I wonder if the Senator from Illinois realizes that the construction subsidies, which represent the point which has been raised, are still left under the control of the Commission? The route subsidies are the ones that are transferred to the Secretary of Commerce. Before the Senator from Illinois came into the Chamber, I pointed out that the difficulty had been respecting construction, not routes. But the construction is what is left in the Commission. The routes are taken from the Commission. That is not the way to remedy the situation.

Mr. MAGNUSON. I have only a little time left. Of course, I think the Senator from Maine is somewhat unjustly alarmed over the question of trade routes. I can appreciate the importance of the establishment of routes in many other industries such as railroads and airlines. It becomes important to them where the routes are to be established. The air is free, and traffic can go anywhere. Sea routes, maritime routes, are not established so much by what people want. They are established on the basis of geography of the area, on the basis of long years of world trade, even as far back as to the days of the Phoenicians. Even though the Secretary of Commerce may have some preconceived special personal idea regarding a trade route, 98 percent of the trade routes that exist today are determined to be essential trade routes to the maritime industry of this country, and they are always going to be such essential trade routes. The Senator from Maine knows we are running into the problem of what we call cross trades and tramp shipping on outside routes, and not the normal trade routes. I hope that may be subject for discussion by the committee next week.

The Senator from Illinois discussed the Maritime Board. It will be an independent board. I have no idea of who will be on it. I do not know whether three members of the present Maritime Commission will be moved to constitute that board, or whether a new board will be established. I know that if this plan is adopted, the result will be to do away with much of the present inefficiency of the Maritime Commission, and to straighten out many of the complex tangles and knots which the citizens

committee has said exist in the Maritime Commission. Unless we take this step, Mr. President, I am afraid the American flag will gradually disappear from the seas.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. Is the Senator from Washington aware of a report which has been issued today by a subcommittee of the House Committee on Expenditures in the Executive Departments? On page 9 of that report, where the subcommittee deals, not with the subject of construction subsidies, but rather with the operating-differential subsidies, the subcommittee—page 9—quotes from a report of the General Accounting Office, as follows:

> That analysis reveals that the calculations supporting the proved rates contain so many errors and omissions as to render the results totally unreliable.

And the subcommittee itself later observes on the same page that—

> The admission of lack of the observance of such criteria in the past is indicative of maladministration.

This shows that there has been weakness on the part of the Maritime Commission not only with the construction subsidies but also with the operating subsidies.

Mr. MAGNUSON. Yes.

Of course, I wish to say to the Senator from Illinois that the arguments which have been occurring between the General Accounting Office and the Maritime Commission have not been in regard to the basic approach of the Maritime Act or in opposition to the theory that we must keep the American merchant marine alive by having operating subsidies as well as construction subsidies, which of course are needed because of the greater costs of construction in United States shipyards. On the contrary, the argument which the General Accounting Office has had has been over the poor administration and inefficiency, and in some cases the argument has been over the legal interpretation of the provisions of the Maritime Act which establish subsidies.

The General Accounting Office has said that it believes in the operating subsidies, but it raises questions as to how such subsidies are being applied to certain shipping lines, and also raises question about certain alleged discrepancies, and so forth.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. I should like to ask the Senator from Washington if it is not true that the subcommittee of the House Committee on Expenditures in the Executive Departments, in its report to which I have referred—the report having been issued only today—indicates that in all probability the operating differentials which were granted were much higher than they should have been, and that the General Accounting Office indicated—page 10—that the operating-differential subsidy, instead of being 45.89, should have been 26.74.

I wonder whether this agrees with the judgment of the Senator from Washington?

Mr. MAGNUSON. I do not know about the specific matter the subcommittee is discussing at that point in the report, but certainly my experience has been that there have been a great many discussions and difficulties and arguments between the General Accounting Office and the Maritime Commission in regard to the subsidies and who is to receive them and the administration of the Maritime Act. That act is a good one, of course. However, the result has been that the American flag has been rapidly disappearing from the seas.

Therefore, Mr. President, this reorganization plan should be adopted and should go into effect, because by means of it we expect to obtain efficiency in the administration of our maritime affairs.

I think the matter is well set forth in the statement by General Fleming, who, of course, under this reorganization plan, if it goes into effect, will be removed from his present position as Chairman of the Maritime Commission. Of course, once the plan goes into effect I do not know whether he will be appointed to the board under the Secretary of Commerce; but certainly the adoption of this plan will result in removing his present authority as Chairman of the Maritime Commission. Nevertheless, he says—as pointed out by the Senator from Maine—that under the plan the new Board will determine the policy, with the exception of the trade routes. In other words, all other policies will be determined independently by the Maritime Board.

In other words, Mr. President, under this reorganization plan the new Maritime Board will administer all the functions under the provisions of the 1936 Maritime Act, other than the so-called housekeeping functions, which will be handled under the Secretary of Commerce.

Other than the housekeeping matters, so-called, all other matters will be administered by the independent Maritime Board, to consist of three members, rather than five. Experience has proved that five members are too many, because the present Maritime Commission, composed of five members, has demonstrated that it is entirely incompetent to handle all the complex details relating to our maritime affairs. I have known of times when there would be so many personal feuds going on between the five members of the Maritime Commission that they could not even have a meeting at which to determine policy. I have known other times when some of the members of the Maritime Commission would be in one place, and other members would be at another place, with the result that it was impossible for the Commission to have a quorum present at its meetings.

I have known of cases which the Maritime Commission has taken not only months but years to decide. Certainly, Mr. President, reasonably prompt and proper decisions on such matters are essential in the complex postwar readjustment of the maritime affairs of the United States.

The reorganization plan now proposed will, when adopted, result in greater efficiency. Even the Chairman of the Maritime Commission himself admits that to be so.

Under this plan, the Board will establish the policies. Then the Secretary of Commerce, through his organization, will take care of the housekeeping functions, so to speak, and will do the administrative work. Under this plan, the Secretary of Commerce will use most of the experts now serving in the Maritime Commission, those who know about maritime matters. However, the net result should be a smaller number of employees, as compared with the present employees of the Maritime Commission.

Mr. President, I think this plan is a good one, and I think it is highly desirable that it go into effect. Certainly our maritime affairs could not be handled any worse than they have been handled.

The fact that the administration of certain matters pertaining to our maritime affairs once was removed from the Secretary of Commerce, has no bearing on the present issue at all. That action was taken in 1933, at the time when the Congress did a good job in discrediting what are known as the ocean mail subsidies.

However, no one has attempted to discredit the purposes of the 1936 act, which will not be changed one iota by the adoption of this reorganization plan. After all, that act is a good one. When it is administered properly, we shall have an adequate merchant marine, operated on a most efficient basis, and at the smallest possible cost.

Of course, Mr. President, we shall have to pay subsidies. As the Senator from Illinois has pointed out, there is a great deal of argument about subsidies, not in regard to the basic principle and philosophy behind paying them, but in regard to the amount of the subsidies and contracts. As we know, for a long time the General Accounting Office and the Maritime Commission have disagreed about subsidies, including the ship construction subsidies.

The truth of the matter is that we must have efficient administration of both the operating subsidies and the construction subsidies, so that the administration of those matters will meet with the approval of the people. Otherwise we shall not have an American merchant marine.

In fact, Mr. President, it should be pointed out that today there are only seven ships under construction in the United States. On the contrary, practically all the European shipyards are humming with activity. Similarly, ship repair in United States shipyards is virtually down to the zero level.

Obviously we must have good administration of our maritime affairs, for our people will not be willing to have shipping subsidies paid unless they are satisfied that the subsidies and the activities to which they relate are being properly administered.

Certainly the investigation conducted by the Hoover Commission and the investigations conducted by other agencies show that if our maritime activities

are to be carried on in accordance with the real purpose, the good and sound purpose, of the 1936 Maritime Act, and in such a way that we shall have a sound and adequate merchant marine, they must be administered in the most efficient way possible, whereas, of course, the record shows that that has not been the case during the 4 or 5 years of the postwar period.

Mr. President, the Senator from Maine is concerned about the matter of shipping routes, which, under the plan, are to be determined by the Secretary of Commerce. Obviously, that is a change which the plan will make from the system now in existence. However, I think the Senator from Maine is unduly alarmed about that matter, when we consider the advantages to be obtained from good administration of the Maritime Act. I repeat that all of us agree that only by good administration can we expect to have our maritime problems handled properly. It seems to me that the advantages of such good administration far outweigh anything else, and that the question of who will select the shipping routes is one of minor consideration. Even if the power to select the shipping routes is given to the Secretary of Commerce, I cannot conceive that he will do a poorer job than the Maritime Commission itself has been doing. However, the matter is not particularly important, because those routes already have been established.

The important change to be made under this reorganization plan, as it relates to the shipping activities of the United States, is the creation of the independent Board of three members who will award the contracts, decide on the details, and make all the other many determinations, as the Senator from Maine knows, required to be made in the case of shipping contracts.

I know of nothing that becomes more complicated than maritime contracts. I therefore think this is a good plan. I think it is a step in the right direction. I think it is going to make a much healthier condition not only in the maritime industry but in the minds of the people whose faith has been somewhat shaken in the administration of our maritime laws and as to how shipping subsidies should be paid, and as to whom they should be paid.

The Secretary of Commerce, in a letter dated May 9, addressed to the distinguished chairman of the Committee on Expenditures in the Executive Departments, the Senator from Arkansas [Mr. MCCLELLAN], explained why this is different from the 1936 act. I entirely agree with him, and I want to read merely the last paragraph of his letter:

> As I see it the present situation is in no way comparable to that prevailing in 1933. In the first place, the discredited Mail Subsidy Act has been replaced by the vastly improved Merchant Marine Act of 1936. Secondly, there is now general agreement on shipping policy which was certainly not the case in 1933. In the third place, the industry itself is now in a far healthier financial position. Finally, the Department itself, as the result of recent developments, is in a better position to assume transportation responsibilities such as those provided by plan No. 21.

As I said before, we have been investigating the maritime problem for almost 6 weeks. We have had hearings constantly, at least 3 or 4 days of every week, going into all phases of the problem. We have had a very efficient staff at work. We hope to make a report on the maritime situation within the next week or 10 days, and to ask the Congress to pass on perhaps 14 or 15 bills involving the maritime industry, and relating to many matters. This plan becomes a part of the over-all approach and the attempt on the part of those of us who are interested in the maritime to straighten out some of these things, not only the administration of the Maritime Commission, but also some of the problems which are inherent in a postwar readjustment, so we may have an adequate merchant marine.

Regardless of what some professor may say, who might be in the Department of Commerce, the American people want a merchant marine. We do not want the plan that we have for the maintenance of an adequate merchant marine to be discredited through poor administration. The American people will then lose faith in this matter, a faith of which they do not now have too much. I refer to faith in subsidies. But subsidies for the American merchant marine are far more justifiable than are subsidies for any other one thing, because they deal directly with low-cost foreign competition. We learned a sad lesson in the recent world war through letting our merchant marine deteriorate because of conditions of this sort, I may say to the Senator from Illinois, notably the discrediting of the administration of maritime affairs and of the policy with respect to ocean-mail subsidies.

Our merchant marine went off the seas between the 1920's and the 1930's, whereas had we had the wise policy of the 1936 act in effect at that time, the situation would have been different. That act did not take effect until 1938 or 1939. Had we had its wise policy in the 1920's and had we paid certain subsidies, and had they been administered properly, as we are here trying to provide, and had they been taken away from the Commission, we would have saved billions of dollars. It cost us almost $59,000,000,000 to rebuild our merchant marine, because we let it go completely to pot in the 1920's.

I think this plan is a step in the right direction. Of course, one may quibble about certain things. But I do not see how it will ever be possible to reorganize the Government if everyone is going to worry about whether every "i" is dotted and every "t" crossed. No one can devise a plan that will be acceptable to everyone. There would still be those who would say, "Oh, this may happen to us," and "We fear that this might affect the ICC, or the Federal Trade Commission, or some other independent commission in the same way." Mr. President, if it does, let us meet that situation when we reach it.

No one has testified against this plan—that is, no one from the shipping interests, no one from the maritime labor interests, no one from the allied maritime industry. The only people who have testified against it have been those who are afraid that if this is done to the Maritime Commission, it may be done to some other commission in which they are employed. Mr. President, if it should be done to them, let us do it to them, but let us meet that problem when we reach it.

Mr. President, we are never going to reorganize the Government if we undertake to raise hobgoblins as to what might happen as a result of the one thing we propose to do. I think we can take those things into consideration, but if we consider the American merchant marine by itself and forget about the other things, I say this is a good plan. In general, it follows the Hoover report. The Hoover report did not specify many of the details, because naturally complex problems are involved.

This recommendation meets with the approval of the Maritime Commission itself. It meets with the approval of most of the people in the shipping industry with whom I have talked, both labor and shipping operators. I know they oppose certain details. They perhaps think this thing should not be done, or that. But this can only result in something better than what we have.

I hope the Senate will not reject this plan. To those who give lip service to the Hoover Commission's report, and who profess to believe in reorganization, I say here is a chance to do something toward a more efficient administration, not only of the subsidies which the taxpayers pay, but a more efficient administration of the basic concepts and basic approaches of the 1936 Maritime Act. We must do something like this. We cannot continue to stumble along as we have in the past 2 years and expect to maintain an adequate merchant marine.

Mr. BREWSTER. Mr. President, I yield 5 minutes to the junior Senator from Washington [Mr. CAIN].

The PRESIDING OFFICER. The junior Senator from Washington is recognized for 5 minutes.

Mr. CAIN. Mr. President, my colleague, the senior Senator from Washington, is of the considered opinion and view that Reorganization Plan No. 21 is a good one. The junior Senator from Washington dissents most vigorously from that point of view. I have just been reading with real interest the reasons for objection to the approval of Reorganization Plan No. 21, as set forth clearly in the report which accompanied Senate Resolution 265. This report has, as of only this morning, come to the desks of Senators. Because of the limitation of time, I should simply like to state the seven main contentions of the opponents of Reorganization Plan No. 21, and to say that I am in support of these reasons of opposition.

I have yet another reason for seriously objecting to Reorganization Plan No. 21. I am not definitely certain that the statement is a correct one, but the statement has recently been made by a number of people interested in the merchant marine throughout this country that Reorganization Plan No. 21, if it is approved by the Congress, will be likely to result in

the placing on the beach of additional thousands of American seamen in the years immediately ahead. I think it would be unwise for this body to take action, in the face of that uncertainty, until the uncertainty has been concretely resolved and done away with.

According to the committee report, the testimony in favor of the resolution of disapproval, and in opposition to the plan, developed the following seven points:

1. The plan would set a pattern of policy which is regarded as a highly objectionable innovation of the general transportation policies of the country.

2. The proposal revives in substance an administrative procedure previously tried in the early thirties, but which failed to achieve the national objective of promoting the merchant marine, as a result of which the Merchant Marine Act of 1936 was passed, creating an independent agency for that purpose.

3. If drastic changes are required in the Maritime Commission, and in the act of 1936, such changes should be initiated and accomplished through legislative channels, with adequate opportunity afforded for full hearings, and not by Executive order or by a reorganization plan.

4. It is not possible or practical to separate completely regulatory and promotional functions relating to a method of transportation such as the merchant marine.

5. The effect of submerging the administrative functions of the Maritime Commission in a department of the executive branch, already vested with broad responsibility and varied activities, is to relegate the problems of the merchant marine further down the line and remove those immediately in charge from any direct contact with the Congress or the Executive, except through the proposed Under Secretary and the Secretary, either or both of whom may have no direct knowledge or familiarity with technical maritime affairs.

6. There is no evidence whatsoever that consolidation necessarily means economy in Government operations. Neither is there any indication or assurance that the proposed transfer will result in aggressive, constructive action in the administration of merchant-marine affairs. On the contrary, there is every indication that history will repeat itself and the Government may find itself in the same position as it was in 1933.

7. The members of the Maritime Board, and particularly the Chairman, would be not only politically appointed, but would have to be politically minded. There would be no vestige of independence such as the Congress has sought to provide for the regulatory agencies which it created beginning with the Interstate Commerce Commission.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CAIN. I appreciate the indulgence of the Senator from Maine.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have placed in the body of the RECORD statements which I prepared on Reorganization Plan No. 21; also a letter addressed to the Honorable Charles Sawyer by myself, and his reply to my letter; also a letter written by the Secretary of Commerce to the chairman of the Committee on Expenditures in Executive Departments.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WARREN G. MAGNUSON ON REORGANIZATION PLAN 21

I have been very much interested in Reorganization Plan 21, in view of the fact that I am chairman of the subcommittee of the Senate Committee on Interstate and Foreign Commerce which has been conducting an extensive study and investigation of maritime affairs generally, and operations under the Merchant Marine Act, 1936, in particular. In order to clarify some ambiguities with regard to the plan, I requested the views of the Secretary of Commerce by letter of April 5, 1950, and received a reply dated April 14, 1950. I request permission to have copies of these communications inserted in the RECORD at the end of my remarks, together with a copy of a supporting statement on plan 21 which I submitted to the Senate Committee on Executive Expenditures.

I support the plan with the following understanding of its legal significance. I believe it is desirable to set forth for the record this understanding, in order that the record may clear up any ambiguities or misunderstandings as to the legal consequences which will follow the adoption of the plan:

1. The plan does not change either the policy or the substance of the Merchant Marine Act of 1936. The plan merely transfers certain functions under the act from the present Maritime Commission to the new Maritime Board and the Secretary of Commerce. I understand that there is no intent to change the substantive law established by the 1936 act, especially the subsidy provisions. Obviously, a change in substantive law can be accomplished only by legislative, not by executive, action.

2. The 1936 act establishes the policy that the United States shall have a merchant marine sufficient to carry a substantial portion of the foreign commerce of the United States. The term "substantial portion" has been understood and uniformly construed by Congress to mean a 50-percent participation in the foreign trade. This does not necessarily require a 50-percent minimum in all trade routes. In some routes participation will be more and in others less, depending on the circumstances, but the over-all minimum target of 50 percent is firmly established by the 1936 act. All actions of the Board or the Secretary pursuant to the powers transferred under the act must conform to this policy if they are to be valid.

3. It is my understanding from the language of the plan, the President's message of transmittal, and the Secretary's letter of April 14, 1950, that the new Maritime Board will be absolutely free of interference from the Secretary of Commerce in the handling of regulatory matters, and will be subject only to general guidance by the Secretary on policy matters in handling subsidy applications. I understand that the term "guidance" has been used advisedly and that the Board is not legally required to operate within such general policies as the Secretary may promulgate, but is required to give such consideration as may be deemed appropriate to such policies in the administration of its functions. It goes without saying that the Board, in common with other executive agencies and departments, should also seek guidance from the Congress and the appropriate legislative committees.

The general policy guidance does not give the Secretary the power to limit, alter, modify, or review the actions of the Board, and the Board's determinations with respect to grants of subsidy, particularly award of operating subsidies under title VI of the 1936 act, are final and conclusive, subject only to the possibility of judicial review. As the Secretary has stated in his letter, no action taken by the Secretary under the authority delegated to him will "affect the ability of the Board to make final decisions with regard to the making, awarding, and terminating of individual subsidy contracts." At another point in his April 14 letter to me, the Secretary states: "I should like to make it clear that under the plan the Secretary has no authority either to award a subsidy or to direct the action of the Board on a subsidy application."

4. Under the functions transferred to the Secretary is the function of determining trade-route patterns under section 211 (a) and 211 (b) of the 1936 act. The determinations of the Secretary with respect to such trade-route patterns are included among the matters on which the Secretary may wish to establish general policies for the guidance of the Board, but these policies are necessarily general in nature, and are not, I understand, intended to apply to or determine the merits of any specific application for grant of subsidy which may be under consideration by the Board. Such matters are to be finally and conclusively determined by the Board in accordance with the provisions of the 1936 act. While the Board, in making such determinations, may consider the general trade-route patterns established by the Secretary under section 211, the Board is free to make a decision on the merits, based on the record before the Board, and is in no sense controlled by the Secretary's general pattern established by section 211.

Section 211 determinations are purely ex parte. Subsidy determinations are generally based on formal proceedings, with a full record, reflecting current conditions and future prospects, established by sworn testimony. Obviously, Congress did not intend that the trade-route patterns of section 211, which are in the nature of statements of general Government objectives, should control in the handling of specific applications under title VI of the act, which in some aspects at least are quasi-judicial in nature. The last has not been so administered since its enactment.

As I stated at the opening of my remarks, substantive law is not changed by the reorganization plan. The plan merely has the effect of transferring certain of the functions to the Secretary, and, since the section 211 determinations are general in scope, involving to a large extent policy determinations, it is appropriate that these functions have been vested in the Secretary.

5. With respect to the functions transferred to the Secretary, I understand that it is the intent of the plan that these functions should be redelegated by the Secretary to the Administrator, who should function with at least the same degree of autonomy and independence as the other transportation agencies within the Department of Commerce, such as the CAA, with full discretion and responsibility and with a staff sufficient in size and scope fully and completely to implement and discharge these responsibilities.

6. Based on the above understanding, I believe the plan represents an improvement over the present structure. I hope that those charged with the responsibility of administering the functions transferred by the plan will proceed with full vigor to arrest the alarming decline in the American flag merchant marine, with the objective, first, of holding that portion of the foreign trade which is now moving in American bottoms, and second, to recapture sufficient additional traffic to meet the objectives of the act, while at the same time stimulating in every possible way a revival of the coastwise and intercoastal trade of the United States, which has suffered such serious attrition and deterioration.

STATEMENT OF SENATOR WARREN G. MAGNUSON, CHAIRMAN OF THE SUBCOMMITTEE ON MERCHANT MARINE AND MARITIME MATTERS OF THE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, ON REORGANIZATION PLAN NO. 21, MAY 11, 1950

Reorganization Plan No. 21 in its basic concepts conforms to the recommendations of the Hoover Commission. By divorcing the regulatory functions of the Maritime Com-

mission from its executive tasks of managing a huge business—two fundamentally different types of functions requiring different types of organizations—the plan also conforms to the suggestions made in the reports of the President's Advisory Committee on the Merchant Marine and the Senate Committee on Expenditures in Executive Departments (80th Cong.). In 1948, the Senate Committee found:

"It is an anomaly that a regulatory commission should also conduct the executive function of managing a huge business; that executive functions should be carried on by an agency that is not subject to Presidential direction."

Although the plan departs in a small measure from the Hoover Commission recommendations in abolishing the Maritime Commission and creating a new Maritime Board I believe this is not a defect. Considering the strained relations of the Maritime Commission with Congress, the press, and the public, I deemed this to be a salutary provision. At first I was somewhat concerned this change might operate to curtail the independence of the Maritime Board in the exercise of its regulatory functions. However, on further study, I became convinced that the intent and proper interpretation of the plan is to preserve the independent status of the Board in regulatory matters. With respect to the authority of the Board in reaching decisions regarding the making, altering, or terminating of subsidy contracts, I am of the opinion that decisions of the Board will be reached on the basis of the discretion vested in the members and once arrived at will be final. I am attaching hereto copies of an exchange of letters with the Secretary of Commerce.

Some question has been raised relative to the authority granted by the plan to the Secretary of Commerce to determine the trade-route pattern. Congress in the Merchant Marine Act, 1936, and other shipping acts has specifically directed that the trade routes essential to serve the commerce of the United States—and that means in all of our trades—shall be established. The Secretary is bound by these legislative mandates. He would be derelict in his duties if he were to disregard the soundly declared policies of Congress. It does not seem to me that he would abandon any of our essential trade routes. This conclusion is confirmed by the Secretary's statements in the letter already referred to.

Committees of Congress concerned with supervision of the work of the Maritime Commission agree that the present organization has not lent itself to the proper administration of our shipping laws. From time to time during the past several years, they have sharply criticized the Maritime Commission. The President's Advisory Committee and the Hoover Commission reached the same conclusions. Other agencies of the Government have repeatedly pointed out the deficiencies of the Maritime Commission.

In the light of the facts, I am satisfied that Plan 21 will materially assist in correcting an organizational and administrative situation which is materially hampering the development of our merchant marine. I know that most of the shipping interests are with me in voicing concern over the future of our national maritime policy. In my opinion, plan 21 is a constructive forward step.

Furthermore we should bear in mind that Congress does not abdicate its legislative powers by approving any reorganization plan. We can always pass corrective legislation if some particular aspect of a plan does not work out as anticipated. As chairman of the subcommittee having jurisdiction in this instance, I assure you we will be most vigilant in our scrutiny of the plan in actual operation.

APRIL 5, 1950.

Hon. CHARLES SAWYER,
Secretary of Commerce,
Department of Commerce,
Washington, D. C.

MY DEAR MR. SECRETARY: There is now before Congress for approval Reorganization Plan No. 21 of 1950 abolishing the Maritime Commission and creating a Federal Maritime Board and a Maritime Administration within the Department of Commerce. It transfers the regulatory functions of the Commission to the newly created Board together with certain responsibilities with respect to making, amending, and terminating subsidy contracts.

In the case of regulatory matters, the plan provides the Board "shall be independent of the Secretary of Commerce." Since it is not clear from the language used, particularly when used in its context with other provisions, whether the Board in the regulatory field is to continue to be an independent arm of Congress or whether it is to report to you as Secretary and become a part of the executive branch, we will be pleased if you will give us your interpretation of the prospective legal and factual status of the new Board.

The provisions relating to the subsidy authority of the Board provide that the actions of the Board in making, amending, and terminating subsidy contracts shall be final. Your opinion as to the authority and responsibility of the Board to make decisions on subsidy contracts without prior consultation with, or direction from your department or from other executive agencies is also solicited.

Considering the fact that the general maritime policy as set forth by Congress in the several Maritime Acts is to be under your guidance and administration, the Subcommittee on Merchant Marine and Maritime Matters of the Committee on Interstate and Foreign Commerce is further interested in having your full views relative to a program for the development and protection of our merchant marine. Your comments as to plans for the future would be of great interest to the committee. In this connection an expression of your thinking of the part which waterborne transportation has in the development of a unified and coordinated Federal program for transportation will be most helpful.

In view of the fact that the plan provides for the post of an Under Secretary of Commerce for Transportation, a summary of the respective duties to be assigned to and the spheres of authority to be exercised by yourself, the Under Secretary and the Maritime Administrator will be appreciated. A statement of your contemplated general policy in this regard will be sufficient.

Because of the short time remaining before Congress must act on the proposal, it is requested that your reply be given us on or before April 15, 1950.

Your cooperation will be deeply appreciated.

Sincerely,

WARREN G. MAGNUSON,
Chairman, Subcommittee on Merchant Marine and Maritime Matters.

THE SECRETARY OF COMMERCE,
Washington, D. C., April 14, 1950.

Hon. WARREN G. MAGNUSON,
Chairman, Subcommittee on Merchant Marine and Maritime Matters, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: In your letter of April 5, 1950, you asked for my views on certain aspects of the transfer of the functions of the Maritime Commission under Reorganization Plan No. 21 of 1950. This plan establishes a Federal Maritime Board and a Maritime Administration in the Department of Commerce.

The Board would have two principal functions: Regulatory powers relating generally to rates and services, to agreements among carriers, and to trade practices; and powers to award subsidies for the construction and operation of ships. The other functions now lodged in the Maritime Commission would be transferred to the Secretary of Commerce, subject to delegation to the Maritime Administrator, who would also be the Chairman of the Board.

In the exercise of its regulatory powers over rates and services, over agreements between carriers, and over trade practices, the Board would, under section 106 of the plan, be independent of the Secretary of Commerce and would be free to report directly to the Congress. The present independence of decision enjoyed by the Maritime Commission would, therefore, in all respects be continued in the Board, with respect to these quasi-legislative or quasi-judicial regulatory functions.

If, in the exercise of these functions, the Board should wish to avail itself of any of the facilities of the Department, I should of course be glad to see that the Board is accorded full cooperation. However, such cooperation would not, in my opinion, interfere with the independence of the Board in the exercise of its regulatory functions. On the contrary, the decisions of the Board on regulatory matters would be made with complete independence, on the basis of the facts before the Board, subject only to court review. Its consideration of regulatory problems would not be subject to supervision or control by the Department, and its decisions would not be subject to review, or approval, or reversal by the Secretary or the Department. This method of operation has been found satisfactory in the case of the CAB, and I foresee no difficulty in applying the same principle to the regulatory functions of the Federal Maritime Board.

In the exercise of the powers with respect to the award of subsidies which are delegated to the Board by the plan, the Board is to be guided by the general policies of the Secretary of Commerce, under section 106 of the plan, but its actions with respect to making, amending, and terminating subsidy contracts under section 105 (1) are to be final.

This aspect of the plan appears to me to be both appropriate and practicable. This arrangement facilitates and insures coordinating the subsidy program with the programs and general policies of the executive branch relating to national defense and the national transportation program. At the same time it leaves to the independent judgment of the Board the determination of the individual concerns which are to receive the subsidy contracts and the amounts of the individual subsidies.

I should like to make it clear that under the plan the Secretary has no authority either to award a subsidy or to direct the action of the Board on a subsidy application.

Here, again, I would expect full cooperation between the Board and the Department: The Department will need the views of the Board in establishing general policies for the subsidy program to insure that the general policies will be workable and realistic; the Board may, on occasion, wish the views of the Department with respect to the application of the general policies.

Cooperation and consultation of this sort need not, and I am convinced will not, affect the ability of the Board to make final decisions with respect to making, awarding, and terminating individual subsidy contracts—decisions which will not, under the plan, be subject to review or reversal by the Secretary.

Under the plan, the Federal Maritime Board is to be an agency within the Department of Commerce. This status does not, in my view, give the Secretary or Department any authority over the regulatory functions

which the Board is to exercise independently; nor does it give the Secretary or the Department authority to alter or reverse the actions of the Board with respect to those subsidy functions as to which its actions are final.

In your letter you also inquired about my views as to the development and protection of our merchant marine.

I am convinced of the importance of the American merchant marine, and I shall support appropriate measures in the interest of providing a strong, healthy industry. The United States must have a domestic fleet adequate to meet its commercial needs. In the interest of our national security and foreign commerce, we must also have a substantial foreign-trade fleet. Operating shipyards with trained manpower for the construction and maintenance of the merchant fleet are an integral part of a vigorous and up-to-date merchant marine.

At the present time I am not prepared to make any proposals for fundamental revisions of the basic shipping legislation. I propose, if the plan takes effect, to make a thorough review of the present merchant-marine program, and if it appears from this review that changes in legislation would make the program more effective, I would submit for congressional consideration recommendations for appropriate changes in the present laws.

Until careful studies have been made it would not be possible to indicate the precise place which promotion of the merchant marine should have in an over-all Federal program for transportation. As I indicated in my report to the President, I am strongly in favor of the national transportation policy set forth in the Transportation Act of 1940, which provides for the recognition and preservation of the inherent advantage of each form of transportation and the promotion of safe, adequate, economical, and efficient service as well as the fostering of sound economic conditions in the field of transportation. I am convinced that adherence to this policy in domestic transportation will result in a flourishing domestic fleet available for use by the commerce of the United States. I also recognize that, because of our higher costs, subsidies are necessary for merchant shipping operating in international trade, if we are to remain a major shipping power and if our merchant fleet is to make an adequate contribution to national defense.

Your letter also inquired as to the general policy contemplated as regards the respective spheres of authority of the proposed Maritime Administrator, the Under Secretary for Transportation, and myself.

The Maritime Administrator would be responsible for the operations of his agency and would be vested with suitable authority to fulfill that responsibility. While the Department requires adherence to certain administrative standards and practices in the interests of economy and progressive management, it is my policy to give operating bureaus wide operating latitude. This policy would apply to the Maritime Administration, in conformance with the administrative pattern of the Department prevailing with respect to the Bureau of Public Roads, Civil Aeronautics Administration, and other major agencies.

As in the case of the other bureau heads, the Maritime Administrator would be ultimately responsible to me as Secretary. The proposed Under Secretary for Transportation would act as my deputy with respect to the programs and activities embraced within the proposed Maritime Administration, Bureau of Public Roads, Civil Aeronautics Administration, and the Inland Waterways Corporation. It would be the responsibility of the Under Secretary for Transportation to exercise general policy supervision on my behalf over all transportation activities in the Department and to assure program consistency among these several transportation agencies. He would play a major role in developing a coherent over-all transportation policy and in assuring the effective administration of those transportation activities lodged in the Department.

If there is any further information which you would like me to supply, please let me know.

Sincerely yours,

CHARLES SAWYER,
Secretary of Commerce.

MAY 9, 1950.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

DEAR SENATOR MCCLELLAN: During the course of my testimony before your committee yesterday, May 8, in behalf of the President's Reorganization Plan No. 21, you suggested that I might wish to address some additional information to the committee covering that period in which the Government's maritime functions were located in the Department of Commerce.

In my prepared statement under the general heading "Organizational and statutory background" on page 2, I set forth briefly what occurred during the period from 1933 to 1936. The pertinent part reads as follows, with the especially significant parts underlined:

"By 1933 Congress had become seriously dissatisfied with the maritime situation generally, with the administration of the Government's maritime activities, and particularly with the mail-contract payments system. A Senate investigation of the mail-contract form of subsidy was conducted during the last part of 1933 and the first part of 1934. Its report, issued in May 1935, and several other investigatorial reports about the same time criticized severely the Government's maritime policies and practices prevailing in the early thirties. In 1933, the President issued Executive Order 6166 which, among other things, abolished the Board and transferred all its functions to the Department of Commerce. This transfer was made necessary by the chaotic situation wherein an inherently poor act was being administered poorly. The transfer was not designed as a final solution, but rather an a temporary expedient until permanent legislation could be passed. It was hoped some economies also might result. The new organization in the Department was known as the United States Shipping Board Bureau. The Fleet Corporation was also transferred to the Department. The 3-year life of the Shipping Board Bureau coincides with the period of congressional investigations and active legislative consideration. The reports of these investigations and of the standing committees which formulated the Merchant Marine Act of 1936 directed their criticisms at the defects in the existing legislation and at the administrative deficiencies of the agencies which preceded the Shipping Board Bureau."

The period prior to passage of the Merchant Marine Act of 1936 was a low period for the merchant marine industry and perhaps for the Government's maritime programs. This fact, however, was primarily the result of the discrediting of the mail-contract subsidy system of the act of 1928. As indicated above, the administration of this act by the independent United States Shipping Board had reached such a chaotic status by 1933 that the President found it necessary to make some kind of immediate administrative change pending congressional action. As I understand it, the Department of Commerce suddenly found itself the unwilling recipient of an already seriously aggravated administrative problem. In addition, the Department was confronted with many problems over which it had no control—for example, the outstanding long-term mail subsidy contracts. In view of this situation, plus the sharply critical investigations in progress and the active congressional debating of the Government's basic maritime policies, it was inevitable that the industry and the Government's program should remain in a state of flux. I understand that despite this most unsatisfactory general situation, the Shipping Board Bureau within the Department of Commerce cooperated closely with Congress and succeeded in ameliorating a number of the problems it inherited. Particularly I understand the Bureau made a good record in collecting payments from the numerous firms that were then in default in their obligations to the Government.

I am informed that in the hearings of the Black Committee and in its report issued in May 1935, no criticisms were made of the Shipping Board Bureau or its administration. Similarly, I understand, in the hearings and reports of the standing committees of Congress which formulated the Merchant Marine Act of 1936, no criticisms were leveled at the Shipping Board Bureau. The Merchant Marine Act of 1936 primarily represented a change in the fundamental subsidy policy of the Government rather than a reflection on the administrative competence of the Shipping Board Bureau. It seems entirely clear that this act, or one very much like it, would have been passed whether or not the Government's maritime functions, including regulatory activities, had been placed in the Department of Commerce.

As I see it the present situation is in no way comparable to that prevailing in 1933. In the first place, the discredited Mail Subsidy Act has been replaced by the vastly improved Merchant Marine Act of 1936. Secondly, there is now general agreement on shipping policy which was certainly not the case in 1933. In the third place, the industry itself is now in a far healthier financial position. Finally, the Department itself, as the result of recent developments, in is a better position to assume transportation responsibilities such as those provided by plan No. 21.

Sincerely yours,

CHARLES SAWYER,
Secretary of Commerce.

Mr. HUMPHREY. Mr. President, the Senator from Minnesota would like to know how much time remains.

The PRESIDING OFFICER. Four minutes.

Mr. HUMPHREY. Mr. President, in the remaining 4 minutes it is only necessary to make a very brief summary of the case presented so concisely and convincingly by the Senator from Washington [Mr. MAGNUSON]. The Senator pointed out that on three different occasions the Maritime Commission has been subject to what might be called intensive and exhaustive investigation. The most recent investigation of the activities of that commission was cited by the Senator from Illinois [Mr. DOUGLAS].

I think it is very important that the Members of the Senate should be aware of some of the general language in connection with the recent investigation. For example, in the report of the House subcommittee of the Committee on Expenditures in the Executive Departments, in reference to the operations of the Maritime Commission, we find on page 11 the following statement:

The record of hearings on these sales points up sharply administrative delays in making determinations, poor record keeping, delays in billing and collecting.

That points up part of the general administrative confusion.

On page 12 of the same report, in very devastating language, Mr. President, the committee has this to say:

> No satisfactory explanation for long delays is apparent in the record of the hearings, and your subcommittee considers this subject to be another example of the general administrative inadequacy pervading the Commission.

Because of the limitation of time I merely cite the report from the House Committee on Expenditures in the Executive Departments, and say that it is filled with the inadequacies and the weaknesses of the administrative procedures and practices of the Maritime Commission.

It is important to note that the witnesses who testified before the Senate Committee on Expenditures in the Executive Departments, of which I am a member, represented those interests which were involved in the shipping industry, and, on the other hand, they represented interests primarily concerned with sound public administration. Mr. Robert McCormick, representing the Citizens Committee on the Hoover Report, testified that Reorganization Plan No. 21 was analyzed by the committee and it was believed the plan offered a workable solution to the complex administrative situation. It should also be noted that insofar as the separation of functions of the Commission, as provided under the plan, is concerned, it keeps within the specific requirements of the recommendations of the Hoover Commission.

There is plenty of evidence on hand to show that there is hardly an agency in the Government that has failed in its responsibilities quite so much as has the Maritime Commission. I believe its failure is not due to the men serving on the Commission; I believe they want to do a good job; but the sad fact is that because of the administrative organization of the agency it is utterly impossible to do a good job.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that, while the reports of the House Committee on Expenditures in the Government Departments have been unsparing in their criticism of a great many members of the Commission, they have also specifically pointed out that Commissioner McKeough has consistently fought to defend the public interest and to keep the subsidies within bounds?

Mr. HUMPHREY. I think the report is very clear, insofar as Commissioner McKeough is concerned, that he is working in behalf of the public interest. One of the real reasons why there is a fight against the plan is because of the language of the plan. It provides that the subsidy policies shall be determined by the Secretary of Commerce. It is exactly for this reason that some of the shipping interests, joined by their railroad brethren, have determined they are going to fight the plan because the Secretary of Commerce has the right to set the general policy of subsidies. That means it will be a matter of public notice. The American people will, at long last, find out where the money is going and what is the subsidy policy. Up to this time it has been sort of a Mexican-bean game. At just about the time we find out where the subsidy will go, they shift the beans. The general policy of subsidization will be made a matter of public record.

As a member of the Committee on Expenditures in the Government Departments I took note of the fact that there seemed to be a good deal of cooperation on the part of the shipping interests and the railroads in fighting plan No. 7, which pertains to the Interstate Commerce Commission. Ordinarily the railroads of the country and the steamship lines are at each other's throats. There is a constant fight between them. But as to plan 21 I notice a love feast. Whenever there is a plan before us which is going to work in the public interest, we find every special interest in America lining up against it.

Mr. President, I hope the resolution will be rejected and that the plan as submitted by the President will be accepted in the public interest.

Mr. BREWSTER. Mr. President, I should like to have the attention of the Senator from Illinois. I should like to instruct him——

Mr. DOUGLAS. Mr. President, may I say I am always delighted to be instructed by the distinguished Senator from Maine.

Mr. BREWSTER. I have listened to the Senator's able remarks. I recall that in San Francisco there is a little cemetery in which the most handsome monument erected is to the memory of a man who was lynched by mistake. The lynchers erected a monument expressing their great regret, although there was nothing they could do about it. I am sure the Senator from Illinois is not in sympathy with a procedure of that character, although much of his discussion and that of the Senator from Washington [Mr. MAGNUSON] lends itself to such a construction.

In the first place, the Senator from Illinois lauds the services of Commissioner McKeough. I share in that confidence and support, and I should like to point out to the Senator that Commissioner McKeough was not satisfied with the letter sent by the other members of the Commission supporting this plan. He wrote a report of, I believe, 52 pages, pointing out the utter impossibility of making any such program work and stating how firmly he was opposed to it. So far as Commissioner McKeough is concerned, I gather the Senator from Illinois would have respect for his opinion, and would desire that his policies should continue.

The other curious thing is that the Chairman of the Commission, within the past 7 months has been given the administrative responsibility recommended by the Hoover Commission. In order to bring about a better functioning of the Board, in accordance with several plans that have been advanced, he has been given those powers and he has had them for about 7 months. It is our hope that in that period great progress has been made. I wish to point out further to the Senator from Illinois and the Senator from Washington that all the criticisms are concerned with the report of the General Accounting Office on the fiscal years 1948 and 1949, before General Fleming had even taken office as Chairman and before he was associated with the powers which he is permitted to exercise. Therefore, to go forward and condemn the Commission as now constituted, with the powers now exercised by the Chairman, with a possibility of achieving the efficiency which is desired, is to hang the wrong man.

Mr. DOUGLAS. May I say to my good friend from Maine, that while I did not intend to single out General Fleming for criticism, the report of the House subcommittee indicates that he also has been at fault.

Thus, after quoting the cross-examination of General Fleming by Mr. Peyton, the committee said, on page 28:

> These remarks on the part of General Fleming, when related to the Mellen memorandum and to the statute, show either a complete lack of understanding of the subject matter or a desire to meaninglessly quibble.

There are other similar passages. For instance, on page 26 there is also a statement by the subcommittee which reads as follows:

> It should be noted that Chairman Fleming here takes the position that all actions of the Commission on the six vessels in question are completely justified and indicates no review action necessary. The calculations involved were, to a large extent, under the supervision of the same person who supervised the admittedly unsupported results arrived at in connection with betterment and operational subsidies.

There are also other criticisms of the work of the Chairman, General Fleming, on pages 26, 27, 29, 30, and 31 which I should like to read.

Mr. BREWSTER. I am sorry, but I cannot yield further to the Senator from Illinois.

Mr. DOUGLAS. I am sorry, but since the Senator from Maine wished to admonish and correct the Senator from Illinois, I think it is proper that the Senator from Illinois should admonish and correct the Senator from Maine.

Mr. BREWSTER. For the further enlightenment of the Senator from Illinois, I should like to quote from the testimony before the Committee on Expenditures in the Executive Departments, at page 47, what the Senator from Connecticut [Mr. BENTON] had to say. The Senator from Connecticut has been one of the most wholehearted supporters that reorganization has had. He is speaking to the Secretary of Commerce, who came before us with almost a complete ignorance of the program, and to whom we are being asked to entrust this responsibility. The Senator from Connecticut said:

> It seems to me that your oral testimony runs counter to the objective of the Hoover Commission on its many recommendations in many areas of the Government, where we are trying to fix responsibility on a responsible executive where we can see it.

In other words, the Senator from Connecticut pointed out that Secretary Sawyer has even contradicted himself in his

testimony. That accounts for the fact that neither the Senator from Minnesota [Mr. HUMPHREY] nor the Senator from Connecticut [Mr. BENTON] cared to indulge in a discussion of this matter. They were impressed with the apparent confusion in the situation and also by the fact that the plan clearly went beyond the intent which was contemplated by the Hoover Commission.

Mr. BENTON. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. BENTON. Does the Senator from Maine know that the Secretary of Commerce later submitted a letter to the Committee on Expenditures in the Executive Departments clarifying this point and bringing clearly into line his attitude with his testimony and the testimony of the Bureau of the Budget?

Mr. BREWSTER. Yes, I am quite familiar with that. My point was simply that even the Solomon to whom the functions would be transferred found it necessary to have a letter written to clear up the confusion in his own mind. So we are not making progress by transferring from one commission to another.

What I think we should have clearly in mind is that under plan 6 last year we did carry out much of the reorganization contemplated by the Hoover Commission with relation to the Maritime Commission. We gave to the Chairman the administrative responsibility which it was believed was desirable, and that has been in effect for some 7 months. I believe it will result in great improvement. The Committee on Interstate and Foreign Commerce and the subcommittee headed by the Senator from Washington [Mr. MAGNUSON] have been carrying on an extensive study for the past 6 months of all ramifications of maritime policy. We are about ready to report, and we are about ready to make recommendations regarding legislation. Certainly it would seem to me that before we made another radical change which goes clearly beyond the recommendations of the Hoover Commission, as stipulated in their own report, it would be well for us to await the recommendations of the Interstate and Foreign Commerce Committee which has been making exhaustive studies for 12 months at a cost of more than $50,000, and ascertain what we can get for our money before we make another radical move of this character, which will inevitably result in adding further confusion to the situation.

There are a great number of applications, action on which would be in doubt. It is provided in the law that in order for anyone to be allowed more than 33⅓ percent subsidy four members of the Commission must vote affirmatively. If this plan goes through there will not be four members. I do not know what is contemplated by those who drafted the act with respect to that.

Mr. MAGNUSON. I have a long letter from the Director of the Budget in which those questions are clarified.

Mr. BREWSTER. I would be very glad to have the Senator put the letter into the RECORD.

Mr. MAGNUSON. He suggested it should be two members.

Mr. BREWSTER. I am glad to see efforts being made to reconcile it. I do not believe, however, there is time to have it clarified now.

Mr. MAGNUSON. The chairman of the committee would like to put the letter into the RECORD.

Mr. BREWSTER. I shall yield to him for that purpose.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD at this point a letter from the Director of the Budget addressed to me, dated May 19, 1950, pertaining to Reorganization Plan No. 21.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 19, 1950.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

MY DEAR SENATOR MCCLELLAN: I wish to acknowledge your letter of May 17 presenting three questions concerning Reorganization Plan No. 21 of 1950 on which you desire additional information. I am answering these questions in the order in which you presented them.

"1. Under the Merchant Marine Act, certain actions by the Commission, such as award of construction subsidies exceeding 33⅓ percent, require four votes. Since the new board will have only three votes, what will be the voting requirements in such cases under the plan?"

This problem is covered by section 102 (d) of the plan, which provides: "Any two of the members in office shall constitute a quorum for the transaction of the business of the Board, and the affirmative votes of any two members of the Board shall be sufficient for the disposition of any matter which may come before the Board." The only alternative to this provision would be to require a unanimous vote of the three members of the Federal Maritime Board in the cases where the Merchant Marine Act, 1936, now calls for the affirmative votes of four of the five members of the Maritime Commission. The requirement of a unanimous vote, however, would not be practicable since it might block action and seriously interfere with the effective prosecution of the maritime programs.

"2. Who is to control the submission of requests for appropriations from Congress and sponsorship thereof on matters under the jurisdiction of the Board, such as the amount to be requested for operating and construction subsidies?"

The budget of the Board will form a part of the budget of the Department of Commerce. Insofar as the regulatory functions of the Board are concerned, however, the Department will have no authority to make any changes in the Board's estimates because section 106 of the plan specifically makes the Board independent with respect to such functions. In this connection, I might point out that under a similar provision in plan IV of 1940, on the relation of the Civil Aeronautics Board to the Department of Commerce, the Department has never attempted to revise the estimates of the Board for functions with respect to which the plan guarantees the independence of the Board. As to other functions of the Maritime Board, the estimates will be subject to review by the secretary under the Budget and Accounting Act. I should point out that the ultimate control over the budget submitted to the Congress for maritime subsidies will reside in the President as it now does.

"3. The merchant-marine policy as fixed by Congress in its statement of policy in the Merchant Marine Act of 1936 contemplates that a 'substantial' portion of all foreign trade will be carried in American-flag bottoms. This is usually interpreted to mean 50 percent over-all target—with individual routes varying above or below, depending upon conditions. In estabishing trade-route patterns, is the Secretary required to observe the 50-percent objective or may he establish a trade-route pattern which contemplates a different objective?"

The Secretary of Commerce will be governed by the policies set forth by the Merchant Marine Act of 1936 just as fully as the Maritime Commission is. The first section of this act declares:

"It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine (a) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the United States flag by citizens of the United States, insofar as may be practicable, and (d) composed of the best-equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizens personnel. It is declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine." (June 29, 1936, ch. 858, title 1, sec. 101, 49 Stat. 1985).

The Secretary of Commerce has definitely stated in a letter to you that he believes in these policies and will give them his full support. In a recent letter to Senator MAGNUSON, he further said:

"I am convinced of the importance of the American merchant marine, and I shall support appropriate measures in the interest of providing a strong, healthy industry. The United States must have a domestic fleet adequate to meet its commercial needs. In the interest of our national security and foreign commerce, we must also have a substantial foreign trade fleet. Operating shipyards with trained manpower for the construction and maintenance of the merchant fleet are an integral part of a vigorous and up-to-date merchant marine."

While the Merchant Marine Act contemplates that a substantial portion of our foreign trade be carried in American vessels as you state, it does not specifically provide that 50 percent of the trade be so carried. At some times this ratio has been exceeded and at some others it has not been possible to attain such a percentage. The exact percentage of our foreign commerce that can be carried in American bottoms depends on a variety of factors, many of which are beyond the control of the Government. To the extent that this percentage can be determined by the Government, the most basic factors are the type of subsidy system established by the Congress and the amounts appropriated by it for subsidy purposes. Within these limitations, I feel certain that the Secretary of Commerce will do his utmost to achieve the development of a strong American merchant marine.

Sincerely,

FRANK PACE, Jr.,
Director.

Mr. BREWSTER. This plan goes further than any other plan which has been presented. We have agreed to the original plan No. 6, which embraces much

of the proposal of the Hoover Commission. We are trying that out now. Why should we be required or expected to go beyond this to a plan which will absolutely change the entire character and function of the Maritime Commission and put it in the hands of the Department of Commerce, where it was once before and we found it would not work? That is incomprehensible to me. The Commission has had difficulties, as have other commissions, but as an independent agency of the Government functioning under the reorganization plan proposed by the Hoover Commission, it is entitled to a fairer and further trial than it has yet received. Therefore, I earnestly hope the Senate will adopt the resolution in order to postpone the functioning of the contemplated Reorganization Plan No. 21.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to Senate Resolution 265, to disapprove Reorganization Plan No. 21.

Mr. HUMPHREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Magnuson
Anderson	Hoey	Malone
Benton	Holland	Martin
Brewster	Humphrey	Maybank
Bricker	Hunt	Neely
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Cain	Johnson, Colo.	Robertson
Capehart	Johnson, Tex.	Russell
Chapman	Johnston, S. C.	Schoeppel
Cordon	Kefauver	Smith, Maine
Darby	Kem	Smith, N. J.
Donnell	Kilgore	Sparkman
Douglas	Knowland	Stennis
Dworshak	Leahy	Taft
Eastland	Lehman	Thomas, Utah
Ecton	Lodge	Tobey
Ellender	Long	Tydings
Ferguson	Lucas	Watkins
Fulbright	McCarran	Wherry
George	McCarthy	Wiley
Gillette	McClellan	Williams
Green	McFarland	Young
Hayden	McKellar	
Hendrickson	McMahon	

The PRESIDING OFFICER. A quorum is present.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from Pennsylvania [Mr. MYERS] and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Texas [Mr. CONNALLY] and the Senator from Idaho [Mr. TAYLOR] are detained on official business.

The Senator from Kentucky [Mr. WITHERS] is necessarily absent.

I announce further that if present and voting, the Senator from Texas [Mr. CONNALLY], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Idaho [Mr. TAYLOR] would vote "nay."

Mr. WHERRY. I announce that the Senator from Iowa [Mr. HICKENLOOPER], the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Oregon [Mr. MORSE], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from South Dakota [Mr. MUNDT] is absent on official business.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], and the Senator from South Dakota [Mr. GURNEY] are detained on official business. If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay."

The Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Minnesota [Mr. THYE]. If present and voting the Senator from Massachusetts would vote "nay," and the Senator from Minnesota would vote "yea."

The yeas and nays resulted—yeas 14, nays 59, as follows:

YEAS—14

Brewster	Eastland	Malone
Cain	Ecton	Stennis
Capehart	Johnson, Colo.	Wherry
Cordon	Long	Wiley
Donnell	McCarran	

NAYS—59

Aiken	Holland	Magnuson
Anderson	Humphrey	Martin
Benton	Hunt	Maybank
Bricker	Ives	Neely
Butler	Jenner	O'Conor
Byrd	Johnson, Tex.	O'Mahoney
Chapman	Johnston, S. C.	Robertson
Darby	Kefauver	Russell
Douglas	Kem	Schoeppel
Dworshak	Kilgore	Smith, Maine
Ellender	Knowland	Smith, N. J.
Ferguson	Leahy	Sparkman
Fulbright	Lehman	Taft
George	Lodge	Thomas, Utah
Gillette	Lucas	Tobey
Green	McCarthy	Tydings
Hayden	McClellan	Watkins
Hendrickson	McFarland	Williams
Hill	McKellar	Young
Hoey	McMahon	

NOT VOTING—23

Bridges	Hickenlooper	Pepper
Chavez	Kerr	Saltonstall
Connally	Langer	Taylor
Downey	Millikin	Thomas, Okla.
Flanders	Morse	Thye
Frear	Mundt	Vandenberg
Graham	Murray	Withers
Gurney	Myers	

The PRESIDING OFFICER. On this vote the yeas are 14, the nays 59. A majority of the authorized membership of the Senate not having voted in the affirmative, the resolution (S. Res. 265) is not agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

RECONSTRUCTION FINANCE CORPORATION

Mr. FULBRIGHT. Mr. President, Senate Resolution 219, adopted February 8, 1950, ordered the Banking and Currency Committee or its subcommittee conducting a study of the operations of the Reconstruction Finance Corporation to report its findings and recommendations for legislation to the Senate at the earliest practicable date, but not later than June 1, 1950.

After commencing its study of the Reconstruction Finance Corporation, it became apparent to the committee that the thorough study of the operation of the Reconstruction Finance Corporation which was ordered to be undertaken could not be completed by June 1, 1950. The committee is of the opinion that the study of the Reconstruction Finance Corporation is very important. It involves a matter of basic national policy, namely, the extent to which the Government ought to engage in the business of lending to private enterprise during a peacetime, nonemergency period. A superficial study of this important matter of public policy would not be helpful to the Congress.

The committee has instructed me to request an extension of the time within which the committee may complete its study and file its report. Accordingly, I submit and send to the desk at this time a resolution to accomplish this purpose, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 279) was read by the Chief Clerk, as follows:

Resolved, That the authority of the Committee on Banking and Currency, or any duly authorized subcommittee thereof, under Senate Resolution 219, Eighty-first Congress, agreed to on February 8, 1950 (providing for a study of the operations of the Reconstruction Finance Corporation and its subsidiaries), is hereby continued until July 15, 1950.

The PRESIDING OFFICER. Is there objection to the request for the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 279) was considered and agreed to.

Mr. FULBRIGHT. Mr. President, for the purpose of expediting its study and availing itself of the services of legal counsel and assistants, the committee has also instructed me to introduce a joint resolution exempting counsel and assistants of the subcommittee from the operation of certain Federal statutes. This resolution is identical in terms and effect with joint resolutions previously passed by the Congress with respect to counsel for other committees. Accordingly, I introduce and send to the desk at this time a joint resolution to

accomplish this purpose, and ask unanimous consent for its immediate consideration.

The joint resolution (S. J. Res. 183) to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session, was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That service or employment of any person as an attorney, or assistant, on a temporary basis to assist the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in the study ordered by Senate Resolution 219, agreed to on February 8, 1950, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the joint resolution?

Mr. DONNELL. Mr. President, reserving the right to object, let me say that it has been difficult for me to hear the Senator's explanation. Will the Senator please repeat it?

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. Those who desire to converse will please retire at once to the cloakrooms.

Mr. DONNELL. I thank the Chair, in view of the importance of this matter.

Mr. FULBRIGHT. Mr. President, let me say to the Senator from Missouri that the joint resolution would exempt the employees of the subcommittee from the operations of section 281, 283, or 284 of title 18 of the United States Code. Those are provisions of law which assess penalties against Government employees who have any dealings relating to matters in which the Government is directly or indirectly interested. The same provision of law also applies to Members of Congress, preventing Members of Congress from accepting fees or other payments in connection with cases against the Government.

I understand that in the case of temporary employment of counsel by subcommittees such as ours and the Tydings subcommittee of the Foreign Relations Committee and the Kefauver special committee, it is customary to exempt the attorneys employed on a temporary basis from the operation of those laws. Most of these employees come from legal offices which, in the routine conduct of their business, may be handling claims against the Government. Of course, it would be purely by chance that any of them would relate to the business before the subcommittee.

I am told that the exemption we now request to be made is a routine and customary one, and that one was made a few days ago in the case of the subcommittee of the Foreign Relations Committee, known as the Tydings committee.

Mr. DONNELL. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

TEXMASS PETROLEUM CO. LOAN—INTERIM REPORT OF A COMMITTEE (S. REPT. NO. 1689)

Mr. FULBRIGHT. Mr. President, there is one other item which I should like to present at this time.

I shall shortly send to the desk the report of the Subcommittee on Reconstruction Finance Corporation of the Senate Banking and Currency Committee on the loan to the Texmass Petroleum Co.

Before filing the report, however, I desire to make a few brief comments which may be helpful to the Senators in their consideration of this report, which is an interim report.

The subcommittee has agreed that the proper way to find out about the operations of the Reconstruction Finance Corporation is to make a detailed study of specific loans. In this way, we can observe how the Reconstruction Finance Corporation is interpreting and applying the broad lending powers, and the limitations thereon, contained in the Reconstruction Finance Corporation Act. Broad generalities, by themselves, can be discussed endlessly without arriving at any clear agreement as to their meaning. But when general principles are applied to specific facts in an actual case, then their intent becomes clearer.

The report to be submitted today deals with the loan to the Texmass Petroleum Co. in the amount of $15,100,000, of which the Reconstruction Finance Corporation will supply $10,100,000.

The subcommittee's staff conducted a preliminary study of the facts and record with respect to the Texmass Petroleum Co. loan.

The facts with respect to the Texmass Petroleum Co. loan were called to the attention of the Comptroller General of the United States, since the preliminary study of the staff indicated the possibility that the granting of this loan might be without authority of law. After a study of the facts, the Comptroller General in a written opinion advised the subcommittee that unless additional facts would explain and refute the evidence before him, he would undoubtedly report the Texmass loan as being one without authority of law. This report would be made in his regular audit report under the Government Corporation Control Act, which requires him to call to the attention of the Congress any transaction observed in the course of his audit which in the Comptroller's opinion is illegal.

The subcommittee held three hearings, on April 13, 22, and 27, 1950. The record has been printed and is available for the use of the Senators. With respect to the report, I wish to emphasize the following:

It has been unanimously approved by the members of the subcommittee.

It was submitted to the full Committee on Banking and Currency, and by them was approved and ordered to be filed with the Senate.

Prior to the issuance of this report, the subcommittee made copies available on a confidential basis to the Reconstruction Finance Corporation, inviting comments either as to the accuracy of the facts or the fairness of the subcommittee's conclusions.

It is the view of the committee that the Texmass loan is not in accord with the intent of Congress.

In a series of extensions the Texmass Petroleum Co. was given eight months from the date of the original loan resolution, September 29, 1949, within which to meet conditions of the loan. The last extension granted occurred after two of the subcommittee's hearings, in which facts were developed and brought to the specific attention of the directors of the Reconstruction Finance Corporation, which in the judgment of the subcommittee should unquestionably have led the directors to decline requests for further extensions. Prior to this last extension the directors had also been informed of the conclusions of the subcommittee with respect to the Texmass loan. On Wednesday, May 17, 1950, the Texmass Petroleum Co. loan funds were disbursed.

I do not propose to take the time of the Senate to review the facts, since they are fully set forth in the subcommittee's hearings and in the report. However, I do desire to read into the record at this point the conclusions unanimously approved by the subcommittee. They are as follows:

CONCLUSIONS OF THE SUBCOMMITTEE

From its study of the facts and circumstances surrounding the Reconstruction Finance Corporation loan to the Texmass Petroleum Co., the subcommittee makes the following findings and conclusions:

1. From the record before the subcommittee, it is evident that the Board of Directors of the Reconstruction Finance Corporation gave only casual and superficial consideration and study to the Texmass Petroleum Co. loan. Those directors who approved this loan, and extensions thereof, disclosed inadequate knowledge of the significant facts and features of the Texmass Petroleum Co. loan. They overruled the findings and recommendations of their own review committee without persuasive evidence justifying such action.

The subcommittee believes that the lending of public funds is a function requiring at least an equal degree of care with that desirable for the protection of the investing public. The record shows, however, that the Securities and Exchange Commission in reviewing the registration of certain securities of the Texmass Petroleum Co. scrutinized the representations of the Texmass Petroleum Co. and the significant facts far more thoroughly and effectively than did the Board of Directors of the Reconstruction Finance Corporation with respect to the loan.

The subcommittee is of the opinion that the Directors of the Reconstruction Finance Corporation were remiss in their duty both in failing to avail themselves of the full facts within the control of the Securities and Exchange Commission and in failing to give adequate weight to those facts.

2. On the record before the subcommittee it appears that the primary consideration in the Texmass Petroleum Co. loan is not in the interest of the general public. On the contrary, it is primarily a "bail-out" of existing creditors of the borrower. Eighty-one percent of the loan funds will go to insurance companies, banks, other creditors, and individual investors, minimizing their risk of loss in a highly speculatve venture.

3. The Reconstruction Finance Corporation has failed to convince the subcommittee that this loan is of the character intended by Congress to be made under the authority of the Reconstruction Finance Corporation Act of 1948. The Reconstruction Finance Corporation in its records, its statement to the subcommittee and the testimony of its officials has not made an affirmative showing that this loan will, as prescribed in the act, "encourage small business," "help in maintaining economic stability of the country," and "assist in promoting maximum employment and production," to the extent necessary to justify disbursement of public funds "to aid in financing agriculture, commerce, and industry."

4. The Reconstruction Finance Corporation has not established that the financial assistance to the Texmass Petroleum Co. "is not otherwise available on reasonable terms," as required by the act. The subcommittee has in mind that the venture is of such speculative nature that financial assistance should have been provided, in part at least, by risk capital from private sources.

5. The Reconstruction Finance Corporation has not shown that the loan is of such "sound value or so secured as reasonably to assure retirement or repayment," as required by the act. On the estimates of reserves and earnings most favorable to the borrower, relied upon by the Reconstruction Finance Corporation, the loan cannot be repaid within 10 years, the maximum period for which Reconstruction Finance Corporation is authorized to make business loans. On the basis of estimates relied upon by the Reconstruction Finance Corporation of the value of the oil and gas reserves and equipment offered as collateral by the Texmass Petroleum Co. and the formula employed by the Reconstruction Finance Corporation to determine the sound loan value of such collateral, a loan in the amount of $15,100,000 is not justified.

I now send to the desk the interim report on the Texmass Petroleum Co. loan.

The PRESIDING OFFICER. Without objection, the report will be received and printed.

THE PRESIDENT'S CABINET MEETING IN CHICAGO—AN EDITORIAL FROM THE INDIANAPOLIS STAR

Mr. CAPEHART. Mr. President, I desire to read an editorial which appeared in the Indianapolis Star on Tuesday, May 16, 1950, the caption of which is "An Insult to the Republic":

AN INSULT TO THE REPUBLIC

The irresponsible, arrogant, power-drunk slapstick nature of the Truman administration has never been better revealed than by the public meeting of the President's Cabinet Sunday on the stage of a Chicago opera house.

Never before has a presidential cabinet done such a thing. Gathered there on the Chicago stage were the highest ranking administrators of American Government—men who had deserted their Washington posts in a time of crisis to go to Chicago at the people's expense and cavort publicly for the political benefit of their boss, Harry S. Truman.

No effort was made to disguise the political nature of the meeting. Party chairmen, Congressmen, and labor leaders sat on the stage with the Vice President and the cabinet officers while the latter gave "accountings of stewardship" and poured heavy flattery on the boss.

Thus in a period of history when America is striving desperately for moral leadership in a world beset by tyranny the highest officers of American Government lower their conduct to the level of a carnival sideshow. Why didn't they also put on clown suits and belabor one another with sheep bladders to the strains of a hillbilly band? That would really have given the folks out front a laugh.

It was bad enough when Charlie Brannan brazenly hired an audience at $8 a head in St. Paul. It was worse when Harry Truman embarked at public expense on an extravagantly costly campaign tour which he cynically labeled "nonpolitical." But Sunday's Cabinet meeting on a Chicago stage was a new low. It was an insult to the Republic of the United States.

The Truman administration evidently has a very poor opinion of public intelligence and moral standards. The Fair Dealers seem to think people are so dazzled by the "bread-and-circus" approach to government that they will see nothing wrong with such disgraceful breaches of conduct as the Chicago Cabinet meeting. Is that true? Time will tell.

REORGANIZATION PLAN NO. 8

Mr. JOHNSON of Colorado. Mr. President, I should like to have the attention of the majority leader. I wish to call up Senate Resolution 254, having to do with Reorganization Plan No. 8, tonight. It is Calendar No. 1571. I understand that some debate, perhaps rather extended debate, may take place tonight with respect to that plan. Therefore, I should like to ask that the time be not divided this evening, but that on Monday, after the routine business of the Senate is completed, perhaps about 1 o'clock, the Senate proceed to the consideration of this resolution, that the time be divided equally, and that a vote be taken on it by 2 o'clock, or 1:30. I wanted to ask the majority leader whether that would be agreeable to him.

Mr. LUCAS. Does the Senator believe we could finish it tonight within an hour or two?

Mr. JOHNSON of Colorado. No, I do not think we can. I do not think we can finish it this evening. It will take about 30 minutes on Monday. I know that one Senator, who is opposing the resolution, wishes to speak for 20 minutes on Monday, and I should like to accommodate him. He is supporting the plan but opposing the resolution. I think it would be much better for everyone concerned if such an arrangement can be made.

Mr. LUCAS. I should like to inquire how many more resolutions of disapproval there are, if some Senator can give me that information.

Mr. JOHNSON of Colorado. I have two resolutions of disapproval.

Mr. LUCAS. I understand the Senator from Wisconsin [Mr. WILEY] has one. May I ask the Senator from Arkansas how many more resolutions of disapproval there are which have not been disposed of?

Mr. McCLELLAN. There are five more, as I recall.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WILEY. Mr. President, I was informed this afternoon that the Senator from Oklahoma [Mr. KERR] wished to have a resolution considered. A few moments ago I was advised that the Senator from Oklahoma had been called from the floor. I should like to give notice that at noon on Monday, after a quorum call has been had, I shall call up Senate Resolution 259, relating to Reorganization Plan No. 5. At this time, Mr. President, I should like to place in the RECORD a copy of Reorganization Plan No. 5, which was submitted by the President, so that those who read the RECORD may see the meat which is involved in the plan. I should like to give notice that I shall call it up, and I should like to ask unanimous consent that I may have the floor at that time, and that each side may have 1 hour in which to discuss the question.

There being no objection, Reorganization Plan No. 5 of 1950 was ordered to be printed in the RECORD, as follows:

REORGANIZATION PLAN NO. 5 OF 1950

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, March 13, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949)

DEPARTMENT OF COMMERCE

SECTION 1. Transfer of functions to the Secretary: (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of Commerce all functions of all other officers of the Department of Commerce and all functions of all agencies and employees of such Department.

(b) This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) in hearing examiners employed by the Department of Commerce, nor to the functions of the Civil Aeronautics Board, of the Inland Waterways Corporation, or of the Advisory Board of the Inland Waterways Corporation.

SEC. 2. Performance of functions of Secretary: The Secretary of Commerce may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Department of Commerce of any function of the Secretary, including any function transferred to the Secretary by the provisions of this reorganization plan.

SEC. 3. Administrative Assistant Secretary: There shall be in the Department of Commerce an Administrative Assistant Secretary of Commerce, who shall be appointed, with the approval of the President, by the Secretary of Commerce under the classified civil service, who shall perform such duties as the Secretary of Commerce shall prescribe, and who shall receive compensation at the rate of $14,000 per annum.

SEC. 4. Incidental transfers: The Secretary of Commerce may from time to time effect such transfers within the Department of Commerce of any of the records, property, personnel, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of such Department as he may deem necessary in order to carry out the provisions of this reorganization plan.

Mr. JOHNSON of Colorado. I have already made a request that Senate Resolution 254 be now considered and that consideration of it be concluded on next Monday. I made the request while the Senator from Wisconsin was absent from the floor.

Mr. WILEY. How much time will it take?

Mr. JOHNSON of Colorado. I do not think it will take more than half an hour or 45 minutes on Monday. I do not know how much time it will take this evening. The debate will be open tonight, and the time will not be divided. Some speeches need to be made on it tonight.

Mr. WILEY. Then, if the Senator will yield further, I should like to amend my request. I want to say, parenthetically, that I remember very well the statement of the majority leader that all resolutions affecting reorganization plans would be considered, and, bearing that in mind, I have refrained from injecting myself into whatever business was pending. I think this is a very important matter, and I should like to amend my unanimous-consent request to the extent that when consideration of the pending business is concluded, I may be privileged to call up Senate Resolution 259 and that the time be divided 1 hour on each side.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that that is not in order until the resolution is called up.

Mr. JOHNSON of Colorado. Mr. President, I hope the Senator will not press his unanimous-consent request tonight. I do not think we shall have any difficulty on Monday in finishing up the discussion on his plan and the two plans which I have in mind. The two plans which I hope to bring up are very similar, and we can reduce the debate by handling them together. Senate Resolution 254 will probably take 30 to 45 minutes on Monday, and Senate Resolution 255, I am certain, will not require more than 30 minutes. Then we could proceed to consider the resolution to which the Senator from Wisconsin has referred, and I am as nearly sure as one can be sure of anything in the Senate that we can proceed with his resolution by 2:30 p. m. on Monday.

Mr. WILEY. I thank the Senator, and I am very happy to have that statement. I shall expect cooperation to that end. I know every Senator wants to conclude the business which it has been said will be considered in due season.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LUCAS. There are five resolutions upon which the Senate must act by next Tuesday at midnight. I am certain that during Monday and Tuesday we shall be able to dispose of those resolutions. If there is any determination on the part of Senators to debate any of them at any great length, we shall have to remain late on Monday night. I served notice on the Senate sometime ago that we would probably hold a night session tonight to dispose of some of these matters, but I am satisfied that we can dispose of all five of the resolutions on Monday and Tuesday.

I notice that the Senator from Maryland is on his feet——

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. O'CONOR. I agree entirely with the statement of the Senator from Illinois. There are several Senators who desire to speak in support of the President's reorganization plans. From all indications, the opposition is not such that it will require any more lengthy discussion than that which has been indicated. I feel certain that we can conclude debate on them on Monday and Tuesday, which, of course, is necessary.

Mr. JOHNSON of Colorado. Mr. President, I hardly know how to proceed. I was about to move that the Senate proceed to the consideration of Senate Resolution 254, disapproving Reorganization Plan No. 8 of 1950, and that the time for the remainder of the day be not divided, but that on next Monday, after 12:30 p. m., the time be equally divided between the proponents and opponents of the resolution, and that the total time be one hour.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. McCLELLAN. Does that apply only to the one reorganization plan?

Mr. JOHNSON of Colorado. Yes.

Mr. McCLELLAN. Thereafter the Senator has in mind bringing up another plan?

Mr. JOHNSON of Colorado. Yes.

Mr. McCLELLAN. How much time will be consumed on the other plan?

Mr. JOHNSON of Colorado. The proponents of the resolution will need very little time.

Mr. McCLELLAN. The Senator is asking merely to take it up, and after 12:30 o'clock on Monday the time of 1 hour be divided equally between the proponents and the opponents?

Mr. JOHNSON of Colorado. Yes.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WILEY. I understand it is proposed to take up plans No. 8 and No. 9 and to conclude their consideration on Monday?

Mr. JOHNSON of Colorado. Plan No. 8 would be the first one to be taken up, to be followed by plan No. 9, and plan No. 5, in which the Senator from Wisconsin is interested.

Mr. McCARRAN. Is it contemplated that a vote be taken at 1:30 on Monday?

Mr. JOHNSON of Colorado. Yes.

Mr. McCARRAN. No vote is to be had today on either plan.

Mr. JOHNSON of Colorado. There is to be no vote on either plan today.

Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 254, a resolution disapproving Reorganization Plan No. 8 of 1950, that the time for the remainder of the day be not divided, that beginning at 12:30 on Monday next the time be equally divided between the proponents and the opponents of the resolution, and that the Senate vote on the resolution at 1:30 o'clock on Monday.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. Would it not be better to have the Senator make a motion to consider the resolution and then ask for a unanimous-consent agreement?

The PRESIDING OFFICER. The motion which has been made by the Senator from Colorado can be presented as a unanimous-consent request.

Mr. LUCAS. I shall not object to it.

Mr. JOHNSON of Colorado. The reason I wanted to put it in one package is to avoid any necessity for voting tonight, because if we should leave it wide open when debate ceased tonight we would have to start voting on Senate Resolution 254, and I wanted to avoid that. I wanted to make certain that we would vote on Monday. That is why I wanted it in one package.

Mr. LUCAS. Reserving the right to object, I wish to be certain that members of the Committee on Expenditures in the Executive Departments, who are opposed to the resolution, will have sufficient time to debate the subject.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. O'CONOR. I think I should say in reply to the Senator from Illinois that it would be preferable if a little longer time could be allowed, because the Senator from Connecticut [Mr. BENTON], who has been very active in these matters, desires some time on Monday, and a situation may be brought about which may require more extensive debate.

Mr. JOHNSON of Colorado. I wish to say to the majority leader that apparently signals have been switched on me since I started to make this request. I understood that the Senator from Connecticut [Mr. BENTON] would make his speech tonight. That is why I was making the motion to proceed now, because I understood he wanted to make his speech this evening. Now I understand he wishes to make it on Monday.

Mr. LUCAS. I do not see any reason why we should detain the Senator from Connecticut and permit other Senators to make their addresses on Monday.

Mr. JOHNSON of Colorado. That was his own choice. It was not the choice of the Senator from Colorado. I did not figure that one out. That was at his own request.

Mr. LUCAS. I cannot keep the Senator from Connecticut from speaking if he so desires.

Mr. BENTON and Mr. McCLELLAN addressed the Chair.

Mr. JOHNSON of Colorado. I yield first to the Senator from Connecticut.

Mr. BENTON. I had first intended to speak today, on the assumption that the resolution was to be considered today and voted on today. Later I told the Senator from Colorado that I would speak today, with the understanding that the vote would be taken on Monday. That is as he stated the understanding. However, I am now advised by my senior and adviser, the Senator from Maryland [Mr. O'CONOR], that he believes it would be better if I spoke on Monday. Therefore, in line with that advice, I prefer to wait and speak on Monday.

The Senator from Maryland also wishes to speak. I do not know whether he wants to speak today or on Monday. It has a bearing on the amount of time which would be required, because, as the Senator from Minnesota also desires to speak, it is estimated that we will require about 1 hour between the three of us. Of

course if we spoke today we would take less than an hour on Monday.

Mr. JOHNSON of Colorado. I should like to suggest a change in the time of voting from 1:30 to 2 o'clock, and give the opponents 1 hour. The proponents will not need an hour.

Mr. LUCAS. Could the Senator make it 2:30?

Mr. JOHNSON of Colorado. Very well. We shall start at 12:30, divide the time equally, and set the time for the vote at 2:30.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. WILEY. Can the Senator estimate how much time discussion of the resolution to which I have referred will take?

Mr. JOHNSON of Colorado. It is unpredictable. I do not think it will take much time.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. Yes.

Mr. WILEY. It seems to me that in the interest of trying to get things done, and in order to avoid any fear that we shall run into a stalemate or some kind of interference, the original proposal of the Senator that we continue tonight and cover some of the ground should be adhered to. In that way we would be able to finish consideration of some of the other plans by this time on Monday. I wish the majority leader would consent to the original proposal. That is the way I feel.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LUCAS. I would not object if the Senator from Connecticut wished to speak now. Perhaps the Senator from Wisconsin desires to speak now on his resolution, and get it out of the way. His address would be in the RECORD, and Senators could read it on Monday. I am glad to stay here. Everyone seems to be a little tired and is trying to get away for the week end. I assure the Senator that we shall take up his resolution. I say again, Mr. President—and I sincerely hope every Senator will take this to heart—that in view of the circumstances, probably on Monday night, we shall have to hold a night session. Everyone wants to put off a vote because everyone wants to go home. Perhaps Senators are afraid they would not get 49 votes. I do not know what the situation is. I am willing to cooperate and give every other Senator an opportunity to cooperate. However, we cannot take any more chances on Monday. If we are to take two and a half hours on one plan, two and a half hours on another, two and a half hours on the plan of the Senator from Wisconsin, we shall be here a long time.

Mr. WILEY. No.

Mr. LUCAS. It is impossible to tell about those things. Senators have a way of saying much when they do not mean to talk.

The PRESIDING OFFICER. The motion of the Senator from Colorado as a motion is not in order. As a unanimous consent request, the Chair is informed, it is in order. Does the Senator submit his request in the form of a motion or in the form of a unanimous consent request?

Mr. JOHNSON of Colorado. I submit it in the form of a motion, and change the time for voting on Resolution 254 to 2:30 p. m. It is in the form of a motion. The motion is not debatable. The time is to be equally divided between the proponents and opponents, and we are to start at 12:30 and vote at 2:30.

The PRESIDING OFFICER. If there is objection to the motion, it cannot be entertained.

Mr. McCLELLAN. Do I understand that the time on Monday would be equally divided between the proponents and opponents?

Mr. JOHNSON of Colorado. Yes.

Mr. LUCAS. I ask the Senator to make his motion in the form of a unanimous consent request.

Mr. JOHNSON of Colorado. Very well. I ask unanimous consent.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CALIFORNIA ALIEN LAND ACT—DECISION OF CALIFORNIA COURT OF APPEALS

Mr. WILEY. Mr. President, we have been debating FEPC for some time, and I have a suspicion that we will go on debating it for some time longer before we dispose of it and take up some major bill or resolution.

In this connection let me say that there appeared in the May 16 issue of the New York Times one of the most challenging articles I have seen written in many a day. It is by Arthur Krock. He brings to the attention of his readers and the American people the question as to how extensive the United Nations Charter is. He calls attention in the beginning of the article to a decision of the Court of Appeals of California.

Mr. DONNELL. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. DONNELL. I assure the Senator I have no desire to interfere in the slightest with his remarks, but I wondered if he knew that this article by Mr. Krock was placed in the body of the RECORD yesterday by me.

Mr. WILEY. I did not know that. I am very happy to learn it, and I am grateful to the Senator for informing me, because I was going to place it in the RECORD. Did the Senator, at the time he placed it in the RECORD, comment on it?

Mr. DONNELL. I do not recall any comments I made on the article.

Mr. WILEY. I shall proceed for a moment or two, because Mr. Krock raises a very challenging question, as to whether or not the charter of the United Nations is the supreme law of our land. The courts have held in a number of instances that treaties are the supreme law of the land and Mr. Krock brings to the fore the question whether or not the FEPC is necessary.

Down near the bottom of the article he says:

> But, observed Messrs. Kelly and Harbison, this "statute and treaty did not impair or damage the interests of any powerful vested right. The treaty in question did not touch upon the fundamentals of the social order, seriously involve the sanctity of private property, nor even work any very important practical change in the extent of Federal power."

He said at another point in the article:

> Until or unless—assuming the FEPC bill and others in the President's civil-rights program are not enacted—

And this is the issue—

> a citizen attempts to make a legal test of the contention that some or all of this program went automatically into effect when he ratified the Charter, the ultimate judicial finding must remain a matter of guesswork. But it is difficult to see how the Supreme Court, if it upheld this position, could compel Congress to provide the legislative machinery to give life to it. And it is difficult to envisage the executive department, since this part of the Charter is not self-executing, enforcing such a ruling on its own.

Mr. DONNELL. Again I say, I certainly have no desire to interfere with the Senator's remarks, but I wonder if he would have any objection to have the RECORD show at this point the fact that the California decision of the court of appeals to which Mr. Krock referred, and to which the Senator is speaking by reference to Mr. Krock's article, was called to the attention of the Senate on April 28, 1950, and that a copy of the decision, together with rather extended remarks by the present speaker, was placed in the body of the RECORD on that date.

Mr. WILEY. Again, I am very happy the Senator interrupted me, and I assure the Presiding Officer and others that I shall not carry on any legal discussion. I shall read with profit the comments of the distinguished Senator from Missouri on the decision.

Mr. President, this only brings to the fore the significance of maintaining this Government as a government of checks and balances. I was called out a few moments ago, and met about 50 or 60 high-school boys and girls from the Messmer High School in Milwaukee. When I met them I had to give them a few ideas, and I told them that the task of the future for them was to maintain a government in which there was an independent executive branch, an independent legislative branch, and an independent judicial branch. So I think this article, in addition to provoking thought, also brings to the fore the absolute necessity of maintaining these independent branches of Government, so that they will operate to check one another in order that absolute power will not gravitate into the hands of any one of them.

Mr. CONNALLY. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield to the Senator from Texas.

Mr. CONNALLY. Is the Senator aware of the fact that Dr. Manley O. Hudson, a very distinguished publicist, Bemis professor of international law at Harvard Law School, and also chairman of the International Law Commission of the United Nations, wrote a rather interesting article challenging the conclusion of the court in California?

Mr. DONNELL. Mr. President, will the Senator yield, with the permission of the Senator from Texas?

Mr. WILEY. I yield.

Mr. DONNELL. I should like to state, if the Senator has no objection, in order that we may have both sides of this matter in the RECORD, that I placed in the RECORD a few days ago the New York Times article which told of the filing of motion for rehearing by Attorney General Howser, and the fact that as an appendix to that motion for rehearing there was an article by Prof. Manley O. Hudson, along the line to which the Senator from Texas has referred.

Mr. CONNALLY. Was the opinion of Dr. Hudson included?

Mr. DONNELL. Excerpts from it were included. I do not think a complete copy of Dr. Hudson's opinion was, but the article stated in substance that the Attorney General had filed a motion for rehearing, and that as an appendix to the motion the article by Dr. Hudson had been added, and various excerpts were given in the article.

Mr. CONNALLY. Has the Senator from Missouri a complete copy of Dr. Hudson's opinion?

Mr. DONNELL. I do not have a complete copy, but I should like very much to have it.

Mr. CONNALLY. I do not have a complete copy, but I think it should be published, because otherwise we are getting a one-sided view of this question. I cannot conceive that the United Nations had any conception that any doctrine like this would be invoked, and if we had thought so we would not have ratified the Charter. We never dreamed of such a thing.

Mr. DONNELL. Mr. President, if it would not be assuming too much upon myself, if the Senators personally prefer to have me do so, I shall endeavor to secure a copy of the statement of Dr. Hudson and incorporate it in the RECORD.

Mr. CONNALLY. That is agreeable to me.

Mr. DONNELL. Would the Senator from Wisconsin like it?

Mr. WILEY. Yes, I should be more than gratified, because I agree that in view of the fact that there has been a motion for rehearing, the court of appeals in California will have to decide this very issue, and then it will go to the Supreme Court of the United States, and it is very important that we in the Senate get the opinion of that court and know what we are doing or not doing when we enter into treaties.

Mr. President, this is not only applicable to FEPC, but we are in more or less of a foggy domain at present because of this California decision, and I believe that in view of the world picture, and particularly in view of our responsibility to our respective constituencies, we must know what the answer is to this very issue. Certainly we are not now ready to turn over the Government of the United States to any group. We will have to wait until the nations of the earth have marched a little closer to the millennium before we will be willing to trust all our domestic and even our foreign policies in their hands.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CONNALLY. The Senator is aware, is he not, that the decision is that of a California State court? It is not a decision of a Federal court or of the United States Supreme Court. So it will have to go through the Supreme Court of California before it can go to a United States court.

Mr. WILEY. Yes.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Wisconsin yield to the Senator from Michigan?

Mr. WILEY. I yield.

Mr. FERGUSON. I wish to remind the Senator that this matter has been called to the attention of the Senate on several occasions during debate. I hope the Senate as a whole will begin to consider what is being claimed in relation to treaties changing or modifying the fundamental law of the land.

That was brought forcibly before the Committee on the Judiciary when an antilynching bill was introduced. In the preamble to the bill it was asserted that certain things could be done under the bill by virtue of the United Nations Charter. The antilynching bill which came to the floor of the Senate naturally made no reference to the United Nations, because the Committee on the Judiciary was of the opinion that the assertions of the preamble of the bill were not valid.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DONNELL. The Senate will recall that Senate bill 1728, the FEPC bill, the motion with respect to which is now before the Senate, contains a reference to the United Nations. That appears in the preambulary portions of the bill.

Mr. FERGUSON. I am familiar with that.

Mr. DONNELL. Mr. President, will the Senator from Wisconsin yield further?

Mr. WILEY.. I yield.

Mr. DONNELL. Does the Senator recall that recently on the floor of the Senate, in discussion of the California case to which reference was made, the point was brought up as to the application of the doctrine of that case to the International Trade Organization agreement. I may say incidentally that this becomes of importance because on that day the distinguished senior Senator from Georgia [Mr. GEORGE] expressed the view—which I stated was somewhat tentative, but on rereading his statement appeared to be not merely tentative, but quite clearly his opinion—that the International Trade Organization agreement should be considered as a treaty. Does the Senator also recall that the junior Senator from Colorado [Mr. MILLIKIN] urged very vigorously on the floor that day that the International Trade Organization agreement is a treaty and should be considered as such?

Mr. FERGUSON. Yes.

Mr. DONNELL. And, of course, if the International Trade Organization agreement is a treaty, and if the view of the California court shall prevail, obviously whatever is incorporated in the International Trade Organization agreement will become a part of the supreme law of the land.

I ask, Mr. President, if the Senator from Wisconsin will yield further?

Mr. WILEY. I yield.

Mr. DONNELL. Does the Senator recall also that in the course of the argument on the North Atlantic Treaty some months ago the Senator who is now speaking made the point in substance that contention may be made and may be sustained that the North Atlantic Treaty is the supreme law of the land; going much farther than the United Nations Charter itself along the line of mandatory provisions, and that we may be confronted sooner or later with the very contentions that all these matters, such as education and FEPC and civil rights, antilynching, and so forth, are already settled by reason of the fact that we have become parties to the North Atlantic Treaty and the United Nations Charter? Does the Senator recall that?

Mr. FERGUSON. I recall that. That is the reason I am saying what I am today on the floor of the Senate. I hope the Senate will not simply consider this to be a technicality. It is a very fundamental question.

Mr. DONNELL. It is, indeed.

Mr. FERGUSON. It is a very fundamental question, and that is illustrated by an editorial from which I wish to read as follows:

> The immediate consequence is that the Communists now argue that the UN has power to override the courts of the land and to set aside criminal convictions imposed in American jurisdictions.
>
> This position has been taken by Eugene Dennis, former national secretary of the Communist Party, 10 convicted Hollywood writers and directors, and several convicted officials of the Joint Anti-Fascist Refugee Committee, a Communist front. All are under sentence for contempt of Congress in refusing to answer questions or obey committee subpenas, and Dennis has now been ordered to start serving his term of 1 year.

The Communists are again claiming that there is nothing to it; that it is merely a camouflage and a smoke-screen. But I think we ought to start to consider what the effect of a treaty is upon the law of the land. The matter is a serious one.

Mr. DONNELL. Mr. President, will the Senator from Wisconsin yield further?

Mr. WILEY. I yield.

Mr. DONNELL. I apologize to the Senator from Wisconsin for infringing upon his time, but I want to say that to my mind the Senator from Michigan is perfectly right. There are some of us—or at least one of us here—accused of being overtechnical, and with some reason for the complaint, perhaps. I am referring to myself. But I desire to say that in this matter we are considering the very fundamentals of American law and of international law. We are considering the effect, first, of a treaty, and in the second place, we are considering the effect of the United Nations Charter as a treaty. In the next place ultimately we

will be considering the effect of the North Atlantic Treaty as a treaty, and, as is pointed out by Mr. Krock in the article to which the Senator from Wisconsin referred, and which will be found in full at page 7203 of the CONGRESSIONAL RECORD of May 18, 1950, we are entering upon what Mr. Krock declares to be "one of the foggiest areas of the law."

Mr. President, with the consent of the two Senators, may I read these words from Mr. Krock? Says he, under date of May 15:

The California court of appeal—

Incidentally, Mr. President, the California court of appeals consists of three judges, and the opinion was a unanimous one. It was printed at great length and with large headlines in the local publication similar to our Daily Record in St. Louis, obviously it being considered in California to be a publication of note, and one on which lawyers particularly rely and are interested in its notations with respect to the calendars of the courts, and so forth. Mr. Krock said:

The California Court of Appeals, when it held that the Charter of the United Nations supersedes the California alien land statute because the Charter is a treaty, and a treaty is "the supreme law of the land"—

Mr. Krock is there quoting from the Constitution—

reentered one of the foggiest areas of the law. The court said that, in adopting the Charter as a treaty, the United States committed itself to the doctrine of equal rights for all persons regardless of race, etc.; hence Sei Fugii, a Japanese, may own and occupy the California land he purchased regardless of the fact that under the State law he cannot.

If this ruling reaches and is upheld by the Supreme Court, and the Senate talks down the administration's bill for a Federal Fair Employment Practice Commission, as is expected, many are asking why the substance of the FEPC bill would not automatically become the supreme law of the land also. As George A. Benson, editorials editor of the Toledo Times, pointed out the other day, part A of article 55 and all of article 56 (of the United Nations Charter) set forth the doctrine of equal rights for all persons regardless of race, religion, sex, and color, and the United States has subscribed to this in the form of a treaty—

And so forth. I simply want to emphasize what was said by the Senator from Michigan. I strongly agree with him, and I have no doubt from the fact that the Senator from Wisconsin started this discussion that he also concurs in the view, that this is no mere technical matter, but is one of fundamental law, and one it highly behooves the Senate of the United States, the press of the Nation, the American Bar Association, and all great leaders in legal matters, to give the most earnest and careful and searching attention and study. I am very happy that this afternoon the feeble efforts of the Senator from Missouri of a few days ago have been so adequately and fully supplemented by the remarks of the Senator from Wisconsin and the Senator from Michigan, in emphasizing the fundamental importance—not mere technical quibbling, but fundamental importance—of the problem presented by the California decision.

I thank the Senator.

Mr. WILEY. Mr. President, I am very sorry that I was not present the other day when the distinguished Senator from Missouri spoke.

However, when I read that particular article, I was struck with its implications, not particularly in regard to FEPC, but in regard to what it might mean if there came into the chair of the Chief Executive of our Nation one who had the overall concept that all the nations of the world have the same philosophy, economic, political, social, and religious—whereas we know that they do not have. However, Mr. President, consider the possible consequences if we had such a President who undertook to establish as the supreme law of the land a treaty containing provisions to that effect.

I am very happy to say that when I was chairman of the Judiciary Committee I undertook to have the Supreme Court's decisions relative to the Constitution annotated and brought up to date. That work is being done now. I think it very important that that volume be on the desk of every Senator.

There are various decisions holding that the courts have no authority to annul or disregard the provisions of treaties unless they violate the Constitution.

In that connection let me read from article VI, page 576, of the annotations of cases relative to the Constitution of the United States, decided by the Supreme Court of the United States:

Treaties made by proper authority being law, courts of justice have no right to annul or disregard any of their provisions unless they violate the Constitution. It is their duty to interpret and administer them according to their terms; and in a broad and liberal spirit calculated to make for perpetual amity, so far as it can be done without sacrifice of individual rights or essential principles of personal liberty. Nor can the Court go behind a treaty, duly executed and ratified, for the purpose of annuling its operation.

A treaty binds the Nation in the aggregate and all its subordinate authorities and judges, State as well as Federal.

All of these are Supreme Court decisions, Mr. President.

I read further:

If a treaty is violated by a general statute, it is a matter of international concern, which must be determined by treaty or by such other means as enables one State to enforce upon another the obligations of a treaty. A court has no power to set itself up as the instrumentality for enforcing the provisions of a treaty with a foreign nation which the Government of the United States as a sovereign power chooses to disregard.

There is a decision which means something.

I read further:

Nor can a citizen set up the breach of a treaty to avoid an obligation arising under it. The power to declare it void rests with the Government.

If and when a new treaty is brought before the Senate, I think that matter will call for the earnest consideration and study of every Senator.

We see now, especially in the light of history, why many persons following the First World War, in studying the question of the proposal that we enter the League of Nations, sensed dangers and attempted to have the United States retain the right to impose limitations or make interpretations in that connection.

I personally feel that in this challenging hour we cannot be too careful in regard to the international instruments which the Senate is called upon to ratify.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. FERGUSON. I should like to make a brief comment, if the Senator will permit.

Since I have been a Member of the Senate, and some time prior thereto, there has appeared to be in the United States a feeling that the Constitution is an antique document and is not to be considered as the real, fundamental law of the land. When the Constitution is referred to on the floor of the Senate or when the Constitution is used in the courts of justice, there often is a feeling—as was expressed back in the thirties—that "You cannot eat the Constitution."

In short, there is often a feeling that no law should be binding upon the people, that the people should be free, and should be permitted by license to do as they wish.

However, I think the time has come when we, as a body, must give due consideration to this great document, the Constitution of the United States. Of course, if it does not suit the times, we should amend it in the regular way, as provided in the Constitution itself, rather than disregard it.

I am reminded today of the fact that recently there appeared before the Appropriation Committee representatives of the Bureau of Standards, who told how they were making research in regard to the best means of preserving the original Constitution of the United States. They told how they were going to make a glass container, holding certain chemicals, and so forth, so that the Constitution, the actual original document, could be preserved for posterity.

I stated on the committee record, as I do now upon the floor of the Senate, that I think there is something else which all of us should preserve in that connection, namely, the ideals and the great principles of government which are set forth in the Constitution, which provides the system of checks and balances of power, divided among the three coordinate branches of Government—the system which makes America the great country it is.

After all, Mr. President, the Constitution provides for an economic and social and political system which has no peer.

As we use the Bureau of Standards to preserve the physical paper on which the Constitution of the United States is written, I say that the great Senate of the United States should be working day and night to preserve the principles of the Constitution and to see that there is maintained in our land, as the Constitution provides, equal justice under law, rather than under men.

Mr. DONNELL. Mr. President, I think this really an historic occasion, this afternoon, when the Senator from

Wisconsin and the Senator from Michigan have so eloquently and powerfully presented the importance of adhering to the provision and principles of the Constitution of the United States.

I am happy this afternoon to see the flame of patriotism again burning brilliantly as the result of remarks and exhortations and pleas such as those to the Members of the Senate.

I know that all Members of the Senate, as well as all Members of the House of Representatives, will agree that they should ever keep in mind the provision of the Constitution that Senators and Representatives shall be bound by oath or affirmation to support the Constitution. I am sure that all of us agree that that provision has a real, important meaning, and that it means that we are bound by oath to support the Constitution in fact, as well as in word.

The distinguished Senator from Michigan has referred to the importance of keeping within constitutional bounds the three cordinate branches or divisions of our Government. What the Senator has said should be kept eternally before our people, so that it will never perish in our land, and so that the significance and importance of the principles he has enunciated will never be lost to posterity.

Mr. President, in his Farewell Address, George Washington said:

> It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration to confine themselves within their respective constitutional spheres, avoiding in the exercise of the power of one department to encroach upon another.

The Father of Our Country continued, as follows:

> The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.

Listen to this, Mr. President:

> To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield.

Mr. President, may I recall these burning words of the first President of our country, the Father of his Country, "First in war, first in peace, and first in the hearts of his countrymen"? The language which he used was as follows:

> The basis of our political systems is the right of the people to make and to alter their constitutions of government. But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

This afternoon, and on the other days when we have been considering this California decision, on the days when we have been considering the grave questions which have come before the Senate, adherence to the Constitution is fundamental. Anyone who undertakes to say that they are merely technical questions does not understand the theory of our Government. It is necessary for the preservation of our Nation that the Constitution be adhered to. I think the Senator from Michigan struck a strong note when on the one hand he pointed out the tendency which has been evident doubtless in many quarters to regard it as old-fogey and old-fashioned to place emphasis on the Constitution. It is said we are living in a new day. We are told we are living in a day when we must go ahead and when we must make precedents. We are going forward. We are going rapidly. We are going to project everything, and we are going to do it quickly.

Mr. President, it is decidedly unwise, destructive of liberty, destructive of all our constitutional rights and freedoms, for our Nation to forget the Constitution of the United States.

I am happy this afternoon to hear this emphasis from these two distinguished Senators, the Senator from Wisconsin and the Senator from Michigan, and I hope that every Senator will read their remarks as they have uttered them this afternoon, brilliantly and powerfully emphasizing the absolute importance, the absolutely final importance, if you please, of the preservation of the Constitution.

Mr. President, but one more word and I finish. We are confronted today with all kinds of dangers, as we realize. We are confronted with the danger of communism. We are confronted with economic problems. We are confronted with the most tremendous difficulties which perhaps, this country has ever experienced. Let us throughout the administration of our respective duties keep our eyes centered on the welfare of our Nation and on the fact, Mr. President, that the Constitution of the United States is the real guide of our faith and practice in the preservation of the liberty of our country.

This afternoon I join with the two distinguished Senators in hoping that the flag behind the Presiding Officer, the emblem of the Constitution, may be glorified and honored and may be treasured by the Senate and by every Member of the Congress, and that the people of the United States may experience a revivification of their devotion and adherence to principles of that immortal instrument which constitutes, as it does, the foundation of the law of our Nation.

Mr. DONNELL subsequently said: Mr. President, I ask unanimous consent that immediately following the remarks I made earlier in connection with the colloquy between the Senator from Wisconsin, the Senator from Texas, the Senator from Michigan, and myself, there shall appear the following information, which I think is important from the standpoint of ready reference.

Beginning at page 5993 of the RECORD of April 28, 1950, there appears a statement by the present speaker regarding the decision of the Court of Appeals of California regarding the land law of California.

The decision of the court itself begins at page 6000, and is immediately preceded by an article appearing in the official publication in California with respect to the decision.

In the next place, on May 16, at page 7066 of the RECORD and following, is a brief reference to an article in the New York Times of May 14 with respect to an analysis by Prof. Manley O. Hudson included as an appendix to a petition for rehearing filed by Attorney General Howser in that case. The article appears on pages 7066 and 7067 of the RECORD of May 16, 1950.

Finally, the article by Mr. Arthur Krock, entitled "The UN Charter and the Discrimination Issue," as it was published in the New York Times of May 16, appears in the RECORD of May 18, 1950, at page 7203.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri? The Chair hears none, and it is so ordered.

RELIEF OF THOSE SUFFERING FROM RECENT FLOODS IN WINNIPEG AND THE PROVINCE OF MANITOBA

Mr. WHERRY. Mr. President, I ask unanimous consent to call up Senate Concurrent Resolution 89, and ask that it be read.

The PRESIDING OFFICER. The Clerk will read the concurrent resolution.

The legislative clerk read the concurrent resolution (S. Con. Res. 89), as follows:

> *Resolved, etc.*, That it is the sense of the Congress of the United States that the President should direct the appropriate agencies of the United States to make available immediately the fullest aid consistent with law to the appropriate agencies of the Dominion of Canada in order that the facilities and resources of the United States may assist the Dominion of Canada in giving aid and relief to those suffering as a result of the recent disastrous floods in the Province of Manitoba, and especially in the city of Winnipeg. The physical, financial, and moral support of the United States should be extended to the Canadian people in their hour of need not alone as an act of mercy but as a natural and fitting expression of the historic friendship and kinship of the peoples of the United States and of Canada.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. HILL. Mr. President, I myself, as a Senator from Alabama, have no objection to the resolution, but, in view of the absence at the present time of the distinguished majority leader, the Senator from Illinois [Mr. LUCAS], and the absence from the Chamber at this particular time of the distinguished Senator from Texas [Mr. CONNALLY], chairman

of the Committee on Foreign Relations, I feel that at the present time at least I am constrained to, and I do, object.

Mr. WHERRY. Mr. President, will the Senator withhold his objection for a moment, in order that I may make a statement?

Mr. HILL. I withhold the objection momentarily.

Mr. WHERRY. I thank the Senator from Alabama.

Mr. President, this resolution, presented by the junior Senator from Nebraska, provides relief for those suffering in the Province of Manitoba, and especially in the neighborhood of Winnipeg. The Red River flows northward from the United States into that area, and, according to latest reports more than 100,000 people have been evacuated, by plane and otherwise. They are now standing by in nearby communities, awaiting relief. I should like to say, if the Senator will permit, that the Red Cross has sent observers into the stricken territory, and they have already advised relatives with respect to the suffering and the destruction, and have offered their services. But, in addition to that, it seems to me that, as a gesture of good will to our neighbor on the north in this hour of disaster we at least might give the physical, financial, and moral support, within the limitations which are provided in the resolution, and that the President should direct the appropriate agencies of the United States to make available immediately the fullest aid consistent with law to the appropriate agencies of the Dominion of Canada, in order to provide for the sufferers, on a temporary basis, until the problems connected with this disaster shall have been solved.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WHERRY. I will yield in a moment. I have but one more thing to say. I brought up this resolution during the emergency period. Twice the majority leader has objected. He assigned no reason except that he was not advised of the resolution before I submitted it. The last time he stated he not only had not been advised, but that the State Department had not consulted him.

Mr. President, as a Member of the Senate, I may say that whether the distinguished majority leader was advised makes no difference as to our rights and prerogatives as Senators who are seeking to help suffering humanity. The resolution was submitted in good faith. I am quite certain that many Members of the Senate would like to see it agreed to, but, in view of the fact that the State Department had not consulted the majority leader, I called the State Department today. Of course, the Secretary of State, as Senators know, is in Europe at the present time, but I contacted the Assistant Secretary of State, Mr. McFall, a very courteous gentleman, and asked him about this resolution. He stated to me over the telephone substantially the following:

The State Department certainly has no objection to your Winnipeg relief resolution and would like to see it adopted as a good-will gesture to Canada in the hour of disaster which has struck the city of Winnipeg.

I thank Mr. McFall for his recommendation, and I thank the distinguished Senator from Alabama, who has made it plain that so far as he is concerned he is objecting, I understand, in behalf of the majority leader.

Mr. HILL. I am making the objection, Mr. President, in view of the absence from the floor of the distinguished majority leader and the distinguished chairman of the Senate Committee on Foreign Relations.

Mr. FERGUSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. FERGUSON. The Senator from Nebraska appreciates, does he not, that if the resolution is not agreed to during the period of crisis, to adopt it later would be merely an idle gesture? That is why it is important that it be considered at this time.

Mr. WHERRY. Mr. President, relative to the observation just made by the distinguished Senator from Michigan, I may say the resolution is important. It should have been acted upon at least two days ago. In order to accomplish the purposes of the concurrent resolution, I may say that to send it to a committee, or to send it here, there, or elsewhere would be of no avail. If it cannot be acted on tonight, it seems to me the purpose of the resolution will have been defeated.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WHERRY. I am glad to yield.

Mr. KNOWLAND. It also would be possible, would it not, if the resolution were allowed to be considered and were agreed to, for notice of reconsideration to be given?

Mr. WHERRY. Certainly.

Mr. KNOWLAND. So that, in the event there were any fundamental objection by the majority leader or by the chairman of the Foreign Relations Committee, the resolution could be kept within the control of the Senate when the Senate meets on Monday, could it not?

Mr. WHERRY. That is correct. I thank the Senator.

Mr. HILL. Mr. President, in view of the fact that the distinguished majority leader has previously objected to the consideration of the resolution, in view of the fact that he is not on the floor at this time, and in view of the fact that the distinguished chairman of the Foreign Relations Committee is not present, I am constrained to object, and I do object.

INVESTIGATION OF LAWS AND PROCEDURES WITH RESPECT TO INVESTIGATION AND PUNISHMENT OF SEXUAL PERVERSION PRACTICES IN THE DISTRICT OF COLUMBIA

Mr. HILL. Mr. President, at a meeting this afternoon of a subcommittee of the District of Columbia Appropriations Committee a motion was unanimously agreed to by that subcommittee, the motion being offered by the Senator from Wyoming [Mr. O'MAHONEY], which is as follows:

Whereas the evidence before this committee submitted by the chairman, Senator HILL, and by the Senator from Nebraska, Mr. WHERRY, in their respective reports, both written and oral, clearly indicates that existing laws and procedures with respect to the investigation and punishment of sexual pervision practices in the District of Columbia, and with respect to the employment of homosexual and other moral perverts in government are inadequate: Therefore be it

Resolved by this subcommittee, That it unanimously agrees to introduce in the Senate of the United States the following resolution.

Mr. President, out of order, I submit the resolution unanimously agreed to by the members of the subcommittee and ask that at this point in the RECORD the resolution be printed in full.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The resolution (S. Res. 280) submitted by Mr. HILL (for himself, Mr. WHERRY, Mr. O'MAHONEY, Mr. FERGUSON, Mr. MAYBANK, Mr. MCCLELLAN, Mr. YOUNG, Mr. HUNT, Mr. HENDRICKSON, and Mr. FREAR) is as follows:

Resolved, That the Committee on ————, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of (a) the alleged employment by the departments and agencies of the Government of homosexuals and other moral perverts, and (b) the preparedness of authorities of the District of Columbia, as well as the appropriate authorities of the Federal Government within the District of Columbia for the protection of life and property against the threat to security, inherent in the employment of such perverts by such departments and agencies. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation, together with such recommendations for legislation as it may deem desirable.

For the purposes of this resolution, the committee or any duly authorized subcommittee thereof is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. HILL. I wish also to advise the Senate that copies of the reports referred to in the motion are available in the Committee Room of the Senate Committee on Appropriations.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. FERGUSON. Have the reports been made public?

Mr. HILL. They have, and they have been released to the press.

Mr. FERGUSON. Mr. President, I join in the resolution, because I believe the evidence was so shocking that action should be taken immediately. The persons described in the resolution should not be employed by the United States Government. There can be no question that there are security risks involved, and that immediate steps should be

taken that such persons shall not be employed by the Government.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHERRY. As a member of the subcommittee to which the Senator has referred, I deeply appreciate the fact that the reports have been made public. I think every Senator should read them and study them, and it is my sincere hope that the committee to which the resolution will be referred will act promptly to carry out the recommendations found in the report.

I join with the distinguished Senator from Michigan in the observations he has made, and I am quite satisfied that I express the opinion of the members of the committee who unanimously supported the motion immediately to submit in the Senate the resolution calling for a complete investigation not only of the laws and procedures, but also of Government employees who are alleged homosexuals or other moral perverts. I hope that the members of the committee will not only read the report, but will subpoena those who testified when the evidence was adduced, and will immediately consider the allegations made in the reports and the resolution.

Mr. HILL. Mr. President, the action of the committee was unanimous in ordering release of the reports referred to, and, as I have already stated, it was unanimous requesting that the resolution be offered in the Senate.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished friend from New Jersey.

Mr. HENDRICKSON. Mr. President, I desire to associate myself with the remarks of the minority leader and of the distinguished Senator from Alabama.

Mr. HILL. Mr. President, I ask that the resolution be appropriately referred.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The Chair thinks there will have to be a conference concerning the reference of the resolution. There seems to be an element in the resolution which would call for its reference to the Committee on Post Office and Civil Service, and another which might require it to be referred to the Judiciary Committee. The Chair thinks it would be better to make the reference after a consultation.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. WHERRY. It was my thought that inasmuch as the Judiciary Committee had handled the matter of subversives, and so forth, possibly the subject matter would be such as would require the resolution to be referred to the Judiciary Committee. I make that simply as an observation before the resolution is referred.

The PRESIDING OFFICER. The Chair will say that in view of the jurisdiction of the Committee on Expenditures in the Executive Departments the resolution might be subject to consideration by that committee. So there are three committees to any one of which the resolution might be referred.

The PRESIDING OFFICER subsequently said: The Chair would like to advise that the resolution presented by the Senator from Alabama will lie on the table pending the decision of the Vice President.

FRENCH-GERMAN PARTNERSHIP AND AN INTERNATIONAL SUPERSTATE

Mr. JENNER. Mr. President, it is always a cause for encouragement when a bold, imaginative statesmanlike suggestion arises out of the welter of existing international confusion.

I refer to the completely unanticipated proposal by the French foreign minister, Robert Schuman, of a French-German partnership to solve not only the German problem, but the problem of Europe as a whole.

I want to quote from this proposal to show how far-reaching its objectives really are:

> The uniting of European nations requires that the age-old opposition between France and Germany be culminated.
>
> The French Government proposes that the entire French-German production of coal and steel be placed under a joint high authority, within an organization open to the participation of other European nations.
>
> Community of production * * * will * * * show that war between France and Germany becomes not only unthinkable but, in actual fact, impossible. * * *
>
> This proposal will create the first concrete foundation for a European federation.

Mr. President, I bring this matter to the attention of my colleagues because I believe it contains the first really constructive idea that has emerged on the diplomatic scene since the end of the war, for a peaceful settlement of the European problem, and the first honest attempt on the part of European nations to get together in their determination to stop the spread of communism.

I feel it would be a tragedy if the United States Government and the United States Senate should now fail to take advantage of this proposal and should fail to lend it every encouragement and support.

Although this proposal passed the French cabinet by only one vote, it represents a historic step toward genuine reconciliation of age-long Franco-German rivalry.

In addition, Mr. President, Winston Churchill has now urged the British Government to endorse this plan, and western Germany's cabinet has approved this plan in principle, and at this very moment the French premier, Paul Reynaud, is in Bonn preparing to open preliminary discussion on the question of how to put this plan into operation.

Mr. President, I believe the Senate Foreign Relations Committee at its earliest convenience should take this proposal under advisement, and, in the spirit in which it has been made, lend the basic principles underlying this proposal its wholehearted support.

I believe this matter to be so urgent because this French proposal lays the foundation for genuine self-help in reviving Europe's war-shattered economic and financial structure. It is a keystone on which genuine self-help can become the moving force behind genuine European movement, which will restore diplomacy to a level of voluntary cooperation and mutual consent.

Such a development, Mr. President, would be entirely in keeping with the traditional objectives of American foreign policy. It would restore the foundation of a system of sovereign and independent states who are free to cooperate and who are free to work out their own destiny by solving their mutual problems for the attainment of mutual goals.

Such a development would make it possible once more for America to cooperate with free and sovereign peoples, or with federations of peoples that have been voluntarily entered into. This is the direction in which I believe our foreign policy must move if we are to stop the spread of communism and preserve our form of government and our way of life.

Mr. President, there is another development, however, which is in the opposite direction and which gives added urgency to the need for implementing this French proposal for a genuine peace with Germany. I speak of the report from London, of May 16, 1950, concerning the steps which the foreign ministers of the 12 North Atlantic Treaty powers are now in the process of taking. According to yesterday's Washington Post, they are expected to set up a new committee to coordinate their defense and economic problems.

A short time ago discussion occurred as to where we were heading and what we were doing to the Constitution of the United States. When we were debating the North Atlantic Pact, the distinguished Senator from Missouri called the attention of this body very forcibly to the possible implications which he thought might come about as a result of that treaty. Mr. President, one need only refer to article 2 and article 3 of the North Atlantic Pact to see exactly what is happening in London. In part, article 2 provides:

> They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Article 3 says:

> In order more effectively to achieve the objectives of this treaty, the parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

I continue to read from this dispatch:

> The proposed committee is expected to bear the main responsibility for reconciling the demands of the military leaders with the civilian requirements of the 12 nations' political and financial leaders.
>
> This means the committee's influence may be greater than that of almost any other international body. It would be authorized, subject to the views of member governments, to deal with issues that strike at the basis of national sovereignty. It presumably would assess and allocate defense and economic requirements as a unit, not on the basis of the needs of each country.

Mr. President, such a communiqué is frightening, if it means what it says, and if it accurately describes the steps which now are being taken, by Mr. Acheson.

Yet such seems to be the case, Mr. President, for in today's Washington Times-Herald, a United Press dispatch reveals that the Atlantic Pact foreign ministers have approved just such a proposal. This dispatch goes on to state:

> The plan would require history's greatest peacetime surrender of national sovereignty.

We are not supposed to be surrendering our national sovereignty when we entered the United Nations. As a matter of fact, the United States was the country which insisted upon the veto in order to protect our national sovereignty. Yet here we find an agreement entered into by Dean Acheson, our Secretary of State, which would require history's greatest peacetime surrender of national sovereignty.

Yesterday's Washington Post comments on this unprecedented development by saying:

> Probably the most significant aspect of today's decision involves the willingness of the North Atlantic powers to sacrifice major features of their sovereignty in the organization of common defense and economic policies.

What is to come out of this semi-superstate? They will say what they want. They would take from us what they ask. Whatever is left for us would be rationed among our people, because we would give up our national sovereignty. We would have nothing to say about it.

The New York Times in its editorial today states that the plan "demands not only a considerable sacrifice of national sovereignty"—the New York Times recognizes that we are giving up our national sovereignty——

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. JENNER. I yield.

Mr. DONNELL. Did the Senator observe, a week or two weeks ago, a speech by the President of the United States in which he referred to the fact that we are giving up some of our sovereignty?

Mr. JENNER. I do not believe I did.

Mr. DONNELL. I hesitate to quote it verbatim. I could not do so. However, I have a very clear recollection of seeing a statement by the President himself, or at least a statement in the press to the effect that he did make the statement, that we are giving up some of our sovereignty.

Mr. JENNER. Mr. President, I believe it is a deliberate attempt and I think every step our Government is taking is a deliberate attempt to do the very thing that they are now about to accomplish, which is to create a world semi-superstate, destroy the national sovereignty of our country, and let our interests, both economic and defense, be tied to the interest of the rest of the world.

Mr. President, I quote further from the New York Times editorial:

> What is needed above all is a new faith transcending national loyalty, and a dedication to the larger cause of freedom, to provide an international army with the morale that alone can make it a real fighting force.

Mr. President, if this is the direction in which we have been maneuvered during the last few days in the London Foreign Ministers North Atlantic Conference by our own State Department, it amounts to traffic in treason.

For this new grand scheme, against which I warned the American people during my last speech on the Marshall plan, amounts to a deliberate attempt to force America into an international semi-superstate, without either the advice or consent or knowledge of the United States Senate, the Congress, or the American people.

For this new council is in the process of completely repudiating all of the solemn assurances which have been given us concerning where our international program is leading. We were told the Marshall plan would provide for the economic needs of Europe and the North Atlantic Pact would provide for its military defense. Now we are being told only a super, super international organization, with international controls, and international allocation of raw materials, manpower, markets, and war matériel, with our own sovereignty thrown out the window, can meet the needs which now have arisen out of the cold war.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. JENNER. I yield to the Senator from Missouri.

Mr. DONNELL. The Senator referred to the debate on the North Atlantic Treaty, in which the Senator himself participated most vigorously and powerfully. I ask the Senator whether he recalls that in the course of that debate reference was made to testimony by Judge Patterson, by Hon. William Clayton, and by former Justice Owen J. Roberts, in advocacy of a world federation.

Mr. JENNER. I recall that, in substance. World federation is where we are headed, and if this proposal goes through, that is where we will be. Indeed, we are already there, and neither the Senator from Missouri nor any other Member of Congress, nor the American people, will have anything to say about it, or even any knowledge of it.

We are in an international superstate, not for our defense, but our economic interest is tied into it. I say again, the other nations will tell us what they want, and we will ration what is left for our own people in this Nation.

Mr. President, if the reports of the steps now being taken in London, by our Secretary of State and his bipartisan advisers, are true, these men are deliberately forcing America into a permanent partnership, with the Atlantic Pact nations, and sentencing our economic, our financial, our military, and our political future to a life sentence in an Atlantic community concentration camp.

I know of no more pressing problem that now needs to be fully explored, discussed, and exposed than these steps which are taking us, day by day, ever deeper down the road into an international semi-super-state.

Mr. President, is it not the duty now of the Foreign Relations Committee of the Senate to explore this matter fully, and report its findings and recommendations to the United States Senate and the American people, before this internationalist bobby-trap door is slammed shut behind us once and for all?

Mr. President, I know there is probably no use in my raising my voice, because if the responsible officials take the Congress into consideration, they will come to us with the same old-time worn phrase, "After all, you made a moral commitment. You do not dare let Dean Acheson and these planners down now. You have to march along. You have to goose-step. We cannot break our word. We cannot break our faith. You have to give up your liberties and economic freedom, and fight a cold war."

How many times have we heard that? Here it is again, a step in the final direction of an international super state, that ties America's interests in with these other nations, not only in defense, but ties our economic interests in with them. I think it is deplorable, I think it should be explored, I think the hour is late, indeed, I think it is too late, but something should be done in the interest of this Nation, our form of government, and our people.

EXECUTIVE SESSION

Mr. HILL. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports were submitted:

By Mr. THOMAS of Utah, from the Committee on Foreign Relations:

Executive G, Eighty-first Congress, second session, a protocol prolonging for 1 year after August 31, 1949, the International Agreement Regarding the Regulation of Production and Marketing of Sugar, signed at London on May 6, 1937; favorably (Ex. Rept. No. 1);

Executive H, Eighty-first Congress, first session, a protocol bringing under international control drugs outside the scope of the convention of 1931, which limits the manufacture and regulates the distribution of narcotic drugs; favorably (Ex. Rept. No. 2);

Executive C, Eighty-first Congress, second session, a protocol amending the 1904 Agreement for the Suppression of the Circulation of Obscene Publications, signed for the United States on May 4, 1949, and transmitted to the Senate on January 9, 1950; favorably (Ex. Rept. No. 3); and

Executive B, Eighty-first Congress, second session, a protocol amending the 1904 agreement for the Suppression of the White Slave Traffic, signed for the United States on May 4, 1949, and transmitted to the Senate on January 9, 1950; favorably (Ex. Rept. No. 4).

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF THE ARMY

The legislative clerk read the nomination of Earl Dallam Johnson to be Assistant Secretary of the Army.

Mr. DONNELL. Mr. President, may I inquire of the distinguished acting majority leader whether it is his intention to move, with respect to any of the nominations on today's Executive Calendar, that the President be notified of the confirmations?

Mr. HILL. It is not my intention. I will not make that request, and will not so move.

Mr. DONNELL. It had been my intention, should the acting majority leader have asked for notification of the President, to reiterate briefly the reasons set forth on pages 7114 and 7115 of the RECORD of May 16, 1950, in opposition to and in objection to such a request or suggestion of notification of the President.

In the second place, it was my intention to add to the reasons assigned on pages 7114 and 7115 this language from the Supreme Court of the United States in the case of *United States* v. *Smith* (286 U. S., loc. cit. 34):

> But paragraph 4 of the same rule contemplates that normally such notification shall be withheld, until the expiration of the time limited for making a motion to reconsider, and if a motion be made, until the disposition thereof; for it declares that notification shall be so withheld "unless otherwise ordered by the Senate."

Mr. President, I do not object to the confirmation of the nomination of Earl Dallam Johnson.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMMODITY CREDIT CORPORATION

The legislative clerk read the nomination of Harold K. Hill to be a member of the Board of Directors of the Commodity Credit Corporation.

Mr. DONNELL. Mr. President, may I inquire of the Senator from Alabama if it meets his approval that that nomination be passed over this evening?

Mr. HILL. I would not say that it would meet my approval, but I would say that the Senator would be well within his rights and would be following many precedents if he did ask that it go over.

Mr. DONNELL. I do so ask, and the request is made in order to protect the possible desire of a Senator on this side of the aisle to be heard with respect to the nomination.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. HILL. Mr. President, I ask that the nominations in the Marine Corps be considered and confirmed en bloc. They are all routine nominations.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That concludes the nominations on the Executive Calendar.

RECESS TO MONDAY

Mr. HILL. I move that the Senate, as in legislative session, stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 20 minutes p. m.) the Senate took a recess until Monday, May 22, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 19 (legislative day of March 29), 1950:

COLLECTOR OF CUSTOMS

V. Allan Hubbard, of Chaffee, Mo., to be collector of customs for customs collection district No. 45, with headquarters at St. Louis, Mo., to fill an existing vacancy.

IN THE ARMY

Lt. Gen. James Alward Van Fleet, O3847 (major general, U. S. Army), for appointment as commanding general, Second Army, with the rank of lieutenant general, under the provisions of section 504 of the Officer Personnel Act of 1947.

IN THE NAVY

The following-named officers of the Navy for temporary appointment to the grade of rear admiral:

Frederic S. Withington
William V. O'Regan

CONFIRMATIONS

Executive nominations confirmed by the Senate May 19 (legislative day of March 29), 1950:

DEPARTMENT OF THE ARMY

Earl Dallam Johnson to be Assistant Secretary of the Army.

IN THE MARINE CORPS

PERMANENT APPOINTMENT TO THE GRADE OF MAJOR GENERAL

Oliver P. Smith

TEMPORARY APPOINTMENTS TO THE GRADE OF MAJOR GENERAL, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

William E. Riley
Robert H. Pepper

PERMANENT APPOINTMENTS TO THE GRADE OF BRIGADIER GENERAL

Harry B. Liversedge
Walter W. Wensinger

TEMPORARY APPOINTMENT TO THE GRADE OF BRIGADIER GENERAL, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

James H. Strother
Raymond P. Coffman
James A. Stuart
George F. Good, Jr.
Merrill B. Twining

PERMANENT APPOINTMENTS TO THE GRADE OF COLONEL

Eustace R. Smoak
Sidney S. Wade
Guy M. Morrow
Paul E. Wallace
James F. Climie
James M. Masters, Sr.
William A. Kengla
Wilbur J. McNenny
Robert O. Bowen

PERMANENT APPOINTMENTS TO THE GRADE OF LIEUTENANT COLONEL, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

Marlin C. Martin, Jr.
Pauline E. Perate

PERMANENT APPOINTMENTS TO THE GRADE OF MAJOR, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

Albert Hartman
Robert B. Carney, Jr.
Frank Johnson
Merwin H. Silverthorn, Jr.
William L. Dick
Joseph E. Fogg
Fred F. Harbin
Victor F. Wojcik
John V. Downs
Edward L. Roberts
Walter Gall
George H. Linnemeier
John M. Walker, Jr.
John G. McAllister
Thomas D. Stockwell, Jr.
Henry M. Bourgeois
George M. Faser
William M. Johnston, Jr.
Fred J. Gilhuly
Frank H. Brinkman
Henry P. Huff
John E. Worlund
John N. Swartley
Marshall C. Gregory
Herbert E. L. Zastrow
Thomas L. Randall
Joseph S. Gardner
Robert G. McMaster
Herman Poggemeyer, Jr.
Allen C. Hendley
Robert H. Twisdale
Robert B. Laing
John W. Bowman
Richard L. Sullivan
George W. McHenry, Jr.
Angus J. Cronin
William C. Chip
Joseph F. Donahoe, Jr.
Morris R. Snead
Ralph H. Spanjer
Harold A. Langstaff, Jr.
Arthur R. Boag
Ernest P. Freeman, Jr.
Stanley S. Hughes
Robert E. Kelly
William Pelon
William N. Case
Charles W. Korf
John E. Hays
Archie D. Simpson
Donald D. Kennedy
John H. Carroll
Frank Mick
John Lowman, Jr.

PERMANENT APPOINTMENTS TO THE GRADE OF MAJOR FOR LIMITED DUTY, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

Ralph H. Hobbs
Caryll A. Price
William F. Watson
George T. Perschau
Robert L. Dickey
Robert E. Wall
James P. Evans
Michael J. Hogan
John P. Grando
Arthur J. Noonan
Samuel L. Slocum
Joseph C. Schwalke
Beldon Lidyard
John F. Ricard
Michael J. Sisul
Albert H. Keith
Irvin H. Elrod
Walter H. Eastham
Raymond F. Gotko
Robert G. Straine

TEMPORARY APPOINTMENTS TO THE GRADE OF MAJOR, SUBJECT TO QUALIFICATIONS THEREFOR AS PROVIDED BY LAW

Clarence B. Kyle
Milton D. Hill
John M. Kusiak
Harry J. T. Eilzey
John K. Hogan
George E. Wasson
Percy F. Avant, Jr.
David R. Moak
Alfred G. Carlson
Thomas A. Durham, Jr.
Jefferson D. Smith, Jr.
John I. Loy
Frank C. Caldwell
John A. Conway
David W. Thomson
Harry V. Leasure
David W. McFarland
John J. Jarvis, Jr.
Robert B. Prescott
John T. Quinn
Maynard W. Schmidt
Carl E. Walker
John L. Tobin
Michael Mosteller
Charles C. Henderson
Frank E. Sullivan
Robert E. Baldwin
Paul C. Trammell
Horace W. Card, Jr.
Charles S. Rumbold
Howard I. Dunlap
Theodore Edwards
William E. Mitchell
James D. Connolly
Leon E. Matthews
Wayman H. Imus
Clifton L. See
Robert P. Warner
Roy L. Green
James B. Shimel
Stuart F. B. Wood
Robert L. Williams
Vernet R. Fitzgerald
Walter Sandusky
Donald W. Swanson
Clifford A. Fairbairn
Earl W. Dunsmoor
Joseph H. Madey
Alan M. Stewart
Clarence S. Wick
Charles W. Byers
William Oberhoff
Gordon L. Rea
Lester D. Cox
Henry L. Knopes
Nicholas P. Lengyel
John R. Gray
Dewey D. Raynor
Felix T. P. Michaelis
Kenneth L. Shaw
Wilson D. Haigler
Laurence A. Duensing
John C. McClelland, Jr.
Jesse L. Massey
William O. Adams
Willard T. Henry
Frederick E. Sparling
Frederick Bove
Paul H. Mikkelsen
Joe B. Wrenn
Ralph Barefoot
Oscar W. Cargile
Bert A. Green
John Smolinski
Bernard E. Kilday
Lawrence R. Darner
James C. Wilson

PERMANENT APPOINTMENTS TO THE GRADE OF MAJOR, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

Margaret M. Henderson
Elsie E. Hill

PERMANENT APPOINTMENTS TO THE GRADE OF CAPTAIN

Edward H. Rice
Charles W. Weitzel, Jr.
Daniel R. Kingsley
Albert H. Risner
Richard E. Moody
Boyce L. Lassiter
George L. Wineriter
William M. Sigler, Jr.

PERMANENT APPOINTMENTS TO THE GRADE OF CAPTAIN FOR LIMITED DUTY, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

Walter P. Landis
John H. Tomlinson
Howard E. Morris
Lornie Leslie
St. Clair Tant
Bill E. Grimes
Conrad J. Morgan
Dudley J. Hagen
David R. McGrew, Jr.
Charles M. Whitley
Russell Tarver

TEMPORARY APPOINTMENTS TO THE GRADE OF CAPTAIN, SUBJECT TO QUALIFICATION THEREFOR AS PROVIDED BY LAW

Merle G. Richard
Ralph G. Kregoski
William H. Beckett
Mercer R. Smith
Donald J. Hallameyer
John S. Perrin
Philip J. Keleher
Gerald D. Allen
Gene M. Badgley
Richard S. Togerson
George E. Petro
Samuel F. Martin
John E. Purvis
Ralph M. Head
Gilbert A. Barrett
Darwin B. Pond, Jr.
Edwin T. Carlton
Paul N. Taylor
Samuel E. Helm, Jr.
Marvin L. Berg
Joseph T. Murphy
Harvy C. Hinckel
Emidio Briganti
John McCabe
Walter J. Klimek
Charles R. Leutz, Jr.
Allen R. Semb
John F. Sutkus
Wayne E. Wolcott
Kenneth T. Dykes
"W" "C" Hall
Roy J. Leite, Jr.
Samuel G. Beal
John S. Bostwick
Edgar P. Holt
Edward M. Fleming
Alfred F. McCaleb, Jr.
Walter C. Stewart, Jr.
Walter D. Phillips, Jr.
Ernest W. Payne
Robert W. Allen
Bennett W. Alford
Paul A. Schmuck, Jr.
John H. Thomas
Goodwin C. Groff
James W. Bateman
William R. Gould
Norman C. Wiley
Arthur O. Schmagel
Leroy A. Seipp
John W. Sullivan
Richard A. Winters, Jr.
Charles H. Coppedge
Samuel "J" Griffin
Robert F. Marr
Edward D. Smith
Harrel K. Jobe
Robert W. Shirley
Edwin Pendrey
George S. Mansfield
William J. Halligan
Richard A. Ward
Charles A. Salser
Albert Fowler
Stone W. Quillian
Charles F. Dizney
Harold W. Hawkins
Grady W. Ray
Nicholas J. Dennis
Donald E. Francke
Charles H. Gould
Lynn F. Williams
Howard Ferguson, Jr.
Harry B. Hanson
Kenneth E. Huntington
Frank K. Reilly, Jr.
Roland S. Helstrom
George H. Albers
Norman R. Reichwald
Jesse R. Crone
William A. Danckaert
Elmer Amundson
John W. Johnson
Donald Conroy
Bertram "E" Cook, Jr.
Jerry B. Smith
Richard C. Andrews
Bill E. Horner
George A. Phillips
Arthur W. Ecklund
William E. Register
Lee R. Miller
Edward H. Walker
Paul W. Seabaugh
George H. Cearley, Jr.
Owen G. Jackson, Jr.
Elmer J. Zorn
James D. Johnson, Jr.
John N. Snapper
Wilbur O. Nelson
Philip A. Davis
Daniel G. Murray
George W. Parker
Charles T. Caldwell
William P. Brown, Jr.
Frank J. O'Hara, Jr.
Dale L. Ward
Russell A. Andres
John DeCloud
Arthur W. Newendorp
Byron C. Allison
John M. Jagoda
Thomas A. Gribbin II
Albert A. Grasselli
George J. Collins
George E. Mouzakis
Charles W. Egan
Charles E. Boswell, Jr.
Ralph P. Ward, Jr.
Robert L. Smith
Leland C. Ritter
Merlin L. Dake
Charles R. Howe
Eugene W. Meyer
John J. Fischer
Jack A. Miller
Kenneth G. Fiegener
Donald A. Panska
Charles C. Angle
Guy M. Washburn
Lenhrew E. Lovette
Richard J. Sullivan
Robert F. Warren
Roderick J. Munro
Henry G. Holmes, Jr.
Ruel H. Corley, Jr.
Harry F. Painter
John M. McLaurin, Jr.
Urban A. Lees
William Bradford
Clarence H. Schmid
Bernard J. Stender
Charles D. Dawkins, Jr.
Thomas E. Cooney
Lewis E. Bolts
Donald F. Mileson
Oliver J. Koester
Ward L. Hooper
Robert B. Robinson
Lawrence R. Denham
Alexander Wilson
Robert D. Green
Dwain L. Redalen
Jefferson A. Davis, Jr.
Robert J. Wright
Harold G. McRay
Kenneth L. Anstock
Russell G. Patterson, Jr.
Richard B. Newport
Cornelius T. Montgomery, Jr.
Harvey E. Wendt
Harry O. Taylor
Robert J. Graham
Varge G. Frisbie
John F. McMahon, Jr.
Jack H. Hagler
James W. Ferris
Robert King, Jr.
Roland B. Hellman
Henry J. Jadrich
William L. Atwater, Jr.
Walter E. Daniel
Daniel P. Githens, Jr.
Forrest "I" Townsend
William H. Bortz, Jr.
Harry G. C. Henneberger
William Whitehill
Earl A. Trager, Jr.
William P. Brown
Robert "J" Zitnik
Arnold W. Barden
William H. Roley
Don G. Derryberry
Crawford B. Malone
John J. Hill III
George Motti
Joseph B. DeHaven
Dan C. Holland
Sylvester F. Leis
James E. Meehan
William R. Lucas
Robert E. McCarville
Walter N. Roark, Jr.
John O. Kaylor
Richard H. Peacock
Thomas E. Mulvihill
Otis R. Waldrop
Clark Ashton
Thomas H. Hughes
Casimir C. Ksycewski
William J. Peter, Jr.
Donald S. McClellan
Joseph F. Kirby, Jr.
Elmer F. Koehler
John L. Greene
Dail D. Fine
Kenneth L. Fellows
Judson J. Bradway
Dennis E. Byrd
Raymond H. W. Pett
"J". "E" Wellman
Herbert N. Rapson
Joseph Northrup
William J. Kopas

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 19, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Heavenly Father, who art of all friends the nearest, of all counselors the wisest, of all helpers the ablest and most willing, we rejoice that in Thee our loftiest aspirations and deepest longings find their answer.

Grant that in this moment of sacred communion we may receive a clearer revelation and a richer experience of the eternal truth of God which will set our minds and hearts free from the errors that blind, the doubts that darken, and the fears that weaken us.

We pray that we may yield ourselves to the sovereignty of Thy wise and holy will, not in dumb resignation and sullen submission, but in glad and grateful obedience to the larger life of love and service to which Thou hast called us.

In Christ's name we bring our petition. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; and

S. 2811. An act to amend section 1462 of title 18 of the United States Code, with respect to the importation or transportation of obscene matters.

NAZI REBIRTH IN GERMANY MUST BE STOPPED NOW

Mr. DOLLINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOLLINGER. Mr. Speaker, I wonder what ran through our minds the other day when we read the press reports which indicated that 75 percent of the 11,000 officials in Wuerttemberg-Baden once belonged to the Nazi Party. Did they bring to your mind, as they did to mine, the thought that in a few years nazism might again be on the march; that the mammoth ovens would again be sending forth the stench of burning humans, and that concentration camps would again provide living deaths for millions? Where is this promise of democracy that we made? What have we done toward the denazification, demilitarization, and decartelization of Germany?

On January 4, 1950, I introduced House Resolution 413, providing for a full and complete investigation and study of the American military government in Germany and the civilian administration which succeeded it, with particular reference to the extent to which they have permitted or encouraged the reestablishment of cartels, the resumption of power by former Nazis, the resurgence of fascism and antisemitism, and the rebuilding of German military strength. Other Members have since done likewise.

I care not whose resolution is considered, nor am I concerned as to who gets the credit, just so long as the House takes immediate and affirmative action.

In the light of these newspaper and radio stories, which are admitted by our own officials, that nazism is on the march once again in Germany, let us take action now. Not to do so is to betray the many millions who suffered and died in the name of democracy—and those who now believe in the democratic ideal. Let us act before it is too late.

SPECIAL ORDER GRANTED

Mr. CRAWFORD asked and was given permission to address the House for 20 minutes on Monday next following the legislative business of the day and any special orders, heretofore entered.

LEGAL GUARDIAN OF LENA MAE WEST, A MINOR

Mr. LANE submitted a conference report and statement on the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor.

BIRMINGHAM VETERANS' HOSPITAL, VAN NUYS, CALIF.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following telegram has come to me from California:

VAN NUYS, CALIF., *May 18, 1950.*

Representative EDITH NOURSE ROGERS,

House Office Building, Washington, D. C.:

Thank you for your support protesting Birmingham Hospital to Long Beach. Paraplegics Grissom and Holmann, also Rose, tubercular veteran, will arrive Washington, TWA flight 220 tomorrow, Friday, 1:45 p. m., to personally appeal to the President. I will join them Saturday. We will stay at Mayflower Hotel. Any assistance you can give

us, particularly with respect securing appointment with the President, will be much appreciated.

STUART BANKHARDT,
Chairman, Citizens Birmingham Hospital Committee.

Mr. Speaker, as the telegram states, three badly disabled veterans are flying in from Van Nuys, Calif., desiring to see the President in an effort to keep the Birmingham Hospital at Van Nuys, Calif., open. I have asked him to see them. I believe he must see them.

The hospital is in the district of the gentleman from California [Mr. HINSHAW], but I have visited the hospital and know many of the patients and the whole situation.

On Tuesday I addressed the following telegram to the President:

WASHINGTON, D. C., *May 16, 1950.*

The PRESIDENT,
The White House,
Washington, D. C.:

I have the honor to bring to your attention the proposed closing of the Birmingham Veterans Hospital at Van Nuys, Calif. As you know, this hospital functions in the care of paraplegic and tubercular veterans. Many of these gallant men have built their homes close to this hospital so they could be near to the institution giving them attention and hospitalization. I earnestly protest the closing of this hospital.

In your address Monday night in Chicago you spoke of the great Northwest and its bright future. You spoke of the great future for our wonderful country. You spoke of how much you wanted equal opportunity for everyone in the United States. What is the future for these men striving to regain their health, to recover, to come back, at Birmingham? They are thinking of their future and their opportunities. How can we give them equal opportunity? Can it be done by closing this hospital they need so desperately?

They gave of themselves that we might have victory and the chance to enjoy a free country, where there might be equal opportunity. Before the battle this Government promised everything to these boys who faced the enemy's steel. Now that the battle is over and won, it is convenient to forget. In view of their sacrifice, considered together with the Nation's foreign rehabilitation program, can the closing of the Birmingham Hospital be construed as economy? I know this situation. I know many of the men fighting for their equal opportunity at this hospital. I appeal to you for action to prevent the closing of the Birmingham Veterans' Hospital.

EDITH NOURSE ROGERS,
Member of Congress.

DEDICATION AND REDEDICATION OF GRAND COULEE DAM

Mr. D'EWART. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. D'EWART. Mr. Speaker, all of us have noted with interest the accounts of the President's recent tour of the Northwest, the nonpolitical objective of which was said to be the dedication of a generator or some similar equipment at Grand Coulee Dam. I have also heard reports, which my recollection tells me are correct, that this is the fifth or sixth, or perhaps the ninth, time that Grand Coulee, or some component part of the structure, has been subjected to dedication by high dignitaries. It seems to me that the secretary, or whoever he is, in charge of dedications is in a rut.

I want it clearly understood that I am not suggesting another stumping tour for Mr. Truman. He managed to travel about twice as far in Montana this time as any other traveler who crosses the State by rail. But if there is occasion for another dedication ceremony, and if a worthy person could be found to do the honors, I think we should consider the fact that Glacier National Park, so far as the records show, has never been dedicated officially for the use and enjoyment of the American people.

Glacier National Park, as you know, is one of the proud attractions of Montana. There is no comparable region in the world, certainly not in our country. It is a park of rugged mountains, high glaciers, beautiful forests such as we have in no other place. Hundreds of thousands of Americans have been thrilled by its grandeur, and we in Montana who know it well always have a yearning to visit it each summer for as long as possible. We are getting along quite well without the folderol of formal dedication, but I think it should be borne in mind when dedications are considered that it really is not necessary to stage these repeat performances at Grand Coulee. We would be glad to welcome you all to a proper ceremony at Montana's Glacier National Park.

DEBT AND THE BALANCED BUDGET

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I have been wondering the last few years just when it became honorable to create debt, when it was the wise and sensible thing to put the people of this country into debt, or even to put yourself into debt so far that you are not going to be able to pay it.

I am appalled when I realize that this Congress, the Eighty-first Congress, or we might term it "the Eighty-worst Congress" is going to be $7,000,000,000 in the red this year, and when I realize that you expect your children and your children's children, and your great-great-great-grandchildren to pay the bill that you are not big enough to attempt to pay, I think it is a terrible state of affairs, and I do hope and wish that the Congress and every Member of Congress regardless of whether he be Democrat, Dixiecrat, Republican, or whether he be liberal or conservative, if he calls himself an American, will strive to balance the budget and save creating debt for our children to pay.

FLATHEAD INDIAN IRRIGATION PROJECT

Mr. MORRIS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8199) to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.) relating to the Flathead Indian irrigation project.

The Clerk read the title of the bill.

Mr. D'EWART. Mr. Speaker, reserving the right to object, will the gentleman explain the bill briefly?

Mr. MORRIS. The bill (H. R. 8199) amends certain provisions of the act of May 25, 1948 (Public Law 553, 80th Cong.) by extending the period of time allowed the irrigation districts of the Flathead Indian irrigation project to execute new repayment contracts. This merely extends it to a later date.

Mr. D'EWART. Mr. Speaker, I withdraw my reservation of objection.

Mr. RICH. Mr. Speaker, reserving the right to object, as I understand, the bill extends time for the contracts to be completed without any additional work being done.

Mr. MORRIS. I will ask the author of the bill to answer the question.

Mr. MANSFIELD. No additional funds are involved. This is a renegotiation. The original contracts expire the 24th of this month, hence the need for immediate action.

Mr. RICH. They are not going to do something now by the extension of this act that will permit some new project to come in under this bill that will create additional expense in order to be completed?

Mr. MANSFIELD. Not in the least.

Mr. RICH. In other words, this ends it when the time limit has expired?

Mr. MORRIS. Yes.

Mr. RICH. Thank goodness we end something very soon.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the repayment adjustments and other provisions of sections 1 and 2 of the act of May 25, 1948 (Public Law 554, 80th Cong.), providing for the adjustment of irrigation charges on the Flathead Indian irrigation project, Montana, and for other purposes, shall be effective as to lands included in any irrigation district which has or which shall have entered into a contract by May 25, 1951, as provided for in said act. Said act as herein amended shall not be deemed to defer the repayment obligations provided for in existing contracts between the Secretary of the Interior and any irrigation district on the Flathead Indian irrigation project which has not entered into a repayment contract conforming to the provisions of the act of May 25, 1948, as herein amended, unless and until such district shall have entered into such a contract: *Provided,* That the provisions and requirements of section 5 of said act shall be effective when an irrigation district or districts containing not less than 70 percent of the irrigable acreage of the non-Indian lands within the Flathead Indian irrigation project shall have entered into repayment contracts under said act.

With the following committee amendments:

Page 1, line 9, strike out "by May 25, 1951, as provided for in said act" and insert in lieu thereof "conforming to the provisions of said act on or before May 25, 1951."

Page 2, line 9, strike out "provisions and requirements of section 5 of said act shall be effective" and insert in lieu thereof "ap-

propriation authorizations of said act shall be effective, and moneys appropriated thereunder shall be available for expenditure."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. STEED was given permission to address the House for 10 minutes on Monday next, following the legislative program and any special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

THE GOVERNMENT DEFICIT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the gentleman from Pennsylvania [Mr. RICH] wanted to rise in the defense of the gentleman from Michigan [Mr. DONDERO]. I think the gentleman needs to defend himself in relation to the speech he made a few minutes ago about the Government deficit, because that deficit is caused by the tax bill which the Republican-controlled Eightieth Congress passed and for which the gentleman from Pennsylvania [Mr. RICH] voted.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. RICH. I want to say that we gave the people of this country an opportunity to get their taxes reduced. All the gentleman is doing is spending money. He does not want to economize.

THE GOVERNMENT DEFICIT

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, the majority leader of the House has spoken about the tax bill passed by the Eightieth Congress. I call his attention to the fact that the membership on his side helped to override the President's veto on that tax bill and that it did give relief to some 7,000,000 taxpayers, besides the aged and the blind. The Eightieth Congress balanced the budget, made a big payment on the national debt and cut taxes.

I would ask the majority leader, if he objects so seriously to the tax bill that was passed for the relief of the people of the United States whether he has prepared any bill that would replace the tax on these same people. He and the administration ought to keep faith and get behind legislation to raise taxes—they have a majority of 90 in the House. They should act as they talk if sincere about the tax bill of the Eightieth Congress.

Mr. McCORMACK. I voted against that tax bill.

Mr. MILLER of Nebraska. But your party helped to override the President's veto—perhaps you lost control of your party.

JOINT COMMITTEE ON NAVAJO-HOPI INDIAN ADMINISTRATION

The SPEAKER. Pursuant to the provisions of section 10 (a) of Public Law 474, Eighty-first Congress, the Chair appoints as members of the Joint Committee on Navajo-Hopi Indian Administration the following members on the part of the House: Mr. MURDOCK, of Arizona; Mr. MORRIS, of Oklahoma; and Mr. D'EWART, of Montana.

EXTENSION OF REMARKS

Mrs. KELLY of New York asked and was given permission to extend her remarks and include a speech by the gentlewoman from New Jersey [Mrs. NORTON].

Mr. BIEMILLER asked and was given permission to extend his remarks and include an address delivered by the President of the United States in Madison, Wis.

Mr. BIEMILLER asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. CHRISTOPHER asked and was given permission to extend his remarks.

Mr. BARTLETT asked and was given permission to extend his remarks and include an editorial.

Mr. BREEN asked and was given permission to extend his remarks and include an editorial from the Dayton Daily News.

Mr. LANE asked and was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in two separate instances and in each to include extraneous matter.

Mr. McGREGOR asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole today and include various charts.

Mr. ANGELL asked and was given permission to revise and extend the remarks he expects to make in the Committee of the Whole today and include extraneous matter.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks and include a letter from employees who are protesting against losing their employment.

Mr. PETERSON asked and was given permission to extend his remarks and include a poem and newspaper article.

Mr. LUCAS asked and was given permission to extend his remarks and include an article from the Weatherford Democrat by Claud Garner.

Mr. WALTER asked and was given permission to extend his remarks and include a speech delivered by Mr. GREEN.

Mr. MORRISON asked and was given permission to extend his remarks in two instances, in one to include a speech by Dr. Walter Adams.

Mr. MICHENER asked and was given permission to extend his remarks and include an editorial.

Mr. ELLIOTT asked and was given permission to extend his remarks and include a speech delivered by Dr. C. W. Williams, professor of history at the University of Alabama.

FEDERAL AID HIGHWAY ACT OF 1950

Mr. WHITTINGTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 7941, with Mr. KARSTEN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through the first section of the bill.

Are there amendments to section 1? If not, the Clerk will read.

The Clerk read as follows:

SEC. 2. (a) For the purpose of expediting the construction, reconstruction, and improvement, inclusive of necessary bridges and tunnels, of the National System of Interstate Highways, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of $70,000,000 for the fiscal year ending June 30, 1952, and a like additional sum for the fiscal year ending June 30, 1953. The sum herein authorized for each fiscal year shall be apportioned among the several States in the ratio which the population of each State bears to the total population of all of the States as shown by the latest available Federal census: *Provided*, That no State shall receive less than three-fourths of 1 percent of the sum authorized to be apportioned for each year under this subsection, and the sum apportioned to each State may be utilized to pay the Federal pro rata share now authorized by law on account of any project on the National System of Interstate Highways, or may be used to increase the Federal payment on account of any such project financed with Federal-aid primary or urban funds by one-half of the State's share of the cost thereof over and above the regular Federal pro rata now authorized in such State.

(b) Any State that shall issue bonds and use the proceeds of such bonds for the construction of toll-free facilities in order to accelerate the improvement of the National System of Interstate Highways may apply any portion of the funds herein, or hereafter, authorized for expenditure on said system of highways and apportioned to such State under the provisions of this section

to aid in retirement of annual maturities of the principal indebtedness of such bonds to the extent that the proceeds of such bonds are actually expended in the construction of said system of highways: *Provided*, That payment of Federal funds on the principal indebtedness of such bonds shall be made only on account of any such facility that is constructed in accordance with plans and specifications approved in advance of construction by the Commissioner of Public Roads: *Provided further*, That payment of Federal funds pursuant to this subsection shall not exceed the pro rata basis authorized by subsection (a) of this section: *And provided further*, That payments to any State pursuant to this subsection shall be made exclusively from apportionments to such State from funds authorized by the Congress to be apportioned for expenditure on said system of highways and this subsection shall not be construed as a commitment or obligation on the part of the United States to provide such funds.

Mr. McGREGOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGREGOR: On page 3, line 6, strike out all of section 2 starting in line 6, page 3, and running down to and including line 2 on page 5.

Mr. McGREGOR. Mr. Chairman, the amendment the Clerk has just read strikes out section 2, which refers to the allocation of $70,000,000 for an interstate highway system under a new formula that is established in this enabling legislation. This formula is 75 percent Federal participation and 25 percent State.

Under the law that has been in existence for a number of years, we have a 50–50 matching basis. In other words, the Federal Government puts up 50 cents and the various States put up 50 cents. This covers all groups of roads. Under the bill before us for consideration now, section 2 sets aside $70,000,000 for what is known as an interstate system, and in the allocation we have the Federal Government putting up 75 cents and the States 25 cents.

I think you will agree with me that every State is better fixed financially than our Federal Government, so why should we ask the Federal Government to put up 75 cents for a special road program and the States only 25 cents for this program? If that formula is good for the interstate highway system, why is not that formula good for the other highway systems as, for instance, the farm-to-market roads, the primary roads, and other systems?

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. JONES of Alabama. The gentleman from Ohio is not proposing, is he, that we change the formula with respect to other roads such as the farm-to-market roads, rural roads, and urban roads?

Mr. McGREGOR. I am opposed to any changing of the existing formula, because the existing formula calls for a 50–50 matching clause. I do not think we should give preferential treatment, either, to one particular type of road. I might call to the gentleman's attention that the so-called interstate system represents only 20 percent of the road construction in the United States.

So why should we set aside $70,000,000 in addition to the regular funds which will be allocated to them under the other formula if this special road system only represents 20 percent of the road mileage in the United States.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. JONES of Alabama. I am sure the gentleman recalls that the hearings disclosed approximately 30 percent of the total amount of the roads program in 1949 was for the interstate system. If this interstate system is going to serve the functions for which it was designed, then it is a Federal responsibility and it will eliminate a tremendous amount of the matching on the part of the States. Therefore, since it is primarily a function of the Federal Government, that is the reason the formula was written as it was.

Mr. McGREGOR. I recognize the argument that the gentleman makes. That argument has been proposed for a number of years by a group of individuals who want the Federal Government to pay more than the States. But why is this interstate system any more important than any other system? Your interstate system is going to carry individuals on a pleasure trip and perhaps may be a truck route, but why is it more necessary than the farm-to-market road which will bring the produce from the farm to the market? Why is it more necessary than the State system of roads. Mr. Chairman, there is one thing back of this whole program and that is a drive to break down the 50–50 formula for matching funds in our highway program and to start a definite program to change the matching formula from the now existing law of 50–50 to 75 percent to 25 percent.

I reiterate, Mr. Chairman, if you are going to establish a formula of 75–25 for the interstate system of highways, then why should it not be established for the other systems. I want to state unequivocally that I am opposed to the 75–25 formula whether it be for the interstate system of roads, or for the farm-to-market system of roads.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McGREGOR. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. GROSS. This $70,000,000 which is set up here is merely foot-in-the-door legislation, is it not?

Mr. McGREGOR. That is absolutely correct. The record will show that this $70,000,000 is simply a drop in the bucket of the amount of money needed for the completing of the interstate highway system.

But, Mr. Chairman, as soon as we break down the existing formula, next year you are going to be asked to change the formula for all the road systems and then the Federal Government is going to have to put up 75 percent of a $500,000,000 authorization, and the States that are wealthier and in a sounder financial condition than the Federal Government will only be putting up 25 percent.

Mr. D'EWART. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. D'EWART. Does not the gentleman agree with me that the formula under which this money is to be distributed is more favorable to the more populous States and less favorable to the thinly populated States?

Mr. McGREGOR. That is correct.

Mr. D'EWART. I believe that is another reason why this particular section should be revised.

I consider this a fair and equitable bill in all except section 2. It extends for two more years the present road program and adds in section 2 $70,000,000 to be divided on a population basis. This $70,000,000 for each of the fiscal years is for construction and improvement of the national system of interstate highways and is justified in part by national defense. I have no objection to this item or its purpose.

However, the sum is "apportioned among the States in the ratio which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, but that no State shall receive less than three-fourths of 1 percent of the sum apportioned for each fiscal year."

The point I wish to make is that this formula is unfair to the sparsely settled States such as Montana. It should be apportioned on the basis of the mileage in each State. I fear under this formula my State, Montana, will get little money in proportion to the large number of miles of this class of road found in my State.

Mr. McGREGOR. I want to call to your attention the fact that the various organizations which appeared before our committee were in opposition to this 75–25 formula. The various farm organizations are definitely opposed to the 75–25 formula.

I also refer you to the testimony of Mr. Miller on page 377. He represented the American Association of State Highways. I quote:

We felt then, and we feel now, that it surrenders a sound and definite procedure for a questionable and indefinite result.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. JONES of Alabama. The gentleman from Montana raised the point that the more populous States would receive a greater ratio of the participation by the Federal Government. As a matter of fact, in the State of Nevada you would have 91.34 percent Federal participation in this construction program. So, you would actually have more in such States as Montana and Nevada.

Mr. McGREGOR. The chart is in the hearings and it will show just how much each State will gain by it and how much additional it will cost the Federal Government. But, Mr. Chairman, I reiterate this will be breaking down and start-

ing a new policy and we will never know how much it is going to cost the Federal Government. If the State is of the opinion that the road is not worth half what it costs the State, then that road should not be constructed. Mr. Chairman, let us not start in on this new formula of 75 percent of Federal aid and 25 percent of State contribution. I hope my amendment will be accepted.

Mr. WHITTINGTON. Mr. Chairman, if no other Member desires to be recognized on this amendment, I ask for recognition, and I ask unanimous consent that all debate on this amendment and all amendments to the pending section close in 8 minutes, the same time that was allowed the gentleman from Ohio, and that I be recognized.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, as stated in the report of the committee, this section authorizing appropriations to be apportioned among all of the States occurs for the first time in the pending bill, and the amount is $70,000,000. Its purpose is to encourage the construction or reconstruction of the so-called interregional system of highways. The Members will recall that that system contains about 40,000 miles of parts of the primary and urban roads of the United States, and that those roads are the roads that are traveled by all of the people of the country. They connect the principal cities of one State with another. They are the most important roads in the United States. They are the roads that were selected by the Department of National Defense as being essential to national defense. Those roads have to be straightened in a great many places. They have to be widened in other places. Safety has to be promoted.

We are not undertaking to change the formula for Federal aid. That formula obtains in the $500,000,000 authorized for Federal primary aid, secondary aid, and urban aid in the previous section of this bill; but, in an effort to promote the construction of the interregional system, the States are to be encouraged to ask that those parts of those roads that should be widened, that should be straightened, be submitted in applications first, and in order to encourage their construction we propose here to authorize $70,000,000 to be apportioned among the States to increase the Federal share only on those roads that are on that system.

It should be kept in mind that in World War II the highways of the West, from Denver to Seattle, to San Francisco, and other western cities, were used more than any other highways of the country, because there are fewer miles of railroads, comparatively, and it was necessary for the highways to be used to transport the essentials for the prosecution of the war. Inasmuch as the principle of matching is to continue under the terms of this bill, and in order to encourage the States to apply for the construction of these interregional highways, we in this particular provision provide for an increase of the Federal-aid share. It is for the benefit of the Western States as well as other States. Take the State of Wyoming, or the State of Montana, where they do not put up 50 percent, but less than 50 percent to match, those States will get the benefit of this provision, and they are entitled to it in order to provide, without matching 50–50, for the construction and for the straightening and for the improvement of this interregional system.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I will yield in just a minute.

This is the national defense system. These are the roads that are used by the people of the country everywhere. They obtain in all of the States of the Union. We do not change the formula for Federal aid, but, in order to enable the States to apply for the construction of the needed improvements on this interregional system we do provide this money so as to supplement the 50 percent that they contribute where there is 50 percent obtaining.

The committee considered this provision very carefully. This bill comes before you with the unanimous report of the committee. The State highway department, the Commissioner of Public Roads asked us to include not $70,000,000 but $210,000,000 for this purpose, because, I remind you, that in the Defense Highway Act of 1941 the Congress of the United States on the strategic highways for national defense, under the terms of that act, paid 75 percent of the construction of those highways, substantially synonymous with the interregional highways. The Government paid under the act of 1941 three-quarters of the cost of the roads. We must be constructive. We must provide for needs as they arise. We have a report from the Commissioner of Public Roads—House Document 249, Eighty-first Congress—recommending among other things that it is imperative for the public benefit that our interregional or interstate or national defense system of highways be improved, that they be widened and that such improvement is essential in national defense.

I now yield to the gentleman from Nebraska.

Mr. STEFAN. I just wanted to ask the gentleman if he desired to clarify his statement that this was for the completion of the interregional system.

Mr. WHITTINGTON. I thank the gentlemen. I intended to say, and I think I did say, that it was to encourage construction and to promote improvement of parts of the interregional system. Only about $1,000,000 of Federal-aid funds have been used on the interregional system and only about 5,000 miles have been completed in the past 5 years. It is important that the improvement be stepped up for if the present rate of improvement and construction continues it would take at least 40 years to improve the system. We may have another war before 40 years.

Mr. STEFAN. Then $140,000,000 in 2 years will not complete the system.

Mr. WHITTINGTON. No; it will take 40 to 90 years to complete that system and rebuild it according to the testimony before our committee, unless there are increased provisions made for the construction of the interregional system.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. CUNNINGHAM. And changing the formula as proposed in the amendment will not decrease the amount to be furnished by the Federal Government, will it?

Mr. WHITTINGTON. It certainly will not, and it will not interfere with the formula that now exists that is provided for in this bill for matching Federal aid primary, secondary, and urban roads. It will increase only the Federal contribution as provided in the section when the States apply for the construction or reconstruction or rebuilding of those parts of the primary and urban roads that are in the interregional system.

Mr. CUNNINGHAM. But there is nothing in the bill to prevent any State from going ahead as fast as it wants to in road building, is there?

Mr. WHITTINGTON. Absolutely not.

Mr. CUNNINGHAM. That would be in addition to the amount to be furnished by the Federal Government.

Mr. WHITTINGTON. There is nothing to prevent that at all.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I yield.

Mr. McGREGOR. I am sure the gentleman does not want to leave a false impression; does the chairman intend to leave the impression that it does not make any difference in the amount furnished by the Federal Government whether it is furnished on the 50–50 basis or on the 75–25 basis?

Mr. WHITTINGTON. I want it to be absolutely clear; none of these roads pass through my district. This does increase the Federal contribution for roads in the interregional system that are applied for by the States. The initiative lies with the States. But I want to make it equally clear that the increase of the Federal share will not be more than 25 percent and that it is applicable only to the $70,000,000 and only to the interregional system. There is no change whatever in the principle of matching Federal-aid funds under the $500,000,000 authorized.

Mr. McGREGOR. Then, the gentleman from Iowa was in error.

Mr. WHITTINGTON. I think not. The gentleman from Iowa stated that changing the formula under the $70,000,000 would not decrease the amount to be furnished by the Federal Government. I agreed with him. It is the most constructive provision in this bill, carried for the first time. If we want to provide for the needs of the Nation we must go forward; we cannot stand still. For my part, in the improvement of the highways of the country I propose to go forward at least to the extent of making this rather modest authorization for the interregional system of our Nation.

The CHAIRMAN. The time of the gentleman from Mississippi has expired; all time on the pending amendment has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. McGREGOR].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 20, noes 34.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, I make the point of order that a quorum is not present.

Mr. WHITTINGTON. Mr. Chairman, I move that the Committee rise and on that I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WHITTINGTON and Mr. McGREGOR.

The Committee divided; and the tellers reported that there were—ayes 17, noes 70.

So the motion was rejected.

The CHAIRMAN. The Chair will count on the point of order that a quorum is not present. [After counting.] One hundred and thirteen Members are present, a quorum.

The Clerk read as follows:

SEC. 3. For the purpose of carrying out the provisions of section 23 of the Federal Highway Act (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of $20,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953; and (2) for forest development roads and trails the sum of $17,500,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953: *Provided*, That, immediately upon the passage of this act, the appropriation herein authorized for forest highways for the fiscal year ending June 30, 1952, shall be apportioned by the Secretary of Commerce for expenditure in the several States, Alaska, and Puerto Rico, according to the area and value of the land owned by the Government within the national forests therein which the Secretary of Agriculture is hereby directed to determine and certify to him from such information, sources, and departments as the Secretary of Agriculture may deem most accurate, and hereafter, on or before January 1 next preceding the commencement of each succeeding fiscal year the Secretary of Commerce shall make like apportionment of the appropriation authorized for such fiscal year: *Provided further*, That the Commissioner of Public Roads may incur obligations, approve projects, and enter into contracts under the apportionment of such authorizations, and his action in so doing shall be deemed a contractural obligation of the Federal Government for the payment of the cost thereof: *Provided further*, That the appropriations made pursuant to authorizations heretofore, herein, and hereafter enacted for forest highways shall be considered available to the Commissioner of Public Roads for the purpose of discharging the obligations created hereunder in any State or Territory: *Provided further*, That the total expenditures on account of any State or Territory shall at no time exceed its authorized apportionment: *And provided further*, That appropriations for forest highways shall be administered in conformity with regulations jointly approved by the Secretary of Commerce and the Secretary of Agriculture.

Mr. VURSELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a member of the Public Works Committee I should like to say that in the hearings before the committee one could not help but be impressed from the volume of testimony given by directors of various State highway departments and by the Commissioner of Public Roads here in Washington, with the fact that due to the war and increased traffic, more roads over the past few years have been worn out than there has been new miles built. I think we have about 3,000 miles less roads in first-class condition today than we had in the beginning of the war.

Sufficient transportation for the distribution of goods will speed up and increase the economy, or income of the Nation. The lack of good roads conversely will slow down the production and thereby the volume of business in the Nation.

This brings us to the consideration of the bill before us which is an extension and continuation of the splendid national road policy laid down in the act of 1944. The bill seeks to provide for the appropriation of funds to continue to carry out this policy of the matching of funds on a Federal and State basis for the year 1952 and 1953. The bill provides for this particular purpose without some expansions provided in the bill, for the appropriation of $500,000,000 for each of the years referred to, of which $225,000,000 has been allocated for projects on the Federal aid primary system.

One hundred and fifty million dollars for projects on the Federal aid secondary highway system.

One hundred and twenty-five million dollars for projects on Federal-aid highway systems in urban areas.

The question may be raised that this is a considerable amount of money in view of our present fiscal condition. When one takes into consideration that the cost of road building has doubled within the last number of years, one can readily see that the amount is not large when applied to the number of miles of roads at present prices that can be built.

We are faced with the necessity, I think, of providing the above amounts designated. It is probably one of the best and most profitable investments that the Federal Government can make in cooperation with the States. Our highways, which have become run-down because of the war, and a continuing greater amount of traffic, must be extended and repaired in the interest of the growing economy of the Nation.

When you take into consideration that we are spending billions of dollars to rehabilitate various European countries, and that we are spending over $500,000,000 a year in the building of roads, transportation facilities, and flood-control projects in Europe, how can one say that we can be justified in not doing this much for the people of America in the way of improving our highway system, and in bringing farm-to-market roads to the rural areas for the convenience of our own people, and to stimulate the productivity and distribution capacity of our own people who are taxed to pay the billions that are being expended in foreign countries.

Mr. Chairman, this money invested in roads, if we do not invest it, in my judgment, will cause a loss to the people of our Nation in the wear and tear of motor vehicles over our roads and in the loss of time which would possibly amount to a total of the $500,000,000 provided for in this bill.

You remember the slowdown of motor traffic, the wear and tear and tremendous expense on motor vehicles in the early days of motor transportation before we had this better highway system. I repeat—this is an investment that cannot be denied the people of our Nation.

FARM-TO-MARKET ROADS

I well recall the debates when we embarked on this greater expansion of road building laid down in the act of 1944. Some of us then insisted, and were successful in securing a greater allotment for the Federal-aid secondary-highway system, including farm-to-market roads. I should like to point out that $150,000,000, or 30 percent of the total amount in this bill is continued for such purpose. I should like to further point out that over 50 percent of the rural roads so necessary to our people have not yet been improved under this particular provision of the bill.

In my district in southern Illinois, while we have made considerable progress along this line, yet it is my belief that far over 50 percent of the county and township roads have not been able to participate under this particular section of the bill.

And at this time, I would like to call your attention to the fact that it seems that the State directors of the public-roads divisions of the various States have not given the sufficient attention and cooperation to the county and township officials in pushing forward the improvement of county and township farm-to-market roads that the Congress intended they should do when the act was passed in 1944.

Mr. Chairman, as I recall, this question was raised when the act was extended in the Eightieth Congress, which wisely, in my judgment, tried to call the attention of this lack of cooperation to the Commissioner of Public Roads here in Washington, and particularly to the various State directors whose duty it was to extend full cooperation to county and township road officials.

At that time there was written into the act the following amendment:

In selecting county and township roads on which funds are to be extended, State highway departments shall cooperate with the township trustees and other appropriate local road officials.

I hope in the future that better cooperation will be extended to the end that the farmers of my district and the Nation will speedily obtain better roads so necessary over which to move their products from the farm to the local markets, and the markets of the Nation. Better roads will cause much greater investment in the building of more productive farm land, better homes and buildings on the farms, greater production, greater comforts and conveniences in farm living, which will help to keep the young men and women on the farms where they can make a greater contribution to their community, State, and Nation.

To my mind, this is one of the best sections of the bill and will probably make the greatest contribution to the public welfare of any section of the bill. As a member of the committee, after hearing all of the testimony presented, I am confident that the bill should be passed in the interest of the Nation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman actually believe we are rehabilitating the rest of the world with the billions of dollars we are spending abroad, or are we just giving away some money?

Mr. VURSELL. At any rate, we are spending the money, too much I think, but a lot of it is going for that purpose.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Missouri.

Mr. SHORT. I am glad the gentleman from Illinois has pointed out that this is not a gift but is a wise investment and will pay great dividends not only in the economic sense but in that it will save many lives. As the gentleman well knows, transportation wins or loses wars as well as determines our domestic economy.

Mr. VURSELL. I find myself in full agreement with the gentleman from Missouri.

Mr. TABER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, this bill provides for $1,273,000,000. It is $70,000,000 more a year than was provided 2 years ago. That means it is $140,000,000 more. I know in my territory they are building roads with this money, which roads do not need to be built. I know they are getting into extravagances that they do not need to indulge in. The trouble with this whole set-up is that the over-all statute provides they can enter into contracts for the expenditure of this money without any appropriation and without any immediate survey being made of the needs that might arise. That is one reason why they are indulging in these extravagances. Frankly, I cannot vote for this bill. It goes way beyond what we ought to try to do, especially being in the situation that we are in. The Treasury is dead broke and we have obligations to meet in connection with our national defense. I think it is very dangerous for us to go ahead and think of nothing but improving the deficiencies and enlarging the deficit. Frankly, I am perhaps an exception to the general rule. I believe in economy, not only in our appropriations for foreign aid, but I also believe in economy in our domestic affairs. I even went so far as to believe in economy on that foolish performance of the sesquicentennial celebration.

I hope we will recover back what money is left as a result of that foolish performance.

I just wish that this could be put up on a business basis, so that they would be required to justify what they intend to do each time, before they start in obligating the Government of the United States.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. GROSS. In section 2, which we tried to strike out a little while ago, we heard a great deal of talk about the need for building defense highways in the country. Is it specified under section 2 that this money is to be spent for defense highways?

Mr. TABER. Not as far as I can read it. I cannot find it in there.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WHITTINGTON. That which is called interregional is also called the defense highway system, as is shown by the reports that I have before me and that have been submitted to the committee.

Mr. GROSS. I would like to see one bill come into this House for the spending of money in which they did not allude to the dire necessity for defense. Ninety-nine percent of the bills coming in here are passed because they are necessary for the defense of this country. I believe in the defense of this country but I do not like to see every bill brought in here predicated upon that argument.

Mr. TABER. That is correct. Frankly, I cannot vote for this bill.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has expired.

The pro forma amendment was withdrawn.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes, and I ask for recognition.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I have high regard for the views of my good friend from New York [Mr. TABER]. This bill does provide for $1,270,000,000 substantially over a period of 2 years. It provides for $636,000,000 annually, assuming that all of the appropriations are made. It is substantially the same authorization that has been passed every 2 years, except for the amounts, since 1921. If there is one State that is spending more money, both Federal aid and local, than another in the United States it is the State of New York. They are constructing, at a cost of many millions of dollars, a throughway there. They are undertaking to meet the increasing needs for highways in the United States.

The gentleman from New York [Mr. TABER] complains of the contract features of this bill. Those features are applicable only to the Federal-aid, primary, secondary, and urban roads. They are not applicable to the forests or to the park and other authorizations in this bill. They have been contained in every bill that has been passed since the Highway Act of 1921 as amended in 1925. They protect the Federal Treasury, for, instead of appropriating the full amount of the authorizations, these contract provisions enable the legislature to match those funds. Forty-four of the legislatures meet in 1951. Ordinarily, after they have been apportioned, it takes from 12 to 24 months to prepare the plans. The gentleman came before the committee in the Eightieth Congress with respect to this contract feature, in connection with my good friend, the gentleman from Massachusetts [Mr. WIGGLESWORTH], and made the same proposal, and it was there shown, and I emphasize now the fact, that it may be 2 years before the appropriations that have already been authorized will actually be made. It is a question of whether or not you want to appropriate the funds, let them lie idle in the Treasury, or make the appropriations as the works are completed.

So I assert that it is in the public interest to provide for this contract feature, as we have done for 25 years. It has been done. It has been tried. It has been tested. It has been in force ever since the Budget and Accounting Act was passed during the Harding administration.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In just a moment. Furthermore, under the terms of this bill it does provide for an increase of $70,000,000. We retained the fundamental principle of matching on Federal aid primary, secondary, and urban roads. That seventy million applies to the interregional system. That is synonymous with the national defense system. If we are to provide for national defense in Europe and in Asia, and with our experience in World War II, certainly we can do no less than to provide for the transportation that is absolutely essential to production, in the event of world war III.

In this connection I say in conclusion that the people of the United States are paying in Federal use taxes every year for these roads. In 1949 they paid $1,326,054,091. Those who pay these taxes are entitled to the roads, and we can do no less than to provide for substantially the amount that is being paid in the form of Federal gasoline taxes of 1½ percent. The provisions of this bill for $500,000,000 were contained in the bill when the Eightieth Congress considered it when it passed the House. It went to the other body and after several days of conferences the other body's representatives in control at that time insisted upon a reduction. It may be of interest to note that the two Senators who insisted upon it were defeated in the very next election.

Mr. TABER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Mississippi has expired, all time has expired.

Mr. WHITTINGTON. Mr. Chairman, notwithstanding the expiration of time I ask unanimous consent that it may be extended 2 minutes in order that I may yield to the gentleman from New York for a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I yield to the gentleman from New York.

Mr. TABER. My objection has been to that contract feature, that there is no detailed review ahead of the starting in of that contract proposition, and there needs to be because of extravagances about which I know in the construction of highways way beyond the requirements of the territory.

Mr. WHITTINGTON. The gentleman stated that in his remarks a few minutes ago.

Mr. TABER. That is why I objected to it, because there was no detailed review. That is why we are presented with a mess instead of a real forward-looking program that will benefit the country.

Mr. WHITTINGTON. Mr. Chairman, there is a kind of economy that is constructive; there is such a thing as economy that is destructive. I repeat that if the gentleman's contention were to prevail, member as he is of the Committee on Appropriations, honoring him as I do, that the Federal Government would have been required during this fiscal year to have made twice the appropriations that we are making for Federal-aid roads. By this provision the money remains in the Federal Treasury until the contracts have been completed or payments for work done are required. The testimony shows that all of the States need the amounts that will be apportioned to them for the next two fiscal years, and in fact it shows that much more will be needed than is authorized. It will take some ten billion alone to strengthen, widen, and reconstruct the interregional system. The Joint Committee on the Economic Report estimates today that the deficiencies of roads, streets, and highways in the United States amounts to over $41,000,000,000. The contract provisions in the pending bill and in all previous highway acts are most important. The roads are selected by the State highway departments and in the case of secondary roads by the county or township supervisors, and they are approved by the Commissioner of Public Roads. The contract provision is absolutely essential to the sound working of the Federal-aid program. If the contention of my friend, the gentleman from New York, prevailed, the Committee on Appropriations would select the roads or parts of roads to be constructed in every State. I prefer the provisions of the pending bill and of all previous Federal-aid legislation under which the State highway departments select the roads and build them after they have been approved by the Commissioner of Public Roads. The public interest will be promoted by passing the pending bill to match the $500,000,000 authorized for primary, secondary, and urban roads, and for $70,000,000 with which to increase the Federal share on the interregional highway system for the general convenience and to promote national defense. By all means the contract provision should obtain.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired; all time on this section has expired.

The Clerk read as follows:

SEC. 4. (a) For the construction, reconstruction, improvement, and maintenance of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953: *Provided*, That of the sum authorized by this subsection for each fiscal year not more than $4,000,000 shall be used for the maintenance of such roads and trails and not more than $1,000,000 shall be used for the construction of minor roads and trails: *Provided further*, That hereafter appropriations for the construction, reconstruction, and improvement of such park and monument roads shall be administered in conformity with regulations jointly approved by the Secretary of the Interior and the Secretary of Commerce, and projects for the construction, reconstruction, and improvement of such park and monument roads shall be agreed upon jointly by the Secretary of the Interior and the Secretary of Commerce.

(b) For the construction and maintenance of parkways, to give access to national parks and national monuments, or to become connecting sections of a national parkway plan, over lands to which title has been transferred to the United States by the States or by private individuals, there is hereby authorized to be appropriated the sum of $13,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953: *Provided*, That of the sum authorized by this subsection for each fiscal year not more than $500,000 shall be used for the maintenance of parkway roads and not more than $400,000 shall be used for the construction of minor roads and trails within parkway boundaries: *Provided further*, That hereafter appropriations for the construction of parkways shall be administered in conformity with regulations jointly approved by the Secretary of the Interior and the Secretary of Commerce, and projects for parkway construction shall be agreed upon jointly by the Secretary of the Interior and the Secretary of Commerce.

(c) For the construction, improvement, and maintenance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $6,000,000 for the fiscal year ending June 30, 1952, and a like sum for the fiscal year ending June 30, 1953: *Provided*, That the location, type, and design of all roads and bridges constructed shall be approved by the Bureau of Public Roads before any expenditures are made thereon, and all such construction shall be under the general supervision of the Bureau of Public Roads.

SEC. 5. All provisions of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838), and the provisions of the Federal-Aid Highway Act of 1948, approved June 29, 1948 (62 Stat. 1105), not inconsistent with this act, shall remain in full force and effect.

SEC. 6. That section 14 of the Federal Highway Act, approved November 9, 1921 (42 Stat. 212), is hereby amended to read as follows:

"SEC. 14. It shall be the duty of the State to maintain any highway within its boundaries after construction under the provisions of this act. If at any time the Commissioner of the Bureau of Public Roads shall find that any such highway in any State is not being properly maintained he shall call such fact to the attention of the highway department of such State and if within 90 days after receipt of such notice said highway has not been put in a proper condition of maintenance, then the Commissioner of Public Roads shall withhold approval of further projects in such State until such highway has been restored to a proper condition of maintenance: *Provided*, That in any State wherein the highway department is without legal authority to maintain a highway so constructed as a secondary or an urban road project the highway department of such State shall enter into a formal agreement with the appropriate officials of the county or city in which such highway is located for its maintenance, and if at any time the Commissioner of Public Roads shall find that such highway is not being properly maintained he shall call such fact to the attention of the highway department of such State and if within 90 days after receipt of such notice said highway has not been put in proper condition of maintenance then the Commissioner of Public Roads shall withhold approval of further secondary or urban road projects in such county or city until said highway shall have been placed in a proper condition of maintenance."

SEC. 7. That subsection (a) of section 5 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838), is hereby amended by increasing the Federal share payable on account of the costs of rights-of-way from "one-third" to not exceed "one-half" of such costs.

SEC. 8. Section 3a of the Federal Highway Act of November 9, 1921, as amended by the act of February 20, 1931 (46 Stat. 1173), is hereby amended to read as follows:

"SEC. 3a. That the Secretary of Commerce is authorized to cooperate with the State highway departments and with the Department of the Interior in the construction of public highways within Indian reservations and national parks and monuments under the jurisdiction of the Department of the Interior, and to pay the amount assumed therefor from the funds allotted or apportioned under this act to the State wherein the reservations and national parks and monuments are located."

SEC. 9. Not to exceed $10,000,000 of any money heretofore or hereafter appropriated for expenditure in accordance with the provisions of the Federal Highway Act, as amended and supplemented, shall be available for expenditure by the Commissioner of Public Roads, in accordance with the provisions of the Federal Highway Act, as amended and supplemented, as an emergency relief fund, after receipt of an application therefor from the highway department of any State, in the repair or reconstruction of highways and bridges on the primary or secondary Federal-aid highway systems which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States, and there is hereby authorized to be appropriated any sum or sums necessary to reimburse the funds so expended from time to time under the authority of this section: *Provided*, That no expenditures shall be made with respect to any such catastrophe in any State unless an emergency has been declared by the Governor of such State and concurred in by the Commissioner of Public Roads: *Provided further*, That the Federal share payable on account of any repair or reconstruction project provided for by funds made available under this section shall not exceed 50 percent of the cost thereof.

SEC. 10. The Commissioner of Public Roads is authorized and directed to assist in carry-

ing out the action program of the President's Highway Safety Conference and to cooperate with the State highway departments and other agencies in this program to advance the cause of safety on the streets and highways: *Provided*, That not to exceed $75,000 shall be expended annually for the purposes of this section.

SEC. 11. The Secretary is authorized to delegate to the Commissioner of Public Roads any authority vested in him by this act.

SEC. 12. If any section, subsection, or other provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of this act and the application of such section, subsection, or other provision to other persons or circumstances shall not be affected thereby.

SEC. 13. That all acts or parts of acts in any way inconsistent with the provisions of this act are hereby repealed, and this act shall take effect on its passage.

SEC. 14. This act may be cited as the "Federal Aid Highway Act of 1950."

Mr. WHITTINGTON (interrupting the reading of the bill). Mr. Chairman, after conferring with the ranking minority member and other members of the committee, and in order to facilitate the orderly consideration of the bill, inasmuch as we have passed the main provisions of the bill and the main authorizations, the others being for national parks, national monuments, and forest roads, and some clarifying amendments, I ask unanimous consent that the remainder of the bill be considered as read, be printed in the RECORD at this point, and be open to amendment; that the Chairman call the numbered sections consecutively for amendment until the last section has been disposed of. This will not prevent the offering of amendments but will facilitate the consideration of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Are there amendments to section 4?

Mr. O'KONSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI: On page 8, line 13, strike out "$6,000,000" and insert "$8,000,000."

Mr. O'KONSKI. Mr. Chairman, my amendment will increase the authorization for roads on Indian reservations and Indian lands from the sum of $6,000,000 to a total of $8,000,000.

When you consider that the roads on Indian reservations and Indian lands of the United States comprise some 20,000 miles of road, and you are allowing the magnificent sum of $6,000,000 to take care of these 20,000 miles of road on Indian reservations and Indian lands, perhaps it would be just as well if we did not appropriate anything at all for maintenance of those roads. Dividing 20,000 miles into the sum of $6,000,000, you get the measly sum of $300 per mile of road. How much of a road can you maintain for $300 per mile?

The difficulty in dealing with Indian roads and Indian lands is the difficulty that we have experienced in Congress all the way through. We show an abject amount of neglect of the Indian problem until an expose occurs, something like happened a year ago in reference to condition of the Navajo Indians. Then we hurry up and appropriate haphazardly eighty or ninety million dollars to take care of the problem that should have been taken care of as the years went by.

The Bureau of Indian Affairs asked for the sum of $13,900,000 to do the job that it thought ought to be done. The amendment I propose does not give the entire amount asked by the Bureau of Indian Affairs. It merely raises the amount from $6,000,000 to $8,000,000. I am sure that the members of the committee when they realize 20,000 miles of road have to be taken care of, and when they realize the importance of taking care of those roads and doing something to help solve the Indian problem throughout the United States of America, will reconsider and raise this small amount from $6,000,000 to $8,000,000 so that a better job can be done.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The bill that was originally introduced and considered by the committee before the committee rewrote the bill and before this bill we have before us was introduced only provided $4,000,000. On account of the floods that have occurred in North Dakota, through the request of a number of our colleagues who are interested in Indian lands, the committee increased the amount to $6,000,000, which is the largest authorization ever carried in any bill.

May I say in this connection that I have before me the amounts of authorizations that have been made up to and including the present fiscal year for Indian lands under the acts of 1944 and 1948, and I find that there are authorized $17,649,000 that have not been appropriated. In view of the unappropriated funds heretofore authorized, notwithstanding our sympathy for the Indians, and they are in distress because of the floods in several of the States, the committee feels this is a most generous authorization in the pending bill.

Mr. O'KONSKI. I appreciate the contribution made by the distinguished gentleman from Mississippi and I respect his judgment a great deal; however, I think that this authorization should be increased from $6,000,000 to $8,000,000. The committee was gracious enough, as the chairman pointed out, to raise the sum, after we appeared before the committee, from four to six million dollars, which is very much appreciated.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield to the gentleman from Michigan.

Mr. DONDERO. I call the attention of the gentleman to the fact that this is the amount carried in the bill in 1948. When you consider the $17,000,000 on hand, plus the $12,000,000 which this bill will carry in 2 years, there will be nearly $30,000,000 to be expended on Indian reservation roads. It does seem to me that is ample and adequate to take care of the problem.

Mr. WHITTINGTON. And as my colleague will recall the act of 1944 carried $6,000,000 for this purpose, as did the act of 1948.

Mr. O'KONSKI. I realize and appreciate the position of the leaders of the Public Works Committee. I know that our job lies not so much with the members of this distinguished committee as with the members of the Appropriations Committee to try to get the adequate amounts to do the right kind of job by the Indian Bureau in the field of roads.

Mr. DONDERO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. Chairman, the committee raised the amount in question 50 percent before reporting this bill to the floor. With the amounts remaining unobligated and on hand, it seems to me we are providing generously for Indian roads. No harm will be done the program by sustaining the amount specified in the bill. I therefore think the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI] should not be approved, and I ask that it be rejected.

Mr. WIER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I merely wish to call attention to the fact that I shall support the amendment offered by the gentleman from Wisconsin on the basis of the destruction that has occurred by reason of the terrific floods in North Dakota and Minnesota. Considerable of that destruction has been in the territory of Indian reservations. I want the Members to take cognizance of the fact that millions of dollars worth of roads and bridges have been destroyed in the State of Minnesota, in the State of North Dakota, and down through South Dakota. I think it is very worthy that some consideration be given in the provision of this extra $2,000,000. I know the $2,000,000 the gentleman attempts to add as an amendment is limited to Indian reservations, but that will help both Minnesota and North Dakota in the rehabilitation of utterly destroyed highways and roads.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 4?

Are there any amendments to section 5? Section 6? Section 7? Section 8? Section 9?

Mr. HOLMES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLMES: On page 10, line 23, after "SEC. 9." insert "(a)" and on page 11, after line 22, insert the following:

"(b) The Commissioner of Public Roads is authorized to provide for the construction, reconstruction, or improvement of roads (including defense service roads, bridges, tubes, and tunnels) in order to provide access and service to military, naval, and air force reservations, facilities, and installations, and to defense industries and defense facilities and installations; and in order to correct critical deficiencies in existing roads in adjacent communities on which

there is serious congestion due primarily to traffic generated by military, naval, and air force reservations, facilities, and installations, or by defense industries and defense facilities and installations, when such roads are certified to the Secretary of Commerce as essential to the national defense by the Secretary of Defense, the Chairman of the Atomic Energy Commission, the Chairman of the Munitions Board of the Department of Defense, or by the Chairman of the Research and Development Board of the Department of Defense. Not to exceed $10,000,000 of any money heretofore or hereafter appropriated for expenditure in accordance with the provisions of the Federal Highway Act, as amended and supplemented, shall be available for expenditure by the Commissioner of Public Roads in accordance with the provisions of such act in carrying out the provisions of this section and there is hereby authorized to be appropriated any sum or sums necessary to reimburse the funds so expended from time to time under authority of this section: *Provided*, That the Federal share payable on account of the construction, reconstruction, or improvement of any such road pursuant to this section shall not exceed the Federal pro rata share of the cost of projects authorized by the Federal Highway Act, as amended and supplemented, in the State in which such construction, reconstruction, or improvement work is undertaken."

Mr. HOLMES. Mr. Chairman, this amendment to section 9, starting at the bottom of page 10, does not change the total authorization of the bill one dollar. It does set aside a $10,000,000 fund to be administered by the Public Roads Administration in exactly the same manner as the Committee on Public Works has set aside certain sums of money in the past and in this bill for administering emergency funds.

There are areas within the United States, which might be termed "defense areas," where, I believe, the authority contained in this amendment is required for two reasons: First, to permit prompt and rapid evacuation should any emergency or defense purpose make necessary such evacuation; second, to meet present-day emergency conditions arising from the establishment of military installations or defense plants in an area where the present highway system is inadequate. These two reasons involve both security and efficient operations at these installations.

This amendment will give to the proper Federal agencies necessary authority to cooperate with State agencies. It will permit the allocation of funds out of the total authorized appropriations for the Federal Aid Road Act, and thus not require any additional money authorization to that proposed in H. R. 7941.

The administration of the authorization is properly safeguarded through the requirement for certification by the Department of Defense, the Atomic Energy Commission, and so forth. It conforms with the policy followed by Congress in providing emergency funds to meet extraordinary conditions. It follows also the pattern of the Public Roads Administration in its program, and the language is in a form to meet and conform with Public Roads Administration procedure.

The suggestion has been made that there already is legislation on the subject covered by the bill. This, however, is not the case. Section 6 of the Defense Highway Act of 1941, approved November 19, 1941—Fifty-fifth Statutes, page 765—provided for the construction of roads to military and naval reservations and to defense industries and defense-industry sites during the period of the emergency when certified as being important to the national defense by the Secretary of War or the Secretary of the Navy. Section 6 of said act authorized appropriations for paying the entire cost of the construction of such roads when so certified. However, the act approved July 25, 1947—Public Law 239, Eightieth Congress—contained the following provisions:

That the following statutory provisions are hereby repealed: * * *. The provisions of the act of November 19, 1941 (55 Stat. 765), as amended, relating to the availability for obligation of funds appropriated pursuant to said act, as amended, except that such funds shall remain available for the completion of access-road projects which are now under construction.

The effect of the above clause is to terminate the availability of funds under section 6 of the Defense Highway Act except as to such funds as were permitted to remain available for the completion of access-road projects then under construction. There is not, therefore, any law now in effect which authorizes the construction of such access roads and provides funds for that purpose.

The purpose of this amendment is to make provision for meeting situations such as outlined above, when certified as necessary in connection with the national defense. It follows the pattern of legislation which has been enacted by Congress over a long period of years with respect to relief in emergencies. In other words, it provides a stand-by authority which can be invoked in conformity with the provisions of the amendment, and would make it unnecessary for Congress to provide more specific legislative authority and funds for the purpose in individual instances that may arise.

The need for this legislation was brought to my attention particularly by conditions existing in the Columbia Basin west of the Columbia River resulting from the establishment of the Hanford Engineer Works of the Atomic Energy Commission there. This plant was, of necessity, located in a sparsely settled area. It has resulted in a tremendous increase in population, which has created many complex problems in community life, not only for the Government city of Richland, but also for the two neighboring cities of Kennewick and Pasco, both of which have doubled and tripled in population. The problem is again multiplied by the recent announcement that troops will be garrisoned in the Hanford area beginning April 1. The construction program to furnish quarters for these troops will begin soon after July 1, it is expected, and this will add an additional burden because of the workmen coming into the area on this new construction.

One of the chief problems has been an increasingly difficult traffic situation directly attributable to the lack of sufficient bridge facilities across the Columbia River. This, in turn, has pointed up the national-defense problem as to what could be done in the event any evacuation of that area might become necessary. Should any emergency arise, through any cause whatever, calling for rapid evacuation of the area to the west of the Columbia River, there is, at present, no way by which either the Government force or civilian personnel could be moved across the Columbia River and to the east or southeast because of the lack of facilities to cross this great river. There is, at present, only an inadequate narrow two-lane, State-owned bridge, built in 1922, to permit crossing of the river and to handle traffic. This traffic, verified by a State highway department count in 1948, totaled 104,000 vehicles in a week, and a later count totaled 18,000 vehicles in 24 hours. In any emergency there would be at least 75,000 to 100,000 people to evacuate, an impossible task as conditions now exist, should it be necessary to do so quickly.

There is no highway bridge to the north on the Columbia River from Kennewick except the Vantage Ferry bridge on route 10, a distance of some 75 miles. To the south on the Columbia River, there is no highway bridge until you reach the White Salmon-Hood River bridge, which is just 65 miles out of Portland, Oreg., and a journey of about 150 to 160 miles from the Kennewick-Pasco bridge. It would be impossible to get to the Vantage Ferry bridge because it would require going straight through the Hanford Reservation or through a very circuitous route farther west.

The State highway department, realizing the emergency, has made a thorough study of the necessity for a new bridge at that location. In predicting the traffic for the future in this area, it is indicated that by 1951, if a bridge could be completed by that time, there would be on the existing bridge an annual average daily count of 8,707, and on a new structure, a count of 11,190.

The existing bridge between Pasco and Kennewick is only 19 feet between curbs. Of the average of 16,234 vehicles using the bridge daily, the State highway department advises me that an origin-destination survey shows an average daily traffic count of 9,150 vehicles using the present bridge, which was entirely generated by reason of the installation at Richland. I am advised by the State highway department that application was made some time ago through the Public Roads Administration, supported by a resolution from the House of Representatives of the State of Washington, for an allocation of Federal money as a matching fund to enable the State highway department to construct a bridge across the Columbia River between Pasco and Kennewick capable of handling the increased traffic at that point. As explained before, funds could not be allocated until legislation of this nature could be passed.

I urge favorable consideration by the House of this proposed amendment.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. JOHNSON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHNSON. As I understand it, in the event that the appropriate military officials certify the need for a road, then the Public Roads Commission has the right to allocate the funds for that road?

Mr. HOLMES. Yes; under the limitation of a fund of money which I have asked to be set aside, in the amendment, of $10,000,000 will be used in extraordinary circumstances by the certification of the Public Roads Commission and the Department of Defense in exactly the same manner as they handle extraordinary situations with flood moneys.

Mr. JOHNSON. I know of two installations in southern California out in the Mojave Desert, which are very much isolated from the rest of the world. Would that kind of installation be eligible in the event a proper certification is made and if they could convince the Roads Commission? Then could they get some highway relief?

Mr. HOLMES. Yes; they would.

Mr. JOHNSON. If the gentleman's amendment is adopted, it does not increase the amount authorized by this bill?

Mr. HOLMES. No; it does not increase the amount by a single dollar.

Mr. JOHNSON. It only carves out a maximum of $10,000,000 from the full amount of the authorization. Is that not correct?

Mr. HOLMES. That is correct, plus the fact, may I say to the gentleman from California, that this amendment operates in the same manner as a 50–50 matching fund with the various areas that are involved that is with certified projects. While during the war emergency the Government paid the entire bill.

Mr. JOHNSON. In other words, if that were done in my State, California would match the amount on the basis of 50 percent?

Mr. HOLMES. That is right.

Mr. JOHNSON. And that would be the situation in every other State?

Mr. HOLMES. That is right.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield.

Mr. DONDERO. What does the gentleman's amendment provide as to where this money would come from?

Mr. HOLMES. It would come out of the authorization in the bill.

Mr. DONDERO. So that, if the gentleman's amendment prevails, the amount to be set aside would lower the other authorizations in the bill which are intended for other purposes?

Mr. HOLMES. It would only be involved in handling that particular type of emergency and extraordinary conditions, as you do in flood-control work.

Mr. DONDERO. Is this the same amendment that the gentleman proposed before the committee?

Mr. HOLMES. That is right.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. HOLMES. I yield to the distinguished chairman.

Mr. WHITTINGTON. The gentleman is being very frank, but that is not the whole story. There is a little word, to wit: "revolving." As I recall the amendment and as I recall the gentleman's bill, it might involve $10,000,000 or it might involve $20,000,000 or it might involve a great deal more. It is indefinite on the face of it.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HOLMES. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. HOLMES. In reply to the distinguished chairman, the amendment is limited to the $10,000,000 fund. That is a limitation placed in the amendment.

Mr. WHITTINGTON. With all due deference, that means a revolving fund, and it is to begin with $10,000,000, but it may aggregate $100,000,000 before we get through.

Mr. HOLMES. It does not have to be replenished past the $10,000,000 point until it is used up under the language of the amendment and only after proper certification of a project by the Public Roads Administration and the Department of Defense.

Mr. WHITTINGTON. Well, certainly not.

Mr. HOLMES. I hope the committee will give favorable consideration to the amendment.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I ask for recognition.

Mr. Chairman, translated, the amendment offered by the gentleman from Washington [Mr. HOLMES] means that for the enlargement and building of a bridge across the Columbia River, Washington and Oregon be given preference in the matter of bridge construction in the United States.

The gentleman has a bill that has been considered by our committee. We heard him. The hearings are available to the membership. The committee declined to embrace the provisions of the gentleman's bill and the gentleman's amendment. The committee rejected it, and I think properly so.

Section 9 treats all of the States exactly alike with respect to emergencies. Section 9 is not new law. It obtained in 1934, 1936, and 1943. It provides that in emergencies, in the event of a storm or a catastrophe of any kind, $10,000,000 only—not a revolving fund—$10,000,000 of the funds appropriated as authorized in this bill shall be made immediately available so that if a Federal-aid road or bridge has been destroyed or damaged it would not be necessary to wait until the next session of the Congress to repair it.

The provisions of that section have been tried and approved. That fund has been exhausted. So we ask in this bill, under section 9, that that law be reenacted, because that fund has been exhausted. But the gentleman from Washington [Mr. HOLMES], with respect to an atomic project out there, has got a congested condition. There is a bridge across the Columbia River and congestion obtains when you reach the approaches. That is true whether it is down here at the Fourteenth Street bridge over the Potomac River in Washington, or whether it is a bridge over many other rivers and in many cities and States. That condition obtains generally in the United States. The committee pointed out that in many cities in this country there are rivers that divide cities, and it is just as necessary that additional bridges be constructed in those cities as it is near an atomic energy project, in the gentleman's district.

Out of the billions that we have authorized for that atomic energy project, a railroad has been constructed to reach it. Under national defense, if they need help, as I understand the law, the Atomic Commission has a right to provide funds for the construction of a highway or a bridge. But now, in addition to the funds allocated to his State, the gentleman, vigilant and persistent, I might add, and properly so, in behalf of his constituents, asks the Congress to provide a revolving fund to construct a bridge out there that he is interested in. When that amount of $10,000,000 is used up, without any further authorization it would automatically be replenished. If his bridge is constructed and your bridge is constructed and other bridges are constructed, it might amount to $100,000,000. It is an unsound proposal. In my judgment, if it was essential to national defense, the Atomic Energy Commission that is building a railroad out there, at a cost of something more than a million dollars, as I recall, would have authority, as they did during the war, to construct it. Now, under the guise of providing an additional facility, the gentleman is offering an amendment which would bring forward the law that obtained during the war, that authorized the President of the United States, as Commander in Chief, to construct at Federal expense—except that he would match it—military and other installations.

The committee considered the gentleman's proposal and I think properly rejected it.

I now yield to the gentleman.

Mr. HOLMES. In all due fairness to the gentleman's remarks, this is Nation-wide. It does not pertain just to that particular area.

Mr. WHITTINGTON. Is that a question or a statement?

Mr. HOLMES. It is Nation-wide.

Mr. WHITTINGTON. But, in all fairness, it is intended to apply to the atomic energy project across the Columbia

River, because you are the only Member of Congress who has been before our committee in behalf of a project of this kind. We considered it carefully. We heard you at length, and, in all kindness, if the State of Washington is as much interested as you and the people of your district seem to be, they can match the fund and provide for an additional or longer bridge, just as they can do in many other cities out of Federal-aid funds apportioned to the States.

Mr. HOLMES. Of course, that is what they would do all over the Nation in relation to this amendment, in those acute defense areas.

Mr. WHITTINGTON. Yes, but in peacetime, under the guise of an atomic energy project, you are trying to get out of the funds appropriated for all the people in the United States, enough money set aside so that this bridge may be constructed. In my judgment, the amendment should be defeated.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

The question is on the amendment offered by the gentleman from Washington.

The amendment was rejected.

(The CHAIRMAN called sections 10 to 13, inclusive, for amendment, but none was offered.)

The CHAIRMAN. Are there amendments to section 14?

Mr. KEATING. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the appropriate time, I shall offer a motion to recommit this bill to the Committee on Public Works, with the direction to report the same back to the House forthwith, with a modest reduction of 20 percent in the annual amounts authorized to be appropriated under section 1 for Federal aid to highway construction.

The amount of the saving, if this motion should carry, would be $100,000,000 a year for the 2 years involved, or a total of $200,000,000.

By this amendment I seek to make a modest reduction of 20 percent in the annual amounts authorized to be appropriated under this program for Federal aid to highway construction. The amount of the saving, if the amendment is adopted, would be $100,000,000 a year for the 2 years involved, or a total of $200,000,000.

I would be less than frank were I not to admit at the outset that even if this motion should carry, I would still feel compelled to vote against the bill. The Members are entitled to that frank statement from me at the outset.

Two years ago, when our budget was balanced, we authorized an expenditure of $450,000,000 a year for fiscal 1950 and 1951. Now, when we have been running for 2 years in the red to the tune of over $5,000,000,000 a year, it is proposed to authorize for fiscal 1952 and 1953 even more—$500,000,000 a year, or a total of $1,000,000,000. In addition to that, of course, this bill carries with it authorizations for other road-construction projects not covered by my amendment, amounting to $136,500,000 a year, or a total for the 2 years of $273,000,000.

Good roads are, of course, vital to the welfare and progress of our great country. But the same argument may, with equal force, be advanced regarding many other features of our national life.

We have been presented by the committee, on pages 4 and 5 of the report, with a table showing the amount which each State will receive under this program. The last column gives the apportionment of the total figure of $570,000,000, which is involved in sections 1 and 2, and the next-to-the-last column gives the apportionment of the $500,000,000 figure involved in section 1 alone, to which my motion will be addressed.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I will be very happy to yield to the gentleman from Pennsylvania and others at the end of my remarks that they may inquire what amount their States would receive and what they pay.

Under this program, for instance, New York will receive $31,700,000. But New York's contribution to all Federal-aid programs is 18.35 percent, so that New York citizens will pay $91,700,000 in order to get back $31,700,000 out of the $500,000,000 fund.

Here are the figures on all the 14 States which contribute to Federal road programs more than they receive:

States	Percent contributed to Federal-aid programs	Amount contributed to $500,000,000 Federal road program	Amount received Federal road program
California	7.3	$36,500,000	$26,800,000
Connecticut	1.59	7,900,000	4,800,000
Delaware	.76	3,800,000	2,000,000
Illinois	8.82	44,100,000	21,800,000
Kentucky	2.01	10,000,000	8,400,000
Maryland	2.64	13,200,000	4,900,000
Massachusetts	3.04	15,200,000	9,800,000
Michigan	6.34	31,700,000	17,000,000
New Jersey	2.84	14,200,000	9,500,000
New York	18.35	91,700,000	31,700,000
North Carolina	2.88	14,400,000	11,100,000
Ohio	6.49	32,400,000	19,900,000
Pennsylvania	7.94	39,700,000	23,600,000
Virginia	1.80	9,500,000	8,800,000

The charge may be made by one of the Members from the 34 States which contribute less than they receive under such Federal-aid programs that this attitude is provincial, and that, as Members of the national legislative body, we should look at all of these questions from the point of view of the national interest alone, without regard to their effect on our own constituents. Perhaps there is some merit in that argument. The difficulty is that provincialism is evidenced day in and day out most frequently and most clearly by those who are securing something for their own districts at the expense of everybody else. It is to offset that type of argument, almost daily heard in this body and the other body, that I have felt it desirable to call the attention of my colleagues, particularly those from the States which I have enumerated, to the burden which they are casting upon the people in their own districts by favoring the measure before us, and opposing the motion which I shall offer.

Nor do I concede the charge which will be made that opposition to this bill and the proposal of this motion to recommit stems from an effort to protect only the taxpayers of a limited geographical area.

It seems to me it is the height of irresponsibility in the present precarious state of our Federal finances, faced as we are with inescapable commitments to preserve the security of our country for us, as representatives of all of the people of the United States, to vote an actual increase in authorizations for the construction of highways—surely one activity where prudence would dictate some pruning, rather than enlargement of expenditures.

Despite the honeyed words from high quarters, no responsible official connected with either our Defense Department or our Department of State envisions in the immediate future any substantial reduction in our budgetary provisions for the armed services. Indeed, all the talk, except that of a purely political character, is along the line of a possible increase in these commitments. In the present state of world affairs we dare not, we will not fail to make adequate provision for the needs of our armed services and research projects.

We are a mighty Nation, guarding not only our freedom but the freedom and hope of freemen everywhere. Nothing could be more false or more foolish than to cripple our armed services while the world is in its present state of turmoil and unrest.

In the meantime, however, it is imperative that we reduce our domestic expenses. Projects, buildings, roads, and plans which would have first priority in more normal times must be postponed until such time as we can afford them, or scaled down to meet the capabilities of our people. We are not free agents in the true sense, since a major part of our budget today is determined for us by the despotic rulers of a foreign power.

Our country is undoubtedly the wealthiest, most prosperous nation in the world at the present time, but we must not delude ourselves into thinking that we can afford to waste our wealth on a multitude of peacetime projects, in addition to bearing the tremendous burden of maintaining an adequate defense.

There comes a point in taxation where diminishing returns begin to result. To continue to further expand our economy and our prosperity we must not make the rate of taxation so high that people will not have the incentive to invest their money. In order to preserve our ability to support the Government by taxes we must maintain a sound and prosperous economy.

We must tailor our expenditures to meet the amount of income which the Government receives in the form of taxes. A sound fiscal policy, embracing a just rate of taxation and the practice of economy with regard to normal spending, is the soundest defense policy we can have.

We must not fritter away our wealth and our freedom for the short-lived benefit of special interest groups who put their sectional or political welfare above that of the Nation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, there could be no benefit in defeating communism abroad if we allow ourselves to slip into financial ruin here at home. Moreover, nothing would please the Kremlin and the Communists more than to have the United States, the stronghold of liberty and individual rights, become a victim of our own extravagance.

The reduction which I shall propose in my motion is modest indeed—only 20 percent off the $500,000,000 figure, and only about 10 percent under the last authorization bill which we adopted.

Furthermore, since this is a planning bill for fiscal 1952 and 1953, it cannot successfully be contended that such a reduction will result in any interference with projects already under way. The time has come—indeed, long since was here—for us to begin to cut down on the always enticing, but surely destructive course of raising, year after year, the authorized expenditures for this, that, or the other Federal project. No harm can come to any community by this reduction. On the other hand, a reversal in our profligate policy will be hailed, not alone among those in the 14 States which I have enumerated, but throughout the country, as an indication that it is at long last sinking into our collective consciousness that if our country is to make substantial, constructive progress; if it is to build its future, not on the sands, but on a rock; if it is to maintain its position of world leadership and preserve, not only its own freedom but freedom throughout the world, it can only be done by the careful husbanding of our own resources and the prudent management of our own financial structure.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I would like to have the gentleman quote the figures for Pennsylvania that he did for New York.

Mr. KEATING. Pennsylvania's percentage of contribution to Federal aid programs is 7.94 percent and the amount, therefore, which it contributes to the $500,000,000 is $39,700,000. For that $39,000,000 plus it receives back $23,600,000, or a difference of over $13,000,000.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. May I point out to the gentleman that we had before our committee Mr. B. D. Towney, superintendent of public works for the State of New York.

Mr. KEATING. If the superintendent of public works of the State of New York appeared along with all the other superintendents of public works from other States in favor of this bill, I differ with him just the same as I differ with the others. But I point out to my friend from Alabama that the New York State Assembly has passed a memorializing resolution which I inserted in the RECORD on May 9 and which will be found at page A3418. In that resolution the attention of the New York congressional delegation and others was drawn to the annual tendency to increase these Federal-aid programs—$2,190,000,000 for fiscal 1949, over three billion for fiscal 1950, and approaching four billion for fiscal 1951. Stress was placed on the glaring discrimination and tremendous financial drain suffered by New York State taxpayers under these Federal-aid programs which we were importuned by this resolution to revise to remove the resulting inequities.

I feel reasonably sure that Governor Dewey and the New York State officials would agree with my position on this legislation but if not, with all due deference I must insist that I feel responsible for taking such action as my own conscience, not that of someone else, may dictate.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course everyone admits that we must have highways, but it seems futile to attempt to build highways unless we have some more stringent regulations as to their use.

Driving from Washington to Michigan and also on the return trip, about 675 miles, a tally was kept of the passenger cars on the return trip and of the trucks on the highways. Much to my amazement, on the return trip it was learned that the trucks—and this is almost unbelievable—exceeded in number the passenger cars that met and passed us each way.

This also was learned, that in the villages and towns and cities where pavement had been laid some years ago and was of lighter construction, it was almost completely broken up; that only on the turnpike and perhaps one other stretch of road in Ohio was the pavement what might be now termed passable, usable.

Trucks on the highways apparently are growing larger each year and certainly their speed is increasing. Some trucks at least approximating in weight some of the freight cars.

One member of the State police, commenting upon the subject—and of course I cannot vouch for his accuracy, giving only what he said—stated that the blocks on the turnpike, if one watched them when there was a light rainstorm or when the blocks were wet, those large blocks tilted at the joints, spraying water when some of these trucks went over them.

If that is the condition, and those of you who travel on the main highways are as able as I am to judge, if that is the condition, and it appears to be, have we not reached the time when we must do something to limit the weight and the number of the trucks or build a special roadway for them?

It was only last fall, as I recall, when, coming down the turnpike, there was anywhere from a quarter to a half mile of trucks lined up on the side of the highway. Evidently the State police had found the method of calling into the courts, those who were driving overweight vehicles on the highway and having them fined or occasionally imprisoned ineffectual to stop that practice. So these trucks were lined up, and many of them were being forced to unload before they would permit them to proceed. You can imagine what damage that was to the perishable freight.

That seemed to be the only effective way of controlling that practice of overloading which it was charged was destroying our highways, both State and federally built, to prevent their destruction by those who are using the highways for traffic lanes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Missouri.

Mr. SHORT. Everything the gentleman has said is absolutely true, which is the strongest argument for this bill. Instead of $500,000,000, it should be $1,000,000,000.

Mr. HOFFMAN of Michigan. Oh, well, why not make it $10,000,000,000? Why not make it $12,000,000,000? That kind of argument coming from that source is most surprising. What are the foundations of the gentleman's argument? Only that tax money is unlimited.

I have heard the gentleman express his opposition to appropriations abroad because we have to limit our contributions, because there is a bottom to the barrel somewhere; as to all other sources of supply of anything there is a bottom somewhere.

The gentleman is voicing the old fallacious argument, which I have so many times heard him so eloquently demolish, to wit, that the Federal Government has an inexhaustible source of supply—that there is no limit to the number of dollars that can be collected from taxpayers.

That, as the gentleman himself has often said, is errant nonsense.

If the gentleman is now correct, why not build four-lane highways on the main traveled routes throughout the country? Why not at least a black-top road to every farmhouse?

All are desirable. There is just one reason for not undertaking that program and that is that the money is not available and it cannot with safety to our Nation be made available.

I am not objecting to good highways. Of course, we should have them. The point, and the only point, which I am trying to make is that we should, by some fair and adequate means, at least make some effort to preserve the highways we have, to limit the use of the highways we build, in such manner that they will not be destructively used.

A highway can only sustain a certain load, the amount of which can be easily and accurately determined by engineers and experts.

I am not arguing that the trucks do not contribute by way of tax and license fees a fair sum for the use they make of the highways, for I lack the information

to express a worth-while opinion on that subject.

Permit me to express a doubt that some others who do express opinions on that topic have adequate information.

The point which I am arguing is—and I repeat—that, inasmuch as we all know that the highways will not withstand the pounding they get from ever-increasing loads, the Federal Government make a study of this subject; then build a highway which can adequately carry and withstand the traffic load which is permitted to travel over it.

A truck carrying a load equal to that of some freight cars certainly must be limited as to speed, and it must have a track which is equal to the burden of carrying the load.

Ordinary observation and common sense convince the observing and the thinking individual that highways built for passenger cars and light trucks at moderate speed cannot, with safety to the public or proper conservation of the roadway, be traveled by trucks carrying freight-car loads at express-car speed.

Let us get as much out of the dollar expended for highway purposes as we possibly can. That procedure means more and better roads for everyone.

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 20 minutes, with 5 minutes reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we all admire the ability and relish and appreciate the keen wit, and at times biting sarcasm and irony, of our good friend the gentleman from Michigan [Mr. HOFFMAN]. Those of us who have been privileged to travel through Germany, which is not as large as the State of Texas, but which has 70,000,000 people, have been impressed with her superhighways, the autobahns. Regardless of what we think, however much we might despise and hate Hitler, he did one magnificent job in building autobahns all the way from Friedrichshafen and Mannheim down through Stuttgart and Karlsruhe to Munich, and then up north to Frankfurt, Cologne, and across to Bremen and Hamburg, and down to Berlin, Dresden, and Leipzig, to Hannover and Nuremberg—all over the land, without a single lane coming into the main highway; all overheads and underpasses.

His great mistake was that he neglected his railroads.

I was amazed to find 20 years after being a student in Germany they had the same old rolling stock as when I was a student there. But everyone knows that the building of double-lane highways with a parkway between them, beautiful and not cluttered up with a lot of signs and advertisements, contributes much to the strength of a nation. If there is one thing in which we make a sound, solid investment, I think it is in the construction of roads in this country, which are so lamentably short and in such poor condition.

When you build highways there is absolutely no politics or discrimination involved. Old dealers, New Dealers, Democrats, Republicans, everybody drives over the highways. Every single Member of the Congress, whether you live 50 miles from Washington or 2,500 miles, drives over these highways. Some of our Members have been killed, too, in trying to get back to their duties here in the Capitol. Of course, I believe in economy, may I say to my friend, the gentleman from Michigan. Of course, I have voted against the dishing out of Government largess, particularly to the sending of checks to places where you need to be reelected. I know the Federal Government has been going into Missouri, and they are going into Illinois, and they will even go out to Wyoming and Idaho. They will collect $1,000,000 from you in taxes and then after taking their toll here in Washington, they will send one-third of that amount back to you in checks, a few weeks before election, to keep themselves in power. It is a big brokerage fee.

No one is against that sort of practice more than I am. But here we have something that is sound, sane, sensible, and constructive. The able gentleman from Mississippi [Mr. WHITTINGTON], who does not aspire to come back to the House of Representatives, and who is retiring after these many years of useful service, needs to be listened to, because he spelled it out here.

In answer to my good friend, the gentleman from New York [Mr. KEATING], if you will study the table which is given in the report of the committee, I think the allocation to the different States is fair and equitable. Whether you are from New York or Missouri, when you drive across the country, of course you want good highways and you want bridges. This committee is composed of good men. They have carefully and cautiously considered every item in the bill. As I understand, it was reported unanimously as a result of the close cooperation between the able chairman [Mr. WHITTINGTON] and our distinguished and able friend from Michigan [Mr. DONDERO]. I do not see that there should be any opposition to this bill, and I repeat, instead of providing for $500,000,000, which today does not mean more than $200,000,000 did 15 years ago, it should be much a larger amount. The Eightieth Congress voted $1,500,000,000 for good roads; $500,000,000 a year for 3 years and that was when we Republicans were in control.

I hope we vote on it shortly and pass it overwhelmingly.

The CHAIRMAN. The gentleman from Michigan [Mr. CRAWFORD] is recognized.

Mr. CRAWFORD. Mr. Chairman, I wish to use this 5 minutes discussing this bill and the question of roads and trails.

First, I wish to ask the chairman of the committee to tell us as briefly as possible so as to conserve time, from what source the $1,000,000,000 will come which is provided for in this bill for June 30, 1952, and June 30, 1953? In other words, do I understand that the States will have to match the Federal Government to the extent of 50 percent of this figure?

Mr. WHITTINGTON. For the year 1949 the Federal Government collected $1,326,054,091 in user taxes of which $503,648,471 were derived from the 1½-cent Federal gasoline tax. This bill authorizes $500,000,000 for Federal aid primary, secondary, and urban roads to be matched by the States. It also authorizes $70,000,000 with an increased Federal share to encourage construction on the interrigonal system. The Federal Government pays the entire cost of roads through parks; so, I would say that the people of the United States, the road users, are providing the funds in this bill. The Federal road user taxes amount to about a billion and a half a year, and the tax on gasoline alone at 1½ cents amounts to approximately $500,000,000 annually which is the amount of the authorization for each of the 2 years.

Mr. CRAWFORD. That answers the question: The people who use the roads pay for the roads.

A few months ago we had a steel strike in this country. To keep the automobile factories running in the great State of Michigan it was necessary for the automobile manufacturers to use trucks and airplanes and railroads day and night pushing everything to the maximum to get steel on hand to accommodate payrollees working in the factories during the steel strike so that the automobile business would not have to shut down on account of the steel strike. We had a coal strike; we had a railroad strike a few days ago; and let me say something to all the Members of this House: We are not going to take the trucks off the highways of the United States now or later. Anybody ought to know that who knows anything about the economy of the country; anybody who thinks at all ought to know that the railroads alone cannot serve the economy of the United States.

Anybody ought to know we will have to build stronger roads and wider roads and more roads in order to accommodate the traffic of the United States if we are going to pay 50 percent of the obligations that we have agreed to pay.

The trucks that use the highways pay for the use of those highways, else you can place the responsibility right with the State public utilities commissions who control those trucks. There is no point in getting up here and kicking about the trucks using the highways. I have shipped too many goods all over this country by rail, air, and trucks. So rather than conceding to anybody that you are going to reduce the trucks that use the highways, I say you are going to put more trucks on the highways. If this Congress exercises good judgment in peacetime it will build highways that will accommodate tourist cars and trucks. In wartime, in time of emergency, when there are strikes in our great basic industries, we need these roads, and my friend and colleague, the gentleman from Michigan [Mr. HOFFMAN] knows that just as well as I do.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Why, sure, I know we need military highways.

Does the gentleman know what happened in Germany? The gentleman from Missouri spoke about the highways that Hitler built, and then told how his enemies came in and got into the very heart of the country. I have no grievance against the trucks except I want them to pay their fair share.

Mr. CRAWFORD. They are doing that.

Mr. HOFFMAN of Michigan. That is what the gentleman says.

Mr. CRAWFORD. I say they are doing that or the responsibility lies at the desk of the State public utilities commission. We do not regulate the trucks with respect to the amount they pay for a permit. Congress passes the laws which gives the trucks a chance to apply for an interstate permit so that they may cross State lines. We do not assess for the license plates that they have on that truck. The State public utilities commissions and the Federal regulatory commission assess the charges.

Mr. HOFFMAN of Michigan. Does not the gentleman think the trucks are giving the railways that furnish their own rights-of-way some pretty severe competition just now?

Mr. CRAWFORD. The demands of the traffic in the United States which supports the truck industry create a competitive condition with the railroads, so do the airlines create a competitive condition, so it is the waterways create a competitive condition, but nowhere among all those services have you enough transportation service today to serve the people of this country with expedition if strikes occur or if war is on.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, replying to the gentleman from Michigan with respect to large trucks and large loads may I say that the States pay one-half of the cost of the Federal-aid highways. The States regulate the size of the trucks. A Member of Congress told me two weeks ago Sunday that in coming home he passed in one place a line of about 100 trucks, as he estimated, that were stopped by the authorities of Virginia because they were overloaded. The States levy taxes dependent upon size on trucks and buses. The authorities of the State of Virginia arrested and fined the operators of trucks violating State laws. So do authorities of other States. We want the laws enforced, but the enforcement of those laws and the policing of those highways is with the States.

Mr. Chairman, with respect to the matter of Federal aid and with respect to some States paying more than they receive under the terms of this bill, there have been from time to time a few from several of the States who have opposed Federal aid. There have been some from New York, but what would the people of New York City do if they were not supported by the purchase of their manufactures by the people of the United States? The Union Pacific Railroad, as I recall, is located west of the Missississsippi River, yet New York City gets credit for the income taxes that railroad pays, as the main offices and domicile of the corporation are in New York. Many income and other Federal taxes are collected in New York, but they are based upon earnings in other States. Taxes on automobiles are collected in Michigan, but the people of other States pay the taxes. Michigan, like New York, gets credit for taxes that are paid in those States, but really earned in other States.

What about North Carolina? What about Virginia? No complaint about Federal aid comes from those and other States. Who pays the taxes that are collected in North Carolina on cigarettes and tobacco? While collected in North Carolina, while collected in New Jersey and Connecticut for insurance, fire, and life, while collected in Pennsylvania on steel, who pays the taxes that are remitted to the Federal Treasury from these States? Of course the answer is that the people of all the States pay taxes that are collected in North Carolina, Virginia, Pennsylvania, New York, and other States.

For practically 20 years I have heard highway commissioners from practically every State in the United States from time to time. I have heard the few who oppose the money who advocate Federal aid and every 2 years I have seen the Congress of the United States overwhelming, if not unanimously, endorse the proposals of this bill. I think Congress was sound in making that endorsement.

There are no toll roads in this bill that are contributed to by the Federal Government.

In conclusion, permit me to say with respect to the contract features emphasized by my good friend, the gentleman from New York [Mr. TABER], if his contention were to prevail before any mile of road could be constructed in Georgia or in New York there would have to be a hearing before the Committee on Appropriations to determine whether or not that committee would approve the particular road. Under the terms of this bill, tried and tested under a procedure approved by the superintendent of roads of the State of New York, under the administration of Governor Dewey, the best method of the selection of roads has been worked out and tested over a period of more than 25 years, or since the enactment of the original act in 1921.

For my part, and I believe I speak for all the people of the United States, we would rather that the State highway department, with the approval of the Commissioner of Public Roads, select the roads than that any committee or subcommitte of the Appropriations Committee of the Congress select them, because, among other good reasons, the States pay one-half the cost. I know that the terms of this bill, every provision in this bill, have been tried out. The sum of $500,000,000 was authorized in 1944.

The two members in the other body who insisted on reducing that to $450,000,000 after the House had passed it at $500,000,000 in 1948 under the administration of my good friend GEORGE DONDERO, then chairman of the committee on Public Works in the House, than whom there is no finer man or no more valuable Member of Congress—when it went to the other body, the pseudo-advocates of economy were destructive of real economy. The two men on that conference committee who insisted upon reducing that authorization, in the face of the fact that a road that now costs $55,000,000 cost $20,000,000 16 years ago, were defeated in the very next election that followed the approval of that conference report in 1948.

I know of no more satisfactory public work, and in all my experience, and I have piloted practically every Federal-Aid Highway Act through this House for the past 18 years, I have never submitted for your consideration a more constructive act, an act fairer to all the people and to all the States of the United States than the bill under consideration, which I trust will be passed.

Mr. ANGELL. Mr. Chairman, I rise in support of H. R. 7941 which is the bill to amend and supplement the Federal-Aid Road Act, approved July 11, 1916, as amended. I am a member of the Public Works Committee which considered this bill and it was reported unanimously by the committee after extensive hearings and careful consideration by the committee. While the Public Works Committee desires to cooperate in a program of economy in order to curtail so far as possible public expenditures and keep the Federal budget in balance, yet after due consideration it felt that it could not, in deference to the welfare of the Nation, eliminate the necessary authorization for expenditures for the public roads of the United States. This bill merely carries out a program that has been in existence since 1921 providing Federal aid for construction of the highway system throughout the Nation. As a matter of fact appropriations authorized by this bill, while in dollars a little in excess of those heretofore appropriated annually, in road-construction accomplishment it is less than is usually appropriated by reason of the shrinkage in the construction dollar. As you are aware, it takes approximately $3 now to provide road construction that could be secured with $2 before the war.

Furthermore revenues from Federal gasoline, oil, and motor equipment taxes imposed on road users exceeds these moneys authorized for roads. In fact these taxes pay into the Federal Treasury almost three times as much as is authorized by this bill. As was pointed out by our chairman, a country without roads is a country which has never developed. Nations which provide for essential highways are nations which are in the forefront in civilization. With the advance in the construction of automobiles, trucks, and other motor vehicles, the necessity for good roads becomes essential. In fact, motorists who provide the funds by reason of the taxes levied on automobile equipment, gasoline, and oil are happy to do so if the funds thus procured are utilized in providing adequate roads for motor travel.

During the war, owing to the cessation of road construction except that necessary for the prosecution of the war, we lagged behind in keeping our highways abreast of the needs of the Nation. In fact, the roads have been wearing out

faster than replacement by new construction. We could well afford to authorize double the amount carried in this bill, and by so doing we would still lag behind in bringing the highway system of America up to standard and adequate for carrying the highway traffic.

While it is true trucks are using our highways extensively for the transportation of freight, not only between cities but for transcontinental traffic, the trucks are paying their way and are contributing to the Federal Treasury much larger sums than those needed to provide adequate highways for such traffic.

As reported by the committee, section 1 of the bill authorizes the appropriation of $500,000,000 for each of the fiscal years ending June 30, 1952 and 1953. It divides the amount authorized for each of said fiscal years into three categories, namely, $225,000,000 for projects on the Federal-aid primary highway system, $150,000,000 for projects on the Federal-aid secondary highway system, and $125,000,000 for projects on the Federal-aid highway system in urban areas. It provides that said sums, respectively, for each fiscal year shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal Aid Highway Act of 1944. However, the provision in section 4 (b) of the Federal Aid Highway Act of 1944, respecting the apportionment of the funds authorized by said act for secondary and feeder roads, requires that the population shown by the Federal census of 1940 shall be used. Since it is possible that population figures from the Federal census of 1950, which is now being taken, may be available by the time the first apportionment under the bill is made, provision has been inserted in section 1 that the census figures used shall be those shown by the latest available Federal census. This change makes the population figures that shall be used in apportioning funds for secondary roads the same as those required by section 4 (c) of the Federal Aid Highway Act of 1944 with respect to the apportionment of the funds therein provided for urban areas—that is, those shown by the latest available Federal census.

In addition to the foregoing, section 2 (a) of the bill would authorize the appropriation of the additional sum of $70,000,000 for each of the fiscal years 1952 and 1953 for expediting the construction, reconstruction, and improvement of the national system of interstate highways. This is the first instance in which Congress has recognized the national system of interstate highways by authorizing an appropriation for expenditure exclusively on said system. This subsection provides that the sum authorized for each fiscal year shall be apportioned among the States in the ratio which the population of each State bears to the total population of all the States, as shown by the latest available Federal census, but that no State shall receive less than three-fourths of 1 percent of the sum apportioned for each fiscal year. It further provides that any State may use its apportionment of any funds now or hereafter authorized for expenditure solely on the national system of interstate highways either to finance projects on said system on the regular matching basis, or to increase the Federal payment by one-half of the State's pro rata of the cost of any such project financed on the regular matching basis from Federal primary or urban funds. In other words, in a State in which the Federal pro rata is 50 percent, it would make it possible to finance a project on a 50–50 basis with regular primary or urban funds, and to increase the Federal share above the 50 percent pro rata by as much as one-half of the State's 50 percent.

Subsection (b) of section 2 provides that any State that may issue bonds and use the proceeds thereof for the construction of toll-free facilities in order to accelerate the improvement of the national system of interstate highways may apply any part of its apportionment of the funds now or hereafter authorized for expenditure on said system of highways for retiring the annual maturities of the principal indebtedness of such bonds. However, the facility constructed with the proceeds of such bonds would have to be constructed in accordance with plans and specifications approved in advance by the Commissioner of Public Roads. A further safeguard is provided by requiring that payments to any State pursuant to this subsection shall be made exclusively from the State's apportionments of funds authorized for expenditure on such system of highways, and that the provision for such payments authorized by this subsection shall not be construed as a commitment or obligation on the part of the United States to provide such funds.

The bill also provides for park roads and trails which lie exclusively within federally owned lands, and therefore should be constructed and maintained by the Federal Government.

In the Pacific Northwest, where large stands of marketable timber still exist, there is critical need of the construction and maintenance of adequate forest highways not only to protect the forests, a large percentage of which is owned by the Federal Government, but also to permit the marketing of forest products as the timber becomes ripe and available for marketing.

This bill covers a period of 2 years, which, with the existing authorization remaining 1 year, makes a 3-year period, which is necessary to permit the States to formulate programs and enact the necessary legislation to secure matching funds to meet these requirements. Without an extended period of this kind it would be impossible for the various States of the Union to meet the matching provisions and provide the necessary funds to enable them to carry on a continuous program of road construction.

Mr. Chairman, I feel that this bill is a good bill, one that is in keeping with program of road construction for the internal development of our Nation which have been carried on for years, and one which is more than self-supporting in that road users provide the funds to meet the payments authorized in the bill. For that reason I am glad to give it my support.

Mr. TEAGUE. Mr. Chairman, one of the greatest interests that I have had in helping to formulate legislation since coming to Congress in 1946 is to assist in every way possible to provide a Federal-aid road program which will be a progressive one to meet the ever-changing needs for our highway system. Just since World War II there have been changed conditions and the House Public Works Committee has properly provided for an authorization of expenditure for an interstate highway system to supplement the present aid to primary, secondary, and urban road construction.

H. R. 7941 authorizes the appropriation of $500,000,000 for each of the fiscal years 1952 and 1953 and divides the amount 45 percent, or $225,000,000, for primary roads; 30 percent, or $150,000,000, for secondary roads, which includes our farm-to-market roads; and 25 percent, or $125,000,000, on the Federal-aid highway system in urban areas. To this is added the additional sum of $70,000,000 for each of the two fiscal years to expedite construction on the national system of interstate highways.

The legislatures of 45 States, which includes Texas, will meet in regular biennial session in 1951. This makes it imperative that Federal-aid funds for continuing the program of highway construction be authorized during this session of the Congress in order that funds for matching the Federal funds may be made available by the State legislatures that will be in session. The moneys to cover these authorizations are derived from the Federal gasoline tax, and the $32,042,000 earmarked for Texas represents a return of the taxpayers' money, of which $10,074,000 is to be used for improvement of our farm-to-market roads.

Mr. Chairman, I urge the favorable consideration of this legislation, H. R. 7941, and hope that it will pass unanimously.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KARSTEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 7941) to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes, pursuant to House Resolution 565, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. KEATING. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KEATING. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KEATING moves to recommit H. R. 7941 to the Committee on Public Works with instructions to report the same back forthwith to the House with the following amendment:

On page 1, line 7, strike out "$500,000,000" and insert "$400,000,000."

On page 2, line 3, strike out "$225,000,000" and insert "$180,000,000."

On page 2, line 5, strike out "$150,000,000" and insert "$120,000,000."

On page 2, line 10, strike out "$125,000,000" and insert "$100,000,000."

Mr. WHITTINGTON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. KEATING) there were—ayes 24, noes 113.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 140, noes 18.

Mr. TABER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. The Chair thinks a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 246, nays 34, not voting 152, as follows:

[Roll No. 170]

YEAS—246

Abernethy	Christopher	Grant
Addonizio	Clemente	Green
Allen, La.	Clevenger	Gregory
Andersen, H. Carl	Colmer	Gross
	Combs	Hagen
Andresen, August H.	Cooper	Hale
	Corbett	Harden
Andrews	Cox	Hardy
Angell	Crawford	Hare
Aspinall	Crook	Harris
Auchincloss	Crosser	Harrison
Barrett, Wyo.	Cunningham	Havenner
Bates, Ky.	Curtis	Hays, Ark.
Battle	Davis, Tenn.	Hays, Ohio
Beall	Davis, Wis.	Hedrick
Beckworth	Delaney	Heffernan
Bennett, Mich.	Denton	Herlong
Bentsen	D'Ewart	Hill
Biemiller	Dollinger	Hoffman, Ill.
Bishop	Dondero	Holmes
Blackney	Donohue	Hope
Blatnik	Doughton	Horan
Boggs, Del.	Eberharter	Howell
Boggs, La.	Elliott	Huber
Bolling	Ellsworth	Hull
Bolton, Md.	Evins	Jackson, Wash.
Bosone	Fallon	Javits
Breen	Fellows	Jenkins
Brehm	Flood	Jensen
Brooks	Fogarty	Johnson
Brown, Ga.	Forand	Jonas
Bryson	Ford	Jones, Ala.
Buckley, Ill.	Fugate	Jones, Mo.
Burdick	Fulton	Jones, N. C.
Burke	Furcolo	Karst
Burleson	Garmatz	Karsten
Burnside	Gary	Kee
Byrnes, Wis.	Gathings	Kelley, Pa.
Cannon	Golden	Kelly, N. Y.
Carnahan	Gordon	Kerr
Carroll	Gorski	Kilday
Chelf	Gossett	King
Chiperfield	Granger	Lane
Lanham	O'Hara, Minn.	Steed
Larcade	O'Konski	Stefan
Lemke	O'Neill	Stockman
Lesinski	O'Sullivan	Sullivan
Lind	O'Toole	Sutton
Linehan	Patman	Tackett
Lovre	Patten	Talle
McCarthy	Perkins	Tauriello
McCormack	Peterson	Teague
McCulloch	Philbin	Thomas
McGregor	Pickett	Thornberry
McGuire	Poage	Tollefson
McMillan, S. C.	Polk	Trimble
Mack, Ill.	Preston	Underwood
Mansfield	Price	Van Zandt
Marcantonio	Priest	Velde
Marsalis	Rains	Vinson
Marshall	Ramsay	Vorys
Martin, Mass.	Rankin	Vursell
Mason	Redden	Walter
Meyer	Reed, Ill.	Weichel
Michener	Rees	Werdel
Miller, Md.	Regan	Wheeler
Miller, Nebr.	Robeson	Whitaker
Mills	Rodino	Whitten
Mitchell	Rogers, Fla.	Whittington
Morris	Rogers, Mass.	Wier
Morrison	Rooney	Williams
Moulder	Sanborn	Willis
Multer	Sasscer	Wilson, Ind.
Murdock	Saylor	Wilson, Okla.
Murray, Tenn.	Scrivner	Wilson, Tex.
Murray, Wis.	Shelley	Winstead
Nelson	Short	Withrow
Noland	Simpson, Ill.	Wolcott
Norblad	Smith, Kans.	Wolverton
Norrell	Smith, Va.	Yates
Norton	Smith, Wis.	Young
O'Brien, Ill.	Spence	Zablocki
O'Brien, Mich.	Stanley	

NAYS—34

Bates, Mass.	Hoffman, Mich.	Sadlak
Canfield	James	St. George
Cole, N. Y.	Kean	Shafer
Coudert	Keating	Simpson, Pa.
Dague	Kunkel	Taber
Elston	Latham	Towe
Fenton	LeFevre	Wadsworth
Gamble	Lucas	Wagner
Gavin	Nicholson	Wigglesworth
Goodwin	Reed, N. Y.	Woodruff
Graham	Ribicoff	
Heselton	Rich	

NOT VOTING—152

Abbitt	Fisher	Mack, Wash.
Albert	Frazier	Macy
Allen, Calif.	Gillette	Madden
Allen, Ill.	Gilmer	Magee
Anderson, Calif.	Gore	Mahon
Arends	Granahan	Martin, Iowa
Bailey	Guill	Merrow
Barden	Gwinn	Miles
Baring	Hall, Edwin Arthur	Miller, Calif.
Barrett, Pa.		Monroney
Bennett, Fla.	Hall, Leonard W.	Morgan
Bolton, Ohio		Morton
Bonner	Halleck	Murphy
Boykin	Hand	Nixon
Bramblett	Hart	O'Hara, Ill.
Brown, Ohio	Harvey	Pace
Buchanan	Hébert	Passman
Buckley, N. Y.	Heller	Patterson
Bulwinkle	Herter	Pfeifer, Joseph L.
Burton	Hinshaw	
Byrne, N. Y.	Hobbs	Pfeiffer, William L.
Camp	Hoeven	
Carlyle	Holifield	Phillips, Calif.
Case, N. J.	Irving	Phillips, Tenn.
Case, S. Dak.	Jackson, Calif.	Plumley
Cavalcante	Jacobs	Potter
Celler	Jenison	Poulson
Chatham	Jennings	Powell
Chesney	Judd	Quinn
Chudoff	Kearney	Rabaut
Cole, Kans.	Kearns	Rhodes
Cooley	Keefe	Richards
Cotton	Kennedy	Riehlman
Davenport	Keogh	Rivers
Davies, N. Y.	Kilburn	Roosevelt
Davis, Ga.	Kirwan	Sabath
Dawson	Klein	Sadowski
Deane	Kruse	Scott, Hardie
DeGraffenried	LeCompte	Scott, Hugh D., Jr.
Dingell	Lichtenwalter	
Dolliver	Lodge	Scudder
Douglas	Lyle	Secrest
Doyle	Lynch	Sheppard
Durham	McConnell	Sikes
Eaton	McDonough	Sims
Engel, Mich.	McGrath	Smathers
Engle, Calif.	McKinnon	Smith, Ohio
Feighan	McMillen, Ill.	Staggers
Fernandez	McSweeney	Stigler
Taylor	White, Calif.	Wood
Thompson	White, Idaho	Woodhouse
Walsh	Wickersham	
Welch	Widnall	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Abbitt for, with Mr. Riehlman against.

Mr. Mack of Washington for, with Mr. Taylor against.

Mr. Stigler for, with Mr. Jenison against.

Mr. Gilmer for, with Mr. Lodge against.

Mr. Secrest for, with Mr. Cotton against.

Mr. Hébert for, with Mr. Macy against.

Mr. Roosevelt for, with Mr. Herter against.

Mr. Klein for, with Mr. Widnall against.

Mr. Heller for, with Mr. Plumley against.

Mr. Keogh for, with Mr. Eaton against.

Mr. Chatham for, with Mr. Gillette against.

Until further notice:

Mr. Murphy with Mr. Allen of California.

Mr. Feighan with Mr. Arends.

Mr. Sabath with Mr. Brown of Ohio.

Mr. Miller of California with Mr. Jackson of California.

Mr. Morgan with Mr. Allen of Illinois.

Mr. Frazier with Mr. Judd.

Mr. Jacobs with Mr. Kearney.

Mr. McSweeney with Mr. Scudder.

Mr. Irving with Mr. Poulson.

Mr. Hart with Mr. William L. Pfeiffer.

Mr. Granahan with Mr. Dolliver.

Mr. Barrett of Pennsylvania with Mr. Anderson of California.

Mr. Chudoff with Mr. Jennings.

Mr. Cavalcante with Mr. Kearns.

Mr. Rabaut with Mr. Hardie Scott.

Mr. Rhodes with Mr. Hand.

Mr. Joseph L. Pfeifer with Mr. Halleck.

Mr. Bailey with Mr. Leonard W. Hall.

Mr. Baring with Mrs. Bolton of Ohio.

Mr. Davenport with Mr. Engel of Michigan.

Mr. deGraffenried with Mr. Cole of Kansas.

Mr. Bennett of Florida with Mr. Gwinn.

Mr. Dingell with Mr. Hoeven.

Mr. Buchanan with Mr. Nixon.

Mr. Doyle with Mr. Case of New Jersey.

Mr. Lynch with Mr. Case of South Dakota.

Mr. Davis of Georgia with Mr. Edwin Arthur Hall.

Mr. Engle of California with Mr. Harvey.

Mr. Fisher with Mr. Hinshaw.

Mr. Kruse with Mr. Potter.

Mr. O'Hara of Illinois with Mr. Phillips of Tennessee.

Mr. Sadowski with Mr. Phillips of California.

Mr. Sikes with Mr. Patterson.

Mr. Sims with Mr. Morton.

Mr. Smathers with Mr. Hugh D. Scott, Jr.

Mr. Walsh with Mr. Bramblett.

Mr. Wickersham with Mr. Keefe.

Mr. Wood with Mr. LeCompte.

Mrs. Woodhouse with Mr. McDonough.

Mr. Magee with Mr. Lichtenwalter.

Mr. Madden with Mr. McConnell.

Mr. McKinnon with Mr. Martin of Iowa.

Mr. McGrath with Mr. Merrow.

Mr. Deane with Mr. McMillen of Illinois.

Mr. Burton with Mr. Smith of Ohio.

Mrs. Douglas with Mr. Guill.

Mr. FENTON changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the highway bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

DEFICIENCY APPROPRIATION BILL, 1950

Mr. KERR, from the Committee on Appropriations, reported the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 2113), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER reserved all points of order on the bill.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1951

Mr. BATES of Kentucky, from the Committee on Appropriations, reported the bill (H. R. 8568) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes (Rept. No. 2114), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. STOCKMAN reserved all points of order on the bill.

COMMITTEE ON FOREIGN AFFAIRS

Mr. KEE. Mr. Speaker, on behalf of the Committee on Foreign Affairs, I ask unanimous consent that I may have until midnight tonight to file a conference report and statement on the bill (H. R. 7797) to provide foreign economic assistance.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

TEMPORARY APPROPRIATIONS FOR FISCAL YEAR 1950

Mr. CANNON. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. TABER. Reserving the right to object, Mr. Speaker, this is a resolution which is tied to the bill which the gentleman from North Carolina [Mr. KERR] has just reported, and which, if adopted, will make available to the Veterans' Administration, the Federal Security Agency, and the various departments of government funds which might be necessary to meet the payrolls, the pensions, and that sort of thing, that otherwise could not be met, since it is necessary to have these funds available on the 24th of May.

Mr. CANNON. That is true. The joint resolution merely makes available for immediate needs funds carried in the deficiency bill now pending in the Senate.

Mr. NICHOLSON. Reserving the right to object, Mr. Speaker, does this appropriate any money? If so, what are the amounts and the purposes for which it is to be spent?

Mr. CANNON. No definite funds are specified here, but provision is made to take care of current needs in anticipation of appropriations provided by the coming deficiency bill.

Mr. SCRIVNER. Reserving the right to object, Mr. Speaker, would the gentleman from Missouri give the House a litle more complete explanation of why a resolution such as this is necessary at this stage of the game?

Mr. CANNON. Under normal conditions, Mr. Speaker, we would have considered the deficiency bill long ago, but it could not be taken up until the general appropriation bill was disposed of and due to unexpected delays in the consideration of the general appropriation bill and the unexpected prolongation of that consideration we have not been able to reach the deficiency bill until now. If we had considered the general appropriation bill upon the date originally set for its consideration and had disposed of it in a reasonable time, this resolution would not have been necessary, but due to the unexpected delay we are reaching pay days for veterans' pensions, old-age pensions, and Federal salaries which cannot be provided in time by the belated deficiency bill.

Mr. SCRIVNER. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the joint resolution be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to enable the departments, agencies, and corporations for which funds of authorizations are provided in H. R. 8567, Eighty-first Congress, the deficiency appropriation bill, 1950, to pay the compensation of civilian personnel, and the pay and allowances of military personnel, of such departments, agencies, and corporations, and to pay, or contribute toward the payment of, sums provided in said bill for the making of payments to individuals either in specific amounts fixed by law or in accordance with formulae prescribed by law: *Provided*, That in no event shall the amounts expended under the foregoing exceed the amounts provided in such bill as passed by the House of Representatives: *Provided further*, That the amounts expended under the foregoing shall be charged against the respective appropriations contained in said bill when it shall have been enacted into law: *And provided further*, That the Senate may authorize, by resolution, expenditures for the fiscal year 1950, for items under contingent expenses of the Senate, for which estimates may be pending before Congress, and not acted upon, on May 17, 1950, but in no event shall such expenditures exceed the amounts of such estimates and such amounts as may be necessary for such expenditures are hereby appropriated out of any money in the Treasury not otherwise appropriated.

Mr. CANNON. Mr. Speaker, due to the unexpected delay in the submission and consideration of the deficiency appropriation bill for 1950, we find current appropriations will be exhausted on the 24th of this month and there will not be sufficient funds for the payment of veterans' pensions due on that date. It is estimated by the end of the fiscal year we will require $220,000,000 additional for veterans' pensions. Under this joint resolution there will be expended approximately $35,000,000 before the deficiency bill becomes law.

The funds from which old-age pensions are to be paid have also been depleted and we will be unable to meet the payments due the first of the coming month. About $40,000,000 will be required for that purpose by the time the deficiency bill can be messaged to the President.

In addition, there is another item seldom called to attention, but which is important, embracing funds for the payment of witnesses in the Federal courts. We will require an additional $185,000 between now and the end of the fiscal year to provide for payment of witnesses. Grand juries are now in session, and their work will be seriously hampered if funds are not provided to pay expenses of their witnesses.

And last, Mr. Speaker, during the first sesison of the Eighty-first Congress, we passed 15 bills amending the pay acts—15 bills increasing salaries. This increase in expenses was, of course, unforeseen and could not be provided for in the annual bill, and consequently employees cannot be paid for the coming month unless the deficiency is provided.

In order to take care of these immediate and urgent needs, Mr. Speaker, estimated to require in the aggregate approximately $155,185,000, the Committee on Appropriations submits the pending resolution.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

EXTENDING THE RUBBER ACT OF 1948

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 568) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7579) to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COX. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this resolution simply provides for the consideration of H. R. 7579, which itself provides for the extension of the Rubber Act of 1948 for 3 years.

The Rubber Act of 1948 expires on June 30 of the present year. During World War II the Government expended approximately $700,000,000 to construct synthetic-rubber facilities. At the end of hostilities we were capable of producing 900,000 long tons of synthetic rubber per year. There still remains in Government ownership, facilities capable of producing above 850,000 long tons of synthetic rubber.

The committee reporting this bill in its report has this to say:

It is the unanimous conclusion of the Armed Services Committee that world conditions at this time do not warrant the disposal of any of the synthetic-rubber facilities in the present Government rubber program. The committee agrees completely with the principle of free enterprise and strongly endorses the eventual turning over of the Government-owned facilities for the production of synthetic rubber to private industry, but it is of the opinion that such a course of action is not in the best interests of national security at this time.

Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. WADSWORTH], a member of the Rules Committee.

Mr. WADSWORTH. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. KILBURN].

PERSONAL EXPLANATION

Mr. KILBURN. Mr. Speaker, on the last roll call I did not hear my name called. I ask unanimous consent that I be recorded in opposition to the passage of the bill.

The SPEAKER pro tempore (Mr. PRIEST). May the Chair state the gentleman can make that statement for the RECORD, but unless the gentleman was present and voting, he cannot, under the rules, show that he answered to the roll call.

EXTENDING THE RUBBER ACT OF 1948

Mr. WADSWORTH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I am in favor of this rule and I am in favor of this bill. I do not know of an operation of the Government which has been carried on during the past 15 or 20 or 25 years that has proved any more beneficial or which has operated any more satisfactorily to the consumers of this country than has been the administration of the synthetic rubber program generally.

Since the war closed in July 1945, the people of this country have had the great privilege of re-tiring their old cars and of purchasing millions of new tires and cars without having to pay anything like an exorbitant price for rubber tires on automobiles and trucks. This has been the direct result of the establishment during the war of the synthetic rubber industry in this country, which cost our people something like $750,000,000, and which created a capacity of synthetic rubber production in excess of 900,000 tons of rubber per year. That domestic production made our people independent of the purchase of rubber in great quantities from the so-called British, Dutch, and French rubber trusts of the Malay Straits of the Far East. Synthetic rubber has been available during these postwar years at a price of 17 cents to 18 cents plus per pound. That is cheap rubber in any man's country today.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. VINSON. I call to the gentleman's attention the fact that the rubber market on natural rubber per pound is 25 cents and on synthetic rubber per pound is 18½ cents.

Mr. CRAWFORD. The gentleman is correct. We do not have to have all of our rubber requirements in the form of raw rubber; synthetic rubber has progressed to a point where in many instances and for many purposes it is more acceptable to our people than is the natural product.

The Far East is many, many miles from the United States rubber-consuming market. We are the greatest consumers of rubber in the world. As the gentleman from Georgia [Mr. Cox] pointed out awhile ago, many of those who support this rule and who will support the bill are in favor of private enterprise in synthetic-rubber operations, but I think both the Committee on Rules and the Committee on Armed Services believe that this is not the opportune moment to transfer these synthetic-rubber plants to private ownership on the basis which has been requested.

Mr. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. JOHNSON. I was glad to hear the gentleman say that he favored this bill. Several years ago we had a very exhaustive investigation of the rubber problem and our needs. I was a member of the subcommittee and had the pleasure of hearing the gentleman from Michigan make some comments on the rubber situation. Apparently, the gentleman from Michigan has made a very exhaustive study of rubber problems. I should like to have him make just a brief comment as to whether or not he thinks carrying out this program proposed by this bill will finally make us almost independent of the markets from five to six thousand miles away from the United States.

Mr. CRAWFORD. I think the program which has been carried out and which is now in operation would make us, for all practical purposes, absolutely independent of the far eastern rubber producing area. But there is another element in this situation which comes in through the State Department and through our international relations which operates contrary to that possibility. By that I mean that many of our departments of Government, and perhaps the administration, are very much in favor of our purchasing raw rubber in quantities from the Far East in order to put dollar exchange in the hands of those people over there. The gentleman from California has raised a question which gets into the whole relationship between the United States and the countries constituting southeastern Asia and the new United States of Indonesia. We are moving in the direction of very substantially supporting those countries through funds such as ECA or Marshall plan funds, or funds in that general classification, such as Export-Import Bank credits, and so forth.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. WADSWORTH. Mr. Speaker, I yield the gentleman three additional minutes.

Mr. CRAWFORD. The question we will face as rubber consumers is whether or not we desire to produce the great quantity of tonnage of rubber we consume in peacetime or whether we want to go to the Far East and purchase natural rubber, holding down the production of synthetic rubber and spending our dollars in the Far East.

Mr. JOHNSON. Does not the gentleman believe that this will give us practical independence of foreign markets and greater defense protection?

Mr. CRAWFORD. I think so.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. WHITE of Idaho. The gentleman mentioned 850,000 tons of synthetic rubber capacity. Can the gentleman tell the committee to what extent our petroleum resources are depleted by such production? I understand that the principal ingredients for synthetic rubber come from petroleum. How much will the production of 850,000 tons a year of synthetic rubber injure our petroleum resources?

Mr. CRAWFORD. Let me point out to the gentleman that we are not producing at that rate——

Mr. WHITE of Idaho. Suppose we did.

Mr. CRAWFORD. Therefore the drain is not so heavy on petroleum. Now, suppose we did; suppose we could not get any rubber from the Far East and that we had to shove our synthetic production to the maximum using petroleum products for the production of the synthetic

rubber; if the petroleum production began to grow scarce we could then switch into the production of agricultural products from which we could draw the raw material with which to produce synthetic rubber. We have here in the United States in agriculture, or you might say in minerals from the soil and crops grown in the soil, what might be termed an unlimited supply of the basic raw materials for the production of synthetic rubber.

Mr. WHITE of Idaho. The gentleman appreciates that our petroleum resources are wasting assets, they are depleting. Rubber is something that grows annually.

Mr. CRAWFORD. That is right.

Mr. WHITE of Idaho. Would it not be better to use something we can replace than to use something that is irreplaceable?.

Mr. CRAWFORD. I would like to see synthetic rubber made from agricultural products so as to take out of competition some of the surpluses in foodstuffs, such as fats, oils, and fiber, which we are now producing and which puts a load on the Federal Treasury in the form of subsidy operations and letting them go into synthetic rubber. We also have a so-called surplus of petroleum products. You have a question with which the Government departments are dealing all the time. Let me remind the gentleman from Idaho, because this is interesting to his State, that we also have in the far West or Central West or the Rocky Mountain area billions of tons of oil shale from which you can draw the basic products from which you can make synthetic rubber. So we have no shortage in that respect.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. WADSWORTH. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. CURTIS. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Nebraska.

Mr. CURTIS. The objection is raised concerning the high cost of producing rubber from surplus agricultural products.

Mr. CRAWFORD. Yes.

Mr. CURTIS. Is it not true they will never get the cost down without trying it, without putting it in motion, so that the genius of the country can really go at the business of producing low-cost alcohol and low-cost rubber?

Mr. CRAWFORD. I think there is a good deal to what the gentleman says. But at the moment you are attempting to put synthetic rubber on the market, as our distinguished chairman of the Committee on Armed Services said, at a price of around 18 to 18½ cents per pound, which is cheap rubber. We have millions of automobile users, something like forty-four or forty-five million vehicles registered in this country, who want low-cost tires, which they are getting today. Here is what I mean by that: I have on my 1941 Buick, parked out here in the lot, a set of synthetic-rubber tires, and I have driven the car with those tires 46,000 miles. Those tires cost me less than $17 per tire, purchased in Detroit, Mich. Now, that is tire service. They are made from synthetic rubber, which, in turn, was made from petroleum products, and the car has traveled 45,000 miles since I put them on the car.

A lot of our people are sympathetic to using agricultural products for the production of synthetic rubber. I think we should indulge in more experimentation perhaps than we are doing at the present time. I think we should have a pilot plant operating on that in order to determine exactly what can be done because I think the day will come when we will be short of petroleum products as such at which time we will switch over into the lignite field and the oil shale field. But if we do that on a big scale we will need 16,000,000 tons of steel to build the plants, we will need $9,000,000,000 of new risk or investment capital with which to construct those plants.

Who is going to put up the $9,000,000,000? Is the Federal Treasury going to finance it out of the general fund, borrowing the money or taxing the people, or is it to be operated in such a way that individual enterprisers will put up that risk capital or investment capital and build the plants with which to take the fuel oil from the oil shale and lignite? I think we can do that on about as low a cost basis as we can take the petroleum from the oil well. Those are the various phases of this thing.

I am sure that the Committee on the Armed Services has all of these things in mind, that its members are considering them. I think the committee has acted wisely in bringing this particular resolution and this particular bill to the floor for approval at this time so that we can take a further look into all of these things.

Mr. CURTIS. I agree with the gentleman and I am supporting the bill. I would not in any sense minimize the importance of research in the laboratory, but the way to get the cost down is through pilot plants and through actual operations.

Mr. CRAWFORD. Yes. Does the gentleman know of any individual who is willing to put up the money other than coming to the Federal Treasury to build those pilot plants, run this experiment, put the product on the market, and sell it competitively with the petroleum products?

Mr. CURTIS. Not under our present tax structure.

Mr. CRAWFORD. That is what I wanted to bring out. Now, the gentleman from Nebraska has really raised an important point.

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the bill (H. R. 7579) to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes, be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That (a) subsection (a) of section 9 of the Rubber Act of 1948 (Public Law 469, 80th Cong.) is amended (1) by striking out "April 1, 1949" and inserting in lieu thereof "April 1, 1952", and (2) by striking out "January 15, 1950" and inserting in lieu thereof "January 15, 1953."

(b) Section 20 of such act is amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1953."

Mr. VINSON. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, at the outbreak of World War II, this Nation was faced with a serious shortage of natural rubber. In fact, our natural rubber supply was so deficient that the taxpayers of this Nation spent over $700,000,000 to build 51 complex, highly technical facilities for the manufacture of synthetic rubber. These plants were so effective that before the end of the war they had attained a capacity to produce over 900,000 long tons of synthetic rubber; they produced over 85 percent of our wartime rubber requirements.

The entire program was a magnificent demonstration of American ingenuity, industry teamwork, and above all, an everlasting tribute to American technical skill and to the American workman.

At the conclusion of the war, many of these plants were declared surplus and 18 of them were sold to private industry. These 18 plants were worth, at the time of their sale, approximately $165,000,000. We received in return for the sale of these plants some $57,000,000. Today, we still have in our synthetic rubber program 28 facilities. There are five other facilities that have been declared surplus, but not yet sold.

Of these 28 facilities, 17 are in actual operation, consisting of 8 copolymer plants with a total annual design capacity of 345,000 long tons, 2 butyl plants with a capacity of 68,000 long tons, 4 butadiene plants capable of producing 241,000 short tons annually, 1 styrene plant with a design capacity of 25,000 short tons, and 2 miscellaneous plants involving a pilot laboratory and a DDM plant.

These plants, in general, are operated for the Government through the Office of Rubber Reserve, Reconstruction Finance Corporation, by private rubber, chemical, and petroleum companies. They are paid a fee based upon a quantity production determined by the Government.

In addition, there are five copolymer plants with an annual capacity of 248,000 long tons and six butadiene plants with a capacity of 248,000 tons in stand-by. All told, the present Government rubber program involves a plant investment of about $470,000,000.

The bill before this committee today would extend the Synthetic Rubber Act of 1948, which expires on June 30 of this year, for a period of 3 years. In other words, this bill would continue Government ownership of these 28 highly significant facilities, which are capable of

producing over 665,000 tons of synthetic rubber and without which this Nation could not possibly wage a successful war.

In 1948, when the temporary wartime powers which authorized allocation and specification controls were about to expire, the Congress enacted the Synthetic Rubber Act of 1948. This act provides that the President shall require the production and consumption of not less than 200,000 long tons of general-purpose synthetic and not less than 22,000 tons of special-purpose synthetic rubber annually in the United States. The law further provides that the Government shall retain the ownership of rubber-producing facilities having the capacity to produce 665,000 tons of synthetic rubber annually.

This is the law which we are asking the House to extend for another 3 years. This is the law which has proved satisfactory to all concerned and which has assured this Nation of an adequate supply of synthetic rubber. This is the law that makes us practically independent of foreign nations for our source of rubber.

The 1948 act also required the President to submit recommendations with regard to the disposal of these facilities and such other recommendations as he saw fit on January 15, 1950. In 1948 the law envisioned the possibility that world conditions might, by this time, have warranted the disposal of these facilities to private industry. In 1948 it seemed possible that world conditions might become sufficiently normal to have permitted such disposal. This was before the cold war. This was before the Berlin blockade. This was before a Navy Privateer was shot down by Russian fighter planes. This was before the Communists took over the Far East. This was before the natural-rubber-producing areas of the world were threatened with complete Communist domination.

The President submitted his recommendations on January 15, 1950, and, after careful consideration, the committee decided that the present law provides far greater security for the Nation than the President's proposals. Under the legislative recommendations of the President, there would have been no statutory minimum of required production and consumption of synthetic rubber. Under the present law, the President must require the consumption of not less than 222,000 tons of synthetic rubber.

Thus, under the present law, we have at least assured the manufacturer of a minimum production of synthetic rubber. This in turn protects the American consumer. Of even greater significance, however, is the fact that the present law requires a stated minimum of production and consumption. It is not subject to the whims and caprices of administrators concerned with foreign dollar shortages. Under the present law, no one can allow the synthetic industry to wither and die just to add a few more dollars to foreign rubber interests.

At this point, I think the House should know that natural rubber today is selling for 9 to 10 cents a pound more than synthetic rubber. Can you visualize what the price would be if we were to permit this industry to disintegrate?

The President's legislative recommendations likewise were seriously deficient in that they failed to contain a specific statutory stand-by capacity to be maintained at all times in the United States.

Note carefully that under the present law, the Government must maintain the ownership of facilities capable of producing not less than 665,000 tons of synthetic rubber. The present law is definite and emphatic. The President's recommendations were nebulous and uncertain.

In addition, the President's recommendations, in carefully worded terms, recommended the disposal of these facilities to private industry. But these recommendations were surrounded with so many qualifications and so-called safeguards that it is highly unlikely that any of the plants would have been sold. In fact, not one single rubber manufacturer who appeared before the subcommittee expressed an interest in purchasing any of these facilities under the President's proposals.

A Government witness who appeared in support of the Government's program even stated that he did not know of any company that was interested in purchasing any of these facilities. It would appear, therefore, that while the President recommended disposal, his proposal, if adopted, would have had the practical effect of turning the entire program over to the President to do with as he saw fit. Let me quote some of the language in the President's legislative recommendations:

> Disposal for the production of synthetic rubber or component materials of Government-owned rubber-producing facilities shall be subject to the following:
>
> 1. Facilities for the production of general-purpose synthetic rubber or component materials thereof may be sold or leased only when, in the judgment of the President, the disposal would be consistent with the development of effective competition.
>
> 2. In disposing of facilities for the production of general-purpose synthetic rubber and component materials, every effort consistent with the objectives of this act shall be made to dispose of a maximum number of such facilities to persons determined by the President to be not dominant in their respective industries.
>
> 3. At least one facility for the production of general-purpose synthetic rubber shall be disposed of under this act to a person determined by the President to be not dominant in the rubber products industry before disposal of the other such facilities.
>
> 4. Except upon a finding by the President that such a disposal would be consistent with the development of effective competition, no person shall be permitted to purchase or lease both a Government-constructed rubber-producing facility for the production of general-purpose synthetic rubber and one for the production of butadiene, if such person is a producer of feed stocks for either butadiene or styrene or is a manufacturer of rubber products.
>
> 5. No more than one facility for the manufacture of butyl rubber shall be sold or leased for the production of butyl to a person determined by the President to be dominant in its industry, except upon a finding by the President that other disposal is impractical and that disposal to a person dominant in that industry is in the public interest.
>
> 6. The President is authorized to provide as a condition of disposal, a requirement that whenever the exercise of the controls authorized by subsection 6 (a) of this act is found by the President to be necessary to meet the established minimum quantities of production and consumption, a percentage of the output of synthetic rubber or butadiene of that facility be available for sale to meet requirements resulting from the exercise of such controls. The President is further authorized to specify the products to be sold in accordance with the provisions of this subsection and to establish fair prices therefor on the basis of all relevant factors.

And coupled with these restrictions and complete surrender of congressional jurisdiction over this highly significant problem was the fact that the President's recommendation proposed 10-year legislation. In other words, we were asked to turn over the entire synthetic-rubber program to the President to do with as he saw fit for the next 10 years.

Mr. Speaker, we should not surrender the jurisdiction of the Congress of the United States over this problem to anyone for 10 years.

I want to talk about that for a minute.

It involves a very important principle of government in this country.

It brings us again to the question of delegation of the powers and duties of the Congress to the executive branch. It is a question which goes to the root of our system of government.

I say that the Congress cannot continue along this path of abdicating its proper functions to the executive branch. Continuous delegation of congressional authority to the Executive will ultimately deprive our people of any congressional control at all.

There are 150,000,000 American people who go to the polls every 2 years to elect their Representatives in Congress. I will never be able to believe that they expect their Representatives and Senators to capitulate to the multitude of nonelected officials in the vast Government departments and pass to them the functions and authority properly vested in the legislative branch.

So, I have taken the position on this rubber question, and on all other matters pertaining to national defense, that the basic responsibility is vested in the Congress—that it is a nondelegable responsibility—and, therefore, that the Congress, in a matter of this sort, cannot properly vest in the executive branch enormous discretionary powers.

That is the yardstick the Armed Services Committee has applied to the executive branch recommendations in regard to disposing of the Nation's synthetic-rubber facilities.

Almost the entire rubber manufacturing industry opposed the President's recommendations. Now, let no one in the House conclude that our committee was guided by what industry desired. Industry suggested three legislative proposals, all of which are described in the committee report, but none of them were acceptable to the committee. Of the three plans, two of them would have permitted the leasing of the present facilities, while the third would have provided for a statutory reduction in specification controls.

The committee's position is that there should be no disposal at this time either by lease or sale, although the committee

does agree that specification controls can be lowered in view of the relatively large and consistent consumption of synthetic rubber. This can be accomplished under the present law. One point should be made definitely clear. The committee is emphatic in its position that this is not the time to dispose of any of our facilities or to change the present law in any manner.

While it is true that, under the present law, facilities could possibly be leased, the committee notes that no facilities have been leased for the manufacture of general-purpose or butyl rubber, and it is our hope that the present law will remain as written and that it will be administered substantially as it has been in the past.

The present law has worked effectively and for the best interests of the Nation. No one has found any important flaw in it, nor has anyone made any great complaint about its operation. Three years hence, the entire subject will be reviewed. But the committee is unwilling to surrender its jurisdiction over this subject for 10 years, as recommended by the President.

All persons involved, including industry and Government, admit that the present Rubber Act of 1948 provides for national security in rubber. With the international situation such as it is, we feel that it is better to keep intact a law that has proved itself. This is no time to experiment with changes in a law that so far has provided the Nation with an adequate supply of synthetic rubber, and at the same time permitted us to stockpile natural rubber.

The declaration of policy on the Synthetic Rubber Act of 1943 says, in part, that Government ownership of production facilities, Government production of synthetic rubber, and regulations requiring mandatory use of synthetic rubber should be terminated whenever consistent with national security.

Mr. Speaker, our committee does not believe that this is the time to get the Government out of the synthetic rubber business.

In our opinion, it would not be consistent with national security to dispose of these facilities, stop Government production, or eliminate control authority at this time.

Mr. Speaker, no one in the House of Representatives more strongly favors private enterprise than I. And I think I can speak for the entire membership of the House Committee on Armed Services when I say that we all sincerely hope the day will soon come when the Government can get out of the rubber business entirely.

But we have a good law in effect now; it is providing security in rubber, the program is operating at a profit, and so far, the Office of Rubber Reserve has not asked Congress to appropriate any money to support the operating end of the rubber program. The taxpayers today are getting good products at fair prices; the tire on your car today is better than the tire before the war. But above all, we are maintaining, through our Government rubber program, an essential industry, second to none in our national defense.

If we fail to enact this legislation, the Government will go out of the rubber business on July 1, 1950. Plants will be declared surplus and the future of the synthetic rubber industry, as well as the security of the Nation, will be jeopardized.

The Armed Services Committee is emphatic and unanimous in its position that this is not the time to dispose of any of our synthetic rubber facilities or to change the present law in any manner.

This issue is before the Congress today because we hoped 2 years ago—as we did on the Selective Service Act as well—that world conditions today would be greatly improved. We hoped 2 years ago that by this time we would have arrived at some degree of accord and comity in international life.

But the 2 years have passed, and what do we find?

Why, every Member of this House knows that we are no nearer a lasting peace today than we were 2 years ago.

It is my opinion, and I say this advisedly, that we are further away than we were.

Even in recent months our relations with Russia have hit a new low. An American Navy plane has just been shot down carrying to their deaths the 10 members of the crew. The Soviets have just demanded our ouster from Trieste. They are abetting endless friction with our people in the satellite countries and evidently are seeking our complete retirement from that region, including, even, our diplomatic representatives.

They have taken China. They have taken the island of Hainan. Communists are carrying on a bloody civil war in Indochina. Conditions are increasingly serious in Burma, Malaya, Thailand.

We have before us now a threatened pressure play on Berlin which could be extremely serious.

And so, on and on.

We find our Secretary of State and our Defense Establishment officials warning us daily of tense and dangerous world conditions. They have warned repeatedly that Russia today respects only force. We are expending enormous sums in an effort to keep up our defense forces to counter the very active threat we face in today's world. Only a short while ago this House increased by $383,000,000 the defense appropriation specifially in response to the need for adequate defense in this critical time in world affairs.

Our Secretary of State is heavily engaged in efforts designed to strengthen western Europe in the face of the mighty Russian military machine looming just over the horizon. The Secretary of Defense and the Chairman of the Joint Chiefs of Staff have just returned from the Hague after attending conferences seeking to increase the military strength of the free countries in Europe.

No, Mr. Speaker, this is not that happy period in world affairs that we hoped for 2 years ago.

Quite the contrary. As the Armed Services Committee was told only a few days ago by the Secretary of Defense, by the Chairman of the Joint Chiefs of Staff, General Bradley, and by others, world conditions have deteriorated even during the past 5 months.

So, there can be no doubt that this is not the time to dispose of our synthetic rubber plants, one of our most precious national defense assets.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. WHITE of Idaho. We are told that the ordinary rubber tire we have today is largely composed of synthetic rubber. Does the gentleman know anything about that?

Mr. VINSON. Yes; I know a good deal about that. The gentleman has stated it absolutely correctly. That is one reason why it is necessary for the time being to continue this law, because of the important part rubber plays in national defense. We could not operate a modern army or modern airplanes without tires.

Mr. WHITE of Idaho. Will the gentleman tell us what effect the production of 850,000 tons of synthetic rubber might have on the petroleum resources of this country?

Mr. VINSON. It might make a considerable draft on them but it would not deplete them to such an extent that, under regulations, we would not have sufficient to carry on the necessary production of airplanes and motor vehicles.

Mr. WHITE of Idaho. Without considering the production of synthetic rubber for defense, but considering only its use commercially today, there is a considerable draft being made by the manufacturers of synthetic rubber on our petroleum resources, particularly gasoline.

Mr. VINSON. Of course, every kind of production of synthetic rubber is a draft on the petroleum industry. For that reason we have established in the Northwest pilot plants to make synthetic gasoline. We have appropriated millions and hundreds of millions of dollars for the purpose of building synthetic plants to make gasoline out of shale in Idaho, Montana, and other parts of that section of the country.

Mr. WHITE of Idaho. Is the gentleman optimistic enough to believe that when this country has to depend on synthetic gasoline made from shale and lignite it will be available at a cost of less than a dollar a gallon?

Mr. VINSON. I hope it will not cost that much, but at least we must do what we can to bring in synthetics, outside of using up all the raw material which has come from the bosom of the earth in the way of gas.

Mr. COMBS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Texas.

Mr. COMBS. In response to the question asked by the gentleman from Idaho about how large a part of petroleum production is used by the synthetic rubber industry, may I make the observation that if it be assumed that it takes a ton of petroleum to make a ton of rubber, which it does not, the drop in oil production in Texas by reason of prorating

is 600,000 barrels a day, and that one simple fact, which I happen to have in mind at the moment, indicates that only a small fraction of the oil produced goes into synthetic rubber.

Mr. VINSON. Eighty-five percent of all the rubber used in the prosecution of the war was synthetic rubber, and we had at the same time a sufficient amount of petroleum to meet the war needs.

Mr. WHITE of Idaho. The gentleman is cognizant of the very acute shortage of petroleum during the war period?

Mr. VINSON. Yes.

Mr. WHITE of Idaho. Everybody was rationed, and we could get gas only for certain things. Is the gentleman optimistic enough to think that if we have another war we will not be rationed and have another shortage?

Mr. VINSON. I think if we have another war we will be rationed not only on gasoline but on every activity of our life.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SHAFER. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SHAFER. Actually there was no shortage of petroleum during the war, but there was a shortage of rubber.

Mr. VINSON. That is correct.

Mr. Speaker, as I was saying, I consider one of the outstanding achievements of the Eightieth Congress the synthetic rubber bill presented here by the gentleman from Michigan [Mr. SHAFER]. This is no time for the Government to get out of the picture. We are confronted today with a cold war. The world situation today is as acute and even more so than it was months ago. So the committee unanimously after hearing both Government witnesses and industry witnesses decided that the proper thing to do at this time in view of world conditions is to extend this law for an additional 3 years.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. STEFAN. The purpose of this bill is to extend Public Law 469?

Mr. VINSON. Exactly. That is all it does.

Mr. STEFAN. How many plants does it keep in operation?

Mr. VINSON. It will put 17 plants in actual operation.

Mr. STEFAN. In practical language and in layman's language will the gentleman tell the committee how much this operation is costing the Government and will he also tell where this rubber goes? Does it go into stockpiles?

Mr. VINSON. The answer to the gentleman's first question is that last year it was operated at a profit of a million dollars. No appropriation has ever been made for the operation of it. It is operated by chemical companies, pertoleum companies and private rubber companies on a fee system through the Office of the Rubber Reserve of the Reconstruction Finance Corporation.

Mr. STEFAN. What happens to the rubber after it is made?

Mr. VINSON. The law requires that at least 200,000 tons be used by the industry as well as 22,000 tons of a special type. That way the industry procures it from the Rubber Reserve of the Reconstruction Finance Corporation.

Mr. STEFAN. It has no relation to stockpiling?

Mr. VINSON. No, it has no relation whatsoever to stockpiling.

Mr. STEFAN. They have a revolving fund for the operation of these plants?

Mr. VINSON. Yes.

Mr. STEFAN. They make a profit which goes into the Federal Treasury and no appropriation is made for the operation of this?

Mr. VINSON. No appropriation has been made up to this time.

Mr. Speaker, I will not take up the time of the House further. I believe everybody understands the purpose of the bill.

Mr. SHORT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, anything that anyone might say at this point would be like carrying coals to Newcastle. But I do think the Members who are present will be interested to know that this is one of the most interesting and fascinating and romantic, I might say, stories that could possibly be told so far as the winning of the last war is concerned.

We came dangerously near losing the last war when Singapore fell and when the Japs, shortly after Pearl Harbor, sank two of Britain's greatest battleships.

Our supply of natural rubber was completely cut off. As everyone knows, rubber is almost as essential as petroleum in the fighting of modern war. It was not until Big Bill Jeffers, who is head of the Union Pacific Railroad, was brought here by President Roosevelt that we brought order out of chaos and after the expenditure of $700,000,000 we got synthetic-rubber plants in many different sections of our country going. As the able chairman of our committee [Mr. VINSON] has told you, 85 percent of all the rubber that we used during the war years was produced synthetically here in the United States.

For many purposes this synthetic rubber is as good if not better than natural raw rubber. After the expenditure of these huge sums and through experiences that we learned—some of them painful—we found out that the United States no longer would have to depend upon foreign sources, but that we could be more or less self-sufficient and self-contained.

I want you to bear in mind that since the war ended a rubber tire is perhaps about the only commodity that you can buy as cheaply as you could before the war, although the prices have advanced in recent months.

Mr. WHITE of Idaho. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. WHITE of Idaho. Can the same thing be said with reference to the First World War?

Mr. SHORT. No; we did not have any synthetic rubber plants then. We were almost completely dependent upon foreign sources until we built these synthetic plants here in the United States during the recent global conflict. But today you can buy rubber as cheaply, if not more cheaply, than you could prior to the war.

I wanted merely to take this moment to offer my congratulations to the very able gentleman from Michigan [Mr. SHAFER], who was chairman of a subcommittee in the Eightieth Congress that considered this legislation; who worked long, arduously, and untiringly to bring about good results. There is a gentleman over in the other end of the Capitol, now a Senator from the great State of Texas, Mr. LYNDON B. JOHNSON, who was then a member of our committee and who sat in the conferences that contributed much to getting this legislation passed.

I think it is one of the most constructive pieces of legislation ever enacted by the Congress of the United States, and if PAUL SHAFER remains here until he is as old as Uncle Joe Cannon, this one piece of legislation is worth much more than it will ever cost the taxpayers. I know his people will have the good sense to keep him here.

I think every member of our committee will agree with that. I am glad that under the guidance and direction of this almost superman, the sage of Georgia, CARL VINSON, to whom we all run when we get into trouble, that this bill drawn as it is, merely to extend and maintain the status quo for the next 2 or 3 years, will receive your approval.

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. SHORT] has expired.

Mr. SHAFER. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, as has been well stated, this is merely an extension of the legislation passed in the Eightieth Congress. No changes have been made. Simply the dates of the legislation have been changed.

If the Synthetic Rubber Act of 1948 is allowed to expire on June 30 of this year, there will be no further production of synthetic rubber by the Government. There will be no authority to require its consumption and there will be no authority to exercise allocation controls if that should become necessary.

If the law expires the plants will become excess to the needs of the Reconstruction Finance Corporation and assuming they are designated by the General Services Administration as a disposal agency, they would be sold in accordance with that act. However, the facilities may revert to the General Services Administration to be sold by that agency, or the General Services Administration might permit the RFC to lease the facilities. All of this would be time-consuming and in the meantime there would be no production of synthetic rubber in this country by the Government. Remember, Government production accounts for practically all of the GRS and butyl produced in this country.

I have the figures on that. In the 1949 consumption the Government production

accounted for 299,202 tons of GRS and 50,908 tons of butyl rubber of a total production of 414,053 tons.

If the plants become excess the Secretary of Defense might declare them as essential for the natural industrial reserve and ask that they be sold or leased subject to a national security clause, and if they cannot be sold or leased subject to a national security clause, they would then be transferred to the General Services Administration to remain in standby by that agency. If we let this act expire there is no doubt in my mind that the Secretary of Defense, because of the tremendous strategic importance of these plants, would impose a national security clause restriction upon them and negotiations for their sale or lease would then have to proceed on that basis. Each day of delay would add to the international chaos in rubber.

Rubber is in a tight situation today and the expiration of this act would, in my opinion, practically double or possibly triple the price of natural rubber. Natural rubber is selling at 28 cents a pound on the New York market.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. SHORT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan be allowed to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHAFER. Several months ago natural rubber was selling for 21 cents a pound. Even with the Rubber Act in existence the price of natural rubber has increased by 7 cents a pound. That leads to increased cost for rubber products for millions of American consumers. If we let this act expire the price of natural rubber will increase and the American consumer will pay through the nose; and do not forget that every increase in the price of natural rubber means a lot more that the Government must pay for the natural rubber it buys for stockpiling purposes.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. COX. I wonder what the gentleman's opinion is as to the effect the anticipated expiration of the Rubber Act had on the increase of the price of natural rubber from 21 cents to 28 cents? And before I finish let me say that I appreciate the efforts of the gentleman from Michigan in the persistent and determined effort he has made to bring about the consideration of this bill.

Mr. SHAFER. I thank the gentleman from Georgia. In answer to his question, I think it might have had something to do with it.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. STEFAN. I, too, want to pay my tribute to the gentleman from Michigan [Mr. SHAFER] for offering this bill. I intend to support it because of my knowledge of the origin of our synthetic-rubber program at a time when we had no rubber and when we faced an emergency. Undoubtedly the members of the Committee on the Armed Services feel that this extension of this act is necessary because they feel perhaps this cold war is just a little hot; but in my opinion I think the extension of this act is absolutely necessary because it will once and for all stop the inroads of the Dutch and British monopoly which had control of natural rubber for so many, many years and whose interests endeavor to stop the passage of this kind of legislation.

This kind of legislation in my opinion not only makes it sure for the United States to have synthetic rubber and be self-sufficient during an emergency, but assures protection of the American people who buy rubber against the continuation of this international cartel by the British and Dutch monopoly which controlled rubber for so many, many years. I thank the gentleman for permitting me to make this statement.

Mr. SHAFER. I thank the gentleman for his contribution.

There is no question but what this law which we are about to extend, if Congress accepts this bill, has been a successful law.

Mr. STEFAN. May I ask the gentleman one more question? In the manufacture of GSR butyl and butadiene, what percentage of farm products are used? What percentage of farm products are being used in the manufacture of synthetic rubber today?

Mr. SHAFER. I would not be able to tell the gentleman.

Mr. SHORT. If the gentleman will yield at that point, we make synthetic rubber from petroleum products, from gas, and from alcohol from farm products.

Mr. SHAFER. We have one alcohol plant.

Mr. SHORT. We could take care of your surplus corn crop up in Nebraska.

Mr. SHAFER. And potatoes.

Mr. SHORT. And potatoes. The gentleman from Michigan, I may say, was chairman of the subcommittee on which I was privileged to serve which investigated this subject. The members of the Armed Services Committee are deeply grateful to the gentleman from Michigan [Mr. CRAWFORD] who was so helpful in the preparation of this legislation; and we never could have accomplished what we did without the splendid assistance of our staff member, Mr. Russell Blanford.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SHAFER. I yield to the distinguished majority leader.

Mr. McCORMACK. May I say as majority leader that I know no one who has been more wholesomely pressing upon me to have this bill programed and taken up than the distinguished chairman of the Committee on the Armed Services, the gentleman from Georgia [Mr. VINSON].

Mr. SHAFER. I thank the gentleman.

Mr. Speaker, the Synthetic Rubber Act of 1948 has been a successful law. Industry says it is all right. Government witnesses finally admitted it was all right, and it does assure us of a source of rubber, which is of tremendous importance to the Nation. I am sure that the House knows that I am as much opposed to controls of any type as anyone in the United States. I would like to see the Government out of business just as the distinguished chairman of the Armed Services Committee would like to see Government out of business. But like him, I believe that this is an exception and that our national security demands the extension of the Synthetic Rubber Act of 1948.

Some people might claim that the large demand for synthetic rubber justifies the sale of the synthetic rubber facilities. But we have never been able to test this issue by a gradual reduction of specification controls. Our report suggests that procedure. We look upon this as a one-package deal. Butyl and GRS are both part of the synthetic rubber program. We do not feel that we can release one and not the other. No one is being injured by the Government's retention of these facilities, and the next 3 years should determine whether or not both types of synthetic rubber have the ability to stand on their own feet.

I urge the House to pass this bill and extend a good law passed during the Eightieth Congress which may mean a great deal to you and to every American citizen if we should be faced with a sudden emergency.

Mr. HUBER. Mr. Speaker, I move to strike out the requisite number of words.

Mr. Speaker, because I have the honor of representing Akron, Ohio, the rubber capital of the world, I have a very great interest in the pending legislation. I have listened attentively to the statements that have been made, especially by my colleague and good friend the gentleman from Missouri [Mr. SHORT] about the necessity of this country always having an adequate supply of rubber.

I am reminded that the late Harvey S. Firestone, founder of the Firestone Tire & Rubber Co., many years before we thought of synthetic rubber, stated that America should produce its own rubber. Had that splendid and wise advice been followed we might not have found ourselves so handicapped following Pearl Harbor.

Mr. Speaker, I should like to add a brief word of commendation to the well-deserved praise that has been directed to the Armed Services Committee for its work on the rubber problem in both this and the Eightieth Congress.

I should also like to comment briefly upon the radical change which has taken place in the rubber supply picture since this committee completed its hearings 2 months ago.

In its report, the committee recognized and in strong and clear language dwelt upon the desirability of reducing mandatory or government-enforced use of

synthetic rubber as soon as possible. It also urged that it be the policy of the Government to supply all of the synthetic rubber required over the mandatory minimum and sought by private industry for consumption on a voluntary basis.

The wisdom of this policy has become abundantly clear within the past 5 weeks. For we are suddenly confronted with a runaway market in natural rubber touched off by new evidence of a serious world shortage of natural rubber that threatens to continue for many years. New estimates brought back to this country only this week by American delegates to the International Rubber Study Group Conference in Brussels bring out the fact that these shortages are even more acute today than we had estimated them to be one short month ago.

Thus the matter of mandatory consumption has become a purely academic question for this year and probably for the next 2 or 3 years at least. It would thus appear that security would in no way be jeopardized by the substantial reduction of mandatory requirements.

Even now the Government is unable with its present operating plants to meet the demands of the rubber manufacturing industry in this country for synthetic rubber.

For these reasons I would like to add to the recommendations of the committee my own view that it is important that the Government agency operating these plants do all within its power to meet the requirements of American industry for synthetic rubber, even to the point of opening new plants. To the extent that this demand is not met and the industry is compelled to use exorbitantly priced natural rubber, the American public will be compelled to pay millions of dollars more for its rubber products.

Mr. GUILL. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I was called from the Chamber on official business pertaining to the Canadian River project when the roll call was had on the passage of the Federal Highway Act. I wish to make the statement that had I been present I would have voted "yea."

Mr. MARTIN of Massachusetts. Mr. Speaker, I move to strike out the last three words for the purpose of ascertaining, if I can, from my good friend, the distinguished majority leader, as to the program for next week.

Mr. McCORMACK. On Monday and Tuesday:

H. R. 8567, the deficiency bill, 1950.

H. R. 8568, District of Columbia Appropriation bill, 1951.

Conference report on ECA, which will be the first order of business on Tuesday without regard to what disposition may be made on Monday of the other two appropriation bills.

House Resolution 503, the Stevens-Blackney contested election case.

I have been requested not to dispense with Calendar Wednesday business.

On that day there will be considered:

H. R. 4424, Alaska settlement by war veterans.

H. R. 6152, Indians, Devils Lake Sioux Tribe.

H. R. 7262, Indians, Turtle Mountain Band. The gentleman from North Dakota [Mr. LEMKE] is very much interested in those bills.

After Calendar Wednesday the following bills will be considered during the remainder of the week and while the list may be long most of these bills will not take much time and if not disposed of they will go over until the following week:

H. R. 6826, extension of the Selective Service Act, 1948.

H. R. 7764, the naval construction bill.

S. 2440, installations, Military Establishment.

H. R. 7273. Civil government for Guam.

H. R. 5990, the Baltimore-Washington Parkway bill, which was considered the other day but final action thereon not taken.

S. 2128, royalty-free licenses.

Conference reports may be brought up at any time, and with the usual notation, which might produce a smile, any further program will be announced later.

Mr. MARTIN of Massachusetts. I thank the gentleman.

Mr. VINSON. Mr. Speaker, if no other Members desire to avail themselves of the opportunity to speak on this bill, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISTRIBUTION OF FOOD COMMODITIES

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks and include a letter I have received from the Acting Assistant Administrator of the Production and Marketing Administration, together with a tabulation and copies of letters I have sent today to the President and the Secretary of Agriculture.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I received this morning from the Production and Marketing Administration, Department of Agriculture, a further tabulation of the quantities of food commodities distributed as of May 17, broken down by States. This is under the provisions of section 416 of the Agricultural Act of 1949 and section 3, Public Law 471.

A preliminary study of this tabulation indicates that the same general pattern of distribution prevails and that again Illinois ranges far ahead of all other States.

One million five hundred forty-two thousand seven hundred and fifty-two pounds of butter are consigned to Illinois. The total assigned to all 48 States and the four island possessions is 5,361,-012 pounds. In other words, Illinois is receiving more than 28 percent of the total of this food commodity.

It is interesting to note that Illinois alone received 49,056 more pounds of butter than the butter assigned to the 11 Northeastern States—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, and Maryland. In contrast to that, according to the latest official information, those States have a combined population of 40,872,000 against Illinois' population of 8,397,000.

I was advised this morning that the latest official figures on unemployment show that these 11 Northeastern States had 767,043 unemployed, while Illinois had 161,375. Surely the comparative situation with reference to unemployment is one measure by which the fairness and reasonableness of this current program of distributing food commodities can be measured. On its face there is rank discrimination, whatever the cause or reason.

I have sent a copy of this statement to the President and to Secretary Brannan. The explanation that some States are not in a position financially to participate in this program points up sharply the imperative necessity of immediate action along the lines which have been recommended repeatedly to the President and to the Secretary of Agriculture. How much longer must the needy people in all parts of this country wait for fair treatment?

I now want to include the letter from the Acting Assistant Administrator and the enclosed tabulation:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND
MARKETING ADMINISTRATION,
Washington, D. C., May 18, 1950.

Hon. JOHN W. HESELTON,
House of Representatives.

DEAR MR. HESELTON: Attached is the table which your office requested by telephone, setting forth the quantities of commodities the States have ordered under the provisions of section 416 of the Agricultural Act of 1949, and section 3 of Public Law 471.

Please note that the accumulated figure for section 416 potatoes is less than was previously reported in our letter of May 11, 1950. This is the result of recent cancellations received from several States.

Sincerely yours,

ROY W. LENNARTSON,
Acting Assistant Administrator.

Orders placed as of May 17

[In pounds]

State	Sec. 416 commodities					Sec. 3, Public Law 471, Irish potatoes (1949 crop)
	Butter	Cheese	Dried eggs	Nonfat dry milk solids	Irish potatoes	
Alabama	18,816	25,270	22,568	157,825	862,800	
Arizona	20,800	26,810	29,960	40,000	182,000	468,000
Arkansas	26,432	20,300	22,400	45,000	1,026,000	792,000
California	79,616	63,540	102,088	79,950	3,914,000	1,584,000
Colorado	63,296	11,760	4,375		1,880,200	274,900
Connecticut					765,000	400,000
Delaware	21,120	7,000	4,760	47,400	288,000	135,000
District of Columbia	32,640	12,250	10,808	20,475	216,000	322,000
Florida	20,032	20,020	19,432	41,925	980,350	
Georgia	74,752	49,350	10,584	29,600	1,034,250	
Idaho	256	140	504	5,825	230,430	18,900
Illinois	1,542,752	762,067	481,115	960,425	3,373,000	6,845,000
Indiana					233,200	708,000
Iowa	56,000	20,510	2,275	3,150	1,207,900	493,100
Kansas	74,560	21,140			141,400	396,000
Kentucky	90,816	43,120	13,699	29,425	654,000	915,000
Louisiana	72,000	24,500		30,000	378,000	936,000
Maine		28,350	35,280	87,075	1,088,200	282,100
Maryland	39,616	49,000	6,048	55,950	1,071,300	771,000
Massachusetts	147,840	71,820	3,360	68,075	2,770,000	2,350,000
Michigan	183,232	160,790			3,205,800	2,298,300
Minnesota	119,040	68,020			1,850,900	1,152,000
Mississippi	37,120	24,570		3,600	295,000	
Missouri	112,640	53,370	64,544	78,825	1,422,000	1,395,000
Montana	13,376	4,690		15,750	124,400	36,000
Nebraska	49,600	16,520			865,200	252,000
Nevada	4,736	1,610	1,050	1,250	79,200	42,100
New Hampshire	65,920	34,790	17,360	39,000	324,000	526,000
New Jersey	143,040	46,620	51,856	201,825	491,800	1,900,000
New Mexico	1,088	490	56,476	78,750	432,000	180,000
New York	601,856	193,900	115,640	483,500	4,187,400	5,013,000
North Carolina			4,326	22,275	485,900	990,000
North Dakota	7,680	3,150	336	800	286,100	780,000
Ohio	502,292	263,970	135,625	196,500	3,489,100	3,326,000
Oklahoma	57,088	23,800	32,032		1,638,000	648,000
Oregon	36,160	12,180	224	23,800	153,500	6,000
Pennsylvania	432,064	230,300	294,392	945,275	7,094,600	3,922,000
Rhode Island	21,120	23,940		22,500	680,000	718,000
South Carolina			525	1,125	616,000	300,000
South Dakota			5,936	9,745	1,058,100	604,500
Tennessee	75,456	47,600	11,935	1,000	432,000	1,365,000
Texas	61,952	44,590	1,960	66,160	2,507,500	1,044,000
Utah	83,008	90,160	16,968	50,125	1,646,800	14,500
Vermont	21,120	7,490		14,000	307,900	50,000
Virginia	93,888	49,630	1,589	12,600	474,000	1,350,000
Washington	75,136	36,540	1,453	105,445	1,011,550	379,700
West Virginia	84,480	95,760	235,144	330,600	3,203,000	1,900,000
Wisconsin	59,712	20,020	9,520	11,250	1,017,400	1,125,000
Wyoming	8,448	2,870	3,472	66,600	523,000	9,700
Alaska	28,416					[1] 36,000
Total	5,361,012	2,814,317	1,831,619	4,484,400	62,199,180	49,053,800

[1] Freight paid to Seattle only.

Mr. Speaker, may I conclude with the letter I sent today to the President and state that I sent an identical letter to Secretary Brannan. The letter is as follows:

MAY 19, 1950.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: I enclose a statement which is self-explanatory.

In the face of the facts which are now developing as to this program of distributing surplus food commodities to needy people, surely prompt action should be taken to remedy the obvious inequities.

Respectfully.

EXTENSION OF REMARKS

Mr. HAGEN asked and was given permission to extend his remarks and include a tribute to motherhood, given by Drew Pearson over a national radio hookup last Sunday.

Mr. KELLEY of Pennsylvania asked and was given permission to extend his remarks in two instances, and include in one an address by the Assistant to the Under Secretary of Labor, and in the other a eulogy delivered by the Most Reverend John H. Wright at the requiem mass for the Right Reverend Walter S. Carroll, D. C., in St. Matthew's Cathedral, Washington, D. C., on February 27, last.

Mr. GRANT (at the request of Mr. ELLIOTT) was given permission to extend his remarks in two separate instances and include in one extracts from certain letters and telegrams and in the other an address by Hon. STEPHEN PACE, of Georgia.

Mr. BARRETT of Pennsylvania (at the request of Mr. PATTEN) was given permission to extend his remarks.

Mr. PHILBIN asked and was given permission to extend his remarks in two instances and include speeches in one of them and excerpts in the other.

Mr. DONOHUE asked and was given permission to extend his remarks and include an editorial.

Mr. PATTERSON (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in three instances and include editorials.

Mr. KLEIN (at the request of Mr. MCCORMACK) was given permission to extend his remarks in two instances.

Mr. SHAFER asked and was given permission to extend his remarks in three instances.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LARCADE, for three legislative days, on account of accompanying the Vice President on a visit to Louisiana.

To Mr. THOMPSON, for today; on account of official business.

To Mr. FUGATE, for Monday, May 22, on account of official business.

To Mr. MACK of Washington (at the request of Mr. HORAN), for today, on account of official business.

To Mrs. WOODHOUSE (at the request of Mr. BIEMILLER), for an indefinite period, on account of official business.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4433. An act to make retrocession to the Commonwealth of Massachusetts over certain land in Shirley, Mass.;

H. R. 4732. An act to direct the Secretary of the Army to convey certain lands to the Two Rock Union school district, a political subdivision of the State of California, in Sonoma County, Calif., and for other purposes; and

H. R. 6171. An act to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps, to administer certain oaths, and for other purposes.

ADJOURNMENT

Mr. HAVENNER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 53 minutes p. m.), under its previous order, the House adjourned until Monday, May 22, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV executive communications were taken from the Speaker's table and referred as follows:

1460. A letter from the Comptroller General of the United States, transmitting a copy of a report of the activities of the General Accounting Office, pursuant to section 16 of the Contract Settlement Act of 1944; to the Committee on the Judiciary.

1461. A letter from the Acting Attorney General, transmitting a copy of the order of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to the subject of such order; to the Committee on the Judiciary.

1462. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers"; to the Committee on Banking and Currency.

1463. A letter from the Comptroller General of the United States, transmitting a report on the audit of Government Services, Inc., for the fiscal year ended December 31, 1948; to the Committee on Expenditures in the Executive Departments.

1464. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 28, 1950, submitting a report, together with accompanying papers, on a preliminary examination and survey of channels to and near Jefferson Islands, Chesapeake Bay, Md., with a view to their establishment as an aid to navigation and the establishment of a harbor of refuge, authorized by the River and Harbor Act approved on August 26, 1937; to the Committee on Public Works.

1465. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 20, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Intracoastal Waterway from

Jacksonville to Miami, Fla., with a view to providing an auxiliary side channel from the Intracoastal Waterway near Titusville through, and easterly of, Merritt Island via Banana Creek and River to, or near, Eau Gallie, Fla., authorized by the River and Harbor Act approved on March 2, 1945; to the Committee on Public Works.

1466. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 31, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Illinois River and Lake Depue, Ill., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on November 8, 1945, and also authorized by the River and Harbor Act approved on July 24, 1946; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BYRNE of New York: Committee of conference. H. R. 1285. A bill for the relief of the legal guardian of Lena Mae West, a minor (Rept. No. 2111). Ordered to be printed.

Mr. MILES: Committee on Public Lands. S. 2274. An act to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes: without amendment (Rept. No. 2112). Referred to the Committee of the Whole House on the State of the Union.

Mr. KERR: Committee on Appropriations. H. R. 8567. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; without amendment (Rept. No. 2113). Referred to the Committee of the Whole House on the State of the Union.

Mr. BATES of Kentucky: Committee on Appropriations. H. R. 8568. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes; without amendment (Rept. No. 2114). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. House Joint Resolution 476. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes; without amendment (Rept. No. 2115). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 8276. A bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes; with amendment (Rept. No. 2116). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEE: Committee of conference. H. R. 7797. A bill to provide foreign economic assistance (Rept. No. 2117). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPENCE:

H. R. 8565. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. PATMAN:

H. R. 8566. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. KERR:

H. R. 8567. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; to the Committee on Appropriations.

By Mr. BATES of Kentucky:

H. R. 8568. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes; to the Committee on Appropriations.

By Mr. SPENCE:

H. R. 8569. A bill to strengthen the common defense by extending for 5 years the authority for the Texas City tin smelter operation; to the Committee on Banking and Currency.

By Mr. THOMPSON:

H. R. 8570. A bill to strengthen the common defense by extending for 5 years the authority for the Texas City tin smelter operation; to the Committee on Banking and Currency.

By Mr. BLATNIK:

H. R. 8571. A bill to authorize the exchange of wildlife-refuge lands within the State of Minnesota; to the Committee on Merchant Marine and Fisheries.

By Mr. BURNSIDE:

H. R. 8572. A bill to amend paragraph 1798 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. HARE:

H. R. 8573. A bill to provide for the consideration and payment of claims against the Reconstruction Finance Corporation for livestock slaughter subsidy payments; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 8574. A bill authorizing the Attorney General to incorporate certain nonprofit nonpolitical organizations, including those composed solely of veterans; to the Committee on the Judiciary.

By Mr. POAGE:

H. R. 8575. A bill to provide emergency cotton allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by natural causes; to the Committee on Agriculture.

By Mr. TEAGUE:

H. R. 8576. A bill to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the Armed Forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941; to the Committee on Veterans' Affairs.

By Mr. WHITE of Idaho:

H. R. 8577. A bill to prohibit the establishment or maintenance of certain area officers of the Bureau of Indian Affairs, and for other purposes; to the Committee on Public Lands.

By Mr. SMITH of Virginia:

H. R. 8578. A bill authorizing loans from the United States Treasury for the expansion of the District of Columbia water system; to the Committee on the District of Columbia.

By Mr. CANNON:

H. J. Res. 476. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes; to the Committee on Appropriations.

By Mr. BURKE:

H. Con. Res. 212. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. FURCOLO:

H. Res. 606. Resolution requesting the President to appoint a bipartisan commission relating to American policy in Germany; to the Committee on Foreign Affairs.

By Mr. MARCANTONIO:

H. Res. 607. Resolution making H. R. 2146, a bill to amend the Railroad Retirement Act of 1937, as amended, so as to provide full annuities, at compensation of half salary or wages based on the five highest years of earnings, for individuals who have completed 30 years of service or have attained the age of 60, a special order of business; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BREEN:

H. R. 8579. A bill for the relief of Mrs. Orinda Josephine Quigley; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 8580. A bill for the relief of Yingnan Hoe, Mesum Hoe, and Meguen Hoe; to the Committee on the Judiciary.

By Mrs. DOUGLAS:

H. R. 8581. A bill for the relief of Yasuko Higuchi; to the Committee on the Judiciary.

By Mr. LATHAM:

H. R. 8582. A bill for the relief of Kenneth R. Kleinman; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 8583. A bill for the relief of Hisako Shimizu; to the Committee on the Judiciary.

By Mr. POTTER:

H. R. 8584. A bill for the relief of Mrs. Tokie Sato Keating, Terry Yoichi Keating, and Betty Jean Keating; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 8585. A bill for the relief of Athena Mary Onasses; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2153. By Mr. HOLMES: Resolution of Columbia Basin School Development Association, signed by superintendents of schools and members of school boards of Grand Coulee, Coulee City, Soap Lake, Ephrata, Quincy, Moses Lake, Warden, Othello, Connell, Pasco, Lind, and Eltopia, endorsing House bills 8113 and 7940; to the Committee on Education and Labor.

2154. By Mr. MILLER of Maryland: Resolution of the Somerset County Farm Bureau, Princess Anne, Md., urging Congress to make effective the recommendations of the Hoover Commission by enacting appropriate legislation in cooperation with the educational program of the Citizens' Committee for the Hoover Report; to the Committee on Expenditures in the Executive Departments.

2155. By Mr. RICH: Resolution of Dewey Heichel Post, No. 4907, Veterans of Foreign Wars, Wellsboro, Pa., in opposition to any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, MAY 22, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, the might of them that put their trust in Thee; amid all the subtle dangers that beset us, save us from the fatal folly of attempting to rely upon our own strength. In a world so uncertain about many things, we are sure of no light but Thine, no refuge but in Thee.

As the toil of a new week and a new day opens before us, may the meditations of our hearts be acceptable in Thy sight. Bend our pride to Thy control. Prepare us for the role committed to our fallible hands in this appalling day, with its vast issues and decisions that concern not only our own dear land, but all the continents and the islands of the sea. Grant that our hearts may be shrines of prayer and our Nation a bulwark for the oppressed and a flaming beacon of hope whose beams shall battle the darkness in all the world. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 19, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 19, 1950, the President had approved and signed the act (S. 3396) authorizing the Secretary of the Army to convey to the State of Kentucky title to certain lands situated in Hardin and Jefferson Counties, Ky.

LEAVES OF ABSENCE

On request of Mr. LUCAS, and by unanimous consent, Mr. MAYBANK was excused from attendance on the sessions of the Senate for the next few days, because of a death in his family.

On request of Mr. LUCAS, and by unanimous consent, Mr. JOHNSTON of South Carolina was excused from attendance on the sessions of the Senate for an indefinite period.

On request of Mr. WHERRY, and by unanimous consent, Mr. GURNEY and Mr. HICKENLOOPER were excused from attendance on the sessions of the Senate for an indefinite period.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Brewster	Butler
Anderson	Bricker	Byrd
Benton	Bridges	Cain
Capehart	Hunt	Mundt
Chapman	Ives	Neely
Connally	Johnson, Colo.	O'Conor
Cordon	Johnson, Tex.	O'Mahoney
Darby	Kefauver	Robertson
Donnell	Kem	Russell
Douglas	Kilgore	Saltonstall
Dworshak	Knowland	Schoeppel
Eastland	Leahy	Smith, Maine
Ecton	Lehman	Smith, N. J.
Ellender	Long	Sparkman
Ferguson	Lucas	Stennis
Flanders	McCarran	Taft
Fulbright	McCarthy	Taylor
George	McClellan	Thomas, Utah
Gillette	McFarland	Thye
Hayden	McKellar	Tydings
Hendrickson	McMahon	Watkins
Hill	Magnuson	Wherry
Hoey	Malone	Wiley
Holland	Martin	Williams
Humphrey	Millikin	Withers

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on committee official business.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

REORGANIZATION PLAN NO. 8

The Senate resumed the consideration of the resolution (S. Res. 254) as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 8 transmitted to Congress by the President on March 13, 1950.

The VICE PRESIDENT. The hour of 12:30 having arrived, under the agreement heretofore entered into the time between now and 2:30 will be equally divided between the opponents and the supporters of the pending resolution. No agreement has been entered into as to who shall control the time. Does the Senator from Colorado wish to make any suggestion?

Mr. JOHNSON of Colorado. I suggest that the time of the proponents be controlled by the senior Senator from Colorado and the time of the opponents by the junior Senator from Maryland [Mr. O'CONOR].

The VICE PRESIDENT. Without objection, the Senator from Colorado [Mr. JOHNSON] will control the time on behalf of the proponents of the resolution, and the Senator from Maryland [Mr. O'CONOR] will control the time on behalf of those who are opposed to the resolution.

Mr. WHERRY. Mr. President, may I ask unanimous consent to address an inquiry to the Senator from Colorado and the Senator from Maryland?

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. WHERRY. Has all time been preempted by Senators who desire to speak in favor of and in opposition to the resolution? If not, it seems to me that some time would be available for other matters. I make that inquiry because some Senators may wish to present routine matters for the RECORD. If time is not available they would have to wait until after the vote.

Mr. O'CONOR. It is expected that those who favor the President's plan and oppose the resolution will require approximately 1 hour.

The VICE PRESIDENT. Either the Senator from Colorado [Mr. JOHNSON] or the Senator from Maryland [Mr. O'CONOR] will be recognized at this time.

Senators may not insert matters in the RECORD now, except by being yielded to by either one of the two Senators who are in charge of the time.

Opportunity will be afforded later for the transaction of routine business.

Mr. O'CONOR. Mr. President, I yield myself so much time as may be required for the presentation of the statement I now wish to make.

The VICE PRESIDENT. The Senator from Maryland is recognized.

Mr. O'CONOR. Mr. President, if the reorganization plan about to be voted on and a majority of other plans are rejected, a great deal of the excellent work of the Hoover Commission will go for naught. Should such come about, it is stating but the simple fact that the greatest opportunity ever afforded for reorganization of the National Government is slipping away before the eyes of the American people.

It will be a national calamity if we fail to implement the greater portion of these splendid Hoover proposals. After the expenditure of 2 millions of dollars for their study and drafting by a nonpartisan commission of outstanding and experienced leaders, the Hoover Commission recommendations represent an outlay of time, of effort, and of judgment which probably can never again be duplicated in our lifetime.

Fortunately, the only living ex-President of the United States—and one who is not of the same political party as the

present Chief Executive—consented to head the Commission. He and his associates gave unsparingly in this cause for better government. Now to fail to realize fully upon their work will mean that no similar organized effort can be renewed with any hope of success within the next decade. This is true because only by such a concerted effort and under such nonpartisan auspices could there be any reasonable hope or expectation of success.

To the credit of President Truman, it can be said that he has made a wholehearted and sincere effort to put into effect recommendations of the Commission. The people of this Nation will understand that the failure, if there be such, to adopt a majority of the Commission's conclusions will certainly be no fault of the present occupant of the White House. At this critical period, when the costs of Government and taxes are so burdensome to our country, it is no wonder that appeals have come from all parts of the country to improve the efficiency and economy of Government processes.

Mr. President, does the Government set-up need reorganization? It is not necessarily any criticism of any one administration to declare that as the result of expansion and of Nation-wide and world-wide developments, the National Government has long since outgrown the pattern which was established for it. To illustrate that, let me quote two statements—one from the late President Franklin D. Roosevelt, in 1937; and the other from the present Comptroller General of the United States, Lindsay Warren, in 1945.

In 1937 President Roosevelt wrote:

> The executive structure of the Government is sadly out of date. I am not the first President to report to the Congress that antiquated machinery stands in the way of effective administration and of adequate control by the Congress. Theodore Roosevelt, William H. Taft, Woodrow Wilson, and Herbert Hoover made repeated but not wholly successful efforts to deal with the problem. * * *
>
> Neither the President nor the Congress can exercise effective supervision and direction over such a chaos of establishments, nor can overlapping, duplication, and contradictory policies be avoided. * * *
>
> It has been common knowledge for 20 years that the President cannot adequately handle his responsibilities; that he is overworked; that it is humanly impossible, under the system which we have, for him to fully carry out his constitutional duty as Chief Executive because he is overwhelmed with minor details and needless contacts arising directly from the bad organization and equipment of the Government.

In 1945 Comptroller General Warren said:

> I say the present set-up is a hodgepodge and crazy quilt of duplications, overlappings, inefficiencies, and inconsistencies with their attendant extravagance. It is probably an ideal system for the taxeaters and those who wish to keep themselves perpetually attached to the public teat, but it is bad for those who have to pay the bill.

But when an all-out effort is made, as has been done under the present administration, to systematize and to coordinate the activities of various agencies and departments, we see special groups setting out to kill one by one the specific recommendations. Oh, yes; they are all for reorganization—except where it applies to the unit in which they are especially interested.

Confining our attention to the particular plan under consideration, what does it provide? First, that there shall be transferred to the Chairman of the Commission the executive and administrative functions of the Commission. Mr. President, let me repeat, if I may, that the primary purpose is to transfer to the Chairman the executive and administrative functions of the Commission.

These are defined so as to include (1) functions relating to appointment and supervision of personnel, (2) the organization of the Commission, and (3) the expenditure of funds.

Further, the plan expressly provides certain limitations on the Chairman, so that even if the Chairman is vested with this authority, he still will be subject to the control of the Commission. The plan also provides certain reservoirs of responsibility in the Commission. Thus it is expressly provided that in exercising any of these functions, the Chairman shall be subject to general policies of the Commission. This refers to the Commission's policies on administrative matters.

In addition, of course, the Commission retains full authority as to substantive determinations on any regulatory decisions and determinations. In other words, the quasi-judicial and quasi-legislative functions of the Commission are not in any manner touched or interfered with.

Then the plan expressly reserves to the Commission, as a whole, rather than the Chairman, certain specific administrative responsibilities, namely:

First. Approval of appointment by heads of major administrative units.

Second. Personnel employed in the immediate offices of the commissioners.

Third. Revising budget estimates and allocating appropriate funds according to major programs and purposes.

All those things, I repeat, are reserved to the Commission as a whole.

These three administrative responsibilities specifically reserved to the Commission are concrete examples of the over-all administrative control which remains in the hands of the Commission, namely, that whenever a matter of administration and administrative action is of such importance that the Commission regards it as a policy matter, then the Commission may handle it as being a question of policy.

The third aspect of these plans is to make it clear that the Chairman is not himself required to handle these administrative responsibilities personally, but can delegate them as he finds appropriate—to an executive officer, a budget director, or a personnel chief, however the Commission is organized in an administrative way.

What, then, is the fundamental purpose of the plan? It is simply to promote and increase the administrative efficiency of the boards. These provisions basically carry out recommendation No. 1 of the Hoover Commission report on regulatory commissions, namely:

> We recommend that all administrative responsibility be vested in the chairman of the commission.

There have been certain vague and indefinite charges that these plans strike at the independence of the regulatory commissions. But it must be borne in mind that the Hoover Commission and its task force, composed of very able and well-qualified men, deliberately considered whether or not independent commissions, bipartisan in character, with staggered terms, should continue to be maintained in the Government. In 1937 the President's Commission on Administrative Management had recommended that these commissions should be strictly limited to judicial decisions of cases.

But the Hoover Commission, like its task force on independent regulatory commissions, consisting of Mr. Owen D. Young and Mr. Robert R. Bowie, decided that such independent commissions had a definite place in the Government, and should be retained for both their quasi-legislative and quasi-judicial functions in various activities of the Government, where there is need for an independent commission, like the FTC in this particular instance, which can proceed, after careful deliberation and mature judgment to develop rules of fair competition applying generally to interstate industry.

The Hoover Commission, however, was interested not only in retaining the independence of these commissions, but in making the independent commissions operate more efficiently.

In order that there may be answered any question as to whether this is in accordance with the letter and spirit of the Hoover Commission's report, I shall quote from the report. On page 4 of the Hoover Commission's report is found the following subsection, relative to whether such a plan as President Truman sent to the Congress was needed. The Hoover Commission made these findings, which I quote from page 4 of its report:

> d. The quantity of work in the regulatory field at the top level has been so great that the commissions have often neglected their promotional and planning functions.
>
> e. Sufficient delegation to the staff has not occurred due to legislative restrictions as well as to poor internal organization.
>
> f. Administrative direction has not developed within the commissions. Their chairmen are too frequently merely presiding officers at commission meetings. No one has been responsible for planning and guiding the general program of commission activity.
>
> h. Unnecessary red tape has crept into their procedures causing useless delay and expense.
>
> i. Coordination between these commissions and the general program of the executive departments is often loose and casual and sometimes nonexistent.

It is only common sense that when there are administrative matters to be attended to, as contrasted with substantive decisions, they are not handled best when given to a board, but are best handled when entrusted to a single man, either to be taken care by him directly or by someone reporting to him and under his supervision. That is a matter

of plain, everyday common sense. It applies to every business enterprise and every Government agency.

But what about the other commissioners? Does this plan relegate them to nonentities in any way? By no means. Their basic regulatory responsibilities are not touched in any way.

Moreover, the plans leave the commissions with the power of taking up as a Commission those administrative matters which are really so important as to be matters of policy—say much matters as whether procedure in a certain case or certain types of cases leads to too much delay, or perhaps, on the other hand, goes so swiftly that the issues are not properly developed.

The reservation of the commission's power as to matters of policy in administrative matters completely refutes the charge that these plans make dictators out of the chairman. The commission has the authority to decide what is a question of policy.

A commission set-up not only does not make for efficiency in regard to these details, but the individual commissioners have their time taken away from the really important responsibilities.

This is not simply a matter of abstract analysis. The Hoover Commission found, for example, that the Federal Trade Commission, the very Commission we are now discussing, which has a system of rotating chairmen, at the time of the task-force survey, was giving consideration in commission meetings to such matters as "the organization of the stenographer's pool; mail-room procedure; appointment of junior professional personnel—and shortly before the FTC was also passing on all appointments—even clerical."

I submit, Mr. President, that such matters ought not to engage the attention of the entire Commission, but should properly be handled in a more businesslike way.

In the Hoover Commission survey it was found that the Commissioners were tending to employ their time in administrative matters, and that this was particularly true of those commissions where the chairman was not appointed by the President. I see no risk in having the President of the United States appoint the Chairman. The President has the power to appoint the Chief Justice of the Supreme Court of the United States, and I certainly think if he can be trusted to do that efficiently—as he can be, and as he has shown himself worthy to be—then certainly it is not suggesting too much to have him appoint the chairman of such a commission as this. Where the chairman is appointed by the commission itself he tends to be little more than a presiding officer at meetings. And, of course, commissions like the FTC, of which a new man becomes Chairman every year under a system of rotation, make it pleasant for the commissioners, no doubt, but very damaging to any administrative responsibility and supervision, although I hasten to say, and to add, in fairness to the present incumbent, that he is a very well-qualified man, who has done a splendid job in his position.

The President has established plans which are generally wise and well considered. They will tend to centralize administrative responsibility and leadership in the Chairman and to free the time of the individual commissioners for basic regulatory determinations and for such matters of administration as are matters of policy.

We, too, must think in terms of the general rule. It is unfair to the independent regulatory commissions to burden them with routine administrative detail work. The President's plan, in pursuance of the Hoover Commission's recommendations, is making an intelligent effort to improve the operation in this immediate connection. We should approve and endorse this and remaining plans of a similar nature to insure efficient operation of the various instrumentalities of Government.

The people of America are looking to Congress expectantly in these two final days of consideration of the President's first 21 reorganization plans of 1950. Much has been effectuated in the way of better administration of Government's functions as the result of the splendid studies and well-considered recommendations of the Hoover Commission. But in a government so far-flung in its activities, so all-inclusive in its ministrations to the needs of its 150,000,000 residents, much opportunity still remains for improved efficiency and resultant economy.

Yes, our people are looking expectantly to Washington today. Indeed, no one in this distinguished body can be forgetful of the interest which the people of the United States have shown in the work and in the objectives of the Commission so ably and successfully headed by former President Herbert Hoover and his associates.

The thousands upon thousands of letters and communications of every sort which have poured into the offices of Senators and Congressmen alike from every section of the land could leave no possible doubt in anyone's mind about the feelings of our citizenry with regard to the work of the Commission.

They want to see more efficiency in government. They want the cost of government reduced. They realize that, sprawling and ungainly as the vastly expanded framework of the Federal structure has become, it necessarily has developed practices which, through lack of planning, are at variance with all established rules of business procedures.

The citizens of America have grown restive under the heavy burden of Government taxation. They want that burden of taxation lightened. They see, rightly, in the recommendations of the Hoover Commission a well-considered procedure by which many of the deficiencies, the overlapping, the unneeded personnel of present Government activities may be eliminated. They are looking to the Congress for approval of these Hoover Commission proposals.

Particularly where the President's reorganization plans are patterned directly after the Commission recommendations, as is the case in the plan now being discussed, do our people have a right to expect that the plans will receive congressional approval.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'CONOR. I yield to the Senator from Illinois.

Mr. LUCAS. I presume the Senator from Maryland has received communications from Dr. Johnson, president of Temple University, and chairman of the Citizens' Committee of America, urging the approval of these reorganization plans. I have been trying to find a letter or a telegram which I received from him on last Saturday, expressing, as I recall, keen disappointment because of the failure of the Senate to approve the two plans which were disapproved last week. It seems to me, Mr. President, that Congress ought to give a considerable amount of weight to the recommendations of the citizens' committee, especially so in view of the unusual personnel composing that committee, and also in view of the unusual study which the committee has given to all the reorganization plans.

I agree with what the Senator from Maryland has said, and I certainly hope the Senate will approve this plan and all the remaining ones. I sincerely hope we may approve the other plans, if we are really interested in reorganizing the Government from the standpoint of economy and efficiency, which, of course, are the basic reasons for all the plans.

Mr. President, I undertake to say that the people of the country will be tremendously disappointed if the Senate continues to knock out one plan after another. Practically every chamber of commerce in Illinois has written requesting that Senators go down the line with respect to approval of all the plans. It is only from individuals or groups vitally affected by the respective plans that we are receiving criticism of them. There is always some group which seems to be affected as the result of the approval of the plans.

Mr. President, if we do not succeed in bringing about reorganization at this particular time with reference to the agencies which have been created by Congress, it will be a long, long time bebefore we ever get around to it again. We have been trying since the days of Theodore Roosevelt to effectuate reorganization, and the present opportunity should not be lost.

Mr. O'CONOR. I should like to observe with reference to the statement of the able majority leader, with which I agree entirely, that Dr. Johnson's group, of course, endorsed unqualifiedly the President's proposal, and representatives of that group appeared before the committee to give all-out approval. I may say, in line with what the Senator from Illinois has just stated, that other groups in various States operating under the Johnson committee have endorsed and are wholeheartedly in support of the plans. We have received comments from chambers of commerce in various States, all of whom have gone on record as approving this particular plan.

Mr. President, I yield the floor.

Mr. BENTON. Mr. President, because I have been working as a member

of the Committee on Expenditures in the Executive Departments and have made three previous talks about Government reorganization on the floor of the Senate—dealing with Reorganization Plans No. 1, No. 7, and No. 12—I feel impelled to make one more. I wish to bring out some points which have not been previously emphasized. Some points have come to me belatedly, as I explained to the Senator from Colorado [Mr. JOHNSON] last week. If they had come to me earlier I would have better understood why the first five plans to reach the floor were knocked off so easily, as the Senator from Illinois [Mr. LUCAS] has just pointed out. Indeed, Mr. President, the first five have been knocked off like clay pigeons in a shooting gallery.

In my previous remarks I have referred to the activities of bankers, lawyers, railroads, and other private groups touched on by the able majority leader, in opposition to Government reorganization because of their fears for their own special and vested interests. I have spoken of the kind of opposition which influenced the committee's decision to report resolutions unfavorably to several of the President's reorganization plans or to report others without recommendation.

As quick and easy evidence of the kind of opposition which influenced the committee's decision to report resolutions unfavorably, or to report them without recommendation, I again cite the testimony of the representative of the patent committee of the National Association of Manufacturers. I quoted this testimony in a speech on the floor of the Senate dealing with Reorganization Plan No. 12, at page 6870 of the CONGRESSIONAL RECORD. I refer to this testimony once more as a clear and striking example of what the Congress is up against in its consideration of the work of the Hoover Commission.

I have previously pointed out how witnesses before the Committee on Expenditures in the Executive Departments have solemnly and piously attested to the fact that they favored Government efficiency and economy, and how they favored it everywhere except when it touched them.

The issue as to plan No. 8 which is now before the Senate is as clear as have been the issues of similar reorganization proposals submitted by the President. The issue involved stems from the recommendations of the Hoover Commission that administrative responsibility should be vested in the chairmen of regulatory commissions and from the task-force recommendation that the President should name the chairmen. The main issue is as simple as that.

The vocal opposition to this plan and all the reorganization plans comes from vested groups which do not see the problem of Government efficiency as a whole and which are prepared, thoughtlessly or heedlessly, to sacrifice the public interest for what they often mistakenly, in my view, deem to be in their own selfish and narrow interests.

Furthermore, Mr. President, witnesses often claim to speak for groups which they do not truly represent, or for groups which, at any rate, have heard only one side of the question, and which, in my opinion, would favor the proposals if the many complex issues were adequately presented to them.

Mr. President, five of the reorganization proposals have now been disapproved by the Senate. They are five out of the six on which the Senate has voted. This record is so disheartening to those who favor Government reorganization for the purpose of efficiency as well as of economy that I want to review briefly some of the causes, as I see them, which have not been previously discussed on the floor, and which I have decided account for the failure of the Senate to vote constructively on these plans. I think these causes need to be far more widely understood if we are to make progress in this difficult area.

I pause for a moment before I go into these causes to say that I disagree with those who, while admitting that some of the reorganization plans will achieve greater efficiency deny that the factor of economy is involved. I disagree, because we cannot have greater efficiency without the promise of work better done, or work more cheaply done, or both. We must get economy in one way or another if we get efficiency. Many of those, Mr. President, who oppose progressive measures in the field of human welfare because they feel we cannot afford them in light of our unbalanced budget and in light of the costs of the cold war, are failing to support the reorganization proposals of the Hoover Commission which offer great opportunities for efficiency and economy.

I hope I am making it clear that I am for the reorganization proposals because I favor Government economy as well as Government efficiency, and if we cannot unite on economy through the elimination of Government waste, where are we legitimately to begin?

Mr. President, why is it that we in Congress are failing to stand up against the rich and powerful lobbies? I think there are three major underlying causes and two further subordinate causes, and I shall discuss each of the five causes briefly in turn.

First, I regret to admit that the preparatory work which is so necessary to assure favorable consideration by busy Members of Congress on important issues of this kind, was not adequately done prior to the submission of the 21 reorganization plans 59 days ago. The Government agencies concerned which should have been representing the public interest in these matters did not do the necessary ground work with the Congress which must be done on problems of this kind. I have the very highest regard for the Bureau of the Budget, and, under Mr. Lawton's leadership, it has been superb in its testimony before the Committee on Expenditures in the Executive Departments. I should like to ask unanimous consent to have inserted in the RECORD at the end of my remarks the letter from Mr. Lawton, Director of the Bureau, which disposes of false allegations that Reorganization Plans 7 and 8, the ones which we are now considering, or plans 9 and 11 would impair the provisions of the Administrative Procedure Act. This letter is representative of the splendid staff work of the Bureau of the Budget. Such brilliant work, however, does not offset the unfortunate way in which these plans came to the Congress. I do not know who was responsible. I only learned of this background in the past week, and it has been very illuminating to me as to why five plans have been so easily knocked over.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection, the letter submitted by the Senator from Connecticut will be printed in the RECORD.

(See exhibit 1.)

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. LONG. Does the Senator know why any one of these commissions could not give its chairman all the powers which would be given to the chairmen of the various commissions by the plans by merely adopting a resolution at any time, and without the necessity of Congress passing a law providing for such power.

Mr. BENTON. I think the Senator from Maryland [Mr. O'CONOR] is better prepared to answer that question and I should like to ask him to answer it if he heard the question of the Senator from Louisiana.

Mr. O'CONOR. I heard the question. Certainly we do not think it would be desirable, not only because of the lack of uniformity which such a practice would entail, but particularly because it would not give legal responsibility to the Commission. It would be a policy which could be changed at will. Therefore, it would not be static and would not accomplish the same objective.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. BENTON. In further answer to the question of the Senator from Louisiana, manifestly it is not possible to obtain any kind of uniformity, or the efficiency or understanding which comes from uniformity in 11 different commissions under a practice by which each finds for itself.

Mr. LONG. Mr. President, that is the point I was coming to. If Congress gives the chairman of a commission the power to hire and fire, saying what person will do what, whether a certain person is to be hired, or another person is to be discharged, the commission would have no say in the matter. On the other hand, if a commission gives that power to its chairman, it can withdraw the power if he abuses it or refuses to follow the will of the commission. However, if Congress gives the chairman such power, the commissioners have no say-so if he refuses to follow the policy of the majority members of the commission.

Mr. BENTON. From the standpoint of administrative policy, Mr. President, it seems to me the answer is that the various commissioners have too much so-called administrative say-so. Without fixed responsibility, they log-roll back and forth, trade back and forth, and they bog down on administrative details. It has been my conclusion, after listening to the testimony before

the committee, that we would get much better and higher type of men on these commissions if they were rid of administrative problems and details and if the question of hiring and firing of administrative personnel, for example, were clearly turned over to the chairman so that the commissioners could apply themselves to questions of high policy.

Mr. LUCAS. Mr. President, if the Senator from Connecticut will yield, I wish he would advise the Senator from Louisiana, as he did the Senate last week in making an address upon one of these plans, the number of Government agencies to which the Congress of the United States has granted full power and authority to the chairman to do the very things which the reorganization plans seek to have them do.

Mr. BENTON. Mr. President, I am very glad to have the opportunity to do so for the benefit of the Senator from Louisiana. Of the nine regulatory agencies, in the case of five, as I recall, Congress has given this authority to appoint the chairmen to the President. However, we are not dealing with all nine agencies. We are dealing one by one with the remaining four agencies, and the recommendations are based on the experience of greater efficiency in administration which has been gained in the other five agencies.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENTON. I yield.

Mr. LONG. Mr. President, will the Senator list the first six agencies in which the President appoints the chairmen and these powers are vested in the chairmen?

Mr. BENTON. I am told that I must correct myself. There are only five. In the sixth he has seemingly been given tacit power to appoint the chairman. The five agencies in which Congress has given the power to the President to appoint the chairmen are the FCC, the Civil Aeronautics Board, the National Labor Relations Board, the Maritime Commission, and the Federal Reserve Board. I am told that in practice that has been true also with respect to the Securities and Exchange Commission, because the Commissioners, at the suggestion of the President, have confirmed his selection of the Chairman.

Mr. LONG. The Senator mentioned the FCC. Is not the FCC an agency in which the President designates the Chairman and the Commission itself gives the Chairman the authority which the Senator is speaking of?

Mr. BENTON. There are two questions involved: First, the Presidential designation of the Chairman, and secondly, the question of responsibility for administrative authority vested in the Chairman. There are variations within the various commissions with respect to administrative responsibility.

Mr. LUCAS. I wish to refer again to what we did last week with respect to the Federal Communications Commission, the Chairman of which is designated under the law by the President of the United States. All we were attempting to do in that reorganization plan was to transfer functions to the Chairman word for word in line with what had been recommended by the Hoover Commission.

Mr. BENTON. That is correct. Administrative functions only.

Mr. LUCAS. That is correct. It seems to me when the Senate defeated the plan for the reorganization of the Federal Communications Commission it absolutely and completely ignored the recommendations made by the Hoover Commission, the recommendations made by the task force, and the recommendations made by the President of the United States.

That is what I am complaining about, so far as the reorganization of the Government is concerned. In other words, Senators who are relying solely upon the objection to the transfer of power into the hands of the chairman of one of these agencies could not fall back on that objection in the case of the Federal Communications Commission, because heretofore Congress had granted and lodged all the necessary power in the chairman. That had been done by congressional act.

Mr. BENTON. I am glad the distinguished majority leader has pointed out that fact, because the case of the FCC is a very easy case to understand, inasmuch as the President already had the power to appoint the Chairman. The only comment I might make on the remarks of the distinguished Senator from Illinois is that some people misunderstand the word "power." Indeed, what is proposed to be transferred to the chairmen of the respective commissions is not power in any real sense of the word, over important policy functions of the commissions. It is merely authority, rather than power, over administrative procedures, many of which are largely routine and detailed.

Mr. JOHNSON of Colorado. Mr. President, a point of information.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Colorado. How much time does the Senator from Connecticut have remaining?

The PRESIDING OFFICER. The Senator from Connecticut has 22 minutes.

Mr. BENTON. I am very grateful for the question of the Senator from Colorado, because I should like to continue with my remarks. If any time is remaining when I have concluded I shall be very glad to yield for questions. I was saying, Mr. President, that this brilliant work by the Bureau of the Budget does not offset, unfortunately, the way in which these plans came up to the Hill. I was remarking that I did not know where the responsibility lay. However, I hope that better understanding of what has gone on may help us now to pause and reconsider this problem before we knock over another five of these Government reorganization proposals.

I have learned that the 1950 reorganization plans, when first sent to the Capitol 59 days ago, not only came up as a batch of 21, but that the key and influential and powerful Senators who were most concerned with these proposals and the departments affected by them had not been exposed to the complex questions involved.

Mr. President, in many cases they had not even been talked to about these proposed reorganization plans. In all too many cases the first they heard about the problems affecting their special and particular interests—and often an interest they had had over a long period of time—was from the opponents of the reorganization measures.

Thus, to use Reorganization Plan No. 1, the Treasury Department, as an example—and it is a very good example—the banks presented their case in opposition most vigorously to many Members of the Senate whereas no one had previously presented the powerful case for reorganization. The Bureau of the Budget had not first presented the case, but, more important than that, the Treasury had not presented the case.

All that many Senators ever heard about plan No. 1 was the proposed effect on the Comptroller of the Currency, and, like the bankers themselves, as the testimony of Mr. Peterson, the president of the American Bankers Association, showed, they thought that this was all there was to this major plan. Indeed, Mr. President, how could Senators have been expected to know or to keep in mind the fact that the personnel of the Comptroller of the Currency constituted only 1.3 percent of the total personnel involved?

Many Senators, I have discovered, committed themselves to the banks—and I will ask my colleagues please to continue to keep in mind that they had little other information on which to proceed except the information furnished them by the banks—and they agreed to oppose the reorganization of the Treasury. Indeed, was it not plausible to agree with the banks when they were seemingly unanimously in agreement in their opposition to this reorganization proposal, and no one seemingly was disagreeing with them, or pointing out the other side of the argument? Senators did not have the evidence to guide their thinking about the over-all problem, not only as it affected the Treasury Department but as it affected the entire question of the attitude of the Senate toward the other 20 reorganization proposals.

Not only was the Senate largely unprepared for these 21 proposals—the Committee on Agriculture and Forestry, let us say, for the proposal affecting the Department of Agriculture, which has been voted down, or the Committee on Interstate and Foreign Commerce, let us say, for the proposal affecting the Interstate Commerce Commission, which has also been voted down—but, and this is even worse, there have been instances of officials of the administration who are to be affected by the plans not being vigorous in their support of them. Indeed, such instances have been far too frequent.

To continue my illustration of plan No. 1, Secretary Snyder, of the Treasury Department, certainly one of the ablest and most experienced men of the administration, himself agreed with the banks, and wrote a letter so stating. This, I think Senators will agree, was enough to discourage even the most ardent supporter of Reorganization Plan No. 1.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BENTON. I would like to yield, but I have just been warned by the Senator from Maryland [Mr. O'CONOR] not to yield because my time might run out. If I can secure additional time, I should very much like to yield when I conclude my remarks.

Mr. AIKEN. I withdraw the request. I assure the Senator from Connecticut I was not rising to disagree with him.

Mr. BENTON. I shall try to cut my remarks short so that I will have time to yield.

The effect of Secretary Snyder's letter, however, was worse than merely the effect on the Treasury Department reorganization though this secondary effect has not been generally understood. As I stated at the time, the rejection of plan No. 1 set a very unhappy precedent. It showed how easy it was to defeat these plans. The rejection encouraged other vested groups to move in aggressively. May it not even have affected former President Hoover himself? With the Secretary of the Treasury in opposition, when should Mr. Hoover or any one else fight a hopeless fight for a lost cause? With only 13 votes in support of Reorganization Plan No. 1, it is not to be wondered at that opponents of the other reorganization proposals, both in the Government and out of it, proceeded with their opposition with renewed vigor and also without thought of the serious consequences of their attitudes to reorganization as a whole.

Mr. President, if these 21 Government reorganization proposals had had skilled and determined leadership in the presentation to Congress, so that, department by department and issue by issue, the influential Senators had been given the information and the facts so that understanding could have been achieved, it is my opinion that they could have been put through, or at least that a far higher proportion of them would have been approved.

Mr. President, this is my first point. This was strike one against the public interest. My other points are much briefer and more quickly stated.

My second major point is that these plans have lacked effective support within the Senate itself, although both major parties have declared themselves in favor of Government reorganization. I do not refer to our majority leader, whose eloquent voice has been heard again and again in support of the reorganization proposals, urging greater efficiency in government. But he has had very little help from the Senate's great and powerful voices in both parties.

My second point is a close corollary of my first. Democrats and Republicans alike have joined together to defeat these plans.

The distinguished senior Senator from Ohio [Mr. TAFT] led off on the first was easily knocked over, that, of course, assault against the first plan. When it encouraged all the groups to come forward, each in its own turn, to go after the other plans.

The distinguished senior Senator from Arkansas [Mr. MCCLELLAN], the chairman of the Committee on Expenditures in the Executive Departments, has himself attacked on the floor many of the plans under consideration. The committee has rejected many of the plans, and has reported several more without recommendation. On Reorganization Plan No. 7 the junior Senator from Minnesota [Mr. HUMPHREY] and I were its only vocal defenders. On Reorganization Plan No. 4 not one single voice was raised in the Senate in defense of the reorganization of the Department of Agriculture. Not one voice. I was absent from the floor when the vote took place Thursday afternoon, meeting with the Committee for Economic Development at its semiannual meeting here in Washington. Had I been here I would certainly have joined with the distinguished senior Senator from West Virginia [Mr. KILGORE], who, according to the papers, cast a single vote of "no" against the resolution of disapproval.

The relative absence of veteran and influential congressional leadership unequivocally favoring Government reorganization on either side of the aisle again shows how appealing and unglamorous this subject is. No Government organization chart ever made a best-seller list. There is more excitement in Congress over daylight saving time. However, though reorganization is not newsworthy, it has wide appeal, as the courageous support of the New York Board of Trade, some of the local Leagues of Women Voters, the Junior Chamber of Commerce, and other organizations attest. I may be lonely here on the floor of the Senate in my support of these reorganization proposals, but I have not been lonely as far as those groups which take an active interest in better government are concerned.

Mr. President, if the reorganization proposals had had the same organized and influential support on the floor of the Senate which was accorded the natural gas bill, merely to take one example, there is no doubt, in my judgment, that all the reorganization plans would have been easily approved.

Thus here is a second area through which government reorganization might have been achieved. Here we have a second "horse" which failed to come in. Or, to put it another way, this was strike 2 against the public interest.

But there is a third major point, Mr. President. The third point is the failure of the millions of citizens throughout the country who favor these proposals, and the failure of their leaders and spokesmen to make their voices heard by the Congress.

The Citizens Committee for the Hoover Report, under the chairmanship of my old and good friend, Dr. Robert L. Johnson, has not had the time or financial means to organize on a broad scale everywhere throughout the country.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BENTON. I would prefer not to yield now. I shall be glad to yield at the conclusion of my remarks if I have time left to do so. I hope I may finish in time to be able to yield.

The Citizens Committee had issued some splendid press statements, and, Mr. President, I ask unanimous consent to have printed in the RECORD at this point the press release issued by the Citizens' Committee for the Hoover Report on April 25, 1950, dealing with Reorganization Plan No. 1.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection, it is so ordered.

The release is as follows:

WASHINGTON, D. C., April 25, 1950.—Dr. Robert L. Johnson, chairman of the Citizens' Committee for the Hoover Report, today warmly commended Senator WILLIAM BENTON's stand on President Truman's Reorganization Plan No. 1, providing for reform of the Department of the Treasury to accord with the recommendations of the Hoover Commission. "The action of the Senate Committee on Expenditures in the Executive Departments recommending that the Senate approve Senate Resolution 246 to prevent Reorganization Plan No. 1 from becoming law endangers the whole program of Government reorganization, as recommended by the Hoover Commission," Dr. Johnson said.

"Senator BENTON saw clearly when he said in his minority report dissenting from the committee's action: 'I concur with the Citizens' Committee that plan No. 1 is clearly in accord with the recommendations of the Hoover Commission. Its disapproval would further encourage group pressures from all sides.'

"Senator BENTON was correct when he said further, 'in its report on the Treasury Department, the Hoover Commission urged that the Secretary of the Treasury be given authority to organize the Department to adjust further and efficient departmental administration. The question is whether he shall or shall not be given this needed authority'."

"Senator BENTON's dissenting report showed a statesmanlike grasp of the true situation when he said: 'The opposition on the part of the banks, it seems to me, stems partly from lack of study and thought about the over-all problem, and partly from deep and very real mistrust of our democratic processes of government. The banks are the trustees of the people's money and their responsibilities train them to take a dim view of the future and of mankind in general. A good banker must train himself to try to foresee the dark contingencies which may lie ahead. But it is not the business of Congress to set its policy keyed primarily to fears of future black-outs. The Congress must assume that the democratic process will operate successfully. Such black-out fears, if translated into operation of other bureaus of the Government would enormously intensify the present great confusion and waste and inefficiency period. They would make the Government even more unmanageable than it is today, far more inefficient, far more confused and confusing. That must be resisted. This is a good place to resist.'

" 'The Congress, I hope, will have sufficient confidence in the American people and their elective officers to entrust to those officers the responsibilities which are so clearly those under the Constitution. If the Congress turns down Reorganization Plan No. 1 according to the Citizens' Committee for the Hoover Report, the entire reorganization program of the President might well be wrecked.' "

"Piecemeal nibbling at the whole structure of the Hoover Commission recommendations must be opposed with all the energy and vigilance we can contrive," Mr. Johnson said. "The Commission made its recommendations after the most exhaustive and painstaking study ever made of government. Its findings represent the best thought of experts and leaders in many fields of public and private activity. Congress and our citizens must act firmly and courageously to see that the Commission's whole program is put into effect

if we and our children are to have the more efficient and more economical Government which our position in the complex world of today urgently demands."

Mr. BENTON. The citizens' committee needed to set up hundreds of local committees, each in its turn working with local organizations and marshaling their support so that their voices would be heard by their representatives in Congress. The citizens committee has had neither the time nor the money to learn how to operate itself as a powerful and well-organized group—powerful enough to offset the pressures of the National Association of Manufacturers, the railroads, the lawyers who practice before the various regulatory agencies, and others.

Former President Hoover, himself, perhaps discouraged by what he sees here in Washington, has largely withheld his vigorous and continuing support. He has failed to respond to the urgent plea from the floor of the Senator from New Hampshire [Mr. TOBEY], and to the Senator's telegram which asked him "to speak out in clarion tones" because the whole reorganization program faces an acute crisis.

Seemingly authentic reports have come to me that Mr. Hoover has even opposed behind the scenes one or more of the reorganization proposals. This, of course, has cast a shadow over all the others. Although there were 12 members of the Hoover Commission, they no longer function, and where, indeed, are the other 11? Former President Hoover, with his great prestige, seems to represent them all and his attitude has been disheartening to the supporters of the recommendations of his great Commission. Mr. Hoover's equivocal position has given an easy excuse to those who want to listen to the voices of the vested interests which are stridently clamoring for the rejection of the reorganization proposals. The whispered word across the floor of the Congress that "Mr. Hoover opposes this one" or that "a high official connected with the Hoover Commission tells me that we should vote against that one"—this grave weakness of public leadership has undercut the limited and inadequate public support which the citizens committee has been able to marshal.

Thus, Mr. President, the ball zoomed past for strike three, and with the exception of a few groups such as that led by President Johnson, of Temple University, the bat never left the shoulders of the public supporters of the Hoover Commission's proposals.

If the public-interest groups favoring governmental reorganization could have made themselves felt—if adequate public and nonpolitical leadership had been forthcoming to arouse the public to the true situation—it is my opinion that these plans would have met with the approval of the Senate rather than so easily and readily, as I have said, have been knocked over like so many clay pigeons in a shooting gallery. This whole episode thus far has been a kind of trapshoot—with different pressure groups taking a turn to pulverize each target as it went sailing past.

Now I have described three different fronts which account for our failure so far. If the story had been different on any one of the three fronts, we might have succeeded, but so far we have had three horses in a three horse race, and not a single one of the horses could come in. If any one of the three had proved to be a good horse the race for reorganization would have been very different.

When I say we have failed, Mr. President, I mean that we the people of the United States have failed to achieve the greatly needed reorganization of the Federal Government.

However, there are two subordinate reasons which help account for the failure, and I desire to cover them very briefly. Were it not for these two subordinate reasons, we might have failed on three fronts and yet have achieved a far better record of progress than we have.

First—and it is an obvious reason—this is a political year and it is not to be wondered at that Congress has its eyes on next November. There is no doubt that political motivations account for a considerable percentage of the votes cast against the reorganization proposals. Had these proposals come before a new Congress, in its first few months, instead of before an old Congress, in its last few months, I feel that the fate of some of them would perhaps have been different, in spite of lack of leadership from the Government departments; from the Congress; or from the public.

There is also a second subordinate motif—and this is my fifth point—namely the current debate on the FEPC bill. Antagonism to this bill and to the President's civil-rights legislation—yes, antagonism to the President himself because of his courageous leadership on civil rights—I believe accounts for at least some of the votes against the reorganization proposals. In particular, I call attention to the record of voting on Reorganization Plan No. 11, affecting the FCC. In this case, Mr. President, had only two Senators—2 out of the 50 who supported the resolution of disapproval which killed the efforts to reorganize the FCC—had only 2 Senators voted with the 13 who favored the support of the reorganization, and who responded to the eloquent leadership of the majority leader, the FCC plan would not have been disapproved. This vote, the Senate will recall, came at the end of a long day, a part of which was devoted to bitter and acrimonious debate on the pending FEPC bill.

Mr. President, I bring these five points out at this time because I hope it may at some future time prove helpful if I now record my observations on the present efforts to reorganize the Government. Next year, I hope, the torch will be picked up and carried forward. Efforts to reorganize the Federal Government should be continuous. I know they will be taken up with renewed vigor in the next Congress because they have the unequivocal support of President Truman. I hope that in the next Congress they will secure more thoughtful and aggressive determined support from the officers and members of the President's administration, and that the bureaus and departments which are affected will present the case far more thoroughly to the Members of the Congress.

I hope that, with continuous renewed and more widespread public support, there will be more Members of Congress who will achieve a better understanding of these complex issues and who will stand up and be counted on them, even in the face of the pressure groups which can always be counted on to oppose any change which even faintly threatens their own interests, as they conceive these interests.

Mr. President, I would like to hope that the Senate will now salvage what remains of the Hoover Commission recommendations and the President's reorganization proposals. Because we have refused to reorganize the Interstate Commerce Commission, it does not follow we should refuse to reorganize the Federal Power Commission or the Federal Trade Commission. Let us refuse to take the Commerce Commission as our awkward and confused model. Because we have refused to reorganize the Department of Agriculture, let us not refuse to bring efficiency to the Department of Commerce. Merely because we have yielded to the bankers on plan No. 1 it does not follow that we need to yield to the patent attorneys on plan No. 5.

I, therefore, conclude my comments, Mr. President, with a plea that we reject the motion of disapproval now before the Senate, and the remaining motions on which we are to vote between now and tomorrow.

In these four speeches, I have done the best I can to present the issues as I have seen them based on considerable background and experience in the administrative branch of the Federal Government—an experience in which very few Members of the Senate have had—and based on the varied background in administrative activities both in business and in education. I hope I shall be able to console myself with the hope that my efforts to clarify the issues may perhaps prove helpful to those who will return to this never-ending fight for reform and efficiency—in the next session of Congress—and the next—and the next—and again—and again—and again.

If I have time remaining, Mr. President——

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. BENTON. I am glad to yield to the Senator from Louisiana [Mr. LONG].

Mr. LONG. Mr. President, the Senator spoke of the persons who have written to us about the reorganization proposals. Let me say that almost all the mail I have received has come from persons who have asked the Senate to vote for the Hoover report and for the Hoover Commission recommendations.

I wonder whether the Senator has been impressed, as I have been, with the fact that most of the plans which have been submitted to the Congress by the White House have contained a little bit or dash of Hoover Commission seasoning with a lot of White House legislative proposals, but the plans which have been sub-

mitted do not provide for putting into effect the Hoover Commission's recommendations in full. To the contrary, the plans which have been submitted include a little bit of the Hoover Commission's recommendations, to which are added a great many things about which the Hoover Commission never thought or never made any recommendations.

Mr. BENTON. Mr. President, in my judgment, that is a fallacy. Many of the plans do not go so far as the Hoover Commission recommended. That is the situation in case after case. I think the statement the Senator has made is an illustration of the lack of consideration which has been given by the Senate of the United States to these important questions.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

EXHIBIT 1

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 9, 1950.

Hon. WILLIAM BENTON,
United States Senate,
Washington, D. C.

DEAR SENATOR BENTON: I have given attention to your communication regarding certain of the adverse testimony which has been presented in the hearings on Reorganization Plans Nos. 7, 8, 9, and 11, of 1950. I understand that one of the principal allegations made against the plans is that they would impair the operation of the provisions of the Administrative Procedure Act.

As I have previously testified, there was no intention in the development of these proposals to diminish in any way the safeguards provided by the Administrative Procedure Act. The whole question of the effect of these plans on the Administrative Procedure Act was explored at some length, and I would like to make the following points for your information.

1. Nothing in the reorganization plans nullifies or dilutes the provisions of the Administrative Procedure Act. In expressing this opinion, I am also stating the views of the Department of Justice. To contend that the plans do change the Administrative Procedure Act, it would be necessary to argue that section 12 of the act does not apply to these reorganization plans. Section 12 states: "No substantive legislation shall be held to supersede or modify the provisions of this act, except to the extent that such legislation shall do so expressly." You will note that there is no expressed reference in plans 7–13 to the Administrative Procedure Act. Both as a matter of legal interpretation and as a matter of administrative policy, it is my considered judgment that the provisions of the Administrative Procedure Act are as much in force and will be as much in force with respect to the regulatory agencies concerned, following the taking effect of Reorganization Plans 7–13, as they are today.

2. You are aware that in Reorganization Plans 1–6, which transfer authority to the heads of executive departments, an exemption is made from this transfer for the functions of the hearing examiners appointed pursuant to the Administrative Procedure Act. Reorganization Plans 7–13 do not contain this exemption. This has been seized upon by some to indicate that it is the intention of plans 7–13 to abrogate in some way the functions of the hearing examiners. However, there was a basic difference in these two groups of plans which made it necessary to use difference provisions to preserve the functions of hearing examiners.

(a) Plans 1–6 transfer to the department head the functions of all officers and employees of the departments concerned, whereas plans 7–13 contain only a limited transfer of certain functions of the commission or board itself to the chairman thereof. Consequently, it was necessary in plans 1–6 to exempt hearing examiners since their functions would have otherwise been affected by the specific wording of the plan. However, in plans 7–13 the functions of the hearing examiners are not affected, and they were therefore not mentioned in the wording of the plan.

3. One effect of Reorganization Plans 7–13 is to transfer to the Chairman the authority to appoint the personnel of the Commission and to distribute the work of the Commission among the employees under the jurisdiction of the Chairman. The contention has been made that the Chairman, using this authority, will be able to so influence the hearing examiners that they will develop a loyalty to him and his views, and fail to retain an impartial attitude toward the interests of the entire Commission in the conduct of their legislative duties. I would like to note at the outset that this implies an attitude and objective on the part of the chairman which I think is entirely unjustified. Further, it views only the literal language of a plan in an extreme way without giving equal consideration to the practical deterrents to arbitrary and capricious action which are as valid, if not more valid factors, than the language of the plan itself.

Having made this observation, in this particular case there are several specific safeguards in the law and in the announced policy of the President which render this allegation baseless.

(a) All hearing examiners must first be qualified by the Civil Service Commission and then selected by the agency head concerned in accordance with procedures established and enforced by the Civil Service Commission. This in itself provides a strong safeguard against political considerations in the choice of hearing examiners.

(b) A hearing examiner cannot be removed by an agency head without the approval of the Civil Service Commission after hearing.

(c) The Civil Service Commission is likewise involved in the consideration of the classification and promotion of hearing examiners.

(d) The Administrative Procedure Act provides that, to the extent possible, examiners shall be assigned to cases on the basis of rotation.

These safeguards are not matters of administrative regulation but are contained in section 11 of the Administrative Procedure Act, which, as I have stated above, will continue in effect, regardless of the reorganization plans.

It is unlikely that the Chairman would be immediately concerned with the assignment of hearing examiners, since they, in most cases, would report directly to an intermediate official who in many commissions would be a head of a major administrative unit, and in accordance with the plan would have been appointed with the approval of the entire Commission. Over and beyond this fact, the work of the hearing examiner would be reviewed not by the Chairman alone but by the full Commission or divisions thereof, and thus any attempt by the Chairman to influence a hearing examiner's report would become apparent to his colleagues.

The point of the Administrative Procedure Act is that the hearing examiners shall be removed as far as possible from supervisory pressure whether they report to a single individual or to a multiheaded Commission. Interference by a Commission with the objectivity of a hearing examiner's work would be no less reprehensible than would be interference by a single individual. The commissions today hold collectively the same responsibilities and authority affecting the hearing examiners as would be transferred to the Chairman. Thus, there is no new element introduced into the hearing examiner-commission relationship.

You will recall that plans 7–13 uniformly provide that "In carrying out any of his functions . . . the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determination as the Commission may by law be authorized to make." In the message of the President transmitting the plans it was stated: "The fact that under these reorganization plans the commissions retain all substantive responsibilities deserve special emphasis. The plans only eliminate multiheaded supervision of internal administrative functioning. The commissions retain policy control over administrative activities since these are subject to the general policies and regulatory decisions, findings, and determinations of the commission."

I have cited these two statements since, in my view, they indicate that the Chairman in dealing with hearing examiners, to the extent that he would be involved in assignment of work or other subjects, would be governed by whatever general policies the Commission itself had determined should guide his activities in these respects. This is a point which has not been given sufficient consideration by those who charge that the plan opens up an opportunity for arbitrary action by the Chairman.

4. As you know, the Civil Service Commission plays an important part in the administration of the Administrative Procedure Act. I have, therefore, discussed the subject of this letter with the Commission and am authorized to indicate their views in the following manner:

(a) The Commission agrees with the position expressed here and concurred in by the Department of Justice that the plans would not set aside the operation of the Administrative Procedure Act in respect of the agencies concerned.

(b) In performing their functions under the Administrative Procedure Act the Civil Service Commission today deals with a number of departments and agencies, all of which are presided over by a single secretary or other head. The authority of each such head would appear to be greater than any authority of a chairman under the reorganization plans. Probably about 50 percent of all hearing examiners employed under the Administrative Procedure Act are employed in departments and other agencies headed by a single official.

(c) One of the broad purposes of the Administrative Procedure Act is to provide an impartial approach to quasi-judicial and quasi-legislative matters and to exclude extraneous matters, and nothing in the reorganization plans will militate against the attainment of this.

I hope that the points listed above will be helpful in clarifying the questions which have been raised against these plans.

Sincerely yours,

F. J. LAWTON,
Director.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. All time on the side of the opponents of the resolution has expired.

The Senator from Colorado is recognized.

Mr. JOHNSON of Colorado. Mr. President, let me inquire whether the Senator from Louisiana desires an opportunity to ask questions of the Senator from Connecticut at this time?

Mr. LONG. I do not care to have time yielded to me now, but later I should like to say a few words.

Mr. JOHNSON of Colorado. Mr. President, under the circumstances, I now yield to the Senator from Louisiana whatever time he wishes to have.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, I feel that I should say a word or two concerning these plans.

I served on the Committee on Expenditures in the Executive Departments, as a junior member of that committee, when I first came to the Senate. At that time I had occasion to study the Hoover Commission recommendations, when they were first made.

I cannot escape the conclusion that, in my judgment, the administration has sent to us plan after plan after plan which has incorporated some ideas of the Hoover Commission, but invariably has added to it things never recommended or not even thought of by the Hoover Commission.

The distinguished chairman of the Committee on Expenditures in the Executive Departments, the Senator from Arkansas [Mr. MCCLELLAN], said last Friday that, as a member of the Hoover Commission itself, he would point out that some of the things contained in the plans which are being submitted to the Congress by the White House were never conceived or thought of by the Hoover Commission, and that many of the recommendations in the plans which have been submitted to us by the White House constitute nothing more or less than a grab for power by the administration.

Mr. President, in my opinion what is being done with these plans constitutes an attempt to destroy the independence of these independent Government commissions. They are supposed to be bipartisan commissions; the thinking of both Republicans and Democrats is supposed to be represented in their membership and in their actions.

However, in the plans which have been submitted by the administration we find there are two elements. One is the proposal for the appointment of the chairman by the President of the United States. The other is the proposal to vest in the chairman all the powers and many administrative functions of the commission.

Neither of those two factors, if taken alone, of itself would be dangerous or would destroy the independence of the commission. However, when both factors are taken together, they would destroy the independence of the commissions, which certainly were designed by Congress to be independent. Certainly that was the desire of Congress regarding them. It is obvious that no Member of the Congress desires that the White House should control the Federal Trade Commission or the Interstate Commerce Commission or the Federal Power Commission or the Federal Communications Commission.

However, what do we see, when we examine the plans which have been submitted to us by the White House? First, we see a plan providing that the President shall have the right to name the chairman of the respective commissions.

In the second place, the plans as submitted authorize the President not only to name the chairman, but to give and to vest in the chairman the power to hire or fire all personnel of the commission, the power to establish the personnel, the power to assign all the duties of all the personnel of the commission, and the power to say what sort of work shall be done by all the personnel.

The adoption of such a plan would result in taking away from the ordinary members of the commissions the authority to have anything at all to say about those matters.

Mr. President, if you or I or anyone else were a member of one of those commissions, what good would it do us if we thought that a certain railroad should be organized or that a certain railroad should not be organized, or what good would it do us to have those ideas along similar lines, if we did not have the power and authority to instruct the trial examiners to study what railroad should be organized or what railroad should not be organized? What good would it do us if we thought a certain antitrust policy should be followed by the Federal Trade Commission, if the Chairman of the Federal Trade Commission did not believe in such an antitrust policy and did not assign to the work of building up the antitrust policy certain competent persons who would make a satisfactory record in that respect and would explore the ideas which subsequently would be the basis for such a policy?

If the commission had the authority either to give to the chairman or to take away from the chairman that power, the commission itself would be in position to require the chairman to follow the will and the desires of the commission. However, if the commission did not have the authority to take such power away from the chairman or to give such power to him, but if the chairman had the right to do all the hiring and firing of personnel and the right to assign all the work to all the employees of the commission and members of the commission, the other members of the commission would not have the authority to tell the chairman what he could do or what he should or should not do. Instead, the chairman himself would be running the commission from beginning to end.

In such case, because the President could appoint the chairman and because the chairman could be kept in power at the pleasure of the President and could be removed from that position at the pleasure of the President, the invariably result would be that every year the President could name a new chairman of the commission, and could name to that position a man whom he thought would carry out the President's ideas regarding policy.

Mr. President, it was never intended, as the record shows, that the President should have the authority to set the policies of these commissions. They are not supposed to reflect the ideas or views of the administration or of the White House or of anyone else except Congress. The commissions are supposed to reflect the policies of Congress, and of no one else.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. LONG. I yield for a brief question.

Mr. O'CONOR. The Senator has stated that according to the plan, the commission itself would be left without anything to say or without any authority. Does the Senator from Louisiana know that in this reorganization plan it is specifically provided that—

(b) (1) In carrying out any of his functions under the provisions of this section the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

Mr. LONG. That is exactly what I had in mind.

Mr. O'CONOR. So, does the Senator think the commission would be without authority, inasmuch as it would still have the right to determine the policy and the right to govern the chairman in connection with the exercise of his administrative functions?

Mr. LONG. Mr. President, I am pleased to note that the distinguished Senator from Maryland read that statement from the report and recommendations of the Hoover Commission, because the Hoover Commission had in mind, so far as I can see, that the chairmen of these commissions had to carry out the will of the commissions themselves.

The distinguished Senator from Arkansas [Mr. MCCLELLAN] said on Friday that some consideration was given in the Hoover Commission in regard to not even studying and making recommendations in the case of these independent agencies. However, when the Hoover Commission decided to study them, it determined that the best thing to do would be simply to let the commissions themselves—at least, according to the opinion of the Senator from Arkansas—give to the chairman such authority as the commissions thought necessary. The Senator from Arkansas said that in that connection in the reorganization legislation it was only necessary to provide that the commission would have the authority to vest in the chairman of the commission whatever authority the commission itself wished the chairman to have.

However, if the President appoints the chairman, the President will have the power to remove the chairman at any time he wishes to remove him. Therefore, if we vest in the chairman the power to hire or to fire the personnel and the power to say who will be working and who will not be working and the power to say what kind of work the personnel will do, that will make all the bipartisan members of the commission helpless and powerless to do anything except to follow—not the views of the commission—but the views of the chairman and of the administration in power.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, let me say that I believe I incorrectly stated that the Senator from Maryland read from the Hoover Commission report.

Mr. O'CONOR. That is correct; I read from the reorganization plan.

Mr. LONG. Yes; but when the Senator states that the chairman would have

to follow the views of the commission, that is a fallacious statement, because the chairman would be following the desires and the views of the administration in power, and that is the reason why the plan is prepared in that fashion.

Mr. JOHNSON of Colorado. Mr. President, I thank the Senator from Louisiana for correctly stating the situation with respect to these plans.

The Senator from Maryland [Mr. O'CONOR] incorrectly stated the situation when he said that the Hoover Commission's plan recommended the appointment of the chairmen of these regulatory bodies. To the contrary, I wish to read from page 5 of the Hoover Commission's recommendations:

> Recommendation No. 1:
> We recommend that all administrative responsibility be vested in the chairman of the commission.

The Hoover Commission's recommendation says nothing whatever about the appointment of the chairman by the President. A statement to that effect cannot be found in the report of the Hoover Commission; it is not there.

It may be true that the task force, who have been backing the program as submitted to the Congress in the plans now proposed, have made that kind of recommendation. However, so far as I know, no member of the task force has ever been elected to Congress or has served in Congress or has taken the oath of office to protect the Constitution of the United States. Why we should follow the advice of the Senator from Illinois and should listen to Chambers of Commerce and to Dr. Johnson, of Temple University, who heads the task force, is more than I can understand, when they are dealing with matters which directly affect the constitutional division of power, as established by the founding fathers.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. No; I do not have time to yield. I am sorry.

The Constitution itself, by section 8 of article I, gives to Congress the power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes. At no place in the Constitution can it be found that power over commerce is given to the President. Such provision is not to be found in the Constitution. That power is given to the Congress, not to the President. Yet, under this plan, we are, as the Senator from Louisiana has clearly shown, delegating to the President powers over commerce and over these commissions that were created as the arms of Congress.

The Federal Trade Commission, next to the Interstate Commerce Commission, is the oldest legislative agency of the Government. The powers granted to it and the procedural provisions of the Federal Trade Commission Act have been used as a pattern for practically all the legislative agencies which have been set up by Congress since the FTC was created.

While it has important law-enforcing functions, this Commission is uniquely an arm of the Congress. I cannot for the life of me see how Senators who are students of government and who, as Members of Congress, ought to be jealous of the powers of the Congress, can be so willing and anxious to delegate those powers to the Executive. The most important function of the Federal Trade Commission is to investigate trade conditions and to make recommendations to the Congress for the passage of legislation to eliminate abuses which have been disclosed by its use of the investigative procedure, which is clearly a legislative power, not an Executive power.

The Commission's general economic investigations under the law are made at the request of the President, or the Congress, or on motion of the Commission itself, pursuant to the Federal Trade Commission Act.

Since its establishment in 1915, the Commission has conducted numerous general investigations, of which some of the most important have been requested by Congress itself and have directly resulted in the enactment of important legislation. Of these, perhaps the most important were the Commission's investigations into the public-utility industry. The Sixty-eighth Congress, by Senate Resolution 329, directed the Commission to make an investigation of the electric power industry, which resulted in two reports, the first of which, Electric Power Industry—Control of Power Companies—Senate Document 213, February 21, 1927—dealt with the organization, control, and ownership of commercial electric-power companies. It called attention to the dangerous degree to which pyramiding had been practiced in superimposing a series of holding companies upon the underlying operating companies.

A more extensive inquiry, the so-called public-utility investigation, followed. This additional comprehensive inquiry was made pursuant to Senate Resolution 83, adopted on June 1, 1934, and embraced the financial structures of electric and gas utility companies operating in interstate commerce, their holding companies, and other companies controlled by the holding companies. The inquiry also dealt with the utilities' efforts to influence public opinion with respect to municipal ownership of electric utilities. The Commission's reports and recommendations, focussing congressional attention upon certain unfair financial practices in connection with the organization of holding companies and the sale of securities, were among the influences which brought about enactment of such remedial legislation as the Securities Act of 1933, the Public Utility Holding Company Act of 1935, the Federal Power Act of 1935, the Natural Gas Act of 1938.

The testimony, exhibits, and final reports of this extensive investigation—Utility Corporations, Senate Document 92, Seventieth Congress—comprised 95 volumes. It is now proposed in the Congress to turn this Commission, this arm of the Congress, over to the Chief Executive of the United States.

Of almost equal importance was the Federal Trade Commission's investigation of the chain-store menace on monopoly, made at the direction of Congress—Senate Resolution 224, Seventieth Congress, May 12, 1928. Cooperative chains, chain-store manufacturing, and wholesale business, leaders and loss leaders, private brands, short weighting, and under-weighing, sales, cost, profits, wages, special discounts and allowances, and prices and margins of chain and independent grocery and drug distributors in selected cities were given a thorough exploration. This investigation culminated in the publication of 33 reports, published under the general title "Chain Stores, 1931–33." Of these, the most important was the final report on the chain-store investigation—Senate Document 4, Seventy-fourth Congress, December 14, 1934. This report carefully examined the legal remedies available to combat monopolistic tendencies in chain-store developments. The Commission's recommendations pointed the way to subsequent enactment of the Robinson-Patman Act of 1936, prohibiting price and other discriminations.

Other investigations were also conducted, resulting in important legislation, of which the investigation into the meat-packing industry is an outstanding example. This investigation first led to antitrust proceedings against the Big Five packers, resulting in a consent decree which had substantially the effect of Federal legislation in restricting future operations of the packers to certain lines of activity.

As a further result of the investigation, Congress enacted the Packers and Stockyards Act, adopting the Commission's recommendation that the packing houses be divorced from the stockyards.

Another important investigation carried on at the direction of Congress was the investigation into the Agricultural Implements and Machinery Industry—House Document 702, Seventy-fifth Congress, June 6, 1938. This investigation was directed to the subject of the disparity between the depression price declines of farm products on the one hand and the comparative stability of prices of farm implements on the other. The report criticized certain competitive practices on the part of the dominant companies, showing, among other things, that a few major companies had maintained a concentration of control, which resulted in large part from their acquisition of the capital stock or assets of competitors prior to the enactment of the Clayton Antitrust Act in 1914, and thereafter from their purchase of the assets of competitors rather than capital stock. Following the submission of this report, the farm-implement manufacturing industry made substantial price reductions and remedied a number of the competitive practices which had been criticized.

It is now proposed that we turn this independent Commission over to the Chief Executive. I have just referred to the Robinson-Patman Act, its enactment, the history back of it, its background, and the writing of it. But, Mr. President, the administration is not a unit with respect to support of the Robinson-Patman Act. The Antitrust Division of the Department of Justice has very little use for that act. I am not making a plea for the Robinson-Patman

Act; that will have to be decided by Congress. But I am saying that we are taking a short cut toward making the Robinson-Patman Act ineffective, because, if we turn the Federal Trade Commission over to the administration, it will naturally follow that the Department of Justice, an important part of the administration, will have its own way regarding the Robinson-Patman Act.

The Federal Trade Commission is peculiarly an arm of Congress. In the act of September 26, 1914, establishing the Commission, specific provision was made and specific powers granted to the Commission—

To gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices and management of any corporation engaged in commerce, excepting banks and common carriers subject to the act to regulate commerce, and its relation to other corporations and to individuals, associations, and partnerships.

Where did Congress receive authority to pass such legislation? It came from the Constitution of the United States. Now we are asked to turn that authority over to the executive branch. For the life of me, Mr. President, I cannot see how Senators who are learned in the law and in the history of the development of the Constitution can take the position which some take today of advocating that the Congress turn over to the Chief Executive the functions which were given to it by the Constitution.

I read further:

The commission was further authorized—

Upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of the antitrust acts by any corporation.

To make public from time to time such portions of the information obtained by it hereunder, except trade secrets and names of customers, as it shall deem expedient in the public interest; and to make annual and special reports to the Congress and to submit therewith recommendations for additional legislation; and to provide for the publication of its reports and decisions in such form and manner as may be best adapted for public information and use.

* * * * *

To investigate, from time to time, trade conditions in and with foreign countries where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, and to report to Congress thereon, with such recommendations as it deems advisable.

Mr. President, I desire to quote excerpts from the decision of the Supreme Court in connection with former Commissioner Humphrey which are a concise statement of the concept and functions of the Federal Trade Commission. I am referring to the case of Humphrey's Executor against United States, in which the Supreme Court, speaking of the Federal Trade Commission, said:

The Commission is to be nonpartisan; and it must, from the very nature of its duties, act with entire impartiality. It is charged with the enforcement of no policy except the policy of the law. Its duties are neither political nor executive, but predominantly quasi-judicial and quasi-legislative. Like the Interstate Commerce Commission, its members are called upon to exercise the trained judgment of a body of experts appointed by law and informed by experience.

Mr. President, that is not Senator JOHNSON of Colorado speaking; that is the Supreme Court of the United States speaking. I return to the language of the Supreme Court with respect to this great tribunal, the Federal Trade Commission:

The legislative reports in both Houses of Congress clearly reflect the view that a fixed term was necessary to the effective and fair administration of the law. In the report to the Senate (No. 597, 63d Cong., 2d sess., pp. 10–11) the Senate Committee on Interstate Commerce, in support of the bill which afterward became the act in question, after referring to the provision fixing the term of office at 7 years, so arranged that the membership would not be subject to complete change at any one time.

Yet, Mr. President, we are attempting here to fix the length of the term of office of the Chairman, establishing it under the President, so he can remove the Chairman whenever he wants to do so.

Here is what the Senate itself said about it at the time the Federal Trade Commission was created:

The work of this Commission will be of a most exacting and difficult character, demanding persons who have experience in the problems to be met—that is, a proper knowledge of both the public requirements and the practical affairs of industry. It is manifestly desirable that the terms of the Commissioners shall be long enough to give them an opportunity to acquire the expertness in dealing with these special questions concerning industry that comes from experience.

That is what was said by this body at the time the Commission was created. Yet today it is proposed to fly in the face of what the Supreme Court has said and to permit the President to appoint a Chairman who can be removed after 1 day's service, if the President wants to remove him. That would place the Chairman directly under the political influence of the President if the President desired to exercise such political influence.

I read further from the decision of the Supreme Court:

The report declared that one advantage which the Commission possessed over the Bureau of Corporations (an executive subdivision in the Department of Commerce which was abolished by the act) lay in the fact of its independence, and that it was essential that the Commission should not be open to the suspicion of partisan direction. The report quotes (p. 22) a statement to the committee by Senator Newlands, who reported the bill, that the tribunal should be of high character and "independent of any department of the Government, * * * a board of commission of dignity, permanence, and ability, independent of executive authority, except in its selection, and independent in character."

The debates in both Houses demonstrate that the prevailing view was that the Commission was not to be "subject to anybody in the Government but * * * only to the people of the United States"; free from "political domination or control" or the "probability or possibility of such a thing"; to be "separate and apart from any existing department of the Government—not subject to the orders of the President."

Mr. President, that is still the Supreme Court speaking. Yet, what we are asked to do here, through the back door, is to make an important change in our form of government.

I continue the quotation from the decision of the Supreme Court:

More to the same effect appears in the debates, which were long and thorough and contain nothing to the contrary. While the general rule precludes the use of these debates to explain the meaning of the words of the statute, they may be considered as reflecting light upon its general purposes and the evils which it sought to remedy. (*Federal Trade Comm'n* v. *Raladam Co.* (283 U. S. 643, 650).)

Thus, the language of the act, the legislative reports, and the general purposes of the legislation as reflected by the debates, all combine to demonstrate the congressional intent to create a body of experts who shall gain experience by length of service—a body which shall be independent of executive authority, except in its selection, and free to exercise its judgment without the leave or hindrance of any other official or any department of the Government. To the accomplishment of these purposes, it is clear that Congress was of opinion that length and certainty of tenure would vitally contribute. And to hold that, nevertheless, the members of the Commission continue in office at the mere will of the President, might be to thwart, in large measure, the very ends which Congress sought to realize by definitely fixing the term of office.

If we approve this reorganization plan we shall be doing just the opposite of that in which the Supreme Court found so much merit.

I continue the quotation:

We conclude that the intent of the act is to limit the executive power of removal to the causes enumerated, the existence of none of which is claimed here; and we pass to the second question.

* * * * *

The Federal Trade Commission is an administrative body created by Congress to carry into effect legislative policies embodied in the statute in accordance with the legislative standard therein prescribed, and to perform other specified duties as a legislative or as a judicial aid. Such a body cannot in any proper sense be characterized as an arm or an eye of the executive. Its duties are performed without executive leave and, in the contemplation of the statute, must be free from executive control. In administering the provisions of the statute in respect of "unfair methods of competition" that is to say in filling in and administering the details embodied by that general standard—the Commission acts in part quasi-legislatively and in part quasi-judicially. In making investigations and reports thereon for the information of Congress under section 6, in aid of the legislative power, it acts as a legislative agency. Under section 7, which authorizes the Commission to act as a master in chancery under rules prescribed by the court, it acts as an agency of the judiciary. To the extent that it exercises any executive function—as distinguished from executive power in the constitutional sense—it does so in the discharge and effectuation of its quasi-legislative or quasi-judicial powers, or as an agency of the legislative or judicial departments of the Government.

If Congress is without authority to prescribe causes for removal of members of the Trade Commission and limit Executive power of removal accordingly, that power at once becomes practically all-inclusive in respect of civil officers with the exception of the judiciary provided for by the Constitution. The Solicitor General, at the bar, apparently

recognizing this to be true, with commendable candor, agreed that his view in respect of the removability of members of the Federal Trade Commission necessitated a like view in respect of the Interstate Commerce Commission and the Court of Claims. We are thus confronted with the serious question whether not only the members of these quasi-legislative and quasi-judicial bodies, but the judges of the legislative Court of Claims, exercising judicial power (*Williams v. United States* (289 U. S. 553, 565–567)), continue in office only at the pleasure of the President.

We think it plain under the Constitution that illimitable power of removal is not possessed by the President in respect of officers of the character of those just named. The authority of Congress, in creating quasi-legislative or quasi-judicial agencies, to require them to act in discharge of their duties independently of Executive control cannot well be doubted; and that authority includes, as an appropriate incident, power to fix the period during which they shall continue in office, and to forbid their removal except for cause in the meantime. For it is quite evident that one who holds his office only during the pleasure of another cannot be depended upon to maintain an attitude of independence against the latter's will.

The fundamental necessity of maintaining each of the three general departments of Government entirely free from the control or coercive influence, direct or indirect, of either of the others, has often been stressed and is hardly open to serious question.

The Supreme Court thought it was hardly open to serious question. However, today we have opened it to serious question, and we are attempting to destroy what the Supreme Court points out is so important to our form of government.

I continue to read from the decision:

So much is implied in the very fact of the separation of the powers of these departments by the Constitution and in the rule which recognizes their essential coequality. The sound application of a principle that makes one master in his own house precludes him from imposing his control in the house of another who is master there.

The above quotation clearly demonstrates that Congress, in setting up the Federal Trade Commission, intended that the Commission should be an arm of the Congress and free from the executive department, except in the matter of its selection. To place the Chairman of the Commission under the domination of the President would be to subvert this original intent. It would substantially change the basic character of the Commission from an instrumentality primarily devoted to assisting and carrying out the will of the Congress to that of a creature of the Executive.

Mr. President, everyone has his own definition of a liberal or a progressive. I have my definition. As I see it, a political liberal is one who desires that the people have more and more power, and more and more authority. What I believe to be a conservative is one who wants to take powers away from the people and give them to the Executive. He wants to move ever forward toward a totalitarian government, toward a tyrannical government, toward a dictatorship. That is what I consider to be an ultraconservative. Today we are dealing with that very question. Are we moving more and more toward democracy, more and more toward rule by the people, or are we moving more and more toward centralization of power in the Chief Executive? That question gave serious concern to the founding fathers when they established this Government. They organized it very carefully and they divided the powers into legislative, judicial, and executive. They kept the powers divided. We are not dividing them here. We are turning over to the Chief Executive powers which do not belong to him. Under this plan, we are turning over legislative powers to the Chief Executive. When the Chief Executive exercises all three powers—the legislative, the judicial, and the executive—we have tyranny. When we do that we are taking a step in that direction. I believe we would do that today if we do not disapprove the plan which has been submitted.

We are moving toward bureaucratic government. We have gone a long way in creating bureaus. The people of the country do not like bureaucratic government. They will vote against it every time they have a chance to do so. They are opposed to it. They ought to be opposed to it, because when a bureau is established the bureaucrats are not responsible to the people, and the people cannot reach them in any degree. They pay no attention to the will of the people. They handle things in their own way and as they please. They sneer and laugh at the people. Yet bureaucratic government would be furthered if the Federal Trade Commission were brought under this plan.

I have heard the argument made that Congress by its own act has given the President the power to name chairmen of some of the regulatory commissions. That is correct. However, whenever Congress has done that it has made a grave mistake. Our objection to the plan goes beyond that. Not only would the President have the power to appoint the chairman but the plan would give the chairman the power absolutely to control the commission. That is the object of these reorganization plans. If I am given control of the staff of any of these commissions, anyone else may make any decision he may want to make. I would still be running the commission, because the staff decides what cases are to be brought before the commission, and what cases are not to be brought before the commission.

Mr. President, I have used this argument before, but I think it ought to be stated over and over and over again to the Senate and to the Congress. Suppose a proposal were made that the President of the United States should appoint the chairmen of Senate committees. Suppose the proposal were made that he should appoint the chairman of the Committee on Appropriations, the chairman of the Committee on Interstate and Foreign Commerce, and the chairman of the Committee on Finance, as well as of all the other committees of Congress. Suppose we gave the President the power to appoint those chairmen. Suppose we followed that up by giving the chairmen of the committees full authority and full control over the staffs of the committees, how much of a democracy would we have? Of course, we would not have anything worthy of the name democracy. That is precisely and exactly what is proposed here to be done with these arms of Congress, to let the President select the chairmen of the commissions which are the arms of Congress, and then give the chairmen power over their great staffs.

There are commissions in this city which are housed in great buildings. They have hundreds of staff members and employees who work under them. If we give the chairmen authority over everything pertaining to the commissions and the staffs, how much could the other commissioners do? How much authority or power would they have?

We are told that there is an element of economy implied in these reorganization plans. How much money do these commissions handle in their budgets? How much money does it take to operate them? The ICC, which is the largest, costs the Government $12,000,000 a year. The Federal Communications Commission costs $7,000,000. The Federal Trade Commission, the one we are now considering, costs $4,000,000, and the Federal Power Commission costs $4,000,000. The total for the four commissions is $27,000,000.

How great a percentage is that of the total expenditures for this year? It is sixty-five one-thousandths of 1 percent. That is a pretty small amount.

Mr. President, I should like to see economy brought about. I should like to see economy in connection with these commissions. I should like to see more efficiency in them. I believe we can have more efficiency, and I believe we should have more efficiency, but I think we can accomplish that without destroying the commissions themselves, and without destroying our form of government.

For the life of me, Mr. President, I cannot understand the position of many of the liberal leaders of the Senate. I was heartened by an editorial which appeared in a liberal daily of Washington, the Washington Post, yesterday. It reads:

TWO MORE TURNED DOWN

Senate rejection of the plans for reorganizing the ICC and FCC are not in our opinion a major setback to the reorganization program. For, though the Hoover Commission recommended that administrative responsibility be vested in the chairmen of independent regulatory agencies, it devoted comparatively little attention to the problems of agencies exercising quasi-legislative and quasi-judicial functions. Congress is understandably jealous of any change in the organizational set-up that might open the way for executive domination of these agencies and subject them to political pressure.

Mr. President, I do not know whether Congress is jealous of its own powers and whether it wants to protect itself or not. We will find out when the roll is called in a few minutes. I hope Congress is jealous of its powers, that Congress does not want political pressure to enter into the conduct of these governmental commissions.

The editorial proceeds:

Moreover, while centralization of administrative responsibility in the heads of executive establishments appears to be sound in

principle, it is by no means certain that it is desirable to centralize administrative authority in the chairmen of regulatory agencies.

We are talking about the regulatory agencies. Here is a great, liberal newspaper which sees the difference between a regulatory agency and an executive agency. Apparently, judging from the debates which have proceeded on this floor, many Senators do not see any difference between a regulatory agency and an agency of the executive branch. But the Washington Post has called to our attention the fact that there is a distinction, and the Washington Post does not see very much harm to the reorganization plan program when the House of Representatives or the Senate rejects reorganization plans dealing with the regulatory agencies of the Government.

The editorial proceeds to point out that in one case, that of the Federal Commission, the Chairman was already appointed by the President. That is not too good an arrangement, and it is not too bad an arrangement, either, because the Chairman of the Federal Communications Commission has not been given the great powers these reorganization plans place in the chairmen of other commissions after they are appointed by the President. Of the four plans which we have before us today, in only one does the President appoint the Chairman, and that is in the case of the Federal Communications Commission. As I have said, there is not too much harm there because the Chairman is not given the vast powers the chairmen are given under the reorganization plans covering the other three commissions.

The Senate very wisely the other day, when it came to a vote on whether or not to give those powers to the Federal Communications Commission, acted in behalf of liberal government, acted in behalf of democracy. Senators were true to their principles, they were true to the principles of the founding fathers who created this Government, and who divided the powers of the Government. They were true to the Constitution in section 8, article I, where the power over commerce is given exclusively to the Congress, and is not given in any degree to the Chief Executive.

Mr. BRICKER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Colorado yield to the Senator from Ohio?

Mr. JOHNSON of Colorado. I yield.

Mr. BRICKER. Does the Senator agree with me that if this reorganization plan were to be adopted it would give the President almost as much direct power over these administrative agencies, which are arms of the Congress, as if the Supreme Court had not decided adversely to the President in the case involving the removal of Mr. Humphrey in 1934?

Mr. JOHNSON of Colorado. If we adopted this reorganization plan today, we would completely reverse the Humphrey case.

Mr. BRICKER. That is my judgment, and I am glad the Senator agrees with me in that. In other words, if we were to adopt the President's plan, he would be able to completely control the activities of the Commission, through the Chairman, whom he would have the power to remove also. Is that not correct?

Mr. JOHNSON of Colorado. If this plan goes through, the President can appoint that chairman and he can remove him, do anything he wants to do, and the chairman will be completely under his political control from the day he is appointed until the end of his term.

Mr. BRICKER. The Supreme Court held in 1934 that the President of the United States had not the power to remove, because it would give him power over a regulatory agency, which, under the Constitution, he could not have.

Mr. JOHNSON of Colorado. That is true.

Mr. BRICKER. Under the plan now before the Senate, the chairman would be given control of the money that is appropriated, control over the personnel, under the appointing power of the President, which would be in substance exactly the same thing the Supreme Court said the President could not have?

Mr. JOHNSON of Colorado. That is my understanding.

Mr. BRICKER. I thank the Senator.

Mr. JOHNSON of Colorado. Of course, I am not an authority on legal questions, not being a lawyer, and certainly not a constitutional lawyer, but it seems to me that is implicit in the language we have before us.

The Washington Post, in its excellent editorial of yesterday, said further, referring to the Interstate Commerce Commission:

However, there are good reasons for letting well enough alone in this instance. For the ICC reorganization plan met with strong opposition from the Association of American Railroads, motortruck owners, and the railway brotherhoods, and other groups. Furthermore, it has functioned on the whole most satisfactorily under the existing organization set-up, and there is no virtue in change merely for the sake of establishing a standard reorganizational pattern for the Government's independent regulatory agencies. It should also be noted that the Hoover Commission did not recommend transfer of the power to select the ICC's Chairman to the President.

That is true of the plan we have before us. Mr. Hoover and the Commission in their report never recommended the President have the appointive power of the Chairman of the Federal Trade Commission. That was thought up by somebody else, not by Mr. Hoover and his Commission.

Senators who opposed the ICC plan for that reason had to find other arguments to support rejection of the FCC reorganization plan, since the FCC Chairman is appointed by the President. While the debate on this plan was hurried and inclusive the chief objections to it apparently were (1) that because the FCC Chairman is appointed by the President, it would be all the more dangerous to increase his power; (2) that the FCC itself believed that a recently adopted administrative order would enable it to delegate necessary authority to the Chairman, and (3) that only one member of the Commission, besides the Chairman, has voiced support of the plan, while two others have opposed it and the rest maintain silence.

Mr. President, I ask unanimous consent that the editorial may be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TWO MORE TURNED DOWN

Senate rejection of the plans for reorganizing the ICC and the FCC are not in our opinion a major setback to the reorganization program. For, though the Hoover Commission recommended that administrative responsibility be vested in the chairmen of independent regulatory agencies, it devoted comparatively little attention to the problems of agencies exercising quasi-legislative and quasi-judicial functions. Congress is understandably jealous of any change in the organizational setup that might open the way for executive domination of these agencies and subject them to political pressure. Moreover, while centralization of administrative responsibility in the heads of executive establishments appears to be sound in principle, it is by no means certain that it is desirable to centralize administrative authority in the Chairman of regulatory agencies.

To be sure, the rejected reorganization plans specifically provide that the chairman shall be governed by the general policies and the decisions of the regulatory agency. Nevertheless, the proposed changes would have had the effect of strengthening the influence of the Chairman at the expense of other members of these multiheaded agencies. This would open the door to abuses of power. Moreover, it is doubtful whether the concentration of responsibility for day-to-day administration of a regulatory agency would increase its efficiency. It would be more likely to overburden the chairman and distract his attention from the problems that should be his chief concern. Instead of centering responsibility in a single top-ranking member, the better plan would be to relieve all members of regulatory commissions of burdensome administrative duties and centralize responsibility in an official who would be supervised by them.

Opposition to the ICC reorganization plan was strengthened because of the proposal to empower the President to designate the Chairman, who is now selected by the Commission. It is nonsense to argue that this change would destroy the independence of the Commission and concentrate power over its operations in the hands of the President. The Chief Executive already has statutory power to appoint the Chairmen of such agencies as the FCC, the NLRB, the Civil Aeronautics Board, the Maritime Commission, and the Federal Reserve Board. Those agencies certainly have not forfeited their independent status and become subject to arbitrary Executive control.

However, there are good reasons for letting well enough alone in this instance. For the ICC reorganization plan met with strong opposition from the Association of American Railroads, motortruck owners, the railway brotherhoods and other groups. Furthermore, it has functioned on the whole most satisfactorily under the existing organization setup, and there is no virtue in change merely for the sake of establishing a standard reorganizational pattern for the Government's independent regulatory agencies. It should also be noted that the Hoover Commission did not recommend transfer of the power to select the ICC's Chairman to the President. Senators who opposed the ICC plan for that reason had to find other arguments to support rejection of the FCC reorganization plan, since the FCC Chairman is appointed by the President. While the debate on this plan was hurried and inconclusive the chief objections to it apparently were (1) that because the FCC Chairman is appointed by the President, it would be all the more dangerous to increase his power; (2) that the FCC itself believed

that a recently adopted administrative order would enable it to delegate necessary authority to the Chairman, and (3) that only one member of the Commission, besides the chairman, has voiced support of the plan, while two others have opposed it and the rest maintained silence.

Judging from the nature of the arguments advanced and the bipartisan character of the opposition to these plans, a number of similar pending proposals for reorganizing regulatory agencies will probably meet with the same fate. However, to repeat, rejection of these plans is based on opposition to interference with the so-called independent agencies that are not, strictly speaking, a part of the executive establishment of the Government with which the Hoover Commission was primarily concerned.

Mr. JOHNSON of Colorado. Mr. President, that is what the Washington Post says about these plans. I repeat that the Washington Post is the most liberal newspaper in Washington today. I am glad the Post has been true to its colors. Whether Congress is jealous of its powers or not, the Washington Post is jealous of those powers and does not want them transferred from the Congress to the Chief Executive.

Mr. President, the majority leader tried to obtain the floor a moment ago. I wish to give him time to reply to me, or to ask any questions he desires to ask, or say anything he wishes to say. I think that is only fair.

Mr. LUCAS. Mr. President, will the Senator yield several minutes to me?

Mr. JOHNSON of Colorado. Were the chairman of the Committee on Expenditures in the Executive Departments, the Senator from Arkansas [Mr. McCLELLAN] present I should like to give him a couple of minutes. He is not present at the moment, however. So, I yield 5 minutes of my time to the Senator from Illinois.

Mr. LUCAS. I thank the Senator from Colorado.

Mr. President, I did not hear all the arguments presented by the Senator from Colorado, and I confess I may have some trouble in answering the Senator's statement because I did not hear all of it. I simply want to make one or two comments with respect to the Senator's statement about the positions of the citizens committee, and the position of chambers of commerce and other interested citizens and groups throughout the Nation who are vitally concerned about the reorganization of the executive branch of the Government for the primary and fundamental purpose of achieving greater efficiency and economy in Government.

We have constantly heard fears expressed concerning delegation of power by the legislative branch to the executive branch of the Government. It is because of that fear that so many distinguished Senators are opposing the reorganization plans.

Mr. President, my memory of what happened last year in the Senate of the United States is very good. At that time a petition signed by practically the same Senators who are now opposing the reorganization of Government departments and agencies tried on two different occasions to have acted upon favorably a petition they presented which would have given the President of the United States the authority to decrease expenditures in Government $2,000,000,000 or $3,000,000,000. Talk about delegation of power. To my way of thinking that was the most unusual proposal I have ever seen presented, a proposal to give the President of the United States the right to decrease the expenditures of Government $2,000,000,000 or $3,000,000,000. It was not proposed that Congress should do it, but it was proposed to give into the hands of the President of the United States the power to make such a decrease in Government expenditures.

I repeat what I have tried to make plain by argument from the beginning, that unless we grant some power to the President of the United States, unless we are willing to trust the President of the United States to appoint the kind of chairmen which the Congress by legislation on five different occasions has authorized him to appoint, there will never be any effective reorganization of Government at all.

The surprising thing to me is that Senators on both sides of the aisle who are constantly crying from the housetops about economy in Government, are now willing to abandon the theory of economy in Government because someone wants to transfer a little power to the President of the United States, the power to appoint the chairmen, who are the only ones who can really do a satisfactory job from the standpoint of reorganizing Government departments and agencies. Yet we hear Senators argue in behalf of an entire commission to sit around a table and discuss and deliberate over whether to hire Tom Jones as an assistant or Bill Smith as a typist. That simply does not make sense to me, Mr. President. In other words, the administrative powers ought to be lodged where the responsibility can be centered, which is in the chairmen of the respective commissions.

Mr. President, I undertake to say that the people of the country are alarmed over what is going on here with respect to the destruction of the different reorganization plans. The Senator from Louisiana [Mr. LONG] a few moments ago said we were departing completely from the Hoover recommendations. If we are making such a departure, and if the President of the United States had deviated tremendously and wrongfully from the plans laid down by Mr. Hoover, why is it that the former President of the United States, Mr. Hoover, has not said one word in connection with the debates about the repudiation of his plans? He has not said one word. If the so-called repudiation is the kind of repudation some desire us to believe, I am certain former President Hoover would have spoken up and said, "The plan is not, in letter or in spirit, along the lines proposed for the reorganization."

Mr. President, I have before me a letter from John Stuart, of the Quaker Oats Co. Mr. Stuart is a brother of Douglas Stuart, treasurer of the National Committee of the Republican Party. He is the head of the Quaker Oats Co. This is what he says:

We are quite distressed by the news that has come to us from the representatives in Washington of the Citizens' Committee for the Hoover Report that, because the present Reorganization Plans 1 and 12 have been defeated, there is an effort developing on the part of some of the Senators to kill or hold up all of the recommendations of the President sent in based on the Hoover recommendations for the reorganization of Government departments and departmental divisions.

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Illinois be kind enough to insert the whole letter in the RECORD? I should like to speak for a couple of minutes in conclusion.

Mr. LUCAS. Mr. President, I ask unanimous consent to have the entire letter incorporated in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

QUAKER OATS CO.,
Chicago, Ill., May 17, 1950.

Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: We are quite distressed by the news that has come to us from the representatives in Washington of the Citizens' Committee for the Hoover Report that, because the present Reorganization Plans 1 and 12 have been defeated, there is an effort developing on the part of some of the Senators to kill or hold up all of the recommendations the President sent in based on the Hoover recommendations for the reorganization of Government departments and departmental divisions.

The people in our State are beginning to get the facts about the Hoover recommendations and what the streamlining of these Government departments and operations will mean and to realize that as consumers they are paying the big end of the bill for this waste and inefficiency in the price level of the things that they, as consumers, buy.

I am sure that on many of these recommendations there will be small groups that will oppose certain features. We have had too much legislation for small interested groups and I think it is time that all of us should yield on some of these points if the results will be helpful to the great majority of our citizens.

I hope we can count on you for your active interest and help in getting these savings for the people by doing what you can to see that the Hoover recommendations that will produce these economies and result in efficiency are put into operation.

With kind regards,

Sincerely yours,

JOHN STUART,
Chairman, Illinois Citizens' Committee for the Hoover Report.

Mr. LUCAS. Mr. President, I hope every Senator, and especially my Republican friends, will read what John Stuart, chairman of the Illinois Citizens' Committee for the Hoover Report, says in his letter.

Mr. JOHNSON of Colorado. Mr. President, Basil Manly appeared before the Committee on Expenditures in the Executive Departments about a month ago and made a statement which I believe should be called to the attention of the Senate. Since he appeared before

the committee Basil Manly died very suddenly. We greatly regret his death. He was a valuable man to the American democracy. This is what he stated before the committee:

I am a Democrat with the highest respect for the office of President, having held public office under three of them, but I predict that if these great powers are concentrated in the hands of the commission chairman, the American Nation will soon have a series of one-man dictatorships ruling the activities of almost every kind of American enterprise and indirectly controlling the lives of all classes of American citizens.

Basil Manly knew what he was talking about, because he had been a member of one of the commissions for a great many years. He further said:

I was in Washington when all the independent commissions, except the Interstate Commerce Commission, were created and, either as a public official or as a newspaper man, was sufficiently in contact with the statesmen of that day—and they were statesmen—

Mr. Manly said—

who sponsored and guided the enabling legislation that established these agencies, who understand not only their objectives but also their fears for the future.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the statement made by Mr. Manly, beginning on page 183 of the hearings before the Committee on Expenditures in the Executive Departments on April 26, 1950.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF BASIL MANLY, VICE PRESIDENT AND DIRECTOR, SOUTHERN NATURAL GAS CO.; FORMER CHAIRMAN OF THE FEDERAL POWER COMMISSION

Mr. MANLY. My name is Basil Manly. My residence for the past 42 years has been Washington, D. C.

I was a member of the Federal Power Commission for 13 years, during which period I was unanimously elected by my fellow Commissioners as Vice Chairman for 5 years, and as Chairman to serve a 5-year term.

I resigned the chairmanship in October 1945 because I could not adequately provide for my family on the salary then being paid.

I am now vice president and director of Southern Natural Gas Co., a pipeline operating in Texas, Louisiana, Mississippi, Alabama, and Georgia. But I am as deeply and sincerely interested in the maintenance of effective regulation now as I was while in Government service, because I believe it is the only way to provide justice for both consumers and investors.

It is for this reason that I feel it my duty to oppose Reorganization Plan No. 9, which proposes in substance that the President shall appoint the Chairman of the Commission and that the Chairman shall have substantially full control of all executive and administrative functions, including specifically personnel, distribution of duties among administrative units, and the expenditure of funds.

These proposals taken together, in my opinion, would ultimately undermine and destroy the purposes for which the so-called independent Commissions were created; substantially interfere with the fair, impartial, and effective regulation of public utilities; and promote the establishment of bureaucratic dictatorships wielding enormous authority over both corporate and personal affairs.

I was in Washington when all the independent commissions, except the Interstate Commerce Commission, were created and, either as a public official or as a newspaperman, was sufficiently in contact with the statesmen of that day—and they were statesmen—who sponsored and guided the enabling legislation that established these agencies, to understand not only their objectives, but also their fears for the future.

Specifically, I knew President Wilson, Robert M. La Follette, George W. Norris, William S. Kenyon, Albert B. Cummins, Louis D. Brandeis, Gifford Pinchot, and the other leaders of that day who were either responsible for the enabling legislation or fixed the pattern on which the so-called independent commissions were established.

Those farsighted men were absolutely clear on a number of points which are germane to the present proposals. They conceived these Commissions as agencies of the Congress to which specific, limited powers were delegated. They held that they should be free from Executive control. They wanted to keep them out of politics, and to that end provided generally that not more than a majority of the members should belong to any one political party. They provided for their appointment, on a staggered basis, for fixed terms and subject to confirmation by the Senate so that Executive control would be difficult even after a number of years.

In none of the earlier Commissions was the Chairman appointed by the President, the office being either filled by vote of the members or rotated on an annual basis.

It is true that in some of the more recently established Commissions the President was authorized to select the Chairman. But, as long as the office is primarily a position of honor charged with the performance of the routine administrative duties necessary to effectuate policy decisions, personnel appointments, and fund allocations made by the Commission as a whole, such Presidential selection is of secondary importance.

It is only when presidential appointment is combined with the exaltation of the chairmanship by possession of control over personnel, funds, and allocation of duties that it becomes dangerous to the continuing existence of the Commissions as independent agencies clothed with quasi-legislative and quasi-judicial authority.

Any strong chairman who is given control of personnel appointments, promotions, and fund allocations will inevitably govern the staff and thus strongly influence, if he does not absolutely control, the quasi-legislative and quasi-judicial activities of the Commission. For it must be constantly remembered that the records upon which the decisions of the Commission must necessarily be based are made by the staff and not by the members of the Commission. In this they differ from the courts which are in constant control of their own records.

If a Chairman endowed with such plenary administrative authority is weak, on the other hand, he will almost inevitably be controlled by the staff, who are permanent expert employees and almost invariably know exactly what they want and how to achieve it.

It is only when the appointments and promotions of all keymen, not merely bureau heads, and the allocation of duties and funds are constantly subject to approval by all the members of a Commission that such agency can be sure of controlling its regulations, decisions, and other activities.

The dangers arising from centralized executive control of the so-called independent Commissions have been enormously increased by certain recent decisions of the United States Supreme Court. There are several decisions which have increased the authority of the administrative agencies and correspondingly restricted the scope of judicial review, but I refer particularly to the Chenery case (*S. E. C.* v. *Chenery Corp.* (332 U. S. 194)) and the Engineers case (*S. E. C.* v. *Central-Illinois Securities Corp.* (338 U. S. 96)).

"These two decisions taken together"—

Senator JOHNSON of Colorado has recently declared—

"hold in effect that an administrative agency's action does not require the sanction of any law, judicial precedent, rule, or regulation, but may be based solely upon the agency's administrative experience so long as it is 'consistent with' or 'not contrary to' the statute under which it operates."

Senator JOHNSON has introduced a bill (S. 3076) designed to correct this situation and has written Senator MCCARRAN, chairman of the Judiciary Committee, a letter analyzing these decisions and accurately portraying their effects on the jurisdiction and powers of the independent Commissions.

It has not yet been printed in any official publication; so, with the approval of your committee, I request that it be included as a part of these proceedings.

The CHAIRMAN. What is that?

Mr. MANLY. That is a letter from Senator JOHNSON to Senator MCCARRAN analyzing the effect of those two decisions.

The CHAIRMAN. Do you have a copy of the letter?

Mr. MANLY. Yes, sir; I have a copy of the letter.

The CHAIRMAN. In other words, the letter is not a secret document?

Mr. MANLY. The letter is in no sense a secret document, sir; but, so far as I know, it has not been printed in any official publication, such as the CONGRESSIONAL RECORD.

The CHAIRMAN. Do you think it is pertinent?

Mr. MANLY. I think it is very germane to this situation of the really unrestricted power, practically, which the courts by these two decisions have conferred upon the independent Commissions, and which, I think, has a very great bearing upon the centralization of those powers in a single man.

The CHAIRMAN. All right, you may submit the letter. We will pass upon it.

Mr. MANLY. Yes, thank you, sir.

I should like, however, at this time to read a brief excerpt from the letter which summarizes Senator JOHNSON's view.

"These decisions"—

He concludes—

"place the Commissions 'above the law.' They place those agencies above the courts and above the Congress. They have, in fact, created a new super-government having all the characteristics of a dictatorship, which need not even be consistent."

He quotes at this point from Justice Jackson's dissent.

" 'The truth is,' says Justice Jackson, 'that in this decision the Court approves the Commission's assertion of power to govern the matter without'—and the 'without' is underscored in Justice Jackson's original dissent—'law, power to force the surrender of stock so purchased whenever it will, and power also to overlook such acquisitions if it so chooses.'

"We have therefore"—

Senator JOHNSON declares—

"a group of potentially lawless administrative dictatorships presiding over the destinies of all American citizens and corporations which are subject to their constantly expanding jurisdiction."

It is vital, therefore, to keep the present status and authority of these agencies, as defined by the Supreme Court, in mind in considering proposals to centralize the essential and controlling powers of each of those agencies in one man appointed by the President, whoever he may be.

I am a Democrat with the highest respect for the office of President, having held public office under three of them, but I predict that if these great powers are concentrated

in the hands of the Commission chairmen, the American Nation will soon have a series of one-man dictatorships ruling the activities of almost every kind of American enterprise and indirectly controlling the lives of all classes of American citizens.

I earnestly hope, therefore, that Reorganization Plan No. 9, and all similar plans affecting other independent Commissions, will be unfavorably reported by your committee and so overwhelmingly defeated by both Houses of Congress that they will not again be revived.

The CHAIRMAN. Senator LEAHY, do you have any questions?

Senator LEAHY. I have no questions, but I think we should have the letter.

The CHAIRMAN. Have you a copy of the letter with you?

Mr. MANLY. I thought I had, Senator, but I will see. If not, I will get one from Senator JOHNSON'S office right away, and submit it to you.

The CHAIRMAN. You submit it here, and we will submit it to the entire committee to let them determine. Ordinarily we just admit things for the record, but since you say this has not been published, the only thing that occurred to me is whether it is a confidential letter that was not intended for publication. But anyway you submit it to us, and the committee will decide.

(The letter referred to by the chairman is on file with the committee.)

Mr. MANLY. It was not, but I will be very glad to do that, sir.

The CHAIRMAN. Thank you very much, Mr. Manly.

The VICE PRESIDENT. All time under the agreement has expired.

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Does the plan carry with it provision that a quorum call shall be had at the conclusion of the time for debate agreed upon?

The VICE PRESIDENT. It is not required that the Chair shall call for a quorum call, but the absence of a quorum can be suggested.

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Martin
Anderson	Hendrickson	Millikin
Benton	Hill	Mundt
Brewster	Hoey	Neely
Bricker	Holland	O'Conor
Bridges	Humphrey	O'Mahoney
Butler	Hunt	Robertson
Byrd	Ives	Russell
Cain	Johnson, Colo.	Saltonstall
Capehart	Johnson, Tex.	Schoeppel
Chapman	Kem	Smith, Maine
Connally	Kilgore	Smith, N. J.
Darby	Knowland	Sparkman
Donnell	Leahy	Stennis
Douglas	Lehman	Taft
Dworshak	Long	Taylor
Eastland	Lucas	Thomas, Utah
Ecton	McCarran	Thye
Ellender	McCarthy	Tydings
Ferguson	McClellan	Watkins
Flanders	McFarland	Wherry
Fulbright	McKellar	Wiley
George	McMahon	Williams
Gillette	Magnuson	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to Senate resolution 254, disapproving Reorganization Plan No. 8.

Mr. JOHNSON of Colorado. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. MCCLELLAN (when the name of Mr. JOHNSTON of South Carolina was called). I am authorized to announce that the Senator from South Carolina [Mr. JOHNSTON] is absent by leave of the Senate, and that, if he were present and voting, he would vote "yea."

The roll call was concluded.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Kentucky [Mr. WITHERS] is detained on official business.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

On this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Pennsylvania would vote "nay."

I announce further that if present and voting, the Senator from Rhode Island [Mr. GREEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the senior Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG], are absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Oregon [Mr. MORSE] who is also absent by leave of the Senate. If present and voting the Senator from Iowa would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] who is absent on official business is paired with the Senator from Nevada [Mr. MALONE] who is detained on official business. If present and voting the Senator from New Hampshire would vote "nay," and the Senator from Nevada would vote "yea."

The Senator from Oregon [Mr. CORDON] is detained on official business.

The yeas and nays resulted—yeas 34, nays 37, as follows:

YEAS—34

Brewster	Eastland	McFarland
Bricker	Fulbright	McKellar
Bridges	George	Martin
Butler	Hayden	Millikin
Byrd	Hoey	Russell
Cain	Holland	Schoeppel
Capehart	Johnson, Colo.	Smith, Maine
Chapman	Johnson, Tex.	Stennis
Connally	Kem	Wherry
Darby	Long	Wiley
Donnell	McCarran	
Dworshak	McClellan	

NAYS—37

Aiken	Ives	Robertson
Anderson	Kilgore	Saltonstall
Benton	Knowland	Smith, N. J.
Douglas	Leahy	Sparkman
Ecton	Lehman	Taft
Ellender	Lucas	Taylor
Ferguson	McCarthy	Thomas, Utah
Flanders	McMahon	Thye
Gillette	Magnuson	Tydings
Hendrickson	Mundt	Watkins
Hill	Neely	Williams
Humphrey	O'Conor	
Hunt	O'Mahoney	

NOT VOTING—25

Chavez	Johnston, S. C.	Myers
Cordon	Kefauver	Pepper
Downey	Kerr	Thomas, Okla.
Frear	Langer	Tobey
Graham	Lodge	Vandenberg
Green	Malone	Withers
Gurney	Maybank	Young
Hickenlooper	Morse	
Jenner	Murray	

The VICE PRESIDENT. On this vote the yeas are 34, the nays are 37. A fewer number than the 49 required by law having cast their votes in the affirmative, the resolution of disapproval is rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, informed the Senate that Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7579. An act to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes;

H. R. 7941. An act to amend and supplement the Federal Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; and

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

ENROLLED BILLS SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; and

S. 2811. An act to amend section 1462 of title 18 of the United States Code, with respect to the importation or transportation of obscene matters.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

UNITED STATES PARTICIPATION IN UNITED NATIONS—REPORT (H. DOC. NO. 598)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, transmitting his fourth annual report on the activities of the United Nations and the participation of the United States, which, with the accompanying report, was referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives, pp. 7410–7412.)

JOINT COMMITTEE ON NAVAJO-HOPI INDIAN ADMINISTRATION

The VICE PRESIDENT. Under Public Law 474, approved April 19, 1950, the Chair appoints the Senator from Arizona [Mr. MCFARLAND], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Utah [Mr. WATKINS] members of the Joint Committee on Navajo-Hopi Indian Administration.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED PROVISION PERTAINING TO FOREST SERVICE, DEPARTMENT OF AGRICULTURE (S. DOC. NO. 170)

A communication from the President of the United States, transmitting a proposed provision pertaining to cooperative range improvements, Forest Service, Department of Agriculture, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AMENDMENT TO BUDGET RELATING TO NATIONAL CAPITAL HOUSING AUTHORITY (S. DOC. NO. 169)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1951, involving a decrease of $39,600 for the National Capital Housing Authority (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

INVITATION TO DEDICATION OF CASCADE LOCKS-STEVENSON AIRPORT

The VICE PRESIDENT laid before the Senate a letter from the mayor of the city of Cascade Locks, Oreg., inviting the Senate to attend the dedication of the Cascade Locks-Stevenson Airport, Oregon, on Sunday, May 28, 1950, which was ordered to lie on the table.

INVESTIGATION OF LAWS AND PROCEDURES RELATING TO INVESTIGATION AND PUNISHMENT OF SEXUAL PERVERSION PRACTICES

The VICE PRESIDENT. There is on the desk Senate Resolution 280, submitted on Friday, May 19, 1950, by the Senator from Alabama [Mr. HILL] for himself and other Senators, providing for an investigation of the laws and procedures with respect to investigation and punishment of sexual-perversion practices in the District of Columbia, and so forth. The resolution leaves blank the name of the committee to which the authority or direction is given.

The Chair has examined the resolution and also the rules providing for the allocation of legislative matters to the several committees.

The Chair thinks that the preponderance of claim to be asserted by any appropriate committee would be asserted by the Committee on Expenditures in the Executive Departments. Therefore, the Chair refers the resolution to that committee, and asks that the clerk may be authorized to insert the name of that committee in the body of the resolution.

Is there objection to having that done? The Chair hears none.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A telegram in the nature of a memorial from Charles W. Heisser Post, 179, the American Legion, of Brooklyn, N. Y., signed by Ed Prokop, adjutant, remonstrating against the closing of the Birmingham Veterans' Hospital for paraplegics, at Van Nuys, Calif.; to the Committee on Labor and Public Welfare.

By Mr. MCMAHON:

A resolution of the Senate of the State of Connecticut, relating to the importation of rubber and other products; to the Committee on Finance.

(See resolution printed in full when laid before the Senate by the Vice President on May 11, 1950, p. 6889, CONGRESSIONAL RECORD.)

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Expenditures in the Executive Departments:

"Resolutions memorializing Congress to reject certain recommendations affecting veterans contained in the report of the Hoover Commission

"*Resolved*, That the General Court of Massachusetts hereby urges the Congress of the United States to reject the recommendations contained in the report of the Hoover Commission which propose: (1) That veterans' hospitals be removed from the jurisdiction of the Veterans' Administration and placed, with all other Government health services, under the control of the United Medical Administration; (2) that the veterans' insurance program, now in the hands of the Veterans' Administration, be lodged in a new Government corporation; (3) that the GI home loans, now administered by the Veterans' Administration, be placed under the control of another Government lending agency; and (4) that the veterans' right to preference in Government hiring policies be abolished; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted May 9, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted in concurrence, May 15, 1950.

"IRVING N. HAYDEN,
"Clerk."

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Expenditures in the Executive Departments.

RESOLUTIONS OF CATHOLIC WAR VETERANS OF WISCONSIN

Mr. WILEY. Mr. President, I send to the desk a statement prepared by me relating to resolutions adopted by the convention of the Catholic War Veterans of the State of Wisconsin, assembled at Oshkosh, Wis., on May 6, 1950, which I ask to have printed in the RECORD. I also ask unanimous consent that the resolutions adopted by that organization be appropriately referred and printed in the RECORD.

The VICE PRESIDENT. Without objection, the statement presented by the Senator from Wisconsin will be printed in the RECORD, and the resolutions will be appropriately referred and printed in the RECORD. The Chair hears no objection.

The statement presented by Mr. WILEY is as follows:

STATEMENT BY SENATOR WILEY

CWV CONVENTION IN OSHKOSH

Mr. President, all of us in the Senate try to keep up with important meetings of significant organizations in our State. I have been most happy in this connection to follow in the general press and in the Catholic lay and religious press, reports of the 1950 department convention of the Catholic War Veterans of Wisconsin.

I note, for example, in the latest issue of the La Crosse Register a write-up of the important address given by Father Joseph D. Barry of Notre Dame University who stated that Catholicism stands side by side with other Christian forces in the fight against the anti-Christ. At this convention, too, eight distinguished Wisconsin clergymen and laymen were cited for their outstanding religious and civic work in 1949 and received awards at the annual banquet. The La Crosse Register lists the recipients of the awards as follows:

Bishop Stanislaus V. Bona of Green Bay, Abbot B. H. Pennings of De Pere, and F. J. Sensenbrenner of Neenah received recognition for advancement of religious and civic interests; Dr. Archie Skemp of La Crosse was cited for aid in the resettlement of 65 DP families on farms in Wisconsin and Minnesota.

Others cited were Father Erwin Van Handel, Madison, State chaplain; the retiring commander, Elmer F. Briesemeister of South Milwaukee; Martin Hanegraf, Kimberly, accredited representative to the VA for the CWV State department; and Robert Pieper of Milwaukee, official photographer.

I should like now to list the newly elected officers of the Catholic War Veterans of my State and to express to them my sincerest congratulations:

"Father Charles A. Brady, pastor of St. Patrick's Parish, Senaca, was named the CWV chaplain. Other officers chosen are Donald F. Runnoe, of Marinette, first vice commander; Ray Wundrock, Milwaukee, second vice commander; and Frank Ott, Milwaukee, third vice commander. Al H. Stoegbauer, of Appleton, was reelected treasurer, and Henry Woyach, of Milwaukee, was reelected adjutant.

"Other departmental officers are Frank Schmitz, Milwaukee, welfare officer. Martin Hanegraf, Kimberly, representative to the VA; John Wittig, Milwaukee, judge advocate; Frank Logas, Sheboygan, officer of the day; Dr. Charles B. Larkin, Madison, medical officer; and Miss Leona Singer, Milwaukee, historian. William Lundy, of Appleton, and Frank Evans, of Milwaukee, were chosen trustees for 3-year terms."

APPLYING RELIGION IN ALL OF MAN'S AFFAIRS

Mr. President, I have commented previously on the Senate floor on the subject of the fine work being done by the CWV throughout our country. I have presented these comments particularly because I have always felt that organizations like the CWV demonstrate that the practice of one's religion is not just a 1- or 2-day-a-week affair; the truly religious man applies the highest principles of his faith in his daily contact with his fellow workers, fellow farmers, fellow businessmen, and for example in his contact with his ex-servicemen buddies.

HOLY YEAR CONVENTION IN MILWAUKEE

I am particularly glad to invite reference to the Catholic War Veterans because the largest city of my State, Milwaukee, a great convention center, will be honored by the presence of the national convention of the CWV commencing June 15. According to the April issue of the Catholic Vet, published in Milwaukee, a memorable program of entertainment and inspiration has been scheduled for the visiting Catholic veterans from all over the Nation—a tremendous ball, a mammoth parade, a huge patriotic rally in the Municipal Auditorium, award of trophies to bands and drum corps, and other fine features. The motto of the CWV, "For God, for Country, and for Home" will be fully realized by the work of the convention. This is the holy-year convention of the CWV which naturally lends particular significance to the proceedings.

RESOLUTIONS ADOPTED AT OSHKOSH

Now, Mr. President, I have in my hands a series of helpful resolutions adopted by the May 1950 Oshkosh convention on various issues. For example, one resolution pertains to the United Nations recognition of the work of Divine Providence, and I certainly want to add my voice once again on this vital issue of bringing Christ with us to the conference table in all of our international gatherings. Another resolution presents the continued and well-justified opposition of the CWV to socialized medicine—and I certainly here again endorse the sentiments of the CWV. Another resolution rightly calls for opposition to recognition of the Communist government in China. Another resolution is against legal recognition of mercy killings, etc. Still another resolution urges participation by the Spanish Government in the Marshall plan—a matter which we had hoped to secure by the recent amendment offered by the able Senator from Nevada [Mr. McCARRAN] to the ECA bill which was unfortunately defeated. I shall, of course, continue to support this effort as I have in the past.

If time allowed, I would be glad to comment on all of the other resolution issues, such as outlawing the Communist Party, providing mailing privileges for disabled veterans, the problem of educational aid, etc.

I do, however, want to ask unanimous consent that there be appended to my statement at this point the text of these terse and clear resolutions adopted by the Catholic War Veterans of Wisconsin.

The resolutions submitted by Mr. WILEY were referred as indicated:

To the Committee on Armed Services:

"Resolution on peacetime conscription

"Whereas the present Draft Act expires June 24, 1950, and extension of the act is presently being considered by Congress; and

"Whereas, such an idea is foreign to the tradition of this American Republic and contrary to the fundamental principles established by the Constitution and the Bill of Rights; and

"Whereas it has long been the opinion of the Catholic War Veterans that a more adequate defense force could be built with a lower cost of providing military training for our growing youth in high schools and colleges for those attending, and in encouraging enlistment in the National Guard, or Organized Reserves for those in a position to do so: Be it therefore

"*Resolved*, That the Catholic War Veterans of the State of Wisconsin, in convention assembled at Oshkosh, Wis., this 6th day of May 1950, actively continue to oppose the extension of the present Draft Act."

To the Committee on Post Office and Civil Service:

"Resolution to provide free mailing privilege to disabled veterans in veterans hospitals

"Whereas the majority of those confined to Veterans' Administration hospitals and facilities are there because of wounds or illnesses incurred in the service of their country; and

"Whereas these veterans were granted the privilege of 'franking' their mail while in the service of their country, and are still in fact fighting the war from their hospital cots; Be it therefore

"*Resolved*, That the Catholic War Veterans of the State of Wisconsin, in convention assembled at Oshkosh, Wis., this 6th day of May 1950, go on record and actively encourage the enactment of such legislation which would grant to these veterans their wartime free-mailing privilege."

To the Committee on Rules and Administration:

"Resolution outlawing the Communist Party

"Whereas the Communist Party of the United States is and has been a part of the international organization espousing philosophy of government contrary to the United States form of life and government; and

"Whereas there is sufficient proof that the Communist Party in America has engaged in acts of sedition and treason toward the Government of the United States of America; and

"Whereas the plan of the international organization to destroy representative government has been accomplished in European countries by permitting the Communist Party to partake in government; and

"Whereas the recognition of the Communist Party as a legal political party has been an asset to those who would destroy our republican form of government: Now, therefore, be it

"*Resolved*, That the Catholic War Veterans of the State of Wisconsin in convention assembled at Oshkosh, Wis., this 6th day of May 1950, go on record as favoring the outlawing of the Communist Party in the United States of America, and that we individually and collectively avow this cause and forward to our Representatives in Congress and the United States Senate a copy of this resolution."

To the Committee on Labor and Public Welfare:

"Resolution on Federal aid to education

"Whereas the Congress of the United States of America has now under consideration proposed legislation to grant Federal aid to education; and

"Whereas certain individuals have urged that such Federal aid should be limited to public schools; and

"Whereas education of all the children and all the youth of the United States is a matter of vital national interest; and

"Whereas parochial schools in the United States carry the responsibility of educating a large percentage of the children and youth of America; and

"Whereas parochial schools meet every standard of patriotism and educational proficiency by which public schools are judged, and serve the national interest with respect to education equally as well as do public schools; and

"Whereas it would be discriminatory and un-American to grant or withhold educational benefits purely on the basis of race, creed, or color: Now, therefore, be it

"*Resolved by the Catholic War Veterans of the State of Wisconsin, in convention assembled at Oshkosh, Wis., this 6th day of May 1950*, That if Federal aid be provided for education, such aid should be provided to all children without regard to race, creed, or color."

"Resolution on socialized medicine

"Whereas socialized medicine is now proposed in the form of compulsory health insurance and State medical care; and

"Whereas socialized medicine would not be conducive to the good health and welfare of the United States: Be it therefore

"*Resolved*, That the Catholic War Veterans of the State of Wisconsin, in convention assembled at Oshkosh, Wis., this 6th day of May 1950, actively oppose the socialistic idea of compulsory health insurance and medical care under complete State domination."

To the Committee on Foreign Relations:

"Resolution on God and the United Nations

"Whereas the United Nations has officially failed in its obligation to acknowledge God's sovereignty over man; and

"Whereas ever mindful of Christ's words: 'Everyone who denies Me before men, I also will deny him before My Father in heaven': Now, therefore, be it

"*Resolved by the Catholic War Veterans of the State of Wisconsin in convention assembled at Oshkosh, Wis., this 6th day of May 1950*, That we go on record as favoring an oral and written campaign to put God into the United Nations in the place He demands and deserves."

"Resolution re Spain

"Whereas Spain, openly defiant and militantly antagonistic to communism, is barred from the United Nations and the Marshall plan; and

"Whereas Spain is not a threat to the peace-loving democratic nations of the world; and

"Whereas the United States does not, at present, maintain diplomatic relations with Spain; and

"Whereas in the event of a world conflict between the peace-loving democratic nations and their antithesis, the Communist-controlled nations, the strategic position of Spain is indispensable to their military welfare: Now, therefore, be it

"*Resolved*, That the Catholic War Veterans of the State of Wisconsin, in convention assembled in Oshkosh, Wis., on this 6th day May 1950, go on record as (1) favoring the establishment of diplomatic relations between the United States and Spain and (2) favoring the participation by Spain in the Marshall plan."

"Resolution re Russia

"Whereas Russia, the fountainhead of communism and most ruthlessly totalitarian of all governments, is accepted as a member of the United Nations; and

"Whereas Russia and its satellites have rushed to grant official and economic recognition to Communist-conquered China; and

"Whereas the State Department of the United States is vacillating between a similar policy toward China or nonrecognition thereof: Now, therefore, be it

"*Resolved*, That the Catholic War Veterans of the State of Wisconsin, in convention assembled in Oshkosh, Wis., on this 6th day of May 1950, go on record that the United States of America withhold official and economic recognition from the Communist government of Red China."

"Resolution on euthanasia

"Whereas there exists concerted effort on the part of many people to enact legislation both in the various States and Federal governments to legalize the dreaded practice of "mercy killing" or "euthanasis"; and

"Whereas organized efforts are being made to promulgate the false notion that human suffering is essentially evil; and

"Whereas such a neopagan program is being promulgated under the guise of mercy, while it is an attack on human life and God's sovereignty, and is nothing other than murder, and is in direct violation of both the natural and divine law: Now, therefore, be it

"Resolved by the Catholic War Veterans of the State of Wisconsin, in convention assembled at Oshkosh, Wis., this 6th day of May 1950, That we go on record as opposing the enactment of such laws, and authorize our State officers to take such steps as they deem necessary to militantly oppose this type of legislation."

"Resolution on world federalism

"Whereas world federalism advocates a world federation making its own laws, levying taxes, establishing a common monetary system and maintaining armed forces to preserve peace among its members; and

"Whereas its acceptance by the United States would force us to sacrifice our sovereignty and accept ideas contrary to the American way of life, with its emphasis on democratic thought; and

"Whereas the entry of the United States into a world federation must be by amendment to the United States Constitution with ratification thereof by our State legislatures: Now, therefore, be it

"Resolved by the Catholic War Veterans of the State of Wisconsin, in convention assembled in Oshkosh, Wis., on this 6th day of May 1950, That we go on record as opposing the adoption of any amendment to the United States Constitution which would accept world federalism; and be it further

"Resolved, That a copy of this resolution be sent to the Wisconsin State Legislature."

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 858. A bill for the relief of Mrs. Sanford Pruitt; without amendment (Rept. No. 1690);

S. 2021. A bill to provide for the issuance of medals for meritorious service to Federal employees engaged in the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States; with amendments (Rept. No. 1691);

S. 2795. A bill for the relief of Fortunato Giulio Torre; without amendment (Rept. No. 1692);

S. 2968. A bill for the relief of Chen Hua Huang; with an amendment (Rept. No. 1693);

S. 3068. A bill for the relief of the adopted child of Lt. and Mrs. Neill C. Burnett; with amendments (Rept. No. 1694);

H. R. 1047. A bill for the relief of the Aero-Bocker Knitting Mills, Inc.; without amendment (Rept. No. 1695);

H. R. 1110. A bill for the relief of Ann Irene Feikema; without amendment (Rept. No. 1696);

H. R. 1124. A bill for the relief of Lee Freddie Lambert; without amendment (Rept. No. 1697);

H. R. 1492. A bill for the relief of Harold L. Lindquist; without amendment (Rept. No. 1698);

H. R. 1609. A bill for the relief of Arne Gordon Westly; with an amendment (Rept. No. 1699);

H. R. 1627. A bill for the relief of Filip Nicola Lazarevich; without amendment (Rept. No. 1700);

H. R. 2226. A bill for the relief of Victor C. Kaminski (also known as Victor Kaminski); with an amendment (Rept. No. 1701);

H. R. 3018. A bill for the relief of Camilla Fabris; with an amendment (Rept. No. 1702);

H. R. 3527. A bill for the relief of Gifford E. Moak; without amendment (Rept. No. 1703);

H. R. 3672. A bill for the relief of Mrs. Vera C. A. Freund; without amendment (Rept. No. 1704);

H. R. 4903. A bill for the relief of Krikor G. Guiragossian; with an amendment (Rept. No. 1705);

H. R. 5017. A bill for the relief of Ng Soo Lip and Ng Yut Chee; without amendment (Rept. No. 1706);

H. R. 5051. A bill for the relief of Mrs. Juan Antonio Rivers, Mrs. Raul Valle Antelo, Mrs. Jorge Diaz Romero, Mrs. Otto Resse, and Mrs. Hugo Soria; with amendments (Rept. No. 1707);

H. R. 5355. A bill for the relief of Mindel Malek; with an amendment (Rept. No. 1708);

H. R. 5541. A bill to amend Private Law No. 463, Seventy-sixth Congress; with amendments (Rept. No. 1709);

H. R. 5581. A bill for the relief of Deborah Elizabeth Ebel; without amendment (Rept. No. 1710);

H. R. 5709. A bill for the relief of Patrick Cronin; without amendment (Rept. No. 1711);

H. R. 6163. A bill for the relief of Dr. Wei Tcheng Liang; without amendment (Rept. No. 1712);

H. R. 6462. A bill for the relief of Mrs. Sachiko Iwai Higaki; without amendment (Rept. No. 1713);

H. R. 6490. A bill for the relief of Margarita Funakura; without amendment (Rept. No. 1714);

H. R. 6589. A bill for the relief of Mitsue Miuamoto; with an amendment (Rept. No. 1715);

H. R. 6655. A bill for the relief of Taeko Suzuki; without amendment (Rept. No. 1716);

H. R. 6747. A bill for the relief of Helga Holleb; with an amendment (Rept. No. 1717);

H. R. 6756. A bill for the relief of Arthur Chen Shu Jee; with an amendment (Rept. No. 1718);

H. R. 6787. A bill for the relief of Mrs. Kyoko Nakamura Kornhauser; with an amendment (Rept. No. 1719);

H. R. 6793. A bill for the relief of Fujiko Fukuda; without amendment (Rept. No. 1720);

H. R. 6880. A bill for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi; with an amendment (Rept. No. 1721);

H. R. 6894. A bill for the relief of Mrs. Nobuko Eto Heard; with an amendment (Rept. No. 1722);

H. R. 6942. A bill for the relief of Hisako Nakane; without amendment (Rept. No. 1723);

H. R. 7013. A bill for the relief of Mrs. Yae Bennett; without amendment (Rept. No. 1724);

H. R. 7035. A bill for the relief of Hisako Sakata Ikezawa; with an amendment (Rept. No. 1725);

H. R. 7047. A bill for the relief of Mrs. Tomo Nonque Rosevear III; with amendments (Rept. No. 1726);

H. R. 7084. A bill for the relief of Yoshiko Ishii Teves; without amendment (Rept. No. 1727);

H. R. 7194. A bill for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns; without amendment (Rept. No. 1728);

H. R. 7256. A bill for the relief of Mieko Nishitsuru; without amendment (Rept. No. 1729);

H. R. 7279. A bill for the relief of Umeko Stevenson; without amendment (Rept. No. 1730);

H. R. 7313. A bill for the relief of Lucy Teresa Morris; without amendment (Rept. No. 1731);

H. R. 7338. A bill for the relief of Asano Teramoto; without amendment (Rept. No. 1732);

H. R. 7410. A bill for the relief of Mrs. Kiyoko Tanaka Perez; without amendment (Rept. No. 1733); and

H. R. 7427. A bill for the relief of Mrs. June Noda Loman; without amendment (Rept. No. 1734).

ADDITIONAL EXPENDITURES BY JUDICIARY COMMITTEE

Mr. McCARRAN, from the Committee on the Judiciary, reported an original resolution (S. Res. 282), which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on the Judiciary hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as supplemented by Senate Resolution 177, agreed to October 13, 1949.

TEMPORARY APPROPRIATIONS, 1950

Mr. McKELLAR. Mr. President, from the Committee on Appropriations, I report favorably, with an amendment, the joint resolution (H. J. Res. 476), making temporary appropriations for the fiscal year 1950, and for other purposes, and I submit a report (No. 1735) thereon.

The VICE PRESIDENT. The report will be received, and the joint resolution will be placed on the calendar.

Mr. McKELLAR. Mr. President, I submit for appropriate reference a resolution authorizing expenditures for items under contingent expenses in accordance with House Joint Resolution 476.

The resolution (S. Res. 284) was referred to the Committee on Appropriations, as follows:

Resolved, That the following amounts for contingent expenses of the Senate, fiscal year 1950, hereby are authorized for expenditure in accordance with the provisions of House Joint Resolution 476, Eighty-first Congress, on account of increased pay costs and otherwise as specified in House Documents Nos. 471, 543, and 544:

Senate policy committees, $1,385 for each committee, in all $2,770;

Joint Committee on the Economic Report, $2,085;

Joint Committee on Atomic Energy, $3,645;

Joint Committee on Printing, $700;

Reporting Senate proceedings, $3,455;

Inquiries and investigations, $138,170;

Folding documents, $2,985;

In all, $153,810.

Subsequently, Mr. McKELLAR, from the Committee on Appropriations, reported favorably, without amendment, the foregoing resolution (S. Res. 284), which was ordered to be placed on the calendar.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, May 22, 1950, he presented to the President of the United States the following enrolled bills:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; and

S. 2811. An act to amend section 1462 of title 18 of the United States Code, with respect to the importation or transportation of obscene matters.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LEAHY:

S. 3636. A bill to amend section 62 of the National Defense Act of June 3, 1916, as amended (39 Stat. 198, 32 U. S. C., 1946 ed., sec. 4c), to include the Virgin Islands; to the Committee on Armed Services.

By Mr. McCARRAN:

S. 3637. A bill to extend World War I veterans' benefits to persons in active military or naval service in Nicaragua or Haiti between certain dates; to the Committee on Finance.

By Mr. WILEY:

S. 3638. A bill to amend the act of March 4, 1923, to provide for determinations and reports relating to the manufacture of filled milk in the United States, and for other purposes; to the Committee on Post Office and Civil Service.

HARNEY ENGINEERING CO.

Mr. SALTONSTALL submitted the following resolution (S. Res. 281), which was referred to the Committee on the Judiciary:

Resolved, That in the consideration of the bill (H. R. 1598) entitled "A bill for the relief of D. A. Sullivan & Sons, Inc., and Thomas F. Harney, Jr., doing business as Harney Engineering Co.," referred to the Court of Claims by S. Res. 165, agreed to September 27, 1949, the Court of Claims shall, in addition to reporting the facts and conclusions requested in such resolution, take into consideration in determining the amount, if any, legally due from the United States to the claimant, reasonable costs, plus a fair amount of interest, incurred by the claimant in prosecuting such claims.

AMENDMENT OF RULE RELATING TO CLOTURE

Mr. SALTONSTALL. Mr. President, on behalf of myself, the Senator from Michigan [Mr. FERGUSON], the Senator from New Jersey [Mr. SMITH], the Senator from California [Mr. KNOWLAND], the Senator from Minnesota [Mr. THYE], and the Senator from New York [Mr. IVES], I submit for appropriate reference, a resolution to amend the present cloture rule.

In the Seventy-ninth Congress, the Eightieth Congress, and the Eighty-first Congress, I submitted resolutions to amend Rule XXII so as to make it apply to any question or business before the Senate. Those resolutions called for the application of cloture by two-thirds of the Senators voting. Last year the Senate amended Rule XXII. Under the change then made in the rule cloture applies to any business before the Senate, if a constitutional two-thirds of the Senate so votes, that is to say, 64 Senators must vote in favor of cloture before it can be invoked under that rule.

I now submit a resolution to change the rule so as to make it effective on the favorable vote of two-thirds of the Senators voting. The remainder of the rule would be exactly as it now stands and as adopted last year.

I hope the rule may be changed so that the business of the Senate may be further expedited.

The resolution (S. Res. 283) was referred to the Committee on Rules and Administration, as follows:

Resolved, That subsection 2 of rule XXII of the Standing Rules of the Senate, relating to cloture, be, and the same is hereby, amended to read as follows:

2. Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, except subsection 3 of rule XXII, at any time a motion signed by 16 Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, is presented to the Senate, the Presiding Officer shall at once state the motion to the Senate, and 1 hour after the Senate meets on the following calendar day but one, he shall lay the motion before the Senate and direct that the Secretary call the roll, and, upon the ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"Is it the sense of the Senate that the debate shall be brought to a close?"

And if that question shall be decided in the affirmative by a two-thirds vote of those voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

Thereafter no Senator shall be entitled to speak in all more than 1 hour on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that point. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

EXTENSION OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM—AMENDMENT

Mr. LEHMAN. Mr. President, I submit an amendment intended to be proposed by me to the committee amendment to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes, and I ask unanimous consent that the amendment, together with a brief statement I have prepared on the subject, be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the amendment and statement will be printed in the RECORD.

The amendment submitted by Mr. LEHMAN is as follows:

AMENDMENT TO H. R. 6000

On page 387, beginning with line 13, strike out all down to and including line 21 and insert in lieu thereof the following:

"SEC. 403. (a) (1) Paragraph (1) of section 1101 (a) of the Social Security Act is amended to read as follows:

"'(1) The term "State" includes Alaska, Hawaii, and the District of Columbia, and when used in titles I, IV, V, and X includes Puerto Rico and the Virgin Islands.'

"(2) Paragraph (6) of section 1101 (a) of the Social Security Act is amended to read as follows:

"'(6) The term "Administrator," except when the context otherwise requires, means the Federal Security Administrator.'

"(3) The amendment made by paragraph (1) of this subsection shall take effect October 1, 1950, and the amendment made by paragraph (2) of this subsection, insofar as it repeals the definition of 'employee,' shall be effective only with respect to services performed after 1950."

The statement presented by Mr. LEHMAN is as follows:

STATEMENT OF SENATOR LEHMAN ON INTRODUCTION OF AMENDMENT TO SOCIAL SECURITY BILL TO EXTEND COVERAGE TO PUERTO RICO AND THE VIRGIN ISLANDS

I have today introduced an amendment to H. R. 6000 (social-security amendments) restoring to Puerto Rico and the Virgin Islands the benefits of the public-assistance program for aid to the aged, the blind, and to dependent children.

The House Committee on Ways and Means, after a careful on-the-spot study in Puerto Rico and the Virgin Islands, recommended the application of the pertinent social-security provisions to these territories. The House of Representatives supported that recommendation. The Senate should and will, I hope, correct the action of the Senate Finance Committee and will approve this amendment which will return H. R. 6000, in these respects, to its House-approved form.

The Secretary of the Interior has strongly recommended this action, pointing out that to extend the benefits of this program to the aged, blind, and dependent children of these Caribbean territories would be no more than simple justice, since they have an equal claim to Federal assistance if such assistance is to be given to persons in similar unfortunate circumstances in the continental United States.

I completely endorse Secretary Chapman's views. I think that to do otherwise would be to turn our backs upon not only what is necessary but upon what is right. I shall urge every Member of the Senate to support my amendment. The cost of this program to the Federal Government will be small. But whatever the cost, we cannot discriminate against these American citizens simply because they have no vote in Congress.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 7579. An act to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes; to the Committee on Armed Services.

H. R. 7941. An act to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project; to the Committee on Interior and Insular Affairs.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of J. Alston Adams, of New Jersey, to be a member of the Home Loan Bank Board, which was referred to the Committee on Banking and Currency.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a treaty was submitted:

By Mr. CONNALLY, from the Committee on Foreign Relations:

Executive D, Eighty-first Congress, second session, a treaty of friendship, commerce, and economic development with the Oriental Republic of Uruguay, signed at Montevideo on November 23, 1949; favorably (Ex. Rept. No. 5).

THE NEW SOUTH—ADDRESS BY THE SECRETARY OF THE TREASURY

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an address delivered by the Secretary of the Treasury before the sixtieth annual convention of the Tennessee Bankers Association, in Memphis, Tenn., May 18, 1950, which appears in the Appendix.]

WRITINGS OF OWEN LATTIMORE REFLECT PRO-SOVIET VIEWS—ARTICLES BY DAVID J. DALLIN

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD an article entitled "Writings of Owen Lattimore Reflect Pro-Soviet Views," written by David J. Dallin, and published in the magazine the New Leader for May 13, 1950, which appears in the Appendix.]

THE HISS CASE—ARTICLE BY NORBERT MUHLEN

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD an article entitled, "The Hysteria of the Hisslings," written by Norbert Muhlen, and published in the New Leader, which appears in the Appendix.]

MR. TRUMAN, JUST WHO ARE THE ISOLATIONISTS?—STATEMENT BY SENATOR MUNDT AND EDITORIAL FROM THE DAILY PLAINSMAN

[Mr. MUNDT asked and obtained leave to have printed in the RECORD a statement prepared by him relative to American foreign policy, and an editorial from the Daily Plainsman, of Huron, S. Dak., which appear in the Appendix.]

FULL EMPLOYMENT—ADDRESS BY SENATOR LEHMAN, AND ARTICLE FROM THE NEW YORK TIMES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address on the subject of full employment and the dangers of creeping unemployment, delivered by him on May 18, 1950, before the annual convention of the Amalgamated Clothing Workers Union, Cleveland, Ohio, and an article from the New York Times giving the trends in unemployment, which appear in the Appendix.]

THE LADY WITH THE LAMP—POEM BY HARRY H. SCHLACHT

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a poem entitled "The Lady With the Lamp," written by Harry H. Schlacht and published in the New York Journal-American of May 11, 1950, which appears in the Appendix.]

EDITORIAL COMMENT ON THE RAILROAD STRIKE

[Mr. DONNELL, by separate requests, asked and obtained leave to have printed in the RECORD 12 newspaper editorials and articles regarding the recently settled railroad strike, which appear in the Appendix.]

ALL PRETENSE LOST—EDITORIAL FROM THE WALL STREET JOURNAL

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "All Pretense Lost," published in the Wall Street Journal of May 17, 1950, which appears in the Appendix.]

REORGANIZATION PLAN NO. 9 OF 1950

Mr. JOHNSON of Colorado. Mr. President, I move the Senate proceed to the consideration of the resolution (S. Res. 255) pertaining to plan No. 9. So far as I am concerned, it will be agreeable to me to have either a voice vote or a yea-and-nay vote immediately. The arguments are entirely the same on both the resolutions, and I see no reason for not voting immediately.

The VICE PRESIDENT. The Secretary will state the resolution.

The legislative clerk read the resolution (S. Res. 255), as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 9 transmitted to Congress by the President on March 13, 1950.

The VICE PRESIDENT. The question is on the motion of the Senator from Colorado that the Senate proceed to the consideration of Senate Resolution 255.

Mr. LUCAS. I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion was agreed to, and the Senate proceeded to consider the resolution (S. Res. 255) disapproving Reorganization Plan No. 9 of 1950.

Mr. LONG. Mr. President, I should like to have about 3 minutes in which to discuss the resolution, merely to make all issues clear, with the understanding that the opposition may also have 3 minutes.

The VICE PRESIDENT. Is there objection to a limitation of debate to 3 minutes on each side?

Mr. RUSSELL. Is the Chair submitting a unanimous-consent request to limit debate?

The VICE PRESIDENT. The Senator from Louisiana suggested it, and the Chair submitted it.

Mr. RUSSELL. I object.

The VICE PRESIDENT. The Senator from Louisiana.

Mr. LONG. Mr. President, I should like briefly to state my objections to this plan. When I first came into the Senate, I served for a while as a member of the Committee on Expenditures in the Executive Departments, which first studied these plans. I am in agreement with the chairman of that commitee that this plan, as well as the two we have thrown out, involves but one question. That is the question, Do we want these independent agencies to remain independent and to exercise their own independent judgment? These agencies as established were supposed to be bipartisan. If we give the President power to name the chairman, and if we place in the chairman the power to do all the hiring, firing, and housekeeping functions, that amounts to the President controlling the commission.

The hearings show, as read by the distinguished senior Senator from Arkansas, that the members of the Citizens Committee who were recommending the plan clearly said that they felt the Commission should reflect the judgment and the views of the administration entirely. When these agencies were established, Congress intended them to be bipartisan, and to carry out the will of Congress. They were not intended to reflect the views of the President or of the administration. In that respect the President has violated the whole idea of the Hoover Commission. The idea was not to take away from commissions their independent judgment and the independent exercise of their power and to make them reflect the views of the administration, but merely to see to it that they were more efficient and would carry out the will of Congress as bipartisan agencies and exercise certain powers assigned to them under acts of Congress.

Therefore, Mr. President, I submit that the Senate has correctly disposed of the Interstate Commerce Commission plan when it said it would preserve the bipartisan status of the Interstate Commerce Commission, and it correctly passed upon the Federal Communications Commission plan when it voted to preserve the independent status of that Commission. I believe we made a mistake when we voted to permit the President to control the Federal Trade Commission. I submit that we should go back to the sound judgment which the Senate exercised in the first two cases and save the independent bipartisan character of the Federal Power Commission.

Mr. CAPEHART. Mr. President, I feel that we should reject this proposal, for the simple reason that under it the President will be given authority to name the Chairman. I think we are making a very grave mistake when we approve reorganization plans which give the President of the United States—I care not what his politics may be—more power over independent agencies. Here is a plan providing for giving the President power to appoint the Chairman of the Federal Power Commission. Then we are to give the Chairman practically complete control over the Commission. I do not see how we can have a successful Commission that will act independently and in the best interests of the public if it is to be controlled politically. That is exactly what will happen.

I think it is wrong, Mr. President, I believe if these independent agencies are going to continue to be an arm of the Congress, they should be a real arm of the Congress. I do not believe we should give the President power to name the chairman, and then empower the chairman to operate the Commission as he sees fit, to choose the personnel, make the policies, and hire and fire employees. That would be getting completely away from the intent of Congress and away from any independence on the part of

the Commission. If such a plan is to be followed, we might as well give up the idea that Commissions are to be arms of the Congress.

There is absolutely no saving of money involved; there is no economy involved. We hear some persons say that we should adopt the reports sent here by the President because money will be saved thereby. There is no saving of money involved. It might well work in the opposite direction. There might well be an increase in expenses, because the chairman would be in absolute control of the expenditure of the money of the Commission and of its policies. In my opinion, it is all wrong. I am surprised that the Senate is asked to vote away the authority of Congress over independent agencies and place more power in the hands of the Executive. I thought that was the thing we were trying to get away from in this country—less centralization of power, less dictatorial political power.

That was the original purpose in establishing these independent agencies. We are now asked to vote for a reorganization plan which would permit the President to name the chairman, and the chairman to pick the personnel, operate the agency, make its policies, and so forth. I am opposed to it, Mr. President. I think it is wrong, and I believe that if we approve the plan we shall see the day when we shall regret having done so.

Mr. O'CONOR. Mr. President, I should like a few minutes to speak of some of the questions involved, because some Members have not been made fully acquainted with the nature and the scope of this reorganization plan.

It is not true, as has been alleged, that if the plan be adopted there will be vested in the chairman of the Commission the power to determine the policies of the Commission. On the contrary, the President's reorganization plan specifically provides that the determination of policy shall be retained in the Commission and not be vested in the chairman. All that is done by this proposal is to give the chairman of the Commission authority over the day-to-day routine administrative functions, not to give him authority over policy.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'CONOR. If the Senator from Colorado will permit me to develop one point, I shall then be pleased to yield.

I refer, Mr. President, to the second section of the President's plan, which, after the several enumerated functions are spelled out, provides as follows:

> In carrying out any of his functions under the provisions of this section the Chairman shall be governed by general policies of the Commission, and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

In other words, in regard to anything which the Commission may determine as matters of policy, the Commission reserves to itself the handling of those functions. All that is vested in the chairman is the routine administration, which in no sense is a violation of the recommendations of the Hoover Commission.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. O'CONOR. If the Senator will permit me to develop a few more facts, I shall then be glad to yield.

Mr. President, it was revealed in the committee hearings, the majority of the committee having voted against the resolution of disapproval, that heretofore these commissions have been occupied with such inconsequential matters as the organization of work in stenographers' pools, as to the procedure to be followed in the distribution of mail, and the appointment of junior professional employees. Certainly, if the Commission is so important as the sponsors and advocates of the resolution insist, the Commission ought not to be occupied with such trivial and inconsequential matters. On the contrary, they should be vested in the chairman of the Commission.

It is said that the President should not appoint the chairman. Personally, I think the President can be trusted to appoint him. He is trusted with the appointment of the Chief Justice of the Supreme Court of the United States, and he appoints the members of the Federal Communications Commission, the CAB, the Maritime Commission, the Federal Reserve Board. Only last Friday, in the affirmative vote of the Senate in regard to Reorganization Plan No. 21, the plan in that proposal was that the membership remain as it has been in the past, the President appointing the chairman of the Commission. By our action last week we affirmed the policy of the Presidential appointment of chairmen of commissions.

Mr. JOHNSON of Colorado. Does not the Senator understand that under plan 9 the Chairman would be given complete authority over the examiners?

Mr. O'CONOR. I do not believe so.

Mr. JOHNSON of Colorado. The Senator stands alone in his belief.

Mr. O'CONOR. I certainly do not. To the contrary, under the Administrative Procedure Act no change would be made, and the Chairman would be governed by the Commission as a whole. The determination of matters which the Commission decided were questions of policy would be retained in the Commission, and the Chairman would not have authority to take unto himself such powers.

Mr. JOHNSON of Colorado. I regret that the Senator has not given the subject sufficient study, and I regret that he makes that statement, because the testimony is very plain that the Chairman of the Commission would appoint the examiners, assign their work, and determine what they would do. What could the other commissioners do if the Chairman exercised the power of determining what matters were to be examined into and what hearings were to be held? What could the other commissioners do?

I should like to call the attention of the Senator to what was said by Mr. Buchanan, who was one of the advocates of this proposal. He said:

> The term of a Federal Power Commissioner is presently 5 years. Therefore, a President in the fourth year of his term might select as Chairman the member of the Commission nominated by him and confirmed by the Senate during that year. Under the terms of plan 9 as applied to the old law, the Chairman so selected would serve as such not only during the fourth year of the Presidential term in which he was appointed, but likewise four years of the succeeding term even though there may be a change in the Presidential office.

That is what Mr. Buchanan said. He appeared in support of the President's plan No. 9. I think we should be deeply indebted to him. I have not discovered anyone who has found any fault with Mr. Buchanan's facts in regard to this proposal. This applies peculiarly to this one Commission, namely, the Federal Power Commission.

Mr. O'CONOR. In answer to the Senator from Colorado I should like to refer to the written statement of the Director of the Budget. Mr. Lawton, the Director of the Bureau of the Budget, states:

> Nothing in the reorganization plans nullifies or dilutes the provisions of the Administrative Procedure Act. In expressing this opinion, I am also stating the view of the Department of Justice.

The Commission is on record as approving the plan. Its Chairman, the Honorable Nelson Lee Smith, in speaking for the Commission in approving the President's plan, makes this statement:

> This Commission has, as a matter of practice, delegated to the chairman considerable authority over administrative and housekeeping functions. Plan No. 9 would confer extensive additional authority over that now delegated to the chairman except for control over the appointment of other than major administrative heads and the distribution of business among the personnel and administrative units.

That is all the additional work which would be vested in the chairman under the President's plan. I submit, Mr. President, that it is a sensible and businesslike method, and should be adopted.

Mr. CAPEHART. Mr. President, does the Senator claim that there will be any saving in money?

Mr. O'CONOR. The best answer I can make is that, of course, no jobs would be eliminated immediately. However, the Senator is a good businessman and knows that if in the handling of the Commission's business savings result to power companies all over the country, in delay, duplication, and continued hearings, the results will be reflected in savings to consumers. If that be the case, I submit that is a great saving in itself.

Mr. CAPEHART. Is it not a fact that the commission at the present time may by unanimous vote or agreement place in the hands of the chairman the powers which the reorganization plan would give to him?

Mr. O'CONOR. It is possible, but it is not mandatory. The fact that they have done it indicates that it can be done. However, I say to my good friend from Indiana that it is preferable to have a uniform procedure to govern the various agencies so that they will be acting under a mandate from Congress, and not make it possible for them to change their procedure every year. Certainly no harm could come from our approval of the proposed plan.

Mr. CAPEHART. Does not the Senator agree with me that if the President

were to appoint the chairman the chairman would follow the President's wishes in every instance and would not be independent of the President?

Mr. O'CONOR. I have too much respect for a man who would accept such a position to believe that he would be under the control of the President. We have the same situation in the other agencies in which the chairmen are appointed by the President. Presumably in such cases the chairman would not be expected to follow the President's every whim. A self-respecting person would not do that. For example, I do not believe that the Chief Justice of the Supreme Court would do that.

Mr. CAPEHART. The Chief Justice is appointed for life.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. O'CONOR. I am happy to yield.

Mr. LEHMAN. I think I can claim to have had some experience with regulatory commissions and boards, as well as with the appointment of members of such commissions and boards. So far as I recollect, I know of no commission in the State of New York the chairman of which is not appointed by the Governor of the State. That came about through the reorganization of the State government which was inaugurated by a very great governor of the State, one of my predecessors in office, the late Alfred E. Smith. That was done in 1924. I cannot speak with any authority with regard to other States, but I would be very greatly surprised to learn that any substantial number of States failed to give the governor of the State the power of appointment of chairmen of regulatory commissions or boards.

I think such practice gives the governor responsibility which does not exist in a board if it has the authority to choose its chairman. It has worked very well in every State that I know of. It has worked very well in the Federal Government. This reorganization plan does not give any powers of a policy-making nature to the chairman. I certainly hope that this resolution which has been presented in opposition to plan No. 9 will be defeated.

Mr. O'CONOR. I concur in all that the Senator from New York has said. If I may refer to the experience in my own State, I should like to say that not only are such appointments made in the manner the Senator from New York has indicated they are made in his State, but in the State reorganization system of Maryland it was specifically provided in regard to certain commissions—and I take the industrial accident commission as an example only—that the chairman should exercise the administrative day-to-day functions, so that the other members of the commission would not be occupied with administrative detail. That is precisely what is provided for in the reorganization plan which is now before the Senate. That is what would be done in the Federal Government.

Mr. HUMPHREY. Mr. President, I wish to place in the RECORD at this time a few of the observations which were made by the majority of the Committee on Expenditures in the Executive Departments pertaining to plan No. 9. The Senator from Maryland has recited these observations in general terms, but the report, I think, would be a very important matter of legislative history in connection with this plan.

Section 1 of plan No. 9, referred to by the Senator from Louisiana, as well as the Senator from Maryland, which transfers administrative functions to the Chairman of the Federal Power Commission relating to, first, the appointment and supervision of personnel; second, the distribution of Commission business, and, third, the use and expenditure of funds, is rigidly limited.

The Chairman, for example, as was pointed out by the Senator from Maryland, would be governed by the general policies, regulatory decisions, and determinations of the Commission. The appointment by the Chairman of the heads of the major administrative units would be subject to full Commission approval. In other words, the Chairman of the Commission would have the power of nomination, but before any administrative head could receive appointment, the full Commission would have to approve.

Furthermore, full-time personnel regularly employed in the immediate offices of the individual Commissioners, would not be affected by the plan.

I believe this to be the most important qualification and limitation, quoting from the report:

> And, finally, the functions relating to revising budget estimates and to determining the distribution of appropriated funds to major programs would be reserved specifically to the Commission and not vested in the Chairman.

In other words, the amount of work which the Commission could do would be pretty well guarded and guided by the amount of funds appropriated and made available. The majority of the committee states:

> In the view of such restrictions it is difficult to see how the Chairman could misuse the new administrative powers vested in him even if he were inclined to do so.

The committee report proceeds in reference to trial examiners, to which the Senator from Colorado referred, stating:

> Much unfounded concern has been expressed that plan No. 9 would "vitiate" the Administrative Procedure Act of 1946 with relation to the independent responsibilities of hearing examiners.

I believe the record was quite clear so far as the testimony was concerned when the majority report pointed out that—

> It was contended at the hearings that the plan would vest in the Chairman the right to hire and fire hearing examiners without recourse to the Commission, and that he might influence decisions on cases which met his approval by assignments to examiners who were inclined to the same views. The facts do not bear out these contentions inasmuch as hearing examiners cannot be appointed by the Chairman alone without Commission approval—

In other words, a hearing examiner, who hears the testimony in a case, would have to have the approval of the full Commission before he could take office. I read further:

> and adequate protections are contained in the Administrative Procedure Act relative to assignment of cases on a rotation basis.

Therefore there is not one thing the Chairman of the Commission could do to stop the normal process of rotating the cases among the trial examiners.

What is more important, the Administrative Procedure Act provides that no one who has participated in the prosecution of a case shall participate in or even advise in the decision of the regulatory Commission or the hearing examiner.

It also provides according to the report, "for an internal separation of these two responsibilities so that the same individual cannot exercise both functions."

Mr. President, it appears to me that in view of the recommendations of the Hoover Commission, which are quite precise in the matter of administrative reorganization, insofar as regulatory commissions are concerned, this plan falls in line with what we just voted upon, plan No. 8. There is not an iota of difference between plan 8 and plan 9. The plans are absolutely identical, and I say to the Senator from Colorado that his proposal that we vote upon them without discussion was a very meritorious one, because the argument has been made again and again, insofar as the efficiency of the reorganization plans is concerned, to plan 8 and plan 9.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Louisiana.

Mr. LONG. There seems to me to be something of a conflict between the action the committee took on the Interstate Commerce Commission plan and the plan now under consideration. Which Senators voted to report favorably the Interstate Commerce Commission plan and which Senators voted to report unfavorably the plan we are now considering?

Mr. HUMPHREY. The Senator's observation is quite correct.

Mr. LONG. It seems to me someone has been inconsistent, I do not know who. I should like to know.

Mr. HUMPHREY. Insofar as the Senators who have spoken in behalf of the plan on the floor of the Senate are concerned, the Senator from Maryland, the Senator from Minnesota, and the Senator from Connecticut, all members of the Committee on Expenditures in the Executive Departments, have voted consistently in support of the reorganization plan. I believe the vote was 7 to 4 in support of plan No. 9.

In reference to plan 7, the vote was 6 to 5. There was a shift of one vote. I might point out that I felt that the vote resulted in a wrong recommendation on the part of the committee. But there were extenuating circumstances in reference to the Interstate Commerce Commission and its duties as compared with the Federal Power Commission, which some members of the committee felt were overpowering.

Mr. LONG. Will the Senator tell us for the RECORD what Senators voted for

the resolution relating to the Interstate Commerce Commission plan, and what Senators voted against the resolution involving the pending plan?

Mr. HUMPHREY. I should be more than happy to do so, since it is more or less a matter of public record. The votes were taken in open session.

With reference to Resolution 255——

Mr. LONG. That is the one the Senate is considering, is it not?

Mr. HUMPHREY. Yes; the Senate committee voted to report that resolution unfavorably, by a vote of 7 to 4. The following Senators voted in behalf of the President's plan and against the resolution: The Senator from North Carolina [Mr. HOEY], the Senator from Maryland [Mr. O'CONOR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Rhode Island [Mr. LEAHY], the Senator from Connecticut [Mr. BENTON], the Senator from New York [Mr. IVES], and the Senator from South Dakota [Mr. MUNDT].

Those who voted for the resolution were the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Maine [Mrs. SMITH], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Arkansas [Mr. MCCLELLAN].

In reference to Resolution 253, Plan No. 7, the resolution of disapproval was reported favorably by a vote of 6 to 5. Those who voted against the plan and in favor of the resolution were the Senator from North Carolina [Mr. HOEY], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from South Dakota [Mr. MUNDT], the Senator from Maine [Mrs. SMITH], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Arkansas [Mr. MCCLELLAN].

Those who opposed the resolution of disapproval and supported the President's reorganization plan were the Senator from Maryland [Mr. O'CONOR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Rhode Island [Mr. LEAHY], the Senator from Connecticut [Mr. BENTON], and the Senator from New York [Mr. IVES].

Mr. LONG. I thank the Senator.

The VICE PRESIDENT. The question is on agreeing to Senate Resolution 255.

Several Senators asked for the yeas and nays.

Mr. EASTLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Ferguson	Long
Anderson	Flanders	Lucas
Benton	Fulbright	McCarran
Brewster	George	McCarthy
Bricker	Gillette	McClellan
Bridges	Hayden	McFarland
Butler	Hendrickson	McKellar
Byrd	Hill	McMahon
Cain	Hoey	Magnuson
Capehart	Holland	Martin
Chapman	Humphrey	Millikin
Connally	Hunt	Mundt
Cordon	Ives	Neely
Darby	Johnson, Colo.	O'Conor
Donnell	Johnson, Tex.	O'Mahoney
Douglas	Kem	Robertson
Dworshak	Kilgore	Russell
Eastland	Knowland	Saltonstall
Ecton	Leahy	Schoeppel
Ellender	Lehman	Smith, Maine
Smith, N. J.	Thomas, Utah	Wiley
Sparkman	Thye	Williams
Stennis	Tydings	Withers
Taft	Watkins	
Taylor	Wherry	

The VICE PRESIDENT. A quorum is present.

The question is on agreeing to Senate Resolution 255.

Mr. MCCLELLAN. I ask for the yeas and nays.

The yeas and nays were ordered, and the roll was called.

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

On this vote the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Pennsylvania would vote "nay."

I announce further that if present and voting, the Senator from Rhode Island [Mr. GREEN] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the senior Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Oregon [Mr. MORSE] who is also absent by leave of the Senate. If present and voting the Senator from Iowa would vote "yea," and the Senator from Oregon would vote "nay."

The Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] who is absent on official business, is paired with the Senator from Nevada [Mr. MALONE], who is detained on official business. If present and voting the Senator from New Hampshire would vote "nay," and the Senator from Nevada would vote "yea."

The yeas and nays resulted—yeas 37, nays 36, as follows:

YEAS—37

Brewster	Eastland	McClellan
Bricker	Ecton	McFarland
Bridges	Fulbright	McKellar
Butler	George	Martin
Byrd	Hayden	Millikin
Cain	Hendrickson	Russell
Capehart	Hoey	Schoeppel
Chapman	Holland	Smith, Maine
Connally	Johnson, Colo.	Stennis
Cordon	Johnson, Tex.	Wherry
Darby	Kem	Wiley
Donnell	Long	
Dworshak	McCarran	

NAYS—36

Aiken	Kilgore	Robertson
Anderson	Knowland	Saltonstall
Benton	Leahy	Smith, N. J.
Douglas	Lehman	Sparkman
Ellender	Lucas	Taft
Ferguson	McCarthy	Taylor
Flanders	McMahon	Thomas, Utah
Gillette	Magnuson	Thye
Hill	Mundt	Tydings
Humphrey	Neely	Watkins
Hunt	O'Conor	Williams
Ives	O'Mahoney	Withers

NOT VOTING—23

Chavez	Johnston, S. C.	Murray
Downey	Kefauver	Myers
Frear	Kerr	Pepper
Graham	Langer	Thomas, Okla.
Green	Lodge	Tobey
Gurney	Malone	Vandenberg
Hickenlooper	Maybank	Young
Jenner	Morse	

The VICE PRESIDENT. On this vote the yeas are 37, the nays 36. A majority of the authorized membership of the Senate not having voted in the affirmative, the resolution (S. Res. 255) is rejected.

REORGANIZATION PLAN NO. 5 OF 1950

Mr. WILEY. Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 259, relating to Reorganization Plan No. 5.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution was read as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 5 of 1950 transmitted to Congress by the President on March 13, 1950.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. WILEY. Mr. President, the President has submitted to the Congress 21 reorganization plans. Thus far it appears that probably not more than five or seven of them will be rejected. Up to now we have voted against allowing five of those plans to go into effect.

Mr. President, I should like to speak very seriously to the assembled Senators in regard to what I think differentiates the issue in connection with this particular plan from the issue involved in many of the other plans which we have considered thus far.

In order that the Senate may briefly understand the issue, let me say that the plan would transfer to the Secretary of

Commerce the over-all authority and direction in relation to the Patent Office, a judicial function of the Government. The plan would also transfer to the Secretary of Commerce all functions of the Civil Aeronautics Administration, the Weather Bureau, the Bureau of the Census, the Bureau of Public Roads, the National Bureau of Standards, the Coast and Geodetic Survey, the Bureau of Foreign and Domestic Commerce, the Inland Waterways Corporation, and the Office of the Secretary.

In the case of the agencies I have just enumerated, there is no objection to the President's plan of reorganization. However, just why the President has included in the plan the transfer of the Patent Office is something which we should really consider.

I was informed, and so stated to the committee, that the Secretary of Commerce himself was opposed to having the Patent Office placed under his jurisdiction. The Secretary of Commerce appeared before the committee and denied that that was so. However, Mr. President, I could not have been mistaken in relation to his attitude at one time, because I now have before me a telegram from former President Hoover, reading as follows:

> It is my understanding that the Secretary of Commerce, Sawyer, has already stated publicly that an exemption should be made for the Patent Office. Otherwise the plan should be passed.

Mr. President, let us consider what would happen in case this plan in its entirety were to go into effect.

I wish briefly to read from a manuscript which I have prepared, and then I shall take up the testimony adduced in regard on this matter.

I wish to say that every bar association in America whose members practice patent law is opposed to the proposed transfer of the Patent Office. Fundamental issues are involved in this case, for it is a case of placing a judicial arm or branch of the Government under an administrative head. It is not necessarily a case of permitting the present Secretary of Commerce to disintegrate the Patent Office; but, Mr. President, what would have happened if Henry Wallace had been handed that authority and function? What would have happened to the Patent Office if the leftists of 10 or 15 years ago had had control of the Patent Office, or if the Secretary of Commerce at that time had had control of the Patent Office?

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. WILEY. I yield.

Mr. DONNELL. Would the Senator mind if there were incorporated in the RECORD at the conclusion of his remarks a copy of a resolution of the executive committee of the patent, trade-mark, and copyright section of the St. Louis Bar Association, which commences with the statement that—

> Our section is unalterably opposed to Reorganization Plan No. 5, unless the Patent Office be exempted therefrom.

Mr. WILEY. I shall be happy to have that resolution follow my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The resolution appears in the RECORD at the conclusion of Mr. WILEY's remarks.)

Mr. WILEY. Mr. President, I may say that when this matter came to my attention, at the time when, in the Eightieth Congress, I was chairman of the Judiciary Committee, I immediately called for testimony regarding it, including the testimony of the former Secretary of Commerce. I wish to read from his testimony.

I may say that it is the unanimous opinion of all the patent lawyers in America and of the American patent bar, as indicated in the hearings, that this particular plan should not become law unless the Patent Office is absolutely removed from the jurisdiction of the Secretary of Commerce.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WILEY. Mr. President, I prefer not to yield at this time. However, later I shall yield for discussion, if the Senator from South Dakota will permit me to proceed now with my remarks.

I may say that I wrote to the President and submitted the matter to him, suggesting that he withdraw the plan and remove from it the proposal for placing in the Secretary of Commerce jurisdiction over the Patent Office. However, so far as I know, I received no reply.

Under the Constitution the Congress should advise and consult with the President in relation to activities which, if they became a part of our administrative machinery, might result in the disintegration of the Government. Certainly today the maintenance of an independent judiciary, an independent executive branch of Government, and an independent legislative branch of Government is fundamental. Only day before yesterday, I was visited by a group of students from Milwaukee. I asked them, "Which is the oldest government on earth today?" They began to scratch their heads. They began to go back into antiquity. I said, "Oh, no; you do not have to do that. The oldest government in the world today is your Government, the Government of the United States. Every other government has been modified and changed." Ours is the oldest government in the world today, because of the fact that we have maintained an independent judiciary, because of the fact that we have not permitted the Executive to get his clutches on the judiciary, as has happened in the case of other governments, and because of the fact that we have not permitted the Executive to control the legislative branch.

I may say that when I came here in 1939 I saw quite a bit of control. That was quite a serious period. At that time men of the Executive's own party stood up, as the founding fathers said should be done, to maintain the independence of the legislative branch.

I should like now to submit a brief point-by-point summary of the reasons why, on April 17, I offered Senate Resolution 259 to reject Reorganization Plan No. 5. This plan would, as my colleagues know, transfer to the Secretary of Commerce all functions of all other officers of the Department, and all functions of all agencies and employees of the Department. That is provided in section 1.

Then, in the second section, the Secretary is given a blank check, so that if he deems appropriate he may authorize the performance by any other office or by any agency or employee of any function whatsoever which was previously assigned to him in section 1, regardless of the qualifications or rank of the individual to whom the power will be delegated. In other words, the functions of the Commissioner of Patents, a high officer who is appointed by the President and approved by the Senate, would be taken over by the Secretary of Commerce under section 1 and could be redelegated, redefined on any partisan basis whatsoever, to any individual the Secretary of Commerce might designate.

Having reviewed the unlimited authority conferred by plan No. 5, let us now summarize the reasons for opposition to it. Let me say, Mr. President, I shall justify our opposition to such unlimited authority by quoting from some of the best legal minds of America, including the Secretary of Commerce himself, as to the power which is given him.

First. The Patent Office of the United States has been an independent unit since practically that day in 1790 when President Washington signed the first patent laws pursuant to constitutional provisions by which "the Congress shall have the power to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

In 1802 the Patent Office was given the status of a distinct unit in the Department of State, and it has in successive transfers to the Interior and Commerce Departments always remained an independent unit.

Second. Not only is the Patent Office an independent unit, but it is a judicial and quasi-judicial unit, as interpreted by many decisions of the United States Supreme Court. As such—as a judicial and quasi-judicial unit—the Patent Office is peculiarly immune to certain types of executive-branch directives. I base that statement also on the fact that the Supreme Court has always differentiated between executive-type bureaus and agencies in the executive branch and judicial and quasi-judicial types of such units. But it will be noticed, Mr. President, that the executive took the judicial and quasi-judicial types of units and mixed them up with the administrative unit.

Third. The patent system is a cornerstone of the American free-enterprise system. There is practically no single product, large or small, costly or cheap, no single company, no single industry, no single branch of agriculture, which is not based on a system of patent pillars. Any action which threatens to inject partisan politics into the administration of the patent system threatens the very foundation of the free-enterprise system. To give the Secretary of Commerce—and let me point out that we do not fear the present Secretary, but we do fear

future Secretaries who might be of the type of Henry Wallace—to give that officer political powers over the Commissioner of Patents is to enable a single man to control the life and death of American industry.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from West Virginia?

Mr. WILEY. I prefer not to yield at this time, but I shall be glad to open up the discussion for questions later on.

Fourth. To prove the point that I have just cited let me mention that if my colleagues and I have the time we could review a great body of literature in the 1930's produced by leftist thinkers, Communists, Socialists, so-called New Dealers, who denounced the patent system, who bitterly criticized it as an alleged tool of monopoly capitalism.

Senators will remember that literature. I remember that when I first came to the Senate it was still extant. People were still telling about the nefarious operations of folks who had obtained patents, and were saying what in their opinion should be done to the patent system of America. Such persons as I have just mentioned announce that if ever they got control of the Patent Office, they would destroy the patent system as we know it. They would adopt a system of compulsory licensing on all patents, practically speaking, thus breaking the exclusive right of inventors to their discoveries.

Mr. President, in this day, with the impact of Communists, with the impact of foreign isms, are we to permit something to occur which might be the entering wedge to further disintegrate the great economic and political system we have in this country? I do not think so.

Fifth. No one contends that this wholesale redelegation of powers to the Secretary of Commerce will save a single dime. There is no testimony in the record to that effect. In other words, we are confronted with the plan on the alleged basis of promoting economy, which even its proponents admit will not bring about economy.

Sixth. All that we are urging is that the Congress reject plan No. 5 and ask in good faith that the President resubmit the plan, writing in a specific exemption for the Patent Office.

He has already exempted other offices in this proposal. After all, he wrote in specific exemptions in this plan for the Civil Aeronautics Board, for the Inland Waterways Corporation, and so forth. The failure to write in a specific exemption for the Patent Office gives rise to deep suspicions on the part of the American people that the administration is planning wholesale changes in the Patent Office system.

Seventh. The Patent Bar of the United States is, according to all indications which I have received, unanimously opposed to Reorganization Plan No. 5. The American Bar Association, State bar associations, the American Patent Law Association, have all passed resolutions against this plan. These distinguished practitioners of the law are not jealous of their prerogatives but they have dedicated themselves as trustees of the great patent system. It is not an act of selfishness on their part but an act of unselfishness, an act of devotion to the national welfare which prompts them to take this position.

Eighth. Let me point out that no Hoover Commission task force made any recommendation on the Patent Office even though former President Hoover, as an ex-Secretary of Commerce, was deeply familiar with the Patent Office machinery.

Let me repeat that statement: No Hoover Commission task force made any recommendation as to the Patent Office.

Why did they not consult some of the Members of the Senate? Who did the job? Why was the Secretary first quoted as being against this reorganization plan, and then, when he testified, say he was in favor of it? Former President Hoover said, "I understand that the Secretary is against it." I shall have something to say about his testimony.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WILEY. I prefer not to yield until I conclude my speech. Then I shall be glad to yield for questions. I have declined to yield to other Senators, and I should like to be consistent.

Mr. MALONE. I wanted to ask a brief question.

Mr. WILEY. I shall be glad to yield for a question.

Mr. MALONE. Does the Senator consider that the suggestion of placing the Patent Office under the jurisdiction of the Secretary of Commerce has anything to do with the attack on patents and the effort to make them available to persons who had nothing to do with the discoveries, thus depriving of protection the holders of patents?

Mr. WILEY. I commented on that very feature a short time ago. Apparently the Senator from Nevada was not present. There was a ground swell 10 or 20 years ago among many of the so-called leftist thinkers in America who thought it would be to the benefit of the country if we abandoned our present patent system.

Mr. MALONE. The patent holders would receive no protection from their patents?

Mr. WILEY. That is correct.

Mr. President, we have faith in Secretary Sawyer. I want to make that clear. We know he is a good public servant, doing his master's bidding. He says that if the power is transferred to him, he will transfer it right back. But executive personnel these days have very short careers in Government. Who knows who will replace Secretary Sawyer when and if he retires? Does not the entire lesson of the past decade teach all free system of government to give blank checks to no man, to trust no man with absolute power? Absolute power corrupts. We must preserve checks and balances against absolute power, such as is provided in the present administrative machinery of the Department of Commerce, which leaves the Patent Office as an independent unit.

We reject Reorganization Plan No. 5 because it merely proposes a shifting of units. It is a part of the administrative disease which I call "shiftitis."

Mr. President, this Nation is constantly fed certain ideas. Now it is reorganization. If any one of the Senators were President of the United States, he would not have to ask a shift of one part or segment of Government over to another part or segment. He would go to the head of the department and say, "Brother, get yourself an efficiency expert; have him go over the books; have him examine how the agency is operating; find out what useless timber is hanging around; find out what synthetic thinkers are disintegrating your organization." Then, when the head of the department received the report, he would know what to do. He would reorganize; he would clean house. That is all that reorganization means.

Everyone who testified was perfectly willing to let the President have his way in transferring subordinate agencies to the Secretary of Commerce and letting him play around a little while longer to see if he could do the things which the President should do. He is the head of the administrative branch of the Government; he is the head of the executive offices of the Government; he can tell the man on the job what to do if he wants a good business organization in the Government. Instead of that, we are being fed a great deal of what some people call "hooey." I remember how we used to speak of a man who was a liberal. He was a man with a great conscience, a great vision, a man who would conserve the rights of the other fellow. The term "liberal" has fallen into disrepute in certain places. We remember how we used to think of a man who was a conservative. Now a conservative is the equivalent of one who stands still, who does not create, who does not build.

Now we are confronted with reorganization plans. Of the 21 plans of the President probably not more than 16 will be approved. Next year at this time, when the election period is over, it will be a wonderful thing to have a report showing at long last, because the public has its eyes open and is looking to see what goes on, whether money has been saved, whether efficiency has been promoted in Government operations, and whether the machinery is running smoothly, effectively, and productively.

Let us make it plain that we are not repudiating the plan together. We are simply saying, "Take it back and eliminate from it the Patent Office."

Mr. President, I said I was going to refer to a some of the testimony, because I want those who do me the honor of listening to me to realize what the testimony was. It is very interesting. Let us turn on page 21 of the hearings and see what Mr. Lawton, the Director of the Budget, had to say. I read:

Senator SCHOEPPEL. About all this would do would be to take from the Commissioner of Patents the administrative responsibilities and pass them right over to the Secretary of the Department of Commerce; would it not?

Mr. LAWTON. It would give the Secretary the responsibility of the Commissioner and

the Patent Office; the responsibility of those functions would be placed in the Secretary with the right to delegate. * * *

The CHAIRMAN. If this plan goes into effect will the Secretary of Commerce have the power—I do not say he would exercise it—notwithstanding that he might delegate back these functions to the present Commission, would he have the power in any given case or any single case with an application pending to issue an order designating that someone else besides the Patent Commissioner might decide that case and act upon it?

Mr. LAWTON. Yes.

Mr. President, we shall see now what Mr. Sawyer said. I read from page 31 of the hearings:

The functions of the Patent Office have many of the characteristics of judicial actions in that they affect the private rights of inventors and the public and confer exclusive rights through the issuance of patents. These functions must be carried out in a skilled and professional fashion. This has been the case throughout the entire history of the Patent Office.

At another point he said:

The Administrative Procedure Act, however, exempted the Patent Office from the requirement of hearing examiners. This was done at the recommendation of the Senate and House Committees on the Judiciary, which stated: "Whatever judgment the agency makes is effective only in a prima facie sense at most and the party aggrieved is entitled to complete judicial retrial and decision."

I quote what Secretary Sawyer said at page 32:

The main functions of the Patent Office do not overlap or duplicate those of other bureaus and agencies of the Department of Commerce. In view of the technical analysis involved, the importance of the files and records of the Patent Office, and the immense volume of applications, it is not realistic to consider any change in the organization or location of the functions of the Patent Office. The functions are now being carried out in accordance with the procedures established by the Congress, and by regulations approved by myself and by previous Secretaries of Commerce, in a skilled and professional fashion.

I have no intention of changing the present procedures of the present powers of the Patent Commissioner or the Patent Office, and I have already announced my intention of authorizing the Commissioner and the Patent Office to continue to carry on their functions in accordance with their present statutory powers.

Mr. President, who was it that engineered this deal? First, he is not going to do anything but transfer it back. He agrees that it is performing wonderfully. He agrees that he wants to do nothing personally, but let the Patent Commissioner go on.

We go now to page 36:

As I interpret that, and you correct me if I am wrong, you feel that a Cabinet official charged with the management of a great Government enterprise, in the final analysis should have the authority to make assignments and shift personnel and appoint individuals in whom he has confidence and who he believes will do an efficient job; you feel that because in the final analysis the Secretary is responsible; is that correct?

Secretary SAWYER. That is correct.

I now read from page 46:

The CHAIRMAN. I think this plan, and the force of it, would definitely transfer all power that the Patent Commissioner has now to the Secretary. He could redelegate to the present Commissioner, which he says he is going to do; is that right?

Mr. FLEMMING. That is right.

Mr. President, Mr. Flemming was one of the witnesses who was called. He was one of the members of the Hoover Commission. That was Mr. Flemming's interpretation of the power.

I continue to read further:

The CHAIRMAN. But the present Commissioner is no longer responsible for those decisions, except to the Secretary. In other words, any decision he made, speaking about the line of authority, he could simply say, "He directed I do it that way, decided it this way, and you will have to see him"; that is correct, is it not?

Mr. FLEMMING. That is my understanding of the plan, Mr. Chairman.

Again on the same page:

The CHAIRMAN. As I see the plan, this is what I have tried to point out, with respect to the Patent Office shifts the whole responsibility to the Secretary.

Mr. FLEMMING. That is right.

Mr. President, I turn now to page 48, and read as follows:

Senator MUNDT. I think Mr. Flemming has put his finger on one thing that has worried the committee a little bit.

You mentioned personalities. We know what Secretary Sawyer will do. The Congress and the country have a great deal of respect for the businesslike way he has directed the Commerce Department. When I think back to his predecessor twice removed, however, I cannot be so optimistic. He could probably not get two votes in the Senate today to give him that authority. We have to keep in mind that personalities do change. We have to keep these things before us when we legislate. We do not want to give a man too much power or authority, because as I pointed out earlier, while it can fix responsibility it can do nothing about fixing the things that flow from it.

Mr. President, that is an important statement. I am in favor of fixing authority in the executive lines, and in the administrative lines, but I am not in favor of the President or any of his executive servants interfering with the judicial branch of the Government when it comes to a question of permitting a member of his Cabinet, with absolute power—which I hope I have convinced the Senate they all agree he would have—to take control. It is a dangerous proposition. I for one am opposed to it. If this resolution fails, I promise the Senate that next year, no matter how well that office is conducted, I shall again fight to take the power away. As I started to say in my opening remarks, it is absolutely imperative and necessary that we keep the three arms of the Government separate.

Mr. DONNELL. Mr. President, will the Senator yield? Does the Senator prefer not to yield at this time?

Mr. WILEY. I yield for a question.

Mr. DONNELL. In some of the reorganization plans, a very strong argument has been made, as in the case of the Federal Trade Commission, in regard to the provision:

In carrying out any of his functions under the provisions of this section—

Referring to section 1 of Reorganization Plan No. 8—

the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

Is there any limitation whatsoever in this plan in regard to the Department of Commerce which obligates the Secretary of Commerce to carry on the functions conferred by Reorganization Plan No. 5 the general policies of anyone except himself?

Mr. WILEY. The answer to that is given by every witness who appeared, including the Secretary himself, as well as others, and the answer is "No."

Mr. President, at this time I ask that Reorganization Plan No. 5 be placed in the RECORD at this point in my remarks.

There being no objection, the text of Reorganization Plan No. 5 was ordered to be printed in the RECORD, as follows:

REORGANIZATION PLAN NO. 5 OF 1950

(Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled March 13, 1950, pursuant to the provisions of the Reorganization Act of 1949, approved June 20, 1949)

DEPARTMENT OF COMMERCE

SECTION 1. Transfer of functions to the Secretary: (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of Commerce all functions of all other officers of the Department of Commerce and all functions of all agencies and employees of such Department.

(b) This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) in hearing examiners employed by the Department of Commerce, nor to the functions of the Civil Aeronautics Board, of the Inland Waterways Corporation, or of the Advisory Board of the Inland Waterways Corporation.

SEC. 2. Performance of functions of Secretary: The Secretary of Commerce may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer, or by any agency or employee, of the Department of Commerce of any function of the Secretary, including any function transferred to the Secretary by the provisions of this reorganization plan.

SEC. 3. Administrative Assistant Secretary: There shall be in the Department of Commerce an Administrative Assistant Secretary of Commerce, who shall be appointed, with the approval of the President, by the Secretary of Commerce under the classified civil service, who shall perform such duties as the Secretary of Commerce shall prescribe, and who shall receive compensation at the rate of $14,000 per annum.

SEC. 4. Incidental transfers: The Secretary of Commerce may from time to time effect such transfers within the Department of Commerce of any of the records, property, personnel, and unexpended balances (available or to be made available) of appropriations, allocations, and other funds of such Department as he may deem necessary in order to carry out the provisions of this reorganization plan.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. WILEY. I yield.

Mr. DONNELL. Does not the Senator think the omission from Reorganization Plan No. 5 of any check or balance whatsoever on the Secretary of Commerce, such as the check or balance which was imposed under Reorganization Plan No. 8, for instance, is in itself a highly important argument against Reorganization Plan No. 5?

Mr. WILEY. It is not only an important argument, but to me it clearly indicates that the President of the United States and his legal advisers were not consulted. If the President had been consulted, I assume that from his long experience in Congress and from his reading of American history he would know what a strong Patent Office has meant and will continue to mean, and what it would mean if the Patent Office were to be disintegrated. I have not had the answer. It was not testified to. So far as I know, no one knows why this great judicial activity—as some decisions call it—or this great quasi-judicial activity—as others refer to it—which has remained an independent branch of the Government for 150 years, should all at once be put into the hands of an administrative officer. When we consider it, we must conclude that it would be just as if I should go into a doctor's office and the clerk outside, who never studied medicine, were be delegated to look after me. Here we have men trained in a profession, and we should give heed to the opinions of the lawyers, the men who understand the Patent Office because they live with it, who understand its importance to business, and its importance in maintaining the economic life of this country. When I see the position they take, I am very much up in the air in trying to find out who it was who wrote in this provision after 150 years.

I call attention to the telegram I received from former President Hoover, who himself heard what I had heard and what I had mentioned in my remarks in the committee. The telegram reads:

It is my understanding that Secretary of Commerce Sawyer has already stated publicly that an exemption should be made for the Patent Office. Otherwise the plan should be passed.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WILEY. I am getting into a general discussion, and I do not want it to go too far. I yield for a question.

Mr. KILGORE. The question is this, Does the Senator recall that former President Hoover did not favor this plan, and that the telegram was sent in support of that position, stating that Secretary Sawyer did not favor the plan?

Mr. WILEY. My understanding from this telegram is just what the language says. My understanding is that he would follow what he thought was Sawyer's idea, that is, that an exemption should be made of the Patent Office; and that is my position.

Mr. KILGORE. The Senator said that the lawyers of the country took a certain position.

Mr. WILEY. The patent lawyers.

Mr. KILGORE. The Senator did not say "patent lawyers."

Mr. WILEY. I think I did. I may have slipped once, but the Senator knows what I am talking about, and I do not want to get into an argument. I want the record to be so clear that when my constituents read it they will know what I am talking about.

Mr. KILGORE. That is why I asked the question, so that the record would be clear.

Mr. WILEY. I thank the Senator for the clarification, then.

I am now going to page 53. At that page appears the testimony of Mr. Kingsland, who for years was the head of the Patent Office, the Commissioner of Patents. Certainly if anyone is competent to testify Mr. Kingsland should be. Certainly no one would say that the testimony of a man who served the Government as long as he did, who rendered the valuable service he did in the Patent Office, could be prejudiced.

Let me read some of the things Mr. Kingsland said. I read from page 53:

I think it should be remembered that the authority for granting patents for a limited time to an inventor is one that stems from the Constitution and that Congress itself is charged with the duty of implementing that constitutional provision. This constitutional power was given to Congress, and Congress early in the history of the country elected, in 1790, to pass an act which implemented this constitutional provision.

Thank God we still have men who can see, and are not blinded by a lot of synthetic thinking. I read on:

In 1836 the Patent Office, substantially under the present organization, was established; that is, the system of examining applications and the granting or rejection of patents was set up in the act of 1836.

While Congress from time to time has elected, and to state the way in which the work should be handled in the Office, Congress has always reserved to itself that right of final decision. Under the plan we have heard about this morning that would be delegated to the head of the Commerce Department.

It is perfectly true that as to the entire operation of the Patent Office, so far as its primary function is concerned, it is conducted under the judicial system. I believe it would be important for this committee to understand just how the operation of that Office is carried out.

Then he proceeds in a magnificent way to tell us about the way the Office is conducted. But I proceed to page 54, where he says, referring to the Patent Office:

So, when you consider that the entire purpose and the entire operation of that Patent Office is as close to a judicial proceeding, from the start to finish, as any law case, I think we should feel satisfied that we have an agency that falls within that category.

Under the theory, as I understand it, of the Reorganization Act it should be excluded. We have the authority of the Supreme Court that operations of the Patent Office, which I have described to you gentlemen, is in effect, in character, judicial.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DONNELL. Does the Senator remember the observation of the Supreme Court, cited in the report on this plan, from *Butterworth* v. *Hoe* (112 U. S. 50) in which the Court said:

That it was intended that the Commissioner of Patents, in issuing or withholding patents, in reissues, interferences, and extensions, should exercise quasi-judicial functions is apparent from the nature of the examinations and decisions he is required to make, and the modes provided by law, according to which, exclusively, they may be reviewed (p. 67).

Mr. WILEY. Yes. Mr. Kingsland refers to the Butterworth case on page 54, where he cited this language from that case:

The investigation of every claim presented involves the adjudication of disputed questions of fact, from scientific or legal principles, and is, therefore, essentially judicial in its character, and requires the intelligent judgment of a trained body of skilled officials, expert in the various branches of science and arts, learned in the history of invention, and proceeding by fixed rules to systematic conclusions.

That is quoted from the Butterworth case. Mr. Kingsland continues:

That is the definition that the Supreme Court gave of the activities of our Patent Office.

It seems to me clear, therefore, that even under the theory which has been advanced that agency falls clearly in the category of the exercise of judicial functions and should be excluded from the provisions of the reorganization plan.

It is interesting to note that the general plan of the Patent Office organization, when dealing with inter partes cases, follows so very closely the procedure of the Administrative Procedure Act. In other words, what has been set up by Congress for passing on the rights of individuals who are applicants for patents, is the pattern that was used by the Administrative Procedure Act. It is true that the Patent Office was excluded, but the Patent Office was excluded because it had a procedure which satisfied the theory which was finally crystallized in the Administrative Procedure Act.

Mr. President, I proceed to page 55. Again the former Commissioner stated:

When the activities of the Patent Office are considered from a practical standpoint, it seems to me it is so clear that their functions are judicial, since they deal directly with the negotiation and the grant of property rights in patents that affect the public interest, on the one hand, and the rights of individuals on the other, that we do have truly a judicial operation.

As to trade-marks, it deals with the rights that accrue from the Federal registration under the same method of procedure.

Since the Patent Office has its specific duty designed by Congress to perform these functions, it is my judgment that Congress alone should retain that control and not abrogate its right under the Constitution.

He also says on page 56 that no economy can come out of the plan. He testified:

It is simply a matter of absorbing a function which is judicial, with a grave doubt as to whether or not it will be effective. The indication is that it will not, because immediately it is redelegated. So it seems to me that if a plan of this sort should go through it is going to have an adverse effect on the Patent Office.

I proceed to page 57, where will be found some interrogation by the chairman of the committee of Mr. Kingsland, the former Commissioner of Patents, as follows:

The CHAIRMAN. As I understand your testimony, you do not point to a single advantage or a single benefit either in efficiency, better organization, or economy that will result if this plan goes into effect, so far as the Patent Office is concerned?

Mr. KINGSLAND. I have conscientiously examined that in my own mind, based on my own experience. It is not easy for me to come here as an ex-Commissioner and oppose an administration plan. But I believe that the benefit that will accrue from the amendment of this plan to the public is so

great that I am willing to do it. I am satisfied from the practical standpoint, and my position cannot be controverted because I know what I am talking about that that is so.

I read further:

The CHAIRMAN. As a lawyer and as a former Commissioner of the Office, from your experience there, would you say this plan will give to the Secretary the power to control the decision of those boards that pass on these judicial functions?

Mr. Kingsland replied, and listen to this, Senators:

Mr. KINGSLAND. I heard this morning that it would. Every officer of the Patent Office would come under the absolute control of the Secretary. The Secretary, as we have him today, I am not a bit afraid of the situation as it presently exists. I am speaking of the redelegation, except for those uncertainties that are going to result from a delegation of authority as to procedures.

I think there will be some danger to the right of applicants and to the right of inventors.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. DONNELL. I ask the Senator whether under the presently existing law it is a fact that there is a Board of Appeals, composed of the Commissioner, Assistant Commissioners, and nine examiners in chief, which Board of Appeals adjudicates appeals from final rejections by examiners respecting the patentability of inventions claimed in patent applications, and that this power of the Board of Appeals, under the testimony as I gather the Senator has been reading, would be transferred over to this one man, the Secretary of Commerce? Am I not correct in that?

Mr. WILEY. I think, Mr. President, that that issue would have to be adjudicated in the court, and it would be very confusing. If the Senator will permit me to read the next few lines he will see that that is covered.

The CHAIRMAN. If this plan went into effect and there was an adverse appeal, would you know how to appeal it?

Mr. KINGSLAND—

And, Mr. President, and Senators, the one who is answering the question is a former Commissioner of Patents and now a practitioner of the law in the patent field. He answered:

Mr. KINGSLAND. I would not have any idea how to do that. I would have today.

The CHAIRMAN. Do you know how to appeal today?

Mr. KINGSLAND. Yes; because the Congress has told us how to appeal it.

The CHAIRMAN. You have the established remedy that is clearly defined and you are clearly under it, but if the plan goes into effect you say you are not certain how you would proceed and from whom you would appeal?

Mr. KINGSLAND. That is true.

The CHAIRMAN. In other words, the Board that now functions would, under the plan, become an agent of the Secretary of Commerce?

Mr. KINGSLAND. That is my understanding of the interpretation of it.

The CHAIRMAN. That was the interpretation placed here on it?

Mr. KINGSLAND. It confirmed what I feared. Those that were responsible for it were the ones that gave this committee that interpretation. I think it is serious. I do not think we are tilting a windmill. I think we have a serious situation. I really believe it.

The CHAIRMAN. You spoke of having no fears under the present Secretary. Can you recall some who may have served there that you would have some doubt about?

Mr. KINGSLAND. My memory is pretty good. In other words, it should not be dependent upon the political philosophy or the social philosophy of a particular Secretary of Commerce.

Mr. President, in this period, when ideas are constantly meeting each other in the field of the human mind, struggling for domination of the human mind, I say thank God for men who still have their feet on the ground and believe in the fundamentals of the Constitution, which, after all, is the bedrock of our great Government, the oldest Government in the world today.

I continue to read what Mr. Kingsland said:

Though we have a Secretary that would protect the situation, I still fear there are other objectionable features that can be overcome by a directive. A directive is only a temporary situation. It definitely can be recalled.

If a situation arises where the personnel of the Patent Office, in the judgment of the Secretary, had better be used somewhere else in the Department, there is nothing in the world to prevent it.

O Mr. President, here we have a quasi-judicial office. We are putting at the head of it the Secretary of Commerce. We are giving him absolute power to transfer the powers and offices I mentioned a few minutes ago. I do not say that Secretary Sawyer will do so. I accept Mr. Kingsland's judgment that Secretary Sawyer will do a grand job. He will not accept the powers but turn them back. But what about some other Secretary of Commerce? Let us suppose that Secretary Sawyer should not be at the head of the Department of Commerce next year. Again I ask the question, why was the Patent Office put into a reorganization plan, when the Hoover report contained no recommendation to such effect? Perhaps the Presiding Officer has the answer. I do not. I continue to read from page 58:

The CHAIRMAN. As it is now, your procedure and everything is stabilized, is fixed, it is understood, you have had interpretations of it, and all of those interested who have business there know where their rights are and what their opportunities are and how to proceed and get those rights?

Mr. President, I heard my good friend the Senator from Connecticut [Mr. BENTON] criticize lawyers. I wish to read that paragraph again for the benefit of the Senator from Connecticut because he said he thought lawyers were putting on the pressure with respect to the Patent Office. I say, Mr. President, the lawyers are protecting the inherent and fundamental right of the people and of their Government. Listen to the following question:

The CHAIRMAN. As it is now, your procedure and everything is stabilized, is fixed, it is understood, you have had interpretations of it, and all of those interested who have business there know where their rights are and what their opportunities are and how to proceed and get those rights?

Let us consider the reverse of that situation, and what will happen if the applecart is upset, and no one knows how to proceed; no one understands what is to be done; no one knows what his rights are. That is what the Commies want in every field of human activity. That is what they want in the field of American activity. Mr. Kingsland answers the chairman's question:

Mr. KINGSLAND. That is right.

The CHAIRMAN. Now then, if this plan goes into effect, up until now nobody can change those, they are not subject to the whim of any one man, but the minute the plan goes into effect you have a Secretary today who says that he will delegate the power and authority right back to where it is now, if the plan goes into effect; but suppose a month from now or 2 months from now you have another Secretary that comes in and he decides he wants to reorganize?

There we find the word "reorganization" again. Senators may remember the old story of the colored boy who was cleaning up a shack. He looked up in the corner and there was a wasp's nest. He was told, "You had better clean that out." "No," he said, "I am not going to clean that out. Dey's organized." I think the Patent Office ought not to be cleaned out as is proposed to be done under the reorganization plan. I say that because I believe it is organized for the betterment of the country.

The chairman asked the further question:

Under the plan he has the power to begin making changes and setting it up in a different way. And at the same time it would follow through with any change in Secretaries, would it not, the same power would be there to make changes and issue orders and to delegate and recall delegates, and so on. That would continue as a permanent situation if the plan goes into effect; is that right?

Mr. KINGSLAND. I am absolutely satisfied it would.

The CHAIRMAN. I mean the possibility of it. I do not say it would be done. I do not know.

Mr. KINGSLAND. I have always talked about potential, but I think there is more than that here.

Since 1790 our patent system has been in effect. It has taken a long time for it to come to a position where those of us who specialize in patent work are able to give anything near an adequate answer and advice to clients. If this is thrown open by a plan of this sort, there will be another long period of uncertainty as to what the rule of appeal is, where the judicial function is to be exercised.

It has been built up over a period of years under this judicial system. To my mind, it would be just as sensible to take the Court of Claims and put it under an agency that could do anything it wanted with the functions that are assigned to that agency or to that court.

I read now from page 59 of the hearings:

Senator BENTON. You think the Secretary of Commerce would have the authority to call the Commissioner in advance and say, "Go decide this case along these lines"?

Mr. KINGSLAND. I think that is a potential possibility; yes, sir.

Senator BENTON. A potential possibility. One in a thousand is a potential possibility. It is only one in a thousand that they will listen to him. I do not think you can judge administrative reform unless it has substance to it.

Mr. KINGSLAND. I think we have a substantive situation here which is primarily the upsetting of the judicial system that has been established over the years by Congress.

Senator BENTON. If you are right, and the Secretary of Commerce under this new proposal has the right to dictate decisions to the Commissioners who have been independently appointed and independently confirmed, I agree that is a very important consideration on this plan.

It is not my understanding that you are correct there, and I hope further testimony will bear on that and clarify that point.

Mr. KINGSLAND. If the Senator will examine the statements that were made this morning, I think the Senator will find this: The statements have been made on the face of the plan that it would transfer in total all duties assigned to the Commissioner of Patents which are judicial and administrative.

The CHAIRMAN. Reading the first section of the plan, it says:

"Except as otherwise provided in subsection (b) there are hereby transferred to the Secretary of Commerce all functions of all other officers of the Department of Commerce and all functions of all agencies and employees of such Department."

I stress that testimony, Mr. President.

Then we find the following answer by the witness:

Mr. KINGSLAND. I do not see how the language could be clearer.

Mr. President, let me say that I do not see how that language could be clearer, when we examine the language of the plan which says that all functions shall be transferred in that way.

I read further from the hearings:

The CHAIRMAN. I do not know if it is intended to do it or not, but the plain wording as testified to this morning by, I believe, Mr. Flemming was very strong on that. I asked him the direct question if it did not transfer every function, every power of the Patent Office from the Patent Office where it is now and invest all that in the Secretary and he said it did.

Mr. KINGSLAND. The Secretary confirmed that, and it would be no use to redelegate it.

The CHAIRMAN. I do not know about the Secretary but I asked that very explicit question.

Mr. KINGSLAND. And there would be no purpose of redelegating if it was not delegated to him.

The CHAIRMAN. He said he was going to redelegate it, so that shows it is all vested in him by the plan going into effect.

Mr. KINGSLAND. Undoubtedly.

* * * * *

Senator BENTON. May I read from the Secretary's testimony this morning.

"The Administrative Procedure Act recognizes the fact that many, if not all, of the so-called administrative agencies, whether departments of regulatory commissions, exercise functions having legislative and judicial aspects. The act did not attempt to strike down this combination of functions, or to prohibit an administrative agency from exercising semilegislative or semijudicial functions. Instead, the act separated out the two functions, the legislative or rule-making function, and the judicial or adjudicating function, and established certain principles and rules to insure that these functions would be carried out fairly and impartially by the administrative agencies."

It was my impression that the proposal before us today also contained this division, these two types of functions, and that the proposal dealt with the administrative functions rather than with the judicial functions.

Mr. KINGSLAND. I would not be here today if it was purely administrative functions.

Senator BENTON. Is that so?

Mr. KINGSLAND. I do not know if the Senator heard my statement with respect to the inapplicability of the Administrative Procedure Act to the Patent Office. The Patent Office was specifically excluded.

Senator BENTON. The Secretary brought that out this morning.

Mr. KINGSLAND. And it was excluded because, as I stated, we had anticipated that the form of judicial operation which was later applied to the other Federal agencies.

In other words, in the wisdom of Congress long ago, as early as 1870, they set up what was the pattern for the Administrative Procedure Act.

Mr. President, I read now from page 61 of the hearings:

Senator BENTON. The Secretary said this morning that the reorganization plan does not limit or restrict the court to review of the actions of the Patent Office on which the exemptions from the Administrative Procedure Act was based.

This does not give to the Secretary this power; the power for court review is not limited or restricted in any way by this proposal. It still ties right back.

Mr. KINGSLAND. I think that the court review would remain, but it would probably require other legislation to define the process of appeal, whether it be from the Secretary in person or from the Commissioner in person.

Senator BENTON. It says here that it does not limit or restrict. I would infer from that that it was changed from previous practice, in the judgment of the Secretary.

Mr. KINGSLAND. That is the uncertainty from a legal standpoint.

Senator BENTON. Because of the uncertainty about this matter do you propose killing this whole reorganization plan?

Mr. KINGSLAND. I would be very unhappy if this reorganization plan, in substance, with the exclusion of the Patent Office, did not go through.

But it is my understanding that the plan can go back and come up here again with the Patent Office excluded from it. That is all we are arguing for.

I am for the plan. I hope you gentlemen go forward with this reorganization. But to include judicial agencies, that the reorganization plan did exclude, I think should be done.

Mr. President, I think I have clearly demonstrated the situation by reading from the testimony of men who, I think, may be regarded as unprejudiced. I have given the testimony of the Commissioner of Patents and the testimony of the representative of the budget, and the testimony of Mr. Flemming, who was a member of the Hoover Commission; and I have read the telegram from former President Hoover.

I shall now refer to the testimony of some of the most competent and best patent lawyers in the country. Because I refer to their testimony, I suppose it will be considered that I am producing the testimony of biased witnesses. However, Mr. President, I do not like to have such a statement made about the testimony of such persons. I myself practiced law for 35 years before I came to the Senate. I remember very well that when I was a prosecuting attorney for 6 years, one of the lessons I learned in court was that I represented the defendant as well as the State.

I am sure that these very distinguished citizens, including those who represent the patent bar of the various States, state their honest convictions in giving their testimony. Senators may disagree with them, but I do not like to think that when witnesses before a committee disagree with certain Senators, those Senators would imply that such witnesses are dishonest. After all, each one of us goes to the church of his own choice, and we have learned to credit each other with the right of independent judgment in regard to religious matters. Similarly, whether we are Republicans or whether we are Democrats, all Senators are friends. We do not criticize a man's character or imply that he is dishonest simply because we may disagree with him on problems relating to economics or politics or religion.

Similarly, when we are dealing with the question of the jurisdiction of the Patent Office, we should accord to the witnesses who are patent lawyers, many of whom came long distances to testify before the Senate committee, the right of independence of judgment.

At this point let me state that one of the witnesses before the committee was George E. Folk, adviser to the committee on patents and research of the National Association of Manufacturers. I suppose he might be criticized, for the reason that criticism of such associations seems to be one of the games played nowadays by certain persons. However we should realize that the great manufacturers have built up our country and have provided jobs and have added to the wealth of the Nation. Of course there may be among them certain ones who have racketeer minds, just as there are certain labor leaders who give evidence of such a tendency, as well as certain persons in politics, and sometimes certain persons in the church activities. After all a racketeer is one who wants to make his own law or his own rules of the game, and does not want to abide by the regular rules.

However, the National Association of Manufacturers feels that this matter is vital. I read now from the testimony of Mr. Folk, appearing on page 62 of the hearings:

The NAM is opposed to that portion of Reorganization Plan No. 5 of 1950 which would make it apply to the functions exercised by the officers and employees of the Patent Office with respect to patents and trade-marks.

It is significant that Mr. Hoover, who was formerly Secretary of Commerce and had intimate familiarity with the Patent Office, made no specific recommendations—

Note this, Mr. President—

in the Commission's report (No. 10) for revisions of the Patent Office machinery. Under this reorganization plan, all the functions of all the officers and employees of the Patent Office are transferred to the Secretary of Commerce.

It may be said, "Senator, why are you reading this testimony? Why do you read so much from the book, instead of stating your own convictions?" Mr. President, it is because I am producing gilt-edged testimony. Too many of us get up and make loose statements, at times, to influence the conviction and judgment of our associates, but here we

have the testimony of people who know what they are talking about.

Mr. Folk, at page 62, said:

The authority thus vested in the Secretary of Commerce would enable him for various motives to jeopardize the administration of the Patent Office.

On page 64, Mr. Folk further stated:

It is thus apparent that proposed Reorganization Plan No. 5 would provide a ready means for changing the entire complexion of our patent system. It is not enough to be assured that the present Secretary of Commerce would reassign to the Patent Office and its officers and employees the functions that they now exercise. Some future Secretary may not have the wisdom to so do.

The plan is a real, not an imaginary, threat to the efficient operation of the patent system and should not meet with the approval of Congress.

The NAM urges adoption of Senate Resolution 259, which declares that the Senate does not favor the President's Reorganization Plan No. 5 of 1950; an identical resolution disapproving the plan appears in House Resolution 546.

He continues:

If this plan went into effect, what I want to point out to you is that the powers that are now vested in the Commissioner of Patents, two Assistant Commissioners, and the nine examiners in chief could all be delegated from those who are now holding those positions by confirmation of the Senate—could be delegated by the Secretary to someone who has not been confirmed by the Senate to perform the functions and duties that they now perform.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Missouri?

Mr. WILEY. I yield.

Mr. DONNELL. Referring to the list of persons whose duties might be delegated, under Reorganization Plan No. 5, by the Secretary of Commerce, to whomsoever he might choose, do those include the duties of the Board of Appeals, under the interpretation of the Senator from Wisconsin, or is it a vague matter which we are unable to decide without litigation as to whether it does or does not?

Mr. WILEY. I was asked that question in the subcommittee. I could not answer it then, and I am in the position, I think, of the former commissioner, who felt that the plan leaves that question in the air. When the plan refers to "all power," a judicial decision by a court of competent jurisdiction would be required to say whether that term might include the powers as to which the Senator seeks information.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. WILEY. I yield.

Mr. DONNELL. I observed that the reorganization plan itself says:

Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of Commerce all functions of all other officers of the Department of Commerce and all functions of all agencies and employees of such Department.

In subsection (b), it is set forth:

This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) in hearing examiners employed by the Department of Commerce, nor to the functions of the Civil Aeronautics Board, of the Inland Waterways Corp., or of the Advisory Board of the Inland Waterways Corp.

But I am impressed, in the first place, by what the statute provides:

There shall be in the Patent Office a Commissioner of Patents, one First Assistant Commissioner, two Assistant Commissioners, and nine examiners in chief, who shall be appointed by the President, by and with the advice and consent of the Senate.

A little further on it says:

The examiners in chief shall be persons of competent legal knowledge and scientific ability. The Commissioner of Patents, the First Assistant Commissioner, the Assistant Commissioners, and the examiners in chief shall constitute a Board of Appeals, to review and determine upon the validity of the adverse decisions of examiners upon applications for patents and for reissues of patents and in interference cases.

Mr. President, as I understand that provision, the Board of Appeals clearly is constituted of officers of the Department of Commerce, and with the possible exception of that portion of that Board of Appeals which consists of hearing examiners, it would appear that every function of all those officers who are embraced in the Board of Appeals are transferred to the Secretary of Commerce by the reorganization plan; which leads me at least to raise the question which I think is a very serious question, as to whether it is not true that under the reorganization plan the Secretary of Commerce, in the first instance, will be the official who will decide whether a patent shall issue, and then he himself will either have the power of deciding on it on appeal from his own ruling, or the power of supervision over those who do decide, which I think is a very unwholesome and unhealthy condition. Will the Senator yield merely for a further question?

Mr. WILEY. I yield.

Mr. DONNELL. Does not the Senator agree with me that, taken at its mildest, namely, that the former commissioner, Mr. Kingsland, is right in indicating that only litigation could determine the question of the effect of this reorganization plan on the Board of Appeals; the Congress, and the Senate as one branch of Congress, should not run the risk of transferring from the Board of Appeals to the Secretary of Commerce the power of appeal from the ruling which the Secretary of Commerce, under the reorganization plan, would himself make. Is it not highly unwise to run any risk at all on a proposition of that kind?

Mr. WILEY. Mr. President, I fully agree. The distinguished Senator from Missouri has eloquently stated the point I am trying to make. There is no justification for this in the first place, because the present Secretary says, "If you assign it to me, I am going to assign it back." I further agree, if that is done, and later someone should hold the office who would not have the judgment or discretion necessary, it would, so to speak, upset the applecart completely.

Mr. DONNELL. Mr. President, will the Senator yield for but one very brief inquiry?

Mr. WILEY. I yield.

Mr. DONNELL. Does not the Senator agree that, as I think it was held in the case of *Mercoid Corporation* v. *Mid-continent Investment Company* (320 U. S. 661) "the public interest is dominant in the patent system" and should we not avoid any possible interference with furthering the public interest by uncertainties and doubts and the possible abolition of an effective right of appeal?

Mr. WILEY. I have no doubt in my mind that that clearly states the basic truth and fact.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Illinois?

Mr. WILEY. I yield.

Mr. LUCAS. The Senator from Wisconsin has been speaking now for more than a half hour, and I am wondering how much longer he intends to speak. I am being asked whether we are going to vote on this reorganization plan tonight, and I have told those who asked me that we are.

Mr. WILEY. I shall be glad to proceed as rapidly as possible. I rather think that by 5:30 I can be through.

Mr. LUCAS. Can we get an agreement to vote at 5:30?

Mr. WILEY. No, because I do not know who else wants to speak on the resolution.

Mr. DONNELL. In that connection, Mr. President, if the Senator will yield——

Mr. WILEY. I yield.

Mr. DONNELL. I assume the Senator will, at the conclusion of his remarks, permit at least brief inquiries, which may not have been definitely covered in the course of his remarks.

Mr. WILEY. I shall be very happy to do so. Furthermore, I hope other Senators who are interested in the subject will be present; but I can give no assurance to the distinguished majority leader at this time, because I am so seriously concerned about this proposal. But, frankly, if I am not interrupted, I think I can undertake to conclude before 6 o'clock, easily. I merely desire to review certain testimony.

Mr. LUCAS. There are two other reorganization plans to be considered, besides these.

Mr. WILEY. I had understood it was the intention to sit tonight.

Mr. LUCAS. That is correct.

Mr. WILEY. I understood the majority leader to announce Friday we were to have dinner here tonight.

Mr. LUCAS. We are going to try to finish with the reorganization plans. I do not know how much discussion there will be on them, but I should like very much to finish them if we can. However, unless a limitation of debate can be obtained, we probably cannot do it. But I should like to finish all of them by 9 or 10 o'clock tonight, if possible.

Mr. WILEY. I assure the distinguished majority leader I shall do everything I can to facilitate that. It is a consummation devoutly to be wished.

I desire now to quote further from the statement of Mr. Folk, appearing on page 64.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. WILEY. I yield.

Mr. BREWSTER. I should like to inquire of the Senator from Illinois whether he contemplates having an evening session.

Mr. LUCAS. Yes. I may say to the Senator, we contemplate an evening session.

Mr. WILEY. The Senator from Illinois made that statement Friday.

Mr. LUCAS. I stated that last Friday. I should like to get through with all the reorganization plans, if possible.

Mr. BREWSTER. Tonight?

Mr. LUCAS. But, in the event they should take the time that it allotted under the law, we would have some difficulty getting through tomorrow night, even. There are two more plans, so that sooner or later we will have to limit the time. That is why I think it is probably best to go on and try to finish them tonight, or at least finish this one and one more.

Mr. WILEY. Mr. President——

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. FERGUSON. Does the record show any complaint regarding the present operation or management of the Patent Office?

Mr. WILEY. I am very glad the Senator has asked that question. There has been absolutely none. Every witness, including the former Commissioner of Patents, the Secretary of Commerce, and others, spoke in the highest terms of the Patent Office. They spoke in the highest terms in relation to the manner in which the Office is being conducted and how it has gone ahead to clear up its calendar, and so forth. It was my privilege a few nights ago to come from Chicago with the present Commissioner of Patents. It is very interesting that the present Commissioner of Patents was not called to testify. That is as much as I can say on that subject, but we can infer how he feels about the question.

Mr. FERGUSON. Does the Senator know of anyone practicing at the patent bar who feels that the Patent Office should be transferred to the Secretary of Commerce?

Mr. WILEY. To my knowledge, the patent bar, the American Bar Association, the National Association of Manufacturers, in fact, all who know the vital importance of what is involved, are against this so-called transfer to the Secretary of Commerce.

Mr. FERGUSON. Does the Senator know of any economy or efficiency which will be brought about by such a transfer?

Mr. WILEY. The record is absolutely silent on that point. No one suggested there would be any economy; no one claims it. It is claimed that the Patent Office is operated efficiently, economically, and for the betterment of this great Republic.

Mr. FERGUSON. I thank the Senator.

BETSY SULLIVAN

Mr. BRICKER. Mr. President, will the Senator yield for a unanimous-consent request to bring up a private bill which must be passed today if it is to be effective? It will take only a minute, I think.

Mr. WILEY. If it does not take over a minute, I shall be glad to accommodate the distinguished Senator from Ohio.

Mr. BRICKER. Mr. President, I ask unanimous consent for the immediate consideration of a private bill which has been passed by the House and reported favorably and unanimously by the Senate Committee on the Judiciary. It is for the relief of Betsy Sullivan, a child of 3 years of age, now in Japan, who has been taken into the family of a captain in the Army who has been ordered back to this country. He took the baby when she was 3 months old, and she has been christened in the family.

The PRESIDING OFFICER. Will the Senator please state the number of the bill?

Mr. BRICKER. The calendar number is 1589, and the bill is House bill 6329.

The PRESIDING OFFICER. The Clerk will read the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6329) for the relief of Betsy Sullivan.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the bill (H. R. 6329) for the relief of Betsy Sullivan, was considered, ordered to a third reading, read the third time, and passed.

Mr. BRICKER. I thank the Senator from Wisconsin.

Mr. WILEY. I am always happy to accommodate such a distinguished Senator.

I should like to say to the majority leader that the junior Senator from New Jersey has asked me to yield for a few minutes so that he may make a statement regarding the recent explosion in New Jersey. I do not want to interfere with the majority leader's program.

Mr. LUCAS. The Senator is not interfering with my program, because the Senator from New Jersey, sooner or later tonight, must make his speech. He has prepared it and given it to the press, and it is an important speech. If the Senator desires to yield to the Senator from New Jersey, I shall not object, and the Senator will not lose his right to the floor, so far as I am concerned.

I hope the Senator from Wisconsin will cut his argument rather short, however, because I think he has already convinced all the Senators who will be convinced by the viewpoints and arguments he has presented. I shall be glad to have the Senator yield to the junior Senator from New Jersey.

Mr. WILEY. Mr. President, I have agreed to yield for 10 minutes, so that the Senator from New Jersey may make a speech regarding the recent explosion in his State.

I ask that the remarks of the Senator from New Jersey be placed at the end of my speech. I should like to conclude my speech as soon as possible, but I am very happy to accommodate the junior Senator from New Jersey.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. HENDRICKSON's remarks appear in the RECORD at the conclusion of the speech of Mr. WILEY.)

REORGANIZATION PLAN NO. 5 OF 1950

The Senate resumed the consideration of the resolution (S. Res. 259) disapproving Reorganization Plan No. 5 of 1950 transmitted to Congress by the President on March 13, 1950.

Mr. WILEY. Mr. President, I wish to quote some questions and answers from page 64 of the committee hearings:

The CHAIRMAN. In the course of your statement, you refer to those elements or forces that are hostile to the present patent system. I wonder to what extent there is that hostility.

I see that the quote from the Supreme Court decision of Justice Burton also refers to it. It says:

"However, in the face of the direct attack now made upon some of its underlying principles, the infinite importance of our invention justifies a brief review here of the development and nature of the patent rights attacked."

I am wondering about that hostility, whether there is a definite threat from it, whether certain interest could get control or get in power.

Mr. FOLK. The threat has been going on, more particularly, during the last 12 years.

I read further:

The CHAIRMAN. Do you know what the goal is, if they want to set it aside? What would be substituted for it?

Mr. FOLK. There are a great many ways. You see, the patent statutes provide a general pattern for the patent system. But they also provide that the Commissioner of Patents, with the approval of the Secretary of Commerce, can make rules and regulations for the administration of the Patent Office. Those rules and regulations could be so made that it would seriously hamper the proper conduct of the patent system.

At page 66 the chairman asks this question:

The CHAIRMAN. You think that is a baseless assumption or apprehension; that somebody might become Secretary of Commerce who was hostile to the system and to the very idea of granting patents and treating inventions as property? Do you think there is any actual danger of that?

Mr. FOLK. I think it is a real danger. There are too many prominent men taking that position to say that none of them will ever come into position of prominence in the Department of Commerce.

Mr. President, that is a very significant statement by a very competent and able man.

I continue:

Senator O'CONOR. You mention the fact that you did not know before today of the detailed explanation of the attitude of the Secretary of Commerce. Having heard it, are your views in any sense changed?

Mr. FOLK. I think be rather confirmed the views.

Senator O'CONOR. Why?

Mr. FOLK. He thought the Patent Office was being run efficiently and he would retransfer to the Commissioner the duties which he now performs. I think his order gives a bully argument for leaving things as they are.

Mr. Henry R. Ashton, president of the American Patent Law Association, testified as follows at page 68:

The CHAIRMAN. That is a plan not to make a plan?

Mr. ASHTON. Exactly. The statute, I think, which Congress passed intended that these reorganization plans should be spelled out in detail. In fact, section 1 (a) of the statute specifically provides that the President shall prepare a reorganization plan for the making of the reorganizations as to which he shall make findings.

Mr. President, there is nothing in this plan—and that is why I put it in the RECORD—to show any of the details of the plan.

I continue reading from Mr. Ashton's testimony:

He has made no findings within the provisions of this act that I can observe.

In section 2 it is pointed out that the various agencies of government may need reorganizing. I merely point that out; that this is a blanket authorization to the Secretary to reorganize as he sees fit. It seems to me that the prerogatives which Congress has heretofore exercised from time to time in its enactment of specific statutes for the management of the Patent Office will be lost.

I do not think that there should be any misunderstanding at all as to what power is given to the Secretary. You only have to look on the first page of Mr. Sawyer's written statement filed this morning to see that it is his view that section 1 (a) transfers to the Secretary all functions of all offices and agencies of the Commerce Department.

The functions of the Patent Office which have been referred to here by others are not all performed by the Commissioner of Patents, but some are performed by other officers, as the chairman has pointed out here a few moments ago. The Patent Office, of course, issues patents, and the policy in issuing those would be subject to the whims of the Secretary of Commerce. In other words, a policy could be established by the Secretary to issue patents to a particular class of persons. If they were issued under any such order there would be no review, there being now no protective provision in the law. It is only when the Commissioner refuses to issue a patent that his act may be reviewed by a court.

The CHAIRMAN. You mean there is no appeal from the issuing of a patent?

Mr. ASHTON. There is none.

The CHAIRMAN. Under the law there is no appeal from the issuance?

Mr. ASHTON. That is right.

The CHAIRMAN. It is only after refusal that there is a right of appeal and review?

Now I read from page 69:

Senator O'CONOR. Do you consider if this reorganization plan were put into effect the Secretary would be able under those circumstances to override the decision of the Commissioner?

Mr. ASHTON. That has been testified to by the Secretary himself this morning.

Senator O'CONOR. I was wondering about your opinion.

Mr. ASHTON. My opinion is it is clearly so because the statute says:

"All functions shall be transferred."

I read now from page 70:

The Patent Office was purposely left out of the Administrative Procedure Act because the judicial functions were already provided for in the statutes.

* * * * *

Senator O'CONOR. The reason which prompted my previous question is the text of the proposed draft of order which is attached to the Secretary's statement and from which I note, and I read the particular portion I have reference to:

"For these reasons, I have determined to delegate to the Commissioner of Patents, and to the other officials and employees of the Patent Office, those functions transferred to the Secretary of Commerce by Reorganization Plan No. 5 of 1950, so that those functions may continue to be carried on in the same independent and professional fashion as before, subject to review only by the courts of the United States."

Then in section 3 he states:

"No action of the Commissioner of Patents or other officers and employees of the Patent Office will be reviewed by Secretary of Commerce, except as may have been provided for by law prior to the coming into force of Reorganization Plan No. 5 of 1950."

Do you think that would be sufficient or might be insufficient to take care of the situation which concerns you?

Mr. ASHTON. I think it is wholly inadequate. I perhaps should not use the term, but I refer to the possibility that we may have benevolent dictators anywhere, in this country or elsewhere. It is not safe to place in the hands of an executive department the power of judicial action.

The committee has undoubtedly noted the exceptions which were made in the plan itself. I want to call attention to those merely to say that the functions of those boards are not as closely judicial as those functions of the Patent Office to which special reference has been made here today.

But especially I want the committee's attention to be drawn to plan 21 which creates the Maritime Board. In that plan you will see that it is expressly stated in paragraph 108 that all functions as to regulation and control of rates, and so forth, shall be independent of the Secretary of Commerce.

We have heard that referred to today with regard to that plan. In the plan the regulation and control of rates were expressly taken out of the authority.

On page 74 we have the testimony of Albert R. Teare, section of patent, trade-mark, and copyright laws, American Bar Association. I quote this part of it:

But over and above that we have the element of secrecy in connection with national defense. At the present time the Commissioner of Patents can control a situation, even if other departments desire access to those applications; therefore, it is believed that such control should not be given up by Congress.

Our plea against the plan is directly and primarily toward the judicial end of it. If you will notice the resolution, it reads that the plan is disapproved except and until the Patent Office is excepted.

In the testimony of Sylvester J. Liddy, acting counsel, United States Trade-Mark Association of New York City, we find this statement on page 77:

In trade-mark matters as well as in patent matters, many of the officials of the Patent Office perform judicial functions.

"It is not consistent with the idea of judicial action that it should be subject to the direction of a superior. * * * Such a subjective takes from it the quality of a judicial act" (*Butterworth* v. *Hoe* (112 U. S. 50)).

Speaking from a personal experience of 23 years of practice before the trade-mark tribunals in the Patent Office, I can assure your committee that through the years, I know of no body of men better qualified to administer the ex parte and inter parte proceedings involving trade-marks in the Patent Office than the staff that has been in office during that time and the staff presently in office. These officials have shown a keen awareness not only of the rights of litigants but of the public interest.

It would be in my opinion a grave mistake to entrust these duties to men from other branches of the Commerce Department regardless of how able such officials may be and for the men presently handling these matters in the Patent Office to be transferred to other duties.

Then there is the testimony of Norman N. Holland, of New York, on behalf of the New York Patent Law Association. I quote just a word from him:

The CHAIRMAN. The very fact that the previous Secretary proposes and announces that if the plan is adopted he will reconfer and redelegate the identical powers back to the present officers who are serving in the capacity now rather refutes the necessity for the authority being conferred upon the Secretary by the plan it seems to me.

Mr. HOLLAND. Yes.

Next is the testimony of John A. Blair, president of the Chicago Patent Law Association, and his testimony is to the same effect as that of the preceding witness.

There is then the testimony of James T. Kline, representing the Connecticut Patent Law Association, whose testimony was to the same effect.

There came next the statement of Matthew Hale, Acting Solicitor of the Department of Commerce. Listen to what Mr. Hale said, as reported on page 83:

The right of judicial review in court, in my opinion, would not be changed by this reorganization plan. So that the protection which was stated by the Judiciary Committees as the reason for excepting the Patent Office would be just as applicable after this plan had been passed as before.

I think the theoretical power of the Secretary to transfer these functions to someone else clearly does present the theoretical possibility that the powers may be abused.

But I am sure, sir, that at least Secretary Sawyer has no intention of abusing them. I am quite sure the present Commissioner, Commissioner Marzall, would not hesitate to let it be known if he thought the Secretary would abuse them.

Then there is a statement of Fritz Lanham, representing the National Patent Council. Many Senators know Fritz Lanham, who was a Member of Congress, and a very prominent legislator. His testimony is almost dramatic in spots. I shall read a little of it, first from page 84:

I may say by way of preface that nothing has been shown and I think nothing will be shown to the effect that the adoption of this plan would increase either efficiency or promote economy insofar as the Patent Office is concerned.

On page 85 he said:

We have here a proposal to reverse the policy of 150 years of our history of successful operations and advancement under our patent system. To do what? By very definite terms under the plan itself to turn all of those judicial and quasi-judicial functions over to an administrative officer and even to let him take the funds that are assigned to the Patent Office and distribute them wherever his fancy may dictate.

When an applicant for a patent files his application there are very definite things he must do and there are restrictions of time upon his activities. He must comply with those restrictions and with what is required of him. There is no such requirement on the part of the Commissioner of Patents and there would not be upon the part of the Secretary or an administrator of his selection. It is here proposed to transfer these judicial functions which now keep one man

busy all the time, the Commissioner of Patents, who is necessarily a very busy man. The Secretary of Commerce himself, with all the duties engaging his attention, couldn't possibly look after the business of the Patent Office, but he is here given authority to delegate these functions to someone else of his choosing.

Mr. President, there is printed in the hearings the statement of Mr. John A. Dienner, Jr., of Chicago, Ill., who represents the Chicago Bar Association; not simply the Patent Bar Association, but the Chicago Bar Association, and that association has the same opinion about the subject.

There is also included in the hearings a statement of G. Wright Arnold, member of the Washington State and American Bar Association and American Patent Law Association.

There is also a letter addressed to the Senator from Arkansas [Mr. McCLELLAN] by Thomas Jefferson Miley, executive vice president of the Commerce and Industry Association of New York, Inc. A statement of that association is also included.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DONNELL. Would the Senator from Wisconsin have any objection to incorporating in the RECORD, at this point, that certain sentence on page 86 of the hearings from the testimony of Mr. Fritz Lanham, representing the National Patent Council, which begins with the words: "I hope with all the fervor of my heart"?

Mr. WILEY. I shall be very happy to have that sentence placed in the RECORD. If it had not been for the amount of time I have already consumed, I would have read a great deal more into the RECORD.

Mr. DONNELL. Will the Senator yield so I may read it into the RECORD?

Mr. WILEY. I am very happy to yield.

Mr. DONNELL. I read as follows:

> I hope with all the fervor of my heart that we will not turn about from our historical and successful and sound and fundamental policy, sponsored by the fathers, preserved through all these decades, to turn over these judicial functions to some administrative officer, not necessarily familiar in any way with the patent system, and responsible only to a Secretary who may not, himself, be in any way familiar by training or by practical experience with this fundamental of the American patent procedure which, through its incentive, has made us great and outstanding.

I thank the Senator from Wisconsin.

Mr. WILEY. I thank the Senator for having read that statement.

Mr. President, it is with extreme reluctance, but with a firm conviction that I urge the rejection of this plan and ask the Senate of the United States to vote in favor of Senate Resolution 259. I feel that Reorganization Plan No. 5 should be rejected, because unless it is, we shall be giving a blank check to some future Secretary of Commerce to reorganize the judicial and quasi-judicial duties of the Patent Office, with potentially grave harm resulting to the American free-enterprise system. I am, indeed, sorry that the President did not see fit to exempt the Patent Office from plan No. 5 just as he wrote in specific exemptions for hearing examiners employed by the Department of Commerce, for the Civil Aeronautics Board, for the Inland Waterways Corporation, and for the Advisory Board of the Inland Waterways Corporation.

Mr. President, I have probably consumed enough time, but I should be very happy to attempt to respond to any questions or any inquiries Senators wish to direct to me.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. DONNELL. Did I correctly understand the Senator from Wisconsin to the effect that he had written the President of the United States expressing his views on Reorganizaion Plan No. 5 and suggesting that the transfer of the Patent Office be eliminated from the reorganization plan?

Mr. WILEY. After the distinguished Senator from Missouri questioned me in relation to my former statement, I called my office to get in touch with my secretary. Unfortunately he has gone to a dentist, but I can give my best recollection. My best recollection is that I instructed my secretary to write the President and call his attention to this point and ask that he recall the plan. By tomorrow morning I am sure I can get the correspondence, because my secretary does not fall down on the job.

Mr. DONNELL. Does the Senator recall whether or not he received any word from the President?

Mr. WILEY. My present recollection is that I received no information from the President or from any of his secretaries on the subject.

Mr. DONNELL. Does the Senator recall the approximate date on which he directed his administrative assistant or his secretary to communicate with the President?

Mr. WILEY. No. It was some time previous to the time I appeared before the committee.

Mr. DONNELL. Does the Senator recall that on May 11, 1950, the President found time, while on his tour of the West, to send a telegram to the Vice President, which is set forth on pages 6862 and 6863, with respect to Reorganization Plan No. 12, in which telegram the President said, among other things:

> No group of men could efficiently operate the two-headed freak which the organization of the Labor Board now represents.
>
> The history of this matter leads me to believe that most of the opponents of plan 12 are more concerned with politics than with the merits of the proposal.

Does the Senator recall that the President sent that message to the Vice President, and that it was laid before the Senate?

Mr. WILEY. No. I assume that it was, because I see the distinguished Senator from Missouri reading from the CONGRESSIONAL RECORD of that date. However, I have no recollection on the subject, nor did I hear the message read.

Mr. DONNELL. I ask the Senator in this connection whether or not he has had occasion to examine at all the constitutional provision with respect to the duties of the President in his relation to Congress.

Mr. WILEY. I think I have observed it on many occasions; not specifically at this time, no.

Mr. DONNELL. Does the Senator recall that section 3 of article II of the Constitution, in defining the duties of the President, says:

> He shall from time to time give to the Congress—

I call attention to the fact that the word "Senate" is not used in that language—

> information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

Does the Senator recall that provision of the Constitution?

Mr. WILEY. Yes, I have a definite recollection of it.

Mr. DONNELL. I take it the Senator noticed, as I call to his attention at this moment, that on page 6862 of the CONGRESSIONAL RECORD the President did not address the telegram to the Senate, but addressed it to the Vice President. Does the Senator remember that?

Mr. WILEY. I saw it.

Mr. DONNELL. And that the Vice President directed that the clerk read the communication, and that the Chief Clerk read it? The Vice President then stated, "The communication will lie on the table."

I ask the Senator whether he knows anything in the Constitution that prescribes it as one of the duties or privileges of the President to inject himself into a debate on the floor of the Senate through the medium of a telegram addressed to the Presiding Officer, who, as I understand in the case of the Vice President, is not even a Member of the Senate. Does the Senator know of anything in the Constitution which prescribes such a procedure to be followed by the President of the United States in attempting to influence legislation then before the Senate?

Mr. WILEY. I shall take a little time to answer that question. There is no specific provision to that effect. Of course, the President of this great Nation operates as the President and he also operates as an individual. Sometimes he is a politician. Sometimes he is a statesman. Sometimes the two qualities become mixed together. Certainly there is nothing in the Constitution which prohibits the President from communicating with any member of the legislative body or with the Vice President. On the other hand, in order to keep the record clear, I think that one of the things it is very necessary for the Executive of the Nation to do is to keep on his side of the constitutional fence and not to interfere with legislative policies or with judicial functions of Government. He is supposed to make recommendations to Congress. He is supposed to send us messages and to give us ideas respecting policies and legislation, and probably in that view he would not be considered by some persons as interfering with the legislative policy. Yet, there have been Presidents who have felt that in order to

keep the Government intact the checks and balances in Government must be maintained so that one branch will not interfere with the rights of another.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. DONNELL. Does not the Senator agree that the Constitution contemplated that there should be a division of the powers, and that there is a definition of the duty of the President with respect to communications with Congress, as set forth in section 3 of article II, which, as I have said, provides that—

he shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

Does not the Senator agree further that there was very sound wisdom in the remarks of George Washington in his Farewell Address:

It is important likewise, that the habits of thinking in a free country should inspire caution in those entrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another.

Does not the Senator agree with that statement?

Mr. WILEY. It is a fundamental principle that the executive, the legislative, and the judicial divisions of government shall not encroach upon the duties and powers of each other.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILEY. Yes.

Mr. DONNELL. If the Senator does not know it to be a fact that he received any response from the President, yet does he know whether there is any distinction between a plan such as plan No. 5 being entitled to receive the comment of the President to the Senator upon his inquiry, and as to the provisions of plan No. 12, which caused the President, so far as the RECORD discloses, without anybody asking anything, to send to the Vice President, and thus to get in onto the floor of the Senate, a remark which is certainly very highly offensive to some of the Members—at least to one Member of the Senate, that one being myself—namely:

The history of this matter leads me to believe that most of the opponents of plan No. 12 are more concerned with politics than with the merits of the proposal?

Does the Senator know of any reason why the President should, if it be a fact that he did, not answer the Senator from Wisconsin on this matter relating to a subject of great public concern and interest—namely, the Patent Office situation—while on the other hand the President interrupted his tour on that day, when he was dedicating Grand Coulee Dam, and found the time to send the long telegram in which he announced his comments in regard to the motive of certain Members of the Senate? Is there any reason why the President should answer one but should not answer the Senator from Wisconsin, but on his own volition should send a message of the type I have indicated, with respect to another plan of reorganization?

Mr. WILEY. No; I know of no reason why the Senator from Wisconsin should not at least have the courtesy of a reply. However, Mr President, the President is a busy man, and he was out garnering votes.

Mr. DONNELL. Mr. President, if the Senator will yield further, let me ask whether that trip by the President was not a nonpolitical trip, except after he got to Chicago.

Mr. WILEY. All of us will admit that. Of course, we remember the President as a Senator who, when he was here, was very fearful. In fact, the day he became President he sat in the seat opposite me in the Senate Chamber and commented about an editorial appearing in a Wisconsin newspaper, which had taken rather a "crack" at him. I told him to pay no attention to it, that it did not mean anything, that he should not be so concerned.

Of course, now he has developed quite a different approach. Probably that is due to the fact that he is the Chief Executive. Perhaps any one of us might develop similarly in a similar situation.

But, Mr. President, I wish the President would follow a little better the philosophy of Lincoln, when Lincoln said, in substance, that if he were to pay attention to all the rot that was said about him, he could not do anything else.

However, the trouble with President Truman is that he is pretty good himself at handling the paint brush; and our people are upset by the exchange of paint-brush tactics between Senators as well as between the President and Senators.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILEY. Just one.

Mr. DONNELL. Does the Senator recall that in the testimony on the reorganization plan by persons who differed with the plan, Fritz Lanham, representing the National Patent Council, said:

Perhaps the father of our system as it now exists—

I think he was referring to the patent system—

was Thomas Jefferson. He made some very strong statements concerning the beneficent effect that the patent system would have upon our American progress. His hopes have been abundantly fulfilled in this regard.

Abraham Lincoln was also a devoted friend of the patent system, and both Jefferson and Lincoln were themselves inventors.

Does not the Senator from Wisconsin agree that in connection with a matter of such great public concern, a matter which was so near the hearts of both Jefferson and Lincoln, and doubtless has been near the hearts of all Presidents of the United States, we should exercise the utmost care in not surrendering a judicial function or a quasi-judicial function into the hands of an administrative official under the plan as set forth in the reorganization proposal submitted to us as Reorganization Plan No. 5?

Mr. WILEY. I thoroughly agree with my colleague's conclusion, and I trust that my remarks carry out the same conclusion and idea.

Mr. President, I now have concluded my remarks, unless the Senator from West Virginia has some questions which he wishes to ask.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. WILEY. I am glad to yield.

Mr. SMITH of New Jersey. Did I correctly understand the Senator from Wisconsin to say that so far as this plan is concerned, he is entirely in favor of the plan as presented, except for the one proposal in regard to the Patent Office?

Mr. WILEY. That is my position, namely, that if we reject this plan and send it back to the President, he can place the modified plan in our hands by tomorrow, and then it will pass the Senate without any question.

Mr. SMITH of New Jersey. That is my understanding, namely, that the entire controversy here is over the proposed transfer of the Patent Office, which for over 100 years has been conducted under substantially the present arrangement in the issuance of patents.

I understand that therefore the Senator from Wisconsin feels that we should not risk jeopardizing the present Patent Office situation by including in plan No. 5 the proposal the President has made regarding the transfer of the Patent Office, which transfer proposal was not included in the report of the Hoover Commission. Is that correct?

Mr. WILEY. That is correct.

Mr. SMITH of New Jersey. I further understand that Mr. Hoover has not taken the position that the dire and evil results which have been predicted by many lawyers would develop. However, I wish to say that I have received many telegrams and letters from eminent patent lawyers who know vastly more about this matter than I do, and who feel that the entire patent situation would be jeopardized if the Patent Office were included in the present reorganization plan. I take it that is the position of the Senator from Wisconsin.

Mr. WILEY. Mr. President, the Senator from New Jersey has stated the matter very well; in fact, I could not have stated it so well. He has said very succinctly what I have taken an hour and a half to say.

Mr. SMITH of New Jersey. Mr. President, there is no doubt in my mind as to the attitude of the bar of the country, which has studied this matter, so far as is indicated by the communications which have been received in my office; and I think the Senator from Missouri has indicated the same position in the questions he has asked the Senator from Wisconsin.

Mr. DONNELL. I have, I may say.

Mr. SMITH of New Jersey. In other words, I judge that there is no doubt that the patent attorneys of the country feel it would be a serious mistake to permit this plan to go into effect, and thus make it possible that some future Secretary of Commerce might use the power granted by this proposal to deal with the Patent Office in a way different from the way in

which it has been conducted in the past. Of course, we realize that the present Secretary of Commerce has indicated that he would not do so.

I hoped that the plan was a housekeeping proposal. On the other hand, the Senator has presented correspondence, and I, too, have received correspondence from eminent lawyers, indicating that serious harm would be caused by the adoption of the plan as now submitted to us; and that we should return the plan to the President, and have him return it to us thereafter as plan No. 5, but eliminating the proposal for the transfer of the Patent Office.

That is my question. I realize that it is a long one; but let me ask the Senator from Wisconsin whether I have correctly stated his understanding of that matter, and also his understanding that if the President removes from the plan the proposal regarding the transfer of the Patent Office, probably all of us will be enthusiastic in supporting it.

Mr. WILEY. There can be no question of it. The issue is that simple, Mr. President. If we permit this proposal to go into effect it will be the entering wedge by permitting the Executive—not simply the President, but also a member of his Cabinet—to obtain autocratic power, not only the power to disarrange the Patent Division of the Government, but also the power to disarrange our entire economy because of the impact which such a change would have upon it.

I, for one, cannot understand why we should not have almost complete unanimity in the Senate in regard to this matter, for, after all, the Patent Office is "our baby," so to speak. Down through the decades the Congress has been responsible for it. The Congress has legislated regarding it, the Congress has prescribed the method for making patent appeals. Ever since the days of Washington, the Congress has recognized the significance and importance of the patent system, and at the same time we have built a Nation strong and vital and wealthy. For centuries this continent was virtually a wilderness. Some spark was required to set at work the forces which resulted in the movement of man up the ladder constituting our economic development. One of those sparks, as admitted by the founders of our system and by its defenders, either past or present, has been our patent system. Certainly we should not permit it to be disintegrated under plan No. 5. In view of the fact that the Secretary of Commerce says he will turn it back to its present control, I, for one, cannot understand why the proposal should have been made. I do not want to imply any unworthy motive, but why was it incorporated in a plan which, otherwise, involve merely administrative functions? Why is there the thought that a branch of the Executive should take over and operate the Patent Office? It is a very serious matter, so far as I am concerned. I think it is the opening wedge for permitting the impact of philosophies which might well disintegrate our Government.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. SMITH of New Jersey. I have been trying my best to support all the Hoover plans, Mr. President, because I felt that Mr. Hoover's work was important and that the reorganization of the executive department is needed. There is some controversy among people as to whether the Patent Office was or was not included in the Hoover Commission report, and that is what I am not entirely clear about.

This is called to my attention. In the hearings, on page 14, the chairman asked Mr. Lawton:

> Do you believe that the Hoover Commission intended that line of authority and that it should operate down through agencies and boards who are performing quasi-judicial functions? Do you think it was intended that those agencies should be brought within that announced principle of line authority?

Mr. Lawton answered:

> I do, because the Commission in its report in the Department of Commerce repeated its recommendations, its first and basic recommendations, in the report on general management, that that type of organization be created in a department.
>
> It showed in its charts that it included the Patent Office within that operation. It made no exemption whatsoever for any bureau. It dealt with regulatory commissions and boards, where there were multi-headed agencies, in a separate report. It made a report with respect to those different from the report it made with respect to departments.

Does the Senator think, from that, that it was intended to include the Patent Office?

Mr. WILEY. I do not think Mr. Hoover would operate in that way. He says very plainly what he wants to say. It was not mentioned in the report of his Commission.

Mr. Hoover was once Secretary of Commerce. I may say definitely that this same witness, Mr. Lawton, on page 11, said:

> In practical application, the reorganization plan would enable the Secretary of Commerce to make such changes in the organization and administration of the Department of Commerce as he would deem to be advantageous. On the other hand, no specific change is mandatory under the reorganization plan.

I have cited several other authorities, who say that the point which seems to be bothering the Senator from New Jersey is not valid, and Mr. Lawton says that he draws certain conclusions. That is not the way Mr. Hoover operates, in my judgment. Had he felt that way about it, he would have said so. Furthermore, he would not have sent me this telegram.

Mr. SMITH of New Jersey. Yes. I heard the Senator read the telegram earlier, though I did not get the full import of it. What was that telegram?

Mr. WILEY. Mr. Hoover's telegram, addressed to me under date of May 13, reads:

> It is my understanding that Secretary of Commerce Sawyer has already stated publicly that an exemption should be made for the Patent Office. Otherwise, the plan should be passed.

Mr. Hoover understood Mr. Sawyer as I understood him. When Mr. Sawyer come before the committee he took the other view, of course. Mr. Hoover heard of it, otherwise, he would not have sent the telegram. Moreover, I was told, by someone in good authority, too, that the whip was cracked, and the little boys responded. But that is not the point. The point is, what will happen to our system, if we permit a man in the administrative branch to take over a judicial unit of the Government? The Patent Office is our baby; it is the legislative department's baby, which we have controlled, and for whose operations we have passed laws, and as to which we had provided the methods of appeal. It is a part of the Constitution itself, so to speak; the Constitution provides authority for the creation of the Patent Office. We created it. It is our child. Now, we are asked to turn it over to someone else. The Secretary of Commerce has nothing to do with the running of that show. He is not a patent lawyer. He does not understand law. The chances are that he never studied law. The position calls for someone who is supposed to know something of economics and of the domestic as well as the international viewpoint. So, Mr. President, the plan as it affects the Patent Office is cockeyed from every angle, and, to open the door for a proposal such as this would result in injury to our very life.

Mr. SMITH of New Jersey. I thank the Senator. I respect the judgment of patent lawyers. They may have an ax to grind, though I do not charge that to them at all. I think their views regarding the change in the procedure we have had for some years should be respected. So far as I am concerned, I plan to support the resolution offered by the Senator from Wisconsin.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILEY. I yield.

Mr. DONNELL. Earlier this afternoon I addressed an inquiry to the Senator which I should like very much to readdress to him for his consideration at this point, particularly while the Senator from New Jersey is present. This is the point: In some of the plans—at least one, possibly more; for instance, the Reorganization Plan No. 8, regarding the Federal Trade Commission—while the functions of the Commission are in some instances transferred to the Chairman of the Commission, there is a provision that—

> In carrying out any of his functions under the provisions of this section, the Chairman shall be governed by general policies of the Commission and by such regulatory decisions, findings, and determinations as the Commission may by law be authorized to make.

I desire to call attention again to the fact—and I am sure the Senator from New Jersey will be much interested in it, if he has not already laid emphasis upon it—that in Reorganization Plan No. 5 there is not the remotest provision that the Secretary of Commerce shall be governed by anything. There is no provision that he shall be governed by general policies previously established. There is no provision that he shall consult even with the Commissioner of Patents. There is no provision that he shall consult with

the other members of the Board of Appeals—no provision at all, as I read it, Mr. President. I ask the Senator from Wisconsin whether I have not read it correctly? Is it not a fact that, notwithstanding, in at least one of the other reorganization plans, and possibly others, there is a provision by which the Chairman is to be governed by certain general policies and regulatory decisions and findings and determinations made by the Commission; in Reorganization Plan No. 5, the Secretary of Commerce is not subject even to the remotest restriction of that kind upon him. Am I not correct in that statement?

Mr. WILEY. The distinguished Senator from "down under," as we say, where the President comes from, is correct now, as he usually is. I think I have made the point clear that the original thought in delegating power to the President in relation to the administrative or executive branch of the Government, through such reorganization plans, was that the President would submit the plans, but not ask for a blank check, which is exactly what this is. In the other plans, he has partially fulfilled his obligation under the law. Here he does nothing of the kind. He merely submits a plan covering a number of agencies en masse, and all I ask is that we say, "All right, Mr. President, take them all, except the Patent Office. That is our child. We want to keep that child. We have nurtured it during the years. It has been a good child. It has returned to us billions of dollars of wealth. It has protected our economic system in times of stress, and it has permitted us to carry on with other nations in regard to patents, trademarks, copyrights, and so forth. It is our child." That is all I ask. If we should turn it over to the head of the Department of Commerce, it would be saying to him, "Mr. Secretary, we know you cannot do this job, but you can go ahead and appoint a man who will look after it." He would be given an additional secretary; but, who would he be? No one knows. We are in a field of conjecture. We are up in the air. We are wondering where we are going, under the direction of the Secretary of Commerce.

Mr. President, I have now concluded, unless there are further questions.

(On request of Mr. DONNELL, and by unanimous consent, the following resolution was ordered to be printed at this point in the RECORD:)

RESOLUTION OF EXECUTIVE COMMITTEE, PATENT, TRADE-MARK, AND COPYRIGHT SECTION, ST. LOUIS BAR ASSOCIATION

PREDICATED ON OBJECTIONS TO REORGANIZATION PLAN NO. 5 TO THE EXTENT THAT IT AFFECTS THE PATENT OFFICE

Upon motion duly made, seconded and unanimously passed, be it hereby—

Resolved, That our section is unalterably opposed to Reorganization Plan No. 5 unless the Patent Office be specifically excepted therefrom, such opposition being predicated on the following major objections:

1. Perhaps more than any other Federal Bureau or administrative agency, excepting of course the courts, the functions of the Patent Office are judicial or quasi-judicial; its functions and duties are specified by statute; its rules have the effect of law. Such legal effects are evident from the fact that no statutory provision is made for judicial review of the grant of a patent, only its final refusal being subject to judicial review. An applicant cannot compel grant of patent rights by mandamus in the Federal Courts. We regard it as dangerous to open up the possibilities of political domination of the Patent Office for the first time in its history. Should the authority given by plan No. 5 be exercised under motives of political expedience, the patent system would likely be quickly destroyed.

2. Any intent of the Hoover report to affect Patent Office personnel and operations, is negatived by its absence of any suggestion of Patent Office changes.

3. The prime purpose of the Hoover report was to effect certain economies in Government. If plan No. 5 were permitted to become law, it would destroy efficiency, and increase, rather than decrease the administrative costs of the patent functions of the Government. Reasons for this statement are given in the following paragraph.

4. The functions of the United States Patent Office are of a highly specialized and technical nature, requiring personnel skilled and experienced in both science and law, with extensive background and educational requirement in these fields. Many years are required for patent personnel to develop an adequate service value. Plan No. 5 might logically lead, through political preference and pressure, to emasculation of the benefits of over a century of independent administration of Patent Office affairs traditionally free of political interference.

5. There is no substantive relation of the Patent Office functions to those of any other bureau or agency in the Department of Commerce.

6. The plan specifies other exceptions: An exception of the Patent Office from the operation of plan No. 5 is easily effected, requiring only the change of a period to a comma at the end of section 1 (b) of the plan and adding "or of the United States Patent Office."

JOHN H. CASSIDY,
LLOYD R. KOENIG,
JOHN D. POPE III,
ALFRED DEES,
BERTRAM H. MANN, Jr.,
LAWRENCE C. KINGSLAND,
NEAL E. WILLIS,
ROBERT B. TERRY,
Chairman of Section.

EXPLOSION OF MUNITIONS AT SOUTH AMBOY, N. J.

(On request of Mr. WILEY, and by unanimous consent, the following remarks delivered during the course of Mr. WILEY's address were ordered to be printed at this point in the RECORD:)

Mr. HENDRICKSON. Mr. President, I thank the distinguished Senator from Wisconsin and also the majority leader for their courtesy.

Mr. President, on behalf of my distinguished colleague, the senior Senator from New Jersey [Mr. SMITH], and myself, I desire to make the following statement:

I am sure that the Members of the Senate of the United States, both in the interest of those who have been the unfortunate victims of the tragedy which struck New Jersey on Friday last and in the interest of the Nation's future internal security, will want to know that since the radio announcement of the devastating explosion which shook and shattered the small harbor front of the largely residential city of South Amboy, N. J., at 7:25 o'clock Friday evening, I have been constantly in touch either personally or through my administrative assistant, Mr. Williams, with appropriate authorities both in New Jersey and here in Washington. It was a sad and shocking thing.

While to date the known loss of life has not been as severe as might have been expected from such a destructive blast, many are still missing and more than three hundred have been badly injured. The property damage has been roughly estimated at $20,000,000 but from some of the reports received by us to date this figure is low.

Here we have a shocking example of the sacrifices our people are being called upon to make that freedom may be carried to other parts of the world. Just as surely as men have died in the "hot wars" of the past for the preservation of liberty and justice, so too did those brave men who gave their lives Friday night, die for the rights of men who would be free in every nook and corner of the world. Likewise, the hundreds of men, women and children who suffered injury are unsung heroes in the cause of the vicious "cold war" which is striking at the very heart of our national institutions.

To those whose life savings and precious homes have either suffered total damage or have been seriously impaired, we must recognize a debt of both deep sympathy and sincere gratitude.

Among the properties most severely damaged by the swift violence were the city's churches. None escaped. In the chapel of St. Mary's 30 nuns were kneeling at vespers when the devastation struck but thanks to the Almighty, none was injured.

From Christ Episcopal Church, its rector summoned his parishioners to gather in the badly wrecked church on yesterday to pray for peace. His message was significant:

Here—

He said—

we see before us the effect of war. Amid this destruction we shall pray that peace be preserved. We have only to look about us and know that, multiplied by thousands of times, this is the awful destruction of war. This is the toll of armed conflict. We shall take a lesson from this experience.

The city's clergymen were unanimous in their decision to hold services wherever possible yesterday—Sunday. All its schools were seriously damaged and will probably be unsafe for use for the balance of the school term.

Mr. President, I know that this unfortunate and suffering community has the deep sympathy of the Members of this body, as well as the sympathy of the entire Nation. I know also that you, Mr. President, and all of my colleagues, join in the well-earned tribute and commendation which is due the Mayor, Mr. John D. Leonard, and his entire official family for their heroic efforts. Notable among the unsung heroes of this tragic incident, are the local fire, police, and rescue squads—and in paying tribute, Mr. President, special mention should be made to our ever-faithful Coast Guard which once again established itself as one of our great bulwarks of safety and defense. Its feats on this occasion were outstanding. Great contri-

butions were also made by the Army units and the Negro marine units, without whose almost immediate presence together with the State Guard, the populace might well have suffered a more staggering blow. Nor should we forget the American Red Cross and the Salvation Army for their immeasurable aid and assistance.

I shall not undertake to assay a computation of the long and tireless hours that were given by all to the stricken multitudes. But, Mr. President, while we are paying the tributes which are due, we should be mindful that we also have a duty and a responsibility and that is to aid and promote the investigations and inquiries which are being made through appropriate agencies of Government to the end that there shall be no repetitions of this sorrowful and distressing event, elsewhere in our country. We should be indeed grateful to Almighty God that it did not take a much greater toll.

Mr. President, this is not the first great catastrophe which the people of New Jersey have suffered as a result of conducting such operations in the midst of heavily populated areas.

I ask, Mr. President, that the very inadequate but no less sincere memorial intended by these remarks to those who have suffered and sacrificed, be called to the attention of the appropriate committees of the Senate of the United States that they may endeavor to insure greater security to our own citizens while we are aiding our neighbors overseas through the military-aid program or by other means.

Mr. SMITH of New Jersey. Mr. President, I wish to speak very briefly to identify myself with the splendid statement which the junior Senator from New Jersey has made regarding this terrible tragedy. I wish to add that yesterday and today I also have been in touch with the Governor of our State and with the mayor of South Amboy, as well as with officials here. I may say that both in New Jersey and in Washington every effort is being made to find out the cause of this terrible tragedy and to prevent such a thing happening again. I wish to thank the junior Senator from New Jersey, my colleague, for his fine statement and to thank him for the privilege of joining him in it at this tragic time.

Mr. HENDRICKSON. It is a great privilege to have the senior Senator from New Jersey join with me. I again wish to thank the Senator from Wisconsin for his courtesy.

MESSAGE FROM THE PRESIDENT—CONSTRUCTION AND REPAIR OF CERTAIN PUBLIC WORKS (H. DOC. NO. 597)

The PRESIDING OFFICER (Mr. CHAPMAN in the chair) laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Public Works.

(For President's message, see today's proceedings of the House of Representatives on pp. 7470–7472.)

REORGANIZATION PLAN NO. 5 OF 1950

The Senate resumed the consideration of the resolution (S. Res. 259) disapproving Reorganization Plan No. 5 of 1950.

Mr. WATKINS obtained the floor.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry. Will the Senator from Utah yield for that purpose?

Mr. WATKINS. I decline to yield.

The PRESIDING OFFICER. The Senator from Utah declines to yield.

Mr. HUMPHREY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Mr. President, it is my understanding that during the period of time which is allocated for the discussion of the reorganization plans Senators are to speak to the subject. I should like to have a ruling from the Chair. I do not want to be impolite or inconsiderate to my friend from Utah, but these reorganization plans are of such importance and have been dragging along for so long a time, that I should like to proceed in order.

Mr. WATKINS. I have only a very few minutes. I waited 4 days for that much time.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that there is no rule on that subject. The law requires that the time shall be equally divided. The time has been equally divided between the proponents and the opponents of the resolution. If any Senator desires to speak for or against the resolution, the Parliamentarian advises the Chair that that Senator would have precedence over any other Member of the Senate who desires to speak on some extraneous subject.

Mr. HUMPHREY. I understand there are several Senators who desire to speak with reference to the pending resolution. It is my understanding that the Senator from West Virginia wishes to speak, and I also want to say a few words with reference to the resolution.

The PRESIDING OFFICER. The proponents of the resolution have remaining 3 hours, and the opponents have 5 hours.

Mr. WATKINS. Mr. President, I asked the Senator from Wisconsin [Mr. WILEY] to yield 15 minutes——

Mr. DONNELL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. There has been no division of time. It would appear to me that the Senator who has been recognized by the Chair is entitled to the floor without any request being made of the Senator from Wisconsin for an allotment of time.

The PRESIDING OFFICER. The law provides for an equal division of time, 5 hours for the proponents and 5 hours for the opponents.

Mr. WILEY. Mr. President, I yield time to the Senator from Utah. I allot him 15 minutes.

Mr. DONNELL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. I should like to have the Chair state, merely as a matter of information and without reference to the particular addresses to be delivered, whether it is not a fact that under the statute 5 hours are set aside for the proponents and 5 hours are set aside for the opponents, and that no designation has been made of anyone to control the time.

The PRESIDING OFFICER. That is a correct statement. The Senator from Wisconsin has consumed approximately 2 hours. He has yielded 15 minutes to the Senator from Utah. So the Senator from Wisconsin has 1 hour and 45 minutes remaining. The opponents have 5 hours.

Mr. DONNELL. That is the point, Mr. President, to which I addressed myself. I understood the Senator from Utah to apply to the Senator from Wisconsin for time. As I understand, the Senator from Wisconsin had already yielded the floor. Therefore, there is no necessity for the Senator from Utah asking anyone to yield time to him, having been recognized by the Chair. Therefore, having been recognized, he may proceed.

The PRESIDING OFFICER. The Senator from Wisconsin has consumed approximately 2 hours of his time. He has concluded his address. He has now yielded 15 minutes to the Senator from Utah. The Senator from Utah is recognized for 15 minutes.

Mr. DONNELL. I do not wish to proceed further with this matter, but I should like to have a ruling from the Chair. Is it necessary for the Senator from Utah to have the Senator from Wisconsin yield time to him? Is it necessary that any Senator yield any time to the Senator from Utah? Is there anyone in control of the time? Is it not the fact that the statute says 5 hours are allotted to each side? Therefore the Senator from Utah may proceed. He may designate which side he is speaking on if he desires to do so. However, it is not necessary for anyone to yield time to him. Am I not correct?

The PRESIDING OFFICER. The Senator from Utah is recognized to speak for or against the plan.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AIKEN. Assuming that one Senator on each side of the question were in charge of the time, would either one have the right to allot time to a Senator to speak on a matter which is completely extraneous to the question before the Senate?

The PRESIDING OFFICER. In the opinion of the Chair, he would.

Mr. AIKEN. He could allot time to a Senator to speak on any subject?

The PRESIDING OFFICER. Yes.

Mr. AIKEN. Under the circumstances, I understand that no one has been given charge of the time. Therefore the Senator from Utah is recognized in his own right.

The PRESIDING OFFICER. The Senator from Utah is recognized for 15 minutes.

Mr. AIKEN. He is recognized?

The PRESIDING OFFICER. Yes.

Mr. DONNELL. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. I think it is important for future guidance to have the record clear on this matter. As I understand, the Senator from Utah indicated his desire to speak for 15 minutes. He indicated his desire to have the floor. Therefore he is recognized for 15 minutes, not by reason of the fact that the Senator from Wisconsin has yielded it to him, but by reason of the fact that the Senator from Utah has desired it for that period. In other words, Mr. President, my inquiry is: Is there anyone who is in control of the time?

The PRESIDING OFFICER. Technically speaking, no one is in control of the time. However, the author of the resolution which is pending before the Senate has already spoken in favor of the resolution, and he has now yielded 15 minutes to the Senator from Utah.

Mr. WILEY. In order to keep the record straight, and perhaps be a little supertechnical, it should be remembered that certain presumptions arise in law. In view of the fact that I offered the resolution, in view of the fact that I appeared before the committee in support of it, in view of the fact that the Chair has recognized me, and in view of the fact that the statute provides the time shall be divided equally, does not a presumption arise that I am to control the time for the proponents?

The PRESIDING OFFICER. The Chair will state that he is assuming that such a presumption exists. Therefore the Chair recognized the Senator from Wisconsin, who in turn yielded to the Senator from Utah.

Mr. WHERRY. Mr. President, may I make a parliamentary inquiry with the consent of the Senator from Utah?

Mr. WATKINS. Provided the time consumed in making it is not charged against me.

Mr. WHERRY. Will the time consumed by the Senator from Utah be charged to the proponents or to the opponents?

The PRESIDING OFFICER. To the proponents of the resolution. The Chair will state further that his ruling on this matter will not stand as a precedent.

Mr. WATKINS. Mr. President, does my time start now?

The PRESIDING OFFICER. The time of the Senator from Utah starts now.

EFFECT OF TRADE AGREEMENTS PROGRAM ON DOMESTIC INDUSTRIES

Mr. WATKINS. Mr. President, the effect of imports of foreign goods on domestic industries grows progressively worse.

There is no excuse for the administration to continue to lower import duties on farm products, mine products, and the products of small, independent business.

We, in this country, devoutly hope that other nations will raise their living standards, improve their working conditions, and become more as we are in the United States. At the present time, however, wage rates in the United States are far in excess of those of any other country; working conditions are by far the best in the world; and the ability of the average workman in the United States to educate his children, take the proper amount of recreation, and retire on an income without fear of old-age starvation is well known. If other countries were to adopt these features of our society, their costs of production would naturally increase. Our production costs are high—higher than in most countries as a result of giving all of these things to those who labor to create the many high-grade products grown and manufactured in this country.

In our own land we do not permit monopolies, price-fixing combinations, or Government operation of industry. If we were to participate in these illegal methods, we could in a sense lower our prices and offset the high costs of decent wages, retirement systems, paid vacations, safety devices, and the many other things which contribute to our high standard of living.

Other nations take advantage of these and ship their products to our borders at far lower prices than we can produce them here. No American farmer, no American laborer is afraid of fair, clean competition. Until that Utopian condition is created in foreign countries, the American producer, the American laborer, must have some form of protection.

The administration ignores completely the vast difference in the costs of producing an item here and an item in Czechoslovakia, Poland, or Japan. They say if the American cannot compete, he should get out of that business and into another one but they fail to point out which one. Our diplomats point with pride to the greater efficiency of the American producers and say that free trade would not endanger us because of that. Those diplomats are interested primarily in huge mass-production industries that require an enormous investment. They pay little attention to the small, independent industries where labor accounts for a large proportion of total production costs.

In many small industries the foreign worker can produce just as much as the domestic worker. An efficient machine set for a given speed will roll out as many items in Pakistan or Borneo as it will in Cincinnati or Salt Lake City.

Now I come to an interesting point: In all the years of operation of the trade-agreements program secrecy has been the watchword. The American producer is given a cursory hearing and has had little faith in the effectiveness of his testimony. I call attention to two important points which I have discovered in the recent State Department publication announcing new tariff negotiations to begin this fall at Torquay, England.

A large list of items released by the State Department for concessions at Torquay and a subsequent supplemental list do not tell the whole story. Back in 1947 we made an agreement with a large number of nations called GATT, the General Agreement on Tariffs and Trade. Reductions were made on thousands of items. Miners, farmers, and producers of American goods went to Washington and testified concerning these products and the effect increased imports might have. Now we discover that the list of items published for the new agreement is not complete. All of the items that were listed for the original GATT negotiations at Geneva may also be considered for further reductions.

I call attention at this point to the announcement made in a pamphlet entitled "The General Agreement on Tariffs and Trade. Negotiations Beginning September 1950 Under the Trade Agreement Act of 1934 as Amended and Extended."

I call attention to this document issued by the United States, and particularly to two or three sentences which I shall quote. The first one is from page v of the pamphlet:

> This contemplated action would not prevent participating countries at Torquay from negotiating there for limited adjustments in their Geneva or Annecy schedules as well as new concessions. Nor will it prevent the use of the escape clause in article XIX of the general agreement at any time when circumstances necessitate its use.

Then on page 2 there is this statement:

> The proposed change would affect all products on which the United States might make concessions at the forthcoming tariff negotiations as well as those in schedule XX made at Geneva, Switzerland, and Annecy, France.

This very important announcement is hidden away in small print in the State Department announcement, and it was only by careful analysis that this fact was brought to light.

I mention this so that those interested in the Geneva negotiations of 1947, may be forewarned that the products in which they are interested will again be the subject of negotiations this coming fall. I mention it here so that the somewhat secretive manner in which the State Department operates this program can be brought to light. I repeat, no public announcement was made, except by inference and innuendo, that the items, the subjects of the 1947 negotiations, may also be made the subjects of new concessions by additional duty reductions, and there were thousands of items in these old negotiations and in the old agreements.

The State Department is not endearing itself to the American farmer or worker by these distinctly undemocratic methods of operation.

The second point that came to light by careful study of the State Department document is that the United States can withdraw concessions made to other countries after January 1, 1951. It is not necessary to prove injury as a result of "unforeseen circumstances," as required by the escape clause.

Any domestic industry which feels that it has in any way been injured or is likely to be injured by increased imports, if a duty reduction was made in or since 1947, may appeal to the Trade Agreements Committee and ask that its concessions be withdrawn or modified.

Other nations fully intend to take advantage after January 1 of the opportunity to withdraw concessions. The United States will have a similar privilege, and the producers of oil, coal, lead, and other mine products, as well as agricultural items, and the products of the factory, have the constitutional right to appeal to the President, who, in turn, by the very terms of this agreement, may withdraw any of those concessions, and restore the original rates of duty.

In conclusion, I regret exceedingly that the public must be informed of these things by this method. It is no credit to the administration that the American workingman must not only have unfair competition forced upon him, but that his avenues of redress are kept hidden by a shroud of diplomatic fog.

Mr. President, at this point I call attention to communications I have received from unions in the West. I have one here from the Oil Workers International Union, CIO, of Casper, Wyo., under date of May 9, 1950. This is the letter they sent me:

OIL WORKERS INTERNATIONAL UNION, CIO,
Casper, Wyo., May 9, 1950.

The Honorable ARTHUR V. WATKINS,
The United States Senate,
Washington, D. C.

DEAR SIR: The enclosed three resolutions were adopted by district No. 2, Council of the Oil Workers International Union, CIO, in regular session at Great Falls, Mont., on April 16, 1950.

District No. 2 of the Oil Workers International Union, CIO, is comprised of the States of Idaho, Montana, Utah, Wyoming, Colorada, North Dakota, South Dakota, and Nebraska. Your State being one of those States in the district No. 2, I have been instructed by the delegates to the last council meeting to send you copies of the resolutions passed with request that you do everything in your power to secure favorable action upon them.

Respectfully yours,
E. S. KROUSEE,
Secretary-Treasurer.

I have the resolutions referred to in the letter, and I ask unanimous consent that they be printed at this point in the RECORD, including a general resolution by the CIO Oil Workers, district No. 2, of Casper, Wyo.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas the major oil companies are importing foreign oil into this country which is causing unemployment among American workers; and

Whereas this importation of foreign oil has reduced the income of farmers and ranchers who own the land and is undermining the economy in the oil-producing States; and

Whereas this loss of income, whether it be in taxes, wages, or royalties, is hurting all business in the localities affected; and

Whereas this unfair competition is aiding the major oil companies to build a monopoly as it forces the small producer, who cannot afford to operate in foreign countries, out of business: Be it

Resolved, That District Council No. 2, Oil Workers International Union, CIO, in regular meeting at Great Falls, Mont., on this 16th day of April 1950, go on record in opposition to the importation of foreign oil in competition with American industry and American labor; and be it further

Resolved, That a copy of this resolution be sent to Congressmen and Senators representing all States in district 2, to the governors of these States, requesting that they use their influence in protecting American industry and American labor in this matter; and be it further

Resolved, That a copy of this resolution be sent to the secretaries of the other six districts of the union in the United States and to the president of the union, requesting their aid in reducing the imports of foreign oil.

Whereas it is the present practice of certain major oil companies operating in the United States of America to import large quantities of petroleum and petroleum products produced and refined in foreign countries; and

Whereas this importation has reached a daily volume far in excess of current domestic demand, resulting in curtailment of production within the United States of an average of 800,000 barrels daily, or 13 percent; and

Whereas employment and economic security of all employees of the independent refineries which are totally dependent upon stable domestic conditions surrounding the refining of crude oil produced within the United States has been sharply affected; and

Whereas the security of the United States is jeopardized by a national petroleum policy favoring increased imports of crude oil and curtailment of domestic production and refining of such petroleum; Now, therefore, be it

Resolved, That District 2 Council, Oil Workers International Union, C. I. O., declare ourselves opposed to the unlimited importation of foreign-produced petroleum and foreign refined petroleum products into the United States of America, does not endorse any specific petroleum importation legislation now pending before the Congress, and goes on record as demanding the passage of legislation which would limit such imports to a volume that would not supplant the domestic production and refining of crude oil beyond that point at which reserves of the United States are capable, under accepted conservation practices of supplying the domestic demand.

Whereas labor and management are making an ever wider use of voluntary arbitration as a means of settling their disputes; and

Whereas the present facilities for providing arbitration services are designed mainly to accommodate the larger industrial operations located near larger cities; and

Whereas the majority of our membership works in widely scattered areas which are not near any major cities and our average local union has less than 200 members; and

Whereas the costs of resorting to arbitration have become so excessive as to be beyond the reach of many of our local unions: Now, therefore, be it

Resolved, That we call upon the Federal Mediation and Conciliation Service and the American Arbitration Association to explore with us the possibilities of meeting these problems. Specifically, we ask that efforts be made to accomplish the following ends:

1. Present panel lists should be expanded so that suggested panel members can be drawn from a smaller geographical area near the scene of the dispute, unless the parties request they be drawn from a wider area.

2. The fees of arbitrators should be geared to the resources of the local union and management involved ranging from no fee, or a nominal fee, to a maximum of $50 per day.

3. Arbitrators who make unreasonable expense charges should be dropped from panel lists, or at least from those future lists submitted to unions and companies who have complained of this fact.

4. A uniform code of ethics and rules of procedure should be adopted by the Service and the association and the adherence to such code and rules should be mandatory upon arbitrators unless mutually waived by the parties.

5. The possibilities of securing arbitration services financed by the Federal Government, just as mediation and conciliation services are now so paid, should be immediately examined.

Mr. WATKINS. Mr. President, I call attention also to the fact that on May 9, 1950, I addressed the President of the United States, suggesting to him that many lead- and zinc-mine workers in the State of Utah and other States of the West were out of employment merely because the mines of the Western States could not compete with the cheap importations of these two metals from foreign countries. I urged that the President take advantage of the escape clause of the Reciprocal Trade Agreement Act and that he restore the tariffs, because American industry was not only threatened with being imperiled, but it was actually imperiled in my State and many other States of the West.

In response to that letter I received a letter from the assistant to the President, under date of May 9, 1950, from which I desire to quote. The letter was prepared for the President by Mr. John R. Steelman, assistant to the President. I quote from it:

You suggest that the tariff duties on lead and zinc should be increased, thus increasing the market price of lead and zinc in this country, and making it possible for the mines in Utah to reopen. I am hopeful that perhaps the recent rise in market prices of these metals has made the outlook for Utah's mines somewhat more favorable.

I may say, Mr. President, that the increase in prices will help somewhat, but not enough to plan a long-range development program, such as the mines would desire to make if they reopen after a long lay-off.

I quote further from the letter:

Existing levels of demand for lead and zinc in the United States require substantial imports, since the domestic production even at wartime rates would not satisfy total current demand, including stockpile. Although total United States production of lead and zinc has declined from the wartime levels, current production is as high as in the period just before the war. Production during the war was sustained through operation of the premium-price plan, and wartime levels of production should not, therefore, be assumed to be the normal capacity of the industry.

I may say that we have never assumed that prewar production would be the normal production after all we have gone through in war, and being at the present time engaged in a cold war, when we are preparing for a possible third war, and when as a matter of necessity we should follow the policy of keeping our mines open, ready for production, to go forward with full production at a moment's notice.

The final paragraph of the letter from the President's assistant reads as follows:

Lead and zinc are included on the list of commodities for possible tariff concessions at the trade-agreements discussions in England next September. Hearings on the commodities on this list will be held later this

month, and all information regarding the effect of tariff concessions on the domestic industry will be carefully considered before any decision is made. I enclose a copy of the pamphlet announcing the coming negotiations and describing (on pp. 85–87) the procedure for submitting information to the Committee for Reciprocity Information.

Mr. President, this is the first information I have had, and many of my constituents have not received any information until I gave this out, that the products of the West to which I have referred were to be considered as the possible subjects of still further tariff reductions, and that they would be considered at the conference in England in September.

Mr. President, I have wondered at times why the President of the United States objected to the provision in the reciprocity-extension measures which were passed in 1948, as I recall, and the one which was proposed in 1949. I have often wondered why it was he objected to having the Tariff Commission make a study of this matter and make a report to him; and when American industries were imperiled and he decided not to take action to give them relief, why he should object to telling the American people why he failed to give that information and why he did not state the conditions which had arisen.

Mr. President, I see my time has expired. I appreciate having had the opportunity to make this short statement.

REORGANIZATION PLAN NO. 5

The Senate resumed consideration of Senate Resolution 259 disapproving Reorganization Plan No. 5.

Mr. KILGORE. Mr. President, ever since the debate began I have felt a desire to discuss, briefly at least, the need for reorganization. We know that Congress passed a measure which authorized the establishment of the Hoover Commission. The President wisely, as I say, chose a former President, the only living former President, to be chairman of the Commission. We reorganized the Congress. We streamlined it. We may disagree with respect to some phases of that reorganization, but at least we attempted to reorganize the work of Congress. We handed a mandate to the President to reorganize the executive departments. In conformity with that mandate the President appointed a commission headed by former President Hoover as chairman. The Commission in turn brought in experts and formed what it called Task Forces to study each separate department and each separate agency.

Mr. President, the Government has long needed a pulling together of the ramifications of the various small agencies. The agencies in the executive branch are now so sprawled out that I do not see how they can handle their business efficiently. There should be some more closely knit method of administration, supervision, and liaison with the Chief Executive.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. KILGORE. Mr. President, I may say with all due courtesy that, like my colleague from Wisconsin, I do not want to be interrupted until I complete my statement.

The PRESIDING OFFICER. The Senator from West Virginia would rather not yield at this time.

Mr. KILGORE. I have found that every time an attempt is made to place some agency, however small it may be, under centralized supervision and administration, bitter opposition is met from that agency. It likes to be off in a corner by itself. Anyone who has ever studied the problem of appropriation bills realizes the situation. The Appropriations Committee has repeatedly recommended appropriations, and they have been provided, to enable the executive departments to make surveys of lost motion and wasted effort in an endeavor to reduce expenses. It was in line with that thought that the reorganization of the executive department was undertaken. I deeply regret the fact that so many of the reorganization plans have failed of acceptance.

Mr. President, I always dislike to take issue with a colleague, but I should like to go over a little bit of the picture. The present objection and all the turmoil respecting the whole plan now under consideration, is raised by the patent bar. Every scintilla of testimony quoted from the record against the plan comes from a patent lawyer.

A patent practitioner is not necessarily a lawyer. He is more frequently an engineer with a little legal training. The creation of various bars proceded so far—and I do not mean brass rail bars—that at one time the Maritime Commission undertook to establish within itself a bar organization, and would not talk to any citizen unless he was a member of the Maritime Commission bar. That is something, however, which has been squelched.

The testimony, as I stated, comes from the patent bar. As Senators may have noticed, in the testimony read by the Senator from Wisconsin, the one who said the NAM was opposed to this plan, was a consultant, a patent lawyer, associated with the patent committee of the NAM.

Mr. President, I am going to tell something about the NAM picture. Back in 1941 a bill was introduced in Congress providing for giving to the War Department the right to seize any plant, part of a plant, or any facility or any patent, if necessary, in the furtherance of the efforts then being made toward rearmament. Seeing the consequences that would result from the passage of such a bill I opposed it in the committee. Immediately a large delegation from the National Association of Manufacturers came over to kind of help with the matter, and I received their aid in good faith. They gently and firmly and sweetly led me into a fight against patent seizures, assuring me that they were going the whole way, but when the fight on patent seizures ended they folded their tents like the Arabs and silently stole away and left me to fight the plant seizure and the facility seizure by myself.

I wonder how many of the manufacturers of my State, small and large, knew anything about the protest which was filed. There is frequently too much of a tendency to write in and say the NAM, or the American Bar Association, or this association, or that association, are opposed to such and such a plan or measure. An association consists of its membership. The testimony that was given came from the patent committee of the American Bar Association, and not from the executive committee or from the legislative committee.

Let us consider another matter. We have heard a great deal said about the Patent Office being a judicial body. That is a rather broad statement. If it is a judicial body why was it not placed in the judicial establishment? Why was it not made a court?

I should like to ask another question. Why is it that the United States court does not entertain appeals from the Patent Office? Suits are begun and tried de novo, from the beginning, in the Patent Office. Therefore it does not partake of the judicial; it is a quasi-judicial organization.

Another point which was raised was that there was no safeguard provided with respect to rulings of a commission. Certain things were pointed out. I call the attention of the Senate to the fact that in each one of the cases in which exception was made there was a rule-making body, a number of persons who made rules. In this instance there is no commission involved. There is a Commissioner who is really the Director of the Patent Bureau.

There is some question also about the Patent Office being an independent arm of the Congress of the United States. Since its creation it has been in the executive branch of government, and has always been in some department. First, it was in the Department of State. Later it was in the Department of the Interior. Finally, after the Butterworth case, as I recall, it was transferred to the Department of Commerce. So it is a part of the executive branch of the Government. It is a quasi-judicial body, passing on patents, itis true. Its decisions are never final. They are always subject, not to review, but to suit in the courts, and the courts' orders are final.

There has also been some question raised about politics and politicians. I have often wondered why we of the Senate ever jump on politicians. I have always found that politicians may be statesmen, but I never saw a statesman who has been very long in his office unless he was a politiican. He would not have a chance to be a statesman long unless he knew something about politics. If he did not know politics, he would be out in the first round.

I call attention to another objection. It seems to be considered terrible for an appointee of the President to take over the supervision of the Patent Office. It is proposed that a Cabinet officer take it over. A Cabinet officer of the United States is appointed by the President and confirmed by the Senate and he may be removed by the President at any time. He serves at the will and pleasure of the President. So does the Commissoner of Patents. He is appointed by the Presi-

dent, confirmed by the Senate, and serves at the will and pleasure of the President. So if there is political influence involved, and if we are going to charge Presidents yet unborn with malign influences and with ulterior purposes in making appointments, there is just as much chance under the Commissioner of Patents as there is under a Cabinet officer that political influence will be used, because they are both appointed in the same manner.

So far as the management of the Patent Office is concerned, the President of the United States appoints the Commissioner of Patents at his will and pleasure, and the President also appoints the four Chief Assistants to the Commissioner of Patents. Under the present arrangement, the Secretary of Commerce has charge of all the other employees of the Patent Office; and even under the present system he would transfer them if he took a notion to do so. No one may be employed in the Patent Office without the approval of the Secretary of Commerce, as the matter now stands.

I think the present reorganization directive merely clarifies a situation which gradually has become cloudy. I see no change which will occur unless the Commissioner of Patents should get completely out of hand or go off the track, so that it became necessary for the Department head to set him right.

The suggestion has also been made that the proposed Administrative Assistant would be appointed simply to look after the Patent Office. However, Mr. President, nine offices are being lined up, by means of this plan, for office management by the Secretary of Commerce; he is to be charged specifically with the supervision of their duties, and he is to be given an Administrative Assistant to look after the details.

The Secretary of Commerce now allots space to those agencies and handles all the business details. This plan, when adopted, will merely give the Secretary of Commerce a little bit of authority, so that his responsibilities may be properly discharged.

I do not know anything about President Hoover's ideas regarding this matter. I am not a mind reader, at least not at long distance; and unfortunately I am not on Mr. Hoover's telegram-address list. However, I have seen no dissenting report in regard to the Hoover Commission, which says that—

> The foundation of good governmental administration is that the Secretary shall have authority from the Congress to organize and control his Department, and that separate authority to subordinates shall be eliminated.

If there is anything clearer than that, I have not heard it. I think that is one of the best statements of the principles of government I have ever seen.

Mr. President, what will this plan do?

In the first place, as has been stated, it will transfer to the Secretary of Commerce the functions of all the other officers and agencies in the Department of Commerce, except the hearing examiners appointed under the Administrative Procedure Act, which arrangement could not be changed under the present proposal; and also the Civil Aeronautics Board, which is purely a rule-making body; and also the Inland Waterways Corporation, a corporation operating barges and towboats on the inland waterways.

Another section of the plan would permit the Secretary of Commerce to authorize the performance of any of his functions by any officer, agency, or employee of the Department. Such an arrangement is perfectly natural. Secretary Sawyer has already said—and I do not think he has done wrong in saying it—that he will delegate that authority to the present Commissioner of Patents. Thereafter such delegation may be revoked or rescinded if the Commissioner of Patents does not function in conformity with the way in which the Secretary of Commerce thinks that agency of the Department should be operated; or we in Congress can intervene, as can the President, if the head of that agency gets out of hand.

Section 3 of the plan provides for the appointment of an administrative assistant to look after the housekeeping details and affairs of all the agencies which are proposed to be placed under the Department of Commerce, largely for administrative purposes.

There is some question about the administrative rules and procedure. Patent affairs, of course, are largely governed by legal decisions and congressional enactments, and administrative agencies cannot change them. It is true that two members of the Board of Patent Appeals are to be appointed by the President, and the remainder are to be appointed by the Secretary of Commerce, as is the case at the present time, because they are simply patent examiners, and they have to pass on appeals and then submit their rulings to the Commissioner for his final approval.

Mr. President, I think we do ill when we talk about economy, but then do not try to implement economy by setting up a less wasteful system. The more we scatter operations and the more we separate the heads and the personnel chiefs and the more separate budget agencies we have, the more expensive the Government becomes.

Frankly, Mr. President, if I had my way, each part of the executive branch of Government and each of its agencies would be assigned to an individual Cabinet officer; and if necessary for that purpose, we might create two or three new Cabinet officers in order that the President might have complete liaison all the way down through the various agencies without having to call in the chief of any particular agency. The President should have all such agencies under Cabinet officers, so that such Cabinet officers could directly announce to the President the program of each agency.

For the reasons stated, Mr. President, I feel that the resolution of disapproval of this reorganization plan should be rejected.

As all Senators well know, the Patent Office is the alma mater of most patent lawyers. They get their training there. They begin as patent examiners. The Senator from New Jersey [Mr. SMITH] has said he has received many letters of complaint about this proposal. Similarly I have received many letters. However, every one of them has come from a patent lawyer, some of them good friends of mine. They complain about the fact that the salaries of patent examiners are low and that it is difficult to keep competent patent examiners in that employment. I have discovered that the Patent Office has been used as a training school, to a certain extent. I think that is a good idea; I do not condemn it.

Some time ago a patent attorney in Washington came to me—incidentally, he does not come from my State, but I believe he is a native of the District of Columbia—and wanted to know whether I would recommend him to be appointed Patent Commissioner, because, he said, he would like to serve a short time in that position, for it would certainly improve his standing at the patent bar if he could say he was a former Patent Commissioner.

I was thinking of that matter when some of the testimony was read and when great stress was laid upon it.

So, Mr. President, I think there has been much condemnation where condemnation is not due. Let us not get into a political wrangle over this matter. On the contrary, let us think of the welfare of the country and of the importance of streamlining the Government.

At first, the Government was composed of 13 States along the Atlantic Seaboard, but gradually it has been enlarged, and of course now it needs streamlining.

In a somewhat similar situation, the Armed Services have been consolidated. Of course when that consolidation first occurred, complaints were made by at least the Army and the Navy. Perhaps the Air Corps did not complain, because under the consolidation the Air Corps received recognition for the first time. However, the other branches of the Armed Forces did complain. Nevertheless, that consolidation act is working well, not deleteriously.

Now the time has come to place into some kind of organization all the sprawling agencies of various kinds. Otherwise we as a government will have, as the saying is, gotten on our horse and galloped off in all directions.

Therefore, Mr. President, without taking the time to read to this body any of the testimony, but considering the matter purely from the viewpoint of logic and law, let us realize that about the only thing we shall be doing under the present reorganization proposal is a little implementing of the intent and purpose to put the Patent Office within the Department of Commerce, so as to make it possible for a Cabinet officer to see that there is a better performance of duty.

Mr. President, unlike some persons I admit that sometimes even Republicans do a good job, and I am not looking with suspicion on all future Presidents, born or yet unborn, and all future Secretaries of Commerce. I do not believe that Mr. Hoover, with his ability, would have permitted the statement in a report to which reference has been made without challenging it, not only privately but publicly, particularly in view of his great experience. Regardless of our political

feelings, we must admit that he was a good Secretary of Commerce, that he built up the Commerce Department, and took in additional agencies there and administered them. Sometimes he has been accused of trying to build it too much, even after he left the Department. I do not think he would have permitted anything he thought would be damaging. I give him credit for sincerity and for honesty of purpose.

For the reasons I have briefly stated, Mr. President, it is my sincere hope that this resolution will not be agreed to, and that plan No. 5 will be put into effect.

The PRESIDING OFFICER. The question is on agreeing to Senate Resolution 259, disapproving Reorganization Plan No. 5 of 1950.

Mr. KILGORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the call of the roll be temporarily suspended. We are about to agree on some matters, possibly on voting tomorrow, and I believe we can save time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. CONNALLY. I ask unanimous consent that the matter now before the Senate be passed over until tomorrow.

Mr. LUCAS entered the Chamber.

Mr. LUCAS. A quorum call is in order, is it not?

The PRESIDING OFFICER. The Senator from Texas has asked unanimous consent that the quorum call be suspended.

Mr. DONNELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DONNELL. Was not the Senator's request that it be temporarily suspended?

The PRESIDING OFFICER. Well, suspended

Mr. DONNELL. I should have objected had it been a request to withdraw.

The PRESIDING OFFICER. Was that the request of the Senator from Texas?

Mr. CONNALLY. That was my request.

Mr. DONNELL. That it be temporarily suspended.

The PRESIDING OFFICER. The Chair asked whether there was any objection. The Chair heard none. The Senator from Texas then asked unanimous consent that we postpone further consideration of this matter until tomorrow.

Mr. TYDINGS. Mr. President, may I inquire why we cannot vote on these matters this evening?

Mr. LUCAS. Mr. President, I gave notice last week that we would have a night session, if necessary, to try to dispose of all the reorganization plans. If we allow the matter to go over until tomorrow, we may again run into the same situation. In other words, each plan can take 10 hours, if necessary, and we may have a night session tomorrow night on this plan and two others which are pending. I do not see why we cannot proceed with the quorum call and finish this one, and then the other two. That is what I think should be done. It is in line with what I announced, and I think that should be satisfactory to all Senators. I do not think I have requested the holding of a night session at any time during the second session of this Congress. I merely feel that we should continue and act on the pending organization plans.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILEY. I may say to the distinguished majority leader that I remember what he said about continuing in session until 9 o'clock. I spoke this afternoon. Of course, I had a very complete audience all the time—in the gallery, I mean. It seems to me, if we could agree to vote on Reorganization Plan No. 5 at 12:30 or 1 o'clock tomorrow, we could speak on it tonight and exhaust the time, but we should first get a unanimous consent to vote on it at say 12:30. I am sure no one would object to that. We could dispose of it and then proceed immediately with the other plan, but we could finish the debate on the pending plan tonight. I understand there are two or three Senators who want to speak on it tonight, but I doubt whether we can get a legal quorum.

Mr. LUCAS. Mr. President, we can get a quorum if it becomes necessary to do so, I am sure.

Mr. WILEY. Then I suggest to the distinguished majority leader that my other reason for the request is this: I am seriously concerned about there being present in the Senate not merely a legal quorum but a good representation of the Senate, so we may get an expression of Senators on this very vital and important subject, which is now seemingly beginning to catch on. I was informed at the dinner table tonight that, if my resolution were adopted, another recommendation would be immediately forthcoming from the President, with the patent provision omitted, and that we could then approve the plan and get through with it.

Mr. LUCAS. I know nothing of rumors around the Capitol.

Mr. WILEY. Does the Senator never pay attention to them?

Mr. LUCAS. No; I do not.

Mr. WILEY. I have my doubts.

Mr. LUCAS. If I did, I would be worse off than I am.

Mr. NEELY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. NEELY. My point of order is that, under the order for a quorum call, all this discussion is out of order. I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded. The clerk will resume the calling of the roll.

The Chief Clerk resumed and concluded the calling of the roll, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Anderson	Hendrickson	Mundt
Benton	Hill	Neely
Brewster	Hoey	O'Conor
Bricker	Holland	Robertson
Bridges	Humphrey	Russell
Butler	Ives	Saltonstall
Byrd	Johnson, Colo.	Schoeppel
Cain	Johnson, Tex.	Smith, Maine
Capehart	Kem	Smith, N. J.
Chapman	Kilgore	Sparkman
Connally	Knowland	Stennis
Cordon	Leahy	Taft
Darby	Lehman	Thomas, Utah
Donnell	Long	Thye
Douglas	Lucas	Tydings
Dworshak	McFarland	Watkins
Eastland	McKellar	Wherry
Ellender	McMahon	Wiley
Ferguson	Magnuson	Williams
Fulbright	Malone	
George	Martin	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to Senate Resolution 259.

Mr. LUCAS. Mr. President, a few days ago I gave notice to the Senate that we would make disposition of the reorganization plans before tomorrow at midnight. Obviously, we must do that in view of the fact that three of the plans have been reported with recommendations of disapproval.

Mr. WILEY. Two of them.

Mr. LUCAS. Some suggestion has been made that we try to reach a unanimous-consent agreement to vote on all three of the plans sometime tomorrow afternoon. If such a unanimous-consent agreement can be reached, I shall not compel the Senate to sit tonight. However, it is a question either of getting that kind of unanimous-consent agreement or continuing to sit tonight until we have finally disposed of the pending resolution. Perhaps we can also dispose of the other resolutions. I do not know whether any Senator will make objection to that kind of unanimous-consent agreement. However, before I propose it, I should like to know whether there will be any objection to it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HUMPHREY. Is there any reason why we cannot vote on plan No. 5?

Mr. LUCAS. There is no reason why we cannot vote on it, so far as I am concerned. A quorum is present.

Mr. TAFT. Does not the Senator from Illinois see the unfairness of proceeding when there are only 49 Senators present and it takes 49 votes to disapprove a plan? Is not the Senator from Wisconsin put at a terrible disadvantage?

Mr. LUCAS. Mr. President, I do not agree with that theory at all. I do not agree that it is utterly unfair to put the proposal of the Senator from Wisconsin to a test at this particular time, in view of the fact that some 4 or 5 days ago I announced that we would have a night session tonight. I think this is the only time during the second session of the Eighty-first Congress that I have attempted to hold a night session. I do not believe anyone can say that the Senator from Illinois has been unfair or unkind to Senators so far as getting away to dinner engagements during the evening

has been concerned. I have tried to accommodate them all, so that they could get home or to their dinner engagements.

Mr. WILEY. Does any Senator object?

Mr. LUCAS. I have not proposed the unanimous consent agreement yet.

Mr. President, we shall hold some night sessions on many measures if we do not move faster than we have been moving. I take it that some Senators would like to get away sooner or later, and we do not propose to sit, I hope, until next October. That is another reason why I should like to make disposition of plan No. 5 tonight and then proceed with the conference report on ECA legislation and other privileged matters tomorrow and get them out of the way.

I shall now make a unanimous-consent request, because several Senators are interested in it. Mr. President, I ask unanimous consent that the Senate vote on plan No. 5 on or before 1 o'clock tomorrow, on plan No. 17 on or before 2 o'clock tomorrow, on plan No. 18 on or before 3 o'clock tomorrow, and that the time be controlled by——

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. AIKEN. Did I understand the Senator to say that it is proposed we vote on plan No. 5 at 1 o'clock and on plan No. 17 at 2 o'clock tomorrow?

Mr. LUCAS. Yes.

Mr. AIKEN. That would allow only 40 minutes for debate. It would seem to me that it would be better to allow not over an hour for debate on each of the two other plans, because when time is taken out for a quorum call not much time is left.

Mr. TYDINGS. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Maryland.

Mr. TYDINGS. The Senator from Illinois announced that the Senate would meet tonight, and many of us arranged our plans so that we could be here. Some Senators evidently did not arrange their plans and are not here. So we who are in attendance have been penalized by having to adjust our engagements so as to be present, only to find, after we have altered our plans for the evening, that the signals have been changed, and the Senate is to take action tomorrow. Every Senator had notice of the contemplated session, I had notice of it, and we are here ready to legislate.

I should like to have the Senator from Illinois at least modify his request, as an indication of good faith toward those of us who have come in response to his request, for a vote on plan No. 5 tonight, and put his unanimous-consent agreement before the Senate for action on the other two for tomorrow. I think we should vote on all three of the resolutions tonight, but I would be satisfied to go along with what I have suggested.

I do not like to be called here into a night session and then find, when we are here, and it is about 7:30 o'clock, that we are to go over until the next day. Every Senator who is not here is absent because he does not want to be here, for every Senator was notified, I think it is up to us to proceed under the agreement we had tentatively, and vote on at least the one resolution tonight.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. TYDINGS. In a moment. Therefore, if the Senator from Illinois would modify his request to vote on plan No. 5, let us say, in 20 minutes or half an hour, or whatever he may decide on, and ask unanimous consent for a vote on the other two plans tomorrow, I should not object.

Mr. WILEY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WILEY. I wish to take exception to the statement of the distinguished Senator from Maryland about signals. There was not any "signal" that we would vote tonight, and so far as I am concerned, we will not vote tonight. I have at least 2 hours' discussion, and I think some other Senators want time. I think the suggestion is utterly unfair. I gave way to other Senators. I accommodated first the Senator from Oklahoma, and he was getting ready to speak; then he was called away. Then I gave way to the Senator from Colorado [Mr. JOHNSON] twice, and this is the kind of treatment I am asked to take. I do not think the Senator from Maryland is playing cricket at all. I think that what he is doing is in utter disregard of some of the courtesies Senators are entitled to expect. We can go on and discuss the pending resolution tonight, and vote at 12:30 o'clock tomorrow, without interfering with any "signals." That is my viewpoint. I should like to have the original proposition put and find out where we stand on this unanimous-consent request.

I leave it to the majority leader whether he ever stated there would be a vote on plan No. 5 tonight. He said we would have a night session. I am in favor of a night session. I am in favor of exhausting the discussion of all the facts tonight, and then all I ask is, as the Senator from Ohio suggested, that we have tomorrow an expression of the Senate, and not have the expression of a few Senators now. We should not be criticized or lambasted. We are staying on the job, and we should not be taken advantage of.

Mr. TYDINGS. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Maryland.

Mr. TYDINGS. I should like to say to the able Senator from Wisconsin that I had no desire to lambaste him, but let me point out to him that when the majority leader said we would have a night session tonight, he knew, as well as I did, that if this unanimous-consent agreement were entered into the Senate would recess immediately without any night session.

Mr. WILEY. Not necessarily. Those who desire to do so can talk.

Mr. TYDINGS. We will find it will not be any longer than 15 minutes after the unanimous-consent agreement is entered into before some Senator will move a recess until tomorrow; the motion would not be debatable, and it would carry just like a breeze going over a wheat field.

I do not mind coming here and having a night session, but when I am told there is to be a night session, I think we ought to have it, and not cater to those who do not care to exert themselves or do not have the ingenuity to arrange their affairs so they can come.

Mr. WILEY. I might say that I was informed that three Senators on the Democratic side were ready to speak in opposition to my resolution. I have no objection to their speaking. In fact, I would enjoy hearing them, and I am satisfied that none of them will raise objection, because they see the equity of my position. I shall remain here until they have exhausted their facts, if it is not beyond 2 o'clock in the morning.

Mr. KILGORE and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?

Mr. LUCAS. I should like to make an inquiry.

Mr. KILGORE. One of the three Senators referred to spoke, but the Senator from Wisconsin was not present to hear him.

Mr. LUCAS. Mr. President, I should like to inquire of the Parliamentarian as to how much time has been consumed by the opponents of the resolution.

Mr. WILEY. Two hours and fifteen minutes.

The PRESIDING OFFICER. The proponents of the resolution have used 153 minutes, the opponents 38 minutes.

Mr. WILEY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WILEY. I was informed when I went down to dinner that I had used up 2 hours. Then I yielded 15 minutes. Two hours is 120 minutes, and 15 minutes makes 135 minutes. I do not know how the Chair can make it 153 minutes.

The PRESIDING OFFICER. The quorum call was charged equally to the two sides, and 10 minutes has been consumed in the present discussion.

Mr. WILEY. I thank the Chair very much. I am glad to note the accuracy with which the time is being kept.

Mr. AIKEN. Mr. President, the purpose of a possible night session tonight was to make sure that all of the plans to which there was objection would be voted upon before the deadline came tomorrow night. If there is a unanimous-consent agreement to vote on them at an early hour tomorrow, that would have the effect of obviating the purpose for which a night session might have been held tonight, would it not?

Mr. LUCAS. Mr. President, I am going to make the unanimous-consent request again. I regret that we are not going to be able to vote on the pending resolution tonight, as well as the other resolutions. I should like to remove them from the calendar as fast as possible, one way or the other.

I want the Senator from Wisconsin to know that the threat of recess or adjournment does not worry me one iota. It is up to the Senate, if the Senate wants to take such action. I heard him say that that is what he was going to suggest.

Mr. WILEY. Will the Senator yield?

Mr. LUCAS. Not just for a moment.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. WILEY. I do not make threats.

Mr. LUCAS. I heard what the Senator said.

Mr. WILEY. I said——

Mr. LUCAS. I did not yield.

The PRESIDING OFFICER. The Senator from Illinois declines to yield.

Mr. LUCAS. Please let me alone for a moment. I am going to ask unanimous consent again, to see if I can get an agreement.

I now ask unanimous consent that after the Senate convenes tomorrow at 12 o'clock it proceed to vote at 1 o'clock upon plan No. 5; that there be 1 hour of debate on plan No. 17 thereafter, and that the Senate then proceed to vote on it; that there be 1 hour of debate on plan No. 18 thereafter, and that the Senate then proceed to vote on plan No. 18, the time to be controlled by the Senator from Maryland [Mr. O'CONOR] and the Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. SPARKMAN. Mr. President, reserving the right to object, and I do not intend to object, I wish to be certain that in the time controlled by the Senator from Maryland I may have as much as 15 minutes.

Mr. O'CONOR. Mr. President, I can certainly give assurance that the Senator's request will ge granted.

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I merely wish to make the observation that a moment ago some comment was made as to the fairness of the present situation. It just so happens that the junior Senator from Connecticut [Mr. BENTON] and the junior Senator from Minnesota have been on the floor of the Senate in connection with the reorganization plans day after day, because of being members of the Senate Committee on Expenditures in the Executive Departments. It also happens that in connection with plan No. 4, when there were not present many more Senators than are now here, we did not have this difficulty, and we remained in session to a rather late hour.

I do not intend to object, but I do not intend to have the RECORD read as if there were any intention of unfairness. As a matter of fact, we are being overly fair, we are being most considerate, because any objection at this moment would put this plan to rest.

I shall go along with the plan, because I believe we ought to expedite the business of the Senate, but I can say, in connection with the remark of the Senator from Maryland, that plans have been made and have been disrupted. Some have been here from 12 o'clock noon on through in an effort to get the consideration of these plans under way and get the plans out of the way. So tomorrow, if we can agree to the unanimous-consent request, perhaps we can complete action on the plans.

Mr. LUCAS. Mr. President, in conclusion I want to make the further reply that I am not responsible for the failure of Senators to be present. I assume no responsibility for that. If we should vote tonight, it would not be because we are unfair to Senators, but it would be because Senators are unfair to themselves in not being present after notice has been given.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I certainly agree with the majority leader in the announcement he made about having a night session. He did not say when the vote would be taken, but he did say there would be a night session. So far as I am concerned, I think the majority leader has offered a very fair unanimous-consent request, and I hope that no Senator will object, and that we will continue with the program as outlined by the majority leader.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

Mr. LUCAS. I yield.

Mr. DONNELL. I understood earlier today that the majority leader stated there would be opportunity for presentation of routine matters for the RECORD. I have certain insertions for the Appendix of the RECORD and some other routine matters I should like to present before the Senate takes a recess.

Mr. LUCAS. Senators should remain because they may hear a great debate upon this issue tonight. I plead with Senators not to leave.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, I asked the distinguished majority leader earlier in the day whether or not he was ready to make an announcement about the Decoration Day vacation.

I wonder if he is ready to make that announcement now.

Mr. LUCAS. I cannot make it today, I will say to the Senator from Nebraska, but will make it tomorrow afternoon, after the Democratic policy committee has met.

Mr. WILEY subsequently said: Mr. President, will the Senator yield?

Mr. LUCAS. I yield for a question, not for a speech.

Mr. WILEY. I wish to express my appreciation to the majority leader for his most exemplary words and conduct—as were those of all other Senators—even though the Senator's conduct was not on a par with his words. However, as he knows, his words were exemplary and of the best.

Mr. LUCAS. Mr. President, it is always grateful to hear that the Senator from Wisconsin is pleased, as he always is if he gets his way.

Mr. WILEY. Mr. President, as long as my way is the way of righteousness and fairness, it is always a pleasure to have the Senator agree with me as he has done tonight.

Mr. LUCAS. It is always a pleasure to agree with the Senator, who most of the time is correct.

Mr. WILEY. Only most of the time?

Mr. LUCAS. Of course I do not say that any Senator is always perfect.

INVALIDATION OF CALIFORNIA ALIEN LAND ACT UNDER UNITED NATIONS CHARTER

Mr. DONNELL. Mr. President, on April 28, 1950, in the CONGRESSIONAL RECORD, beginning at page 6000, is set forth the opinion of the District Court of Appeals of the State of California, Second Appellate District, Division 2, in the case of Sei Fujii versus the State of California, which decision declared invalid the Alien Land Act of that State because of conflict with the United Nations Charter.

Mr. President, on page 7066 and following of the CONGRESSIONAL RECORD of May 16, 1950, there is reference to an analysis by Professor Manley O. Hudson, included as an appendix in a petition for rehearing in the Sei Fujii case filed by Attorney General Howser.

On May 19, 1950, as appears at page 7326, I stated, after some mention had been made of Professor Hudson's article, as follows:

> Mr. President, if it would not be assuming too much upon myself, if the Senator personally prefers to have me do so, I shall endeavor to secure a copy of the statement of Dr. Hudson and incorporate it in the RECORD.

To which the Senator from Texas [Mr. CONNALLY] replied:

> That is agreeable to me.

On May 20, I telephoned to Mr. Manley O. Hudson at Cambridge, Mass., who informed me in substance that he would rather not have his article put into the CONGRESSIONAL RECORD prior to its publication in the American Journal of International Law for July. Therefore, Mr. President, I do not offer it at this time. I wanted the RECORD clear as to why the article was not being presented.

A PROPOSAL FOR A COMMISSION ON NATIONAL SECURITY

Mr. HUMPHREY. Mr. President, there appears an editorial in this morning's Washington Post entitled, "The Road Back to America." This editorial presents a challenge to the American Congress and the American people. In view of its importance, I ask unanimous consent to have printed in the body of the RECORD a statement which I have written pertaining to it, and that the editorial follow the statement, so that it may be brought to the attention of the Congress.

From time to time there have been other suggestions recommending the creation of a Commission on National Security. I have in the past associated myself with such a proposal. It is my intention to introduce within the next few days a resolution for the establishment of such a Commission. I invite other Senators to join with me in the introduction of such a resolution.

There being no objection, the statement and the editorial were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

Our allegiance to and guaranty of freedom of press has served us well. A constructive example of the benefit derived from competition of ideas and freedom of inquiry was dramatized by the lead editorial

in the Washington Post of Monday, May 22. This editorial entitled, "The Road Back to America," sounds a challenge to every person of democratic faith. This brilliant editorial, "The Road Back to America," extends a particular challenge to the Congress and to the President of the United States. With keen editorial insight into the nature of our present discontent, the editorial staff of the Washington Post has described the dimensions and intensity of our problem in the following words:

"For weeks the Capital has been seized and convulsed by a terror. It is a terror akin to the evil atmosphere of the alien and sedition laws in John Adams' administration. That is the measure of the problem to which, with our readers' indulgence, we here propose to address ourselves at some length.

"What has permitted this thing to come to pass?

"The rising distrust, the roaring bitterness, the ranging of Americans against Americans, the assault on freedom of inquiry, the intolerance of opposition—all this malaise, it seems to this newspaper, has its roots in a deep and troubled state of the Nation's mind. Fear and frustration abound—fear of the unseen struggle in which we are locked, and frustration because of our inability to get directly at it."

Unlike many critics and commentators who tell us what is wrong with the state of the Union, and describe in detail the nature of our discontent, the editors of the Washington Post have suggested a proposal that affords a means of creating a positive, intelligent, and constructive program to revise the dangerous trends which are clearly evident.

As one who has been deeply disturbed by the signs of our times and the evidence of fear which seems to grip our people, I applaud and welcome this editorial. It is a refreshing and encouraging demonstration of the vitality of our democracy.

The hour is late. The time for constructive action is at hand. We need more than the normal processes of our legislative and executive branches of government. We need the constructive advice and planning of our most enlightened citizenry. We need to go back to the people and to call upon citizenship leadership from the communities of America to join with their Government in leading us out of this modern-day wilderness of fear and confusion.

The proposal as outlined in the editorial for a Commission on National Security warrants the immediate attention of the Congress. The protection of our national security is the paramount issue facing our people. The direction of our foreign policy and our relationships with the freedom-loving peoples of the world is the paramount issue facing the world. The manner in which we meet the threat of Communist totalitarianism and the evil inherent in such a system is one that goes far beyond partisan consideration. Our program to protect our national security and to strengthen our foreign policy requires the patriotic, unselfish efforts of all people who are dedicated to the principles of democracy.

The Washington Post is right when it says the "unpartisan citizens' committee would elevate current debate. It would catalyze the decencies of America. In the light of full and trusted information, which proper composition of the Commission would insure, new laws can be worked out by the Congress wherever necessary for our internal Security. * * * An authoritative and unpartisan Commission can provide that knowledge. * * * Establishment of this Commission on National Security will start us on the road back to our America—a land of freemen marching forward with confidence in ourselves and in our mission."

[From the Washington Post of May 22, 1950]

THE ROAD BACK TO AMERICA

For weeks the Capital has been seized and convulsed by a terror. It is a terror akin to the evil atmosphere of the alien and sedition laws in John Adams' administration. That is the measure of the problem to which, with our readers' indulgence, we here propose to address ourselves at some length.

What has permitted this thing to come to pass?

The rising distrust, the roaring bitterness, the ranging of Americans against Americans, the assault on freedom of inquiry, the intolerance of opposition—all this malaise, it seems to this newspaper, has its roots in a deep and troubled state of the Nation's mind. Fear and frustration abound—fear of the unseen struggle in which we are locked, and frustration because of our inability to get directly at it.

Some among us, to be sure, have tried to distort this fear and this frustration for selfish political gain, and the fact serves to their eternal discredit. But that does not alter the feeling that real reasons for concern exist, that our country faces, and will continue to face, dangers greater than we have ever known. To defeat those dangers we must know them, and knowing them, meet them with a constructive program rather than with hysterical fright.

This is one newspaper's appeal to Americans to support action which will turn on the light of truth and restore the national harmony.

THE NATURE OF THE DANGER

The danger we face today is new in our history. There are three central aspects of this danger, and together they make up the cause of our discontents.

First, there is the unparalleled, cancerous evil of totalitarianism. That evil is the kinship of nazism, fascism, Japanese militarism, and communism. It is made up of the savage depravity of Dachau and Buchenwald and the slave camps that today hold 1 out of 12 Russians. It is a turning of the face of man away from God; it is unremitting terror against religion and ethics and morality. The slavery it imposes on men's bodies may have some resemblance to dark spots in prior history, but there is no precedent for its fiendish grip on men's minds. Its methods have been illuminated by Koestler's Darkness at Noon; its full potential by George Orwell's 1984.

Second, this evil now controls a great world power, wielding authority over hundreds of millions of people and a major industrial empire. Because of this power, and because of atomic bombs and high-speed airplanes, Russia can now make war directly upon our country. The protection of oceans which had kept us free from attack for over a century was already dwindling in World War II. But for the first time we now live from day to day under the shadow of devastating or crippling attack.

Third, the Communist state has the fanatical devotion of fifth columnists in every country abroad, including our own. Communism evokes this support through a kind of hypnotism that defies reason and is almost beyond the imagination of civilized man. Thus, for the first time in our history, we have a secret conspiratorial force in our midst. We know from the Canadian spy case, the Hiss case, and the Fuchs case that this conspiracy can do grave harm to our security. We know from the case of Sorge—who though ostensibly a leading Nazi official was actually the key Communist spy in Japan—that the fifth column often shields itself in the clothes of anticommunism.

WITCH HUNTS WON'T WORK

Why not use any methods to fight it, then, if the danger is so real? Why not, in short, the most thoroughgoing purge or witch hunt? Ought we not to consider one scalp worth the incidental persecution of 10 innocents? Ought we not to change our concepts and put the burden of proof on the accused?

That course, this newspaper submits, would be burning down the house of the American way of life in order to get at the rats in it. That is the way to do the work of the fifth column and to advance the aim of its Kremlin masters rather than to destroy it. For the hope of the Kremlin rests upon a breakup of the free world as a natural process of history. We are held by the Communists to be doomed. The tempo of this kind of collapse-conquest depends upon the speed with which America is softened and weakened. Here is the key to Soviet action. The Communists rely on the United States to do their own dirty work for them, so as to guarantee victory and save them a war between the two spheres of power in which they and the rest of us would perish. Witch hunting thus amounts to doing the job of softening and weakening America or Russia.

Test the idea of witch hunting against crimes with which we have had more experience. Nothing is more loathsome to society than the sex criminal. Yet we have not adopted lynch law as a proper antidote; for we know that vigilanteism threatens all our civilization. It is as foolish to reckon the witch hunters the true foes of communism as to reckon lynch mobs the true foes of sex maniacs.

To go further: Witch hunting is weakening our front-line soldiers in the cold war. Revilement of our diplomats has come to such a pass that in a recent line-up for tickets for a symphony concert in Washington a man who admitted to a reporter that he was from the State Department was publicly laughed at. Somberly and solemnly George Kennan, the counselor of the State Department, who is habitually given to understatement, said recently in Milwaukee:

"The atmosphere of public life in Washington does not have to deteriorate much further to produce a situation in which very few of our more quiet and sensitive and gifted people will be able to continue in Government. * * * I am not a pessimist about the cold war. But this is on the assumption that we can mobilize the best we have in human nature in this country to help us fight it. * * * The margin of safety with which our country moves in the world today is not great enough to permit us to be reckless and wasteful with the talents and the idealism of those people we depend on for the generalship of our peacetime battles."

TEARING OUR UNITY APART

Witch hunting will drive out of Government the very brains which alone can give us victory in the cold war. Already we have seen a conservative and republican father forced to leave a responsible position because his teen-age daughter fell prey to Communist doctrine. If that sort of penalty is condoned, then any modern parent is reckless in accepting public responsibility, and we should just as logically attack the Chicago Tribune because a remote relative of its family helped finance Henry Wallace. This kind of onslaught on character will leave us a Government of spineless mediocrities. History is full of examples. We know from German Minister of Munitions Albert Speer's testimony at Nuremberg that Hitler's great weakness was that his subordinates were afraid to give him any information except such as suited his prejudices. We know that Stalin's diplomats tell him only what he wants to hear. Do we want to create a similar atmosphere of terror that deprives us of honest and fearless thinking?

Witch hunting tears our unity apart and lowers the discussion of real problems to the level of the gutter. McCARTHY's Goebbels-Vishinsky technique of the lie followed by the ever-bigger lie was bound to provoke a "you're another" reaction. Senator CHAVEZ' assault on Louis Budenz' sexual misconduct came, to be sure, after extreme provocation, but it was as irrelevant to the issues before us as were McCARTHY's utterances on homosexuals. There is an un-American ring to such a colloquy about depravity and to the attempts and counter-attempts to drag the prestige of religion into such squalor. This sort of debate is more at home in Communist purge trials than in the legislative halls of a free republic.

Witch hunting hurts us abroad by repelling our allies whose help we need in upholding the free world. Senator FLANDERS concludes that the behavior pattern is causing astonishment and uncertainty in our relations abroad. The London Economist writes of our "months of degradation" and laments the fact that there is no Senator VANDENBERG to bring the barbarians to their senses. The Prime Minister of Pakistan, speaking for a vital part of non-Communist Asia, believes that we are thinking only of the start of war. A growing cynicism about our intentions in Europe is fostering the idea that Europe can be neutral, though such neutrality would make war inevitable.

WOLF, WOLF

Finally, witch hunting will defeat the purported purpose of witch huning. Aesop taught us long ago the foolishness of the little boy who falsely called, "Wolf, Wolf!" Earnest efforts to combat the fifth column are still suffering because in recent memory William Allen White and Paul Hoffman and Wall Street lawyers and Robert A. Taft have been stigmatized by irresponsible characters as being some shade of red or pink. There can be no end to the range of hysteria and fear. Because Sorge, the Russian spy in Japan, operated in the disguise of a Nazi official, some of our counterintelligence enthusiasts are already aiming suspicions at even the most conservative areas of the Republican Party and at other circles of the most militant anticommunism.

We know that some sincere people—for example, the New Leader—claim that we have had these abuses before and have lived through them, as when business and finance were pilloried during the 1930's. They argue that this did little harm, and try to show that the price is worth it. Is it? The class bitterness stirred up by those excesses still hurts our unity. Our way of life surely envisages investigation accompanied by the rudiments of fair play. The very expression of our political liberty is the opposition that the witch-hunters would stifle. Our freedoms begin with the freedom of inquiry that they regard as treasonable.

The mad-dog quality of McCarthyism has become so apparent that its power for sowing confusion and suspicion has probably spent its force. Despite all the Senator's artful dodging, the American people know that he has failed to support his basic charge of Communist Party members operating in large numbers in our State Department.

However, it would be reckless to ignore the circumstances that permitted this escapade and this aberration to paralyze American diplomacy and to thrust fears and doubts into the minds of our people. The urgent problem is to find a way back to a basic unity, to traditional American standards.

We must provide a way for reducing the darkness of ignorance in which fear thrives. Every soldier knows the clutching trepidation in his heart when, in guerrilla operations, he feels the enemy everywhere and nowhere. The aggression of the Communist state will present us with real danger for many years. It is enough to ask our citizens to see the threat when they have the fullest and most honest information about it. It is intolerable for them to face it when they have no means for judging the wildest rumors about internal security.

A PROGRAM FOR ACTION

When the possibility of the H-bomb was added to the other horrors of the twentieth century, The Washington Post urged the appointment of a Commission of leading citizens to assess our over-all security and to give to the American people the fullest possible information. Since then Senator VANDENBERG has said that such a Commission is necessary to work out foreign economic policy after ECA. Dr. James B. Conant and Dr. Vannevar Bush have made similar suggestions for what Mr. Churchill called exalted brooding by the Nation's leading citizens.

It is essential that a Commission on National Security be created now to survey the major aspects of national security, the internal menace of the fifth column, civilian defense, development of new weapons, the size and use of military expenditures, economic restoration of our friends and allies.

The Commission should be appointed by the President after genuine bipartisan agreement on its membership. That, alone, would give it the public acceptance essential to its job of creating public understanding. While the Commission's members must be drawn from different interests to insure confidence it can be compact enough in size to permit coherence of effort.

What can such a Commission accomplish? It cannot promise our people peace and happiness. It cannot even make those decisions which inevitably are the responsibility of the Executive and the Congress. It obviously cannot take over the detailed work of the FBI or the chiefs of staff or other agencies. But what it can do is to take a fresh look at our situation and give the American people a trustworthy, unpartisan statement of the salient facts affecting our security.

It can do this because the people will trust a Commission so organized. Only such a Commission can be intrusted with the full range of secret papers, including such confidential papers as FBI files which cannot properly be given the legislative under our system of checks and balances.

We can get from such a Commission an honest picture of the pluses and minuses of our cold war progress. And there are real pluses as well as major minuses. In regard to the fifth column, the revelations of the Hiss and Fuchs cases show the danger, while on the other hand the operation of the loyalty program, the smashing defeat of Wallaceism, the reduction of Communist power in trade unions and other developments mark out the progress against infiltration. On the foreign front, the defeat of communism in western Europe and the growth of Titoism must be weighed against the Russian victory in China.

RAISING THE LEVEL

From Justice Jackson's opinion on the non-Communist oath and from Judge Medina's handling of the Communist conspiracy case we know that our liberty-minded institutions can meet the threat without throwing our liberties away. We must raise our conduct elsewhere to these same levels.

This Commission is not proposed in order to put an end to congressional committees, but rather to create an atmosphere in which they can again provide the country with the light it needs. The executive branch is properly a subject for congressional concern; particularly in these days the State Department. That is where the real effort will be made to infiltrate.

The Washington Post has constantly upheld the congressional power of investigation against claims that the power has become intolerable because of recent abuses. In 1948 the whole subject was explored in an editorial series, "Turning on the Light," which supported the need for full investigative process and suggested a code of fair practice which would prevent flagrant abuses. The dignity and respect of Congress will be fully restored only when some such rules of fair play are adopted. The appointment of the citizens' Commission here suggested will not run counter to but should in fact hasten the coming of this essential legislative reform.

This unpartisan citizens' committee would elevate current debate. It would catalyze the decencies of America. In the light of full and trusted information—which proper composition of the Commission would insure—new laws can be worked out by the Congress wherever necessary for our internal security. For instance, there should be public registration of all fund-raising organizations to expose the financing of subversion. In addition, the statute of limitations on espionage should be extended to provide a tool better suited than perjury for getting at real fifth column activities. There are already on the statute books many laws against subversive activity. How they need to be revised, while still preserving our liberties, should be studied in the light of true knowledge of the size of the menace. An authoritative and unpartisan Commission can provide that knowledge.

Communism everywhere is on the march. The masters of the Kremlin have not taken a recess during the months we have ignored the real battles of the cold war for the sham battles of witch-hunting. Naked self-interest demands a halt to this diversion of our energies.

Establishment of this Commission on National Security will start us on the road back to our America—a land of freemen marching forward with confidence in ourselves and in our mission.

RECOMMENDATION FOR MINNESOTA STATE FEPC STATUTE

Mr. HUMPHREY. Mr. President, in the course of my remarks on S. 1728, the FEPC bill, I placed in the RECORD information to the effect that the executive board of the Minnesota League of Women Voters had recommended to their convention endorsement of an FEPC for the State of Minnesota. I am pleased to add for the RECORD the fact that on May 17, the State convention of the Minnesota League of Women Voters accepted the recommendation of their executive board and urged the State of Minnesota to enact a State FEPC statute. This is but added evidence of the strong support which FEPC legislation has among the people of Minnesota.

NATIONAL MARITIME DAY

Mr. MAGNUSON. Mr. President, I do not think this day should pass without at least having the RECORD show a notation of the fact that it is National Maritime Day.

The problems of the American merchant marine have been not only great but very perplexing. The Committee on Interstate and Foreign Commerce has for many weeks, through a subcommittee of which I have the honor to be chairman, investigated all the problems of the American merchant marine, in the hope that we as a Government might give our merchant marine proper aid in order to keep the American flag on the seas.

Our merchant marine has been beset with problems similar to those which faced it following World War I. After the First World War, because of a lack of interest, which I think is the most com-

pelling factor in connection with the decline of the American merchant marine between the two World Wars, due to the fact that the Congress itself did not pay sufficient attention to the problems presented following the war, our merchant marine declined to such an extent that in the long run the American flag was rapidly disappearing from the seas. We hope that now, following World War II, that shall not happen again.

To that end, the Subcommittee on Merchant Marine and Fisheries of the Committee on Interstate and Foreign Commerce has been holding hearings for almost 6 weeks. We have gone into virtually every facet and phase of the problems of the American merchant marine.

We hope to be able to report to the Senate not only the results of our inquiry, but specific proposals in the form of several bills, which we hope to introduce within the next 10 days or 2 weeks.

I had hoped that we might have those bills ready for introduction today, so as to be able to introduce them in connection with National Maritime Day.

I am glad the majority leader is here at this time, because we shall ask the Democratic policy committee to try to arrange for the consideration of the bills.

The American merchant marine is an integral part of our economy and of our national defense. We do not want to see a repetition of what occurred to our merchant marine between World War I and World War II.

Mr. President, the able junior Senator from Maryland [Mr. O'CONOR] has been an intimate and vital part of the subcommittee in its work in that connection. All of us have worked very long and very hard on these problems. We hope to bring them to the attention of the Senate, not only so that we may maintain an adequate merchant marine for either peace or for war, but so that we may maintain an adequate merchant marine to carry the flag of the United States on the seas.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a very fine article entitled "Paddle Wheels and Purse Strings," published in the Washington Sunday Star of May 21, 1950. The article relates to many of the problems we have been discussing.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PADDLE WHEELS AND PURSE STRINGS—SUBSIDY SITUATION IN MERCHANT MARINE DUE FOR SCANNING

(By Bill Ross)

The Nation honors the merchant marine tomorrow, National Maritime Day.

The event marks the first trans-Atlantic steamship crossing, made 131 years ago by the Savannah, which paddle-wheeled to Europe—with considerable help from wind and sails—in 27 historic days.

Most major port cities along the Atlantic, Pacific and Gulf coasts have scheduled celebrations, and wherever an American merchantman is at sea the orders are to dress ship with every pennant and flag.

Maritime Day 1950 finds the United States with a merchant marine in many respects the finest the world ever has known. Scattered along global sea lanes are more than 1,200 United States merchant vessels, all fast and efficient ships, built during or after the war.

GIANTS BEING BUILT

Six giant luxury liners—including a $70,000,000 supership—are being constructed to bolster the passenger fleet. Maritime workers, ashore and afloat, last year numbered about 360,000 and were paid an estimated $1,400,000,000 in wages.

But America's shipping industry has multi-billion-dollar problems. The men who build and sail merchant ships point out that since VJ-day the strength of our mercantile fleet has dwindled sharply in the face of mounting foreign-flag competition. American shipyards also have felt the postwar pinch.

No. 1 problem of the merchant marine, however, is wrapped up in the future of its dealings with the United States Government.

Since the days when Capt. Moses Rogers sailed the Savannah from its namesake port in Georgia to Liverpool, England, the bulk of American shipping has received Federal aid in some form. Congress has authorized these subsidies to insure, according to the law, a "merchant marine adequate for the needs of commerce and the security of the Nation."

MILLIONS FOR COMPETITION

These payments—nearly $100,000,000 in 1949—are made to enable American ships to compete with foreign vessels which have considerably lower labor and other costs.

Uncle Sam's role in shipping has been handled since 1936 by the United States Maritime Commission, an independent agency set up by Congress. The Senate on Friday approved the Truman proposal to abolish the Maritime Commission and unless the House does otherwise, the plan will become effective next Wednesday.

For 2 years the agency has been under heavy fire from the General Accounting Office and committees of both the House and Senate for the way it has handled subsidies.

When President Truman proposed the agency be reorganized he made no direct mention of the confused subsidy situation. He said only that the change should be made for reasons of economy and to streamline administrative functions.

At other times, however, he has recommended a look-see at—and possibly a ceiling on—future payments to the shipping industry.

SUBSIDY SCANNING DUE

For this reason, most observers are agreed, the first major assignment of the proposed new Federal Maritime Board will be a top-to-bottom shake-up of subsidies.

"And without continued subsidies at at least the present level," a top-flight shipping executive said in discussing the matter, "foreign merchantmen will chase us from the seas."

Military men take no part in the subsidy argument, but hold that the merchant fleet's strength already is dangerously low.

Some 2,000 war-built cargo vessels now are tied up in reserve fleets—ready to be quickly converted to military duty. But, according to defense experts, these ships—as well as those on active duty—might not be enough in an atomic conflict.

The shipbuilding industry—and the men who sail the vessels—seem certain that the answer is more Federal help.

"Perhaps Maritime Day should be on another date," one ship-line president speculates. "Maybe we shouldn't observe it on the anniversary of the *Savannah's* crossing. After all, she was nothing but a bad-luck ship.

"Captain Rogers and a group of Georgia businessmen all but lost their shirts on the 98-foot, 320-ton vessel.

"She was the first ship to use steam to cross the Atlantic," the shipping man continued, "but she never made a penny for anyone."

Two years after the epoch voyage the *Savannah*—which had become a coastwise sailing ship—went to the bottom of Long Island Sound.

Mr. O'CONOR. Mr. President, I desire to add only a word to what has been said so eloquently by the Senator from Washington, and I wish to associate myself with him in that connection. He has served most diligently and ably in connection with this important subject.

Certainly there are few, if any, problems which are so challenging and upon the correct solution of which so much depends.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by myself relative to Maritime Day.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR O'CONOR

The national observance today of Maritime Day will serve a salutary purpose, indeed, if it helps to awaken the people of our country, and their representatives in Congress, to the facts relating to this most vital segment of our country's economy.

If war came tomorrow the United States merchant marine would be a weak reed upon which the country's armed forces would have to depend for transportation of troops and supplies, and for importation of urgently needed strategic materials. Furthermore, the nucleus of trained ship construction workers now available in our shipyards is so infinitesimally small that the time required to reassemble the trained workers now engaged in other fields or to train new men might well spell the difference between victory and defeat, so swiftly will another world war move.

A very few figures depicting the current situation in the United States merchant marine, as compared to shipping of other nations, will offer convincing testimony of the sad state to which American shipping has fallen.

The percentage of our country's foreign trade carried in American-flag vessels has declined sharply and steadily in the last 4 years. And this, mind you, despite the fact that, under the law, at least 50 percent of ECA shipments from this country must be carried in American bottoms.

In 1946, 67.6 percent of this country's products were carried abroad in vessels flying the American flag. That percentage declined to 59.8 percent in 1947, to 54.8 percent in 1948, and to 49.8 percent for last year.

That there is little likelihood under the present lack of any ship construction program that this decline will be made up, or even halted, is clearly shown by a comparison of world merchant vessels under construction or on order at the present time. Of the nine leading maritime nations of the world, the United States is at the very bottom of the list in total tonnage of merchant vessels under construction and on order. It is difficult to believe but, at the moment, the United States has only 187,000 dead weight tons listed in this category, less than one-tenth of the United Kingdom and Norwegian totals, less than one-third of France or Panama or Sweden, less even than tiny Denmark and the Netherlands or our erstwhile defeated enemy, Japan.

While security officials, testifying before our Merchant Marine Subcommittee, pointed out the need for passenger ships possible of quick conversion to troop transports in emergency, the United States now has under construction or on order a grand total of 69,000 tons, less than one-fifth as much as the United Kingdom is planning of construction.

In freighters, the comparison is vastly more unfavorable, with only 11,000 tons listed for the United States against 846,000 for the United Kingdom, 354,000 tons for France and from 10 to 25 times the United States total for other countries vastly smaller than ours.

Only in tankers is the United States total reasonably larger but even here Norway is planning on building 18 times the United States total, the United Kingdom is planning on building 10 times America's total and five times the planned American tonnage is being constructed for Panamanian registry.

Quite as unfavorable a picture is presented in the employment phase, because of the vigorous competition from foreign shipping due to the differential in wages and all-over operating costs.

Many more figures, quite as convincing, could be advanced to evidence to what a dangerously low estate United States shipping has fallen and to point up the vital need for a long-range ship construction and maritime policy that would enable American shipping to regain at least some of the ground lost and to reestablish the Merchant Marine on the basis where we at least would not be entirely helpless as at present, in the event of an emergency.

It is a matter to which we may well give serious consideration on this Maritime Day of 1950. With all the billions being spent for security purposes, our Merchant Marine may well be the Achilles heel unless we do something about it and that promptly.

Mr. MAGNUSON. Mr. President, I have stated that we hope to introduce, with the hope of having them approved and passed by the Senate, some bills, perhaps 13 or 14—relating to maritime matters. I believe that many of them are not controversial. I wonder whether we may enlist the support of the majority leader to the end that before June 30, because at that time arrangements for ship sales and ship charters expire, we may have a maritime day here in the Senate.

Mr. LUCAS. Mr. President, I respectfully suggest to the Senator from Washington that he submit to me a memorandum on that matter, and do so by tomorrow morning, in order that I may take it up with the Democratic policy committee which is meeting tomorrow afternoon, and so that I may subsequently bring it up here on the floor of the Senate.

Mr. MAGNUSON. I shall do so.

TRIBUTE TO THE LATE JAMES FORRESTAL ON THE FIRST ANNIVERSARY OF HIS DEATH

Mr. LUCAS. Mr. President, a year ago today, this Nation lost one of her most devoted sons. Exhausted by his long labors to unify the National Defense Establishment, deeply disturbed by the terrible problems facing his beloved country, James Forrestal went to a tragic and untimely death.

He wore himself out in the service of America. He carried his responsibilities with the gravity and the integrity of a great public servant. He tried to find the answers to the fundamental questions of our national security. Finally, the load became too heavy for him to bear. He grew ill, and his life came to a sorrowful climax.

I believe the work begun by Forrestal has been ably carried forward by his successor. I believe the program for unification of the Armed Forces has been efficiently extended to meet the military needs of this dangerous period of history. Much of the credit must go to Forrestal, our first Secretary of Defense.

Our Armed Forces are in a better state of readiness to repel any attack than they have ever been before in any time of outward peace. The spirit of James Forrestal still lives in the strong determination of our military leaders to be fully prepared for any eventuality. Like Forrestal, these leaders hope for peace, work for peace, and give their energies for the maintenance of a powerful defense—not for aggression, not for launching of war against any nation on earth. But if war should be hurled against us by an aggressor, we will have the armed might necessary to protect our shores and to carry the battle to the enemy's home land.

It was my good fortune to know James Forrestal as a friend. He was a man of the highest vision and the keenest sense of honor. He suffered from the attacks of those who did not understand his real character and his complete devotion to his country. I shall never forget him, and I know that his memory will long survive in the hearts of his fellow Americans.

Mr. DONNELL. Mr. President, will the Senator yield to me for a brief word?

Mr. LUCAS. I yield.

Mr. DONNELL. I desire to thank the Senator from Illinois for his reminder of the tragic event which took from our midst a great man.

I join the Senator from Illinois not only in his message of appreciation and continued high regard for the services of the late James Forrestal, but also in an expression of admiration for him, which I have no doubt is shared by all other Members of the Senate.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business, omitting all that appears on the Executive Calendar under the caption "Treaties," but beginning with the nomination on the Executive Calendar.

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nomination on the calendar.

COMMODITY CREDIT CORPORATION—NOMINATION PREVIOUSLY PASSED OVER

The legislative clerk read the nomination of Harold K. Hill, of Wisconsin, to be a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. The question is on the confirmation of the nomination.

Mr. DONNELL. Mr. President, reserving the right to object, may I ask the Senator from Illinois whether it is his intention, if the nomination is confirmed, to move that the President be notified forthwith of the confirmation?

Mr. LUCAS. Not so long as the Senator from Missouri is present.

Mr. DONNELL. I thank the Senator. I assure him that I shall endeavor to be present from time to time to interpose objection to such procedure, for the reason previously announced.

Mr. LUCAS. I understand.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

The nomination was confirmed.

RECESS

Mr. LUCAS. Mr. President, I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, May 23, 1950, at 12 o'clock noon.

NOMINATION

Executive nomination received by the Senate May 22 (legislative day of March 29), 1950:

HOME LOAN BANK BOARD

J. Alston Adams, of New Jersey, to be a member of the Home Loan Bank Board for a term of 4 years, expiring June 30, 1954. (Reappointment.)

CONFIRMATION

Executive nomination confirmed by the Senate May 22 (legislative day of March 29), 1950:

COMMODITY CREDIT CORPORATION

Harold K. Hill, to be a member of the Board of Directors of the Commodity Credit Corporation.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 22, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

MAY 22, 1950.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou Supreme Ruler of the Universe, we thank Thee for the high and holy privilege that we have of calling ourselves citizens of this beloved country which Thou hast blessed so abundantly. Our hearts expand with joy and pride as we say, "I am an American."

Grant that our national life may be rooted more deeply in the spiritual realities. May our fundamental and guiding principles, our character and spirit, our hopes and aspirations, be truly Christian.

May our democracy be one which believes in the fatherhood of God and which practices the brotherhood of man, and may our creed and our conduct always be in close and cordial agreement,

We pray that we may also sense our responsibility in the realm of universal history. May we be more conscious of having certain distinct contributions to make to the welfare of all mankind. Help us to think and plan and act in terms of humanity. May we seek to bring to fulfillment everywhere the great ideals of righteousness, justice, liberty, and fraternity.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Friday, May 19, 1950, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 16, 1950:

H. R. 5876. An act to amend the Army-Navy Nurses Act of 1947, to provide for additional appointments, and for other purposes.

On May 17, 1950:

H. R. 5472. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

On May 18, 1950:

H. J. Res. 466. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the First United States International Trade Fair, Inc., Chicago, Ill., to be admitted without payment of tariff, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 183. Joint resolution to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

The SPEAKER pro tempore. The gentleman from Montana will take the chair.

Mr. MANSFIELD assumed the chair as Speaker pro tempore.

ELECTION OF SPEAKER PRO TEMPORE

Mr. PRIEST. Mr. Speaker, at the request of the absent Speaker, I offer a resolution.

The Clerk read the resolution (H. Res. 608), as follows:

That Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. JOHN W. MCCORMACK as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PRIEST delivered the oath of office as Speaker pro tempore to Mr. MCCORMACK.

SPECIAL ORDER GRANTED

Mr. HOBBS asked and was given permission to address the House on tomorrow for 30 minutes, following the legislative program and any special orders heretofore granted.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FLOOD addressed the House. His remarks appear in the Appendix.]

MILK CHECKS ORDER FOUGHT BY MURRAY

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, the following article appeared in the Sunday, May 21, Washington Post:

MILK CHECKS ORDER FOUGHT BY MURRAY

Representative REID F. MURRAY, Republican, Wisconsin, is battling a ruling by the Post Office Department that postage must be paid on weekly milk checks sent to farmers from their local creamery, even when delivered by the cream hauler who picks up the milk cans. This is a fight that has been going on for years.

The postal authorities have ruled that checks which show upon their face or by stubs such information as the weight of the milk, butterfat content, etc., are considered letters within the meaning of the private express statutes.

Under title 39, United States Code, section 500, the Post Office Department adds, permission is given for such delivery of the checks providing the mailer makes payment of the same postage as would have been paid had the letters been sent through the mails.

"Inasmuch as the postal monopoly does not extend to articles other than letters," Postmaster General J. M. Donaldson recently wrote MURRAY, "there is no requirement that postage be paid on butter transported outside the mails."

The ruling has raised the question in Congress as to how it affects the delivery of bills by public utilities, etc. Many utility companies deliver monthly statements by meter readers instead of by mail.

The time has come when patience ceases to be a virtue so far as this situation is concerned. The ruling is not based on ordinary fairness.

The rural people are being subjected to a senseless regulation and other groups are not asked to follow the same rule. This unfair ruling has been in operation too long and it is high time it is rescinded.

The rural people are denied social security, denied industry pensions, but they are asked to help pay other people's social security. This milk-check situation is just one of many other instances where the rural people get the short end of the New Deal-Fair Deal legislation.

HOUR OF MEETING TOMORROW

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes today following the legislative business and any other special orders heretofore entered.

The SPEAKER pro tempore. The Chair will put the gentlewoman's request, but desires to state that the House will probably adjourn early today due to the I Am an American Day exercises taking place on the front steps of the Capitol.

Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

I AM AN AMERICAN DAY

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I see we are going to celebrate in front of the Capitol this afternoon I Am an American Day.

I think it is pretty bad to take but 1 day out of 365 to say "I am an American." I want to be an American 365 days in the year. In order to do that we have got to look after America and the things that are for the best interest of America and the American people. I want to call your attention to a lot of things that will happen now in the ECA and in the State Department in the matter of the reduction of tariffs permitting all kinds of merchandise to come into this country and creating unemployment amongst our people, closing down many manufacturing establishments.

This morning I received the following letter:

KEYSTONE TANNING & GLUE CO., INC.,
Ridgway, Pa., May 17, 1950.

The Honorable ROBERT F. RICH,
Woolrich, Pa.

DEAR BOB: May I call your attention to the perilous condition existing today in the leather industry in the United States. Within the past 2 years a large number of tanneries, many of which had operated for close to a century, have found it necessary to liquidate their plants and cease operations permanently. Those still remaining have been forced to curtail production to as high as 50 percent capacity, depriving thousands of workers employment.

This condition is due in a large measure to the fact that the United States tariff rates are already the lowest in the world. Any further cuts would prove most disastrous.

It is my plea that you use your influence to increase the tariff to a point where we can be assured of protection in our jobs.

Sincerely yours,

FRANK F. MARSHALL,
Chief Chemist.

If you want to preserve America for Americans, you have got to do the things that will help keep this country and its industry intact; you have got to keep the tariff out of the State Department. Get back to fundamentals of government as our forefathers saw it in making America great. Protect our watchmakers, our textiles, our leather, our industries who pay high wages, from those of low foreign wages. We want our labor to have jobs, not doles. Secretary Acheson promised foreigners we would arm them, support them in most everything ECA is doing. He is not for America in such promises.

I am for America today, tomorrow, and forever. Why not you and everybody who seek our freedom and liberty and protection?

MARY ANN McCARTHY

Mr. O'SULLIVAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. O'SULLIVAN. Mr. Speaker, there used to be an old drinking jingle, I first heard way down in Kansas, that the "lushers" loved to sing while sipping their soda pop, which ran something like this:

Sure 'twas Mary Ann McCarthy,
Who went out to dig some clams.
She dug up all of San Francisco Bay—
She shoveled it out and then back in again—
But she didn't get a "gol darn" clam.

Today other blundering Mary Anns are digging with might and main to shovel up a Red, but are not having any better luck than witless Mary Ann had on her alleged clam jaunt. I suppose there are proper ways of "clamming," as there surely must be in "Redding," but some people just do not seem to know about it yet. They go after the job with bull strength and diplomatic awkwardness and if they stood upon their record as Americans they would be atop a sky-high cipher.

THE BIRMINGHAM HOSPITAL, VAN NUYS, CALIF.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, all of California, as well as the rest of the country, wants the Birmingham General Hospital at Van Nuys, Calif., kept open for the disabled veterans, particularly for the TB veterans, the paraplegics, and the amputees. As the House knows the President has ordered the transfer of those veterans to the naval hospital at Long Beach, Calif.

General Gray has announced, and he so told me just a little while ago, that they are going to build a hospital on the site of the Van Nuys hospital which I suppose will take 3 to 5 years, maybe longer to erect. Then again, it may be decided not to build the hospital at all.

What is going to become of the paraplegics out there at Van Nuys who have built their houses near Van Nuys? What will they do for treatment in the meantime? Some have to go for treatment every day. I understand the naval hospital is at least 51 miles away through congested roads.

Mr. Speaker, what are the servicemen going to do when many Army and Navy hospitals are closed all over the country? I spoke to servicemen from the Army and Navy on Saturday and Sunday and they have no idea how our service people are going to be hospitalized. You cannot make hospital beds out of air. These beds are badly needed for our veterans and armed-service personnel at the present time. This move to close Birmingham General Hospital is unfair to everyone. It should be kept open until the new hospital at Van Nuys is opened.

POINT OF ORDER

Mr. HOFFMAN of Michigan. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, when the gentleman from Nebraska [Mr. O'SULLIVAN] was speaking for 1 minute, he made reference to a Member of the other body. I was on my feet to object and I do object to his extending his remarks in the RECORD.

Mr. PRIEST. Mr. Speaker, I make the point of order that the objection of the gentleman from Michigan comes too late.

Mr. HOFFMAN of Michigan. Mr. Speaker, I was on my feet addressing the Chair and trying to make the point of order when the gentleman concluded, but I was not recognized by the Speaker.

The SPEAKER pro tempore. The gentleman certainly did not convey to the Chair the fact that he had any intention of making a point of order. I think the observations of the gentleman from Michigan so far as the RECORD is concerned will be taken into consideration by the gentleman from Nebraska when he revises his remarks.

THE ENGELMANN SPRUCE BEETLE

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, I rise to urge my colleagues to provide the necessary funds requested in the deficiency appropriation for the Department of Agriculture to carry on its campaign to wipe out the beetle and other pests which are threatening to destroy our national forests.

I have repeatedly discussed the necessity of this deficiency appropriation to save our forest lands, but so far my appeals have fallen on deaf ears.

The situation is growing more critical day by day. Unless action is taken to stop the spread of these insects soon, it will be too late to save our forests. Like the story of the grasshoppers eating the handles off the pitchforks, the Englemann spruce beetle is literally eating up our national forests. Thousands of trees are being killed. Some of the beautiful trees you have seen in our national parks in the West are dying as a result of the attack of these beetles. And that is not all. Killing these forests means devastating soil erosion, less water conservation, and a serious blow in many ways to our national economy.

I cannot but cite the inconsistency of the Congress which will throw money away in Europe and yet refuse to supply funds for the necessary protection of our national forests and crops. But that is just what you are doing by cutting out this fund.

We must speed help to the battle against these forest marauders. Action is needed at once.

The following editorial from the Rocky Mountain News, of Denver, Colo., of May 17, ably points out the urgency of the present crisis:

THE SPRUCE BEETLES MUST BE STOPPED

It will cost $4 per tree to spray the 750,000 trees that are threatened by the creeping death of the Engelmann spruce beetle.

That's a tremendous amount of money. And yet unless this money is spent Colorado and Wyoming face the possibility of losing completely the magnificent spruce forests that have given not only beauty but stability to the soil and strength to our economy.

A measure is in a subcommittee of Congress to do this job right now. In our opinion our Colorado and Wyoming delegations must do everything possible—even to the extent of screaming from the Washington house tops—to get this measure reported out successfully.

Otherwise, the tragedy that will engulf this State is beyond any imagining.

UNITED NATIONS PARTICIPATION ACT, FOURTH ANNUAL REPORT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 598)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs, and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith to the Congress, pursuant to the United Nations Participation Act, my fourth annual report on the activities of the United Nations and the participation of the United States. This report for the year 1949 tells an impressive story of accomplishment, much of which we are prone to overlook in the clamor of daily difficulties. I commend it to the careful reading of all our citizens.

The Charter of the United Nations is a contract among the members to settle their disputes peacefully and to promote the economic and social advancement of all peoples for the building and maintenance of a durable world order.

We support the United Nations and keep this contract because the Charter expresses our fundamental aims in the modern world. We know that the fulfillment of the Charter will best advance our own vital interests—to attain peace

with justice, to assure freedom, and to bring about economic and social progress, for ourselves and all peoples. It is for this reason that support of the United Nations is and must be point 1 of our foreign policy.

Most of the nations of the world share these objectives and are working through the United Nations to achieve them. They therefore tend increasingly toward common judgments on the great issues confronting mankind. The decisions of the United Nations in 1949 show to a greater extent than in previous years that the convictions of the world's peoples on matters of fundamental concern have become clear and firm with the lessons of postwar experience.

Relations among nations have never been, and probably never will be, free from difficulties. The intensity of the East-West conflict has obscured the fact that certain critical disputes have arisen from purely local conflicts and that many such problems would continue to confront nations even if relations between the Soviet Union and the rest of the world were far different from what they are today. In a time of swift and profound change like the present, questions of adjustment of views and interests among nations are more numerous and urgent than at any previous period in history. There are few international problems that fail to confront us with the need of making decisions on the policy we should follow or the national attitude we should express in the United Nations and in our direct relations with other states. These problems make daily demands of us for sober judgment and strength of spirit and purpose. They make the same of every nation seeking to carry out the Charter.

The United Nations is an organization to help members resolve international difficulties. It is also a mirror in which the state of world affairs is reflected. We cannot expect from the United Nations immediate solutions of problems as large and complex as many that are before it. But already we have seen how, by its debates and decisions, it is helping to guide the nations into the ways of peace. To the extent that solutions of problems are delayed or are obtained piecemeal, we must be realistically prepared to live with them. Persistent effort through the United Nations is an expression of our faith that these problems can be solved.

This faith is not misplaced. Experience is demonstrating that the United Nations processes of debate, consultation, conciliation, and agreement are capable of bringing about the peaceful settlement of disputes wherever both sides fundamentally respect reason and pledged undertakings above force. The report for 1949 shows how greatly the United Nations has contributed to the settlement of the Indonesian dispute, how it has brought an end to the fighting in Palestine and in Kashmir, and how it continues to work energetically toward further progress in the solution of these disputes. Many lives have been saved through the success of the United Nations in moving such conflicts indoors—from battlegrounds to conference tables.

The power of the United Nations today is that of moral force. Such force gathers its strength slowly, but it does so surely. No nation can ignore the question of how its actions will appear in the world forums of the United Nations. No nation, member or nonmember, attending or nonattending, can avoid accountability before the United Nations for actions affecting the peace. The aroused opinion of mankind, when brought to sharp and immediate focus as it often is in the United Nations, is not lightly to be dismissed, even by a nation that has strong battalions.

Much of the useful work of the United Nations is and should be long-range in character. In some of its fields, the tasks are those of development over many years, as in the steady and seemingly prosaic steps toward the building up of international economic and social health through cooperative relations among all nations desiring to help each other. It is in such far-flung and manifold activities no less than in its efforts to handle critical tensions that the United Nations is creating fundamental conditions necessary for the growth of peace. The report I submit this year gives to this work the fuller attention it merits. It shows that in economic and social fields the United Nations is becoming increasingly effective in improving the daily life of millions of people. In 1949 the Economic and Social Council proposed, and the General Assembly unanimously adopted, a program of technical assistance to underdeveloped areas which is directed toward the goal I outlined as point 4 in my inaugural address. This program of the United Nations offers solid promise for world advancement.

By related programs, the United Nations is promoting economic development in regional areas and in various fields of endeavor. Through a program of public works started in the Near East, jobless and homeless refugees can find new homes and the foundation of self-reliance through beneficial employment rather than relief alone. Special training fellowships are being given by the United Nations and the specialized agencies to hundreds of students for study. Upon request, experts are being sent to demonstrate in underdeveloped areas the advanced knowledge and techniques which the local peoples can put to practical use. Expert missions in the fields of public administration and finance, agriculture, medicine and health, social problems, and labor matters have been sent to many countries on request of governments to tackle urgent problems that stand in the way of improved standards of living. All this work will be further intensified as the expanded program of technical assistance is put in operation.

In other fields also, progress is being pressed. The new Field Service and Panel of Field Observers provide specialized help for commissions of peaceful settlement. It has been agreed that two of the former Italian colonies, Libya and Italian Somaliland, are to become independent states. The advancement of trust areas and other non-self-governing territories is steadily being fostered through the cooperation of the administering states and the United Nations. On legal questions it is gratifying to observe the gradual increase in the use of the International Court of Justice. Respect for and dependence upon the processes of law are essential in the building of the better world order.

These constructive activities have been overshadowed by the unsolved problems arising from the policies and acts of the Soviet Union which lead to tension and impairment of security in international relations. The United Nations rendered a great service during 1949 by asserting, in the notable resolution of the General Assembly on Essentials of Peace, the standards of conduct necessary to restore international confidence. Each of the 53 members other than the Communist states represented in the United Nations gave its support to this fundamental call for action to build peace. By this and other steps, the United Nations made it clear that the great issues of security in the postwar period are between the Soviet Union and the rest of the world at large and that these issues arise from failures by the Soviet Union to conform its conduct to the purposes and principles of the Charter.

The international control of atomic energy stands foremost among the urgent matters calling for agreement. Effective international regulation of armaments and armed forces is a related problem of urgency.

Our experiences during 1949 in the United Nations provided further demonstration that, as the Secretary of State has recently stated, agreements with the Soviet Union and its satellites are valid only as and when they record existing situations of fact. It is not enough to hope for agreement or to make proposals; it is essential to create the conditions under which it will be to the interest of the Soviet Union to enter into and to keep agreements. All international activities which create moral, economic, and military strength among the nations of the free world will broaden the area of possible agreement and hasten its coming.

We are endeavoring in the United Nations as in our other international actions to make clear to the Soviet Union that we seek to carry out the Charter in deed as in word, and that we ask no more or less from any other member. It will be our plan in the future, as it has been our practice in the past, to do all in our power to strengthen the United Nations as the primary instrument for the maintenance of peace. By our efforts to strengthen it and by our related assistance to other nations under legislation enacted by the Congress, we shall seek to make our utmost contribution to attaining the situation of fact in which agreement can become realistically possible.

The United Nations seeks agreement and the execution in good faith of agreed undertakings. This is the true basis of a world community founded on law and justice. We, for our part, will continue to negotiate and to examine every proposal in our unending effort to achieve

security through effective and dependable agreement.

It is a source of encouragement that the United Nations in conducting its work is distinguishing between realities and illusions and is vigilantly insisting, problem by problem, upon solid gains through actual performance. It is striving for real peace, genuine freedom, and actual progress. This fact stands out in its record.

The walk-outs of the Soviet Union over Chinese Nationalist representation in the United Nations occurred since the events of 1949 described in this report. In the presence of this willful flouting by the Soviet Government of obligations assumed by it under the Charter, the United Nations has taken the common sense attitude of proceeding with its business as usual.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 22, 1950.*

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks in four instances, and in one to include an editorial, in another a radio address, in another a letter from the rubber workers, and in another a resolution.

Mr. FLOOD asked and was given permission to extend his remarks in two instances, and include in one an editorial and in the other an article.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include a newspaper article.

Mr. ELLIOTT asked and was given permission to extend his remarks and include an article.

Mr. FOGARTY asked and was given permission to extend his remarks.

Mr. GOODWIN asked and was given permission to extend his remarks and include a newspaper article.

Mr. RICH asked and was given permission to extend his remarks and include an article.

Mr. HART asked and was given permission to extend his remarks and include an address by Mr. John Forney Rudy.

Mr. PRICE asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. HOLIFIELD (at the request of Mr. PRICE) was given permission to extend his remarks.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks on the subject of rent control.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in four instances and in each to include extraneous matter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include a letter from the Rubber Workers Union of Watertown, Mass., protesting against the imports of rubber and canvas shoes from other countries, and a copy of a letter sent to the President of the United States.

Mr. JOHNSON asked and was given permission to extend his remarks.

Mr. YATES asked and was given permission to extend his remarks and include an editorial appearing in the Chicago Sun-Times of Tuesday, May 16.

Mr. MULTER asked and was given permission to extend his remarks in four instances and include extraneous matter.

Mr. MERROW asked and was given permission to extend his remarks and include an editorial.

Mr. MACY asked and was given permission to extend his remarks and include an address he delivered before the YMCA southeastern conference.

Mr. O'KONSKI asked and was given permission to extend his remarks and include three tables.

Mr. FARRINGTON asked and was given permission to extend his remarks and include an editorial.

Mr. McCULLOCH asked and was given permission to extend his remarks and include two editorials, one from the Columbus (Ohio) Citizen and one from the Cleveland (Ohio) Plain Dealer.

Mrs. ST. GEORGE (at the request of Mr. SADLAK) was given permission to extend her remarks in three instances and include newspaper articles.

Mr. RIEHLMAN asked and was given permission to extend his remarks and include two essays entitled "Democracy Versus Socialism" written by two high-school students.

Mr. McCORMACK (at the request of Mr. PRIEST) was given permission to extend his remarks and include an article by Claude G. Bowers, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $246.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an editorial.

DEFICIENCY APPROPRIATION BILL, 1950

Mr. KERR. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to 1½ hours, to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8567, with Mr. PRICE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, we live under the most perfect form of government ever devised by the mind of man.

But it has one dangerous defect.

Expenditures from the Federal Treasury are voted by Members of Congress who are directly dependent upon the beneficiaries of those expenditures for reelection. The result is that the votes of Members for or against expenditures of public funds may not always be determined by the merits of the expenditure but may be subject to considerations of political expediency. Congressional candidates have frequently based their campaigns for reelection on the amount of Federal funds they have been able to bring home to their districts, their States, and their special interests.

In the early days of the Republic, when the sole interest of the Nation was to foster and encourage the growth and progress of the young Government, when every citizen desired to contribute, in every way possible, to its strength and perpetuity, this defect was not so apparent or so serious. But today when there seems to be a universal desire on the part of everybody to get all they can from the Government, it has become a menace second only to the danger of invasion from abroad.

As a matter of fact it contributes directly to the danger of foreign intervention in that the huge deficits which it is creating are weakening our potential defense by depreciating our currency, inflating the cost of living, mushrooming the expense of armament, increasing our already incredible national debt, undermining the confidence of the people in United States Government bonds with which this debt must be refunded, and necessitating burdensome taxes which promote unemployment and retard national industry.

So serious has become the problem of deficit spending and mounting national debt that every possible safeguard must be thrown around the appropriation of funds from the National Treasury by House and Senate.

The one-package bill, the consolidation of all annual appropriations in one bill, submitted simultaneously with the latest authoritative report on the national revenues for the year, is contributing directly and effectively to this urgent need in our fiscal system.

Although the omnibus bill was considered under the most adverse circumstances, it has demonstrated that even under untoward conditions it:

First. Permits an earlier report of appropriations to the House. All annual appropriations were reported to the House this year on March 21, the earliest date in the history of the committee. The foreign-aid appropriations were not included because of lack of legislative authority, but would have been included at that date had there been authorization.

Second. It contributes to a more thorough consideration and processing of estimates and appropriations.

Under the old system, each member of the committee served on from two to four bills and the committee staffs were similarly handicapped, with the result that time and attention were divided proportionately. Under the new system each member of the committee and each member of the staff give their undivided attention to one bill, with the result that each bill is studied in greater detail and more thoroughly processed than ever before.

The effect of this intensive study is reflected in the few changes made when the bill was passed by the committee and the House.

Third. Consolidation protects the bill against amendments increasing appro-

priations or adding new appropriations. This year for the first time we were able to defeat amendments adding to amounts carried by the bill which in every former session we have been compelled to accept therein increasing the bill by millions of dollars. For example, this is the first year we have been able to fight off amendments increasing appropriations for civil functions, the pork barrel section of the bill. This year the bill as messaged to the Senate carried practically no important increases except the committee amendments for national defense.

Fourth. The consideration of all appropriations in one bill tends to keep Members on the floor. Under the old system, large bills were frequently passed with a scant two dozen Members present, and proponents of increases in appropriations, by carefully timing their attendance, could put through amendments which would not have been agreed to with more Members present. In fact, one of the few objections voiced against the omnibus bill is that it irks Members by keeping them on the floor. I think there will be general agreement that the taxpayers would rather irk the Members a little during the consideration of the one bill than to pay the additional taxes due to the absence of Members in the pursuit of their official duties elsewhere.

Fifth. The plan unquestionably retrenches expenditures. The bill as it passed the House was far below the budget estimates and was millions of dollars below what it would have been had the departmental appropriations been reported to the House in a dozen separate bills.

As a matter of fact, the last two amendments, intended to decrease expenditures carried by the bill would not have been possible except for the omnibus plan of consideration. And the vote in favor of them would not have been so overwhelming had not this plan of operation been in use at the time.

Sixth. It prevents logrolling. We had been told this was one of the defects of the new plan; that there would be more logrolling between interests wishing to trade votes in order to add amendments increasing appropriations. But in the practical operation of the plan every attempt of special interests to increase the bill was defeated, and when the last roll call came on reducing the amounts appropriated in the bill, the groups which had been unable to secure increases which they urged for themselves said in effect, "If we cannot get an increase, no one shall have an increase," and instead of logrolling to increase the bill, they cooperated to reduce the bill.

Our experience with the omnibus bill this session demonstrates that it effectively disposes of the old system of logrolling so prevalent in the consideration of individual departmental bills.

Seventh. The one bill visualizes at a glance the outline of national income and expenditures, and centers the attention of the country on the national fiscal program. It was the pitiless limelight of national attention concentrated on these final votes that offset the pleas and importunities of the pressure groups and special interests. The omnibus appropriation bill has made the entire country definitely deficit-conscious. With all appropriations in one bill, accompanied by the figures on Federal income, there is no escape from the responsibility for deficit spending.

Eighth. The reception of the bill in the Senate also justifies the consolidation of appropriations in one bill. Over on the other side, although hearings had been completed, the Committee on Appropriations, by unanimous vote, suspended all work on appropriations pending further study of the provisions of the bill as it passed the House, and hearings have been reopened with a view to securing the latest information available on revenue and deficit estimates in connection with the expenditures proposed by the omnibus bill.

Heretofore it has been difficult, if not impossible, to make such comparisons, as no one knew until the last bill passed both the House and the Senate the aggregate amounts involved.

Up to this time, Mr. Chairman, no constructive criticism has been lodged against the adoption of the omnibus appropriation bill. It has vindicated every promise; it has justified every expectation. And no cogent reason has been advanced for a return to the old system.

It is the realization of hopes and plans on which congressional parliamentarians and economists have worked since the original adoption of the budget system in 1921. It is the practical adaptation of the idea of the legislative budget proposed in the Reorganization Act of 1946 on which House and Senate labored futilely for 2 years.

It is to be hoped it will prove as workable in the Senate as in the House.

Mr. TABER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Appropriations Committee is back again with a bill. I shall not attempt at this time to go into the details of the bill because I shall leave that for the majority to cover. The bill, as to a great many items, is below the budget; it carries in its major items $806,000 for the Department of Justice; $8,083,000 for the Department of Commerce; $902,000 for the Judiciary; $219,000 for the Treasury; $99,633,000 for the Post Office Department; for the Labor Department $7,200,000, the larger part of which is for grants to States for unemployment compensation and Employment Service administration; the Federal Security Agency, $40,000,000 for grants to States for old-age pensions and that sort of thing; for fighting fire in the Forest Service, $6,667,000; for the Interior Department, $3,080,000; for the Veterans' Administration, $246,000,000; for the National Advisory Commission for Aeronautics, $75,000,000; for the operations of the Corps of Engineers on two deficiency estimates, $3,250,000; for emergency flood control and flood control in general, relating not to specific projects but to those funds which the Corps of Engineers has available for such things as repairing dikes and other protective devices along the river.

For aid to the Republic of Korea $50,000,000, which is $10,000,000 below the budget estimate and $7,000,000 or more below what the agency itself requested.

Increased pay and travel allowances due to the pay increase bill $71,796,000 and a like item for the District of Columbia of $6,600,000.

For claims about $8,627,000.

The only item above the budget estimate of any moment is an item set up for the National Advisory Committee for Aeronautics, and this has to do with the wind tunnel. That item is above the budget because it would cost $27,000,000 or approximately that less to build it all at one time. They say if we are going to have it we ought to have it right away in view of the military situation.

There are some items in here that a good many people feel are quite liberal and should be cut down. I presume those things will be brought out. The only ones I heard the testimony on so that I would be in position to answer questions would be the ECA item and the item affecting the Corps of Engineers.

The appropriations we have made so far indicate that the deficit will be so large that it constitutes a menace to the entire governmental economy. We cannot make all of the appropriations for the things we really would like to give to the people, and yet continue to protect our Army and Navy requirements.

The Congress is facing a real difficult situation. One of the great troubles, and it is far more serious than the gentleman from Missouri described, is that the people who have the spending of this money constitute a group of bureaucrats without any sense of responsibility and until the Congress can instill into those bureaucrats a sense of responsibility and of the absolute necessity for cutting down on the expenditures of the Government, it is going to be impossible for us to balance the budget and to provide at the same time enough revenue to keep the United States of America right side up.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I would like to ask the gentleman if he remembers the memorandum sent to the Committee on Appropriations regarding the fact there are 150 veterans entitled to automobiles but there are no funds for those veterans. The Veterans' Administration so informed the Committee on Appropriations. May I ask either the gentleman from New York or the gentleman from Missouri about that?

Mr. TABER. I would not know about that. If it was presented it was presented to the Independent Offices Subcommittee, and I would think the gentleman from Texas [Mr. THOMAS], might be able to answer it.

Mr. THOMAS. I will be glad to. I will say; to the gentlewoman that that is news to the committee. General Gray appeared before the committee, and on that item he said he had no requests for funds and no budget estimate, and that he had a few funds left on hand. That was some 60 or 90 days ago.

Mrs. ROGERS of Massachusetts. This was a recent thing.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, it seems appalling that these 150 men have not been able to get their automobiles until the money is appropriated. These men need automobiles to get them out to their business, and anyone who has lost a leg knows what it means so far as getting about is concerned; they know what it means in getting about in buses. I realize that the Veterans' Administration was lax in bringing this matter to the attention of the Committee on Appropriations. I contrast this with the fact that out of the money we give to England, under the socialized-medicine system they have there, a man who is bald is entitled to two wigs, and those wigs are kept clean for him, the idea being that it gives the man an inferiority complex to be bald. I saw an advertisement also in a Cologne hair-dressing magazine where England advertised for trained hair dressers. I have seen many fine men, some of the ablest men bald, and I find that they have no inferiority complex. I contrast that with the fact that the Government is not providing these cars for the men in order that they may have the necessary transportation in order to get to and from their work.

I have introduced House Joint Resolution 473 to authorize the Administrator of the Veterans' Administration to continue to provide automobiles and other conveyances to certain disabled veterans. One hundred and fifty veterans would come under the present law which expires on June 20 of this year but for which there is now no appropriation. The veterans that would come under this bill would be the men that would become eligible, discharged from hospitals in 1951. These men, I will say to the Committee, are men who have been hospitalized because of amputations, and those whose injuries were not healing properly, when they were trying to save their legs, and finally an operation had to be performed. Those are the men who have been in the hospitals ever since they were wounded. Five of them were discharged recently from Walter Reed Hospital, and that was true in their case. Because of an error in the legislation passed giving them retirement enlisted pay a bill may have to be passed out of the Armed Services in order to give them their separation pay, and also in order to give them the benefit of receiving these automobiles.

I should like to ask the chairman of the Committee on Appropriations, Mr. CANNON, if he believes that House Joint Resolution 473, introduced by me, which would authorize the extension of the act and the appropriation for another year, can be passed? Is there anyone on the floor that can answer that question? I am very sure the budget would not object to this. I do not see how any human being could object to extending the law for the men who have been most seriously injured. Can the gentleman from North Carolina, Judge KERR, answer that question, in the absence of the gentleman from Missouri [Mr. CANNON]?

Mr. KERR. That matter did not come before our Deficiency Committee.

Mrs. ROGERS of Massachusetts. But the gentleman feels there is no doubt but that it would pass? There are only 360 men involved. The amount of money required to take in all of them is very small.

Mr. KERR. It would be hardly fair for anyone to guess at it until we got a budget estimate.

Mrs. ROGERS of Massachusetts. It has been passed every year. I feel sure it will be passed this year.

The Veterans' Administration has just sent me the following estimate:

> The $800,000 specified in the above draft is based roughly on an estimated 150 cases for the balance of the present fiscal year and about 350 cases for fiscal year 1951 at $1,600 per case.

Mr. Chairman, House Joint Resolution 473 is as follows:

> *Resolved, etc.*, That the funds provided for automobiles and other conveyances for disabled veterans under the heading "Veterans' Administration" in the First Supplemental Appropriation Act, 1947 (Public Law 663, 79th Cong.), as extended by the Emergency Appropriation Act, 1948 (Public Law 161, 80th Cong.), the Second Deficiency Appropriation Act, 1948 (Public Law 785, 80th Cong.), and the Third Deficiency Appropriation Act, 1949 (Public Law 343, 81st Cong.), are hereby continued available until June 30, 1951. There is hereby appropriated for such purposes, in addition to such funds, the sum of $800,000 to remain available until June 30, 1951.

Mr. KERR. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the bill before you for consideration is the deficiency appropriation bill for the fiscal year 1950. The estimates for all items considered in connection with the bill total something over $605,000,000, against which the committee is recommending approximately $625,700,000.

This bill, similar to previous deficiency appropriation bills reported during this Congress, is the result of the work of all of the subcommittee rather than just the deficiency subcommittee. The chairmen of the respective subcommittees will, I am sure, be able to explain in detail the items over which their subcommittees have jurisdiction. I just want to point out a few of the high spots. Many of the items contained in the bill are of such a nature as to leave the committee no choice but to approve them either in the full amount of the budget request or substantially in the full amount requested. Among these is nearly $100,000,000 for the Post Office Department; $40,000,000 for grants to States under the Bureau of Public Assistance; $244,000,000 for veterans' pensions and miscellaneous benefits; almost $72,000,000 for increased pay and travel costs resulting from the enactment of legislation during the first session of this Congress; and over $8,000,000 for claims and judgments.

In addition to these large amounts the independent offices chapter includes $75,000,000 for the construction of wind tunnels by the National Advisory Committee for Aeronautics. In acting upon this request the subcommittee denied the contract authority but increased the cash appropriation from $5,000,000 requested to $75,000,000. This money is to complete the program over a 4-year period, at an estimated saving to the Government of $27,000,000. Adjustment of the program will save an additional $34,000,000, or a total saving of approximately $61,000,000.

Other items in the bill are more or less routine deficiencies. All items have been thoroughly reviewed by the committee, which recommends their adoption in the amounts contained in the bill.

The House adopted last Friday House Joint Resolution 476 to provide for the more urgent items of expense pending the enactment of this bill into law. Such items as veterans' pensions, old-age assistance, witness fees, and salary payments will continue to be paid in accordance with law.

The deficiency committee itself had under consideration only two items in this bill. One was an emergency item to repair levees in the Ohio and Mississippi Rivers, for $2,500,000.

The other was to make repairs in Lake Okeechobee, Fla., amounting to $750,000.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, some of the items to which I shall refer will be discussed in detail when the bill is read for amendment. Several inquiries were directed to me within the last few minutes, about two items on page 5, lines 1 to 6. The item of $500 and another item of a thousands dollars for stationery funds are solely for three newly elected Members of the House.

One of the items of rather large size relates to one of the Federal aid programs, namely social security grants for public assistance. When these figures were first given to us they had been worked up many months prior to the time of the passage of the appropriation bill of 1950. With the coming of the last quarter of 1950 the States are in a position to tell the Federal Government how much exactly they are going to spend upon this program. With that knowledge the department was able to tell us how much more was necessary in this deficiency bill to meet the Federal obligation.

This is a program providing for old-age assistance and relief to dependent children. It is a program that is constantly mounting. For this year, 1951, it will approach $2,000,000,000, and if the bill now pending in the other body is passed, it will be double that amount. The time has come when the American people should look at these Federal grant-in-aid programs quite carefully.

I was amazed when I was home last fall to find that in two counties, more than half of the expenditures of the county related to this Federal aid program. There was one situation where one of the families on relief was drawing more than many of the county employees. For instance, one family received more for relief than the pay of the superintendent of roads and bridges, a man who put in six days a week. Yet, no work was being done by any member

of the family receiving these funds from the county. So it is, Mr. Chairman, with the ever increasing Federal spending calling for Uncle Sam to take nearly 75 percent of all the taxes collected, it is high time to study some of these programs calling for Federal funds.

Much of this heavy spending comes from what we have termed Federal aid. Well, Federal aid is a myth, because the Federal funds come from only one source—the taxpayers of the 48 States, and Federal aid is really nothing more than the distribution of money or wealth, taking the dollars from the tax payers' 48 States and returning these dollars in various amounts under various formulas to the 48 States.

Federal aid might be called a gigantic "put and take" game because some States put in as much as fifteen or twenty dollars for each one they get back in some program and other States get twelve to fifteen dollars back to every one dollar that they put in by way of tax payments.

The history of these programs shows that these Federal-aid programs are for the most part the brain children of some Federal bureaucrat who decided, whether they want to or not, that the State and community should do certain things. The lure or the bait or the inducement to get them to do these things is the so-called Federal aid. To get Federal aid the States and communities are compelled to do certain things the way Uncle Sam says they should do them, all of which, of course, calls for more Federal control and a gradual decline in State sovereignty and independence and responsibility, all of which go along with States rights and the fundamental basis of this Republic.

In theory it was assumed that once these programs had proven their value to the States and communities, the value would be so apparent that the communities would carry them on wholly with their own funds and Uncle Sam would get out of the picture. But as far as I can find that has never yet happened. In fact, the opposite has been the case. Most, if not all, States are in better financial condition than the debt-burdened Federal Government. Many States which we used to call poor States are now gaining income and financial ability so that they can do many of these things for themselves.

During the debate on the 1951 appropriations I presented a table showing the collection and distribution of hospital construction funds. Last week a table was presented showing the collection and distribution of Federal highway funds. Other tables could be prepared showing the taxes and the distribution of Federal funds of billions of dollars annually.

Some of the programs could now be stopped; others could be modified.

So vast, so important, so costly are these Federal programs that they should be fully studied, especially in view of the fact that hundreds of bills are pending calling for more and greater spending in so-called Federal-aid programs.

For that reason, today, as I earlier intimated I would do, I have introduced a concurrent resolution asking for a joint Senate-House committee to study all of the grant-in-aid programs, to determine their effect on the national economy and upon States and their taxing and spending programs.

A copy of that resolution follows:

Resolved by the House of Representatives (the Senate concurring), That there is hereby created a joint congressional committee to be known as the Joint Committee on Federal Grants-in-Aid (hereafter referred to as the "joint committee") to investigate—

(1) The operation and effect of Federal grants-in-aid programs on the national economy, especially on Federal and State financial and tax structures;

(2) The administration of such programs by any executive department, establishment, or agency charged with their administration, and the extent to which such department, establishment, or agency exercises control in the field or fields of activity of the respective programs:

(3) Measures and methods of modification of grant-in-aid programs with a view to reducing Federal participation, supervision, and control, and making possible the exercise of greater responsibility by the States and local communities; and

(4) Conduct such other investigations with respect to such programs as the joint committee may deem necessary.

SEC. 2. (a) The joint committee shall be composed of 12 members, as follows:

(1) Six members from the United States Senate, three from the Committee on Appropriations and three from the Committee on Finance, to be divided equally between the majority and the minority parties, and to be chosen by the respective committee from their membership, subject to the approval of the President of the Senate; and

(2) Six members from the House of Representatives, three from the Committee on Appropriations and three from the Committee on Ways and Means, to be divided equally between the majority and the minority parties, and to be chosen by the respective committees from their membership, subject to the approval of the Speaker of the House.

(b) Vacancies on the joint committee shall be filled in the same manner as herein provided for the selection of members, it being required that the committee and party representation on the joint committee be maintained.

(c) The members shall serve without compensation in addition to that received for their services as Members of Congress.

SEC. 3. The joint committee shall elect a chairman and a vice chairman from among its members.

SEC. 4. The joint committee shall have power to appoint and fix the compensation of a clerk and such experts and clerical, stenographic, and other assistants as it deems necessary.

SEC. 5. The expenses of the joint committee shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers signed by the chairman or the vice chairman.

SEC. 6. (a) The joint committee or the chief of staff of such committee, upon the approval of the chairman or vice chairman, is authorized to secure directly from any executive department, board, bureau, agency, independent establishment, or instrumentality of the Government information, suggestions, data, estimates, and statistics for the purpose of making investigations, reports, and studies relating to Federal grants-in-aid.

(b) The joint committee, or any subcommittee thereof, is authorized—

(1) To hold hearings and to sit and act at such places and times;

(2) To require by subpena (to be issued under the signature of the chairman or vice chairman) or otherwise the attendance of such witnesses and the production of such books, papers, and documents;

(3) To administer such oaths;

(4) To take such testimony, provided the cost of stenographic services in reporting such hearings as the joint committee may hold shall not be in excess of 25 cents per hundred words; and

(5) To have such printing and binding done as it deems advisable.

SEC. 7. The joint committee shall—

(1) Publish from time to time, for public examination and analysis, proposed measures and methods by which the Federal burden may be lessened; and

(2) Make a final report to the Congress of the results of its investigations, together with such recommendations as it may deem advisable.

When that study is made Congress will be able to see the original purpose of the programs, what they are now doing, what the impact has been, not only on the Federal Government as such but to the States as well. Having done that, we will be in a position to determine what of these programs should be continued, and to what extent; and where, perchance, we might be able to arrive at a situation where the Federal Government will no longer take so great a percentage of the tax fund and thereby leave more of these moneys within the States for the States to carry on such programs they desire and which they think is best for that State and their communities.

Returning, Mr. Chairman, to this deficiency bill, one of the things about which there was some discussion last week is the fact that we included $25,000 for furniture for the House of Representatives. That item can be explained by simply stating that the House had provided last year for additional clerk hire. If we are going to have clerks in our office, they must have facilities with which to work. Over in the superintendent's office they had a lot of old desks and old chairs, some of them 40 or 50 or 60 years old, which they had worked and reworked and worked again, trying to make them serviceable for the various offices, but all of that supply is gone. It was called to our attention that if these clerks are really going to function efficiently in your offices, as we hope they will, then of course they must have some equipment. Totaling up the number of requests which had been made, which the superintendent could not fill, we arrived at the approximate sum of $25,000 for the immediate purchase of equipment to go into the offices of the Members of this House.

Another point about which I have been asked some questions was the item relating to the language in the bill covering the Government Printing Office, authorizing them to buy new presses. Those are the presses upon which the CONGRESSIONAL RECORD and Digest are printed. Those presses are now over 20 years old. They have been running at high speed, almost continuously for the last 11 years. It will take 2½ or 3 years to have those new presses built, according to specifications, which means that by the time they are received the present presses will be so worn out and the expense of maintaining them and keeping them operating will be so great that this was a proper authorization.

What many of the public do not know, and some Members of Congress, is the fact that almost every year as a result of the operations of the Government Printing Office there is turned back into the Federal Treasury between three and five million dollars in excess of revenue over the expenses of operating the Office. This language does not call for the spending of any money from the Treasury, but merely authorizes the Government Printing Office to withhold $925,000 out of a proposed return to the Treasury of $3,000,000. All we are doing, in effect, is saying to them that inasmuch as they need presses they are authorized to keep out of the money they have made out of the operation of their Office an amount which is sufficient and necessary to buy the new presses.

Full discussion of this item can be found, if you care to read it, on pages 386 to 390 of the hearings on this deficiency bill. These facts justified the need of the new presses.

Mr. KERR. Mr. Chairman, so far as I know there are no further requests for time.

The Clerk read as follows:

For an additional amount for telegraph and telephone service, including an additional amount of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400.

Mr. SCRIVNER. Mr. Chairman, against the language on page 4, lines 23 to 36, inclusive, reading:

For an additional amount for telegraph and telephone service, including an additional amount of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400.

I make the point of order that there is no legislative authority for it.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. KERR. Mr. Chairman, we concede the point of order.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

Stationery (revolving fund): For an additional amount for stationery, second session, Eighty-first Congress, including an additional stationery allowance of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400, to remain available until expended.

Mr. SCRIVNER. Mr. Chairman, against the language on page 5, lines 7 to 11, inclusive, reading:

Stationery (revolving fund): For an addition amount of stationery, second session, Eighty-first Congress, including an additional stationery allowance of $300 for each Representative, Delegate, and the Resident Commissioner from Puerto Rico, $131,400, to remain available until expended.

I make the point of order that there is no legislation providing for the expenditure.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. KERR. The point of order is conceded.

The CHAIRMAN. The point of order is sustained.

The Clerk read as follows:

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

For an additional amount for "The offices of the Attorney General," and so forth, $24,000, of which $14,000 shall be derived by transfer from the appropriation for "Salaries and expenses, claims of persons of Japanese ancestry, 1950."

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I desire at this time to discuss briefly chapter III, page 6, of the bill which the membership will find set out on page 4 of the committee report. I do this in order to make a brief explanation to the membership of the committee because I have been asked to do so by a number of Members of the House who are not familiar with the fact that this chapter sets up the International Claims Commission which has to do with the settlement of claims that Americans of Yugoslavian ancestry have against the Government of Yugoslavia.

Through a treaty the Yugoslavian Government set aside $17,000,000 to satisfy these claims. The committee has been informed that the Yugoslavian Government has on deposit in this country approximately $40,000,000, much of it in gold. There are approximately 1,500 claimants. The committee has a list of those claimants.

Some of these claimants have claims in large amounts of money, some $10,000,000, some $3,000,000, and so on. I am hopeful that in the settlement of these larger claims the Commission will give serious attention to the many small claimants. The committee has been assured there will be no trading or transfer of title to these claims and that only those who are actually claimants will receive this money.

This Commission has not yet been set up. I am hopeful that when the President appoints the membership of the Commission which will adjudicate these claims no one who appeared in favor of this legislation, or who is directly or indirectly interested in them, will be appointed as a member of the Commission. I understand the names of a number of people have been submitted and that the appointments will not be made until appropriations have been made.

Mr. Chairman, this is only the beginning of the settlement of claims against foreign governments. I presume a commission will adjudicate prospective claims against other foreign governments at some future time. Among these will be claims against the Czechoslovakian Government which I understand will run from forty to sixty million dollars. There are also large claims against the Polish Government. I believe when these claims are all added up they will run to well over $100,000,000.

In order that the membership may have more information about the Yugoslavian claims, I include some discussion on the matter from hearings held by our committee:

CIRCUMSTANCES LEADING UP TO THE AGREEMENT WITH YUGOSLAVIA

Mr. STEFAN. The agreement between the United States and Yugoslavia, on this matter, was consummated on July 19, 1948?

Mr. HERMAN. That is correct.

Mr. STEFAN. Do you know what were the circumstances leading up to that agreement?

Mr. HERMAN. I have some background information on that; yes, sir. I happen to be one of the two negotiators for the United States Government in negotiating this agreement.

Mr. STEFAN. What were the circumstances? What brought about the agreement? Was it at the request of individuals or corporations that had lost property in Yugoslavia?

Mr. HERMAN. It was substantially this. After the Tito Government came into power in 1945, it commenced a series of nationalization measures which went on in various legislative stages from 1945 through early 1948. By early 1948 the Yugoslavia Government had nationalized virtually all property in Yugoslavia, all private property.

Mr. STEFAN. All real property?

Mr. HERMAN. All real property.

Mr. STEFAN. That is, residences, businesses, and so forth?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. Do you know whether or not they paid the owners?

Mr. HERMAN. They had at the same time a compensation measure in which it was provided that there would be a local process in Yugoslavia for arriving at compensation. Their law distinguished between two types of taking. Certain of their takings they based on straight confiscation lines on the ground that the property owner was an enemy of the state or had been a collaborator during the German occupation and the property was taken as forfeit, as penalty. For the balance of the property that they nationalized, they did provide a compensation mechanism which meant that valuations would be made locally in Yugoslavia against dinars. That is to say, at some point which has not yet been reached, the Yugoslav Government would pay dinars——

Mr. STEFAN. Dinars being the dollar equivalent?

Mr. HERMAN. The local Yugoslav currency; yes, sir, for the value of these properties. This payment in dinars would be in the form of Government bonds payable over a period of years.

Mr. STEFAN. Now, the third step, which concerns the American property.

Mr. HERMAN. They took, in their takings—that is, they did not distinguish between foreign-held property and locally owned property. They took all property of whatever nature located within their physical boundaries.

Mr. STEFAN. There was no distinction between the compensation when they nationalized alien property?

Mr. HERMAN. No distinction whatsoever.

Mr. STEFAN. They paid them in dinars?

Mr. HERMAN. No one has been paid yet, to my understanding. But they did have a local remedy. An American could enter into the local courts, state his case, and hope to obtain the type of compensation that the Yugoslav law provided would be made ultimately.

The bulk of the Americans—in fact, all of the Americans—felt that this was not an adequate remedy. That is to say, they did not believe that they would be given justice in the Yugoslav courts under those circumstances.

Mr. STEFAN. Then, too, if they were paid in dinars, they could not bring them over here, could they?

Mr. HERMAN. Those dinars would be blocked in Yugoslavia under their foreign-exchange control and could not be utilized. So under those circumstances we felt that we had a legitimate international claim against Yugoslavia on the basis of established principles of international law, the main premise being that the local remedy was not effective, because it did not afford justice. Justice, under those circumstances, we felt to be adequate and just compensa-

tion. We also felt that compensation should be effective compensation. An American who obtained a promise of payment in dinars at some time in the future, dinars which he could not use in the United States, would not be adequately compensated.

So that we commenced diplomatic overtures to the Yugoslav Government based upon the principles of international law, in which the United States Government espoused the claims of these American nationals and made their claims its claims.

There was also another situation in which American property itself was specifically involved. That is, there are among the claimants the United States Government itself, concerned with the value of a plane that had been shot down and a jeep that had been taken. Those were very minor claims.

Mr. STEFAN. I was going to come to those claims later. But that was the only vehicle by which American business, active in Yugoslavia, could get Ameriacn dollars?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. But that was true all the time, was it not? Is it not a fact that American business in Yugoslavia was never able to bring those dinars over here and exchange them for dollars? The only way that they had to expand their business or to get any dollars was either to take the dinars and construct additional plants over there with them—electric plants, or whatever they were interested in—or else buy rabbitskins or goatskins, things of that kind, and send them over here and get dollars in that way?

Mr. HERMAN. That is true.

Mr. STEFAN. I know of one case of an organization having some power plants in Yugoslavia, who went out of the goatskin business and bought sugar-beet pulp and shipped that sugar-beet pulp to Texas to feed cattle in Texas. It was the only way they had of getting dollars. So that we are really here bailing them out, are we not?

Mr. HERMAN. That is so.

Mr. STEFAN. Whether there was a war there or not; whether there was confiscation of property or not, if they were active over there today, they still would be up against their normal business procedure. And this is one way by which we are bailing out these people and getting them dollars where before they never could get dollars.

What I wanted to ask you is this: After July 1948, when we signed this agreement and Yugoslavia agreed to pay $17,000,000, when was the Commission set up?

Mr. HERMAN. The Commission has not yet been established.

Mr. STEFAN. Has any money been expended up to this time?

Mr. HERMAN. No money has been expended up to this time.

Mr. STEFAN. So you are starting from scratch and you are asking for an appropriation of $291,000 for what period of time?

Mr. HERMAN. For the remainder of 1950 and through 1951.

Mr. WILBER. Fourteen months.

Mr. STEFAN. You planned to liquidate this program in 1954; is that right?

Mr. HERMAN. No, sir; the law says that we shall not go beyond 4 years. But we plan, we hope, and our organization is designed for the purpose of completing this operation 2 years after the program starts.

Mr. STEFAN. So you plan to liquidate in fiscal year 1953?

Mr. WILBER. The close of the fiscal year 1952.

OVER-ALL COST

Mr. STEFAN. Can you give us an estimate of the over-all cost?

Mr. HERMAN. We hope to keep the over-all cost within the 3-percent limitation of $510,000.

Mr. STEFAN. That is an over-all cost of $510,000. The law provides that an attorney representing claimants shall receive not more than 10 percent in compensation and that that will be paid out of the awards that are made; is that correct?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. Does not the law also provide that all of the expenses, including the $510,000 that you estimate it will cost to conduct this business will also be taken from the awards and it will not cost the Government one penny?

Mr. HERMAN. That is correct. The law itself provides that 3 percent shall be deducted, and we have kept our estimates within the 3-percent figure.

Mr. STEFAN. It goes further than that; does it not?

Mr. ROONEY. You do not expect to go beyond the 3 percent, I hope?

Mr. STEFAN. I want to know if it is going to cost the taxpayers any money.

Mr. HERMAN. No, sir; not on our proposal. It would be entirely liquidated out of the 3 percent.

Mr. WILBER. I think for the record we ought to set forth clearly, however, that the 3 percent is not a legal limitation on the amount that may be expended to adjudicate these claims. The law merely provides that 3 percent shall be deducted.

Mr. STEFAN. Under the act it is deducted from the amount of each payment made pursuant to subsection (c) of section 8 as reimbursement for expenses incurred by the United States; it says that that amount shall be equal to 3 percent of such payment. Is not that conclusive?

Mr. WILBER. It is conclusive as to the amount that shall be deducted from the awards made, but it is not a specific limitation on the amount of the administrative cost of adjudicating the claims.

Mr. ROONEY. Whether it is conclusive is left with the Congress?

Mr. HERMAN. That is right.

Mr. ROONEY. I can say that it was the intention of Congress that no moneys be paid out of the Federal Treasury, for which tax revenues must be raised, in order to adjudicate these claims.

Mr. STEFAN. You say there is not going to be any money paid out of the taxpayers' pocketbook. That is the opinion of my chairman, and I am going to back him up, for the reason that in this matter we are bailing out these people and enabling them to get dollars where normally they would not have been able to get dollars.

Mr. WILBER. I believe the law provides, Mr. Chairman, that if the cost does exceed $510,000—I assure you we are planning to live within it—it would be paid out of the $17,000,000 and would not come out of taxpayers' money, in any event.

Mr. STEFAN. I believe there is something in the law that says that.

Mr. ROONEY. To clean this up right now, that would be so, provided there is some part of the $17,000,000 left.

Mr. HERMAN. That is correct.

Mr. FLOOD. What would be so?

Mr. HERMAN. The balance of the administrative cost.

Mr. STEFAN. Certainly we should not leave the record clouded. We want to be certain that we are not going to have to take any taxpayers' money in addition to the $510,000 which you are planning to spend. And I hope you will spend less than that so that some of it may revert to the Treasury.

Mr. HERMAN. There is this contingency that is provided for in the executive agreement and that is that if there is any reverter left to Yugoslavia—that is to say, if the claims, let us say, are adjudicated to an amount of only $16,000,000, to use a round figure, and there is $1,000,000 left over, that has to be returned. And if there is any cost of adjudication that is not borne by the claimants under the 3-percent deduction, that will be deducted from the balance before any amount is returned to Yugoslavia. The Yugoslavs have agreed to that.

Mr. STEFAN. According to this act, payments shall be made only to the person or persons on behalf of whom the award is made, but there are some exceptions. Are there any loopholes here, may I ask the witness, under these exceptions, whereby some of these claims could be transferred to another person?

Mr. HERMAN. No. These provisions have been tested in the provisions of law with respect to the Mexican Claims Commission Act, and they simply provide for technical contingencies where the person whose property is taken is dead, so that payment has to be made to his heirs and where partnerships or corporations own land, or where there are receivers and trustees, and so forth, the only exception as to an assignment is not as to an assignment of the claim, but an assignment of the award. That is, the Commission awards $1,000 to X. He has assigned that award to somebody else; not the claim, but the award.

Mr. STEFAN. I believe that is what the chairman asked you, whether there is the possibility of an award being assigned to somebody else.

Mr. HERMAN. That contingency is treated in paragraph 5 of subsection (c) of section 7.

Mr. STEFAN. I read that.

Mr. HERMAN. But in the event of such an assignment it is within the discretion of the Secretary of the Treasury whether he shall pay the award.

Mr. STEFAN. There is also a check in the Comptroller General; is there not?

Mr. HERMAN. Yes; the Comptroller General.

Mr. STEFAN. The Comptroller General has a double check on that. So you are pretty sure that the possibility of assigning this money to some other party is pretty well plugged up?

Mr. HERMAN. I believe so.

Mr. STEFAN. Of course, there can be other contracts made individually over which you would have no control?

Mr. HERMAN. Precisely.

Mr. STEFAN. As to these fliers who were shot down by the Yugoslavs, those claims were separate and apart from these we are discussing now?

Mr. HERMAN. Their claims have been paid. The Yugoslavs paid $150,000 to the families of the five fliers. That money was distributed in 1946.

Mr. STEFAN. Was that the total amount?

Mr. HERMAN. $30,000 apiece to five fliers. That has been distributed. The only circumstance of that incident that is involved here is the plane itself.

Mr. STEFAN. The claim for the plane itself is in here?

Mr. HERMAN. Yes, sir.

CERTAIN LARGE CLAIMS

Mr. STEFAN. What is the largest claim that you have?

Mr. HERMAN. The largest claim we have is the claim of Standard Oil Co.

Mr. STEFAN. How much is that?

Mr. HERMAN. It has not been completely formulated and I would like to speak accurately on this.

Mr. STEFAN. Will you give us an approximate figure?

Mr. HERMAN. The claim is between $7,000,000 and $10,000,000.

Mr. STEFAN. That leaves only $7,000,000 for other claimants, does it not?

Mr. HERMAN. If that award is made.

Mr. STEFAN. How many other large claims are there in the total of 1,500? You say they average about $1,000?

Mr. HERMAN. That is a very rough guess.

Mr. STEFAN. How many other large claims are there? You have said you had one of $10,000,000 approximately. How many do you have that run $1,000,000 or more? How many do you have that run $500,000 or more? Can you give us that information? Are there any other large claims, such as that?

Mr. HERMAN. Not that large. There is a claim of a public utility that is stated as being close to $3,000,000.

Mr. STEFAN. Who is that?

Mr. HERMAN. That is the Yugoslav Electric Co.

Mr. STEFAN. Is that the one that I referred to awhile ago?

Mr. HERMAN. I believe so.

Mr. STEFAN. Mr. Becker was the head of it over there?

Mr. HERMAN. Yes, sir.

Mr. STEFAN. That was approximately $3,000,000. So here you have two claims of $10,000,000 and $3,000,000. That does not leave very much to the others. The others would have to be very small claims.

Mr. HERMAN. They are.

Mr. STEFAN. Is it going to take some time to fool around with these very small claims? Why could you not just go out and check them and be done with them? Do you have to go to Yugoslavia and actually look the property over?

Mr. HERMAN. That is right. We have some very large lawsuits on the basis of the Standard Oil claim, and other large claims that we have to litigate very closely.

Mr. VURSELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I want to compliment the gentleman from Kansas [Mr. SCRIVNER] for raising a point of order against the additional amount of $131,400 to be provided for Members of Congress for extra telephone and telegraphic expenses; also for raising a point of order against the allowance of $300 each for Members of Congress for additional amounts of stationery.

This is a small amount. It only amounts to $261,800, but it puts the Members of Congress in a position that I think they should not be put in. I think it is up to the Members of Congress to set an example of economy when it comes to dealing with themselves, because under the Constitution it was debated at length that it was dangerous to give the Congress the power to set its own expenses and salary.

With all of the criticism of the Congress for the past 165 years, I think the Members, past and present, should be complimented for not having been extravagant in fixing their own salaries, because with all that power they have raised their salaries to only $12,500 a year, much less than is drawn by the average man in business who would have the capacity of a Congressman and, of course, much less than a Congressman should have.

I am old-fashioned enough, however, to believe that men who come to Congress ought to come here, at least in great part, in an effort to render a service to their people and for the honor of having been selected as one of the representatives of a congressional district to represent them in the greatest legislative body in the world. I am glad the Congress took this step today, because we have got to be careful about keeping our own house in order.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from California.

Mr. HINSHAW. I would hate to disagree with my good friend from Illinois. If he does not need to use some of this money, that is quite all right with me, but I live in a district that now has a registered voter list of 329,026, and if the gentleman thinks that my office can get along on the stationery allowance and the telephone and telegraph allowance that is presently provided for, he had better have another think. I think we ought to take these things into consideration when we think of those Representatives who have large districts such as mine to handle. We simply cannot get along on the allowance presently available. Two or three years from now my district will be divided up into two and one-half or three districts, and in the meantime I serve that district and I cannot get along on the allowance provided.

Mr. VURSELL. I shall be very glad to say to the gentleman that I have not used, inasmuch as he referred to it, over 50 percent, if that much, of my telephone and telegraphic allowance, and I often find that I can send an air-mail letter for 6 cents and save a $5 or $10 telephone bill. I should also like to point out to the gentleman from California that I represent a district of 350,000 people, and again I say that men who serve in the Congress of the United States ought to expect to make a sacrifice when they come here. I do not want to be personal, but I may say I have made some financial sacrifice in the last 7 years; however, I am glad to have made it for the opportunity it has given me to try to render a service to the Nation.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HINSHAW. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to point out to the gentleman from Illinois that I did not say there were 329,000 people that live in my district, or 350,000. I have a registered voter list, if you please, of 329,026, which means a population of close on to 1,000,000, which is a greater population than is to be found in several States of the Union put together.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Illinois.

Mr. VURSELL. I want to compliment the gentleman from California. I am perfectly willing to admit that he probably needs a greater allotment than many of us in Congress do. May I say further that it probably works a hardship on him and some of the other Members, but it is not the first hardship that has been suffered here.

Before I take my seat, I want to compliment the gentleman on being one of the most able and conscientious and one of the best Members of this Congress. I say that sincerely. He makes a great contribution.

Mr. HINSHAW. I think the gentleman ought not to go to such an extent on my time, but I thank him for his kind remarks.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I think the gentleman from Illinois should be complimented on being able to send an air-mail letter for 5 cents when the legal rate is 6 cents.

Mr. HINSHAW. Yes; he ought to be.

Mr. KLEIN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New York.

Mr. KLEIN. Does the gentleman think it is possible to use those words of praise in sending out letters and in taking care of his constituents, or does he feel that he needs the money?

Mr. HINSHAW. I would be glad to answer that. In the first place, this telephone and telegraph allowance should be on a mileage basis just as the transportation is. The farther away from Washington our districts are the more it costs to send one message, either by telegraph or telephone. Those of us who live on the Pacific coast are really up against it when it comes to the telephone and telegraph allowance, with the relatively small amount of money that is provided.

Mr. FOGARTY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. Is it not true that the telephone and telegraph allowance we have is made available until expended? If it is not expended it reverts to the Treasury. Therefore, if the gentleman from Illinois does not use his entire allowance, the balance goes back to the Treasury. The people who live farther away than he does, such as the gentleman from California and others on the west coast, use their allowances in 3 or 4 months, and then have to pay those expenses out of their own pocket.

Mr. HINSHAW. That is exactly correct. We are today paying those expenses out of our own pockets. This has nothing to do with the sacrifice my friend from Illinois talks about, in taking a far smaller salary than most of the Members of the House could obtain on the outside. I am perfectly willing to make my sacrifices along with the rest of you, but I do not think we ought to be called upon to pay the expenses along with it. That is going a little bit too far. I want to do my job for my people the best way I can. They are willing to pay the necessary expenses of this office I hold, to conduct their business properly. I hold that the House of Representatives should enable itself to do the business of the people of the United States in the very best possible way, in the way they deserve. If some gentlemen may save money, please permit those of us who live at a great distance to do our business in the same way that you who live nearby can do it for the people of the nearby States. This is a very great burden upon us. We do our utmost, but we ask your consideration for those of us who live, let us say, beyond the Mississippi River. It is very difficult for us.

The Clerk read as follows:

FOREST SERVICE

SALARIES AND EXPENSES

Fighting forest fires

For an additional amount for "Fighting forest fires," $6,677,000.

Mr. ASPINALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASPINALL: On page 20, after line 9, insert the following: "for an additional amount for combating infestations of bark beetles in national forests and national parks, $3,620,000."

Mr. ASPINALL. Mr. Chairman, I am taking this time in support of my amendment to bring before the Committee the situation which exists in several of the States of the West relative to insect infestations now prevalent in the spruce and pine forests of the Rocky Mountain States in particular. It is rather difficult for me in my first appearance to offer my amendment and appear before the Committee as I am in this rather unorthodox manner, but may I advise the Committee that with my colleagues from the West I have made appearances before the subcommittee on two different occasions presenting the request and the necessity for the money which is desired. I wish also to thank the distinguished chairman of the Committee on Appropriations, the distinguished gentleman from Missouri [Mr. CANNON] for giving me time when the bill was before the House some time ago, in the consideration of the conference report on the first urgency appropriation bill, to make known that we would be given a hearing before the subcommittee when the bill now before us was there being studied.

I can appreciate the fact that the economy of the country, being what it is, there is a tendency to hold down these appropriations as much as possible. I have gone along, as the Committee on Appropriations knows, on practically everything they have placed before the Congress. However, I sometimes think there is a tendency for us to become penny-wise and pound-foolish. I believe that is the situation in which we find ourselves relative to consideration of appropriations for our forests of the West.

I do not appear before the Committee today asking for funds for my particular area and placing this on a more or less sectional basis. I speak for the whole country. I speak for the citizens of the United States who have an interest in the problem which we have presented in this amendment. In the Fourth Congressional District, just so that you will have a picture of the situation in my home district, I point out that there are 43,089 square miles of territory. There are 29,417 square miles of Government-owned territory. In other words, my district, so far as ownership of land is concerned, finds itself largely under the absolute control of the Federal Government.

In that area we have 15,213 square miles which are under the control of the national forests. In other words, one-third of my district is made up of national-forest lands. On those national-forest lands the timber is 60 percent native spruce. When the matter was first before the committee, it was said that the value of the property to the United States, as far as the timber was concerned, was in the amount of something like $20,000,000. That was figuring the timber at 75 cents a cord. But since that time there has been sold by the United States certain of this timber to private interests, at the rate of $3.10 a cord. So it now appears that the value of the spruce timber just for pulp-paper purposes, is over $100,000,000. It seems to me, with that in mind, the United States should be interested enough to protect its property.

There are 1,031 square miles of State-owned lands in my district. There was a question raised in the committee relative to the necessity for the State doing something in this matter. When one learns that there are 15 times as much forest land belonging to the Federal Government as there is such land belonging to the State government, it appears to me that, after all, it is primarily a Federal question, and secondly a State question.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. ASPINALL] has expired.

Mr. ASPINALL. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ASPINALL. Mr. Chairman, those are the values of the property concerned.

Looking at it from another viewpoint, that has to do with the watersheds of the United States, most of the great river basins west of the Mississippi River rise in my State. Seventy percent of all the water in the Colorado River rises in the Fourth Congressional District of the State of Colorado. The people of California, who are entitled to almost one-third of the water of the Colorado River, should be interested in this problem also, for the simple reason that if these forests are destroyed, the watershed, to a great extent, is also destroyed. Most of use realize the fact that the snows of the winter stay on the tree areas many weeks longer than on the barren lands. If we do not have green trees flourishing, then the snow melts rapidly, forms floods and carries the sediment down the river, and before one knows it, our reservoirs in the areas along the Colorado River shed especially, are filled with silt, and the time of their usefulness is thereby shortened.

From a recreational standpoint, most of us think of this great area of the West as an area in which to play and to hunt and to fish. Yet, when one realizes that it is very easy for an entire mountainside to become desolated through infestation by the spruce beetle, he finds that our hunting grounds are destroyed and the opportunity for an even flow of water in the trout streams is lost. It is not a very beautiful place to play.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. BARRETT of Wyoming. I want to compliment the gentleman for his splendid statement and I shall support his amendment.

The spruce beetle has attacked the forests of New Mexico, Colorado, and Wyoming, and is presently destroying much of the scenic beauty in the snowy range country in southern Wyoming and northern Colorado. I want to call attention to the fact that perhaps the most scenic spot in all America in Grand Teton area in the Jackson Hole is being attacked by the pine beetle at the present time. This pest also is attacking the pine in the Yellowstone National Park. The loss to the Nation from a scenic standpoint is incalculable. It seems to me that it is not economical by any stretch of the imagination to let that much of that scenic spot in America be destroyed because of a lack of funds. While I am on my feet let me say that funds should be appropriated to fight the grasshopper plague in this same general area. The Bureau of Entomology and Plant Quarantine reports to me that if funds are provided in the regular appropriation bill that the program can be carried out after July 1.

Mr. ASPINALL. I thank the gentleman from Wyoming for his contribution.

The question has been asked, Why has not something been done about this before? In reply let me point out that it is just within the last year that research men interested in this problem have found the spray necessary to stop the beetle infestation. They mix a combination of orthodichlorobenzine and fuel oil. This has been found to be very successful in the Teton-Targhee area. They have made the statement that it is absolutely successful in combating the beetle which works through the outer bark, eats the cambian layer, lays eggs, and then falls to the ground. I understand that the larvae hatching from the egg do the serious damage. The reason this is so important at the present time is because the beetle has destroyed the White River National Forest. It is thought that the Rouff National Forest is lost, as the infestation cannot be stopped in this area. The beetle infestation is moving now to the southeast into the Holy Cross National Forest. If it gets into the Holy Cross National Forest it will go into the remaining forests of the State. There are 12 national forests in the State of Colorado, 11 in the district which I have the honor to represent.

I believe, Mr. Chairman, that the expenditure of this money, regardless of what the report of the committee states, can be made effective; and I assure the Committee and the Committee on Appropriations which worked so diligently and so successfully that if this money should be spent and it proves to have been spent in vain and does not do the job that the Forest Service promises it will do, you will never find me back here asking for a like appropriation for this sort of work.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to support my friend and colleague from the western slope on the addition of $3,620,000 to chapter 6 on page 20, line 9, of this bill. The reason I do so is that I happen to know exactly what this spruce beetle does to these trees; in other words, it is the end of the forests; this type of forest is totally and completely ruined. It simply means, therefore, that in those forests where the beetle is working the

spruce and pine trees are destroyed and new growth must be cultivated.

This forest does not belong to the gentleman from Colorado who so ably represents the Fourth District; it belongs to these United States, it is a part of our total land area. It is just as much a part of the State of Massachusetts or the State of Pennsylvania as your own district is part of your own State.

How anyone on the Appropriations Committee can come to any other conclusion than that they are appropriating funds for their own districts and for their own States by protecting the forests of the West is something I cannot understand.

We sometimes have a peculiar way of looking at the problems existing in the West. Some of my friends here think that our problems out there are separate and distinct from theirs, but this is not true in any sense of the word.

Once these great forests are destroyed, your watersheds are in a state of total destruction. The cities that get their water from these watersheds, the farmers who get water for their irrigation districts from these watersheds all suffer from this destruction.

One of the points that we should keep in mind and study carefully is the problem of how to protect our forests and our watersheds. All you need to do to realize the seriousness of this problem is to drive around the territory close to our capital. Being interested in agriculture I have driven over the State of Maryland a number of times. My friend from Ohio [Mr. CLEVENGER] and I traveled over in Italy. We looked at the land and we went over some of the farms in Italy and in France and other places as well. The gentleman likes to quote me when I said that I would not give 5 acres of good land in the State of Colorado for the entire section of the country we traveled through.

Why is this true? Because they have allowed their forests, especially in Italy and France, to be totally and completely destroyed. The Germans have had more sense in this respect. In flying over a large part of Germany—I say this to the credit of the Germans—we observed that they have protected their forests. When you fly over the forest area in Germany you will note that those forest areas that have been destroyed by blight or having been burned over have all been reforested. They have carefully planted and are cultivating young trees all through that area.

Over here we have not even started to take care of our forests as some of the European countries have done. Of course, when you get into Italy they have not done it, and when you get into France you do not notice any forest improvement.

The floods that we have been reading about in Winnipeg, Canada, the floods you have on the Missouri and Mississippi Rivers, can be traced in large part to the destruction of our timberlands.

Mr. Chairman, I ask the committee in justice to the great forests of the West, not to the people who live in the West, but in justice to the people of all the United States, to accept this amendment. We from Colorado appeared before the committee and asked that this amount be included in the deficiency appropriation.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that in Italy some of the destruction of forests over there may be attributed to the human parasites that control the land and refused to reforest?

Mr. HILL. Yes; and that is what is going to happen over here unless we take care of our forests. We ought to take care of all of the forests. We should take care of the bark beetle and we should take care of all insects that are destroying our forests at the present time.

Mr. D'EWART. Mr. WHITTEN and gentlemen, I wish to add my support to the program of controlling the forest pests and diseases which threaten large stands of timber in the West.

The present forest resources of the United States, though of vast extent, are little enough when one considers the tremendous demands for timber which our civilization has developed. We have a serious responsibility to administer our forest resources in a manner which will yield the best possible supplies of timber for future generations as well as our own. We cannot afford to let any of this valuable resource be wasted or destroyed if it is within our power to stop such destruction.

Mr. BARRETT. I appreciate the opportunity to be heard Mr. Chairman.

Wyoming has a trifle different problem from Idaho and other Western States, because we have two kinds of insects attacking our forests. We have the spruce bark beetle that is attacking the spruce in northern New Mexico, all of Colorado, and in southern Wyoming, in portions of the Medicine Bow National Forest. It is one of the beautiful spots in the West. The Snowy Range in the Medicine Bow Forest is one of the scenic spots in Wyoming.

About 42,000 trees in that forest are being attacked by the spruce bark beetle. In addition, as my colleague, Mr. Sanborn, has indicated, the pine beetle is attacking the lodge pole pine in Idaho and in the Jackson Hole country. It is a distinct threat to the fine stands of timber in the Yellowstone National Park, and in the Teton National Park as well as in the Jackson Hole country. To my way of thinking, that area is the most beautiful scenic spot in America.

I appreciate the situation facing this committee. I know you are trying your level best to effect economies wherever they can be brought about. However, I simply want to point out to you that these lands were reserved by the United States 50 years ago. They were reserved for the protection of our timber and water resources. They are of strategic importance not only to Wyoming but to other Western States that depend for their water supply from the snowfall on the great transcontinental divide that crosses Wyoming and in which these forests are located. The tourists, recreation people, and sportsmen use these areas for their enjoyment.

Thousands of acres of beautiful pine trees are being destroyed because we have not carried on an all-out attack on these pests.

Now, the Forest Service has perfected a method of attacking this problem in a successful fashion, and, if funds are provided now, they can control the situation, and thousands upon thousands of trees can be saved.

I am not in a position to argue the point as to the cost of controlling an individual tree. All I am saying is that 42,000 trees in the Medicine Bow Forest can be saved if they get a relatively small amount of money.

So, Mr. Chairman, I want to urge with all the force that I can that since these lands belong to the United States, that the United States has a responsibility to that property for the benefit of the people of the whole country, not alone the Western States.

I know there was a request here for $4,500,000. This committee recommended the appropriation of some $750,000 for the budworm attacking the Pacific Northwest. I hope the committee will give very careful consideration to an appropriation for the pine beetle attacking the lodgepole pine in western Wyoming and Idaho, and also an adequate amount to carry on an all-out campaign against the spruce bark beetle in New Mexico, Colorado, and southern Wyoming. These insects are striking a hard blow at the most scenic area in America.

Mr. SANBORN. Thank you, Mr. Chairman. I certainly appreciate this opportunity to have a little time with the committee. I feel the subject matter that I have to present is of vital importance not only to the West, to Idaho and that vicinity, but to the entire Nation.

Our Federal forests are definitely on the decrease, and every effort should be made to protect what we now have. As I stated when the first deficiency was before the House, the case of protecting our forests against insect pests is quite similar to the action of the farmer who is taking care of his crop. If he does not do a good job of taking care of his crop, he is not only a detriment to himself, but he is a detriment to his neighborhood and to his country. It is the same way with the Government's protecting its resources, especially a resource of this character which would take many, many years to recover, at a great deal of expense and waste of time.

The first deficiency, as I understand it, carried an item of $750,000 which was allocated to the fir budworm which is bothering timber in Oregon and Washington, but nothing was included for the protection of the pine, to take care of the pine beetle in northern Idaho and the lodgepole pine around eastern Idaho, close to the Yellowstone National Park, including the park and part of Wyoming, and in that vicinity.

A sum of $250,000 is needed to take care of the white pine infestation and around $270,000 for the lodgepole pine in the vicinity of the Yellowstone Park. I know it was suggested at that time that the Bureau had some money that could be used for that purpose if they so desired. However, as I understand it, they need this sum in addition to what they now have in order to do a complete job.

In treating a forest infestation of this character, it is absolutely necessary to do a complete job, or the money is just wasted. So it is necessary to set up a sufficient amount of money to cover it.

This is not only a matter of protecting the commercial value of the timber, but it is a protection, especially in the Yellowstone Park area of scenic values, which is of very great value in that territory and also, of course, in the other timbered sections.

Timber destroyed by this infestation will not only be unsightly, but it will greatly add to the fire hazard, and there are many things to be said for this appropriation and the need of it now. If the infestation is permitted to go for another year, large quantities of valuable timber will not only be destroyed, but much of the value will have been lost and the infestation will become so much more widespread that it will be harder to combat.

I certainly want to urge the committee to consider those items very carefully in writing up this bill. There are many places, of

course, where we should be economically minded and many places where we can cut the budget without any great harm; there are many appropriations, no matter how desirable, that can be eliminated or delayed without any bad effects, but this is one place where we either take care of our forests now, when they need it, or we are going to lose a large quantity of valuable timber.

We have around $22,000,000 worth of federally owned white pine in northern Idaho that is one of the finest bodies of white pine left in the whole United States, and certainly it should be protected.

Mr. CARROLL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman from Colorado [Mr. ASPINALL] is of tremendous and immediate importance to forest lands and national-park areas located in four States of the West, Colorado, Wyoming, Montana, and Idaho. Unless this body takes favorable action on the pending amendment, great damage will be done, not only to these areas within the four States but eventually will include the whole of the West.

I fully understand what a difficult task we have set ourselves to by offering this amendment. We realize full well that we shall probably be unsuccessful in this effort. Nevertheless, we must bring to your attention, again and again, the extreme importance of the problem which confronts us. It is imperative that you understand what has been happening to your timberlands in the West. I emphasize that these are not all State lands, but mostly Federal lands. This is the property of the Nation, and while Congress fiddles, miles upon miles of fine timberlands are being destroyed by an epidemic of bark beetles. All of the experts are agreed that we have at last developed a chemical which, if quickly applied, will end the beetle epidemic which threatens vast areas of spruce timber.

There is really nothing new to the program of attempting to control pests which infest our forests. As a matter of fact, the intent of Congress was strengthened by the passage of Public Law 110 by the Eightieth Congress in 1947. It is true that the Forest Service did not ask for an appropriation in the Eightieth Congress to control the beetle epidemic in these areas. It is to their credit that they did not make such a request. The reason given was that the method of control at that time was so costly the Forest Service was reluctant to venture upon such a broad and expensive program. However, a few months ago, in cooperation with the Bureau of Entomology and the Research Branch of the Department of Agriculture a new and relatively economical method was discovered. In short, it was learned that this beetle, which is so deadly to Engelmann spruce trees now can be controlled by spraying a certain chemical throughout the infested area. That is the reason the Forest Service now requests this appropriation, in order to effectively and economically combat the beetle problem.

How will this appropriation be used? I am reliably informed that it will take the full capacity of certain chemical plants in New Jersey and Michigan to meet present needs within these four Western States. Actually, carloads of insecticides need to be shipped into these areas. At least a thousand men will be employed during the summer months and until the snow falls to do a proper job. It is estimated that the cost of spraying will approximate about $4 a tree. The significant factor, however, is that for an expenditure now of a little over $3,000,000 there will be a saving to the Nation of approximately $100,000,000. To put it another way, if we do not stop this epidemic, the beetles will continue to kill thousands of trees, resulting in a financial loss to the Nation of $100,000,000. Moreover, as miles and miles of these trees are destroyed, great fire hazards are created, the scenic beauty of your forests and national park lands will be forever destroyed, and, last but not least, there will have been created a watershed situation in these great mountain areas destructive of topsoil, resulting erosion, and a wasting of water which is so precious to both these areas and other sections of the West, including California.

Now what is the legislative situation with reference to our request for increased apropriations for this program? In a previous appropriation bill the other body, after careful investigation, approved an appropriation for the specific purpose hereinabove outlined. Tragically and unfortunately that sum of money was stricken by the House conferees. The purpose then of this amendment is to urge upon this subcommittee of the Appropriations Committee their approval to this amendment and if they do not approve, we request the members of this body to sustain our position in support of this amendment.

Let me say this to the gentleman from Mississippi [Mr. WHITTEN], and I want him, please, to bear with me. Action on this amendment is so important that in the event this or the other body fails to act within the next few days, even this sum requested will come too late. I am reliably informed by experts that this work must proceed not later than June 15. The beetles soon will begin to swarm, taking wing, spreading deeper into the timberlands of our West. It has been said they swarm as far as 25 to 30 miles. From this surely it can be appreciated that if we do not act quickly, it will be idle and useless to talk about an appropriation. If we do not begin immediate spraying of these infected areas and employing of these men by June 15, it will be just too late.

In discussing this amendment with forestry officials this morning, I repeat, I was informed that unless they have some assurance this money is forthcoming within the next few days, even if we appropriate the sum several weeks from now, they have said, "We will refuse to spend the money because it will be a great waste and will be of no use to your lands in the West."

Ladies and gentlemen, if each of you could have had the opportunity to see the photographs of these infected timberlands which were delivered to my office recently, there is no doubt in my mind that you would vote overwhelmingly with us in favor of this amendment. Reluctant as I am to find myself in opposition with my friends and colleagues on this subcommittee, I cannot and do not agree with the position which they have taken. They clearly do not understand the magnitude of this problem, nor the great damage which will result if they are successful in blocking approval of this amendment.

In conclusion, I should like to suggest that even though this amendment be rejected in this body today that the conferees on the part of the House give earnest, sincere, and favorable consideration to any appropriation which may be approved by the other body concerning beetle eradication.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the unpleasant parts of this job we have in trying to handle these matters on a national scale is that we have to differ with our friends on occasion. All of us know and appreciate the problems close to us. There is nothing wrong with that. That is where we live, it is where we know the people, and where they tell us about the problems. I make no criticism of my good friends. I wish it were possible to agree with them fully in this instance, because we would like them to have their way; but we on this committee do have the responsibility of trying to determine what is best to do and how best to handle these requests for appropriations.

From the discussions, you would think the Federal Government made no effort to save the forestry of the West and the rest of the country. Why, we spend more than $35,000,000 all told on forestry. I wish we could spend more, but there is a limit beyond which you cannot go. We have this problem in Colorado, and we have it in other areas. We have pests throughout the United States. This year's appropriation for the Department of Agriculture was $742,000,000, and I dare say that entire amount of money could be spent in the United States if we set out to control all pests. But we cannot spend all the money on that and that alone. We have to try to strike a balance.

According to the statement of the Department, this pest has existed for 10 years. They tell me here today that unless we do something in 2 days the horse will be gone, and I am sure they told my friend from Colorado that, but I cannot agree with them.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Colorado.

Mr. CARROLL. The gentleman's remark is absolutely true. This pest has existed for 10 years. Up in Montana and in various areas of Colorado miles and miles of Engelmann's spruce have been destroyed. Only recently, and I think the gentleman will agree with me, have they found a chemical to combat it. Is not that so?

Mr. WHITTEN. That is the statement made to the committee in 1949.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. The gentleman has made a statement of fact. We on the Committee on Appropriations cannot jump over the cliff just because somebody gets excited about some little thing in his particular territory. All we on our subcommittee are asking is that we have time to investigate it, and that the Budget in turn investigate it. If the thing is meritorious, they can go through the regular channels and then come before us next January with whatever is needed, and we certainly will do whatever is right by it.

Mr. WHITTEN. I thank my friend from Minnesota.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Did the committee take into consideration the gypsy brown-tailed moth that infests the northeast part of the country?

Mr. WHITTEN. That was appropriated for in the regular appropriation.

This is something I should like to point out, and it is the chief fault that I find here, and this does not have to do with my associates and colleagues in the Congress. The Bureau of Forestry testified before the committee this year that they could well use and would like to have an increase of about 90 percent in their last year's appropriation, notwithstanding the financial situation of the country now. If you will let any department come up in a deficiency bill and ask for additional money, you can get their approval of nearly anything, because they can honestly show you how they could well use the money. But if you let them get it in a deficiency bill, we have no yardstick, we have no post against which we can judge this request. If you let them put it in an additional request, they have nothing to lose. They either get the money or they do not.

We have requested in our report that our investigators go see what the story is and come back and tell the committee. I say to my friends from Colorado, and there are no abler men in the House of Representatives nor anyone for whom I have a higher regard, that this is not to get around their proposition. We are sincerely trying to find what the facts are. But we have learned that if the Department of Agriculture comes up for a deficiency request, you cannot judge the facts submitted as effectively as you can if they bring it up in their regular request for appropriations, where you can say, "Now, which of these is the most important? Which do you think needs to be done now?"

It is very noticeable here that while they state they found this new chemical in 1949, their request did not come in the regular bill, where we might have said, "We are going to give you so much money; out of that you do this." They put this in the deficiency bill. They do say that this pest has been out there for 10 years, and that in 1949 they found a cure. They want to spend about $3,600,000 doing the job of treating individually more than a million trees. I believe they can test it on a little smaller scale than that. Certainly every effort should be made to handle the problem by selective logging or contract. Do you not agree with me?

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. CARROLL. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi be permitted to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CARROLL. Is it not true that in addition to the Bureau of Forestry other groups, the American Forestry Association among them, have testified before the committee about the vital necessity for immediate treatment of this problem?

Mr. WHITTEN. The gentleman is eminently correct. As long as I have been a member of the Committee on Appropriations, and I have been on this particular committee about 6 or 7 years, I have never found them at any time coming up and saying that something was not needed. I do not say that in criticism, but the Forestry Department itself told us that they asked the Department of Agriculture for practically a 90–100 percent increase in their appropriation because the problems they have were so great. I mention that just to show you how they can spend millions and millions more. But the question is how much can we spend and how can we best spend it?

Mr. CARROLL. I can assure the gentleman and the members of the committee that this is not something that has been conjured in the minds of the Forestry Department. It is a vital issue in the West and all the people understand it, not only in Colorado, but in Wyoming and in Idaho and Montana as well.

Mr. WHITTEN. I agree with everything that the gentleman has said. The pest exists. It is a problem. It is something that should be handled. But I say it is very noticeable that the Department did not include this in its regular bill. They put all these other things ahead of this particular item. It is difficult for us to tell how really serious it is when they put it off to the side and present it this way, where they either get it or do not get it. I say for the orderly operation of the Government, if this has existed for 10 years, a few months will not hurt too much. Then they can put it in their next regular bill. Thus, perhaps a couple of million dollars will be saved and it will not hurt. We have asked for this investigation to be made. We are going to be interested in the results of that investigation and we are going to try to do what we think is right.

Mr. BARRETT of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. BARRETT of Wyoming. I would like to correct a couple of apparent misunderstandings. In the first place, the committee should know that the Bureau of the Budget did send up a request for this item last January. So this matter has gone through the regular channels. The matter is wholly in order and is just as much in order now as it will be next January, may I say to the gentleman from Minnesota.

In the second place I think it is only fair to say that the Forest Service has carried out its experiments quite some time back and that now it is prepared to carry out an all-out attack on this pest. If anything is going to be done to stop this infestation this year, it must be done here and now.

Mr. WHITTEN. I cannot argue with the gentleman about this being in order. It is in order for you to increase all the appropriations. Last week you were trying to reduce appropriations. I am just telling you the basis on which the committee acted. I have no personal interest here one way or the other. We have done the job according to our best judgment and we are telling you the basis of our decision. We do not know and we are directing an investigation in order that we may know more. Having related to you these facts, we are glad to abide by the decision of the House.

Mr. MARSALIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I favor the approval of the amendment which my colleague, the gentleman from Colorado [Mr. ASPINALL] has offered, and am in full accord with the arguments which he has so ably presented. I am also in full accord with the statements which my other colleagues from Colorado [Mr. CARROLL and Mr. HILL] have made.

I feel as they all do that this is most certainly a case in which "Time is of the essence." The longer that action is delayed regarding these beetles that are destroying the forests of the West the greater will be the irreparable damage that will result. It is bad enough when we have an epidemic of insects in the West, such as the grasshopper plagues which we have experienced on one or two occasions, which destroy growing crops. Crops, however, are annual and will grow again the following year so that with precaution the damage can be prevented or minimized the following year. With forests it is different as trees of the kind which are being destroyed certainly cannot be grown in 1 or 10 or 40 years, and in some cases as much as 80 and 125 years.

As has been pointed out the damage which will accrue if these forests are allowed to be destroyed will not only be to the forests with their scenic beauty but also to the great watersheds of the Nation as well. Without the trees to hold back the snow and water so it can be gradually released into the mountain streams flood problems would be greatly increased. Silt will be washed down in great quantities helping to fill the reservoirs previously constructed. Floods will cause great property damage and a great portion of these flood waters will be lost to irrigation. This is an appropriation for conservation in every sense of the word and I most earnestly urge the adoption of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ASPINALL].

The question was taken; and on a division (demanded by Mr. CARROLL) there were—ayes 40, noes 48.

So the amendment was rejected.

The Clerk read as follows:

OFFICE OF THE HOUSING EXPEDITER

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses, Office of the Housing Expediter," $600,000.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 23, line 23, after the figure, strike out the period and insert a semicolon and the following: "of which not less than $300,000 shall be used for the payment of terminal leave and other costs of liquidation of this agency."

Mr. PHILLIPS of California. Mr. Chairman, it seems to me, in listening to the testimony on this particular item, that the Congress has come to a point where it should declare itself on the subject of rent control, and on how long we intend to continue the Office of Housing Expediter.

This amendment which I have offered today does not change the amount of money, it does not increase nor decrease the amount of money. I follow the action of the other body when that same item "Office of Housing Expediter" was being acted upon in that body during the passage of the first deficiency bill, in which a less percentage than I have set aside here to be used for liquidation and for the payment of terminal leave only was also marked for that purpose. I think we should declare ourselves on this item in the budget. There is no intent on the part of this Congress that we should continue the money to the 1st of July with any thought that we would then continue it for a longer period of time.

This is not the place nor the time to discuss at great length the problem of the control of rents by a government. Other nations have found to their great sorrow that a policy which controls rents brings into the political picture of that government a highly active political agency, and they have found that this reduces the construction of rental properties. We are deciding, whether we realize it or not, whether the policy of this country shall be to discontinue rental houses and build only houses to be sold, or whether we shall follow the historic policy of the United States and continue to build houses for rental purposes.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. JENSEN. Is it not a fact that France still has the housing laws, the rent-control laws, which that nation put into effect after the First World War, at this very moment, and that is why France today is known as a nation of slums? Is that not a fact?

Mr. PHILLIPS of California. It is a fact that France has the same housing law which it imposed for temporary purposes; and it is also a fact, as anybody who has been in France knows, that they cannot repair rental property; they do not build rental properties, and they therefore do not have rental properties to offer to their people.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. YATES. Do I understand the gentleman's remarks correctly that he proposes to use an appropriation bill rather than a bill from the Congress such as would come out of the Banking and Currency Committee to declare what the policy of the Congress should be with respect to rent control?

Mr. PHILLIPS of California. No; I said I was not attempting to do what should be done at another time, but that I was following in this appropriation bill, the same policy which was established in the preceding appropriation bill by the other body, which was to put a limitation upon the appropriation item, indicating that it was to be used for the liquidation determined by the legislative committees.

Supplementing what the gentleman from Iowa said, I have here a report from England. It says that between the two wars $4,500,000 worth of houses had been provided for England, the bulk of which fell into two categories. They were houses built for sale, or they were subsidized houses built under the housing acts of England.

I also have a similar report on the Irish situation. I do not want to go into that situation here, but I do not want the indefinite continuation of the Housing Expediter, except to carry out the liquidation policy already decided by this Congress.

I want to point out—I see my friend the distinguished chairman of the subcommittee is here—I want to point out one error which the Housing Expediter made in testifying before the Subcommittee on Independent Offices.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. PHILLIPS of California. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

Mr. YATES. Mr. Chairman, reserving the right to object, and I shall not, I wish to ask the gentleman a question.

Mr. PHILLIPS of California. I yield to the gentleman from Illinois.

The CHAIRMAN. First, permit the Chair to put the gentleman's request. The gentleman from California asks unanimous consent to proceed for two additional minutes.

Is there objection?

There was no objection.

Mr. YATES. The gentleman stated that it is the policy of Congress to liquidate this program. I wish the gentleman would point out anywhere in the basic law where it is stated to be the policy of this Congress that the Rent Control Administration shall be liquidated upon June 30.

Mr. PHILLIPS of California. I continue to refer to the first appropriation bill which went through the Congress. In the other body the limitation was placed upon the appropriation. It will be found at page 3075 of the CONGRESSIONAL RECORD of March 9, 1950, in which the other body added the limitation:

To be used for the payment of terminal leave only.

Mr. YATES. That, however, was part of an appropriation bill and not part of basic legislation.

Mr. PHILLIPS of California. It was part of an appropriation bill which, having been adopted by the two Houses then became the law.

Two things I have here interest me very much. I may not have time to go into both. One is covered by the photostatic document I have here. It seems that on February 15 the Housing Expediter issued a notice of separation because of reduction in force, as shown in this photostatic copy. It put the employee on notice that he was to remain on active-duty status until March 3, and then to take his terminal leave to May 15. However, in spite of the fact that on February 15 he was given this separation notice, on February 3 he had his salary doubled. On February 3 the Housing Expediter raised him from a clerk-typist at $3,130 to a chief of section at $6,400 per annum.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. TABER. I think that ought to be read to the committee. Mr. Chairman, I ask unanimous consent that the gentleman from California be allowed to proceed for three additional minutes in order that he may read this matter to us.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PHILLIPS of California. I thank the gentleman. This photostat shows that 12 days prior to giving the employee in the Housing Expediter's office the severance notice the employee's pay was increased from $3,130 per year to $6,400 per year. Also, since the days of OPA, we have not had such statistics sent to us as we are now receiving from the Housing Expediter. The statement by the Housing Expediter before our committee in reference to the city of Houston, Tex., was that when rent control was not renewed rents rose 41.3 percent. Checking that with the Bureau of Labor Statistics, from which source this information was supposed to come, the actual increase in rents was about 10.5 percent over the rental field.

I hope we are not going to have a repetition of OPA days when it was necessary to check the statistics which came from that agency for accuracy, usually to find them modified to suit the argument which the agency was trying to make.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Iowa [Mr. JENSEN] made an observation a moment ago that probably he did not mean, when he said that France is a nation of slums.

Mr. PHILLIPS of California. He could have made the statement stronger, that the imposition of rent controls as an emergency measure, from which France has not been able to get free in 30 or 40 years, has completely ruined construction, and principally the repair of rental

property. It is a very difficult situation. I do not think the gentleman from Iowa meant that France is a nation of slums now, but certainly France is on the way to being a nation of slums if something is not done about it.

Mr. McCORMACK. We would not want an impression sent abroad in connection with a friendly nation that that nation of people is a nation of slums. That is the only purpose I had in asking the gentleman to yield.

Mr. PHILLIPS of California. Does the gentleman think they would be offended and not want to borrow any more money from us?

Mr. McCORMACK. I would be offended in America if they made that statement abroad.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from New York.

Mr. JAVITS. I take it the statement the gentleman is making is on the assumption that rent control ends on June 30 this year?

Mr. PHILLIPS of California. That is the reason. Certainly we should follow the policy established in the first deficiency bill by the other body.

Mr. THOMAS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, if I understood the reading clerk correctly, the amendment does two things. One is to earmark $300,000 of this $600,000 for terminal leave and, if I understood the Clerk correctly, the other was for "legislation." I presume the gentleman from California meant "liquidation."

With that clarification let me see if I can briefly summarize for the Committee the status of rent control with reference to appropriations. We all know that this activity known as rent control dies as of June 30 of this year by operation of law unless it is extended by another act of this Congress. From the appropriation point of view the Housing Expediter went to the committee at the other end of the Capitol on February 16 and asked for $3,600,000 in the way of an urgent deficiency to carry his activities through the end of the fiscal year.

The Senate committee granted $2,600,000 with the stipulation that that agency be wound up lock, stock, and barrel. The item went to the floor of the other body and the amount was increased to $4,000,000, of which $2,600,000 was for terminal leave. As I have said, the other body gave them a flat $4,000,000, which was $400,000 more than the budget estimate. They earmarked $2,600,000 for terminal leave with a general understanding that the agency would go by the board at the end of June 30 this year. About 2 weeks ago they came to your subcommittee with a budget estimate of $800,000 to carry on for all practical purposes through the month of June. They said the urgent deficiency bill did not give them enough money to go through the month of June; that the $1,400,000 would not do the job but that $2,600,000 for terminal leave would do the job. They told our committee on the record that they needed, not $800,000, but an additional amount of $1,000,000. They had on the 1st of January approximately 4,150 employees in this agency. On April 1 they had approximately 3,900 and the $600,000 that we have recommended in this bill will give them about 2,000 employees to carry them through the month of June.

Now, gentlemen, as I understand the matter my friend, the gentleman from California [Mr. PHILLIPS] does not seek to change the money here. He just attempts to earmark $300,000 more. You have already given them two and six-tenth millions for terminal leave, and they certainly do not need $300,000 more.

I think what this committee ought to do, if I may humbly make this recommendation to you, is to leave this language as it is and wait to see what this House and the other body does as to continuation of rent control for another year. It will be their business. As for me, I do not know what I am going to do. My State has heretofore decontrolled, and perhaps I will follow my own State, but that is a matter for me and that is not your trouble. But, frankly, I think they have enough funds already earmarked for terminal leave. I think this $600,000 will amply carry them through June 30 and let us permit the Congress to decide what they want to do about it. I think that is the only sensible solution and way out as far as this item is concerned. I am not finding any fault with my distinguished friend from California, and I know what his attitude is. He does a fine job, not only for his district, but for his State. Frankly, I do not think the amendment adds anything here.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from California.

Mr. PHILLIPS of California. According to the gentleman's own statement, the entire amount is meant for liquidation; therefore if I want to earmark half of it for liquidation, no harm could possibly be done.

Mr. THOMAS. This is solely for expenses of operation.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think my friend from California protests too much when he says that he is not trying the issue of rent control before this House today. He is trying that issue. He cannot say that he only wants the program to be liquidated on June 30. It seems to me that his amendment is one in the long series of amendments made by the Committee on Appropriations and adopted in the various conference reports which has crippled the administration of this program since its passage by the House last year. The report on this deficiency appropriation bill says that the 1950 Independent Offices Appropriation Act contained an initial appropriation of $17,500,000 for this purpose. When the 1950 appropriation bill was passed by this House it had a provision for $21,000,000 in it, not $17,500,000.

In the conference report that was adopted between the House and the Senate it was cut to $17,500,000. In the debate that took place at that time before the other body and in measure, before this House, the Housing Expediter was told, in spite of the protestations of some Members of the House, that if he did not have sufficient funds to administer the program he should come back to this House for additional funds. He came back to the House for additional funds a few months ago, when the first deficiency appropriation came before us. He came in with a request for $4,000,000, to provide a reasonable administration of the law. That was the amount that was stricken from the 1950 appropriation bill. When the deficiency bill left this House it provided for the $4,000,000. When it came back from the Senate and out of the conference, $2,600,000 of that appropriation was earmarked for terminal leave, taking these funds away from administration. This left only $1,400,000 to administer the program until June 30, obviously not sufficient money to administer the program, and the Housing Expediter had to come back to the Congress with a request for additional funds.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New York.

Mr. TABER. Did they use up the money by the kind of practices the gentleman from California read, by increasing the pay as much as double so that a lot more money would be used for terminal leave? Did they pay at the double rate?

Mr. YATES. May I refer the gentleman to the hearings on the deficiency appropriation bill as they appear on page 808. In July 1949 the Housing Expediter had 5,301 employees. In June of this year he is estimated to have 2,244. I do not think the record of the Housing Expediter is too bad.

He is making an earnest effort to cut down the number of employees he has.

We still vitally need rent controls in metropolitan centers like Chicago, Los Angeles, and the other great cities of this Nation. Why should we on the floor of the House today try the question of rent control? The Committee on Banking and Currency has just reported out the Spence bill, by a vote of 15 to 4, which would continue rent controls for an additional 6 months, leaving to the municipalities of the country by local option the question of whether or not rent control should be continued for 6 months afterward. The time to try the question of rent control is when that bill reaches this floor, not today. In order to take care of the needs of the Office of the Housing Expediter, let us give him a chance to finish out the program on a decent and a reasonable basis.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The present rent-control law expires on June 30.

Mr. YATES. That is correct.

Mr. McCORMACK. Under the present situation in relation to the appropriations, unless further appropriations are provided in this bill it will in fact expire the latter part of this month, as I understand.

Mr. YATES. It will expire on May 24 or 25.

Mr. McCORMACK. In other words, by failure to make appropriations we are cutting short the life of the rent-control law, as the law now exists, by at least a month.

Mr. YATES. That is correct.

Mr. McCORMACK. As a matter of good faith the Congress should carry out rent control until June 30. Further, none of us know what Congress is going to do in relation to the bill that has been reported out of the Committee on Banking and Currency and on which a rule is now being sought from the Committee on Rules.

Mr. YATES. The gentleman is correct.

May I point this out further to the gentleman from Massachusetts. The gentleman from California has stated that it is the policy of this Congress that rent control be liquidated. I think that is just an assumption. If the gentleman will refer to the hearings on page 808, in connection with the examination of the Housing Expediter before the Committee on Appropriations, he will find that the gentleman from California [Mr. PHILLIPS] made this statement to the Housing Expediter:

> The Office of the Housing Expediter was put on notice a year ago that they were going out of business and yet they are up here on the 8th of May with a request for $800,000 to carry themselves along to the 30th of June.

To this the Housing Expediter made this reply:

> No, Congressman, I do not think anywhere in the act appears a directive to liquidate.

That was the reason I asked the gentleman from California to yield before. He stated that a year ago the House issued the directive that rent control should be liquidated at this time. If that be true, then why have additional hearings before the Committee on Banking and Currency? We on the committee should not dictate legislative policy. I think that is the very reason the Committee on Appropriations, of which I am a member, has been subject to the criticism that we on the committee attempt to make legislation in the form of appropriations. I for one do not like it. I think the Committee on Banking and Currency has a very valuable function to perform. I think it is the function of the Committee on Banking and Currency to determine whether or not a bill should be reported in furtherance of rent-control legislation. I do not think it is up to us on the Committee on Appropriations in the form of an appropriation bill to cripple the legislation, once the House has adopted it.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. SAYLOR. According to the figures you gave there has been a reduction of over 50 percent in the employees. You stated they originally asked for $21,000,000. They were granted $17,000,000 and a deficiency appropriation of $4,000,000, which makes the $21,000,000. How can you explain, then, the justification for this appropriation of $600,000 more when they have already reduced their staff more than 50 percent, unless it is by the example, such as pointed out by the gentleman from California [Mr. PHILLIPS] of doubling their salaries?

Mr. YATES. If the gentleman will permit me to answer his question, I pointed out that of the additional $4,000,000 appropriation $2,600,000 was earmarked for terminal-leave pay. That cannot be used in the administration of the Office. Only $1,400,000 was to be used for the administration of the Office. I would direct the attention of the gentleman to the remainder of the hearings. If he looks through these hearings he will find that almost the entire rent-control program is still in existence throughout the country. Of the 48 States only 6 have been decontrolled in spite of the fact that they do have local option in the present law and each of the States and communities do have the right to decontrol. Apparently there is a great need for the continuation of such controls today, otherwise the municipalities and States would have decontrolled their communities.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I am glad to yield to the chairman of the subcommittee.

Mr. THOMAS. I would like to clarify a point raised by the gentleman from Pennsylvania a while ago. The budget estimate for 1950 was $26,000,000 and not $17,000,000. Seventeen million dollars was given, so they suffered a cut there of ten or eleven million dollars.

Mr. YATES. I thank the gentleman for his contribution.

Mr. Chairman, I hope the amendment is defeated. This is another one of a long series of amendments seeking to cripple the administration of this act. Let us permit a decent job to be done by the Housing Expediter for the balance of the basic rent-control period. Let us not attach any strings to the appropriation.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is just another example of how these bureaucrats down here work. During the time that I have been a Member of Congress the Expediter has received a certain amount of money to run his department and every year along about February or March he comes here to get an additional appropriation to carry his department. Instead of cutting his cloth according to the size of the appropriation he gets, he spends his money indiscriminately so that it is all gone in the first 9 months of the fiscal year, and then we have to make a supplemental appropriation to carry his department until the 1st of July because the law says the law is to continue in effect until the 1st of July.

The gentleman from California has pointed out that he paid no attention to the amount of money in his appropriation and doubled the salaries of some of the employees and recommended that they take terminal leave long ago. In any legislative body that I was ever a member of, whether it was the town or the State government or any other sort of government, we received the appropriation to run our department, and that is all we got. That is the way it is in the State of Massachusetts, anyway, and that is the way it should be run here.

Mr. McCORMACK. Is the gentleman sure that that is the way it is run in Massachusetts?

Mr. NICHOLSON. I am absolutely sure.

Mr. McCORMACK. Not under a Republican administration. I served in both branches of the Massachusetts Legislature.

Mr. NICHOLSON. Of course, my colleague from Massachusetts knows that I served there 23 years, much longer than he did.

Mr. McCORMACK. I know that, and with all due respect to my friend, for whom I have a great fondness, I think we do have supplemental budgets in the State of Massachusetts. I would not like to get into an argument with my friend about that, because I like him too much. But we have supplementary appropriations there.

Mr. NICHOLSON. We have a supplementary budget after the regular budget is passed, but the supplementary budget only takes in new appropriations that have been made since the general budget went through.

Now to get back to this subject of bureaucrats overriding all the appropriations and coming in here for billions of dollars to carry them to the 1st of July, that is all wrong. They should pay some attention to the Congress that gives them the money to run their departments—not for 9 months. We make these appropriations for a year, and they should stay within them.

As far as the authorization for this is concerned, we should not appropriate any money for next year in the general appropriation bill, because it says in the law that they are through on the 30th of June. They should have been done a long time ago.

The majority leader, for whom I have a great deal of respect, said something about France. I do not believe they have built a house in Paris in the last 30 years. The reason for it is that no one wants to build a house and let the Government take it over to do his renting for him at a price that makes his house a slum. Everybody knows that if you make the rent so cheap that a man cannot paint or paper or hire plumbers or have carpenter work done, it is only a short time before his house is ready to fall down.

I am going to support the amendment offered by the gentleman from California [Mr. PHILLIPS]. I will support anything, Mr. Chairman, that will give these pieces of property back to the people who own them. There never was anything in our Constitution or in our way of life that said the Government could take your house or mine and say how much rent we should receive for it, or anything else. It is long past due. I am glad the gentleman from California [Mr. PHILLIPS] pointed out that this Expediter has raised the salary of some men from $2,100 to $4,200 and then get their terminal leave payment. It is about time we woke up and ran the affairs of the country the same as we would run our own affairs.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. NICHOLSON] has expired.

Mr. THOMAS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to chapter VIII close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. JAVITS] is recognized.

Mr. JAVITS. Mr. Chairman, I hope that the Committee will not adopt this amendment, because I do not believe that such action would follow the path of responsibility. I think it is an effort to defeat rent control now on a relatively minor provision of a deficiency appropriation bill. It is fair neither to the proponents or opponents of rent control, and for this reason: There are some who are opponents of rent control regardless. They are sincere, and their arguments must be respected and have hearing—and will again. But I think most of the House is in two other classes: those who are for rent control; and those who are for local option on rent control.

We now have our own effective State law in New York, so I am not arguing selfishly for the people of my district or my State. I am convinced that rent control is essential to the country, but that is an argument for another date. I address my remarks on this amendment especially to the group in this House that believes that as completely as possible there ought to be local option. I ask them whether they want local option driven by a sudden emergency which will occur in their communities if Federal rent control as contemplated by this amendment is crippled, or whether they would prefer to have the full time provided by the Federal law at least until June 30, in order to have their communities make up their minds locally what they want to do about rent control.

We have met the question time and time again, whether we shall endeavor to decide a question of substantive and basic law by an amendment to an appropriation bill. I urge upon my colleagues that it is our duty and responsibility to reject the amendment in face of the fact that a committee of this House by a very large majority, I think it was 13 to 4, has already reported out a proposed rent-control measure. The evidence therefore is that this agency is likely to continue, rather than the other way.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. McCORMACK. The question involved is a matter of good faith as to whether the necessary appropriations will be made by Congress to permit rent control to continue until its termination under existing law, June 30. Is not that correct?

Mr. JAVITS. I think it is a question of whether the mayors and the governors shall be able to do what the law allows them to do; in other words, to let them continue legally as the present law states they can do until June 30, or whether they shall be thrown into confusion in these cities and towns because Congress does not live up to its obligation. The gentleman calls it good faith; I call it an obligation.

Mr. McCORMACK. In other words, the question of good faith comes in as to the appropriations made by Congress to carry out the congressional mandate that this law, as presently constituted on the books, shall expire on June 30.

Mr. JAVITS. I call it the issue of responsibility; the gentleman calls it good faith. I would like to point this out to the gentleman. I hope he will agree with me. I am convinced that rent control is not a party issue. It should be carried on, because there are votes on both sides of the aisle to support it. The places where the effect of the discontinuance of rent control will be felt most severely is in the big cities and there are representatives from big cities on both sides of the aisle. Representatives who have large cities in their districts are for this law for two reasons: First, because the cities continue to have an emergency shortage of decent housing; and, second, because the cities are worst hit by inflation, especially runaway inflation, and certainly there would be a serious inflationary situation threatened in the sudden termination of rent control which would come about merely by the Federal Government's failing to meet its responsibility and providing this money to carry out this act to its termination date on June 30.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield that I may ask a question or two of the majority leader?

Mr. JAVITS. I yield.

Mr. PHILLIPS of California. I wonder if the gentleman from Massachusetts realizes the rather ingenious policy he has enunciated that where you have a temporary agency of government you should never permit it to expire or to stop its work before the end of a fiscal year. We had a lot of trouble with UNRRA. We liquidated UNRRA three times before we got in liquidated. I think the most permanent thing in government is a temporary agency.

Mr. McCORMACK. The gentleman from California is very ingenious himself; the gentleman is the one who advances the ingenious argument, not the gentleman from Massachusetts. The gentleman from Massachusetts says that this Congress passed a law extending rent control until June 30 of this year. The gentleman from Massachusetts says that in good faith the Congress should carry out the law until June 30 of this year so far as existing law is concerned.

The effect of the amendment offered by the gentleman from California would be in fact to shorten the expiration of the law by failure to make necessary appropriations to carry it out.

The CHAIRMAN. The time of the gentleman from New York has expired. All time on the chapter has expired.

The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. NICHOLSON) there were—ayes 36, noes 62.

So the amendment was rejected.

The Clerk read as follows:

UNITED STATES MARITIME COMMISSION

MARITIME TRAINING

The limitation under the head "Maritime training" in the Independent Offices Appropriation Act, 1950, on the amount available for personal services, is increased from "$3,065,000" to "$3,097,955"; and the limitation imposed by section 103 of said act on the amount available for travel expenses is increased from "$139,583" to "$205,000."

Mr. LATHAM. Mr. Chairman, I offer an amendment.

Mr. THOMAS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. THOMAS. We had an agreement that all debate on chapter VIII and all amendments thereto would close at a certain time.

The CHAIRMAN. The gentleman is correct, but the gentleman from New York may still offer his amendment.

Mr. LATHAM. Mr. Chairman, my understanding was that the request limited debate on the particular amendment. Am I incorrect?

The CHAIRMAN. The limitation of debate was on the entire chapter.

Mr. LATHAM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LATHAM. Mr. Chairman, would it be in order for me now to ask unanimous consent to speak on my amendment for 3 minutes?

The CHAIRMAN. After the amendment is reported, the Chair will entertain the request.

The Clerk read as follows:

Amendment offered by Mr. LATHAM: On page 24, line 3, strike out lines 3 to 8 inclusive, and insert the following:

"For an additional amount for 'Maritime training,' including pay increases, effective October 1, 1949, for personnel of the United States Maritime Service comparable to those provided for the uniformed services by the 'Career Compensation Act of 1949,' $268,000, to be derived by transfer from the amount available for new ship construction under the appropriation for 'Salaries and expenses, 1950'; and the limitation under the head 'Maritime training' in the Independent Offices Appropriation Act, 1950, on the amount available for personal services, is increased from '$3,065,000' to '$3,596,000'; and the limitation imposed by section 103 of said act on the amount available for travel expenses is increased from '$139,583' to '$205,000.'"

Mr. KERR. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. There is no debate left on this chapter.

Mr. NORRELL. Mr. Chairman, I make the point of order that it is not authorized by statute.

The CHAIRMAN. What part of the amendment is not authorized by statute?

Mr. NORRELL. That part that puts the Maritime Commission employees on the same basis as those of the Armed Forces.

The CHAIRMAN. Does the gentleman from New York desire to be heard on that particular point of order?

Mr. LATHAM. Mr. Chairman, I would like to point out that the language of my amendment is the language of the President of the United States in his budget message and I submit it is perfectly proper.

The CHAIRMAN. Can the gentleman cite the statute under which this appropriation is authorized?

Mr. LATHAM. Mr. Chairman, I cite House Document No. 544, the language of the President of the United States in his budget message to this House.

The CHAIRMAN. The Chair may say that is an estimate of an appropriation and not necessarily authorized by law. What is the existing law that authorizes this uniform treatment of Maritime Service employees?

Mr. LATHAM. References to the law are found in the Pay Readjustment Act, which has been passed from time to time, and the Career Compensation Act of 1949.

The CHAIRMAN. Will the gentleman cite the section of the Career Compensation Act of 1949 to which he refers?

Mr. LATHAM. I would if I could, but I do not have it with me, I am sorry.

The CHAIRMAN. The Chair will state that the burden of proof is on the gentleman to show that it is authorized.

Mr. LATHAM. Mr. Chairman, I am sorry I do not have the act with me. I cannot cite the specific section, but it is my opinion that the language is perfectly proper.

The CHAIRMAN. Inasmuch as the gentleman from New York cannot cite the existing law authorizing this treatment to be accorded to the Martiime Service, the Chair is compelled to sustain the point of order.

The Clerk read as follows:

FLOOD CONTROL

For an additional amount for "Flood control, general", $750,000, to remain available until expended.

For an additional amount for "Flood control, general (emergency fund)", as authorized by the Flood Control Act of 1948 (Public Law 858, approved June 30, 1948), $2,500,000, to remain available until expended.

EMERGENCY REPAIRS, LAKE OKEECHOBEE LEVIES

Mr. ROGERS of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the existing system of levees around the southern half of Lake Okeechobee comprises one of the most important flood-control projects in the United States. These levees extending for a total distance of 67 miles along the south shore and 16 miles along the north shore of the lake were constructed and are maintained by the Corps of Engineers pursuant to specific authorizations from Congress. The levee system provides protection against flooding by wind tides to that highly developed agricultural area of the Everglades and in addition affords protection to the communities of Belle Glade, Clewiston, Pahokee, Lake Harbor, and the outlying suburban residential areas. It is imperative that these levees never be allowed to fail.

In 1928 before the levee system was constructed the hurricane passing south of Lake Okeechobee caused extreme wind tides resulting in a loss of 2,500 lives within the space of a few hours. This loss of life was centered around the community of Belle Glade, south of Lake Okeechobee. Most of the victims lost their lives as a result of drowning. Immediately following this disaster Congress authorized the construction of protective levees to confine the waters of Lake Okeechobee to the lake area during hurricane periods. The construction of these levees was completed by the Corps of Engineers in 1936. At the present time the area has a population in excess of 35,000 and agricultural development has been stepped up to the point where even greater loss of life would be experienced today by a failure of one of the existing levees during a hurricane similar to that which occurred in 1928. As a matter of fact a more severe storm did occur in August of last year.

Severe damage to the levees was caused during the hurricanes of 1947, 1948, and again in 1949. During the latest storm in August of last year, which incidentally was the most severe storm experienced since the completion of these levees considerable damage was done to the levee structures. Erosion occurred within 2 feet of the top of the levees at the point of heaviest attack. In that damaged condition portions of these levees could not be relied upon to afford protection to this rather heavily populated area in the event another hurricane occurred this fall. Therefore, the Corps of Engineers immediately after the storm had passed undertook such emergency repairs as it was possible to finance out of available emergency flood-control funds. These repairs to date have consisted of replacement of about 80,000 cubic yards of earth embankment, 8,200 tons of stone revetment, and 53,000 cubic yards of slope stabilization work. This emergency work has been carried forward to the limit of available funds.

I am informed that much additional repair work will be required prior to the 1950 hurricane season. In order to insure adequate protection to this portion of my State to complete all essential repairs to the damaged levees will require the placement of additional embankment material, reshaping, and stabilization of the lakeside levee slopes. These repairs will restore the levees to grade and section in order that they will continue to provide the protection needed to safeguard life and property in the vicinity of Lake Okeechobee. This matter was considered of sufficient importance by the President to be included in his communication transmitting supplemental estimates of appropriation to the Congress on January 27, 1950. This message from the White House has been printed as Document No. 455, House of Representatives, Eighty-first Congress, second session. A quote from the President's message is in my opinion indicative of the seriousness of the situation confronting the residents of the Lake Okeechobee area. I quote:

Additional funds in the amount of $1,000,000 are required at the earliest practicable date in order to insure that the remaining repair work of an urgent nature may be completed prior to the 1950 hurricane season.

Gentlemen, the time is very short between now and the hurricane season which will soon be upon us in the fall. During that brief period the Corps of Engineers must complete the repair work on this system of levees. In order that this work may be completed this deficiency appropriation in the amount of $1,000,000 must be made available to the Corps of Engineers to finance this emergency repair work. I urge your support of this sum to the urgent deficiency appropriation bill.

The Clerk read as follows:

ASSISTANCE TO THE REPUBLIC OF KOREA

For expenses necessary to provide assistance to the Republic of Korea pursuant to the Far Eastern Economic Assistance Act of 1950 (Public Law 447, approved February 14, 1950), including expenses of attendance at meetings concerned with the purposes of this appropriation; payment of tort claims pursuant to law (28 U. S. C. 2672); health service programs as authorized by law (5 U. S. C. 150); transportation of privately owned automobiles; hire of passenger motor vehicles and aircraft; exchange of funds without regard to section 3651 of the Revised Statutes; and loss by exchange; $50,000,000: *Provided*, That the appropriation established under this head in the Second Supplemental Appropriation Act, 1950, shall be consolidated and merged with this appropriation and such consolidated appropriation shall be available through June 30, 1950: *Provided further*, That not to exceed $1,500,000 of such consolidated appropriation shall be available for administrative expenses during the fiscal year 1950.

Mr. KERR. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that the remainder of the bill be considered as read and open to points of order and amendments. All that remains is pay increases authorized by law and claims and judgments.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any points of order to the remaining portions of the bill?

Are there any amendments? There appear to be none.

Mr. KERR. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. KERR. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Alabama [Mr. HOBBS] is recognized for 30 minutes.

THE AMERASIA CASE

Mr. HOBBS. Mr. Speaker, I do not believe in arguing with friends in disagreement on a matter over which there should be no argument whatever. Every Member of the House is a representative of the people of the United States and the three Republican members of our subcommittee are as worthy and as patriotic gentlemen as ever served in this body.

I took great pride in the fact that for 6 years, while I was chairman of the subcommittee, we had three Republicans and three Democrats on that subcommittee which finally, under the Dondero resolution, introduced by our good friend, the gentleman from Michigan, Hon. GEORGE DONDERO, was assigned to the task of investigating what is popularly known as the Amerasia case.

We had that number of members and that two-party character on the subcommittee. Three Republicans: Hon. Clarence Hancock, Hon. Raymond Springer, and Hon. Frank Fellows, gentlemen of the highest class, and two Democratic members of the same caliber and character. I was chairman, honored to be associated with such a group. The same is true of our friend the gentleman from Michigan, Hon. GEORGE DONDERO, whose resolution and guidance we were obeying.

The reason I am taking this time is not to dispute with them, and not to quarrel with anybody, but it does seem to me there have been a great number of unwarranted statements which will not bear the light of day. I hope to be able—not to convince any of you gentlemen—but really to tell you the story, and I ask, Mr. Speaker, that I may have the privilege of revising and extending my remarks at this point in the RECORD and to include the report, House Report No. 2732 of the Seventy-ninth Congress, second session, which Subcommittee No. 4 filed in accordance with the Dondero resolution on October 23, 1946.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REPORT OF SUBCOMMITTEE IV OF THE COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, SEVENTY-NINTH CONGRESS, SECOND SESSION, PURSUANT TO HOUSE RESOLUTION 430, TO INVESTIGATE THE CIRCUMSTANCES WITH RESPECT TO THE DISPOSITION OF THE CHARGES OF ESPIONAGE AND THE POSSESSION OF DOCUMENTS STOLEN FROM SECRET GOVERNMENT FILES

LETTER OF TRANSMITTAL

OCTOBER 23, 1946.

The Honorable SOUTH TRIMBLE,
Clerk of the House of Representatives.

MY DEAR MR. TRIMBLE: In accordance with the terms of House Resolution 430, Subcommittee IV of the Committee on the Judiciary herewith transmits to you, as Clerk of the House of Representatives of the Seventy-ninth Congress, its report as ordered by said resolution, the House of Representatives not being in session.

Respectfully submitted.

SAM HOBBS,
Chairman, Subcommittee IV,
Committee on the Judiciary.

To the honorable South Trimble as Clerk of the House of Representatives of the Seventy-ninth Congress:

Subcommittee No. IV of the Committee on the Judiciary, to which was assigned the duty required by House Resolution 430, makes the following report, the House not being in session:

I. The Committee on the Judiciary was authorized and directed by said resolution: "to make a thorough investigation of all the circumstances with respect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files which were made by the Federal Bureau of Investigation 'against Philip J. Jaffe, Kate L. Mitchell, John Stewart Service, Emmanuel Sigurd Larsen, Andrew Roth, and Mark Gayn,' and to report to the House (or to the Clerk of the House, if the House is not in session) as soon as practicable during the present Congress, the results of its investigation, together with such recommendations as it deems necessary."

II. Prior to June 1945, information obtained by agencies of the Government and articles appearing in magazines, newspapers, and radio broadcasts had shown that Government files were not being as carefully guarded as they should have been. Investigations were made by more than one agency of the Government for the purpose of ascertaining how such "leaks" could have occurred and who was responsible. The FBI and at least one other agency made a searching investigation.

On June 6, 1945, the Federal Bureau of Investigation, after a painstaking and careful investigation covering several months, and acting on warrants of arrest issued by a United States district judge, caused the arrest of Philip Jacob Jaffe and Kate Louise Mitchell, editor and coeditor, respectively, of Amerasia, a magazine published in New York City; Andrew Roth, a lieutenant in the United States Naval Reserve, stationed in Washington; Mark Julius Gayn, a magazine writer of New York City; and Emmanuel Sigurd Larsen and John Stewart Service, who were employees of the State Department in Washington, D. C.

At the time these arrests were made, searches and seizures, incident to the arrests based on warrants, were conducted in the offices or residences of various of the arrested parties. Many classified Government documents or copies were found in the possession of some of them, the greater part of the documents pertaining to political matters in Japan, China, India, and Asia.

To understand the nature of these documents and papers, an explanation of security terms is essential. In most Government departments and agencies, papers and documents subject to security regulations are classified in one of four categories, defined as follows:

"Top secret": Certain secret material and information, the security aspect of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave danger to the Nation, or embarrassment to the Government, shall be classified as "top secret."

"Secret": Material and information, the unauthorized disclosure of which would endanger national security, cause injury to the interest or prestige of the Nation, or any governmental activity thereof, or would be of advantage to a foreign nation, shall be classified as "secret."

"Confidential": Material and information, the unauthorized disclosure of which, while not endangering the national security, would be prejudicial to the interest or prestige of the Nation, or any governmental activity or individual, and would cause administrative embarrassment or difficulty, or be of advantage to a foreign nation, shall be classified "confidential."

"Restricted": Material and information (other than "top secret," "secret," or "confidential") which should not be published or communicated to anyone, except for official purposes, shall be classified as "Restricted."

Any paper or document falling within any of such categories is properly identified as a "classified document." Security rules and regulations for the handling of "classified matter" were in force in the State Department, the Office of War Information (OWI), the Office of Strategic Services (OSS), the Office of Naval Intelligence (ONI), the Navy Department, Military Intelligence Division (MID), the War Department, and other departments and agencies of the Government at the time the matters under investigation took place. In considering the types of "classified documents" seized by the FBI at the time the various parties were arrested, this report treats "duplicate originals" of classified documents as including mimeograph, hectograph, or ozalid copies and "copies" as including photostatic and typewritten copies.

Among the documents seized in the possession of Jaffe at the Amerasia office in New York City at the time of his arrest were 267 prepared by the State Department, including 2 copies of a top secret classification, 20 originals or duplicate originals, and 14 copies of a secret classification, and 51 originals or duplicate originals and 14 copies of a confidential classification; 50 prepared by OSS, including 2 originals or duplicate originals and 1 copy of a secret classification and 11 originals or duplicate originals of a confidential classification; 19 prepared by ONI, including 1 original or duplicate original of a secret classification and 3 originals or duplicate originals of a confidential classification; 34 prepared by MID, including 9 copies of a secret classification, 1 original or duplicate original and 11 copies of a confidential classification; 58 prepared by OWI, including 3 copies of a secret classification; 1 original or duplicate original and 4 copies of a confidential classification.

Jaffe was affiliated with the National League of American Writers, American Council on Soviet Relations, National Council of American-Soviet Friendship, American League for Peace and Democracy, and American Friends of the Chinese People.

When Larsen was arrested at his home in Washington, D. C., the documents found in his possession and seized by the FBI included 93 from the files of, or prepared by, the State Department, including 14 originals or duplicate originals and 5 copies of a secret classification; 13 originals or duplicate originals and 3 copies of a confidential classification; 144 from the files of, or prepared by, ONI, including 7 originals or duplicate originals of a secret classification and 24 originals or duplicate originals and 3 copies of a confidential classification; 8 from the files of, or prepared by, MID, including 1 secret original or duplicate original and 1 copy of a secret classification and 2 copies of a confidential classification; 9 from the files of, or prepared by, the War Department, including 2 copies of a secret classification and 3 originals or duplicate originals of a confidential classification; 8 from the files of, or prepared by, OSS, including 1 original or duplicate original of a confidential classification.

Larsen, when arrested, was a research specialist in the Far East Division of the Department of State. He had formerly served as a civilian specialist with ONI in Wash-

ington from October 1935 to August 1944, when he transferred to the State Department. His work in both places consisted of research and advisory work in Chinese matters.

At the time of the arrest of Andrew Roth in Washington, D. C., no secret or confidential documents or copies thereof were found in his possession. The records made available to this committee indicate, however, that Roth, who had been under surveillance, was the contact man or go-between for Jaffe in Washington. He was observed at various times transmitting envelopes to Jaffe or others connected with these transactions. Four items which were seized by the FBI in the possession of Jaffe, and which bore no official classification, were subjected to laboratory analysis, with the resulting disclosure that they were copies of official reports on Indian politics written in longhand by Roth, or typewritten on Roth's machine. Before his arrest, he had been working on the Japanese Fleet Desk in ONI and had been engaged in liaison work between the State Department and ONI. Prior to his entering the service, he had worked on the staff of Amerasia.

The arrests made by the FBI on June 6, 1945, were on charges of conspiracy to violate the Espionage Act during wartime. Jaffe, Mitchell, and Gayn, who were arrested in New York, were arraigned there and released on $10,000 bonds posted by each. Roth, Service, and Larsen were arraigned in the District of Columbia in the early hours of June 7, 1945, and their bonds set at $10,000 each.

The cases against the parties were again presented to a second grand jury from July 30, to August 8, 1945, during which time Mitchell, Gayn, and Service voluntarily waived immunity and appeared before that body. No indictments were returned against them. On August 10, 1045, true bills were returned against Jaffe, Larsen, and Roth, the indictments charging a violation of section 88 of title 18 of the United States Code by conspiring to violate sections 100, 101, 234, and 235 of title 18, United States Code, which are as follows:

"Section 100 of title 18—Embezzling public moneys or other property: Whoever shall embezzle, steal, or purloin any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

"Section 101 of title 18—Receiving stolen public property: Whoever shall receive, conceal, or aid in concealing, or shall have or retain in his possession with intent to convert to his own use or gain, any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, which has theretofore been embezzled, stolen, or purloined by any other person, knowing the same to have been so embezzled, stolen, or purloined, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both; and such person may be tried either before or after the conviction of the principal offender.

"Section 234 of title 18—Destroying public records: Whoever shall willfully and unlawfully conceal, remove, mutilate, obliterate, or destroy, or attempt to conceal, remove, mutilate, obliterate, or destroy, or, with intent to conceal, remove, mutilate, obliterate, destroy, or steal, shall take and carry away any record, proceeding, map, book, paper, document, or other thing, filed or deposited with any clerk or officer of any court of the United States, or in any public office, or with any judicial or public officer of the United States, shall be fined not more than $2,000, or imprisoned not more than 3 years, or both.

"Section 235 of title 18—Destroying records by officer in charge: Whoever, having the custody of any record, proceeding, map, book, document, paper, or other thing specified in section 234 of this title, shall willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, or destroy any such record, proceeding, map, book, document, paper, or thing, shall be fined not more than $2,000, or imprisoned not more than 3 years, or both; and shall moreover forfeit his office and be forever afterward disqualified from holding any office under the Government of the United States."

Jaffe, Larsen, and Roth were arraigned on August 30, 1945, before Judge Henry Schweinhaut in the Federal District Court for Washington, D. C., and entered pleas of not guilty. At that time the bond for each was reduced from $10,000 to $2,500. Roth, through his attorney, filed a demurrer and request for a a bill of particulars on September 27, 1945, and on September 28, 1945, Larsen, through his attorney, filed a motion to quash the indictment, a demurrer, and a motion to suppress the evidence. On October 2, 1945, Jaffe withdrew his plea of not guilty and entered a plea of guilty to the indictment. A fine of $5,000 was recommended by United States Attorney R. M. Hitchcock of the Department of Justice. The court imposed a fine of $2,500, which was the figure suggested and requested by Jaffe's attorney. On November 2, 1945, Larsen withdrew his former pleas and motions and entered a plea of nolo contendere. A fine of $500 was suggested by the attorney for the Department of Justice and was imposed by the court. In each of these two cases it is to be noted that the Justice Department attorney recommended fines after stating in open court that the actions of the two defendants "did not involve any element of disloyalty." On January 18, 1946, a hearing was held before Judge James M. Proctor of the Federal District Court for the District of Columbia on Roth's motion for a bill of particulars. The Criminal Division of the Department of Justice was given 30 days in which to file this bill of particulars. Thereafter the Department, on February 13, 1946, entered a nolle prosequi in the case of Roth.

III. On June 22, 1945, a grand jury of the United States District Court for the District of Columbia began its inquisition. This proceeded for 8 days. During that time, or shortly thereafter, Mitchell, Gayn, and Service, waiving immunity, requested to be permitted to appear before a grand jury and testify in their own behalf.

While in many State courts no such practice is permitted, it seems quite common in Federal courts and, particularly, in the District of Columbia.

When defendants are allowed to appear and testify before grand juries they subject themselves to preliminary questioning by the prosecuting attorneys, and also to cross-examination, which is recorded. This frequently results in enabling the prosecution to make out a stronger case against defendants than could be established otherwise.

These written requests by Mitchell, Gayn, and Service were granted. They each appeared and testified before the second grand jury, the first having been discharged from further consideration of the case. All three of these defendants were questioned at length, and Mitchell and Gayn were cross-examined thoroughly.

The votes of at least 12 grand jurors in favor of indictment is required by law in order that such action may be taken. After the second grand jury had heard all of the oral evidence both for and against all 6 of the defendants and considered all of the documentary evidence, fewer than half of the required 12 voted for the indictment of any one of the three, Mitchell, Gayn, and Service, and no more than 14 of the 20 grand jurors constituting the grand jury voted for the indictment of any one of the other three. Of course, this meant that indictments were presented only against Jaffe, Larsen, and Roth.

IV. Not only was the attitude of the grand jurors indicative of what might be expected of petit jurors, but it should be borne in mind in considering the question of the wisdom, vel non, of the disposition of the charges, that the remaining defendants would be represented by competent counsel on their trial, and would have their own witnesses and their own testimony there, whereas before the grand jury only prosecution witnesses and prosecution attorneys had been heard.

V. The prosecution's case was further weakened by these facts:

1. In our governmental course of dealing, classification of documents was not standardized in practice. Frequently, if not usually, the writer or forwarder in a foreign country made the classification (grand jury minutes, vol. 1, pp. 51, 79). In part this was governed by his desire to have the material transmitted promptly and, since the higher the classification the greater the speed of transmission, unwarranted up-grading for speed was common.

2. Few, if any, of the identifiable classified documents involved in this case had any real importance in our natitonal defense or our war effort.

3. Many had already been given wide publicity.

4. Many of the identifiable documents might have had their evidential value destroyed by reason of the possibility of the court's sustaining the defendants' motions attacking the warrants of arrest.

VI. Judicial decisions require scrupulous care to see that searches and seizures are reasonable. While search and seizure on arrest may be made without a search warrant, yet this is not so unless the warrant of arrest issued after "probable cause" of guilt had been established by legal evidence.

In *United States* v. *McCunn* (40 F. (2d) 295) there was a warrant for arrest upon a complaint which merely set forth the sources of information and the grounds for belief. The court said:

"The search and seizure were made without a search warrant, and therefore can be sustained, if at all, only if made as an incident of a lawful arrest, or if made with the consent of the defendants * * *.

"To enable a committing magistrate to determine whether there is probable cause for the issuance of a warrant, the sources of the information and the grounds of the belief must be stated with sufficient definiteness to enable him to determine whether a warrant should issue.

"The warrant * * * was issued without the establishment of probable cause, and the arrest and the search and seizure incidental thereto must be held illegal" (See *United States* v. *McCunn et al.* (D. C., N. Y., 40 F. (2d) 295), and authorities therein cited.)

In the event the complaint was not based on complainant's personal knowledge and not supported by other proof, no jurisdiction would be conferred upon a commissioner to issue a warrant for arrest. This is substantiated by the language of *United States* v. *Gokey* (32 F. (2d) 793), as follows:

"Consideration is first given to that part of the second ground or claim of illegal detention; i. e., that the complaint is insufficient at law to confer jurisdiction. The commission of a crime must be shown by facts positively stated before a commissioner has jurisdiction to issue a warrant of arrest. This protection is guaranteed to every person by the Constitution (fourth amendment) through the provision that 'no warrant shall issue, but upon probable cause, supported by oath or affirmation.' This safeguard of liberty has been jealously protected by all courts. And well it should be, for it would be intolerable to allow a warrant

of arrest to be issued upon the opinion, conclusion, or suspicion of some person, unsupported by facts. The 'oath or affirmation' required is of facts, not opinions or conclusions. The complaint must be supported by proof, so that the magistrate may exercise his judgment or discretion in determining that an offense has been committed, and that there is probable cause to believe the accused guilty of the commission thereof. If the complaint is made on information and belief, it must give the grounds of belief and sources of information. A complaint not based upon the complainant's personal knowledge, and unsupported by other proof, confers no jurisdiction upon the commissioner to issue a warrant (*U. S.* v. *Baumert* (D. C.) 179 F. 735; *U. S.* v. *Wells* (D. C.) 225 F. 320; *U. S.* v. *Ruroede* (D. C.) 220 F. 210; *In re Blum*, 9 Misc. Rep. 571, 30 N. Y. S. 396).

"In this case there is not any claim that the immigration officer, who made the complaint, had any personal knowledge of the commission of the crime charged, or any other crime committed by King on September 11. This lack of personal knowledge was admitted upon the hearing. The complaint, therefore, becomes nothing more than a statement of the commission of a crime, based upon hearsay. Although made upon the positive oath of the complainant, it is in reality a complaint based upon information and belief, and nothing more. The positive averments of an official as to facts not within his personal knowledge may be enough to protect a commissioner, but they should not be sufficient to confer jurisdiction, in violation of the Constitution, and the numerous decisions of the courts. The complaint must, therefore be held insufficient" (see *United States* v. *Gokey* (D. C., N. Y., 32 F. (2d) 793), and authorities therein cited).

If the warrant for arrest was not issued on probable cause substantiated by facts, the evidence disclosed as a result of the search and seizure incident to the arrest based on such a warrant would be subject to suppression and, therefore, not usable as evidence of the crime for which the arrest was made. In *United States* v. *Lefkowitz* (285 U. S. 452) the Supreme Court stated:

"The only question presented is whether the searches of the desks, cabinet, and baskets and the seizures of the things taken from them were reasonable as an incident of the arrests. And that must be decided on the basis of valid arrests under the warrant. Save as given by that warrant and as lawfully incident to its execution, the officers had no authority over respondents or anything in the room. The disclosed circumstances clearly show that the prohibition agents assumed the right contemporaneously with the arrest to search out and scrutinize everything in the room in order to ascertain whether the books, papers or other things contained or constituted evidence of respondents' guilt of crime, whether that specified in the warrant or some other offense against the act. Their conduct was unrestrained. The lists printed in the margin show how numerous and varied were the things found and taken.

"The fourth amendment forbids every search that is unreasonable and is construed liberally to safeguard the right of privacy, *Byars* v. *United States* (273 U. S. 28, 32). Its protection extends to offenders as well as to the law abiding, *Weeks* v. *United States* (232 U. S. 383); *Agnello* v. *United States* (269 U. S. 20, 32). The authority of officers to search one's house or place of business contemporaneously with his lawful arrest therein upon a valid warrant of arrest certainly is not greater than that conferred by a search warrant issued upon adequate proof and sufficiently describing the premises and the things sought to be obtained. Indeed, the informed and deliberate determinations of magistrates empowered to issue warrants as to what searches and seizures are permissible under the Constitution are to be preferred over the hurried action of officers and others who may happen to make arrests. Security against unlawful searches is more likely to be attained by resort to search warrants than by reliance upon the caution and sagacity of petty officers while acting under the excitement that attends the capture of persons accused of crime, *United States* v. *Kirschenblatt* (6 F. (2d) 202, 203); *Go-Bart Co.* v. *United States* (*supra*, 358).

"Respondents' papers were wanted by the officers solely for use as evidence of crime of which respondents were accused or suspected. They could not unlawfully be searched for and taken even under a search warrant issued upon ample evidence and precisely describing such things and disclosing exactly where they were, *Gouled* v. *United States* (255 U. S. 298, 310). * * *

"This case does not differ materially from the Go-Bart case and is ruled by it. An arrest may not be used as a pretext to search for evidence. The searches and seizures here challenged must be held violative of respondents' rights under the fourth and fifth amendments." (See *United States* v. *Lefkowitz et al.* (U. S. Sup. Ct.) 285 U. S. 452; *United States* v. *Haberkorn* (C. C. A.) 149 F. (2d) 720; *United States* v. *Hotchkiss* (D. C. Md.) 60 F. Supp. 405 and authorities therein cited.)

VII. "Classification" is a question for determination by the jury. The question as to whether information "relates to the national defense" within the purview of the Espionage Act is a question of fact for the jury under appropriate instructions from the court. The classification given a document by an agency of the Government is not controlling.

"The function of the court is to instruct as to the kind of information which is violative of the statute, and of the jury to decide whether the information secured is of the defined kind. It is not the function of the court, where reasonable men may differ, to determine whether the acts do or do not come within the ambit of the statute. The question of the connection of the information with national defense is a question of fact to be determined by the jury as negligence upon undisputed facts is determined." (See *Gorin* v. *United States* (U. S. Sup. Ct. 312 U. S. 19), and authorities therein cited.)

VIII. Most of the "classified" items in question were copies. There were few, if any, original documents. Most, if not all, of the documents listed as originals or duplicate originals in the recapitulation heretofore set out were hectograph, ozalid, or mimeograph copies. The bulk of the records were not of recent date. Some were dated as early as 1936, were innocuous in content, and were and could have been generally known to anyone interested in the information they contained. Most of the items seized at Jaffe's office were typewritten copies. Some of such copies were proved to have been typed in one of the Government departments. It may be fairly inferred that the originals of such copies were never removed but that copies were made at the department or agency where the original reposed.

There was no proof that any of the records or copies were "stolen." Virtually all of the late 1944 and the 1945 items seized from Jaffe, which on their face indicated them to be Government property, were removed from the State Department. Many originated elsewhere, but had been routed to State. Larsen had authority enabling him to take such items from the State Department, although under the regulations he could not retain them or disclose their contents. Although the various parties were frequently observed in the company of one another by trained investigators, no one of them was ever seen to deliver any Government items to another. In the Government agencies to which the various reports or documents were routed there was no real control or record of the whereabouts of copies.

IX. Of course, the law requires that every person charged with crime shall be presumed innocent until the evidence proves guilt beyond a reasonable doubt to the satisfaction of the jury. Jaffe had many of the items in his possession at the time of his arrest, and it could be proved that Larsen, at one time, handled a few of them. This at best would only establish a prima facie case against these two. No records or documents were found in Roth's possession. No Government items were ever seen to be passed from one subject to another, although all of them were under almost constant surveillance for some time. Most of the items dealt with personalities or political aspects in countries in the Far East. No criminal intent on the part of the subject parties was ever established, and there was no evidence that any of the documents or copies was ever put to any use harmful to the war effort. A study of the evidence made it clear that neither espionage nor spying could be proved. The cases were ably presented before the grand jury, but the net result of months of hard work was indictment of only three of the six accused, and in no case was the Government able to muster more than 14 of the 20 votes of the grand jurors.

No indictment was found charging espionage.

If it be thought that any one or more of the six who were originally accused should be further prosecuted on the charge of espionage, it may still be done.

The nolle prosequi ordered by the district judge on motion of the prosecuting attorneys constitutes no bar to the reinstatement of the prosecution against Roth.

X. In response to the question of "the disposition of the charges of espionage and the possession of documents stolen from secret Government files," as directed by House Resolution 430, the subcommittee charged with that duty must point out that neither grand jury that studied these cases under oath found that the evidence substantiated the charge of espionage. Neither grand jury charged the six accused, nor any one of them, with the crime of espionage.

Even if it were within the bounds of propriety—which it is not—for a congressional committee to question the conduct or conclusions of officials of another coordinate branch of our Government in the absence of justifying evidence, no reason to do so is revealed by the thorough investigation of all the circumstances with respect to this matter which has been made. After a most painstaking study, we certify that there is no evidence, nor hint, justifying adverse criticism of either grand jury, any prosecuting attorney, FBI, judicial, or other official.

Not only so, but also, the law requires, in the absence of proof to the contrary, that it be presumed that every officer has done his duty. Here, there is no evidence contra, however slight.

XI. For reasons already stated, we report our judgment that the same is true with respect to the disposition of the charge of possessing stolen documents.

XII. The evidence does disclose, however, an astonishing lack of "security" in some departments or agencies of our Government. There has been entirely too little safeguarding of documents. The recording, duplicating, and "control" have been deplorably negligent. It was impossible to determine, in many instances, from just what agency a particular item might have been taken. Lack of official control over copies invited unauthorized removal and control. Some agencies could not ascertain whether or not certain of their records were missing.

There has been certainly too little care taken in some departments in personnel procurement, particularly of those to be placed in positions of trust. At least one man was

commissioned in our Navy without the approval and over the protest of the branch affected.

Too much trust has been reposed in employees, and without adequate supervision.

In one department "gold badges" were generally issued upon the recommendation merely of the division chief, with no special investigation save the routine check conducted by the personnel office before original employment. A "gold badge" wearer could go in or out of any State Department building virtually when he pleased, and go out with documents without inspection or question by the guards. Defendant Larsen was a "gold badge" employee of the State Department.

XIII. Recommendations.

House Resolution 430 limited the investigation thereunder to the circumstances with respect to the disposition of the charges of espionage and the possession of stolen documents. As to this, the subcommittee has made the thorough investigation and report the resolution directs, but deems no recommendation necessary.

However, our profound interest in the welfare of our Government impels us to go beyond our limited authority and make the following recommendations:

1. That the head of every department and agency of our Government see to it that more—much more—care be exercised in personnel procurement. That all those considered for Government positions in every echelon be investigated so thoroughly as to insure that no one be employed unless absolute certainty has been attained that nothing in background, present attitude, or affiliations raises any reasonable doubt of loyalty and patriotic devotion to the United States of America.

2. That the watchword and motivating principle of Government employment must be: None but the best. For the fewer, the better, unless above question.

3. That each and every present employee who fails to measure up to the highest standard should be discharged. No house divided against itself can stand.

4. That "classification" of documents should be better standardized. Present "classifications" should be revised and made more accurate.

5. That safeguards and systems of recording and "control" should be perfected and employed.

Hon. Clarence Hancock, distinguished member of Subcommittee No. 4 of the Committee on the Judiciary, is prevented by his illness from participating in this report. He is physically unable to concur therein or dissent. We regret exceedingly that the subcommittee has been thus providentially deprived of his aid in formulating our report, although he sat with us in the hearings and studied the evidence with his usual diligence.

MINORITY VIEWS OF FRANK FELLOWS, MEMBER OF THE COMMITTEE

During the war, documents of the State and other departments of Government, some marked "Top Secret," were taken from the files by certain individuals. Several hundred of these documents were found in New York City in the office of the publisher of a magazine called Amerasia. The publisher's name was Jaffe. The author of the resolution under which this committee assumed jurisdiction stated upon the floor of the House:

"The President authorized these arrests to be made and the arrests were forbidden by the State Department."

Following a debate, Resolution 430 passed the House. It provides for a thorough investigation of "all the circumstances with respect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files."

Three men, viz, Jaffe, Larsen, and Roth, were indicted for conspiracy to violate sections 100, 101, 234, and 235 of title 18 of the United States Code.

Section 101 is as follows:

"Section 101 of title 18—Receiving stolen public property: Whoever shall receive, conceal, or aid in concealing, or shall have or retain in his possession with intent to convert to his own use or gain, any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, which has theretofore been embezzled, stolen, or purloined by any other person, knowing the same to have been so embezzled, stolen, or purloined, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both; and such person may be tried either before or after the conviction of the principal offender."

In the case of Mr. Roth, the Government entered a nolle prosequi.

In the case against Larsen, as stated by the majority report, a fine of $500 was suggested by the attorneys for the Department of Justice, and was imposed by the court after a plea of nollo contendere was offered by the defendant and accepted by the court.

Jaffe entered a plea of guilty to the indictment, and a fine of $5,000 was recommended by the United States Attorney R. M. Hitchcock, as stated in the majority report. The court imposed a fine of $2,500, which was the figure suggested and requested by Jaffe's own attorney.

I can agree with the committee report in part. I disagree with some of the conclusions drawn.

When Larsen was arrested at his home in Washington, D. C., the documents found in his possession and seized included "93 from the files of, or prepared by, the State Department, including 14 originals or duplicate originals and 5 copies of a secret classification; 13 originals or duplicate originals and 3 copies of a confidential classification; 144 from the files of, or prepared by, ONI, including 7 originals or duplicate originals of a secret classification and 24 originals or duplicate originals and 3 copies of a confidential classification; 8 from the files of, or prepared by, MID, including 1 secret original or duplicate original and 1 copy of a secret classification and 2 copies of a confidential classification; 9 from the files of, or prepared by, the War Department, including 2 copies of a secret classification and 3 originals or duplicate originals of a confidential classification; 8 from the files of, or prepared by, OSS, including 1 original or duplicate original of a confidential classification."

Larsen, when arrested, was a research specialist in the Far East Division of the Department of State. The Department of State had no system worthy of the name for protecting the files of that Department. A man with a gold badge could, without question, carry away any document he wished. All he needed was a gold badge, and this could be borrowed.

I can readily understand the committee's point that there would be difficulty in convicting Roth, who is referred to in the report as a naval officer advanced in rating over the objection of men in the Department.

I can readily understand some of the difficulties that might be encountered in prosecuting Larsen, as an individual. The charge, however, was conspiracy to violate certain sections of the United States Code.

The committee report states: "Jaffe had many of the "items" in his possession at the time of his arrest, and it could be proved that Larsen, at one time, handled a few of them. This at best would only establish a prima facie case against these two."

A prima facie case is a good place to start.

The majority report cites cases where the court scrupulously guarded rights of a man when arrested or while being placed under arrest or under a search and seizure respecting his own property, but neglects to point out that the court from the beginning has drawn a clear distinction between stolen or contraband property and property belonging to the defendant himself. These papers were not the property of the defendants; these papers were not from the defendants' personal files; these papers belonged to the Government of the United States.

In the case of Mr. Jaffe, who seemed to be the principal, I am unable to see why the Government accepted a $2,500 fine. He thought the Government had a case or he would not have paid even $500. The Government thought it had a case or it would not have presented it to the grand jury. He had filed no motion to suppress. At the time of his arrest the following papers were seized in the Amerasia office in New York City: "267 prepared by the State Department, including 2 copies of a top secret classification, 20 originals or duplicate originals and 14 copies of a secret classification, and 51 originals or duplicate originals and 14 copies of a confidential classification; 50 prepared by OSS, including 2 originals or duplicate originals and 1 copy of a secret classification and 11 originals or duplicate originals of a confidential classification; 19 prepared by ONI, including 1 original or duplicate original of a secret classification and 3 originals or duplicate originals of a confidential classification; 34 prepared by MID, including 9 copies of a secret classification, 1 original or duplicate original and 11 copies of a confidential classification; 58 prepared by OWI, including 3 copies of a secret classification, 1 original or duplicate original and 4 copies of a confidential classification. Jaffe was affiliated with the National League of American Writers, American Council on Soviet Relations, National Council of American-Soviet Friendship, American League for Peace and Democracy, and American Friends of the Chinese People."

He was photographing and publishing some of them, thereby, through the medium of his magazine, at least, selling the contents of some of the classified documents of this Government at the time when the United States was fighting for its very existence. These papers were seized from Jaffe at the time of his arrest in his business establishment, where he was publishing a magazine. They were not his own documents. They were not seized as the result of searching his files. They were found in suitcases and pasteboard containers on the tables and desks of his business offices. I do not see how anybody could claim these papers were illegally seized. The circumstances clearly indicate that Roth, who had previously worked for him in this very office, was delivering papers to him. It appears that certain documents found in the possession of Jaffe at the time of his arrest were copies of official documents of various departments written in longhand by Roth or typewritten on Roth's machine. It also appears, as indicated by the majority report, and herein, supra, that Larsen at one time handled a few of the documents found in the possession of Jaffe at the time of his arrest.

Jaffe either took these documents himself, or his confederates took them for him. And two of the documents found were "top secret," so marked and so designated. I can see no point in arguing that these papers may not have been of much value. The thieves thought they were. The Government agencies so adjudged them. And the facts show that the defendants could have had their choice of any documents they wished; they were given no protection so far as the State Department was concerned.

The Justice Department attorney recommended fines, after stating in open court

that the actions of the two defendants "did not involve any element of disloyalty." Disloyalty to whom? If a man or his confederate walks into the State Department and carries away top secrets of that Department during a great war, photographs them, publishes their contents, and sells them through the medium of his magazine, few people would see anything in such conduct that would come under the title of "loyalty" to the United States.

The report undertakes to argue the weakness of the Government's case.

First: It suggests that the classification was not standardized practice. The statute says nothing about this.

Second: That few, if any, of the identifiable classified documents had any real importance in our national defense. Who is to be the judge of this? May I call attention to the fact that one of the men who testified before our committee said that possession of one of these documents in particular was a threat against the security of this country.

Third: That many of these documents had already been given publicity. I have no recollection that more than one had been given publicity, and the publication of this one so aroused the State Department officials that they started at once to investigate the leaks.

Fourth: The majority report states that many of the identifiable documents might have had their evidential value destroyed by reason of the possibility of the court's sustaining the defendant's motion attacking the warrants of arrest. This statement does not impress me, because (first) Jaffe did not file any motion to suppress, and (second) any one document possessed in violation of the statute could be sufficient.

I can agree with the committee that, under the decisions, scrupulous care has to be used that searches and seizures of a man's own papers and effects are reasonable, but it has not been pointed out to me what was unreasonable in the seizure of these papers. In any event, Mr. Jaffe and his counsel did not see fit to take any steps to suppress this evidence and the Department of Justice saw fit to present its case to the grand jury—presumably on this evidence.

The cases state that "search without a warrant is permitted, for evidence connected with the crime and found on the person arrested, or open to view in his immediate vicinity."

Our Supreme Court stated years ago that search for and seizure of stolen or forfeited goods, or goods liable to duties and concealed to avoid the payment thereof, are totally different things from a search for and seizure of a man's private tools and papers for the purpose of obtaining information therein contained, or of using them as evidence against him (*Boyd* v. *U. S.* 116 U. S. 616; 29 L. Ed. 746, 6 Sup. Ct. 524).

I can agree with the committee that there are no recommendations to be made to the Department of Justice. These cases where fines were imposed are closed.

I heartily concur in the recommendations contained in the majority report.

The zeal and efficiency of the Federal Bureau of Investigation were commendable.

I do not question the motives or the good faith of the Department of Justice, nor any of its representatives who handled these cases, but I do disagree with its judgment in estimating the strength of the Government's case against Jaffe.

FRANK FELLOWS.

ADDITIONAL MINORITY VIEWS BY RAYMOND S. SPRINGER

I desire to submit some additional views respecting the report just made by a majority of Subcommittee IV of the Judiciary Committee under House Resolution 430. This subject embraced in the report just made is treated altogether too lightly in the face of the grave situation which has and now obtains in the Department of State in our National Government.

The resolution, under which the investigation was made, directs that a "thorough investigation be made of all circumstances with rspect to the disposition of the charges of espionage and the possession of documents stolen from secret Government files which were made by the Federal Bureau of Investigation against the following individuals: Philip J. Jaffe, Kate L. Smith, John Stewart Service, Emanuel Sigurd Larsen, Andrew Roth, and Mark Gayn."

After hearings were held by the subcommittee a report was made and signed by certain members of that subcommittee, which is now on file wih the Clerk of the House of Representatives in Washington.

It is my firm and considered judgment, based upon the evidence adduced at the hearings, that the report made falls far short of expressing the views of some of the members of the subcommittee upon the subject under investigation.

Herewith, I desire to set forth my reasons for the above statement.

A. This transaction, or rather a series of transactions involved, embraces the unlawful removal of "top secret," "secret," "confidential," and "restricted" files from the Department of State, in our National Government. This is a very serious offense. In time of war, this is a most serious offense. When war is in progress, or even in time of peace, it is of little or no concern whether the files removed were "originals" or "copies," the fact that "information" of either or any classification was removed from the secret files in the Department of State and was delivered to any individual, or group of individuals, who had no lawful right to receive the same, is the essence of the offense. When that very secret information was thus unlawfully revealed to others, no matter how the same was imparted to Mr. Jaffe, whether by an original, or by copy, or by any other method, the real damage has been done.

B. There should not be any attempt made in the report to either minimize or acquit anyone from the magnitude of the act or acts committed. The report filed appears to at least attempt to either minimize or completely justify some of the unlawful acts which were undoubtedly committed.

C. The evidence introduced at the hearings shows, very conclusively, that the Security Division of the Department of State is "wholly inadequate," and that the so-called security in that Department was disorganized, inadequate, and wholly incompetent. When employees left that Department, at any time, no search was made of any packages or large envelopes, or bundles, which were carried out of that Department. The evidence in the record is very clear upon that subject. If any changes or alterations have been made respecting security in that Department, which is worthy of the name of "security," the record fails to disclose the same. If any changes have been made since the hearings, I am not advised thereof.

D. It must be remembered that these documents, so unlawfully removed, were found in the office of Philip Jaffe, of New York. I do not know what the affiliations of this man Jaffe may be. Others have reported that he is at least a very strong sympathizer of communism. Regardless of what his beliefs may be, he had no right to receive any document, or any information from any document, from the Department of State. The knowledge imparted to him, and the information passed over to this man Jaffe, whoever or whatever he may be, is the unlawful act here involved.

E. The evidence presented at the hearings disclosed the sordid fact that Andrew Roth, a lieutenant (junior grade), in our Navy, was known to be a Communist by the board passing upon and granting commissions in the Navy, and that fact was so known at the time he was recommended for a commission as a lieutenant (junior grade) in the Navy.

F. The Department of State, and many of the departments of the Government, appear to "close their eyes" to communism, or those who believe in a totalitarian state, or in subversive activities, because they continue to employ them, and retain them, in the departments of Government. Those who are opposed to our form of government, and those who seek to "overthrow our form of government by force or violence" have no place in our Government, and certainly not in any office of trust or profit within our Government. The present condition wherein large numbers of employees, who are opposed to our form of government, are continued in their places of responsibility, in Government positions, is appalling. This practice is subject to censure.

G. All those who participated in any way in the removal, or attempted removal, of these documents from the Department of State—or who copied such reports and thereafter delivered such copies to Mr. Jaffe, or to any other person, not lawfully entitled to receive the same, should be prosecuted, and all those participating, in any degree in the unlawful acts under investigation, should be immediately discharged from their positions in our Government. The report should speak strongly and without any reservation upon that subject.

H. Those holding commissions in the Army or Navy who are known to be Communists, or who have participated in removing secret files, or imparting secret information, to the Communists, or to any other individual, or group of individuals are undoubtedly unfit to hold such commission—and the same should be canceled forthwith. Navy officers, either active or on reserve, who so believe or who have participated, should be dismissed and discharged.

I. The questions here involved are so grave, and the offenses so great, that no effort should be made to protect or defend those who so offended, but the report should be made both firm and strong—to speak the truth—but to place the blame where the same rightfully belongs.

I concur, wholeheartedly, with the recommendations made, in the majority report, which appear at the close thereof, set forth under subheads 1, 2, 3, 4, and 5 under article XIII. However, it is my considered judgment and opinion that the question of "loyalty" to our form of government, and to our country, should be one of the paramount qualifications for all employees in their consideration. Those whose background is unsatisfactory, or whose affiliations are questionable, or those who fail to measure up to the "acid test" as Americans, should have no place in our departments of government, and all those in charge of the many and various agencies of our Government should be so admonished and instructed.

Therefore, by reason of the fact that the report fails to speak strongly upon the matters properly under investigation, I cannot join in the approval of the report with the exception of my concurrence with the recommendations which appear under subheads 1, 2, 3, 4, and 5 under article XIII, and I submit these minority and additional views.

Respectfully submitted.

RAYMOND S. SPRINGER.

Mr. HOBBS. If you will be good enough, and if anybody who is interested will be good enough to read the report, it speaks for itself. We were then and are now, proud of our work.

Mr. DONDERO came to me and explained that it was a very difficult and delicate situation and that if the identity of his witnesses or their testi-

mony were known, it might endanger their personal safety. He requested of our subcommittee that we hold executive hearings, except only as to those witnesses who were in the departments. We, of course, agreed and he asked that we seal the record of the testimony and deliver it to the clerk of our full committee for safe keeping; for the same reasons. We were glad to do so, and we did so. We had any number of hearings of an executive character, and as far as my recollection goes that is the only time, except when we were voting on bills where open hearings had already been had, that our subcommittee ever held an executive session. But we did it because we thought the request was reasonable. I still think so. We did it gladly to accommodate ourselves to the wishes of the author of the resolution.

You will remember that the date of this report was October 23, 1946, and that the general election was in November of that same year.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield to my friend.

Mr. DONDERO. I think your statement as to the sealing of the investigation hearings is in error. I do not recall any such suggestion made to you or the committee, and so stated to you the other day.

I want to ask you one question at this point, if I may. Did you or the committee at any time ever have before you the statement made by the Federal Bureau of Investigation to the grand jury, on which the FBI founded its justification for the arrest of those six people involved in the Amerasia case?

Mr. HOBBS. I will be delighted to answer that or any other question. We had with us two members of the FBI who sat with us most of the time. We had the minutes of the grand jury, complete with the evidence given before the grand juries. So far as the FBI is concerned, we had the complaint that was filed by the FBI, sworn to before Judge Schweinhaut. As far as any other statement is concerned, I cannot be sure about that, but we had all of the records of the grand juries, which of course we returned to the Court.

Mr. DONDERO. Was that record complete with the statement made by the FBI, on which they justified the arrest of these six people?

Mr. HOBBS. We had the original complaint filed under oath by the FBI, and we had all of the evidence which was given to the grand juries.

Mr. DONDERO. By the FBI?

Mr. HOBBS. I do not recall the number or the names of the witnesses, but I am under the impression that the FBI agents testified before the grand jury. I do not recall that they gave us any particular statement in addition to their sworn evidence.

Mr. DONDERO. Did your committee ever determine why the case was started before one grand jury and then abandoned, and another grand jury appointed?

Mr. HOBBS. Of course we did. That was one of the first questions we asked. We found that that first grand jury, as every other grand jury in the District of Columbia, as far as my information goes, was empaneled and was to serve for 3 months. The first grand jury had served for all of the 3 months' period for which they were empaneled, except for 8 days. They had not made their final report nor returned indictments up to that time in several, or probably more than several, cases. So the foreman of the grand jury, if I recall the evidence correctly, requested that inasmuch as they had not finished their work and there would have to be a new grand jury within 8 days, and as they were tried out, and also because there was to be a new Attorney General sworn in on the 30th of June, I believe, that month, and there was to be a new Secretary of State, Hon. James F. Byrnes, sworn in on the 30th of the month, they thought that expedition would be accomplished if the Amerasia case should go over to the new grand jury, which would be empaneled a week later. They went to Hon. Tom Clark, who was not then Attorney General but was to be on the 30th of June, 8 days later, and asked if he would recommend that procedure; and he stated he would give it consideration and would consider their request.

Mr. DONDERO. Now, would my able friend say that the witnesses who came before his committee were the witnesses who testified before the grand jury, the witnesses being those who represented the FBI?

Mr. HOBBS. I will be glad to verify that and include in my remarks a positive answer to that question. I think so, but I am not sure. The ones who came before us, I think, were Mr. Ladd and Mr. Gurnea. I am shooting from the hip and from memory.

Mr. DONDERO. My able and genial friend will understand my reason for these questions is that if the FBI made these arrests—they arrested six people; four were dismissed from Government—but it was a serious repudiation of one of the greatest law-enforcing agencies in this world that they only batted 33⅓ percent. I am trying to determine whether or not before the committee of which the gentleman from Alabama was the chairman, the witnesses who represented the FBI made a statement to the gentleman's committee of the facts and the evidence on which they based or justified the arrest of these six people?

Mr. HOBBS. And my answer to that reiteration of the gentleman's question is the same as it was originally, to wit: That I know that we had all of the testimony given before the grand jury or either grand jury, but I am not sure that the FBI agents did or did not in addition to what they swore down in the grand jury and what they testified before our subcommittee give a statement.

Mr. DONDERO. The Members will remember at the time that matter came up at least the public press indicated that some statement was made by the FBI that their case was airtight. We now discover that it was not airtight.

Mr. HOBBS. I have no such recollection, and I do not believe that any reputable person would make such a statement.

In compliance with my promise concerning the FBI I have since looked through my file and found this quotation from a memorandum furnished me by the FBI dated May 29, 1945:

> In addition to the above, there are many contacts and associates of this group who are known to have been instrumental in this conspiracy to extract confidential documents from the Government files in Washington. However, as yet it is not believed there is sufficient admissible evidence to prosecute these individuals at this time. It is anticipated that a considerable amount of additional evidence will, of course, be developed following such time and if prosecutive action is instituted against the above four principals.

Six arrests were made on June 6, 1945.

I can find no record of the witnesses from the FBI who appeared and testified before the grand jury. All these records were returned to the court.

Mr. DONDERO. I only refer to the statement that appeared in the public press at the time: I do not say that it was made by the FBI; I do not know, of course.

Mr. HOBBS. There are a great many statements appearing in the public press that I would not like to be called upon to vouch for.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I shall be delighted to yield.

Mr. COX. With the gentleman from Michigan [Mr. DONDERO] consenting, would the gentleman from Alabama have any objection to unsealing and making public the evidence taken in the executive session of his committee?

Mr. DONDERO. That is for the chairman to answer.

Mr. HOBBS. He is asking the gentleman from Michigan.

Mr. COX. No; I am asking the gentleman who has the floor. Shall I repeat the question?

Mr. HOBBS. I understood the question perfectly.

My answer to that is that the secret testimony that was taken and sealed at Mr. DONDERO's request—and I have two or three witnesses here who heard him make the statement in our subcommittee room——

Mr. COX. But with him now consenting would the gentleman and his committee make public the evidence taken by his committee in executive session?

Mr. HOBBS. We would be glad to do it, as we would have been at any time from that minute to now.

Mr. COX. Will the gentleman permit this brief observation? I regret that the gentleman has seen fit to discuss this Amerasia case in public because it is a nasty mess that the more you stir the worse it smells. I repeat, I regret that the gentleman has seen fit to take the floor to discuss it.

Mr. HOBBS. As always, I am delighted to have any criticism from the distinguished gentleman from Georgia; but may I say I am not doing this at my own instance. I have been requested to do this by any number of Members of this House on both sides of the aisle.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I am delighted to yield to the gentleman from Ohio.

Mr. HUBER. First of all, I wish to compliment the gentleman for any action he takes, which he does as an American. I know of no Member of the House more zealous in his effort to stamp out subversive groups than is the gentleman from Alabama.

Mr. HOBBS. I thank the gentleman.

Mr. HUBER. These hearings occurred during the Seventy-ninth Congress?

Mr. HOBBS. They occurred in 1946. I do not know whether that was the Seventy-ninth Congress or not. I think it was.

Mr. HUBER. Does the gentleman know whether there was any effort in succeeding Congresses, for instance the Eightieth Congress, to delve back into this matter and see if anything was wrong, anything that smelled bad?

Mr. HOBBS. I know there was not and I know that there never has been a word said, nor a question asked from the time the final report was filed by Subcommittee No. IV, which investigated this matter until the present year when it broke in the newspapers and we began to hear much about it.

Mr. HUBER. I happened to tune in on television yesterday to the program Meet the Press, which I think is more of a political vehicle than anything else; at any rate, Mr. Frank Bielaski was testifying. He was asked by one of those on the panel whether or not he had read this statement and report of the committee. He said it had only been available to him in the last few days. How long has that report been available to any citizen who wanted to obtain it from the document room?

Mr. HOBBS. It was filed on October 23, 1946. A thousand copies were printed. It is a House document and has been public property from that good hour until this. It was delivered by the Public Printer to the Clerk of the House.

Mr. DONDERO. My good friend from Ohio brought up the name of Mr. Frank Bielaski, who testified or made a statement yesterday. I notice the public press carries the statement that he said there was definitely an effort made to whitewash that case, and he felt it was never thoroughly and completely investigated. He was the first man who made the raid on the Jaffe office in New York when these documents were found, documents that have been stolen from three departments of the Government. He was the undercover man of the OSS of the United States Government doing secret work. That was his statement last night.

Mr. HOBBS. I am so thrilled that the gentleman makes that statement now. Mr. Frank Bielaski was introduced to our subcommittee by the gentleman under the name of Brooks. He was the first witness that we examined, and he gave his name under oath.

Mr. ROONEY. Does the gentleman say Bielaski?

Mr. HOBBS. I did not say Bielaski. I said Brooks. But now the gentleman from Michigan [Mr. DONDERO] has assured me that the man whom he introduced to us as Brooks and who testified as Brooks before our subcommittee was named Frank Bielaski. He never even gave his first name when he was before our subcommittee.

Mr. DONDERO. Is it not a matter of common knowledge that undercover men do not always give their right names?

Mr. HOBBS. That was one of the reasons that you gave me, because of the danger that might inure to any witness whose identity was known.

Mr. COX. Let me ask the gentleman, Will the gentleman from Michigan give his consent to making public the record and the testimony taken in executive session?

Mr. DONDERO. I have not even requested to my personal knowledge that it be kept secret.

Mr. COX. Has the gentleman any objection to its being made known now?

Mr. DONDERO. Not a single word of it.

Mr. COX. The gentleman from Alabama said that if the gentleman will give his consent he will make it known.

Mr. DONDERO. If that is necessary. I have not assumed it would be necessary. You can turn over every word you have.

Mr. HOBBS. The gentleman told me that, I am delighted to assure the House, about 10 days ago, and acting on that I have it here and will be glad to make it public. But he also asked before he would produce the witness, that the testimony be sealed and kept secret. There is the photostatic copy.

Mr. COX. Is this to be public property from now on?

Mr. HOBBS. Sure.

But now I want to say some more about Frank Bielaski, which we discover now his name is. We thought it was Brooks. He was sworn as Brooks and gave his name as Brooks, and testified as Brooks. Now let me tell you something about him. He is the real cause of the light punishments that were meted out to those people, the three of them that were indicted, and the two that paid fines. Mr. Bielaski, alias Brooks, made a raid without a search warrant, and not only one, but several, on the Amerasia offices. I certainly hold no brief for the Amerasia people. I just as heartily detest them as you do. But he made the raid without a search warrant and without a warrant of arrest that would support a search, and he swore before us that he made the raid in aid of an arrest, although he made his first raid from 2 to 3 months before any arrest.

So it was that if—and I want you to get this, if the 1,700 documents that were involved in this case, allegedly, were as bad as some people would have you believe—as a matter of fact, most of them, I think 8 out of 10, had already been published and many of them were just as innocuous from the standpoint of national defense as anything could be. One of them was a scandal sheet sent in about the relations between Generalissimo Chiang Kai-shek and his wife.

Mr. FELLOWS. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will always have to, and I will be glad to. The gentleman was a distinguished member of the subcommittee, and I have always appreciated his friendship and his honor, and I will be glad to yield to him at any time.

Mr. FELLOWS. When these documents were being taken from the departments of Government and carried to New York to the office of Amerasia, which was being run by Mr. Jaffe, with others, the Battle of the Bulge was going on at that time, was it not?

Mr. HOBBS. I am not able to say. I am perfectly sure that there is not one scintilla of evidence that any one of these documents was even taken to the Amerasia office. I think that the nearest approach, if you will refresh your recollection about any such conclusion, was that the alleged conspirators were seen to associate together in the hotel lobbies and dining rooms of this city.

Mr. FELLOWS. I know; but the FBI found a lot of documents, hundreds of them, according to the gentleman's own report, in the Amerasia office in New York; that is true, is it not?

Mr. HOBBS. I do not think so. I think it was the OSS, under the leadership of Mr. Brooks, alias Bielaski, whatever his name is.

Mr. FELLOWS. Is it not the gentleman's memory that Mr. Brooks said he took only a few of them because he felt that his chief, Mr. Donovan, would not believe his story if he did not take a few, so he took only a few from that office to his chief to prove the story? I think that is a fact.

Mr. HOBBS. During the first raid it is true, and he brought only a few at that time, but eventually he brought most of them.

Mr. FELLOWS. Yes, but they found hundreds in the office of Amerasia.

Mr. HOBBS. I think that they found hundreds is literally true.

Mr. FELLOWS. Is it not true they had a special prosecutor by the name of Hitchcock who was prosecuting that case?

Mr. HOBBS. Yes, sir.

Mr. FELLOWS. The gentleman recalls that we had a copy of the stenographic record of the court proceedings.

Mr. HOBBS. Yes, sir.

Mr. FELLOWS. Does the gentleman remember that Mr. Hitchcock testified to this effect, that the Department recommended fines, and so forth, and then he stated, and I quote from my own minority report, that the actions of the two defendants "did not involve any element of disloyalty." Does the gentleman recall that?

Mr. HOBBS. Yes, sir.

Mr. FELLOWS. Was not that a surprising statement?

Mr. HOBBS. It was a shocking statement, and his explanation has never satisfied me, but the explanation which he gave was that these documents, and no one of the 1,700 of them, were ever traced to anyone. The suspicion was that some of the accused were Russian sympathizers; but Russia was our ally against Germany then, and by holding Stalingrad gave us time to get ready. The day before this prosecution started we gave Russia $11,000,000,000 worth of lend-lease.

Mr. COX. Is this man Hitchcock, to whom the gentleman refers, the same

Hitchcock that formed a partnership with the uncle of the Mitchell woman who was involved in this Amerasia raid?

Mr. HOBBS. He did a year later. I am delighted the gentleman asked that question. He was considered as the best Federal prosecutor in the United States. He was brought down here on loan from Buffalo, where he had lived all his life, so far as I know. He had finished the prosecution of the Amerasia cases, and this lady to whom the gentleman refers, Mrs. Whatever-her-name-is——

Mr. COX. A confessed Communist.

Mr. HOBBS. I do not know about that. All I am going by is the record. She has been discharged by the grand jury. There never was a single indictment found by any grand jury or either of them against her, and the cases were finally disposed of.

Mr. COX. Did the gentleman's committee have before it a statement from the FBI giving reasons why Miss Mitchell was not prosecuted or was not indicted?

Mr. HOBBS. No, sir.

Mr. COX. I shall seek time to address the House, and I will undertake to give the public a lot of information that probably you did not have.

Mr. HOBBS. I know why she was not indicted. It was because they could not get the grand jury to vote to indict her. I know the evidence upon which they acted. I am perfectly sure that whether she be a Communist or not, she is entitled to the truth with regard to the record. I know that they will get it from the gentleman; therefore, I welcome any statement he cares to make.

Robert M. Hitchcock joined the Department of Justice as Assistant United States Attorney at Buffalo on March 5, 1935, and was the principal assistant up there until 1943 when he was brought down on loan as a Special Assistant to the Attorney General to try the security cases.

After being here approximately a year and a half he returned to his position in Buffalo and was there in June of 1945. When the Amerasia case broke he was asked to head up the prosecution of it and he agreed and returned to Washington. After the conclusion of the Amerasia case or even before its conclusion, he returned to Buffalo in about September 1945, but continued his supervision of the case by coming back to Washington whenever it required attention. He was present the last time on November 2, 1945, when Larsen pleaded nolo contendere.

He continued to work in the United States Attorney's office until December 1946. At that time he was probably the outstanding Federal trial attorney in Buffalo. Kenefick, Cooke, Mitchell, Bass, & Letchworth, Marine Trust Building, in Buffalo, was the outstanding and biggest law firm in Buffalo, representing General Motors, United States Steel, and most of the big corporations. In December 1946, Mr. Bass of that firm contacted Mr. Hitchcock and stated that his firm was being inundated or swamped with "portal to portal" suits being brought against their corporate clients. He was trying to locate the outstanding Federal trial attorney in Buffalo and had made numerous inquiries and was told by almost everyone that Mr. Hitchcock was the outstanding Federal trial attorney in Buffalo. He thereupon offered Mr. Hitchcock a position with the firm as a trial attorney to handle "portal to portal" suits. Mr. Hitchcock, knowing the nature of the firm, told Mr. Bass that he would like to inform him of three things: "You know I am a Democrat." This because the law firm was Republican. Mr. Bass said, "I know that." Mr. Hitchcock said, "I want you to know that I am a Roman Catholic." Knowing that the firm did not employ many Roman Catholics. Mr. Bass said, "I know that." Hitchcock said thirdly he was connected with the prosecution of Mrs. Mitchell, who was either a niece or granddaughter of Mr. Mitchell, member of the firm. Mr. Bass said he did not know that, and they continued negotiations for about a month and Mr. Hitchcock went with the firm in January 1947 as a trial attorney in the "portal to portal" cases.

Hitchcock was asked whether or not Mr. Bass ever informed his partner Mr. Mitchell about Mr. Hitchcock's connection with the Amerasia case. Mr. Bass states that he does not have any recollection of having informed Mr. Mitchell of that fact and explained at that time he was not on very good terms with his partner, Mr. Mitchell, and the likelihood is that he did not. Mr. Mitchell died last year.

His niece or granddaughter was not indicted. Final report of subcommittee had been made on October 23, 1946.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I will be delighted to yield. I am sorry to have kept the gentleman waiting so long. I just love him and I want to do whatever he wants.

Mr. BROWN of Ohio. I think the gentleman from Alabama knows the profound respect and affection in which I hold him, both as a Member of Congress and as a lawyer.

Mr. HOBBS. It is purely mutual.

Mr. BROWN of Ohio. It has been a long time since I have studied law, but I am hard put to understand what difference it makes whether the witness that appeared before the gentleman's committee went by the name of Brooks or by the name of Bielaski.

Mr. HOBBS. Practically none.

Mr. BROWN of Ohio. It seems to me the only fact that should count there is whether the man was giving the committee the truth and whether he had discovered a nest of traitors to this country in operation.

So what difference does it make? Why stress what the man's name was? I know many, many undercover men who went under different names during the war.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama be permitted to proceed for an additional 15 minutes.

The SPEAKER pro tempore. With the consent of those Members who have special orders, and without objection, the gentleman may proceed for fifteen additional minutes.

There was no objection.

Mr. BROWN of Ohio. I cannot understand what difference it would make. Many men went under different names during the war in this undercover work which was being done by the FBI, the OSS, and the ONI and all these other intelligence agencies. Neither can I understand the gentleman's statement that there was not a scintilla of evidence, if that is correct. Why, under those circumstances, if the Government had no case against them, would Mr. Jaffe go in and plead guilty?

Mr. HOBBS. I beg the gentleman's pardon. I did not say there was not a scintilla of evidence against Jaffe. No. I am saying that what Brooks or Bielaski got by illegal search and seizure was not admissible in evidence.

Mr. BROWN of Ohio. Of course what the FBI got was many, many times more than what Mr. Bielaski or Mr. Brooks, or whatever his name might be, was using in his official capacity. That was submitted, was it not?

Mr. HOBBS. I do not think so. I think the OSS raids got most.

Mr. BROWN of Ohio. My understanding is that it was as I stated.

Mr. HOBBS. My recollection is that the OSS, through its secret agent, Mr. Bielaski, or whatever his name is, got practically all of the documents.

Mr. BROWN of Ohio. No; that is not the testimony, neither is it the report of the gentleman's committee. I am afraid the gentleman has not refreshed his memory, and the facts are, seemingly, from your report, that the FBI got the great mass of this evidence after Mr. Bielaski had gone to them and told them that he reported to Mr. Donovan what the situation was. That was the evidence that was submitted to the grand jury. Because of my great respect for the gentleman, will he permit me to make a 1-minute statement at this point?

Mr. HOBBS. Of course.

Mr. BROWN of Ohio. Because I have such respect for the gentleman, for his ability and his loyalty and integrity, I am really grieved by the position that he has taken here today because there is a feeling throughout the country and the press that there has been a cover-up of this Amerasia case. Last week there were sly little rumors floating around the cloakrooms of the Capitol—many of the Members know it—that the "fix" had been put on again so that the whole thing would be whitewashed once more and would be smothered again, and that there would be no further investigation. Whether those charges are all true or not, I do not know, but they reflect upon the integrity of some people who are rather high in this Government. If they are true, they endanger the safety of this country. It seems to me the position all of us should take in the Congress is to endeavor to ascertain, and I am sure that is the position of the gentleman, the truth; and certainly we should attempt to get to the bottom of these things.

Mr. HOBBS. Surely.

Mr. BROWN of Ohio. And we should let the chips fall where they may and let

us stop this business of trying to cover up men who have not been truly patriotic. I do not mean that the gentleman has been doing that. I do not feel you are.

Mr. HOBBS. I do not think there is anyone on our committee who has been trying to do that.

Mr. BROWN of Ohio. But as long as the country, and as long as the press feels that that condition exists, we should be most zealous to prove that it does not exist.

Mr. HOBBS. You are exactly right. Of course we welcome absolutely the kleig-light of publicity and all the investigation that you can make. I am just as cordially in favor of that as you are.

Mr. BROWN of Ohio. I am sure the gentleman is because I think he is a patriotic American.

Mr. HOBBS. So is the gentleman from Maine, FRANK FELLOWS, and so is the gentleman from Ohio, MIKE FEIGHAN, and so is the gentleman from Kentucky, FRANK CHELF. So were all of our committee members. We will vote for any resolution that you bring in here.

Mr. BROWN of Ohio. You will join in attempting to bring this out?

Mr. HOBBS. Surely.

Mr. BROWN of Ohio. And whether these charges are true or not, the effort should be made to scotch these ugly rumors floating around of the "fix" being on once more, and that this whole thing is going to be smothered and whitewashed again.

Mr. HOBBS. There has been no attempt to smother or whitewash. I resent that imputation.

Mr. COX. Mr. Speaker, will the gentleman yield once more so that I may make my position clear? I am not taking any part in the discussion as to whether there was any covering up or whether there was any fixing. But I do seriously insist that the prosecutor did make a serious blunder in not using the proofs of illegal searches or illegal arrests.

I think the Department was narrow, and if the case had been developed, the State Department would have been involved up to its ears.

Mr. HOBBS. I am delighted to yield to the gentleman but I cannot allow him to take his seat without saying that I disagree with him emphatically as to every word of that statement. I am sure the gentleman is mistaken.

Mr. O'SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. Yes, sir, I am happy to yield.

Mr. O'SULLIVAN. Was all of the evidence produced in the Amerasia case evidence growing out of three unlawful searches and seizures?

Mr. HOBBS. In my judgment, three or more, and I am coming to that right now.

Mr. O'SULLIVAN. I wonder why anybody pleaded guilty if that were true. They could have filed a petition to suppress the evidence, and any court in the land would have sustained it, and there would have been no conviction.

Mr. HOBBS. That is right, of course.

Mr. O'SULLIVAN. Time after time occasion has arisen when guilty men still have their constitutional rights, and they can suppress evidence, and any evidence growing out of the suppression of the evidence is also suppressed.

Mr. DONDERO. Mr. Speaker, will the gentleman yield further, while the gentleman has the floor?

Mr. HOBBS. I will not have the floor much longer. I will appreciate it if the gentleman will be brief.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that, if the record that the gentleman from Alabama has presented is testimony before his committee, that testimony be placed in the CONGRESSIONAL RECORD.

Mr. HOBBS. I am delighted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOBBS. Mr. Speaker, I am delighted that the gentleman made that request, and I am so glad that it has been granted.

Now, if I may, I would like to proceed without interruption for just a few minutes. The Dondero resolution, House Resolution 430, instructed us as follows, and I quote:

> To make a thorough investigation of all circumstances with respect to the disposition of charges of espionage and possession of documents stolen from secret Government files.

Those were the two things, and I want you to remember this, not a single indictment against the six was found for espionage. Not a single indictment for espionage was ever found. There was not enough evidence to sustain that kind of a charge at all before anyone, no matter how biased he might be.

I wish categorically to make this statement: There never has been a word of testimony from the FBI or from any other source that a single one of these documents was ever stolen.

Mr. DONDERO. Will the gentleman yield there?

Mr. HOBBS. Yes, I am glad to yield.

Mr. DONDERO. How did those documents get out of the files of the Government and be found 257 miles away from Washington?

Mr. HOBBS. They did not get out through any thievery or anything of that sort. They got out of there by reason of employees of the department, with "gold badges," that had authority to go in and out in the daytime or night, and take anything they wanted, and never be stopped, even by one of the guards, for a question.

Mr. DONDERO. That is a serious reflection on our Government.

Mr. HOBBS. That is what we said in our committee report.

Mr. TABER. Mr. Speaker, will the gentleman yield there?

Mr. HOBBS. Why certainly, sir. It is always a pleasure to yield to you.

Mr. TABER. Why did this man Jaffe plead guilty if there was not anything of that kind going on? That is what he was charged with.

Mr. HOBBS. No, sir; I beg your pardon. The affidavit charged espionage, to which he pleaded not guilty. But when the indictment was found and was changed so that it was the illegal possession of Government documents he did plead guilty and was fined $2,500.

Mr. TABER. If it was illegal to get it how did he obtain it unless there was some connivance or illegality in connection with it?

Mr. HOBBS. It was not illegal to get it, and I have just stated that. Any man in the State Department with a gold badge could go into any 1 of 14 buildings occupied by the State Department and take anything and they could not even ask him a question, and he could take anything out of there he wanted in daytime or nighttime. Let me tell you that the criticisms which we levy in our report against the Department should be read, and that is in the record. I want you to read them, but I want to tell you a little bit about these documents.

Classifications, there are four of them: "Top secret," "Secret," "Confidential," and "Restricted." We never saw a single "Top secret" mark on any paper; neither did anyone else that I know of. Testimony was abundant that the classifications used in our Government were put on in the foreign field by agents in the Foreign Service without any possible check; in other words, they could put on anything they wanted to, and if they wanted to get it back here quick they would put it in the diplomatic pouch and mark it any kind of those four classifications and it would come quick. If they wanted to write a letter to the wife, if they had been negligent and had not written her for 2 or 3 weeks and she was getting restless and kicking because she had not heard, he would put the letter in the diplomatic pouch with some document that had been upgraded. That is the evidence, and all of this stuff about those documents—not one word—and no one has testified to a syllable that will show that any one of them had been stolen or was stolen.

I want to say one other word which may escape your thinking if I do not at this time: Although no connection with Russia has been shown, I believe with the gentleman from Georgia [Mr. Cox], that there was a vital connection, because here was a little magazine losing $5,000 a month, and still they had all of this magnificent equipment for duplication and they had all of these locked files that cost them thousands and thousands of dollars. I believe I know well where the money came from, and I think everyone else will agree that there was something terribly phony about that outfit. But I am saying that there never was a word of any proof that shows a single document to have been stolen, and that our report is right when we say that there was practically no security regulations worthy of the name, and that we ought to have an absolute overhaul of every personnel department. If we cannot run this Government with honest-to-God Americans, then we had better close it because we do not need to take a chance and we should not do it, and we also ought to insist upon a proper "classification" of our Government documents and we ought not to let them lie about, where people can take them and get by with it.

Mr. BROWN of Ohio. Mr. Speaker, if the gentleman will yield, I want to say that the gentleman now is talking like the SAM HOBBS I have always known and always respected.

Mr. HOBBS. I thank you, sir, and I appreciate that. But I want to say just another word, and this will conclude my statement; I want to clear up something that is evidently bothering some people. It is not alone the absence of a search warrant that makes a search illegal.

Read the report that has been a House Document since 1946. Read the law we there quote and cite the authorities which were all there then. See pages 5, 6 and 7 of the Report 2732 now printed in today's RECORD. Please read also the decisions that have been handed down since: In re: Fried (161 Fed. (2d) 453), *Harris* v. *U. S.* (331 U. S. 145), *Davis* v. *U. S.* (328, U. S. 582), *Trupiano* v. *U. S.* (334 U. S. 699).

If you have a warrant isued by a judge for the arrest of a man, that still does not give you the right to make any illegal search or seizure. Why, just on the 12th day of this month Judge Holtzoff discharged a man because of an illegal seizure, although he pointed out that the warrant of arrest was issued and that it was in aid and after the warrant of arrest. These raids were 3 months, some of them, before any warrant of arrest and they swore to us it was in aid of arrest under a lawful warrant. We found out that the warrant under which these folk were arrested stated no facts at all. It simply says that the affiant has reasonable cause for believing and does believe that there is a conspiracy to do so and so.

Judge Alexander Holtzoff held on the 12th day of May 1950, that could not be done unless the affiant seeking the warrant of arrest and getting it, had averred under oath facts justifying the court in believing that the alleged offense had been committed.

Mr. COX. Are the courts now holding that the fruits of a legal arrest are not admissible in testimony?

Mr. HOBBS. No, sir, and they never have held so. The fruits of a legal arrest are admissible, but no search and seizure—under the sworn evidence in this case—some of them 3 months before any arrest, could possibly be valid because in aid of the arrests that were later made. There was no statement of fact. That is just exactly what Judge Holtzoff held on the 12th day of this month.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 3 minutes.

Mr. CRAWFORD. Mr. Speaker, reserving the right to object, I have a special order for 20 minutes. The House is very anxious to adjourn at 4 o'clock. There are several others who have special orders and if we are to adjourn at that time we must have 2 or 3 minutes.

The SPEAKER pro tempore. The Chair may say that it is hoped we can adjourn at 4 o'clock because of the "I Am an American Day" exercises. There are three other special orders.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. I want to ask the gentleman this question, if he does not agree with me that the FBI is looked upon in this country as one of the most efficient agencies of the Federal Government? It is almost incredible to believe it would take action in arresting six people without the necessary legal warrant to do so, or find themselves in a position that what they did was entirely illegal. Does not the gentleman agree with me on that?

Mr. HOBBS. No, sir. I agree with the gentleman wholeheartedly in his commendation and laudation of the FBI. I think it is a wonderful organization, but I will not be tricked into building presumption on presumption. I am saying that the record shows that they did in these cases exactly what the question of the gentleman hypothesizes.

Mr. DONDERO. That is rather hard to believe in face of the record that the FBI has made in this country for efficiency.

Mr. HOBBS. The affidavit to the complaint made before Judge Schweinhaut which he approved showed that they did not state facts upon which the arrest was predicated.

Mr. HUBER. Mr. Speaker, will the gentleman yield?

Mr. HOBBS. I yield to the gentleman from Ohio.

Mr. HUBER. The gentleman agrees with me that whether it is Amerasia or any other group that is un-American, that they should be vigorously prosecuted. But, as the gentleman from Alabama sees it, you should not use illegal means to prosecute.

Mr. HOBBS. The end sought cannot legally justify the means if they be illegal.

Mr. COX. The gentleman has noticed, however, that every time a Red is attacked, he comes under the Constitution.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to proceed for one additional minute as a matter of personal privilege.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. I have not talked to these gentlemen about it, but I want to ask them to rise and state to this House—that is, the gentleman from Kentucky [Mr. CHELF], the gentleman from Ohio [Mr. FEIGHAN], and the gentleman from Maine [Mr. FELLOWS]—if there was or was not a statement made by the gentleman from Michigan [Mr. DONDERO], to our subcommittee, in my office, substantially in accord with what I have stated; that our hearings be executive, and that the hearings be sealed.

Mr. CHELF. So far as I am concerned, I do not recall the gentleman from Michigan [Mr. DONDERO] having said it to me, but it has always been my understanding that the hearings were to have been secret; that the records were supposed to have been sealed and then submitted to the Clerk of the House. That was my understanding then and it is my understanding now. I did not know anything about the desire of the gentleman from Michigan to make this thing public until the gentleman made the statement just a few minutes ago during the course of the debate.

Mr. FEIGHAN. To the best of my recollection, I subscribe wholeheartedly to the gentleman's interpretation of the proceedings that they were to be secret and also that they were to be sealed. I recall, too, that subsequently there was an effort to obtain copies of these proceedings by certain gentlemen who were interested in a criminal case, and if I recall correctly, the gentleman gathered together the members of the subcommittee, and we discussed that matter and decided that they should be kept secret and remain sealed.

Mr. HOBBS. The gentleman was present.

Mr. FEIGHAN. Yes.

Mr. HOBBS. Because of the request of the gentleman from Michigan; and that was in the Hiss case.

Mr. FELLOWS. I remember that they were to be secret, because my distinguished chairman who stands before me said that they were to be secret. I do not recall the statement of the gentleman from Michigan [Mr. DONDERO] concerning sealing these documents, but he may have done that. I have only the greatest respect in the world for the chairman of this subcommittee, the gentleman from Alabama [Mr. HOBBS], for whom we all entertain great respect.

Mr. HOBBS. I thank the gentleman.

Mr. CHELF. I feel exactly the same way as the gentleman from Maine [Mr. FELLOWS].

I have implicit confidence in the integrity and ability of the gentleman from Alabama [Mr. HOBBS]; I had then and I have now. What he says is good enough for me, for his word is his bond. There has been no attempt at any time on your part [Mr. HOBBS], or mine, or the gentleman from Ohio [Mr. FEIGHAN], the gentleman from Maine [Mr. FELLOWS], or, bless the memory of Mr. Springer and Mr. Hancock, who are now deceased but who served on this subcommittee, to whitewash any Red at any time. We sincerely welcome an opportunity to publicly release the entire hearings. It speaks for itself as to what, when, where, and how this case was handled by the Justice Department.

Mr. HOBBS. I want to read you what I said when Mr. Brooks was brought in and was put on the stand:

> This is an executive session of the worst kind, or of the best kind, as you please. We will have to watch our step because, of course, neither Mr. Brooks' identity or his testimony can be disclosed to anyone. It is strictly off the record.

I am reading from the photostatic copy of the original stenographic record.

Mr. FELLOWS. And Mr. Brooks, so-called, gave a reason why he did not want his real name used; that he was

then investigating another case, and to have his real name disclosed would reflect upon him and his effort. That is in the record, I think.

Mr. HOBBS. It may be; I do not recall that. But, I do recall that the gentleman from Michigan [Mr. DONDERO] told me that it would be the risk of his life if his identity were known.

HOUSE RESOLUTION 430

FRIDAY, MAY 10, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE
ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10:30 o'clock a. m., Hon. SAM HOBBS (chairman), presiding.

Mr. HOBBS. This subcommittee is here today to consider House Resolution 430. It is a resolution introduced by Mr. DONDERO. Mr. Dondero's resolution was referred to our committee.

You are all familiar with this question. Mr. Brooks is testifying before us today absolutely off the record. This is an executive session of the worst kind, or, of the best kind. We will have to watch our step because, of course, neither Mr. Brooks' identity nor his testimony can be disclosed. It is strictly off the record.

Mr. Brooks, will you be kind enough to give us your name and the capacity in which you appear?

Mr. BROOKS. I have been, since the start of the war, special adviser to the Security Office of the Office of Strategic Services. I organized a special investigating force throughout the United States. I have directed it from the time they started to operate until the Office of Strategic Services was discontinued as of October 1, 1945.

I still am in the same capacity with the Strategic Service Unit of the War Department. I continued in the same capacity. It is under the War Department.

Mr. HANCOCK. Did you say when you commenced that?

Mr. BROOKS. The outbreak of the war, early in 1942. This is my fifth year.

Most of the work of that organization has been undercover, although some of it has not. Most of the agents, either paid agents or voluntary agents, are former agents of the Federal Bureau of Investigation. I think they are a very high type force of men, if I may say so.

I was acting as adviser in February 1945, with an undercover office in New York City when the security officer of the Office of Strategic Services came to see me and told me that he had a very serious problem. It was not the first one of the same kind, but it was further evidence that there was a serious leak of confidential information in the Office of Strategic Services. They did not know what to do about it.

This particular instance had been brought to their attention by either the British Information Service or the British Intelligence Service. They are practically the same thing.

Mr. CHELF. That was at the time we were at war with Japan and Germany?

Mr. BROOKS. Yes, February 28, 1945, was the exact date he came to my office.

He told me that the cause of the complaint from the British was an article which had appeared in Amerasia magazine. The exact date of its publication, I do not recall. It was previous to this time. The magazine was published once a month, spasmodically. It does not have an exact date of publication. He brought a copy of that magazine to me. He showed me an article in it which concerned Thailand and, more particularly, the reasons why the British policy and the American policy could never be harmonized.

It was a very intelligent article, but it was a very undiplomatic article. And almost word for word in places it had copied a secret document of the Office of Strategic Services.

He brought me the secret document, too. For myself, I could compare the wording of the document and the wording of the article. It was perfectly obvious the man had not taken the trouble to rephrase it. Fifteen basic points were brought out. He may have put No. 1 last. He had the whole 15 there. The wording, in many places, was identical. There was no question that he had had access to the secret document.

They told me something had to be done about it. Something had to be done to plug this leak. They wanted me to come down here to Washington and place under surveillance every person who had access to that secret document. I asked him for a list of the persons. It was evident there were about 30 that had the document, and counting their secretaries and assistants, probably, it would have been 100 persons who might have known what was in this secret document.

Figuring it takes about 10 persons to watch one, I figured I had to have 1,000 men. I never had more than 20 in my particular office at the time. It was out of the question to place people under surveillance.

However, I promised something would be done about it. The security officer, who was then Mr. Van Beuren of 640 Park Avenue, New York City, came back to Washington, and left the matter in my hands. I studied it very carefully. I finally came to the conclusion that the only way to get facts would be to go right to the fountainhead of information, and then into the office of Amerasia. I decided that was the thing to do, to see what I could find there.

What I wanted to do was to see the so-called dummy that they make up for each edition of the magazine. We would see if they had such a dummy, and then try to find if our secret document was in that dummy, and if there would be anything on the document to show through whose hands it came, and how it got in their possession.

I don't offer any apologies for the method of entering a property without due process of law. I am well aware of the restrictions. I decided to take the course of action because of the necessities.

That office at 225 Fifth Avenue. It was under surveillance for a week or 10 days. The office was operating every night until late at night. There were lights in there. We could not get in to take a look at it for that reason.

Then we made plans to enter the place under a subterfuge, not by force.

When the time came, we were let in, but we did deceive the people in the building as to who we were, and what our purpose was. We entered the building Sunday night, March 11, at about close to midnight. We were let into the office.

Mr. CHELF. Of what year?

Mr. BROOKS. Nineteen hundred and forty-five. We were let into the office of Amerasia magazine. I went myself because I did not believe in sending somebody else to do something that I would not do. We had a party of five. I personally, when we entered the office, devoted my time to looking through the office, the front office, hoping to find this dummy I have described.

I did not find it. About all I found was a lot of information on circulation. I looked over this information with some degree of care because I wanted to know about how big an operation the Amerasia magazine was.

I found, at best, their circulation had been some 2,500 copies, and it had steadily decreased. It was about 1,700. Dealer distribution had dropped from 500 to 300. It was losing money, I could tell from correspondence, and looking at the accounts.

It was perfectly obvious it was not a paying venture.

About the time I had come to the conclusion there was nothing in the front office of interest to me—while I was in the front office, I had sent some of my agents back through the rear part of the office. It is quite a nice office, and very well furnished. One of the them came and said, "We think you better come back here. We found some stuff you ought to see."

I started back. Before I went back to the rooms where they were, I observed on the right side of the main corridor there was a room; to be conservative, I would say it is half as big as this. It was devoted, exclusively, to photo copy work. They had a photo copy machine, and developer pans all around on the shelves. The place was equipped to make photo copies, and make them in large quantities.

I did not know what function that was for for a little magazine like Amerasia. There it was, and I looked it over.

I went to the end of the corridor. On the end over to the left was the room of the associate editor who was Kate Mitchell.

On the right was a smaller office of Philip Jaffe, who was the editor. Just before you came to those offices, on the right, was a large library twice as big as this with volumes all over the place dealing, principally, with the Far East, and many of them were works on communism and Communist movements, etc.

It was a library of several thousand volumes. I went into the office of Jaffe. He had a desk about like this.

It was covered with originals and freshly made photo copies of documents, every one of which was secret in its character. Some of them were directed, personally, to the Secretary of State. Some of them were from military attachés in China and other places, confidential. All of them were marked "Not to be shown OWI." That was evidence of the confidential nature.

Some were from Naval Intelligence. There were a good many on his desk. It would seem from the freshness of the copies that those photo copies had just been made. They accounted for the fact that the office was working so late at night.

Mr. HANCOCK. To whom were they addressed?

Mr. BROOKS. The State Department documents were addressed to the Secretary for his personal attention.

Mr. SPRINGER. Were they all photostatic copies, or were there any originals?

Mr. BROOKS. The originals were in there, and the photostatic copies. Everybody was astounded at this stuff.

While we were looking it over, a man happened to look behind a door. Behind the door he found a suitcase and two briefcases. The suitcase was a bellows-type suitcase that was probably that thick [indicating].

Mr. HANCOCK. Two feet?

Mr. BROOKS. About 18 inches. The briefcases were very heavy with documents. I had along an expert who opened all sorts of locks. He had opened all the locks. He opened the suitcase, the briefcases. When he opened the suitcase, it seemed to be a specially constructed affair with about 10 to 15 pockets in it. It was a bellows-type suitcase spread out in this way. It was literally loaded with secret documents of all sorts from all departments of the Government.

Mr. HANCOCK. Originals?

Mr. BROOKS. Yes. These were all originals. There were no copies in the suitcase. There was one exception; in that suitcase I found an original, a typewritten original, and four copies of the particular document that I was after, that was the Office of Strategic Services' document on Siam.

In addition to that, I think there were five more secret documents of the Office of Strategic Services which we had not missed, one of which was "top secret," and extremely valuable and confidential.

I took this stuff out and spread it around. It covered almost every department in the

Government with the exception of the Federal Bureau of Investigation. There were no documents from the Federal Bureau of Investigation. There were documents from the British Intelligence, Naval Intelligence, G–2, State Department, Office of Censorship, Office of Strategic Services, and probably others. There were so many of them, at that moment, I started to have a list made. There were so many we could not list them. These documents had from 3 to 4 to 150 pages. There were 300 documents.

Mr. CHELF. Either confidential, secret, or top secret?

Mr. BROOKS. Every one of them bore the stamp that the possession of these documents is a violation of the Espionage Act. It was stamped all over them.

About that time, one of my men who had gone into the library came in and said he found something in the library.

He had an envelope which was not sealed. It was a large manila envelope. In that envelope were, I should say, 15 or 20 documents. I could not tell whether they came mimeographed or whether they were photo copied on this machine. They were a little blurred. They were not photostats. They must have been photo copies. In between these documents, every other one, we found six top secret documents of the Navy Department. I looked at these myself. I do not recall all six of them. I am sorry I did not make more notes about them, but I remember distinctly two, probably the first two that I read. One of them was entitled, and I do not know the exact words, but one was entitled, "The bombing program for Japan." It was top secret. I read it. It showed how Japan was to be bombed progressively in the industrial centers, and it named the cities.

The second one that I read gave the location of all the ships of the Japanese fleet, subsequent to the battle of Leyte; I guess it was October 1944. It gave the ships by name, and where they were hiding.

I might say, off the record, at that time I did not know anything about the atomic bomb. I had never heard of it. I have since been very curious trying to wrack my memory whether there was anything in those other four top secret documents. It would not have meant anything to me if it had. I had never heard of the atomic bomb. I do not remember the other information. We did not take the documents. We put them back where we got them.

We went back out into the other room. We looked over this stuff. I came to the conclusion, if I came down here to the Office of Strategic Services and told them what I had seen, they just would not believe me. I, therefore, determined to take 12 to 14 of the documents and bring them down and show them to them as proof.

I picked out all of the Office of Strategic Services' documents, including the five copies of the one that I was after, and either seven or eight additional documents. I picked documents that had marks of some sort on them to indicate through whose hands they had gone.

I put those in my pocket. I felt sure that there were so many there that they could not possibly miss those documents for a week, anyhow. I put those in my pocket. We left that place. We put everything back the way we found it. We left there about 2:30 in the morning.

I took a plane and came to Washington. I had a meeting the first thing Monday morning with the security officer. I did not, myself, make a list of those 12 or 14 documents. He did. He prepared a memorandum which is at the present time, on file with the Office of Strategic Services describing those documents and the nature of them, what is in them.

There is a memo showing exactly what I brought down here as evidence for my own office.

They were so startling that we lost sight of the first document we were searching for. The others were so much more important.

Before I could even deliver all of them, which I did one at a time because it gave me a little pleasure to do it, they had gotten in touch with General Donovan. They had the chief of the secretariat down in the office when I delivered all these papers to them, Donovan and I think the security officer. Mr. Van Beuren went immediately over to the Joint Chiefs of Staff to show them this stuff.

If not then, then that night or the following morning, Mr. Van Beuren, the security officer, went to a meeting where this stuff was shown to the Secretary of State.

I am telling you that because that was the disposition made, and because Mr. Van Beuren, to whom I was adviser at the time, was perfectly willing to come here and tell you what he knows about it and the character of the documents, and what he did with them, and what they decided to do about the case.

I made only one stipulation when I turned the stuff over to them, that was that I and my men were so apprehensive about this whole thing, that somebody must do something about it. We did not want to sit by and see this thing go on. We wanted action. We wanted it in a hurry. We thought something should be done within a week. They promised action would be taken within a week. It was only 6 days later that the Federal Bureau of Investigation moved in in New York.

Mr. Gurnea, who was an inspector for the Federal Bureau of Investigation, was sent up to take charge. He organized the various groups. He placed various persons in the Amerasia magazine, officers and staff under surveillance. They tapped the telephones. They entered the premises. I am sure they photostated all of the documents that we saw there less only those which I delivered down here to my home office.

From this on, anything I know about the case was simply because the people who were in on it simply whispered to my own men, who were former Federal Bureau of Investigation men, what was going on. It is off the record. They are not supposed to do it.

We knew, in general, what happened. But, in telling you this, I am perfectly well aware it is hearsay, and not something that I saw personally. I knew that Jaffe was placed under surveillance. I knew that they found him in communication on one occasion for 5 hours with Earl Browder. I knew that he was in conference immediately after that with Fred Kerchway. I knew that the surveillance squad, when the conference was on in San Francisco, knew that the Chinese Communist member, Chung Wu, immediately came to New York from San Francisco, got in touch with Browder, and got in touch with Jaffe. These are merely circumstances. To my mind it showed a very definite link between these people and the Communist elements of the Orient.

Browder has always been interested in communism in China. I think he was punished for passport fraud which he submitted at the time he was in China organizing the Communist Party out there.

We felt the men who were in this place, that we had cut off or found a principal channel of information from the Government files down here into some hands which we suspected were Communist hands. We never knew where this stuff went after it got out of there. I think it was when the Peace Conference was on in San Francisco that I entered a complaint with the Office of Strategic Services. It seemed to me a terrible thing that certain persons out there attending the conference had secret information from our State Department and were informed on what our State Department planned to do and what the State Department thought about. Nothing was done about that.

It was shortly after that that they did shut down on these people and arrested six of them. I knew, also, that during this period, a second lot of stuff was brought out from Washington; that Jaffe came down, or someone came down. My impression was that it was Jaffe. They got another suitcase full of it and brought it back. The Federal Bureau of Investigation also photographed all of that. In their exhibits, they must have all of the first lot and all of the second lot. We were told the second lot was just as important as the first lot.

Mr. HANCOCK. Department of State correspondence?

Mr. BROOKS. All sorts, Department of State, Naval Intelligence, G–2, Bureau on Censorship, Office of Strategic Services——

Mr. SPRINGER. Covering practically all of the departments?

Mr. BROOKS. All of the departments interested in combat, nothing from the Commerce Department or the Interior or anything of that sort, and nothing from the Department of Justice.

Mr. FEIGHAN. When those articles are made up, do you have any idea of the number of copies that are made?

Mr. BROOKS. I could not tell that. There was more than one copy.

Mr. FEIGHAN. Was that the only existent copy from the State Department, for instance?

Mr. BROOKS. I would not know that. I know one of the documents that I brought down here, and our own organization had a top secret classification. It was so secret that it was delivered from the Office of Strategic Services to the Chief of the Office of Naval Intelligence. It had his initials on the document. I did not know it. The pencil markings meant a great deal more here than it did to me. I was told this particular document was the personal copy of the Chief of Naval Intelligence. It was entrusted to his care only, it was so important. I do not know how they got it. I had nothing whatever to do with following out the thing, how it got up there. That is the Federal Bureau of Investigation's job. All I know is the nature of the stuff they stole.

I want to explain, further, I have not prompted Congressman Dondero in his interest. I saw where he had made some remarks about this thing, and I read it in the paper where he was suspicious of the Amerasia case.

I thought it was my duty to come down and tell him the facts. I told him some of these things.

I have never known whether any influence was brought to bear on anybody or not, but I have felt that the evidence which I saw was such that no attorney could say to a judge in the court that these people meant no harm, because the evidence itself shows they must have meant harm or they would not have had it. These people pleaded freedom of the press to print stuff. It had nothing to do with the kind of stuff they had in their possession.

Mr. CHELF. Did you find any list purporting to code words or shipping designators? Did you find that in any of the documents? I was with the Air Transport Command Intelligence. I was the chief code designator for the Air Transport Command. Whenever top secret documents came in, they were brought to me. My general could not put a finger on them. They were delivered to me. I held rank as captain. They were delivered to me by an armed officer courier. If I was not there, they would not deliver it. They were kept until I was there, and then they were delivered to me personally. In that, we had a code of every island, of every shipping point, of every country and of every maneuver and every operation. There was a code word for it. I am very much interested in knowing whether there was anything of that caliber or nature in it?

Mr. BROOKS. I would not know. There was so much stuff, we could not possibly digest

it. If it had been piled up, it would have been that high (indicating arm of chair).

I am of the impression that one of the documents of the Office of Strategic Services was a report on the effect of bombing along the Danube River, what places the bridges had been destroyed, where commerce and navigation was blocked, what places the Germans had been able to clear up, et cetera. I wondered how that ever got in there. It was a very important thing. It did not have anything to do with the Far East. It impressed me to be of considerable importance to Russia.

Mr. FEIGHAN. Did an examination of these other issues of Amerasia magazine reveal the fact that other information was in there?

Mr. BROOKS. I was through when I turned it over to the Federal Bureau of Investigation.

Mr. HOBBS. Have you a list of those six who were arrested?

Mr. BROOKS. I have not. I know who they were. Philip Jaffe, Kate Mitchell, who is associate editor, Andrew Ross, who was the liaison man between OMI and the State Department, and had been an officer in the Navy; Jane, a writer.

Mr. HOBBS. That is Mark Jane.

Mr. BROOKS. Mark Jane, and Service.

Mr. HOBBS. That is John Stewart.

Mr. BROOKS. Of the State Department, and Larson, also an expert, I think, on foreign affairs in the State Department.

Mr. HOBBS. Emmanuel Sigurd Larsen.

Those are the six.

Mr. BROOKS. These persons never meant anything to me, Service, Roth, or Larsen. As this investigation went on, I knew, let me say, I knew from the Security Officer, when he took this stuff to the State Department, they had their meeting. The Secretary of State designated an officer in the State Department to conduct without delay the investigation in the State Department. That man was Freddy Lyon, who ranks above the chief of the Bureau, but under Assistant Secretary. He took charge of it. He conducted the investigation in the State Department. He continued to conduct it for nearly 3 months.

He has never been questioned about this, nor has he ever made any statement about what he found within the State Department.

When I heard that Roth was one of the persons suspected, I knew about that before he was arrested, and that he had been a naval officer. I got in touch with Naval Intelligence at New York with whom we cooperated unofficially. I found that Roth had been investigated by the service up there when he made his application for a commission, and that their report was entirely unfavorable. They had said he was associated with Communists and was not good officer material. In spite of that he was commissioned, and he was put in that spot over there.

Mr. FELLOWS. Who put him in?

Mr. BROOKS. I do not know. I think there is a man who can possibly cast some light on that. I think Larsen, who was convicted will probably tell all he knows about it. I have never talked to Larsen.

Mr. FEIGHAN. Is he incarcerated?

Mr. BROOKS. No. He got fined $500. He stopped in Mr. Dondero's office. He was being blocked from getting another job with the Government. He was all set to be sent out by the Army, he was set to be sent to the Far East. They had hired him. The newspapers got hold of that, and with a little publicity, they stopped him.

I know that he would like to get back in the Government service. Right now he is in the humor to tell anything he knows with some reservations. He is not going to tell what all his own motives were. He can be helpful. He knows the relationship between Jaffe and Service. Service denies that he knew Jaffe. Larson said he knew him well. He said Jaffe had something to do with getting Roth's commission put through. How, I do not know.

Mr. FELLOWS. What did these other men get for sentences?

Mr. BROOKS. Jaffe got a $2,500 fine. I looked up before we went into this thing to see what he was. He has one job with an industrial concern in Brooklyn that pays him $25,000 a year. Paying the $2,500 fine was very slight punishment for him.

Mr. HOBBS. No punishment at all.

Mr. FEIGHAN. In what capacity does he serve in that industrial firm?

Mr. BROOKS. He and his brother run it.

Mr. FEIGHAN. Do they have any contracts with the Government?

Mr. BROOKS. I do not think they do. They make illustrated cards, some sort of a printing and engraving business, greeting cards. It is a profitable business.

Mr. HOBBS. What has happened to Kate Mitchell?

Mr. BROOKS. Kate Mitchell? Nothing happened. They indicted three of them, Jaffe, Larsen, and Roth. The other three they did not indict.

Mr. CHELF. Who were they tried before and when?

Mr. BROOKS. They never were tried.

Mr. CHELF. The ones that were fined?

Mr. BROOKS. Jaffe—he pleaded guilty. First he entered a plea of not guilty. The first charge against him was violation of the Espionage Act for conspiracy to do that. It was changed to conspiracy to steal Government documents. The espionage part was left out. Jaffe first pleaded not guilty. They fined him $2,500. He went before the judge and was sentenced.

Mr. SPRINGER. What judge?

Mr. BROOKS. It was a Federal court in the District.

Mr. SPRINGER. What was the judge's name?

Mr. BROOKS. I have forgotten his name. Larsen came before the judge. He pleaded not guilty. He changed his plea to nol contendere. They gave him $500.

Mr. HOBBS. Same judge?

Mr. BROOKS. Yes. At that time both the Jaffe case and the Larsen case, the attorneys who were assigned to it stated to the judge that these people did not mean any harm to the United States Government, they were good people, had never been in trouble before.

The judge asked them about it and acted on their advice.

Mr. SPRINGER. Three were indicted. What happened to the other one?

Mr. BROOKS. Six were arrested; three indicted. The third one, Roth, they questioned the indictment.

Mr. CHELF. You are sure they did not give him a medal?

Mr. FELLOWS. Who was the district attorney?

Mr. BROOKS. Two men were assigned from the Department of Justice whose names I do not recall. One is Hitchcock, Hitchcock and Anderson.

Mr. HANCOCK. Jaffe was editor of the Amerasia magazine; Larsen and Roth were in the secret service of the Navy?

Mr. BROOKS. Larsen was the expert on foreign affairs in the State Department. Roth was a liaison man between Naval Intelligence and the State Department. I do not know on which payroll he was. He had been a naval officer. He was put back in the Reserve.

Mr. HANCOCK. He got the commission despite unfavorable reports?

Mr. BROOKS. Yes, sir. The indictment was dismissed against him.

Mr. HOBBS. Let me ask you this: We have to go to the floor. What were the dates between which this activity was sandwiched?

Mr. BROOKS. The first came to my attention February 28. We entered the quarters on March 11.

Mr. HOBBS. 1945?

Mr. BROOKS. 1945. Yes, sir. That was just 11 days after we started on it. The arrests were made in June, either June 6 or June 8.

Mr. HOBBS. All right. When was the appearance of these gentlemen or men before the court?

Mr. BROOKS. Well, I have not those dates here. I have no memorandum.

The CHAIRMAN. Was it recent?

Mr. BROOKS. Yes. The last case against Roth was dismissed only about 30 days ago. In fact, no disposition had been made of that at the time this thing was got up in the House.

Mr. HOBBS. Does that cover the ground, substantially, of your testimony?

Mr. BROOKS. Yes. We did make some memorandum of the 8 or 10 documents we say there, of which I have a note in my pocket telling the nature of them.

Mr. HOBBS. You heard the bell. We have to go. I wonder if you could leave the memorandum with the subcommittee, or anything else that we may use you have? Is this testimony that you have given substantially what you care to testify about, the ground you want to cover?

Mr. BROOKS. I probably could add a great many items. I am perfectly willing to answer any questions you want to ask me.

Mr. CHELF. How long are you going to be here in the city?

Mr. BROOKS. I have to get back to New York, but I am coming back on Tuesday.

Mr. CHELF. Could not we arrange to have another meeting?

Mr. HANCOCK. Are you still with the Office of Strategic Services?

Mr. BROOKS. It is now the SSU. Furthermore, I am right in the middle of an investigation which concerns stolen documents from the Office of Strategic Services and used over in Greece, published in the Greek Communist papers. That is the reason I do not want my identification disclosed.

Mr. HOBBS. We will be able to get in touch with you how?

Mr. BROOKS. Mr. Dondero. Would that be all right, or would you prefer to have my telephone number? I have an unlisted phone in New York. It is Orchard 4-0253.

Mr. HANCOCK. Prior to 1942, were you a lawyer?

Mr. BROOKS. No, sir.

Mr. HANCOCK. What was your business?

Mr. BROOKS. Public relations work. Before that I was just an ordinary businessman.

Mr. HANCOCK. What happened to Larsen and Roth? Have they Government jobs, either of them?

Mr. BROOKS. I am not supposed to know that. Roth has been trying to get out of the country for the Nation magazine and the New Republic. He has not gotten out.

Mr. HANCOCK. He cannot get a passport?

Mr. BROOKS. He had not gotten one up until the time this resolution was passed. I suppose they would not let him go until they talked to him.

Mr. Larsen is here. He is willing to testify because he cannot get a job until he does something to reestablish himself.

Mr. HOBBS. We are very much obliged to you. Your identity will be kept secret and your testimony, also.

(Thereupon, at 12 o'clock noon, the subcommittee adjourned until tomorrow, Friday, May 11, 1946, at 10:30 a. m.)

MONDAY, MAY 13, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 a. m., SAM HOBBS (chairman) presiding.

Mr. HOBBS. Gentlemen, we will have to proceed without Mr. Chelf.

This is Mr. Larsen. He is before us to tell us about the Jaffe case and his information concerning it.

We have a written statement here which he has submitted. I wanted him to talk to us personally so we might ask him questions when he gets through.

Mr. Larsen, we appreciate your presence.

Mr. HANCOCK. Let us know Mr. Larsen's position in the State Department. Let us know something about yourself.

Mr. LARSEN. I wrote up a brief summary in this statement of my own life and career. I may mention, in brief, that I was born in California, in 1897, of Danish-born parents who were naturalized about 1919 or so.

I was born in 1897. In 1906, my father went to China as a professor in the university, Chengtu Imperial University. I have the peculiar background of having grown up in China. I went to a Chinese school from 7:30 in the morning until 12:30 at noon until I was 14. That was the year of the Chinese Revolution.

My father resigned and left China. His mother wanted to see him in Copenhagen. He went there. A commercial school offered him a position to reorganize the school on American lines. He took that contract for 5 years.

I have a peculiar background, too, having gone to school in Denmark, and having taken my B. A. at the Copenhagen University.

After graduating, I returned to the United States with my father who entered the school system in Chicago.

I worked at Marshall Field & Co. for some time in the Oriental department reading the characters on the bottom of vases and so on. Then I was given a position in the Chinese postal administration. In October, I went to China, 1916, and I worked in the postal service from 1916 to the end of 1927.

At that time, in 1927, I had been 2 years in Manchuria acting as deputy postal commissioner for south Manchuria, the area that is now held by Chiang Kai-shek forces. Communists hold the northern part now.

In Manchuria, I went on a hunting trip one time. I met a Mongolian llama who is a spiritual leader. He pointed out to me that he had somewhere about 40,000 flocks of sheep that had never been sheared. He heard there was a great wool market in the United States, particularly for coarse wool for making rugs. So, for 6 months or so, I prepared to go into business with him. I was appointed as adviser to him. He is Teh Ching Mu Lana.

When I went up to the frontier, the town is called Amoy, I was immediately invited by the Chinese garrison commander to become an adviser to him concurrently. There had been a feud between the Chinese and the Mongols for about 30 years. I helped patch that up. I brought the Teh Ching Mu Lama and Prince Wu Lin-tai, who was the resident Korchin prince and the Chinese authority, under Marshal Chang Tso-lin, together. We built up a firm there in which Teh Ching Mu Lama and Prince Wu Lin-tai and Gen. Chang Hai-pent, and myself, we were four partners and owners of the firm. We imported machinery for cleaning wool, and tractors and trucks and some tanning machinery. A Czechoslovakian engineer got in for me from different places some rams for breeding with Mongolian fat Kale sheep. They have very good wool.

I worked with them and built two ranches until Marshal Chang Tso-lin was blown up in 1928 by the Japanese, allegedly, by the Japanese.

Then I was forced out because new pro-Japanese authorities came in. I was forced out.

I went down to Tientsin and joined the British-American Tobacco Co., and was sent to Peking as traffic manager. At Fengtai, just 11 miles southwest of Tientsin, I was in charge of the warehouse and shipping establishment there for shipping all over North China.

Then, in 1934, after serving 5½ years for the British-American Tobacco Co., they were forced to close down. There was competition, Japanese monopolies.

I was offered a position in Hankow. I had not been home since 1924. I came home. I could not find work in my particular field. I was offered a position in Chicago, in the Chinese section. It did not materialize. I went back to China. I became employed by the Chinese secret-service branch, namely, the gendarmerie. The special function of that department, at that time, was to investigate illicit arms deals. You gentlemen probably know that after 1930, I think it was, the United States Government had an agreement with China not to sell arms indiscriminately to Chinese rebel parties and so on. The Ministry of War was in a peculiar situation. The Japanese, by the truce of May 1933, had forced upon north China a demilitarized zone. The Japanese, naturally, did not want peace. They wanted to stir up further trouble, so they employed renegades and they dared not give them Japanese arms, so they had various renegade Chinese commanders supply them with arms. I caught some. I had them imprisoned. I arrested some with my own hands. Eventually, the Japanese got wise to what I was doing. They sent for me one day and threatened me that I might have an accident in the street and get run over by a Japanese military truck. I told the military attaché I understood what he meant, and that I intended to return anyway to the United States. I got a good-riddance visa. I came back. That was in March 1935.

Then I went to the Chicago University to take a quick course in a very peculiar language, Sanskrit, which I needed only for one purpose, to read Chinese Buddhist texts. They have many transliterations, Poli and Sanskrit terms. I took the year's course with Dr. Bobrinskoy, one of the greatest experts, in 3½ months.

I won a Rockefeller scholarship to go to Columbia University in the summer of 1935 for the Oriental culture studies. After that was over, I was granted another scholarship on September 1, 1935, to come to Washington and work in the Library of Congress and translate Chinese history and write up the Ch'ing dynasty, outstanding personalities, in other words, a biographical project.

Mr. HOBBS. Mr. CHELF, this is Mr. Larsen.

Mr. CHELF. I am sorry to be late.

Mr LARSEN. I am leading up to my employment in the United States Government.

I started that work September 1. I worked only about a month, then I received a letter from the Naval Intelligence, Captain Reinecki, who asked whether I would like to come down and be an analyst in Chinese affairs in Naval Intelligence. I wrote back that I would like very much to. Then I heard nothing further.

About 2 weeks later, he called me up one day and said, "Are you not coming down?" I said, "Yes." He said, "Come down at once."

I went down. I was fingerprinted and examined in Chinese and I was admitted to the civil service accepted status as professional expert on Chinese affairs.

I worked from October 14, 1935, until August 31, 1944, in Naval Intelligence. I was senior analyst on the Chinese desk. There were a number of others under me. I trained young American naval officers in Far Eastern intelligence. That is many of my specialties, and military geography, which I one time studied in Tientsin at the Chinese Military Academy there. I also introduced to the Navy Department a thing which, apparently, was quite new.

I was surprised and amazed that they did not have such a thing in a well organized intelligence system, namely, a card system bearing cards on outstanding personalities such as the Chinese would have, for instance, cards of you gentlemen of this committee, and of the Cabinet ministers and outstanding leaders of the Government with whom they might have to deal, and who might be obstacles to them in their international relations.

I made the same kind of card system for the United States Navy, and I presented them with 550 of my own cards.

I brought along samples here to give the committee an idea of how these cards look. A good example, a rather cleanly worked out card, is this card on T. V. Soong. It has a step-by-step analysis of his career and his affiliations, the purpose being to have on record in any organization that has international dealings, an up-to-date, not only record of what these men have done and whom they have been mixed up with, but an up-to-date analysis of their political training so that for instance in the State Department, if a new man should suddenly come in, a fairly unknown man should come in as Minister of Foreign Affairs, Foreign Secretary, we would, at once, be able to take the card and send it up to the boss, and he could from that get a very good idea of the possible political trends.

For instance, it might say this man had been associated with the Communists, and had been studied in Russia, and was thick with Stalin, and so on. We could be fairly sure he would not be the man who would be very willing to cooperate with this country.

Mr. SPRINGER. The record is brought up to date?

Mr. LARSEN. Yes. This hobby started in 1923 when the Chinese postal service was confronted with two Chinese governments, Chiang Kai-shek's government coming from the south had still not conquered China, and the old government in North China. I was right in the center. I was postmaster at Amoy, opposite Formosa.

The troops were just approaching my little place. They asked me to write up the biographies of a number of the leaders. I went into a huddle with a friend of mine, the chairman of the chamber of commerce in Amoy, and he put me in touch with an expert of the Chinese underground. He gave me the dope. I wrote 80 cards or rather statements on 80 persons, and they were circulated in Peking.

I was authorized in the future to have a sort of ex officio function of writing, from time to time, a who's who for the foreign syndicate that was running the Chinese postal administration.

I started the hobby then, 1923 and 1934, when I worked for the Chinese secret service; I naturally had a marvelous opportunity to increase my knowledge in the way of secret information. I was allowed to peruse the files. I wrote a lot of notes. I made a lot of cards from the information on the Chinese. I kept these cards. I now have a file of 6,000 biographies. There is no unit in the United States Government that has anything similar to that.

In Naval Intelligence I wrote up the Navy, and I must tell you gentlemen quite honestly, wherever I found information in the official documents that I thought was reliable and was of value in the analysis of these personalities, I took it. I do not want you to think that I took it in the way of stealing something that was not mine. I took it, and I analyzed it, and I entered it into my cards, and at times, I am sorry to say, I found that much of it was wrong.

That is not entirely the blame of the intelligence service, but, you see, sometimes you get a report that is given in a heated moment by the opposition. A story comes from Chungking saying so and so is what he actually is not, and it is believed rumors come in and eventually time will grind it out, and you can correct it and modify it.

Therefore this work depends upon continuity of knowledge. The continuity of knowledge is not all in the cards. It is in here [indicating]. You can question me on numerous men. I will give you a list. You

could choose your own list. I know all of the leaders of the Chinese Government.

Mr. HANCOCK. You say you took these cards or letters? Or what was it?

Mr. LARSEN. I took the information. It was all personality material.

Mr. HANCOCK. Then you were in Naval Intelligence?

Mr. LARSEN. I want to give you an idea, gentlemen, how little there was. When the Federal Bureau of Investigation arrested the six of us in June 1945, naturally my card system figured in this. It was a question of how much official information there will be in these cards. Out of 6,000 cards the Naval Intelligence and the State Department, in going over the cards and these Federal Bureau of Investigation for 2 months, were able to find, the State Department, 31 cards, and the Navy, 40 cards, that contained any reference to material that they believed could not have come from any other source such as, for instance, you know, Mr. Gauss was our Ambassador. Mr. Gauss stated V. Soong is negotiating an agreement with Russia, something like that.

In many cases out of the 31, of those cards that the State Department laid claim to, I went home and got my old newspaper files out. I brought back to the verbatim newspaper articles saying what Mr. Gauss stated.

In other words, Mr. Gauss had also spoken to the newspapermen.

I made mention that I have never touched or fooled with any information that was of strategic importance to this country that could possibly endanger this country.

Furthermore, I was enriching my card system and my knowledge because I was a member of the United States Government staff. I never had any intention of selling this to any commercial firm or newspaper whereby official information, even of a very, very small quantity, could fall into the hands of people who would use it in an unauthorized way.

Mr. HANCOCK. These were cards and letters of the State Department and the Navy Department?

Mr. LARSEN. They were dispatches that come in reporting Chiang Kai-shek had had a reshuffle and the new men are so and so, and their backgrounds are so and so. Most of them got it from hearsay, newspapermen. When it came into the State Department, it was generally labeled "Restricted," "Confidential," or "Secret."

Let me tell you, gentlemen, while we are at it, that some day taxpayers in the United States will demand an accounting for their money that will not include dozens of men duplicating what newspapermen have written and stamping it with confidential stamps, which is a lovely racket.

After nine and a half years I would be able to guide you gentlemen to files in the State Department and the Navy Department that are just a laughing stock of intelligence reporting.

They are 4 months behind the newspapers. They are not correct copies. They contain no analysis. They are a product of so many young men who are given commissions and sent out to do a job about which they know nothing. Therefore, I never considered the information in my particulor field, personalities, oriental personalities, of any great value.

In the Navy Department——

Mr. SPRINGER. Let us get back to the cards.

Mr. HANCOCK. How did you have access to that information?

Mr. LARSEN. As an analyst, that correspondence is sent to your desk. It circulates to the various analysts and officers. They are marked "For your information," meaning, of course, for your information in your official capacity.

Mr. HANCOCK. You made notes from that correspondence?

Mr. LARSEN. Yes.

Mr. HANCOCK. Did you remove any of those documents?

Mr. LARSEN. No. I did take home a number of those that contained lists of personalities, the new Cabinet, and such lists I took home because I would not waste official time sitting doing it. I spent my time at home.

Mr. SPRINGER. Did you prepare those cards to be left in the State Department?

Mr. LARSEN. Yes. I prepared cards both for the Navy and State Departments, but I kept my own as a basic file.

Mr. SPRINGER. You made up your own at home from this same list? Is that what I understand you to say?

Mr. LARSEN. There was such a list, yes. That is right. That list, I still want to say that when such a list comes in, except for perhaps an Ambassador may have a confidential remarks about a man, most of the information is public knowledge. It will appear in the Star and in the Post tomorrow morning, and in the Times-Herald, a list of the men, and very often, a good analysis, if not better.

Mr. FELLOWS. That card system is your own personal property, and you kept these up out of the official documents.

Mr. LARSEN. That is right.

Mr. FELLOWS. The official documents of the State Department?

Mr. LARSEN. No. Some of the information——

Mr. FELLOWS. Some of the information in your own personal property of the personalities in China came from confidential documents?

Mr. LARSEN. That is right. I do not want to deny that. I will give you an idea how much of it came from those cards. Out of 6,000 cards, the State Department was able to find 31. That is 5 percent.

Mr. FELLOWS. That is not important, because there would have been 5,031 if the information had been there. Is that not true? That is true, is it not? If you had found the information in the secret deposits of the Department, you would have put that on your own private cards, so it is not important, the number.

Mr. LARSEN. I agree with you.

May I make one remark? I am sure you gentlemen will credit me with some intelligence and some conscience, too. If there had been information on 5,000, I would not have considered that I had the right to consider the whole amount as mine. I would have turned over all my cards to the Navy Department which I suggested to the State Department when I came in there. I asked Mr. Stanton, Assistant Chief of the Far East Department, whether it was not time because they called on me very often. They said, "Will you grab a taxi and go home and see what you have on so-and-so? We have never heard of him yet. We never had a dispatch about him."

Mr. FELLOWS. Why did you keep this private collection?

Mr. LARSEN. Where?

Mr. FELLOWS. Why and where?

Mr. LARSEN. In my apartment at home.

Mr. FELLOWS. Not locked up?

Mr. LARSEN. Yes. Of course, then I would take a cab and go home and bring a card in. They would copy it. Someone would get the credit of knowing all about everyone. I told Stanton.

Mr. FELLOWS. What did you say?

Mr. LARSEN. The State Department did take all of my card files for two reasons: One, I have been married for 7 or 8 years. I have an attractive, young, fine wife, whereas other men go to movies and to the National Theater and go out, I sit every night until eleven, and I do this, and where does it get me? I have this thing which is like a white elephant. I have to keep it up to keep it of any value. I do not get any recognition for it. If I could publish it, I would need four volumes. If I did that, I would be shot by the Communists and run out of China for telling the truth about some of Chiang Kai-Shek's people.

I have written it from an impartial point of view.

I had nothing to do with India in my official work in the Naval Intelligence during 9 years. However, I made a study. I heard confidentially that Chiang Kai-shek and Nehru were getting together to form a pan-Asiatic alliance, something like the Japanese thought of forming. Theirs was to be formed by force. The one formed here was to be formed by friendship. The Russians getting in on this, if they would, made it look dangerous. So I started making a study of the Indian leaders. I made all the cards here on the principal Indians.

When they set up an India desk when the war started, I brought this in (indicating a stack of cards).

Here is another thing you might as well know; our relations with India, I do not think they are unimportant, but they put as chief of the intelligence desk, in the Naval Intelligence, a man who is a music appreciator, a music critic, who had never been to India, probably had never seen or shaken hands with an Indian. He was married to the divorced wife of Elliott Roosevelt.

He had wonderful connections. His name is Windsor. He was put in as a lieutenant. He was on the India desk. One day we got talking about certain men. I said that I could give him some dope on that man. He came to my place. He saw these cards. He said, "Let me have that file." I told him I would turn it over to him officially on one condition, that he made me a copy so I could carry it on afterward, so they have the original. To this day they have not made any entries nor brought it up to date. The man who was in charge of intelligence in India did not worry about personalities.

China is ruled not by doctrine and principle, but by personalities. An analysis by personalities will give you more up-to-date, simple, and accurate analysis of things to come, you might say.

These are here for your inspection. There is no officially acquired information in these. I gathered this material every day. My pocket is always full of newspaper articles. I have here the story of Devadas Gandhi. I have a card on him. And this other man, Bhulabhai, who died in India the other day. I have brought along notes. There are about 100 pages. These are the most recent 100 pages of notes I made on Chinese personalities. It is a big machine. I have an enormous file of this material.

Mr. HANCOCK. You gave this to the Army, Navy, and State Departments as they asked for it?

Mr. LARSEN. An original 550 cards to start with; then, as analyzed from time to time, I wrote up and added others. We had two or three thousand toward the end. They did not worry about the intellectuals. They did not want many Communists, but I kept a record of the Communists.

Mr. HANCOCK. They have not all of your material, just some of it that they asked for particularly?

Mr. LARSEN. Yes, sir. There is a lot of information, and I want to explain also, as I said a little while ago, I do not care whether a little major general in the ministry of war is made a lieutenant general or not. I want a man in an important position. They send in lists of lots of stuff I did not want at all. We put it in the cards in the Navy Department. In other words, to give a summary of this long-winded story, I am an expert, and an expert on nothing else; I am an expert on oriental personalities and Chinese and Manchurian political affairs.

I voluntered to go with Pauley. I was not able to make it because I had this thing over my head.

Mr. HANCOCK. When did you start this?

Mr. LARSEN. 1923.

Mr. HANCOCK. As a hobby?

Mr. LARSEN. I started it as a member of the postal service. I carried it on after this job lapsed when I went to Manchuria.

Mr. CHELF. How long have you been with the Federal Government?

Mr. LARSEN. Nine years with the Naval Intelligence, 1 year with the State Department.

Mr. CHELF. Were you with them in 1923?

Mr. LARSEN. No. I was in China. I came home in March 1935.

Mr. HANCOCK. Was this just a hobby, or did you expect to be able to capitalize on it?

Mr. LARSEN. I expected to capitalize on it in the way of becoming chief of the Who's Who Department Branch in the War Department. They have such a department. I have been over to see them. They have told me they have had hundreds of pages of my material without strings to it. They have been allowed to copy it. They say it is the best material. I will supply you the names. You may telephone and ask them what they think about it. This is an index of material that I have in note form not entered in the cards. Those struck out have been entered. It is an alphabetical index of Chinese personalities. It is not a thing I have worked a little on. I worked day and night on it. I worked early in the morning. I worked late in the evening, wherever I could squeeze in time without insulting or annoying my family.

In 1944, in March, when I was working as senior analyst in the Navy Department, life was going on as usual in there, and there was a young lieutenant, a Jewish boy, Andrew Roth, whom I did not know in the beginning because he did not work on my desk. He worked on the Japanese shipping desk, I think it was, war shipping. I would say it was a highly confidential job. He came to me several times. He had to make translations. You gentlemen know that Japanese is often written with Chinese characters. These boys had been through the Navy's rush course in Japanese. They knew very little. So they came to me once in a while and said he would like me to help him translate such and such. So, where it had the Chinese character, I could help him out at once. The syntax is a little different, but it is not more different than the written language of Danish and Swedish. He became somewhat friendly with me. A group of us went out several times for lunch in a little restaurant on Seventeenth Street. One day he said, "Jimmy, are you going out for lunch?"

I said—and this is important, because you gentlemen may make an important conclusion from this which I think the Justice Department tried in all earnestness to make to reach such a conclusion from this statement. It is a bit of evidence that I want to advance to give you an idea of whether there could have been a conspiracy or plot there to solicit my aid in dealing with Jaffe.

He came and said, "Jim, are you going out to lunch?"

I said, "Yes. Just a minute. I just want to finish up this."

When I finished up, we walked out together. We walked up Seventeenth Street, and we got all the way to Pennsylvania Avenue, and we were about—we had crossed Pennsylvania Avenue. We were near that drug store. We were about to go into that little restaurant there, Trianon, when he said to me, "Do you know Phil Jaffe?"

I said, "No, I don't."

He said, "You mean you never heard of him?"

I said, "It seems to me I have heard of him. I have seen his name somewhere."

He said, "He is an editor and owner of Amerasia magazine."

I read that.

He said, "He was in China and traveled extensively through the Communist area, and is an outstanding expert on what you like, Communist personalities. Do you have a lot of Communists?"

I said, "I have some. I haven't got much dirt on them."

He said, "Well, he has plenty for and against. Why don't you get together with him and compare your cards? See what he has. You can trade him some basic material."

I told him that was a very interesting idea. I have done that with some people in the past; out in China I did it with detectives, legation people. I knew one British secret service man who used to trade me important stuff on Italians and French and so on, and I traded them stuff on Japanese and Chinese troublemakers in North China.

I said, "When can I meet him?"

He said, "I am going to lunch with him right now."

You see, there wasn't actually evidence of him intending to go to lunch with me. There was evidence of his having a preconceived plan.

He said, "If you come along with me now, I will introduce you to Jaffe."

I did think of it many times after that. I thought it seemed so strange. After introducing me, Roth dropped out of the picture. We went to the Statler Hotel. I was introduced to Jaffe. I had lunch with him there. After lunch he said he would like to come to my house. He came up. I showed him a number of cards I wanted to ask him some information about.

He said, "You have a lot of mistakes in these cards, especially concerning the Communists."

I noticed in many instances his comments were very pro-Communist. He did have the dates of their various coups and affiliations with Russia, and so on. I told him that that was very interesting.

I said, "You are interested in intellectuals. I have here a file I started making about 1928 on Chinese Buddhists and Chinese professors, the leaders of the new school system in China, and I will turn this over to you if you will supply me with everything you have on Communists and whatever you know about the other people in China."

He did supply me a lot. On three occasions I was able to give important information to the State Department. One time he relayed to me conversations between Edgar Snow and President Roosevelt. If you want to know the exact details of it, I can give it to you. Snow is a writer who has, in the past, been very pro-Communist. He is changing a little bit now. He went to see President Roosevelt about 20 days before he died. He asked him about the policy toward China, and President Roosevelt made an important statement, that whereas he intended to continue to back the Chinese properly constituted Government, he had in mind, and it was the policy of the administration, he said, to utilize the Communists if and when it were practicable.

I relayed that immediately to the State Department, hoping to observe what the reaction would be because I knew that the men in my section there in the Chinese division were very, very keen on that policy to make it more than 50–50 and utilize and arm the Communists and let Chiang Kai-shek's government drop. I knew that. I was somewhat outside their gang, because I was not pro-leftist and pro-Communist, and they were all a little bit reluctant to confide in me. One fellow actually told me, "Vinson thinks you are reactionary and you are too close to these people."

I grew up with those boys, and many of them are now big generals. I went to school with some of them. I know them well, but I can judge them fairly and impartially, because I am not tied in with them in any particular way right now. I earn my money from the United States Government. I do not have to be partial to them, observing them at a distance. So I think I was much more impartial than these people in the State Department who are forcing a pro-Communist policy so as to enhance their own little group at the head of which I consider Dean Acheson stands as a leader. What his ambitions are, I do not know. I heard he wanted to become Secretary of State and President of the United States, and that he hopes to do so with the aid of the liberal elements and the CIO and all the people who are making our greatest miseries right now.

Mr. HANCOCK. Did you ever hear him say anything to indicate his feelings, Dean Acheson?

Mr. LARSEN. I never met Dean Acheson, but in discussing official affairs, I was a member of the policy committee for China and Manchuria. We often discussed things which were pooh-poohed as impossible. You could not put that over. Dean Acheson will never let that go over. Whatever that was, it was always not in favor of the Communists. He would not allow it to be put over. I will give you a concrete example. They are afraid of you gentlemen up there. We know that. We know that in all our policies. We have to not only consider the public, that is what they say, in America, but we have to consider what Congress would do to us if we went ahead with this.

In April and May 1945, we had not invaded Japan yet. It was not known by anyone except the high command that we were going to invade Japan and not China. At that time it was all the time speculated upon which part of China we would invade, South China near Formosa and then fight our way up—but the geography is against it, or would we invade North China? If we did, we would come in contact, first, with the Chinese Communists. There was a good share in the State Department that was all in favor of arming the Communists. They were so keen on arming the Communists, when they consider that they were allied with the properly constituted government, I cannot understand; it would be aiding and abetting a regular party, and quite apart from their sympathies. They should have had a better understanding of the international relations and the possibilities. They pursued that policy. I felt day by day I was being pushed outside a little bit. They went to lunch. They had their meetings. I was with them at some lunch meetings where they talked openly about defeating this crowd like Hurley, do everything to get him out. They sabotaged Hurley. You may take my word for that. They sabotaged Hurley. I have given certain little notes and evidence to Hurley that I had committed to memory and helped him with his speech. It was a pity he did not launch it more systematically. He spoiled that for me.

To come to that example, in Manchuria, there was a question of ousting the Japanese. As soon as the Japanese, if we invaded North China, were ousted from Manchuria, what were we going to do with Manchuria? Would Congress approve of the Army staying in there two months? Four months? Five years? Twenty years? We figured they would not.

A man called Robert Feary, an economist, working on Japan, he had an unadulterated nerve to write a paper on Manchuria. They let him write it, not me, because he was the man who would supply them with the motion they wanted.

When the committee met, they made the motion before the committee meeting of the eleventh, in May, that if we went into Manchuria, we should, because Congress would not approve of our staying there a long time, handle with the Chinese Government administration of Manchuria, to any group, Chinese group, that was in there ready to take it, even if it were the Communists.

I know Mr. Paul Josslyn, who is now Counsel General in Singapore who was my colleague in the research department and the policy committee.

I said, "Are you going to let him get away with this?"

He said, "No. You make the motion. Everyone is scared stiff in the State Department."

I said, "Dr. Blakeslee, may I make a motion? I make the motion that we do not even consider this proposal for the simple reason that at Cairo it was agreed that Manchuria was to be returned to China. I cannot interpret that in any other way than returning it to the properly constituted Government of China. I have nothing further to say if my interpretation is judged wrong by you and you are an international expert on the real interpretation of these agreements, then I will withdraw my motion."

Dr. Blakeslee said, "No. The interpretation is right."

There was a row about it. There was a vote, and seven voted against four. It was defeated.

Bob Feary got so mad he tore up his paper, and when I went out, I was told that I would probably get in trouble for this. That was in May.

Mr. CHELF. Who told you that?

Mr. LARSEN. I hate to mention the name because it is not a friendly matter. If you demand it, I will give you the name.

Mr. CHELF. I think the committee ought to know this name.

Mr. LARSEN. Beppo Johanson. He was opposed to it. He was working in the Japanese section there. He merely said to me, "You will get it in the neck for this."

He sympathized further for what I had done.

Mr. HANCOCK. What is this group of 11?

Mr. LARSEN. It is the official basic policy committee. The official name was the Research and Planning Unit of the Far East Division. We were directly under the Director of Far Eastern Affairs. That was Mr. Ballantyne.

Mr. FEIGHAN. When this committee of 11 would meet and made their decision, that was the policy which was followed?

Mr. LARSEN. That was the basic policy that would then have to go up and be screened by such men as the Assistant Secretaries and it might even be completely reversed, if it did not suit them. It was basic policy. We did the research work to bring out the arguments. We would sometimes write opposing papers. We would clash. We would thrash them out and reach a sort of general denominatory basic knowledge, and then we would form a basic policy. It was a good system if it had not had that contemptible element that before the meetings there was a lot of cooking up of what they were going to do. I think that I would not suggest that. I would not mention it, and the trend was always of the leftist trend while I was in there. I did not like it.

Mr. HANCOCK. Can you give us the names of those 11? Was John Stewart Service one of them?

Mr. HOBBS. Excuse me, gentlemen. I have an engagement to be at the Supreme Court this morning. Please go ahead.

Mr. LARSE. No; John Stewart Service was in China. When he came home at the end of April, he sat in on a few of those meetings as an observer. He was allowed to spill his background, his expert background of knowledge of the Communists, and naturally influenced them tremendously. It was his reports and John Davis' reports and John Emerson's reports and Loftin's reports and Dick Service's brother's reports that flooded the State Department with pro-Communist arguments, namely, that China, the Chinese people, had had political tutelage under the one-party government too long, and it was time for China to have a vote and a constitution and be free. I don't see that Americans should bother about that. Do you? I thought there was a job to do there in the study of the relations and the making of a policy on the basis of existing true facts, and not the cooking up of a policy to influence a country one way or another, internally.

But, as I mentioned in my statement here, the trend was to push and press Chiang Kai-shek through the following medium, or, I should say media: Official relations continually telling Chiang Kai-shek to adopt a different method of dealing with his political enemies, giving information to the press, the leftist press that was very very much in favor of seeing a new constitution, whether it was pure idealism, American democracy utilized in China, I do not know. I do not know American policies very well. I have not been in this country long enough or paid attention. You can take any one of those leftist papers and see if you can ever find anything that is not strong leftist and condemning the regular government in China.

Take Jaffe's paper, Amerasia, he never used any of the personality information I used, that I gave him except the Indians. At the time of the San Francisco conference, he came down and told me that he did not have any information on the Indian delegates. I gave him the complete information on all the Indian delegates. I wrote it up to date for him that night. I did not get anything from any official source. I was not in that department. I had seen no documents. I made up the information from the Indians' "who's who" I have from the material that I collected. I will show you the file. This is my file on India.

Mr. HANCOCK. Why did you give that information to Jaffe knowing he is pro-Communist?

Mr. LARSEN. Well, he published it merely as biographies. He did not make any political comments on it.

Mr. FELLOWS. What was he to you?

Mr. LARSEN. An acquaintance to me, and collaborator on personalities.

Mr. SPRINGER. He could not publish that information until he had obtained it from you?

Mr. LARSEN. That is right, if you say personality information. He might publish a lot of Indian information because I noticed that his collaborator, Miss Mitchell, often wrote articles on India.

Mr. SPRINGER. Those were general articles, were they not?

Mr. LARSEN. Yes, sir. They were the articles that contained a lot of the political poison that his magazine seemed to draw out. I gave biographies of the men chosen to attend the San Francisco conference.

Mr. SPRINGER. The information he got from your file was information regarding the individuals?

Mr. HANCOCK. Why did you play ball with a fellow like that?

Mr. LARSEN. I might mention that in greater detail. When you are an analyst in these affairs, let us take it from another angle, when you are a policeman, you have to listen to the testimony and information. You have to gather your material from more sources than one. You cannot simply go around to the very very trustworthy delicatessen dealer on the corner or the People's Drug Store manager and get his version of it. You have to get the version of the underworld, and all the different people.

Mr. HANCOCK. Were you getting information from them?

Mr. LARSEN. Oh, yes. I got a lot of information from them. You see, I have here a number of his articles.

Mr. FELLOWS. What reliance could you place upon a man like that?

Mr. LARSEN. I do not place too much reliance. I had to edit material he gave me on the Communists.

I will say another thing. I think he is communistically inclined. I have pressed him on the subject. Jaffe did tell me sometimes some things. He said, "No. No. That is not true."

He told me the story which was worse, still less in favor of the Communists several times, whereas the information dribbled in from Far Eastern papers, and he would say that he would tell me the real story of that. Sometimes the stories were great double-crossings which were not to the credit of these people. I will say that not to be in his favor, but I will mention he did play ball with me as far as he could. I asked him one time, "Phil, your magazine, every time you attack the Chungking government—I will stop giving you information on those personalities if you pervert the background material, use the incidents which refer to a certain case to throw light on a different situation that is not quite right. I hate to tell you this, but I think you are making a fool of yourself, being so out and out in favor of a campaign against Chiang Kai-shek's government because they are our allies, and I will shut down on it."

You can ask him that. It is true. He said to me, "Jimmie, I am trying to be impartial, as you say, but there is so much I favor for the Chinese people, that I learned when I was in Communist China, that I am going to publish it and later on, I have a great series of articles to point out what could be done in the present government to moderate it without overthrowing it."

I thought that was a great concession, whether he meant that, or whether he meant to soft-soap me, that would be just conjectural.

Mr. CHELF. What good could he figure into this picture?

How could he do the great crusade work that he hoped, or believed at least, he was doing with the poor, miserable circulation of his magazine?

Mr. LARSEN. That is right.

Mr. CHELF. If he did not have a widespread circulation, what good could he do?

Mr. LARSEN. Two thousand or something like that, but the magazine hits vital spots. That is the danger of a magazine like that. Do not let that figure fool you. It goes to Naval Intelligence. They buy seven copies every month. I warned them many times. Many times we took that up. I said, "You read that. Tell me what you think of it." He said, "This Communist stuff stinks."

I told him Jaffe is going all out here. It goes to the State Department. It went to the Office of Strategic Service, every agency.

Mr. FELLOWS. It has been an important textbook.

Mr. LARSEN. Yes.

Mr. CHELF. He hoped to get it over in a few key spots that the circulation covered.

Mr. LARSEN. He did not worry about the average American.

Mr. CHELF. He was trying to mold the thinking of the fellows in the State Department, the War Department, and other key spots in the Government.

Mr. LARSEN. I cannot imagine otherwise.

Mr. FELLOWS. He was accomplishing it in a degree.

Mr. LARSEN. I think he was in some agencies. Over in the FEA, they were very much affected over there. One of those analysts, Michael Lee, a Jewish boy, whose name was originally Lieberman—I knew him when he was a young kid in Manchuria; he took Chinese citizenship and called himself Lee. Later he come to the United States, became an American citizen. He denies he was a Communist. He was always very close to them.

At the time when the arrests were made, I discovered he was one of the closest contacts to Jaffe. When Jaffe came down he spent most of his time with him.

Where do you suppose he got the FEA material? He certainly has his contacts. He got volumes of material.

Mr. FELLOWS. Where did he get it from?

Mr. LARSEN. Jaffe got it from all the contacts he had here. He never got anything from little personality material that I gave him, he never got anything else because I have not worked with any other material.

Mr. FELLOWS. Jaffe had contacts in——

Mr. LARSEN. In every important agency here. In the Office of Strategic Services, in the War Department, in the Navy Department—remember, I left the Navy Department September 1944, I went to the State Department.

Roth was always with him. He is the man who introduced me to him, Jaffe, and then tried never to appear with Jaffe when I met him down here.

Mr. FELLOWS. What was his rank in the Navy?

Mr. LARSEN. Roth was a lieutenant, junior grade. I do not know if he was ever promoted to a lieutenant. I found out an important point about Roth. I found out that Roth worked in Amerasia for 2 years before be joined the Naval Intelligence; that there was quite a little trouble as to whether Naval Intelligence should take him up or not because he had worked with Amerasia. So how some guy in there let that pass, it was all right, I do not know.

Mr. HANCOCK. Who would have the authority to say that Roth should be designated as an intelligence officer? Who would do that?

Mr. CHELF. The Procurement Board. Wouldn't his application have to be processed as to his background, his character, his personality, and his conduct?

Mr. LARSEN. It was not approved. It was hanging fire for some time. And, reluctantly, he was let in. I do know by hearsay that one man passed on it. He happens not to be proleftist at all. I understand he was for finally letting him in.

Mr. HANCOCK. There was some important person in authority to put him in this position.

Mr. LARSEN. Later he became liaison officer between Navy and State. He had all documents in his possession.

Mr. CHELF. I think it ought to be checked into, who was his superior officer, and who made the change. They took him out of one spot where he could do enough damage and put him in another spot where he was in the position to do much more.

Mr. LARSEN. I think the officer in there was Hindmarsh. He is now a captain.

Mr. HANCOCK. What was his position?

Mr. LARSEN. He was, on one hand, running the Japanese schools. His functions in the office here were kind of an office manager.

Mr. HANCOCK. Not a naval officer?

Mr. LARSEN. Naval officer.

Mr. CHELF. What rank was he?

Mr. LARSEN. First lieutenant, lieutenant commander. He is now a captain.

Mr. CHELF. After Roth took you over to this restaurant, was this fellow Jaffe there?

Mr. LARSEN. Yes.

Mr. CHELF. Or did he later take you to the Statler Hotel?

Mr. LARSEN. We met in the Statler. We went up to his room, then we went down to the restaurant and had lunch together.

Mr. CHELF. How long were you actually with him when Roth faded out of the picture?

Mr. LARSEN. About 40 minutes, when we had finished lunch, then Roth said, "I have to go back to the Navy Department."

Mr. CHELF. Did you have lunch in the room or down in the restaurant?

Mr. LARSEN. What is that room called down in the Statler? Empire Room? No; it is the Embassy Room. Roth fades out after about 40 minutes. I sat and talked another 30 minutes or so and made a date with him, he was to come down about April 9, and I was to have trimmed up to date the cards that he wanted.

Mr. CHELF. I thought you said he wanted to come out to your home that night.

Mr. LARSEN. He came down and saw my cards. He came out that night and stayed until 11:30 or so. He made himself, I will tell you this about Jaffe, whether he is a great humbug or not, I still have to still think over a little bit, but he is a very pleasant person. He has always been very straightforward.

Mr. FELLOWS. Humbugs are.

Mr. LARSEN. He never was crude or offered anything in the way of money or anything like that. I told him, I have this information here, but I cannot let you have that because that I have made since I joined the State Department, on the basis of the State Department's knowledge. He would not be interested anyway. He never pressed me.

He was sometimes rather provoked in specific questions about specific personalities. What burned me up was that after Service's reports had started pouring in from China, he mentioned to me subjects that he could not have known of unless he read those reports. I mentioned that to the Federal Bureau of Investigation the night they arrested me.

Mr. CHELF. Did he ever indicate that he knew of certain reports?

Mr. FELLOWS. Was it not your duty, when he said that to you, to report that to somebody at that time?

Mr. LARSEN. Perhaps. If I had gone off half-cocked and run to Ballantyne and said here is something about a man who knows something about that, too, I might have become the laughing stock because the article might have appeared in the paper the day before.

Mr. FELLOWS. You were connected with the Government. We were at war and serious world war, were we not?

Mr. LARSEN. I do not want you to think that I am shirking the fact that I did commit a miserable indiscretion, that I would not recommit in my life; do you realize I was arrested the first time in my life? I stayed 3 days in jail. My wife had to bail me out, and the charge was espionage. Do you think I can ever throw that off myself? I have suffered that tremendously. The reason I look healthy is that I have been going out to my farm and I have been trying to work out the worry. I have paid a fine. I have been 1 year without work.

Mr. FELLOWS. When Jaffe told you something that indicated to you that you could not have known enough to predicate that question unless he raised some confidential reports and read them, why did not you do something about it?

Mr. LARSEN. I hesitated. I thought he might have had it from an article I did not know about. He met Service's good friend who came home from China, newspapermen, Harrison Forman, Edgar Snow, all these Jewish boys, I do not remember the names of them, but I can give you a list of them. I have a list in my pages, perhaps not this file, but I can give you a list of them.

And the interview with the Chinese Communist here in a famous secret State Department dispatch, he told me about 1 month before we got these dispatches. In other words, all these newspapermen who interviewed him first sent cable copies home and then gave typewritten copies to Service. Service wrote home his dispatch and analysis and so on. Those he showed me and gave me some copies of them. I went into the State Department and showed them to the State Department people. They said, "Very interesting." And then they gave it back to me and said, "You can keep these. We got official copies from China."

Mr. FELLOWS. Who were the men who prosecuted cases?

Mr. LARSEN. You mean Justice Department men?

Mr. FELLOWS. Yes.

Mr. LARSEN. Hickock, I forget his initials. I brought the court transcript along here. Hitchcock is the name. He was up in Buffalo as a sort of pinch hitter for the Justice Department. He came down. I do not believe he was so terribly well acquainted with the case. He did hit the high spots pretty accurately. He knew that Jaffe was guilty for making a point of procuring information from official channels. It was stated in this, here, before the judge.

Mr. FELLOWS. What is that you have?

Mr. LARSEN. That is the transcript of my court hearing.

Mr. CHELF. Did Jaffe ever, at any time, intimate, or did he ever reveal to you the sources of his information?

Mr. LARSEN. No, he hasn't. He generally did that.

Mr. CHELF. I wish you would give us the names of these fellows from whom he was obtaining this information from the various secret spots, for instance, the War Depart- as a sort of pinch-hitter for the Justice Department, the Office of Strategic Services, and these other organizations. In other words, tell us from whom he was gathering this information which I think is vitally important.

Mr. LARSEN. I will supplement my statement with whatever I can remember on that point. I will do that at once, today, when I get home.

Mr. CHELF. He did divulge to you the names from which he was gathering information which in the final analysis was the information from which he wrote his articles and quoted excerpts from confidential and secret documents?

Mr. LARSEN. He did not state what he was getting from them. He said to me, "I am meeting Michael Lee this afternoon. I want to get from him the story of whether T. V. Sung raised 200,000,000 men."

That was strictly a confidential Government affair, you might say. I did not know whether that was secret or whether it had been published in the papers or not. There was a story carried on it. I have this material by the tons at home. It is pretty well classified. If I could find it, it might still be that there is information running around.

This, gentlemen, is the opposite of Amerasia. This is a Chinese very reactionary paper which I also have to see, for I would not get two sides. Those are extremes, and in between, the Indian papers, well, the propaganda thrown out by Indians in America has been largely anti-British. The Indians, in general, would be very much inclined to deal with Russia; they would deal, if they thought they could get something out of it. They are not very communistically inclined. Gandhi and Nehru and these people, they are not Communists, not at all. They are nationalists, essentially. Nehru is anything but a proletarian. He is one of the greatest aristocrats. His father financed the Indian Congress. These men are anything but Communists. They are single men, individuals, in India, who are tied in with the Russians, for reason the British offered them freedom because they felt that the Russians were going into Iran and would go into India, and the long arm of their empire would be cut off.

Men like Jaffe seemed always to sympathize with pro-Communist elements.

Between you and me, I am getting right fed up with Jaffe. My wife definitely was.

She told me several times, "I think we will cool him off."

Mr. SPRINGER. That is the point I do not understand. Jaffe was a Communist.

Mr. LARSEN. I mentioned that from the start, to the Federal Bureau of Investigation. I was very convinced. He denied it to me when I asked him pointblank.

Mr. SPRINGER. After you became convinced that he was a Communist, then you went ahead and dealt with him?

Mr. LARSEN. No; that was after having dealt with him from March 1944. I had very little to do with him at the time this arrest occurred.

Mr. CHELF. When did you become convinced?

Mr. LARSEN. Principally in March 1945.

Mr. CHELF. It took a year?

Mr. LARSEN. Yes, sir.

Mr. CHELF. Through all of your dealings and your many contacts, it took you until then to find out that he was strictly no good insofar as your interpretation of the man was concerned?

Mr. LARSEN. You may think that is a long time. But, after the arrest, I beat around for information on Jaffe, because when I sat in that jail I thought to myself, wait a minute, here I am in jail. Could it be that I am an accomplice to the actual espionage? Could it be that Jaffe, in other words has some relations? Espionage must mean some foreign alien power. I sat and speculated on that.

When I came out, I pressed an acquaintance of mine a little bit who had been in the War Department working on Communist elements. I had never seen these files or anything before. After he had left the War Department he had returned all his files. He was Colonel Crandall. He was out in China. He was paid off. I went up to see Crandall in July or so after the case had broken. He said to me, "Jimmie, you got yourself in a nice mess."

I said, "You are a man to know. You have had these Government's lists of Communists. You would be able to tell me, would you not, whether anywhere on the list what you have on Jaffe, if you have anything?"

He said "Let us go upstairs."

So we went upstairs. He showed me a book he has where Jaffe is listed, I think it is in five different Communist organizations.

Woud you like a transcript of that?

Mr. CHELF. What do you think about that, a transcript of the background of Jaffe? Do you want those things? I think we ought to have them.

Mr. LARSEN. I will get them for you.

Mr. HANCOCK. There is one thing that still bothers me Mr. Larsen. Were the men in your position free to remove these documents and take them home?

Mr. LARSEN. Yes. I would say almost anyone. I thought these documents were locked up.

Mr. CHELF. What regulations did you have?

Mr. LARSEN. There were many facilities, or, if you were dishonest, you could remove them easily. The technical point is this: These documents are the originals. If you do not remove an original document, you are not removing anything. They made dozens of copies. At one time they sent me five or six copies of each kind, stacked like that, and the notice was "Larsen: Retain or destroy."

I selected some of those documents because I thought they were interesting for my personalities. I took them home. I was copying from them at home when the Federal Bureau of Investigation marched into my house.

Mr. HANCOCK. The charge says you unlawfully removed documents and records from the departments and agencies of the Government.

You did not take any originals?

Mr. LARSEN. That is right.

Mr. FELLOWS. As far as the damage that can be done by opening up these secret files of these departments, copies are just as damaging as the originals. The information is the point.

Mr. HANCOCK. Was there not any prohibition of removing the copies?

Mr. LARSEN. The classification would indicate that. "Confidential" meant that it could not go outside the office. It was intended for that office, and could not go outside of that office.

Mr. HANCOCK. Did you return all of these documents, or did you keep some as a reference?

Mr. LARSEN. Any list of any personality material or any story of any person, I took home, if I worked on it at all. Sometimes I would not take it, I would just make a note and say that so-and-so is connected with a Communist party. I found out later he was a member of the Secret Service. Sometimes I went to the extent of typing them off.

Mr. HANCOCK. And would you take all of documents that I listed one time for the those papers back?

Mr. LARSEN. Of course. I let him see five Federal Bureau of Investigation. They were fresh in my memory at that time. He had not returned them to me, they concerned only personalities. He was to comment on that particular subject.

Mr. SPRINGER. Do you know of any other persons who were employed in the Department of State who removed files and took them out at times and then brought them back?

Mr. LARSEN. I might know of one. I cannot give the evidence. I heard at one time that he was a tip-off man for Drew Pearson. His name is Friedman, a Jewish boy, a friend of Roth's.

Mr. SPRINGER. Is that the only other instance you know of except of your own instance of taking the files out and taking them?

Mr. LARSEN. I have walked out in the afternoon at 5:30 with some of my colleagues, that many (indicating) files under their arms.

Mr. FELLOWS. You say "that many." You say documents or a pile of documents 4 or 5 inches thick?

Mr. LARSEN. Thirty or forty documents. Generally, I had an idea of what they were taking home. If they were working on relations with Russia, or Cairo, then they took home everything they could collect on that. They would lay in bed and read them.

Mr. CHELF. That is the strangest thing to me, how they allow those fellows to run free with those documents. I was in the Intelligence in the Air Force. I would have been shot if I would have taken one document to my house or barracks at night. I had to be checked, double-checked, and they checked the file to see that the dial was set. They would check us; they would do everything but strip us down.

Mr. LARSEN. Not in the State Department. Every time you saw a man in the State Department, he is walking on the street and carrying a small brief case, every time you saw one of those men, you would know he was either State Department man or a Fuller brush man. There was a great laxity in the State Department. I thought the security was poor.

Mr. CHELF. Do you have a security officer? Was there a particular one who was assigned or designated as security officer, for confidential, secret, and top secret documents?

Mr. LARSEN. There was such a person. I was called down one morning for not having pressed a little thing in my file cabinet.

Mr. CHELF. All you had was locks?

Mr. LARSEN. Some of them you could jerk open.

Mr. HANCOCK. Was the man responsible for that lack of precaution?

Mr. LARSEN. It is unfair of me to sit here and place the blame, but throughout the whole Far East Division there was a very lackadaisical attitude toward files.

Mr. HANCOCK. Who was the head of the the Division?

Mr. LARSEN. Mr. Ballantyne was head of the Division.

Mr. HANCOCK. Who was Blakelee?

Mr. LARSEN. Expert legalist on the policy committee.

Mr. CHELF. Did you ever designate for me the security officer?

Mr. LARSEN. He was a member of the personnel administrative staff downstairs. He was not an analyst. He was just a State Department employee who came around. He never came around until after we had left. We got a slip the next morning if we had forgotten to close the cabinet.

Mr. CHELF. Was there any rule or regulation which prohibited your leaving any documents at all out?

Mr. LARSEN. There was a rule, but they all did it.

Mr. CHELF. In the War Department we checked every man's desk. We checked his file. We checked every drawer. We looked through everything to see that he did not forget and leave samething out on the desk. Then, if he did, he was cited the next morning. He had to explain why he left that thing out on his desk.

Mr. LARSEN. I was security officer for some time in the Navy Deparment. We took turns.

Mr. FEIGHAN. What was the aggregate sum that Mr. Jaffe gave either you or your wife for the manual work of transcribing this?

Mr. LARSEN. You mean how much money?

Mr. FEIGHAN. Yes.

Mr. LARSEN. I do not suppose more than a couple of hundred dollars, $20 one time, $25 another time. My wife typed. She typed four magazine articles that I still have that I wanted because there were some pictures on both pages. I wanted to have them photographed, and she typed about a thousand cards at 10 cents a card. I think that was the price.

Mr. HANCOCK. Did you ever see Mr. Grew's influence in any way on this controversy? Did he ever advise your committee or did you advise him?

Mr. LARSEN. I want to add something about that Bob Feary story. Bob Feary is said to be the nephew of Mr. Grew, the one who suggested that we throw Manchuria to the Communists.

Mr. HANCOCK. Had he served with Grew?

Mr. LARSEN. In Japan.

Mr. HANCOCK. Had Service been with Grew?

Mr. LARSEN. I do not know.

Mr. CHELF. Is Grew the man who tore up his paper when the thing was voted down 7 to 4?

Mr. LARSEN. That is right. Concerning—if you are trying to place Mr. Grew, I would put it this way, he is not a leftist. He got very peeved when Jaffe published an article criticizing his Emperor policy in June 1944.

Please note: I was not in the State Department. I was still in naval intelligence. September 1, I went over there. I knew Jaffe, though, but Japanese affairs are outside my sphere.

I have not worked with them.

Mr. HANCOCK. Did you ever observe any activity on the part of David Niles?

Mr. LARSEN. I heard his name mentioned. I know Mr. Roth is rather sick with him. He is writing some putrid articles, ignoring the political propaganda; the stuff is no good. Roth has never been in China. He cannot write these articles. It is ridiculous; he is writing on it. I believe, sir, that Roth, I

have come to that conclusion, that Roth is the real Communist, and Phil Jaffe is a man who has money. He owns an advertising card business—no, a greeting-card business, and with the proceeds of his greeting-card business, he finances his magazine, Amerasia. Roth formerly had worked for him, 2 years. He must be somewhat of an enthusiast on political affairs if he will sacrifice that money through the channels of a propaganda paper.

Mr. CHELF. Does he get any money from any foreign sources?

Mr. LARSEN. I wish I knew. If I knew that, I could have a solution.

Mr. CHELF. Did you have any reason to believe it?

Mr. LARSEN. I never knew he had any association outside until afterward. Colonel Crandall showed me a list of the associations to which he belonged.

Mr. CHELF. Do you sincerely believe that all of his functioning from the financial standpoint was the income he derived from his publishing company?

Mr. LARSEN. I believe so. He has a big business. It is just above Amerasia in that building down there, 225 Fifth Avenue. It is a big business.

Mr. HANCOCK. What is his background?

Mr. LARSEN. I could not say for sure that it is the total income. How do I know he does not get a million dollars a year from someone else.

Mr. HANCOCK. From where did he come?

Mr. LARSEN. Russia.

Mr. HANCOCK. Is he a Russian citizen?

Mr. LARSEN. United States citizen. He came here when he was 9 years old. I read that in the paper.

Mr. HANCOCK. He went back to Russia, then?

Mr. LARSEN. No. I do not think so. He heard from some friends. He pleaded guilty, and settled very quickly for that fine, because he was scared of losing his American nationality, citizenship, because he acquired his citizenship by the parents getting it, you know what I mean, the parents came here. He was a minor. Under the law, when the parents get it, then the children get it if they are still minors. He probably never has gone through a naturalization court.

Mr. SPRINGER. He automatically became a citizen when his parents were naturalized, because he was a minor.

Mr. CHELF. How far do you live from here, now?

Mr. LARSEN. I live on Sixteenth and Harvard.

Mr. CHELF. You are here in the District; are you?

Mr. LARSEN. Oh, yes.

I may tell you something you probably do not know. Your investigation dealt me a heavy blow in April. I went to the War Department at the suggestion of a friend, my former boss in the State Department, who apparently had a little faith in me—period. He was second after Blakeslee, Hugh Borton. He suggested that I go to the War Department and apply for a position as an analyst on General Hodges staff in Korea. Korea is divided into the American zone and Russian zone. They want to set up a national bureau of public information. They wanted to have a research bureau there. To my great surprise I went over and they O. K.'d me. They appointed me. I even had my cards printed. I had all my things. I was ready to go. Here is my card, Chief of Research Department, National Bureau of Public Information, Korea. What happened? A friend of Mr. DONDERO's, Mr. Ray Richards, he could not help it, I guess, he is on the New Journal American. He heard about it and he called the War Department and said, "Are you going to let a Communist like that go to Korea and represent us." They got scared to death. They canceled my appointment. In the meantime, the Russians just said they would join with the American zone in Korea. The whole bureau was washed out. The fact remains, I was told they would not be able to use me, although I had been processed and had bought $300 worth of baggage, underwear, camera, developers, film, and stuff I needed out there.

Mr. FELLOWS. Did you get any white shirts?

Mr. LARSEN. Some very poor ones. With my dwindling funds I was physically stuck, and without a degree. I understand, however, that they will get it over with sometime, and I will be able to go and take a job.

Mr. FELLOWS. I think that ought to go into the record. I think this transcript of Criminal Action No. 75,457 ought to be a part of the record.

Mr. LARSEN. This is my personal copy. Temporarily you are at liberty to use it. I will get you another copy of it.

Mr. FELLOWS. Let us put it in the record right here.

(The transcript of proceedings is as follows:)

"IN THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF COLUMBIA, CRIMINAL DIVISION NO. 2—UNITED STATES V. EMMANUEL SIGURD LARSEN, DEFENDANT, CRIMINAL ACTION NO. 75457

"WASHINGTON, D. C., *November 2, 1945.*

"The above-entitled matter came on for plea and sentence before Hon. James M. Proctor, associate justice, at 12:10 o'clock p. m.

"Appearances: Arthur J. Hilland, Esq., for the defendant. R. M. Hitchcock, Esq., Department of Justice for the United States.

"PROCEEDINGS

"Mr. HITCHCOCK. If the Court please, this is the second defendant in what has been known as the Jaffe case, Jaffe himself having been disposed of on a sentence by Your Honor under a plea of guilty on September 29, if I recall correctly. The Government has indicated that a plea of nolo contendere is acceptable and I would like to say what we feel about it.

"The COURT. He has offered to enter that plea?

"Mr. HITCHCOCK. Yes; and the Government feels the plea should be accepted.

"The COURT. Very well.

"Mr. HITCHCOCK. Your Honor will recall that this indictment, which was returned in July, alleged that the defendants committed four offenses against the United States, that is, to unlawfully remove documents and records from the departments and agencies of the Government. Mr. Larsen, together with the other two defendants, Mr. Jaffe and Mr. Roth, entered a plea of not guilty on the 30th of August and subsequently on September 28 this defendant filed motions to quash, motions to suppress and a demurrer which are still outstanding and I assume will be withdrawn.

"The COURT. That would necessarily be so.

"Mr. HITCHCOCK. That is, if this plea is accepted. As I told Your Honor in the Jaffe case, there was no element of disloyalty involved. Mr. Jaffe, who was the procurer, these two being employees of the Government, being a man of considerable means——

"The COURT. Yes.

"Mr. HITCHCOCK. And who was and is the principal defendant and as I told you at that time I felt accepting a plea in Mr. Jaffe's case and imposing a fine rather than probation or imprisonment might resolve the entire case.

"This is the second defendant. Mr. Larsen is a man of little means and really no means except the rather modest salary he was drawing.

"The COURT. He does not hold that position now?

"Mr. HITCHCOCK. No; he does not.

"The COURT. Has he been disconnected from the public service?

"Mr. HITCHCOCK. He has been disassociated with the public service. Whether that will be permanent or not I cannot say. I am inclined to think it will. He has had no means of income at all.

"We feel that Mr. Larsen, together with the defendant Roth, were corrupted by Mr. Jaffe. Of themselves they never would have been involved in these series of violation.

"The COURT. Did they receive compensation for this?

"Mr. HITCHCOCK. No; Your Honor. There was one element in the case when Mr. Jaffe was here that Mr. Jaffe did pay small sums of money to Mr. Larsen and Mr. Larsen's wife for the transcribing of information contained on some personnel cards made available to Mr. Jaffe by Mr. Larsen which has no connection except as to their acquaintanceship or knowledge. There was nothing criminal whatsoever.

"The COURT. Who was the third man?

"Mr. HITCHCOCK. Lieutenant Andrew Roth, formerly of the United States Navy.

"The COURT. He was attached to the State Department?

"Mr. HITCHCOCK. He was attached to the Office of Naval Intelligence to which Department Mr. Larsen was attached until last September, at which time he was transferred to the State Department.

"The COURT. What has become of the Roth case?

"Mr. HITCHCOCK. Mr. Roth has a motion for a bill of particulars and a demurrer on file which has been adjourned from time to time. I think the final adjourned date will be in a week or 10 days. I believe there will be a disposition of that case within a short time.

"That very briefly, Your Honor, is our reason together with what I told you before which may deserve repetition now, that the war being over and these agencies closing the file in this case with the countless documents involved would involve at least 4 months' work with very uncertain results.

"The COURT. Mr. Hitchcock, what is your recommendation as to sentence?

"Mr. HITCHCOCK. Our recommendation as to sentence is that this defendant should be fined a substantially less sum that Mr. Jaffe. We had the sum of $500 in mind. Mr. Jaffe was fined $2,500 by Your Honor. If I understand your question correctly, my recommendation in this case would be of a fine substantially less than that in view of their financial discrepancies.

"The COURT. It would be a fine that he can pay?

"Mr. HITCHCOCK. A fine that he could pay, and our thought on that is a fine of $500 on the acceptance of a plea of nolo contendere.

"Mr. HILLAND. I believe Mr. Hitchcock has covered pretty much what I might have said, Your Honor, had I been heard first. He has pointed out, in substance, this: This charge did not arise out of any career of crime. Mr. Larsen is a man of good character and excellent reputation, and he has had a hobby for a number of years of collecting and recording information on Chinese personalities. He pursued that hobby after he became a Government employee. He started in that in 1923 when he was in China and this charge grew out of the pursuit of that hobby. That is what happened.

"There is one matter that I wanted to clear up. I do not think Mr. Hitchcock intended to use the word 'corruption.' There was no corruption about the payment of money or anything of that sort.

"The COURT. I assume he means——

"Mr. HITCHCOCK (interposing). If I may interrupt, what I said was that Mr. Jaffe corrupted this defendant and I have extreme doubt there were any corrupt motives on the part of Mr. Larsen.

"Mr. HILLAND. I think the term should be 'misuse or abuse of friendship' misuse of Mr. Jaffe's friendship with Mr. Larsen.

"The conduct involved was one that would not normally result in criminal prosecution but, as Your Honor knows, it was not the charge that we had here originally. Everyone concedes the original charge should never have been brought. There was no indictment on that charge and, of course, because of the seriousness of the original charge all of these defendants have suffered gravely; the charge that will probably attach to them the rest of their lives, even though they were innocent of it.

"As Mr. Hitchcock has pointed out, Mr. Larsen is a man of most modest means and together with the other punishments he has endured, a fine of $500, as has been suggested, would be very severe and a substantial punishment to him.

"The COURT. You may stand, Mr. Larsen.

"I have no comment to make about the case. It is a case which probably has been given very serious consideration throughout and probably they have the public interest as much at heart as I have in this case and I am, therefore, inclined to accept their recommendation with respect to the disposition of it. Of course, that is induced by what is undoubtedly the past good record of this defendant. I do not assume there is any record of any kind against him.

"Mr. HITCHCOCK. There is none.

"The COURT. There is not anything I need to say about it. With an intelligent defendant such as this gentleman is I would be lecturing him and I am not a very good lecturer, so I will refrain from any comments on it.

"The sentence will be as recommended. I guess we omitted taking the formal plea. I will accept that plea of nolo contendere.

"The CLERK. Emmanuel Sigurd Larsen, in case 75,457, in which you are charged with violation of section 88, title 18, of the United States Code, do you wish to withdraw your plea of not guilty heretofore entered?

"Mr. LARSEN. Yes.

The CLERK. And enter a plea of nolo contendere?

"Mr. LARSEN. Yes.

"The COURT. The fine will be $500.

"Mr. HITCHCOCK. May the record show, Your Honor, that the motions made by Mr. Hilland and I are now withdrawn?

"Mr. HILLAND. Yes, if the court please.

"The COURT. Yes.

"Mr. HILLAND. I suppose technically that would be all that would be needed because when we started out we withdrew our plea of not guilty theretofore entered.

"The COURT. That is withdrawn and the plea of nolo contendere is now entered.

"I assume the defendant will pay that fine now.

"Mr. HILLAND. Yes, I understand he will.

"Certificate of official reporter

"I, Jeanette Rawls, an official reporter of the District Court of the United States for the District of Columbia, hereby certify that the foregoing is a true and correct transcript of the proceedings had in the above-entitled case.

"JEANETTE RAWLS,
"Official Reporter."

Mr. HANCOCK. Can it be true that Service has been sent out of the country?

Mr. LARSEN. Yes, indeed; that is true.

Mr. HANCOCK. Who would designate him? The Secretary of State?

Mr. LARSEN. Dean Acheson, who liked him.

Mr. CHELF. How do you spell your name?

Mr. LARSEN. L-a-r-s-e-n.

I have a score to settle with the Russians. I was 3 years in Manchuria. You do not know what I went through with with those birds.

Mr. HANCOCK. I think perhaps we better go as long as Mr. Larsen is going to be here. We will ask Mr. HOBBS what he wants done.

You have been helpful, Mr. Larsen.

Mr. LARSEN. Do you want a memo on other connections with Jaffe?

Mr. CHELF. The main thing, as I see it, is that you give us, for the record, a list of the names of the fellows from whom Jaffe was getting these other data and secret confidential information. He said he could get those for us.

Mr. HANCOCK. I would like the names of the advisory committee, the advisory and planning committee in the Secretary of State's office.

Mr. LARSEN. Here is the last couple of weeks' material on Manchuria. This is where I get my information. All this has to be processed. Out of the article I may get a few words.

Mr. HANCOCK. We know all newspaper stories are not accurate.

Mr. LARSEN. If you will look in here, these are entered in the index. You will see in the last pages here I have it fairly up to date.

Mr. HANCOCK. Do you read the Daily Worker?

Mr. LARSEN. I never read it in my life.

Mr. HANCOCK. You might get some leads there.

Mr. LARSEN. It is a little late now. These are the little notes I made that eventually go into my card. Very often I don't put it all in. Sometimes my analysis is wrong, made on the spur of the moment. I can correct it before it goes on the card. I am a year behind in my entries on the card file.

Mr. FEIGHAN. Your financial venture with reference to the wool in China, was that profitable?

Mr. LARSEN. Very. I made $11,000 a month. The Lama had complete control of the Mongols, and he just simply ordered them to deliver the wool to our headquarters. I heard afterward he paid them 11 cents. I paid out 16 cents, but he made a little profit, 5 cents per pound. He paid them only 11 cents a pound. We sold that for 80 cents a pound. That was William Forbes & Co. It is a British company in Tientsin.

Mr. CHELF. You were able to make that money yourself or for the company?

Mr. LARSEN. Whatever we made, we split four ways. That was not all, either. We had a small side line, the American ladies fool themselves with fine furs. They are Mongolian dog skins. We bought them for 70 and 80 cents apiece. They sell for $7 or $8. Of course, they redye them. They make beautiful fox furs out of them.

Mr. FEIGHAN. Do you have any financial interests now in any companies in America?

Mr. LARSEN. In no companies.

Mr. FEIGHAN. In any companies from which you are deriving income?

Mr. LARSEN. No. I do not have any income any more. I will tell you that, these days, I am stealing time to come here, stealing it away from a little job I have to do. I have to sell a piece of property. I have a 6-acre lot there I bought 6 years ago on the installment system, and it is all paid for. There is a doctor, Dr. McBride, his son and daughter-in-law want to buy it from me. They are giving me the run-around. I need the money. I think I can tie it over until May 30. I will tell you gentlemen quite honestly, please do not sabotage it, but I have a promise from the War Department, if I am clear, and they seem to have faith in me, I am eligible for a job on Wedemeyer's staff. I will take an oath on the Bible that I will deliver the goods to the United States if I go with Wedemeyer's staff, I will deliver the goods, not as some of these fellows have done, these fellows like Service and Emerson, they sabotaged Hurley. You do not know what harm it did to the United States. You can just imagine. If China gets fed up with our treatment, the Chinese Government gets fed up with our treatment, they are going to swing over toward Russia. Even Chiang Kai-shek will make an agreement with Soviet Russia. We are going to have a Soviet-dominated China from which we will be excluded, politically, and with our business, economically, too. That is what these fellows seem to be wishing to bring about.

It is everything that I have worked against all my life. You may look upon me and think I am 100-percent Scandiniavian. I am a Chinaman under my skin. I have lived so long in China I think in Chinese. I speak Chinese better than I do English. This culminates a long career in China, a long life with the Chinese. I have slept with them, cried with them, gone to school with them, traveled about with them, and I have been arrested with them; I have fought with them, and I am not cold to the Chinese. I do not look upon political affairs in China as a hobbyhorse for personal rackets, and profit, to promote myself.

I do not care if I never make money in this life. I have never made any. As a P–6, I got $6,200 a year. I had to entertain Chinese officials. I have a little girl. I had to dress nicely. I managed to pay $25 a month for a little piece of property. If I had not bought that, I never would have had anything. These fellows are selfish. I do not believe these men are truly pro-Communists. I do not think Vincent is really pro-Communist in his heart. He is just an ambitious person meaning to utilize that at some future date just like they say Acheson has schemed to use it.

They have all ganged together. It is a pyramid where he is at the top.

Mr. HANCOCK. What we are particularly interested in is why documents were allowed to be removed from the State or the Navy Department, and who got them and why. That is what we would like to know.

Mr. LARSEN. I do not know. I can only tell you this——

Mr. HANCOCK. The only man you know who received them was Jaffe?

Mr. LARSEN. No. If you remember correctly, the newspapers said that at the time of their arrest, remember this, six persons were arrested in New York, also Mark Gayn, a Jewish newspaper reporter. I have never seen him in my life. I do not know him at all. Mark Gayn was arrested about midnight while he was sitting writing an article; about him were a dozen official documents. Yet, he was let off, scot-free. He was let out.

Mr. SPRINGER. Was any charge placed against him?

Mr. LARSEN. I do not think there was ever a charge placed against him. He was arraigned under the espionage charge, as a violation; to be correct, conspiracy to violate the Espionage Act during wartime.

Mr. SPRINGER. Was he prosecuted and brought to court?

Mr. LARSEN. No. He went before the grand jury and was acquitted there.

Mr. CHELF. The grand jury did not indict him?

Mr. LARSEN. No. They did not indict him on the lesser charges of possession, illegal possession of Government documents and removal of documents.

Mr. HANCOCK. He had 12, you say?

Mr. LARSEN. Twelve or twenty. We might dig that up.

Mr. HANCOCK. Is there any explanation as to how he got those?

Mr. FEIGHAN. For whom was he a reporter?

Mr. LARSEN. I am not sure who it was.

Mr. CHELF. Who was the other person you were talking about? You started to name several.

Mr. LARSEN. There was Philip Jaffe, Margaret James, Mitchell——

Mr. CHELF. You mean all of the six who had been indicted? They were implicated?

Mr. LARSEN. Roth, myself, and one more—Service; Service, that's who it was.

Mr. FEIGHAN. And how many times were you in the office of Jaffe in New York?

Mr. LARSEN. You mean altogether?

Mr. FEIGHAN. How many times?

Mr. LARSEN. Twice.

Mr. FEIGHAN. When you went there, did you happen to have any of these official documents?

Mr. LARSEN. I never went up there unless I went up with my wife on a shopping spree. I never went to him. He came almost every month to Washington.

Mr. SPRINGER. Did you see him when you went up to New York?

Mr. LARSEN. Yes. He took me out to his——

Mr. SPRINGER. Did you go to his office?

Mr. LARSEN. Just socially I saw him in New York.

Mr. CHELF. Did you ever deliver any documents to him in New York?

Mr. LARSEN. Never.

Mr. FEIGHAN. What were you arrested for in China?

Mr. LARSEN. I was captured by some bandits in 1918. I was on my way home to serve in the Army. I was coming down the river. I was caught by some bandits and tied to the post in the night. They thought I was a Standard Oil man. They wanted to know where the kerosene boats were. They could not read my passport. I was suffering from diarrhea. They tied me to a post kneeling down. In the morning, my wrists were that big [indicating]. They took my passport and got an old man in the village to read the Chinese passport. He said I was all right. They released me and poured hot rice into me and put me on the boat again. They threatened to kill me that night. I was not quite sure I would survive it.

Mr. HANCOCK. We appreciate your coming over.

Mr. FEIGHAN. Thank you.

(Thereupon, at 1 o'clock p. m., the subcommittee recessed subject to call.)

WEDNESDAY, MAY 15, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE
ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 o'clock a. m., Hon. SAM HOBBS (chairman), presiding.

Mr. HOBBS. We will come to order, gentlemen.

We have with us, this morning, Mr. Lyons who is with the State Department, as you all know. This is another one of those hush-hush hearings. We will get the publicity hearings later.

Mr. Lyons, we certainly appreciate your presence. We would like for you to tell us, as much as you can, of your investigation within the State Department with regard to this magazine, and the files missing.

Mr. LYONS. You are referring, particularly, to the Amerasia case?

Mr. HOBBS. Yes.

Mr. LYONS. The story of that, Mr. HOBBS, I rather wondered why I was called. I did have more or less of a direct interest in it at first.

As the Acting Security Officer of the Department at that time, in March I think it was, early March of 1945, I was called in by General Holmes at that time, Assistant Secretary of the Department. It was on a Monday morning. I was called in and shown certain papers. They were confidential, secret, and to the best of my recollection, I would not say there were any top secret papers, but there were certainly secret papers and confidential papers of the State Department. There were documents from the Navy Department. There were other reports indicating the source as the Office of Strategic Services.

I was asked what should be done in this case. These papers were, apparently, found in the possession of someone outside of the Government. They were official Government papers.

Mr. HOBBS. Were they originals?

Mr. LYONS. I do not recall whether they were originals. They certainly were copies. I do not believe there were originals. My recollection of that is not too clear. It was one of those rush things, you take a look at them first, and then you try to make up your mind what is the next step to take.

Then we called in Major Korea of the Navy. General Holmes got in touch with Mr. Forrestal of the Navy and told him of the appearance of these documents. Mr. Forrestal had Major Korea come over, and we met in General Holmes' office that morning. There was just General Holmes, Major Korea, if I am not mistaken, and Fletcher Warren was there, and myself. It was immediately appreciated just how serious this was because, if I am not mistaken, some of these documents were of a military and naval character, perhaps showing troop movements, Nationalist Chinese, but some American troop movements, and some pamphlets in possession of the State Department. They are now, I believe, in the hands of the Department of Justice.

Mr. FEIGHAN. The ones actually found?

Mr. LYONS. They are in the hands of the Department of Justice that handled the case. At this meeting, it was decided to call on Mr. Hoover, of the Federal Bureau of Investigation, and request him to take up this investigation, to see just where it would end.

General Holmes and Major Korea and myself called on Mr. Hoover. He immediately realized just how serious this was. He saw something had to be done about it. He agreed to take on the investigation of the case which was done. The investigation was put into effect immediately. There was no time wasted at all.

Then, under instructions from the Assistant Secretary, General Holmes and I assisted them in looking at certain records or getting into certain offices to see the files in order to carry on the investigation.

Mr. CHELF. When was this investigation actually started?

Mr. LYONS. The early part of March 1945. At that time I was just acting security officer.

Mr. CHELF. Had you been acting prior to that time?

Mr. LYONS. Yes.

Mr. CHELF. How long?

Mr. LYONS. For a couple of months only.

Mr. CHELF. Who had preceded you?

Mr. LYONS. Fletcher Warren. Then I took over from him that job. Then we appointed a full-time security officer because you must realize, at that time, that was merely one of the chores of my work. It was not a full-time job, although it did take full time. Then we appointed a man who is today the security officer. His name is Robert Bannerman. He is a very capable chap who has been an investigator for several years and has been with our chief special agents in the Department. He became security officer, if I am not mistaken, the end of May or early June.

Mr. FELLOWS. What is his duty as security officer?

Mr. LYONS. The security officer's duties, at that time, were for the physical security of the Department. But, in addition to that, he is the chairman of a committee that handles the screening of personnel, applicants for positions. It is an important job.

Mr. FELLOWS. Who was the security officer when Mr. Roth, Andrew Roth, was applying for a job there?

Mr. LYONS. I did not know that Andrew Roth had applied for a job.

Mr. CHELF. He was with the Navy.

Mr. FELLOWS. Excuse me.

Mr. CHELF. He was a lieutenant, junior grade.

Mr. LYONS. He was. That was in the Navy.

Mr. CHELF. He was assigned to the Secretary of State's office as a liaison man.

Mr. LYONS. He maintained liaison between his branch in Naval Intelligence, which was the Far Eastern Branch of OMI. He maintained liaison with our far-eastern office. But, as for his having been assigned to the Secretary, I do not believe that is correct.

Mr. CHELF. Was he in the Secretary's office little or much?

Mr. LYONS. You mean in the Department?

Mr. CHELF. In the Department.

Mr. LYONS. I imagine he was there fairly frequently.

Mr. CHELF. He had an opportunity to see and know the employees of the Department?

Mr. LYONS. Oh, yes.

Mr. HANCOCK. Where did these papers come from that General Holmes showed to you?

Mr. LYONS. They were shown to me on Monday morning. From where they came I do not know. It is not my own knowledge.

Mr. HANCOCK. Had they been recovered from Mr. Jaffe's office by somebody outside of the Department?

Mr. LYONS. Yes. They were given to General Holmes by Mr. Stettinus.

Mr. HANCOCK. They had been suspicious previously?

Mr. LYONS. It was the night before they were given to General Holmes, on a Sunday night. He called me in on Monday morning.

Mr. HANCOCK. Who had had them prior to that time?

Mr. LYONS. I am afraid—excuse me—but this is not from my own knowledge. This is from hearsay, that those were found in the office of Philip Jaffe, editor of Amerasia, in New York.

Mr. HANCOCK. Somebody must have been looking for them. Was it somebody from the State Department?

Mr. LYONS. No. That was the first inkling we had of it, when the papers were given to Mr. Stettinus on Sunday night, and then discussed at the meeting Monday morning.

Mr. FELLOWS. What is the date of that Sunday night?

Mr. LYONS. It was early in March.

Mr. HOBBS. 1945?

Mr. LYONS. Yes, sir.

Mr. HANCOCK. Who recovered them? Somebody must have been sent to Mr. Jaffe's office with knowledge that he had them. There must have been some suspicion that something was wrong, and somebody must have done some investigating.

Mr. LYONS. I have heard the story. From my own work, I am not in a position to testify about that here. I heard about it.

Mr. HOBBS. You had not heard of it at that time?

Mr. LYONS. No.

Mr. SPRINGER. You did not have any information until Monday morning?

Mr. LYONS. Yes. That was the first information I had at that time that there was such a leak.

Mr. FEIGHAN. Your duties as security officer, do they entail surveillance over the physical property, such as books and things that might be in any department?

Mr. LYONS. That is right.

Mr. FEIGHAN. What regulations, or in what manner, did you proceed in order to protect any of those documents?

Mr. LYONS. There were all sorts of security regulations that have been in force for many years, and, especially during the war, there were wartime regulations put into effect that a person could not take out a document above the classification of "Restricted." You could not take such document above that classification out of the Department without the permission of the chief of the division. For example, I myself would not any more think of taking out of the Department any papers and take them home with me because my conscience would bother me. I would not do it.

Mr. FELLOWS. It was being done?

Mr. LYONS. Yes.

Mr. FELLOWS. You did not know?

Mr. LYONS. No. There was a strict control on all the people in the Department; anybody going out with any package, no matter how small or how large, they had to

have a pass from the division chief in order to get that out. The police insisted on that.

Mr. FELLOWS. We have been informed, here, that it was a practice, a more or less general practice, to take brief cases out of there with papers in them, to take them home, and to bring them back when they got ready to bring them back.

Mr. LYONS. That would be only with the permission of the chief of the division for which the man worked.

Mr. HOBBS. All right. Go right ahead, sir.

Mr. LYONS. I guess I got as far as the conversation after Mr. Hoover's talk.

Mr. HOBBS. Yes.

Mr. LYONS. Then, I got into the investigation where we turned the whole case immediately over to the Federal Bureau of Investigation, the whole thing.

Mr. HOBBS. You did not do any investigating yourself?

Mr. LYONS. No. I am not an investigator.

Mr. HOBBS. You were the safety officer at the time?

Mr. LYONS. That is right.

Mr. HOBBS. We were informed that you, yourself, made the intramural investigation in the State Department.

Mr. LYONS. No. I assisted the Federal Bureau of Investigation in that, giving them access to the offices, showing them where the files were, and all that; but as far as any active part in that, I studiously avoided that.

Mr. CHELF. When the Federal Bureau of Investigation agents came into the picture, did they come in during the day or at night?

Mr. LYONS. They were in both day and night, but for the large part, the effective work was done at night.

Mr. CHELF. Would you be there with them?

Mr. LYONS. Yes.

Mr. FELLOWS. These papers have designations on them as "Restricted" and so forth. How do you designate them?

Mr. LYONS. First, you have your plain; there is no restriction. Then, you have your "restricted," which is information anyone in the Department may see.

Mr. CHELF. Not for publication?

Mr. LYONS. Not for publication. Then, you have "confidential." Then, you have "secret," and then you have "top secret."

Mr. FELLOWS. These papers that were shown to you on Monday morning, in what category were they?

Mr. LYONS. Most of them were confidential and secret.

Mr. FELLOWS. I see. None of them were top secret papers?

Mr. LYONS. None of them were—I believe there were, but I would not swear to that in that particular bunch of papers. However, I believe there were.

Mr. CHELF. Do you know about how many papers there were?

Mr. LYONS. In this bunch that I saw on Monday, easily, I should say 35 to 50 different reports.

Mr. CHELF. Of various classifications?

Mr. LYONS. Yes, mostly secret, top secret, or confidential.

Mr. CHELF. Was it said, at that time, from where they had come?

Mr. LYONS. No; not right at that time. Later on, it was.

Mr. CHELF. Did anyone ever indicate how they had been gotten or obtained from Jaffe's office?

Mr. LYONS. To the best of my knowledge, no. I say, I have heard.

Mr. CHELF. What did you learn about that particular angle?

Mr. LYONS. That they had first discovered this by the fact it has been suspected that somebody had access to these files, and in particular, Jaffe, of Amerasia. There was an article that appeared in the Amerasia magazine. I think it was on Siam, if I am not mistaken. That article in there was recognized by a man in the Office of Strategic Services who had either written it or read it in one of his own reports. It was practically verbatim.

Mr. CHELF. That was the one that quoted excerpts without any attempt to paraphrase?

Mr. HANCOCK. He said the Federal Bureau of Investigation was called in after that morning when the papers were shown you by General Holmes. Had not the Federal Bureau of Investigation been in it previously? Was not the Federal Bureau of Investigation the party that recovered those papers from Jaffe's office?

Mr. LYONS. I do not think so.

Mr. HANCOCK. Did not Mr. Brooks tell us something about that?

Mr. HOBBS. He said he did.

Mr. HANCOCK. He was with the Federal Bureau of Investigation.

Mr. CHELF. He called them.

Mr. HANCOCK. Who was Brooks?

Mr. LYONS. Office of Strategic Services.

Mr. FELLOWS. They must have been advised of the thefts because they had been recovered by somebody in the Government.

Mr. HOBBS. He took his men up. He found them there.

Mr. CHELF. It must have been on that occasion that he selected a few of them in order to bring back at least enough evidence to convince the Federal Bureau of Investigation that there was plenty there to be obtained and secured later.

Mr. HOBBS. Off the record.

(Discussion off the record.)

Mr. HANCOCK. Who was Larsen's chief?

Mr. FEIGHAN. He was in the China Division.

Mr. LYONS. Far Eastern Division, in the territorial studies unit, I think, of the Office of Far Eastern Affairs.

Mr. HANCOCK. Was it Blakeslee?

Mr. LYONS. Dr. Blakeslee. That is it.

Mr. FEIGHAN. Supposing you have a document marked "Top secret." How many copies of that are likely to be floating around?

Mr. LYONS. Very few. Every one has to be carried by hand; the personal receipt of the address has to be on that.

Mr. FELLOWS. The copy is just as important as far as information is concerned.

Mr. LYONS. You cannot keep a person from making a copy.

Mr. HOBBS. Off the record.

(Discussion had off the record.)

Mr. FELLOWS. Will you state your experience with the State Department?

Mr. LYONS. Since I have been with the Department?

Mr. FELLOWS. I went with the State Department in 1923. I, at that time, took my oath here in Washington. I was sent abroad, where I was a courier for 2 years, 18 or 19 months, covering all of the capitals of Europe once a month. That involved considerable work of a confidential character, it is true.

I went from the State Department into the Department of Commerce, where I became commercial attaché to Finland after serving as a clerk to the attaché. Then I served in Finland. Then I served in Greece and Albania. From there I was transferred to Istanbul, Turkey, where our office covered Turkey and Bulgaria. From there I went to Budapest, and then I came back here and was out of the service in 1933 when the Department of Commerce offices were closed. My office at Budapest was closed. I returned here and went with the Agricultural Adjustment Agency handling investigations for the enforcement of agricultural agreements. I had an office in New York. I had charge of the eastern seaboard for that.

From there I came back to the Department in 1937 as an assistant chief of the Division of International Conferences, the Division which organizes and makes the administrative arrangements for all international meetings in which this Government takes part. Then I became executive assistant to Mr. Berle in 1940.

At that time one of Mr. Berle's assignments was to handle liaison between the Federal Bureau of Investigation, G–2, the ONI, and the COI.

Mr. HOBBS. Not the CIO?

Mr. LYONS. No; COI. That later turned out to be the Office of Strategic Services. Throughout the war then we handled that directly, the liaison work with the Federal Bureau of Investigation and these other intelligence agencies which the Division still does.

Just for your own information, it is one of the things we do not talk about in the Department. It is just a division that it has. The name sounds strange, Foreign Activity Correlation. If anybody can figure it out, it is all right. It really does not mean anything. We stay away from the press. We have worked very quietly throughout the war. We have performed some fairly effective work with reference to subversive activities.

At the moment I am known as the Director of the Office of Controls. Under that Office comes the Passport Division, the Visa Division, and this Division of Foreign Activity Correlation, the Special Project Division. We handle repatriation and exchanges and we also protect certain interests, for instance, the Swiss Government. That Division handles that.

Then, the other Division is the Security Office. The security officer reports to the Director of the Office of Controls, through me, to the Assistant Secretary, who is Mr. Russell, now.

So, we have the Security Office there. It comes under this Office of Controls; but, as to my taking any active directing part in it, I do act in an advisory capacity.

Mr. FELLOWS. May I ask one more question?

Mr. HOBBS. Certainly. You may ask as many as you want.

Mr. FELLOWS. You say these papers on that certain Monday in March 1945, while we were at war with Germany and Japan, you have described them as confidential?

Mr. LYONS. Yes, sir.

Mr. FELLOWS. The possession of these papers by outsiders, friendly or unfriendly to our country, was a very, very serious threat to the security of the United States of America?

Mr. LYONS. Very definitely. There is no question about that.

Mr. FEIGHAN. While you were security officer, or assistant had any incidents which had taken place come directly to you or been brought to your attention, which would arouse suspicion within the State Department?

Mr. LYONS. No; other than certain newspaper leads which would indicate information was getting out, but whether by word of mouth or by a document being taken out, that was something that was hard to determine.

Mr. FEIGHAN. Were any efforts made to try to track down that leak?

Mr. LYONS. Oh, yes. Yes, sir.

Mr. FEIGHAN. Were they successful in ascertaining through whom the leak came?

Mr. LYONS. You could not get to such a point where you could prove it to a court of law. The finger of suspicion was definitely pointed at certain people.

Mr. FEIGHAN. Were their activities scrutinized more closely from then on?

Mr. LYONS. Oh, yes.

Mr. HANCOCK. Have any additional precautions or safeguards been taken since the discovery of these wholesale thefts? According to Larsen, it was a very common practice for the men in the State Department to walk out with all the documents they chose to take.

Mr. LYONS. I am afraid his statement there was exaggerated.

Mr. HANCOCK. You found, on that Monday, that many had been taken. I am wondering if any precautions were taken to protect

the secrecy of the State Department documents since that time? Or did the same laxity still prevail?

Mr. LYONS. You may call it laxity. I do not see how you can put in strict regulations without some punishment to them that will be effective. For example, shortly after the war, a few months after the war ended, the public thought that the public should have access to all buildings and should not be annoyed by these regulations requiring passes. They said, "There are the buildings. Why cannot we get into them without having to get a pass and be innoculated?"

Mr. HANCOCK. Is there not a law which makes it a crime to reveal any State Department secrets?

Mr. LYONS. I do not know about revealing State Department secrets. I do not believe we have any secrets act. Have we?

Mr. HANCOCK. I am quite sure you have.

Mr. LYONS. It may have to do with codes, cryptographic work, and that, perhaps. But, on information, I do not think so. I would not swear to it. However, not being a lawyer myself, I cannot say.

Mr. CHELF. What was the position there of Larsen in the Far East? Are you familiar with his duties?

Mr. LYONS. Not exactly, other than I believe he was a political analyst on Chinese political affairs.

Mr. CHELF. How long had he been with the Department? Do you remember?

Mr. LYONS. It was not long. He had been with the Department, I should say—and this is merely a guess——

Mr. CHELF. I am very much interested in his background, and learning all I can about that man.

Mr. LYONS. I should say not over a year, a year and a half, he had been with the State Department. He had formerly been with the Navy.

Mr. CHELF. Had he been screened and investigated before he came over there?

Mr. LYONS. Yes, sir. They went to the Navy to get the story on him. I remember that case rather distinctly. We made a very close check as you can well imagine, especially, when he came from one of the Government offices, he came from one Government office to another. The office from which he comes, and with which he has worked, surely, they should have a complete report. We had a little bit of difficulty at first getting the report from the Navy on him. That is how his name came to my attention.

Mr. CHELF. What was the general consensus of opinion of the fellows with whom he worked? What was their estimate of his background? Was he accepted as being strictly O. K. or was he more or less under surveillance for a probationary period of time?

Mr. LYONS. I do not believe he was on any probationary period. He was accepted as a loyal American.

Mr. CHELF. Did any of his actions or demeanor indicate he might not have been 100 percent all right?

Mr. LYONS. Not up until the time of the investigation.

Mr. CHELF. Prior to that time he had been accepted as a loyal employee?

Mr. LYONS. To the best of my knowledge. I have never seen him. He is a name to me only.

Mr. HOBBS. He is no longer employed?

Mr. LYONS. No, sir.

Mr. SPRINGER. The one thing that I cannot understand is that he indicated here that he carried out records to work on at home, night after night, and yet he was never detected by any of the doormen there leaving with those important documents.

Mr. HANCOCK. He was never even questioned.

Mr. LYONS. Never even asked for a slip or a pass to get out?

Mr. SPRINGER. Apparently not. He did not say anything about it. He said that was the usual custom. He said he did it, and indicated that others did it.

Mr. CHELF. He said there were times that he would come out with stacks of papers four to inches thick. Remember, one of you gentlemen asked him how thick for the record. He said 4 to 5 inches. Those were documents and papers of all kind.

Mr. LYONS. Not in a brief case?

Mr. CHELF. In the open.

Mr. HANCOCK. He said it was a common practice.

Mr. CHELF. The thing that impressed me, he was definitely "hipped" on the idea of going into records and backgrounds about outstanding personalities, foreign personalities.

Mr. LYONS. He is a research specialist.

Mr. CHELF. Was he considered a little bit of "screwball" on that one subject or not? I just wonder.

Mr. LYONS. Not to the best of my knowledge. I never heard that.

Mr. CHELF. He came in here with a file of records that he had gone through, all these various records of the Department, and he admitted that he would snipe a bit of information here, or another dash of information there in gathering his material for the background of these particular foreign personalities. They were men of prominence. Then, he had a picture of that fellow. Then he had the whole story from his birth to his death. There seemed to be literally dozens of them.

Mr. HANCOCK. Hundreds.

Mr. HOBBS. He said he had 6,000.

Mr. CHELF. It was biographical data.

Mr. SPRINGER. And he was keeping them up. He had a large black book in which he had memorandums that he had not transposed into the card system.

Mr. CHELF. He said oftentimes a query would come to the State Department for information pertaining to a specific person, and they would call him in. They called him Jimmie. They said, "Jimmie, have you anything on this man?"

He said, "I will check my files at the house and see."

He would come in with it the next morning, and they would be glad to have it. He seemed to be the key man to furnish them with all this information. He admitted, frankly, he worked until late hours at night, every night practically.

Mr. HOBBS. He said it kept him busy for years and years.

Mr. FELLOWS. Everybody called on him, even Jaffe.

Mr. SPRINGER. In the Department, he never did anything that caused any suspicion in his conduct?

Mr. LYONS. Not to the best of my recollection.

Mr. SPRINGER. You would have that information if there had been any suspicion?

Mr. LYONS. It would have come to me.

Mr. HANCOCK. Has anybody except Larsen in the State Department been disciplined because of the wholesale theft of State documents?

Mr. LYONS. In the State Department?

Mr. HANCOCK. Any dismissals or even as much as reprimands?

Mr. LYONS. Larsen was the only one.

Mr. HOBBS. How about Service?

Mr. LYONS. Service was, of course, put on leave, I believe, put on leave at that time.

Mr. HOBBS. Was he not under consideration for another appointment now?

Mr. LYONS. Yes. Oh, I heard he had recently been named counsel general to Manila.

Mr. FEIGHAN. I thought he was over with MacArthur.

Mr. LYONS. Is he over there now? That is what I heard.

Mr. FEIGHAN. Was he requested by MacArthur?

Mr. LYONS. I do not know. I really do not know.

Mr. FEIGHAN. Do you know whether or not General MacArthur expressed any desire not to have him?

Mr. LYONS. Not to the best of my knowledge, no.

Mr. FEIGHAN. You say he was given a leave?

Mr. LYONS. He was put on a leave status.

Mr. FEIGHAN. For how long?

Mr. LYONS. Until he was cleared by the grand jury, some 30 or 60 days.

Mr. FEIGHAN. With pay?

Mr. LYONS. That I do not recall. I do not recall. That was a personnel matter, pure and simple.

Mr. FELLOWS. How old a man is Service?

Mr. LYONS. He must be in his thirties, I should say in his middle thirties.

Mr. HOBBS. All right, sir. We are very much obliged to you, Mr. Lyons. I am sorry to have bothered you. This will be absolutely confidential.

Mr. HANCOCK. How big is your department?

Mr. LYONS. September 14, we had 1,703 people in that building.

Mr. FELLOWS. On Pennsylvania Avenue?

Mr. LYONS. Now I understand there are over 7,000 altogether; that includes the new temporary agencies.

Mr. HANCOCK. In Washington?

Mr. LYONS. Seven thousand with OWI people; that may include an office in New York and San Francisco.

Mr. HOBBS. Thank you very much.

We are waiting for some gentleman from the Federal Bureau of Investigation. We will take a short recess.

(Thereupon a short recess was taken.)

Mr. HOBBS. We are delighted to have you with us, sir.

We will be glad to hear anything in the way of a statement that you have to make to us.

Mr. MCGRANERY. My name is James P. McGranery.

The thing hit me quickly. I talked to the chairman yesterday, and I told him that I would like to discuss with him and find out what is the procedure, how he is going to work this thing out, and what assistance we might be to him. There had been so much loose talk about this matter. I proposed to have here this morning the man who had handled the case directly both before the grand jury and in the court.

Mr. HANCOCK. Hitchcock?

Mr. MCGRANERY. He will be along. We were a little mixed up. Also the man in the Criminal Division who directed the activities will be here.

In the meantime, while they are coming here, if there is anything you gentlemen want to ask me, to which I have the answer, I will be glad to let you have it. There is nothing that the Department of Justice has to conceal in this case.

We handled this like any other matter. I cannot stress that too strongly. There is nothing that the Department of Justice wants to conceal about this matter. We will be glad to give you anything that we have in the case less the technique of how we obtained some of this evidence. That we do not feel that the committee is entitled to have. It is of a confidential sort. But, so far as the facts go in connection with what the evidence was, how it was presented to the grand jury, and how we handled it in court, we will give you everything that we have. You may have the transcript of the testimony before the grand jury.

Mr. HOBBS. That is exactly the position we thought the Justice Department would take. As soon as we get through the hush-hush part of our investigation, we expected to communicate with you gentlemen and invoke your aid and guidance in our investigation. This is absolutely off the record.

What we are doing now is having this hearing in my office. We are not even going to

the committee room. We are taking the testimony of those people who, for strategic reasons, were desirous of keeping their testimony off the record, also their names, their occupations, and their connections with the case.

So far as we are concerned, we will be delighted to hear any statement you gentlemen care to make.

Mr. MCGRANERY. Our position would be, Mr. Chairman, that we have no statement to make other than to say to you that we will cooperate to the fullest.

I think you gentlemen realize we cannot disclose our technique of operation in the Federal Bureau of Investigation. That is obvious. Short of that, we will give you everything that we have.

Mr. HOBBS. We are very much interested in the criminal cases, and why these people were not punished to any extent, if there was criminality.

Mr. MCGRANERY. Here is Mr. Hitchcock who is the gentleman who handled the case before the grand jury and in the court.

I think you could outline, Mr. Hitchcock, briefly, to the committee what happened there.

Mr. HITCHCOCK. As Mr. McGranery told you, the grand jury minutes are available. In my opinion, the grand jury minutes tell the whole story.

As regards the three defendants who were "no billed" or exonerated by the grand jury, all the evidence we produced and possessed was given against them. Well, they waived immunity and testified before the grand jury. They were examined thoroughly by three attorneys from the Department of Justice. All attorneys were of considerable experience.

As regards the three who were indicted by the grand jury, one of them, as you know, pled guilty and was sentenced to pay a fine of $2,500. That was Mr. Jaffe.

Mr. HOBBS. $2,500?

Mr. HITCHCOCK. That was something less than the recommendation of the Department. We had made a recommendation of $5,000.

Mr. HOBBS. The amount of the fine is not significant. Speaking for myself, personally, I think he deserved a whole lot more.

Mr. MCGRANERY. Wait until you hear this story.

Mr. HITCHCOCK. Larsen, who was employed by the State Department, in a civilian capacity, as he had been employed in the Office of the Navy Department, actually removed the documents, so far as we know.

Mr. HOBBS. All of them?

Mr. HITCHCOCK. Those that we can trace the removal of were traced to Larsen. We have not traced removal of any other documents at any time. He, subsequently, entered a plea of nolo contendere. He was fined $500.

The third defendant, Andrew Roth, who was a full lieutenant in the Navy, from the Office of Naval Intelligence; we knew about him, that our evidence against him was practically none.

Subsequent to the two pleas being entered by Jaffe and Larsen, we interviewed both Jaffe and Larsen. After discussing the matter fully, we realized we did not have a case against Roth. This was in February of this year. It occurred back last October. We did not have any evidence on which to proceed.

Mr. HOBBS. Who is Brooks?

Mr. MCGRANERY. It does not ring a bell at all.

Mr. HITCHCOCK. That name is not familiar to me.

Mr. HANCOCK. Is he supposed to have found all these documents in Jaffe's office, working for the Office of Strategic Service?

Mr. HITCHCOCK. That name, I have never heard of, to my knowledge.

Mr. MCINERNEY. That is how the case started, with the Office of Strategic Services finding in Jaffe's magazine—if you are familiar with the story, I will not repeat it—the Office of Strategic Services went in surreptitiously and took out their own documents.

Mr. HANCOCK. Took out a few so they would not be missed. We understood there were hundreds and hundreds.

Mr. MCINERNEY. These documents, Mr. DONDERO was referring to, are not in our case. They were not among the documents we seized. That is obvious from the fact that Mr. DONDERO could not have them; we seized them, the Department of Justice.

Mr. HANCOCK. You did not have the documents Brooks claimed he recovered?

Mr. HITCHCOCK. I know what Congressman DONDERO stated on April 18 and in his speech of November 28. As I recall, it appears in the CONGRESSIONAL RECORD. As regards to the documents he referred to, that is in the record, and he referred to some documents that pertained to the national defense. I never heard of them in my life. I never had any information pertaining to them. No one in the Department did until such time as Congressman DONDERO mentioned them. I saw his speech some few days after November 28.

Mr. HANCOCK. Did you not consult with the Office of Strategic Services at all in connection with this prosecution?

Mr. HITCHCOCK. No, sir.

Mr. MCINERNEY. No, sir; for a very obvious reason.

Mr. HANCOCK. I cannot see it.

Mr. MCINERNEY. They burglarized the office of Jaffe. We could not use anything they obtained. We did not want to have anything to do with the material which had been removed from the office. We did not have that in our case and did not want to have it in our case.

Mr. HANCOCK. I do not believe I would be so squeamish in wartime.

Mr. MCINERNEY. I am squeamish about putting them in evidence in court; it is not our squeamishness.

Mr. MCGRANERY. We handled ours our way.

Mr. FELLOWS. Did he plead guilty?

Mr. HITCHCOCK. Yes.

Mr. FELLOWS. To what did he plead guilty?

Mr. HITCHCOCK. Conspiracy to steal and purloin and to aid and assist in the removal of Government property.

Mr. CHELF. Was he charged with any use of the contents of the documents?

Mr. HITCHCOCK. There is no such charge.

Mr. FELLOWS. What is the penalty of a charge of that sort?

Mr. HITCHCOCK. Two years imprisonment or a $10,000 fine, or both, or it is left in the discretion of the judge; they may be made to pay any part of it or none of it.

Mr. FEIGHAN. Is there any difference when it happens in wartime? Or is that an ordinary statute?

Mr. HITCHCOCK. That is correct.

Mr. MCGRANERY. Correct.

Mr. MCINERNEY. Correct.

Mr. FELLOWS. You recommended $2,500?

Mr. MCGRANERY. No, sir. We recommended $5,000.

Mr. HANCOCK. It is in the record you found no evidence of disloyalty in the case of Larsen.

Mr. FELLOWS. Of Jaffe.

Mr. HITCHCOCK. Of both.

Mr. HANCOCK. How could you reach a conclusion that a man stealing hundreds and hundreds of documents, secret, top secret, confidential, and restricted, from the State Department, and delivered them to a magazine which was known to be pro-Communist and un-American, how could you find there was no evidence of disloyalty?

Mr. HITCHCOCK. We had no evidence of any use to which they were put which was disloyal.

Furthermore, this would assist this committee, the documents, themselves, which we recovered, and you are referring to certain classifications of them, an examination of those documents or any of them, or any part of them scarcely, and I use that term advisedly, scarcely come up to it in content to that which I believe this committee has in mind by reason of the three or four documents mentioned by the Congressman in these two speeches. Clearly, we never saw or never heard of or never knew about these documents until such time as the Congressman made his speech.

If I may say this, gentlemen, in connection with Mr. McInerney's observation to you, it appears that you have information that the Office of Strategic Services got into Jaffe's office; as McInerney stated, it was impossible to use that in court. That is not any criterion we have established. The law, as you undoubtedly know, is this: Evidence that is illegally obtained is suppressed, and may not be used in any court of law.

We were handicapped on that even if we had those documents. Any evidence, illegally obtained, is a violation of their rights under the fourth and fifth amendments. We are tossed out right and left.

Mr. HANCOCK. It would influence your judgment if you knew certain facts? Certainly, you would have certain conclusions?

Mr. MCGRANERY. I think it might be fair to tell this committee what blew the case up and, really, what knocked whatever value the thing might have out in the air.

One of these gentlemen, whose apartment had been entered, and whose material had been seized, by chance one day said something to his janitor being suspicious that somebody had been in there; he said, "How many times did you tell me that man went into my apartment?"

The janitor became muddled and confused and told him, thinking that he had slipped before. So, the cat was out of the bag so far as he was concerned. He immediately gave that to his lawyer, and our department was quite fearful that they were going to move right then and there.

Mr. HITCHCOCK. They did move.

Mr. MCGRANERY. We held the one fellow in our office to get the plea of guilty from him. The deal was made there. If we had not handled it in that way, I do not think we would have any case at all. None of this evidence was obtained in a manner in which we ordinarily would get it. It was very clumsily handled. That is my candid opinion of it. This one bird was smart enough to develop a little technique of his own. We, for a while, thought we had no case at all, not only that, but we thought our faces would be very red by their beating us to the punch.

Mr. MCINERNEY. On this day we were expecting this motion to suppress. This came out on September 25, that the superintendent of Larsen's apartment told him that his apartment had been entered twice. We had, in the case at that time, a former member of the Criminal Division, a Mr. Al Herron, who was thoroughly familiar with Federal Bureau of Investigation techniques, and who represented Jaffe. On the day that he came to see us about a possible plea for Jaffe, Hilland, Larsen's attorney, was in the other office serving this motion to suppress and alleging trespass on Larsen's apartment, and alleging wire tapping. We had there Jaffe's lawyer. We thought he would go out into the street and read about this motion to suppress, and then he is going to run to Jaffe's superintendent of the building and say, "Did they go into my place?"

And the superintendent might say, "Yes, sir."

That would be the whole case up in the sky. We held Herron in the office. I called the clerk of the court. I asked him if Larsen's motion papers had been filed yet. He

said they were filed about an hour ago. I asked him if the newspaper reporters had been in to see them. He said they came in with Mr. Hilland. He got the newspaper reporters to come in when he filed that motion.

We knew we had to talk Jaffe's man into a plea before he left that office that afternoon, before he saw the papers. It was at that stage we recommended a substantial fine. We got such a firm commitment from him that he could not withdraw. He read the papers. He heard it on the radio that night, but he stayed with his commitment and pleaded the next morning.

Mr. FELLOWS. Did you examine the stuff to see what they did actually seize illegally?

Mr. MCINERNEY. No. Office of Strategic Service?

Mr. FELLOWS. Yes, sir.

Mr. MCINERNEY. No, sir.

Mr. FELLOWS. You knew they had recovered some stuff?

Mr. MCGRANERY. I think that question would be better left unanswered.

Mr. FELLOWS. Do you know how much Jaffe was making in his business?

Mr. HITCHCOCK. Jaffe was a wealthy man. He had a business known as Wallace Brown Stationery Co., where he did a business in greeting cards and manufacturing of stationery, I believe. He was reported to be well-to-do, if not, indeed, a wealthy man. We knew his magazine Amerasia was a losing magazine. He made up a deficit.

Mr. FELLOWS. For what was he punished? Why was he fined $2,500?

Mr. HITCHCOCK. For conspiracy; the conspiracy was to steal Government property, namely, the papers.

Mr. HOBBS. What papers?

Mr. HITCHCOCK. Papers from the State Department, OWI, FCC, Bureau of Economic Warfare, and there were two or three other agencies involved.

Mr. HOBBS. Not any of this stuff that was gotten by the Office of Strategic Service?

Mr. HITCHCOCK. We could not have used it even if we knew about it.

Mr. FELLOWS. The secret documents you described in the indictment?

Mr. HITCHCOCK. The documents were not described with particularity, but the documents we had in mind were the documents we had in our possession recovered on June 6 in the search of Jaffe's office in connection with the warrant of arrest served on him. We have approximately 150 of those documents that are on their face described as having come from some Government agency.

Mr. HOBBS. Were any of them from the Federal Bureau of Investigation?

Mr. HITCHCOCK. They were mimeographed and hectograph copies.

Mr. SPRINGER. Those particular items you had in your possession, and which you referred to particularly, in this case, were those originals or copies?

Mr. HITCHCOCK. They were what I would call duplicate originals, documents that came from some Government agencies mimeographed or hectographed. They were Government copies.

As opposed to that, there were approximately 150 of them—as opposed, there were about 250 of typewritten copies of documents, papers, which by their content, established that they came from Government agencies. Somebody took them out, and they were typed. But, in any event, the Federal Bureau of Investigation was able to and did trace the typewritten copies that were found in Jaffe's office back to where they found a paper on file or a record or document on file for some Government agency of which that was a typewritten copy.

Mr. HANCOCK. Larsen could not have had access to any papers other than the State Department?

Mr. HITCHCOCK. He could have, and he did make some. They are routed through the State Department.

Mr. MCGRANERY. It indicated a very loose set-up.

Mr. FELLOWS. You could figure out that the charges are that some damn good confidential stuff had gone into the hands of Mr. Jaffe?

Mr. MCGRANERY. We never found it.

Mr. FELLOWS. You could infer that because the gate was open. You could walk in.

Mr. HITCHCOCK. The answer to that question, in my opinion, sir, is "no" because the documents that we have, in the typewritten copies that we now know are copies of documents pertaining almost exclusively to Chinese political and economic affairs. These people were interested in China.

Mr. FELLOWS. Did you know about the Communist activities of Mr. Jaffe?

Mr. MCGRANERY. We knew that long before that time.

May we go off the record, Mr. Chairman?

Mr. HOBBS. Yes.

(Discussion had off the record.)

Mr. FELLOWS. Following Mr. CHELF's statement, I will ask you if there was any way you could get a search warrant to look for further documents?

Mr. MCINERNEY. There are three reasons why we would proceed by search incident to arrest in reference to obtaining a search warrant. The first reason is that we would have difficulty in setting forth the reason to believe that instruments of the crime were present in these premises.

The second reason was that if these documents were confidential, you have to file a schedule of everything seized under a search warrant within 10 days after execution of the warrant. We did not want to do that.

The third reason is that under a search warrant you are confined to taking the instruments of a crime, the fruits of the crime, or contraband; whereas, when you make a search incident to the arrest, you may seize other objects. For instance, if there were a letter in the files in which Jaffe confessed he was a Russian spy, that is evidence and cannot be seized under a search warrant, but can be taken under a search incident to an arrest.

The last two are controlling reasons which we use in making searches incident to the arrest.

Mr. FELLOWS. As an incident to the arrest, did you seize documents?

Mr. MCINERNEY. Yes.

Mr. FELLOWS. How many?

Mr. HITCHCOCK. Approximately 150. My estimate is around 250 typewritten copies of others.

Mr. FELLOWS. The indications were, as I get it from you, I do not know as you said all of them, but many of them were taken by Larsen out of the Department?

Mr. HITCHCOCK. They were largely State Department records. They were almost exclusively in content and also written from the United States representatives to the State Department in India and China largely. They were submitting what took place in their interviews that they held with various Chinese people, both the followers of Chiang Kai-shek and the followers of the Chinese Communists.

There were some top gossip reports. A series of them were headed exclusively pertaining to what various people in China thought about Chiang Kai-shek, and whether his regime was good for China.

Many pertained to the moral life of the generalissimo, his extra-marital activities.

Mr. FELLOWS. That is the first time I heard it called that.

Was Larsen the man who did all this?

Mr. HITCHCOCK. It had to be. Service was loaned to the Army back in 1943, over 2 years, and did not return to the United States until the 18th day of April 1945, which was, approximately, 6 weeks prior to the time these arrests were made.

Mr. FELLOWS. He pled nolo contendere and paid the $500 fine, Larsen?

Mr. HITCHCOCK. Yes, sir.

Mr. FELLOWS. Did you recommend the fine?

Mr. HITCHCOCK. Yes, sir.

Mr. FELLOWS. Did you feel that was adequate punishment?

Mr. HITCHCOCK. No, sir. Larsen had made his motion to suppress this evidence and put in an affidavit how we got that evidence. We knew we could not oppose that motion. We knew we had no evidence against Larsen unless we took whatever deal we could get from him. You gentlemen understand that term "deal."

Mr. HOBBS. You say that no documents or matters of any kind came from the files of the Federal Bureau of Investigation were found that you all know about?

Mr. HITCHCOCK. That is correct. There were State Department reports from representatives in the Far East pertaining, largely, to Chinese personalities, criticism or praise, as the case may be, of the generalissimo's regime.

Mr. FELLOWS. You know if they could get those, they could get others.

Mr. HITCHCOCK. I do not know that.

Mr. FELLOWS. You could suspect it.

Mr. HITCHCOCK. Could they get others that were not accessible to these people? For example, Larsen worked on the China affairs desk. I do not believe Larsen could have gotten into the State Department and gotten other records.

Mr. HANCOCK. He claimed the files were either unlocked or locked so loosely anyone could open them.

Mr. HITCHCOCK. Larsen had a gold badge which enabled him to take documents out obviously, though, not for this purpose, but it enabled him to take them home.

Mr. SPRINGER. That had been given to him by the chief of that division?

Mr. HITCHCOCK. I do not know who gave it to him.

Mr. MCINERNEY. You mean the badge or the paper?

Mr. SPRINGER. The authority.

Mr. MCINERNEY. He had a gold badge, authority to take documents home and review them at home. That was the meaning of the gold badge. He had one of them.

Mr. HANCOCK. He did not tell us that, did he? He just claimed the practice was general.

Mr. CHELF. That is what he said.

Mr. MCINERNEY. He claimed he could blow the roof off the State Department. This was common practice. We thought he might give us something after he pled. That was also a factor in his case. He made the promise that this practice was rife in the State Department, that all of these experts, they had their experts on the outside, they would exchange information, and he used the expression in his statement that Jaffe was one of his particular "honey pots." He was one of his consultants on the outside. Everyone had consultants on the outside. In this specialized field, it was a trade practice to change information of that character. That is what he told us.

Mr. SPRINGER. Did you get any information from Larsen as to whether or not he had ever been stopped by anyone when he was removing documents and taking them to his home?

Mr. FELLOWS. You knew he had been to New York and visited Jaffe?

Mr. MCINERNEY. Yes.

Mr. HITCHCOCK. Larsen?

Mr. FELLOWS. Yes.

Mr. HITCHCOCK. Yes.

Mr. FEIGHAN. What prompted you to arrest Service?

Mr. HITCHCOCK. Jim, I think you ought to answer that. I was out of town on trial when this feature of it broke.

Mr. HOBBS. You mean on a trial.

Mr. MCINERNEY. The evidence on Service was thin. They said there was in Jaffe's office, as I recall it, copies of his confidential reports. When we arrested or made the searches, we found copies of his report. We interviewed Larsen, and Larsen admitted he had given Service's copies to Jaffe, and Service had not given them. Service was very much surprised that Jaffe had that report. It was on that thin allegation that we authorized on Service, and the same way with Gayn.

I went up to see McGranery about Gayn. He was in a very doubtful category. The Federal Bureau of Investigation said there were copies of stuff in his office. I discussed this with Mr. McGranery. We decided to push it. We took a chance on the entire case. We took a chance on some of the subjects.

Mr. MCGRANERY. We did not leave anybody out.

Mr. HITCHCOCK. Are you convinced, Jim, that Larsen was the sole offender in peddling these State documents? You think he, alone, did it all?

Have you finished your investigation or are you satisfied that nothing further should be done?

Mr. MCGRANERY. In that particular case, I am thoroughly satisfied so far as that is concerned, that case, forget about it. So far as the Department of Justice is concerned, forget about it. But certainly, we have not forgotten to be on the alert for anything we could get from there that was good.

Mr. HANCOCK. Unless Larsen is a monumental liar, and he may be, it is a common practice to take State documents out of the files. Have you anybody investigating that?

You ought to have a Federal Bureau of Investigation man in this.

Mr. MCINERNEY. May I say this off the record?

Mr. HOBBS. Yes.

(Discussion had off the record.)

Mr. FELLOWS. We heard somebody testify that he found plans for bombing the industrial center of Japan, the disposition out there of the Japanese fleet, war plans, in other words. You state you have never seen or heard of any such a thing?

Mr. HITCHCOCK. That is correct. I am curious whether the gentlemen of this committee saw any such documents.

Mr. HANCOCK. No. I want to see them.

Mr. FEIGHAN. I would too.

Mr. HITCHCOCK. I would like to see them.

Mr. HANCOCK. As far as I am concerned, I do not care if it is stolen.

Mr. MCINERNEY. We have been puzzled by these documents which Mr. DONDERO is using. They were not part of our seizure. Those are down in our office. How can Congressman DONDERO get them? It is putting the man who is furnishing him with these documents in the same position as these defendants.

Mr. SPRINGER. I, for one, and I know the other members of the committee would like to see some of these documents.

Mr. MCGRANERY. We would.

Mr. HANCOCK. You have some letters and things?

Mr. MCGRANERY. Not of that nature.

Mr. HANCOCK. You have things that were taken from Larsen, have you not? Could not we see those?

Mr. HITCHCOCK. You can see anything and everything we have.

Mr. FEIGHAN. Were not you first brought into this case by the man from the Office of Strategic Services? Who is Brown?

Mr. HITCHCOCK. Brooks. I never heard his name until you mentioned it.

Mr. MCINERNEY. The sequence on that was that they saw this article on Thailand. The Office of Strategic Services went in there a few nights and took out their own documents, then they reported to the State Department on March 12, 1945.

The State Department said to the Office of Strategic Services. "You get out, and call the Federal Bureau of Investigation."

I got into the case on March 19. The Federal Bureau of Investigation told us about the case on May 28. The reason they went in was because all of the defendants were to have a meeting in Washington at lunch. They thought we might make the arrest that day.

That was the day of the proposed arrest, the day we got into the case. We did not know of it before that day. We had no contact with the Office of Strategic Services. We did not want that contact. We were hoping we would legalize this by making these searches incident to the arrest. We feared there would be an attack on them because the warrant of arrest might be illegal because of the illegal trespasses.

We decided to take a chance and try to legalize the entries. We could not legalize the Office of Strategic Service's search because they removed their documents.

Mr. SPRINGER. From all of the investigations you made, from your grand-jury investigation and everything connected with it, do you feel that all of these secret documents that you came in possession of had come through Larsen?

Mr. MCINERNEY. I do not know whether I could go that far.

Mr. HITCHCOCK. They did not. Take your FCC, Office of Strategic Service, or a few of them, the ONI, the BEW, and perhaps one or two others, they could not have come from Larsen. Larsen was never employed there. He had no access to them. So far as we knew, he had never been near the places.

Mr. HANCOCK. I asked that a moment ago. You said these documents were routed through the State Department.

Mr. HITCHCOCK. Some of them, particularly the ONI documents, were routed to the State Department, and insofar as they pertained to Chinese affairs, Larsen would have had access to them from September 1, 1944, not prior to that.

Mr. SPRINGER. Have you been able to discover any other person who could have distributed these documents?

Mr. HITCHCOCK. We had two of them before the grand jury. In Gayn's case, he told us they got them through the area director for area 3, authorizing this girl or woman in charge of the office to give them to Gayn. We immediately sent out subpenas for those two people.

Mr. FELLOWS. A fine system.

Mr. HITCHCOCK. That completely left us stymied. These people were in position of authority. He said he classified them ad hoc, made no record of it, and after authorized the handing them out to Gayn.

Mr. SPRINGER. Did you find anyone that had distributed any of these documents?

Mr. HITCHCOCK. No.

Mr. MCINERNEY. I might add, at the time of the arrest, we told the agent who handled these as laboratory documents, to see if we could process a representative number of them for fingerprints and try to establish a chain of custody from the chief of Jaffe. They were all old documents. We came up with no principal. We did get a couple of prints on some documents we found in Gayn's apartment. They were Gayn's fingerprints on the OWI stuff. We did not get any evidence which would assist us in tracing the custody.

Mr. HITCHCOCK. You realize that many of these documents, that they refer to, date to 1936, from there on. That is why I suggested that you may be interested in seeing them. We have boxes full of them. We have all of them, booklets on health in the Japanese Empire in 1938, for example, completely innocuous, and negative as regards any national defense character at all. Although there were some in the later period, referring principally to political matters in China, one man's judgment might say, when a nation is at war, that political matters pertain to national defense; others say it pertains to military operations, or manufacturing for military purposes or things of that character, those are questions of fact for the jury.

Mr. MCGRANERY. May we go off the record, please?

Mr. HOBBS. Yes.

(Discussion had off the record.)

Mr. FELLOWS. We did get some information about the plans of the proposed bombing of the industrial centers of Japan, and this information was from a man, presumably of standing. He is still connected with the Government investigating other instances. He has never been in contact with you in regard to this proposition?

Mr. MCGRANERY. Have you seen the plan?

Mr. FELLOWS. No, but that is what he told us here.

Mr. SPRINGER. That is his testimony.

Mr. FELLOWS. He was the man who went into that office. The Department of Justice has never had any contact with that man and does not even know who he is.

Mr. MCGRANERY. I do not know him.

Mr. CHELF. I think it is a fictitious name.

Mr. MCINERNEY. That is not part of our case and could not be part of our case.

I might make one further observation off the record.

(Discussion had off the record.)

Mr. FELLOWS. May I have this question on the record?

Mr. HOBBS. Surely.

Mr. FELLOWS. You knew Jaffe's office had been broken into and papers had been taken?

Mr. MCINERNEY. Yes.

Mr. FELLOWS. You do not know who had charge of the expedition that broke into that office originally?

Mr. MCINERNEY. No, sir.

Mr. HANCOCK. Is there no liaison between your office and the Office of Strategic Services?

Mr. MCINERNEY. No, sir. That is on the Federal Bureau of Investigation level. None of their stuff has ever been sent over to the Department for prosecution. Whatever liaison there is, it is on the Federal Bureau of Investigation level. I am sure it exists. There is nothing in the Federal Bureau of Investigation reports which show consultation with or liaison between that agency and the Office of Strategic Service.

Mr. FELLOWS. Did you know it was the Office of Strategic Service that originally broke into that office?

Mr. MCINERNEY. Yes, sir.

Mr. FELLOWS. You did not attempt to find out who it was?

Mr. MCINERNEY. No, sir.

Mr. HANCOCK. That is a very weak point in our Government. All these agencies work without exchanging information.

Mr. HOBBS. I do not know about that.

Mr. MCINERNEY. If I may state something off the record, I would like to.

Mr. HOBBS. Proceed.

(Discussion off the record.)

Mr. HOBBS. As a committee, we would like to ask the Department of Justice that we be furnished information that you have. The committee would like the transcript of the testimony had before the grand jury in all of these cases together with the documents themselves which are now in your possession.

Mr. MCGRANERY. Fine. We will keep in touch with you.

Mr. HOBBS. We would like, also, to get permission to get some of the Federal Bureau of Investigation men up here who know about this matter, anybody they care to have represent them here. Our information is that there are a lot of Federal Bureau of Investigation documents floating around which

have been promised this committee. We have not approached the Federal Bureau of Investigation because we wanted to do that through you.

Mr. McGRANERY. I will talk to Mr. Hoover this afternoon.

Do you want him to appear or somebody who handled the case?

Mr. HOBBS. We do not care about anything that is not connected directly with this case.

We appreciate your presence and your testimony. I think we understand your position very much better than we did.

All of this is, of course, off the record. We have selected Miss Fitzgerald to do the reporting because we know she can be trusted.

Mr. HANCOCK. And we agreed that we would not divulge the fact Brooks testified here.

Mr. HOBBS. You share this confidential relationship with us.

(Thereupon, at 1:15 o'clock p. m., the subcommittee adjourned subject to call of the chairman.)

FRIDAY, MAY 31, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE NO. 4 OF THE
COMMITTEE ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 a. m.

Mr. HOBBS. Gentlemen, this is another hush-hush meeting of our committee.

We are delighted to have with us this morning the Assistant to the Attorney General, Mr. James McGranery, and Mr. Ladd and Mr. Gurnea of the Federal Bureau of Investigation. They have 1,700 exhibits with them, documents of one kind or another that are alleged to have been stolen.

Mr. Gurnea has informed Mr. Springer and me while we were waiting for the rest of you, that they have digested this material, and they have brought with them the information they made up for the prosecution of these cases. He suggested that that might be very helpful to us. At my request, they are going to leave the exhibits with us so anyone may look them over who cares to.

Is that agreeable, Mr. Attorney General? We will be glad to have you make any statement you care to make. We will decide whether or not we ought to go into it in that way.

Mr. McGRANERY. After I left the last meeting, Mr. Chairman, I went back to check up to see how we stood with some of the things you gentlemen talked about, principally this bombing paper that seems to be stressed. After checking around, Mr. Gurnea told me that he did have such a paper. We checked the paper. We tried to trace it. It is here, and also the tracings that we made.

On the one hand it could be said that it is a very innocuous thing. At the same time, it does demonstrate, to my way of thinking, a very careless set-up somewhere. The paper, itself, is not an original. It seems to have been taken from a number of sources of periodicals, Navy periodicals that perhaps were restricted.

I suppose it might be better for Mr. Gurnea to explain that. I want you gentlemen to know that when we said here at the meeting that we had never heard of such a paper, we were really telling you the truth. It was only after the check-up that we found it. The Department did not, that is, the Federal Bureau of Investigation, attach any importance to it. One reason we did not attach any importance to it was the fact that it had been burglarized and it could not be used as evidence. It came from the Office of Strategic Service, or the Office of War Information. It was of no value to us. They ruled it out themselves without turning it over to the Criminal Division.

Mr. HANCOCK. I thought you told us before, Jim, that you did not have any liaison with the Office of Strategic Service in connection with this case.

Mr. McGRANERY. I think I said I did not know whether we had any particular liaison or not. I did not know that. I think that Mr. McIlnerny said there was some liasion. I think I said that I did not know. McIlnerny said there was some liaison.

Hitchcock, I am sure, said there was some liaison. He did not know what it was. He understood the papers were turned over from the Office of Strategic Service to the Federal Bureau of Investigation.

Mr. LADD. May I give you the preliminary developments in the case which will partially answer that?

Mr. HOBBS. Yes.

Mr. LADD. On March 12, 1945, General Holmes, of the State Department, and Major Correa, of the Navy Department, called to see Mr. Hoover. On that occasion, they turned over a small group of documents which they said they had obtained from Secretary Stettinius that morning; that the night prior thereto, General Donovan, of the Office of Strategic Service, had called at Secretary Stettinius' home and told him that the Office of Strategic Service had obtained from the office of Amerasia, in New York, certain documents. The Office of Strategic Service turned those documents over to Secretary Stettinius inasmuch as it was evidence that there was a leak somewhere in the Government service. Documents were getting into the hands of Amerasia.

Secretary Stettinius instructed that the Federal Bureau of Investigation should make an investigation of this matter. Following that, of course, as I stated, General Holmes and Major Correa came over to see Mr. Hoover and turned the documents obtained out of the office of Amerasia, and we took up the investigation at that point. There was no information as to who was obtaining the records or how they were getting into the hands of that magazine, Amerasia, in New York.

Mr. HANCOCK. I am glad to hear that. We were all astonished that there was so little cooperation between the Office of Strategic Service and the Federal Bureau of Investigation. I am glad to have that cleared in the record.

Mr. LADD. I might put this on the record for your information, also. I think it should be there. In the early days of the emergency, prior to the outbreak of the war involving the United States, we had an agreement with the War Department and the Navy Department to cooperate with them and work with them on intelligence matters.

Part of that agreement was that any information we wanted from the War Department, we would request of G–2. Anything we wanted from the Navy, we would ask of the Office of Naval Information. Likewise, when any branch of the War Department wanted information from the Federal Bureau of Investigation, they would make the request through G–2 so that if the Provost Marshal General's Office or the Judge Advocate General's Office desired information from the Federal Bureau of Investigation's office, they requested it through G–2, and G–2 would ask us for it. We would give it back to G–2 for proper dissemination.

The same liaison arrangement was true with the Office of Strategic Service when it was formed. Everything we wanted from the Office of Strategic Service or any other branch of the War Department or Navy Department was requested through either G–2, or ONI.

Mr. HANCOCK. Off the record, please.

(Discussion off the record.)

The CHAIRMAN. Proceed, gentlemen. We must get along.

Mr. Gurnea, would you proceed? How do you wish to proceed?

Mr. LADD. Mr. Gurnea can give you all of the details in which you are interested. He was in active charge of the case. I am sure he will be able to answer any questions which you might be interested in.

Mr. GURNEA. In view of the reference to the bombing targets in Japan, would the committee be interested in looking over that before we proceed?

The CHAIRMAN. I should think so. Let us be brief about it.

Mr. McGRANERY. It refers to targets in Japan. It does not indicate anything here in the States.

You might tell them, too, Mr. Gurnea, if you will, the result of your tracings, as to where it came from.

Mr. GURNEA. I inquired at the Navy Department. That inquiry revealed that that is not a verbatim copy of any official Navy document, that that is more or less a digest of information from various and sundry Navy documents.

Mr. HANCOCK. Secret documents?

Mr. GURNEA. Various classifications, some secret, some restricted, and some confidential.

Mr. FELLOWS. This is marked "top secret."

Mr. McGRANERY. That is put on there. We do not thing that is the "McCoy." It may have been done to deceive Amerasia. Anything that is top secret usually carried with it a number, does it not, Mr. Ladd?

Mr. LADD. In most instances.

Mr. HANCOCK. What would be the object of putting "top secret" on there?

Mr. GURNEA. That was, apparently, put on by the person who prepared that particular paper, and, although we do not know definitely, apparently he did that just to either add credence to the paper, or be sure that no one outside of their own group got access to the paper.

Mr. HANCOCK. It was recovered from the office of Amerasia?

Mr. GURNEA. Yes.

Mr. LADD. That was one of the documents recovered by the Office of Strategic Service originally.

The CHAIRMAN. Do you know who was the operative in charge for the Office of Strategic Service?

Mr. GURNEA. I do not; on the occasion they recovered the documents?

The CHAIRMAN. Yes.

Mr. GURNEA. No.

The CHAIRMAN. Do you know a man by the name of Brooks? A Mr. Brooks?

Mr. GURNEA. Of the Office of Strategic Services?

The CHAIRMAN. Yes.

Mr. GURNEA. No. I am not acquainted with him.

The CHAIRMAN. None of you gentlemen know anything about Mr. Brooks?

Mr. GURNEA. No. As a matter of background, as far as the Office of Strategic Services is concerned, when the investigation was turned over to us, we realized that these documents did not have any value as far as evidence was concerned. We immediately started our own investigation starting from scratch, so to speak, as I will indicate to you later on when I outline the investigation to you.

The Office of Strategic Services, at that time, indicated that that was all the information they had on this particular matter.

Mr. HANCOCK. We are not a criminal court. The documents are evidence as far as we are concerned. That appears to be a report by somebody who had access to secretary information in the Department.

Mr. McGRANERY. That comes from—he has them listed there—a number of periodicals. Some of them are British periodicals. My own personal view of it is that it is a most innocuous document, outside of the fact that something of a top-secret nature came out of the Navy Department.

Mr. FELLOWS. If they could take that paper, they could take any paper.

Mr. McGRANERY. You are as right as a clock about that. That is the angle you are after.

The CHAIRMAN. That is right.

Mr. MCGRANERY. I think you are dead right about that.

Mr. LADD. We can show you, by the 1,700 exhibits, that they did have access to almost anything.

Mr. FELLOWS. In the Naval Intelligence, State Department, and what other departments?

Mr. GURNEA. Foreign Economic Administration, Federal Communications Commission, Office of Strategic Services, Bureau of Economic Warfare, and Office of War Information.

Mr. HANCOCK. How about any of your own records?

Mr. GURNEA. There was only reference to one of our reports. They had none of our original reports.

The CHAIRMAN. All right, Mr. Gurnea, will you proceed?

Mr. GURNEA. I thought perhaps the committee would be interested in hearing a brief outline of the entire investigation. I have prepared for you, here, a brief outline. I would be happy to discuss any phase of it. With your permission, I will proceed with that.

The CHAIRMAN. Proceed.

Mr. GURNEA. An employee of the Office of Strategic Service, Mr. Kenneth E. Wells, Chief of the Southern Asia Section, Far Eastern Division, Research Analyst Branch, while reviewing the January 26 issue, 1945, of Amerasia, noted an article entitled "The Case of Thailand." He noted it was not a verbatim copy of a report he had prepared for the Office of Strategic Service, but the substance and text of the article was such that he knew that the article must have been written from the report he had prepared for the Office of Strategic Services.

The matter was discussed by the Office of Strategic Services representatives with the State and Navy Departments when it became apparent that Philip Jaffe was receiving classified material from those agencies.

Following a conference between representatives of the State and Navy Departments, it was decided by the Secretaries of those Departments to refer the matter to the Federal Bureau of Investigation for investigation.

On March 12, 1945, representatives of the State and Navy Departments, Gen. Julius Holmes and Major Correa—Major Correa was at that time an adviser to Under Secretary of the Navy Forrestal—came to the Federal Bureau of Investigation and reported the matter to Mr. Hoover and also advised Jim that it had been decided by the Navy and State Departments to turn the entire matter over to us for investigation.

Mr. Hoover, of course, ordered that an immediate investigation be conducted of the entire matter.

In view of the fact that the article appeared in Amerasia an investigation was first conducted to determine the identity and background of that magazine. We found it was published at 225 Fifth Avenue, New York City. The editor and owner of the magazine was Philip Jaffe. The co-editor was Kate Mitchell. Inasmuch as Philip Jaffe and Kate Mitchell were the editors and coeditors, respectively, an investigation was immediately begun of those two individuals.

I have here a brief biography of those persons if you would like to hear them?

The CHAIRMAN. I think we would like to hear them.

Mr. GURNEA. Kate Louise Mitchell has, since 1940, been coeditor of Amerasia which is owned by Philip Jaffe. She lives at 127 East 54th Street, New York City. Miss Mitchell was born of American parents in Buffalo, N. Y., September 1, 1908. She is a graduate of Bryn Mawr College. She was graduated in 1932. She is a world traveler who has worked and studied in most of the countries in the Far East and in many parts of Europe.

After her graduation from college in 1932, she was employed by the Institute of Pacific Relations from 1933 to 1940. From 1934 to 1940, she was private secretary to Mr. Edward C. Carter, secretary general of the Institute of Pacific Relations, and in such capacity, made numerous trips with him to foreign countries.

From 1940 to 1942 she continued to do research work for the Institute of Pacific Relations on a part-time basis. She was also reported to have contributed articles to the periodical New Masses. According to Miss Mitchell, Amerasia is now entirely owned by Philip Jaffe. However, it was formerly a corporation. The corporation was dissolved in 1943 when many of the members of the editorial board had entered the Government service. At present, the publication is published, primarily, through the joint efforts of Philip Jaffe and herself. Miss Mitchell advised that she has no financial interest, whatever, in the magazine, although in 1944 she furnished $2,500 of her own money to partially meet the deficit incurred by the magazine.

Also, prior to June, 1945, she had contributed $1,000 of her own money toward the deficit of that year. She made the statement that neither she nor Jaffe drew any salary for serving as editors.

In Janua_y 1943, she was listed as a guest lecturer for the School of Democracy for New York City. She was also listed as a lecturer for the Jefferson School of Social Science, the successor to the School of Democracy. She contributed to the National Council of American-Soviet Friendship.

Philip Jaffe, alias Y. W. Phillips, was born March 20, 1897, in Moglive, Ukraine, Russia. He arrived in the United States in 1905 and was naturalized in New York City on May 4, 1923. He was graduated from Columbia, receiving a B. A. and M. A. degrees. On May 30 he married Agnes Newmark. He served in the United States Army from October 12 to November 28, 1918, at which time he received an honorable discharge.

He has obtained passports on at least two occasions for travel abroad, one in 1929 for travel to Europe, and the other in 1937, for travel to the Far East.

Jaffe is, of course, the owner of Amerasia and president of Wallace Brown, Inc., which are printers of stationery and greeting cards, both located at 225 Fifth Avenue, New York City.

Jaffe has been affiliated with a number of organizations, among which are the National League of American Writers, American Council on Soviet Relations, National Council of American-Soviet Friendship, the American League for Peace and Democracy, and the American Friends of the Chinese People.

Jaffe has been a known contact of Earl Browder, Alexander Trachtenberg, head of the Communist International Publishers, Nathan Kohn, alias Nat Ross, head of the Communist Political Association in Minnesota, and Edward Barski, president of the Joint Anti-Fascist Refugee Committee, and others.

During the instant investigation, Jaffe was known to have contacted Earl Browder on April 16, 22, and 25, 1945.

Jaffe is also known to have visited the Soviet Consulate in New York City. Jaffe's chief source of income is Wallace Brown, Inc., and according to his own statement he is publishing Amerasia at an annual deficit of approximately $5,000 a year.

Referring, again, to the outline of the investigation, and checking into the past activities of these individuals, it was learned that Jaffe had, on previous visits to Washington, been in contact with Emmanuel Sigurd Larsen, and Lt. Andrew Roth. Upon receipt of this information and other matters, an intensive investigation was also begun inquiring into their past activities.

I have, also, a biography on Larsen and Roth for you.

Emmanuel Sigurd Larsen, according to available information, was born August 27, 1897, at San Raphael, Calif. His parents were both natives of Denmark, and reportedly, became naturalized citizens of the United States at San Francisco, Calif.

He was educated in China and Denmark. He received a degree from the University of Copenhagen in 1916. Thereafter, he went to China and was employed by the Chinese Postal Service.

It was reported on December 10, 1920, he married Lenore Jaffe. So far as we know, she is no relative of Philip Jaffe. She was a British subject, a native of Singapore. They had one son, James Lewis Larsen, born in Foo Chow, October 24, 1921.

According to the records of the Office of Naval Intelligence, Larsen was requested to resign from that service in 1927 or 1928 because of his relations with one Dora Skvirsky, reportedly, a Russian girl of questionable character. It is alleged as a result of this affair, Lenore Jaffe was forced out of her home with her minor son. Lenore Jaffe is said to have divorced him at Tientsin and was given custody of their child. However, Larsen was to contribute to the child's support until the child was 18 years of age. Larsen made a final settlement of $600 in 1938 when Lenore Jaffe remarried. Larsen is reported to have married Dora Skvirsky, a native of Krasnoyarsk, Russia, at the American consulate, at Tientsin, China, in December of 1928.

Information has been received to the effect that Larsen abandoned Dora Skvirsky and returned to the United States, bringing with him Dora Skvirsky's two children by her first husband whose name was Naidus. These children were adopted by Larsen in Chicago on July 1935, at which time Larsen divorced Dora.

On November 23, 1938, Larsen married Thelma Earles, a stenographer in the Office of Naval Intelligence, who was born at Willis, Va., on June 22, 1915. Their daughter, Linda, was born in 1939. Larsen's adopted children lived with the newly married couple for a short time, but I understand that they, ultimately, left because they could not get along with Larsen's third wife. The son left home, and is regarded as an irresponsible person. He has a criminal record. Vera, the daughter, left home in 1940. Her present whereabouts are unknown. Both these children are registered as Russian aliens.

During the time Larsen was in China, he served as adviser during 1927 and 1928 to Teh-Ching-Mu, a lama of Inner Mongolia. I understand that is some sort of a minor official in one of the provinces in Mongolia where he allegedly left, because of internal revolt, and the arrival of pro-Japanese officials.

From 1928 to March 1935, he served as traffic manager with the British-American Tobacco Co. He took care of relations between Chinese civil and military officials and the company. It is alleged he was either discharged or requested to resign from the British-American Tobacco Co. because of discrepancies in expense accounts.

From October 1934, to February 1935, he claimed to have been employed at Pekin by the Chinese Secretary of Service as an investigator. He, allegedly, resigned from this position when the Japanese threatened his life.

In a clipping taken from the Manchuria Daily News dated April 16, 1934, there is reported an interview given by E. Larsen, formerly of the British-American Tobacco Co., who reportedly praised, at that time, the activities of the Japanese in Manchukow. This quoted him as saying, "That proves, conclusively, national native population of Manchukow is overwhelmingly satisfied with the new state of affairs."

After his return to the United States, he was employed from September to October of 1935 by the American Council of Learned Societies under the Rockefeller Fellowship at the Library of Congress preparing biographies on Chinese personalities.

From October 1935, to August 1944, Larsen was employed by the Office of Naval Intelligence making analyses of Chinese and Far Eastern political and economic situations and combat estimates of the above countries.

This work entailed the collection of information about enemy troops, and it involved the handling of secret Navy documents. He was also engaged in the training of young naval officers in intelligence work.

On August 31, 1944, he was transferred to the Department of State at a salary of $5,600 a year as a country specialist in the Division of Territorial Studies.

I understand that, at the present time, he is unemployed and has not been successful in being employed since the time he picked up on this case.

Lt. Andrew Roth was born in Brooklyn, April 23, 1919. His parents, Abel and Bertha, were born in Hungary. Roth's father was naturalized May 28, 1920. Roth received a degree from the City College of New York in 1939 and his M. A. from Columbia University in 1940. His thesis for his master's degree was entitled "Labor and Nationalism in China."

He enlisted in the United States Naval Reserve under the V–12 program on December 3, 1941.

During 1941 and 1942, he was enrolled in the Japanese Language School at Harvard. During this period, he married, Renee Louise Knitel of Brooklyn, N. Y. He first held a rating of yeoman, second class.

On August 28, 1942, he was commissioned ensign and transferred from Cambridge, Mass., to Washington, D. C., reporting for intelligence duties in the Office of Naval Intelligence September 12, 1942.

In December of 1943, Roth was assigned to the Japanese Fleet Desk in the Office of Naval Intelligence.

On January 1, 1945, while still assigned to these duties, he was made a full lieutenant.

His former employment included that of a reading clerk, history department, City College of New York, 1939 to 1940; research worker, associated with the International Secretariat of the Institute of Pacific Relations from 1940 to March 1941; teacher in training history department, DeWitt-Clinton High School, New York City, February 1941, to September 1941, and research associate for the magazine Amerasia under the immediate supervision of Philip Jaffe during July and August of 1941.

Mr. CHELF. Associate what?

Mr. GURNEA. Associate research man of the magazine. He worked for Jaffe doing research work for him, and also assisting in the preparation of articles for the magazine.

He also contributed articles to Amerasia in the months of August and November, 1940, and during June, August, and October of 1941.

On September 5, 1943, he contributed a letter to the New York Times in which he defended the Free German Committee in Moscow, the objectives of which he claimed to be immediate and military and not postwar and political.

Roth attended the conference of the Institute of Pacific Relations held January 3, 1945, at Hot Springs, Va., as a representative of the Office of Naval Intelligence.

Referring, again, to the outline of the investigation, a physical surveillance was placed on Jaffee on March 16, 1945, and the pertinent information obtained by the surveillance was on March 21, 1945, when Jaffe left New York City for Washington, D. C. Upon arrival in Washington, at noon, that day, he proceeded to the Statler Hotel where he was met in the lobby by Emmanual Larsen, and a short time later, he was joined by Lieutenant and Mrs. Andrew Roth.

At this time, Larson and Jaffee were carrying brief cases.

Mr. CHELF. Will you repeat that? There is a striking conflict in the testimony that Larsen gave us as to how he met this fellow, Jaffe. I would like to hear that again, please.

Mr. GURNEA. This does not, however, set out information as to the manner in which Larsen, originally, met Jaffe.

Mr. CHELF. I see.

Mr. LADD. This is the first meeting after we put the physical surveillance on him.

Mr. GURNEA. Roth, at that time, was carrying a large manila envelope. After having had lunch in the Colony Room, of the Statler, Mrs. Roth separated from the group. Larsen and Jaffe entered Roth's car which was parked near the hotel. They drove Larsen to the Walker-Johnson Building which is occupied, as you know, by the State Department where Larsen left the group, leaving Jaffe in the car with Roth.

Larsen's offices, when he was working in the State Department, were in the Walker-Johnson Building. Roth and Jaffe then drove, by a circuitous route, to a parking area on the east side of the main Library of Congress building where they parked. They were observed by agents to be engaged in a discussion and an examination of papers which they placed on the steering wheel of the car from time to time. Sometime later they left the parking area and drove to Roth's apartment at 1614 North Coomb Street, Arlington. They remained in Roth's apartment until late afternoon. Following Roth's apprehension, he stated that the papers he and Jaffe were discussing, and those contained in the manila envelope which he was carrying were, to the best of his recollection, a chapter of a book he was writing. He stated he desired to have Jaffe review the manuscript. He advised he had gone to the Library of Congress because Jaffe expected to do some research work there, but later changed his mind and consented to go over Roth's manuscript in the car.

At the time that Jaffe was apprehended, he refused to comment on any of his activities and contacts with the other subjects in the case. Consequently, it was not possible to interrogate him, specifically, on this point, and get his version of the identity of the papers that were being discussed by Roth and him in the car.

It is pertinent to observe, following the apprehension, Mrs. Roth was asked whether Philip Jaffe may have reviewed articles prepared by Roth or sections of his prospective book. She replied, "Absolutely not."

She stated, further, that Jaffe, himself, was writing a book, and had no time to concern himself with Roth's work.

At approximately 5:30 p. m., on that same day, March 21, Jaffe, accompanied by Mr. and Mrs. Roth, left the Roth home in Arlington, and drove to the vicinity of the State Department. Jaffe separated from the Roths at this point, and walked to the Statler Hotel where he was observed to meet Emmual Larsen in the lobby.

He and Larsen left the hotel for a brief walk in that vicinity, and after leaving Larsen, Jaffe returned to the hotel where he again joined Mr. and Mrs. Roth and Mr. and Mrs. Mark Gayn.

Mark Gayn was born Mark Julius Ginsbourg. These five persons had dinner that evening at the Good Earth Restaurant, and after dinner, Mr. and Mrs. Roth drove Jaffe to the Union Station where he boarded a train and returned to New York City.

Between March 21 and April 18, 1945, it was determined, through physical surveillances, that Gayn was in frequent contact with Jaffe in New York City, as well as the contact that he had with him down here. He was also in contact with Jaffe's coeditor, Kate Mitchell. These contacts indicated a very close association, and for the reason, an intensive investigation was immediately begun looking into the background of Mark Gayn and, of course, at least, a preliminary investigation looking into the background of his wife.

A brief biography of Gayn is as follows:

Mark Julius Gayn was born April 21, 1909, at Barin, Manchuria, China, as Mark Julius Ginsbourg. Gayn's father and mother, Julius Moses and Mary Ginsbourgh, were born, respectively, in Vitenesk and Minsk, Russia.

In 1923 Gayn's family moved to Vladivostok, Russia, where Gayn attended a Soviet public school.

In Gayn's book, Journey From the East, he compliments the Russian educational system, the freedom of speech, and the puritanical attitude of the people. He further states in his book that he had been a member of a Russian asscciation for aviation and chemical warfare, which group was, at that time, conducting drills for civilians to protect them from possible gas attacks during future wars.

In his book Gayn also advises that in 1927 his family moved to China, where he was associated and worked with Chinese students who sought to engender the Chinese revolution in China.

Gayn's family came to the United States in the summer of 1939. He entered the United States on an immigrant's visa in October of 1939 under the name of Ginsbourg. A petition to change his name to Gayn was granted by the Supreme Court of the State of New York on June 11, 1940. Gayn was admitted to citizenship on November 8, 1944, in the southern Federal district of New York. Gayn had, previously, been in the United States in 1929 when he was enrolled at Pomona College in California. He, subsequently, went to Columbia University's School of Journalism. He received his B. A. at Pomona College. He married Sally Waldman on September 2, 1941. Se was born in Kiev, Russia, July 1, 1903, and naturalized through her father in Chicago on January 7, 1911. Sally Waldman was married on March 22, 1922, to Samuel E. Putnam, and divorced from him on January 20, 1924. On November 26, 1924, she married George H. Francis. This marriage was annulled on November 16, 1931.

Gayn is the author of several books. According to the records of the School of Journalism at Columbia, he was employed from 1934 to 1939 by Domei, the Japanese news agency in China. Gayn has been associated with various newspapers and magazines. During the latter part of 1944 and the beginning of 1945 Gayn attempted to obtain a passport permitting him to travel to the Soviet Union. He was not successful, however, in securing the necessary visas.

The June 16, 1945, issue of Collier's magazine contained an article entitled "Terror in Asia," written by Gayn. The editor's note states that the article is based on information from official sources, and gives a detailed report as to the bombings of Japan.

Prior to the publication of this article, a letter from Collier's stated that the article was based upon interrupted Japanese broadcast radiograms and confidential reports. The latest information we have on Gayn is to the effect that he is now in the Far East, supposedly in India, serving as a roving reporter.

Mr. FEIGHAN. For whom?

Mr. GURNEA. No one. He was being considered by the Chicago Sun, I believe. He was sent out there as a reporter for the Sun. He was also going to represent other papers and magazines, sort of a free-lance writer.

Mr. FELLOWS. That is one of Marshall Fields' papers?

Mr. GURNEA. That is true.

Referring, again, to the outline of the investigateion, in the interim an investigation was conducted in Washington, D. C., which

disclosed contacts between Larsen and Roth as well as the fact that both Mr. and Mrs. Roth frequented the Institute of Pacific Relations, and the Washington Book Shop.

On April 10, 1945, Larsen and Roth had luncheon together at the Trianon Cafe with Mrs. Roth. When leaving the restaurant, Mrs. Roth was observed to be carrying two large manila envelopes. Mrs. Roth took these envelopes to her home in Virginia.

The following day, April 11, 1945, Mrs. Roth departed from Washington for New York City. A surveillance disclosed that the porter had first put her luggage at the end of the car with the other luggage, and upon her insistence, he moved it, placing it on the seat next to her.

Upon arrival in New York City, Mrs. Roth went to the home of her parents, Mr. and Mrs. Roth O. Nettle, at Mohawk Hotel in Brooklyn.

On April 12, 1945, a Federal Bureau of Investigation agent, who was at that time in the offices of Amerasia observed that Mrs. Roth entered those offices. At that time, she was carrying a large manila envelope. Shortly after entering the offices of Amerasia, she was admitted into the private office of Philip Jaffe.

After remaining in his office for a relatively short period of time, she left, at which time she was no longer carrying the manila envelope she had taken in with her.

Subsequent to the apprehension of the six subjects, Mrs. Roth denied having visited Jaffe on this occasion. Andrew Roth, however, acknowledged the fact that his wife told him she had visited Jaffe on that particular trip to New York.

By observation, it was further determined that prior to leaving New York on April 14, 1945, Mrs. Roth visited the home of Philip Jaffe at 49 East Ninth Street. This visit was, apparently, for the purpose of having dinner.

Later that evening, Jaffe and his wife dropped Mrs. Roth off at the Pennsylvania Station where she boarded a train and returned to Washington.

On April 15, 1945, through physical surveillance, a meeting between Roth and Larsen was observed.

Roth left his office in the Navy Building shortly after 9 a. m. carrying a large envelope. He met Emmanuel Larsen on the corner of Eighteenth and D Streets NW., and was observed to hand an envelope to Larsen, and thereafter the two of them walked to the main building of the State Department. Larsen was observed later returning to his own office in the Walker-Johnson Building carrying what appeared to be the same envelope Roth had delivered to him.

When questioned concerning this, Roth explained the incident by stating he had given Larsen some photographs of far-eastern personalities on that occasion and, possibly, a portion of the manuscript of his book.

On April 18, 1945, Jaffe again returned to Washington. Upon arrival in Washington, he proceeded to the Statler Hotel. While registering, he was met by both Larsen and Roth.

Roth, at that time, was carrying a manila envelope with a newspaper folded around it. Larsen was carrying a similar envelope. All three proceeded to Jaffe's room, and a short time later, came downstairs and had lunch in the Embassy Room.

At this time, none of them was carrying the envelopes or brief cases which they had taken to Jaffe's room.

After lunch, they returned to Jaffe's room where all of them remained for approximately 1 hour, after which Larsen returned to his office. Roth remained in Jaffe's room for some time later, Larsen left.

When Roth eventually left the hotel, he was observed to be carrying a manila envelope. Later, the same afternoon, Jaffe was visited by Mark Gayn. The two of them had dinner together that evening. After dinner, Jaffe again met Larsen, and they proceeded to Larsen's apartment at 1650 Harvard Street NW., where they remained until nearly midnight.

On April 19, 1945, Roth had luncheon with Jaffe at the Statler. After lunch, Roth returned to the Navy Department, and Jaffe to his room. At 3:30 p. m. Larsen was observed to enter the Statler, at which time he was carrying a large well-filled manila envelope. He met Jaffe in the lobby. Jaffe had a brief case in his possession which he opened while talking with Larsen, and after thumbing through some paper, Larsen removed several papers from his manila envelope. Agents were unable to determine whether there was an actual exchange of papers on this occasion.

A short time later, Larsen left carrying a Manila envelope and returned to the State Department.

Philip Jaffe and a person who was later identified as being John Stuart Service, were observed to leave the Statler Hotel at 6:50 p. m. on that evening.

At that time, Service carried a small dark brown zipper bag. Jaffe carried nothing. They took a cab to the home of Andrew Roth where they attended a party.

At 11:50 p. m., that evening, Jaffe and Service left the Roth's home and, at that time, Jaffe was observed to be carrying a Manila envelope.

That, you will notice, is the first time John Stuart Service came into the investigation.

John Stuart Service was born in Cheng-Tu, China, August 3, 1909, of American parents.

He received his B. A. degree from Oberlin College, Ohio, in 1931. Since June 23, 1933, he has been employed by the State Department. Service is married to Caroline Schulz, and has two children. He has served the State Department in varying capacities from clerk to the position of second secretary at Chungking, China.

On December 30, 1942, he was temporarily detailed to the Office of War Information, and on January 26, 1943, was assigned to the Department of State with duties here in Washington.

On July 14, 1943, he was named consul at Kunming, China.

On October 10, 1943, he was placed on detached service, assigned to General Stillwell's staff.

On November 1, 1944, he returned to the United States for a short period of time, and in January 1945 returned to China.

Shortly thereafter, he accompanied the Army Intelligence Unit to the Yenan area occupied by the Chinese Communist Army, and then returned to the United States on April 12, 1945.

On April 19, 1945, he was observed to meet Philip Jaffe in the Statler Hotel at 6:50 p. m.

It will be recalled that following Gen. Patrick J. Hurley's return to the United States, after having served as United States Ambassador to China, he criticized Service's theories, and considered his political reporting as being biased. He pointed out that Service had shown himself to be liberally disposed toward Communists, and also, on occasion, to be most unfriendly to the National Government of the Generalissimo Chiang Kai-shek.

Following the failure of the grand jury to indict Service, he was restored to duty in the State Department, and so far as is known, he is attached to General MacArthur's staff in Tokyo, serving as a political adviser.

He was being considered as consul general for the United States in the Philippines.

Referring to the party in Roth's apartment, that was attended by Service, Service was questioned relative to this party following his apprehension.

He stated Roth had telephoned him at his office advising that Jaffee would be at his home that evening and would appreciate having Service present for dinner.

According to Service, Roth further advised him that on that occasion, Jaffe was anxious to meet him and that he, Roth, would appreciate it if Service would call Jaffe at the Statler Hotel.

Service stated that he did so and made an arrangement with Jaffe to meet him at the hotel, and the two of them would proceed to the Roth's house for dinner.

Service further advised he knew the reason for Jaffe's interest in meeting him, and that it was to learn of the situation in Communist Yenan and China from which Service had just returned.

Service went on to state that since he, Service, believed that Jaffe would ask him details on the policy of the Chinese Communists, he took with him a report he had prepared for the State Department on a long conversation with Mao Tes-tung, the chairman of the central committee of the Chinese Communist Party.

This report covered a conversation held on or about March 31, 1945, in which Mao informed Service, in great detail, of the policies Mao expected the Communist congress would adopt. He stated that upon arrival at the hotel, Jaffe did ask him about the current Chinese policies, and that he let Jaffe read his report. He said Jaffe was extremely interested in it. He inquired as to whether he had other reports on Yenan which he could see. According to Service, after some hesitation, he agreed to show Jaffe other reports of his on the following day.

On April 20, 1945, Service was observed to enter the Statler Hotel carrying a brown brief case. On that occasion, he remained in Jaffe's room all morning. At the time of his departure, he was accompanied by Andrew Roth. When questioned concerning this visit, Roth acknowledged that Service was present. However, he stated their meeting consisted of discussions of far-eastern affairs.

Service, however, advised that he had taken to the hotel copies from his personal files of the reports he had prepared for the State Department while at Yenan which Jaffe had previously asked to see.

He furnished these reports to Jaffe, and Jaffe stated he did not have time to read them prior to returning to New York, as he was leaving Washington that afternoon. He requested Service's permission to take them to New York with the understanding he would return the reports to Service when Service was in New York the following week end.

Andrew Roth returned to the Statler Hotel later that same afternoon. He remained in Jaffe's room for approximately 1 hour.

After Roth's departure, Larsen was observed to enter the hotel where he met his wife and Philip Jaffe. The Larsens had dinner with Jaffe at the Cafe Cathay in company with Lt. Comdr. Charles Nelson Spinx and Dr. Joseph Goldstein.

After dinner Goldstein drove Jaffe to the Union Station where he boarded a train for New York City.

On April 21, 1945, Mark Gayn and his wife, Sally, were observed to enter the offices of Amerasia, and Gayn was carrying a tan brief case which appeared to be about half full.

He emerged from the offices of Amerasia approximately one-half hour later, and with his wife boarded a bus.

Shortly after, Gayn opened his brief case and extracted two carbon copies of a typed document. Gayn handed one to his wife, and a surveilling agent was able to observe the document bore in the upper right-hand corner "Chungking" and a date which appeared to be July 11, 1944.

Shortly thereafter, the Gayns left the bus and boarded a trolley car, at which time they again began to examine the documents. The surveilling agent was successful in verifying the original observation and also de-

termined that it bore the heading "The Honorable Secretary of State, Washington, D. C.," and that it began with the sentence "I wish to refer to No. 1183." That is the manner, incidentally, in which the State Department refers to previous dispatches that have been exchanged between the various embassies, consulates, and the State Department here at Washington, D. C.

Because of the weakness of the type, a clear view of the wording was not possible. On a later page, however, the agent was able to observe a list of six or seven names which was entitled "Bankers."

On this list were the names Soong and Mme. Chiang.

Before leaving the trolley, Gayn replaced both documents in his brief case.

Following the apprehension of Jaffe on June 6, 1945, a search of the offices of Amerasia disclosed a typed copy of the State Department document, as well as two carbons which were recognized by the agent as being the one he had observed in the possession of Gayn that night on the trolley car and on the bus. The documents dealt with the domestic difficulties of Generalissimo Chiang Kai-shek. It consisted of a dispatch from the American Embassy in Chungking marked "Secret, not for distribution."

The reference of this document consisted of relations between Generalissimo and Mme. Chiang Kai-shek.

Following his apprehension, Mark Gayn declined to make any comment concerning that paper.

On April 24, 1945, John Service visited New York and stayed at the apartment of Mark Gayn. That evening, a number of guests visited the Gayns, among whom were Jaffe and Kate Mitchell.

The following day Service visited Jaffe at the offices of Amerasia, at which time, according to Service's subsequent statement, he recovered the copies of the reports he had furnished Jaffe in Washington on April 20.

On May 7, 1945, Jaffe again proceeded to Washington, where he was met in the Statler Hotel by Roth and Larsen.

At that time Larsen and Roth were both carrying manila envelopes. However, when they left the hotel neither was carrying the envelopes they had taken to the hotel with them.

On May 8, 1945, Jaffe met Service for breakfast. After breakfast Jaffe accompanied Service to the State Department, where he remained for approximately 30 minutes.

Following his apprehension, Service stated Jaffe was particularly interested in the speech made by Mao Tse-tung, of Communist Party.

Jaffe had asked Service for a copy of this speech, and later accompanied Service to the State Department, where Service ascertained, from a superior, there was no objection to releasing material, so he obtained a copy and gave it to Jaffe on that occasion.

At noon on May 8, 1945, Roth was observed to visit Jaffe at the Statler Hotel. When he entered he was carrying a large manila envelope. He remained for approximately 2 hours. Later that afternoon Larsen met with Jaffe in the lobby of the hotel, and after a very brief conversation Larsen departed and Jaffe was immediately joined by Roth and his wife, John Service, and Rose Yarduman. She is connected with the Institute of Pacific Relations in the Grange Building here in Washington, D. C.

Service spoke to Jaffe briefly and left immediately thereafter. The Roths, Jaffe, and Rose Yarduman and Alvin Barber, an employee of the Federal Economic Administration, had dinner together that evening, at which time Jaffe returned to New York City.

Service, in commenting upon his second meeting with Jaffe that day, stated he had obtained a revised copy of the Mao Tse-tung speech, so he delivered it to Jaffe at the hotel that evening.

On May 28, 1945, Jaffe again visited Washington and was met at the Statler by Roth and Larsen. Larsen was again carrying a large manila envelope. Roth carried a parcel 12 by 14 inches and 1 inch thick, as well as some loose typewritten papers. After lunch Larsen accompanied Jaffe to his room. Roth left and proceeded to his residence in Arlington. Larsen left in approximately 2 hours, at which time he was also carrying a manila envelope, which was, apparently, the same envelope he took into the hotel with him on that same occasion.

That evening, after dinner, Jaffe visited Larsen at his home, where he remained until after midnight.

On May 29 Jaffe was again visited at his hotel by Lieutenant Roth. When Roth entered the hotel he was carrying a brown leather brief case. He was later joined by Mrs. Roth for lunch. At the time Roth left the hotel he was carrying the same brief case. However, it appeared somewhat thinner than at the time he entered.

Mrs. Roth was carrying a large brown envelope. Larsen also visited Jaffe. He, too, was carrying a large manila envelope during the visit.

That evening Roth again met with Jaffe and was again carrying a large manila envelope.

Shortly after meeting Jaffe, Roth, Jaffe, and John Service left the hotel and drove to the residence of Ellen Atchinson, in Arlington, Va., where they spent the evening.

Mr. SPRINGER. Who is she?

Mr. GURNEA. I also have a brief biography of her.

Mrs. Ellen Atchinson was last known to be employed by G–2, United States War Department. Mrs. Atchinson was born July 8, 1915, in the Netherlands Indies. She is a naturalized United States citizen. She resides at 3447 South Wakefield Street in Arlington. Her husband is in the United States Army. She is a friend of Roth, and together with Rose Yarduman of the Institute of Pacific Relations, had a farewell party at the time that Roth left.

Mrs. Atchinson is also well known to this entire group that we investigated during the general investigation.

On the morning of May 30, 1945, Larsen visited Jaffe at the hotel and that night Jaffe visited Larsen at his home. Mr. and Mrs. Roth were also present at Larsen's, but left and visited Loretta April. She is employed by the Library of Congress, I understand. The Larsens, Mr. and Mrs. John Thomas Fine, and Jaffe had dinner at the Chinese Lantern cafe, and thereafter, Jaffe returned to New York. Fine is a civilian employee of the Office of Naval Intelligence. He is also an expert on far eastern affairs.

After returning to New York, Jaffe first went to his apartment and then to Gayn's apartment, where he remained from 1:30 until approximately 3:40 a. m.

On June 6, 1945, Philip Jaffe and Kate Mitchell were apprehended at the offices of Amerasia in New York City.

Mark Gayn was apprehended in his apartment in New York City.

In Washington, John Service, Emmanuel Sigurd Larsen and Andrew Roth were also apprehended. The apprehensions were based upon the complaint charging the subjects with violation of section 88. That is the conspiracy section, title 18, United States Code, in that they conspired to violate section 31, subsections (d) and (c) of title 50, United States Code. That is the espionage statute.

At the time of Jaffe's and Mitchell's apprehensions, a search of the offices of Amerasia disclosed a large number of documents which, obviously, emanated from Government sources. Among them were found original documents bearing the receiving stamps of the State and Navy Departments as well as photostats and typed copies.

An examination of Mark Gayn's premises also disclosed a number of documents, the majority of which, apparently, emanated from the Office of War Information. No documents of importance were found in the possession of Andrew Roth or John Service at the time of their apprehension.

Numerous documents were found in the residence of Emmanuel Larsen. These consisted of originals and photostated and typed copies. The majority of those found in Larsen's apartment emanated from the State and Navy Departments.

Philip Jaffe declined to furnish any information concerning the exact origin of these documents, or, specifically, how he came into possession of them although he admitted reading a number of them and using portions of them in articles written for magazines.

He stated he had observed the classification markings as secret and confidential, but the only statement he would make regarding their source was that he desired to discuss the matter with his attorney.

He admited acquaintanceship with all of the other subjects of the case and stated, "I received information from many sources."

He did not identify any of the individuals to whom he referred. We asked whether he had ever paid for such information. He stated that he may have purchased someone a dinner.

Kate Mitchell acknowledged reading a large number of the documents found in the offices of Amerasia and using portions of them for background in her writings. She stated she knew the source of some of them which apparently emanated from the State and Navy Departments for the most part, but declined to name any individual. specifically, although in at least three instances she stated she believed the documents came from Emmanuel Larsen.

Mark Gayn also declined to comment upon the source of the documents found in his possession. John Service furnished a signed statement in which he admitted giving Jaffe carbon copies of a number of reports he had prepared during the period of time he was employed by the State Department.

These reports dealt, specifically, with the activities of the Chinese Communists in and around Yenan.

Andrew Roth acknowledged acquaintanceship with the other subjects. He insisted that each time he had been observed carrying envelopes, the material contained therein was portions of a book he was writing, and that book that he refers to, incidentally, has since been published. It is entitled "Dilemma in Japan."

I believe Larsen furnished the most complete story in that he admitted furnishing Jaffe with documents and receiving the sum of approximately $75 per month from Jaffe. He further stated he was introduced to Jaffe by Roth and had received indications from Jaffe that Jaffe had received previous information relative to statements and reports prepared by John Service.

A laboratory examination of the evidence disclosed fingerprints of Mark Gayn on a number of the documents found in the possession of Jaffe; one such document contained latent fingerprints of Gayn, Jaffe, and Larsen.

Handwriting examinations disclosed numerous specimens of Larsen's handwriting on the documents obtained from Jaffe as well as three handwritten documents that were prepared, entirely, in Roth's handwriting as it was identified later in our laboratory.

Typewritten examinations made at the Federal Bureau of Investigation's laboratories disclosed a number of the documents found in the possession of Jaffe were typed by Annette Bloomenthal who we interviewed. She stated she typed a number of documents for Jaffe on a page basis. He was paying her 30 cents a page for the typing she was

doing. She advised us that Jaffe paid her 30 cents for each page. Jaffe had cautioned her, when delivering the material to her for typing, that it was confidential material, and that she was to be very careful in the manner in which she handled it.

Mrs. Bloomenthal was successful in identifying more than 20 documents found in Jaffe's office which were typed copies prepared by her of various Government reports.

Typewriting examinations further disclosed that some of the documents in Gayn's possession were typed by Mrs. Bloomenthal, and that some were typed on typewriters maintained in the offices of Amerasia.

Some of the documents were typed on Mark Gayn's typewriter. A typewriting examination also disclosed one document was typed on Andrew Roth's typewriter, and three on a typewriter located in the State Department.

That, gentlemen, is a summary of the entire investigation.

Mr. LADD. We brought up a complete summary report which has the same information in greater detail for you, and copies of all of the photostatic copies of all of the documents that we recovered. They are broken down in envelopes or in boxes depending upon the volume of them, and as to the offices from which they were obtained.

The CHAIRMAN. What have you to say about the criminal prosecution and their determination?

Mr. GURNEA. I can give you a summary of all the prosecution action taken in the case.

During a discussion of the case with Gen. Julius Holmes, who was, at that time, Assistant Secretary of State, and Major Correa, of the Navy Department, they both indicated that prosecution of these subjects was desired.

General Holmes was particularly desirous of a prosecution as he felt that such action would serve as a deterrent toward other individuals who may have been, at that time, surreptitiously removing Government documents from the State Department as well as other agencies.

That matter was then called to the attention of the Attorney General, and on May 29, 1945, Mr. James McIlerny of the Department, discussed the case with representatives of the Bureau. After he was informed of the details of the case, he was of the opinion that Philip Jaffe, Kate Mitchell, Mark Gayn, Emmanuel Larsen, Lieutenant Roth, and John Service should be taken into custody and subsequently prosecuted.

You may wonder why Anette Bloomenthal was not included in that list.

We interviewed Anette Bloomenthal after the apprehension of the other subjects. She was most cooperative. She is married to a man who is employed in a rather menial position with Decca Records in New York City. She was willing to testify. It did not appear she was included in the conspiracy other than the fact she was doing typing work for Jaffe on a page basis. She was considered as being more valuable as a Government witness rather than as a subject in the case.

That same day, Mr. McIlnerny advised he had discussed the facts of the case with Mr. McGranery, and that Mr. McGranery expected to discuss the case with the President.

On May 30, 1945, Mr. McIlnerny again discussed the facts of the case with representatives of our Bureau, at which time he stated he believed the prosecution of these individuals should be for conspiracy to violate section 31, title 50, United States Code.

He further indicated a bond of $10,000 each should be asked.

On May 31, 1945, the Department of Justice advised the Bureau that any prosecution in connection with this matter was to be held in abeyance until the conclusion of the San Francisco Conference.

I understand that some of the men who were connected with the San Francisco Conference—Mr. McGranery may be able to give you more detailed information than I—but they were of the opinion that a prosecution of this case, at that particular time, might cause friction at the San Francisco Conference, and it was felt it should be postponed until a later date.

The Attorney General was advised of that fact. For that reason, there was no further action taken on the case until further word was received.

However, on June 2, 1945, General Holmes, of the State Department, contacted the President, personally, relative to the case, and advised him, at that time, that it was being held in abeyance.

The President called the Bureau and stated he wanted action taken on the case as quickly as possible, and wanted it to be vigorously followed, and in the event we received instructions from anyone that the case was to be held in abeyance, we were to contact him personally and let him know what instructions had been issued.

On June 4, 1945, complaints prepared by the Department of Justice were filed before Federal Judge Henry H. Schweinhaut, of the District of Columbia, charging the six individuals with violations of section 88, title 18, United States Code, in that they had conspired to violate section 31, subsections (c) and (d) of title 50.

On the afternoon of June 6, 1945, all of the individuals were taken into custody by Bureau agents.

Philip Jaffe and Kate Mitchell were arrested in the offices of Amerasia.

Mark Gayn was apprehended at his home in New York City.

Lieutenant Roth was apprehended on the street in Washington.

John Service was arrested at his apartment at Eighteenth Street NW., and Emmanuel Larsen at his apartment on Harvard Street.

The three individuals arraigned in New York were released on $10,000 bond each. Their attorneys requested that the commissioner's hearing be postponed for 2 weeks. Lieutenant Roth was taken before United States Commissioner Needham Turnagé at 1:35 a. m. on the morning of June 7. He entered a plea of not guilty, and a bond of $10,000 was set.

Roth was remanded to the custody of the United States marshal in default of bond.

John Stuart Service was arraigned shortly thereafter, and on a plea of not guilty was remanded to the marshal. Emmanuel Larsen was remanded to the custody of the marshal. A grand jury authority was filed on June 12, 1945, requesting permission for attorneys of the Department of Justice to present this case to a Federal grand jury in the District of Columbia.

On June 14, 1945, at the request of the Department of Justice, the commissioner postponed the hearing date until June 27.

Mr. Robert Hitchcock, assistant United States attorney from Buffalo, N. Y., was appointed to serve as a special assistant for the prosecution of this case. Arraignments were made available so the facts of the case could be presented to the grand jury in Washington, D. C.

The presentation of facts was begun on June 22.

The facts were presented to the grand jury upon the grounds of conspiracy having existed to violate sections 100, 101 of title 18; that is the embezzlement section, and the section that covers the receipt of embezzled Government property.

The grand jury was expected to make a return before July 2, 1945.

However, the matter was permitted to rest with the grand jury. No indictments were returned inasmuch as the attorneys of some of the departments were requested that their clients be given an opportunity to appear before the grand jury. Mr. McGranery can give you much more information on that than I. Arrangements were subsequently made by the Department to postpone all hearings, both in New York and in Washington, until such time as this case was represented and an indictment returned. The facts were re-presented to a grand jury beginning July 30, 1945. This presentation continued throughout that week, and concluded on the afternoon of August 8.

On August 10, 1945, a return was made by the grand jury of true bills against Philip Jaffe, Emmanuel Larsen, and Andrew Roth in that they violated section 88, title 18, by conspiring to embezzle and purloin documents which were the property of the United States Government, and to receive such embezzled and purloined documents in violation of sections 100, 101, and 234 and 235 of the United States Code; sections 234 and 235 cover the mutilation and removing of such documents and the destruction of them.

No bills were returned for John Service, Kate Mitchell, and Mark Gayn. All three of these testified for the grand jury.

Arraignments were tentatively set for the latter part of August, and the commissioner's complaints against Mitchell, Service, and Gayn were dismissed at the request of the Department. On August 30, 1945, arraignments of Jaffe, Larsen, and Roth were held before Judge Henry Schweinhaut in the Federal court, Washington, D. C. All entered pleas of not guilty and requested leave of the court for a period of 30 days within which they would be permitted to withdraw their pleas and file such motions as they might wish.

A bond for each of these individuals was reduced from $10,000 to $2,500.

On September 27, 1945, the defendant Andrew Roth filed a demurrer to the indictment and a request for a bill of particulars.

On September 28, 1945, a motion to quash the demurrer and a motion to suppress the evidence was field by Emmanuel Larsen's attorney.

Philip Jaffe, through his attorney, indicated to the Department he desired to change his plea and enter a plea of guilty. This was done with the understanding the Department attorneys would suggest that Jaffe receive a fine not greater than $5,000 and no jail sentence.

On October 2, 1945, Philip Jaffe appeared in the court and entered a plea of guilty to the indictment, at which time a fine of $2,500 was imposed and paid immediately.

Hearings upon the pleadings entered by the attorneys for Roth and Jaffe were scheduled to be held October 23, 1945.

These, however, were postponed at the request of the Department.

On November 2, 1945, Emmanuel Larsen entered a plea of nolo contendere. At that time, Larsen was fined $500, which he paid.

On January 18, 1946, a hearing was held in the District Court of the District of Columbia before Judge Proctor on the motion for a bill of particulars filed by the attorney for the remaining defendants in the conspiracy, Andrew Roth.

On that date, the Criminal Division of the Department of Justice was given a period of 30 days to file a bill of particulars in connection with the case against Roth.

On February 13, 1946, the Department entered a nolle prosequi in the case against Roth.

In the way of explanation, with reference to the motion to quash, the demurer, and the motion to suppress the evidence in connection with Emmanuel Larsen, I do not know whether you have been advised or not, but prior to the time that Larsen was apprehended, agents of the Bureau investigating the case went out and contacted Larsen's landlord. At that time, they obtained the keys from the landlord, and that was the extent of the landlord's knowledge. The landlord allegedly adivsed Larsen that he had personally seen agents go into the apart-

ment which was not true. I think it is sufficient to say that there were no documents, whatsoever, removed from Larsen's apartment, at any time, other than at the time of Larsen's apprehension. It was incidental to the arrest.

There was not a situation where anything came out except at the time when he was actually apprehended. That was the reason for the motion to suppress filed by Larsen's attorney.

Mr. HITCHCOCK. Why did they drop the case against Roth?

Mr. MCGRANERY. I think he has already given you the answer to that.

The Office of Strategic Service gave up all these documents they have here. They were all obtained through the burglarizing of the place. The agents had been in Larsen's place without his knowledge. Whether the agents were seen going in or not, suffice to say, the landlord said to Larsen, when Larsen caught him off base, he asked him how many times those fellows had been going in, he told him at least two or three. Was not that it?

Mr. GURNEA. He did not specify any number.

Mr. MCGRANERY. He said two or three times. That is how he got him off base. He said how many times did those fellows go into my apartment. He asked him whether he let them in, or whether they broke in. He stated, as set out in the affidavit, the affidavit states the landlord actually let the agents into the apartment which is not true, of course.

Mr. MCGRANERY. We were in that position where we had to defend that. It was not whether or not we did.

Mr. HANCOCK. Does Roth still have a commission in the Navy?

Mr. GURNEA. No. He was placed on inactive duty immediately following his apprehension. His status, the last I have heard, is that he is still on inactive duty.

The CHAIRMAN. Clarence's question related to Roth and not Larsen. There was no suggestion that Roth's papers had been rifled.

Mr. MCGRANERY. No, but they were all the same. They weighed it out pretty carefully. They had a pretty unanimous opinion as to dropping in on Roth. We will bring back here, for you, Hitchcock, who handled the matter, he and Mr. McIlnerney.

The CHAIRMAN. He has been over here.

Mr. MCGRANERY. If there is anything that arises as a result of this hearing today or even in the future, we will give you these fellows right away.

Mr. FELLOWS. Was the bond reduction from $10,000 to $2,500 at the suggestion of or agreed to by the Department?

Mr. MCGRANERY. I do not know that. I do not, know.

Mr. GURNEA. I do not know, but I am of the impression that that was at the suggestion of the attorneys for the defense and agreed to by the court.

Mr. FELLOWS. The conspiracy charge, I have not checked those statutes. One had to do with mutilation?

Mr. GURNEA. That is true.

Mr. FELLOWS. And the other was purloining, embezzling, taking them out and so forth?

Mr. GURNEA. I have copies of the statutes here. They are very brief.

Mr. FELLOWS. I would like to check those statutes just for my own information.

Mr. GURNEA. Section 100 or title 18, "Embezzling public moneys or other property. Whoever shall embezzle, steal, or purloin any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both."

Section 101 of title 18, "Receiving stolen public property. Whoever shall receive, conceal, or aid in concealing, or shall have or retain in his possession with intent to convert to his own use or gain, any money, property, record, voucher, or valuable thing whatever, of the moneys, goods, chattels, records, or property of the United States, which has theretofore been embezzled, stolen, or purloined by any other person, knowing the same to have been so embezzled, stolen, or purloined, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both; and such person may be tried either before or after the conviction of the principal offender."

Section 234 of title 18, "Destroying public records. Whoever shall wilfully and unlawfully conceal, remove, mutilate, obliterate, or destroy, or attempt to conceal, remove, mutilate, obliterate, or destroy, or, with intent to conceal, remove, mutilate, obliterate, destroy, or steal shall take and carry away any record proceeding, map, book, paper, document, or other thing, filed or deposited with any clerk or officer of any court of the United States, or in any public office, or with any judicial or public officer of the United States, shall be fined not more than $2,000 or imprisoned not more than 3 years, or both."

Section 235 of title 18, "Destroying records by officer in charge. Whoever, having the custody of any record, proceeding, map, book, document, paper, or other thing specified in section 234 of this title, shall willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, or destroy any such record, proceeding, map, book, document, paper, or thing shall be fined not more than $2,000 or imprisoned not more than 3 years, or both; and shall moreover forfeit his office and be forever afterward disqualified from holding any office under the Government of the United States."

Mr. FELLOWS. Those charges were conspiracy to do those things?

Mr. GURNEA. That is true.

Mr. FELLOWS. An overt act, of course, is necessary.

Mr. GURNEA. The overt acts, as filed by the Department, and correct me if I am wrong, were listed as the various meetings and contacts between the subjects in Washington, D. C., placing this case within the jurisdiction of these courts.

Mr. HANCOCK. Were any of these papers found in the possession of Roth?

Mr. GURNEA. Roth at the time of his apprehension was preparing to go to Honolulu on transfer. He had already given up his apartment. His wife had gone to New York, where she was staying with her parents, and Roth was waiting orders to proceed.

He did not know at that time that the orders to proceed were being held up in view of this case. He was practically on the street with his clothing and suitcase.

Mr. HANCOCK. Did you not say fingerprints were found on some of these documents?

Mr. GURNEA. In Jaffe's possession. Some were in his handwriting. There were three documents in his own handwriting.

Mr. CHELF. Of Service?

Mr. GURNEA. Yes.

Mr. FELLOWS. It is not particularly important that the document should be a valuable document in a sense that it has to do with defense or anything of that sort. It is just a document. That is a point.

Mr. MCGRANERY. The taking of it.

Mr. FELLOWS. Or concealing it, or mutilating it. Falsifying is another word that is used.

Mr. CHELF. It did not have the word "change" or "author."

Mr. GURNEA. Mutilate; that covered it.

Mr. HANCOCK. We were told an adverse report was made on Roth when he applied for his commission. Have you information about that? He was commissioned in spite of a bad report from some source, probably the Office of Naval Intelligence.

Mr. LADD. That would probably have come from the Office of Naval Intelligence at the time he was up for a commission.

Mr. HANCOCK. Who told us that? Larson?

Mr. SPRINGER. I believe it was.

Mr. GURNEA. No doubt. They probably knew that Roth had previously been associated with the Institute of Pacific Relations and Jaffe, publisher of Amerasia.

Mr. HANCOCK. Is this Institute of Pacific Relations one listed as a Communist organization?

Mr. GURNEA. I am not entirely familiar with it. I understand the membership consists of both, of men who are patriotically inclined and wish to bring about a more thorough understanding of the Far East and the Pacific; also there are others in there who are subversive, and who are known contacts of various subversive elements. I do not think it would be safe to blanket the entire membership of the Institute of Pacific Relations and indicate that they are radically inclined.

Mr. HANCOCK. There are a great many naive people who permit themselves to be deceived by high-sounding titles, and they are sucked into subversive groups without knowing what they are doing.

Mr. MCGRANERY. You will find that throughout the Civil Liberties set-up. Some of the highest type lawyers we have in the country are in support of it.

Mr. FELLOWS. Some of those documents, at least one of them, you found in Jaffe's office, as an incident to his arrest, had fingerprints of Roth on them?

Mr. GURNEA. I was afraid you might have that impression. However, let me correct it. They were not fingerprints of Roth. They contained latent fingerprints of Gayn, Jaffe, and Larsen. The handwriting examination disclosed numerous specimens of Larsen's handwriting on the documents and three of the reports, three of the documents were in Roth's handwriting, one of them, I recall, was a copy of a document in Roth's handwriting prepared on stationery of the Statler Hotel.

Mr. HANCOCK. Were those documents copies of official reports?

Mr. GURNEA. Found in Amerasia. Many were copies.

Mr. HANCOCK. I mean the ones written by Roth, were they copies of State Department or Navy Department documents?

Mr. GURNEA. That is true.

Mr. HANCOCK. Apparently so, you do not verify it?

Mr. GURNEA. I can by checking back on the evidence here and locating them in the exhibits and then following back through on the laboratory sheets.

Mr. FEIGHAN. If you make a copy in your own handwriting, is not that tantamount to actually taking the original?

Mr. GURNEA. That is a legal technicality that probably Mr. McGranery can help you on.

Mr. MCGRANERY. I cannot answer that.

Mr. FELLOWS. The point was the information.

Mr. MCGRANERY. You had this other fellow. Do not lose sight of this. Get your grand jury testimony and find out just what this bird said. He had the authority to revalue these papers. He testified before the grand jury. He let the air out of this thing very badly, very badly.

It is not in my recollection, at the moment, what particular papers he did testify to.

Mr. GURNEA. I believe Mr. Hitchcock, at that time, was of the opinion that there was a difference, a definite difference between information and the actual documents.

Mr. MCGRANERY. I am convinced of that. For me to sit down and write something on a piece of paper and give it to you——

Mr. FELLOWS. But definitely, in the arrest of Larsen, you had some material he had

purloined or taken from the State Department which would come within the terms of this statute without any question, not the suppressed type, but the type that was legally taken as an incident of his arrest; those are papers which would come within the purview of the statute clearly.

In the case of Jaffe, the papers that were taken as an incident to his arrest were not subject to any motion to suppress. They were taken legally.

Mr. MCGRANERY. There might be some question about that. In the first instance, we did not get the stuff, but the Office of Strategic Services did take it surreptitiously.

Was that evidence over there contaminating? I do not know. I am not so sure about that.

Mr. SPRINGER. That raises a question.

Mr. MCGRANERY. I am not so sure about that.

The CHAIRMAN. I think the most horrible thing about this case so far as we have gone is the fact that employees of our various departments were running with this herd of cattle, and that they were evidently giving them aid. I do not think it makes any particular difference what was taken or what was not taken. It is a fact now that something which was esteemed as secret or confidential, even in the lower grades, was taken. That is important.

Mr. FELLOWS. And the indication that anything either was taken or could have been taken is vitally important. There was nothing to prevent it.

Mr. LADD. The question was asked about those documents that were found in Jaffe's apartment or office, rather, one of them which was identified as being in the handwriting of Roth. That was a document prepared in the State Department entitled "New Dehli." It was dated February 4, 1944. It was addressed to the Secretary of State and signed by Merrell. It sets forth a resolution passed by Modress that all members of the Indian Legislature should meet in an all-Indian convention to consider present political situations and devise ways and means for unsolving deadlocks.

The original of that document was subsequently located in the State Department. It was stamped "Division of Mid-Eastern Affairs," 2844, Division of Political Studies. It was filed March 11, 1944.

Another one of the documents which was identified in the handwriting of Andrew Roth, and which was found in Jaffe's office, was a letter to the Secretary of State dated March 14, 1944. The letter commented on the recent action of the Central Legislative Assembly in India as showing a lack of confidence in the present Government of India. It was from Merrell.

Mr. HANCOCK. Do you know who he is?

Mr. GURNEA. A State Department employee in New Dehli.

Mr. LADD. The second document was a letter to the Secretary of State dated January 21, 1944, giving a summary of political comments that had occurred in the Indian press for the week ending January 15, 1944. That is likewise signed "Merrell."

The other document found in Amerasia, which was in the handwriting and which was subsequently identified as Andred Roth's handwriting, was a document dated August 11, 1944. The subject was the Socialist Congress reaction to Mr. Ghandi's recent political moves. The document in substance is the substance of a conversation which took place with Mr. Minorr Masani, leader of the Congress of Socialist Elements in Bombay with reference to Ghandi's conciliary progress in re the Government of India and the Moslem League.

The original of that document was later located. It was filed in the State Department files.

The CHAIRMAN. You say they were taken from Amerasia?

Mr. LADD. That is right.

The CHAIRMAN. Were they taken by the operatives of the Federal Bureau of Investigation?

Mr. LADD. These were taken by the Federal Bureau of Investigation agents, at the time and incident to the arrest.

Mr. FELLOWS. All of those documents that you took as an incident to the arrest you have a list of those?

Mr. LADD. And those are all the documents that we brought to you. The Federal Bureau of Investigation secured no documents through any means during the course of this investigation except incident to the arrest. They were all legally obtained. The only documents that we have and which we have brought up also for you which were illegally obtained were those that were obtained surrepetitiously by the Office of Strategic Services and turned over to us. That resulted in our investigation.

Mr. FELLOWS. What was Roth's connection with the Government at the time these letters were written?

Mr. GURNEA. He was a lieutenant in the Office of Naval Intelligence.

Mr. HANCOCK. He was doing liaison work between the Navy Department and State Department?

Mr. GURNEA. He did that in connection with other duties. However, he was regularly assigned to the Japanese Fleet desk. As I understand it, among his other duties, he was charged with the duty of preparing and assimilating summaries on the Japanese Fleet.

Mr. FELLOWS. One of these was written on Statler stationery. The chances are that he had the document at the Statler Hotel when he wrote that. He would not use that stationery in the State Department or over at Naval Intelligence. He had the document with him at the Statler.

The CHAIRMAN. Certainly.

Mr. FELLOWS. He was not in the State Department, as such. He was connected with the two departments in a liaison capacity?

Mr. GURNEA. That is possible. Or, as indicated in the summary of the investigation, you will recall that he met Jaffe in the Statler Hotel in company with the other subjects of the case, so it is possible that one of the other subjects brought the document.

Mr. FELLOWS. Perhaps it is a wide difference, but the fact he wrote it on that paper indicates he wrote it there. He was copying it? Is that document he copied in the files of the State Department now?

Mr. GURNEA. That is correct.

Mr. HANCOCK. It was taken out, copied, and returned.

Mr. FELLOWS. Yes.

Mr. HANCOCK. Did you check the precautions taken by the State Department and Navy Department against this sort of thing we are hearing about?

Mr. GURNEA. Yes. They have a rather complicated system. They have their rules and regulations. I am sure that the State Department would be glad to make one of their security officers available to you. You could go into that in detail with them.

Mr. FEIGHAN. You made no observation with reference to the operation of the rules and regulations?

Mr. GURNEA. Not during the investigation; no.

Mr. HANCOCK. It is perfectly evident there was great laxity there if all these documents could be taken.

Mr. CHELF. Larsen said he did not have a bit of trouble.

Mr. MCGRANERY. Larsen was gold-badge man. It permitted him to take out anything he wanted to.

Mr. CHELF. If you were the holder of a diamond badge in the War Department, you would not be permitted to do such a thing.

Mr. LADD. I would like to explain what we have brought here. One volume is the summary which goes into the security question. We set this forth so that we would have the information available for introduction in evidence in the event it was called for with the names of the individuals who can furnish information in those respective departments concerning their security regulations.

The CHAIRMAN. We are much obliged to you gentlemen. We would like you gentlemen to be here on Monday. We are going to have a public hearing in the committee room. I wish to thank you again for your cooperation.

(Thereupon, the hearing was concluded.)

MONDAY, JUNE 3, 1946

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE OF THE COMMITTEE
ON THE JUDICIARY,
Washington, D. C.

The subcommittee met, pursuant to call, at 10:30 o'clock a. m.

Mr. HOBBS. Mr. Thomas is here to represent the Security Office of the State Department. Since a good many of the occurrences were in that Department, we will hear from him first.

You may be seated or you may stand, as you please.

Mr. Thomas, the committee understands that you are the representative of the Security Office of the State Department, and that you can give us information as to precautions that were taken in the State Department as to the safeguarding of its official documents and records. If that be true, we would appreciate it if you would tell us the system that obtained in the security office, that office being the one which is charged with that responsibility. Tell us how it functioned and how its functions, especially with reference to any surreptitious removal of records. Tell us the whole story.

Statement of Henry Thomas, Division of Controls, State Department

Mr. THOMAS. Mr. Chairman, we will begin with the past system first.

It has been my observation that from 1941 to 1944 the Security Office of the State Department did not control or issue building passes for State Department personnel. The pass system that was in use from 1941 to the latter part of 1944 was under the supervision of a Mr. Kenestrick of the Division of Departmental Administration. The passes issued by Mr. Kenestrick bear the signature of Mr. Yardley, who was then the Director of Personnel. Passes were issued under wartime restrictions and consisted of three types of picture passes.

Mr. HOBBS. Can you give us the names of those gentlemen for the record?

Mr. THOMAS. Yes. Mr. Millard Kenestrick.

The CHAIRMAN. What was his office?

Mr. THOMAS. It was the Departmental Administration, old division.

Mr. HOBBS. What was the other gentleman's name?

Mr. THOMAS. Mr. Edward Yardley, the former director of personnel.

Mr. HOBBS. Was there a Mr. Bannerman there?

Mr. THOMAS. No, sir. Our security office was only organized in 1945. This was prior to that time.

The CHAIRMAN. Go ahead. Excuse me.

Mr. THOMAS. Under the wartime restrictions, the three types of passes were as follows: The gold pass, the blue pass, and the red pass.

The gold pass was issued to an employee only upon the recommendation of the chief of his or her division, and entitled the bearer to enter any State Department building at any time and authorizes the holder to remove official papers.

The blue pass permitted an employee to enter the building in which employed at any time and enter other State Department buildings during regular office hours only,

and it did not authorize the removal of official papers.

The red pass permitted entry during regular office hours.

In 1945, there was a reorganization in the Department. The pass control was transferred from the Division of Departmental Administration to the Division of Central Services. That is supervised by Mr. William D. Wright. He is the chief of that division.

With the cessation of hostilities in 1945, the gold, blue, and red picture passes were discontinued. That was on December 1, 1945. Plain building passes were issued under the signature of W. D. Wright, Chief, Division of Central Services. These passes are numbered. A record is maintained in that division by Miss Anna Burroughs.

In April 1946, the Security Office was authorized to install and execute, for use in the confidential reproduction unit of the State Department, a pass system. The Security Office designed and controls the passes for this confidential unit and maintains rigid security standards in the handling of all classified materials in possession of this unit. The personnel in this unit are thoroughly investigated and must pass the Security Screening Committee. We have also made recommendations for passes and regulations pertaining to the Code Room. These recommendations have been received favorably and put into effect.

As you may know, the State Department has some 36 buildings and the security office has been authorized to be responsible for the physical security control of these buildings in cooperation with the Public Buildings Administration guards and the pass officer.

No passes are required to gain entrance during regular working hours, that is today, with the wartime restrictions released, except for the Code Room and the Confidential Reproduction Unit.

However, after 7 p. m., and on Saturdays, Sundays and holidays, a pass must be presented to the guard; also, one must sign the ledger indicating the name, time of entry and departure, designate the room visited in the building, also.

In addition, the Public Buildings Administration guard makes a regular check on the buildings, and reports to the securities officer any violations, regarding open safes or files.

In addition to that, he is instructed to telephone the representative of the Department, whose name is contained within the safe, and have him return to the Department and close the safe. Or, the officer may receive permisison from the official to close the safe in the presence of another officer.

The matter is then taken up by the security officer with the administrative officer of the division. The offender is reprimanded.

With reference to the regulations pertaining to material, there was an administrative instruction issued May or June, 1945, the State Department, regarding the removal of official material from the Department.

That reads: "No officer or employee of the Department of State shall take top-secret material from the Department except during the conduct of official business.

"Normally, secret material shall not be removed from the Department for purposes of working with it outside of office hours. However, in case of necessity an official may remove secret material from his office for such purpose if permission has been granted by the Secretary of State, the Under Secretary, and Assistant Secretary or the Legal Adviser. In such case, he shall submit a signed statement, at the time he removes the material, to his immediate superior giving a complete description of it."

With reference to confidential material, it says this: " 'Confidential' material may be removed from the Department outside of regular office hours only after express permission has been granted by the chief of the division or director or executive assistant of the office in which the material is located and a record has been placed in the files or left with the custodian of the material to show what has been removed."

Mr. FELLOWS. That was made in May 1945, after this material had been taken?

Mr. THOMAS. Yes, sir.

Mr. HANCOCK. Prior to that time, were men with gold passes permitted to remove "top secret" documents and "confidential documents" without the consent of some superior officer?

Mr. THOMAS. I believe, prior to that time, by obtaining permission from the chief of the division, yes.

Mr. HANCOCK. Is that a specific pass for permission to remove each article, or was that a blanket permission?

Mr. THOMAS. The gold pass permitted the physical removal.

Mr. HANCOCK. Yes.

Mr. THOMAS. He was supposed to give a definite description of the material removed to his chief.

Mr. HANCOCK. And he would have to get permission before he did that?

Mr. THOMAS. That is right, sir.

Mr. FELLOWS. If he did do that, what was the penalty? Reprimand?

Mr. CHELF. If he repeated, what did he get?

Mr. THOMAS. On the third offense, he was removed from the Department.

Mr. HANCOCK. Suppose he removed hundreds of them? Do you think a prosecution would be justified?

Mr. THOMAS. By all means.

Mr. HANCOCK. Would you recommend a severe punishment?

Mr. THOMAS. Yes, sir.

Mr. HANCOCK. When did the office administration assume the responsibilities of the security office for safeguarding documents? When was that?

Mr. THOMAS. I do not believe they have ever received that permission.

Mr. HANCOCK. I thought he said the security was responsible in 1941 through 1944.

Mr. THOMAS. That was for the issuance of the passes.

Mr. HANCOCK. But the Security Offices still remained responsible for the security of them?

Mr. THOMAS. Yes.

Mr. HANCOCK. And they are at this time?

Mr. THOMAS. Yes.

Mr. HANCOCK. You merely took over the job of issuing passes?

Mr. THOMAS. No, sir.

Mr. HANCOCK. What duties did you assume that you did not have before?

Mr. THOMAS. We have installed certain regulations and put them into effect that we can account for the "top secret" documents within the Department by a tally system and a receipt system whereby each document is recorded in a book. That is recorded by the issuing office. The tally is sent to the Division of Coordination and Review.

Mr. HANCOCK. When a man walks out with a large bundle of papers from an office in the State Department, does anybody stop to examine them?

Mr. THOMAS. No, sir.

Mr. HANCOCK. Is he examined today?

Mr. THOMAS. Not today.

Mr. HANCOCK. Was he during the war?

Mr. THOMAS. Yes.

Mr. HANCOCK. Whose job is that?

Mr. THOMAS. That would be the job of the Public Buildings Administration guard. If a man had a gold pass, he would be permitted to go through the door without questioning. If he had one of the other passes, he would have to account for the material he was taking out of the Department.

Mr. HANCOCK. I thought you said nobody could take out "top secret" papers of any kind.

Mr. THOMAS. No, sir. I believe I said with the permission of the Secretary you could. If that permission has been granted by the Secretary, the Under Secretary, the Assistant Secretary or Legal Adviser.

Mr. HANCOCK. For "top secret" documents?

Mr. THOMAS. That is "secret."

Mr. HANCOCK. You made a distinction?

Mr. THOMAS. Yes.

Mr. FELLOWS. There is a distinction?

Mr. THOMAS. Yes.

Mr. FELLOWS. State what they are.

Mr. FEIGHAN. May I interrupt?

Mr. SPRINGER. Let him answer that first.

Mr. THOMAS. "Top secret, certain secret material and information, the security aspect of which is paramount, and the unauthorized disclosure of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave damage to the Nation, or embarrassment to the Government."

That would consist of "Information regarding or details of discussions or negotiations with foreign governments on questions of great jealousy, such as might be embodied in memoranda of conversations, tentative drafts of agreements, et cetera, premature disclosure of which might seriously prejudice the successful outcome of the negotiations.

"Details of conversation or, discussions upon United States officials of high responsibility, disclosure of which might cause serious political complications."

Mr. HANCOCK. Such as a report from a consul's office or diplomatic officer from China regarding the estimate of the strength of various Chinese leaders?

Mr. THOMAS. Yes.

Mr. HANCOCK. If that were published, it might cause considerable embarrassment?

Mr. THOMAS. Yes.

Mr. HANCOCK. That would be "top secret"?

Mr. THOMAS. Yes.

Mr. FELLOWS. What is a secret document?

Mr. THOMAS. "Secret, material and information, the unauthorized disclosure of which would endanger national security, cause injury to the interest or prestige of the Nation, or any Government activity thereof, or would be of advantage to a foreign nation."

Mr. FELLOWS. What is a confidential communication?

Mr. THOMAS. "Material and information, the unauthorized disclosure of which, while not endangering the national security, would be prejudicial to the interest or prestige of the Nation, a Government activity, an individual, or would cause administrative embarrassment, or difficulty, or be of advantage to a foreign nation."

Mr. FELLOWS. What is a restricted document?

Mr. THOMAS. "Material and information which does not fall into one of the above classifications but which, nevertheless, should not be published or communicated to anyone except for official purposes."

Mr. FELLOWS. What is a routine document?

Mr. THOMAS. That covers material not falling into one of the above classifications which is to be forwarded by diplomatic-pouch facilities. This classification is used only on this type of material to assume that it has been reviewed and appropriately marked.

Mr. HANCOCK. When documents reached the State Department, they were then classified and labeled accordingly? Is that done as soon as they are received?

Mr. CHELF. Who was the classification officer?

Mr. THOMAS. Division of Communication.

Mr. CHELF. Did he have the right to classify these as "secret," "top secret," "confidential," or restricted"?

Mr. THOMAS. Yes.

Mr. HOBBS. Mr. Feighan wishes to ask a question.

Mr. FEIGHAN. When you set forth those regulations requiring authorization from a

superior officer in order to take out of the building some of those documents, was that a regulation put into effect on May 14 of 1945?

Mr. THOMAS. Yes, sir.

Mr. FEIGHAN. Then, preceding that, I would like to know if I am correct in my belief that you stated if a person had a gold badge, that gave him authority to enter any building any time of the day or night and take out any kind of a document?

Mr. HANCOCK. Except top secret?

Mr. THOMAS. Except top secret, yes.

Mr. FEIGHAN. That was in effect from 1941?

Mr. THOMAS. Yes.

Mr. FEIGHAN. Did that obtain after May 14 of last year?

Mr. THOMAS. No, sir. That was discontinued on December 1 of 1945.

Mr. FELLOWS. That did permit him to take out, anytime of the night, without any restrictions, so-called "secret documents"?

Mr. THOMAS. It gave you authority to physically take out of the building an envelope, you might say, and the guard would not have authority to question the contents of the envelope if you had a gold pass.

Mr. SPRINGER. He might have top secret material in that envelope?

Mr. THOMAS. Yes.

Mr. SPRINGER. And the guard would never inspect it at all?

Mr. THOMAS. With the other passes, he must.

Mr. HANCOCK. Did he give a receipt to anybody or make a note?

Mr. THOMAS. He is to obtain permission from the chief of his division.

Mr. HANCOCK. That is "top secret."

Mr. THOMAS. It is "secret," too.

Mr. HANCOCK. When he removed them, he received permission for definite papers?

Mr. THOMAS. Yes.

Mr. HANCOCK. Did anybody examine to see that he took nothing in addition to that?

Mr. THOMAS. No, sir.

Mr. HANCOCK. There was no way to check whether he returned those documents?

Mr. THOMAS. Not if there was not a receipt or description given.

Mr. HANCOCK. There is no way of recovering them.

Mr. CHELF. In other words, you did not have a security system until March of 1945?

Mr. THOMAS. We had a system.

Mr. CHELF. It was not very good.

Mr. THOMAS. I think it has been improved some.

Mr. CHELF. I am talking about up until March of 1945, you practically had no system, did you?

Mr. THOMAS. There were regulations issued.

Mr. CHELF. In other words, a man with a gold badge could take out a ream or a truckload of papers if he cared to so long as they were just marked "secret"? Correct?

Mr. HANCOCK. No one knew what he had. He did not have to account to anybody when he returned them. He could keep them if he cared to.

Mr. THOMAS. That is just about right.

Mr. CHELF. That is the reaction I have from what you just stated.

With your security system, did you have anyone delegated or given the authority to check the offices, the desks from time to time to see whether or not any of this "secret," "top secret," or other confidential information had been allowed to remain on the desks overnight?

Mr. THOMAS. Not at that time, no, sir.

Mr. CHELF. Was there any regulation which required these men to put this information in safes?

Mr. THOMAS. Yes, sir. That was covered in a regulation issued June 3, 1944. That required it.

Mr. CHELF. There was no enforcement of it?

Mr. THOMAS. No.

Mr. CHELF. Who was the security officer at that particular time?

Mr. THOMAS. I believe G. Holland Shaw, former Assistant Secretary.

Mr. CHELF. Had your security officer trained or taught anything pertaining to security? Had he been given any training at all to conform with the ideas of the Army or Navy, for instance?

Mr. THOMAS. Yes. I would say Mr. Shaw was pretty well versed in security.

Mr. CHELF. Did he have any meetings of security officers who were under him at that time?

Mr. THOMAS. Not to my knowledge.

Mr. CHELF. There were never any routine checks to see how the system was functioning?

Mr. THOMAS. No.

Mr. FELLOWS. Were any instructions given by him?

Mr. THOMAS. Yes. June 3, 1944.

Mr. FELLOWS. Pieces of paper telling what should and should not be done?

Mr. HANCOCK. Do you have any idea how many papers were removed?

Mr. THOMAS. You had no way of telling at that time.

Mr. HANCOCK. Do you know now?

Mr. THOMAS. Yes.

Mr. SPRINGER. How many were there? How many were removed up to the present time?

Mr. THOMAS. I could not say, sir.

Mr. FELLOWS. Can you not approximate it?

Mr. THOMAS. No, sir.

Mr. FELLOWS. Was it hundreds or thousands of documents?

Mr. HANCOCK. We understand as many as 1,700 purloined State Department documents were found in one office in New York City.

Mr. THOMAS. I am not familiar with that case.

Mr. FELLOWS. What case?

Mr. HANCOCK. With the Amerasia case.

Mr. HANCOCK. Were these files and safes inspected regularly to see that there were no leaks?

Mr. THOMAS. Not then, not to my knowledge.

Mr. FELLOWS. You would know, would you not?

Mr. THOMAS. I know now. I know now.

Mr. HANCOCK. How about broken locks on files? Would you know about that?

Mr. THOMAS. Now; yes.

Mr. HANCOCK. A file might have had a broken lock for years. Nobody in authority might have been told about it.

Mr. FELLOWS. Would it be possible for me to get a gold badge by borrowing it?

Mr. THOMAS. Very easily.

Mr. CHELF. What sort of files did you have there at the State Department from 1941 until 1944, in June? Metal, wood, or what?

Mr. THOMAS. Metal.

Mr. CHELF. Did they have a pin lock on them?

Mr. THOMAS. A few had combination locks. Most of them were regular key locks; Yale.

Mr. CHELF. Who had the keys to the various lock files?

Mr. THOMAS. As I recall, the keys were kept by individuals themselves.

Mr. CHELF. What individuals?

Mr. THOMAS. The individuals who had access to the files during the day.

Mr. CHELF. Did they carry those keys with them away at night?

Mr. THOMAS. I would say so; yes, sir.

Mr. CHELF. Thereby, they would have an opportunity to have them duplicated if they wanted to?

Mr. THOMAS. Yes. It would be a simple matter.

Mr. FEIGHAN. Does the Department issue duplicate keys?

Mr. THOMAS. Yes, sir.

Mr. HOBBS. Do you have a list of those who were issued gold passes?

Mr. THOMAS. There is such a list.

Mr. HOBBS. Do you recall that Mr. Emmanuel Sigurd Larsen was one of the employees of the State Department who had such a pass?

Mr. THOMAS. Yes. I do.

The CHAIRMAN. Did he or did he not?

Mr. THOMAS. It is my understanding he had a gold pass.

The CHAIRMAN. For what period?

Mr. THOMAS. I do not know, sir. I know that it was taken up on June 26, 1945.

Mr. FELLOWS. That was after his arrest?

Mr. THOMAS. I think it was; yes, sir.

Mr. CHELF. Who issued that pass to Larsen?

Mr. THOMAS. That would be issued by the Division of Central Services, I believe.

Mr. CHELF. Who was in charge, at that particular time? What did you say his name was?

Mr. THOMAS. Mr. William D. Wright.

Mr. CHELF. Was there any investigation of the character, history, background of any of these fellows who rated one of these gold badges?

Mr. THOMAS. Yes, sir. The regular departmental investigation was made of the personnel. Then, upon the recommendation of the chief of his division, a gold pass was issued.

Mr. CHELF. Did the Federal Bureau of Investigation assist in that check for you?

Mr. THOMAS. You mean in the investigation?

Mr. CHELF. Yes.

Mr. THOMAS. I think a check was made from their security files as to whether they had subversive information or not.

Mr. HANCOCK. Was that check made before the gold badge was issued?

Mr. THOMAS. That is made of all departmental personnel.

Mr. CHELF. Was that made before the issuance of the gold pass?

Mr. THOMAS. I hesitate to say, sir. I know it is in effect now.

Mr. CHELF. Do you know whether it was or not at that time?

Mr. THOMAS. No.

Mr. HANCOCK. The check was a routine matter conducted by the personnel office before anyone was employed. What Mr. CHELF was asking is this: Was any special investigation made of the man who was applying for a gold pass?

Mr. THOMAS. No, sir.

Mr. HANCOCK. His original check-up was sufficient?

Mr. THOMAS. That is right.

Mr. CHELF. The same check-up would be used for the red pass and the blue pass as would be used for the gold pass?

Mr. THOMAS. Yes.

Mr. CHELF. Notwithstanding the fact the gold-pass bearer could take anything out with the exception of a top-secret document?

Mr. HOBBS. As a matter of fact, anybody with a gold pass could take anything out, including a top-secret matter?

Mr. THOMAS. Yes. I would think so. He would not be stopped at the door. It would not be with the authorization of the Department, understand, but the guard was not permitted to stop him if he had a gold pass.

The CHAIRMAN. Do you know whether Mr. John Stuart Service was in the employ of the State Department?

Mr. THOMAS. Yes, sir. He was a Foreign Service officer.

Mr. HOBBS. Did he have a gold pass?

Mr. THOMAS. No, sir. He had a Foreign Service pass.

Mr. HOBBS. What is the effect of that?

Mr. THOMAS. That permits entry in and out of the building.

The CHAIRMAN. Did that give him authority to take any papers without being stopped by the guard?

Mr. THOMAS. I am not familiar with that regulation, sir.

Mr. HANCOCK. Did you know a Lt. Andrew Roth?

Mr. THOMAS. I have just heard the name.

Mr. HANCOCK. You do not know whether he had access to the State Department files or not?

Mr. THOMAS. No, sir. I do not.

Mr. FELLOWS. Mr. Jaffe did not have a gold pass so far as you know, did he?

Mr. THOMAS. No.

Mr. FELLOWS. He did not need one.

Mr. HOBBS. What about Mr. Mark Gayn?

Mr. THOMAS. He was on the editorial board of Amerasia.

Mr. FELLOWS. Did you ever see him in the State Department?

Mr. THOMAS. No, sir.

The CHAIRMAN. Do you know whether or not he was employed, at any time, in the State Department?

Mr. THOMAS. Not to my knowledge.

Mr. CHELF. He did not have to be with this other mob.

Mr. FELLOWS. Do they still call the man who is in charge of these documents "security officer"?

Mr. THOMAS. No, sir. I am the assistant security officer.

Mr. FELLOWS. Do they have a chief?

Mr. THOMAS. Mr. R. L. Bannerman.

Mr. FELLOWS. That word "security" was used to indicate he was responsible for these papers that would be a threat against the safety of the country?

Mr. THOMAS. Only since 1945.

Mr. FELLOWS. While the war was on, it did not matter?

Mr. THOMAS. No, sir.

Mr. CHELF. He was a security officer, no doubt.

Mr. HANCOCK. The predecessor in authority was William P. Wright?

Mr. THOMAS. No, sir. The predecessor was G. Holland Shaw. The security officer before that was David Salmon.

Mr. HANCOCK. How long was Shaw chief security officer?

Mr. THOMAS. He was in addition to that, Assistant Secretary of State.

Mr. HANCOCK. How long did he have this security responsibility?

Mr. THOMAS. I would say for 2 years, 3 years.

Mr. FELLOWS. Between what dates?

Mr. THOMAS. Two or three years.

Mr. FELLOWS. Is that right?

Mr. THOMAS. That is right.

Mr. FELLOWS. Where is he now?

Mr. THOMAS. I do not know, sir.

Mr. FELLOWS. Is he in Washington?

Mr. HANCOCK. In the Department now?

Mr. THOMAS. No, sir.

Mr. HANCOCK. Did he resign voluntarily?

Mr. THOMAS. I suppose so; yes, sir.

Mr. CHELF. Do you have any personal knowledge of anyone ever having been given a reprimand prior to the system set up in 1945, last year?

Mr. THOMAS. I actually have no knowledge.

Mr. CHELF. Do you know of anyone who was discharged as a result of taking papers out?

Mr. THOMAS. I know of no one, sir.

Mr. CHELF. There is nothing in your hands, at the present time, as security officer, to indicate any such information?

Mr. THOMAS. No.

The CHAIRMAN. Mr. Thomas, do you have knowledge of any papers of the State Department, in any of these four categories, that were recovered by the State Department from the outside?

Mr. THOMAS. Only hearsay.

The CHAIRMAN. Were they or were they not returned to your office?

Mr. THOMAS. I understand some were recovered and returned; yes, sir.

The CHAIRMAN. You do not know which ones, nor how many?

Mr. THOMAS. No, sir.

Mr. CHELF. They were not brought to your immediate attention as security officer, even upon their return?

Mr. THOMAS. I believe they were brought to the attention of Mr. Holmes, the Assistant Secretary, at that time.

Mr. CHELF. Assistant Secretary?

Mr. THOMAS. Julius C. Holmes.

Mr. CHELF. Did he apprise you of the situation as to what had been returned?

Mr THOMAS. I was not there at the time.

Mr. CHELF. When were the papers brought to Mr. Holmes that you speak of?

Mr. THOMAS. I do not know the exact date. It was the early part of 1945.

Mr. CHELF. Around March or April?

Mr. THOMAS. Yes, sir.

Mr. CHELF. Have you, at any time since then, been given any information which would indicate what papers, if any, were taken?

Mr. THOMAS. Just my understanding that the papers in connection with Amerasia case were returned, and the investigation begun, and the Federal Bureau of Investigation was called in to assist.

Mr. CHELF. But you, as the present security officer, have never been officially advised just what papers were taken. You have never had an opportunity to peruse them or to see them? Is that right?

Mr. THOMAS. No, sir.

Mr. HANCOCK. Did you ever make any attempt?

Mr. THOMAS. I made an attempt to review the file.

Mr. HANCOCK. What did you find out?

Mr. CHELF. Did you get to see the file?

Mr. THOMAS. Yes, sir.

Mr. CHELF. What did you find out?

Mr. THOMAS. I found out the method of operation and of the conduct of the investigation.

Mr. CHELF. What operation?

Mr. THOMAS. Of the removal of the documents.

Mr. CHELF. What the operations, as you saw them?

Mr. THOMAS. I would prefer to disclose that in an executive session.

Mr. HANCOCK. The fact is neither you nor anyone else in the State Department knows what papers have been taken, and what papers are still missing?

Mr. THOMAS. I think that is true, sir.

Mr. FELLOWS. How are you going to guard the present files if you do not know what is in them?

Mr. THOMAS. We have a record of the top secret documents now.

Mr. FELLOWS. The secret documents as well?

Mr. THOMAS. No, sir; not secret documents.

Mr. FELLOWS. You do not have any record of the secret documents?

Mr. THOMAS. No, sir.

Mr. CHELF. At the present time, are the top secret or secret documents numbered?

Mr. THOMAS. No, sir.

Mr. CHELF. Is a receipt required when one takes them over?

Mr. THOMAS. Yes, sir. It is given a number. It has a tally slip, a receipt slip bearing a number on it. That is sent to the Division of Coordination and Review and a record is made as the item progresses along to the different divisions.

Mr. CHELF. What is the system when they return that document?

Mr. THOMAS. When a receipt is received, first of all, it is recorded in the book in the issuing office. For instance, a document is issued by one division within the Department. A record is made in the book of that document, and where it is sent.

Mr. CHELF. Is it listed as to whether or not it is an original or a copy?

Mr. THOMAS. Yes, sir.

Mr. CHELF. Are you that specific?

Mr. THOMAS. Yes. There is to be no actual copy made of a top-secret document.

Mr. FELLOWS. You would help me if you would tell me what course the document takes when it gets to the State Department, a document marked "Secret," or "Top secret"; what is done with it until it reaches a file with a hook and eye?

Mr. THOMAS. You refer to a "top-secret" telegram or cable?

Mr. FELLOWS. Anything you classify as "Top secret."

Mr. THOMAS. We maintain the same standards on material coming from other departments, War, Navy, and other Departments as we would our own material.

Mr. FELLOWS. What is marked on it?

Mr. THOMAS. It will come in registered as "Top secret" or one of its other various classifications. It will be delivered by courier, usually an officer. A receipt is given for that document to the courier. For instance, they would be received in the Secretary's office. The receipt would be given by the Secretary. From there on, the distribution is very limited. It is designated by the office receiving it what distribution it should have.

Mr. FELLOWS. Are their initials on it?

Mr. THOMAS. The tally is made down the side of the documents showing the distribution to the various divisions and it is usually either crossed out when the document is received in that division, and then initialed by the receiving officers and those that might have access to it.

Mr. CHELF. You stated, awhile ago, no one, now, has a right to make a copy of an original secret or top-secret document.

Mr. THOMAS. That is right.

Mr. CHELF. What was the procedure before?

Mr. THOMAS. That was the procedure then.

Mr. CHELF. How do you account for the fact there were so many copies of secret and top-secret documents that were found?

Mr. THOMAS. You had no control.

Mr. CHELF. Really anyone who had the right to possess a top-secret or secret document automatically had the right to make as many copies as he wanted to make?

Mr. THOMAS. It was a violation, but he could.

Mr. CHELF. He had the power. It was up to his own good judgment while and during the time he was in possession of the article.

Mr. THOMAS. That is right.

Mr. SPRINGER. Under this present system, you have taken up these gold passes, the blue passes, and the red passes, as I understand it, and you have issued building passes?

Mr. THOMAS. We have a regular building pass. This is also issued by the Division of Central Services. It has no photograph on it, but it does have a number.

Mr. SPRINGER. What does that give the holder of that pass authority to do?

Mr. THOMAS. It is subject to departmental regulations.

Mr. SPRINGER. He can come in and get papers out of the file and put them in a brown envelope, and can pass out with those papers?

Mr. THOMAS. Yes.

Mr. SPRINGER. Even top secret or secret papers?

Mr. THOMAS. Well, you might say the ship is no better than its crew.

Mr. SPRINGER. And the guards at the door have no authority to stop the man and look in the envelope to see what he is carrying out of the building?

Mr. THOMAS. That is right.

Mr. SPRINGER. He could carry away secret or top-secret material without molestation?

Mr. THOMAS. I think he could.

Mr. SPRINGER. That is under your present system?

Mr. THOMAS. I think he could.

Mr. CHELF. Then you have not improved.

Mr. THOMAS. We can account for it.

Mr. SPRINGER. But anyone of your employees who has access to those files, the

papers in the files, could put them in a notebook and take them out, could he not?

Mr. THOMAS. Yes, sir. They could do that.

Mr. CHELF. They could make copies and then return them?

Mr. THOMAS. Yes.

Mr. FELLOWS. Were the top-secret documents kept in a three-combination safe?

Mr. THOMAS. Not always.

Mr. FELLOWS. That was the rule in July 1944?

Mr. THOMAS. I do not think that was followed.

The CHAIRMAN. All right, sir. We will ask you to stand by, if you please, sir.

Can you leave copies of those passes with us?

Mr. THOMAS. Yes; I think I can. These are passes that have been taken up.

The CHAIRMAN. We will ask you to stand by so we can continue the examination in executive session.

Mr. THOMAS. Thank you.

The CHAIRMAN. We are delighted to have with us Capt. J. W. Whitfield, of the Office of Naval Intelligence.

I appreciate your coming, sir. We will appreciate it if you will give us such information as has been asked about in regard to the State Department with reference to the Navy Department under your control.

Statement of Capt. J. W. Whitfield, United States Navy, Office of Naval Intelligence

Captain WHITFIELD. Mr. Chairman and members of the Judiciary Committee, I have a prepared statement.

The CHAIRMAN. Go ahead.

Captain WHITFIELD. The security of information against foreign espionage has been a matter of gravest concern to the Office of Naval Intelligence. It is apparent that this committee is equally aware of this threat to our national security. The Chief of Naval Intelligence applauds your interest in this problem and welcomes this opportunity to express his thoughts on this subject. It is hoped that he will be permitted, before these hearings are concluded, to discuss other parts of this problem than that specifically raised by this inquiry, because he is convinced that corrective legislation is badly needed.

Within the framework of policy guidance furnished by the Joint Chiefs of Staff and by State-War-Navy Coordinating Committee, it is called Swank, the Navy Department exercises a certain measure of discretion. Of course, decisions which involve considerations outside of the framework of approved policy must be referred to the Joint Chiefs of Staff or to SWNCC by the Navy Department.

Within the Navy Department, the originator or author of classified information, documents or material, is responsible for its security classification and for the initiating of any change in its classification which may become appropriate.

The Office of Naval Intelligence is responsible for the protection of classified information. The Office of Naval Intelligence is not responsible for classification itself although, if asked, will give policy guidance on proper classification. Likewise, Office of Naval Intelligence is not responsible for the release or withholding of unclassified matter.

Office of Naval Intelligence represents the Navy Department on such interdepartmental security agencies as the Joint Security Control and (MIC) Military Information Committee (a subcommittee of SWNCC), which frame governmental policies and which recommend decisions to be taken in specific cases. Office of Naval Intelligence also represents the Navy Department on the Interdepartmental Intelligence Committee (ICC), which has as its members, Director of Federal Bureau of Investigation, Assistant Chief of Staff (G–2), and the Chief of Naval Intelligence. This committee concerns itself with domestic security.

The record will show that Office of Naval Intelligence has consistently taken the initiative in pressing for greater domestic security, especially in fields of interdepartmental cooperation, in establishing uniform policy for the disclosure and exchange of information, in pressing for stronger security legislation and in pressing for administrative control of aliens and of classified information and material.

Office of Naval Intelligence is the designated agency of the Navy Department through which requests from foreign agencies for information under the control of the Navy Department are channeled. The type of requests usually received are for classified documents, or for authority to visit naval establishments or private industrial plants have classified naval contracts. The Provost Marshal General of the Army is responsible for the clearance of the employment of aliens in private plants having classified contracts with either the Army or the Navy. The executive office of the Secretary of Navy is responsible for the clearance of aliens employed in the naval establishments. Office of Naval Intelligence has requested the Provost Marshal General and the Executive Office of the Secretary of the Navy to keep the Office of Naval Intelligence informed of aliens so employed. Office of Naval Intelligence may warn the Executive Office of the Secretary of Navy or the Provost Marshal General of aliens who are reported to be employed and about whom Office of Naval Intelligence may have derogatory information.

Office of Naval Intelligence is an information agency, but in general is not an action agency, that is, Office of Naval Intelligence's duty is to inform responsible authority of any threat or security, but definitive action is taken by responsible authority and not by Office of Naval Intelligence.

Office of Naval Intelligence is responsible for the security of Navy classified information against espionage, for the security of naval personnel against subversion, and for the security of Navy Establishment against sabotage.

II. Safeguards for Navy classified material. Navy Regulations, article 76, describes the precautions for the security of classified information and material. I offer you herewith a copy of article 76 of the Navy Regulations. You will find that the rules are quite lengthy and I believe they will cover the subject adequately.

In brief, this article—

(a) Defines terms used;

(b) Defines responsibility for classifying, up-grading, down-grading, and declassifying;

(c) Restricts disclosure of classified information to "those who need to know" with detailed definitions of the qualifications of such persons;

(d) Prohibits "loose talk";

(e) Requires a report in case of any actual or suspected loss or compromise of classified information or material;

(f) Describes the manner in which material of each classification must be transmitted. The usual means are officer messenger, diplomatic pouch, and registered mail.

(g) Describes the registration and receipt system for accounting for classified documents and material;

(h) Requires that personnel who are given access to classified material be loyal and discreet and have need for the information;

(i) Describes rules for physical security of classified information and material, such as use of combination safes, etc.

Earlier in my statement I mentioned the Interdepartmental Intelligence Committee consisting of Mr. J. Edgar Hoover, Director of Federal Bureau of Investigation, General Vandenberg, head of Army Intelligence, and Admiral Inglis, Chief of Naval Intelligence. Admiral Inglis initiated in this committee a suggestion for stronger legislation. As a result of this suggestion, a working committee was given the task of recommending specific changes in the laws of our country. These proposed changes, at present of a confidential nature, have the unanimous approval of all members of the Interdepartmental Intelligence Committee, and have been forwarded to our respective Secretaries for their approval and support.

Briefly this report recommends—

(a) That in espionage cases involving unauthorized delivery of Government documents, or loss thereof through gross negligence, the element of intent to harm the United States be not required to be proved;

(b) That penalties should be provided to punish those guilty of willful dissemination of information vital to the national defense, or for the unlawful possession of documents relating thereto——

Mr. HANCOCK. What penalty do you recommend for the violation of those regulations?

Captain WHITFIELD. The death penalty in time of peace and war. It was the next sentence. We wish to carry the penalty provided for in war in time of peace as well.

Mr. HANCOCK. You do not think $500 is big enough for the wholesale theft of papers?

Captain WHITFIELD. Not in my opinion, sir.

(c) That the death penalty be provided for in time of peace, as well as war, in espionage cases;

(d) That any person who has received instructions in foreign espionage, sabotage, etc., be required to register such fact with the United States authorities;

(e) That the wartime laws governing water-front security be extended to peacetime application.

The committee's support of S. 805, a bill prohibiting the divulging of code messages and one vitally affecting the field of cryptographic security, is requested. This bill is now under consideration by the House, having passed the Senate sometime ago. As many months have passed since this legislation was first introduced, it is urgently and earnestly recommended that it be brought up for final action before adjournment of the present session of Congress.

One of our most serious problems is the control of aliens within the United States. Office of Naval Intelligence initiated a study of this subject by the Interdepartmental Intelligence Committee. The study has about been completed and will probably recommend that the Bureau of Immigration and Naturalization of the Department of Justice be given primary responsibility for centralized control of these individuals. At present there is no central office in our entire Government established where definite information can be obtained as to the whereabouts of aliens within our border; nor from which may be readily ascertained when such aliens arrive in the country or when they leave. The situation is especially bad in connection with alien seamen who are members of merchant ship crews.

Alien seamen are permitted to leave their ships and sojourn unmolested to any place in our country provided they return to their ships within 30 days. However, there is no adequate machinery for checking them into the country nor checking them out, and there is no assurance they will leave even after 30 days have expired.

Also, there are literally thousands of individuals who cross into this country from Canada and Mexico daily with only the most casual surveillance at our borders. So far as I am informed, alien control is largely an administrative measure and no further legislation on the subject has been recommended by our working committees. However, it is most essential that the Immigration Bureau receive the support of Congress in the way of appropriation and personnel to discharge the very onerous duty which we are recommending they undertake in order

to correct these deficiencies in alien control which I have tried to outline briefly before this committee. I earnestly request your support for any reasonable request which the Justice Department may make for this purpose.

In submitting this brief outline on our proposed changes in our law, it is hoped that Office of Naval Intelligence will be afforded the opportunity to appear before you with further details before these hearings are concluded, if approved by our Secretary.

The CHAIRMAN. Captain, will you give us an outline of the modus operandi that the Office of Naval Intelligence for the Navy Department uses to protect its secret documents or documents that are top flight secret or any other category that shows they are of a confidential nature?

Mr. CHELF. Both before the war and during the war, and also now.

Captain WHITFIELD. This Article 76 is from the United States Regulations, 1920. This article has been revised from time to time to meet the conditions, especially during the war. This last revision is a revision of the 31st of March, 1944. It cancelled such previous orders on the same subject and amplifies those orders.

As to our system of guarding our classified information, and by classified information I refer to top secret, secret, confidential and restricted. They all come under classified information.

Mr. SPRINGER. As I understand, you have not revised your regulations since 1944?

Captain WHITFIELD. That is right, sir. Our top secret control procedure is rather stringent. It is separate and distinct control. It is known as top secret control procedure. There is a top secret control section in the Department with specially selected officers who are known as top control officers. These officers are specially selected because of their wide background of investigation and loyalty.

Mr. CHELF. Who makes your investigation on that? Who assists you?

Captain WHITFIELD. I am responsible for that, sir. It is done in the Office of Naval Intelligence. If an officer has been 10 years in the Navy or any other Government position with a clear record, we do not investigate him too thoroughly. For instance, I have been in the Navy for 30 years. I could be designated to handle top secret material without any further investigation. Anybody who has been in the service less than 10 years, a full and complete background, going out to his neighborhood, is made of the individual.

Mr. SPRINGER. Is this investigation made before an appointment has been made?

Captain WHITFIELD. If the exigencies of the circumstances call for it. There are times when this cannot be done. There are times when you must designate a top secret control officer without an investigation of the circumstances. Out in the fleet, it may be necessary to designate an officer whom you have not investigated. That is your responsibility. You must select that officer. You must be responsible for him. It is not always possible to make an investigation.

Mr. FELLOWS. Did you know Andrew Roth?

Captain WHITFIELD. Personally, no. I know of the case.

Mr. FELLOWS. Was he connected with your department?

Captain WHITFIELD. He was.

Mr. FELLOWS. In what capacity?

Captain WHITFIELD. He was an officer in Naval Intelligence assigned to the Far Eastern section.

Mr. FELLOWS. What is known about him? Was his record investigated?

Captain WHITFIELD. His record was investigated. He came to the Navy as an enlisted person. Before he was given a commission, he was investigated, sir. Yes, sir.

Mr. FELLOWS. What was the result?

Captain WHITFIELD. The results were that he was suspected or alleged to be a fellow traveler, sir.

Mr. FELLOWS. But he was attached to the Department just the same?

Captain WHITFIELD. He was commissioned in spite of that. I might add, as a personal opinion, we were allies of Russia at the time; the fact that an officer was a Communist was not a bar to the commission.

Mr. FELLOWS. You suspected, strongly, he was a fellow traveler?

Captain WHITFIELD. Yes, sir. The record indicates that.

Mr. FELLOWS. The complete record indicates it, does it not, up to date?

Captain WHITFIELD. Yes, sir.

Mr. FELLOWS. He was commissioned later as a commander—a lieutenant?

Captain WHITFIELD. Lieutenant; yes, sir.

Mr. CHELF. Promoted?

Captain WHITFIELD. Yes, sir.

Mr. FELLOWS. Who promoted him?

Captain WHITFIELD. The promotions made during the war were made by the Secretary of the Navy, usually at a regular interval of time; every so often an order would come out which would say that all officers in a certain category could be promoted automatically unless there was evidence of his unfitness for promotion. That was a matter of discretion. You could withhold a promotion by so reporting his unfitness.

Mr. FELLOWS. The fact that a man was suspected as a member of the Communist Party, would that make any difference in the way he was treated with reference to his opportunity to reach files in the Department?

Captain WHITFIELD. As I stated before, sir, I was not there, then. Due consideration was taken of that fact. But, at that time, the directors of higher authority thought that the fact he was suspected of being a Communist was not reason enough to bar him from the commission. However, in this particular case, he did not have access to top-secret documents because very few officers have access to them.

By nature of his duties as an officer, he did, by the job that was assigned to him, have access to secret matter.

Mr. FELLOWS. As distinguished from top secret?

Captain WHITFIELD. He never had any information, nor should he have top-secret information.

Mr. FELLOWS. Is your definition of secret the same definition that has been read into the record?

Captain WHITFIELD. I listened to it. I believe it was word for word.

Mr. FELLOWS. Top secret, certain secret material and information, the security aspect of which is paramount, and the unauthorized disclosure of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave damage to the Nation, or embarrassment to the Government.

Captain WHITFIELD. Our definition of top secret is, "Top secret.—Certain secret documents, information, and matériel, the security aspect of which is paramount, and the unauthorized disclosure of which would cause exceptionally grave damage to the Nation, shall be classified as top secret."

Mr. FELLOWS. Is your definition of secret the same as the State Department's definition?

Captain WHITFIELD. I do not recall your definition, sir. I will read the definition of secret as we have it listed: "Secret—Documents, information, or material, the unauthorized disclosure of which would endanger national security, cause serious injury to the interests or prestige of the Nation, or any governmental activity thereof, or would be of great advantage to a foreign nation shall be classified secret." Ours is worded a little differently, I think.

Mr. FELLOWS. Andrew Roth, to your knowledge, had opportunity to come in contact with secret documents from your department?

Mr. THOMAS. That, I believe, is correct, sir.

Mr. FELLOWS. Was any precaution taken with reference to him that was not taken with reference to any other officer?

Mr. THOMAS. Any other officer, as an officer in good standing, if his duty required, if he were supposed to know, would have the same access.

Mr. FELLOWS. Subsequent events have shown it was not good judgment.

Captain WHITFIELD. The Office of Naval Intelligence took Andrew Roth with a great deal of reluctance. It was some higher authority in this case.

Mr. HANCOCK. Was Roth the only fellow traveler in the Office of Naval Intelligence, or were there others?

Captain WHITFIELD. I made a survey recently of all Naval and Marine Corps personnel serving during the war who were suspected of being fellow travelers or known members of the Communist Party. There were but slightly over 2,000 in all out of a total of approximately 5,000,000 men. Of this first number (2,000), less than 200 were officers. Since the war, all of those have been released from the Navy, sir. As far as the Navy is concerned, after the Roth case was closed, a more stringent checkup was made. Officers have been released from the Office of Naval Intelligence.

Mr. HANCOCK. Was it common to have them in Naval Intelligence?

Captain WHITFIELD. It was unusual. In my opinion, it was unusual. That was not a bar to accepting officers in the Navy. We were forced to take Andrew Roth in the Navy Intelligence. That is my opinion.

Mr. SPRINGER. Did you give them the same consideration, the same opportunity, that all other officers had?

Captain WHITFIELD. No, sir. All the known members of the Communist Party or suspected members of the Communist Party were immediately—this information was given to the Bureau of Personnel throughout the war. The commanding officer of that individual was notified of this knowledge. He was directed to utilize this individual in places where he could do the least amount of harm. That was consistent throughout the Navy, so far as I know.

Mr. SPRINGER. That condition, to a certain extent, demoralized the officials of the Navy, when you could confide in one and could not confide in another?

Captain WHITFIELD. I don't know whether I understand your question.

Mr. SPRINGER. That was demoralizing, was it not, when you could confide in some of the officers and you could not confide in others?

Captain WHITFIELD. That information was well guarded. The individual was assigned a job. It was a routine thing where he did not have to have information of vital importance.

Mr. FELLOWS. When you said Mr. Roth was accepted with reluctance, you meant there was some question about the man being connected with your Department at all?

Captain WHITFIELD. Not being there, I do not think any of the officers who were there are presently attached. Reading the record, I gathered that impression that he was accepted reluctantly.

Mr. FELLOWS. You did so with reluctance?

Captain WHITFIELD. That is my impression.

Mr. FELLOWS. Yet with that record, he was permitted access to secret files of the Office of Naval Intelligence.

Captain WHITFIELD. If his duty required him to know that, he was permitted to see it. Any information that went across his desk, he was entitled to have it by virtue of the fact that he was a commissioned officer in good standing.

Mr. HANCOCK. What about the removal of papers?

Captain WHITFIELD. They are covered thoroughly in these regulations.

Mr. HANCOCK. How are they enforced? What would prevent a man from walking off with a secret document?

Captain WHITFIELD. These regulations prescribe the methods of numbering, serials, and accounting for these documents. They are handled only by certain men who are responsible people. When an officer has an important document, he must know where it is every minute. He cannot leave the room at any time without locking it up. No officer was permitted to carry a secret paper around with him except by permission from proper authority.

Mr. HANCOCK. If the papers were missing, you would know it, and you would know who had it?

Captain WHITFIELD. They would know who is charged up with it. They know who is charged up with every secret or top secret document at all times. We have a receipt for it. I will give a receipt for that paper. I may hand it to my assistant, and I will not require a receipt from him, but I must know where that paper is at all times.

Mr. FEIGHAN. A short while ago you stated you were forced to take Roth in the Office of Naval Intelligence.

Captain WHITFIELD. I would like to say, sir——

Mr. FEIGHAN. Who exercised such force? I would also like to know if any enlisted man or officer has any supreme right to continue in a particular line of endeavor within the Navy whether it is in secret departments or not? I would like to get information on that. It seems strange and baffling to me.

Captain WHITFIELD. I do not wish to use the word "force." When he was up for appointment as an officer in the Navy, the knowledge he had at the time was reviewed carefully. My assumption from reading the record, in spite of the fact that, normally, you would not take him, at that time, the policy was that you should not reject a person because he might be a fellow traveler due to the fact that Russia was our ally at the time.

That was considered a bar for the Regular Navy. His qualifications were such he had been a Japanese linguist student of special value to the Office of Naval Intelligence. Therefore, I believe he was accepted under a little hesitation.

Mr. SPRINGER. It was necessary that he be recommended by this reviewing board, was it not?

Captain WHITFIELD. The review board is the Bureau of Personnel, not the Office of Naval Intelligence.

Mr. SPRINGER. He was recommended by someone?

Captain WHITFIELD. That is right.

Mr. SPRINGER. Who recommended him?

Captain WHITFIELD. At that time he was an enlisted man in the Navy. He was a student. He had been a student at Harvard University taking a course in the Japanese language. At the completion of that course he applied, himself, for a commission in the Regular Navy. That application went to the Bureau of Personnel. They are the final authority. We could protest. We could say we did not want this individual. However, we could do so only verbally. If the Bureau of Personnel decided they wanted him, he would be in.

Mr. SPRINGER. Did the Bureau of Navy Personnel recommend him for a commission?

Captain WHITFIELD. They had a board which they called Procurement Board at that time.

Mr. SPRINGER. By reason of the recommendation, he was thereafter commissioned?

Captain WHITFIELD. That is right, sir.

Mr. SPRINGER. Even though it was then known he was a fellow traveler?

Captain WHITFIELD. He was suspected or alleged to have been one. I will say he was known to be a fellow traveler, yes, sir. The record indicates that he was, sir.

Mr. HANCOCK. Do you know of any documents that have been taken and are still missing from the files?

Captain WHITFIELD. No, sir. I do not.

The CHAIRMAN. Captain, we are very much obliged to you, and we are very much obliged to Mr. Thomas.

We will ask you to be good enough to leave that document with us. Also leave your written statement, and then be kind enough to stand by for further executive hearing. We will appreciate that very much.

Captain WHITFIELD. Today, sir, or some other day, sir?

The CHAIRMAN. It will not be today. We are going to be busy on the floor. We are much obliged to you.

We will recess until further notice.

(Thereupon, at 12 o'clock noon the subcommittee recessed until further notice.)

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. CRAWFORD] is recognized for 20 minutes.

COMMODITY CREDIT CORPORATION

Mr. CRAWFORD. Mr. Speaker, I sincerely believe the administration has shown a practiced and studied indifference in the past to official and unofficial acts of fraud, malfeasance, misfeasance, and just plain corruption on the part of the official family and other officers and employees of the Government. The charges I make are serious—I fear only that I have understated them. In my opinion, they warrant the serious consideration of the Congress, and in the near future I hope to make recommendations not only as to a formal investigation but as to the action necessary to correct this foul-smelling mess.

On May 11, 1950, Ralph S. Trigg, president of the Commodity Credit Corporation of the Department of Agriculture, announced the approval of a contract whereby the Department of Agriculture and the Commodity Credit Corporation would barter with a New York export-import firm 45,000 bales of cotton which they owned for 60,000 tons of Manchurian soybeans.

The 45,000 bales of cotton were valued on the New Orleans cash market on May 11 at $7,301,250. The actual cost to the Commodity Credit Corporation is believed to be in excess of $7,603,000, which does not include storage or handling charges. The announcement gives very little information as to the grade or value of the soybeans. There probably is sound justification on the part of the administration for its failure to disclose fully all the details.

The soybeans are being acquired by the Commodity Credit Corporation through the World Commerce Corporation from the Communists for use by the United States armed forces in Japan. Officials in the Department of Agriculture apparently consider it a good deal. It is understood that they claim that the cotton is a surplus commodity and that the price of our domestic soybeans is much too high for the armed forces to pay. The cash market of soybeans on May 11, 1950, f. o. b. Toledo, Ohio, for an equivalent quantity, 60,000 tons or 2,000,000 bushels, would have been $5,800,000. It is reported, however, by the Chicago Journal of Commerce, that the price that the Communists are expected to receive is $20 per ton less than the United States domestic price. This would then fix the value of the soybeans at $4,600,000, and provide a gross profit of over $2,700,000 for the brokers. This is rough figuring without access to all figures.

First, why do we officially, as a Government, deal with the Communists? True, neither the Department of Agriculture nor the Commodity Credit Corporation signed the contracts with the Reds. They did know and admitted they knew where the soybeans came from and where the cotton was going. Further, they knew that the Japanese had been trading with the Reds for some months. Incidentally, the Japanese had been trading manufactured goods for soybeans, among other things.

Slightly over a month ago, the Reds tightened up on their deliveries, and the Armed Forces screamed that they needed soybeans. At that point, the broker, the World Commerce Corp. of 25 Broad Street, New York City, conveniently entered the picture. But, before we get into the brokerage business, let us finish up the dealing with the Communists. The administration, and those responsible for this reprehensible deal, must have another name for them—Comrade. Now, soybeans are not a strategic material or commodity. They are not like manganese or chrome which the Communists cut 28 and 46 percent respectively in 1949 over 1948 in their exports to the United States and which they have practically stopped exporting to us so far this year.

Let us consider how badly soybeans were needed. According to the Department of Agriculture, United States stocks of soybeans on April 1, 1950, were 119,663,000 bushels, compared with 115,052,000 bushels on April 1, 1949, and 88,462,000 bushels on April 1, 1948. Further, according to official reports of the Department of Agriculture, the American farmer intends to plant 18.3 percent more soybeans this year than he did in 1949. The actual increase is expected to be larger than this March 1, 1950 estimate. In fact, an all-time record crop of soybeans is expected. It is also worthy of note that as of March 31, 1950, the Commodity Credit Corporation reported an inventory of 1,060,259 bushels of soybeans acquired at a cost of $2,864,515.37 or approximately $2.70 a bushel. It would appear that the Commodity Credit Corporation could have furnished over 50 percent of the Armed Forces requirements and in their sale at the then market price, make a profit of 20 cents a bushel.

Let us now look at the brokers, the catalytic agent that engineered this fantastic deal. There are no Maragons in this deal—no Garssons or deep freezers—this is strictly big league—no five percenters—just 55 percenters.

In the New York Times of September 24, 1947, in nearly a full-column story, it was announced that "World trade body ready to function." It was disclosed at a meeting at the Bankers Club in New York City by Frank T. Ryan, president of World Commerce Corp., that interests represented by his family

company, John J. Ryan & Sons, textile exporters, and partners in Bache & Co., Wall Street stockbrokers, had joined the venture. The Ryan company is reported to be the world's largest dealer in cotton waste—and I am beginning to appreciate the aptness of the title.

In the same story in the New York Times on the same date, Mr. Ryan was quoted directly as follows:

> The time is at hand for American commercial alertness and ingenuity to assume world leadership in devising ways and means for maintaining and broadening international trade. Business, financial, and political leaders must be brought to the realization that the United States must buy as well as sell if we are to attain a sound national economy. Across-the-board tariff modifications should be high on the agenda of Congress when it reconvenes.

Let us at this point look at the tools with which Mr. Ryan and the World Commerce Corp. work. Cited as being financially interested was Floyd Odlum's Atlas Corp.; Robert Benson & Co., of London; Glore, Forgan & Co., of Wall Street and Chicago; the international banking firm of Hambros Bank, of London; Ladenburg, Thalman & Co., of Wall Street; the Mellon interests of Pittsburgh; and the Transamerica Corp. One-time associate of the World Commerce Corp. was the former Secretary of State, Edward R. Stettinius. His brother Howard is now on the board of directors. Among the directors are Maj. Gen. William J. Donovan, former Chief of the Office of Strategic Services; former Under Secretary of State and long-time Ambassador to Japan, Joseph C. Grew; and partners or representatives of the financial interests previously mentioned. In addition, there is further British representation in the person of Sir William Stephenson. Canada is also reported to be represented. Passing note should be given to the fact that the officers and financial backers have been for the most part—and still are—closely and intimately connected with the administration and its policy makers.

It is my firm conviction that the Japanese can be self-supporting within a reasonable period of time. I am in accord with the judgment of our military leaders that this should and can be accomplished within the near future with definite savings to the American taxpayer and with a return of self-government and self-respect to possibly strong allies in the event of a war against communism. This type of economic deal will not accomplish either objective.

The statement of Frank T. Ryan, president of the World Commerce Corp., on September 23, 1947, is the identical statement of free trade that has been advocated and practiced by the Truman administration. It could be a coincidence but I doubt it. I intend to continue by personal investigations and hope to be able to submit detailed recommendations to the Congress in the near future.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. MURRAY of Wisconsin. The thing that impresses me about the gentleman's remarks is that we are shedding tears about the starving people of China yet we have an administration that turns right around and at the same time trades them out of 60,000 tons of soybeans. I think most people think Russia is taking enough food out of China without our being a party to it, and that we have reached a pretty low point when we have to do that in order to get rid of a few bales of cotton.

Mr. CRAWFORD. I think the gentleman's remarks are apropos to my statement.

IMPORTS OF PRODUCTS OF SLAVE- AND CHEAP-LABOR COUNTRIES

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SADLAK. Mr. Speaker, the gentleman from Michigan has just made a very interesting presentation and revealed some very startling facts. Pertinent to his statement. I have for some time been using my best efforts to secure cooperation from the administration in stopping the imports of products of slave- and cheap-labor countries into the United States. These imports have grown steadily in volume in recent months and are resulting in growing widespread unemployment in many industries. I am happy to note the first indication of official recognition of this situation by the administration. I have as a result addressed the following letter to the Secretaries of State, the Treasury, and Commerce, asking them for immediate administrative action to enforce laws now on the statute books in line with their administrative determination.

The letter follows:

Hon. DEAN ACHESON,
Secretary of State,
Department of State,
Washington, D. C.

Hon. JOHN SNYDER,
Secretary of the Treasury,
Treasury Department,
Washington, D. C.

Hon. CHARLES SAWYER,
Secretary of Commerce,
Department of Commerce,
Washington, D. C.

DEAR MR. SECRETARY: I am informed that the board of directors of the First United States International Trade Fair, which proposes to hold an exhibit of foreign manufactured products in Chicago, August 7 to 20, 1950, has rejected the exhibit of the Chamber of Commerce of Czechoslovakia.

The Trade Fair group is reported to have had official sanction of your departments and other Government agencies, and upon their recommendation rejected the application of the Czechoslovaks and returned their check. I understand the grounds for this action are that Czechoslovakia is not a free nation and that its products are the products of a slave or forced labor.

In view of this official or quasi-official determination by responsible Government agencies, I urgently request that you take action under the Tariff Act of 1930, title 19, section 1307, and immediately bar further imports from Czechoslovakia.

I would also appreciate being advised as to the determination of the departments and all other Government agencies as to what other countries have been classified in the category of other than free nations and their products as products of slave or forced labor.

Sincerely,

ANTONI N. SADLAK,
Member of Congress.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oklahoma [Mr. STEED] is recognized for 10 minutes.

FEDERAL AID TO EDUCATION

Mr. STEED. Mr. Speaker, proposed legislation providing Federal aid to education may be dead for this session of Congress, but the issue of Federal aid to education is not dead. Instead, this issue is more alive than ever and it will remain here to plague Congress until it is solved.

Recent debate over this issue has served to cloud some of the original purposes behind the proposed legislation.

For the benefit of the membership, I desire to recall some of the facts which I believe demonstrate why this issue will remain with us.

We have been considering the Federal-aid-to-education issue in the light of existing conditions. I think it wise for us now to also consider this issue in the light of what we know conditions will be in the next few years.

Evidence has been conclusive that we have a condition throughout the country which is harmful to our public-school program. Teachers have been so badly underpaid that the profession has been depleted to a dangerous point. Not enough young people are entering the profession to meet our present needs, let alone the need for more teachers that is growing yearly.

We have an estimated 4,000,000 children not in school today because school facilities simply do not exist for many of them. A large percentage of this group is being condemned to a life of illiteracy—a handicap far harder to overcome than many physical handicaps today.

But in addition to this, we are faced with an increase in our school population in the next few years which threatens to swamp public education. The cry is heard that this problem is one for the States and local communities to solve. Since so many of them are lacking the financial ability to solve today's problem, it is difficult to see how they can hope to cope with the situation that will exist during the next 5 years when the full force of the postwar baby crop hits them.

In round numbers, we have today approximately 28,000,000 children in our schools. Birth records for 1947, 1948, and 1949 already available set all time high marks. Children already born and not yet of school age prove beyond all question that we will have at least 37,000,000 children of school age by 1957. Most of this influx of additional children will come between now and 1957.

Our total public school cost in America today is estimated at roughly $4,651,000,000. We are now employing about 950,000 school teachers. Of this number, at least 80,000 to 90,000 are teachers inadequately qualified and trained. We are going to need at least 150,000 more

teachers in the next 5 years and our present teacher-training program will not provide that supply.

We have approximately 10,000,000 children attending classes in unsafe, unhealthy, and otherwise inadequate buildings today. This condition will get worse instead of better, since a majority of the school districts of America already have reached their financial bonding limit to provide more classrooms. Conservative estimates tell us that we need at least $7,000,000,000 worth of new classrooms right now, and this figure is expected to jump to as high as $11,000,000,000 within 5 years.

The State and local communities increased their school financing by more than a half billion dollars within the last year. While this has done much to improve salary conditions for teachers, we still find tens of thousands of school teachers working for subnormal pay.

Much has been said about Federal aid to education being a plan merely to raise the pay of teachers. If the total of the proposed $300,000,000 of Federal aid was devoted to teachers' pay, it would add only an average of $30 a year to present wages.

Actually, what the Federal-aid program is designed to do is twofold: One, it will raise the pay of many substandard teacher salaries. But by and large, it will provide funds for hiring additional teachers without our having to reduce present pay levels of teachers already on the job.

This is clearly evident when we consider the terrific effort on the home front that is now being made to finance schools. Only a few States can be shown to have much remaining capacity to maintain present finance levels. States that today make the best showing in school financing, are the spots where the greatest impact from this new baby crop is going to be felt. All these States are now faced with the task of either finding new ways to finance schools or to cut back the pay levels they have established for teachers' salaries.

I am calling these facts to the attention of Congress because I think they place an entirely new light on the Federal-aid-to-education issue.

It perhaps has been true up to now that the force behind the Federal-aid movement has been inspired by those already teaching to get more pay. But the forthcoming unprecedented increase in school enrollment is going to pose problems never before faced by our educational system.

We have seen far too many qualified teachers leave the profession for better paying jobs in other fields. Improvements made in local and State levels in the last few years have stopped this trend temporarily, but these improvements have not yet caused a sufficient increase in the number willing to enter the profession.

In view of the fact that so many States and local communities have now reached the limit of their abilities to finance schools; in view of the fact that only in a few of the States have teacher-pay levels been made satisfactory; in view of the fact that every year we can now see into the future is going to increase the needs for more facilities; in view of the fact that we cannot from a national standpoint afford to tolerate a continuing bad school program, I say Congress is going to be compelled sooner or later to recognize this problem.

I had hoped we could achieve some success in this field this year. I had hoped we could approach the problem calmly and sanely. I had hoped this was going to be accomplished before the national emergency became so severe that it would stampede us into an hurried and careless approach. But the religious issue has been forced into the proposition and it has had the over-all effect of blocking final congressional action.

We have gone far enough now to know that the religious issue will remain with us until it is solved. The matter cannot be compromised, despite the effort in that direction made in the Senate's bill. The solution adopted by the Senate at best offers only temporary relief from an ultimate congressional show-down on the religious quarrel.

I, for one, am opposed to having any religious consideration in this legislation. One way or the other, Congress is going to be compelled to take a stand, either for an outright acceptance of religious school aid or for a stand once and for all against such aid. I hope the second alternative is chosen. We can argue and debate the matter all we please, but it is now an issue that will require a majority vote to settle. I think most Members of the Congress also realize this point.

Summarizing the present situation, realizing the need for action, it is my hope that all those forces wanting to help strengthen our public educational system will become alert to the existing dangers. Such organizations as the Committee on Federal Aid to Public Education can do much to help bring this issue to a satisfactory settlement.

I am advised that a national conference to devise ways and means of pushing the fight for assistance to public education has been called for June 16 here in Washington under the auspices of the Committee on Federal Aid to Public Education. The American Association of University Women, the Y. W. C. A., the Parent-Teachers Association and many other organizations having a mutual interest in this subject have been invited to participate. It is to be hoped the teachers' own organization, the National Education Association, likewise will join in this movement. Only by presenting a united front can the friends of public education hope to make substantial progress so badly needed now.

A lot of work remains to be done. The Nation needs to know the issues. I hope all the issues can and will be presented, objectively and accurately. Religious issues tend toward emotional storms but for the sake of our children we must endeavor to meet this problem away from such emotions.

I think our friends who sponsor nonpublic schools ought to realize that their demands for help from public funds hold great danger for them. It ought to be plain for all to see that the same Congress that has power to help these nonpublic schools also has the power to harm these schools. The farther away from Congress the nonpublic schools remain is, in my opinion, the safest course for them to follow.

The same danger does not hold for public schools, since of necessity these institutions are financed and controlled by public funds and activities.

To all those who believe as I do that our American public system, operating under a church and state separation ideal, is the greatest safeguard we can offer our citizens I appeal for a joining of forces to help this fight.

One thing we must in all sincerity remember: If we really want to guarantee our future against totalitarianism, communism, and all the other enemies of democracy, proper education of our children is the first line of defense. Mr. Speaker, education is a national need and therefore a national problem.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries.

RIVERS AND HARBORS AND FLOOD CONTROL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 597)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and referred to the Committee on Public Works, and ordered to be printed:

To the Congress of the United States:

I have approved H. R. 5472, an act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

This act authorizes the construction of dams, locks, levees, and other works whose estimated total cost will be more than 1.8 billion dollars. Of this amount, the present act authorizes to be appropriated about 500 million dollars. In addition, the act authorizes additional appropriations of about 1.2 billion dollars to carry forward the construction of works authorized in previous acts.

The purpose and value of acts such as this is to authorize work which needs to be done at some time in the future. The actual commencement of work in each case will depend upon when appropriations are actually made. In a few cases, such as Albeni Falls Dam in northern Idaho, funds for which were included in the 1951 budget, the work is so urgently needed that appropriations should be made in the near future. In most cases, the work authorized in this act will be added to the present backlog of authorizations, and each project will be evaluated in the light of economic, budgetary, and other considerations in preparing and enacting each year's budget.

Most of the construction work authorized in this act is based upon careful planning, and will be of lasting value as an investment in the development and use of our natural resources. That is the reason I have signed the act.

In a number of particulars, however, the act is seriously deficient. I expect to take such remedial action as is open to me, and I request further legislative

action by the Congress, to meet these deficiences.

The basic reason for the deficiences in this act is, I believe, that the Congress has not adjusted its procedures to the inherent requirements of Federal resource development work. The Congress is well aware that the development and use of our natural resources must be carried on in ways that consider the interrelationship between different resources—particularly, in this case—water, land, and forests. This act, however, was prepared with a primary view to the rivers and harbors and flood control work of the Army Engineers—which is only one part of the job that needs to be done.

The failure to give proper consideration to the water resources responsibilities of other agencies, in enacting this legislation, is illustrated in several ways.

First, the act places on the department of the Army responsibility for "developing comprehensive, integrated plans of improvement" of the Arkansas, White, and Red River Basins (which cover parts of eight States), "for navigation, flood control, domestic and municipal water supplies, reclamation, and irrigation, development and utilization of hydroelectric power, conservation of soil, forest and fish and wildlife resources, and other beneficial development and utilization of water resources." Such comprehensive and integrated plans of improvement are obviously needed, not only for these river basins, but also for others. Some of the work to be done under such plans will be carried out by the Department of the Army, but other equally important phases of the work will be carried out by the Department of Agriculture, the Department of the Interior, and other Federal agencies. Under these circumstances, it is clearly inappropriate that those other agencies should not participate in making the plans in the first place. Furthermore, since the States, as well as the Federal Government, have important responsibilities in resource development work, this provision is defective in not requiring full consultation and collaboration with the States in preparing the comprehensive plans.

The act requires that the plans prepared by the Department of the Army shall be "coordinated with the Department of the Interior, the Department of Agriculture, the Federal Power Commission, other appropriate Federal agencies, and with the States as required by existing law." All that is required by existing law, however, is that certain Federal agencies and the States concerned be given an opportunity to comment on the plans prepared by the Department of the Army, before they are submitted to the President and the Congress. This is plainly no substitute for participation in the original preparation of the plans.

For this reason, I believe the provision originally adopted by the Senate, but omitted from the final act, was far preferable. This would have provided that comprehensive plans for the Arkansas, White, and Red River Basins be prepared by a special interdepartmental commission, under a chairman appointed by the President, and with participation by the States.

In the absence of such legislation, I shall attempt to assure concerted action and effective planning, so far as that may be accomplished under existing laws. I am therefore issuing instructions to the appropriate Federal agencies to work together in preparing comprehensive plans for these basins, insofar as their existing authority permits, and to invite participation by the States concerned. This should remedy, to some extent, the inadequacy of the present act. But more than this is needed. I recommend that the Congress reconsider the matter, and authorize the type of investigation and planning that would be accomplished under the provisions originally adopted by the Senate.

A second, and even worse, example of inadequate planning provided for in this act relates to New England. The act places responsibility on the Department of the Army to survey the Merrimack and Connecticut Rivers and their tributaries, and such other streams in New England where power development appears feasible and practicable, to determine the hydroelectric potentialities, in combination with other water and resource development. This assignment of responsibility, like that in the case of the Arkansas, White, and Red River Basins, obviously involves the work of other Federal agencies, and of the States, as well as that of the Department of the Army; and those other agencies and the States should participate in the planning work.

In this case, moreover, the act does not specify the several other purposes, aside from the development of power, which should be considered in order to prepare proper resource development plans.

And yet soil, forest, and fisheries conservation and management, stream-pollution abatement, improved domestic and municipal water supplies, recreational development, and other resource problems are all highly important to the future growth of the Northeastern States—New York as well as the New England States—and should be studied together.

Furthermore, the geographical area to be surveyed is not wisely chosen, even from the single viewpoint of power development. It has been understood for years by the New England States and by New York State that some of the power from the St. Lawrence project would be used in New England. It may well be that some of the power sites to be developed in New England should be interconnected with the St. Lawrence or other notheastern power sites in the interest of more power at lower cost for the whole region. But the present act does not even require that this possibility be investigated.

This piecemeal approach is obviously inadequate. I strongly urge the Congress to authorize a full-scale investigation of multiple-purpose resource development, with appropriate participation by all the Federal agencies and the States concerned, such as would be accomplished by the New York-New England Resources Survey Commission I have previously recommended.

In the meantime, although I consider it an inadequate remedy I shall issue instructions to the appropriate Federal agencies to work together and with the States in preparing as much of a combined resource development plan for this area as existing law will permit.

A third serious defect in this act concerns the Pacific Northwest.

Nearly 3 years ago, I directed the Departments of the Army and the Interior to prepare a joint plan for their further work in the Columbia River Basin. They did so, and, among other things, recommended an integrated schedule of projects to be constructed, and a basin account to permit unified physical and financial operation of the several Federal projects to be constructed in the basin.

Instead of authorizing this series of projects and the basin account, the present act merely authorized those projects which were included in the joint plan for construction by the Army Department. It omits all the projects which were jointly recommended for construction by the Interior Department—some of which should be constructed earlier than a number of Army projects which are authorized in this act. The present act also omits the basin account, without which the various Federal projects to be constructed in the Columbia River Basin cannot be combined in a sensible and practical operating system.

I urge that the Congress reconsider this matter at the earliest opportunity, and authorize the missing pieces of the Army-Interior Columbia Basin plan. As I have said a number of times, the Army-Interior joint plan is no substitute for the truly comprehensive resource development which would be made possible by the establishment of a Columbia Valley Administration, but the joint plan would be clearly superior to the partial and inadequate authorizations contained in this act.

Aside from the defects I have already noted, there are two other points on which I wish to comment.

One provision in the act might be construed to vest in the Department of the Army exclusive jurisdiction over the development and improvement of rivers and other water resources in Alaska. Alaska should not be denied the services of other Federal agencies which would normally contribute to the preparation of plans for the development of its resources. Whether this provision will in fact have such a result is unclear at the present time; if necessary, I shall recommend remedial legislation at a later date.

I also wish to make it clear that I consider that certain projects authorized in this act, with a total estimated cost of about 89 million dollars, do not justify the expenditure of Federal funds. The Congress was informed that, in the view of the executive branch of the Government, after careful consideration, these projects were not warranted. Moreover, a few projects have been authorized for construction in this act, at an estimated

total cost of about 12 million dollars, even though the Congress has not received project reports from the executive branch. I consider this to be unwise, and in direct conflict with a provision of this very act which declares it to be the policy of the Congress that—

> No project or any modification not authorized, of a project for flood control or rivers and harbors, shall be authorized by the Congress unless a report for such project or modification has been previously submitted by the Chief of Engineers, United States Army, in conformity with existing law.

I urge the Congress in the future to avoid authorizing projects which have not been thoroughly considered or which do not meet sound standards for river development work. We can ordinarily afford to consider new authorizations for such development without haste, since there are already authorized, without this act, river and harbor projects which will take 18 years to complete, and flood-control projects which will take 8 years to complete, at the level of Federal expenditures recommended in the 1951 budget.

Finally, I urge the Congress to develop more satisfactory procedures for considering and authorizing basin-wide development programs. We are a long way still, both in the executive and legislative branches, from the kind of comprehensive planning and action that is required if we are to conserve, develop, and use our natural resources so that they will be increasingly useful as the years go by. We need to make sure that each legislative authorization, and each administrative action, takes us toward—and not away from—this goal.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 22, 1950.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SHELLEY (at the request of Mr. HAVENNER), for an indefinite period, on account of illness in the family.

To Mr. GARY (at the request of Mr. HARDY), for an indefinite period, on account of the death of his father.

EXTENSION OF REMARKS

Mr. SHELLEY (at the request of Mr. HAVENNER) was given permission to extend his remarks in two instances and include extraneous matter.

Mr. HART asked and was given permission to extend his remarks and include certain addresses delivered on the anniversary of the birth of Andrew Furuseth, and certain other material.

Mr. EBERHARTER asked and was given permission to extend his remarks and include a letter appearing in the New York Times of Sunday, April 23, 1950, Letters to the Times, a message from five distinguished gentlemen on the matter of a budget for Germany; and further to extend his remarks and include excerpts from an address delivered by Arthur L. Mayer at the meeting of the executive committee of the American Jewish Committee, April 30, 1950.

Mr. HILL asked and was given permission to revise and extend his remarks and include remarks made by other Members of the House.

Mr. STEFAN asked and was given permission to revise and extend his remarks and include several pages from the hearings on the Yugoslavian matter.

Mr. WOODRUFF asked and was given permission to extend his remarks in two instances and include an editorial in one and a newspaper article in the other.

Mr. STEED asked and was given permission to extend his remarks and include a statement by him.

Mr. LESINSKI asked and was given permission to extend his remarks and include an address delivered by him over Station WJR on May 19, 1950.

Mr. LINEHAN asked and was given permission to extend his remarks.

Mr. ELLIOTT asked and was given permission to extend his remarks and include an address by Prof. C. W. Williams, of the University of Alabama, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $246.

Mr. WALTER asked and was given permission to extend his remarks and include an address delivered by Mr. O'Connor, of the Displaced Persons Commission.

Mr. NOLAND, Mr. VAN ZANDT, and Mr. BENNETT of Florida asked and were given permission to extend their remarks and include extraneous material.

Mr. RODINO asked and was given permission to extend his remarks and include an editorial.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 183. Joint resolution to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session; to the Committee on the Judiciary.

SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; and

S. 2811. An act to amend section 1462 of title 18 of the United States Code with respect to the importation or transportation of obscene matters.

SPECIAL ORDER GRANTED

Mr. SUTTON (at the request of Mr. PRIEST) was given permission to address the House for 30 minutes on Friday next, following the legislative program and any special orders heretofore entered.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 23, 1950, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1467. A letter from the Acting President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill entitled "A bill to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of temporary identification tags, and for other purposes"; to the Committee on the District of Columbia.

1468. A letter from the executive secretary, American Chemical Society, transmitting the third annual report of the American Chemical Society, for the calendar year 1949; to the Committee on the Judiciary.

1469. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 16, 1950, submitting a report, together with accompanying papers, on a review of report on the Arkansas River and tributaries, with a view to providing flood protection on Clear Creek at Pierce City, Mo., requested by a resolution of the Committee on Flood Control, House of Representatives, adopted on March 22, 1946; to the Committee on Public Works.

1470. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated April 5, 1950, submitting a report, together with accompanying papers, on a preliminary examination of Lapa River and tributaries, Puerto Rico, authorized by the Flood Control Act approved on August 18, 1941; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 8230. A bill to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida; without amendment (Rept. No. 2118). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 6063. A bill to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges; with amendment (Rept. No. 2120). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 1789. A bill for the relief of the Shelby Shoe Co., of Salem, Mass.; with amendment (Rept. No. 2119). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FLOOD:

H. R. 8586. A bill to authorize, for a temporary period, the purchase by the Government of anthracite in amounts sufficient to maintain normal production and employment in the anthracite region, to promote the general national welfare, and for other purposes; to the Committee on Public Lands.

By Mr. FORAND:

H. R. 8587. A bill to amend section 2, Public Law 649, Seventy-ninth Congress, approved August 7, 1946, providing for the disposition of vessels, trophies, relics, and material of historical interest by the Secretary of the Navy, so as to include certain additional veterans' organizations; to the Committee on Armed Services.

By Mr. FORD:

H. R. 8588. A bill to suspend certain import taxes on copper; to the Committee on Ways and Means.

By Mr. MITCHELL:

H. R. 8589. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURRAY of Wisconsin:

H. R. 8590. A bill to amend the act of March 4, 1923, to provide for determinations and reports relating to the manufacture of filled milk in the United States, and for other purposes; to the Committee on Agriculture.

By Mr. SULLIVAN:

H. R. 8591. A bill to provide for the construction of the Jefferson National Expansion Memorial at the site of old St. Louis, Mo., in general accordance with the plan approved by the United States Territorial Expansion Memorial Commission, and for other purposes; to the Committee on House Administration.

By Mr. POWELL:

H. R. 8592. A bill to provide for the rescission of the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. WILLIAMS:

H. R. 8593. A bill to grant credit under the Civil Service Retirement Act of May 29, 1930, as amended, for annual leave accumulated in excess of 60 days; to the Committee on Post Office and Civil Service.

By Mr. BROOKS:

H. R. 8594. A bill to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the armed forces of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. LEMKE:

H. R. 8595. A bill to authorize the issuance of trust patents in lieu of land-use exchange assignments issued on the Standing Rock Sioux Reservation, located in South Dakota and North Dakota, prior to January 1, 1950; to the Committee on Public Lands.

H. R. 8596. A bill to waive in certain cases the priority of payment of debts owing to the United States in the administration of a deceased debtor's estate; to the Committee on the Judiciary.

By Mr. SPENCE:

H. R. 8597. A bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers; to the Committee on Banking and Currency.

By Mr. SCRIVNER:

H. Con. Res. 213. Concurrent resolution to create a joint congressional committee to investigate Federal grant-in-aid programs; to the Committee on Rules.

By Mr. HAYS of Ohio:

H. Con. Res. 214. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred, as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. CUNNINGHAM:

H. R. 8598. A bill for the relief of Mrs. Chisako Shimizu Sheldahl and Ryoichi Shimizu Sheldahl; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 8599. A bill for the relief of Capt. Roy William Montrose Graham, United States Navy; to the Committee on Armed Services.

By Mr. KILBURN:

H. R. 8600. A bill for the relief of Yuriko Aoyama; to the Committee on the Judiciary.

By Mr. LANHAM:

H. R. 8601. A bill for the relief of U. S. Homes, Inc.; to the Committee on the Judiciary.

By Mr. McKINNON:

H. R. 8602. A bill for the relief of Charles L. Pauter; to the Committee on the Judiciary.

By Mr. SCRIVNER:

H. R. 8603. A bill for the relief of James Nels Ekberg; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 8604. A bill to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.; to the Committee on Armed Services.

By Mr. WILSON of Texas:

H. R. 8605. A bill conferring jurisdiction upon the United States District Court for the Northern District of Texas to hear, determine, and render judgment on certain claims of Charlie Joe Starnes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2156. By Mr. HAGEN: Resolutions adopted by the Independent Retail Lumber Dealers Association at Minneapolis, Minn., relative to sundry Government programs and legislation presently pending before the Congress of the United States; to the Committee on Ways and Means.

2157. By Mr. LANE: Memorial of the General Court of Massachusetts, to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2158. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2159. By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts, to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

SENATE

TUESDAY, MAY 23, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Samuel Forsyth, officer of British Empire, Minister of Adelaide Central Methodist Church, Adelaide, Australia, offered the following prayer:

Almighty God, in whose hands are the destinies of nations, we pray that Thou wilt bless this Senate. Direct and prosper its deliberations. Lead it in the way of honor, justice, and righteousness.

Thou hast permitted us to increase in power and riches, and hast endowed us with gifts of knowledge and skill and assigned to us a leading place among the mighty nations of the world. May we be mindful of the trust which Thou hast laid upon us and ever be found faithful to Thy cause.

Raise up in all lands noble and upright men to be leaders and counselors of the people, and may rulers and judges and all who bear rule and responsibility exercise their powers as ministers of Thy justice and mercy. Deliver us from evil ambitions and selfish rivalries and false judgments.

We thank Thee for the spiritual relationships that bind the peoples of the free world together in good will and helpfulness.

We thank Thee for what Thou hast enabled us to accomplish for others.

Deliver us, we pray Thee, from the sin of self-righteousness and keep us humble, truthful, and spiritually minded. Help us to serve our day and generation in the spirit of Him who said: "Inasmuch as ye did it unto one of the least of these ye did it unto me." Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 22, 1950, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year

ending June 30, 1950, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. GEORGE. Mr. President, I do not see on the floor the Senators who have charge of the time on the pending resolution.

The VICE PRESIDENT. The question before the Senate is on agreeing to Senate Resolution 259, disapproving Reorganization Plan No. 5 of 1950, with an agreement to vote at 1 o'clock.

Mr. GEORGE. In the absence of the Senators who are in control of the time for the respective sides, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Magnuson
Benton	Hill	Malone
Brewster	Hoey	Martin
Bricker	Holland	Millikin
Bridges	Humphrey	Mundt
Butler	Hunt	Neely
Byrd	Ives	O'Conor
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Robertson
Chapman	Johnson, Tex..	Russell
Connally	Kefauver	Saltonstall
Cordon	Kem	Schoeppel
Darby	Kilgore	Smith, Maine
Donnell	Knowland	Smith, N. J.
Douglas	Langer	Sparkman
Dworshak	Leahy	Stennis
Eastland	Lehman	Taft
Ecton	Long	Taylor
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Watkins
Fulbright	McClellan	Wherry
George	McFarland	Wiley
Gillette	McKellar	Williams
Hayden	McMahon	Withers

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Oklahoma [Mr. KERR], the Senator from Florida [Mr. PEPPER], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letter, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, DEPARTMENT OF STATE (S. Doc. No. 173)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1951 in the amount of $27,450,000 for the Department of State, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

ESTIMATE OF APPROPRIATION, ASSISTANCE TO ECONOMICALLY UNDERDEVELOPED AREAS (S. Doc. No. 171)

A communication from the President of the United States, transmitting an estimate of appropriation for the fiscal year 1951, in the amount of $26,900,000, in the form of an amendment to the budget for said fiscal year, to provide for an expanded program for assistance to economically underdeveloped areas under pending legislation (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, INTERNATIONAL CHILDREN'S WELFARE WORK (S. Doc. No. 172)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, fiscal year 1951, in the amount of $15,000,000, for international children's welfare work, in the form of an amendment to the budget for said fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. McKELLAR. Mr. President, on yesterday I reported favorably from the Committee on Appropriations House Joint Resolution 476, making temporary appropriations for 1950, and I now ask unanimous consent for its immediate consideration. It will take only 3 or 4 minutes. The necessity for immediate action is that the Congress has raised the pay of Government employees and wage earners several times.

In order to have money to meet these increased wage and pay items, the House has passed House Joint Resolution 476, appropriating the necessary funds. The effect of it is to make the increases of pay for the last part of May and all of June applicable to all employees. It is a matter of great importance. The appropriations committee has gone over the joint resolution very carefully. I do not think any committee ever went over any measure so carefully as the committee went over this particular joint resolution. That was done because we thought the House resolution covered a little too much territory. The experts of the committee got together, and Senators from both parties agreed on an amendment. I hope the amendment will be agreed to and the joint resolution passed.

The VICE PRESIDENT. The Senator from Tennessee asks unanimous consent for the present consideration of House Joint Resolution 476. The clerk will state the joint resolution by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations with an amendment, on page 2, line 2, after the word *"Provided"*, to insert "That amounts herein made available for the payment of such compensation, pay, and allowances shall not exceed the amounts necessary to supply deficiencies in funds appropriated for such purposes resulting from (1) the enactment, during the Eighty-first Congress, of acts increasing the rates of such compensation, pay, and allowances; (2) any comparable pay increases granted by administrative action pursuant to law; and (3) any pay increases granted by wage boards: *Provided further.*"

Mr. McKELLAR. Mr. President, I wish to say to the Senate that this measure is of considerable importance to a great many Government employees. Enactment of the measure is absolutely necessary. The Congress has provided by law for increases in pay and also has provided by law for increases in pensions. Of course it is necessary to pay for those increases. I am sure that the Senator from New Hampshire will agree with me when I say that the members of the committee have put every possible safeguard around this appropriation and in that connection have protected the Government in every conceivable way, and at the same time we are providing for two principal things, namely, the increases in the pay of the soldiers and the increases in the pay of the Government employees, both increases having been directed by Congress.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. BRIDGES. Mr. President, I simply wish to say a few words regarding the amendment and the joint resolution,

when the Senator from Tennessee has concluded his remarks.

Mr. McKELLAR. I yield for that purpose to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, this measure, which the Senator from Tennessee, as chairman of the Appropriations Committee reported yesterday, is now before the Senate for consideration. I wish to say regarding it, to begin with—and I think the Senator from Tennessee will agree with me—that I do not believe this measure constitutes a good way of legislating. Nevertheless, the Congress finds itself confronted with a situation which it must take care of, namely, in the last session the Congress passed certain pay-raise bills and certain other measures making appropriation increases affecting various departments and bureaus of the Government. The pay-raise bill affected all Government employees. The appropriations were made largely on the basis of the old figures. The new figures, including the pay raises, have been in effect since the passage of those measures.

Now the end of the fiscal year approaches, and the money previously appropriated, which normally would carry us to June 30, has been absorbed by the pay increases, and so forth, until now many of the departments and bureaus of the Government find themselves without funds with which to carry on.

This measure is somewhat of an expedient method of handling the situation. It is one that does not appeal to me. However, from a practical viewpoint it seems perhaps the fairest approach to the situation.

Mr. McKELLAR. It is really the only thing which can be done at this time, does not the Senator agree?

Mr. BRIDGES. Yes. As the chairman of the committee has said, I think the committee have gone over this matter very carefully and have put into it all the guaranties and securities possible in the way of protecting the Congress when it is legislating in that way.

Therefore, I join with the distinguished chairman of the committee in urging the passage of the joint resolution.

Mr. McKELLAR. I thank the Senator.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. FERGUSON conferees on the part of the Senate.

CONTINGENT EXPENSES OF THE SENATE, FISCAL YEAR 1950

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of Senate Resolution 284.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 284) was read, as follows:

Resolved, That the following amounts for contingent expenses of the Senate, fiscal year 1950, hereby are authorized for expenditure in accordance with the provisions of House Joint Resolution 476, Eighty-first Congress, on account of increased pay costs and otherwise as specified in House Documents 471, 543, and 544:

Senate policy committees, $1,385 for each committee; in all, $2,770;

Joint Committee on the Economic Report, $2,085;

Joint Committee on Atomic Energy, $3,645;

Joint Committee on Printing, $700;

Reporting Senate proceedings, $3,455;

Inquiries and investigations, $138,170;

Folding documents, $2,985;

In all, $153,810.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

REORGANIZATION PLAN NO. 5

The Senate resumed consideration of Senate Resolution 259 disapproving Reorganization Plan No. 5.

Mr. O'CONOR. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. O'CONOR. Is it in keeping with the provisions of the unanimous-consent agreement that the remaining time, which I note to be approximately 26 minutes, be divided between the Senator from Vermont [Mr. AIKEN] and the Senator from Maryland?

The VICE PRESIDENT. The law requires that the time be equally divided. The only question is as to who will control the time. The Chair believes that the Senator from Maryland and the Senator from Vermont are to control the time.

Mr. O'CONOR. Then, Mr. President, I yield 5 minutes to the Senator from Illinois.

The VICE PRESIDENT. The Senator from Illinois is recognized for 5 minutes.

MEETING OF THE SECRETARY OF STATE WITH MEMBERS OF CONGRESS

Mr. LUCAS. Mr. President, at the meeting of congressional leaders at the White House this morning, we were informed by the President of the United States that Secretary Acheson will return from Europe in a short time and will address Members of Congress 1 week from tomorrow, at 12:30 p. m., in the auditorium of the Library of Congress. On that day, Wednesday, May 31, immediately after the convening of the Senate, there will be a quorum call, and then the Senate will proceed in a body to the auditorium of the Library of Congress.

It is my understanding that Secretary Acheson would like to make a full report to Members of Congress upon his discussions with the foreign ministers of the Atlantic Pact countries, which discussions produced many constructive results. In London, Secretary Acheson expressed his approval of the bold proposal by Robert Schuman, the French Foreign Minister, to pool French, German, and possibly other European coal and steel production. He pointed out that the Schuman plan contained "objectives which had long been favored by the Government of the United States."

There can be no doubt that the French proposal will help us in tying Western Germany more closely to the free nations of the world. If this plan is developed in a creative spirit, in a spirit for the mutual benefit of all, it will transform, in my opinion, the economy of Europe and will also make western Europe much stronger against those who seek to carry out aggressive policies.

On May 11, Representative HALE BOGGS, of Louisiana, placed in the CONGRESSIONAL RECORD, on page A3561, an editorial from the Washington Post, under the caption "Union in Western Europe," and also placed in the CONGRESSIONAL RECORD of that date the details of the plan for the industrial unification of Europe, as set forth by Robert Schuman, the French Foreign Minister. I mention that merely in order to give Senators information regarding where they may find the editorial and the text of the plan, if they desire to read them between now and the time when the Secretary of State will meet with Members of Congress and discuss the plan. Not only does he desire to discuss in detail what has happened during his trip with respect to the unification of the European countries regarding this very important economic question, but he will also answer any questions which may be propounded to him by Members of Congress. The meeting will be in executive session; it will be similar to the one we had some time ago when former Secretary of State George Marshall reported to the Congress while he was chief of staff. I recall that that meeting was very beneficial to all concerned and very constructive.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I have read in the newspapers, which is my only source of information about the matter, that the Secretary of State made, while he was abroad, certain agreements with relation to the extension of the economic assistance after 1952 and also with relation to military agreements. Does the Senator know whether it is Secretary Acheson's intention to discuss those matters at the same time?

Mr. LUCAS. I cannot advise the able Senator from Massachusetts as to what Secretary Acheson will discuss. However, after he finishes his address before the Members of Congress, he will then request Members of Congres to propound any inquiries they may desire with respect to what he did on that trip, and

he will be in a position to answer the Senator at that time.

Mr. SALTONSTALL. I merely make that observation because it seems to me that the plan ties in the military assistance and the steel problems and all that goes with them.

Mr. LUCAS. I am sure that any questions which any Senators or Members of the House of Representatives desire to ask the Secretary of State will be answered in a forthright and understandable way, as he understands the various matters.

The VICE PRESIDENT. The time of the Senator from Illinois has expired.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that the majority leader may have 1 minute further, in order that I may ask him a question.

The VICE PRESIDENT. The time is in control of the Senator from Vermont and the Senator from Maryland.

Mr. O'CONOR. I yield.

Mr. ROBERTSON. I have a question I should like to ask the majority leader.

The VICE PRESIDENT. The Senator from Virginia is recognized for 1 minute.

Mr. ROBERTSON. The question I desire to ask is whether the majority leader does not think it would be wise, since the Members of the Senate I am sure are deeply interested in what is going to be said, to be permitted to submit questions in writing, in order to give the Secretary of State an opportunity before answering them, to know what the questions are and to formulate his reply. We should like the replies to be as definite and as specific as possible. If one is required to make an off-the-cuff reply, he must be cautious, because the replies will be going to the press, and we might not get so far as we could if the Secretary knew exactly what the questions were and had the time in which to consider how far he could go in answering.

Mr. LUCAS. Mr. President, in reply to the Senator from Virginia, I should like to say that if any Senator desires to propound any questions to the Secretary in advance, by way of a memorandum, I think that will be entirely proper. However, I believe that certain questions will arise in the minds of Senators after they hear the Secretary's speech, which would not occur to them probably otherwise.

The VICE PRESIDENT. The Senator's time has expired.

REORGANIZATION PLAN NO. 5

The Senate resumed consideration of Senate Resolution 259 disapproving Reorganization Plan No. 5.

Mr. O'CONOR. Mr. President, I yield to the junior Senator from Connecticut the remainder of the allotted time.

The VICE PRESIDENT. The Senator from Connecticut is recognized for 6 minutes.

Mr. BENTON. Mr. President, the issue on this plan is very clear, as it has been on similar reorganization proposals from the President. The issue stems from the recommendations of the Hoover Commission that departmental authority and responsibility should be centralized in department heads. The issue is as simple as this—exactly as on plans 1 through 6, inclusive. We have here, as in so many other areas of the Government, a situation which is somewhat cloudy or confused. On plan No. 1, the clouds of confusion hang over the Comptroller of the Currency. On plan No. 5, they hang over the Commissioner of Patents. The clouds are fostered and fomented, even when not generated, by private groups who think they profit from them.

If the President of the United States had the personal time to devote to the Comptroller of the Currency, the Commissioner of Patents, and the many, many other bureaus for which he is responsible there would, of course, be far less need for these reorganization proposals. The President appoints the Commissioner of Patents, just as he does the Secretary of Commerce.

The Commissioner of Patents serves at the will and pleasure of the President, just as does the Secretary of Commerce. If the President had the time, there is a presumption that he might or could hook them together in a common administrative policy for economy and efficiency. Surely the President, particularly in view of the great and impossible pressures on him and on his time, should have the right if he chooses to exercise his control over administrative policy through making one of these officers for whom he is responsible report to him through another officer for whom he is also responsible. That is the kind of good organization procedure which is followed by all top administrators.

Therefore, all that is involved in Reorganization Plan No. 5 is that the President is saying, in effect, to the Commissioner of Patents: "Hereafter I want you to report to me clearly and unequivocally through the Secretary of Commerce instead of occasionally and deviously."

Is this change so drastic? As pointed out yesterday by the distinguished senior Senator from West Virginia, the Secretary of Commerce already has charge of all employees in the Patent Office, except the Commissioner and the four chief assistants who are appointed by the President. Under the present system the Secretary of Commerce could transfer employees in the Patent Office, if he wished, and no one can be employed in the Patent Office without his approval.

If this situation between the Secretary of Commerce and the Commissioner of Patents had not been allowed to become chaotic and confused in the first place, it would not now require the simple clarification which is going under the big name of reorganization.

Almost the only witnesses to appear in opposition to plan No. 5 were the patent attorneys. There seems to be no opposition to the clarification of the Secretary of Commerce's responsibilities over the other eight bureaus involved in this reorganization. The patent attorneys, however, fear that their interests will be adversely affected. They fear change. Or perhaps it is more accurate to say that they fear the possibility of change because the Secretary of Commerce has attested to the fact that he does not plan any change in the present operation and responsibility of the Patent Office.

Mr. President, I have previously read on the floor of the Senate from the testimony of Mr. Folk. I refer to it again because it was read at such length by the distinguished Senator from Wisconsin [Mr. WILEY] yesterday. But the Senator from Wisconsin omitted the key section of this testimony, which is to be found on pages 66 and 67 of the hearings. This section was by far the most important of all.

Now, whom does Mr. Folk represent? He said that he served the NAM for the past 12 years "more as a hobby than anything else," as its patent adviser. He said he "spoke for that association," that is, the National Association of Manufacturers, with its 15,000 voluntary members.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point in my remarks an excerpt from the CONGRESSIONAL RECORD of May 11, appearing at page 6870, wherein portions of Mr. Folk's testimony are included.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

For the Department of Commerce.

When I had a chance to question Mr. Folk, near the end of his testimony, I asked him several questions. I shall read these questions and his replies, as taken from the printed testimony:

"Mr. BENTON. These manufacturers who are among our biggest taxpayers * * * how many of them * * * had the other side of the case presented to them before agreement was reached on this statement which you submitted in the name of the National Association of Manufacturers?

"Mr. FOLK. I can only say that I was authorized by the National Association to take the position I have taken.

"Mr. BENTON. How many of the 15,000 members that you list on the first page of your statement have approved this statement?

"Mr. FOLK. Of course, it was practically impossible, it would be impossible, to do that. I did submit these views to our committee on patents and research of the National Association of Manufacturers. A committee of more than 100 * * * constitute that committee.

"Mr. BENTON. You think perhaps those 100 men have been exposed to the memorandum you presented today?

"Mr. FOLK. They have not seen the memorandum, but it is the position NAM would take concerning the reorganization plan."

Not even the 100 men, Mr. President, had seen the memorandum.

"Mr. BENTON. If they have not seen the memorandum, would you think it is a fair assumption to say that they have not been exposed to the kind of presentation or arguments presented by Secretary Sawyer, Mr. Fleming, and Mr. Lawton this morning which present the arguments demonstrated, according to those who have studied most thoughtfully, why this particular plan is in the interest of efficiency and economy and the best conduct of this Government?

"Mr. FOLK. I did not see the arguments of the Secretary of Commerce, Mr. Sawyer, myself, until today. So I dare say the members of the association did not have any more information than I had."

Mr. BENTON. Mr. President, this testimony surely brings out very vividly the point made yesterday by the senior Senator from West Virginia, that the opposition here is from patent attorneys, not from the trade associations with which they may be connected. In this

connection, I ask unanimous consent to insert in the RECORD at this point in my remarks another excerpt from the RECORD of May 11, appearing at page 6870.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The chairman of the [patent] committee [of the NAM] is Albert E. Noelte, treasurer of the Priscilla Braid Co. The vice chairman is Merwin F. Ashley, manager of the patent department, United Shoe Machinery Corp. Other members [also vice chairmen] of the patents and research committee are Robert Gottschalk, assistant manager, development and patent department, Standard Oil Co.; Leslie R. Groves, vice president, Remington Rand, Inc.; Richard O. Loengard, president, United Chromium, Inc.; and Randolph T. Major, vice president and scientific director, Merck & Co., Inc.

The great corporations which are interested in patents and which belong to the NAM and pay their dues, put on the patent committee of the NAM their representatives who are charged with the duty of considering patents and who are interested in patents. But did these 100 men, these 100 subordinates, meet and consider Mr. Folk's memorandum? No, they did not meet or consider it. Who did approve it? Was it a subcommittee? Was it three or four men in New York, who operate in the name of the committee? Was it two or three members of the staff of the National Association of Manufacturers? Who is it that is responsible for this attitude on the part of the NAM? I know it is not the presidents and heads of the constituent 15,000 companies. I know that those men, hundreds of whom are within my own circle of personal acquaintances, would approve the principles advocated by former President Hoover and his Commission as recommended in these reorganization proposals.

Mr. BENTON. Mr. President, I have one further point to make. I do not think it has been sufficiently emphasized that there is no change proposed in the way a patent will be granted. It will be handled exactly the way in which it has been granted in the past. From an adverse decision of the Board of Appeals in the Patent Office, an appeal may be taken to the United States Court of Customs and Patent Appeals. This takes the issue right out of the hands of the Commissioner of Patents and right out of the hands of the Secretary of Commerce. This court may review the case on the basis of the record. Further, Mr. President, a civil action may be brought against the Commissioner in the United States District Court for the District of Columbia. Does not this give adequate protection against alleged political influence? Certainly the Secretary of Commerce will have no influence over that court. Furthermore, because the Secretary of Commerce operates in the open, under the kleig lights which shine upon the President's Cabinet officers, there is every reason to hope that this operation, like so many others, will be more carefully scrutinized than those of hidden operators who do most of their work in relative obscurity.

Thus, Mr. President, I venture the hope that the Senate will now reject the resolution of disapproval of Reorganization Plan No. 5, and also the resolutions disapproving Reorganization Plans Nos. 17 and 18. I venture to hope the votes yesterday, upholding Reorganization Plans 8 and 9, are a good omen. I like to think that the tide has turned. I believe that, as the Senate has acquired a greater appreciation of the real issues at stake, the chances are improved for all the remaining reorganization plans of the President.

The VICE PRESIDENT. The time of the Senator from Connecticut has expired. The Senator from Vermont.

Mr. WILEY. Mr. President——

The VICE PRESIDENT. The senior Senator from Vermont has control of the remainder of the time, if he wishes to use it. Thirteen minutes remain.

Mr. AIKEN. Mr. President, if the Senator from Vermont has control of the time, it is the result of a sort of accident which happened last night. I have no comments to make, myself. I am not opposed to the plan. If there is present any Senator who is opposed to it, I shall be glad to yield the time. Does the Senator from Wisconsin desire further time in which to speak against the plan and in favor of the resolution?

Mr. WILEY. Yes, Mr. President.

Mr. AIKEN. Mr. President, so far as I know, no one else desires to speak against the plan.

The VICE PRESIDENT. The Senator from Wisconsin is recognized.

Mr. WILEY. I am very much surprised and amused by the argument of the distinguished Senator from Connecticut [Mr. BENTON], yet I realize the technique in a case like this. I recognize that probably very few Senators heard the analysis of the evidence, yet the conclusions are definite and certain. The conclusions are, first, according to the testimony of the Secretary of Commerce, that he does not want the Patent Office included. It is true he came before the committee and said he would take it, but he said if he got it he would turn it right back.

The next conclusion that is definite and certain is that all the patent organizations, composed of patent attorneys, in America sense the fact that if this resolution becomes law it will threaten not only the patent system but will be the entering wedge to disintegrate the judicial system of the country. When and by whom was this thought evolved? Look at all the administrative branches which have been taken over, and also the executive branches. That is where the President or his underlings should attempt to reorganize. That is where the President should expect to bring about efficiency.

I said yesterday in arguing this matter that next year at this time we shall see how much efficiency is brought about. This is nothing but a large over-all political proposition of reorganization. I said, too, that there are Members of the Senate who, if they were President of the United States, would say to the heads of the executive departments, "Get an efficiency expert to look over this agency. Tell me how many typewriters you have for each typist. Tell me how many hours your employees work. Tell me how efficiently they do their work, and how many employees you can get along without."

Mr. President, that is the way to reorganize an agency. That is the way it would be done in a man's business. But that is not the way it is done in the Government. In this instance reorganization is to be accomplished by centering under the Secretary of Commerce a large group of executive or administrative agencies, and, in addition, it is planned to place under him the Patent Office, which the Supreme Court of the United States has said is judicial and quasi-judicial.

So, Mr. President, all we are asking is that the President withdraw the plan. His staff could write in a specific exemption for the Patent Office. The President could then resubmit the plan, and Congress would approve with enthusiasm the redrafted plan.

The Chief Executive can choose to ignore suggestions from the legislative branch if he be so inclined; but I feel that the President should have indicated through his staff or through his friends on the Hill his reactions to our proposal. No such indications have come.

Let me cite a few of my many requests for withdrawal of the plan. On Monday, April 17, 1950, I issued a release from my office, stating, as follows:

If the President and his advisers intend, however, the reorganization plan powers in good faith and with genuine limitations, then they can withdraw and resubmit plan No. 5, exempting the Patent Office by specific phraseology. The Patent Office has been independent since the founding of the Republic, and we must keep it so.

On the same day, speaking on the floor of the Senate, I stated:

The President should recall his plan No. 5 and take from the scope of the plan, the portion which would place the Patent Office, with all its functions, in the hands of the Secretary of Commerce.

On April 27 I testified before the Senate Committee on Expenditures in the Executive Departments. The hearings have been printed, and I invite attention to page 7 on which I stated:

I have urged, therefore, that the President withdraw Reorganization Plan No. 5, and that he resubmit it after writing in certain additional specific exemptions.

On May 10 I again spoke on this issue in connection with introducing into the RECORD a resolution of the Milwaukee Patent Law Association.

Point No. 3, which I think was very definitely made, is that the reorganization plan will not bring about any efficiency in the Patent Office, under the Secretary of Commerce. It will not bring about any saving. It was testified to by all the witnesses, on direct examination and cross-examination, that it would confuse the situation. What is more, Mr. President, unless the Secretary of Commerce were to do what he said he would do, transfer back the operation of the Patent Office to the Commissioner of Patents, it would create such a situation that only after a great deal of litigation could we know what the law is and what the rights of applicants would be on appeal.

The main point about which I am talking was testified to by men who know, for instance, former Senator Burton, who occupied in the Senate the chair to which I am now pointing, and who is now a Justice of the Supreme Court of the United States. Commenting on the situation in the Nation, with regard to those

who want to destroy the Patent Office and its operations——

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. KILGORE. Is it not a fact that the Civil Aeronautics Authority, commonly called the CAA, passes on and grants licenses to operate airlines? If so, is not that a judicial function, similar to that which is involved in passing on and granting patents? Both are under the Secretary of Commerce.

Mr. WILEY. Mr. President, I am sorry if I have to tell my distinguished friend from West Virginia that, in my humble opinion, if the fact is as he says it is, and I assume it is true, it does not in the slightest impede or interfere with the validity of the argument I am making that there are those in this country who want to destroy the patent system. I cited as my authority a justice of the Supreme Court. I furthermore cite as authority a great American, Lawrence C. Kingsland, who definitely and concretely laid down what would happen if such a reorganization were to take place. If there should be a Henry Wallace at the head of the Department of Commerce or someone of his political faith——

Mr. BENTON. Mr. President, will the Senator yield for a question?

Mr. WILEY. Yes.

Mr. BENTON. Should it not be brought out by the Senator that no matter who is Secretary of Commerce, whether it be Henry Wallace or anyone else, from any adverse decision of the Board of Appeals an appeal may be taken to the United States Court of Customs and Tax Appeals, which may review the case on its merits and, further, civil action may be brought against the Commissioner of Patents in the United States District Court for the District of Columbia, which court may consider the case de novo? In other words, should it not be brought out that patent attorneys can still appeal cases directly over the head of the Secretary of Commerce and take them right through to the courts?

Mr. WILEY. The Senator knows that that is only a half-truth. Once a patent is issued, no appeal can be taken. It is only when a patent is rejected that an appeal can be taken. If I were entitled to a patent and the Senator from Connecticut received it, he would have the patent. Why fiddle around with matters such as that, when we know what it all means? We know what would happen if there were a Communist running the Department of Commerce, or a man who thinks the American system is all rotten, and who would adopt some of the isms and philosophies from abroad. That is what Justice Burton was talking about. He wrote it in a decision.

I say to Senators who have made up their minds because they have been told to do so, and are going to vote——

Mr. KILGORE. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. KILGORE. I make the point of order that the Senator from Wisconsin is out of order.

The VICE PRESIDENT. Does the Senator claim that the Senator from Wisconsin has violated the rule?

Mr. KILGORE. When he said that the Senators who would vote for the plan would so because they were ordered to do so. If that is not a violation of the rule of the Senate, I do not know what is a violation.

The VICE PRESIDENT. The Chair has no authority to pass on that question.

Mr. SALTONSTALL. Mr. President, I move that the Senator from Wisconsin be allowed to proceed in order.

The VICE PRESIDENT. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

Mr. WILEY. Mr. President, I do not like those tactics. I repeat, and I know what I am talking about, for I have been in the Senate approximately 11 years—I do not know what happens when the opposition gets together and are told what to do, but they do not have to follow it.

Mr. KILGORE. Mr. President, I make the point of order that the Senator is out of order.

The VICE PRESIDENT. The Senator from Wisconsin will please proceed in order.

Mr. WILEY. Does the Chair rule that the Senator from Wisconsin is out of order?

The VICE PRESIDENT. The Chair is not authorized to pass on that question.

Mr. WILEY. I remember the controversy which occurred a few days ago, and I think the distinguished Senator from West Virginia is not proceeding as he should with a fellow Senator. Such tactics are not appreciated either by occupants of the gallery or Senators on the floor.

Mr. President, I conclude with this thought, that Senators who vote to sustain the President will vote to disintegrate the patent system——

Mr. HUMPHREY. Mr. President——

Mr. WILEY. I have the floor, have I not?

Mr. HUMPHREY. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. HUMPHREY. I understand a point of order was made by the Senator from West Virginia. While I do not concur in this rather strange rule, unfortunately it has been applied with considerable force——

Mr. WILEY. Mr. President, a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. WILEY. Can a Senator take me off the floor by simply starting an argument when I have a few minutes remaining?

The VICE PRESIDENT. The Senator does not have any time remaining.

Mr. O'CONOR. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement prepared by me for delivery on this subject, which I cannot deliver because of the limitation of time.

There being no objection, Mr. O'CONOR's statement was ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF REORGANIZATION PLAN NO. 5 OF 1950, IN OPPOSITION TO SENATE RESOLUTION 259, IN THE UNITED STATES SENATE, MAY 23, 1950

Mr. President, I propose to speak very briefly in opposition to the resolution of disapproval on plan No. 5, which deals with reorganizations in the Department of Commerce. In presenting my remarks I shall try not to duplicate the admirable statement in support of plan No. 5 which was made by the senior Senator from West Virginia shortly before we adjourned last evening. My remarks will present the high lights of five major arguments in support of plan No. 5.

1. My first point, Mr. President, deals with the broad and very significant objective underlying the first 13 of the reorganization plans which have been submitted to the Congress; 6 of them dealing with Cabinet departments and 7 with regulatory bodies. All too frequently in this debate the general doctrine underlying all of these plans has been obscured by details of minor significance.

The Hoover Commission gave primary support to the need for the general reorganization plan to bring about businesslike arrangements in the operations of the Government. Boiled down to simple terms the objective of that general plan is to give each department or agency head full authority, and not to scatter that authority among many subordinates. I submit that this simple rule is the soundest of doctrines for the smallest on up through the largest of operations.

Mr. President, this general reorganization idea is first proposed and developed in broad perspective in the four different recommendations that dominate Hoover Commission report No. 1 on general management. It is then developed specifically in subsequent Hoover Commission reports taking up the major departments one by one.

The point I want to emphasize is that plan No. 5 is a part of this comprehensive whole. It cannot be disapproved without affecting adversely other aspects of the general reorganization plan of which it is a part.

2. My second point, Mr. President, concerns the fact that during the hearings on plan No. 5, both the proponents and opponents agreed on its general merit, but the latter insisted that the Patent Office should be exempted from its scope.

On this score I shall content myself with reading the sound objections of the Budget Director to the effect that making this exception would likely lead to many more exceptions. The Budget Director stated that, exempting the Patent Office as indicated—"would have opened up a number of other questions with respect to agencies and functions equally deserving of consideration, and the total effect thereof would have tended to so clutter up the reorganization program with exemptions as to seriously detract from its sound basis and fundamental merit. The general rule with relation to exemptions was only to do so in connection with hearing examiners and with independent government corporations and similar agencies."

I agree with the Budget Director that this eminently sound rule should not be violated by the exemption which opponents of plan No. 5 would make with reference to the Patent Office.

3. Mr. President, last evening the senior Senator from Wisconsin emphasized and reemphasized the fear that plan No. 5 would endanger the long and successful operation of the Patent Office. At different points he referred to a fear that various "isms" might come in to control the Commerce Department, that another "Mr. Wallace" might be

in control, and that this might well become an "entering wedge" for worse provisions.

Mr. President, during the hearings of our committee, the present Secretary of Commerce faced that issue frankly and squarely. Since his comments cover the points so tersely and fully, I shall quote a paragraph from his testimony.

"At the same time that I endorse Reorganization Plan No. 5, I am fully cognizant that fears may be engendered by such a plan. If the language is considered very literally, without recognition of the ever-present restraining factors in the operation of a large Federal agency, it might appear to some persons that any future Secretary would be entirely free to shift delegations of authorities among bureaus and officials without restraint. As history will support, there are a number of factors which act as checks and balances against arbitrary organizational changes. Primary among these is the fact that a large share of existing procedures and policies are set forth in laws. Congressional committees, including especially appropriations committees, are in a position to assert strong influence against unwise organizational modifications, if necessary by formal investigations. The President, or the Director of the Bureau of the Budget acting for him, is in a position to be informed rather intimately concerning current and prospective developments in the various agencies, and might well dissuade a Cabinet official from short-sighted or otherwise unsound organizational changes. In the light of the cumulative impact of these actual and potential pressures it is not realistic to anticipate dangerous actions in terms of arbitrary organizational shifts."

4. My fourth point, Mr. President, deals with the argument by the proponents of the plan that judicial and other aspects of the work of the Patent Office justify special treatment.

Here again, Mr. President, I quote from the forthright testimony of Secretary Sawyer, of the Department of Commerce, who points out that the Administrative Procedures Act—which reflected so great an effort by the legal profession to surround judicial and semi-judicial Government activities with special statutory protections—specifically exempted the Patent Office from the requirement of hearing examiners. The exemption was made—and note this carefully:

"At the recommendation of the Senate and House Committees on the Judiciary, which stated that whatever judgment the agency makes is effective only in a prima facie sense at most, and the party aggrieved is entitled to complete judicial retrial and decision. (See S. Rept. No. 752 and S. Doc. No. 1980, 79th Cong.)"

Furthermore, Mr. President, it must not be overlooked that the Department of Commerce has equally demanding activities which require the utmost skill and careful professional conduct. To cite but one example, Mr. President, I shall refer to the work of the Civil Aeronautics Administration. That Administration must exercise semijudicial responsibilities in certifying airmen, aircraft, and air carriers on questions involving terrific problems of life and death, not to mention huge damage to property.

5. Fifth and last among these comments, Mr. President, I want to deny categorically the comment made last evening by the senior Senator from Wisconsin that the record is "absolutely silent" as to any economy to be expected from plan No. 5. In support of that denial, listen to these quotes from the testimony of our present Secretary of Commerce at our recent hearings:

"Consideration is also being given to the possible desirability of using the authorities in this plan to effect certain administrative consolidations, particularly in the field. We may, for example, want to consolidate all payroll preparation for all bureaus of the Department in a few centers in the country. We might wish to use the authority also for consolidation of such functions as procurement and warehousing. The obvious objective of such measures would be increased economy and better administrative service.

"These examples just stated may serve to illustrate why I feel strongly that there are positive practical benefits to be gained from effectuating Reorganization Plan No. 5. Over and above these concrete possibilities of improvement, I feel that the approval of organization plans such as No. 5 will provide firm evidence that the entire Government takes seriously and believes wholeheartedly in the need for clear-cut legal responsibilities on the part of Cabinet officials. From this I anticipate certain intangible but, nevertheless, very real advantages in terms of greater internal cohesion within the departments."

Mr. President, I believe that these five points and other points which I have not had time to cover give overwhelming support to plan No. 5, authorizing reorganizations in the Commerce Department. By the same token, they should dictate adverse votes on Senate Resolution 259, which is under consideration at this time.

Mr. WILEY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Magnuson
Benton	Hill	Malone
Bricker	Hoey	Martin
Bridges	Holland	Millikin
Butler	Humphrey	Mundt
Byrd	Hunt	Neely
Cain	Ives	O'Conor
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Robertson
Connally	Johnson, Tex.	Russell
Cordon	Kem	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Leahy	Sparkman
Eastland	Lehman	Stennis
Ecton	Long	Taft
Ellender	Lucas	Taylor
Ferguson	McCarran	Thye
Flanders	McCarthy	Watkins
Fulbright	McClellan	Wherry
George	McFarland	Wiley
Gillette	McKellar	Williams
Hayden	McMahon	Withers

The VICE PRESIDENT. A quorum is present. The question is on the adoption or rejection of Senate Resolution 259, disapproving Reorganization Plan No. 5.

Mr. WILEY. I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. Those who favor the resolution of disapproval will vote "yea" as their names are called. Those who oppose it will vote "nay." The Secretary will call the roll.

The legislative clerk called the roll:

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Oklahoma [Mr. KERR], the Senator from Florida [Mr. PEPPER], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Tennessee [Mr. KEFAUVER] and the Senator from Utah [Mr. THOMAS] are detained on official business.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from Maryland [Mr. TYDINGS] is paired on this vote with the Senator from South Carolina [Mr. MAYBANK]. If present and voting, the Senator from Maryland would vote "yea", and the Senator from South Carolina would vote "nay".

If present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Rhode Island [Mr. GREEN], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Utah [Mr. THOMAS] would vote "nay".

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG], are absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Oregon [Mr. MORSE] who is also absent by leave of the Senate. If present and voting the Senator from Iowa would vote "yea" and the Senator from Oregon would vote "nay".

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business. If present and voting the Senator from New Hampshire would vote "nay".

The Senator from Maine [Mr. BREWSTER] is detained on official business.

The yeas and nays resulted—yeas 29, nays 43, as follows:

YEAS—29

Bricker	Fulbright	Millikin
Bridges	George	Mundt
Butler	Hendrickson	Russell
Cain	Ives	Saltonstall
Capehart	Jenner	Schoeppel
Cordon	Kem	Smith, N. J.
Donnell	McCarran	Taft
Ecton	McKellar	Wherry
Ferguson	Malone	Wiley
Flanders	Martin	

NAYS—43

Aiken	Dworshak	Holland
Benton	Eastland	Humphrey
Byrd	Ellender	Hunt
Chapman	Gillette	Johnson, Colo.
Connally	Hayden	Johnson, Tex.
Darby	Hill	Kilgore
Douglas	Hoey	Knowland

Langer	McMahon	Stennis
Leahy	Magnuson	Taylor
Lehman	Neely	Thye
Long	O'Conor	Watkins
Lucas	O'Mahoney	Williams
McCarthy	Robertson	Withers
McClellan	Smith, Maine	
McFarland	Sparkman	

NOT VOTING—24

Anderson	Hickenlooper	Myers
Brewster	Johnston, S. C.	Pepper
Chavez	Kefauver	Thomas, Okla.
Downey	Kerr	Thomas, Utah
Frear	Lodge	Tobey
Graham	Maybank	Tydings
Green	Morse	Vandenberg
Gurney	Murray	Young

The PRESIDING OFFICER. On this question the yeas are 29, the nays 43. The resolution has not received the 49 votes necessary for adoption, and therefore fails.

MEETING OF COMMITTEE DURING SENATE SESSION

On request of Mr. LEHMAN, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to meet this afternoon, beginning at 1:30 p. m., during the session of the Senate.

REORGANIZATION PLAN NO. 17 OF 1950

The PRESIDING OFFICER. The next matter before the Senate is Senate Resolution 271, which the clerk will read.

The Chief Clerk read the resolution (S. Res. 271) as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 17 of 1950 transmitted to Congress by the President on March 13, 1950.

The PRESIDING OFFICER. On this resolution 1 hour of debate is allowed, one-half the time to be controlled by the Senator from Vermont [Mr. AIKEN], the other half to be controlled by the Senator from Maryland [Mr. O'CONOR].

Mr. AIKEN. Mr. President, I yield myself such time as I may require, which will not be very long.

The President has now submitted 25 reorganization plans to this session of the Congress. The Senate has killed 5 of them to date, and it looks as if 17 or 18 at least out of the 25 will be approved and become part of the general reform of the executive branch of our Government.

As to the plans which have been disapproved by the Senate, I do not believe the responsibility for the disapproval can all be laid upon the Senate, nor can it all be laid upon the executive branch of the Government. The responsibility, in my opinion, may well be divided.

However, it never was intended that the Congress should feel bound to approve any and every reorganization plan which the President might see fit to send to the Congress for approval. Nor is it to be expected that the President can submit an unlimited number of reorganization plans without making a mistake and having some of them wrong, and sending up some which very probably should be disapproved.

The plan under consideration now, Mr. President, provides for the transfer of two temporary programs of Government from the General Services Administration to the Housing and Home Finance Agency.

These two temporary functions which are to be transferred are, first, the disposal of the community facilities, such as lights, waterworks, sewers, and so forth, which were constructed as part of the war program, and the other function to be transferred from General Services to the Housing and Home Finance Agency is the Community Facilities Administration which has to deal with the advance planning of public works in communities, other than housing.

Last October the Congress extended, or renewed, rather, the life of this community planning and the advance programing for a period of 2 years. That work, as now authorized, expires on the 13th of October of next year. Therefore it has a little more than a year to run.

As to the disposal of the community facilities which were constructed as part of the war program, out of some 1,100 or 1,200 of these community facilities which were constructed, more than 900 of them have already been disposed of. I will say that so far as I can learn there has been no criticism whatever with respect to the handling of either of these programs in the General Services Administration. Certainly the disposal of the surplus facilities in these various communities has been carried forward very efficiently along with the disposal of other surplus property which we found on our hands as a result of the war.

In my opinion the community facilities program for the advance planning has also been well handled. There are 388 employees in this work, and they have also been associated in other work in the General Services Administration as well as that pertaining to the facilities of the community planning.

The question is this: If this work has been done so well under the General Services Administration, why do we now receive a reorganization plan to transfer it from the agency where it has been so well handled to another agency where, unquestionably, it might be well handled also? Why is the transfer proposed at the present time? I do not question the ability of the employees of the Community Facilities Administration. I think they are undoubtedly capable persons. But why transfer these two programs at a time when they are both due to expire within the not-distant future? The answer to that question, Mr. President, will be found in a memorandum of the Bureau of the Budget under date of February 9, 1950, and rather than undertake to explain the reason for this transfer of the two temporary programs from General Services Administration to the Housing and Home Finance Agency, I wish to read a couple of paragraphs from the memorandum of the Bureau of the Budget dated February 9, 1950, as follows:

It should also be pointed cut that the advance planning program is at present a temporary activity. Public Law 352 provides that on October 13, 1951, the authority to approve applications for advances will expire. The retention of the activity in GSA means that should the program not be renewed, the staff of the Community Facilities Service will have no place to go. The result will be an exacerbation—

I should like to know what the word means, but it is in the memorandum. It is evidently a new Government word. I continue to read—

of that sense of isolation and insecurity which the lack of identification with the central mission of GSA has already produced. Since there will be little opportunity to find other employment in GSA at the conclusion of the program, the staff of the Community Facilities Service will have little choice but to continue to seek and accept other more permanent assignments in or out of the Government. Thus, one of the major objectives of the transfer—the termination of the chronic uncertainty which has haunted CFS staff—will fail of realization if the present organizational arrangements are preserved.

It must also be expected that as long as the Community Facilities Service continues to exist as a part of GSA it will be driven to agitate for new public works or engineering assignments as a means of self-preservation. One of the gains to be derived from the liquidation of CFS will be the transfer of the personnel who have been working so hard to get new construction programs for FWA and GSA to agencies where they can apply their skills in behalf of a continuing and tangible major purpose. Failure to transfer advance planning functions will assure the continued existence of a focal point of agitation for the centralization of public-works activities.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield for a short one.

Mr. CAIN. Will the Senator from Vermont please spell the word, the meaning of which he appeared to be uncertain about, in order that I may look it up in Webster's Dictionary?

Mr. AIKEN. The word is spelled: "e-x-a-c-e-r-b-a-t-i-o-n."

Mr. CAIN. "E-x-a——

Mr. AIKEN. "c-e-r-b-a-t-i-o-n."

This excerpt from the memorandum of the Bureau of the Budget shows clearly that the purpose of the reorganization plan is to put the 388 employees of the Community Facilities Service under another branch of the Government, where they will be assured of continuance of their employment by the Government. I do not think that that reasoning alone is adequate for approving such a plan as this. Neither did the Director of the General Services Administration, because when he evidently was advised that such a reorganization plan was contemplated, he wrote a very vigorous letter of protest to the Hon. Frank Pace, Jr., Director of the Bureau of the Budget, under date of March 7, 1950. I read briefly from Mr. Larson's letter, which expressed his opinion as to the desirability of transferring these two temporary programs from the General Services Administration to the Housing and Home Finance Agency. I read from Mr. Larson's letter:

The transfers of the five functions under discussion—

There were three functions in other reorganization plans which were of lesser importance; only two in this plan. I continue to read:

The transfers of the five functions under discussion not only will effect no economies to the Government but, on the other hand, are very likely to produce added expense and to result in lack of coordination in governmental administration of the activities. The Community Facilities Service is a small organization in point of personnel, having as of February 1, 1950, only 383 employees,

but it is a compact, well-integrated and thoroughly trained element of the General Services Administration, and the only organization in the Federal structure of which I know that is fully qualified to administer programs for the planning, construction, and financing of all types of State and local public works. Assignments of work under these five programs are distributed throughout the present personnel of the Community Facilities Service and of this administration, for the most part without exclusive allocation of employees to particular programs.

Since many of our employees who work on the five programs are also engaged in other activities of this administration—

I might interpolate that the employees of the Community Facilities Service also handle the disaster programs under which surplus and unused Government equipment and material is made available to disaster areas. I return to the letter—

transfer of such employees would impair the effective operation of the other programs, and would require additional personnel to be obtained by this administration. On the other hand, retention of the employees in their present positions would mean that the department or agency to which the functions were transferred would have to hire new employees and train them for performance of the transferred functions. It seems manifest that the adoption of either alternative would lead to increase in over-all expense to the Government.

In addition to the economies to be preserved and effected by the retention of the Alaska, Virgin Islands, water-pollution control, advance planning, and war public works functions in this administration, there is the further and more important point that the transfers would detract from efficiency in governmental operations.

There we have the opinion of the man who has been responsible for the work, that it would cost more, require more help, and detract from efficiency of Government operation.

Mr. President, I read the last paragraph of Mr. Larson's letter to the Director of the Bureau of the Budget:

The proposals made by the reorganization plans of 1950 for scattering of five integrated functions of the General Services Administration among three separate departments and agencies are, as this Administration views them, not only in direct conflict with recent statutory mandates, above noted, but would represent a step backward in the constant march to improve the administration and operations of the Government. A continuation of the present pattern of the General Services Administration will, we are confident, provide the Federal Government with the most efficient administration at the least cost of the functions heretofore assigned to that Administration.

So, Mr. President, I have tried to give the Senate the reasons for submitting this reorganization plan, the reasons which were very pointedly set forth by the Director of the General Services Administration, showing why these temporary programs of the Government should not be transferred.

I wish to conclude by saying that if we approve this plan, there will be no more efficiency in the Government. I do not say there will be less, but there will be no more.

There will be no more direct line of authority from the Community Facilities Service to the President than there is at the present time, but more personnel will be needed. In fact, the Director of the General Services Administration stated that if the 10 lawyers now connected with Community Facilities Service were transferred to the Housing and Home Finance Agency, although he would not have to hire 10 more lawyers, yet he would have to retain within his own organization 10 attorneys whom otherwise he would be able to let go. So the result would be the hiring of 10 additional lawyers, at an estimated cost of $150,000 a year.

Mr. President, I do not question the right of the President to send us this reorganization plan. I do not question his right to transfer these two temporary functions from one agency, where they have been successfully administered, to the Housing and Home Finance Agency, if he can obtain congressional approval to do so.

However, I say that when the entire objective of the Hoover Commission recommendations is to promote efficiency and economy in Government, we should not begin by approving a plan which will contravene that objective even before the reorganization is brought about. That is what we have in this plan, which simply will provide permanent jobs for 388 persons, though it may be that their jobs will be permanent anyway.

Mr. President, I have always supported advance planning, and I presume I shall do so again. However, last October the Congress decided that this work should be placed in the General Services Administration. Four or five months later the President sends us a plan transferring it to another agency. Of course, he has a perfect right to do that, but we shall have to determine some time next year whether the Community Facilities Service is to be continued or is not to be continued.

Let Congress consider whether it wants to continue the program and let Congress decide under which agency of the Government it wants the work placed. It may be that a year from now Congress will say, "We will put it under the Housing and Home Finance Agency." However, after due consideration Congress already has said, "We will put it under General Services Administration, because it applies to all community facilities exclusive of housing." Housing is completely excluded from this work.

So, Mr. President, I think we shall lose nothing and perhaps shall gain a great deal by postponing, at least, approval of this reorganization plan until Congress decides, next year, what it wishes to do with the programs affected.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from Vermont yield to the Senator from Washington?

Mr. AIKEN. I yield.

Mr. CAIN. With the permission of the senior Senator from Vermont, I should like to clear the record by merely stating what Funk & Wagnall's Standard Dictionary has to say about the word "exacerbation"—a word with which, by the way, perhaps some of us in the Senate had not previously been familiar.

The definition as stated in that dictionary is simply the following:

Exacerbation: The act of exacerbating or the state of being exacerbated.

[Laughter.]

Mr. AIKEN. I am sure that is understandable to the persons who used the word.

Mr. CAIN. The definition goes on to say:

Increased severity, as in the symptoms of a disease.

A natural question comes into the mind of the junior Senator from Washington with reference to this word. Would the Senator from Vermont give us his opinion as to the use of the word in the memorandum from which he has been reading?

Mr. AIKEN. I shall read that part of it again:

The retention of the activity in GSA means that should the program not be renewed—

That is, next year—

the Staff of the Community Facilities Service will have no place to go. The result will be an exacerbation of that sense of isolation and insecurity which the lack of identification with the central mission of GSA has already produced.

Mr. President, I did not know that a desire to perpetuate one's job was a disease. I thought it was a very inherent human quality. However, it appears from the note that these employees have been out in the field drumming up trade in order to make their jobs necessary.

Mr. CAIN. If those employees are not retained on a permanent basis by some Federal agency or other—in this case, the Housing and Home Finance Agency—those employees, individually and collectively, run a very serious risk of being exacerbated; do they not?

[Laughter.]

Mr. AIKEN. That is correct.

Mr. CAIN. I thank the Senator.

Mr. AIKEN. I understand that practically all of them are competent, capable employees who are worrying about what they are going to do when the temporary program in which they are engaged has expired, and for that reason it has been thought best to transfer them to a larger permanent agency of the Government, where they may find permanent employment and where their services may be used. However, I maintain that is not in accord with the recommendations of the Commission to study the reorganization of the executive branch of the Government.

Mr. CAIN. But if we asked those splendid workers what was principally worrying them these days, does the Senator from Vermont think they would rejoin by saying, "We are worried about losing our jobs" or does the Senator think they would reply, "We are worried about the fact that we may be exacerbated in the years immediately ahead." [Laughter.]

Mr. AIKEN. Of course there are 36 Senators whose terms expire this fall, and perhaps they may feel about the same way the 388 employees of the Community Facilities Service feel. I suppose

that everyone is job conscious and wants to continue his job.

However, it is not the obligation of the Government to guarantee jobs to temporary employees, or even to permanent employees. The Government should hire employees only when they are needed and should hire them for such periods of time as they may be needed.

Mr. CAIN. Does the Senator from Vermont think that the average American who might receive a letter on the general subject of changing jobs or of trading jobs, would know that any jobs were involved when the word "exacerbating" was used?

Mr. AIKEN. I would not have, until the Senator from Washington read the definition. I thought it might have been a misspelling; but evidently it was not.

Mr. O'CONOR. Mr. President——

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. O'CONOR. At the outset I desire merely to read a letter, in order to clarify one point in connection with this matter. Then I shall yield to the Senator from Alabama.

I read now a letter from the Citizens Committee for the Hoover report. The letter is signed by Dr. Robert L. Johnson. Inasmuch as some question has arisen in regard to whether or not the citizens' committee is favorable to the President's reorganization plan, I think this letter is of particular interest. I read the following excerpt from it:

POSITION ON PLAN NO. 17

In its circular letter No. 2, dated April 10, 1950, the citizens' committee indicated that plans Nos. 15 and 16, transferring functions from the General Services Administration, were regarded as in keeping with general proposals of the Hoover Commission. The circular went on to say that "whether other transfers from the General Services Administration in plan No. 17 are consistent with Hoover Commission recommendations appears to be debatable."

The committee's original comment on plan No. 17 was based on the need for further study of the relationship between the plan and the public-works proposals of the Hoover Commission. Additional analysis has resolved the uncertainty in favor of the plan. In its statement of May 12, the committee announced its support of all 20 reorganization plans pending before Congress after the defeat of Reorganization Plan No. 12. With respect to plan No. 17, it is believed that the programs transferred from General Services Administration no longer belong in the central services agency, as proposed by the Hoover Commission. Nor does there appear to be a conflict with the Commission's recommendation that direct Federal construction activities be grouped in the Department of the Interior, for it was also recommended that public-works programs supported by grants or loans be carried out by the major-purpose departments. The principal program transferred by plan No. 17 is a loan-supported activity.

In view of these considerations, the citizens' committee reaffirms its endorsement of plan No. 17 and hopes that Senate Resolution 273 will be rejected.

Respectfully yours,

ROBERT L. JOHNSON.

Mr. President, I now yield 15 minutes to the junior Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, I strongly urge the defeat of Senate Resolution 271 to disapprove Reorganization Plan 17. It would be difficult to conceive of a reorganization plan which would be more in accord with the specific intent and purposes of the Congress declared in the Reorganization Act of 1949.

The plan would consolidate similar functions into one agency, eliminate overlapping and duplication of effort, promote efficiency and economy, and improve Federal-State relationships. It would transfer two relatively small programs from the General Services Administration, which otherwise performs entirely unrelated functions, to the Housing Agency which performs similar or identical functions.

This plan has been carefully studied and developed by the Bureau of the Budget which testified that the transfer could be made without disrupting or delaying any existing operations, because the office in GSA administering the programs—the Community Facilities Service—could be transferred almost intact. The Bureau also explained that the transfer would result in financial savings to the Government.

By the way, Mr. President, my good friend, the distinguished Senator from Vermont, had something to say about savings. I understand that, since the plan was originally submitted to the Senate, there have been discussions among General Services Administration, the Federal Housing Administration, and the Budget Bureau, and, although neither one of those agencies has yet made a direct statement as to the savings to be effected, it is my understanding the estimate is that probably 20 percent and perhaps as high as 25 percent of savings will be effected.

Furthermore, Mr. President, when we are talking about savings to be effected through these various plans we might well remember that in a recent statement by Dr. Johnson, the Chairman of the Citizens' Committee for the Hoover Report, he advocated the approval by the Senate of all 20 of the reorganization plans then pending before us. I want to quote but one or two sentences from that letter.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. May I give the quotation first?

Mr. AIKEN. Certainly.

Mr. SPARKMAN. I read:

An orderly governmental structure was the objective of the President in submitting these 20 plans. The monetary savings from them will not come today or tomorrow, but eventually savings from them are a certainty.

Mr. AIKEN. Mr. President, if the Senator from Alabama will yield, I should like to ask whether he is aware of the fact that the Citizens' Committee for the Hoover Report canceled its request to present testimony in favor of plan No. 17 quite recently? They were scheduled to testify for it but canceled the request subsequently.

Mr. SPARKMAN. Of course, I did not know that. I am not a member of the committee. But I know that on May 12 the citizens' committee issued a statement definitely and specifically endorsing plan No. 17, and I know about the letter which the able Senator from Maryland has just read. If the Senator has that letter, I wonder whether he will tell me the date of it?

Mr. O'CONOR. The letter is dated May 22.

Mr. SPARKMAN. That was yesterday. The letter tells us that the committee has made a very careful analysis of plan No. 17, that in its opinion it accords completely with the recommendations of the Hoover Commission, and that, without any reservation whatever, they endorse plan No. 17 and call upon the Senate to defeat the resolution, which, by the way, was reported to the Senate without recommendation by the committee of which my esteemed friend is a member. In other words, even the committee is not recommending that this plan be rejected.

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Vermont?

Mr. SPARKMAN. I yield.

Mr. AIKEN. I should like to call the Senator's attention to what I understand to be a fact, namely, that the citizens' committee did not specifically endorse plan No. 17, but collectively endorsed 20 of the reorganization plans, of which No. 17 happened to be one.

Mr. SPARKMAN. That was true, as of May 12, but, on May 22, yesterday, the citizens' committee wrote a letter, which the Senator from Maryland has just read into the RECORD, in which letter they definitely and specifically endorsed plan No. 17, do not merely include it with some other plans.

Mr. AIKEN. Is not the citizens' committee entitled to make one mistake out of 21 tries?

Mr. SPARKMAN. I will concede that anyone has the right to make one mistake, but I am here arguing that the recommendations made by the Hoover Commission, upon which Commission, by the way, my good friend from Vermont served, be approved by the Senate and by the Congress. Plan No. 17 is one of them, and the citizens' committee, which has been established throughout the country for the purpose of analyzing the plans and making recommendations, has so recommended to the Congress.

Mr. President, if I may continue with my statement, one of the programs to be transferred is the operation and disposition of public works—sewers, water systems, schools, and so forth—built or assisted by the Federal Government under the Lanham Act in communities which had to develop these facilities rapidly because of defense or war activities. These are essentially the same communities where the Government's war housing was built, which is now under the jurisdiction of the Housing Agency. These housing projects were also built under the same act. Both of these housing and public works programs were originally placed by Congress in the same Agency, the Federal Works Agency, which has since been abolished. Reorganization Plan 17 would again combine these two programs in one agency.

No one would seriously contend that the disposition of these public works and these housing projects should not be handled by the same agency. To a large

extent the facilities which the Housing Agency already has for disposal in connection with housing projects, such as sewers, schools, and water systems, are the same kinds of public works being disposed of by the GSA. Over one-third of all the public works yet to be disposed of by GSA are physically connected with housing projects of the Housing Agency, so that it is not feasible to dispose of such public works separate from the housing. Many other public works are so closely related to housing that, in the disposition of either, extended consultation and negotiations are necessary as to both. Thus, city officials now have to deal with two Government agencies disposing of the same kind of public works. Where public works of the GSA are physically connected to housing, the local officials have to deal with two separate Government agencies in acquiring what amounts to a single project.

There can be no question as to which agency should have responsibility for this whole disposition program. The public works disposition constitutes only an incidental and small fraction of the program, less than one-thirtieth by dollar amount. Only last month the Congress passed the Housing Act of 1950 which provided in specific detail for the disposition of all war and veterans' housing by the Housing Agency. This included all types of temporary and permanent Lanham Act war and veterans' housing remaining under the jurisdiction of the Housing Agency. The farm labor camps of the Department of Agriculture were also transferred by that act to the Housing Agency for management and disposition. These functions were given to that Agency because of the confidence which the Congress had in its ability to carry them out efficiently and in accordance with the intent of Congress. I believe this confidence was well placed, in view of the speed and efficiency with which the Agency has already handled the disposal of certain veterans' housing to schools and cities under the McGregor Act and related laws, and because of the past and continuing relationships between that Agency and municipalities on matters relating to housing and community development.

The other program to be transferred by Reorganization Plan No. 17 is the function of making advances to cities and other local bodies for the planning of public works. There is general agreement, I believe, that this program is unrelated to the purposes for which the General Services Administration was established by the Congress last year. It is a servicing agency for executive departments and other agencies, and its major purposes do not involve the States and localities. On the other hand, the advance planning program has a clear and definite relationship to the slum clearance and urban redevelopment program being administered in the Housing Agency

Both of these programs consist of financial aid to localities to help them in their community development. Neither involves construction by the Federal Government. The public undertakings assisted are local projects to be developed pursuant to local plans. Basically, both programs are directed toward the planning and development of communities. The same kinds of public works may be included in projects under both programs—streets, sewers, waterworks, municipal buildings, and so forth.

It is true that slum clearance and redevelopment projects of the Housing Agency must be related to housing in some manner, under the law, a slum must be cleared or new housing planned for the cleared site. It is also true, however, that public works under the advance planning program generally relate to housing directly or indirectly. Usually this relationship is very direct, as in the case of public utilities such as water and sewer lines. In any event, the development of almost all public works and improvements of a city are incidental and closely related to the development of housing in the area and are designed to benefit residential property and its occupants in some manner.

As the advance planning program of GSA consists of functions which are either similar to, or identical with, functions performed under the slum-clearance and urban-redevelopment program of the Housing Agency, the combination of those functions would obviously make possible greater consistency, efficiency, and economy.

Mr. President, one of the principal arguments advanced against Reorganization Plan No. 17—and my friend the Senator from Vermont has referred to it this afternoon—was that it was feared it would give permanent jobs to employees hired on a temporary basis. Actually, there is no basis whatever for that contention. An investigation of the facts shows that every one of the employees who would be transferred already has a permanent civil service classification.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. The Senator from Alabama does not contend that a permanent civil service status is equivalent to a permanent Government position, does he?

Mr. SPARKMAN. No; not at all. I remember what has been said about the temporary nature of the service. It does not expire in October 1951. Its power to make commitments expires at that time.

Let me read something which the Senator's own committee said when it established this emergency service within the General Services Agency:

> The President is given authority to continue the Bureau of Community Facilities within the new agency—

That is, when the General Services Agency was established—

> for such time as he may determine, and the Congress should consider this problem further in connection with related reorganization.

I say that my friend's own committee certainly must have had in mind, when it made that report, that this was merely a temporary arrangement in General Services Administration, and that sooner or later it should be reorganized and placed in some other agency. I do not see how any other construction can be given to that language in the report of the committee of which my friend is a member.

Mr. AIKEN. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. AIKEN. Is the Senator referring to the statement made by a representative of the Bureau of the Budget?

Mr. SPARKMAN. No; I am speaking of a statement directly from the report of the Senator's committee when it provided for the establishment of the General Services Administration.

Mr. AIKEN. I should like to correct any false impression which may have been made. A day in October 1951, is the last day on which a community can make application for a grant.

Mr. SPARKMAN. That is correct.

Mr. AIKEN. We were advised by Federal officials that it would probably take them 3 years to process the last application which they might have for a grant of Federal funds. I shall have to admit that I was very much amazed to learn that it would take possibly 3 years to process applications. Nevertheless, I had their word for it. I recalled the tenacity of some of the temporary agencies in the past——

Mr. SPARKMAN. As a matter of fact, the Senator's statement is not entirely accurate, because it does not mean that it takes that long to process a loan, but it would take that long for all of the work to be done which would involve the disbursement of all the funds committed prior to October 1951. However, I think we may as well be practical about it. I think everyone of us knows that some such activity will be continued even beyond that time. Whether it is to be permanent or to be temporary, it should follow the activities with which it is so closely related into the Housing and Home Finance Agency in which we placed those activities.

Originally, Mr. President, the activities were under the Public Works Agency. We have already, in the Housing Act of 1949, transferred one activity by legislative action. The reorganization plan simply would carry the other part into the same agency in which it was originally placed by Congress when the two functions were started.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAIN. Mr. President, when I came to the floor earlier this afternoon it was with every expectation that the junior Senator from Washington would vote to support Reorganization Plan No. 17, and I still want to do that, because, in my view, it is only a logical step to group the related functions as recommended by the plan; but a few minutes ago the distinguished Senator from Vermont read a memorandum which I think not only caused me some concern, but caused some of my colleagues concern as well. Would the Senator from Alabama agree with me that some Senators on the administration side of the aisle ought to deny the validity of the reasons offered in that memorandum, written, I suppose, by a responsible official of the Budget Bureau? In that memorandum

the suggestion is made that the plan should be adopted, not because it will logically relate functions, but because it will help to preserve employment for members of the executive branch. I am satisfied that the Senator from Alabama has no such intention or desire in mind. I should like his views as to how we can deny it and make our views felt before the Budget Bureau with reference to a serious matter of this nature.

Mr. SPARKMAN. I assure the Senator from Washington——

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. O'CONOR. Mr. President, I yield three additional minutes to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 3 minutes.

Mr. SPARKMAN. I am in agreement with the Senator from Washington in the matter which he just suggested. By no means—and I want to make this as a positive statement—by no means should any reorganization plan be opposed because it would mean cutting down personnel in Government employment. As a matter of fact, that is one of the puropses of reorganization.

Mr. CAIN. That is one of the great purposes, as I have understood.

Mr. SPARKMAN. If that is the full meaning of the memorandum—I believe the Senator from Vermont only quoted a part of the memorandum—I think it was a very unfortunate memorandum. I invite the Senator's attention to the fact that it was written in February or March. I do not have the exact date. I state on my own responsibility that I know there have been conferences within the past few days between the three agencies concerned, the General Services Administration, the Bureau of the Budget, and the Housing and Home Finance Agency, and I know—at least, I have received the information from what I consider to be a very good source—that it was the general opinion that considerable savings could be effected through this reorganization plan.

I might have been able to submit a memorandum today stating that, except for the fact that naturally neither one of the agencies wanted to make a definite commitment as to a specific percentage that could be saved, but I can say on my own responsibility that I think we are justified in expecting a saving of possibly 20 and perhaps a higher percentage.

Mr. CAIN. The savings which the Senator thinks may come from the adoption of the plan will result in part from a decrease rather than from an increase or the continuance of the same working force as is so strongly urged in the recommendation.

Mr. SPARKMAN. I certainly think that would be true, probably not tomorrow, but gradually.

Mr. CAIN. I thank the Senator from Alabama.

Mr. O'CONOR. Mr. President, in associating myself with the Senator from Alabama [Mr. SPARKMAN], I desire to refer in a minute to certain testimony from the official in the Government who presumably knows most about the subject, and who by action of this Congress was placed in charge of the General Services Administration. I refer to Mr. Jess Larson, the Administrator of the General Services Administration, which now discharges the functions of advance planning of non-Federal public works and the management and disposal of the relatively few wartime public facilities which would be transferred. This is essentially a service organization. It has no basic relation to those two functions, and its Administrator, Mr. Larson, has expressed himself in testimony before the Senate Committee on Expenditures in the Executive Departments as being wholly in favor of this plan.

Mr. President, I shall read from his testimony at page 44. This statement is entitled to the greatest weight by the Senate because Mr. Larson bases it on his experience in the handling of the very matters here under discussion. He says:

> Since the creation of the agency, our emphasis has been on the formation of a service organization, and as this organization has begun to grow and take place, it has become obvious that these functions which were formerly Federal Works functions do not fit into the slot as readily as the related functions to which I have referred.

He goes on to explain that they would be better handled by being transferred to the Housing and Home Finance Agency where, as the Senator from Alabama [Mr. SPARKMAN] pointed out, undoubtedly economies can be effected.

In testifying for the plan, Mr. Larson pointed out that the continuing growth and development of the General Services Administration has convinced him that the types of programs administered by the Community Facilities Service simply do not fit in with the overriding purpose of the General Services Administration. The essential fact here is that the Community Facilities Service came to the General Services Administration intact from the Federal Works Agency, which, of course, was one of the predecessor constituents of the General Services Administration and which was abolished by the Federal Property and Administrative Services Act of 1949 which created the General Services Administration. The personnel of the Community Facilities Service is being affected by several of this current group of reorganization plans and will be transferred together with their programs to other Federal agencies more closely identified with the work involved.

Mr. President, failure of the Congress to permit Reorganization Plan No. 17 to become effective would have the incongruous result of retaining in the General Services Administration a very small group of highly experienced persons who will actually work in isolation enforced by the complete unrelatedness of their activities to any other segment of the General Services Administration.

Another fact pointed out by the Senator from Alabama [Mr. SPARKMAN], which I think deserves further emphasis, is that these programs, by their very nature, will not end in the near future. As a matter of fact, it is thought that in some respects there may be work entailing 3 years of further effort.

The Housing and Home Finance Agency, which would be the recipient of both functions under this plan, is already directed by law to conduct planning operations in the housing field, and the placing in HHFA of this additional function, which covers all types of public works necessarily appurtenant to housing, is a logical move to make. The opposition to the plan has emphasized that the law authorizing this advance planning specifically excludes housing. However, it is my view that that exclusion merely serves to emphasize the wisdom of this transfer. The exclusion of housing from this planning function conforms wholly to the planning functions now in HHFA which, of course, are solely in the field of housing. There is no need that the new planning function cover housing because that authority is already in HHFA. This additional planning activity is implementary to that which HHFA already has.

The other function which would be transferred by Reorganization Plan No. 17 is the management and disposal of certain war public works. During the war the Government found it necessary to provide community facilities such as water, sewage, and sanitary services, where those already in existence became overtaxed as a result of population increases due to war activities. Where the Federal Government was the sole sponsor of the facilities, it became the sole owner and the program involved is simply the disposal of remaining facilities and the management of those which are still on hand. They are in every case adjuncts to community living and are therefore intimately related to all programs of the Housing and Home Finance Agency. Naturally, this is a purely temporary function but its duration is governed entirely by the indeterminable length of time which will be required for final disposition. Furthermore, the management and disposition of those facilities are a part of the responsibility of the same group of personnel comprising the Community Facilities Service, and who would be transferred to the Housing and Home Finance Agency with the advance planning function.

Mr. President, I should like to refer to one further fact. The opposition has alleged that it is obvious that Reorganization Plan No. 17 is designed solely for the benefit of the personnel of the Community Facilities Service. They have been pictured as a group of temporary employees whose principal occupation is agitation for bigger and better programs which they might acquire and which would serve to prolong their tenure in the Federal service.

That is a point to which the Senator from Alabama has given attention, and I think he has done so very convincingly.

This is most certainly not true. As the Commissioner of the Community Facilities Service himself said, the staff is comprised of a group of career employees in the classified civil service who have for many years been engaged in the diversified construction programs former-

ly handled by the Federal Works Agency and now conducted by the same group located within the General Services Administration. While some of the programs which they may have administered may be classified as temporary, certainly the staff itself is as definitely in the category of permanent personnel as any group in the Federal service can possibly be. It is my view that the allegations which have been made with respect to this staff are not well founded. In this case I believe we have an instance of a group of high-class professional employees seeking earnestly for a means of making a worth while and continuing contribution to Federal programs within their fields and if such can be better accomplished in an agency other than that in which they are now situated, I feel that nothing should be allowed to impede the transfer.

In conclusion, I wish only to say that Reorganization Plan No. 17 is directly in conformance with the major principles of better administration as expressed by the Hoover Commission and as recognized by those who have given study to the matter. I urge the Members of this body to join me in voting to defeat Senate Resolution 271 and to permit this plan to become effective at midnight tonight.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. O'CONOR. I yield.

Mr. CAIN. I should like to address a question to the Senator from Maryland, particularly in his capacity as a leader among those who are offering and advancing the several reorganization plans on the floor of the Senate. If the Senator from Maryland was on the floor, as I think he was, when the Senator from Vermont read the memorandum which came from the office of the Bureau of the Budget, I should very much appreciate having the Senator from Maryland express his views on it and say whether or not in his view continuing employees or increasing the number of employees should ever be justification of adopting a reorganization plan.

Mr. O'CONOR. I am very pleased to answer the Senator from Washington. I believe the statement to which he refers was taken out of context and does not represent accurately the views of those who prepared the memorandum. However, more important than that is the fact that, while any contemplated transfer may very well have disturbed or be disturbing to personnel, I do not believe that is the determining factor.

I agree entirely with the views expressed by the Senator from Washington in a previous question, that we should aim toward reduction in forces where such reduction is possible, and that the individual whims and the individual feelings of the employees should not be the determining factors. I entirely agree with the Senator.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. AIKEN. I yield 2 minutes to the Senator from Idaho [Mr. DWORSHAK].

The PRESIDING OFFICER. The Senator from Idaho is recognized for 2 minutes.

Mr. DWORSHAK. Mr. President, within the past few minutes' debate proponents of the pending plan, particularly the Senator from Alabama, have referred to the fact that the Citizens' Committee has approved the plan and is appealing for its approval by the Congress.

I have in my hand a report dated March 15, 1950, released by the Senate Committee on Expenditures in the Executive Departments, which gives details, insofar as the committee is concerned, regarding the various reorganization plans. On page 6 of the report I note that Reorganization Plan No. 17 is listed as having no conformance with the Hoover Commission recommendations. In fact, plan No. 17 is the only one of the 21 which can be placed in the category of specifically having no recommendations from the Citizens' Committee, and therefore not being in accord with the recommendations of the Hoover Commission.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. DWORSHAK. I yield.

Mr. SPARKMAN. I wish to correct the Senator in one statement. The two committees are entirely different. One is the Senate Committee on Expenditures in the Executive Departments, the other is the Citizens' Committee, composed of members scattered over the country. The Senator from Maryland read into the RECORD a letter signed by the chairman of the Citizens' Committee endorsing the plan 100 percent, and saying it does conform.

Mr. DWORSHAK. I thank the Senator for that comment. I am aware of that fact, but I merely wish to ask, what right does the Citizens' Committee have to appeal to this body to support Reorganization Plan No. 17, when that plan does not conform with any recommendations made by the Hoover Commission?

My point is that we have heard much during the debate of the past few days about what the Hoover Commission has recommended. Any Senator who studied the reports released by the committee of the Senate which studied the recommendations would come to the conclusion that there has been much misrepresentation made during the debate. I do not charge that it has been deliberate, but at least it has been confusing to some Senators who desire to follow and accept the recommendations of the Hoover Commission, and yet find that the President has submitted many reorganization plans which were not based upon those recommendations, or, in some cases, on only a few of the recommendations, while there has been deliberate disregard of the Hoover recommendations by most of the plans which have been referred to the Congress by the President.

Mr. AIKEN. Mr. President, it has been very interesting at times to listen to the various interpretations which have been put upon the recommendations and the findings of the Hoover Commission by employees of the executive branch of the Government and also by a great many citizens in the States, most of them extremely well intentioned. But I have to say that some of the interpretations which have been put upon the recommendations have been very much at variance with what I believe to be the intents and purposes of the Hoover Commission recommendations. When I say that I am speaking as a member of the Commission itself, and therefore feel that, along with the Senator from Arkansas [Mr. MCCLELLAN], as the two members representing the Senate on the Hoover Commission, we probably have a pretty fair idea of what the purposes of the recommendations made by the Commission are.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Malone
Benton	Hoey	Martin
Brewster	Holland	Millikin
Bricker	Humphrey	Mundt
Bridges	Hunt	Myers
Butler	Ives	Neely
Byrd	Jenner	O'Conor
Cain	Johnson, Colo.	O'Mahoney
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Cordon	Kilgore	Saltonstall
Darby	Knowland	Schoeppel
Donnell	Langer	Smith, Maine
Douglas	Leahy	Smith, N. J.
Dworshak	Lehman	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Ferguson	McCarran	Taylor
Flanders	McCarthy	Thomas, Utah
Fulbright	McClellan	Thye
George	McFarland	Watkins
Gillette	McKellar	Wherry
Hayden	McMahon	Wiley
Hendrickson	Magnuson	Williams

The PRESIDING OFFICER. A quorum is present.

The question before the Senate is on agreeing to Senate Resolution 271 disapproving Reorganization Plan No. 17.

Mr. LANGER and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Oklahoma [Mr. KERR], the Senator from Florida [Mr. PEPPER], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senators from Texas [Mr. CONNALLY and Mr. JOHNSON], the Senator from Mississippi [Mr. EASTLAND], and the Senator from Kentucky [Mr. WITHERS] are detained on official business.

The Senator from California [Mr. DOWNEY], and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

If present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Rhode Island [Mr. GREEN], the Senator from Texas [Mr. JOHNSON], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Maryland [Mr. TYDINGS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG], are absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Oregon [Mr. MORSE] who is also absent by leave of the Senate. If present and voting the Senator from Iowa would vote "yea" and the Senator from Oregon would vote "nay."

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business. If present and voting the Senator from New Hampshire would vote "nay."

The yeas and nays resulted—yeas 29, nays 43, as follows:

YEAS—29

Aiken	Flanders	Malone
Brewster	Fulbright	Martin
Bridges	Hendrickson	Millikin
Butler	Ives	Mundt
Byrd	Jenner	Saltonstall
Capehart	Kem	Schoeppel
Cordon	Langer	Smith, Maine
Donnell	McCarran	Thye
Dworshak	McCarthy	Wherry
Ecton	McClellan	

NAYS—43

Benton	Hunt	O'Conor
Bricker	Johnson, Colo.	O'Mahoney
Cain	Kefauver	Robertson
Chapman	Kilgore	Russell
Darby	Knowland	Smith, N. J.
Douglas	Leahy	Sparkman
Ellender	Lehman	Stennis
Ferguson	Long	Taft
George	Lucas	Taylor
Gillette	McFarland	Thomas, Utah
Hayden	McKellar	Watkins
Hill	McMahon	Wiley
Hoey	Magnuson	Williams
Holland	Myers	
Humphrey	Neely	

NOT VOTING—24

Anderson	Gurney	Murray
Chavez	Hickenlooper	Pepper
Connally	Johnson, Tex.	Thomas, Okla.
Downey	Johnston, S. C.	Tobey
Eastland	Kerr	Tydings
Frear	Lodge	Vandenberg
Graham	Maybank	Withers
Green	Morse	Young

The PRESIDENT pro tempore. On this vote, the yeas are 29, the nays 43. A majority of the authorized Members of the Senate not having voted in the affirmative, the resolution (S. Res. 271) is not agreed to.

REORGANIZATION PLAN NO. 18 OF 1950

Under the unanimous-consent agreement,

The PRESIDENT pro tempore. The Chair now lays before the Senate Senate Resolution 270.

The Senate proceeded to consider the resolution, which is as follows:

Resolved, That the Senate does not favor the Reorganization Plan No. 18 of 1950 transmitted to Congress by the President on March 13, 1950.

The PRESIDENT pro tempore. Under the agreement, there is to be 1 hour for debate, with the time to be equally divided between the proponents and the opponents and to be controlled by the Senator from Maryland [Mr. O'CONOR] and the Senator from Vermont [Mr. AIKEN], respectively.

Mr. O'CONOR. I yield to the Senator from Minnesota.

Mr. THYE. Mr. President, as a member of the Committee on Post Office and Civil Service, and also as a cosponsor of Senate Resolution 270, I wish to say that I joined as a cosponsor for the purpose of having hearings at which we could develop the facts concerning Reorganization Plan No. 18. The hearings were held, and much testimony was taken, and much consideration and thought were given to the entire question of reorganization under plan No. 18.

After having obtained all the facts, even though I am a cosponsor of Senate Resolution 270, I consider that there is more to be gained by means of the adoption of the reorganization plan than by means of supporting the objections to the plan.

However, I feel that there are some employees within the Custodial Division of the Post Office Department who, if the plan goes into effect, will suffer losses. Between 4,000 and 5,000 employees in that agency now have the benefit of longevity pay. If they are transferred to the General Services Administration, they will lose the benefit of the longevity-pay provision, and as a result they may lose anywhere from $100 to $300 in pay. I feel that those employees should in some manner be taken care of in the future. However, I believe that matter can be taken care of either by legislative action or by administrative action on the part of the agency which will receive these employees.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. THYE. I am very happy to yield to the distinguished Senator from Washington.

Mr. CAIN. Will the Senator please explain why the employees would lose their longevity-pay rights merely by being transferred from one branch of the Government to another?

Mr. THYE. The branch of the Government to which they would be transferred does not recognize longevity, nor does it have a provision for longevity pay. Only the Post Office Department has such a provision for its employees. However, there is some difference in annual leave and in sick leave, because of which the employees in question will obtain a benefit when they are transferred to the other administrative branch of the Government. On the other hand, from the standpoint of longevity pay, legislatively they have been granted some specific salary increases on the basis of longevity.

Mr. CAIN. I thank the Senator.

Mr. THYE. Those employees will stand to lose that when they are transferred. However, I believe the Congress or the administrative division to which they are transferred can take care of the longevity pay due the employees who will be transferred.

So, Mr. President, because I feel that Reorganization Plan No. 18 provides so many benefits which are most desirable, I believe that even though there are employees who will be discriminated against, the plan should go into effect.

Mr. O'CONOR. Mr. President, will the Senator yield for a question?

Mr. THYE. I shall be very happy to do so.

Mr. O'CONOR. Knowing that the Senator from Minnesota has devoted very much time in the interest of these Government employees, let me ask him a question for information. As a result of the interest of the Senator from Minnesota and others, since this plan was submitted the Civil Service Commission has promulgated several orders which in large measure take care of very many of the objections to which the Senator has referred. Is that not correct?

Mr. THYE. That is quite true. However, they do not take care of the longevity pay, and those employees justly and rightfully should be taken care of because of that situation. It is for that reason that I mentioned that some legislative action in the future or some administrative action in the future should be taken in recognition of the fact that those employees will be losing anywhere from $100 to $300 in the way of salary increases which they could receive if they remained in the service of the Post Office Department.

Mr. O'CONOR. I do not disagree at all. I simply wish to emphasize the point that action which has been taken will in some degree take care of that situation.

Mr. President, will the Senator yield for a further question?

Mr. THYE. I am glad to yield.

Mr. O'CONOR. Is it not also true that the employees who are transferred will receive additional benefits both in regard to annual leave and in regard to sick leave, in that the number of days of leave will be increased, and they will have the benefits of the increased leave in both of those respects?

Mr. THYE. That is correct.

Mr. AIKEN. Mr. President, as I understand, at the end of the session last evening the Senate voted that the time for the consideration of these resolutions should be controlled by the Senator from Maryland [Mr. O'CONOR], on the one side, and by myself, on the other. I understand that under that arrangement I am supposed to be in charge of the 30 minutes allocated to the supporters of the resolution disapproving of Reorganization Plan No. 18 which is now before the Senate. Inasmuch as I do not expect to vote to disapprove plan No. 18, it seems to me a little inconsistent that I should be in control of the time for those who oppose it.

Therefore, I ask whether there is now present any Member of the Senate who will take a position in opposition to plan No. 18, so that the time may be transferred to him.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. O'CONOR. I understand that the able Senator from West Virginia [Mr. NEELY] is to make a statement in regard to this matter. I merely suggest that possibly that might be the solution.

Mr. AIKEN. Then, Mr. President, I ask unanimous consent that the control of the time which I have had, be transferred from myself to the junior Senator from West Virginia [Mr. NEELY].

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. AIKEN. I am not in a position to say how much of the time has been used, or by which Senators it has been used.

ATTEMPTS BY SECRETARY GENERAL OF THE UNITED NATIONS TO SECURE RECOGNITION OF THE CHINESE COMMUNIST REGIME

Mr. KNOWLAND. Mr. President, will the Senator from Maryland yield 4 minutes to me to permit me to make a statement on a different subject?

Mr. O'CONOR. I am very happy to yield to the Senator from California.

The PRESIDENT pro tempore. The Senator from California is recognized for 4 minutes.

Mr. KNOWLAND. Mr. President, is there another Munich in the making? Indications exist that Trygve Lie, Secretary General of the United Nations, and partisan of the Soviet Union's position relative to seating the Chinese Communist regime in the United Nations, is busily engaged in selling his 1950 brand of appeasement.

In 1938, Prime Minister Chamberlain, of Great Britain, and Premier Daladier, of France, thought that by surrendering the sovereignty of Czechoslovakia they were gaining peace in our time. We know now that by paying international blackmail to Hitler they were making certain ever-increasing demands which finally could not be paid.

Mr. Lie's proposal has been to entice the Soviet Union back into the United Nations, which it voluntarily left because the other members did not yield to the pressure tactics of the Soviet walk-out technique. The President of the United States, in his letter transmitting his fourth annual report on the United Nations, described the action as the willful flouting by the Soviet Government of obligations assumed by it under the Charter. Yet Mr. Trygve Lie would have the other members yield to this type of pressure in order to bring the Soviet Union back.

Mr. President, I strongly believe that this yielding to Soviet pressure will be as destructive to the United Nations and to the ultimate peace of the world as was the pact of Munich.

Once the Soviet Union has demonstrated that by such unilateral action it can bend the United Nations to its knees, I predict that the walk-out technique will be tried again and again and again.

Perhaps the next walk-out will be on the issue of our refusal to accept the Soviet formula on atomic energy, or perhaps it will be on the refusal of this Nation and our western allies to repudiate the North Atlantic Pact.

It may be on some other issue which is not yet clear; but the precedent will be established that in order to appease the Soviet Union, the Secretary General will use the vast power and prestige of his office, not for the purpose of bringing the Soviet Union to its senses and to continue participation in the deliberations of the United Nations, as is the clear obligation for them to do under the Charter, but, rather, to bend to the will of the Soviet Union all the other member states.

This, Mr. President, is a dangerous and destructive doctrine. It would be as though the representatives of a single State in this Chamber would walk out of our deliberations because the other 94 Members would not accept the decisions of a single State, and then the Secretary of this body, with the prestige and importance that goes with his office, would spend his time in urging Senators from the other 47 States to yield their point of view, in order that we might have a full attendance.

Yesterday Mr. Lie saw the leaders of the French Republic. Today he is meeting with the Prime Minister and Foreign Minister of Great Britain. Now is the time for this Government to speak out in clear and unmistakable language that we will have no part in any such deal that not only is destructive of the procedures in the United Nations under its Charter, but is also a rank betrayal of our historic friends, the non-Communist Republic of China.

Appeasement in 1950, as in 1938, is but surrender on the installment plan.

REORGANIZATION PLAN NO. 18

The Senate resumed the consideration of the resolution (S. Res. 270) disapproving Reorganization Plan No. 18 of 1950.

The PRESIDENT pro tempore. The Senator from Maryland.

Mr. O'CONOR. Mr. President, I yield such time to the Senator from West Virginia [Mr. NEELY] as he may need for the presentation of a brief statement.

Mr. NEELY. Mr. President, the distinguished Senator from South Carolina [Mr. JOHNSTON], chairman of the Committee on Post Office and Civil Service, prepared a brief address on the pending resolution. Unhappily the Senator is unavoidably absent on official business. Therefore I ask unanimous consent that his remarks be read to the Senate by the clerk.

The PRESIDENT pro tempore. Without objection, the clerk will read the statement.

The Chief Clerk read the statement prepared by Mr. JOHNSTON of South Carolina, as follows:

MEMORANDUM TO BE USED IN OPPOSITION TO REORGANIZATION PLAN NO. 18

Resolution 270, in opposition to Reorganization Plan No. 18, has reference to approximately 100 Federal buildings in the larger cities of the country which are used for post offices and other Government purposes.

Since there are approximately 3,300 Government-owned buildings operated by the Post Office Department, 3,200 are not affected.

There is no opposition to section 1 of the plan, but it is impossible to segregate it, therefore it is necessary to oppose the entire plan. Section 1 relates to transfer of space assignment and leasing functions. The major part of the testimony before the Expenditures Committee in favor of the plan was directed to this section.

Our opposition is directed mainly to section 4 of the plan—transfer of personnel, property, records, and funds, but since section 2—transfer of office building management functions, and section 3, performance of transferred functions, are so closely related to section 4 as to make them inseparable, we are opposed to all of the plan except section 1. Actually, section 4 is necessary to implement the purpose of sections 2 and 3.

Our opposition to the plan is based solely on the adverse effect on that part of post office custodial employees who would be transferred from the Post Office Department to General Services Administration.

Of the approximate 20,000 custodial employees of the postal service, between 4,000 and 5,000 will, under this plan, become a part of the General Services Administration personnel.

The result would be that this 20 to 25 percent would suffer a loss in future earning power even though no change in present pay; would, in some cases, lose all of their longevity benefits; would be denied opportunity for promotions subsequent to their transfer to General Services Administration, as follows:

Mr. Baruch, of the Civil Service Commission, testifying before the Committee, at page 119 of the hearings, illustrated this by saying that the maximum pay of a laborer under the Classification Act of 1949 is $2,540, without longevity, and the highest with maximum longevity would be $2,750. Whereas such an employee can now receive a maximum of $2,870 to which, as a postal employee, he can with 25 years' service have added thereto $300 longevity. As to automatic promotions, laborers enter the post office custodial service at $2,470 per annum with annual increase of $100 until they reach the maximum of $2,870, therefore, a laborer transferred to General Services Administration while earning $2,470 would only receive one promotion of $70, and thereafter be frozen at $2,540, except, of course, he would be entitled to longevity benefits on a reduced basis.

While it appears on the face that Post Office custodial employees will suffer no loss in annual and sick leave due to this transfer; on the contrary an apparent gain, the actual facts raise a doubt even under existing law which favors Government personnel generally over Post Office employees as to leave.

As to annual leave, it should be pointed out that while the employee will not suffer, the taxpayer will, as the plan contemplates immediate payment of all accumulated annual leave at time of transfer which will amount to several million dollars which would not have to be paid if the plan is rejected. As to sick leave, the transferred personnel will lose all accumulated sick leave over 90 days, whereas the remaining 75 to 80 percent of the Post Office custodial personnel not transferred will retain this sick leave even though in excess of 90 days.

It remains to be seen from actual operation whether or not it is good to have approximately 3,200 Government-owned post-office buildings operated by the Post Office Department and the remaining 100 in our larger cities operated under this plan. Of these 100 in some cases the postmaster will continue as custodian and in others a GSA official will serve as custodian with the possibility of clash in dual responsibility and authority.

Prior to 1933 custodial employees in Government-owned post-office buildings were Treasury personnel. By Executive order such were transferred to the Post Office Department. A great improvement was made by this transfer, and we think it is a backward step to again divide this personnel.

In his testimony before both Senate and House Committees on Expenditures, the Deputy Postmaster General testified that the

Post Office Department's approval of the plan is based on the fact that the Department will be relieved of approximately $11,000,000 annually, the custodial cost in these 100 buildings. However, while this is a good argument for the Department in its present financial condition, it should not be persuasive on this body, since it is admitted that this is not a real saving, but simply swapping this expenditure from one agency to another.

The disapproval of this plan by the Senate will not destroy the beneficial purpose of section 1, but will make it possible for the President to submit a revised plan, deleting the harmful part and retaining that which is good.

Mr. O'CONOR. Mr. President, I yield myself such time as may be necessary for the presentation of the statement.

This plan provides for transferring to the Administrator of General Services the responsibility for leasing, and assigning general purpose space, the maintenance, operation, and custody of office buildings. Since this authority is already conferred on the General Services Administration for performing such functions in the District of Columbia, this plan is primarily designed to transfer and consolidate all such functions to the Administrator for the field service, except as specifically exempted in the plan.

Within the District of Columbia a single agency, namely, the Public Buildings Service of the General Services Administration, has long had the operation and custody of most Government buildings and the leasing and assignment of space for executive agencies. Thus, nearly all requests for building space are handled by a single organization which is responsible for seeing that agencies are properly and efficiently housed. Outside of the National Capital, however, responsibility for the acquisition and control of building space and the operation of Government buildings is widely diffused among the agencies located in each city.

As a general rule, each agency leases, operates, and controls general purpose space which it uses in the field. It has been frequently found that if facilities are not available in Federal buildings, the agency will go on the open market and lease property from the local brokers or owners. Experience has shown that in some large cities numerous Federal procurement officers were negotiating for office space at the same time thereby forcing the market up, and at the same time competing against each other.

The Post Office Department operates and allocates space in post-office buildings, several hundred of which contain substantial amounts of office space available for other agencies. During and immediately after the war several other Federal agencies acquired office buildings in the field. As their activities diminished, surplus space in many of these structures became available for other use. Since there was no central clearinghouse available in the field to equitably allocate the space, excessive space was occupied by some agencies or it remained unoccupied, while others were going into the open market to procure high-cost space to meet their requirements.

This plan excluded the leasing functions now vested in the Post Office Department, and such space which is used by that Department for postal service. This exclusion is intended to safeguard the interest of the Post Office Department by giving it priority on all space under its jurisdiction, while at the same time making it possible to release such space as is in excess of its needs. In other words, if a postal building is predominantly used by that Department, its custody and control would remain under the Department; but, if only a portion of the building is used for the postal service, the remainder of the building for general purpose use would be allocated to the General Services Administration for assignment, maintenance, and upkeep. Under this arrangement it is anticipated that insofar as the cost of operating the postal system is concerned a reduction will be made because these nonpostal expenses are now charged against postal revenues.

This plan conforms with the recommendations of the Hoover Commission; it is in accord with the spirit and intent of the Federal Property and Administrative Services Act of 1949, and will make possible substantial reductions in the rental of property for Government use and facilitate the allocation of space to Government agencies.

Before concluding, Mr. President, may I say that unified control over leasing, maintenance, and allocation of general purpose space will make possible improvements which should save money in a number of ways, which are enumerated as follows:

First. By permitting the leasing of entire buildings and large blocks of space instead of numerous small units.

Second. By eliminating competition among Federal agencies for leased space, which tends to drive up rental rates. At present as many as 20 or 30 different agencies are leasing space in some of the larger cities.

Third. By concentrating leasing in the hands of specialists who know the local real-estate market and are experienced in negotiating leases.

Fourth. By permitting the establishment of definite standards of space utilization and requiring agencies to justify their space requirements before persons who are qualified to judge the reasonableness of the requests.

Fifth. By preventing agencies from entering into leases at high costs when suitable space is, or is about to become, available in Government-owned buildings or in lower-cost leased buildings.

Sixth. By permitting the use of 5-year leases instead of annual leases where the condition of the rental market warrants. Better terms can usually be obtained on long-term leases. But, whereas it might not be wise for the average agency to bind itself for more than 1 year because of uncertainties as to its future needs, a central leasing agency can safely enter into long-term leases on a large part of its space.

Mr. President, for those reasons, and because it undoubtedly is in the direction of greater efficiency and economy in Government, I urge the rejection of the resolution, which would mean the adoption of Reorganization Plan No. 18.

Mr. NEELY. Mr. President, having no request for time I suggest that the Senate proceed to a vote, and preparatory to that action, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Millikin
Benton	Hoey	Mundt
Brewster	Holland	Myers
Bricker	Humphrey	Neely
Bridges	Hunt	O'Conor
Butler	Ives	O'Mahoney
Byrd	Jenner	Robertson
Cain	Johnson, Colo.	Russell
Capehart	Johnson, Tex.	Saltonstall
Chapman	Kefauver	Schoeppel
Connally	Kem	Smith, Maine
Cordon	Kilgore	Smith, N. J.
Darby	Knowland	Sparkman
Donnell	Langer	Stennis
Douglas	Lehman	Taft
Dworshak	Long	Taylor
Eastland	Lucas	Thomas, Utah
Ecton	McCarran	Thye
Ellender	McCarthy	Tydings
Ferguson	McClellan	Watkins
Flanders	McFarland	Wherry
Fulbright	McKellar	Wiley
George	McMahon	Williams
Gillette	Magnuson	Withers
Hayden	Malone	
Hendrickson	Martin	

The PRESIDENT pro tempore. A quorum is present.

Mr. O'CONOR. Mr. President, in view of the fact that apparently no other Members of the Senate wish to speak on the pending legislation I ask unanimous consent that the Senate now proceed to vote on it.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to Senate Resolution 270.

Mr. HUMPHREY. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Oklahoma [Mr. KERR], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY], and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Rhode Island [Mr. LEAHY] is detained on official business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is absent because of a death in his family.

The Senator from South Carolina [Mr. JOHNSTON] is paired on this vote with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Rhode Island would vote "nay."

If present and voting, the Senator from New Mexico [Mr. ANDERSON], and the Senator from South Carolina [Mr. MAYBANK] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG], are absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Oregon [Mr. MORSE] who is also absent by leave of the Senate. If present and voting the Senator from Iowa would vote "yea" and the Senator from Oregon would vote "nay."

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent on official business. If present and voting the Senator from New Hampshire would vote "nay."

The yeas and nays resulted—yeas 7, nays 69, as follows:

YEAS—7

Butler	Gillette	Wiley
Capehart	Neely	
Ecton	Taylor	

NAYS—69

Aiken	Hoey	Malone
Benton	Holland	Martin
Brewster	Humphrey	Millikin
Bricker	Hunt	Mundt
Bridges	Ives	Myers
Byrd	Jenner	O'Conor
Cain	Johnson, Colo.	O'Mahoney
Chapman	Johnson, Tex.	Robertson
Connally	Kefauver	Russell
Cordon	Kem	Saltonstall
Darby	Kilgore	Schoeppel
Donnell	Knowland	Smith, Maine
Douglas	Langer	Smith, N. J.
Dworshak	Lehman	Sparkman
Eastland	Long	Stennis
Ellender	Lucas	Taft
Ferguson	McCarran	Thomas, Utah
Flanders	McCarthy	Thye
Fulbright	McClellan	Tydings
George	McFarland	Watkins
Hayden	McKellar	Wherry
Hendrickson	McMahon	Williams
Hill	Magnuson	Withers

NOT VOTING—20

Anderson	Hickenlooper	Murray
Chavez	Johnston, S. C.	Pepper
Downey	Kerr	Thomas, Okla.
Frear	Leahy	Tobey
Graham	Lodge	Vandenberg
Green	Maybank	Young
Gurney	Morse	

The PRESIDING OFFICER (Mr. HOLLAND in the chair). On this question the yeas are 7, the nays 69. A majority of the authorized membership of the Senate not having voted in the affirmative, the resolution is not agreed to.

Mr. SMITH of New Jersey subsequently said: Mr. President, I am making this brief statement at the request of the Citizens' Committee for the Hoover Report, and I ask unanimous consent that these remarks may appear in the RECORD following the last vote taken on the reorganization plans.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Jersey. On May 17, 1950, the Senator from Arkansas [Mr. MCCLELLAN] discussed the activities of the Citizens Committee for the Hoover Report during the debate on Reorganization Plan No. 11. At that time he referred to the testimony of Mr. Harold Leventhal, who appeared on behalf of the Citizens Committee to testify on Plans 7, 8, 9, and 11. He also referred to Dr. Robert L. Johnson, the Chairman of the Citizens Committee, and quoted from a letter which he had received from Dr. Johnson.

In order that the RECORD may be complete, the Citizens Committee has requested me to insert some clarifying material into the RECORD. I therefore ask unanimous consent to have inserted at the conclusion of my remarks a copy of Dr. Johnson's letter of May 1, 1950, to the Senator from Arkansas; a copy of Dr. Johnson's letter of April 24, 1950, to Mr. Harold Leventhal, requesting that he present to the Committee on Expenditures in the Executive Departments the views of the Citizens Committee on Reorganization Plans Nos. 7, 8, 9, and 11 and a copy of the prepared statement of Mr. Harold Leventhal, given before the Senate Committee on Expenditures on April 25, 1950.

Let me take this opportunity, Mr. President, to say that I think that the Citizens' Committee is performing a fine service by carrying on important educational work concerning the Hoover Commission reports. Although I have not agreed with the conclusions of the Citizens Committee on every plan, nevertheless I have found their circular letters and the testimony of their representatives most enlightening and helpful.

There being no objection, the letters and statement were ordered to be printed in the RECORD, as follows:

CITIZENS COMMITTEE FOR
THE HOOVER REPORT,
Washington, D. C., May 1, 1950.

Hon. JOHN L. MCCLELLAN,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCLELLAN: Pursuant to the kind invitation which you tendered in your letter of February 14, 1950, I requested Mr. Harold Leventhal, a member of the National Citizens Committee and a sponsor of the Greater Washington Citizens Committee, to present the views of the citizens committee on Reorganization Plans 7, 8, 9, and 11. Mr. Leventhal is admirably qualified to do so, because of his wide experience in legal matters and because of the important post which he held on the commission's Task Force on Independent Regulatory Commissions.

On April 24, 1950, I wrote Mr. Leventhal requesting him to represent the committee. A copy of my letter to him is attached hereto as exhibit A. Although Mr. Leventhal appeared as a private citizen at his own time and expense, the citizens committee agrees with his prepared statement and with his oral elaboration of the matters covered in it. We stand behind his views on Reorganization Plans 7, 8, 9, and 11.

As to your request for information on the citizens committee, the national committee and its 45 State and 300 county and local affiliates were specifically established for public education in support of the Hoover report. The committee is a voluntary, bipartisan, nonprofit organization of private citizens. It prepares and distributes educational tools such as: (1) Digests of the commission's report; (2) high school and university short courses; (3) discussion group outlines; and (4) series of articles giving simplified explanations of the report for use by newspapers, farm weeklies, union publications, and industrial employee magazines. Additionally the committee maintains contact with some 93 national organizations who have signified their cooperation by resolution, by board affiliation, and by other action and are informing their members of the progress of the reorganization program.

The Commission's policies are determined by its board of directors in accordance with the charter and bylaws under the laws of the State of New York in which it was incorporated. At the last meeting of the board of directors, I, as chairman, was authorized to act as spokesman for the citizens committee and to consult with members of the Hoover Commission and its task forces on matters on which special information was required. I was also authorized to undertake two principal steps with regard to legislative measures and Presidential reorganization plans: First, to have studies made by the committee's staff in order to determine factually the extent to which such measures and plans conform with or differ from the majority recommendations of the Commission on Organization of the Executive Branch of the Government; and second, to endorse those matters which are, after such studies, so determined to be generally in accord with the recommendations of that Commission. Also, administrative direction of the citizens committee and certain other duties were vested in me by the board of directors.

There is a widespread demand for analytical material of this sort on the part of our affiliated committees, the press, and Members of Congress. With respect to the 21 reorganization plans currently under discussion in Congress, I instructed the committee's staff to prepare a detailed analysis of each plan in order to determine the extent of its conformance or lack of conformance with the Commission's recommendations. A copy of this analysis, entitled "Circular Letter No. 2," is attached hereto for your information as exhibit B. The analysis discloses that 19 of the 21 reorganization plans submitted by the President are generally in accord with recommendations of the majority of the Hoover Commission. One of the two remaining plans (plan No. 12) only partially so conforms to the recommendations. The status of one other (plan No. 17) is debatable.

Circular Letter No. 2 has been given extremely wide currency in the Nation's press. Also, several thousand copies of it have been circularized to our State and local committees, certain members of the committee, cooperating organizations, and other interested persons or groups.

In view of the questions which have been raised in connection with this matter, it would be greatly appreciated if this statement could be placed in the record.

Respectfully yours,

ROBERT L. JOHNSON.

CITIZENS COMMITTEE FOR
THE HOOVER REPORT,
Washington, D. C., April 24, 1950.

MR. HAROLD LEVENTHAL,
Ginsburg & Leventhal,
Washington, D. C.

DEAR MR. LEVENTHAL: The Citizens Committee would greatly appreciate it if you, acting as a private citizen, would present the

committee's views on Reorganization Plans Nos. 7, 8, 9, and 11, to the Senate Committee on Expenditures in the Executive Departments. These plans, in our opinion, conform with the report of the Commission on Organization of the Executive Branch of the Government and would offer economies and improvements in the public service, while at the same time protecting the integrity of these bipartisan commissions. The Citizens Committee therefore wholeheartedly supports the plans enumerated.

Because of your position as a key member of the task force on independent regulatory commissions, we believe that you will be able to elaborate on the reasons why these plans should be supported and to state to the expenditures committee for us your expert views on this most complicated matter.

Please accept my thanks for your assistance.

Very truly yours,

ROBERT L. JOHNSON.

SUMMARY OF STATEMENT FOR THE CITIZENS COMMITTEE FOR THE HOOVER REPORT BY HAROLD LEVENTHAL, APRIL 25, 1950, BEFORE THE SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS, IN SUPPORT OF PRESIDENT'S REORGANIZATION PLANS NOS. 7, 8, 9, AND 11

For the record, my name is Harold Leventhal. I am an attorney with offices here in Washington, but I appear today, at the request of Dr. Robert L. Johnson, who regrets that he is unable to be present in person, to express the views of the Citizens Committee for the Hoover Report of which I am a member. I may also note that in 1948–49. I served as a consultant to the Hoover Commission, as executive officer of task force 16, which reported on independent regulatory commissions. Task force 16 consisted of Mr. Robert R. Bowie and Mr. Owen D. Young.

The Citizens Committee for the Hoover Report earnestly recommends that this Senate committee express its affirmative approval, rather than any disapproval, of the President's Reorganization Plans 7 (ICC), 8 (FTC), 9 (FPC), and 11 (FCC).

These plans apply the salient recommendations of the Hoover Commission: The chairman is given primary administrative responsibility, but not to include power to decide major administrative developments which are questions of policy.

This Hoover Commission approach is sound for two basic reasons: (1) It promotes efficiency in the handling of administrative matters. (2) It advances the fundamental conception of the independent regulatory commission by freeing the individual commissioners for more consideration of basic regulatory policies.

The Hoover Commission was certainly not motivated by any desire to eliminate the independence of these agencies or knuckle them under the Chairman's or President's thumb. Indeed it rejected the 1937 conclusion of the President's Committee on Administrative Management that independent regulatory commissions be scrapped except as to purely judicial functions. Instead the Commission developed the soundness of the congressional conception of the independent regulatory commissions. Moreover, the Hoover Commission recommended that commissioners should be removable only for cause and that the three statutes now silent on this subject should expressly so limit the President's removal power.

But the commissioners cannot operate effectively on the basic questions of regulatory policy if their dockets require them to consider routine or minor personal appointments or similar administrative matters. Under these plans the commissioners will be free in part of that insidious Gresham's law of administrative matters by which specific, immediate, or routine matters tend to get disposed of before consideration is given to those that are general, long-range, or complex.

The increase in administrative efficiency will be measured not only in fewer delays and greater work accomplishments, but also in sounder administrative decisions.

The chairman will also have an important role in connection with major administrative determinations and basic questions of administrative policy. Here his primary administrative responsibility will lead him to spot administrative problems, explore alternative approaches, and present the policy questions to the commission in a way which will enhance their capacity for effective decision.

The legislative and judicial aspects of a commission's work will in no way be hampered by the chairman's administrative responsibility. Indeed in both courts and legislative committees we customarily find the chief judge or committee chairman given comparable administrative authority.

The important safeguard in these plans is the provision reserving policy matters to the commissions.

Presidential designation of the chairmen, set forth in plans 7, 8, and 9, are in accordance with the recommendation of the task force. In most of the independent regulatory commissions, the President already designates the chairman. This matter is related to the vesting of administrative responsibility in the chairman. The task force found serious administrative shortcomings in the Federal Trade Commission and the Interstate Commerce Commission, both "rotating chairman" agencies.

In addition designation of the chairman by the President is likely to improve channels of communication with the Executive. The commissions, though independent, do not live in a vacuum. They may and rightfully should give consideration to the President's views on national policy, without in any way being bound by those views.

SUMMARY OF ACTION ON REORGANIZATION PLANS OF 1950

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD following the last vote a summary of the action taken on the reorganization plans of 1950.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Senate Committee on Expenditures in the Executive Departments—Summary of action on reorganization plans of 1950, May 23, 1950

Plan No.	Title	Senate resolution of disapproval	S. Rept. No.	Senate vote on resolution of disapproval			Plan No.	Title	Senate resolution of disapproval	S. Rept. No.	Senate vote on resolution of disapproval		
				Yeas	Nays	Date					Yeas	Nays	Date
1	Department of Treasury.	No. 246	1518	65	13	May 11, 1950	15	Alaska and Virgin Islands Public Works.	None	1547			
2	Department of Justice	None	1683				16	Assistance to School Districts and Water Pollution Control.	do	1548			
3	Department of Interior	do	1545										
4	Department of Agriculture.	No. 263	1566	(1)		May 18, 1950	17	Advance Planning and War Public Works.	No. 271	1676	[1] 29	43	May 23, 1950
5	Department of Commerce.	No. 259	1561	[2] 29	43	May 23, 1950	18	Building and Space Management Functions.	No. 270	1675	[2] 7	69	Do.
6	Department of Labor	None	1684				19	Employees' Compensation Functions.	None	1549			
7	Interstate Commerce Commission.	No. 253	1567	66	13	May 17, 1950	20	Statutes at Large and Other Matters.	do	1550			
8	Federal Trade Commission.	No. 254	1562	[2] 34	37	May 22, 1950	21	Maritime Commission	No. 265	1674	[2] 14	59	May 19, 1950
9	Federal Power Commission.	No. 255	1563	[2] 37	36	Do.	22	Federal National Mortgage Association.	None				
10	Securities and Exchange Commission.	None	1685				23	Loans for Factory Built Homes.	do				
11	Federal Communications Commission.	No. 256	1564	50	23	May 17, 1950	24	RFC to Department of Commerce.	do				
12	National Labor Relations Board.	No. 248	1516	53	30	May 11, 1950	25	National Security Resources Board.	do				
13	Civil Aeronautics Board.	None	1686										
14	Labor Standards Enforcement.	do	1546										

[1] Resolution agreed to in the Senate by voice vote.
[2] Resolution rejected. Requires majority of full Senate membership—49 votes—to disapprove plan.

Of 21 plans acted on to date, plans Nos. 1, 4, 7, 11, and 12 rejected. Remainder of first group of 21 plans become effective May 24, 1950. Plans Nos. 22 to 25, inclusive, introduced May 9, 1950.

ACTION OF SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS ON REORGANIZATION PLANS OF 1950, MAY 23, 1950

1. Resolutions of disapproval reported favorably on following plans:

Senate Resolution 246: Reorganization Plan No. 1 of 1950, Department of the Treasury. Senate adopted resolution of disapproval by vote of 65 to 13, May 11, 1950.

Senate Resolution 263: Reorganization Plan No. 4 of 1950, Department of Agriculture. Senate adopted resolution of disapproval by voice vote on May 18, 1950.

Senate Resolution 253: Reorganization Plan No. 7 of 1950, Interstate Commerce Commission. Senate adopted resolution of disapproval by vote of 66 to 13 May 17, 1950.

Senate Resolution 248: Reorganization Plan No. 12 of 1950, National Labor Relations Board. Senate adopted resolution of disapproval by vote of 53 to 30, May 11, 1950.

2. Resolutions of disapproval reported unfavorably:

Senate Resolution 254: Reorganization Plan No. 8 of 1950, Federal Trade Commission. Senate rejected resolution of disapproval by vote of 34 to 37, May 22, 1950.

Senate Resolution 255: Reorganization Plan No. 9 of 1950, Federal Power Commission. Senate rejected resolution of disapproval by vote of 37 to 36, May 22, 1950.

Senate Resolution 256: Reorganization Plan No. 11 of 1950, Federal Communications Commission. Senate adopted resolution of disapproval by vote of 50 to 23, May 17, 1950.

3. Resolutions of disapproval reported without recommendation:

Senate Resolution 259: Reorganization Plan No. 5 of 1950, Department of Commerce. Senate rejected resolution of disapproval by vote of 29 to 43, May 23, 1950.

Senate Resolution 271: Reorganization Plan No. 17 of 1950, Advance Planning and War Public Works. Senate rejected resolution of disapproval by vote of 29 to 43, May 23, 1950.

Senate Resolution 270: Reorganization Plan No. 18 of 1950, Building and Space Management Functions. Senate rejected resolution of disapproval by vote of 7 to 69, May 23, 1950.

Senate Resolution 265: Reorganization Plan No. 21 of 1950, Transfer of Functions of the Maritime Commission to the Department of Commerce. Senate rejected resolution of disapproval by vote of 14 to 59, May 19, 1950.

4. Reorganization plans reported favorably by committee on which no resolutions of disapproval were filed. (No action taken in Senate, become effective May 24, 1950.)

Reorganization Plan No. 2 of 1950, Department of Justice.

Reorganization Plan No. 3 of 1950, Department of the Interior.

Reorganization Plan No. 6 of 1950, Department of Labor.

Reorganization Plan No. 10 of 1950, Securities and Exchange Commission.

Reorganization Plan No. 13 of 1950, Civil Aeronautics Board.

Reorganization Plan No. 14 of 1950, Labor Standards Enforcement.

Reorganization Plan No. 15 of 1950, Alaska and Virgin Islands Public Works.

Reorganization Plan No. 16 of 1950, Assistance to School Districts and Water Pollution Control.

Reorganization Plan No. 19 of 1950, Employees' Compensation Functions.

Reorganization Plan No. 20 of 1950, Statutes at Large and other matters.

5. No action has been taken by the committee on Reorganization Plans Nos. 22, 23, 24, and 25, submitted to the Congress on May 9, 1950.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 6329) for the relief of Betsy Sullivan, and it was signed by the Vice President.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ST. LAWRENCE SEAWAY—RESOLUTION OF NORTHEASTERN ELECTRIC COOPERATIVE ASSOCIATION, BURLINGTON, VT.

Mr. AIKEN. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Northeastern Electric Cooperative Association, at Burlington, Vt., relating to the St. Lawrence seaway and other public power developments.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas the Northeastern Electric Cooperative Association favors the development of the St. Lawrence seaway and other sources of low-cost power which would strengthen the economy of the Northeast and, in turn, of the entire Nation; and

Whereas it has come to the attention of this association that the New England Council and other organizations interested in maintaining the status quo have opposed such public developments at various times and places: Now, therefore, be it

Resolved, That this association go on record as deploring the attitude of the New England Council and other interests for their short-sighted opposition to the development of low-cost public power; and be it further

Resolved, That this association publicly renew its stand in favor of the St. Lawrence seaway and other economically feasible hydroelectric developments, and that this association urgently petition Congress to approve the pending St. Lawrence legislation providing for approval of the United States-Canadian agreement of 1941, and to make provision for a detailed survey of the proposed Passamoquoddy development and other potential sources of low-cost power. We further approve the public development and control of such power as may be generated at Niagara Falls under the Canadian-United States treaty of February 27, 1950.

RENT CONTROL—LETTERS AND RESOLUTION

Mr. MYERS. Mr. President, I present for appropriate reference letters from the Federated Trades Council of Reading and Berks County, signed by M. L. Wolfskill, secretary-treasurer; the Pennsylvania Federation of Labor of Harrisburg, signed by James L. McDevitt, president, and a resolution adopted by the Pennsylvania Federation of Labor, at Harrisburg, all in the State of Pennsylvania, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters and resolution were referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

FEDERATED TRADES COUNCIL OF READING AND BERKS COUNTY,
Reading, Pa., May 18, 1950.

The Honorable FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: At a regular meeting of the Federated Trades Council a motion was passed directing the Secretary to write to our State senators and Congressman protesting the decontrol of the present rent control.

We will appreciate your efforts to work in favor of keeping rent control for another year.

Yours truly,

M. L. WOLFSKILL,
Secretary-Treasurer,
Federated Trades Council.

PENNSYLVANIA FEDERATION OF LABOR,
Harrisburg, Pa., May 22, 1950.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: At our recent convention the executive council of our federation introduced resolution No. 43 on the subject Decontrol of Rents, copy of which is attached and is self-explanatory.

I am certain you are aware of the tremendous hardship that may be brought about if rents are decontrolled in the Commonwealth of Pennsylvania. From our investigation and survey we have found in areas where decontrols have been exercised it has actually brought about a reduction in take-home pay from 6 to 8 percent because of the determination on the part of real-estate operators to increase the rentals which were under control—in some instances to as much as from 20 to 50 percent.

Knowing the housing situation in Pennsylvania as you do I am certain we can count on you to see that this is not done in the Commonwealth of Pennsylvania—therefore we are asking that the present controls be continued, at least until June 30, 1951.

Any consideration you may extend in connection with this request will be greatly appreciated.

Sincerely yours,

JAMES L. MCDEVITT,
President.

Resolution 43

Whereas there is presently a concerted drive being conducted by the real-estate lobby to bring about the decontrol of rents thoughout the United States; and

Whereas there is still a very acute shortage of homes available for sale as well as an even greater shortage of rental units; and

Whereas the decontrol of rents would work a severe hardship on thousands of working men and their families through increases in rents that will range from 20 to 50 percent, thus actually bringing about a reduction in pay income of from 6 to 8 percent, as indicated in areas where decontrols have been exercised: Therefore be it

Resolved, That this federation call upon Congress to continue the Rent Control Act to June 30, 1951; and be it further

Resolved, That all affiliated unions write or wire their Congressmen and Senators MYERS and MARTIN requesting them to vote to continue rent control to the above-stated period.

Executive Council: James L. McDevitt, Earl C. Bohr, James Acri, Norman Blumberg, Eugene A. Burke, John M. Casler, Joseph L. Downes, David E. Glavin, Matt Gorman, Fred B. Hughes, Alfred J. Mascaro, Edward F. Netzler, Samuel Otto, Benjamin Weigand, Sidney G. Willar.

CURTAILMENT OF POSTAL SERVICE—LETTERS AND RESOLUTIONS

Mr. MYERS. Mr. President, I present for appropriate reference letters from the Brotherhood of Locomotive Engineers, Division 565, signed by B. H. Hill, New Castle; the Federation of Social Organizations of Erie County, signed by Michael Ricci, secretary, and a resolution adopted by the Council of the City

of McKeesport, all in the State of Pennsylvania, protesting against the curtailment of postal service, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters and resolution were referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

DIVISION 565, BROTHERHOOD OF LOCOMOTIVE ENGINEERS,
New Castle, Pa., May 17, 1950.

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I am writing to you to protest against the unnecessary and unwarranted curtailment of the postal service which the Postmaster General is putting into effect.

This cut will inflict a great and unnecessary hardship on the businessmen and other citizens of the country.

If the Government actually wants to save money, there are plenty of ways in which it can be done without working this hardship on the postal employees and other citizens of the country.

I earnestly request that you use your vote and influence to prevent this disaster which the postal d---rtment is going to inflict on this country.

Yours truly,

B. H. HILL.

FEDERATION OF SOCIAL ORGANIZATIONS OF ERIE COUNTY, PA.,
May 17, 1950.

Hon. FRANCIS MYERS,
Senate Building, Washington, D. C.

DEAR SIR: At our meeting held May 8, it was voted that we write our Representative, requesting him to do his utmost in trying to restore the services previously rendered by the United States post offices.

Trusting you will, I am,

Yours truly,

MICHAEL RICCI,
Secretary.

City Council Resolution 5704

A resolution protesting the action of the Postmaster General in ordering limitation of mail deliveries in residential areas, reducing frequency of collections from street letter boxes, shortening hours during which window service is provided, and other changes and matters not considered in the public interest

Resolved by the city of McKeesport, in council assembled, That—

Whereas the Postmaster General of the United States has deemed it necessary to limit the number of mail deliveries in residential areas to one each day; and

Whereas he has further ordered abolition of directory service for poorly addressed first-class mail, reduced the frequency of collections from street letter boxes, and shortened the number of hours during which window service is provided; and

Whereas such action is not considered in the public interest, deprives the individual of traditional privileges, and causes loss of employment for thousands of our young veterans: Therefore be it

Resolved, That this Council of the City of McKeesport go on record as officially and vigorously protesting this revolutionary edict; and be it further

Resolved, That copies of this resolution be sent to the two United States Senators from Pennsylvania, the Congressman representing the Thirty-third Pennsylvania Congressional District, the Postmaster General of the United States, and the postmaster of the city of McKeesport, Pa.

EXTENSION OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM—RESOLUTION OF MADISON (WIS.) COURT OF CATHOLIC DAUGHTERS OF AMERICA

Mr. WILEY. Mr. President, I have received this morning a letter from the legislative chairman of the Madison Court of the Catholic Daughters of America, Madison, Wis., with regard to the present so-called social-security bill. This letter comments on various phases of the bill. It represents the views of this court—one of thirty in our State—which in total have a membership of some 3,000 and which nationally have a membership of well over a quarter of a million. I ask unanimous consent that the letter from Miss Helen Blied, legislative chairman, be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

MADISON, WIS., *May 19, 1950.*

Hon. ALEXANDER WILEY,
United States Senate Office Building,
Washington, D. C.

MY DEAR SENATOR WILEY: Since the United States Senate is currently considering H. R. 6000, the members of the Madison Court, Catholic Daughters of America wish to register their reactions to this resolution with you.

We oppose:

1. Any enlargement of the child-welfare services, on the grounds that even now some of the several States are not using the moneys available to them because of the restrictions of the Children's Bureau, which make the maintainance of relations with voluntary agencies impossible.

2. Changing the definition of "dependent child," which would have the effect of making clause IV of the Social Security Act into a program of unemployment relief under the aegis of aid to dependent children.

3. Grants-in-aid to the States for general public assistance, because it projects the Federal Government into the entire field of relief, and sets up a pattern of help for all, whether in need or not.

We favor:

The provisions of H. R. 6000 which extend and improve the old-age program, including its provisions in regard to voluntary coverage of nonprofit agencies. We believe, however, that the Congress should further extend this program to cover all the present aged; because the present generation should face immediately the problem of caring for its own aged on a pay-as-you-go basis.

AIR-LAKE RESCUE SERVICE AT MILWAUKEE, WIS.—RESOLUTION OF COMMON COUNCIL OF MILWAUKEE

Mr. WILEY. Mr. President, I have received an important resolution from the Common Council of Milwaukee, Wis., urging adequate air-lake rescue service for Milwaukee harbor through means of expansion of the facilities of the Coast Guard.

I ask unanimous consent that this resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Whereas the problem of rescue service on Lake Michigan, for both air and marine traffic, was projected into the public view of the citizens of Milwaukee most forcibly on the occasion of the tragic loss of life following the landing of an Army C-45 plane off the shores of the city of Cudahy, a suburb of the city of Milwaukee; and

Whereas the fireboat *Deluge* of the city of Milwaukee fire department was called into emergency action in this instance to assist in rescue operations; and

Whereas, as a result of this emergency call to the Milwaukee fire department to assist with the fireboat *Deluge*, the problem of responsibility and coordination for carrying on rescue operations on Lake Michigan in the port of Milwaukee were shown to be in an inadequate state; and

Whereas the Coast Guard of the United States Government operating alone appeared inadequate to handle rescue operations without the assistance of other available rescue means; and

Whereas the activities of the Milwaukee Coast Guard station are curtailed during the winter months for reasons of economy; and

Whereas the primary responsibility for rescue operations in the port of Milwaukee rests with the Milwaukee Coast Guard station; and

Whereas Edward E. Wischer, chief of the fire department of the city of Milwaukee, who has made a study of the problem, has reached the conclusion that the primary requirement for adequate protection for the port of Milwaukee is to have one or more fast, fair-sized rescue vessels, manned by experienced personnel, on a 24-hour-a-day, year-round basis, and that the most strategic position for such vessel under the direction and control of the Milwaukee Coast Guard station would be the harbor entrance; and

Whereas the citizenry of Milwaukee has been aroused by the lack of adequate protective facilities of the Milwaukee Coast Guard station, particularly with reference to air-lake rescue service; and

Whereas this inadequacy should be brought to the attention of the Congress of the United States: Now, therefore, be it

Resolved by the Common Council of the City of Milwaukee, That Congress is hereby memorialized by the Common Council of the city of Milwaukee representing, by popular election, the citizenry of Milwaukee, to enact such legislation as will be necessary to provide adequate protection for the port of Milwaukee, particularly by furnishing one or more fast, fair-sized rescue vessels, manned by experienced personnel, on a 24-hour-a-day, year-round basis, with the strategic location for such Coast Guard vessel or vessels to be fixed at the harbor entrance of the port of Milwaukee; and be it further

Resolved, That a certified copy of this resolution be sent to Congressmen CLEMENT ZABLOCKI and ANDREW BIEMILLER, representing the city of Milwaukee, for proper introduction into the House of Representatives, and to United States Senators JOSEPH MCCARTHY and ALEXANDER WILEY, representing the State of Wisconsin, for proper introduction into the United States Senate; and be it further

Resolved, That all city officers, departments, and bureaus are hereby directed and authorized to extend their services and to cooperate in every manner possible to bring about, through action of Congress or otherwise, an adequate Milwaukee Coast Guard facility such as described above.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. ECTON, from the Committee on Interior and Insular Affairs:

S. 3029. A bill authorizing the Secretary of the Interior to issue a patent in fee to Wilber J. Scott; without amendment (Rept. No. 1736).

By Mr. McFARLAND, from the Committee on Interior and Insular Affairs:

H. R. 5372. A bill to authorize the negotiation and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes; with an amendment (Rept. No. 1737).

UTILIZATION OF FEDERAL HOSPITAL FACILITIES — INTERIM REPORT OF SUBCOMMITTEE ON INVESTIGATIONS OF COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOEY. Mr. President, the Subcommittee on Investigations of the Committee on Expenditures in the Executive Departments has submitted an interim report to the Committee on Expenditures in the Executive Departments on Senate Resolution 206, Eighty-first Congress, authorizing the Committee on Expenditures in the Executive Departments to carry out certain duties.

In the report of the Senate Investigations Subcommittee on the Utilization of Federal Hospital Facilities which I am submitting to the Senate today it is pointed out that every person entitled to receive treatment in Federal hospitals should receive the best possible medical care and adequate hospital facilities must be available to render that type of service. Second-rate medical care and inadequate hospital facilities for the men of our armed services and our veterans, as well as other patients entitled to Federal hospitalization, must not be tolerated. However, the waste of public funds in the Federal hospital program cannot be condoned any more than similar waste in other activity of government.

The Federal Government is now operating 353 hospitals, with a total constructed capacity of almost 200,000 beds. The maintenance and operation of this large and scattered network of hospitals presents many different problems. In addition to the very serious problem of adequately staffing these hospitals with competent doctors and other medical personnel, there are such other matters as the geographical location of hospitals, the need for reserve hospital space in the event of mobilization, and the many other problems inherent in the operation of a large and diversified hospital program.

The staff of the subcommittee in preparing the present report has confined its findings to the question of hospital utilization and even then no attempt has been made to explore the many ramifications of that single problem. It was found that there has been a cut-back in the number of hospitals in the past 2 years and the average daily occupancy rate has risen from 63 percent to 69 percent of constructed bed capacity.

The over-all statistics on Federal hospital utilization as set forth in the subcommittee report are as follows:

Agency	Calendar year	Number of hospitals	Percentage of occupancy	
			Maximum	Average
Army	1948	58	48	36
Do	1949	47	43	33
Navy	1948	134	51	40
Do	1949	94	65	54
Air Force	1948	61	25	16
Do	1949	60	33	22
Public Health Service	1948	25	104	90
Do	1949	23	104	90
Veterans' Administration	1948	125	94	90
Do	1949	129	94	91

The occupancy statistics gathered by the subcommittee represent the first complete set of such statistics on a nationwide basis and it is hoped that this statistical study will be helpful to the Congress and the executive departments in considering their future hospital requirements. The subcommittee plans to continue to make inquiries into this problem of Federal hospitals and to report to the Congress on the problem from time to time.

I now submit the report and ask unanimous consent that it be printed as a Senate document.

The PRESIDING OFFICER. The report will be received, and, without objection, printed as a Senate document, as requested by the Senator from North Carolina.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CORDON:

S. 3639. A bill providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made; to the Committee on Interior and Insular Affairs.

S. 3640. A bill to authorize the construction of a dam and dike to prevent the flow of tidal waters into Oar Creek, Douglas County, Oreg.; to the Committee on Public Works.

By Mr. LEHMAN:

S. 3641. A bill for the relief of Rev. Andrew K. C. Whang and his family; to the Committee on the Judiciary.

By Mr. MYERS:

S. 3642. A bill for the relief of Toshiko Murai; and

S. 3643. A bill for the relief of J. Hibbs Buckman and A. Raymond Raff, Jr., executors of the estate of A. Raymond Raff, deceased; to the Committee on the Judiciary.

By Mr. McCARRAN (by request):

S. 3644. A bill to amend the War Claims Act of 1948, as amended; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey (for himself and Mr. HENDRICKSON):

S. 3645. A bill for the relief of Ruby Thaw and Hla Sein; to the Committee on the Judiciary.

HOUSE BILL REFERRED

The bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HOLLAND in the chair) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

THE ARMED FORCES: A SOUND NATIONAL INVESTMENT—ADDRESS BY SENATOR ECTON

[Mr. ECTON asked and obtained leave to have printed in the RECORD an address entitled "The Armed Forces: A Sound National Investment," delivered by him on May 20, 1950, Armed Forces Day, at the United States Naval Powder Factory, Indian Head, Md., which appears in the Appendix.]

INVALIDATION OF CALIFORNIA LAND ACT UNDER UNITED NATIONS CHARTER—ARTICLE BY ARTHUR KROCK

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "More on Treaty Supremacy Over Existing Laws," written by Arthur Krock, and published in the New York Times of May 23, 1950, which appears in the Appendix.]

EDITORIAL COMMENT ON THE RAILROAD STRIKE

[Mr. DONNELL, by separate requests, asked and obtained leave to have printed in the RECORD 21 newspaper editorials and articles regarding the recently settled railroad strike, which appear in the Appendix.]

PRESIDENT TRUMAN'S DREAM, JEFFERSON'S NIGHTMARE

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "President Truman's Dream was Jefferson's Nightmare," published in the Richmond (Va.) Times-Dispatch on Wednesday, May 17, 1950, which appears in the Appendix.]

SUMMARY OF PROGRESS IN HOUSING IN CONNECTICUT

[Mr. BENTON asked and obtained leave to have printed in the RECORD a letter written by Hon. George E. Carr, chairman of the Connecticut State Housing Authority, published in the Hartford Courant on May 13, 1950, which appears in the Appendix.]

LEGISLATIVE PROGRAM

Mr. LUCAS. Mr. President, I wish to make a short statement for the benefit of Members of the Senate with respect to the program to be followed during the next few days.

The next order of business will be the ECA conference report, which the distinguished senior Senator from Texas [Mr. CONNALLY] is ready to have considered the moment I finish advising the Senate with respect to the remaining part of the program.

Following action on the conference report we will take up the conference report on the so-called basing-point bill,

S. 1008. The report is ready to be considered and has been for some time.

Following that we will then proceed with the consideration of House bill 6567, Calendar No. 1380, a bill to increase the borrowing power of the Commodity Credit Corporation.

Following that we perhaps will take up for consideration House bill 6000, the social-security bill.

That is about the program the Democratic policy committee has just agreed upon.

We also have agreed that when we finish our work on Friday we will then take a recess until Monday, and will hold only a perfunctory session on Monday, and then take another recess until Wednesday. Some Members on both sides of the aisle were anxious that that be done. I doubt if any considerable amount of business will be transacted on Monday. So in order to accommodate all Senators who desire to be absent on those days we agreed upon that program.

Mr. President, I hope that when Senators return on Wednesday, however, that if it may be necessary to hold a night session we can hold one without having my friends desert me around 8 or 9 o'clock.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. Yes; I yield to the Senator from New York.

Mr. IVES. The Senator from New York may now be asking a question about something the Senator from Illinois is about to speak. The Senator from New York rises to inquire as to the plan with respect to another vote on cloture being taken with respect to Senate bill 1728.

Mr. LUCAS. I am glad the Senator made that inquiry, because we certainly are going to have another vote on the FEPC bill.

Mr. IVES. Will the Senator from Illinois be so kind as to indicate the time when that vote will be had?

Mr. LUCAS. It is somewhat difficult to do so. I do not object to telling the Senate and the country what my strategy is. I do not know whether it will work or not, but at least we have to wait until the junior Senator from Massachusetts [Mr. LODGE] and the senior Senator from Rhode Island [Mr. GREEN] return. We need every vote we can get. Probably we will be one or two votes short even if we get all the votes of Senators who are now absent. I hope to be able to cooperate with my friends on the other side of the aisle to the end that we can set a certain date, and then let Senators see to it that all Senators who are favorable to cloture are present at the time the vote is taken. I realize it is very difficult to do that. It is seldom that we have a total membership present and voting upon any measure. But I at least hope the Senate will make a better showing than it made the last time the vote on cloture was taken.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. At what point, during the program outlined a moment ago by the Senator from Illinois will the FEPC bill drift back to the calendar?

Mr. LUCAS. We can set aside any one of the other measures at the proper time, because I think we have the votes at least to displace any bill.

Mr. TAFT. I take it consideration of the conference reports will not displace the FEPC bill.

Mr. LUCAS. No. That is correct.

Mr. TAFT. But would the FEPC bill be displaced and sent back to the calendar when the Senate takes up for consideration the first bill mentioned by the Senator from Illinois?

Mr. LUCAS. The Senator from Ohio is correct. The parliamentary situation is that so long as privileged matters are before the Senate they do not displace the FEPC bill. But the moment a motion is made and agreed to to take up a bill on the calendar then the FEPC bill goes back on the calendar. But let me say to the Senator from Ohio that we can move to take up the FEPC bill at any time. The motion to take up would then be debatable. In view of the fact that the motion to take up has been debated for about 2 weeks it would be the intention of the Senator from Illinois to obtain a sufficient number of signatures to file a petition for cloture on the very day the motion to take up the bill is made.

Mr. TAFT. The effect of the Senator's motion to take up the first bill he mentioned will be to displace the FEPC bill? That is the parliamentary situation, is it not?

Mr. LUCAS. The Senator is correct. There can be no doubt about that. Obviously we cannot wait for Senators to return on the theory that the FEPC bill will not be displaced, because we can move at any time to proceed to the consideration of the FEPC bill, and that motion, of course, is debatable. We can file a petition for cloture on the same day and secure a vote within 48 hours thereafter on the petition for cloture.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HAYDEN. With respect to the conference report on the amendments to the Hatch Act, which bill was reported from the Committee on Rules and Administration, I inquire when that conference report will be taken up.

Mr. LUCAS. We have discussed that and we will certainly take it up before the session closes. I do not believe there will be too much debate on that matter. It is a privileged matter.

Mr. HAYDEN. I do not wish to assert the privilege of bringing it before the Senate, if it is going to interfere with the program, but we would like to dispose of the conference report.

Mr. LUCAS. I will say to the Senator from Arizona that it would not interfere with the program too much if the Senator desired to bring up the conference report, which is a privileged matter.

Mr. GEORGE and Mr. O'MAHONEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield, and if so, to whom?

Mr. LUCAS. I yield first to the Senator from Georgia.

Mr. GEORGE. I was not in the Senate Chamber when the distinguished majority leader made his statement. I should like to know precisely what the decision of the policy committee was with reference to House bill 6000?

Mr. LUCAS. With reference to House bill 6000 I wish to make the following statement for the benefit of the Senator from Georgia. We agreed first to take up for consideration the conference report on the ECA legislation. Following that we will take up the conference report on Senate bill 1008, which is known as the basing-point bill.

Following that it is proposed to move to take up House bill 6567, a bill to increase the borrowing power of the Commodity Credit Corporation. That is a very important measure.

I then stated that following that we probably would move to take up House bill 6000. Meantime the Senator from Arizona [Mr. HAYDEN] suggested that he might try to have the Senate consider the conference report on the amendments to the Hatch Act, House bill 1243.

I should also like to call attention to the conference on the displaced-persons bill. That bill has been in conference for some time.

There is a conference report on the composition of the Armed Forces, which has been pending since September 3, 1949.

There is also a conference report on the establishment of foreign-trade zones, which has been pending since September 3, 1949.

Mr. GEORGE. Mr. President, will the Senator yield further?

Mr. LUCAS. I yield.

Mr. GEORGE. With respect to that conference report, let me make this statement: I had purposely declined to press action upon it because certain negotiations were proceeding. Now an agreement has definitely been reached, and within the next 5 or 6 days, if nothing is done about it, we will proceed to consider that report at any convenient time.

Mr. LUCAS. I thank the Senator for that explanation. That is very satisfactory to the majority leader.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I understood the majority leader to say that the first opportunity to have another vote taken on the motion for cloture would be on the return of the Senator from Massachusetts [Mr. LODGE] and the Senator from Rhode Island [Mr. GREEN]. I ask the majority leader if it is not true that the two Senators will possibly be away for a couple of weeks.

Mr. LUCAS. Ten days to 2 weeks is my understanding.

Mr. WHERRY. I raise that point so that Senators may know approximately the time of their return. I do not know just when the majority leader intends to bring the motion for cloture to a vote, but it will be at least 10 days or 2 weeks before there will be a possibility of the motion with respect to FEPC coming to a vote?

Mr. LUCAS. The Senator is correct in his conclusion. It was my impression that the Senator from Rhode Island and the Senator from Massachusetts stated that they would be gone 10 days or 2 weeks. Sometimes Senators remain in Europe longer than they had intended to remain.

FLATHEAD INDIAN IRRIGATION PROJECT

Mr. O'MAHONEY. Mr. President, will the Senator yield to me?

Mr. LUCAS. I yield.

Mr. O'MAHONEY. By unanimous direction of the Committee on Interior and Insular Affairs, I desire to submit a simple request for unanimous consent with respect to which I am sure there will be no controversy.

Two years ago, to be exact, on the 25th of May 1948, the Congress passed a bill affecting the Flathead Indian irrigation project on the Flathead Reservation in the State of Montana. The bill provided that certain contracts for repayment should be drawn between the non-Indian landowners and others and the Department of the Interior. The act of May 25, 1948, provided that these repayment contracts should become effective within a period of 2 years from the enactment of the act. That period will expire on May 25, just 2 days hence.

It appears that three different districts are covered by the bill. With respect to two of them, the contracts have been agreed upon but have not been signed. With respect to the third, the smallest of the three, that action has not yet been taken.

So, Mr. President, the House of Representatives has unanimously passed the bill extending for 1 year the period within which the agreements may be filed. This measure will make immediately effective the two agreements for repayment, which are ready for signature.

Early in May the senior Senator from Montana [Mr. MURRAY], together with his colleague, the junior Senator from Montana [Mr. ECTON], introduced an identical bill, in order to effect this amendment. The Department of the Interior has agreed to the bill.

The House bill, having been passed by the House, is before the Senate.

Yesterday the Committee on Interior and Insular Affairs authorized the unanimous report which I hold in my hand.

Therefore, Mr. President, from the Committee on Interior and Insular Affairs, I now report favorably, without amendment, the bill (H. R. 8199) to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project, and I submit a report (No. 1738) thereon. I now ask unanimous consent for the immediate consideration of the bill, as favorably reported unanimously by the Committee on Interior and Insular Affairs.

Mr. RUSSELL. Mr. President, I should like to inquire of the distinguished Senator why the contracts could not be negotiated within the time which was allowed.

Mr. O'MAHONEY. I thought I explained that.

Mr. RUSSELL. I did not hear any reason given for it. As I recall, this measure gives rather special benefits to persons living within the irrigation districts. I was wondering why there has been so much delay in making the contracts.

Mr. O'MAHONEY. The reason is that there are three districts. The smallest of them has not come to an agreement, but the two larger ones have done so.

Mr. RUSSELL. Does not the bill affect all three of them?

Mr. O'MAHONEY. Yes; but it would require all three of them to sign at the same time. So it is desired to have the contracts for the first two put into immediate effect.

Mr. RUSSELL. I am most interested in what the Senator from Wyoming says, because I believe he was the author of this legislative proposal originally.

Mr. O'MAHONEY. I beg the Senator's pardon, but I was not.

Mr. RUSSELL. At least, the Senator from Wyoming was in charge of the bill on the floor of the Senate, was he not?

Mr. O'MAHONEY. I do not recall that I was.

Mr. RUSSELL. Perhaps it was the Senator from Montana [Mr. MURRAY].

Mr. O'MAHONEY. He might have discussed it. This matter was presented in May 1948 by, I think, the Senator from Nebraska [Mr. BUTLER].

Mr. RUSSELL. Does the bill extend for 1 year the time of all the contracts?

Mr. O'MAHONEY. It merely extends the period within which the contracts may be signed.

Mr. RUSSELL. Does the Senator apprehend that the enactment of this measure will conclude the matter?

Mr. O'MAHONEY. I do, positively.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. ECTON. I thank the Senator from Wyoming for bringing up this matter at this time.

I merely wish to say, by way of explanation, that this bill is beneficial to the United States Government as well as to the three irrigation districts.

I think all of us understand how difficult it is to get three separate irrigation districts to agree on the same terms. Two of them already have agreed. The other one has not been able to complete the necessary negotiations and come to an agreement.

All that this measure does is permit the repayment period to be extended 1 year.

I sincerely hope the Senate will see fit to permit this bill to pass at this time.

Mr. O'MAHONEY. Mr. President, I renew my request for immediate consideration of the bill, which I have just reported.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 8199) to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

The PRESIDING OFFICER. Is there objection to the request for the immediate consideration of the bill?

There being no objection, the bill (H. R. 8199) was considered, ordered to a third reading, read the third time, and passed.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the report which I have submitted on the bill may be printed at this point in the RECORD.

There being no objection, the report (No. 1738) was ordered to be printed in the RECORD, as follows:

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 8199) to amend certain provisions of the act of May 25, 1948 (62 Stat. 269) relating to the Flathead irrigation project, Montana, having considered the same, report thereon with the recommendation that it do pass without amendment.

This bill has been considered by the Committee on Public Lands of the House; on May 15, 1950, that committee submitted its report (H. Rept. No. 2050) recommending its passage and on May 19, 1950, it passed the House.

This bill, if enacted, will extend the period of time allowed irrigation districts of the Flathead irrigation project to execute new repayment contracts provided for by section 3 of the said act of May 25, 1948. The contracts with the Secretary of the Interior required by said act of May 25, 1948, must contain provisions whereby the irrigation districts (1) obligate themselves to repay the construction costs chargeable against all irrigable lands embraced within the respective districts contracting (exclusive of Indian-owned lands on which the collection of construction costs is deferred) to the extent and in the manner prescribed by sections 1 and 2 of the act; (2) consent to such revisions in the limits of cost for the project, or any division thereof, as the Secretary of the Interior and the districts contracting may mutually agree upon in order to facilitate the making of improvements and extensions to the irrigation and power systems; (3) provide for the redetermination by the Secretary of the irrigable area of the project, or any division thereof, and for the exclusion of lands from the project with the consent of the holders of any water rights that would be canceled by such exclusion; and (4) make such other changes in the existing repayment contracts as the Secretary and the districts contracting may mutually agree upon for the accomplishment of the purposes of the act.

There are three irrigation districts embracing non-Indian owned lands on the Flathead Indian irrigation project, namely, the Flathead, the Jocko Valley, and the Mission irrigation districts.

The Flathead district comprises approximately 70,000 acres of irrigable land under assessment for operation and maintenance. The Mission district comprises approximately 13,000 acres of such land, and the Jocko Valley district comprises approximately 6,000 acres of such land. The Flathead and Jocko Valley districts, comprising approximately 85 percent of the total irrigable assessable area, have each executed a repayment contract on the form approved by the Secretary of the Interior as provided for in the act of May 25, 1948.

The Flathead and Jocko districts, however, cannot now receive the benefits of the said act of May 25, 1948, because the Mission district has as yet not met the requirements of the act. In view of the fact that the two districts which have already complied with the act embrace the great majority of the lands in non-Indian ownership within the Flathead Indian irrigation project, it seems reasonable and just that the provisions of the act should be permitted to become effective with respect to the lands included within their boundaries, notwithstanding the failure

of the third district to complete action on a new repayment contract. The interests of the United States would also be served by such action, since the provisions of the new contracts are beneficial to the United States as well as to the irrigation districts.

Under the provisions of this bill, an additional period of time, namely, to May 25, 1951, would be accorded the Mission irrigation district in which to receive the benefits of the act of May 25, 1948, by executing a contract conforming to the terms and conditions of that measure.

This bill, if enacted, will also permit a possible immediate settlement of the obligations due the Indians of the Flathead reservation provided for under the provisions of said act of May 25, 1948.

S. 3524, introduced by Senator ECTON, and S. 3535, introduced by Senator MURRAY, which bills are now pending before your committee and which bills are identical with that of H. R. 8199.

Under date of May 15, 1950, the Secretary of the Interior submitted his report on said bills S. 3524 and S. 3535. The suggested amendments by the Secretary of the Interior are embodied in the text of the House bill (H. R. 8199) as herein recommended passage.

The Secretary of the Interior indicates that the Bureau of the Budget has no objection to the enactment of this bill.

A copy of the said report of the Secretary of the Interior, dated May 15, 1950, is attached hereto and made a part of this report, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., May 15, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate.

MY DEAR SENATOR O'MAHONEY: This is in further reference to your requests for reports on S. 3524 and S. 3535, bills "To amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project."

I recommend that this legislation be enacted with the clarifying amendments hereafter suggested.

The non-Indian landowners on the Flathead Indian irrigation project, Montana, will benefit materially by having the irrigation districts embracing their lands accept the provisions of the act of May 25, 1948, within the time allowed by law for that purpose. Section 3 of the act in question now requires such acceptance to be manifested, through the execution of new repayment contracts by all of the irrigation districts on the project, within 2 years after the approval of that act. One of the three districts has not as yet executed the new contracts. The enactment of S. 3524 or S. 3535 would permit the two districts which have accepted the act to obtain its benefits, and would allow the third district an additional year to complete the steps incident to such acceptance.

The contracts with the Secretary of the Interior required by the act of May 25, 1948, must contain provisions whereby the irrigation districts (1) obligate themselves to repay the construction costs chargeable against all irrigable lands embraced within the respective districts contracting (exclusive of Indian-owned lands on which the collection of construction costs is deferred) to the extent and in the manner prescribed by sections 1 and 2 of the act; (2) consent to such revisions in the limits of cost for the project, or any division thereof, as the Secretary of the Interior and the districts contracting may mutually agree upon in order to facilitate the making of improvements and extensions to the irrigation and power systems; (3) provide for the redetermination by the Secretary of the irrigable area of the project, or any division thereof, and for the exclusion of lands from the project with the consent of the holders of any water rights that would be canceled by such exclusion; and (4) make such other changes in the existing repayment contracts as the Secretary and the districts contracting may mutually agree upon for the accomplishment of the purposes of the act.

There are three irrigation districts embracing non-Indian-owned lands on the Flathead Indian irrigation project, namely, the Flathead, the Jocko Valley, and the Mission irrigation districts. The largest of these is the Flathead district with approximately 70,000 acres of irrigable land under assessment for operation and maintenance of the project. The Mission district has approximately 13,000 acres of irrigable land under assessment for such charges; and the Jocko Valley district has approximately 6,000 acres of irrigable land under such assessments. The Flathead and Jocko Valley districts, comprising approximately 85 percent of the total irrigable assessable area, have each executed a repayment contract on the form approved by the Secretary as provided for in the act of May 25, 1948, and the contracts so executed have been confirmed by proceedings in a court of competent jurisdiction. These districts accordingly have complied with the terms and conditions of the act.

The Flathead and Jocko Valley districts, however, cannot now receive the benefits of the act of May 25, 1948, because the Mission district, has, as yet, not met the requirements of the act. In view of the fact that the two districts which have already complied with the act embrace the great majority of the lands in non-Indian ownership within the Flathead Indian irrigation project, it seems only reasonable and just that the provisions of the act should be permitted to become effective with respect to the lands included within their boundaries, notwithstanding the failure of the third district to complete action on a new repayment contract. The interests of the United States would also be served by such action, since the provisions of the new contracts are beneficial to the United States as well as to the irrigation districts. The enactment of this legislation would afford an appropriate means of remedying this situation.

Under the provisions of these bills an additional period of time, namely, to May 25, 1951, would be accorded the Mission irrigation district in which to receive the benefits of the act of May 25, 1948, by executing a contract conforming to the terms and conditions of that measure. In the meantime, the repayment obligations of that district under its existing contract with the Secretary of the Interior would remain in full force and effect.

These bills also would permit the settlement of the obligations due the Indians of the Flathead Reservation under subsections 5 (a) and 5 (b) of the act of May 25, 1948. These subsections deal with obligations long outstanding. Further delay in their settlement would be disadvantageous to both the Indians and the United States. The proviso to these bills is designed to make possible an immediate settlement, as lands substantially in excess of the 70 percent there specified are embraced within the two irrigation districts which have already executed repayment contracts pursuant to the act.

For purposes of clarification, it is recommended that at page 1, lines 9 and 10, the words "by May 25, 1951, as provided for in said act," be deleted, and that the words "conforming to the provisions of said act on or before May 25, 1951," be inserted in lieu thereof.

For like purposes, it is recommended that at page 2, lines 8 and 9, the words "provisions and requirements of section 5 of said act shall be effective," be deleted, and that the words "appropriation authorizations of said act shall be effective, and moneys appropriated thereunder shall be available for expenditure," be inserted in lieu thereof.

Since the time for acceptance of the provisions of the act of May 25, 1948, will expire on May 25 of this year, the enactment of this legislation prior to the latter date would be most desirable.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

MASTIN G. WHITE,
Acting Secretary of the Interior.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

Mr. CONNALLY. Mr. President, I call up for the consideration of the Senate the conference report on House bill 7797, known as the ECA bill.

The PRESIDING OFFICER. The report will be read.

The legislative clerk proceeded to read the report.

(See conference report printed in the RECORD on May 18, 1950, pp. 7221–7225, Senate Doc. No. 168.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. KNOWLAND. Mr. President, will the Senator from Texas yield for a question relative to the conference report?

Mr. CONNALLY. Yes; if I may first proceed to discuss it.

Mr. KNOWLAND. Does the Senator from Texas plan to make an explanation of the report?

Mr. CONNALLY. Yes; if I get a chance to do so.

Mr. President, this is the conference report on the ECA bill. It was unanimously reported by all the conferees, the Senate members of the conference committee being the Senator from Texas, chairman, the Senator from Georgia [Mr. GEORGE], the Senator from Utah [Mr. THOMAS], the Senator from Wisconsin [Mr. WILEY], and the Senator from New Jersey [Mr. SMITH]. The conferees on the part of the House were Representatives JOHN KEE, JAMES P. RICHARDS, THOMAS S. GORDON, JOHN M. VORYS, and FRANCES P. BOLTON.

Mr. President, I wish to say that after considerable time spent in adjusting the differences between the two Houses the report was signed by each of the 10 conferees on the bill. The conference report has already been adopted today by the House of Representatives. So there ought not be much controversy or division with respect to action on this measure.

Mr. TAFT. Mr. President, will the Senator yield to me for a moment?

Mr. CONNALLY. I yield.

Mr. TAFT. I wish to give notice that I intend to make a major effort to have the report rejected because of the substantial change and additions to the point 4 program. It seems to me that we have here an absolutely new bill, one which should be debated at length, and that it should not be considered that in this case we are merely asked to give

casual approval to a conference report which has been submitted.

The point 4 program is similar——

Mr. CONNALLY. Mr. President, is the Senator from Ohio asking me a question?

Mr. TAFT. No; I am only giving notice. Apparently the Senator from Texas suggested that this conference report should be approved as a matter of course.

Mr. CONNALLY. Oh, no; I did not.

Mr. TAFT. I wish to indicate my opposition to such a course.

Mr. CONNALLY. The Senator from Texas did no such thing, notwithstanding the supererogation of the distinguished Senator from Ohio, who seems to know more about less than anyone else I know.

Mr. TAFT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Ohio?

Mr. CONNALLY. I yield.

Mr. TAFT. What does the Senator mean by "supererogation"? I want an explanation of the term.

Mr. CONNALLY. The Senator can look in the dictionary for it. I do not have time to educate the Senator from Ohio.

Mr. President, there was no difference between the total amounts carried in the House and Senate bills, so that question was not in conference. One question which arose was that of so-called political federation. The House of Representatives insisted upon inserting in the bill a provision encouraging European unification and political federation.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. I yield.

Mr. DONNELL. I wanted to ask whether, by the term "federation," the Senator had reference to the world federation movement?

Mr. CONNALLY. No.

Mr. DONNELL. Or whether it referred merely to the federation of European countries.

Mr. CONNALLY. That is all.

Mr. DONNELL. It referred merely to the European countries.

Mr. CONNALLY. It did not refer to a world federation. But the Senate insisted upon striking the words "political federation." We thought it went beyond the proper function of the United States to insist or suggest to European nations that they have a political federation. We did approve of their economic unification in connection with their recovery under this program. The Senate was successful in striking out the language "political federation of Europe." The language which was finally adopted was "to encourage the further unification of Europe." We inserted the word "further" to indicate that the economic unity which had already been achieved should continue. But we stopped short of political federation.

Another point in issue was that the House bill increased the amount for guaranties from $150,000,000 to $300,000,000, and protected American investments in Europe against seizure or confiscation, destruction, revolution, war, and so on and so forth. The Senate did not agree to the provisions of the House bill. Finally, however, it was agreed that the amount for guaranty purposes would be cut to $200,000,000. The guaranty purposes include the convertibility of currency. In the case of funds which may be accumulated in Europe by way of American investments we guarantee the convertibility of their currency into United States currency. We limited the guaranties to convertibility of currency and "to expropriation or confiscation by action of the government of a participating country." The House language was very broad. The House wanted to guarantee investments and business ventures abroad against many contingencies, including expropriation and confiscation. We insisted that it was beyond the proper function of this bill to offer guaranties of such a broad character.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. Will the Senator distinguish between the point 4 part of the bill as it left the Senate and as it returns? Or is he in process of doing that now?

Mr. CONNALLY. No; I am going to do that a little later. We finally agreed to guarantee the convertibility of currencies—as does the existing law—and "to extend guaranties against expropriation or confiscation by action of the government of a participating country." The House wanted that to be by the action of any government or public authority in Europe anywhere. We, however, took the position that if we could limit it to the confiscation or expropriation by a government which was one of the participating countries, the United States would probably incur no risk whatever. If a participating country should confiscate or expropriate the property of American citizens, the United States could take recourse by withdrawing or cutting off their funds as a participating country, and thereby protect itself. So the House agreed to that change.

As most Senators know, we have had considerable discussion about the Moroccan amendment. Certain persons around the Capitol have been constantly advocating the view that American citizens are being discriminated against in respect to their trade in Morocco, and they have insisted that radical action be taken against France and against Morocco until such discriminations cease. While the Senate amendment relating to this question was not accepted by the conferees, another amendment was added to the broad provisions of the Senate bill designed to protect American business interests against discrimination. The amendment reads as follows:

> In any case where the Department of State determines that any such discriminatory restriction is maintained or imposed by a participating country or by any dependent area of such country, the Administrator shall take such remedial action as he determines will effectively promote the purposes of this subsection.

Progress has already been made in eliminating those discriminations by an arrangement under which the Secretary of State and the Moroccan authorities established, as it were, a joint commission composed of the American consul and appropriate Moroccan authorities. Anyone who has a complaint may file it with that Commission, where it will be investigated and necessary action taken to eliminate the cause of complaint. That has already worked to great advantage, but it has only been in operation a few months. We enlarged upon that protection by directing the Administrator, whenever it appears that there is discrimination against American citizens or against American trade, to take such action as may be appropriate.

In the case of China, the House accepted the Senate provision that $8,000,000 of the assistance provided for the general area of China be made available for relief on the continent of China. Those funds have already been appropriated and made available, but are unexpended. In view of those funds, the House agreed to that provision. The Senate in turn accepted the House provision that $6,000,000 of the funds be made available for the assistance of Chinese students in the United States. I think most Senators are familiar with the arrangement with respect to Chinese students.

The Senator from Colorado wanted to know about point 4. Allow me to say to the Senator, Mr. President, that in the main the Senate restricted and cut down the powers which the House sought to give under point 4. In the final analysis, the action of the Senate was that point 4 should be restricted to technical advice and assistance, without furnishing funds beyond those provided for technical assistance, or guaranteeing funds, and without American investments in any large degree.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Virginia?

Mr. CONNALLY. I yield.

Mr. ROBERTSON. Was the Russell amendment with respect to point 4 of the Senate bill retained in conference?

Mr. CONNALLY. What amendment?

Mr. ROBERTSON. The Russell amendment, which provided that those in charge of the program should frankly tell everyone that they were planning for them, but that we made no commitments to pay for the improvements.

Mr. CONNALLY. Let me check on that. I will get that information for the Senator in a minute. I want to get the exact language. I think if the Senator will turn to section 416 (b) of the bill he will find that while the part of the Russell amendment he refers to was not accepted by the conferees, the bill does provide that there is no commitment under point 4 to supply funds,

commodities, or services to any of the participating countries.

There was quite an effort in the conference committee to encourage the investment of American capital abroad under the point 4 program. The Senate conferees accepted the language which had been worked out on a bipartisan basis with the House and which meets with the approval of various American business interests. It is merely a statement of policy. It does not carry any specific provisions or commitments.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MUNDT. Will the Senator tell me whether the amendment offered by the junior Senator from South Dakota and accepted by the Senate, to the effect that the personnel must be investigated by the FBI before being employed, has been retained?

Mr. CONNALLY. I will say to the Senator that it has been retained.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. I yield.

Mr. DONNELL. I note in section 402, under title IV, appearing on page 8 of the printed conference report, language referring to technical assistance, capital investment, and so forth, and I should like to ask the Senator a question about it. In the last sentence of subdivision (c) of section 402 it is provided as follows:

> It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation;

The question I desire the Senator to enlighten us upon is whether there is any agreement of any character as to any protection of any kind against the making of an intergovernmental agreement which would obligate our country to guarantee to investors that they will not be deprived of their property without prompt, adequate, and effective compensation. In other words, is there any danger of our country being involved in agreements that investors will not be deprived of their property without prompt, adequate, and effective compensation?

Mr. CONNALLY. There is no such specific commitment in the bill. These are high-flown expressions designed to create the right kind of climate, if the Senator knows what is meant by that statement.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. DONNELL. I appreciate the Senator's frankness, and I am wondering if he agrees with me that sometimes we make a mistake by putting in such high-faluting language that persons reading it do not know whether we intend to go through with it. Is it not a mistake for our country to be using this high type of language which may make investors think they will not be deprived of their property without prompt, adequate, and effective compensation? Should we not say only what we mean, and mean what we say?

Mr. CONNALLY. That is a fine principle to which we can all subscribe; but if the Senator has been in a conference committee, as I am sure he has been many times, he knows that sometimes we have to give and take, in order to reach an agreement. But in this case, an investor who is going abroad to invest a large amount of money would be a foolish man if he did not consult a good lawyer like the Senator from Missouri, or the Senator from Wisconsin——

Mr. DONNELL. Or the Senator from Texas.

Mr. CONNALLY. No; I am not available.

Mr. DONNELL. There is no need on the part of our Government to guarantee investors that they will not be deprived of their property without prompt, adequate, and effective compensation.

Mr. CONNALLY. In the conference we resisted any such idea.

Mr. DONNELL. Any idea that we are either morally or legally binding ourselves to such a guaranty?

Mr. CONNALLY. That is correct. Of course, what may follow after we create this fine climate, I do not know. Treaties might be made, but there is no authority in the bill to do that.

Mr. DONNELL. Mr. President, will the Senator yield for one or two brief observations?

Mr. CONNALLY. I yield.

Mr. DONNELL. Regardless of the vote on this particular conference report, I should like to be recorded as being opposed to the use of language which holds out in glittering generalities some assurance to persons to whom we do not intend to give assurance. Again, I want to say that I am in favor of using only language that means what we intend it to mean, and that we should never use language which, in glittering generalities, holds out hopes to which we do not bind ourselves.

Mr. CONNALLY. I heartily agree with the view of the Senator in that respect.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. It is my understanding that the language does not involve any obligation, as the Senator from Texas has said, and it is not in any way saying something which we do not mean, because it merely provides, as the Senator from Texas has said, a climatic background in which treaties can be made, but if such treaties are made, they must come before this body for ratification. So there is nothing in the bill to create a false impression.

Mr. DONNELL. Mr. President, will the Senator yield for one further question?

Mr. CONNALLY. I yield.

Mr. DONNELL. I understood the Senator from Massachusetts to use the words "climatic background." What does he mean by that?

Mr. CONNALLY. He means a favorable background, warm in the winter and cool in the summer.

Mr. DONNELL. Still, the logic, in my mind, is that when Congress is declaring that the bill involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation, it seems to me that this "warm in the winter and cool in the summer" proposition is holding out to investors a belief that we are assuring them that they may be the recipients of guaranties by our Government. Personally, I do not like this kind of language. It seems to me we should say whether we are or are not going to do any such thing. I am not opposed to the conference report, because the Senator has given us an interpretation, and I have great respect for his judgment and for his interpretation.

Mr. CONNALLY. I thank the Senator. The Senator from Missouri, I think, is somewhat unduly alarmed. The language is as follows:

> In the case of investment this involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes, and observe local laws, and will provide adequate wages and working conditions for local labor.

That means that it simply contemplates a favorable and friendly attitude, if they will obey the laws of the country, pay their local taxes, and will conserve and develop local resources. There is nothing wrong there.

I do not know what is the high-falutin language the Senator is talking about, unless it is this:

> It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation.

There is no guaranty there except that if by treaty or otherwise we work out an appropriate agreement with other countries, investors will not be deprived of their property. Something of that kind would be necessary before there could be much encouragement for an investor to enter those countries. I read further:

> That they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nodiscriminatory treatment in taxation and in the conduct of their business affairs.

There is nothing there about guaranties except a concern for the foreign investor to see that he is given some degree of protection and is not to be subjected to all the hazards of a road agent, as in the olden days, or of a highwayman in these days.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. DONNELL. When I used the expression "high-falutin language," I thought the Senator from Texas had used some such expression. Perhaps he did not. At any rate, the language is, "It involves." I do not know what "it" means. It is very hard to tell what "it" is.

Mr. CONNALLY. It is a neuter pronoun.

Mr. DONNELL. I believe it has something of a neuter character. Nevertheless, I do not know what is meant by "it" in the context—that "It involves confidence," and so forth. However, regardless of the meaning of the word, the phraseology is:

> The Congress hereby finds * * *. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation.

The question I desire to ask is twofold. In the first place, what is the real purpose of putting that language in the measure? In the second place, does it not undertake to tell an investor that if he invests his money he will be benefited by some future or perhaps even an existing intergovernmental agreement, or otherwise, to the effect that he will not be deprived of his property without prompt, adequate, and effective compensation?

Mr. CONNALLY. He does not get any guaranty. It is to be presumed that his Government would in the future undertake to see that his property was protected.

Mr. DONNELL. What is the purpose of putting the language in there?

Mr. CONNALLY. That is the reason for it.

Mr. DONNELL. What is the reason?

Mr. CONNALLY. We are trying to encourage the American investor to undertake an enterprise in a foreign country.

Mr. DONNELL. The encouragement which is held forth is a representation of some kind that if he makes an investment he will not lose his property without prompt, adequate, and effective compensation. Who will give him that guaranty?

Mr. CONNALLY. There is no guaranty in that.

Mr. DONNELL. Mr. President, I shall not labor the point further. However, it illustrates the idea I have in mind, namely, that it is a striking illustration of the use of language which may hold out glowing and glittering hopes, with no intention on the part of our country to bind itself. I do not like it. I want that clear on the record.

Mr. SALTONSTALL. Mr. President, may I say a word, in the form perhaps of a question, if the Senator will yield?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. If the Senator from Missouri will read the first sentence of the language which he has been discussing—and I may say that I am not the author of the report, and I have had nothing to do with it—I think he will see what is meant. I believe the last sentence must be read in connection with the first sentence in subsection (c). I agree with the Senator from Texas that it holds out no false hopes. All it is is an effort to promote private investment, without making any guaranties by our Government. So far as the language is concerned, all it means is that when private investors are prepared to go into these fields, they can come to our Government and go to the other government and ascertain what agreements have been made and what protections are given to them, without any idea of guaranties being provided. They may or may not go ahead, as they please. I do not agree with the Senator from Missouri that this language holds out false hopes.

Mr. DONNELL. Will the Senator from Texas yield for one further question?

Mr. CONNALLY. Yes.

Mr. DONNELL. The Senator from Massachusetts has indicated that this sentence should be read in connection with the first sentence. I agree that it should be. I read the first sentence:

> The Congress hereby finds as follows:
>
> * * * * *
>
> (c) Technical assistance and capital investment can make maximum contribution to economic development—

It covers not only technical assistance, but capital investment—

> can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived.

Mr. President, I see nothing at all in that sentence which limits even remotely the application of the sentence which reads:

> It—

Whatever "it" means—

> involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation.

The Senator from Texas has indicated that the purpose of the language which I have quoted, and to which I object, is to give warmth in winter and—in other words coolness in summer, a desirable atmosphere—and assurance of security, I take it he means also, on the part of investors; and he further told us—and I have no doubt he is correct—that there is nothing in this language which binds us in any way. However, it illustrates what I have said, that we are using glittering generalities and glowing expressions that may raise expectations which, on the other hand, we immediately tell the persons who entertain the expectations that there is no basis on which to found them, because we have not bound ourselves.

Mr. CONNALLY. Mr. President, allow me to say to the Senator from Missouri that he has a regular FBI intellect. He probes into these matters and imagines boogers in every bush. There are no boogers here. Let us consider this language. If the Senator will bear with me I should like to read it:

> Technical assistance and capital investment can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived.

Is there anything wrong with that?

Mr. DONNELL. Not a thing in the world.

Mr. CONNALLY. Does the Senator complain about that?

Mr. DONNELL. No.

Mr. CONNALLY. Does he believe in sending people to other countries to make investments and before they leave telling them: "Go over there and get robbed if you want to. We are not going to do anything for you. Go over there and get skinned. Get your property ravaged. Get your hide tanned, if necessary. We are not going to do anything for you." However, if we have a guaranty of mutual agreements, we have some hope of building up the undeveloped countries, and at the same time aiding American investors. We are saying, "We are not going to guarantee you anything. We are not going to send an army over there to defend your property. But if by agreements with foreign governments later on we can aid you and aid the other country, we are going to do it." Is there anything wrong with that?

Mr. DONNELL. Will the Senator permit me to answer?

Mr. CONNALLY. I do not yield now.

Mr. DONNELL. I beg the Senator's pardon.

Mr. CONNALLY. I want the Senator from Missouri to tell me if there is anything wrong with that. Is there anything wrong with what I have said?

Mr. DONNELL. Is the Senator permitting me to answer?

Mr. CONNALLY. Yes.

Mr. DONNELL. I should like to answer.

Mr. CONNALLY. Not with a speech. I want an answer.

Mr. DONNELL. I cannot speak without speaking. I cannot discuss a matter without alluding to it. I add that the expression "discuss a matter without alluding to it" is not original with me, but was communicated to me years ago by Mr. John Quinn, a lawyer of New York City, who had, in turn, learned of it from another gentleman.

Mr. CONNALLY. I have observed that the Senator from Missouri cannot speak without a great deal of speech.

Mr. DONNELL. I thank the Senator from Texas for his observations and keen powers of analysis. If he will yield, I should like to say that the point I make is this: I see no objection to the opening sentence, which is a mere recital of the fact that technical assistance and capital investment can make maximum contribution to economic development only where there is the understanding to which he refers. However, the point to which I invite his attention is that in the creation of this climate, warmth in the winter and coolness in summer, we go a little further

and we find that in this act "the Congress hereby finds * * * It"—whatever "it" means—"involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation."

As a concluding point of my answer to the Senator I would say that it seems to me that almost anyone who reads that, and reads about the intergovernmental agreements or otherwise, on which the investor can base his confidence that he is not going to be deprived of his property "without prompt, adequate, and effective compensation," may have very good grounds for thinking and believing that the Government of the United States is going to make intergovernmental agreements by which he will not be deprived of his property "without prompt, adequate, and effective compensation." If it does not mean that, the climatic influence to which the Senator has referred is a delusion and a snare, and means nothing more than a lot of language which is like sounding brass or a tinkling cymbal.

Mr. CONNALLY. Very well, Mr. President. The Senator from Texas is about to tell what "it" means. Most boys learn what "it" means while they are in the first grade.

The Senator from Missouri agrees to and has approved subsection (c) up to the language "In the case of investment this involves confidence on the part of the people of the undeveloped areas." Does the Senator suppose the people of the undeveloped areas would let investors come into their countries and invest their money if the people of the undeveloped areas did not have some confidence in their conduct?

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. CONNALLY. Go ahead.

Mr. DONNELL. I should like to ask the Senator if there is anything in the sentence about the confidence on the part of the people in the undeveloped areas as to whether that confidence is to be based on the intergovernmental agreements. There is nothing like that there, but there is in the next sentence, when we get down to "investors."

Mr. CONNALLY. Very well. I can read. I will come to that.

Mr. MILLIKIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Colorado?

Mr. CONNALLY. If he will not ask irritating questions, as the Senator from Missouri does. [Laughter.]

Mr. MILLIKIN. In the bill as it left the Senate there was a 5-year term provided, and I ask whether it is in the conference report.

Mr. CONNALLY. Has the Senator read the conference report?

Mr. MILLIKIN. I have not had time to read it. I am trying to find out about it.

Mr. CONNALLY. I shall have to check. I do not think that language was carried into the conference report.

Mr. MILLIKIN. Let me ask the Senator another question.

Mr. CONNALLY. I hope the Senator will bear with me until I can answer the Senator from Missouri, if I do not provoke him into another speech.

Mr. MILLIKIN. I am worried about that, too; but I wonder if the Senator would answer another question on my part before he launches into another speech.

Mr. CONNALLY. Very well.

Mr. MILLIKIN. When this measure was before the Senate on a previous occasion, it was represented that this was merely a simple technical assistance act.

Mr. CONNALLY. That is correct.

Mr. MILLIKIN. What has all this tripe we have been discussing to do with a simple technical assistance act?

Mr. CONNALLY. Because the House had a great, long, ambitious program of investments abroad, with guaranties, and a lot of stuff we had to get rid of, and in order to do that we had to take some of their language. As I recall now, the Senator from Missouri was in favor of guaranteeing Americans who invest their money abroad.

Mr. DONNELL. Mr. President, if the Senator will yield——

Mr. CONNALLY. He was in favor of guaranteeing their property and their profits, if I am not mistaken.

Mr. DONNELL. Is the Senator referring to the senior Senator from Missouri?

Mr. CONNALLY. I am referring to the junior Senator from Colorado.

Mr. MILLIKIN. Merely to clear the Senator's mind, he is very much mistaken if he believes that I have committed myself in any way to any part of this foreign-investment program. I tried to make it clear in the preceding debate that before I could commit myself to it I would like to have more facts than we have had so far. I notice here a news release, which I do not vouch for, which says that—

> The House Rules Committee refused, on a 5 to 4 vote today to clear for House action President Truman's point 4 legislation to encourage American investments in underdeveloped areas of the world.

All I am driving at is, if that is not the foreign-investment program, or the prelude to it, what is the purpose of all these pompous words?

Mr. DONNELL. Mr. President, will the Senator permit me to ask one question so that I may know what he means?

Mr. CONNALLY. Not yet.

Mr. MILLIKIN. Wait a moment until I get an answer.

The PRESIDING OFFICER. The Senator from Texas declines to yield to the Senator from Missouri.

Mr. CONNALLY. The Senator from Colorado knows what the purpose of this provision is. It is a part of the broad plan of a lot of people who are thinking of economic rehabilitation all over the world. They conceived the idea that we could send to these undeveloped areas technicians; and the testimony is all to the effect that the countries do need them. The testimony also is that we have not enough of technical assistance to go around. Those who are interested in this provision want us to help develop these foreign areas so that they can stand on their own legs, so that the United States will not have to continue sending them money, and will not have coming along economic-aid bills, and probably military-aid bills, and things of that kind. It may not work. Is the Senator able to peer into the future and see all the defects of this system? Of course he is not.

Mr. MILLIKIN. I am not able to peer into the future and see all the defects of this system, but I am able to peer into this conference report.

Mr. CONNALLY. The Senator from Colorado says he can peer into this conference report, but he admitted a moment ago that he had not even read it.

Mr. MILLIKIN. I did not say I had. I said I wanted to.

Mr. CONNALLY. I hope the Senator will, and if he does, he will not ask so many questions.

Mr. MILLIKIN. I will ask more.

Mr. CONNALLY. I now yield to the Senator from Missouri.

Mr. DONNELL. Mr. President, I wish to ask the Senator from Texas a question. He spoke of the Senator from Colorado not having read the conference report. I understood the Senator from Texas would have to dig into the contents of the conference report to find out whether the 5-year provision was in it.

Mr. CONNALLY. That is not in it.

Mr. DONNELL. Has the Senator ascertained that since he made the statement a few minutes ago?

Mr. CONNALLY. I have verified it, because I know how "technological" the Senator from Missouri is. If the Government can possibly secure his services, we would like to send him to some of these undeveloped areas as a technician, as a technological adviser.

Mr. DONNELL. I merely wanted to ask the Senator from Colorado——

Mr. CONNALLY. He has not the floor. I do not yield for that purpose.

Mr. DONNELL. When the Senator from Colorado used the term "tripe"——

Mr. CONNALLY. He did not say "trite," he said "tripe."

Mr. DONNELL. Tripe—t-r-i-p-e. I ask the Senator from Texas if he does not understand that what the Senator from Colorado referred to was the language in subdivision (c) of section 402, set forth on page 8 of the conference report. Is not that what the Senator from Colorado meant, according to the Senator's understanding?

Mr. CONNALLY. I do not know what he referred to.

Mr. DONNELL. I ask permission of the Senator from Texas to ask the Senator from Colorado if that is not what he referred to.

Mr. CONNALLY. I decline to yield for that purpose. I am not carrying on a school for instruction amongst these gentlemen.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Ohio.

Mr. TAFT. What concerns me is whether this program is intended to be confined to the technical assistance provided for in the Senate bill, or whether

the language is not now so broad that it includes also the promotion of the flow of investment capital? I call the attention of the Senator to section 403, on page 8, where it is stated:

It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions—

And so forth. Then in subdivision (b) it is provided:

In reviewing requests of foreign governments for aid for such purposes—

And so forth. It seems to me perfectly clear that under section 403 we provide not only for technical assistance, but we also anticipate a program for the flow of investment capital. I desire to find out if that was the intention of the conferees.

Mr. CONNALLY. I first desire to say to the Senator that I want to finish my colloquy with the Senator from Missouri as to what "it" means.

"It" evidently refers back to the case of investments. The report says:

In the case of investment this involves confidence on the part of the people of the undeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will provide adequate wages and working conditions for local labor.

That is "it." "It" is what has gone before. "It" involves confidence on the part of investors. The Senator would not want us to stimulate an investor to go abroad unless he had some confidence in his enterprise. He would not want him to go forth and pour his money into a well, he would not want him to pour it into a creek. The Senator would want him to think, if he invests his money, that he has some hope of getting his investment back, of having it protected. I assume the Senator from Missouri would fill him up with a lot of gloomy forebodings—"We want you to know that if you undertake to do this you have to look after yourself. We are not going to do anything for you. God help you. We cannot. We are going to stay here at home. Take your money and go over to an undeveloped country but we will never undertake to help you."

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. DONNELL. What is it the Government is going to do with him then, through intergovernmental agreements or otherwise, by way of agreement with him to guarantee his investment?

Mr. CONNALLY. That simply means that if he invests his money abroad this country will undertake to secure agreements with the country where he is, that his property will not be confiscated, that he will not be robbed, that he will not be hijacked, that he will not be flimflammed. Yet the Senator is against that. Is the Senator against that?

Mr. DONNELL. Mr. President, I certainly am not against any policy by which the other government shall see to it that American investors are not deprived of their property. But——

Mr. CONNALLY. Do not answer with a "but." I do not want the Senator to answer with a "but."

Mr. DONNELL. Mr. President, will the Senator again yield?

Mr. CONNALLY. I yield.

Mr. DONNELL. Here, however, is a finding of Congress that something involves confidence on the part of investors, through intergovernmental agreements or otherwise. That is to say agreements by this Government with some other government. Certainly it is intergovernmental agreements to which reference is made, and apparently it is closely connected with the assurance that the investor will not be deprived of his property without prompt and adequate and effective compensation. The point I make is that we are using high-sounding, glittering language, and yet we are told by the Senator, and I have no doubt that he is correct, that there is no intention to bind ourselves to anything. Again I repeat, I do not like that kind of language.

Mr. CONNALLY. Very well. There are many things the Senator does not like, and there are many things he has to put up with. This Government has been making treaties with various countries, including some of undeveloped areas. I shall not mention them by name, but there are many of them. Why? We are not making those treaties in behalf of the other governments. We are making those treaties in behalf of the citizens of the United States and the trade of the United States.

Let me finish my answer to the Senator from Colorado.

It involves confidence on the part of investors, through intergovernmental agreements—

There is nothing wrong with that. We have to agree to it before we can have intergovernmental agreement. Suppose another country should say, "Yes, we want to protect your people. If they come over to us and invest with us we will not confiscate their property." But the Senator from Missouri says "I will never agree to an intergovernmental agreement to protect our citizens' property. I will not agree to it." I continue to read—

or otherwise—

Leave the gates wide open—

or otherwise, that they will not be deprived of their property.

That ought to be good American doctrine. Does the Senator want them to be deprived of their property? We are trying to protect their property. We are trying to make that property productive in undeveloped areas. We are trying to make that property helpful to these backward people. I continue to read:

It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation—

Is there anything wrong with that? I think it is a poor government that would not have enough concern for its citizens to undertake to see that foreign governments guarantee compensation for the property of which they may be deprived.

I continue to read:

that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property—

What? Are we going to agree that a foreign government can protect citizens of the United States? My God, we cannot agree to any intergovernmental agreement of that kind, to protect the lives of our citizens over there on peaceful missions, indulging in an effort to rebuild these backward countries. No, we will never agree to any intergovernmental action of that kind. No, we will not do it.

that they will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

What is wrong with that I cannot see. The fact that the draftsmen used language which does not measure up to the standard of some of those who read it is not our fault. We are only one House. The other House probably has better draftsmen than we have. They put in some of this high-flown language, but anyone who reads it with an understanding mind will have no trouble whatever in finding out what it means and what it does not mean.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. TAFT. Will the Senator answer the question I asked him, or would he like to have me ask it again?

Mr. CONNALLY. Will the Senator ask his question again. His questions are not always the same.

Mr. TAFT. What I wanted to know was this: Does the bill now extend the action of the United States from mere technical knowledge and skills and the encouragement to the flow of investment capital by agreements with nations and with individuals? I point to the bottom of page 8 of the report where it is said to be our policy to encourage the exchange of technical knowledge and skills and the flow of investment capital, and in the next paragraph (b), five lines from the bottom:

In reviewing requests of foreign governments for aid for such purposes—

Namely for the flow of investment capital as well as skills and knowledge.

If the Senator will refer to the bottom of page 9, section 405, he will find this language:

The President is authorized to—

* * * * *

(e) to make and perform contracts or agreements in respect of technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons.

So that a contract can be made a guaranty, or anything else, as I see it, under that provision.

The question I have in mind is this: Is this program now broadened from technical assistance to the promotion of the flow of investment capital? Is that intended by the conference committee?

Mr. CONNALLY. Has the Senator concluded?

Mr. TAFT. Yes; that is the question.

Mr. CONNALLY. I will say to the Senator from Ohio that that is not the case. It is still limited in our view to the extension of technological assistance. The House had a much more ambitious program. The Senate insisted that the bill be stripped in these regards of everything except technical assistance. And we feel that we have in large measure done so. The Senator referred to section 405, paragraph (e) to authorize the President—

To make and perform contracts or agreements in respect of technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency—

That does not mean anything except that people in this line of work can be employed or cooperate with the United States Government in carrying out its program of technological assistance. It does not mean anything about subsidizing anybody or guaranteeing anybody or investing any money—

Provided, That with respect to contracts or agreements which entail commitments for the expenditure of funds appropriated pursuant to the authority of this title, such contracts or agreements, within the limits of appropriations, or contract authorizations hereafter made available may, subject to any future action of the Congress, run for not to exceed 3 years in any one case.

That is a partial answer to the Senator from Colorado.

Mr. TAFT. I cannot understand why all this flow of capital and investment is mentioned if it is not intended to be done.

Mr. CONNALLY. Mr. President, I do not yield. The Senator did not ask me to yield to him. I am carrying on a conversation with the Senator from Colorado, and I do not yield to the Senator from Ohio.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. There was a somewhat similar provision in the bill when it left the Senate. The provision I was referring to was the provision that would bring the whole thing to an end, as I recall, at the end of 5 years. That is out; is it?

Mr. CONNALLY. That is not in the bill. The House did not agree to it. We took the language of the House bill instead.

Mr. MILLIKIN. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. What was the history of the Russell amendment?

Mr. CONNALLY. It is not in the bill.

Mr. MILLIKIN. The Russell amendment is not in the bill?

Mr. CONNALLY. No; not in the specific form contained in the Senate bill. We took the House language, which, in substance, takes care of the more important part of the Russell amendment.

Mr. MILLIKIN. May I ask the Senator one more question? In the House view of the conference report, does it open the door to investment?

Mr. CONNALLY. No; I do not think so.

Mr. MILLIKIN. Then why did they insist on all that language?

Mr. CONNALLY. We had them give up everything except the technological matter, and they wanted a little comfort out of it, so they insisted on putting in this language.

Mr. KEM. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Texas whether it is contemplated that the words "the economic and social progress of all peoples" and "economically underdeveloped areas of the world," as those words appear in the conference report, include the areas behind the iron curtain?

Mr. CONNALLY. That statement in the conference report is a general statement, of course. I do not suppose that what the Senator has suggested was in the minds of the conferees particularly. We are not going to send them any technological assistance, which is what the conference report is dealing with at that point.

Mr. KEM. Is there anything in the conference report which would prevent the sending of technological assistance to countries behind the iron curtain?

Mr. CONNALLY. No; except that the United States is not going to do it. We are not going to appropriate any money for that purpose. No one in the Congress is contemplating doing that; it is not within our dreams or aspirations at all.

Mr. KEM. Mr. President, does the Senator from Texas feel that, if that is not the purpose, such broad language should not be used in the conference report?

Mr. CONNALLY. No; I do not think so.

Mr. KEM. What is the nature of the intergovernmental agreements which are proposed to be made under that portion of the conference report?

Mr. CONNALLY. None have been made yet, so it is impossible to tell their nature.

Mr. KEM. What is their nature to be?

Mr. CONNALLY. They would be certain agreements for the purposes proposed.

Mr. KEM. Are they to be treaties?

Mr. CONNALLY. The Senator from Missouri is an able lawyer, and if he wishes to suggest that they will be treaties, that is his privilege. However, how can any of us know what an instrument is until we see it. The Senator from Missouri may have a legal mind which enables him to look through walls, and so forth; but I cannot do so. I have to know the nature of an agreement before I can tell whether it is a treaty or what it is.

Mr. KEM. Mr. President, will the Senator yield for a further question?

Mr. CONNALLY. Yes; but I wish to conclude, for it is getting late.

Mr. KEM. I wish to ask what sort of agreements the Congress is to be asked to make with respect to authorizations under this measure.

Mr. CONNALLY. The Congress will not be asked to authorize anything except what is provided for in the bill.

Mr. KEM. What are the intergovernmental agreements which are to be made under the conference report?

Mr. CONNALLY. Anything that the Government of the United States wishes to make along the line of economic and commercial relations; anything which we might agree to along those lines. That is a general statement, but that is all I can say.

Mr. KEM. By agreeing to the conference report, will we be authorizing that such agreements be made?

Mr. CONNALLY. No, of course not. We do not need to authorize them.

Mr. KEM. What are we doing by means of this measure, with respect to such agreements?

Mr. CONNALLY. We are not agreeing to anything.

Mr. President, I decline to yield further to the Senator, for he is not interested in getting information. He is interested, rather, in lecturing the Senator from Texas and in making a speech to the full galleries. So I have to decline to yield further.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. RUSSELL. I am sure the Senator from Texas will recall that my chief concern about point 4 was with respect to the future. All of us recall that a speech was made by an aide to the Government of the United States, without any authority whatever to bind the Congress, about assisting in the completion of the programs and the plans which were made under this technical assistance program.

For that reason, when the bill was before the Senate, I offered to an amendment submitted by the Senator from Texas an amendment reading as follows:

SEC. 509. The advancement of technical assistance or the preparation of plans for projects as authorized under this title does not constitute any obligation whatsoever on the part of the Government of the United States to make any loans or grants for the execution or construction of any project or for the completion of any program devised under this title. The President or the person administering this title under his direction shall give written notice to each recipient of funds or beneficiary under this title that such assistance in planning or programing shall not be construed as an obligation on the part of the United States to make funds available for the construction or execution of any project.

I should like to know from the Senator from Texas what objection raised in the conference committee caused that amendment to be deleted from the conference report.

Mr. CONNALLY. The objection did not come from the Senate conferees; it came from the House conferees. Since the conferees agreed to accept the House language on point 4 we were not able to get the amendment included in the bill in the form in which it had been presented by the Senator from Georgia.

I agreed with the Senator from Georgia about the amendment, and I supported his amendment when it was before the Senate.

Mr. RUSSELL. Yes; the Senator from Texas very kindly accepted it. But I regret very much that it is not included in the conference report.

Mr. CONNALLY. I wish it were although I think the main point in the Senator's proposal is taken care of by the language of the House bill.

Mr. RUSSELL. Not only is it not included in the conference report; but on one page of the conference report I find the statement that—

(c) Assistance shall be made available only where the President determines that the country being assisted—

(1) Pays a fair share of the cost of the program.

That provision clearly implies, to my mind, that the recipients of these funds will get the impression that there is an intent on the part of the Congress of the United States to provide funds for such projects which may be constructed in various parts of the world.

In view of the language of the conference report, I fear very much that in the next few months we may be confronted with requests for authorizations and appropriations of funds for the construction of dams and reservoirs in Afghanistan, for instance, or perhaps for roads in Indonesia. It seems to me that we are very likely to be confronted with requests for appropriations for such purposes, as a result of the provisions of the conference report.

Mr. CONNALLY. I say to the Senator from Georgia that I supported his amendment. However, no one of the conferees ever contemplated anything of the kind the Senator from Georgia has just referred to—namely, any obligation on the part of the United States to pay for any improvements abroad, or anything of that sort. In fact, all the conferees were very much opposed to that sort of thing. That is one reason why the conferees insisted that this provision be limited to one for technological assistance, not for investments.

Mr. RUSSELL. Then what construction would the Senator from Texas place on the language that—

(c) Assistance shall be made available only where the President determines that the country being assisted—

(1) Pays a fair share of the cost of the program.

Mr. CONNALLY. That will be in the event that a program is agreed upon.

Mr. RUSSELL. That is what I am talking about.

Mr. CONNALLY. But the United States does not have to agree to such a program. The Senator's argument was that representatives of the Bureau of the Budget would come before us with a great many estimates for incompleted works in various parts of the world.

Mr. RUSSELL. That is exactly what I apprehend may occur; that is the very thing I fear, namely, that by the elimination of the amendment to which I have referred, the conference report may be interpreted by the recipient countries as an undertaking on the part of the United States to build projects which are planned, and for which technical assistance is given; and that then they will approach our diplomatic representatives, and will say to them, "Our people understood that you were going to build this project."

Mr. CONNALLY. Mr. President, let me inquire just what language the Senator from Georgia has in mind.

Mr. RUSSELL. I am talking about the language in section 407, subsection (c). In other words, I fear that the people of the recipient countries will say "We believed that you were going to help us build this project. If you do not do it, we are going to turn Communist."

Then perhaps the State Department would tell us, "We must build these projects all over the world, because if we do not, those countries will adopt a communistic system."

Mr. President, it seems to me that matter could have been simplified very easily in the conference report by including a statement to the effect that the advancement of technical assistance involves no obligation on the part of the United States to create or construct or build projects.

It seems to me that the impression to which I have referred will be created by the refusal to include such provision in the conference report.

Mr. CONNALLY. Mr. President, I am sure the Senator from Georgia is unduly alarmed in that respect, because the language at the beginning of section 407 is—

In carrying out the program authorized in section 405 of this title.

And section 405 begins with the words:

The President is authorized to plan, undertake, administer, and execute bilateral technical cooperation programs carried on by any United States Government agency—

And so forth. In other words, the conference report relates only to "technical cooperation," not to building roads, dams, or reservoirs. On the contrary, the conference report relates only to "technical cooperation," for the words of the conference report at that point are—

Technical cooperation programs carried on by any United States Government agency, and, in so doing—

And so forth.

Mr. RUSSELL. Mr. President, I merely wish to observe that I wish I could be as sanguine as is the Senator from Texas that that would be the ultimate result of the failure to include in this measure language to the effect I have stated.

Mr. CONNALLY. Mr. President, the Senator from Georgia is on the Appropriations Committee, and he is a much more powerful figure on that committee than the Senator from Texas ever hopes to be on any committee. All in the world the Senator from Georgia would have to do, if such a thing were to happen—although I do not think it ever would—would be to defeat the appropriation.

Mr. RUSSELL. Of course, Mr. President, I shall not undertake to discuss the Senator's gentle sarcasm with respect to me.

Mr. CONNALLY. Mr. President, I do not wish to be sarcastic at all. I do not yield further, if the Senator is going to insult me.

Mr. RUSSELL. Very well; if the Senator from Texas considers that to be an insult, I shall take my seat, and shall speak in my own time.

Mr. CONNALLY. Very well; let the Senator continue; I do not care.

Mr. RUSSELL. The Senator from Texas knows that I did not insult him. He knows very well that there was nothing insulting in the statement I made.

Mr. CONNALLY. Perhaps I used too strong a term.

Mr. RUSSELL. When the Senator from Texas said that my position on the Appropriations Committee made me much more important than the chairman of the Foreign Relations Committee is in regard to these matters, he knew that statement by him was made either in a spirit of levity or in a spirit of sarcasm. It had to be either one or the other.

Mr. CONNALLY. Very well. I will tolerate the Senator. Is that all the Senator from Georgia has to say?

Mr. RUSSELL. No. I merely wish to observe, if I may do so without offense to the Senator from Texas——

Mr. CONNALLY. Oh, yes; the Senator cannot offend me.

Mr. RUSSELL. His position in the past, as chairman of the Foreign Relations Committee, has certainly annulled any minute influence I might have on the Committee on Appropriations, because, when the authorizations are passed for these aid programs, the Appropriations Committee is immediately told by those administering them that the fact that the Senator from Texas has secured their passage in the Congress placed a moral obligation on the members of the Appropriations Committee to appropriate the money. That has happened time and again.

Mr. CONNALLY. The Senator from Texas never told the Appropriations Committee that.

Mr. RUSSELL. I did not say the Senator did.

Mr. CONNALLY. I never told the Senator from Georgia that. And if I were a member of the Appropriations Committee, and anyone told me that, I would tell him to go back and attend to his own business, that I knew what my obligations and duties and responsibilities were. Anyone with sense enough to come in the front door, knows that an authorization is never an appropriation of money.

Mr. RUSSELL. I did not say the Senator from Texas had made that statement. I said that those charged with responsibility for administering the programs had made that statement repeatedly in the Committee on Appropriations.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. I yield for a question. I am tired of yielding for oratorical debates.

Mr. DONNELL. I wanted to ask the Senator, in view of the language which is found in section 402, along this line, for instance, in subdivision (b)—

> The efforts of the peoples living in economically underdeveloped areas of the world to realize their full capabilities.

Is the Senator familiar with House bill 8083, which has been introduced in the House and which is the subject of a dispatch today on the ticker tape? A portion of that bill reads:

> That it is the policy of the United States in the interest of its people as well as that of other people to promote the development of economically underdeveloped areas of the world, and it is the objective of this act to further this policy by encouraging productive investment in such areas.

To that end the bill purports to amend the Export-Import Bank Act by giving—I judge, to that bank—the power "to guarantee for an appropriate fee United States private capital invested in productive enterprises abroad," and by providing "that the aggregate amount of such guaranties at any one time outstanding shall not exceed $250,000,000." Is the Senator familiar with that bill, and with the interpretation that certain Members of the House seem to have put on this policy of encouraging productive investment in such areas, to promote the development of economically underdeveloped areas of the world which are referred to in the conference report?

Mr. CONNALLY. Mr. President, I am sorry I did not hear all the Senator said.

Mr. DONNELL. I am sorry, too.

Mr. CONNALLY. The Senator is talking about a House bill. I am not concerned with any House bill. I am talking about the conference report on the ECA bill.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. DONNELL. Am I correct in understanding that much of the language in section 402 of the conference report was put in it at the request of the House conferees? Is that correct?

Mr. CONNALLY. I made some statement of that kind.

Mr. DONNELL. It is correct, is it not?

Mr. CONNALLY. I said it, and it is correct, as I intended.

Mr. DONNELL. That is correct. I merely wanted to be sure I was correct in my statement. Now, I ask the Senator whether he is familiar with the bill to which I alluded?

Mr. CONNALLY. No, I am not.

Mr. DONNELL. It is a bill which has been introduced in the House, and which has been considered by it, a bill, House bill 8083, which provides for the increasing of the powers of the Export-Import Bank, providing for the powers of that bank "to guarantee for an appropriate fee United States private capital invested in productive enterprises abroad."

Mr. CONNALLY. Yes, I know about that bill, but I am talking about the bill which is before the Senate. I am not concerned at the present time with the House bill to which the Senator refers.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. I will yield once more. The Senator had better ask all his questions quickly, because I am going to cut him off.

Mr. DONNELL. Is the power to guarantee which is proposed in the bill, H. R. 8083, one of the intergovernmental agreements which are referred to in section 402 of the conference report?

Mr. CONNALLY. I do not care to discuss the language of the House bill or what the language of the House bill means. I have other language here—more language now than the Senator from Missouri can understand.

Mr. DONNELL. I guess that is true.

Mr. CONNALLY. I do not want to take up any more time. I decline to yield further, Mr. President.

The House bill called for $25,000,000 for the point 4 program, and the Senate bill $45,000,000. We agreed on a compromise and fixed the amount at $35,000,000. So Senators can be relieved of $10,000,000 worth of worry in that regard.

With respect to the children's fund, the Senate bill carried a provision for the continuation of that fund for another year. We had more pressure, more persuasion, more inducements, and more begging to include that again than for the inclusion of any other feature of the bill. The House version contained nothing about the children's fund. The conferees agreed upon an authorization of $15,000,000 to enable the President to contribute to the United Nations, so as to support permanent arrangements for international children's welfare work, or to make contributions to the International Children's Emergency Fund. It will be recalled that a year ago there was a clause relative to this fund in a bill which passed both Houses. That bill carried a provision that the children's fund should expire on June 30 of this year. Therefore, if it were to be continued at all, it had to be through a new authorization.

Mr. President, I do not care to take up more time of the Senate. This bill has been before the House. It has been before the Senate on two former occasions. We have in two instances appropriated money for the European recovery program. From all the reports we have been able to obtain, our efforts to assist in the rehabilitation of Europe, particularly western Europe, have resulted in much advancement and progress. I do not, of course, question that we have made mistakes in the administration of the program and in the handling of our funds. I am sure mistakes have been made, but we are hopeful that by 1952 the European nations who have united in this program will be so nearly rehabilitated, will have so nearly gotten upon their own legs, and will have so nearly rehabilitated their industry and commerce and their trade one with another as to be able to proceed on the upward grade in the years to come, and that the United States Government will not be expected to carry on a program of this particular nature after 1952.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. THYE. Under point 4 the purpose apparently would be to encourage an American investor to go into a foreign country, where it may require 2 or 3 or 4 years for him to establish a business.

Mr. CONNALLY. That is true.

Mr. THYE. Is it expected that we would be completely out from under any obligation of the point 4 program at that time? Am I to understand that?

Mr. CONNALLY. Not if certain clauses about intergovernmental agreements are retained in the bill. We might make some kind of intergovernmental agreements looking to the protection and sanctity of property and also the protection of persons. That would be the case very likely, if there should be any response on the part of other governments.

I have very little faith that the point 4 program will result in large investments abroad. I think, however, it will be of great benefit to the other countries from a technological standpoint. They will learn something of our skills, our methods, and our trades which will be greatly to their benefit.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. CONNALLY. I yield.

Mr. THYE. The question which came into my mind when the point 4 program was first considered was the very fact which the Senator has just stated. We do not know how long it will continue. We do not know all the problems involved. Yet we encourage investors, by this very colloquy today, to invest their money abroad, and at the end of 2 or 3 years we may be relieved of any further responsibility. But the investor has invested his money, and we move out and leave him stranded there. He may be confronted with confiscation of his property. He may have invested $10,000, $50,000, or $100,000, and he cannot take a dollar out of the country because we shall have forsaken him. We do not intend to continue any longer in protecting him or creating an atmosphere which would be wholesome for his type of business.

Mr. CONNALLY. I have already adverted in the course of the debate to the clause which provides for making agreements for the very purpose which the Senator has mentioned. It is not contemplated that we shall run off and leave the investors. The Senator knows all about businessmen. I know something about them also. Do not worry about businessmen going abroad and saying, "Do what you please with my money." They are going to look after their own interests. If they are robbed, it will be done while they are asleep.

Mr. THYE. I greatly appreciate the demonstration which the able senior Senator from Texas has given us. It was rather amusing to see the money and the knife come out of his pocket as

he illustrated his point. But, nevertheless, I think a businessman would be very cautious and careful about investing his money abroad.

Mr. CONNALLY. He should be. He has no right to go into a country in which he knows he may have trouble, and involve his own Government in trying to protect him and defend him through the Treasury of the United States. Does the Senator complain about that?

Mr. THYE. The very colloquy taking place on the floor indicates that a businessman may find that we have created a "climate" and have tried to make him understand that there will be an atmosphere friendly to him and conducive to his investing his money abroad, and when he has invested his money and has earned a few thousand dollars he cannot go forward unless the atmosphere continues to be friendly to him. He cannot take his money out, or sell his property and relieve himself from any future obligations, so far as his money and property are concerned. At the end of 3 or 4 years is the Government still going to maintain some responsibility to the businessman who invested his money, or will it turn away and leave him cold and thereby place him and all his earnings and his investment in jeopardy.

Mr. CONNALLY. I will say to the Senator that if the businessman earns his money honestly on his property in a foreign nation, the Government of the United States is not going to abandon him. Even after 2 years it will intervene and tell the foreign government, "You cannot do this to my citizens." We are doing that every day. The State Department has stacks of complaints on which it is working. The Government is intervening for the protection of its citizens in every quarter of the globe.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. By way of answer to the Senator from Minnesota and, perhaps, to the Senator from Missouri, let me inquire of the Senator from Texas if the Senator from Massachusetts is correct in saying that there is, first, a technological program for which the conference report authorizes an appropriation of $35,000,000, limited to 3 years, and under that program the Government can spend funds in a foreign country in which it believes the program will be of assistance?

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. It can contract either here or abroad so as to go forward and create technological programs. That is the Government side of it.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. The Senator says it is limited to a 3-year program. It is limited to a contractual obligation.

Mr. SALTONSTALL. I thank the Senator from Colorado. The other program is one providing an atmosphere for private investment. The Senator from Minnesota inquires whether the Government is going to withdraw in 2 or 3 years and leave private investors in foreign countries. As I visualize the program, it is an entirely different one from the technological program. It involves discussions with other governments, let us say, a government in South America—Peru, for example. It involves possibly the creation of a favorable atmosphere through a bilateral understanding between the two Governments. Under such a bilateral understanding there will be provided not necessarily any guaranty to the investor. He may, if he so desires, put his funds in a private investment in Peru. If he does so, he has the understanding of the bilateral agreement creating the atmosphere under which he invested his money. That is an entirely different program from the technological program which, as the Senator from Colorado rightly says, involves an obligation for not more than 3 years.

It seems to me that answers the Senator from Minnesota and does not deceive any private investor.

Mr. CONNALLY. I thank the Senator from Massachusetts.

Mr. SALTONSTALL. Am I not correct?

Mr. CONNALLY. The Senator is correct. His explanation is very clear. Without any act of Congress, without any appropriation, if an American citizen wants to go to South America or Central America and make an investment, the bill does not mean the Government abandons him and leaves him open to thieves and robbers. The United States Government insists on his protection and on the sanctity of his property.

Mr. MILLIKIN and Mr. DOUGLAS addressed the Chair.

Mr. CONNALLY. I yield, first, to the Senator from Colorado.

Mr. MILLIKIN. I take the liberty of agreeing with the Senator that at the present time an American who is injured abroad pursues his claim through the State Department, and the State Department move in its fashion to redress his injury; but he is an old man, with a hump on his back, before anything ever happens. So I do not think we can hold that out as a very good protection.

Mr. CONNALLY. I think the Senator is exaggerating very greatly. Only recently there was a settlement with Yugoslavia involving millions of dollars.

Mr. MILLIKIN. I happen to know of many claims in Mexico which are still unsettled and have been since the time of Woodrow Wilson.

Mr. CONNALLY. There are some in Mexico which ought not to be settled.

Mr. MILLIKIN. In Cuba the State Department has not yet settled a claim which our own Supreme Court has said is valid.

Some American businessmen want guaranties of their investments when they make them abroad. Who does not want such guaranties? An American citizen cannot have such a guaranty on his investment at home. He would like to be guaranteed a certain amount of money every year. So would the American farmer. The business community had better be watching carefully, because if it is good for them it will be good for every other group in this country.

Mr. CONNALLY. The Senator is correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. SALTONSTALL. If my understanding is correct, there is in this bill no guarantee of any private investment.

Mr. CONNALLY. That is correct.

Mr. SALTONSTALL. That question will come up in future in connection with bilateral understandings which may be entered into. At the present time, through the Export-Import Bank, there are opportunities to make certain obligations on the part of the Government—I am not quite sure just how far they go—if that bank so desires. Am I not correct?

Mr. CONNALLY. I assume the Senator is correct. I have not gone into that question.

Mr. SALTONSTALL. The point I should like to emphasize in the form of a question is that there are no guaranties, so far as private investments are concerned, in connection with point 4. There are guarantees so far as ECA is concerned.

Mr. GEORGE. Mr. President, if the Senator from Texas will yield, I will say that is correct. We felt impelled to accept some modified guaranty in order to get an agreement with the House.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GEORGE. What I was going to say was that there are no express guaranties under point 4.

Mr. SALTONSTALL. That is correct.

Mr. CONNALLY. None whatever.

Mr. SALTONSTALL. What the Senator from Georgia has said is correct. While there are certain guaranties with relation to ECA, there are no guaranties so far as this article is concerned. It is intended to provide a favorable atmosphere for private enterprises.

Mr. MILLIKIN. Mr. President, will the Senator from Texas yield so that I may ask a question of the distinguished Senator from Massachusetts?

Mr. CONNALLY. I yield.

Mr. MILLIKIN. What is the Senator's view as to the need of all this language which has to do with private investment?

Mr. SALTONSTALL. It is my theory, in opposition to that of the Senator from Missouri, for whom I have the greatest esteem and good will and with whom I am in general agreement, that this is an effort, as the Senator from Texas has said, to create a favorable atmosphere, which in its present terms probably would not induce private investment to go abroad.

Mr. MILLIKIN. What is the use of putting it in the bill in conjunction with the provision for technical assistance? What has it to do with technical assistance?

Mr. SALTONSTALL. It has nothing to do with it.

Mr. MILLIKIN. Then it does not belong there.

Mr. SALTONSTALL. Oh yes. It was a part of the House bill. It is a part of this whole enterprise, as I see it, over the long pull after 1952, when ECA stops.

Mr. MILLIKIN. Is it the Senator's theory that it is in the bill as a part of the other program?

Mr. SALTONSTALL. It is my theory that it is in the bill in order to afford private investors the opportunity to study this program and to obtain such an understanding as may encourage private investment.

Mr. MILLIKIN. Is it the Senator's opinion that this is in the bill as part of a larger program, as distinguished from the limited technical aid program?

Mr. SALTONSTALL. It is.

Mr. DOUGLAS. Mr. President, will the Senator from Texas yield for a question in regard to title V?

Mr. CONNALLY. I yield.

Mr. DOUGLAS. May I ask the able Senator from Texas if the effect of title V is to give the President, in his discretion, $15,000,000, if later appropriated, so that he may make "contributions to the United Nations, or any subordinate body thereof" for the purpose of the International Childrens Fund?

Mr. CONNALLY. That is the purpose. It is to provide the President with $15,000,000 so that he may cooperate with the emergency program, and in the meantime probably a permanent organization will be formed.

Mr. DOUGLAS. Would it permit the United States to make contributions to the International Children's Emergency Fund?

Mr. CONNALLY. Yes. That is what I was trying to tell the Senator?

Mr. DOUGLAS. I notice the use of this language: "To make contributions to the United Nations, or any subordinate body thereof." As I understand, the International Children's Emergency Fund is a subordinate body of the United Nations. May I ask if World Health and Food and Agriculture would be considered subordinate bodies, or whether they would be parallel bodies?

Mr. CONNALLY. It refers to subordinate bodies.

Mr. DOUGLAS. I understand other organizations have separate governing bodies, and therefore are not subordinate, but parallel. Is it the understanding of the Senator from Texas that the United States can give this money either to the International Children's Emergency Fund, World Health, Food and Agriculture, or to any new organization which may be formed?

Mr. CONNALLY. I think it ought to be limited to some permanent arrangement, particularly with reference to the Children's Fund.

Mr. DOUGLAS. It is primarily intended for the Children's Fund, is it not?

Mr. CONNALLY. That is true. It is primarily intended for the Children's Fund and for any permanent arrangement that may be developed by the United Nations.

Mr. DOUGLAS. It could not be shifted to other organizations?

Mr. CONNALLY. I think it would have to come within the designation that it must be a subordinate organization of the United Nations.

Mr. DOUGLAS. Is it now the opinion of the distinguished Senator from Texas that Food and Agriculture and World Health are not subordinate because they have separate governing bodies, and hence would be ineligible?

Mr. CONNALLY. I am not sure about that. I think they might be considered subordinate bodies of the United Nations.

Mr. DOUGLAS. I wish to congratulate the Senator from Texas for being able to bring back this concession. Will the Senator permit me to make an observation?

Mr. CONNALLY. Yes.

Mr. DOUGLAS. I hope the Senator from Texas will keep his eye on this matter, because if we may judge the State Department by its actions in the past, it has been the enemy and opponent of the International Children's Emergency Fund, and it is likely to give advice to the President which may lead him to divert the funds in other directions. I am very glad the Senator from Texas is now a watchdog on this matter to see that this fund is spent for the purposes which the Senate and the Congress designed, namely, for the aid of children primarily through the International Children's Emergency Fund.

Mr. CONNALLY. I want to say to the Senator from Illinois, however, that in the President's discretion some of this money may be allocated to any subordinate organization of the United Nations.

Mr. DOUGLAS. Yes.

Mr. CONNALLY. However, I think that ought to be an organization which is primarily interested in children.

Mr. DOUGLAS. And not Food and Agriculture or World Health.

Mr. CONNALLY. I do not want to mention those two organizations by name, because I have not been able to look very carefully into them.

Mr. DOUGLAS. Is it not true that the International Children's Emergency Fund is a going organization, and to scrap it and create a new organization would take up a great deal of time?

Mr. CONNALLY. It is not the purpose at all to scrap it.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for an observation in answer to the Senator from Illinois?

Mr. CONNALLY. I yield.

Mr. SMITH of New Jersey. As I understand the situation, I am very glad to say, that originally the International Childrens' Emergency Fund was an emergency feeding fund growing out of the war. Plans have been made for some time, without an agreement having been reached, to turn it into a permament fund under the United Nations. What is done by the conference report is to make funds available to the President of the United States so that he may work toward setting up a permanent organization or, as it is said in section 501 (a), "to support permanent arrangements within the United Nations structure for international children's welfare work." In subsection (b) it is provided:

> If at any time during such fiscal year the President deems it to be in the interest of the United States, he is authorized to make contributions out of any funds appropriated pursuant to the authorization contained in subsection (a), to the International Children's Emergency Fund to carry out the purposes of the International Children's Emergency Fund Assistance Act of 1948, upon such terms and conditions as he may prescribe.

The reason that it was dealt with in this way is that the United States has been carrying the International Children's Emergency Fund on the basis of a 72-percent contribution by the United States as against 28 percent by the other nations. If we were to continue it as heretofore with that percentage, probably there would be no incentive to put into effect the permanent plan, under which we would contribute approximately 40 percent of the funds necessary, on the basis of our contributions to the United Nations activities, with 60 percent being contributed by other countries. Therefore, it seemed wise to pursue this course until a permanent structure was erected. This provision was inserted on the insistence of the Senate conferees, because the House had determined to have nothing more to do with this cause. We were confident that the whole plan would die unless we provided for some continuing plan. It seemed to be the reasonable way to do it until a permanent plan is made.

Mr. DOUGLAS. Mr. President, I appreciate the statement of the Senator from New Jersey, whose contributions to this matter have been very great. May I ask his opinion on this point: Suppose the State Department gives the President advice that he should not make any contributions to the children's fund, and should shut off all money to it, with no other organization being created to take its place. Would that advice, in the opinion of the Senator, be a breach of the intention of Congress?

Mr. SMITH of New Jersey. It would be a breach, and the Senator from New Jersey, for one, and I think other members of the Foreign Relations Committee also, would be glad to wait on the President of the United States and give to him our interpretation of what this legislation is intended to accomplish.

Mr. DOUGLAS. I thank the Senator from New Jersey and the Senator from Texas, and I wish to say that I hope that members of the State Department will read the CONGRESSIONAL RECORD to find the clear intent of Congress on this matter.

Mr. SMITH of New Jersey. Does the Senator from Texas still have the floor, or has he yielded the floor?

Mr. CONNALLY. I yield the floor.

Mr. SMITH of New Jersey. Will the Senator yield to me for a brief statement about the matter we have been discussing?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Texas yield to the Senator from New Jersey?

Mr. CONNALLY. I yield.

Mr. SMITH of New Jersey. Mr. President, the point has been raised, and I think as one member of the committee I should make a little explanation of my understanding of the way in which some of its provisions got into the bill.

In the first place, the discussion of point 4 came up because the Senate con-

ferees were opposed to fixing guaranties, under ECA or otherwise, to any business enterprise which wanted to go abroad and do business there.

In the Senate version of the bill we merely provided for technical assistance for a period limited to the life of ECA, which was to 1952, and 2 years beyond that, making it 1954 or 1955.

When we met with the House conferees we found their object was to limit the bill to the other assistance, to which they added the provision for what they called favorable climate for business enterprises which might go abroad, which might relieve the United States of making grants for dollar aid because of the amount private enterprise might be induced to put into business, thereby relieving the dollar situation.

The House conferees insisted on the House provision, and I may say for my colleagues on this side that the provisions for the encouragement of foreign investment were inserted by the House in collaboration with a number of Senators from this side. The Senator from Massachusetts [Mr. SALTONSTALL] and Mr. HERTER, of Massachusetts, in the House, were interested. In fact, it was largely inspired by the Massachusetts representatives in the House and Senate, on the theory that a favorable climate presented for business to go abroad might relieve the burdens in the future on ECA. However, there is not a word in the bill about any guaranty of any sort or description.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. What, then, is the purpose of this language in the report? If it does not do anything, how does it create a favorable climate?

Mr. SMITH of New Jersey. I think that if the Senator will really read it with care, he will see what the attempt is, namely, to create a climate, by bilateral agreements with countries to which our investors want to go.

Mr. MILLIKIN. Is the Senator now saying that this bill in its present form does lay a foundation for that?

Mr. SMITH of New Jersey. I think this bill does lay a foundation for that, if during the life of ECA private citizens desire to go to a foreign country and invest their money.

Mr. MILLIKIN. What does it do for such persons? The Senator is a member of the committee, and he should be able to tell me. I am asking the question. What does it do for such persons? Let us assume the distinguished Senator from Wisconsin [Mr. WILEY], who sits before me, desires to start a business in Brazil. What does the bill do for him?

Mr. WILEY. Mr. President——

Mr. MILLIKIN. I am not talking about Brazil nuts. [Laughter.]

Mr. SMITH of New Jersey. It prevents abuse of the investor. It protects him against undue discrimination.

Mr. MILLIKIN. Does it establish such an obligation on the part of the Government?

Mr. SMITH of New Jersey. No.

Mr. MILLIKIN. Then, what is the use of it?

Mr. SMITH of New Jersey. The best I can do is to use the language of the House conferees, and say that it is to create a climate which will be favorable to American business, so as to induce them to invest in these countries, and take off us the burden of making grants.

I can say to the Senator from Colorado that so far as I am concerned I felt that this whole program had to do with the objectives of ECA. I was in favor of not putting this new program in. I was in favor of the short-term technical-aid program. But we made a compromise with the House conferees, because they were insistent on certain guaranties in the early part of the bill, and we finally agreed to leave in the provisions to create this climate, if they would take out the guaranties which we were opposing.

Mr. MILLIKIN. Coming back to the climate, what does it consist of?

Mr. SMITH of New Jersey. It merely consists of a little further definition of the relations between the United States and Brazil, which the Senator used as an example, for the protection of a business investor going into foreign countries.

Mr. MILLIKIN. Does the bill itself give those advantages to him?

Mr. SMITH of New Jersey. It merely provides that bilateral agreements may be made to create such a climate as will enable him to have greater protection from the government than otherwise he would have.

Mr. MILLIKIN. That is, in the future something might happen by way of a private bilateral agreement, or otherwise, whereby something favorable might happen. Is that what it amounts to?

Mr. SMITH of New Jersey. No; I do not think that is a fair statement.

Mr. MILLIKIN. How does this language help the American investor?

Mr. SMITH of New Jersey. If the Senator from Colorado were an American investor wanting to invest, we will say, in the Far East, let us say in Indonesia, I think he would feel some security if the United States Government were willing to make an agreement with Indonesia by which the Indonesian Government agreed that the Senator from Colorado, as a businessman, might have certain protections in going into that country and starting a business.

Mr. MILLIKIN. Now I am getting to what I want to find out. Does the bill give me that protection?

Mr. SMITH of New Jersey. The bill provides for protecting the Senator from Colorado in investing his funds.

Mr. MILLIKIN. Under this authority there would be an effort to make agreements, would there?

Mr. SMITH of New Jersey. Agreements with the countries concerned, to give the protection provided for in the bill.

Mr. MILLIKIN. Then this is the beginning of the point 4 program, is it not?

Mr. SMITH of New Jersey. I think it is fair to say that. I would say also that it adds to the technical-assistance program. The House has been working for over a year, with the collaboration of some Senators, on a program setting up a plan of this kind so as to furnish an incentive for business to go to other countries and invest funds for the development of underdeveloped areas, or areas where there is need for dollars. We desire to give assurance that the United States is interested in its citizens who may desire to invest in other countries.

Mr. MILLIKIN. The distinguished Senator is thoroughly aware of the fact that the Russell amendment has been eliminated, is he not?

Mr. SMITH of New Jersey. I am not sure it has been eliminated. I do not recall what the language of the Russell amendment was, but I read from section 416, subparagraph (b):

Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries, or to any international organization.

Mr. MILLIKIN. That does not require our agents to bring to the specific attention of the beneficiary the information that there is no obligation of any kind.

Mr. SMITH of New Jersey. I do not quite understand the statement of the Senator.

Mr. MILLIKIN. The Russell amendment was intended to make it very clear, by direct representation to every beneficiary, that giving this technical assistance would not carry any other implication, and this language does not do that.

Mr. CONNALLY. Did the Senator read section 416 (b)?

Mr. SMITH of New Jersey. I just read it.

Mr. CONNALLY. It is not as comprehensive, probably, as the amendment of the Senator from Georgia, but it certainly hits the nail on the head because it says:

Nothing—

That does not mean "something," it means "nothing"—

Nothing in this title—

And this is the only title it refers to, so that it cannot mean any other title—

Nothing in this title is intended nor shall it be construed—

That means it does not intend to do it, but if it is done without the intention of having it done, it shall not be so construed—

as an expressed or implied commitment—

If anyone makes an express commitment, that is one thing, and it is not applicable here. If one makes an implied commitment, that is another thing, and it is not applicable. There can be neither an expressed nor an implied commitment.

Mr. SMITH of New Jersey. The Senator will recall——

Mr. CONNALLY. Just a moment. I continue—

to provide any specific assistance, whether of funds—

They cannot get any money under it, not a cent, not a dime, not a nickel, not a quarter—

whether of funds, commodities—

No food, no clothes, no shoes, no hats, no furniture, no nothing in the way of commodities—

or services—

They cannot make a man work, cannot give him a job—

to any country or countries, or to any international organization.

If that does not cover the landscape, I do not know what could.

Mr. SMITH of New Jersey. Mr. President, the Senator will recall that in our discussion of this matter we talked it over quite fully, and we agreed we could not make the language any clearer or more distinct than it is. I am not quite clear as to the point made by the Senator from Colorado.

Mr. MILLIKIN. I think I explained my point, when I spoke of the Russell amendment. The amendment of the Senator from Georgia required that every agreement would have to tell every beneficiary in express terms that he must not figure on anything else than what was plainly stated there. The Senator from Georgia [Mr. RUSSELL] a short while ago made it very clear that he is not satisfied with the elimination of his amendment.

I bring to the Senator's attention a clause which was in the Russell amendment, which had a strong appeal to me as having curative value for the defects of the original bill; and that was the 5-year term. The Senator from Texas tells me that the 5-year term is out of the bill, which carries implications of permanency which the Senator assured me were not present. What has the Senator from New Jersey to say about that?

Mr. SMITH of New Jersey. What I have tried to explain to my colleagues in the Senate is that the bill which went to the conferees in just the form in which we passed it, contained the 5-year term. We had discussions with the conferees on the part of the House. The technical assistance program is still a part of the bill.

Mr. MILLIKIN. But not the 5-year limitation.

Mr. SMITH of New Jersey. Not the 5-year limitation. But the provisions of the bill themselves obviously will come to an end when the whole program stops, except for commitments which may have been made to carry out treaties. We have limited those commitments, as the Senator knows, to a 3-year period.

Mr. MILLIKIN. That is a progressive matter, as the life of the bill goes on.

Mr. SMITH of New Jersey. Yes. It is my own construction that it would have been wiser if we had held out against the House conferees on that point.

Mr. MILLIKIN. Oh, wise indeed is the Senator from New Jersey.

Mr. SMITH of New Jersey. That was my own desire originally. But when it came to agreeing with the conferees on the part of the House, we got them to give up all the guaranties to which we objected, to which I would not consent—I was opposed to guaranties of any kind—and we gave up our position as to private investments, to the end that the ECA funds would not have to be used in the form of dollars given by the Government, but as we hoped, funds could be provided by private investment.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. This matter came to the Senate in the relatively simplified form which it took after 2 days of hearings before the Senate Foreign Relations Committee. We were assured that it was a simple little thing; that we did not need to become alarmed about it; that it contained no larger implications. Now, by the testimony of the Senator from New Jersey, as well as the Senator from Massachusetts, we are embarked at the beginning with full point 4. Does the Senator believe that we should go into a program of that kind on the basis of a conference report?

Mr. SMITH of New Jersey. I do not quite agree that that is the case, because the House conducted long and extended debates on the subject; it was in the House bill, and the House conferees insisted upon it as a condition for taking out the guaranties to which we would not consent. I will admit that in agreeing to the report, in spite of the fact of being opposed to the change, I could not find anything in it to indicate that we are embarking upon a series of commitments, as the Senator from Texas has said. We are simply indicating that if private citizens want to invest funds in other countries before the end of the 5 years, or even after, it is the policy to enter into agreements with Indonesia or with Burma or with other countries, whereby we try to protect the investments against abuses that might occur. We do not guarantee a thing. We simply try to create a climate between these countries and the United States which is favorable, so that if the Senator from Colorado might want to build a power plant—and I know how imaginative Colorado people are—or invest in a power plant in Indonesia, his investment would be protected. He would not make such an investment unless the Government of the United States said to Indonesia, "If Senator MILLIKIN goes to your country with his friends and capital, we expect to have him treated as other people should be treated in dealing with matters of that kind, and we will expect the usual international courtesy."

Mr. MILLIKIN. If the Senator from Colorado went into Indonesia with his money, he would expect to take the risks of the venture and not ask the American taxpayers to assume them.

Mr. SMITH of New Jersey. If the Senator from Colorado went there he would take the risks, of course, and this bill would let him take the risks, but under the bill he would receive the usual international amenities, such as are given by his own Government, and have some assurance that the country in which he made his investment would protect him in the usual way from undue taxes, and so forth.

Mr. MILLIKIN. I merely make the observation that the Senator has held out the most barren sort of help to the American investor. We have been following diplomatic processes all over the world for years and years to protect the American investor. He is not protected. If anyone raises serious question about that I will bring cases to the Senate which will stack up that high [indicating], or even higher.

Mr. SMITH of New Jersey. Am I to gather that the Senator takes the position that we should offer no protection, no encouragement, no inducement of any kind, nature or description, for Americans to invest abroad in these troublous times?

Mr. MILLIKIN. I would take the position that the foreign country is the arbiter of whether our money is safe within its boundaries, and that we should not supply weaknesses in the programs of the foreign countries. We should not absorb their weaknesses. We should say to foreign countries that if they want American investments, through their own internal management, through their own internal treatments of our money, they must be fair to our investors; that our banks are bulging with money ready for venture capital and it will flow there whenever the investors receive that sort of guaranty; but the burden of guaranties should fall not upon the American taxpayer.

Mr. SMITH of New Jersey. In these provisions I can find no case in which the guaranty would fall upon the American taxpayer. There is no such thing in the bill as the Senator has just described. We have made no commitments. We are saying to the other governments, "You must make an agreement with us to protect our people by offering the necesary atmosphere for successful investment."

Mr. MILLIKIN. Then I suggest that the Senator has offered nothing.

Mr. KEM. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. KEM. I should like to receive a little more information about the intergovernmental agreements referred to in subparagraph (c) of section 402. Are these agreements treaties, or are they executive agreements, or are they neither?

Mr. SMITH of New Jersey. If the Senator will look at section 405 he will see what they are. Section 402 contains preliminary findings. Paragraph (c) of section 402 contains findings that we need confidence on the part of investors, and so forth, if they are to go into other countries and invest their funds. Section 405, as I recall——

Mr. KEM. I refer to paragraph (e) of that section.

Mr. SMITH of New Jersey. That paragraph provides:

To make and perform contracts or agreements in respect of technical cooperation programs—

And so forth. We find in section 407 the following:

In carrying out the programs authorized in section 405 of this title—

And there are certain paragraphs indicating the kind of things we would expect to have incorporated in the

agreements in order to protect the investor.

Mr. KEM. When the agreement is made is it subject to approval by the Senate? Is the advice and consent of the Senate necessary in order that it shall become effective?

Mr. SMITH of New Jersey. I should think if the program is approved, the President, under this program, would be authorized to make agreements which met the simple conditions provided in the bill. In it there are no commitments by us in any way, shape, or manner. The bill simply indicates the kind of a set-up we would ask of a foreign country, especially an undeveloped country; the kind of things we would expect such a country to do. We would expect it to enter into an agreement with our country that if the distinguished Senator from Missouri, to use his case as an illustration, as I previously did with respect to the Senator from Colorado, wants to make an investment in a country—and I make mention of the new Republic of Indonesia, or, let us say Korea, which is a sort of a protectorate of ours—if the Senator should go there to do business we would expect the Koreans or the Indonesians, as the case might be, to make a reasonable contract involving these points.

Mr. KEM. Would such contracts be binding upon the United States without any further intervention on the part of Congress?

Mr. SMITH of New Jersey. I do not believe the Senator will find any obligations that commit the United States in any way in dollars or cents or commodities. We have distinctly said we are not committed in such manner.

Mr. KEM. What is the use of making contracts if nothing is gained thereby?

Mr. SMITH of New Jersey. The contracts are to protect the investor.

Mr. KEM. Are they unilateral contracts, binding the other party, but not binding us to anything?

Mr. SMITH of New Jersey. The bill would create the climate under which our investors would invest in foreign countries. I think we are doing a great deal for those countries. I consider that to be a good consideration for the agreement which might be made. This is the kind of thing we have just done in a bilateral contract with Uruguay. This type of agreement has been just approved.

Mr. KEM. Do I correctly understand that the contract is wholly executed on the part of the United States, and that there are no executory provisions on our part at all?

Mr. SMITH of New Jersey. I think the whole program involves reciprocal benefits to both the United States and the countries on the other side, but not in the form of dollar-and-cents commitments, to judge from anything I could find by reading the conference report. In reading it, I do not see that anything so terrible is proposed on the part of the United States.

I would say that I was favorably disposed to this proposal as an action on our part in the ECA era.

Mr. KEM. Does the conference report contemplate any executory commitments on the part of the United States?

Mr. SMITH of New Jersey. With that question in mind, I would have to read the conference report very carefully, in order to see. I did not have in mind that there are any commitments which concerned me.

Mr. KEM. Assuming that the conference report does involve executory commitments on the part of the United States, should not such agreements or commitments be made with the advice and consent of the Senate, under the Constitution?

Mr. SMITH of New Jersey. If it took the form of a treaty with another country, certainly it should; there can be no doubt about that.

Mr. KEM. If it took the form of an executory agreement, it would require action on the part of both Houses of Congress, would it not?

Mr. SMITH of New Jersey. I may say to the distinguished Senator from Missouri that I have just been advised that the pending agreement with Uruguay is definitely a treaty. Our committee has reported it favorably. It will be before the Senate presently for ratification by two-thirds of the Members of the Senate as a treaty.

I assume that these agreements will be in the same form as that one.

Mr. KEM. May the Congress rely upon that, in connection with its vote on this measure—namely, that under this measure the executive branch of the Government will not undertake to make any agreements which are not brought to the attention of the Senate in the form of a treaty?

Mr. SMITH of New Jersey. I would say that if any treaties on the part of the United States were involved, that would be the way to deal with them.

However, I would have to study the conference report further in order to be able to answer in detail the Senator's question.

Mr. KEM. Under the terms of the conference report, would the executive branch of the Government be authorized to make an agreement to extend technical assistance to a country behind the iron curtain?

Mr. SMITH of New Jersey. Possibly the language of the conference report might be construed in that way; but I know from the conversations we had in the conference committee that the idea was that the entire purpose of extending technical assistance was to help countries which are resisting Communist infiltration, just as we used the ECA funds in the case of the cooperating countries in Europe to prevent the furtherance of the Communist movement.

Mr. KEM. Having in mind that the executive branch of the Government has in the past—for instance, at Potsdam—made with countries behind the iron curtain certain agreements which added greatly to their political and economic resources, should not the elected representatives of the people of the United States in this case safeguard the peoples' rights, to the extent that no such agreement made by the executive branch of the Government would be valid and binding?

Mr. SMITH of New Jersey. So far as I am concerned, as a member of the Foreign Relations Committee, if such an agreement came before the committee, I can assure the Senator—although I cannot necessarily commit my colleagues—that I would be definitely opposed to any agreement proposing to give technical assistance to any of the Communist countries or satellites.

Mr. KEM. But the Senator from New Jersey will agree, will he, that the trouble was that the transactions at Yalta and at Potsdam never came before the Foreign Relations Committee?

Mr. SMITH of New Jersey. I know that, and I continue to be critical of that.

Mr. KEM. Should not a burnt child avoid the fire?

Mr. SMITH of New Jersey. Of course a burnt child should avoid the fire.

Mr. KEM. So should not we do all we can to prevent the occurrence of similar transactions under the provisions of this measure?

Mr. SMITH of New Jersey. But it has never occurred to me that any of the provisions of this measure would be used to aid Communist countries.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. SALTONSTALL. I wish to call attention to section 402 (a), of the conference report, particularly the first sentence. That seems to me to make it very difficult to conceive that this measure could be used to aid countries behind the iron curtain.

Mr. KEM. That is the sentence which puts me on my guard. It reads:

> The peoples of the United States and other nations have a common interest in the freedom and in the economic and social progress of all peoples.

In other words, that provision includes equally the peoples behind the iron curtain and the peoples in front of the iron curtain. That is what that language means; it means all the peoples of the world.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. SALTONSTALL. I would construe that language to mean free peoples and peoples who have a common interest in freedom.

I agree with the Senator from Missouri that, in a technical sense, he has read correctly that portion of the conference report.

Mr. MILLIKIN. Mr. President, will the Senator yield, to permit me to ask a question of the Senator from Massachusetts?

Mr. SMITH of New Jersey. I am glad to yield to the Senator for that purpose, if I may receive consent to do so.

The VICE PRESIDENT. Without objection, consent is granted.

Mr. MILLIKIN. Mr. President, will the distinguished Senator from Massachusetts please tell us what are the "free peoples" of the "underdeveloped areas of the world"?

Mr. SALTONSTALL. In response to the question by the very distinguished Senator from Colorado, who always phrases his questions most carefully and to his best advantage, I would say that I would conceive that perhaps idealistically all people want to be free. Certainly there are many underdeveloped people today——

Mr. MILLIKIN. The conference report, which is proposed to be enacted into law, does not refer to "people who want to be free."

My question is, Who are the "free peoples" of the "underdeveloped areas of the world"?

Mr. SALTONSTALL. Indonesia is an example of what I mean.

Mr. MILLIKIN. Would the Senator say that the people of Indonesia are a free people?

Mr. SALTONSTALL. They are people who are attempting at the present time with their very lives, and in accordance with the entire background of their history of the past few years, to help themselves.

Mr. MILLIKIN. Would the Senator from Massachusetts say that the people of the countries of Africa are "free peoples"?

Mr. SALTONSTALL. I would say that was a question which was more abstruse.

Mr. MILLIKIN. Would the Senator say that the people on the southern shores of the Mediterranean Sea, going over toward Persia and Arabia, are free peoples?

Mr. SALTONSTALL. I would say that in that area there are countries—Libya, for instance—which, with our help, have been making tremendous progress.

Mr. MILLIKIN. The term "free peoples" is another climatic term, is it not?

Mr. SALTONSTALL. No; the Senator is wrong. It is an idealistic term.

Mr. MILLIKIN. It is full of obscuring smog, is it not?

Mr. McMAHON. Mr. President, will the Senator yield to me?

Mr. SMITH of New Jersey. Mr. President, I should like to say to the Senator from Colorado that I do not find in this title of the conference report the expression "free peoples of the underdeveloped areas of the world." So I wonder where the Senator gets that term.

Mr. MILLIKIN. The Senator from Massachusetts used that phrase.

Mr. KEM. Mr. President, I should like to invite attention to the fact that the conference report, in title IV, refers to "all peoples."

The VICE PRESIDENT. Does the Senator from New Jersey yield; and if so, to whom?

Mr. KEM. Mr. President, will the Senator yield to me?

Mr. SMITH of New Jersey. I yield.

Mr. KEM. Let me invite the attention of the Senator from New Jersey to the fact that in the first line of section 402 (a) of the conference report, in title IV, we find the following:

in the economic and social progress of all peoples.

Mr. SMITH of New Jersey. Mr. President, we should read the entire sentence, as follows:

The peoples of the United States and other nations have a common interest in the freedom and in the economic and social progress of all peoples.

I will stand by that, and I am sure the Senator from Missouri will, too.

Mr. KEM. Yes; but it seems to me that under that language the President would be fully justified in saying, "I am going to try to free some of the countries behind the iron curtain, so I will extend them some technological assistance under the terms of the ECA Act of 1950."

The question I have asked of the distinguished Senator from New Jersey is this: Is it the intention of the Congress to permit the President to do that, if he sees fit?

Mr. SMITH of New Jersey. Mr. President, the Senator from Missouri knows that so far as the ECA Act is concerned, it is limited to the ECA cooperating countries.

Mr. KEM. Yes.

Mr. SMITH of New Jersey. We have not gone beyond that, so far as I know.

Some implications of the sort the Senator from Missouri has suggested may be drawn from the language of the conference report; but of course we had no purpose or intention of that sort. Certainly any bilateral agreement which would be made would not be made, so far as I can see, with any of the satellite countries or any of the iron curtain countries or any countries that deny people their freedom.

We do not consider that the satellite countries are countries where people are free, and we do not propose to help countries where people are not free.

Mr. KEM. Mr. President, will the Senator yield further?

Mr. SMITH of New Jersey. I yield.

Mr. KEM. The Senator from New Jersey does not mean to suggest, does he, that title IV is confined to the Marshall-plan countries?

Mr. SMITH of New Jersey. When we discussed this, the matter, it was our thought that we would move in the direction, primarily, of dealing with the southeast Asia situation, for instance, the situation in Indonesia, the situation in Burma, and so forth, where, if the people are helped by that means, not by force of arms, they might be aided in resisting the tide of communism.

Mr. KEM. The Senator from New Jersey will agree, will he not, that that would not include the countries in Europe behind the iron curtain?

Mr. SMITH of New Jersey. Yes. We also had in mind countries in South America, and so forth—in other words, countries where there is danger of the infiltration of Communist ideas.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. Yes, although I was about to yield the floor.

Mr. SALTONSTALL. I should like to ask a question in connection with a question which was asked a few minutes ago.

Mr. SMITH of New Jersey. Mr. President, it is always a pleasure for me to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. It seemed to me that perhaps there was one thought the Senator from New Jersey, with whose point of view I am in accord, could have added with respect to the idea of creating a favorable atmosphere so as to enable private investors to put their funds in other countries. While I agree we do not offer much, if anything, though it is a start or a preliminary suggestion for working out this problem, yet there is an underlying thought which certainly is in the back of my mind and is in my heart today. That is our own security—the security of our own people in this country. We know that our own security will be promoted by building up other nations whose peoples are animated by the desire to be free and to lead a better existence. If through bilateral agreements we can properly encourage our citizens who have the funds to invest, to go into those countries in the proper atmosphere, we are then building up security for our own people, our own children, and their children in this country. That is the real motive behind it.

Mr. SMITH of New Jersey. Of course, I agree with the Senator about that, and of course my own experience last year in the Far East gave rise to that very thought. What do those people want? They want help so they can get on their own feet and rid themselves of the old imperialism and the old colonialisms and be free. That, it seems to me, is the spirit of what we are trying to do here.

As I say, I originally felt that this proposal should not be tied into the pending ECA bill, but should be regarded as something for the future. But I found nothing in it that was in any way detrimental or threatening, or calculated to carry it beyond anything we have done before. I did not write the bill. I may say to the Senator from Colorado, perhaps there are more words in the provision than are necessary, but the spirit back of it is that of helpfulness to those who need help by the use of private funds.

Mr. SALTONSTALL. And it is for the benefit of the security of the people of the United States.

Mr. SMITH of New Jersey. Absolutely. That is vital in the whole picture. The whole ECA program is built around security. We would not have been going beyond a humanitarian effort, had it not been for that.

Mr. MILLIKIN and Mr. HUNT addressed the Chair.

The VICE PRESIDENT. Does the Senator from New Jersey yield; and if so, to whom?

Mr. SMITH of New Jersey. I am going to yield the floor, after I finish with the Senator from Colorado.

Mr. MILLIKIN. The Senator has been very generous and very helpful.

CONSTRUCTION OF BRIDGE OVER THE ANACOSTIA RIVER FROM EAST CAPITOL STREET

Mr. HUNT. Mr. President, I ask unanimous consent, out of order, for the im-

mediate consideration of House bill 7341, Calendar No. 1574.

The VICE PRESIDENT. The Secretary will state the bill by title.

The CHIEF CLERK. A bill (H. R. 7341) to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes.

The VICE PRESIDENT. Is there objection?

Mr. SALTONSTALL. Reserving the right to object, I should like to ask the Senator from Wyoming one or two questions. He has called my attention to this bill. It involves the authorization of a new bridge over the Anacostia River at an ultimate expense of $12,000,000. There are several amendments. This is a late hour in the Senate. We have not had a quorum. What assurance can the Senator give me that there is no objection on either side of the aisle to an important measure of this kind? I realize the need for speedy action.

Mr. HUNT. I thank the Senator from Massachusetts for asking that question, and I beg to advise him that first, of course, the bill has passed the House. It has been acted upon by the subcommittee of the Committee on the District of Columbia, and was reported unanimously by the full committee. It is approved by the National Park Service, the District Commissioners, the Bureau of the Budget, the Bureau of Public Roads, and the National Capital Park and Planning Commission, and in respect to design it will be passed upon by the Commission of Fine Arts. I think I can very honestly say to the distinguished Senator from Massachusetts that there is absolutely no objection to this bill on the part of anyone, so far as I know. The urgency of it I am sure the Senator understands.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. HUNT. I am glad to yield to the Senator from New Jersey.

Mr. HENDRICKSON. I should like to say as a member of the subcommittee that I confirm everything the able Senator from Wyoming has said. The hearings were unanimous; that is to say, everyone was in accord. The need for the construction of this bridge was well established. Even the dispute as to its location was resolved with complete accord on the part of all who were present.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. HUNT. I yield.

Mr. SALTONSTALL. Will the Senator from New Jersey state that so far as he knows there is no objection by any Senator on this side of the aisle, so that in his opinion no one's rights are being infringed upon?

Mr. HENDRICKSON. Mr. President, I gladly state that there was no objection on the part of anyone, either on the opposite side of the aisle or on this side of the aisle, or on the part of anyone in the District of Columbia, or outside the District.

Mr. SALTONSTALL. There is no question that there is a great need for this bridge.

Mr. HUNT. It is urgently needed.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 7341) to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes, which had been reported by the Committee on the District of Columbia with amendments, on page 1, line 5, to strike out the word "line" and insert "vicinity"; on page 2, after line 2, to insert: "The Commissioners of the District of Columbia, for a right-of-way of adequate width to proceed to acquire sufficient land along, or in close proximity to, Kenilworth Avenue in the District of Columbia are further authorized and directed for the construction of a controlled access road to interconnect the Washington-Annapolis Freeway and the Baltimore-Washington Parkway with said bridge and its east approaches at or near the point where Kenilworth Avenue, if extended, would intersect said bridge and its east approaches"; and on page 3, line 23, after the word "Commission" to insert "and the Commission of Fine Arts".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time and passed.

IDEALS FOR AMERICAN LIBERTY AND INDEPENDENCE

Mr. HENDRICKSON. Mr. President, on last Sunday, May 21, the citizens of this great Capital City gathered to mass the colors at the Washington Cathedral and to honor the men and women of the Nation who have fought and sacrificed for the ideals of American liberty and independence, and, in so doing, to rededicate themselves to the things of God.

The principal address on that occasion was delivered by the distinguished junior Senator from Pennsylvania [Mr. MARTIN], who is himself an outstanding defender of his country in peace and war. So inspiring is the message, Mr. President, that it merits the careful study of all Members of the Congress whose devotion to God and country come first in their scheme of things.

Therefore, Mr. President, I ask unanimous consent to have incorporated in the RECORD at this point in my remarks the address delivered by the Senator from Pennsylvania.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We meet today in one of the world's finest buildings, dedicated to the glory of God.

We meet in the most beautiful capital city of the earth, in the greatest Nation of all time.

We are honored by the presence of groups of men and women who have fought and sacrificed for the ideals of American liberty and independence.

We meet on the holy day of the Sabbath.

There is great patriotic and religious significance in these inspiring circumstances of time and place.

They are most appropriate for the beautiful ceremony of massing the colors.

They form an impressive setting for the reverent tribute we pay today to the memory of heroes who gave their lives in defense of their country and their flag.

We are so fortunate that the United States, from earliest colonial times, has been the home of deeply religious people.

Men of God shared the hardships of the pioneers. They braved the wilderness and crossed the mountains with the trappers, tradesmen, and settlers who pushed forward the western advance of our frontiers.

We have always recognized the importance of religion in the armed services by having chaplains of every denomination.

Woven into the strong fabric of our national existence there are bright threads of thrift, sacrifice, tolerance, peace, good will, and love of God.

As we give thought to the glorious pageant of our Nation's history we are impelled to ask:

Why has America made greater progress, in less than 200 years, than any other nation since the world began?

What made it possible for a little group of sparsely populated colonies on the Atlantic coast to expand their territory to the slopes of the Pacific?

Why were we able to build an industrial empire without equal in all history?

Why does our commerce extend to every corner of the world?

Why does our population, now multiplied 30 times, enjoy the best living standards and the highest cultural level of any people in the world?

Why were we able to build churches, schools, hospitals, research institutions, and centers of art and music for the benefit of all?

The answers may be found in the spiritual strength and character of our people, their love of freedom and their willingness to work and sacrifice.

Patriotic Americans have always been proud of their allegiance to this great country. They have always been willing to fight for it.

They have never considered it a sign of weakness to acknowledge their dependence upon God.

These reasons were summarized by a great historian when he was asked:

"Why has North America made so much greater progress than South America?"

He replied that the people who came to South America were in search of gold while those who settled North America came in search of God.

It is fitting on an occasion such as this to consider our national strength and the dangers that confront us.

Let us, for a moment, take an accounting of our assets and liabilities as a nation.

Listed among our assets are 250,000 churches of every denomination. They are in the great cities. They are in the mountain valleys. They are on the hill tops.

They are constructed of granite, of stone, of brick, and of wood. Some log churches still serve as houses of worship.

We give more for humanitarian purposes, to the Red Cross, to research foundations, to hospitals, and for higher education than all other nations combined.

We send our missionaries to preach the word of God to all the distant islands of the seas.

We have a diversity of industry, agriculture, and transportation greater than was ever dreamed of by the most optimistic a half century ago.

We have developed the rich natural resources of our country for the benefit of all mankind.

More homes, more life-insurance policies, and more savings accounts are owned by our

people than those of any other nation on earth.

Our scientists, inventors, and technicians are daily devising new methods to aid in production and to make living conditions more pleasant.

We are pouring out billions of dollars to restore stability to the free nations of the world and to help them resist the advance of godless and churchless communism.

That is a wonderful list of achievements. We have a right to be proud of them.

Now what is there on the liability side?

We have allowed our material progress to advance beyond our gains in spiritual strength.

We have allowed envy, greed, selfishness, and lust for power to blind us to the eternal laws of God.

We have been indifferent toward law evasion, racketeering, chiseling, and other corrupt results of the desire for an easy way of life.

We are asking government to do many things for us that we should do for ourselves. We expect the Government to guarantee our loans, support prices for our products, build our homes, and take care of our personal needs.

Too many of us have begun to feel that government can plan better than God.

Let us look briefly at some actual conditions.

We pay too high a price for labor-management controversies. They could be speedily settled if each party were governed by justice, fair play, and honest recognition of the rights of the other.

The cost of two recent strikes reached the staggering total of $3,400,000,000.

In addition, they inflicted severe hardships and suffering upon the families of workers deprived of their wages.

Too many such costly work stoppages will destroy the economy of the United States and our way of life.

Labor and management each has its rights which should be respected and upheld, but they should always remember that the rights of the public are paramount to both.

It is so unfortunate that the world today is in a period of force rather than reason.

For 2,000 years men of good will have looked forward with hope and prayer to a world of peace and brotherhood, obedient to the will of God.

But twice within our own time the ruthless ambitions of tyrants and dictators have plunged the world into the cruelty and tragedy of war.

How can we prevent a repetition of war's death and destruction?

How can we assure the preservation of individual freedom and our form of government?

It seems to me that the following suggestions are sound Americanism:

1. We must willingly obey the laws of both God and man. Our obedience to law must be an inward expression and not under compulsion from an outward force.

2. Labor disputes should be settled without great losses. We must increase production.

3. All should willingly and enthusiastically serve the Nation, both in time of peace and time of war. We must be materially strong. We must be strong in military preparation. We must be strong in our spiritual attainments.

4. Our fiscal policies must be sound. America can save itself from communism if we keep ourselves out of governmental bankruptcy.

5. We want more individual freedom and less government paternalism.

6. There is too much centralization of government. When government directs when, how, and where we are to work and what we are to plant, production is lost and our liberties are curtailed.

7. Americans must live as Americans. There can be no divided allegiance. Subversive action must not be tolerated.

8. Let us continue to be a God-loving people. Let us fill the churches of every denomination. Let us preach righteousness, truth, tolerance, hard work, thrift, and the love of God.

9. Let us work for peace and good will but let us maintain our material, physical, and spiritual strength.

No one wants war, and no one is ready for war. But unfortunately, those working for peace do not seem to be strong enough in the spirit to carry us to that desired end.

What we need here at home is to keep solvent, work hard and have faith in ourselves. Let us live in peace and righteousness with each other and with prayer spread those ideals throughout the world.

On this beautiful occasion, with the massing of our colors in commemoration of the honored dead of all wars, let us rededicate our lives to our country and our God.

Let us resolve that this Nation, founded to sustain the God-given liberty of the individual, will not perish from the earth but will live forever and become stronger as the generations pass.

In making this resolve we must remember that God remains unchanged.

We must move ahead with faith in God and faith in ourselves.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

Mr. MALONE obtained the floor.

Mr. LUCAS. Mr. President, may I inquire how long the Senator expects to speak?

Mr. MALONE. Perhaps 30 or 40 minutes.

Mr. LUCAS. Mr. President, I was wondering if the Senator would let the Senate take a recess at this time and get the floor tomorrow.

Mr. MALONE. With the understanding that the junior Senator from Nevada will have the floor upon the opening of the session tomorrow, I should be happy to yield the floor at this time.

The VICE PRESIDENT. Is there objection?

Mr. CONNALLY. Mr. President, reserving the right to object, I do not want to object, but when tomorrow comes, if the Senator can obtain the floor, I have no objection. I do not like to enter into agreements today as to what Senator will be recognized tomorrow. This is not the first time I have commented on similar situations. That is one of my policies. I have no doubt the Senator will obtain the floor in the morning, and I have no intention of objecting to his obtaining it, but I think it is bad policy to adopt a system whereby we undertake to control recognition of Senators.

Mr. MALONE. The junior Senator from Nevada would just as soon proceed at this time. It is nice of the senior Senator from Texas, however, not to object to his obtaining the floor tomorrow.

The VICE PRESIDENT. The Senator may proceed.

Mr. SALTONSTALL. Mr. President, will the Senator from Nevada yield for a question?

Mr. MALONE. I shall be happy to yield if I do not lose my right to the floor.

Mr. SALTONSTALL. I would respectfully inform the Senator from Texas that I believe there will be several more speeches tomorrow, and perhaps it would be better if we all started off fresh. I wonder if the Senator from Texas will not withdraw his objection to the Senator from Nevada proceeding tomorrow. I have been informed that at least two other Senators on this side of the aisle expect to speak on the subject tomorrow. So I do not think we shall save any particular amount of time if the Senator from Nevada proceeds at this time.

Mr. CONNALLY. I was not objecting on the ground of saving time. I was objecting on a question of policy, agreeing today what shall be done tomorrow. The rule is that the Chair shall give recognition to whatever Senator first addresses the Chair. I have no doubt that if the Senator from Nevada will keep that in mind he will get the floor tomorrow. I do not intend to object. I think the Senator would be better off if he addressed the Senate tomorrow, thereby having more Senators to hear him, than to speak this evening with no one to hear him. I hope he will agree to that.

THE INCONSISTENT ECA (MARSHALL PLAN)

Mr. MALONE. Mr. President, the currency deflation by the British reduced the value of the pound by some 30 percent, and it has had the effect of enabling British industry to dump goods on the American market in very much increased quantities in competition with our workingmen and investors.

The distinguished Senator from Texas [Mr. CONNALLY] referred to the nations in which we were going to guarantee American investments—as "road agents." He said we were trying to develop backward areas through the ECA and point 4. I would say that we are using, in a large measure, the landlord system of developing backward areas.

BRITISH STRANGLEHOLD ON MALAYAN STATES

Through our ECA policies, and now the proposed point 4, we are enabling the British to maintain a stranglehold on the Malayan States—a backward area—for example, in Singapore, in the Malayan States, where the opposite of what we name as our objective is being maintained with our support. We are trying to develop the production of crude rubber, we say, and help the Malayan States. The price has actually risen from 17 cents a pound last December to 28 cents a pound as of today—but the Malayan people do not profit by the increase—the British, as landlords, take it all—in fact, reduced the Malayan wages through the reduction in the value of the pound—actually lowered the Malayans' wages. In the case of tires in this country, based on the increased cost of the raw rubber, it means an increase to the average consumer of approximately $1.10 per tire.

SLAVE LABOR AND DOLLAR POSITION

The net effect of the deflation of the pound 30 percent has been to decrease the production costs through deflation

and of reducing the real wages paid the Malayan workers, while the British Government, with a stranglehold on the great world sources of this commodity, has charged what the traffic would bear, and the American Government, stockpiling rubber, seems to have no objection; indeed, our Government officials seem to be delighted that the increased price has substantially improved the British dollar position while holding the Malayan wages down to virtually the slave-level labor. We are also the real losers in addition to the Malayan labor, since we are the chief purchasers and the cost has been raised above the cost of the production of synthetic rubber in this country.

The latter subject, of course, raises a great question as to how the increase in price on a single product not produced in Britain could so spectacularly increase the dollar position.

BUILDING COMMUNISM IN BACKWARD COUNTRIES

If the British were acting even as honest brokers, Mr. President, this could not be so. The obvious answer is that Britain is getting the lion's share of the spread between the lowered wages of the Malayan and the increased price to us, leaving the Malayan producer and worker sullen, resentful, and a real candidate for Russian blandishments. Russia is the real beneficiary. Britain is also selling to the Russian Government, in fact, promoting lively bidding between Russia and the United States for the rubber closely controlled by them with our help.

Mr. President, it is very evident what point 4 was proposed to do. The spokesmen for the administration were very frank some weeks ago to say that point 4 was to take the place of ECA and the Marshall plan as they were reduced.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Nevada yield to the senior Senator from Massachusetts?

Mr. MALONE. I shall not yield for several minutes, Mr. President, until I have finished the particular point to which I am now addressing myself.

POINT 4 AND THE MARSHALL PLAN

Mr. President, it was very plain that point 4 is to take the place of the Marshall plan and ECA in 1952. There is always a new siphon into the United States Treasury.

BACKWARD AREAS

If there is any question about developing the backward areas, and that the distinguished Senator from New Jersey [Mr. SMITH] knew whereof he spoke when he said that part of the plan was to provide trade between all of the areas of Europe and Asia, let me call attention to the fact that on May 5, at page 6468 of the RECORD, the junior Senator from Nevada put in the RECORD a list of 96 trade treaties made by the 16 Marshall-plan countries with iron-curtain countries, under which they are and have been, since the close of World War II, selling them everything from ball bearings, tool steel, electrical equipment, to heavy road machinery, including locomotives and freight cars, that they need to fight a war with the United States of America and to consolidate their gains in eastern Europe and China.

The backward areas are doing all right—even Communist China—the British are taking care of them through Hongkong. Mr. President, I hope for the benefit of the senior Senator from Texas and others who have been so worried about getting the point 4—the bold new program—siphon into the United States Treasury this afternoon, that they are satisfied. For the past 4 hours on the floor of the Senate they have explained that we should adopt point 4—the bold new program which is on the President's "must" program—but that it would not mean anything.

UNITED STATES FURNISHING WAR MATERIAL TO RUSSIA AND IRON-CURTAIN COUNTRIES

For the last 2 years we have furnished the cash, the goods, and the industrial equipment, if you please, to the 16 Marshall-plan countries, so that they may do what?

So that they may furnish the goods needed by Russia and the iron-curtain countries to make war on the United States of America, and to consolidate their position in eastern Europe and China. They are getting the necessary goods on the first bounce.

The Marshall plan ECA countries have proved that they have no regard for our safety or integrity through trading directly with the nations which we said we wanted to "contain" through the adoption of the Marshall plan.

Mr. President, I now yield to the senior Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the junior Senator from Nevada be given the floor tomorrow when the Senate convenes, in order that he may continue his remarks.

The PRESIDING OFFICER. Is there objection?

Mr. LUCAS. Mr. President, I shall not object, but I assume that if the Senator from Texas were here he would be on his feet.

Mr. MALONE. I suggest that the Senator send for him.

Mr. SALTONSTALL. I respectfully request that the Presiding Officer put the request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

RECESS

Mr. LUCAS. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 4 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 24, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 23 (legislative day of March 29), 1950:

IN THE NAVY

The following-named midshipmen (aviation) to be ensigns in the Navy, from the 2d day of June 1950:

Albert L. Abd n	Robert J. Basso
Warren J. Ackerman	Fred J. Bellar, Jr.
Henry G. Bailey	Lawrence W. Burns, Jr.
Franklin H. Barker	Dale E. Campbell
Donald D. Casson	Robert J. Ceremsak
Robert D. Connolly	Phillip L. Dafford
Lawrence C. Day	Robert F. Dreesen
Lawrence F. Emigholz	John O. England
George A. Finke	Francis L. Fleming
Thomas D. Fritsch	Howard E. Furgalack
Thomas R. Galley	Daniel E. Gillis
Arthur W. Goudey	Carl A. Gray
William A. Gregg IV	Donald F. Guertin
William A. Gureck	John A. Hershel
Herbert Q. Himes	Delbert D. Hofferth
Bruce P. Hoffman	Paul I. Hunter
Selmer O. Iverson	Benjamin F. James, Jr.
Daniel C. Johnson	Homer R. Johnson
Donald E. Keil	John W. Kelly
Bruce R. King, Jr.	Ben P. Kingsbury
Darrell F. Kirkpatrick	Charles P. Lamb, Jr.
Henry C. LaParo	Robert LeR. Lawrence
Paul W. Leinbach	Arthur H. Leonard, Jr.
William J. Leonard	Philip A. Lord
Donald M. Lynam	William J. Maier, Jr.
Russell A. Marcellus	Billy W. Matthews
Phillip A. May	Timothy J. McMahon
Joseph Meachum	Robert D. Metzger
Carl H. Molling	Ralph C. Nash, Jr.
Robert A. O'Connor, Jr.	Valfrid E. Palmer
Engelbert G. Pezzei	William B. Pruitt
Abram H. Quackenbush	Carmelo C. Restuccia
Carl W. Rochester	Roger E. Ruch
John A. Schaefer	Harry G. Simmerman
Jack D. Sirrine	Daniel J. Sliwinski
Jerome W. Smith	Robert W. Sommer
Robert S. Stallings	David O. Story
Paul R. Streich	David T. Styles
Gerald S. Talley	John R. Thomson
Ronald G. Tinlin	Richard A. Trethric
Ralph M. Tvede, Jr.	Lawrence T. Vance
William B. Warwick	Glenn L. Wegner
Ronald B. West	Donald R. Wilson
James K. Wilson	Don L. Wuethrich
James C. Youngblood	Donald R. Zachary
Charles H. Zilch	

The following-named (Naval R. O. T. C.) to be ensigns in the Navy, from the 2d day of June 1950:

Roderick E. Jensen.
Peter R. Kuhl.

Maurice G. Duncan (Naval R. O. T. C.) to be an ensign in the Navy, from the 2d day of June 1950, in lieu of second lieutenant in the Marine Corps, as previously nominated and confirmed.

Peter C. Conglis (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy.

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Robert E. Austin	William L. Robinhold
Marx R. Budden	Paul E. Zeigler
Frederick J. Finnegan	

"J" T. Walmsley, Jr. (Naval R. O. T. C.) to be an ensign in the Supply Corps of the Navy, from the 2d day of June 1950, in lieu of ensign in the Supply Corps of the Navy, as previously nominated, to correct name.

Philip W. K. Sweet, Jr. (Naval R. O. T. C.) to be an ensign in the Navy from the 2d day of June 1950, in lieu of ensign in the Navy, as previously nominated and confirmed, to correct name.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 23, 1950

The House met at 11 o'clock a. m., and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, whose divine authority we cannot doubt and whose appeal of sacrificial love we cannot silence, we

pray that we may obey Thy holy will more faithfully.

Give us a daring confidence in the reality and power of the spiritual forces during these days when burdened and broken-hearted humanity seems to be a discordant, confused, struggling mass with nothing to hold it together.

Inspire us to accept those principles and ideals which Thou hast ordained as the sure and strong foundation upon which to build a nobler civilization.

May all the members of the human family be brought into fellowship with our blessed Lord and find in His spirit the secret of good will and the joy of an enduring peace.

In His name we bring our petitions. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE LATE JOHN ANDREWS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, it is with a heavy heart that I announce the death of a beloved friend, the former Clerk of the House of Representatives, presently a minority employee, John Andrews.

For more than 26 years he was a warm personal friend, one for whom I had a great deal of admiration and affection. He was a man with a fine personality. He had the ability to make friends readily and hold those friends to him with grips of steel. He was kind and sympathetic. He loved to serve his friends and all those who requested his services. He was a man of ability and character. For many years he served this country, both as a soldier in the First World War and in civilian life, with fidelity seldom exceeded.

When the Republicans came into control of the Eightieth Congress there was but one choice for Clerk of the House of Representatives, and that was John Andrews. As the Speaker of that body I can honestly and truthfully say that it was with rare ability and conscientious devotion to service that he served this House, for which he had the greatest respect. It appeared to me throughout his long public service he was guided by but one motive: How best to serve his country. I know he reverenced our Congress, which many have said was the greatest legislative body in all the world. His purpose in his service here was to make the House of Representatives stand out stronger in the estimation of the people of the United States, because he realized that here in this Congress was where freedom was born and where it must be kept alive. So it is with a heavy heart that I announce the death of this good friend of mine. All of us have lost a dear friend and a wise counselor. Our country has lost an honest, faithful, conscientious public servant that it could ill afford to lose.

To his family and to his good wife I extend my deepest sympathy in their hour of bereavement. May they find sympathy and consolation in the realization that a good life is never ended. It shines on through eternity.

I yield to my good friend the distinguished majority leader.

Mr. McCORMACK. Mr. Speaker, it is with a heavy heart that I received the news of the death of my old friend John Andrews.

John Andrews was a member of the official family of the National House of Representatives. We of the House have a great fondness and attachment for everyone who constitutes the membership of the official family of the House from the Clerk of the House of Representatives down to each and every page. John Andrews not only was a member of the official family of this great body but also every one of us had for him a high regard for his integrity and character and a strong feeling of friendship for him. I was proud to number him among my close personal friends. That relationship existed between us in addition to the intense admiration I had for him as a man and as a member of the official family of this body.

John Andrews was a man of deep faith; he was a man who every day constantly had uppermost in his mind the fact that the journey of life is but the road or the avenue to eternal life with God Himself. John Andrews lived up to the spiritual principles he believed in; and I am confident, knowing John Andrews as I did, that his soul goes to meet the Maker with confidence of the favorable judgment that we all hope to receive when we take the journey into the Great Beyond.

His passing is a source of keen regret not only to the House but to every former Member who knew him; and to his many friends, not only here but throughout the country and back in Massachusetts; and to Mrs. Andrews and his loved ones I join with my distinguished friend from Massachusetts [Mr. MARTIN] in extending the deep sympathy of Mrs. McCormack and myself; and with that goes, I know, the deep sympathy of every Member of this body.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to one who probably was the closest friend John Andrews had in the House, my good friend the distinguished gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Speaker, the Chaplain today prayed for broken hearts, and there are many grieving hearts here in this Chamber at this hour and on the sidewalks of this the Capital City of the Nation.

Mr. Speaker, it was my privilege and good fortune to know Jack Andrews for 27 of the 33 years he labored on Capitol Hill. We were very close. He was sort of a combination of father and pal. When he was called away last night, I felt the loss of a large part of what I have known as my Washington.

Jack Andrews was one of the most Christlike men I have ever known. He was very devout, and he believed deeply that his mission on earth was to be helpful and kind to others.

He loved his country and was ready to die for it. He loved the House of Representatives, and he knew and had a good word to say for every Member and employee. The epitaph on his marker at Arlington could well bear the legend "He loved people."

Walking to the Capitol this morning from Jack's home on Fifth Street SE., I stopped to convey the sad news to his Chinese laundryman. Tears came to the latter's eyes as he said, "Good man—he always smile and say kind words." A few doors away the Greek fruit vendor asked me to sit down and tell him all the details. "I can't believe," was his comment. Sam, the barber, had already read the account in the morning papers, but he had this to say, "I wish God would send us more men like Jack." And I might add that in making my long-distance telephone calls this morning the Capitol operators spoke most feelingly of the loss of one who always remembered them. In fact, although he became Clerk of the House in the Eightieth Congress and the boss of hundreds of workers, he was always one to classify himself as one of the hired help.

My secretary said this morning that she had never heard Jack Andrews say an unkind word about anybody, and this truly was part of the pattern of his life. He always liked to be on the giving, not the receiving, end. It was hard for a close personal friend to do something for him.

In a large sense, Jack Andrews was a casualty of congressional pressures in these turbulent days. Those who know him well will never forget how he did his difficult part under the Reorganization Act in the Eightieth Congress. If he had any fault, it was a perfectionist complex. Every effort and every undertaking had to be carried out meticulously, and only during recent weeks his successor, Mr. Ralph Roberts, told me in an appearance before the House Subcommittee on Legislative Appropriations that Mr. Andrews had turned in a remarkable performance as Clerk of the House in the Eightieth Congress with inadequate personnel. Undoubtedly, as Mr. Roberts agreed, this contributed to his breakdown in health.

Jack Andrews was exceedingly proud of Catherine Spaight, who became his devoted wife. They loved each other beyond words. Few here today know how she struggled to aid him in his fight for life. Only a few minutes ago I heard her say: "He enjoyed doing so much for others. I wish he could have kept on going." My heart goes out to her in her great sorrow.

Mr. MARTIN of Massachusetts. Mr. Speaker, when I first came to Congress, Mr. Andrews was a clerk on the staff of a Congressman representing a district now represented by the Honorable RICHARD WIGGLESWORTH, of Massachusetts. I now yield to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I know that the untimely death of John Andrews will be deeply regretted by all who have known him during his long period of public service.

Coming to Washington some 33 years ago, leaving for the purpose of serving the Nation in the Army during World War I, resuming his work in Washington

after the war, he devoted his entire life to the service of his country.

As the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], has just mentioned, when I first came to Congress almost 22 years ago, John Andrews was one of my secretaries, having served with my predecessor in similar capacity for about 8 years.

His advice and help were invaluable. Our friendship has continued over the years. I have a sense of deep personal loss this morning in his passing.

John Andrews served the minority Members of the House for many years as minority clerk—a position for which it was my privilege to place his name in nomination.

He served all Members of the House during the Eightieth Congress as Clerk of the House—a position which he filled so well and so faithfully.

His character, his ability, his thoughtful consideration, his fine spirit of cooperation endeared him to all.

He will be greatly missed.

I know that we all join in heartfelt sympathy to Mrs. Andrews and to all those close to him.

Mr. MARTIN of Massachusetts. Mr. Speaker, Mr. Andrews was born in Salem. He was a great personal friend of the late Honorable George Bates, and I think no event in recent months cheered him more than the election of his son to Congress. I now yield to my colleague the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Speaker, history will record that during the past 7 months my home town, the city of Salem, Mass., gave two of its most beloved and illustrious sons to God as a result of service to their country. Both had served the Congress well for many years and were closest pals. I cannot eulogize one of them any more than can a man eulogize himself, for we were of the same flesh and blood.

The other was my very dear friend the former Clerk of the House of Representatives—and until yesterday the minority clerk—John Andrews. I have felt for some time that I was closer to him, and he was closer to me, than any other man in Washington. I am well aware that hundreds of people will not concede me that coveted relationship and I can understand their views because John Andrews could impart to his newest acquaintances a feeling of warmth and friendship that was rare and which matured upon first meeting to a degree which ordinarily only years can develop. Whatever may be the depth of affection one man can possess for another, the very deepest was my feeling for John Andrews.

He had the keenest memory of any man I ever knew. He could recite events of your past life, which you yourself could hardly recall, as though he kept your daily diary within his mind. Yes; he thought a lot about people—more than he thought about himself. While it would be difficult for any of us individually to match his power of memory, our collective memories will always retain a sacred and a loving thought for John.

I was with his dear wife and her sisters when John was called, just as I was with John when his own father passed away. Mrs. Andrews, in their very short years of marriage, gave to him love and care and affection that could hardly be matched by others in a full measure of married life. She was so kind and so considerate and so gentle to him that it has been heavy on her own life. Her only consolation of the moment is the knowledge that thousands of people share her burden with her and that he is close to God today.

Mr. Speaker, his record of unselfish service to all will never be forgotten by his many friends.

He epitomized much of what Washington meant to me. My family and I shall miss him greatly.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to my colleague from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, John Andrews was a good man. He was a fine man. I had the privilege of knowing him prior to coming to Congress 25 years ago, when he was associated with my own family, with my husband.

I never knew him to do anything which was not fine, anything that was not gentle, anything that was not good for the people of this country. He is one of the men who always had the deepest and highest respect for the Congress of the United States, the highest respect for the Speaker and the floor leaders, and the highest respect for the Members. He was one of the men who thought good of the Members of Congress and not ill. If there was anything he could do to help a Member of Congress live up to his high office he always did it. If any Member was criticized unjustly, he always tried to defend that Member.

I should like to speak especially of the courage of the man. Many of you remember Tyler Page, who was the Clerk of the House, a man who had been brought up for many years in the history of the Capitol and the history of the Congress. John Andrews tried in his short time to do all the things and to have all the knowledge that Tyler Page had of the Congress and congressional procedure. He was invaluable when we went to him asking for information about legislation and about legislative procedure.

In all that time John Andrews was ill. He worked far beyond his strength. Day after day he gave of his very life blood. He was not willing to give up, he was not willing to delegate his work to other people. He felt he was elected to a high office, and he wanted to use all of his power and all of his strength to make his tenure of office the finest that had ever been given.

We all mourn his passing more than we can say. We mourn with his devoted wife who must have seen, in the past weeks and months, that he was likely not to live and that he was giving his life for his country. John Andrews kept the faith.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to my colleague, the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, the sudden and untimely death of John Andrews, former Clerk of the House in the Eightieth Congress, last evening came as a great shock to all of us who knew him.

I recall vividly when I first came to the Congress during the Seventy-seventh Congress, during the middle of that term, as a new man on a new job and as a stranger to the Members, the first person who volunteered his service to me at that time was that Christian gentleman whose memory we honor today.

To those who had known him well and who had shared his friendship, the passing of John Andrews is a deep, personal loss. To us in the House of Representatives he was known as a hard-working and devoted public servant. That Mr. Andrews was well beloved and highly respected by the Members of the Congress is shown by the fact that he was appointed from time to time to positions of importance in the Congress of the United States. What further evidence of affection and esteem could they have shown?

His personality, his sincerity, and his generosity endeared him to all who knew him and especially to those who had the pleasure and privilege of serving here with him, and he well deserved the devotion and love which they freely gave.

He had qualities of mind, and qualities of heart which made him an exceptionally fine public servant. As a friend, yes, and as a representative from the Commonwealth of Massachusetts, the home State of John Andrews, I am proud to pay this tribute to his memory. I am sure that I voice the sentiment of everyone here in the House when I give expression to my feeling that the passing of John Andrews will ever be a loss for which there can be no compensation.

Mr. Speaker, I join with all my colleagues in expressing my deep and sincere feelings of sympathy to Mrs. Andrews and the members of his family. May the Almighty God shower down upon them every blessing.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield to my colleague the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Speaker, I think we are all one today in the shock that has come to us. We cannot believe that John Andrews is really gone. We all loved him. We all benefited by the beautiful spirit that was his. We will be better men and women because of him. John served the House many years as minority clerk. In that capacity he gave most of his service to this side of the aisle. During the Eightieth Congress, as Clerk of the House, he served us all—with everything that was in him—and there was so much there.

There comes to my mind a conversation I had with him behind the rail one day. We were discussing the passing of one of the older Members, who had been a close friend of my husband's, as John, too, had been. We talked of those matters which, no matter how casually we brush them aside are constant, which are always in our minds—questions of life and death and what they mean. We talked of the inner need of every human

creature, of the faith you have to live by and the faith you have to die with. I remember at that time having in my purse, just as you all carry little memoranda and bits of poetry in your pockets, these words, which we read together:

Faith is the bird that feels the light
And sings when the dawn is still dark.

That was the kind of faith that John had. There was never a question in his mind but that faith was an active rather than a passive force. To him it was not just believing, not just waiting for something to happen, but it was active and positive, a striving for achievement. John Andrews knew that faith is a brave endeavor and a splendid enterprise.

This quiet, gentle man knew with a definite knowledge that the spirit is eternal. More than once we discussed the wisdom of various ancient religions and philosophies. A little phrase became one we spoke often to each other almost in passing, "Live then always in contemplation of death." This was not death as a pain, but death as a gateway to broader and deeper and greater living.

So, as we take up our lives today we can be certain that he has stepped through a doorway out into a glory that is quite indescribable—a glory that was reflected in his eyes when he smiled, radiating from a faith which is indeed eternal life.

Mr. MARTIN of Massachusetts. I yield to my colleague from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Speaker, I first became acquainted with John Andrews back in November 1926 when, as a student at Georgetown University, I was introduced to him by my distinguished friend and colleague, GORDON CANFIELD, whom I had met earlier through a New Jersey classmate. During these intervening years, I have always treasured the great friendship of John Andrews and over those many years, I have never seen him meet either me or his multitude of friends without a smile. Reflecting now upon our friendship and close association, enhanced during my college and law-school days, during my secretarial years on the Hill, and as a Member of Congress, I remember John Andrews truly as a prince among fellows. He was assiduous in application to every assignment given him; deeply devoted to his wife, family, and friends; sincerely devoted to his faith; a soldier, a gentleman, true to his trust, a splendid American. John Andrews has not died because he has left behind in the hearts of many Members of Congress and all who have had the opportunity of meeting John Andrews a memory which they shall ever cherish.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the life and character of the late John Andrews.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. AUCHINCLOSS. Mr. Speaker, it is not easy to talk about a friend who has passed on when one's heart is so full of the pleasant memories and associations with him, but we, the living, consider it a privilege to record our respect and our sincere feeling of gratitude at having had the glory of friendship with a real American.

John Andrews was a man who made friends and he commanded their respect because he was an honest thinker, a sincere doer, with an allegiance to his country and the welfare of his Government, which was always his pride and glory. He was a humble man, never asserting himself, nor did he have an aggressive manner, and through his humility he became endeared to all who came in contact with him. His passing leaves a void in the hearts of all of us who knew him and we will be better men and women for having had the privilege of his friendship.

Spun like a thread that feeds a weaver's loom,
Until at last the toiler's task is done,
So was his life a splendid tapestry,
Of priceless faith and friendship he had won.

Mr. CUNNINGHAM. Mr. Speaker, I have lost a friend who has gone to join the caravan traveling to the country from whose bourne no traveler returns. When I first came to Congress one of the first men to greet me was John Andrews. He welcomed me with a smile and an offer of assistance. He was more than just an employee of the House; he was an institution; he loved people; he loved his country; he loved to do things for others. I have never known a person more ready to extend a helping hand to those in need. He was a truly representative American Christian gentleman who daily practiced the tenets of Christianity, was loyal to his country, and loving to his family.

My heart goes out in sympathy to the members of his family and I join with them in the fond remembrance of his goodness. John Andrews did not lose his life; he gave it and all of it in service to others. Words cannot adequately measure the loss we feel in his passing.

Mr. GOODWIN. Mr. Speaker, in common with his great host of friends, I was shocked and grieved this morning to learn of the passing of John Andrews. Ever since coming to Washington I have often relied on his counsel, advice, and suggestions. I think that if there is one outstanding characteristic which may be mentioned as probably more than any other one thing among his many splendid attributes endearing him to so many, it was his extreme and unfailing friendliness and the fact that he was always so ready to extend a helping hand. I have gone to him perhaps for a suggestion or seeking information and always instantly was made to feel that nothing else in all the world mattered so much at that moment as the question of just what he could do for me. We will never know just how many countless individuals have had their journey down the troubled pathway of life brightened by the sunshine of his smile. He had an abiding faith in the destiny of this Republic and in the part the House of Representatives was destined to play in the life of the America he loved. He was a friendly man, a capable and faithful public servant and a patriotic American. He will be sorely missed. I extend to his devoted wife and family my sincerest sympathy.

Mr. PHILBIN. Mr. Speaker, I was shocked, unspeakably grieved, and very deeply touched to learn this morning of the untimely and tragic passing of my good friend, John Andrews. I had known him for many years. He was a native and leading citizen of my home State of Massachusetts. He was a devoted and loyal friend, a cheerful and cordial personality, and a faithful and capable public servant.

Few men of my acquaintance have ever been able to measure up to John Andrews in the geniality of his presence, the generosity of his impulse, and the graciousness of his cooperation. He enjoyed the respect, esteem, and regard of every Member of this body as well as the staff of House employees of which he was such an outstanding member.

I have never known a man during my service here who was more popular or better liked in our circle than John Andrews. In fact, his popularity and the esteem in which he was held extended far beyond the confines of this Chamber. He was loved and admired by all who knew him, and his friends were legion throughout the Capital and the Nation. He possessed that superb quality so seldom found in the human kind which made his presence an edifying experience, his friendship a cherished possession.

Conscientious, tireless, and energetic in the performance of his duties, he was ever willing to render friendly and helpful service to Members of the House and to many others who called upon him for advice and assistance. It was this tenacious devotion to duty, this persistency in carrying on his work, despite the repeated warnings of his doctor and his close friends, that directly led to his lamentable demise at an age when he was coming into the maturity of his gifts, powers, and rich experience.

John Andrews will be greatly missed in these halls and in this environment where he served so well and so unselfishly for many years. He will be widely mourned, not only by his devoted family, but by a host of friends in his home city of Salem and throughout the Nation. Men may come and men may go in this great Capitol of ours, but it is certain that there will be none who can fully take the precise place of this wholesome, kindly, generous soul, whom we knew and loved as a true American and dear friend.

We shall ever hold his memory dear and in our hearts we shall ever keep the inspiring recollection of John Andrews—faihtful public servant, loyal friend and noble Christian gentleman.

To Mrs. Andrews and his family in this hour of great sorrow, I extend my deepest sympathy and condolence. May they find in the cherished memory of their loved one and the sustaining power of their Christian faith some measure of consolation for their great and irreparable loss.

Mr. REED of New York. Mr. Speaker, it is always a severe shock and a great sorrow when a friend is taken from us. Today we all mourn the passing of John

Andrews, one of God's noblemen, a true patriot, a gentleman, and a Christian. Yes, we mourn the death of those whom we respect and love, but are we not selfish when we do so? If we have faith in God, do we not know that those who are taken from us are in a world of eternal peace and joy?

Life would be unbearable were it not for faith in a world to come where we in time can meet our departed loved ones face to face.

I have found comfort, as loved ones have passed on, in the words of Geoffrey O'Hara, "There Is No Death":

I tell you they have not died,
They live and breathe with you;
They walk now, here at your side,
They tell you things are true:
Why dream of poppied sod,
When you can feel their breath,
When flow'r and soul and God
Know there is no death!

I tell you they have not died,
Their hands clasp yours and mine:
They are now but glorified.
They have become divine,
They live, they know, they see,
They shout with every breath:
All is eternal life!
There is no death!

I extend my heartfelt sympathy to Mrs. Andrews.

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution (H. Res. 609) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. John Andrews, an employee and officer of the House for more than 30 years.

Resolved, That as a mark of respect to his memory the Speaker appoint a committee of 10 Members to attend the funeral services.

Resolved, That the Clerk transmit a copy of these resolutions to the family of the deceased.

The resolution was unanimously agreed to.

The SPEAKER pro tempore. The Chair appoints the following Members as the committee to attend the funeral services: Mr. LANE, Mr. PHILBIN, Mr. KENNEDY, Mr. DONOHUE, Mr. FURCOLO, Mrs. ROGERS of Massachusetts, Mr. WIGGLESWORTH, Mr. CANFIELD, Mr. GRAHAM, and Mr. BATES of Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Speaker, John Andrews' body will be at the Lee Funeral Home, Fourth Street and Massachusetts Avenue NE., until Friday morning. Funeral services will be held at St. Peter's Church, Second and C Streets SE., Friday morning at 10 a. m. Burial will be in Arlington Cemetery.

MIDWESTERN MILK FOR EASTERNERS

Mr. MARSHALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. MARSHALL. Mr. Speaker, I wish to call the attention of the Members to an article written by Alfred D. Stedman in the St. Paul Pioneer Press of May 21, 1950, which article I am extending in the Appendix of the RECORD. What Mr. Stedman says is important to people living in the eastern part of the country as well as to the people of our own section of the country. This article is written by a man who is well informed on midwestern agricultural policies and problems.

The Midwest is having a difficult time in connection with finding markets for its dairy products; it is having this difficult time because of trade restrictions and monopolies which are being built up around the eastern seaboards.

We produce just as wholesome milk in the Midwest; we have just as good health laws, just as stringent as those in the eastern milksheds.

Mr. Stedman's article definitely points out that the youngsters in some of these eastern cities are doing without wholesome milk products because these eastern milk monopolies build up artificial trade walls and barriers to keep the wholesome western milk out. These trade restrictions raise the price of dairy products to consumers to the extent that it deprives our families of a wholesome food product. It handicaps our farmers, labor, and business. It ought to be corrected.

RANKIN ANSWERS PRESIDENT TRUMAN'S CHARGE OF OBSTRUCTIONISTS IN CONGRESS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we are told that President Truman made a speech a few days ago in which he attacked the obstructionists in Congress.

I wish to call his attention to the fact that he has some obstructionists right under his nose, in the Bureau of the Budget, who seem to be carrying out the dictates of the railroad lobbyists in opposing the development of the missing link in our national defense program, as well as the missing link in our internal-waterway system.

I refer, of course, to that short, undeveloped stretch in our Gulf-to-the-Great Lakes waterway, usually referred to as the Tennessee-Tombigbee—which has already been authorized by Congress and signed by the President.

It will cut the water distance between the Gulf of Mexico and our atomic-bomb plant at Oak Ridge, Tenn., by more than 800 miles, cut the cost of transportation into Oak Ridge from the Gulf by anywhere from 50 to 75 percent, or more, and reduce the time of each trip anywhere from 10 to 15 days.

If we ever have another war it is going to be fought with airplanes and atomic bombs and this project is absolutely necessary for the defense of the Nation. We cannot afford to wait until our sleeping cities are awakened by the terrible music of bursting bombs.

But the railroad lobbyists do not want it. They would abolish the Great Lakes, if they could do it, wipe out transportation on the Gulf of Mexico, and close the Panama Canal.

The reason they do not want it is that it is the missing link in our internal waterway system, and will provide a slack water route from the Gulf of Mexico to the Great Lakes, to the Ohio River, the upper Mississippi, the Illinois, and the Missouri Rivers, and at the same time save the swift current of the Mississippi for downstream traffic.

None of these waterways has ever put any railroad man out of work, but they have brought about reduced rates, increased the traffic, and caused the railroads to employ more men.

But these railroad lobbyists represent the Wall Street investors, who are now trying to paralyze our internal waterway system, and to drive trucks from the highways and to prohibit the transportation of goods by air.

They know that the construction of this short, missing link in our internal waterway system will cut the cost of transporting a 14,000-ton bargeload from the Gulf to the Great Lakes, or to any point on the upper Mississippi, the Illinois, or the Missouri, by more than $20,000, and cut the cost of transporting it to any point on the Ohio River up to Pittsburgh, Pa., by more than $22,000, and will cut the cost of transporting it to Oak Ridge on the Tennessee River by more than $30,000, and at the same time save the swift current of the Mississippi for downstream traffic.

But these Wall Street investors will not agree to that. They are merely looking for increased returns on their investments.

Every well-informed man today knows that our high-grade iron-ore supply in this country is being depleted. In a few years it will be exhausted. The only sources we have from which to replenish that supply are Labrador and Venezuela. These Wall Street obstructionists are bitterly opposed to the development of the St. Lawrence Inland Waterway, and seem to have it blocked indefinitely. They are joined in their opposition by John L. Lewis and the power trusts. The opposition points out, and the friends of the project admit, that this St. Lawrence project would be frozen up something like 5 months of each year, and that the Labrador supply of iron ore is 350 miles north of the St. Lawrence River.

John L. Lewis is opposed to it. He says its use would reduce the demand for coal in that area. The Power Trust is opposed to it, because it would produce around 12,000,000,000 kilowatt-hours of electricity a year, one-half of which would belong to the American side of the river, and would furnish a yardstick by which hundreds of millions of dollars a year would be saved by power consumers of New York, New England, and New Jersey—an area in which the overcharges for electricity amount to around a half billion dollars a year now.

The greatest deposit of high-grade iron ore the world has ever known has been discovered in Venezuela. It could be transported into the area where it is needed by way of this slack water route, along the Tombigbee up to the Tennessee, and then downstream on the Tennessee

215 miles to Paducah on the Ohio River, and then down the Ohio River 47 miles to Cairo. At the same time, as General Robbins pointed out, the swift current of the Mississippi would be saved for downstream traffic—the greatest inland waterway on earth for downstream traffic, and about the worst one for upstream traffic.

But no, this opposition, working through the Bureau of the Budget, would block the construction of this short, missing link in our national defense program and our internal waterway system, and force those great industries that have been built up in the Middle West, in such cities as Pittsburgh, Cleveland, Chicago, Cincinnati, and St. Louis, to tear down their plants and move them to the seacoast.

I am reliably informed that to move the steel mills out of Pittsburgh, Pa., alone would cost more than a billion dollars.

We were told 2 years ago to wait until there was unemployment in the area where this missing link is to be constructed. That time has now arrived. We have the worst boll weevil condition that section has ever had, and those people need this employment now.

President Truman once told me he was as strong for this Tennessee-Tombigbee inland waterway as I was. If that is true, he should call on the Bureau of the Budget to send up a supplemental estimate of funds to begin this work, and to speed it up with all possible haste.

To let those obstructionists block this project, in order to gratify the cupidity of certain railroad lobbyists or investors, would be the greatest blow that could be given to our national defense program at this time. It would be the greatest injury that could possibly be done to the people in those areas served by our internal waterway system.

It would do the State of Missouri more harm than anything else that has ever occurred.

I am taking this method of appealing to the President of the United States to have his Bureau of the Budget send us up a supplemental estimate of funds to speed up this necessary missing link in our great internal waterway system, as well as this missing link in our national defense program.

We cannot afford to wait.

FOREIGN ECONOMIC ASSISTANCE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, we will soon have before us a conference report on the ECA bill. I have been reading some of the reports and the fine print in the ECA recommendations, with reference to where some of the taxpayers' money goes.

I am amazed to find that some of it goes to build a road project in Tanganyika—British East Africa; also to build irrigation projects in Uganda, Conakry, and Cameroons, all in British East Africa. I find that $85,000,000 have been earmarked for starting these projects in far-away places.

This, Mr. Speaker, is just a beginning. Naturally, when we start an irrigation project, it must be finished. The total cost may well be 8 or 10 times the original authorization.

There is also an irrigation project in Jamaica; a food-development project in Mauritius. This is a British coaling station on a small island in the Indian Ocean.

There is money for a coastal road development in Cyprus and northern Rhodesia. There is money for soil conservation and road projects in Belgian Congo and several other projects in far-away places.

Mr. Speaker, the President, in his message to Congress, denied money for new construction in the United States. The above projects are new constructions under the ECA bill. Why should not the same rule apply to the taxpayers' money in these isolated areas as it applies to our good irrigation and flood-control projects in the United States? I would suggest to my colleagues that they read some of the fine print and the recommendations made by Mr. Hoffman, of the ECA.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I may say also that some of this money is being used to build a gambling casino at Le Havre, France.

Mr. MILLER of Nebraska. Mr. Speaker, the gentleman is correct. I understand there is money earmarked, not only for Le Havre, France, but for several other gambling establishments in France. I made a speech about the money to be spent for the gambling casino in Le Havre, France. I understand that the Washington department is frowning on this expense, but other gambling casinos are being considered.

I just cannot vote for this conference report because in my judgment the taxpayers of the United States would hardly approve of some of the ridiculous expenditures being authorized by ECA.

EXTENSION OF REMARKS

Mr. KEOGH asked and was given permission to extend his remarks and include an address delivered by the gentleman from New Jersey [Mr. HART].

Mr. TAURIELLO asked and was given permission to extend his remarks in two instances and include two resolutions.

Mr. MARSHALL asked and was given permission to extend his remarks and include a statement from the St. Paul Pioneer Press.

Mr. PRICE asked and was given permission to extend his remarks in two instances and in each to include a newspaper article.

Mr. LANE asked and was given permission to extend his remarks and include an editorial that appeared in the Christian Science Monitor and also an editorial that appeared in the Lawrence Tribune, of Lawrence, Mass.

Mrs. ST. GEORGE (at the request of Mr. SADLAK) was given permission to extend her remarks and include an article.

Mr. VELDE asked and was given permission to extend his remarks and include an editorial.

Mr. LEFEVRE asked and was given permission to extend his remarks and include an article.

Mr. WERDEL (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks.

Mr. MARTIN of Massachusetts asked and was given permission to extend his remarks and include a letter he sent to Secretary of State Acheson.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

Mr. KEE. Mr. Speaker, I call up the conference report on the bill (H. R. 7797) to provide foreign economic assistance, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2117)

Mr. KEE, from the committee of conference, submitted the following conference report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That this Act may be cited as the 'Foreign Economic Assistance Act of 1950.'

"TITLE I

"SEC. 101. This title may be cited as the 'Economic Cooperation Act of 1950'.

"FINDINGS AND DECLARATION OF POLICY

"SEC. 102. (a) Section 102 (a) of the Economic Cooperation Act of 1948 is amended by striking out in the fourth sentence thereof 'trade barriers' and inserting in lieu thereof 'barriers to trade or to the free movement of persons'; and by inserting in the fifth sentence thereof the word 'further' before the word 'unification'.

"(b) Section 102 (b) (1) of such Act is amended by inserting a comma and the phrase 'increased productivity, maximum employment, and freedom from restrictive business practices' after the word 'production'.

"GUARANTIES AND LIBERALIZATION OF TRADE BETWEEN EUROPEAN COUNTRIES

"SEC. 103. (a) Section 111 (b) (3) (ii) of such Act is amended to read as follows:

"'(ii) the Administrator shall charge a fee in an amount determined by him not exceeding 1 per centum per annum of the amount of each guaranty under clause (1) of subparagraph (v), and not exceeding 4 per centum per annum of the amount of each guaranty under clause (2) of such subparagraph, and all fees collected hereunder shall be available for expenditure in discharge of liabilities under guaranties made under this paragraph until such time as all such liabilities have been discharged or have expired, or until all such fees have been expended in accordance with the provisions of this paragraph; and'.

"(b) Section 111 (b) (3) (iv) of such Act is amended to read as follows:

"'(iv) as used in this paragraph, the term "investment" includes (A) any contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of a loan or loans to any enterprise to be conducted within a participating country, (B) the purchase of a share of ownership in any such enterprise, (C) participation in royalties, earnings, or profits of any such enterprise, and (D) the furnishing of capital goods items and related services pursuant to a contract providing for payment in whole or in part after the end of the fiscal year in which the guaranty of such investment is made; and'.

"(c) Section 111 (b) (3) (v) of such Act is amended to read as follows:

"'(v) the guaranty to any person shall be limited to assuring one or both of the following: (1) The transfer into United States dollars of other currencies, or credits in such currencies received by such person, as earnings or profits from the approved project, as repayment or return of the investment therein, in whole or in part, or as compensation for the sale or disposition of all or any part thereof; and (2) the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the Administrator to have been lost to such person by reason of expropriation or confiscation by action of the government of a participating country. When any payment is made to any person pursuant to a guaranty, as hereinbefore described, the currency, credits, asset, or investment on account of which such payment is made shall become the property of the United States Government, and the United States Government shall be subrogated to any right, title, claim, or cause of action existing in connection therewith.'

"(d) Section 111 (b) (3) of such Act is further amended by striking out the words between the second and last provisos therein and inserting in lieu thereof the following: 'It being the intent of the Congress that the guaranty herein authorized should be used to the maximum practicable extent and so administered as to increase the participation of private enterprise in achieving the purposes of this Act, the Administrator is authorized to issue guaranties up to a total of $200,000,000'.

"(e) Section 111 (c) (2) of such Act is amended by striking out '$150,000,000' and inserting in lieu thereof '$200,000,000'.

"(f) Section 111 of such Act is further amended by adding at the end thereof the following new subsection:

"'(d) The Administrator is authorized to transfer funds directly to any central institution or other organization formed to further the purposes of this Act by two or more participating countries, or to any participating country or countries in connection with the operations of such institution or organization, to be used on terms and conditions specified by the Administrator, in order to facilitate the development of transferability of European currencies, or to promote the liberalization of trade by participating countries with one another and with other countries.'

"PROTECTION OF DOMESTIC ECONOMY

"SEC. 104. (a) Section 112 (a) of such Act is amended by striking out the period at the end thereof and inserting a comma and the following: 'and (3) minimize the burden on the American taxpayer by reducing the amount of dollar purchases by the participating countries to the greatest extent possible, consistent with maintaining an adequate supply of the essentials for the functioning of their economies and for their continued recovery.'

"(b) Subsections (b) and (c) of section 112 of such Act are hereby repealed.

"(c) Section 112 (l) of such Act is amended to read as follows:

"'No funds authorized for the purposes of this title shall be used for the purchase in bulk of any commodities at prices higher than the market price prevailing in the United States at the time of the purchase adjusted for differences in the cost of transportation to destination, quality, and terms of payment. A bulk purchase within the meaning of this subsection does not include the purchase of raw cotton in bales.'

"(d) Section 112 of such Act is further amended by adding at the end thereof the following new subsections:

"'(m) Notwithstanding any other provision of law, the pricing provisions of section 112 (e) of this title and section 4 of the Act of July 16, 1943 (57 Stat. 566) shall not be applicable to domestic wheat and wheat flour procured under this title or any other Act providing for assistance or relief to foreign countries, supplied to countries which are parties to the International Wheat Agreement of 1949 and credited to their guaranteed purchases thereunder.

"'(n) It is the sense of Congress that no participating country shall maintain or impose any import, currency, tax, license, quota, or other similar business restrictions which discriminate against citizens of the United States or any corporation, partnership, or other association substantially benefically owned by citizens of the United States, engaged or desiring to engage, in furtherance of the purposes of this title, in the importation into such country of any commodity, which restrictions are not reasonably required to meet balance of payments conditions, or requirements of national security, or are not authorized under international agreements to which such country and the United States are parties. In any case where the Department of State determines that any such discriminatory restriction is maintained or imposed by a participating country or by any dependent area of such country, the Administrator shall take such remedial action as he determines will effectively promote the purposes of this subsection (n).'

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 105. (a) Section 114 (c) of such Act is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: '*Provided further*, That in addition to the amount heretofore authorized and appropriated, there is hereby authorized to be appropriated for carrying out the provisions and accomplishing the purposes of this title not to exceed $2,700,000,000 for the fiscal year ending June 30, 1951: *Provided further*, That $600,000,000 of the funds appropriated hereunder shall be available during the fiscal year 1951 solely for the purpose of encouraging and facilitating the operation of a program of liberalized trade and payments, for supporting any central institution or other organization described in subsection (d) of section 111, and for furnishing of assistance to those participating countries taking part in such program: *Provided further*, That not more than $600,000,000 of such funds shall be available during the fiscal year 1951 for transfer of funds pursuant to subsection (d) of section 111: *Provided further*, That, in addition to the foregoing, any balance, unobligated as of June 30, 1950, or subsequently released from obligation, of funds appropriated for carrying out and accomplishing the purposes of this title for any period ending on or prior to that date is hereby authorized to be made available for obligation through the fiscal year ending June 30, 1951, and to be transferred to and consolidated with any appropriations for carrying out and accomplishing the purposes of this title for said fiscal year.'

"(b) The last sentence of section 114 (c) of such Act is amended to read as follows: 'The authorizations in this title are limited to the period ending June 30, 1951.'

"(c) Section 114 of such Act is further amended by adding at the end thereof the following new subsections:

"'(h) The President is authorized to transfer to any department or agency any portion of the funds allocated for assistance to Germany from appropriations authorized by subsection (c). This portion may be used for expenses, not otherwise provided for, necessary to meet responsibilities of the United States related to the rehabilitation of occupied areas of Germany, including the furnishing of minimum civilian supplies to prevent starvation, disease, and unrest prejudicial to the objectives of the occupation. This portion may be expended under authority of this subsection or any provisions of law, not inconsistent herewith, applicable to such department or agency and without regard to such provisions of this title as the President may specify as inapplicable.

"'(i) As agreed upon by the Secretary of State and the Administrator, a part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the Federal Republic of Germany, or any supplementary or succeeding agreement, shall be deposited into the GARIOA (Government and Relief in Occupied Areas) special account under the terms of article V of the said bilateral agreement. In quantities and under conditions determined by the Secretary of State after consultation with the Administrator, the currency so deposited shall be available for meeting the responsibilities of the United States in the occupation of Germany.'

"COUNTERPART FUNDS

"SEC. 106. (a) Section 115 (b) (6) is amended to read as follows:

"'(6) placing in a special account a deposit in the currency of such country, in commensurate amounts and under such terms and conditions as may be agreed to between such country and the Government of the United States, when any commodity or service is made available through any means authorized under this title, and is furnished to the participating country on a grant basis: *Provided*, That the obligation to make such deposits may be waived, in the discretion of the Administrator, with respect to technical information or assistance furnished under section 111 (a) (3) of this title and with respect to ocean transportation furnished on United States flag vessels under section 111 of this title in an amount not exceeding the amount, as determined by the Administrator, by which the charges for such transportation exceed the cost of such transportation at world market rates: *Provided further*, That such special account, together with the unencumbered portions of any deposits which may have been made by such country pursuant to section 6 of the joint resolution providing for relief assistance to the people of countries devastated by war (Public Law 84, Eightieth Congress) and section 5 (b) of the Foreign Aid Act of 1947 (Public Law 389, Eightieth Congress), shall be used in furtherance of any central institution or other organization formed by two or more participating countries to further the purposes set forth in subsection (d) of section 111 or otherwise shall be held or used for purposes of internal monetary and financial stabilization, for the stimulation of productive activity and the exploration for and development of new sources of wealth, or for such other expenditures as may be consistent with the declaration of policy contained in section 102 and the purposes of this title, including local currency administrative expenditures of the United States within such country incident to operations under this

title: *Provided further*, That the use of such special account shall be subject to agreement between such country and the Administrator, who shall act in this connection after consultation with the National Advisory Council on International Monetary and Financial Problems and the Public Advisory Board provided for in section 107 (a): *And provided further*, That any unencumbered balance remaining in such account on June 30, 1952, shall be disposed of within such country for such purposes as may, subject to approval by Act or joint resolution by the Congress, be agreed to between such country and the Government of the United States;'.

"(b) Section 115 (e) of such Act is amended by adding at the end thereof the following new sentence: 'The Administrator shall also encourage emigration from participating countries having permanent surplus manpower to areas, particularly underdeveloped and dependent areas, where such manpower can be effectively utilized.'

"(c) Section 115 of such Act is further amended by adding at the end thereof the following new subsection:

"'(j) The Administrator shall utilize such amounts of the local currency allocated pursuant to subsection (h) as may be necessary, to give full and continuous publicity through the press, radio, and all other available media, so as to inform the peoples of the participating countries regarding the assistance, including its purpose, source, and character, furnished by the American taxpayer.'

"FAR EASTERN ECONOMIC ASSISTANCE ACT OF 1950

"SEC. 107. (a) Section 3 (c) of the Far Eastern Economic Assistance Act of 1950 is amended by striking out 'June 30, 1951' and inserting in lieu thereof 'June 30, 1952'.

"(b) Section 3 (d) of such Act is amended by striking out the period at the end and inserting in lieu thereof a comma and the following: 'and $100,000,000 for the fiscal year ending June 30, 1951.'

"(c) Section 4 of such Act is amended by striking out 'June 30, 1950' and inserting in lieu thereof 'June 30, 1951'.

"TITLE II

"AID TO CHINA

"SEC. 201. This title may be cited as the 'China Area Aid Act of 1950'.

"NATURE OF ASSISTANCE

"SEC. 202. Funds, now unobligated or hereafter released from obligation, appropriated by section 12 of the Act entitled 'An Act to amend the Economic Cooperation Act of 1948,' approved April 19, 1949 (Public Law 47, Eighty-first Congress), are hereby made available for furtherance of the general objectives of the China Aid Act of 1948 through June 30, 1951, and for carrying out the purposes of that Act through economic assistance in any place in China and in the general area of China which the President deems to be not under Communist control, in such manner and on such terms and conditions as the President may determine, and references in the said Act to China shall, insofar as applicable, apply also to any other such place: *Provided*, That, so long as the President deems it practicable, not less than $40,000,000 of such funds shall be available only for such assistance in areas in China (including Formosa): *Provided further*, That not more than $8,000,000 of such funds (excluding the $40,000,000 mentioned in the foregoing proviso) shall be available for relief on humanitarian grounds through the American Red Cross, or other voluntary relief agencies in any place in China suffering from the effects of natural calamity, under such safeguards as the President shall direct to assure nondiscriminatory distribution according to need and appropriate publicity as to source and scope of the assistance being furnished by the United States: *Provided further*, That not more than $6,000,000 of such funds (excluding the amounts mentioned in the foregoing provisos), shall be available for allocation to the Secretary of State, to remain available until expended, under such regulations as the Secretary of State may prescribe, using private agencies to the maximum extent practicable, for necessary expenses of tuition, subsistence, transportation, and emergency medical care for selected citizens of China for study or teaching in accredited colleges, universities, or other educational institutions in the United States approved by the Secretary of State for the purposes, or for research and related academic and technical activities in the United States, and the Attorney General is hereby authorized and directed to promulgate regulations providing that such selected citizens of China who have been admitted for the purpose of study in the United States, shall be granted permission to accept employment upon application filed with the Commissioner of Immigration and Naturalization.

"TITLE III

"AID TO PALESTINE REFUGEES

"SEC. 301. This title may be cited as the 'United Nations Palestine Refugee Aid Act of 1950'.

"SEC. 302. The Secretary of State is hereby authorized to make contributions from time to time before July 1, 1951, to the United Nations for the 'United Nations Relief and Works Agency for Palestine Refugees in the Near East', established under the resolution of the General Assembly of the United Nations of December 8, 1949, in amounts not exceeding in the aggregate $27,450,000, for the purposes set forth in this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 303. (a) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed $27,450,000 to carry out the purposes of this title.

"(b) Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation shall be made pursuant to subsection (a) of this section, to make advances to the Secretary of State, not to exceed in the aggregate $8,000,000, to carry out the provisions of this title. From appropriations authorized under subsection (a) of this section, there shall be repaid to the Reconstruction Finance Corporation, without interest, the advances made by it under authority contained herein. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation in implementation of this section.

"NATURE OF ASSISTANCE

"SEC. 304. (a) The provisions of sections 301, 302, and 303 of the Act of January 27, 1948 (62 Stat. 6), are hereby made applicable with respect to the United Nations Relief and Works Agency for Palestine Refugees in the Near East to the same extent as they apply with respect to the government of another country: *Provided*, That when reimbursement is made by said Agency, such reimbursement shall be credited to the appropriation, fund, or account utilized for paying the compensation, travel expenses, and allowances of any person assigned hereunder.

"(b) Departments and agencies of the United States Government are authorized, with the approval of the Secretary of State, to furnish or procure and furnish supplies, materials, and services to the United Nations Relief and Works Agency for Palestine Refugees in the Near East: *Provided*, That said agency shall make payments in advance for all costs incident to the furnishing or procurement of such supplies, materials, or services, which payments may be credited to the current applicable appropriation or fund of the department or agency concerned and shall be available for the purposes for which such appropriations and funds are authorized to be used.

"TITLE IV

"SEC. 401. This title may be cited as the 'Act for International Development.'

"SEC. 402. The Congress hereby finds as follows:

"(a) The peoples of the United States and other nations have a common interest in the freedom and in the economic and social progress of all peoples. Such progress can further the secure growth of democratic ways of life, the expansion of mutually beneficial commerce, the development of international understanding and good will, and the maintenance of world peace.

"(b) The efforts of the peoples living in economically underdeveloped areas of the world to realize their full capabilities and to develop the resources of the lands in which they live can be furthered through the cooperative endeavor of all nations to exchange technical knowledge and skills and to encourage the flow of investment capital.

"(c) Technical assistance and capital investment can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived. In the case of investment this involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will provide adequate wages and working conditions for local labor. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation; that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

"SEC. 403. (a) It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power.

"(b) It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes, shall take into consideration (1) whether the assistance applied for is an appropriate part of a program reasonably designed to contribute to the balanced and integrated development of the country or area concerned; (2) whether any works or facilities which may be projected are actually needed in view of similar facilities existing in the area and are otherwise economically sound; and (3) with respect to projects for which capital is requested, whether private capital

is available either in the country or elsewhere upon reasonable terms and in sufficient amounts to finance such projects.

"SEC. 404. (a) In order to accomplish the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, and their related organizations, and by other international organizations, wherever practicable.

"(b) Within the limits of appropriations made available to carry out the purposes of this title, the President is authorized to make contributions to the United Nations for technical cooperation programs carried on by it and its related organizations which will contribute to accomplishing the purposes of this title as effectively as would participation in comparable programs on a bilateral basis. The President is further authorized to make contributions for technical cooperation programs carried on by the Organization of American States, its related organizations, and by other international organizations.

"(c) Agencies of the United States Government on request of international organizations are authorized, upon approval by the President, to furnish services and such facilities as may be necessary in connection therewith, on an advance of funds or reimbursement basis, for such organizations in connection with their technical cooperation programs. Amounts received as reimbursements from such organizations shall be credited, at the option of the appropriate agency, either to the appropriation, fund, or account utilized in incurring the obligation, or to an appropriate appropriation, fund, or account currently available for the purposes for which expenditures were made.

"SEC. 405. The President is authorized to plan, undertake, administer, and execute bilateral technical cooperation programs carried on by any United States Government agency and, in so doing—

"(a) To coordinate and direct existing and new technical cooperation programs.

"(b) To assist other interested governments in the formulation of programs for the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas.

"(c) To receive, consider, and review reports of joint commissions set up as provided in section 410 of this title.

"(d) To make, within appropriations made available for the purpose, advances and grants in aid of technical cooperation programs to any person, corporation, or other body of persons, or to any foreign government or foreign government agency.

"(e) To make and perform contracts or agreements in respect of technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency: *Provided*, That with respect to contracts or agreements which entail commitments for the expenditure of funds appropriated pursuant to the authority of this title, such contracts or agreements, within the limits of appropriations or contract authorizations hereafter made available may, subject to any further action of the Congress, run for not to exceed three years in any one case.

"(f) To provide for printing and binding outside the continental limits of the United States, without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111).

"(g) To provide for the publication of information made available by the joint commissions referred to in section 410, and from other sources, regarding resources, opportunities for private investment capital, and the need for technical knowledge and skill in each participating country.

"SEC. 406. Agreements made by the United States under the authority of this title with other governments and with international organizations shall be registered with the Secretariat of the United Nations in accordance with the provisions of article 102 of the United Nations Charter.

"SEC. 407. In carrying out the programs authorized in section 405 of this title—

"(a) The participation of private agencies and persons shall be sought to the greatest extent practicable.

"(b) Due regard shall be given, in reviewing requests for assistance, to the possibilities of achieving satisfactory results from such assistance as evidenced by the desire of the country requesting it (1) to take steps necessary to make effective use of the assistance made available, including the encouragement of the flow of productive local and foreign investment capital where needed for development; and (2) to endeavor to facilitate the development of the colonies, possessions, dependencies, and non-self-governing territories administered by such requesting country so that such areas may make adequate contribution to the effectiveness of the assistance requested.

"(c) Assistance shall be made available only where the President determines that the country being assisted—

"(1) Pays a fair share of the cost of the program.

"(2) Provides all necessary information concerning such program and gives the program full publicity.

"(3) Seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that country.

"(4) Endeavors to make effective use of the results of the program.

"(5) Cooperates with other countries participating in the program in the mutual exchange of technical knowledge and skills.

"SEC. 408. The President is authorized to prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this title.

"SEC. 409. The President shall create an advisory board, hereinafter referred to as the 'board', which shall advise and consult with the President or such other officer as he may designate to administer the program herein authorized, with respect to general or basic policy matters arising in connection with operation of the program. The board shall consist of not more than thirteen members to be appointed by the President, one of whom, by and with the advice and consent of the Senate shall be appointed by him as chairman. The members of the board shall be broadly representative of voluntary agencies and other groups interested in the program, including business, labor, agriculture, public health, and education. All members of the board shall be citizens of the United States; none except the chairman shall be an officer or an employee of the United States (including any agency or instrumentality of the United States) who as such regularly receives compensation for current services. Members of the board, other than the chairman if he is an officer of the United States Government, shall receive out of funds made available for the purposes of this title a per diem allowance of $50 for each day spent away from their homes or regular places of business for the purpose of attendance at meetings of the board or at conferences held upon the call of the chairman, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses. The President may appoint such committees in special fields of activity as he may determine to be necessary or desirable to effectuate the purposes of this title. The members of such committees shall receive the same compensation as that provided for members of the board.

"SEC. 410. (a) At the request of a foreign country, there may be established a joint commission for economic development to be composed of persons named by the President and persons to be named by the requesting country, and may include representatives of international organizations mutually agreed upon.

"(b) The duties of each such joint commission shall be mutually agreed upon, and may include, among other things, examination of the following:

"(1) The requesting country's requirements with respect to technical assistance.

"(2) The requesting country's resources and potentialities, including mutually advantageous opportunities for utilization of foreign technical knowledge and skills and investment.

"(3) Policies which will remove deterrents to and otherwise encourage the introduction, local development, and application of technical skills and the creation and effective utilization of capital, both domestic and foreign; and the implementation of such policies by appropriate measures on the part of the requesting country and the United States, and of other countries, when appropriate, and after consultation with them.

"(c) Such joint commissions shall prepare studies and reports which they shall transmit to the appropriate authorities of the United States and of the requesting countries. In such reports the joint commissions may include recommendations as to any specific projects which they conclude would contribute to the economic development of the requesting countries.

"(d) The costs of each joint commission shall be borne by the United States and the requesting country in the proportion that may be agreed upon between the President and that country.

"SEC. 411. All or part of United States support for and participation in any technical cooperation program carried on under this title shall be terminated by the President—

"(a) If he determines that such support and participation no longer contribute effectively to the purposes of this title, are contrary to a resolution adopted by the General Assembly of the United Nations that the continuance of such technical cooperation programs is unnecessary or undesirable, or are not consistent with the foreign policy of the United States.

"(b) If a concurrent resolution of both Houses of the Congress finds such termination is desirable.

"SEC. 412. The President may exercise any power or authority conferred on him by this title through the Secretary of State or through any other officer or employee of the United States Government.

"SEC. 413. In order to carry out the purposes of this title—

"(a) The President shall appoint, by and with the advice and consent of the Senate, a person who, under the direction of the President or such other officer as he may designate pursuant to section 412 hereof to exercise the powers conferred upon him by this title, shall be responsible for planning, implementing, and managing the programs authorized in this title. He shall be compensated at a rate fixed by the President without regard to the Classification Act of 1949 but not in excess of $15,000 per annum.

"(b) Officers, employees, agents, and attorneys may be employed for duty within the continental limits of the United States in accordance with the provisions of the civil-service laws and the Classification Act of 1949.

"(c) Persons employed for duty outside the continental limits of the United States and officers and employees of the United States Government assigned for such duty, may receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), as amended, may receive allowances and benefits not in excess of those established thereunder, and may be appointed to any class in the Foreign Service

Reserve or Staff in accordance with the provisions of such Act.

"(d) Alien clerks and employees employed for the purpose of performing functions under this title shall be employed in accordance with the provisions of the Foreign Service Act of 1946, as amended.

"(e) Officers and employees of the United States Government may be detailed to offices or positions to which no compensation is attached with any foreign government or foreign government agency or with any international organization: *Provided*, That while so detailed any such person shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits, an officer or employee of the United States Government and of the United States Government agency from which detailed and shall receive therefrom his regular compensation, which shall be reimbursed to such agency from funds available under this title: *Provided further*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

"(f) Experts and consultants or organizations thereof may be employed as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a), and individuals so employed may be compensated at a rate not in excess of $75 per diem.

"(g) Such additional civilian personnel may be employed without regard to subsection (a) of section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as amended, as may be necessary to carry out the policies and purposes of this title.

"SEC. 414. No citizen or resident of the United States, whether or not now in the employ of the Government, may be employed or assigned to duties by the Government under this Act until such individual has been investigated by the Federal Bureau of Investigation and a report thereon has been made to the Secretary of State: *Provided, however*, That any present employee of the Government, pending the report as to such employee by the Federal Bureau of Investigation, may be employed or assigned to duties under this Act for the period of three months from the date of its enactment. This section shall not apply in the case of any officer appointed by the President by and with the advice and consent of the Senate.

"SEC. 415. The President shall transmit to the Congress an annual report of operations under this title.

"SEC. 416. (a) In order to carry out the provisions of this title, there shall be made available such funds as are hereafter authorized and appropriated from time to time for the purposes of this title: *Provided, however*, That for the purpose of carrying out the provisions of this title through June 30, 1951, there is hereby authorized to be appropriated a sum not to exceed $35,000,000, including any sums appropriated to carry on the activities of the Institute of Inter-American Affairs, and technical cooperation programs as defined in section 418 herein under the United States Information and Educational Exchange Act of 1948 (62 Stat. 6). Activities provided for under this title may be prosecuted under such appropriations or under authority granted in appropriation acts to enter into contracts pending enactment of such appropriations. Unobligated balances of such appropriations for any fiscal year may, when so specified in the appropriation act concerned, be carried over to any succeeding fiscal year or years. The President may allocate to any United States Government agency any part of any appropriation available for carrying out the purposes of this title. Such funds shall be available for obligation and expenditure for the purposes of this title in accordance with authority granted hereunder or under authority governing the activities of the Government agencies to which such funds are allocated.

"(b) Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries, or to any international organization.

"SEC. 417. If any provision of this title or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of the title and the applicability of such provision to other circumstances or persons shall not be affected thereby.

"SEC. 418. As used in this title—

"(a) The term 'technical cooperation programs' means programs for the international interchange of technical knowledge and skills designed to contribute to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas. Such activities may include, but need not be limited to, economic, engineering, medical, educational, agricultural, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources and productive capacities of underdeveloped areas. The term 'technical cooperation programs' does not include such activities authorized by the United States Information and Educational Exchange Act of 1948 (62 Stat. 6) as are not primarily related to economic development nor activities undertaken now or hereafter pursuant to the International Aviation Facilities Act (62 Stat. 450), nor pursuant to the Philippine Rehabilitation Act of 1946 (60 Stat. 128), as amended, nor pursuant to the Foreign Assistance Act of 1948 (62 Stat. 137), as amended, nor activities undertaken now or hereafter in the administration of areas occupied by the United States armed forces or in Korea by the Economic Cooperation Administration.

"(b) The term 'United States Government agency' means any department, agency, board, wholly or partly owned corporation or instrumentality, commission, or independent establishment of the United States Government.

"(c) The term 'international organization' means any intergovernmental organization of which the United States is a member.

"TITLE V

"INTERNATIONAL CHILDREN'S WELFARE WORK

"SEC. 501. (a) There is hereby authorized to be appropriated to the President not to exceed $15,000,000 for the fiscal year ending June 30, 1951, to enable him to make contributions to the United Nations, or any subordinate body thereof, in such manner and on such terms and conditions as he may deem to be in the interests of the United States, to support permanent arrangements within the United Nations structure for international children's welfare work.

"(b) If at any time during such fiscal year the President deems it to be in the interests of the United States, he is authorized to make contributions, out of any funds appropriated pursuant to the authorization contained in subsection (a), to the International Children's Emergency Fund to carry out the purposes of the International Children's Emergency Fund Assistance Act of 1948 upon such terms and conditions as he may prescribe; but such contributions shall not exceed the limitation provided by section 204 of such Act.

"(c) No additional appropriation shall be made under the authorization contained in such Act of 1948.

"(d) Funds appropriated by the second paragraph of title I of the Foreign Aid Appropriation Act, 1949, shall remain available for the purposes for which appropriated through June 30, 1951."

And the Senate agrees to the same.

That the Senate recede from its amendment to the title of the bill.

JOHN KEE,
JAS. P. RICHARDS,
THOMAS S. GORDON,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.

TOM CONNALLY,
WALTER F. GEORGE,
ELBERT D. THOMAS,
ALEXANDER WILEY,
H. ALEXANDER SMITH,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance submit the following statement in explanation of the effect of the action agreed upon by the committee of conference and recommended in the accompanying conference report:

The Senate struck out all of the House bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the House bill and the Senate amendment. Except for differences noted below, and except for clarifying, clerical, and necessary conforming changes, the conference substitute is the same as the House bill.

A point of primary interest concerns the amounts of money involved in the authorizations. These are summarized as follows:

Authorizations	House bill	Senate amendment	Conference agreement
New appropriations and extension of authority to use existing appropriations:			
European recovery program	[1] $2,849,100,000	[1] $2,849,100,000	[1] $2,849,100,000
Economic assistance to the Republic of Korea	[2] 100,000,000	[2] 100,000,000	[2] 100,000,000
Assistance to China and in the general area of China	[3] 94,000,000	[3] 94,000,000	[3] 94,000,000
Assistance to Palestine refugees	[3] 27,450,000	[3] 27,450,000	[3] 27,450,000
Technical cooperation program (Point IV)	[4] 15,000,000	[4] 35,000,000	[4] 25,000,000
International welfare work for children		[5] 25,000,000	[6] 15,000,000
Subtotal	3,085,550,000	3,130,550,000	3,110,550,000
Public credit transactions: Additional authorization for investment guaranties in the European recovery program	[7] 150,000,000		[7] 50,000,000
Total appropriations and public credit transactions	3,235,550,000	3,130,550,000	3,160,550,000

[1] Including new authorization of $2,700,000,000 and authorization to use unexpended funds, estimated at the time of consideration of H. R. 7797 in the House at $149,100,000, from existing appropriations. The carry-over figure is, of course, subject to revision upward or downward in the course of later experience.

[2] New authorization.

[3] Extension of authorization to use existing appropriations. The figure of $94,000,000 corresponds to estimates at the time of consideration of H. R. 7797 by the House and is subject to revision upward or downward in the course of later experience.

[4] Representing the authorization in the bill less amounts already authorized for the Institute of Inter-American Affairs and for technical assistance under Public Law 402, 80th Cong.

[5] Extension of existing authorization for appropriations. The item also includes an extension of authority to use appropriated funds, but this will involve at most an amount which would not appreciably affect the totals in the table.

[6] New authorization, including the extension of authority to use appropriated funds referred to in note 5.

[7] Additional to present authorization of $150,000,000.

Specific substantial differences between the House bill and the Senate amendment and the resolutions thereof in the conference agreement are set forth in order below.

I. THE EUROPEAN RECOVERY PROGRAM

The versions of the two Houses were in agreement as to appropriations to be authorized for the European recovery program. In relation to finance the principal differences concerned the guaranty provisions. Otherwise the committee of conference was concerned mainly with provisions strengthening the purposes and refining administrative standards for the program.

Free movement of persons within Europe: The House bill (sec. 102 (a) (1) added to the findings and declaration of policy (sec. 102 (a)) of the Economic Cooperation Act of 1948, as amended, language to point out the advantages enjoyed by the United States in the absence of "barriers to the free movement of persons" in implicit contrast to western Europe.

The Senate amendment contained no equivalent language.

The provision is retained in the conference agreement (subsec. 102 (a)).

Progress toward unification: The House bill (sec. 102 (a) (1)) amended the declaration of policy in the act (sec. 102 (a)) to state—"* * * the policy of the people of the United States to encourage the economic unification and federation of Europe * * *."

The Senate bill left the phrase as at present—"* * * the policy of the people of the United States to encourage the unification of Europe * * *."

The conference agreement (sec. 102 (a)) keeps the present language but inserts the word "further" before "unification."

The inclusion of the word "further" indicates the recognition by the Congress that what the participating nations have accomplished so far in the direction of unification is by no means all that must be accomplished if the hopes on which the European recovery program is based are to be fulfilled.

The committee of conference was divided as to the desirability of specifying a political development as an objective of United States encouragement in connection with a program primarily economic in character.

The Senate members maintained that explicit mention of such an objective in the act might actually retard the development of the unity which is sought. The counterview, put forth by the House members, was that political steps must accompany and in some instances precede the economic steps necessary to a realization of the objectives of the European recovery program, and that the language of the act should reflect this.

No difference was indicated as to the desirability of the ends which the proposed language would make explicit.

The position of the House of Representatives on the matter in question has been consistent from the beginning. Two years ago, in reporting the original legislation for the Economic Cooperation Administration, the Committee on Foreign Affairs observed:

"* * * It is * * * implicit in the program that at its end lies, not only economic cooperation in the form of customs union and the elimination of trade and economic barriers * * * but also closer political and cultural bonds. * * *"

"Divided and engaged in nationalistic rivalries, the participating countries will find it difficult to sustain their free institutions and independence and to increase their standard of living. * * *"

Again, a year ago, the House sought to amend the act so as to express the purpose of the American people "to encourage the unification and federation of Europe." The words "and federation" were deleted in conference.

The renewed attempt to make the political objectives explicit has resulted only in the introduction of an adjective. What is important, however, is the substance of policy, not the precise content of words.

The necessity of a vastly more energetic and fundamental approach to a solution of the problem of political diversity within western Europe remains part of the irreducible facts. That is even more apparent now than it was 2 years ago when the Committee on Foreign Affairs made its observation about the integral relationship between economics and politics in the future of western Europe.

In its interim report in 1948 the Organization for European Economic Cooperation expressed the idea:

"Plans to increase supplies within Europe itself and to develop the resources of Europe by more capital investment will only be fully effective if the goods produced can move as freely as possible."

To move as freely as possible means to move without impediment. The removal of impediments to trade within Europe means the creation of a unified market. That requires establishment of political unity. That is the fundamental logic of the situation.

The participating countries have made some progress in removing trade barriers, but they have not approached the situation wherein goods "can move as freely as possible."

In order to encourage the participating countries to take the further steps which are so necessary but which they appear so reluctant to take, the legislation now reported for final action by the House authorizes the channeling of funds into specific measures to liberalize trade. To that end, moreover, is included a provision, which originated in the House, earmarking $600,000,000 for that precise purpose. The provisions concerned are discussed later in this statement.

It is hoped that such concrete measures will hasten further steps to unshackle trade.

Yet the question still rises whether such steps, if confined to the economic sphere, will be enough.

In a large measure the political state is the essential condition of economic life. Americans learned this in the eighteenth century. The existence of the Federal Republic of the United States is a result of the lesson. Quite apart from trade barriers or deliberate public restrictions on movements of capital and labor between separate countries, the mere existence of a political boundary beyond which one is subject to a different law, a different currency, and a different governmental policy makes international business necessarily more risky than business at home. Economic growth, the making of new economic relations, thus tends to be retarded to the extent that it must cross national boundaries. This has become increasingly true as the economic role of the state has expanded and as the economic significance of national boundaries has so greatly increased.

With its potential strength divided into a large number of compartments, western Europe simply has not been able to muster the strength to participate successfully in the competition supplied by advanced producing areas—notably the United States—which are able to draw on greater volumes and diversity of resources.

It may be argued that effective free trade among sovereign states can be established simply by agreements to refrain from interfering with it. Such agreements can accomplish much in helping marginally to reduce trade barriers. Equally certainly they cannot create for the individual international trader or investor such a feeling of security, such an absence of extraordinary risk, as he has in doing business within his own country, and they cannot make adequate adjustments for differences in standard of living. The freedom of trade necessary for a truly unified market can exist only if such agreements are effectively—and that means politically—enforcible.

The premise behind the relevant language in the House bill was that no political form less authoritative than a federation would be adequate to create a single market and a single monetary system and to guarantee the necessary freedom of movement of goods or money and of people throughout western Europe.

The failure to include the words at issue in the objectives of encouragement by the United States declared in the act does not abate the necessity before the participating countries of choosing the right course and of taking adequate steps along that course while there is still time.

During the conference a cabled message, sent in response to an inquiry originating in the committee of conference, was received from the Hon. Dean Acheson, Secretary of State. Its gist was that special statutory encouragement of political federation of Europe was not needed to secure the desired objective. While the conference was still in progress, announcement was made of the proposal put forth by M. Robert Schuman, Foreign Minister of France, for economic unity and eventual political federation of Germany and France and western Europe. The Secretary's message and the announcement of the Schuman proposal influenced the House members of the committee of conference in accepting the more inclusive but less specific words "further unification."

Purposes of the program: The House bill (sec. 102 (a) (2)) added "increased productivity, maximum employment, and freedom from restrictive business practices" to the objectives of the European recovery program stated in the act (sec. 102 (b)).

The Senate amendment contained no equivalent language.

The relevant provision is retained in the conference agreement (sec. 102 (b)).

The sense of the words "maximum employment" in the provision in question was discussed in the committee of conference. It was pointed out that the phrase is included in the declaration of policy of the Employment Act of 1946 (Public Law 304, 79th Cong.). It was pointed out also that "the prevention of unemployment" is stated as an objective in the preamble of the constitution of the International Labor Organization, of which all countries participating in the European recovery program are members, with the sole exception of the Federal Republic of Germany (which is as yet ineligible for membership in international organizations such as the International Labor Organization). Thus the words actually introduce no novelty into the area of economic policy concerned in the European recovery program. The phrase is not an endorsement of any such theory or policy or national economic planning as might be contrary to the objective of unification as expressed in the act.

Fees in connection with investment guaranties: The conference agreement (sec. 103 (a)) modifies the language in the act (sec. 111 (b) (3) (ii)) authorizing a fee not to exceed 1 percent per annum of the amount of a guaranty issued by the Administrator under authority of the act. The charging of a fee is made mandatory. The 1 percent maximum is retained for guaranties of convertibility of earnings on such investments. For coverage of types of risk not heretofore included within the authorization in the act—guaranties against confiscation or expropriation by a participating country—the maximum is set at 4 percent per annum on the amount of the guaranty.

Neither the House bill nor the Senate amendment included the provision discussed above. It was added as an integral part of

the agreement covering the new type of guaranties. (The new type of guaranty is further discussed two topics below under the heading "Scope of guaranties.")

It is not to be understood that either maximum is to be standard for either type of coverage. The language permits the Administrator to vary the charge in accord with the degree of risk assumed and the nature of the investment.

Definition of investments with respect to guaranty provisions: The House bill (sec. 102 (b) (1) (i)) altered the meaning of "investment" as related to the guaranties which the act (in sec. 111 (b) (3) (iv)) authorizes the Administrator to make. It eliminated the words defining "investment" to include "the furnishing of capital goods, items, and related services, for use in connection with projects approved by the Administrator, pursuant to a contract providing for payment in whole or in part after June 30, 1950." It substituted language defining "investment" to mean "contribution of capital goods, materials, equipment, services, patents, processes, or techniques by any person in the form of a loan or loans to any enterprise to be conducted within a participating country and approved by the Administrator as in furtherance of the purposes of this Act, the purchase of a share of ownership in any such enterprise, or participation in royalties, earnings, or profits of any such enterprise.

The Senate version (sec. 103) kept the language of the existing act save for striking out the date "June 30, 1950," and substituting the phrase "after the end of the fiscal year in which the guaranty of such investment is made."

The conference agreement includes the essentials of both versions (sec. 103 (b)).

The language thus picked up from the Senate amendment insures the continuation of the authority granted last year to the Economic Cooperation Administration to make guaranties in connection with long-term contracts for the furnishing of capital-goods items and related services where delivery and payment are not to be completed prior to the end of the fiscal year in which the guaranty is made. The Economic Cooperation Administration anticipates that all such payments falling due before June 30, 1952, will be met from appropriated funds to the extent such funds are determined by the Administrator to be available for the purpose. To the extent such funds are not available, and for payments falling due after June 30, 1952, guaranties invoked would be paid from the public-debt funds provided for the purpose. If payment is made on a claim arising under a guaranty, the local currency involved will become the property of the United States, and will be used or converted in accordance with arrangements to be negotiated with the government of the participating country concerned.

Scope of guaranties: The House bill (sec. 102 (b) (1) (ii)) broadened the scope of guaranties which the act (sec. 111 (b) (3) (v)) authorizes the Administrator to make. To the present guaranty of convertibility of earnings on approved projects, it added in the following words a guaranty covering losses due to circumstances beyond the scope or normal business risk "* * * the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the Administrator to have been lost to such person by reason of one or more of the following causes: (a) Seizure, confiscation, or destruction by any government; (b) destruction by revolution or war; (c) any law, ordinance, regulation, decree, or administrative action (other than measures affecting the conversion of currency), which in the opinion of the Administrator prevents the further transaction of the business for which the guaranty was issued. * * *"

The Senate amendment did not add to existing authorized coverage.

The conference agreement (sec. 103 (c)) adds to the present authorized coverage the following: "* * * the compensation in United States dollars for loss of all or any part of the investment in the approved project which shall be found by the Administrator to have been lost to such person by reason of expropriation of confiscation by action of the government of a participating country. * * *"

The difference regarding scope of guaranties was argued more exhaustively than any other issue in the conference. The compromise language, noted above, was offered from the Senate side. The provision falls considerably short of what the House has sought for two successive years. It does not embrace the risks of war and political violence which would be included under the House proposal. The language accepted, however, represents broadest extension of the guaranty obtainable within the limits of the will of the committee of conference.

The provision is so written as to provide an option between the type of coverage available under the act at present and the coverage to be made available when this bill becomes law. Either type or both types may be contained in a particular guaranty.

The Administrator's authority is not mandatory in any sense. The new type of coverage is made available and optional. It will embrace acts of confiscation or expropriation by the government of a participating country at any time during the period of the guaranty.

The term "participating country" is understood to be a geographical identification; by that is meant that the country concerned must be one participating in the program during the life of the program. The term thus applies to a successor government or governing authority. Since the period of guaranties will outrun by several years the period of the program, it is necessary to make this distinction. It should be understood also that the expression "participating country" continues to include not only its metropolitan area but also subordinate or colonial areas.

Limit on total amount of guaranties: The House bill (sec. 102 (b) (1) (iii)) raised from $150,000,000 to $300,000,000 the total amount of guaranties which the act (sec. 111 (b) (3)) would authorize the Administrator to extend. It added an expression of the intent of the Congress "* * * that the guaranty * * * should be used to the maximum practicable extent and so administered as to increase the participation of private enterprise in achieving the purposes of this act * * *."

The Senate amendment contained no equivalent provision.

The conference agreement (sec. 103 (d)) makes the figure $200,000,000. It retains the expression regarding maximum use of the guaranty.

Public credit transactions: Reflecting the proposals previously noted with respect to raising the ceiling on guaranties, the House bill (sec. 102 (b) (2)) sought to raise by $150,000,000 the public credit transactions authorized by the act (sec. 111 (c) (2)).

The Senate amendment contained no equivalent provision.

The conference agreement (sec. 103 (e)) limits the increase to $50,000,000 above the present authorization.

Use of authorized funds to promote liberalization of trade among participants: The House bill (sec. 102 (b) (3)) amended the act (sec. 111) so as to authorize transfer of funds to, or in support of, institutions set up by participating countries to liberalize trading arrangements. Such funds would be used on terms set by the Administrator and designed to promote multilateral European trade.

The Senate amendment (sec. 102) contained a provision similar in general purpose to the above.

The conference agreement (sec. 103 (f)) follows the relevant language of the Senate version.

The principal effect of the agreement in this respect is to eliminate from the text the following part of the House provision:

"The Administrator shall apply the terms set forth in paragraph (1) of subsection (c) of section 111 and paragraph (6) of subsection (b) of section 115 with respect to funds transferred * * * to the extent that such funds are not made repayable to any central institution or other organization described * * * above. With respect to such funds transferred * * * as may be repayable to such institution or organization the Administrator may establish such other terms and conditions as he may find appropriate in the circumstances after consultation with the National Advisory Council on International Monetary and Financial Problems." In the light of assurances from the Economic Cooperation Administration that the above would be complied with fully in the execution of the new authority, the House members of the committee of conference agreed to the striking out of the above language.

Minimizing of requirements: The Senate version (sec. 104 (a)) added to the act (sec. 112) an instruction to the Administrator so to conduct procurement as to "* * * minimize the burden of the European recovery program on the American taxpayer by reducing the amount of dollar purchases by the participating countries to the greatest extent possible, consistent with maintaining an adequate supply of the essentials for the functioning of their economies and for their continued recovery."

The House bill contained no equivalent language.

With minor rhetorical changes, the provision is included in the conference agreement (sec. 104 (a)). It was the understanding in the committee of conference that the language thus included should not be interpreted in such a way as to prejudice such efforts as those now being made by the Government of the United States to obtain, on behalf of petroleum produced by American companies, equitable treatment in foreign markets consistent with the balance-of-payment needs of the participating countries concerned. (This problem is referred to again three topics below, under the heading "discriminatory trade practices.")

Petroleum supplies: The House bill (sec. 102 (c) (1)) deleted from the act (sec. 112 (b)) an instruction to the Administrator to base petroleum procurement and development policies on "the present and anticipated world shortage of petroleum."

The Senate version contained no such repealer.

The conference agreement (sec. 104 (b)) conforms to the House version, as is appropriate in view of the change in circumstances since the original enactment.

Required apportionment of procurement between wheat and wheat flour: The House bill (sec. 102 (c) (1)) repealed a requirement in the act (sec. 112 (c)) that at least 12½ percent of all wheat procured in the United States for the European recovery program and financed by grant must be in the form of flour.

The Senate amendment contained no equivalent repealer.

The conference agreement (sec. 104 (b)) conforms to the House version.

The relevant provision of the act involves the principle of maximum return. That is the principle reflected in the language added by section 104 (a) of the conference agreement, discussed two topics above under the heading "Minimizing of requirements." In view of the addition of the new instruction

to the Administrator to minimize the impact on the American taxpayer, the retention of the flour requirement would be anomalous.

The requirement in question has also affected adversely the interests of the American wheat producer. The European countries have their own milling facilities. They prefer to mill their own flour because it is less expensive that way, because they usually mill more of the husk than American millers do, and because they get the byproducts that way. Accordingly, they tend to prefer to use free dollars for wheat and get it from competing sources. The American wheat producer thus incurs a disadvantage in the European market.

Discriminatory trade practices: The Senate bill (sec. 104 (b)) added to the act (sec. 112) an expression of the sense of the Congress that no participating country should "* * * maintain or impose any import, currency, tax, license, quota, or other similar business restrictions which discriminate against citizens of the United States or any corporation, partnership, or other association substantially beneficially owned by citizens of the United States, engaged or desiring to engage, in furtherance of the purposes of this title, in the importation into such country of any commodity, which restrictions are not reasonably required to meet balance of payments conditions, or requirements of national security, or are not authorized under international agreements to which such country and the United States are parties."

The House bill contained no equivalent language.

The relevant provision is included in the conference agreement (sec. 104 (e)). To it has been added, at the instance of the House managers, an instruction to the Administrator to take appropriate action within his powers in any case of such discrimination as found by the Department of State.

The language concerned was originated with the intention of strengthening the position of the United States Government to obtain, on behalf of petroleum produced by American companies, equitable treatment in foreign markets consistent with balance-of-payments needs of the participating countries concerned.

As was brought out in the committee of conference, the language may also serve in relation to such situations as that alleged by certain American complainants in French Morocco. Without prejudging the merits of any such complaint, the language is intended to emphasize the desirability of proper defense of the rights of United States nationals wherever actual violations are demonstrated. It does not disturb the primary responsibility of the Department of State as the principal agent for the defense of American rights in such instances. The matter of the Morocco complaints and of the action of the committee of conference in relation thereto is discussed again at a later point in this report.

Wheat and wheat-flour prices: The House bill (sec. 102 (c) (4)) amended the act (sec. 112) to apply the price provisions of the International Wheat Agreement of 1949 to wheat and wheat flour procured from program funds for transfer to countries party to the agreement and credited to their guaranteed purchases thereunder.

The Senate version contained no equivalent language.

The substance of the House provision is retained in the conference agreement (sec. 104 (d)). The text has been modified to conform to that used in the International Wheat Agreement Act of 1949 (Public Law 421, 81st Cong.), and to make the price policy concerned applicable to wheat and wheat-flour procurement for all foreign assistance and foreign relief programs. This price policy applies to purchases from private sources as well as from public sources.

Procurement of baled cotton: The Senate version (sec. 104 (c)) sought to add to that part of the act (sec. 112 (l)) dealing with purchases of agricultural surpluses a statement that "A bulk purchase * * * does not include the purchase of commodities customarily sold in containers or packaged form."

The House bill contained no such provision.

The relevant language of the Senate version is included in the conference agreement (sec. 104 (c)) modified to confine its application, however, to the procurement of raw cotton in bales. The provision is not intended to warrant any relaxation of the policy of the Economic Cooperation Administration to insure that program funds are prudently expended to procure commodities at prices not higher than United States market prices.

In the review of the procurement policies of the Economic Cooperation Administration in the committee of conference, it was pointed out that under the first regulation of the Administration, issued May 15, 1948, suppliers were required to certify that the contract price "does not exceed the established or market price, whichever is lower, for the commodities current at the time the contract became binding."

In the first appropriation bill providing European recovery program funds the House sought to ban the purchase of commodities for the program at prices higher than those prevailing in the United States. The language was stricken by the Senate because it was considered unworkable. However, the Senate Committee on Appropriations expressed its sympathy with the intent of the provision, and included in its report (S. Rept. 1626, 80th Cong.) a statement that "no funds made available under this act should be used to purchase commodities, except under limited special circumstances, at more than the current market price in the United States at the time of the purchase, making adjustments for differences in the cost of transportation to destination, quality, and terms of payment. Some deviations from this general price policy will normally occur in the ordinary course of business. However, the Administrator is expected to limit strictly material deviations from this general price policy."

In conference at that time the substance of the House provision was restored as section 202 of the Foreign Aid Appropriation Act, 1949 (Public Law 793, 80th Cong.). This provision was added to the Economic Cooperation Act of 1948 as section 112 (e) by Public Law 47, Eighty-first Congress.

The committee of conference was advised of, and approved, the Administrator's position that he should follow the policy of insuring so far as practicable that procurement financed by Economic Cooperation Administration funds is made at prices not in excess of the current United States market price, with the qualifications concerning cost of transportation to destination, quality, and terms of payment.

Limitations with respect to use of funds: The House bill (sec. 102 (d) (1) (i)) set aside for purposes related to the liberalization of trade, including transfer to institutions set up by participating countries to liberalize trading arrangements, $600,000,000 of the authorized appropriations for the fiscal year 1951.

The Senate amendment (sec. 102) set a $600,000,000 limit on the money authorized to be transferred to such institutions.

The conference agreement (sec. 105 (a)) includes the essentials of both of the above as provisos to the authorization for appropriations in the act (sec. 114 (c)).

Use of counterpart funds: The House bill (sec. 102 (e) (1)) amended the act (sec. 115 (b) (6)) with regard to permissible uses of local currency funds which a participating country is required by its bilateral agreement to deposit in amounts equivalent to assistance received in the form of grants. The effect of the change would be (a) to permit the use thereof in furtherance of any central institution or other device formed by two or more participating countries for purposes of liberalizing trade and (b) to remove with respect to such use the restriction that such funds be used within the country concerned.

The Senate version (sec. 106) sought similar ends by adding to the act (sec. 115) an expression of "* * * the sense of the Congress that as much as possible of the local currency deposited * * * after June 30, 1950, shall be held or used within such country for such * * * purposes set out * * * (facilitating the development of transferability of European currencies or promoting the liberalization of trade * * *) or otherwise consistent with the declaration of policy * * * of this act, as may be agreed to by such country, by the Administrator, and, if the Administrator so designates, by any central institution or organization formed to further the purposes of this act by two or more participating countries."

The conference agreement (sec. 106 (a)) is generally in keeping with the House version. The language is modified so as to remove almost entirely the existing restriction confining the use of such funds to the area of the depositing country. Under the language they may be used beyond the confines of such country not only in furtherance of trade-liberalizing devices (as in the House version) but also for any purpose of the act. The restriction is maintained only in relation to the portion reserved for the United States for local currency expenses.

The relaxation of the restriction is consistent with, and conductive to, the wider use of counterpart funds in developing in the participating countries a pattern of freer trade with one another and with other countries. In the view of the committee of conference this step is in the spirit of the Senate expression in the Senate version that "as much as possible" of the counterpart funds should be used to promote the liberalization of trade.

Treaty compliance: The Senate version (sec. 106) sought to add to the act (sec. 115) a provision forbidding the expenditure of counterpart funds by any country having a dependent area which fails to comply with treaty obligations to the United States. The Senate version (sec. 107) also sought to add a provision to the act stating—"The terms of any treaty to which the United States and any participating country are parties shall remain in full force and effect until superseded by a new treaty ratified by the Senate unless, prior thereto, it expires by its own terms."

The House version contained no such provisions.

The conference agreement omits them.

The relevant provision of the Senate version was designed to deal with a situation in Morocco, where a number of Americans have complained of alleged discriminatory acts of local officials against United States nationals engaged in business. This topic was discussed briefly above in connection with the language pertaining to discriminatory trade practices. As noted, the language of the Senate version, strengthened at the instance of the House members of the committee of conference, has been included in the conference agreement.

The committee of conference took note of a reassuring letter of May 5, 1950, from Administrator Hoffman to the Honorable TOM CONNALLY, chairman of the Committee on Foreign Relations of the Senate, which letter is quoted. (The "amendment" referred to in the letter is the above-discussed amendment in the form prior to the addition of strengthening language in the committee of conference):

"An amendment has been proposed to * * * which would prohibit release of counterpart funds to any country so long as there exists a violation of a treaty between the United States and a dependent area of that country.

"This amendment is aimed at alleged discriminations against American businessmen in Morocco. A similar amendment was carefully considered by the Foreign Relations Committee, which decided that it was not necessary in view of arrangements made with the French Government to deal with this situation by the Department of State, the Department of Commerce, and ECA. These arrangements have been operative since December 31, 1949. They provide a consultative machinery in which American consular representatives can take part in the consideration of actions of the local French authorities in Morocco with respect to the granting of import and exchange licenses in circumstances where discrimination against American traders in the area is claimed to exist. If such local consultation does not satisfactorily take care of any particular complaint, the matter can be raised on a diplomatic level with the French Foreign Office and this has, in fact, been done when it appeared necessary. ECA is of the opinion that these arrangements should be adequate to protect American citizens against improper discriminations, and that a mandatory requirement to immobilize the entire counterpart account (which is used for large and important projects connected with the recovery of the entire French union) is a wholly excessive sanction.

"Furthermore, the * * * amendment * * * gives the Administrator an explicit basis in granting dollar assistance or in acting on proposals to release counterpart, for taking action to see that discriminatory business restrictions against United States citizens are terminated. Under this provision, I would consider myself bound to take suitable action in accordance with the intent of this provision in cases where it is established to the satisfaction of the responsible United States Government authorities that such discriminations are not corrected. Hence the * * * amendment gives assurance that discriminations against American businessmen can be dealt with promptly and effectively."

The committee of conference took note also of a memorandum of May 9, 1950, from the Department of State reviewing the problem in detail and stating the same conclusions as the above-cited letter.

In view of the above communications the committee of conference concluded that no provision additional to that added to the act in relation to discriminatory trade practices would be necessary.

Emigration: The House bill (sec. 102 (e) (2)) added to the Administrator's duties under the act (sec. 115 (e)) the duty to—

"* * * encourage emigration from participating countries having surplus manpower to areas, particularly underdeveloped and dependent areas, where such manpower can be effectively utilized."

The Senate version contained no equivalent language.

The conference agreement (sec. 106 (b)) includes the House provision.

II. ASSISTANCE IN THE FAR EAST

The differences between the two versions concerning assistance in the Far East related to (a) the purposes for which residual China aid funds might be spent and to the standards controlling such expenditures, (b) a restriction on assistance to the Republic of Korea, and (c) the restatement of a United States policy in relation to the Far East.

Identification of funds: The House bill (sec. 103) identified the funds by reference to Public Law 793, Eightieth Congress. It referred to sums "unobligated as of June 30, 1950, or released from obligation thereafter."

The Senate amendment (sec. 302) referred to the funds as those appropriated by section 12 of Public Law 47, Eighty-first Congress, and as "now unobligated or hereafter released from obligation."

The conference agreement (sec. 202) follows the Senate version. Thus the funds will be immediately available, and it will not be necessary to wait for the close of the current fiscal year before beginning the new activities authorized.

Aid to Chinese scholars: The House bill (sec. 103 (b)) sought to authorize the expenditure of $6,000,000 of the residual China aid funds for assistance to selected Chinese citizens for study, teaching, research, and other academic pursuits in the United States. It proposed also to relax bans on employment for such selected Chinese citizens.

The Senate bill contained no equivalent provision.

The conference agreement (sec. 202) retains the language of the House version, modified so as to permit the expenditure of funds for all necessary transportation and emergency medical expenses for the selected Chinese citizens concerned.

It is necessary to add some clarification as to the types of individuals eligible for such assistance.

In reporting the bill (H. R. 7797) to provide foreign economic assistance the Committee on Foreign Affairs included in its initial discussion of title I of the bill (see pp. 44–45 of pt. 2, H. Rept. 1802, 81st Cong.) a memorandum from the Department of State indicating five types of assistance to Chinese scholars contemplated under a projected program involving a sum of $8,610,000. The fifth on the list was as follows:

"(e) Scholarships for Chinese in free Chinese territory, to be selected on a competitive basis."

In a superseding report the committee omitted the Department of State memorandum, except for certain excerpts, and referred to only four types of contemplated assistance. (See p. 47 of pt. 5, H. Rept. 1802, 81st Cong.) The type noted above was omitted in the above-quoted excerpt. The view of the Committee on Foreign Affairs was that the assistance be channeled to individuals already out of China and that no effort to recruit recipients of the proffered aid should be made. This was reflected also in the decision to restrict the assistance to $6,000,000 rather than approving the larger sum suggested by the Department of State.

In the committee of conference, however, it was brought out that in some cases it might be advantageous to the United States and to the individuals to make assistance available to persons now within non-Communist areas of China. There was no disposition to interdict assistance in such cases. On the other hand, there was no disposition favoring a large and energetic attempt to recruit recipients of such assistance from Chinese territories. In other words, assistance in category (e) noted above should be administered with great moderation. Such assistance should not be carried on in such manner and at such scale as to prejudice the interests of individuals concerned in the other four categories.

Assistance to China and in the general area of China: The House bill (sec. 103 (a)) reserved $40,000,000 of the residual China aid funds for assistance to areas of China found by the President not to be under Communist control. The bill (sec. 103 (c)) sought to make the balance of such funds available for assistance in the general area of China. In each case such assistance would be comformable with applicable provisions of the Economic Cooperation Act of 1948, as amended.

The Senate version (sec. 302) made the reserved figure for economic aid to China $50,000,000. It also made the balance available for economic assistance in the general area of China. It made such assistance in either case subject to the purposes of the China Aid Act of 1948 and to "such terms and conditions as the President may determine." The restriction "not under Communist control" was applied in both instances. The Senate version specifically mentioned Formosa and Hainan as eligible places. It further provided that 10 percent of the funds concerned should be available for humanitarian relief "through the American Red Cross or other volunteer relief agencies" in event of natural calamity in any part of China. This was made subject to safeguards which the President might find necessary to prevent discrimination in distribution and to safeguards relevant to publicity about the source and scope of the assistance.

The conference agreement (sec. 202) retains the House figure of $40,000,000 for assistance to China (the specific reference of the Senate version to Hainan is omitted). The conference agreement reserves a specific sum, $8,000,000, for disaster relief in China. The specifications and qualifications of the Senate version are retained. The latitude of executive discretion as to type and terms of assistance in China and in the general area of China will be equivalent to that now obtaining with respect to assistance in China under section 12 of Public Law 47, Eighty-first Congress. The additional qualification reserving funds for use in China "so long as the President deems it practicable" was accepted upon informal assurances of the intention of the Secretary of State that the funds should be reserved for such purpose so long as there is practical access to any portion of China, such as Formosa, remaining free of Communist control.

The phrase "general area of China" is to be interpreted along the lines of the explanation made of the phrase in the conference report in connection with the Mutual Defense Assistance Act of 1949 (see p. 15, H. Rept. No. 1346, 81st Cong.).

One additional point should be made clear. The House bill referred to assistance to be carried on along the lines of the Economic Cooperation Act of 1948, as amended. This was to be applicable both to assistance in China and in the general area of China. It was intended thus that the programs should be carried on by the Economic Cooperation Administration and that they be planned and administered on a broad scale so as to obtain maximum results in recovery, rather than being carried along on a piecemeal, project-by-project basis. In yielding on this language and agreeing to the Senate version in this respect, the House members of the committee of conference took into account that the Senate language reflects the same intent. It refers to the China Aid Act of 1948 and to section 12 of Public Law 47, Eighty-first Congress. These references were taken as sufficient assurance that the programs will be carried on along the lines intended in the House bill.

Aid to Korea: The Senate version (sec. 202) would have repealed by omission section 3 (b) of the Far Eastern Economic Assistance Act of 1950:

"Notwithstanding the provisions of any other law, the Administrator shall immediately terminate aid under this Act in the event of the formation in the Republic of Korea of a coalition government which includes one or more members of the Communist Party or of the party now in control of the government of northern Korea."

The House bill left the provision intact.

The conference agreement (sec. 107) is in keeping with the House version.

Joint organization in the Far East: The House bill (sec. 104 (d)) added to the Far Eastern Economic Assistance Act of 1950 an expression—"* * * favoring the creation by the free countries and the free people

of the Far East of a joint organization, consistent with the Charter of the United Nations, to establish a program of self-help and mutual cooperation designed to develop their economic and social well-being, to safeguard basic rights and liberties and to protect their security and independence."

The Senate version contained no equivalent language.

The conference agreement omits this. The House members of the committee of conference agreed to the omission since identical language is contained in the Mutual Defense Assistance Act of 1949.

III. ASSISTANCE TO PALESTINE REFUGEES

The versions of the respective Houses in relation to assistance to Palestine refugees were alike in substance. Only two minor differences required attention.

Authorization of contributions: The House bill (sec. 202) authorized the Secretary of State to make contributions to the United Nations Relief and Works Agency for Palestine Refugees in the Near East.

The Senate amendment (sec. 402) authorized the President to make such contributions.

The conference agreement (sec. 302) follows the House version.

Authorization of advances: The House bill (sec. 203 (b)) provided for advances by the Reconstruction Finance Corporation to the Secretary of State.

The Senate amendment (sec. 403 (b)) provided for such advances to the President.

The conference agreement (sec. 303 (b)) follows the House version.

IV. THE TECHNICAL COOPERATION PROGRAM

Differences between the two versions relating to the technical cooperation program (point 4) were more numerous than with respect to any other aspect.

The differences arose principally from the course of development of the legislation in the respective Houses.

In the House the legislation in the form originally proposed by the President was introduced July 12, 1949, as H. R. 5615. On August 16, 1949, the Honorable CHRISTIAN A. HERTER introduced H. R. 6026, a bill bearing on the same general objectives. This latter bill, however, supported by various business groups, was designed to emphasize the creation of a favorable climate for foreign investment as a necessary condition for realizing the objectives which the technical cooperation program was to promote. The Committee on Foreign Affairs held extensive hearings on the two bills in the closing weeks of the first session. Between the sessions discussions were held among supporters of the respective bills in the House, business leaders, and members of the Department of State. The purpose was to reconcile the differences between the two bills. Agreement resulted, and identical bills, H. R. 6834 and 6835, were introduced by the Honorable JOHN KEE, chairman of the Committee on Foreign Affairs, and Mr. HERTER on January 18, 1950. It should be emphasized that these bills did not contain any provisions for guaranties of investments. After additional hearings and consideration in executive session, the Committee on Foreign Affairs developed a modified text, subsequently introduced as H. R. 7346. This became title III of H. R. 7797, and as such was further amended during consideration by the House.

The Senate, however, acted on the basis of the original proposal from the Executive.

The elements developed in the House version during the course of a long legislative history were the principal points of difference. In the main these pertained to statements of principles linking technical cooperation and the problem of creating a proper climate for investment, standards for bilateral programs and programs carried on through international organizations, refinements of administration, and the amount of the authorization.

To labor the details of the resolution of the differences would require too much space. The matter can be summed up by saying that the conference agreement follows the substance of the House version save for the exceptions which, along with matters requiring further clarification of legislative intent, are noted below.

Labor standards in relation to investment: The House bill (sec. 302 (c)) in discussing the climate of investment, referred to the requirement of "* * * confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will negotiate adequate wages and working conditions for local labor. * * *"

The Senate amendment contained no similar provision.

The conference agreement (sec. 402 (c)) substitutes the word "provide" for the word "negotiate" in the above language. This change is without prejudice to the principle of collective bargaining. It was made with a view to the point that in some instances the obstacle to collective bargaining in an underdeveloped area may be due to circumstances inherent in the local situation rather than to an attitude of the investor.

International action regulating labor standards: The House bill (sec. 302 (d)) set forth that international agreements on labor standards would serve to bring about "greater production and higher standards of living in the economically underdeveloped areas and international trade between these areas and the economically advanced areas of the world * * *." Such agreements would be "* * * negotiated through the United Natiens and its specialized agencies or otherwise * * *." They would embrace "* * * fair labor standards of wages and working conditions, including the encouragement of collective bargaining between management and labor."

The Senate amendment contained no such provision.

The provision is omitted in the conference agreement. The omission is without prejudice to the stated objective of the language. It was the view of the committee of conference, however, that the contemplated international agreements involved a question of public policy which was not sufficiently explored in the development of the Point IV legislation and that the essential relevance of the provision to the Point IV program was not adequately demonstrated.

Review of projects: The House bill (sec. 303 (b)) required the application of various criteria in the review of requests by other governments for technical assistance, including the criterion of the relation of the project to "balanced and integrated development of the country or area concerned."

The conference agreement (sec. 403 (b)) retains this language.

The words "balanced and integrated" require some explanation. Their meaning becomes clear only when considered in relation to the question whether the intention is to seek balance and integration within the particular underdeveloped area concerned or balance and integration within the pattern of world trade. In the first sense the phrase might be liable to interpretation in support of programs of national self-sufficiency. That is not the sense intended. The latter sense is the one intended. The phrase is not to be taken as a warrant for subverting the Point IV program to promote national self-sufficiency as an objective in the economic development of underdeveloped areas. The phrase, moreover, is to be interpreted as warranting the rejection of projects which do not meet actual economic needs and which are not in step with a concerted program of economic development.

Termination of programs: The House bill (sec. 311 (b)) instructed the President to terminate a technical assistance program upon being directed to do so by a concurrent resolution of Congress.

The conference agreement (sec. 411 (b)) retains the provision, with a modification to make clear that a concurrent resolution in such case should contain a finding rather than a directive.

Institute of International Technical Cooperation: The House bill (sec. 312) authorized the President to create an Institute of International Technical Cooperation.

This is omitted in the conference agreement. The omission indicates the intention that the organization to be established for administering the Point IV program shall be within the limits of existing Federal agencies.

Compensation for program chief: The House bill (sec. 313 (a)) set the compensation for the head of the Point IV undertaking at $16,000 a year.

The Senate version (sec. 507 (a)) made it $15,000 a year.

The conference agreement (sec. 413 (a)) is consistent with the Senate version.

Compensation of persons employed for duty abroad: The House bill (sec. 313 (c)) made Foreign Service compensation rates mandatory for all persons employed under the program for duty outside the United States.

The Senate version (sec. 507 (c)) provided an option.

The conference agreement (sec. 413 (c)) follows the Senate version. The flexibility provided will make it possible in some instances to save money in the administration of the program, according to information furnished in the conference. The provision also protects the rights of persons briefly detailed from other Government positions to duties abroad in connection with the Point IV program and to persons detailed from other Government jobs with fixed special statutory status in regard to pay and retirement (for example, Public Health officers and Engineer Corps and Medical Corps officers).

Investigation of employees: In providing for investigation of employees by the Federal Bureau of Investigation, the House bill (sec. 314) left a 6-month leeway for those already in Federal service.

The Senate bill (sec. 511) omitted such a provision for leeway.

The conference agreement (sec. 414) permits a 3-month leeway.

Size of authorization: The House bill (sec. 316 (a)) authorized $25,000,000 for the first year (including $10,000,000 already authorized for agencies carrying on technical assistance programs).

The Senate amendment (sec. 508) set the figure at $45,000,000 (also exclusive of the noted existing authorizations).

The conference agreement (sec. 416 (a)) sets the figure at $35,000,000 (also exclusive of the noted existing authorizations).

V. INTERNATIONAL WELFARE ACTIVITIES FOR CHILDREN

The Senate version (sec. 601) extended 1 year, to June 30, 1951, the present authorization of appropriations for the United Nations International Children's Emergency Fund. The Senate version (sec. 602) made residual funds from existing appropriations available for another year to June 30, 1951.

The House bill contained no such provision.

The position of the House Members of the committee of conference was based on the terms of Public Law 170, Eighty-first Congress, enacted July 14, 1949, to extend the authorization for contributions to International Children's Emergency Fund 1 year to June 30, 1950. That legislation carried a proviso, which was written into the measure during consideration in the House and which

stated: "* * * in authorizing such continued extension of United States participation in the International Children's Emergency Fund, it is the expressed intention of the Congress that such participation by the United States shall cease on June 30, 1950."

The House members voiced criticism of the expansion of the Children's Emergency Fund into nonemergency activities beyond the scope for which it was established. They were critical of efforts to convert the fund from a temporary agency into a permanent fixture. Most of all, they were critical of the disregard by members of the agency of the expressed will of the Congress in regard to United States withdrawal. It was brought out also that as long as the present arrangement was continued, with its high ratio of contribution on the part of the United States, other governments would be reluctant to enter into active negotiations for a better coordinated arrangement.

The arguments from the Senate side emphasized the importance of the work done in the field of welfare for children on an international scale. The Senate members were apprehensive of the possible effect on world opinion if the United States were to withdraw while the fund was still a going concern. In this view, they minimized the import of the mandate of the Congress.

Discussion established a common ground. On the House side there was no disposition to cease or impair United States support in the field of international child-welfare work. The point of the House position was only that such work must be established on a more soundly coordinated basis. The Senators were not disposed to defend the self-perpetuating tendencies of the Fund. They were anxious principally to avoid any possibility of a hiatus in United States support of international child-welfare work.

The essential points of the compromise worked out on this common ground were as follows:

First, as to the sum involved. The figure in the new authorization is $15,000,000. This is $10,000,000 less than the sum involved in the extended authorization in the Senate version. In the absence of definite data as to actual needs, the committee of conference accepted this figure uncritically. The reduction to actual needs, if a reduction is necessary, can be accomplished in a subsequent appropriation. It should be taken into account that as of June 30, 1950, the International Children's Emergency Fund may be expected to have an unobligated balance equivalent to approximately $24,000,000.

Second, as to the degree of executive discretion provided in relation to amounts to be contributed. The President is authorized by the new language to make contributions—not directed to make them, as in the existing International Children's Emergency Fund Assistance Act of 1948. He will be expected to use his authority prudently with a view to actual needs and to the desirability of the earliest practicable transfer of the international children's welfare programs concerned from the present temporary agency to a permanent arrangement within the United Nations framework. The President, moreover, is released from the formula of the existing act for balancing United States contributions against contributions by other governments in the ratio of 72 to 28. This ratio, which has become fixed in practice although not specifically required by law, was established in an earlier phase of more pressing need. It should be modified in the direction of equalization of burden. The new language contains discretion sufficient to this end.

Third, as to the recipient of the contributions. The existing act authorizes contributions solely to the International Children's Emergency Fund. This was established, as its name implies, as a temporary agency to fill a need in the postwar situation on a stopgap basis until the abatement of the emergency and until the tasks could be taken over by permanent agencies in the United Nations framework. The organization has broadened its activities in fields not intended at the time of its origin. Its very existence, moreover, has tended to prevent the establishment of programs operated by permanent international agencies in the fields in which the Children's Emergency Fund was established only as a stopgap. The new language will afford the executive sufficient leeway to enable this Government to precipitate the necessary and desirable transfer of international child welfare activities and get away from the "emergency" basis without at the same time running the risk that resources to deal with actual needs may lapse. With this wider discretion, the executive should be able to exercise influence toward the orderly liquidation of the International Children's Emergency Fund at an early time and at the same time avoid prejudice to the interests of needy children. It should be emphasized that the authorization in this bill is not, and is not to be construed as, a pledge of contributions to any existing or contemplated international organization. Under the new language, the President would be expected to withhold contributions from the existing agency unless there is a showing of need; in the meantime this Government should press for the establishment of the operations concerned on a more fully coordinated basis within the permanent framework of the United Nations. Such a development is desirable as it will reduce the present unnecessary duplication of organization and effort in international activities related to health and nutrition.

JOHN KEE,
JAS. P. RICHARDS,
THOMAS S. GORDON,
JOHN M. VORYS,
FRANCES P. BOLTON,
Managers on the Part of the House.

Mr. KEE. Mr. Speaker, I yield myself 13 minutes.

Mr. KEE. Mr. Speaker, before us today for consideration is the conference report on H. R. 7797.

The bill may well be termed an omnibus bill, as it provides authorizations for appropriations for practically all programs of foreign aid throughout the world.

The authorizations as agreed to by your conferees are as follows:

New appropriations and extension of authority to use existing appropriations:	
European recovery program	$2,849,100,000
Economic assistance to the Republic of Korea	100,000,000
Assistance to China and in the general area of China	94,000,000
Assistance to Palestine refugees	27,450,000
Technical cooperation program (point 4)	25,000,000
International welfare work for children	15,000,000
Subtotal	3,110,550,000
Public credit transactions:	
Additional authorization for investment guaranties in the European recovery program	50,000,000
Total appropriations and public transactions	3,160,550,000

It will be noted that five current programs of foreign aid are provided for in the measure, and the initiation of one new program is authorized. The new program is, of course, the so-called President's point 4 program for providing technical assistance and other aids of advancement to backward and underdeveloped countries of the world.

Your conferees are pleased to report complete agreement with the conferees of the Senate upon each and every provision of the measure.

We have brought to this House today a bill which in every substantial respect is the same bill the House approved a few days ago.

According to my quite unofficial count, there were 78 points of difference between the House and the Senate versions of the bill. We resolved every difference, and as one of the House conferees, I am deeply grateful to the conferees from the other body for their fine courtesy in yielding to us on most of the disputed points. Some of the matters in dispute were insignificant, many were of minor importance, a few more were extremely important.

The major differences were argued in an atmosphere of sincere contention tempered by mutual amity and respect.

The conference committee met through five working days. Nine sessions were held.

The result of all this effort is a fair balance of the views of the respective Houses. It is a better bill than the version passed by either House. It is more representative of the will of the Congress as a whole.

On money matters the divergences were slight. The two Houses were already in agreement on the amounts of European aid, Korean aid, assistance in China, and the general area of China, and assistance to Palestine refugees.

The two versions differed with respect to the allocation of the residual China-aid funds among various objectives in the Far East. They differed also with respect to the size of the authorization for the technical cooperation program—that is, point 4. They differed finally as to the extension of a $25,000,000 authorization for the International Children's Emergency Fund.

The allocation of residual China-aid funds in the conference agreement is a fair composite of the two bills. The amount reserved for non-Communist China—$40,000,000—is the same as in the House bill—as against $50,000,000 in the Senate bill. An authorization in the Senate bill for disaster relief in China is retained at a slightly reduced figure of $8,000,000—as against approximately $9,400,000 in the Senate bill. A House provision for $6,000,000 for assistance to selected Chinese nationals for academic pursuits in the United States is retained.

The reserved funds for assistance in the general area of China thus become approximately $40,000,000—approximately as they were in the Senate version and slightly less than in the House bill. The Senate provisions regarding qualifications and standards for assist-

ance to China and in the general area of China are retained.

As to point 4 program money, the bill splits the difference between the Senate figure of $45,000,000 and the House figure of $25,000,000. It provides $35,000,000, including $10,000,000 in authorizations already in effect for the Institute of Inter-American Affairs and for technical assistance under the United States Information and Educational Exchange Act.

As to the International Children's Emergency Fund—an item included in the Senate but not in the House version—the conference bill trims the figure from the $25,000,000 authorized in the Senate bill to $15,000,000. It grants the President discretion as to what international agency or agencies may be the recipient. It also does away with the present formula regarding the ratio between United States contributions and other countries' contributions to the Children's Emergency Fund. The latitude allowed under the conference agreement should enable the President to act effectively to bring about the liquidation of the existing Children's Emergency Fund and bring about a more satisfactorily coordinated program in its stead without incurring the risk of a hiatus in United States support of international children's welfare activities.

While I am talking of money matters, I should mention the difference with respect to guaranties in the European recovery program. This was the most exhaustively considered difference of all of those at issue in the conference.

The guaranty provisions in the House bill were all violently resisted by Senate conferees. In addition to (a) guaranteeing the convertibility of the currency, the House bill provided for a guaranty against seizure, confiscation, or destruction by any government; (b) destruction by revolution, or war; (c) any law, ordinance, regulation, decree, or administrative action which in the opinion of the Administrator prevents the further transaction of the business, and so forth.

The House receded with an amendment. The House had sought also to expand the permissible over-all amount of guaranties from $150,000,000 to $300,000,000.

The Senate had sought only to change the act so as to continue the present authorization for guaranties on long-lead industrial items, thus providing and equivalent for forward contracting.

The House conferees receded with an amendment guaranteeing the investment which the Administrator finds to have been lost by reason of expropriation or confiscation by action of the government of a participating country. It raises the ceiling on guaranties to $200,000,000. It authorizes a raise in the fees charged for guaranties issued by the Economic Cooperation Administration.

Now let me state some of the main points regarding policy as distinct from money authorizations. I must limit the presentation. The list of all issues settled in conference runs into some dozens.

The House was upheld in general in its views regarding the aims of the European recovery program. The single exception is that the reference to political federation of Europe was stricken out. The United States interest in further integrating steps in Europe is indicated, however, by a reference encouraging further steps of unification.

The inclusion of the word "further" indicates the recognition by the Congress that what the participating nations have accomplished so far in the direction of unification is by no means all that must be accomplished if the hopes on which the European recovery program is based are to be fulfilled.

The members of the committee of conference were divided as to the desirability of specifying a political development as an objective of United States encouragement in connection with a program which is primarily economic in character.

The matter was compromised by the conferees on the part of the House receding and agreeing to the deletion of the words "political federation"; then at the insistence of the House conferees, the word "further" was inserted before the words "economic unification." The word "further" would mean that the Congress recognizes that progress has been made, but expects additional action.

Let me now say a word of acknowledgment of the work of the many Members on this side of the Capitol who contributed to the legislative development of the point 4 program.

As most of you know, the Committee on Foreign Affairs held some weeks of hearings last summer and fall on two measures dealing with technical cooperation programs.

One measure, introduced by me as chairman of the Committee on Foreign Affairs, embodied what may be called the administration proposal.

A companion version was that introduced by the gentleman from Massachusetts [Mr. HERTER] and reflecting generally the views of the American business community.

Between the sessions informal efforts, in which Members of this body, representatives of the executive establishment, and various private individuals participated, were continued with the aim of bringing out a compromise that would include the essentials of both the administration proposal and the Herter bill. These efforts were successful. The result was, I believe, a bill that included the best features of both versions. With certain minor modifications made by the Committee on Foreign Affairs after it resumed its deliberations in January, the compromise bill became title III of the House bill to provide foreign economic assistance.

It is now title IV of the conference agreement.

I say this advisedly. The conference agreement is, insofar as it relates to point 4, in every essential way like the bill we passed here 7 weeks ago. The only significant exception is with regard to the authorization, which splits the difference between the House and Senate versions.

The main result of the House victory on this point in the conference is to preserve the principle, which it brings out clearly, that Government assistance in the field of technical cooperation will be at most only a pilot effort. It can only point the way for economic development. The major results, in the last analysis, must be achieved by clearing the way for a larger opportunity for private investment. The language of the point 4 legislation does not carry stipulations or guaranties regarding private investment. It sets a tone. It creates a climate. It states a principle. It makes clear a set of facts.

A second result of the acceptance of the House language in the conference is to make clear the principles by which technical cooperation programs will be carried on through the agency of international organizations.

A third result—and here I make my tribute to the gentleman from Massachusetts [Mr. HERTER]—is to give him an acknowledged place as one of the architects of the point 4 program.

I turn now to some matters which, though of secondary importance, require a passing explanation, either in response to questions from Members or for the purpose of completing the legislative history.

A question has arisen concerning the rights of the United States in relation to any participating country's local currency which might become property of the United States as a result of the payment of a claim arising from a guaranty made in connection with a long-term contract for the furnishing of capital-goods items and related services where delivery and payment are not to be completed prior to the end of the fiscal year in which the guaranty is made. This is discussed at the bottom of page 19 of the conference report. It is said there that the local currency thus received "will be used or converted in accordance with arrangements to be negotiated with the government of the participating country concerned."

I think the question will be cleared up by pointing out that the qualifying phrase "in accordance with arrangements," and so forth, modifies the word "converted" but not the word "used." If the United States should choose to use the local currency in the country concerned, it could do so without further arrangements. Obviously, however, some arrangement would be necessary for conversion, since circumstance would not arise unless the country concerned had exchange controls in effect.

Next, I should like to correct an editorial error in the statement of the managers on the part of the House included in the conference report (H. Rept. 2117). On page 25 we quote a letter from Administrator Hoffman to Senator CONNALLY. Preceding the quoted portion is a paranthetical statement explaining a reference to an amendment made in the letter. The parenthetical explanation pertains to the amendment referred to in the third paragraph on the quotation—not to the amendment referred to

in the preceding two paragraphs. I hope that explanation will clear up a matter that might otherwise be ambiguous and confusing.

In other words, the following words which the report quotes from Mr. Hoffman's letter refers to the provision expressing the sense of the Congress in regard to certain types of unjustifiable discrimination against American business—section 104 (e) of the conference agreement, amending section 112 of the act:

> Furthermore, the * * * amendment * * * gives the Administrator an explicit basis in granting dollar assistance or in acting on proposals to release counterpart, for taking action to see that discriminatory business restrictions against United States citizens are terminated. Under this provision, I would consider myself bound to take suitable action in accordance with the intent of this provision in cases where it is established to the satisfaction of the responsible United States Government authorities that such discriminations are not corrected. Hence the * * * amendment gives assurance that discriminations against American businessmen can be dealt with promptly and effectively.

It was in view of the above position stated by the Administrator that the committee of conference decided that any further provisions attempting to deal with the alleged discriminatory acts against Americans in Morocco would be unnecessary.

One final matter on which a word of explanation is appropriate for the sake of the legislative history, is the requirement in section 414 of the conference agreement. It deals with the security investigation of employees in the point 4 program. The language requires that reports by the Federal Bureau of Investigation be sent to the Secretary of State. The conferees are aware that the majority of the persons employed for service in this program will actually be recruited or assigned by other Federal agencies and that only a small portion will be recruited or assigned by the Department of State. It seems desirable, nevertheless, that there be a central control and a uniform standard, as the persons concerned, particularly those going abroad in the service of the point 4 program, will all be members of the foreign relations establishment of the United States Government. The language does not attempt to dictate the details of the security procedure to be followed in the executive establishment. It does, however, express the idea that the Department of State, as the agency having primary responsibility for the program in fact if not by legislative requirement, and also as the agency having primary responsibility for the conduct of foreign relations in general, shall have a central and controlling voice in respect to the standards to be applied in the evaluation of the reports of investigation.

I hope the conference report will be approved.

Mr. RICH. Mr. Speaker. will the gentleman yield?

Mr. KEE. I yield.

Mr. RICH. What is the total amount of this ECA assistance that we are contributing to these foreign countries for this year of 1950–51?

Mr. KEE. Three billion one hundred and ten million five hundred and fifty thousand dollars, with an additional $50,000,000 authorization for guaranties which will be a public-debt transaction and requires no appropriation.

Mr. RICH. It is about $3,000,000,000?

Mr. KEE. Yes, it is about $3,000,000,000.

Mr. RICH. Mr. Acheson is on his way back home on a boat. He was over there and has made promises, according to the newspapers, that we are going to continue to furnish money to these ECA countries in future years, after the 1951 appropriation is spent. What truth is there in that statement?

Mr. KEE. I have no information whatever as to any promises made by Mr. Acheson.

I think if you will read the bills that have been passed out of the Foreign Affairs Committee, you will see that they have provisions in them that no future commitments are authorized or implied by any of the authorizations contained.

The SPEAKER pro tempore (Mr. BIEMILLER). The time of the gentleman from West Virginia has again expired.

Mr. KEE. Mr. Speaker, I yield myself one additional minute.

Mr. RICH. Has Mr. Acheson any authority to commit this country to anything in those foreign countries?

Mr. KEE. The gentleman, being a Member of Congress, ought to be able to answer that question himself.

Mr. RICH. Well, I do not know. I have tried to find out. He is over there making promises. They said when we made the first ECA appropriation under the Marshall plan that it was only for 1 year, and then they came in here the second year and said we were obligated because we promised.

The SPEAKER pro tempore. The time of the gentleman from West Virginia has again expired.

Mr. RICH. Now, do not give this thing up. This thing is too important for the American people. Take some more time.

The SPEAKER pro tempore. The time of the gentleman from West Virginia has expired.

CALL OF THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. MILLER of Nebraska. Mr. Speaker, I withdraw the point of order.

Mr. RICH. Mr. Speaker, then I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] One hundred and one Members are present; not a quorum.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 171]

Allen, Calif.	Bentsen	Boykin
Allen, Ill.	Boggs, La.	Bramblett
Anderson, Calif.	Bolling	Buchanan
Bennett, Fla.	Bonner	Buckley, N. Y.
Burdick	Hoffman, Ill.	Pickett
Carlyle	Holifield	Plumley
Case, S. Dak.	Irving	Poulson
Chatham	Jackson, Calif.	Quinn
Cooley	Jensen	Rabaut
Crawford	Jones, N. C.	Rivers
Crosser	Judd	Sadowski
Davis, Tenn.	Kean	St. George
Dawson	Kearney	Scott,
Deane	Keefe	Hugh D., Jr.
DeGraffenried	Kennedy	Scudder
Dingell	Larcade	Secrest
Dolliver	LeCompte	Shelley
Douglas	Lichtenwalter	Sheppard
Doyle	McConnell	Sims
Durham	McDonough	Smathers
Engel, Mich.	McKinnon	Smith, Ohio
Engle, Calif.	McMillen, Ill.	Staggers
Fernandez	McSweeney	Stigler
Fugate	Magee	Sutton
Gary	Mahon	Walsh
Gilmer	Martin, Iowa	Welch
Green	Miles	Wheeler
Gwinn	Miller, Calif.	Whitaker
Hall,	Monroney	White, Calif.
Edwin Arthur	Morrison	Wickersham
Hand	Murray, Wis.	Widnall
Hare	Nixon	Willis
Hébert	Pfeiffer,	Wood
Heffernan	William L.	

The SPEAKER pro tempore. On this roll call 334 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

Mr. KEE. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Speaker, I rise at this time to voice the protest of an industry which is quite important and almost predominant in the city of Minneapolis. As you know Minneapolis is the second largest milling center in the United States. For a long time it enjoyed the position of being the largest milling center in the country. In my district there are over 3,000 employees who try to eke out a livelihood in the milling industry.

Milling thrives as an industry not only in the city of Minneapolis, but almost every city in the United States. The employees of that industry are concerned with a section of this bill, and I hope that some Member of the conferees will further enlighten us in the RECORD on the question of the elimination in the conference of the 12½ percent milling section. I have over 50 letters from those engaged in this milling industry as a basis for my protest on the floor of the House against the elimination of that section requiring that 12½ percent of the milling be done in this country. That may not seem so important to some, but it is important to these people engaged in this industry. As I support, and have supported the reciprocal-trade agreements, and have supported ECA, I little anticipated that in so supporting such legislation I would be causing injury to the economic welfare of thousands and thousands of workers in America.

We depend upon the income of these people who are a part of our industrial empire to get the taxes in this country to pay the expenses involved in this ECA program. When the bill left the House, as shown by page 7 of the report, it provided for not less than 12½ percent of the grain to be milled in this country so that our workers would par-

ticipate to some extent, at least, in this program.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. WIER. I yield.

Mr. VORYS. The gentleman is completely in error. When the bill left the House the provision giving flour a preference, and providing for the 12½ percent, was out of the bill. It was not repealed in the Senate bill, but the repealer of that requirement was in the bill as it passed the House, and it was so stated in the committee report.

Mr. KEE. If the gentleman will yield again, it was not in the bill when it came to the House. It was taken out in the committee.

Mr. WIER. I have the report, and on page 7 I find this, in section (c):

> The amounts of wheat and wheat flour produced in the United States to be transferred by grant to the participating countries shall be so determined that the total quantity of United States wheat used to produce the wheat flour produced in the United States for transfer by grant to such countries under this title shall not be less than 12½ percent of the aggregate of the unprocessed wheat and wheat in the form of flour procured in the United States for transfer by grant to such countries under this title.

I assume that that was in the bill some place.

Mr. KEE. What are you reading from? What is the date of it?

Mr. WIER. It is the Foreign Economic Assistance Report No. 1802.

Mr. KEE. Is that the report you are reading?

Mr. WIER. No. I have the conference committee report here, and what I am asking about is this 12½ percent, which is beyond what you say in this conference report, and which is not very explanatory to these people in my district who are deeply concerned. I am willing to grant some money, I am willing to grant some food, I am willing to grant the shipment of assistance over there, but I am not yet ready to grant both those and the employment that is in this country. In other words, I do not want to ship the jobs over there, too. I want to retain the jobs in this country.

Mr. GORSKI. Mr. Speaker, will the gentleman yield?

Mr. WIER. I yield.

Mr. GORSKI. The deletion of that provision is also causing a lot of trouble in my district. I have received a number of telegrams and letters with respect to it.

Mr. WIER. I am sure that Buffalo will be more interested than I am. I would like to have an explanation from some member of the committee why this 12½ percent, at whatever stage, was deleted.

The SPEAKER pro tempore. The time of the gentleman from Minnesota [Mr. WIER] has expired.

Mr. KEE. Mr. Speaker, I yield 5 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Speaker, the gentleman from Minnesota [Mr. WIER] has requested that someone on the committee explain to the House why that 12½ percent requirement for American wheat flour was deleted from the bill. I will be glad to attempt to do that.

In the first place, the provision for 12½ percent for wheat flour manufactured in the United States was not in the House bill. It was in the Senate bill. The other body receded from its position. We all want to take care of all the industries in the United States that we can. Everyone on both sides of the aisle wants to do that, but we have first of all to take care of the interests of the American taxpayers as a whole. There is no reason in the world why the wheat miller in the United States should through this bill be subsidized by the American taxpayer. If that 12½ percent provision remains in the bill, it, in effect, means that the miller will be subsidized to that extent.

Let us get what we are up against. We want to use just as little of the taxpayer's money as we can in bringing about economic recovery in Europe. The Europeans do not want white bread. What is the use of sending something over there that will be a drug on the market? The counterpart fund will not be increased from the sale of white flour, because the French people, for instance, are not going to buy it. Then, too, the 12½ percent provision will mean that the wheat grower in the United States will be hurt because he cannot sell as much whole wheat. It will mean that the ECA countries will go on the Canadian market or elsewhere to buy wheat, because they want the rough stuff and that kind of thing, for their bread. The wheat grower in the United States will be hurt if this provision remains in the bill.

If through this bill we are going to subsidize the manufacturers of certain products, then I want my section of the country to be taken care of too. The textile industry in the South is up against it right now to sell all of its output. Suppose there were included in this bill a provision that Europe had to take so much finished textile products, maybe a certain type of cloth which they do not need and would not buy. That would help the textile mills of the South, but it would not help the taxpayers of America, and it would not help the recovery program in Europe.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman mean to say that the milling industry of this country could not mill flour for use overseas with hulls in it if they were wanted?

Mr. RICHARDS. No; they could do it, but there would be byproducts left here which could be used overseas. Then, too, the milling process here would be made expensive. Remember, there is no shortage of the byproducts of wheat in this country at this time. If there were a shortage and the American people needed it there might be some argument for your theory.

Mr. GROSS. But at least to the extent of the hulls that went into the whole wheat flour shipped abroad there would be that much less byproducts left to compete with American byproducts.

Mr. RICHARDS. As a matter of fact, the European people can get most out of this program if they buy the whole wheat. They want whole wheat bread; they do not want the white stuff. That is the real crux of it; they do not want white flour. They will not buy the white flour but they will take free dollars and buy wheat from Canada or somewhere else, and to that extent the American farmer would be hurt.

Mr. GROSS. By the same token, they would probably rather have sirloin steak than canned meat.

Mr. RICHARDS. I don't get the gentleman's point. As a matter of fact, he is offering them high-priced sirloin when they would prefer the cheaper cuts.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. AUGUST H. ANDRESEN. I am sorry they eliminated this provision with reference to flour, but what I wanted to ask, a question based on the gentleman's reference to textiles. There is a provision in the bill under which 4,500,000 or 5,000,000 bales of cotton will be sent out of this country to be made into textiles to be shipped back into the United States and to compete with our own textile industry.

Mr. RICHARDS. I am not asking favors for my part of the country; I want wheat and flour to get the identical break that cotton gets.

Mr. KEE. Mr. Speaker, I yield such time as he may desire to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Speaker, in connection with title V of the conference report on international children's welfare work, I would like to read an extract from an official communique which the Department of State received on April 26, 1950, from our Ambassador to Yugoslavia, Mr. George Allen. This section has been declassified and given to me this morning. It reads as follows:

> The embassy is increasingly impressed by the accomplishments and value of the UNICEF operations in Yugoslavia. Aside from the humanitarian aspects of feeding 1,500,000 children daily, UNICEF is the most effective tangible evidence of the United Nations as an operating world organization to the masses of Yugoslav people and is the only method now available to bring the existence of the United Nations home to them. Its activities are fully accepted and assisted by the Yugoslav Government and there is, fortunately, no effort by the Government to disguise the origin of the assistance or attempt to claim credit for the UNICEF operations.

The text of the law adopted by the conferees on the subject of international assistance to children certainly meets every fair-minded concern for any necessary changes in the organization. It should also go a long ways toward meeting the expressed desire of a broad section of the American public, and the vast majority of the Congress, who want to see real effective and practical international aid provided for children.

The cable which I have just read from Ambassador Allen, who is situated in one of our most critical foreign posts, is an important testimony for the need to continue assistance to children on the basis

of a supply operation, which gives tangible demonstration of the value of the United Nations, and the sincerity of American humanitarianism.

Last fall, as chairman of a select committee of the House Committee on Expenditures, with other Members of this body, I traveled in 14 countries of Europe and the Middle East and actually witnessed the field operations of this important organization. The mandate of our committee also directed us to study some of the permanent agencies referred to in this report. While I was impressed with the broad scope and high principles of these specialized agencies, I was convinced that international assistance to children must continue along the basic principles which have motivated the operation of the United Nations Children's Fund.

The raising of funds, the procurement and moving of supplies, arrangements with governments or national agencies within the assisted countries, the full accounting and reporting on the utilization of supplies and equipment shipped to the assisted countries, all involve a serious work and an organized network of staff experienced in supply distribution. It is not enough to conclude that other bodies could easily take over this responsibility until there is assurance that they are prepared for it; that they have the will to raise the necessary funds; that they have the required field staff.

Our committee, which as far as I know, is the only committee of Congress to make an "on the spot" study of these organizations, I was convinced that none of the specialized agencies were prepared to take over this kind of a program. Moreover, it should not be forgotten, that within the period of its existence, the United Nations Children's Fund has raised almost as much money as the United Nations, and all of the specialized agencies together have received in the same period. This money has not been raised easily by UNICEF. It has been raised essentially on the basis of trusteeship which UNICEF has developed between the donor, whether a government or an individual, and the actual recipient of the relief. It would be an unfortunate delusion to believe that one section within the United Nations in a mechanical way could go out and raise funds from governments and individuals, in order to meet the continuing needs of children, and then have these funds disbursed in turn by other agencies who are not in direct and live contact with the donors.

The fundamentals of the question are simple and clear. In agreeing to authorize $15,000,000, the conference reflected the will of Congress that material assistance should continue to go to children's aid. Congress does not want aid changed into international advice however competent at a high governmental level. It wants actual international aid getting right down to children. The function of the permanent agencies is advisory. The function of the Children's Fund is to provide material assistance on the basis of proved need. It does not provide technical advice. As far as children are concerned the two things go together. Both are needed. Instead of there being duplication at the present time, there would be gross duplication if the functions of the fund were made the same as those of the existing agencies, or if the money authorized in this bill were used to extend the type of work now being performed by these agencies.

Mr. Speaker, it would be sure folly for the United States Government to let this program of tangible assistance to children be absorbed in the advisory programs which perform such valuable complimentary services. In closing I ask unanimous consent to have a copy of a letter which I have written to Senator HUMPHREY on this subject inserted in the RECORD:

APRIL 25, 1950.

Senator HUBERT HUMPHREY,
Senate Office Building.

DEAR HUBERT: It is my understanding that you are one of the sponsors of S. 3420, a bill to continue United States participation in the United Nations International Children's Emergency Fund.

As you know, the select committee of the House Committee on Expenditures in the Executive Departments made a careful survey of this organization last summer and fall. We not only visited the headquarters of the organization and interviewed the personnel in every section of its work, but our committee also examined the field program in 14 countries of Europe and the Middle East.

As chairman of that committee, I would like to draw your attention to some of the outstanding characteristics of this program which I believe merit the support it appears to have in the Senate.

First, I would like to pay tribute to the executive director, Mr. Maurice Pate, of Cape Cod, Mass., formerly of Denver, Colo. Mr. Pate first learned how to handle the problems of an international supply program when he served with Herbert Hoover in the American Relief for Belgium and the American Relief Administration in Poland. During the Second World War he served as director of the civilian relief program for the American Red Cross. In spite of submarine warfare and the bombing of Red Cross trucks ovrseas, 98 percent of Mr. Pate's supplies reached their destination.

The story of UNICEF is even more remarkable. Less than one-tenth of 1 percent of all UNICEF supplies have been lost through damage, pilferage, or mismanagement. A detailed system of commodity accounting is maintained for each step in the transportation of supplies from producer to ultimate consumer. Thus, UNICEF officials can tell at any moment the exact location of a load of Chicago meat or Wisconsin powdered milk.

This seems like a lot of work involving a big staff, but such is not the case. By wise planning and constant spot checking, UNICEF officials have reduced the cost of administration to less than 4 percent of the total program. Moreover, 2 percent of this cost is used to pay for technical experts associated with the milk conservation and medical programs.

In a world of distrust and fear, the Children's Fund is a concrete demonstration that international organization can work for the benefit of mankind.

Our committee was deeply impressed with the effective and efficient manner in which the International Tuberculosis Campaign was being conducted. We visited a state serum institute in Copenhagen, where the tuberculin and vaccine were being produced to protect millions of children against this dread disease. Without UNICEF supplies this joint endeavor (UNICEF, the Scandinavian Red Cross Societies and the World Health Organization), to conduct the first mass international medical campaign would never have been made. Today more than 30,000,000 children have been examined and vaccinated when necessary against tuberculosis.

In Vienna we saw the gigantic soup kitchens built by the Nazis to feed their occupation troops, now producing a nourishing hot meal for school children in all four zones. For UNICEF supplies are given without discrimination because of race, creed, color, or political belief.

Wherever these supplies go, however, the children and their parents know where they come from. In every country we found posters acknowledging this program as a United Nations effort. No one was surprised to see a United States congressional committee interested in these expenditures because American supplies and American personnel were prevalent in the program.

In Italy his Holiness the Pope expressed his deep concern for the future of international assistance to children. And well he might. We found millions of children in Europe who would have died without this international humanitarian enterprise. In Asia and in Latin America UNICEF programs are just now getting under way. The United States Congress cannot afford to let this program terminate.

The United States Congress was responsible for starting this program. Our matching formula has provided the incentive to make it successful. I earnestly hope we will continue to take the lead necessary to insure its continuation.

Sincerely yours,

JOHN A. BLATNIK,
Member of Congress.

Mr. DONDERO. Mr. Speaker, will the gentleman yield me 2 minutes to ask a question?

Mr. KEE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. My purpose in asking for this time is to ask the chairman of the committee a question. I am interested in the Children's Fund mentioned on page 14 of the report. The question I desire to ask is: Will a man by the name of Dr. Ludwig Rajchman who I understand is a top-flight Polish Communist be the chairman of the committee that will distribute this fund? And will a woman by the name of Mrs. Gunnar Myrdal wife of a prominent Swedish Communist who, I understand, introduced Trygve Lie to Stalin in Moscow recently, will these people have anything to do with the distribution of this money or this fund?

Mr. KEE. Answering the gentleman's question, of course, we have nothing to do and I know nothing about the organization except that a man by the name of Pate, I think it is, is known as the manager of this fund.

At the last session of this Congress an amendment was adopted to this bill in which it was stated positively that the children's fund was to end this year. That I stated on the floor of the House. Your committee of conference fought strongly against this fund. When we went into conference we found the Senate had placed a provision in this bill containing the children's fund.

Mr. DONDERO. The gentleman's committee should be commended for fighting against this item.

Mr. KEE. We argued it long, loud, and vociferously with the Senate. Finally we agreed to a compromise. If the gentleman will read the provision

in the bill, this is a compromise agreement; $15,000,000 only will be authorized. Whether the Appropriations Committee will appropriate it or not, I do not know. Then the fund is terminated and no more funds will go into the children's proposition at all.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. KEE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. GORSKI].

Mr. GORSKI. Mr. Speaker, on behalf of the milling industry of Buffalo and its employees I want to strongly protest the elimination of the provision in the ECA bill whereby at least 12½ percent of the wheat shipped to European countries should be ground into flour in the United States.

Buffalo is one of the largest milling centers in the country and thousands of its citizens are employed in this industry.

At the present time the flour mills are operating on a part-time basis. This condition has existed for some months with a resultant low take-home pay for the mill workers. Naturally, this is not conducive to our idea of economic prosperity.

The workers in the milling industry are definitely interested in helping their less fortunate brethren abroad but feel that their livelihood should also be considered.

This is not the time to be thinking of eliminating the milling of wheat into flour in our home mills but rather we should be contemplating building up our own industry that we might be better prepared to increase our shipments abroad.

The action of Congress in eliminating this provision is a definite disregard for the people of this country who are citizens and taxpayers and I cannot too strongly couch my words of protest.

Mr. KEE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Speaker, the conference on this bill lasted for 5 days and many of the most interesting aspects of it cannot be discussed under the rules of the House forbidding references to Members of another body; however, the conference report represents in general the House bill. The changes and compromises have been very ably covered by the distinguished chairman of the Committee on Foreign Affairs.

It will be noted that this is a unanimous report. The House conferees, it seems to me, were a very able and cooperative team, carrying on an educational process which became necessary during the course of the conference, due to the fact that many important provisions of the bill the House had passed and which was pending in the Senate when that body acted, had never received any consideration by the Senate or its committees. I want to pay my tribute to our chairman the gentleman from West Virginia [Mr. KEE], to the gentleman from South Carolina [Mr. RICHARDS], and the gentleman from Illinois [Mr. GORDON], the Democratic members of the conference committee, and also my colleague the gentlewoman from Ohio [Mrs. BOLTON], for their able teamwork during the conference; this required persuasion and patience and sometimes firmness on the part of the House conferees.

We have as a result of this conference established that what is needed is not only a bipartisan foreign policy but a bicameral foreign policy. There are two bodies on Capitol Hill, both of which should be consulted in advance on foreign policies, during the course of legislation and after the legislation is in effect.

The issue of flour versus wheat has been mentioned here. It is interesting to find that that is the only complaint made by any special group today. There are a number of commodities, such as cotton, and a number of industries, such as machine tools, that might profit by special consideration in this bill. All of American agriculture and a great many industries will profit from the foreign-aid plan carried on during the past few years and envisaged for the next 2 years. Your conferees, however, were adamant against raising the cost of foreign aid in any instance in order to furnish special aid to some domestic industry or branch of agriculture. We felt that the incidental benefit at a cost to all taxpayers was all the benefit that should come and that if subsidies are needed for our flour mills or for agriculture or for industry, they should be taken up on their own merits in separate legislation and should not be made a part of a foreign-aid program.

Remember, we are trying to promote European recovery in agriculture and industry. We are doing this to make Europe strong, for our mutual security in the face of the Communist threat. Industrial recovery means getting factories and mills going, and involves our sending equipment and raw materials for these factories and mills instead of sending relief supplies. After they get going, we want to stop sending wheat or flour, iron or finished products, cotton or shirts, unless they pay for them in dollars. Meanwhile, let us not increase the cost and decrease recovery by using foreign aid for domestic aid to special groups and industries.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the matter now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. This morning I made a 1-minute speech on the floor about the expending of some $85,000,000 in the four corners of the world for irrigation projects and road projects, and so forth, and the gentleman from Mississippi [Mr. WILLIAMS] spoke about some money being spent to build a gambling casino in Le Havre, France. Were those matters discussed in the committee about the necessity of this type of expenditure?

Mr. KEE. I do not recall anything being said about a gambling casino.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Nebraska.

Mr. STEFAN. Mr. Speaker, several Members have taken the floor recently and stated that ECA or Marshall-plan funds are being used for the repair and construction of a gambling casino in the city of Le Havre, France. The statements were absolutely correct, according to my investigation, but undoubtedly the newspaper releases upon which these statements were based were somewhat premature. It appears that the ECA originally approved the reconstruction of casinos in France as a general rule, but wholesale improvement was made before an investigation was made of the entire breakdown of expenditures by projects. After the investigation was made on the breakdown of projects, the Le Havre casino reconstruction was rejected by the ECA on the grounds that this would not be an appropriate use of counterpart funds. Therefore, the 4,000,000 francs to be used for this purpose will be used for other purposes than those of repairing this particular casino.

I have been informed by the ECA that 95 percent of the counterpart funds deposited in the special account in France are owned by the French Government but under joint United States-French supervision and released periodically to the French Government for expenditures of their investment program. The French Government has prepared a list of projects or categories of projects belonging to their investment program which can be financed from counterpart funds this year—1950—when and if the funds are released.

The counterpart program contains a general section of tourist business, the item known as tourism, the development of which in France, the ECA states, is a most desirable investment objective. The agency states further that it did not possess the breakdown of that section until recently and obviously did not approve its details, although it did approve in principle the use of funds for this purpose. I am informed that the agency has full opportunity at all times to scrutinize the breakdowns for counterpart expenditures and to reject those items which do not seem justified.

Specifically, relating to the gambling casino at Le Havre, France, the ECA statement to me is as follows:

When ECA received recently the breakdown of the proposed expenditures from the French Government for tourism, it was noted that a contribution for the reconstruction of casinos in France was included. Casinos in France are leading civic centers including restaurants, auditoriums, shops, etc., and are important producers of foreign exchange since they are frequented by foreign tourists. It is for this reason that the French Government submitted these projects. However, French casinos generally have facilities for gambling under French Government license

as a side activity. Therefore, the French proposal for reconstruction of the Le Havre casino was rejected by the ECA on the grounds that this would not be an appropriate use of counterpart funds.

Mr. KEE. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder if the gentleman from Nebraska could say that the money will be spent for that purpose in Europe or anywhere in the world.

Mr. STEFAN. According to my statement just made, it will not.

Mr. MILLER of Nebraska. I am pleased to have the gentleman's explanation of that. I do not know how late the decision was made that he speaks about, but I did notice a headline from Paris, dated May 9, which states that they were using funds for a gambling casino at Le Havre, France.

The ECA office here says, "This may seem frivolous expenditure, but it is important to help increase the town's revenues."

That is a quote from the ECA officials in Le Havre, France, so I am very happy to know that they have finally decided not to spend this money in Le Havre or any place else for that purpose.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Ohio.

Mr. VORYS. I would like to call attention to the fact that the bill as it comes back is $245,000,000 below the budget request; $250,000,000 below with reference to ECA, $10,000,000 below with reference to point 4, but with $15,000,000 unbudgeted in for international child-welfare work, as has been explained. Now, all of these authorized amounts are limitations on appropriations. Of course, the Committee on Appropriations will go ahead and consider within these limitations what appropriation should be recommended. But this reduction of $245,000,000 is going to require a commensurate reduction in a number of proposals made by ECA when they brought their program here to the House earlier this spring.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Notwithstanding the fact you are talking about these reductions, the fact is that we are going to appropriate about $3,000,000,000 now for this ECA program; is that correct?

Mr. VORYS. It will be less than $3,000,000,000. The total bill is $3,110,550,000. That is the limitation placed upon the appropriations authorized in the bill.

Mr. RICH. Now let me ask you this: Have you considered or given any consideration on where you are going to get this money?

Mr. VORYS. Yes.

Mr. RICH. Where are you going to get it?

Mr. VORYS. We have given careful consideration to it, and we are going to get it the same place we get the rest of the money for our gigantic 1951 budget.

Mr. RICH. The fact is that you have $3,000,000,000 in this bill, and you do not know where you are going to get the money. Neither the gentleman from Ohio nor any of the gentlemen on that side of the room know where you are going to get the $3,000,000,000 that the American taxpayers are going to be compelled to pay into the coffers of the State Department for them to squander in foreign countries. I think it is about time you look after America and give your time and attention to the things that belong to America, instead of trying to look after the whole world. The quicker you do it, the better it is going to be for all the people of this country.

Mr. VORYS. This is an authorization bill with limitations on it. The appropriations will come later, but the appropriations will come from taxes and from borrowing, the same as the rest of the appropriations this Chamber is considering for the current year.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. VORYS. I yield.

Mr. HOFFMAN of Michigan. It is perfectly obvious, I think, to everyone in the House where the money is coming from, and the gentleman from Pennsylvania knows it very well. It will come from bonds sold by the Federal Government to the American people. When those bonds come due, they will be paid back in dollars that will buy perhaps half as much as they will now.

Mr. KEE. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. FULTON. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. In the omnibus appropriation bill the House recently passed, funds were denied for any new construction on projects already authorized in the United States. I wonder if the gentleman can tell me how much of these funds is authorized for new construction on projects overseas, that is, public projects?

Mr. FULTON. There is an amount in this bill for new projects overseas, but the gentleman should not say, "If I do not get mine, I will not give you yours." That is not the proper basis of decision.

Mr. WILLIAMS. I did not ask the gentleman that question.

Mr. FULTON. The basis of decision is this: What is best for the interests of the United States of America in this troubled world of ours, and what is best for those democracies that are standing by us and were our allies during the war?

May I comment in answer to a question asked by my good friend, the gentleman from Michigan [Mr. DONDERO], concerning Mrs. Gunnar Myrdal in which there was an assumption that Mr. Myrdal, her husband, was a Communist. It is correct that both Gunnar Myrdal and his wife are from Sweden. So that the Congress might have their background, Mrs. Myrdal since 1946 has been president of the Swedish Federation of Business and Professional Women, and has been active in UNESCO work with the United Nations. Gunnar Myrdal, whom I have met at Geneva and with whom I have discussed European economic problems, certainly has a grasp of such problems, has been given a doctor's degree by Harvard University, and has been director of the Bank of Sweden, as well as Minister of Commerce of Sweden. Incidentally, Sweden has not done too badly economically, much to her credit.

Myrdal is my Director of the Economic Commission for Europe of the United Nations and recently returned from Moscow saying that he did not look toward much cooperation from the eastern European countries with the west. Certainly this is an independent judgment. He did not return with any Soviet party line and he did not come with any arrangement that had been made either for or on behalf of Stalin. He has done a good job and tried to work with the Marshall plan people in Europe, as well as for peaceful adjustment between the east and west, which we all hope for. I believe he has done an excellent job for the United Nations.

May I also speak in regard to title V, the International Children's Welfare Work. The International Children's Welfare Work has $15,000,000 authorized in this bill. This is to help the children abroad. The Congress has provided billions through the Marshall plan countries for industry and for the grown people, but it seems to me we should also think of the next generation. The man who is in charge of this operation—who has made it the most successful program in the United Nations—is an American businessman—the Executive Director, Maurice Pate. Mr. Pate assisted President Hoover when he was feeding Europe after the last war. He is a good American in charge of a good program to help these children all over the world. What fools we adults would be not to feed the children of the world in the guise of political expediency.

Dr. Rajchman was chairman of the Executive Board for the Children's Fund, but when the eastern European nations walked out of the fund last March, Dr. Rajchman severed his relations with the fund and his place has been taken by Dr. Sutch of New Zealand. So there is no doubt he has no present connection with the program.

You say, "What have they done?" They have done a remarkable job which has won world acclaim for American humanitarianism as well as the United Nations. For your orientation, I would like to point out certain high lights of this program.

First. The Children's Fund without any assessed basis of support has raised the following voluntary contributions:

	Dollar equivalent
Residuals transferred from UNRRA	31,845,504.85
Contributions and pledges from governments	104,600,987.91
Voluntary contributions from individuals through UNAC campaigns and other sources	11,833,498.67
Total	148,279,991.43

Second. Thus far, the equivalent of approximately $145,000,000 of the above

funds has been allocated to 54 countries or areas.

(a) At the present time supplementary food is reaching daily approximately 7,000,000 infants, children, and nursing mothers.

(b) The Children's Fund has provided raw materials in the form of cotton, wool, and leather, which in the receiving countries have been converted into clothing and shoes for 2,000,000 children.

(c) The medical program supported by the fund and carried on in cooperation with WHO, and in the case of tuberculosis testing and vaccination with the Scandinavian Relief Societies, have now reached 22,000,000 children.

(d) The milk-conservation plan of the fund carried on in cooperation with FAO has, or shortly will have, expended the equivalent of several million dollars.

Third. The above are the four principal programs in respect to size of funds invested, but the Children's Fund has given its support to a number of other smaller programs in respect to the well-being of children and mothers. At this time they are possibly at the peak of their work. However, with substantial stocks of dry powdered milk, principally skim milk, weighing as surplus on several producing countries, the continuing distribution of this milk is expected to serve as an added stimulus to the maintenance of child feeding in a number of countries. Just recently, for example, the fund has made arrangements to step up shipments of skimmed milk to India and Pakistan. Further amounts of 1,000 tons to India and 1,000 tons to Pakistan are now under way to these two countries for children in refugee camps.

Fourth. The operating principles of the fund are unique in foreign assistance programs.

(a) The fund's aid in all instances must be given on the basis of need, without regard to race, creed, nationality, or political consideration.

(b) The aid, insofar as possible, is given with lasting effect in view; that is, the fund seeks to make a permanent contribution to child welfare. The fund's aid is used to meet the immediate need in such a way that the programs in which it is now participating can in time be effectively taken over entirely by the assisted countries.

(c) Assistance is predominantly in supplies and equipment for child-care programs. The fund provides only supplies and equipment not available locally and necessary as part of a national program to meet a serious child-care problem.

(d) The imported supplies provided by the fund are "matched" with an equal amount of locally available supplies. In this way, an administrative and budgetary pattern is built up on national, provincial, and local levels, to carry on the programs when international assistance is no longer needed. Many of the child-care programs are relatively new to the recipient country and a pattern of education on the part of parents, teachers, and local volunteer groups is likewise built up for the continuation of such type program.

The "matching" provision has not been an easy one for some countries to meet; by the same token, however, the "matching" requirement has assured a vital local government interest in the program. Under this policy there is inevitably greater assurance of a continuing interest by the Government and a more permanent value from the programs conceived.

(e) The children's fund acts as trustee between the donor and the recipient. The Government, or designated relief agency of the assisted country, in its turn acts also as a trustee in distributing and accounting for the goods and services thus made available. In keeping with this agreement, the fund retains title to all supplies until they are consumed by the children; or in the case of nonconsumable items, until the equipment is in use for the purpose intended or permanently and satisfactorily installed. A minimum number of international staff members are in each receiving country for the purposes of liaison, assessment of needs, and observation of the use of suppiles.

(f) No supplies are provided until the country has entered into an agreement with the fund governing all aspects of the fund's relations with the recipient country. This agreement, which is in the form of a contract, provides, in addition to the nondiscrimination, "matching," and trusteeship principles discussed above, that the fund's representatives will freely observe the distribution and use of supplies; that supplies will bear the distinctive marking "UN Children's Fund"; that full public information will be accorded the fund's program; that the Government will maintain adequate accounting and statistical records and furnish the fund with such reports, records, and information as the fund may find necessary; that the fund's supply assistance is to cease, except under exceptional circumstances, if the Government exports any supplies of the same or a similar character; that the Government will assume all operational and administrative expenses connected with the reception and distribution of the supplies and for the maintenance of office expenses, travel, and so forth of the international staff. These agreements have been fulfilled satisfactorily. On occasional instances, often on a purely local basis, some infraction is uncovered as a result of inspection. This is not surprising in view of the widespread character of this help. For example, food is distributed through over 45,000 schools, child clinics, children's institutions, feeding centers, and so forth, some of remote rural regions which have never before had experience with this type of programs. Whenever infractions are discovered steps are taken by the fund to rectify the situation at once.

Thus the cases of Albania, Hungary, and Rumania, when these Governments wished to continue to receive the fund's help without a resident international mission, the sending of supplies to these countries was stopped.

All of these programs have been carried out in cooperation with the specialized agencies of the United Nations.

UNICEF does not give technical advice, or run technical demonstration. These functions are performed by the specialized agencies of the United Nations and will be expanded as part of the technical assistance program. On the other hand, the permanent agencies and the technical assistance program have no supplies with which to aid child-care programs. The Director General of WHO, commenting on this cooperation of the WHO executive board, stated:

> The provision of supplies to governments by UNICEF for health projects has played a most important role in the promotion of many of these projects. Increasingly it has been demonstrated that WHO can act as the health agency to provide the technical advice and assistance in the initiation, approval, and development of projects for which supplies will come from another source.

Norris E. Dodd, Director General of FAO, made a similar statement in a recent speech:

> One of the most regarding relationships has been with the United Nations International Children's Emergency Fund. A joint committee of FAO and the World Health Organization advised the fund on child nutrition. The FAO nutrition division has advised UNICEF on the purchase of foods for large-scale feeding programs for children and mothers. FAO also assisted UNICEF in a program for increasing the European indigenous supply of safe milk. UNICEF provided financial assistance and FAO supplied technical aid to European countries taking part in this program.

The following list demonstrates some of the specific methods in which this cooperation operates:

UNICEF—FAO—WHO

FAO and WHO established for UNICEF the fundamental nutritional principles to be followed in the development of supplementary feeding programs.

Methods: Advisory conference of experts; working party of staff members.

UNICEF—FAO

FAO advice to UNICEF on suitability and nutritional value of specific food products available to fund;

FAO advice on nutritional problems of specific UNICEF assisted programs;

FAO advice on planning and policy of UNICEF milk conservation project in Europe and on technical problems involved in procuring specific equipment.

Joint FAO-UNICEF undertaking in Central America with UNICEF supplies and FAO expert advice related to demonstration feeding and to national agricultural developments required to maintain and extend nutritional advances for children.

Methods: Consultations, seconding of FAO officials to UNICEF; joint FAO-UNICEF advisory panel on milk conservation project.

UNICEF—WHO

WHO has assumed following responsibilities for UNICEF medical supplies to governments for child-health programs:

(a) Approval of the types of child-health programs UNICEF may properly assist;

(b) Establishment of medical and technical standards to be followed in country programs;

(c) Provisions of experts to governments, upon their request, to survey specific needs, prepare requests to UNICEF, and develop plans of operations for the proposed program;

(d) Approval of individual country plans of operations;

(e) Approval of individual supply lists and supply specifications;

(f) Provision of experts, in agreement with governments, to assist in the implementation of the UNICEF-aided program;

(g) Technical follow-up, evaluating, and reporting on programs.

In addition WHO on a reimbursable basis administers UNICEF child-health fellowships in the Far East.

Methods: Joint UNICEF-WHO Committee on Health Policy composed of representatives of the executive boards of the two agencies determines general policies of assistance to countries' health programs; consultation; use of WHO expert committees, secretariat, consultants and seconded experts; WHO participation in medical subcommittee; development of joint procedure for selection and placement of WHO administered UNICEF fellowships.

UNICEF—UNESCO

UNICEF mission personnel in certain countries provide screening evaluations to UNESCO educational reconstruction program.

Methods: Use of UNICEF field mission personnel.

UNICEF—DEPARTMENT OF SOCIAL AFFAIRS

Social affairs officers advise UNICEF staff in countries where both are stationed on child welfare problems as they relate to UNICEF programs; child welfare consultants have been appointed to the fund's regional offices to give technical advice to regional offices, field missions, and as appropriate governments to help obtain maximum advantages for child welfare made possible by UNICEF supplies; administration by SAO on a reimbursable basis, of UNICEF child welfare fellowships in the Far East.

Methods: Consultations, seconding officials; development of joint procedure for selection and placement of SOA administered UNICEF fellowships.

The United Nations Children's Fund program has been successful beyond my fondest hopes. When the program was not in the original 1948 Foreign Assistance Act, I felt the children should be included, and submitted the original amendment in the committee for the United States participation in this program on the basis of a matching contribution by other member nations. As you will remember, I spoke at that time on the floor explaining the program to the House, and the program remained as a separate title in the ECA Act.

We should continue to protect these needy and deserving children.

Because of the statements in opposition to the program, and the evident lack of knowledge of its fine accomplishments, I have taken the time to state the progress and development of United Nations International Children's Emergency Fund.

FOREIGN WASTE OF AMERICAN MONEY

Mr. RANKIN. Mr. Speaker, I shall be compelled to vote against this conference report.

I have protested from the beginning against financing the rest of the world out of the pockets of the overburdened taxpayers of the United States.

We are told that since July 4, 1946, the United States has poured $1,500,000,000 into the Philippine Islands.

At this point I am inserting an article which appears in the June issue of the Reader's Digest, showing the corruption that prevails in the Philippines, which may be a sample of what is being done with the so-called Marshall plan money taken from the taxpayers of the United States, and given to certain leaders in various countries throughout the world.

The article referred to follows:

ARE THE PHILIPPINES GOING THE WAY OF CHINA?

(By Blake Clark)

The Philippines today are a China in embryo. The downfall of the Chinese Nationalist started with a corrupt government. Many high officials of President Quirino's Philippine administration are not only astonishingly dishonest—they even admit it. Mao Tse-tung's Red army in China began as a small but well-organized band aided by disillusioned farmers and villagers. Luis Taruc's efficiently trained, Communist-led Filipino Huks are even now holding their own against the Philippine constabulary. Some people believe that but for their fear of United States intervention the Huks would attempt to take over the country.

Many unprincipled officials fatten off the impoverished people of the Far East, but none do so with such grace and good humor as the Filipino politician. "We're not angels," confesses former Senate President José Avelino with engaging frankness. "What are we in power for?"

Before assuming his seat in the Senate in 1946, Avelino had a bank account of $3,000. By April 1948 he had deposited $500,000. He gained a portion of this from the sale of United States Army surplus beer, ignoring the prohibition against a member of the government participating in such deals. Suspended from the Senate for this act, he brazenly ran for President of the Republic. Rejected overwhelmingly by the people, he was "forgiven" by President Quirino in a deal for political support and became again presiding officer of the highest lawmaking body in the land.

"Let's rehabilitate the country," exclaimed a politician when the United States turned over surplus property to the Philippine Government, "but let's first rehabilitate ourselves!" Officials allowed friends to negotiate contracts at low figures instead of competing with other bidders. They declared caterpillars, bulldozers and other valuable heavy equipment scrap and knocked it down to favorites by the ton. Despite former President Roxas' order that no agricultural equipment leave the country, ships piled deck-high with tractors pulled out of Manila Bay for China and Argentina.

Base superintendents, inspectors, and other employees pilfered stock piles. A buyer of hospital supplies would contract for a crate of gauze and, with the help of a conniving inspector, cart away a crate of surgical instruments. Probably as much scrap steel and spare parts went over the fence as were sold through the proper channels. In other parts of the world where the Foreign Liquidation Commission sold surplus, the total return was 19 percent of procurement cost. In the Philippines it was 4 percent. Had they realized the full 19 percent, the islands would have been $175,000,000 richer.

Peso millionaires sprouted everywhere. Base superintendents bought movie theaters; society matrons built half-million-dollar apartment houses; businessmen salted away their take in enormous insurance policies; and officials' mothers-in-law, hitherto unsuspected of affluence, acquired some of the finest office buildings in the city. The city council demanded a member's take of 2 percent of the cost of new construction, in some cases running into thousands of dollars, before granting a building permit.

For corrupt politicians the new immigration quota offered a golden chance. The Philippine Government had limited the number of Chinese streaming into the islands to 500 per year. Speaker of the House Eugenio Perez secretly distributed the lion's share of the entrance permits among the representatives; Senate President Avelino supervised the allocation in his chamber after keeping some 40 to sell himself.

Wealthy Chinese desperate to escape from Communist China paid handsome sums to get their names on these lists. The usual price was $1,500; some came higher. When Senator Lorenzo Tañada exposed this racket, he declared that of the nation's 24 Senators only seven were not accepting their share of the spoils.

An astonishing fraud developed in the official purchase of everyday articles. Francisco Martinez, treasurer of Quirino's Liberal Party in Leyte, was also treasurer of the province. In two years he bought from two favored Manila firms more than $1,387,500 worth of school supplies at exorbitant prices. He acquired enough carbon paper to last the province 152 years—at 54 cents instead of 4 cents a sheet. He laid in a 57-year supply of stencils at $7.35 a quire when he could have bought them for $1.75. He paid $13.50 instead of 65 cents each for 10,000 small mattocks for school gardening. Office supplies overflowed the Leyte capitol storeroom and filled a large Quonset hut bought specially to contain them.

The auditor general investigated and recommended Martinez' dismissal. Criminal prosecution was scheduled to follow, but Martinez is still treasurer of the Province and of Leyte's Liberal Party. The newspaper reporter who first uncovered the facts found that the same type of buying is going on in a number of other provinces.

Underpaid petty officials embarked upon a practice of accepting bribes which short circuits the collection of millions of governmental dollars each year. I went to the post office with a resident friend to pick up a parcel. "Forget the 10-peso duty," said the clerk. "Give me something to buy cigarettes." The week before, a customs director advised a jeweler importing a large shipment of watches to revise his invoices and declare the total value to be one-fourth of what he had indicated. The merchant did so, split his savings in duty with the official and kept $6,000 from the government.

A systematized network of collusion and graft among revenue collectors is costing the government 75 percent of all collectible taxes. According to Secretary of Finance Pio Pedrosa, appraisers, secret-service operatives, harbor police, and customs and treasury agents work hand-in-glove with tax evaders and smugglers. They pool and divide their cut in set proportions.

An auditor who has examined the books of hundreds of Chinese businessmen, some of whom had inventories listing goods worth more than a million dollars, told me that not one of them had paid income tax exceeding $500. Law enforcement is so lax generally that they have no respect for the law whatsoever—and the Chinese control most of the retail trade in the Philippines. Secretary Pedrosa himself says that he does not know of a single tax evader who has ever gone to prison.

If bribery and corruption were stamped out, the government could balance its budget. As it is, Secretary Pedrosa expects a deficit of more than $45,000,000 this coming fiscal year. Others believe it will at least double that figure.

Receiving little income, the Philippine Government cannot pay its employes a living wage. It is almost too much to expect a customs official or tax collector receiving $75 a month to turn down a $250 bribe. And there was plenty of cash—since July 4, 1946, the United States has poured a billion and a half dollars into the islands.

To stop the flight of capital from the islands, the government last December installed exchange controls, and the black market in dollars was on. The United States dollar soon brought three pesos instead of the

legal two. Ready convertibility at the authorized rate is gone, perhaps forever. With a corrupt government, the next move is to grant special exchange permits to favorites who will convert their currency at the legal rate and send the dollars out of the country. After that comes the printing press, and you are on China's inflation road.

Five hundred thousand firearms are loose in the islands today, almost all of them in irresponsible hands. Even college boys, legislators, bankers, and churchgoers tote .45's and .38's like professional killers. Signs in Manila hotels, night clubs, and the halls of Congress invite guests to "Check Firearms." Approximately one man in ten carries a gun in this city, the center of Philippine civilization.

You take your life in your hands when you travel along many public roads. Women are not allowed to traverse the 45 miles from Clark Field to Manila alone; their jeeps travel in threes, the first one armed. Marsman Construction Co., afraid to risk the danger of ambush, flies its payroll to four camps in different parts of the islands. The murder of Mrs. Quezon and others of her party on the highway, the slaying of two young Americans on their own farm and of two professors hiking in a region only 40 miles from the summer capital of Baguio were headlined in America. Manila newspapers give details of similar murders virtually every week.

Many law-abiding citizens are more terrified of the Philippine Constabulary and Civilian Guards than of the outlaws. Underpaid, frequently demoralized, these trigger-happy units have been known, upon hearing of a few dissidents in a village, to set up artillery 300 yards away and wipe out the entire community. More than 50 farmers having a dance one night in the province of Laguna on Luzon were suspected by PCs of being Huks. The soldiers lined up the civilians in the yard and mowed them down by rifle and carbine fire in a horrible wholesale killing. Only two men escaped to tell the story of the massacre.

To be economically healthy and politically stable, a country must afford its people a chance to make a decent living. Ninety percent of the working Filipinos are not paid a subsistence wage. The maximum average pay for skilled workers in Manila is $3.85 a day, for unskilled $2.25. Outside the city the upper limit averages are $1.67 and 98 cents. People simply cannot exist on such meager incomes. Eggs are nearly 75 cents a dozen, shoes $7.50 to $25 a pair, fresh milk 40 cents a quart. A day's supply of rice costs about 60 cents.

The trim little Filipina stenographer in her starched dress and the shoe clerk in his clean white shirt pay half a day's wages for a restaurant lunch. They go home at night to a rude one-room shanty of discarded boards and corrugated tin, into which families of six are frequently crowded. Less fortunate Manilans live in thatched nipa-palm huts in the suburbs or in the hovels of the North Harbor, amid the stench of backed-up sewage and uncollected garbage. Manila is not a large city with slums—it is a large slum in which is set a small jeweled city.

Employer-labor relations are bad. In sharp contrast to the meager wages for native workers, the average American senior business staff member in the Philippines draws $950 a month, the junior $750. One workman said of his boss: "He thinks if he eats ham and we do too, it spoils the meat." And, significantly, a guard remarked of an employer he liked: "He can go safely anywhere on the place—even at night."

A group of construction men recently confronted a firm with a long list of demands, including a 30 percent increase in salary, hospitalization, sick leave, vacation pay, and coffeee time. The company representative settled them all with the union leader for $100, and the workmen got nothing which they had not received before.

The notorious Filipino Stevedore Workers' Union is laying the entire waterfront wide open to Communist control. It uses the capataz system—the employer does not pay the individual workmen but the union leaders. Taking their cut, they hand the wages to captains who help themselves to their share and distribute the rest to the members of their crew. As there are 40,000 men who actually carry cargo, with about 10,000 employed every day, each is closely dependent upon his captain for his job and does not protest any abuses. The captain is just as dependent upon the union leaders. Armed men stand constantly ready to suppress any attempt to break this stranglehold.

Unloading gangs are paid for as if they comprised 13 men, but normally contain only 10. The shipper, and eventually the buyer, pays wages to the union for men who were not there. Considering that some 800 working gangs throng the docks each day, the opportunity for graft is astounding. One impartial waterfront observer estimates that each unit has an average of three men missing, a total of 2,400 men a day. Multiplied by $3.30, the daily wage, this is $7,920 a day in funds that have no place to go except into labor leaders' pockets.

The 40,000 stevedores are fed up with this system, but each individually is helpless. They have no one to turn to but the Communists. Already you hear workers on the waterfront say, "Maybe Taruc is right." With the support of these thousands of discontended laborers, the Communists could gain control of a strategic Far Eastern waterfront.

Tired of corruption and starvation wages, many Filipinos eagerly anticipated the 1949 elections as a peaceful means of getting honest government. But on Negros island, for instance, when friends attempted to campaign for a candidate noted for distinctive public service, special police assaulted and clubbed them, driving them away with smashed faces, bleeding noses and broken heads. The guardians of the law then installed themselves in several candidates' homes, preventing them from campaigning; they confined others in hotel rooms.

Quirino's party, meanwhile, refined the process of collection until campaign money poured in like cane-sugar syrup. When a businessman from whom they solicited $5,000 protested that he did not have such a sum, they told him to borrow from the Philippine National Bank. When he said he could never repay it, he was told, "You won't have to. The bank will cancel it as a bad debt." Some three and a half million dollars of government money was thus chuted into party coffers.

Every device known to fraudulent elections was used on November 8. Filipinos sadly wisecracked that even the birds and the bees voted in some precincts. In others, ballots were counted on the night before election. The returns from some municipalities exceeded the 1948 population. Citizens in Batungas, not far from Manila, went to the polls that morning to learn that during the night the mayor had transferred their names to the voting lists of distant precincts, some a day's journey away. The people were so enraged that some of them rushed the mayor, killing him in the melee. They were joined in an armed insurrection by hundreds of men led by prominent residents, including municipal council members. In 2 weeks of fighting, these rebels did away with 62 members of the Philippine constabulary.

With the deterioration of Quirino's administration, some people are already turning to the Huks, the Red army of the Philippines. Former guerrilla fighters, they were organized during the Japanese occupation by Dr. Vicente Lava, who held a doctor of philosophy degree from Columbia University and was chief of the Communist Party of the Philippines until his death in 1947. A confessed Communist, wiry, 35-year-old Luis Taruc, the present leader, was his military commander. They started among the discontented population of Pampanga Province, where 2 percent of the people own 98 percent of the land. As Huk influence spread, the Roxas government suggested it might help the situation if landlords were to give tenant farmers a more equitable portion of the rice harvest, but did nothing to implement the proposal.

Today the Huks, who now call themselves the "People's Army of Liberation," are governed by a presidium of 16, selected by a central committee of some 300 representatives from all provinces. It is estimated that they have 10,000 trained men under arms, with large potential reserves.

Many are experts with Browning automatics, Thompson sub-machine-guns, and automatic carbines. They buy new machine guns complete with tripods for $15, spirited, it is believed, from Clark Field and the Philippine Army barracks.

In each province where they are organized, the Huks have indoctrination schools complete with books and supplies where tenant farmers learn to read, write, and grow better crops. Experts instruct special groups of young men in politics, economics, and tactics of guerrilla warfare. As in the early days of the Communists in China, propaganda teams slip from area to area, lecturing and putting on plays dramatizing the conflict of landlord and peasant.

Rugged days of living on inferior rice and dog-meat stew are just about over for the Huks. More and more unresisting farmers hand over a part of their crops, while proprietors of small businesses, merchants, and a few prosperous Chinese contribute to the cause. Huk morale was never higher. They are convinced that in the long fight they will win.

A few pegs remain on which to hang some hope. In this predominantly Catholic country, the Church belatedly is waking up; a fighting apostolic delegate archbishop and a corps of well-trained fathers are working hard to improve the lot of the Filipinos. One pugnacious father, who looks like a cassocked all-American fullback, says, "Give us another year and we'll be in position for the battle."

Under the watchful eyes of Americans who check the expenditure of United States funds spent for rehabilitation, Filipinos are remaking the face of Manila, having built more than $138,000,000 worth of roads, bridges, harbors, schools, and other public buildings without a single scandal. If technical aid can continue in this pattern, the strengthened economy of this potentially rich nation will be more resistant to the ravages of political termites. And the Philippines are producing more lumber, rice, and coconuts than before the war.

Furthermore, substantial numbers of Philippine Government officials and employees are honest; many are fervently patriotic and want good government with all their hearts. So does most of the public.

Whether the Philippine Republic will stand or fall rests primarily with Quirino. His chief duty, in which Chiang failed in China, is to stamp out corruption in the government. He has already removed a number of corrupt officials and promises further ousters in a drive for clean government. Quirino can still install adequately paid, trustworthy administrators to collect the revenue, help farmers and businessmen increase production and guarantee a fair distribution of profits. If he does not, we may wake up one morning to find that we have put all our far eastern eggs into another China casket.

Mr. Speaker, after reading this article and realizing that a similar condition

prevails in a large number of other countries that have been receiving this Marshall plan money taken out of the pockets of the American taxpayers, I must decline to vote for this conference report to send billions of dollars of the American taxpayers' money to foreign countries, when our country already owes more money than all the rest of the nations of the earth combined.

Mr. REES. Mr. Speaker, when this legislation was considered on the floor of the House several weeks ago, I had hoped that it could be reduced in a sufficient amount so that I could go along and support it. I regret that this authorization, amounting to approximately $3,000,000,000, is too much.

We must realize that this authorization is in addition to approximately $10,000,000,000 already expended under the so-called Marshall plan. It is in addition to $33,000,000,000 our country has expended overseas since the close of hostilities. I am not on this occasion criticizing the past expenditures under the Marshall plan. I know, too, a great deal of good has been accomplished in the rehabilitation of war-ravaged countries by reason of that expenditure.

I would like to say further that if it is shown there is need of funds to buy food or clothing or medical supplies for people who are suffering, I would greatly support such legislation.

When this legislation was under consideration a few weeks ago, I called attention to the fact that the billions of dollars in this bill are not authorized except in general terms. It was suggested by some Members of the House that one-third of the fund might go for agricultural products, including $200,000,000 for tobacco. I do not know why the people of this country should use $200,000,000 to pay for tobacco to be sent to foreign countries.

A tremendous amount of this money goes for heavy machinery and various kinds of equipment for building plants and reservoirs in those countries. It goes only, of course, to countries that are included in the program.

Here is a thing that does not seem very reasonable to me. I am informed that only recently it has been agreed that oil-drilling equipment and machinery costing $1,500,000 is presently being shipped to one of the European countries so that that country can get into oil production faster than at the present time.

I do not think it is right either that American taxpayers' money should be used for the rehabilitation of the pleasure resorts of Europe, including the Riviera. I realize that is a small part of this fund, but the principle of the thing is bad.

It should be understood that the funds under this authorization are handed to the governments of the countries who participate and then the governments buy the products and goods with these funds and then sell to their own citizens at a market price. The foreign countries put the money in the so-called counterpart funds. I am advised the foreign countries under this legislation have at the present time $2,500,000,000 of counterpart funds in their possession. So you have this amount of $3,500,000,000 allocating today together with the $2,500,000,000 already in their possession of ECA funds, being a total of $6,000,000,000 for foreign assistance. Incidentally, members of this great committee have told us in the last few days crop production in countries being assisted under this legislation was greater last year than any year prior to the war. They also say production is almost on par with other years. Let me say again, very little of this assistance goes to help starving people of the world. Those people do not get much out of this program.

Let me repeat, I would not have objection to the expenditure of funds that go direct to the relief of needy people, but we also have needy people in America. You might think of that, too.

Mr. Speaker, $3,500,000,000 is a tremendous amount of money to be expended under policies laid down by the officials in the State Department. Of course, you have a different agency, but it will be required to operate in conjunction with the Department of State. Strange no one seems to be willing to consider loaning, instead of giving, part of the funds used for permanent improvements in those countries.

As I suggested when this matter was under consideration before, no one would object to this expenditure if he thought it would help prevent another world catastrophe. We have spent billions in doing that, and if necessary, of course, we will do it again. It should be noted, too, that we have just recently spent a billion dollars to help rearm the people of Europe. It has also been suggested that this authorization will help prevent the spread of communism abroad. If it would stop communism, of course, we would spend the money, but there are so many places where communism is spreading, besides the countries under this program.

I hope I will not be misunderstood. If this authorization were cut to a place of actual need, then I would go along and support it, but I just do not believe the people of America are warranted in authorizing the expenditure of this terrific amount of money, especially in view of the condition of our own Treasury.

I wonder if we realize that our country has a greater debt obligation than all of the other countries in the world combined.

Mr. KEE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 248, nays 88, not voting 96, as follows:

[Roll No. 172]

YEAS—248

Abbitt	Gordon	Morgan
Addonizio	Gore	Morton
Albert	Gorski	Moulder
Andrews	Gossett	Multer
Angell	Granahan	Murdock
Arends	Granger	Murphy
Aspinall	Grant	Murray, Tenn.
Auchincloss	Green	Noland
Bailey	Gregory	Norblad
Baring	Hale	Norrell
Barrett, Pa.	Hall,	Norton
Bates, Ky.	Leonard W.	O'Brien, Ill.
Bates, Mass.	Halleck	O'Brien, Mich.
Battle	Hardy	O'Hara, Ill.
Beall	Harris	O'Neill
Beckworth	Harrison	O'Sullivan
Biemiller	Hart	O'Toole
Blackney	Harvey	Pace
Blatnik	Havenner	Patman
Boggs, Del.	Hays, Ark.	Patten
Bolton, Md.	Hays, Ohio	Patterson
Bolton, Ohio	Hedrick	Perkins
Bosone	Heller	Peterson
Breen	Herlong	Pfeifer,
Brown, Ga.	Herter	Joseph L.
Bryson	Heselton	Philbin
Buckley, Ill.	Hill	Poage
Burke	Hinshaw	Polk
Burleson	Hobbs	Preston
Burnside	Holmes	Price
Burton	Hope	Priest
Camp	Horan	Rains
Canfield	Howell	Ramsay
Cannon	Huber	Redden
Carnahan	Jackson, Wash.	Regan
Carroll	Jacobs	Rhodes
Case, N. J.	Javits	Ribicoff
Cavalcante	Johnson	Richards
Celler	Jones, Ala.	Riehlman
Chelf	Jones, Mo.	Robeson, Jr.
Chesney	Karsten	Rodino
Christopher	Kearns	Rogers, Fla.
Chudoff	Keating	Rogers, Mass.
Clemente	Kee	Rooney
Cole, Kans.	Kelley, Pa.	Roosevelt
Cole, N. Y.	Kelly, N. Y.	Sadlak
Colmer	Kennedy	Sasscer
Combs	Keogh	Saylor
Cooper	Kerr	Scott, Hardie
Corbett	Kilburn	Smith, Va.
Cotton	Kilday	Spence
Coudert	King	Staggers
Cox	Kirwan	Stanley
Crook	Klein	Steed
Crosser	Kruse	Sullivan
Cunningham	Lane	Tauriello
Dague	Lanham	Taylor
Davenport	Latham	Teague
Davies, N. Y.	LeFevre	Thomas
Davis, Ga.	Lesinski	Thompson
Delaney	Lind	Thornberry
Denton	Linehan	Tollefson
Dollinger	Lodge	Trimble
Donohue	Lucas	Underwood
Doughton	Lyle	Van Zandt
Eaton	Lynch	Vinson
Eberharter	McCarthy	Vorys
Elliott	McCormack	Vursell
Elston	McGrath	Wadsworth
Evins	McGuire	Wagner
Fallon	McMillan, S. C.	Walsh
Feighan	McSweeney	Walter
Fisher	Mack, Ill.	Whittington
Flood	Mack, Wash.	Wier
Fogarty	Madden	Wigglesworth
Forand	Mansfield	Wilson, Okla.
Ford	Marsalis	Wilson, Tex.
Frazier	Marshall	Wolverton
Fulton	Martin, Mass.	Woodhouse
Furcolo	Merrow	Yates
Gamble	Michener	Young
Garmatz	Miller, Md.	Zablocki
Gathings	Mills	
Goodwin	Mitchell	

NAYS—88

Abernethy	Brehm	Fellows
Andersen,	Brown, Ohio	Fenton
H. Carl	Byrnes, Wis.	Gavin
Andresen,	Chiperfield	Gillette
August H.	Clevenger	Golden
Barden	Curtis	Graham
Barrett, Wyo.	Davis, Wis.	Gross
Bennett, Fla.	D'Ewart	Gwill
Bennett, Mich.	Dondero	Hagen
Bishop	Ellsworth	Harden

Hoeven	Murray, Wis.	Simpson, Pa.
Hoffman, Mich.	Nelson	Smith, Kans.
Hull	O'Hara, Minn.	Smith, Wis.
James	O'Konski	Stefan
Jenison	Passman	Stockman
Jenkins	Phillips, Calif.	Taber
Jennings	Phillips, Tenn.	Tackett
Jensen	Potter	Talle
Jonas	Powell	Towe
Kunkel	Rankin	Velde
Lemke	Reed, Ill.	Weichel
Lovre	Reed, N. Y.	Werdel
McCulloch	Rees	White, Idaho
McGregor	Rich	Whitten
Macy	Sanborn	Williams
Marcantonio	Scrivner	Wilson, Ind.
Mason	Shafer	Winstead
Meyer	Short	Withrow
Miller, Nebr.	Sikes	Wolcott
Morris	Simpson, Ill.	Woodruff

NOT VOTING—96

Allen, Calif.	Fugate	Morrison
Allen, Ill.	Gary	Nicholson
Allen, La.	Gilmer	Nixon
Anderson, Calif.	Gwinn	Pfeiffer,
Bentsen	Hall,	William L.
Boggs, La.	Edwin Arthur	Pickett
Bolling	Hand	Plumley
Bonner	Hare	Poulson
Boykin	Hébert	Quinn
Bramblett	Heffernan	Rabaut
Brooks	Hoffman, Ill.	Rivers
Buchanan	Holifield	Sabath
Buckley, N. Y.	Irving	Sadowski
Bulwinkle	Jackson, Calif.	St. George
Burdick	Jones, N. C.	Scott,
Byrne, N. Y.	Judd	Hugh D., Jr.
Carlyle	Karst	Scudder
Case, S. Dak.	Kean	Secrest
Chatham	Kearney	Shelley
Cooley	Keefe	Sheppard
Crawford	Larcade	Sims
Davis, Tenn.	LeCompte	Smathers
Dawson	Lichtenwalter	Smith, Ohio
Deane	McConnell	Stigler
DeGraffenried	McDonough	Sutton
Dingell	McKinnon	Welch
Dolliver	McMillen, Ill.	Wheeler
Douglas	Magee	Whitaker
Doyle	Mahon	White, Calif.
Durham	Martin, Iowa	Wickersham
Engel, Mich.	Miles	Widnall
Engle, Calif.	Miller, Calif.	Willis
Fernandez	Monroney	Wood

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Byrne of New York for, with Mr. Nicholson against.

Mr. William L. Pfeiffer for, with Mr. Hand against.

Mr. Judd for, with Mr. Crawford against.

Mr. Kean for, with Mr. Hoffman of Illinois against.

Mr. Hébert for, with Mr. Secrest against.

Mr. Gary for, with Mr. Sadowski against.

Mr. Bolling for, with Mr. Larcade against.

Mr. Deane for, with Mr. Sutton against.

Mr. Welch for, with Mr. White of California against.

Mr. Buchanan for, with Mr. Wheeler against.

Until further notice:

Mr. Bentsen with Mr. Allen of Illinois.

Mr. Whitaker with Mr. Kearney.

Mr. Karst with Mrs. St. George.

Mr. Irving with Mr. Martin of Iowa.

Mr. Holifield with Mr. Engel of Michigan.

Mr. Sims with Mr. Burdick.

Mr. Rabaut with Mr. Anderson of California.

Mr. Stigler with Mr. LeCompte.

Mr. Gilmer with Mr. McConnell.

Mr. Cooley with Mr. McDonough.

Mr. Morrison with Mr. Dolliver.

Mr. Wickersham with Mr. Allen of California.

Mr. Wood with Mr. Hugh D. Scott, Jr.

Mr. Miller of California with Mr. Poulson.

Mr. Magee with Mr. Nixon.

Mr. Hare with Mr. Gwinn.

Mr. Pickett with Mr. Edwin Arthur Hall.

Mr. Dingell with Mr. Jackson of California.

Mrs. Douglas with Mr. Scudder.

Mr. Doyle with Mr. Keefe.

Mr. Durham with Mr. Case of New Jersey.

Mr. Engle of California with Mr. Bramblett.

Mr. McKinnon with Mr. Plumley.

Mr. Chatham with Mr. McMillen of Illinois.

Mr. Boggs of Louisiana with Mr. Smith of Ohio.

Mr. Fugate with Mr. Widnall.

Mr. BENNETT of Florida changed his vote from "yea" to "nay."

Mr. PATTERSON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

Mr. KEE. Mr. Speaker, I ask unanimous consent that any Members caring to do so may extend their remarks on the conference report just agreed to at a point just prior to the vote.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

SPECIAL ORDER GRANTED

Mr. BRYSON asked and was given permission to address the House for 15 minutes today following the legislative program and any special orders heretofore entered.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 6329. An act for the relief of Betsy Sullivan; and

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 476. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. BRIDGES, and Mr. FERGUSON to be the conferees on the part of the Senate.

COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file a report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1951

Mr. BATES of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8568) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate continue not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Oregon [Mr. STOCKMAN] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8568, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BATES of Kentucky. Mr. Chairman, before I discuss the appropriations contained in the bill before you I want to say a few words about the membership of this subcommittee. The two gentlemen on the majority side [Mr. YATES and Mr. FURCOLO] are serving their first terms in Congress. If their political success in the future is to be in any manner commensurate with the ability they have shown on this subcommittee, then I am certain that they both shall have long and successful careers in public service. I would indeed be remiss in my duties if I did not mention the outstanding contributions of our late colleague from Illinois, Ralph Church, who served as the ranking minority member in the preparation of this bill. As for the other member of this subcommittee, my genial friend from Oregon, LOWELL STOCKMAN, enough good things cannot be said about his spirit of cooperation which together with his grasp and knowledge of the affairs of the District of Columbia have made him an invaluable member, not only of the subcommittee but of this House.

The clerk of the subcommittee, Mr. Frank Sanders, is perhaps due more credit for the bill before you than any member of the subcommittee. He has given long hours to this work and has done it in a very capable and efficient manner. The entire subcommittee joins me in saying we cannot sing praises too high.

The bill before you was adopted in the subcommittee without a dissenting voice. It is a good bill, and, I am happy to report, well within the anticipated revenues of the District of Columbia. You will find the report of the committee accompanying the bill to be completely explanatory of the committee's action on the budget estimates for the District. These estimates were in the amount of $119,167,175. The bill contains appropriations in the amount of $112,840,340, a reduction of $6,326,835. I reiterate the

statement found in the second paragraph of the report that the funds contained in this bill are not a charge against the Federal Government but are appropriated from the revenues of the District of Columbia. The amount recommended is an increase of $9,721,268 over the appropriations to date for 1950. Of this amount, $4,000,000 is for so-called mandatory increases such as pay increases, retirement and disability payments and the like. The remainder is made up of an increase in the capital outlay program and increases in personal services and necessary supplies and equipment which will result in the rendition of much-needed and more adequate public services to the citizens of the District.

I would like to call your attention in particular to several items in this bill.

Primarily, the greatest need of the District at the present time is a realistic and adequate capital outlay program to provide improvements, particularly in the public welfare institutions and the public schools. In past years the fiscal affairs of the District have made this impossible. In this bill the problem has been approached for the first time in a realistic manner. There is contained in this bill almost $14,000,000 in capital improvements, plus over $7,000,000 in contract authorization, an increase of approximately 90 percent from the 1950 appropriations and authorizations. The outstanding item in this program is the beginning of the modernization of the facilities now available at the Home for the Aged and Infirm, including extensive renovations in the hospital section. This has been a primary need of the District for some time, and it is with a great deal of pleasure that I mention the start of this program. Appropriations for construction of or additions to 13 schools are contained herein in the amount of $4,646,000. Other outstanding capital improvements provided for in the bill, particularly in the Street and Bridge Division, the Sewer System, the Water System, as well as in all agencies, are set forth in the tabulation at the end of the report. This capital outlay program must be maintained, particularly in the general fund agencies at a commensurate rate in the fiscal year 1952. To do otherwise would be detrimental to the welfare and the interests of the citizens of the District. To accomplish this, reductions of a substantial nature had to be made in the budget estimates. These facts are set forth in some detail on page 2 of the committee's report and I shall not go into the matter further at this time. These reductions in the amount of $3,913,435 in the general fund have been accomplished by holding down increases for personal services, supplies and materials, and equipment to the minimum amount necessary to render efficient and adequate services to the residents of the District. Reductions have been made also in the capital outlay program as submitted in the budget on the basis of decreasing construction costs on public buildings and by a careful reexamination of the entire program in view of the over-all needs of the District.

One of the perennial bones of contention in this bill is the appropriation for operation of the public schools system. It is my personal belief that the system here in the District is one of the best in the Nation. I am certain that under the able guidance of the present president of the Board of Education and with the cooperation of this Congress, and in particular with the Appropriations Committee, it will in a few years be second to none. I wish that it were possible to appropriate funds for every school building and school need that was presented to us by the many public-spirited citizens' groups of this city. The fiscal resources of the District make this impossible. Even if these fiscal resources were available, good management and experiences in the past tell us to measure every dollar spent for public schools so that it might be spent where it would be beneficial to the greatest number of people, I believe that we have done this.

In addition to the capital outlay program for the public schools which I have previously mentioned, the committee has also recommended increases in the number of new teachers for divisions X through XIII. The funds contained herein will show the employment of 88 new teachers in this division and provides for the maximum use of existing school facilities and equipment without the necessity of part-time instruction. In addition to this the bill includes positions for 14 clerk-stenographers in the elementary schools, the beginning of a program to provide much-needed clerical and stenographic help for the overburdened elementary school principals.

For many years the athletic program in the high schools of the District have not been on a level with the other activities and sufficient emphasis has not been given this vital portion of the educational system. For the first time in history, there is contained in this bill money for the purchase of athletic equipment for the 14 senior high schools. In addition to this, the committee has directed the superintendent of schools to make a thorough study of the athletic program in the public schools and to file a report and recommendations with the committee upon the completion of this study on or before January 1, 1951. I sincerely hope that previous studies made by Dr. Strayer and to some extent by the committee staff, together with this report, will result in the committee being able to establish a definite and much-needed athletic program in the public schools of the District in the next fiscal year.

In the Police Department, the committee has allowed the addition of 30 new men to the uniformed force of the Department. The Superintendent of Police testified that he would be able to secure these men under the existing civil-service regulations and it is the committee's sincere desire that the police force be built up as rapidly as possible to the size needed for the proper enforcement of law in the District of Columbia.

The committee is quite concerned with the high and increasing cost of the courts in the District of Columbia. Substantial reductions have been effected in the budget estimates for the operation of these courts, and the committee has also directed the Commissioners and the chief judges of the three District courts to make a thorough study of the various courts and their expenditures with an idea of effecting substantial savings in the budget estimates for the fiscal year 1952.

The committee has appropriated $10,416,075 for the Health Department, including Gallinger Hospital and Glenn Dale Sanatorium. This amount will allow for a dental fluorine program for the public and parochial schools and for more adequate nursing services at the Glenn Dale Sanatorium. One of the outstanding needs in the public health field in the District in the years past has been the need for a study into the causes of maternal and infant death and disabilities. One of the new positions contained in this appropriation is for the employment of an expert in obstetrical practices and pediatrics to work with the hospitals and with the medical profession to attempt in some manner to remove these causes of deaths and disabilities. The appropriation for Gallinger Municipal Hospital has been increased $730,100 over the 1950 amount. This will allow the start of a program to modernize this hospital and provides funds to correct present outstanding deficiencies, particularly in the X-ray service and in the various treatment services of the hospital. An entire new staff is provided for the new crippled children's and pediatrics laboratory which has just opened.

Mr. Chairman, the time has arrived when thorough study and consideration should be given to plans for the care of the indigent sick in the District of Columbia. Primary concern must be in providing the proper medical care required within the funds available and according to the needs of the people involved. This is not to provide a subsidy for the private hospitals or to allow them to enlarge their programs. It is to provide the people of the District with a medical-care program which is commensurate with their needs. The committee and its staff has given considerable study and thought to this situation. In the committee report accompanying this bill they have directed the health officer and the Commissioners to make a thorough study of the program for the care of the indigent sick. Already we have taken steps to bring about a more realistic and efficient service. Funds are contained in this bill for the operation of the Gales School clinic, and plans are now under way for the expansion of this clinic. A new and enlarged home-care program has already been installed, and its growth is continuing. Even now plans are being formulated for the establishment of an out-patient service at Gallinger Municipal Hospital. The clinics at Gales School and at Gallinger can be operated much cheaper and at the same time render more adequate service than the clinics at the private hospitals. It is conservatively estimated that the operation of these clinics alone will enable these two centers to absorb approximately 88,000 clinic visits. At the prevailing contract rate of $2 per visit, this

represents a savings in this appropriation of $176,000 in out-patient service alone. This figure does not include the in-patient days, which will naturally be cut down as a result of this increased clinical service and the home-care program.

I am firmly convinced that if the Health Department would exercise a firmer control over the medical-care program they would be able to eliminate a goodly number of the patients now being sent to contract hospitals by sending them to Gallinger. For example, continuity of care is of vital importance to successful medical treatment. Many of the patients making clinic visits require more than one treatment and over a period of time a goodly number of them are found to require in-patient care. Whenever such a situation arises a hospital believes that the patient whose case they have handled should be furnished in-patient care by the same hospital, and not referred elsewhere. Now this continuity of care is desirable, but frequently the District has better facilities available for the treatment of particular types of cases at other hospitals. It would be advantageous to the District both financially and medically to have the patient enter Gallinger or some other hospital better equipped to handle the case. It is not being done at the present time to the extent that is commensurate with good fiscal practices. There is no question but that a tightening of the controls by the Health Department would result in substantial savings to the District.

I am not at all convinced, as a matter of fact, that the District needs the services and facilities of all of the contract hospitals in their care of the indigent sick. Certainly there is a need for the specialized services of Children's Hospital, as we have pointed out in the committee report, but I cannot say the same for the other hospitals. Most certainly there is an outstanding duplication of facilities when we look at all of the hospitals. Geographically they are all more or less located in the same area of the city, some of them practically on top of Gallinger. I sincerely think that the Commissioners and health officer should give serious consideration to the establishment of contracts only with those hospitals whose geographical location and modern equipment and facilities would make them a welcome supplement to the facilities at Gallinger. This would certainly enable the Health Department to furnish clinical and medical care to all of the indigent sick in a more efficient manner. At the same time it would enable them to exercise more adequate supervision and direction over the program for the care of the medically indigent sick. The end result of this would certainly be that for which we are all striving, more public service at less expense to the taxpayers.

The committee has allowed the amount of $16,078,100 for the operation of the Board of Public Welfare. This amount will allow an increase of $115,000 in public-assistance grants, bringing it up to a level commensurate with the needs of the families involved. It will also allow for additional personnel in the public-assistance division in order to provide more adequate services to the citizens of the District, both as a means of rendering a careful check on those receiving relief and by supplying money and supplies for the actual needs of the families involved.

I have already mentioned the capital-outlay program for the Department's Home for the Aged and Infirm. There are also contained funds for the modernization of the facilities at the various protective institutions and funds for the beginning of work at the new location for the Children's Center.

I would like to point out particularly the appropriation for the Street and Bridge Division of the Highway Department. The committee has recommended an appropriation of $4,895,800 for this work as compared with the budget estimates of $7,285,000. Some of this reduction has been made by the committee's announced policy in reference to increases in personnel, supplies, and materials and equipment. The chief reduction, however, is in the request of $2,041,800 for the proposed bridge across the Anacostia River. The committee is completely in sympathy with the Commissioners' plan to construct this bridge at the East Capitol Street site. I think that the controversy between the National Capital Parks and Planning Commission and the officials of the District has been illogical and uncalled for and completely detrimental to the interests and the welfare of the citizens of Washington. The matter should have been settled long ago upon the recommendations of the Commissioners and without the necessity of legislation which has recently passed this House. The committee does not believe that any money should be appropriated for this structure until such time as the entire controversy is settled, and I for one shall sincerely oppose any appropriation for a bridge which is not commensurate with the present recommendations of the Commissioners of the District of Columbia to the National Capital Parks and Planning Commission.

This is the largest appropriation ever submitted for the government of the District of Columbia. In my opinion it provides for an adequate and efficient government for the operation of this city. The reductions will work no hardship on any of the agencies involved and at the same time it will enable this committee and the Commissioners to carry out in the future a program sorely needed by the citizens of Washington. I urge favorable consideration and adoption of this bill as it has been reported by the committee in order that this city, which is a foster home to many of us for a goodly portion of the year, might be provided with a capable and competent municipal government commensurate with the needs of the citizens of the District.

Mr. STOCKMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I wish first to pay my respects to the chairman and members of this subcommittee for the fine spirit of cooperation which they have shown all during the time we held hearings on the District budget. At no time during our hearings was there any word of acrimony among the members. Our clerk certainly has spent unlimited hours in the study of the problems of the District and has been of inestimable help to the considerations and findings of the committee. I commend him most highly for his efforts.

Mr. Chairman, the statement just made by our chairman, together with the report of the committee, gives the Members a complete picture of the action and the recommendations of the committee with reference to the budget estimates for the District of Columbia for the next fiscal year. There are, however, several things I want to emphasize with reference to this bill and the manner in which it was formulated.

I would like to join with my distinguished chairman in the sentiments he has expressed with reference to this proposed budget and to the District government. Particularly do I want to emphasize his statement as regards the Metropolitan Police.

The funds contained herein will allow for the continued modernization of the police force. I, too, am convinced that Washington has one of the best police forces in the Nation. Among other things this bill provides for extra policemen, the conversion of the present police radio system to frequency modulation, the replacement of scout cars and other motorized equipment and for other vital and much-needed equipment and supplies. For example, one of the pressing needs of a detective bureau in a large metropolitan area is the necessity for rapid identification laboratory service. Appropriations contained in this bill will allow for a covered van to be purchased for the identification bureau. It will be equipped with cameras, lights, fingerprinting equipment, and any other necessary equipment for this type of service. This will enable laboratory work to be done at the actual scene of the crime or accident. It is indeed a step forward in the modernization of the police force and in the more rapid solutions of criminal problems.

This committee has collaborated with officials of the police department to the fullest extent consistent with good fiscal practices; in return we have received their complete cooperation. I sincerely believe that the continuation of this practice will in a very short time give the people of the District a police force which is second to none in this country.

Along this same line of thought, the committee has recommended funds in this bill for the installation of a 60-hour week for firemen. This, together with the increased amount of $85,617 which the committee has allowed for the purchase of new apparatus, will, I believe, provide the residents of Washington with a modern, up-to-date fire department, equipped to ably protect their property and lives.

There are two departments of the city government which we often overlook in our consideration of fiscal affairs. I refer particularly to the sewer and water divisions. The bill contains the amount of $3,857,650 for the operation of the

sewer division. I wish that it were possible to double this amount, for although Washington has an adequate sewer system, there is still much room for improvement. In the new sections of the city new sewers are needed. In the older sections of the city there is need for replacement of existing sewers, particularly of storm water sewers.

The fiscal situation of the District and the more pressing needs of some of the other agencies made it impossible for the committee to allow all of the money needed and requested for capital outlay for this vital work.

The committee is unanimous in their desire to inaugurate a proper capital outlay program as outlined in the committee report and by the chairman in his remarks a few moments ago. I solidly concur in the opinion we have reached that the primary capital outlay need exists in building up the public-school system and the public-welfare institutions. This will be done to a considerable extent by the appropriations contained in this bill for the fiscal year 1951. I sincerely hope that in the fiscal year 1952 the Commissioners will include in their budget estimates funds to begin a program to expand and modernize the sewer system of the District. I can assure them that my distinguished chairman and the members of the subcommittee will join with me in giving this matter our most careful consideration with the idea of providing the people of Washington with a renovated and modernized sewer system.

The budget requests, for both operating expenses and capital outlay requirements of the water system, have been approved in their entirety. Operating costs appear to be at the practicable minimum for the maintenance of satisfactory service after taking into account the many increases in costs incidental to the purification and distribution of water.

The recommended appropriation for capital outlay is less than would be justified by the crisis now confronting the water system; however, if expenditures must stay within available income, then there is no alternative.

I have used the word crisis and believe this deserves some explanation. In contrast, New York, for example, which is having a desperate experience, Washington is very fortunate. The present sources of New York's water are insufficient for its needs. Washington's water source, the Potomac River, can meet all the requirements which can be foreseen not only for the District of Columbia but the Metropolitan Area surrounding it. The difficult with which we are faced at this time is a growing insufficiency of facilities with which to collect the necessary water from the river, purify it, pump it, and distribute it to the constantly increasing multitude of users.

As an example, the conduits carrying the water from the river at Great Falls to the Dalecarlia Reservoir can bring in to the city only 215,000,000 gallons of water in a day. On two different days last summer the city consumption was more than 241,000,000 gallons and on many other days consumption exceeded the conduit capacity. These deficiencies were made up by the use of temporary, improvised pumping facilities taking water from the Chesapeake and Ohio Canal. Similarly, the filter plants have a safe production capacity of 185,000,000 gallons daily and have been forced to the limit to produce in excess of 200,000,000 gallons daily for weeks at a time. The same strain now also applies to pumping facilities which are needed to force the water into the system after it is purified. When a water system is forced beyond its capacity time and again it will fail sooner or later. Worse still is the fact that the demand is continuing to grow each year and exceeds all past predictions.

Within the limit of water system earnings a program of capital additions has been in progress for several years. I am happy to say that this bill will provide the funds for the virtual completion of the Bryant Street Pumping Station which is one of the two main stations in the system and will permit a substantial start in the expansion of the Anacostia Pumping Station. This bill will also permit a beginning of the new pumping station at the Dalecarlia filtration plant. Many other costly facilities should be started right away because they will not be useful for 3 or 4 years from the present because it takes a long time to build them. But even so, we have done and are trying to do all we can to assist in this expansion as limited by the framework of existing law.

Mr. Chairman, this bill is a good bill. Fiscally it provides for a sound and capable city government. I am certain that the continued cooperation of the Commissioners and the other city officials with our subcommittee will result in a maximum amount of public service being rendered to the citizens of the District entirely commensurate with their needs. I urge the passage of this bill as it has been reported by this committee and without any amendment.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. STOCKMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. WILSON].

Mr. WILSON of Indiana. Mr. Chairman, as the youngest member of this committee, I shall not presume to say too much in reference to this bill. I would like to say, however, that in the short time I have served on the Appropriations Committee, and especially on this particular subcommittee, I have learned to know and come to respect every member of the subcommittee very highly. I also appreciate and commend the professional staff of the subcommittee. May I congratulate the distinguished chairman of this subcommittee for his untiring efforts to bring out the true facts in connection with appropriations for the District of Columbia. I am more than pleased with his efforts to keep this appropriation trimmed down to a minimum, but a very, very fair minimum.

Mr. BATES of Kentucky. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. JACOBS].

Mr. JACOBS. Mr. Chairman, I am forced to be absent for 4 days, leaving the floor before the vote on the District of Columbia appropriation bill.

I am therefore pairing against that bill. I realize it is a futile thing to do, inasmuch as the bill will undoubtedly pass.

Nevertheless I keenly feel that I cannot vote for this measure because the local property tax rate is only about 25 percent the rate in the district I have the honor to represent.

When the District of Columbia levies an equal tax rate (now 2¼ cents) upon its property, and has a comparable valuation on such property then I will if necessary support measures for Federal funds to supplement such funds for the District government.

I find that property valuations are about one-half the comparable valuations of market values as compared with Indianapolis, Ind., whereas the rate on that very low valuation is less than one-half that in Indianapolis.

True the Government owns much property here. But that fact also brings lush business to the Capital and enhances property values.

We have Federal property in Indianapolis also, but no such contributions from the Government.

I favor self-rule for the District of Columbia and also self-support commensurate with other sections of the country.

Therefore I oppose the appropriations provided in H. R. 8568.

Mr. STOCKMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Chairman, in considering the appropriations bill for the District of Columbia I feel that the committee may have overlooked a very important matter in the item for the municipal court. On page 23, line 13, the amount for that court is $661,810. In looking over the record, I find that the committee has apparently inadvertently failed to provide funds for three secretaries for the three new judges which this bill provided for. The reason the three new judges are being employed is because the business of the municipal court has increased to such an extent that the 10 judges now employed are unable to handle all of the business. The business of this court has increased 10,000 cases a year for each of the past 5 years. It handled 150,000 cases last year, and the increase is so heavy that the Congress has decided three new judges are absolutely necessary. The 10 judges presently employed are supplied with both clerks and secretaries. The clerks are badly needed in the courtroom when the judges are sitting in their separate courts and the secretaries perform valuable work in the judge's chamber when the judge is on the bench. The 10 judges are unable to share their secretaries with the new judges and there is no pool of secretaries in that court. Therefore, the committee in making appropriations for these new judges apparently overlooked the fact that while they are providing funds for the three new judges and their three clerks, they did not provide funds for three secretaries. This court is taking in three times in funds as compared to its budget. The total cash collection

last year amounted to about $1,300,000 with a budget of about $600,000. I bring this to the attention of the committee in order that it may be given further consideration either in the other body or in conference.

Can the chairman enlighten the membership on why there is that discrimination against these three judges?

Mr. BATES of Kentucky. We suggested in the report, and the committee was unanimous on it, that these secretaries serve more than one judge. As a matter of fact, we have increased the appropriation this year $157,000 over last year.

Mr. STEFAN. The report does not say so.

Mr. BATES of Kentucky. I am wrong about that. It was a telephone call to the Budget Officer; that is what it was.

Mr. STEFAN. The report does not indicate that you suggested that the other judges allow their secretaries to serve these three new judges.

Mr. BATES of Kentucky. Well, that has been discussed with them, and that has been requested of them.

Mr. STEFAN. I thought there was some explanation, and that perhaps it was inadvertently omitted. Some correction should be made when you get to conference, because there is discrimination here. The other judges, I understand, will not relieve their secretaries. They need them in their own chambers when they are sitting on the bench in their various courtrooms, and they are working under that handicap.

Mr. BATES of Kentucky. It was the opinion of the subcommittee, and it was unanimous, that the courts were costing entirely too much, and we were trying to economize if we could.

Mr. STEFAN. I agree with you that you should economize, but it looks like discrimination here, and there was nothing in the report about it. So, I understand that the other 10 judges must share their secretaries with the 3 new judges.

Mr. BATES of Kentucky. Yes.

Mr. STEFAN. I thank the gentleman.

Mr. BATES of Kentucky. I have no further requests for time, Mr. Chairman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BATES of Kentucky. I yield to the gentleman from Iowa.

Mr. GROSS. How many municipal judges do we have of all descriptions?

Mr. BATES of Kentucky. Thirteen.

Mr. GROSS. Does that include juvenile court and all municipal judges?

Mr. BATES of Kentucky. All municipal judges in the Municipal Court of the District of Columbia.

Mr. YATES. The gentleman is not confusing that with Federal judges, is he?

Mr. GROSS. No; municipal judges in the District of Columbia. You have how many secretaries; 10?

Mr. BATES of Kentucky. Ten secretaries.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

NATIONAL ZOOLOGICAL PARK

For expenses necessary for the National Zoological Park, including erecting and repairing buildings; care and improvement of grounds; travel, including travel for the procurement of live specimens; purchase, care, and transportation of specimens; purchase of motorcycles and passenger motor vehicles; revolvers and ammunition; purchase of uniforms and equipment for police, and uniforms for keepers and assistant keepers; $573,000: *Provided*, That funds appropriated under this head shall be expended by expenditure warrant as an advance to the National Zoological Park and shall be credited as a repayment and maintained in a special account. The amounts so advanced will be available for the objects herein specified, any unexpended balance to be returned to this appropriation not later than two full fiscal years after the close of the current fiscal year.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: On page 55, line 22, add a new section: "*Provided*, That no part of any appropriation contained in this bill shall be used for any of the purposes therein mentioned by any agency, office, or department of the District of Columbia, which segregates the citizens of the District of Columbia in employment, facilities afforded, services performed, accommodations furnished, instruction, or aid granted on account of race, color, creed, or ancestry of the citizens of the District of Columbia."

Mr. BATES of Kentucky. Mr. Chairman, I reserve a point of order against the amendment.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POWELL. Does the gentleman from Kentucky make a point of order that the amendment is not in order?

The CHAIRMAN. The gentleman from Kentucky has reserved his point of order.

Mr. POWELL. Mr. Chairman, this is the amendment that I have offered for 6 years. The amendment which, if adopted will clean up our Capital. It has been sustained by the Chair each time it has been offered and contains the exact wording of the previous amendments.

Mr. FURCOLO. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. FURCOLO. I did not quite understand the gentleman's amendment. Does he mean the citizens of the District of Columbia?

Mr. POWELL. Yes; the citizens of the District of Columbia.

Mr. Chairman, this amendment has been defeated each year, but I am happy to say the record shows an increasing number of "yeas" in support of it. This session of the Congress, with its lamentable record in the field of civil rights, should, with its high-handed travesty on FEPC, should give serious consideration to this amendment.

I know many Members have peculiar local problems, sometimes sectional as well.

I feel, however, that when we consider the Capital of our Nation, and more than that, the Capital of world democracy, we should submerge these local and sectional differences and try to legislate in Washington, D. C., a Capital whose atmosphere would be in keeping with the sentiments expressed yesterday on I Am an American Day, a Capital in keeping with the principles of government that we are trying to sell to the peoples of the world through the Marshall plan, a Capital that would not be a world disgrace. All the money that we voted for today when we adopted the conference report on the Marshall plan was simply money poured down the drain, unless we prove to the peoples of the world that here in Washington, D. C., we are willing to practice what we preach. It is bad enough to practice native fascism sectionally but inexcusable to practice it right here in the Capital. The Marshall plan is nothing but lip service democracy unless we back it up with the practice of real democracy.

Voting for real democracy in Washington, D. C., does not in any way conflict with your problems in the various districts. It means that you recognize, first, that Washington is the Capital of our Nation and, therefore, secondly, here there should be the best form of democracy. Democracy that is dual—one way for dark and one way for white—is worse than no democracy at all, for it is a farce.

I am appealing to the Members to support this amendment today. It will back up the pleas that we are making throughout the world for the kind of democracy that we want the world to have. You cannot wage a cold war abroad by throwing cold water on the rights of 15,000,000 members of my race. The peoples of all nations look upon us with that respect which is sadly lacking now when they know that even if, in certain sections of the country, there may be segregation, that, at least in Washington, D. C., there is the finest and highest type of democracy.

I appeal to you, therefore, to back up this amendment and to vote for it.

Mr. BATES of Kentucky. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. POWELL) there were—ayes 19, noes 50.

Mr. POWELL. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk concluded the reading of the bill.

Mr. BATES of Kentucky. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House, with the recommendation that the bill do pass.

The motion was agreed to; and the Speaker pro tempore [Mr. MCCORMACK] having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8568) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CLEVENGER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. CLEVENGER. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CLEVENGER moves to recommit the bill H. R. 8568 to the Committee on Appropriations.

Mr. BATES of Kentucky. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 3, noes 77.

So the motion was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

CONTESTED ELECTION CASE—GEORGE D. STEVENS v. WILLIAM W. BLACKNEY

Mr. HARRISON. Mr. Speaker, I call up the resolution (H. Res. 503) relative to the contested-election case of Stevens against Blackney, Sixth Congressional District of Michigan.

The Clerk read as follows:

Resolved, That WILLIAM W. BLACKNEY was elected a Representative in the Eighty-first Congress from the Sixth Congressional District of the State of Michigan, and is entitled to a seat as such Representative.

Mr. CAVALCANTE. Mr. Speaker, will the gentleman from Virginia yield to permit me to offer a substitute resolution?

Mr. HARRISON. Mr. Speaker, I yield to the gentleman from Pennsylvania for that purpose.

Mr. CAVALCANTE. Mr. Speaker, I offer a substitute resolution.

The Clerk read as follows:

Resolved, That the contested-election case of *George D. Stevens* v. *William W. Blackney* from the Sixth Michigan Congressional District (81st Cong., election of November 2, 1948) be recommitted to the Committee on House Administration with instructions (1) to allow, under the rules of the subcommittee on elections and the precedents established by the House of Representatives, the contestant and his attorney to inspect the poll lists, registration books, ballot boxes, ballots, tally sheets, and statements of returns pertaining to this contested election, and (2) that after said inspection, to direct the parties to this contest, under such rules as the committee may determine, to take testimony and return the same, as required by the rules of the subcommittee on elections and laws (2 U. S. C. 201–226) governing contested-election cases and the precedents established by the House of Representatives (*Stolbrand* v. *Aiken* (1 Hind 719); *Goodwyn* v. *Cobb* (1 Hind. 720); *Greevy* v. *Scull* (2 Hind 1044); *Steele* v. *Scott* (6 Cannon 126); *Galvin* v. *O'Connell* (6 Cannon 146); *Kunz* v. *Granada* (6 Cannon 186)).

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. CAVALCANTE] is recognized for 1 hour.

Mr. CAVALCANTE. Mr. Speaker, I yield the floor to the gentleman from Virginia [Mr. HARRISON].

The SPEAKER pro tempore. The gentleman from Virginia [Mr. HARRISON] is recognized for 1 hour.

Mr. HARRISON. Mr. Speaker, I move the previous question on the substitute.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the substitute resolution.

The substitute resolution was rejected.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONSTRUCTION OF MODERN NAVAL VESSELS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, a rule has been granted for the consideration of the bill (H. R. 7764) authorizing the construction of modern naval vessels, and for other purposes. Rather than take time under the rule, I ask unanimous consent for the immediate consideration of the bill H. R. 7764, and ask that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the President of the United States is hereby authorized and directed to undertake the construction of not to exceed 50,000 tons of modern naval vessels in the following categories:

(a) Combatant vessels, 30,000 tons.

(b) Auxiliary vessels, 10,000 tons.

(c) Experimental types, 10,000 tons.

The President is authorized and directed to convert not to exceed 200,000 tons of existing naval vessels, from among those vessels on the Navy list determined to be best fitted for conversion, to modern naval vessels, of the following categories:

(a) Combatant vessels, 125,000 tons.

(b) Auxiliary vessels, 75,000 tons.

Sums heretofore or herafter appropriated or made available for the commencement of construction or conversion of vessels, machinery, armament, and equipment shall be held and considered to be available for either the construction, the conversion, or the equipment of vessels.

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000,000 to be expended for the construction or conversion of the foregoing vessels.

With the following committee amendment:

Page 2, line 14, strike out "$500,000,000" and insert in lieu thereof "$350,000,000."

Mr. VINSON. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. Mr. Speaker, H. R. 7764 is a bill which has for its purpose the modernization of the United States Navy. After the last war the Navy was left with a large number of ships built during the war and used to win the war at sea in the Pacific and the Atlantic. These ships were well planned, well built, and well fought. However, they belong to another age and will have to be replaced by ships which will incorporate the lessons of the last war and the research and development of inventions since the end of the war.

There is ample authority in the law to build ships of the type that we had in the last war. There is authority in law to build 1,700,000 tons of ships of the battleship, carrier, cruiser, and destroyer categories. This existing authority does not fully meet the needs of the Navy if it is to keep abreast of the developments of science today and in the immediate future.

The bill before you authorizes and directs the Secretary of the Navy to construct some vessels of a new and quite radical design. It authorizes the conversion of older types of ships already built and in reserve to vessels of a more advanced design and equipped with the most modern and powerful weapons which the engineer and scientist have been able to create. This bill provides the Navy with the first of the ships it will need in the Atomic Age.

The fundamental reasons for this bill are based on these grim facts:

First. High-speed submarines which dive deep and stay under the water for long periods of time have made obsolete the weapons and equipment used by antisubmarine ships in the last war. This stark fact means that modern submarines can sink our troop and supply ships unless we have the weapons and ships to drive off or destroy the submarine. The Navy needs new types of antisubmarine ships.

Second. Russia has a large submarine fleet. It is larger than the fleet of submarines Germany had in 1940. Russia has today the latest type of submarines which the Germans designed and built at the end of the war. We can expect Russia to be able to use her submarines just as effectively as the Germans used their submarines.

Third. To counteract the high-speed airplane which operates at high altitude, science has developed a weapon in the self-guided missile which, when launched, seeks out and destroys its target in the air. The Navy needs ships which can carry and launch these guided missiles against attacking aircraft.

Fourth. Progress in aircraft design and the development of the jet engine have resulted in new and effective types of airplanes which make obsolete the best of World War II aircraft. For use over the sea these modern airplanes will need

carriers with stronger decks and special equipment to launch, operate, and recover them. Eventually the carrier itself may have to be redesigned. At the present time we must convert our available carriers to be ready to carry the latest types of planes into combat.

Fifth. Atomic power for submarines is now considered feasible. There are far-reaching implications in the use of this source of energy to drive the ships over and under the water. We dare not fall behind in this development.

Sixth. The soldier and the marine have new weapons that they use in their battles for the beach head and on the ground when landed. These new weapons need landing craft quite different from those used in World War II.

Seventh. There are new types of mines which cannot be swept by the minesweeping vessels we had in the last war. Our transports and shipping will again be vulnerable to loss and damage from mines if we fail to provide these modern minesweepers.

Mr. Speaker, those are the fundamental reasons for us to proceed now to modernize the Navy.

H. R. 7764 authorizes the construction of 50,000 tons of new ships and the conversion of 200,000 tons of existing ships fitted with the new weapons, equipment and devices for future operations at sea. The bill authorizes the appropriation of not to exceed $350,000,000. When we passed the appropriation bill on May 11 for fiscal year 1951 we provided the sum of $50,000,000 for construction and conversion of ships. The Navy Department has made provision for a modest program for the construction and conversion of ships since the end of the war under previous authority. It is necessary now to provide a positive direction to construct the types of ships we need for the future.

Let us consider the program for the construction of new ships presented by the Chief of Naval Operations to the Committee on Armed Services in his testimony on H. R. 7764. This is the program the Chief of Naval Operations recommended to the Secretary of the Navy. It was forwarded to the Secretary of Defense by the Secretary of the Navy. The Secretary of Defense has approved the program for planning purposes.

For new construction the Navy recommends—

One submarine driven by atomic power of about 2,500 tons and costing about $40,000,000;

One submarine with a closed cycle propulsion plant which means that the engine needs no air supply from the surface; of 2,200 tons, costing about $37,000,000;

One coastal type of submarine of 250 tons, costing $3,000,000;

One experimental high-speed target submarine of 1,100 tons costing about $10,000,000;

Seventy-nine landing craft for amphibious operations totaling about 2,766 tons, costing about $10,400,000;

Eight minesweeping vessels totaling 2,250 tons and costing $27,500,000; and

Twenty lighters for use as harbor freighters totaling 3,400 tons, costing $2,000,000.

The approximate tonnage for all this new construction is 14,466 tons. The estimated cost for all the new construction is about $130,000,000.

For the conversion of existing ships to modern types—

One cruiser to carry and launch guided missiles, 14,000 tons, $40,000,000;

One fleet carrier converted to carry and operate the modern heavy and more powerful airplane, 27,000 tons, $39,800,000;

Four destroyer escorts converted for operations against the modern type of submarine, 5,400 tons, $28,000,000;

Four radar pickets equipped to detect and track the flight of aircraft approaching our coastline, 5,400 tons, $18,500,000;

Eleven streamlined snorkel submarines with higher speeds under water, 16,775 tons, $26,000,000;

One mine-laying submarine, 1,525 tons, $8,000,000; and

Three killer submarines for use in antisubmarine warfare, 4,575 tons, $15,600,000.

The following types of auxiliaries will be converted to modern types to replenish, supply, and support ships at sea:

One refrigerator supply ship, 7,000 tons, $3,530,000;

One fleet tanker and supply ship to expedite the fueling and supply of smaller ships at sea, 7,700 tons, $2,000,000;

One fleet issue stores ship, 7,000 tons, $2,000,000;

One medium size landing craft for conversion to a cable layer, 520 tons, $600,000.

The total tonnage for the conversion of existing vessels is 96,695 tons.

The total estimated cost for the conversion program is $184,675,000.

Mr. Speaker, someday this country will need the ships listed in this program. When that day comes there will be no time for orderly plans and programs for the construction of ships. The ships are only a plan at this time. But now is the time for plans. This is the time to prepare. Without plans and without preparation we invite trouble. With adequate plans and thoughtful preparation we can meet danger and provide for our common defense. This is the time Congress must exercise its constitutional power in the discharge of its duty to provide and maintain a Navy.

Mr. WOLVERTON. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New Jersey.

Mr. WOLVERTON. I am well aware of the fact that the gentleman, over a long period of time, has by his personal endeavor in the work of his committee, sought to keep the Military Establishment of our Nation abreast of the times. He is to be highly commended for the alert and intelligent study he has always given to our military preparedness. Will the gentleman inform me as to when the work of construction and modernization will be done? The reason I ask this question is that yesterday I had the opportunity to view the shipyards along the Delaware River. I saw many shipways in the several shipyards along that river that were vacant with no vessels under construction. I know there is great concern in the shipbuilding industry with respect to future work. Is the gentleman able to say when the work contemplated in the program provided for in this bill is likely to be commenced?

Mr. VINSON. Fifty million dollars of it will start during the fiscal year 1951. That program has already been authorized and appropriations have already been made. Then as the years roll by we will continue in an orderly way, spending about $50,000,000 a year on this work.

I am aware that the shipbuilding industry is a vital part of our national defense. We must keep it alive, and we are justified in keeping it alive because it plays such a conspicuous part in the proper defense of the country. This program will give new life to it.

Mr. WOLVERTON. It has always been assuring to realize that the distinguished chairman of the Armed Services Committee is well aware of the importance of the shipbuilding industry as a means of defense. He has demonstrated this by word and act on more than one occasion.

Mr. VINSON. Today, under a law that we passed some years ago, 50 percent of all this work must be done in the shipyards and approximately 50 percent in the navy yards. I think there are certain types of ships here that for various reasons may have to be built in the experimental stage in navy yards, but there is a large over-all modernization and conversion program that with propriety can go to the industrial yards.

Mr. WOLVERTON. It is highly important and necessary for our Nation to keep abreast of, and, if possible, ahead of present-day advancement in ship requirements to keep our Navy in the forefront. Our national interests demand that we maintain our fleet at the highest point of efficiency. World leadership that we have now assumed brings upon us obligations that cannot be ignored. The time to prepare is now. A future emergency that may come upon us may demand immediate action upon our part. We may not again have the opportunity to prepare after the emergency arises. Both in World War I and II, we were fortunate to have opportunity to build up our military forces over a period of time after the war started. We may never again be in that fortunate position. Hence, I repeat that the time to prepare is now. Having in mind the national security we cannot afford to delay.

Furthermore, I am in full accord with the shipbuilding and repair program that has been presented to us by the Armed Services Committee because it will mean work for our private shipyards as well as the Government navy yards. Both of these are in dire need of additional work at this time. If something is not done immediately to provide work the shipbuilding industry will lapse into a state of complete inactivity.

On many occasions I have brought to the attention of the Congress the tremendous importance of maintaining an adequate shipbuilding industry and organization of workers. The highly

skilled workers engaged in ship construction make it absolutely necessary that these trained workers shall have continuous employment or otherwise they are lost to the industry. It is impossible to build up such an organization of trained mechanics overnight. Therefore, it is necessary to maintain at all times such an organization to meet any emergency that may result. I am in full accord with the bill now before the House.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I am very happy to hear the distinguished chairman of the Armed Services Committee, the gentleman from Georgia [Mr. VINSON] stress the importance of the preservation of our essential shipyards and of our skilled workers at those yards from the standpoint of national defense.

The situation at many of these yards today, as I have stated on previous occasions on the floor of this House, is becoming desperate. Employment has deteriorated rapidly. There has been little or no naval construction in view. There will be only eight commercial ships under construction in our major yards on the Atlantic coast in the calendar year 1951 and only one under construction in the calendar year 1952. I have been advised that two of these yards have believed that it would be necessary to close in the near future if something was not done to help the situation.

It is my understanding that the bill under consideration provides for the construction of 112 ships and craft with a total tonnage of about 14,466 tons, as well as for the conversion of 29 ships with a total tonnage of about 96,695 tons.

I further understand that the program for construction and conversion, which would be initially undertaken under the terms of the bill under consideration, has been specifically recommended by the Chief of Naval Operations, by the Secretary of the Navy, and by the Secretary of Defense, with a view to keeping abreast of modern developments in an orderly manner.

The bill under consideration should accordingly contribute to essential requirements of the Navy and at the same time afford vital work for our essential shipyards and for our workers at these yards who have proved themselves to be so vital from the standpoint of national defense in time of emergency.

I hope the bill will be approved by the House and that it will receive prompt and favorable action in the other body.

Mr. SHORT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, there is little that anyone can add to what the very able and distinguished chairman of our Committee on Armed Services, the gentleman from Georgia [Mr. VINSON], has already stated. I think he has given us a rather full and complete picture of this proposed program. There are two or three things I think we cannot emphasize too much, and one is the rapid progress and development that has been made not only during the last global conflict but since the war ended.

Without detracting one bit from the bravery and heroism of the men and women who fought and won this last war, I think most of our military leaders regardless of the branch of the service in which they served, whether they be General MacArthur, General Marshall, General Arnold, General Eisenhower, General Bradley, General Spaatz, General Kenny, or Admirals Nimitz or King, will frankly state that perhaps the one great decisive factor in America's winning this last war was our productive capacity and industrial might and output.

I am glad that the chairman has assured the gentleman from New Jersey [Mr. WOLVERTON] and he can assure other Members of the House who represent great shipbuilding companies and yards that the members of the Armed Services Committees are keenly aware that in order to have a strong Nation we must have a healthy, growing industry. It is our intention, of course, to do everything in our power to keep it strong.

Since the war ended we have learned through experience that we will need certain types of new vessels and new weapons because the old have become obsolete since the last war ended. To start with, we are going to have to have larger and speedier submarines.

Almost everyone, I think, knows that when the war ended the Russians took over most of the German snorkel submarines in the Baltic and they have been building at such a rapid pace that today Russia has perhaps over 200 of these large, fast submarines that can stay under water perhaps for three or four thousand miles. Naturally that has compelled us to revise our program, not only in developing our own submarines, but in developing antisubmarine weapons, because in the next war the Navy will not play such an important role on the surface of the seas, but rather the naval war will be fought above the seas and beneath the surface of the seas.

Not only will we be called upon to make provision for this new type of submarine, but we are going to have to convert, as the chairman pointed out, one of our large, heavy cruisers to a guided missile carrying ship that can fire rockets, and by radio or radar direct the course of a rocket which will seek out a plane regardless of what height that plane is flying and at what speed the missile is going.

Different types of mines have been developed since the close of the last war, which will prove a great menace in any future war against our surface ships, our transports and merchant vessels. Much of the money that we have voted or will vote will go to the development, of course, of new types of mines and into the development of mine sweepers capable of sweeping these modern weapons.

One of the most fascinating aspects of this whole new program is the hope that before long we will have submarines driven by atomic energy. Of course, the members of our committee are not free to disclose publicly here some of the data and some of the evidence that has been given to us in executive session. But I think we can assure the American people those in charge of our national defenses have not gone to sleep at the switch, but are busy working day and night to make our Nation stronger in every respect.

Fifty thousand tons of this new authorization is for construction of new vessels. We propose to convert 200,000 tons from existing vessels to more modern types. Strange as it may seem, much as the Committee on Armed Services is concerned and interested in building our defenses, we propose, while not reducing the tonnage, to reduce the amount of authorization of appropriations from $500,000,000 to $350,000,000 which I think is pretty good proof of the good faith of the members of our committee because we realize we must protect and defend our own domestic economy since no nation is stronger than its financial solvency.

Mr. Speaker, there is nothing more I care to say at this time, but if anyone has any questions, I am sure they can get the time to ask them and that our chairman, as always, will be willing to listen and answer any questions. Otherwise he might as well order the previous question.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 600 was laid on the table.

AUTHORIZING CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 599 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN] 30 minutes.

I now yield myself 5 minutes.

Mr. Speaker, this resolution makes in order the bill (S. 2440) to authorize cer-

tain construction at military and naval installations, and for other purposes.

This is construction authorization for military and naval installations. The bill authorizes the expenditure of $688,000,000 in construction authorization, broken down as follows:

Operational, $375,000,000.

Research and development, $92,000,000.

Family housing, $129,000,000.

Nonfamily housing, $58,000,000.

Special weapons, $12,000,000.

The committee states that every project contained in this legislation is fully justified in national defense. This bill was originally recommended by Secretary of Defense Johnson. This is the first time that a fully integrated military construction program has been presented to the House.

The resolution calls for 2 hours' general debate, and then consideration under the 5-minute rule for amendments.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. DELANEY. I yield.

Mr. VINSON. I wish to announce to the House that when this bill is taken up, at the proper time there will be an amendment offered, by direction of the Armed Services Committee, to strike out all in the bill with reference to building family quarters in continental United States for the armed services. When the committee presented its bill to the Rules Committee, and after consultation with them, and after further consultation with the Armed Services Committee, we decided that we would ask for the bill as written by the Armed Services Committee, but on the floor of the House we would offer an amendment to delete the authorization for the construction of any family quarters within the continental United States. That takes out of the bill about $100,000,000 of authorization.

I thought it proper to make that announcement now because the Armed Services Committee, after consideration, and after going over this matter with the Rules Committee, felt that this housing should be built under the Wherry law, by private enterprise, instead of the Government engaging in a large construction program for family quarters.

I will state, however, that there is in the bill, and will be left in the bill, barracks and bachelor quarters for unmarried personnel in the United States.

Then I wish to make a further statement. It was agreed in the Armed Services Committee, and agreed before the Rules Committee, that the $3,000,000 item for a railroad spur by the Marine Corps between Camp Le Jeune and Cherry Point, would not be recommended by the Armed Services Committee if the Atlantic Coast Line and the Marine Corps could agree on a solution. We do not want to go into the railroad business. We had to put it in there in the hope that an agreement, in the process, will be carried out. But if it is not carried out the defense of the country cannot afford to be without a railroad in that particular section.

I think it is pertinent that I make that announcement before the vote is taken on the resolution.

Mr. DELANEY. I thank the gentleman from Georgia.

Mr. Speaker, I ask for the adoption of this rule. It provides for 2 hours' general debate, and then consideration under the 5-minute rule for amendment.

I reserve the remainder of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, as the gentleman from New York has so well explained, this resolution makes in order the bill (S.2440) from the Armed Services Committee for certain military and naval construction and other installations, under 2 hours of general debate.

I am very appreciative of the statement made by the chairman of the Armed Services Committee, the gentleman from Georgia because it was a very, very important statement. This bill was rewritten in the Armed Services Committee after it originally passed the Senate; and then as the gentleman from Georgia has explained after considerable discussion before the Rules Committee and within the Armed Services Committee, it was agreed numerous amendments are to be offered on the floor of the House by the chairman at the direction of his committee to eliminate all construction of housing for families in the military branch of the service within continental United States. Instead such housing will be built by private enterprise under another law. This bill, however, does contain certain military installation construction within the continental United States, as well as without, and also provides for certain military housing in Alaska, Guam, and some of our outlying possessions.

I should like to add—and I wish the gentleman would correct me if I am wrong—to the statement made by the gentleman from Georgia that all understanding has been reached in connection with the housing for military personnel without the continental United States, that while some of the amounts set forth as to the cost of construction seems a bit high, such figures are the top-side limit, and it is the intent and the purpose of the Armed Services Committee to see to it that such housing is constructed at just as low a cost as possible. In other words, that the committee will carefully supervise the construction contracts and so forth.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. VINSON. While an amendment I am going to offer puts the ceiling of cost in Alaska, I am happy to state that under a recent contract for building houses in Alaska they have been able to build them for around $14,500 for the house and an average total cost of about $20,000, south of the Alaska range.

Mr. BROWN of Ohio. At a great saving.

Mr. VINSON. At a great saving.

Mr. BROWN of Ohio. And it is our understanding that these figures are simply the top limit, that already arrangements have been made for much lower-construction costs, and that the committee as the arm of Congress will ride careful herd on these expenditures.

I was also appreciative of the gentleman's statement relative to the railroad installation.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. VINSON. For the benefit of the Members, I propose to offer an amendment reading substantially as follows:

Nothing contained in this act shall be construed to authorize the construction of family quarters or the conversion of existing structures to family quarters at any of the locations mentioned in titles I, II, and III of this act under the heading "Continental United States."

(b) No family quarters shall be constructed under authority of this act outside continental United States that are in excess of a net floor space of 1,008 feet.

In addition thereto, after that amendment has been agreed to, then, as the bill is read, amendments will be offered at some forty-odd places eliminating each one of the family-housing items in continental United States so there will be no doubt about it as the bill leaves the House.

It will not provide for any family quarters in the United States. Then I propose to offer an amendment that places a limitation of the total cost per unit in Alaska—$33,000 maximum and $29,500 average.

Mr. BROWN of Ohio. I thank the gentleman for his statement.

In addition I might state it is our understanding that the amendments to be offered by Chairman Vinson at the direction of the committee will make a reduction in the over-all amount authorized by this legislation of well over a hundred million. Is that correct?

Mr. VINSON. That is correct.

Mr. BROWN of Ohio. Further that the committee and the chairman in consultation with the Rules Committee—I think this is rather important for the House—have made the statement and the pledge that they, as representatives of the House of Representatives, will pay unusual attention to the letting of these contracts for various construction work that is to be done under the provisions of this law, bearing in mind, of course, the great need for economy as well as the great need for national defense. The Rules Committee has been convinced from the testimony which has been submitted to it that the membership of the Committee on Armed Services and its chairman will be very zealous and very jealous in the performance of their duties; zealous in performing its duty and jealous in seeing to it that not a dollar of money not needed will be spent.

Mr. VINSON. Mr. Speaker, I want to take this opportunity publicly of thanking the Rules Committee for its aid and assistance in aiding the Armed Services Committee in reaching a decision with reference to the items which originated from the discussion before the committee.

Mr. BROWN of Ohio. May I say to the gentleman on behalf of the Rules Committee—and I am sure I speak for the entire membership of that committee—I know the gentleman from New York [Mr. DELANEY] will agree with me—we are most appreciative of the cooperative spirit in which the chairman and the

members of the Armed Services Committee have approached this entire problem. I am therefore hoping this rule will be adopted, that Members of the House will give careful attention to the explanation of these different items, and of the various amendments and the reasons therefor that will be offered by the gentleman from Georgia and other members of the committee. As a result I think we are going to have one of the most economical, one of the most effective and best-rounded measures of this type which has been brought to the floor of the House in many, many years.

Mr. Speaker, I hope the rule will be unanimously adopted.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, notwithstanding the fact that the rule provides for 2 hours of general debate, I ask unanimous consent that the bill (S. 2440) be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I

SEC. 101. The Secretary of the Army, under the direction of the Secretary of Defense, is hereby authorized to establish or develop military installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

CONTINENTAL UNITED STATES

Aberdeen Proving Ground, Md.: Climatic testing facilities, air to ground rocket firing research facilities, high explosives loading and disassembly facilities, and compressor building for supersonic wind tunnel, $2,930,000.

Arlington Hall, Virginia: Extension between wings 1 and 2, building No. 450, extension of wing No. 1, building No. 450, $94,000.

Army-Navy General Hospital, Arkansas: Ground storage water reservoir, $65,000.

Army chemical center, Maryland: Process laboratory, radiological "cold" laboratory, low temperature test chambers, experimental loading and filling building, test chamber for aerosols, radiological "hot" laboratory, protective equipment laboratory, explosion test chamber, collective protector and air filter laboratory, facilities for assembly of clusters and fire bombs, high-pressure laboratory, storage building for radiological equipment laboratory for radiological defense school, $2,861,000.

Army receiving station, La Plata, Md.: Family quarters and utilities barracks, receiving building, powerhouse, and garage, $634,500.

Army transmitting station, District of Columbia area: Improve roads, land acquisition, power facilities, powerhouse and garage, telephone facilities, transmitter building, barracks, family quarters, and utilities, $1,285,500.

Fort Belvoir, Va.: Communications building, $118,000.

Benicia Arsenal, Calif.: Improvements to water system, $243,800.

Fort Benning, Ga.: Family quarters and utilities, repair shops, magazines, storage facilities, administration building, gasoline station and pump house, central heating plant, lavatory building, target house, $6,414,000.

Black Hills Ordnance Depot, S. Dak.: Family quarters and utilities, improvements to water system, $249,000.

Fort Bliss, Tex.: Family quarters and utilities, $462,000.

Fort Bragg, N. C.: Family quarters and utilities, $6,666,000.

Brooklyn Army Base, N. Y.: Fire protection of piers, $150,000.

California Institute of Technology, California: Test cells, hazardous propellant storage, construction, modification, and relocation of facilities, $685,000.

Deseret Chemical Depot, Utah: Family quarters and utilities, barracks, $497,700.

Camp Detrick, Md.: Family quarters and utilities, civilian dormitories, decontamination facilities, munitions building, aerobiological building, basic science building, meteorological building, pilot plant for crop studies, surveillance building, laboratory, storage facilities, maintenance shops, $3,313,500.

Fort Dix, N. J.: Family quarters and utilities, $924,000.

Camp Hood, Tex.: Family quarters and utilities, battalion motor park, highway bridge, improvements to water system, $9,100,000.

Fort Knox, Ky.: Family quarters and utilities, $924,000.

Camp Lee, Va.: Family quarters and utilities, $3,135,000.

Fort Lewis, Wash.: Family quarters and utilities, removal of structures and relocation of post office and finance building, telephone exchange building, $4,793,000.

Lima Ordnance Depot, Ohio: Connection with city water supply and utilities, $90,000.

Malta Test Station, N. Y.: Additional garage space, additions to electrical distribution system; Quonset huts and platforms; fencing, drainage, roads, fire lanes and clearings, vehicle storage sheds, well, pump and water distributing system, addition to test structure No. 6, chemical test structure and test cells, oxygen pump and turbine test buildings, extension of nitrogen and oxygen gas lines to pits 1 and 2 and chemical pit, fire-alarm system, increase storage for new type fuels, stockroom addition, extension engineering and laboratory building, water pipe wall for pits 3 and 4, in addition to ram jet structure, $840,000.

Marion Engineer Depot, Ohio: Sprinkler system, special storage facilities, $533,000.

Midwest Chemical Depot, Ark.: Storage sheds, $551,000.

Fort Monmouth, N. J.: Family quarters and utilities, $3,069,000.

Muroc Air Force Base, Calif.: Improvement to range bombing facilities, $144,000.

Navajo Ordnance Depot, Ariz.: Utilities for Navajo Village, $225,000.

Picatinny Arsenal, N. J.: Construction of facilities for rocket development and test purposes and utilities (Loki project), $601,000.

Redstone Arsenal (Huntsville), Ala.: Chemical laboratory and administration engineer buildings and rocket motor test stand; engineer building, administration building, laboratory buildings; four rocket motor test stands; storage facilities; flight test range; nitroglycerin plant; two temperature conditioning buildings; modification of eight buildings; modification of one building for machine shop; expansion and modification of utilities, roads, and fences; $4,250,000.

Fort Riley, Kans.: Underground magazines, family quarters, and utilities, $143,000.

Rossford Ordnance Depot, Ohio: Fireproofing of warehouses, $500,000.

St. Louis Medical Depot, Mo.: Modification of medical laboratory building, $125,000.

Schenectady General Depot, N. Y.: Base maintenance shop building facilities and utilities, $749,000.

Sharpe General Depot, Calif.: Equipment processing building, $184,900.

Fort Sheridan, Ill.: Beach-erosion protection, $150,000.

Sierra Ordnance Depot, Calif.: Family quarters and utilities, $165,000.

Fort Sill, Okla.: Family quarters and utilities, control tower, $660,000.

Sioux Ordnance Depot, Nebr.: Family quarters and utilities, $99,000.

Tooele Ordnance Depot, Utah: Family quarters and utilities, $132,000.

Two Rock Ranch, Calif.: Family quarters and utilities, $231,000.

Vint Hill Farms, Va.: Family quarters and utilities, $759,000.

White Sands Proving Ground, New Mexico: Family quarters and utilities; barracks, extension of field instrumentation, automotive maintenance shops, fuel stations, improvements to airfield facilities, meteorological station, refrigeration and ice plant, utilities shops, storage facilities, extension of water supply system and electric power system and bachelor officers' quarters, $4,341,400.

SPECIAL WEAPONS PROJECT

Construction at classified installations, $11,814,300.

OUTSIDE CONTINENTAL UNITED STATES

Eielson Air Force Base, Alaska: Petroleum terminal storage, $4,800,000.

Fort Richardson, Alaska: Petroleum terminal storage and dock, water supply, warehouses, heat and power plant, bachelor officers' quarters, family housing and utilities, $12,466,345.

Whittier, Alaska: Central heat and power plant, composite bachelor housing, service and recreation building, $3,131,000.

Okinawa: General depot facilities, $528,000.

Helemano, Oahu, Hawaii: Land acquisition, $6,000.

St. Thomas, V. I.: San Jose project, $808,000.

TITLE II

The Secretary of the Navy, under the direction of the Secretary of Defense, is hereby authorized to establish or develop naval installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities as follows:

CONTINENTAL UNITED STATES

Naval air station, Alameda, Calif.: Jet overhaul building and accessories, $950,000.

Naval Research Laboratory, Anacostia, D. C.: Research laboratory building and accessories, correction of deficiencies to existing facilities, $1,570,000.

Naval engineering experiment station, Annapolis, Md.: Submarine propulsion test facility, $2,000,000.

Naval ammunition depot, Bangor, Wash.: Mine assembly facilities, including buildings and accessory construction, $1,000,000.

Naval training schools, Massachusetts Institute of Technology, Cambridge, Mass.: Combustion test and development facility, $682,000.

David Taylor Model Basin, Carderock, Md.: Alter 24-inch variable pressure water tunnel, wind tunnel and associated facilities, completion of 3-meter wind tunnel, free surface test facility, $2,344,000.

Naval Observatory, Charlottesville, Va.: Relocation of Naval Observatory from Washington, D. C., including buildings, collateral equipment, accessory construction, acquisition of land, and the relocation of instruments and accessory equipment to sites to be determined, $8,500,000.

Marine Corps Air Station, Cherry Point, N. C.: Family quarters and utilities, $1,765,500.

Naval aviation ordnance test station, Chincoteague, Va.: Family quarters and utilities, guided missile range and facilities, $1,511,500.

Naval proving ground, Dahlgren, Va.: Interior balistics measurements building, $410,000.

Naval Ordnance Aerophysics Laboratory, Daingerfield, Tex.: Addition to test chamber to increase capacity of wind tunnel and additional laboratory facilities, $864,500.

Naval ammunition depot, Earle, N. J.: Mine assembly facilities, including buildings and accessory construction, $1,100,000.

Naval training center, Great Lakes, Ill.: Addition to main power plant, including boilers and accessory construction, conversion of barracks to family quarters and utilities, $1,575,000.

Naval Ammunition Depot, Hawthorne, Nev.: Additional water-storage facilities, $320,000.

Naval ordnance test station, Inyokern, Calif.: Morris Dam under-water test facilities, static firing facilities for liquid fuels, aerodynamics ballistic track range, ballistic ground ranges and additional instrumentation for and modification of guided missile range, ballistics range facilities, family quarters and utilities, $10,992,000.

Naval air station, Jacksonville, Fla: Aircraft carrier berthing, turning basin and approach channel, Mayport, Fla., $4,920,000.

Naval fuel storage facility, Jacksonville, Fla.: Acquisition and expansion of residual terminal facility, including tankage, pipelines, and accessory construction, $3,175,000.

Naval air development station, Johnsville, Pa.: Extension of runways for jet operations, acquisition of aviation easements in runway approach zone, development and test facilities, $5,253,500.

Naval station, Key West, Fla.: Dredging at submarine basin, $739,000.

Naval aeronautical rocket laboratory, Lake Denmark, N. J.: Rocket test and development facilities, $7,500,000.

Marine barracks, Camp Lejeune, N. C.: Family quarters and utilities, $5,808,000.

Naval hospital, Camp Lejeune, N. C.: Family quarters and utilities (conversion), $128,000.

Camp Lejeune, N. C.: Construction of railroad spur from Camp Lejeune to Cherry Point, N. C., $3,000,000.

Naval auxiliary air station, Miramar, Calif.: Aircraft maintenance hangar, parking utilities, services, and gasoline storage, $2,230,000.

Naval base, Newport, R. I.: Acquisition of land on Conanicut Island for small boat landings, $9,000.

Naval base, Newport, R. I.: Sewage facilities, $1,243,000.

Naval air station, Norfolk, Va.: Test cells for turbine engines, $485,000.

Headquarters, Commander in Chief, Atlantic Fleet, Norfolk, Va.: Combined antisubmarine warfare plot and administration building, $650,000.

Naval communication station, Norfolk, Va.: Communication facilities for Headquarters, Commander in Chief, Atlantic Fleet, $11,650,000.

Naval air test center, Patuxent River, Md.: Family quarters and utilities, $775,500.

Naval electronics laboratory, Point Loma, Calif.: Laboratory supply and utility buildings, including services and accessories, $3,450,000.

Naval civil engineering and evaluation laboratory, naval construction battalion center, Port Hueneme, Calif.: Laboratory building and associated facilities, $450,000.

Naval air station, Quonset Point, R. I.: Completion of two engine test cells, $300,000.

Naval air station, San Diego, Calif.: Turbo prop engine test cells, $530,000.

Special devices center, Sands Point, Long Island, N. Y.: Acquisition of land and buildings, $350,000.

Naval shipyard, San Francisco, Calif.: Conversion of building No. 351 for radiological laboratory, $1,000,000.

Naval communications station, Skaggs Island, Calif.: Family quarters and utilities, $495,000.

Thirteenth Naval District: Radio direction finder facilities for supplementary communication requirements, $211,000.

Twelfth Naval District: Vacuum system housing at naval ordnance activity, $85,000.

Naval air station, Whidbey Island, Wash.: Acquisition of rocket target range (314.62 acres), $35,800.

Naval ordnance laboratory, White Oak, Md.: Model test tank, ballistics laboratory, $1,540,000.

Navy communication station, Winter Harbor, Maine: Addition to radio-operating building, permanent remote-control high-frequency direction-finder facilities, family quarters, and utilities, $509,000.

Fort Lauderdale, Fla.: Advanced undersea warfare school, $275,000.

Various locations: Additional aviation fuel storage to support jet operations, $5,000,000. Extension of runways for jet operations at naval air station, Alameda, Calif.; Marine Corps air station, Cherry Point, N. C.; Marine Corps air station, El Toro, Calif.; naval air station, Norfolk, Va.; naval auxiliary air station, Oceana, Va.; and/or at such stations as changes in strategic positions indicate, $11,320,000.

OUTSIDE CONTINENTAL UNITED STATES

Fourteenth Naval District: Communication control links, including equipment and land, $527,000.

Navy communication supplementary activity, Guam: Permanent facilities for communication supplementary activities, interim operating building and accessory construction, $8,870,000.

Naval supply center, Guam: Additional petroleum storage facilities, $14,200,000.

Agana Naval Air Station, Guam: Water, electric, and sanitary systems, $1,850,000.

Naval operating base, Guam: Extension of power generation, transmission, and distribution system; water supply and distribution system; family housing and completion of civil-service bachelor quarters, $21,936,000.

Oahu, T. H.: Acquisition of part of Oahu Railroad, $1.

Naval operating base, Kwajalein: Water supply and distribution, power plant and water distillation, refrigerated storage, sewage-disposal system, barracks, mess, and galley, $5,958,000.

Argentia, Newfoundland: Permanent communication facility, family quarters, and utilities (conversion), $3,193,000.

Pacific: Naval government facilities in Trust Territories, $1,000,000.

Roosevelt Roads, P. R.: Acquisition of land (4,170 acres), $330,000.

Naval station, Tutuila Island, Samoa: Acquisition of land (11 acres), $3,500.

Various: Additional communications facilities, $1,000,000. Aviation gas storage (190,000 barrels), $3,350,000.

TITLE III

The Secretary of the Air Force, under the direction of the Secretary of Defense, is hereby authorized to establish or develop installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

CONTINENTAL UNITED STATES

Bakersfield, Calif.: Purchase and rehabilitation of Mohawk Oil Co. plant, including land, $141,000.

Bergstrom Air Force Base, Austin, Tex.: Family quarters and utilities, $1,551,000.

Biggs Air Force Base, El Paso, Tex.: Additional aviation fuel storage and airfield pavements, family quarters, and utilities, $4,717,000.

Campbell Air Force Base, Hopkinsville, Ky.: Control tower and security fence, family quarters, and utilities, $496,000.

Castle Air Force Base, Merced, Calif.: Airfield pavements, land for runway extension and aviation fuel storage facilities, family quarters, and utilities, $6,171,000.

Davis Monthan Air Force Base, Ariz.: Family quarters and utilities, $2,244,000.

Air Force base, Savannah, Ga.: Facilities, barracks, quarters and utilities, pavements and storage, $1,275,000.

Eglin Air Force Base, Fla.: Family quarters and utilities, armament engineering test facilities, $3,459,000.

Ellington Air Force Base, Houston, Tex.: Celestial navigation training buildings, $57,000.

Fairfield-Suisun Air Force Base, Calif.: Family quarters and utilities, $1,584,000.

Great Falls Air Force Base, Great Falls, Mont.: Aviation fuel storage facility and airfield pavements, family quarters and utilities, $7,051,000.

Griffiss Air Force Base, Rome, N. Y.: Shelter and laboratories for automatic radio grid direction finder, alterations of buildings for Watson laboratories, development of instrument landing system, NAVA globe system building, $3,114,500.

Hamilton Air Force Base, San Rafael, Calif.: Aviation fuel storage facilities, family quarters and utilities, $1,792,000.

Holloman Air Force Base, Alamogordo, N. Mex.: Instrumentation building, telephone circuits to instrumentation sites, utilities, conversion of electrical distribution system, water supply and storage facilities, missile assembly building, photo laboratory, commissary, sales store and warehouse, tracking device (telemetering and radar), access trails in range area, technical building, family quarters and utilities, upper atmosphere research station, $7,679,725.

Hood Air Force Base, Temple, Tex.: Family quarters and utilities, operation building, control tower and fire crash station; night lighting, transformer building, fuel storage, oil storage, electrical distribution system, gas mains, water mains, sewage disposal facilities, grading and seeding, roads and parking areas, gate house, obstruction lighting, airfield pavement, $2,309,467.

Kirtland Air Force Base, Albuquerque, N. Mex.: Family quarters, utilities, and barracks, $2,062,000.

Limestone Air Force Base, Limestone, Maine: Family quarters and utilities, barracks, aviation fuel storage facilities, heating plant and extension to existing heating facilities, warehouses, maintenance shops, fire and crash station, bomb handling and storage facilities, airfield pavements, oil storage facilities, commissary, nose hangars, training school building, utilities, roads and parking areas, administrative telephone system, communications and electronic facilities, $25,134,200.

MacDill Air Force Base, Tampa, Fla.: Aviation fuel storage facilities and airfield pavements, family quarters and utilities, $4,412,000.

McGuire Air Force Base, Trenton, N. J.: Aviation fuel storage facilities, $700,000.

March Air Force Base, Riverside, Calif.: Family quarters and utilities, $528,000.

Moses Lake Air Force Base, Moses Lake, Wash.: Barracks, family quarters and utilities, $5,230,000.

Mount Washington Weather Station, New Hampshire: Climatic projects laboratory, $363,600.

Muroc Air Force Base, Calif.: Quartermaster warehouse, experimental parachute facilities, electrical system, land for base expansion, unconventional fuel storage, water system, radar and telemetering station, hangars, pavements, runway and taxiway, warehouses

and railroad spur, hangar shop and warehouse, rocket static test facilities, barracks, family quarters and utilities, $28,957,580.

Norwalk, Calif.: Rehabilitation and provision of additional operating facilities, purchase of Wilshire and Sunset Oil Co. plants, $767,000.

Offutt Air Force Base, Omaha, Nebr.: Reconstruction of barracks for troop housing, $300,000.

Otis Air Force Base, Falmouth, Mass.: Aviation fuel storage facilities and hanger, $1,150,000.

Panama City, Fla.: Purchase and rehabilitation of Panama City Oil Co. plant, $537,339.

Rapid City Air Force Base, Rapid City, S. Dak.: Family quarters and utilities, $2,376,000.

Scott Air Force Base, Belleville, Ill.: Land acquisition, family quarters, and utilities, $1,167,000.

Selfridge Air Force Base, Mount Clemens, Mich.: Aviation fuel storage facilities and airfield pavements, $600,000.

Spokane Air Force Base, Spokane, Wash.: Purchase of land, airfield pavements, aviation fuel storage facilities, and barracks, $6,645,000.

Tacoma, Wash.: Purchase and rehabilitation of General Petroleum Corp. terminal No. 2 facilities, $200,000.

Torrence, Calif.: Ram jet test facilities, $250,000.

Walker Air Force Base, Roswell, N. Mex.: Aviation fuel storage facilities, airfield pavements, family quarters and utilities, $6,672,000.

Westover Air Force Base, Chicopee Falls, Mass.: Family quarters and utilities, $1,584,000.

Williams Air Force Base, Chandler, Ariz.: Family quarters and utilities, $1,584,000.

Wright Patterson Air Force Base, Dayton, Ohio: Structure branch storage, addition to electrical distribution system for engineering laboratory building, modification to shop and office (wind tunnel building 24C), addition to film storage building, compass test building, modification of wind tunnel (building 24B), addition to radar test building, high-powered electric whirlrig, extension to electric system, coal-handling facilities (area C), extension to engineer shops, vibration-test building, $3,340,010.

Location to be determined: Additional strategic bulk petroleum storage facilities, $14,200,000.

Various locations: Conversion of engine overhaul and test facilities, $7,990,000; airways navigational aids and communications facilities, $10,823,080; repair and replacement of airfield lighting, $1,000,000.

OUTSIDE CONTINENTAL UNITED STATES

Alaska: Warm-up shelters for aircraft, $700,000.

Eileson Air Force Base, Alaska: Utilities, utilidor and tie-in to new power plant, power and steam plant, family quarters and utilities, $8,863,320.

Elmendorf Air Force Base, Fort Richardson, Alaska: Outside utilities, warm storage for vehicles, $1,191,746.

Ladd Air Force Base, Fairbanks, Alaska: Family quarters and utilities, $5,610,000.

Kindley Air Force Base, Bermuda: Completion of bridge, $600,000.

Johnston Island Air Force Base: Petroleum-storage facilities, salt-water-flushing system, fresh-water-supply system, airfield lighting, dock repair and replacement, electrical-distribution system, electric-power plant, communications facilities, $2,031,000.

Dhahran Air Transport Station, Saudi Arabia: Additional facilities, $4,500,000.

Various locations: Weather broadcast and point-to-point communications facilities, $787,774; northeast Loran chain, $2,850,000; ground control approach facilities, $433,760; air/ground radio stations, $2,076,592; three multichannel single-side-band stations, $2,494,122; radar set facilities, $261,849; demountable or low-cost family housing, $4,800,000.

TITLE IV

GENERAL PROVISIONS

SEC. 401. To accomplish the above-authorized construction the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, under the direction of the Secretary of Defense, are authorized to acquire lands and rights pertaining thereto, or other interests therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise, without regard to section 3648, Revised Statutes, as amended. When necessary, the Secretary of the Army, under the direction of the Secretary of Defense, is authorized to commence construction authorized in title I hereof for a single special weapons project prior to approval of title to such lands by the Attorney General as required by section 355, Revised Statutes, as amended.

SEC. 402. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums of money as may be necessary for the purposes of this act, but not to exceed:

(1) For public works authorized by title I: Inside continental United States, $64,087,300; outside continental United States, $21,739,345; special weapons project, $11,814,300.

(2) For public works authorized by title II: Inside continental United States, $105,701,300; outside continental United States, $62,217,501.

(3) For public works authorized by title III: Inside continental United States, $170,939,501; outside continental United States, $37,200,163.

(4) For such emergency construction projects within and without the continental United States as may be authorized, under the direction of the Secretary of Defense, by the Secretary of the Army, $9,000,000; by the Secretary of the Navy, $6,000,000; and by the Secretary of the Air Force, $10,000,000.

SEC. 403. The approximate cost of each project enumerated and authorized by titles I, II, and III of this act may, in the discretion of the Secretary concerned, be varied upward 5 percent, but the total cost of work for each title as authorized in section 402 shall not be exceeded.

SEC. 404. No family quarters shall be constructed under the authority of this act which are in excess of a net floor area of 1,080 square feet per unit.

SEC. 405. No family quarters shall be constructed under the authority of this act at (1) a cost per family unit in excess of $14,000 for construction, including kitchen range, refrigerator, telephone, architectural and engineering services, and all contingencies, nor at (2) a cost per family unit in excess of $2,500 for site development and outside utilities, including architectural and engineering services therefor and all contingencies: *Provided*, That the average cost of all the family quarters to be constructed under the authority of this act shall not exceed (1) $13,000 per family unit for construction, including kitchen range, refrigerators, telephone, architectural and engineering services, and all contingencies, and (2) $1,750 per family unit for site development and outside utilities, including architectural and engineering services therefor and all contingencies: *Provided further*, That when such units are constructed outside the continental United States, or in Alaska, the limitations on unit costs as specified in this section shall be applicable to the average cost of all units so constructed, and said average unit costs may each be increased by not more than 100 percent.

SEC. 406. Appropriations made to carry out the purposes of this act shall be available for expenses incident to construction, including administration, overhead planning and surveys, and shall be available until expended when specifically provided in the appropriation act.

SEC. 407. Any projects authorized herein may be prosecuted under direct appropriations, or authority to enter into contracts in lieu of such appropriations.

SEC. 408. (a) There is hereby rescinded, as of December 31, 1949, any authority conferred by any act of Congress enacted prior to the beginning of the Eightieth Congress to proceed with any project or projects for the establishment or development of military, naval, or air force installations and facilities by the construction, installation, or equipment of temporary or permanent public works, unless funds to be used for the exercise of such authority have been appropriated on or before December 31, 1949.

(b) The Secretary of Defense is authorized and directed to make a report to the Congress at the beginning of the first session of the Eighty-second Congress, and at the beginning of the first session of each succeeding Congress, listing all projects for the establishment or development of military, naval, or air-force installations and facilities by the construction, installation, or equipment of temporary or permanent public works which have been authorized by the Congress subsequent to the beginning of the Eightieth Congress and for which adequate funds for the completion thereof have not been appropriated. The report shall include any recommendations which the Secretary of Defense deems appropriate with respect to the rescission of all, or any portion, of the authority to proceed with any such project.

(c) Nothing in subsections (a) and (b) of this section shall be deemed to relate to any project authorized to be prosecuted by the Department of the Army in the exercise of the civilian functions of the Corps of Engineers.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"TITLE I

"SEC. 101. The Secretary of the Army, under the direction of the Secretary of Defense, is hereby authorized to establish or develop military installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

"CONTINENTAL UNITED STATES

"Aberdeen Proving Ground, Md.: Climatic testing facilities, air to ground rocket firing research facilities, high explosives loading and disassembly facilities, and compressor building for supersonic wind tunnel, $2,930,000.

"Arlington Hall, Va.: Extension between wings 1 and 2, building No. 450, extension of wing No. 1, building No. 450, $94,000.

"Army Medical Center, D. C.: Reconstruction of heating plant, $350,000.

"Army-Navy General Hospital, Arkansas: Ground storage water reservoir, $65,000.

"Army chemical center, Maryland: Process laboratory, radiological 'cold' laboratory, low temperature test chambers, experimental loading and filling building, test chamber for aerosols, radiological 'hot' laboratory, protective equipment laboratory, explosion test chamber, collective protector and air filter laboratory, facilities for assembly of clusters and fire bombs, high pressure laboratory, storage building for radiological equipment laboratory for radiological defense school, $2,861,000.

"Army receiving station, La Plata, Md.: Family quarters and utilities barracks, receiving building, powerhouse, and garage, $634,500.

"Army transmitting station, District of Columbia area: Improve roads, land acquisition, power facilities, powerhouse and garage, telephone facilities, transmitter building, barracks, family quarters, and utilities, $1,285,500.

"Fort Belvoir, Va.: Communications building, $118,000.

"Benicia Arsenal, Calif.: Improvements to water system, $243,800.

"Fort Benning, Ga.: Family quarters and utilities, repair shops, magazines, storage facilities, administration building, gasoline station and pump house, central heating plant, lavatory building, target house, $6,414,000.

"Black Hills Ordnance Depot, S. Dak.: Family quarters and utilities, improvements to water system, $249,000.

"Fort Bliss, Tex.: Family quarters and utilitie , $462,000.

"Fort Bragg, N. C.: Family quarters and utilities, $6,666,000.

"Brooklyn Army Base, N. Y.: Fire protection of piers, $150,000.

"California Institute of Technology, Calif.: Test cells, hazardous propellant storage, construction, modification, and relocation of facilities, $685,000.

"Deseret Chemical Depot, Utah: Family quarters and utilities, barracks, $497,700.

"Camp Detrick, Md.: Family quarters and utilities, civilian dormitory, decontamination facilities, munitions building, aerobiological building, basic science bulding, meteorological building, pilot plant for crop studies, surveillance building, storage facilities, maintenance shops, research and development laboratory, central boiler plant, plant science building, bacteriological development laboratory, agent control laboratory, animal breeding facilities, animal barn and corral, medical-veterinary laboratory, soils preparation building, $6,185,500.

"Fort Dix, N. J.: Family quarters and utilities, $924,000.

"Dugway Proving Ground, Utah: Technical, administrative, and community facilities, family quarters, bachelor officers' quarters, barracks, and utilities, $10,000,000.

"Sault Ste. Marie, Mich.: Housing, administrative, operational and community facilities and utilities, $1,000,000.

"Camp Hood, Tex.: Family quarters and utilities, battalion motor park, highway bridge, improvements to water system, $9,100,000.

"Fort Knox, Ky.: Family quarters and utilities, $924,000.

"Camp Lee, Va.: Family quarters and utilities, $3,135,000.

"Fort Lewis, Wash.: Family quarters and utilities, removal of structures and relocation of post office and finance building, telephone exchange building, $4,793,000.

"Lima Ordnance Depot, Ohio: Connection with city water supply and utilities, $90,000.

"Malta Test Station, N. Y.: Additional garage space, additions to electrical distribution system; Quonset huts and platforms; fencing, drainage, roads, fire lanes and clearings, vehicle storage sheds, well, pump and water distributing system, addition to test structure No. 6, chemical test structure and test cells, oxygen pump and turbine text buildings, extension of nitrogen and oxygen gas lines to pits 1 and 2 and chemical pit, fire-alarm system, increase storage for new type fuels, stockroom addition, extension engineering and laboratory building, water pipe wall for pits 3 and 4, addition to ram jet structure, $840,000.

"Marion Engineer Depot, Ohio: Sprinkler system, special storage facilities, $533,000.

"Middletown, Calif.: Receiver, relay center, and utility buildings, access roads, clearing and grading, fencing, utilities and land acquisition, $760,000.

"Midwest Chemical Depot, Ark.: Storage sheds, $551,000.

"Fort Monmouth, N. J.: Family quarters and utilities, $3,069,000.

"Muroc Air Force Base, Calif.: Improvement to range bombing facilities, $144,000.

"Murphy General Hospital, Massachusetts: Family quarters and utilities, land acquisition, $241,000.

"Navajo Ordnance Depot, Ariz.: Utilities for Navajo Village, $225,000.

"Oliver General Hospital, Georgia: Family quarters and utilities, $396,000.

"Picatinny Arsenal, N. J.: Construction of facilities for rocket development and test purposes and utilities (Loki project), $260,000.

"Redstone Arsenal (Huntsville), Ala.: Chemical laboratory and administration-engineer buildings and rocket motor test stand; engineer building, administration building, laboratory buildings; four rocket motor test stands; storage facilities; flight test range; nitroglycerin plant; two temperature conditioning buildings; modification of eight buildings; modification of one building for machine shop; expansion and modification of utilities, roads, and fences; $4,250,000.

"Fort Riley, Kans.: Underground magazines, family quarters, and utilities, $143,000.

"Rossford Ordnance Depot, Ohio: Fireproofing of warehouses, $500,000.

"St. Louis Medical Depot, Mo.: Modification of medical laboratory building, $125,000.

"Schenectady General Depot, N. Y.: Base maintenance shop building facilities and utilities, $749,000.

"Sharpe General Depot, Calif.: Equipment processing building, $184,900.

"Hanford, Wash.: Housing, administrative, supply, community, operational and tactical facilities, site development, and utilities, $8,000,000.

"Fort Sheridan, Ill.: Beach-erosion protection, $150,000.

"Sierra Ordnance Depot, Calif.: Family quarters and utilities, $165,000.

"Fort Sill, Okla.: Family quarters and utilities, control tower, $660,000.

"Sioux Ordnance Depot, Nebr.: Family quarters and utilities, $99,000.

"Tooele Ordnance Depot, Utah: Family quarters and utilities, $132,000.

"Two Rock Ranch, California: Family quarters and utilities, $231,000.

"Valley Forge General Hospital, Pennsylvania: Family quarters and utilities, enlarge sewage collection and pumping facilities, acquisition of land (30 acres), $435,000.

"Vint Hill Farms, Virginia: Family quarters and utilities, $759,000.

"White Sands Proving Ground, New Mexico: Family quarters and utilities; barracks, extension of field instrumentation, automotive maintenance shops, fuel stations, improvements to airfield facilities, meteorolical station, refrigeration and ice plant, utilities shops, storage facilities, extension of water supply system and electric power system and bachelor officers' quarters, $4,341,400.

"SPECIAL WEAPONS PROJECT

"Construction at classified installations, $12,439,300.

"OUTSIDE CONTINENTAL UNITED STATES

"Alaska: Communications station, including housing, technical, administrative, operational, supply and community facilities, site development, and utilities, $7,873,700.

"Eielson Air Force Base, Alaska: Petroleum terminal storage, clearing and site preparation, outside utilities, barracks, organizational maintenance shop, special maintenance shop, ordnance shop, roads, streets and walks, gasoline dispensing station, warehouse, parking areas, oil and grease storage, family quarters, ammunition storage, fire reporting telephone system, battalion headquarters and storage building, $13,746,000.

"Ladd Air Force Base, Alaska: Clearing and site preparation, outside utilities, roads, streets and walks, barracks including mess facilities, organizational maintenance shops, post exchange, gasoline dispensing facility, service club, battalion headquarters and supply building, infirmary, $12,590,200.

"Fort Richardson, Alaska: Petroleum terminal storage and dock, water supply warehouses, heat and power plant, bachelor officers' quarters, family housing and utilities, outside utilities, organizational maintenance shops, barracks, engineer shops, roads, streets and walks, officers' mess, $36,882,845.

"Whittier, Alaska: Central heat and power plant, composite bachelor housing, service and recreation building, $3,131,000.

"Okinawa: General depot facilities, laundry, barracks, bachelor officers' quarters, family quarters and utilities, operations building, emergency power building and direction finder building, $13,071,480.

"Helemano, Oahu, Hawaii: Land acquisition, $6,000.

"TITLE II

"The Secretary of the Navy, under the direction of the Secretary of Defense, is hereby authorized to establish or develop naval installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities as follows:

"CONTINENTAL UNITED STATES

"Naval Air Station, Alameda, Calif.: Jet overhaul building and accessories, $950,000.

"Naval Research Laboratory, Anacostia, D. C.: Research laboratory building and accessories, correction of deficiencies to existing facilities, $1,570,000.

"Naval Engineering Experiment Station, Annapolis, Md.: Submarine propulsion test facilty, $2,000,000.

"Naval Ammunition Depot, Bangor, Wash.: Mine assembly facilities, including buildings and accessory construction, $1,000,000.

"Naval Command Operations Center, Training Center, First Naval District: Alterations for command operations center equipment, $151,000.

"Naval training schools, Massachusetts Institute of Technology, Cambridge, Mass.: Combustion test and development facility, $682,000.

"David Taylor Model Basin, Carderock, Md.: Alter 24-inch variable pressure water tunnel, wind tunnel and associated facilities, completion of 3-meter wind tunnel, free surface test facility, $2,244,000.

"Marine Corps Air Station, Cherry Point, N. C.: Family quarters and utilities, $1,765,500.

"Naval Proving Ground, Dahlgren, Va.: Interior ballistics measurements building, $410,000.

"Marine depot of supplies, eastern United States: Depot facilities at a location to be determined, $25,000,000.

"Marine Corps school, Quantico, Va.: Family quarters and utilities, $2,475,000.

"Naval Ordnance Aerophysics Laboratory, Daingerfield, Tex.: Addition to test chamber to increase capacity of wind tunnel and additional laboratory facilities, $864,500.

"Fleet Air Defense Training Center, Dam Neck, Va.: Expansion of present facilities, including roads, walks, generators, transformers, utilities, collateral equipment, auxiliary construction and facilities for administration, command operations center and radar, command operations center instruction, dispensary, barracks, galley and mess hall, bachelor officers' quarters, family quarters, storage, public works operations, garage, laundry, incinerator, sewage disposal, recreation, chapel, fire house and community services, $18,693,000.

"Naval Ammunition Depot, Earle, N. J.: Mine assembly facilities, including buildings and accessory construction, $1,100,000.

"Naval Training Center, Great Lakes, Ill.: Addition to main power plant, including

boilers and accessory construction, conversion of barracks to family quarters and utilities, $1,575,000.

"Naval Ammunition Depot, Hawthorne, Nev.: Additional water-storage facilities, $320,000.

"Naval Ordnance Test Station, Inyokern, Calif.: Morris Dam under-water test facilities, static firing facilities for liquid fuels, aerodynamics ballistic track range, ballistic ground ranges and additional instrumentation for and modification of guided missile range, ballistics range facilities, family quarters and utilities, $10,992,000.

"Naval Air Station, Jacksonville, Fla.: Aircraft carrier berthing, turning basin and approach channel, Mayport, Fla., $4,920,000.

"Naval Fuel Storage Facility, Jacksonville, Fla.: Acquisition and expansion of residual terminal facility, including tankage, pipelines, and accessory construction, $3,175,000.

"Naval Air Development Station, Johnsville, Pa.: Extension of runways for jet operations, acquisition of avigation easements in runway approach zone, development and test facilities, $5,253,500.

"Naval Station, Key West, Fla.: Dredging at submarine basin, $739,000.

"Naval Aeronautical Rocket Laboratory, Lake Denmark, N. J.: Rocket test and development facilities, $7,500,000.

"Marine Barracks, Camp Lejeune, N. C.: Family quarters and utilities, $5,808,000.

"Naval Hospital, Camp Lejeune, N. C.: Family quarters and utilities (conversion), $128,000.

"Camp Lejeune, N. C.: Construction of railroad spur from Camp Lejeune to Cherry Point, N. C., $3,000,000.

"Naval Auxiliary Air Station, Miramar, Calif.: Aircraft maintenance hangar, parking utilities, services, and gasoline storage, $2,230,000.

"Naval Postgraduate School, Monterey, Calif.: Facilities, including buildings, utilities, and accessory construction (second increment), $11,000,000.

"Naval Submarine Base, New London, Conn.: Hydrogen peroxide storage facilities, $60,000.

"Naval Base, Newport, R. I.: Acquisition of land on Conanicut Island for small-boat landings, $9,000.

"Naval Base, Newport, R. I.: Sewage facilities, $1,243,000.

"Naval Air Station, Norfolk, Va.: Test cells for turbine engines, $485,000.

"Headquarters, Commander in Chief, Atlantic Fleet, Norfolk, Va.: Combined antisubmarine warfare plot and administration building, $650,000.

"Naval Communication Station, Norfolk, Va.: Communication facilities for Headquarters, Commander in Chief, Atlantic Fleet, $11,650,000.

"Naval Air Test Center, Patuxent River, Md.: Family quarters and utilities, installation of slotted cylinder catapult and arresting gear, $1,885,500.

"Naval Air Station, Pensacola, Fla.: Improvement of power plant and electrical distribution system, $3,960,000.

"Naval Electronics Laboratory, Point Loma, Calif.: Laboratory supply and utility buildings, including services and accessories, $3,450,000.

"Naval Civil Engineering and Evaluation Laboratory, Naval Construction Battalion Center, Port Hueneme, Calif.: Laboratory building and associated facilities, $450,000.

"Naval Air Station, Quonset Point, R. I.: Completion of two engine test cells, $300,000.

"Naval Air Station, San Diego, Calif.: Turbo prop engine test cells, $530,000.

"Special Devices Center, Sands Point, Long Island, N. Y.: Acquisition of land and buildings, $350,000.

"Naval Shipyard, San Francisco, Calif.: Conversion of building No. 351 for radiological laboratory, $1,000,000.

"Naval Communications Station, Skaggs Island, Calif.: Family quarters and utilities, $495,000.

"Thirteenth Naval District: Radio direction finder facilities for supplementary communication requirements, $211,000.

"Twelfth Naval District: Vacuum system housing at naval ordnance activity, $85,000.

"Naval Air Station, Whidbey Island, Wash.: Acquisition of rocket target range (314.62 acres), $35,800.

"Naval Ordnance Laboratory, White Oak, Md.: Model test tank, ballistics laboratory, $1,540,000.

"Navy Communication Station, Winter Harbor, Maine: Addition to radio operating building, permanent remote-control high-frequency direction-finder facilities, family quarters and utilities, $509,000.

"Fort Lauderdale, Fla.: Advanced undersea warfare school, $275,000.

"Various locations: Additional aviation fuel storage to support jet operations, $5,000,000. Extension of runways for jet operations at naval air station, Alameda, Calif.; Marine Corps air station, Cherry Point, N. C.; Marine Corps air station, El Toro, Calif.; naval air station, Norfolk, Va.; naval auxiliary air station, Oceana, Va.; and/or at such stations as changes in strategic dispositions indicate, $8,190,000.

"OUTSIDE CONTINENTAL UNITED STATES

"Fourteenth Naval District: Communication control links, including equipment and land, $527,000.

"Navy communication supplementary activity, Guam: Permanent facilities for communication supplementary activities, interim operating building and accessory construction, $3,870,000.

"Naval Supply Center, Guam: Additional petroluem-storage facilities, $14,200,000.

"Agana Naval Air Station, Guam: Water, electric, and sanitary systems, $1,850,000.

"Naval Operating Base, Guam: Extension of power generation, transmission and distribution system; water supply and distribution system; family housing and completion of civil-service bachelor quarters, $21,936,000.

"Oahu, Hawaii: Acquisition of part of Oahu Railroad, $1.

"Naval Operating Base, Kwajalein: Water supply and distribution, power plant and water distillation, refrigerated storage, sewage-disposal system, barracks, mess and galley, $5,958,000.

"Argentia, Newfoundland: Permanent communication facility, family quarters and utilities (conversion), $3,193,000.

"Pacific: Naval government facilities in trust territories, $1,000,000.

"Roosevelt Roads, Puerto Rico: Acquisition of land (4,170 acres), $330,000.

"Naval Station, Tutuila Island, Samoa: Acquisition of land (11 acres), $3,500.

"Construction at classified installations, $23,316,000.

"Various: Additional communications facilities, $1,000,000. Aviation-gas storage (190,000 barrels), $3,350,000.

"TITLE III

"The Secretary of the Air Force, under the direction of the Secretary of Defense, is hereby authorized to establish or develop installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

"CONTINENTAL UNITED STATES

"Bakersfield, Calif.: Purchase and rehabilitation of Mohawk Oil Co. plant, including land, $141,000.

"Bergstrom Air Force Base, Austin, Tex.: Family quarters and utilities, $1,551,000.

"Barksdale Air Force Base, Shreveport, La.: Jet fuel storage and dispensing facilities, $1,500,000.

"Biggs Air Force Base, El Paso, Tex.: Additional aviation-fuel storage and airfield pavements, family quarters and utilities, and water wells, $4,787,000.

"Campbell Air Force Base, Hopkinsville, Ky.: Control tower and security fence, family quarters and utilities, $496,000.

"Castle Air Force Base, Merced, Calif.: Airfield pavements, land for runway extension and aviation-fuel storage facilities, family quarters and utilities, $6,171,000.

"Davis-Monthan Air Force Base, Ariz.: Family quarters and utilities, $2,244,000.

"Air Force base, Savannah, Ga.: Facilities, barracks, quarters and utilities, pavements and storage, $1,275,000.

"Eglin Air Force Base, Fla.: Family quarters and utilities, construction of armament center and related facilities including engineering building, hangar, warehouse, armament facilities, ramps, roads and taxiways, modification and improvements of range and ammunition area, ammuntion and inspection plant, and addition to measurement and analysis building, and railroad, $10,983,250.

"Ellington Air Force Base, Houston, Tex.: Celestial navigation training buildings, $57,000.

"Fairfield-Suisun Air Force Base, Calif.: Family quarters and utilities, airfield pavements, $3,380,800.

"Great Falls Air Force Base, Great Falls, Mont.: Aviation fuel storage facility and airfield pavements, family quarters and utilities, barracks, $8,321,000.

"Hamilton Air Force Bace, San Rafael, Calif.: Aviation fuel storage facilities, family quarters and utilities, $1,792,000.

"Holloman Air Force Base, Alamogordo, N. Mex.: Instrumentation building, telephone circuits to instrumentation sites, utilities, conversion of electrical distribution system, water supply and storage facilities, missile assembly buildings, photo laboratory, commissary, sales store and warehouse, tracking device (telemetering and radar), access trails in range area, technical building, family quarters and utilities, upper atmosphere research station, $7,679,725.

"Hood Air Force Base, Temple, Tex.: Family quarters and utilities, operation building, control tower and fire crash station, night lighting, transformer building, fuel storage, oil storage, electrical distribution system, gas mains, water mains, sewage-disposal facilities, grading and seeding, roads and parking areas, gate house, obstruction lighting, airfield pavement, $2,309,467.

"Kelly Air Force Base, San Antonio, Tex.: Addition to sewage-disposal plant, $255,170.

"Kirtland Air Force Base, Albuquerque, N. Mex.: Family quarters, utilities, and barracks, $2,062,000.

"Lackland Air Force Base, San Antonio, Tex.: Water well, $77,000.

"Langley Air Force Base, Hampton, Va.: Jet fuel storage and dispensing facilities, $486,000.

"Limestone Air Force Base, Limestone, Maine: Family quarters and utilities, barracks, aviation fuel storage facilities, heating plant and extension to existing heating facilities, warehouses, maintenance shops, fire and crash station, bomb handling and storage facilities, airfield pavements, oil storage facilities, commissary, nose hangars, training school building, utilities, roads and parking areas, administrative telephone system, communications and electronic facilities, railroad, refrigeration plant, recreation facility, school, motor pool, $27,799,200.

"MacDill Air Force Base, Tampa, Fla.: Aviation fuel storage facilities and airfield pavements, family quarters and utilities, $4,412,000.

"McChord Air Force Base, Tacoma, Wash.: Jet fuel storage and dispensing facilities, runway extension and taxiway, $573,337.

"McGuire Air Force Base, Trenton, N. J.: Jet fuel storage and dispensing facilities, $300,000.

"March Air Force Base, Riverside, Calif.: Family quarters and utilities, $528,000.

"Moses Lake Air Force Base, Moses Lake, Wash.: Barracks, family quarters and utilities, hospital, bachelor officers' quarters, operations building and control tower, crash fire station, $8,155,000.

"Mount Washington Weather Station, New Hampshire: Climatic projects laboratory, $363,600.

"Muroc Air Force Base, Calif.: Quartermaster warehouse, experimental parachute facilities, electrical system, land for base expansion, unconventional fuel storage, water system, radar and telemetering station, hangars, pavements, runway and taxiway, warehouses and railroad spur, hangar shop and warehouse, rocket static test facilities, barracks, family quarters and utilities, $29,957,580.

"Norwalk, Calif.: Rehabilitation and provision of additional operating facilities, purchase of Wilshire and Sunset Oil Company plants, $767,000.

"Offutt Air Force Base, Omaha, Nebr.: Reconstruction of barracks for troop housing, $300,000.

"Otis Air Force Base, Falmouth, Mass.: Aviation fuel storage facilities and hangar, $1,150,000.

"Panama City, Fla.: Purchase and rehibilitation of Panama City Oil Company plant, $537,339.

"Rapid City Air Force Base, Rapid City, S. Dak.: Family quarters and utilities, high speed refueling system, airfield night lighting and hazard removal, $3,952,100.

"Scott Air Force Base, Belleville, Ill.: Land acquisition, family quarters, and utilities, $1,167,000.

"Selfridge Air Force Base, Mount Clemens, Mich.: Aviation fuel storage facilities and airfield pavements, $600,000.

"Spokane Air Force Base, Spokane, Wash.: Purchase of land, airfield pavements, aviation fuel storage facilities, and barracks, $6,645,000.

"St. Louis, Mo.: Renovation of building for aeronautical chart service and moving of equipment, $1,500,000.

"Tacoma, Wash.: Purchase and rehabilitation of General Petroleum Corporation terminal numbered 2 facilities, $200,000.

"Walker Air Force Base, Boswell, N. Mex.: Aviation fuel storage facilities, airfield pavements, family quarters and utilities, $6,672,000.

"Westover Air Force Base, Chicopee Falls, Mass.: Family quarters and utilities, $1,584,000.

"Williams Air Force Base, Chandler, Ariz.: Family quarters and utilities, $1,584,000.

"Wright-Patterson Air Force Base, Dayton, Ohio: Structure branch storage, addition to electrical distribution system for engineering laboratory building, modification to shop and office (wind tunnel building 24C), addition to film storage building, compass test building, modification of wind tunnel (building 24B), addition to radar test building, high-powered electric whirlrig, extension to electric system, coal-handling facilities (area C), extension to engineer shops, vibration test building, $3,340,010.

"Location to be determined: Additional strategic bulk petroleum storage facilities, $14,200,000; facilities for storage and repair of rocket motors, including storage facilities for unconventional fuels, $1,000,000; facilities for Air Force Security Service, $5,802,900; classified facilities, $580,000.

"Various locations: Conversion of engine overhaul and test facilities, $7,990,000; airways navigational aids and communications facilities, $11,627,415; repair and replacement of airfield lighting, $1,000,000; facilities for storage and dispensing of unconventional fuels, $2,000,000.

"OUTSIDE CONTINENTAL UNITED STATES

"Alaska: Warm-up shelters for aircraft, $700,000.

"Eielson Air Force Base, Alaska: Utilities, utilidor and tie-in to new power plant, power and steam plant, family quarters and utilities, aviation gasoline storage and dispensing facilities, airfield pavements, $11,213,320.

"Elmendorf Air Force Base, Fort Richardson, Alaska: Outside utilities, warm storage for vehicles, $1,191,746.

"Ladd Air Force Base, Fairbanks, Alaska: Family quarters and utilities, barracks and outside utilities, $11,283,000.

"Lagens Field, Azores: Fuel unloading facilities, water supply and distribution facilities, $2,332,000.

"Kindley Air Force Base, Bermuda: Completion of bridge $600,000.

"Johnston Island Air Force Base: Petroleum storage facilities, salt water flushing system, fresh water supply system, airfield lighting, dock repair and replacement, electrical distribution system, electric power plant, communications facilities, $2,031,000.

"Goose Bay Airport, Labrador: Aviation gasoline storage and dispensing facilities, high-speed refueling facilities, $3,050,000.

"Wheelus Field, Libya: Water supply and distribution facilities, $325,000.

"Dhahran Air Transport Station, Saudi Arabia: Additional facilities, $4,500,000.

"Various locations: Weather broadcast and point-to-point communications facilities, $1,701,613; northeast Loran chain, $2,850,000; ground-control-approach facilities, $433,760; air-ground radio stations, $2,076,592; three multichannel single-side-band stations, $4,180,131; radar set facilities, $381,000; demountable or low-cost family housing, $4,800,000; instrument landing system, $150,000; facilities for Air Force Security Service, $1,670,000; classified facilities, $1,000,000.

"TITLE IV

"GENERAL PROVISIONS

"SEC. 401. To accomplish the above-authorized construction the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, under the direction of the Secretary of Defense, are authorized to acquire lands and rights pertaining thereto, or other interests therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise, without regard to section 3648, Revised Statutes, as amended. When necessary, the Secretary of the Army, under the direction of the Secretary of Defense, is authorized to commence construction authorized in title I hereof for a single special weapons project prior to approval of title to such lands by the Attorney General as required by section 355, Revised Statutes, as amended.

"SEC. 402. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums of money as may be necessary for the purpose of this act, but not to exceed:

"(1) For public works authorized by title I: Inside continental United States, $87,800,300; outside continental United States, $87,301,225; special weapons project, $12,439,300.

"(2) For public works authorized by title II: Inside continental United States, $158,008,800; outside continental United States, $85,533,501.

"(3) For public works authorized by title III: Inside continental United States $200,855,893; outside continental United States, $56,469,162.

"SEC. 403. The approximate cost of each project enumerated and authorized by titles I, II, and III of this act may, in the discretion of the Secretary concerned, be varied upward 5 percent, but the total cost of work for each title as authorized in section 402 shall not be exceeded.

"SEC. 404. No family quarters shall be constructed under the authority of this act which are in excess of a net floor area of 1,080 square feet per unit.

"SEC. 405. No family quarters shall be constructed under the authority of this act at (1) a cost per family unit in excess of $14,000 for construction, including kitchen range, refrigerator, telephone, architectural and engineering services, and all contingencies, nor at (2) a cost per family unit in excess of $2,500 for site development and outside utilities, including architectural and engineering services therefor and all contingencies: *Provided*, That the average cost of all the family quarters to be constructed under the authority of this act shall not exceed (1) $13,000 per family unit for construction, including kitchen range, refrigerators, telephone, architectural and engineering services and all contingencies; and (2) $1,750 per family unit for site development and outside utilities, including architectural and engineering services therefor and all contingencies: *Provided further*, That the foregoing limitations shall apply only to family quarters constructed inside continental United States without regard to cost of family quarters constructed elsewhere, and when family quarters are constructed outside continental United States, or in Alaska, unit costs and average costs thereof for construction, including kitchen range, refrigerator, telephone, site development and outside utilities, architectural and engineering services, and all contingencies shall be limited to $33,000 and $29,500, respectively.

"SEC. 406. Appropriations made to carry out the purposes of this act shall be available for expenses incident to construction, including administration, overhead planning and surveys, and shall be available until expended when specifically provided in the appropriation act.

"SEC. 407. Any projects authorized herein may be prosecuted under direct appropriations, or authority to enter into contracts in lieu of such appropriations.

"SEC. 408. (a) There is hereby rescinded, as of December 31, 1949, any authority conferred by any act of Congress enacted prior to the beginning of the Eightieth Congress to proceed with any project or projects for the establishment or development of military, naval, or Air Force installations and facilities by the construction, installation, or equipment of temporary or permanent public works, unless funds to be used for the exercise of such authority have been appropriated on or before December 31, 1949.

"(b) The Secretary of Defense is authorized and directed to make a report to the Congress at the beginning of the first session of the Eighty-second Congress, and at the beginning of the first session of each succeeding Congress, listing all projects for the establishment or development of military, naval, or Air Force installations and facilities by the construction, installation, or equipment of temporary or permanent public works which have been authorized by this Congress subsequent to the beginning of the Eightieth Congress and for which adequate funds for the completion thereof have not been appropriated. The report shall include any recommendations which the Secretary of Defense deems appropriate with respect to the rescission of all, or any portion, of the authority to proceed with any such project.

"(c) Nothing in subsections (a) and (b) of this section shall be deemed to relate to any project authorized to be prosecuted by the Department of the Army in the exercise of the civilian functions of the Corps of Engineers."

Mr. VINSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON: On page 50, line 4, strike out lines 4 to 6, inclusive, and insert:

"SEC. 404. (a) Nothing contained in this act shall be construed to authorize the construction of family quarters or the conversion of existing structures to family quarters at any of the localities mentioned in titles I, II,

and III of this act under the heading 'Continental United States.'

"(b) No family quarters shall be constructed under the authority of this act outside continental United States which are in excess of a net floor area of 1,080 square feet per unit."

Mr. VINSON. Mr. Speaker, this is the amendment I called to the attention of the House during the debate on the resolution. This fixes it so that under no authorization in this bill can any family quarters be built in continental United States.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. MANSFIELD. I am very much interested in the authorization for aviation fuel storage facility and air field pavements and family quarters and utilities, barracks, at the Great Falls Air Force Base, Great Falls, Mont., which appears on page 42, lines 15 to 17.

Mr. VINSON. This amendment on page 42 strikes out $8,321,000 and inserts $4,361,000. The latter figure will be the amount of money that will still be spent at that place, because under this amendment we are eliminating family quarters in continental United States and are using the Wherry bill. We hope that the Wherry bill will build these quarters instead of the Government building them.

Mr. MANSFIELD. I want to call the gentleman's attention to the fact that the Great Falls Air Base, while the most important airfield in the United States because of its connection with Alaska, is at the present time a firetrap, and certainly has nothing in the way of family quarters for its personnel, and something must be done to give these people assistance.

Mr. VINSON. We are going to do something for those people, but we are not going to do it by a downright appropriation. We are going to do it by setting up a housing program under the Wherry bill. Some 74,000 units are planned today under the Wherry bill. The average cost under the Wherry bill will run around $9,000 or $10,000. Under this bill, as they presented it to us in the first instance the average total cost would be around $14,750. We hope to get Wherry quarters at nearly every installation in the United States to replace the ones we have deleted here, but we will build them by private enterprise instead of at the expense of the taxpayers. The gentleman can rest assured that just as soon as the Air Force will map out its housing program, it will be offered to the contractors to build under the Wherry bill.

Mr. MANSFIELD. I thank the gentleman.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Montana.

Mr. D'EWART. The situation at Great Falls is serious, as my distinguished colleague has pointed out.

Mr. VINSON. That is right, and the same thing exists in a great many other places.

Mr. D'EWART. Can the gentleman give me the present status of the Wherry bill?

Mr. VINSON. Well, the status of the Wherry bill is that the Department established a uniform method of procedure as a result of recent amendments to the Wherry bill, and each one of the armed services is going forward with a building program as fast as possible. Some 54,000 units have already cleared through the Department of Defense and returned to the services. The services will get clearance as rapidly as possible from FHA. So, we are going to build Armed Services houses for everybody as fast as it is possible to do so, but not at the expense of the taxpayer. They are going to be built by private enterprise. And, I might say that private enterprise is going to make a great deal of money out of it, because there is money in it.

Mr. D'EWART. Can the gentleman tell me how much the Wherry bill will reduce this sum of $8,321,000?

Mr. VINSON. This item originally provided for an expenditure of $8,321,000, and that has been reduced to $4,361,000, and the difference went into the construction of family quarters there.

Mr. D'EWART. I thank the gentleman.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Washington.

Mr. HOLMES. I am very much interested in the paragraph on page 44, lines 14 to 17, inclusive, which refers to the Moses Lake Air Force Base, at Moses Lake, Wash. Will the gentleman give me the statistics on that?

Mr. VINSON. I have it here. Page 44, line 15, strike out "family quarters" and in line 17 strike out "$8,155,000" and insert "$4,195,000".

Mr. HOLMES. Will that money be administered under the Wherry Act?

Mr. VINSON. No, the gentleman has it wrong. There is nothing in here relating to the Wherry Act.

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON. The Wherry Act is already on the statute books and is being administered separately. By the amendment I have offered we are leaving out all family quarters in continental United States. I am merely saying that with proper attention by the military services the Wherry bill will take the place of the family quarters in this bill.

Mr. HOLMES. The new figure, then, with the committee amendment on page 44, line 17, will be what?

Mr. VINSON. Four million one hundred and ninety-five thousand dollars will be available for other expenditures at that place.

Mr. HOLMES. Instead of the $8,155,000?

Mr. VINSON. That is right, there will be an authorization of $4,195,000. With the family quarters in it, there is an authorization of $8,155,000.

Mr. HOLMES. The gentleman said that under the Wherry Act family quarters will be taken care of?

Mr. VINSON. Wherry units will be built as fast as the contractors in this country can build them, as fast as they can go forward with it. The Government will get out for the time being and give private enterprise an opportunity to build these houses.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. GROSS. What is the total amount proposed to be spent under this bill?

Mr. VINSON. The bill, as amended, will authorize $580,000,000. The bill as reported was for $688,000,000. We saved the difference of $108,000,000.

Mr. GROSS. In the building of these family quarters. That is for both officers and enlisted men; is that correct?

Mr. VINSON. That is right.

Mr. GROSS. How does that balance out?

Mr. VINSON. A great many of them would be for officers and a great many of them would be for enlisted men. Under the law, they get family allowances. It starts at $67.50 for an enlisted man. He gets that much rental allowance each month. As he goes on up in rank it increases to $150 a month for a general officer. When the Government provides military quarters, he does not get that allowance, but when the Government does not build a house and somebody else under the Wherry bill builds a house, then he gets his allowance and pays whatever the rent may be in such private quarters as he may obtain.

Mr. GROSS. But these quarters are for rental purposes, are they not

Mr. VINSON. There is nothing in here for rental quarters, except for barracks and bachelor quarters. There is no housing for families at all.

Mr. GROSS. The rest is built for sale

Mr. VINSON. There is nothing in here for sale. The Wherry bill has no relation to this bill at all. I am merely saying that we are urging the use of the Wherry bill instead of the Government's getting the money out of the Treasury and building the family quarters.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. MILLER of Nebraska. Can the gentleman tell us how much money in the bill might be earmarked for Okinawa and Guam?

Mr. VINSON. For outside continental United States? We break it down this way.

Mr. MILLER of Nebraska. The reason I asked is that my experience in Guam and Okinawa last November with the committee was that housing was badly needed there for the personnel, either barracks or housing of some other kind.

Mr. VINSON. There will be about $19,500,000 worth of family quarters for Alaska.

Mr. MILLER of Nebraska. How much for Okinawa?

Mr. VINSON. Several million dollars for the construction of concrete and steel houses which will withstand the

120-mile-per-hour winds that occur at Okinawa.

In overseas areas, exclusive of Alaska, there will be approximately $13,500,000 for family quarters.

Mr. HORAN. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HORAN. This is an authorization bill, is it not?

Mr. VINSON. That is correct.

Mr. HORAN. It is not an appropriation bill.

Mr. VINSON. That is correct.

Mr. HORAN. Would it be considered proper by the committee to have placed in the RECORD a list of the adjusted figures or do I understand that all of the adjustments will be listed in the amendments?

Mr. VINSON. Yes, I will offer that amendment, just as soon as we dispose of the pending amendment.

Mr. HORAN. I believe it should be made completely clear that this is an authorization bill and not an appropriation.

Mr. VINSON. That is correct. This is an authorization bill.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. SCRIVNER. Over what period of time is this proposed construction expected to extend?

Mr. VINSON. It might extend as much as 5 years. Of course conditions may change, and the departments may not ask for a great many of these installations which they are asking for today. We have to have this authorization so that the military departments can make some sensible plans for their future operations.

Mr. SCRIVNER. Therefore, during the next 3 to 5 years these specific items will be presented by the military to the Committee on Appropriations for action by that committee?

Mr. VINSON. That is correct. They will take the most important ones here and ask for money for that, and in that way the matter will be considered specifically.

Mr. Speaker, if there is no further debate on the amendment, I ask for a vote.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Georgia [Mr. VINSON], to the committee amendment.

The amendment was agreed to.

Mr. VINSON. Mr. Speaker, I offer a series of amendments striking out "family quarters and utilities" and reducing the amount for family quarters. There are some 50 changes to be made in that respect, and I ask unanimous consent that the amendments may be considered en bloc, and be printed in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The amendments are as follows:

Amendments offered by Mr. VINSON to the committee amendment:

On page 26, lines 19 and 20, strike out "family quarters and utilities," and in line 21, strike out "$634,500" and insert "$525,000."

On page 26, line 25, strike out "family quarters," and strike out "$1,285,500" and substitute "$1,186,500."

On page 27, line 5, strike out "family quarters and utilities," and in line 8 strike out "$6,414,000" and substitute "$210,000."

On page 27, lines 9 and 10, strike out "family quarters and utilities," and in line 11, strike out "$249,000" and substitute "$150,000."

On page 27, strike out lines 12, 13, 14, and 15.

On page 27, lines 21 and 22, strike out "family quarters and utilities,", and strike out "$497,700" and substitute "$266,700."

On page 27, line 23, strike out "family quarters and utilities," and on page 28, line 7, strike out "$6,185,500", and substitute "$5,822,500."

On page 28, strike out lines 8 and 9.

On page 28, line 11, strike out "family quarters,"; and in line 12, strike out "$10,000,000" and substitute "$8,695,300."

On page 28, line 16, strike out "family quarters and utilities," and in line 18, strike out "$9,100,000" and insert "$718,000."

On page 28, strike out lines 19, 20, 21, and 22.

On page 28, line 23, strike out "family quarters and utilities," and in line 25, strike out "$4,793,000" and substitute "$272,000."

On page 29, strike out lines 21 and 22.

On page 30, strike out lines 1 and 2 and 5 and 6.

On page 30, lines 18 and 19, strike out "family quarters, and utilities," and strike out "$143,000" and substitute "$44,000."

On page 31, line 3, strike out "Housing," and in line 5, strike out $8,000,000" and substitute "$6,551,343."

On page 31, strike out lines 8 through 22, inclusive.

On page 31, lines 23 and 24, strike out "Family quarters and utilities;", and on page 32, line 4, strike out "$4,341,400" and substitute "$2,460,400."

On page 32, line 6, strike out "$12,439,300" and substitute "$2,258,800."

On page 34, strike out lines 18 and 19 and lines 24 and 25.

On page 35, line 10, strike out "family quarters,", and on line 13, strike out "$18,693,000" and substitute "$18,541,719."

On page 35, lines 19 and 20, strike out "conversion of barracks to family quarters and utilities "$1,575,000", and insert "$650,000."

On page 36, line 3, strike out "family quarters and utilities, $10,992,000", and insert "$9,160,000."

On page 36, strike out lines 19, 20, 21, and 22.

On page 37, lines 21 and 22, strike out "Family quarters and utilities,", and in line 23, strike out "$1,885,500" and insert "$1,110,000."

On page 38, strike out lines 16 and 17.

On page 39, lines 5 and 6, strike out "family quarters and utilities, $509,000", and insert "$410,000."

On page 41, strike out lines 11 and 12.

On page 41, lines 16 and 17, strike out "family quarters and utilities,", and strike out "$4,787,000", and insert "$3,203,000."

On page 41, lines 19 and 20, strike out "family quarters and utilities, $496,000", and insert $100,000."

On page 41, line 23, strike out "family quarters and utilities, $6,171,000", and insert "$4,587,000."

On page 41, strike out lines 24 and 25.

On page 42, lines 4 and 5, strike out "Family quarters and utilities,", and in line 10, strike out "$10,983,250", and insert "$9,399,250."

On page 42, strike out lines 13 and 14.

On page 42, lines 16 and 17, strike out "family quarters and utilities,", and in line 17, strike out "$8,321,000", and insert "$4,961,000."

On page 42, lines 19 and 20, strike out "family quarters and utilities, $1,792,000", and insert "$1,000,000."

On page 43, lines 2 and 3, strike out "family quarters and utilities,", and in line 3, strike out "$7,679,725", and insert "$3,719,725."

On page 43, lines 4 and 5, strike out "Family quarters and utilities,", and in line 10, strike out "$2,309,467", and insert "$1,913,457."

On page 43, line 14, strike out "Family quarters,", and strike out "$2,062,000", and insert "$1,270,000."

On page 43, lines 19 and 20, strike out "Family quarters and utilities,", and on page 44, line 3, strike out "$27,799,200", and insert "$24,631,200."

On page 44, lines 5 and 6, strike out "family quarters and utilities, $4,412,000", and insert "$2,828,000."

On page 44, strike out lines 12 and 13.

On page 44, line 15, strike out "family quarters and utilities,", and in line 17, strike out "$8,155,000", and insert "$4,195,000."

On page 45, line 2, strike out "family quarters and utilities, $28,957,580", and insert "$27,373,580."

On page 45, line 13, strike out "Family quarters and utilities,", and in line 14, strike out "$3,952,100", and insert "$1,576,100."

On page 45, strike out lines 15 and 16.

On page 46, lines 5 and 6, strike out "family quarters and utilities, $6,672,000", and insert "$3,504,000."

On page 46, strike out lines 7, 8, 9, and 10.

The amendments to the committee amendment were agreed to.

Mr. VINSON. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON to the committee amendment: On page 50, beginning with line 7, strike out all of section 401, and insert a new section, as follows:

"SEC. 405. When family quarters are constructed outside continental United States, or in Alaska, unit cost and average cost thereof for construction, including kitchen range, refrigerator, telephone, site development and outside utilities, architectural and engineering services, and all contingencies shall be limited to $33,000 and $29,500, respectively."

Mr. SHORT. Mr. Speaker, as my esteemed chairman has already pointed out, our committee has not disturbed the authorizations in this bill for the construction of family quarters outside the continental limits of the United States. Before discussing the merits of the situation, I would like to point out that the bill specifically provides family housing authorizations for Guam, Newfoundland, Okinawa, and three different bases in Alaska. Since the major portion of this authorization is for Alaska, and since our construction experience overseas indicates a greater cost per unit in Alaska than elsewhere, I want to devote myself to a discussion of the housing difficulties in Alaska.

The minimal defense of this critically situated Alaskan frontier requires not only a radar screen, planes, and air bases, but the necessary and indispensable housing for the troops who will man that radar screen, fly those planes, and protect those air bases. American military personnel should not have to live in hovels which rent for $140 a month and at temperatures which sink to 60 degrees below zero. Yet, that is the picture in Alaska today.

It is superfluous to recite the effect of such conditions on our military personnel. When the Joint Chiefs of Staff returned from their personal tour of Alaska not long ago, they stressed two things: First, the strategic importance of Alaska; and second, the atrocious conditions under which our troops were living.

I consider it to be our responsibility to remedy this situation in every way within our capabilities if we are to expect our troops to stand in our defense at our strategically located military outposts in Alaska.

Now, what have we been asked to provide in this bill for the housing of these Alaskan troops? A simple, eight-family unit, row-type structure of the most economical design which will provide minimum comfort and adequate protection from freezing.

Yet, such a house in the 1948 and 1949 Alaskan experiences of the Army and the Air Force has reached in cost $42,000 north of the Alaskan range and $33,000 south of the Alaskan range, for a house alone. The very high utilities cost in that area as of that time averaged about $8,000 per house.

There were a number of elements which contributed to this high cost. Military housing construction was a comparatively new undertaking and competitive bidding, in the sense that we understand it here in the States, was impossible to attain. In addition, it was necessary for the Services to learn by bitter experience how to cope with the multitude of construction problems which are attendant upon construction in Alaska.

As a result, however, of steps taken jointly by all of the Services to revise housing criteria, including the appointment of a special Housing Commission by the Secretary of Defense and a special housing consultant by the Secretary of the Air Force, bids on 400 Army housing units at Fort Richardson, Alaska, have recently averaged $14,918 per unit, including all Government costs exclusive of utilities. Outside utilities will average approximately $5,000 per unit, and will bring the total cost up to an estimated $20,000 per unit.

Further, as a result of this downward revision of criteria concluded from the studies and efforts of all the Services and the afore-mentioned Housing Commission, the Department of the Air Force has just received apparently acceptable bids for 112 units at Eielson Air Force Base ranging from a low of $17,400 to a high of $21,400 for the construction of the unit, exclusive of utilities. The estimated costs of outside utilities, including such necessary site development as roads, walks, and other contingencies, was approximately $7,000 per house. Now, at this point, I feel that I should enumerate more specifically the items which create this abnormal expenditure for site development and utilities.

In Alaska you cannot just build a house and then connect your electric lines, telephone lines, water, and sewage lines to existing public-utility outlets which run in front of the house. On the contrary, none of those facilities are available and it is necessary to construct power plants, electric-distribution lines, telephone lines, roads, streets, sidewalks, and gutters, sewer mains and water mains, the cost of all of which items is prorated among the houses constructed in order to determine the average cost of utilities and site development.

If we now take the presently received Air Force bids for Eielson and add the cost of utilities, site development, and unforeseeable contingencies, we find the over-all approximate low cost per house, as of this date, to be $24,750, and the over-all approximate high cost per house to be $28,750, as compared to the total cost of $20,000 at Fort Richardson.

The difference between these cost figures at Eielson and Fort Richardson results from the fact that Eielson Air Force Base is approximately 326 miles north of Fort Richardson and is north of the Alaskan Range, whereas Fort Richardson is south of the range.

The same factors which generally make housing construction in northern United States more costly than in southern United States are the same factors which make housing north of the Alaskan Range more costly than housing south of that range. There is not only the matter of the geographical distance, but also the effect of the permanently frozen ground north of the range, which obviously makes foundation laying and sewer and water-line installation a costlier proposition. Perhaps it is not generally known that all water and sewer lines north of the Alaskan Range must be constructed in a type of concrete duct and that steam lines must be laid parallel to both the water and sewer lines in order to prevent them from freezing. There is no let-up to this necessity. It is a year-round proposition. I think that one illustration will give you a much better insight into the high cost of utilities and site development for the family units in Alaska.

Now I would like to give you some of the additional factors which run the construction costs upward:

First. The cost of manufacturing the materials west of the Rockies, whence come most Alaskan building supplies, is as much as 10 percent higher than the average cost elsewhere in the United States. Most classes of Alaskan construction materials must be packed and crated for export at an average cost of $3.50 per ton. Stevedoring and wharfing charges average $1.20 and 60 cents per ton, respectively, in the United States as opposed to $3.15 per ton for unloading and handling in Alaska. Steamship rates to Alaska are very high, about $17 per ton, and the Alaska Railroad rates are about $30 per ton from the port to Anchorage and about $50 per ton to Fairbanks—higher than anywhere in the United States. Furthermore, an allowance of 5 percent on all material shipments must be made for losses from damage, pilferage, and misrouting, which are unavoidably high for Alaskan cargoes.

The cost of providing job-site storage and protection of construction materials from the elements, which is not necessary in the United States where suppliers can meet daily requirements, is approximately $2.75 per ton prorated over all job-site materials except those not requiring covered storage.

The effect of all the foregoing is reflected in the fact that wallboard, lumber, flooring, and electrical fixtures cost twice as much laid down in Fairbanks as in Seattle; insulation costs two and one-half times as much laid down in Fairbanks as in Seattle; and cement costs more than three and one-half times as much.

Second. Forty-five percent of all labor in Alaska must be imported from the United States at an average round-trip cost of $379.56 for each recruitment, his transportation and pay en route. The average length of service of satisfactory employees in Alaska is 5½ months, and of unsatisfactory employees, less than 3 months. This high labor turn-over includes marginal types whose limited skill makes them generally unable to get employment in the more competitive United States labor market. Due to the short construction season and the long Arctic days, it is necessary to work an average of about 20 hours per week at overtime pay.

These and other factors affecting labor result in the average job labor cost in Alaska being 43.3 percent above that in the United States. And this is so despite the fact that basic hourly labor-rate scales average 3.7 percent less in Alaska than in Seattle.

Third. The effect of weather and natural phenomena cannot be evaluated in dollars alone. They reflect themselves in the cost figures just mentioned. But they can best be evaluated in terms of the difficult extra requirements which they impose upon housing; heavy installation, and enlarged heating plants because of the cold climate; the incorporation of snow and wind load factors and earthquake factors in design; accommodations for the effect of the permanently frozen ground north of the Alaskan range in laying foundations and establishing utilities such as water and sewer lines which, as has been pointed out, must be heated the year round to prevent freezing.

Fourth. A final reason is the general remoteness of Alaska. With no local resources other than sand, gravel, and a low quality of green lumber, it is impossible to replace immediately any items which may become lost, damaged, delayed in shipment, or diverted for any unforeseeable reason. The result is that construction may have to be delayed or altered while such missing items are ordered and flown in from the United States at great expense. In the interim, the working force may either have to be placed on stand-by time or temporarily reassigned out of phase with a balanced and integrated work schedule. Similar stoppages may result from missing categories of special labor skill at crucial moments. It is the sum total of all the four categories of factors which make even minimum housing in Alaska so costly, and it is these same variable and unpredictable factors which, in view of geographical distances and geological conditions, make construction north of the Alaskan range still costlier than construction south of that range in Alaska.

The recent Air Force experience, north of the range, has shown that as of this date the high cost per house for 112 units, including utilities, site development, and all other costs is $28,750, the low cost per house being $24,750. But let us project ourselves into the future for a moment. If, at a later date, bids are solicited for a lesser number of units at any given time, the mobilization and overhead costs per house will be higher. Furthermore, if construction is not always begun in the future at this time of year, which is the beginning of the construction season in Alaska, the cost-affecting factor will be higher. Other time factors, such as the availability of funds, completion of plans, and the solicitation and approval of bids, will also affect the ultimate cost.

You will note that this bill describes a maximum cost limitation of $33,000, including utilities, and an average cost limitation of $29,500, inclusive of utilities, for the construction of military housing units outside the continental limits of the United States. This bill is merely an authorization, and I submit to you that the elements of cost in Alaskan construction, which I have already outlined, fully justify our retention of these limitations. Merely because we authorize construction at a maximum figure of $33,000 per unit does not mean that those units, under current procedures, will cost that much money. As proof of this contention, I want to bring to your attention the most recent experience of the military services in Alaska in housing construction. The Congress has previously authorized $16,661,150 for the construction of family quarters, by all three services, in Alaska. As a planning figure, the services estimated that they would be able to construct 588 units at an average cost of approximately $28,000 per unit. As a result of new procedures, better planning, more competitive bidding, the substitution of fir for hardwood floors, the substitution of galvanized plumbing for copper plumbing, and other similar factors, the services now estimate that they will be able to construct 791 units or 204 more units than they had originally estimated, at an average cost of approximately $20,000 per unit. This is the best evidence I can offer that the military services are doing everything within their power to obtain suitable military housing in Alaska at the most economical cost. I am confident that the services will not use the maximum cost authorization in any instance that is not absolutely necessary.

Perhaps it is appropriate at this point to make some mention of the applicability of Wherry housing construction in Alaska. Even if we had already constructed all of the units contemplated in this bill, there would still be an 82 percent deficiency of housing units for military personnel who are or will be in Alaska and who are authorized family quarters under the law. Therefore, Wherry housing in Alaska would be most desirable if it could be accomplished. I must point out, however, that the prospects of this type of housing in Alaska are most discouraging. Such units are authorized by law for Alaska, and there is likewise authorized an increase up to 33⅓ percent over the unit mortgage limitations in the United States which would authorize the construction of multiple units in Alaska having a replacement cost of $12,000, with an insurable mortgage value of $10,800. It might be possible to construct some kind of a cracker-box house with about 750 square feet of floor space in Alaska for this price. Such construction is not desirable and, more important, these cost figures completely ignore the very high costs for site development and utilities in Alaska, which would run from $4,000 to $7,000 per unit. I will not belabor this matter, but I did want to point out that, in my opinion, it is just wishful thinking on the part of anyone who would rely upon the construction of Wherry housing units in Alaska to supply the housing deficiency for our military personnel. We can all hope that some presently unknown factors may improve this situation. However, any realistic appraisal at this time must force us to the conclusion that military housing in Alaska will continue to be our responsibility through authorizations such as the bill before us, and the appropriation of supporting funds by the Congress.

There are three remaining housing authorizations in this bill for areas outside the continental limits of the United States. I am confident that the units can be constructed in each of those areas for no more per unit, and perhaps less, than in Alaska. The Navy must construct some units at Guam, which is halfway around the world and has its own peculiar climatic problems to add to the distance factor in holding up the price of construction there. The Navy will construct additional units at Argentia, Newfoundland. However, those units will be the conversion of existing facilities into family units, at a unit cost of about $11,500 per unit. That is cheap housing for that area. The remaining units to be authorized in this bill are at Okinawa. Our worst problem there is the typhoon season. We have had nothing but quonset-type construction there for our military families, and, as a result, the Government has spent about $25,000,000 in repairing typhoon damage since our occupation of that island during the war. Since houses at Okinawa, if they are to last, must be built to withstand winds of 120 miles per hour, the presently planned construction will be steel and concrete. This type of construction will, in the long run, be the most economical we could have in that location, which location has already been declared by the Joint Chiefs of Staff to be of high strategic importance in the defense of this Nation.

As a final consideration, I would like to clarify any misunderstanding that may exist as to the ratio of military housing which is allotted to officers, as contrasted to enlisted persons. As a matter of basic necessity, the commanding officer of a base, the communications officer, the base surgeon, the chaplain, and a limited number of other key personnel must have housing at the base. This is particularly true at overseas installations. After accommodating this relatively small group of key officer personnel, the housing at overseas installations is allocated on a point basis, without regard to the officer or enlisted status of the person. I do not have entirely accurate estimates on the results of this point system as it applies in Alaska. However, the best figures which I can obtain indicate that the number of units occupied by enlisted persons is approximately the same as that occupied by officers.

You will recall that only married officers and married enlisted men of the top three grades are entitled to military family quarters. Officer personnel and the top three grades of enlisted personnel being approximately equal in numbers in any given command, the present allocation under the point system in Alaska is entirely equitable between officers and enlisted personnel.

The amendment to the committee amendment was agreed to.

Mr. VINSON. Mr. Speaker, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON to the committee amendment:

On page 49, line 14, strike "$87,800,300" and insert $34,623,363."

On page 49, line 16, strike "$12,439,300" and insert "$2,258,800."

On page 49, line 18, strike "$158,008,800" and insert "$143,554,519."

On page 49, line 18, strike "$200,855,893" and insert "$159,725,893."

The amendment to the committee amendment was agreed to.

Mr. VINSON. Unless some Member wants to ask some question, I have nothing further to say.

Mr. PHILLIPS of California. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California to the committee amendment: On page 44, line 21, after "house", strike out "experimental parachute facilities."

Mr. VINSON. Mr. Speaker, I have had a conference with the gentleman from California [Mr. PHILLIPS] and I understand his amendment. That item is being reconsidered in the Department of Defense now, and I have no objection to striking that facility out. It is all being considered in the Department now, and I am willing to accept the gentleman's amendment.

Mr. PHILLIPS of California. Mr. Speaker, there were three amendments covering this item. I ask unanimous consent that the three amendments may be considered together, and the statement of the gentleman from Georgia [Mr. VINSON] apply to all three.

Mr. VINSON. That is correct.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California that the three amendments be considered en bloc?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the additional amendments.

The Clerk read as follows:

Amendments offered by Mr. PHILLIPS of California to the committee amendment:

On page 45, line 2, strike out "$28,957,580" and insert "$28,042,280";

And on page 49, line 21, strike out "$200,855,893" and insert "$200,140,593."

Mr. HINSHAW. Mr. Speaker, that line has already been amended to some extent.

Mr. PHILLIPS of California. This conforms to the amendment offered by the gentleman from Georgia.

Mr. VINSON. That is right. It is merely reducing the money. I have gone over the amendments with the gentleman from California [Mr. PHILLIPS] and we are all in agreement.

The SPEAKER pro tempore. The question is on the amendments offered by the gentleman from California [Mr. PHILLIPS] to the committee amendment.

The amendments to the committee amendment were agreed to.

Mr. SHORT. Mr. Speaker, I move to strike out the last word.

In order to give a little fuller and more detailed explanation of the enormous construction cost of houses outside continental United States—in Newfoundland, Guam, Okinawa, and particularly in Alaska—I ask unanimous consent to extend my remarks immediately following the amendment offered by the gentleman from Georgia [Mr. VINSON] limiting the cost of construction in Alaska.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. SHORT. I yield.

Mr. HINSHAW. I notice that the hearings on this bill are not printed. Practically every segment of the country is affected by this bill, as far as construction is concerned. I wonder if the hearings are to be made available to the Members so that we may understand this construction proposition.

Mr. SHORT. Every segment of the country is not involved in this bill, because there is no money in this bill for the construction of housing inside continental United States.

Mr. HINSHAW. I was not talking about housing. I was talking about facilities of various kinds that are being affected.

Mr. VINSON. If the gentleman or any member of the committee will examine the report he will find a minute discussion of each item, what it is proposed to do, and justification for the item. Let me say this to the House: That in considering this bill we read each one of these places as they appear in the bill. We required complete justification, from a military standpoint, for the expenditure of the money. If you will look in the report you will find it broken down by States, and you will find it broken down by services, and you will find justification for every dollar that is proposed to be used.

Mr. HINSHAW. I have been perusing the committee report, as the gentleman says, and it is very extensive and fairly complete, but when you state on page 16 of the report that a certain project, the California Institute of Technology, "provides for construction, modification, expansion, and relocation," I would like to know what you mean by "relocation" and where. That is not stated in the report. It just talks about "relocation."

Mr. VINSON. It does not mean relocation of that plant at some other base. It means relocation of that facility to some other portion of the base.

The facilities described are used for certain purposes; it is in position on those premises. It provides for a rearrangement of the facilities on the same base, on the same premises. It is not taking them away. It may be, for instance, that an engine located in one house may be needed in another. This permits its removal and relocation in the second building.

Mr. HINSHAW. Are hearings to be available?

Mr. VINSON. Hearings are available now.

Mr. HINSHAW. They are not on the floor.

Mr. VINSON. They are in the committee. They have been printed for months.

Mr. SHORT. Extensive hearings were held by the committee and we discussed, as the report will show from pages 14 to 43, inclusive, each and every one of these particular projects; and we give the justification for it.

Mr. HINSHAW. I am glad to know that the hearings are available and I will seek a copy from the gentleman's committee.

Mr. VINSON. Mr. Speaker, the bill, S. 2440, which is now before you for consideration is a construction authorization bill which embraces, for the first time in the history of the Congress, the construction authorizations for all of the military departments. Titles I, II, and III embrace the needs of the Army, the Navy, and the Air Force, respectively, both within and without the continental United States. Title IV contains general provisions which are equally applicable to all of the military departments.

I recognize that time is an important element, and I shall burden you with no more details than necessary on the provisions of this bill. I would like to summarize the provisions in a general way and then answer such questions as you may deem advisable.

The bill may be broken down into five general categories:

First. Operational construction and development, covering such items as the extension of runways, installation of utilities, installation and conversion of jet fueling facilities, and similar types of operations. The total in the bill for this purpose is $395,500,000, both within and without the continental limits of the United States.

Second. Research and development by all of the services. These activities are confined to the continental limits of the United States and involve $92,300,000.

Third. Family housing within and without the United States requires $129,100,000.

Fourth. Nonfamily housing requires $61,300,000.

Fifth. The special-weapons project requires $12,400,000.

You will find a list of each of these projects, except for classified projects, in the committee report, stating the location, the mission to be accomplished, the specific amount of authorization requested and the items for which it is to be spent.

With reference to the classified projects, I want to advise you that approximately $56,000,000 of the total authorization of this bill is for such projects. You will note that such items are carried under the general category "special weapons project" or "classified installations." Since all of these items contain highly classified information, I am sure that the Members will understand my unwillingness to discuss them in open session. However, I want to assure you that the House Committee on Armed Services has received a detailed explanation in executive session of every classified item in this bill, and we are fully satisfied that the items should be classified and that there is full justification for the supporting authorizations in this bill.

My discussion thus far has been directed to the bill in its present form, wherein there is provided a total authorization of $688,300,000, of which $459,000,000 is for the continental United States and $229,300,000 is authorized for projects outside the continental limits of the United States.

Now, I want to bring to your attention certain recent actions by the House Committee on Armed Services which will result in a decrease of more than $100,000,000 in the present total authorizations in the bill.

The construction of family quarters on military installations with appropriated funds has presented continuing problems to our committee and to every Member of the Congress. This bill authorizes the construction, within the continental limits of the United States of 6,542 family units and the conversion of existing facilities to an additional 184 family units, at a total authorization of $108,761,218. The committee is well aware of the need to economize in every possible phase of governmental activity. I cannot say to you that Wherry housing can be used as a complete substitute for the construction of this type of housing from appropriated funds. However, I have no hesitancy in stating that if the military services will utilize the provisions of the Wherry bill with the same zeal that they supported the recently enacted pay bill, then our problems on military housing will be greatly alleviated, if not solved.

The recently enacted amendments to the Wherry bill brought about some much-needed changes to that act, and there is every evidence that the services are moving toward full utilization of that law.

As of May 15, the three military services had planned the construction of 74,000 Wherry units, of which 52,000 have already been processed and approved within the Office of the Secretary of Defense. Approximately 20,000 have already been certified to the FHA and 9,000 of those have been approved by the

FHA. Of that number, 5,700 are already built or under construction.

I am not unmindful of the need for decent housing for military personnel. It is my hope and belief that present military planning under the Wherry Act will produce at least 50,000 new homes within continental United States for military personnel within 1 year from today. In view of that conviction and by unanimous vote of the House Committee on Armed Services, I will offer at the appropriate time a committee amendment to delete from the bill the 6,726 family units within the continental limits of the United States.

After the foregoing deduction, there will remain approximately $33,000,000 for the construction of family quarters outside the United States. The majority of these units will be constructed by the Army and the Air Force in Alaska, with a smaller allocation going to Okinawa, Newfoundland, and Guam. I realize that some of the Members may have questions relating to housing construction outside the continental limits of the United States. Mr. SHORT, the ranking minority member of the committee, will give a detailed explanation of that phase of the bill, and I request that you withhold any questions which you may have on that subject until he has concluded his remarks.

Next, I would like to call to your attention the authorizations on pages 30 and 31 of the bill for the Murphy General Hospital, Waltham, Mass.; Oliver General Hospital, Augusta, Ga.; and Valley Forge General Hospital, Phoenixville, Pa. Perhaps most of the Members are aware of the investigation which our committee recently conducted relating to the closing of four Army hospitals and one Navy hospital by the Secretary of Defense in his order of February 1, 1950. In spite of the committee's efforts to keep these hospitals in operation, Secretary Johnson is still of the opinion that they should be closed and, for all practical purposes, they are now closed.

The three hospitals which I have mentioned are among the five to be closed. Since we cannot authorize construction at nonmilitary locations in a military construction bill, I shall offer at the appropriate time an amendment to delete these three items from the bill. The authorizations for these three items total $1,072,000, of which $990,000 is for family housing units and the remaining $82,000 is for land acquisition upon which some of the units were to be constructed. These items are included in the deletions of committee amendment No. 2.

No doubt there will be persons, both in and out of the military services, who will feel that our committee has been unduly harsh in deleting the housing authorizations for the continental United States contained in this bill. However, I am confident that no such criticism will be made if the facts covering this situation are fully understood. The President has already limited the amount of funds available in fiscal 1951 for military construction, either pending in this bill or already authorized, to $298,000,000. While I can give you no exact figures, I am confident that only a very small portion, if any, of that $293,000,000 has been allocated for the construction of military housing within the continental limits of the United States. As badly as we need that housing, I am sure that the Secretary of Defense would agree with me that there are other authorizations in this bill, together with previously enacted authorizations which must receive a higher priority in the allocation of available funds. I offer no criticism of anyone for this situation, however, I feel that it is both proper and necessary to state the facts as I understand them in explanation of the committee's action.

On page 36, line 23 of the bill, you will note an authorization of $3,000,000 for the construction of a railroad spur by the Marine Corps from Camp Lejeune, N. C., to Cherry Point, N. C. Now, I want to assure the Members of the House that the Committee is unalterably opposed to putting the Marine Corps or any other military service into the railroad business. However, we were faced with a railroad transportation deficiency between Camp Lejeune and Cherry Point and points north which, in our opinion, was detrimental to national defense. At the present time, the only direct railroad line between Camp Lejeune and Cherry Point is the Atlantic Coast Line from Wilmington, N. C., to New Bern, N. C. That portion of the railroad between Wilmington and Cherry Point renders satisfactory service. However, the remainder of the line to the north, connecting with Camp Lejeune and New Bern, is unsatisfactory both as to condition and service. It could properly be classified as a poorly kept spur line. The rails are light, the bridges will accommodate only limited tonnage, and the connection at New Bern with another railroad line is so constructed that standard pullman cars cannot be switched from the Atlantic Coast Line to the other line for transit to points north on the eastern coast. The net result is that personnel and heavy freight loads must be moved south over the Atlantic Coast Line to Wilmington, N. C., then north over the Atlantic Coast Line at a considerable loss in time and expense to the Government.

The Atlantic Coast Line has indicated its willingness to correct the present deficiencies. The Marine Corps emphasizes that their proposed spur to connect Camp Lejeune and Cherry Point will be necessary in the interest of national defense unless New Bern is made an unrestricted gateway, so that there will no longer be any necessity for any railroad traffic, either freight or passenger, regardless of weight or length of car, to move from Camp Lejeune to Cherry Point, or to the north, via Wilmington. Until such movements are not just promised, but are actually going on, the Marine Corps cannot certify to the Congress that the proposed spur is not necessary. I want to reiterate that the committee is unalterably opposed to putting the Marine Corps in the railroad business, and I want to assure the Members that if the Atlantic Coast Line will come to an agreement with the Marine Corps which will overcome the present difficulties, I will personally oppose the appropriation of any funds for the construction of this spur line by the Marine Corps. We cannot definitely determine at this time whether or not that agreement will be reached. Therefore, in the interest of national defense, I ask that the item remain in the bill until such time as a positive determination can be made.

Now, to summarize, the committee will delete, by amendment, $108,000,000 from this bill. All of those deletions pertain to the construction of family quarters within the continental limits of the United States. The total authorization will be reduced from $688,000,000 to $580,000,000. Of the $580,000,000, there will be $351,000,000 for continental United States and $229,000,000 outside continental United States. From the $229,000,000 outside continental United States, there is an allocation of $100,000,000 for Alaska. That is a reduction of approximately 15 percent in the original authorizations of the bill, and I am confident that the Members will accept that reduction as evidence of the committee's determination to effect savings wherever possible. It is my sincere conviction that we have attained the maximum economy consistent with the best interest of national defense, and I urge your favorable consideration of the bill as amended by the committee.

Mr. PHILLIPS of California. Mr. Speaker, I appreciate the courtesy which the committee has shown me in accepting the amendment I offered. It is an important amendment. It removes $719,300 from this bill, and saves a possible million or million and a half dollars. This is worth while in itself, but to me the more important feature of the amendment is that it will save injury to a lot of young men who would otherwise be transferred, for parachute testing work, from the station where they are now jumping, and where they jump on the soft desert terrain to the hard rocky terrain at Muroc.

The gentleman from California [Mr. SHEPPARD] in whose district Muroc is located, and myself, in whose district El Centro is located, are both in favor of this amendment. The gentleman from California [Mr. ANDERSON] a member of the Armed Services Committee, suggested that I offer the amendment today. The distinguished chairman has accepted it.

The situation briefly is this: In the program of consolidating installations, for economy reasons, it was proposed to move parachute jumping from El Centro to Muroc. The facilities are adequate at El Centro; they would have to be built at the cost of a couple million dollars at Muroc. There has been only one very slight accident in 5 years at El Centro; there would be frequent injuries at Muroc. The Congressmen representing both places are opposed to the transfer. The decision to move was endorsed by the Research and Development Board by what I have been told was the only divided decision in its experience. It was three to three. The final vote was cast by Dr. Karl Compton, who told me only last Friday that if he had known at that time what he knows now, the decision might have been a different one. In my presence, he wrote

and mailed a letter to Secretary of Defense saying that, in his opinion, the matter should be reviewed.

I understand, and this I have no way of confirming yet, that the Department of Defense sent a team to California to investigate this, among other proposed changes, and that in this case the recommendation will be unanimous against transferring the parachute work to Muroc.

Details like the adequacy of water were not considered. There is housing at El Centro, not at Muroc. The attitude of the nearby communities was not considered, and in fact there is no nearby community at Muroc.

In brief, the situation points to the need for a review of the decision to move the work. This has been promised by the Department of Defense. I have asked that it be delayed until I return from California. In the meantime the authorization to jump at Muroc should be stricken from S. 2440. It will save money and it will save lives.

Finally, if the El Centro station is not to be closed, there will be no point of transferring the work. If it were to be closed we would lose the station used now for emergency landings by both Army and Navy planes. There is not a week when planes are not down on that field for emergency landings. One week saw 40 planes down there. The saving of one plane, or one pilot, putting it on a cost to the Government alone, would pay the expenses of the station for a year. That is among the reasons for this amendment.

I am sure the amendment will stay in, in conference, when the conferees understand all the factors in this situation.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. VINSON. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill S. 2440, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia.

There was no objection.

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill S. 2440, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ORGANIC ACT OF GUAM

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 504, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 7273) to provide a civil government for Guam, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Lands, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous questions shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield 30 minutes to my good friend the gentleman from Ohio [Mr. BROWN] and at this time I yield myself 5 minutes.

Mr. Speaker, House Resolution 504 makes in order the consideration of the bill H. R. 7273 which provides a civil government for Guam.

I have always felt that in the life of an individual the thing that marks his greatness is the fact that that individual keeps his word. I think also that in the life of a nation the thing that marks the greatness of that nation is the fact that it keeps its word and keeps its promises.

I remember as a boy when we were in the midst of the Spanish-American War, America promised to Cuba that when the Cubans were able to govern themselves America would give Cuba back to the Cubans. I remember that British, French, and German newspapermen laughed at the suggestion that America would eventually give back to the Cubans this wonderful island which could in reality be a great naval base; it could be a continuous source of supply of sugar, and was of great advantage to America. The foreign people could not conceive of our keeping this promise. One of the great days in American history to my mind is that day upon which the American flag was drawn down from the mastheads, from the schoolhouses, and from the churches of Cuba and, in place of the American flag, the flag of Cuba was run up. Our flag was not drawn down in disgrace; it was drawn down in the fulfillment of a sacred promise and I believe that it should be one of the great days in the annals of American history.

In 1898 under that same treaty we were given Guam by the Spanish Government and at that time we promised to the island of Guam that eventually it would have a civil government. During this long period of over 50 years Guam has been held as a naval base and has been under the supervision of the Navy Department. That has been absolutely necessary under the circumstances and we have held it up to this time. However, not only the President of the United States, not only the Secretary of State but the heads of our Army and Navy believe the time has arrived when America should grant to the people of Guam a civil government. So this bill introduced by the gentleman from Florida [Mr. PETERSON] makes it possible for a civil government in Guam to be put into operation.

This program is a very worth-while one. It grants citizenship to those people who are entitled to citizenship under the original treaty of 1898 and it also makes in order the possibility of men and women living in Guam at the present time to obtain citizenship.

It should be emphasized that this is not a preliminary step to the admission of Guam into statehood. It is merely granting them what we promised 50 years ago. I am especially interested in the fact that this bill incorporates a bill of rights so that these people will be amenable to the same protection that you and I as American citizens have under our American Bill of Rights.

I have gone over the bill carefully and I find it is drawn with the approval of every person who wants to treat the people of Guam fairly, but at the same time giving proper protection to our rights. In other words, it is interesting to find that under this law we will give to the people of Guam many of the fine improvements that we have placed upon that island, sewage, hospital facilities, and other things, but at the same time the bill makes it possible for the President of the United States in case of an emergency to cause our armies and Navy to go in and again exercise her protective rights, both for the people of Guam and for the people of America, using Guam as part of our far-flung battle line in case of such emergency.

So I respectfully ask that you give favorable consideration to this rule that will make in order the consideration of this bill which in my humble opinion is merely the fulfillment of a sacred promise, and, as I say, America has always tried to keep her promises. This would merely be the fulfillment of that section of the treaty of 1898.

I am proud to say that under the administration of a citizen of my district, the Honorable William McKinley, when he was President of the United States, promised to the Cubans their freedom and their autonomy in government. However, when that time came for the Cubans to set up their own government he was not living to enjoy it, yet at the same time we carried out what he and the people of America promised to do.

So let us today, by passing this rule and this bill, keep our promise to the people of Guam that was made in a treaty over 50 years ago and realize that it does have the approval of all people interested, including the State Department, the executive department, the Army, and the Navy.

Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, as my colleague, the gentleman from Ohio [Mr. McSWEENEY] has so ably explained, this resolution does make in order consideration of H. R. 7273, a bill introduced by the gentleman from Florida [Mr. PETERSON] to provide a civil government for Guam, and also provides for 1 hour of general debate on the bill.

I want to add but one single thought to those so ably expressed by my colleague from Ohio, and it is this: so there will be no misunderstanding, and if I am incorrect I wish the gentleman from Florida or the gentleman from Ohio will correct me: There is no possibility under this legislation of anyone coming in and

making a future claim that statehood has been promised to Guam. Instead, this bill simply provides a civil government for Guam, with the right of defense installations for the protection of the United States reserved, as the gentleman from Ohio [Mr. McSWEENEY] has explained. It does not open the door for admission of Guam to statehood, and does not constitute Guam as a Territory, such as we have created in the past in preparation for statehood later on.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. McSWEENEY. On page 3 of the hearings I notice where they copied part of the old treaty made in 1898. There was no reference there of any future possibility of statehood, and there is no intimation that there will ever be any future request under this authorization for statehood.

Mr. BROWN of Ohio. I thank the gentleman very much for his contribution.

Mr. PETERSON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Florida.

Mr. PETERSON. I pointed that out very clearly in the report and I went into the treaty and the history of other Territories, and I am going to state on the record that we are holding out no hope for statehood. We are drawing the line on civil government.

Mr. BROWN of Ohio. I am glad the gentleman has made that statement on the record here. That was the understanding between the Committee on Public Lands and the Committee on Rules when this rule was granted. I was fearful some of the Members on the floor might not understand the situation, so I wanted to clarify it and make it very plain that such was the general understanding.

Mr. PETERSON. In order that there might be no question about it in the future, I have taken the treaty with reference to Guam and the treaties with reference to other Territories and showed the distinction.

Mr. BROWN of Ohio. There is a very well-defined distinction between the situation as it affects Guam and as it has affected other Territories of the United States.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As I understand, this bill in no way can be considered as a precedent or to be construed in any way as a precedent for statehood.

Mr. BROWN of Ohio. Or as an obligation on the part of either the Congress or the United States Government to even consider granting statehood.

Mr. McCORMACK. Exactly, except that, of course, nobody can tell what might happen in some decade or some generation from now.

Mr. BROWN of Ohio. But there is no obligation on the part of this Government or of the Congress to ever grant statehood.

Mr. McCORMACK. But we never eliminate hope. Constructive hope is something that we should all possess.

Mr. BROWN of Ohio. Yes, but we do not want to be put in the position where someone can claim in the future that the United States Government or the Congress has not kept some implied promise. We want to make it clear that there is no promise, direct or implied, as to statehood. The future must take care of itself.

Mr. McCORMACK. Exactly; but we would not want to eliminate hope, anyway.

Mr. BROWN of Ohio. Of course, and we all have all sorts of hopes, and sometimes ambitions and aspirations, which are not always fulfilled.

Mr. McSWEENEY. Mr. Speaker, I yield 5 minutes to our distinguished floor leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I want to announce to the Members of the House that after the disposition of the program for this week it is my intention to go over until next Monday. There will be no business on Monday. Tuesday, May 30, being Memorial Day, there will be no business, and we will probably adjourn over Tuesday.

On Wednesday, at the auditorium of the Library of Congress, at 12:30 p. m., the Members of both Houses of Congress, as on previous occasions when General Marshall has addressed us, will have the opportunity and the pleasure of having Secretary of State Acheson address us in connection with the meetings of the foreign ministers of the Atlantic Pact countries that have taken place abroad in the last few weeks. This will be a very important talk. After the Secretary of State has finished his remarks, Members will be in a position to and may ask him questions.

I wanted to make this announcement so that the Members will know that on May 31 this meeting of the Members of both Houses of the Congress will take place.

Mr. BROWN of Ohio. I presume that on that day, Wednesday, May 31, there will be no legislative business considered?

Mr. McCORMACK. May I leave myself a slight reservation so that I can keep faith with the House. It is not my intention to have any legislative business considered unless something special develops, but as of now I cannot foresee anything. Therefore, Members can govern themselves upon the proposition that there will be no legislative business on Wednesday.

Mr. BROWN of Ohio. I assume the Members want that information because many Members on both sides of the aisle will be away speaking at memorial services throughout the country for the Nation's dead. We all want to be here to hear Secretary Acheson report on his trip to the conference, if possible, but it may be difficult for some Members to get back to Washington in time to consider important legislation on Wednesday.

Mr. McCORMACK. The gentleman is absolutely correct. It is because of the knowledge that Members have speaking engagements often many hundreds of miles away, so that it may be difficult in view of train and airplane schedules for them to get back, particularly if they are speaking the night before, that I wanted to make this announcement, so that the Members may know just what the leadership has in mind.

I may say there has been complete cooperation with the leadership on the Republican side. The speed we have shown in passing legislation today will be of great assistance in enabling the plans of the leadership to be carried out.

At this time, Mr. Speaker, I wish to submit a unanimous-consent request. I may say that this has been discussed by me with the distinguished gentleman from Massachusetts [Mr. MARTIN], and it is agreeable to him.

I ask unanimous consent, Mr. Speaker, that on Wednesday, May 31, it may be in order for the Speaker to declare a recess subject to the call of the Chair.

The SPEAKER pro tempore (Mr. PRIEST). Is there any objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BROWN of Ohio. Can the gentleman give us any information as to Thursday and Friday of next week?

Mr. McCORMACK. I am unable to do so now, but I shall next week.

Mr. McSWEENEY. Mr. Speaker, will the gentleman again say for the information of the Members where the meeting is to be held?

Mr. McCORMACK. In the auditorium of the Library of Congress.

Mr. BROWN of Ohio. Mr. Speaker, can the gentleman give us any information as to the legislative program for the remainder of this week? Is there anything in addition to the announcement sent out by the whip?

Mr. McCORMACK. Yes; the schedule is the same as contained in the notice sent out by the whip. Tomorrow is Calendar Wednesday. The House will meet at 12 o'clock tomorrow. It was the intention to meet at 11 o'clock in the morning, but there is no need for that now. The three Alaska bills, in which the gentleman from North Dakota is very much interested, as well as other Members of the House, will come up. I do not think they will take very long. After that comes the extension of the Selective Service Act and then the Baltimore-Washington Parkway bill. I do not know about the royalty-free license bill. There has been some mention made of the possibility of that bill being taken up today. If that is the case, there would seem to be every possibility of disposing of the legislative business scheduled for this week by tomorrow.

Mr. BROWN of Ohio. If that is so, we may be able to adjourn over until Monday.

Mr. McSWEENEY. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, predicated upon the statement made to me by Mr. James H. Lemon, a prominent broker here in the city of Washington, who is president of the Children's Hospital, and one of the finest men I have ever known, I would like to say the House Appropriations Committee has recommended that the item in the District budget entitled "Medical Charities" be reduced from $745,000 to $500,000 because it considers that an appropriation above the latter amount would be in the nature of a subsidy to the hospitals, which is not within the realm of the responsibility or duty of the District government.

It is evident that the committee has been misled by the inaccurate title of the item. These moneys are not medical charities but constitute fees for services rendered by the voluntary hospitals, services which the District simply cannot furnish through its own municipal hospitals.

The District government has contracted with these hospitals to treat emergency patients and others for whom the municipal hospital does not have the necessary facilities. Each case is investigated and approved by the District Health Department before the hospital is paid.

On the basis of the experience of fiscal 1949 the hospitals will be required to furnish 47,041 days of ward care and 133,683 clinic visits as well as a large number of X-ray pictures, emergency room treatments, and ambulance runs. These clinics are particularly important as an investment in preventive medicine. By receiving early treatment in a clinic the Government is saved the far greater expense of actual hospitalization.

For each day of care the hospital is now paid $9. The same service at Gallinger costs the District $11.26. For each clinic visit the hospital is paid $2. The average weighted cost of each of these units in all the hospitals is $14.80 per day of in-patient care and $2.87 per clinic visit. These costs were determined by an independent firm of certified public accountants and have been accepted by the Washington Community Chest as a basis for reimbursement to the hospitals.

To the best of my knowledge hospital care is the only commodity the District purchases for which it does not pay the full cost, plus a reasonable profit. The hospitals do not ask for a profit. They feel that they should receive their full costs. At the very least they should receive rates which approximate costs in the municipal hospital. This would require that the rate per day of in-patient care must be increased from $9 to $11 and the clinic visit from $2 to $2.50. To cover these adjustments a total increase in the appropriation of $230,256 is required. Even with this increase, which would bring the appropriation to $930,256, the voluntary hospitals will still be subsidizing the District's hospital care program to the extent of $229,753—the difference between the desired appropriation and the $1,160,000 which is the actual cost of providing this service.

I would like particularly to stress the simple common sense of caring for these public charges in existing voluntary hospitals rather than appropriating large sums for additional municipal hospital construction. The larger the municipal hospital grows the greater will be the requests for appropriations to cover its operating costs—costs which even now are greater than the rates the voluntary hospitals require to carry this burden.

Mr. MCSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON. Mr. Speaker, I make this statement now because, if the rule is adopted, it is my intention to ask that the bill be considered in the House as in the Committee of the Whole. I want to make a brief explanation at the present time, so that there will be no question in the minds of those who may be worried about the question of statehood.

I am going to put definitely in the RECORD a statement that this does not guarantee statehood and it is not a step toward statehood. I have analyzed and shown the difference between this and the incorporated Territories.

This is the result of a rather comprehensive study which was unanimously reported out by the Committe on Public Lands. At the present time there is a temporary arrangement by which, under Executive order, they have set up a civil government. The Committee on Appropriations has called attention to the fact that the Congress should act upon it. The President of the United States has called attention to it, and advocates the enactment of this legislation. In addition to that, the Department of the Navy and former Secretary of State George Marshall have constantly urged this for a number of years. We withheld carrying out the treaty because of the fact that it was a naval station subject to the rigid rules and regulations of naval stations.

It appears now that only a portion of it is under naval jurisdiction and it is fitting and proper and urgently needed to establish an organic act.

As I said before, as a result of a comprehensive study we report this bill to the Congress.

The gentleman from Michigan [Mr. CRAWFORD] is not able to be here today, but he left with me a letter which he asked me to call to the attention of the House. The letter is as follows:

HON. J. HARDIN PETERSON,
Chairman, Public Lands Committee,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: You may say to any of our friends that I have made a rather thorough study of the general situation in American Guam and I am very much in favor of the legislative proposal which will come before the House during this current week.

The transfer from the Navy Department to the Department of the Interior, with Governor Skinner now on the job, makes legislation very necessary and a bill should be approved without too much delay so that the transfer can be completely effectuated.

Respectfully submitted.

FRED L. CRAWFORD.

In the recent debate in this House on the statehood bills for Alaska and Hawaii some statements were made to the effect that if Alaska and Hawaii were admitted to statehood we should be obliged to take in Guam, American Samoa, Puerto Rico, and the Virgin Islands as States, too. Today we have before us organic legislation for Guam, and I think it is appropriate to comment more fully on the relationship of organic legislation to ultimate statehood. Let me say categorically that enactment of H. R. 7273 will in no way commit the Congress to enactment of statehood legislation for Guam in the future. We have in no way made any promise to the people of Guam, or to Spain, from which Guam was acquired, that Guam would eventually be admitted to the Union. In fact, our commitment with respect to Guam and to the other areas ceded by Spain under the Treaty of Paris differed considerably from commitments made with respect to previously acquired areas and lands constituted as territories. I will review briefly our practice in this regard to show the difference.

During 1781 to 1802 the Original Thirteen States ceded to the Federal Government certain lands reaching out as far west as the Mississippi and lying north and south of the Ohio River. These lands were divided into two large areas, known as the Northwest Territory and the Southwest Territory, respectively. The Northwest Ordinance, enacted by the Congress for the government of the Northwest Territory, and under which the Territory was incorporated into the Union, set the pattern for organic legislation for all of the Territories established on the mainland which now comprise the United States. The Northwest Ordinance granted the people of the Northwest Territory certain basic personal and political rights; it established a form of government for the Territory; it outlined the Territory's future political status. It did the latter by expressly providing that when the population in any of the districts into which the Territory was divided should have reached a certain figure the district was to be admitted into the Union as a State. This promise of future statehood upon the fulfillment of certain conditions was included in the organic legislation for other contiguous Territories of the United States, such as the Southwest Territory, the Territory of Orleans, which was set up in the land acquired by the Louisiana Purchase, and so on. To these areas the Constitution and laws of the United States were extended, thus incorporating them into the Union. In due course the promise of statehood was fulfilled for each of these areas.

Alaska and Hawaii differ from these early Territories only in the fact that they are noncontiguous to the mainland. The organic legislation provided for them is very similar to the organic legislation of the mainland Territories. Just as in the case of the Territories which became States because they had been incorporated into the Union by virtue of the extension to them, in their organic acts, of the Constitution and laws of the United States, Alaska and Hawaii have a claim to statehood because they, too, have been incorporated into the Union. In the organic acts of both Alaska and Hawaii there is an express provision that the Constitution and laws

of the United States, except those which are locally inapplicable, shall have the same force and effect in each of those Territories as elsewhere in the United States. Admission of Alaska and Hawaii, now incorporated Territories, to statehood, would complete the pattern set by the Northwest Ordinance and carried over to the organic legislation of the Territories on the mainland, that a Territory once incorporated is destined for ultimate statehood. Alaska and Hawaii are our only remaining incorporated Territories. We have given neither an express nor an implied pledge of incorporation or of statehood to the peoples of any of the other non-self-governing territories under our jurisdiction. After Alaska and Hawaii are admitted as States, no other area can come forward with a valid claim to statehood.

In our treaty with Spain, by which we acquired Guam, we agreed only that—

> The civil rights and political status of the inhabitants of the territories ceded by Spain to the United States shall be determined by the Congress.

We did not agree to incorporate Puerto Rico, or Cuba, or the Philippines, or Guam into the Union, nor did we agree to grant them statehood ultimately. We agreed only to determine the civil rights and political status of the people. We have fulfilled our obligation with respect to each of the Territories affected by the Treaty of Paris except Guam. Although 52 years have passed since the Treaty of Paris, the Congress has yet to define the civil rights and political status of the people of Guam.

Our military occupation of Cuba, following the Spanish-American War, was only long enough to restore order and to prepare Cuba for independence and for the transfer of political power to elected representatives of the people of Cuba.

In 1933, the Congress announced its intention of granting independence to the Philippine Islands in approximately a decade, and on July 4, 1946, the United States surrendered all rights of possession, supervision, control, or sovereignty over the territory and people of the Philippines, and recognized the independence of the Philippines as a separate and self-governing nation.

We took the first step toward fulfilling our obligation to define the civil rights and political status of the people of Puerto Rico in 1900, when the Congress enacted a law temporarily to provide a civil government for Puerto Rico. That law was amended in 1917, when the present Organic Act of Puerto Rico was passed. The people of Puerto Rico were made citizens of the United States, were provided with a legislature with broad powers similar to those of State legislatures, and had their civil rights guaranteed by a section of the Organic Act which closely paralleled the language of the Bill of Rights of the Constitution. In 1947, we went one step further, by authorizing the people of Puerto Rico to elect their governor, and by permitting the elected governor to select the members of his cabinet.

It remains only for the Congress to fulfill its pledge, made over 52 years ago, with respect to Guam. You will note that the treaty provided that civil rights and political status of the inhabitants of Guam would be determined by the Congress. And yet since 1898 Congress itself has taken no action. The President by Executive order more than 50 years ago placed Guam under the jurisdiction of the Navy Department, and the Secretary of the Navy, acting through a naval governor, has provided a government for Guam. This is not the government of laws to which the United States is pledged. It is contrary to American principles that the executive branch of the Government should exercise complete legislative, judicial, and executive authority over peoples subject to the jurisdiction of the United States.

All the people of Guam have asked for is that we carry out our treaty obligations by providing them with an organic act, which will guarantee their civil rights, establish a legislature and an independent judiciary, and define the scope of executive authority. That is all H. R. 7273 would do. You will look through it in vain for any implication, let alone any express statement, that the next step is statehood for Guam. The Public Lands Committee report says flatly that the bill does not contemplate eventual statehood. When a subcommittee of the Public Lands Committee visited Guam recently in connection with this bill, statehood was not discussed. The people of Guam have not claimed that they were ever promised statehood, nor have they asked to become a State. The bill makes it clear that the history of the incorporated territories on the mainland is not to provide a precedent for treatment of Guam by explicitly defining Guam as "an unincorporated territory of the United States." Thus it is distinguished not only from the contiguous territories of the mainland which became States, but also from Alaska and Hawaii, which are, as I have said, incorporated territories. It is clear from the bill itself that by its enactment our obligation under the Treaty of Paris has been fulfilled, and that we are making no further commitments to the people of Guam. It is proposed to do precisely the same thing with respect to American Samoa; the proposed organic legislation for that Territory also defines it as an unincorporated territory. I might mention that Puerto Rico has been held, by judicial decision, not to have been incorporated into the Union, and that the Organic Act of the Virgin Islands refers to it as an "insular possession," a term which has the same connotation as "unincorporated territory." Thus, as I have already pointed out, after Alaska and Hawaii have become States, we shall have no other incorporated territories which can come before the Congress with the meritorious claim to admission to the Union.

Enactment of H. R. 7273 will merely accomplish the long-overdue fulfillment of a treaty pledge. It will provide a civil government for Guam, a government of laws, not of men. It establishes three branches of government—the executive, the legislative, and the judiciary. The legislature will have broad powers in the local legislative sphere. The courts will have jurisdiction over local matters, but there will be an appeal to the Federal courts where Federal questions are involved. No representation in the Congress is provided for. In this, as in other respects, the bill follows closely the Organic Act for the Virgin Islands enacted by the Congress in 1936, and it also has considerable similarity to the Organic Act of Puerto Rico, although it does not provide for an elected governor. Enactment of organic legislation for Guam is long past due. It is important that it be no longer delayed. I therefore urge prompt enactment of the bill.

Mr. KEATING. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Speaker, I am wholeheartedly in favor of this bill. This bill is the result of a visit by a subcommittee of the Committee on Public Lands under the able leadership of the chairman, the gentleman from New Mexico, Governor MILES, the other members were the gentleman from Michigan [Mr. CRAWFORD], the gentleman from California [Mr. MILLER], the Delegate from Hawaii [Mr. FARRINGTON], the gentleman from Illinois [Mr. JENISON], and myself. We held hearings for 3 days in Guam in connection with this bill.

This bill meets with the unanimous approval of the Guamanians, and of the three departments of our Government who were formerly concerned with the Government of Guam. It is a bill that is long overdue. Until this bill is passed the Guamanians are under the rule of a one-man government. There have been some complaints of abuses, and in fact there have been some abuses. This bill gives home rule to the people of Guam. It is modeled after our State governments to a large extent.

There is a governor, appointed by the President, with the advice and consent of the Senate. The same is true of the lieutenant governor. The governor has many of the powers of a Territorial governor.

Then, again, there is the legislative power, subject to the supervision of the President of the United States, in a limited way. The governor has the veto power over laws that are passed, and over and above that there is still some authority in the President of the United States.

Then there is the judicial department, modeled after our State governments. The judges of the Supreme Court of Guam are appointed by the President of the United States. The judges must be qualified to practice before the highest court in States or Territories of the United States. Again, those judges are appointed by the President of the United States, with the advice and consent of the Senate. They have jurisdiction over all local matters within the Territory of Guam, which will become an unorganized territory. If a Federal question is involved, then under this bill an appeal can be taken to the Northern District Court of California.

Mr. McSWEENEY. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. McSWEENEY. Does the gentleman feel, after going over this bill, that

we are safeguarding our rights sufficiently? I do, but I wondered if you could give me the assurance that we were safeguarding our rights so that in case of an emergency we can go in, without any restrictions upon the part of the citizens, and exercise our rights for our Navy and for our Army, in case of emergency.

Mr. LEMKE. Absolutely so. There never will be any question about that, because the Guamanians are just as good citizens of the United States as any I have met in any State or Territory of the United States.

I will state further that since 1898 they have had American schools, and the English language is taught in all of those schools. There are enough Americans over there, who are citizens of the United States, that always have had a tremendous influence over the Guamanians who are still there.

I was amazed at the ability of their members of the legislative branch.

From a decision of the District Court of the Northern District of California, they can take an appeal to the circuit court of appeals, and from there to the United States Supreme Court if Federal questions are involved. So whenever a Federal question is involved you can finally have the determination of the Supreme Court of the United States, according to this legislation.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. ELSTON. How is the compensation of the judges fixed?

Mr. LEMKE. The compensation will be fixed by the legislature, after the adoption of this act. The maximum salaries of some of the officers, such as the governor and lieutenant governor are limited to this act. I understand that the Senate has made some changes in that respect in a similar bill. We have no objection to the change, which is a slight reduction of the maximum salaries.

Mr. GROSS. Mr. Speaker, will the gentleman from Ohio yield?

Mr. McSWEENEY. I yield.

Mr. GROSS. Does the gentleman know what the Senate has fixed in the matter of salaries of the officials?

Mr. McSWEENEY. I think the gentleman from North Dakota [Mr. LEMKE] can advise the gentleman on that better than I.

Mr. LEMKE. What was the question?

Mr. GROSS. I wish to know what salary has been fixed for the Governor, Lieutenant Governor, and so forth.

Mr. MILLER of Nebraska. If the gentleman from Ohio will yield, perhaps I can answer the question.

Mr. McSWEENEY. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The original bill provided $16,000 for the Governor and $12,500 for the Lieutenant Governor. I understand these amounts have been reduced to something like $12,000 for the Governor, which brings it more in line. They have also reduced the per diem pay of legislators from $15 to $10, I believe it was; I am not quite sure, but it was a substantial reduction from the bill considered in the House. It seemed to a number of us that the salaries originally fixed were too high, and I believe the committee would be willing to accept the version of the other body for a much lower figure.

Mr. GROSS. That is the point I wanted to make. In the State of Iowa the Governor gets $12,500, and the Lieutenant Governor a much lower sum.

Mr. MILLER of Nebraska. That is right. The adjustment will be made in the other body.

Mr. McSWEENEY. Mr. Speaker, I yield to the gentleman from Texas [Mr. PATMAN] such time as he may desire.

THE SMALL BUSINESS ACT OF 1950—STATEMENT FULLY EXPLAINING H. R. 8566 TO CARRY OUT PROVISIONS

Mr. PATMAN. Mr. Speaker, it has been a great honor and distinction for me to join with the distinguished chairman of the Banking and Currency Committee in introducing identical bills in the House to enact the Small Business Act of 1950.

Nothing could give me greater pleasure at this time than to join with the distinguished sponsors of this proposal, both in the House and the Senate, to enact measures so close to my heart and to the needs of small business.

EXISTING BILLS

This bill, in part, embodies the substance of proposals in the Lucas-Patman bill and the Economic Expansion Act bill, both of which it was my honor to introduce in the House during the present Congress. The Lucas-Patman bill increased the percentage of participation by RFC with private banks, in small business loans, and it authorized loans for a term in excess of the present 10 years, as well as a relaxation of collateral requirements. The second bill provided for an insurance system in order to encourage the volume of private bank loans.

The present bill now sponsored by me also includes the substance of S. 2975, which provided for private investment companies, within the Federal Reserve system, to supply equity capital to small business concerns. This subject of capital banks has also received deep and sympathetic consideration within the Select Committee on Small Business, of which I have the honor to be chairman.

The present bill goes further and provides for an enlarged program of technical and managerial aids for small business, of which I have been a proponent.

SMALL BUSINESS-ANTIMONOPOLY CONFERENCE

The entire bill, with its emphasis on affirmative aids to small business—as a corollary to antimonopoly legislation—accords with the working program of the Small Business-Antimonopoly Conference called by me last year and from time to time since the first meeting. The conference consists of national representatives of 19 small business, labor, agricultural, and other organizations.

On July 31, 1949, I had the honor of announcing this working program of the Small Business-Antimonopoly Conference as—I quote—"a comprehensive program for affirmative aid to small business." The main points of this program, which I also announced would be sponsored by the Select Committee on Small Business, are covered by the present bill, except assistance to small business in obtaining Government procurements.

The main points were—I quote again the following:

(1) The provision of adequate credit facilities to small business; (2) the establishment of a program of technical research for small business; (3) affirmative aid to small business in securing a fair share of scarce materials; (4) aid to small business in bringing advertising and distribution methods up to the standards utilized by big business; (5) backing up a program for legislation to insure that small business obtains an equitable share of Government prime contracts.

HOUSE SMALL BUSINESS COMMITTEE

Provisions in the present bill were also foreshadowed in the 82-page progress report, first session, of the Select Committee on Small Business. Of particular interest is the section entitled "Credit Facilities for Small Business," pages 41 to 43. The report stresses the need of small business for adequate sources of funds for both operating use and for capital investment, and the need for long-term loans in order to be able to expand. The report, unanimously approved by all the members of the committee, has also the following to say under the caption "Small business needs solution of loan problem now." I quote again:

The general problem of capital loans for small business is one which requires an immediate solution. The experience of Canada and Great Britain in setting up capital banks for smaller enterprises is worthy of more concentrated study. Other proposals for a wider insurance of small-business loans, for community industrial corporations, for a Federal agency to handle small-business loans have been made by persons in private life as well as by Government officials. A thorough examination of these proposals is a necessary prerequisite toward establishing a sound basis on which the legitimate demands of small-business men for more adequate lending facilities may be established.

As in many fields, investigation upon investigation of the need of small business for long-term capital has been made. Affirmative action, however, has not been taken. The committee's planning is in this direction.

BANKING AND CURRENCY COMMITTEES

It has not been my purpose, in referring to Small Business-Antimonopoly Conference, to the Select Committee on Small Business, or to prior small-business bills, to claim credit—in behalf of the conference, the House Small Business Committee, myself, or any other one Member of Congress—for the carefuly worked-out provisions of the present bill. My purpose, rather, has been to show how deep is the foundation upon which this bill was constructed. I have not referred to the more immediate basic preparatory work performed by the Small Business Division of the Department of Commerce and the Banking and Currency Committees of both the House and the Senate—all of which deserve tremendous credit for the actual bill which has emerged.

PRIVATE BANKS WILL DO THE LENDING

It cannot be too clearly enunciated that this small-business loan program contemplates loans by the private banks of the country—with no cost to the Government or burden on the Federal

budget. The proposed loan insurance plan is similar to FHA home-improvement loan insurance, and should involve no cost to the Government. The capital investment companies are to be privately owned, and will be no burden on the Federal budget. RFC would also help, but largely by participating in loans by private banks willing to relax collateral requirements, and RFC assistance is not to be accorded if the private bank will make the loan. This bill, therefore, if enacted, will serve to revitalize not only small business, as generally understood, but also a great and important segment of our economy which may also be called small business, namely, the small banks of the country.

As Mr. David Lawrence, whom no one would accuse of partiality to the administration, stated in his column on May 9, in commenting on the President's message leading up to the present bill—

Mr. Truman comes forward now with something which he and his advisers have striven to formulate in such a manner as to take the Government itself out of the loan business and to put the burden on private financing with Government coordination and Government insurance as a stopgap.

As he further stated:

When the President, therefore, comes forward with what he calls a pioneer undertaking in the financing of business, it is natural that first reports should say that bankers are cool to the idea. As they examine and study it, perhaps making alternate suggestions, it may turn out to be the very thing that will increase the earnings of the banks without any such risks as would be involved in individual transactions as contrasted with group risks.

NONPARTISAN

There is no doubt in my own mind that the present bill is nonpartisan in nature and deserves nonpartisan support. As Mr. Lawrence further states:

The whole plan is designed to maintain a private-enterprise system of credit. It is the first important move toward the right in financing technique which the Truman administration has made, and it would be most unfortunate if consideration of such a plan became involved in partisan politics just because the President happens to sponsor it.

LOAN INSURANCE

The bill sets up a loan-insurance program which will permit private banks to provide credit up to $25,000 for small businesses, or, if you please, very small businesses. This program, as stated before, is analogous to the insurance of FHA home-improvement loans, under title I of the National Housing Act. It will enable private banks to reduce the risk and expense ordinarily involved in small-business loans. The loans would run for not to exceed 5 years. The banks themselves would pass on these loans, not the Government. The insurance program is to be self-sustaining by the payment of premiums by the participating banks based on the net proceeds of loans.

INVESTMENT COMPANIES

The bill also provides for the chartering by the Federal Government of private investment companies to supply long-term credit and equity capital for independent small businesses. Under the terms of the bill, these investment companies can be organized by any group of five or more investors, or by the Federal Reserve banks, which may in the first instance provide part or all of the minimum capital required. Certain tax advantages are accorded to these investment companies in order to permit them to accumulate adequate reserves. It may be noted again that these companies are private institutions, and they themselves may serve as an outlet for private investment by banks or individuals.

RECONSTRUCTION FINANCE CORPORATION

Under the bill, RFC would be authorized to participate with private lending institutions up to 80 percent of the amount of the loan, in making loans to eligible small businesses. The maximum term of the loan would be extended to 15 years, in place of the present 10 years, with no maximum maturity for certain loans essential to the national defense. RFC would be authorized to relax collateral requirements where management abilities and potential earnings afford reasonable expectation that loans will be repaid. In spite of this broadening of RFC's lending power, the expectation is that, by reason of the stimulation of private financing by the bill's other provisions, the need for RFC funds will be materially reduced except in the event of a business recession.

SWPC PRECEDENT

I am compelled to repeat that I feel greatly honored in being cosponsor of the proposal in this bill to enact the Small Business Act of 1950. I remember back to the bill I introduced in the House in 1942 for the enactment of the law which was later called the Small Business Mobilization Act. The law created the Smaller War Plants Corporation to assist small business through loans and otherwise. After the termination of hostilities, the scale of operations was greatly reduced, and the loan functions transferred to RFC, while other functions were transferred to the Department of Commerce. The present bill tends to reverse this change to some extent, by increasing the small-business program somewhat and again coordinating the program in a single Government agency. The House passed the Small Business Mobilization Act of 1942 unanimously, if I remember correctly, and by a nonpartisan vote. It is my hope that the Small Business Act of 1950 can be passed by the present House with comparable unanimity and by a nonpartisan vote.

SMALL BUSINESS AND THE COLD WAR

Perhaps the cold war can be won right here in the United States on the domestic front simply by buttressing our own domestic institutions and particularly the American small-business structure around which is built the hopes of free people engaged in free enterprise.

THE PRESIDENT'S SMALL-BUSINESS MESSAGE

As we all know, President Truman made the recommendations embodied in the present bill in his message of May 5, 1950. In his message the President well described the situation in regard to the difficulty of small business in obtaining financial assistance, particularly in the way of new capital. He stated:

A generation or more ago local financial institutions and investors ordinarily took care of the capital needs of expanding small businesses. Then as now the original funds usually came, for the most part, from the owner's personal savings. If the business weathered its initial period of losses, additional money was frequently forthcoming from friends or relatives; or the local banker might well provide substantial financing—almost as a partner—for small ventures with good prospects. With an outlook for further profitable expansion, the small-business man often could obtain long-term capital aid from wealthy individuals or from larger financial institutions. In this way the vigorous smaller concern could make use of its opportunities for growth.

With the increased mechanization of industry, the capital needs of small business have greatly increased. Adequate venture capital, however, is no longer available from traditional sources. This is not because there is any shortage of savings. There are ample savings; the problem is to channel them into the hands of small-business men who need more capital to expand their operations.

Due to our remarkable gains in raising the level of incomes and in improving their distribution, the bulk of personal savings today are made by people of moderate means. They prefer to put their savings into insurance, savings accounts, or Government bonds, or into the purchase of their own homes. Wealthier people, better able to take risks, usually prefer securities of large established concerns. Large firms rarely offer their surplus cash to small businesses, except in exchange for control.

Nor do small businesses fare much better at the hands of the financial institutions through which the bulk of those savings pass. Most commercial banks of necessity grant loans to smaller concerns only if the security is ample, and then usually only for relatively short periods. A few of the largest banks whose resources permit adequate diversification have successfully engaged in long-term lending to small business on a large scale. But their facilities are available in relatively few communities and the demand is still largely unfilled.

Insurance companies and investment trusts do engage in long-term and equity financing, but principally in the well-seasoned securities of large corporations.

Floating securities on the open market is virtually out of the question for small- or medium-sized businesses.

It is clear, therefore, that our financial institutions are not meeting the expansion needs of small business. This gap should be filled.

IMPORTANCE OF SMALL BUSINESS—TO PROVIDE COMPETITION

On May 9 the President spoke of his recommendations at Cheyenne, Wyo. I quote from his prepared statement observations showing the importance of small business as providing the competition which is necessary to our private-enterprise system:

Small and independent businesses are important to the growth of the economy. They are a constant source of new ideas. They are a constant source of new jobs.

New businesses are also important to the health of the economy. In their effort to grow by serving consumers better, they provide the vigorous competition which is the heart of our private-enterprise system.

Every one of you knows somebody who has had a new idea and has built it into a business. He has not only made money, but his

business has also provided jobs and income for the whole community in which he lives.

Our country has been made great by the boldness, the daring, and the inventive genius of men like that. Our Nation would suffer a slow decay if men with ideas did not have every opportunity to build new businesses and create new wealth.

The task of economic expansion requires using all the resources of this great Nation. Of the nearly 4,000,000 business concerns in our country, more than 90 percent are usually classified as small. These small concerns provide jobs for over 20,000,000 people—roughly half of private, nonfarm employment. If we are to have an expanding economy, small business must provide its share of the additional jobs needed. In doing so, it will not only create new payrolls for workers; it will also enlarge markets generally for other businessmen and farmers.

ANTIMONOPOLY APPROACH

As the President pointed out in his Cheyenne address, one method of preserving small business as a national competitive force is the antimonopoly and antitrust approach directed against big business. I quote the President again:

We need big business in this country as well as small business, of course. We all benefit from the tremendous output at low cost of large, efficient enterprises. But the stimulus of new and vigorous competitors is necessary to keep old enterprises efficient, and to bring the greatest benefit to consumers and the public.

Since the passage of the Sherman Antitrust Act 60 years ago, we have sought to keep monopoly from stifling the growth of new business. The effectiveness of the antitrust laws has varied over the years with changes in our national administration. Right now, the antitrust laws are being enforced as actively as at any time in history. But at their very best, they are only a limited and negative approach.

We will keep on using the antitrust laws and will enforce them vigorously.

AFFIRMATIVE AIDS TO SMALL BUSINESS

However, as the President so wisely observed, another approach to the problem is to build small business up rather than to chop overbig business down for violating the antitrust laws. As the President stated in his Cheyenne address:

But we must supplement that approach—and we must act soon—with measures which will challenge the power of monopoly, not in the courts but in the market place. The force of vigorous, effective competition is the best way to prevent monopoly. If the man with new ideas has a fair chance to put his product on the market, the buyer will do the rest. We must, therefore, take measures to assist the man with new ideas, the small enterpriser, as he starts out to challenge large, powerful, and established competitors.

The recommendations I have made to the Congress rest upon three simple principles. These are that the small-business man needs long-term credit; he needs venture capital; and he needs technical assistance.

These things are needed so that the independent businessman can do more for himself. They do not involve Government controls. They will cost the Federal Government very little.

What they will do is to give the man who wants to be his own boss a better chance to use his own initiative and energy.

PRESIDENT'S REMARKS ON LOAN INSURANCE

The President explained his proposal for insuring bank loans to small business. He stated:

In the field of credit, I propose that we should insure bank loans to small businesses, such as drug stores, filling stations, and retail stores. The local banks would decide whether or not to make the loan in each case and would share some of the risk. But on the major part of the loan the bank would be insured against loss. This means that banks will be able to make safely, good loans which they now find too risky.

Thus, bankers would be able to give greater consideration to the human element in deciding whether or not to help a home-town businessman pull through a tight period. They wouldn't have to be quite so hard-boiled in demanding gilt-edged collateral.

You know, a lot of people say, when they find out what kind of collateral they have to put up for a loan at the bank, that if they had that kind of collateral they wouldn't have needed a loan in the first place.

Now, I don't think bankers act like that just because they are mean. It's because they have to be careful. This insurance would make it possible for them to do what they would like to have been doing all the time.

This proposal is similar to the insurance that has been provided for years under title I of the National Housing Act for home improvement loans. In that case it has helped the banks, helped the home owners, and the Government has made money from it. I think it will work just as well for small-business loans.

INVESTMENT COMPANIES AND RFC

The President also referred to his proposals in regard to investment companies and in regard to RFC. He stated:

Furthermore, I propose that special investment companies be set up to make venture capital and long-term loans available to help small businesses expand when they have proved their ability. This would provide a way to pool the savings of people who cannot individually make such investments, but who can, through investment companies, put them to work in growing businesses. * * *

In addition, I propose that the Reconstruction Finance Corporation be given broader authority to handle cases which offer a good chance of success but cannot obtain private financing on reasonable terms.

These credit proposals are designed to make banks and other private sources of funds more effective in meeting the needs of small and growing businesses. They have been proposed by bankers and other private citizens who understand the problems of the small-business man. I hope the Congress will soon enact them.

PRESIDENT'S STATEMENT ON TECHNICAL ASSISTANCE

The President, in his Cheyenne address, also referred to his proposed technical assistance program for small business. I again quote from his statement:

In the field of technical assistance, small-business men are often at a serious disadvantage. They cannot afford specialists on their payrolls to keep up with the latest developments in accounting and management. They find it difficult to learn about the latest research developments that affect their business.

Under these circumstances, I propose that the Department of Commerce should expand the work it now does in providing technical and research assistance to small business. Thus, we would provide independent businessmen with the same kind of research assistance and skilled advice which we have provided successfully to farmers for many years.

At the same time, I propose that we should make the Department of Commerce the central Government agency for small business, as well as other business, just as the Department of Agriculture is the central agency for farm activities. This would mean that the independent businessman could go to one place and obtain the advice and services he needs.

These proposals to help small business to obtain credit, risk capital, and technical assistance should do much to increase effective competition. They should result in more independent enterprises, striving more effectively to provide goods and services the people need. As such, I believe these proposals will contribute to the strength and stable growth of the country.

NOT GOVERNMENT INTERFERENCE

Finally, the President squarely took issue with the argument that his program would constitute Government interference with the economic system, stating:

I suppose it is inevitable that this small-business program will meet with determined opposition. Those who fear the rise of new competitors will not be slow in imagining danger to their privileged positions. They will hide their selfish alarm by attacking what they like to call Government interference with the economic system.

But the Government is only an instrument in the hands of the people, an instrument we use to help maintain a free, competitive, and expanding economy. That is the kind of economy all of us want.

More abundance for everyone, without the dismal cycle of boom-and-bust, is something that this Nation can have, and something we must have. To bring it about demands dynamic private enterprise, and it demands dynamic Government.

All of us, working together, can build a strong and prosperous America. And keeping our own Nation prosperous and strong is the best assurance that our struggle for prosperity, peace, and freedom in the world will end in victory.

ALL GROUPS HAVE MADE PROGRESS

In his address of May 15 in Chicago, the President reiterated his position with respect to aid to small business in discussing the many problems of our whole economy. At one point he said:

We are willing to tackle the problems that confront our country on the basis of the facts as they are now—not as they used to be.

And again:

I believe every American family has a dream of a better future, and is working to make it come true. I want those dreams to come true.

The President has shown his willingness to tackle the problems that confront our country and to tackle the problem of aiding small business to realize its dreams of a better future. The President has pointed the way by which essential financing and technological development can bring to American small business equal opportunity in solving its problems and making its dreams come true.

The President pointed out that "all groups in the economy have made progress together: businessmen, wage earners, and farmers have been moving

steadily forward. We have all shared in the economic progress of the Nation."

The President's words are true. We have all made progress. We can see it everywhere about us—in our lives, in our homes, and in our Government. We have had many programs which have been of general assistance to businessmen, to wage earners, and to farmers, and we need a continuation of those programs. Until now, however, we have not had a definite program for that segment of our business world which needs it most, that is, small business. Therefore, I was doubly glad to hear the President say, in his Chicago address, in unmistakable words:

We will carry on the fight for a program of aid to small business.

These are words for small business to remember and cherish as this program is carried forward by the Congress and the administration.

THE PRESIDENT STRESSES NEED FOR NEW LOCAL INDUSTRIES IN SPEECH AT CUMBERLAND, MD.

On May 16, in Cumberland, Md., the President pointed out the difficulty that small companies have in raising money for expansion and the desirability of helping the growth of new business which would in turn help "cities like Cumberland." The President said:

I have asked the Congress to provide assistance to small business. All over the country, business firms are growing rapidly. The greatest growth, however, is in big business. Small companies find it hard to raise the money they need to expand, and the individual businessman who wants to set up a new company has a tough time borrowing the capital to get started.

Under the plans I recommended to the Congress, it would be much easier for small businesses to obtain funds to get started, or to enlarge. I understand that your local officials here in Cumberland are working very hard to get the new industries into this area. I hope the Congress will soon enact a bill to help the growth of more new businesses, because that would help cities like Cumberland.

Later in his Cumberland speech, in words which emphasize the necessity for the Congress to enact legislation to carry out his recommended small-business program, the President said:

I want every American to have the opportunity to work at a good job, and earn enough to support his family on his own time. I am working for that goal all the time.

I think we can build permanent prosperity here in the United States if we all work together, but it will take the hardest kind of work, and complete cooperation by the Federal Government, and by the State and city governments and businessmen throughout the country.

The quotations which I have cited from the President's speeches made in Cheyenne, in Chicago, and in Cumberland are splendid examples of the many references which the President has made to the small business aid program he recommended in his message of May 5. A bill has now been drafted and introduced into both Houses of Congress to carry out the splendid recommendations of the President.

SMALL BUSINESS EXPECTS ACTION

There is no doubt in my mind, judging by the letters which I have received, that small business throughout the country expects the Eighty-first Congress to take action on the President's recommendations. The House bills to carry out these recommendations, as I previously mentioned, have been introduced by the distinguished chairman of the House Banking and Currency Committee, the gentleman from Kentucky [Mr. SPENCE], H. R. 8565; and by me, an identical bill, H. R. 8566, entitled "The Small Business Act of 1950." In the Senate, the distinguished majority leader, Mr. LUCAS—for himself, Mr. MAYBANK, Mr. O'MAHONEY, and Mr. SPARKMAN—introduced the same bill, S. 3625. The bills in both the House and Senate have been referred to the Committee on Banking and Currency. It is my earnest conviction that the bills to enact the Small Business Act of 1950 should have early consideration by both the Senate and House Committees on Banking and Currency. I am sure they will, and before the end of this session we may, in fact, have as public law the Small Business Act of 1950.

There is a great deal said in the Halls of Congress about helping small business. In times of emergency, the Congress has acted expeditiously to pass legislation to aid and strengthen small business. We have in several acts declared that it was the policy of the Congress that small business receive a fair share of all Government procurement, although this policy has never been affirmed by a mandate of the Congress, as many of us believe it should be.

We now have before us a golden opportunity not only to talk about helping the small-business institutions of this country, but an opportunity to fully effectuate an affirmative aid program—a program of financial aid and a program of technical aid. It is a program which I am confident will meet with the approval of a substantial majority in both Houses of Congress and which will be enacted into law. It is a program which will meet the approval of a vast majority of the small-business institutions of our country. It is a program which will add strength to our whole economy—not to small business alone, but to farmers, to labor, and to consumers as well. We do not have too much time left in which to take advantage of the opportunity which is now presented to us, and I hope that we may have action on this all-important program now.

At this point I desire to include as part of my remarks the full text of H. R. 8566—Small Business Act of 1950—and a complete summary and analysis of the bill:

H. R. 8566

A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes

Be it enacted, etc., That this act may be cited as the "Small Business Act of 1950."

DECLARATION OF POLICY

SEC. 2. It is the policy of the Congress—

(a) to foster the development and growth of independent small-business enterprises with the objective of enabling them to make their maximum contribution to productive investment and employment and to the economic stability and growth of the Nation;

(b) to make capital and credit for such enterprises more readily available in adequate amounts and on reasonable terms;

(c) to facilitate maximum participation of private financial institutions and investors in financing these enterprises;

(d) to supplement the existing facilities of banks and other private financial institutions by providing for the establishment of privately owned national investment companies;

(e) to help independent small enterprises compete effectively and thereby contribute positively to restraining growth of monopoly and concentration of economic power;

(f) to improve the efficiency and competitive strength of these enterprises by making available more adequate technical and managerial aids; and

(g) to improve the coordination of Federal financing aids to these enterprises with private financing facilities, with other Federal aids to business, and with over-all credit and economic policies.

TITLE I—INSURANCE OF LOANS FOR SMALL BUSINESS

AUTHORITY TO INSURE

SEC. 101. The Secretary of Commerce (hereafter referred to in this act as the Secretary) is authorized upon such terms and conditions as he may prescribe to insure such financial institutions as the Secretary finds to be qualified by experience or facilities and approves as eligible for credit insurance against loss of principal and interest which they may sustain as a result of loans made by them to small-business enterprises.

OVER-ALL LIMIT OF INSURANCE

SEC. 102. The aggregate principal amount of loans with respect to which insurance may be granted under this title shall not exceed $250,000,000 outstanding at any one time: *Provided*, That on or after July 1, 1951, the President may increase this limit to not more than $750,000,000.

SCOPE OF INSURANCE AND INSURANCE RESERVE

SEC. 103. The insurance granted under this title shall provide for the reimbursement of losses—

(a) not in excess of 90 per centum of the unpaid balance of any loan, including the net interest accrued at the time of default; and

(b) not in excess of the insurance reserve of the insured institution according to the records of the Secretary at the date the claim for reimbursement of loss is approved for payment.

The insurance reserve of each institution shall be initially computed as 10 percent of the total amount of loans on which premiums have been paid and shall be diminished by the amount of claims approved for payment. The insurance reserve, if any, to the credit of any financial institution may, from time to time, be further diminished, but only pursuant to the contract of insurance between the Secretary and such insured institution.

MAXIMUM PREMIUM CHARGE

SEC. 104. The Secretary shall fix a premium charge for the insurance granted under this title in an amount not to exceed 1½ percent per annum of the net proceeds of each loan, payable in advance, at such time and in such manner as may be prescribed by the Secretary.

TYPE OF LOAN COVERED

SEC. 105. (a) Insurance under this title shall provide for the reimbursement of losses only with respect to loans bearing such interest, having such maturities, and subject

to such other terms and conditions as required by regulations in force at the time the insurance is granted.

(b) No insurance shall be granted under this title with respect to any obligation if the total outstanding amount of all loans under this title to the borrower would exceed $25,000 or if the obligation has a maturity in excess of 5 years and 32 days.

(c) No insurance shall be granted under this title for any loan for agricultural purposes, as determined in accordance with regulations issued by the Secretary after consultation with the Secretary of Agriculture or for any loan with respect to which insurance is available under the National Housing Act, as amended.

(d) Any obligation with respect to which insurance is granted under this title may be refinanced or extended with continued protection under this title in accordance with such terms and conditions as the Secretary may prescribe, but in no event for an amount or an additional term or terms in excess of the maximum provided for in this section.

TRANSFER OF INSURANCE BETWEEN INSTITUTIONS

SEC. 106. The Secretary, under such regulations as he may prescribe, may transfer to any financial institution approved by him any insurance in connection with any loans which it may purchase from another approved financial institution.

REVOLVING FUND

SEC. 107. (a) The premiums and other moneys received by the Secretary in the course of operations under this title shall be deposited in a revolving fund in the Treasury of the United States. The revolving fund shall be available for defraying the operating expenses incurred under this title, and for the payment of claims in connection with the insurance granted under this title.

(b) For the purposes of carrying out the provisions of this title, there are hereby authorized to be appropriated to the revolving fund provided in this section—

(1) the sum of $10,000,000 for the initial establishment of the revolving fund; and

(2) such further sums, if any, as may become necessary for the adequacy of the revolving fund.

(c) The Secretary shall pay annually into the Treasury, as miscellaneous receipts, interest on any sums appropriated to the revolving fund which have not been repaid into the Treasury as provided in subsection (d). The Secretary of the Treasury shall determine the interest rate annually in advance, such rate to be calculated to reimburse the Treasury for its costs in connection with such appropriated funds, taking into consideration the current average interest rate which the Treasury pays upon its marketable obligations.

(d) At least annually, any balance in the revolving fund in excess of an amount determined by the Secretary to be necessary for requirements of the fund, and for reasonable reserves to maintain the solvency of the fund, shall be paid into the Treasury as miscellaneous receipts, and any outstanding balance in the amounts appropriated to the revolving fund shall be reduced by the same amount.

(e) The Secretary, with the approval of the Secretary of the Treasury, may invest and reinvest such portions of the revolving fund as he may determine to be in excess of current needs in any interest-bearing securities of the United States or in any securities guaranteed as to principal and interest by the United States, and the income therefrom shall constitute a part of the revolving fund.

NATIONAL INVESTMENT COMPANIES AS AGENTS

SEC. 108. In granting and administering insurance under this title, the Secretary may designate and utilize as his agent any national investment company established under title II of this act, on such basis, including the payment of fees, as may be agreed.

EXEMPTION FROM SECTION 24 OF THE FEDERAL RESERVE ACT

SEC. 109. Loans made by national banks with respect to which insurance is granted under this title shall be exempt from the provisions of section 24 of the Federal Reserve Act relating to real estate loans.

ADMINISTRATIVE PROVISIONS

SEC. 110. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Secretary, notwithstanding the provisions of any other law, except provisions of law applicable specifically to Government corporations, may—

(a) sue and be sued in any court of record of a State having general jurisdiction, or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy: *Provided*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Secretary or his property;

(b) under regulations prescribed by him, assign or sell at public or private sale, or otherwise dispose of for cash or credit, in his discretion and upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with the payment of insurance heretofore or hereafter granted under this act, and to collect or compromise all obligations assigned to or held by him and all legal or equitable rights accruing to him in connection with the payment of such insurance until such time as such obligation may be referred to the Attorney General for suit or collection;

(c) deal with, complete, renovate, improve, modernize, insure, or rent, or sell for cash or credit upon such terms and conditions and for such consideration as the Secretary shall determine to be reasonable, any real property conveyed to or otherwise acquired by him in connection with the payment of insurance granted under this act;

(d) pursue to final collection, by way of compromise or otherwise, all claims against mortgagors assigned by mortgagees to the Secretary in connection with real property by way of deficiency or otherwise. Section 3709 of the Revised Statutes, as amended (41 U. S. C. 5), shall not be construed to apply to any contract of hazard insurance or to any purchase or contract for services or supplies on account of such property if the premium therefor or the amount thereof does not exceed $1,000. The power to convey and to execute in the name of the Secretary deeds of conveyance, deeds of release, assignments and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein heretofore or hereafter acquired by the Secretary pursuant to the provisions of this act may be exercised by the Secretary or by any officer or agent appointed by him without the execution of any express delegation of power or power of attorney. Nothing in this section shall be construed to prevent the Secretary from delegating such power by order or by power of attorney, in his discretion, to any officer or agent he may appoint;

(e) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended;

(f) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended: *Provided*, That financial transactions of the Secretary, including the settlement of insurance claims and transactions related thereto and vouchers approved by the Secretary in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; and

(g) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized in this title.

TITLE II—NATIONAL INVESTMENT COMPANIES

ORGANIZATION OF NATIONAL INVESTMENT COMPANIES

SEC. 201. (a) National investment companies may be formed for the purpose of operating under this title by any number of persons not less than five, who shall subscribe to the articles of incorporation of any such company; except that any company in whose stock one or more Federal Reserve banks invest shall be formed by a Federal Reserve bank, which alone shall subscribe to the articles of incorporation. The total number of national investment companies formed by Federal Reserve banks pursuant hereto shall not exceed the number of Federal Reserve banks and branches thereof.

(b) The articles of incorporation of any national investment company shall specify in general terms the objects for which the company is formed, the name assumed by such company, the area or areas where its operations are to be carried on, the place where its principal office is to be located, and the amount and classes of its shares of capital stock; and the articles may contain any other provisions not inconsistent with this title that the company may see fit to adopt for the regulation of its business and the conduct of its affairs, including provision for cumulative voting in the election of directors. Such articles and any amendments thereto adopted from time to time shall be subject to the approval of the Board of Governors of the Federal Reserve System (hereinafter called the "Board").

(c) The articles of incorporation and amendments thereto shall be forwarded to the Board for consideration and approval or disapproval. In determining whether to approve the establishment of such a company and its proposed articles of incorporation, the Board shall give due regard, among other things, to the need for the financing of independent small-business enterprises in the area in which the proposed company is to commence business, the general character of the proposed management of the company, the number of such companies previously organized in the United States, and the volume of their operations. After consideration of all relevant factors, the Board may in its discretion approve the articles of incorporation and issue a permit to begin business.

(d) Upon issuance of such permit, the company shall become and be a body corporate, and as such, and in the name designated in its articles, shall have power—

(1) to adopt and use a corporate seal;

(2) to have succession for a period of 30 years, unless extended as provided in this section, or unless sooner dissolved by the act of the shareholders owning two-thirds of the stock or by an act of Congress, or unless its franchise becomes forfeited by some violation of law or regulation issued hereunder;

(3) to make contracts;

(4) to sue and be sued, complain, and defend in any court of law or equity;

(5) by its board of directors, to appoint such officers and employees as may be deemed proper, define their authority and duties, fix their compensation, require bonds of such of them as it deems advisable and fix the penalty thereof, dismiss such officers or em-

ployees, or any thereof, at pleasure and appoint others to fill their places;

(6) to adopt bylaws regulating the manner in which its stock shall be transferred, its officers and employees appointed, its property transferred, and the privileges granted to it by law exercised and enjoyed;

(7) to establish branch offices or agencies subject to the approval of the Board;

(8) to acquire, hold, operate, and dispose of any property (real, personal, or mixed) whenever necessary or appropriate to the carrying out of its lawful functions;

(9) to act as depository or fiscal agent of the United States when so designated by the Secretary of the Treasury;

(10) to operate in such Federal Reserve district or districts or Territories or possessions of the United States as may be specified in its articles of incorporation and approved by the Board; and

(11) to exercise the other powers set forth in this title and such incidental powers as may be reasonably necessary to carry on the business for which the company is established.

(e) The board of directors of each national investment company shall consist of nine members all of whom shall be elected annually by the holders of the shares of stock of the company.

CAPITAL-STOCK PROVISIONS

SEC. 202. (a) Each company organized under this title shall have a paid-in capital and surplus equal to at least $5,000,000 before it shall commence business. In order to facilitate the formation of national investment companies, each Federal Reserve bank is hereby authorized, notwithstanding any other provisions of law, to invest in the shares of stock of one or more such companies formed by any Federal Reserve bank under section 201 hereof, but with a view to the ultimate disposal of such stock to banks and other private investors as herein provided. Each Federal Reserve bank which forms a national investment company shall invest in shares of stock of such company in an amount equal to at least $5,000,000, or an amount which, when added to the amounts, if any, of shares subscribed by other Federal Reserve banks, member banks, nonmember banks, financial institutions, corporations, partnerships, or other persons, shall equal the sum of $5,000,000. In no event shall any Federal Reserve bank invest in shares of national investment companies if as a result thereof it will hold an amount of such shares aggregating more than 2 percent of the aggregate amount of the combined capital and surplus of all its member banks, or $5,000,000, whichever is the greater.

(b) The shares of stock in any national investment company shall be eligible for purchase by member banks of the Federal Reserve System, nonmember banks, financial institutions, corporations, partnerships, or other persons. Each member bank is hereby authorized, notwithstanding any other provision of Federal law, to acquire and hold an amount of such shares equal to not more than 2 percent of the capital and surplus of such member bank. Upon the demand of any such eligible purchaser, a Federal Reserve bank which holds shares of stock in a national investment company shall, with the approval of the Board, including approval as to price, sell to such eligible purchaser all or a portion of such shares.

(c) The aggregate amount of shares in any such company or companies which may be owned or controlled by any stockholder, or by any group or class of stockholders, may be limited by the Board; and no one stockholder, other than a Federal Reserve bank, shall at any time, without the approval of the Board, own or control more than 10 percent of the total outstanding shares of any such company.

BORROWING POWER

SEC. 203. Each national investment company shall have authority to borrow money and to issue its debentures, bonds, promissory notes, or other obligations under such general conditions and subject to such limitations and regulations as the Board may prescribe, but in no event shall any such company issue obligations which would cause the amount outstanding at any one time to exceed the amount of its capital stock and surplus.

ELIGIBLE ENTERPRISES

SEC. 204. The Board, after consultation with the Secretary of Commerce, shall promulgate standards to determine the eligibility of business enterprises for the purposes of this title. In promulgating such standards, which may differ according to the types of financing or other relevant factors, the Board shall give consideration to—

(a) the policies set forth in section 2;

(b) the criteria set forth in section 603; and

(c) the extent to which such enterprises have reasonable access to facilities for credit and equity financing.

LOANS AND INVESTMENTS

SEC. 205. (a) Each national investment company shall have authority to make or acquire loans with or without security to business enterprises which are eligible under this title, or to purchase obligations of such enterprises. Such loans, purchases, or other acquisitions may be made either directly or in cooperation with banks or other lending institutions, through agreements to participate or by the purchase of participations, commitments to purchase, or otherwise, as the company may determine.

(b) Each national investment company shall have authority to acquire, and to resell to the issuer or to others, the income debentures or bonds, common or preferred stocks, or other capital shares of business enterprises eligible under this title.

AGGREGATE LIMITATIONS

SEC. 206. Without the approval of the Board, the aggregate amount of obligations and securities acquired and for which commitments may be issued by any national investment company under the provisions of this title which exceed the sum of $300,000 for any single enterprise shall not exceed 33⅓ percent of the combined capital and surplus and maximum indebtedness of such national investment company authorized by this title.

EXEMPTIONS

SEC. 207. (a) The loans of any national banking association which are acquired by any national investment company, in the making of which such company participates, or for any part of which a commitment to purchase is issued hereunder shall not be subject to the limitations on real-estate loans prescribed in section 24 of the Federal Reserve Act, as amended.

(b) Section 3 of the Securities Act of 1933, as amended, is hereby amended by inserting at the end thereof the following new subsection (c):

"(c) The Commission may from time to time by its rules and regulations, and subject to such terms and conditions as may be prescribed therein, add to the securities exempted as provided in this section any class of securities issued by a national investment company under the Small Business Act of 1950, if it finds, having regard to the purposes of that act, that the enforcement of this title with respect to such securities is not necessary in the public interest and for the protection of investors."

(c) Section 304 of the Trust Indenture Act of 1939 is hereby amended by adding the following new subsection (e):

"(e) The Commission may from time to time by its rules and regulations, and subject to such terms and conditions as may be prescribed therein, add to the securities exempted as provided in this section any class of securities issued by a national investment company under the Small Business Act of 1950, if it finds, having regard to the purposes of that act, that the enforcement of this title with respect to such securities is not necessary in the public interest and for the protection of investors."

TAX PROVISIONS

SEC. 208. (a) Section 361 (a) of the Internal Revenue Code is amended by inserting before the word "registered" the following: "chartered under the Small Business Act of 1950 as a national investment company or is".

(b) Section 361 (b) (1) of the Internal Revenue Code is amended by inserting immediately after the words "90 percent" the following: "(75 percent in the case of a national investment company chartered under the Small Business Act of 1950)".

(c) Section 361 (b) (3) of the Internal Revenue Code is amended by changing the semicolon immediately preceding the word "and" at the end thereof to a period and inserting after such period the following: "If the Board of Governors of the Federal Reserve System determines that it is necessary and appropriate to accomplishment of the purposes of the Small Business Act of 1950 that any national investment company be exempt from the requirements of this subparagraph, it shall certify such determination to the Secretary of the Treasury and, in such event, the limitations prescribed in this subparagraph shall not apply:".

(d) Section 362 of the Internal Revenue Code is amended as follows:

(1) By amending the first paragraph of subsection (b) thereof to read as follows:

"(b) Method of taxation of companies and shareholders: In the case of the regulated investment company which distributes during the taxable year to its shareholders as taxable dividends other than capital gain dividends an amount not less than 90 percent of its net income for the taxable year (in the case of a national investment company, increased by the amounts described in subsection (c) (3) (iv) of this section, and decreased by the amounts described in subsection (c) (5) (ii) of this section) computed without regard to net long-term and net short-term capital gains, and complies for such year with all rules and regulations prescribed by the Commissioner, with the approval of the Secretary, for the purpose of ascertaining the actual ownership of its outstanding stock:".

(2) By adding thereto a new subsection (c) to read as follows:

"(c) National Investment Company reserve:

"(1) Reserve generally: A regulated investment company which is a national investment company may, under regulations prescribed by the Commissioner, with the approval of the Secretary, establish and maintain a reserve subject to the limitations provided in this subsection.

"(2) Limitation on reserve: The amount of the reserve shall not at any time exceed the lesser of (i) 50 percent of the invested capital of the company as defined in paragraph (7) of this subsection, or (ii) the accumulated earnings and profits determined as of the close of the taxable year.

"(3) Charges to reserve: The reserve shall be charged as of the end of the taxable year (whether or not such charge produces a minus amount in the reserve) with the following:

"(i) the net capital loss for the taxable year determined under section 117 (a) (11);

"(ii) the net operating loss for the taxable year, determined under section 122 (a);

"(iii) the Federal income taxes attributable to the amount added to the reserve under paragraph (5) of this subsection; and

"(iv) such amount as may be necessary by reason of the limitation provided in paragraph (2) of this subsection.

"(4) Mandatory additions to the reserve: There shall be added to the reserve as of the close of the taxable year the following:

"(i) an amount equal to the excess of the net capital gain for the taxable year computed without regard to section 117 (e) (relating to capital loss carry-over) over the net capital gain for the taxable year; and

"(ii) an amount equal to the excess of the net income for the taxable year computed without regard to section 23 (s) (relating to the net operating loss deduction) over the net income for the taxable year.

"(5) Discretionary addition to the reserve: In any year in which an amount (other than the amounts described in paragraph (4) of this subsection) is added to the reserve, the company shall, in the computation of net income for the purposes of this section be allowed—

"(i) a deduction from net income equal to such amount of the addition to the reserve as does not cause the aggregate amount of the reserve (including such addition) to exceed 20 percent of the invested capital of the company as defined in paragraph (7) of this subsection; and

"(ii) the dividends received credit provided in section 26 (b) but such credit shall not exceed 85 per cent of the portion of amounts added to the reserve under this paragraph which is not deductible from net income under the preceding clause of this paragraph.

"(6) Reduction or termination of reserve: In the event of a reduction or termination of the reserve in connection with a partial or complete liquidation of the company (or of any company to which the reserve has been transferred in an exchange upon which gain was not recognized by reason of section 112) the gain realized by a stockholder upon any such liquidation shall, to the extent of the pro rata share of the reserve, be considered as gain from the sale or exchange of property held for less than 6 months.

"(7) Invested capital: For the purposes of paragraph (1) of this subsection the term 'invested capital' means the sum, determined as of the close of the taxable year, of—

"(i) the amount of money or property (included in an amount equal to its unadjusted basis without regard to the value of the property as of March 1, 1913, except that if such basis is a substituted basis, it shall be adjusted, with respect to the period before the property was paid in, by an amount equal to the adjustments proper under section 115 (1) for determining earnings and profits) previously paid in for stock, or as paid-in surplus or as a contribution to capital, reduced by the amount of distributions not out of earnings and profits in the year of distribution and not out of accumulated earnings and profits; and

"(ii) the amount of the outstanding indebtedness (not including interest) of the company which is evidenced by a bond, note, bill of exchange, debenture, certificate of indebtedness, mortgage, or deed of trust, except that indebtedness not represented by a bond or debenture shall not be included in excess of an amount equal to the average daily amount of indebtedness not so represented which was outstanding during the taxable year."

(e) Each national investment company established under this title, including its franchise, capital, reserves, and surplus, its income, its real property, its tangible and intangible personal property, its obligations (both as to principal and income derived therefrom), shall be subject to taxation, in the same manner and to the same extent as a State-chartered institution of similar character by any State, county, municipality, or local taxing authority or by any Territory, dependency or possession of the United States; and its real property shall be subject to special assessments for local improvements.

MISCELLANEOUS

SEC. 209. (a) Wherever practicable the operations of a national investment company shall be undertaken in cooperation with banks or other financial institutions, and any servicing or initial investigation required for loans or acquisitions of securities by the company under the provisions of this title may be handled through such banks or other financial institutions on a fee basis.

(b) Each national investment company may make use, wherever practicable, of the advisory services of the Federal Reserve System and of the Department of Commerce which are available for and useful to industrial and commercial businesses, and may provide consulting and advisory services on a fee basis and have on its staff persons competent to provide such services. Subject to the supervision and direction of the Board, any Federal Reserve bank is authorized to act as a depository or fiscal agent for any company organized under this title. Such companies may invest funds not reasonably needed for their current operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States.

(c) The Board is authorized to prescribe regulations governing the operations of national investment companies and to carry out the provisions of this title in accordance with the purposes of this act. Each national investment company shall be subject to examinations made by direction of the Board by examiners selected or approved by the Board, and the cost of such examinations, including the compensation of the examiners, may in the discretion of the Board be assessed against the company examined and when so assessed shall be paid by such company. Every such company shall make such reports to the Board at such times and in such form as the Board may require.

(d) The Secretary is authorized to advise and assist in promoting national investment companies.

(e) Each national investment company is authorized to act as agent for the Secretary when so designated by him pursuant to section 108 of this act, in granting and administering insurance under title I of this act.

(f) Should any national investment company violate or fail to comply with any of the provisions of this title or of regulations prescribed hereunder, all of its rights, privileges, and franchises derived herefrom may thereby be forfeited. Before any such company shall be declared dissolved, or its rights, privileges, and franchises forfeited, any noncompliance with or violation of this title shall, however, be determined and adjudged by a court of the United States of competent jurisdiction in a suit brought for that purpose in the district or Territory in which the principal office of such company is located, which suit shall be brought by the United States at the instance of the Board or the Attorney General.

(g) Whenever in the judgment of the Board any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title or of any regulation thereunder, the Board may make application to the proper district court of the United States, or the United States courts of any Territory or other place subject to the jurisdiction of the United States, for an order enjoining such acts or practices, or for an order enforcing compliance with such provision, and such courts shall have jurisdiction of such actions and upon a showing by the Board that such person has engaged or is about to engage in any such acts or practices a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

(h) Any national investment company may at any time within the 2 years next previous to the date of the expiration of its corporate existence, by a vote of the shareholders owning two-thirds of its stock, apply to the Board for approval to extend the period of its corporate existence for a term of not more than 30 years, and upon approval of the Board as provided in section 201 hereof such company shall have its corporate existence extended for such period unless sooner dissolved by the act of the shareholders owning two-thirds of its stock, or by an act of Congress, or unless its franchise becomes forfeited as herein provided.

(i) Nothing in this act or in any other provision of law shall be deemed to impose any liability on the United States or on any Federal Reserve bank with respect to any obligations entered into, or stocks issued, or commitments made, by any company organized under this title.

TITLE III—AMENDMENTS TO RECONSTRUCTION FINANCE CORPORATION ACT

LOANS TO ENCOURAGE SMALL BUSINESS

SEC. 301. (a) Subsection (a) of section 4 of the Reconstruction Finance Corporation Act, as amended, is hereby amended by renumbering paragraphs "(2)", "(3)", and "(4)" thereof "(3)", "(4)", and "(5)", respectively, and inserting therein the following new paragraph:

"(2) To make loans to any small-business enterprise (as determined pursuant to section 603 of the Small Business Act of 1950, and the classifications established thereunder) which is a worthy credit risk but does not have adequate collateral, either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations, or otherwise, for the purpose of meeting the credit requirements of such business enterprise: *Provided*, That management abilities, potential earnings, and other factors deemed pertinent by the Corporation afford a reasonable expectation that the loan will be repaid."

(b) The second sentence of paragraph (1) of section 4 (b) of the Reconstruction Finance Corporation Act, as amended, is hereby amended by striking out "(2), and (3)" and inserting in lieu thereof "(3), and (4)."

(c) Subsection (c) of section 4 of the Reconstruction Finance Corporation Act, as amended, is amended by striking out "(a) (4)," "(a) (3)," and "(a) (2)" and inserting in lieu thereof "(a) (5)," "(a) (4)," and "(a) (3)," respectively.

AVAILABILITY OF OTHER FINANCING

SEC. 302. The first sentence of paragraph (1) of section 4 (b) of the Reconstruction Finance Corporation Act, as amended, is hereby amended to read as follows:

"No financial assistance shall be extended pursuant to paragraphs (1), (2), (3), and (4) of subsection (a) of this section, unless the financial assistance applied for is not available on reasonable terms from other sources, including with respect to paragraphs (1) and (2) national investment companies established under the Small Business Act of 1950."

MATURITIES

SEC. 303. Paragraph 2 of section 4 (b) of the Reconstruction Finance Corporation Act, amended, is hereby amended by—

(a) striking out "ten" whenever it appears and inserting in lieu thereof "fifteen;"

(b) changing the period at the end of the first sentence to a colon and adding the following: "*Provided further*, That any loan to a business enterprise made for a purpose essential to the national defense as determined by the President through such officials as he may designate may be made with

such maturity as the Corporation may determine."; and

(c) striking out "sections 4 (a) (1), (2), and (4)" and inserting in lieu thereof "paragraphs (1), (2), (3), and (5) of subsection (a) of this section"; striking out "subsection 4 (a) (3)" in the last sentence and inserting in lieu thereof "paragraph (4) of subsection (a) of this section."

PARTICIPATION LIMITS

SEC. 304. Paragraph (3) of subsection (b) of section 4 of the Reconstruction Finance Corporation Act, as amended, is amended by striking out the period at the end thereof and inserting a colon and the following: "*Provided*, That such participation by the Corporation shall be limited to 80 percent of the balance of the loan outstanding at the time of the disbursement, in those cases where the loan is made pursuant to paragraph (2) of subsection (a) of this section."

TITLE IV—CHANGES IN FEDERAL RESERVE AUTHORITY

REPEAL OF SECTION 13B OF THE FEDERAL RESERVE ACT

SEC. 401. Effective 1 year after the date of enactment of this act, section 13b of the Federal Reserve Act is hereby repealed; but such repeal shall not affect the power of any Federal Reserve bank to carry out, or protect its interest under, any agreement theretofore made or transaction entered into in carrying on operations under that section.

RETURN OF FUNDS TO TREASURY

SEC. 402. (a) Within 60 days after the enactment of this act, each Federal Reserve bank shall pay to the United States the aggregate amount which the Secretary of the Treasury has heretofore paid to such bank under the provisions of section 13b of the Federal Reserve Act; and such payment shall constitute a full discharge of any obligation or liability of the Federal Reserve bank to the United States or to the Secretary of the Treasury arising out of subsection (e) of said section 13b or out of any agreement thereunder.

(b) The amounts repaid to the United States pursuant to section 402, and any remaining balance of the funds set aside in the Treasury for payments under section 13b of the Federal Reserve Act shall be covered into miscellaneous receipts.

AUTHORITY TO SELL ASSETS TO NATIONAL INVESTMENT COMPANIES

SEC. 403. Any national investment company organized under this act may purchase from any Federal Reserve bank, and any Federal Reserve bank is authorized to sell to any such company, at such reasonable price as may be agreed upon, any or all of the assets heretofore or hereafter acquired by such Reserve bank under the provisions of section 13b of the Federal Reserve Act.

TITLE V—TECHNICAL AND MANAGERIAL AIDS

USE OF EXISTING AUTHORITY

SEC. 501. In providing technical and managerial aids to business, the Secretary is hereby directed to give special emphasis to the requirements of small business. This emphasis shall apply, but not be limited to, the exercise of the Secretary's authority—

(a) to conduct and stimulate research, in cooperation with other Federal and State agencies and private organizations, or otherwise, in the basic problems of production, distribution, and marketing of nonagricultural commodities and products;

(b) to collect information on costs of distribution of, and to promote more efficient marketing methods, practices, and facilities for, nonagricultural commodities and products;

(c) to conduct research and to foster and promote the development of new products and new and expanded markets for nonagricultural commodities and products, and in this connection to cooperate with the Administrator of General Services in making recommendations to Federal procurement agencies with respect to policies and procedures; and, further, to make available the results of studies of domestic productive potential of small-business enterprises to the General Services Administration, the Department of Defense, the National Security Resources Board, and other interested Federal agencies;

(d) to collect and disseminate information on market developments and prospects for nonagricultural commodities and products, including procurement programs for Federal departments and agencies;

(e) to prepare and disseminate to business the best information available on sound management policies, procedures, and practices and to cooperate with public and private organizations in encouraging research, study, and instruction on these subjects;

(f) to conduct research and such other activities as may be necessary to promote the development and use of sound financial practices in the operation of business enterprises; and

(g) to conduct and stimulate research, in cooperation with appropriate public and private bodies or otherwise, to strengthen and develop business by areas and regions, and to improve the economic basis for such development.

CLEARINGHOUSE FOR TECHNICAL AND MANAGERIAL INFORMATION

SEC. 502. (a) The Secretary is hereby directed to establish and maintain within the Department of Commerce a clearinghouse for the collection, dissemination, and exchange of scientific, technical, engineering, and managerial information on nonagricultural commodities and products, and to this end to take such steps as he may deem necessary and desirable—

(1) to search for, collect, classify, coordinate, integrate, record, and catalog such information from whatever sources, foreign and domestic, that may be available; and

(2) to make such information available to industry and business, with special emphasis on the needs of small business, to State and local governments, to other agencies of the Federal Government, and to the general public.

(b) The Secretary is hereby authorized to call upon other departments and independent establishments and agencies of the Government to provide, with their consent, such available services, facilities, or other cooperation as he shall deem necessary or helpful in carrying out the provisions of this title, and he is directed to utilize existing facilities to the full extent deemed feasible.

DEVELOPMENTAL, ENGINEERING, AND TECHNOLOGICAL RESEARCH

SEC. 503. The Secretary is hereby authorized to undertake, through the National Bureau of Standards, other Federal laboratories, nonprofit research foundations and educational institutions, or other facilities available to him, engineering and technological research on industrial, commercial, and related programs of interest to small business on nonagricultural commodities and products. No such project shall be undertaken unless he finds that it is unlikely that the objective of such project will be equally well achieved within a reasonable period of time (1) by private enterprise or (2) by any other research or development undertaken or sponsored by the Government or other public authority.

MISCELLANEOUS PROVISIONS

SEC. 504. (a) To the full extent feasible in achieving the objectives of this title, the publications, services, and functions provided under sections 501, 502, and 503 which are for the special use and benefit of private groups and individuals, shall be self-sustaining or self-liquidating; but nothing herein shall be constructed to require the levying of fees or charges for services performed or publications furnished to any agency or instrumentality of the Federal Government, or for publications which are distributed pursuant to reciprocal arrangements for the exchange of information or which are otherwise issued primarily for the general benefit of the public.

(b) In administering the policies set forth in subsection (a) above, the Secretary shall establish, from time to time, a schedule or schedules of reasonable fees or charges for services performed and for documents or other publications furnished under this title: *Provided*, That moneys hereafter received by the Secretary in payment of such services and publications under this title may be deposited in a revolving fund in the Treasury, to be available for the expenses of performing the services and preparing and printing the documents or other publications authorized under this title and for making refunds to organizations and individuals when entitled thereto: *Provided further*, That at least annually any balance in the revolving fund in excess of an amount determined by the Secretary to be necessary for the requirements of the fund shall be paid into the Treasury as miscellaneous receipts. Appropriations for the capital of the revolving fund are hereby authorized.

(c) The Superintendent of Documents is authorized to distribute documents and publications furnished under this title by public sale at cost plus 50 percent and to reimburse the revolving fund for the cost of such documents and publications sold: *Provided*, That a discount of not to exceed 25 percent may be allowed to authorized book dealers and quantity purchasers.

(d) When in his judgment work to be performed under this title will be carried out more effectively or more rapidly, or at less cost than if performed by the Department of Commerce, the Secretary may enter into contracts with such public or private organizations or individuals as he may find qualified to carry on such work.

TITLE VI—MISCELLANEOUS PROVISIONS

DELEGATION OF AUTHORITY

SEC. 601. The functions of the Secretary under this act shall be performed by him or, subject to his direction and control, by such officers, agencies, or corporations of the Government which are under his supervision, as he may designate. There shall be in the Department of Commerce one additional Assistant Secretary of Commerce, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall receive compensation at the rate prescribed by law for assistant secretaries of executive departments, and who shall perform such duties as the Secretary shall prescribe.

COORDINATION WITH ECONOMIC AND FISCAL POLICIES

SEC. 602. The President may, at any time or times, reduce, for such periods as he shall specify, the maximum authorized principal amounts, maximum maturities, or maximum percentage of Federal insurance or participation of any type or types of loans for business which thereafter may be made, insured, or guaranteed by any department, independent establishment, or agency in the executive branch, or by any wholly owned Government corporation or mixed-ownership Government corporation as defined in the Government Corporation Control Act upon a determination, after taking into consideration the effect thereof upon general economic conditions and upon the national economy, that such action is necessary or desirable to coordinate the business-aid functions and activities of the Federal Government with its general economic and fiscal policies.

ELIGIBLE ENTERPRISES

SEC. 603. For the purposes of administering this act other than title II hereof, the Secretary shall establish such classifications

of business enterprises as he deems appropriate. Such classifications shall relate to appropriate industry groupings and in no case to individual enterprises as such. In establishing these classifications the Secretary shall give consideration to the policies set forth in section 2, with special reference to the following criteria:

(a) the relative size and importance of businesses operating in the industry;

(b) the competitive circumstances of the industry, and the businesses therein, including the degree of independence of such businesses; and

(c) such other factors as may be appropriate.

AUTHORITY TO PROMULGATE AND WAIVE REGULATIONS

SEC. 604. (a) The Secretary may make such rules and regulations as he deems necessary to carry out the authority vested in him by or pursuant to this act. Any such rule or regulation issued under this act may contain such classifications and differentiations and may provide for such adjustments and reasonable exceptions as in the judgment of the Secretary are necessary or proper in order to effectuate the purposes of this act.

(b) The Secretary is authorized to waive compliance with regulations prescribed by him under this act if, in his judgment, such regulations have been substantially complied with in good faith and where such waiver does not involve an increase of the obligation of the Secretary beyond the obligation which would have been involved if the regulation had been fully complied with.

ADMINISTRATIVE PROVISIONS

SEC. 605. In the performance of, and with respect to, the functions, powers, and duties vested in him by this act, the Secretary, notwithstanding the provisions of any other law, may—

(a) prepare and disseminate information concerning the activities undertaken under this act;

(b) enter into contracts; and

(c) employ experts and consultants or organizations thereof as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), and individuals so employed may be compensated at rates not in excess of $50 per diem and shall be allowed travel expenses as authorized by section 5 of said act (5 U. S. C. 73b–2) for persons so employed. Service of an individual as such expert or consultant shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, or 284 of title 18, United States Code, or of Revised Statutes 190, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

REPORTS

SEC. 606. The Secretary shall report annually to the Congress through the President on the program authorized by this act.

PENALTIES

SEC. 607. (a) Title 18, United States Code, section 493, is amended by inserting the phrase "Department of Commerce," after the phrase "Federal Housing Administration,".

(b) Title 18, United States Code, section 657, is amended by inserting the phrase "Department of Commerce," after the phrase "Federal Housing Administration,".

(c) Title 18, United States Code, section 1006, is amended by inserting the phrase "Department of Commerce," after the phrase "Federal Housing Administration,".

(d) Title 18, United States Code, section 1010, is amended by inserting the phrase "or Department of Commerce," after the phrase "Federal Housing Administration,".

(e) Title 18, United States Code, section 1014, is amended by inserting the phrase "or a national investment company organized under title II of the Small Business Act of 1950" after the words "Federal Reserve bank".

GEOGRAPHIC APPLICABILITY

SEC. 608. The authority provided in this act shall be applicable in the United States, including the District of Columbia and the Territories and possessions.

RIGHT TO AMEND THIS ACT

SEC. 609. The right to amend, alter, or repeal this act is hereby expressly reserved.

AUTHORIZATION OF APPROPRIATIONS

SEC. 610. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, such sums as may be required to carry out the purposes of this act.

SUMMARY AND ANALYSIS OF PROPOSED SMALL BUSINESS ACT OF 1950

The proposed Small Business Act of 1950 would assist small business in overcoming the handicaps it faces in obtaining financing and in keeping abreast of new techniques in production and management. By expanding opportunities for efficient small business, the program would promote more effective competition, stimulate technical progress, and foster the increasing investment and employment essential to the stability and growth of the free-enterprise system.

PART A. SUMMARY OF BILL

Title I. Small-business loan insurance (Bimson plan)

To help meet the credit and capital needs of very small business, the legislation would authorize establishment of a new self-sustaining loan-insurance program.

1. Organization and financing: The Secretary of Commerce would be authorized to insure bank loans to small-business concerns. A revolving fund would be set up in the Treasury, with an initial authorized appropriation of $10,000,000. Participating banks would pay a maximum annual insurance premium of 1½ percent of the net proceeds of each loan.

2. Nature of insurance: The plan is generally patterned after the FHA title I insurance scheme for home-improvement loans. It would permit the Secretary to insure bank loans to small-business concerns if the loans did not exceed $25,000 and 5 years in maturity. Each participating bank would be entitled to draw on a reserve for losses equal to 10 percent of its loans on which premiums had been paid. In no case, however, would the insurance cover more than 90 percent of the unpaid balance on an individual loan. A limit of $750,000,000 is set on outstanding insured loans.

Title II. National investment companies

To increase the availability of venture capital to enterprises with somewhat larger financing requirements, the bill would authorize the creation of a new type of private financial institution. This would help fill the chief gap in the private business financial structure.

1. Organization and supervision: The Board of Governors of the Federal Reserve System would be authorized to promote, charter, and supervise national-investment companies. Supervision would be designed to assure sound financial practices and compliance with statutory and administrative requirements.

2. Financing: Each investment company would be required to have a minimum paid-in capital of at least $5,000,000. It would be authorized to issue debentures up to the amount of its capital and surplus. Stock of the companies could be purchased by any financial institution (including any Federal Reserve bank) or by any other person or group. Maximum limits would be placed on the amounts of such stock held by Federal Reserve banks and their members. For tax purposes, these companies would be treated as regulated investment companies, but with more liberal provisions for reserves and for carry-over of losses.

3. Authority of companies: The companies would be authorized to provide both credit and capital to business enterprises. The Federal Reserve Board, after consultation with the Secretary of Commerce, would establish standards for determining the types of business eligible for financial assistance. In the main, these would consist of businesses which are too small to obtain capital efficiently through the organized securities markets.

Title III. Changes in RFC program

To increase the effectiveness of RFC as a backstop for the private financial structure, the RFC's lending authority would be broadened and its operations more closely integrated with the rest of the small-business program.

1. Relationship to new programs: The RFC law would be amended to provide that RFC financing would be available only if neither the existing private institutions nor the new investment companies could provide aid on reasonable financing terms.

2. Changes in lending authority: RFC participation could be increased and collateral requirements relaxed in the case of loans to small enterprises when management abilities and potential earnings afford reasonable expectation of repayment. The present 10-year maximum maturity on RFC loans to business would be increased to 15 years, with no maximum maturity for certain loans essential to the national defense.

Title IV. Termination of Federal Reserve industrial loan program

To simplify the organization of Federal financial aids to small business, the inactive industrial-loan program of the Federal Reserve banks would be terminated. The $139,000,000 provided for this program would be covered into miscellaneous receipts.

Title V. Technical, marketing, and managerial aids

To help small business become more efficient, the existing technical and managerial aids provided by the Secretary of Commerce would be strengthened. The Secretary of Commerce would be authorized to establish a clearing house for technical data for business use and to carry out developmental work on promising discoveries through Government laboratories and other facilities. In these programs as well as in existing technical and managerial aids to business, he would be directed to give special emphasis to the requirements of small business and to provide these services as far as feasible on a self-sustaining basis.

Title VI. Miscellaneous provisions

The bill also would provide administrative authority to carry out its purposes, including authority for the President to reduce certain statutory maximum limits with respect to Federal programs of financial assistance to business where necessary to coordinate such programs with general economic and fiscal policies of the Government.

PART B. SECTION-BY-SECTION ANALYSIS OF THE BILL

Title I. Insurance of loans for small business

SECS. 101–102. Authority to insure and over-all limit of insurance: The Secretary of Commerce would be authorized to insure eligible financial institutions against loss on loans to small business up to a principal amount of $250,000,000, with authority for the President to increase this amount by an additional $500,000,000 after July 1, 1951.

SEC. 103. Scope of insurance and insurance reserve: Reimbursement for loss could not exceed 90 percent of the unpaid balance on

an individual loan nor the amount of the insurance reserve of any financial institution. This reserve would be 10 percent of the cumulative total of loans on which premiums have been paid by the institution less claims on bad loans.

SEC. 104. Maximum premium charge: The annual premium charge could not exceed 1½ percent of the net proceeds of the loan.

SEC. 105. Type of loan covered: Loans to any one borrower could not exceed $25,000, nor have a maturity in excess of 5 years, but could be extended up to an additional 5 years. Agricultural and housing loans would be ineligible.

SEC. 106. Transfer of insurance between institutions: Insurance could be transferred if a loan on which premiums have been paid is transferred from one approved institution to another.

SEC. 107. Revolving fund: A revolving fund would be set up in the Treasury, with authorizations for an immediate appropriation of $10,000,000 and later additions, if necessary. Such appropriated funds would bear interest at the current rate on marketable United States obligations, and would be repaid into miscellaneous receipts when no longer needed. Temporarily idle funds could be invested in United States securities.

SEC. 108. National investment companies as agents: In administering this program, the Secretary of Commerce would be authorized to employ investment companies organized pursuant to title II as agents.

SEC. 109. Exemption from section 24 of the Federal Reserve Act: Loans covered by insurance which are made by national banks would be exempt from section 24 of the Federal Reserve Act, relating to collateral, maturities, and allowable aggregate amount of real-estate loans.

SEC. 110. Administrative provisions: Specific powers necessary for administering a loan-insurance program would be conferred on the Secretary of Commerce.

Title II. National investment companies

SEC. 201. Organization of national investment companies: The Board of Governors of the Federal Reserve System would be authorized to charter national investment companies with all legal powers necessary to conduct a business-financing operation, such as the power to make contracts and to acquire real estate. These companies would be managed by a board of directors consisting of nine members elected annually by the shareholders.

SEC. 202. Capital stock provisions: Each national investment company would be required to have minimum paid-in capital and surplus of $5,000,000. The capital stock could be subscribed by any private institution or individual, or by any Federal Reserve bank. Limitations would be placed on the amount of stock owned by any Federal Reserve bank or any member bank. Federal Reserve banks would be required to sell their shares to other eligible purchasers on demand. No stockholder would be authorized to own or control more than 10 percent of the outstanding shares of any investment company.

SEC. 203. Borrowing power: Each national investment company would be authorized to borrow and to issue obligations up to the amount of its capital stock and surplus.

SEC. 204. Eligible enterprises: The Federal Reserve Board, after consultation with the Secretary of Commerce, would prescribe standards for determining the types of business eligible for financial assistance from investment companies.

SEC. 205. Loans and investments: Investment companies would be authorized to supply equity capital as well as long-term credit to eligible enterprises.

SEC. 206. Aggregate limitation: No investment company would be authorized to employ more than 33⅓ percent of its resources in assisting firms receiving $300,000 or more.

SEC. 207. Exemptions: Loans by national banks which are subject to participation by a national investment company would be exempt from the provisions of section 24 of the Federal Reserve Act in the same manner as loans under section 109 of the bill.

The Securities and Exchange Commission would be authorized to exempt securities issued by national investment companies from the Securities Act of 1933, and the Trust Indenture Act of 1939.

SEC. 208. Tax provisions: For tax purposes, national investment companies would be treated as regulated investment companies, for which the Revenue Code makes special provision. Regulated investment companies with assets diversified in accordance with the Code pay no tax on their distributed net income, provided they distribute at least 90 percent of such income (exclusive of capital gains). The undistributed portion is subject to the full corporate rate of 38 percent.

In several respects, however, the proposed provisions applicable to national investment companies differ from those covering other regulated investment companies; national investment companies would be—

(1) exempt, subject to the discretion of the Federal Reserve Board, from certain standards in the Revenue Code governing diversification of assets;

(2) authorized to carry over operating losses in the computation of net income;

(3) authorized to obtain up to 25 percent of gross income from sources other than interest, dividends, and capital gains; and

(4) permitted to accumulate a tax-free reserve equal to 20 percent of the invested capital of the company. Additional reserves up to 50 percent of invested capital, if derived from dividend income, would be eligible for an 85-percent dividends-received credit and thus taxed at an effective rate of 5.7 percent.

National investment companies would be subject to all State and local taxes applicable to a State-chartered institution of similar character.

SEC. 209. Miscellaneous: Wherever practicable, national investment companies would grant financial assistance in cooperation with banks or other financial institutions. They would be authorized to provide advisory services.

The Federal Reserve Board would be authorized to examine and supervise the investment companies. The Secretary of Commerce would be authorized to advise and assist in the promotion of the investment companies.

The charter of a national investment company could be revoked for violation of the Act or regulations thereunder through appropriate proceedings in a Federal court; or injunctions and court orders could be obtained.

Title III. Amendments to Reconstruction Finance Corporation Act

SEC. 301. Loans to encourage small business: Authority would be provided for RFC to make unsecured loans to small businesses which are worthy credit risks but do not have adequate collateral, provided that management abilities and potential earnings afford reasonable expectation that the loans will be repaid.

SEC. 302. Availability of other financing: The prohibition in the RFC Act on loans by the Corporation where financing is available at reasonable terms from private sources would be made specifically applicable where funds are available from a national investment company.

SEC. 303. Maturities: The maturity limit on RFC business loans would be raised from 10 to 15 years. In addition, the limit would be removed on loans essential for national defense, as determined by the President through such officials as he may designate.

SEC. 304. Participation limits: In making loans to eligible small businesses, the Corporation would be authorized to participate with private lending institutions up to 80 percent of the amount of the loan. In present law, the limits are 60 percent for loans over $100,000 and 70 percent for those $100,000 and under.

Title IV. Changes in Federal Reserve Authority

SEC. 401. Repeal of section 13b of the Federal Reserve Act. The industrial loan authority of the Federal Reserve banks would be terminated.

SEC. 402. Return of funds to Treasury. The funds originally made available to the Federal Reserve banks for this program (totaling $139,000,000), would be paid into budget receipts.

SEC. 403. Authority to sell assets to national investment companies. Federal Reserve banks would be authorized to sell to national investment companies any outstanding loans made under the industrial loan program.

Title V. Technical and managerial aids

SEC. 501. Use of existing authority: The Secretary of Commerce would be directed to give special emphasis to the requirements of small business in providing technical and managerial aids to business.

SEC. 502. Clearing-house for technical and managerial information: The Secretary of Commerce would be directed to establish a clearing-house to collect, disseminate, and exchange scientific, engineering, and managerial information of assistance to business, particularly small business.

SEC. 503. Developmental, engineering, and technological research: The Secretary of Commerce would be authorized to undertake research on technical problems of interest to small business, including developmental work on new products and processes.

SEC. 504. Miscellaneous provisions: To the full extent feasible in achieving the objectives of this title, publications issued and services performed for the benefit of private groups and individuals would be on a self-sustaining basis. A revolving fund would be established to facilitate administration of this title.

Title VI. Miscellaneous provisions

SEC. 601. Delegation of authority: The Secretary of Commerce may delegate the functions authorized in this bill. An additional assistant secretary would be authorized.

SEC. 602. Coordination with economic and fiscal policies: The President would be authorized to reduce maximum principal amounts, maturities, or percentage of Federal insurance or participation for any business-loan program where necessary to coordinate such program with general economic and fiscal policies of the Federal Government.

SEC. 603. Eligible enterprises: The Secretary of Commerce would be required to establish appropriate classifications of independent small-business enterprises eligible for assistance under all titles except title II. In establishing such classifications, he must consider such factors as the relative size of the businesses operating in the industry and the degree of independence among them.

SEC. 604. Authority to promulgate and waive regulations: The Secretary of Commerce would be authorized to make rules and regulations and, where appropriate, to waive them.

SEC. 605. Administrative provisions: This section would confer on the Secretary of Commerce authority to prepare and disseminate information on activities under the act and other necessary administrative authority.

SEC. 606. Reports: An annual report on the programs authorized in the bill would be required.

SEC. 607. Penalties: Various amendments could be made to the criminal code.

SEC. 608. Geographic applicability: Coverage of the bill would include the Territories and possessions.

SEC. 609. Right to amend: The right to amend would be expressly reserved.

SEC. 610. Authorization of appropriations: This is a routine authorization for appropriations necessary to carry out the provisions of the bill.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to insert a copy of the bill and a summary and analysis of the bill.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. McSWEENEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. PETERSON. Mr. Speaker, I call up the bill (H. R. 7273) to provide a civil government for Guam, and for other purposes, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Organic Act of Guam."

SEC. 2. The territory ceded to the United States in accordance with the provisions of the Treaty of Peace between the United States and Spain, signed at Paris, December 10, 1898, and proclaimed April 11, 1899, and known as the island of Guam in the Marianas Islands, shall continue to be known as Guam.

SEC. 3. Guam is hereby declared to be an unincorporated territory of the United States and the capital and seat of government thereof shall be located at the city of Agana, Guam. The government of Guam shall have the powers set forth in this act and shall have power to sue by such name. The government of Guam shall consist of three branches—executive, legislative, and judicial—and shall be under the supervision of the head of such civilian department or agency of the Government of the United States as the President may direct.

CITIZENSHIP

SEC. 4. (a) Chapter II of the Nationality Act of 1940, as amended, is hereby further amended by adding at the end thereof the following new section:

"SEC. 207. (a) The following persons, and their children born after April 11, 1899, are hereby declared to be citizens of the United States, if they are residing on the date of enactment of this section on the island of Guam or other territory over which the United States exercises rights of sovereignty:

"(1) All inhabitants of the island of Guam on April 11, 1899, including those temporarily absent from the island on that date, who were Spanish subjects, who after that date continued to reside in Guam or other territory over which the United States exercises sovereignty, and who have taken no affirmative steps to preserve or acquire foreign nationality.

"(2) All persons born in the island of Guam who resided in Guam on April 11, 1899, including those temporarily absent from the island on that date, who after that date continued to reside in Guam or other territory over which the United States exercises sovereignty, and who have taken no affirmative steps to preserve or acquire foreign nationality.

"(b) All persons born in the island of Guam on or after April 11, 1899 (whether before or after the date of enactment of this section), subject to the jurisdiction of the United States, are hereby declared to be citizens of the United States.

"(c) Any person hereinbefore described who is a citizen or national of a country other than the United States and desires to retain his present political status shall make, within 2 years of the date of enactment of this section, a declaration under oath of such desire, said declaration to be in form and executed in the manner prescribed by regulations. From and after the making of such a declaration any such person shall be held not to be a national of the United States by virtue of this act.

"(d) The Commissioner of Immigration and Naturalization, with the approval of the Attorney General, is hereby authorized and empowered to make and prescribe such rules and regulations not in conflict with this act as he may deem necessary and proper.

"(e) Section 404 (c) of this act shall not apply to persons who acquired citizenship under this section."

(b) Subsection (a) of section 303 of the Nationality Act of 1940, as amended (8 U. S. C., sec. 703), is hereby amended by adding the following new subparagraph:

"(6) Guamanian persons and persons of Guamanian descent."

BILL OF RIGHTS

SEC. 5. (a) No law shall be enacted in Guam respecting an establishment of religion or prohibiting the free exercise thereof, or abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble and to petition the Government for a redress of their grievances.

(b) No soldier shall, in time of peace, be quartered in any house, without the consent of the owner, nor in time of war, but in a manner to be prescribed by law.

(c) The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated; and no warrant for arrest or search shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched and the person or things to be seized.

(d) No person shall be subject for the same offense to be twice put in jeopardy of punishment; nor shall he be compelled in any criminal case to be a witness against himself.

(e) No person shall be deprived of life, liberty, or property without due process of law.

(f) Private property shall not be taken for public use without just compensation.

(g) In all criminal prosecutions the accused shall have the right to a speedy and public trial; to be informed of the nature and cause of the accusation and to have a copy thereof; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

(h) Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

(i) Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist in Guam.

(j) No bill of attainder, ex post facto law, or law impairing the obligation of contracts shall be enacted.

(k) No person shall be imprisoned for debt.

(l) The privilege of the writ of habeas corpus shall not be suspended unless, when in cases of rebellion or invasion or imminent danger thereof, the public safety shall require it.

(m) No qualification with respect to property, income, political opinion, or any other matter apart from citizenship, civil capacity, and residence shall be imposed upon any voter.

(n) No discrimination shall be made in Guam against any person on account of race, sex, language, or religion, nor shall the equal protection of the laws be denied: *Provided,* That the Legislature of Guam may enact such legislation as may be necessary to protect the lands and business enterprises of persons of Guamanian ancestry, and nothing in this act shall be construed to deny to the legislature this authority.

(o) No person shall be convicted of treason against the United States unless on the testimony of two witnesses to the same overt act, or on confession in open court.

(p) No public money or property shall ever be appropriated, supplied, donated, or used, directly or indirectly, for the use, benefit, or support of any sect, church, denomination, sectarian institution, or association, or system of religion, or for the use, benefit, or support of any priest, preacher, minister, or other religious teacher or dignitary as such.

(q) The employment of children under the age of 14 years in any occupation injurious to health or morals or hazardous to life or limb is hereby prohibited.

(r) There shall be compulsory education for all children between the ages of 6 and 16 years in a school approved by the Governor of Guam.

(s) No political or religious test other than an oath to support the Constitution of the United States, the laws of the United States applicable to Guam, and the laws of Guam shall be required as a qualification to any office or public trust under the government of Guam.

THE EXECUTIVE

SEC. 6. (a) The executive authority of the government of Guam shall be vested in an executive officer, whose title shall be "Governor of Guam," and shall be exercised under the supervision of the head of the department or agency referred to in section 3 of this act. The Governor shall be appointed by the President, by and with the advice and consent of the Senate of the United States, and shall hold his office for 4 years and until his successor is appointed and qualified, unless sooner removed by the President for cause. The Governor shall be a civilian or a retired officer of the armed forces of the United States. He shall reside in Guam during his incumbency.

(b) The Governor shall have general supervision and control of all executive agencies and instrumentalities of the government of Guam. He shall faithfully execute the laws of the United States applicable to Guam, and the laws of Guam. He may grant pardons and reprieves and remit fines and forfeitures for offenses against the local laws, and may grant respites for all offenses against the applicable laws of the United States until the decision of the President can be ascertained. He may veto any legislation as provided in this act. He shall commission all officers that he may be authorized to appoint. He may call upon the commanders of the armed forces of the United States in Guam, or summon the posse comitatus, or call out the militia, to prevent or suppress violence, insurrection, or rebellion; and he may, in case of rebellion, invasion, or imminent danger thereof, when the public safety requires it, suspend the privilege of the writ of habeas corpus, or place Guam, or any part thereof, under martial law, until communication can be had with the President and the President's decision thereon communicated to the Governor. He shall annually, and at such other times as the President or the Congress may require, make official report of the transac-

tions of the government of Guam to the head of the department or agency designated by the President under section 3 of this act, and his said annual report shall be transmitted by such department or agency to the Congress. He shall perform such additional duties and functions as may, in pursuance of law, be delegated to him by the President or by the department or agency. He shall have the power to issue executive regulations not in conflict with any applicable law or ordinance. The Governor may submit such recommendations for the enactment of legislation to the legislature as he shall consider to be in the people's interest.

(c) The Governor shall coordinate and have general cognizance over all activities of a civil nature of the departments, bureaus, and offices of the Government of the United States in Guam.

SEC. 7. The President shall appoint a Lieutenant Governor for Guam, who shall have all the powers of the Governor in the case of a vacancy in the office of Governor or the disability or temporary absence of the Governor. He shall have custody of the seal of Guam and shall countersign and affix such seal to all executive proclamations and all other executive documents. He shall record and preserve the laws enacted by the legislature. He shall promulgate all proclamations and orders of the Governor and all laws enacted by the legislature. He shall have all such executive powers and perform such other duties as may be prescribed by this act or assigned to him by the Governor. He shall hold office for 4 years and until his successor is appointed and has qualified, unless sooner removed by the President for cause.

SEC. 8. The head of the department or agency designated by the President under section 3 of this act may from time to time designate the head of an executive department of the government of Guam or other person to act as Governor in case of a vacancy in the office, or the disability or temporary absence of both the Governor and the Lieutenant Governor, and the person so designated shall have all the powers of the Governor for so long as such condition continues.

SEC. 9. (a) The Governor shall, except as otherwise provided in this act or the laws of Guam, appoint, by and with the advice and consent of the House of Council, all heads of executive agencies and instrumentalities, including boards and commissions, that may be created by the Governor or by the legislature. In making all such appointments, the Governor shall give preference to persons of Guamanian ancestry. With a view of insuring the fullest participation by Guamanians in the government of Guam, opportunities for higher education and in-service training facilities shall be provided to qualified persons of Guamanian ancestry.

(b) The Governor may appoint or remove any officer whose appointment or removal is not otherwise provided for. All officers shall have such powers and duties as may be conferred or imposed on them by law or by executive regulation of the Governor not inconsistent with any law.

(c) The Governor shall, from time to time, examine the organization of the executive branch of the government of Guam, and shall determine and carry out such changes therein as are necessary to promote effective management and to execute faithfully the purposes of this act and the laws of Guam.

(d) The salaries of all officers and employees of the government of Guam shall be fixed by the Guam Legislature and paid from funds of the government of Guam, except as otherwise provided by this act.

(e) All persons holding office in Guam on the date of enactment of this act may, except as otherwise provided in this act, continue to hold their respective offices until their successors are appointed and qualified.

THE LEGISLATURE

SEC. 10. The legislative power of Guam, except as otherwise provided in this act, shall be vested in a legislature, which as the legislature may determine, shall consist of either two houses or a single house. The members of the legislature holding office on the date of enactment of this act shall continue to serve as such until the next election held in accordance with the laws of Guam and until their successors have duly qualified. The legislature in all respects shall be constituted and shall be organized and shall sit according to the laws of Guam in force on the date of enactment of this act and as amended or modified after such date.

SEC. 11. The legislative power of Guam shall extend to all subjects of legislation of local application not inconsistent with the provisions of this act and the laws of the United States applicable to Guam. Taxes and assessments on property, internal revenues, and license fees and royalties for franchises, privileges, and concessions may be imposed for purposes of the government of Guam as may be provided by the Legislature of Guam, and when necessary to anticipate taxes and revenues, bonds and other obligations may be issued by the government of Guam: *Provided, however,* That no public indebtedness of Guam shall be authorized or allowed in excess of 10 percent of the aggregate tax valuation of the property in Guam. Bonds or other obligations of the government of Guam payable solely from revenues derived from any public improvement or undertaking shall not be considered public indebtedness of Guam within the meaning of this section. All bonds issued by the government of Guam or by its authority shall be exempt from taxation by the Government of the United States or by the government of Guam, or by any State or Territory or any political subdivision thereof, or by the District of Columbia.

SEC. 12. The legislature shall be the judge of the selection and qualification of its own members. It shall choose its own officers, determine its rules and procedure, not inconsistent with this act, and keep a journal.

SEC. 13. (a) The members of the legislature shall, in all cases except treason, felony, or breach of the peace, be privileged from arrest during their attendance at the legislature and in going to and returning from the same.

(b) No member of the legislature shall be held to answer before any tribunal other than the legislature itself for any speech or debate in the legislature.

SEC. 14. Every member of the legislature and all officers of the government of Guam shall take the following oath or affirmation:

"I solemnly swear (or affirm) in the presence of Almighty God that I will well and faithfully support the Constitution of the United States, the laws of the United States applicable to Guam and the laws of Guam, and that I will conscientiously and impartially discharge my duties as a member of the Guam Legislature (or as an officer of the government of Guam)."

SEC. 15. No member of the legislature shall, during the term for which he was elected or during the year following the expiration of such term, be appointed to any office which has been created, or the salary or emoluments of which have been increased during such term.

SEC. 16. No person shall sit in the legislature who is not a citizen of the United States, who has not attained the age of 25 years, and who has not been domiciled in Guam for at least 5 years immediately preceding the sitting of the legislature in which he seeks to qualify as a member, or who has been convicted of a felony or of a crime involving moral turpitude and has not received a pardon restoring his civil rights.

SEC. 17. Vacancies occurring in the legislature shall be filled as the legislature shall provide, except that no person filling a vacancy shall hold office longer than for the remainder of the term for which his predecessor was elected.

SEC. 18. The regular sessions of the legislature shall be held annually, convening in Agana on the second Monday in February and closing not later than April 5 following. The Governor may convene the legislature in special session at such time and place as he may deem it necessary but no special session shall continue longer than 14 days, and no legislation shall be considered at such session other than that specified in the call therefor or in any special message by the Governor to the legislature while in such session. All sessions of the legislature shall be open to the public.

SEC. 19. Every bill passed by the legislature shall, before it becomes a law, be entered upon the journal and presented to the Governor. If he approves it, he shall sign it, but if not he shall, except as hereinafter provided, return it, with his objections, to the legislature within 10 days (Sundays excepted) after it shall have been presented to him. If he does not return it within such period, it shall be a law in like manner as if he had signed it, unless the legislature by adjournment prevents its return, in which case it shall be a law if signed by the Governor within 30 days after it shall have been presented to him; otherwise it shall not be a law. When a bill is returned by the Governor to the legislature with his objections, the legislature shall enter his objections at large on its journal and proceed to reconsider it. If, after such reconsideration, two-thirds of each house (if there be two houses) or two-thirds of the legislature (if there be only one house) agree to pass it, it shall be sent to the Governor. If he then approves it, he shall sign it: If not, he shall, within 10 days, transmit it to the President of the United States. If the President of the United States approves it, he shall sign it. If he shall not approve it, he shall return it to the Governor so stating, and it shall not be a law. If he neither approves it nor disapproves it within 90 days from the date of transmittal to him by the Governor, it shall be a law in like manner as if he had signed it. If any bill presented to the Governor contains several items of appropriation of money, he may object to one or more of such items, or any part or parts, portion or portions thereof, while approving the other items, parts, or portions of the bill. In such a case he shall append to the bill, at the time of signing it, a statement of the items, or parts or portions thereof, to which he objects, and the items, or parts or portions thereof, so objected to shall not take effect. All laws enacted by the legislature shall be reported by the Governor to the head of the department or agency designated by the President under section 3 of this act, and by him to the Congress of the United States, which reserves the power and authority to annul the same. If any such law is not annulled by the Congress of the United States within 1 year of the date of its receipt by that body, it shall be deemed to have been approved.

SEC. 20. (a) Appropriations, except as otherwise provided in this act, and except such appropriations as shall be made from time to time by the Congress of the United States, shall be made by the legislature.

(b) If, at the termination of any fiscal year, the legislature shall have failed to pass appropriation bills providing for payments of the necessary current expenses of the government and meeting its legal obligations for the ensuing fiscal year, then the several sums appropriated in the last appropriation bills for the objects and purposes therein specified, so far as the same may be applicable, shall be deemed to be reappropriated, item by item.

(c) All appropriations made prior to the date of enactment of this act shall be available to the government of Guam.

SEC. 21. The legislature or any person or group of persons in Guam shall have the unrestricted right of petition. It shall be the duty of all officers of the government to receive and, without delay, to act upon or forward, as the case may require, any such petition.

THE JUDICIARY

SEC. 22. The judicial authority of Guam shall be vested in one supreme court and in such inferior courts as may have been or hereafter may be established under the laws of Guam. The jurisdiction of such courts and the procedure therein shall be prescribed in the laws of Guam. The style of all process in the courts of Guam shall hereafter run in the name of the government of Guam, and all prosecutions shall be carried on in the name and by the authority of the government of Guam. The Governor shall not sit as a judge in any court.

SEC. 23. The supreme court shall consist of a chief justice and two associate justices who shall be appointed by the President of the United States, by and with the advice and consent of the United States Senate, and who shall hold office for a term of 6 years and until their successors have been appointed and qualified, unless sooner removed by the President for cause. No person shall be appointed a justice of the Supreme Court of Guam who has not been a member of the bar of the highest court of a State or Territory of the United States for at least 5 years.

SEC. 24. (a) The judicial district known as the Northern District of California is hereby extended to include Guam, and the jurisdiction of the United States District Court for the Northern District of California as now defined by law shall extend to the whole of such district.

(b) The laws of the United States relating to removal of causes as between the courts of the United States and the courts of the several States shall govern as between the United States District Court for the Northern District of California and the courts of Guam.

(c) For the purposes of this section, special terms of the district court shall be held in Guam at such times as the judges of that court may deem expedient.

(d) The United States Court of Appeals for the Ninth Circuit shall have jurisdiction of appeals from all final decisions of the Supreme Court of Guam in all cases involving the Constitution, laws, or treaties of the United States or any authority exercised thereunder, in all habeas corpus proceedings, and in all other civil cases where the value in controversy exceeds $5,000, exclusive of interest and costs.

(e) Any party may appeal to the Supreme Court of the United States from an interlocutory or final judgment, decree, or order of any court of record of Guam, holding an act of Congress unconstitutional in any civil action, suit, or proceeding to which the United States or any of its agencies, or any officer or employee thereof, as such officer or employee, is a party. A party who has received notice of appeal under this section shall take any subsequent appeal or cross appeal to the Supreme Court. All appeals or cross appeals taken to other courts prior to such notice shall be treated as taken directly to the Supreme Court.

MISCELLANEOUS

SEC. 25. (a) The laws of Guam in force on the date of enactment of this act, except as amended by this act, are hereby continued in force, subject to modification or repeal by the Congress of the United States or the Legislature of Guam, and all laws of Guam inconsistent with the provisions of this act are hereby repealed to the extent of such inconsistency.

(b) Except as otherwise provided in this act, no law of the United States hereafter enacted shall have any force or effect within Guam unless specifically made applicable by act of the Congress either by reference to Guam by name or by reference to "possessions." The President of the United States shall appoint a commission of seven persons, at least three of whom shall be residents of Guam, to survey the field of Federal statutes and to make recommendations to the Congress of the United States within 12 months after the date of enactment of this act as to which statutes of the United States not applicable to Guam on such date shall be made applicable to Guam, and as to which statutes of the United States applicable to Guam on such date shall be declared inapplicable.

SEC. 26. (a) The Governor shall receive an annual salary of $16,000, to be paid by the United States: *Provided*, That if the Governor shall be a retired officer of the armed forces of the United States the pay which he shall receive as Governor shall be his pay and allowances as such officer plus such sum as will total $16,000.

(b) The Chief Justice of Guam and the Lieutenant Governor shall each receive an annual salary of $13,000, to be paid by the United States.

(c) All officers and employees of the government of Guam shall, if their homes be outside Guam, be entitled to transportation at the expense of the United States for themselves, their immediate families, and their household effects, from their homes to Guam upon their appointment and from Guam to their homes upon completion of their duties: *Provided*, That such transportation other than that incident to initial appointment shall not be required to be furnished, unless they shall have served in Guam for at least 2 years, unless separated for reasons beyond their control. They shall accrue leave in accordance with the Leave Act of the United States, and once during every 2 years shall be entitled to transportation at the expense of the United States for themselves and their immediate families from Guam to their homes and return. For purposes of transportation to their homes and return, they shall be allowed travel time not in excess of 30 days without charge against annual leave and during such travel time they shall be paid their salaries as prescribed by this act or the laws of Guam. Transportation shall be by the shortest and most direct route. During their term of duty in Guam they shall each be entitled to receive appropriate quarters to be furnished by the United States.

(d) All officers and employees of the government of Guam, whose salaries are not fixed by this act, shall be paid such compensation and shall receive such additional allowances or benefits as may be fixed under the laws of Guam, or, in case they be employees or officers of the department or agency designated by the President under section 3 of this act, as fixed by or under the rules and regulations of, or applicable to, such department or agency while detailed to serve with the government of Guam. If any official or employee of the government of Guam be a person in the armed forces of the United States, either in active, retired, or reserve status, his employment by the government of Guam and any service thereunder, shall not, in the discretion of the President, operate to affect adversely his rights to duty status, pay, retirement, or other benefits.

(e) Each member of the legislature shall be paid the sum of $15 for each day that the legislature is in session, regular or special, out of sums to be appropriated annually by the Congress. All other legislative expenses shall be appropriated by, and paid out of funds of, the government of Guam.

SEC. 27. Articles which are the growth, production, or manufacture of Guam coming into any State, Territory, or insular possession of the United States from Guam shall be entered at the several ports of entry free of duty.

SEC. 28. (a) The title to all property owned by the United States and employed by the naval government of Guam in the administration of the civil affairs of the inhabitants of Guam, including automotive and other equipment, tools and machinery, water and sewerage facilities, bus lines and other utilities, hospitals, schools, and other buildings, shall be transferred to the government of Guam within 90 days after the date of enactment of this act.

(b) All other property owned by the United States in Guam, not reserved by the President of the United States within 90 days after the date of enactment of this act, is hereby placed under the control of the government of Guam, to be administered for the benefit of the people of Guam, and the legislature shall have authority, subject to such limitations as may be imposed upon its acts by this act or subsequent act of the Congress, to legislate with respect to such property in such manner as it may deem desirable.

(c) All property owned by the United States in Guam, the title to which is not transferred to the government of Guam by subsection (a) hereof, or which is not placed under the control of the government of Guam by subsection (b) hereof, is transferred to the administrative supervision of the head of the department or agency designated by the President under section 3 of this act, except as the President may from time to time otherwise prescribe: *Provided*, That the head of such department or agency shall be authorized to lease or to sell, on such terms as he may deem advantageous to the Government of the United States, any property of the United States under his administrative supervision in Guam not needed for public purposes.

SEC. 29. (a) Subject to the laws of Guam, the Governor shall establish, maintain, and operate public-health services in Guam, including hospitals, dispensaries, and quarantine stations, at such place in Guam as may be necessary, and he shall promulgate quarantine and sanitary regulations for the protection of Guam against the importation and spread of disease.

(b) The Governor shall provide an adequate public educational system of Guam, and to that end shall establish, maintain, and operate public schools at such places in Guam as may be necessary.

SEC. 30. All customs duties and Federal income taxes collected in Guam, the proceeds of all taxes collected under the internal-revenue laws of the United States on articles produced in Guam and transported to the United States, its Territories, or possessions, or consumed in Guam, and the proceeds of any other taxes which may be levied by the Congress on the inhabitants of Guam, and all quarantine, passport, immigration, and naturalization fees collected in Guam shall be covered into the treasury of Guam and held in account for the government of Guam, and shall be expended for the benefit and government of Guam in accordance with the annual budgets.

SEC. 31. There are hereby authorized to be appropriated annually by the Congress of the United States such sums as may be necessary and appropriate to carry out the provisions and purposes of this act.

SEC. 32. Nothing contained herein shall be construed as limiting the authority of the President to designate parts of Guam as naval or military reservations, nor to restrict his authority to treat Guam as a closed port with respect to the vessels and aircraft of foreign nations.

SEC. 33. The authority and powers conferred by this act shall come into force immediately upon enactment. However, the

President is authorized, for a period not to exceed 1 year from the date of enactment of this act, to continue the administration of Guam in all or in some respects as provided by law, Executive order, or local regulation in force on the date of enactment of this act. The President may, in his discretion, place in operation all or some of the provisions of this act if practicable before the expiration of the period of 1 year.

Mr. PETERSON (interrupting the reading of the bill). Mr. Speaker, I ask unanimous consent that further reading of the bill be dispensed with, and that it be printed in the RECORD and be open to amendment at any point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Nebraska: On page 24, line 16, at the end of section 30 insert the following:

"SEC. 31. The income-tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in force in Guam.

"Renumber Sections 31, 32, and 33."

Mr. PETERSON. Mr. Speaker, this amendment was exhibited to the committee and the majority of the members of the committee have authorized me to say that they have no objection to it.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Nebraska.

The amendment was agreed to.

Mr. PETERSON. Mr. Speaker, I move to strike out the last word in order to answer a few questions that the gentleman from Arkansas [Mr. NORRELL] wishes to ask me. I yield to the gentleman from Arkansas.

Mr. NORRELL. I have two questions; one, if this bill becomes law what will be the personnel set-up under the Governor in Guam; and, two, will the chairman of the committee outline what he understands will be the power of the Governor to set up his official family and who will designate their salaries? For instance, if they have a board like the Board of Education or the Board of Health or any of the other boards they may need, what authority will he have to make those appointments and who will fix the salaries?

Mr. PETERSON. In answer to the gentleman, may I say that the bill provides for the Office of Governor and for the Office of Lieutenant Governor, to be appointed by the President. Then it refers to department heads of agencies designated by the President. The bill sets forth the complete details.

There would be a close check on that by the budget, which would then come to the Congress and the Congress would have the authority to provide funds. Any elaborate set-up that goes beyond what would be reasonable for approximately 96,000 persons we would assume and hope that funds would not be provided for.

Mr. NORRELL. Then the only authorization that we are making today, as I get it, is for a governor, lieutenant governor, and two or three boards; other than that this Congress will maintain a supervision over that in order to do what we think should be done in the future?

Mr. PETERSON. Yes. The Congress will hold the purse strings. A budget must be submitted and approved in an orderly way and it must be justified.

Mr. NORRELL. Heretofore the personnel on Guam has been paid what we understand to be the foreign-service benefits which I believe are about 25 percent in addition to what is received in this Nation. I notice the salary of the Governor is fixed at $16,000 per annum. Is he to get extra foreign-service pay over and above and in addition to the salary fixed by this act?

Mr. PETERSON. I do not see how he could. In other words, we fix the ceiling and in conference we may even lower that amount.

Mr. NORRELL. You are fixing this—I happen to be on the Subcommittee on Appropriations that has charge of expenditures over there—you are not saying to us this salary shall be $16,000; you are saying it shall not be in excess of $16,000?

Mr. PETERSON. That is right. The gentleman is correct.

Mr. NORRELL. I thank the gentleman very much.

Mr. SCRIVNER. Mr. Speaker, I move to strike out the last two words.

Mr. Speaker, I take this time to direct a query to one of the Members—the gentleman from Nebraska [Mr. MILLER] has the information—namely, What, if any, is to be the contribution of the United States Government to the expenses of operation of the government of Guam?

Mr. PETERSON. Our colleague the gentleman from Nebraska [Mr. MILLER] has made a study of that. The amendment he offered and which we have adopted today will be very helpful in that respect.

Mr. MILLER of Nebraska. There will be no direct payment by the Treasury of this country. The amendment we just adopted in committee provides that the income-tax laws in force in the United States of America and which may hereafter be in force will be the law over there. That will be of great help in plugging certain loopholes. The people of Guam and a large number of civilians and workers over there on construction work, as well as military personnel, pay no income tax or have no withholding tax. In fact, they are paid a bonus for working there. This will plug that loophole and bring in some money to the United States Treasury. As I understand it, the salaries of these people will be paid by the Guamanian Government and the average deposit in Guamanian banks of the people of Guam averages about $8,000.

Mr. SCRIVNER. In other words, I am to understand that there is sufficient property, there are sufficient sources of revenue right there on the island of Guam so that they will be able to set up a tax structure sufficient to carry their own expenses of government without asking for any contribution from the United States to help carry their government cost?

Mr. MILLER of Nebraska. That is my understanding.

Mr. PETERSON. That is my understanding, also.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. PETERSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

MODIFICATION OR CANCELLATION OF CERTAIN ROYALTY-FREE LICENSES GRANTED TO THE GOVERNMENT

Mr. McSWEENEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 598 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. McSWEENEY. Mr. Speaker, I yield myself 10 minutes, and yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. Speaker, House Resolution 598 makes in order a bill to compensate men and women who patriotically during the war relinquished their rights to certain patents and copyrights. I think there might be two schools of thought on the question of our granting patents to people over an extended period. Many people have thought that a patent right should belong to the country and that the person should not get the benefits thereof. But ever since the inception of our country we have granted this privilege to persons of inventive genius to protect their rights and to be allowed to get the emoluments therefrom. This was one of the patriotic gestures during the

war. Men and women who wanted to help the war effort gladly gave up their rights, or at least gave up their rights under their patents, so that the war process could be carried on uninterrupted.

The contract made with these people was for the duration of the war. First of all, we had to set a time at which we considered the hostilities as actually commencing, so this bill has taken September 9, 1939, as the beginning point. We have had no definite termination of the war through a treaty, though we have had a cessation of hostilities, so we have to set up some kind of arrangement whereby the benefits that would naturaly accrue to these patent holders may be returned to them and they can again enjoy their privileges under their legal rights. This bill makes such a program in order.

I believe that the rule which permits this bill to come before the House should be adopted because no man and no woman in this House wishes to work an injustice upon a person who tried within his capacity to give valiant service during the war. We realize that aside from service on the field of battle and in our Navy and in the air there were people who made contributions, and these men of genius, these men of creative ability, have done this. For that reason, I respectfully ask that this rule be granted so that the bill may receive immediate consideration.

Mr. BROWN of Ohio. Mr. Speaker, as has been so well explained by the gentleman from Ohio [Mr. McSWEENEY] this resolution makes in order the consideration of S. 2128, under 1 hour of general debate. As the gentleman from Ohio has so ably stated, S. 2128 simply returns to those citizens who made available to their Government in time of need, during the war, certain patent rights which they voluntarily surrendered then as a patriotic duty and responsibility.

I do not believe there is any opposition to this rule and there certainly should be no opposition to the bill.

Mr. McSWEENEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent that the bill (S. 2128) to provide for the modification or cancellation of certain royalty free licenses granted to the Government by private holders of patents and rights thereunder be considered in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any other provision of law, the head of any department or other agency in the executive branch of the Government which during World War II entered into any contract or agreement with the holder of any privately owned patent or any right thereunder whereby such holder granted to the United States, without payment of royalty, any license under such patent or right, is authorized, upon application of the grantor of such license, to enter into such supplemental contract or agreement for the cancellation of the contract or agreement by which such license was granted as the head of such department or agency shall deem to be warranted by equities existing by reason of changes in circumstances occurring since the granting of such license.

With the following committee amendments:

Page 1, line 5, strike out "during World War II" and insert "subsequent to September 9, 1939."

Page 1, line 9, after "royalty", insert "or with reduction or limitation of royalty."

Page 2, line 3, after "cancellation", insert "or modification."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "An act to provide for the modification or cancellation of certain licenses granted to the Government by private holders of patents and rights thereunder."

A motion to reconsider was laid on the table.

Mr. BRYSON. Mr. Speaker, the custom of assigning goods, assets, and services to one's government especially in defense thereof is as ancient as civilization itself.

I scarcely knew of the splendid cooperation demonstrated by patentees with the Government prior to and during World War I which is, as yet, legally going on.

By reason of the fact that no one contemplated the necessity of refraining from an official declaration of the end of the war, many of our patriotic patent holders are and have been suffering great hardships. This is an instance where those most eager to serve and sacrifice have been caught unintentionally in the meshes of the law. The passing of S. 2128 will grant authority for the proper agency of the Government to adjust these hardships by turning patents back to their rightful owners, and making proper adjustment with reference thereto.

In this connection, may I state that we have the greatest and most dependable patent system in the world. All of us are jealous of this fine and unusually dependable agency.

I feel that the adoption of the President's reorganization plan by the House last week will jeopardize and, in all probability, weaken our patent system. I fail to see where the adoption of this particular reorganization plan would make either for economy or efficiency. My position by no means can be interpreted to be a reflection on or a lack of confidence in the present Secretary of Commerce. However, we have had Secretaries of Commerce whose judgment was not so dependable and, in the future we may have others.

In a way, the patent system is part of my inheritance as a South Carolinian, and perhaps that accounts for the more than random interest I had even prior to coming across the facts that I am now about to relate:

These facts concern the vital role played by my State in the early history of the patent and copyright laws.

It is a strange coincidence that South Carolina had a patent law of its own, even before the adoption of the Constitution. Most of the independent States had their own copyright laws, but South Carolina alone had her individual patent law.

On March 26, 1784, the General Assembly of South Carolina enacted a law "for the encouragement of arts and sciences." This law related to both copyrights and patents, and provided for securing exclusive rights to authors and inventors. Of course, this law was rather simple in its terms, but it does show an appreciation of the desirability of a patent law on the part of South Carolina. As I have indicated, none of the other States had any similar statute.

This is not all. The Constitutional Convention, which met 3 years later, found South Carolinians foremost in the introduction of patent and copyright clauses to the Constitution.

It was our brilliant young Charles Pinckney who on August 18, 1787, as a delegate to the Constitutional Convention, introduced a resolution that the legislature of the Government they were framing be given the power: "To grant patents for useful inventions," and "To secure to authors exclusive rights for certain times." Though Pinckney was the youngest man in the Convention, more of his ideas were written into our organic law than of any other delegate.

John Rutledge, another South Carolina delegate, headed the Committee on Detail to which the various resolutions were referred. In their report, the said committee included the clause relating to patents and copyrights which was unanimously adopted by the Convention as a part of our Constitution. I need not repeat its familiar language to you, but wish to point out the similarity between the objective specified in the Constitution—promoting the progress of science and the useful arts—and that specified in the title of the South Carolina statute of 1784—encouraging arts and sciences.

Finally, the bills which became our first patent and copyright laws were presented on April 10, 1790, to Congress by Representative Aedamus Burke, of South Carolina as chairman of a special committee on patents and copyrights.

So you see that in my present capacity as chairman of a congressional subcommittee responsible for patent legislation I am only doing what comes naturally.

The patent laws, born as they were of wisdom and fortified through the years by the genius of our people, justly merit our pride and our constant effort toward their preservation and strengthening. It is a tribute to the authors that the major structure of those laws, as they were enacted in the 1830's remain largely unchanged in principle today and have accommodated themselves with astonishing ease to the revolutionary advances in technology through the intervening years. The twentieth century in particular, with its overwhelming progress in science and in business strategies, has subjected the patent laws to great tests.

The evidences of this wear and tear are nowhere demonstrated so effectively as in the record of legislation which has been proposed and considered during the

past two decades in Congress. In my brief tenure we have been confronted with patent proposals of the most complex nature, difficult for the lay mind to comprehend, and even more difficult once understood, to determine. If you learned gentlemen feel disposed to question the diligence of your legislators in considering your patent problems, lay it not to our lack of interest but rather to your own talented disagreement.

By this time you have all probably received preliminary drafts of a proposal to revise and amend the patents title of the United States Code. I am heartened by the manner in which the organized patent bar has come forward in a commendable and constructive fashion to help Congress in undertaking this formidable assignment. Your instantaneous cooperation has been one of the most dramatic evidences of the democratic process that I have had the pleasure of witnessing. With the attitude you have adopted I am confident that we shall perform a painstaking, objective study of the subject that will ultimately produce a body of laws which will serve our future as well as the present ones have served our past.

May I assure you again that the draft which you have received is merely a starting point. The committee has given it neither prolonged study nor endorsement, and its sole purpose is to serve as a target. We believe it is a workmanlike, professional document, entailing skill, knowledge, and patience on the part of its authors. It embodies many similar suggestions, many borrowed from other sources, and some novel in themselves. This will be your opportunity, gentlemen, to help mold the future of our great patent system.

May your restless, inquiring, inventive minds continue to search and thus harness even the elements of nature and alleviate pain and suffering among all mankind everywhere so that lightning and light, frost and flame, and all the secret subtle powers of the earth and sky may be made subservient to man's will under God.

PROVIDING ADDITIONAL COMPENSATION TO CERTAIN EMPLOYEES OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I offer a resolution (H. Res. 613) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective May 1, 1950, there shall be paid out of the contingent fund of the House, until otherwise provided by law, additional compensation at the basic rate per annum, to certain employees of the House as follows:

Minority employee (Beecher Hess), the sum of $1,200 per annum.

The assistant bill clerk for the minority, the sum of $900 per annum.

Messenger at the Speaker's table, the sum of $400 per annum.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the request of the gentleman from Massachusetts?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I understand this resolution has been agreed to by the leadership on both sides of the aisle.

Mr. McCORMACK. My information is that it has been agreed to by both sides of the aisle.

Mr. BROWN of Ohio. If that is the understanding, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK].

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ASSISTANT TO THE DISBURSING CLERK

Mr. WALTER. Mr. Speaker, I offer a resolution (H. Res. 614) and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective May 1, 1950, the salary of the assistant to the Disbursing Clerk of the House shall be at the basic rate of $4,250 per annum and there is hereby authorized to be paid out of the contingent fund of the House until otherwise provided by law the necessary additional amount to equalize the present salary of the assistant to the Disbursing Clerk with that of the new rate as provided herein.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, it is my understanding that this resolution has been agreed to by the leadership on both sides of the aisle and applies to the individual now holding that office?

Mr. WALTER. The gentleman is entirely correct.

Mr. BROWN of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY], is recognized for 20 minutes.

ON THE MATTER OF ABDICATION OF AUTHORITY AND CONTROL

Mr. FOGARTY. Mr. Speaker, when the Thomas and Taber amendments were under debate much was said about Congress shirking its responsibility by making blanket cuts on the appropriation bill. It was said on this floor that the Thomas amendment would amount to surrender of our responsibility to the President and the Bureau of the Budget to apply the cuts which that amendment sought. On the other hand, supporters of the Taber amendment went to some lengths and laid great stress on the point that the Taber amendment would not do that, but had the virtue of retaining control of the purse in the Congress, as it should be, that the Congress by that amendment would be making specific cuts against specific items and would not be abdicating or shirking its responsibility.

Nothing could be further from the facts. The Taber amendment to cut $600,000,000 out of the bill is a general cut. It in no way is a specific cut in its application, and we have got to be practical and try to look at it in its practical application. The amendment simply cuts $600,000,000 from the appropriations in the bill. It makes a very few limited exceptions. It in no way attempts to state, nor does it in any way state, what appropriations shall be cut. A general cut cannot become a cut except by becoming specific. Specific appropriations must be cut to put it into effect. Let us see what the amendment does on that score.

In language and figures the source and calculation of which I do not understand, and which the record of the debate does not make clear, certain limitations are placed on stated objects of expenditure, such as personal services, travel, printing, supplies, communications, rents, equipment, lands and structures, and so on. There are 10 of them mentioned and set forth in the amendment. Obligations for those purposes are to be limited to not to exceed certain percentages—arbitrary percentages, by the way—of the amounts set out under each appropriation item for those objects in the President's 1951 budget estimates. Now here is where the rub comes. It is as plain as A B C, and cannot be denied. Look at the appropriation bill. Thumb through it from cover to cover. See whether you can find appropriations for each of the countless departments, bureaus, and agencies for personal services, for travel, for printing, for supplies, for rents, and so on. You will not find them, because they are not set up that way. They are set up by bureaus, offices, and agencies, and under them they are set up and we appropriate for specific services, programs, and projects. We do not appropriate in the terms set out in the Taber amendment. We do not appropriate travel money just for the sake of appropriating travel money. We do not appropriate salary money just for the sake of appropriating salary money or providing people with jobs. We appropriate money for services the people want and need, for projects which are needed, for all manner of services and functions for which the Government is responsible. It takes people to perform those services, it takes supplies, it takes travel to get the job done, and so on. So, what do we have? We have adopted an amendment which, standing by itself, does nothing. Somebody has got to apply it to the appropriations throughout the bill to put it into effect. That is as simple as A B C. There can be no question about that.

Now, who is to make the application of the general cut? Does the amendment say who? No, it does not. Then who would it be with respect to appropriations for the executive branch? Who else could it be except the Budget Bureau, the President, and the departments and agencies? The Congress in that amendment does not propose to say in what departments, in what bureaus, in what programs, in what appropriations, the

cut shall be applied. Thus it is clear beyond a shadow of a doubt that the cutting will be done by the departments and agencies and the Budget Bureau, and not by the Congress.

Are you going to be satisfied to let the departments and agencies make your cuts for you? What will you say when they apply the cut and make it against some activity, project, or office in which you are especially interested and that directly affects your people? Are you going to be satisfied to leave that up to the executive branch? What if they cut out some project in your district, or have to make a reduction in some programs where it vitally and adversely affects your people and the economy and welfare of your people?

An interesting question on the Taber amendment is what it does to the legislative branch. As I read the amendment, and there is no debate to the contrary, the amendment applies to appropriations for the legislative branch. They are not excluded by the amendment. I have found nothing in there to exclude them. The estimates for the legislative branch are included with and are part of the President's budget estimates. The appropriations are in the omnibus appropriation bill. What about a 10-percent cut in the clerical force in Members' offices? Did you think of that when the amendment was up for debate? What about all the other employees here on the Hill? Did you know you were cutting them down by 10 percent? There is nothing in the amendment that excludes them, although the so-called Jensen amendment dealing with the filling of vacancies does exclude the legislative and judicial branches from its provisions. What about the judicial branch? Did we also cut them 10 percent, and, if we did, what specific groups or classes of personnel did we cut?

Now, as to the so-called Jensen amendment, it is nothing short of an administrative monstrosity. It places agencies in an administrative strait-jacket. In principle, it is as bad, if not actually worse, than the Taber amendment. It will have the effect of hamstringing and crippling essential services by attrition. It is unsound and unrealistic. On its face, it is patently contradictory. On the one hand, if funds are granted for personnel to render certain services or do a specific job, and then normal separations due to retirement, deaths, and so on occur, the department or agency is not allowed to replace those employees, even though the Congress has previously decided that that number of personnel were necessary to do the job. Why not cut out the money in the first place? The amendment is wasteful. It would permit employment of persons during part of a year and prevent that later in the year. How can work and services be rendered without people to do it?

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. PRICE. I think the gentleman is doing a splendid job. I hope that before he concludes he will tell us what the Taber amendment will do to the Veterans' Administration.

Mr. FOGARTY. I do not have those figures. It may be that when I extend my remarks I can furnish them. I am going to try to give some examples of what the amendment will do to the Public Health services, to the various agencies of the Department of Labor, particularly the Food and Drug Administration, the hospital construction act, and so on. That is the bill that comes before my Subcommittee on Appropriations and it is my purpose to discuss that this afternoon.

Mr. PRICE. If the gentleman will yield further, I should like to say that General Gray of the Veterans' Administration has made the statement that this amendment would cripple the Veterans' Administration, that it would force the firing of over 6,000 important employees; that it would make it more difficult for them to administer veterans' affairs in the matter of applications for benefits and hospitalization and the other benefits to which the veterans are rightfully entitled under the law.

Mr. FOGARTY. Mr. Speaker, both amendments were a snare and a delusion. They were so drawn as to cover anything and appear to touch nothing. But the catch is that they are absolutely null and void and of no effect until placed into effect. And, they simply cannot go into effect without touching nearly every activity or service of the Federal Government. What else is a general cut but an across-the-board cut? I do not think they will stick when the full impact is known. They cannot stick, because they are senseless, indiscriminate, abritrary, unintelligent, and basically contrary to the entire process by which the Congress appropriates specific amounts for specific functions and services.

I am very much concerned about the serious effects the amendments will have on a number of activities in the Federal Security Agency, the Labor Department, and some of the independent labor agencies. I have made some examination and study on this, and I want to cite a few of the more serious consequences which are bound to flow from these amendments.

First. The Taber and Jensen amendments first of all have some glaring inconsistencies in them. Neither of them exempt St. Elizabeths Hospital or Freedmens Hospital, which together have about 7,500 patients, although they partially exempt medical personnel of the Public Health Service marine hospitals. A cut of 10 percent in the $10,000,000 budget for St. Elizabeths Hospital is a million dollars, at a time when the Appropriations Committee recommended some increase above 1950 for personnel and other expenses. The patient load at St. Elizabeths increases slightly each year. What do you think the situation will be out there when you cut down on attendants, medical personnel, and other items such as food?

Freedmens Hospital is in the same situation. A 10 percent cut in their budget, which is already at a minimum, will certainly result in turning down patients needing treatment and a watering down of the quality of service now rendered. How can it avoid doing so?

Second. Another inconsistency is that while the amendments exempt medical personnel and orderlies at Public Health marine hospitals, they do not exempt other types of personnel which are just as essential to the running of a hospital as are the doctors and nurses. Also, note that the blanket cut exempts veterans' hospitals from having to reduce their budgets for supplies and materials—and that means food, principally—but no such exemption is accorded marine hospitals of the Public Health Service. How do you think they can operate the hospitals with such a cut in the food and supply budgets? Obviously, this is going to be a serious situation.

Third. For Howard University, the only great university of higher learning for colored people, it will mean a cut of about $200,000 below what the Appropriations Committee cut them. Is there one shred of evidence that the teaching staff can be severely trimmed down without causing them to further limit their enrollments—they have had to do that already in some departments—and thus deny opportunity to colored people trying to secure an education? Of course there is not any evidence available. This cut would come at the very time when we have been appropriating large sums to build new buildings and to increase the size of the plant out there, so badly needed for many years.

Fourth. What about the Bureau of Employees' Compensation, which administers the Federal laws dealing with handling of claims and payments of compensation to Federal employees injured on the job? Last year Congress amended the statute and substantially liberalized the benefit payments. It is more necessary than ever that there should be adequate personnel to properly investigate claims and to make proper disposition of claims—the investigation end is especially important—and the committee has recommended increased funds for that very purpose; otherwise the Government cannot be adequately protected against unjust and improper claims for payments. The committee has been unanimous in that matter, and we gave them, as I said, an increase to look after the claims properly. As I figure it, the Taber amendment alone will force a cut of an additional $140,000, over and above the committee action on their budget. When that blow has been struck, further impairment by attrition will set in because of the Jensen ban on filling of 9 out of 10 vacancies. Things would be bound to become progressively worse.

Fifth. Another example of the certain serious consequences of these amendments is in the Pure Food and Drug Administration. Our committee gave them every cent requested. It is not only one of the most important agencies of government from the standpoint of protecting the health of the people—no one can deny that—but it is also a most efficient agency. Dr. Dunbar, the head of the Bureau, is an able administrator. He is not a spendthrift. He runs the agency in excellent fashion. He is doing an important job, too. We on the committee have for some years agreed that

if it were possible to do so, it would be perfectly justifiable if we doubled his appropriation from $5,000,000 to $10,000,000. Remember also that beginning on the 1st of July he takes on responsibility of enforcing the oleo law recently passed by Congress. Now, this cut right off will mean a $500,000 slash against his budget of $5,066,000. The Jensen amendment will take up from there and most certainly affect the operation during the year, because in an agency of 1,000 employees there are bound to be some turnovers from deaths, resignations, and retirements. Enforcing the pure food and drugs law at best is a hard job. It requires trained chemists and other technical people. You cannot reach down in the agency and get that kind of personnel every time you have a vacancy.

Sixth. A very serious adverse effect will follow application of the cut to the tuberculosis mass X-ray and the topical fluoride demonstration teams operating throughout the country. The TB mass X-ray program is vital. It is designed to fit into the over-all program of reducing the extent of tuberculosis among our people. It has been highly successful in turning up cases of unknown TB and getting them under treatment. What does the amendment do to them? Here is what: While medical personnel of Public Health are exempted, the point is, in these X-ray teams there is only one or two medical personnel and the assistants are lay or civilian personnel. Obviously they are just as essential to operation of the units as are the medical people. They will have to be cut 10 percent under the amendment, and vacancies will likewise be created and left unfilled. More important, perhaps, is that while the Taber amendment makes a cut of 10 percent generally on the various objects of expenses in the budget, it makes a 20-percent cut in travel funds. Yet travel is the key to the operation. They go from place to place to put on these X-ray programs. The same is true in the 39 States in which the demonstration programs on the application of sodium fluoride to the teeth of school children operate. Those units have been eagerly sought by communities all over the Nation. They have to move from place to place frequently to spread the good word on showing how decay in children's teeth can be reduced by this very simple technique. Both programs are necessary, not just desirable. They will certainly suffer a serious setback if these amendments go through.

Seventh. The gentleman from New York [Mr. TABER] admitted in debate on the floor that the mental health, heart, and cancer research programs would be cut by this amendment. The Congress has, in the past few years and by practically unanimous vote, specifically seen to it that something be done to try to find the answers to those health problems. You all know that heart diseases are the leading cause of death. Cancer is the second leading cause. Mental illnesses affect approximately 8,000,000 people; half of all our hospital beds are filled with people with mental disorders of one sort or another. States and counties spend untold millions to maintain hospitals for the mentally ill. Something has got to be done to overcome these problems, which so directly affect so many of our people. We have been trying to do that; we are spending such small amounts on them, too, and here are amendments that will, by admission of the gentleman from New York, cut into the very small amounts now going into those important functions. I can think of nothing more promising as heart and cancer and mental-health research are to the health and happiness of the people generally.

Eighth. We have spent millions out here at Bethesda, Md., and millions more are in the bill, to build a clinical research hospital to strengthen our efforts toward solving some of the mysteries of cancer, heart diseases, and many other ailments which beset human beings. It is expected to be opened in July 1952, and the people to staff that great institution will fall into all categories. Some will be medical personnel, it is true, but all scientists and researchers are not medical personnel. These amendments take a swipe at the fine staff they have, and had hoped to retain, to go into that great research center.

Last week, this House approved two amendments for general reduction of appropriations and contract authorizations, and to prohibit filling of personnel vacancies during the next year. Specifically, the Thomas-Taber amendment would reduce appropriations for the executive branch in the amount of $600,000,000, to be accomplished by a general cut of 10 percent across the board except for a 20-percent cut for travel. The second amendment, sponsored by Congressman JENSEN, stipulates that 90 percent of the vacancies in any agency caused by separations during fiscal year 1951 may not be filled in that year.

The only exceptions to these general slashes apply to the military and to nurses, doctors, or other medical personnel in the Public Health Service and in the Veterans' Administration.

These amendments as they are now worded, however well-intentioned, can only result in short-term economies of the kind, which experience proves, will create additional expenditures later on and pointless distress at once. An unreasoned cut, apply to virtually all functions and services of Government, affects the good and bad alike and imposes unjustifiable hardship on activities without regard for their relative importance to the public welfare and need. Fortunately, the Constitution of the United States has established two Houses in the National legislature; and it is my hope that the Senate will repair this damage.

I would like to address myself particularly to the effect of these amendments on medical research.

The problem of medical care is placing an increasing burden on the Federal Government and on the taxpayer, particularly as the veterans of World War II grow older. Already Federal expenditures for medical care have reached the level of $2,000,000,000 a year—10 times the 1940 expenditures. The cost of hospitalizing the mentally disabled is tremendous. These costs are going to increase as the years go by. We accept this burden as part of the care which a civilized community must provide for its less fortunate members. We should not cut back medical care for veterans, and for others who are entitled to it. The exemption of medical care personnel from the Thomas-Taber amendment is evidence of the responsibility which we all feel to make medical services adequate.

But the only way in which we as a nation can avoid a crushing increase in the cost of medical care in the future is to move ahead with the medical research whose end result will be a decrease in the medical-care burden of the future.

Let us look at some cold facts. Expenditures of the Veterans' Administration alone for medical services totaled $760,000,000 in fiscal year 1948. Sixty percent of the 105,000 patients hospitalized by the Veterans' Administration on June 30, 1948, were tuberculosis and mental cases. The only hope for reducing this case load lies in intensified research on the cause and cure of these diseases. If we found the key to mental disorders alone, the cost of hospitalizing veterans would be reduced by more than $300,000,000 a year.

The Hoover Commission task force on Federal Medical Services said, that medical research must be stimulated to the maximum potential of the skilled manpower available to conduct it. This impartial group felt that the Treasury can best be protected by using every means to prevent disease rather than by unlimited hospitalization. Finally, the Hoover Commission also pointed out that in recent years increases in expenditures for medical care are outstripping those for control and prevention. It is obvious to all of us that the reverse should be the case.

And now we are confronted by an amendment which will, if not modified, force a contraction of the very work which is our best hope for reducing the terrible tax burden of caring for the ill and disabled in our hospitals and asylums.

The case against forcing this contraction in medical research is strengthened when the precise nature of the Federal activities is examined. The Congress has shown the greatest foresight in recognizing that the cronic diseases are supplanting infectious diseases as the major cause of death and illness. Creation in the Public Health Service of the National Heart Institute, the National Cancer Institute, and the National Institute of Mental Health is tangible evidence of the desire of this body to speed up medical research. The Public Health Service is also, with our encouragement, expanding its research in arthritis, rheumatism, and related diseases, and there is now before the House a bill to establish an institute for a wider program of investigation in these fields.

These diseases—heart disease, cancer, arthritis, rehumatism, mental disorders, and multiple sclerosis—are precisely those for which the people of the Nation have demanded better treatment, better

methods of prevention. In this group of diseases are found the major killers and cripplers of the American people. Research in some of them is beginning to yield leads and clues that show distinct promise. Obviously, it is foolhardy to initiate medical research in one year, then cut it back in the next year. If the enormous potentialities of these studies are to be realized, the support must be stable from year to year.

This basic fact is well illustrated by the story of cortisone, the new drug which has performed near miracles in the treatment of arthritis and several other diseases. Dr. Vannevar Bush, in his book Modern Arms and Free Men, says that the small amounts of money spent on cortisone research by this country during the war years has proved far more valuable than all the rest of the wartime medical research program.

Comparable studies in other fields of medical research are now in progress or are about to begin. A common-sense desire to cut down on the future burden of medical care makes it mandatory that Congress not disrupt the medical research activities of the Public Health Service.

Cancer research, among other areas, will be hit particularly hard. You will all recall that the Congress has repeatedly turned down proposals to pour huge sums into cancer research. Those who urged that practically unlimited funds be made available did not realize that the state of knowledge of this disease dictates a long and arduous series of basic investigations. Congress set the framework for this realistic approach. The National Cancer Institute has built and operated its research program within this realistic limitation. If the Thomas-Taber amendment becomes law, the Nation's greatest cancer research program, which has already been stabilized and started along a carefully considered path, will be seriously impaired.

Our people today are faced with a desperate shortage of medical care and treatment. The truth of these words has been recognized by the very amendments which, if adopted, will erase much of the current medical progress which is being made. These amendments specifically exempt nurses, doctors, and other medical personnel. But exemption of these front-line medical people alone is short-sighted, since it fails to exempt also the chemists, biologists, physicists, and technicians who are indispensable members of the research staffs of the Public Health Service.

Although we cannot hope to increase the number of physicians immediately, we can and should use every means to make each doctor as useful and as effective as possible. We can do this only by placing in the hands of medical practitioners the products of medical research as quickly as possible, so that each doctor may be able to serve more patients more efficiently, or that doctors and health officers may prevent illness more effectively. I need not tell you that an epidemic of diphtheria or smallpox which in the past would have required hundreds of doctors for diagnosis and treatment, today may be controlled rapidly and efficiently with a far smaller staff equipped with modern drugs and techniques developed through medical research. You are all of course aware of the almost miraculous cures effected by sulfa drugs and antibiotics, such as penicillin, streptomycin, and others. We cannot now deprive doctors of the scientific research help which in the past has given them the weapons to fight disease. We should not postpone, even for a day, the availability of the new drugs that scientists are working on. We must not impose disruptive restrictions on these research programs and still expect productive results.

The effect of these amendments on medical research scientists themselves cannot be overestimated. We all know that it has been extremely difficult to recruit and hold the best scientific brains in Government service. Substantial progress has been made in removing the reservations of medical research scientists as to the possibility of doing effective work in Government laboratories. The stimulating achievements and congressional recognition of Federal medical research since the war have attracted able men. They have found that they can have the cherished freedom of inquiry essential to productive research. They have been given the space, equipment, and help required for modern medical research. Salaries have been made more adequate for top-flight medical research scientists.

The missing critical element is assurance of stability. Research in cancer, heart disease, and mental disease is a long-term proposition. The work eventually resulting in the startling findings that we read about is deliberate, painstaking, and may have gone on for 20 or 30 years before the answers are finally found. To interrupt research of this sort is virtually to destroy it.

Research scientists know this, and they will not tolerate a situation in which the conditions essential to their work are absent. The Taber-Thomas amendment will not only disrupt work in progress, but will forestall the recruitment of the scientists whose efforts are the heart of medical research.

For the sake of real economy in the medical-care expenditures of the Federal Government, and for the sake of those whose lives will be needlessly sacrificed if medical research is interrupted, I trust that the Senate will not approve the Taber and Jensen amendments.

Ninth. Why should the amendments affect the Bureau of Old Age and Survivors Insurance, which operates out of special top funds paid in by workers and employers, yet it does just that. The list of social security beneficiaries grows from year to year as the system reaches toward maturity, and they have a greater workload each year. Congress will probably, at this session, broaden and extend coverage of the system and thus add more work. How senseless it is to cut an item like that in face of the plain facts as to what they have to do under the law.

PERSONAL SERVICES

Salary requirements are related directly to the volume of work which the Bureau receives for processing. The volume of work which the Bureau must process is not subject to control by the Bureau. It depends on such factors as general economic conditions, retirement rate of aged workers and death rates. The work must be processed currently if the objectives of the program are to be met. A 10-percent reduction in salary funds would mean the accumulation of backlogs and furnishing of inferior services to the public. If salary funds are reduced 10 percent the Bureau would have to reduce its present staff by 550 employees. An increase of 650 employees in the present staff is needed to process the increased volume of work in fiscal year 1951. Thus, the Bureau would have to operate with approximately 1,200 people less than it needs to do the job. This increase in the volume of work is characteristic of the Bureau's program and the volume will increase for many years until the program matures.

RENT AND UTILITIES

A reduction of 10 percent in funds for rent and utility services would necessitate the closing of a minimum of 50 field offices throughout the United States. In addition, we would have to release 10 percent of the business machines required to maintain 80,000,000 social-security accounts, making 188,000,000 postings to these accounts and the payment of 3,500,000 beneficiaries their monthly benefits. Benefit checks will probably be delayed and work will pile up for lack of machines to process the work received.

PRINTING AND REPRODUCTION

The Bureau's estimate of requirements for printed forms, tabulating cards, and tabulating forms is directly related to the anticipated workload. The reduction in the money available to purchase these items would seriously hamper the daily operations of the Bureau. Tabulating cards and tabulating forms are essential to the posting and maintenance of wage records which are the basis of payments of benefits. Since it is expected that 185,000,000 employees' earnings items will be received in 1951, a 10-percent reduction in this category would necessarily result in our inability to completely process 18,500,000 of these items and would therefore necessitate the carrying over of a backlog of 18,500,000 items into fiscal year 1952.

This is typical of the effect that will be felt in a great number of our operations. In a fashion similar to the above, our claims development would be impaired if a sufficient number of forms were not available. Since we estimate that 910,000 claims applications will be received in 1951, the cut applied to printing and reproducing would have the effect of delaying the processing of about 100,000 applications for benefits. Since printed forms, tabulating cards, and tabulating forms are the indispensable means whereby the Bureau accomplishes the job which it has to do, the arbitrary cutting back of funds will inevitably have a disastrous effect upon the Bureau's ability to perform its job.

TRAVEL

The 20-percent decrease in travel is particularly stringent in view of the fact that the proposed appropriation provides for an absorption of 50 percent of the increased travel cost arising from Public

Law 92. Since the Bureau serves the entire Nation in all corners of the country, additional restrictions will seriously hamper its efforts to extend the same type of service to all citizens to the extent compatible with sound and economic operations.

The $177,727 decrease in travel will require a sharp cut in service area travel with a result of curtailment to the public. Service area travel requires 53.5 percent of the travel funds in the budget. Service area travel is mainly concerned with dealing with the public through itinerant stations which are visited generally once a week or once a month as determined by the workload. These visits would have to be curtailed. Such curtailment would delay the taking of claims applications for several weeks in those localities which are serviced by the almost 2,600 itinerant stations maintained by the Bureau. The decrease in funds could make it imperative to close over 500 of these itinerant stations so that the areas affected would receive no direct service. Thus the less populous areas of the country, where access to a field office is difficult and expensive for an aged person, would be discriminated against and subject to serious delays in the filing of claims and the receipt of benefit payments. Moreover in all parts of the country, both rural and urban, sick and infirmed aged persons, widows, and children would be deprived of a service designed to assist them in overcoming the financial losses arising from old age or death.

MISCELLANEOUS SUPPLIES AND EQUIPMENT

A reduction of 10 percent in the estimate for supplies and materials would in part have an effect of leaving employees without the supplies to do their jobs, without the space and file cabinets required to house necessary records, without the money to microfilm records, and so forth. As a result, the Bureau would not have the necessary supplies to do the job it is required to do by law.

Tenth. Here is another example of the ridiculous effects of the amendment to cut $600,000,000 from the bill. Remember that on this floor the hospital construction program under the Hill-Burton law was raised from $75,000,000 to $150,000,000. That is in the form of contract authority. We had a record vote on it the same day we had the Taber amendment. The Taber amendment will probably reach that item and cut it 10 percent, or perhaps some other amount. Examine the amendment. It cuts contract authorizations as well as cash appropriations, and even though it is sugar-coated by naming personnel, travel, supplies, rents, and so on, instead of naming specific programs and projects which it inevitably must affect, it does not by any stretch of interpretation exempt the Hill-Burton grant program. How much is impossible to say at this point, but nevertheless it is affected. I challenge anyone to show me that this is not a fact. Did you know you were doing this on the same day you were voting to increase hospital grants?

I will go further and say that in my opinion, the amendment applies to other grant programs, and can very well result in cuts in such items as Children's Bureau grants for maternal and child welfare, for vocational education, and others. I doubt that it could touch grants for old-age assistance, because the obligation there is specific and statutory, or if it did, the result would be a deficiency appropriation later.

The cuts will also adversely affect the Labor Department. It will curtail some of the staff engaged in enforcing laws passed by the Congress. The Eightieth Congress did a job in cutting the Labor Department, and this will go further. Services to veterans, which the proponents of the amendments tried so carefully to exempt from the amendments, will be impaired. Here are some specific examples. How many of you knew this when you voted for the two amendments?

First. A 10-percent cut in the Bureau of Employment Security, which includes the Veterans' Employment Service set up under the GI bill, would mean in round figures about $560,000. The committee cut the estimate $136,000, so that leaves an additional $424,000 to come out. Some of it will fall on the Veterans' Employment Service, a service badly needed now—more needed now than ever before when veterans are coming out of colleges looking for work. Their job is to find jobs for veterans. They have to travel around to find those jobs. The travel costs, therefore, figure largely in the budget. That is cut 20 percent, not 10 percent. With its personnel and travel allotments cut to that extent, the service will be materially impaired.

Second. Congress has also enacted very specific laws relating to rights of returning servicemen to their former positions. There is a small bureau in the Department handling that matter. The amendments will severely cut into that Bureau. No one can charge it with excessive personnel—it has a staff of less than 50 people to cover the whole country. The law has to be enforced and administered. Veterans are entitled to their rights as the Congress has provided. What did you intend to do on that—cut it down or not? I doubt if anyone fully realized what they were doing on that when they voted for the amendment.

Third. Years ago Congress passed the Davis-Bacon law requiring the Secretary of Labor to set prevailing minimum wage rates for labor employed on construction jobs financed with Federal funds. The rates have to be set for each locality in which the work is done. The rates must be made part of the advertisement when bids are called for on the construction. The contractor must adhere to them. Thus it is clear that these determinations must be accurate and up to date, otherwise both labor and the contractors are not treated fairly. What has happened? We gave them an increase in the bill for next year to try to aid them in meeting a phenomenal increase in this work. In the amended Hill-Burton hospital construction law, in the airports law, and the last housing act, provision is made for the Secretary to make these determinations. He has to do it; he has no alternative. Now we come along, in the face of that, and impose a 10-percent cut. It just does not make sense, and I predict there will be a serious problem there.

Fourth. The Bureau of Apprenticeship will feel the effects of the amendments, and very sharply. They are trying to get the skilled-labor force of the Nation built up through apprentice-training programs in various industries where there are insufficient numbers of skilled workers. They are accomplishing something, too. The crux of their situation revolves around two things—personnel and travel. They work to solicit cooperation in the programs with both management and labor. They have to get around to do that. That requires travel. It also requires people. The travel cut will be serious, especially. I submit, that in the face of world conditions as they are today and the ever-present threat of more serious trouble, we ought not be cutting down on efforts to fill some of the gaps in our skilled-labor force. That is the purpose of this program and the amendments, as I see it, will be a setback to those efforts.

Fifth. The Consumers Price Index of the Bureau of Labor Statistics, more popularly known as the Cost-of-Living Index, will come in for a cut-back if these amendments stand. And at the very time when the Department is in process, in response to widespread demand and on specific approval of this Congress, of revising the bases used in compiling it so it will be more accurate. I am sure all of you are familiar with the widespread use made of the indexes of the Bureau by labor, management, and Government.

You recall the fact that General Motors wages were hitched to the index. Congress uses statistics of the Bureau through various committees from time to time. These are bound to be cut to some extent. I do not believe our committee was at all too liberal with their budgets.

I have cited some of the more obvious instances in which the Taber and Jensen amendments will adversely affect necessary functions and services. In evaluating these effects, I have assumed that the Taber amendment, which takes effect in substantial measure ahead of the Jensen amendment, makes only a $600,000,000 cut. If it does more than that, and there is considerable basis for speculating that it does, then the effects will be more drastic and far reaching. Nothing in the debate clarifies what its full effects are. If you examine the amendment carefully, you will find that without making any exemptions or exceptions whatsoever, not even veterans or defense items, the amendment cuts $600,000,000 from the bill. That, as I mentioned before, appears to include, in my opinion, it does include, the legislative and judicial branches. Then it proceeds to list limitations on various objects set out in the budget estimates, although note that it does not, in these 10 limitations, actually cut out the funds. Presumably they would have to be frozen or impounded and returned later to the Treasury. Whether that was intended or not, I do not know, but at one point in the debate, the gentleman from New York said, in response to a question on the point, that the Taber amendment was along the same lines as the Thomas

amendment except that it carried $600,000,000 instead of $500,000,000, and on top of that, would effect substantial additional savings. So what does the amendment mean, and what does it do? How far does it go? Time will, of course, tell, but I venture to predict that upon full realization of its ultimate effects, it will have to be very materially altered and delimited if very essential services and functions of the Government are not to be scuttled and crippled to the detriment of the best interests and welfare of the people.

GOVERNMENT ECONOMY

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, the following editorial recently appeared in the Council Bluffs Nonpareil, of Council Bluffs, Iowa:

"MEAT-AX" ECONOMY

Tanks of crocodile tears are being shed by soft-hearted editors and commentators over the "meat-ax" economy the House of Representatives applied to the omnibus appropriation bill.

That isn't the right way to economize, the critics scream. Every item should be weighed carefully, and cuts should be made only when absolutely justified.

One would think that the whole structure of government is endangered because the House authorized "only" about $28,900,000,000 to operate the Government for the next fiscal year.

The truth is the Government could be run for a great deal less than that if there were any efficiency in Washington. The bureaucrats don't even know the meaning of the word.

Bear in mind the $28,900,000,000 doesn't include some $5,000,000,000 interest on Government bonds, over $3,000,000,000 foreign aid, and other items which will make Government spending total $5,000,000,000 or more than the Treasury expects in taxes.

The amendment offered by our own Congressman BEN JENSEN could reduce the Federal payroll by 200,000 or more next year, if approved by the Senate and enforced.

Nobody would be fired. Departments and agencies would simply be prohibited from replacing unneeded employees who quit their jobs.

The 1,800,000 left on the payroll would be plenty to do all the work, without working very hard in most cases.

Most Government departments and agencies have far more employees than they need or can use efficiently. In many offices the employes are so numerous they get in each other's way. To relieve the congestion they spend much time in rest rooms and at coffee bars.

There will be enormous pressure upon the Senate to undo what the House did. "Meat-ax economy" scare tactics will be used to the limit.

Don't be fooled. No meat-ax cut of appropriations can possibly do as much harm as the continued reckless spending of borrowed money.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from South Carolina [Mr. BRYSON] is recognized for 15 minutes.

SOCIALIZED OR POLITICAL MEDICINE

Mr. BRYSON. Mr. Speaker, South Carolina has many illustrious sons and daughters whom she delights to honor. But it is a special privilege for me today to recall with you the story of Dr. J. Marion Sims. His name has long been honored in South Carolina. Many of you, I am sure, have stood before the noble statue on the grounds of the State capitol in Columbia, gazing at his fine face, and reflecting on the life of this son of a Lancaster County tenant farmer and innkeeper who became a world-famous doctor. Hospitals and clinics throughout the country, including my home town of Greenville, S. C., bear the name of this distinguished benefactor. But only recently has the rest of the country begun to know that story. His new biography, Woman Doctor: The Life Story of J. Marion Sims, by Dr. Seale Harris, gives such a fine picture of the triumphs, the teachings, as well as the failures and the hardships he experienced in the process of founding the modern specialty of surgical gynecology, that I hope you all can read it. The surgical techniques he developed were so strikingly and immediately successful that they became common practice within his lifetime. And he lived to see the revolutionary new Woman's Hospital, which he established in New York City, grow to be a great institution which served as the fountainhead of gynecological knowledge and the pattern for similar hospitals for women throughout the world.

Only recently, as I have said, has his name become known outside of medical textbooks—where it was very well known indeed. And, perhaps, there could be no more appropriate time for this splendid biography to reach the bookshelves. For today, from some quarters, we are being warned of the fearful consequences of allowing the family doctors who have brought all of us into the world, and have sat by our bedsides on so many late nights, to continue to care for us in the splendid way they are doing. Only government intervention, we are told, will solve the great problem of assuring adequate medical care for everyone. Now it has always been hard for South Carolinians to believe that there is any problem—even such an enormous one as this—which they cannot solve themselves. And because the story of Dr. J. Marion Sims is so magnificent an example of the reasons South Carolinians feel this way, I should like to review it with you at this time.

The home into which Marion Sims was born, on January 25, 1813, would certainly be described as "underprivileged" by many persons today. In the first place, his father was handicapped not only by landlessness but by a lack of schooling. Moreover, although he was a man of great personal charm and handsome physique, he was not what would be called a good provider. Like that other native of Lancaster district, Gen. Andrew Jackson, he enjoyed a good cock fight. The boy's mother, red-haired Mahala Mackey Sims, was as hard working as she was pretty and, like most of her Scotch-Irish Presbyterian family, had both a great reverence for the value of learning and a profound intolerance for light-minded sporting activities. But she had far too many children by modern standards—eight to be exact—and in addition to her duties as a wife and mother, she was responsible for the housekeeping in the hotel which served as the family's home and the source of its unpredictable income. But they were a confident and ambitious family and, somehow or other, they managed to see that young Marion was sent to school at the age of five.

The story of the boy's early years is more remarkable for its revelation of his human qualities than for any signs of budding genius. He was neither the best nor the worst student in his class. When, upon graduation from the old Medical College of South Carolina, he returned home to hang out his shingle, there were still no indications of the illustrious career which many years later was to cause the Emperor Napoleon III to summon Sims to treat the ailing Empress Eugenie. The young doctor's first two patients died and his first few months of practice were so unsuccessful that, late one night, he took down his sign and dropped it into an abandoned well. Finally, deeply discouraged, he determined to move to the frontier town of Montgomery, Ala., in 1835.

The true measure of the man appears, in my opinion, in the way he reacted to adversity. As a student in medical college he had made up his mind that he would have as little as possible to do with the special diseases of women. But a large part of any doctor's practice at the time was devoted to bringing children into the world, and these confinements were too frequently fatal. Young Dr. Sims could have persuaded himself, when a mother he was attending died in childbirth, that this death was no fault of his own. But a sensitive nature which caused him to brood over the death of these first patients was combined with a stubborn will and an inventive imagination which shortly led him to rebel against the haphazard methods of the doctors of his time, with their blistering, bleeding, and indiscriminate dosing. Gradually his previous lack of interest in medical research was transformed into a perpetual eagerness for new explanations of familiar illnesses.

We cannot here go into the whole fascinating story of the development of this great man. But I should like to recall with you a few of the milestones which, in my mind, are especially significant. A discouraging and protracted siege of malaria, which incapacitated the young doctor, served only to stimulate his interest in a possible cure for this disease which was a scourge of the community. In 1847 Dr. Sims was working with his colleague, Dr. William O. Baldwin, on experiments with quinine. He was corresponding with Dr. Josiah Mott, whose article in the New Orleans Medical and Surgical Journal, had suggested that such diseases as yellow fever and malaria might owe their ignoring to some infection carried by insects. Even his

best friends had begun to banter him about his theories.

At about this time, too, he become absorbed with the problem which was to establish not only his own career, but the branch of medicine which he founded. One of his first patients had been a young slave girl who had died following childbirth as the result of a rare type of fistula. Consulting his medical books, Sims found that the leading surgeons of Europe had been trying vainly to devise operations to save the victims from this agonzing and inevitable death. Day and night while making his rounds, this small-town doctor pondered the problem and continued his experimental surgery. One incident is especially revealing. He tells us that he reached the solution of one part of his surgical problem at 3 o'clock one morning. He wrote:

I was so elated with the idea that I could not help waking up my kind and sympathetic wife * * * and telling her of the simple and beautiful method I had discovered * * * I lay there till morning tying the suture and performing all sorts of beautiful operations.

When he became dissatisfied with the silk sutures, which were in common use at the time, his busy mind continued to seek a more reliable substance than silk. One day he happened to pick up in the yard of his home a small piece of the fine brass wire used in suspenders. Immediately it became clear to him that a similar wire constructed of silver might make just the kind of suture he needed. Under his instructions, a local jeweler made a wire of unalloyed silver drawn as thin as a horse hair, and in May of 1849 he performed another fistula operation, using the fine and flexible new silver wire. A week later—4 years to the day from his first hopeful experiment—he examined the results and found that the fistula has disappeared without infection. The "backwoods surgeon" had found a surgical process that had been vainly sought for hundreds of years.

When he was forced by the recurring malaria to move north to New York City, he became concerned with the fate of the working immigrant mothers who could find no facilities in the whole city for specialized medical or surgical care. In his own words, he determined that—

As a matter of common humanity * * * these women ought to have access to a hospital of their own.

And so he conceived the idea of the first woman's hospital. He not only conceived the idea, but he persuaded his skeptical colleagues of its worth, he raised most of the money to establish it, and in its surgical wards he set standards of cleanliness and surgical skill which established the outstanding record of that institution in its first years. As time passed, the fame of the hospital became so great that women of every station and from all parts of the country came to its door. Dr. Sims' own words give us a glimpse of the significance of this project:

We have always made tolerably good provision for the wretchedly poor—

He wrote—

but never till the Women's Hospital was organized had we any place where educated and cultivated women could go for relief when they had not the means to command it.

A sacred principle of the instituion was the rule that care should be furnished for all women, whether rich or poor, and regardless of whether or not payment was received.

As I have said, it is impossible to recount here even a small part of the spectacular achievements of this great South Carolina surgeon. He experimented with using silver sutures in all sorts of operations—surgery of the nose, amputations, and abdominal wounds. He worked with Dorothea Dix in improving the conditions of the mentally ill. He was a founder of the New York Cancer Hospital, and a pioneer in gall bladder surgery. As his fame spread, he found himself in great demand for lectures and demonstrations throughout this country and in the great hospitals of Europe. He was eagerly sought by royal households, and his practice extended throughout the civilized world.

Such renown brought its rewards—but it brought also its penalties. Full of ideas, burning with zeal for further advancing the science of medicine, Marion Sims inevitably encountered jealousy and resistance even as his success increased. A strong religious conviction was his mainstay through these trials, as it was in his personal tragedies. His beloved son died on a Confederate battlefield. Another son had died at the age of 3, leaving his father unconsolable. In his own writings, Sims tells us that he drew upon his religious convictions during all of these adversities, and came to believe that his life, like Job's, was directly subject to divine control, and that all of his hardships had been ordained to test his fitness for the great work he was called to do.

At his death from pneumonia at the age of 70, in 1880, the British Medical Journal said of him:

His achievements are written in imperishable letters in the annals of modern surgical practice, and there are thousands now living, and succeeding thousands in generations of women yet unborn, who will have reason to rise up and call him blessed * * * he succeeded by sheer force of unaided genius, and by the characteristics of thoroughness, simplicity, and ingenuity of character and methods. * * * He was known in all the capitals of Europe and in all he has left an enduring monument and bequeathed a legacy for which suffering humanity will ever feel cause to be grateful.

South Carolina is proud to share the memory and example of so great a man with the rest of the country and the rest of the world. We rejoice that Marion Sims has at long last begun to achieve the fame and honor in our own times which he so richly deserves. We rejoice in his achievements as a great surgeon and a great scientist—a great life-giver. But, ladies and gentlemen, there is another priceless lesson for us today in the story of this great humanitarian. For Dr. J. Marion Sims was, most of all, perhaps, a shining example of the independence, the tirelessness, and the resourcefulness of the American doctor; striking characteristics which have made this the healthiest Nation in the world. When I listen to proposals for socialized medicine I think of Dr. Marion Sims, and I have no doubt of what his sentiments on the subject would be. What, I ask you to consider seriously, would have been the fate of so restless and so original a man at the hands of a governmental bureaucracy? And I call for your support in helping to overcome the present threat against a profession which has produced such men, and which threatens as well the very foundations of our system of government. Even if the only consideration were the effect on the quality of medical care which we have achieved in this country, I would have no doubt that I must oppose such a measure with all of the powers at my command. For I say to you that if the doctors of this country were to become virtual Government employees, the profession would lose forever that independent type of doctor who is as necessary to the protection of the Nation's health as is the solution of the patients' financial problems.

If you have any doubt on that score, ladies and gentlemen, I would like to call your attention to a recent statement which appeared in the British Medical Journal—yes, that same Journal which paid such a glowing tribute to Dr. J. Marion Sims. We all know that Great Britain has adopted a system of socialized medicine. Let me read to you a communication from socialized doctors themselves which appeared in the issue of the Journal for June 19, 1948. And as I read it, will you try to imagine that you are Marion Sims, and try to feel as he would have felt? Because these doctors, my friends, are urging that their colleagues join them in establishing a trade-union—a trade-union, if you please, for doctors. Now, listen to what they write:

As members of a properly constituted trade-union our minimum demands should be: (1) A 44-hour week. (2) Payment at time-and-half rate for overtime up to 12 hours a day and double time for any longer hours worked. (3) Holidays with pay. (4) Locum provided free in sickness or when on holiday. (5) Transport provided. (6) Compensation for accident or illness sustained while at work. (7) Special payment of "danger money" for work in pathology, bacteriology, and infectious diseases. (8) Provision of staff to do work of secretary, telephonist, and receptionist. (9) Provisions of surgery with furniture and all medical instruments, or payment or rent for those now supplied by doctor.

I repeat, ladies and gentlemen, what would Dr. J. Marion Sims have said about such a statement—and in his great name, what else must you and I say and do about this kind of thinking?

I would not have you think that these sentiments are shared by all of the doctors in Great Britain. For there, too, the ideals and the sense of dedication which prompt a man to enter the medical profession have not been completely subjugated. Many words have been said on this subject and many claims have been made. I would ask you, therefore, to listen to some of those other doctors in Great Britain who, by the hundreds, have also written to the British Medical Journal their desperate protestations against the fate which has befallen them. Because they can speak from experience, and therefore so much more eloquently than I can, I have selected some of their

letters from the columns of the Journal to share with you.

From Caernavonshire, a doctor who signs himself "G. P." wrote—February 2, 1949:

The greatest tragedy of it all is that within one generation or less the family doctor will be no more. Instead there will be a "shop-walker" directing the patients to different departments. * * * We have always worked hard without thought to overtime and hours of work, and without any thought as to whether any one patient would pay us a bean or not, and we have struggled along without complaint.

So far we carry on just the same, giving the best we can under the increased burden of more work, which does not worry us so much, but the other burdens on our shoulders—and they are very heavy ones—the burden of financial insecurity, the burden of loss of freedom in many branches of doctoring, the burden of impending directorship and dictatorship from above, the burden of being told what we can prescribe, and what we cannot, the burden of being told which consultant we must have, etc., etc., are just about killing * * * Fortunately it is such a sad state of affairs that I do not think it can or will last very long, as it is all so contrary to the British way of life and also to human nature. * * * But the tragedy is that they may in time be able to breed and educate * * * a generation that see only their point of view. Hitler nearly did, but presumably he is dead now. Let this country not repeat his mistake.

There speaks the spirit of Dr. J. Marion Sims—and the spirit of the profession which he honored. More briefly, but in the same spirit, Dr. W. Edwards wrote from Surrey—October 23, 1948:

Before we acquire a new set of conditioned reflexes and learn to kowtow three times as each new regulation drops on our breakfast tables, cannot we decide just where we stand * * * is a doctor's duty to his patients or to the administrative machine?

From Essex, one Dr. G. B. Kirland wrote describing his miserably threadbare condition growing out of the fact that his payment from the state had been refused in a dictatorial manner.

A further application under the regulations—

He continues—

has received still less attention, the committee refusing even to consider it. Not only are we to be financially ruined by statute—

He protests—

but shamed and insulted by county medical soviets.

This is one answer to the false claim of the advocates of socialized medicine that liberty will be preserved by the powers reserved for local medical units.

Sometimes the statements are more eloquent in their implications than in their wording. A brief note in the issue of March 5, 1949, for example, warns that—

Since the National Health Service started many doctors have been asked to give information about patients which, if disclosed, might amount to a breach of professional secrecy. * * * The Central Ethical Committee is anxious lest medical men, already deluged with a bewildering variety of official forms, lose sight of this principle and think that any form with an official appearance must be filled in.

In the issue of June 19, 1948, appears a stanch but beleaguered statement by Dr. C. Gordon Harper, from Carlisle:

I wish to know at once—

He demands—

what interpretation is likely to be placed * * * on the loyalty of those members of the profession who are unable to share the view * * * that the present debacle is in reality a great victory, and who are still not prepared to sign away either the great and abiding professional principles for which we have stood or the few personal rights remaining to us?

A commentary upon the availability of facilities for care, suggests what has happened in that area.

It is practically impossible to admit even the most urgent medical cases into a hospital—

Writes Dr. H. Simon in London.

The other night I had to wait for more than 2 hours to get the reply * * * that nine hospitals in London and Middlesex area were unable to admit a most urgent case of mine.

From Fife comes a protest against another feature of the plan which points to its violation of the great principle which led to the American Revolution. This letter describes the indignation of patients against the outrage of compulsory payment of contributions to this health and pensions scheme against their free will, and particularly where they have no intention of availing themselves of the very doubtful benefits conferred by it.

These protests, ladies and gentlemen, are having their effect and, you will be glad to know, I think, that a strong opposition is developing within the British medical profession. On November 19, 1949 the Fellowship of Freedom in Medicine was established to fight the battle against socialization of the profession. Something of the spirit of this organization is reflected in the words of Lord Horder, formerly a physician to the royal household, who declared at that meeting: "It looks to me as though we have only to wait a little to see the Minister sabotage the act himself." He reminded his colleagues that when he had warned the profession that under the act, the Minister could, by regulation, doctor the patients from Whitehall, he was thought to be an alarmist. But a recent order issued to a hospital had stated:

The use of penicillin in this hospital must be cut down as it is so expensive.

What would Dr. J. Marion Sims have said to that, I ask? And I reply that he would, today, be crossing the Atlantic once more to help fight the greatest threat to his ideals and his convictions that has appeared since his death.

You and I and people all over the United States have so far been spared such a fate. As for myself, I have never had any least doubt as to what my course would be—I intend to oppose socialized medicine with every power at my command. My conviction in this regard has been deepened and strengthened even more—if that were possible—by again reading about, and thinking about, the life of Marion Sims. I intend, in my small way, to fight the battle of his profession with as much courage and as much persistence as he possessed.

EXTENSION OF REMARKS

Mr. RANKIN asked and was given permission to include in his extension of remarks on the Foreign Economic Assistance Act conference report certain excerpts from the Reader's Digest.

Mr. O'TOOLE asked and was given permission to extend his remarks and include an address delivered by Hon. Louis Johnson in New York last Saturday.

Mr. MADDEN asked and was given permission to extend his remarks and include an editorial.

Mr. MULTER and Mr. KLEIN asked and were given permission to extend their remarks in two instances and include extraneous matter.

Mr. BLATNIK asked and was given permission to extend his remarks and include a letter.

Mr. CHESNEY and Mr. VAN ZANDT asked and were given permission to extend their remarks.

Mr. HERTER asked and was given permission to extend his remarks and include an article.

Mr. TAYLOR asked and was given permission to extend his remarks and include a resolution.

Mr. GAMBLE asked and was given permission to extend his remarks and include statistics on housing from the Bureau of Labor Statistics.

Mr. TEAGUE asked and was given permission to extend his remarks in two instances and in each to include extraneous material.

Mr. YOUNG asked and was given permission to extend his remarks and include extraneous material.

Mr. DONOHUE asked and was given permission to extend his remarks and include extraneous material.

Mr. HORAN asked and was given permission to extend his remarks in two instances and in each to include extraneous matter.

Mr. McCORMACK (at the request of Mr. PRIEST) was given permission to extend his remarks in two instances and to include addresses in each.

Mr. SHELLEY (at the request of Mr. HAVENNER) was given permission to extend his remarks and include a report entitled "Contracting of Mexican Farm Labor in the United States," notwithstanding the fact that it will exceed 2 pages of the RECORD and is estimated by the Public Printer to cost $218.68.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 6329. An act for the relief of Betsy Sullivan.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. SADLAK, for an indefinite period, on account of illness in the family.

To Mr. JACOBS, for 4 days, on account of death in the family.

To Mr. HAND (at the request of Mr. CASE of New Jersey), until May 31, 1950, on account of a death in his family.

ADJOURNMENT

Mr. McSWEENEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.) the House adjourned until tomorrow, Wednesday, May 24, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1471. A letter from the Acting Secretary of State, transmitting a draft of a bill entitled "A bill to provide for the education of the dependent minor children of the military and civilian personnel of the Federal Government stationed overseas"; to the Committee on Foreign Affairs.

1472. A letter from the Comptroller General of the United States, transmitting a report on the audit of Federal Prison Industries, Inc., for the fiscal year ended June 30, 1949 (H. Doc. No. 602); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DAVIS of Tennessee: Committee on Public Works. H. R. 6339. A bill to authorize a survey to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.; with amendment (Rept. No. 2121). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOBBS: Committee on the Judiciary. H. R. 5487. A bill to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended, and of orders of the United States Maritime Commission under the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended; with amendment (Rept. No. 2122). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 8606. A bill to amend the act of March 12, 1914, to authorize the construction and operation of a cement plant in the Territory of Alaska, and for other purposes; to the Committee on Public Lands.

By Mr. JENKINS:

H. R. 8607. A bill to amend section 811 (g) of the Internal Revenue Code (relating to proceeds of life insurance); to the Committee on Ways and Means.

By Mr. VAN ZANDT:

H. R. 8608. A bill to provide for a national agricultural policy to be carried out on a self-sustaining basis, and to promote conservation and development of the Nation's soil resources; to the Committee on Agriculture.

By Mr. McMILLAN of South Carolina:

H. R. 8609. A bill to authorize the District of Columbia government to establish an Office of Civilian Defense, and for other purposes; to the Committee on the District of Columbia.

By Mr. PETERSON:

H. R. 8610. A bill relating to the activities of temporary and certain other employees of the Bureau of Land Management; to the Committee on Public Lands.

By Mr. RHODES:

H. R. 8611. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to reduce the Federal employee payroll by providing additional opportunities for optional retirement; to the Committee on Post Office and Civil Service.

By Mr. WERDEL:

H. R. 8612. A bill to provide for the construction of a military and strategic mineral access highway in the State of California; to the Committee on Public Works.

By Mr. HORAN:

H. R. 8613. A bill to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation; to the Committee on Agriculture.

By Mr. DONOHUE:

H. Con. Res. 215. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. CLEMENTE:

H. Res. 610. Resolution providing for the appointment of a special committee of five Members of the House of Representatives to investigate the high cost of building materials; to the Committee on Rules.

By Mr. GATHINGS:

H. Res. 611. Resolution authorizing Members of the House of Representatives to have inserted in the Washington telephone directory, as their business telephone number, the number of the United States Capitol; to the Committee on House Administration.

By Mr. MULTER:

H. Res. 612. Resolution requesting the President to appoint a bipartisan commission relating to American policy in Germany; to the Committee on Foreign Affairs.

By Mr. VINSON:

H. Res. 615. Resolution to authorize and direct the Committee on Armed Services to conduct thorough studies and investigations relating to matters involving the finance activities of the Department of the Army; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHELF:

H. R. 8614. A bill for the relief of Terry L. Hatchett; to the Committee on the Judiciary.

By Mr. LODGE:

H. R. 8615. A bill for the relief of William M. Gordon and Emma L. Gordon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2160. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, for Congress to pass legislation providing funds for public-works projects for the Commonwealth of Massachusetts; to the Committee on Appropriations.

2161. Also, resolutions of the Massachusetts Legislature, memorializing Congress to pass a Federal Fair Employment Practices Act; to the Committee on Education and Labor.

2162. Also, memorial of the Massachusetts Legislature, for Congress to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2163. Also, memorial of the Massachusetts Legislature, for Congress to pass legislation reducing to 60 years the age for eligibility for old-age assistance; to the Committee on Ways and Means.

2164. By the SPEAKER: Petition of Carl H. Reister, secretary, Los Angeles Postal Organizations Council, Los Angeles, Calif., against curtailment of postal service; to the Committee on Post Office and Civil Service.

SENATE

WEDNESDAY, MAY 24, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, who desires truth in the inward parts, we would come to Thee in that fear of the Lord which is the beginning of wisdom. Keep us, we beseech Thee, from the folly of attempting to deceive Thee, unto whom all hearts are open, all desires known. As those whose powers are dedicated to the Nation's weal, make us ever faithful to each challenging duty, loyal to every high claim. With Thy benediction may we face the toil of this day with honest dealing and clear thinking, with hatred of all hypocrisy and sham, and in the knowledge that all great and noble service in this world is based on gentleness and patience and truth. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, May 23, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 23, 1950, the President had approved and signed the act (S. 2350) to amend the act of August 8, 1946, relating to the payment of annual leave to certain officers and employees.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed, without amendment, the joint resolution (S. J. Res. 183) to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

The message also announced that the House had disagreed to the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON, Mr. THOMAS, Mr. NORRELL, Mr. WHITTEN, Mr. TABER, and Mr. WIGGLESWORTH were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes;

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes; and

H. R. 8568. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 8199) to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project, and it was signed by the Vice President.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. LANGER was excused from attendance on the sessions of the Senate for an indefinite period.

CALL OF THE ROLL

Mr. GEORGE. Mr. President, I suggest the absence of a quorum, unless the distinguished Senator from Nevada [Mr. MALONE] who has the floor wishes to proceed at once.

Mr. MALONE. It is agreeable to me to have a quorum call.

Mr. GEORGE. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Millikin
Anderson	Hoey	Mundt
Benton	Holland	Myers
Brewster	Humphrey	Neely
Bricker	Hunt	O'Conor
Bridges	Ives	O'Mahoney
Butler	Jenner	Robertson
Byrd	Johnson, Colo.	Russell
Cain	Johnson, Tex.	Saltonstall
Capehart	Kefauver	Schoeppel
Chapman	Kem	Smith, Maine
Connally	Kilgore	Smith, N. J.
Cordon	Knowland	Sparkman
Darby	Leahy	Stennis
Donnell	Lehman	Taft
Dworshak	Long	Taylor
Eastland	Lucas	Thomas, Utah
Ecton	McCarran	Thye
Ellender	McCarthy	Tydings
Ferguson	McClellan	Watkins
Flanders	McFarland	Wherry
Fulbright	McKellar	Wiley
George	McMahon	Williams
Gillette	Magnuson	Withers
Hayden	Malone	
Hendrickson	Martin	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Oklahoma [Mr. KERR], and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from South Carolina [Mr. MAYBANK] is absent by leave of the Senate because of a death in his family.

The Senator from Montana [Mr. MURRAY] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate on official business.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday, the junior Senator from Nevada [Mr. MALONE] is entitled to the floor. Will the Senator from Nevada yield so that the Chair may recognize Senators for the transaction of routine business?

Mr. MALONE. I yield for that purpose, provided I do not lose the floor.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred, as indicated:

REVISED ESTIMATE, TREASURY DEPARTMENT (S. DOC. NO. 175)

A communication from the President of the United States, transmitting a revised estimate of appropriation, involving a decrease of $52,500, for the Treasury Department, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

EDUCATION OF DEPENDENT MINOR CHILDREN OF CERTAIN PERSONNEL STATIONED OVERSEAS

A letter from the Under Secretary of State, transmitting a draft of proposed legislation to provide for the education of the dependent minor children of the military and civilian personnel of the Federal Government stationed overseas (with an accompanying paper); to the Committee on Foreign Relations.

REDUCTION OF TARIFF RATES ON LEATHER GLOVES—RESOLUTIONS

Mr. IVES. Mr. President, I present for appropriate reference resolutions adopted by the Glove Workers' Union, and the Consolidated Glove Cutters Union, both of Fulton County, N. Y., protesting against the enactment of legislation to lower the tariff rates on leather gloves, and I ask unanimous consent that the resolutions be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF GLOVE WORKERS' UNION OF FULTON COUNTY, OPERATORS' AND DAY HANDS' BRANCH, GLOVERSVILLE, N. Y.

The Glove Workers' Union of Fulton County, Operators' and Day Hands' Branch, representing more than 3,300 workers in the sewing and utility branches of the industry, at its regular monthly meeting, held May 15, 1950, unanimously voted that the following resolution be adopted:

"Whereas in view of the present unfavorable and dire economic conditions in our industry, which conditions have been steadily worsening for the past 3 years, our people recognize that it would be grossly unfair on the part of the State Department, through the mechanics of the coming trade-agreement negotiations, to even consider the prospect of bargaining for lower tariff rates on men's and women's leather dress gloves which are dutiable under paragraph 1532 (a) of the Tariff Act of 1930; and

"Whereas it would be obviously detrimental to the employees of this American industry to be at this time forced to meet increased competition from the product of lower-paid workers in foreign-glove industries, which would result from a lowering of the present tariff rates; Now, therefore, be it

"*Resolved*, That the members of this union go on record as being unanimously opposed to any action which would result in the lowering of the tariff rates on leather gloves; and that a copy of this resolution be forwarded to the President of the United States and to the Members of the United States Senate and House of Representatives."

RESOLUTION ADOPTED BY THE CONSOLIDATED GLOVE CUTTERS AND SHAVERS UNION OF FULTON COUNTY, NEW YORK STATE

Whereas the Committee for Reciprocity Information notified the 1,500 glove cutters and shavers in the union that further tariff cuts were to be considered by this committee and recommended to the President for adoption, our organization, after giving full consideration to the facts involved, submits this resolution to the President of the United States, the Secretary of State, and to the Committee for Reciprocity Information:

During the past 2½ years, the leather-glove industry located in the area of Fulton County, New York State, has suffered a serious injury caused by general economic conditions beyond its control, to such an extent that, as of May 1, 1950, the entire glove industry had in excess of 5,000 workers drawing unemployment benefits and better than 1,600, in addition to the above 5,000, who have exhausted their benefits.

A large portion of this group are cutters who have devoted their lives to the leather-glove industry, and who face extinction should any further tariff cuts be imposed that will aggravate the actual existing acute situation: Now, therefore, be it

Resolved, That the Consolidated Cutters and Shavers Union of Fulton County are unanimously opposed to any further reduction in the tariff; and the membership votes that a group composed of officers and directors do everything in their power to prevent such cuts from being enacted; and be it further

Resolved, That the glove cutters recommend that, in view of the serious situation already existing, leather gloves be removed from the bargaining list; and finally be it

Resolved, That a certified copy of this resolution be forwarded to the following: The President of the United States; the Secretary of State; the Committee for Reciprocity Information; United States Senators Irving M. Ives, Herbert Lehman, and George Malone; Congressman Bernard W. Kearney; James H. Casey, Jr., secretary of the National Association of Leather Glove Manufacturers; and to the entire membership of the House and Senate of the United States.

CURTAILMENT OF POSTAL SERVICES—RESOLUTION OF CITY COUNCIL OF CHISHOLM, MINN.

Mr. HUMPHREY. Mr. President, I have a resolution adopted by the City Council of the City of Chisholm, Minn., expressing opposition to the recent order curtailing services by the Post Office Department, and ask unanimous consent that it be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

RESOLUTION IN REGARD TO CURTAILMENT OF POSTAL SERVICES

Whereas the Federal Government plans to cut postal services, including a decrease in deliveries, personal and business, decrease in personnel, and reduction of post-office window hours; and

Whereas the city council believes that a curtailment of these services would hinder prosperity: Now, therefore, be it

Resolved by the City Council of the City of Chisholm at a regular meeting duly held this 27th day of April 1950, That the curtailment of postal services, decrease in deliveries, personal and business, decrease in personnel, and reduction of post-office window hours in this city be and hereby is vigorously opposed for the reason that the curtailment of these postal services would hinder the distribution of information and would reduce the efficiency of our production operation; be it further

Resolved, That copies of this resolution be forthwith forwarded to Senator THYE, Senator HUMPHREY, Congressman BLATNIK, and Congressman HAGEN, of Minnesota, House Post Office Committee.

FORESTRY PRACTICES—RESOLUTION OF BOARD OF COUNTY COMMISSIONERS, LAKE OF THE WOODS COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I have a resolution adopted by the Board of County Commissioners, Lake of the Woods County, Baudette, Minn., expressing opposition to S. 1820, relating t Federal forestry practices through the Department of Agriculture, and ask unanimous consent that it be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas the Anderson bill, Senate file 1820, provides for the Federal regulation of forestry practices through the Department of Agriculture; and

Whereas the State of Minnesota has a very fine forestry program and forestry supervision; and

Whereas the proposed bill would be an infringement on State rights, and the forests of Minnesota should be controlled by the people from Minnesota: Now, therefore, be it

Resolved, That this county board at its regular meeting of May 9 and 10 in the county office building at Baudette, Minn., places itself on record in opposition to said bill and further, that the United States Senators and Congressmen from Minnesota are hereby requested to vote against same and use their influence to oppose said bill.

COMPULSORY HEALTH INSURANCE—RESOLUTION OF ROCKDALE (MD.) HOMEMAKERS' CLUB

Mr. O'CONOR. Mr. President, as further evidence of the feeling in Maryland with regard to the matter of compulsory health insurance, I am today in receipt of a resolution adopted by the Rockdale Homemakers Club, a public-spirited organization, of Rockdale, Baltimore County, Md., in which the members of that organization place themselves definitely on record "against any form of compulsory health insurance." I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the United States leads the world in health, medical care, and medical research under a free enterprise system; and

Whereas compulsory health insurance throughout the world has and is destroying medical and health standards; and

Whereas compulsory health insurance carries a prohibitive cost, encourages inefficient medical care and promotes political abuses by both patient and doctor; and

Whereas compulsory health insurance is a national move toward a welfare state, increasing public demands upon Government and eventual communistic control by Government of a helpless people: Now, therefore, be it

Resolved, That the Rockdale Homemaker's Club does hereby go on record against any form of compulsory health insurance or any facsimile in the interest of a free and strong America; that a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative from the State of Maryland, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

CATHERINE G. WEIDEMEYER,
President.

ILEEN M. RUSH, *Secretary.*

Rockdale, Baltimore County, Md., dated this 12th day of May 1950.

ARMS AND MUNITIONS SUPPLIED TO ARAB STATES—RESOLUTION OF JEWISH CITIZENS OF HAGERSTOWN, MD.

Mr. O'CONOR. Mr. President, many of our citizens are disturbed, and, I believe, rightly so, over the reports of increasing tension in the Near East because of continuing arms and munitions shipments by Great Britain to the Arab countries surrounding the infant State of Israel.

A resolution which reached me signed by a number of splendid citizens of Hagerstown, Md., presents the case succinctly. I ask unanimous consent that the resolution be inserted in the RECORD, including the names, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

RESOLUTION OF CONGREGATION B'HAI ABRAHAM, HAGERSTOWN, MD.

Whereas it is known from reliable sources that arms of a quality and quantity indicating intended use beyond the purpose of internal security are being supplied to the Arab states in the Middle East, most particularly to Egypt, by Great Britain; and

Whereas this Arab rearmament by Great Britain has the acknowledged approval of the United States Government; and

Whereas at the same time Great Britain has denied Israel arms for its defense; and

Whereas the Arab League has proclaimed its intention to organize a united economic and military front of all Arab states against the struggling State of Israel; and

Whereas we are convinced of the genuine concern of the United States for the peace and security of the Middle East: Therefore be it

Resolved, That we, Hagerstown Jewish Community, in meeting in Hagerstown, Md., May 14, 1950, do call upon the United States to implement its proclaimed concern and desire for peace in the Middle East by providing Israel with arms to defend itself, thus lending its strong influence to the maintenance of peace in the Middle East.

Mrs. S. H. Macht, Stanley H. Macht, M. D., Norman Rosen, Lois B. Rosen, Mrs. M. Greenwald, Edna M. Feldman, M. J. Frank, O. H. Rosen, Pearl Rosen, Mr. and Mrs. Harry Kerstein, I. A. Lyon, John Niner, Elsie Frank, Elly K. Lyon, Rae Ruben, Rita and Ben Kimmel, Ida Berkson, Mrs. Alfred Geber, Stanley Feldman, Isadore Spector, Mrs. Norma C. Spector, K. W. Rosen, Rolato Shectach, H. P. Cohen, Rose and Emery Rosenbluth, Hyman Ross, Jennie Rosen, Bea Ross, Lou and Sarah Cohen, Alfred Geber, Ernst J. Conred, Lida C. Cohen, Rae and Norman Bierns, Bud and Jess Bierns, Edith Novenstein, Sidney Novenstein, M. D., Joseph Bierns, Marilyn Quint, Meyer Berkson.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEAHY, from the Committee on the District of Columbia:

S. 927. A bill to provide that children be committed to the Board of Public Welfare in

lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare, and for other purposes; without amendment (Rept. No. 1739).

By Mr. HUNT, from the Committee on the District of Columbia:

S. 3632. A bill authorizing loans from the United States Treasury for the expansion of the District of Columbia water system; without amendment (Rept. No. 1740).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 5872. A bill to extend the boundaries of the Toiyabe National Forest in the State of Nevada; without amendment (Rept. No. 1741).

ADDITIONAL EXPENDITURES BY COMMITTEE ON FINANCE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, without amendment, Senate Resolution 269, reported by the Senator from Georgia [Mr. GEORGE] from the Committee on Finance, on May 9, 1950, and referred to the Committee on Rules and Administration, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The legislative clerk read as follows:

Resolved, That the Committee on Finance hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $5,000, in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, reserving the right to object, may I inquire of the distinguished Senator from Arizona if this is not an additional appropriation for a legislative committee, in addition to the amount and for the same purposes specified in the act?

Mr. HAYDEN. Yes; and the next two resolutions I shall report are for the same purpose.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

ADDITIONAL EXPENDITURES BY JUDICIARY COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 282, submitted by the Senator from Nevada [Mr. MCCARRAN] on May 22, 1950.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved, That the Committee on the Judiciary hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, as supplemented by Senate Resolution 177, agreed to October 13, 1949.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. WHERRY. Mr. President, I ask the distinguished Senator if the resolution is similar in purpose to the previous resolution?

Mr. HAYDEN. Exactly.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

ADDITIONAL TEMPORARY PERSONNEL AND INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 275, submitted by the Senator from South Carolina [Mr. JOHNSTON] on May 15, 1950, and ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The legislative clerk read as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, the Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized during the Eighty-first Congress to make such expenditures, and to employ upon a temporary basis such investigators and such technical, clerical, and other assistants, as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $3,000 (in addition to amounts heretofore made available for such purposes), shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

PRINTING OF ADDITIONAL COPIES OF REPORT RELATING TO OLD-AGE AND SURVIVORS INSURANCE SYSTEM

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report an original resolution relating to printing, and ask for its present consideration.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution (S. Res. 285) was read, as follows:

Resolved, That there be printed 4,000 additional copies of Senate Report No. 1669, Eighty-first Congress, second session, accompanying the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes, submitted by the Committee on Finance. Such additional copies shall be for the use of the Senate document room.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. TAFT:

S. 3646. A bill for the relief of Mrs. Sadae Yamamoto Walters; to the Committee on the Judiciary.

By Mr. MCCARRAN:

S. 3647. A bill for the relief of Madeleine Quarez; to the Committee on the Judiciary.

By Mr. ECTON:

S. 3648. A bill for the relief of William H. Howe; to the Committee on the Judiciary.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H. R. 7273. An act to provide a civil government for Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 7764. An act to authorize the construction of modern naval vessels, and for other purposes; to the Committee on Armed Services.

H. R. 8568. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1951, and for other purposes; to the Committee on Appropriations.

SUSPENSION OF DUTIES AND IMPORT TAXES ON METAL SCRAP—RECOMMITTAL OF BILLS

Mr. GEORGE. Mr. President, I ask unanimous consent that the bill (H. R. 5327) to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes, be taken from the calendar and recommitted to the Senate Finance Committee. I have conferred with the Senator from Arizona, who is interested in the bill particularly, and with the ranking member on the minority side, and also with the Senator from Ohio.

The VICE PRESIDENT. Is there objection to the request of the senior Senator from Georgia? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

Alfred C. Holmes, an employee in the Coast and Geodetic Survey, to be ensign; and

William Walter Richter, and sundry other persons, to be lieutenants in the United States Coast Guard.

ADDRESSES ON THE OCCASION OF THE PUBLICATION OF VOLUME 1 OF THE PAPERS OF THOMAS JEFFERSON

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD the ad-

dress delivered by the President of the United States at the Library of Congress on the occasion of the publication of volume L of the Papers of Thomas Jefferson, on May 17, 1950, and the address delivered by Douglas Southall Freeman on the same occasion, which appear in the Appendix.]

THE BATTLE OF THE BUDGET BULGE—ADDRESS BY SENATOR FERGUSON

[Mr. FERGUSON asked and obtained leave to have printed in the RECORD an address entitled "The Battle of the Budget Bulge," delivered by him at a luncheon meeting of the United States Chamber of Commerce, May 2, 1950, at the Statler Hotel, Washington, D. C., which appears in the Appendix.]

HAPPENINGS IN WASHINGTON—PROGRAM NO. 25

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a radio broadcast made by him, under the heading "Happenings in Washington—Program No. 25," which appears in the Appendix.]

THE ROLE OF THE DEMOCRAT IN WORLD AFFAIRS—ADDRESS BY SENATOR LEHMAN

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address on the subject of the role of the Democrat in world affairs, delivered by him before the Women's National Democratic Club of Washington, D. C., on May 19, 1950, which appears in the Appendix.]

POINT 4 AND THE UNITED NATIONS—ARTICLE BY MORDECAI EZEKIEL

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an article entitled "Point 4 and the United Nations," written by Mordecai Ezekiel, and published in the New Republic of May 15, 1950, which appears in the Appendix.]

WHO KILLED COCK ROBIN?—EDITORIAL FROM THE WILMINGTON (DEL.) JOURNAL-EVERY EVENING

[Mr. WHERRY asked and obtained leave to have printed in the RECORD an editorial entitled "Who Killed Cock Robin?" published in the Wilmington (Del.) Journal-Every Evening, of May 20, 1950, which appears in the Appendix.]

COMPULSORY FEPC LAW—EDITORIAL FROM THE WASHINGTON STAR

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an editorial entitled "Senate in Mourning," published in the Washington Star on May 21, 1950, which appears in the Appendix.]

PROPOSED FEPC LEGISLATION—EDITORIAL FROM THE DESERET NEWS

[Mr. RUSSELL asked and obtained leave to have printed in the RECORD an editorial entitled "Proposed FEPC Bill Is Unwise Legislation; It Should Not Pass," published in the Deseret News of Salt Lake City, Utah, May 10, 1950, which appears in the Appendix.]

PROPOSED TRANSFER OF THE NAVY SPECIAL DEVICES CENTER FROM SANDS POINT, LONG ISLAND—EDITORIAL FROM NEWSDAY, GARDEN CITY, LONG ISLAND

[Mr. IVES asked and obtained leave to have printed in the RECORD an editorial entitled "Johnsonian 'Economy'," published in Newsday of Garden City, Long Island, on Friday, May 19, 1950, which appears in the Appendix.]

OHIO POLL ON FARM PROGRAM

[Mr. BRICKER asked and obtained leave to have printed in the RECORD a press release and poll taken by the Ohio Farm Bureau on the question What Kind of a Farm Program Do You Want? which appears in the Appendix.]

GRIEVANCES OF THE AMERICAN CHAMBER OF COMMERCE OF MOROCCO

[Mr. WILEY asked and obtained leave to have printed in the RECORD an excerpt regarding treaty compliance from the statement of the managers on the part of the House on House bill 7797, the Foreign Economic Assistance Act of 1950, and a letter from the president of the American Chamber of Commerce of Morocco relative to the grievances of Americans doing business in Morocco, which appear in the Appendix.]

WISCONSIN ESSAY CONTEST ON EMPLOYING PHYSICALLY HANDICAPPED WORKERS

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject of the Wisconsin essay contest on employing physically handicapped workers, which appears in the Appendix.]

TRIBUTE TO ADDRESS OF SENATOR BENTON ON FEPC

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial from the Minneapolis Morning Tribune of May 13, 1950, entitled "Cousinly Resemblance," paying tribute to the address on fair employment practices legislation delivered by Senator BENTON, which appears in the Appendix.]

REJECTION OF REORGANIZATION PLAN NO. 12, RELATING TO NLRB

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "NLRB: What Next?" published in the Washington Post of May 13, 1950, which appears in the Appendix.]

FOREIGN STUDY WITH AMERICAN COLLEGE CREDIT

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a report by Roxie Lodge on the Institute of World Studies held at the University of Amsterdam in the summer of 1949, which appears in the Appendix.]

CONTRIBUTIONS OF SENATOR LEHMAN TO THE DAIRY INDUSTRY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an editorial entitled "Senator LEHMAN Would Know Facts," published in the Metropolitan Milk Producers' News for April 1950, which appears in the Appendix.]

JAMES MADISON AND THE AMERICAN IDEAL—ORATION BY WALTER C. McSHERRY

[Mr. CAIN asked and obtained leave to have printed in the RECORD an oration entitled "James Madison and the American Ideal," delivered by Walter C. McSherry, of the United States Military Academy at West Point, class of 1950, in an oratorical contest at West Point, which appears in the Appendix.]

SEEDS OF TREASON—EDITORIAL BY T. A. STEVENSON

[Mr. CAIN asked and obtained leave to have printed in the RECORD an editorial entitled "Seeds of Treason," written by T. A. Stevenson, editor and publisher of the Rosemead (Calif.) Review, which appears in the Appendix.]

LYNCH LAW FOR DUCKS AND GEESE—ARTICLE BY SENATOR ROBERTSON

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD a statement entitled "Lynch Law for Ducks and Geese," prepared by him, which appears in the Appendix.]

PERSONAL STATEMENT

Mr. MARTIN. Mr. President, I ask unanimous consent to speak for not more than 5 minutes, with the understanding that the Senator from Nevada does not lose his rights to the floor.

The VICE PRESIDENT. Is there objection to the Senator from Pennsylvania addressing the Senate for 5 minutes? The Chair hears none, and it is so ordered.

Mr. MARTIN. Mr. President, in a lifetime of political activity and in public office I have enjoyed the most cordial relations with the press.

I have had the pleasure of close personal association with many newspapermen—reporters, editors, and publishers. I cannot recall a single one whom I would hesitate to call my friend, even though we were not always in agreement.

In all the years during which I have had contact with newspapermen there have been only three instances in which I have been misquoted. Two occurred many years ago.

The third instance concerns a distinguished Member of this body, and for that reason I ask the indulgence of the Senate while I read a letter which I have addressed to Mr. Lee Ellmaker, publisher of the Philadelphia Daily News.

It is as follows:

I regret that it has become necessary to call your attention to a quotation attributed to me in the Philadelphia Daily News of May 18 which is completely false and extremely embarrassing.

The quotation appeared in the column of Washington comment headed "Under the Dome." It made reference to the distinguished Senator from Tennessee, the Honorable KENNETH MCKELLAR, in words which I have never used and which grossly misrepresent my high regard for Senator MCKELLAR'S outstanding ability.

I trust you will take such steps as seem advisable to prevent a repetition of such an offensive departure from your usual high standard of accuracy and fairness.

With kindest personal regards, believe me,

Very sincerely,

EDWARD MARTIN.

Mr. President, I do not question the right of any newspaper to place its own interpretation on anything we do here or anything we say here.

I do not question the right of any newspaper to comment favorably or unfavorably upon the action of this body or upon the views expressed in this Chamber by any individual Member.

That is a sacred right of the American free press, guaranteed and protected by the Bill of Rights of our Constitution.

But I insist that freedom of the press imposes responsibility for accuracy, fairness, and honest reporting.

It is most embarrassing to me to have been represented as having referred to the able and distinguished Senator from Tennessee in any terms except those of the highest praise.

THE LATE JOHN ANDREWS

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to speak for 30 seconds on the death of John Andrews, special clerk to the minority of the House of Representatives.

The VICE PRESIDENT. Is there objection? The Chair hears none, and

the Senator from Massachusetts may proceed.

Mr. SALTONSTALL. Mr. President, as a Senator from Massachusetts, I wish to join with my colleagues in the House of Representatives in expressing my personal sorrow on the death of John Andrews, of Salem, Mass., special clerk to the minority of the House of Representatives.

Since 1917 Mr. Andrews had served the Republican Party continuously. A war veteran of the First World War, he ended his war service to become secretary to several Members of the House of Representatives from Massachusetts. He then was elected clerk of the party. He was the Clerk of the House of Representatives in the Eightieth Congress.

A man of his word, Mr. Andrews was always pleasant, helpful, and courteous to every Member of Congress, no matter of what party. Congress will miss his constant aid, and we from Massachusetts will feel the loss of a personal friend. I know I express the feelings of all Republicans when I send my deepest sympathy to his wife and his family.

GRADUATION LEAVE UPON APPOINTMENT AS COMMISSIONED OFFICERS IN THE REGULAR COMPONENTS OF THE ARMED FORCES

Mr. McCARRAN. Mr. President, I ask unanimous consent that the pending business may be temporarily laid aside, and that the Senate proceed to consider House bill 7635, Calendar No. 1563, to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the regular components of the armed forces of the graduates of the United States Military, Naval, or Coast Guard Academies. I have drawn the attention of the Senator from Texas [Mr. CONNALLY] and the leader of the minority to what I propose to do. If the consideration of the bill takes more than 5 or 6 minutes, I shall immediately withdraw it.

The VICE PRESIDENT. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7635) to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the regular components of the armed forces of graduates of the United States Military, Naval, or Coast Guard Academies.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WHERRY. Mr. President, reserving the right to object, I wish to say to the distinguished Senator from Nevada that with the understanding that consideration of the bill will not take more than 5 or 6 minutes, I have no objection to its present consideration.

My understanding is that the bill will simply place the cadets at West Point on a par with the Annapolis midshipmen, so far as leave is concerned.

Mr. McCARRAN. That is correct. For many years the members of the graduating class at West Point have, immediately following their graduation, been granted 60 days' leave. This bill would grant a similar privilege to graduates from the Coast Guard Academy and graduates from the Naval Academy at Annapolis.

The bill has been passed by the House, and has been approved by the Senate committee.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7635) was considered, ordered to a third reading, read the third time, and passed.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

The Senate resumed consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

POINT 4—ECA—1934 TRADE AGREEMENTS ACT—ITO

Mr. MALONE. Mr. President, yesterday when the Senate took a recess for the day, I had just said that for the past 2 years we have been furnishing cash and goods and industrial equipment to the 16 Marshall-plan countries through the Marshall plan ECA, with the result that, in turn, they have been able to furnish the goods to Russia and the iron-curtain countries to make war on the United States of America and to consolidate their position in eastern Europe and China.

WAR SUPPLIES DIRECT TO RUSSIA

They are getting the necessary supplies on the first bounce; that is to say, the 16 Marshall-plan countries have, since the close of World War II, made 96 trade treaties with Russia and the iron-curtain countries, shipping them every kind of material it is necessary for them to have in order to make war upon the United States of America and to consolidate their gains in eastern Europe and in China. Those materials include ball bearings, tool steel, electrical equipment, road machinery, agricultural machinery, locomotives, freight cars—almost every conceivable needed manufactured and processed product.

NO REGARD FOR OUR SAFETY OR THEIR INTEGRITY

The Marshall plan ECA countries have proved, as I said yesterday, that they have no regard for our safety or for their own integrity; they have proved that by trading directly with nations which we said we wanted to "contain." Of course, Mr. President, we should remember that we said we wanted to "contain" Russia with the ECA Marshall plan money. We have used a peculiar method to "contain" a nation—by sending her everything she needs, already manufactured and processed, to fight us in world war III and to consolidate her gains in eastern Europe and China. Nevertheless, the theory was that we were containing them by the adoption of the Marshall plan.

MUST DISCUSS THE ENTIRE PATTERN AS ONE SUBJECT

Mr. President, it is impossible to discuss point 4, the ECA, the North Atlantic Pact, the 1934 Trade Agreements Act, and international trade agreements legislation separately. All of them are one and the same thing. All of them add up to a pattern of procedure and additional siphons into the United States Treasury, by means of which the necessary funds, the necessary industrial equipment, and the necessary encouragement are furnished to equip our potential enemies.

WHAT IS OUR OBJECTIVE?

The junior Senator from Nevada said on many occasions that we should make up our minds which side we are on. If we are still in a cold war with Russia, including eastern Europe, then let us cease immediately all shipments and all assistance to the nations of the world that are helping Russia and her satellite countries equip for a third world war.

WHOM ARE WE HELPING?

However, if we are not in a cold war or if the definition of a cold war has been misunderstood, and if we want Russia and the countries behind the iron curtain to get all the equipment they are now being furnished, the industrial products manufactured and processed with the aid we are giving the ECA nations, then let us acknowledge that fact and increase trading directly with Russia and her satellites. Let us quit fooling the American people.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

Mr. MALONE. I am happy to yield to the Senator from Ohio.

Mr. TAFT. In dealing with this particular program, as contrasted with the ECA, does not the Senator consider that this program is a proposal to give aid to practically every country in the world?

Does not the Senator consider that the words "economically underdeveloped areas of the world" apply to practically every country in the world?

Mr. MALONE. In answer to the distinguished Senator from Ohio, let me say that overnight I have tried to analyze what those words do mean. The only answer I can arrive at is that through this proposal, through this amendment, to the wording of the point 4 provision—which, by the way, has no place in this kind of a bill, anyway—we could even develop the backward areas of Russia.

POINT 4 COULD HELP RUSSIA DIRECTLY

Mr. TAFT. Or any of the other Communist countries, so far as that is concerned?

Mr. MALONE. Yes, or any of the other Communist countries or any of their satellites. As a matter of fact, I would say to the distinguished Senator from Ohio that we could then do directly, through point 4, what we are now doing indirectly by sending the goods to Europe through the ECA and permitting, if not encouraging, Europe to send a large part of their production to Russia and the satellite countries which, of course, includes many of the so-called backward areas. The only change made by the adoption of the present point 4 proposal would be that we could be sending the goods directly to the Communist countries, and by that means we ourselves could make the profit accruing from those transactions instead of working through the ECA nations.

Mr. TAFT. Does not the phrase "economically underdeveloped areas of the world" apply to the United States itself? Are not we constantly trying to further develop our own economic capacity?

Mr. MALONE. I will say to the Senator from Ohio that this language or definition could be applied to almost any area in the United States except the most highly industrialized areas, and probably to them, for even those areas are constantly improving their industrial equipment. "Underdeveloped areas" is a comparative term.

Mr. TAFT. So this program differs from the ECA program in that it no longer has an anti-Communist connotation or a connotation of a program by which we are aiding countries which are supposed to be fighting communism; but this program is wide open to the entire world, including the Communist countries. Is that correct?

AID FOREVER MORE: ONE WORLD

Mr. MALONE. That is correct. I would say that by means of this program, if we adopt it, we shall have gone the full circle. In other words, in 1947 and 1948 when we were laying the ground work, by means of the State Department's great propaganda machine, that we were endeavoring to restore the industrial capacity for war-torn Europe, and therefore we must provide the money and machinery to restore their industrial capacity—meaning, to any sane person, that we would restore their industrial capacity to what it was on the basis of the 1937 or 1938 index. However, by 1949 we were told that overproduction was Europe's problem—and that we must divide our markets with them—by that means, bring on the trade millenium. In order to divide our markets—source of income—accomplish that end through the 1934 Trade Agreements Act, as extended, the State Department or the Chief Executive began to hasten the action to divide our markets with the European countries, through a reduction of tariffs and import fees, without regard to differences in the wage-living standards here and in the foreign competitor countries.

Then in 1950 we were told, straight across the board, "You can either appropriate the $3,300,000,000 or have a depression in the United States," almost immediately.

Now we come to the truth, for the first time, namely, that the desire is to spread the markets and the resources of the United States across the entire world—to average the living standards of the nations of the world—and in fact have "one economic world."

Mr. TAFT. Mr. President, will the Senator yield further?

Mr. MALONE. I am happy to yield.

Mr. TAFT. In considering how this program differs from the ECA, is not there another important change in the fact that the ECA was frankly for a particular emergency, whereas this proposal, now that we have removed the 5-year limitation, provides for a permanent program for all time to come? Is that not also substantially different from the ECA program?

Mr. MALONE. In answer to the Senator from Ohio I would say it is. On paper, for the first time, openly and above board, the objective is that of continuing from now on aid to Europe and to all the other nations of the world. But I may also say to the distinguished Senator, if he would turn back the pages of the book and look at the debates in March 1948 he would see that the junior Senator from Nevada then said that ECA was just that, and it was never intended as a recovery measure in the first place, and that industrial recovery and increased production are easy to bring about. Production is not the problem, as any industrialist in the distinguished Senator's own State of Ohio will tell him. Any glass factory or machine shop can produce at all because he can get the credit with which to buy machinery to produce if he has the market. But the question in every industry of the United States of America and everywhere else in the world, as a matter of fact is, Are there markets for the goods which are to be produced? We all knew that the markets were the problems. It all came out in the debate in March 1948. That is, the question, What are we going to do with the goods? Are we to buy them here when we help them to produce more goods than they can use? From what are we trying to recover? The industrial index at that moment showed the recovery of every European nation except Austria and Germany, to the extent of from 90 to 100 percent of the 1937–38 index and the index of recovery on that basis now shows approximately 125 percent.

Mr. TAFT. Mr. President, I should like to call the Senator's attention to a report of the Senate Foreign Relations Committee, made some time ago, in which it was said:

> Because the program is new and because it will take some time to set up the necessary administrative machinery as well as to secure the required technical competence, the committee recommends that the Senate limit its present authorization to a period of 5 years.

The Senator knows, does he not, that in the conference report the Senate yielded to the House? They struck out the 5-year limitation recommended by our own committee. So the program now is an indefinite program in contrast to the bill as passed by the Senate, and in contrast also to the emergency character of ECA.

A PERMANENT PROGRAM

Mr. MALONE. I would say to the distinguished Senator from Ohio we are now apparently starting to tell the American people the truth. The only thing about which they have not told the truth is that it is a permanent program, and was intended from the beginning to be a permanent program, as we should have realized when just before the ECA program was adopted we had given $3,750,000,000 to England alone, and it was "gone with the wind." Before that we had UNRRA. Before that we had lend-lease, with everything written off. One thing leads to another. It is all one program—a dangerous and continuous pattern.

ANOTHER SIPHON INTO THE UNITED STATES TREASURY

We are not frank with the American people today in not informing them that the foot is in the door now, because of the general wording of this provision which the Senator from Ohio has so ably pointed out, and the door will be left wide open.

The only thing left for speculation is the amount of the appropriation demanded from time to time. We could now appropriate $2,000,000,000 a year or $10,000,000,000 a year, just as easily as we could appropriate any other sum. The amount is all that is lacking. That is where we are not telling the truth to the taxpayers of America. It is simply another siphon into the United States Treasury. It is unlimited as to time or area in which it can be expended. It is limited only by the appropriations which can be passed on the floor of the Senate and of the House.

IT ALL STARTED IN 1934

We are familiar now, I hope, with the method of selling this country ahead of time on anything. I call the attention of the distinguished Senator from Ohio to the fact that 10 or 15 years ago the propaganda from the State Department started selling to the country the idea that if private business did not maintain full employment, then the Government must. No one took issue with the premise. The idea was sold to the country. During that period we operated the 1934 Trade Agreements Act. It did what? It transferred to an industrially inexperienced State Department the right to choose what American industries should survive and what industries should be sacrificed on the altar of one economic world, through the simple expedient of allowing the Executive to lower tariffs out-of-hand, after perfunctory hearings, by as much as 75 percent.

VENTURE CAPITAL IS DEAD

Mr. President, by transferring the responsibility which the Constitution places upon Congress to an inexperienced Department of State, we then and there slackened up or almost totally extinguished venture capital because new money will not flow into an industry with the knife hanging over its head. In addition to that, the entire tax structure adds up to this: If venture capital is invested and money is made on it, then Uncle Sam takes most of it; if money is lost in connection with the investment, the loss must be borne by the investor.

The third thing is the Securities and Exchange Commission, which under its rules and regulations can investigate anyone proposing to sell stock or shares in any company in the United States. The Commission can announce publicly that it is investigating someone offering stock for sale—for any reason suitable to the SEC. After that, regardless of the result of the investigation, no one can sell any stock in the venture. So those three things practically killed the flow of venture capital into the economic structure of the United States of America.

What happened? What was the next move? Recently we are being treated to another blanket of propaganda to the effect that we now have a million boys and girls coming out of the colleges—all of them wanting jobs—and we have 3,500,000 or 4,000,000 unemployed—actually the number is more than that. It is nearer 6,000,000, with a good 12,000,000 partially unemployed. So it suddenly is discovered that the economic structure of the country, because of these very obstructions which the Congress of the United States has put in the way of venture capital, has not kept step with the increase of population. What happens? Perhaps the public does not connect these three or four things in sequence, but quite recently the President came along with a proposal of a new RFC, Mr. President, under which we will abolish the one we have. We will abolish the present RFC and build a new one, which will loan many millions of dollars to private industry, with a limit of $25,000 to any one business, on the theory that the use of Government money will take up the slack, through bringing up the economic structure to what is needed according to present population.

Mr. President, this was thought out in advance. A pattern—attack upon our economic system. It was no accident. I call attention to the fact that the Spence bill is still in committee in the House of Representatives.

What is the Spence bill? It will be resurrected the minute there is the breath of depression in this country, brought on by the very things passed by the Congress which I have just enumerated. When that happens, the Spence bill will be brought out. The amount of the authorization is $15,000,000,000. We are supposed to be getting used to it by degrees. It is like rubbing the bit on the mustang's nose one day and the next day putting it in his mouth. After a while he becomes used to it, then he suddenly finds it in his mouth. The Spence bill sets a figure of $15,000,000,000, with which the President of the United States can build anything from a steel mill to a corner cigar store, to bring about full employment.

Mr. President, I have diverted somewhat from the theme of my talk, but all of these measures make a pattern. It is impossible to discuss one of them intelligently without setting up the pattern. That is my point. The foreign-aid bill, point 4, clearly takes up where the ECA appropriations would leave off in 1952, and continues a program such as the distinguished Senator from Ohio so ably pointed out with no limitation as to where the money can be spent, and no limitation as to the amount that can be spent, except for the appropriations which later come to the United States Senate for approval provide, and which the Senate will no doubt approve after being properly propagandized by the State Department to soften us up and to get us ready for the blow.

EUROPEAN RECOVERY ACHIEVED

Mr. President, before I leave that subject, let me say that the distinguished Senator from Ohio brought out the fact that there was in the beginning a definite limitation on the number of years the Marshall plan should operate, and it was for a definite purpose, namely, to bring about recovery in western European countries. I ask unanimous consent to have printed in the RECORD at this point a table showing the recovery status of the 16 Marshall-plan countries since the end of the war, 1946, 1947, 1948, 1949, and the latest monthly figure we have at this moment.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ECA nations—Index numbers of industrial production—1937=100 (except where otherwise noted)—Annual, 1946, 1947, 1948, 1949, and latest monthly figure

	1946	1947	1948	1949	Latest monthly figure	Date
Austria	[1]	51	78	104	114	January 1950.
Belgium	74	86	93	49	93	Do.
Denmark	101	116	129	137	145	February 1950.
France	73	87	102	112	116	January 1950.
Germany bizone	[2]34	40	60	[3]89	1003	March 1950.
Greece	53	67	73	87	90	February 1950.
Ireland	109	113	130	[4]135	152	Fourth quarter, 1949.
Italy	[1]	93	98	104	102	February 1950.
Luxemburg	[1]	89	[1]	113	101	Do.
Netherlands	75	95	114	127	126	Do.
Norway	100	115	125	132	155	Do.
Sweden	137	141	149	[1]	155	December 1949.
United Kingdom	90	98	109	116	128	February 1950.

[1] Not available.
[2] Base 1936=100.
[3] Federal republic.
[4] 3-quarter average.
Source: Statistical Bulletin of the United Nations, April 1950.

RATE OF RECOVERY NOT CHANGED BY ECA

Mr. MALONE. Mr. President, as I said before, the rate of recovery has not changed. It did not change with the advent of the Marshall plan. It was already coming up at the approximate rate of 10 percent a year, with the exception of Austria and Germany, which were being deliberately held down. They are continuing on a basis of recovery of approximately 10 percent annually. For example, in 1949 Denmark was 137 percent, and she is approximately 145 percent this year.

I should like to say that, on the basis of the 1937–38 industrial index, the 16 Marshall-plan countries have recovered approximately 125 percent. So that blows out of the water the theory that we were trying to rehabilitate industry, because it was practically rehabilitated on the 1938 index before we had a Marshall plan or ECA.

What are we trying to do? I think it is very plain from the wording of the point 4 title that it was intended to enter the ECA field, and now we have a foot in the door and are ready to go.

A PROPAGANDA-SOFTENED SENATE

There is no limit on the length of time for point 4 applications; there is no limit as to area that can be covered; and there is no limit to the amount of money except for the size of the appropriations that a softened-up Senate will approve.

Mr. BRIDGES. Mr. President, will the Senator yield for a quesion?

Mr. MALONE. I shall be happy to yield to the Senator from New Hampshire.

Mr. BRIDGES. Has the Senator examined the conference report on ECA with particular relation to the point 4 program, and does he feel that the conference report opens it up wider, certainly, than did the bill as it left the Senate?

Mr. MALONE. In answer to the distinguished Senator from New Hampshire, it is the opinion of the junior Senator from Nevada that from now on it is open-ended so far as the time element is concerned. It is limited this year only to the appropriation which has been authorized, and will be limited from now on to the amount of money the State Department can soften us up for and secure through its propaganda machine for next year, the year after that, and so on to the end.

Mr. BRIDGES. Mr. President, will the Senator yield further?

The PRESIDING OFFICER (Mr. LEHMAN in the chair). Does the Senator from Nevada yield to the Senator from New Hampshire?

Mr. MALONE. I shall be very happy to yield to the Senator from New Hampshire.

Mr. BRIDGES. Besides the time limit, is the Senator concerned with other phases of it? Is it more vague and indefinite than it was when it left the Senate?

ACHESON PROMISES EUROPE THAT AMERICAN AID WILL NOT STOP

Mr. MALONE. In the opinion of the junior Senator from Nevada, it is much more indefinite, especially when correlated with the recent remarks of the Secretary of State, Mr. Acheson, when he said to Bevin and other foreign representatives on his recent trip to Europe—I shall not try to quote his exact language, but it was to the effect:

ECA is not the end. America will continue to help.

Mr. BRIDGES. Mr. President, will the Senator yield for a further question?

Mr. MALONE. I shall be happy to yield.

Mr. BRIDGES. Does the Senator feel, then, that the point 4 program, as modified by the conference committee, is the vehicle which he anticipates will be used to continue foreign aid beyond the ECA period of expiration?

WE START WITH BRITAIN'S DEBT

Mr. MALONE. There is no doubt whatever about that. The point 4 is going forward. It is intended to take up

where ECA leaves off, and to increase as the ECA appropriations decrease. There is no question about that; at least, there is no question in the mind of the junior Senator from Nevada, what Secretary Acheson meant when he said that financial help for Europe will continue. They have put the whole pattern together from the beginning. I say again, as I said a while ago in the absence of the distinguished Senator from New Hampshire, that we started with lend-lease; the next step was UNRRA; then three and three-quarter billions of dollars were given to England; then the Marshall plan, ECA, point 4. We now have the suggestion by England, which the junior Senator from Nevada predicted early this year, that she would ask the United States of America to assume her sterling debt to her own countries, which amounts to from 9 to 12 billion dollars. It would mean that we are to begin with the sterling-bloc countries, such as India and certain other countries, and the amount of our help would be written off the sterling debt, but the residual debt would be maintained as a hold over those nations until it was completely liquidated, perhaps in several years, so that England would retain all the trade from those nations. A contractor friend of mine once said to me, early in my career, when I had lost some money in contracting, and borrowed money from a bank—"Don't ever owe a bank anything unless you owe so much you are boss." That is exactly the way in which England is handling trade with those nations

THE STERLING DEBT AND THE UNITED STATES

In my conversation with Mr. Nehru, in New Delhi, late in 1948, he stated that seventy or eighty million pounds of credit was accumulated by India during the World War II. Great Britain does not cancel her debts in wartime, as we do; she holds on to them. Nehru said England was allowing India to trade out approximately seven or eight million pounds a year. That is what is being done at this time. Even if the English are not very efficient, and they want a higher price for the products sold to India, the Indians know that is the only way they can get their money back. So they keep trading with England.

Mr. BRIDGES. As the Senator knows, I have been a supporter of the ECA program in the past and I support it in the present, but I believe certain corrections should be made in ECA. I have supported various amendments to that effect. Some of which have been made in the past have worked out very much to our advantage. I remember one amendment last year with reference to the use of counterpart funds. There was objection to it, but representatives of the ECA have told me that one of the best things that happened was our action in writing in that amendment.

The question I want to ask the Senator is this: I am interested, with respect to whatever program we undertake, in having it definite and specific, so that we may know where we are going, and not have a wide-open program with no barriers, no security, as to its limitations, no time limit, and so on. That is what worries me particularly with reference to this conference report. The objections I raise to it are in line with the points which the Senator is making today.

Mr. MALONE. Perhaps they are entirely in line with the points which the junior Senator from Nevada is making today, but the junior Senator from Nevada intends to go considerably further and say that if we are going to give money to any foreign nation it should be conditioned on certain performances by that nation.

CONDITION FURTHER AID ON INTEGRITY OF MEN AND INVESTMENTS

When money is given to a country or an individual, the country or the individual is the one who should guarantee the integrity of the loan, business, or investment. For example, the junior Senator from Nevada introduced an amendment to the ECA bill which would have conditioned further aid to European countries on their guaranteeing the integrity of private investments. Another amendment would have loaned money to private business instead of giving it to the governments of socialistic countries to further their aims. Both amendments should have been adopted. No doubt the junior Senator from Nevada would have voted for the bill at any time since 1948 if such amendments had been included, including the free convertibility of their currencies in terms of the dollar. It has never been suggested to the junior Senator from Nevada before that the person or nation making the loan should guarantee the integrity of the investment. In other words, we have turned the principle entirely around, and it is almost too stupid to discuss. With point 4 we propose to guarantee private investments in a country, and we would guarantee the investment by whomever made against nationalization, socialization, or expropriation. We know it will be nationalized if we continue to give money to governments instead of private industries without restrictions. I agree entirely with the Senator from New Hampshire.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. CAIN. If the distinguished Senator from Nevada has not already done so, I wonder if he would state the basic differences between the point 4 program as approved by the Senate and the point 4 program as it was returned to the Senate through the conference.

Mr. MALONE. I am not sure that I can give too much detail as to the exact differences, except that there was a definite limitation as to time.

Mr. CAIN. That constitutes one of the prime differences between the two proposals.

FOOL THE TAXPAYERS

Mr. MALONE. Yes. Also, I think it is the greatest and the most important difference, because it has been evident from the beginning, even back in the days of the loan of $3,750,000,000 to Great Britain, that each time it was a matter of approaching the United States taxpayers with a new dose which they could swallow at the moment. In other words, they would be given a bait which they could swallow without choking on it. By the time they got the bait down there would come another lure for the trout under the log which the first bait did not get.

Mr. CAIN. What we were doing then appears to have been to say in substance that this was a new and complicated proposal, and because of our sympathy for other nations and our desire to help them we would approve the program for a limited period of time in order that we could reexamine our position 3 or 4 years later. The conference committee, on the other hand, decided, without this country actually knowing what it would be doing in the future, to create an open-ended funnel and endorse at the beginning the point 4 program almost to perpetuity. Is that substantially correct?

Mr. MALONE. That is absolutely correct. The Senator from Washington has sized it up very well. Probably the psychology of the country was judged by the State Department to be one of favoring continual help to Europe, or they misjudged it. While the bill was before the Senate the psychology of the Senate was cautious about continuous help. We wanted to limit the time, because we did not know what we were stepping into. However, in the House and in the conference committee it was probably felt that the public was ready to take this program of help in perpetuity in some form.

Mr. CAIN. Mr. President, will the Senator state the vote by which the point 4 program was approved in the Senate? My memory tells me that it was a very close vote. I believe it was 40 to 41.

Mr. MALONE. I think it was approved by one vote.

Mr. CAIN. With the Vice President casting the deciding vote to break a tie vote.

Mr. MALONE. Yes. The distinguished President of the Senate threw his weight in favor of the point 4 program.

Mr. CAIN. Will the Senator tell me whether or not it would be permissible for both Houses of Congress to agree to delete from the conference report the point 4 program, which is certain to have an extended controversy revolving about it, so that both Houses of Congress could approve the European recovery program to which, as I understand, the point 4 program is not closely related? As I understand, they are two entirely different subjects.

POINT 4 NO PART OF ECA PROGRAM

Mr. MALONE. Mr. President, I would say to the distinguished Senator from Washington that in the humble opinion of the junior Senator from Nevada it has no part in the ECA program at the moment. In other words, it is a separate subject which should be considered further by Congress to determine whether it would be help in perpetuity or help for a certain term of years beyond ECA. It is a separate question. It was a separate question when it was brought before the Senate, but we had been softened up for the blow. The point 4 amendment won by one vote. I am afraid that I cannot technically advise the distinguished Senator from Washington

whether the conferees had the authority in the first place to put this particular point 4 program provision in the bill, and whether the conferees have the authority now to take it out entirely, inasmuch as both Houses voted in favor of it in one form or another.

Mr. CAIN. I raised the question because it seems quite obvious that we may be devoting a long period of time to debate on the point 4 program. If the Senate of the United States should determine, as it quite possibly may, that it simply cannot approve the point 4 program as recommended by the conference committee, as an individual Senator I would hope that in some legitimate manner we could delete it for further study.

IT WILL GET WORSE—NOT BETTER

Mr. MALONE. I think the distinguished Senator from Washington has a very good idea, but in the humble opinion of the junior Senator from Nevada we have not seen anything yet. We started with lend-lease. We wrote that off. Then came UNRRA. We wrote that off. Then came the three and three-quarter billion dollar loan to Great Britain. It is as good as written off. Then we started with the Marshall plan and ECA. Now it is point 4. Soon we shall have thrown into our faces the matter of assisting through goods and money the sterling bloc countries in order to reduce the debt England owes these countries, so that Britain may preserve their trade in the areas while we pay their debt.

It seems to the junior Senator from Nevada, at least, that if we could write off sixty to seventy billion dollars in lend-lease, it might be possible for the sterling areas to write off nine or ten billion dollars. If the taxpayers can be softened up to take the blow, probably the Senate will vote for assuming the debt. I would say to the distinguished Senator from Washington that in a year from now there will be the greatest economic debacle in Europe anyone has ever seen, and even we will not be able to handle it.

Mr. CAIN. If there is to be an economic debacle, as the Senator from Nevada fears there will be in Europe, could we in this country possibly avoid the consequences of any serious economic breakdown in Europe? Would not a breakdown of that character necessarily bring suffering and economic trouble to us in this country?

Mr. MALONE. Mr. President, we could very easily avoid it if we started now, in the opinion of the junior Senator from Nevada. In other words, if we reversed the field we have been traveling for 18 years toward free trade through the objective of one economic world, and through putting into the hands of an inexperienced State Department the power to put its finger on any industry in the United States and saying that it shall not survive, and putting its finger on another industry and saying it shall survive, we can avoid sliding into a depression. So long as the State Department can do that, the answer is "No, we cannot save ourselves." However, if we substitute a flexible-import-fee principle based on fair and reasonable competition for the 1934 Trade Agreements Act, as extended, and maintain our standard of living while we are helping other countries raise their own, it could be avoided.

DOLLAR GAP

We have heard much about the dollar gap. I had intended to discuss that later, but now is a good time to refer to it, since the distinguished Senator from Washington has brought up the subject.

Mr. President, there is no dollar gap except the one we created in the Congress through Government appropriations, to give the nations money with which to buy our goods above and beyond their abilty to produce. We created the dollar gap through our own actions.

A table was put into the RECORD by the junior Senator from Nevada on the 13th of September, 1949, showing in one column the value of the exportable goods produced in the United States, in billions of dollars, over a period of about 40 years. The second column showed the value of the goods exported over those years. The third column showed the percentages, which ran very high at times, recently 8 to 10 to 11 percent. The fourth was a column, showing in billions of dollars, the goods we had exported.

In the fifth column was shown the number of dollars we had given the foreign countries by various loan and gift programs.

Then there was the last column which represented what I would call legitimate trade, trade that represents the extent that we buy things which we cannot conveniently make for ourselves, just as in the case of any other nation. This column showed the percentage of the value of exportable goods produced, actually exported and paid for with trade and other earnings.

The percentage was from 4½ to 5½ percent representing our foreign exports over a long period—not subsidized by us.

The other nations come to us and say, "You must divide your market with us or continue giving us money, we cannot drop back to the legitimate trade we have always had."

THE BASIS OF TRADE

I might define legitimate trade. I will say that no individual and no nation ever buys anything he or it can conveniently produce for himself or itself. I think that is safe ground. If a nation or an individual cannot produce a commodity conveniently for himself or itself, he buys the quality he wants at the lowest cost wherever he can find such goods. Nations will always have such legitimate trade.

There are some goods we must buy from other nations, which we would have to buy whether they bought from us or not, and which provide money for legitimate trade. The articles which other nations furnish us include tin, nickel, copper, and 40 or 50 other articles and goods we do not produce at all. We do not produce tin, and did not produce rubber until we got into synthetic production. Trade in those commodities is legitimate trade, and we must buy those articles wherever we can get them the cheapest. At least we should do so, and that is legitimate trade. If some of the other nations produce, and are allowed to sell their goods in normal channels and through businessmen, with nations, the trade will balance. It is only when we start worrying and begin appropriating money to start a dollar gap that we get into trouble.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Washington.

Mr. CAIN. I hope the Senator will permit me to compliment him, in a very brief reference, because of something he has just said. The Senator from Nevada lives so closely with the subject he is discussing, he is so preoccupied with it, and concentrates so heavily upon it, that I think he is probably the only one among us in this body who could remember what he did on the 13th day of September 1949. The Senator from Nevada, in answering a question of mine a minute ago, actually referred to some of his actions taken on the 13th day of September 1949, and I thought that was remarkable and unusual.

The junior Senator from Washington is by no means an authority on the subject now under discussion, but he appreciates the opportunity to listen to the Senator from Nevada, who works so hard propounding reasonable questions and answers, and I am grateful for the observations he has made to me.

If the Senator does not mind, I should like to refer now to the Parliamentarian to see if he can give an answer to the question I recently propounded to the Senator from Nevada, for which he had no answer, as to whether it would be possible for both Houses of the Congress to admit, in a sense, that further study should be given to the point 4 program, and that it ought to be eliminated from the ECA conference report. I think if that could be accomplished, it would be a healthy thing for all parties concerned.

Mr. MALONE. I ask unanimous consent that the distinguished Senator from Washington may propound the question to the Parliamentarian, if I may have the permission without losing the floor.

The PRESIDING OFFICER. The Chair is informed that the Senate has to deal with the conference report in its entirety, not in part.

Mr. CAIN. That is to say, Mr. President, that the Senate must either approve or reject it in its entirety?

The PRESIDING OFFICER. The Senator has stated the parliamentary situation correctly.

Mr. CAIN. I thank the Chair.

Mr. MALONE. I was under that impression, but was not positive. I should like to say, since the distinguished Senator from Washington has complimented the junior Senator from Nevada, that the junior Senator from Nevada does not have all the answers. As a matter of fact, what he is trying to do is to find some reasonable approaches to the answers. The greatest harm that was ever done to a trusting people was in selling to the United States of America the positive untruth that there are definite answers to all economic questions. There are not. After visiting practically all

the Asiatic nations, talking to their leaders, seeing their people, all the way from India, to Singapore, to Africa, and after visiting most of the countries of Europe—as I cover my own State when I want to find out what is going on and how the people are living—I found that the people are living in such a manner in most of the countries I visited that it does not appear likely that there will be any positive economic answer to their problems within a reasonable time. Overpopulation is the difficulty.

OVERPOPULATION IS ONE FACTOR

Most informed persons agree that there are now probably in England more people by 20,000,000 than can ever make a living there again, unless they can reestablish their power over the Empire, over their sterling-bloc nations; and there are about 55 or 60 nations or entities in the sterling bloc. England could again support its people if it could again establish the power it had for many years, enforced by her navy, over the people in Singapore, the Malayan States, the people in Australia, the people in India, people throughout the world, including Africa. If the English could reestablish their power so that they could force these people all over the world to send their raw materials to England to be processed, and force them to buy the finished goods, and would not allow industrial plants to be established in those areas—if they could reestablish that power, with our help, if they could again make it possible to export processed goods, they could again support their people.

I should like to say further to the distinguished Senator from Washington because I know he is interested, that it is the opinion of the junior Senator from Nevada that with all our power we cannot bring that condition back. Nor is it desirable to do so.

Yesterday on the floor of the Senate, in the few minutes when I had the floor, I said that what we are doing is supporting England in driving the wages of the Malayan people down and securing an increased profit for rubber. This is exactly the way it is done. There is a 30-percent devaluation of the pound, lowering the wages of the Malayans—and they were not getting anything to speak of to begin with. They were just on a bare subsistence level. But the English drove the wages down 30 percent. Then recently prices of the natural products there have gone on world markets from 17 or 18 cents to 20 cents. Who is getting the difference? The Malayans are not getting it. We are not getting it. We are paying it. Brokers who do not even live there are taking the spread.

What is the effect? How are prices brought up? Russia is getting some of the rubber. When I was in Singapore I found that Russia was securing tin from Singapore. That tin was shipped direct from Singapore to Russia at a time when we were trying to contain Russia. So now Russia is bidding against the United States for the rubber, and while the price to the Malayans is being held down, the brokers 3,000 miles away are getting the profits. The Malayans are sullen, resentful, and will join anybody but us.

Mr. CAIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUNT in the chair). Does the Senator from Nevada yield to the Senator from Washington?

Mr. MALONE. I yield.

Mr. CAIN. I hope the Senator from Nevada will permit me to make a brief observation. Perhaps the feeling I entertain is shared by others among my colleagues. One reason why the junior Senator from Washington has listened so thoughtfully to what the Senator from Nevada is saying on this subject, and to his answers, is that a very large number of the measures which have been offered to the Senate and which I as a Senator have supported during the three-odd years I have been a Member have not worked. Many of us in this body have supported a good many instruments proposed to be of assistance overseas in the hope they would work. We actually thought that many of them would work. In full knowledge of the fact, however, that conditions are not in some quarters materially improved after the vast amount of assistance we have rendered in recent years, anyone who is thoughtful about and concerned with the future is going to look for every opportunity he can get to listen to anyone else's ideas. Some of the questions I have raised to my friend from Nevada today have been largely for the purpose of encouraging him to talk in order that the RECORD will contain his views, which are of interest to a very large body of the American public.

INVESTMENTS MUST BE SECURE

Mr. MALONE. I will say in answer to the distinguished junior Senator from Washington that the junior Senator from Nevada is greatly appreciative of his remarks, but would by no means have any Senator think or any one of the great public think, that the junior Senator from Nevada believes he has the answers. He is trying to find some reasonable approaches. In other words, instead of saying that if there is an appreciable investment made in England tomorrow it is in danger of nationalization or confiscation, and that therefore the great benevolent Government of the United States must guarantee the integrity of that investment, the junior Senator from Nevada, after considerable thought on the subject, after seeing England and its set-up, and noting the trends, offered an amendment to be found on page 6568 of the CONGRESSIONAL RECORD of May 5, which would terminate assistance of any nature to any country until such country, by its own actions, has established a climate favorable to private investments and guaranteed that it would not confiscate the private investments made in that country by the nationals of this country, in the same manner as we guarantee the integrity of the investment of their nationals in our country.

Mr. President, why is it that capital is all running to this country? Every dollar that can be gotten out of England is coming to this country because it is safe in investments made here.

The distinguished Senator from Washington may remember that in the 4- or 5-hour debate, which took place on the 4th and 5th of March 1948 on this very subject, the junior Senator from Nevada pointed out the approximate sum the nationals of the 16 Marshall-plan countries had invested in this country at that moment. It was approximately $14,000,000,000 that could be traced. That is almost as much as the junior Senator from Nevada said then they were asking for under the Marshall plan.

I now ask, and I think I asked at that time: What would have happened in America if we were asking for $14,000,000,000 from England and the nationals of this country had $14,000,000,000 invested in England? I ask the distinguished Senator from Washington what he thinks would have happened? The junior Senator from Nevada is clear in his mind as to the answer. The authorities in England would have said, "Use your own money first."

Then secondly, each of those countries had run much private money underground by reason of their nationalizing of investments, confiscating investments, socializing investments, thus creating the fear that once the money was invested it never could be gotten out. This amount of money probably exceeded the amounts appropriated under the Marshall plan. In other words, when an Englishman or a Frenchman could not get his money out in a legitimate manner, he buried it, and sometimes, I think, so deep that it is hard for him to find it.

The amendment which the junior Senator from Nevada submitted on May 5, and which was discussed at some length, was not questioned with respect to its advisability, but it was said it was not a part of the program; that it would ruin the plans then in progress. That was the substance of the debate.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield.

Mr. CAIN. Perhaps the Senator from Nevada can help me with this matter of concern to me. Every American is very conscious of the fact that the combined nations of western Europe have a far larger population than does the United States, while at the same time those nations have a far smaller national product. We began the ECA basically, I suppose, in our hope that it would help to contain communism. It has seemed to me for a long time that Europe has within itself the ability to immunize communism. That can be done, and done only, if that larger European population substantially and, in fact, gigantically increases its national product.

Now I should like to think that the Senator from Nevada can somehow relate my concern and the answer to it with other items he has in mind. All of us continue to be conscious that the trade barriers, at least we are so told, and obstacles to economic intercourse between nations in western Europe, are perhaps more stringent today than they were a hundred years ago, and unless we can somehow secure a larger productivity and a more fluent movement

of goods between those European countries I should think that whatever we in this country attempt to do, either through the ECA or point 4, will never and cannot ever lead to a final and positive solution of the economic trade problems of our friends across the seas.

EUROPE MUST INTEGRATE

Mr. MALONE. Mr. President, I am very happy that the distinguished Senator from Washington has brought that question to the fore. One thing that I will say to the distinguished Senator from Washington is that every nation in Europe contains the greatest nationalists in the world. National pride and national history and national hatreds have kept those peoples apart. They will not have anything to do with each other in the way of trade. They have quotas and embargoes, manipulation of money systems between themselves, so it is almost impossible for Italy to sell her oranges to the other nations of Europe, or for Germany to sell her steel anywhere within the nations of Europe. So they retain these hundred-year-old feuds, and build trade barriers higher and higher. Only by our help, by money which we are giving to their governments, if you please, to carry out their silly ideas of becoming self-sufficient, each one of the little states continue to function. Several of the states, I might say, could be lost in my State of Nevada, and unless a prospector just happened to run onto one of them accidentally it might be several years before the area was discovered. Still each one of them has a complete government, with a king or a dictator or an elected official at the head.

Mr. President, I have said on the Senate floor several times that I should like to have all the data with respect to what is paid to the rulers of those countries. The King of England receives $1,500,000 a year for the great service he renders. The junior Senator from Nevada has no objection to that so long as the people of England pay him; but he got on our payroll.

THE UNITED STATES OF EUROPE

On the 5th of this month I submitted an amendment which would have required the nations of Europe to show their inclination or willingness to join with each other in a United States of Europe. The amendment would not have required them actually to join into such an organization or federation before we would give them the money, but would require them to show their willingness to do so. The amendment reads as follows:

TERMINATION OF ASSISTANCE

SEC. . Section 118 of such act is amended by adding at the end thereof the following new sentence: "The Administrator shall terminate the provision of assistance under this title to any participating country (including the zones of occupation of Germany) if such country refuses to join, within 30 days after the date of enactment of the Economic Cooperation Act of 1950, in a concerted effort with the other participating countries (including the zones of occupation of Germany) to form a Federation of a United States of Europe, under a constitution which would vest in the federation all power relating to (1) tariffs, trade, and currency within and among such countries or states and between such countries or states and countries which are not members of the federation; and (2) the defense of the federation.

That amendment would require a concerted effort on their part to form a United States of Europe. Anyone would realize it would take at least several months to form; but this is the only chance we have of having them form a United States of Europe or a federation of states—a federation such as the colonies which became the United States soon found was necessary if they were to survive. Each one of our States could not individually be self-sufficient. Such a requirement should be a condition for the giving of our help, because if we continue to give the individual governments of western Europe our money without attaching any conditions whatever, then we cannot expect that the problems of those countries will be solved. England, for example, wants to control all of Europe and wants to control the sterling bloc area, a tremendous area, through the manipulation of the money systems and through requiring different exchange rates for her money. She has 25 or 30 different exchange rates for her money, so that it is almost impossible to trade in a nation unless the Bank of England wants that particular trade to be made. All those things have to be done away with. The formation of a United States of Europe would constitute a concerted effort by all those nations to solve their problems.

CURRENCIES SHOULD BE FREELY CONVERTIBLE

I wish to refer to another amendment, in connection with the inquiry the distinguished Senator from Washington has made. On the same day, May 5, as may be found on page 6527 of the CONGRESSIONAL RECORD, I submitted an amendment providing that any further aid to Europe would be conditioned on the free convertibility of currencies of those nations with each other and with the dollar. We have heard about the dollar trouble and all the other troubles; but I wish to ask the distinguished Senator from Washington this question: Those nations have dollar trouble when they are short of money. What kind of trouble would we have here if we tried to borrow money from England, for instance? Would it be pound trouble, or would it still be dollar trouble?

Mr. CAIN. Mr. President, will the Senator permit me to ask a further question?

Mr. MALONE. I should like to have the Senator from Washington answer the question I have just asked—namely, whether he thinks it would still be dollar gap, if we were trying to borrow money from some of the European countries. In other words, because they have overpriced their currencies, no one will pay in dollars the amounts which they say their currencies are worth, and therefore, they have dollar trouble or a dollar shortage.

Mr. CAIN. I will give the Senator the only rational answer which I can give on the spur of the moment, namely, that despite the fact that I have supported the ECA every time it has been before the Senate since I have been a Member of the Senate, I have recognized, and I have been very distressed by the fact, that the United States of America is and has been on a one-way street. What we have done for others, others are not willing or have not been willing to do for us.

In my opinion, if the barriers throughout western Europe are broken down, so that economic intercourse can be reasonably established, there will be no conceivable need for a continuation in any shape or fashion what we call the European recovery program, as it is advanced by the use of our American tax dollars.

Mr. MALONE. I say to the distinguished Senator from Washington that conceivably there could be a need for it from their point of view; but if there were a United States of Europe, so that everyone of them was producing for the entire area what it could best produce—just as here in the United States each State produces what it is best able to produce—for instance, the State of Washington can produce some things better than the State of Nevada can, so we in Nevada simply do not produce those things, and vice versa—if there were a United States of Europe, then they could reach the maximum of their strength, industrially, economically, and agriculturally—in every way.

However, I point out to the Senator that no nation of Europe can continually purchase more than she produces, any more than an individual can, unless she can find an "uncle" like Uncle Sam.

We will find that we have no "uncle," one of these days.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. McCARTHY. In connection with the point 4 program, I wonder whether the Senator from Nevada is aware of the fact that the head of the technical staff doing the planning is a man by the name of Haldore Hanson, and that as early as 1947, Fred Busbey on the floor of the House of Representatives pointed out in detail the close communistic connections of Haldore Hanson—a brilliant young fellow; there is no doubt of that. I understand that he is a very good salesman and a very likable chap. Of course, his brilliance is what makes him dangerous.

Is the Senator aware that Hanson is now in charge of the technical staff doing the planning for point 4; that at the beginning of the Japanese-Chinese war, he was coeditor of a small Communist paper in Peiping, China—which was a matter of only some 15 years ago—that since that time he has spent a great deal of time with the Communist armies in China, and that he wrote a book entitled "Humane Endeavor," a very well written document, which sets forth very clearly his attitude toward the nations in which a Communist revolution is pending or in which one has been successful. He speaks of Mao Tse-tung with complete and sincere adoration; there is no question of that. He is not a paid traitor. He is not the type of young man who would sell out his country for 30 pieces of silver. He is apparently sincere in his belief in communism. He is firmly convinced that communism is the answer for the

ills of what we call the poverty-stricken peoples of the world.

For instance, on page 13 of his book, Humane Endeavor, he points out that it will be necessary to have British and American capital sent to the Communist forces of China in order to help them properly to reconstruct that area.

Is the Senator also aware of the fact that the Senate investigating committee, if I can call it that—the subcommittee of the Foreign Relations Committee—called before it Mr. Budenz, a man who testified for 10 days in the trial of the 11 top Communists, a man whose testimony was almost solely responsible for the conviction of those 11 top Communists, a man who has been used by the Department of Justice and other branches of our Government perhaps more than any other man has been used in connection with those cases; a man whose truthfulness and veracity they have vouched for time and time again; and a man who was forced to come before the committee by subpena—he did not offer to come voluntarily—and was asked about certain Government officials, as to some of whom he asked to be permitted to have an opportunity to prepare further documentation, which he said he would prepare and would produce when he returned several weeks later?

Is the Senator aware that he was asked about Haldore Hanson, about whom Mr. Budenz was in a position to know, having been editor of the Daily Worker, and, accordingly, in touch with the top men of the Communist outfit? He had to know who the top men in the Communist organization were, so that he would know how to treat them.

Is the Senator aware that he testified that he and Jack Stachel, who was head of the party, had conferences daily, as well as the conferences he had with the other top Communists, and that they repeatedly discussed the names of the other top Communists, and that officially he had to know who the top Communists were.

Is the Senator also aware of the fact that Haldore Hanson—who, as I say, was running a Communist paper in Peiping, China, some 15 years ago, and today is the head of the technical staff on planning for point 4, and that Budenz testified that Hanson is one of the men who is considered to be among the top Communists in the country—so much so that Budenz said he carried Hanson's name around with him. Is the Senator aware of that fact?

Mr. MALONE. Mr. President, I am not aware of all the details the Senator from Wisconsin has enumerated. But I take it for granted the Senator has studied the subject.

Mr. McCARTHY. Very thoroughly.

Mr. MALONE. I want to congratulate him on the work he is doing. I think the only trap into which the distinguished Senator from Wisconsin got himself was in allowing the committee to tell the country that, unless the distinguished Senator from Wisconsin made the case, there was no case. I stood here and heard the distinguished Senator from Wisconsin make the case before the full Senate body. The Senate voted unanimously to have the investigation made, and gave money to the committee for the purpose of making it. The Senate did not give the money to the distinguished Senator from Wisconsin. Therefore, the committee has the obligation of making the investigation. I want to compliment the Senator on the contribution he is making. I think the people of the Nation should understand that it is up to the committee to make this investigation. Speaking only for one Member in this body, if the committee comes in with anything less than a full investigation as voted by this body, one Senator will take the floor and have his say about it.

Mr. McCARTHY. Mr. Presdent, if I may interrupt again, I might say in that connection that when the evidence was produced on Haldore Hanson, the staff of the point 4 committee—and there are four men there, drawing around $10,000 a year each; I believe there are four, anyway, according to the best information I can get—normally one would think that where one of the Government's top witnesses has testified that a man is a member of the party, where we have this background of Communist connection, the least the committee would do would be to say, "Now, we will assign one of our staff to the job of checking on this and finding out something about this man." I wonder whether the Senator is aware of the fact that not a finger has been raised, nothing has been done, except of course the all-out attempt to discredit the witness, Budenz, who is coming back.

I may also say to the Senator, in connection with the Senator's statement as to my allowing the committee to take certain action, that I am sure the Senator realizes I have no power whatever over that committee.

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Wisconsin, I want to say, as I have said before, that this entire situation is all one pattern. The discussion of it cannot be confined to point 4 without bringing up the 1934 Trade Agreements Act, which laid the groundwork for the division of the market of America with the nations of the world. It is impossible to discuss point 4 without discussing the other methods and the pattern of this problem. Right along that line, this country itself is laying the groundwork, through its bureaus and through the great leeway it has given to the departments of the Government for the interpretation of laws passed by the Congress, for a one-man government, whether it be socialism, communism, or fascism. It could turn either way. At the moment we really have a Socialist government. We are dividing it up with everyone. But as between a Socialist government and a Communist government, there is no difference in their aims. The final goal is merely state ownership, with the individual, owning nothing, under government control. The only difference is that a Communist will shoot you to bring it about, while a Socialist will try to spend you into it. And that is about what we are trying to do now. So I would merely say that a Communist, giving a short answer, is merely an impatient Socialist.

INJURY TO INDUSTRY AND THE CURE

Mr. President, I wanted to mention the short statement made by the distinguished senior Senator from New York [Mr. IVES] relative to the glove industry, which is a part of the whole free-trade pattern of ECA and the 1934 Trade Agreements Act and the International Trade Organization, which is on the must list of legislation to be passed at this session of the Congress. They are all one, they are all woven together, as testified by Mr. Thorp, the Assistant Secretary of State. The senior Senator from New York has submitted a protest on behalf of the glove or leather industry. I may say that representatives of the glove industry visited my office 3 or 4 days ago, representing about 350 factories and many thousands of employees in this country. Their industry is going to be cut materially by the Torquay negotiations, looking ahead to the agreements which may be made in England, which will bring about even a worse condition than that which exists at this time.

I also want to say that only a few days ago a strike occurred among the New England hatters, who refused to work on hats imported from Czechoslovakia, on account of the action of the State Department in connection with the Annecy agreements.

POINT 4 PROGRAM

Mr. President, in yesterday's debate on title 4 of the conference report in the Foreign Economic Assistance Act of 1950, there was a great deal of talk about the fact that there were no guaranties that the point 4 program, which is to be implemented by this title, would not be extended to countries friendly to Russia or even to Russian satellites or Russia herself. If this title becomes law, it is entirely conceivable that the Congress would be propagandized into making appropriations to extend technical assistance to Russia or her satellites, directly, instead of by the indirect method now being used, through help of the ECA given to the 15 Marshall plan countries. Then, Mr. President, the manufactured and processed articles will be shipped directly to Russia and the eastern European nations, and also to Communist China through England's help, now, through the recognition of Communist China, and through Hong Kong. So what are we doing? We are contributing and laying the groundwork further to implement the so-called underdeveloped areas, many of them behind the iron curtain, and it would contribute to the building up of communism, as the 96 trade treaties made by the 15 Marshall plan countries are now doing, instead of trying to contain Russia.

Without making it entirely clear that any aid under this title for technical assistance will be extended only to countries whose economic development is necessary and feasible to the security of the United States we would be leaving ourselves open to the same kind of charge that I have made frequently on

the Senate floor, and that I here make again, that we are actively assisting and increasing the war potential of our most dangerous adversary, so pronounced by the State Department and the Secretary of National Defense.

Mr. President, not only should such a safeguard be written into title IV, if we are to adopt it in this ECA program, but I also want to state that this title does not properly belong in the scope of the Foreign Economic Assistance Act, but should be considered as a separate problem entirely. Without adequate debate on the accomplishments which are to be promoted by this program, we are practically authorizing, first, the basis for a continuation after 1952 of a foreign-aid program, to take the place of the ECA. Second, we are leaving ourselves open to the danger of the increased war-making potential of Russia and her satellites.

Title IV of this act, the point 4 program, will make it possible that countries which are regarded today as under-developed will increase their industrial capacity and their technical know-how to a point at which they will either insist on increasing trade with Russia or will become ever more valuable areas to be brought under the influence of Soviet Russia. Without any further safeguards I firmly believe that the technical assistance part of this title is dangerous to the security of the United States.

THE PROBLEM OF GERMANY

Mr. President, I want to point out what is going on in Europe at this moment. The refusal to join in a United States of Europe or a Federation of States, makes Germany a problem. In addition to the 96 trade treaties which have been made with our potential enemies, the nations which the program was intended to contain, Germany has been made a perpetual problem by the refusal to have any association with Germany in the European nations. If we continue to carry out, as up to a few short months ago we were doing, the Morgenthau program of making an agrarian state out of Germany and tearing down her industries, at the same time piling money in there which Russia is siphoning out at the other side, in the long run we shall be paying their reparations to Russia. If we hold Germany down and do not allow her to expand her industries to the point where she could buy the other 40 or 50 percent of food and raw materials she has always had to import, then we must continue to spend a billion dollars a year to feed and protect Germany. It now looks as if we are putting another siphon into the United States Treasury which can be turned on at full force at any time through an appropriation by this body. But when we have to end it, which we eventually shall, what will a frustrated Germany do? It will join any nation. Russia is offering at this moment to buy her processed and manufactured goods, trading raw materials for them, and offering her a chance to sell her processed and manufactured goods to Communist China.

Of course, Russia is a "natural" in trade with Europe, because she is a raw-material-producing nation, as is the case with some other European nations, while other nations are processing and manufacturing nations. So the great raw-material-producing areas are "naturals" with which to trade. We must recognize the problem, and, instead of making it worse by financing it, we should stop trading with nations which are helping the Communist areas, helping to arm Russia for world war III, and to consolidate her gains in Europe and eastern China. After Germany is built up, and there is no United States of Europe, and there is an opportunity to sell to Russia and Communist China, whom would Germany join? A frustrated Germany would join anyone, which could well be Russia. We are unable to dodge the problem of Germany so long as we treat her like we are doing now, placing no conditions on the money we send to Germany and to Europe for so-called rehabilitation.

The vague language in title 4 that refers to the favorable climate, as the distinguished Senator from Texas so aptly put it, for the promotion of American investments abroad, is merely the entering wedge for a program that ultimately will spell the guaranties by the United States Government for American investment abroad. Even if such guaranties are not spelled out in title 4, the basis is laid for the Executive later on to come to Congress and say that bilateral agreements, as foreseen by this title, are difficult to obtain but that guaranties had been promised American business and the only way to keep that promise would be for our Government to undertake to furnish those guaranties.

I frankly do not know what conceivable reason there should be and could be for our Government to guarantee the investments of American capital abroad. It is properly the function of the governments in whose territory those investments are made to guarantee them and to insure the investor of the chance to take a reasonable profit in dollars and to assure the investor that his investments will not be lost through socialism or nationalization. An amendment to that effect was proposed by me to the Economic Assistance Act, and that, in my opinion, is the only fair way to deal with this subject; fair to the American taxpayers, fair to the American investor, and fair to the country benefiting by such investment.

In other words, according to that amendment, further assistance to ECA would simply have been conditioned on their preparing such a climate favorable to private investment and guaranteeing their integrity against communism, socialization, and nationalization.

Any other scheme will only further, even if indirectly, the loss of private enterprise abroad and the continuation of nationalization programs.

The vague language of this title in regard to promoting investments and the manifest dangers of technical assistance within the framework of the Economic Assistance Act and without necessary safeguards for the security of the United States will set a most dangerous precedent. In passing, it may be wise to mention that the title 4 does not contain any provision that technical assistance will be forthcoming from the United States only within the limits of our security and defense laws. I believe that is one additional shortcoming of this title to which I am strongly opposed, because any assistance to any country in the world can be justified only on the basis that it contributes to our security and to our own well-being.

Mr. President, comparing the language of point 4 with what Mr. Acheson has said on his recent trip to Europe, makes it entirely clear that the exact intention is to enlarge the appropriations for the point 4 program to take the place of ECA when it runs out or the appropriations under the act are decreased by an awakening Congress.

Mr. KEM. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. LONG in the chair). Does the Senator from Nevada yield to the Senator from Missouri?

Mr. MALONE. I shall be happy to yield to the Senator from Missouri.

Mr. KEM. I should like to ask the able Senator from Nevada if he finds in the conference report any limitation regarding with whom the President may make the proposed agreements in respect of technical cooperation?

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Missouri, I will say that apparently there is no limitation regarding with whom he may deal, and there is no limit as to the time. That is to say, it may go on for several years. It is only a question, as I have said before, of the tremendous propaganda machine of the State Department softening up the taxpayers of America through threats or in some other manner getting them ready to favor appropriations of billions of dollars.

Mr. KEM. Is there not a limitation of 3 years as to contracts, as provided in section 405? The contracts which the President is authorized to make may not exceed 3 years.

Mr. MALONE. Any one contract.

Mr. KEM. Yes.

Mr. MALONE. There is no limitation as to the time for which he may make a contract under point 4.

Mr. KEM. Is there any limitation as to a person, corporation, body of persons, government, or foreign governmental agency with whom he may make a contract?

Mr. MALONE. I could find none. In other words, it is wide open. It is like the loan of $125,000,000 to Argentina to pay off commercial debts in New York. They borrow the money of the taxpayers of the United States in order to pay their debts. I see no limitation on the nationality, area, or time as to which contracts could be made.

Mr. KEM. I should like to ask the Senator from Nevada whether there is not a distinction as between the two classes of agreements or contracts which could be made by the executive branch of our Government with foreign nations. Treaties may be made only by and with the consent of the Senate, but Executive agreements require confirmation by a majority of the two Houses of Congress.

TREATIES BY EXECUTIVE AGREEMENT

Mr. MALONE. Mr. President, I would say to the distinguished Senator from Missouri that some very clever maneuverings have been going on for the past 15 years. In other words, two-thirds of the number of Senators on the floor of the Senate would not approve treaties such as have been coming before us in the form of agreements. Apparently they are legal and constitutional. They come to us as Executive agreements, when actually they should come to us as treaties.

Mr. KEM. Does the Senator from Nevada regard the proposed agreements which are authorized under section 405 (e) of the conference report as treaties, Executive agreements, or something else?

Mr. MALONE. I will say to the distinguished Senator from Missouri that they will be agreements which would not require two-thirds of the membership of the Senate to approve.

Mr. KEM. Does the Senator understand that Congress would ever see these agreements again after they are executed by the President?

Mr. MALONE. I had reference more to general arrangements, such as the North Atlantic Pact. No, it is not the opinion of the junior Senator from Nevada that the agreements would ever come back to us. This is a blanket authorization.

Mr. KEM. Is it in accord with the Constitution and the traditional practice of our Government to give the President of the United States a blank check to make agreements with foreign nations?

Mr. MALONE. In answer to that question I would say that we were always under the impression that it was not. However, many things have been done in the past 15 years, among them the transfer by the Congress of the United States to the President of its constitutional responsibility to regulate foreign trade through the regulation of imports. The junior Senator from Nevada would say that it looks as though Congress had amended the Constitution of the United States without submitting the amendment to the States. However, constitutional lawyers seem to think that it will stand up, because there is an escape clause. In effect, it is no escape clause at all. However, there are enough conditions surrounding it which make them pronounce it constitutional. It has never been tried out.

Mr. KEM. Does the Senator from Nevada find any escape clause in the conference report?

Mr. MALONE. No; I find no escape clause. I think it is a blanket authorization for the Chief Executive to make contracts up to the amount of money that may be appropriated. As Secretary of State Acheson has stated, we will not stop help to foreign countries after 1952. They have exactly that in mind. In the meantime the State Department soften up the taxpayer through their tremendous propaganda machine, so that the Senate will be ready to appropriate any amount of money which the Administration says it needs for its particular purposes when the time for making appropriations arrives.

Mr. KEM. If the Senate approves this conference report and it becomes law, and the President of the United States, pursuant to section 405 (e), makes a contract with a foreign government, and Congress does not like the contract, is there anything that Congress can do about it?

Mr. MALONE. I should think there would be nothing that could be done about it except to repeal or modify the law. Of course, anything made up to that time would have the sanction of the United States Government. The Congress could prevent anything like that from that time on.

Mr. KEM. Does the Senator from Nevada believe that the contract which the President may make pursuant to this section will be beyond any further action by the Congress?

Mr. MALONE. Certainly I believe it will be legal. Of course, it could be broken by a sovereign nation, but it certainly would not show good faith to do so.

Mr. KEM. Is that in accord with our settled practice in regard to treaties and international obligations?

Mr. MALONE. No; to the limit of the experience of the junior Senator from Nevada, we are about the only nation in the world which has kept its agreements and treaties when it was expedient not to keep them.

Mr. KEM. Does the Senator know of any other republican government which would authorize its executive department to make an agreement of that kind without any further intervention on the part of the elected representatives of the people?

Mr. MALONE. No. It would be a dangerous precedent for this country. Our Government is about the only real republican form of government left in the world. Most other governments which claim to be Socialist, Communist, or Republican, are almost completely ruled by a dictator or president and his advisers, and by an immediate vote in Parliament.

Mr. KEM. I should like to ask the Senator from Nevada another question. I have been told that recently large advances have been made by the Government of the United States through some governmental agency to businessmen in South America for the purpose of liquidating indebtedness owed by the South American businesmen to business interests in the United States. Does the Senator from Nevada know anything about transactions of that character which have been recently consummated?

THE ARGENTINE LOAN

Mr. MALONE. Mr. President, in answer to the distinguished Senator from Missouri, apparently the Senate is informed only by newspaper dispatches. I might refer to a newspaper dispatch dated May 2, appearing in the New York Times. The headlines says that Argentina is to get a credit offer of $125,000,000. Other dispatches confirmed the fact that they had received a $125,000,000 loan. It is made very plain in the matter of the negotiations leading up to the loan that the loan would be used to liquidate certain commercial debts which had been contracted in the United States of America. As a matter of fact, it is said in a Washington Bureau dispatch published in the Journal of Commerce on May 13, 1950:

> A loan of $125,000,000 was made to Argentina today by the Export-Import Bank for the purpose of paying up past due Argentine commercial debts.

It is in line with the point 4 proposal of guaranteeing the payment of obligations. We did not have the point 4 program to guarantee the debt to the American seller. Therefore they could borrow money from the Export-Import Bank and pay the debt and start all over again. Does that answer the question of the distinguished Senator from Missouri?

Mr. KEM. It does. May I ask whether the money involved belongs to the American taxpayers? Is the capital of the Export-Import Bank put up entirely by the people of the United States?

Mr. MALONE. Yes. Mr. President, I believe that the people of the United States and the Congress have forgotten the fact that Congress does not have any money, and the only way it can contract to pay any money to anyone through an appropriation is to first take it from the taxpayers.

THE TIRED TAXPAYER

In the city of Washington we find little sentiment for the taxpayers of the Nation. As a matter of fact, I might say that in my humble opinion Washington, D. C., is about the most dangerous city in the United States to the United States. In other words, there is no community spirit. Ninety-eight percent of the inhabitants are living off the Government in some form. They are working directly for it, as the Senator and I are at the moment, or are selling something to people on the payroll. Then there are 60 or 65 embassies and consulates, and most of the money to support them comes out of the Treasury of the United States. They have a peculiar singleness of purpose to determine how many materials they can sell in this country from their low-wage nations in competition with American workingmen and American investments, and how much they can borrow—spelled g-i-f-t—from our Government, and that money comes directly out of the pockets of the taxpayers of the United States. I might say that in my judgment—and I have been in several States in the last few weeks—the people are getting a little tired of that.

Mr. KEM. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. KEM. There are so many of these give-away programs in operation, can the Senator from Nevada tell us which of the give-away programs this conference report fits into?

THE DIPS INTO THE TREASURY

Mr. MALONE. I should like to go into the matter of siphons out of the United States Treasury, as long as the Senator has mentioned it. I had intended to do so later. There are several.

First, of course, is the direct appropriations for gift loans by the Congress of the United States under the Marshall

Plan, now the ECA. This of course skips the UNRRA, the actions, now history, which we have previously taken. It also skips the $3,750,000,000 given to England directly. It also skips the financing of several other trick organizations, all of which were going to stop all wars and economic dislocations dead in their tracks.

Mr. KEM. For instance, there is Bretton Woods, the brain creature of Harry Dexter White.

Mr. MALONE. Yes; Bretton Woods was going to cure everything. That was one I neglected to mention, apparently.

Second, financing gift loans through the Export-Import Bank. The loan just mentioned is a good example, putting up money to pay debts, and bringing it up to an even keel until we can pass an authorization for point 4, and authorize the money, so that it can be secured, so as to guarantee the sellers of goods in foreign countries in advance, through point 4, instead of their borrowing the money after the debt is incurred.

Third, financing gift loans through the World Bank.

Mr. President, I now quote from my statement on the floor of the Senate on March 1, 1950, as found on page 2597 of the RECORD:

> In passing, I might say that this is going on continuously, in addition to the sums which have been appropriated by the Congress. Once in a while they call on us to appropriate more money, mostly, however, for permission to sell stock to citizens of the United States or to anyone else who will buy. I predict, Mr. President, that within 5 years there will be a bill brought to the Senate floor to make up to the holders of the stock of the World Bank the money invested in that bank through stocks sold and authorized by the Congress of the United States. It has authorized the officials of the bank to give money away in gift loans. No one is naive enough to believe that any considerable percentage of the money will ever be repaid. The citizens of this country have purchased the stock in good faith, as they would purchase the stock of any other bank, thinking the cashier would look over the loans. But we do it for another purpose, and these so-called loans are gifts in most cases. So there will be a bill introduced to reimburse the stockholders, and the Senate of the United States will vote for it. That is my prediction.
>
> Fourth. The division of American markets among foreign nations through the administration's three-part, free-trade program, starting with the 1934 Trade-Agreements Act, as extended. It is now suggested that the ECA Director and the Secretary of State place the resulting unemployed persons on the relief rolls and pay them through a direct subsidy.
>
> Fifth. The International Trade Organization, 58 nations with 58 votes, to which we would virtually transfer the right to fix our import fees and tariffs, and to fix quotas of production, including agriculture, minerals, wood and wood products, fuels, and manufactured and processed products for each of these other nations. That is a fine organization, I would say, with 57 foreign votes against us.

Mr. President, the sixth siphon out of the United States Treasury is point 4. As the debate has shown conclusively, in my opinion, that it is just another dip into the United States Treasury to take the place of the ECA as we go along the gift route.

I read further from my remarks of March 1, 1950:

> Sixth. Point 4, the President's "bold new program," with more billions of dollars in an attempt to guarantee the integrity of the colonial system for the empire-minded nations.

In other words, the debate has shown that this money is supposed to be invested in the backward areas. I showed yesterday on the Senate floor, and I reviewed the statement this afternoon, that in one instance, and it is not the only instance, we furnished money to England to control the Malayan States. Then they, through devaluation of their money, lower the Malayans' wages through a raise in the price of rubber by our bidding against Russia for rubber. Russia has rubber stock-piled and we have our stockpile, so we should be in good shape, so far as rubber is concerned, when the third world war starts. The great dollar gap we created ourselves is being felt, but in the meantime the Malayans are sullen, resentful, and ready to join anyone who will promise them relief from the yoke.

I quote further from my former statement:

> Billions of dollars would be loaned in but not to the colonial nations. In other words, the money would be loaned for the development of nations for the benefit of the empire-minded nations, and not for the benefit of the colonial nations themselves.

Mr. ECTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Montana?

Mr. MALONE. I yield.

Mr. ECTON. I should like to ask the able Senator from Nevada if he understands section 416 in the conference report to be a limitation on the point 4 program. For instance, under subdivision (b) the report reads:

> Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether for funds, commodities, or services, to any country or countries, or to any international organization.

Mr. MALONE. Mr. President, I do not consider it a limitation, either on the time that such a commitment could be made by the President, or by whom it could be made. All it says is that this is not a specific commitment. In other words, the President may turn down any application for technical aid which he did not think suitable or did not care to grant. In other words, there is no specific guarantee, if we pass this particular bill, that a company in Montana could go ahead and make a commitment in England, fall into the nationalization program, and come back for redress to the President of the United States. The President of the United States could say, "There was no commitment."

Mr. ECTON. There would be no commitment, but it opens an avenue for any and all possible undertakings which this new set-up might wish to inaugurate. Is not that true?

Mr. MALONE. It is just as wide open as a barn door. Whatever they want to guarantee they can guarantee within the limits of the appropriation at the moment, whatever it is, in any area, and at any time.

Mr. ECTON. Does the able Senator from Nevada feel that under the terms and definitions of the bill any limitation is placed upon what can be attempted? Does it contain any limitation in any field into which we might undertake to go?

Mr. MALONE. I would say to the distinguished Senator from Montana that in the humble opinion of the junior Senator from Nevada there is no limitation except the limit to the amount of money currently being made available by the Congress of the United States for expenditure under point 4. In other words, the foot is already in the door. The principle has been established. Businessmen have been given the implied promise that they can go ahead, and that their investment will be guaranteed. No attempt has been made by spokesmen of the State Department to deny specifically or to cover up the fact that this point 4 program is to take the place of ECA after 1952.

Mr. ECTON. It is further stated in section 416:

> The President may allocate to any United States Government agency any part of any appropriation available for carrying out the purposes of this title.

In other words, is it not true that the President could designate to receive any part of the appropriation available, one or all the Federal agencies in the economic and technical cooperation program provided for under the bill?

THE ENTERING WEDGE

Mr. MALONE. I think the President is given very wide latitude in setting up the organization and in committing the United States of America to engage in carrying out work in any area at any time from now on, for which money has been appropriated by the Congress of the United States. As I previously said, immediately after we pass this legislation, if we do so, propaganda will begin for the purpose of softening up the taxpayers. Little squibs will appear, such as that which has been circulated in the last 15 years which attempted to sell us on the theory that if private industry does not furnish full employment, that the Government must, or selling us on the theory that the economic structure has not kept pace with the increase in population, though no mention is made of the fact that through the 1934 Trade Agreements Act virtually free trade has been established, and that venture capital has been discouraged. No mention is made of the fact that the tax structure is such as to discourage the investment of venture capital. No mention is made of the fact that the Securities and Exchange Commission discourages investment of venture capital. So we stop encouragement of venture capital on the floor. Then comes the President and he asks for the passage of measures which will enable him to make up the difference between the capacity of the economic structure to employ and those who are unemployed.

Thus we have a step-by-step program. The proposal now before us is just one step in the program. It began with lend-

lease; then came UNRRA, then came the British loan, then came the Marshall plan, then the ECA, then point 4, and all the rest. Then various banks have been set up for various purposes.

When a proposal for setting up an organization comes before us, we are told that if we pass the measure everything will be all right. Then the millenium will arrive. Then everything will be salvaged. But I say to the distinguished Senator that immediately we approve the conference report, subtle propaganda will begin, and by the time the $40,000,000, or whatever the amount is, has been used up, the taxpayer will be softened up by the suggestion, "We do not want war. If the proposal is adopted, it will prevent war." So telegrams will come to Congress and propaganda will pour into the Senate and the House, and the Congress will pass measures providing for the millions needed to guarantee the great investments for world development.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I am glad to yield.

Mr. ECTON. Is the Senator familiar with the definition of a United States Government agency, as found in subsection (b) of section 418 as meaning "any department, agency, board, wholly or partly owned corporation or instrumentality, commission, or independent establishment of the United States Government"? How all-inclusive is that definition of Government agencies under paragraph (b) of section 418—"or independent establishment of the United States Government"?

Mr. MALONE. I might say in answer to the distinguished Senator from Montana that if he would read paragraph (c), it would complete the picture. Does the Senator mind reading that paragraph?

Mr. ECTON. Yes, I shall be happy to do so. I read subsection (c) of section 418:

> The term "international organization" means any intergovernmental organization of which the United States is a member.

Does not the Senator believe that to be an extremely exaggerated definition of what could be done or might be done by all arms of the Government? Does not the Senator believe that these provisions when taken together will result in a further centralization of power in the executive department?

Mr. MALONE. Mr. President, I wanted the distinguished Senator to read that last paragraph because it would seem to the junior Senator from Nevada to be all-inclusive. In other words, it would include the North Atlantic Pact, of which we are a member, it would include the United Nations, of which we are also a member. In other words, through point 4, we could finance any activity the United Nations might undertake.

THE UN AND STATE LAW

I may mention further to the distinguished Senator another matter. It will be remembered that just recently a court decision in California changed the entire complexion of the citizenship act of California. In that State there were certain restrictions on certain Orientals respecting ownership of land. The court ruled that on account of this country's membership in the United Nations, in the Charter of which no such restrictions were set down—I am not quoting the language of the decision, but the thought and trend of the decision was that it was impossible to retain such a restriction in California. The court decision nullified all those restrictions, and declared a State law unconstitutional.

In nearly all the measures with which I have been familiar since coming to the Senate in January 1946—and I have held two or three or more such measures in my own committee of my own volition for several months—there have been "sleepers." In addition to doing the things that are uppermost in the minds of Members of Congress when they pass the law or consider it, there is always some place in the measure a sleeper which authorizes and gives power to do something Congress did not have in mind.

By passing this measure we may pass on a sleeper or more than one sleeper in the whole measure that would give to the Executive, through point 4, the right to finance without limit, except for the amount of money, as I previously have said, currently made available, which could be billions of dollars. I believe the wraps will be off if we agree to the two paragraphs the distinguished Senator has just read.

Mr. ECTON. Does not the Senator believe that there have always been and can be found in the 16 Marshall-plan countries just about as good technological brains as there are anywhere else in the world?

Mr. MALONE. Some of the finest engineers in the world are in France. Some of the finest engineers in the world are in Germany. Some of the finest engineers and technicians in the world are to be found in each of the Marshall-plan countries. There is no dearth of engineering or technical talent.

Mr. ECTON. Who is asking that we supply this technological assistance? Have the governments of the various countries of Europe made any request of us, to the knowledge of the distinguished Senator from Nevada?

STATE DEPARTMENT EXPANSION

Mr. MALONE. None has been mentioned in the testimony. It is our own idea mostly. But let me point out to the distinguished Senator from Montana that perhaps he is not entirely familiar with the procedure in some of these foreign countries. It may be that the distinguished Senator from Montana does not know that in each of our embassies or nearly all of them—practically all that I visited in my trip through Asia and the European countries—there is a representative of the Department of Commerce and a representative of the Department of Agriculture; and now pressure is being applied to also have in each of our embassies a representative of the National Defense Establishment.

In other words, the State Department is, or is attempting to be, a completely rounded out entity in the various foreign countries in which we have embassies. Under such circumstances, the State Department will decide what is to be done in those countries under our aid programs. The State Department chooses the representatives from the Department of Commerce, and will choose the representatives from the National Defense Establishment if such representatives are sent to our embassies—and the pressure is hot and heavy to have that done; and the State Department chooses the representatives from the other agencies of our Government who are assigned to our various embassies abroad. So the money is needed by the State Department to enable it to enlarge its programs in those countries—for instance, to show the people of those countries how to farm. The State Department believes that in order to show the people of such countries how to farm, it should send them tractors—for instance, tractors to Turkey and to Siam. As a matter of fact, according to my observation—and in 30 years of engineering I have had some experience with technological development—what the people of Siam need, as I observed them when I was in that country are scythes.

In Siam I saw farmers standing knee deep in water, using a hook to cut grain, holding the grain with one hand and cutting it with the hook held in their other hand. What they needed was a scythe, not a tractor, so that in 1 day one farmer could cut enough grain for four or five families, instead of just enough grain for two families. However, the State Department, with its grandiose ideas, wishes to send American tractors to countries which do not have the fuel required to run them. Nevertheless, the State Department believes it can get from Congress money with which to buy tractors from American manufacturers and send the tractors abroad under their program. Of course, there is a slight suspicion, which was voiced in conversations in the corridors and in the committees, that the real purpose of the program is somewhat different from the purpose generally stated. In other words, we were told that either we would pass the bill authorizing the appropriation of $3,300,000,000, with which such purchases of American equipment would be made, or there would be an almost immediate depression, as a result of unemployment in this country. So, Mr. President, for the first time those who advocate this program state plainly what they meant in the first place.

Mr. ECTON. Mr. President, there is another question which I should like to ask the able Senator from Nevada. I know he has been in the countries of Europe on several trips, both before and since he became a Member of the Senate. Is it not true that when outside money goes into any of those countries, such money, because of their monetary systems, is frozen? In other words, if United States money goes into one of those foreign countries as an investment, if the firm investing the money ever gets its money out of that country again, it will do so only with the consent of the government concerned. Is that true?

Mr. MALONE. Mr. President, it is difficult to make a blanket statement, because the economies of the countries change so rapidly, due to the changes in

their governments. However, in general, in the case of the principal nations, such as Britain, that is absolutely true.

Mr. ECTON. That is the point to which I was coming, namely, that the governments of those countries may change overnight.

Mr. MALONE. That is true.

Mr. ECTON. Today they might be wholly cooperative, but tomorrow they might not be.

Mr. MALONE. Yes.

FROZEN INVESTMENTS

Let us consider Britain, for example, because Britain has perhaps the most stable government of any of the European nations. The British policy of nationalization and socialization of industry and capital is such, and the British freezing of capital is such, that if an American invests, let us say, a number of thousands of dollars in a plant in Britain, that American citizen is unable to get his money out of Britain if he changes his mind and sells the plant; or if he makes money on his investment, there is only a very limited amount of money which he can take out of Britain. He will even be drastically limited in regard to the amount of interest on the money which he can take out of Britain.

Therefore, Americans who form companies and sell stock to stockholders cannot gamble the money of the stockholders by investing it in such countries.

In that connection, I should like to refer to the amendment which I offered to the ECA bill, when it was before us. My amendment would have imposed, as a condition applying to the granting of further ECA money to foreign countries, that they guarantee the integrity of the investments of our nationals in their countries, just as we guarantee the integrity of the investment of their nationals in our country. That would be a prerequisite to the granting of further ECA aid by us.

Of course, if we believe what we say to the taxpayers of the United States, we should provide that the ECA money would be loaned to individual, private industries, through the World Bank, under rules and regulations similar to those used by the RFC in loaning money to GI's in Nevada or New Jersey. In other words, instead of loaning or giving the money to foreign governments, we should loan the money to citizens of those foreign countries on terms no less stringent than those applying to loans of money made to citizens of the United States of America.

However, as the situation now stands, we are loaning money to Fascist or Communist governments—and of course there is no difference between such governments, so far as their foundations are concerned—and we are permitting them to do what they please with that money in the way of financing the erratic maneuverings of their governments, while we say that we are loaning or giving them the money in order to rehabilitate their industries. However, what we do defeats our objective.

Mr. ECTON. Then, does the Senator agree with me that practically the only way by which United States investments in a foreign country could be guaranteed would be for the United States Treasury to underwrite all the losses sustained?

Mr. MALONE. Of course I say to the distinguished Senator that is exactly the idea of point 4. In other words, under point 4, as proposed, we would not have the government to which the money is loaned safeguard American investments in that country. Oh, no; it would be too terrific a burden upon that country to have the one receiving the benefit of the money guaranty the integrity of the investment. On the contrary, we not only furnish the money for the investment, we not only provide that money out of our capital, private or otherwise, but then we guarantee the integrity of the investment.

Mr. ECTON. If that be the correct interpretation of point 4—and up to this time I have seen no other logical interpretation of it—I simply do not believe that the United States taxpayers are going to put their O. K. on it 100 percent.

What does the Senator from Nevada think about it?

Mr. MALONE. I would say that if the United States taxpayers had any inkling of the fantastic things we in the Senate are voting for and the real meaning of them, they would move upon Washington, and I think we would be going into hiding, to get away from the taxpayers, because when they send us here, they must think that we would not become entirely unbalanced. When the proposition put before the Congress is so fantastic and so stupid, so erratic that it is impossible to think that a body which is called the greatest deliberative body in the world would have entertained such an idea, then in my opinion the taxpayers of the United States at least have not come to the point of believing that we would do such a thing. They think we must have some way of finally getting their money back—even though we pick up the check of $7,000,000,000 a year and sell the taxpayers more bonds, so that we may collect $45,000,000,000 more from them, and then sell them $7,000,000,000 more bonds to pick up the check for the unreasonable, stupid programs for which we vote on the floor of the Senate.

Mr. McCARTHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Nevada yield to the Senator from Wisconsin?

Mr. MALONE. I am happy to yield to the Senator from Wisconsin.

Mr. McCARTHY. I wonder whether the Senator would object to my asking him a question on a subject which is not at all apropos of the matter he is now discussing. I may say the reason for my doing so is that I am leaving the city, and I think there is a matter which should receive the attention of the Senate, and which should not pass without some comment. So, if the Senator does not mind, I should like to ask him a question that is not at all concerned with the subject he is discussing. Is that agreeable?

Mr. MALONE. I shall be very happy to have the distinguished Senator ask any question. I am always happy to be associated with him.

Mr. McCARTHY. The Senator, I assume, is aware of the fact that at the present time the grand jury in New York is taking evidence in the case of one William Remington, one of the top Federal employees, a man who has been in the Government service for a long period of time, and that apparently the only issue is whether this man is a member of the Communist Party. If the grand jury decides that he is, then it is bound to return an indictment for perjury; if the grand jury decides "no," the case will be dismissed.

I wish to refer to a statement attributed to the Attorney General, last night. I may say the only report I can find is in the "Washington Daily Worker," commonly known as the Washington Post. [Laughter.] So it is entirely possible that the Attorney General has been misquoted. I sincerely hope he was, and if so, I hope he will repudiate this statement. The Attorney General makes the statement which I quote from "Washington's Daily Worker," the Washington Post. Referring to Communists, he says:

> We know of none in the employ of the Government today.

If this is a correct quotation, it means that the Attorney General is publicly notifying the grand jurors in New York that they need go no further, that this man is not a Communist, and, if this is what the Attorney General believes, it is in effect a notification to the grand jury that if they indict, there will be no prosecution.

As I say, I did not want to interrupt the Senator's speech, but I am leaving the city, and I wanted to comment on this before leaving. I should certainly welcome any comment the Senator might care to make on it.

COMMUNISM AND SECURITY

Mr. MALONE. Mr. President, adverting to the subject which of course we know is uppermost in the mind of the distinguished Senator from Wisconsin, it is the humble opinion of the junior Senator from the State of Nevada that we are making a great error sometimes in making every accusation dependent on whether a man is a Communist. If anyone wanted to be really dangerous to the country, he would not become a card-carrying Communist, in the opinion of the junior Senator from Nevada; he would be too smart for that. The dangers to this country come from several sources. There are people who are dangerous security risks who are not Communists, who would not join a subversive organization, but who may have become thoroughly convinced in their own minds that our theory of government is wrong, and that it should be changed. In my opinion, people of that kind are bad security risks, and, while entitled to their opinion, we are not warranted in putting them on the Government payroll, at high salaries, to fix the policy of this country. A man could peddle a vast amount of information to a foreign country without carrying a card. Perhaps a grand jury is technically tied up to this investigation so they can only do it one way, but if the Attorney General is earnest in wanting to safeguard

the country, then the people who are dangerous security risks should be investigated along with the card-carrying Communists or any other kind of subversive employee. I trust that answers the distinguished Senator from Wisconsin.

The junior Senator from Nevada offered a resolution not so long ago regarding a certain individual in the Department of Commerce. This is not the time to comment on what was said then, and in the evidence, because it is before a committee, before which the junior Senator from Nevada has appeared. It is my belief that the resolution will be reported to the Senate floor, and, I hope, will be agreed to and an investigation made. I did not say that this man was a Communist. I said he was a dangerous security risk; and he is, in the humble opinion of the junior Senator from Nevada. So that is another matter. I have gone about it quietly and with practically no publicity, because I do not want to interfere, for one thing, with the general investigation which has already been started. But I think this man is dangerous. I think when they get to him they will find a hill of dangerous risks, just as a man when digging potatoes keeps on digging until he finds 5 or 6 more. I think this thing can finally be straightened out, but it cannot be done if those in the Government service allow their minds to become set against a proper investigation. That is the reason I said earlier in the day, in answer to the Senator, that when he made his case before 95 other Senators and they all voted in favor of his resolution, they instructed a certain committee to do the job. They did not instruct the junior Senator from Wisconsin to make the investigation. It is a fine thing that he shows a spirit of cooperation with the committee; but he was under no obligation to go ahead and make the investigation. The $50,000 went to the committee.

Now, Mr. President, to continue, Secretary of State Acheson perhaps has some reason for the worried look on his face and perhaps there is some reason for the worried look on the faces of some of the believers in the State Department who get their foot in the door on this bold, new point 4 program. Secretary Acheson, on his recent trip to Europe, according to press dispatches and particularly dispatches in the Wall Street Journal of May 19, said:

The United States has no intention—

He assured the Europeans and others beforehand—

of dropping American finance support after 1952.

Mr. President, that could only mean one thing: He was going to find some way to carry on this assistance program. Only one way that has been suggested, and that is the point 4 program, which was suggested by the President in his message to the Congress last year.

THE CHANGING PATTERN OF ECA

The reason given for the Marshall plan of 1947, when it was first mentioned, and in March 1948, when it first passed the Senate, was that American money was needed for the rehabilitation of the European economy, which had been destroyed by the war—in other words, the rehabilitation of European industry—that the European nations were not producing, and that the only way to make Europe solvent was to give the European nations the necessary aid so that they could produce goods again for the people of their own world.

Certainly there was no intention, and none was expressed in the debates of March 1948 on this floor, that they were going to produce for us, because we already produce in this country more goods of almost every kind than we can use. We at least have the plants in which to produce them.

In 1949, just 1 year after the passage of the first Marshall plan bill, it was suddenly discovered that Europe was producing too much and had a surplus, so that our State Department and the ECA Director suddenly realized that their big problem was that of marketing.

So we suddenly changed the reason for spending the American taxpayers' money in Europe from one of production to rehabilitating industrial plants. It was suddenly discovered that they were away beyond the rehabilitation needed to bring them up to the production of 1937 and 1938. The Administrator and the Secretary of State suddenly discovered that production was not the problem, as we all know it is not the problem in any industry. Whenever there is a need for a product which can be manufactured efficiently, the machinery and the credit are always available. When technicians and engineers, familiar with the business, after a study of the raw materials the shipping facilities, and so forth, pronounce it to be a feasible industry, the money is available from private banks to finance the industry.

But what is the problem in the United States as well as in England? It is a problem in Detroit, in Reno, Nev., in Paris, and everywhere in the world. It is the problem of marketing and of competition.

So they suddenly find they need a market, and in 1949 it was necessary to continue the expenditure on account of the dollar shortage until the administration could divide our markets with European nations and other nations of the world, so that theoretically there would no longer be any trade balance deficit. We brought about this dollar gap, which is the expenditure of money by any nation beyond its production and earning capacity. Where did they get the money? They got it from the Marshall plan in 1948 and created a dollar gap which the nations would be unable to create for themselves, unless it were done as it was in Argentina, where they spent $125,000,000 in the United States and then got the money from the Import-Export Bank to pay the debt. That was sort of a delayed action. Someone had enough influence to go to the bank and get the money to pay this bad debt.

Where is Europe going to get the markets? The ECA Director and Mr. Acheson suddenly recognized that we had plenty of markets in the United States of America, so we must continue to develop our markets on this free-trade basis. What shall we do with our unemployed workers? Someone asked that question. They were also asked what we were to do about the investments ruined on account of imports. They thought only a minute, and came right back with the answer. What was the answer? Why they would have tutors to teach the unemployed workers new jobs.

Mr. President, consider for a moment an instrument maker or a glassworker. The junior Senator from Nevada used to work in a glass factory. It takes anywhere from a couple of years to 4 or 5 years to become expert in the blowing and cutting of glass and the molding of it. These workers are perhaps 40, 45, or 50 years old, and they have been in the business since they were boys. They do not know any other trade. But we will throw them out of work by the importation of glass.

In talking with representatives of the glass industry, representing a dozen factories in Ohio and other eastern areas, along with their labor representative, I was told that they are getting out of work. I informed them that the debate on the Senate floor showed that they did not necessarily need to become unemployed simply because the tariff was being reduced and glass was coming in from Belgium and other nations where labor receives 20 percent less than the wages received by American workers. I told them that all that was necessary was for the investors and the workers to get together and agree to write the investment down and lower wages to a point at which they could produce glass at the same price at which it is produced abroad.

They did not show any great enthusiasm for that. They thought we should take away from the State Department the constitutional authority of the Congress which has been transferred to the Executive, and establish a commission, such as a Foreign Trade Authority, that might spend its time determining what the differential of cost amounted to, due to the difference in wage and living standards. They are a long distance from Washington, and they do not understand all the intricate thinking we go through here, but they thought it would be a very simple arrangement to look forward to a system which would protect the standard of living in this country while we are helping other nations. It seems that is an unpopular view at the moment, but, in the humble opinion of the junior Senator from Nevada, it is going to become more popular.

Mr. President, I say that the first reason given for the Marshall plan in March of 1948 is erroneous, namely, that we must develop and rehabilitate industries, or else the reason given in 1949 is erroneous, that they are overproducing and must find markets. One can take either side of that argument, but it is hard to be on both sides. I have not noticed anyone trying to be on both sides at once, but they change horses so rapidly that it is often difficult to determine just which horse they are riding at the moment.

THE THREAT OF DEPRESSION—THE BATTLE CRY

Mr. President, suddenly in 1950, while the ECA extension was pending in the Senate, word was whispered around the corridors, and quietly, to congressional leaders, that if we did not appropriate $3,300,000,000 to give to European nations to buy our goods, there would be a bad depression in this country.

Mr. President, sometimes things click. Sometimes they fall in sequence in one's mind after a while. In October or November 1947, when the junior Senator from Nevada was in Germany, in the Ruhr, examining coal mines and steel mills, because he was very young as a Member of the Senate and still believed that we should rehabilitate industry in Europe, he came out of a coal mine, having crawled an eighth of a mile on his stomach to get up to a new face to see a new coal-cutter working. I thought they should put in more coal cutters, as we do in metal mines, but I was informed by the shifter, who was lying there in 2 inches of water, that he would like to put in more, but it happened that the only factory in Germany which made them was on the reparation list, so it was impossible.

We wanted to produce more coal in the Rhur, so we put the English in charge of the coal mines there when they were unable to mine enough coal in their own country to keep themselves warm.

We went to dinner, and Mr. Collins, who was in direct charge of the mine, had considerable discussion with me. It happens to be my business to know something about rehabilitating industry. We were on common ground. He understood it, and so did I. Right in the middle of the argument he stopped stock still and started to grin. He said, "You know you are going to give us this money to hold up your own economy."

Mr. President, it took us 3 years to make the circle and come around to what Collins knew already.

I wanted to point that out in passing, because to me it was very interesting.

Mr. President, I have already inserted in the RECORD a table which shows from 1946 the rate of recovery from the close of World War II almost to the present time. It shows that those nations had a rate of recovery of approximately 10 percent through 1946, 1947, and 1948, and that rate of recovery did not materially change. It continued. We poured the money in, but that made very little difference. In the spring of 1950 we found that while in 1948, when the Marshall plan was adopted, they were within 5 percent of having a hundred percent recovery, some of them were a little over 100 percent. Now they average about 125 percent recovered. It is about 125 percent in terms of industrial recovery. The table is there for all to see. It is a very interesting table. I had hoped that someone would question the table if they still thought we had to rehabilitate industry.

BARTER WITH RUSSIA IS NOT CONTAINMENT

Mr. President, the Members of the Senate are familiar with the bizarre barter deal under which United States cotton was sent to Red China. Many other things fit into this crazy pattern. Despite the declared policy of the United States against assisting any Red-dominated countries, the trade was made in Manchuria between cotton and soybeans. Under this deal 40,000 bales of American cotton went to the Soviets in Manchuria, in exchange for 60,000 tons of soybeans, which were delivered to Japan. Cotton is a potential war material, while soybeans are, for the most part, soybeans. This deal was made in the face of the fact that the Department of Commerce, with the State Department backing it, had imposed a ban on March 9 against shipping cotton to the Soviets. Cotton is an important strategic war material.

It is ironically suitable to the occasion that this deal should be handled by the World Commerce Corp., of 25 Broad Street, New York City. That corporation was set up in 1945 for the avowed purpose of bolstering non-Soviet nations, and had on its list of backers such men as Major General Donovan, who certainly would not consent to have it perverted in this connection if he knew it, Ed Stettinius, who has since died, and Joe Grew, a man with whom we are all acquainted. The particular deal was approved by the State Department under Public Law 85. This was in the face of the Commerce Department's turning the deal down. They prohibited shipments of cotton as a strategic material into this area. The State Department reversed itself after it had been criticized. That means that information had leaked out that the deal had been made. So the State Department reversed itself after it was too late to stop the deal and it had already been consummated, and the cotton was on the way to Manchuria. Mr. President, this is another example of our containing Russia. The great ECA appropriations under Marshall plan are supposed to contain Russia. That is an example of how we contain Russia. We contain it by giving it everything it needs to fight world war III with us and to consolidate its gains.

Mr. President, there is much reliable information which states Russia and her Communist satellites have been receiving strategic American materials and other vital goods in quantity through shipments made largely via Hong Kong, and payments reportedly made through its dollar balances in New York banks. According to an article in the financial section of the New York World-Telegram, more than 150,000 bales of cotton alone have gone to China via Hong Kong in the last year.

Mr. President, I submit for the RECORD a dispatch appearing in the Washington Times-Herald of May 23, 1950, which describes the cotton deal with Red China. The headline says:

Cotton Deal With Red China Called "Foul-Smelling Mess."

It is a dispatch by the United Press, and the opening paragraph reads:

Representative CRAWFORD, Republican, of Michigan, yesterday attacked as a "foul-smelling mess" the Commodity Credit Corporation's deal to swap with Chinese Communists American cotton for Manchurian soybeans.

Representative CRAWFORD attacked the deal as being against the best interests of the United States. It is against the top policy which was outlined on the Senate floor in debates from the beginning of 1948 that nothing would be done with the money we were appropriating except to contain Russia.

I submit for the RECORD this dispatch by the United Press.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

COTTON DEAL WITH RED CHINA CALLED "FOUL-SMELLING MESS"

Representative CRAWFORD, Republican, of Michigan, yesterday attacked as a "foul-smelling mess" the Commodity Credit Corporation's deal to swap with Chinese Communists American cotton for Manchurian soybeans.

The Agriculture Department announced on May 11 the CCC's plan to make the trade. CRAWFORD said $7,603,000 worth of American cotton would be swapped for $4,000 worth of soybeans.

The Agriculture Department said the deal would be made through the World Commerce Corp., a New York export-import firm. CRAWFORD said available figures indicate the firm will make more than $2,700,000 on the swap. The soybeans are to be used by the United States Armed Forces in Japan.

CRAWFORD asserted that he intends to make formal recommendations to Congress for an investigation and corrective action.

CRAWFORD cited Agriculture Department figures to show that the United States had 119,663,000 bushels of soybeans on hand when the deal was announced on May 11 and that the Commodity Credit Corporation had more than 1,000,000 bushels in its own stocks. The CCC stocks, he said, would have been enough to fill more than half the Armed Force's needs.

CRAWFORD said the World Commerce Corp. is headed by Frank T. Ryan, New York cotton dealer and broker, and that its directors include Maj. Gen. William J. Donovan, wartime head of the Office of Strategic Services, and Joseph G. Grew, former United States Ambassador to Japan.

Mr. MALONE. Mr. President, this is a system of double dealing.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I am very happy to yield to the Senator from Montana.

Mr. ECTON. That kind of a deal was made with Russia at a time when we are engaged in a cold war with her. How many bales of cotton did the Senator say?

Mr. MALONE. One hundred fifty thousand bales of cotton have been sent over there altogether, but this deal involved 40,000 bales.

Mr. ECTON. Is not that about comparable to sending scrap iron to Japan before we got into World War II?

Mr. MALONE. I am glad the distinguished Senator from Montana has brought that up. It seems that the taxpayers of the country have a very short memory, or perhaps they are just busy, as they always have been when I was out among them, and are so tired at night that they can hardly expend the energy and time to read about what we are doing. The junior Senator from Nevada, while making an industrial report on 11 western States prior to World War II, had a branch office at 111 Commerce Street in San Francisco. From his of-

fice he could see through the Golden Gate and could see ships loaded with scrap iron and petroleum going to Japan. Every servicemen's organization in America hollered to high heaven about it. No one paid any attention. We were sending raw materials to Japan and getting Japan ready for World War II with the United States of America. All of us knew it, or at least those of us who had been in the First World War knew it. This time we have considerably improved on the method. Instead of sending raw petroleum and raw scrap iron, we are sending materials to the most highly devoloped processors in the world. We are sending them machinery and money. It is being sent to the 16 Marshall plan countries so that they can process and manufacture the goods which Russia needs to fight world war III with us, and to consolidate its position in Europe and China. We save Russia the trouble of going through the process of manufacturing. Neither do they need to pay us for it. We give the money and the material to the 16 Marshall plan countries and they give Russia the processed materials. We are improving all the time. Perhaps by world war IV we will be delivering it to them ourselves.

Mr. ECTON. I wonder whether the able Senator from Nevada can enlighten me. Is it not possible for the Russians to use this cotton to manufacture gunpowder and explosives, in addition to using it for clothing?

Mr. MALONE. No doubt that is true. No doubt they are using a certain amount of it for the manufacture of war materials. Of course we are furnishing them all the material needed for consolidating their gains in Communist China. The distinguished Senator from Montana will remember when we discovered the agrarian Communists in North China and started to protect the agrarian Communists from the Nationalist Chinese. Now it seems that a great change has come over the agrarian Communists. Now that they are in control of China no one is able at a considerable distance to tell the difference between them and regular Communists.

So now England has recognized Communist China. Prime Minister Nehru, of India, has recognized Communist China, and there is trade as usual through China to Russia, trade as usual through the satellite nations with eastern Europe and with Russia. So it seems, with our great containment program, that about all that is necessary now is for the taxpayers to wake up and try to understand that that is a regular, legitimate thing, arming Russia.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from Montana.

Mr. ECTON. Awhile ago the Senator from Nevada mentioned the fact that all this was designed to bolster up our economy. If that is true—and I know that many people in this country feel that to be true—are we not postponing the fatal day when we will find ourselves in much worse circumstances by continuing and constantly expanding the program, than if we cut it down gradually with a view of terminating it as originally planned in 1952?

Mr. MALONE. No one except our naive new Senators had any idea of cutting it down in 1952. Those in charge are only beginning to let us in on the truth of the program. The reason why the junior Senator from Nevada suspected it before was that he was informed of what was going on by Mr. Collins, in his residence, which is quite a residence, too; one can hardly throw a baseball from one end of it to the other. Collins was the first one who broke the news to the junior Senator from Nevada. But he was not the only one. I got similar information in nearly every nation I visited. I was alone on my trip; I traveled as an engineer, not as a Senator, and I may say I paid my own expenses. I have heard that referred to by different people at different times. But I did not want to owe anybody anything. I picked up that information in many places, and apparently everyone knew it in the foreign countries. But the Senate of the United States did not know it, or if there was anyone here who had the story, it was held very close-mouthed. I repeated it on the Senate floor in 1948.

We are very open-hearted. Anything we have we will give away. So we were told we must rehabilitate industries, that we must feed hungry people, that we must stop communism. I believe the Senator from Montana will remember that. Is not that about correct?

Mr. ECTON. That is correct.

Mr. MALONE. Does the junior Senator from Montana remember that the junior Senator from Nevada suggested that it was impossible to talk about feeding hungry people, rehabilitating industry, and stopping communism, all in one breath? All we did was to get ourselves all balled up, and become an easy prey to the greatest propaganda machine ever developed, developed by the State Department in Washington, D. C.

Therefore, to make any sense out of the facts, let us separate the activities. The junior Senator from Nevada said, when he addressed the Senate on a previous occasion, let us feed emergency hungry people wherever we find them, to the extent of our ability, without injuring our economy, and let us not embarrass anybody by asking for the money back. But we should not try to feed all the hungry people in the world, because many of them have been hungry 5,000 years, using up the food supply and dying off. Out of the 2,750,000,000 people, perhaps two-thirds of them are never well fed. So let us not try to feed all, but only those whom the State Department, together with the Defense Secretary, may decide to be in an emergency condition, and we should name the nations whose security is important to the safety of this country. Then we should lend money in such an area through the World Bank, again to the extent our economy would stand it, without danger, on the basis on which the RFC lends money to industry in distress.

RESURRECT THE MONROE DOCTRINE

Then, to stop communism, they established the Monroe Doctrine to cover the nations whose integrity is important to us.

What is the Monroe Doctrine? Roughly, it is merely to say, as Monroe did in 1823, that in any particular area important to us, no nation, and we should name the nations, shall seek to extend its jurisdiction, that any attempt to extend their system of government in such an area will be considered an overt act by the United States and we should turn and walk away from them and come home and get ready to build a national-defense organization spearheaded by an Air Corps that will be silent evidence that we can enforce our statements. The only chance we will ever have of keeping the peace will be by keeping strong ourselves.

We agree that is what is going to be done. But we turned the situation entirely around last year, stating that we could divide our markets with the people of the world, because they could purchase more than they used themselves, and we must close the dollar gap by making appropriations under the ECA and sending money to them.

How are we going to cure the dollar question—by dividing our own markets so as to close the dollar gap we created by the money assessed from the taxpayers from the very market we are now going to divide? That is a round robin.

Now we hear that three and a third billion dollars must be appropriated, or we will have to meet a depression. We finally got back to Mr. Collins after 4 years. He will be happy. I think I will write him a letter and let him know that he was right in the first place.

This system of double dealing based on the old sage admonishment of "Let not thy right hand know what the left hand doeth," apparently goes forward all the time, turning our declared national policy against the Soviets into a sardonic joke.

Exactly the same kind of deals are being made in Europe.

Britain has a billion dollar barter deal with Poland alone, and that deal has been made in the last several months.

In Germany, we are financing the Steel Trusts who are in turn shipping increasing quantities of steel products to the east, from where they are siphoned into the Russian-Soviet economy itself. The Russians don't do anything quite as foolish as this. They are milking their part of Germany dry.

What the Russians are doing, Mr. President, is milking their part of Germany dry. While we are putting money into Germany, the Russians are taking out billions of dollars in the way of reparations, in just the same manner as the French, the British, and other nations in Europe demanded reparations from Germany, while we ourselves are supporting Germany.

The Russians are dangling in front of Western Germany the prospect of a vast market for German-manufactured articles. Where would this market be? We ourselves cannot supply the market for Germany, because we produce the same articles Germany produces. So we

cannot continue to make our markets available to all the countries of Europe.

Mr. President, by the 1934 Trade Agreements Act we transferred the responsibility to the executive, which in this case means the State Department. They are not only willing to, but are anxious to divide the markets of the United States with Britain and with all the Marshall-plan nations to do away with the so-called dollar gap. If we do that with Germany also, then all of Europe, including Germany, could produce everything we could consume.

Mr. President, I wish to ask a question at this point. After many of our people become unemployed, as the glass workers are now becoming unemployed, as the leather workers are becoming unemployed, as the glove workers are becoming unemployed, as the miners are becoming unemployed, as the crockery workers are becoming unemployed, as the workers on precision instruments, and the workers in other industries are becoming unemployed, what are they going to use for money to buy the materials produced in Europe? Our earning power will be gone. Our markets represent our earning power. So what we are doing, through our taxing power, is in effect to support and finance German production, with the Russians likely to be the final beneficiaries.

WE CANNOT ADEQUATELY ARM EUROPE

Mr. President, no part of all this makes sense. It does not make any more sense than our attempt to organize and maintain the military defense in Europe.

At this point I want to quote, as I did last year when the North Atlantic Pact was under consideration by this body, what Gen. Pierre Bilottee said. He was head of the French delegation to the UN Military Staff Committee. I want to quote exactly what he said about the matter of arming Europe. I quote from an article written by William B. Ziff, published in the American Mercury magazine of April 1949, as it appears on page 497:

> Gen. Pierre Bilotte * * * has stated that for real resistance Europe would require 100 mobile divisions equipped with modern armor and weapons, together with an air force at least equal to Russian power. The means of allied transport would have to be doubled to coordinate their forces, and a powerful war industry would have to be erected to guarantee maintenance and operation. "Reduced to finance terms," he states, "no less than a $100,000,000,000 investment spread over several decades is indicated." If Europe is also to produce atomic and other mass-destruction weapons, this would necessitate additional tens of billions of dollars.

Mr. President, we are just about as sensible when we come to arming Europe for defense against Russia as we are in our economic affairs in containing Russia. I would say we are approaching it in just about the same way and about the same sense is being used in the whole set-up.

Mr. President, there is a very grave question as to just what the European nations would do in the event of a third world war. The ruling party in both France and England have indicated in their regular official meetings, as press dispatches have said, that they are going to be neutral in any conflict. I want to note again, Mr. President, that on March 4 and 5, 1948, I stood on the Senate floor quoting Mr. Wilson and Mr. Bevin of England. Mr. Wilson, who is head of the board of trade, said that they wanted to be neutral; that they wanted to trade with Russia. They said they wanted to be the bridgehead—the exact word used—they wanted to be the bridgehead between Soviet Russia and capitalist America.

Mr. President, we apparently do not believe what we hear because we said we are going to continue to finance them so we could contain Russia.

EUROPE ARMING RUSSIA

At that moment I submitted a trade treaty for the RECORD, which will be found in the CONGRESSIONAL RECORD of the dates I mentioned, which had been entered into between England and Russia. The first item in that treaty was 1,100 locomotives, and the list continued along that line with various kinds of material which could be used to consolidate eastern Europe and China to fight in world war III. Some Senator said in the debate on the Senate floor at that time that, of course, the ECA Director would stop that. Well, the junior Senator from Nevada questioned whether he would or not, but we were assured the ECA Director would stop it. Now, 96 such trade treaties have been entered into. So apparently nothing was stopped.

Mr. Bevin and Mr. Wilson both served notice on the United States that they wanted to be neutral. That was in 1948. Late in 1948 the senior Senator from Nevada visited Mr. Nehru in India. He, Nehru, said the same thing—that they wanted to be neutral. In 1949 Mr. Nehru publicly announced that India was going to be neutral. Then England, India, and other sterling-bloc countries recognized Communist China.

Mr. President, how high does the evidence have to pile up for us to believe what we hear and believe what we see? We see that the countries we are aiding are furnishing Russia and the iron-curtain countries everything they need to fight us—everything they need to consolidate their countries. We see the countries we are aiding recognizing Communist China. They tell us in words of one syllable that they want to be neutral. What else can they do to convince us?

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. MALONE. Yes; I am happy to yield.

Mr. BREWSTER. Did the Senator receive the news that Mr. Bevin just announced that he favored the admission of Communist China to the United Nations Security Council? Has that come to the Senator's attention?

Mr. MALONE. I thank the Senator from Maine for the information. Evidently that happened while we have been on the floor.

Mr. BREWSTER. That is correct.

Mr. MALONE. It is not unexpected, however.

Mr. BREWSTER. Has the Senator the idea that the one who pays the piper should be the one who calls the tune?

ARE WE EARNING "NEUTRALITY"?

Mr. MALONE. We have changed that old practice also. I think everything has been changed. I think all the old practices have been changed. I will say for the benefit of the Senator from Maine that I just said, that in 1948 Mr. Bevin and Mr. Wilson said they wanted to be neutral; that they wanted to trade with Russia; that they wanted to be the bridgehead between Soviet Russia and the capitalist countries. Late in 1948 Mr. Nehru, of India, told me the same thing on my visit to India. In 1949 Mr. Nehru announced publicly that India was going to be neutral. He said he had nothing against the Soviets, that he had nothing against us. He apparently was willing to take our money. He came over here to obtain some. I do not know what happened in that respect. Almost immediately after the Chinese Communists had taken over China, England, followed by India, recognized Communist China, followed closely by other sterling-bloc nations, all of whom said they wanted to be neutral, but who recognized China.

Mr. BREWSTER. Does the Senator have in mind that Communist China has not acknowledged the recognition by Britain?

Mr. MALONE. I would say to the Senator from Maine that in the humble opinion of the junior Senator from Nevada what England wants is trade. She will go any route to obtain trade, to reestablish or to keep established her trade routes. Whether her recognition is acknowledged or not, she will stay as long as she can and trade with Communist Russia and with Communist China.

Mr. BREWSTER. Has there been a more humiliating episode in recent diplomatic history than the picture of Britain recognizing Communist China, which refuses to return recognition, and has so refused for the past 4 months?

Mr. MALONE. Does the distinguished Senator from Maine imagine—if I may be permitted to ask a question without losing the floor—that there might be some kind of a deal to the effect that if England and the other sterling-bloc nations can now put over recognition of Communist China in the United Nations, Britain and the sterling bloc nations might themselves be recognized by Communist China?

Mr. BREWSTER. Was it anything more than an interesting coincidence that the announcement by Mr. Bevin today followed the call of Mr. Trygve Lie, after he had been to Moscow—which might lend some color to the suggestion of the Senator from Nevada.

Mr. MALONE. I would say that I did not miss that dispatch this morning, and it was exactly what I expected of Mr. Lie. If we were informed that he promised Stalin that he would go back and put over the deal, I would not be surprised.

Mr. BREWSTER. Does it interest the Senator from Nevada that our policy regarding Communist China seems to be disregarded by all the other countries to whom we are contributing very greatly to support their war on communism? Is it of interest to the Senator that while we are supplying arms to the countries

of western Europe, to save them from communism, they are supplying arms to the Arabs who, during the last war, refused to lift an arm when the Germans were right at the door of Cairo; but today those countries are supplying the Arabs with jet planes for the purpose, it is said, of internal security, while we are sending jet planes to Europe; and we are told that we must not recognize Spain because the Spaniards are terrible people, so we are informed, whereas Europe is doing millions of dollars' worth of business with the Spanish each year. Why must not we recognize Spain? It is because France and Britain would not like it.

So, Mr. President, must we keep on paying the bills of the countries of western Europe, while they do whatever they wish to do in their own interest, without much regard to its impact upon our security, our future, or with respect to our ideas? Is that what the policy of the present administration is?

Mr. MALONE. Mr. President, the Senator from Maine was not on the floor a little earlier today when I reviewed that field. Briefly, let me say that trade is going on as usual all over the world, except that the Government of the United States of America refuses to inform the taxpayers of the United States that such is the case, and still keeps up the pretense that we are trying to contain Russia, when, as a matter of fact, not only are the ECA countries furnishing materials and jet planes to the Arabs, but on the floor of the Senate in the spring of 1948 I said that Britain had supplied jet planes to Russia—and Britain had done so up to that time.

Mr. BREWSTER. Yes; that is admitted.

Mr. MALONE. From those samples, the Russians are now in the jet plane business.

Britain and the other 15 Marshall-plan countries are continuing, by means of the 96 trade treaties, to furnish Russia and her satellites and the countries behind the iron curtain everything they need to obtain from us for a third world war and everything they need to consolidated their gains in eastern Europe and in China.

Therefore I have said that we have made the complete circle, we have gone the full round. First we were going to rehabilitate the industries of the countries of western Europe. Next we were going to give them the money in order to close the dollar gap. Then finally it was bandied about the corridors of the Capitol and in the committee rooms that if we did not appropriate this money, we suddenly would have a depression.

Mr. BREWSTER. Is it that they may be overestimating the dumbness of the American people, whereas the American people have a better idea of what is going on than they are always credited with having?

Mr. MALONE. In my humble judgment the American people are beginning to wake up. If those of us who are vocal, who are on the floor of the Senate, and have the avenues of information, will tell the American people the truth, I think we shall have no trouble with the American people and they will not have much more trouble with us.

Mr. President, at this time I wish to quote from an article entitled "International Surplus of Dollars," appearing in the May 1, 1950, issue of the publication The Economic X-Ray, published by Reuters, Ltd., in London:

INTERNATIONAL SURPLUS OF DOLLARS

It can be easily proven that there is an oversupply of dollars, in spite of a dollar shortage in a number of countries and increased difficulties for American exporters to remain competitive in countries which make it difficult to issue dollar licenses.

The sharp decline of American imports has greatly reduced the foreign demand for dollars. Most ECA countries, and especially Great Britain, have sharply reduced the dollar gap. Thus the further flow of Marshall aid and government credit is largely used in order to finance international flight of capital or export of capital flow of currency.

Last year's United States surplus of and the balance of payment amounted to $6,100,000,000, of which United States Government aid (grants and loans) amounted to $5,700,000,000. Private American investments amounted to $500,000,000, and private donations to another $500,000,000. International Monetary Fund and Work Bank supplied $100,000,000. In addition, the United States bought gold for $200,000,000. Thus foreign countries had a dollar supply of about $7,000,000,000 dollars, while $6,100,000,000 were needed in order to pay for the United States export surpluses of goods, services, and investment income.

Mr. President, in passing I wish to call attention to the significance of those figures and the close similarity between the $7,000,000,000 figure and the $6,100,000,000 figure. Those foreign countries received from this country an additional dollar supply of $7,000,000,000, and that amount closely approximates the amount our Government obtained as a result of the sale of new bonds to the bond buyers and taxpayers of the United States, to pick up the check of $7,000,000,000, which someone has to pick up.

Last fall the administration said it would be $1,500,000,000. This spring the administration says it will be $5,500,000,000. But, Mr. President, it will be over $7,000,000,000. That is the amount of the check we will pick up, and it just happens to be the amount of money and goods which we have sent abroad. Is not that a coincidence?

I read further from the article:

This year's balance of payments will supply even a greater dollar surplus to the foreign world.

Marshall aid has been more than adequate and is likely to remain more than adequate. The $500,000,000 of reserves that Britain lost in the second and third quarters of last year, plus the additional losses of reserves of some other sterling countries, all provided additional material to finance the flight of capital. Despite all that one was told at the time, it is manifest that none of it was really going to finance the United States export surplus. And all this occurred not over the year as a whole, but in the period of less than 9 months up to devaluation. In this period, the United States, the gold mines, Britain, and any other countries that were losing reserves, were stupendously providing something like $2,000,000,000 a year to finance a flight of capital from overvalued currencies and no other purpose (except that a fraction of the gold was genuinely for artistic and industrial purposes).

In other words, we were financing a flight of capital from those countries, except for the almost insignificant amount of the gold which was to be used for genuinely artistic and industrial purposes.

I read further from the article:

It would certainly be better if America acted to reduce the world's need for dollar aid, e. g., by selling farm products at unsupported prices and allowing the world to earn the reduced number of dollars that it would then need, by admitting imports into the United States without high tariff barriers and obstructive customs formalities.

Independent countries would far rather be allowed to earn dollars than live on charity. Considering this American overcharging, this strange American desire to give exports away instead of accepting payment for them, and this American policy of subventions to allies (the policy that Britain followed for the centuries in which sovereigns were the cavalry of St. George), the astonishing thing is how far the United States export surplus has fallen since devaluation.

It may well be that the outside world has already closed more than all of the dollar gap, except the part that the Americans themselves create.

OUR PROBLEMS ARE SELF-MADE

Mr. President, I have covered that pretty thoroughly earlier in the debate. We create the dollar gap by furnishing the money to the European countries to buy goods and products beyond their means, and we then say that we must divide our market, that is, buy goods from them that we do not need and that we cannot buy without throwing American workmen out of employment and ruining American investments. We then put our own working men on relief, and by furnishing tutors, as was suggested by the eminent Director of ECA and the Secretary of State, teach the unemployed new jobs. How they would go about teaching the glass workers and other workers new jobs which it has taken a lifetime to perfect has not been made clear. But in any case that is what they intend to do. So we create our own trouble, Mr. President, by appropriating money, and then eliminate the trouble, or try to do so, by appropriating more money.

Yesterday, according to the Washington Post and the New York Journal of Commerce, we have two more examples of industries being wrecked through the three-part free-trade program adopted by the administration which includes the 1934 Trade Agreements Act, as extended, giving to an industrially inexperienced State Department the right to slash tariff and import fees approximately 75 percent without regard to the differential of the cost of production due to the difference in the wage standards of living in this Nation and in the competitive countries. The ECA or Marshall plan makes up the trade balance deficits of the European countries in cash while the markets of the United States are being divided with them through tariff reductions to the point that theoretically we would have an equal living standard with such European countries and there would be no further European nation trade balance deficits.

THE INCREASING THREAT OF IMPORTS

Mr. President, in the New York Journal of Commerce, of May 23, 1950, it is announced in a headline:

Tariff cut plans blasted by cotton textile industry.

The headline continues:

Would invite disaster by unfair competition, it is charged in brief.

The reference is to a brief filed with the United States Tariff Commission by the cotton-textile industry. The article says:

A policy of tariff cuts as a device for closing the "dollar gap" is a dangerous fallacy and would invite disaster at home by letting loose a torrent of foreign products from low-wage countries on the American market, the cotton textile industry has charged.

The industry, in a brief filed with the Committee for Reciprocity Information, warns that exports of American cotton textiles "have been wrecked by the combination of devaluation and the rise of low-cost foreign competition." This drop in export trade represents a loss of more than one-half billion dollars and is equivalent to 52,000 textile jobs and millions of wage dollars.

In other words, this is equivalent to stopping these exports through the building up of industries abroad, through the ECA and the Marshall plan. It will result in a loss of 52,000 jobs in the cotton-textile industry of the United States. That is the estimate of the industry itself.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MALONE. Mr. President, would the Senator from Texas like to have the floor?

Mr. CONNALLY. I should like to have someone else have it besides the Senator from Nevada.

Mr. MALONE. That would be very good for me, but I shall retain the floor, or the Senator from Texas can take it.

The PRESIDING OFFICER. The Senator from Nevada has the floor. The Senator will proceed.

Mr. MALONE. The article continues:

Prepared jointly by the American Cotton Manufacturers Institute, Inc., National Association of Cotton Manufacturers, Association of Cotton Textile Merchants of New York, and Textile Export Association of the United States, in conjunction with other industrial groups, the brief was filed preliminary to tariff hearings scheduled for coming weeks.

TORQUAY MEETING

Testimony will be presented at these hearings for consideration in tariff negotiations with 23 or more countries in Torquay, England, in September, concerning some 2,000 types of goods directly competitive with products made in at least 500 textile plants from Maine to Texas, the brief discloses.

The textile statement insists that further reductions of tariffs, already slashed at least a third since 1935 and amounting to 75 percent in some cases, can only serve to compound damage already at our doorstep and injure the American economy out of proportion to any possible good which can be accomplished.

One of the gravest fears, the brief says, is that unequal competition with low-wage countries will waste the superior efficiency of the American cotton textile industry, which is now being used to support the programs of this country's internal economy.

Mr. President, the reason for my reading this article at this moment is that it is impossible to separate the ECA program from the 1934 Trade Agreements Act, which is designed specifically to divide the market of this Nation, in accordance with the testimony of Mr. Thorp before the committee of the House, so that theoretically the ECA will no longer be needed. The International Trade Organization was merely designed to make a permanent situation of the thing of which these people are now complaining.

Mr. President, I ask unanimous consent to have the remainder of this article from the New York Journal of Commerce, of May 23, 1950, printed in the RECORD at this point.

There being no objection, the remainder of the article was ordered to be printed in the RECORD, as follows:

EFFICIENCY THREATENED

For this reason, superior efficiency cannot serve as a weapon to meet foreign competition, it was explained, and "in reality such competition would sacrifice the most efficient to the less efficient."

Among the fruits of our superior efficiency, now a part of America's social and economic structure and irremovable without damage to the entire system, where listed high United States textile wages, treble those of major European competitors and 10 times those of Japan and India; enlarged support to cotton farmers; financing of mill reequipment and modernization programs; and economic support of the multitude of suppliers to the industry, which is described as practically 100 percent American with all costs embraced within the American price system.

"Free market competition with foreign countries means throwing into the balance our higher wages, which in major part are the measure and substance of our efficiency," the brief asserts.

As for new, improved machinery, and modernization of mills, for which the industry has been paying $300,000,000 a year since the end of the war, the brief says, "the means of technical progress cannot be acquired where there is a continual erosion of the wage and price structure; and a forced diminution of physical stature from the imports of sub-wage standards countries."

NATIONAL DEFENSE STRESSED

The industry statement also asks that the tariff negotiators consider the vital importance of the textile mills to national defense, demonstrated during the last war when not only were all military and essential civilian requirements met in this country, but those of the Allies as well.

"While the textile industries of the other Allied powers virtually ceased operations because of lack of materials and manpower, the textile industry of the United States reached heights of production previously believed unattainable under any conditions. This accomplishment without doubt was one of the major factors in the winning of the war.

"It is no less important at this time, and for the same potential reasons, to maintain our industry's capacity and efficiency at maximum levels," the brief stated.

The cotton-textile industry has "already contributed more than its share" to world adjustment in trade by sacrifice of the United States export market with a loss of a billion yards to other nations since 1947, the brief continued. In value this destruction of the American export market amounts to a loss of $535,000,000 that foreigners are no longer spending for United States goods, it was emphasized.

IMPACT NOT YET FELT

The brief likewise warns that the full impact of tariff cuts made during the past 15 years has not yet been felt. Until the end of 1948, the reciprocity committee was informed, foreign industries had not sufficiently recovered to offer serious competition in the American export or domestic markets.

Then as western European nations, Japan, India, and Germany gradually built up their production and exports of textile goods, with the aid of American tax dollars, their combined export increase moved first into areas of scarcity where the demands were strongest and means of payment in soft currencies most abundant.

"As these markets become increasingly saturated with British, Japanese, Indian, Italian, Belgian, Swiss, and French goods, the next great diversion of textile exports will be toward the United States," the brief predicts. "Then we will feel for the first time the true significance of the concessions which were made at Geneva in 1947."

It may turn out that these concessions were in many cases "excessive and unwisely granted," the brief continues, adding that "until that question has been satisfactorily answered, it is both needless and dangerous to make further reductions."

The statement likewise says American industry has yet to feel the full effect of currency devaluation abroad and voices fear that the ultimate consequences of devaluation alone "may be fatal to certain segments of the American textile industry."

Mr. MALONE. Mr. President, I have here a dispatch which appeared in the New York Herald Tribune on May 23, 1950, which is headlined as follows:

Union Joins in Mine Protest on Oil Imports. UMW and Coal Operators Tell Congress 50,000 Jobs May Be Sacrificed.

This is in line with what I have been saying about importations, and it goes on to explain the importation of oil from the Middle East and other points which is displacing coal miners in the South, in West Virginia, and in other areas of this country. As many as 50,000 miners will be displaced this year, according to the dispatch. It also mentions the fact that imported oil will displace other petroleum sources of supply.

I ask unanimous consent to have printed in the RECORD at this point this dispatch published in the New York Herald Tribune of May 23, 1950.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

UNION JOINS IN MINE PROTEST ON OIL IMPORTS—UMW AND COAL OPERATORS TELL CONGRESS 50,000 JOBS MAY BE SACRIFICED

WASHINGTON, May 22.—The United Mine Workers and coal operators joined forces today and protested to Congress that foreign oil imports threaten the jobs of 50,000 miners this year.

The protest was made by Thomas Kennedy, UMW vice president, and D. T. Buckley, representing the National Coal Association.

Mr. Kennedy told a Senate labor subcommittee the "present flow of import oil has gravely disturbed our American economy." He said that if it continues, "we shall witness a complete disrupting and revamping of our American fuel pattern."

The steady increase of imported oil in 1949, Mr. Kennedy said, "directly affected 25,000 coal miners. Some were completely severed from their work, and the remainder

had their workdays drastically reduced in number."

SEES YEAR'S WORK LOST

Mr. Buckley said, "anticipated 1950 imports threaten the equivalent of a year's work for 50,000 miners in the bituminous coal industry."

The subcommittee, which is studying unemployment in mining fields, is headed by Senator MATTHEW M. NEELY, Democrat, of West Virginia.

"The displacement of bituminous coal has seriously affected the employment of bituminous coal miners in two ways," Mr. Buckley said. "It has caused closing down of mines that were a necessary part of America's war effort," and "has curtailed the number of days of employment afforded coal miners in mines that are still in operation."

Both Mr. Buckley and Mr. Kennedy charged the oil industry with raising consumer prices on gasoline to pay for the decrease in residual (oil) prices that importers wanted so as to raid coal markets.

Mr. Buckley warned that unless this situation is corrected the loss to our Nation can never be replaced in time of war because a coal mine, like an oil well, is of no value unless it is developed.

GOVERNMENT BUYING URGED

WASHINGTON, May 22.—Representative DANIEL J. FLOOD, Democrat of Pennsylvania, proposed today that the Government buy enough anthracite to maintain normal production and employment in the hard-coal fields. Representative FLOOD introduced a bill to set up a three-member board in the Interior Department to determine how much anthracite should be purchased and to fix just and reasonable prices for it.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks another dispatch appearing in the New York Herald Tribune in relation to the same subject.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

TEXTILE GROUPS FEAR EFFECTS OF LOWER TARIFFS—FOUR ASSOCIATIONS JOIN IN WARNING ON DEVALUATIONS

Four large textile groups joined yesterday in the warning that American industry has yet to feel the full effect of currency devaluations abroad and tariff concessions made in the last 15 years, and voiced the fear that the consequences of revaluation alone may be fatal to certain segments of the textile industry.

The American Cotton Manufacturers Institute, National Association of Cotton Manufacturers, Association of Cotton Textile Merchants of New York and the Textile Export Association said in a brief filed with the Committee for Reciprocity Information, preliminary to tariff hearings to be held later this spring, that their export trade has dropped more than $500,000,000 due to devaluation of foreign currencies and low-cost foreign competition.

COMPETITION NOW KEENER

Testimony will be presented at the hearings for consideration in the tariff negotiations to be held with 23 nations at Torquay, England, in September. The cotton textile industry, the brief added, has contributed more than its share toward world trade adadjustment by sacrifice of the United States export market with a loss of 1,000,000,000 yards of cloth to other nations since 1947.

Until 1949, it was said, foreign business had not sufficiently recovered to offer serious competition in the American market. Then as European nations and Japan and India built up production, their textile exports moved into areas where the demands were strongest and means of payment in soft currencies most abundant.

As these markets became saturated with British, Japanese, Indian, Belgian, Italian, Swiss, and French goods, the brief said, "the next great diversion of textile exports will be toward the United States. Then we will feel for the first time the true significance of concessions that were made at Geneva in 1947."

WINE INSTITUTE PROTESTS

As the brief was prepared, the Department of Commerce issued figures showing that exports of cotton cloth from the United States in the March quarter were 120,740,000 square yards, a decline of 57 percent from the like 1949 period.

A protest over further tariff cuts was issued also by the Wine Institute. The addition of dessert wines to the list of products subject to tariff negotiation "places every segment of the grape-growing industry in grave economic danger," according to H. A. Caddow, secretary of the Institute. He said that a cut in the dessert wine tariff would let down the bars to volume dumping of cheap foreign products on this market where an annual oversupply of grapes already exists.

The textile groups contended that a policy of tariff cuts as a device for closing the dollar gap is dangerous and invited disaster. Cooperative efforts of this country in world recovery, they added, should not be carried to the point of weakening or endangering the American economy.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks articles from the Washington Post of May 23, 1950, on the same general subject.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

HEARING IS STARTED—OIL IMPORTS COSTING JOBS, MINERS SAY

Spokesmen for coal miners and operators urged Congress yesterday to curb oil imports, which they said are causing thousands of American workers to lose their jobs.

D. T. Buckley of the National Coal Association and Thomas Kennedy, vice president of the United Mine Workers, protested at a Senate Labor Subcommittee hearing that foreign oil is being dumped in this country at unfair prices.

"The equivalent of a year's work for 50,000 miners in the bituminous-coal industry is being destroyed by foreign oil at the current rate of importation," Buckley said.

Kennedy said that 100,000,000 barrels of residual oil—that is, oil used for fuel or industrial purposes—was imported last year and either put 25,000 coal miners out of work or reduced their workweek. He said the oil was marketed at ridiculously low prices.

Buckley estimated last year's oil imports cost 25,000 miners and 25,000 transport workers their jobs and said these figures could be doubled in 1950 if the present trend continues.

They testified at the opening of the subcommittee's hearing on a resolution by Senator NEELY (Democrat, West Virginia) to investigate the causes of increasing unemployment in the coal, railroad, oil, zinc, lead, and silver industries.

Kennedy said that if the present flow of imported oil increases, "as the prospect seems to indicate, we shall witness a complete revamping of our American fuel pattern."

LOSS OF TEXTILE JOBS LAID TO DEVALUATION

NEW YORK, May 22.—American cotton textile men say their export trade has dropped more than $500,000,000 as a result of devaluation of foreign currencies and increased low-cost foreign competition.

This sum, they add, is equivalent to 52,000 American textile jobs and millions of wage dollars.

They compiled the figure in a battle against any further reduction of tariffs, claiming levies already have been slashed at least a third since 1935 and some items have been hit by 75 percent cuts.

The American Cotton Manufacturers Institute, Inc., the National Association of Cotton Manufacturers, the Association of Cotton Textile Merchants of New York, and the Textile Export Association of the United States joined in preparing the brief for coming tariff hearings.

They have filed a survey of their views with the Committee for Reciprocity Information in Washington. Their testimony will be presented at committee hearings for consideration in tariff negotiations in England in September.

As the textile men prepared their brief, United States Department of Commerce figures showed that exports of cotton cloth from the United States in the first quarter were 120,740,000 square yards, a decline of 57.5 percent from the first quarter of 1949.

Mr. MALONE. Mr. President, I also have before me a dispatch printed in the Wall Street Journal of May 12, 1950, entitled "Point 4 Pitfall," with the following additional headline:

It would dampen real investments abroad and give other nations free ride on gravy train.

The dispatch says, in part:

President Truman's point 4 at the present moment looks like a pretty small seed. It calls for an appropriation of $45,000,000, by the present Congress, a sum that has been tentatively reduced to $25,000,000.

But big plants sometimes sprout from small seeds. Point 4, which proposes an extensive use of Government guaranties in order to bolster American investment in underdeveloped areas, contains the potentialities of a device for subsidizing exports at the expense of the taxpayer.

It has been brought out in debate very clearly, yesterday afternoon and today, that point 4 is merely an opening of the door, just a foot in the door. In other words, the amount of money called for is relatively small in the light of all the great appropriations made over the past several years by this Congress, but there is no limit in point of time as to how long it may last. There is no limit as to the area in which it may apply. Therefore, the only limit that can be placed on the use of point 4 are appropriations by the Congress of the United States. As pointed out previously, almost immediately after point 4 is agreed to, if it be agreed to, there is no doubt that a great propaganda machine will start to roll to convince the taxpayers and the Members of Congress that appropriations should be increased at least by next year, if not before we leave this summer.

The dispatch further says:

A behind-the-scenes struggle is going on in Washington today between officials who believe that subsidies to foreign countries should cease in 1952 and those who are convinced that further aid, in some form, is necessary to assure political stability in the non-Communist world and to sustain a high level of American exports.

In other words, Mr. President, we must continue to draw money out to give those nations to buy our exports.

I read further from the dispatch:

Point 4, if put into effect in such a way as to stimulate a big flow of American investment dollars into Asia, Africa, and Latin America, could furnish a sequel to ERP. European countries, no longer receiving direct American aid, might, so the argument runs, earn some of the surplus dollars which would be flowing into the underdeveloped areas.

Mr. President, I ask unanimous consent to have appear in the RECORD at this point the entire dispatch from which I have been reading.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

POINT 4 PITFALL—IT WOULD DAMPEN REAL INVESTMENTS ABROAD AND GIVE OTHER NATIONS FREE RIDE ON GRAVY TRAIN

(By William Henry Chamberlin)

President Truman's point 4 at the present moment looks like a pretty small seed. It calls for an appropriation of $45,000,000 by the present Congress, a sum that has been tentatively reduced to $25,000,000.

But big plants sometimes sprout from small seeds. Point 4, which proposes an extensive use of Government guaranties in order to bolster American investment in underdeveloped areas, contains the potentialities of a device for subsidizing exports at the expense of the taxpayer. When this writer was in Europe last summer he noticed an eager gleam, a "What's there in it for us?" gleam, in the eyes of officials of countries with areas which might qualify as underdeveloped whenever point 4 was mentioned.

A behind-the-scenes struggle is going on in Washington today between officials who believe that subsidies to foreign countries should cease in 1952 and those who are convinced that further aid, in some form, is necessary to assure political stability in the non-Communist world and to sustain a high level of American exports. Point 4, if put into effect in such a way as to stimulate a big flow of American investment dollars into Asia, Africa, and Latin America, could furnish a sequal to ERP. European countries, no longer receiving direct American aid, might, so the argument runs, earn some of the surplus dollars which would be flowing into the underdeveloped areas.

THE PRESIDENT'S RECOMMENDATIONS

President Truman stated the case for point 4 in the following words:

"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.

"We should make available the benefits of our store of technical knowledge. * * * And * * * we should foster capital investment in areas needing development.

"If the productivity and the purchasing power of these countries are expanded, our own industry and agriculture will benefit. * * * To increase the output and the national income of the less developed countries is to increase our own economic stability.

"In addition, the development of these areas is of utmost importance to our efforts to restore the economies of the free European nations. As the economies of the underdeveloped areas expand they will provide needed products for Europe and will offer a better market for European goods."

The President concluded with a recommendation that the Export-Import Bank be authorized to guarantee American private investments against the risks peculiar to investment in underdeveloped areas, notably the risk of inability to convert earnings in local currencies into dollars. Under Secretary of State Webb later told the Senate Banking and Currency Committee:

"The proposed legislation does not guarantee any investor a profit, or protect him against ordinary business risks to which investors everywhere are subject. Guaranties would be limited to risks peculiar to foreign investments."

JEOPARDIZES PRIVATE INVESTMENTS

Like many other ventures in state intervention, point 4 seeks to promote desirable ends by means that are questionable and may well be self-defeating. There certainly are economically backward regions in Asia, in Africa, in Latin America that could be made wealthier and more productive by an inflow of American capital. Now that basic reconstruction has been largely completed, western Europe seriously needs new economic outlets to make up for its loss of investments and accumulated wealth during the war. The United States would benefit in many ways from a high level of production and international trade.

But these considerations do not prove that a reckless mortgaging of American public funds is either necessary or justified. United States business is alive to the possibilities of profitable foreign investment. American holdings abroad are estimated at $16,000,000,000, of which $4,000,000,000 have been invested since the war.

Oil companies have been especially active in developing foreign resources and United States Steel has embarked on a large-scale project of exploiting a new rich iron deposit in Venezuela. If fair treatment were accorded to foreign capital and if there were further progress in accepting the proposition that our exports and investments must be paid for by accepting a larger volume of imports, there is every prospect that the outflow of American capital, on reasonable business terms, would be much increased and would fill the need in this field.

The injection of Government aid into the situation is more likely to hinder than to help this process. It is much harder for a government, without incurring the unwelcome charge of imperialism, to press for fair treatment of foreign capital than it is for a foreign business firm to negotiate for such treatment. The business firm, if it faces confiscatory taxation, discriminatory labor legislation, inconvertible currency and similar obstacles, can simply withhold its funds.

OPEN TO IMPERIALISM CHARGE

Government agencies which take a hand in promoting the flow of investment would be much more likely to follow a policy of appeasement. They would be sensitive to the charge of imperialism and dollar diplomacy. And, after all, it would not be their personal fortunes which would be at stake. They might well feel that they had done a good job if they had merely underwritten a large volume of investment. A bank or a business firm, before it risked the money of its clients and stockholders, would be much more inclined to ask searching questions as to whether the investment was likely to yield a profitable return.

Moreover, private investment is much more likely than Government-sponsored investment to flow into fields where there is visible consumer demand, either in the foreign country, or in the United States.

Mr. MALONE. Mr. President, in the New York Journal of Commerce of May 24, 1950, there is a dispatch headed "Security issue raised in oil import hearing." I read:

Domestic oil and oil producers joined today in warning Congress that unchecked imports of oil threaten our national security in another war.

Their spokesmen appeared at the second day of hearings by a Senate labor subcommittee headed by MATTHEW NEELY, Democrat of West Virginia, that is looking into the amount of unemployment being caused by imports of various minerals and metals. The group is to report by June 25.

I ask unanimous consent to have appear in the RECORD at this point the entire dispatch from which I have quoted.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

SECURITY ISSUE RAISED IN OIL IMPORT HEARING

WASHINGTON, May 23.—Domestic oil and coal producers joined today in warning Congress that unchecked imports of oil threaten our national security in another war.

Their spokesmen appeared at the second day of hearings by a Senate labor subcommittee headed by MATTHEW NEELY (Democrat, West Virginia) that is looking into the amount of unemployment being caused by imports of various minerals and metals. The group is to report by June 25.

ASKS IMMEDIATE ACTION

The Independent Petroleum Association of America declared that there must be "immediate action" against oil imports. It said the alternative is an "inadequate supply" if war comes.

H. B. Fell, IPAA executive vice president, declared that an import limitation would check deteriorating conditions that have developed in the domestic petroleum industry.

He was backed by L. Ebersole Gaines, president of the West Virginia Coal Association, and O. C. Bailey, chairman of the Arkansas State Oil and Gas Commission.

Each of the subcommittee members said he supported the demand for legislative curbs, but ELBERT THOMAS (Democrat, Utah), Labor Committee Chairman, and Minority Member ROBERT TAFT of Ohio indicated they want more facts to show that an import limit will restore employment in the domestic industry.

TAFT warned that the subcommittee would have to take similar action for other industries, if we do it for oil. We will be reversing the administration's policy of the last 17 years by reverting to a protective policy." He said he favors a higher oil tariff or quota, but "I'm simply pointing out the difficulties you're getting into, including retaliatory action."

NEELY argued that "most of the import oil is brought in by American companies. About the only money foreign countries get are royalties to sheiks or whoever runs the country and wages to domestic labor."

FAVORS EXCISE TAX

Fell put the blame for declining employment, production, and profits squarely on the "substantial increases in imports." He told the committee that a $1.05 "excise tax" on imports of crude oil and fuel oil would restore employment and give independents enough money to continue looking for new wells.

He offered a tabulation purporting to show how a $1.05 tariff would bring the price of foreign oil up to the domestic level. Gaines said the same amount of protection would restore competition between coal and imported residual fuel oil in Atlantic seaboard markets.

Since the peak domestic output of late 1948, Fell declared, 32,000 jobs have been eliminated in the domestic oil industry because of imports, including 18,000 in oil producing.

OIL USERS SEEN HIT

BOSTON, May 23.—The present "crusade" of John L. Lewis, the National Coal Association and a group of independent oil producers to restrict imports constitutes a "menacing

threat" to the fuel economy of the entire New England area, according to Joseph B. Wells, executive director of the Independent Oil Men's Association of New England.

Declaring that the proposed import restrictions would boost New England's industry fuel bill by more than $50,000,000 annually, Mr. Wells said, then "we shall literally be the Peter that someone robbed to pay Paul."

Under the higher tariff scheme proposed, he asserted, "residual oil prices in New England must under legislative compulsion advance from 35 to 40 percent. And, under the import restriction proposals, New England's dependable Caribbean sources of supply will perforce be sharply curtailed if not virtually eliminated."

The effect of such penalizing import restrictions will not be limited to residual oil but will also find reflection in what the consumer must pay for domestic heating oil, Mr. Wells pointed out.

THERE IS A WAY OUT OF THE DANGER

Mr. MALONE. Mr. President, it has been stated repeatedly in dispatches and on the Senate floor what the effect on our industries will be from imports from foreign nations. I want to point out that not only the fuel industry, but the textile industry, the mining industry, the crockery industry, the glass industry, and dozens of other industries are in exactly the same boat. The only way we can stem the tide is through the adoption of a principle of substituting a flexible import fee for the Trade Agreements Act which transferred from Congress the constitutional authority of Congress to the State Department and put into its hands the right to say what industries in this Nation can survive and what industries can be sacrificed.

In connection with an article which appeared in the National Wool Grower for May 1950, I ask unanimous consent to insert in the RECORD at this point a list of the officers of the National Wool Growers' Association, an editorial on tariff negotiations, and an article by Mr. Eugene O'Dunne, Jr., attorney, and Washington counsel for the National Association of Wool Manufacturers, on the subject of opening our markets to foreign nations.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

NATIONAL WOOL GROWERS ASSOCIATION

PRESIDENT

Howard Vaughn, Dixon, Calif.

HONORARY PRESIDENTS

R. C. Rich, Burley, Idaho.
C. B. Wardlaw, Del Rio, Tex.
T. J. Drumheller, Walla Walla, Wash.
G. N. Winder, Craig, Colo.
Sylvan J. Pauly, Deer Lodge, Mont.

VICE PRESIDENTS

John A. Reed, Kemmerer, Wyo.
Ray W. Willoughby, San Angelo, Tex.
A. R. Bohoskey, Yakima, Wash.
Wallace Ulmer, Miles City, Mont.
John H. Breckenridge, Twin Falls, Idaho.

EXECUTIVE SECRETARY-TREASURER

J. M. Jones, Salt Lake City, Utah.

ASSISTANT SECRETARY

Edwin E. Marsh, Salt Lake City, Utah.

EXECUTIVE COMMITTEE

Robert W. Lockett, Flagstaff, Ariz.
Joseph Russ, Jr., Ferndale, Calif.
Angus McIntosh, Las Animas, Colo.
David Little, Emmett, Idaho.
Howard Doggett, Townsend, Mont.
E. R. Marvel, Battle Mountain, Nev.
W. H. Steiwer, Fossil, Oreg.
Joseph G. Trotter, Edgemont, S. Dak.
J. C. Mayfield, Juno, Tex.
Don Clyde, Heber City, Utah.
Milton Mercer, Prosser, Wash.
Harold Josendal, Casper, Wyo.

AFFILIATED ORGANIZATIONS

Arizona Wool Growers Association, 14 East Jefferson Street, Phoenix: Kenneth P. Pickrell, president; H. B. Embach, secretary.

California Wool Growers Association, 151 Mission Street, San Francisco: Joseph Russ, Jr., president; W. P. Wing, secretary.

Colorado Wool Growers Association, 4665 Lafayette, Denver: Angus McIntosh, president; Brett Gray, Jr., secretary.

Idaho Wool Growers Association, post-office box 2598, Boise: David Little, president; M. C. Claar, secretary.

Montana Wool Growers Association, 515 Power Block Building, Helena: Wallace Ulmer, president; Everett E. Shuey, secretary.

Nevada Wool Growers Association, post-office box 1429, Reno: E. R. Marvel, president; John E. Humphrey, secretary.

Oregon Wool Growers Association, post-office box 256, Pendleton: W. H. Steiwer, president; Victor W. Johnson, secretary.

Texas Sheep and Goat Raisers Association, Cactus Hotel Building, San Angelo: J. C. Mayfield, president; Ernest L. Williams, secretary.

Utah Wool Growers Association, 361 Union Pacific Annex Building, Salt Lake City: Don Clyde, president; J. A. Hooper, secretary.

Washington Wool Growers Association, 110 East Chestnut Avenue, Yakima: H. Stanley Coffin, president; A. E. Lawson, secretary.

Western South Dakota Sheep Growers Association, Rapid City: Joseph G. Trotter, president; H. J. Devereaux, secretary.

Wyoming Wool Growers Association, McKinley; Harold Josendal, president; J. B. Wilson, secretary.

TARIFF NEGOTIATIONS

Here we go again—the State Department has announced September 28, 1950, as the date, and Torquay, England, as the place for a review of the Geneva trade-agreement negotiations of 1947, and for further reductions or the binding of present duties on approximately 2,500 commodities.

Negotiations will be carried on with all contracting countries to the Geneva Agreement on Tariffs and Trade and in addition, with Austria, the Federal Republic of Germany, Guatemala, Korea, Peru, and Turkey—in fact, all countries not dominated by the U. S. S. R.

Negotiations will cover wool, mohair, manufactures of wool, sheep and lambs, cattle, etc. From past experience it isn't difficult to determine what will happen to the present duties on these commodities—they will, in all probability, be reduced.

Apparently consideration will be given to the reduction of duty on wools not finer than 44's and on mohair but not on wools 44's and below; in other words, not on common and braid. According to Government figures, common and braid constitute only two-tenths percent of the total domestic production. Therefore, negotiations will cover the duties on foreign wools that compete with 99.8 percent of the domestic wools produced. All manufactures of wool are up for consideration.

Inasmuch as the duty on sheep, lambs, and goats was reduced 50 percent in the trade agreement with Mexico in 1942, from $3 per head to $1.50 on live animals, from 5 cents per pound on mutton and goat meat to 2½ cents per pound, and on lamb meat from 7 cents per pound to 3½ cents, a further reduction of 50 percent could be made on the above because the act of 1945 permits a 50-percent reduction in duties in effect on that date.

In the case of wools finer than 44's, 25 percent of the present duty is the limit allowed under the present law. In the Geneva agreement, wools finer than 44's (low quarter blood and up) were reduced 25 percent, or from 34 cents a clean pound to 25½ cents. A further reduction of 8½ cents or to 17 cents per clean pound is possible.

It will be recalled that the reduction in duty on wool under the Geneva agreement accomplished only one thing, and that was to give foreign producers more money because the price of foreign wool increased the extent of the tariff reduction. The domestic consumer didn't benefit, and the United States Treasury lost the income.

How much longer the American raw-material producer and worker are going to permit exorbitant taxes to give money to foreign countries and at the same time allow the State Department to destroy American industry is not entirely clear, but more domestic industries are beginning to make their positions known. The domestic sheep industry and manufacturers of wool will not long be the "lone lambs" being led to slaughter by the State Department and governmental theorists.

New industries every day are crying out. Now come the oil interests, coal interests with the backing of their labor unions, cotton textiles, rubber and footwear manufacturers; in addition to those, pottery, glassware, watches, nut producers, hat manufacturers, etc., who, like the sheep industry, have realized the ultimate results of the past actions of the striped-pants negotiators.

Congressman PATTERSON (Connecticut) in his statement before the House on April 21 under the title, "The United States as an International Sucker," said: "The beneficiaries of ECA money are producing finished goods for export in direct competition with this country. * * * I ask not that high tariff barriers be erected shutting off this country from foreign trade, but we must use common sense for our self-preservation." There can be no quarrel with a fair statement such as the Congressman makes.

The countries with whom trade agreements are being negotiated (and the principal ones at that) continue with their "blocked sterling," cartels, bilateral agreements, embargoes, etc. Many businessmen think that "blocked sterling is one of the biggest obstacles to world trade." It may be all right to be an idealist, but the American taxpayers and producers are not living on ideals. These trade agreements are supposed to be "reciprocal," but the word does not appear in the agreements act, nor is it practiced by foreign countries. Congressman PATTERSON has chosen an appropriate title.

Now confining ourselves strictly to raw wool, the necessity for tariff reduction is not only absurd but dangerous. The Government wool support program should be considered only as an expedient and continued only as a disaster floor. It is doubted that many producers would approve it, only as a disaster floor, if adequate tariff protection were provided.

The United States has been and probably always will be an importing country as far as raw wool is concerned. Foreign countries will not be able to sell any materially increased quantity of wool as a result of tariff reduction, especially under conditions such as exist today. A further reduction in tariff under present conditions simply means more dollars for foreign-wool producers. It wouldn't lower the price of imported wool in the United States, but would only decrease the revenue to the Treasury.

Our Congress recognizes the importance of wool as a strategic commodity. Recently

hearings have been held relative to stockpiling. The State Department has been advised many times of the possibility of a foreign-wool monopoly and that point is as close as it has ever been in history, with the domestic sheep population the lowest on record.

Congress on the one hand recognizes the importance of the sheep industry through the treatment given wool in the Agricultural Act of 1949, encouraging its production. At the same time, the State Department takes the opposite point of view of discouraging increased production through reducing the tariff and threatening further reduction.

Nevertheless the industry is again officially pointing out to the State Department its position by the submission of a brief before the committee for reciprocity information.

OPENING OUR MARKETS TO FOREIGN COUNTRIES

(By Eugene O'Dunne, Jr., attorney, and Washington counsel for National Association of Wool Manufacturers)

The administration is about to launch an all-out drive to channel products of foreign countries into this market. Our tariff rates, although now at the lowest average level in history, are still claimed to be unnecessarily high and as constituting serious trade barriers to imports. Customs administrative procedures will be streamlined to accelerate the flow, and methods of valuation will be changed so as to reduce the duty payments. No industry, sensitive to excess imports and cheap foreign competition, can feel immune.

Secretary Acheson and ECA Administrator Hoffman both want to get more dollars into European hands, and for this purpose they advocate further lowering United States tariff rates, even to the extent of intentionally displacing those American industries which cannot compete with the foreign items. While differing on the type of relief to the American workers made idle by this program, Messrs. Acheson and Hoffman are otherwise in agreement on the principle that tariff protection for industry must be eliminated. Officials of the Economic Cooperation Administration are doing everything possible to persuade Marshall plan countries to reduce their purchases of American products to a minimum and at the same time step up their exports to this market. This is termed "closing the dollar gap," and the more our own exports decline and our imports increase the more pleasing our officials find it. The much-publicized escape clause so often pointed to as industry's guaranty against injury from imports, loses some of its reassuring stability now that neither serious injury nor bankruptcy will justify any action to curtail competitive imports.

In the execution of this policy the Trade Agreements Act serves as a handy little device to make substantial reductions in American rates in return for conditional promises, which not even the most ardent supporters of the program, will contend are of much practical value. Under the power delegated by the Trade Agreements Act a third round of tariff slashing will be undertaken at Torquay in September and it is anticipated that, with insignificant exceptions, every item on the tariff schedule not already cut 50 percent below the 1945 level, will be subject to further reduction. This additional round of tariff reductions has been scheduled even before the most recent cuts made at Annecy last year have become effective. We are informed officially that the intended objectives of these conferences are reductions in the tariff rates of foreign countries so as to increase our exports. Many people profess difficulty in reconciling the efforts of the ECA officials to exclude American products from European markets on the one hand, with the State Department's announced objective to expand our exports through the Torquay conference, on the other.

Access to the United States market on terms approaching free trade appears to be the present program for immediate European relief. Additional deep tariff cuts at Torquay are designed to add impetus to this new imports drive which we are assured is of vital necessity since European industries are being geared up to an export basis. It is evident that by officially soliciting their products for this market, we will supply the indispensable export outlet for their expanded economy. However, so long as Congress reserves to itself the right to change the rules governing this free access to the United States, those countries, because of their economic dependence on this market, may feel certain predictions for America's political suggestions. Such result, entirely incidental to the program, could under certain circumstances be regarded in some quarters as in the nature of a sword of Damocles. In either event, and no matter how regarded, such power would persist until Congress surrenders the right to take unilateral action on the volume and nature of our imports by voting to join the International Trade Organization. The removal of the sword would then be permanent. It would be unfortunate if the restoration of independence to the economies of westen Europe should now be indefinitely deferred because a dependent, initially intended as transitory had become "The Man Who Came to Dinner."

However, even before the new import aid program is under way, many American industries are already beginning to complain that imported products are being sold in this market below the production cost of domestic items. The low manufacturing costs in foreign countries are generally predicted to go lower while, on the other hand, there is nothing in sight, at least from the Washington scene, indicating any relief in costs and taxes to the American producer. Mere mention of the difficulty presently experienced by the Ways and Means Committee in eliminating only a percentage of the wartime excises demonstrates this. If, therefore, excess imports are to be encouraged to a point necessitating extended Federal unemployment compensation and job retraining, as officially suggested, it may be found that such imports will have a softening effect on the American market as a whole and not just on the particular industries affected. This may cause certain exporting industries, now advocating increased imports, to reascertain whether they are justified in taking for granted that their own domestic market will remain firm and intact despite the flood of imports.

Between now and elections the American public will hear much about imports and exports, dollar shortages, trade gaps, European aid and payment plans, United States tariff cuts, and foreign quotas. Much of the confusion which some people express regarding the whole subject of foreign trade would, it is felt, be dispelled by always seeking the answer to this one question only: Is this designed to permit the foreign country to sell more to or buy less from the United States?

(Subsequently, on request of Mr. MALONE, and by unanimous consent, the following resolutions were ordered to be printed in the RECORD:)

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD the following resolution passed by the National Association of Wool Manufacturers on April 12, 1950:

Whereas it appears to be the policy of the administration to encourage imports of competitive products by reducing import duties, and otherwise; and

Whereas it is our belief that under present world conditions the United States cannot afford to become dependent upon foreign countries for its requirements for a number of products, among them wool textiles; and

Whereas the capacity of the wool textile industry in the United States is sufficient to supply all of our domestic requirements in time of peace but should be maintained at the greatest possible capacity since it was barely sufficient to meet the needs of our armed forces in World War II; and

Whereas the indiscriminate and progressive reduction of United States tariff duties under the trade agreements program has failed of its purpose by reason of the erection by other countries of trade barriers much more restrictive than the former foreign tariffs, and is resulting and will continue to result in the importation into the United States of wool products and other items in volume sufficient seriously to damage and curtail domestic industry: Now, therefore, be it

Resolved by the members of the National Association of Wool Manufacturers, assembled in annual meeting in New York, this 12th day of April 1950, That the members of this association go on record as favoring the discontinuance of the trade agreements program and further action thereunder, and, further, as favoring in place thereof the creation of a Foreign Trade Authority as provided in S. 1965, introduced by the Honorable GEORGE W. MALONE, of Nevada, said authority to be authorized to promote fair and reasonable competition between imported products and the products of domestic enterprise by levying duties upon imports from foreign sources in amounts calculated to make them fairly competitive with like items efficiently produced in this country; and further

Resolved, That copies of this resolution be sent to all appropriate persons charged with legislating for, or the administration of, our Government.

Mr. MALONE. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a series of resolutions passed by the Nevada Republican State Executive Committee, the Farm Bureau and the labor unions of our State.

DOMESTIC AND FOREIGN POLICY RESOLUTION, NEVADA REPUBLICAN STATE EXECUTIVE COMMITTEE, 1950 AND 1952 PLATFORM, NOVEMBER 15, 1949

The Nevada State Executive Committee passed an official resolution on November 15, 1949, offering the flexible import fee principle as a substitute for the 1934 Trade Agreements Act as amended—and called for the defeat of the International Trade Organization legislation—and for definite conditions on further gift-loans to Europe.

The resolution:

"Whereas the selective free trade policy adopted by the State Department, based upon the Trade Agreements Act, is removing the floor from under wages and investments causing unemployment and loss of taxable property; and

"Whereas the proposed International Trade Organization, consisting of 58 nations, each with one vote, to which it is suggested that this Nation assign all of its right to adjust tariffs and import fees for the protection of the workingmen and investments in the United States of America, would complete the job of wrecking our economy; and

"Whereas the policy of making up the trade balance deficits of the European nations (16 ECA nations) in cash each year without definite conditions for its utilization is simply reestablishing the century-old feud and rivalries among such nations: Therefore be it

"*Resolved*, That the Republican State Executive Committee of Nevada hereby adopts and recommends to the National Republican Committee for adoption an American domestic and foreign policy:

"1. A domestic (national) policy.

"A. The flexible-import-fee principle, based upon fair and reasonable competition, administered by a reorganized experienced tariff commission, to be known as the Foreign Trade Authority, in the same manner as the long established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investments, to be substituted for the 1934 Trade Agreements Act as extended. Under the flexible-import-fee principle a market is immediately established for the goods of foreign nations on a basis of fair and reasonable competition with our own—they cannot in good conscience ask for more.

"2. A foreign (international) policy—as a condition of further aid to Europe.

"A. Integrity of private investments.

"B. A United States of Europe—including Germany without trade barriers of any kind.

"C. Free convertibility of the European currencies in the terms of the dollar.

"D. Equal access to the trade of the nations of the world—subject only to the action of such individual nations; be it further

"*Resolved*, That the so-called bipartisan policy, including the support of the administration's three-part free-trade program has destroyed our traditional floor-under-wages policy and has contributed materially to the defeat of the Republican Party; and that the haphazard lowering of the import fees and tariffs, without regard to the differential of the cost of production due largely to the difference in living standards of this country and the foreign competitive nations, has severely injured the mining, petroleum, agricultural, textiles, pottery, lumber, precision instruments, and many other industries, thereby causing unusual unemployment and loss of taxable property; and that we are, by our own actions, removing the floor under wages and investments in this Nation and in effect transferring American jobs to foreign soil."

EXCERPTS FROM RESOLUTIONS ADOPTED AT THE THIRTIETH ANNUAL MEETING OF THE NEVADA STATE FARM BUREAU, ELY, NEV., DECEMBER 2, 1949

DOMESTIC AND FOREIGN POLICY

Resolution 17

Whereas the selective free-trade policy adopted by the State Department, based upon the Trade Agreements Act of 1934, as lowering the American living standards through the lowering of wages and is causing unemployment and a subsequent decline in the demand for agricultural products: Therefore be it

Resolved, That the Nevada State Farm Bureau adopts and recommends that the American Farm Bureau Federation support a domestic and foreign policy containing the following features:

I. Foreign policy:

(a) Protection of private investments in foreign countries.

(b) Free convertibility of European currencies in terms of dollars.

(c) Consolidation of the European nations into a United States of Europe, and the erasing of all present trade barriers.

(d) Equal access to the trade of all nations of the world subject only to the action of the individual nations.

II. National policy:

(a) Set up a flexible import fee which would be based upon "fair and reasonable" competition administered by a reorganized, experienced tariff commission in the same manner as the long-established Interstate Commerce Commission adjusts freight rates for the carriers on a basis of the principle laid down by Congress, of a reasonable return on the investment. Under a flexible-import-fee principle, a market is immediately established for the goods of foreign nations on a basis of "fair and reasonable" competition with our own—other nations in good conscience cannot ask for more. By so doing, America's domestic agricultural market would be greatly stabilized and cease to be a dumping ground for world surpluses. We are a land of agricultural abundance striving to maintain a standard of living unparalleled by any other nation in the world; be it further

Resolved, That the lowering of import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this Nation and of foreign competitive nations has a demoralizing effect on our agricultural markets as well as those of other industries, thereby causing unemployment and loss of revenue to the American farmer.

PIOCHE, NEV., *January 17, 1950.*

Senator G. W. MALONE,
Senate Office Building.

DEAR SIR: By unanimous vote Pioche Union, Local No. 407, CIO, disapprove part 4 plan of the President which includes the International Trade Organization agreement and urge that you do everything possible to substitute flexible import fee as outlined in your talk at Pioche, Nev., on December 15, 1949.

Yours truly,
THOMAS L. HUTCHINGS,
President, Local No. 407.

EAST ELY, NEV., *January 19, 1950.*

Senator MALONE,
United States Senate Office Building:

We call your attention to the following resolution adopted by the White Pine County Central Labor Council. Whereas the selective free-trade policy is removing the floor from under American wages and investments, causing unemployment and loss of taxable property, and whereas the haphazard lowering of the import fees and tariffs without regard to the differential of the cost of production due largely to the difference in living standards of this country and foreign competitive nations has severely injured the nonferrous mining industry: Therefore be it

Resolved, That a telegram be sent to each of our national Senators asking them to do what they can toward correcting this deplorable situation.

DOUG HAWKINS,
President, White Pine County Central Labor Council.

LOCAL LODGE NO. 705,
INTERNATIONAL ASSOCIATION OF MACHINISTS,
Sparks, Nev., September 16, 1949.

Hon. GEORGE W. MALONE,
United States Senate,
Washington, D. C.

SIR: The legislative committee of Local Lodge No. 705, International Association of Machinists, Sparks, Nev., reported favorably on the matter of the flexible import fee. Whereupon the membership unanimously instructed the legislative committee to inform you that Local Lodge No. 705, International Association of Machinists, Sparks, Nev., has gone on record in favor of the flexible import fee.

The legislative committee wishes to commend the Senator for his hard work and initiative.

Yours truly,
SATIRIOS SOUKAROS,
Chairman, Legislative Committee.
GEORGE H. SHELTON,
JOHN L. ROBERTSON,
Legislative Committee.

LAS VEGAS, NEV., *January 12, 1950.*

United States Senator GEORGE W. MALONE,
Washington, D. C.:

We urge you to support a flexible import and export tariff bill for protection of our domestic industries and curtailment of foreign spending.

HELEN E. CRANER,
Secretary Property Owners Association, Inc., of Clark County, Nev.

Mr. MALONE. Mr. President, in summation I want to say again that it is impossible to consider point 4—the Marshall plan or ECA—the 1934 Trade Agreements Act, as extended, the ITO, or the sterling debt separately.

They must be considered as a pattern. To stop this stupid combination, domestic and foreign policy, the flexible import-fee principle must be substituted for the 1934 Trade Agreements Act, as extended, and the President's "must" legislation—the passage of the International Trade Organization—must be stopped.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes.

TEMPORARY APPROPRIATIONS, 1950—CONFERENCE REPORT

Mr. McKELLAR. Mr. President, I submit a conference report on House Joint Resolution 476, making temporary appropriations for the fiscal year ending June 30, 1950. The conferees were unanimous. I ask unanimous consent for the immediate consideration of the conference report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows: In line 9 of the amendment of the Senate, before the colon, insert the following: "; except that this proviso shall not apply to appropriations included in such bill (H. R. 8567) for "fighting forest fires", Department of Agriculture, and "Office of the Housing Expediter" but no funds may be used to pay compensation of any employee

in a grade higher than the grade of such employee on May 22, 1950, and no funds herein shall be used to pay the officers or employees of the Office of Housing Expediter for periods after June 30, 1950"; and the Senate agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
STYLES BRIDGES,
HOMER FERGUSON,
Managers on the Part of the Senate.

CLARENCE CANNON,
ALBERT THOMAS,
W. F. NORRELL,
JAMIE L. WHITTEN,
JOHN TABER,
RICHARD B. WIGGLESWORTH,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

NATIONAL SCIENCE FOUNDATION

Mr. HUNT. Mr. President, this Congress has enacted, the President has signed S. 247, and there was, therefore, created a National Science Foundation. The National Science Foundation will greatly promote the progress of science through scientific research; it will, unquestionably, advance the national health, welfare, and prosperity of this country. It will have a far-reaching effect and will do much to secure our national defense.

Mr. President, proper distribution of contracts carrying on the basic scientific research activities to all sections of this United States will cause a progressive growth and improvement of agriculture, will promote development of natural resources, markets, and economic improvements by creating new industries, and it may well provide one of the greatest challenges which American higher education has faced since the end of World War I.

In marking up the achievements of the Eighty-first Congress and the President of the United States it can well be said that we have, together, created a new, modern, forward-looking vehicle for American scientific progress.

Through future years the Eighty-first Congress and the President of the United States will be congratulated time and time and time again on their vision and determination to provide a potentially vigorous means of further accelerating development of American centers of scientific competence.

These remarks, Mr. President, and our vital concern today must be directed as to how the National Science Foundation is to be administered. For it is within the broad grant of authority set forth in the legislation that specific policy decisions can turn the program either to fulfillment of challenge or to the precipitation of a major crisis to American institutions of higher learning in some areas of the United States.

Mr. President, I will analyze and explain these elements of potential challenge and crisis. The investment of large sums of money in fundamental and applied research is going to vitally affect geographic points where scientific personnel and research facilities are concentrated.

The structure of American graduate schools will be directly and deeply affected.

Research contracts and grants will bring to particular university centers a new vitality and drawing power, both for the faculty and the student body. The general strengthening of a number of academic specialties should be a natural consequence in such institutional centers.

A short view, and I think the wrong approach, to this matter would suggest that the national welfare might best be served by giving further stimulation to the national centers of scientific competence which have already proven themselves and which, by and large, are extremely limited in number and do not represent all areas of the United States.

It is true that at such national scientific centers, in a comparatively short period of time, research by individuals and teams might begin to focus on scientific problems of a fundamental and applied nature.

However, in the judgment of the preponderance of educational viewpoint in this country, and it is my personal opinion, that such an approach to the problem would definitely be unwise.

Our principal national university centers for research are, for the most part, concentrated in the New England and middle western regions and on the west coast. Within these regions few more than a dozen institutions harbor a large proportion of America's best scientific minds, laboratories, and libraries.

Compared to these concentrations of strength, the southern universities, portions of the Great Plains area, and the Rocky Mountain region have less claim to distinction among our institutions of higher learning.

For a variety of reasons, many of the institutions in these areas have, of necessity, followed patterns of development different from those of our university research centers usually considered to be tops by national standards.

Not the least of these reasons but, in fact, the outstanding reasons for this situation have been the absence of sufficient financial resources and the lack of opportunity to work as important parts of the Nation's team of scientific personnel on research projects vital to the national welfare.

Not with any intention to be critical but to point out the unequal distribution of medical research funds granted by the United States Public Health Service for the years 1939 to 1949, we find that of total funds in the amount of $36,500,000, that eight and one-half million, or 23.2 percent, was granted to three Middle Atlantic States, while less than two million, or 5 percent, was made available to the eight Mountain States.

And this is roughly the pattern followed in distribution of all scientific grants, both public and private.

Further inequality in the distribution of scientific research funds is noted in that while the three Middle Atlantic States received 23 percent, 9 South Atlantic States received approximately one-half that amount, or 12.6 percent.

Should a distribution of these funds have been made on the basis of number of States involved, the south Atlantic group would have received three times the amount granted the three Middle Atlantic States.

And again we find the east north central group of States—five in number—receiving 18 percent of total funds distributed, while the East South Central States—four in number—received approximately one-fifth that amount, or less than 4 percent.

May I reiterate that no criticism is intended of the United States Public Health Service for the varying amounts contributed to States, for I realize that funds are distributed by the United States Public Health Service in close proportion to the capacity of the institutions to do research in terms of manpower, facilities, equipment, and research output.

In a report to the President on Administration for Research, volume 3 of Science and Public Policy, the President's Scientific Research Board, with reference to the distribution of physical and technological science research, I find comments, as follows:

> First, this trend will deplete still further the resources of the smaller schools and firms whose contribution is essential to maintain our scientific advantage; and it will not necessarily make it possible for the larger institutions to undertake the necessary total research and teaching.
>
> Second, it will choke off the necessary expansion and dispersal of research facilities and hinder widespread dissemination of research results. Research today cannot flourish if confined to small quarters. It cannot enjoy the benefits of cross-fertilization and intellectual interchange unless conducted on a wide and open stage.
>
> Third, concentration of contracts may provide various undeserved competitive advantages to large contractors, including training of personnel, employment of scientists and technicians under better conditions, sharing of overhead and patent possibilities arising from Government-sponsored and financed research. This situation must also be evaluated in the light of the national antitrust and antimonopoly policy.
>
> Finally, the national defense against the possibilities of atomic warfare and pin-point bombing call for wide geographic dispersion of essential facilities.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. HUNT. I yield.

Mr. HOLLAND. I wish to commend the distinguished Senator for pursuing this subject. It seems to me it is timely indeed to call the attention of the Senate and the Nation to the fact that the National Science Foundation Act of 1950 has become law, and that this interesting and, I hope, highly valuable effort in the field of science, training of more personnel, and development of greater scientific research is about to begin. However, I want to ask the Senator if he would mind my reading into the RECORD at this point a portion of the act itself which emphasizes the point which he has just made, namely, that it is highly desirable, as it is indeed directed by the act, that the use of the very considerable funds provided and the very considerable program inaugurated by this act shall not in any way contribute to the present concentration, but shall eliminate such concentration so far as possi-

ble by giving emphasis to the dispersion of research and technical facilities throughout the Nation. Would the Senator object to my making this insertion in the RECORD at this point?

Mr. HUNT. I shall be very happy to yield to the Senator from Florida so that he may make such an insertion in the RECORD at this point in my remarks.

Mr. HOLLAND. I thank the Senator. The part of the act to which I had reference is subsection (b) of section 3 of Public Law 507, which is the National Science Foundation Act of 1950. It reads as follows:

> In exercising the authority and discharging the functions referred to in subsection (a) of this section, it shall be one of the objectives of the Foundation to strengthen the basic research and education in the sciences, including independent research by individuals, throughout the United States, including its Territories and possessions, and to avoid undue concentration of such research and education.

I thank the Senator, because it seems to me very clear that the Congress in the passage of this act was giving a mandate to the new Board, which will soon be set up by appointment of the President, to eliminate concentration among the institutions of learning, and the other institutions which at present carry on scientific research and education, for the excellent reasons which the Senator has already given.

Mr. HUNT. I thank the Senator from Florida.

During World War II the burden of university research in America was borne by New England and middle western institutions. The process of further concentration of scientific competence and facilities in these particular areas was, therefore, greatly accelerated.

Even since the war this trend of concentration has continued in the awarding of research contracts by the Federal Government, and may I direct the attention of the Senate and the attention of the yet to be named National Science Board and its Director, whoever they or he may be, that at this very moment a few well placed atomic bombs could deliver what might be a fatal blow to American scientific potential.

Yes, Mr. President, a major part of our scientific leadership and facilities could thus be entirely destroyed.

So I suggest to the National Science Board, and its Director, Mr. President, that in the long-range view, and I am sure the view of the majority of educators in the United States, the proper administering of the National Science Foundation would seem to call for finding a way of systematically building university scientific centers in each of the major regions of the Nation.

Such a policy may make the problems of the Foundation somewhat more complex, and in some fields of scientific endeavor the accomplishments may come more slowly. But again, Mr. President, from the standpoint of national defense alone, the justification of the policy of regional decentralization of scientific centers is obvious. I think, also, that no less important than this are other obvious benefits which would accrue, namely, there would result a general, a Nation-wide stimulation to scientific, economic, governmental, and social life in each major region of the Nation.

It would then follow that these strengthened institutional centers would undoubtedly attract additional research contracts from industry in their service areas.

State legislatures and the lay public would begin to see the merits of more liberal investment of funds for research in their own universities and thus a considerable impetus would be given to the over-all pursuit of scientific knowledge.

Obviously one of the major purposes of the National Science Foundation Act is to create an adequate supply of highly trained individuals to insure the Nation's future research and scientific leadership. The scholarship program of the Foundation will do much to achieve this objective.

It is the contention of leaders of higher education, and several studies show, that students are more likely to seek opportunity for scientific training when it is available within reasonable distance of their homes. Therefore, it follows that one of the greatest benefits of decentralizing our scientific centers will be in the attracting to scientific institutions of a greater number of our youth who will become our scientists of tomorrow. Throughout each major region our college-age youth will have the increased stimulation and opportunity to go into science as a career.

So again, Mr. President, I further emphasize and reemphasize the fact that outstanding professors, and improved laboratories and libraries, will be more readily available to turn the new-found interest of young citizens into scientific competence.

Greater thought and study given to the establishment of the National Science Foundation lead one to readily see that this new independent agency and executive branch of Government can become, and I am sure it will become, a magnificent instrument for stimulating a great forward movement in American science.

This far-reaching program and forward movement will require new Nation-wide team work between Federal and State Governments and privately endowed institutions. Institutions in each major region will need to cooperatively assess their own potentialities for serving the Nation and its people.

The National Science Foundation, through the appropriate national associations representing various interests of colleges and universities, could thus combine national needs for scientific development with voluntary and cooperative planning among institutions in each of the major regions.

Now let us have a look at this proposed team work between State and Federal Governments from the point of view of a State. The support of higher education has always been primarily a State responsibility, even though the Federal Government has made, and continues to make, lasting and significant contributions to supplement State effort, and indeed a Federal program of scientific research is necessary and required because this represents an area in which State planning alone and State financing alone are not sufficient to meet the requirements of the Nation.

From 16 years' experience in State administration I am sure that at the State level few institutions and certainly only the most wealthy can now, or in the foreseable future, hope to obtain top achievement in more than a small number of advanced areas of scientific research and graduate training. Financial limitations in most States stand as a barrier. Even if the money were available, the existence of highly qualified scientists is sufficiently limited to make impossible top flight centers in every State.

Excellence in research requires excellence and sufficiency of scientists and facilities. This is expensive, far more expensive than the average layman realizes. It costs more money than many of our educators realize, judging by their willingness to attempt the duplication of expensive facilities for research and graduate training.

For these reasons groups of States with common resources and problems should plan to jointly develop, use, and finance institutional centers of scientific endeavor. Through such actions State funds could be channeled more effectively into upgrading advanced research and scientific training centers.

I compliment the States of the South who have pointed the way and have taken steps in this direction, as have, but to a lesser degree, the States of the far West; and only recently the Rocky Mountain States are adopting such a policy.

In the States in the Rocky Mountain area, of which my State is one, our legislature provided appropriations for paying the cost per student for a limited number of Wyoming boys admitted to schools of medicine and dentistry in other States. In this Rocky Mountain area, from the Canadian border to the Mexican boundary, there are 10 States and 10,000,000 people with no dental school, and until recently only one medical school.

Twenty thousand young men were deprived of the opportunity to study medicine and dentistry in the United States last year because of the inadequacy of the existing medical and dental schools.

This is a condition which must be corrected, for the State and the Nation have fully as great, if not a greater obligation, to make it possible for young men to study medicine and dentistry than they have to make available apparently all facilities needed for the teaching of any other profession or occupation.

Regional cooperation is, on the one hand, a means of systematically planning for national decentralization of scientific effort and teaching. On the other hand, it provides a means for concentrating State resources by agreeing on more effective, scientific specialization among institutions within a region.

Such action is a necessary part of building a strong national system of higher education through the appropriate teamwork of the States and Federal Government.

Mr. President, I hope the National Science Foundation will be, and in fact

I think it must be, a sympathetic partner of the States in helping to build their own educational resources into strong centers of scientific accomplishment.

The careful exploration of matters which I have attempted in these remarks to bring to the attention of the Senate and the attention of the National Science Board should yield effective means of furthering that partnership, for without such action as I have suggested we may contribute to precipitating a crisis in the national pattern of higher education, especially in the professional schools already hard-pressed for finances, personnel, and facilities.

Mrs. SMITH of Maine. Mr. President, will the Senator from Wyoming yield?

Mr. HUNT. I yield.

Mrs. SMITH of Maine. The junior Senator from Maine is very much interested in all the junior Senator from Wyoming has been saying, especially with reference to decentralization of some branches of the science research. The junior Senator from Maine has a few questions which she would like to have answered for the record. I am sorry I was not able to be present earlier, but was detained in committee. Some of the matters I wish to bring out may be repetitious. I hope the Senator from Wyoming will bear with me.

Mr. HUNT. I shall be glad to try to answer any questions the Senator from Maine may desire to ask.

Mrs. SMITH of Maine. Would not the further trend toward centralization of higher education and progressive science deplete still further the resources of the smaller schools and of the institutions whose contribution is essential to maintain our scientific advantage?

Mr. HUNT. I would say to the Senator from Maine that there can be no question about that, because as our already large universities become larger they naturally need additional scientifically trained personnel. Such personnel by and large is being trained in the smaller universities throughout the country. Thus, on the one hand, we are depleting scientific personnel in many areas and adding it to just a few, still furthering the unequal distribution.

Mrs. SMITH of Maine. Then the Senator from Wyoming would say also, perhaps, that it would choke off the necessary expansion and dispersal of research facilities and hinder the wider dissemination of research results?

Mr. HUNT. I think in the long run it would do so to a very great extent, because the young men and the young women throughout the country who will be the scientists of the future will not have the opportunity or will not take advantage of an opportunity to go to distant points for scientific research. They would not do so to nearly the extent to which they would avail themselves of such opportunities if they were close at home.

Mrs. SMITH of Maine. Will the Senator from Wyoming repeat, perhaps for emphasis, what he said about research flourishing in the smaller areas if given an opportunity?

Mr. HUNT. I did not quite understand the question.

Mrs. SMITH of Maine. Will the Senator restate what he said in his speech, as to the chance of research in the smaller areas flourishing, increasing, progressing, and accomplishing results, if given the opportunity?

Mr. HUNT. I think without a question of doubt my remarks were to the effect that there would be a tremendous increase in the number who would avail themselves of scientific research studies if we had a greater distribution of such facilities. Does that answer the question?

Mrs. SMITH of Maine. That answers the question very well.

The Senator from Maine would like to ask if the concentration of contracts would not involve the risk of providing various undeserved competitive advantages to the large contractors? In these days when we are thinking so much about helping small business, would it not be possible to give them some of the advantages of the research?"

Mr. HUNT. I may say to the Senator from Maine that the sole purpose of the junior Senator from Wyoming in taking the time of the Senate this afternoon is to emphasize to the future National Science Foundation Board the thought that the rest of the Nation must not be forgotten in awarding of the scientific research contracts. As I stated a while ago, nine States in one group are receiving 8 percent. Another group of three States is receiving 23 percent. One group of States has received only 3 percent. In the Rocky Mountain area we have received only 5 percent. During the war—and I have no criticism of this; I simply want to show what happened during the war—77 percent of the Navy contracts were concentrated in 11 institutions. Hundreds of institutions throughout the United States had no opportunity to participate.

Mrs. SMITH of Maine. Would the Senator from Wyoming agree with the Senator from Maine that this situation must also be evaluated in the light of the national antitrust and antimonopoly policy?

Mr. HUNT. I think so, I may say to the Senator from Maine, for the reason that industry in the closest proximity to where scientific research is completely and successfully carried on has the first opportunity to avail itself of such research, and therefore it does definitely lead to a monopoly in the usage of scientific developments in that particular area.

Mr. LEHMAN. Mr. President, will the Senator from Wyoming yield?

Mr. HUNT. I yield.

Mr. LEHMAN. In view of the questions asked by the Senator from Maine—and I will say I have full sympathy with the statements made by the Senator—would it not possibly be wise to emphasize again the fact that the act provides for a very wide geographical division of the 24 directors of the Foundation? I happen to have been one of the members of the conference committee on the part of the Senate, and the point very definitely emphasized at all the meetings of the conferees was the desire that this undertaking be not local in character but truly national in character, and it was felt that it would be, because the act definitely mandated the President to make his appointments based on geographical as well as scientific divisions.

Mr. HUNT. If I may answer the distinguished Senator from New York I will say he is quite right. That wording is in the report. It is also spelled out in the act. The junior Senator from Wyoming will have something to say about it a little later in his remarks.

Mr. HOLLAND. Mr. President, will the Senator yield for an observation?

Mr. HUNT. I yield.

Mr. HOLLAND. I want to emphasize the point just made by the distinguished Senator from New York, and, if I may, I should like to read into the RECORD at this time that portion of the act which specifically spells out the very point the Senator from New York has mentioned. Referring to the members of the Board of the National Science Foundation, the act reads as follows:

> The persons nominated for appointment as members (1) shall be eminent in the fields of the basic sciences, medical science, engineering, agriculture, education, or public affairs; (2) shall be selected solely on the basis of established records of distinguished service; and (3) shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation. The President is requested, in the making of nominations of persons for appointment as members, to give due consideration to any recommendations for nomination which may be submitted to him by the National Academy of Sciences, the Association of Land Grant Colleges and Universities, the National Association of State Universities, the Association of American Colleges, or by other scientific or educational organizations.

I simply wish to call attention to the fact that not only is it made clear that the persons to be appointed must be persons of great distinction in this field, but also they must be chosen on the basis of geographic dispersion. It seems to me that to an extent greater than in the case of any other act which has been passed by the Congress, at least since I have been a Member, this act departs from the recognized constitutional provision under which the Congress cannot impose upon the President of the United States any fixed limitation in respect to the making of nominations for appointment. The act in question does not seek to impose limitations, but it makes a definite request, in these words, "The President is requested, in the making of nominations of persons for appointment as members, to give due recognition" to the various groups and schools and scientific boards and agencies so that the very best people to lead this great, vital effort may be chosen.

Mr. President, if the Senator will yield for an additional observation, let me say that I hope every learned society and every group of colleges and universities will be advised that under the terms of this act they are invited to submit to the President the names of distinguished scientists and educators upon the basis of their distinction and also on the basis of the further fact that they should come from various sections of the Nation.

Mr. President, I appreciate the remarks the Senator from Wyoming has

made and the compliments he has handed to the Southern Organization for Regional Higher Education, which has made great progress, and bids fair to make much more progress.

I wish to say, for myself, that no political suggestions will be made by me or, I am sure, by anyone from the southern area, but I shall hope that through the southern group of colleges and universities and through the Southern Regional Organization for Higher Education certain suggestions may be made to the President based upon the very high standards stated in the act itself, in the belief that our part of the Nation and its distinguished educators have a part which they will be proud to play in this great national effort.

I thank the Senator.

Mr. HUNT. I thank the Senator from Florida for his contribution.

Mrs. SMITH of Maine. Mr. President——

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Maine?

Mr. HUNT. I yield further to the Senator from Maine.

Mrs. SMITH of Maine. Will the Senator from Wyoming yield for an observation, as well as a question?

Mr. HUNT. Certainly.

Mrs. SMITH of Maine. Mr. President, at this time I wish to join in the sentiments expressed by the junior Senator from Wyoming, and to commend him for his alertness and his fairness in connection with this entire matter. It is most essential, I quite agree, that the development of progressive science should be encouraged throughout the country, rather than be centered in a few large educational institutions.

Although I realize the law specifies that there shall be wide distribution, yet of course it is very much easier to center activities where the equipment and the facilities and the personnel are.

It seems to me that national defense against the possibilities of atomic warfare and pin-point bombing clearly call for wide geographic dispersion of essential facilities; and I wish to join with the Senator from Wyoming in doing everything I can to help bring that about.

Mr. HUNT. Mr. President, I thank the Senator from Maine. There is no Member of the Senate whom I would rather have comprehend this problem than the Senator from Maine and I am glad she has given it the force and effect of her stature and personality.

Mr. President, imaginative action on the part of the National Science Foundation and its other associated private agencies on the national level cannot fail to meet the great challenge in scientific development which lies ahead.

In conclusion, Mr. President, it is my hope that the 24 members of the National Science Board, responsible for policy making, and as directed in the act, "shall be so selected as to provide representation of the views of scientific leaders in all areas of the Nation."

I have just quoted the language of the act, and it was also referred to by the distinguished Senator from New York, and has been emphasized by the distinguished Senator from Florida.

Mr. HOLLAND. Mr. President, will the Senator yield to me for a moment?

Mr. HUNT. I yield.

Mr. HOLLAND. I should like to observe that it seems to me that at this time, when our Nation apparently is about to set forth upon the effort, under the President's point 4 program, to aid in technical training and the furnishing of technical skills and scientific information and assistance to the underdeveloped areas of the world, not just in this Nation, particular emphasis can be and should be properly placed on the fact that we need to develop more scientifically trained persons of our own. The best we have will not be enough to live up to the world need. I believe that in this program there lies a chance to enlist the facilities of the great institutions of learning throughout the Nation and to offer opportunity to those youths throughout the Nation who may have particular genius or capacity in the field of scientific research and learning.

May I say to the Senator that ability and genius and ambition to do great things and new things in untried ways does not exist on a basis of State or regional lines, but there are just as likely to be found in the most remote spot in our Nation as in our great centers of population young Americans who will be attracted by the chance to serve their Nation and mankind by engaging in various scientific careers.

I hope this particular effort will be emphasized as one in which the Nation is seeking ambition and talent and is trying to develop the latent genius of young Americans who, if developed along scientific lines, may render great service not only to our Nation but to all mankind.

Mr. HUNT. Again I thank the Senator from Florida for his worth-while contribution.

In commenting on where unknown and undiscovered scientists may be found, I should like to say that when Thomas Edison, while a telegraph operator on a side track, so to speak, away out in Carbon County, Wyo., years and years ago discovered and developed and perfected the simultaneous transmission in opposite directions of messages on telegraph lines.

Specifically, therefore, in awarding grants and fellowships for research the Foundation will serve scientific advancement best and fulfill the purposes of the act by distributing its aid and assistance in such a way as to stimulate discovery and strengthening of education in all areas, and particularly to the smaller and less developed States.

Grants and fellowship awards only to the larger institutions with proven research success deprive the smaller schools and younger investigators of the opportunity to contribute, and may well deprive the Nation of the research views of many who cannot, or who do not, choose to go to the well-established centers.

Mr. President, the Congress and the President of the United States, except for the appointment of the Board, have completed their work and they turn to the Board a vehicle for the advancement of science in this Nation, the possibilities of which have never been remotely equaled in this or any other nation, and if the Board, in its wisdom, sees fit in administering the act to include all areas of our great country in the various grants and scholarships at its disposal it will accomplish a great forward advancement in scientific research and development which the Congress expects and looks confidently to it to accomplish.

WINNING THE COLD WAR—VI

Mr. FLANDERS. Mr. President, in a colloquy on this floor a few weeks ago, I mentioned the fact that I had written a letter to General Marshall, then Secretary of State, offering suggestions for bettering the Chinese situation, which was then deteriorating rapidly. It may be worth while to read it into the RECORD at this point, since there are some lines of parallelism between conditions in great China then and little Indochina now. I proceed with the letter:

DEAR MR. SECRETARY: As a graduate member of the Business Advisory Council I was privileged to attend the dinner last evening and listen to your satisfying frank discussion of the Chinese situation. Of course, the satisfying thing about it was your frankness. The situation itself is incredibly difficult.

I have the temerity, nevertheless, to pass on to you some vague thoughts which have been going through my mind.

Would it be possible to clear a restricted area of China of Communist military strength and mark off that area for assistance and reconstruction? It might be from the Yangtze River south or perhaps an area of 50 to 100 miles north of the Yangtze might be included. If transportation, supporting coal mines, and cotton textiles, for instance, could be reconstituted in that area, it would form a basis for reviving normal living for many millions of harassed people.

The difficulties are obvious. It would require close supervision on our part to make sure the assistance is not poured down the military rat hole. It would be difficult to get such supervision to be politically acceptable to the Chinese Government, and it would be difficult to recruit and organize the necessary supervision. Recognizing these difficulties and others which your experience would suggest, it might still be considered as one of the faint hopes in the Chinese situation.

General Marshall's reply was in friendly terms but noncommittal. I quote:

DEAR SENATOR FLANDERS: Thank you for your kind letter of June 12, 1947, in regard to the problem of assistance to China.

The suggestions you make in regard to the demarcation of certain areas in China where we could concentrate American assistance for purposes of reconstruction are very pertinent ones. The Department has had under consideration a program such as that outlined in your letter, but has found itself confronted with some very obvious difficulties, including those mentioned in your letter, which would be involved in carrying out a program of assistance of this kind.

Regardless of such difficulties, some of which are common to any program for assistance to China, your ideas on this subject merit the continuing attention and consideration of the Department. You may be assured that in our attempt to find some means of assisting China they will not be overlooked.

If the idea, or any similar idea arising in the Department or coming from the outside, were ever seriously considered,

no evidence ever appeared in the form of action. Certainly not the whole, and almost as certainly no smallest part of the plan was ever undertaken.

In form, the situation resembled that which we were facing in Greece at about the same time. In both cases we were seeking to aid a people whose government was not at all satisfactory to deal with. In both cases the country was ravaged by bands of guerrillas armed and organized from the outside. In both countries the miserable, suffering population was divided in its sympathies, but longing far more for peace and a chance to produce than for either the existing order or the foreign ideology which were grinding them between the upper and nether stones.

In Greece, despite difficulties and false moves, we have achieved a fair measure of success. In China, with no such plan of action, we have failed miserably. Admittedly the problem was more difficult. For one thing, it was much bigger. For another thing the failings of the Nationalist Government were much more deeply rooted in the history and customs of the country. The Communists won over the people on promises of agrarian reform and peace. There was an opportunity to persuade the Nationalist Government, with our active assistance, to offer performance of peace and peaceful production to expanding areas of that unhappy country. If we made the effort, it is not recorded. If we made the effort and failed to get acceptance, at least our consciences would now be clear in the matter.

And now comes Indochina. Within the many differences, certain parallels with the Chinese and Greek situations may be discerned. Once more the aggression is inspired from without. Once more its strength seems to rest on popular dissatisfaction. Once more endless military engagements lead to no decision, even though the armies of one of the great powers are engaged.

Here again there would seem to be an opportunity to clear up and protect from guerrilla attack the most highly productive areas of the country. This applies to the cotton areas, among others, but above all to the rice areas. These products have immense importance to the people of eastern Asia and to the Indochinese themselves.

Along with clearing and protecting these limited productive areas must go a campaign of benefit to the people. A talk with an ECA friend who was on the recent mission to that land has led me to believe that the most useful, the most appreciated and the least expensive service we can render the people would be a medical mission. This would not involve building, equipping, staffing and operating hospitals. Something more simple, something more widespread is needed. There is, literally, no medicine in rural Indochina. What there was no longer is. These basic medical missions should serve the recovered and protected areas. They should follow close behind the armed forces in every advance. The native people should have this good reason to be glad when the French armies appear.

Another opportunity may lie in improving the agriculture of this region. The traditional cultivation of the rice paddies is so long established and peculiar to that crop, that not much immediate improvement could be managed. But with the cotton at least, and with other crops, there are the same advantages to be gained which were gained by the Russians in their improvement of the agriculture of north China. Again, as in the medical mission, this is not a question of tractors and modern agricultural apparatus. Improved hand implements would go a long way.

What is needed is agricultural missionaries along with the medical missionaries. As always and as everywhere, the men under the command of the Politburo make themselves initially acceptable to the people of the region, no matter what their ultimate objective or their ultimate relationships may be. They know enough to know that military subjection will not work in this area. The question is, Do we know as much as the Soviet authorities? That question will be answered not by argument and debate but by results. If we succeed in making our appearance a welcome event to the people of Indochina, we shall have learned the lesson. If we do not succeed, our cause is lost.

Again we find a parallel in the possibility that it may be difficult to persuade the French authorities of the wisdom of such policies and such assistance. Yet they, and we, grossly misread the lessons of the modern world if we continue to act in the belief that a military victory can hold a territory or engage the allegiance of a people. In these days in which we live armies can defend only territories and people while the positive steps of economic recovery and unforced popular support are being generated. For our age peace can be attained by no other means.

In drawing a parallel between this situation and that which was met by the loan to Greece, we must admit that the political situation is much more difficult to handle. We must persuade ourselves and the French Government jointly that purely military operations will never succeed. We must persuade them and ourselves that only popular support will succeed. We must persuade them and ourselves that the slow task of finding and developing native administrative ability has to start at once. All this is difficult. It may seem to be almost impossible. In fact, it is the only possible way to success, and we must proceed with this knowledge and in this spirit.

Economic forces work in our favor. The surplus food produced by a peaceful Indochina is badly needed by Japan. That country, in turn, can easily provide the consumer goods which Indochina is not equipped to produce. How much better, how much more natural, is this interchange up and down the coast of Asia than is the attempt to force markets for Japanese industry into our own competing industrial population? Why are we so blind?

Indochina is the focal point today in the offensive of the men of the Politburo. If they win, the great surplus of rice goes to the Communists. If they win, the strongest dike against the southward sweep of the Communists has been breached, southeast Asia and Malasia are lost, and Burma and India are tottering to their fall.

Mr. President, the Communists need not win.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

Mr. CONNALLY. Mr. President, we have been debating the bill which is the subject of the conference report for a considerable period, and I anticipate that there will be more speakers in the future. I should like to offer a unanimous-consent request and have it read from the desk.

The PRESIDING OFFICER. The clerk will read the unanimous-consent request.

The Chief Clerk read as follows:

Ordered, That on the calendar day of Thursday, May 25, 1950, at the hour of 4:30 o'clock p. m., the Senate proceed to vote, without further debate, on the question of agreeing to the conference report on the bill (H. R. 7797) to provide foreign economic assistance; that the Senate at the conclusion of its business today take a recess until 11 o'clock a. m. tomorrow (May 25); and that the time between 11 a. m. and 4:30 p. m. be divided as follows: 2½ hours for those favoring the report and 3 hours for those opposed thereto, to be controlled, respectively, by Mr. CONNALLY (Texas) and Mr. MILLIKIN (Colorado). (May 24, 1950.)

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. JENNER. Mr. President, before my colleagues vote on the ECA conference report, which will be at 4:30 tomorrow afternoon, I feel it my duty to point out how desperately we need to know more about the sweeping delegation of power included under the provisions of point 4, in this ECA authorization act.

No one has more clearly stated the need for more study of this matter than my colleague, the Senator from Massachusetts [Mr. SALTONSTALL] in his discussion of point 4 April 28, 1950, when he brought home to all of us what a complicated mess we are in so far as our international hand-out schemes are concerned.

These schemes have become so involved that neither the American taxpayer, nor the Members of the United States Senate, know where we stand.

I want to recall the words of the Senator from Massachusetts in his speech of April 28 to prove this point:

> The junior Senator from Michigan [Mr. FERGUSON] had the foresight last August to ask the Director of the Budget to secure information for him concerning United States technical assistance and exchange programs for certain other foreign expenditures.
>
> I call attention at this time to the fact that it took the Director of the Budget 5

months to gather the material and to reply to the Senator from Michigan on February 8.

This, I think, might well be traced to the fact that many different agencies of the Federal Government are involved in one way or another.

I have been endeavoring to reconcile the figures the Senator from Michigan received and which he was good enough a few days ago to read into the RECORD of the Subcommittee on Appropriations for State, Commerce, and Judiciary with other figures which have been furnished me.

It is extremely difficult.

Mr. President, not only are we not able to get a clear and honest picture of the extent to which we are already underwriting point 4 projects, all over the world, but we still are bombarded with propaganda which continues to justify point 4 as another innocent addition to our foreign hand-out schemes in face of the fact that this point 4 program has been smuggled into ECA for wholly different reasons.

We should remember, Mr. President, that point 4 is tacked onto a program which is supposed to die in 1952, the ECA program.

First, Mr. President, I can see no reason for us to ignore the obvious intentions of our present Secretary of State as to what he intends to encompass under this point 4 provision.

On January 12, 1950, Dean Acheson delivered an address before the National Press Club.

During the question period that followed, Mr. Acheson attempted to lump all the questions which were asked into one big bund'e, and answered them by saying:

I have tried to talk about what we have done in the past and what we intend to do so far as we can in the future.

What I have said, I think, indicates a continuity of effort and a continuity of principle.

We are hoping to get from the Congress broader and wider powers and more support to do what we have been doing more vigorously.

The President has a fund of $75,000,000 which is available.

We are asking Congress under the point 4 program for authority and further funds and we are going ahead along the lines that we have gone ahead in the past but we hope with greater power and greater resources and greater funds.

Second, Mr. President, we know that Mr. Gordon Gray has been appointed by the President and a special policy group in the State Department has been appointed by Mr. Acheson, to draft a program to take over where ECA leaves off in 1952.

It is perfectly obvious that the projects anticipated under point 4 will form the basis for this new international scheme when ECA is formally terminated.

Third, Mr. President, during the past few weeks our Secretary of State has been in London, forcing an agreement with Atlantic Pact powers to draw into one over-all program our economic, financial, and military aid.

This program also, for the first time, attempts to relate what our right hand has been doing in Europe, with what our left hand has been doing in the Far East.

Today, I believe, Mr. Bevin has announced that England is going to seek recognition for Communist China in the United Nations, and yet Mr. Acheson just left London, where he had worked out an over-all program which will involve our economic, our financial, and our military aid.

Fourth, this new adventure in total diplomacy will saddle us with a whole new series of economic and financial burdens at the very time when Mr. Walter Lippmann warns us we are so far overextended and we have promised so much more than we can possibly deliver that our whole foreign policy is threatened with collapse.

Fifth, Mr. President, I want to give my colleagues a clear picture of how staggering these new involvements and financial burdens will become if we blindly underwrite point 4 by dragging it by the heels into this ECA authorization.

February 13, 1950, the New York Times commented on President Truman's inaugural address and his plea for point 4, by asking, "Why was President Truman so concerned about improving conditions in underdeveloped countries?"

The New York Times went on to say:

The fact is that the age-old poverty and misery of the masses of these areas have been aggravated by new conditions. First, living conditions have grown shockingly worse. Next, the people of Asia, the Far East, the Middle East, Africa, and Latin America * * * are learning for the first time how wretched they are. Practically the whole underprivileged world is seething with unrest.

Mr. President, to get a picture of how staggering and impossible the task is which the administration is asking us to assume under the point 4 program, I want to read the following facts into the RECORD from a report to the Foreign Policy Association by Harold H. Hutcheson:

The underdeveloped areas contain about three-quarters of the world's population, which is about 2,200,000,000 people. Yet they conduct only about 13 percent of world trade. They account for less than 8 percent of the world manufactures. The average person in these areas uses each year $7 worth of factory-made goods, compared to $104 worth elsewhere in the world. The average income is about $100, compared to $1,300 in the United States. Two-thirds of the people depend upon agriculture for a living, compared to about one-fifth in the United States. Yet production per acre is the lowest in the world. Their soil is overworked and they lack fertilizer, water, farm machinery, and transportation. Sanitation and health standards are extremely low. Some of the countries are the most densely populated on earth. An official of the United Nations' Food and Agriculture Organization estimates that in order to provide a normal diet in 1960 the food supply would have to be increased 90 percent, taking population growth into consideration. The governments must spend what money is available to import necessities and thus have no opportunity to build up their productive facilities. For revenue practically all of them have to depend on commodity taxes. An income tax is impossible, since the mass of the population has less than a subsistence income.

That is a picture of the situation we are supposed to correct, in addition to all the other things we are asked to do all over the world.

Sixth. I believe it is time that the United States Senate realized the implications of how point 4 fits into the communistic blueprint for the destruction of the western world. I am convinced from the evidence which I am about to introduce into the RECORD that point 4 is not only part of the communistic plan to force America to spend itself into bankruptcy and into financial destruction, but point 4 also cannot be dissociated from the tragic collapse of America's interests in China.

On April 27, 1950, before the Senate Foreign Relations Subcommittee, Mr. Earl Browder, jailbird, perjurer, traitor, admitted that he had served as an intermediary between the Communist forces in China and President Roosevelt. Mr. Browder said in a shocking commentary that went unchallenged:

I assume this information played a decisive role in reforming the American position in China.

Mr. President, here is a jailbird, perjurer, and traitor acting as an emissary between our Government and China, and he says:

I assume this information played a decisive role in reforming the American position in China.

That is a portion of the testimony he gave before the Foreign Relations Subcommittee. That statement, Mr. President went unchallenged.

At the same time Mr. Browder went far out of his way to clear Owen Lattimore of any Communist connections. I do not think it is difficult to understand why. So far as I am concerned, it does not make any difference whether these men charged by the Senator from Wisconsin [Mr. MCCARTHY] with being Communists are actually card-carrying Communists because I am going to introduce into the RECORD shocking evidence of how far these men have gone to sabotage President Roosevelt's plain directive to support Chiang and the National Government at all times, and to sell America and China down the river into the hands of Russia.

Why, then, would Earl Browder want to admit that this is what men like Mr. Owen Lattimore and Mr. John Service and others had done? Would he want America to stop playing the Communist game, in which there is far more at stake than China. China is gone.

Mr. President, I ask that at this point in my remarks I may insert in the RECORD a radio broadcast from Moscow made on December 27, 1949, entitled "Stalin Foresaw Designed China Victory." I wish to have it inserted at this point in the RECORD.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

STALIN FORESAW DESIGNED CHINA VICTORY

(Talk by Yurev)

In its long road—reaction at home—the Chinese people have won a great historic victory as a result of which the Chinese People's Republic has been set up. The main source of inspiration in this struggle has been the heroic Communist Party of China armed with the teachings of Lenin and Stalin. Mao Tse-tung in his article on the Dictatorship of the People's Democracy indicated that the

Chinese have accepted Marxism as a result of its application by the Russians.

Before the October revolution the Chinese were not only ignorant of Lenin and Stalin, they were also ignorant of Marx and Engels. "The broadside of the October revolution carried to us Marxism-Leninism."

In their classics Lenin and Stalin showed that the national colonial question is a part of the question of the proletarian revolution and the dictatorship of the proletariat. Stalin teaches us that colonial and dependent peoples are transformed from a reserve of the imperialist bourgeoisie into a reserve of the revolutionary proletariat. This statement is fully confirmed by the entire experience of the struggle of the oppressed peoples for their emancipation. Stalin gave particular attention to the Chinese antifeudal and anti-imperialist revolution.

STALIN AID SURPASSED ANGLO-UNITED STATES ARMS

In his historic works written in 1925 and 1927 exclusively on the subject of the revolution in China, Stalin created a well-reasoned theory concerning the Chinese revolution. The entire world armed the Chinese proletariat and its vanguard the Communist Party with a mighty weapon immeasurably stronger than guns or aircraft with which the American and British imperialists armed their Chinese puppets. Stalin revealed the main laws governing the victory in China. He gave important advice to the Chinese revolutionaries, transmitted to them the wealth of experience of the All-Union Bolshevik Party.

Stalin rendered invaluable aid to the Chinese Communists in their struggle against the right-wing and left-wing opportunists seeking to cause the Chinese Communist Party to deviate from the Lenin path.

The greatest service of the nucleus of the Communist Party of China which rallied itself around Mao Tse-tung is the fact that it defeated opportunism and headed the struggle of the Chinese proletariat for the victory of the people's revolution. Stalin revealed the characteristic of China as a semicolonial country which the capitalist hierarchy combined with the domination of the remnants of feudalism. Stalin showed the links between imperialist domination and the maintenance of the oppression of the feudal remnants.

Stalin indicated the peculiarity of the combination of the domination of feudal remnants with the existence of commercial capital in the Chinese countryside with the simultaneous maintenance of feudal medieval methods of exploitation and oppression of the peasants. Stalin moreover noted that the oppression by the feudal remnants * * * * by that of military * * * bureaucracy while imperialism maintains and strengthens this feudal bureaucratic machine. Stalin exposed the American, British, and Japanese imperialists as the organizers of the intervention in China, showing that intervention is by no means confined to troops and that the introduction of troops by no means forms the main characteristic of an intervention.

INTERVENTION IN FORM OF CIVIL WAR

As early as 1926 Stalin emphasized that under present-day conditions imperialism prefers to carry out intervention by organizing a civil war in the dependent countries, financing counterrevolutionary forces and giving moral and financial support of the Chinese agents against the revolution. Stalin noted that the Chinese revolution is the union of two streams of the revolutionary movement: the movement against the feudal remnants and the movement against imperialism. Stalin indicated that the Chinese Communists must take into account national peculiarities and make use of the smallest opportunities to provide the proletariat with a mass ally, even if temporary and unreliable, and to be guided by the axiom that for political upbringing propaganda and agitation alone are insufficient, that the masses' own political experience is essential for this.

Stalin showed that the Chinese proletariat and its Communist Party can and must establish a stable union with the bulk of the peasant masses, can and must pursue joint activity with the national bourgeoisie and the small urban bourgeoisie while these classes oppose the capitalist and feudalist domination. It was on this basis that the national united front was formed in 1924.

STRUGLE WITHIN UNITED FRONT

At the same time Stalin pointed out that inside this united front there will be a struggle for * * * in the revolution between the proletariat and the national bourgeoisie. Stalin predicted two ways of development of the Chinese revolution. Either the national bourgeoisie will smash the proletariat by making a deal with imperialism and together with it will make an attack against the revolution so as to end it by establishing capitalist domination; or the proletariat will sweep away the national bourgeoisie, strengthen its hegemony, and lead in its wake the millions of workers of town and country so as to overcome the resistance of the national bourgeoisie, achieve complete victory of the bourgeois democratic revolution, and then gradually lead it onto the road of a Socialist revolution with all the inherent consequences.

1927 BOURGEOIS-IMPERIALIST DEAL

As is known, in 1927 the Chinese national bourgeoisie made a deal with imperialism. The revolution suffered a temporary defeat, the united forces of imperialism and domestic reaction proved for a time stronger than those of the Chinese revolution. The Trotskyite and Zinovyevist enemies of the people despaired at the temporary defeat of the Chinese revolution.

Stalin gave a devastating reply to these agents of imperialism arming the Chinese revolutionaries with the prospects of further struggle for the liberation of the Chinese people. In the political report of the Central Party committee to the fifteenth congress of the All-Union Bolshevik Party Stalin pointed out: "The fact that the Chinese revolution has not yet brought about a complete victory over imperialism is of no decisive importance to the ultimate prospects of the revolution. Generally great popular revolutions never triumph fully in the first round. They grow and strengthen in a series of ebbing and flowing tides. This principle has always applied, including in Russia, and this is what will happen in China."

This prediction was entirely borne out by history in the heroic struggle of the Chinese people. Emerging from the severe test of the civil war between the years 1928–36, the anti-Japanese war of 1936–45, and finally the liberation war against both the American imperialism and the Kuomintang reaction, the great Chinese people achieved its historic victory. The people's revolution proved itself to be immeasurably stronger than the reactionary bloc of the Chinese feudalists and American imperialists.

NEW UNITED FRONT DIFFERENT

Under the new conditions which arose in China following the Second World War and the intervention of American imperialism, the vanguard of the Chinese proletariat contrived once more to establish a united democratic front. This front includes not only the peasant masses but also the small urban bourgeoisie and the national bourgeoisie. The difference, however, between the present united front and that of 1924–27 lies in the fact that at present the question of its hegemony has been finally solved: The proletariat, around which have rallied the bulk of the masses of the Chinese peasants, has assumed undivided leadership in the victorious struggle of the Chinese people against imperialism, feudalism, and capitalist bureaucracy.

As early as 1926, Stalin showed clearly the inevitability of the establishment of the hegemony of the proletariat in the Chinese revolution. If the main sections of industry are concentrated in the hands of foreign imperialists, said Stalin, the big national bourgeoisie of China cannot but be weak and backward. It follows from this, however, that the role of the initiators and leaders of the Chinese revolution, the role of leader of the Chinese peasantry must inevitably go to the Chinese proletariat and its party.

The Chinese revolutionaries are successfully putting into being Stalin's statements that the proletariat must win over to its side mass allies even if they are unstable. There is no doubt that the united democratic front formed and * * * by the Chinese Communist Party is one of the chief factors in the historic victory of the Chinese people. The most notable thing about the Chinese revolution is the fact that China borders on the Soviet Union, whose revolutionary activity and whose assistance cannot fail to facilitate the struggle of the Chinese proletariat against imperialism and against the medieval feudal remnants in China.

The Soviet people led by the great Stalin has shown solidarity toward the Chinese people in all the stages of its many years of struggle for national and social freedom. The Soviet Union's defeat of Hitler's Germany and imperialist Japan created decisive conditions for a rapid development and strengthening of the democratic forces of China.

Mao Tse-tung emphasizes the importance of this factor for the victory of the Chinese people saying: "If the Soviet Union did not exist, had there been no victory in the anti-Fascist war, had, and this is of particular importance to us, Japanese imperialism not been defeated, had the people's democracies not arisen in Europe, then the pressure of the international reactionary forces would of course have been a great deal stronger than now. Could we have sustained our victory under those circumstances? Of course not. Equally, victory could not have been consolidated after its achievement."

Comrade Stalin's works emphasize the leading role of the military factor in the Chinese revolution. In his historic speech on the prospects of the revolution in China, Stalin indicated: "The revolutionary army of China, is a supreme factor in the struggle of the Chinese workers and peasants for their liberation. In China it is not a defenseless people that is resisting the armies of the old government but an armed people as represented by its revolutionary army. In China the armed revolution is fighting an armed counterrevolution. This is one of the peculiarities and one of the advantages of the Chinese revolution. In this also lies the particular importance of China's revolutionary army."

The Chinese Communists (basing) themselves on this splendid analysis of Stalin, in two decades created and trained the Chinese people's army numbering millions. The Chinese liberation army has grown into a mighty force which has smashed the troops of the Kuomintang reaction buttressed by American imperialism. At the head of this army stands the experienced leaders, Mao Tse-tung, Chu Teh, Chou En-lai, and other stalwart revolutionaries.

IMPORTANCE OF MILITARY SCIENCE

They have carried out Stalin's indication that Chinese revolutionaries, including the Communists, must take to heart the matter of studying military science, that they must

not regard military science as being of secondary nature.

At the same time Stalin warned the revolutionaries that it is impossible to vanquish the imperialists and the Chinese feudalists by military force only. Victory over the enemy can only be achieved with the help of the agrarian revolution under the leadership of the proletariat. As is known the Chinese Communists fulfilled this indication too.

Stalin also defined the nature of the future revolutionary rule in China, emphasizing in 1926 that this would be a transitory administration toward a noncapitalist China or, more correctly, a Socialist development of China. It is precisely an administration of this kind that the dictatorship of the popular democracy represents.

Speaking about the successes which the Chinese Communist Party achieved in the revolutionary period of 1925–27, Stalin said that these were among other things due to the fact that the party followed the teaching of Lenin. After the 1925–27 revolution the Chinese Communist Party achieved more successes and managed to bring the Chinese people to victory over imperialism and reaction at home. During the years of the Chinese revolution, Stalin said that the revolutionaries' capacity is inexhaustible; it has not yet shown itself to the full; this will show itself in the future. The rulers of the East and West who do not see this will suffer.

Mr. JENNER. That is a broadcast by Radio Moscow and I do not see how anyone can read it without realizing how the chief architects of our foreign policy in the Far East have followed the Communist Party line. When we put together Alger Hiss' perfidy at Yalta and the traitorous stabbing in the back of Chiang Kai-shek which was carried on by our State Department representatives, it is impossible for me to understand how any American can fail to see the connections.

Mr. President, as proof of these connections, I wish to debunk all the talk about our official line toward Chiang Kai-shek changing only after Japan had surrendered. I want to read into the RECORD an official memorandum entitled "Report No. 40, of October 10, 1944, From Mr. John S. Service to General Stilwell." This came from Mr. Service, who is still in the State Department.

Our dealings with Chiang Kai-shek apparently continue on the best basis of the unrealistic assumption that he is China and that he is necessary to our cause.

This memorandum was written in 1944. China was then our great ally. We were sending her lend-lease materials. We were sending her money. President Roosevelt had directed that we cooperate with Chiang Kai-shek. Mr. Service says:

It is time for the sake of the war and also for our future interests in China, that we take a more realistic line.

This was in October 1944.

The Kuomintang Government is in crisis. Recent defeats have exposed its military ineffectiveness and will hasten the approaching economic disaster. Passive inability to meet these crises in a constructive way, stubborn unwillingness to submerge selfish power-seeking in democratic unity, and the statements of Chiang himself to the Peoples Political Council and on October 10, are sufficient evidence of the bankruptcy of Kuomintang leadership.

With the glaring exposure of the Kuomintang's failure, dissatisfaction within China is growing rapidly. The prestige of the party was never lower, and Chiang is losing the respect he once enjoyed as a leader.

In the present circumstances, the Kuomintang is dependent on American support for survival. But we are in no way dependent on the Kuomintang.

We do not need it for military reasons. It has lost the southern airbases and cannot hold any section of the seacoast. Without drastic reforms—which must have a political base—its armies cannot fight the Japanese effectively no matter how many arms we give them. But it will not permit these reforms because its war against Japan is secondary to its desire to maintain its own undemocratic power.

On the other hand, neither the Kuomintang nor any other Chinese regime, because of the sentiment of the people, can refuse American forces the use of Chinese territory against the Japanese. And the Kuomintang's attitude prevents the utilization of other forces, such as the Communist or Provincial troops, who should be more useful than the Kuomintang's demoralized armies.

We need not fear Kuomintang's surrender or opposition. The party and Chiang will stick to us because our victory is certain and is their only hope for continued power.

But our support of the Kuomintang will not stop its normally traitorous relations with the enemy and will only encourage it to continue sowing the seeds of future civil war by plotting with the present puppets for eventual consolidation of the occupied territories against the Communist-led forces of popular resistance.

We need not fear the collapse of the Kuomintang Government. All the other groups in China want to defend themselves and fight Japan. Any new government under any other than the present reactionary control will be more cooperative and better able to mobilize the country.

Actually, by continued and exclusive support of the Kuomintang we tend to prevent the reforms and democratic reorganization of the government which are essential for the revitalization of China's war effort. Encouraged by our support the Kuomintang will continue in its present course, progressively losing the confidence of the people and becoming more and more impotent. Ignored by us, and excluded from the Government and joint prosecution of the war, the Communists and other groups will be forced to guard their own interests by more direct opposition.

We need not support the Kuomintang for international political reasons. The day when it was expedient to inflate Chiang's status to one of the big four is past, because with the obvious certainty of defeat Japan's Pan-Asia propaganda loses its effectiveness. We cannot hope that China under the present Kuomintang can be an effective balance to Soviet Russia, Japan, or the British Empire in the Far East.

On the contrary, artificial inflation of Chiang's status can only add to his unreasonableness. The example of a democratic, nonimperialistic China will be much better counterpropaganda in Asia than the present regime, which even in books like China's Destiny, hypnotizes itself with ideas of consolidating minority nations (such as Tibet and Mongolia), recovering lost territories (such as the Southern Peninsula), and protecting the rights and at the same time national ties of its numerous emigrants (to such areas as Thailand, Malaya, and the East Indies). Finally, the perpetuation in power of the present Kuomintang can only mean a weak and disunited China—a sure cause of international involvements in the Far East. The key to stability must be a strong, unified China. This can be accomplished only on a democratic foundation.

We need not support Chiang in the belief that he represents pro-American or democratic China. All the people and all other political groups of importance in China are friendly to the United States and look to it for the salvation of the country, now and after the war.

In fact, Chiang has lost the confidence and respect of most of the American-educated, democratically minded liberals and intellectuals. The Chen brothers, military, and secret police cliques which control the party and are Chiang's main supports are the most chauvinist elements in the country. The present party ideology, as shown in Chiang's own books China's Destiny and Chinese Economic Theory, is fundamentally antiforeign and antidemocratic, both politically and economically.

Finally, we need feel no ties of gratitude to Chiang. The men he has kept around him have proved selfish and corrupt, incapable and obstructive. Chiang's own dealings with us have been an opportunist combination of extravagant demands and unfilled promises, wheedling and bargaining, bluff and blackmail. Chiang did not resist Japan until forced by his own people. He has fought only passively—not daring to mobilize his own people. He has sought to have us save him—so that he can continue his conquest of his own country. In the process, he has worked us for all we were worth.

We seem to forget that Chiang is an Oriental; that his background and vision are limited; that his position is built on skill as an extremely adroit political manipulator and a stubborn, shrewd bargainer; that he mistakes kindness and flattery for weakness; and that he listens to his own instrument of force rather than reason.

Our policy toward China should be guided by two facts. First, we cannot hope to deal successfully with Chiang without being hard-boiled. Second, we cannot hope to solve China's problems (which are now our problems) without consideration of the opposition forces—Communist, provincial, and liberal.

The parallel with Yugoslavia has been drawn before but is becoming more and more apt. It is as impractical to seek Chinese unity the use of the Communist forces, and the mobilization of the population in the rapidly growing occupied areas by discussion in Chungking with the Kuomintang alone as it was to seek the solution of these problems through Mikhailovitch and King Peter's government in London, ignoring Tito.

We should not be swayed by pleas of the danger of China's collapse. This is an old trick of Chiang's.

There may be a collapse of the Kuomintang government; but it will not be the collapse of China's resistance. There may be a period of some confusion, but the eventual gains of the Kuomintang's collapse will more than make up for this. The crisis itself makes reform more urgent—and at the same time increases the weight of our influence. The crisis is the time to push—not to relax.

We should not let Chiang divert us from the important questions by wasting time in futile discussion as to who is to be American commander. This is an obvious subterfuge.

There is only one man qualified by experience for the job. And the fact is that no one who knows anything about China and is concerned over American rather than Chiang's interests will satisfy Chiang.

We should end the hollow pretense that China is unified and that we can talk only to Chiang. This puts the trump card in Chiang's hands.

Public announcement that the President's representative had made a visit to the Communist capital at Yenan would have significance that no Chinese would miss—least of all the Generalissimo. The effect would be great even if it were only a demonstration

with no real consultation. But it should be more than a mere demonstration; we must, for instance, plan on eventual use of the Communist armies and this cannot be purely on Kuomintang terms.

Finally if these steps do not succeed, we should stop veiling our negotiations with China in complete secrecy. This shields Chiang and is the voluntary abandonment of our strongest weapon.

Chinese public opinion would swing violently against Chiang if he were shown obstructive and noncooperative with the United States. We should not be misled by the relatively very few Kuomintang diehards; they are not the people. The Kuomintang government could not withstand public belief that the United States was considering withdrawal of military support or recognition of the Kuomintang as the leader of Chinese resistance.

More than ever, we hold all the aces in Chiang's poker game. It is time we start playing them.

J. S.
John S. Service.

OCTOBER 10, 1944.

Mr. President, I desire to insert in the RECORD also a copy of the congratulatory telegram dated November 28, 1949, which was sent by Eugene Dennis, general secretary of the Communist Party of the United States of America, to China's new Communist leader, Mao Tse-tung.

The PRESIDING OFFICER (Mr. THYE in the chair). Is there objection?

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHINA, *January 5, 1950.*

DEAR COMRADE MAO: Throughout the long months of our trial, we were heartened by the inspiring achievements of the great Chinese people and their glorious vanguard, the Communist Party. We rejoiced that our friend, the new China, was inflicting defeat and disgrace on the imperialist rulers of America, who are violating justice by their false accusations against our party and its leaders.

The victory of the Chinese people represents even more than the liberation of 450,000,000 human beings from the age-old tyranny of feudal reaction and the yoke of foreign imperialism.

CAUSE OF WORLD PEACE

The establishment of the Chinese People's Republic is of historic significance for the consolidation of the cause of world peace. It has enormously strengthened the world camp of peace, freedom and socialism. It has thus also contributed much to the American people's struggle against the triple threat of economic crisis, fascism, and suicidal war created by Wall Street's desperate efforts to save monopoly's doomed social system.

We know that the American imperialists, thwarted in their schemes for world domination by the forces of peace, socialism, and democracy, whose leader is the invincible Soviet Union, will intensify their attacks on our vanguard party and on all democratic and peace-loving elements in our country.

BITTER STRUGGLE AHEAD

For us, and for the peoples of the Marshallized countries, the biggest and most bitter struggle still lies ahead. But we are mindful of the enormous difficulties overcome by the world camp of peace and social progress, and especially of the 20-year struggle of the magnificent Chinese Communist Party, which is now crowned with victory. Your expression of international working class solidarity is therefore deeply appreciated, and raises still higher our confidence in our party, our working class, and our people.

For a pact of peace and friendship of the United States and China, the Soviet Union, Great Britain, and France.

Long live the friendship of the American and Chinese peoples. Long live the Chinese People's Republic and its Communist leaders. Victory to the world camp of peace, national liberation, and socialism.

EUGENE DENNIS,
General Secretary.

Mr. JENNER. Mr. President, in the light of these facts, just these facts alone, Mr. President, how can anyone take seriously Senator TYDINGS' whitewash of the supporters of this Communist line, whose position he described as just coincidence?

I want to go back to the Moscow broadcast of December 27, 1949, which I had inserted in the RECORD, to show that point 4 is also directly connected to the collapse of China in the Communist strategy.

In this broadcast the Russian people were told:

In their classics Lenin and Stalin said that the national colonial question is a part of the question of the proletarian revolution and the dictatorship of the proletariat.

Stalin teaches us that colonial and dependent (peoples are transformed) * * * from a reserve of the imperialist bourgeoisie into a reserve of the revolutionary proletariat. * * * Stalin gave particular attention to the Chinese antifeudal and anti-imperialist revolution.

In other words, the Communist strategy for provoking the Western World into its own self-destruction has received a twofold impetus with the fall of China. For as this Moscow broadcast points out, there were two revolutions sponsored by and financed by Moscow which have taken place in China.

First was the Chinese revolt against domestic feudalism, war lords, and tyrannical bureaucracy; the second was the revolution against imperialist exploitation of Chiang by outside powers, and this second revolution took place within one of the most impoverished, backward, and undeveloped areas of the world.

Now, Mr. President, it develops that Mr. Earl Browder, who was so anxious to protect Mr. Lattimore, is himself one of the Communist architects and advocates of the point 4 program, which was designed in Moscow to finance revolutionary movements in the underdeveloped, backward areas against exploitation by the western imperial powers, at the very time when those powers could no longer protect their vested interests.

I want to read to my colleagues from the book, Tehran, Our Path in War and Peace, written by Earl Russell Browder, published in 1944—about the same time John Service was mailing his memorandum to General Stilwell—by International Publishers, Inc., New York City. On page 12 Mr. Browder quotes from the declaration of Tehran which was signed by Roosevelt, Churchill, and Stalin:

Our nations shall work together in the war and in the peace that will follow.

Then, Mr. President, I want to read from page 48 how Mr. Browder described the way in which Russia and the United States will work together in the peace:

A policy directed toward realizing a great market in Asia for American products must be directed, therefore, toward abolishing the colonial system and its replacement by a system of free, self-governing, unified nations.

Colonial or semicolonial regimes provide narrow and restricted markets, while independent, self-governing nations provide expanding markets.

Again on page 51, Mr. Browder goes on to describe in glowing terms what a wonderful thing America's financing of point 4 would be:

An American policy for Africa, to be practical, must have certain features which we can already define with a degree of exactitude:

It must be a policy which is made possible by America's participation in it;

That is, America must raise all Africa's problems to a higher level by the very act of committing America to participate in their solution, making a contribution no other country could make.

It must be a policy which does not weaken the relative position of Britain and France vis-à-vis America, either in the world in general or in specific relation to Africa.

And, finally, it must be a policy which will immediately set in motion the economic and political advancement of the African peoples themselves. * * *

America can underwrite a gigantic program of the industrialization of Africa, to be launched immediately at the conclusion of the war, at the moment that America's war industries can shift over to peacetime production.

No other country could do this but America, and to have such markets as this immediately available after the war is one of the most pressing postwar needs of America.

Such an African industrialization program would immediately furnish a basis for solving a thousand problems hitherto insoluble, and among them the most important problems.

If Earl Browder had written point 4 he could not have done a better job.

Mr. President, I do not know whether Mr. Haldore Hanson is a card-carrying Communist or not, but I do know that, as head of the State Department's technical staff on point 4, he is helping to draft this basic program, which the Communists in the Politburo in Moscow are counting on as essential in their expanding conquest of the Western World.

Therefore, Mr. President, again I want to warn my colleagues and the American people that we are being sucked ever deeper into Communist booby traps all over the world.

That the basic policies we are following and the new secret commitments that are now in the making cannot help but play directly into the hands of Stalin.

Mr. President, I ask unanimous consent that the article by Edna Lonigan, What Lies in Point 4 published in the April issue of American Affairs, be incorporated in the body of the RECORD to conclude my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT LIES IN POINT 4

(By Edna Lonigan)

(NOTE.—Point 4 has had a wonderful prenatal life. It was conceived in January 1949.

When it is born it will find an official emblem waiting for it—a kind of heraldic device made up of draftsman's tools by the State Department to decorate the cover of what is perhaps the most romantic state document in all the archives. To put the theme in your eyes there is a full page illustration showing the land masses of the earth in white, gray, and black, and under this six human figures, four of them white, one gray, and one black. The four white figures belong to the white land masses and represent that two-thirds of the whole world that is underdeveloped. The one gray figure belongs to the gray land masses, and represents that part of the world that is in a state of intermediate development. Thus you see at a glance what a task devolves upon the one black figure, who is one-sixth of the human race and alone is developed. Point 4 is his job in a general sense; he must uplift the one gray figure and the four white figures. Actually it is more heroic than that, because the black figure is itself in trouble. The weight of point 4 will rest principally on a small figure that is missing from the illustration, namely, one to represent the United States, which is the only great surplus nation in the world and has only one-fifteenth of its population. Speaking of the 1,500,000,000 underdeveloped people the State Department says: "These people in recent years have been stirred by a growing awareness of the possibilities of human advancement. They are seeking a fuller life and striving to realize their full capabilities. They aspire toward a higher standard of living, better health, and physical well-being. Under present circumstances their poverty is not merely a handicap to themselves. By leaving them unable to fulfill their reasonable aspirations, their misery makes them fertile ground for any ideology which will hold out to them promise, however false, of means toward a better life." Point 4 will be born when the Congress passes a law to authorize and clothe it. For that purpose several bills are pending. They do not name any specific sum of money. They say, all of them, something like this: "There are hereby authorized to be appropriated such sums as may be necessary."—Editor.)

I

In a few words of his inaugural address, January 20, 1949, making the first announcement of point 4, President Truman revealed both the philosophy and the outline of a program that put the whole world agog. He said:

"More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. * * * We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. * * * We should make available * * * the benefits of our store of technical knowledge. * * * And in cooperation with other nations we should foster capital investment in areas needing development. * * * This program can greatly increase the industrial activity in other Nations and can raise substantially their standards of living."

There is no ground for the frequently expressed opinion that the plan is vague, ill-formed, small, or tentative. It is clear and admirably designed for its purpose.

Point 4 extends the Marshall plan to the globe, and makes it permanent. One of its effects will be continue control by Government of the Nation's capital fund as other arguments for doing so may lose their force.

It is the capstone on a global new deal. Instead of "one-third of a nation" ill-fed, ill-housed, ill-clad, we have "more than half the people of the world" in need of "more food, more clothing, more materials for housing."

The program has two prongs: (a) The Government will employ and direct a group of technicians, who will administer the program. (b) Private owners of capital will be invited to supply the funds, within a "climate" provided by Government, that is, with wages, hours, costs, and profits, subject to Government regulation.

From this bold new program it does not follow that we shall give or lend an additional dollar of capital to the underdeveloped people, nor that our technical aid will be increased at all. What does happen is that the management of what we give and lend is transferred from private hands to government.

Bills have already been introduced into Congress to authorize the American Government to provide technical assistance to underdeveloped people of the world, and to insure private investors against the risks of confiscation of plant or earnings, or the inability to convert foreign money into dollars when they want to bring their profits home.

These technical staffs will not be charged to foreign aid. They will be recruited from the Public Health Service, Social Security, and other familiar agencies. They will be paid for under the regular appropriations.

By thus setting up a managerial staff, scattered throughout the Federal bureaucracy, and by enticing private investors to supply the capital, it is possible for the President to commit the country permanently to the entire program of point 4, by asking at first for very small appropriations, like $25,000,000 for the Export-Import Bank to guarantee private loans, and a few millions for additional technical aid.

It is no part of the plan to reveal beforehand the total or ultimate cost of the bold new program. All we know for sure is that Undersecretary James Webb said it was to go on for 10 to 50 years.

One curious fact is that the President already has all the powers he needs to carry out a program of technical aid, as several Members of Congress pointed out at the hearings on the International Cooperation Act of 1949, before the Committee on Foreign Affairs, House of Representatives, Eighty-first Congress, first session. We are in fact deep in that program now. Nevertheless, point 4 must be dramatized by hearings, debate, and propaganda to build up public favor and to quiet criticism.

The program for mobilizing public opinion is being carried out by the same technique of indoctrinating groups of people through literature, state papers, meetings, public speeches, and the rest, which was used so effectively to mobilize the opinion of women's clubs, unions, and other groups favorable to welfare in the campaign for health insurance.

Some apparent confusion is introduced by the fact that the United States Government is to administer part of this program directly and part through its ties to the United Nations Budget and Secretariat. At the same time, the United Nations has a parallel program with its own technical staff, including representatives of the borrowing nations, and has plans for raising capital both from the United States and by forced saving in the underdeveloped areas.

These differences are all reconciled in one larger process, which is that of gradually extending political control over investment capital, by means of a planning elite or technical aristocracy in the service of a political power. The effectiveness of this method can be seen if you look at public housing, in which a small technical staff in Government learned to direct and guide a huge volume of private capital invested in Government enterprises.

This is not the Governments first attempt to enter the field of long-term investment. Capital investment still remains, however, the last relatively open area of our economy. Interventionism appeared first on the periphery, in the field of relief. It has been steadily moving toward the heartland of investment, the source of all earnings and of all welfare.

II

Before we can gage the effects of the bold new program we have to note first how the free private economy has hitherto brought technical aid and capital goods to the underdeveloped areas.

We have been dealing with these areas for centuries, through trade and loans. Private investment loans are the sale of capital goods to poorer countries on the installment plan. When countries without capital needed railroads or steam engines, they borrowed the money to pay for them from private investors. They bought the equipment outright and paid the investors back over a series of years. In this way, the workers in poorer countries benefited because they got jobs building canals or railroads, or making steel, long before the country was rich enough to have saved the capital itself. The workers in the richer (lending) countries benefited because they could find jobs making locomotives and machinery, for people too poor to buy them outright.

The United States is the classic example of an "undeveloped area" industrialized by foreign investment. The English lent us money to build railroads and canals when we were too poor to assemble so much capital. We used the railroads to bring farm products out of the Middle West for export, and used our earnings to import machinery for our factories. Soon we made enough money to pay the British off, and then to lend money ourselves to Europe and Latin America.

President Truman might call this "the old imperialism, the exploitation for foreign profit." Would we be better off if the Middle West still sent its grain by boat down the Mississippi and the trip to California had to be made by way of Cape Horn?

In addition to loans, we had a very effective method for bringing capital and technical knowledge to backward areas by gifts through churches, foundations, colleges, and other voluntary organizations which we financed out of the fruits of our industry.

By a brilliant meshing of our loans and gifts we have been training Greeks, Arabs, Indians, Chinese, and Latin Americans in our technology and enterprise for many years. The Agricultural Missions Foundation has been training young Chinese in better farming methods, and in self-help cooperatives. The Near East Foundation has been teaching Greek and Arab youngsters to exterminte mosquitoes, test seeds, and market farm products. The Rockefeller Foundation has sent some of the world's greatest doctors to teach sanitation and to find a cure for tropical diseases in Latin America and Asia. Henry Ford helped train the "Baillie boys" from China in methods of American industry, as he trained young boys from Alabama.

The purpose of private or economic investment was to direct savings into the most productive channels, so that the capital fund could be kept intact, and used again and again. Thus our savings were the source of constantly increasing employment and earnings, as they were planted again and again, and produced harvest after harvest.

A clear distinction was always maintained between loans and gifts. Loans were made from savings, under an agreement that they were to be repaid. Gifts were made from outright contributions which the giver did not expect to have repaid. Gifts were used for education and health services, where the benefit in increased earnings was slow to show itself. The welfare fund did not renew itself, but, since it was provided entirely out of earnings, it created no debt and did not lower employment and wages at home.

No nation in history has ever had so magnificent a system for sharing the fruits of its work and skill with people of other nations. The President cannot be embarking on point 4 because we have not been helping underdeveloped areas.

III

The Government's new program abandons the distinction between loans and gifts. All questions of costs are therefore completely blurred.

They have substituted a new distinction between capital and technical assistance which serves no economic purpose. Technicians are as much part of capital costs as machines or any other roundabout expense. Private investors have always supplied technicians as well as equipment, whether at the Dniekrostroy Dam or the Tata Steel works in India.

The new distinction is political. Under point 4, the technicians will be Government employees. Thus the steering or direction of the new program is to be safe in the hands of the Government leaders. Capital will be privately owned or privately administered, but under Government steering.

How is private capital to be drawn in? Private investors will be given insurance against special risks, such as the inconvertibility of other money into dollars, confiscation, or political upset.

It seems a bit fantastic that the American Government should subsidize foreign nations to maintain inconvertible currencies and then subsidize American firms to meet the losses. It is even more fantastic that our Government should guarantee industries against losses like Hitler's seizure of power in Germany or Russian seizure of Czechoslovakia.

There is, of course, no actuarial factor in such insurance. The State Department refers to this as an indeterminate cost factor. That is a pleasant way to say that the Government does not have to make costs and revenues fit.

Why should private investors accept Government insurance against nonbusiness risks? It is no part of the tradition of free capitalism to buy and sell only where political order can be guaranteed by the state. French and Spanish merchants waited for the establishment of order by government, but the early English merchants went wherever trade was to be found, and brought their own order with them.

Free capitalism grew up in a world of war, robbery, piracy, at home and abroad. It expected treachery of governments. It established its own islands of order, and in time made limited government possible.

If businessmen accept the role assigned to them in the new private enterprise, they will eagerly seek Government orders, Government guaranties, Government support prices, and Government regulation of wages and profits. If they do, then the capital in the hands of private agencies will for all practical purposes be fully and freely at the disposal of the political leaders.

The heads of foundations and other philanthropies will be urged, by similar offers of cooperation, to put their capital and experience at the disposal of the Government planners. Heads of universities will be urged to open their facilities to those projects and scholars whom the Government selects. Promotion and prestige will go, on the faculties, to the men who cooperate with Government. The teachers and scholars who might be tempted to criticize Government finance or centralized control will form a dwindling insignificant minority, whose opinions can be ignored.

Private missionary agences will be invited to cooperate and promised grants-in-aid, if they support point 4, as health and welfare agencies were promised grants under the Federal health program. The support of nonprofit agencies high in the opinion of the public will be invaluable to the Government in the task of molding public opinion to accept without critical analysis a program with so humanitarian a label.

Mr. Oscar Ewing, the Social Security Administrator, said to Congress: "If we can get church organizations to do a thing, particularly if they can do it better, we certainly would be silly not to utilize them to the fullest extent, and do it through grants."

From the administration's point of view, the second function of private business and the foundations will be to supply enough know-how to keep the Government projects from making conspicuous (politically costly) errors. Economic losses are not serious but public ridicule might be.

The Government will pick the brains of businessmen with experience in industrialization and foreign loans, until its staffs have learned how to get on without them.

As soon as point 4 was unveiled to the public, a stream of ideas, suggestions, and criticisms poured into Washington from people of experience advising them what were the hazards they were about to face. The staffs of State, Commerce, Treasury and other departments sifted these suggestions, disregarded those which explained how to operate economically, but took over those which explained how to operate efficiently, in the physical sense, so that there would be no visible breakdowns.

This is the method by which a spending government can commandeer all the practical working knowledge of technical matters that it needs—by letting private industry and nonprofit bodies give it to them.

Private firms cannot keep their present monopoly of the knowledge of economic operation if the government sets its suction pumps to pulling the knowledge from them. Every bit of business experience that is of value to the strengthening of big government can be skimmed off for future use.

Of course, the administration does not spell out any plan to take all investment under political management. It is only offering to help, by taking over the "unmanageable surplus" of our industries.

Federal management of farming began with the Federal Farm Board, which tried to take care of our unmanageable surpluses of wheat and cotton. The people who tried the experiment, for a temporary emergency in President Hoover's administration, knew that economically they had failed. But they did not realize that to the technicians of government control their experiment was a complete success. They sold the idea to the New Deal as the AAA, and it gets bigger every year.

The American public does not hear much about our "unmanageable surpluses" of locomotives, tractors, road machinery, and electrical equipment. But the European press, and our propagandist literature, are full of statements that Europe must "help" us by taking the streams of trucks and tractors that we are eager to give away.

The belief that our heavy industries must get into a position of extreme "overproduction," with a large unmanageable surplus, is a cardinal principle both of the Russian Marxists and those in the Socialist Labor Party. The Marxists are as sure of the ultimate breakdown of the heavy industries through collapse of our capital goods market as they are that the sun will rise.

The collectivists believe that they can persuade the businessmen who make capital goods to fear surpluses, as farmers and labor unions now do, and so make them responsive to Government promises to buy their output at prices the people of the Nation cannot afford to pay.

Producers' goods are as dependent as corn or wheat on the axiom that where there is "overproduction" at a given price, the price is too high. The price verdict of the free market is kinder in the long run—however harsh its verdict—than the Government's promise to move surpluses by using printing-press money to buy them.

We need only remember that when the Government guarantees a loan it is encouraging buyers who cannot afford to buy. When the Government provides working capital it encourages producers who cannot produce at prices the free market can pay. Government purchase of output is capital destruction. And Government purchase of output abroad is putting foreign workers on a dole paid by workers in our country.

Each of these plans has a raison d'être from the Government's point of view. It brings about political intervention in costs or prices within the private firm. A small amount of political intervention in internal costs acts like a small stream in the cleft of a rock. The dislocations of a little interventionism always lead to more intervention. The first effects of Government marketing of surplus tractors and freight cars and generators will be like those in cotton and wheat in the 1930's—price inflation in producer goods, larger and more unmanageable surpluses of tractors and freight cars, a much more painful price drop if producers tried to return to true economic prices in a free market, and the continuous growth of vested interests urging newer and better price supports.

IV

The State Department has summarized our present commitments in its Foreign Affairs Outlines. Building the Peace, No. 21, issued in the spring of 1949.

The Interdepartmental Committee on Scientific and Cultural Cooperation is the vehicle for our exchange of technical help with other American Republics. This committee coordinates the work of 25 departments and agencies of the Federal Government. Projects are under way in agriculture, public health, labor, social security, fiscal administration, transportation, mining, and geology.

The United States lends experts and undertakes field work and trains personnel both on the spot and in universities and technical schools in this country.

As the State Department tactfully puts it, "Latin American countries contributed $3 to every dollar expended by this country in programs carried out during the latter (sic) half of 1948." That means, in the simpler language of Calvin Coolidge or Abraham Lincoln, that American workers in farm or factory or at their desks, paid 25 cents for every 75 cents spent in Latin America on raising farm and industrial output and increasing the population of nations which cannot feed their present population.

The State Department calls this a "surprisingly low cost." It mentions the budget of the Interdepartmental Committee, but does not mention the costs incurred by the 25 cooperating agencies.

This is not of course confined to Latin America. The Smith-Mundt Act, passed in January 1948, authorized the administration to expand these activities on a worldwide basis, which goes to show how closely the camel's nose is attached to his neck.

There is also the Institute of Inter-American Affairs, a Government corporation, not a bureau. It was chartered in August, 1947. It has what the State Department calls "wide latitude" in the choice of projects and "the time and money to be spent on them."

It sets up agencies known as servicios, staffed jointly with American and local administrators and technicians and "jointly financed and administered" by both the United States and the beneficiaries. The experts work under the ministry of the local government or with private firms. They establish health centers, construct hospitals, and laboratories and schools of nursing and hygiene. They have 1,200 scholarships for

training technicians in the United States and local training centers for 7,500 people in Latin America. We are engaged therefore in requiring that young technicians in Latin America who wish to come to this country must have the approval of their governments before the doors of opportunity are opened to them.

The receiving government gradually assumes "increasing" responsibility for operating costs. When the United States withdraws, the projects become the property of the local government.

This is only one of the resemblances between the servicios and the machine tractor stations in Soviet Russia, by means of which the central government has an agency of its own in every village and hamlet in the land. For example in Peru, we have set up a nationwide agricultural extension service, with a "machinery pool," as well as seeds, trees and insecticides. But what local areas will disagree with the central government, when the central government owns all the farm equipment in the district?

The President has already asked for extension of the Institute's charter until 1955, and a "further request may be made," says the State Department, to extend the Institute "outside the Western Hemisphere."

American experts are helping the Mexican Government with mining and metallurgical techniques. We have geologists in Brazil helping that government locate minerals. In aeronautics we have government field parties in five Latin American countries. In Brazil they followed the quaint practice of having the Brazilian Government itself hire and pay American aeronautical engineers.

It is obvious now that by building up a large staff of technicians, and "giving" their services to foreign governments on a government-to-government basis, the administration is exerting tremendous pressure all over the world in favor of government control of the new industries that arise, and in favor of the planned economy, whether the people of those countries want their governments to control them or not.

Likewise when foreign technical students come here they are given a thorough course in the Public Roads Administration, TVA, the Public Health Service, and other planning agencies, before they are sent to private colleges which might still hold to the idea of economic life free from governmental direction.

Technical assistance projects under ECA include (1) increasing industrial productivity, (2) increasing farm productivity, (3) man power utilization and "conditions of employment," (4) market surveys, (5) governmental administration and (6) colonial development. The last is of course point 4 for "undeveloped areas" owned by European nations.

The Export-Import Bank also makes technical surveys. A large variety of UN agencies are doing likewise. All the really alert Federal and UN agencies are "empire building" their technical staffs.

We can take it for granted that every bureau and agency, no matter how small, will find increased need for technical men, and will discover that its mandate requires it to carry on its operations in foreign countries.

V

This sudden building up of technical staffs has the greatest political significance.

In economics, technicians do not play the decisive role in investment. The most important role is that of the enterprisers, the men who know how to direct new ventures into the right channels at the start. In the whole literature of point 4 there is no mention of the men who are to have over-all direction of these investments.

Government does not need economic enterprisers. Private enterprisers have to find productive uses for their capital or they do not get their capital back, and they soon cease to be capitalists. The Government is not subject to that annoying restriction because it gets its capital through the taxing power. "Losses" no longer have any meaning. "Costs" no longer have any meaning. Government can operate with any cost structure and any margin of error, because the producers of the Nation can be compelled to make up the losses. Government has no incentive to low-cost operation. It has the strongest incentives to high-cost operation.

Another reason why the bold new program does not call for a staff of enterprisers before it hires its technicians is the Marxian dogma that capital is automatically profitable, it reproduces itself without any attention, and so the enterpriser performs no function for his profits. It doesn't make any difference how capital is spent. There is always more where the last came from.

Marxians are as enthusiastic about technicians as they are skeptical about enterprisers. Technicians are "workers." Also they are numerous and easily organized. They are part of the discontented intellectual class, from whom the collectivists have won so many recruits.

In addition to the somewhat mystical enthusiasm for technicians on the part of the true Marxists, more earthy politicians have been eager to draw experts onto the Government payroll, because they are part of the ideological front, behind which the change to the European pattern of government is going on.

Everyone knows technicians are intelligent, idealistic, good, public-spirited. If a government employs great numbers of them, it must be a good government. Both the technicians and the public will believe it is.

Point 4 is skillfully designed to hold out to the young biologist, soil chemist, public-health doctor or engineer the vision of new opportunities to use his talents to serve the people. This is the same technique by which the social workers were won over to collectivism through WPA, and the young doctors and nurses to socialized medicine.

George Allen, Assistant Secretary of State, said to the American Society of Engineering Education, "I can assure you that engineering will play a prominent part in the program, and subject to approval by the United States Congress, and by other countries * * * hundreds of American and other engineers will be going annually to assist the governments of underdeveloped areas of the world."

Point 4 is an appeal to all the bright young technical men in the world to get on a government payroll. It is part of the attempt to concentrate in government virtually the whole of the secondary intellectual class.

VI

What benefits can we expect from this sudden eruption of politically governed foreign investment?

A precise statement of the economic problem of political investment is given by the International Bank for Reconstruction and Development in its press release No. 134, for May 11, 1949.

Lest we forget, the bank was set up at Bretton Woods, to give us once and for all the perfect machinery for the reconstruction of underdeveloped areas.

The release says: "The bank will not be deflected from its determination to make loans only for sound and productive projects. For the efficient canalization of savings is as essential on the international plane as it is on the domestic. Any organization which lowered its standards in this respect would be guilty of waste for the sake of an ostensibly humanitarian gesture. The bank has no intention of so abusing its responsibilities.

"This does not mean, of course, that the bank finances only projects which pass private investment criteria. To the contrary * * * its purpose is to finance projects involving risks which private investors are unable or unwilling to assume."

The report goes on: "Since loans made by the bank are on terms which are not designed to make any substantial profit, it is clear that any greater liberality * * * would amount simply to disguised intergovernmental grants."

It is the more distressing therefore to find evidence of a recent sharp change to a policy of "going along with" the new program. The bank suddenly announced on June 30, 1949, that it was sending to Colombia a nineman team of experts, headed by Lauchlin Currie. His committee is to study not specific long-term loans, but Colombia's "over-all economy." Its staff includes not only economists but experts on welfare from the WHO and FAO.

The results of shifting from specific economic loans to over-all welfare loans may be tested by examining the results of our 15 years of political investment in Puerto Rico.

Puerto Rico is the classic case of American governmental aid to "undeveloped areas." The original program for this aid was drafted in 1934 by Luis Muñoz-Marín at the suggestion of R. G. Tugwell and Mrs. Franklin D. Roosevelt. Newspaper statements, like that in Time for May 2, 1949, saying that the Tugwell program was set up in 1941, ignore the early stages of the planning which did not get into the record.

There was first the Chardon plan, based throughout on the Marxian assumption that the sugar companies and other large firms had made no contribution to the island but only extracted revenue from it.

It proposed that the Federal Government provide the capital to buy the sugar company lands and centrals, and give them to the Puerto Rican landowners. In addition the Federal Government was to undertake a variety of welfare projects on the island.

In 1934 a special committee was sent down to investigate the adequacy of the plan. The committee found that the sugar industry profits were based on American engineering skill, and the sugar industry had actually trained many young Puerto Ricans in our technical arts.

The committee found that the planners had missed the real problem. American health and sanitation measures had lowered the death rate so greatly as to lead to disastrous overpopulation. The committee urged the immediate cessation of relief, doles and every form of American subsidy, and a shift of policy to training the Puerto Ricans in strict production.

What happened is a side light on Government planning. The Chardon group borrowed from the committee's report everything which was useful to the planners, and filed the rest.

Although the Chardon plan was manifestly ruinous to the Puerto Rican economy and a good plan for self-help was available, the Federal Government poured millions into the plan for buying up the sugar lands from those who knew how to operate them efficiently.

Why didn't this socialist utopia hit the rocks? Because, as with English socialism, our Government continued to siphon the earnings of Americans into political spending on the island. When peacetime spending might have come to an end, and let the socialist skeleton in our closet out into the light, American military spending supported the island's economy, high up on artificial wages set by the New Deal's welfare agencies.

The good showing of our socialist experiment in Puerto Rico rests entirely on the red ink in the Federal budget in Washington.

The net result of 15 years of "planning" is that the population of the overcrowded island increased by another half a million, althought a cityful of Puerto Ricans has migrated to Marcantonio's district in

New York. Over a billion of American dollars has been spent (probably much more). The island government has started some new industries—but how many private firms were wiped out or never started, during the years of Tugwell's planning to make the island a pilot plant for socialism on the Continent? The economy of Puerto Rico rests today, where it did in 1934, on federal relief.

The point 4 program follows exactly the pattern of Puerto Rico in its major error—it puts health and welfare ahead of industry and employment. As Isaiah Bowman said of Africa: "If millions are saved from tribal war, malaria and tse-tse fly only to be permitted to die of starvation, the controlling white has not improved the status of the population, he has only changed the categories of the vital statistics."

Thousands of competent people know this. The difficulty is the absence of any tie between the political leaders who want to spend money on dramatic projects, and the victims of their "help."

Every single step taken under point 4, insofar as it is successful, means adding more and more people, billions of people, to the poor eroded overcrowded areas of the world where human misery is now at its worst.

The use of DDT in British Guiana so reduced the death rate that the population is expanding about 10 percent a year. The suppression of tribal wars in British Africa had the same kind of result. Population in Latin America, India, and China is rising about 2½ percent a year. So also in Europe, whose extra people now have no place to go.

William Vogt in the Saturday Evening Post says, "Anything that we do to speed the rate of population increase without assuring a parallel increase in the necessities of life imposes an extremely grave responsibility upon us. This relationship between mounting appetites and the possible means of satisfying them is one that must have fundamental and controlling consideration as we develop a program under point 4."

If there is anything that the world does not need at the moment, it is stimulants to population growth. The pattern of point 4 may be only a larger and more distressing version of the story of Puerto Rico. All will go well so long as the spending continues. But a time may come when dollar imperialism would look like the Golden Age compared to the horrors of welfare imperialism.

VII

Is there no hope? Must we abandon our promise to help the poorer nations of the earth, dash the hopes of innocent people, and expose ourselves to ridicule?

Certainly not. The hopes that have been aroused are too great to be lightly ignored. Our only choice is to return to our own tested method of irrigating the undeveloped areas of the world with our capital, economic skills, and social benefits.

There is, however, a total conflict between, on one hand, the method of private investment and private gifts, and, on the other, government-controlled capital, managed by a governmental technocracy.

Every loan or grant which can legitimately be made to an undeveloped area, without risk of ruining the beneficiaries, can be made now through private initiative or through the original program of the International Bank.

The advantage of the old American method of aiding people who are not yet industrialized is that it depends on private savings, not on the taxing power. That means lenders cannot put their money into any project that will not provide the people of the undeveloped areas with more employment and higher wages.

Of course the borrowers complain about repaying our loans. They always do. They pay installments for many years, after the locomotives and machines are no longer new, and they have long forgotten what it would be like to do without them. It is natural that borrowers do not like to pay old debts. We were not too pleased to repay what the British lent to us. But why transfer these tensions between private citizens into tensions between governments?

Of course there were some shady transactions in the history of private investment. But according to Pravda there are some shady transactions even in Soviet Russia, and it is hinted that there are some in our own Government in Washington.

Of course private managers and technicians were arrogant, and missed some of the possibilities of hiring local talent, but what reason is there for thinking that government managers are free from arrogance, or that Indian engineers would like it better if they thought their talents were ignored by a foreign government operating in their country?

The most important thing, however, is that private investment rests on the right human foundation, a foundation so completely right that it was never necessary to formulate it in plain English.

Because private investment could not get capital by taxation, projects that paid out had to come before gifts, or, to say the same thing, projects to raise production and employment had to precede projects that increased health and welfare. The society therefore was kept in balance, and jobs, employment, food, health, and education grew together.

The rule is absolute that no people can spend money on health and education and welfare simply because they need it. They can spend on welfare only when they have achieved high production and high employment.

VIII

Can we return to the free system? Politically such a step would be resisted by all the propaganda and organizational skills of the administration. The spending on point 4 is so scattered that only a drastic cut in all spending will save us from many Puerto Ricos.

A cut in spending will stop the waste of our Nation's capital fund, but we need much more than that. We need to turn triumphantly to our own free system in full confidence that it is the world's most magnificent enterprise in sharing capitalist savings and industrial arts with less fortunate people. We need to search out every legitimate channel through which our use of free enterprise can be expanded.

American capital lived so long in a stable political atmosphere that it now puts the cart before the horse. It has accepted the Marxian argument that risk-takers cannot lend money until governments have established political order.

The truth lies at the opposite pole. Businessmen have to look back at the history of business enterprise and see how much it rests on courage and imagination. "Risk-taking" does not mean deciding whether to charge 5 or 6 percent for a loan backed by a piece of paper. It means deciding whether to go unarmed and unprotected into regions of danger. Political order would be sooner restored if private enterprise would take up the true burden of risk in the world as it is, and put behind it all spurious economic "security." That means to realize that there can never be for long a higher price than the market pays and that government cooperation with free enterprise is like the cooperation of the young lady of Niger with the tiger.

INVESTIGATION OF OLD-AGE AND SURVIVORS INSURANCE AND ALL OTHER ASPECTS OF SOCIAL-SECURITY SYSTEM

Mr. CAIN. Mr. President, on Wednesday of last week, May 17, 1950, H. R. 6000, as amended, was reported by the Senate Committee on Finance to the Senate Calendar. It was stated when the bill was offered that the committee report on the proposed legislation would not be printed and made available to all Senators until some time this week. The report has not yet appeared on our desks.

The junior Senator from Washington has not yet had an opportunity to study the committee report. He is, however, of the considered opinion that H. R. 6000, whatever its amendments may be, ought not to be passed and approved by the Congress and the President of the United States. The junior Senator from Washington holds to the view that the time has come when a new and different social-security system and pattern ought to replace the system which was initiated 15 years ago.

The junior Senator from Washington believes that the Nation ought to recognize the needs of the American aged as being our Nation's responsibility. If the Nation is willing to recognize and provide for the needs of some of the aged it ought to be willing to provide for the needs of all of the aged. It is because of the conviction, a very deep and sincere one, that I shall oppose the passage of H. R. 6000, as amended, with every legitimate means at my disposal.

Even though H. R. 6000, as amended, is not the pending business I think it is proper and necessary to speak to that subject at this time. My intention and hope is to arouse a national interest and concern over the coming question of what should the Nation do about our Nation's aged.

When our social-security system was initiated in 1935, millions of aged men and women were not included within its coverage. These millions have either been left to their own devices or they have been required to seek assistance through relief, or a means test, or a dole. Since 1935 additional millions of Americans have become aged who were not provided for through our social-security system. If the Congress now agrees to extend the coverage and liberalize the benefits of the social-security system which began in 1935 additional millions of aged persons will be left out in the cold as a continuing charge on society, on charity, and on some kinds of relief.

If it was our intention in 1935—and I think that it must have been—to devise a social-security system which would take care of the legitimate needs of the American aged, we must admit today that our objective has not been fulfilled and that it never can be through any mere extension of the prevailing social-security system.

The junior Senator from Washington is convinced, Mr. President, that if we take the time carefully to explain to the Nation what the prevailing social-security system has done and intends to do in the future, and what this system can never accomplish, a vast majority of the citizens will have the patience—and it will require a great deal of patience—to grant the Congress sufficient time through which to design and establish a social-security system which will adequately protect and provide for the needs

of all of our American aged. On the strength of this conviction, I offer now the views of one Member of the Senate.

For 15 years we have been telling the American people that we, here in the Congress, were helping to build up an honest social-security system. We have said that we were really concerned about the plight of the old and the indigent. We have told the boys and girls just starting their first jobs that if their social-security taxes were faithfully paid over a certain number of years each could look forward to an annuity when he retired.

Gradually, as the traps and pitfalls of the Social Security Act have become clear, it has dawned on many of us that we are not building up an honest social-security system at all. We see now that the promises we made to those boys and girls in their first jobs, promises sustained by our votes in the Senate, are promises that all too often are not worth the paper on which they are printed.

We are daily running the risk of exposure as collaborators in a national swindle. If once or twice we blundered because we did not understand what we were doing, we no longer have that excuse.

Mr. President, it is time to purge ourselves, to openly confess the deception in which we have been unwitting partners. It is time, as I see it, to tell the American people the truth. It is time to admit what is really a sort of organic dishonesty in the very heart of the pending social-security bill, H. R. 6000, which soon will be before us. It is time to acknowledge that what we thought was liberalism back in 1935 is really a blind and reactionary philosophy on which to base a social-security system. And it is high time that we got busy and tried to do a really honest and on-the-level job with old-age benefits.

I am therefore submitting a resolution for a full and complete investigation of old-age and survivors insurance and all other aspects of the social security program, including its administration, and particularly in respect to coverage, benefits, and taxes relating thereto, for the purpose of assisting the Senate in dealing with legislation relating to social security.

The investigation called for in the resolution has numerous purposes, but two purposes are chief above all, namely:

First. To institute a careful inquiry as to whether it may not be possible to substitute for the present setup, an entirely different system which would avoid the huge costs of administration and the duplication, which might disclose some other form of taxation, more simple and direct for its support, and which would give to the old people more positive security than they now have. In particular the investigation is directed to see whether or not it may not be possible to install without further delay a system whereby, on a pay-as-you-go basis, a uniform benefit may be granted to every man and woman who has now reached or passed the agreed-upon retirement age.

Second. To conduct a rigorous inquiry into the present Social Security Administration which has been directing the present system for the past 15 years. This inquiry should include investigation of the personnel of the system, the details of their management of the system and of their conduct and deportment in the matter of influencing proposed social security legislation.

Mr. President, I am keenly aware that the Finance Committee has spent months on this bill. That they have saved us from some fiscal booby traps—disability insurance, for example—is certainly true, and we should be grateful. Yet despite all their labor, simply because the foundation upon which the committee had to do its work has, to my mind, been faulty from the beginning, since 1935, so the completed bill is flawed and fissured with fundamental defects. No amount of committee pruning or alternation could set it right. I do not see how it could be otherwise.

Let me make myself very clear at this point. Let us suppose, for example, that an official of one of the great life insurance trade associations wrote to the chairman of the Finance Committee, congratulating him on the committee's work in pruning the bill, in refusing to incorporate any provision for disability insurance, and so on. I would heartily agree with any congratulations of that character; but I would still have to say, as I have just said, that since the foundation upon which the committee had to do its work has been faulty from the beginning, so the completed bill is flawed and fissured with fundamental defects.

The chairman of the committee, the distinguished Senator from Georgia, pressed very close to the heart of the matter on January 28 last, during the course of the hearings on the bill.

He said then:

> I want to make my own position clear upon it. I have never been able to see why we should not have a universal coverage if it is practicable to do it, that is, if it can be accomplished.

I agree with him; and I say further: Why do we not set about it right now? Why not have the subject investigated now?

Again, during the Senate hearings on February 27, the Senator from Colorado [Mr. MILLIKIN] put this proposition and question to a witness:

> Many people hearing all these inconsistencies of theory which work into great inconsistencies of practice are suggesting that we start right out and have a pay-as-you-go system, giving dollars for every person who reaches retirement age; that we have a pay-as-you-go system, and stop calling it insurance. Put any accurate semantic on it that you want to, but cut out all this monkey business and all these confusions which result from considering as an insurance system that which is not one. Get right down to the end point of having dollars for every person who reaches retirement age, and start collecting whatever is necessary to sustain the system, and continue to do that. What do you think of that?"

I should like to answer that question as best I can. I think a special investigating body should take the matter under consideration at once.

Why pass a bill that we know is bad, despite the best efforts of the Finance Committee—and they were good efforts—when with the expenditures of a little more time we might have legislation that is good? The system that we now have has been falling ever deeper into disrepute with the passage of the years. Why make confusion worse confounded? Why attempt to make existent dishonesty, however unintentionally arrived at—and all of it certainly must have been that—even more dishonest? Why keep talking about people who are going to be old a generation hence, while under the present social security system we turn our backs upon millions who are old right now, this afternoon.

I wish to give notice now that before consideration of House bill 6000 is concluded it is my intention to move to recommit the bill to committee. This intention will become a fact if other Senators will join with me and permit me to join with them in opposing H. R. 6000. Although I have not had time to confer with many other Senators about H. R. 6000, I have reason to believe that other Senators share my views, and that very few Senators, either Senators on the committee or Senators who are not on it, are enthusiastic about that bill or are convinced that H. R. 6000 is a reasonable answer to the problem of our aged population.

Mr. President, I have no wish of any kind to add to the burdens already borne by the Finance Committee, but it would appear that this bill cannot adequately serve the real social-security needs of our Nation and of our time.

As of January 1, 1950, it was estimated that we had in this country 11,500,000 persons 65 years or older.

Out of this eleven and a half million, 2,000,000 had retired and were receiving old-age and survivors benefits. Side by side with those 2,000,000 was another and much larger crowd of old people, 2,700,000 of them, who were getting old-age assistance, which in many instances is simply means-test relief. Among the remaining 6,800,000 old persons were many other persons who were without work and in straitened circumstances—persons who, although most deserving, were unwilling, because pride is something which many Americans of any age still possess, Mr. President—to undergo what they thought was the stigma of the means test.

On the basis of the releases which the Finance Committee has given us it appears that, under the provisions of H. R. 6000, over 80 percent of the jobs in this country will be covered under old-age and survivors insurance, as compared to only 60 percent under existing law. This will mean that in future generations, when all of today's old people are dead and today's young people become aged, over 80 percent of them will get the benefits provided by H. R. 6000, as amended. In any event, despite H. R. 6000, the fact remains that out of our present 2,700,000 citizens 65 years of age or over, and now on old-age assistance, and the other millions of deserving old people no longer employed, none will be able to look, so far as I can determine, to our social security program for anything other than means-test assistance.

Social Security Commissioner Altmeyer has often spoken of the desirability of more comprehensive coverage. But desirable though complete coverage

of people at the working ages is, it alone cannot help the present old people. Sixty percent of our working people have been covered, but less than 20 percent of our old people are receiving benefits. So many of our present old people were already old when social security started that, even if House bill 6000 had been in force since 1937, only half of today's old people, an actuary tells me, would be receiving benefits today. Something is wrong somewhere. I suggest that it is desirable, before we take any further step, to find out what the trouble is.

What is badly needed is a thorough, impartial, and completely independent investigation of two completely different aspects of our social-security problems.

First, we want an investigation not only of our present concept and method of handling old-age benefits and old-age assistance, but we want a detailed examination and report on other methods and concepts. So far, we have had no such examination and report, although various advisory councils and legislative inquiries have had social-security problems before them.

Mr. President, all of us know that our social-security system as it is presently organized is an extremely complex business. Indeed, it is so complex, with its many intricate definitions as to "average monthly wage," "quarters of coverage," "fully insured individual," "currently insured individual," and so forth, that anyone who does not spend his time keeping track of social-security procedures can get himself so snarled in the involvements of old-age and survivors insurance that he feels as though he will never get out again. The bill, H. R. 6000, proposes to add to these a host of new terms, such as "self-employment," "net earnings," "primary benefit recomputation," and so forth and so on. I think, Mr. President, you will agree with me and with a good many others—because citizens from all over the country write to us about this problem—that all these highly technical definitions make it impossible for the average citizen to understand his rights under the law, so that he is at the mercy of the large number of adjudicators in the social-security bureaucracy as to whether he will get a benefit and as to how much that benefit will be. Because of these technical complications, multitudes of contributors will fail to get benefits which they deserve and need. But more than this, the law opens the door to ingenious swindling on the part of people who do not need the benefits at all.

We may cite as an example of this swindling just one of a great variety of actual cases, reported by a reliable source. The man involved was a partner in a prosperous business and got no salary at all. He simply split the profits with his partner. Hence he could not qualify under OASI. In 1940 he discovered that all he needed to qualify was 6 quarters in covered employment. He rearranged his business so as to pay himself a salary of $3,000, the maximum income subject to social-security tax. Of course, he found another way to divide the profits of his business with his partner as he had in the past. After 1½ years, that is 6 quarters of covered employment, he changed back to his old partnership arrangement. He retired from his covered job on July 1, 1941, after having paid the Government $45 all-told in social-security taxes. Under the operation of the law, he was put down with a recorded wage from January 1, 1937, to July 1, 1941, a period of 4½ years. Under these circumstances he secured a pension of $23.80 a month from the Government, and his wife, $11.90 a month, a total of $35.70 a month for the two of them. On May 1 of this year, 1950, he and his wife had received 106 monthly payments totaling $3,700. They are both still alive and may get much more social security before one of them dies, or both. But up to date they have received $3,700 in exchange for $45 paid in taxes. This is not insurance in any language. It is a handout, and a handout got by manipulating a law wide-open to manipulation. The contention may be made that $35.70 is not enough for two old people to live on. That is not the question at this point. This actual case was that of a prosperous man who was given a legal opportunity to shake down his Government, and who, furthermore, was invited by his Government to do it.

This illustrates the practical effect of one phase of our social-security laws. People generally are given the impression that this is insurance, that people make an appreciable contribution toward what they eventually get. This is not true. Some do and many do not.

When we turn from the complex ambuscades of OASI we are faced with the fantastic growth of old-age assistance, that is, the relief paid to old people in need, who cannot qualify for old-age and survivors insurance.

Mr. President, I first began to get deeply interested in the question of what the Nation ought to do about America's aged because of what the State of Washington, which, in part, I represent, has felt it necessary to do through assistance resulting from a Federal subsidy to aged persons within the State of Washington. The knowledge of what is happening in the State of Washington has certainly convinced me, as a Senator from that State, that the Federal Government must reappraise its attitude toward social security in the hope of finding a system which it can afford and which will cover aged people wherever they may live, probably with age as the only qualification for whatever the pension to be given them might turn out to be as a result of a concrete and thoroughgoing study and investigation of the problem. Through a matching formula, the Federal Government and the States pay subsidies to provide the money for this old-age assistance. Back in 1935 many people figured that this would be a temporary affair. Many people thought that as old-age and survivors insurance got in stride more and more old people would come under the so-called insurance system, and that the sums required for old-age assistance would gradually subside. This has not occurred, and, as I have indicated, it will not occur for many years, even though coverage is extended to above 60 percent of the jobs of people of working age.

But there is another fatal defect of our social-security program which is little appreciated. This is the impossibility of financing old-age and survivors insurance realistically when the number of future beneficiaries will be so much greater than the present number. While today only 2,000,000 old people get these insurance benefits, or about one-sixth of our aged population, 50 years from now almost 20,000,000 will be receiving them, or about five-sixths of the aged population at that time.

Because of this deferred-benefit concept of social security, because today's number of beneficiaries is only about one-tenth of what it will ultimately be, we are not forced, as we should be, to look at the real cost of social-security benefits. With forty or fifty million workers paying contributions under the program and only 2,000,000 drawing benefits, it is easy to say, "Oh, then social-security benefits are cheap—we can double or triple them and still be able to finance them out of a 1½-percent payroll tax," and we ignore what the effect will be when 20,000,000 old people get these doubled or tripled benefits and the number of contributing workers may have increased only to sixty or seventy million. This ignoring of ultimate costs is the trap into which some of our so-called planners would have us fall. But I think someone's voice should be raised, saying, "Look out and beware."

Let us look into the possibility of adding to our present benefit rolls the millions of needy people now on means-test assistance or receiving next to nothing at all, before we consider raising the benefits of the 2,000,000 now on the rolls. In this way we might meet two objectives: first, that of caring for our present old people, and, second, that of getting rid of the deferred-benefit concept, which makes a realistic view of benefit costs impossible.

It is essential that we look into this possibility first rather than pass H. R. 6000 first and then investigate, as some of my colleagues have suggested. If we pass H. R. 6000 first, we are courting the very probable disaster of committing ourselves to a benefit program whose ultimate costs will be such as to mortgage the future and which can be met only by further devalued dollars.

Why should we further buttress and entrench a system which is so hopelessly unsatisfactory both now and in the future? It is unsatisfactory and cruel now because it leaves so many old people out in the cold. It will be worse than unsatisfactory in the future because it promises bankruptcy and the wreck of our entire economy.

Why not halt at this point to find out where we are going? Why not leave the system as it is for the moment, until we investigate other possible systems?

Why mortgage the future at all?

Why not consider the possibility that careful inquiry might disclose an entirely different system which would avoid the huge costs of administration and the duplication, which would substitute some other form of taxation, more simple and direct, for its support and which would give more positive security to the aged than this complicated system?

The hope of finding such a different system is the first reason for offering this resolution to investigate.

Mr. President, I am not a social-security expert. I am not an actuary. I am not a statistician. I cannot give the answers to these things. But I do know that criticism of the present system has been mounting over the years, criticism from the most responsible sources.

Only a few days ago, Leonard J. Calhoun, whom I have never met, who from 1936 to 1943 was the assistant general counsel of the Social Security Board, published a long critical essay under the title of "How Much Social Security Can We Afford?" In this essay Calhoun made some highly categorical statements. He said:

For a large number of people the system is in effect a lottery, despite the adoption of the name "insurance." Nevertheless it is compulsory.

A fine thing, Mr. President, to have a social security system which, in reality, is a compulsory lottery.

At the hearings on this bill on January 30th last, there appeared William Rulon Williamson, formerly the actuarial consultant to the Social Security Administration. Said Williamson:

H. R. 6000 sets out to make this system—

That is, our present social security system—

even more intolerable. Nothing could justify its passage. To put the fact bluntly, if old-age and survivors insurance was intended to deal significantly and effectively with the aged and orphan population, it is a flop. If it set out to avoid paying benefits, it is a success.

Again, in a prepared statement submitted to the Finance Committee during these hearings, George Immerwahr, formerly the actuary for the Bureau of Old-Age and Survivors Insurance at Baltimore, stated:

Because of its deferred cost structure, the program cannot be financed satisfactorily by either actuarial reserve or current-cost technique. The former technique is politically dangerous and economically unsound; the latter leads to popular undervaluation of benefit costs and to resulting dangers.

These are men of standing who in past time have had direct experience with the system under which we now operate.

We may turn to others who have never had any direct connection with the system but who have devoted long and careful study to it. Recall the statement of Representative CURTIS of Nebraska, a statement made last October on the floor of the House, while House bill 6000 was under discussion. Said Representative CURTIS:

The old-age and survivors insurance program is a grossly unsound and ineffective tool for the social-security purposes it attempts to accomplish. Because it is so unsound and ineffective I cannot agree that the mere extension of its coverage or a mere numerical revision of its benefit formula, such as the majority of the committee proposes, can bring about significant improvement. Instead, the very fundamentals of the program should be objectively reexamined, and to the extent that such reexamination indicates the need for drastic overhauling of the program, that overhauling should be done, even though it proves necessary to abandon completely those concepts on which the present program rests.

Again, more than a year ago, former President Hoover, in response to requests, wrote to Chairman DOUGHTON, of the House Ways and Means Committee, when House bill 6000 was before the House in its original form. Said Mr. Hoover:

The real and urgent problem is the need group. It is not solved now, nor can it be solved for many years by the Federal insurance system, even if that system can be made to work efficiently.

Furthermore, said Mr. Hoover:

The committee, in my opinion, should undertake to establish an independent research body to provide analyses of other possible systems. It should be given a year of study. * * * A careful inquiry might disclose an entirely different system which would avoid the huge costs of administration and the duplication, which would substitute some other form of taxation, more simple and direct for its support, and which would give more positive security to the aged than this complicated system.

As for advisory committees, experience has taught us not to repeat one mistake of the past. We do not want an advisory committee of eminent men who, because of antecedent demands upon their time, are able to give only a day or so every couple of months to the question of social-security revision. We do not want the real shaping of policy, the making of fundamental decisions left to subordinate staffs. What we want are independent, competent people of standing, who are prepared to give their full time to the work and who shall receive the compensation due to persons of their experience and prestige.

Mr. President, I could continue with citations of this character, all from men of high character, of proven competence and of standing in their professions. But the citations would only serve to underscore the point already made. That point is this: That the long mounting criticism of the present system and the increasing doubts as to its stability, put upon us the responsibility for an independent investigation. We cannot ignore this responsibility any longer.

Some days ago, Mr. President, I wrote a letter to several hundred persons and organizations, all of whom in one way or another, have had direct experience with social-security problems and have given a great deal of time and thought to them.

In this letter I asked, among others, two questions:

First. Did the person addressed favor a full-dress and completely independent investigation and overhauling of the social-security system?

Second. Did the person addressed favor a detailed investigation of the merits of a universal pay-as-you-go system with age the only qualification?

The answer to both questions in a large majority of the many replies so far received, was a categorical "Yes," stated in the most unequivocal terms.

The letter which I wrote is, I think, deserving of some consideration by my colleagues and others throughout the country, and I therefore ask unanimous consent that it be printed as a part of my remarks at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

As you know, the social-security bill (H. R. 6000) which passed the House last October is now before the Senate Finance Committee and shortly will be reported out for Senate action. This bill represents the first major revision made in our social-security legislation since 1939 and is no unimportant piece of legislation. Although we do not yet have the completed Senate bill three committee releases have specified what the bill will contain in respect to old-age assistance and expanded old-age and survivors insurance coverage and benefits.

After considerable thought I have come to the conclusion that I cannot vote for a bill containing these provisions. Instead, I am urging that the social-security establishment be left as it is, pending a thorough and completely independent investigation and overhauling. This overhauling, it seems to me, should be undertaken by a commission, and carried out along the line specified by former President Hoover in his letter on social-security revision to Chairman DOUGHTON of the House Ways and Means Committee a year ago.

I have become increasingly skeptical about the present deferred-benefit system which excludes—and must continue to exclude—so many of today's aged from our so-called social insurance and gives large benefits to some who qualify after making only token contributions. Back in 1935 when the Social Security Act was first passed, it was assumed that the insurance system with reasonable promptness would cover the old people and that old-age assistance (means test relief supported by Federal subsidies) would soon pass out. The reverse has happened. The groups covered by insurance have slowly expanded; relief for destitute old people has zoomed ahead. What this amounts to is that social-security legislation has pushed many of the States, including my own, into trying to handle these problems through jerry-built relief plans, often practically unsupervised and depending, of course, on Federal subsidy.

Patching up unworkable social-security programs—as H. R. 6000 attempts to do and as any bill of the type will do—is bound to create more maladjustments than it cures. We badly need a fundamental technical study that can lead to a constructive redesign of our social-security system.

My own feeling is that an honest pay-as-you-go system with age the only qualification necessary is probably the answer. The benefit, I suppose, should be a certain number of dollars a month, small enough to indicate the normal expectation of other personal provision, and large enough to be of some significance in the income of the recipient. I set neither age nor figures; the Commission's work would have to give us the answer or the basis for an answer. I would suppose that the benefits would be financed by an earmarked tax, from the lowest earnings up to some such maximum as the $3,000 now used in the limited, discriminatory tax now in current use. This simply means that the producing workers of the Nation are paying a tax to aid in the support of the old and by the earmarked tax each knows and is conscious of what he is paying. In no way should such a benefit be regarded as taking the place of personal thrift nor does it take the place of local charity and relief. The system ought to be designed to get the Federal Government out of the business of subsidizing relief in the States.

I am asking you, as a person whose professional interests have included social-security problems, to let me have your views on this question. I ask that you write me with all frankness about the objectives, the personnel and the method of study that

might be pursued by such a Commission as I have described above. There must be men of standing—independent, competent, and informed in this area—who could help in this task. We ought rightly to expect that such men would represent a truly American approach to these problems, an approach which so far has been sedulously avoided by the official advisory councils.

I am persuaded that this is a matter of vital importance to the preservation of our system of free enterprise and the noncollectivist way of life.

Since the bill will be before the Senate any day now, I appeal to you for a prompt consideration of this letter.

Mr. CAIN. Mr. President, I have been literally amazed by the response and thoughtful consideration which was given to this letter. Most of those to whom I wrote are acknowledged as being American community and business leaders. Most of them act as trustees and investors of the savings of our citizens. Every one of them is qualified to express an opinion on the project of social security. I shall read none of the answers to my letter this afternoon. I shall, however, probably read to the Senate every single response before the coming debate is terminated. I shall read them not to obstruct debate and not to stretch out debate. I shall do so because in my view every one of the letters which I have received thus far is worthy of being thought about by all Members of this body.

If the junior Senator from Washington had no case of his own, and he feels that he has a soundly conceived case, a good case could be developed and offered from the answering letters to which I have just made reference. Without desiring to venture a guess as to what action will result from the coming social-security debate I wish now to express my official and personal appreciation to those who have so freely and willingly offered their social-security views to me. Those views will constitute a splendid contribution to the thinking of the Senate and of America.

When we turn to that portion of the resolution that calls for an inquiry into the management of the social-security system, I want to make myself very clear. I do not know what the facts are, but I want to know. And I think the Senate should know before we proceed further with legislation of this character.

I know that charges against the character of some of these men and about their management of the system have been freely made. We ought to have those charges examined. I want to know the circumstances by which the staff of the Advisory Council, set up during the Eightieth Congress, were selected. Was there a behind-the-scenes connection between this Advisory Council and staff and the Social Security Administration, so that, in effect, the Social Security Administration investigated itself?

I want to know more about charges that the Social Security Administration has been flagrant in its use of appropriation money for propaganda. I understand that the Harness committee scratched the surface of this a little during the Eightieth Congress, but was unable to do more. We need more than a scratching of the surface. We should know the facts about whether or not the Social Security Administration has, for its own purposes, been manipulating and distorting its statistics and its information generally. Were actuarial studies ever censored, and, if so, by whom? Is it true that when the Advisory Council met, the only witness permitted to appear before them in person was Mr. Altmeyer?

In this respect, Mr. President, I invite the attention of the Senate to the task force report of the Hoover Commission on public welfare. It is perfectly clear from the report that the task force was gravely disturbed by what they found in respect to the slippery use of factual material by the Social Security Administration. It is significant that the task force, in calling for a complete investigation and overhauling of the social security system, submitted their proposal on the very next page following this remarkable statement:

> Although the Government has in various ways suppressed false advertising by private individuals and organizations, there appears to be no agency to prevent the Government itself from supplying misleading information or withholding significant facts.

And again, said the task force:

> It would be in the national interest if Members of Congres, regardless of party, felt it incumbent upon themselves to detect and expose misrepresentation or bias in Government reports.

In the matter of this task force report, Mr. President, I should like to mention a curious incident which indicates how carefully a congressional investigation would have to be conducted. It illustrates the ramifications of this troublesome problem.

Shortly after the publication of the task force report, the Washington Star, on March 29, 1949, devoted an editorial to it. In passing, the Star said:

> The Hoover Commission is correct in viewing the tendency toward suppression of unfavorable facts and publicizing of the favorable as a real danger to democratic government.

A week later, on April 7, 1949, the Star published a letter from Commissioner Altmeyer denying the charges—2 days after that, on April 9, 1949, there appeared in the Star a long and detailed rejoinder to the Altmeyer letter, by Dr. Marjorie Shearon, formerly of the Bureau of Research and Statistics of the Social Security Board.

I ask unanimous consent to insert both letters at this point in the RECORD. I will not take the time to read them at the moment. I will simply say that they merely confirm the conviction that an unbiased investigation must be made.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Washington Star of April 7, 1949]

To the EDITOR OF THE STAR:

My attention has been called to the editorial in your issue of March 29, captioned "Publicity and Propaganda." You use as the text of your editorial a quotation from a task force of the Hoover Commission on Organization of the Executive Branch to the effect that the advocates of social security have given wide publicity to the benefits to be derived and little publicity to the costs of such benefits. I think you had a right to assume that the report of this task force was correct. However, I think you and your readers ought to know that the allegations which you quoted from this report are wholly unjustified by the facts.

The facts are that on every possible occasion we have emphasized the increasing costs of the old-age and survivors insurance system. The board of trustees of the old-age and survivors insurance trust fund issues an annual report which shows the increasing costs of benefits. The Social Security Board (now the Social Security Administration) has issued 28 actuarial reports, each one of which brings out clearly the increasing cost. I personally have appeared before committees of Congress on seven occasions to urge Congress to permit the scheduled increase in contribution rates to occur because of the inevitably increasing costs of these benefits.

As a matter of fact, one of the principal reasons why I have always favored contributory social insurance is because it necessarily relates benefits to their costs. Therefore, it is ironical and unfair indeed to be accused of having done exactly the reverse.

A. J. ALTMEYER,
Commissioner, Social Security Administration.

[From the Washington Star of April 9, 1949]

To the EDITOR OF THE STAR:

This is in answer to the letter from Commissioner A. J. Altmeyer in the Star of April 7. The Hoover Commission was entirely correct in stating that advocates of social security have given wide publicity to benefits and little to the costs thereof. It is true that the Commissioner has testified on numerous occasions before congressional committees that old-age and survivors insurance benefits will prove costly. Such testimony does not constitute giving wide publicity to the excessive costs of social security. Few persons attend such hearings. As for the processed actuarial reports, their circulation is limited and only the experts can understand what they mean.

Hearings have been going on daily for weeks before the House Ways and Means Committee. Commissioner Altmeyer has been elusive. Repeatedly members of the committee have asked him what would be the long-range costs for the total social security program as planned by the Social Security Administration. Mr. Altmeyer will not reveal those figures. However, if one puts together the cost for the several proposed cash-benefits programs, plus a realistic cost estimate for the national compulsory social-security medicine plan, plus the cost of an expended program of public assistance for the needy, one arrives at a total cost estimate for the mature program of something like $30,000,000,000 to $40,000,000,000 a year or more.

TRUST FUND NOT INTACT

The insurance programs alone, not counting the public relief, are expected to rise to 20 percent or more of payrolls. It is conceivable that the present social security tax of 1 percent on employees and 1 percent on employers could be raised to as much as 6 percent on each. Self-employed persons (farmers, shopkeepers, lawyers, physicians, etc.) would in time pay upward of 8 percent on their incomes (one and one-half or two times as much as employed persons for the benefits received). The deficit, amounting to 8 percent or more of payrolls, would have to be paid for out of increased income taxes.

It has come out at the hearings that the so-called old-age and survivors trust fund of about $11,000,000,000 has not been kept intact, but has been spent by the Government for routine general operations. IOU's have been substituted for the cash supposedly kept in trust. A few years hence,

when aged workers on retirement seek to obtain their benefits, the Government will be compelled to get the money from the general fund by taxing the public again, that time through their income taxes.

The law required the three trustees of the OASI trust fund to file a report on the first day of Congress each year regarding the status of the fund. Congressmen DOUGHTON, Democrat, of North Carolina, and REED, Republican, of New York, today were sharply critical of Secretary of Labor Tobin for the failure of the trustees to file this report. The trustees are the Secretary of the Treasury, the Secretary of Labor, and the Federal Security Administrator.

WANTS TRUTH TOLD PEOPLE

One of the most important things that has come out at the hearings on H. R. 2893 for the expansion of social security is that persons may pay their social-security taxes for 40 years and still not be entitled to a retirement annuity. The members of the Ways and Means Committee had not understood that, and it is fair to say that the people of the country do not so understand. Social security does not provide a retirement annuity in which the worker has a vested interest by reason of taxes paid. The worker is compelled at the present time to retire from the labor market and if he earns as much as $14.99 in covered employment in any month, he is deprived of his social-security annuity for that month. Social security is a delusion and a snare. Its true workings and long-range costs have not been publicized. Initial taxes have been kept low in order not to scare the public. The system is not paying for itself. There is already a $7,000,000,000 deficit because the social security has been 1 percent instead of 3 percent.

All persons who pay income taxes, whether covered by social security or not, are compelled to pay tribute to the Social Security Administration. Each year some $200,000,000 is taken from general revenues and added to the trust fund as interest on the money theoretically in the fund. Then the public is compelled to pay interest on the $200,000,000, because the Government immediately siphons the money out of the trust fund and begins to charge the public interest on the bonds placed in the fund. During the past 11 years over $1,000,000,000 in interest was thus extracted from the public.

Present proposals to extend coverage have as their primary objective the bringing in of some 22,000,000 new taxpayers. The influx of new revenues into the proposed national social insurance trust fund will bail out the system for a while, but the day of reckoning will come. The bona fides of the Government will then be in question. The Social Security Administration has spent millions on publicity and propaganda in an effort to sell to the American people an expensive security system which does not, and cannot, furnish the promised benefits unless crushing taxes are imposed on every recipient of income. The people are entitled to the truth. Thus far they have not had it.

MARJORIE SHEARON, Ph. D.

Mr. CAIN. Mr. President, how can the Senate hope to deal intelligently with social-security problems if we must labor constantly under the suspicion that significant facts have been withheld from us by the Social Security Administration and that we have been supplied with misleading information?

I wish to quote once more from the task force report. The passage occurs on page 492, under the heading of "General recommendations":

The concrete recommendation that we would make is that an able, objective legislative commission be created to reconsider the entire system in all its essential aspects and submit its findings and recommendations to the Congress and the people and that no substantial changes in the existing law be made until after that commission has reported.

This reconsideration by a legislative commission is precisely what I would like to see accomplished and I urge Senators of both parties to support such an effort. Let us make no substantial changes in the existing law until a completely independent, objective, and impartial investigation has been made, both of the system itself and the methods used to administer the system.

Some will say that the subject has been adequately investigated and that legislation should not be further delayed. They point to the advisory council appointed by the Finance Committee during the Eightieth Congress.

This council had on it several of the Nation's most competent men and women, drawn from various professions, and nothing but praise can be given to their ability and conscientiousness. But these were people who were extremely busy in their own fields of endeavor, they met for only a few brief periods, and the actual work of the council was largely done by a technical staff rather than by the council members.

A reliable source informs me that the head of this staff was a man who both before and since that time was a Social Security Administration employee, but who at the time of his appointment to the staff was working under Social Security Commissioner Altmeyer's guidance in an outside organization.

Mr. President, section 902 of title 42 of the United States Code, the title dealing with public health and welfare, reads as follows:

The Administrator shall perform the duties imposed upon him by this chapter and shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects.

I am told that officials of the Social Security Administration excuse anything they do, simply by pointing to this section of the statute and saying in effect, "We do what we do by virtue of the power vested in us."

Mr. President, are these things true? This section of the statute gives authority to the Social Security Administration only to the extent of "studying and making recommendations." It says nothing about the use of propaganda among the public generally, nor does it give any permission to influence legislation in the manner which the Social Security Administration has done. Instead, such activities were expressly prohibited by other statutes.

Are we to suppose, Mr. President, that this section completely negates title 18, section 1913, of the United States Code? This law states that:

No part of the money appropriated by any enactment of Congress shall—be used directly or indirectly to pay for any—device intended or designed to influence in any manner a Member of Congress, to favor or oppose, by vote or otherwise, any legislation or appropriation by Congress, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.

In the same way, Mr. President, does that cover-all section of the Social Security Act completely nullify title 31, section 628, of the United States Code? This section provides that—

Except as otherwise provided by law, sums appropriated for the various branches of expenditure in the public service shall be applied solely to the objects for which they are respectively made, and for no others.

I cannot believe, Mr. President, that these statutes are rendered null and void, by a clause in the Social Security Act. If such statutes are null and void, then Mr. President, we have set up in the heart of our Government an autonomous agency beyond any possible congressional discipline and control.

For all the reasons enumerated, Mr. President, I earnestly appeal for support to all Senators. Let us let the existing law alone, until we know better what to do. We have a good and sound right, Mr. President, to take whatever time may be required to find and adopt a security system which satisfies the real needs of all of our aged, and does not place an unreasonable burden on our economy. The junior Senator from Washington hopes that a majority of us in the Senate will agree to meet the magnificent, if troublesome and complex, problem of social security head-on and do so now before we extend and expand a bad system to a point from which there can be no retreat or fundamental cure.

Mr. President, I send to the desk a concurrent resolution and ask for its proper reference.

The concurrent resolution (S. Con. Res. 92), submitted by Mr. CAIN, was received and referred to the Committee on Finance, as follows:

Whereas the Senate Finance Committee had neither an adequate staff nor sufficient time to investigate all phases of the national social-security problem, nor to make the full and complete investigation of old-age and survivors insurance and all other aspects of the existing social-security program authorized in Senate Resolution 141 of the Eightieth Congress; and

Whereas there is a growing dissatisfaction with the complexities, the shortcomings, and the inequities of our social-security system; and

Whereas numerous actuaries, economists, tax experts, and other social-security technicians, as well as businessmen and former social-security administrators maintain that the entire system is unworkable, costly, and capricious and have urged that it be reexamined and overhauled; and

Whereas there is an insistent demand for soundly financed universal pay-as-you-go pensions for the present aged who are no longer working, a demand which cannot be satisfied merely by extending coverage to more of the people who are still working; and

Whereas there is an increasing volume of informed criticism of the fiscal policies incorporated in the present Social Security Act and with their long time implications: and

Whereas there is a growing insistence in many quarters for a thorough investigation of the past and present administration of

the Social Security Act, including the staff activities in the field and in Washington; and

Whereas there is a strong conviction in the minds of many persons that the present Social Security Administration has engaged in lobbying and propaganda in violation of title 18, section 1913, United States Code, and of title 31, section 628, United States Code: Now, therefore, be it

Resolved, That there be created a Social Security Commission to advise the Congress and to provide the impartial, technical knowledge required by the Congress in its deliberations, said Commission to consist of 16 members, one-fourth of whom shall be nominated by the President of the Senate, one-fourth by the minority leader of the Senate, one-fourth by the Speaker of the House, and one-fourth by the minority leader of the House.

SEC. 2. The Commission is authorized and directed to make an exhaustive study of the past and present operations of the Social Security Act and of other methods of providing for the aged, the blind, dependent children, and other dependent individuals with a view to proposing a simple, financially sound method of dealing with the problems of dependency.

SEC. 3. The Commission is authorized to sit and act at such places and times and during the sessions, recesses, and adjourned periods of the Eighty-first Congress and of the first session of the Eighty-second Congress, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable.

SEC. 4. The Commission is authorized, with the approval of the Committee on Rules and Administration, to request the use of the services, information, facilities, and personnel of the departments and agencies in the executive branch of the Government in the performance of its duties under this resolution, but is enjoined from employing any person on its technical staff who has been in the employ of the executive branch of the Government at any time during the year preceding the enactment of this resolution.

SEC. 5. The Commission shall report its findings with respect to the lobbying activities of the Social Security staff and shall make such recommendations for such legislation as it may deem advisable, to both Houses of the Congress at the earliest practicable date, but not later than April 1, 1951.

SEC. 6. The expenses of the Commission under this resolution, which shall not exceed $100,000 shall be paid out of the contingent fund of the Senate and the contingent fund of the House, one-half from each fund, upon vouchers signed by the Chairman of the Commission.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

Mr. CONNALLY. Mr. President, in accordance with the unanimous-consent agreement, I move that the Senate stand in recess until 11 o'clock tomorrow.

Mr. MALONE. Mr. President——

The PRESIDING OFFICER. Will the Senator yield to the Senator from Nevada for a moment?

Mr. CONNALLY. I yield for a question.

Mr. MALONE. I should like to have about 2 minutes, or 3.

Mr. CONNALLY. The Senator has had 2 hours or 3 hours already.

Mr. MALONE. What difference does it make?

Mr. CONNALLY. What is it the Senator desires to discuss?

Mr. MALONE. If the Senator from Texas is interested, what the Senator from Nevada is about to say, if he will wait a couple of minutes, will be very clear.

Mr. CONNALLY. I understand, but what is it about?

Mr. MALONE. It is about the subject in hand, and about the way we are proceeding.

Mr. CONNALLY. I yield.

Mr. MALONE. That is very kind of the Senator.

The PRESIDING OFFICER. The Senator from Nevada.

THE WASHINGTON SCENE—NO COMMUNITY SENTIMENT

Mr. MALONE. Mr. President, national legislation should reflect the wishes of the war veterans, the workers, and the farmers, rather than the wishes of official and unofficial Washington, D. C. There is no American community sentiment in Washington. The people who stay in Washington a considerable length of time get too far away from the thoughts and feelings of the Americans across the Nation who must earn their living the hard way—98 percent of the residents have not the slightest idea of how the people west of the city limits make a living.

In passing upon each of the policy and appropriation bills the Congress should consult the people back home regarding the true issues involved, who are far enough removed from Washington to have a balanced opinion, not colored by local prejudices put on them in Washington.

Traveling over the country and talking particularly with war veterans, workers, and farmers, I find that the people have not changed, that they are still as sound as ever. The Congress could not go far wrong on fundamental problems if it would only keep in close contact with these three groups of Americans.

For one thing, I have found that these three groups are opposed to the coddling which the subversives too often receive in Washington. They cannot understand why it seems so easy for one accused of being a red sympathizer to get the backing and smile of approval of prominent officials in the Government. I find that the American people still have the highest respect for patriotism.

In my opinion, the Congress stays in session too long. More of our time should be spent at home, in the mills and mines and factories, on the farms and on the home town streets, catching up on what is going on in the American mind.

Furthermore, I believe we should turn back to the States many of the things which we try to regulate here in Washington, D. C., where public sentiment is the criterion for settling controversial issues. There is no community sentiment in Washington.

Mr. President, I ask unanimous consent to have inserted in the RECORD at the end of my remarks this afternoon resolutions adopted by groups in the State of Nevada.

The PRESIDING OFFICER. Without objection——

Mr. CONNALLY. Mr. President, wait a minute. In the Appendix of the RECORD, or the body?

Mr. MALONE. I did not say in the Appendix. I said to be inserted at the end of my address this afternoon.

Mr. CONNALLY. I object to them going in the body of the RECORD. If the Senator wants them to go in the Appendix, very well.

Mr. MALONE. Then I will read the resolutions.

Mr. CONNALLY. I will not yield for that purpose. I yielded for 2 minutes, and the Senator has taken 10 minutes.

Mr. MALONE. Mr. President, a point of order.

Mr. CONNALLY. The pending motion is that the Senate take a recess.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CONNALLY. I renew my motion that the Senate stand in recess in accordance with the unanimous-consent agreement.

Mr. MALONE. Mr. President, a point of order.

The PRESIDING OFFICER. The motion to recess is not debatable.

Mr. MALONE. Very well. Then let us put it to a vote. Is that possible?

Mr. CONNALLY. The unanimous-consent agreement controls.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas. All those in favor of the motion will say "Aye."

Mr. CAIN. Mr. President, will the Senator yield before calling for a vote? It is my understanding that the Senator from Texas has been misinformed, that the situation is simply this, that it was unanimously agreed that at the close of business today the Senate would recess until 11 o'clock a. m. tomorrow. But it likewise is my understanding that the Senator from Nevada has been transacting a part of today's business, and there is no prohibition, so far as I know, against the Senate remaining in session until any of its Members have completed whatever work they desire to transact.

Mr. MALONE. I thank the Senator from Washington.

The PRESIDING OFFICER. In the opinion of the Chair the acting minority leader is correct in his interpretation of the order of business under which the Senate is proceeding. The Chair recognizes the Senator from Texas.

Mr. CONNALLY. I made a motion.

The PRESIDING OFFICER. The Senator yielded 2 minutes to the Senator from Nevada, and the motion before the Senate at the time he yielded was that the Senate stand in recess until tomorrow at 11 o'clock, under the unanimous-consent agreement.

The Senator from Texas objected to a consent agreement to insert some resolutions which had been adopted by certain groups in Nevada, and because of that objection, the Senator from Nevada was going to read them, but the Senator

from Texas refused to yield further, and move to recess. The motion is not debatable. The Chair was putting the motion to a vote——

Mr. CAIN. I asked ahead of that if the Chair would not withhold putting the question until I could ask to have a ruling on the unanimous-consent agreement.

The PRESIDING OFFICER. If the Chair may be privileged to make this type of a remark, the Chair believes that if the Senator from Texas knew the contents of the resolutions the bodies in Nevada had adopted, the Senator from Texas would not object, as the Chair presumes they were resolutions by farm organizations.

Mr. MALONE. By a farm organization, a labor organization, and a wool organization in another State.

The PRESIDING OFFICER. The Chair is sure the Senator from Texas did not know the contents of the resolutions.

Mr. CONNALLY. Mr. President, I shall consent to the request, but shall not yield any further.

The PRESIDING OFFICER. Then, without objection, the insertions will be made in the RECORD in accordance with the request of the Senator from Nevada.

Mr. MALONE. I thank the Chair.

RECESS

Mr. CONNALLY. I move that the Senate stand in recess until 11 o'clock tomorrow.

The motion was agreed to; and, at 6:18 o'clock p. m., the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, May 25, 1950, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate May 24 (legislative day of March 29), 1950:

DEPARTMENT OF COMMERCE

Maj. Gen. Philip B. Fleming, United States Army, retired, to be Under Secretary of Commerce for Transportation.

CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Carrick H. Buck, of Hawaii, to be first judge of the first circuit, circuit courts, Territory of Hawaii. Judge Buck is now serving in this post under an appointment which expired April 13, 1950.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 24, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art the great prayer-hearing and prayer-answering God, grant that this moment of communion with Thee may be for each of us a time of self-examination and self-discipline.

May we have the courage to face ourselves and search our minds and hearts. May we seek to understand more clearly what manner of human beings we really are and how far short we fall of what Thou wouldst have us be in our relationship to Thee and our fellow men.

We humbly confess that we are often so indifferent and thoughtless toward Thee and that in a world with its many desperate needs and longings, our natures and attitudes are frequently so selfish and self-centered, so cold and cynical, so blunt and brutal.

We pray that a loftier vision and a nobler spirit may possess and rule our lives. Show us how we may control and conquer and crucify every insurgent impulse, every inordinate affection, every evil propensity, and every unholy desire.

In the name of the Christ our Lord and Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 7341. An act to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–23.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1950

Mr. THOMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. CANNON, Mr. THOMAS of Texas, Mr. NORRELL, Mr. WHITTEN, Mr. TABER, and Mr. WIGGLESWORTH.

SENATE COMMITTEE ON BANKING AND CURRENCY

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 183) to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

Resolved, etc., That service or employment of any person as an attorney, or assistant, on a temporary basis to assist the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in the study ordered by Senate Resolution 219, agreed to on February 8, 1950, shall not be considered as service or employment bringing such person within the provisions of sections 281, 283, or 284 of title 18 of the United States Code, or of any other Federal law imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with any claim, proceeding, or matter involving the United States.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from New York explain the purpose of the resolution?

Mr. CELLER. This is similar to other bills we have passed heretofore to facilitate the employment by a Senate committee of certain counsel. Involved in this bill is the committee presided over by Senator FULBRIGHT investigating the RFC. Under Federal statute, if counsel is employed he is for a period of 3 years thereafter precluded from bringing certain actions against the Government. This legislation would relieve him of that prohibition.

I have already cleared the bill with the ranking member of the House Committee on the Judiciary, the gentleman from Michigan [Mr. MICHENER], with the acting majority leader on the Democratic side the gentleman from Tennessee [Mr. PRIEST], and with the minority leader on the Republican side, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. WOODRUFF addressed the House. His remarks appear in the Appendix.]

PRIVILEGE OF THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER pro tempore. The gentleman will state the question of privilege.

Mr. HOFFMAN of Michigan. Mr. Speaker, in the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, on page A4071 under date of Thursday, May 18, 1950, under the caption "We will meet the

test," there appears an extension of remarks of the Honorable ANDREW J. BIEMILLER, of Wisconsin, which is a violation of the rules of the House in that in those remarks and in the editorial accompanying those remarks a Member of the other body is mentioned in such manner as to reflect upon him in his representative capacity. Such remarks and editorial as inserted in the CONGRESSIONAL RECORD are made a part of this question of privilege, are a violation of the rules of the House which prohibit any reference in the CONGRESSIONAL RECORD by a Member of this body to a Member of the other body.

The resolution which I offer is that such remarks be stricken from the Appendix.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Whereas the remarks of the gentleman from Wisconsin, Mr. BIEMILLER, which appear on page A4071 of the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, and which are captioned, "We will meet the test," are a violation of the rules of the House: Therefore be it.

Resolved by the House, That said remarks as so indicated be, and the same hereby are, stricken from the RECORD.

Mr. HOFFMAN of Michigan. Mr. Speaker, do I get recognition?

The SPEAKER pro tempore. The gentleman is recognized.

Mr. HOFFMAN of Michigan. Mr. Speaker, I do not care to argue the resolution. The gentleman from Wisconsin was notified that I would raise this question. I think it is a clear violation of the rules, perhaps through inadvertence. If the gentleman cares to withdraw the remarks, all right. That is the point I wish to make.

Mr. BIEMILLER. Mr. Speaker, will the gentleman yield so that I may make a brief observation?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Wisconsin.

Mr. BIEMILLER. Mr. Speaker, I would like to observe that from time to time the RECORD has contained many pieces referring to a number of Senators which have been inserted by Members of the House. I am cognizant of the fact that there is no question but what the remarks I made were a technical violation of the rules of the House. I think other Members have done the same thing under similar circumstances.

Mr. HOFFMAN of Michigan. Mr. Speaker, I realize that statement is true. I have in my hand this morning, for instance, an extension which I was going to put in referring to a Member of the other body in laudatory terms. Perhaps that would be a violation of the rule so the extension has not been offered. My only purpose is to prevent attacks upon Members of the other body which reflect upon their integrity.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. The gentleman from Wisconsin has not finished his statement.

Mr. RANKIN. I want to say to the gentleman from Michigan that you have no right to even compliment a Senator on this floor.

Mr. BIEMILLER. Mr. Speaker, if I may continue for a moment. As I said, I recognize this is a technical violation, but there have been many such in the RECORD. If we are going to observe the rules at all we ought to observe them generally across the board. In view of the fact a point has been raised in reference to my insertion, I ask unanimous consent that the article referred to be withdrawn from the permanent RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The gentleman withdraws his resolution?

Mr. HOFFMAN of Michigan. Yes.

The SPEAKER pro tempore. The Chair may say that the same situation applies to the other body, too. The Members ought to be careful about reference to Members of the House. That observation is not in connection with the gentleman's resolution. It is just simply a general observation that the other body should be careful about its references.

Mr. HOFFMAN of Michigan. I assume the Speaker's observation is not made by way of instruction or admonition to the other body.

Mr. Speaker, I have another question of the privilege of the House, and it refers to the gentleman from Ohio [Mr. HAYS]. I notified him of my intention. It has reference to his remarks on page A4078 of the RECORD.

The question and the resolution are as follows.

Mr. Speaker, in the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, on page A4078, under date of Thursday, May 18, 1950, under the caption, "Investigation of communism," there appears an extension of remarks of Hon. WAYNE L. HAYS, of Ohio, which are a violation of the rules of the House in that in those remarks and in an editorial accompanying those remarks, a Member of the other body is mentioned and referred to in such a manner as to reflect upon him in his representative capacity.

Such remarks and the editorial as inserted in the CONGRESSIONAL RECORD, and which are made a part of this question of privilege, are a violation of the rules of the House which prohibit any reference in the CONGRESSIONAL RECORD by a Member of this body, to a Member of the other body.

The resolution which I offer asks that such remarks be stricken from the Appendix of the RECORD.

Whereas the remarks of the gentleman from Ohio [Mr. HAYS], which appear on page A4078 of the daily CONGRESSIONAL RECORD of Monday, May 22, 1950, and which are captioned, "Investigation of communism," are a violation of the rules of the House: Therefore be it

Resolved by the House, That said remarks as so indicated be, and the same hereby are, stricken from the RECORD.

I would like to ask the gentleman from Ohio [Mr. HAYS] whether he wishes to take action similar to that taken by the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. HAYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Speaker, I also recognize that the statement which I inserted is a technical violation of the rules. The remarks which were made were not, in my opinion, particularly offensive to the gentleman in the other body, and I might say, not anywhere near as offensive, not one-tenth of 1 percent as offensive as some statements I have made from the public platform without congressional immunity about the aforementioned gentleman. With that statement, I ask unanimous consent that the remarks be withdrawn.

Mr. HOFFMAN of Michigan. Just a moment. This is just a rehash of the same thing.

Mr. HAYS of Ohio. I did not mention anybody's name.

Mr. HOFFMAN of Michigan. I know, but I know what he was driving at.

Mr. HAYS of Ohio. Of course, Mr. Speaker, we both know who I was driving at.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio.

Mr. MARCANTONIO. Mr. Speaker, reserving the right to object, I would like to make this statement. I think the House should be informed on the situation. There is nothing in the rules of the other body to prevent them from making attacks on any individual Member of this House. Time and time again attacks have been made on Members of this House by Members in the other body. I think the rule should apply both ways. For instance, what would we do in a situation where a Member of the House is attacked by a Member of the other body in the other body? What redress has the House Member? He cannot reply from the well of this House. So, we have no redress, and I think it is time that the House defended itself on these matters. If a Member of the other body can attack a Member of this House under their rules, and a Member of this House cannot stand up here and defend himself against such an attack, without even mentioning the name of the person who attacked him in the other body, then just what are we coming to? I think this House has certain, definite responsibilities to live up to, and this business of not being permitted to mention the word "Senate" is becoming mighty silly in the eyes of the American people.

Mr. RANKIN. Mr. Speaker, further reserving the right to object, the Senate does have such a rule. The Senate has the same rule on comity the House has. We had that question up years ago. A Member of the other body criticized a Member of this body, and when the rule was called to his attention he immediately arose and withdrew his remarks.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object further, the gentleman from New York [Mr. MARCANTONIO] is completely mistaken, because I recall very distinctly standing in the well of the House where I am standing now and objecting to a statement made in the other body, by a Member of that body, and his statement was stricken from the RECORD.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from New York.

Mr. MARCANTONIO. That may have been done by agreement by conference, by understanding, but I am telling you now that there is nothing in the rules in the other body that prevents an attack by name on a Member of this House, and I stand by this statement.

The SPEAKER pro tempore. The Chair made an observation that covers that situation, and I am sure the leadership and the Members of the other body would at least give a little weight to what I consider to be at least one sound statement that I have made during the years I have been in this body.

Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REED of New York. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. REED of New York. Mr. Speaker, it might clarify matters a little if our Parliamentarian would state what the Senate rule is.

The SPEAKER pro tempore. The Chair is sure the gentleman does not want to put the Parliamentarian in the embarrassing position of making such a statement. The Chair is very conversant with the views of our able and outstanding Parliamentarian. The Chair, recognizing his great knowledge, ability, and logic, has been following the suggestions and advice of our Parliamentarian very carefully.

DEDICATION OF MEMORIAL TO THE LATE CONGRESSMAN GEORGE J. BATES

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, it is my humble privilege to report that a fitting memorial to our late colleague, Congressman George J. Bates, was dedicated on May 20, 1950, in his home town of Salem, Mass.

As one of several Members of Congress present, including EDITH NOURSE ROGERS, PHILIP J. PHILBIN, JOHN F. KENNEDY, and HAROLD D. DONOHUE, I was most impressed by the sincere and moving eulogy delivered by the Honorable DEWEY SHORT, of Missouri. It was the speech of a friend who mourns but, in that affection born of reverence, makes all his hearers share in the many fine qualities of a great public servant who has been called to his reward.

Deep in our subconscious, Congressman SHORT'S heart-warming words touched us in a way that will live on and inspire us to emulate that high personal integrity and devotion to duty which were the outstanding characteristics of the man in whose honor he spoke. For the members of the Massachusetts delegation, for the citizens of the Sixth Massachusetts District, for the friends and relatives of George Bates, I want to express our deep appreciation to the gentleman from Missouri for his memorable tribute.

May 20 was the day that historic Salem had been planning for, ever since the tragic news broke in early November 1949 that her most distinguished son, George Bates, had sacrificed his life while en route to Washington on a mission that he regarded as his most solemn responsibility—that of keeping the defenses of these United States at their highest peak of efficiency.

With rare felicity, the day chosen for the dedication of a memorial to George Bates coincided with the observance of Armed Forces Day. This, in itself, was recognition of the singular service which he rendered to the Nation as a whole.

And so they marched in Salem on May 20, in honor of the armed forces and in honor of their faithful friend in the Congress. Members of the United States Army, Navy, Air Force, Coast Guard, National Guard, the Reserves, and Gold Star Mothers—these formed the escort division followed by the neighbors and friends of George Bates from every walk of life.

From Salem Common they paraded to the United States Naval Reserves Training Center on Derby Street where the memorial was dedicated.

Representatives of three faiths, Commander Leonard A. McMahon, United States Naval Reserve, Maj. Frank A. Crandall, United States Army, retired, and Lt. Abraham Kazis, United States Army Reserves, delivered respectively, the invocation, the prayer, and benediction.

The speakers included Lt. Comdr. Lawrence H. McGovern; Francis J. Lynch; Mayor Francis X. Collins, of Salem; Col. Roland W. Estey; Col. George J. O'Shea; Maj. Gen. Glen O. Barcus; Commander John F. Harding; Rear Adm. Howlett Thebaud; Ralph C. Browne; Mr. J. Duncan Phillips; the Honorable Dewey Short, of Missouri, who was the orator of the day; and the Honorable William H. Bates, son and successor of our departed colleague.

George Bates loved the sea near whose shore he was born and bred. He loved the Navy. And he grew up with the firm conviction that our security and progress as a Nation, depends on both.

The men of the United States Navy have not forgotten his conscientious service in their behalf.

They have dedicated a memorial at the United States Naval Training Center in his beloved city in his name, under circumstances that will be a treasured recollection for all who were there on that day.

For the generations that will follow us there is this to inspire them.

Integrity and ability, combined with generosity and friendliness made George J. Bates the respected and well loved character that he was. A life-long native of Salem and a product of her public schools, he served a long term in the Massachusetts House of Representatives. For 13 most difficult years, he was one of the best mayors Salem ever had and was then elected to Congress. There, as a member of the Naval Affairs Committee, he gave vigor and intelligence to the preparation of our Navy for the great contest then hanging over us. In whatever position he was placed, he made it his aim to study and master the job so he could do his duty fearlessly, intelligently, and effectively. Nothing better can be said of any public servant.—JAMES DUNCAN PHILLIPS.

SPECIAL ORDER GRANTED

Mr. FELLOWS asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

LOOK UNDER YOUR BED

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FELLOWS. Mr. Speaker, have you seen the morning paper? I have just read what our distinguished Attorney General said at a meeting which he attended. He said we do not have to worry about the enemies of America and not one of us needs to look under our bed, because there is nobody there. But look at what somebody found under the bed only yesterday. The headline says: "FBI seizes man as aid of A-Spy Fuchs—Philadelphia suspect confesses to contacts."

Mr. Speaker, I am going to continue to look under my bed.

LOAN TO ARGENTINA

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, it is a sad commentary as we come to another Memorial Day and pay tribute to the hundreds of thousands of Americans who lost their lives in war to learn that $125,000,000 has been handed over to Dictator Peron, of Argentina.

Peron, the tyrant, the steadfast supporter of the Nazi-Fascist Axis, represents everything against which Americans laid down their lives in World War II. Does anyone contend there is freedom in Argentina today? On the contrary, Dictator Peron has strangled free speech, freedom to assemble, and freedom of the press. Yet, when this enemy of freedom faces a financial crisis, a crisis that could well end his tyranny, the tax dollars of the citizens of this country are rushed to his rescue.

In justification for this action, Assistant Secretary of State Edward Miller is quoted as voicing the hope that the United States can learn to work with the Government of Argentina.

Why were we not told that we should learn to work with Hitler, Mussolini, and now Stalin?

Mr. Speaker, I suggest that those who engineered this deal and those who approve it ought to stand, hat in hand in Arlington Cemetery on Tuesday and beg forgiveness from the men who lie there for this betrayal and moral sell-out.

SIGH-OF-RELIEF DAY

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, I have heard proposals that May 28 be celebrated every year as a holiday called Sigh-of-Relief Day. I disagree. I believe May 28 should become a day of national mourning—a monument to the morality that has been lost from our Federal Government.

On this Sunday, May 28, the 3-year statute of limitations will run out on the Kansas City ballot thefts, which took place on the night of May 27–28, 1947. On Sunday the gangsters who blew up the election commissioners' vault and the politicians who paid them to do it will enjoy complete immunity for the rest of their lives.

Let me tell you a few of the circumstances of the ballot thefts. They were stolen from the county courthouse in downtown Kansas City. In the same building is the sheriff's office, where deputies are always on duty. The courthouse is across the street from the police department. A truck must have been used to haul the ballots away. And, finally, the President of the United States was sleeping only five blocks away.

Is that the kind of crime that cannot be solved? Not at all. The only other answer is somebody did not want to solve it. The stolen ballots would have sent 71 vote crooks, mostly members of the Pendergast machine, to prison. President Truman boasts he is still a dues-paying member of that machine.

This Sunday, May 28, will be a day of shame for every citizen. He has been betrayed by his own Government.

OBSERVANCE OF HOUSE RULES

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I would like to tell the gentleman from Michigan [Mr. HOFFMAN] that I expect hereafter to observe all the technicalities of the rules of the House.

As to the spirit of the rules, I would also like to tell the gentleman that I will be guided by his example because I think I can say without fear of contradiction that the gentleman from Michigan has made more poisonous remarks in the well of this House about more decent people, from the President of the United States on down, than any 10 Members I have heard since I have been here.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

NO. 3

Mr. KEATING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, if I were a young man eager to go into business for myself and looking for the right place, I would set up a whitewash store in Kansas City. I could feel absolutely certain of doing a rushing business as long as the present administration remained in power.

Just think for a moment of the whitewash that was used on the ballot thefts in 1947. The vault in the office of the election commissioners was blown up, and this was done right under the noses of the county sheriff, the city police department, and the Secret Service, who were guarding President Truman as he slept five blocks away.

After much prodding, the Justice Department supposedly made an investigation, but you can judge its quality by the fact that not one arrest has been made. On this Sunday, May 28, the 3-year statute of limitations will run out. The perfect crime will be complete, thanks to one of the most thorough whitewash jobs in the history of the country.

The whitewash boys will still have plenty to keep them busy. On April 5, a gangster named Charles Binaggio was murdered. He was under subpena by a Federal grand jury at the time. If he had lived, his testimony undoubtedly would have involved other members of the Kansas City crime-and-politics gangs. Yet the Federal Government, from top to bottom has refused to lift a finger toward solution of the murder. They flatly refuse to permit the FBI to enter the case.

Once again the whitewash is being applied, and it is going on so thick that it is visible from coast to coast.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, this time is taken to express to the gentleman from Ohio [Mr. HAYS] my very deep appreciation of his effort to teach me the rules of the House, advise me as to the ethics which should govern Members of the House.

Not knowingly, certainly not intentionally, have the rules of the House or of good conduct been violated by me.

Not knowingly has reference ever been made by me to any Member of this or the other body in terms which might be considered derogatory.

As a former teacher of history and public speaking, as a former mayor of Flushing, Ohio, as a former State senator, the gentleman from Ohio [Mr. HAYS] is undoubtedly well qualified to advise me, perhaps other Members of the House, of the good conduct rules which should govern us all.

Inasmuch as "to err is human, to forgive, divine," permit me to state now that, if any Member of this or the other body can and will call my attention to any statement in the RECORD where the ability, the judgment or the motives of any Member of this or the other body has been questioned by me, an apology will be immediately forthcoming.

Most humbly is it suggested that the gentleman from Ohio [Mr. HAYS] will be so generous, and doubtless he will, as to follow the last half of the above quotation and forgive, if forgiveness be necessary, any action which has offended his acute sensibilities.

As suggested when the resolutions referred to by the gentleman were offered earlier in the day, it was with no intent to criticize any Member of the House—merely to prevent criticism of Members of the other body in violation of the rules of the House.

Members will recall that it was then expressly stated by the Member from Michigan that perhaps he had himself inadvertently violated those rules.

Permit me to express the hope that the gentleman from Ohio [Mr. HAYS] will be charitable and considerate of me, for it must be confessed that, since coming here in 1935, notwithstanding continuous service in this body from that day to this and the kindly advice of some of the older Members—there are still many phases of the rules of the House and of the niceties of speech and conduct on the part of Members which have not yet been fully mastered by me.

Since becoming a Member of the House, on the 3d of January 1949, the gentleman has shown a very unusual and eager willingness to advise some of us as to how we should conduct ourselves. It is my purpose in speaking now to let him know that his efforts in my behalf have not gone unnoticed. Doubtless, many other Members of the House are equally obligated to him, appreciative of his instruction.

Permit me also to thank the gentleman from Ohio [Mr. HAYS] for the very high compliment paid me, but which my humility in his presence forbids accepting, when he said, in substance, that he doubted that any 10 Members of the House had expressed more or bitter criticism of the policies of the New Deal, the Fair Deal, or of the pinks and the reds who may have been or who might be with the administration.

Permit me also here and now to advise the gentleman from Ohio [Mr. HAYS] that, from the well of the House and elsewhere, at every possible opportunity, avoiding criticism of Members, I will endeavor to redouble my efforts to point out the fallacies in the policies of those who, although in full charge of our Government, did not keep us out of World War II—those who failed to negotiate the peace which should have followed World War II; who now have not only given us national bankruptcy and inflation, but a policy which may well involve us in world war III.

My efforts along the lines which I have followed in days gone by will be continued. It is my hope that they will be made with greater vigor, more cogent logic, and better results.

Those efforts will be continued until we get out of public office, where I think they are doing so much to destroy the

liberties of the individual, the security of our Republic, all of the homosexuals, the queer people, the pinks, the left-wingers, the New Dealers, the Fair Dealers.

Until constitutional government is restored to the people or until death closes my mouth, the free speech guaranteed to me by the greatest document ever written will be exercised, always, however, with the advice of the gentleman from Ohio in mind.

THE KANSAS CITY, MO., BALLOT THEFTS

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER pro tempore. Without objection, the gentleman from Kansas is recognized for 1 minute.

There was no objection.

Mr. SCRIVNER. Mr. Speaker, with all of these comments being made on the floor today about the ballot-box thefts, gang murders, and racketeering in Kansas City, it should be distinctly understood by the Members of the House, and by the public generally that these references to Kansas City are Kansas City, Mo., not the fair city of Kansas City, Kans.

ARREST OF HARRY GOLD

Mr. VELDE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VELDE. Mr. Speaker, the gentleman from Maine [Mr. FELLOWS] sort of stole my thunder regarding the matter I want to bring out, but I want him to know that I, too, was startled at reading the news in this morning's press and hearing it over the radio concerning the arrest of Harry Gold on a Federal warrant charging espionage and conspiracy to obtain United States atomic bomb secrets. I want to assure the gentleman from Maine [Mr. FELLOWS] that I, too, will not become complacent about this matter as Attorney General McGrath has suggested. I, too, will continue looking under my bed every night.

Believe it or not, this is the first arrest made in the United States of any person on the charges of peacetime espionage or conspiracy to commit espionage or attempting to obtain secrets of the atomic bomb.

This is an outgrowth of the famous Comrap case which had its origin in San Francisco in March 1943, or 7 years ago, when scientist X, now identified as Joseph W. Weinberg, conveyed atomic bomb information to one Steve Nelson, an American leader of the Communist Party. The investigation after 1943 of this Russian espionage ring and the Communist apparatus disclosed that there were hundreds of Russian spies and American Communists in the United States during the war. A good many of them have since escaped from the United States and have gone to foreign shores, including such nationally known spies as Arthur Adams, Andre Schevshenko, Gerhart Eisler, and others. Just prior to the announcement of the arrest of Harry Gold, according to news reports, United States Attorney General J. Howard McGrath declared that the FBI is fully alert and fully in action day and night to combat communism and espionage. He added that all of you may rest secure—you do not have to look under your beds every night.

Now, there are a number of questions that the American people would probably like to ask Mr. J. Howard McGrath, who represents the Department of Justice, and to some extent our internal security policy.

For instance, if the FBI knows all the Communists and espionage agents in this country, and I assume it does, why then was not our internal security protected a long time ago? Why have we waited so long to make this first arrest? Why did we allow these Russian agents to convey our atom secrets to Moscow under the very eyes of the State Department and the Department of Justice? Why are we now locking the gate after the horse is stolen? The answers to these questions are simple.

During all these years President Truman and the whole administrative branch of government have been operating under a red-herring—witch-hunt policy and still seem to be clinging to it and attempting to defend past mistakes. It is high time our President and the Attorney General of the United States admit their mistakes, reverse their red-herring policy and begin one of positive law enforcement, especially insofar as communism and espionage circles in government are concerned.

Attorney General McGrath, according to the press, also made a statement with reference to Communists in the employ of the Government today. He said "We know of none in the employ of the Government today." This is a bold and daring statement and seems outrageous in view of the fact that the Un-American Activities Committee has only recently turned up three witnesses who have positively stated that William Remington, a present employee of the Department of Commerce, United States Government, was a member of the Communist Party.

Of these witnesses, Elizabeth Bentley testified that William Remington had conveyed to her vital war secrets during his employ with the Department of Commerce.

Mr. McGrath certainly knows too that the New York Federal grand jury has been busily engaged investigating the case of William Remington. One could well imagine the tremendous impact the words of Attorney General McGrath will have on the Federal grand jury in New York City when they come to decide whether or not to indict William T. Remington for perjury for his denial that he was ever a member of the Communist Party. As the high law enforcement official in our Federal Government and supervisor of the New York grand jury, I feel that Mr. McGrath should withdraw his statement, at least until the Remington case is disposed of.

PERMISSION TO ADDRESS THE HOUSE

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

[Mr. TOLLEFSON addressed the House. His remarks appear in the Appendix.]

THE GENERAL MOTORS-UAW WAGE CONTRACT

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker; the story in this morning's papers about the General Motors-UAW-CIO wage contract is indeed good news. It is an example of what we in the United States can expect when enlightened management sits down together with labor spokesmen and works out a problem. This is a fine settlement which bodes well for the future and will probably have an effect on labor-management relations in other fields. I am not surprised that it is not welcome to those like the gentleman from Michigan [Mr. HOFFMAN] who have been worried for years that the demands of laboring men were going to ruin America, that it was impossible for us to prosper under the New Deal. General Motors has prospered as no other firm has in America. The UAW has become firmly entrenched in American labor affairs and these two groups have been able to sit down together and work out a fine agreement. I think we all ought to compliment them on that act.

I include an editorial from the New York Herald Tribune of May 24 which expresses the opinion that the contract points to a period of stability in American industrial relations:

SURPRISE SETTLEMENT

The settlement between the General Motors Co. and the United Automobile Workers comes out of closely guarded negotiations and falls with considerable surprise on the public. It is important, obviously, not only for this single immense company, employing 250,000 men across the country, but for the automobile industry and for the economy as a whole as an indication of the fifth-round pattern. Mr. Walter Reuther called the agreement the most significant ever achieved by the union, and his enthusiasm was echoed by the company, the price of whose stocks rose to the highest levels since 1929.

Perhaps the most significant aspect of the settlement is the comparative ease with which it was worked out and the length of time—5 years—for which it runs. Expectations of a period of high production and employment and of general prosperity is reflected here. It is only when confidence is strong that labor and management can agree to a long-term program, and that economic concessions are viewed with almost as much satisfaction by the company as they are by the laborers themselves.

The concessions in this case are substantial—19 cents an hour, according to Mr. Reuther's estimate. They include annual wage boosts of 4 cents an hour, pensions which, together with government insurance, may be as much as $117 a month, and other social benefits. Significantly, the contract

continues the cost-of-living wage adjustment, upward or downward according to the price level, a provision sound in principle which labor had threatened to oppose as involving the possibility of wage cuts.

Although the terms of this agreement cannot be heedlessly duplicated in companies less strong than General Motors and in industries where a continued high demand is not equally assured, the example set will have a wide influence. The settlement points to a period of stability in industrial relations which can hold immense advantages for the country.

GENERAL MOTORS-UAW AGREEMENT

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, I, too, was delighted to read in this morning's paper of the amicable settlement between the UAW-CIO leaders and the General Motors Corp. I was delighted particularly because this amicable settlement was arrived at under rules laid down by the Taft-Hartley Act. It is an evidence of the fact that the Taft-Hartley Act is an excellent one when its rules and regulations are abided by. That is the thing that was particularly pleasing to me. It is an evidence of the fact that the Congress was not mistaken when it passed that act. When labor and management sit down together and follow the procedure laid down in the Taft-Hartley Act, and abide by the rules and regulations of that act, we will be assured of many more amicable labor-management agreements. This agreement demonstrates the value of the Taft-Hartley Act, and points the way to better labor-management relations.

EXTENSION OF REMARKS

Mr. HART asked and was given permission to extend his remarks in two instances and include in one an editorial and in the other an address by the commander in chief of the Veterans of Foreign Wars.

Mrs. WOODHOUSE asked and was given permission to extend her remarks in two instances and include newspaper editorials.

Mrs. KELLY of New York asked and was given permission to extend her remarks and include a speech by Mr. EMANUEL CELLER.

Mr. GORSKI asked and was given permission to extend his remarks and include a letter received by him.

Mr. TAURIELLO, Mr. POTTER, and Mr. VURSELL asked and were given permission to extend their remarks and include newspaper articles.

Mr. WALTER asked and was given permission to extend his remarks and include an editorial.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mrs. ST. GEORGE (at the request of Mr. REED of New York) was given permission to extend her remarks and include an editorial.

Mr. REED of New York asked and was given permission to extend his remarks in two instances and include extraneous matter in each.

Mr. ADDONIZIO asked and was given permission to extend his remarks in two instances and include an editorial and a report on the Midcentury White House Conference for Children and Youth.

Mr. LICHTENWALTER asked and was given permission to extend his remarks and include an address, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $218.68.

Mr. MULTER asked and was given permission to extend his remarks and include an article, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $205.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

Mr. BRYSON asked and was given permission to extend his remarks and include a newspaper item.

Mr. EATON asked and was given permission to extend his remarks and include an address by the Prime Minister of Canada, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $192.

Mr. COUDERT asked and was given permission to extend his remarks and include extraneous matter.

Mr. MILLER of Nebraska asked and was given permission to extend his remarks and include an editorial.

Mr. MITCHELL asked and was given permission to extend his remarks and include extraneous matter.

Mr. O'NEILL asked and was given permission to extend his remarks and include an editorial from the Scranton Times.

Mr. CELLER asked and was given permission to extend his remarks in three instances.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in three instances and in each to include extraneous matter.

Mr. VAN ZANDT asked and was given permission to extend his remarks and include extraneous matter.

CALENDAR WEDNESDAY

The SPEAKER pro tempore. This is Calendar Wednesday. The Clerk will call the committees.

REHABILITATION OF THE DEVILS LAKE SIOUX TRIBE OF INDIANS, NORTH DAKOTA

Mr. PETERSON (when the Committee on Public Lands was called). Mr. Speaker, by direction and authority of the Committee on Public Lands, I call up the bill (H. R. 6152) to promote the rehabilitation of the Devils Lake Sioux Tribe of Indians, North Dakota, and for other purposes.

The Clerk read the title of the bill.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, the gentleman is going to explain the bill?

Mr. PETERSON. Yes; I will explain the bill. I may say at this time that there are four of these Indian bills that are somewhat similar with the exception of the amounts involved. They were reported unanimously by the Committee on Public Lands as a result of rather extensive hearings before the Subcommittee on Indian Affairs. Two of them are sponsored by the gentleman from North Dakota [Mr. LEMKE] and two by the gentleman from Montana [Mr. D'EWART]. Normally we would have taken these bills up sooner, but with the appointment of a new Indian Commissioner the Department of the Interior wanted to confer with him. On yesterday they submitted new amendments which we will offer today and which will become more or less the standard.

We are anxious to get these bills over to the Senate because there is some talk of having an omnibus bill considered over there. The gentleman from North Dakota and the gentleman from Montana have worked hard on this matter. These Indians are in great need. All of this is reimbursable except that in some instances it is 10 percent and in others 20 percent. Where we have lent the Indians money they have paid out remarkably well.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of this act, a program of basic economic and other improvements for the benefit of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the rehabilitation of such Indians and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 986), the sum of $2,000,000 to assist in carrying out the purposes of this act. Amounts appropriated under authority of this section of this act shall be reimbursed to the general funds of the Treasury not later than June 30, 1979.

SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans from amounts appropriated under authority of this act to the Devils Lake Sioux Tribe of Indians (hereinafter referred to as the "tribe") for the purpose of promoting the economic development of the tribe and its members, including loans for housing.

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of this act shall be made within 25 years from the date on which such loan is made, but not later than June 30, 1979.

SEC. 4. (a) The tribe is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, exchange, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or interest in lands, including improvements thereon. Title to all lands, rights, and interest in lands thus acquired within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe and shall be exempt from taxation so long as title is held by the United States. Title to all lands, rights, and interests in lands acquired outside the boundaries of the reservation shall be taken in the name of the tribe and shall be subject to taxation.

(b) Any lands, rights, and interest in lands acquired by the tribe may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the tribe. Such sales shall be made only to members of the tribe of one-quarter or more degree of Indian blood, and may be made on a deferred payment plan. All right, title, and interests of the United States and of the tribe in and to the land sold shall be released to the purchaser upon final payment of the purchase price. Such land shall thereafter be subject to taxation.

SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 33 percent of any amount appropriated under authority of this act to make loans to the tribe (1) for the purchase by the tribe of livestock to be loaned or sold to its members and (2) for cash loans by the tribe to its members for the purchase of livestock by such members.

(b) Settlement of obligations arising out of loans or sales of livestock by the corporation to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the tribe to its members shall be made in cash.

(c) Upon the settlement by a member of the tribe of any obligation arising out of the loan or sale of livestock by the tribe to such member, or arising out of any cash loan made by the tribe to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the tribe in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 10 percent of any amount appropriated under authority of this act to assist borrowers from the tribe during initial periods of operations and to assist members of the tribe in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

SEC. 7. There shall be a lien against all future per capita payments or other distributions of tribal assets as security for loans made under the authority of this act to borrowers from the tribe.

SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited in the United States Treasury to the credit of the tribe, shall be available for such purposes as may be designated by the tribe and approved by the Secretary of the Interior or his authorized representative.

SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934, as amended, with respect to loans made by him or his authorized representative to the tribe, and loans and sales by the tribe to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

SEC. 10. The officials and employees of the tribe and all Indians receiving loans under this act shall be subject to the criminal laws of the State of North Dakota for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak. (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 984, 986), as amended, the sum of $2,000,000 to assist in carrying out the purposes of this act.

"SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans for any purposes calculated to carry out the provisions of this act, from amounts appropriated under authority of section 2, to the Devils Lake Sioux Tribe of Indians (hereinafter referred to as the 'tribe').

"(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of section 2 of this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity date later than June 30, 1994.

"SEC. 4. (a) The tribe is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the tribe and shall be subject to taxation.

"(b) The Secretary of the Interior or his authorized representative is authorized to make loans to the tribe from amounts appropriated under authority of section 2 of this act for the purchase of lands, to be acquired in accordance with subsection (a) of this section.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the tribe, and any other lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the tribe to members of the tribe of one-quarter or more degree of Indian blood, and may be sold to such members on a deferred payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the tribe, shall not be required after the tribe has repaid in full any loans received from the United States.

"(d) All right, title, and interest of the United States and of the tribe in and to the lands sold shall be released to the purchaser upon final payment of the purchase price, and such lands shall thereafter be subject to taxation.

"SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 25 percent of any amount appropriated under authority of section 2 of this act to make loans to the tribe (1) for the purchase by the tribe of livestock to be loaned or sold to its members and (2) for cash loans by the tribe to its members for the purchase of livestock by such members. Title to livestock purchased under authority of this section may be taken in the name of the United States in trust for the tribe, or in the name of the individual Indian member, at the election of the Secretary or his authorized representative.

"(b) Settlement of obligations arising out of loans or sales of livestock by the tribe to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the tribe to its members shall be made in cash.

"(c) Upon the settlement by a member of the tribe of any obligation arising out of the loan or sale of livestock by the tribe to such member, or arising out of any cash loan made by the tribe to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the tribe in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

"SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of section 2 of this act to assist borrowers from the tribe and deferred-payment purchasers from it during initial periods of operations and to assist members of the tribe in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"SEC 7. There shall be a lien against all future per capita payments or other distributions of tribal assets as security for any matured indebtedness due the tribe from borrowers or purchasers under this act.

"SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe, shall be available for such purposes as may be designated by the tribe and approved by the Secretary of the Interior or his authorized representative.

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed

under the act of June 18, 1934 (48 Stat. 984), as amended, with respect to loans made by him or his authorized representative to the tribe, and loans and sales by the tribe to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"SEC. 10. Title to the lands which have been acquired by the United States on or adjacent to the reservation, under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), administrative jurisdiction over which has heretofore been transferred by the President, under Executive Order No. 7868, dated April 15, 1938, from the Secretary of Agriculture to the Secretary of the Interior, to be administered through the Commissioner of Indian Affairs for the benefit of the Indians, is hereby declared to be in the United States in trust for the tribe, subject to valid existing rights."

Mr. PETERSON. Mr. Speaker, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON as a substitute for the committee amendment: Strike out the committee amendment and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated the sum of $2,000,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"SEC. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Devils Lake Sioux Tribe of Indians (hereinafter referred to as the "tribe") for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity later than June 30, 1994.

"SEC. 4. (a) The tribe is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as "lands"), and to exchange any lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the tribe. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the tribe, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the tribe from the revolving fund established by this act (1) for the purchase by the tribe of lands under the authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the tribe to its members for the purchase of lands by such members. Title to lands purchased by members of the tribe with the assistance of cash loans from the tribe shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation, or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the tribe and any other lands owned by the tribe, including lands title to which is in the United States in trust for the tribe, may, with the approval of the Secretary of the Interior, be sold by the tribe to members of the tribe, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the tribe, shall not be required after the tribe has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the tribe and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the tribe under authority of subsection (b) of this section and to lands purchased from the tribe under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the tribe with the assistance of cash loans from the tribe under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the tribe as collateral security for all unpaid indebtedness of the purchaser to the tribe, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 5. (a) The Secretary of the Interior is authorized to make loans to the tribe from the revolving fund established by this act (1) for the purchase by the tribe of livestock to be sold to its members, and (2) for cash loans by the tribe to its members for the purchase of livestock by such members. Title to livestock purchased by the tribe under authority of this section, and title to livestock delivered to the tribe in settlement of obligations pursuant to subsection (b) of this section, shall be taken in the name of the United States in trust for the tribe.

"(b) Settlement of obligations arising out of sales of livestock by the tribe to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the tribe to its members shall be made in cash.

"(c) All right and title of the United States and of the tribe in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the tribe shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the tribe in settlement of the obligations of the purchaser.

"(d) Livestock sold by the tribe under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the tribe, shall be pledged or mortgaged to the United States in trust for the tribe as collateral security for all unpaid indebtedness of the purchaser to the tribe, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the tribe and deferred-payment purchasers from it during initial periods of operations and to assist members of the tribe in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"SEC. 7. There shall be a lien against all future per capita payments or other distributions of tribal assets as security for any matured indebtedness due the tribe from borrowers or purchasers under this act.

"SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the tribe shall be available for advance to the tribe for such purposes as may be designated by the tribe and approved by the Secretary of the Interior.

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the tribe under this act, loans and sales made by the tribe to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"SEC. 10. Title to the lands which have been acquired by the United States, on or adjacent to the reservation, under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), administrative jurisdiction over which has heretofore been transferred by the President, under Executive Order 7868, dated April 15, 1938, from the Secretary of Agriculture to the Secretary of the Interior, to be administered through the Commis-

sioner of Indian Affairs for the benefit of the Indians, is hereby declared to be in the United States in trust for the tribe, subject to valid existing rights."

Mr. MARTIN of Massachusetts. Mr. Speaker, I hope the gentleman will explain the bill and amendment.

Mr. PETERSON. Yes; I will let the author of the bill explain that as a courtesy to him.

Mr. LEMKE. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I shall make this very short. Similar bills have already been passed for other tribes. The Fort Totten Tribe was originally given $100,000 for loan purposes. They have handled it so economically and efficiently that at the present time they have increased that $100,000, by interest and collections, to $170,000. The loans are less than one-half of 1 percent in default, which is far better than the white people in my State and the surrounding States have done.

This bill provides for $2,000,000 to rehabilitate these Indians and to permit them to buy livestock and additional lands that they need within the reservation or outside of the reservation. If outside of the reservation, the Indians will have to pay taxes on the land, the same as the white people.

If within the reservation, they will have to pay taxes at the end of 15 years, which we feel is a great improvement and will remove many of the objections to some of these bills.

The Department has suggested several amendments, and in place of putting in the amendments we have substituted and agreed to accept this amendment, and, to be perfectly frank, I think the Department for one time in its existence has made an improvement on the bill that I myself introduced.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Nebraska.

Mr. STEFAN. This bill has been approved by the Commissioner's office, has it not?

Mr. LEMKE. Yes; and we have accepted his suggestions. It is also approved by the Bureau of the Budget.

Mr. STEFAN. The gentleman referred to $2,000,000. Is that the total amount in both bills?

Mr. LEMKE. That is in the one bill.

Mr. STEFAN. H. R. 6152?

Mr. LEMKE. Yes. In the next one we will have more?

Mr. STEFAN. This is an authorization, is it not?

Mr. LEMKE. An authorization for a loan to buy land and cattle, and so forth, and 20 percent can be used to help the Indians to get started in business.

Mr. STEFAN. Will you have to come in for an appropriation on this?

Mr. LEMKE. The money is authorized to be appropriated, and they have to come in for the appropriation.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. I notice that this authorization is in addition to a revolving fund that is presently in existence. I wonder if the gentleman could tell us what the total amount of that revolving fund is at the present time.

Mr. LEMKE. I cannot tell you for this tribe, but it is less than the Fort Yates. They had $100,000, and they increased that by collections with interest to $170,000.

Mr. BYRNES of Wisconsin. But you are granting here the sum of $2,000,000 to a revolving fund. I think it might be of interest to the House if somebody on the committee would be able to tell us what the total amount of that fund is that is given for the use of these tribes for loan purposes.

Mr. LEMKE. I imagine that it will be less than $100,000.

Mr. PETERSON. Mr. Speaker, if the gentleman will yield, this is a comparatively small amount in all of these bills. I do not have the exact figures in mind. I know it is a very small amount.

Mr. D'EWART. Mr. Speaker, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Montana.

Mr. D'EWART. This revolving fund today, which the gentleman speaks of, has some $7,000,000 in it. Originally, I believe this year we increased it from five to seven million in the appropriation measure. It is not necessarily for this tribe. That revolving fund is available to all tribes, wherever they are found. It is a revolving fund under which loans are made to the Indians by the Indian Bureau. It has been well-handled. The money has been repaid when it was due in nearly every instance. The record under this revolving loan fund is very good. I cannot tell you the exact amount that is made available to this tribe because it is carried in one fund for all tribes everywhere in the United States.

Mr. BYRNES of Wisconsin. I wonder if the gentleman could inform me further as to whether the Government is holding in trust any moneys for these particular tribes covered by this bill.

Mr. D'EWART. I am sure they do. I think there are some trust funds for every Indian tribe in this country. If there are any exceptions, they are at the very minimum. Some of them have large trust funds and some of them have very limited trust funds.

Mr. PETERSON. The provision with reference to tribal funds appears in section 8, and it will take care of that situation. The trust fund of this particular tribe as of the 25th of July last year was only $2,263.

Mr. BYRNES of Wisconsin. The reason for my inquiry is that if these tribes have funds the Government is now holding in trust for them, instead of appropriating out of the general funds of the Treasury why do we not turn over to them the funds we hold in trust for them, for the purposes outlined in the bill?

Mr. D'EWART. I think the answer to that is that this bill does make available to the tribe these trust funds with the permission of the Secretary. In addition, the repayment of these moneys loaned under this revolving fund can be made from income on the trust funds.

The SPEAKER pro tempore. The question is on the substitute for the committee amendment.

The substitute for the committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "To promote the rehabilitation of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak., and for other purposes."

A motion to reconsider was laid on the table.

TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 7262) to provide for the rehabilitation of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak., and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 986), the sum of $15,000,000 to assist in carrying out the purposes of this act.

SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans for any purposes calculated to carry out the provisions of this act, from amounts appropriated under authority of this act, to the Turtle Mountain Band of Chippewa Indians (hereinafter referred to as the "band").

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of section 2 of this act shall be made within 40 years from the date on which such loan is made, but in no event later than June 30, 1994: *Provided, however,* That loans for the purchase of livestock as authorized in section 5 shall be reimbursed

within 25 years from the date on which such loan is made.

SEC. 4. (a) The band is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, exchange, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as "lands").

(b) The Secretary of the Interior or his authorized representative is authorized to make loans to the band from amounts appropriated under authority of section 2 of this act for the purchase of lands. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the band. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the band and shall be subject to taxation.

(c) Any lands heretofore or hereafter purchased or otherwise acquired by the band, and any other lands owned by the band, including lands title to which is in the United States in trust for the band, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the band to members of the band of one-quarter or more degree of Indian blood, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval of the Secretary of sales of land located outside the boundaries of the reservation shall not be required after the band has repaid in full any loans received from the United States.

(d) All right, title, and interest of the United States and of the band in and to the lands sold shall be released to the purchaser upon final payment of the purchase price, and such land shall thereafter be subject to taxation.

SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 33 percent of any amount appropriated under authority of section 2 of this act to make loans to the band (1) for the purchase by the band of livestock to be loaned or sold to its members and (2) for cash loans by the band to its members for the purchase of livestock by such members. Title to livestock purchased under authority of this section may be taken in the name of the United States in trust for the band, or in the name of the individual Indian member.

(b) Settlement of obligations arising out of loans or sales of livestock by the band to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the band to its members shall be made in cash.

(c) Upon settlement by a member of the band of any obligation arising out of the loan or sale of livetock by the band to such member, or arising out of any cash loan made by the band to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the band in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of section 2 of this act to assist borrowers from the band during initial periods of operations and to assist members of the band in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

SEC. 7. There shall be a lien against all future per capita payments or other distributions of assets of the band as security for any matured indebtedness due the band from borrowers or purchasers under this act.

SEC. 8. Notwithstanding any other provision of law, funds now on deposit, or hereinafter deposited in the United States Treasury to the credit of the band, shall be available for such purposes as may be designated by the band and approved by the Secretary of the Interior or his authorized representative.

SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934, as amended, with respect to loans made by him or his authorized representative to the band, and loans and sales by the band to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, North Dakota (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 984, 986), as amended, the sum of $15,000,000 to assist in carrying out the purposes of this act.

"SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans for any purposes calculated to carry out the provisions of this act, from amounts appropriated under authority of section 2, to the Turtle Mountain Band of Chippewa Indians (hereinafter referred to as the 'band').

"(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of section 2 of this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided*, That no loan shall be made with a maturity later than June 30, 1994.

"SEC. 4. (a) The band is authorized to acquire, with the approval of the Secretary of the Interior or his authorized representative, by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the band, including lands title to which is in the United States in trust for the band, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the band. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the band and shall be subject to taxation.

"(b) The Secretary of the Interior or his authorized representative is authorized to make loans to the band from amounts appropriated under authority of section 2 of this act for the purchase of lands, to be acquired in accordance with subsection (a) of this section.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the band, and any other lands owned by the band, including lands title to which is in the United States in trust for the band, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the band to members of the band of one-quarter or more degree of Indian blood, and may be sold to such members on a deferred-payment plan: *Provided*, That the approval by the Secretary of sales of land located outside the boundaries of the reservation shall not be required after the band has repaid in full any loans received from the United States.

"(d) All right, title, and interest of the United States and of the band in and to the lands sold shall be released to the purchaser upon final payment of the purchase price, and such land shall thereafter be subject to taxation.

"SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 33 percent of any amount appropriated under authority of section 2 of this act to make loans to the band (1) for the purchase by the band of livestock to be loaned or sold to its members and (2) for cash loans by the band to its members for the purchase of livestock by such members. Title to livestock purchased under authority of this section may be taken in the name of the United States in trust for the band, or in the name of the individual Indian borrower, at the election of the Secretary or his authorized representative.

"(b) Settlement of obligations arising out of loans or sales of livestock by the band to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the band to its members shall be made in cash.

"(c) Upon settlement by a member of the band of any obligation arising out of the loan or sale of livestock by the band to such member, or arising out of any cash loan made by the band to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the band in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

"SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of section 2 of this act to assist borrowers from the band and deferred-payment purchasers from it during initial periods of operations and to assist members of the band in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"SEC. 7. There shall be a lien against all future per capita payments or other distributions of assets of the band as security for any matured indebtedness due the band from borrowers or purchasers under this act.

"SEC. 8. Notwithstanding any other provision of law, funds now on deposit, or hereafter deposited in the United States Treasury to the credit of the band, shall be available for such purposes as may be designated by the band and approved by the Secretary of the Interior or his authorized representative.

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934 (48 Stat. 984), as amended, with respect to loans made by him or his authorized representative to the band, and loans and sales by the band to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act."

Mr. PETERSON. Mr. Speaker, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. PETERSON: Strike out the committee amendment and insert the following language: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak. (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated the sum of $15,000,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"SEC. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Turtle Mountain Band of Chippewa Indians (hereinafter referred to as the 'band') for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided,* That no loan shall be made with a maturity later than June 30, 1994.

"SEC. 4. (a) The band is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the band, including lands title to which is in the United States in trust for the band, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the band. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the band, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the band from the revolving fund established by this act (1) for the purchase by the band of lands under the authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the bank to its members for the purchase of lands by such members. Title to lands purchased by members of the band with the assistance of cash loans from the band shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation, or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the band and any other lands owned by the band, including lands title to which is in the United States in trust for the band, may, with the approval of the Secretary of the Interior, be sold by the band to members of the band, and may be sold to such members on a deferred-payment plan: *Provided,* That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the band, shall not be required after the band has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the band and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the band under authority of subsection (b) of this section and to lands purchased from the band under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the band with the assistance of cash loans from the band under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the band as collateral security for all unpaid indebtedness of the purchaser to the band, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided,* That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 5. (a) The Secretary of the Interior is authorized to make loans to the band from the revolving fund established by this act (1) for the purchase by the band of livestock to be sold to its members, and (2) for cash loans by the band to its members for the purchase of livestock by such members. Title to livestock purchased by the band under authority of this section, and title to livestock delivered to the band in settlement of obligations pursuant to subsection (b) of this section, shall be taken in the name of the United States in trust for the band.

"(b) Settlement of obligations arising out of sales of livestock by the band to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the band to its members shall be made in cash.

"(c) All right and title of the United States and of the band in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the band shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the band in settlement of the obligations of the purchaser.

"(d) Livestock sold by the band under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the band, shall be pledged or mortgaged to the United States in trust for the band as collateral security for all unpaid indebtedness of the purchaser to the band, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided,* That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the band and deferred-payment purchasers from it during initial periods of operations and to assist members of the band in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"SEC. 7. There shall be a lien against all future per capita payments or other distributions of assets of the band as security for any matured indebtedness due to the band from borrowers or purchasers under this act.

"SEC. 8. Notwithstanding any other provision of law, funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the band shall be available for advance to the band for such purposes as may be designated by the band and approved by the Secretary of the Interior.

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the band under this act, loans and sales made by the band to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act."

The SPEAKER pro tempore. The question is on the substitute offered by the gentleman from Florida to the committee amendment.

The substitute to the committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to promote the rehabilitation of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak., and for other purposes."

A motion to reconsider was laid on the table.

GROS VENTRE AND ASSINIBOINE INDIANS

Mr. PETERSON. Mr. Speaker, I call up the bill (H. R. 5473) to provide for the rehabilitation of the Gros Ventre and Assiniboine Tribes of Indians on Fort Belknap Reservation, Mont., and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of this act, a program of basic economic and other improvements for the benefit of the Gros Ventre and the Assiniboine Tribes of Indians on Fort Belknap Reservation, Mont. (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the rehabilitation of such Indians and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 986), the sum of $5,500,000 to carry out the purposes of this act. Amounts appropriated under authority of this act (except amounts used by the Secretary of the Interior to carry out the purposes of section 6) shall be reimbursed to the general funds of the Treasury not later than June 30, 1979.

SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans from amounts appropriated under authority of this act to the Fort Belknap Indian community, a Federal corporation chartered under such act of June 18, 1934, as amended (hereinafter referred to as the "corporation").

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of this act shall be made within 25 years from the date on which such loan is made but not later than June 30, 1979.

SEC. 4. (a) The Secretary of the Interior or his authorized representative is authorized to make loans to the corporation from amounts appropriated under authority of this act for the purchase of lands, and interests therein. Title to any such lands, and interests therein, located outside the boundaries of the reservation shall be taken in the name of the corporation and shall be subject to taxation.

(b) Any lands purchased by the corporation, and any other lands owned by the corporation including lands title to which is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the corporation under rules and regulations to be prescribed by the Secretary. Such sales shall be made only to members of the corporation of one-quarter or more degree of Indian blood, and may be made on a deferred payment plan. All right, title, and interest of the United States and of the corporation in and to the land sold shall be released to the purchaser upon final payment of the purchase price. Such land shall thereafter be subject to taxation.

SEC. 5. (a) The Secretary of the Interior, or his authorized representative, is authorized to use not to exceed 33 percent of any amount appropriated under authority of this act to make loans to the corporation (1) for the purchase by the corporation of livestock to be loaned or sold to its members, and (2) for cash loans by the corporation to its members for the purchase of livestock by such members.

(b) Settlement of obligations arising out of loans or sales of livestock by the corporation to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

(c) Upon the settlement by a member of the corporation of any obligation arising out of the loan or sale of livestock by the corporation to such member, or arising out of any cash loan made by the corporation to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the corporation in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

SEC. 6. The Secretary of the Interior, or his authorized representative, is authorized to use on a nonreimbursable basis not to exceed 10 percent of any amount appropriated under authority of this act to assist borrowers from the corporation during initial periods of operations. No amount authorized to be used to assist borrowers under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

SEC. 7. There shall be a lien against all future per capita payments or other distributions of corporate assessments as security for loans made under the authority of this act to borrowers from the corporation.

SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation, shall be available for such purposes as may be designated by the corporation and approved by the Secretary of the Interior or his authorized representative.

SEC. 9. Title to lands, together with improvements thereon, on or adjacent to the reservation which—

(1) have been acquired by the United States under authority of title II of the National Industrial Recovery Act, the Emergency Relief Appropriations Act of 1935, or section 55 of title I of the act of August 24, 1935; and

(2) have been transferred by the President by Executive order from the jurisdiction of the Secretary of Agriculture to the jurisdiction of the Secretary of the Interior,

is hereby declared to be in the United States in trust for the corporation.

SEC. 10. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934, as amended, with respect to loans made by him or by his authorized representative to the corporation, and loans and sales by the corporation to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

SEC. 11. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided,* That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations.

Mr. PETERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Gros Ventre and Assiniboine Tribes of Indians of the Fort Belknap Reservation, Mont. (hereinafter referred to as the 'reservation'). Such program shall include off-reservation employment and adjustment related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated the sum of $5,500,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"SEC. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Fort Belknap Indian Community, a Federal corporation chartered under the act of June 18, 1934 (48 Stat. 984, 986), as amended (hereinafter referred to as the 'corporation'), for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within twenty-five years from the date on which such loan is made: *Provided,* That no loan shall be made with a maturity later than June 30, 1994.

"SEC. 4. (a) The corporation is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as 'lands'), and to exchange any lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the corporation. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the corporation, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of lands under the authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the corporation to its members for the purchase of lands by such members. Title to lands purchased by members of the corporation with the assistance of cash loans from the corporation shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation, or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the corporation and any other lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior, be sold by the corporation to members of the corporation, and may be sold to such members on a deferred-payment plan: *Provided,* That the approval by the Secretary of sales of land located out-

side the boundaries of the reservation, title to which is in the name of the corporation, shall not be required after the corporation has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the corporation and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the corporation under authority of subsection (b) of this section and to lands purchased from the corporation under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the corporation with the assistance of cash loans from the corporation under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 5. (a) The Secretary of the Interior is authorized to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of livestock to be sold to its members, and (2) for cash loans by the corporation to its members for the purchase of livestock by such members. Title to livestock purchased by the corporation under authority of this section, and title to livestock delivered to the corporation in settlement of obligations pursuant to subsection (b) of this section, shall be taken in the name of the United States in trust for the corporation.

"(b) Settlement of obligations arising out of sales of livestock by the corporation to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

"(c) All right and title of the United States and of the corporation in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the corporation shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the corporation in settlement of the obligations of the purchaser.

"(d) Livestock sold by the corporation under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the corporation, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation, in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the corporation and deferred-payment purchasers from it during initial periods of operations and to assist members of the corporation in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"SEC. 7. There shall be a lien against all future per capita payments or other distributions of assets of the corporation as security for any matured indebtedness due the corporation from borrowers or purchasers under this act.

"SEC. 8. Notwithstanding any other provision of law, funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation shall be available for advance to the corporation for such purposes as may be designated by the corporation and approved by the Secretary of the Interior.

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the corporation under this act, loans and sales made by the corporation to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"SEC. 10. Title to the lands and improvements thereon which have been acquired by the United States, on or adjacent to the reservation, under authority of title II of the National Industrial Recovery Act of June 16, 1933 (49 Stat. 200), the Emergency Relief Appropriation Act of April 8, 1935 (49 Stat. 115), and section 55 of title I of the act of August 24, 1935 (49 Stat. 750, 781), administrative jurisdiction over which has heretofore been transferred by the President, under Executive Order No. 7868, dated April 15, 1938, from the Secretary of Agriculture to the Secretary of the Interior, to be administered through the Commissioner of Indian Affairs for the benefit of the Indians, is hereby declared to be in the United States in trust for the corporation, subject to valid existing rights.

"SEC. 11. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations."

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. PETERSON. I yield.

Mr. MARTIN of Massachusetts. Is this all reimbursable money?

Mr. PETERSON. Eighty percent of it is reimbursable. We have followed the same pattern in this bill as in previous bills.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Florida.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to promote the rehabilitation of the Gros Ventre and Assiniboine Tribes of Indians of the Fort Belknap Reservation, Mont., and for other purposes."

A motion to reconsider was laid on the table.

CHIPPEWA CREE TRIBE

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 5570) to promote the rehabilitation of the Chippewa Cree Tribe of Indians of the Rocky Boy's Reservation, Mont., and for other purposes, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of this act, a program of basic economic and other improvements for the benefit of the Chippewa Cree Tribe of Indians on the Rocky Boy's Reservation, Mont. (hereinafter referred to as the reservation). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the rehabilitation of such Indians and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

SEC. 2. There is hereby authorized to be appropriated, as an addition to the revolving fund created by the act of June 18, 1934 (48 Stat. 986), the sum of $3,510,000 to carry out the purposes of this act. Amounts appropriated under authority of this section of this act shall be reimbursed to the general funds of the Treasury not later than June 30, 1979.

SEC. 3. (a) The Secretary of the Interior or his authorized representative, in accordance with rules and regulations prescribed under such act of June 18, 1934, as amended, is authorized to make loans from amounts appropriated under authority of this act to the Chippewa Cree Tribe of the Rocky Boy's Reservation, a Federal corporation chartered under such act of June 18, 1934, as amended (hereinafter referred to as the corporation) for the purpose of promoting the economic development of the corporation and its members, including loans for housing.

(b) Reimbursement to the United States for any loan made from amounts appropriated under authority of this act shall be made within 25 years from the date on which such loan is made but not later than June 30, 1979.

SEC. 4. (a) The Secretary of the Interior or his authorized representative is authorized to make loans to the corporation from amounts appropriated under authority of this act for the purchase of lands, and interests therein. Title to any such lands, and interests therein, located outside the boundaries of the reservation shall be taken in the name of the corporation and shall be subject to taxation.

(b) Any lands purchased by the corporation, and any other lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior or his authorized representative, be sold by the corporation under rules and regulations to be prescribed by the Secretary. Such sales shall be made only to members of the corporation of one-quarter or more degree of Indian blood, and may be made on a deferred payment plan. All right, title, and interests of the United States and of the corporation in and to the land sold shall be released to the purchaser upon final payment of the purchase price. Such land shall thereafter be subject to taxation.

SEC. 5. (a) The Secretary of the Interior or his authorized representative is authorized to use not to exceed 17 percent of any amount appropriated under authority of this act to make loans to the corporation (1) for the purchase by the corporation of livestock to be loaned or sold to its members and (2) for cash loans by the corporation to its members for the purchase of livestock by such members.

(b) Settlement of obligations arising out of loans or sales of livestock by the corporation to its members may be made in livestock or cash. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

(c) Upon the settlement by a member of the corporation of any obligation arising out of the loan or sale of livestock by the corporation to such member, or arising out of any cash loan made by the corporation to such member for the purchase of livestock, such livestock and increase therefrom (except livestock returned to the corporation in settlement of any such obligation) shall be subject to taxation and title thereto shall vest in such member.

SEC. 6. The Secretary of the Interior or his authorized representative is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of any amount appropriated under authority of this act to assist borrowers from the corporation during initial periods of operations and to assist members of the corporation in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on loans made under authority of this act.

SEC. 7. There shall be a lien against all future per capita payments or other distributions of corporate assets as security for loans made under the authority of this act to borrowers from the corporation.

SEC. 8. Notwithstanding any other provision of law, the tribal funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation, shall be available for such purposes as may be designated by the corporation and approved by the Secretary of the Interior or his authorized representative.

SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations, in addition to the rules and regulations prescribed under the act of June 18, 1934, as amended, with respect to loans made by him or his authorized representative to the corporation, and loans and sales by the corporation to its members, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

SEC. 10. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided,* That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations.

Mr. PETERSON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following: "That the Secretary of the Interior is hereby authorized and directed to undertake, within the limits of the sums from time to time appropriated under authority of law, a program of basic economic and other improvements for the benefit of the Chippewa Cree Tribe of the Rocky Boy's Reservation, Montana (hereinafter referred to as the "reservation"). Such program shall include off-reservation employment and adjustments related to such employment. The purpose of such program is the establishment of such Indians on a self-supporting basis and the conservation, development, and more efficient utilization of their resources, both physical and human, to the end that Federal services and supervision with respect to such Indians may be discontinued as no longer necessary.

"SEC. 2. There is hereby authorized to be appropriated the sum of $3,510,000 for the establishment of a revolving fund to assist in carrying out the purposes of this act. Sums collected in repayment of loans made from such fund and sums collected as interest or other charges thereon shall be credited to such fund, and shall be available for the purposes for which the fund was established. Individuals of less than one-quarter degree of Indian blood shall not be eligible for financial assistance made available through such fund under authority of sections 3, 4, 5, and 6 of this act.

"SEC. 3. (a) The Secretary of the Interior is authorized to make loans, from the revolving fund established by this act, to the Chippewa Cree Tribe of the Rocky Boy's Reservation, a Federal corporation chartered under the act of June 18, 1934 (48 Stat. 984, 986), as amended (hereinafter referred to as the "corporation"), for any purposes calculated to carry out the provisions of this act.

"(b) Reimbursement to the United States for any loan made from the revolving fund established by this act shall be made within 40 years from the date on which such loan is made, except that loans for the purchase of livestock, as authorized in section 5, shall be reimbursed within 25 years from the date on which such loan is made: *Provided,* That no loan shall be made with a maturity later than June 30, 1994.

"SEC. 4. (a) The corporation is authorized, with the approval of the Secretary of the Interior, to acquire by gift, purchase, relinquishment, or otherwise, within or without the boundaries of the reservation, lands, surface rights, water rights, or other interests in lands, including improvements thereon (hereinafter referred to as "lands"), and to exchange any lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, for any other lands of approximately equal value. Title to any such lands located within the boundaries of the reservation shall be taken in the name of the United States in trust for the corporation. Title to any such lands located outside the boundaries of the reservation shall be taken in the name of the corporation, and all lands to which title is so taken shall be subject to taxation.

"(b) The Secretary of the Interior is authorized to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of lands under authority of, and in accordance with, subsection (a) of this section, and (2) for cash loans by the corporation to its members for the purchase of lands by such members. Title to lands purchased by members of the corporation with the assistance of cash loans from the corporation, shall be taken in the name of the United States in trust for the individual Indian purchaser if the lands are located within the boundaries of the reservation, or in the name of the individual Indian purchaser if the lands are located outside the boundaries of the reservation. Lands located outside the boundaries of the reservation title to which is taken in the name of the individual Indian purchaser shall be subject to taxation.

"(c) Any lands heretofore or hereafter purchased or otherwise acquired by the corporation and any other lands owned by the corporation, including lands title to which is in the United States in trust for the corporation, may, with the approval of the Secretary of the Interior, be sold by the corporation to members of the corporation, and may be sold to such members on a deferred-payment plan: *Provided,* That the approval by the Secretary of sales of land located outside the boundaries of the reservation, title to which is in the name of the corporation, shall not be required after the corporation has repaid in full any loans received from the United States.

"(d) All right and title, if any, of the corporation and all right and title, if any, of the United States in and to the lands purchased by individual Indians with the assistance of cash loans from the corporation under authority of subsection (b) of this section and to lands purchased from the corporation under authority of subsection (c) of this section shall be released to the purchaser at such time as may be prescribed by the terms of the purchase. The time so prescribed shall be (1) not later than 15 years after the effective date of the purchase of lands located within the boundaries of the reservation, or (2) not later than the effective date of the purchase of lands located outside the boundaries of the reservation. Any such lands not previously subject to taxation shall become subject thereto as of the date when title is released pursuant to this subsection.

"(e) Lands purchased by members of the corporation with the assistance of cash loans from the corporation under subsection (b) of this section, and lands title to which is released to purchasers under subsection (d) of this section, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation in such manner and upon such terms as may be approved by the Secretary of the Interior: *Provided,* That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 5. (a) The Secretary of the Interior is authorizd to make loans to the corporation from the revolving fund established by this act (1) for the purchase by the corporation of livestock to be sold to its members, and (2) for cash loans by the corporation to its members for the purchase of livestock by such members. Title to livestock purchased by the corporation under authority of this section, and title to livestock delivered to the corporation in settlement of obligations pursuant to subsecion (b) of this section, shall be taken in the name of the United States in trust for the corporation.

"(b) Settlement of obligations arising out of sales of livestock by the corporation to its members may be made in livestock or cash, subject to any limitations imposed by the terms of the sale. Settlement of obligations arising out of cash loans made by the corporation to its members shall be made in cash.

"(c) All right and title of the United States and of the corporation in and to livestock sold under authority of subsection (a) of this section shall be released to the purchaser as of the effective date of the sale. Title to all livestock purchased with the assistance of cash loans from the corporation shall be taken in the name of the individual Indian purchaser. All livestock so sold or purchased, together with the increase therefrom, shall be subject to taxation, unless and until delivered to the corporation in settlement of the obligations of the purchaser.

"(d) Livestock sold by the corporation under authority of subsection (a) of this section, and livestock purchased with the assistance of cash loans from the corporation, shall be pledged or mortgaged to the United States in trust for the corporation as collateral security for all unpaid indebtedness of the purchaser to the corporation, in such

manner and upon such terms as may be approved by the Secretary of the Interior: *Provided*, That this requirement may be waived or modified if the Secretary determines that the repayment of such indebtedness is otherwise reasonably assured.

"SEC. 6. The Secretary of the Interior is authorized to use, on a nonreimbursable basis, not to exceed 20 percent of the amounts appropriated for the revolving fund established by this act to assist borrowers from the corporation and deferred-payment purchasers from it during initial periods of operations and to assist members of the corporation in educational advancement. No amount authorized to be used under authority of this section shall be used to make payments of principal or interest, or any part thereof, on debts incurred under authority of this act.

"SEC. 7. There shall be a lien against all future per capita payments or other distributions of assets of the corporation as security for any matured indebtedness due the corporation from borrowers or purchasers under this act.

"SEC. 8. Notwithstanding any other provision of law, funds now on deposit, or hereafter deposited, in the United States Treasury to the credit of the corporation shall be available for advance to the corporation for such purposes as may be designated by the corporation and approved by the Secretary of the Interior.

"SEC. 9. The Secretary of the Interior shall prescribe such rules and regulations with respect to loans made to the corporation under this act, loans and sales made by the corporation to its members, assistance provided on a nonreimbursable basis under section 6, and other matters covered by this act, as may be necessary to secure the United States against financial loss and to carry out the purposes of this act.

"SEC. 10. The officials and employees of the corporation and all Indians receiving loans under this act shall be subject to the criminal laws of the State of Montana for misuse, misappropriation, or embezzlement of any of the funds or property provided for in this act: *Provided*, That nothing contained herein shall deprive the courts of the United States of jurisdiction over offenses defined by the laws of the United States committed by or against Indians on Indian reservations."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATURAL SPONGE RESEARCH

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 6063) authorizing the Secretary of the Interior to carry out a research and development program with respect to natural sponges, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman state the substance of this bill?

Mr. PETERSON. This bill provides for $70,000 for research with reference to diseases and the growth of sponges. The sponge industry has been a large one, amounting to two or three million dollars. Disease struck the industry several years ago and has practically wiped it out. Neither the people engaged in the sponge industry nor the Department knew enough about the matter to cope with it. We had a bill for $250,000, and we have whittled it down to $70,000.

Mr. MARTIN of Massachusetts. This does not establish any new bureau?

Mr. PETERSON. No. It is done by the Fish and Wildlife Service.

Mr. MARTIN of Massachusetts. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection. The Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $250,000, to enable the Secretary of the Interior, in cooperation with such States as may desire to participate, (1) to carry out a program of research and experiment with respect to natural sponges, (2) to propagate and plant natural sponges, (3) to study diseases of natural sponges, and (4) to take other appropriate action to assist in the further development of the natural-sponge industry. Any sum appropriated under the authority of this act shall remain available to the Secretary of the Interior until expended.

With the following committee amendment:

Page 1, line 4, strike out "$250,000" and insert "$70,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETTLEMENT OF CERTAIN PARTS OF ALASKA BY WAR VETERANS

Mr. PETERSON. Mr. Speaker, by direction of the Committee on Public Lands, I call up the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans.

The Clerk read the title of the bill.

Mr. PETERSON. Mr. Speaker, if it is in order, I ask unanimous consent that this bill be considered in the House as in Committee of the Whole, if there is no large number who want to speak on it. I do not want to try to shut off anybody. I make that request at this time more or less to size up the situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, and I do not intend to object, but I would like to make certain that the chairman of the committee or some member is going to be able explain the opposition of the Forestry Service, the opposition of the Alaskan Legislature, and what I understand also is the opposition by the Legion to this legislation. It is my understanding that there is considerable opposition to it.

Mr. PETERSON. We will do that. Unless a number of Members want to propose amendments, I thought we might consider it in the House as in Committee of the Whole.

I will say this, that the bill is not perfect. When we get into conference we will probably have to work out several matters. The Forestry Service has been in opposition to it, but any bill that we bring out with reference to Alaska will have objection to it. The Interior Department has cleared it. They favor the bill. They sent us a bill, but there was objection to it. About 98½ percent of all Alaska is now owned by the Federal Government. We must allow some settlement. It will undoubtedly be amended in the Senate.

Mr. MARTIN of Massachusetts. Will the gentleman explain the bill, please?

Mr. PETERSON. The bill works a rather comprehensive homestead law for Alaska. It provides for settlement and gives priority of settlement to veterans. We go further than the normal Homestead Act by having a larger acreage, and also by providing for a different type of homestead, because the history of the homesteads in the past shows that in many instances people starve to death on the homesteads. The gentleman from North Dackta, who has studied this over the years [Mr. LEMKE] is more familiar with it. I do not want to take up too much time.

Mr. MARTIN of Massachusetts. I would not be timid about taking too much time. We want the facts.

Mr. PETERSON. I would rather that my colleague the gentleman from North Dakota [Mr. LEMKE] get in a few licks for his bill and explain the details. I have them pretty well in mind, but the gentleman from North Dakota is the author of the bill and has fought for it over the years. He has it at his fingertips.

Mr. HOFFMAN of Michigan. Reserving the right to object, there is one thing sure, it will call for some money. Can you or the gentleman from North Dakota give us any idea how much money, within fifty million or such a matter, it will amount to?

Mr. PETERSON. The only money that will be called for will be loans that will be in aid of settlement, that will be secured. Mostly it is a settlement bill. There are a great many restrictions and strings on it.

Mr. HOFFMAN of Michigan. But you said that heretofore some of these people who took up homesteads starved to death. Is there some sort of security or guaranty connected with this.

Mr. PETERSON. There are liens on their acreages. I have yielded to the gentleman from North Dakota [Mr. LEMKE] to explain the details.

Mr. MARTIN of Massachusetts. Mr. Speaker, I was going to say that this probably will need some explanation. The gentleman might as well move to go into the Committee now and have the bill thoroughly explained in general debate.

Mr. PETERSON. I expect the gentleman is right. I made the suggestion more or less as a feeler.

Mr. Speaker, I withdraw my request to consider it in the House as in the Committee of the Whole.

The SPEAKER pro tempore. The gentleman from Florida has called up the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by

war veterans. This bill is on the Union Calendar. Under the rule, the House automatically resolves itself into the Committee of the Whole House on the State of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Florida is entitled to 1 hour and the gentleman from North Dakota to 1 hour.

Mr. PETERSON. Mr. Chairman, I ask that the gentleman from North Dakota be recognized first.

The CHAIRMAN. The gentleman from North Dakota [Mr. LEMKE] is recognized.

Mr. LEMKE. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this is a homestead bill and has for its purpose the enlarging of the homestead sufficiently so that we can get people to go up to Alaska and settle it. We have had control of Alaska for many, many years but there are very few people up there. As a pioneer myself I know that no one will go up to Alaska and take a homestead of 160 acres, and you know it too. When we went to North Dakota to settle we were allowed 480 acres and if one was a veteran of the Civil War he could take out an additional 160 acres, making 640 acres. That was the incentive that settled North Dakota which is now second only to Kansas in the production of wheat and is first in the production of hard wheat; that is how it was settled. Many people made a failure of settlement, and there will be some failures in Alaska even on these enlarged homesteads, but this Nation has been built up by the adventurous spirit and the pioneers. I advise and have advised people who want to go to Alaska that only those who want pioneer life and have an adventurous spirit, and even those who are roughnecks, should go up there and settle it. That is the only way we can get Alaska settled.

This bill was before our committee in the Eightieth Congress; that is the Congress that our good President complained so much about. But this House passed that bill without a dissenting vote, by unanimous consent—that is the substance of it. This is an improved and better bill. The original bill died in the Senate because of inactivity over there. I am not criticizing the Senate, but they simply did not get around to it. Now in the Eighty-first Congress we again took up this bill and after full hearings in both Congresses, the Eightieth and the Eighty-first. In the Eightieth Congress all the opposition to this present bill appeared to come from Government departments and the committee felt that the opposition was not well taken; we felt it was rather a matter of one bureaucrat trying to dominate another. The Department of Agriculture wanted to stick its nose in where it had no business, into the affairs of the Interior Department. This bill has again been considered by the committee in the Eighty-first Congress, and this also is a good Congress as far as the Public Lands Committee is concerned.

We again held extensive hearings, and all the opposition again appeared against the bill as it did before, but not a single member of the 28 members of the Public Lands Committee was influenced by the argument of the opposition. We have the favorable reports of both the Eightieth Congress and the Eighty-first Congress now under the able leadership of the gentleman from Florida [Mr. PETERSON]; and I am sorry he is not going to run for reelection this fall. After full hearing of both pros and cons the committee again unanimously reported this bill favorably and the reports and the hearings of the Eightieth and Eighty-first Congress have been printed and are available.

What are the facts? I want to say that in the Eightieth Congress the Army, the Navy, and the budget were all agreed on the bill. It was realized by all of them that if we are to defend Alaska we must have settlement up there. They O. K.'d the bill. Remember the Army, the Navy, and the budget did that.

Then in the Eighty-first Congress there was a similar bill introduced. The prior bill was not as good as this one. You know, as long as we live we always improve ourselves in the matter of living and in the things we do. So in the Eighty-first Congress we redrafted this bill with much improvement. However, remember that no bill that Congress ever passed was perfect. Perfection is to be striven for but never reached.

In the redrafting of the bill we accepted every amendment offered by the Department of Agriculture except one. In addition we took all of the amendments and improvements suggested by the Secretary of the Interior and we put in all of the amendments offered by the Public Roads Administration.

There is only one dispute in this bill, and I am going to come to it shortly. You can be the judges. I may say that on that matter we had full hearings. I refer to allowing these settlers to take timber claims. The Forest Department wants to have control of the timber lands, but we felt that the timber lands should be subject to be homesteaded just the same as the other land, provided that a veteran can make a living on it.

So in this bill we have put in a limitation as to the size of the homestead, and I want you to follow me closely on this. Three hundred and twenty acres is the smallest. Would any of you go up there for less than 320 acres? Then because of the shortness of the growing season, and claimatic conditions, we have provided a maximum of 2,560 acres. This is permissive only in the discretion of the Secretary of the Interior. The bill provides for a permissible extension of not to exceed 2,560 acres for grazing claims or sparsely timbered lands. But the qualification and the rule under which the limitations are set up in this bill and that the Secretary must follow are that no homestead may be larger than is necessary to sustain an American family of seven on the American level of living.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Missouri.

Mr. SHORT. In considering the vast area of Alaska, in considering the topography, the terrain, the weather, and climatic conditions up there, the fact also that there are only about 100,000 people living there today, it seems to me this acreage is really too small if one is to criticize it at all. Certainly it is not too much.

Mr. LEMKE. I thank the gentleman. Some stockmen have told me it should be larger.

Mr. SHORT. For instance, how many acres out in Wyoming or in some of our Western States does it take to support one cow?

Mr. LEMKE. You have a shorter growing season up there than you have in Arizona or Wyoming.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Illinois.

Mr. JONAS. Does not this bill provide a minimum and maximum number of acres?

Mr. LEMKE. Yes.

Mr. JONAS. What is the minimum?

Mr. LEMKE. Three hundred and twenty acres.

Mr. JONAS. What is the maximum?

Mr. LEMKE. Two thousand five hundred and sixty.

Mr. JONAS. How can one homesteader in Alaska, being so remote from all sources of machinery, supplies, and equipment, handle 2,560 acres of undeveloped land?

Mr. LEMKE. Because he can put livestock on it. It does not take much to take care of livestock. That is all he can do, unless it is a timber claim. In that case we put a qualification in his patent that he must continue it on a sustained yield basis. I will guarantee, as far as that guaranty can go, because I have not got very much wealth to back it up with, that there will be more timber and development in Alaska after the veterans take care of it than is the case due to the slashing methods used by the Forest Administration that has been up there and lobbying against this bill. We may have an investigation to find out all about that lobbying.

Mr. JONAS. The maximum allowance that the Government gave, back to the Civil War, was about 640 acres.

Mr. LEMKE. But we allowed another 640 acres for desert claims, and later on we allowed still more.

Mr. JONAS. I would like to know how anybody can homestead 2,560 acres or take care of the timberland or the grazing land by himself.

Mr. SHORT. Mr. Chairman, if the gentleman will yield, the situation in Alaska is quite different than even in our Northwestern States in this country, and certainly 2,560 acres is not too much for grazing or for timber purposes.

Mr. LEMKE. And it is in the discretion of the Secretary to allow more than 320 acres, if he feels it is necessary, to support a family of seven; and that used to be the size of the average American family.

Mr. SHORT. I would like to have a brief expression of the view of the Delegate from Alaska. I see he is on the floor. Does this meet with the approval of the people in Alaska? Are the people in Alaska favorable to this legislation?

Mr. BARTLETT. I should be required to say in answer to that that there is a difference of opinion in Alaska as to this bill, and, frankly, I must say that some opposition has been voiced from the Territory.

Mr. JONAS. Mr. Chairman, if the gentleman will yield further, I want to follow this up by asking whether if you apply for a 2,560-acreage allotment it requires a ready-to-order family of seven before you can get it.

Mr. LEMKE. No. You can get the lady to go out after you acquire it, as they did in North Dakota, when we used to sing "the girl we left behind us."

Mr. JONAS. Then the family would grow after he moved on to the homestead; is that it?

Mr. LEMKE. That is right, and that is why North Dakota has such a good population.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Iowa.

Mr. JENSEN. I want to compliment the gentleman on the effort that he has put in to develop Alaska. This bill, in my opinion, is one of the first steps, the first real honest-to-goodness step, that has been made for the proper development of that great area. Now, I am sure that the reason the gentleman is recommending 2,560 acres as a maximum is because there are great areas where the frost is so close to the surface that the land would be entirely useless for crop production. Again, close to it you will find valleys that can be farmed. Now then, these valleys and frost areas are so close together that if you were to take a smaller plot, you would not have enough land under the conditions, to make a living on. Is that not the fact?

Mr. LEMKE. That is correct, and in addition under this bill we limit the arable land under any homestead to 160 acres.

Mr. JENSEN. Now then, a very able citizen of Alaska came into my office just last week. He has lived in Alaska for many years. He has been one of the high officials in Alaska for a number of years. He informed me that the Department of the Interior had stopped the homesteading of land in the Kenai Peninsula, that part of Alaska which projects out into the ocean and is warmed by the Japanese current. We saw fit a few years ago to start a road to Homer, which is located in the southern part of the Kenai Peninsula.

The southern part of the Kenai Peninsula, an area that is at least 40 miles square, is by far the best agricultural area in Alaska. I am sure the gentleman will agree that it far surpasses the Mantanuska Valley as an agricultural area; in fact, the climate in south Alaska, on the Kenai Peninsula, compares quite favorably with northern North Dakota. This gentleman informed me that the Department of the Interior, Bureau of Land Management, had completely stopped the homesteading of land in that fine area. Now, will your bill help to solve that problem and make that land available, that fine agricultural land, to the veterans and other folks who wish to go up there?

There are many veterans up there right now wanting to homestead in the southern part of the Kenai Peninsula, in the area above which I have just talked. In my opinion, and in the opinion of many of the people of Alaska, it is a disgraceful thing that this land is being kept away from those who want to farm, who want to go into it on their own hook.

This gentleman also informed me that a communal plan of farming, I would say a communistic plan, is being proposed whereby all the farmers in that area must enter into a contract to borrow approximately $45,000 each to improve their land, to erect buildings, and to buy machinery. When they get this communistic program going, they must then send their produce to a central market, and everything must be done according to the communistic scheme.

If that be true, and the gentleman I talked to was very disturbed about it, and I believed him because I know he is a man of high character from what I have been told about him, then certainly this Congress has a duty and a responsibility to see to it that that kind of business is not carried on in the great Territory of Alaska or anyplace else in the United States.

I hope the gentleman and his committee will look into that situation. I promise the gentleman right now that I shall be with him in any move he or anyone else cares to make for the development of Alaska, especially under present conditions, when Alaska is the Achilles heel of our defense program.

I compliment the gentleman on this bill.

Mr. LEMKE. I thank the gentleman. The Kenai Peninsula is one of the first ones we, in this bill, directed be surveyed and opened up for settlement. The gentleman is absolutely right. Unless we settle Alaska there is danger to the defense of our Nation.

Mr. JENSEN. Of all the places in the world where we do not want the communistic philosophy to grow, the main one is Alaska, right under the nose of Communist Russia.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield to the gentleman from Arizona.

Mr. MURDOCK. I join with the gentleman from Iowa in congratulating the gentleman from North Dakota on presenting the bill and fighting so faithfully for it. I think the gentleman from North Dakota [Mr. LEMKE] occupying the well of the House at this moment is the most persistent man in fighting for what he thinks is right that I have ever been associated with on the Committee on Public Lands, or any other committee.

I assure the gentleman I am squarely behind him in the passage of this bill because I recognize that Alaska is our great untouched jewel casket, not only for mineral wealth but for agricultural wealth as well. It occupies a strategic position in our national defense. I am for the bill 100 percent.

Mr. LEMKE. I thank the gentleman for the nice things he has said about me, but I may take them with a little salt. I thank the gentleman for his support. I know of no man on the Committee on Public Lands who is more sincere in doing what is right than my friend, the gentleman from Arizona, [Mr. MURDOCK].

Mr. Chairman, something has been said about the veterans. The disabled veterans were represented at the hearings and they are a thousand percent in favor of this bill. The American Legion is back of it, so far as I can ascertain, and as far as I have talked with them. They want this territory opened up for real Americans, who won two wars, which other nations started, and they want a fair opportunity to make good.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. FORD. Did the American Legion and the Disabled American Veterans actually appear before the committee and recommend its approval?

Mr. LEMKE. The Disabled Veterans did, and Mr. Ketcham and others did. But the American Legion did not appear because we did not ask them to. They did not appear.

Mr. O'SULLIVAN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. O'SULLIVAN. Does this bill carry any restrictions as to the disposition of this land by any settler who gets a patent?

Mr. LEMKE. If a man goes up there and homesteads, it would take at least 5 to 8 years before he can dispose of it, unless the good Lord takes him, and then somebody else—his family or his heirs—would get the land. It could also be lost by mortgage foreclosure. We are trying to protect the credit of the individual. But no one can dispose of it until 5 years after.

There is another restriction with regard to the timberland. I want to bring that out. If a man goes up there and files on a timber claim, the patent itself will contain a provision in perpetuity that the particular timber must be kept on a sustained-yield basis. Right across from Alaska, in British Columbia, there are all kinds of small sawmills sawing logs into lumber, and so forth, and developing those timberlands while in Alaska some of the timber rots and the inhabitants import lumber at outrageous prices. Now we are told that we have to get some great, big monopolist in there. That is what we are told by the Forest Administration. I will give you some illustrations:

In this bill we exempt the lands that they have already given away. I want to read to you now what they charge for it. For instance, 100 cubic feet of pulpwood sells at 85 cents. A thousand board-feet of spruce and sawlogs at $3. You would have to pay about $100 for that here in this country. That looks like the despoilers of Alaska by the very Department that says it wants to protect it. With regard to the price on lineal feet

on poles—not exceeding 95 feet—the charge is only 1 cent a foot.

So this contract which the Forest Department has already made, and which we have to respect because we cannot do anything else about it because we delayed too long in passing this bill, you can get a 95-foot tree for 95 cents. That is according to the contract that the Forest Department put into the hearings. We accepted that because it was all we could do. It was an accepted fact by an authorized agency. That was one of the amendments they asked me to accept, that is that we would not invalidate the contracts or options which they had already made. Let us hope there will be no more of that kind of exploitation in our Alaska resources.

Mr. O'SULLIVAN. The reason I asked that question is I had in mind, when the Kincaid law was passed to homestead Nebraska, and there was a limit of 640 acres on the homestead, many of the ranchers hired their own men to homestead the land and shortly after they got all the land and assembled it into a large ranch. So I could see that the same thing might happen in Alaska unless you have the kind of restrictions which you have mentioned.

Mr. LEMKE. We have that restriction in the bill.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. RANKIN. There are one or two questions here that have been overlooked. In the first place, the interior of Alaska is entirely different from the interior of Iowa and Nebraska. In the interior of Alaska 2½ feet under the ground it has not thawed since the ice age.

I could throw a rock over any tree I saw north of Juneau. The timber consists of small spruce, fir, and hemlock trees. So it is not like a homestead in Nebraska or Iowa at all.

Alaska has an unlimited supply of water power. I know some people will say that those streams freeze.

A few years ago a lady who works for the REA went to Kiruna, Sweden, which is 150 miles north of the Arctic Circle, just back of Narvik, Norway. They have one of the finest iron ore mines in the world there. This lady said those people have to sink their shafts far below the surface in order to get below the ice with their electric-generating turbines. They will have to do that in Alaska on some of those streams. But they generate electric power for all purposes in Kiruna. It is the only heat they have. They heat every home, every establishment; they run their factories, and they also give artificial sun baths to the children, the workers, and everybody else who wants them. She said "They are the healthiest people in Sweden."

Now, we have this same condition in Alaska. Our undeveloped water power in Alaska is almost unlimited.

If I were going to Alaska to enter a homestead, in some places, at least, I would certainly want 2,500 acres. I am saying this with all deference, because I have been to Alaska. I was a member of the Committee on Territories for 15 or 20 years. I went there and examined everything I found. I have protested ever since about the way those people are treated with reference to their fisheries. I think the fish traps should all be taken away and those people permitted to fish for a living.

But if you develop that water power and establish these homes, you would enable those people to earn a livelihood, and process their own material. In that way you could build up a population of a quarter of a million or a half a million, or possibly a million, people in Alaska in the next generation.

I am for this bill. I think the committee deserves a great deal of credit for working it out. I do not think they have gone too far in offering these tracts of land in the interior, where the ground 2½ feet under the surface has been frozen since the Ice Age. I do not think they have gone too far in allowing 2,500 acres for a homestead. There are only two kinds of people in Alaska; the white people and the Indians. The Indians and the Eskimos are the same people. They are the best behaved people you ever saw. The white people in Alaska are the finest Americans I have ever met. I, for one, have always said that we ought to do everything we could to encourage them. This bill goes further in that direction than anything I have seen.

Mr. LEMKE. I thank the gentleman.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. LEMKE. I yield.

Mr. JENSEN. Is it not a fact that the Territory of Alaska is approximately half the size of the entire 48 States of the Nation?

Mr. RANKIN. Five hundred and eighty thousand square miles.

Mr. LEMKE. Over one-quarter of the size of the United States.

Mr. RANKIN. It is 12 times the size of New York, Pennsylvania, or Mississippi.

Mr. JENSEN. It is over one-quarter the size of the United States.

Mr. RANKIN. Yes. It is almost one-half the size of the United States. If they will permit the people of Alaska to develop their resources and aid them in every way possible they can bring about some great improvements.

We can certainly afford to aid the people of Alaska in developing their water power, if you can pass a bill such as you passed yesterday to give billions of dollars to people in foreign countries who will never pay a dime of it back.

Mr. LEMKE. I thank the gentleman.

I have told you that the United States War Department and the Navy Department have endorsed this bill. I want to read to you a few sentences of what the Department of the Air Force had to say about it. Mr. Eugene W. Zooker, appearing for Mr. Symington, testified:

> The benefits to be derived from the Territory of Alaska in the form of minerals, ore, lumber, and natural resources is inestimable. The establishment of a firm foundation of permanent residents in the Territory of Alaska will further enable exploitation of those vast resources which, in turn, will contribute to the national security, by increasing the available natural resources and potential reserves. It is believed that the national security will be enhanced through the increased availability of natural resources, which will result from the passage of this act.

Permit me also to say that the passage of this act will increase the national defense, and that Mr. Stefansson, one of the North Pole explorers, has informed us that Russia has over a million settlers right across the strait; we have only 100,000 in all Alaska, and of those only about 50 percent are of American origin. It is about time we got this vast area settled.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, there can be no doubt whatsoever that the idea behind this bill is sound. There is need for development in Alaska; there is need for settlement in Alaska; there are far too few people there now in comparison with the resources of the area, which is one-fifth as large as the 48 States.

Mr. Chairman, I have the greatest esteem and admiration and even affection for the gentleman from North Dakota, the author of this bill who, ever since I have been here, has been most helpful in the consideration of our Alaska matters.

It is true that the present homestead laws are not functioning; they are not adequately geared to promote the settlement of the Territory of Alaska. We do need new legislation, and we need it urgently for national defense reasons if for no other.

In connection with the bill now before the committee I do think it is necessary for me to say that not everyone in Alaska has approved of this precise mechanism, although they will subscribe to the need for legislation of some kind. I think it might be well for me to cite the two sides of the question so that the committee will realize what has been under discussion in Alaska in connection with this proposal. First, they do acknowledge need for settlement and, most importantly, they acknowledge the need for land titles passing from the Federal Government to private ownership. That in itself has been one of the great drawbacks in the history of the settlement of Alaska. We find ourselves here in the year 1950 where the Federal Government still owns approximately 99 percent of the land. That is not good. We all acknowledge that there should be an increasing amount of private ownership of land in the Territory of Alaska.

The bill now before us for consideration contains some very desirable aids to settlers, and includes the principle of veterans having a priority and an opportunity of going there and homesteading land. That is as it ought to be.

Mr. CARROLL. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am glad to yield to the gentleman from Colorado.

Mr. CARROLL. Evidence and testimony was introduced on this bill, was it not, before the Public Lands Committee in the Eightieth Congress?

Mr. BARTLETT. That is correct.

Mr. CARROLL. Has any opposition developed from groups in Alaska to this bill since that time?

Mr. BARTLETT. I would say that the same opposition has been renewed, rather than its being new opposition. I do not know of any new opposition. Those who previously objected have renewed their objection.

Mr. CARROLL. Is there any real concentrated opposition to the passage of this bill by groups in Alaska?

Mr. BARTLETT. I would say that the opposition is rather general. It was evidenced by a memorial from the Alaska Territorial Legislature adopted at the last session. It did not approve of the exact mechanism of the bill.

Mr. CARROLL. But they are in favor of settlement.

Mr. BARTLETT. They favor settlement generally; yes.

Now, further answering the gentleman, may I say that there are two questions that are presented which probably have caused much of the opposition that has developed. One school of thought believes that the acreage to be given to any individual settler in the bill is too large. Another school of thought which has gained considerable expression in southeastern Alaska feels that the bill would do a disservice by breaking up the great national forests. There is an area of about 16,000,000 acres in a single national forest in southeastern Alaska; that has been so since the early part of the century. It has been stated that five pulp mills can be established in that area sufficient to give the United States about 25 percent of its pulp requirements in perpetuity on a sustained yield basis. There are those who feel that if the pulp mills are constructed the timber they would depend on should remain under Federal control. In fact, I am convinced that a substantial majority of the residents of the area are of that opinion. Some say that under private ownership the pulp mills could contract with the individual homesteaders. However, I merely express to the gentleman the opposition that has made itself felt in that area.

Mr. CARROLL. Is there any protection in the present bill which would prevent or prohibit any individual using veterans to acquire great tracts of land under the privileges we give the veterans?

Mr. BARTLETT. There is a restriction in that the Secretary of the Interior is given discretionary authority as to whether the maximum amount of acreage in the bill shall be allowed to any individual settler. Is that correct?

Mr. LEMKE. That is correct, and he is restrained from selling it for 5 years beyond the time he finally gets his patent. He has to live on it for 3 years, except he is allowed for his service in the Army.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CARROLL. Mr. Chairman, I want to commend the gentleman from Alaska for the great fight he has made during the Eightieth and Eighty-first Congresses. I know how sincere he is in this matter.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Texas.

Mr. FISHER. It is true, is it not, that unless and until more of the public land is opened for settlement in Alaska we cannot expect a great deal of development and progress up there?

Mr. BARTLETT. I am afraid that is true. This land is open now under existing homestead laws, but they are simply not working. I think everyone will be forced to admit that the homestead laws are not working out very well.

Mr. FISHER. The thing that is needed in Alaska today is more settlement and the gentleman feels this bill will have that effect?

Mr. BARTLETT. I would say that we are in a very desperate need of legislative help so that the Territory may be settled. Whether this bill is exactly the appropriate vehicle or not, I have substantial doubts. I want to add for the record that the regional director of the Forest Service in the Territory, B. Frank Heintzleman, is a man who has devoted a lifetime of service to the development of Alaska's timber resources; he is conscientious and able and has done a good job. He naturally views this whole situation in terms of pulp development in connection with those areas under the Forest Service control. The expressed position of the Department of Agriculture is against opening up the national forests of Alaska to homesteading; and that view is shared by all Alaskans who have talked with me or communicated with me on this subject.

Mr. PETERSON. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, I think the gentleman from Alaska [Mr. BARTLETT] has pretty well expressed my feelings regarding this bill. I think the purpose as outlined by the gentleman from North Dakota [Mr. LEMKE] is most laudable. I want to say at this time that it has been a pleasure to work with the gentleman from North Dakota who, on every occasion that I know of, has constantly worked to foster and encourage the growth and development and proper utilization of our resources, whether they be forest, land, or water. But, in winding up his very good statement the gentleman from Alaska mentioned that he had doubts as to whether this is the proper vehicle to go about accomplishing the purpose which we should like to, to increase and encourage the settlement of American veterans up in Alaska. I feel, in spite of the merits of the bill and the laudable objectives, that there are too many loopholes. I know, by personal experience, for we went through exactly the same situation in the forest areas in northern Minnesota after World War I.

Briefly, here is what happened. We had a vast unsettled forest area. Following World War I we were going to encourage the veterans to settle under liberal provisions of a homestead law. They came up there and settled in these different spots in that area where there was no previous classification, zoning, or evaluation as to the agricultural value of the land or the timber resources. The timber was logged off under contract, mostly by the big lumber companies. Then the settlers began to clear off their land of the stumps and the rocks in this glacial land. After working for 15 or 20 years they finally realized that they were living on submarginal agricultural land that would not sustain a family, and consistently the majority of those farmers had to implement their annual earnings by employment on the county roads, the township roads, State roads, and various services and that type of thing. We had no control on where these people settled; they would settle like raisins in a cake and spread out in this vast public domain. Wherever a family settled, the children were compelled to go to school, and by the same token the State and the local governmental units were compelled to provide school facilities. So these long roads had to be built in a wilderness area to reach a homestead with one or two children, and they were transported by county busses for 5 and 6 and 7 miles to go to a little one-room school. Then 20 years too late they moved out, and we enacted a State law in which we had a classification and land zoning, and with respect to certain lands we encouraged the farmers to exchange their submarginal land for land that was better suited and closer to municipalities where they had available educational facilities and hospitals and libraries and all these other things.

I must say to the gentleman from North Dakota that I cannot go along with this bill unless better safeguards are provided under its provisions. A veteran, although he is supposed to reside for 3 years on the land he stakes out, actually can get 2 years of credit merely for his military service. He has 1 year left to reside. But, of that 1 year the Department of the Interior may allow him 5 months of leave. So, actually, a veteran can go up there under the provisions of this bill and reside for 7 months within 10 miles of the land he is staking out. He can get up to 2,560 acres of land, and if you get in a good timber area, he can get up to $76,000 worth of timber. So, there is nothing under the provisions of this bill that would prevent a veteran residing there 7 months, then return to the States, wait for 5 years, and sell his timber rights for $75,000.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from North Dakota.

Mr. LEMKE. I would just say to the gentleman that he apparently has not read the bill very carefully, because we provide that there must be classification of the land and it must be open for settlement, and designated as such, and that then the veterans have 1 year priority over others. If the gentleman's theory were followed in North Dakota, we would still be a wilderness.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. I wonder if the gentleman has read page 26 of the bill where it provides that not more than one-tenth of the timber shall be cleared and that the remainder shall remain on a sustaining-yield basis? Has the gentleman read that section?

Mr. BLATNIK. Yes, and that is exactly why I say the individual veteran cannot log the land himself. On a small area from 320 to 2,500 acres, you cannot get very far on a sustaining-yield basis. But he can reside in the States and lease his timber rights to a big logging company, that will pick up many of these rights all around and will keep on year after year cutting 10 percent on each of these parcels of land.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. WHITE of Idaho. Does the gentleman understand what "sustained yield" means?

Mr. BLATNIK. I surely do.

Mr. WHITE of Idaho. It means you go in with selective cutting.

Mr. BLATNIK. I understand the sustained-yield principle of cutting on a crop basis, cutting the mature timber a certain amount each year, so that you have in effect the equivalent of the original stand still remaining.

Mr. Chairman, I am all for the gentleman from North Dakota and the purpose of this bill, but I, too, have more than just serious doubts about whether this is the proper vehicle. I should like to see a little attention paid to this, because I believe that an ounce of prevention is worth a pound of cure.

Mr. PETERSON. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, it is a rather unusual situation we are presented with at this time. It seems that no one objects to this bill. I have been listening rather carefully, and unless I am badly in error there is no objection to the bill, that is, the purpose of the bill. There does seem to be some objection to some of the provisions of the bill.

I call your attention to the fact that almost never does a bill come before the Congress but that either this body or the other body amends it in some way. But no one so far has objected to the very fine and laudable purpose of this bill. Certainly if there is no objection to the bill we ought to pass it. Of course, if the bill needs amending we should amend it.

I should like to read you an excerpt from the report on the bill and make a very short comment thereon. Among other things the report states:

> Under the provisions of H. R. 4424, an applicant would receive a homestead of not less than 320 acres or more than 2,560 acres, depending upon the type of land, its location, and the uses to which it may be put in order to support a family of seven on an American standard of living. No claim would contain more than 160 acres of arable agricultural land.

I now come to the paragraph to which I want to direct your particular attention:

> Homestead claims would be classified as agricultural, fur farming, grazing, timber, or any combination of these designations. They could be located on islands as well as on the mainland.

You can readily see that farming in Alaska will be somewhat different than it is in your good State and in my good State, and that this maximum amount of acreage is a necessity in some instances if we are going to offer inducements—that is, reasonable inducements to people to settle this great Territory.

In my judgment we will never get Alaska properly settled by homesteaders and by good American citizens, so that that Territory will be of great benefit to them, and to us, for national defense and for all other purposes, unless we offer some reasonable inducements for them to go there. It is quite a way off, and although the climate is not so severe as some think, perhaps, yet it is more severe than the southern climes of course. It being a new territory and a new land, the people who go there, must, of necessity, realize that they will have to undergo some hardships. So if we are to carry on with real homesteading in Alaska we must offer some inducements for people to go there.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I yield.

Mr. GRANGER. Will the gentleman tell the House what the qualifications are for proving out on a homestead?

Mr. MORRIS. Yes, I will read this from the report of the committee:

> While an actual residence on the land for a period of 3 years is required to make final proof of claim, up to 2 years' service in the armed forces of the United States shall be credited as actual residence of the veteran. Any veteran discharged because of wounds or disability incurred in line of duty is automatically credited with 2 years of residence.

In other words, a 3-year's residence is required, but the service of a veteran may count up to 2 years, and a disabled veteran, that is, a veteran who is discharged because of wounds or disability which incurred in line of duty, is automatically credited with 2 years of residence.

Mr. Chairman, these are very reasonable requirements. It seems to me they are very fair requirements and since there is no opposition to the bill it should be passed unanimously.

Mr. LEMKE. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I think we have gone far afield from the purpose of this bill. Therefore, in order to make perfectly clear and establish beyond a doubt what the bill is about, I am going to read to you a part of the opening paragraph of the bill. It is as follows:

> That the national defense and the national interest requires the settlement and development of Alaska in order to make possible the full utilization of its resources and to further the national security by providing in the area a firm foundation of permanent residents. The national interest also requires that land be made available to veterans who desire to undertake the development of virgin territory in order to secure land for themselves and their families and that such undertakings be encouraged to an extent commensurate with their value to the Nation. Because of the remoteness and climatic conditions of Alaska, settlement there involves greater expenses, financial risks, and physical hardships than does settlement in other parts of the United States. Large-scale settlement of the Territory requires a greater inducement to the pioneer settlement than exists at present. This act is designed to provide the necessary inducement in the form of enlarged homesteads, while making certain that there will be a minimum of Government interference in the development of the land.

Therefore, this bill has two purposes: First, to make available homesteads to veterans who wish to settle in that area; and, second, the national defense. Surely no one can object to those efforts carried in the legislation.

Over the years it has been definitely ascertained that the present laws do not encourage settlement in Alaska. People are not moving there. They are not taking homesteads, and we are not getting the people into Alaska that we should have in that area. Therefore, our committee, which is charged with the management of these areas, has tried to survey the field and find a way by which we could encourage settlement of this area for national defense, and also to develop the area. We have done this in this bill by making available enlarged homesteads. Those homesteads can be taken up either as agricultural homesteads, in which case only 160 acres can be arable land, or they can be fur farms, grazing, or timber, or a combination of any of those kinds of uses. We encourage the veterans to go there by several means. First, by priority of right to acquire these lands. Second, in order to insure permanent settlement and protect the veteran from speculators, the bill provides that during a 5-year period from the date on which the patent is issued, no part of the land shall be alienated except by devise, descent, tax sale, or transfer. In other words, a veteran knows his homestead is protected for 5 years. The veteran who makes application for a homestead under the provisions of this act may apply to the RFC for a special loan.

To further encourage settlement of this land, we make available to everyone, not only these different classes of lands, but in addition the bill provides that only one-tenth of the timber on these lands can be cleared in any 1 year. In other words, we will have a sustaining yield basis for the management of the timber.

Mr. LEFEVRE. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. LEFEVRE. Can the gentleman tell me what has been done about saving those areas in southeastern Alaska where we hope to get large paper mills?

Mr. D'EWART. There are a number of areas that are specifically prohibited from being settled, under the terms of

this bill. In addition to that, the bill provides for classification, so that mistakes in the settlement of these areas will not be made.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. STEFAN. Can the gentleman tell the committee how many pieces of land would be available for homesteads and how many people could be attracted to Alaska under this bill?

Mr. D'EWART. I cannot answer that question because a great deal of this land has not been surveyed. It is necessary that careful examination be made for the purpose of classification of the area with regard to the use which the veteran will make of it before these homesteads are opened. We do not want to place any veteran on any homestead where he cannot make a living.

The CHAIRMAN. The time of the gentleman from Montana [Mr. D'EWART] has expired.

Mr. LEMKE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. STEFAN. Will the gentleman yield further?

Mr. D'EWART. I yield.

Mr. STEFAN. Has some estimate been made as to approximately how many pieces of land there would be and how many people would be attracted to Alaska?

Mr. D'EWART. No. There has been no such estimate made.

Mr. STEFAN. Does the gentleman have any idea as to how many individuals could be attracted there?

Mr. D'EWART. I have not. At the present time, of the several million acres available, only 10,000 acres have been settled. Up to date we have had very little success in settlement. We hope in this bill to encourage it.

Mr. STEFAN. Does the bill give some mechanics as to how the homesteads would be opened? Would they be under the Kincaid program?

Mr. D'EWART. It gives preference to the veteran.

Mr. STEFAN. But the mechanics, as to the drawing.

Mr. D'EWART. There will be no drawing. It is expected there will be plenty of arable land, or fur-bearing land, or timber land available.

Mr. STEFAN. How would the veteran apply for this land?

Mr. D'EWART. He would apply to the Bureau of Land Management, through the regular channels for making homestead entry.

Mr. STEFAN. Are there any qualifications for application?

Mr. D'EWART. Only veteran qualifications, outside of those that are applicable to all homestead entries.

In addition to increased acreage I may state that the bill provides for the development of roads and for assistance in transportation to Alaska and in other ways so that people will be encouraged to go into this territory. Alaska is one of the areas in which we are especially concerned over national defense and where we are spending huge sums of money to protect the area. If we could settle a large number of people there it would help very greatly in the defense of this area, and this bill will help with that effort.

In closing I wish to compliment my friend from North Dakota in his efforts and good work on the Committee on Public Lands. He is one of the most able members of that committee, one of the most hard-working, and because of his many years of service in this committee he is familiar with the land laws, the mining laws, and the mineral laws, and is therefore very able to help on that committee. In bringing forth this bill he has tried in his way to settle Alaska for national defense and in the interest of the veteran. He is to be commended for that effort.

Mr. PETERSON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, this bill ought to be passed; it ought to be passed by this House because it is, as mentioned by previous speakers, of extreme importance that the Territory of Alaska be settled. We need people up there to develop resources. The fundamental objectives of this bill are laudable. The distinguished gentleman from North Dakota has put in innumerable hours on this bill. Hearings were held on this bill in the Eightieth Congress; hearings were held on this bill in this Congress.

I am opposed to one provision of this bill, but in spite of that it does not keep me from supporting the bill in its entirety. I am not in accord with the gentleman from North Dakota in connection with the forest provisions of this bill, for I do not believe that presently in this bill there is adequate protection for our forests in Alaska. I believe, however, that in passing this bill the other body will take that into consideration before the bill comes back and that the House conferees by that time will have been able to work out a provision which will protect the national forest reserves of Alaska.

Mr. LEFEVRE. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. LEFEVRE. Along that line, is there not a provision in the bill that in taking a timberland claim the veteran must maintain it on a sustained-yield basis?

Mr. MARSHALL. The gentleman is absolutely correct. However, when you strip timber off the land the sustained-yield provision means nothing, because the person can turn back that claim and you cannot hold him for any part of the damage he may have done to that land. I think that is the provision that ought to be corrected before this bill finally becomes a law. It is my understanding that the other body has been informed of that and has it under consideration. The point I want to make is that there are so many other objectives in this bill, especially those connected with defense, that this bill ought to pass the House today and be sent to the other body where the legislation can be proceeded with. If we do not adopt this bill today there will be no other opportunity of this bill's passing this session of Congress. If this bill should not pass at this session of Congress it will delay the settlement in Alaska which is so vital for the defense and welfare of this country. There are fine resources in Alaska, there are resources that ought to be made available.

The fear has been expressed that the land might be settled haphazardly. I believe there is adequate protection in this bill against that sort of thing. The land is classified. I think everything possible is done to avoid that sort of thing. The only provision in the bill at all, and I repeat, that I can see we can raise any exception to, from the standpoint of good logical reasoning, would be the forest-protection matter, and I think that is something which can be ironed out. It is necessary that we expeditiously get this bill passed at the present time so that we can get some action on it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes. Will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Florida.

Mr. PETERSON. Mr. Chairman, I want to take this occasion to thank the gentleman for the fine, practical explanation he has made. We do not pretend that this is a perfect bill. There are certain features which one Member or another might object to, but we do know that the other body will have hearings, we do know it will have to finally go to conference, we know that there is a definite and urgent need for the settlement of Alaska. This is the best vehicle we were able to work out after a long series of hearings. Substantially the same bill passed the Eightieth Congress.

Mr. MARSHALL. May I say to the members of the committee that the Committee on Public Lands has a most distinguished gentleman as its chairman and it has been a real pleasure for me as a member of that committee to work under the direction of our very able colleague from Florida [Mr. PETERSON]. I know that the members of our committee have put in long hours in the consideration of this bill. I do not know how much time was put in on the bill in the Eightieth Congress, but I have been informed that it spent considerable time on the bill and held lengthy and numerous hearings. At no time has anybody opposed the fundamental objectives of the bill—that is, the settlement of Alaska. That is the thing we are all interested in. We all realize the importance of getting that Territory settled. The only opposition which I know of that has come to this bill in the hearings I sat in on was from the Forest Service of the Department of Agriculture. They are the only ones that objected to that particular phase of the bill, which I do want to repeat, it is something that can be taken care of in the other body.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield to the gentleman from Utah.

Mr. GRANGER. Will the gentleman tell the House whether or not there was

any representation made by the inhabitants of Alaska relative to this bill?

Mr. MARSHALL. It is my understanding that recently there has developed some opposition to the bill; however in the hearings the people who appeared on the bill were all in favor of it. It is my understanding that the objections which are being raised presently by some of the people from that area are in connection with the forestry end. I also understand, as was indicated by the Delegate from Alaska, that there is some question about the size of the homesteads provided.

Mr. LEMKE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I should explain in the first place that my interest in this particular legislation came as the result of serving as a minority member of the Consent Calendar Committee. This bill was placed on the consent calendar. When that was done immediately we received word from the Department of Agriculture of some serious implications contained in the legislation and the opposition of that Department to it. I thought, therefore, it was my obligation to call to the attention of the House, when an effort was made to have this bill considered in the House as in the Committee of the Whole, some of the objections that have been raised.

It is perfectly clear from the debate that nobody has objection to the basic purposes of the legislation, namely, the settlement of Alaska. We are all most concerned over the need for immediate action in that direction. Some expression has been voiced here, however, that as long as the title of the bill is a good one or the objectives as set forth in the first two paragraphs are good, therefore we should not read any further and just pass it. Well, I do not subscribe to that method of dealing with legislation, nor do I subscribe to the idea, "Well, let Joe do it; let the other body correct the defects that exist in it." I think that I, as a Member of this body, and each and every one of us as Members of this House, have a responsibility and we should see to it that if we pass legislation that it is in as good a form as we know how to put it. I think it is unfortunate that we should come here today and confess, "Well, the bill is not in very good form but, well, let us let the other body take care of it and we can probably fix it up, too, in conference." I think certainly that is going to be necessary unless we refer this bill back to the committee.

Let me call to your attention some of the facts that have come to me. No. 1: The Alaskan Legislature has memorialized Congress of its opposition to the legislation. No. 2: I was informed, but have no information one way or the other on it, that the American Legion has registered opposition to the legislation.

Mr. LEMKE. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from North Dakota.

Mr. LEMKE. The Disabled Veterans did not register any objection; in fact, many of the American Legion posts are for it and many locals have endorsed it. I am not claiming that the American Legion as a whole has passed a resolution one way or the other, but the Disabled Veterans are for it 100 percent, so far as I know.

Mr. BYRNES of Wisconsin. Then I stand corrected. As I say, most of my information on the legislation, I will admit, is second-hand. I will admit, too, that I am no authority on homesteading or anything of that kind.

No. 3: The Department of Agriculture has registered opposition to the legislation. The Forestry Service of that Department is particularly opposed to it. The Bureau of the Budget, I am informed, has made a report in opposition to it.

Mr. LEMKE. Mr. Chairman, if the gentleman will yield, the Bureau of the Budget twice approved it and then it said finally that there was another bill, (H. R. 1701) that they approved, and everything in H. R. 1701 is in the present bill excepting one amendment, and that is where the forest claims should be allowed to be filed, and that is the only difference of opinion. There has been enough evidence on both sides and the committee unanimously decided against them. Now it will go over to the Senate and we can thresh that matter out there.

Mr. BYRNES of Wisconsin. I appreciate that information from the author of the bill. Let me say a word about the committee report that was filed on this bill. This report came to me as a member of the minority committee on the Consent Calendar. I, of course, read the report and tried to understand the bill as best I could so as to carry out my obligation to the House as a member of that objector's committee. I noticed two things specifically which I think are most improper, as far as committee reports or concerned. The purpose of a committee report is to give to the membership a full understanding and full information in regard to the legislation that the committee is reporting. If you will take the committee report on this bill, you will find that whereas most reports contain a full statement relative to the bill from the department involved, this report does not have that full statement even from the Department of the Interior in this case. No reference is made to any report from the Department of Agriculture, which I understand has reported, and which Department definitely recorded itself in opposition to the bill. And here is another point which I think it is time we should start paying some attention to. This bill is going to cost some money in addition to providing machinery for the settlement of Alaska.

Mr. LEMKE. Mr. Chairman, if the gentleman will yield, as far as the Department of Agriculture is concerned, its opposition is in the hearings; it has been there. We had full hearings; in fact, they were very active in both hearings.

Mr. BYRNES of Wisconsin. The gentleman will understand, I think, the one point I am trying to make, and that is that in all committee reports the policy which most committees follow, and your committee is now following, I will say—the gentleman from Florida acknowledges that omission and has been following it since I called it to his attention—should be followed. That policy is that all the departments involved, and particularly when they are involved as the Forestry Service and the Department of Agriculture are involved here, should have their opinions registered in the report. As far as the hearings are concerned, the hearings are not available right now. I know that the hearings have been printed, but I am advised that because the bill came up hurriedly the hearings are not available here on the floor.

The further point I would like to make is that nowhere do we find any statement from the Bureau of the Budget.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Florida.

Mr. PETERSON. The gentleman has called attention to the condition of the report and called attention to myself, and I appreciate it. I want to say that the gentleman has always been very thorough and very fair. I imagine that the reason this report was not as complete as some of the others is because the bill had previously passed the Eightieth Congress, and the gentleman from North Dakota [Mr. LEMKE] had followed it, and a portion of this bill was a committee bill where they sought to clear up some of the things raised by the Department. But, the gentleman knows that the committee now puts all reports, whether they are adverse or favorable, in, so that they can have a picture of the whole thing.

Mr. BYRNES of Wisconsin. I appreciate that statement from the chairman of the committee. I know that of all the chairmen I have had contact with he has been one of the most conscientious in his work on legislation and in his efforts to get legislation in proper form for consideration by the House. Because of his fine work a lot of amending and even a lot of speechmaking on the floor has been avoided in connection with bills coming from his committee.

Mr. PETERSON. I thank the gentleman.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. WHITE of Idaho. The gentleman comes from the great State of Idaho, that contributed so much in the way of timber to the building of the great cities of Chicago and Milwaukee.

Mr. BYRNES of Wisconsin. We want to see that that development of our forest and timber resources goes on.

Mr. WHITE of Idaho. This bill in no way interferes with the national forests of Alaska.

Mr. BYRNES of Wisconsin. The Forest Service tells me it does interfere very definitely with its forestry-development program. That is why they called it to my attention.

Mr. WHITE of Idaho. There is nothing in the provisions of the bill that takes any land out of the national forests?

Mr. BYRNES of Wisconsin. Not that I know of. I am not informed as to what is going to be taken away from the Forest Service. I am just telling the gentleman what the Service tells me.

May I continue on this matter of the importance of having a report from the Bureau of the Budget on legislation before us? When we consider the fiscal condition of this Government today, there is no more important item than the relationship of a bill to the fiscal condition of the country. Time after time that question is given no consideration by the House when it passes authorization bills. We leave that great responsibility, which really is the responsibility of the House, to the Committee on Appropriations. Too often, it seems to me, we pass legislation setting up new governmental programs without any regard whatsoever for the cost of such programs. In my judgment that is one of the principal reasons why we are today spending almost $6,000,000,000 a year more than we are taking in. It is because we authorized programs with little regard to their cost that we found ourselves in great difficulty in attempting to reduce the appropriation bill which was just recently before the House. Although we attempt to place responsibility upon the Committee on Appropriations, the responsibility to operate the Government within its income rests with the House itself and can only be carried out if we recognize that responsibility at the time authorizing legislation is being considered. All committee reports should certainly contain some statement by the Bureau of the Budget with regard to the effect of the legislation upon the fiscal condition of the Government. This committee report contains no such statement.

Mr. MORRIS. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Chairman, this is a very important piece of legislation. Across the straits from Alaska, Russia is anxious to get that part of the country settled. They are forcing people to go to Siberia, tearing them away from their homes and sending them there as prisoners to settle up that country. But we with our constructive homestead law are inducing people to go in there. We are now opening the gates so more people can go there to settle, own land, and build homes.

I am the product of a homestead, a cut-over, stump-land farm. That is the way we got our start, and it was a hard way to start. If we had obtained the timber that grew on that land we could have had the means to build a home, clear the land, build fences, and equip a farm. We could have been way ahead of what we were. We went there after the land had been denuded of timber by the big-timber barons. The timber barons now are denuding Alaska of timber. They are bringing into their camps transients who cannot settle on land, cannot get married, cannot raise a family. The men transients live in big bunkhouses and eat in cook houses. These paper and lumber companies put things on a temporary basis and are exploiting the timber of Alaska.

The Government instead of following a homestead policy that has built up the communities of America are excluding bona fide settlers, letting them take up the land and timber as they did in our Western States when they went up on the land and built homes and cleared farms and brought civilization to a desolate country.

We are trying to keep everything of value for the exploiters and induce people to go on the land under conditions where they cannot make a living.

What we should do is follow the program of encouraging and assisting the homesteaders which has been followed here in the United States. I was surprised to hear the gentleman from the great State of Wisconsin, which was settled up by pioneers in the woods, which produced the timber to build up such cities as Chicago and Milwaukee and where they cleared the land and built up such beautiful farm lands and farmsteads across the State of Wisconsin, one of the finest and most productive States in the Union, where the settlers cut down the timber and sold it and used the money to build up the farms and grubbed out the stumps and made the communities of the great State of Wisconsin.

I say, I was surprised to see him stand up here so solicitious for the Forest Service, when they practically have all of the best timber in Alaska in the national forest. There are too many national forests in Alaska today. We should let the settlers in, as they do in Sweden and Norway. We should let the people go in and utilize that timber to build up their homes and build farmsteads and build up the country. If we keep on following this conservation policy in Alaska, Alaska will never amount to anything. It will never develop unless we pass a bill like this to open up the country and let the people go in and settle there and build their homes. We should not conserve all this timber for the big companies to exploit by building logging camps and bunkhouses and cookhouses and bring in transients who have no interest in the country anyway and who have no way of anchoring there. Their employees will just go in there and leave a denuded country behind as they have done in so many places in the West.

We should build up Alaska. We should settle it. We should make the timber available to the settlers so that they can use and sell the timber to make a few dollars. The gentleman from Wisconsin talks about an appropriation. This bill is to avoid the necessity of making appropriations. This is to make it possible for a man to go on the land and support himself and his family and settle the country and build up a community just as we have done here in America.

Mr. Chairman, I am for this bill and I hope the Committee will pass it.

Mr. LEMKE. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, this legislation deals with 243,000 square miles in the Territory of Alaska. I understand that is approximately 50 percent of the total land area of Alaska. It involves 150,000,000 acres in the Territory of Alaska, 20,000,000 being national-forest lands. These figures are somewhat significant and I am, to a rather strong degree, disturbed by our apathy and by the casual way in which the House today seems to be discussing and legislating on this particular bill.

My ideas are somewhat in accord with those of the gentleman from Wisconsin. I feel that the first few paragraphs in the bill, as it has been introduced by the gentleman from North Dakota [Mr. LEMKE] admirably set forth worth-while objectives. I think we would all favor in general what the legislation seeks to accomplish. But there is a vast difference of opinion as to the method. I sincerely regret we are not going to get the bill in the best shape possible on the floor of the House. I deeply regret we are going to send it to the other body for them to revise with the hope that it will eventually be perfected in conference.

In my humble estimation, it would be better if we should recommit this legislation to the Committee on Public Lands for active reconsideration and proper revision by that fine committee.

Several Members have stated that various organizations seem to favor this legislation. I think that is true, but it is a matter of degree. It is a matter of whether or not they favor this specific bill and the provisions contained therein. Comments have been made that the VFW favors the legislation. I think a careful analysis of their endorsement would reveal that they were not favoring this bill as it is presently before us. It has not been brought out that many organizations in the Territory of Alaska are opposed to this legislation. The public hearings show, for example, that there are on record with the committee telegrams from the Junior Chamber of Commerce of Petersburg, Alaska, dated May 11, 1949. This particular telegram states that its membership is composed wholly of veterans, and they are opposed to the legislation.

There is a telegram from the Petersburg Chamber of Commerce also opposing the legislation.

There is a telegram from the Juneau Chamber of Commerce objecting to the bill.

In addition, the Veterans of Foreign Wars Post, No. 4352, of Ketchikan, Alaska, opposes the legislation. They talk about the VFW endorsing it. Here is record opposition by a VFW post right in the Territory. If I had the decision to make, based on two endorsements, I would follow the endorsement of those who live in the Territory rather than some national organization.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. FORD. Not at this time. In addition, Ketchikan Post No. 3 of the American Legion opposes this legislation.

As has been brought out before by the Delegate from Alaska, and several others,

the Alaska State Legislature has memorialized the Congress not to approve this legislation. We have also had called to our attention the fact that the Department of Agriculture, particularly the Forestry Service, is opposed to this legislation in its present form. The Department of the Interior expressed some opposition to one or more of the bills that were introduced. I do not know if they actually oppose this particular bill at the present time.

Here is a detailed list of the opposition to the bill in the Territory itself:

Executive committee, Alaska Native Brotherhood; Alaska Legislature; Wildlife Management Institute, Washington, D. C.; Ketchikan Chamber of Commerce (Alaska); Juneau, Alaska, Chamber of Commerce; Carl Heinmiller, president, the Port Chilkoot Co., Haines, Alaska; Fairbanks, Alaska, Chamber of Commerce; American Legion, Post No. 14, Petersburg, Alaska; Petersburg, Alaska, Chamber of Commerce; Tom Jones, secretary, Nenana, Alaska, Igloo No. 17, Pioneers of Alaska; New England section, American Foresters, Bangor, Maine; Kodiak Chamber of Commerce (Alaska); Anchorage, Alaska, Chamber of Commerce; Department of Alaska, American Legion; Ketchikan Post of Veterans of Foreign Wars (did not want bill to apply to southeastern Alaska); Ketchikan, Alaska, Post No. 3, American Legion; Wrangell, Alaska, Chamber of Commerce; Sitka, Alaska, Chamber of Commerce; Petersburg Junior Chamber of Commerce (Alaska); Petersburg, Alaska, Post No. 14, American Legion; The American Forestry Association, Washington, D. C.; Camp Fire Club of America; Sitka Post, American Legion (Alaska); Camp No. 1, Sitka, Alaska, Alaska Native Brotherhood (rights of natives not adequately protected); Hoonah Camp, Alaska Native Brotherhood, Sisterhood, and town of Hoonah (rights of natives not adequately protected); National Parks Association; Denali Post 1685, Veterans of Foreign Wars; Seattle Chamber of Commerce; Hydaburg town.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. PETERSON. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. FORD. I thank the gentleman.

In conclusion I would like to make one other comment. As a former practicing attorney, I am familiar with the difficulty of writing into patents or into deeds reverters that will protect the Government or any vendor in case the purchaser violates the terms of the deed or the patent. I am informed that the Solicitor of the Department of Agriculture states that the perpetual provision that would require homesteaders to maintain a sustained yield would not, in all likelihood, be upheld by the courts. Many of the people who favor this legislation are depending upon that particular provision in the act. I reemphasize that at the present time, however, there is an opinion from the Solicitor of the Department of Agriculture which says that in his estimation such provision would not be upheld.

I think those are some of the things that should appeal to us to send this legislation back to the committee for further study and eventually further submission to this body.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield now?

Mr. FORD. Yes, I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Is the gentleman not aware of the fact that $14,000,000 worth of timber in Oregon have been taken away from the railroads and revested in the Government because they did not follow the conditions of the patent?

Mr. FORD. But I think the situation is a little different in the situation now under discussion.

Mr. GRANGER. What provision is there in the bill by which it can be determined if a homesteader is maintaining a sustained yield? Who is going to determine that?

Mr. FORD. I have read the provision on page 26, lines 12 to 14, and it is not clear to me. I think it is inadequately expressed. There is not sufficient protection. For the reasons the gentleman from Utah has brought out I think the bill should go back to the committee for reexamination and redrafting.

Mr. PETERSON. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, the debate here shows rather clearly what the situation is. I wish, however, to call attention to the fact that substantially the same bill, after extensive hearings, was reported out in the Eightieth Congress. It passed the House; it did not pass the Senate. When the Eighty-first Congress convened the gentleman from North Dakota [Mr. LEMKE], who has followed this matter very seriously and closely, reintroduced the bill.

There is recognition by everyone of the need for settlement in Alaska. The proponents of settlement vary as to the different processes that should be used. It appeared in a bill which the Department sent to us, and that explains in part the reason the budget did not approve this particular bill, because the budget approved that bill. But the committee held hearings and taking into consideration that the House had already acted on a previous bill took the greater portion of the original Lemke bill, amended it to try to eliminate some of the objections that had been raised and to include some of the suggestions that were made by the Department and wrote what might be considered a committee bill. Out of deference to the distinguished gentleman from North Dakota, who has followed this question so long and earnestly, the committee allowed him to introduce the bill. The proposed amendments are before the House today. As I say, we allowed the gentleman from North Dakota the privilege of presenting that bill because it is a credit we thought he was entitled to. It is usual when an important bill comes out of a committee to have it carry the name of the chairman of the committee. He probably would like to have his name attached to it if there were not principles involved and credit to the people who had worked on it. So that is the reason that we reported out the bill as we did.

I do not think the bill is perfect or that it meets with the approval of everyone. I will say, however, that no bill that can be drawn affecting settlement in Alaska will meet the approval of everyone; it is such a vast area, there is such a diversification of land that you cannot draw a perfect bill for that area. This, however, is the best that the committee in its wisdom over a long period of time, both Democrats and Republicans, were able to draw and present to the House. We realize, of course, that the other body will hold hearings and that it will have the benefit of the debate here today. That is the reason we did not want to shut off any opposition. We wanted everyone to express their views. Ultimately this matter will have to go to conference. However, there is one thing certain and that is Alaska needs settlement. More than 98½ percent of all the land in Alaska today is owned by the Federal Government. You cannot erect a little church up there in certain areas without coming to our committee and getting a special bill. You cannot secure a little piece of land for the Campfire Girls without getting a bill from the Committee on Public Lands.

This is a good bill. There may be a few little reservations here and there. I certainly hope it will pass and I hope the benefit of the debate here today will assist the other body. In this bill you have the composite views of 50 men who have served on the Public Lands Committee, men from both sides of the House.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the gentleman from New York.

Mr. KEATING. I was a little disturbed by the remarks of the gentleman from Wisconsin to the effect that the report does not contain any estimate of cost. I wonder if the gentleman can refer us to any evidence in the hearings or otherwise as to the meaning of section 706 where it authorizes expenditures by the Secretary of the Interior and the Secretary of Agriculture, whether those expenditures are likely to be substantial, and, if so, can the gentleman give us some idea of what they might entail?

Mr. PETERSON. That would be dependent upon the number of settlers and the progress which they make in the classification of the land. We have no way of knowing that because we do not know how fast settlement will take place or how fast the land will be classified. We know that before they get any funds for the purpose of carrying out this act they will have to make their justification and come to the Appropriations Committee of the House for that purpose.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. PETERSON. Mr. Chairman, I yield myself two additional minutes.

Mr. KEATING. If these lands are settled, would they then pass from the status of nontaxable to taxable property? Would there be, you might say, an offsetting consideration there?

Mr. PETERSON. Yes. When they have reached the point where patent is given for the property, it then becomes taxable. When a man proves up and is entitled to title, the property then becomes taxable. That has been one of the big problems, one of the main problems, in connection with public ownership of property.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the gentleman from New York.

Mr. COLE of New York. What reason does the gentleman give to justify the

Congress in going against the express opposition of the Alaskan legislator to this bill?

Mr. PETERSON. We felt we had to have settlement up there. We do not know what all the conditions are. But this committee has studied the Alaskan situation. We do know the need for settlement, we know that those who get the benefits from the present timber operations of the Government are powerful in their influence and prone to fight this, just as they fought the homesteaders in the West in earlier days. The great cattle barons fought the little homesteaders, the great timber barons fought the man who settled a little homestead in the forest. The history of the hearings held by the Public Lands Committee shows generally that there has always been a fight made by the large vested interests who profit off the forests and who profit from public lands. That is, before the days of the Taylor Grazing Act.

Mr. COLE of New York. Does that mean that in the opinion of the gentleman at least, perhaps in the opinion of his committee, the Alaskan Legislature is dominated by these hostile vested interests?

Mr. PETERSON. I would not say that, but I will say that many will profit by the present system of Government ownership, and they might have a powerful influence. I would not go so far as to say what happened, because I was not there. But, I do feel that this is a good bill and should be passed. The Territorial legislature probably had not seen the finished draft of this bill, as amended.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. PETERSON. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Answering the question of the gentleman with reference to taxes, it is a matter of fact that the only expense will be for the surveying of the land, which should be surveyed anyway, and the maintenance of the land office, and these people would pay a filing fee, and when they prove it they will have to pay another fee and then they will get fee simple title to the land and then they will be taxable like land here in the United States; is that not about the situation?

Mr. PETERSON. That is correct.

There are no further requests for time on our side, Mr. Chairman.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the national defense and the national interest requires the settlement and developmet of Alaska in order to make possible the full utilization of its resources and to further the national security by providing in the area a firm foundation of permanent residents. The national interest also requires that land be made available to veterans who desire to undertake the development of virgin territory in order to secure land for themselves and their families and that such undertakings be encouraged to an extent commensurate with their value to the Nation. Because of the remoteness and climatic conditions of Alaska, settlement there involves greater expenses, financial risks, and physical hardships than does settlement in other parts of the United States. Large-scale settlement of the Territory requires a greater inducement to the pioneer settlement than exists at present. This act is designated to provide the necessary inducement in the form of enlarged homesteads, while making certain that there will be a minimum of Government interference in the development of the land. This act shall be cited as the "Alaska Veterans' Homesteading Act of 1949": *Provided, however,* That the priority given to veterans under this act shall cease 1 year after the date of the designation for settlement of each area by the Secretary of the Interior, and all native born and naturalized citizens of the United States may then file on and acquire a homestead under the provisions of this act.

TITLE I—DEFINITIONS

SEC. 101. As used in this act, the term "veteran" means any person who served in the armed forces of the United States during any war between the United States and any other nation, and who has been discharged or released therefrom under any conditions other than dishonorable.

TITLE II—AREA

SEC. 201. (a) Except for public lands excluded under subsection (b), public lands in the following parts of the Territory of Alaska shall be made available for settlement by veterans, notwithstanding any provision of law or regulation to the contrary:

(1) That part of the Territory of Alaska known as the Panhandle, lying south of latitude sixty degrees, thirty minutes north, and east of longitude one hundred and forty one degrees west.

(2) That part of continental Alaska lying south of latitude sixty-three degrees north, and east of longitude one hundred and fifty-four degrees west, and south of latitude sixty-two degrees north, and longitude one hundred and sixty-seven degrees thirty minutes west.

(3) Such islands, not including Unalaska and Umnak, as lie within two hundred miles offshore of the continental area designated in paragraph (2).

(4) Areas on either side of the Alaska Highway for a distance of thirty miles.

(5) Areas on either side of the Richardson Highway in south central Alaska, from latitude sixty-three degrees north to its junction with the Alaska Highway at the village of Big Delta, for a distance of thirty miles.

(6) Areas on either side of the Alaska Railroad from latitude sixty-three degrees north to Fairbanks, Alaska, for a distance of thirty miles.

(b) The following public lands, as existing on June 1, 1949, in the Territory of Alaska, are excluded from settlement under this act:

(1) National parks and monuments.
(2) Military and naval installations.
(3) Town sites.
(4) Patented lands.
(5) Certain areas already designated in detail as reserves of spruce timber necessary for national defense.
(6) Areas set apart for the support of an agricultural and mechancial college (U. S. C., 1940 ed., title 48, secs. 353, 354, and 354a).
(7) The Annette Island reservation for Metlakahtla Indians.
(8) Lands embraced in a coal, oil, or gas lease.
(9) Administrative sites.
(10) Airfields.
(11) Cemeteries and land reserved for cemeteries.
(12) Areas classified in aid of legislation.
(13) Lands reserved for the Veterans' Administration, the Coast and Geodetic Survey, the Bureau of Customs, the Public Health Service, and the Alaska Road Commission.
(14) Lands reserved for the support of common schools.
(15) Lands reserved for flood and fire control, and for lighthouse, dock, and power purposes.
(16) Reservations for fish and wildlife preservation.
(17) Native reservations.
(18) Lands set aside for springs, water supply, and water supply protection.
(19) Lands whose title is controlled and protected by title V.

TITLE III—HOMESTEAD PROVISIONS

SEC. 301. (a) That there is hereby created the Veterans Alaska Homestead Claim which shall be not less than three hundred and twenty acres: *Provided,* That no claim shall contain more than one hundred and sixty acres of arable agricultural land, and may be of any size up to and including two thousand five hundred and sixty acres; such size and shape being determined by the Secretary of the Interior, taking into account the type of land, location, and various uses therefor in order that the claim shall be an adequate family-type agricultural, mixed agricultural, fur-farming, grazing, or timber unit sufficient to support a family of seven on an American level of living: *Provided, however,* That if such claim is timberland that not more than one-tenth of such timber shall be cleared, and that the remainder be maintained on a sustained yield basis.

(b) Such homestead claims, for the convenience of the veteran, shall be classified and designated as agricultural, fur farming, grazing, timber, or mixed agricultural, for farming, grazing, and timber and may be located on islands, as well as on the mainland. Each such homestead shall be of a potentiality, or a composite potentiality, to support a family on such a level.

(c) Veterans Alaska Homestead Claims shall be available to all veterans, as defined in section 101, or after the expiration of the veterans' preference period to all citizens.

SEC. 302. (a) To make final proof of claim, a veteran must have actually resided upon the land or at a permanent year-round residence within 10 miles of such land for 3 years: *Provided,* That each day of active duty in the Armed Forces served by a veteran shall, up to and including 2 years, be accepted in full satisfaction of the residence requirement for such 2 years: *Provided further,* That the Secretary may grant leaves of absence not exceeding 5 months in any one calendar year upon an acceptable showing of the necessity for such absence. Any veteran otherwise eligible, who shall have been discharged on account of wounds received or disability incurred in the line of duty, shall be credited with 2 years' constructive service for purposes of this subsection.

(b) To make final proof a veteran must within 5 years from date of entry satisfy the Secretary of the Interior, or his duly authorized agents, that the following conditions have been met:

(1) That such claim has a habitable dwelling suitable for year-round occupancy.

(2) That the veteran is and has been living upon the land, pursuant to the terms of this act, and holds same for his own beneficial interest.

(3) That he is deriving some part of his income, or an amount equivalent to some part of an income necessary to live on such land, from the claim.

(4) A veteran may, as an alternative, also make final proof if he satisfies the Secretary of the Interior, or his duly authorized agents, that a reasonable program for use and occupancy of the homestead claim, as previously agreed upon by the applicant and a representative of the Secretary at the time the application for the claim is approved, has been complied with: *Provided, however,* That final proof shall be made within 5 years from the date of entry.

SEC. 303. (a) Upon final proof of claim by a veteran, the Secretary of the Interior shall,

on behalf of the United States, issue a patent to the land comprising such claim. Such patent shall be issued under the following express conditions:

(1) That during a 5-year period which begins with the date on which the patent is issued, no part of the land covered by such patent shall be alienated except by devise, descent, tax sale, or transfer authorized under section 2288 of the Revised Statutes, as amended (U. S. C., 1940 ed., title 43, sec. 174); or to satisfy the requirements of a bona fide loan.

(2) That during such 5-year period no part of the land covered by such patent shall be leased, except in the following instances:

(A) To a person qualified to a claim under this act.

(B) To a person, as tenant, who shall live on the land for the bona fide purposes of making a livelihood from such land.

(C) To anyone, where there is express consent by the Secretary of the Interior, it being the intent of Congress that any lease so approved will be for the further development of the resources and to encourage settlement.

(3) That the present forestry practices or the future forestry practices of the Department of Agriculture, requiring that all timberland be maintained on a sustained yield basis, shall be continued in perpetuity: *Provided, however,* That the Secretary of the Interior may, in his discretion, except a portion of the patented land from the sustained yield perpetuity clause, when in his judgment such action will not endanger the Alaskan forests.

(4) Upon judicial determination that any of the conditions of subsection (3) has been broken, the United States shall have the right to reenter that part of the claim with respect to which the condition was broken.

SEC. 304. Nothing in this act shall be held to restrict the right of the United States to exercise eminent domain over any claims however fully perfected.

TITLE IV—ADMINISTRATIVE PROVISIONS

SEC. 401. (a) The Secretary of the Interior is authorized and directed to cause to be made comprehensive surveys and studies and to designate lands available for the veterans' homesteads described in section 201 of this act: *Provided, however,* That nothing in this subsection (401a) shall prevent a veteran from squatting and entering upon land available for settlement under the provisions of this act, prior to the designation and public surveys of such lands by the Secretary of the Interior.

(b) Lands in the following areas shall be among the first to be surveyed and made available for veteran settlement in the order to be determined by the Secretary of the Interior: (1) the Portland Canal Cape Fox-Duke Island area; (2) the Kenai Peninsula; (3) the area along the Alaska highway; (4) the Cholmondeley Sound, Moira Sound, and Kasaan areas of Prince of Wales Island; (5) Kodiak Island; (6) the area along the Richardson Highway; (7) the Cleveland Peninsula; (8) the area along the Alaska Railroad; (9) the area in the vicinity of Lisianski Inlet; (10) Afognak Island; (11) the Craig area of Prince of Wales Island; (12) the area in the vicinity of Prince William Sound; (13) Etolin Island; (14) the area in the vicinity of Tenakee Inlet and Peril Strait; (15) the Alaska Peninsula east of longitude one hundred and fifty-eight degrees west; (16) such areas along the lower reaches of the Tanana River as may be recommended by the Bureau of Land Management of the Department of the Interior; and (17) that part of Prince of Wales Island lying south of the West Arm of Cholmondeley Sound and the road connecting the West Arm of Cholmondeley Sound with the Head of Hetta Inlet: *Provided, however,* That this shall not be deemed an exclusive list of areas to be opened for homestead entry.

(c) The normal practice of limiting entry to claims in rectangular shape shall be followed where practicable, except that whenever in the discretion of the Secretary of the Interior it becomes advisable to depart from this procedure in the interest of giving the veterans claim access to water for transportation, agriculture, domestic, or other purposes, or because of the configuration of the terrain, the boundary and form of claims under this act may be adjusted for the individual veteran to provide such access to water.

SEC. 402. (a) The Secretary of the Interior is authorized to provide necessary personnel and prescribe rules and regulations to carry this act into effect, it being the intent of Congress to develop and maintain the natural resources, encourage land settlement in Alaska, and discourage speculation in public lands and corporation ownership.

(b) The Secretary of the Interior is authorized and directed to furnish to qualified veterans, at cost, copies of the results of the surveys made.

TITLE V—REGISTRY OF TITLE

SEC. 501. Nothing in this act shall be held to authorize the making of an entry by any person upon land (a) listed by the Bureau of Land Management as in occupancy under this or some other homestead provision of law; (b) listed by the appropriate United States commissioner as occupied, pending ripening of title; and (c) listed as owned and registered under the provisions of an act of the Legislature of the Territory of Alaska entitled "An act to require declaration of the ownership of land, to impose a penalty for noncompliance, and to dispose of the proceeds of such penalties," approved March 24, 1945.

TITLE VI—AIDS TO SETTLEMENT

SEC. 601. Upon application by any veteran who has made homestead entry under the provisions of this act, the Reconstruction Finance Corporation may make to such veteran such a loan or loans as will be guaranteed under the provisions of title III of the Servicemen's Readjustment Act of 1944, as amended.

SEC. 602. Notwithstanding the requirement of title III of the Servicemen's Readjustment Act of 1944, as amended, that certain real estate loans be secured by a first lien on the realty, such requirement shall be satisfied in the case of any loan made pursuant to section 601 in respect of land on which entry has been made pursuant to the provisions of this act if the loan is secured by a lien on the improvements on such land and by a lien on the personalty of the veteran to the extent legal and practicable.

SEC. 603. The Secretary of the Interior, upon application by an entryman under this act or an entryman or settler on public lands in Alaska under other provisions of law, or by an eligible group engaged in the development of a settlement area under this act, may provide assistance for the purpose of developing public lands in Alaska, exclusive of lands classified for farming or other agricultural purposes, under such terms and conditions as he may prescribe. Such assistance may include land clearing and grading, the preparation and erection of dwellings, buildings, and other structures, and the building of roads, docks, wharves, and other public facilities. The Secretary shall charge the applicants for such assistance at its actual cost, and shall require each applicant to enter into a contract for the repayment of such cost in not to exceed 40 annual amortized installments with interest at 2 percent per annum. Until paid, such charges shall be secured by a mortgage against the land and improvements in connection with which the assistance was given and by such other security as the Secretary in his discretion may determine.

SEC. 604. (a) The Secretary of Agriculture may make loans to entrymen under this act, or to entrymen or settlers on public lands in Alaska under other provisions of law, for the purposes of clearing and developing such lands for agricultural purposes and for the construction, repair, or improvement of farm buildings. Such loans shall be payable within not to exceed 40 years in amortized installments with due consideration for the period of time required for farm development, and shall bear interest at the rate of 2 percent per annum. Each loan shall be secured by a mortgage against the land and the improvements and by a covenant that the land will be operated as a farm with such conservation practices as the Secretary of Agriculture may prescribe, and shall be made on such other terms and conditions as may be necessary for the security of the loan. Loans under this section shall not exceed the reasonable value of the farm based on its earning capacity as established by a competent appraisal.

(b) The Secretary of Agriculture may clear and prepare land on behalf of borrowers and include the cost thereof in the loan for the development or improvement of the farm.

(c) The Secretary of Agriculture may also make loans to individual farmers and stockmen in Alaska for the purchase of livestock, feed, fertilizer, farm equipment and supplies, and other farm needs, and for the refinancing of indebtedness and family subsistence.

(d) The provisions in sections 41, 42, 44, 45, 46, 48, 49, 50, 51, 52, 53, and 54 of the Bankhead-Jones farm tenant act, as amended, to the extent that such provisions are not inconsistent with this section, shall be applicable with respect to the loans made pursuant to this section.

SEC. 605. For the purpose of promoting the settlement and development of Alaska, the Reconstruction Finance Corporation is authorized to make special loans to any business enterprise for use in developing the settlement areas. No special loan may be made unless the financial assistance applied for is not otherwise available on reasonable terms. All special loans shall be so secured as reasonably to assure repayment, and shall be made upon such terms and conditions and with such maturities, not in excess of 30 years, as the Corporation deems appropriate to carry out the purposes of this act and to protect the interests of the United States. The aggregate amount of loans and commitments made pursuant to this section shall not exceed $7,500,000 outstanding at any one time.

SEC. 606. Any entry or settlement with respect to which a mortgage is taken pursuant to section 301, 302, or 303 of this act shall, prior to the issuance of patent by the Secretary of the Interior, be subject to cancellation, at the request of the holder of the lien, whenever default occurs in the terms, conditions, covenants, or obligations contained in the mortgage, or as otherwise provided by law. After cancellation or relinquishment of an entry or settlement on which there is a mortgage lien pursuant to the provisions of this act, the land shall become open for entry under this act or for disposition under other applicable provisions of the public-land laws to a person approved by the holder of the lien, and subject to the indebtedness to the holder of the lien. If within 1 year after such cancellation or relinquishment no satisfactory application for entry or other proper disposition has been received, the Secretary of the Interior may sell the land to satisfy such indebtedness, upon terms and conditions prescribed by him with the approval of the holder of the lien, and the proceeds therefrom shall be remitted to the holder of the lien.

SEC. 607. (a) The Secretary of the Interior is authorized to build roads and docks in order to facilitate transportation to and within settlement areas, to clear and grade

nonagricultural lands within these areas in order to prepare them for settlement, and to provide such technical, advisory, and other nonagricultural services to entrymen and settlers, and to other Federal or Territorial agencies, as he deems proper to insure sound settlement and development in Alaska. Expenditures made under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby.

(b) The Secretary of Agriculture is authorized, upon the subdivision of public lands into farm units under this act, to clear and prepare such land within each unit as may be necessary for the farmstead site and for private farm roads, together with such additional land for tillage, not in excess of 5 acres per unit, as may be necessary to meet immediate needs. Expenditures under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby, and shall not be included in the amount loaned pursuant to section 302.

(c) For the purpose of facilitating the settlement and development of public lands in Alaska for farming and other agricultural purposes, the Secretary of Agriculture may provide assistance to entrymen and settlers under this act or other public-land laws, and to other Federal or Territorial agencies. Such assistance may include such technical, advisory, and other agricultural services as the Secretary of Agriculture deems proper to insure sound development and settlement in Alaska.

SEC. 608. The Secretary of the Interior is authorized to contract, in such manner and upon such terms and conditions as he deems appropriate, with Government agencies and with common, contract, or private carriers by sea, land, or air, on behalf of applicants for, entrymen of, and other actual or potential settlers of, public lands in Alaska, and of eligible groups under this act, for the purpose of promoting the development and settlement of Alaska by providing efficient and economical transportation of such applicants, entrymen, and settlers, and of the members of such eligible groups, together with their dependents and their goods and chattels to, from, and within Alaska.

SEC. 609. (a) Any department or agency in whom functions are vested by this act may contract with any department, agency, or instrumentality of the Federal Government, or of the Territory of Alaska, for the provision of any of the services or facilities authorized in this act and shall utilize to the extent practicable the available services and facilities of other departments, agencies, and instrumentalities of the Government.

(b) Property which is excess or surplus to the needs of any department, agency, or instrumentality of the Federal Government which is situated in Alaska, and which is suitable for carrying out the provisions of this act in connection with the development and settlement of Alaska, shall be transferred to any department or agency exercising authority under this act upon its request without reimbursement or transfer of funds. Any such department or agency is authorized to transport, recondition, modify, and store such property, and to use it in carrying out its functions under this act or to dispose of it to settlers and groups of settlers under this act for their own use at equitable prices and under terms and conditions to be set by such department or agency.

TITLE VII—MISCELLANEOUS

SEC. 701. The Administrator of Veterans' Affairs shall, upon the request of the Secretary of the Interior, inform such Secretary whether or not any person who has made application for a claim or has stated in writing his intention to make such application qualifies as a veteran under the provisions of section 101.

SEC. 702. (a) Nothing in this act (other than the provisions of sec. 501) shall prevent any person qualified under the provisions of any other homestead laws from (1) making entry, (2) making final proof, or (3) receiving a patent with respect to any public land made available for settlement by section 201 upon compliance with such other law.

(b) Any veteran who, pursuant to the provisions of some other homestead law, has made or shall make entry, or has received or shall receive a patent, with respect to land in any part of the Territory of Alaska in which public land is made available for settlement by section 201 shall, upon compliance with the provisions of this act, be entitled to make entry upon and, upon final proof, to receive patent to such additional public land in the vicinity of his original claim as will not, when added to the acreage of such original claim, exceed the relevant maximum acreage established in section 301.

SEC. 703. The first sentence of section 500 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out "incurred in service in line of duty, shall be eligible for the benefits of this title" and inserting in lieu thereof "incurred in service in line of duty, and any person who is a veteran within the definition contained in section 101 of the Alaska Veterans Homestead Act of 1949 and who has made homestead entry under the provisions of such Act, shall be eligible for the benefits of this title."

SEC. 704. In the disposal under the Surplus Property Act of 1944, as amended, of all (a) surplus property located in the Territory of Alaska and (b) surplus boats and other floating equipment located in the Seattle area, the disposal agencies shall grant preference over all other disposals under such act to veterans who have made entry under this act, upon presentation of satisfactory evidence that any such veteran, or group of veterans, purchasing any such property will use it in connection with his homestead or their homesteads or otherwise to assist in the settlement of the Territory of Alaska.

SEC. 705. In the event of the death of a veteran before patent is issued, his heirs or devisees shall succeed to the same rights that he would have had, had he lived. Acceptance of such rights shall constitute an agreement on the part of the heir or devisee to meet the obligations of the veteran with respect to the tract and shall render the heir or devisee liable to the same extent as the veteran.

SEC. 706. (a) There are hereby authorized to be appropriated to the Secretary of the Interior such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of the Interior under this act.

(b) There are hereby authorized to be appropriated to the Secretary of Agriculture such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of Agriculture under this act.

SEC. 707. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. PETERSON. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. PETERSON: Strike out all after the enacting clause and insert the following language: "That the national defense and the national interest requires the settlement and development of Alaska in order to make possible the full utilization of its resources and to further the national security by providing in the area a firm foundation of permanent residents. The national interest also requires that land be made available to veterans who desire to undertake the development of virgin territory in order to secure land for themselves and their families and that such undertakings be encouraged to an extent commensurate with their value to the Nation. Because of the remoteness and climatic conditions of Alaska, settlement there involves greater expenses, financial risks, and physical hardships than does settlement in other parts of the United States. Large-scale settlement of the Territory requires a greater inducement to the pioneer settlement than exists at present. This act is designed to provide the necessary inducement in the form of enlarged homesteads, while making certain that there will be a minimum of Government interference in the development of the land. This act shall be cited as the 'Alaska Veterans' Homesteading Act of 1949': *Provided, however*, That the priority given to veterans under this act shall cease 1 year after the date of the designation for settlement of each area by the Secretary of the Interior, and all native born and naturalized citizens of the United States may then file on and acquire a homestead under the provisions of this act.

"TITLE I—DEFINITIONS

"SEC. 101. As used in this act, the term 'veteran' means any person who served in the armed forces of the United States during any war between the United States and any other nation, and who has been discharged or released therefrom under any conditions other than dishonorable.

"TITLE II—AREA

"SEC. 201. (a) Except for public lands excluded under subsection (b), public lands in the following parts of Alaska shall be made available for entry or settlement by veterans, notwithstanding any provision of law or regulation to the contrary:

"(1) That part of the Territory of Alaska known as the Panhandle, lying south of latitude sixty degrees, thirty minutes north, and east of longitude one hundred and forty-one degrees west.

"(2) That part of continental Alaska lying south of latitude sixty-three degrees north, and east of longitude one hundred and fifty-four degrees west, and south of latitude sixty-two degrees north, and longitude one hundred and sixty-seven degrees thirty minutes west

"(3) Such islands, not including Unalaska and Umnak, as lie within 200 miles offshore of the continental area designated in paragraph (2).

"(4) Areas on either side of the Alaska Highway for a distance of 30 miles.

"(5) Areas on either side of the Richardson Highway in south central Alaska, from latitude sixty-three degrees north to its junction with the Alaska Highway at the village of Big Delta, for a distance of 30 miles.

"(6) Areas on either side of the Alaska Railroad from latitude sixty-three degrees north to Fairbanks, Alaska, for a distance of 30 miles."

"(b) The following public lands in the Territory of Alaska are excluded from entry or settlement under this act:

"(1) National parks and monuments.

"(2) Military and naval reservations.

"(3) Town sites and lands withdrawn to protect the water supply of towns and cities.

"(4) Patented lands and lands located, entered, or settled under other public land laws.

"(5) Certain areas already designated in detail as reserves of spruce timber necessary for national defense.

"(6) Areas set apart for the support of an agricultural and mechanical college (U. S. C., 1940 edition, title 48, secs. 353, 354, and 354a).

"(7) The Annette Island reservation for Metlakahtla Indians.

"(8) Lands embraced in an existing valid coal, oil, or gas lease, or in a valid timber

sale contract, or areas set aside as mineral reservations because of known mineral deposits.

"(9) Administrative sites.

"(10) Airfields.

"(11) Cemeteries and land reserved for cemeteries.

"(12) Areas classified in aid of legislation.

"(13) Lands reserved for the Veterans' Administration, the Coast and Geodetic Survey, the Bureau of Customs, the Public Health Service, and the Alaska Roads Commission.

"(14) Lands reserved for the support of common schools.

"(15) Lands reserved for flood and fire control, and for lighthouse, dock, and power purposes.

"(16) Reservations for fish and wildlife preservation.

"(17) Native reservations and such lands as may hereafter be set aside for the use and benefit of Alaskan Indians or Eskimos.

"(18) Lands set aside for springs, water supply, and water-supply protection.

"(19) Lands whose title is controlled and protected by title V.

"(20) Lands withdrawn for the use of the Alaskan Railroad.

"TITLE III—HOMESTEAD PROVISIONS

"SEC. 301. (a) That there is hereby created the Veterans' Alaska Homestead Claim, which shall be not less than 320 acres: *Provided*, That no claim shall contain more than 160 acres of arable agricultural land, which need not be contiguous with the rest of the claim, and the claim may be of any size up to and including 2,560 acres; such size and shape being determined by the Secretary of the Interior, taking into account the type of land, location, and various uses therefor in order that the claim shall be an adequate family-type agricultural, mixed agricultural, fur farming, grazing, or timber unit sufficient to support a family of seven on an American level of living: *Provided, however*, That if such claim is timberland that not more than one-tenth of such timber shall be cleared, and that the remainder be maintained on a sustained-yield basis.

"(b) Such homestead claims, for the convenience of the veteran, shall be classified and designated as agricultural, fur farming, grazing, timber, or mixed agricultural, fur farming, grazing, and timber, and may be located on islands, as well as on the mainland. Each such homestead shall be of a potentiality, or a composite potentiality, to support a family on such a level.

"(c) Veterans' Alaska Homestead Claims shall be available to all veterans, as defined in section 101, or, after the expiration of the veterans' preference period, to all citizens.

"SEC. 302. Applications to enter or settle on designated lands, shall be filed in accordance with rules and regulations prescribed by the Secretary of the Interior.

"SEC. 303. (a) To make final proof of claim, a veteran must have actually resided upon the land or at a permanent year-round residence within 10 miles of such land for 3 years: *Provided*, That each day of active duty in the armed forces served by a veteran shall, up to and including 2 years, be accepted in full satisfaction of the residence requirement for such 2 years: *Provided further*, That the Secretary may grant leaves of absence not exceeding 5 months in any one calendar year upon an acceptable showing of the necessity for such absence. Any veteran otherwise eligible, who shall have been discharged on account of wounds received or disability incurred in the line of duty, shall be credited with 2 years' constructive service for purposes of this subsection.

"(b) To make final proof a veteran must, within 5 years from date of entry, satisfy the Secretary of the Interior, or his duly authorized agents, that the following conditions have been met:

"(1) That such claim has a habitable dwelling suitable for year-round occupancy.

"(2) That the veteran is and has been living upon the land, pursuant to the terms of this act, and holds same for his own beneficial interest.

"(3) That he is deriving some part of his income, or an amount equivalent to some part of an income necessary to live on such land, from the claim.

"(4) A veteran may, as an alternative, also make final proof if he satisfies the Secretary of the Interior, or his duly authorized agents, that a reasonable program for use and occupancy of the homestead claim, as previously agreed upon by the applicant and a representative of the Secretary at the time the application for the claim is approved, has been complied with:

Provided, however, That final proof shall be made within 5 years from the date of entry.

"SEC. 304. (a) Upon final proof of claim by a veteran, the Secretary of the Interior shall, on behalf of the United States, issue a patent to the land comprising such claim. Such patent shall be issued under the following express conditions:

"(1) That during a 5-year period, which begins with the date on which the patent is issued, no part of the land covered by such patent shall be alienated except by devise, descent, tax sale, or transfer authorized under section 2288 of the Revised Statutes, as amended (U. S. C., 1940 ed., title 43, sec. 174); or to satisfy the requirements of a bona fide loan.

"(2) That during such 5-year period no part of the land covered by such patent shall be leased, except in the following instances:

"(A) To a person qualified to a claim under this act.

"(B) To a person, as tenant, who shall live on the land for the bona fide purposes of making a livelihood from such land.

"(C) To anyone, where there is express consent by the Secretary of the Interior, it being the intent of Congress that any lease so approved will be for the further development of the resources and to encourage settlement.

"(3) That the present forestry practices or the future forestry practices of the Department of Agriculture, requiring that all timberland be maintained on a sustained-yield basis, shall be continued in perpetuity: *Provided, however*, That the Secretary of the Interior may, in his discretion, except a portion of the patented land from the sustained-yield perpetuity clause, when in his judgment such action will not endanger the Alaskan forests.

"(4) Upon judicial determination that any of the conditions of subsection (3) has been broken, the United States shall have the right to reenter that part of the claim with respect to which the condition was broken.

"SEC. 305. Nothing in this act shall be held to restrict the right of the United States to exercise eminent domain over any claims however fully perfected.

"TITLE IV—ADMINISTRATIVE PROVISIONS

"SEC. 401. (a) The Secretary of the Interior is authorized and directed to cause to be made comprehensive surveys and studies and to designate lands available for the veterans' homesteads described in section 201 of this act: *Provided, however*, That nothing in this subsection (401a) shall prevent a veteran from squatting and entering upon land available for settlement under the provisions of this act, prior to the designation and public surveys of such lands by the Secretary of the Interior. The Secretary of the Interior shall advertise such designations.

"(b) Lands in the following areas shall be among the first to be surveyed and made available for veteran settlement in the order to be determined by the Secretary of the Interior: (1) the Portland Canal-Cape Fox-Duke Island area; (2) the Kenai Peninsula; (3) the area along the Alaska highway; (4) the Cholmondeley Sound, Moira Sound, and Kasaan areas of Prince of Wales Island; (5) Kodiak Island; (6) the area along the Richardson Highway; (7) the Cleveland Peninsula; (8) the area along the Alaska Railroad; (9) the area in the vicinity of Lisianski Inlet; (10) Afognak Island; (11) the Craig area of Prince of Wales Island; (12) the area in the vicinity of Prince William Sound; (13) Etolin Island; (14) the area in the vicinity of Tenakee Inlet and Peril Strait; (15) the Alaska Peninsula east of longitude one hundred and fifty-eight degrees west; (16) such areas along the lower reaches of the Tanana River as may be recommended by the Bureau of Land Management of the Department of the Interior; and (17) that part of Prince of Wales Island lying south of the West Arm of Cholmondeley Sound and the road connecting the West Arm of Cholmondeley Sound with the Head of Hetta Inlet: *Provided, however*, That this shall not be deemed an exclusive list of areas to be opened for homestead entry.

"(c) The normal practice of limiting entry to claims in rectangular shape shall be followed where practicable, except that whenever in the discretion of the Secretary of the Interior it becomes advisable to depart from this procedure in the interest of giving the veteran's claim access to water for transportation, agricultural, domestic, or other purposes, or because of the configuration of the terrain, the boundary and form of claims under this act may be adjusted for the individual veteran to provide such access to water.

"SEC. 402. (a) The Secretary of the Interior is authorized to provide necessary personnel and prescribe rules and regulations to carry this act into effect, it being the intent of Congress to develop and maintain the natural resources, encourage land settlement in Alaska, and discourage speculation in public lands and corporation ownership.

"(b) The Secretary of the Interior is authorized and directed to furnish to qualified veterans, at cost, copies of the results of the surveys made.

"TITLE V—REGISTRY OF TITLE

"SEC. 501. Nothing in this act shall be held to authorize the making of an entry by any person upon land (a) listed by the Bureau of Land Management as in occupancy under this or some other homestead provision of law; (b) listed by the appropriate United States commissioner as occupied, pending ripening of title; and (c) listed as owned and registered under the provisions of an act of the legislature of the Territory of Alaska entitled 'An act to require declaration of the ownership of land, to impose a penalty for noncompliance, and to dispose of the proceeds of such penalties,' approved March 24, 1945.

"TITLE VI—AIDS TO SETTLEMENT

"SEC. 601. Upon application by any veteran who has made homestead entry under the provisions of this act, the Reconstruction Finance Corporation may make to such veteran such a loan or loans as will be guaranteed under the provisions of title III of the Servicemen's Readjustment Act of 1944, as amended.

"SEC. 602. Notwithstanding the requirement of title III of the Servicemen's Readjustment Act of 1944, as amended, that certain real-estate loans be secured by a first lien on the realty, such requirement shall be satisfied in the case of any loan made pursuant to section 601 in respect of land on which entry has been made pursuant to the provisions of this act if the loan is secured by lien on the improvements on such land and by a lien on the personalty of the veteran to the extent legal and practicable.

"SEC. 603. The Secretary of the Interior, upon application by an entryman under this act or an entryman or settler on public lands in Alaska under other provisions of law, or by an eligible group engaged in the development of a settlement area under this act, may provide assistance for the purpose of developing public lands in Alaska, exclusive of lands classified for farming or other agricultural purposes, under such terms and conditions as he may prescribe. Such assistance may include land clearing and grading, the preparation and erection of dwellings, buildings, and other structures, and the building of roads, docks, wharves, and other public facilities. The Secretary shall charge the applicants for such assistance at its actual cost, and shall require each applicant to enter into a contract for the repayment of such cost in not to exceed 40 annual amortized installments with interest at 2 percent per annum. Until paid, such charges shall be secured by a mortgage against the land and improvements in connection with which the assistance was given and by such other security as the Secretary in his discretion may determine.

"SEC. 604. (a) The Secretary of Agriculture may make loans to entrymen under this act, or to entrymen or settlers on public lands in Alaska under other provisions of law, for the purposes of clearing and developing such lands for agricultural purposes and for the construction, repair, or improvement of farm buildings. Such loans shall be payable within not to exceed 40 years in amortized installments with due consideration for the period of time required for farm development, and shall bear interest at the rate of 2 percent per annum. Each loan shall be secured by a mortgage against the land and the improvements and by a covenant that the land will be operated as a farm with such conservation practices as the Secretary of Agriculture may prescribe, and shall be made on such other terms and conditions as may be necessary for the security of the loan. Loans under this section shall not exceed the reasonable value of the farm based on its earning capacity as established by a competent appraisal.

"(b) The Secretary of Agriculture may clear and prepare land on behalf of borrowers and include the cost thereof in the loan for the development or improvement of the farm.

"(c) The Secretary of Agriculture may also make loans to individual farmers and stockmen in Alaska for the purchase of livestock, feed, fertilizer, farm equipment and supplies, and other farm needs, and for the refinancing of indebtedness and family subsistence.

"(d) The provisions in sections 41, 42, 44, 45, 46, 48, 49, 50, 51, 52, 53, and 54 of the Bankhead-Jones Farm Tenant Act, as amended, to the extent that such provisions are not inconsistent with this section, shall be applicable with respect to the loans made pursuant to this section.

"SEC. 605. For the purpose of promoting the settlement and development of Alaska, the Reconstruction Finance Corporation is authorized to make special loans to any business enterprise for use in developing the settlement areas. No special loan may be made unless the financial assistance applied for is not otherwise available on reasonable terms. All special loans shall be so secured as reasonably to assure repayment, and shall be made upon such terms and conditions and with such maturities, not in excess of 30 years, as the Corporation deems appropriate to carry out the purposes of this act and to protect the interests of the United States. The aggregate amount of loans and commitments made pursuant to this section shall not exceed $7,500,000 outstanding at any one time.

"SEC. 606. Any entry or settlement with respect to which a mortgage is taken pursuant to this title shall, prior to the issuance of patent by the Secretary of the Interior, be subject to cancellation, at the request of the holder of the lien, whenever default occurs in the terms, conditions, covenants, or obligations contained in the mortgage, or as otherwise provided by law. After cancellation or relinquishment of an entry or settlement on which there is a mortgage lien pursuant to the provisions of this act, the land shall become open for entry under this act or for disposition under other applicable provisions of the public-land laws to a person approved by the holder of the lien, and subject to the indebtedness to the holder of the lien. If within 1 year after such cancellation or relinquishment no satisfactory application for entry or other proper disposition has been received, the Secretary of the Interior may sell the land to satisfy such indebtedness, upon terms and conditions prescribed by him with the approval of the holder of the lien, and the proceeds therefrom shall be remitted to the holder of the lien.

"SEC. 607. (a) The Secretary of the Interior is authorized to build roads and docks in order to facilitate transportation to and within settlement areas, to clear and grade nonagricultural lands within these areas in order to prepare them for settlement, and to provide such technical, advisory, and other nonagricultural services to entrymen and settlers, and to other Federal or Territorial agencies, as he deems proper to insure sound settlement and development in Alaska. Expenditures made under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby.

"(b) The Secretary of Agriculture is authorized, upon the subdivision of public lands into farm units under this act, to clear and prepare such land within each unit as may be necessary for the farmstead site and for private farm roads, together with such additional land for tillage, not in excess of 5 acres per unit, as may be necessary to meet immediate needs. Expenditures under this subsection shall not constitute a charge against the land or the persons or groups benefited thereby, and shall not be included in the amount loaned pursuant to section 602.

"(c) For the purpose of facilitating the settlement and development of public lands in Alaska for farming and other agricultural purposes, the Secretary of Agriculture may provide assistance to entrymen and settlers under this act or other public-land laws, and to other Federal or Territorial agencies. Such assistance may include such technical, advisory, and other agricultural services as the Secretary of Agriculture deems proper to insure sound development and settlement in Alaska.

"(d) To insure the orderly and progressive establishment of a well-balanced and integrated system of highways to aid in sound settlement and development as contemplated by this act, the Public Roads Administration, Federal Works Agency, in cooperation with the Secretary of the Interior and the Secretary of Agriculture, and with other Federal or Territorial agencies, shall make a study of the existing road facilities and changes therein and additions thereto that may be deemed necessary to meet the present and future needs of the areas to be developed, including land use and its relations to roads, schools, other community facilities, markets, rail, water, and other means of transportation, protection of forest against fires, water utilization, health, flood control, and financial ability to meet the cost of construction and maintenance.

"SEC. 608. The Secretary of the Interior is authorized to contract, in such manner and upon such terms and conditions, as he deems appropriate, with Government agencies and with common, contract, or private carriers by sea, land, or air, on behalf of applicants for, entrymen of, and other actual or potential settlers of, public lands in Alaska, and of eligible groups under this act, for the purpose of promoting the development and settlement of Alaska by providing efficient and economical transportation of such applicants, entrymen, and settlers, and of the members of such eligible groups, together with their dependents and their goods and chattels to, from, and within Alaska.

"SEC. 609. (a) Any department or agency in whom functions are vested by this act may contract with any department, agency, or instrumentality of the Federal Government, or of the Territory of Alaska, for the provision of any of the services or facilities authorized in this act and shall utilize, to the extent practicable, the available services and facilities of other departments, agencies, and instrumentalities of the Government.

"(b) Property which is excess or surplus to the needs of any department, agency, or instrumentality of the Federal Government, which is situated in Alaska, and which is suitable for carrying out the provisions of this act in connection with the development and settlement of Alaska, shall be transferred to any department or agency exercising authority under this act, upon its request, without reimbursement or transfer of funds. Any such department or agency is authorized to transport, recondition, modify, and store such property, and to use it in carrying out its functions under this act or to dispose of it to settlers and groups of settlers under this act, for their own use, at equitable prices and under terms and conditions to be set by such department or agency.

"TITLE VII—MISCELLANEOUS

"SEC. 701. The Administrator of Veterans' Affairs shall, upon the request of the Secretary of the Interior, inform such Secretary whether or not any person who has made application for a claim or has stated in writing his intention to make such application qualifies as a veteran under the provisions of section 101.

"SEC. 702. (a) Nothing in this act (other than the provisions of section 501) shall prevent any person qualified under the provisions of any other law from squatting on, or acquiring rights, by locations, settlement, or entry, with respect to any public land described in section 201 in accordance with such other laws, prior to its designation as a settlement area hereunder by the Secretary of the Interior: *Provided, however,* That where a valid homestead settlement or entry has been made on land subsequently included in a designated area, the settler or entryman may elect to come under title III of this act whereupon his claim shall be conformed to a veteran's Alaska homestead claim of such size and shape as may be prescribed by the Secretary of the Interior in accordance with title III, and the claim shall be perfected in accordance with said title.

"(b) Any veteran who, pursuant to the provisions of some other homestead law, has made or shall make entry, or has received or shall receive a patent, with respect to land in any part of the Territory of Alaska in which public land is made available for settlement by section 201 shall, upon compliance with the provisions of this act, be entitled to make entry upon and, upon final proof, to receive patent to, such additional public land in the vicinity of his original claim as will not, when added to the acreage of such original claim, exceed the relevant maximum acreage established in section 301.

"SEC. 703. The first sentence of section 500 (a) of the Servicemen's Readjustment Act of 1944, as amended, is amended by striking out 'incurred in service in line of duty, shall be eligible for the benefits of this title' and

inserting in lieu thereof 'incurred in service in line of duty, and any person who is a veteran within the definition contained in section 101 of the Alaska Veterans Homestead Act of 1949 and who has made homestead entry under the provisions of such act, shall be eligible for the benefits of this title.'

"SEC. 704. In the disposal under the Surplus Property Act of 1944, as amended, of all (a) surplus property located in the Territory of Alaska and (b) surplus boats and other floating equipment located in the Seattle area, the disposal agencies shall grant preference over all other disposals under such act to veterans who have made entry under this act, upon presentation of satisfactory evidence that any such veteran, or group of veterans, purchasing any such property will use it in connection with his homestead or their homesteads, or otherwise to assist in the settlement of the Territory of Alaska.

"SEC. 705. (a) In the event of the death of a veteran before patent is issued, his heirs or devisees shall succeed to the same rights that he would have had, had he lived. Acceptance of such rights shall constitute an agreement on the part of the heir or devisee to meet the obligations of the veteran with respect to the tract and shall render the heir or devisee liable to the same extent as the veteran.

"(b) In meritorious cases the Secretary of the Interior may permit the entryman under this act or his heirs or devisees to sell his unpatented tract under such conditions as the Secretary may prescribe. If at the time of the contemplated sale such tract is covered by a lien arising under this or any other act, the consent of the holder of the lien to such sale shall be required.

"SEC. 706. (a) There are hereby authorized to be appropriated to the Secretary of the Interior such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of the Interior under this act.

"(b) There are hereby authorized to be appropriated to the Secretary of Agriculture such sums as the Congress may from time to time deem necessary to carry out the functions of the Secretary of Agriculture under this act.

"SEC. 707. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of this act and the application of such provision to other persons or circumstances shall not be affected thereby."

The committee amendment was agreed to.

Mr. PETERSON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4424) to provide for the settlement of certain parts of Alaska by war veterans, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. PETERSON. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. FORD. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. FORD. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FORD moves to recommit the bill H. R. 4424 to the Committee on Public Lands.

Mr. PETERSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

Mr. PETERSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DISPENSING WITH FURTHER CALENDAR WEDNESDAY BUSINESS

Mr. WHITTINGTON. Mr. Speaker, I move that further proceedings under the call of committees on Calendar Wednesday be dispensed with.

The motion was agreed to.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. PRIEST. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 173]

Abbitt	Dawson	Howell
Allen, Calif.	Deane	Huber
Anderson, Calif.	DeGraffenried	Jackson, Calif.
Andrews	Dingell	Jacobs
Battle	Dolliver	Johnson
Bentsen	Dondero	Jones, N. C.
Boggs, La.	Douglas	Keefe
Bonner	Doyle	Kerr
Boykin	Durham	Larcade
Bramblett	Engel, Mich.	LeCompte
Breen	Engle, Calif.	Lodge
Brooks	Fernandez	McConnell
Buckley, N. Y.	Gary	McDonough
Bulwinkle	Gilmer	McKinnon
Burdick	Hand	McMillen, Ill.
Cannon	Hare	Madden
Carlyle	Harris	Magee
Case, S. Dak.	Hart	Mahon
Chatham	Hays, Ohio	Martin, Iowa
Cox	Hébert	Miles
Crawford	Herter	Miller, Calif.
Davis, Tenn.	Holifield	Monroney
Morrison	Sadlak	Stockman
Morton	Sadowski	Sutton
Nixon	St. George	Trimble
O'Neill	Saylor	Velde
Pace	Scott, Hugh D., Jr.	Welch
Patman	Scudder	Werdel
Pickett	Secrest	Wheeler
Plumley	Shelley	Whitaker
Poulson	Sheppard	White, Calif.
Quinn	Smathers	Wickersham
Rains	Smith, Ohio	Willis
Redden	Staggers	Wolverton
Rich	Stigler	Wood
Rivers		

The SPEAKER pro tempore. On this roll call, 326 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TEMPORARY APPROPRIATIONS FOR FISCAL YEAR 1950

Mr. THOMAS submitted the following conference report and statement on the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2123)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment as follows:

In line 9 of the amendment of the Senate, before the colon, insert the following: "; except that this proviso shall not apply to appropriations included in such bill (H. R. 8567) for 'Fighting forest fires', Department of Agriculture, and 'Office of the Housing Expediter' but no funds may be used to pay compensation of any employee in a grade higher than the grade of such employee on May 22, 1950, and no funds herein shall be used to pay the officers or employees of the Office of Housing Expediter for periods after June 30, 1950"; and the Senate agree to the same.

CLARENCE CANNON,
ALBERT THOMAS,
W. F. NORRELL,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH,
Managers on the Part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
STYLES BRIDGES,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 476) making temporary appropriations for the fiscal year 1950, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendment, namely:

The House concurs in the amendment of the Senate with an amendment which provides that funds shall be available for pay of compensation of the Office of the Housing Expediter and the Forest Service. None of the funds may be used, however, for pay of employees in grades higher than the grades

of such employees on May 22, 1950, and none of the funds may be used for compensation of employees for periods after June 30, 1950.

CLARENCE CANNON,
ALBERT THOMAS,
W. F. NORRELL,
JAMIE L. WHITTEN,
JOHN TABER,
R. B. WIGGLESWORTH,
Managers on the Part of the House.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on House Joint Resolution 476.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. TABER. Mr. Speaker, reserving the right to object, the Senate amendment, as improved by the conference report, simply creates certain restrictions on the operation of these funds; is that correct?

Mr. THOMAS. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

Mr. THOMAS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

SELECTIVE SERVICE EXTENSION ACT OF 1950

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 597 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6826) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and I now yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the immediate consideration of a bill to extend the Selective Service Act of 1948. It is a sad experience of my life, Mr. Speaker, that 5½ years after my service in World War II it is my lot to call up before this House a measure dealing with the possibility of a future war, for when I left Europe to take my seat among you gentlemen, I shared the faith, the hope, and the confidence of all good Americans and all good people everywhere that the end of World War II would see peace for the world and freedom from the threat and horrors of aggression. Unfortunately that is not true. Forces of evil and aggression, well armed, ruthlessly control a large portion of the world and threaten the balance. It seems that it has ever been so. While my memory goes back only a little over 30 years, during that time the world seems to have been getting into a war, engaged in a war, or getting out and recovering from a war. It is a sad commentary on human beings that there are millions of young people in the world who have no memory other than that of crises, war and destruction.

The unfortunate truth is, Mr. Speaker, that we must conclude that today we cannot live in this world without the machinery of destruction, that we cannot live in this world without the power of destroying those who would destroy us. I have looked forward each year, anxiously, hopefully, and prayerfully to the time when I could, as a United States Representative, join with you in devoting our minds to the development of the great opportunities that are ours in a peaceful world, to the development of the wealth and power in our country for the forces of good and for peace throughout the world. I have longed for the time when we could spend for hospitalization and roads and education, and for the development of our great natural resources, the billions of dollars that we now spend for destruction and the power to destroy, and for the renovation of that which we have already destroyed.

It is not the fault of this body or of this Government or of this country that we are not in a position today to devote all of our energies and thoughts to peace. It is not the fault of this body or this country that millions of people today suffer under the yoke of dictatorships, or the heel of foreign armies, for we have, to the everlasting credit of our Government and our citizens, contributed fully of our wealth and our blood and our minds to establishment of a free and decent world. We do not at this time covet the land or the property of any government upon the face of the earth, but on the other hand, have contributed billions for their rehabilitation. No country need fear aggression on our part, militarily or economically, but today I think it is most important for the world to know that idealistic as we may be, free as we may be with our money, patient and lenient as we may be in our attitude toward aggressive powers, there is a limit to which we may be pushed, and a limit to which Russia or any other power may move against us and our allies, even in a cold war. I think the world ought to know that ruthless and aggressive dictators, powerful as they may be, have pushed and shoved the American people as far as we intend to go and that we shall not and will not in the future stand idly by and see any power continue to run over the decent, helpless people of the world; no, not even if Americans must die again to preserve the things that are dear to us.

Dormant as this Selective Service Act may be under the terms of this bill, Mr. Speaker, it is unmistakable notice to the world that we remain true to the principles of freedom, of decency, and human dignity, and that we will continue to fight for those things we believe are right.

Let the forces of evil and aggression throughout the world know that as much as we despise war, as much as we detest war, we remain able to meet them on the field of battle again and again, if it is necessary to defend those things we cherish, love, and hold dear.

Therefore, Mr. Speaker, it seems highly appropriate that today we consider extension of the Selective Service Act, for we do not know what may be in the minds of those who oppose democracy, the American way of life, freedom, and human dignity throughout the world. We cannot know whether war is inevitable, imminent, or generations away, but we can and do know that we cannot live without the power to destroy those who might attack us. This act is but a weapon to preserve the things that are dear to us, the principles for which we have paid with blood and money and sacrifice throughout the years.

If there is objection to this measure, Mr. Speaker, it is that it is not active and strong enough to fully meet the conditions of the troubled world today. If there is objection, it is that it does not afford the young men of America sufficient opportunity to prepare themselves for the ordeals of American citizenship during the coming years. If there is objection, Mr. Speaker, it must be that in our enthusiasm for living in peace, we fail to sufficiently prepare ourselves to live in war.

The great opportunists that have been ours as American citizens have been given us by those great Americans who have preceded us, men and women who have had the courage to live and die for freedom. Distasteful as it may be, we owe those who follow us no less.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I have always opposed the peacetime draft, but this is not a draft but merely a registration. But what do we find today? We find the high generals and admirals in secret session of the Committee on Armed Services telling us that we are in the midst of a cold war that might become a shooting war immediately. We find the membership of the Committee on Armed Services coming in with the unanimous report favoring this peacetime registration bill. We find General Bradley saying:

It is not enough that we plan only to win wars after they start—

I believe he said this in committee session to the members of the Committee on Armed Services—

but we must prevent them before they begin, if the result of our plans are to be more than palliatives for diseases already contracted.

I understand General Bradley also said that in committee session:

In conclusion, may I point out again that the international situation has not improved in the last 8 months. We have an opportunity here to buy ourselves from 4 to 6 months of essential time. This security bargain is only offered for sale once. Let us not pass it up.

Mr. Speaker, like many other Members here, at the beginning of World War I I was in high school. Those of us who are about 50 years of age have never seen anything in this country except wars and emergencies. In 1917 there was the First World War. Then during the twenties, with the exception of a few years, we had recessions and so forth. Then came the 1929 depression. After that we got into World War II. After we got through that, immediately we start in on this cold war. So I say to you Members here today that those of us who have always opposed peacetime drafts, after listening and reading the testimony of our high armed services officials, find ourselves in considerable embarrassment. However, I would say while my good friend, the gentleman from Texas [Mr. LYLE] says that it is not strong enough, I think it is amply strong. It provides, and I would like to have the chairman of the Committee on Armed Services correct me if I am wrong, as I say, it merely requires those 18 years of age to register, and does not draft anyone—is that true, Mr. Chairman?

Mr. VINSON. The gentleman is correct.

Mr. ALLEN of Illinois. As I understand the bill, it also requires a concurrent resolution by the Congress before anyone can be inducted into the service. Is that correct, Mr. Chairman?

Mr. VINSON. It provides that Congress must find that a national emergency exists and pass a concurrent resolution to that effect before anyone can be inducted in the armed services.

Mr. ALLEN of Illinois. And it does not permit the President of the United States to call into active service the reserve components or the National Guard, is that true?

Mr. VINSON. Whenever the Congress passes a concurrent resolution stating that a national emergency exists, the bill authorizes the President to order in the reserves and the National Guard for 21 months. If that were not contained in this bill, a specific law would have to be passed dealing with that.

Mr. ALLEN of Illinois. And it does not permit the President or anyone else to take over the industries of the country until legislation providing for that is acted on by the Congress.

Mr. VINSON. The gentleman has studied the bill as well as the members of the Committee on Armed Services and is accurate in all the questions he has asked.

Mr. ALLEN of Illinois. I thank the gentleman.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. LYLE. A moment ago I said if there was objection to the bill it was that it was not strong enough. I did not object to it.

Mr. ALLEN of Illinois. I stand corrected, then.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MILLER of Nebraska. The bill presently being considered is H. R. 6826. I notice it reads, "To extend the Selective Service Act of 1948 for a period of 3 years, and for other purposes"; I presume there may be some amendments to the bill and perhaps to the title of the bill. But would the chairman of the Committee on Armed Services, when he has time on the bill, answer a few questions, because I know the country is confused because at the beginning of this session, if my memory serves me correctly, the chairman of the Committee on Armed Services announced that there would be no extension of the Selective Service Act. This committee was very much against it. Not too long ago the Commander in Chief of the Armed Forces, Mr. Truman, President of the United States, came back from Florida and announced that things were better in the international picture than at any time since 1946. Almost on the same day, from testimony from the Secretary of War, Mr. Johnson, and General Bradley, before the committee, the Armed Services Committee reversed the field and runs the other way and, under the leadership of the chairman, reports out a selective service bill unanimously.

Then, I recall that the Secretary of Defense, Louis Johnson, said within the last few months that if Joe Stalin started a war at 4 a. m. we would make hell out of it by 5 a. m. At the same time, Stuart Symington the then Secretary of Air announced that we were not prepared, that we did not have the planes, and the cities were unprotected, giving the country the feeling that war might break out. General Bradley, if my memory serves me correctly, said that we might blunder ourselves into war any day. Now if the President was right his advisers are wrong—if his advisers are right the President is wrong.

These things are all very conflicting and I hope the gentleman from Georgia, chairman of the Armed Services Committee, will make a few comments about them. I have never known him to carry water on both shoulders and reverse the field before, because in the early sessions of this Congress he said there would not be any extension of the draft, and now today he brings in a bill. If the gentleman can tell the Members of Congress anything about this secret testimony in executive session—possibly he cannot, I do not know, perhaps the Commander in Chief of the Armed Forces finds his organization falling apart at the seams—I do not know. At least, they do not get their advice from the same source. That is what I said to my folks in Nebraska. They say to me, "Who is right, the President of the United States or General Bradley?" I said, "I do not know. I do not think they get their information from the same source." I hope the chairman of this committee will tell us why he reverses the field and why he brings out this bill when he said he would not bring it out, and tell the Members of Congress who is right. The gentleman can do that in his own time.

Mr. VINSON. Will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. VINSON. I would like to advise the House that the answer the gentleman gave his constituents as to which one to follow on military matters, whether the President of the United States or General Bradley, I am inclined to think the gentleman recommended General Bradley.

Mr. MILLER of Nebraska. You know, my people out there in Nebraska are divided. When the President went on his nonpolitical tour, he spoke three times in my district. On these occasions he told them everything was fine; that there was not going to be any war. In other recent speeches he made, he was concerned about the cold war and what might happen. I just do not know who to believe. He talks out of one side of his mouth at one time and out of the other side at another time. Of course, you can reverse the field and run the other way in America, but I hope the gentleman will give the Members of Congress a little light on that subject.

Mr. ALLEN of Illinois. I would like to make one more observation, and that is with reference to the efficiency of this proposition. The report says that even though you are just going to register 18-year-old boys, that there are 37,000 uncompensated citizens in this group, which means, of course, they will have their expenses paid, and perhaps a per diem when they work. It is also said that they have 3,000 rental units to just take these names, and a few remarks about these boys. It also provides for full pay with expenses, automobiles and so forth, for 3,600, just to take down the names of these boys and say a few things to them. I think that the Appropriations Committee, when they come to granting appropriations for these expenses, certainly could cut down, because 3,600 is far too many to just take down the names of these boys, along with a few questions. So I draw that to the attention of the chairman of the Armed Services Committee as well as of the Appropriations Committee, to cut down some of these thousands of offices throughout the country which put on additional payrollers with no work, or very little work to do.

In conclusion, Mr. Speaker, I say that inasmuch as this requires further action by the Congress in order to induct individuals into the National Guard or Reserve components, I am going to support this bill, and I feel certain that the able chairman of the committee when we get to the bill itself will be able reasonably to answer any questions asked of him.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MARCANTONIO. I wonder if anybody could throw any light on the coincidence of the announcement of support of this legislation coming from the committee simultaneously with the announcemnt of the Secretary of Defense supporting the additional $350,000,000 appropriation that the chairman of this committee has been seeking? I wonder if that is just a mere coincidence, or does it have a direct relationship.

Mr. VINSON. It is just a mere coincidence as far as I am concerned.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. LYLE. Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, I desire to take this 10 minutes under the rule so that I may state to the House the clear-cut issue of exactly what this bill does and what this bill does not do.

As to the question propounded by the distinguished gentleman from Nebraska [Mr. MILLER] when the House goes into the Committee of the Whole I shall be glad to discuss it.

So that the House can thoroughly understand what this bill does, let me state that it simply extends the act of 1948, known as the Selective Service Act, for 2 years. There is no doubt about what it does. But by the terms of the bill no one can be inducted into the services until the Congress, that is, the House and the Senate, by concurrent resolution declares that a state of national emergency exists. Let everyone understand exactly what the bill does; it extends the act of 1948 for 2 years. The act will expire 1 month from today if it is not extended. Then the bill stays the hand of the Selective Service System until Congress says that inductions can take place.

Mr. LESINSKI. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield.

Mr. LESINSKI. I understood the gentleman to say that this extended the act for 2 years; I thought it was 3.

Mr. VINSON. No; it is 2 years.

During the 2-year extension of this act the bill permits what? It permits only two things to take place: It permits and requires the registration of all youths who reach the age of 18, and it permits their classification; that is all this bill does. It does not do anything else; it merely retains these Selective Service organizations throughout the country and requires the boys as they become 18 years of age to go before the local draft boards and be registered, give their addresses, their names, and be classified by the local boards. No man in America can be inducted into the armed forces until a majority vote of the House and the Senate approves it.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield for a question?

Mr. VINSON. I yield with pleasure.

Mr. MARCANTONIO. The gentleman is telling us what this bill does. I think he should also tell us whether or not this bill protects any person who is inducted after the House or Senate declares an emergency, protects them against discrimination and segregation in the armed forces.

Mr. VINSON. Yes; it does that.

Mr. MARCANTONIO. How?

Mr. VINSON. One of the very first provisions of the bill we wrote 2 years ago provides that there shall be no discrimination.

Mr. MARCANTONIO. Will the gentleman yield further?

Mr. VINSON. If the gentleman will ask the clerk of the committee to give him section 5 (a) of the original act, he will see that it states there shall be no discrimination on account of race or color.

Mr. MARCANTONIO. But the gentleman will admit that there has been and still is certain discrimination.

Mr. VINSON. I cannot admit that at all because when that question comes up by amendment the House will be informed as to exactly what has taken place and I think it will meet with the overwhelming approval of the House.

Mr. Speaker, in view of the fact that this bill is mainly a registration and a classification matter, at the proper time I shall offer an amendment to change the bill's name and let it be known by what it actually does on a daily basis. It will be known by the amendment I shall offer as the Manpower Registration Act.

That amendment I have submitted to my distinguished colleague the gentleman from Missouri [Mr. SHORT], and he approves it. It was at his suggestion that I reached the decision, because registration and classification is all it does from day to day. It merely registers and classifies the youth of the country. So I will offer an amendment to the bill at the proper time; and if it meets the approval of the committee, the bill will be known as the Manpower Registration Act of 1950.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Iowa.

Mr. JENSEN. Should this bill not be titled "The Military Manpower Act"?

Mr. VINSON. No.

Mr. JENSEN. Instead of just "Manpower Act." It takes in everybody. I would make that suggestion.

Mr. VINSON. I suggest to the gentleman that we have it in the right language and notwithstanding his concern I do not think his language would apply. Here is the weakness of the gentleman's argument: The bill says nobody can be registered except those between 18 and 26 years of age. Those are the only ones who can be registered.

Mr. JENSEN. It is a military bill and should be termed a military manpower act.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Does the bill call for registration of industrial manpower?

Mr. VINSON. No.

Mr. Speaker, I have explained what is going to happen under the bill. There are seven different things done by it. It extends the act for 2 years. It bars or prohibits any induction until the Congress has declared that a national emergency exists which requires an increase in our military strength. I think that is sound. In the old law it was left up to the President to put it in effect 90 days after the date of enactment of the act. In my opinion, it is up to the Congress to say when the youth of this land shall be brought into the services. It is our responsibility to provide and to maintain an Army and a Navy. We say here that when a national emergency arises then the Congress will cross the bridge at that time and if it requires inductions to increase our military strength we will vote on it. But remember this, there cannot be any draft just merely to recruit people for the Army. There can only be a draft to meet a national emergency, to increase our military strength.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I want to be perfectly fair. In my statement a few minutes ago I said that the Committee on Armed Services, referring to the gentleman, had said earlier in the session that there would be no draft.

Mr. VINSON. I will tell the gentleman about that later and how it is we had to change our views and why we think we are doing the right thing today The gentleman will have a complete answer to that.

Now, third, the bill suspends the power of the President to seize plants essential to war until the Congress declares an emergency. Under the law today the President has that power. I say that when the President desires to take a big steel company or anything else, the Congress ought to have a voice in it; Congress ought to pass on it.

Now, what does the bill do affirmatively? Those are the things it prohibits. It keeps in operation the requirement that every male person in the United States between the age of 18 and 26 must register with his local board. It keeps in operation the requirement that the registrant be continually classified as available for military service. That is all it does. When a boy reaches 18 years of age he goes to his draft board; he registers and is classified. That is the end of it until you step in and exercise your right in providing for the defense of this country and say that youth must be inducted to defend his homeland.

Mr. GRANGER. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Utah.

Mr. GRANGER. Can the gentleman tell us what is meant by "classification?"

Mr. VINSON. By classification is meant placing of the registrant in class 1, 2, 3, 4, or 5. If he is physically disabled, if he is a one-armed man, the board will immediately say, "We cannot use you; we will put you in this or that group."

Mr. Speaker, I hope this resolution will be adopted. We will explain and we

will endeavor to answer all of the questions asked by the gentleman from Nebraska [Mr. MILLER] in general debate.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I understand that we had a quorum call so that any roll call on this matter would be avoided and nobody would have to go on record. Under the procedure adopted, our constituents will be unable to learn just how you voted. That is a natural enough desire. A long time ago it was said that where there was a will there was a way.

We as a nation have prided ourselves as a nation upon the thought, the expression, that we were a peace-loving Nation, yet the gentleman from Texas [Mr. LYLE] expresses either bewilderment, confusion, or I do not know just what it was, when he called attention to the fact that it seemed that we were either just getting into a war, fighting a war, or getting out of a war.

To me that seems a strange situation for a Nation that is really a peace-loving Nation. It is difficult to understand how we get that way—follow that course.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Texas.

Mr. LYLE. Does the gentleman know that during the last 1,500 years there have been more than 500 major wars fought?

Mr. HOFFMAN of Michigan. And that Britain has been at war during almost half of her so-called civilization and that as a result of her policy she has lost her position as a world power and for existence is now dependent upon our aid. Britain's proud boast that the sun never sets on the British flag is a thing of the past.

Mr. LYLE. That civilization has spent half of its time fighting, so it is not necessarily America. That has beeen the very nature of mankind continually.

Mr. HOFFMAN of Michigan. During the past hundred years Switzerland has not been at war. Portugal, right over there where the war was going on, did not get into either war, did she? Luxembourg did not have any war, did she? Oh, there are plenty of nations that did not take part in the last two World Wars. What is the matter with us; with our foreign policy; with those who administer our Government?

The methods and the procedures we are following here today, as those who were here prior to the First World War and during that war, will recall, are exactly those which we then followed, which did not keep us out of World War II. Very vividly do I recall a statement made from the well of this House that we must extend aid to Britain until we could get ready; all aid short of war.

And I recall that after the war was over we learned that even prior to the time we got into the war, publicly at least, we were actually in and were taking part in a fighting war through our ships on the sea. That is to say, those who then all the time told us to do this, that, or other, to make this or that appropriation, to follow this or that method, while they were telling us that those methods and that procedure would avoid war, and were keeping us out of war, had actually committed us to World War II.

So it is that today some of us believe that we are already committed to world war III—a strange, strange situation for a Nation which claims to love peace—to hate war—which considers itself the most powerful Nation in all the world.

The chairman of the committee told me a few moments ago, and you heard him, that this was not a bill to draft industrial labor.

Mr. VINSON. I will tell the gentleman the reason why I said that. It is because there has not been submitted to the Congress a complete mobilization plan. I think one should be submitted and should be passed at this time dealing with capital, labor, and manpower, and be put on the shelf. That is what I am hopeful the distinguished Chairman of the War Resources Board, Mr. Symington, will have in the Congress at least by January.

Mr. HOFFMAN of Michigan. Yes, but with the political power the unions have, does the gentleman really think such a bill is coming down? Does he think it will be passed by the House? We have gone a long, long way in the unification bill toward a dictatorship—a regimentation of all civilian activities—in the procedure adopted by the Department of Defense to organize and draft industry and capital, but we have not yet said anything about drafting manpower generally.

It is strange indeed that when these wars come on they draft the young men, and now the young women of the country, I suppose, will soon be in it. We draft the young men to fight and die, and at the same time we permit an overwhelming majority of the manpower of this Nation to call strikes and to refuse to work for the production of the implements which would enable those who have been drafted to fight on foreign soil, to have the weapons they need—to fight successfully.

As I recall the statement of Acting Secretary of the Navy Edison, in Detroit in 1939, I think it was, for 42 days the CIO tied up the production of engines needed by the Navy. They even refused for approximately that same length of time to let the Federal Government take from the factories the patterns and the materials the Navy had there. That is all a matter of record. Attached hereto is a copy of questions submitted to him, and his answers.

Yet you come along here with a bill which is the first step to take the farm boys, the clerks, the young independent businessmen, the white-collar workers, take them out of this country and compel them to fight abroad, perhaps under foreign officers, and you leave here at home a group belonging to an organization which has almost unlimited political power.

A plan, I understand, was recommended to place the operation of the selective-service law where? In the Labor Department, a Department created and charged by law with the duty of advancing and promoting the interests of the man who works. Are we to have one group to fight, another group to stay at home and make a large profit, reasonably, by comparison, large wages, compensation for the service they render, and at the same time to obstruct and hinder the efforts of those who are fighting our battles abroad?

What this country needs is a riddance of those who have failed so miserably in the past. It would be unfair, uncharitable for us to say that the administration which was in power when World War II came along got us into that war. That would not be right.

But we can at least in all fairness say this, that having the power of carrying on negotiations with foreign nations, they did not keep us out of war; did they? No; they did not. And the war having been fought and the war having been won, we assume, what happens?

They gave away to our present so-called, at least, potential enemy—they give away the liberty and the security of millions of people. They gave away the territory in China and Poland and, in fact, have given away practically everything that the war was fought to achieve. I recall the gentleman from New Jersey [Mr. EATON] talking so eloquently and so persuasively.

The SPEAKER pro tempore [Mr. PRIEST]. The time of the gentleman from Michigan has expired.

Mr. LYLE. Is the gentleman for or against this bill?

Mr. HOFFMAN of Michigan. Oh, do you not know? You know very well I am against it.

I am in favor of, and I will vote for, almost anything that the armed services request in the way of money to provide for our national defense.

I know that our people do not want war, although they never have failed and they will not now fail to fight courageously and determinedly if war must come.

We are in our present predicament because, as I have in the very brief time available attempted to point out, those who have been directing our foreign policy have failed to protect our interests, have failed to keep us out of war, to keep us out of a situation which now tends strongly toward war.

Mr. Hiss had much to do with determining our foreign policy. Mr. Hiss was convicted of perjury because he denied that he was a Communist or had dealings with the Communists. After his conviction Mr. Acheson publicly stated in substance that he would stand by Hiss.

To me it is folly to even think of drafting men for war, while letting a man like Acheson shape our foreign policy. Acheson was an important part of the team, as was Hiss, which, figuratively speaking, ran us into the ditch.

Why entrust the job of getting us out of the ditch to the man or to the group which failed to keep us out, which so steered our course that we got into it?

Unfortunately it is a fact that Mr. Acheson and the State Department lack the confidence of a large segment of our population. Some people believe Hiss favored the Communists, Russia, whom we are about to fight. That Acheson was and is his friend.

Many of our people are now uncertain as to whether those who were associated with and who approved of Hiss' policies would now sincerely represent us in any war with those who, it is charged, were favored by Hiss.

Mr. Speaker, the following are the questions to and the answers of the Navy Department to which previously reference was made:

[No. 253]

REQUESTING CERTAIN INFORMATION FROM THE SECRETARY OF THE NAVY ON CERTAIN MATTERS IN CONNECTION WITH A STRIKE OF EMPLOYEES IN THE PLANTS OF THE BOHN ALUMINUM CO. AT DETROIT, MICH. (H. RES. 314). MR. HOFFMAN

NAVY DEPARTMENT,
Washington, October 20, 1939.

The CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: The resolution (H. Res. 314) requesting information from the Secretary of the Navy on certain matterms in connection with a strike of employees in the plants of the Bohn Aluminum Co. at Detroit, Mich., was referred to the Navy Department by your committee with request for report.

The questions in the resolution are set forth below, the answer to each appearing immediately thereafter:

(a) Whether the Navy Department did have a contract with said corporation?

At the time the said strike was called, the Navy Department did have a contract with the Bohn Aluminum & Brass Corp., of Detroit, Mich., for the manufacture of special bearings for aircraft engines. In addition, the corporation was also engaged in the manufacture of special bearings and castings for manufacturers with whom the Navy Department had contracts.

(b) Whether a strike which interfered, or would interfere, with the activities of the Navy Department occurred?

A strike actually occurred in the plants of the said corporation which did interfere with the activities of the Navy Department.

(c) How long such strike continued?

A strike was called at the corporation's plant No. 1, Detroit, Mich., on August 29, 1939. At the time the strike was called, plant No. 1 was engaged in the manufacture of special bearings for aircraft engines for manufacturers with whom the Navy has contracts. On September 15, 1939, a second strike was called at all of the 7 plants of the corporation in the Detroit district in sympathy with the strike at plant No. 1 (bearings). At the time of calling the second strike, plant No. 2 was engaged in the manufacture of castings for airplane engines in process of manufacture at the Naval Aircraft Factory, Navy Yard, Philadelphia, Pa.; also castings for a manufacturer with whom the Navy has a contract for a special type of marine engine.

The duration of the strike in plant No. 1 (bearings) was from August 29 to October 8, inclusive, 41 calendar days. The duration of the strike in plant No. 2 (castings) was from September 15 to October 8, 1939, inclusive, 24 calendar days.

(d) Whether the delivery of bearings or parts which had been manufactured for the Navy, or of plans, specifications, or equipment, or any of them was delayed?

The delivery of completed castings, bearings, and parts, also those in the process of manufacture, was delayed for the duration of the strike.

The Navy Department was unable to obtain the return of the Government-owned patterns, plans, and equipment for the duration of the strike.

(e) What, if any, representations were made by the Navy Department to the corporation looking toward the ending of said strike?

No representations were made by the Navy Department to the corporation looking toward the ending of the strike.

(f) What, if any, representations were made by the Navy Department to the union or its representatives looking toward the settlement of the strike?

On September 28, 1939, the United States Navy resident inspector of naval material at Detroit, Mich., informed the regional director of the United Automobile Workers, Congress of Industrial Organizations, Detroit, Mich., of the seriousness of the delay in the delivery of the material due on contracts, also the urgent need of the shipment of patterns and requested that he instruct his representative in charge of the picket line at the corporation's plant No. 2 to allow a representative of the inspector of naval material and a truck to pass through the picket line to pick up Government-owned patterns and ship them on a Government bill of lading.

The regional director of the United Automobile Workers, Congress of Industrial Organizations sent three representatives of union local No. 208 to discuss the removal of the patterns with the inspector of naval material. The representatives of union local No. 208 were given full access to the files on the Navy contracts and they were informed that the delay in releasing patterns for delivery was seriously jeopardizing the manufacture of airplane engines at the Naval Aircraft Factory. At the end of the discussion, the union representatives stated that as the strike situation stood at the present time, their answer was emphatically "No" and that they would not let patterns or inspected castings be removed. No further action was taken by the Navy Department to remove the patterns and castings. The Navy Department kept in touch with the strike situation at the Bohn plants through its field representatives, and through the United States Department of Labor, but took no steps looking toward the settlement of the strike.

Sincerely yours,

CHARLES EDISON,
The Acting Secretary of the Navy.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the last time the Draft Act was before the House, which was during my first term as a Member of this distinguished body, I voted against it. This time I shall support this bill, and I would like to tell the House my reasons for supporting it.

First, I think the lines have tightened, compared to what they were before. I think now we have to determine whether the appetite of the American people for freedom has dimmed to the point where we are not willing to make personal sacrifices to retain that freedom for ourselves and in the world and whether we are willing to surrender and take the consequences of surrender, which are these: first, an estimated $35,000,000,000 annual budget for the Military Establishment, because the danger we face is not that our country shall be isolationist as it was for many years after World War I, but that it shall be isolated; deprived of the aid of the free peoples who are our friends and allies; and, second, and deriving directly from that—a depreciation in the American standard of living in such an eventuality of not less than 50 percent.

Mr. Speaker, I believe that the appetite for freedom of the people of our country has not diminished, and I think this bill is but a recognition of the way in which the lines have been drawn now.

I do not go along with the school of thought which says that if we erect a formidable armament and constantly add to that formidable armament, we will avoid war, because the other side will be scared. That has never in history led to avoiding war. But I do believe that the economic reconstruction of the free world, which we are engaged in today, and which is successful, can decisively repel the Communist challenge, needs the solid defense of a shield which can be respected.

And let us never forget that on the other side of the shield of defensive power, that we are endeavoring to help perfect through this measure, stands a fully mobilized Soviet army. The Soviet is not passing a measure to have a standby draft or just to register young men. It maintains a fully mobilized army in excess of 150 divisions with three to five million active soldiers. Let us never forget that and let us throw that in the teeth of anyone who tells us that our people who support this measure will be preaching the doctrine of war. The American people are dedicated to peace and also to freedom; they will not permit themselves to be provoked; they will recognize their responsibilities.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. O'TOOLE].

Mr. O'TOOLE. Mr. Speaker, it is not my desire to be critical of the committee. Under the peculiar circumstances that exist I suppose it is impossible to bring in a stronger bill. However, I do feel that a mollycoddle measure such as this may ultimately cause us to hang our heads in shame. We are determinedly refusing to face the issue. We are determined that we shall not recognize that we are living in a hostile world. We deny the existence of aggressors who despise and hate us. If there is to be draft legislation, let us bring out on this floor an honest draft bill with teeth in it. A bill that will actually provide adequate training for the youth of this country.

All around the world there are rumors of war, yet we are not taking cognizance of them. We are satisfied that if a conflict comes we will once again throw untrained youth into the breach. This lack of training has cost us 150,000 casualties in each of the two previous wars. Gentlemen of the House we must stop playing politics. We must recognize our responsibility to safeguard the Nation and its youth. We must stop bringing forth legislation the principal purpose of which is to offend no one. We must pass legislation that is sound, solid, and substantial.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. O'TOOLE] has expired.

Mr. LYLE. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CHRISTOPHER].

Mr. CHRISTOPHER. Mr. Speaker, I shall support this measure because I believe it is necessary for the moral effect that it will have on the nations of the world. I have two sons who will soon register under this registration act. Four

members of my immediate family were in the last war.

The reason I take the floor is that I wish to remark that if I hated labor as badly as some of the gentlemen who speak at this microphone seem to, I would refuse to wear the clothes they make, I would refuse to eat the food they process, I would refuse to ride in the automobiles that they manufacture, I would refuse to live in the houses they build, and I would refuse to ride in the trains they drive. I would go into the wilderness and I would make my clothes of leaves and I would live on squirrels and fish.

Mr. LYLE. Mr. Speaker, I yield the balance of my time to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS. Mr. Speaker, this legislation before us I think is a very important piece of legislation. One of the arguments which impressed the committee more than other arguments for the passage of this legislation, when the hearings were held, was the testimony of the Secretary of Defense, Louis Johnson, on January 20, 1950. For fear that some may have overlooked this statement, I am taking this opportunity to read it into the RECORD, that the country may know one of the great and impelling reasons why the committee voted this measure out with approval.

The statement is as follows:

> There are many indications that the forthright action by the Congress in June 1948 had significant repercussions abroad. We know, for instance, on the observation of our Ambassador to Moscow, that the passage of the 1948 act came as a thunderous shock to the men of the Politburo. And we all remember how, 1 month after President Truman addressed the joint session of Congress in March of 1948, the Italian people went to the polling booths and chose to stand with freedom in defiance of dictatorship.
>
> I am not implying that the enactment of selective service alone was responsible for the rebirth of hope in Europe. I do not hesitate, however, to go on record that it was one of the decisive factors in stopping the spread of communism in Europe in 1948. The adoption of selective service in peacetime declared to the world in terms that were clearly understandable that we propose to keep ourselves strong.

Mr. Speaker, this Nation had the experience before World War I of trying to follow the doctrine of weakness. We found that it failed miserably, and as a result of our weak and undefended position we were brought into World War I. I am confident in my own mind that had this country been thoroughly prepared as the clouds of the Second World War came in, we might have been able even to stay out of that second dreadful conflict. I am satisfied that the doctrine of weakness, of unpreparedness in the face of the storm in the world is a false doctrine to pursue. I am satisfied that the greatest obligation that rests upon us here in the Congress of the United States is to keep this Nation out of war and in a state of peace. Therefore, Mr. Chairman, I think one of the best arguments we can advance toward stopping the progress of communism in Europe and maintaining our institutions of freedom in the world is by the passage of this bill extending the draft act. I thoroughly subscribe to the argument presented by our great Secretary of Defense.

Mr. LYLE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6286) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6286) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes, with Mr. ROONEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(The text of the bill is as follows:)

Be it enacted, etc., That subsection (b) of section 17 of the Selective Service Act of 1948 (62 Stat. 604) is hereby amended by striking out the words "second anniversary" and substituting therefor the words "fifth anniversary."

The CHAIRMAN. Under the rule, the gentleman from Georgia [Mr. VINSON] is recognized for 1 hour and the gentleman from Missouri [Mr. SHORT] for 1 hour.

Mr. VINSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this bill has the unanimous support of the Committee on Armed Services. It will have these effects:

First, it extends for two more years the 1948 Selective Service Act, which expires on June 24 of this year.

Second, it bars any inductions until Congress has declared that a national emergency exists which requires an increase in our military strength.

Third, it suspends the President's power to seize plants essential to war until the Congress declares an emergency.

Fourth, it keeps in operation the requirement that every male person in the United States between the ages of 18 and 26 must register with his local selective service board.

Fifth, it keeps in operation the requirement that registrants be continually classified as to availability for military service.

Sixth, it authorizes the President to order to active duty for 21 months all National Guardsmen, Reserves, and Regular retired personnel after a national emergency is declared by the Congress.

Seventh, it suspends provisions of law authorizing short-term enlistments in the Regular armed forces.

So there are the two main effects of the bill. First, it puts inductions in a stand-by status until the Congress says men are to be inducted; second, it continues the registration of 18-year-olds and their classification as to availability for military service.

In its day-to-day operation, what this bill really amounts to is a manpower registration law. It keeps us up to date on our youth of military age in the way of possible exemptions and deferments, and keeps their addresses readily available in case the Congress should find it necessary, sometime in the future, to authorize inductions into the armed forces.

It also keeps induction authority on the statute books for immediate use in time of emergency, but that authority is suspended until the Congress determines that world conditions require an increase in the strength of our armed forces.

Now, what are the reasons that justify the extension of the selective service law?

First, I want to discuss world conditions for a moment.

Two years ago, when we put this law on the statute books, all of us hoped that world conditions would so improve that we could, by now, dispense with a draft law. That is why we put a 2-year limit on the law. Now, I know it comes as no surprise to any Member of the House when I say that, despite our hopes, world conditions today are not improved. Two years ago the Armed Services Committee reported to the House that selective-service legislation was "the necessary response of this Government to specific, aggressive, and dangerous actions on the part of the Government of the Soviet Union."

Now, the fact is that the actions of the Soviet Union are quite as menacing and truculent today as they were then—if not more so. As General Bradley testified before the Armed Services Committee on May 2, "there has been no let-up in the aggressive extension of communism toward its goal of world domination."

Mr. Chairman, the trend of international affairs in recent months has been extremely disturbing to all of our people. As General Bradley said, it is not so much the specific incidents as it is their accumulation—their cumulative impact—that gives us concern. Let me remind the committee what has happened in recent months.

There has been a recent, unprovoked attack on a United States Navy plane, costing the lives of 10 of our citizens. There has been continued Soviet pressure on our occupation forces in Berlin which very recently has taken on very serious aspects. There has been a tremendous extension of Soviet influence in the Far East, and Indochina, Burma, Siam, and the Malayan Peninsula are in steadily increasing danger of going the way of China. In Eastern Germany the Russians have created a powerful army under their domination, and they have recently taken over the Polish armed

forces. More recently they have demanded our ouster from Trieste. Various harassing and menacing acts are occurring with increasing frequency against our private citizens and Government officials at various pressure points throughout the world. Meanwhile, Soviet armed strength has steadily increased, and our Government policy-making officials have found it necessary to tell our people almost daily that we must maintain ourselves in a state of great readiness in a tense and threatening world. Several of our most responsible leaders have repeatedly reminded the Nation of the fact that Russia now respects only force.

So, what does it all add up to? General Bradley asked that question before the Armed Services Committee on May 2 and answered, in his own words, that—

Certainly it does not support discontinuance of the Selective Service Act when it expires on June 24.

The Armed Services Committee has unanimously agreed with that sound observation by General Bradley. There is nothing whatsoever in the international scene which would warrant relaxation on the part of the United States of her readiness program. It is the committee's conclusion that if we let the Selective Service Act expire, it would clearly constitute an unfortunate and unwise reversal of our preparedness efforts.

There was another important reason prompting the Armed Services Committee to bring this bill unanimously to the House.

General Bradley made this observation to the committee:

It appears to me, as I tabulate the actions of the past several months—

He was referring to the Marshall plan, the North Atlantic Treaty, defense planning at The Hague, the military assistance program—

that it would be entirely inconsistent for us to participate in all of these plans to protect ourselves and others, and then penalize ourselves by letting selective service lapse at the height of the cold war.

We had similar testimony from the Secretary of State on this point. He testified:

While I realize that for some months it has not been necessary to use the Selective Service Act as the basis for meeting our manpower requirements of our armed forces, I nonetheless believe that failure to extend the act might be widely interpreted abroad as a relaxation of our determination to remain strong as the principal defender of the peace against aggression from any power. It would appear inconsistent both with the responsibility which we assumed under the North Atlantic Treaty and with our efforts to encourage the other members of the treaty to increase their individual and collective strength to resist aggression.

The committee agrees fully with the Secretary of State, the Secretary of Defense, General Bradley, and others that profound effects could flow in foreign lands from a refusal by the Congress to keep this law on the statute books. Not only could the impact abroad be directly contradictory to what we are trying to do through other measures in international affairs, but I am personally convinced that the Soviet Union would seize upon such a refusal as evidence that this Nation is half-hearted in its international efforts—and there is no doubt that enormous volumes of misleading and damaging propaganda would be spread from one end of the world to the other in an effort to persuade our friends overseas that America is not willing to stand up to the requirements of the cold war.

So from the standpoint of our own readiness for an emergency in a world which is certainly no less troubled than it was 2 years ago, and from the standpoint of the effect on our friends overseas who, after all, are right next door to the Russian military machine, we have unanimously concluded on the Armed Services Committee that it would be extremely unwise to permit the Selective Service Act to lapse.

Now, how does keeping this law on the books assist our readiness program?

I mentioned before that the committee is putting inductions on the shelf until the Congress declares a national emergency. I want to emphasize that this will not eliminate the value of those provisions in the law. In case of an emergency, it will be far simpler and much quicker for the Congress to approve a concurrent resolution than it would be for us to try to write, in a great hurry, a law that sets out in great detail all of the exemptions and deferments, and so on, which have to go into a draft act.

There is definite readiness to be gained by keeping this authority on the statute books. Upon approval of the concurrent resolution by the Congress we can promptly increase the armed strength very substantially—much faster than we could if we had to write an entirely new law from scratch.

But there is an even more important reason why this measure contributes to the readiness of our defense program.

This bill will keep the selective service machinery operating, and will continue registrations and classifications. These three activities are absolutely vital to the rapid mobilization of our manpower.

We have arrived at a time, because of atomic weapons and other instruments of modern war, when we cannot postpone until after an emergency begins our efforts to mobilize promptly. We have to be as ready as we can when the emergency starts. This means that we must be able to mobilize far more rapidly than ever before in our history. I think it is evident to every Member of the House that our manpower mobilization plans can be of little value in time of an emergency unless there is machinery already perfected and in operation—machinery which does not have to be assembled and personnel gathered and trained when the crisis is upon us.

There can be no doubt, by the way, that in case of a future Pearl Harbor it would be much more difficult to create and place in operation a Selective Service System than it was 10 years ago and again in 1948. There will be enormous, competing demands for civilian manpower, and there could possibly be very serious damage to the Nation on the very outbreak of the emergency. It follows, therefore, that the present Selective Service System, in actual operation, with board members already appointed, with personnel already trained, ready to function at once in each of the local communities of the Nation, can much more acceptably and much more in the national interest produce prompt results than any organization which we could hastily assemble under circumstances possibly chaotic in nature.

What this means in terms of time is 4 months. It means that we could reach an induction rate of 300,000 a month in the event of an emergency 4 months sooner than we otherwise could if we let the System lapse. The saving of this time could be of incalculable importance in the event of a sudden military crisis.

Now, Mr. Chairman, I want to take just a moment to summarize what the Selective Service System consists of. I remind the House that the System is kept in operation under terms of this bill.

Now, this is the Selective Service System. It consists of a national headquarters here in Washington which is headed by a Director confirmed by the Senate. Although headed at the present time by a retired major general, it is a civilian organization unconnected with the Armed Forces and operates directly under the President.

The Selective Service System now has 54 State headquarters. There are 3,745 local boards, which for reasons of economy, are housed at approximately 3,000 locations throughout the country. There are about one-half the number of local boards and less than 20 percent of the personnel that the System required to operate during World War II.

The Selective Service System is staffed with 37,000 uncompensated citizens. They serve as members of local boards, appeal boards, medical advisers, appeal agents, and advisers to registrants.

Most of the compensated people—there are 3,600—serve as clerks of the local boards, and most of them are on a part-time basis, in many instances working only 1 day a week. In fact, although there are 3,600 persons employed, payments are made for only about 2,100 man-years.

Now, what about the cost of this legislation?

The President asked for $6,454,000 for Selective Service in the 1951 budget. That sum did not presume the extension of the Selective Service Act and, therefore, included a sum of $3,000,000 for the liquidation of Selective Service which can be saved if the act is extended.

Now, I remind the committee that in the Eightieth Congress we passed Public Law 26. That established the Office of Selective Service Records, an agency charged with the liquidation of the Selective Service System and the proper maintenance of all Selective Service records of World Wars I and II. The Selective Service Act of 1948 absorbed into the Selective Service System the Office of Selective Service Records for the life of the Selective Service Act.

So, to take care of the contingency that the Congress might not extend the Selective Service Act, the 1951 budget, as requested by the President, provided

only for the liquidation of the Selective Service System and for the continuing operation of the Office of Selective Service Records. The President asked for $6,454,000 for these purposes. Three million dollars of that was to liquidate the Selective Service System and, as I say, will not have to be spent when this bill is enacted into law. The balance—$3,454,000—will continue to be needed to operate the Office of Selective Service Records through the Selective Service System.

Now, the House cut that budget by $1,500,000—giving Selective Service a sum of $4,954,000 instead of $6,454,000. This bill adds the obligations of registration and classification and the maintenance of the Selective Service machinery. So it appears to require an additional expenditure of $4,200,000. However, that does not count the $3,000,000 we will save by not liquidating the Selective Service System. So, what the bill will really cost is an additional $1,200,000 in fiscal year 1951. If the Senate does not restore any of the House $1,500,000 cut in the selective-service budget, that will make the total budget in 1951 for selective service somewhere in the vicinity of $6,000,000, as contrasted with the $10,654,000 anticipated by the President in his 1951 budget.

So, to sum up, the Committee can understand that in fiscal year 1951 this bill will entail an additional cost of only $1,200,000. The balance of the selective-service budget, $4,954,000, passed a few days ago by the House, provides for all other selective-service costs.

The total selective-service budget amounts to less than one-tenth of 1 percent of our total defense expenditures. And yet, that will keep in operation the selective-service headquarters in the 48 States, the possessions, the District of Columbia, and New York City, and will also operate the 3,745 local boards, as well as the national headquarters. That total budget provides an enormous amount of mobilization potential for a remarkably low cost.

So, to sum it up, this is a bill which, at the very low cost of $1,200,000, contributes very importantly to our national defense through the saving of valuable mobilization time, through the impact on our friends overseas, and through the impact upon our potential enemies overseas. By keeping the compulsory features of the law in suspension, we make sure that the Congress retains full authority over the decision as to when compulsory service is necessary, but at the same time we insure that the benefits of the act are kept available.

In this era of atomic weapons, in this time when a vast foreign country is so evidently hostile to everything our Nation stands for, in a time when emphasis is on force in international affairs, the Armed Services Committee is convinced that it would be a serious blow to peace if we failed to continued selective service in law.

Now, Mr. Chairman, the gentleman from Nebraska [Mr. MILLER] asked why have the committee gone up the hill one day and down the hill the next? Or, in other words, why do we seem to be in an inconsistent position regarding this bill. In my prepared statement I have just about covered this ground already, but the gentleman from Nebraska will recall that the President, in his message of last January, recommended an extension of the Selective Service Act. The Selective Service Act was passed in the Eightieth Congress. At that time there was written in the bill and in the report the hope of every Member of Congress, which was the hope of the country, that world conditions would be such that the Selective Service Act would only be required for 2 years; and so we wrote it in the bill of 1948.

Congress convened in January of this year; the President sent his message on the 4th of January. Hearings were opened on the bill and we had all the qualified witnesses from the departments, including the Secretary of State, General Bradley, and others qualified. They pointed out the reasons why there should be an extension of this draft. The committee was deeply impressed by the point that substantial time would be saved by an extension. Now, get that point in your minds, because this is very important: If this law were not on the statute books and a national emergency should arise, it would require 7 months to get the machinery in motion so we could be able to induct a substantial number of people. The committee therefore was impressed with the necessity to save time, 4 months at least, in the event of a national emergency. After the hearings, world affairs drifted along and were in a fairly stable condition. So the committee said: Well, we will drift along too, and see how things are going.

We did not do a thing from January into May. Then we began to look at world conditions and we saw that they were more aggravated than they had been in January when we commenced our hearings. I mentioned this situation in my opening remarks. An airplane had just been shot down over the Baltic. Other things had happened in Europe which caused the committee to call General Bradley. We also called Admiral Hillenkoetter, Director of the Central Intelligence Agency. We had Mr. Johnson, Secretary of Defense. We shut the door. They stated to us how they visualized world conditions at that time.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. Did the gentleman's committee have the advantage of the President's statement, the statement of the Commander in Chief of our armed services, that conditions were better then than they were in 1946?

Mr. VINSON. Yes, we had the advantage of all such statements.

Mr. MILLER of Nebraska. The gentleman prefers not to take the statement of the Commander in Chief?

Mr. VINSON. I prefer to select my witnesses when I am reaching a decision, especially on strictly military matters.

Mr. MILLER of Nebraska. I find no fault with that.

Mr. VINSON. I disagree with the President quite often, and I have no hesitancy to say so when I do disagree with him.

General Bradley said:

> There has been no let-up in the aggressive extension of communism toward its goal of world domination.

We all know that conditions are not as good as we would like to have them, and we all know the effect that would be all over the world if our allied nations in the Atlantic Pact would read tomorrow morning that America had let its selective service law fade away and die. So from all those facts we concluded that world conditions justified us in doing what? To continue the registration and classification. If world conditions should get worse, this Congress could, if it saw fit and if the military requirements demanded it, come in here with a concurrent resolution to put induction in effect.

That is what we have done. We have approached the matter in a calm, deliberate, careful manner. I repeat, we had the hearings in January, we finished them in February; then let everything stand in status quo until May 3d. We could see what was going on in the world. We are not blind. After we heard General Bradley in executive session, after we heard the Director of Central Intelligence in executive session, after we found out the attitude of the State Department, we said we would be derelict in the performance of our duty if we sat idly by and let this law die on the statute books. We knew back in January that the most effective point made by the armed services was the matter of time because you do save 4 months of valuable time by keeping this law on the statute books. You can get to an induction rate of 300,000 men a month in a period of 3 months if an emergency arises.

Great events have happened in the space of 3 months. Napoleon fought his 100 days' campaign in about that time. A great empire was defeated and wiped out in 3 months. Hiroshima and Nagasaki were destroyed in an instant in the last war. So in this atomic age time is very important and, as stated by the gentleman from Illinois [Mr. ALLEN], quoting General Bradley:

> Now is the time to buy our time and be ready if an emergency arises.

Now, I hope that world conditions will be such that it will never be necessary for Congress to pass a concurrent resolution to put this draft into effect. But, would we not be derelict in the performance of our duty if we let this law pass away, let all of these draft boards, 3,700 in the United States, fade away? If you were confronted with an emergency, then you would have to start all over from scratch. Look what a condition we would be in.

I have been here for a long time. I voted for the draft back in 1917. I know the confusion that arises when a war is at hand, and that is the reason I said to the gentleman from Michigan, "Now is the time, in this calm atmosphere we are in, to bring in a general mobilization plan, pass it in calmness and quiet, and put it on the shelf." I am satisfied the distinguished gentleman who now heads

the National Security Resources Board will, in January, have such a program.

Mr. PRESTON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Georgia.

Mr. PRESTON. Is it not true also that between the time the committee held hearings and the time in May when the gentleman announced the plan to extend this law, that it was discovered that our atomic secrets had been given away to Russia?

Mr. VINSON. Of course.

Mr. PRESTON. And the conditions in the East became progressively worse; much worse than they had been in January?

Mr. VINSON. Yes. Let me call this to the attention of the gentleman from Nebraska.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The President announced that the atomic bomb had been exploded in Russia in September 1949. That is a long time before the period in May which the gentleman referred to.

Mr. VINSON. Yes, but we did not know at that time, in January, that the men who were connected with the atomic bomb, were sending all the secrets to Russia. Look at your papers today. They disclose what was going on.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Louisiana.

Mr. BROOKS. May I say this to the gentleman, when we discovered that Russia had learned the secrets of the atomic bomb, we had in force the selective service as extended. Now, that law which was in force at that time is about to go off the books. We are not asking for a step forward, but merely to hold our line.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, let me catalog again for the edification of my distinguished friend from Nebraska what took place after January when we closed this hearing. Now, listen to this and see if this does not disturb the conscience of one who comes from the Great Plains of Nebraska. There has been a recent unprovoked attack on a United States Navy plane costing the lives of 10 of our citizens. The attack was without any warning whatsoever. Our plane had the right to go where it did go. It was attacked and shot down after January. There has been continual Soviet pressure on our occupation forces in Berlin. In a few days it may be very serious. Look what was in last night's paper, a protest from Great Britain, France, and the United States to Russia for building up in its zone an army of 50,000, to such an extent that it so disturbed the other countries that they have had to protest. There has been a tremendous extension of Soviet influence in the Far East, Indochina, Burma, Siam, and the Malay Peninsula. They all evidence a steadily increasing tendency to go communistic. Nothing influenced the Armed Services Committee more to keep the Government in the synthetic rubber business than the fear that communism would sweep the Malay Peninsula and deny us any opportunity of getting rubber. All of these are factors that weighed with the gentleman from Missouri [Mr. SHORT], the gentleman from Michigan [Mr. SHAFER], and other Members who voted against the draft bill 2 years ago. More recently there have been demands for our ouster from Trieste. Our private citizens are being harassed at various pressure points throughout the world. Meanwhile the Soviet military threat is constantly increasing. Our own Government officials announce almost daily that we must maintain ourselves in a state of great readiness in a threatened world. The Secretary of State after January made a very unusual announcement that the Soviet Union recognizes only one thing, and that is force.

Mr. MILLER of Nebraska. Mr. Chairman, if the gentleman will yield, I do not want to be misunderstood. I am inclined to agree with the gentleman and his committee. I think they have weighed the evidence properly but it is certainly surprising to me that they entirely disagree with the Commander in Chief.

Mr. VINSON. Do not try to get me off in a fuss with the President. I do not want to fuss with him publicly any more than I have to. If the gentleman gets any satisfaction out of saying that the President is wrong, let him go on and say it.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HOFFMAN of Michigan. The gentleman has several times referred to the press and said that we could go to the press for information. I assume his purpose was to advise us that Russia has recently been more aggressive. Is it not apparent that Russia has continued to be aggressive and has grown more aggressive from month to month because of concessions which have been made by those in authority here? Does it not follow that if we are in this situation and if we must prepare for war, we should not permit those who failed to guard our interests before, who are responsible for the position we are in, to continue in charge of our activities?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. VINSON. I am glad my time has expired, so I am relieved from answering the question. The issues involved in the question are not pertinent to this legislation and it would take too long from the debate on the bill to discuss the matter.

Mr. SHORT. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, we find ourselves today in a situation unique in the history of the United States. Five years ago we concluded one of the longest, and certainly the most costly, war in our history. Our Armed Forces had achieved challenged victories in all theaters, and together with our allies, we had forced the unconditional surrender of the Nazis in Europe and the occupation of Japan in the Far East. Even before that date, the Fascist government of Italy had been removed and that country gave every prospect of an early return to the family of nations.

As we recall the scene, and the sentiments of 5 years ago, and our high hopes for new world order—under the auspices of the United Nations organization—it is hard to realize how rapidly the scene has shifted. From being the victorious leader of a coalition, we find ourselves engaged in a cold war. Many of the countries in Europe which were delivered from Nazi domination now find themselves under the heel of a Soviet tyranny, no better than their former situation. Our great ally in Asia, the Chinese Republic, which withstood Japanese onslaughts for almost 8 years has now collapsed and with the exception of a single island, Formosa, is in the hands of the Communists.

In the field of atomic energy and weapons we anticipated, with reasonable assurance, that the Russians would not have the atom bomb until after 1952. Instead—with some assistance from subversive agents—they already have the atom bomb. As a result, our monopoly—temporary at best—on the atom bomb is no longer to be relied upon as the sole means of protecting the United States.

In these circumstances it is essential that we take all possible steps for our own security. Economy in government is absolutely essential, but we must not, in the pursuit of this aim, render ourselves defenseless. There are, I assure you, a great many activities and programs of the Federal Government which can be curtailed, or abolished without serious harm. The Hoover Commission, in its monumental report last year, pointed out numerous areas in which large savings could be made with great benefit to our citizens and taxpayers. However, we cannot afford to let our defenses run down—or become obsolete—at this time.

The North Atlantic Pact and the subsidiary defense groupings may in time develop into important defense mechanisms, against the threat of Russian military expansion. I certainly hope that they will, and I have availed myself of every opportunity, both in Washington and overseas, to become familiar with the organization and operation of this group. However, at the present time we cannot rely on the other countries of the North Atlantic Pact, or allies elsewhere. We must be prepared to defend ourselves against any onslaught.

At this moment our army is in western Germany, with the Russian forces occupying eastern Germany. In Austria, a similar situation prevails. The Russians have recently established a navy department of ministry in their government and embarked on a major construction program, principally in submarines. The testimony before our committee and the information in the public press has revealed that Russia now has some 270 submarines in commission including a number of the latest type—so-called snorkel submarines. The Russian air force recently shot down, over the Baltic Sea, an unarmed Navy patrol plane on routine

flight from western Germany to Copenhagen, Denmark. During the current month, the Russians have scheduled a march on western Berlin. Whether this will be carried out or not we do not know, but it is all part of the war of nerves.

In view of the above examples, of recent date, of increasing Russian military activity and pressure, we cannot remain passive or let down our guard. The figures and the comparative strength of the Russian forces as compared to our own, and those of our potential allies are extremely serious. For the past 5 years our possession of the atom bomb, as Winston Churchill has stated, constituted the greatest single deterrent to war. But, as I stated before, we no longer possess a monopoly in this field and our advantage is running out sooner than we anticipated. In the field of land armies the Russians possess a force of approximately 175 divisions, organized, trained, and equipped. Our own forces, and those of our allies, available for the defense of western Europe are scarcely over 25 to 30 divisions. In the field of equipment, the picture is much the same. The Russian strength in tanks has been established as being seven times our own. Their aircraft production is currently much greater. In the light of all these factors we have no choice but to build up our defense in all fields. I have supported legislation to establish a 70-group Air Force and in 1949 supported the funds for the procurement of additional aircraft. We still need expansion in our Air Force, and particularly, more modern planes of varied types. With respect to the Army, General Bradley urged the House Armed Services Committee 2 years ago to build a force of 12 combat divisions, with the necessary supporting troops, installations, and equipment. The bulk of our forces in time of war will, of course, come from the National Guard and Organized Reserve Corps, but it is essential that we have a small, alert, and well-trained force actually in being. We must also have the equipment which the Reserves will need for training and employment. These things cannot be all improvised overnight. The Regular Army, Reserve forces, and industry must be ready in advance if we are to mobilize adequate forces in the limited time that will be available to us.

The Navy is just now starting a program for constructing additional submarines, landing craft, and equipment for detecting and combating enemy submarines. This must be pushed forward with the greatest possible speed because we are, I feel, behind in this work.

We must also strengthen our civilian defense organization in order to be ready for whatever may occur as a result of enemy action directed against our own country. A great deal of planning has been done on this matter, but I am not satisfied that sufficient effort has been made to translate the planning into actual organization in our various States and communities.

All of this may give the impression that I am expecting a war. I do not. But the only way we can avoid war with the Russian Communist Government is by maintaining our defenses in readiness and by adopting a firm, consistent, and vigorous diplomatic policy toward that country. The Russians respect only force, and our best assurance of peace—indeed our only assurance—lies in maintaining our defenses in such state of readiness that we will never again be caught unprepared as we were in 1917 and in 1941.

Therefore, Mr. Chairman, I want to state emphatically that the extension of the selective-service part of the over-all defense program is imperative in these times.

There are many reasons justifying extension of the act. Every one of them is sufficient cause unto itself, but by all odds the most important reason is the saving of mobilization time. That is the most persuasive, most compelling, and certainly the most concrete reason offered thus far for extending this law.

What it means is saving 4 months' time. We can get up to a monthly induction rate of 300,000 4 months sooner by extending the law than we can if we let the law expire. Now, that is important. I say that, under modern conditions of warfare, the value of those 4 months could be incalculable. For the first time in our history, the United States is actually in a front-line position in time of peace. We are subject to direct attack—and terribly destructive attack—on the outbreak of war. We face the possibility of crippling destruction of our vaunted industrial potential without warning, of guided-missile attack, without warning, on our coastal cities; of widespread subversion from within. Should that terrible time ever come, how valuable will 4 months' time saved be? I do not know. But I do know that every American will be thankful indeed if the foresight of the Congress has made any time-saving possible.

And turn your minds to the possibly chaotic situation in event we are suddenly catapulted into an emergency. The Nation's manpower demands will be utterly stupendous. They will be immediate. They will be made for all manner of Government activities; from ration boards to selective-service boards; to civil-defense organizations. So urgent and numerous will be such demands, on the outbreak of a future war, that it would be an almost insuperable problem, to reconstitute the Nation-wide Selective Service System from scratch. And yet we would have to have selective-service boards in each community, thousands upon thousands of them, for we had almost 6,500 local boards in the last war—we would have to have the appeal boards, the national headquarters, the State headquarters, the trained board clerks and experienced board members, and so on. It is only common prudence to keep this Nation-wide organization functioning in this troubled time. Its cost is relatively small, but, if we should need it, its value would be unmeasurable. And as I mentioned, it can be reconstituted in time of emergency only with the greatest difficulty.

Extension of this law, therefore, unquestionably is a substantial factor in the cold war, just as failure to extend the law would be a sharp blow against our own best interests in today's world.

Extension of this law represents a rededication of our people to the grim task at hand in the world. There is readiness, firmness, determination, a mature recognition of the sad plight of international life today.

All in all, it would be a sad inconsistency with our recent efforts nationally and internationally, it would be a blow to our preparedness, it would be shrinking in the face of demonstrable need, if we should fail to extend this important statute.

I have no doubt that the Congress will measure up to the needs of the time and pass this legislation.

Mr. VINSON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. HAVENNER].

Mr. HAVENNER. Mr. Chairman, from the standpoint of millions of Americans who, like myself, believe that militarism is one of the most menacing threats to the delicate fabric of our American way of life, the bill now before us may well be regarded in the future as a legislative bulwark protecting some of our dearest ideals of liberty. For this bill puts an end to an extremely dangerous chapter in American history.

Two years ago the Congress undertook an unprecedented experiment in militarism in this country. For the first time since our Nation was founded, the National Military Establishment was given discretionary power in peacetime to take American youths from their homes and compel them to enter military service, merely because the Army was dissatisfied with the system of voluntary recruitment.

This bill terminates the exercise of that tyrannical power by the Military Establishment, and provides that in the future American manhood shall not be conscripted unless Congress by concurrent resolution declares a national emergency.

And I venture to predict, Mr. Chairman, that the principle embodied in this bill will never be repealed, and that the Military Establishment, except in national emergencies, will never again be given compulsory authority over the lives and liberties of American men.

Two years ago I stood here in the well of the House and opposed the passage of what is now known as the Selective Service Act of 1948. I stated then that one of the basic principles upon which the free democratic society of America had grown to greatness had been freedom for all of our citizens from compulsory military service in time of peace. I recalled that I had voted for the Selective Service Act of 1940 because I was convinced that the American people were at that time in the shadow of a great national emergency, and that the immediate mobilization of the country's manpower was essential to the national defense.

But I pointed out that the 1948 bill was presented to Congress as a peacetime preparedness measure, and that all of our military leaders had assured the Armed Services Committee that our

Government was not then confronted with a national emergency based upon the imminence of war. The principal reason advanced in support of the enactment of a selective-service law in 1948 was the alleged inability of the Army to obtain sufficient men by voluntary enlistments to maintain its authorized strength.

I challenged the validity of the Army's contention at that time, and expressed the conviction that the real purpose of the bill was to put into effect the age-long determination of our Military Establishment to fasten upon the American people some form of compulsory military service in time of peace.

Mr. Chairman, I do not profess to be a prophet or the son of a prophet, but within 7 months after the Selective Service Act of 1948 became a law the Army tacitly acknowledged that its representations to Congress had been false, and ceased the induction of any more men under the authority of the Selective Service Act.

Now, Mr. Chairman, I am appearing here today in support of the present measure and I am doing so principally because its title, which is the Selective Service Extension Act of 1950, is in one very important sense a misnomer, and because the declaration in section I of the bill that "the 1948 Selective Service Act is extended for 2 more years" is only partly true.

The most significant and important provisions of this bill are contained in section II which declares that—

> All compulsions in the 1948 act (excepting registration and classification) are placed in suspension until the Congress, by concurrent resolution, declares that a national emergency exists which requires an increase in the armed strength of the United States.

In other words, this bill takes away from the Military Establishment its present arbitrary authority to compel the young men of this country to go into military service whenever it sees fit to do so, and places control of that authority in the hands of Congress.

I have always recognized the importance of military conscription as a measure for mobilization in the national defense, and I am voting for the bill now before us because it provides that actual conscription of manpower and of industry will take place only when Congress decides that a national emergency requires immediate mobilization of all of our resources for the defense of the Nation.

This bill will keep the machinery of selective service in a condition of standby readiness, so that the induction of manpower and the conscription of essential war industries may begin immediately after Congress declares that a national emergency requires such action. Spokesmen for the national Military Establishment have informed the Armed Services Committee that this standby preparedness will save at least 4 months in mobilizing the Nation's military strength.

In recent times we have heard much of the threat to the American way of life by certain alien ideologies. I am as much opposed to the tyrannical cults which have grown out of those alien philosophies as any other American can possibly be. But I believe that another very dangerous threat to our cherished American way of life is from the ideology of militarism. This ideology is as old as civilization; yes, even older. It has always sought to fasten itself upon societies of free men. Whenever it has succeeded in doing so, those societies, ancient and modern, have been marked for destruction.

As a member of the Armed Services Committee I have voted to give to the United States the greatest Air Force and the greatest Navy in the world. I have voted and will continue to vote to give our Army every kind of modern equipment which is necessary to make it strong and effective.

But I insist that except in time of national emergency, the power to reach into the American home and take sons away from parents shall be denied to the Military Establishment and vested solely in the Congress of the United States.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. HAVENNER. I yield to the gentleman from Louisiana.

Mr. BROOKS. May I say to the gentleman that he has delivered a very excellent speech, and may I also say that he has done excellent work as a member of the Armed Services Committee of the House of Representatives? He has been most attentive and most serious in the performance of his duties and in meeting the problems which come to that committee. I think he is to be commended for his aggressive position in the interest of national defense.

Mr. HAVENNER. I thank the gentleman.

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Like the gentleman from Pennsylvania, I have always opposed a peacetime draft. I do not consider this a peacetime draft. Someone in the cloak room came to me and said, "Are we inconsistent with those of us who oppose a peacetime draft in supporting this legislation?" I told them I thought definitely not, because this is not a peacetime draft. This is a registration. When these young boys register it does not reach into their personal lives probably as much as the census questions asked of their fathers and mothers. So I say to those who have always opposed a peacetime draft that by supporting this bill they are consistent, because this is not a peacetime draft.

Mr. RICH. Mr. Chairman, I do not care what the gentleman from Illinois says in that respect. If this is not a draft, then I do not understand what it is; I do not understand what you are using it for if you take the statement here made by the committee. During the year 1948 they registered 30,066 boys. In 1949 they only registered 60 boys. So, you see, it is not necessary to have this registration. The situation is just this:

Like everybody else, I want to protect our country. We love our country and want to do the thing that is right and just for it. But we have a Military Establishment started here in this country now that is costing the people of this country about $14,000,000,000 a year. This means about $40,000,000 a day, or $1,700,000 an hour to run this Military Establishment of ours. Besides you spent last year $1,400,000,000 to arm other countries.

If we are a peace-loving Nation, as we say we are, and if we want to have peace in this country, do you think the way we are handling affairs not only in our own Nation but arming all the world is the right way to get peace? I do not. When you build up a great war machine such as we are building up today in this country, with all the people that are in the Army wanting to make it larger and larger because more men want to wear stars on their shoulders, the larger we get the armed services the more four-star generals we are going to have. We have too many men today in the Navy and the Army and the Air Force who want to get those decorations on their shoulder straps. But how do they get them? At the cost of the taxpayers, the American people, to the extent that it is almost getting to be a burden that we will not be able to stand. If you want peace—try to get it—do not try to build up such a tremendous war machine.

Look what Germany did when she started to build up a great war machine. It is all over now. She built it up and built it up, and when she got ready to strike she struck. What did they do? They took in a lot of the countries of Europe, and the first thing you knew, these countries of Europe joined with them because they thought they were going to win a war over there. They lost it. You are doing the same thing today.

We say we want peace and we talk about peace, but you are certainly not using the right effort to get it. If you are afraid of some nation, and we all are, and we talk about it every day, and I have no trust in them at all—it would not make any difference, if I had some disagreement with an individual I would want to go to that individual and try to see if we could not come to some understanding. I would send commission after commission, if it was necessary, to talk to him before I would go to war. It is just like a lawsuit. I got into a lawsuit once on account of an automobile accident, because I wanted to win it, and I won it, but I lost because I won it. The expenses were more than I received. It is the same thing when you get into war. You have never won a war and won anything. Look at the wars we have gone into in the last few years in this generation. Have you won anything? No. You are worse off today because you got into them than you ever were in all the history of America, and we are going to be worse off for years and years to come.

This is no way to handle this situation. I hope you will defeat this proposal and that we will not register these boys, because many of the boys that register feel

as if they are going to have to give up some vocation or avocation that they want to get started in.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. RICH. Will the gentleman from Illinois give me 1 minute? He used some of my time.

Mr. VINSON. I yield 1 minute to the gentleman from Pennsylvania, Mr. Chairman.

Mr. RICH. I thank the gentleman. Time is so valuable here in this legislation that you have to beg for a minute of time, when it costs you $1,400,000 an hour to pay the Army. We ought to talk here for weeks and weeks and months and months and hold this up. If we could hold up payment to our armed services, we would save $1,400,000 every hour, 24 hours a day. You ought to hold up these expenses for a long time. You have 10,000,000 boys now that are registered and classified, and you are not doing anything with them, yet you want to go on and register and classify a whole lot more.

Did you ever hear anything as dumb as all that? I think this legislation is just out of order, and it has no place in our economy.

Every one of you fellows that are trying to force this legislation through, sit back there and grin at me and laugh at me. Lots of people laugh at me, but I want to tell you, I believe I am doing the right thing for our country. I love my country, and I want to protect it. Keep out of war.

Mr. SHORT. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. SHAFER].

REDS GET GREEN LIGHT

Mr. SHAFER. Mr. Chairman, I take this time to call the attention of the House to what appears to be one of the boldest attempts to influence a grand jury's deliberations by the head of a law enforcement agency in the history of our country. In this morning's press appears a statement by Attorney General J. Howard McGrath which decries the "fantastic stories of infiltration in or capture of our Government by Communists" and ends with this flat assertion:

> We know of no Communists in the employ of the Government today.

This clearance of all Government employees is given while a New York Federal grand jury is questioning William W. Remington, a $10,000 a year Department of Commerce official, on charges that he was a former member of the Communist Party who perjured himself by denying such charges in securing Government employment.

What deduction can we draw from this statement by the Attorney General except that he is exonerating Remington while the grand jury considers his case? What will the grand jurors think when they read this statement by Mr. McGrath? What will the Assistant Attorney General in charge of presenting the Remington case decide is the attitude of his superiors and how best he might further his political fortunes in outlining the evidence against Remington to the grand jury?

Remington was first named by Elizabeth Bentley, the admitted Soviet spy, when she testified in August 1948, as one of her Government informants. He appeared before a Senate committee and vigorously denied her charges. On the basis of the evidence thus disclosed, a regional loyalty board recommended the dismissal of Remington from his post. He appealed to the Loyalty Review Board, all members of which are appointed by President Truman without the necessity of Senate sanction, and the review board, for reasons never disclosed, reversed the lower board's findings and ordered Remingston reinstated with back pay exceeding $7,000 for the period during which he had been suspended.

Six months ago, investigators of the House Un-American Activities Committee reopened the Remington case and after a long search discovered two witnesses, former members of the Communist Party, who identified Remington as a fellow-Communist when he was a Tennessee Valley Authority employee with them in the late thirties. Remington again swore under oath that he was not a Communist but the Justice Department finally moved into the case and began presenting the evidence to the New York grand jury. The Commerce Department loyalty board also reopened hearings on Remington's fitness for his job.

Can it be possible that the Attorney General is unaware that his Department is prosecuting a Communist holding a high Government post when he states unequivocally that there are no Communists in the Government? Or is this statement a warning to his own employee, now presenting evidence to the grand jury in New York, that an indictment of Remington would embarrass President Truman and the Justice Department which once cleared this employee?

The arrest of Harry Gold, of Philadelphia, as a confederate in espionage with Dr. Klaus Fuchs, the British spy, was made by the FBI last night some hours after Attorney General McGrath spoke at a Washington dinner. Is he so busy these days denying charges of communism in the Government that the former chairman of the Democratic National Committee was also ignorant of this startling development?

There are reliable reports that other arrests will follow this one and the trial may lead to persons now or formerly in the Government. If we find that Fuchs had deals with men in the Government, can we expect Mr. McGrath again to declaim that there are no Communists on the payroll?

Mr. McGrath is the last man in the world who should use the adjective "fantastic" in applying it to those seeking to rid the Government of Reds and homosexuals.

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I have asked for a few minutes of the time of the House on this selective-service bill to explain its relation to the Reserve programs of the armed forces.

There has been some confusion about this, and the House should know just how this legislation fits into the Reserve programs.

Two years ago, when the 1948 Selective Service Act was passed, all of us expected it to have a tremendous impact on the Reserve and National Guard programs. The act was carefully written so that it would have precisely that effect.

We wrote in the law 2 years ago that after the inductee completed his 21 months of service, he would then have to enter an organized unit and participate in its work for 3 years; or, if an organized unit was not available in his community, he would have to stay in the Unorganized Reserve for 5 years.

We also wrote in a provision for 1-year enlistees. This was a type of universal military training program except that it was on a voluntary basis only and was for 18-year-olds exclusively. After the 18-year-old completed his voluntary 1 year of service, he had to enter an organized unit of the Reserve and participate in its work for 4 years; or, if such a unit were not readily available, he had to stay in an unorganized unit for 6 years.

There were other provisions that affected the Reserves, such as exemption from induction of those in Organized Reserve units on the date of enactment of the act. But those I have mentioned are the principal ones, and all of us expected them to have a powerful effect on the Reserve forces, especially on the Enlisted Reserve where there has been a most serious deficiency.

Now, the law did have an immediate effect on the National Guard and Reserves—but only for so long as inductions continued. Many thousands volunteered for service in Organized Reserve units immediately prior to the enactment of the 1948 law, and many more stayed active in organized units who otherwise might have dropped out through lack of interest. Also, there were over 57,000 1-year enlistees accepted in the three armed forces, and had this program carried through, it would certainly have had a tremendous impact on the Enlisted Reserve.

But two things have happened to frustrate our original expectations.

The first one, we all know about. Inductions were stopped a year ago in January after only 30,000 had been taken into the service. Naturally that removed a great deal of the incentive for many young men to enter the Reserves, and it also sharply reduced the number of men who would have to enter the Reserves after completing their tour of compulsory service.

Then, last fall, the other main source of Enlisted Reserves was dried up.

Now, this latter failure of our plans was due to a change in heart on the part of the Army, and I think that we should put the responsibility where it properly belongs. Not only did the Army fail to implement the 1-year enlistees' program vigorously—taking only 20,700 1-year enlistees out of their authorized total of 110,000—but in the hearings last fall before the Senate Appropriations Commit-

tee on the 1950 military budget, the Army gave the program such feeble support, amounting, in fact, to a kiss of death, that the Senate recommended that no funds be provided for it. As a result the program was terminated by the device of not providing funds for it. This was definitely with the approval of the Army. In my opinion, it constituted a complete reversal of the previous position of the armed forces which had strongly supported this program in 1948.

As a result the 1-year enlistee program has stopped, and only 57,000 enlistees were taken into the program despite the fact that 161,000 were authorized.

Now this bill, which extends the Selective Service Act, relates in this way to these matters involving the Reserves.

In the first place, the bill suspends all 1-year enlistments. As I just mentioned, the program has already stopped, due essentially to service opposition, so the suspension of these enlistments is more or less academic, even though the suspension is necessary as a matter of law.

Then the bill suspends all inductions until and unless the Congress authorizes them by concurrent resolution. Since no inductions are now being made and have not been made in any number in the past 16 months, this, too, is relatively academic at the present time.

Next, the bill suspends short-term enlistments in the Armed Forces.

Well, the fact of the matter is that the Army is not accepting such enlistments now anyway. In my opinion, in refusing to do so it is violating the law, but it does this with the argument that these short-term enlistments were intended to be accepted only during the period inductions were being made. There is little doubt that that was the intent of the law, for the Congress directed acceptance of short-term enlistments in order to reduce the number of inductions that would otherwise be required. Nevertheless, the law is specific that such enlistments shall be accepted, and I hold the opinion that in failing to accept such enlistments, the Army is violating the law.

But the real point is that the post-service Reserve obligation does not now apply to any person now entering the armed forces, since they all must enlist for a minimum of 3 years and hence would have no obligation to join a Reserve unit after discharge from the service. As a result, the suspension of these provisions by the bill actually has no impact on the Reserve forces.

Now, this brings me to the one provision of the bill which definitely does have an impact on the Reserves.

The bill writes in a new section 22 into the Selective Service Act. That section authorizes the President to order into active Federal service, without their consent, the National Guard and the Reserves when the Congress approves the concurrent resolution which also authorizes inductions. Now that has this effect.

Take the Army and the Air Force Reserves first, and the National Guard of those two services. They cannot be ordered into Federal service without their consent except pursuant to special act of Congress. The wartime authority to do so was repealed by the Congress in July 1947. Since then the President has had no authority to order the Reserves and National Guard into extended Federal service as units, or to order individuals to active duty without their consent for more than 15 days a year. This bill makes it possible for the President to order these Reserve components into Federal service at the same time or before he commences inductions. That is a very important provision. It contributes a great deal to the value of this legislation, because, as the gentleman from Georgia [Mr. VINSON] has pointed out, the first thing that needs to be done to mobilize manpower for the Armed Forces is to order the Guard and Reserves into Federal service and, next, induct civilians to fill up the skeletonized Guard and Reserve units and form other units under the leadership of the trained Reserves.

Now, the situation of the Naval Reserves is entirely different.

Under existing law—the Naval Reserve Act of 1938—the President has authority to order Naval Reserves to active duty without their consent for more than 15 days a year whenever he declares a national emergency or in time of war. In other words, the President can declare a national emergency, whether or not the Congress agrees, and order into service all Naval Reserves. That is existing law. It is not the same situation as confronts Army and Air Force Reserves.

Now, this new section 22 in the committee's bill does not specifically repeal that authority in the Naval Reserve Act. But it does repeal it at least by implication, and I think it is a fair statement that the Armed Services Committee intends that the new section 22 in the Selective Service Act, as proposed in this bill, does repeal the authority of the President to order Naval Reserves to active duty without their consent, exclusively on his own authority, for more than 15 days a year.

So, the impact of this bill on Naval Reserves is very important. It is intended to vest in the Congress, instead of in the President, authority to order Naval Reserves to active duty without their consent for more than 15 days a year.

I mention these matters because, as I mentioned previously, there has been some confusion about the status of the Reserves of the Armed Forces under the terms of this bill. It is evident that for the most part the bill has no impact whatsoever on the civilian components, for the provisions of law suspended by the bill which do pertain to the Reserves are not now being applied, and hence their suspension is largely academic. However, the most important aspect of the bill, insofar as Reserves are concerned, is that provision pertaining to the ordering of Reserves into Federal service when the Congress, by concurrent resolution, declares a national emergency.

I trust that from this summary of the facts in the matter, the Reserves in various parts of the country and the Congress generally will clearly understand the existing situation. For my own part I want to say at this time that I very strongly support this bill and consider it absolutely indispensable, under existing world conditions, to a sound national-defense program.

Mr. SHORT. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, I voted against the draft bill when it was before the Congress in 1948. I am voting for this measure today because I think it is an excellent one.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I will support this bill. It extends the machinery of the draft for 2 years. It provides for classification but no drafting of a single boy. It leaves with Congress the power to effectuate the draft and only after Congress by concurrent resolution has declared the existence of a national emergency can anyone be drafted.

I am opposed as a matter of principle to the peacetime draft because I think it is inconsistent with our American way of life. A draft, in my opinion, is justified in our democracy only in the face of, and to cope with, a national emergency. Militarism is not in accordance with the American tradition. Regimentation of the people is contrary to democratic principles.

To protect the security of the Nation, this Nation requires a national defense and its strength at any given time must depend upon world conditions, international developments, and the growth of possibilities and probabilities of war. Any informed person must be impressed and disturbed by conditions which presently confront us. A mighty political and military colossus founded in contradiction to democratic ideals, moving ruthlessly by conspiracy, infiltration, and aggression toward world domination, is threatening human freedom and our American democracy. We hope the actions and policies of this great power will not cause us to go to war. We hope that even at this late date in the unveiling of this prospect of tragedy and destruction, it may be possible through strong declarations of policy and possible negotiation with the Kremlin to avoid war.

But we cannot afford to trifle with or gamble with the security and safety of the Nation. We must be adequately prepared for every eventuality. Events are moving fast. We cannot afford to delay in setting up a completely efficient and effective fighting machine for defense of the Nation should war start and for instantaneous offensive action in the event our country should be attacked.

I do not look upon this bill as a recognition that war is inevitable but rather as an indication that we do not propose to find ourselves undefended and unprotected and unable to strike back swiftly should war come. I think we should not abandon our hopes and efforts for peace. There is still much, I believe,

that can be done to try to settle our differances with Russia without bloodshed. But this involves a strongly and clearly defined policy. It involves the submission to Russia of our expressions in favor of peace conditioned upon reduction of world armaments, universal disarmament, effective international control of atomic power, determination of the status and rights of small nations, World War II treaties, the cessation of propaganda and infiltration in foreign states, and other questions which must be settled before a lasting peace can be assured.

Is it too much to ask that the Kremlin agree to abandon its world-wide attack on democracy and its direct efforts to undermine by espionage and conspiracy our own American democracy? Is it too much to ask that this great power cease cold warfare against the free world and join other nations in building a peaceful world? If she does not, can there be real hope for peace, will there be left a chance to avoid war? The answer to these questions are purely speculative, yet they will determine in the end the fate of world peace, law, and order.

If we decide, after further failure to prevail upon the Soviet, that war is inevitable, then this bill will not suffice. In that tragic event we must declare an emergency and mobilize all our forces and resources into a compact unit—capital, labor, agriculture, manpower—all groups and classes of the American body politic united and working in unison to protect the Nation and working and fighting to overwhelm and overcome the enemy.

Let us hope and pray that this will not be necessary, that the Almighty will enable and strengthen us to solve these grave problems and thus spare humanity from the most terrible of all blood baths which will surely leave modern civilization in shambles and erase free institutions from the face of the earth.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. PATTERSON. Mr. Chairman, if the gentleman from Connecticut [Mr. LODGE], were present he would register his support of the bill.

Mr. VINSON. Mr. Chairman, I yield to the distinguished gentleman from Louisiana [Mr. BROOKS] such time as he may desire.

Mr. BROOKS. Mr. Chairman, "Eternal vigilance is the price of liberty," according to a famous saying which is often quoted. I might add also that sacrifice on the part of the people is necessary to maintain liberty. This bill calls for some sacrifice on the part of our people.

The measure as amended calls for the retention of the Selective Service System as a machine in being for the next 2 years. It provides for the registration of all men coming to the age of 18 years; and it further provides for the classification of these registrants. To accomplish this purpose, the sum of about $4,000,000 will be expended, largely on personnel to be maintained for this purpose.

This measure provides specifically that no inductions shall take place without the passage of a joint resolution of Congress granting this authority. This means that no one may be forcibly called into the active service without Congress agreeing that the world situation justifies such action. Every one knows only a serious emergency will cause Congress to act. If therefore this measure upon becoming law will aid in maintaining world peace, it will have accomplished much. It is a small sacrifice on the part of our people for such an important purpose.

On the other hand, the effect of the passage of this measure on the Soviet will be magnetic. It will indicate definitely that our country is not again retreating into a position of isolation. It will serve warning upon Communists everywhere that we have forever abandoned the doctrine of defense by weakness and that we subscribe to that philosophy of freedom by strength—in our Government and our military. This bill will accomplish much at little cost and it should be passed.

Mr. VINSON. Mr. Chairman, we have no further requests for time.

I ask unanimous consent, Mr. Chairman, that the bill be considered as read, be printed in the RECORD at this point, and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The bill is as follows:

Be it enacted, etc., That subsection (b) of section 17 of the Selective Service Act of 1948 (62 Stat. 604) is hereby amended by striking out the words "second anniversary" and substituting therefore the words "fifth anniversary."

The Clerk read as follows:

Committee amendment: Page 1, line 6, strike out "fifth" and insert "fourth."

The amendment was agreed to.

Mr. POWELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. POWELL: On page 1, line 6, after the period insert the following:

"SEC. 2. Prohibition against discrimination and segregation. No person inducted pursuant to the provisions of this act shall be discriminated against or segregated because of race, creed, or color."

Mr. POWELL. Mr. Chairman, 6 years ago when I first came to this body I was the first to introduce legislation to abolish discrimination and segregation in the Armed Forces. At that time discrimination and segregation were rampant and rife in all branches of our military service. I have consistently kept up the fight. When this particular bill came before us in 1948 I led the movement that kept the House in session for over 1 week. During the past 6 years we have seen considerable progress, and today in our armed services, in the Coast Guard—which of course is really not a part of the Armed Forces but in time of war is a part of the Navy—and in the Navy, and to a certain extent in the Air Corps, there is but little discrimination and little segregation. In our Army, however, the President of our Nation and the committee which he appointed, whose report I hold in my hand, have come up against some stubborn opposition. The time has come now for the Congress to act.

The President has issued an order asking for the abolition of segregation and discrimination in the armed services. He appointed a committee, the Fahy committee, a committee on equality of treatment and opportunity in the armed services. That committee has made its report within the past 72 hours. Now the time has come for the Congress of the United States to put into law what the President has stated and what the committee has recommended.

If you will read the report carefully, as I have done, you will find that it is not much more than a statement. It goes into the situation in the Navy and the Air Corps and the Army, but does not make any specific recommendations. It closes in the last paragraph with a very nebulous conclusion, as follows:

That the committee believes that the Army will carry out its recommendations within a relatively short time.

The President said he hoped "in the near future."

I think it is time for the Congress to proceed from where the committee left off on page 63, and to bring to a just conclusion that which the Fahy committee has recommended and that which the Navy is practicing and that which the Air Corps is practicing. We cannot wage a cold war much less a hot one with a Jim Crow army. Regardless of how much money we spend on ECA, if the nations of the world see that we are not practicing democracy at home, they are not going to be bought by the billions of dollars that we spend.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. POWELL. I yield.

Mr. RICH. You say it is a fact that the Navy is practicing it and the Air Corps is practicing it. You can get this by education. What are you trying to force it on the people for?

Mr. POWELL. If we can get things by education——

Mr. RICH. Let me finish my statement.

Mr. POWELL. I do not yield further.

Mr. RICH. Let me finish my statement.

Mr. POWELL. I yielded for a question. If you want to state a question, I will yield.

Mr. RICH. I asked you this question. I said if the Navy is doing it and the Air Corps is doing it, why do you not let the thing alone, instead of trying to force people to do something that they do not want to do? If you can educate them to it, you accomplish it in the right manner and in the right spirit.

Mr. POWELL. That is a question. Thank you.

Now, answering your statement, I would like to say that if we believe in education only, we might as well close the doors of Congress and go home for we are here to legislate not educate.

Mr. RICH. I think that would be a good thing to do.

Mr. POWELL. I agree for some it would. We are here to do that which

education has not done. We are here to implement education. We are here to speed up the time table of progress. If we are going to leave it all to education, then we would not have any of it left for legislation. I believe the time has arrived for us to implement the educational processes which have been going along so well, because there is nothing further which can be done in the field of education. The President has spoken. The Fahy Committee report has been written, and now it is up to the Congress to act. Unless we act now I am afraid we stand guilty of hypocrisy.

When we had the battle of the Belgian Bulge, Negro men who had been restricted to certain menial capacities were called up out of transportation and out of porter's work and given guns. Black and white stood together and fought for democracy. When victory came the Negroes were left in Europe and the whites paraded on Fifth Avenue. Is that democracy? Now, in peacetime, I ask that we here will do that which at least we owe to the citizens of this Nation, to our conscience and to the world, give men the right to serve side by side with their fellow citizens in all branches of our services.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

Mr. MILLER of Nebraska. Mr. Chairman, reserving the right to object, the limitation applies just on this amendment?

Mr. VINSON. On this amendment.

Mr. MILLER of Nebraska. Not on amendments to follow.

Mr. VINSON. On the Powell amendment, the pending amendment, and all amendments thereto. It does not apply to the gentleman's amendment.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that all debate on the pending amendment and all amendments thereto close in 20 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, I rise in support of the Powell amendment. I want to be perfectly frank with the House. I am opposed to the pending bill and will vote against it. I deem this bill to be a device by which our American youth will be conscripted. I oppose this bill because I believe that war is not inevitable. I do not believe that war is the only solution of the world's problems. I know as you deep down in your hearts know that this legislation is not in the defense of the American people. It is in the interest of a cold war policy which is being waged not in the interest of the American worker and farmer; but in the interest of the profit-hungry Wall Street trusts who for profit and more profit would plunge this world into a war that nobody will win and which will destroy civilization itself. I favor defense. This is not defense; it is part of an insane war policy promoted at the expense of the people's needs and for the profit of a selfish few who are in full control of our foreign policy; I oppose this bill because it implements a policy of despair and ruin.

However, I have a perfect right to make every effort within my power to try and perfect any legislation, even though I may be opposed to that legislation, especially when it seems obvious that that proposed legislation will be adopted. I feel completely honest with myself and with the House in supporting this amendment even though I oppose the legislation to which the amendment is offered.

It sems to me there has been so much hypocrisy about this whole question that the best we can do here now is simply to expose the hypocrites. This is a Congress that has done nothing on civil rights; this is a House that has gone backwards on civil rights; it is a House which went so far as to nullify the civil-service rights of certain Negro employees of the Government Bureau of Engraving and Printing acquired in a civil-service examination.

This problem of discrimination and segregation in the armed services could be solved by one stroke of the pen. President Truman, who speaks so much about civil rights could, as Commander in Chief of the armed services of this country, eliminate segregation and every form of discrimination in the armed services by simply signing an order. Yet, only the other day in commenting on a meaningless report filed by his own committee, President Truman speaks of eliminating discrimination in the armed services in the reasonably near future. I say why not pick up your pen, Mr. President, and do it now.

I want to state right here and now that any talk about equal opportunity in the armed services must be considered in the light of practice. What is the practice? The so-called equal opportunity, equal but separate opportunity, negates the idea of equality completely. It is language that is used by those who are opposed to every concept of equality. It is the dodge used by the advocates of white supremacy. Equal and separate opportunity. This is segregation. This is discrimination; and this discrimination exists thoughout the Armed Forces. Here is an opportunity to declare that it shall cease and to direct the commanders of our armed forces to have this practice—un-American, yes, subversive, practice—cease. Here is an opportunity for Congress to live up to the obligations that it assumed, that is the majority of them, when they promised the enactment of civil-rights legislation in the last campaign. I cannot, of course, mention the other body by name, but I think it ill behooves the President any longer to talk about civil rights when 26 members of his own party in the other body, of the majority party, of the Democratic Party——

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

Mr. MARCANTONIO. Of another body located somewhere in the United States of America——

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MARCANTONIO. This is not being taken out of my time, is it?

The CHAIRMAN. No; it is not being taken out of the gentleman's time. The gentleman from Michigan will state his point of order.

Mr. HOFFMAN of Michigan. My point of order, Mr. Chairman, is that the gentleman from New York has referred directly to 26 Members of the other body and the action they took. I make the point that such reference is out of order.

The CHAIRMAN. Under the rules the gentleman may not refer to Members of the other body.

The gentleman will proceed in order.

Mr. MARCANTONIO. Mr. Chairman, somewhere, somehow, in a certain country located in the Western Hemisphere, 26 members of the Democratic Party voted against cloture and only 19 voted for it, when cloture was being invoked in order to enact FEPC. Now, I think you all know what I mean; I think you are all over 21 years old.

You also know what I mean when I speak of hypocrisy, fraud, and double talk of the Democratic Party in relation to civil rights.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I offer a substitute.

The Clerk read as follows:

Amendment offered by Mr. JAVITS as a substitute for the amendment offered by Mr. POWELL. Page 1, after line 6, insert section 2 and renumber the succeeding sections:

"SEC. 2. That section 1 of the Selective Service Act of 1948 is amended by adding a new subsection (f) as follows:

" 'The Congress further declares that the obligations and privileges of serving in the armed forces and the reserve components thereof shall be without discrimination in selection or service, or segregation on account of race, creed, color, or national origin.' "

Mr. JAVITS. Mr. Chairman, I have not proposed this substitute in any sense of opposition to my distinguished colleague from New York. On the contrary, I shall support his original amendment. I hope that it carries.

I propose my substitute only for two reasons; first, to keep faith with myself and the many, many people who supported my position before the Armed Services Committee when I testified in support of this very amendment, which has just been read in text. Second, to give the committee its choice so that it may follow the text of the act and make a declaration of policy. The effect of the amendment of my colleague from New York [Mr. POWELL] and of my substitute will be the same, but my substitute may satisfy some Members who wish to stay within the pattern of the act's declarations.

I would like to call the attention of the committee to the fact that the chairman of the Committee on the Armed Services said in connection with debate on the rule that subsection 1 (c) already contains a provision against discrimination. I regret to disagree with the distinguished chairman. What that paragraph says is:

> The Congress further declares that in a free society the obligations and privileges of serving in the Armed Forces and the Reserve components thereof should be shared generally, in accordance with a system of selection which is fair and just, and which is consistent with the maintenance of an effective national economy.

I submit that there is nothing in that relating to discrimination or segregation.

Mr. VINSON. Mr. Chairman, will gentleman yield?

Mr. JAVITS. I yield to the gentleman from Georgia.

Mr. VINSON. It so happened that I had the wrong place in the act. I call the gentleman's attention to section 5 (a):

> That in the selection of persons for training and service under this title, and in the interpretation and execution of the provisions of this title, there shall be no discrimination against any person on account of race or color.

That is the law today.

Mr. JAVITS. That was in the 1940 act and I think the chairman has correctly stated the nub of the question before us, which is the issue of segregation. The question is whether the House will or will not declare it a policy that there will be no segregated units in the armed services. That is the single question before us.

Now, the reason why the House should in my view pass this amendment in either form, whether the House chooses that of my colleague from New York [Mr. POWELL], or mine, is this: It is true that the President has appointed a distinguished committee, and, incidentally, that was not done until the middle of 1948 when an enormous amount of pressure had been put on the President and the military authorities in order to take action of this character.

The President has declared his position as Commander in Chief in a directive for equality of treatment and opportunity, but the Congress has not declared its position. I believe that when the Congress is passing a draft act which creates a citizens' army, the Congress ought to be honest enough with itself to declare its position on this key and critical issue of our time so that at no time could anyone charge that they had discretion as to how to proceed or that it is a matter for Executive discretion entirely or discretion of the Commander in Chief. The Congress will have spoken and the Executive will enforce a policy of nonsegregation.

If the argument is made that it is unnecessary to say this, I reply that because of the widespread demand of Americans, regardless of color, that they want this done, if there is no harm in doing it, the Congress should do it.

Furthermore, it is very clear from the Fahy report—the President's commission—that the job is by no means complete. There still exists in the Army, according to the Fahy report, a very large number of segregated units—that is, Negro units. As a matter of fact, the Fahy report, and I refer to page 62, condones that and says: "and the committee did not feel that it could reasonably recommend that all of these Negro units be broken up all at once."

In the Air Force, 25 percent of the Negro soldiers are still in segregated units.

Mr. Chairman, there is no argument we give the Communist propagandists calumniating the United States on the radio and the platform daily from behind the iron curtain and in most countries, which is better grist for their mill than segregation in our armed forces. Here is an anticonstitutional principle concerning men whose duty it is to die to defend the Constitution and our freedoms. This is an opportunity the Committee should seize to once and for all by mandate of Congress; end segregation in the armed forces by passing one of these amendments.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. RANKIN. I make the point of order that this is nothing in the world but a Communist amendment, and that the ones who are pushing it are not trying to help the people they represent. It is nothing in the world but a Communist movement to try to disturb the Armed Forces of America.

The CHAIRMAN. The Chair does not concede that to be a point of order.

Mr. RANKIN. I was afraid of that.

Mr. POWELL. Mr. Chairman, is that going to be in the RECORD?

The CHAIRMAN. Yes; under the rules it will.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

Mr. VINSON. Mr. Chairman, I ask that the Members who were on their feet be recognized now to address the Committee on the amendment.

The CHAIRMAN. The gentleman from Florida [Mr. BENNETT] is recognized for 4 minutes.

Mr. POWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Florida yield for a parliamentary inquiry?

Mr. BENNETT of Florida. No, Mr. Chairman.

The CHAIRMAN. The gentleman declines to yield.

Mr. POWELL. Mr. Chairman, a point of personal privilege.

The CHAIRMAN. A point of personal privilege may not be raised in the Committee of the Whole.

Mr. POWELL. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. POWELL. I make the point of order, Mr. Chairman, that the remarks of the gentleman from Mississippi concerning my amendment were derogatory, and I ask that his words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. Under the rules the gentleman from Mississippi will take his seat as well as the gentleman from New York.

Mr. RANKIN. Mr. Chairman, the gentleman is entirely too late for that.

The CHAIRMAN. The Chair must point out that the gentleman from New York was on his feet at the time.

Mr. HARRIS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. I understand that the Chair ruled that the point of order made by the gentleman from Mississippi was not a point of order.

The CHAIRMAN. That is what the Chair held.

Mr. HARRIS. Therefore there are no words to be taken down, as I understand.

The CHAIRMAN. The Chair rules that the gentleman from New York has the right to ask that the words to which he objects be taken down.

Mr. HARRIS. A further parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HARRIS. I understood the Chair to rule that the gentleman from Mississippi was not in order in making the point of order, and therefore the words of the gentleman from Mississippi would not appear in the RECORD.

The CHAIRMAN. The gentleman from Mississippi made a point of order which the Chair ruled upon. The Chair did not recognize it as a point of order.

Mr. HARRIS. Therefore the remarks will not appear in the RECORD, and consequently there are no words to be taken down.

The CHAIRMAN. The remarks uttered by the gentleman from Mississippi, as the matter now stands, will appear in the RECORD. They are now objected to by the gentleman from New York, who demands that the words be taken down. The Clerk will report the words objected to.

Mr. POWELL. Mr. Chairman, if my memory is correct, the phrase used was that it was a Communist amendment. Inasmuch as he was describing the amendment and not the author, I withdraw my point of order.

Mr. RANKIN. Mr. Chairman, I stand by my statement.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I have a substitute for the Powell amendment. I realize that it will not be in order for me to offer it at this moment, but when the Javits amendment is defeated, if it is, I intend to offer it. That is the reason I have asked for time.

The substitute states that no order for or against segregation in the armed services shall be effective until the Joint Chiefs of Staff have determined that such order is in the best interest of the national defense.

We are supposed to be today talking about the national defense of our country. We are not supposed to be here today laying out social programs or social

plans. We are supposed to be protecting our country.

I think when we are talking about legislation of that kind we ought to be talking about what is going to win a war and what is going to preserve our security in this country. I personally believe that the orders and regulations on the elimination of segregation that have so far come down from the executive branch are not in the best interest of the defense of our country. I am very much alarmed about some of them. I think them not to be in the best interest of our country's national defense. The question raised in my amendment is one of segregation, not one of equality of opportunity.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the distinguished gentleman from Georgia.

Mr. VINSON. How can you prohibit the commander in chief of the services from issuing an order? How can you prohibit him from telling the Joint Chiefs of Staff what orders shall be issued and can be issued in his name?

The gentleman's amendment would prevent the commander in chief from issuing an order unless it is approved by the Joint Chiefs of Staff.

Mr. BENNETT of Florida. I know that the gentleman is a very able lawyer and legislator, and has been over a long period of time. But I have watched the Supreme Court decisions for a long period of time myself. I do not want to pass up this opportunity to correct something which I think is endangering our national security and will endanger it further in the future if we do not take care of the situation. I am willing to leave this decision on constitutionality to the Supreme Court of the United States. That is all I have to say on the subject.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman is not questioning the right of the Chief Executive, the gentleman is looking out for the interests of his country and the welfare of the Nation.

Mr. BENNETT of Florida. I think that is my duty.

Mr. RANKIN. He is trying to protect this country in case we do have a conflict with another nation.

Mr. VINSON. The gentleman's amendment would have the effect that no order issued by the Commander in Chief could go into effect until it is approved by the Joint Chiefs of Staff. I say that the Commander in Chief under the Constitution is the Commander in Chief, and he is superior in issuing orders to the Joint Chiefs of Staff. As long as Congress gives the Commander in Chief something to command, he is in command, he is the chief. The gentleman's amendment inverts that. The gentleman would say that the President cannot issue an order relating to segregation until it has been passed on by the Joint Chiefs of Staff.

Mr. BENNETT of Florida. The Commander in Chief of the armed forces of the United States has the authority to deal with the national defense of our country, but in my opinion this matter of abolishing segregation in the armed services is not conducive to it.

Mr. VINSON. I agree with the gentleman thoroughly in regard to that. There is no dispute between him and me on that.

Mr. BENNETT of Florida. I understand. I feel that it is my responsibility to do this, because I think it is endangering our national defense to pursue this course, which, in my opinion, will not be helpful to strengthening our country in time of war. I am doing this without any feeling of ill will whatsoever.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. DOLLINGER].

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from New York.

Mr. MARCANTONIO. I have asked the gentleman to yield now to clarify a confusing situation. The gentleman from New York [Mr. JAVITS] has offered a substitute. The parliamentary situation, as I understand it, is that if the gentleman's substitute is adopted, that eliminates the amendment offered by the gentleman from New York [Mr. POWELL].

Now, what does that mean? The gentleman from New York [Mr. JAVITS] is offering a mere toothless gesture, a mere declaration of policy as a substitute for a real amendment. I think the proponents of civil-rights legislation who want to fight segregation should vote down the substitute because it is meaningless and because if adopted it would vitiate and nullify the amendment offered by the gentleman from New York [Mr. POWELL], which is an amendment that goes to the very heart of segregation in the armed forces.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Just a moment, the gentleman from New York [Mr. DOLLINGER] has yielded to me.

Mr. RANKIN. I will make a point of order.

Mr. MARCANTONIO. You can make a million points of order. You are not bamboozling me, Mister, I have the floor. The gentleman yielded to me.

Mr. RANKIN. Go ahead.

Mr. MARCANTONIO. Now then, Mr. Chairman, I want to point out the disastrous effect and confusion that the substitute that has been offered by the gentleman from New York [Mr. JAVITS] has caused to those of us who are trying to get some civil-rights legislation on this bill. Our only recourse is to vote down the Javits substitute and vote up the Powell amendment.

Mr. DOLLINGER. Mr. Chairman, I only asked for the floor at this time to make certain that my amendment would be considered in the proper course and if so, I yield back the balance of my time as I did not mean to speak on the particular amendment at this time.

Mr. Chairman, will I be recognized at the proper time on my amendment?

The CHAIRMAN. The gentleman will be recognized at the proper time.

The Chair recognizes the gentleman from Georgia [Mr. VINSON] to close debate.

Mr. VINSON. Mr. Chairman, this type of amendment is not new. Every time we have any bills relating to the Armed Services and there is an opportunity to raise the issue of social reforms, these amendments are offered. I am satisfied the House will reject both of these amendments. The House certainly should reject the amendment offered by the gentleman from New York [Mr. JAVITS] and by all means the amendment offered by the gentleman from New York [Mr. POWELL]. Let me give you some statistics to show what is going on. This is rather important.

There are 55,732 Negroes in the Army and 1,317 of them are officers. There are 14,782 Negroes in the Navy and 16 of them are officers. There are 25,702 Negroes in the Air Force; 351 of them are officers. There are 1,531 Negroes in the Marine Corps; there are no officers in the Marine Corps. Two years ago there were 400 separate Negro units in the Army; today there are only 305. One year ago in the Air Force there were 118; today there are but 30. What has brought that about? It was brought about because the President issued an Executive order in 194[illegible] to this effect:

> It is hereby declared to be the policy of the President that there shall be equality of treatment and opportunity for all persons in the Armed Services without regard to race, color, religion, or national origin. This policy is to be put into effect as rapidly as possible, having due regard to the time required to effectuate any necessary change without impairing efficiency or morale.

Following that the President appointed a committee. On that committee were two distinguished Negro members. This committee inquired thoroughly into all of this, and has just recently submitted its report. As I said, the committee had as members two distinguished Negro citizens.

Please listen to this, because this is a complete answer to the problem and it is a complete answer to the gentleman from New York [Mr. JAVITS]. If you will leave this question alone and quit emphasizing the social aspects of it in the military, it will adjust itself. The President's committee's report was submitted, and says in part as follows:

> As this report is submitted, it is too early to appraise the effect of the Army's new policy. However, the committee firmly believes that as the Army carries out the committee's recommendations, which it has adopted, then within a relatively short time Negro soldiers will enjoy complete equality of treatment and opportunity in the Army.

This is the statement of the President's committee with two distinguished Negro members who are not impractical in this matter. They are satisfied with what is going on. I say, when you legislate for the military, legislate from a military standpoint, and not on the ground of social reforms or social benefits. If, in the military, we put social reforms first, military considerations second, we will no longer have a decent fighting machine. I hope both of these amendments will be rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from New York [Mr. POWELL].

The substitute amendment was rejected.

Mr. BENNETT of Florida. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida, as a substitute for the amendment offered by Mr. POWELL: Strike out Congressman POWELL's amendment and substitute the following:

"No order for or against segregation in the armed services shall be effective until the Joint Chiefs of Staff shall have determined that such order is in the best interest of the national defense."

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. POWELL].

The question was taken; and on a division (demanded by Mr. MARCANTONIO), there were—ayes 23, noes 107.

So the amendment was rejected.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 1, line 7, insert:

"SEC. 2. The Selective Service Act of 1948 is hereby amended by inserting after section 20 the following new sections:

"'SUSPENSION OF AUTHORITY

"'SEC. 21. Unless the Congress after the date of enactment of the Selective Service Extension Act of 1950 has by concurrent resolution declared that a national emergency exists which requires an increase in the armed strength of the United States—

"'(1) no person shall be inducted or ordered to report for induction into the armed forces of the United States under this title;

"'(2) no person shall be offered an opportunity or be permitted to enlist in the Regular Army under section 4 (c) (1) (relating to 21-month enlistments);

"'(3) no enlisted member of any Reserve component of the armed forces may apply under section 4 (c) (2) for a period of service, and no application under such section shall be accepted;

"'(4) no enlistment for a period of 1 year shall be accepted under section 4 (g);

"'(5) no person shall without his consent be ordered into the active service under section 7; and

"'(6) no authority or power shall be exercised under section 18 (relating to utilization of industry).

"'ACTIVE SERVICE FOR MEMBERS OF THE RESERVE COMPONENTS

"'SEC. 22. Upon approval by the Congress of a concurrent resolution pursuant to section 21 of this title, and subject to the limitations imposed by section 2 of this title, the President shall be authorized to order into the active military or naval service of the United States for a period of not to exceed 21 consecutive months, with or without their consent, any or all members and units of any or all Reserve components of the armed forces of the United States and retired personnel of the Regular armed forces: *Provided*, That any member of such Reserve components under the age of 19 years so ordered into the active military or naval service shall upon his own application or that of his parents or guardian be separated from such service under honorable conditions.'

"SEC. 3. This act may be cited as the 'Selective Service Extension Act of 1950'."

Mr. VINSON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. VINSON to the committee amendment:

On page 2, line 3, strike "Selective Service Extension Act" and insert "Manpower Registration Act."

On page 3, lines 17 and 18, strike "Selective Service Extension Act" and insert "Manpower Registration Act."

Mr. VINSON. Mr. Chairman, as I announced when I addressed the Committee at the beginning of the consideration of this bill, in view of the fact that the day-by-day work under this bill is nothing but registration and classification, a proper title should be given it. Therefore, we will name it the Manpower Registration Act.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. MILLER of Nebraska. Should not the gentleman also amend the title of the bill?

Mr. VINSON. Yes; we will do that when we get into the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia to the committee amendment.

The amendment to the committee amendment was agreed to.

Mr. MILLER of Nebraska. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Nebraska to the committee amendment: On page 2, line 9, after the semicolon insert the following: "*Provided*, That registration and classification under the provisions of this act shall not become operative until January 24, 1951, and may be delayed further if Congress by affirmative action shall so determine."

Mr. MILLER of Nebraska. Mr. Chairman, the purpose of this amendment is plain. It simply puts off the registration and classification, under this act, until January 24, 1951. I offer this amendment because at this time, under previous legislation, there are about 10,000,000 men registered. The Selective Service Director tells me that 9,000,000 are also classified. It would seem that from these 9,000,000 men, there would be a reservoir of at least 5,000,000 who would be physically qualified for immediate service. In other words, Mr. Chairman, there is no urgent need for the continuation of registration and classification of men who now become 18 years of age.

In case of war, it is possible for the military to take in only about 300,000 men a month. Now, with a reservoir of 5,000,000 men available, it can be readily seen that it would take at least 15 months to induct the men, who are already classified.

The amendment provides that registration and classification shall not become operative until January 24, 1951, and may be delayed further if Congress, by affirmative action, shall so determine.

I am also of the opinion that if we adopt this amendment it would be a means of relieving international tensions. Within the next few days Trygve Lie, Secretary-General of the United Nations, will return to this country for conferences with the President and top officials of Government. It is my understanding he is bringing a proposal to end the cold war. Secretary of State Acheson will be speaking to us on May 31. Perhaps it would be well to wait with the passage of this legislation until we have had a report from these men.

It is so unfortunate, Mr. Chairman, that our Nation spends billions of dollars for a fighting war and a mere pittance to find a way for a just and lasting peace. The heart of the nations of the world, particularly the women, cry out for peace. We have made very few solid determined efforts to find a way to peace. It has been my experience that nations which prepare for war, sooner or later get what they prepare for. I am not a pacifist. I shall vote for this measure, with a great deal of reluctance.

I realize the bill is now amended so that no inductions can be made until there is affirmative action by Congress. It would seem well if Members of Congress could go home and talk to their constituents and, when they come back in the first session of the Eighty-second Congress, they could well determine what the world situation might be at that time, and if there is a necessity for a continuing registration and classification, it could easily be put into effect. In fact, under my amendment, it would go into effect on January 24, 1951, unless there was action by Congress. No harm could be done in putting off the registration and the classification because we already have a large reservoir of men available for immediate service.

We were told by the Commander in Chief, Mr. Truman, that things are better now than they have been at any time since 1946. I note that his military advisers have not agreed with their Commander in Chief. I note also that Secretary of State Acheson, when he recently appeared before the Foreign Affairs Committee, said things were bad and I also realize that the gentleman in the other body, who is chairman of the Armed Services Committee and a top Democratic adviser to the President, said recently, "It will be remarkable if the United States can avoid war with Russia."

He and the military advisers may be correct. It is quite apparent that the President does not get his information from the same source as his advisers. It is unfortunate that they do not because the lack of unity causes great confusion among the citizens.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield.

Mr. BROOKS. I think the crux of the whole problem is to have available immediate registration. In other words, let the boy register when he reaches 18 years of age. If you suspend that registration then you have no preparation at all. He registers, gives his name, his age, and his address, takes his physical examination, and then is available in any emergency, but if you do not have your registration then maybe you will not have them ready at all.

Mr. MILLER of Nebraska. To put this off until January 24 will not hurt anything at all. If Congress then does not take affirmative action the registration proceeds.

Mr. BROOKS. Affirmative action can be taken under the bill as it now stands.

Mr. MILLER of Nebraska. I am just pointing out the facts and calling attention to the huge reservoir of registrants we now have and the rate at which they could be absorbed and processed into the Armed Forces in case of emergency. To put this off until the 24th of January would seem to me to be a step toward peace rather than a step toward war. There is no urgency about drafting these men now; we have this huge reservoir. I would say that in the interest of international peace we should await the report of Trygve Lie and Secretary of State Acheson.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from New York.

Mr. COLE of New York. The practical effect of the amendment offered by the gentleman would be to postpone any registration for approximately 6 months, but still maintain the expense of the administration. The Government would spend approximately four to five million dollars in that period of 6 months and derive no benefit in return whatever?

Mr. MILLER of Nebraska. Well, it would not be necessary to spend that much money. It would keep the machinery in shape, it would not be in full operation. I am doing this as a step toward peace instead of toward war. I think it would help relieve the international tensions that are evident on the horizon now.

I again repeat, Mr. Chairman, the hearts of the world cry for peace. I cannot feel that our country has furnished a very forceful leadership with the idea that peace is possible. All of the moves by our military men have been of hostile nature. It is pretty hard to develop real peace moves when we have air bases and military forces stationed in the four corners of the world. How would this country feel if Russia had bases in Canada and Mexico. I know that Russia cannot be trusted. I am not for appeasing that country. I am also for full preparedness, as far as we are concerned. I voted for funds to supply more aircraft with technical and scientific measures for our protection.

I am, however, concerned that no moneys are being spent to explore methods which might bring a permanent peace to the world. I think we ought to do those things which will bring on a brighter picture for peace. We cannot continue to waste our resources and spend as much money as we are, being armed to the teeth as well as arming the rest of the nations who are supposed to be on our side, and stay economically sound at home.

I trust the membership will give this amendment careful thought. It can do no harm. We have a reservoir of men now available. It might be just that little step needed to give the world some hope that peace is around the corner. It would go far in relieving the present international tensions.

Mr. VINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I earnestly hope the Committee will reject the amendment offered by the gentleman from Nebraska [Mr. MILLER]. The question propounded by the gentleman from New York [Mr. COLE] to the gentleman from Nebraska [Mr. MILLER] clearly shows the fallacy of the amendment.

I ask that the amendment be defeated.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I join with the distinguished gentleman from Georgia, chairman of the Committee on Armed Services, in urging that this amendment be defeated. I have sat here all day under restraint and as a matter of conscience I could not remain silent without expressing my views on this bill. This particular amendment gives me the proper conduit by and through which to express the views I have about this bill.

I have all of the volumes of the writings of John Quincy Adams. I was reading them the other night. They are very, very interesting. I jotted down one thing that Adams wrote in 1813 when we were at war with England. He said in a letter to another person:

> No nation can enjoy freedom and independence without being always prepared to defend them by force of arms.

In talking about the temper that existed in those days and in the minds of the people, he made another statement. He was speaking about the generation of that day, the Americans of that day. He said:

> The temper that will honor us as a nation is if we conduct ourselves in the present world crisis in a manner that our posterity hereafter will look back with pride.

Those are rather dramatic words coming out of the past. Other Americans have said that in one way or another. They have said practically the same things. Down through the ages comes the clarion call of great men and women of the past, not only of this country but of other countries, who fought for the dignity of the individual, the progress of mankind, and the establishment of government as the servant of the people, a government of law, not of men. Where law ceases, tyranny begins.

I have in mind those patriotic words of Patrick Henry: "Give me liberty or give me death." When we pause to interpret the meaning of those words we get the real significance of their impact.

Mr. Chairman, I am reluctantly going to vote for this bill—very reluctantly going to vote for it. I want the RECORD to show my feelings. At a time when we need strength and a manifestation of national intestinal fortitude we have a bill which provides for registration, an extension for 2 years, yet nothing can be done, not even an alternative provision for the President of the United States to issue a proclamation if a national emergency arose unless by concurrent action on the part of the Congress. I can understand a congressional mandate if it were an alternative proposition of the one man whose constituency is the entire country, the President of the United States, having the power to issue a proclamation for induction in case of a national emergency. There is not a provision in case Congress is in recess or in adjournment.

Those are some of the thoughts that run through my mind, and my mind goes back to the Napoleonic days in Europe when John Quincy Adams, who gave a great part of his life to the service of our country, and who was at one time the only American Minister in all of Europe, uttered these words:

> No nation can enjoy freedom and independence without being always prepared to defend them by force of arms.

That has left a forcible impact and impression upon my mind.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to my dear friend from Kentucky.

Mr. CHELF. Was it not George Washington, the first President, who said that the most effective means of preserving the peace was to be prepared for war? I agree with the gentleman from Massachusetts that I, too, shall support this bill reluctantly, because, like the gentleman himself, I would like to have seen a stronger bill.

Mr. McCORMACK. That is correct, and also other great Americans in the past have substantially made the same statement, using other language and other words and what my valued friend the gentleman from Kentucky [Mr. CHELF] has just said is consistent with his great record in the Congress. He is one of the ablest and most courageous Members of this body with whom I have ever served. His people are justified in being proud of FRANK CHELF.

So I am voting for this bill. It represents something, but not the manifestation of national strength and character that I would like to see.' My words are not to be construed as criticism; they are an expression of my own personal opinion. I would have loved to have a bill before us calling for a straight extension of 2 years and for an induction. This is a time for strength, and because the bill reported out of the committee does represent at least a step on the side of strength—and because of that—I am supporting it. I recognize the difficulties. I appreciate the action taken by the committee and I hope the amendment offered by my good friend from Nebraska, whom I like and respect, and whose views I respect, will not be accepted, because it then makes this slight step forward in strength completely innocuous.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. MILLER] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER to the committee amendment:

Page 3, after line 16, insert the following:

"PROVISIONS AGAINST DISCRIMINATION AND SEGREGATION

"SEC. 23. (a) For the purposes of this section—

"(1) The term 'person' includes an individual, partnership, association, corporation, legal representative, trustee, trustee in bankruptcy, receiver, public official, public employee, or officer of the armed forces.

"(2) The term 'national origin' includes ancestry.

"(3) The term 'place of public accommodation, resort, or amusement' includes inns, taverns, roadhouses, hotels, whether conducted for the entertainment of transient guests or for the accommodation of those seeking health, recreation or rest, or restaurant or eating houses, or any place where food is sold for consumption on the premises; buffets, saloons, barrooms, or any store, park, or enclosure where spirituous or malt liquors are sold; ice-ceam parlors, confectioneries, soda fountains, and all stores where ice cream, ice, and fruit derivatives or preparations, or where beverages of any kind are retailed for consumption on the premises; retail stores and establishments, dispensaries, clinics, hospitals, bathhouses, swimming pools, barber shops, beauty parlors, theaters, motion-picture houses; airdromes, roof gardens, music halls, race courses, skating rinks, amusement and recreation parks, fairs, bowling alleys, golf courses, gymnasiums, shooting galleries, billiard and pool parlors, public libraries, and all educational institutions under the supervision of the United States Commissioner of Education or his department or any educational institution or facility supported in whole or in part by Federal funds; garages, all public conveyances operated on land, water, or in the air as well as the stations or terminals thereof; public halls or public places of assembly.

"(b) It shall be unlawful discrimination or segregation practice—

"(1) For any public official, public employee, or officer of the armed forces to require or demand that quotas for white and colored be maintained for the induction of draftees or that separate units be maintained by the armed forces for members of the armed forces.

"(2) For any employer or employee to have other, different, or separate accommodations, or to require that draftees or members of the armed forces use other, different, and separate accommodations while traveling on busses, trains, boats, or planes, or any other means of transportation.

"(3) For any individual, acting individually or in concert, to assault, attack, lynch, or to attempt to assault, attack, or lynch any draftee or a member of the Armed Forces.

"(4) For any public official or employee or any officer of the Armed Forces to require or order any draftee or member of the Armed Forces to train or serve in any State with prodiscrimination or prosegregation statutes.

"(5) For any person in completing the terms of a contract which has been entered into under the authority of or to fulfill the purposes of this act to deny employment or equality of employment to any person by reason of race, color, creed, or national origin.

"(6) For any person to discharge, expel, or otherwise discriminate against any employee because such employee has opposed any of the practices made unlawful by this section or because such employee has testified or assisted in any proceeding under this section.

"(7) For any person to deny to any draftee or member of the Armed Forces the full and equal accommodations, advantages, facilities, or privileges of any place of public accommodation, resort, or amusement, subject only to the conditions and limitations established by law and applicable alike to all persons.

"(8) For any person being the owner, lessee, proprietor, manager, superintendent, agent, or employee of any place of public accommodation, resort, or amusement to publish, circulate, issue, display, post, or mail any written or printed communication, notice, or advertisement to the effect that any of the accommodations, advantages, facilities, or privileges of such place will be refused, withheld from, or denied to any draftee or any member of the armed forces by reason of his race, color, creed, or national origin.

"(9) For any person to aid, abet, incite, compel, or coerce the doing of, or attempting to do, any of the acts made unlawful by this section.

"(c) For the purposes of this section, the production of any written or printed communication, notice, or advertisement purporting (1) to relate to any place of public accommodation, resort, or amusement and (2) to have been made by any person being the owner, lessee, proprietor, superintendent, or manager thereof shall be presumptive evidence in any civil or criminal action that such communication, notice, or advertisement was authorized by such person.

"(d) Any person who violates any provision of this section shall be liable to a penalty of not less than $500 nor more than $1,000 for each such violation, to be recovered by the person aggrieved thereby or by any person to whom such aggrieved person assigns his rights. The rights of such aggrieved person under this section shall be in addition to any common-law rights or rights arising by reason of any other law.

"(e) Any corporation, association, or group which is exempt from payment of any Federal tax by reason of any act of Congress, and which violates any provision of this section, shall not thereafter be exempt from payment of such tax.

"(f) Draftees or any members of the armed forces shall have the right to demand from a United States District Court an order enjoining any officer of the armed forces, or any one acting pursuant to his authority, who has violated or is about to violate or is attempting to violate any provision of this section."

Mr. VINSON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON. I make the point of order against the amendment that it is not germane. It deals with the question of segregation outside of the Army in connection with hotels and pullman trains, and so forth. The gentleman has submitted his amendment to me and, of course, he recognizes it is subject to a point of order.

Mr. DOLLINGER. Will the gentleman reserve his point of order?

Mr. VINSON. I reserve the point of order, Mr. Chairman.

Mr. RANKIN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. I make the point of order that the amendment is not in order and is not germane.

The CHAIRMAN. The gentleman from Georgia has already made that point of order.

Mr. VINSON. If the gentleman is going to insist on it, I want a ruling. I make the point of order, Mr. Chairman, that the amendment is not germane.

The CHAIRMAN. Does the gentleman from New York wish to be heard on the point of order?

Mr. DOLLINGER. No, Mr. Chairman, I will accept the ruling of the Chair on the point of order.

The CHAIRMAN. A similar point of order was raised in connection with similar legislation in 1948 when the gentleman from South Dakota [Mr. CASE] was in the chair. At that time the point of order was sustained. Accordingly, the Chair is constrained at this time to sustain the point of order made by the gentleman from Georgia [Mr. VINSON].

Mr. DOLLINGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to vote for this bill, but, in my opinion, it is of primary importance and a vital necessity that you consider at this time certain proposed amendments which would safeguard potential Negro draftees from segregation and discrimination in the armed forces, and from Jim Crow abuses in public facilities and interstate travel.

It is a shocking commentary upon the armed forces of this country—which supposedly carry high the banners of freedom and democracy—that within the ranks, segregation and discrimination are flagrantly practiced.

Does the Negro in uniform give less of his time, services, and loyalty than the white man in uniform? When the Negro gives his life for his country, is his life less precious to him than the white man's is to him? Why should the Negro in uniform be discriminated against in eating places, public accommodations, recreation, transportation, or other service or business? Why should he be fear-driven and unjustly attacked, as we know he has been?

We know these sad conditions exist, and gentlemen, we should be ashamed of them. Let us at this time give the Negro his just due; let us give him the protection he needs; let us make him proud to wear the uniform of his country, knowing that when he fights to preserve liberty, that liberty is already his and a reality, not a myth.

On January 13, 1949, I introduced H. R. 1353, to prohibit race segregation in the armed forces of the United States. No action was taken on my bill. We are now considering the question of extension of the draft. Briefly, the amendments I proposed would prohibit all segregation and discrimination in our armed forces; bar all Jim Crow in interstate travel for persons in unform; provide that the attack on, or lynching of, a draftee shall be a Federal offense; give draftees and other military personnel the option or not serving in States with prosegregation and prodiscrimination statutes on their books; provide that no member of the armed forces shall be subject to discrimination of any kind by any public authority or place of public accommodation, recreation, transportation, or other service or business; provide injunctive relief for a person subjected to any form of military Jim Crow; require fair employment practices on the

part of contractors or merchants holding Government contracts.

I am familiar with the report to the President of his Committee on Equality of Treatment and Opportunity in the Armed Services. They have done very constructive work and in a short time have accomplished much. They stated that in the reasonably near future equal opportunity for all armed personnel would be assured. We know, from reading the report that it is claimed that the integration program is moving ahead rapidly and that it is admitted that by permitting Negroes equal opportunity we have a better utilization of manpower and ultimately greater military efficiency.

It is only reasonable to ask, therefore, that the amendments I am submitting be accepted by this House. In this way we will insure to all those in uniform the rights and protection to which they are entitled. Such action on your part will win for you the acclaim of all those who truly believe in democracy—and who would like to see our Government practice what it preaches.

I say that we cannot, in good faith, point with pride to our achievements; we cannot, with honesty, pose as a model of democracy to other nations; we cannot hope to lead other nations along the road to peace and good will so long as we have a single Negro who is barred from a restaurant, so long as we have a single soldier who is forced to live in a Jim Crow barracks.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield to the gentleman from New York.

Mr. JAVITS. I should like to compliment the gentleman on the fact that he has been very diligent and active in the struggle on what he considers to be a very material issue of justice—nonsegregation in the armed forces—a cause in which I have been active for a long time. He has done very effective work in it. May I say to the gentleman, too, in view of what was said a little while ago, that the cause itself is certainly not served or helped by anyone seeking to impugn the motives of those who fight consistently in it.

Mr. DOLLINGER. I thank the gentleman for his contribution.

Mr. COLE of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time momentarily to interrogate the chairman of the Committee on Armed Services with respect to an old chestnut which I find still rolling around the corridors of the Capitol, and sometimes even creeps into the Halls of Congress. I am referring to the item back in our military history referred to as the fortification of Guam. As time passes, the memory of many of us here is inclined to become hazy. I should like to verify for the RECORD the facts as they occurred at that time, with the permission and concurrence of the gentleman from Georgia.

Is it not a fact that at no time prior to December 1941 was there any proposal pending before the Congress providing for the fortification of Guam? Is it not the fact that the only proposal considered by the Congress and rejected by the Congress in 1940 was an item calling for the expenditure of $5,000,000 to provide for the establishment of a seaplane base? Is it not the fact that the testimony disclosed before the gentleman's committee at the time was to the effect that to have fortified Guam would have cost $100,000,000 in the opinion of Admiral Leahy?

Is it not also the fact that in the opinion as expressed by our responsible military people even though Guam may have been fortified, it would not have resulted in any difference in the military operations in the Pacific?

While the RECORD also should show that the gentleman from Georgia favored that item of construction at that time and I opposed it, and I do not care to engage in the merits of the discussion, but have I not stated the facts as they occurred?

Mr. VINSON. As the gentleman stated at the outset, a great many Members are a little cloudy about legislative matters that far back, and I am a little cloudy on it myself. I think it would be better for me to answer the gentleman, in order to be accurate, by putting the information in the RECORD at a later date. I will do that.

But I can say that when the Guam item appeared in the bill it was only for $5,000,000. There was no bill before the old Committee on Naval Affairs at that time to appropriate a hundred million dollars, except that which was suggested by Admiral Leahy. The committee rejected it. What we did as regards Guam was merely to authorize $5,000,000 to clean up the harbor so seaplanes could alight there. I think so much water has passed over the dam since then, that I should put the balance of the information in the RECORD.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. VAN ZANDT. Is it not true that the Senator from Massachusetts, then chairman of the Senate Committee on Armed Services, David I. Walsh, made a public statement to the effect that the adminstration never asked the Senate of the United States for one penny to fortify Guam?

Mr. VINSON. That is right.

Mr. COLE of New York. That is my recollection.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. McCORMACK. May I remind the gentleman from New York, and the gentleman from Georgia, that when the matter came up on two occasions, that is, when the appropriation of $5,000,000 came up on two occasions, the argument was specifically made and we knew it was in connection with the fortification of Guam—this was years ago, and I do not know why it has been brought up today. But I remember well the speeches that were made and that $5,000,000 was to enable the airplanes to get in there with safety and the whole basic argument was the question of the fortification of Guam, and if we had proceeded with that, then other action would have had to follow.

Mr. COLE of New York. It is my recollection that the gentleman's statement of his recollection is quite in error.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, everyone knows that it is difficult, if not impossible, to win a war unless the people are back of the military leaders. With or without reason, many of our people have little, if any, confidence in Mr. Acheson, head of the State Department. If we are preparing for war—and that seems to be the move here—why do you not first just get rid of our Secretary of State and of all those who are responsible for the present situation?

Mr. BRYSON. Mr. Chairman, "Eternal vigilance is the price of liberty." This admonition comes down to us through the ages. Never was it more applicable than today.

No matter how much one may be opposed to war even the extreme pacifist or isolationist could fail to see how imperative it is for us to pass favorably and promptly upon H. R. 6828. To be sure, many of us rebel against the idea of the draft, but there is plenty of precedence for such legislation.

How well I recall the draft in World War I. Being a young student at that time and not fully conscious of the necessity for strong military forces, the suggestion of the draft did not appeal to me. In order to evade the draft, like many other young men, I volunteered as a private to prevent being drafted.

I have voted for the drafts every time they came before Congress during the 12 years I have served in this body. When it became necessary to extend the draft before World War II, which extension was granted by only 1 vote, I cast that vote. Anyone who voted in the affirmative could claim that he saved the day since a single vote continued the draft. One cannot imagine the plight we may have been in following subsequent developments if we had not extended the draft at that time.

As a father of veterans and of a young 16-year-old son, I naturally do not desire to send my sons off to war. There are conditions, however, more terrible than war. Some of us have visited occupied countries. Although one could never conceive of our own great country being occupied by foreign forces, such is entirely possible. We have no guarantee of our continuing independence if we fail to do our duty today.

It is comforting to know that every substantial authority, both civilian and military, without regard to politics, is in accord with the views of our Committee on Armed Forces.

The present Selective Service Act expires on June 24. Let us promptly pass this extension. Of course, all of us hope and pray that its provisions will not become operative. However, present

trends all around the world definitely suggest that the day is not far off before we may need not only to defend our allies, but even to repel invasion of our own shores. It is my prediction that this measure will pass unanimously. I sincerely hope so.

Mr. YOUNG. Mr. Chairman, in this troubled and war-torn world the dictators of the Soviet Union understand best force, power, and our determination and ability to resist Soviet aggression and Communist infiltration. Isolationism was, in part, responsible for our being forced into World War II.

I support this resolution. It is important in the maintenance of the peace of the world and in our policy to provide military assistance to the democracies of Europe that we support a resolute and determined foreign policy against the Soviet Union which has been following a policy of aggression in the Hitler pattern. I favor maintenance of a powerful Air Force, Army, and Navy. Regarding national defense, if we count our pennies now we in America may have to count our war dead later. We should register our young manhood. We should keep our powder dry. We should hope for peace, believe in peace, and pray for peace, but at the same time we must be prepared for war. My vote is in favor of the democratic program of selective service—in favor of maintaining our draft machinery in order—in favor of registering and classifying young men for service in our Armed Forces. This bill should be enacted into law, and soon.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having resumed the chair, Mr. ROONEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6826) to extend the Selective Service Act of 1948 (62 Stat. 604) for a period of 3 years, and for other purposes, pursuant to House Resolution 597, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. HOFFMAN of Michigan. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. HOFFMAN of Michigan. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the bill be recommitted to the Committee on Armed Services.

Mr. VINSON. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. MARCANTONIO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and the Speaker pro tempore announced that the "ayes" appeared to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-eight Members are present, a quorum.

Mr. MARCANTONIO. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 216, noes 11.

So the bill was passed.

Mr. VINSON. Mr. Speaker, I offer a motion to amend the title.

The Clerk read as follows:

Mr. VINSON moves to amend the title so as to read as follows: "To provide for the common defense through the registration and classification of certain male persons, and for other purposes."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia.

The question was taken; and the Chair announced that the ayes seemed to have it.

Mr. MARCANTONIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. The Chair will count.

Mr. MARCANTONIO. Mr. Speaker, I just wanted to show that it could be done. There is nothing important involved.

The SPEAKER pro tempore. The gentleman withdraws his objection.

The question is on the motion offered by the gentleman from Georgia.

The motion was agreed to.

A motion to reconsider was laid on the table.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their own remarks on the bill just passed, and also have permission to extend their remarks in today's RECORD at a point just previous to the vote on the passage of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 7635. An act to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the regular components of the armed forces of graduates of the United States Military, Naval, or Coast Guard Academies.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 476) entitled "Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes."

SPECIAL ORDER VACATED

Mr. FELLOWS. Mr. Speaker, I have a special order for today and I ask that it be vacated, as I shall not utilize the time.

SPECIAL ORDER GRANTED

Mr. JENISON asked and was given permission to address the House for 10 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. KELLEY of Pennsylvania, for an indefinite period, on account of attending as alternate delegate to the International Labor Conference, Geneva, Switzerland.

To Mr. TALLE, indefinitely, on account of urgent public business.

To Mr. TRIMBLE (at the request of Mr. STANLEY) for remainder of the week, on account of illness.

To Mr. LODGE (at the request of Mr. ARENDS), for May 24, on account of official business.

To Mr. PATTEN, for 2 days, May 25 and May 29, on account of official business.

EXECUTIVE COMMUNICATION NO. 1412

Mr. COOPER. Mr. Speaker, by direction of the Committee on Ways and Means, and at the request of the chairman, I ask unanimous consent that Executive Communication 1412 be rereferred from the Committee on Ways and Means to the Committee on Expenditures in the Executive Departments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. DURHAM (at the request of Mr. VINSON) was given permission to extend his own remarks.

Mr. PATTERSON asked and was given permission to extend his remarks and include a historical report.

Mr. PHILBIN asked and was given permission to extend his remarks and include extraneous matter.

Mr. JAVITS asked and was given permission to extend his remarks and include extraneous matter.

Mr. JENISON asked and was given permission to extend his remarks and include extraneous matter.

Mr. McCULLOCH asked and was given permission to extend his remarks and include an editorial from the Christian Science Monitor.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 6329. An act for the relief of Betsy Sullivan; and

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p. m.) the House adjourned until tomorrow, Thursday, May 25, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1473. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

1474. A letter from the Comptroller General of the United States, transmitting a report on the audit of certain corporations supervised by Farm Credit Administration for the fiscal year ended June 30, 1949, pursuant to requirements of the Government Corporation Control Act (31 U. S. C. 841) (H. Doc. No. 603); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1475. A letter from the Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANNON: Committee of Conference. House Joint Resolution 476. Joint resolution making temporary appropriations for the fiscal year ending June 30, 1950, and for other purposes (Rept. No. 2123). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORRIS: Committee on Public Lands. H. R. 6270. A bill to authorize the sale of certain allotted inherited land on the Winnebago Indian Reservation, Nebr.; without amendment (Rept. No. 2124). Referred to the Committee of the Whole House.

Mr. MORRIS: Committee on Public Lands. H. R. 7294. A bill authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross; without amendment (Rept. No. 2125). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 8616. A bill to provide that students away from home while attending college shall be enumerated for census purposes as residents of the enumeration district in which their home is located; to the Committee on Post Office and Civil Service.

By Mr. HART:

H. R. 8617. A bill to amend title 14, United States Code, entitled "Coast Guard"; to the Committee on Merchant Marine and Fisheries.

By Mr. ADDONIZIO:

H. R. 8618. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANKIN (by request):

H. R. 8619. A bill to amend the act entitled "An act to establish a Department of Medicine and Surgery in the Veterans' Administration," approved January 3, 1946, to provide for the appointment of dental specialists, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 8620. A bill to authorize the expenditure of certain moneys toward the rehabilitation of disabled war veterans; to the Committee on Veterans' Affairs.

By Mr. DAWSON:

H. R. 8621. A bill to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government; to the Committee on Expenditures in the Executive Departments.

By Mrs. WOODHOUSE:

H. R. 8622. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. TAURIELLO:

H. R. 8623. A bill declaring October 12 to be a legal holiday; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 8624. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and orders, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H. J. Res. 477. Joint resolution to authorize the temporary operation of the Morgantown ordnance works at Morgantown, W. Va.; to the Committee on Armed Services.

H. J. Res. 478. Joint resolution authorizing the President to issue a proclamation designating October 31 of each year as Youth Honor Day; to the Committee on the Judiciary.

By Mr. LANE:

H. J. Res. 479. Joint resolution designating the period beginning September 3 and ending September 9 as Civil Rights Week; to the Committee on the Judiciary.

By Mr. HORAN:

H. Res. 616. Resolution to authorize and direct the Committee on Post Office and Civil Service to investigate and study the field service of the Post Office Department for the purpose of considering and devising plans for the complete reorganization of such field service; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE:

H. R. 8625. A bill for the relief of Fryderyk Kachel; to the Committee on the Judiciary.

By Mr. CHUDOFF:

H. R. 8626. A bill for the relief of Daniel Simon; to the Committee on the Judiciary.

By Mr. DONDERO:

H. R. 8627. A bill for the relief of Charles P. Hauser; to the Committee on the Judiciary.

By Mr. HESELTON:

H. R. 8628. A bill for the relief of Jerome M. Dunn; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 8629. A bill for the relief of Mary Gemma Kawamura; to the Committee on the Judiciary.

By Mr. KEATING (by request):

H. R. 8630. A bill for the relief of George Crisan; to the Committee on the Judiciary.

By Mr. LEMKE:

H. R. 8631. A bill authorizing the issuance of a patent in fee to Gabriel Martin; to the Committee on Public Lands.

H. R. 8632. A bill authorizing the issuance of a patent in fee to Lucy Looking Elk Dog Eagle; to the Committee on Public Lands.

H. R. 8633. A bill authorizing the issuance of a patent in fee to John Brave Bull; to the Committee on Public Lands.

H. R. 8634. A bill authorizing the issuance of a patent in fee to Charles Tusk; to the Committee on Public Lands.

H. R. 8635. A bill authorizing the issuance of a patent in fee to Margaret Jordan White Eagle; to the Committee on Public Lands.

H. R. 8636. A bill authorizing the issuance of a patent in fee to Mary Runs The Hoop; to the Committee on Public Lands.

By Mr. McGUIRE:

H. R. 8637. A bill for the relief of Eleanor Ambrosi; to the Committee on the Judiciary.

By Mr. O'TOOLE:

H. R. 8638. A bill for the relief of Mrs. Ellen Howlett; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 8639. A bill for the relief of Mrs. Emma Hankel; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 8640. A bill for the relief of Giuseppe and Edward Moschetti; to the Committee on the Judiciary.

By Mr. WHITTINGTON:

H. R. 8641. A bill for the relief of the legal guardian of Clyde L. Watson, Jr., a minor, and Laverne F. Andrews; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2165. By Mr. HESELTON: Resolutions of the General Court of Massachusetts, memorializing Congress to reject certain recommendations affecting veterans contained in the report of the Hoover Commission; to the Committee on Veterans' Affairs.

2166. By Mr. RICH: Resolution of Catholic Daughters of America Court No. 111, Renovo, Pa., urging that the Postmaster General's order to reduce postal service be rescinded;

to the Committee on Post Office and Civil Service.

2167. By the SPEAKER: Petition of L. O. Robertson and others, Everett Townsend Club, No. 1, Everett, Mass., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

2168. Also, petition of Rev. J. A. Logan and others, Townsend National Recovery Plan, Inc., of Florida, Geneva, Fla., requesting passage of House bills 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 25, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercies, in a world swept by violent forces with which, in our own strength, we cannot cope, Thou only art the rock of our salvation. Through all the mystery of life Thy strong arm alone can lead us to its mastery. In a time when the world's hopes depend on personal character, may there be found in those who are here called to serve the Republic those spiritual values which alone can bring order out of chaos and peace out of strife. As those into whose unworthy hands in this day of peril has been placed the crying needs of stricken humanity, may the thoughts of our minds and the sympathies of our hearts, the words of our lips, and the decisions of our deliberations be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

THE JOURNAL

On request of Mr. CONNALLY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 24, 1950, was dispensed with.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate today and tomorrow.

On request of Mr. WILEY, and by unanimous consent, Mr. MCCARTHY was excused from attendance on the session of the Senate today.

On his own request, and by unanimous consent, Mr. ANDERSON was excused from attendance on the sessions of the Senate for an indefinite period.

On his own request, and by unanimous consent, Mr. JOHNSON of Texas was excused from attendance on the sessions of the Senate for an indefinite period.

On his own request, and by unanimous consent, Mr. BUTLER was excused from attendance on the sessions of the Senate tomorrow and Monday, May 29, 1950.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. CONNALLY, and by unanimous consent, the Committee on Public Works, a subcommittee of the Committee on the Judiciary, a subcommittee of the Committee on Foreign Relations, and a subcommittee of the Committee on Labor and Public Welfare were authorized to meet during the sessions of the Senate today.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

The PRESIDENT pro tempore. Under the unanimous-consent agreement entered into yesterday the time between now and 4:30 is divided 2½ hours for the proponents and 3 hours for the opponents of the conference report.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. I should like to ask the distinguished acting majority leader if he intends to have a quorum call.

Mr. CONNALLY. I make the point that there is not a quorum present, to satisfy the Senator. It is agreeable to me to have a quorum call.

Mr. WHERRY. With the time to be charged equally to both sides?

Mr. CONNALLY. Yes. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONNALLY. Mr. President, I ask unanimous consent that the quorum call be vacated.

The VICE PRESIDENT. Without objection, the order for a quorum will be rescinded, and the further proceedings under the call will be suspended.

Under the unanimous-consent agreement the time is to be controlled by the Senator from Texas [Mr. CONNALLY] in favor of the conference report, and by the Senator from Colorado [Mr. MILLIKIN] in opposition. The opponents have 3 hours, and the proponents two hours and a half. The Chair assumes that the time taken in the quorum call will be equally divided between the two sides.

Mr. MILLIKIN. Mr. President, the main business before the Senate is to legislate the extension of the ECA program with a view to its ultimate demise. Intruded into this important concern is the inclusion, by oblique and backdoor strategies, of the so-called point 4 carry-on program, which is limitless in scope and duration, indefinite in purpose, and which contains the strong possibilities of harmful results to our country.

No effort was made to achieve wide areas of agreement on both sides of the aisle for the support of this program as it left the Senate, or as it comes to us in its expanded form from the conferees. There were no adequate preliminary studies similar to those which preceded the comparably important ECA program, and which were conducted by the Harriman, the Krug, and Herter committees.

This off-the-cuff approach to foreign policies of incalculable impact upon the welfare of this Nation and of the world flies in the face of commonly accepted precepts for sound legislative procedure, and rebukes the sound advice of a statesman such as the senior Senator from Michigan [Mr. VANDENBERG], urging careful preliminary study.

This radically changed point 4 program affronts the due process of the Senate. Coming to us for the first time from conference, we have no alternative but to take or to leave it in its entirety. That which we are asked to take bears only submicroscopic relationship to that which was approved by this body.

A reading of the conference report and a comparison of the report with the bill which left the Senate shows complete surrender to the House version of a bill which met with one form or another of condemnation by every member of the Senate Foreign Relations Committee attending the 2 days of hearings to which I have referred. These abbreviated hearings did not scratch the surface of the subject because it was made clear by the committee that it did not intend to approve a measure of the type now before us.

The magnitude of the surrender of our conferees is measured by their acceptance in conference of 401.5 of the total of 417 of the lines of the House version of point 4, and of 14 or 15 minor changes in wordage.

The Senate version, as amended, with a cut-off 5-year term and with explicit provisions of the Russell amendment making certain that there were no obligations beyond simple and limited technical assistance, was surrendered by our conferees, and now we face——

Mr. CONNALLY. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Texas?

Mr. MILLIKIN. Certainly.

Mr. CONNALLY. I challenge the last statement of the Senator. The conferees did not surrender. The language was changed because we adopted the House language, but the purposes of the clauses in the bill are the same as those indicated in the so-called Russell amendment.

Mr. MILLIKIN. I suggest that there is a vast difference between the changes incorporated in the conference report and the Russell amendment, and that will be developed. I hope also to develop substantive changes between the Senate and the House versions.

Now we face the full implications of the point 4 program of technical assistance and foreign investments without defined limits of scope or duration.

The relatively mild Senate version of point 4 met with intense resistance because it was considered by many Senators as an ill-timed and inadequately considered preliminary to the full point 4 program which is now revealed to us by conference legislation. The Senate version passed by a vote of 37 to 36. I believe that many of those who voted for the Senate version did so because of its allegedly limited character—limited to simple technical assistance and exchange of knowledge, for which we have the precedent of existing legislation such

as the Smith-Mundt and Fulbright Acts. The limited term of 5 years stilled many doubts. Those who voted for and against it are now met with something infinitely more questionable or infinitely more objectionable.

There is no emergent need for this point 4 legislation. It has no place in the ECA extension legislation. It should be considered separately and extensively by separate procedures. This conference report should be rejected. It should be sent back to conference with instructions to our conferees to stand fast for the elimination of the point 4 program and for a bill limited to the extension of the ECA program.

Section 402 of the bill contains what is described as a finding by Congress. It is not a finding of fact because, as I shall show, it is full of untruths. In the main, these findings are a lot of senseless gibberish which I suggest can serve no purpose except to obscure the real meanings of the bill and possibly to further a hope that they will exercise a hypnotic effect upon those who are more interested in mellifluous words of noble purpose than in the substance of things. It certainly is to the credit of our own conferees that they have no appetite for this gobbledygook and accepted it most reluctantly.

Let us, for example, consider section 402, subparagraph (a):

(a) The peoples of the United States and other nations have a common interest in the freedom and in the economic and social progress of all peoples. Such progress can further the secure growth of democratic ways of life, the expansion of mutually beneficial commerce, the development of international understanding and good will, and the maintenance of world peace.

Sounds pretty good, does it not? Well, let us see. In the first place to give any validity to this finding the United States and the other nations referred to must define and accept the definition of the word "freedom" and the words "the economic and social progress of all peoples," and the words "democratic ways of life," and the words "the expansion of mutually beneficial commerce, the development of international understanding and good will, and the maintenance of world peace."

We have our own concepts governing the meaning of these words, but do the other nations referred to?

Do the authoritarian governments such as Turkey and Portugal and Russia and socialist Great Britain and the nations governed by tribal or feudal chiefs have a common interest in these desirable objectives as we see them?

Is this an accurate finding by Congress?

Do these countries think of the freedom of the citizens as we think of it, do they think of economic progress as we think of it? Do they think of democratic ways of life as we think of them?

How many times are we going to stumblebum ourselves and the world into tragedy by the loose use of words? Remember what has followed the imbecilic notion that Russia was a promoter of the democratic way of life. I suggest that we get rid of these pre-Yalta ghost writers.

What do countries with planned internal and external economies contribute to mutually beneficial commerce? Do the 300 or more bilateral western European trade agreements further the expansion of mutually beneficial commerce? Is this type of commerce advanced by the monetary controls, the quotas, the licenses, the intense nationalistic practices, the exclusionary tariffs of these other nations? Do their conflicting economic, political, ideological systems develop international understanding and good will and promote the maintenance of world peace?

No more than a moment's reflection reduces the whole paragraph to pompous nonsense and remember, please, that it is presented and it might be made into law as a finding by Congress.

Now we come to section 402 (b):

(b) The efforts of the peoples living in economically underdeveloped areas of the world to realize their full capabilities and to develop the resources of the lands in which they live can be furthered through the cooperative endeavor of all nations to exchange technical knowledge and skills and to encourage the flow of investment capital.

This provision assumes that the peoples living in those underdeveloped areas have reached a consciousness of their full capabilities and are making efforts to reach them. There is no supporting evidence.

In some of these underdeveloped regions there are leaders with ambitions which they, for tin-cup passing purposes and in some instances with genuine conviction, attribute to their people but which are absent en masse. Under the feudal systems which prevail in many underdeveloped regions, there may be unrest but we may suspect that the goals of the restless are to depose their greedy leaders or get rid of oppressor master nations, but otherwise they are unknown or too vague to supply a basis for programs of the type here envisaged.

Now it is proposed that these efforts and the realization of these full capabilities are to be helped by the cooperative endeavors of all nations in exchanging technical knowledge and skill and to encourage the flow of investment capital.

I cannot think of anything worse than to deluge those underprivileged people with the conflicting views of all nations as to what is best for them. And to encourage the flow of investment capital might be the final catastrophic blow.

The history of transplanting technical skills, of trying to lift underprivileged people into better standards of living by outside effort, can be illuminated by study of former colonial and dependent countries now seething with revolt because in part they wearied of that kind of solicitude.

We do not make an industrial nation by sending in money or factories. Long periods of training and conditioning are required. We began with a wilderness more than 300 years ago. Combinations of resources, transportation, potential markets, climate, aptitudes and many other factors must be present.

This provision is also a loose and meaningless generality and yet it is to be given the dignity of a congressional finding.

Now we come to section 402 (c):

(c) Technical assistance and capital investment can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived. In the case of investment this involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will provide adequate wages and working conditions for local labor. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation; that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

Note again the reiteration of the thought that capital investment is linked with technical assistance. This is mentioned now, it has been mentioned before, and it will be mentioned in later connections, to dispose of the notion which might be advanced that we are still dealing with a limited, technical assistance measure.

This provision contains an attractive gloss of balanced reasonableness. There must be mutual understanding of mutual advantages. There must be confidence, there must be due respect for legitimate interests of the borrower and of the lender, there must be willingness by the lender to accept a fair share of local taxes, to obey local laws, and to provide adequate wages and working conditions for local labor. The investors property shall not be taken without prompt, adequate, and effective compensation.

There must be reasonable opportunity for the investor to remit his earnings and to withdraw his capital and reasonable freedom to manage his business, and so forth.

But who determines the fair share of taxes, who determines what are adequate wages and working conditions, who determines what is prompt, adequate, and effective compensation, who determines what is reasonable freedom in the management of one's business.

If these matters are subject to local control, subject to local hazards, subject to all of the difficulties encountered by the local competitor of the foreign investor, then the language is more or less meaningless so far as creating an attractive climate for foreign investment is concerned.

Is it not apparent that whether by treaty, agreement, or otherwise, if the outsider who comes in with his technical assistance and his investments gets better treatment than does the local citizen, we are not promoting good will,

but, instead, we are promoting jealousies, irritations, and enmities?

If the American businessman operating in a foreign country is allowed to convert soft local moneys into dollars, is allowed to pull out his capital and convert it into dollars, is it not clear that he has an unfair advantage over his native competitor who would like the same privilege?

The great American department store, for example, will be competing with the little businesses of the native merchants. They would like the privilege of turning their earnings into dollars, of turning their capital into dollars; but they are not permitted to do so. They must cling to the unstable values of their local money. Will that help our foreign relations or will it encourage movements for the confiscation of American capital and earnings and ultimately for kicking us out of foreign countries as disruptive nuisances?

Mr. TAFT. Mr. President, will the Senator yield; does he care to yield at this point?

Mr. MILLIKIN. I am glad to yield.

Mr. TAFT. I wish to call the Senator's attention to the fact that the House report which deals with this measure discusses the entire question of the encouragement of the investment of capital and the creation of a favorable climate. That discussion appears on page 10 of the House report. So the House in drawing up this language distinctly had in mind going into the question of the investment of capital, did it not?

Mr. MILLIKIN. I think so.

Mr. TAFT. In other words, except perhaps as to the $35,000,000 authorization, the House never did have in mind confining this measure to technical assistance. Does the Senator agree?

Mr. MILLIKIN. That is correct, and that was the interpretation put on the bill in the Senate hearings. The Senate Foreign Relations Committee refused, at least in the first instance, to accept the expanded purposes of the House bill.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. CONNALLY. Are we to vote on the House bill or on the conference report?

Mr. MILLIKIN. We are to vote on the conference report; but I assume that we are entitled to talk about the House bill or the Senate bill or any other matter.

Mr. CONNALLY. Yes; but the Senator makes a big point about something the House rejected and which is not in the conference report.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAFT. All that the conferees on the part of the House did was to take the whole House bill, with the exception of one paragraph which deals with reciprocal trade agreements or something of that kind.

Mr. MILLIKIN. Yes; they threw out 15½ lines, and kept in 401½ lines.

Mr. TAFT. I think the Senator is approximately correct.

Mr. MILLIKIN. I counted the lines; I am exactly correct.

Mr. TAFT. I compared the conference report with the House report, and the two are substantially identical.

Mr. MILLIKIN. Yes.

I respectfully suggest that we cannot assure American investors any advantages abroad which are not paid for by the American taxpayer. I respectfully suggest that we do not have the right to subject the money of our taxpayers to business risks which our businessmen are unwilling to assume with their own money. I respectfully suggest that preferential treatment to American businessmen in foreign countries guaranteed by our taxpayer's money will weaken the will of those countries to do those things necessary to put themselves into sound fiscal condition and to adopt standards of business and conduct which will attract investment capital without guaranties of any kind.

I repeat that those American businessmen who want a sure thing abroad by the guaranty or any other governmental route are setting up precedents which will plague them here at home. It takes but a slight change in thinking to produce the demand that our domestic capital and earnings be guaranteed; that annual wages be guaranteed; that agricultural income be guaranteed; that professional income be guaranteed, and so forth. So I pass from these solemn congressional findings of untruth, bad policy, and nonsense to authorizations which are supposed to implement them.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield gladly.

Mr. SMITH of New Jersey. The Senator from Colorado has used the expression "guaranty." For my own information, I shall appreciate it if the Senator can point out anything in title IV of the conference report which has to do with a guaranty.

Mr. MILLIKIN. It seems to me that the conference report, for the reasons suggested by the Senator from Ohio, and which I shall suggest later, contemplates programs of American investments in these foreign countries, and that the record of the hearings and everything else shows that we intend to work up an insurance system or some kind of a guarantee system for those investments.

Mr. SMITH of New Jersey. In answer, I may say that was one thing which the conferees on the part of the Senate fought to the bitter end to keep out of the conference report, and it is the one thing which we kept out of the conference report. We got that out.

Mr. MILLIKIN. Mr. President, I suggest that as we go along we shall find that we are giving the President a blank check to inaugurate executive programs which can cover the ends the Senator is suggesting, as well as almost anything else having to do with technical assistance and also foreign investments. I suggest that as we go along it will be established that all that will be left, so far as the point 4 program is concerned, is to go before the Appropriations Committee and try to obtain covering money. We shall find find the Congress will have surrendered its complete control over the subject, except as it provides appropriations for things already done which it must provide or be accused of breaking the heart of the world.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. FERGUSON. I wonder whether the Senator feels that if this conference report is agreed to without the guaranty as indicated by the Senator from New Jersey, if private capital does not flow into these backward areas, the next step will be the guaranty.

Mr. MILLIKIN. Mr. President, what is the point if that is not the case? Private investment is not flowing into those countries. So, under the views of the proponents it must be stimulated by guaranties or by other governmental assistance.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield gladly.

Mr. DONNELL. Is not that very strongly indicated by the fact that in subdivision (b) of section 402 of the conference report it is found solemnly by Congress that—

> The efforts of the peoples living in economically underdeveloped areas of the world * * * can be furthered through the cooperative endeavor of all nations to exchange technical knowledge and skills and to encourage the flow of investment capital.

Then in subdivision (c), we find set forth as obviously one of the means of encouraging such investments, the creation of confidence on the part of investors "through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation."

Mr. MILLIKIN. That is one of the reasons why I emphasize the provisions of section 402. These are solemn findings, solemn declarations of policy; and they specifically provide for investment.

Mr. DONNELL. And the most logical method of encouraging investment is—to use the language of the conference report—"to encourage the flow of investment capital" by "intergovernmental agreement or otherwise" that investors "will not be deprived of their property without prompt, adequate, and effective compensation."

Mr. MILLIKIN. I quite agree.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAFT. I wonder whether the Senator would mind my reading the only lines of the House bill which appear to have been cut out in drawing up the conference report.

Mr. MILLIKIN. Not at all; I am glad to have the Senator do so.

Mr. TAFT. They constitute subsection (d) on page 15:

> (d) Greater production and higher standards of living in the economically underdeveloped areas and international trade between these areas and the economically advanced areas of the world can be promoted through agreements, negotiated through the United Nations and its specialized agencies

or otherwise, to establish fair-labor standards of wages and working conditions, including the encouragement of collective bargaining between management and labor.

So all that was eliminated was an express authority to make labor agreements.

Mr. MILLIKIN. That is correct.

Mr. TAFT. In other respects, the House bill was in no way changed by the conference report.

Mr. MILLIKIN. But I invite the Senator's attention to the fact that they still have retained the provision with respect to adequate wages and working conditions, which can lead to similar agreements.

Mr. TAFT. Yes; in other parts of the bill that was retained.

Mr. MILLIKIN. In other parts of the bill. I think it should be added that there were—I counted them—I think 12 or 15 minor changes in wording, which are also different from the House version.

What is the special virtue of foreign investment by American citizens that should cause them to be given guaranties which are not available to the people who live in this country and who do their business in this country?

It is not long before we come to provisions with startling implications. I read from section 403 (b):

(b) It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes—

Remember, we are talking about public and private sources of such aid—

shall take into consideration (1) whether the assistance applied for is an appropriate part of a program reasonably designed to contribute to the balanced and integrated development of the country or area concerned; (2) whether any works or facilities which may be projected are actually needed in view of similar facilities existing in the area and are otherwise economically sound; and (3) with respect to projects for which capital is requested, whether private capital is available either in the country or elsewhere upon reasonable terms and in sufficient amounts to finance such projects.

The effect of this provision may well be to channel all private foreign investment through agencies of the United States Government. It will be noted that the language specifically includes private resources "which are or may be available for aid in the development of economically undeveloped areas * * *." It will be noted that it is contemplated that foreign governments shall ask our Government for private aid, which means that private parties in the foreign countries must channel their requests through those countries. There is nothing startling about that, because it is routine in the Socialist and semi-Socialist and totalitarian governments of the world.

But it is not routine for the private investors of the United States to put themselves in the hands of "agencies of the United States Government" which will determine whether a contemplated foreign investment fits their over-all purposes, whether there is need for the investment, whether it is economically sound. I doubt whether this expansion of interest and power of the Federal Government in our private investment field would meet with the wholehearted support of the thoughtful segments of the business community. If it is intended that an American enterpriser may, despite the adverse findings of these agencies, make his investment in a foreign country, will he be deprived of the protections which the bill talks about?

Sections 404, 405, 406, and 407 are as follows:

SEC. 404. (a) In order to accomplish the purposes of this title, the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, and their related organizations, and by other international organizations, wherever practicable.

(b) Within the limits of appropriations made available to carry out the purposes of this title, the President is authorized to make contributions to the United Nations for technical cooperation programs carried on by it and its related organizations which will contribute to accomplishing the purposes of this title as effectively as would participation in comparable programs on a bilateral basis. The President is further authorized to make contributions for technical cooperation programs carried on by the Organization of Ameircan States, its related organizations, and by other international organizations.

(c) Agencies of the United States Government on request of international organizations are authorized, upon approval by the President, to furnish services and such facilities as may be necessary in connection therewith, on an advance of funds or reimbursement basis, for such organizations in connection with their technical cooperation programs. Amounts received as reimbursements from such organizations shall be credited, at the option of the appropriate agency, either to the appropriation, fund, or account utilized in incurring the obligation, or to an appropriate appropriation, fund, or account currently available for the purposes for which expenditures were made.

SEC. 405. The President is authorized to plan, undertake, administer, and execute bilateral technical cooperation programs carried on by any United States Government agency and, in so doing—

(a) To coordinate and direct existing and new technical cooperation programs.

(b) To assist other interested governments in the formulation of programs for the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas.

(c) To receive, consider, and review reports of joint commissions set up as provided in section 410 of this title.

(d) To make, within appropriations made available for the purpose, advances and grants in aid of technical cooperation programs to any person, corporation, or other body of persons, or to any foreign government or foreign government agency.

(e) To make and perform contracts or agreements in respect of technical cooperation programs on behalf of the United States Government with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency: *Provided*, That with respect to contracts or agreements which entail commitments for the expenditure of funds appropriated pursuant to the authority of this title, such contracts or agreements, within the limits of appropriations or contract authorizations hereafter made available may, subject to any future action of the Congress, run for not to exceed 3 years in any one case.

(f) To provide for printing and binding outside the continental limits of the United States, without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111).

(g) To provide for the publication of information made available by the joint commissions referred to in section 410, and from other sources, regarding resources, opportunities for private investment capital, and the need for technical knowledge and skill in each participating country.

SEC. 406. Agreements made by the United States under the authority of this title with other governments and with international organizations shall be registered with the Secretariat of the United Nations in accordance with the provisions of article 102 of the United Nations Charter.

SEC. 407. In carrying out the programs authorized in section 405 of this title—

(a) The participation of private agencies and persons shall be sought to the greatest extent practicable.

(b) Due regard shall be given, in reviewing requests for assistance, to the possibilities of achieving satisfactory results from such assistance as evidenced by the desire of the country requesting it (1) to take steps necessary to make effective use of the assistance made available, including the encouragement of the flow of productive local and foreign investment capital where needed for development; and (2) to endeavor to facilitate the development of the colonies, possessions, dependencies, and non-self-governing territories administered by such requesting country so that such areas may make adequate contribution to the effectiveness of the assistance requested.

(c) Assistance shall be made available only where the President determines that the country being assisted—

(1) Pays a fair share of the cost of the program.

(2) Provides all necessary information concerning such program and gives the program full publicity.

(3) Seeks to the maximum extent possible full coordination and integration of technical cooperation programs being carried on in that country.

(4) Endeavors to make effective use of the results of the program.

(5) Cooperates with other countries participating in the program in the mutual exchange of technical knowledge and skills.

SEC. 408. The President is authorized to prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this title.

It will be noted from the language of these sections that the multitudinous powers granted the President are set forth in explicit terms of authorization. If this bill should become law, from that time on the policy involved in those programs will be determined exclusively by the President. All he will have to do is to present the results of his work to the Appropriations Committees and ask for covering funds. The Appropriations Committees and the Congress will be limited to judgments after the fact, to judgments on faits accompli. These programs might be fateful trouble breeders, and we may well rue the day when we abdicated our power to require specific authorizations.

I mention in this connection that during the hearings on the United Nations

Charter, the intention was developed that these various economic programs involving the United Nations and originating with it should come to the Congress for prior approval.

But here the President is authorized to participate in unspecified multilateral technical cooperation programs, is authorized to make contributions to the United Nations, to the programs carried on by the Organization of American States and its related organizations. The agencies of the United States Government are to furnish services and facilities as may be necessary, on approval of the President. The President is authorized to plan, undertake, and execute bilateral technical cooperation programs.

Let me invite attention specially to section 405 (b), which authorizes the President in connection with bilateral technical cooperation programs "to assist other interested governments in the formulation of programs for the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas."

In other words, the President can spend the taxpayers' money to assist the British Empire, the Dutch Empire, and the French Empire with programs for developing their economically underdeveloped areas.

I suggest that this takes in too much territory. I suggest that we are getting too big for our britches. I suggest that it will help our foreign affairs if we keep our noses out of the internal governmental affairs of the great empires of this earth, if we let those empires know that we expect them to assume fully the duties which go with their privileges and pretensions.

The grant of authority in section 405 for publication of information has staggering implications. We have all been appalled at the magnitude of the propaganda and the useless printed matter that comes out of our Government agencies. But wait until the joint committees, which I shall describe in a moment, get the printing presses running on the resources, the opportunities for private-investment capital, and the need for technical knowledge and skill in each participating country. That will be something beyond anything that we have ever encountered. The task is endless and limitless.

The United States Government itself does not have adequate knowledge of its own resources. Heretofore we have allowed private enterprise to dig out its private investment opportunities. We have never had a comprehensive official survey of the whole subject. Imagine the magnitude of the task of getting that kind of stuff together for all of the underdeveloped areas of the world.

It will be noted that the Executive agreements authorized become official international documents without the specific prior approval of the Congress.

Then, in section 408, the President is authorized to prescribe rules and regulations, and it is easy to imagine the proliferation of bureau-made law for plaguing our American citizens deriving from this soft-spoken grant of power.

Now we come to the pork in the bill. Let us look at section 409:

SEC. 409. The President shall create an advisory board, hereinafter referred to as the "board," which shall advise and consult with the President or such other officer as he may designate to administer the program herein authorized, with respect to general or basic policy matters arising in connection with operation of the program. The board shall consist of not more than 13 members to be appointed by the President, one of whom, by and with the advice and consent of the Senate, shall be appointed by him as chairman. The members of the board shall be broadly representative of voluntary agencies and other groups interested in the program, including business, labor, agriculture, public health, and education. All members of the board shall be citizens of the United States; none except the chairman shall be an officer or an employee of the United States (including any agency or instrumentality of the United States) who as such regularly receives compensation for current services. Members of the board, other than the chairman if he is an officer of the United States Government, shall receive out of funds made available for the purposes of this title a per diem allowance of $50 for each day spent away from their homes or regular places of business for the purpose of attendance at meetings of the board or at conferences held upon the call of the chairman, and in necessary travel, and while so engaged they may be paid actual travel expenses and not to exceed $10 per diem in lieu of subsistence and other expenses. The President may appoint such committees in special fields of activity as he may determine to be necessary or desirable to effectuate the purposes of this title. The members of such committees shall receive the same compensation as that provided for members of the board.

This is only one of the boards and special commissions to which I shall later invite attention.

Here we have an advisory board which shall advise and consult with the President, or with any other person designated by the President, consisting of not more than 13 members but only one of whom, the Chairman, shall be appointed by the President, with the advice and consent of the Senate.

It is easy to see that membership on this board with its plenary powers might be coveted by representatives of selfish special-interest groups and assorted strange characters. We are not without experience in these appointment matters, and the advice and consent of the Senate for each member of that board should be required.

Notice, please, that under section 409 "the President may appoint such committees in special fields of activity as he may determine may be necessary or desirable to effectuate the purposes of this title." And note, also, that the members of such committees shall receive the same compensation as that provided for members of the board, to wit, $50 per day when away from home or from regular places of business.

The special fields of activity under this bill are limited only by the limits of imagination. The masters of the President's patronage must be drooling over the possibilities.

Section 410 reads:

SEC. 410. (a) At the request of a foreign country, there may be established a joint commission for economic development to be composed of persons named by the President and persons to be named by the requesting country, and may include representatives of international organizations mutually agreed upon.

(b) The duties of each such joint commission shall be mutually agreed upon, and may include, among other things, examination of the following:

(1) The requesting country's requirements with respect to technical assistance.

(2) The requesting country's resources and potentialities, including mutually advantageous opportunities for utilization of foreign technical knowledge and skills and investment.

(3) Policies which will remove deterrents to and otherwise encourage the introduction, local development, and application of technical skills and the creation and effective utilization of capital, both domestic and foreign; and the implementation of such policies by appropriate measures on the part of the requesting country and the United States, and of other countries, when appropriate, and after consultation with them.

(c) Such joint commissions shall prepare studies and reports which they shall transmit to the appropriate authorities of the United States and of the requesting countries. In such reports the joint commissions may include recommendations as to any specific projects which they conclude would contribute to the economic development of the requesting countries.

(d) The costs of each joint commission shall be borne by the United States and the requesting country in the proportion that may be agreed upon between the President and that country.

Once more please note that the American members of this joint commission are not to be confirmed by the Senate. Inept American members could disturb our international relations. These commissions will do the recommending, both as to skills and capital. The quality of the membership will have important effect on the economy of this country and of the beneficiary countries. Yet the Senate, which is supposed to have an important voice in our foreign affairs, has no voice in the membership of these joint commissions. We should retain the power to make our own tests of the character, ability, patriotism, and general suitability of these appointees.

Section 412 provides:

The President may exercise any power or authority conferred on him by this title through the Secretary of State or through any other officer or employee of the United States Government.

It is the intention to delegate the powers and authorities conferred by this bill to the Secretary of State. The active man will be Mr. Thorp. Mr. Thorp is the man who said that the extension of the Reciprocal Trade Agreements Extension Act without the peril-point safeguarding provision gives the State Department a clear mandate to guide the economy as a whole into the most productive lines possible.

Mr. Thorp was referring to our domestic economy. Now we propose to give the State Department and Mr. Thorp additional mandates to guide our domestic economy as a whole and to guide the economy of the world as a whole.

I wonder if it is not about time to exercise a little restraint in granting powers to the State Department. There is a serious question as to whether our for-

eign trade and economic relations should be completely subjugated to the vagaries of the diplomatic policies of that agency.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. TAFT. As I understand, it is proposed to take the work which has been done in this general line and put all of it under the State Department. While the powers are given to the President, it was clearly stated in the hearings that he proposes to set up an administrator in the State Department to run the whole show. Is that correct?

Mr. MILLIKIN. That is correct. He will also be aided by this special advisory council. He will be aided by the special commissions which are to be set up. He will be aided by the joint commissions of the participating nations.

But we have not finished with the jobs which will be ladled out under this bill. Section 413 reads:

SEC. 413. In order to carry out the purposes of this title—

(a) The President shall appoint, by and with the advice and consent of the Senate, a person who, under the direction of the President or such other officer as he may designate pursuant to section 412 hereof to exercise the powers conferred upon him by this title, shall be responsible for planning, implementing, and managing the programs authorized in this title. He shall be compensated at a rate fixed by the President without regard to the Classification Act of 1949 but not in excess of $15,000 per annum.

(b) Officers, employees, agents, and attorneys may be employed for duty within the continental limits of the United States in accordance with the provisions of the civil-service laws and the Classification Act of 1949.

(c) Persons employed for duty outside the continental limits of the United States and officers and employees of the United States Government assigned for such duty, may receive compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 (60 Stat. 999), as amended, may receive allowances and benefits not in excess of those established thereunder, and may be appointed to any class in the Foreign Service Reserve or Staff in accordance with the provisions of such act.

(d) Alien clerks and employees employed for the purpose of performing functions under this title shall be employed in accordance with the provisions of the Foreign Service Act of 1946, as amended.

(e) Officers and employees of the United States Government may be detailed to offices or positions to which no compensation is attached with any foreign government or foreign government agency or with any international organization: *Provided*, That while so detailed any such person shall be considered, for the purpose of preserving his privileges, rights, seniority, or other benefits, an officer or employee of the United States Government and of the United States Government agency from which detailed and shall receive therefrom his regular compensation, which shall be reimbursed to such agency from funds available under this title: *Provided further*, That such acceptance of office shall in no case involve the taking of an oath of allegiance to another government.

(f) Experts and consultants or organizations thereof may be employed as authorized by section 15 of the act of August 2, 1946 (5. U. S. C. 55a), and individuals so employed may be compensated at a rate not in excess of $75 per diem.

(g) Such additional civilian personnel may be employed without regard to subsection (a) of section 14 of the Federal Employees Pay Act of 1946 (60 Stat. 219), as amended, as may be necessary to carry out the policies and purposes of this title.

When this thing really gets going we might as well give up any hope of achieving any reduction in our Federal payrolls. There will be the technicians and all of the employees necessary to sustain their efforts, here and abroad. There will be the advisory counsel with all of its attendant staff. There will be this numberless number of special commissions with their staffs. There will be the joint committees and their staffs. There will be the additional staff required by the State Department. There will be the officers, employees, agents, and attorneys, to which reference has just been made. There will be alien clerks and employees. Officers and employees now in other agencies will be taken out of their jobs and put on this job, which means that in the end, the jobs from which they have been transferred will have to be filled. There will be experts and consultants, and their staffs, ad nauseam.

I venture to say that all the ingenuity of the most expert payroll padders has been employed in dreaming up this weird concoction of patronage intrusion and imperialism.

Mr. THYE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. THYE. Is there any provision in any act which provides for a per diem of $75 to be paid to any Federal employee or anyone employed by the Federal Government?

Mr. MILLIKIN. I wish I could answer the Senator's question from my own knowledge; but I am unable to do so.

Mr. THYE. I notice that there are two provisions in the bill. One is for $50 a day and the other for $75 a day.

Mr. MILLIKIN. The Senator is correct.

Section 418 says:

SEC. 418. As used in this title—

(a) The term "technical cooperation programs" means programs for the international interchange of technical knowledge and skills designed to contribute to the balance and integrated development of the economic resources and the productive capacities of economically underdeveloped areas. Such activities may include, but need not be limited to—

"May include, but need not be limited to"—

economic, engineering, medical, educational, agricultural, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources and productive capacities of underdeveloped areas. The term "technical cooperation programs" does not include such activities authorized by the United States Information and Educational Exchange Act of 1948 (62 Stat. 6)—

That is the Smith-Mundt bill—

as are not primarily related to economic development—

And so forth. The use of the double negative at the beginning of the latter part of this provision obscures its meaning. I do not know whether they are taking the Smith-Mundt bill out of this pattern, whether they are incorporating it, or whether they are limiting it. I should be glad to have information on that point.

I invite attention to the open-end authorization so far as technical cooperation programs are concerned:

Such activities may include, but need not be limited to, economic, engineering, medical, educational, agricultural, fishery, mineral, and fiscal surveys, demonstration, training, and similar projects that serve the purpose of promoting the development of economic resources and productive capacities of undeveloped areas.

I believe this analysis of the bill shows very clearly that no adequate study has been made either of its terms or its implications.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. WILEY. Does the Senator bear in mind the interpretation placed upon the term "technical cooperation programs" as defined in section 418? The term is defined as meaning "programs for the international interchange of technical knowledge and skills designed to contribute to the balanced and integrated development of the economic resources and productive capacities of economically underdeveloped areas."

My question is: Does not this definition clearly limit the whole program to an interchange of technical knowledge and skills?

Mr. MILLIKIN. I say definitely it does not. I say that the interchange to which the Senator has referred and the remainder of the language in that section, and under the language of the whole bill, which I have analyzed in some detail, is the point 4 program with all its implications, and the President has a full range of authorizations to make agreements of limitless scope and limitless duration for carrying out the point 4 program. I suggest again that the Senate disapprove this conference report and that it be sent back with instructions to eliminate the point 4 program.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. MARTIN. In the Senator's study of these provisions, has he found anywhere any curtailment on the power of the President of the United States to make any arrangements or agreements he may wish to make?

Mr. MILLIKIN. Offhand, I do not think of a single one. I have taken pains in my discussion to read the exact language, to point out the limitless scope of the power which we are giving to the President, and which we may never be able to get back, because we are giving him authorizations. He then will be in position to make contracts of every kind within the general purpose of the bill, to make agreements which must be registered with the United Nations, to send them to the Appropriations Committees, and the Appropriations Committees will

then be under the duress of either accepting what he hands them and providing the money coverage for what he hands to the committee, or of breaking the heart of the world.

Mr. MARTIN. Mr. President, will the Senator yield again?

Mr. MILLIKIN. I yield.

Mr. MARTIN. Is there any precedent for this much power being given to the President of the United States during peacetime?

Mr. MILLIKIN. I would have difficulty in answering that question, but I cannot think of a more unlimited grant of peacetime power on a subject which is within the primary jurisdiction of the Congress.

Mr. MARTIN. Is it not most difficult for the Congress to turn down a request for an appropriation based upon international arrangements made either by the President or by members of his Cabinet?

Mr. MILLIKIN. It is most difficult; it is almost impossible when our agents have gone to foreign countries, entered into agreements, and made all sorts of promises. We might repudiate promises which have been made domestically, but when we repudiate promises by the State Department or by the President to foreign countries, we are apt to do very provocative things. We are apt to do things which make for hard feelings, which cause foreign countries to feel that we do not keep our word, and are letting them down.

Mr. MARTIN. Is there any limitation in case there might be a conflict with our domestic economy? For example, the coal industry is having great difficulty in employing all its men, and there are other instances of that kind. Are there any provisions to limit the bill if action under it might be detrimental to a part of our local economy?

Mr. MILLIKIN. None whatsoever.

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from California.

Mr. KNOWLAND. I would not want the record to remain as I think it is now, to the effect that the passage of an authorization bill, in effect, at least, gives a blank check for the appropriation of funds. I do not know how the vote will go today with regard to sending back the conference report, but it is quite possible that it will not be sent back to conference.

Speaking as a member of the Committee on Appropriations, I think that the State Department would be very derelict in its duty if its negotiators in any of these countries entered into an agreement unless it was clearly understood by those countries that the final action depended upon the appropriating power of the Congress of the United States.

Certainly, as one Member of the Senate and as one member of the Senate Committee on Appropriations, I desire to make it perfectly clear that, regardless of the fact that this conference report may be adopted today, I do not feel that it is a blank check written upon the Treasury of the United States.

Mr. MILLIKIN. I may say to the distinguished Senator that the junior Senator from Georgia [Mr. RUSSELL], who is also a member of the Committee on Appropriations, pointed out yesterday the great pressures which come upon the Committee on Appropriations when it has to work against these faits accomplis. I agree entirely that the Committee on Appropriations theoretically retains all its liberties, but the junior Senator from Georgia pointed out just yesterday, as I have said, the difficulty involved in turning down authorizations, particularly when they affect foreign affairs.

Mr. KNOWLAND. The Senator will agree with me, will he not, that in the field of public works, in the field of flood control and reclamation many hundreds of millions, in fact, many billions of dollars of authorizations are standing on the statute books, for which Congress has not appropriated funds?

Mr. MILLIKIN. Certainly.

Mr. KNOWLAND. I simply do not want anyone elsewhere to get the impression that the passage of the pending bill in itself is going to be automatically followed by any "X" number of dollars.

Mr. MILLIKIN. I invite the Senator's attention also to the fact, if I may, that the authorizations to which he has just called attention are subjected to hearings before the appropriate committees of the Congress, whereas in this case we are asked to give the President power to come forward with his own authorizations.

Mr. KNOWLAND. If the Senator will yield once more on that point, I think that is all the more reason why it would be the duty of the Congress and the duty of the Appropriations Committee to give very close scrutiny to any requests for funds under the pending measure, so that the congressional arm of the Government could participate, as of necessity it must participate when a matter relates to the expenditure of public funds.

Mr. MILLIKIN. The Senator has stated a very fine Spartan code for the government of the Appropriations Committee, but, as I have said, the junior Senator from Georgia pointed out yesterday the pressures on the Appropriations Committee to go along with programs of the President in foreign affairs.

Mr. SALTONSTALL. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I agree entirely with what the Senator from Colorado has said. I am not certain that I remember the specific words of the question of the Senator from Pennsylvania, but I would point out, if I may, with the consent of the Senator from Colorado, that the Senate Committee on Foreign Relations unanimously reported favorably a treaty of friendship, commerce, and economic development with the Republic of Uruguay on May 22, 1950. I read the principal purpose of the treaty from the report of the Committee on Foreign Relations:

> This treaty with Uruguay, which is similar to some 14 other treaties of friendship, commerce, and navigation that have gone into effect since the end of World War I, sets forth the basic legal framework within which Americans may carry on business in Uruguay, and Uruguayans may do business in the United States. In addition to covering the usual matters such as trade, shipping, and the protection of persons, the treaty contains increased emphasis on provisions that will be helpful to American private capital in Uruguay.

The fifth article of the treaty states, quoting again from the report:

> Article V, paragraph 1, which, from the standpoint of assuring the rights of aliens to engage in economic activities may, together with article VI, be considered the heart of the treaty, provides that each country shall accord to the citizens and companies of the other the same rights it accords to its own citizens and companies with regard to engaging in commercial, manufacturing, processing, financial, construction, publishing, scientific, education, religious, philanthropic, and professional activities.

I also call to the attention of the Senator from Colorado an act, with which I know he is familiar, because he quoted it in his speech, namely, the United States Information and Exchange Act of 1948, which is the so-called Smith-Mundt Act. In that act section 802, subparagraph 2, reads:

> The Secretary, the Department, and the other governmental agencies—
>
> The Secretary being the Secretary of State and the Department being the Department of State—
>
> are authorized—
>
> To make contracts, including contracts with governmental agencies, foreign or domestic—

I skip a little, and read this—

> and intergovernmental organizations of which the United States is a member, and, with respect to contracts entered into in foreign countries, without regard to section 3741 of the Revised Statutes.

I also call to the attention of the Senator from Colorado another point.

Mr. MILLIKIN. I wonder if the Senator would mind bringing these up one at a time, and letting me answer them one at a time.

Mr. SALTONSTALL. Certainly not.

Mr. MILLIKIN. I am in hearty agreement of the wisdom of making treaties with these countries. But I still wonder how we are to implement the treaties. The history of treaties of that kind is one of almost unbroken bad faith. So we will have to get something more than a treaty. The treaty is an expression of a noble purpose which, standing by itself, may produce nothing.

Mr. SALTONSTALL. I agree.

Mr. MILLIKIN. Now let us take the next point. What was the Senator's second point?

Mr. SALTONSTALL. As for the second point I was trying to make, perhaps by way of a supplementary or a little different answer to the Senator from Pennsylvania, I merely called attention to the Smith-Mundt Act, which now permits the President, as I see it, to do substantially the same thing he could do under the bill we are considering.

Mr. MILLIKIN. The Smith-Mundt Act is admittedly an act of limited scope, clearly not intended to proliferate into vast foreign investment programs, and therefore it is entirely reasonable to say that we can delegate those powers with-

out binding ourselves to delegate the powers included in the different kinds of measure before the Senate.

Mr. SALTONSTALL. My third point I would say to the Senator from Colorado, is that, so far as I know, aside from the provisions with relation to the ECA, there is contained in the bill no guaranty of private investment in any way, shape, form, or manner. So far as I know, it contains no language that would necessarily intimate that there will be a guaranty of private investments. I point out, however, that there is a bill on the calendar dealing with guaranties by the Export-Import Bank for convertibility and exappropriation, but that is not now before the Senate.

I am highly in accord with the Senator from Colorado in believing that the Congress should proceed slowly and carefully. I am not a member of the committee, but I understand that the guarantees in the ECA provisions have been limited to what they were in previous years.

Mr. MILLIKIN. If there are no provisions, if there is nothing in the bill that really has to do with investments, if the bill before us does not provide the open door to an investment program, then it serves no purpose, because the same result could be accomplished by enlarging the provisions of the Smith-Mundt bill.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. SALTONSTALL. As I see it, the bill would open the door, if the Senator wishes to use that term, to investigation of the possibility of private investments abroad. It does not provide for any guaranty of investments. If the bill provided for guaranties of private investments, unless such guaranties were extremely limited, I, for one, would have nothing to do with such a provision.

Mr. MILLIKIN. It would be a distinctly futile and harmful thing to go into the various countries and operate technical services, make surveys and studies, set up pilot plants and demonstration units, and then say, "Well, boys, we have shown you what to do. Now we have lost all interest. We are not going to help do it."

The Senator yesterday said that it was preliminary to the full point 4 program.

Mr. SALTONSTALL. Is the Senator from Colorado cognizant of what is going on in South America through the Inter-American Affairs Organization and the Rockefeller Foundation?

Mr. MILLIKIN. I am cognizant of that. Technical assistance is being furnished by dozens of organizations, by the British Empire, by Belgium, by the Dutch Empire, and by the French Empire.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. CONNALLY. The Senator from Pennsylvania asked some questions to which I wish to advert. The Senator from Colorado has made repeated references to the great powers which are proposed to be given to the President. There is a $35,000,000 limitation in the bill. The purposes of the bill are limited to particular things; to technological assistance and advice. There is not a sentence in the bill, there is not a line in it, there is not a phrase in it, there is not a clause in it anywhere that guarantees to American citizens foreign investments made by them.

Mr. MILLIKIN. But I respectfully suggest to the Senator from Texas that the bill is full of grants of authority to the President to make agreements, and to send them here under the general authorizations that are given for appropriations.

Mr. CONNALLY. I dispute that. If an appropriation should be requested we have a Senate Committee on Appropriations. We have a Senate. The Senator from Colorado is a Member of the Senate. Does he mean to say that he wants to negate the power of the Senate to make an appropriation for some particular purpose which has been authorized?

Mr. MILLIKIN. Oh, no. Of course——

Mr. CONNALLY. Just a moment. I beg the Senator's pardon. I am subject to the Senator.

Mr. MILLIKIN. I yield.

Mr. CONNALLY. I forgot that the sword of Damocles hangs above me and may cut off my head at any moment the Senator from Colorado may desire.

Mr. MILLIKIN. The distinguished Senator from Texas is always a kind taskmaster to me. I want to reciprocate.

Mr. CONNALLY. I thank the Senator. The Senator from Colorado is always a kind taskmaster until it comes to facts and arguments on the Senate floor. The Senator contends that this is such a tremen-n-n-n-dous grant of power.

Mr. MILLIKIN. Oh, I made it bigger than that.

Mr. CONNALLY. What?

Mr. MILLIKIN. I made it bigger than that.

Mr. CONNALLY. Well, the Senator made it as big as he could.

Mr. MILLIKIN. No, not as big as I could, but I made it bigger than that.

Mr. CONNALLY. If the Senator could make it any bigger than he made it here on the floor, he would have to explode.

Mr. MILLIKIN. I am not going to explode.

Mr. CONNALLY. Let me ask—why in the world did the Senator vote to pass this bill when it was before the Senate?

Mr. MILLIKIN. I did not vote to pass this bill. I voted against this bill.

Mr. CONNALLY. The Senator from Colorado voted against point 4, but he voted to pass the ECA bill with these terrible powers in it, did he not?

Mr. MILLIKIN. The Senator from Texas is talking about the ECA bill?

Mr. CONNALLY. Yes; I am talking about the ECA bill.

Mr. MILLIKIN. Yes; I voted for the ECA bill.

Mr. CONNALLY. What the Senator is discussing is a part of the ECA bill. The Senator is pointing out that if the bill contains the provisions about which he complains the Republic will go on the rocks, will be destroyed, because under them the President is going to be given tremendous powers, and that we cannot recall them. Yet the Senator voted for them. They were in the ECA bill. That is where they are now. We are now considering a conference report so as to bring about agreement on the ECA bill, and the Senator voted for the ECA bill with the provisions in it about which he complains. How can the Senator sleep at night? [Laughter.]

Mr. MILLIKIN. Let me tell the Senator from Texas how I sleep at night. I go to bed and go to sleep. So far as the ECA program is concerned, it is a dying institution—I hope. What we are talking about now represents an intrusion into it of an entirely different program.

Mr. CONNALLY. The Senator says it is a "dying institution."

Mr. MILLIKIN. I hope it is.

Mr. CONNALLY. If it is a dying institution, that should limit it.

Mr. MILLIKIN. There is no time limit to point 4.

Mr. CONNALLY. The time limit is here in the Senate. Whenever the Senate gets ready to terminate this thing, it can terminate it. The Senator knows that.

Mr. MILLIKIN. We will be so involved in it that we will never be able to terminate it. We will have such big payrolls, so many vested interests, so many clerks, so many lawyers, so many consultants, so many commissions, so many joint commissions, that there will be no way in God's world of getting rid of it. The Senator knows that. [Laughter.]

The VICE PRESIDENT. The Senate will be in order. Occupants of the galleries will refrain from demonstrations.

Mr. CONNALLY. That does not apply to Senators, does it? I hope it does not apply to the Senator from Colorado, because his physical exertions here are so attractive as to obliterate completely his intellectual achievements.

Now, Mr. President, if the Senator from Colorado, with all his learning and experience and legal ability, can explain how $35,000,000, which is all that would be provided by the authorization, will pay for all the members of the staffs and all the clerks and all the boards and all the commissions and all the other things he referred to—in which case there would be nothing at all left to carry on the technological assistance contemplated in the bill—if the Senator can explain that, we can solve all the Government's troubles by simply referring the employment of clerks to this little $35,000,000 fund which, if it is appropriated, is, according to the Senator, going to destroy the Government.

I repeat, the Senator from Colorado, with his eyes open and his ears attending, voted for the ECA bill, with this damnable provision in it.

Mr. MILLIKIN. I repeat to the Senator that I did not vote for the ECA bill with this damnable provision in it. I would vote for the Senate version of the ECA bill with the 5-year limitation, and with the other very sensible provisions, relatively speaking, which were in that bill. But the conferees brought back something entirely different. The conferees brought back something which they had admitted they did not like and

which they wanted to change. Every conferee on the part of the Senate voiced his discontent with the very bill they brought back to the Senate.

Mr. CONNALLY. No; the Senator is incorrect. There were features of the bill which the Senate conferees did not like. If we had liked them, we would not have had any conference.

Mr. MILLIKIN. The distinguished Senator said yesterday that he did not like point 4.

Mr. CONNALLY. I did not like all aspects of it, and it was amended in conference.

The Senate conferees stripped point 4 down to the bare bones—only technological assistance. I challenge the Senator from Colorado, or any other Senator on his side of this issue, to show where anything other than technological assistance is authorized. There is not a dollar of guaranty for any business enterprise, not a dollar to build roads, not a dollar to build bridges, not a dollar to build any public improvements.

The purpose of point 4 is to let the people in these foreign areas have our advice and our assistance, so that they will learn how to do these things—not that we are going to do them. We do not need any law to authorize us to go abroad and do these things, if we make an agreement or treaty to do them. However, we want the people of these foreign countries to do them. We want them to learn how to develop their own country and the resources of their own country, because we believe that if a country is developed and if it develops its own skills and knowledge and prosperity, it is more amenable to peace and harmony and prosperity in the world than would be the case among a number of ignorant, undeveloped peoples with resources which were all about them, but which they had not learned how to utilize. Such an environment is fertile soil for communism, fertile soil for totalitarianism, fertile soil for such arguments as those which are being advanced by the Senator from Colorado. [Laughter.]

Mr. MILLIKIN. Mr. President, the distinguished senior Senator from Texas and the distinguished chairman of the Foreign Relations Committee is telling us now that this measure is a simple technical assistance bill, that it will not extend into investments and the full point 4 program.

In other words, the Senator's method of encouraging peace in the world is to send to the poor people he is talking about our technicians, our doctors, and our consultants, and then do what? Are we going to do them any good? No; we are not. We are going to say to them, "Here is the prescription, you poor devil. Now go to your own drug store and get yourself cured."

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAFT. The Senator referred recently, I think, to the attitude of the Senator from Texas in the committee. I wonder whether the Senator remembers the exact words the Senator from Texas then used?

Mr. MILLIKIN. I do. I read that in detail here the other day.

Mr. TAFT. May I read it to the Senator now?

Mr. MILLIKIN. I wish the Senator from Ohio would do so.

Mr. TAFT. I read now from the hearings on March 30, where the chairman of the committee, the Senator from Texas [Mr. CONNALLY], was speaking:

> The CHAIRMAN. A good many people are apprehensive of this program, that while we are only appropriating $35,000,000 at the beginning, it is just sort of getting a foot in the door, and the expenses of this thing will grow from year to year and, just as Secretary Thorp mentioned a while ago, they will come up with a project, and some country will say "Oh, now you have sent these experts over here and they have smelled around and we have a big project for $100,000,000 and we want you to carry out your promises now and give us the $100,000,000."

Those are the words the Senator from Texas used regarding this program, are they not?

Mr. MILLIKIN. Those are his exact words. There are three or four similar expressions by the distinguished Senator which gave all of us hope that nothing at all would come out of the committee on the proposed point 4 program, and certainly that nothing resembling the conference report.

Mr. TAFT. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. TAFT. Question has been raised as to the authority which the conference report may give from the point of view of authorizations for which appropriations may be made. The Senator has emphasized section 402, which declares findings. However, I wish to point out that section 403 declares a policy on the part of the Government, which is a policy to encourage "the flow of investment capital to countries which provide conditions," and so forth, favorable to that point of view.

Then the conference report says:

> It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States, private and public—

In other words, our money; that is a declaration of policy which, it seems to me, is an authorization for the spending of our money—

> which are or may be available for aid—

How? By the Appropriations Committee at some time—

> in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes—

That is, for the flow of Government capital.

So it seems to me that section 403 is a direct authorization for Government loans for investments.

Whether the technical gadget of guaranties may require additional legislation, I am not certain; but it seems to me that section 403, which was not in the Senate bill, and was eliminated from the bill the conferees were considering, is a direct authorization to spend money in any amount, because the $35,000,000 is confined purely to providing technical assistance in various fields, such as medicine, and so forth.

Mr. MILLIKIN. I agree entirely with the distinguished Senator.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. SMITH of New Jersey. Does the Senator from Colorado agree with me that the purpose of ECA was to try to help the countries of Western Europe recover and rehabilitate themselves and get back on their own feet; and that over the period of 3 years during which we have been operating the ECA, successful progress has been made toward increasing the productivity of the ECA countries, and now we want to bring to an end further grants or loans at our taxpayers' expense? I think the Senator probably will agree generally with that statement. I am entirely in accord with that view.

Mr. MILLIKIN. I believe I agree with everything the Senator now says.

Mr. SMITH of New Jersey. The contemplation of the House group in the past 2 years since the inauguration of ECA was, so they explained to us in the conference, to try to bring about such a condition that the United States could cease using the taxpayers' money to help these endeavors abroad; and if the foreign countries needed additional assistance to take care of the dollar gap program, that assistance might conceivably be brought about by the investment of private capital.

In our early ECA legislation we tried to include provisions which would be helpful to private capital, so that private capital would carry a part of the load. However, that was not successful, because there were fears about this, that, and the other thing.

The attempt was made, in the early ECA legislation, to provide some limited guaranties, which still are retained in this measure, with regard to convertibility of foreign currencies into dollars in case our industrialists were willing to take the risk of making investments. We found that was not adequate to encourage the program to any great extent.

Members of the other House have been studying for 2 years, now, whether there is any way by which we could encourage—not guarantee—American investors to develop a foreign investment policy with the backing and approval of the Government, so that a part of the load could be taken over by private investors, and our taxpayers could be relieved. That was the motivation. The original Senate version limited the aid to technical skills, but in the conference report we included encouragement to investors. We also included the original Senate-approved technical skills provisions, and I point out that a good many of the technical skills provisions which the Senator from Colorado has been criticizing today are ones for which he has previously voted. However, I pass over that point.

All the conferees did was to include provisions which definitely have no guaranties of any kind in them, but are only aimed at seeing whether we can induce private investors, with reasonable

protection by bilateral agreements with foreign countries, to make investments in foreign countries, and thereby relieve our taxpayers.

Mr. MILLIKIN. I see nothing in the conference report that provides the detailed mechanics for a guaranty program. But I say that, by the entire bill, the President is given such broad powers that he can proceed to act by executive agreements, which will escape the requirement of further authorizations.

Mr. SMITH of New Jersey. I understand the Senator's argument, but, so far as the conferees are concerned, they agreed to no such guaranty. I should like merely to ask the Senator one question further, then I shall be through for the moment. I may speak a little later, but I desire to ask the Senator this question: Do I correctly gather from the Senator's very able argument and very able analysis—and he makes many points of criticism of this proposed legislation with which I agree—that he thinks we should abstain entirely from entering into these areas anywhere in the world and from seeking to assist and help in the development of underdeveloped areas, and to encourage the people who are trying to find their freedom, countries such as Indonesia and others?

Mr. MILLIKIN. I think I have made it very clear. I believe I voted for the Smith-Mundt Act. That act is the prototype of that sort of assistance. So far as the exchange of information and knowledge is concerned, the Fulbright Act is a prototype. I am entirely agreeable to that.

Mr. SMITH of New Jersey. I am glad to hear the Senator say that, because it seems to me we must develop a positive approach to these questions.

Mr. MILLIKIN. Because we agree on that, we do not have to agree on everything that springs from it.

Mr. SMITH of New Jersey. That is true.

Mr. MILLIKIN. Or to any change that might be proposed. That is what I am objecting to. I have said repeatedly that it would have been possible to take the Smith-Mundt Act—I think the Senator developed this idea in committee—and expand it, and accomplish the purpose of special technical assistance. The other program, the stuff embodied in point 4, is unnecessary.

Mr. SMITH of New Jersey. Of course, in the Smith-Mundt Act, there was no idea of encouraging the investment of private capital abroad.

Mr. MILLIKIN. No.

Mr. SMITH of New Jersey. The House committee had been studying that for 2 years, and they insisted upon it in the conference report. We yielded to that, because, in exchange for accepting what they call the development of a favorable climate for foreign investment, they gave up certain guaranties on which they had insisted in the ECA bill, and which we said we would not go along with under any conditions, since, as a group, we were definitely opposed to the guaranty feature.

Mr. MILLIKIN. I remind the distinguished Senator that he was especially insistent that what we should do, along this line in this ECA Extension Act, should be limited simply to technical assistance, and that he himself was responsible, I believe, for putting the 5-year limit on the program.

Mr. SMITH of New Jersey. That is true.

Mr. MILLIKIN. That gave heart to many of us.

Mr. SMITH of New Jersey. I think that is true.

Mr. MILLIKIN. And that really was the intent of the Senate action. We now have no limit.

Mr. SMITH of New Jersey. I shall speak a little later on that.

Mr. MALONE. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. MILLIKIN. I yield for a question.

Mr. MALONE. The first question is, Does the point 4 program, in the opinion of the distinguished junior Senator from Colorado, have a place in legislation of this kind, at this time? That is the first question. The second question is: Is there any limitation of time as to how far the point 4 program may be applied, if the conference report is adopted, and is there any limit as to the area in which it may be applied? Those are the two questions.

Mr. MILLIKIN. In answer to the first question, I have stated repeatedly that I think the instrusion of point 4 is a very bad thing in what I hope is this dying ECA program. I have stated repeatedly that I think the point 4 program contains so many implications that it should be treated separately, that it should be preceded by the most thorough study, the most thorough hearings, and that it has not had any of those things. I say again that the point 4 program which has been intruded into this ECA legislation has no limit in time, and that it has no limit in geography. It may be an extreme picture, but under the authority of this bill, technical assistance could be given to countries behind the iron curtain. Technical assistance could be given to Russia, if desired. I mention that extreme illustration in order to illustrate the full scope of the thing.

Mr. MALONE. Mr. President, will the Senator yield for one further question?

The VICE PRESIDENT. Does the Senator from Colorado yield further?

Mr. MILLIKIN. I yield.

Mr. MALONE. For the past 3½ years at least that the junior Senator from Nevada has been present, whenever a vote is needed and a foundation has been laid and a precedent established for certain types of legislation and appropriation, has it been the custom for the great, powerful propaganda machine of the State Department to soften up the taxpayer and to soften up the Senate for the next blow by way of an increased appropriation?

Mr. MILLIKIN. I do not think there is any question of that. Those who sponsored the Smith-Mundt bill have complained of the smallness of the appropriations. The Senator from Arkansas [Mr. FULBRIGHT] has been much disappointed with the meager approach to his program. But, step by step, the appropriations increase until at the present time we are talking about $35,000,000.

Mr. MALONE. Then, Mr. President, what actually happens is, if the precedent is once set, we then go to one type of appropriation after another, in order to give the taxpayer the idea that each certain one is going to end all the problems. But nothing ever ends. Is that about right?

Mr. MILLIKIN. That is the way it looks to me. If the Senator will take a look again at the boards, the commissions, the joint commissions, the special commissions, the office of special assistant to the President, and all the other patronage that is provided for in this bill—the clerks, the consultants, the foreign exports—when he looks over that whole array, he will reach the conclusion that this will never grow less, but that it will expand mightily. There is too much pork in it to permit its neglect.

Mr. MALONE. I thank the distinguished Senator from Colorado.

The VICE PRESIDENT. Does the Senator from Colorado yield the floor?

Mr. MILLIKIN. I yield the floor for the time being. I still have some unexpended time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5473. An act to promote the rehabilitation of the Gros Ventre and Assiniboine Tribes of Indians of the Fort Belknap Reservation, Mont., and for other purposes;

H. R. 5570. An act to promote the rehabilitation of the Chippewa Cree Tribe of Indians of the Rocky Boy's Reservation, Mont., and for other purposes;

H. R. 6063. An act to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges;

H. R. 6152. An act to promote the rehabilitation of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak., and for other purposes; and

H. R. 7262. An act to promote the rehabilitation of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak., and for other purposes.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bill and joint resolutions, and they were signed by the Vice President:

H. R. 7635. An act to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the Regular components of the armed forces of graduates of the United States Military, Naval, or Coast Guard Academies;

S. J. Res. 183. Joint resolution to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session; and

H. J. Res. 476. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, which was, to strike out all after the enacting clause and insert:

TITLE I

SEC. 101. The Secretary of the Army, under the direction of the Secretary of Defense, is hereby authorized to establish or develop military installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

CONTINENTAL UNITED STATES

Aberdeen Proving Ground, Md.: Climatic testing facilities, air-to-ground rocket-firing research facilities, high-explosives loading and disassembly facilities, and compressor building for supersonic wind tunnel, $2,930,000.

Arlington Hall, Va.: Extension between wings 1 and 2, building No. 450, extension of wing No. 1, building No. 450, $94,000.

Army Medical Center, District of Columbia: Reconstruction of heating plant, $350,000.

Army-Navy General Hospital, Arkansas: Ground-storage water reservoir, $65,000.

Army Chemical Center, Maryland: Process laboratory, radiological cold laboratory, low-temperature test chambers, experimental loading and filling building, test chamber for aerosols, radiological hot laboratory, protective equipment laboratory, explosion test chamber, collective protector and air-filter laboratory, facilities for assembly of clusters and fire bombs, high-pressure laboratory, storage building for radiological equipment laboratory for radiological defense school, $2,861,000.

Army receiving station, La Plata, Md.: Barracks, receiving building, powerhouse, and garage, $535,000.

Army transmitting station, District of Columbia area: Improve roads, land acquisition, power facilities, powerhouse and garage, telephone facilities, transmitter building, barracks, and utilities, $1,186,500.

Fort Belvoir, Va.: Communications building, $118,000.

Benicia Arsenal, Calif.: Improvements to water system, $243,800.

Fort Benning, Ga.: Repair shops, magazines, storage facilities, administration building, gasoline station and pumphouse, central heating plant, lavatory building, target house, $210,000.

Black Hills Ordnance Depot, S. Dak.: Improvements to water system, $150,000.

Brooklyn Army Base, N. Y.: Fire protection of piers, $150,000.

California Institute of Technology, California: Test cells, hazardous propellant storage, construction, modification, and relocation of facilities, $685,000.

Deseret Chemical Depot, Utah: Barracks, $266,700.

Camp Detrick, Md.: Civilian dormitory, decontamination facilities, munitions building, aerobiological building, basic science building, meteorological building, pilot plant for crop studies, surveillance building, storage facilities, maintenance shops, research and development laboratory, central boiler plant, plant science building, bacteriological development laboratory, agent control laboratory, animal breeding facilities, animal barn and corral, medical-veterinary laboratory, soils preparation building, $5,822,500.

Dugway Proving Ground, Utah: Technical, administrative, and community facilities, bachelor officers' quarters, barracks, and utilities, $8,695,300.

Sault Ste. Marie, Mich.: Housing, administrative, operational and community facilities, $1,000,000.

Camp Hood, Tex.: Battalion motor park, highway bridge, improvements to water system, $718,000.

Fort Lewis, Wash.: Removal of structures and relocation of post office and finance building, telephone exchange building, $272,000.

Lima Ordnance Depot, Ohio: Connection with city water supply and utilities, $90,000.

Malta Test Station, New York: Additional garage space, additions to electrical distribution system; Quonset huts and platforms; fencing, drainage, roads, fire lanes and clearings, vehicle storage sheds, well, pump and water distributing system, addition to test structure No. 6, chemical test structure and test cells, oxygen pump and turbine test buildings, extension of nitrogen and oxygen gas lines to pits 1 and 2 and chemical pit, fire-alarm system, increase storage for new type fuels, stockroom addition, extension engineering and laboratory building, water pipe wall for pits 3 and 4, addition to ram jet structure, $840,000.

Marion Engineer Depot, Ohio: Sprinkler system, special storage facilities, $533,000.

Middletown, Calif.: Receiver, relay center, and utility buildings, access roads, clearing and grading, fencing, utilities and land acquisition, $760,000.

Midwest Chemical Depot, Arkansas: Storage sheds, $551,000.

Muroc Air Force Base, Calif.: Improvement to range bombing facilities, $144,000.

Navajo Ordnance Depot, Ariz.: Utilities for Navajo Village, $225,000.

Picatinny Arsenal, N. J.: Construction of facilities for rocket development and test purposes and utilities (Loki project), $260,000.

Redstone Arsenal (Huntsville), Ala.: Chemical laboratory and administration-engineer buildings and rocket motor test stands; engineer building, administration building, laboratory buildings; four rocket motor test stands; storage facilities; flight test range; nitroglycerin plant; two temperature conditioning buildings; modification of eight buildings; modification of one building for machine shop; expansion and modification of utilities, roads, and fences; $4,250,000.

Fort Riley, Kans.: Underground magazines, $44,000.

Rossford Ordnance Depot, Ohio: Fireproofing of warehouses, $500,000.

St. Louis Medical Depot, Mo.: Modification of medical laboratory building, $125,000.

Schenectady General Depot, N. Y.: Base maintenance shop building facilities and utilities, $749,000.

Sharpe General Depot, Calif.: Equipment processing building, $184,900.

Hanford, Wash.: Administrative, supply, community, operational and tactical facilities, site development, and utilities, $6,551,343.

Fort Sheridan, Ill.: Beach-erosion protection, $150,000.

White Sands Proving Ground, N. Mex.: Barracks, extension of field instrumentation, automotive maintenance shops, fuel stations, improvements to airfield facilities, meteorological station, refrigeration and ice plant, utilities shops, storage facilities, extension of water supply system and electric power system and bachelor officers' quarters, $2,460,400.

SPECIAL WEAPONS PROJECT

Construction at classified installations, $2,258,800.

OUTSIDE CONTINENTAL UNITED STATES

Alaska: Communications station, including housing, technical, administrative, operational, supply and community facilities, site development, and utilities, $7,873,700.

Eielson Air Force Base, Alaska: Petroleum terminal storage, clearing and site preparation, outside utilities, barracks, organizational maintenance shop, special maintenance shop, ordnance shop, roads, streets and walks, gasoline dispensing station, warehouse, parking areas, oil and grease storage, family quarters, ammunition storage, fire reporting telephone system, battalion headquarters and storage building, $13,746,000.

Ladd Air Force Base, Alaska: Clearing and site preparation, outside utilities, roads, streets and walks, barracks including mess facilities, organizational maintenance shops, post exchange, gasoline dispensing facility, service club, battalion headquarters and supply building, infirmary, $12,590,200.

Fort Richardson, Alaska: Petroleum terminal storage and dock, water supply warehouses, heat and power plant, bachelor officers' quarters, family housing and utilities, outside utilities, organizational maintenance shops, barracks, engineer shops, roads, streets and walks, officers' mess, $36,882,845.

Whittier, Alaska: Central heat and power plant, composite bachelor housing, service and recreation building, $3,131,000.

Okinawa: General depot facilities, laundry, barracks, bachelor officers' quarters, family quarters and utilities, operations building, emergency power building and direction finder building, $13,071,480.

Helemano, Oahu, T. H.: land acquisition, $6,000.

TITLE II

The Secretary of the Navy, under the direction of the Secretary of Defense, is hereby authorized to establish or develop naval installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities as follows:

CONTINENTAL UNITED STATES

Naval Air Station, Alameda, Calif.: Jet overhaul building and accessories, $950,000.

Naval Research Laboratory, Anacostia, D. C.: Research laboratory building and accessories, correction of deficiencies to existing facilities, $1,570,000.

Naval Engineering Experiment Station, Annapolis, Md.: Submarine propulsion test facility, $2,000,000.

Naval Ammunition Depot, Bangor, Wash.: Mine assembly facilities, including buildings and accessory construction, $1,000,000.

Naval Command Operations Center, Training Center, First Naval District: Alterations for command operations center equipment, $151,000.

Naval training schools, Massachusetts Institute of Technology, Cambridge, Mass.: Combustion test and development facility, $682,000.

David Taylor Model Basin, Carderock, Md.: Alter 24-inch variable pressure water tunnel, wind tunnel and associated facilities, completion of 3-meter wind tunnel, free surface test facility, $2,344,000.

Naval Proving Ground, Dahlgren, Va.: Interior ballistics measurements building, $410,000.

Marine Corps depot of supplies, eastern United States: Depot facilities at a location to be determined, $25,000,000.

Naval Ordnance Aerophysics Laboratory, Daingerfield, Tex.: Addition to test chamber to increase capacity of wind tunnel and additional laboratory facilities, $864,500.

Fleet Air Defense Training Center, Dam Neck, Va.: Expansion of present facilities, including roads, walks, generators, transformers, utilities, collateral equipment, auxiliary construction and facilities for administration, command operations center and radar, command operations center instruction, dispensary, barracks, galley and mess hall, bachelor officers' quarters, storage, public works operations, garage, laundry, incinerator, sewage disposal, recreation, chapel, fire house and community services, $18,541,719.

Naval Ammunition Depot, Earle, N. J.: Mine assembly facilities, including buildings and accessory construction, $1,100,000.

Naval Training Center, Great Lakes, Ill.: Addition to main power plant, including boilers and accessory construction, $650,000.

Naval Ammunition Depot, Hawthorne, Nev.: Additional water storage facilities, $320,000.

Naval Ordnance Test Station, Inyokern, Calif.: Morris Dam underwater test facilities, static firing facilities for liquid fuels, aerodynamics ballistic track range, ballistic ground ranges and additional instrumentation for and modification of guided missile range, ballistics-range facilities, $9,160,000.

Naval Air Station, Jacksonville, Fla.: Aircraft carrier berthing, turning basin and approach channel, Mayport, Fla., $4,920,000.

Naval fuel storage facility, Jacksonville, Fla.: Acquisition and expansion of residual terminal facility, including tankage, pipelines, and accessory construction, $3,175,000.

Naval Air Development Station, Johnsville, Pa.: Extension of runways for jet operations, acquisition of navigation easements in runway approach zone, development and test facilities, $5,253,500.

Naval Station, Key West, Fla.: Dredging at submarine basin, $739,000.

Naval Aeronautical Rocket Laboratory, Lake Denmark, N. J.: Rocket test and development facilities, $7,500,000.

Camp Lejeune, N. C.: Construction of railroad spur from Camp Lejeune to Cherry Point, N. C., $3,000,000.

Naval Auxiliary Air Station, Miramar, Calif.: Aircraft maintenance hangar, parking utilities, services, and gasoline storage, $2,230,000.

Naval Postgraduate School, Monterey, Calif.: Facilities, including buildings, utilities, and accessory construction (second increment), $11,000,000.

Naval Submarine Base, New London, Conn.: Hydrogen peroxide storage facilities, $60,000.

Naval Base, Newport, R. I.: Acquisition of land on Conanicut Island for small-boat landings, $9,000.

Naval Base, Newport, R. I.: Sewage facilities, $1,243,000.

Naval Air Station, Norfolk, Va.: Test cells for turbine engines, $485,000.

Headquarters, Commander in Chief, Atlantic Fleet, Norfolk, Va.: Combined antisubmarine warfare plot and administration building, $650,000.

Naval Communication Station, Norfolk, Va.: Communication facilities for Headquarters, Commander in Chief, Atlantic Fleet, $11,650,000.

Naval Air-Test Center, Patuxent River, Md.: Installation of slotted cylinder catapult and arresting gear, $1,110,000.

Naval Air Station, Pensacola, Fla.: Improvement of power plant and electrical distribution system, $3,960,000.

Naval Electronics Laboratory, Point Loma, Calif.: Laboratory supply and utility buildings, including services and accessories, $3,450,000.

Naval Civil Engineering and Evaluation Laboratory, Naval Construction Battalion Center, Port Hueneme, Calif.: Laboratory building and associated facilities, $450,000.

Naval Air Station, Quonset Point, R. I.: Completion of two-engine test cells, $300,000.

Naval Air Station, San Diego, Calif.: Turbo prop engine test cells, $530,000.

Special Devices Center, Sands Point, Long Island, N. Y.: Acquisition of land and buildings, $350,000.

Naval Shipyard, San Francisco, Calif.: Conversion of building numbered 351 for radiological laboratory, $1,000,000.

Thirteenth Naval District: Radio direction finder facilities for supplementary communication requirements, $211,000.

Twelfth Naval District: Vacuum system housing at naval ordnance activity, $85,000.

Naval Air Station, Whidbey Island, Wash.: Acquisition of rocket target range (three hundred and fourteen and sixty-two one-hundredths acres), $35,800.

Naval Ordnance Laboratory, White Oak, Md.: Model test tank, ballistics laboratory, $1,450,000.

Navy communication station, Winter Harbor, Maine: Addition to radio operating building, permanent remote control high frequency direction-finder facilities, $410,000.

Fort Lauderdale, Fla.: Advanced undersea warfare school, $275,000.

Various locations: Additional aviation fuel storage to support jet operations, $5,000,000. Extension of runways for jet operations at naval air station, Alameda, Calif.; Marine Corps air station, Cherry Point, N. C.; Marine Corps air station, El Toro, Calif.; naval air station, Norfolk, Va.; naval auxiliary air station, Oceana, Va.; and/or at such stations as changes in strategic dispositions indicate, $6,190,000.

OUTSIDE CONTINENTAL UNITED STATES

Fourteenth Naval District: Communication control links, including equipment and land, $527,000.

Navy communication supplementary activity, Guam: Permanent facilities for communication supplementary activities, interim operating building and accessory construction, $8,870,000.

Naval supply center, Guam: Additional petroleum storage facilities, $14,200,000.

Agana Naval Air Station, Guam: Water, electric, and sanitary systems, $1,850,000.

Naval operating base, Guam: Extension of power generation, transmission, and distribution system; water supply and distribution system; family housing and completion of civil-service bachelor quarters, $21,936,000.

Oahu, Hawaii: Acquisition of part of Oahu Railroad, $1.

Naval operating base, Kwajalein: Water supply and distribution, power plant and water distillation, refrigerated storage, sewage-disposal system, barracks, mess and galley, $5,958,000.

Argentia, Newfoundland: Permanent communication facility, family quarters and utilities (conversion) $3,193,000.

Pacific: Naval government facilities in Trust Territories, $1,000,000.

Roosevelt Roads, P. R.: Acquisition of land (4,170 acres), $330,000.

Naval station, Tutuila Island, Samoa: Acquisition of land (11 acres), $3,500.

Construction at classified installations, $23,316,000.

Various: Additional communications facilities, $1,000,000. Aviation gas storage (190,000 barrels), $3,350,000.

TITLE III

The Secretary of the Air Force, under the direction of the Secretary of Defense, is hereby authorized to establish or develop installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

CONTINENTAL UNITED STATES

Bakersfield, Calif.: Purchase and rehabilitation of Mohawk Oil Co. plant, including land, $141,000.

Barksdale Air Force Base, Shreveport, La.: Jet-fuel storage and dispensing facilities, $1,500,000.

Biggs Air Force Base, El Paso, Tex.: Additional aviation fuel storage and airfield pavements, and water wells, $3,203,000.

Campbell Air Force Base, Hopkinsville, Ky.: Control tower and security fence, $100,000.

Castle Air Force Base, Merced, Calif.: Airfield pavements, land for runway extension and aviation fuel storage facilities, $4,587,000.

Air Force Base, Savannah, Ga.: Facilities, barracks, quarters and utilities, pavements and storage, $1,275,000.

Eglin Air Force Base, Fla.: Construction of armament center and related facilities including engineering building, hangar, warehouse, armament facilities, ramps, roads and taxiways, modification and improvements of range and ammunition area, ammunition and inspection plant, and addition to measurement and analysis building, and railroad, $9,399,250.

Ellington Air Force Base, Houston, Tex.: Celestial navigation training buildings, $57,000.

Great Falls Air Force Base, Great Falls, Mont.: Aviation fuel storage facility and airfield pavements, barracks, $4,361,000.

Hamilton Air Force Base, San Rafael, Calif.: Aviation fuel storage facilities, $1,000,000.

Holloman Air Force Base, Alamogordo, N. Mex.: Instrumentation building, telephone circuits to instrumentation sites, utilities, conversion of electrical distribution system, water supply and storage facilities, missile assembly buildings, photo laboratory, commissary, sales store and warehouse, tracking device (telemetering and radar), access trails in range area, technical building, upper atmosphere research station, $3,719,725.

Hood Air Force Base, Temple, Tex.: Operation building, control tower, and fire-crash station, night lighting, transformer building, fuel storage, oil storage, electrical distribution system, gas mains, water mains, sewage-disposal facilities, grading and seeding, roads and parking areas, gate house, obstruction lighting, airfield pavement, $1,913,467.

Kelly Air Force Base, San Antonio, Tex.: Addition to sewage-disposal plant, $255,170.

Kirtland Air Force Base, Albuquerque, N. Mex.: Utilities and barracks, $1,270,000.

Lackland Air Force Base, San Antonio, Tex.: Water well, $77,000.

Langley Air Force Base, Hampton, Va.: Jet fuel storage and dispensing facilities, $486,000.

Limestone Air Force Base, Limestone, Maine: Barracks, aviation fuel storage facilities, heating plant and extension to existing heating facilities, warehouses, maintenance shops, fire and crash station, bomb handling and storage facilities, airfield pavements, oil storage facilities, commissary, nose hangars, training-school building, utilities, roads and parking areas, administrative telephone system, communications and electronic facilities, railroad, refrigeration plant, recreation facility, school, motor pool, $24,631,200.

MacDill Air Force Base, Tampa, Fla.: Aviation fuel storage facilities and airfield pavements, $2,828,000.

McChord Air Force Base, Tacoma, Wash.: Jet fuel storage and dispensing facilities, runway extension and taxiway, $573,337.

McGuire Air Force Base, Trenton, N. J.: Jet fuel storage and dispensing facilities, $300,000.

Moses Lake Air Force Base, Moses Lake, Wash.: Barracks, hospital, bachelor officers' quarters, operations building and control tower, crash fire station, $4,195,000.

Mount Washington Weather Station, N. H.: Climatic projects laboratory, $363,600.

Muroc Air Force Base, California: Quartermaster warehouse, electrical system, land for base expansion, unconventional fuel storage, water system, radar and telemetering station, hangars, pavements, runway and taxiway, warehouses and railroad spur, hangar shop and warehouse, rocket static test facilities, barracks, family quarters and utilities, $28,042,280.

Norwalk, Calif.: Rehabilitation and provision of additional operating facilities, purchase of Wilshire and Sunset Oil Co. plants, $767,000.

Offutt Air Force Base, Omaha, Nebr.: Reconstruction of barracks for troop housing, $300,000.

Otis Air Force Base, Falmouth, Mass.: Aviation fuel storage facilities and hangar, $1,150,000.

Panama City, Fla.: Purchase and rehabilitation of Panama City Oil Co. plant, $537,339.

Rapid City Air Force Base, Rapid City, S. Dak.: High-speed refueling system, airfield night lighting and hazard removal, $1,576,100.

Selfridge Air Force Base, Mount Clemens, Mich.: Aviation fuel storage facilities and airfield pavements, $600,000.

Spokane Air Force Base, Spokane, Wash.: Purchase of land, airfield pavements, aviation fuel storage facilities, and barracks, $6,645,000.

St. Louis. Mo.: Renovation of building for aeronautical chart service and moving of equipment, $1,500,000.

Tacoma, Wash.: Purchase and rehabilitation of General Petroleum Corp. terminal No. 2 facilities, $200,000.

Walker Air Force Base, Roswell, N. Mex.: Aviation fuel storage facilities, airfield pavements, $3,504,000.

Wright-Patterson Air Force Base, Dayton, Ohio: Structure branch storage, addition to electrical distribution system for engineering laboratory building, modification to shop and office (wind tunnel building 24C), addition to film-storage building, compass test building, modification of wind tunnel (building 24B), addition to radar-test building, high-powered electric whirlrig, extension to electric system, coal-handling facilities (area C), extension to engineer shops, vibration-test building, $3,340,010.

Location to be determined: Additional strategic bulk petroleum storage facilities, $14,200,000; facilities for storage and repair of rocket motors, including storage facilities for unconventional fuels, $1,000,000; facilities for Air Force Security Service, $5,802,900; classified facilities, $580,000.

Various locations: Conversion of engine overhaul and test facilities, $7,890,000; airways navigational aids and communications facilities, $11,627,415; repair and replacement of airfield lighting, $1,000,000; facilities for storage and dispensing of unconventional fuels, $2,000,000.

OUTSIDE CONTINENTAL UNITED STATES

Alaska: Warm-up shelters for aircraft, $700,000.

Eielson Air Force Base, Alaska: Utilities, utilidor and tie-in to new power plant, power and steam plant, family quarters and utilities, aviation gasoline storage and dispensing facilities, airfield pavements, $11,213,320.

Elmendorf Air Force Base, Fort Richardson, Alaska: Outside utilities, warm storage for vehicles, $1,191,746.

Ladd Air Force Base, Fairbanks, Alaska: Family quarters and utilities, barracks and outside utilities, $11,283,000.

Lagens Field, Azores: Fuel unloading facilities, water supply and distribution facilities, $2,332,000.

Kindley Air Force Base, Bermuda: Completion of bridge, $600,000.

Johnston Island Air Force Base: Petroleum storage facilities, salt water flushing system, fresh-water supply system, airfield lighting, dock repair and replacement, electrical distribution system, electric-power plant, communications facilities, $2,031,000.

Goose Bay Airport, Labrador: Aviation gasoline storage and dispensing facilities, high-speed refueling facilities, $3,050,000.

Wheelus Field, Libya: Water supply and distribution facilities, $325,000.

Dhahran Air Transport Station, Saudi Arabia: Additional facilities, $4,500,000.

Various locations: Weather broadcast and point-to-point communications facilities, $1,701,613; northeast Loran chain, $2,850,000; ground-control-approach facilities, $433,760; air/ground radio stations, $2,076,592; three multichannel single-side-band stations, $4,180,131; radar set facilities, $381,000; demountable or low-cost family housing, $4,800,000; instrument landing system, $150,000; facilities for Air Force Security Service, $1,670,000; classified facilities, $1,000,000.

TITLE IV

GENERAL PROVISIONS

SEC. 401. To accomplish the above-authorized construction the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, under the direction of the Secretary of Defense, are authorized to acquire lands and rights pertaining thereto, or other interests therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise, without regard to section 3648, Revised Statutes, as amended. When necessary, the Secretary of the Army, under the direction of the Secretary of Defense, is authorized to commence construction authorized in title I hereof for a single special weapons project prior to approval of title to such lands by the Attorney General as required by section 355, Revised Statutes, as amended.

SEC. 402. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States and otherwise appropriated, such sums of money as may be necessary for the purposes of this act, but not to exceed:

(1) For public works authorized by title I: Inside continental United States, $34,623,363; outside continental United States, $87,301,225; special weapons project, $2,258,800.

(2) For public works authorized by title II: Inside continental United States, $143,554,519; outside continental United States, $85,533,501.

(3) For public works authorized by title III: Inside continental United States, $200,140,593; outside continental United States, $56,469,162.

SEC. 403. The approximate cost of each project enumerated and authorized by titles I, II, and III of this act may, in the discretion of the Secretary concerned, be varied upward 5 percent, but the total cost of work for each title as authorized in section 402 shall not be exceeded.

SEC. 404. (a) Nothing contained in this act shall be construed to authorize the construction of family quarters or the conversion of existing structures to family quarters at any of the localities mentioned in titles I, II, and III of this act under the heading "Continental United States."

(b) No family quarters shall be constructed under the authority of this act outside continental United States which are in excess of a net floor area of 1,080 square feet per unit.

SEC. 405. When family quarters are constructed outside continental United States, or in Alaska, unit cost and average cost thereof for construction, including kitchen range, refrigerator, telephone, site development and outside utilities, architectural and engineering services, and all contingencies shall be limited to $33,000 and $29,500, respectively.

SEC. 406. Appropriations made to carry out the purposes of this act shall be available for expenses incident to construction, including administration, overhead planning and surveys, and shall be available until expended when specifically provided in the appropriation act.

SEC. 407. Any projects authorized herein may be prosecuted under direct appropriations, or authority to enter into contracts in lieu of such appropriations.

SEC. 408. (a) There is hereby rescinded, as of December 31, 1949, any authority conferred by any act of Congress enacted prior to the beginning of the Eightieth Congress to proceed with any project or projects for the establishment or development of military, naval, or air-force installations and facilities by the construction, installation, or equipment of temporary or permanent public works, unless funds to be used for the exercise of such authority have been appropriated on or before December 31, 1949.

(b) The Secretary of Defense is authorized and directed to make a report to the Congress at the beginning of the first session of the Eighty-second Congress, and at the beginning of the first session of each succeeding Congress, listing all projects for the establishment or development of military, naval, or air-force installations and facilities by the construction, installation, or equipment of temporary or permanent public works which have been authorized by this Congress subsequent to the beginning of the Eightieth Congress and for which adequate funds for the completion thereof have not been appropriated. The report shall include any recommendations which the Secretary of Defense deems appropriate with respect to the rescission of all, or any portion, of the authority to proceed with any such project.

(c) Nothing in subsections (a) and (b) of this section shall be deemed to relate to any project authorized to be prosecuted by the Department of the Army in the exercise of the civilian functions of the Corps of Engineers.

Mr. TYDINGS. I move that the Senate insist upon its amendment, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. TYDINGS, Mr. RUSSELL, Mr. BYRD, Mr. BRIDGES, and Mr. SALTONSTALL conferees on the part of the Senate.

CONFIRMATION OF NOMINATIONS IN THE NAVY AND NAVAL RESERVE

Mr. TYDINGS. Mr. President, as in executive session from the Committee on Armed Services I report certain routine promotions in the Navy and in the Naval Reserve, which come unanimously from the committee. I ask unanimous consent that the nominations be confirmed and that the President be notified.

The VICE PRESIDENT. Without objection, the nominations are confirmed, and without objection the President will be immediately notified.

Mr. TAFT. Mr. President, may I have the attention of the Senator from Maryland a moment? No notice was given of this request for the confirmations, and I understand there may be certain Senators on this side of the aisle who might be interested and who might wish to be heard. I do not know what the facts are, but will the Senator state them?

Mr. TYDINGS. Mr. President, if the Senator will yield, none of these promotions, as I recall, cover a higher rank than commander in the Navy. They deal with ensigns, and so on. They come from the committee unanimously, and I am sure there is no objection that could possibly be raised. They have been on the calendar of the committee for more than a week. None of them are promotions in the higher grades.

Mr. TAFT. I am told that the Senator from Missouri [Mr. DONNELL] objects to the adoption of any routine practice that the President be immediately notified. If the Senator will withdraw that request, it will make only a day's difference.

Mr. TYDINGS. I shall be delighted to do that. The only reason I made that request was that these young men are going on a cruise shortly.

Mr. TAFT. One day, I think, will not make much difference.

Mr. TYDINGS. It may make some difference as to the time they receive their commissions. They may not reach them until they come back from the cruise. I know that in many cases men have lost their number because they have not qualified, by reason of absence from the country, although on the same plane of promotion as men in the country who were simultaneously promoted. For that reason, in order to keep the files uniform, it is quite necessary that the President be notified and that all the commissions go out simultaneously.

Mr. TAFT. I understand the failure immediately to notify the President would delay the matter only 1 day. All the commissions could be prepared.

Mr. TYDINGS. I think notification to the President should be made, but I shall not object.

The VICE PRESIDENT. The motion immediately to notify the President is withdrawn.

FOREIGN ECONOMIC ASSISTANCE ACT OF 1950—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7797) to provide foreign economic assistance.

Mr. CONNALLY. Mr. President, I yield such time as may be required to the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. Mr. President, I shall speak very briefly in favor of the conference report. I say very frankly, at the outset, that men may differ perfectly sincerely on the principle involved in title IV, which is under discussion. As I listened to the Senator from Colorado I gathered that that title in the conference report is the only one at issue and as to which there is any disagreement.

I am in favor of title IV, selfishly, because I believe it helps the national security. The only justification we have for many of the measures we have enacted in the past few years, during which I have been a Member of the Senate, is to strengthen our security and afford a greater opportunity to bring about peace on earth.

How does title IV help the national security? As I see it, it gives other nations an understanding of the standard we expect of them if they want to do business with us. I have heard a very derogatory statement from the distinguished Senator from Colorado, in words which he can employ with great ability, regarding the language which is used in the declaration of policy in section 402 of title IV.

I agree with him that the language may be superfluous in many respects; I agree with him that it may be very broad in some of its implications; but, as I see it, one of the purposes of that language which has not been brought out in the debate, so far as I know, is to give to other nations an understanding of the basis on which we shall be willing to do business with them. In other words, they must reach certain standards; they must be willing to do certain things; they must be willing to understand that we are insisting on these standards before we will do business with them.

In the second place, as I understand, the purpose of the language is to help us negotiate treaties. The Senator from Colorado spoke at length about agreements and bilateral understandings without using the word "treaty." We have pending a treaty of friendship, commerce, and economic development with Uruguay, which has just been reported favorably by the Foreign Relations Committee. There is now pending in the Committee on Foreign Relations a treaty of friendship and mutual understanding with Ireland. I understand other treaties are being negotiated. These are all efforts to encourage mutual business relations between the private citizens of the various nations involved.

There is reason, it seems to me, why it would help the national security. I may say first, however, that we must keep our eyes on the purpose of title IV; we must keep our attention focused on what we are trying to do, namely, to get greater security for ourselves and greater peace in the world. Another reason why it promotes our security is that it helps us to be economically stronger by potentially increasing our markets through the building up of other peoples as possible purchasers.

In the appropriations subcommittee I listened with a great deal of interest to what was said about the work of the Institute of Inter-American Affairs in South America. I read their report, not only as a member of the Committee on Appropriations, but as a Senator of the United States, because the whole subject was of great interest to me. That is one example of cooperation. In South America, where the Institute of Inter-American Affairs operates, it has helped to improve agricultural practices and to bring about better methods in mining and in other industries, but I think it is concentrating mostly on health and agriculture as a beginning. That, as I understand, is the meaning of technical cooperation.

The Senator from Texas [Mr. CONNALLY] rightly says that the limit of technical cooperation in the bill is $35,000,000. There is definitely no commitment beyond that amount. As the Senator from California [Mr. KNOWLAND] pointed out in his discussion with the Senator from Colorado [Mr. MILLIKIN], any further commitment by the President or any further authorization by the President will have to come before the Congress for appropriations.

In addition to the Institute of Inter-American Affairs, we have, as has already been cited, the Fulbright program and the Smith-Mundt Act. The Smith-Mundt Act does much in a more limited way, perhaps, than would be done by the understandings which may come from the pending measure, which would increase our security by stimulating the interest of private citizens in investing funds abroad.

I say, Mr. President, as emphatically as I can, that so far as I know, in title IV there is no guaranty of funds invested by private citizens in any other country in the world, nor is there any obligation on the part of our Government.

There is now pending on the calendar of the Senate a bill from the Committee on Banking and Currency concerning greater powers of the Export-Import Bank. There is in the House another bill which has been introduced on the same subject. I believe these bills should be given the most careful scrutiny. I entirely agree with the Senator from Colorado that we do not want to guarantee, except in a very limited way, the investment of private funds going into other countries. Unlike the Senator from Colorado, I do not think it is a mere gesture on our part to pass this bill if there is no guaranty included.

Mr. President, this is a long-range program. It has to be. If Senators will read the work of the Rockefeller group and the work of the Institute of Inter-American Affairs they will find it requires a long time to develop——

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Colorado.

Mr. MILLIKIN. The Senator says it is a long-range program, and I do not deny it would be a long-range program under the conference report. But the Senate expressed itself as favoring a short-range program, to wit, a 5-year program.

Mr. SALTONSTALL. I would say in reply to the Senator from Colorado that the Senate program was a short-range program with relation to technical cooperation under the ECA act. With that I am in entire accord. I will go even further than does the Senator from Colorado and say the amount for technical cooperation could be cut down to $10,000,000 or $15,000,000. My interest and my belief in the point 4 program are not concerned with the amounts which the Government spends for technical cooperation. That program gives encouragement to private investors to go into other countries with some assurance that they may succeed in their efforts as private investors in those countries.

I should like to quote one paragraph from the hearings held by the Committee on Foreign Affairs of the House on House bill 5615. I read from page 101 of that document, from a report by the Foreign Trade Council, as follows:

PRIVATE ENTERPRISE AND THE POINT 4 PROGRAM—GENERAL CONSIDERATIONS—TIME AND SCOPE

A foreign economic development program must be thought of in terms of an ever-continuing effort rather than one of any determinable period. Emphasis should be placed on setting up the program on a sound basis with assurance of continuity rather than undue haste in its initiation.

I believe that is the principle on which we should work in considering title IV. As I have stated, the technical cooperation of our Government is limited, so far as this bill is concerned, to an authorization of $35,000,000, and in this and any future situation it is limited by congressional appropriation. As I read the bill, there are no guaranties given to private investment outside the limited guaranties under the ECA program.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. TAFT. How can the Senator possibly read section 403 without seeing that the Senate would commit itself to the policy of appropriating public money, if necessary, or taking other action to provide the flow of investment capital into these countries? Whether the authorization question arises or not, section 403 commits us to that policy beyond a shadow of a doubt. It seems to me that this is the main change which was made in the Senate bill by the conferees.

Mr. SALTONSTALL. I do not understand that it commits the Senate to provide investments in these countries beyond stimulating investigatory processes and establishing a foundation on which to go ahead. I say again, I hope the final determinations will be in the form of treaties which will come before the Senate. That is the theory, at least, on which I believe this bill should be passed.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. TAFT. The Senator is familiar with what the State Department has done with the authority to make reciprocal trade agreements. Into that authority, which permits them to make agreements requiring no ratification by Congress, they have incorporated all kinds of provisions, including all kinds of quotas. They have expanded the power until under this so-called gap they have almost written ITO into agreements which they have based on that theory. Here we give them power to make other agreements which would not have to be submitted to Congress. They are not treaties. Under section 405 we give them the power to make and perform contracts or agreements in respect of technical cooperation programs on behalf of the United States Government "with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign government agency." Exactly what a technical cooperation program is, I do not know. However, it seems clear to me that, in view of the way the State Department has stretched its powers in respect to reciprocal trade agreements to cover anything, it could outline all kinds of agreements and projects, to be financed by us, with no treaty whatever, and then have come to the Congress for money. They could say, "Here is an agreement we made under your authority. We made this agreement with Iran under your authority. We are going to develop Mesopotamia. We made this agreement. Are you going to back out on the agreement, after you authorized us to make it?"

We can say, "We did not authorize it." To which they can reply, "We understood the language to mean we had the authority, and we claim that authority." We have an extremely open declaration of policy, which clearly includes financing with Government money, as well as private money, economic development projects in these countries.

Mr. SALTONSTALL. I would reply to the Senator from Ohio that I do not agree with his definition of economic development.

Mr. TAFT. Let me read what it says in section 403 (b):

> It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes—

What purposes? One of the purposes is the flow of investment capital to these countries—

> with respect to projects for which capital is requested—

Does not that language contemplate that these governments will ask us for money?—

> whether private capital is available either in the country or elsewhere upon reasonable terms—

For what purpose? To determine whether we should put up public money. It seems to me that we have here a wide-open policy to use all the resources of the United States in the economic development of all countries throughout the entire world. It is something far beyond our power, and it is something far beyond anything which Congress has the power to declare as a policy of the Government of the United States.

Mr. SALTONSTALL. I agree with the Senator from Ohio that our Government should not put funds into those countries for those purposes. I would not support this title for one moment if I thought that was the fact. It is my understanding that this title is a background for treaties similar to the Uruguay treaty, which does not contemplate any such thing. The technical cooperation programs are defined in section 418. The section is reasonably clear. It is much clearer, in my humble judgment than the Senator from Colorado [Mr. MILLIKIN] so aptly and ably pointed out in some of the objections he made to it. The Senator from Ohio says that we are going to help develop Morocco, or some other country. What country did the Senator refer to a moment ago?

Mr. TAFT. Mesopotamia.

Mr. SALTONSTALL. Let us take Mesopotamia. How are we going to develop Mesopotamia unless we make it possible for private investors to go there and find suitable ground for investment?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. TAFT. The project with relation to the canals between the Tigris and Euphrates Rivers has been urged as a suitable project. The project of taking all the Arabs out of Palestine and putting them in Iraq and Mesopotamia has also been urged. That cannot be done by private capital. I think the head of TVA, whose name escapes me for the moment, made a study of that project, and he said it was too expensive. It would cost too many millions of dollars. The proposal was that we use Government money for that purpose, not private capital.

Mr. SALTONSTALL. I hope the Senator from Ohio knows the Senator from Massachusetts well enough to realize that he would put Government money into the deepening of the channel in Boston Harbor rather than pay it out for the widening of the Tigris River in Mesopotamia.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. LUCAS. It strikes me that the argument made by the very able Senator from Ohio is a complete exaggeration of what point 4 really is. I read from section 416 (b), which says:

> Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries, or to any international organization.

Mr. President, if I understand the English language, that is a complete answer to what the Senator from Ohio has been trying to tell the Senate with respect to what the point 4 program is going to do. This is a specific limitation upon what can be done under it. After all, point 4 is not a big program. It calls for only $35,000,000. It does not involve $35,000,000,000. Judging by some of the arguments we have heard here, one would think that $35,000,000,000 were involved.

Mr. SALTONSTALL. I would say to the Senator from Illinois, the Senator from Ohio and the Senator from Colorado that, so far as the technical cooperation program is concerned, I would just as soon have it call for $15,000,000, rather than $35,000,000, because I do not think that program is the basis of which we must ultimately go ahead if we are to be successful in carrying out the theory and ideals which interest me.

Mr. TAFT. Madam President——

The PRESIDING OFFICER (Mrs. SMITH of Maine in the chair). Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. SALTONSTALL. I yield.

Mr. TAFT. The particular provision read by the Senator from Illinois is pretty weak. It says:

> Nothing in this title is intended nor shall it be construed as an expressed or implied commitment.

It does not say that the agreements made by the President under the title shall not be at least moral commitment and that is what moral commitment into. Once the President is given power to make an ageement with a foreign nation, we are through, because there is a moral commitment.

Furthermore, the suggestion that it is a little thing, involving only $35,000,000, is certainly disputed by the fact that section 403 lays the basis for a measure providing $250,000,000, now pending on the Senate Calendar, to carry out these particular provisions in a particular way, namely, by guaranteeing foreign investors. This is the basis for that program. It seem to me that without further authorization bills, the Government, under section 403, can go ahead and advance unlimited sums, if the

Committee on Appropriations will give them.

Mr. SALTONSTALL. Most respectfully I disagree with the Senator from Ohio in that interpretation. Certainly it was not a possible interpretation I thought would be put upon the provision.

Madam President (Mrs. SMITH of Maine in the chair), I shall close by simply saying that it seems to me the issue, so far as it concerns title IV, comes down to a very simple matter. The Senators who are opposing the conference report are just as sincere, I hope, as I am in supporting it. I believe there is merely a difference of opinion as to how we are going forward in this country in our relations with other countries so far as our own security is concerned, and so far as the peace of the world is concerned.

It is my conception that we are going to be more secure, that there is going to be greater opportunity for peace, if we make it possible to develop some of the underdeveloped nations of the world. But I want to see it done with private capital, with Government cooperation, and without undue governmental spending.

Mr. CONNALLY. Madam President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Texas.

Mr. CONNALLY. In connection with what the Senator was just observing, we mean to aid the nations by making it possible for them to aid themselves. Is that not the purpose of the whole bill?

Mr. SALTONSTALL. That is certainly a fundamental purpose of the bill. If they aid themselves, and build themselves up, they become greater purchasers of our goods, and certainly if we are to keep growing economically in this country, we have to spread outside its boarders. If we do that, we are going to keep ourselves strong, we are going to keep our industrial machine working on higher levels.

Madam President, I am in favor of title IV of the bill because I believe it provides a method by which we can work with the peoples of other nations of the world, for our own selfish benefit, as it will afford us security, will contribute to our economic progress, through greater purchases from the other countries, and, moreover, will tend to prevent a further spread of communism. That will be done by building up nations by understanding, as set forth in the first two sections of this title. They will be able to know what we stand for and what we want the other nations to do if they are going to undertake to do business with us.

Madam President, as I see it, that is the issue. As I have said, it is subject to a very fundamental difference of opinion, and men can be just as sincere on both sides. I happen to be one of those who think this country has to go forward in the way provided, and that the individuals of this country have to have a greater understanding of these subjects, and make it possible for us as individual citizens to have a greater knowledge of and to do more business in the other countries of the world. For these reasons I shall vote to back up the conference committee.

I may add that I introduced one of the bills which has been referred to the Committee on Foreign Relations, and I hope the committee will have a hearing on it. I believe it should be very carefully studied. The House committee did give it a substantial amount of consideration. The matter is now before us, and we have to go forward.

Mr. SMITH of New Jersey. Mr. President——

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Massachusetts yield to the Senator from New Jersey?

Mr. SALTONSTALL. I yield.

Mr. SMITH of New Jersey. There are two things involved in the debate. One is technical assistance, some of which we have been giving heretofore, which the House and Senate both agreed some plan should be made to continue. That is one part of the program. The other part, and one that seems to be disturbing the distinguished Senator from Colorado primarily, is the question of a climate for investment capital.

I admit that we did not give much time to any hearings on that subject, because most of us thought, when we suggested our form of the bill limiting it to technical assistance, that that need not be developed yet, but that it might be a part of the post-ECA program. For approximately a year the House committee has been holding hearings on the subject, and the Senator himself has been in conference with me and others about it. It has been the purpose of the House to see if there was some way by which American taxpayers, who have been paying money for grants under ECA, might be relieved of that burden, by interesting foreign capital to go into these projects.

Mr. SALTONSTALL. Mr. President, that is the reason why the Senator from Massachusetts first interested himself in this program—the desire to eliminate and gradually do away with the dollar gap that will still be substantial after the ECA aid is terminated.

The Senator knows that there are a substantial number of business organizations and other types of organizations, such as foreign trade organizations, which are interested in this proposal. I hesitate to put their names in the RECORD because some of them have qualified their approval in one way or another. One of the two organizations which are against it, and the only two that are on record against it, is one of which Mr. Paul Robeson is the president, and it seems to me perfectly obvious why he should be opposing it. That is simply an indication of what he or his organization feels this proposal may be able to accomplish.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. MILLIKIN. Mr. President, I yield 15 minutes to the junior Senator from Nebraska [Mr. WHERRY].

The PRESIDING OFFICER. The junior Senator from Nebraska is recognized for 15 minutes.

Mr. WHERRY. Mr. President, as other Members of the Senate have shown on the floor of the Senate in the past few days, the ECA conference report we are being asked to accept is not the bill which was passed by the Senate on May 5. I am speaking today as the junior Senator from Nebraska to call attention to some of the arguments and observations I made during the discussion of the ECA authorization. As one who voted against the authorization, I feel that it is quite proper for me to point out some of the deviations, some of the newly included matter, and also to express an earnest desire that the Senate may vote against accepting the conference report and may recommit it to the conference committee, to the end that point 4 may be either greatly or entirely stricken from conference reports on the ECA bill.

To say that the conference report bill is a compromise seems to me to be an exaggeration. No one appreciates more than does the junior Senator from Nebraska that compromises must often be made in conferences. That is what conference committees are for, to adjust the differences between the House and the Senate as expressed in the amendments which may be adopted by either House. But, after all, it is the function of the confereees of the Senate to fight for the Senate version of a bill in conference, so that, if possible, the bill as passed by this legislative branch may be finally enacted.

But in the instance of the conference report before us, I submit that it resembles the bill passed by the Senate only as one skeleton might resemble another. It contains a vast amount of superstructure, which I believe the Senate has every right to suspect, to question, and to reject.

Mr. President, I have in my hand a copy of the conference report, marked in blue pencil in those sections that are changed; where important deletions have been made; and where numerous new sections have been added.

Paragraph after paragraph has been changed and page after page added. Approximately one-third of the wording is the same or similar to the bill which was passed by the Senate; the remaining two-thirds consists of wording and proposals upon which the Senate has never acted, either in committee or upon the floor—and much that the Senate has never heard of before.

I am not sure but that a point of order against the conference report, because of the new matter contained in the report, would be sustained.

For example, it contains a complete change of the so-called point 4 proposition—which in the Senate legislation was an amendment presented by the chairman of the Foreign Relations Committee—and even with its very limited provisions for technical assistance only, passed the Senate by a bare margin of one vote.

That vote alone certainly indicates that the Senate had very definite doubts about accepting a technical-assistance program at all.

The Senate certainly had no idea of expanding technical assistance to include the sponsoring of capital investment, which the State Department has had in mind all along, a global WPA, a boondoggle that will be administered by the State Department, not the ECA Administrator, and has never belonged in the ECA-Marshall Plan Extension Act at all. At least, that is my feeling about it.

I wish to point out that the capital-investment feature contained in the point 4 program is entirely new. It goes beyond what we have ever intended to do in the United States Senate. It provides for credits and guaranties. I believe it will do what the distinguished Senator from Massachusetts, under his interpretation of the measure, said would be done, which is to provide assistance throughout the world. Perhaps it is a good way in which to establish friendship and good feeling throughout the world. If so, we are already establishing a great deal of it. I am not so sure, however, that good will can be bought, either in the United States or abroad. It seems to me that anything we do should be done on a sound basis. I repeat, it was not the intention of the Senate to attempt a world-wide capital-investment program. All the Senate ever intended to do was to give technical assistance where such technical assistance could be provided without further obligation.

Rejection of the broader aspects of the point 4 proposals has been most clearly brought out in the hearings on point 4 before the Senate Foreign Relations Committee.

Mr. Acheson and Mr. Thorp, his Assistant Secretary for Economic Affairs, tried manfully to inject into the Senate committee's consideration the broader proposals—those contained in the House version which are now in the conference report—which, as has been so amusingly discussed on the floor of the Senate in the past several days, proposes some vague creation of a favorable climatic condition for the further investment of American dollars in far-flung projects in every corner of the world.

Obviously, if American dollars have not ventured already into those areas, it was because of the hazard and the expense of such projects which it is now proposed the United States Government sponsor in one way or another. If heretofore such investments were good, why were they not made? Why is it now necessary to make investments with what can be called venture capital or risk capital?

There are a few quotations from the Foreign Relations Committee hearings on the so-called point 4 proposals, which clearly demonstrate the doubt and the rejection of the broader proposals by committee members. Even the hearings on that feature were far from being adequate.

On page 18 of the hearings on March 3, 1950, Secretary Acheson stated:

What this bill deals with (referring to the point 4 amendment to S. 3304) is the skills and techniques. It hopes that, having created that knowledge—it deals purely with knowledge—in these underdeveloped areas; then the private investors, the entrepreneurs, the investors, the managerial skill, and all that, will follow.

Mr. President, had I been there I would have asked the Secretary what he meant by "all that." That is where the new proposal comes in.

The junior Senator from Massachusetts replied to the Secretary in these words:

You know, there is a great deal of misapprehension about this whole subject. You, in part, with these great big global phrases, contribute to it. I think if we could pinpoint these things and get into sharp focus exactly what you mean, and not have these big global titles, it would be much easier to get it accepted.

A little further along in the hearings, the doubts of the chairman of the Senate Foreign Relations Committee are expressed in these words:

The CHAIRMAN. A good many people are apprehensive of this program, that while we are only appropriating $35,000,000 at the beginning, it is just sort of getting a foot in the door, and the expenses of this thing will grow from year to year, and just as Secretary Thorp mentioned a while ago there, they will come up with a project, some country will say, "Oh, now you have sent these experts over here, and they have smelled around and we have a big project for $100,000,000 and we want you to carry out your promises now and give us the $100,000,000."

That is exactly how projects are started. Recommendations are made, surveys are provided for, then authorizations are made, after which the projects themselves are begun and from time to time enlarged. It all begins with surveys only. A few hundred thousand dollars may be provided, but a project may finally turn out to be, as the chairman of the Committee on Foreign Relations suggested, a $100,000,000 project.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. WHERRY. I yield.

Mr. MILLIKIN. Is there any sense in the conference report at all unless it leads to projects?

Mr. WHERRY. That is what it will lead to. It is the beginning of projects. The way the foot is placed in the door so that Congress may be induced to furnish money to carry on projects.

Mr. MILLIKIN. If the conference report is not related to projects then we can get along with a simple extension of the Smith-Mundt Act, can we not?

Mr. WHERRY. There can be no doubt about that. I shall come to that point further on in my remarks. I agree entirely with the Senator's statement. I shall place in the RECORD a quotation which the Senator from Colorado has probably already read into the RECORD. I do not know whether he did or not, because I did not hear all his address.

Here we find the chairman of the Foreign Relations Committee himself making a statement which anticipated what others are now saying.

After Secretary Acheson denied that point 4 was a "big money" proposal, the chairman remarked again:

The CHAIRMAN. Of course, that is your purpose now, and that is your objective now, but as time goes on I can feel the pressure already coming in through the windows there on us to do this, and do that, and do the other.

Mr. President, it is not necessary for the junior Senator from Nebraska to proceed further along that line, because the Senator from Colorado in his speech previously made the point I am now making with respect to the authorization bill. One of the reasons I opposed the authorization was because it contained the provision relating to the point 4 program. Once the foot is in the door commitments will be made, surveys will be made, and then the advocates of the point 4 program can come to Congress and say, "You must authorize the money necessary for thus and so to be done." Then money will be appropriated and projects will be carried out. We will then throughout the world witness the same kind of thing we often see in the United States—the United States engaged in carrying out projects resulting from appropriations, resulting from authorizations, resulting from recommendations and surveys. Projects which began as insignificant projects, as the chairman of the Foreign Relations Committee suggested in the statement from which I just read, develop and spread till they may involve as much as a hundred million dollars. No more forthright and stronger illustration of what may happen could have been presented than that statement by the chairman of the Committee on Foreign Relations.

Mr. President, I could go on to quote other passages from the hearings that show a complete rejection of anything about point 4, beyond very limited "technical assistance," and it was stated over and over again that such proposals should be considered in separate legislation and not in the ECA bill.

Mr. President, I concur in those views.

The outcome of the Senate Foreign Relations Committee hearings on point 4 was the amendment of the Senator from Texas [Mr. CONNALLY] to the Senate bill 3304, known as title V, which has been changed, weakened, and a whole new premise developed in the conference report we are considering.

Mr. President, I find it difficult to read or to understand the gobbledygook which has been added to the conference report, with respect to the so-called point 4 program or in other respects. I do not think my abilities of perception are any more or less keen than those of any other Members of the Senate who have studied the conference report.

The complete title IV of the conference report, which was title V, in part, of the Senate bill, contains expansion and enlargement of the very proposals which the Senate explicitly limited. It contains commitments which I do not understand, and, from what I have heard of the presentations on the conference report, other Members of the Senate do not understand either.

For instance, I shall read from the new title IV, section 402 (c), on page 8 of the conference report. I suppose the distinguished Senator from Colorado read it in the course of his speech, but let me read it now:

(c) Technical assistance and capital investment can make maximum contribution to economic development only where there is understanding of the mutual advantages of such assistance and investment and where there is confidence of fair and reasonable treatment and due respect for the legitimate interests of the peoples of the countries to which the assistance is given and in which the investment is made and of the countries from which the assistance and investments are derived. In the case of investment this involves confidence on the part of the people of the underdeveloped areas that investors will conserve as well as develop local resources, will bear a fair share of local taxes and observe local laws, and will provide adequate wages and working conditions for local labor. It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation; that they will be given reasonable opportunity to remit their earnings and withdraw their capital; that they will have reasonable freedom to manage, operate, and control their enterprises; that they will enjoy security in the protection of their persons and property, including industrial and intellectual property, and nondiscriminatory treatment in taxation and in the conduct of their business affairs.

Now I read from the following paragraph, section 403 (a):

SEC. 403. (a) It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity, and expanding purchasing power.

Mr. President, I think that covers "everything in the book." I do not see how anyone could even attempt to deny that this conference report goes away beyond technical assistance. It goes clear through to where we invite the authorization of these projects. It will take years and years to complete them, and they will take billions of dollars of taxpayers' money, and it will be spent in backward areas where today venture capital has refused to go because of the risks involved.

Mr. CAIN. Mr. President, will the Senator yield for a question for clarification?

Mr. WHERRY. I yield, although, of course, I have only 15 minutes altogether.

The PRESIDING OFFICER. The Chair must advise the Senator from Nebraska that the Chair is informed by the Parliamentarian that the Senator from Nebraska has less than 1 minute of his time remaining.

Mr. WHERRY. I thank the Chair for giving me that information. Nevertheless I am glad to yield to the Senator from Washington.

Mr. CAIN. I thank the Senator.

Will the Senator advise me whether the point 4 program, as covered in the conference report, is identical with the point 4 program as designed and approved by the House, or is it in fact a combination of the point 4 programs of the House and the Senate?

Mr. WHERRY. I did not go into every detail of the House proposal; but my comparison and analysis lead me to believe that the conference report adopts the House version, so far the enlarged scope of the point 4 program is concerned.

I should like to ask the distinguished Senator from Colorado as to that.

Mr. CAIN. I think the answer will be of interest to others of our colleagues.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. MILLIKIN. I may be incorrect by one or two lines in what I am about to say; but my present recollection is that the conferees adopted 401, as I recall, of the 417 lines of the House bill.

Mr. CAIN. I should like to ask another question, if I may.

Mr. WHERRY. I yield.

Mr. CAIN. In other words, the conference committee has adopted what the Senate concretely and completely disagreed to, during the consideration of this measure in the Senate, as shown by the record of the debates in the Senate on that question. Is that correct?

Mr. MILLIKIN. That is entirely correct.

Mr. WHERRY. Mr. President, I pointed that out at the beginning of my remarks.

The PRESIDING OFFICER. The time of the Senator from Nebraska has expired.

Mr. WHERRY. Mr. President, will the Senator from Colorado yield me further time?

Mr. MILLIKIN. Mr. President, I yield 2 minutes more to the Senator from Nebraska.

Mr. WHERRY. I thank the Senator.

Mr. President, it has been my impression that the conference report contains about one-third of the Senate version and about two-thirds of the House version of the entire ECA legislation. The Senator from Washington asked me whether the conference report contains the exact language of the House version of the point 4 program. I believed there were a few differences; but now my understanding is that the House version and the conference report are practically identical, so far as point 4 is concerned.

Mr. President, I do not need to take up the time of the Senate to tell, in any more detail, what I think of both the "technical assistance" program and the broader aspects of the point 4 global WPA.

Anyone who is interested can read the authentic figures from my remarks in the RECORD on May 4, which show how much money the American taxpayer has tossed down the rathole in every nation under the sun—not just in the ECA western European countries but in South America, eastern Europe, Africa, Asia, the Far East, and the Near East—to the tune of $58,000,000,000 in the past 10 years alone, exclusive of lend-lease during the war years, much of which was in the nature of relief.

If lend-lease were added, although not one dime of lend-lease funds is added to these figures, but if it were, it would bring the total of our foreign aid to the staggering sum of $104,000,000,000 in the past 10 years, exclusive of ECA.

We have programs of technical assistance already in progress in practically every country in the world, already authorized by legislation.

So, Mr. President, what does the new technical-assistance program protend at this particular time? I am talking only about the technical assistance. That is one of the reasons why I previously objected to the authorization. However, the program now proposed goes away beyond that one, and now it is proposed that we accept this expanded program without giving careful study to it at all. That is admitted in the hearings of the Foreign Relations Committee and it is admitted by those who are presenting this legislative proposal. A careful study has not been made of the point 4 program in its broader aspects.

Mr. President, I have brought out on the floor of the Senate most of the colloquy which occurred between the chairman of the committee and the chief witness, Mr. Acheson, on those points.

Mr. President, what will come of "establishing economic development of underdeveloped areas for the first time as a national policy," as Secretary Acheson said before the Senate Foreign Relations Committee?

Why have the safeguards and amendments added on the floor of the Senate, with the hope of protecting the American taxpayer from any expansion of the so-called technical-assistance idea, been removed from the conference report?

I refer to the amendment introduced by my esteemed friend the junior Senator from Georgia [Mr. RUSSELL], which has been eliminated from the conference report.

The Russell amendment specifically stated that the technical assistance offered under title V of the Senate bill did not obligate the Government to make loans or grants for the execution or construction of any project or for the completion of any program devised under this title.

Why, Mr. President, was the time limitation in the Senate bill, setting June 30, 1955, as the end of the technical-assistance program, eliminated from the conference report?

Mr. President, I think our world planners and world "do-gooders" have shown their cloven hoof a little too soon.

Not satisfied with the small amount which was passed grudgingly by means of the Senate bill, they are trying to cram the whole hog down our throats—under the very transparent covering of meaningless words and unqualified statements.

We shall be accessories after the fact if we do not scan every work and every commitment we make in any ECA legislation. We will be failing in our duty if we do not recommit a conference report that does not reflect the purposes and

intentions approved by the Senate Foreign Relations Committee and passed by the United States Senate.

Mr. President, as an example of how little we know about the intents and purposes of the ECA legislation, and how real purposes may be covered up, not brought to light, I have before me a memorandum which was furnished my office by the Senate Foreign Relations Committee. It was furnished in answer to a question regarding a sum of $85,000,000, noted, not in the bill as reported to the Senate, but only in a brief breakdown of how the ECA funds are proposed to be used, as shown in the committee report, No. 1371.

The report refers to the $85,000,000 as a special fund—part of the blank check for the Administrator. For, in truth, we have no real check upon the expenditures by ECA, beyond that Mr. Hoffman chooses to give us.

In one brief paragraph on page 9 and two equally brief paragraphs on page 11, the report states that the special fund of $85,000,000 is to be reserved for thermal and hydroelectric power projects between the ECA countries and for the development of projects in overseas territories of the ERP countries.

Guess where these overseas projects are to be located?

Mr. President, a list of the proposed projects was handed to me with a notation that it was given in executive session in the Senate Foreign Relations Committee, and was not to be made public, since the projects are still under detailed negotiation with the countries concerned.

Since when, Mr. President, should we keep secret projects in ECA countries—which are for their improvement, it is presumed—and for which 85,000,000 American dollars are to be spent. In other words, must we still move in the dark because we are negotiating with foreign nations, to give them some more money?

Mr. President, I submit for the RECORD a heretofore unpublished list of the proposed projects for which a special, earmarked fund of $85,000,000 out of the ECA appropriation is proposed to be spent. Let me read some of the items appearing on the list:

Jamaica irrigation project	$175,000
Mauritius food development project	38,880
Gold Coast road development project	301,200
Cyprus agricultural project	100,550
Northern Rhodesia road project	695,700
North Borneo road project	449,000
British Honduras road project	288,400

That is marked "confidential."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WHERRY. May I have a few minutes more?

Mr. MILLIKIN. I yield to the Senator from Nebraska 15 minutes more.

Mr. WHERRY. Mr. President, I ask unanimous consent that all these projects which are supposed to be surveyed and started under ECA appropriations of the $85,000,000 special fund be inserted in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ECA overseas development projects approved or under active consideration as of May 1, 1950, out of the special fund

UNITED KINGDOM

	Estimated cost (tentative)
Jamaica irrigation project	$175,000
Mauritius food development project	38,880
Gold Coast road development project	301,200
Cyprus agricultural project	100,550
Northern Rhodesia road project	695,700
North Borneo road project	449,000
British Honduras road project	288,400
Sarawak road project	75,002
Uganda food production project	24,300
Tanganyika mechanical cultivation of rice project	176,660
Tanganyika cotton and food development project	324,610
Tanganyika soil conservation project	38,930
Tanganyika water development project	336,840
Tanganyika road development project	546,000
Uganda cottonseed project	12,000
Uganda road project (new)	64,000
Nigeria road project	160,000
Total	3,807,072

FRANCE

French West Africa road development project	1,245,000
Conakry iron ore project	1,743,000
Algeria soil erosion project	525,000
Morocco rice cultivation project	267,000
Cameroons road development project	71,300
French equatorial Africa road project	97,632
Total	3,948,932

BELGIUM

Belgian Congo soil conservation project	1,000,000
Navigation aids on Belgian Congo project	650,000–3,000,000
Belgian Congo road project	1,698,000
Total	3,348,000–5,698,000

NETHERLANDS

Surinam land reclamation project	1,200,000
Surinam land reclamation project	800,000
Total	2,000,000

Mr. WHERRY. Mr. President, I specifically call the attention of Members of the Senate to the fact that this is an unpublished report, that this is the first time to my knowledge we have ever known what the fund of $85,000,000 is for. If we can go all over the world building road projects and irrigation projects and power projects, we can start the projects here contemplated in the conference report; and so I ask the distinguished Senator from Colorado, if we start them, will we not be called upon to finish the projects?

I think every Senator before voting on this measure ought to contact the Economic Cooperation Administration to find out all he can about this $85,000,000, not merely the $35,000,000, asked in the point 4 authorization, which, as the distinguished Senator from Texas has already pointed out in his report, represents merely getting the foot in the door. This is to survey these projects. But, once they are authorized—and they will be authorized if we keep faith with these countries that we are inviting to take this money—then we will not only have to build them year after year, but we will have to complete the projects.

Mr. President, I ask that the remainder of my remarks, consisting of but a page and a half, be included in the RECORD at this point, since the time allotted me by the distinguished Senator from Colorado has been completely used up.

Mr. MILLIKIN. Mr. President, I am glad to yield further time to the Senator from Nebraska for the purpose of concluding his remarks.

Mr. WHERRY. I thank the Senator from Colorado.

I should like also to place in the RECORD a memorandum I received from the Senate Foreign Relations Committee staff telling about the purposes of these projects, why they are planned, what they expect to do with them. I think the Members of the Senate should have had this knowledge before they ever authorized ECA legislation, because I believe Senators ought to know the extent of what we are going to do when we start out on this project.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ECA COUNTRY FUNDS TO BE RESERVED FOR OVERSEAS DEVELOPMENT

The ECA expects during the forthcoming year to withhold $45,000,000 from country-aid funds. The purpose in withholding these dollars temporarily is to encourage participating countries to plan developments in their overseas territories which will make it easier for them (1) to produce and sell commodities that will relieve their need for dollars, and (2) to produce and sell commodities which are in demand in hard-currency areas, thus decreasing their need for American aid.

The dollar aid is not to cover the full cost of such projects, but only that part of the cost which must be paid for in dollars. For example, if a road-building project is approved because it would make tropical products from the interior of Africa available at the seacoast where they could be shipped to the United States, the ECA might provide the dollars necessary to purchase specialized road-building equipment available only in the United States. It would not provide funds for paying local labor or purchasing local materials.

On the basis of requests for this type of assistance thus far received, it looks as though the ECA will need to finance only about 10 percent of the total cost of such projects. For example, in one list of projects received from the United Kingdom, the dollar costs were estimated at $7,500,000 and additional sterling costs at about $76,000,000. On this basis, the ECA's proposed contribution of $45,000,000 during next year would be the key component of some $450,000,000 of developments in overseas territories—developments that will be approved only if they give promise of dollar earnings or savings.

The ECA believes that by the time ECA aid ends in 1952 the ability of the participating countries to make their own way will be

greatly facilitated if they have resources within their own territories on which the participating countries can draw and if they have an enlarged market in the overseas territories for their industrial products.

During the current fiscal year the ECA has set aside about $20,000,000 for such projects. There is attached a list of projects which have been approved or are now under active consideration; it is likely that most of them will be approved before the end of the current fiscal year. During the last 2 months a notable acceleration in the finalization of requests to the ECA has taken place. The $45,000,000 which it is expected will be set aside for overseas developments during next year will undoubtedly be similar to the list which is attached.

The ECA has asked that the information contained in the attachment not be made public since the projects are still under detailed negotiation with the countries concerned.

Mr. WHERRY. It will be remembered, Mr. President, that we have been told that the point 4 program was necessary for technical assistance to those countries which are not included in the ECA plan. I think that statement is ridiculous.

As I have shown the Senate, inside and outside of ECA funds, we are already giving help to every country in the world, or to almost all the countries of the world, in the way of technical assistance. There is no need for this authorization.

And not only ECA counterpart funds, to the extent of over $5,000,000,000, are being used for every manner of rehabilitation and expansion in the 16 ECA countries and their overseas territories—but, as the list above shows, the ECA proposes to make direct payments—not matched-fund payments—as is often done, but we are going to make direct payments for the development of what are certainly point 4 projects in colonies and dependencies of ECA countries throughout the world.

Mr. President, I for one do not have the unqualified confidence in the administration of such fantastic programs as ECA and the added State Department world-betterment proposals—by one man—and the continuing tendency to write a blank check for an administrator.

During the war years we were forced to depend upon administration by men instead of by law, and we have seen the authorities of the legislative branch of our Government weakened and debased.

We do not have to do that today. In the national financial situation in which we find ourselves, it is national irresponsibility and suicide to do so.

There is certainly no compulsion upon us to continue in this very weak and vacillating habit of saying, "Oh, the Administrator—or whoever it is—is an honorable man. We can have complete confidence that he will administer our laws, according to the very vague wording of this conference report, for example.

Mr. President, Brutus was an honorable man, too, as Mark Antony remarked over the grave of Caesar. No doubt Brutus thought he was justified in murdering Caesar.

Mr. President, even if other Members of the Senate cannot view with such doubt and suspicion, as I do, the present conference report—from a coldly analytical view, it cannot be accepted as the legislation that passed the Senate, either specifically or as being in accord with the intention of the Senate.

I urge the Senate to refuse to accept the conference report, and to make every effort possible, if it is recommitted to conference, to take out of the bill the point 4 program with the broad and general provisions now contained in the conference report.

Mr. CONNALLY. Mr. President, I yield to the Senator from California [Mr. KNOWLAND] such time as he may require.

Mr. KNOWLAND. I thank the Senator from Texas.

Mr. President, I do not intend to take much of the time of the Senate today in discussing this bill. I intend to vote to agree to the conference report, not that I do not completely understand that the language of the point 4 amendment may not be precisely as some of us in the Senate would like to have it. I believe, however, as I pointed out in some of my questions to the Senator from Colorado earlier in the day, that the Congress of the United States still has control of the situation, through the control of the purse strings. I, for one, am not willing to admit that the passage of this authorization bill, or any other authorization bill, gives a blank check to any governmental agency, be it the State Department or any domestic agency, or to any foreign country to fill in the amount. I still believe that the Congress has full control over the situation.

Mr. President, I think the ECA program has been a constructive program. I believe that the world situation is in a critical state at the present time. As one Member of the Senate I have had great confidence in the administrative ability of Mr. Paul Hoffman. When the program was inaugurated, it was with the general point of view that it would be continued for a period of 5 years. During the period the ECA program has been in operation under the administration of Mr. Hoffman the amount of the authorizations and the amount of the expenditures have decreased approximately $1,000,000,000 each year. To be sure, this cannot be said to be an economy in the full sense of the word, because it was generally understood that the program would be a tapering-off program.

Nevertheless, Mr. President, I believe that the administration of the act has been good. I believe that the act has carried out the general intent of the Congress of the United States. I believe it has tended to stabilize conditions in Europe. I believe that it has helped to bring the productivity in Europe up to a point where actually it is greater in a number of instances than it was in the prewar period.

Mr. President, if I felt that point 4 were a vital matter, I should not hesitate to vote against the conference report and send it back to conference.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Ohio.

Mr. TAFT. With respect to the question of the management of ECA, the Senator will remember with what care the distinguished Senator from Michigan and others insisted that when the ECA was set up it should be under a businessman, be operated on business principles, and not be under the Department of State. There now comes along a program which is simply turned over to the President, to be administered by the Department of State, which will run it the way it runs all our other affairs throughout the world, with very little regard to business principles or the welfare of American business. Does it not concern the Senator that we should now abandon the policy undertaken in the ECA in connection with foreign economic matters, and turn the whole business back to the Department of State?

Mr. KNOWLAND. As I tried to point out, I may say to the Senator from Ohio, at the beginning of my brief remarks, I am fully appreciative of the reasons why the Senator from Ohio and other Senators are opposing the conference report. I think there is a great deal of merit in the contention they have made. In my opinion, the administration would have been better advised, had the language of the bill as it passed the Senate been more nearly followed. As a matter of fact, the Senator from Ohio will recall that on the floor of the Senate I supported the amendment which was offered by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Massachusetts [Mr. SALTONSTALL], because I felt at that time the administration would have been better advised to have a thorough study made of this whole situation. Nevertheless, Mr. President, I cannot feel that there is necessity for sending the entire report back to conference, with some of the implications that will go out to the world by such action, based on the point 4 program alone.

As the Senator from Texas has pointed out, the amount of the authorization is definitely limited. I firmly believe the Congress has control, even within the narrow limits and scope of the authorization itself. We have control through the Appropriations Committees of the Senate and the House of Representatives, and through floor action in each House of Congress.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CONNALLY. Is it not a fact that however broad the authorization may be, when the Committee on Appropriations comes to consider it, it can limit it, delimit it, trim it, and cut it down within the narrow compass that is allowed?

Mr. KNOWLAND. I agree with the Senator, and I say that I am not so naive as to ignore the fact that there are times when the Appropriations Committee may feel that, Congress having authorized something, the committee would at least be required to give close attention to the recommendations. Nevertheless, I do not believe that the committee's hands are tied. I do not believe that the Congress of the United States should

abdicate its responsibility in connection with the control of the Nation's purse strings. I think if we are so weak that we feel the necessity of abdicating in that field, we shall have abdicated our responsibilities as a Congress of the United States and as representatives of the people. I, for one, have no intention of so abdicating.

Mr. CONNALLY. I thoroughly agree with the statement of the Senator from California. I think, very definitely, that if an authorization requires that the Appropriations Committee make an appropriation, there is no sense in having an Appropriations Committee. We could have an authorization, and let it go at that.

Mr. KNOWLAND. As the able Senator from Texas knows, there are actually on the statute books authorizations on public works amounting to several billion dollars which, in some cases, have been there for 5 or 10 years. But the fact that there has been an authorization has not been an automatic requirement on the Appropriations Committee to appropriate up to the full amount of the authorization.

Mr. CONNALLY. I thoroughly agree with the Senator. The reason for the creation of the Appropriations Committee was that even after the authorization is made we want the wisdom, the experience, and the judgment of the members of that committee that the appropriations should be made. Otherwise, there is no sense in having an Appropriations Committee. I have great respect for the Appropriations Committee. I think it is a great committee. I think it brings to the consideration of its problems intelligence, patriotism, and good judgment. I am glad that two hurdles must be surmounted before money can be taken out of the Treasury. I am glad that appropriations must first be authorized and, after that, must be screened in the Appropriations Committee. I shall never vote to delimit the authority of the Appropriations Committee or make it into a rubber-stamp committee which means nothing. Never shall I so vote.

Mr. KNOWLAND. I say to the Senator from Texas that this morning, as a matter of fact, the Appropriations Committee met with Mr. Paul Hoffman, of the ECA. I have no doubt the committee is going very thoroughly into the question, and, despite the fact that the able Administrator may have quite fully in his testimony before the Foreign Relations Committee of the Senate indicated what he believed should be the amount of money necessary to carry on the program over an additional year, the Appropriations Committee, of its own volition, is going to scrutinize very closely the request for funds and will perhaps make some material adjustments in the authorization bill which is before the Senate.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. TAFT. The Senator certainly realizes that the Appropriations Committee has been told over and over again, when it did not want to appropriate any money for a certain purpose, "But Congress has declared the policy. You cannot dispute that policy. You can dispute the amount, but you cannot dispute the policy." I have heard that argument very often.

Of course, the committee has a most important function, but the fact that Congress states the purpose of the authorization, the purpose of the declaration of policy, is to say to the Appropriations Committee, "This is the policy of the Government and you have got to follow it." When an authorized project comes before the Appropriations Committee, the committee is practically morally bound to support it because Congress has declared the policy. That is the very purpose of authorization bills. The Appropriations Committee has a right such as Senator has stated, but surely the Senator must recognize that to a large extent the hands of the committee are tied. It cannot dispute a policy declared by Congress.

Mr. KNOWLAND. I would not dispute the statement of the Senator from Ohio that authorization bills do establish policies and principles, but I do not believe they are binding, as the Senator himself points out, upon the Appropriations Committee. There is a degree of control which still exists and which I think should remain. In the meantime, the Congress of the United States, as to some future piece of legislation, either as an amendment or otherwise, would be in position to limit the scope of point 4 even to a greater extent than it has been limited. So the hands of Congress are not necessarily tied legislativewise. The point about which I am concerned is that many people in other nations of the world may place an improper construction upon the rejection of this conference report. For instance, in Berlin at this time a crisis may be developing. Pressures are being put on in other areas. Throughout the world today, if word goes out that the Senate of the United States has sent back to the conference committee the ECA authorization bill, implications may be put upon it which are not desirable at this time.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. TAFT. Is not the Senator affirming what the Senator from Colorado and I have said, that once we undertake a foreign obligation our hands are practically tied and we have to carry it out? That is exactly my objection to assuming a brand-new obligation. I am not referring to the ECA obligation. The defeat of this particular conference report is no reflection on ECA. No Senator would say that it is a reflection on ECA, and no reputable newspaper reporter would say so. They might say it is a refusal to go ahead with point 4. That is the only possibility. The administration is not going to lie down because the report has been sent back to conference. Certainly the conferees will report a bill, and, I hope, one in better shape than is this one. But no one can say we are repudiating ECA. Yet, the Senator from California says that because of foreign implications we must go ahead with it.

Mr. KNOWLAND. I do not say that is the only reason; I say that is one of the factors in the situation which the Senate should consider.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CONNALLY. The Senator from Ohio says this is not a fight against ECA. We cannot merely send back to conference point 4; we have got to send all of it back, or none of it. So it is, in that respect, a fight against ECA.

The Senator says it declares a policy of the United States. If a policy does not get any money out of the Treasury, it does not go very far as a policy. It is a mere declaration. It cannot get any money out of the Treasury until the Appropriations Committee recommends the money necessary for the purpose.

Mr. KNOWLAND. I will say to the Senator from Texas that is why I was anxious earlier in the debate in propounding the question to the Senator from Colorado, to say that I felt that many of us who will vote for the conference report want to serve notice on the State Department that in dealing with foreign countries, who may not be familiar with the American congressional procedure, they should make it very clear to them that until the Congress of the United States has acted on the appropriations there is not such a blank-check arrangement as the Senator from Colorado has been fearful might develop, by reason of which they would feel they had been more or less betrayed if the money were not forthcoming. I think every American negotiator and every person who is selected by the State Department to go to any foreign country should make it perfectly clear that final implementation depends upon the action of the American Congress. So far as I can make a contribution toward that end, I want this legislative history to be clear in that regard.

Mr. CONNALLY. I thoroughly agree with what the Senator from California has said. Foreign countries in dealing with us ought to know that a treaty is not a treaty until it is ratified by the Senate. They ought to know that any promises about appropriations are subject not only to authorization but to appropriation.

The Senator from Ohio also said that we should not assume any other obligations. We are not assuming any other obligations, except to the limit set forth in this bill. The limit is $35,000,000. Even that is subject to veto by the Committee on Appropriations when the appropriation comes before the committee. There are no obligations except those which are specifically set forth in the legislation, and they are subject to O. K. by the Committee on Appropriations. I thank the Senator from California very much. He has contributed to the debate and to the information of some very stubborn opponents.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MILLIKIN. During the course of the hearings before the Senate Committee on Foreign Relations the following question was asked. What I am about

to read bears on the pressures we discussed a short time ago under which the Committee on Appropriations finds itself. The distinguished chairman of the Committee on Appropriations asked Ambassador Jessup the following question:

> Isn't there the danger of a let-down, too, if we do not go over there and spend a lot of money on projects? They will say, "The United States told us all about sending these experts and they are going to revive and reestablish our economy and all that." When we do not do that won't they say, "Well, now, there you are?"

Mr. KNOWLAND. I think it is a very pertinent question to be asked by either the Senator from Texas, the chairman of the committee, or anyone else. I think that is what we have been discussing here today. This thing ought to be clear, so that no one will get any misconception of what this action entails.

Mr. MILLIKIN. I wonder if the Senator is familiar with the following comment by the distinguished chairman of the Committee on Foreign Relations at the hearing held by it:

> A good many people are apprehensive of this program, that while we are only appropriating $35,000,000 at the beginning, it is just getting a foot in the door and the expenses of this thing will go from year to year, and just as Secretary Thorp mentioned a while ago there, they will come up with a project, some country will say "Oh, now you have sent these experts over here and they have smelled around, we have a big project for $100,000,000 and we want you to carry out your promises now and give us the $100,000,000."

Mr. KNOWLAND. I do not quite agree with the Senator on that point. It seems to me that, in view of the tremendous technical advance we have had in the United States, we can make available some technical assistance to other countries, and thereby increase the living standards of their people, without ourselves financing the developments which might be undertaken.

Personally, and speaking only as an individual Senator, I hope that we can get away as soon as we can from the government-to-government relationship. I do not think that ultimately it is good for other nations, and I do not think it is good for us. Therefore, if we can open up the field of investment for private capital in the other countries, and develop power projects, agricultural projects, and so forth, which would raise the living standards of the people, and do that with private capital, I think that would be far better than doing it on a government-to-government basis.

The able Senator from Colorado, who comes from the West, as I do, will recall, if not personally, at least in history, how even this country was developed by the sending of private capital from Great Britain and other nations to build our railroads and some of our great industries. They probably would not have done so if it had not been that we had established a system of law and order and were cognizant of the importance of protecting both life and property. Otherwise, there would not have existed a favorable atmosphere for private investment.

It seems to me that in this regard, certainly without underwriting the profits or without guaranteeing profits, which I do not read into this bill, we can nevertheless create an atmosphere of encouragement for the investment of private capital. I think that is advantageous and, speaking as one Senator, I should like to see us enter upon that field and get away from the government-to-government basis, which I think ultimately would lead to socialism if continued over an extended period of time.

Mr. MILLIKIN. Will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. MILLIKIN. It is impossible to put foreign venture capital into foreign countries which are socialistic or semisocialistic without going through their governments. All the people who are conducting business enterprises in such countries have to go through their central banks and control agencies if they want to do any business at all. That is one of the great difficulties.

Mr. KNOWLAND. I think it is one of the great difficulties.

Mr. MILLIKIN. I agree with the distinguished Senator that we must get away from dealings between governments because if there is a default, a political question arises, which can be sloughed off and dealt away in other negotiations but without making a collection, which is an essential part of a private deal.

Mr. KNOWLAND. One of the great difficulties with capitalism in Europe is that it bears very little resemblance to American free-enterprise capitalism. It has not for a long period of years, if ever. They have had their cartels. They do not like competition. They do not want competition. They control prices and limit competition. As a result, it is my personal judgment that the European style of capitalism has built the gallows for its own execution. If they are to survive and get out from under the control of government, Socialist or Communist, or other similar type of control, what they need to do is to take a leaf from American free enterprise and encourage a competitive situation. Instead of having profits held in the hands of a few, they should be distributed in better wages and in a more widely held portfolio of investments in the hands of the people, as is the case in the United States. Unless they get away from cartel systems, their so-called capitalism will not survive in Europe.

Mr. MILLIKIN. With reference to a government-to-government deal, in the case of feudal countries and semifeudal countries which are run by tribal chiefs, or the equivalent of tribal chiefs, when money is sent to the tribal chiefs, they line their pockets with it. They do not distribute the money to the public. I assume these programs are intended for the benefit of the large mass of people.

I am in agreement with everything the Senator has been saying lately. The transporting of skills and money from one country to another may or may not work. It worked in the United States. However, England later poured enormous sums of money and technical skills into India. There is competent opinion which holds that the net result was to injure India rather than to help her, because the resources, the sociological conditions, and the ideologies of India were not fitted for that type of aid. There is a considerable body of opinion which holds that that finally was one of the reasons why India went against Great Britain and insisted upon her freedom. So I do not think we can generalize on these things.

Mr. KNOWLAND. I agree with the Senator that different conditions, of course, require different treatment.

Mr. President, I have taken more time than I had intended to take when the able Senator from Texas yielded to me. But I wish to say that, in viewing the whole situation I have come to the conclusion that, so far as I am concerned, I shall vote for the conference report, again emphasizing that I believe that the Committee on Appropriations, as has been agreed by the chairman of the Committee on Foreign Relations, the Senator from Texas [Mr. CONNALLY], who is handling the conference report on the floor of the Senate, not only has the right, but it has the obligation, carefully to scrutinize any of the programs adopted, and to use its best judgment as to what will be in the interest not only of the program, but in the interest of the United States of America.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. The Senator recalls, does he not, that in the authorization bills for the ECA the first 2 years, we included a ceiling, and that in both Houses, with Mr. Hoffman's full cooperation, as he appeared before the Appropriations Committees, the appropriation was substantially less. I put those figures into the RECORD at the time of the debate on the ECA bill, but I do not have them before me at this time. We seem to have lost track of the policy we have followed in connection with these European-aid appropriations. The amount in this instance is an over-all ceiling of $35,000,000, but I think $10,000,000 should be taken from that, because $10,000,000 is earmarked for the Institute of Inter-American Affairs. So there is really a ceiling of $25,000,000, and when it comes to the committee it can decide to allow $10,000,000, or $5,000,000, or whatever it may choose.

Mr. KNOWLAND. The Senator is correct, and if the committee determines that the over-all necessities of our national obligations, or national economy, requires that there be no appropriations, it is my judgment that the committee, if it is supported by the Congress, would have the right to recommend no appropriations.

Mr. SMITH of New Jersey. That is correct.

Mr. KNOWLAND. I believe the Congress still controls to the *n*th degree the power of appropriating money, and if we ever lose that power, I believe Congress will have abdicated a major part of its responsibility to the Nation.

Mr. SMITH of New Jersey. That is, the power to protect us from the alleged abuses which the distinguished Senator from Colorado and others have pointed out might be perpetrated.

Mr. KNOWLAND. I believe that the able Senator from Colorado and the able Senator from Ohio have performed a great service.

Mr. SMITH of New Jersey. I join in that thought.

Mr. KNOWLAND. I believe they have brought out a point of view which needs to be discussed, at least setting up signals for some of the dangers which do exist in this situation. I say frankly that the language as brought back by the conference committee is not as I personally would have liked to see it written, but it is a part of an over-all situation, and when all the facts are taken together, at least I come to the conclusion that I shall support the conference committee report.

Mr. CONNALLY. Mr. President, I yield to the Senator from New Jersey [Mr. SMITH] such time as he may require.

Mr. SMITH of New Jersey. Mr. President, I intend to address myself in the first instance to replying to questions which have been put to me by a number of persons, and criticisms made of the conference committee and inquiries as to why we permitted certain provisions to get into the conference report.

Mr. President, I wish to say perfectly frankly that when the point 4 proposal first appeared before the Committee on Foreign Relations it was in the form of a bill which had wider implications than the bill which appeared in the House of Representatives. I do not want to speak for anyone else, but I can say with perfect assurance that a number of the committee members felt it was a bill too wide in scope to be considered in connection with the ECA bill.

I took the position, as the Senator from Colorado has pointed out, that I wanted to see the ECA bill, which was a short-term bill, to continue in effect for 1 year, supported by itself, without anything in addition in the way of the so-called point 4 program, because it seemed to me that might be a long-range vision, and that it would be more profitable to consider it in connection with the question, "Where do we go from here?" when the ECA was finished.

It was brought to our attention, however, by the members of the United Nations, that our representatives in the United Nations, including our distinguished former colleague, John Cooper, had been engaged in conversations with regard to technical assistance. John Cooper came to me personally, before he went abroad on his recent trip, and said he hoped I would support what seemed to him to be a limited program of technical assistance which we had undertaken to inaugurate.

I supported that view in the committee, and, as a matter of fact, in the Senate, and we supported it. I voted thorization with a ceiling of $45,000,000. That came back in our report to the Senate, and we supported it. I voted for that figure in the committee, because Mr. Cooper and others who have been working for this object in the United Nations had been working for some sort of formula for the underdeveloped areas. It was not a project for the United States alone, but it was wider than that, and we had had a hand in supporting it in the United Nations picture.

Frankly, I am amazed that the Senator from Ohio and the Senator from Colorado seem to be opposed to any sort of program of that kind. I cannot get over it. It seems to me they are taking a position against the spirit of the United Nations, the purposes and principles of the United Nations, the spirit with which we went into it, with the idea of international cooperation, to try to get an orderly world, and preserve the peace.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. I wish to say again that I have no objection whatever to a limited, simple, technical-assistance program. I am under the impression that I voted for the Smith-Mundt bill, and if the matter came up again, I would again vote for it. I continue to believe that the Smith-Mundt bill, perhaps reinforced with additional appropriations, would have met every objective which the distinguished senior Senator from New Jersey has in his mind.

I object to the mutilation of the concepts that were in the Senate ECA bill, the mutilation having occurred in conference. I object to being confronted with new legislation, legislation not even considered by the Committee on Foreign Relations of the Senate, originating from a conference committee, and especially when that legislation is of the fateful character contemplated by the point 4 program.

Mr. SMITH of New Jersey. I am glad to have the Senator make that statement, because I was quite disturbed to feel he would be opposed to even the technical-assistance program.

Mr. TAFT. Mr. President, I cannot see how the Senator from New Jersey can be astounded, because by a vote of 37 to 36 the Senate refused to strike out the whole provision. So certainly the conferees had every warning that the Senate was not favorable even to the technical-assistance program at this time. It is a vitally important question, because we are now committed to $5,000,000,000 in foreign programs. We have had a vast ECA program, which will not be finished until next year. We are going to be asked to appropriate at least another billion dollars, if not a billion and a half, for arms for various foreign countries. The question is, how can anyone be astounded that one should say that, having undertaken those obligations, this is no time to add a vast third obligation to the entire world. It seems to me the ones who should be astounded are those of us who listen to the Senator advocate the addition of such a foreign program to what we already have.

Mr. SMITH of New Jersey. Of course, those of us who are thinking in terms of this plan for international collaboration, to assist the undeveloped areas of the world, have felt it was one of the means of preventing excessive appropriations for armaments, and that in the long run, unless we move in this direction, there is going to be more and more arming and more and more danger of international wars. Because we have that approach, because we feel that the spirit of the United Nations is involved, and that we should seek to bring nations together and try to help them with their problems we have supported proposals looking to that end.

In the committee I took the position that the extra language contained in the provision was more than was needed. I took the position, with others in the committee—not in the conference, but in the Committee on Foreign Relations—that we should limit the language so as to provide for a technical assistance program, and, as the Senator from Colorado said this morning, I did offer the suggestion that we limit it to the life of the ECA. I felt it was an ECA program, and that it should stop with that program. We gave it a couple of years' leeway for cleaning up. That was the theory on which we worked.

When we entered upon the conference with the House conferees I discovered for the first time that while we in the Senate had been studying the matter for the past year or two, the House of Representatives had also been studying it very seriously on the theory that if it was possible to induce private investors to enter the international investment field it would relieve our taxpayers to that extent, since we were faced with the dilemma of possible economic collapse in various countries, or making further grants to them. Therefore the House Members had worked out a program in which they were very much interested. They had asked some members of the Senate conference committee to collaborate with them. Both Senators from Massachusetts had collaborated with them. The junior Senator from Massachusetts [Mr. LODGE] defended the House provision in the Senate committee before the measure was brought to the floor. The committee did not sustain his view, because, as I have said, it was felt we should restrict the bill to a limited technical assistance program. By the time the bill came to the floor of the Senate we found that this was one of the points on which the House was adamant. The House had gone even further than any of us felt we could go. They added certain further guaranties with which we simply declined to go along.

Finally we got into a discussion as to whether there was not some middle ground; whether the House Members would not be willing to eliminate the guaranties to which all Senate conferees objected, and permit the insertion of language which would contain no guaranty of any kind, and which would contain the so-called Russell amendment. We were deadlocked, as I recall, for 2 days, because we declined to go along with what the House Members demanded, and the House Members were not willing to recede. We had actually come to the point of whether we should report a disagreement; but we decided it was more important to see to it at this time that the ECA program went ahead, and that Mr. Hoffman was given a green light to go on with the commitments he had already made, and which we had authorized him to make, rather

than to hold to our position and stop the whole program.

I studied the House language carefully. We had not done so before. I read every word of it. I think the language is open to the kind of criticism the distinguished Senator from Colorado made of it. It is not my language. It is the language which the House Members had been working over, which they had had their advisers working over, and which they had invited many businessmen to discuss with them, in order to ascertain the kind of legislation which might induce business to interest itself in foreign countries. The result was we came to the conclusion there were no serious dangers in the language, though it was broader than what we would like to have in the bill. We felt it was wiser for us to accept this approach, even though many of us would prefer to postpone the matter for further study, and not to deal with it at all until ECA is coming to an end. We decided, however, to go along with it, with the idea that it might be taken advantage of by some industries, if it was possible for the United States, in dealing with other countries, to work out some form of agreements which would permit American investors to use their funds in this way, with the distinct understanding that there would be no guaranty of any kind or description contained in the bill.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MILLIKIN. May I ask the distinguished Senator whether it is true that the bill which the conferees have brought to the Senate contains 401 of the 417 lines of the bill which originally came to the Senate Foreign Relations Committee from the House, which was considered by the Foreign Relations Committee, which was junked by the Foreign Relations Committee, and for which its own substitute was provided?

Mr. SMITH of New Jersey. No. I can say "No."

Mr. MILLIKIN. The Senator says "No"?

Mr. SMITH of New Jersey. Because the bill the Foreign Relations Committee received was a bill submitted by the Department of State. We did have called to our attention the bill as it was passed by the House. We did not deal with it. We dealt with the other legislation in framing our legislation. But after we got into conference, I will admit—and I think that is what the Senator is really referring to—what came back from conference is the number of lines he recites that were in the House version, as distinct from our version.

Mr. MILLIKIN. Yes. The House version was before the Senate Foreign Relations Committee.

Mr. SMITH of New Jersey. In conference.

Mr. MILLIKIN. Was before the Senate Foreign Relations Committee in hearings?

Mr. SMITH of New Jersey. No; I think the Senator is mistaken in that, because we were dealing with our own legislation. I do not think we were dealing with the House bill at all. I think we were dealing with our own legislation.

Mr. MILLIKIN. I think the hearing makes it clear that the House bill was before the committee.

Mr. SMITH of New Jersey. I may be mistaken about that. I do not recall the details. That may be important to the discussion. However, I do not know whether it is.

Mr. MILLIKIN. Am I not correct in this statement that every member of the Senate Foreign Relations Committee participating in that hearing was critical in one way or another of moving a point 4 program of the type we now have before us into the ECA program.

Mr. SMITH of New Jersey. I do not want to misquote any absent Senator——

Mr. MILLIKIN. I am not quoting. I am using general language.

Mr. SMITH of New Jersey. No, it is not entirely correct because, I will say to the Senator from Colorado, we had quite a debate on the subject, inasmuch as the Senator from Massachusetts [Mr. LODGE], one of the members of the committee, was interested in our accepting this approach.

Mr. MILLIKIN. Let me read, if I may, to the Senator from New Jersey what the Senator from Massachusetts [Mr. LODGE] had to say.

Mr. SMITH of New Jersey. I do not think that minutes of the Foreign Relations Committee were kept of that discussion.

Mr. MILLIKIN. I am talking about the public hearings.

Mr. SMITH of New Jersey. I am not talking about the public hearings. I am talking about the executive sessions when we considered what we were to write into the bill.

Mr. MILLIKIN. My question is directed solely to the public hearings of the Foreign Relations Committee on the matter now before us, on the House bill, on any suggestions that the State Department may have made, and finally whatever hearings there were in executive session on the modified bill which came to the Senate from the committee. Does not the Senator recall the criticism of the Senator from Massachusetts [Mr. LODGE] of the bill which was before the Foreign Relations Committee?

Mr. SMITH of New Jersey. We all criticized it.

Mr. MILLIKIN. Yes; that is what I intended to develop.

Mr. SMITH of New Jersey. The Senator from Massachusetts [Mr. LODGE] was in favor of a measure of this sort being incorporated in the bill, containing the investment principle, because he had been in conversation with Representative HERTER, of Massachusetts, and the senior Senator from Massachusetts [Mr. SALTONSTALL], and others who had been working in the House on developing the investment phase of the subject. I speak not of the technical-assistance phase but the investment phase. That is what he wanted to see incorporated in the Senate bill.

Mr. MILLIKIN. Is it not also correct that the Senator from Wisconsin [Mr. WILEY] was critical?

Mr. SMITH of New Jersey. And the senior Senator from New Jersey was critical.

Mr. MILLIKIN. And the senior Senator from New Jersey was critical.

Mr. SMITH of New Jersey. Yes.

Mr. MILLIKIN. And does the Senator say that the Senator from Massachusetts [Mr. LODGE] was not critical?

Mr. SMITH of New Jersey. No; I think the junior Senator from Massachusetts was critical, but he did favor the inclusion of the principle of the House bill and of the legislation set out in the Senate report.

Mr. MILLIKIN. Was not the junior Senator from Massachusetts especially critical of the powers which were granted in the House bill which the committee had under consideration?

Mr. SMITH of New Jersey. I would not want to quote the junior Senator from Massachusetts, of course, in his absence and from memory. Perhaps the Senator from Colorado has something in the RECORD which shows what the junior Senator from Massachusetts said.

Mr. MILLIKIN. And was not the chairman of the committee, the Senator from Texas [Mr. CONNALLY], perhaps more critical than anyone else of the bill that was before the committee in those hearings?

Mr. SMITH of New Jersey. I would not say more critical, but he was critical.

Mr. MILLIKIN. He was quite critical.

Mr. SMITH of New Jersey. There is no doubt about that. I have never questioned that. We were opposed to incorporating that language at this time. I supported the resolution submitted by the distinguished Senator from Colorado [Mr. MILLIKIN] and the distinguished Senator from Massachusetts, in which it was proposed that a commission be set up to study the matter. It seemed to me to be desirable to have that done. I thought the setting up of that kind of commission, in connection with the technical-assistance program we placed in our bill, represented the right way to deal with the subject. However, that proposal was defeated.

Mr. MILLIKIN. If I may say so most respectfully, the mystifying thing to many of us here is that after all the expressions of discontent by the members of the Foreign Relations Committee who attended the hearings, after the vote here in the Senate on the technical assistance program which came out of the committee, the close vote—the amendment having been passed by one vote—the thing that is so mystifying to us is, how could the Senate conferees bring themselves into a state of mind where they threw over their own version of the right kind of program and brought back this entire stranger to the Senate.

Mr. SMITH of New Jersey. The Senator has, I think, a total misconception of our mentality. I speak only for myself. Every other member of the conference committee should speak for himself. On the face of it, it looks to be a terrible thing. It looks as if we had surrendered all our principles and had gone right down in the negative attitude that we are licked. It was no such thing. There were two principles involved in

the matter. One was technical assistance, and one was the question of whether we should encourage the making of investments in foreign countries.

We had thrown out the proposal about investments, doing so on the ground that it was a matter which required long-range treatment. That was our first report.

When we returned to the conference, we found that the House conferees were insistent upon that proposal. I always believed in the principle of that proposal; I was only dissatisfied with the way it was set out.

Then I considered the dangers. At first I thought it was quite dangerous. However, after reading the language—and I say frankly that I do not approve of the language; I think it is very verbose and unnecessary—I do not find in it a single thing with regard to having us insure investments or make guaranties or anything else of that sort. So I think we are justified in going along with the conference report.

Mr. MILLIKIN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CHAPMAN in the chair). Does the Senator from New Jersey yield to the Senator from Colorado?

Mr. SMITH of New Jersey. I am glad to yield. Let me say that I think the Senator from Colorado is making a most desirable contribution, and I welcome it, even though I do not always agree with him. Nevertheless, I am sure he is doing his best to be constructive in the matter.

Mr. MILLIKIN. Of course, I would be less than candid if I did not say that I was trying to do that very thing.

Mr. SMITH of New Jersey. Certainly.

Mr. MILLIKIN. I still do not understand how the Senate conferees assumed what I think is the power to legislate for the United States Senate. We in the Senate never saw the bill that has come back to us in the form of the conference report. It is a total stranger to the Senate.

Now I understand, if I correctly understand what the Senator from New Jersey has said, that it was a stranger to the Foreign Relations Committee.

I ask the Senator, How can we legislate that way?

Mr. SMITH of New Jersey. Mr. President, I do not think that is quite a correct way to state the matter. The Senator from Colorado knows perfectly well that when the two Houses legislate on the same subject and when one presents one approach and the other House presents another approach, then it is necessary to have a conference, and at the conference the conferees have to deal with the two approaches which are presented to the conference. The Senator from Colorado has had that experience time and time again, of course.

Mr. MILLIKIN. I realize that.

Mr. SMITH of New Jersey. In the conference we considered the two versions as the limits within which we could draw up proposed legislation. We have to take the material which is submitted to the conference.

Mr. MILLIKIN. I respectfully suggest that what I indicated is exactly what was done. I repeat that the measure which has come back to us in the form of a conference report was not what was considered by the Foreign Relations Committee. According to the Senator from New Jersey, the members of the Foreign Relations Committee were considering something which the Department of State handed to them. Clearly it is not something which was ever considered by the Senate. So it comes to us as a total stranger, so far as the Senate is concerned.

Mr. SMITH of New Jersey. I do not agree with the Senator from Colorado as to that.

Mr. MILLIKIN. I say that in substance it amounts to legislation by conferees.

Mr. SMITH of New Jersey. I said we had this bill from the Secretary of State; and we considered the House language, of course, in considering the entire matter.

I think the Senator from Massachusetts [Mr. LODGE] probably made a distinction between the House language and the version we got from another source.

We told our staff, "We cannot include this wide proposal. You draft a simple bill based on the technical-assistance principle."

That is what we originally brought in. It was debated here, because I think when we reported it we brought out that the wider approach had been suggested, but we felt it inadvisable at the moment to go into it.

However, I thought the Senator himself anticipated, in offering his resolution with the Senator from Massachusetts, that this matter should be postponed and should be studied more carefully before we considered the question of foreign investments. But now I understand that the Senator takes an entirely different view of that matter.

Mr. LUCAS. Mr. President, it is a little difficult for the Senator from Illinois to hear this colloquy.

Mr. SMITH of New Jersey. Would the Senator like to have us move farther toward the front of the Chamber?

Mr. LUCAS. No; but I should be glad to have the Senators speak a little louder.

Mr. MILLIKIN. Mr. President, let me ask the distinguished Senator from New Jersey this question: If it was desirable to have study given to the subject of the point 4 program by a commission of the caliber of the Hoover Commission—and the Senator thought it was—and so did I——

Mr. SMITH of New Jersey. I still think it is desirable.

Mr. MILLIKIN. I still think so. If that is so, what happened in conference which made it undesirable to do that very thing. What happened in conference so that now we are confronted with a measure which we have never had an opportunity to study, a measure which was never before us, a measure which I respect is a total stranger to us?

Mr. SMITH of New Jersey. I thought I explained that we were deadlocked over the question of point 4 and over the question of guaranties. We finally took out the guaranties, or got them in the shape we wanted them in, in the first part of this ECA bill; and the House receded as to that. Then we included the investors' atmosphere provision which the House wished to include. We did not think we were giving away anything. We had not wanted to go along with it until we knew more about it; but the conference report seemed to us a reasonable one to bring back.

I am yet to see the dire dangers which are predicted, if the conference report is left in its present form. I think this is an area into which we shall be compelled to move if we are to deal with the world situation when the ECA program is over. I still want to give it more study. I still hope to participate in a resolution to have a further study made of the entire situation after the ECA program is over. We have to do that.

Mr. MILLIKIN. Mr. President, will the Senator yield for a further question, and then I shall not bother him further?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. MILLIKIN. Did the Senate Foreign Relations Committee consider the proposed legislation now before us—in other words, the House bill—line by line and word by word in public hearings?

Mr. SMITH of New Jersey. Oh, no; we did not have public hearings on it. We considered it in executive session. We did not have any witnesses on it, because we felt from the beginning that we did not want to report it.

Mr. MILLIKIN. So there were no public hearings on the bill which now is before us, so far as the Senate is concerned?

Mr. SMITH of New Jersey. That is true.

Mr. MILLIKIN. I ask the Senator, is that a sound way to launch legislation of such magnitude and such fateful importance to this country?

Mr. SMITH of New Jersey. Of course, it depends upon what hearings have been held and what study has been made and what length of time they have covered. For the purpose of the RECORD, I think I should read from the report of the House conferees, in which this matter is discussed. I should like to put this into the RECORD:

IV. THE TECHNICAL COOPERATION PROGRAM

Differences between the two versions relating to the technical-cooperation program (point 4) were more numerous than with respect to any other aspect.

The differences arose principally from the course of development of the legislation in the respective Houses.

In the House the legislation in the form originally proposed by the President was introduced July 12, 1949, as H. R. 5615. On August 16, 1949, the Honorable CHRISTIAN A. HERTER introduced H. R. 6026, a bill bearing on the same general objectives. This latter bill, however, supported by various business groups, was designed to emphasize the creation of a favorable climate for foreign investment as a necessary condition for realizing the objectives which the technical-cooperation program was to promote. The Committee on Foreign Affairs—

In other words, the House committee—

held extensive hearings on the two bills in the closing weeks of the first session.

That was last year.

Between the sessions discussions were held among supporters of the respective bills in the House, business leaders, and members

of the Department of State. The purpose was to reconcile the differences between the two bills. Agreement resulted, and identical bills, H. R. 6834 and 6835, were introduced by the Honorable JOHN KEE, chairman of the Committee on Foreign Affairs, and Mr. HERTER on January 18, 1950. It should be emphasized that these bills did not contain any provisions for guaranties of investments.

That is in the statement by the House conferees.

I read further:

After additional hearings and consideration in executive session, the Committee on Foreign Affairs developed a modified text, subsequently introduced as H. R. 7346. This became title III of H. R. 7797, and as such was further amended during consideration by the House.

The Senate, however, acted on the basis of the original proposal from the Executive.

That proposal, as we developed it, was simply to limit the whole program to one for technical assistance.

I read further:

The elements developed in the House version during the course of a long legislative history were the principal points of difference. In the main these pertained to statements of principles linking technical cooperation and the problem of creating a proper climate for investment, standards for bilateral programs and programs carried on through international organizations, refinements of administration, and the amount of the authorization.

In the report by the House conferees there is further discussion of the matters which were deleted. Inasmuch as those points were brought out this morning by the Senator from Colorado, I see no necessity for discussing them now.

I wish to bring out the point that finally the Senate conferees yielded in regard to letting this provision go into the conference report, because of the long hearings and discussions we had and because of the high regard we had for Members of our own body who had participated in some of those discussions.

Although the proposal possibly had not had all the study we would like to have, and although we did not include this particular provision in our first report to the Senate, yet we felt it was a reasonable compromise, and that we were not bringing to the Senate anything we could not support wholeheartedly; at least, I felt that way. Although I did not agree with the language which was used, nevertheless I felt that we would have to take up the question of whether the United States is going to continue its cooperation with the United Nations in the so-called point 4 program for the development of underdeveloped countries.

Of course, there is a difference of opinion about that, but I felt, after studying it, that it was inevitable we should take our share of the responsibility and that, while there were no commitments in the bill as passed by the Senate, financial or otherwise—and I cannot read them into the report as other Senators seem to do—yet reasonable compromises had to be made. I feel fully justified therefore in supporting my colleagues on the conference committee, and the full conference committee, in regard to the conference report.

Mr. MILLIKIN. I yield 8 minutes to the distinguished senior Senator from Arkansas.

Mr. FULBRIGHT. I thank the Senator.

Mr. President, my first objection to this report is the change which was made in the amendment I offered in committee and which was adopted by the Senate. I refer to section 106, subparagraph (k) of the bill as it passed the Senate. For the information of the Senate, I shall read it. It is very brief, and reads as follows:

(k) It is the sense of Congress that as much as possible of the local currency deposited under this section after June 30, 1950, shall be held or used within such country only for such purposes set out in section 111 (d) (facilitating the development of transferability of European currencies or promoting the liberalization of trade by participating countries with one another and with other countries), or otherwise consistent with the declaration of policy contained in section 102 of this act, as may be agreed to by such countries with one another and with other countries, or so designated, by any central institution or other organization formed to further the purposes of this act by two or more participating countries.

That section I offered in committee, in language much stronger than that. In fact, my original amendment required that not less than 50 percent of the counterpart fund be used for the purposes of bringing about the unification of Europe. I had in mind not only currency convertibility, for which the $600,000,000 is authorized, but also the fact that projects of a tangible nature which tend to bring about the unification of Europe should have priority with regard to counterpart funds. In the conference on this bill that language was changed very materially. In order that the RECORD may show the difference, I read from page 3 of the report. It is now subsection (d) of section 103, reading as follows:

(d) The Administrator is authorized to transfer funds directly to any central institution or other organization formed to further the purposes of this act by two or more participating countries, or to any participating country or countries in connection with the operations of such institution or organization, to be used on terms and conditions specified by the Administrator, in order to facilitate the development of transferability of European currencies, or to promote the liberalization of trade by participating countries with one another and with other countries.

That language removes completely the thought I had, which was expressed by the language that "as much as possible" of the counterpart funds of the local currencies should be used for the purpose of promoting the unification of Europe. I object to the change in that language.

Another objection I have to this report has to do with the removal for the second time by the conferees of the word "federation" from the declaration of policy contained in section 102.

The two changes taken together indicate to me that the conferees—at least on the part of the Senate, because it must be on the part of the Senate, in view of their action in regard to the House language—still believes that we should not take a position with regard to the furtherance of the federation of Europe. I simply cannot agree with that philosophy behind this bill. I have always thought from the beginning that if it had a real purpose it should be to promote the federation of Europe. I feel more strongly than ever that if there is to be a remedy for the troubles of Europe it must be found within the framework of a federation.

In the beginning, 2 years ago, the Senate took the position that we should not meddle in these matters, but that it was up to the Europeans to take the lead. That argument had some persuasiveness at the time. I did not agree to it then. I offered amendments expressing approval of federation. But since that time the Europeans themselves have taken very substantial steps and have made very strong statements.

I call to the attention of the Senate the statement in the New York Times of May 22 by the Chancelor of Western Germany, Mr. Adenauer, in which he very strongly endorses the idea of the federation of Europe, its complete unification, and states that that is the real hope for the salvation of Europe.

In addition to that, I have in my hand the report of a poll, taken from the Christian Science Monitor of May 20, 1950. I think it is sufficiently informative that I should like to ask unanimous consent to insert it in the RECORD at this point in my remarks. It shows very clearly that on the latest poll taken in Europe the people of Europe strongly favored that idea.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STATE OF EUROPE—POLL SHOWS EUROPEANS FAVOR UNIFICATION

(By Roscoe Drummond)

PARIS.—Sometimes, in talking with some European political leaders, I have been almost persuaded that the only people who want the unification of western Europe are the Americans.

This has never been the fact, but it has, at times, been made to look as though it were the fact. It is extremely valuable, therefore, to Europe and to America, to have it demonstrated that the Europeans themselves want the unification of Europe.

In publicizing at this time its Europe-wide public-opinion poll on European union, the European Movement—headed by Winston Churchill, Paul-Henri Spaak of Belgium, and Alcide de Gasperi of Italy—has rendered an incalculable public service. The most significant findings of the poll are these:

That a decisive majority—about two out of three—of the peoples of Norway, Holland, France, Italy, and West Germany (including west Berlin), with a total population of 153,000,000, favors European union.

That a remarkably low percentage—only 9 percent—of Europeans are opposed to European union.

That opinion on the Continent is strongly desirous that Great Britain shall play an active and leading role in European union.

Obviously, the purpose of the poll was to get at the facts. There was no way of knowing in advance what the results would be. The fact that it came out as it did gives the cause of European union added popular and, perhaps, added political support at a time when it most needs it.

One reason why this poll appears particularly trustworthy as a source of information and as a guide to political possibilities is that

all who were interviewed were frankly confronted with some of the problems and difficulties which European union might raise.

The questions were not vague or leading, and European union was presented in practical, not utopian, terms. The questions were intended to test the steadfastness and reliability of general opinions. For example, those interviewed were asked:

"If a European union meant that people could travel freely from country to country, and anybody who wanted to could come and work here in our country, would you be in favor of that or against it?"

The replies showed 66 percent in favor, 13 percent against, and 21 percent undecided.

They were further asked this question: "A European union might mean that we could export all our products to all other countries of the union without paying import duties, but also that all those other countries could, in turn, sell their goods in our country without paying import duties either. Are you in favor of this or opposed to it?"

The results: 72 percent in favor, 9 percent against, and 19 percent undecided.

After thus drawing attention to the implications of unification, a final question was asked: "Taking into account all the points already discussed, do you consider that a European union would be a good thing or a bad thing?"

A strong 64 percent replied that it would be a good thing, 9 percent thought that it would be bad, and 27 percent were undecided.

The answers to this same question divided by countries follow:

	Good	Bad	Undecided
	Percent	*Percent*	*Percent*
Norway	64	11	25
Holland	51	6	43
Germany	68	8	24
Italy	71	8	21
France	56	12	32

"The results of this public-opinion poll," M. Spaak told a press conference, "provide striking evidence that the peoples of Europe recognize their common interests and the necessity for solving their problems together as members of a European union. This further proof of public support should encourage governments to go forward boldly with effective measures for the creation of a United Europe."

Mr. FULBRIGHT. The statement of the House Managers in conection with the conference report, in which the conferees explain, or seek to explain, why they removed the word "federation" from the language in the beginning of the report, is not at all persuasive upon me. I realize that our Secretary of State has not been sympathetic to the idea of incorporating in this legislation any reference whatever to the political federation of Europe. I have always regretted it, and I still regret it, but I think it is of sufficient importance at least, so far as I am concerned, to justify me in voting against this report.

I feel that we are taking a very negative attitude toward the very objective of the Marshall plan, itself.

Another objection I have to the conference report, and a very substantial one, is with regard to the amendment offered by the junior Senator from Georgia. We all know about the point 4 program. I may say in general I have supported it, and I do support the approach of the use of our technological knowledge, the exchange of persons, including particularly scientists, in an effort to teach any willing country what we may know about modern methods. I have supported that idea; but I think that in adopting the section regarding point 4, the safeguard put in by the Senator from Georgia is very important. I think it would be a great tragedy if some of our representatives of ECA in Europe—and many of them have not as much experience as I should have liked—should leave the impression that we have undertaken the actual construction of great public works all over the world, and then when the question of appropriations arose, appropriations were not provided, it seems to me, untold harm would be done to our foreign relations. The danger inherent in that kind of possibility leads me to believe that it is a very serious mistake to obliterate from the conference report the language of, I believe, section 106 of the bill as it passed the Senate, which embodied the amendment offered by the Senator from Georgia.

I believe all three of these changes made by the conferees could be very easily corrected. I believe that in trading with the House, if our conferees would agree to reinsert the language which the House put into the bill on two occasions, and, at the same time, insist upon the language of the amendment offered by the Senator from Georgia, and reinsert the language of my amendment, the difficulty could be cured very easily.

Mr. President, I should not like my vote against the report to be interpreted as disapproving of the entire Marshall plan. I have supported it every time it has been before the Senate. I supported it quite reluctantly, however, when I discovered that our own Government was not yet aware of the principal objective and the real justification for the program.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. I thank the Senator from Colorado for the time which he assigned to me.

Mr. MILLIKIN. Mr. President, I yield 25 minutes to the Senator from Ohio [Mr. TAFT].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 25 minutes.

Mr. TAFT. Mr. President, the first question is the effect of the rejection of the conference report. There seems to be some concern that its rejection will be taken in some way as a blow at the ECA. Certainly my position is that I am entirely satisfied with the conference report on the ECA, with the exception of the provision referred to by the distinguished Senator from Arkansas, relating to the counterpart funds. Certainly there is not the slightest desire in sending back the conference report to repudiate in any way ECA. In order to make that point perfectly clear, I send to the desk a motion which I shall make in the event the conference report is not adopted, and I should like to read it at this time. It is not in order to make the motion at this time, but if the conference report is not adopted I shall make the following motion:

I move that the Senate request a further conference with the House, that the Chair appoint conferees, and that the Senate conferees be instructed to insist on substantially the terms of title IV as passed by the Senate.

The instructions, therefore, relate solely to the point 4 program. I have no objection to including other provisions if the Senator from Arkansas [Mr. FULBRIGHT] desires to instruct on that subject.

The second point I want to make clear is that I do not take this position in any way as chairman of the Republican policy committee. The question has never been before the Republic policy committee; it is not a question of Republican policy. I want to make it perfectly clear, particularly to the Senator from New Jersey [Mr. SMITH], that my position and that of the Senator from Colorado [Mr. MILLIKIN] is based on our individual views, and is in no way a party position.

Mr. President, the conference report is substantially different from the bill which passed the Senate. When we consider that this particular provision passed the Senate by a vote of only 37 to 36, when the Senate was most dubious about the limited scope of the program adopted by the Senate, certainly the concessions on the part of the conferees appear to be most unwise. If the Senate adheres substantially to the position it took on the Senate bill, it should reject the conference report and refuse to go further than did the original Senate bill. The changes are substantial. In the first place, it becomes a permanent program. The Senate provided for a 5-year program. That limitation has been abandoned. Instead of expiring by its own terms, the program will have to be repealed, possibly over the veto of the President, if we ever wish to discard the present policy. It will never come up for any further consideration. It is a permanent program of this country for all time to come, or until it is changed by an act passed by both Houses of Congress and approved by the President of the United States.

The Russell amendment made it perfectly clear that a country which received this kind of aid could not in any way look for further aid, but the terms of the report are such that the technical-assistance program can, in substance, promise further aid. When we furnish technical assistance to show them how to construct a dam, for instance, they will look forward to money being provided for that particular dam. It seems to me the Russell amendment was a most necessary provision, and it becomes even more necessary in view of the wide-open terms of the conference report.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TAFT. I am sorry. I should like to yield to the Senator, but the time left is very short, and I am afraid I shall have to refuse to yield.

In the next place, Mr. President, there is the Fulbright amendment relating to

the use of counterpart funds. That has been eliminated.

The so-called Morocco amendment was yielded by the Senate conferees. In fact, there is not anything in the bill passed by the Senate as to which there was any conflict which the Senate conferees have not yielded to the House conferees.

Finally, and most important, we find the terms of the bill completely different from those passed by the Senate. The Senate bill contained a very simple statement of purpose. It simply declared it to be the policy of the United States and the purpose of the title to aid the efforts of the people of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills.

That was the only purpose stated in the Senate bill. But what do we find in the conference report? We find the provisions of the House bill; in fact, the conference report is the House bill, with the elimination of approximately eight lines which are relatively unimportant.

I read from section 403:

It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute to raising standards of living, creating new sources of wealth, increasing productivity, and expanding purchasing power.

In other words, it goes far beyond anything of which the Senate conceived. We have been committed for all time to come to the job of undertaking to develop economically, with Government assistance and Government money, the economic standards of every country in the world. Even this country is underdeveloped, and certainly the term "underdeveloped country" could be used to cover every other country in the world, because every other country is developed less than is this country. We are spending billions of dollars further to develop this country. It goes on as follows:

It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States—

So, it is our policy to develop the resources of the United States by reforming and improving the economic conditions of the entire world—

private and public—

Private investments and also Government money—

which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing the requests of foreign governments for aid for such purposes—

For what purposes? To promote the flow of investment capital as well as technical knowledge and skills.

In other words, Mr. President, foreign governments are invited to ask us for assistance to promote the flow of investment capital to them. I read further—

shall take into consideration (1) whether the assistance applied for is an appropriate part of a program reasonably designed to contribute to the balanced and integrated development of the country or area concerned; (2) whether any works or facilities which may be projected are actually needed in view of similar facilities existing in the area and are otherwise economically sound; and (3) with respect to projects for which capital is requested, whether private capital is available either in the country or elsewhere upon reasonable terms and in sufficient amounts to finance such projects.

Presumably, Mr. President, if private capital is not available, public capital, direct loans, shall be furnished. This only bears out the broad terms of the findings in section 402.

Section 402 finds all kinds of things that are not true. I suppose it is fair to say that economic and social progress "can further secure the growth of democratic ways of life, the expansion of mutually beneficial commerce, the development of international understanding and good will, and the maintenance of world peace." A lot of words. It can also contribute to war. Germany before it began the First and Second World Wars had risen to a tremendous height of economic and social progress. That progress did not contribute to peace. Certainly the bill makes a very broad statement in claiming that all this is necessarily going to produce peace. So far as any possible threat with reference to a third world war is concerned, I say that whether or not we do this, the question of whether Russia is going to undertake an aggressive war will be determined with no reference to any point 4 program. It will not be determined by whether we do undertake it or do not undertake it.

Mr. President, the bill gives broad powers to the President to make contracts or agreements in respect of technical cooperation programs on behalf of the United States Government "with any person, corporation, or other body of persons however designated, whether within or without the United States, or with any foreign government or foreign-government agency." When we undertake to provide technical assistance under that paragraph there is no question at all in my mind that the State Department will make that contract, and in it will be outlined the general program they are looking forward to develop. It will involve the development of rivers and the development of industries. We would furnish the technical assistance for that. The whole program can be put into these agreements. Once it is in there we would be subjected to strong pressure to provide the money necessary for that purpose.

Mr. President, actually the question of whether we could guarantee private investors is perhaps open to question. There are bills pending on the Senate Calendar and on the House Calendar which carry out such a program. This is the basis for it. This is the declaration of policy. Most of this program, including the provision for Government money, can be undertaken under the conference report without the other bill. The other bill may be necessary for the particular guaranty feature, but the bill in the House—and it is recommended by the House committee and a similar bill is on the Senate Calendar—provides that the Export-Import Bank is given the right—

To guarantee United States private capital invested in productive enterprises abroad which contribute to economic development in foreign countries by assuring either or both (1) the conversion into United States dollars of foreign currency derived from an investment—

Of course, when a guaranty is given someone on the conversion of currency, it means that a loan is being made. They will not pay in their currencies. They owe it and there is another debt. That is what Britain did through the war. People accumulated sterling, for which they will not be paid. We are simply making further loans to these countries after ECA is over. The House bill provides further—

and (2) compensation in United States dollars for loss resulting from expropriation, confiscation, or seizure by action of public authority.

That particular provision is certainly dubious. We make a contract with a nation that will not undertake to confiscate property. However, they do it anyway. Then we have to pay off the man who invested money, and the United States Government has a claim against the foreign country. Goodness knows, these countries owe us billions of dollars already, and they are not going to pay the claim. We have never yet succeeded in collecting a claim, and I do not see any reason why we should collect this one. That is all a part of this program. That is the policy that we are declaring now. We would commit ourselves in definite terms by this gadget of a so-called guaranty.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. TAFT. I am sorry, but I cannot yield. The time is very short.

Mr. President, the House bill was intended to carry out this program, while the Senate bill was not so intended. Incidentally, it is rather interesting to me that this subject practically was not presented to the Senate. The advocates of this program have practically never come here with it. It is supposed to be slipped through. The distinguished Senator from Texas read a brief statement, and one of the things he said was: "The program is not large, nor can it ever be." That is perhaps true of the Senate program. "It is the beginning of a long process, a slow, laborious process. It is not another ECA for the world, nor a program of capital investment." It was not in the Senate bill. It certainly was in the House bill.

Representative HERTER, who was one of the authors of the House bill, practically so stated in his description of the House bill, which is now a part of the conference report. At page 4052 of the CONGRESSIONAL RECORD, on March 24, he said:

It is in the statement with respect to those latter matters that I feel the bill is

of particular importance. The mere authorization to send technical assistance where wanted throughout the world could do very little in itself toward raising the standards of living of underdeveloped nations. Very real help could be given in the fields of sanitation, education, labor, agriculture, administration, etc., but, in the long run, increased productivity must be the deciding factor. That productivity can come only through a given amount of capital investment plus the technical know-how or technical skills which go with capital investment, and the bill, as now reported by the committee, while defective in some minor particulars, goes far toward spelling out for all to see the minimum conditions under which any reasonable person could expect American capital to seek investment outside the shores of the United States.

The reason I feel so strongly about this program is not that perhaps at some time in the future we may not be able to do something of this kind. It is that at the present moment we are already committed to two great international programs far beyond the financial capacity of the United States. We have the ECA program, which goes on this year and goes on next year. It is a program for which we have authorized in this bill for the coming year more than $3,000,000,000. We have the arms program for all of Europe, and now apparently, according to this morning's newspaper, it is to be extended to the Middle East. The request for the appropriations for that project, as I understand, is going to be for a half billion dollars, at least, plus another $1,000,000,000 to be spent during the coming year. Our country faces a budget deficit this year in excess of $6,000,000,000. Therefore this is not a time to take on a third great international program. That is what we are undertaking here and that is what we are committing ourselves to do by this conference report. We are committing ourselves to a great program to help every nation throughout the world. Someone has mentioned that this is only a small program at this time. However, we are committing ourselves to the program. Certainly after we get through with ECA and after we get through with the arms program, it may be that we may wish to continue assistance to nations here and nations there. I do not believe it ought to be a great program covering the entire world, but there are places where particular aid can do some good.

Mr. President, it seems to me perfectly obvious that a complete study should be made of this program. First, we should appoint a commission to study for a year, or perhaps 2 years, what our post-ECA program should be. The ECA program was purely a temporary program. It was solely to meet an emergency. The arms program is solely a temporary program, a program to meet an emergency, both emergencies caused by the actions of Russia. But we are here taking up a proposal for a permanent program to do something this country has never done before. Certainly private capital has gone abroad without guaranties, certainly we have encouraged American investments abroad; and we have no objection to that. But whether the Government itself should undertake to provide Government money and should lend all these nations more money in time of peace, simply to bring about economic development, I doubt very much.

I have said before that I do not think we can take a nation such as China, where the standard of living is one-tenth of what it is here, and hope to build up to any great extent the economic conditions of that country. We can help them a little, but our help is not going to make any great, fundamental change in the economic condition of the people, because one people cannot do that for another.

We have established our present economic standard of living by 150 years of effort on the part of the American people, and in the long run the standards of living of different countries are going to be the standards the people of those countries make for themselves. Certainly they may get foreign aid. They would like to have it. A good deal of capital was sent into our country, because foreign investors felt that our people could use it well, could handle it, and return the money borrowed. Any nation that desires capital can get it if it can convince those who have the money that they will get fair treatment, and that those getting the money have capacity to use it wisely.

I question the possibility of one nation substantially changing the standards of living of another. That does not mean we should not undertake to assist here and there, and certainly it does not mean we should not undertake charitable operations, the establishment of hospitals, and other activities such as our private institutions have undertaken in China. I have no objections to establishing such a program; but it should be studied. Its limitations should be clearly defined. It should be worked out with care, in detail, so that we would know what we were doing, instead of asking our people to adopt a new policy, namely, that of the United States from now on devoting the entire resources of its people, private and public, to any country that chooses to come here and ask for assistance from the American people.

Mr. President, this is a tremendous program. It is a revolution in the policy of the United States. It is presented in a conference report, which is contrary to the very views of the Senate Committee on Foreign Relations itself, which is contrary to the views of the Senate as expressed in the vote, a program which certainly, before it is adopted, should be carefully studied and debated. As I have said, up to this very time the advocates of the program have been strangely silent on the floor of the Senate. Practically nothing has been said about the matter by them. There has been no substantial debate on the question until today, and it seems to me that the time has come when we should no longer undertake such activities.

Mr. President, I say again, if we had a great surplus in the Treasury, we would not feel so strongly about this, but we are asked to commit ourselves to a new program when we have a deficit of $6,000,000,000 this year, and will have a deficit of $6,000,000,000 next year, according to the estimates of expenditures and appropriations. This is no time to undertake the extension of domestic activities, no time to undertake the extension of foreign activities.

Mr. President, I do not feel that in the present financial condition of the people of the United States we should commit this Nation to a great new policy which may in the end cost billions upon billions of dollars. Of course it is within the power of the Committee on Appropriations not to appropriate the money, but that is a shopworn argument. Once we commit ourselves to a policy, the officials of the State Department can come before the Committee on Appropriations and say, "The American people have declared this policy through the Congress. We are determined to apply American capital to the development of every Nation."

The PRESIDING OFFICER (Mr. MCCLELLAN in the chair). The time of the Senator from Ohio has expired.

Mr. TAFT. May I have a minute or two more?

Mr. MILLIKIN. I yield more time to the Senator.

Mr. TAFT. Certainly the Committee on Appropriations, under such circumstances, is bound to feel that it must go ahead with a program. They may not appropriate the exact amount requested, but certainly they are committed to the program, just as the Atlantic Pact committed us to an arms program. I voted against it, but it did commit us to an arms program, and the Congress having voted for the program, it could not vote against the appropriations. Similarly the ECA bill substantially committed us to the appropriations authorized in the bill.

It is all very well to say that the Appropriations Committee can answer, "We will not appropriate a cent," but as a practical matter we are determining a policy which forces huge appropriations on the Committee on Appropriations as the program is developed.

Mr. CONNALLY. Mr. President, I yield to the senior Senator from Georgia [Mr. GEORGE] such time as he may need.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. GEORGE. Mr. President, I wish to make more of a statement than to submit an argument regarding the conference report.

When the ECA bill was first submitted to the Committee on Foreign Relations of the Senate, it contained several pages relating to point 4, as we commonly refer to the subject matter in title IV of the bill. It was the view of the committee that it should be stripped down, so far as possible, to a mere technical assistance program, eliminating the other provisions which were intended to encourage the flow of capital into foreign countries. Following that program, we did strip the bill down to a technical assistance bill, and that was the bill which was reported to the Senate.

I wish to be perfectly frank in my statement. I favored that course. I did not think we had given the consideration to this important matter that it should have before we committed ourselves

definitely to a program which we possibly would not be able easily to avoid even though specific projects and programs might not meet with our approval. So, when the bill came to the Senate, the point 4 provision in the bill did relate to technical assistance. It had been stripped down to that bare declaration of policy with reference to assistance.

When the Committee on Foreign Relations acted upon the bill, it acted, as is frequently done, by striking out everything after the enacting clause perfecting the bill, and in that form reporting it to the Senate. But the Senate, of course, had also before it the text of the House bill, point 4 in the meantime having been incorporated in the bill passed by the House. So when the bill came to the Senate committee, the text of the House bill was stricken through, and the text of the bill as perfected in the Foreign Relations Committee was substituted, following the enacting clause.

When the bill was passed by the Senate I voted for it, but I previously voted to strike the $35,000,000 for the technical assistance program in the bill, when it reached that stage on the floor of the Senate.

The bill went to conference. We were faced in conference with an insistent demand by the conferees on the part of the House, not an inappropriate demand, of course, because it is the duty of the conferees on the part of each body to support, so far as possible, the views taken by the body, but the conferees on the part of the House insisted strongly on title IV of the bill as it now appears in the conference report. That is to say, they insisted upon point 4, as we have generally understood that description to apply, as the House bill had spelled it out.

The House also insisted upon certain guaranties, but those guaranties related to commitments made in the Marshall plan countries, that is, the recipients under the ECA.

We had quite a difficult conference with the House conferees. We labored practically all the time upon the two points: First, the guaranties, and, second, the point 4 provision in the bill. I very frankly say that I thought it was advisable that point 4 receive longer study, more careful consideration, because I realize the difficulties in which we become involved when we commit ourselves to any sort of long-range policy.

Let me say that the point 4 that is contained in the conference report is not a short-range program. It definitely is a long-range program. It would be entirely useless and worthless if it were a short-range program. I want to be perfectly frank and candid with the Senate about that. It is a long-range program. I believe in the general principles of the program. But I want further time to study and develop it.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I have but very few minutes left. However, I yield.

Mr. SALTONSTALL. Perhaps the Senator intends to bring out the point I have in mind. Is there anything in title IV of the bill, the long-range program about which the Senator is speaking, which guarantees on the part of our Government private investments made in the foreign countries involved?

Mr. GEORGE. I do not think so. Had I thought so, I could never have agreed to this title in the conference report. I may say to the Senator that I expect to refer to it particularly.

Mr. AIKEN. Mr. President, will the Senator yield for another brief question?

Mr. GEORGE. I will have to ask the Senator to be very brief.

Mr. AIKEN. Does the Senator feel like telling us whether the House conferees were united in their demands for these provisions?

Mr. GEORGE. Yes, indeed, they were united. Not only were they united, but most persistent, and most appropriately persistent.

Mr. AIKEN. And successful?

Mr. GEORGE. And successful. I grant that.

Mr. President, I now come to a point which I think is important. The distinguished Senator from Ohio [Mr. TAFT], I believe, misinterprets the whole purpose of section 403, and particularly that part of the section which appears on page 9 of the report. I will read it:

(b) It is further declared to be the policy of the United States that in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes, shall take into consideration.

That is the introduction, so to speak, of what must be taken into consideration.

(1) Whether the assistance applied for is an appropriate part of a program reasonably designed to contribute to the balanced and integrated development of the country or area concerned.

There certainly is nothing objectionable about that.

(2) Whether any works or facilities which may be projected are actually needed in view of similar facilities existing in the area and are otherwise economically sound.

There is nothing wrong about that unless someone might suggest that we should not too far meddle with other people's business.

And (3) with respect to projects for which capital is requested—

Let me repeat—

And (3) with respect to projects for which capital is requested, whether private capital—

This is the inquiry; and the determination must be made—

whether private capital is available either in the country or elsewhere upon reasonable terms and in sufficient amounts to finance such projects.

Of course, it necessarily follows that if private capital is not available, then the project is not even approved, and it is not available, regarded, or considered.

Mr. AIKEN. Mr. President, will the Senator yield for one more short question?

Mr. GEORGE. Yes.

Mr. AIKEN. Does the Senator reach an inference that if it is found that private capital is not available, the United States is under any obligation to assist in furnishing public capital?

Mr. GEORGE. None whatever.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. GEORGE. But let me answer fully on that point. Further along in the bill, on page 13, section 416, while the language is somewhat softened down from the language offered by my distinguished colleague on the floor, we find the following:

Nothing in this title—

That is the whole title, the language I have already read about capital—

Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries, or to any international organization.

Mr. President, I think it is clear that the bill, as it stands, does not commit us to any specific project or program. Those matters are left open. It does commit us to a policy, and I very frankly say it commits the Senate to a policy. But that does not mean, of course, that it is a policy which would be followed except within the limitations outlined in the measure and within the spirit of the proposed legislation. So that if subsequently some country applies for assistance and asks for either private or public funds, and after making the necessary and proper surveys, we reach the conclusion that we have available in our economy at the moment sufficient capital to undertake to encourage that country to carry on a very ambitious program, certainly we would be wise enough, and, I think, entirely free to say so.

But if, on the contrary, that country thought it was entitled to a loan from this country, I am quite certain that there is nothing in the bill that would commit us to such a loan.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. So far as funds of our Government are concerned, under the present terms of title IV, they are confined to technical cooperation? Am I not correct?

Mr. GEORGE. Undoubtedly so. On that point, it will be noted that the appropriation is $35,000,000 for that purpose. That sum, however, includes appropriations already made under other programs. So that actually all the bill does is to appropriate an additional $25,000,000. Somewhere in the neighborhood of $10,000,000, as I recollect, has been provided for precisely this type of work, primarily in South America. So $25,000,000 is the limit of our actual commitment to the use of any public money for any purpose under this title.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. I would say that before my subcommittee of the Appropriations Committee there is a proposal for $7,000,000 for the Institute of Inter-American Affairs, with additional

contract authorizations requested, and $2,900,000 under the Smith-Mundt Act.

Mr. GEORGE. In other words, in round numbers, that amounts to approximately $10,000,000.

Mr. SALTONSTALL. That is correct.

Mr. GEORGE. So, in short, the $35,000,000 is a total appropriation, and the new money thus provided is $25,000,000.

Mr. President, I wish to make my position clear. If I were not willing to commit myself to a general program, through the use of our good offices, the use of our technical skill and knowledge, the use of our competent advisers, and if I did not think the state of our economy justified encouraging the investment of American capital in such foreign countries, I would not go along with the proposal.

However, I agree with the conference report, though not entirely, because it contains a great deal of language which has come about, no doubt, as a result of the evil habit, which has grown up in Washington in recent years, of putting a lot of poetry at the head of a chapter and then writing out a lot of poetry thereafter.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. GEORGE. I yield.

Mr. SALTONSTALL. Is not some of the poetry to which the Senator has referred put in to show the other countries what we expect of them if they are to get any technical assistance under this measure?

Mr. GEORGE. I think so; but candor compels me to say that it is also put in to "soft soap" a situation which might not be altogether acceptable here. I have found that to be the case in the past, and I must be wholly frank about it. It is altogether unnecessary for such language to be included.

Point 4, as it came from the House, should have been rewritten. However, the House insisted upon it; and there is nothing particularly vicious about it, nothing beyond the approval of a policy.

I interpret that policy to mean—and I interpret it fairly, I think—that we will advise other countries that we are ready, under conditions, to be of whatever assistance we can be and that we will even go to the extent of encouraging American investments to be made abroad—by treaties of friendship, trade, and commerce, treaties limiting taxation and limiting burdens upon investments made abroad and upon the profits from those investments, if any, when they are returned to the United States. If we are not going to do that, the entire program will not be worth anything, Mr. President. If we do that, that is about all that hard-headed businessmen in the United States who have any money to invest want. They want a treaty with these foreign countries, and they want that treaty to provide X dollars as a limit of taxation in all forms, whether as excise taxes or import taxes or what not. They also want included in the treaty an agreement upon our part that we will deal fairly with the profits earned upon hazardous investments, such as these probably would be in many instances.

If they can have that, coupled with the assurance that our Government, although not imperialist, and although not proposing to use gunboats or airplanes to make war upon any country, yet does propose to insist upon the faithful observance of every such agreement made by any country upon which our people have relied, then our businessmen will be satisfied and will be willing to make investments in the foreign countries. If we are not going to do that, the program will not be worth much.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a further question?

Mr. GEORGE. I am glad to yield. I am about to yield the floor.

Mr. SALTONSTALL. The Senator from Georgia has mentioned the word "treaties." Is it not his understanding that bilateral agreements are to be made primarily by means of treaties which will come to the Senate of the United States for ratification, rather than by executive action?

Mr. GEORGE. I do not see how it could be otherwise, because the bilateral agreements to which reference is made would necessarily embrace the subject matter, historically and actually, of treaties, as they have been covered by treaties since the beginning of our Government.

Mr. SALTONSTALL. Mr. President, will the Senator permit me to ask a further question?

Mr. GEORGE. I am glad to yield.

Mr. SALTONSTALL. The only executive agreements which might be made would be under the technical cooperation side of the program, in connection with which the President, through the Director of the Bureau of the Budget, would request Congress to make an appropriation. Am I correct?

Mr. GEORGE. I think so. When we come to the bilateral agreements, I do not think that anything of less dignity than a treaty could be contemplated; because if such bilateral arrangements and agreements are to be at all effective, they must carry definite commitments in regard to taxes and other treatment by foreign governments and in regard to taxes and the treatment of profits realized upon the investments.

Mr. TAFT and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. GEORGE. Mr. President, I am not able to yield. Let me say that I have a conference at which I am now 5 minutes overdue; so I am obliged to ask to be excused.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. THYE. Mr. President, I wonder whether the chairman of the committee, the senior Senator from Texas, could answer a question concerning the deletion or striking from the former ECA law, known as Public Law 472, as amended by Public Law 47, the provision which required 12½ percent of the wheat going to ECA countries, under ECA contracts, to be milled in the United States.

The chairman of the committee will recall that I appeared before the committee in regard to that matter.

Mr. CONNALLY. That is correct.

Mr. THYE. Of course, I referred to that question at that time. The millers of the United States, as well as the employees of the milling industry, are gravely concerned about the deletion or striking from the act of the provision requiring 12½ percent of the wheat going to ECA contracts to be milled in the United States.

This matter not only affects the milling industry and the workers in that industry, but it likewise affects the dairy industry and the livestock industry, because the mill feeds would normally be retained in the United States. However, under the ECA program, when wheat goes abroad, before being milled in the United States, a corresponding amount of mill feed is lost to us in the United States, because what we otherwise would have as mill feed will go across the ocean in the form of wheat.

I wonder whether the chairman of the committee can explain why the House objected and why this provision of the former act was deleted. The matter is a very serious one in the minds of the millers and the mill employees and the producers.

Mr. CONNALLY. I shall be glad to respond insofar as I am able to do so.

Let me say, Mr. President, that the distinguished Senator from Minnesota appeared before the conferees and very ably and very clearly set forth the attitude of his people and of the milling industry, the labor employed in that industry, and so forth.

The Senator is aware, of course, that the bill passed by the Senate carried the language he desired to have included.

Mr. THYE. Yes.

Mr. CONNALLY. Namely, that 12½ percent of the wheat should be in the form of flour. However, the House omitted that provision, and it was not in the House version of the bill. There was a very determined group of conferees on the part of the House, and they absolutely insisted that they would not agree to include that provision. Of course, as the Senator from Minnesota knows, in conference one side cannot have all the advantages; each side has to try to adjust the differences in a spirit of amity and cooperation. That is what happened.

The point also was made by the House conferees that 12½ percent was such a small amount that it could not be of any great advantage. That point was urged quite strongly by the House conferees.

That is the best information I can give the Senator from Minnesota.

Mr. THYE. Mr. President, may I ask a further question on the subject?

Mr. CONNALLY. Certainly.

Mr. THYE. Would it not be possible to reflect an administrative function which could give us the same ratio of flour in relation to the wheat which would be shipped abroad? I wonder whether the committee could in some manner, in writing the report in its final

details, indicate that it was expected of ECA at least to bear in mind the percentage which had been milled in the United States of the wheat committed under the ECA program, in order that we might in some manner protect not only our milling industry, but also those who are employed in the mills, as well as the producers, who are going to be deprived of a certain quantity of mill feed. That is so because when wheat is exported from our economy, that reduces the amount of mill feeds remaining in the United States and causes them to cost more; and the result is to place our producers under a definite handicap under which they should not rightfully be placed. I wonder whether it would not be possible to reflect in the report what is expected of ECA in that respect.

Mr. CONNALLY. I may say to the Senator that he speaks of the final report. We do not make any final report. The House, under its rules, requires a statement by its conferees. But we have already made all the reports we expect to make. All we are waiting for now is the vote, either for or against.

The Senator propounds a very ingenious question. He wants to know whether, notwithstanding the fact that this is a law, we cannot work some kind of magic or hocus-pocus whereby the law can be evaded. In the present law there is such a requirement as that to which the Senator refers. I grant the Senator that even though that requirement is repealed, I suppose the Administrator, within the broad scope of his authority, might adopt some plan of handling this matter which would benefit the people whom the Senator from Minnesota represents.

But let me explain what happened. I hold in my hand the report of the House committee. The House bill repealed a requirement of the act, in section 112 (c), that at least 12½ percent of all wheat procured in the United States for the European recovery program, financed by grant, must be in the form of flour. That is a fact. The Senate amendment contained no equivalent repealer. The Senate adhered to the opinion of the Senator from Minnesota, based on his contacts. I would not attribute it to any one reason, but the arguments of the Senator contributed to the action of the Senate in placing in its bill what the Senator from Minnesota desired. The Senate, however, does not occupy both ends of the Capitol, as the Senator knows. The Senate occupies one end of the Capitol, and the House the opposite end. Sometimes the House overrides the Senate.

Mr. THYE. Mr. President, if the Senator will yield another moment or two, I may say that is true. But we today have either to approve or reject the conference report. We are trying to get a certain amount of comfort for our own consciences, in voting either for or against agreeing to the conference report. We would like to have some assurance from the able chairman. I think if he will confer with the conferees on the part of the House, or if the staff will, as to the final details, reflecting our views regarding this one deletion, the House Members might agree that, although discretion is to be exercised there shall be a requirement that a certain percentage of the wheat be milled. It is within our power to provide that it shall be milled within the United States before being shipped abroad, which would be most helpful. I hope the Senator will scrutinize the colloquy and will note its purport.

If the Senator will allow me to make one further comment, I think it would be helpful to the Senator's position, on the entire conference report. It will be recalled that I voted for a study to be made of the point 4 provision of the bill. I felt that a study was necessary in order that we might know what we were obligating and committing ourselves to do. But point 4 is a part of the bill, and it comes back to us either to be approved or rejected. I may say I listened to all the debate, and followed it very carefully. I have followed the objections as well as the arguments of those who have supported the measure, and after weighing all the facts, I have come to the conclusion that, so far as I am concerned, at least, I shall support the conference report. If it were recommitted to conference, I do not believe we could obtain any different measure.

I appeared before the conference committee—and I thank our chairman for having permitted me to do so—on the question of the milling of flour within the United States. I thought I recognized a determination on the part of the House conferees to insist on their provision. I think I share the feeling of certain members of the conference committee who are here today, and who are supporting this report, that if the report were returned to the conference, it would be necessary eventually to accede to the House position.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. THYE. I am happy to yield.

Mr. TAFT. It seems to me that is an assumption that is absolutely untrue.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. TAFT. Excuse me. I thought the Senator from Minnesota had the floor.

Mr. CONNALLY. I have the floor.

Mr. TAFT. Excuse me.

Mr. CONNALLY. Does the Senator from Ohio want me to yield?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. I have already yielded to the Senator from Minnesota.

Mr. TAFT. The Senator from Minnesota I think is willing to allow me to ask him a question.

Mr. THYE. Mr. President, if the chairman of the Foreign Relations Committee will yield to me, I shall be glad to permit the Senator from Ohio to ask me a question.

Mr. CONNALLY. I yield for a brief question. However, my time is getting short. The Senator from Ohio occupied a good deal of the time today. I hope he will be brief.

Mr. TAFT. Does the Senator not know that the Senate conferees would have the whip hand, and that they could say, "You will get an ECA bill, but you will get no point 4 program at all unless you take it as the Senate wants it"? In other words, here was a conference, in which the important thing was the ECA. We must have an ECA bill, and the House knows we must have it. It seems to me our conferees were completely able, or would have been completely able, to lay down the terms upon which the point 4 program could be written into the bill.

Mr. CONNALLY. Mr. President, I decline to yield further. Let me have a word, now. Yes, the Senator from Ohio goes into conference on a bill providing an authorization of about $3,000,000,000, designed to aid the people of western Europe to rebuild their fortunes and, because he does not get the picayune provision that 12½ percent of the wheat shall be milled and shipped in the form of flour, we will not have an ECA bill. That is a broad statement of position by the Senator, a broad statement for a man who wants to sit in high places. It is a great statesmanlike proposition. "To hell with the young and the people of Europe. Let their economy go. Let their fortunes go. Let their ruined factories go. If we do not get out of the House conferees exactly what we want in the way of 12½ percent of the wheat being shipped in the form of flour, we will cut off all relief to Europe."

That is not broad, statesmanlike politics; it is peanut-size politics.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. THYE. The Senator knows that I am supporting the conference report, so he should naturally feel friendly toward me.

Mr. CONNALLY. I am yielding to the Senator. What else does he want me to do?

Mr. THYE. I know the Senator from Texas was not addressing his last remarks to me, and I want to make the record clear. The Senator from Ohio has not mentioned the 12½ percent of wheat which must be milled in the United States. The Senator from Ohio——

Mr. CONNALLY. If the Senator from Minnesota is making the speech of the Senator from Ohio all over again, I shall not yield.

Mr. THYE. I was the one who mentioned it. So the Senator's reference to the 12½ percent being mentioned by the Senator from Ohio is in error, because the Senator from Ohio never mentioned it.

Mr. CONNALLY. Very well.

Mr. THYE. We have a perfect right to object to the conference report.

Mr. CONNALLY. Certainly, if the Senator thinks that will help him any in dealing with Mr. Hoffman.

Mr. THYE. Those of us who are going to support the conference report cannot support it blindly. We must at least state very clearly why we object to certain phases. But the objections are not great enough, in my opinion, to make it necessary to reject the report, because I do not believe we shall be able

to get a report which is better than this one. I appeared before the committee, and I know exactly the attitude of the House conferees toward me and toward my proposal. But I say to the chairman of the conference committee that he did not bring back to the Senate that which we hoped would come back, with reference to point 4, because the report goes far beyond our convictions with reference to point 4. The commitments extend far beyond the expiration date which had been fixed.

Mr. CONNALLY. The Senator from Texas supported the amendment which the Senator from Minnesota offered. He supported it in the conference committee, but he is not all-powerful. The Senate conferees had to give way. That is all I can say.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Texas has 24 minutes remaining.

Mr. CONNALLY. I yield 12 minutes to the Senator from Wisconsin [Mr. WILEY].

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 12 minutes.

Mr. WILEY. Mr. President, I have been in conference all day in connection with another matter, and I am sorry that I have been unable to listen to all the arguments which took place for and against the conference report. I have sat in many conferences, and I have never seen conferees work harder than did the conferees on the ECA bill nor have I ever seen conferees who were more set in their convictions than were the House conferees. It was a fight from start to finish. As to point 4, the Senate had one version. If I had had my way, it would not have been in the bill at all. I think a great deal can be said for that position. However, the Senate conferees fought very hard for the Senate's version, but the House was adamant, and the compromise was the result, the Senate conferees getting the better of it.

Mr. President, I want to compliment the chairman of the committee. I know of no one who worked harder for the particular provision which has just been mentioned by the Senator from Minnesota [Mr. THYE], and for the other provisions of the Senate bill, than did the Senator from Texas. I can assure the Senator from Minnesota that I was with him 100 percent on the particular provision relating to milling wheat in this country. But, as I say, the House conferees were adamant. On two occasions we were ready to dissolve. Possibly if we had returned to our respective Houses we might have accomplished something, but that is questionable. We felt that it was our obligation, in view of the lateness of the season, to try to accomplish something in the conference.

I heard some of the preliminary remarks in relation to point 4 as it was being discussed on the floor, but I realize fully that in a conference it is a question of strong men arriving at a compromise. While it is not satisfactory to me, personally, I wish Senators could have heard how the distinguished chairman and the Senator from Georgia [Mr. GEORGE] and the Senator from New Jersey [Mr. SMITH] fought and the rest of us contended. When the House conferees yielded on the major portion, which involved the appropriation of funds, we accepted some of the House language.

Since I have been a Member of the Senate I have been opposed to legislating by preachment. Having been a lawyer for approximately 30 years, and having drawn pleadings, I would draw them as clearly as possible and as short as possible without stating conclusions. That is what we should do in legislation. We sort of preach in our bills and then preach some more. We should get rid of this method and state the law clearly and succinctly.

Mr. President, I want to list some of the main arguments which were raised on the floor, as I understand. I have some very brief comments.

It is argued that the point 4 program involves huge expenditures for projects of various types in underdeveloped areas of the world.

I am glad to put into the RECORD the fact that it was the clear understanding of all conferees that the money to be appropriated was to be used simply to provide for sending men into various areas to impart technical knowledge. There was no thought that the Government, under the point 4 program, was entering into any financial responsibility or would incur any financial responsibility outside of giving to various underdeveloped areas technical knowledge. There are many private organizations in this country whose technical knowledge is being used abroad. That point was argued and from my viewpoint, they do a grand job.

There was another point which was argued by the House conferees, that there should be funds available to guarantee disbursements of private individuals. That was deleted. That is not in point 4. All that is in it is some preachment and a provision for technical assistance.

It is argued that the bill would permit the President to extend assistance to the iron-curtain countries. I believe that is a fallacious argument. There is no intention whatsover on the part of the executive branch to extend technical assistance to the iron-curtain countries. Moreover, the President is instructed under section 411 (a) of the bill to terminate any such program if it is not consistent with the foreign policy of the United States. Obviously, technical aid to iron-curtain countries would not be consistent with our foreign policy.

Mr. MILLIKIN. Mr. President, will the Senator yield for a question?

Mr. WILEY. I have been assigned a very short time. Otherwise, I should be very happy to yield, if the Senator will pardon me.

Furthermore, Mr. President, the satellite countries have let it be known that they do not want our experts behind the iron curtain. The whole program involves the kind of publicity and inspection which they could not countenance.

It is argued that the bill is a blank check to the President, who may extend aid in any way he sees fit.

A careful reading of the bill indicates that this is not true. Section 407 (c), for example, lays down five specific limitations on the granting of technical assistance. Moreover, under section 411, the President is directed to terminate any technical assistance if it no longer contributes to the purpose of the program, if it is not in harmony with the wishes of the United Nations, or if it is not consistent with the foreign policy of the United States.

There are, of course, still other important limitations in that the program is subject to the scrutiny of the Appropriations Committees every year and that no contract authorizations may run for more than 3 years in any one case. Also, the program may be terminated by concurrent resolution of both Houses of the Congress.

It is argued that the bill now involves a whole new program relating to private investments.

The language in the point 4 section relating to favorable climate for investments merely restates a policy which our Government has emphasized for over half a century. This general language, which would help to create in some countries a more favorable climate for private investments, will help our Government in dealing with countries who believe that private investors are anxious to invest their money in the underdeveloped areas.

The United States is trying to convince such countries that they must first take steps to make it perfectly clear to potential investors that their propery will not be expropriated, that they will be able to get their profits out of the country if need be, and so on. It is believed that this statement of policy in the bill will help our Government negotiate commercial treaties which will be helpful to American interests. Yesterday I heard discussion on the floor when that idea was brought out. Personally, if I had the time to refer to the language of the bill, I am sure that an examination of it would show that it simply means that private persons may invest their money in countries, with some of which we already have treaties, as was shown by the distinguished Senator from Minnesota yesterday, and in other countries with which we are going to make treaties. The purpose of such treaties is to try to reach agreements with the foreign governments that if private American capital goes into their lands in order to help to build up industry or create wealth, the American investments shall not be subject to expropriation or confiscation. There is no guaranty involved. Certainly any American who contemplates investing in foreign lands, after reviewing experiences in some countries—South American countries as well as others—and noting that some countries have expropriated American money, is not going to repeat that experience unless there is some guaranty on the part of this Government that it will use not only words, but power, to see that that is not done.

It is my theory, Mr. President, that we have been too soft in dealing with a good many of these conditions. We had a President of the United States once who

inaugurated a big stick policy. That term has been misinterpreted. It simply means that we do not believe in an individual indulging in a thieving business, and we do not believe in nations indulging in a thieving business. We owe an obligation to our own people who invest funds to see to it that they get fair and equitable treatment in other countries.

It should also be emphasized that the main purpose of encouraging private capital to go into the underdeveloped areas is to make the expenditure of public funds on our part unnecessary. What we are suggesting to the underdeveloped areas is that, if they will take the proper steps to get private capital flowing, they will not need Government money.

It is argued that the point 4 program includes guaranties for American investors.

The point 4 bill makes absolutely no reference to guaranties. The ECA section of the Foreign Assistance Act does provide for certain guaranties, but these are limited to the participating countries of the European recovery program and that provision of the bill will, of course, terminate in 1952.

We know that those guaranties relate to convertibility or in a case where property is confiscated by a government.

It is argued that the intergovernmental agreements referred to in section 402 (a) can be concluded by the executive branch and will not be referred to the Senate for ratification.

It should be pointed out that there is a distinct difference between the bilateral technical cooperation programs envisaged in section 405 and the intergovernmental agreements which will be designed to bring about a more favorable climate for private investors. In the past this latter objective has been achieved by the conclusion of general commercial treaties, like those with Italy, and the more recently negotiated treaties with Uruguay and Ireland. These are treaties and as such call for Senate approval.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The time of the Senator from Wisconsin has expired.

Mr. WILEY. May I have two more minutes?

Mr. CONNALLY. I yield two more minutes to the Senator from Wisconsin.

Mr. WILEY. On the other hand, the bilateral arrangements that will be entered into before technical cooperation can be extended to any country are very similar to the bilateral agreements which have been concluded under the ECA program. These are executive agreements and do not require Senate approval since they are made in conformity with the principles laid down in the bill.

I had intended to state my position on the subject of the International Children's Welfare Work. Instead, I ask that the statement which I have prepared in that respect be printed in the RECORD following my remarks, as well as a summary of title 4.

There being no objection, the statement and summary were ordered to be printed in the RECORD, as follows:

INTERNATIONAL CHILDREN'S WELFARE WORK

This title providing for international assistance to children under the United Nations was one of the most disputed points in the conference. The Senate held to the position taken by former President Herbert Hoover, that the present program for children has brought more returns to this Government from a human and economic point of view, than any foreign activity in which our Government has been engaged.

We fought long and stubbornly to continue the authorization for the United Nations Children's Fund, which is title II in the Foreign Assistance Act of 1948, because we know, on the basis of the record performed, that this is a sound economic and efficient program.

(a) In a period of less than 3 years, the Children's Fund has raised almost as much money as the United Nations and all of the specialized agencies together have received in the same period. Moreover, all this money has been raised by voluntary contributions from governments and persons. The fund is, in fact, the only part of the United Nations which individuals have helped to support. It has provided a great moral outlet for millions of people in more than 45 countries and non-self-governing territories who wished to demonstrate their support for the United Nations.

This money has not been raised easily by UNICEF. It has been raised essentially on the basis of trusteeship which UNICEF has developed between the donor, whether a government or an individual, and the actual recipient of the relief. This principle of a direct relationship between the donor and giver is essential reason for the efficiency of this operation. It would be an unfortunate delusion to believe that one section within the United Nations in a mechanical way could go out and raise funds from governments and individuals, in order to meet the continuing needs of children, and then have these funds disbursed in turn by other agencies who are not in direct and live contact with the donors.

(b) With this money the fund has been able to provide direct assistance for children on the basis of approved country programs to more than 50 countries throughout the world.

In making these supplies available for children (the fund never gives grants in money) the fund has:

1. Required 53 recipient governments in Europe, Asia, Latin America, the Middle East, and Africa to match UNICEF supplies with new local resources for the benefit of children amounting to more than $100,000,000. (United States equivalent.)

2. Provided aid in such a way as to meet immediate child needs and at the same time have lasting benefits by getting countries' programs started and strengthening their permanent child health and welfare.

3. Directly assisted: 8,000,000 children and nursing and pregnant mothers daily through supplementary feeding through schools, maternal and child health clinics, nurseries, children's institutions, sanitoriums, etc.; 17,000,000 children through tests against tuberculosis and 9,000,000 children through vaccinations; 6,000,000 children with clothing, shoes, layettes, blankets, etc., processed by the recipient countries from raw materials provided by UNICEF; 4,000,000 children through conservation of local milk supplies to provide clean and safe milk; millions of children through maternal and child health programs and campaigns to control malaria, and other insect-borne diseases, yaws, syphilis, typhus, whooping cough, diphtheria, etc.

4. Been recognized throughout the world as the most important successful achievement of the United Nations.

Today the papers are full of the problem of surplus food. This Children's Fund, even though it is an infinitesimal program compared to the high sums we have appropriated for ECA, has provided, and can continue to provide, an effective channel for such items as dried skim milk, butter, eggs, fats, meats, and cotton. My distinguished colleague from Oklahoma, a joint sponsor of the Senate bill to continue the authorization for this program, has introduced an amendment to the Commodity Credit Corporation bill, pending in the Senate, to provide that this fund shall get such surpluses without cost. But the cost of maintaining the international distribution machinery and the cost of providing such equally necessary supplies as medicines and equipment—even such rudimentary equipment as kettles and ladles for reconstituting skim milk—mean that we must be sure the President makes available every cent of this $15,000,000 to the International Children's Fund.

There are few issues before the Senate on which we have the unanimous support of the people we represent here. On this item—of maintaining support for the International Children's Fund—I have received strong endorsing letters or wires from every major national farm organization; from the two big national labor organizations; the American Federation of Labor and the Congress of Industrial Organizations; from every religious faith—Protestant, Catholic, and Jewish; from national women's and veterans' societies. This body voted without a single "nay" to support the bipartisan amendment in conference. Why then have we brought this unsatisfactory compromise to you today?

There is only one simple answer. We were up again an immovable force. The House conferees were determined to ignore this expression of public opinion, and terminate the fund. They argued that they had a moral commitment to support a proviso attached to last year's legislation, which stipulated that United States participation would cease on June 30, 1950. The Senate also accepted that proviso but since that time the United Nations has made a very careful and detailed study of the needs of children and every possible agency which might be able to meet these needs.

I have some of the official documents relating to that study with me today. What do they show?

1. The studies conclusively demonstrate that there is a continuing need for assistance to children in the form of supplies in—

Europe—Germany (among expellee refugees), Italy, Greece—where hundreds of thousands are just now returning to bombed out villages—Yugoslavia.

Middle East—among Arab and Israelite refugee children.

Southeast Asia—where this practical demonstration of American humanitarianism in the form of assistance to children has just commenced; i. e., Indonesia, Burma, Indochina, Malaya Federation, Philippines, Thailand, Ceylon, India, and Pakistan. In these latter two areas, the fund is also taking care of child refugees.

2. None of the specialized agencies, nor the combined strength of the nongovernmental organizations, are prepared to meet these needs. As a matter of policy these specialized agencies of the United Nations, are not prepared to grant supplies to governments for child care programs. The fund's experience has demonstrated that many urgent child-care programs cannot be effectively handled unless there are certain imported supplies essential to get these programs started. The children's fund is the only agency in the world today that can do this job.

It is the duty of those of us who want the Senate concept of assistance to children

continued to insist that the entire $15,000,000 made available to the President for international assistance to children in this fiscal year, shall be made available to this existing organization, so that the children of the world may not suffer.

SUMMARY OF TITLE IV

ACT FOR INTERNATIONAL DEVELOPMENT

Because technical assistance and the encouragement of the flow of private capital into the underdeveloped areas, the Congress declares it to be the policy of the United States to aid the underdeveloped areas of the world.

It authorizes the President to participate in multilateral international technical assistance programs carried on by the United Nations, the Organization of American States and other international organizations. He is also empowered to provide such assistance directly to specific countries on a bilateral basis.

In order to do so he may execute, coordinate, and administer through any officer he may choose existing and new technical aid programs in which the United States may engage. He can enter into contracts of not more than 3-year duration and prescribe the rules and regulations which are to apply to the whole program. Criteria are established against which requests are to be measured. The President may employ personnel subject to FBI investigation on a very flexible basis, but chiefly subject to civil-service, classification and foreign service laws.

An advisory board, special committees, and joint commissions are provided for in order to expedite and make more efficient the program.

The program may be terminated in whole or in part by the President on certain contingencies.

POINT 4 PROGRAM AS AGREED BY THE CONFEREES ON THE PROVISIONS OF H. R. 7797

Title—Section 401: "Act for International Development."

Findings by the Congress—Section 402:

(a) Economic and social progress are essential to world peace and the democratic way of life.

(b) Technical assistance and flow of investment will aid in economic development.

(c) Mutual confidence of investor and people receiving assistance is necessary if beneficial commerce and development of international understanding are to be achieved.

Policy declaration—Section 403:

(a) It is the policy of the United States to aid underdeveloped areas through technical assistance and encouragement of flow of capital investment.

(b) Requests for aid shall be reviewed with the following in mind:

(1) Will the aid contribute to a balanced and integrated development of the recipient country?

(2) Are the requested works or facilities actually needed and otherwise economically sound?

(3) Where capital is requested, is there available private or other capital on reasonable terms?

Participation in United Nations and other international organizations—Section 404:

(a) The President is authorized to participate in UN and inter-American multilateral, technical-assistance programs.

(b) The President may use authorized funds for participation in such programs.

(c) United States governmental agencies may furnish services and facilities to international organizations and be reimbursed out of funds authorized under this bill.

Bilateral technical aid—Section 405:

The President is authorized to plan, administer, and execute bilateral technical aid carried on by any Government agency, and in so doing to—

(a) Coordinate and direct existing and new programs.

(b) Help other governments formulate balanced and integrated programs.

(c) Receive, consider, and review reports of joint commissions.

(d) Make necessary grants-in-aid of technical assistance.

(e) Make and perform necessary contracts in respect of technical-cooperation programs; but no contract to be made to exceed appropriated funds nor to exceed 3 years in any case.

(f) Provide for printing and binding outside continental United States.

(g) Provide for publication of information.

United States agreements under this title to be registered with the United Nations—Section 406.

Criteria for giving aid.—Section 407:

(a) The assistance of private agencies and persons shall be sought to the greatest extent possible.

(b) Recipient countries shall make effective use of the aid, and shall facilitate the development of areas administered by them.

(c) Assistance shall be made available where the President determines that the assisted country—

(1) pays its fair share of the program.

(2) gives the program full publicity.

(3) makes maximum effort to coordinate and integrate technical cooperation programs in that country.

(4) endeavors to make effective use of the results of the program.

(5) cooperates with other participating countries in the exchange of technical knowledge and skills.

Rules and regulations to carry out this act to be prescribed by the President.—Section 408.

Advisory board and special committees.—Section 409:

The President is empowered to appoint and compensate a public advisory board of, at most 13 members, representative of various walks of public life, with a chairman to be appointed by and with the advice and consent of the Senate. He is also empowered to appoint special advisory committees in particular fields of activity.

Joint Commissions.—Section 410:

(a) International joint commissions are authorized for economic development, each to consist of United States representatives and representatives of requesting governments and representatives of international organizations as mutually agreed.

(b) These Commissions shall examine—

(1) the requesting government's need for technical assistance.

(2) that country's potentialities and resources, also its opportunities for using technical assistance and skills and investment.

(3) policies which will encourage full use of technical assistance and investment capital.

(c) These commissions shall prepare studies and reports including recommendations as to specific projects.

Termination of program.—Section 411:

The President shall terminate the program in part or in whole,

(a) if he finds that the program is no longer effective, or contrary to a United Nations General Assembly resolution, or to United States foreign policy, or

(b) if a concurrent resolution of Congress directs such termination.

President may delegate his powers to any officer or employee of the United States Government.—Section 412.

Personnel.—Section 413:

(a) President to appoint with consent of Senate a program chief of $15,000.

(b) Employment to be subject to civil service and classification laws.

(c) Persons employed outside United States may be compensated at same rates as apply to Foreign Service Reserve and Staff.

(e) Alien clerks and employees to be employed on same terms as those of the Foreign Service Act.

(f) Experts and consultants may be employed at $75 per day.

(g) Additional personnel may be employed to carry out the program.

FBI investigation of employees—section 414:

Every employee must be investigated by the FBI; but Federal employees may be employed for 3 months from date of enactment pending clearance.

President to report annually to the Congress—section 415.

Funds authorized—section 416:

A sum not to exceed $35,000,000 is authorized to carry out the purposes of this title. This sum is to cover the work of the Institute of Inter-American Affairs and the United States Information and Educational Exchange Act of 1948.

Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance whether of funds, commodities, or services to any country or countries, or to any international organization.

Unobligated balances, when so specified in appropriations may be carried over from year to year.

Definitions will be found in section 418.

Mr. CONNALLY. Mr. President, I reserve the remainder of my time. Does the Senator from Colorado wish to use any of his time now?

Mr. MILLIKIN. I merely wish to make a few remarks at this present time. I think there has been some confusion as to what is authorized by the bill which is before the Senate. As it left the Senate it was a simple technical assistance bill, with a definite term of 5 years. As it comes back to us it has a double purpose. It comes back to us with technical-assistance features and also with authority for at least the commencement of a full point 4 program, including investment, private and public, in foreign countries. It was the investment features of the program which caused the Committee on Foreign Relations of the Senate to strip the bill which came from the House to exclude everything extraneous to a simple, clean-cut technical-assistance program. Because it had been so stripped I respectfully suggest it received more votes from the Senate than it would have otherwise received. The vote was 37 to 36. The Senate had no debate on the point 4 program which is before us. In real substance the Senate Committee on Foreign Relations held no hearings on the point 4 program which is before us. The Senator from Michigan [Mr. VANDENBERG] has suggested to Mr. Hoffman that continuation programs, programs running after ECA, should have the kind of preliminary study that ECA had. As has been pointed out, there were two or three committees which concerned themselves with the subject before we ever committed ourselves to it: The Herter committee, the Krug committee, the Harriman committee. We find now that through this back-door approach we are asked to commit ourselves fully, without limitation of time and scope of purpose, to a full fledged point 4 program which probably equals in importance—and might even surpass in importance—the ECA program. I suggest again that that is very unsound legislative pro-

cedure. I suggest again that it does not do justice to the subject or to the Senate, and I doubt whether it furnishes an adequate opportunity for the people of the United States to know what we are doing here and what we are being asked to fasten upon them. This conference report should be rejected.

Point 4 in the conference report is comprised within what is known as title IV. That title opens up with findings, in which the importance of investment is repeated in various fashions.

Then we come to section 403 (a) where, as was pointed out by the Senator from Ohio [Mr. TAFT], it is declared to be the policy of the United States to get into these investment programs.

Now, let us see what is done to implement these investment programs. It is said in section 403 (b) that it is the policy of the United States "that in order to achieve the most effective utilization of the resources of the United States, private and public, which are or may be available for aid in the development of economically underdeveloped areas, agencies of the United States Government, in reviewing requests of foreign governments for aid for such purposes, shall take into consideration" a specified number of things. There is the charge of a duty on United States agencies, so far as this investment program is concerned.

Now we come to section 404 (a), which says:

In order to accomplish the purposes of this title—

Not the technical assistance part of it, but the title—

the United States is authorized to participate in multilateral technical cooperation programs carried on by the United Nations, the Organization of American States, and their related organizations.

I believe I made a misstatement at that point. I think the provision which I read is limited to technical assistance programs.

We now come over to section 406. I quote:

Agreements made by the United States under the authority of this title—

The whole title—

with other governments and with international organizations shall be registered with the Secretariat of the United Nations.

So clearly agreements affecting the whole title, including investments, are in contemplation.

Section 409 says the President shall create an advisory board to administer the program with respect to policy matters in connection with the operation of the program, not limited to the technical-assistance program, but the whole program, which includes the policy of making foreign investments.

Now we come to section 410 (a), which says:

At the request of a foreign country there may be established a joint commission for economic development to be composed of persons named by the President, etc.

The duties of each such joint commission shall be mutually agreed upon, etc.

In subdivision (b) it is said:

The requesting country's resources and potentialities, including mutually advantageous opportunities for utilization of foreign technical knowledge and skills and investment.

And that theme is repeated later.

The point I am making is emphasized by section 412, which says in effect that the President may delegate authority conferred on him by the title, and the title includes investments.

Section 416 provides that—

In order to carry out the provisions of this title there shall be made available such funds—

Thirty-five million dollars of funds, not limited to technical assistance, but available for the whole purpose of the entire title, including investments.

I repeat, Mr. President, it was the intrusion of this very large subject, with very fateful international repercussions, with very fateful economic implications, that caused the Senate Committee on Foreign Relations to report a bill limited strictly to technical assistance.

I repeat, we are now confronted for the first time with a major international program which has not been adequately considered by the Senate, which I most respectfully suggest has hardly been considered at all by the Senate Committee on Foreign Relations, because that committee took one look at the bill which came from the House and ordered it stripped bare, leaving, as it were a mere skeleton, concerning itself alone with technical assistance.

Mr. President, I believe that the best interests of the country require that we reject this report, and that we receive a further report limited to the continuation of the ECA program.

Mr. DONNELL. Mr. President, will the Senator yield to me for 2 minutes?

The PRESIDING OFFICER. The Senator has 3 minutes left.

Mr. MILLIKIN. I yield to the Senator.

Mr. DONNELL. I desire to make it clear that although I shall vote against the conference report I am not opposed to adequate provision for the Economic Cooperation Administration.

As I see it, this conference report announces a policy that aid should be given to the efforts of the people of economically undeveloped areas by encouragement of the flow of investment capital into foreign countries. To my mind, such a policy, however meritorious it may be, should be expressly limited by a proviso that this Government is not agreeing to guarantee such investments, but on the contrary the conference report is, as I see it, susceptible of the construction that this Government is announcing a willingness to enter into such guaranties for the encouragement of such investments.

In the second place, the conference report is susceptible of the construction that the United States is committing itself to an unrestricted policy, which I think it should not enter into, of utilizing its private and its public resources for aid in the development of economically underdeveloped areas of other countries.

Mr. CONNALLY. Mr. President, I shall change the approach of my remarks so as to reply to the Senator from Missouri first instead of last. The Senator from Missouri has a wholly erroneous conception of what is contained in the bill. He says it encourages foreign investments, and holds out by implication that we are going to make them good. Is that correct?

Mr. DONNELL. That is the substance of it.

Mr. CONNALLY. The Senator from Missouri is a man of very keen intelligence, a great lawyer, and a pretty good Senator. [Laughter.]

Mr. DONNELL. I certainly appreciate the compliment, Mr. President.

Mr. CONNALLY. I have never seen the Senator in action in court, but I am sure he is very effective, and he is effective here when he is right—but he is not always right.

Mr. President, I desire to read some of the language of the bill.

I first read section 416 (b). If the Senator has not read it, I hope he will read it. It provides that—

Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries, or to any international organization.

How can it be more explicit than that? That is an explicit denial of the claim made by the Senator from Missouri. If we do not commit ourselves to the payment of any money, that is pretty good. If we do not commit ourselves to the furnishing of any commodities or any services, that is pretty fair. If we do not commit ourselves to any of these things, where are they going to get their advantage?

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield very briefly. I have only a few minutes.

Mr. DONNELL. Does the Senator note in what he has read that the application is limited to commitments to any country or countries or international organization? I am talking about investors who may go into a foreign country and invest their money. I say there is at least an implied statement, and that it is easily susceptible of the view, that our country is indicating a willingness to guarantee private investors against losses.

Mr. CONNALLY. There is nothing in the bill that deals with individuals at all, unless with the sanction of the governments under some of the agreements.

Mr. DONNELL. Mr. President, I do not want to consume the time of the Senator from Texas, but would he permit me to state that in section 402 (c) is the language:

It—

And I think "it" means the previous understanding—

involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation.

Mr. CONNALLY. Does the Senator object to that?

Mr. DONNELL. Yes, I do.

Mr. CONNALLY. Does the Senator want American property to be confiscated without compensation to the American investor for it?

Mr. DONNELL. I certainly do not want American property to be confiscated; but I do not want anything in this bill, express or implied, that amounts to an agreement by this Government that it will guarantee against loss American investors who go to foreign countries.

Mr. CONNALLY. There is nothing like that in the bill, except the imagination of the Senator from Missouri, which is quite expansive and quite inclusive.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. No, I should prefer not to yield any more; but I will yield.

Mr. DONNELL. Mr. President, I simply want to ask the Senator if he has, in his opinion, given due consideration in answering my question, or my point, to the effect that section 402 not only refers to the encouragement of the flow of investment capital, but contains a specific provision which I have read, that the understanding, as I understand the word "it" to mean—

> It involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation.

If that is not a statement that our Government "through intergovernmental agreements or otherwise" is willing to see to it that American investors do not suffer loss, then I do not understand the English language.

Mr. CONNALLY. The Senator's understanding of the English language is very defective, I will say to him, because the language does not mean that at all. There is nothing in the bill to that effect. What is meant when the section says "it" is the attitude which "involves confidence on the part of investors, through intergovernmental agreements or otherwise, that they will not be deprived of their property without prompt, adequate, and effective compensation."

I favor that. Does the Senator want American property confiscated?

Mr. DONNELL. Mr. President, may I answer the question?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Missouri?

Mr. CONNALLY. Yes.

Mr. DONNELL. Of course, I do not want American property confiscated. But at the same time I do not want to enter into an agreement with unrestricted provisions which may justly be susceptible to the construction that the Government is indicating a willingness on its part to guarantee the investors against loss.

Mr. CONNALLY. My answer is that that is merely imagination. There is nothing in the bill, express or implied, contemplating it in any way.

Mr. President, we are now approaching a vote on the conference report. The conference report is not merely on point 4. It deals with a bill which carries more than $3,000,000,000. Yet all the debate has been on point 4, involving a total expenditure of $25,000,000. Some Senators want us to tell the House conferees, "If you do not give us what we want you will not get an ECA bill." The Senator from Ohio made that telling point. The Senator from Ohio voted for the bill when it was passed by the Senate, and it contained point 4 then. Why did he vote for it then, and will not vote for it now?

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CONNALLY. The Senator has had all the afternoon.

Mr. TAFT. There are two very good reasons.

Mr. CONNALLY. The Senator cannot state the reasons now.

Mr. TAFT. What is proposed here is not what I voted for. That is the first reason. The second reason is——

Mr. CONNALLY. I do not yield any further. [Laughter.] There is one mighty good reason, which is, that the Senator is not for it. That is what he said. Oh, he voted for the bill when it had point 4 in it, when it passed the Senate. After it goes to conference and comes back to the Senate, the Senator from Ohio draws his broadsword and gives forth with wide utterances to damn it and curse it and say that he will vote against the whole ECA, against the European recovery program, if he does not get what he wants out of the conference committee. That is an example of the Senator's statesmanship, with a little "s."

Mr. President, as has already been said, the total expenditure under title IV is $25,000,000, because $10,000,000 of the $35,000,000 has already been allocated under the Smith-Mundt bill to South and Central America.

A great deal of excitement has resulted over section 403. Listen to this. I want the Senator from Missouri to pay heed to it. Let him tear himself away from the fascination of the Senator from Washington [Mr. CAIN] and listen to the debate for a moment. [Laughter.]

The Senator from Missouri referred to sections 402 and 403. What does section 403 provide?—

> It is declared to be the policy of the United States to aid the efforts of the peoples of economically underdeveloped areas to develop their resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital to countries which provide conditions under which such technical assistance and capital can effectively and constructively contribute——

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. CONNALLY. Not yet; wait until I finish reading the paragraph—

> to raising standards of living, creating new sources of wealth, increasing productivity and expanding purchasing power.

I yield only a minute; that is all.

The VICE PRESIDENT. The Senator from Texas has only 1 minute left.

Mr. DONNELL. What does the Senator consider to be the means by which the United States can encourage the flow of investment capital?

Mr. CONNALLY. I have only a minute left. I cannot yield. The Senator has taken up most of my minutes.

Mr. President, we are simply declaring a policy. Some Senators say that when we declare a policy that means we have got to go down in our pocket and get some money. It does not mean anything until Congress acts. A policy cannot be eaten. A policy cannot be worn. Nothing can be done with a policy unless it is backed up by money or commodities or resources of some kind. It is a mere declaration of our good will to these countries, of our desire that they progress, and that they develop, and that their resources be developed. I do not think the Senator from Missouri is really against that in his heart. He will not be against it after November. As soon as he gets out of the woods in the present campaign he will see a light and he will be for this broad Christian attitude toward other nations of the world. But until November he is going to be as tight as Dick's hat band. [Laughter.]

The VICE PRESIDENT. The time of the Senator from Texas has expired.

Mr. CONNALLY. I hope Senators will vote for the adoption of the conference report, and not kick back into the teeth of the people of Europe that we have hedged on our agreements and our obligations.

Mr. MILLIKIN. Mr. President.

The VICE PRESIDENT. The Senator from Colorado has a couple of minutes.

Mr. CONNALLY. It was my understanding that the Senator from Colorado was going to finish his statement previously and that I had a right to conclude the debate. However, I cannot help myself.

Mr. MILLIKIN. Mr. President, I yielded time to the distinguished Senator from Missouri, and he did not use up the full amount of time that was allocated to him. I simply wish to say——

The VICE PRESIDENT. The Senator has 1 minute remaining.

Mr. MILLIKIN. There is more than the mere declaration of policy which has been read by the distinguished Senator from Texas. Those words have been implemented by a half dozen other provisions calling for action, which I have read and which are in the field of investment. There are the provisions for joint commissions. There are provisions for a sort of assistant president. There are provisions for special commissions and special committees. There are all sorts of implementing provisions to make that policy good, including an appropriation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. TAFT. I should like to say that if the conference report should be defeated, I propose to make the following motion, so as to make it perfectly clear that there is no reflection on ECA. I shall move that the Senate request a further conference with the House, that the Chair appoint conferees, and that the conferees on the part of the Senate be instructed to insist on substantially the terms of title IV as passed by the Senate.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. WHERRY. Before the Senator can do that, a vote must be taken on agreeing to the report.

Mr. TAFT. That is correct.

The VICE PRESIDENT. All time for debate has expired. Under the unanimous-consent agreement, at 4:30 p. m. the Senate is to proceed to vote on the conference report.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Is it not true that the first vote will be on the question of whether the conference report will be adopted or rejected, and nothing else can be done with the conference report until that question is decided?

The VICE PRESIDENT. The vote will be taken on the question of adopting or rejecting the conference report.

The question is on agreeing to the conference report.

Mr. CONNALLY asked for the yeas and nays, and they were ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hendrickson	Martin
Anderson	Hill	Maybank
Benton	Hoey	Millikin
Brewster	Holland	Mundt
Bricker	Humphrey	Myers
Bridges	Hunt	Neely
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Cain	Johnson, Colo.	Robertson
Capehart	Johnson, Tex.	Russell
Chapman	Kefauver	Saltonstall
Connally	Kem	Schoeppel
Cordon	Kilgore	Smith, Maine
Darby	Knowland	Smith, N. J.
Donnell	Leahy	Sparkman
Douglas	Lehman	Stennis
Dworshak	Long	Taft
Eastland	Lucas	Taylor
Ecton	McCarran	Thomas, Utah
Ellender	McClellan	Thye
Ferguson	McFarland	Watkins
Fulbright	McKellar	Wherry
George	McMahon	Wiley
Gillette	Magnuson	Williams
Hayden	Malone	Withers

The VICE PRESIDENT. A quorum is present. The question is on the adoption of the conference report.

Those who favor the report will answer "yea," as their names are called. Those who oppose it will answer "nay," as their names are called.

The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCLELLAN (when his name was called). On this vote, I have a pair with the senior Senator from Maryland [Mr. TYDINGS], who is necessarily absent. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Oklahoma [Mr. KERR] and the Senator from Florida [Mr. PEPPER] are absent on public business.

The Senator from Montana [Mr. MURRAY] is necessarily absent.

The Senator from Rhode Island [Mr. GREEN] is paired on this vote with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting the Senator from Rhode Island would vote "yea," and the Senator from South Carolina would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Delaware [Mr. FREAR], the Senator from North Carolina [Mr. GRAHAM], the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Oklahoma [Mr. THOMAS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], and the Senator from Wisconsin [Mr. McCARTHY] are absent by leave of the Senate.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business. If present and voting, the Senator from Massachusetts would vote "yea."

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate on official business.

The Senator from North Dakota [Mr. LANGER], who is absent by leave of the Senate, is paired with the Senator from Oregon [Mr. MORSE], who also is absent by leave of the Senate. If present and voting, the Senator from North Dakota would vote "nay," and the Senator from Oregon would vote "yea."

The Senator from Michigan [Mr. VANDENBERG], who is absent by leave of the Senate, is paired with the Senator from North Dakota [Mr. YOUNG], who also is absent by leave of the Senate. If present and voting, the Senator from Michigan would vote "yea," and the Senator from North Dakota would vote "nay."

The Senator from Vermont [Mr. FLANDERS] is necessarily absent. If present and voting, he would vote "yea."

The result was announced—yeas 47, nays 27, as follows:

YEAS—47

Aiken	Gillette	Johnson, Tex.
Anderson	Hayden	Kefauver
Benton	Hill	Kilgore
Chapman	Hoey	Knowland
Connally	Holland	Leahy
Douglas	Humphrey	Lehman
Eastland	Hunt	Long
Ellender	Ives	Lucas
George	Johnson, Colo.	McFarland
McKellar	O'Conor	Stennis
McMahon	O'Mahoney	Taylor
Magnuson	Robertson	Thomas, Utah
Maybank	Saltonstall	Thye
Mundt	Smith, Maine	Wiley
Myers	Smith, N. J.	Withers
Neely	Sparkman	

NAYS—27

Brewster	Donnell	Malone
Bricker	Dworshak	Martin
Bridges	Ecton	Millikin
Butler	Ferguson	Russell
Byrd	Fulbright	Schoeppel
Cain	Hendrickson	Taft
Capehart	Jenner	Watkins
Cordon	Kem	Wherry
Darby	McCarran	Williams

NOT VOTING—22

Chavez	Johnston, S. C.	Pepper
Downey	Kerr	Thomas, Okla.
Flanders	Langer	Tobey
Frear	Lodge	Tydings
Graham	McCarthy	Vandenberg
Green	McClellan	Young
Gurney	Morse	
Hickenlooper	Murray	

So the report was agreed to.

Mr. HUMPHREY. Mr. President, I have prepared a statement, as one of the sponsors of the Senate amendment to continue United States participation in the United Nations Children's Fund, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TITLE V—INTERNATIONAL CHILDREN'S WELFARE WORK

Mr. President, as one of the sponsors of the Senate amendment to continue United States participation in the United Nations Children's Fund, I would like to register a strong protest against the conference report under title V, "International Children's Welfare Work."

As I stated on the floor, previous to the passage of the bill, this fund has created more good will for the United States than any other program within the United Nations. On the basis of a dollar-for-dollar return, our small investment of $75,000,000 over a period of 3 years has reaped dividends out of all proportion to the far greater contributions which we have made to ECA.

First. The United States generous contribution to the Children's Fund has made it possible for the United Nations to carry out this tangible demonstration of international cooperation on the practical humanitarian level of assistance to children.

Second. Because this work for children has been maintained as a central United Nations fund with the explicit function of granting supplies to approved country child-care programs on the basis of an additional contribution by the recipient country (internal matching), the fund has been able to stimulate new resources for children totaling more than $100,000,000.

Third. Because the fund has existed on voluntary contributions rather than on an assessed basis of support, more than $30,000,000 has been contributed by both recipient and nonrecipient governments for the care of children outside their borders.

I see no provision in this conference report to assure us that this type of international action will be continued whether for the Children's Fund or for whatever permanent arrangements for children are established by the United Nations.

There is one other aspect of this report which is particularly disturbing to those of us who sincerely believe in the President's repeated statement that the United States foreign policy is based on strengthening the United Nations. It would seem to me that paragraph (a) of this report gives the United States a club with which to bludgeon other

governments into support of their own particular plan for the care and assistance of children. The Children's Bureau has been rightly acclaimed for its splendid work within the United States, but although their pattern of technical assistance from Federal to local governments has been widely successful in this country, it may very well be that this same pattern is not the best basis for international assistance to children. Mr. President, this is the price of international cooperation—to be willing to accept the decision of the majority and to enthusiastically cooperate in its decisions. We have criticized Russia because she would not cooperate under similar circumstances; let us not put the United States in a position where the same criticism can be leveled against us.

The Social Commission of the United Nations, which was the first deliberative body responsible for a decision on the type of long-range international assistance which the United Nations should provide for children, voted 13 to 1 against the United States proposal to continue assistance to children on the technical assistance pattern. The United States representative at that meeting stated that he would fight this decision in all successive bodies which will consider permanent arrangements for children.

I sincerely hope the broad authority given the President in this section does not mean that the United States Senate is endorsing this action.

I am delighted that the conference has seen fit to establish the proven value of this program on a more permanent basis. But, we must now be assured that the more permanent program will continue to operate on the basis of direct assistance to children and not as a technical advisory program.

"The needs of these children cannot wait," writes the Chilean poet and Nobel prize winner, Gabriela Mistral. "We cannot answer tomorrow. The child's name is Today."

I submit for printing in the RECORD at this point an analysis of the conference report on UNICEF:

"UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND—CONFERENCE REPORT

"FOREIGN ECONOMIC ASSISTANCE ACT OF 1950

"Title V. International children's welfare work

"SEC. 501. (a) There is hereby authorized to be appropriated to the President not to exceed $15,000,000 for the fiscal year ending June 30, 1951, to enable him to make contributions to the United Nations, or any subordinate body thereof, in such manner and on such terms and conditions as he may deem to be in the interests of the United States, to support permanent arrangements within the United Nations structure for international children's welfare work.

"(b) If at any time during such fiscal year the President deems it to be in the interests of the United States, he is authorized to make contributions, out of any funds appropriated pursuant to the authorization contained in subsection (a), to the International Children's Emergency Fund to carry out the purposes of the International Children's Emergency Fund Assistance Act of 1948 upon such terms and conditions as he may prescribe; but such contributions shall not exceed the limitations provided by section 204 of such act.

"(c) No additional appropriation shall be made under the authorization contained in such act of 1948.

"(d) Funds appropriated by the second paragraph of title I of the Foreign Aid Appropriation Act of 1949 shall remain available for the purposes for which appropriated through June 30, 1951."

I understand that this report recommends continuing assistance for children, under permanent arrangements in the United Nations, on the basis of a demonstrated need.

I have supported this program because it is an effective demonstration to the world of our sincere humanitarianism. Now I have a cable substantiating this position from an American Ambassador in one of our most important foreign posts—Yugoslavia. This cable from Ambassador George Allen was part of a larger classified message sent to the Department of State on April 12, 1950. The Department has unclassified this portion of the communiqué so I am at liberty to read it to you today:

"Re UNICEF: Embassy is increasingly impressed by accomplishments and value of UNICEF operations in Yugoslavia. Aside from humanitarian aspects of feeding one and a half million children daily UNICEF is most effective tangible evidence of United Nations as operating world organization to masses of Yugoslav people and is only method now available to bring existence of United Nations home to them. Its activities are fully accepted and assisted by Yugoslav Government and, there is, fortunately, no effort by government to disguise origin of assistance or attempts to claim credit for United Nations operations."

This program of direct assistance to children, given on the basis of recipient nations matching the international imports with an equal value of indigeous supplies and services, is one of the most valuable techniques I know of for strengthening the United Nations and advertising America. If, as the Senator suggested yesterday, the United States matching formula is to be drastically revised, will not such a revision discourage the financially pressed nations (for whom we are pouring out hundreds of millions of dollars in other parts of this bill and in other legislation) from making additional voluntary funds available to continue this program?

There are those who say that our contribution to international assistance for children should be on the same percentage basis as our contribution to the other work of the United Nations. Mr. President, I would like to make it clear that assistance for children, to be realistic, must be on the basis of an operating supply program. The regular work of the United Nations, and the specialized agencies, is on a consultative advisory level. Let us not delude ourselves with false economy by making assistance to children into a talking program.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had insisted upon its amendment to the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7341) to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 4424. An act to provide for the settlement of certain parts of Alaska by war veterans; and

H. R. 6826. An act to provide for the common defense through the registration and classification of certain male persons, and for other purposes.

MODIFICATION OR CANCELLATION OF CERTAIN ROYALTY-FREE LICENSES GRANTED BY PRIVATE HOLDERS OF PATENTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, which were on page 1, line 5, strike out "during World War II" and insert "subsequent to September 9, 1939"; on page 1, line 9, after "royalty" insert "or with reduction or limitation of royalty"; on page 2, line 2, after "cellation" insert "or modification", and to amend the title so as to read: "An act to provide for the modification or cancellation of certain licenses granted to the Government by private holders of patents and rights thereunder."

Mr. WILEY. Mr. President, I move that the Senate disagree to the House amendments, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. WILEY, Mr. EASTLAND, and Mr. O'CONOR conferees on the part of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

IMPORTATION OF OILS—RESOLUTION OF NORTHERN WEST VIRGINIA COAL MINING INSTITUTE

Mr. KILGORE. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted at a meeting of the Northern West Virginia Coal Mining Institute, at Fairmont, W. Va., on May 19, 1950, relating to the importation of oils.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

At a meeting of the Northern West Virginia Coal Mining Institute held on the 19th day of May 1950 at Fairmont, W. Va., there was a general discussion by the members of the question of the impact of the importation of foreign oils into the United States upon the coal industry and the job security of the employees therein, and the following resolution was adopted:

"Whereas the stability of the coal industry is threatened and the job security of the employees in the industry imperiled by the ruinous competition of foreign oils now being imported into the United States, as is attested by the following facts:

"1. The importation of foreign oils into the United States has increased at an unprecedented rate within the last 5 years. In 1945 the average daily imports were 311,000 barrels; in 1949, 648,000 barrels; and during 1950 the average daily imports have increased to 825,000 barrels. One-third of these oil imports is a residual fuel oil and the remainder gives a large yield of residual fuel oil.

"2. This residual fuel oil is highly competitive with domestic oil and coal. In 1949, these foreign oils supplanted 150,000,000 bar-

rels of American petroleum products and resulted in surplus residual oil which displaced 25,000,000 tons of coal as a fuel. Coal mines have been closed or forced to operate on a part-time basis, resulting in partial or total unemployment of the men working in these mines.

"In West Virginia many miners have been forced to seek relief from the State as a result of the unemployment directly attributable to the unfair competition of these foreign oils with coal in the domestic markets. In fact, the distress in which the coal industry now finds itself is directly traceable to this competition with foreign oils.

"3. These foreign oils coming into the United States pay only a nominal tariff duty of about 10 cents a barrel, a rate which affords no substantial protection to our domestically produced coal in our Atlantic seaboard markets; and

"Whereas dire peril threatens the coal industry and the men employed in that industry unless the importation of these foreign oils into the United States is limited and regulated by our National Government: Therefore be it

"*Resolved*, That the Northern West Virginia Coal Mining Institute unqualifiedly favors the passage of legislation by the Congress increasing the tariff rate on foreign oils imported into the United States to the end that the coal and oil industries may be properly protected in the domestic markets, and supports certain legislation now pending in the Congress, among which are Senate bill No. 3334 introduced by Senator THOMAS, House of Representatives bill No. 7996 introduced by Congressman JENKINS, and House of Representatives bill No. 6773 introduced by Congressman GOSSETT, having for its purpose the limitation and regulation of the importation of these foreign oils and the preservation of the American markets for the benefit of American business and American workingmen; it is, therefore, further

"*Resolved*, That copies of this resolution be transmitted to Hon. M. M. NEELY and Hon. HARLEY M. KILGORE, Senators; and Hon. ROBERT L. RAMSAY, Hon. HARLEY O. STAGGERS, Hon. CLEVELAND M. BAILEY, Hon. M. G. BURNSIDE, Hon. JOHN KEE, and Hon. E. H. HEDRICK, Representatives in Congress from West Virginia, with the request that they vote and work for the passage of said legislation at this session of the Congress."

NORTHERN WEST VIRGINIA
COAL MINING INSTITUTE,
By ARTHUR E. BELTON,
Executive Secretary.

COMPULSORY HEALTH INSURANCE—RESOLUTION OF DRUGGISTS OF BUFFALO COUNTY, NEBR.

Mr. BUTLER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted and signed by 17 druggists of Buffalo County, Nebr., protesting against the enactment of legislation providing compulsory health insurance.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas the American medical profession and the businesses which supply its equipment and materials, operating under a system of free enterprise, have established the world's highest standard of scientific performance, treatment, and research, hereby helping the United States to become the healthiest major Nation in the world; and

Whereas the benefits of American medicine have been made available to the people of this country through budget-basis voluntary health insurance, the best health insurance which exists in the world; and

Whereas the experience of all countries where government has assumed control of medical services has shown that there has been a gradual erosion of free enterprise and a progressive deterioration of medical standards and medical care to the detriment of the health of the people: Now, therefore, be it

Resolved, That the druggists of Buffalo County, Nebr., hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; that a copy of this resolution be forwarded to the President of the United States, to each Senator and Representative from the State of Nebraska, and that said Senators and Representatives be and are hereby respectfully requested to use every effort at their command to prevent the enactment of such legislation.

A. C. Lantz, A. L. Lantz, C. H. Calling, E. L. Smith, H. H. Haeberle, Jack C. McNary, J. Cording, Glen Martin, W. H. Artman, Robert R. McCauley, Geo. J. Bauer, Rex F. Honnold, Harold W. Robbins, A. G. Robbins, R. R. Svanda, Floyd W. Eese, Olga Y. Arnold.

CONDITIONS IN POLAND—RESOLUTION OF CENTRAL OF POLISH ORGANIZATIONS, PASSAIC, N. J.

Mr. HENDRICKSON. Mr. President, I send to the desk for appropriate reference a resolution adopted by the Central of Polish Organizations at a rally held in Passaic, N. J., on May 14, 1950.

Since the resolution bespeaks the depth of the feeling which exists in the hearts of people of Polish extraction everywhere in my State in respect to the well-nigh intolerable situation which exists in Poland today, I ask unanimous consent that the text of the resolution be inserted in the body of the RECORD at this point in my remarks.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

At a rally commemorating the adoption of the peoples constitution by Poland in the year 1791, held on May 14, 1950, at the Polish Peoples Home, 1-3 Monroe Street, Passaic, N. J., and sponsored by the Central of Polish Organizations, which includes all sick and death-benefit societies, civic organizations, political organizations, and unanimously supported by all of the churches, and representing over 20,000 American citizens of Polish extraction, the following resolution was unanimously adopted:

1. Although Poland, through the leaders of the people and with the forceful cooperation of the government, adopted a constitution in the year 1791—a liberal document which recognized the personal and human rights of every citizen, the powers of Russia, Germany, and Austria, fearing that the ideology of such a pronouncement and its adoption into the basic law of Poland would penetrate into the minds and hearts of the peoples of other nations governed by the absolute power of its dictators, then agreed and did put through the final partition of Poland.

2. Although the people of Poland were the first to adopt such a liberal constitution and to give its people the benefits therefrom, it seems strange that during most of the years thereafter and up to the present time, its peoples were forced into slave labor, repressed in their desire for freedom, and enslaved politically.

3. In spite of all this, the Polish people preserved their unity, taught their children the Polish traditions, and inculcated in their minds the love of freedom of religion and political thought; and developed a great faith in the Roman Catholic Church.

4. The church became their bulwark against complete oppression. Even today the Roman Catholic Church is the sole remaining barrier against complete domination of the religious and political thinking of the Polish nation and for that matter, of all Europe under the control of the Soviets.

5. Realizing this, Soviet Russia, through its agents, now is attempting to remove the protection of the church.

6. Over 700 priests were imprisoned or sent to the wilds of Siberia; countless numbers were murdered, and in January 1950 the Soviet agents seized control of the organization known as Caritas. This organization, organized by the episcopate of Poland, guaranteed that all relief from America and other sources was properly received and distributed.

7. When this did not destroy the beneficent action of the church, the Soviet agents then attempted to destroy the very foundation of the Roman Catholic Church in Poland in the absence of Adam Stephen Cardinal Sapieha by attempting to create a National Catholic Church completely controlled by it (which is completely unrelated to the present National Catholic Church which with all its powers also unites against the forces of communism). In this way they believed that they could force the episcopate into supporting the Government's policy for the creation of a Communist state.

8. This is a tacit admission by the Soviets that they were unable to do so up to the present time.

9. The Soviet's agents recently announced an agreement between the church and state. This alleged agreement was put through in the absence of Cardinal Sapieha.

We therefore petition our Government, through its own leadership, and in the name of the United Nations, to prevent the extinction of religious freedom whether it be in Poland or any other country.

This should become the absolute policy of our Government.

If they fail to do this they will be admitting surrender to the Communists and will encourage the spread of communistic ideology all over the world.

We further petition our Government to take a positive and affirmative stand against such action on the part of the Soviets, no matter what the consequences may be. If we succeed it will be a signal victory against one of the prime objectives of the Soviets which is the attempt to foist its control over the peoples of the world.

Stalin never made any pretense of living up to the Yalta agreement. He used it only when the use of it was expedient for his own ends. The Yalta agreement is now recognized by everyone as a betrayal of Poland, the friend of America. It was only an agreement between three men—Stalin, Churchill, and Roosevelt; its terms were never revealed; it was never ratified by the Senate of the United States; it could not be ratified because it was never presented for ratification. Therefore the entire Yalta agreement should be repudiated.

We, therefore, call upon the Congress of the United States to affirmatively repudiate it and show the people of Poland that we now, as before, are still their real friends and will support them in their effort to regain the freedom which practically every Pole wants and which was taken away from them by Soviet agents masquerading as the leaders of the Government of Poland.

Such action will again re-create the prestige of America with the peoples behind the iron curtain.

It is ordered that a copy of this resolution, duly signed by the chairman of the committee on resolutions and by its secretary, be forwarded to Secretary of State Acheson, Senator H. Alexander Smith, Senator Robert C. Hendrickson, Congressmen Gordon Canfield, Harry L. Towe, and Thomas B.

Widnall, and Alfred E. Driscoll, Governor of the State of New Jersey.

MANFELD G. AMLICHY,
Chairman, Committee on Resolutions.
VALENTINE LEPSKI,
Secretary.

DISPLACED PERSONS PROBLEMS

Mr. WILEY. Mr. President, I have in my hand a copy of the minutes of an important meeting held in Chicago on April 20, by representatives of displaced persons commissions and committees of the Middle West. These able men and women, both laymen and clergymen, who have contributed so generously of their time and energy are the folks most familiar with the actual operations of the present inadequate DP statute. Among the representatives at the conference, I am glad to say, was the very able chairman of our Wisconsin Governor's committee, Prof. George W. Hill, of the department of rural sociology of the University of Wisconsin.

I ask unanimous consent that there be printed at this point in the body of the RECORD, and appropriately referred, the text of the forthright and helpful resolutions adopted by the conference, and that following this text there be printed the list of the able individuals who participated in the conference.

There being no objection, the resolutions and list were ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the following Midwest States—Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska and Wisconsin—met to discuss the problems in the DP resettlement program, have agreed that the success of the program hinges to a large extent upon the satisfaction of displaced persons, the sponsors and the American community, we respectfully request that the Federal Commission:

1. Adopt a statement to be signed by each displaced person, to the effect that he or she will remain with his or her sponsor for at least 1 year or longer, if compatibility exists.

The points emphasized might well follow those outlined by NCWC in the statement issued in their Foreign Language Press Conference held on March 2, 1950, in New York, and are:

"(a) The DP and his family who came to the United States are under a moral obligation to stay with the sponsor-farmer responsible for their arrival in this country; that the sponsor provided him with an opportunity to start a decent life anew.

"(b) He should stay at least 1 year after coming to America, so that the sponsor will have a chance to get back the money expended in connection with his arrival, such as inland transportation, purchase of home furniture, rehabilitation of tenant facilities, and the like.

"(c) No DP immigrant under any circumstances should leave his original sponsor without first discussing the matter with the latter and the representatives of the agency interested in and responsible for the bringing of the DP to the United States.

"(d) The displaced person should not be enticed by his respective nationality groups to leave farms and come to big cities in the hope of securing well-salaried positions and jobs. Such promises are often ill-founded.

"(e) The foreign-language press has an important duty both toward the United States and the respective nationality DP's. It should warn the DP's that their mass exodus to big industrial centers will result in an unfavorable reaction of the American people toward the displaced persons in general. Such a reaction may in turn contribute to the closing of the United States doors to any immigration at all.

"(f) The foreign-language press must fulfill its duty toward its own nationality DP's by constantly reminding the newly arrived immigrants about the generally difficult conditions of readjustment in a new country, about legal obligations of DP's, and about the necessity of their staying with sponsors responsible for their being in the United States."

2. Adopt the measures necessary for the stabilization of the resettlement program, such as more careful selection, overseas indoctrination, and conveying to the DP that his responsibilities to the sponsor are just as important as the rights and privileges of the DP, and to inform DP's of the hazards of becoming migrant workers or unsettled persons.

3. Adopt more stringent health examinations to actually screen out the physically unfit; and

Whereas we recognize the hazards to our community economy in the importation of huge numbers of DP's, with only the promise of temporary work, we urge that the Federal Displaced Persons Commission, toward the stabilization of labor, take the necessary steps to prevent the future admission of such huge groups on blanket assurances for migratory jobs; and

Whereas in consideration of the futility of our attempts heretofore, to consummate the adoption of DP orphans by American foster parents, we urge the Federal Commission to establish effective relations with proper agencies toward that end; and

Whereas we realize the practical and mutual advantages of discussion and instruction on the many topics pertinent to the administration of the DP program, by those so engaged, we respectfully urge that the Federal Commission call a national meeting of such persons at the end of summer, preferably in Chicago, and that the meeting be of no less than 2 days' duration; and

Whereas we appreciate the immensity of a new and important job accomplished under trying circumstances, we highly commend the Federal Commission for their past accomplishment in setting up and administering the DP program, and wish to assure them that we stand by, ready to give all possible aid and cooperation in their future administration and completion of that job.

MIDWEST STATE DISPLACED PERSONS COMMISSIONS AND COMMITTEES, ROUND-TABLE DISCUSSIONS, APRIL 20, 1950, CHICAGO

In attendance were Frank Annunzio, director, Illinois Department of Labor; Frank M. Atchley, director of research, Illinois Agricultural Association; Miss Florence G. Cassidy, secretary, Michigan Commission on Displaced Persons; Rev. J. Soule Chapman, Church World Service; Miss Hazel Courtier, executive secretary, Wisconsin Committee on Resettlement of Displaced Persons; Rev. James E. Doyle, Bishop's Resettlement Committee, National Catholic Welfare Conference; Dr. George W. Hill, chairman, Wisconsin Committee on Resettlement of Displaced Persons; Ted M. Hommerding, Wisconsin regional representative, National Catholic Welfare Conference; Miss Marion S. Kirkland, executive secretary, Illinois Displaced Persons Commission; B. W. Osterling, Advisory Committee on Displaced Persons to Indiana Economic Council; John W. Poor, administrative secretary, Minnesota Displaced Persons Commission; Prof. Ernst W. Puttkammer, chairman, Illinois Displaced Persons Commission; Mrs. Sarah Schaar, Jewish Federation of Chicago; Charles B. Shuman, president, Illinois Agricultural Association; Prof. C. L. Stewart, University of Illinois; Hon. Melvin D. Synhorst, chairman, Iowa Displaced Persons Committee; Dr. Walter Taylor, chairman, Nebraska Committee on the Resettlement of Displaced Persons; Miss Mary P. Wilson, Lutheran Charities of Chicago; Rev. Harry Wolf, Michigan Commission on Displaced Persons.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

S. 3545. A bill to amend the Tariff Act of 1930 to provide for exemption from duty of certain sound recordings imported by the Department of State, and for other purposes; with amendments (Rept. No. 1742);

S. 3562. A bill to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration; without amendment (Rept. No. 1743);

H. R. 7255. A bill to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors; without amendment (Rept. No. 1744); and

H. R. 7440. A bill to amend Veterans' Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for active pulmonary tuberculosis; without amendment (Rept. No. 1745).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. Res. 280. Resolution relating to the employment of moral perverts by Government agencies; with an amendment (Rept. No. 1746); and, under the rule, referred to the Committee on Rules and Administration.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 25, 1950, he presented to the President of the United States the enrolled joint resolution (S. J. Res. 183) to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TYDINGS:

S. 3649. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone, and for other purposes; to the Committee on Armed Services.

By Mr. MAGNUSON:

S. 3650. A bill to prescribe certain procedures to be followed in establishing rates of toll to be levied for the use of the Panama Canal; to the Committee on Interstate and Foreign Commerce.

By Mr. LEHMAN:

S. 3651. A bill for the relief of Bert Tice (also known as Berek Tajc); to the Committee on the Judiciary.

By Mr. McCLELLAN (by request):

S. 3652. A bill to facilitate the settlement of the accounts of certain deceased civilian officers and employees of the Government; and

S. 3653. A bill to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. HUMPHREY:

S. 3654. A bill to amend section 3 of the Postal Salary Act of July 6, 1945; to the Committee on Post Office and Civil Service.

DEFICIENCY APPROPRIATIONS, 1950—AMENDMENT

Mr. THYE. Mr. President, I submit for appropriate reference, an amendment to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes. My reason for submitting the amendment is that it refers to a deficiency appropriation provision which would give the President $2,000,000 additional to meet some of the expense in connection with the devastating flood in the northwest part of Minnesota, and also in North Dakota.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Appropriations.

AMENDMENT OF CLOTURE RULE—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that my name be added as a cosponsor of Senate Resolution 283, to amend the cloture rule of the Senate.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Jersey? The Chair hears none, and it is so ordered.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, as indicated:

H. R. 4424. An act to provide for the settlement of certain parts of Alaska by war veterans;

H. R. 5473. An act to promote the rehabilitation of the Gros Ventre and Assiniboine Tribes of Indians of the Fort Belknap Reservation, Mont., and for other purposes;

H. R. 5570. An act to promote the rehabilitation of the Chippewa Cree Tribe of Indians of the Rocky Boy's Reservation, Mont., and for other purposes;

H. R. 6063. An act to authorize the Secretary of the Interior to carry out a research and development program with respect to natural sponges;

H. R. 6152. An act to promote the rehabilitation of the Devils Lake Sioux Tribe of Indians of the Devils Lake Reservation, N. Dak., and for other purposes; and

H. R. 7262. An act to promote the rehabilitation of the Turtle Mountain Band of Chippewa Indians of the Turtle Mountain Reservation, N. Dak., and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 6826. An act to provide for the common defense through the registration and classification of certain male persons, and for other purposes; to the Committee on Armed Services.

THE PRESIDENT'S SPEECHES AT VARIOUS POINTS IN THE WEST

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD the speeches delivered by the President of the United States on his recent trip to the West, at Grand Coulee Dam; at Wallula, Oreg.; at Pendleton, Oreg.; at Umatilla, Oreg.; at La Grande, Oreg.; at Baker, Oreg.; at Ontario, Oreg.; at Huntington, Oreg.; at Pasco, Wash.; at Coulee City, Wash.; at Wilbur, Wash.; and at Gonzaga University, Spokane, Wash., which appear in the Appendix.]

LOUIS JOHNSON, SECRETARY OF DEFENSE—ARTICLE BY TRIS COFFIN

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Louis Johnson: Bulldog of United States Defense," written by Tris Coffin and published in the June, 1950, issue of Coronet, which appears in the Appendix.]

AMERICAN POLICY IN THE MIDDLE EAST—EDITORIAL FROM THE SALT LAKE TRIBUNE

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "What Are We Up To in the Middle East?" published in the Salt Lake Tribune, of May 21, 1950, which appears in the Appendix.]

RACIAL DISCRIMINATION IN BOWLING

[Mr. NEELY asked and obtained leave to have printed in the RECORD an editorial entitled "Victory for Fair Play in Bowling and Democracy," published in the Minneapolis Spokesman of Friday, May 19, 1950, which appears in the Appendix.]

SENATORIAL BATTLES—ARTICLE BY CHARLES PARMER

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD, an article by Charles Parmer regarding senatorial campaign battles, which appears in the Appendix.]

ENLISTING PUBLIC OPINION IN THE FIGHT AGAINST CRIME—ADDRESS BY JOSEPH B. KEENAN, ASSISTANT ATTORNEY GENERAL OF THE UNITED STATES

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an address entitled "Enlisting Public Opinion in the Fight Against Crime," delivered by Joseph B. Keenan, Assistant Attorney General of the United States, before the American Bar Association in Milwaukee on August 29, 1934, which appears in the Appendix.]

PRESERVING THE AMERICAN WAY OF LIFE—ADDRESS BY CHIEF JUSTICE JOHN D. FOURNET, OF THE LOUISIANA SUPREME COURT

[Mr. LONG asked and obtained leave to have printed in the RECORD an address delivered by John D. Fournet, chief justice of the Louisiana Supreme Court, before the Nicholson Post, No. 38, of the American Legion, at Baton Rouge, La., which appears in the Appendix.]

UNITED AND POSITIVE POLICY IN THE STRUGGLE AGAINST COMMUNISM—ADDRESS BY THE REVEREND LAURENCE J. McGINLEY

[Mr. IVES asked and obtained leave to have printed in the RECORD an address delivered by the Reverend Laurence J. McGinley, S. J., president of Fordham University, at the annual meeting of the New Jersey Club of the Fordham University Alumni Association, held at Newark, N. J., on May 24, 1950, which appears in the Appendix.]

UNITED STATES-CANADIAN RELATIONS—ARTICLE BY FORMER SENATOR A. O. STANLEY

[Mr. CHAPMAN asked and obtained leave to have printed in the RECORD an article entitled "Three Thousand Miles and Never a Quarrel," written by former Senator A. O. Stanley, and published in the June, 1950, issue of the Rotarian, which appears in the Appendix.]

INTERNATIONAL REFUGEE ORGANIZATION—ADDRESS BY J. DONALD KINGSLEY

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a radio address entitled "I Speak for Peace," delivered by J. Donald Kingsley, Director General of the International Refugee Organization, at New York City on May 21, 1950, which appears in the Appendix.]

EXPENDITURE OF PUBLIC MONEY—EDITORIAL FROM OMAHA DAILY JOURNAL-STOCKMAN

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an editorial entitled "State Spenders are Active," published in the Omaha Daily Journal-Stockman on May 22, 1950, which appears in the Appendix.]

FAIR EMPLOYMENT PRACTICE LEGISLATION—EDITORIAL FROM EL PASO HERALD POST

[Mr. JOHNSON of Texas asked and obtained leave to have printed in the RECORD an editorial entitled "Filibuster," published in the El Paso Herald-Post of Tuesday, May 9, 1950, which appears in the Appendix.]

SENATE SET TO VOTE ON AID FOR EUROPE—ARTICLE FROM THE NEW YORK JOURNAL OF COMMERCE

[Mr. MALONE asked and obtained leave to have printed in the RECORD a news dispatch entitled "Senate Set To Vote on Aid for Europe," dated Washington, May 24, published in the New York Journal of Commerce, May 25, 1950, which appears in the Appendix.]

LEGAL GUARDIAN OF LENA MAE WEST, A MINOR—CONFERENCE REPORT

Mr. MAGNUSON submitted the following conference report, which was considered by unanimous consent and agreed to:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment and the House agree to the same.

WARREN G. MAGNUSON,
FRANK P. GRAHAM,
WILLIAM E. JENNER,
Managers on the Part of the Senate.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

Mr. O'CONOR. Mr. President, I move that the Senate proceed to the consideration of the conference report on the bill (S. 1008), to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

(See conference report, printed in full when submitted by Mr. MCCARRAN on March 31, 1950, p. 4452, CONGRESSIONAL RECORD.)

The VICE PRESIDENT. The question is on the motion to proceed to the consideration of the conference report.

The motion was agreed to, and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

Mr. LUCAS and Mr. WHERRY addressed the Chair.

The VICE PRESIDENT. The Senator from Maryland [Mr. O'CONOR], in charge of the conference report, has the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Illinois?

Mr. O'CONOR. I yield.

Mr. LUCAS. Mr. President, the conference report which is now pending before the Senate is one which is familiar to every Member of this body. Much time has been consumed in debate in the Senate on the pros and cons of this very highly controversial issue. In view of that fact, I am wondering whether we may obtain some information from those who are vitally interested in it as to how long they think it may take for debate before we can obtain an agreement to vote finally on the report. May I ask the Senator from Maryland for his opinion as to how much time he and those who are associated with him will need in the debate?

Mr. O'CONOR. I may say to the Senator from Illinois it is our expectation that it will not last more than several hours today, or on any following day. Certainly 2 or 3 hours we feel will suffice.

Mr. LUCAS. May I ask the Senator from Louisiana, who is interested in the report, how long he thinks those who are opposed to the report will take?

Mr. LONG. I should judge that those opposed will want at least 2 or 3 days. It is impossible for me to state at this time, because there are, I believe, about four or five, perhaps six, Senators who will speak on this subject.

Mr. LUCAS. Mr. President, that means that if we take a recess from tomorrow until Monday, and then have a perfunctory session at that time, and return on Wednesday, we probably shall not finish with this report until the latter part of next week. I should certainly hope that we shall not take longer than next week upon the conference report. The RECORD is full of debate on the subject. I think every Senator knows at this moment exactly how he intends to vote on the conference report. I do not think any arguments are going to change the result.

I merely make this statement in order that I may bring to the attention of Senators other vital measures which are on the calendar. We are moving along now toward the 1st day of June, and it will not be long until we shall be debating many of these measures in the heat of summer. Consequently, I ask Senators to expedite the debates as much as possible, in order that we may get a vote on this report. Certainly we ought to get a vote on it next week, and I am going to say now that we are going to conclude debate upon the conference report next week, if possible. In order to do that, we may have night sessions around Thursday or Friday. I hope Senators will understand that, because it seems to me that the time has come when we must make disposition of many pieces of proposed legislation, even though we may be compelled to hold night sessions.

Mr. WHERRY and Mr. LONG addressed the Chair.

The VICE PRESIDENT. Does the Senator from Illinois yield, and if so, to whom?

Mr. LUCAS. I yield first to the Senator from Nebraska.

Mr. WHERRY. I thank the majority leader for bringing this matter to the attention of the Senate. There is only one thing I should like to clear up for the RECORD now, in the absence of a unanimous-consent agreement, and that is this: Will the majority leader advise the Senate, if he can do so, whether any vote is expected on the conference report tomorrow? The reason I ask the question is that several Senators are returning to their respective States in the far West, and if there is to be a vote tomorrow they will remain, but if there is not to be a vote it will accommodate them greatly if they can proceed. Of course, I realize that no one can predict what will happen, but if the proponents and opponents of the measure, in the absence of a unanimous-consent agreement, could agree that the vote will be some time next week, it would be very helpful to Members of the Senate who are ready to leave.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'CONOR. I shall be happy to yield, if I shall not lose my right to the floor.

Mr. LONG. I should like to advise the distinguished majority leader that those who are opposing the conference report want nothing more than an opportunity to make two important issues clear, which we have never in the past been able to get across. It is our belief that the conference report would work injury to the small-business men of the Nation, and we should like to have Senators present in order that we may explain it to them. I do not think it will require much debate. If it is difficult to have many Senators present, it will be difficult to predict how soon we can close the debate. If we have a reasonably full attendance for 1 day, I think we might close the debate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. O'CONOR. I yield.

Mr. LUCAS. Of course, I should like to have a full attendance of Senators in all debates, but if the future can be judged by what has occurred in the past, I fear there will not be many Senators listening to the debate. During the past 2 months many important measures have been debated when, as the Senator from Louisiana knows, very frequently there were only three or four Senators listening.

The people of the country should know that there has never before been a time in the history of the country when there was so much work before the Senate, so many controversial and highly intricate problems requiring consultation, conference, and ultimate solution. Members of the Senate are not loafing; they are working in committees or in conferences, doing something worth while in attempting to speed the work which the Senate is called upon to do.

Mr. President, I should like to say, in answer to the minority leader, that I cannot tell him, and I do not think anyone else can, when the vote will be taken, but certainly it will not be tomorrow, in view of the fact that the Senator from Maryland said it would take approximately 3 hours for those who favor the report, and the Senator from Louisiana says it will take approximately 3 days for the opponents. So we have 3 days and 3 hours in which to debate the question. I hope that when we return on Wednesday next, following the conference in the auditorium of the Congressional Library, we can start debate and conclude by night. That is my sincere hope.

Mr. O'CONOR. Mr. President, I promised to yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, may I inquire of the distinguished Senator from Louisiana if there is a possibility of getting a unanimous-consent agreement any day next week. I ask the question not for the purpose of forcing an answer at this time, because I realize that the debate has not yet begun, but in view of the fact that there is to be a session tomorrow and another one on Monday, on which we understand from the majority leader that no votes on important measures will be taken, and the Senate is then to take a recess until Wednesday, it is information which I believe every Senator would like to have. With that idea in mind, I am wondering if the distinguished Senator from Louisiana can suggest some day on which we may be able to vote on the conference report.

Mr. LONG. Mr. President, those opposing the report want nothing more than a fair chance to make the issues clear. We feel that the conference report has brought before us something which is more harmful than was anticipated by the House or the Senate. We feel that if we can have reasonably good attendance on the floor of the Senate and a chance to explain the facts and our objections to the conference report, we may be ready in a day or two to vote, possibly on Wednesday or Thursday. But we do not want to commit ourselves until we can see how the debate goes. If Senators are not present, it may take a while longer.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. O'CONOR. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I will say to the Senator from Maryland that I have in mind making a point of order against the conference report as being in violation of rule XXVII of the Senate. I wonder if the Senator does not agree that the point of order should be made so that we can assure action upon it before we set a program for the remainder of this week and next week. I should also like to ask the Senator from Maryland if he will yield to me for the purpose of making such a point of order.

Mr. O'CONOR. I regret that I cannot yield for that purpose. Ample opportunity will be afforded to the Senator.

I think it is desirable to proceed with the presentation of the matter at this time.

Mr. KEFAUVER. Mr. President, if the Senator will yield further, I am satisfied that a very serious question as to whether the conference report is in order will be raised by the point I shall make. It seems to me we should not take up the time of the Senate in discussing the question if there is a possibility that the point of order will be sustained. Of course no one can tell about that until it is presented.

Mr. O'CONOR. I do not anticipate that it will take more than 20 minutes for the presentation of the matter.

Mr. President, by passing the bill S. 1008, both Houses of the Congress have recognized the need for permanent legislation to establish, beyond question, the legality of independent and noncollusive use of delivered prices, under circumstances not in any way constituting a violation of section 2 of the Clayton Act, and the absorption of freight to meet the equally low price of a competitor, in good faith, and under circumstances which do not involve any combination, conspiracy, or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice.

Lengthy hearings were held on this subject by a subcommittee of the Committee on Interstate and Foreign Commerce. A great mass of testimony was developed, which was supplemented by further testimony before the Committee on the Judiciary. Senators are familiar with the record of all those hearings, disclosing the great confusion on this subject, and the resulting feeling of uncertainty and insecurity at all levels of business.

This controversy and confusion arose with the decision of the Supreme Court in the so-called *Cement Institute case* (333 U. S. 683) decided in April 1948. The doctrine of that case was that the conspired used of any pricing practice is illegal. The specific holding of the Court was that the practice of freight absorption, adopted by conspiracy, was illegal. Up to that point, there was no argument, and no controversy, and the decision was in accordance with accepted law. But the Court went further, by way of dicta, and used language which many persons have contended amounted to a judicial holding that the absorption of freight is illegal per se.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'CONOR. I prefer not to yield during the presentation of my statement, but I shall be happy to yield after I conclude.

Confusion was worse confounded by the subsequent decision in the *Rigid Steel Conduit case* (168 Fed. 2d 175) where, in spite of the fact that charges of conspiracy had been expressly dismissed with regard to one defendant, the circuit court of appeals, referring to the Cement Institute decision, used language indicating its belief that the individual use of the basing-point method as involved in that case might constitute, per se, an unfair method of competition.

The Supreme Court affirmed the decision of the circuit court in the Rigid Steel Conduit case by a split decision, 4 to 4, without throwing any additional light on the subject; and the urgency of congressional action on the matter was thereby increased.

Mr. President, the record is so well-established with regard to the confusion which this bill is designed to dispel, that I cannot see how there can be any doubt as to the obligation of the Congress to speak on this question one way or the other.

The confusion in many fields of business—both big business and little business—has been so widespread, and has had and will continue to have such a deterring effect on business expansion, that it is captious to belabor the question of whether all this confusion is justified. The fact remains that confusion exists, and the Congress should act to set the matter at rest.

Mr. President, most Senators are familiar with the legislative history of this bill and the conference report which is now before us. However, for the sake of the record, I think it would be well to make a brief statement on that point.

The bill, S. 1008, was introduced by the Senator from Pennsylvania [Mr. MYERS], on February 17, 1949, and was referred originally to the Committee on Interstate and Foreign Commerce. On February 28, 1949, pursuant to Senate Resolution 76, that committee was discharged and the bill was referred to the Committee on the Judiciary. It was assigned to a subcommittee composed of the senior Senator from Nevada [Mr. MCCARRAN], the senior Senator from Wisconsin [Mr. WILEY], and the junior Senator from Maryland.

Although very lengthy and extensive hearings had been held by the Committee on Interstate and Foreign Commerce on this subject, the Judiciary Committee held its own hearing for 3 days, March 30 and 31 and April 1, 1949; and on April 6, 1949, the subcommittee reported the bill to the full committee, with amendments. On that same day, April 6, the bill was discussed in the full committee; and on April 25, 1949, after further discussion, it was ordered reported favorably to the Senate.

As originally introduced, and as reported to the Senate, the bill provided for a 2-year moratorium. When the bill was debated on the floor of the Senate on June 1, 1949, an amendment in the nature of a substitute was offered by the senior Senator from Wyoming [Mr. O'MAHONEY]. This amendment was perfected on the floor, and was then adopted by the Senate, after which the bill as amended was passed.

On June 21, 1949, the House Committee on the Judiciary reported the bill with amendments, and on July 7, 1949, the bill passed the House, with additional amendments inserted from the floor.

On July 26, 1949, the Senate disagreed to the House amendments and requested a conference. Conferees appointed on the part of the Senate were the members of the subcommittee of the Committee on the Judiciary which had handled the bill.

The bill was in conference for nearly 2 months, and on October 12, 1949, the conferees agreed, following which the conference report was filed in the House the following day, October 13, 1949.

On October 14, 1949, the House of Representatives agreed to the conference report.

On October 18, 1949, on motion of the junior Senator from Illinois [Mr. DOUGLAS], the Senate agreed to postpone further consideration of the conference report until January 20, 1950.

During the more than 3 months which elapsed between the Senate action on October 18, 1949, and the date on which the conference report was next considered, on January 20, 1950, great concern was evidenced in many quarters over the fourth amendment, which concerned the definition of the phrase "the effect may be." The Senate conferees, all of who were desirous of avoiding any possibility that the bill as finally enacted might have any adverse effect on small business, sought the advice of the Department of Justice.

The Department of Justice, in a letter to the junior Senator from Maryland, under date of January 13, 1950, approved the conference bill in all respects except with regard to the fourth amendment, the definition of the term "the effect may be." The Attorney General recommended that this definition be changed to accord with the House language, under which the term was defined as meaning that there is "reasonable probability" of the specified effect, instead of the conference language, which defined the term as meaning that there is reliable, substantial, and probative evidence of the specified effect.

In view of the position taken by the Department of Justice, the Senate conferees, while still firmly of the belief that the compromise definition which the conference committee had approved did not in any way weaken the safeguards already established by law to protect all business, and particularly small business, were nevertheless satisfied to see this point reopened. Accordingly, we came before the Senate on January 20, 1950, explained the situation, and stated the willingness of the conferees to have the conference report rejected and to seek a new conference with a view to amending section 4 (D) of the bill along the lines of the Justice Department's recommendation.

The Senate then disagreed to the conference report, insisted on its disagreement to the House amendments, and asked for a further conference. The same Senate conferees who had previously handled the bill were reappointed.

On February 28, 1950, the House agreed to the new conference, and appointed the same conferees who had served before.

The conferees met, and reaffirmed all that the previous conference committee had done except with regard to section 4 (D), the definition of the phrase "the effect may be." Here, the Senate conferees receded, and took the House language, defining the term to mean "reasonable probability." Thus the decision is exactly in accordance with the recommendations of the Department of Justice.

The new conference report was filed in the House of Representatives on March

3, 1950, and was approved on March 14, 1950. This is the report which is now before the Senate. In view of the fact that the Department of Justice had previously approved the first conference report, with the exception of the definition contained in section 4 (D), and the further fact that the second conference amended this definition to comport exactly with the Department's recommendation, the new conference bill, upon which the Senate is now asked to vote, can be said to have the complete approval of the Department of Justice.

Mr. President, it will not be my purpose to enter into any extensive argument or debate on this matter. I believe the Senate should get to a vote just as quickly as possible, and dispose of this question. There has been, however, a great deal of organized opposition to the bill, and I do feel that a word on that point would not be amiss.

Much of the opposition to the bill rests on a misconception and a misinterpretation of what it actually does. The bill has been misinterpreted in many respects, but I shall confine myself to a single example.

One of the charges most frequently made—and it is a charge which has been repeated recently—is that this bill weakens existing law by making good faith in meeting an equally low price of a competitor a complete defense to any charge of discrimination.

This charge is not well-founded and is based on a misconception of the legal effect of the language of the bill.

Mr. THYE. Mr. President——

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Maryland yield to the Senator from Minnesota?

Mr. O'CONOR. I will ask the Senator to allow me to conclude my statement, as I have previously refused to yield to the Senator from Louisiana, but after I finish I shall be glad to yield.

Mr. THYE. I thank the Senator.

Mr. O'CONOR. Mr. President, the point is a technical one, but will be readily understood by our colleagues. Section 2 (b) of the Clayton Act now reads as follows:

> Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however,* That nothing contained in sections 12, 13, 14–21 of this title shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

Under the language proposed in the conference report, this section would be amended to read as follows:

> Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection, or discrimination in services or facilities furnished, the burden of showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided further,* That a seller may justify a discrimination by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor, and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains, except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

It will be recognized immediately, Mr. President, that under the existing law, the showing of good faith to meet competition is matter in rebuttal. In other words, when the Government has made a prima facie case, the burden of proceeding shifts; but the prima facie case can be rebutted, completely, by a showing that the lower price, or the furnishing of services or facilities, constituting the basis for the alleged discrimination, was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

Since it is only the burden of proceeding which shifts, the burden of proof remains with the Government; and since the law provides that the prima facie case made by the Government can be rebutted by a showing of good faith in order to meet competition, such a showing is in effect a complete defense.

Under the proposed new language of S. 1008, this procedural situation remains unchanged. It is true that S. 1008 provides that "a seller may justify a discrimination" instead of "nothing herein contained shall prevent a seller rebutting the prima facie case"—by showing good faith in meeting the equally low price of a competitor, but the matter to be proved is precisely the same—good faith affirmatively shown.

Moreover, S. 1008 provides precisely the safeguards to such a defense which both the Senate and the House deemed to be necessary. Both legislative bodies feared that the ingenuity of business lawyers might make it difficult to produce probative evidence of good faith or the lack of it, and both Houses wished to limit the justification to situations in which it would not be probable that competition would be lessened or injured or monopoly created. The conference sought to combine the Carroll and the Kefauver amendments. As the conference report states on page 7:

> The purpose of the second House amendment to this section is simply to create a uniformity in language between sections 2 and 3 of the bill.
>
> The compromise language adopted by the conferees, added at the end of the section and intended to qualify the entire proviso in that paragraph is: "except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice."

Since the amendment to section 2B of S. 1008, the subsection with regard to freight absorption, is stated by the conference to amount to "a simple fusion of the express language of both of the floor amendments," it is apparent that the conference intended to permit freight absorption, even when made in good faith, only in circumstances where there would be no probable lessening of competition as a result of such freight absorption.

Section 3 of S. 1008, a procedural section applying to all price discriminations including those resulting from freight absorption and delivered pricing, was made uniform with section 2 by adding the language at the end of section 3, so that even if good faith were proved, the Federal Trade Commission could still issue an order upon the showing that the price discrimination, if continued, might contribute to oppression or the growth of monopoly.

Clearly, therefore, the so-called good-faith defense is nothing new and is more readily available under the law as it stands today than it will be if the bill which is the subject of the conference report now before the Senate becomes the law of the land.

This subject has been before the Senate in one form or another for more than a year. I believe Senators have made up their minds about it, and I hope that the Senate may be permitted to vote as promptly as possible on the conference report, which we confidently believe to be in the interest of business and for the over-all benefit of the United States.

Mr. LONG. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. O'CONOR. I yield.

Mr. LONG. The conferees struck out in section 3 the words "if the discrimination is not such that its effect upon competition may be that prohibited by this section." Is that correct?

Mr. O'CONOR. Yes.

Mr. LONG. Will the Senator tell me what the purpose was in striking that language?

Mr. O'CONOR. The conferees were confronted with conflicting language which had been attached, as I attempted to explain, by the Senate and by the House, on the one hand, the so-called Kefauver amendment, which many thought was somewhat restrictive, and, on the other hand, the broader amendment referred to as the Carroll amendment. It was then decided, after very much consideration, that it would be most desirable to adopt language in between those two extremes, and it was then determined by the conferees that the general language which is placed in the section would be preferable, and accordingly that was done.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. O'CONOR. I yield.

Mr. LONG. Actually, after the words "that a seller may justify a discrimination," the Kefauver amendment added the words "(other than a discrimination which will substantially lessen competition)." And the Carroll amendment

struck that language and provided: "(if the discrimination is not such that its effect upon competition may be that prohibited by this section)."

The Senator understands, does he not, that the purpose of the two amendments was substantially the same?

Mr. O'CONOR. To the contrary, I may say to the Senator from Louisiana there was a wide difference of opinion. It was stated definitely that in the Kefauver amendment the inclusion of the word "will" would make it very much more difficult for the Federal Trade Commission to proceed. The Carroll amendment included the word "may." It was by reason of the wide difference, in the estimation of a number of conferees, that the change was made.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. O'CONOR. I am very pleased to yield.

Mr. LONG. I am sure the Senator knows that the word "may" had previously and to this time been used in the Clayton Act; when it refers to a discrimination where the effect may be such that injury to competition would result. It was felt that the Commission should not be required to prove to a certainty that injury would result, but merely to prove the probability of injury.

Mr. O'CONOR. That is true. But that was not passed upon by the Senate when it considered the bill.

Mr. LONG. The Senator knows that Representative CARROLL offered the so-called Carroll amendment largely because the word "will," as used in the Kefauver amendment, did not cover the entire situation, and by using the words "that the effect may be" it would be possible to cover injuries where the probabilities were that there would be a substantial injury to competition itself, though it might not be possible to prove it to a certainty.

Mr. O'CONOR. I am very certain the Senator's statement is correct. I cannot state what purpose Representative CARROLL had in his mind in submitting the amendment, but I am very confident it was as the Senator has stated it.

Mr. LONG. I believe the Senator further knows that immediately after the Carroll amendment had been adopted the Senator from Tennessee [Mr. KEFAUVER] wrote a letter which was introduced into the CONGRESSIONAL RECORD, in which he said that the Carroll amendment really caught the spirit of the language he had hoped to use, since he had been obliged to offer his amendment so hurriedly on the floor he had not had time to study it as carefully as Representative CARROLL had. I am sure the Carroll amendment is what the Senator from Tennessee would have offered had he had time to study and prepare it more carefully.

Mr. O'CONOR. I am aware of the fact that the able Senator from Tennessee had so stated not only, as I recall, in writing, but had reiterated it on the floor of the Senate at a later date.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. O'CONOR. I am happy to yield.

Mr. LONG. The conferees had before them in section 3 the difference between the language of the Kefauver amendment and the language of the Carroll amendment, but both were designed to accomplish the same purpose. As I understand, the conferees struck out both the Kefauver and the Carroll amendments. Is not that the case?

Mr. O'CONOR. No; I do not agree.

Mr. LONG. What language was left in the conference report?

Mr. O'CONOR. Of course there was a transposition of wording; but very definitely the conferees, after a consultation with the Parliamentarian, decided that it would be not only germane, but entirely in keeping with their prerogatives, if they were to adopt the language now in the conference report, which in their opinion is in between those two extremes.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. O'CONOR. I am very happy to yield.

Mr. LONG. Actually, between the word "discrimination" and the word "by," the latter being the word which followed the Kefauver and the Carroll amendments, will the Senator tell me what language has been inserted by the conferees?

Mr. O'CONOR. Mr. President, as I explained before to the Senator, the conferees in determining what language to use by way of compromise between those two extremes, determined that the language which was adopted would be the most fitting, and that the proper place to insert it would be at the particular point where the language is inserted now.

Mr. LONG. But at the point where the Kefauver and the Carroll amendments appeared, the conferees simply struck out both of them, did they not?

Mr. O'CONOR. That is what happened. However, that does not state the entire question.

Although it is true that in order to arrive at the end result—which, as I said before, after consultation with the Parliamentarian, was deemed to be the best possible course—and although it was determined by the transposition of the language to word the provision as it now appears in the conference report, yet by no means did that obliterate or wipe out entirely the so-called Kefauver and Carroll amendments without replacing them with language which in the opinion of the conferees serves to take their place quite adequately.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. O'CONOR. I am glad to yield.

Mr. LONG. The language which the Senator from Maryland suggests as language which in his opinion matches the Kefauver and Carroll amendments, appears, I take it, as follows:

> Except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

Is that the language the Senator from Maryland has in mind?

Mr. O'CONOR. That is correct.

Mr. THYE. Mr. President, will the Senator from Maryland yield, to permit me to ask a question of the Senator from Louisiana?

Mr. O'CONOR. I yield.

Mr. THYE. If the Department of Justice has reviewed the entire legislative proposition and if it has filed or submitted a letter stating that in its opinion there is every safeguard, and that in no sense would the provision as now written destroy the intent and effect of the Robinson-Patman Act or the Clayton Act; if the Department of Justice, to which we must turn for legal advice and information, has given us that information and opinion, then are not we at least justified in supporting the conference report, after that positive assurance has come to us from the Department of Justice?

Mr. LONG. Mr. President, I should like to ask a further question in that connection, if possible.

Mr. THYE. I have been given permission to ask this question of the Senator from Louisiana, and I should like him to answer it.

Mr. LONG. Mr. President, do I have unanimous consent to answer that question?

Mr. O'CONOR. Mr. President, I am very happy to consent to have the Senator from Louisiana answer it.

As a matter of fact, I am very happy to yield the floor.

Mr. LONG. I should like very much to ask a few more questions of the chairman of the conferees, if possible.

I shall be glad to answer the question the Senator from Minnesota has asked me, provided I may ask a few more questions of the distinguished junior Senator from Maryland.

Mr. THYE. Mr. President, I, too, should like to ask at least three questions of the Senator from Maryland.

However, I have asked that question of the Senator from Louisiana.

Mr. LONG. I understand the question, and I shall be pleased to answer it.

Mr. THYE. The Senator from Louisiana has made so many statements about the destructive effects of the conference report, so far as it would affect the Robinson-Patman Act, that I would like to have him answer the question I have asked.

The PRESIDING OFFICER. Without objection, the Senator from Louisiana may reply.

Mr. LONG. Mr. President, I will say for the Department of Justice that, thank goodness, the Department of Justice has been fair enough to admit exactly what the bill will do—which is one of the reasons why I am opposing this proposed legislation. The Department of Justice admits that this bill, if enacted, would decide the Standard Oil Co. of Indiana case in favor of the Standard Oil Co. of Indiana and against the hundreds of independent retail merchants who are in the gasoline business in Detroit, for example.

The Department of Justice clearly states—at least, it was clearly stated by Mr. Bergson—that it believes that good faith should be a complete defense.

That opinion is different from the opinion of many of us.

The Department of Justice said that if the Standard Oil Co. in good faith makes a discrimination in favor of certain of its chain customers, a discrimination which has the effect of permitting that chain to drive hundreds of independent merchants out of business, it will be all right with the Department of Justice.

Of course we do not think so.

The Supreme Court now has pending before it the Standard Oil Co. of Indiana case.

Mr. THYE. Mr. President, I asked the Senator——

Mr. LONG. Mr. President, the Senator from Minnesota asked me to answer the question, and I am answering it.

Mr. THYE. Mr. President, I asked the Senator if he thought we could rely on the statement of the Department of Justice when it said that in its humble opinion this particular conference report would not destroy the effectiveness of either the Robinson-Patman Act or the Clayton Act; and then I asked whether, if the Department of Justice gives us that assurance, we should feel that the conference report should be adopted.

Of course the Senator from Louisiana can say a great deal more; he can talk on and on. All last fall, during the Senate session, I heard the very statements the Senator from Louisiana has made just now.

However, I am trying to determine whether we can rely or whether we shall be justified in relying upon what the Department of Justice has assured us to be the case, so far as the effectiveness of this measure is concerned.

Mr. LONG. The Department of Justice said that——

Mr. THYE. Mr. President, may I ask the Senator——

Mr. LONG. Mr. President, the Senator from Minnesota asked unanimous consent that he might ask me a question. Now let me answer it:

The Department of Justice in its letter stated that this measure, if enacted, would reverse the Standard Oil Co. of Indiana case. The Department of Justice also said that it had never urged the necessity for legislation of this sort or for this proposed legislation. Therefore, the Department of Justice is not supporting this proposed legislation, but is simply saying that it does not object to it.

On the other hand, the Department of Justice is not charged with enforcing the Federal Trade Commission Act. The Federal Trade Commission is charged with enforcing that act.

Mr. O'CONOR. Mr. President, may I now answer the question of the Senator from Minnesota?

Mr. THYE. I shall be pleased to have the Senator from Maryland do so.

Mr. O'CONOR. The Senator from Minnesota is entirely correct in his understanding that the Department of Justice did give consideration to this matter. I consider it most important that the details in that connection be understood.

Because we were vitally concerned with the preservation of the antitrust laws of the country, the senior Senator from Wyoming [Mr. O'MAHONEY] arranged a conference, which was attended by the Attorney General of the United States himself and by his Special Assistant and by the Assistant Attorney General in charge of antitrust prosecutions. That conference was held on the upper floor of this wing of the Capitol, and was attended by several of the Senators most interested in this matter. The Senators attending that conference included the Senator from Wyoming [Mr. O'MAHONEY]; the chairman of the Judiciary Committee, the distinguished Senator from Nevada [Mr. MCCARRAN]; the chairman of the Committee on Interstate and Foreign Commerce, the Senator from Colorado [Mr. JOHNSON]; the senior Senator from Pennsylvania [Mr. MYERS], who had introduced the measure; and the junior Senator from Maryland.

At that lengthy conference the Department of Justice was asked to consider this measure, which then had been passed by the House of Representatives and was pending before the Senate; and the Department of Justice was asked to give us the benefit of its best judgment as to whether or not this measure, if enacted, would violate any of the antitrust laws or would weaken any of them. The very man who was asked that question was the Assistant Attorney General in charge of antitrust prosecutions.

At the request of the Senator from Wyoming, the Assistant Attorney General gave in written form his opinion on that matter. That opinion is set forth in the letter which I now hold in my hand. At the conclusion of my answer, I shall offer it for the RECORD.

In the letter the Assistant Attorney General said that the Department of Justice had absolutely no objection to the first three of the four sections of the bill, but that it did have an objection to the fourth section, in one particular. Then he went further, and stated what his objection was, and stated what would cure his objection; and he outlined the language which he proposed, which would be entirely acceptable to the Department of Justice.

Mr. THYE. Is that language inserted in the conference report?

Mr. O'CONOR. Exactly. That is the answer.

I may add that with his letter before us, the conferees met, having before us the written advice of the Department of Justice and of the Assistant Attorney General in charge of the Antitrust Division; and the conferees then adopted exactly the language which the Department of Justice had proposed as meeting its objection.

Let me read two sentences—although of course the Senator is welcome to read the whole letter, which I shall place in the RECORD.

As to the first three of the four sections of the bill, the Department of Justice said this:

> Accordingly, while this Department has never urged the necessity or desirability of legislation with respect to the pricing practices to which this bill is directed, we have no objection to the enactment of sections 1, 2, and 3 in their present form.

Which is exactly their present form, as the conference report is before the Senate today. He then went further and made the comments with respect to the fourth section, and then giving the reasons, with which I shall not burden the Senator at this time, ending with this statement:

> In view of all these considerations and in the very strong belief that the problems raised by section 4D as it now stands cannot be adequately resolved except by the use of different terminology from that presently contained in it, I recommend that section 4D of the bill be amended to read as follows:
>
> "D. The term 'the effect may be' shall mean that there is reasonable probability of the specified effect."

Those words were lifted in toto exactly, without the change of a letter or any other change, and placed in the bill as it now stands—and that, over the signature of the Attorney General.

Mr. THYE. Mr. President, I cannot understand then how counsel of the National Drug Association, the Minnesota Drug Association, the National Grocery and Meat Dealers Association, and the Minnesota Meat and Grocery Dealers Association, could misinterpret the intent of this particular legislation.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. O'CONOR. Let me say to the Senator——

Mr. THYE. Just a moment. I should like to carry my thought through, if the Senator from Maryland will permit. I have heard fom the meat dealers of my State. I have had numerous letters from the Drug Association; in fact, some of them most caustic in their criticism of me because I had not definitely stated that I would oppose this conference report. In fact, some of the letters, as I stated, have almost been bordering on insult because I had not committed myself positively to vote against this report.

The fact is that I am determined that we must make this question entirely clear, because there is so much misunderstanding. There are so many people now who are deeply concerned that only last week I received a petition signed by a large number of students at the University of Minnesota. They feel so exercised about this particular conference report that they saw fit to prepare and circulate this petition for signatures, and they then sent it to me. They deplored the action of Congress in having permitted language to be written into a piece of legislation which would destroy the Clayton Act as well as the Robinson-Patman Act.

For that reason, I am indeed not only grateful to the Senator from Maryland for the positive step he has taken in bringing out the facts concerning what the Justice Department said, and its recommendation, but for having placed its recommendation in the bill in toto. I realize that there is much concern on the part of small-business people who feel that if they do not have the protection of the Robinson-Patman Act and the Clayton Act they might well be put out of business by unfair business practices and discrimination. So I thank

the Senator from Maryland for his statement.

Mr. O'CONOR. I am very glad the Senator made the point, because I think he sums up very accurately the situation in many sections of the country. I think, if I may attempt to explain it very briefly, it is due to an utter lack of correct information on the subject. I feel definitely that the Department of Justice certainly can be trusted, through its Antitrust Division, to strive for the maintenance and preservation of laws which are designed to protect the public, and I do not think it would place such a recommendation before the Judiciary Committee and its representatives, if it were not in the best interests of the country.

I ask unanimous consent that the letter to which I have referred be placed in the RECORD at this point in toto so it may be available to Senators.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ASSISTANT TO
THE ATTORNEY GENERAL,
Washington, January 13, 1950.

Hon. HERBERT R. O'CONOR,
Committee on the Judiciary, United States Senate, Washington, D. C.

MY DEAR SENATOR O'CONOR: In accordance with your request I am submitting our comments on S. 1008 as amended pursuant to the report of the conferees.

Section 1 provides that sale at delivered prices or absorption of freight in the absence of "any combination, conspiracy or collusive agreement; or any monopolistic, oppressive, deceptive or fraudulent practice" shall not constitute an unfair method of competition or an unfair or deceptive act or practice under the Federal Trade Commission Act.

Section 2 (A) provides that sale at delivered prices or freight absorption, within certain limits, shall not constitute an unlawful discrimination under section 2 (a) of the Clayton Act, unless the effect may be to substantially lessen competition. Section 2 (B) provides further that freight absorption to meet competition in good faith is not permissible "where such absorption of freight would be such that its effect upon competion will be to substantially lessen competition."

Section 3 provides that acts of freight absorption or price discrimination undertaken in good faith, and in the absence of any "combination, conspiracy or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice" shall not be a violation of the Clayton Act.

Except for the provision of section 2 (B) relating to the defense of good faith competition, sections 1 and 2, as we interpret them, merely declare that delivered prices and freight absorption are not unlawful per se, and in so providing merely reaffirm existing law. While this provision, rejecting the defense of good faith competition where its effect will be to substantially lessen competition, appears both undesirable and somewhat inconsistent with section 3 permitting this defense without a similar qualification, the matter is one of legislative policy for the Congress to determine.

Accordingly, while this Department has never urged the necessity or desirability of legislation with respect to the pricing practices to which this bill is directed, we have no objection to the enactment of sections 1, 2, and 3 in their present form.

Section 4 defines the word "price," and the terms "delivered price," "absorb freight" and "the effect may be" as used in the proposed act. We have no objection to the definitions of the first three. The definition of the term "the effect may be" (sec. 4 (D)), however, in our opinion may well be construed as imposing an evidentiary burden that may go beyond the present requirements of the Clayton and Federal Trade Commission Acts and create an almost impossible burden of proof by requiring positive evidence of facts not yet in existence, and may be interpreted as applying to other provisions of the Clayton Act in addition to those involved in the bill.

In the debates in the Senate and House it was suggested by some that section 4 (D) is not intended to change the law as it now exists but is intended merely to carry out the evidentiary requirements of the Administrative Procedure Act. In view of the plain language of the subsection and other aspects of the legislative history, however, we have grave doubts that statements of the various committees that have reported on the bill or individual expressions of specific Members of Congress can provide adequate assurance that the courts will so interpret it. The Supreme Court has time and again applied as a rule of statutory construction the doctrine that Congress will not be presumed to have intended to pass a meaningless act. *United States* v. *Bowen*, 100 U. S. 508, 513 (1880); *Bate Refrigerating Co.* v. *Sulzberger*, 157 U. S. 1, 45 (1895); *United States* v. *American Trucking Association*, 310 U. S. 534, 543 (1940); *Gemsco* v. *Walling*, 324 U. S. 244, 260 (1945); *Ex Parte Collett*, 337 U. S. 55, 61, 71 (1949).

In view of these considerations there is real danger that the courts will interpret this provision as imposing upon the Federal Trade Commission a greater burden of proof than exists under present law. Nor will any new legislative history at this time to the effect that no such result was intended, remove that danger, particularly since the House of Representatives has already acted upon the conference report. At the very minimum, if the bill should be enacted in its present form, extensive litigation and a substantial period of uncertainty appear inevitable before the issue can be finally resolved.

In view of these considerations and in the very strong belief that the problems raised by section 4 (D) as it now stands cannot be adequately resolved except by the use of different terminology from that presently contained in it, I recommend that section 4 (D) of the bill be amended to read as follows:

"D. The term 'the effect may be' shall mean that there is reasonable probability of the specified effect."

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

Mr. O'MAHONEY, Mr. KEFAUVER, and Mr. YOUNG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield, and if so, to whom?

Mr. O'CONOR. I yield first to the Senator from Wyoming.

Mr. O'MAHONEY. I have requested the Senator to yield in order that I might supplement the reply which the Senator from Maryland has given to the Senator from Minnesota. All the protests which have come to the Senator from Minnesota, on the alleged ground that this conference report will modify or repeal or injure or destroy the Robinson-Patman Act, are based upon a complete misapprehension, first, of what the Robinson-Patman Act is, and, second, of what section 3 of this bill does. It is only necessary to look at this section of the measure before the Senate to see that it amends the Robinson-Patman Act only with respect to section 2 (b) of that act. So, if we want to tell any correspondent or any lawyer what the meaning of this act is, it is only necessary to compare section 2 (b) of the Clayton Act, which is the only section of the Robinson-Patman Act affected by the conference report, with section 2 (b) as amended by section 3 of the bill before us. Section 3 of S. 1008, as recommended by the conference, amends section 2 (b) of the Clayton Act as it was written in the Robinson-Patman Act.

This is the way the only provision of the Robinson-Patman Act which is affected by this conference report reads—I read the whole of that section:

(b) Upon proof being made at any hearing on a complaint under this section that there has been discrimination in price or services or facilities furnished, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the commission is authorized to issue an order terminating the discrimination: *Provided however*, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor or the services or facilities furnished by a competitor.

That is the Robinson-Patman Act as it now stands upon the statute books. It provides clearly that the defendant in such a proceeding by the Federal Trade Commission may rebut the prima facie evidence of the Federal Trade Commission by showing good faith. There is not a word there about whether the result may be this or may be that, or will be this or will be that. The proviso is—and I read it again—

Provided, however, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor or the services or facilities furnished by a competitor.

How does the section appear, as recommended by the conferees? I read from page 3 of the bill before us, which is now the conference bill:

(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection, or discrimination in services or facilities furnished, the burden of showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination.

This language, Mr. President, is precisely the same, word for word, as the present language of section 2 (b) of the Robinson-Patman Act, except the phrase "the effect of which upon competition may be that prohibited by the preceding subsection." The only other difference is in the proviso. Let me read the proviso as recommended to us in the conference report:

Provided, That a seller may justify a discrimination by showing that his lower price

or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor—

This is new language—

and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains, except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

The words which have been added to the Robinson-Patman Act strengthen that act, because they say clearly that even though the defendant comes in with a good-faith defense, it is not a complete defense if he is in a conspiracy or in a combination or a collusive agreement, or if he is engaged or is engaging in any monopolistic, oppressive, deceptive, or fraudulent practice.

Mr. President, the conferees have added to the Robinson-Patman Act a provision which strengthens that act.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. It is said that this provision makes a good-faith defense an absolute defense. That cannot be true. Anyone familiar with the Robinson-Patman Act who will read the act and the decisions, will see precisely what I am talking about.

I have in my hand the Standard Oil Co. case, I shall undertake to show by the Standard Oil case that we have in the report a stronger antitrust law than is the Robinson-Patman Act. The Standard Oil case was decided by Justice Minton, now on the Supreme Court of the United States, when he was a member of the United States Court of Appeals of the Seventh Circuit. The decision was handed down on March 11, 1949, and in the decision Justice Minton quoted——

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

Mr. O'MAHONEY. I shall not yield for that purpose.

The PRESIDING OFFICER. The Chair will observe that, technically speaking, the Senator from Maryland has the floor, and he yielded to the Senator from Wyoming presumably for a question.

Mr. O'MAHONEY. Mr. President, if the Senator will permit me to proceed, I can finish very shortly.

Mr. KEFAUVER. Mr. President, I wanted to ask a question before the Senator from Wyoming started his oration. It seems to me that while we are on the subject-matter of the speech of the Senator from Maryland, we should be able to ask him a few questions.

Mr. O'MAHONEY The Senator may be able to do so. The Senator from Maryland was good enough to yield to me for the purpose of giving a supplementary response to the Senator from Minnesota [Mr. THYE].

Mr. O'CONOR. Mr. President, that is entirely correct and is in keeping, exactly, with what the Senator from Maryland did with reference to the Senator from Louisiana [Mr. LONG] and the Senator from Minnesota [Mr. THYE].

The PRESIDING OFFICER. If there has been any irregularity, the Chair suggests that it can be cleared up by the Senator from Maryland asking unanimous consent that he may yield to the Senator from Wyoming for the purpose of making a statement without losing his right to the floor.

Mr. O'CONOR. Mr. President, I make the request as indicated by the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. O'MAHONEY. Mr. President, I was undertaking to show that Mr. Justice Minton, in his decision in the Standard Oil case, quoted, from Chief Justice Stone of the Supreme Court, language which undertakes to interpret section 2 of the Clayton Act, as amended. Chief Justice Stone said—and I am reading from page 216 of the One Hundred Seventy-third Federal Reporter:

It will be noted that the defense that price discriminations were made in order to meet competition is, under the statute, a matter of rebutting the Commission's prima facie case. Prior to the Robinson-Patman amendment, section 2 of the Clayton Act provided that nothing contained in it "shall prevent discriminations in prices made in good faith to meet competition." The change in language of this exception was for the purpose of making the defense a matter of evidence in each case, raising a question of fact as to whether the competition justified the discrimination.

There was a change in language by which the reference to good faith was taken out of section 2 (a) of the Clayton Act and put into section 2 (b) of the Robinson-Patman Act. Under section 2 of the Clayton Act, as originally drafted, good faith was an absolute defense on the same basis as the justification of discrimination for reasons of cost or expensive delivery, and the like. But in order to make sure that it would not be an absolute defense which would immediately take effect upon the pleading and the proof, the Robinson-Patman Act took it out of section 2 (a) and put it into section 2 (b). To state it more accurately, the Robinson-Patman Act divided section 2 of the Clayton Act into two paragraphs, (a) and (b). The good faith defense was taken out of the absolute defense category and placed in section 2 (b) as a procedural provision. Chief Justice Stone defined it for the Supreme Court of the United States in this language:

The change in language of this exception was for the purpose of making the defense a matter of evidence in each case, raising a question of fact as to whether the competition justified the discrimination.

The words of Chief Justice Stone were quoted by Justice Minton with approval. I point out to the Senator from Minnesota and to all those who may have queried him, as well as all who may have sent petitions to him, that section 2 (b), which was thus interpreted by Chief Justice Stone, has been strengthened by the conference report, because the conference report has added the provision which I read with respect to "a combination, conspiracy, or collusive agreement; or monopolistic, oppressive, deceptive, or fraudulent practice." It has taken nothing away from the Robinson-Patman Act.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. As a matter of fact, did not the Sherman Antitrust Act, which was passed in 1890, approximately 60 years ago, outlaw in interstate commerce any "combination of conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice"? Did not the Sherman antitrust law outlaw such a practice?

Mr. O'MAHONEY. Yes.

Mr. LONG. Does the Senator from Wyoming contend that the Robinson-Patman Act makes those practices legal?

Mr. O'MAHONEY. No. Of course not.

Mr. LONG. Then those practices were already illegal.

Mr. O'MAHONEY. I say that the Senator's whole argument is based on the false concept that there is now in the Robinson-Patman Act something with reference to the good faith defense in section 2 (b) which is stronger than it is in the conference report. I say that anybody who can read the English language, and particularly a brilliant, able, and distinguished lawyer such as the Senator from Louisiana, if he will put his mind upon a reading of that language, will see that section 2 (b) of the Robinson-Patman Act as amended by the conference report is just as strong. I say it is stronger.

Mr. LONG. I should like to ask this question: If a combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice has been illegal for 60 years, since the passage of the Sherman Antitrust Act, will the Senator explain why we need to reenact that language?

Mr. O'MAHONEY. The Senator is not pursuing the argument with which he started out. He is saying, "You are making this too strong." Does the Senator want to take the position that the conferees should have rejected this prohibition? I am willing to repeat the prohibition of the antitrust law every day of the year, every hour of the day, every minute of the hour, and, if I could, every second.

Mr. LONG. If we were to follow the argument of the Senator from Wyoming, we would be great statesmen if we took the whole United States Code and reenacted it every day.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KEFAUVER. The Senator knows, does he not, that section 3, if it were adopted as amended by the conference report, would completely do away with the Robinson-Patman Act?

Mr. O'MAHONEY. No.

Mr. KEFAUVER. Does not the Senator know that it would completely do away with the good-faith provision, and legislate oratory? It would do away with a law which has been a law for 60 years. If that is not true, why did not the Senator recommend, as he did the

acceptance of the Carroll amendment in section 2?

Mr. O'MAHONEY. I shall be very glad to reply to the Senator. I have already pointed out that the only difference in this bill and in the Robinson-Patman Act is the difference contained in the proviso.

Mr. KEFAUVER. But that is——

Mr. O'MAHONEY. Will the Senator please be patient? He has asked me a question, and I shall try to answer it. The proviso in the existing law reads, and this is the law the Senator is defending, and which I, too, defend, although I would make it stronger by supporting the conference report.

Mr. KEFAUVER. We would——

Mr. O'MAHONEY. I am trying to answer the Senator's question.

The proviso reads:

Provided, however, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or services or facilities furnished by a competitor.

The seller is permitted to rebut the prima facie case by showing good faith. All in the world this conference report does, as the Senator from Maryland has pointed out, is that, instead of saying "shall prevent the seller from rebutting," it says "a seller may justify a discrimination by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or services or facilities furnished by a competitor."

I say that Chief Justice Stone, in interpreting the meaning of this section, which the Senator from Tennessee and the Senator from Louisiana desire to defend, said that this clause was for the purpose of making the defense—that is, the defense of good faith—a matter of evidence in each case, raising a question of fact as to whether the competition justified the discrimination.

I say to the Senator from Louisiana and the Senator from Tennessee that, in my opinion, the Standard Oil Co. in the Standard Oil case, when it was forced to admit that it had sold at a discriminatory price to the wholesaler known as Neds, who was a price cutter, had every reason to know what the reasonable and probable consequences of the act would be. Since it did know, it was making a discrimination which was not to be justified by the good faith defense, because it knew what it was doing.

Mr. KEFAUVER and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyoming yield, and if so, to whom?

Mr. O'MAHONEY. I yield first to the Senator from Tennessee, to whom I have been responding.

Mr. KEFAUVER. May I ask the Senator whether he does not know that Mr. Ellis, who represented the Standard Oil Co. before the Supreme Court, in colloquy with Mr. Justice Black, said, "Why, of course if this bill as recently reported from conference"—which the Senator from Wyoming is defending here—"is passed, we have won Standard Oil Co. case."

Mr. O'MAHONEY. He was adopting the argument of the Senator from Tennessee, not my argument.

Mr. KEFAUVER. He was adopting the argument that if the Senator from Wyoming prevails, the defense of good faith will win for the Standard Oil Co. the case now pending before the Supreme Court and will nullify the wholesome effects of the Robinson-Patman Act.

Mr. O'MAHONEY. I did not say Mr. Ellis is my interpreter of the meaning of the antitrust law. He is not. I doubt very much whether the Supreme Court would consider him as its interpreter of antitrust laws. I am amazed, of course, that he should adopt the same interpretation which the Senator from Tennessee has adopted. However, I say that neither the Senator from Tennessee nor Mr. Ellis of the Standard Oil Co. is correct in that statement. The conference report does not make good faith——

Mr. KEFAUVER. Does it make——

Mr. O'MAHONEY. If the Senator will permit me to answer his question, I should like to say that the conference report does not make the defense of good faith an absolute defense. It is on all fours with the present language of the Robinson-Patman Act in that regard.

Mr. KEFAUVER. Why not agree to the present language, if it is on all fours? Does not the Senator know that the head of the Federal Trade Commission, in a letter which I put into the RECORD, and at least all the members of the Federal Trade Commission except one, who are the officials who have jurisdiction of the administration of the Clayton Act, said that the adoption of this conference report would completely nullify the effectiveness of the Robinson-Patman Act? Does the Senator think they were good authorities on that subject?

Mr. O'MAHONEY. Oh, no, I do not. and the reason why I do not is that in this very same Standard Oil case Justice Minton overruled those same gentlemen with respect to their cease-and-desist order.

Mr. KEFAUVER. The Senator relies upon the Department of Justice, which never has been for the Robinson-Patman Act, in the first place. Mr. Bergson testified against it before the House committee. Even the Department of Justice, which has been quoted so appreciatively here this afternoon, says that section 3 of the conference report, as amended, does do something. Let me read what the Department of Justice said:

Section 3, on the other hand, permits the "good faith" defense, within the limits prescribed and except in the case of freight absorption referred to in section 2, in the absence of a combination, conspiracy or collusive agreement; or any monopolistic, oppressive, deceptive or fraudulent practice.

Mr. O'MAHONEY. That is exactly the same as the present Robinson-Patman Act.

Mr. KEFAUVER. The present Robinson-Patman Act refers, not to the high-sounding words which have been in the Sherman Act all the time; it refers specifically to the matter of whether good faith is a defense or not. The Senator is ruling out the good-faith defense except in the case of a lot of things which are already covered by the Sherman Act.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ASSISTANT TO THE ATTORNEY GENERAL,
Washington, April 13, 1950.

Hon. ESTES KEFAUVER,
Committee on the Judiciary,
United States Senate,
Washington, D. C.

MY DEAR SENATOR KEFAUVER: This acknowledges your letter to the Attorney General dated April 6, 1950, with reference to our January 13 letter to Senator HERBERT R. O'CONOR concerning S. 1008, as reported by the conference, in which we expressed the view that the good-faith provisions of section 2 of that bill are somewhat inconsistent with the provisions of section 3. You inquire whether the Department has or has not any objection to this contradiction as such, apart from legislative policy as to the merits of the provisions of the bill.

As we interpret section 2 of S. 1008, it precludes the good-faith defense where a price discrimination in the form of freight absorption is established, if the effect of such absorption would be such that its effect upon competition will be to substantially lessen competition.

Section 3, on the other hand, permits the good-faith defense, within the limits prescribed and except in the case of freight absorption referred to in section 2, in the absence of a combination, conspiracy, or collusive agreement; or any monopolistic, oppresive, deceptive, or fraudulent practice.

So interpreted, it is our opinion that sections 2 and 3 do not contradict each other, but that they are somewhat inconsistent in that section 2 limits the good-faith defense where discrimination is based upon freight absorption, whereas section 3 makes good faith an absolute defense, subject to the qualifications heretofore noted, in all other discrimination cases brought under the Clayton Act. As we pointed out in our letter to Senator O'CONOR, however, we believe that the enactment of this exception with respect to freight absorption is a matter of legislative policy for the Congress to determine. Accordingly, although we have never urged the necessity or desirability of legislation with respect to pricing practices, we have no objection to the enactment of sections 2 and 3 in their present form.

Yours sincerely,

PEYTON FORD,
The Assistant to the Attorney General.

Mr. O'MAHONEY. Mr. President, let me add one word in response to the Senator from Tennessee.

When all is said and done, what we are seeking to do is to interpret the language of the law and to determine to what extent the law has been or would be changed.

I will say to the Senator from Tennessee that when on the 1st of June last this bill was before the Senate, and the Senator raised the question that perhaps the bill as it was written would

have the effect of weakening the Robinson-Patman Act, I agreed to an amendment which the Senator offered. I say to the Senator that when he reads the Robinson-Patman Act and reads the conference report, he will find that the conferees have brought back to the Senate a provision which is just as strong as the present Robinson-Patman Act.

Mr. KEFAUVER. Mr. President, the act provides that unless it will substantially lessen competition, there is not discrimination. It is one thing that has a definite legislative history.

Mr. O'MAHONEY. That is not in the Robinson-Patman Act section with which we are dealing.

Mr. KEFAUVER. The Robinson-Patman Act provides that there is not discrimination unless it lessens competition. That is one thing. The Senator has sanctioned the striking out of that protection, which is really the essence of the Robinson-Patman Act, and substituting a lot of oratory. It does not even deal with the same subject matter, and does not do anything but bring about a repeal of the Robinson-Patman Act, and I am sure the Senator must know that.

Mr. O'MAHONEY. Oh, Mr. President, I know we have no patience with oratory when it goes against us, but when it is our oratory, then we like it.

Let me say to the Senator from Louisiana, who questioned me a moment ago about the old Sherman Act, that it just comes to my mind that the phrase, "or any monopolistic, oppressive, deceptive, or fraudulent practice" is an addition both to the Sherman law and to the Robinson-Patman Act. There is nothing in the Robinson-Patman Act about monopolistic, deceptive practices.

Mr. LONG. The Senator knows that the Robinson-Patman Act did not attempt to repeal the Sherman Act.

Mr. O'MAHONEY. The Department of Justice has brought cases under the Robinson-Patman Act.

Mr. LONG. The Senator will recall that in the debate when this matter first came up, and he accepted the Kefauver amendment, he admitted that without the Kefauver amendment the bill would change the Robinson-Patman Act, and that it would have the effect of permitting discriminations made in good faith which could injure small-business people; and he admitted at that time that it would have the effect of reversing the Standard Oil Co. of Indiana case.

Mr. O'MAHONEY. I was fearful that it would, but I say that in the form in which it has been brought to us by the conferees the report does not reverse the Standard Oil Co. of Indiana case. It does not. That I offer as my opinion.

Mr. LONG. The Senator contends that this language, which has already been the law, which has been the law for 60 years, would have the effect of saving the provisions of the Robinson-Patman Act. Since that is already the law, what good would it do to reenact the same words?

Mr. O'MAHONEY. Mr. President, I think we are playing with words. The Senator from Louisiana well knows that in the discussions which took place prior to the conferences, both the conference last year and the conference this year, I made no bones about the fact that I would be perfectly happy to have section 3 eliminated from the bill. There is no question about that.

Mr. LONG. We would all feel much better if section 3 were not in the bill.

Mr. O'MAHONEY. What I am saying to the Senator now is that neither he nor any lawyer in the Federal Trade Commission or in the Department of Justice, or representing any retail dealers, whether they are dealers in oil or dealers in drugs, need have any fear about section 3 of this bill, as it has been brought in by the conferees.

Mr. KEFAUVER. Does the Senator put his judgment ahead of that of every member of the Federal Trade Commission except one, and the head of the Department of Justice, and of the representative of the Standard Oil Co., as well as the representatives of small-business groups?

Mr. O'MAHONEY. Mr. President, I submit that is a rhetorical question which needs no answer. I submit my judgment for what it is worth. I reach my judgments in good faith, if I may use the phrase which the Senator seems to denounce. I reach my conclusions upon the merits and the facts as I see them, and I defend them here upon the floor by quoting the language of the law, and nobody, whether he be on the Commission, or in the employ of the Standard Oil Co., or whether he be a Member of the United States Senate, can read the language in section 2 (b) of the Robinson-Patman Act as it now exists, and as it is proposed to be amended by the conference report, and declare logically that it makes good faith an absolute defense.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Michigan.

Mr. FERGUSON. I should like to have the distinguished Senator interpret what is meant by Mr. Peyton Ford in his letter of January 15, 1950, when, on the second page, he says:

> We have no objection to the enactment of sections 2 and 3 in their present form.

The letter to the distinguished Senator from Tennessee of April 13, 1950, written by Mr. Peyton Ford was placed in the RECORD as contradicting Mr. Ford's previous opinion. I should like to have the Senator's comment on the two letters in order that the RECORD may be clear.

Mr. O'MAHONEY. I have not read the second letter.

Mr. FERGUSON. The second letter seems to be contradictory of the first. I should like to have the Senator's opinion on the matter. I think it would make the RECORD clear.

Mr. O'MAHONEY. The letter is addressed to our friend the senior Senator from Tennessee [Mr. KEFAUVER]. The first paragraph is not significant. I read the second:

> As we interpret section 2 of S. 1008, it precludes the "good faith defense"—

This is with respect to section 2——

Mr. FERGUSON. Yes.

Mr. O'MAHONEY. I continue to read:

> where a price discrimination in the form of freight absorption is established, if the effect of such absorption "would be such that its effect upon competition will be to substantially lessen competition."

That is with reference to section 3.

> Section 2—

Says Mr. Ford—

> on the other hand, permits the good-faith defense, within the limits prescribed, and except in the case of freight absorption referred to in section 2, in the absence of a combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.
>
> So interpreted—

He continues—

> it is our opinion that sections 2 and 3 do not contradict each other, but that they are somewhat inconsistent in that section 2 limits the good-faith defense where discrimination is based upon freight absorption.

Mr. President, I may say to the Senator that so far as I had anything to do with drafting the bill and urging its form upon the conferees, I deliberately intended that where freight absorption was concerned we should make the law as strong as possible because I did not want to see anything in the law that would revive the systematic basing-point system. That is why section 2 was printed the way it is; why the amendment was placed in the bill.

But with respect to section 3, when one reads section 2 (b) of the Clayton Act, which is a part of the Robinson-Patman Act, and when one reads the amendment to it in section 3, one finds that as the bill passed the Senate, by the adoption of the amendment "(other than a discrimination which will substantially lessen competition)," it went further than the Robinson-Patman Act, and resulted in saying, "while a good-faith discrimination may be rebutted or it may be justified, it may not be." In other words, they said, "Yes or no." The conferees were confronted with that problem. The section would have been completely incapable of construction. So the conferees did an intelligent piece of work. They removed the ambiguity by changing the position of the amendment designed to maintain the antitrust laws. They placed the amendment at the end. So now we have exactly the situation with respect to price discrimination that we had before.

I was perfectly willing to make this clarification so far as freight absorption or the basing-point system is concerned, quite clear and rigid, so that we would not be running the danger of legalizing a practice which has been an instrumentality of monopolistic operation.

But with respect to good faith discrimination in prices, I felt, and so accepted what the conferees did, that we should not write into the law any language that would increase the confusion.

It must be borne in mind, Mr. President—and I say this to the Senator from Michigan—that there has long been a controversy as to whether or not the antitrust laws should protect what is known as soft competition. There is a

difference between hard competition and soft competition. This can be explained by a reference to the Miller-Tydings Act, which was sponsored by the retail druggists. The retail druggists organized for the amendment of the antitrust law so as to make lawful resale price maintenance which before that time was not lawful. I received a letter from one of the officials of the National Retail Druggists saying, "Why Senator, you surprise us. You have been a lifelong defender of the antitrust laws, and now you are undertaking to pull the foundation from under us." But that is precisely what the druggists did when they wanted to have resale price maintenance so that they could have soft competition.

When we came to write the report on the TNEC, I did not vote to repeal the Miller-Tydings Act. It was recommended by the Federal Trade Commission. It was recommended by some of the very same gentlemen who have been condemning the measure now before us. But I went along with the druggists because I said I recognized the fact that they were small-business men and that they probably were driven to the resale-price-maintenance device because they were in the hands of great national manufacturers. So I was quite willing that that should be done.

Mr. President, if we are to protect competition in the United States, if we are to preserve competition, then we certainly should not leave the statute law in such a condition that honest businessmen would be driven to the conclusion that they were violating the law if they actually were engaging in competition and sold their goods at prices to enable them to compete with somebody else.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I had desired to yield the floor.

Mr. LONG. I have a few questions I should like to ask the Senator.

Mr. O'MAHONEY. Pardon me for a moment. May I ask the Senator from Maryland [Mr. O'CONOR] what his plan is with respect to procedure? Are we going to recess tonight until tomorrow?

Mr. O'CONOR. Mr. President, the acting majority leader can answer that question.

Mr. MYERS. I will say it is the purpose to recess as soon as the Senator from Wyoming has completed his statement.

Mr. O'MAHONEY. I have finished my statement. I am kept on my feet only by reason of questions which are asked me.

Mr. FERGUSON. Mr. President, will the Senator yield for one more question?

Mr. O'MAHONEY. I yield.

Mr. FERGUSON. Would the Senator say, then, that the letter of January 13 and the letter of April 13, both written by Mr. Ford, are not inconsistent?

Mr. O'MAHONEY. No; they are not inconsistent. But what was in the mind of Mr. Ford when he wrote the letter was the dispute with respect to——

Mr. FERGUSON. Sections 2 and 3.

Mr. O'MAHONEY. Yes. I have explained why that difference exists. Then he also had in mind the difference between hard and soft competition.

Mr. FERGUSON. Mr. Ford ends his letter of April 13, 1950, by saying:

> We have no objection to the enactment of sections 2 and 3 in their present form.

Mr. O'MAHONEY. That is exactly the statement he made in the letter he wrote to the Senator from Maryland [Mr. O'CONOR]. He had no objection provided amendment was made in the definition contained in section 4 D, and that was made by the conferees.

Mr. FERGUSON. That was made.

Mr. O'MAHONEY. Yes.

Mr. LONG. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. LONG. The Senator accepted on the floor the Kefauver amendment to section 3.

Mr. O'MAHONEY. Yes.

Mr. LONG. The Carroll amendment attempted to accomplish the same purpose, except that it was more carefully considered and worked out. I ask the Senator whether he personally objects to the Carroll amendment being included? In other words, would he object to the words "(if the discrimination is not such that its effect upon competition may be that prohibited by this section)"?

Mr. O'MAHONEY. I accepted the amendment offered by the Senator from Tennessee, which reads as follows: "(other than a discrimination which will substantially lessen competition)."

I attribute to the word "will" a degree of proof; that it should not be a mere guess, but that it should be based upon a judgment as to reasonable probability; in other words, that the Federal Trade Commission could say, "It is obvious that this will do it", just as Mr. Justice Minton said in the Standard Oil case that the evidence showed that that was clearly the effect.

But when the bill went to the House, the Representative from Colorado caused the word "will" to be stricken out and the word "may" to be inserted. Of course, the word "may" is as broad as a barn door. In the Moss case—the Senator may be familiar with it—one of the circuit courts said, with respect to good faith, that all that was necessary, practically, was a finding of discrimination by the Federal Trade Commission, and then the defendant was out.

That is not what the Standard Oil case does.

I assure the Senator, on the basis of all the attention I have given to the antitrust laws over a long period of time, that in my judgment, for whatever it may be worth, no small business in the United States need fear the adoption of this conference report; but, more than that, it will be beneficial to small businesses all over the United States, and it will create the possibility for new competition with big business.

Mr. LONG. Mr. President, I take it, then, that the Senator from Wyoming means that he objects to the language—

> if the discrimination is not such that its effect upon competition may be that prohibited by this section.

Mr. O'MAHONEY. That is not in this clause of the Robinson-Patman Act as it now exists; it is not there.

So when we put it in there, if we do, the effect will be just as I have said to the Senator from Michigan it will be—namely, that we will be saying, "Yes, the defendant may make a showing of good faith, he may introduce evidence; but then, again, it will not do him any good; it will be merely a nullity."

If the Senator wants to read the law, I will show him exactly the section.

Mr. LONG. I was trying to get a categorical answer to the question, does the Senator object to leaving in the bill the words the House put in, namely—

> if the discrimination is not such that its effect may be that prohibited by this section.

Mr. O'MAHONEY. Yes, because I think it broadens the law and makes the law incapable of understanding; and, because I think it is of such great importance to have the businessmen of the United States know that freight absorption and delivered prices are not a violation of the law, I believe we should not pay attention to what I think are fantastic criticisms of section 2 of this act.

Mr. LONG. Actually, section 3 says nothing about freight absorption; does it?

Mr. O'MAHONEY. No. There is the Robinson-Patman Act, however.

Mr. LONG. But actually, section 3 says nothing about freight absorption; does it?

Mr. O'MAHONEY. I agree.

Mr. LONG. The Senator has stated, so far as section 3 is concerned, that we might just as well not have it.

Mr. O'MAHONEY. I was ready to have it thrown out. The Senator and I are in agreement about that.

But I am saying to the Senator and to all others who will listen and to all who will read, that the conferees did a whale of a good job when they brought section 3 back on the floor. They brought it back in a form which will do no injury to small business, but will do a great deal of good.

Mr. LONG. Let me quote from the act the Senator kindly showed me. Section 2 (a), as amended by the Robinson-Patman Act, at present reads:

> That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality——

Mr. O'MAHONEY. That is still the law; it is not affected by this conference report.

Mr. LONG. I read further:

> where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be—

I repeat the last words "may be"——

Mr. O'MAHONEY. That is correct.

Mr. LONG. And then I continue to read:

substantially to lessen competition or tend to create a monopoly in any line of commerce—

And once again the words "may be" refer to this—

or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination—

I pause at that point. The words "may be" are there used. The Senator from Wyoming says the words "may be" are as wide as a barn door; but those words are the words of the Robinson-Patman Act.

Mr. O'MAHONEY. Of course, and they are the words of the first part of the conference report.

The point I am making to the Senator is that they were misplaced when, by the action of the Senate and the House, they were inserted into the proviso with respect to good faith, because they are not in that proviso in the Robinson-Patman Act.

If the Senator will only glance over my shoulder, I will point out to him how the conferees have brought the words "may be" back into section 2 (b):

(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price—

Listen—

the effect of which upon competition may be that prohibited by the preceding subsection.

So all in the world that the Federal Trade Commission has to do is to enforce the Robinson-Patman Act as it is now written.

However, its hand is strengthened by the proviso inserted at the end of the section by the conferees, with respect to—

any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

Mr. LONG. Is it not true that the words "may be" are used in the beginning of the section, but then later in section 3 it is stated in the proviso that the seller may justify the discrimination by showing good faith. The Carroll amendment limited the good faith defense where a substantial injury to competition may result.

Mr. O'MAHONEY. When that was done, my friends, the Representative from Colorado [Mr. CARROLL] and the Senator from Tennessee [Mr. KEFAUVER], were trying to gild the lily. We are accepting the words of Senator Robinson and Representative PATMAN; we take their interpretation of good faith, and here it is.

Mr. LONG. The Senator from Wyoming does not by any means think that Representative PATMAN approves of the argument the Senator from Wyoming is making here today, does he?

Mr. O'MAHONEY. No, I do not think he does, because I have not had an opportunity to discuss it with him as I have with the Senator from Louisiana, and I feel that the Senator from Louisiana has been at least somewhat mollified in his criticism of this provision.

Mr. LONG. Does the Senator feel that the ruling which Judge Minton handed down and the reasoning Judge Minton used in the Standard Oil Co. of Indiana case in the Court of Appeals would still be the law if this act as now proposed were in effect?

Mr. O'MAHONEY. I do.

Mr. LONG. The Senator realizes, does he not, that Mr. Bergson testified that would not be the case?

Mr. O'MAHONEY. The Senator is asking me to compare my opinion with that of Mr. Bergson. Let me explain how I reached my opinion. Here I quote the words of Judge Minton in the Standard Oil Co. case:

We agree with the Commission that the showing of the petitioner that it made the discriminatory price in good faith to meet competition is not controlling in view of the very substantial evidence that its discrimination was used to affect and lessen competition at the retail level.

That paragraph, word for word, could be written in interpretation of the conference report.

Mr. O'CONOR. Mr. President, it is apparent that there would be a clearer understanding of this matter if there were printed the bill as reported by the House, embodying the amendments, and with it the conference report. Therefore I ask that that may be done. The Parliamentarian, in a very able manner, has already written it up. If that is done, I think it would make for the best understanding, and I so request.

The PRESIDING OFFICER. That is a very admirable suggestion, and without objection, it is so ordered.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. O'CONOR. I yield.

Mr. FERGUSON. I wish to ask the Senator from Maryland, for the purpose of creating a legislative history, which would be advisory to the Federal Trade Commission, a question about the language of the conference report as it has been reported to the Senate. Does the Senator from Maryland adopt the argument and the reasoning of the distinguished Senator from Wyoming on this conference report?

Mr. O'CONOR. I am very happy to answer that question, and to say unqualifiedly yes, I do. The reasoning, so very eloquently presented by the able senior Senator from Wyoming, is exactly in accord with the thinking of the conferees as expressed during the conference. I know of no one who is better able to present it than the able Senator from Wyoming, or one who has been so vitally interested in this subject matter for many years.

Mr. WILLIAMS. Mr. President——

Mr. O'CONOR. I yield to the Senator from Delaware.

Mr. WILLIAMS. I am attempting to get the floor in my own right.

Mr. LONG. Mr. President, may I ask the Senator from Maryland one or two questions which I could not ask him at the time he was speaking?

The PRESIDING OFFICER. Does the Senator from Maryland yield?

Mr. O'CONOR. I yield.

Mr. WILLIAMS. Mr. President——

Mr. THYE. Mr. President, I am very grateful to the Senator from Maryland and to the Senator from Wyoming for the splendid explanation of the conference report they have given to the Senate this afternoon. It has certainly helped me, and I know it should help all who have had a grave concern about the effect of the proposed measure.

Mr. O'MAHONEY. The Senator is very kind.

Mr. O'CONOR. I am very grateful to the Senator.

Mr. LONG rose.

The PRESIDING OFFICER. Does the Senator from Louisiana rise to address the Chair?

Mr. LONG. Mr. President, I ask unanimous consent that, immediately after the Senator from Delaware makes his presentation, I may ask the distinguished Senator from Maryland a few questions with regard to the conference report.

Mr. BRIDGES. Mr. President——

Mr. LONG. After the Senator from Delaware has concluded, and also the Senator from Nevada, I should like to ask a few more questions.

The PRESIDING OFFICER. And also the Senator from New Hampshire?

Mr. BRIDGES. Mr. President, I have been trying to get the floor, and I object, unless the Senator includes me.

Mr. LONG rose.

The PRESIDING OFFICER. Does the Senator from Louisiana rise to address the Chair?

Mr. LONG. The request has been objected to.

Mr. WILLIAMS, Mr. MALONE, and Mr. BRIDGES addressed the Chair.

The PRESIDING OFFICER. The Chair believes if the Senator from Louisiana were to address the Chair, he would address the Chair on a subject relating to that which has been under discussion, whereas, as the Chair understands, the Senators from New Hampshire and Delaware wish to discuss certain other matters. The Chair first wishes to find out whether the Senator from Louisiana is rising to address the Chair.

Mr. LONG. Mr. President, I will not address the Chair at this time.

Mr. BRIDGES. Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. MALONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nevada?

Mr. BRIDGES. I yield, provided I do not thereby lose my right to the floor.

Mr. MALONE and Mr. WILLIAMS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield, and if so, to whom?

Mr. BRIDGES. I yield first to the Senator from Nevada.

THE LEE CASE

Mr. MALONE. Mr. President, I ask unanimous consent that the distin-

guished Senator from New Hampshire may yield to me without his losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. Mr. President, pages 7444 to 7447 of the CONGRESSIONAL RECORD of May 22 make very interesting reading. The junior Senator from Nevada offered a resolution some time ago for an investigation of Mr. Michael Lee, of the Department of Commerce. On the pages mentioned, there are quotations from the testimony of Mr. Larsen, a former employee of the State Department, later connected with Amerasia, as I understand, also connected with Mr. Lee and with Mr. Jaffe. In that connection, speaking of the time when the arrests were made—which includes the arrest of Mr. Larsen—he says:

I discovered—

Mr. Larsen talking—

he—

Mr. Lee—

was one of the closest contacts to Jaffe. When Jaffe came down he spent most of his time with him.

Mr. President, I ask unanimous consent to have inserted in the RECORD an excerpt from the testimony of Mr. Larsen.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Mr. CHELF. He was trying to mold the thinking of the fellows in the State Department, the War Department, and other key spots in the Government.

Mr. LARSEN. I cannot imagine otherwise.

Mr. FELLOWS. He was accomplishing it in a degree.

Mr. LARSEN. I think he was in some agencies. Over in the FEA, they were very much affected over there. One of those analysts, Michael Lee, a Jewish boy, whose name was originally Lieberman—I knew him when he was a young kid in Manchuria; he took Chinese citizenship and called himself Lee. Later he came to the United States, became an American citizen. He denies he was a Communist. He was always very close to them.

At the time when the arrests were made, I discovered he was one of the closest contacts to Jaffe. When Jaffe came down he spent most of his time with him.

Where do you suppose he got the FEA material? He certainly has his contacts. He got volumes of material. (CONGRESSIONAL RECORD, p. 7445.)

* * * * *

(Larsen again testifying about another visit of Jaffe to Washington and a talk he had with him:

(Senator M. What was Larsen?

(Mr. STEEL. He was one of those arrested in Amerasia case and apparently most famous one of lot and he pleaded no defense and fined $500 as I remember.)

Mr. LARSEN. He did not state what he was getting from them. He said to me, "I am meeting Michael Lee this afternoon. I want to get from him the story of whether T. V. Sung raised 200,000,000 men." That was strictly a confidential Government affair, you might say. I did not know whether that was secret or whether it had been published in the papers or not." (CONGRESSIONAL RECORD, p. 7445.)

XCVI——483

AUDIT OF RECONSTRUCTION FINANCE CORPORATION

Mr. WILLIAMS. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield to the Senator from Delaware on condition that I do not thereby prejudice my right to the floor.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the Senator from New Hampshire may yield to me without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I have just finished reading the report (H. Doc. 468, February 13, 1950) submitted by the Comptroller General relative to the audit of the Reconstruction Finance Corporation and its subsidiaries for the 2-year period ended June 30, 1947.

We all knew that this Corporation was under serious criticism for its wartime operations, but we had been led to believe that its accounting and lending policies were vastly improved. However, in reading this most recent report for the 2-year period following the war I am amazed at the irresponsible manner in which the Directors of this Corporation have been making loans involving millions of dollars.

Once again in this report we read what is becoming a habitual phrase of the Comptroller General, found in the audit reports of many of these corporations:

Our examination was impeded by major deficiencies in accounting and internal control * * *. The deficiencies are of such significance and materiality that we are unable to express the opinion that the financial statements accompanying this report make a fair presentation of the financial position of Reconstruction Finance Corporation and its subsidiaries.

What is even worse, we are told that the books of the Corporation are in such deplorable condition that the Comptroller General has as yet been unable to submit to Congress his audited reports for the fiscal years 1948 and 1949, both of which are overdue.

The reports which have been received by Congress contain glaring examples of unsound loans involving millions of dollars being made to corporations which have little or no assets. In commenting on certain of these loans the Comptroller General said that his review of certain specific loans led him not only to question whether the loans were reasonably of such sound value or so secure as to warrant the RFC's risking public funds, but he even went so far as to question their legal authority to make such loans.

The Comptroller General has been consistently calling the attention of the Congress to the fact that this Corporation has been grossly mismanaged. As a result of the many criticisms made, a committee of the United States Senate is at this time in the process of investigating the affairs of this lending agency. While it is hoped that this committee will fully explore the operations of this Corporation for the past several years, we cannot in the meantime overlook the fact that the time has come when mere criticism of Government corporations is not enough. They should be followed by more positive action.

Nearly 5 years have elapsed since Congress passed the Byrd-Butler Act of 1945—Public Law 4, Seventy-ninth Congress—which specified that each of these Government corporations submit to the Congress not later than January 15 of each year an audited report of their transactions for the preceding fiscal year ending June 30.

Here we have another instance in which that provision of the law has been deliberately ignored. We as Members of Congress have no direct knowledge as to the present condition of the books of this Corporation, nor do we know how its affairs have been conducted during the past 2 years.

We hear persistent rumors that officials of this giant lending agency are obtaining high-salaried jobs with corporations which had been favored with large loans. Rumors are also circulating to the effect that these hard-pressed corporations are obtaining their loans only after the payment of exorbitant attorney fees. These rumors cannot be ignored any longer.

Under these circumstances I urgently recommend that the committee which is now in the process of investigating the affairs of this Corporation take the following steps:

First. It should demand the audited reports of this Corporation for the fiscal years 1948 and 1949, both of which are long overdue.

Second. It should give serious consideration to legislation which will prohibit an official of the RFC from obtaining a job under a period of at least 2 years with any corporation which had borrowed money from this lending agency.

Third. Assuming that the lending power of this Corporation is to be continued, it should consider legislation which would either place a ceiling upon the fees which could be paid by the borrowers or require every recipient of a loan from the RFC to file a record of the amount of fees paid for assistance in obtaining the loan.

Fourth. It should consider suspending all further loans in excess of $250,000 until such time as the audited books of this Corporation for the back years 1948 and 1949 have been submitted to Congress.

As one Member of the Senate, I am becoming impatient with the apparent lack of recognition on the part of the officials of Government corporations of their responsibility to render an accurate accounting to the American people for the money which flows through their hands.

The time has come when Congress should serve notice on the officials of this Corporation and all other Government corporations that they must either render an immediate accounting or be removed from office. If it is found that the decisions of these officials with reference to the loans have been influenced

by the prospect of their own personal gain, they should be prosecuted.

I thank the Senator from New Hampshire for having yielded.

NECESSITY FOR INVESTIGATION OF SECURITY RISKS EMPLOYED BY THE UNITED STATES GOVERNMENT IN EUROPE

Mr. BRIDGES. Mr. President, I have been reading with considerable interest a State Department publication entitled "Postwar Foreign Policy Preparation, 1939–45." It is a rather lengthy volume of some seven-hundred-odd pages. In glancing through the index I find 22 references to Alger Hiss as an architect of our postwar foreign policy. There are nine such references to Julian Wadleigh. Of course, these index references do not prove anything, but they made me think.

I have been thinking about the blind policy which we pursued in Germany. Postwar planning, indeed. We would have been better off if we had had no plan at all.

I got to thinking about the origin of our blindness in Germany and the Morgenthau plan—so-called—came to mind. There is no very direct reference to the Morgenthau plan in postwar foreign policy preparation. So I asked one of my staff to call the State Department and ask that agency to point out wherein this plan was discussed. My staff member reported that he was informed that the Morgenthau plan was presented to President Roosevelt at the Quebec Conference in August 1944 without any processing by the Department.

My staff member also received another curious bit of intelligence. The State Department official stated that the Department believed that Harry Dexter White was the brain behind the Morgenthau plan. I have often heard that Harry Dexter White was the author of this infamous plan which later became the official policy of this Nation for occupying Germany.

I do not know whether or not Harry Dexter White was a soviet spy. I know that one person, namely Elizabeth Bentley, admitted Communist espionage courier, said under oath that he was. I know that the Russian Politburo could scarcely have conceived a more outrageous proposal for rekindling German nationalism.

I recalled also—in this nightmare of retrospection—our demand for the unconditional surrender of Germany. This was set forth by the council of foreign ministers meeting at Moscow on November 1, 1943. Who advanced the idea of unconditional surrender? We all know what resulted from it. Germany fought on without hope, blindly obedient to Hitler's mad passion.

Who knows how many American boys died without reason because we insisted on unconditional surrender?

Who knows how much American treasure was expended without reason because we insisted on unconditional surrender?

Who knows why we insisted on unconditional surrender?

Was it Stalin who made the deal for unconditional surrender?

Was it Churchill? Was it Roosevelt? Or was it one of these nameless advisers who play such a prominent part in making our policy?

I believe it is apparent to most people that unconditional surrender was not in the best interests of the United States.

Then I thought back to the secret agreements at Yalta, those secret agreements which stopped our armies at the Elbe River; that kept our armies from maintaining a corridor to Berlin. I have been thinking of this appeasement of Stalin in Europe. Why did we do it? Why did the United States wantonly dissipate all advantages in Europe?

Why was it necessary to maintain the Berlin airlift—an operation so spectacular that it diverted the attention of the world from Asia, just as the Politburo meant that it should?

Do such things just happen? Are we so inept in our relations with other nations? Or do we plan it that way?

I thought of our attitude on dismantling. Long after our basic approach to peace in Europe was clearly resulting in another scramble for balance of power, we continued to dismantle German production.

Long after it became apparent that we needed Germany in the defense of western Europe we continued to alienate the Germans.

Let us review this matter. Let us take a new look.

The new isolationists have a new angle. They seek to isolate this Nation as the only effective resistance against world communism. They have done their work well.

Frankly, I am troubled to think of some of the personnel connected with making our plans and the field force which implements them.

I am not going to take the time of the Senate today, Mr. President, to discuss this matter in detail. I could name a great many persons who have been employed by our Government in Europe. Many of them have been named before.

But there is one case which is of particular interest because the voice behind the iron curtain is using it. This man's case troubles me. It is the case of George Shaw Wheeler. He had quite a record at the public trough. From 1934 to 1938 he was an economist for the NLRB. Apparently he got in on the ground floor in the New Deal. From 1938 to 1942 he was employed by the Wage and Hour Division of the Department of Labor. From 1942 until 1944 he was with WPB, BEW, and finally with the FEA, the Foreign Economic Administration. At the end of 1944 he held a rank comparable to colonel as the FEA representative on the Military Control Board in London.

From 1945 until 1947 he was in the AMG, and, of course, he had a title. He was Chief of the Denazification Branch of the Manpower Division. Later he was Chief of the Labor Supply Branch of the Manpower Division.

Now I do not know what Wheeler was. I can tell the Senate what he is. But I thought Senators might be interested in some of his history as a Government employee.

On January 2, 1945, the Civil Service Commission ruled he was ineligible for Government employment and gave as a reason "doubtful loyalty." The CSC, apparently, was in error on this ruling. A Lt. Col. David A. Morse, Wheeler's superior and an officer attached to the Allied Control Commission, accepted full responsibiilty for his loyalty and kept him at his work. Wheeler appealed his case to a man named W. T. Stone, Chief of the FEA office in London. Ten months later, in October 1945, Wheeler was afforded a hearing before a CSC review board as the result of his appeal.

Wheeler must have been a fair-haired boy at FEA, for that agency assigned Lucian Hilmer, a Government attorney, to defend him. Wheeler was found suitable for employment after this hearing, apparently as the result of the testimony of David A. Morse.

In 1947 Representative DONDERO brought Wheeler's case to light, and his duties with the Government terminated, when he resigned. Since 1947 Wheeler has lived in Prague, behind the iron curtain. In April of 1950, last month, he issued a statement in Prague. It has been widely used as Soviet propaganda.

Listen to what Wheeler, the man who has never been adjudged disloyal to America, has to say.

I have here a photostatic copy of the Prague News Letter of April 14, 1950. This is obviously a propaganda sheet printed in English. Now the Soviets are openly making use of George Shaw Wheeler. He is credited with issuing a lengthy statement which is the featured article in this edition. The editorial comment on his statement is headed "The mask of peace and charity stripped off the warmongers."

Mr. President, I ask unanimous consent that the Prague News Letter of April 14, 1950, be printed in the RECORD at the conclusion of my remarks, as a part of this speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BRIDGES. Mr. President, the editorial points out that Wheeler's statement is a protest against the gangsterism of American occupation authorities in Germany.

I want to read some excerpts from this statement by a former policy-making official of this Government. He recalls how the American Government sent him to London in 1944 so that he would be poised to enter Germany behind the victorious armies as the head of the denazification branch and policy chief for the labor office in the American zone. He reports how he endeavored to carry out official American policy, but how he was hamstrung by various persons whom he identifies as secret agents of Wall Street or the Vatican. After denouncing these individuals, Wheeler's statement set forth as follows:

My activity in carrying out official American policy encountered constantly greater obstacles which grew out of the initiation of the cold war by Wall Street and the American warmongers.

Then he goes on to tell how his loyalty was questioned in 1945. He says the basis for the loyalty charge was that he associated with Negroes on an equal social basis and exhibited a favorable attitude toward democratic and anti-Fascist organizations. That is the Communist language for Communist organizations. They are always democratic and anti-Fascist.

Wheeler's statement goes on. He is bitterly critical of the Marshall plan. He calls it a plan to enslave the workers of Europe. The Atlantic Pact is an evidence of American imperialism, Wheeler says. Point 4 is called a fraudulent act which will provide a way of murdering hundreds and thousands of fighters for freedom.

Then Wheeler takes on the Voice of America. He tells how ashamed he is when he hears the lies and slander about Russia and the peoples' democracies. "Peoples' democracy" is the Communist word for a satellite state. The Voice of America likewise lies about America, according to Wheeler, formerly a trusted official. Wheeler points out he knows the lies are lies because the American way of life is in reality to be found in large city slums, among southern sharecroppers and farmers driven from their homesteads.

Wheeler winds up with these statements: "I declare before the world that I condemn and repudiate the war policy of American imperialism." Then he says, "I ask the Czechoslovak Government to grant asylum to me and my family and to give me the possibility of offering our training and knowledge to the world fight for peace."

I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, the editorial and statement of George Shaw Wheeler.

There is an interesting two-paragraph item which appears at the end of Wheeler's statement. The headline is, "Prague USIS Officials Resign." This article states that Ivan El-Bul and Ruzena Soumarova, officials of the United States Information Service in Prague, have resigned in support of Wheeler's declaration.

I ask unanimous consent to have this item appear in the RECORD as a part of my remarks.

Now this is very interesting, very thought-provoking. Who are these people that found Wheeler to be suitable for employment as a policy maker in Germany? Who rushed him to London so he would be poised to head denazification procedures in Germany? Who is David A. Morse, the man who championed Wheeler before a loyalty board? Who were Wheeler's unseen friends? Are they still in the Government? Do they, like chess players, still move policy makers? Who was the El-Bul who resigned a position with the Government in Prague last month in support of Wheeler?

Now if Wheeler was employed by our Government—there were others of his ilk. It is as logical as night following day. There are reports that such people are still employed to represent your Government and my Government in Europe.

A subcommittee of the Commitee on Foreign Relations, consisting of two Senators, has left for Europe to look into subversives in the employ of the Government. They are the distinguished Senator from Rhode Island [Mr. GREEN] and the distinguished Senator from Massachusetts [Mr. LODGE]. I think that a thoroughgoing investigation by this subcommittee will uncover other traitors like Wheeler and his two stooges in the USIS. I hope the subcommittee will get the facts. They have picked a fertile field for their inquiry, and I hope they will find the answers to my questions. The American people have the same questions. They share the same hope.

EXHIBIT 1

THE MASK OF PEACE AND CHARITY STRIPPED OFF THE WARMONGERS

The most deadly weapon in the hands of the imperialist instigators of war, all this century, has been their ability to disguise war as peace, to hide their preparations of new massacres behind a mask of Christian charity and love of mankind.

Today the incendiaries are losing control of this weapon too. As the camp of peace grows daily in might, the American war chiefs are scathed by exposure after exposure of their real aims. War appears as war, peace as peace.

In Czechoslovakia—prime target among the people's democracies for the warmongers' offensive of lies and provocation—the past fortnight has been especially disillusioning for the American deceivers and self-deceivers, and rich in lessons for the Czechoslovak and all other peoples. The trial of the Abbots and other monk-spies ripped away the pious concealment from the face of the Vatican-CIC plot against peace and democracy, while the depositions made by the 58 kidnapped Czechoslovak citizens on their return to Prague from Munich laid bare the Gestapo face of real American policy in Germany and Europe. No longer is it possible for honest men and women, anywhere in the world, to allow themselves to be taken in by the evil cant about the defense of democracy, western civilization, and all the rest with which the war gang camouflages its preparations for mass terror and murder against the peoples.

In protest against the gangsterism of the American occupation authorities in Germany, the former head of the denazification branch for the labor offices in the American zone, Mr. George S. Wheeler issued the statement which we publish in full below. Mr. Wheeler declares that he "has cast up accounts, and has compared the America of Wall Street, Truman, and Acheson with Czechoslovakia's earnest efforts to build a planned economy of prosperity for the people and to strengthen the front of peace, and wishes to place himself proudly in the camp of peace and progress." George Wheeler's statement is a damning indictment, by an authoritative witness, of the American program of war against the Soviet Union and the peoples of the world with the aid and support of the German Nazi exterminators.

GEORGE S. WHEELER'S STATEMENT ON UNITED STATES POLICY

(The immediate reason for this statement is to protest against the brutal and unlawful treatment by the American occupation authorities in western Germany of the 58 Czechoslovak citizens who had been kidnapped in a carefully planned and typically gangster plot and flown over the borders of their country. This incident is for me the culmination of a whole chain of experiences which I had with the American military government in Germany. Their efforts never were aimed at uprooting the remnants of Gestapo and Nazi methods in Germany. On the contrary they themselves took these methods over and in this spirit are educating their men, and as proved by the events at the Erding airfield, the pupils do not lag behind their teachers.)

During the war I was employed as an economist in the United States War Department. In 1944 the United States Government sent me to London as a principal economist with the assimilated rank of colonel in order to be ready immediately after the liberation of Berlin for my job as head of the denazification branch and policy chief for the labor offices in the American zone of Germany. The official instructions which I received were to eliminate Nazis from leading positions and replace them with anti-Fascists. In this job I was to cooperate with the chiefs of other branches as well as with the other occupation powers.

I took those instructions very seriously, just as a great number of my coworkers did in the beginning. However, I soon met with opposition from those officials who were sent into the administration with other purposes than to carry out the policy agreed upon by the powers at Potsdam. These officials were the representatives of international cartels and trusts as for instance a certain colonel stationed in London in charge of the Economic Division of the United State Military Government who owned a fortune in shares of the Opel Works in Germany.

It is obvious therefore that conflicts would arise in our policy regarding postwar Germany. These conflicts began immediately after our arrival in Berlin.

SECRET AGREEMENTS

Even while looking at the fresh marks of the bitter fight of the Red Army for Berlin, and face to face with their terrific sacrifices which the liberation of mankind from fascism had demanded, a business representative remarked: "To bad we did not go on to Moscow and finish the job." These words took me by surprise, but I soon realized that he had expressed the real character of American policy, a character which was contrary to that set out in the official instructions. This real policy was carried out by such men as Robert Murphy, the representative of the State Department and the unofficial representative of the Vatican in Germany, and by General Draper, vice president of the notorious legal firm, Dillon, Read & Co., representing the interests of Wall Street. Draper's partner is John Foster Dulles, brother of the infamous Allen Dulles, Chief of the Office of Strategic Services espionage organization in Switzerland, who during the war was notorious for his cooperation with leading Nazis. They all followed in the same concealed way the true aim of their policy during, as well as after, the war. Bowing to the influence of world public opinion and rightly afraid of the resistance not only of the Soviet Union, but also of the French, British, and American people, and finally of the people in Germany itself, they came to secret agreements with the big German industrialists regarding the future policies in Germany. In conferences at that time attended only by the representatives of British capital, Great Britain was forced to agree, under the threat of stopping further dollar loans, not to demand the nationalization of the steel industry in the Ruhr.

In the same way as Great Britain, also the officials of the United States occupation authorities came under this pressure and were compelled to carry on their policy unconditionally. So, for instance, Draper insisted that former Nazi managers remain in leading positions in industrial enterprises. The State Department similarly insisted that Reinhold Maier become the Minister President of Wuerttemberg-Baden, although

I offered documentary proof that as a member of the Reichstag he voted to give Hitler dictatorial power.

NAZIS IN LEADING POSTS

In my function as policy chief of the labor offices in the American zone in Germany I had at my disposal the complete files of all the members of the NSDAP, SS, Gestapo, and other Nazi organizations. However, in the placing of men in responsible positions, I was asked not to carry out the original instructions but to follow the orders of the American Intelligence Service and place members of Nazi organizations, although the files revealed their post, into these positions. Their rich experience which they gained in the Sonderkommando, in the occupied countries, were now useful for the planned remilitarization of Germany and especially for building up an espionage basis against the Soviet Union and the countries of the people's democracies. The order given by the Army chiefs, according to which thousands of able-bodied Germans were to be diverted from reconstruction to enlarging for B–29 bombers military airports near Fuerstenfeldbruck, followed similar aims. This was a further step toward the building of new military bases aimed against the Soviet Union.

Thus, as early as the beginning of 1946 I could see clearly that the Potsdam agreement actually did not exist any longer for official American circles—and that they did not intend to implement it. This realization was soon confirmed when Louis Wiesner, a State Department underling, told me "the Potsdam agreement no longer represents State Department policy, but it is not yet time to admit it."

LOYALTY BOARDS

My activity in carrying out official American policy encountered constantly greater obstacles which grew out of the initiation of the cold war by Wall Street and the American warmongers. In 1945 I was called before the Loyalty Board of the United States Civil Service Commission and accused of associating with Negroes on an equal social basis and of a favorable attitude toward democratic and anti-Fascist organizations. In the next year, 1946, I was called before a loyalty board of the United States Military Government and accused of trying to carry out a "Communist policy" in Germany—that is to say, of refusing to carry out the policy of Murphy, Draper, and others. Finally I was called before a military board again to account for my activities in 1947. Although I fully justified my performance in all cases and was cleared, I was later dismissed with no reason given.

So I had the opportunity of feeling personally how the constantly stressed "real American democracy" actually works. The word "democracy" when used by warmongers and aspirants to world domination is only a rude profanation of this expression. I had a chance to see the disgusting hypocrisy and decaying society of Wall Street, the kind of society where friendships are corrupted and the only purpose or aim is personal interest and profit seeking. Today I see this hypocrisy much more clearly than I saw it at that time.

One of the greatest frauds in American policy is the Marshall plan, officially announced as aid to a Europe disorganized by war. But how does this aid appear in reality? It appears as the destruction of industry in the Marshallized countries, the ruining of their markets, the impoverishment of millions of workers, the constantly rising unemployment and constantly falling living standards of the people under the political control of governments appointed and run by Wall Street.

ATLANTIC PACT

Or let us take the Atlantic Pact—the so-called defense pact—instrument of peace, as America tries to present it to world public opinion. What is it actually? An aggressive pact against the Soviet Union and the people's democracies, by means of which aggressive military bases are to be built around these countries. Under this pact American imperialism furnishes war materials to the coerced member countries and in this way destroys their heavy industry and insures a market for the American war industries. The Atlantic Pact gives Americans the "legal" possibility of interfering in the internal affairs of the member countries—Wall Street's servants—against their own people in case they resist the Americanized governmental policy.

Another fraudulent act of American monopoly capital is the so-called aid to backward countries. This "unselfish" aid is in fact nothing but another means of inhuman exploitation of the peace-loving colonial and semicolonial peoples and a means for the murdering of hundreds and thousands of fighters for freedom against their oppressors. Within the framework of this murderous plan of American imperialism the Truman doctrine emerged, aid afforded to Greece, an aid which resulted in the murdering of thousands and thousands of heroic Greek fighters against fascism in the monarcho-Fascist concentration camps on the Greek islands, and so on.

NOT VOICE OF MY AMERICA

These are the main pillars of the plans of American imperialists for world domination.

I must in this connection also mention another instrument of American policy serving the same aims. I have in mind the enormous United States espionage apparatus.

How ashamed I felt when I faced the people who were being so hospitable to me, when espionage plots of the American embassies came to light, whether it was the Rajk or Kostov trials or whether it was the espionage activity of the American diplomats in Prague. To the bottom of my soul I feel ashamed of the crude lies and slanders about events and conditions in Czechoslovakia broadcast by the "Voice of America," the voice of their America but not the voice of my America nor that of all honest Americans. I feel ashamed of all the unbelievable lies and slanders which are being produced by the American embassies and the official information services. Again I feel ashamed of lies about the so-called American way of life spread by the American information service. This American way of life I know better than the characterless servants of the State Department. I know well the American way of life in the slums of Chicago, New York, in the workers' and Negro district of the American cities; I know the poverty of farmers driven from their homesteads, I know the poverty of seasonal workers looking in vain for work. I know well the poverty and the inhuman life of the Negro workers in the South. I know these things from my own experience and from official documents. The propagators of the American way of life do not know them or do not want to know them and that is the reason why such documents of actual life in the United States of America never appear in the display windows of the United States Information Service on Národni Trida.

MURDER AND SLANDER

In all those activities the CIC—the official Counter-Intelligence Corps of the American Army—plays an important part. The powers of the CIC are no secret. In fact it is a criminal organization which does not stop short of using any means employing for its dirty work murderers and Gestapo agents and in order to hide these facts tries to put on a mysterious face.

Finally a significant position in this society is also occupied by my colleagues—American journalists. I had time enough and opportunity to watch their ways and methods of work and I also met many of them personally. Their aim and ideals are not to inform the American reader objectively about conditions in Czechoslovakia. Their ideals are dollars for which they are willing, even at the cost of losing all human dignity, to invent and to spread the meanest lies. In vain I looked for the smallest spark of character and conscience. How would you judge a journalist who was given an unbelievably slanderous story by the American Embassy in Prague and when asked whether he had checked up on this story replied, "Why should I try to check this story and risk finding it not true and then have no story at all? Better send it out and get paid for it and send a correction afterward if necessary."

I FOUND REAL DEMOCRACY

I came to Czechoslovakia in November 1947, to study and get to know the structure of a planned economy in a country which in respect to its advanced industrial development most closely resembles my own country. I came to know Czechoslovakia well, I became acquainted with her people, her endeavors and difficulties, her constructive efforts. And it was in Czechoslovakia that I also got to know real democracy.

Today I am casting up accounts—comparing an America of Wall Street, Truman, and Acheson, war mongers and atomic gangsters, with the earnest efforts of Czechoslovakia to strengthen the peace front. I compare the economic development in the capitalist countries with that in the countries which have a planned economy.

I declare before the world that I condemn and repudiate the war policy of American imperialism.

I want to have nothing in common with the gestapo methods of the executors of American policy and with their "face to the wall" techniques as used in Erding, nor with the policy from which these methods arise. I place myself proudly in the camp of peace and progress.

I ask the Czechoslovak Government to grant asylum to me and to my family and to give me the possibility of offering our training and knowledge to the world fight for peace.

PRAGUE USIS OFFICIALS RESIGN

Ivan Elbl and Ruzena Soumarová, officials of the United States Information Service in Prague, have resigned their posts in support of Mr. George Wheeler's statement on United States policy.

The Wheeler declarations, Elbl states, rid him of his last shred of illusion about the method and aims of American foreign policy. Elbl went to work with USIS 3 years ago under the belief that its aim was to strengthen United States-Czechoslovak cultural relations. All he saw of the Prague office, however, convinced him that the USIS served purely disruptive and hostile aims against Czechoslovakia.

EXECUTIVE SESSION

Mr. MYERS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there are no reports of committees, the Executive Calendar is in order.

Mr. MYERS. Mr. President, I ask unanimous consent that the treaties be passed over and that the Senate proceed to consider the nominations on the calendar, which are routine.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the nominations.

UNITED STATES COAST GUARD

The legislative clerk proceeded to read sundry nominations in the United States Coast Guard.

Mr. MYERS. Mr. President, I ask unanimous consent that the nominations in the United States Coast Guard be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of Alfred C. Holmes to be an ensign in the Coast and Geodetic Survey.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BRIDGES. Mr. President, there are so few Senators in the Chamber at the present time——

Mr. MYERS. These are routine nominations, and under our standing agreement we are not asking that the President be notified. Therefore, they will stand open until the next executive session.

Mr. BRIDGES. Very well.

RECESS

Mr. MYERS. Mr. President, as in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 26, 1950, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 25 (legislative day of March 29), 1950:

IN THE NAVY

APPOINTMENTS IN THE NAVY

The nominations of Alice E. Applegate et al., for appointment in the Navy, which were confirmed today, were received by the Senate on May 12, 1950, and appear in full in the Senate proceedings of the Senate for that day, under the caption "Nominations," beginning with the name of Alice E. Applegate, which appears on page 6997, and ending with the name of Joseph H. Benton, which appears on page 7083.

The following-named midshipmen (Aviation) to be ensigns in the Navy from the page 6999.

Albert L. Abdon	Daniel E. Gillis
Warren J. Ackerman	Arthur W. Goudey
Henry G. Bailey	Carl A. Gray
Franklin H. Barker	William A. Gregg IV
Robert J. Basso	Donald F. Guertin
Fred J. Bellar, Jr.	William A. Gureck
Lawrence W. Burns, Jr.	John A. Hershel
	Herbert Q. Himes
Dale E. Campbell	Delbert D. Hofferth
Donald D. Casson	Bruce P. Hoffman
Robert J. Ceremsak	Paul I. Hunter
Robert D. Connolly	Selmer O. Iverson
Phillip L. Dafford	Benjamin F. James, Jr.
Lawrence C. Day	
Robert F. Dreesen	Daniel C. Johnson
Lawrence F. Emigholz	Homer R. Johnson
John O. England	Donald E. Keil
George A. Finke	John W. Kelly
Francis L. Fleming	Bruce R. King, Jr.
Thomas D. Fritsch	Ben P. Kingsbury
Howard E. Furgalack	Darrell F. Kirkpatrick
Thomas R. Galley	Charles P. Lamb, Jr.
Henry C. LaParo	John A. Schaefer
Robert LeR. Lawrence	Harry G. Simmerman
Paul W. Leinbach	Jack D. Sirrine
Arthur H. Leonard, Jr.	Daniel J. Sliwinski
	Jerome W. Smith
William J. Leonard	Robert W. Sommer
Philip A. Lord	Robert S. Stallings
Donald M. Lynam	David O. Story
Timothy J. McMahon	Paul R. Streich
William J. Maier, Jr.	David T. Styles
Russell A. Marcellus	Gerald S. Talley
Billy W. Matthews	John R. Thomson
Phillip A. May	Ronald G. Tinlin
Joseph Meachum	Richard A. Trethric
Robert D. Metzger	Ralph M. Tvede, Jr.
Carl H. Molling	Lawrence T. Vance
Ralph C. Nash, Jr.	William B. Warwick
Robert A. O'Connor, Jr.	Glenn L. Wegner
	Ronald B. West
Valfrid E. Palmer	Donald R. Wilson
Engelbert G. Pezzel	James K. Wilson
William B. Pruitt	Don L. Wuethrich
Abram H. Quackenbush	James C. Youngblood
	Donald R. Zachary
Carmelo C. Restuccia	Charles H. Zilch
Carl W. Rochester	
Roger E. Ruch	

The following-named (Naval Reserve Officers' Training Corps) to be ensigns in the Navy from the 2d day of June 1950:

Roderick E. Jensen
Peter R. Kuhl

Maurice G. Duncan (Naval Reserve Officers' Training Corps) to be an ensign in the Navy from the 2d day of June 1950 in lieu of second lieutenant in the Marine Corps as previously nominated and confirmed.

Peter C. Conglis (civilian college graduate) to be a lieutenant in the Dental Corps of the Navy.

The following-named (civilian college graduates) to be lieutenants (junior grade) in the Dental Corps of the Navy:

Robert E. Austin	William L. Robinhold
Marx R. Budden	Paul E. Zeigler
Frederick J. Finnegan	

"J" T. Walmsley, Jr. (Naval Reserve Officers' Training Corps) to be an ensign in the Supply Corps of the Navy from the 2d day of June 1950 in lieu of ensign in the Supply Corps of the Navy as previously nominated, to correct name.

Philip W. K. Sweet, Jr. (Naval Reserve Officers' Training Corps), to be an ensign in the Navy from the 2d day of June 1950 in lieu of ensign in the Navy as previously nominated and confirmed, to correct name.

UNITED STATES COAST GUARD

To be lieutenants

William Walter Richter
John Andrew Corso
William Henry St. George
George Thomas Treffs
Robert Justice Bloxson

To be lieutenants (junior grade)

Nathaniel Foote Main
Edwin Allen Schmidt
Roger Harry Swain
Robert Daniel Valentine
Edgar Stanley Carlson
Vincent Joseph Mitchell
Richard Taylor Houlette
Andrew Stefan Skucy
Ross Lynn Moore
Walter Edward Johnson
Benjamin Franklin Rush
Thomas Comfort Duncan, Jr.
Adam Stanley Zabinski
William James Brasier

COAST AND GEODETIC SURVEY

Alfred C. Holmes to be an ensign, effective May 25, 1950.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 25, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who art high and holy and who hast respect unto the lowly and the humble, we pray that daily our spirits may be brought into tune with Thy spirit and that our wills may be obedient to Thy divine will, for our wills are ours to make them Thine.

Grant that we may go forth to meet the duties and opportunities of this new day inspired and sustained by an unfaltering faith in Thee, a greater faith in humanity, a stronger faith in the adequacy of our moral and spiritual resources, and a more confident faith in the promise and the assurance that a better day is dawning for ourselves and all mankind.

May our souls be kindled with the enthusiasm of high ideals and with a vision of glorious enterprises and undertakings. Fill us with a longing to gain for others the blessings which we ask and seek for ourselves. May we be mindful of the eternal truth that having received any blessing from Thee makes us debtors to all Thy needy children.

In Christ's name may we give Thee all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

OLD-AGE ASSISTANCE—FEDERAL FINANCIAL AID TO STATES AND COMMUNITIES MAINTAINING RECREATION DAY CENTERS FOR OLDER PERSONS IS URGENTLY NEEDED

Mr. HELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HELLER. Mr. Speaker, the presence in our midst of an increasing proportion of old persons in the population of this Nation is a familiar fact. In 1920, 4.7 percent of the Nation's population consisted of persons 65 years and over. This proportion had risen to 7.4 percent in 1947 and is expected to reach 10.8 percent in 1975, and 13.2 percent in the year 2000.

Today there are about 10,500,000 men and women in this age group. By the year 2000 it is expected that there will be 22,000,000.

Out of ten-million-and-odd men and women above the age of 65, almost 60 percent either depend upon their children or upon the community for support, according to the figures of the Social Security Board. Our aged population has increased tremendously but the services to the aged have not kept up in proportion to the increase. In the city of

New York, for example, where there are more than one-half million people over 65, provision has been made for only some 11,500 in homes for the aged. Hundreds of older people are on waiting lists in many of the homes for the aged, and even if the capacity was doubled by building more and larger institutions, the growing needs of the older persons would still not be met.

Mr. Speaker, a number of experts in the social-welfare field, who view the problems of old age as basically problems of human conservation, have recommended that many of the old-age homes should be turned into nursing homes; that the ambulatory person should be encouraged to remain in the community as long as he possibly can; and that provision should be made for the older person in the community to keep him active and have him participate in community programs. To the extent possible, older persons should be kept away from old-age homes, away from clinics and hospitals, and particularly out of mental institutions where the present admissions of people over 65 are staggering and completely in contradiction to the known facts in the field of gerontology.

The older persons are in urgent need of acceptance, relationship, encouragement, and active participation in the life around them. The establishment and maintenance in the communities of recreation day centers for persons 65 years of age and over is more important for the wholesale development and preservation of their personality than all of the institutions that could be built, without denying the need for them. The cost is negligible and the savings in terms of prolongation of the usefulness of the individual and of releasing pressure from hospital clinics, mental institutions, and homes for the aged are tremendous.

Centers providing recreation facilities for older persons have successfully been maintained in many communities located in such cities as New York, Philadelphia, and Cleveland. Last May, at the annual hobby show for older persons organized by the welfare council of New York City, 1,000 oldsters, 100 of whom were more than 80 years old, participated by exhibiting models, sculptures, paintings, needlecraft, metal works, leathercraft, and a host of other arts and unusual collections. One of the most active of the 45 groups in the show was the William Hodson Community Center. Located in the Bronx of the city of New York, it is the oldest of six similar centers now operated jointly by the city department of welfare, settlement houses, churches, welfare agencies, and other local neighborhood groups. It was started in 1943 by the welfare department, which realized the need of older persons for some activity to replace the loss of the workday.

Originally open only a few hours each day, the center now operates from 9 a. m. to 5 p. m. daily, and on Saturday afternoons, when the program is devoted to movies and dancing. The members administer the center's activities through self-government. During the week they paint, work at arts and crafts, visit—which is a major activity—edit their mimeographed magazine, and plan their monthly birthday parties and entertainments. In addition to a birthday party, each member also gets a birthday card, often the first such remembrance that many have received in years. The members also prepare coffee, tea, and cake, which are served at noon each day. Some bring sandwiches for their noonday lunch, but others prefer to eat a late breakfast so that they can spend their entire day at the center. The center also has a visiting committee, which calls on members who are sick at home or who are hospitalized. Sickness rates, however, are unusually low for such an advanced age group.

The building that houses the center is old and crowded. It is poorly furnished, in need of redecoration, and contains a minimum of equipment. The total budget is less than $20,000 a year. But shining out of the drab surroundings are the faces and spirits of the members who are gay and happy, for they have found companionship in a place that is their own. Many say that since coming to the center they are really enjoying the best years of their lives.

Although a person need be only 60 years old to join the center, most members are in their seventies or eighties, with many in their nineties. The average membership age is 74. There are 450 active members, most of whom visit the center several times weekly, and many of whom come daily. What the center means to its members was expressed by a 93-year-old former telegrapher, who had been living in a furnished room for several years and visiting the center daily. About a year ago he was moved to an old-age home, the authorities of which permit him to go to the center only once a week. He said: "Now I spend my week just looking forward to Monday and a chance to see my friends. The other days of the week I have nothing to do but sit."

From their experience at the Hodson and other centers, Raymond Hilliard, New York City commissioner of welfare, and his staff, believe the problems of the aged can best be met by recipients of old-age assistance living in boarding homes and rooms, and attending day community centers. They point out that such a system is not only more economical, but that it gives the aged persons the advantages of group activity and companionship. The Hodson Community Center has demonstrated that with such programs the need for hospitalization and nursing care can be reduced, dependency lessened, and the aged person can continue to live a useful, dignified, and self-respecting life. For example, despite the large number of aged persons who are committed to mental hospitals, in the 6-year history of the Hodson center during which they had more than 700 members, not a single member has ever been admitted to such an institution. City welfare officials contend that recreation and group activity are just as essential to the older person as food, clothing, and shelter. With its preventive aspects, the Hodson center not only saves lives, but dollars. It adds life to the years as well as years to life.

In Philadelphia where recreation projects have been in effect since 1943 and where some 1,534 people over 65 years of age met almost every week in 42 recreation clubs in 1948, experience showed that fear and shame of being old can change to pride through happy group experiences. In a group, older people tend to be tolerant, cooperative, patient, mellow, appreciative, while many of their negative attitudes, practiced as individuals, tend to disappear. The death rate among club members in their seventies and eighties seemed unexpectedly low. They seemed to live longer with something pleasant to look forward to, with new friends and a new social life. They undertook new pursuits of happiness with enthusiasm and satisfaction. Many of them learned new attitudes as well as new hobbies, which often offered the oldsters a chance to realize some cherished dream.

"Why waste money on the old folks? They are going to die soon anyway." This statement reflects an attitude quite prevalent until recently and not yet banished completely from the thinking of substantial numbers of our people. The brutal idea that the elderly are economic liabilities and should be treated like antiquated machinery—discarded, junked, undeserving of any substantial outlays to extend their usefulness—must be obliterated from our social conscience. Unless society takes effective and prompt steps now to open up new opportunities for our elderly, we shall see a mighty upsurge of panacea clubs such as the Townsend plan and the "ham and eggs," which threatened to sweep the country during the depression, and we shall be inviting demagogs to ride to power on the frail backs of the elderly.

Among the healthy and infirm, the poor and the wealthy, the secure and the insecure, old age without occupation is not only tedious but dangerous. Our constant urge to keep busy, which is shared by young and old alike, can be met to a great extent through recreation and social contacts. The elderly need the satisfaction that comes from doing things, and from meeting people who have similar interests and problems. Physicians inform us that many an oldster has died before his time simply because he became bored "killing time," could not bear idleness, and found no reason to live. The aging need recreation just as much as younger folks do to keep their lives from shriveling up and to keep them mentally and physically active.

Mr. Speaker, recreation centers for old folks will, in my considered judgment, prove a life-saving program. In order to encourage the establishment and maintenance of these centers in every American community, financial assistance from the Federal Government is urgently needed now. Recreational programs for the elderly are now under way in many cities in New York State, in Los Angeles, in Minneapolis, in Detroit, and in St. Petersburg, Fla. The adoption by the Federal Government of a policy of subsidizing these wholesome community ef-

forts to provide adequate recreation centers for older persons will fulfill the great American tradition—a chance to be free human beings, living with dignity and respect.

I am therefore today introducing a bill which has for its purpose the implementation of these programs instituted in the several States, calling upon the Federal Government to provide financial assistance in establishing and maintaining recreation day centers for older persons. This bill calls for an appropriation of $5,000,000 to assist the States in this worthy undertaking. I hope it will have the approval of the committee to which it is referred, and that it will eventually pass this House.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the Subcommittee on Wildlife and Fisheries of the Committee on Merchant Marine and Fisheries may sit during general debate today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

ADJOURNMENT OVER

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next, and that when the House adjourns on Monday next it adjourn to meet on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMUNISTS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, when the majority whip this morning asked permission for a subcommittee to sit while the House is in session and discuss wildlife, I wondered whether he was going to have them consider these wildlife people, Communists in America. The Congressmen predicted more spy arrests in Government, since they got this man Harry Gold over in Philadelphia. I also wondered whether the President is going to talk about drawing more red herrings across the path of these investigations. He certainly is hindering the work of catching them. Certainly when we find that the Communists have been working in this country as they have, we ought to get the aid and assistance of the President of the United States. He should be out leading the fight against these Communists instead of drawing red herrings across the path of the committees who try to work to eliminate the Communists in our country. This is getting to be a serious thing. There is a gentleman who used to work on the Committee on Un-American Activities, the gentleman from Mississippi [Mr. RANKIN], he did a good job on that committee, but they took him off because he was too zealous in his work. I hope the Committee on Un-American Activities, all committees, all Members of Congress help rid ourselves of such people. They are dangerous to our form of government. We spend $150,000 a year for the Un-American Activities Committee to trace them here in America, money well spent. You spend three billion to rid them in other countries, money poorly spent, why? Because we are meddling in too many countries and telling them how to run their governments, or trying to buy them out. Poor business for them and worse for us.

THE KANSAS CITY VOTE FRAUDS

Mr. HUGH D. SCOTT, JR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HUGH D. SCOTT, JR. Mr. Speaker, in just 3 days the criminals who broke into the Kansas City courthouse to steal and destroy the evidence of vote frauds of the 1946 elections will go free on a technicality. The 3 years' statute of limitations under which these political criminals could have been prosecuted runs out Sunday.

It was in 1946 that President Truman personally ordered the purge of Representative Slaughter, of Missouri, who had opposed the man in the White House.

Only powerful influences could have blocked a complete prosecution of the theft of the vote-fraud evidence.

Crimes much more involved, and with much less political significance, have been easily solved and the guilty brought to justice. I think it is time that the President made another report to the people. I ask you, Mr. President, why the Department of Justice has not ordered any arrests in the theft of the vote-fraud evidence? I ask you, Mr. President, to make public the FBI report in this Kansas City case.

What happened in Kansas City was a crime against the very basis of our form of government—free and honest elections. This crime took place in Missouri, the home of the President.

Could it be that the Truman administration and its Pendergast cronies in Kansas City do not dare to take the handcuffs off the FBI and tell the Department of Justice to prosecute this case without fear or favor?

It is up to you, Mr. President, you have just three more days.

LEGISLATIVE PROGRAM

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire from the acting majority leader as to the program for next week.

Mr. PRIEST. Mr. Speaker, permission has already been granted that when the House adjourns today it will adjourn to meet on Monday next. There is no legislative program for Monday and when the House meets on Monday, according to the unanimous-consent request which I made a few minutes ago, it will adjourn from Monday to Wednesday. On Wednesday, as previously agreed to, it will be in order for the Speaker to declare a recess for the purpose of permitting the Members to go to the Congressional Library to hear Secretary of State Acheson. I believe the time for the conference in the Congressional Library is 12:30 p. m. There will be no legislative business on Wednesday.

There is no legislative business for Thursday, Friday, and Saturday, except that at any time after Wednesday conference reports may be called up.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RICH. Mr. Speaker, I wonder whether Secretary Acheson is going to tell us how many promises he has made to these foreign countries to bail them out and take care of them and send them billions of dollars to protect them when we ought to be looking after America. If he is going to do that, I will go over to hear him.

EXTENSION OF REMARKS

Mr. LANE asked and was given permission to extend his remarks and to include a statement he made before the Committee for Reciprocity Information.

Mrs. ST. GEORGE (at the request of Mr. REED of New York) was given permission to extend her remarks and include a newspaper article.

Mr. SPENCE asked and was given permission to extend his remarks and include an editorial appearing in the Louisville Courier-Journal.

Mr. WALSH asked and was given permission to extend his remarks and include two editorials.

Mr. TAURIELLO asked and was given permission to extend his remarks and include an editorial from the Saturday Evening Post.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks.

Mr. HOPE asked and was given permission to extend his remarks and include an address by Wheeler MacMillen.

Mr. BROOKS asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. MANSFIELD asked and was given permission to extend his remarks and include a newspaper article on the services of Hon. J. HARDIN PETERSON, of Florida.

Mr. ADDONIZIO asked and was given permission to extend his remarks and include a resolution.

BALTIMORE-WASHINGTON PARKWAY

Mr. WHITTINGTON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further

consideration of the bill (H. R. 5990) to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5990, with Mr. HUBER in the chair.

The Clerk read the title of the bill.

Mr. WHITTINGTON. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. GARMATZ].

Mr. GARMATZ. Mr. Chairman, anyone who has ever traveled Route 1 from Washington to Baltimore knows what traffic conditions are like on that road. The traffic problem on Route 1 is unique, as it is the main entrance to the Nation's Capital from the northeastern section of the country. Therefore, the legislation covered in H. R. 5990 must not be considered as an improvement to a Maryland road for the benefit of the State of Maryland, but as the development of an important line in the eastern coast traffic—in interstate traffic.

This project was initiated by the Government and the route from Jessups to the District line was chosen by the Government, so that the road could serve the Federal installations in that area, namely, Fort Meade, the District of Columbia Training School, the Patuxent Wildlife Refuge, the Beltsville Research Center of the Department of Agriculture, and the town of Greenbelt.

Furthermore, it was intended and still is, as a national-defense road to connect Fort Meade and the above installations with Washington.

The State of Maryland has begun work on the section from Jessups to Baltimore, as its share of the work on this highway to the Nation's Capital, on the assumption that the Federal Government would complete its portion. Eight miles have been completed and the remaining 5 miles will be completed by the end of 1952. Unless the Government keeps faith with the State and completes the section from Jessups to the District, the project will be of no value.

Maryland's portion of the work is costing $14,680,000.

To facilitate the flow of traffic through Baltimore to the North, authority has been granted to construct a bridge over the mouth of the Patapsco River and the mouth of the Baltimore Harbor. The Chesapeake Bay bridge is now under construction, and when it is completed, the State will build a bridge or tunnel, either over or under, the Patapsco River and make the connection from the Baltimore-Washington expressway to the Philadelphia road. Furthermore, the city of Baltimore has appropriated $20,000,000 for the first leg of a highway bypassing Baltimore.

The present route linking the North to the capital is one of the most heavily traveled and most dangerous highways in the country. Approximately 40,000 vehicles a day use this route. It has one of the highest accident and fatality rates of any comparable highway in the country, due largely to the many intersecting roads and the development of stores, private homes and businesses along it's entire length.

In 1949, 38 persons were killed and 739 injured on that brief stretch of road from the Baltimore City line to the District line. Over 11 percent of the persons killed in Maryland and 11 percent of the persons injured in Maryland last year, were killed or injured on a 29-mile section of that road, an extremely small segment of Maryland's interstate road system of 16,000 miles. Most of the persons killed and most of the cars involved in these accidents, were from out of the State.

During the first 4 months of this year, there were 317 accidents on this road. One hundred and seventy persons were injured and 13 were killed.

The new road would supplement the present route, greatly relieve the traffic congestion and provide a through way for north and south traffic to or through Washington.

This bill has been reported favorably by the Secretary of Commerce, the Secretary of the Interior, the National Capital Park and Planning Commission, and the Bureau of the Budget, and I strongly urge its adoption by the House.

Mr. RICH. Will this road be so designed that there will not be crossroads? Will it be a through highway?

Mr. GARMATZ. It will be an expressway; that is right.

Mr. RICH. And the Federal Government is being asked to pay only $14,000,000?

Mr. GARMATZ. No; the State of Maryland has spent approximately $14,860,000 as its share.

Mr. RICH. Is the city of Baltimore going to see that the highway goes across the city?

Mr. GARMATZ. The Baltimore City Council has passed enabling legislation to start the first leg of the expressway through Baltimore city. There will be two branches to the highway; provision for the first one was passed by the city council approximately 2 weeks ago for taking the expressway through the city.

Mr. RICH. Does the gentleman believe that the city of Baltimore will construct a through-way across the city to enable traffic on this boulevard to get to the northern section of the country?

Mr. GARMATZ. There is no question about that. As I say, provision for the first leg has been passed by the city council and the money appropriated, and the work started.

Mr. RICH. What will the cost of this project be to the Federal Government?

Mr. GARMATZ. I believe $3,000,000.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. McGREGOR. Mr. Chairman, I yield 1 minute to the gentleman from Maryland.

Mr. RICH. It seems to me there is nothing more important than a highway between Washington and the North, through Baltimore to Philadelphia and New York, so constructed as to avoid the hazards now existing on Route 1.

Mr. GARMATZ. There are two plans; one the city council has already approved, an expressway through the city; the other proposed plan is a tunnel under the harbor that will eventually bypass the city of Baltimore and connect with the Philadelphia road.

Mr. RICH. I would say to the State of Maryland that if they would construct a superhighway, a toll road between the District of Columbia and Gettysburg they would be accomplishing great good not only for the State of Maryland but for people traveling the highway. I do not know any place where another highway similar to the Pennsylvania Turnpike could be constructed that would yield greater benefits to the traveling public.

Mr. GARMATZ. The gentleman from Maryland [Mr. BEALL] can answer for the Gettysburg road.

Mr. McGREGOR. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. BEALL].

Mr. BEALL. Mr. Chairman, I want first to answer the gentleman from Pennsylvania [Mr. RICH] and tell him that about 2 weeks ago the Maryland State Roads Commission had a meeting at Gettysburg, Pa., with the Pennsylvania Highway Commission. There it was decided that plans would be prepared by the Maryland Commission and submitted to the Pennsylvania Commission with the thought in mind of building a toll road from Washington to Gettysburg.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BEALL. Gladly.

Mr. RICH. If such a road could be constructed it would be of great benefit not only to the State of Maryland but to the country. Furthermore, the State of Maryland would not be out any money. People who use that highway would gladly pay toll to travel a highway that did not have a milion curves and that was not subject to the present dangers of that highway.

Mr. BEALL. I certainly agree with the gentleman from Pennsylvania. I personally have long advocated it as a member of the Maryland State Roads Commission. It would be a self-liquidating project.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BEALL. I yield.

Mr. WHITE of Idaho. Would it not be a great idea for the public to build roads of this sort and the people using the roads pay for them? Let us have toll gates and toll houses all over the roads of the country with thousands of individuals employed to collect fees from people using the roads. It would be a great development all over the United States. We got away from that sort of thing in the Colonial and Revolutionary days. Now the gentleman wants to go back to it.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BEALL. I yield.

Mr. RICH. I may say to the gentleman from Idaho that if there is anybody pigheaded enough to think we ought to go back to such backwoods methods, he just is all wrong. We are not going back to any such backwoods philosophy. We have a fine system of free public high-

ways. Anybody who wants to use the toll highways does so through preference, not compulsion. A fine toll road between here and Gettysburg would be used by the people out of preference, and it would not cost the people of this country anything. We will balance the budget, and we will not do what the gentleman from Idaho fears. The gentleman from Idaho thinks that some people in this country are just so dumb that they do not know what they are talking about.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield for me to reply to the gentleman from Pennsylvania?

Mr. BEALL. I yield.

Mr. WHITE of Idaho. As to whether what I asked is a pigheaded policy, I am willing to leave to the judgment of the House and the people who read the CONGRESSIONAL RECORD; I will leave it to them as to who is advocating the most pigheaded plan, and I want the phrase "pigheaded" left in the RECORD.

Mr. RICH. Do not worry about my taking it out.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. BEALL. I yield to the gentleman from New York.

Mr. COLE of New York. I want to confirm the statement made by the gentleman from New York with reference to the hazards existing on the highway between here and the great national shrine at Gettysburg, and I share his view in urging that something be done to correct that situation. I do have a suggestion to make, although I appreciate that the gentleman represents only one end of the highway. When we go to the airport to take off on a flight there are some boxes out there. I suggest to the gentleman that he give consideration to the idea that there might be installed some boxes at either end of this hazardous highway similar to what we have at the airports. When any passenger wants to take off on a flight he can buy life insurance in varying amounts for 25 cents, 50 cents, or $1. It might be well to give consideration to installing machines like that so a person traveling that highway might spend 25 cents, 50 cents, or $1, and make certain that while we will not be protected our heirs will.

Mr. BEALL. In answer to the gentleman from New York, may I say that we have long felt the need for a new road. We are well aware of the hazards that exist on that road.

We have been told that the Maryland State Road Commission would have built the road from Washington to Baltimore if it had not waited for the Bureau of Public Roads and the other Government agencies that wanted to build the road through Government property, namely Fort Meade, Beltsville, and other Government reservations. But the war came on and this program has been held up some 5 years.

Mr. COLE of New York. In fairness to the two States involved in this highway between Washington and Gettysburg I think I should say that with respect to the roads in the State of Pennsylvania I have encountered no hazards whatever.

Mr. BEALL. If we are through with the Gettysburg-Washington road, which we hope will come in due time, I would like to say in connection with this road that the State of Maryland is helping the Government. Maryland is actually helping the Government build a road to the Government's own reservations and Government-owned property.

I hope this legislation will be passed in order that we can get this road started and completed at an early date.

Mr. WHITTINGTON. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. SASSCER].

Mr. SASSCER. Mr. Chairman, as the author of this bill and as the Representative of the district through which this road runs, naturally I am interested in its passage, but in considering it today we must embrace within our deliberations the national aspects of this road. The gentleman from Maryland [Mr. GARMATZ] has outlined the vast Government territory through which this road passes. He has referred to the number of accidents that have occurred upon Route No. 1. The gentleman from Maryland [Mr. FALLON] will call to your attention additional reasons why the bill should be passed. My esteemed colleague on the minority side, the gentleman from Maryland [Mr. BEALL], former member of the State Roads Commission, has expressed to the House the urgent need of this project.

I will, therefore, briefly call to your attention three or four reasons, from the national point of view, why this road should be built. First of all, this section of the road serves Government territory and in addition to that there is the matter of faith involved. Maryland would never have programed this road on the location that has been surveyed had it not been drawn into it by the Federal Government. We would have programed it over a territory that could have been developed, and thus increase the assessable basis for Maryland. Maryland would never have planned a road with a minimum right of way of 1,000 feet running up to 3,000 feet had they not been approached by the Federal Government and asked that this road be built and constructed in this location. As the Federal Government selected the location and programed the engineering, and as Maryland abandoned the location where it would have constructed the road and on the faith of the agreement and at the request of the Federal Government, built the north half of the road down to Fort Meade, we respectfully urge that the construction of the south half through reservations is a Federal obligation and not a pork barrel measure, as was indicated by one of the gentlemen here last week.

Mr. McGREGOR. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am still unable to understand why this less than 19 miles of highway should cost approximately $790,000 a mile—I believe that is the cost of it—especially in view of the fact that there is no land being condemned. Practically every foot of this highway is over Government property. I would like to have someone enlighten me as to why the enormous cost of construction of this roadway.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland.

Mr. FALLON. In answering, I can compare the Maryland section of the road with the Washington section of the road and tell you why the cost is $14,000,000. In addition to acquiring land, the topography of the land makes it necessary to build bridges—several overpasses and several underpasses. The bridges run from one to one and one-half million dollars. The bridge that spans the main line of the Pennsylvania Railroad will cost $1,500,000, and that is only 600 or 700 feet of the railway.

Mr. GROSS. But in the State of Maryland you are acquiring land on which to build this right-of-way.

Mr. FALLON. The gentleman understands that the 12 miles that Maryland is building is costing over $14,000,000.

Mr. GROSS. Your land up in Maryland is level, is it not?

Mr. FALLON. No: in some cases the topography of the land is quite rugged.

Mr. GROSS. I understand the Pennsylvania Turnpike cost $400,000 a mile, on the average, to build.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. The gentleman asked that question the other day, and in my statement I gave him the figure. The Pennsylvania Turnpike is 160 miles long. The Federal Government put up a grant of 45 percent of that amount and the Federal Government loaned the Pennsylvania Turnpike Commission the remaining 55 percent. The cost of that highway was $450,000 per mile. Costs have more than doubled since that highway was constructed, and Pennsylvania today is extending that highway a distance of 90 miles at a cost in excess of over $1,000,000 a mile.

Mr. GROSS. Mr. Chairman, construction of the Pennsylvania Turnpike, for the most part, was through mountains, and the cost must have been far greater than the cost of this highway. I cannot believe that this is anything but an extravagant procedure on the part of the Government to allot $15,000,000 for building less than 19 miles of roadway.

Mr. WHITTINGTON. Mr. Chairman, if the gentleman will yield, instead of being an expensive highway, those of us who were here at the time the turnpike was constructed know that the Pennsylvania Turnpike was constructed in the country, as you know if you have traveled over it, and they used a right-of-way that did not cost very much, that had been planned at one time for the construction of a railroad by Mr. Frick, and they used the tunnels in that area and they got the roadway.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. WHITE of Idaho. If the gentleman will yield, is the gentleman comparing the building of the Pennsylvania turnpike, through that mountainous country, with building a road through this soft, easily-excavated dirt out here in Maryland?

Mr. WHITTINGTON. The gentleman can easily determine that for himself. I suggest he drive out to where the Baltimore-Washington Parkway grading has been completed as it connects with Defense Highway at the District of Columbia line. You will thus see that the country is rugged, and that grading the rugged and broken country is expensive.

Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. FALLON].

Mr. FALLON. Mr. Chairman, H. R. 5990 does just this: It changes the jurisdiction of this proposed highway from Washington to Fort Meade from the Public Roads Administration to the National Park Service. It does one other thing: It limits the cost to complete this highway to $13,000,000.

Many questions have been asked as to why the Federal Government should construct this highway from the District of Columbia into Fort Meade. It has been answered two or three times by previous speakers that this road was initiated by the Federal Government to serve 52 square miles of Government property. As I stated last week, that is only 10 miles less than the area of the whole city of Washington.

The highway was designed in 1942. Two million dollars was appropriated by money that was left over from the NRA. President Roosevelt directed the Public Roads Administration to build a defense highway from Washington into Fort Meade, serving the other Government areas. All the property has been acquired and all the rights-of-way have been acquired from Fort Meade into Washington. A strip a minimum of 400 feet wide has been cleared and 6 miles of it, as I understand, have been drained and graded. The other part of it has not been touched but has been acquired.

One question was, Why should a highway 18 miles in length cost $13,000,000? If the Pennsylvania turnpike cost $450,000 a mile 5 years ago, at today's prices this road could be more conservatively constructed at $13,000,000 than the Pennsylvania turnpike was.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. WHITE of Idaho. I notice a white mark in there. That is not on Government land?

Mr. FALLON. The reason it is not on Government land is that if they tried to take it through Government land it would cost too much to construct, so in some instances Maryland donated the right-of-way and in some instances they had to acquire it from private ownership.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from Pennsylvania.

Mr. RICH. As I understand from what the gentleman said at first, the National Park Service would look after this road. Is this to be maintained by the Government?

Mr. FALLON. It is to be maintained by the Government, because in most part it runs through Government property.

Mr. RICH. Is it going to be something like the road between here and Mount Vernon?

Mr. FALLON. I can tell the gentleman this, that it is going to be one of the most up-to-date and safest highways in the United States.

Maryland has been complimented by the foremost engineers that the part Maryland has already constructed is the safest, and it will be one of the prettiest highways throughout the country. The main reason, however, is not to construct a parkway. There are two reasons for it. One is access to Government property, and the other is to alleviate the traffic on roadway No. 1, where 450 people a year are being maimed and in some years as high as 50 have been killed, almost 1 a week.

Mr. RICH. Is this to be a truck highway as well as a passenger-car highway?

Mr. FALLON. Trucks will not be allowed on the Government end of the highway.

The other end of the highway will be controlled by Maryland State laws.

Mr. Chairman, this highway has been in the Halls of Congress now for 9 years. The present highway between Washington and Baltimore is the most inadequate highway in the country. The thirty-and-some-odd-mile stretch of that highway killed more people than any 30-mile stretch of highway in the United States. In addition to that, there is almost $4,000,000 worth of property damage each year. So you can see that this highway will not only pay off by taking the gruesome details of accidents and deaths out of the daily papers, but will pay off in money saved on property damage.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. RICH. Do you believe that the spending of this $15,000,000 in our own country to help our own people is more important than spending money to build a lot of things in some of these foreign countries which we are doing so much of at the present time?

Mr. FALLON. In answer to the gentleman, I will say our Federal Government is spending more money on roads today, or almost as much money, as was provided for in the general-roads bill which we passed last week.

Mr. RICH. Do you think the Members who voted for that kind of legislation are happy about it?

Mr. McGREGOR. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. HUGH D. SCOTT, JR.].

Mr. HUGH D. SCOTT, JR. Mr. Chairman, I am fully aware of the dangers on the present highway. In the course of this month on my last two trips down here from Philadelphia I have seen accidents both times. The wonder is why Baltimore has not done something about providing an adequate bypass around the city. I do not know of any city or town that has shown less interest in getting its motorists through the town than Baltimore. I think Baltimore is being very backward about this highway problem.

I think the city of Baltimore would be well advised if the city council and shown a little more forethought with its planning rather than to wait until the last 2 weeks to adopt the first step toward a progressive plan to move the traffic around the city.

Another thing which concerns me is this. The Pennsylvania Turnpike is supported by toll receipts; it was begun on that basis. This new Baltimore-Washington highway presents two parallel roads, for future use. Each road will, therefore, have less traffic, at least at the beginning, than the original road carried. It seems to me the motorist could well be given a choice as to whether he wants to use the old road or use the new express road and pay a toll. There is no reason why the Federal Government should bear all of this burden.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. HUGH D. SCOTT, JR. I yield.

Mr. FALLON. I would like to say in answer to the gentleman's statement concerning the backward position of Baltimore in the handling of its traffic problem that I am sure he must have observed that most of the old cities have very much difficulty in handling traffic problems.

Mr. HUGH D. SCOTT, JR. I am aware of that.

Mr. FALLON. Baltimore has done a good job with what they have had in the past. But the future will be different. They are going to spend $20,000,000 to alleviate a condition which will cost up to $50,000,000 a year. The Governor of the State of Maryland made a statement just 2 weeks ago that after the bay bridge is completed, they are going to dig a tunnel under Baltimore Harbor to carry the traffic from the western end of the city to the eastern end, to connect up with the Philadelphia highway which may be completed before this road is completed on this end of the Washington Boulevard.

Mr. HUGH D. SCOTT, JR. I can say to the gentleman that if all the profanity directed by motorists at Baltimore traffic were joined end-to-end they would made a remarkable collection of four-letter words.

Mr. McGREGOR. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I believe my record in Congress will justify the statement that I do not favor spending money which is not absolutely essential and necessary.

I am of the firm conviction that this highway is needed, not only for this area but for the country as a whole.

I want to call to the attention of some of the Members from the far West and the Midwest that the other day we passed a bill which set up a program costing many times the amount of dollars involved in this bill, for forest trails and roads. This bill certainly justifies Members from the far West and Midwest giving it very keen consideration.

In reply to the gentleman from Iowa relative to the cost, in my opinion the cost of this project will compare very favorably with any other highway projects of comparable location and construction. If we break the costs down,

we have approximately $3,000,000 for grading. Between four and a half and five million for bridges. Approximately $3,000,000 for paving. That is a very low figure when you take into consideration the average width of this highway, approximately 700 feet.

Now, the Pennsylvania Turnpike has been referred to. Times have changed since the Pennsylvania Turnpike was constructed. Costs have been multiplied by two or more since that time. If we were constructing these highways in some States we would have a million and a half or $2,000,000 per mile.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. RICH. Just remember this: that the Pennsylvania Turnpike is entirely different from this highway in this way, that it is being built from funds that will eventually be paid back by the people who use it. The taxpayers will continue to spend money to keep up the highway provided for here. That is the great difference.

Mr. McGREGOR. I expect I have traveled that turnpike as much as anyone, and I appreciate it and am always willing to pay that toll, but we must take this into consideration, that we are in the area of our Nation's Capital. This is not a highway for a small group of people. We could category this highway as a defense highway, if you please. We must realize that this is our Nation's Capital. We must make adequate provision for people to get out of this Capital if and when they might need to. Also, there are a great number of workers who will take advantage of this highway.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. GROSS. The gentleman says times have changed since the Pennsylvania Turnpike was constructed. I will say they have. We did not have a $260,000,000,000 debt when that turnpike was built.

Mr. McGREGOR. I will agree with the gentleman's statement.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. WHITE of Idaho. Does the gentleman know who monopolizes all the concessions on the Pennsylvania Turnpike?

Mr. McGREGOR. That does not come under the jurisdiction of this Congress. That was agreed upon by those who had the power to make the agreement. Whether the gentleman was a Member of the Congress or not at that time, I do not know; but if he was, he should have raised that question at that time.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. McGREGOR] has expired.

H. R. 5990—BALTIMORE-WASHINGTON PARKWAY

Mr. WHITTINGTON. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, when the bill was before the House and in the Committee of the Whole House on the State of the Union, I presented the views of the Committee on Public Works and made my presentation of the bill as shown by my remarks in the CONGRESSIONAL RECORD of Monday, May 15, 1950, pages 7044–7045. I endeavored to answer all questions by Members during general debate. I sum up by saying:

First. There is only one highway between Washington and Baltimore. It is No. 1, a four-lane highway, and it is on the interregional system in a thickly populated area especially in the vicinity of Baltimore and Washington. It would cost the Federal Government as best I can ascertain more for its share of widening the said highway with two additional lanes than it will cost the Government to build the parkway under the terms of the bill.

Second. The President by directive as authorized by law allocated $2,000,000 to building the parkway from the District line to Fort Meade, a distance of approximately 18.8 miles with the understanding that the State of Maryland would construct a four-lane divided highway from Fort Meade to Baltimore. This road is under construction, and as is disclosed by the hearings, the estimated cost to the State of Maryland is $14,227,135. Maryland would not have built such an expensive road but for the understanding that the parkway which would be a four-lane divided highway would be constructed by the Federal Government to Washington from Fort Meade.

Third. The limitation on the cost in the pending bill by the Federal Government is $13,000,000 additional, and with the $14,000,000 by the State of Maryland, aggregates $27,000,000. One-half of the $14,000,000 by the State of Maryland is Federal aid funds. Certainly the parkway from Washington to Fort Meade and the highway from Baltimore to Fort Meade is equally as important as an interregional or defense highway, and might well be added to the interregional system. If added, the Federal Government under existing law, and under the Federal Aid Highway Act of 1950 already passed by the House, is authorized to pay three-fourths of the total cost, which would be substantially the Federal cost of the pending bill. Moreover, the pending bill provides for a parkway much more desirable than an ordinary four-lane highway. The public will be benefited thereby. It will be maintained as all other parkways in the District of Columbia and elsewhere are maintained by the United States.

Fourth. The 18.8 miles from the District line has been increased by amendment by adding one-half mile so that the total length is 19.3 miles. The estimated cost, as I have pointed out on April 5, is $680,000 per mile, but if the $2,000,000 already spent is included, the estimated cost is $770,000 per mile. The Pennsylvania Turnpike when constructed some years ago cost $450,000 per mile, and since that time the costs have more than doubled. The turnpike is being extended to Philadelphia today at an estimated cost of $700,000 to $1,000,000 per mile, with no tunnels and in a less rugged country than the original turnpike. The Pennsylvania Turnpike goes through an unsettled area as originally constructed just as the Baltimore-Washington Parkway traverses a rugged and largely unsettled area. It is a difficult country. The two railroads and the existing No. 1 highway took the best and earliest routes.

Fifth. The public convenience will be promoted. It is estimated that 20,000 vehicles will travel the parkway every day as soon as it is opened. The grading will be 56 feet for each roadway, or a total of 112 feet. Bridges are to be planned with a total pavement width of 72 feet. There will be a divided two-lane highway. Each pavement will be 24 feet wide. Room will be left for a third pavement that will undoubtedly be built in the near future.

Sixth. Sixteen bridges are to be built. Two of these are railway grade separations. Three are river crossings, and eleven are grade separations with State and county highways. These bridges will cost approximately $5,270,000. Under existing law the Government pays for all railway grade separations on all Federal-aid highways.

Seventh. Six miles of the parkway have been graded and drained. There are 13.6 miles to be graded and drained. The estimated cost of this work is $3,990,000 or $300,000 per mile. In addition, 5.5 miles of roads consisting of interchanges between the parkway and other public roads will have to be constructed. There are 1.5 miles of State and county roads that will have to be rebuilt. Some 3 miles of local roads will have to relocated. The cost of the parkway, therefore, will be far less than is being paid for similar parkways today in Pennsylvania, and, as I have previously, on May 5, pointed out, in New Jersey.

Eighth. As I have previously pointed out, the bill cannot be regarded as a precedent. It will provide for communication from Washington to Federal installations including Fort Meade, Beltsville, and Greenbelt.

Ninth. The pending bill will provide, without costing the Federal Government nearly as much to widen the existing road, a parkway to facilitate travel between Washington and Baltimore and intervening points without tolls, and at the same time it will relieve congestion between Washington and Baltimore, which is one of the most heavily traveled areas in the United States. It will provide for the United States keeping faith with Maryland. The limitations of the costs of the bill will really result in economy to the Government in its construction.

Under the bill the Baltimore Parkway, with a divided four-lane highway that may be enlarged later, will be constructed, without tolls, at less expense to the Government than widening, strengthening, and straightening the existing No. 1 boulevard from Washington to Baltimore.

There are 16 bridges to be built as I have said; 2 of these are railroad grade separations, 3 are river crossings, and 11 are grade separations with State or county highways. On all Federal aid highways it will be remembered the Federal Government pays the entire costs of railway grade separations no matter the type of highways on which they are

located. The parkway is to promote traffic primarily from Washington to Baltimore via Fort Meade. Like the Pennsylvania Turnpike, it will provide for high rates of speed. There cannot be high rates of speed if there are concessions or filling stations at every mile or so along the parkway. The parkway will be built as other parkways. It will facilitate traffic. The present Baltimore Boulevard retards traffic. Four-lane highways should really be constructed within 10 miles of every large city in the United States. The public will be benefited thereby. Proper access is provided in the parkway. Interchanges between the parkway and other park roads are required. Some county roads must be rebuilt. There will be no precedent for I know of no other similar case where a parkway could be constructed more cheaply than in enlarging an existing defense highway. Such a case has not been brought to the attention of the committee.

Filling stations are not allowed along the parkways in the District of Columbia, nor are they allowed generally except at stated intervals and access points along any parkways whether it be the Pennsylvania Turnpike, the Merritt Highway, or the parkways in the vicinity of New York City. The rights-of-way have already been acquired. The comparative costs of the parkway are less than the cost of parkways in Pennsylvania and, as I have previously pointed out, in New Jersey.

With respect to costs, if the State of Maryland is spending for 12 miles $16,000,000, it does strike me that for 19.3 miles of parkway with other interchange and local roads of about 10 miles, the Federal Government is getting economical construction for a total of $13,000,000, or for approximately $680,000 a mile for the approximately 19.3 miles of parkway, which parkway has a four-lane divided highway with 4 feet of concrete on each side with 12-foot lanes and with total grading of 112 feet wide so as to provide for two additional 12-foot lanes on each side of the divided highway and with rights-of-way from 400 to 1,000 feet. Under this bill the country will be afforded an excellent through highway from Washington to Baltimore at less cost to the Federal Government than the Federal share of widening the existing Highway No. 1.

I emphasize that the Government should keep faith with the agreement made with the State of Maryland in 1942, but I also emphasize that in carrying out the agreement there is an opportunity to provide for a parkway synonymous with a turnpike in the congested area between Washington and Baltimore for the use and benefit of all the people of the United States as they have occasion to travel between these two cities, at less expense to the Federal Government than it would be to widen and enlarge the present Highway No. 1, and thus afford far better facilities for easy and through traffic than if the said highway were widened and enlarged.

As I pointed out on May 15, construction has been begun. A point of order against the appropriations requested by the President to carry on the work would not lie. The pending bill places a ceiling on the amount that may be expended. The pending bill should be passed not only to keep faith with the people of Maryland, but to provide for additional facilities for the American public without discriminating against other parts of the United States inasmuch as the passage of the pending bill, on account of Government reservations through which the parkway extends, will not be a precedent.

The CHAIRMAN. The time of the gentleman from Mississippi has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That hereafter all lands and easements heretofore or hereafter acquired by the United States for the right-of-way for the projected parkway road which is being constructed by the Bureau of Public Roads between Anacostia Park in the District of Columbia and the northern boundary of Fort Meade in the State of Maryland, including any lands required for additional connections to the Maryland road system shall be regarded as an extension of the park system of the District of Columbia and its environs, to be known as the Baltimore-Washington Parkway and it shall be developed, administered, and maintained by the Secretary of the Interior, through the National Park Service, subject to the provisions of the act of Congress approved August 25, 1916 (39 Stat. 535), the provisions of which act, as amended and supplemented, are hereby extended over and made applicable to said parkway, insofar as they are not inconsistent with the provisions of this act.

SEC. 2. The parkway shall be developed, operated, and administered as a limited access road primarily to provide a dignified, protected, safe, and suitable approach for passenger-vehicle traffic to the National Capital and for an uninterrupted means of access between the several Federal establishments adjacent thereto and the seat of government in the District of Columbia. To avoid impairment of this purpose, the Secretary of the Interior, with the concurrence of the Secretary of Commerce, shall control the location, limit the number of access points, and regulate the use of said parkway by various classes or types of vehicles or traffic.

SEC. 3. The Secretary of the Interior in his administration of this parkway is authorized, in his discretion, to accept from private owners, State and local governments, lands, rights-of-way over lands, or other interests in lands adjacent to such parkway, and also to accept the transfer of jurisdiction to the Department of the Interior of adjacent lands for park and recreational purposes from any Federal agency or department, without reimbursement to such Federal agency or department having jurisdiction thereof, when such transfer is mutually agreed upon by the Secretary and such department or agency; and such transfer of jurisdiction by any such department or agency of the Federal Government in possession of such lands is hereby authorized.

SEC. 4. The Secretary of the Interior is hereby authorized to accept, on behalf of the United States, title to any lands, rights-of-way, or easements over lands owned by the State of Maryland which may be offered by the Governor of Maryland for the proper development and administration of the Baltimore-Washington Parkway in accordance with the provisions of the laws of Maryland, chapter 644, approved May 6, 1943, and subject to such conditions respecting control and jurisdiction as may be mutually agreed upon by the designated agencies of the United States and the State of Maryland whenever such conveyance may affect any park lands acquired under the provisions of the act of Congress, May 29, 1930 (46 Stat. 482).

SEC. 5. That money appropriated for parkways administered by the National Park Service by the Department of the Interior Appropriation Act each fiscal year shall be available for expenditure for continuing the construction, development, maintenance, and policing of the Baltimore-Washington Parkway.

Mr. MCGREGOR (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read, but subject to amendment.

Mr. WHITTINGTON. Mr. Chairman, reserving the right to object, will the gentleman accept this modification of his request: That the bill be printed in the RECORD at this point, that committee amendments may be considered en bloc, and that after the committee amendments are disposed of the Chair call the sections for amendment in the order in which they appear in the bill?

Mr. MCGREGOR. I accept the gentleman's modification.

The CHAIRMAN. Is there objection to the modified request of the gentleman from Ohio?

There was no objection.

The Clerk read the committee amendments, as follows:

Page 1, line 3, strike out "hereafter."

Page 1, line 5, strike out "projected" after the word "the" and strike out "road" after the word "parkway."

Page 1, line 8, after the word "Maryland", insert "the extension of said parkway into the District of Columbia over park lands to the intersection of New York Avenue extended with the boundary of Anacostia Park, and."

Page 2, line 2, after the word "system", insert "all of which."

Page 2, line 4, after the word "be", insert "constructed."

Page 2, line 12, after the word "be", insert "constructed."

Page 2, line 14, strike out "dignified."

Page 2, line 16, strike out "uninterrupted" and insert in lieu thereof "additional."

Page 3, line 11, insert the following at the end of the paragraph:

"Notwithstanding the provisions of any other law, the lands required for said parkway within the suburban resettlement project known as Greenbelt, Md., as surveyed by the Bureau of Public Roads and shown on plats AOV-WBP-3 and AOV-WBP-4 prepared by said Bureau and dated July 10, 1946, and within the Agricultural Research Center at Beltsville, Md., as surveyed by the Bureau of Public Roads and shown on plat SOM-WB-10 prepared by said Bureau and dated June 22, 1944, are hereby transferred, without reimbursement, to the administrative jurisdiction and control of the Department of the Interior, for the purposes of this act, subject to such terms and conditions as may be agreed upon by the Public Housing Administration and the Department of Agriculture, respectively, with the Department of the Interior and the Bureau of Public Roads."

Page 4, line 1, strike out "That" and insert in lieu thereof "Except as provided in section 6, the."

Page 4, after line 6, add a new section as follows:

"SEC. 6. The cost of construction of the parkway shall not exceed the additional sum of $13,000,000."

The committee amendments were agreed to.

The CHAIRMAN. Are there amendments to section 1?

Mr. WHITE of Idaho. Mr. Chairman, I move to strike out the last word, and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. WHITE of Idaho. Mr. Chairman, I have great respect and affection for my colleagues from the great State of Maryland. If there is any road needed in this country, in the great United States, it is an arterial road between the town of Baltimore and the Capital City of Washington. But this bill, much as I respect and esteem my colleague from Maryland, this bill is a rank discrimination; it discriminates against all the other States in the Union. It is a discrimination against the people who have paid taxes for years along the right-of-way of this road; it is a rank discrimination.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I will yield for a question, but let me say to the gentleman from Ohio that I want to bring out the facts of the bill by reading the text of the bill that the chairman of the committee and the ranking minority member failed to bring out. I am going to point it out to the members of this committee. I yield to the gentleman for a question.

Mr. McGREGOR. The gentleman charges that this bill is discriminatory. Did the gentleman vote for the highway act a few days ago that carried legislation covering forest trails and highways?

Mr. WHITE of Idaho. The State of Idaho, that I have the honor to represent, is 72 percent owned by the Federal Government. I have been fighting for appropriations for forest roads and trails all the years I have been in Congress, for liberal appropriations for forest roads and trails to get into this Government-owned land. We are totally dependent on this Congress and the Forest Service for access roads and trails in these immense Government-owned areas. They are very much needed. There is no more comparison for saddling the people of America with the construction and maintenance of this road as compared with forest roads and trails than there is between day and night. You might as well say the State and counties should build roads through military reservations or in the national parks.

Mr. McGREGOR. Is not the gentleman inconsistent when he says he voted for forest roads and trails and now says this bill is discriminatory?

Mr. WHITE of Idaho. I may say to the gentleman that when we vote for forest roads and trails we are voting to open up timber resources, land, and minerals that all of the people of the United States own. The appropriation for forest roads and trails is to give access to national forest timber for fire protection. It is not for privately owned land and timber out there at all.

Mr. BOLTON of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WHITE of Idaho. I yield to the gentleman from Maryland.

Mr. BOLTON of Maryland. Does not this federally financed road go through Federal parks and Federal property?

Mr. WHITE of Idaho. Only partly. It goes about one-third through private property and the rest through Government property.

Mr. BOLTON of Maryland. It goes through 52 square miles of Government-owned property.

Mr. WHITE of Idaho. There was a map here and you had an opportunity to see the private land which this road traverses.

This bill is discriminatory because you are not only loading the Federal Government with the cost of construction of this road but you are perpetually saddling the American people with the maintenance of that road. In other words, the people of the United States are not only building the road but we are saddling them with the expense of maintaining it. This is discriminatory against the other States that cannot enjoy this kind of road construction. We have the Federal-aid system and we would be very happy under the Federal-aid plan to contribute 50 percent and let Maryland contribute the other 50 percent and build this road the same as the other States in the country have to build their roads.

Now let us see what this bill contains. In the first place, this road is 400 feet wide which means that anyone who owns land along the road cannot enjoy any benefits. They cannot put up any kind of a hotel or place of business along the road. They are barred from doing that. They do not have access to the road. On this road to Mount Vernon, this national parkway, we are considering a bill before the committee that keeps a big addition to the town of Alexandria from access to the road. As you drive along the Mount Vernon highway you can look through the trees and see the homes that have been built at great expense and cars parked all along the streets behind the trees and parking strip, yet they have no outlet to this parkway. The Park Service refuses to give them an outlet. This is a scheme to perpetuate the same plan for the road involved in this bill to the extent of 19 miles at least.

Now, this bill provides in section 2:

> To avoid impairment of this purpose, the Secretary of the Interior, with the concurrence of the Secretary of Commerce, shall control the location, limit the number of access points, and regulate the use of said parkway by various classes or types of vehicles or traffic.

What does that mean? If you have ever traveled this celebrated Pennsylvania Turnpike you will find it is patronized almost exclusively by trucks. These trucks can save the cost of the toll out of what they would otherwise pay out for gas. That Pennsylvania Turnpike is 400 feet wide. No other road has access to it. You must go either over it or under it. You will find that the concessions are wholly controlled by the biggest monopoly in these United States, namely, the du Ponts and the Standard Oil Co. That is what they want here and will get if this bill goes through. You say you are building a 400-foot highway for scenic purposes. How much money will this country lose in taxes on the business places that will be barred from the road?

Mr. Chairman, I have seen these monopolies creeping in all the time. Now, you want to give the Park Service a monopoly in granting concessions along this big highway running from Washington to Baltimore. If you and I had the money that is paid for excess gas that is being used today for 1 year on the trucks that have to pull those hills between Laurel and Baltimore we would have enough to buy the finest home in Washington. Day in and day out and all through the night these big loaded trucks and trailers grind over the steep little hills on U S 1 between Washington and Baltimore using up this precious gas that will soon be rationed to us. Why the surplus gas they use grinding over these obsolete hilly roads would pay for a level road many times over and now Maryland is inveigling our Government to come in and build and maintain the road but keep the trucks out while they go using up this precious gas needlessly. Talk about conservation, the day is not far off when our wastefulness will catch up with us and we will have to give a reason for the use of the gas we try to buy at the filling stations.

If there is any place in the United States where we need a roadway so that we can save this precious gas that is used by these trucks, gas that is needed by our airplanes in the air and our submarines under the sea, conservation if you please, what we need is a level grade road between the great Capital City of Washington and the city of Baltimore. We have two great transcontinental railroads running between Washington and Baltimore, the Pennsylvania and the Baltimore & Ohio. They found a level grade route to go through that territory. But, as it is, if you want to go to Baltimore from Washington, you have to consume one-third extra gas to pull all the hills on this long winding, dippy road between here and Baltimore. We need a road, but we do not need to saddle the American people with the cost of building and maintaining that road perpetually. That is discrimination against the rest of the States of this Union. I favored the construction of the parkway between the Blue Ridge Mountains and the Smoky Mountains, that scenic parkway, and for the Natchez Trace, but I am not in favor of loading the American people with the cost of constructing and building this road between Baltimore and Washington, one of the richest cities in the United States, and if there is a city that has a bigger payroll and gives less for the payroll it receives, it is this District of Columbia and the city of Washington. Maryland and the Government have plenty of money to pay for the road under the Federal-aid plan, and why saddle the people of the United States with this kind of a proposition, and at the same time take all abutting property off the tax roll on either side of this road with your 400-foot strip.

In driving out of Washington to Suitland the other day I was trying to speculate how much land was taken off the

permanent tax roll by building this scenic route 400 feet wide, with that enormous portion adjacent thereto taken off the tax roll because private owners cannot build along the road. They have no access. This is a backward step. This is not a forward step in the development of our country.

I am opposed to the bill, and I shall vote accordingly.

Mr. GROSS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I simply want the RECORD to show that I am opposed to this measure. I think the cost is excessive. I think it sets a dangerous precedent, both from the standpoint of Federal construction of this road and from the standpoint of cost of maintenance and policing of the road, the costs of which will be borne by the Federal Government through all the years to come.

I want to say to the gentleman from Mississippi who spoke of the million-dollar-a-mile cost of the Pennsylvania Turnpike, on the extension at the west end, that it is my understanding they are digging tunnels there. You are not digging any tunnels on this highway. If the cost of construction of that extension is a million dollars a mile, it in no sense excuses the excessive cost of this highway.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Are there any amendments to section 2?

Are there any amendments to section 3?

Are there any amendments to section 4?

Are there any amendments to section 5?

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 3 minutes, and I ask for recognition.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I do not want to repeat, but with respect to the cost of this parkway I again emphasize that the Bureau of Public Roads has advised the committee that this parkway, at a cost of $13,000,000 as provided in the bill, would cost far less to the Federal Government than the Federal share of reconditioning, widening, straightening, and strengthening No. 1 between here and Baltimore.

I cannot agree with my friend, the gentleman from Idaho [Mr. WHITE]. Those who travel parkways secure gas before they enter the highways or at provided accesses. Parkways do not permit filling stations every mile or so. They do not permit other concessions that would cause speeds to slow down. They contemplate reasonably high speeds. The public demands a highway better than the existing No. 1 Highway between Washington and Baltimore. I do not agree that the Mount Vernon Memorial Highway should be absolutely destroyed by buildings immediately adjacent to the highway, by concessions on the highway, by filling stations every mile or so along the highway. The very purpose of a parkway is to prevent such concessions and thus to promote traffic at reasonably safe high speeds.

Within 10 miles of every large city of the United States there should be four-lane divided highways. The increasing population and the increasing number of vehicles demand such. Half of the traffic in the United States in in urban areas. It would be unwise for Congress not to provide for the Baltimore-Washington Parkway where it extends to and through Government reservations, and where the cost will be less than the cost of enlarging and straightening Highway No. 1. I emphasize that there is no precedent because the rights-of-way are largely through Government reservations.

I remind the gentleman from Idaho [Mr. WHITE] that all of the highways and roads in the national parks, practically all of which are located west of the Mississippi River, and all of the highways and roads in the national forests, most of which are located west of the Mississippi River, and many of which are located in the State that he represents, there being something like 71,000 miles of these roads and parkways in national parks, national forests, and reservations west of the Mississippi River, many of which are located in the State of Idaho, are under Government control, construction, and maintenance. The traffic on these roads is nothing like as dense and the danger to the public nothing like as great as between Washington and Baltimore. I do not believe that the beneficiaries of the roads through national parks, through other parkways, through forests, at Federal expense, and the maintenance of these roads at Federal expense, can logically criticize the contruction of a parkway through Federal installations to provide much needed additional through-traffic facilities in the most congested area in the United States.

Mr. WHITE of Idaho. The gentleman is opposed to concessions. Did he ever run out of gas on a freezing night?

Mr. WHITTINGTON. The gentleman begs a question. Those who are capable of using parkways to advantage are certainly capable of providing the necessary gas for the operation of their motor vehicles. As I have already pointed out, there are no concessions or filling stations every mile on turnpikes or parkways. They are intended for fast traveling. The United States pays the entire costs of the parkways through Rock Creek Park in the District of Columbia, of other parkways through the Blue Ridge and Smoky Mountains, and all parkways and park roads to national parks in the Rocky Mountain area. There can be no through traffic without adequate highways that safeguard through traffic. Concessions must yield to access requirements and to the safety of the public. Personally I would like to see more parkways constructed in and near all of the large cities of our country.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. HUBER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5990) to provide for the development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland as an extension of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes, pursuant to House Resolution 567, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 71, noes 10.

So the bill was passed.

The title was amended so as to read: "A bill to provide for the construction, development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland and its extension into the District of Columbia as a part of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

RECLAMATION PROJECTS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include certain resolutions adopted by the Committee on Public Lands today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I insert at this point in the RECORD two resolutions which were adopted by the Public Lands Committee of the House this morning, and two acts relating to this procedure, concerning the expenditure of rehabilitation and betterment costs on certain reclamation projects. These resolutions approve the findings of the Secretary of the Interior on these contracts as outlined in his letters to both the Senate Committee on Interior and Insular Affairs and to the Public Lands Committee of the House of Representatives.

On October 7, 1949, the President approved an act to provide for the return

of rehabilitation and betterment costs of Federal reclamation projects, and on March 3, 1950, an act was approved amending that act to a slight degree, whereby it becomes possible for the above-named committees to express their approval of the determination by the Secretary of the Interior of the terms of a contract for the repayment of rehabilitation and betterment costs on reclamation projects.

These resolutions are in relation to the Malta irrigation district and the Glasgow irrigation district, and the Chinook division of the Milk River project, in the State of Montana.

The two acts referred to and the resolutions which were adopted today by the Public Lands Committee of the House are also included:

RESOLUTION CONCERNING THE EXPENDITURE OF REHABILITATION AND BETTERMENT FUNDS ON THE MALTA IRRIGATION DISTRICT AND THE GLASGOW IRRIGATION DISTRICT, MILK RIVER PROJECT, MONTANA

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.), provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives, or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated May 24, 1950, the Secretary of the Interior submitted to the Committee on Public Lands his findings relating to the return of rehabilitation and betterment funds to be expended on the Malta irrigation district and the Glasgow irrigation district, Milk River project, Montana; and

Whereas the Committee on Public Lands has, in session with a quorum present, this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Public Lands give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON PUBLIC LANDS,
J. HARDIN PETERSON, *Chairman*.

Adopted this 25th day of May 1950.

RESOLUTION CONCERNING THE EXPENDITURE OF REHABILITATION AND BETTERMENT FUNDS ON THE CHINOOK DIVISION OF THE MILK RIVER PROJECT, MONTANA

Whereas the act of October 7, 1949 (Public Law 335, 81st Cong., 1st sess.), as amended by the act of March 3, 1950 (Public Law 451, 81st Cong., 2d sess.) provides that expenditure of funds specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws shall be made only after the organizations shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior; and

Whereas the determination of the Secretary of the Interior does not become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives or on a date prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval; and

Whereas in a letter dated May 24, 1950, the Secretary of the Interior submitted to the Committee on Public Lands his findings relating to the return of rehabilitation and betterment funds to be expended on the Chinook division of the Milk River project, Montana; and

Whereas the Committee on Public Lands has, in session with a quorum present, this day approved the findings of the Secretary of the Interior in these premises: Now, therefore, be it

Resolved, That the Committee on Public Lands give notice in writing to the Secretary of the Interior of its approval of his determination in these premises.

COMMITTEE ON PUBLIC LANDS,
J. HARDIN PETERSON, *Chairman*.

Adopted this 25th day of May 1950.

[Public Law 335—81st Cong.]
[Ch. 650—1st sess.]
H. R. 1694

An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects

Be it enacted, etc., That expenditures of funds hereafter specifically appropriated for rehabilitation and betterment of irrigation systems on projects governed by the Federal reclamation laws (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto) shall be made only after the organizations concerned shall have obligated themselves for the return thereof in installments fixed in accordance with their ability to pay, as determined by the Secretary of the Interior in the light of their outstanding repayment obligations, and which shall, to the fullest practicable extent, be scheduled for return with their construction charge installments or otherwise scheduled as he shall determine. No such determination of the Secretary of the Interior shall become effective until the expiration of 60 days after it has been submitted to the Committee on Interior and Insular Affairs of the Senate and the Committee on Public Lands of the House of Representatives. The term "rehabilitation and betterment," as used in this act, shall mean maintenance, including replacements, which cannot be financed currently, as otherwise contemplated by the Federal reclamation laws in the case of operation and maintenance costs, but shall not include construction, the costs of which are returnable, in whole or in part, through "construction charges" as that term is defined in section 2 (d) of the Reclamation Project Act of 1939 (53 Stat. 1187). Such rehabilitation and betterment work may be performed by contract, by force-account, or, notwithstanding any other law and subject only to such reasonable terms and conditions as the Secretary of the Interior shall deem appropriate for the protection of the United States, by contract entered into with the organization concerned whereby such organization shall perform such work.

SEC. 2. This act shall be deemed a supplement to the Federal reclamation laws.

Approved October 7, 1949.

[Public Law 451—81st Cong.]
[Ch. 47—2d sess.]
H. R. 7220

An act to expedite the rehabilitation of Federal reclamation projects in certain cases

Be it enacted, etc., That the second sentence of the act entitled "An act to provide for the return of rehabilitation and betterment costs of Federal reclamation projects," approved October 7, 1949, is amended by striking out the period at the end thereof and inserting a semicolon and the following: "except that, any such determination may become effective prior to the expiration of such 60 days in any case in which each such committee approves an earlier date and notifies the Secretary, in writing, of such approval: *Provided*, That when Congress is not in session the Secretary's determination, if accompanied by a finding by the Secretary that substantial hardship to the water users concerned or substantial further injury to the project works will result, shall become effective when the chairman and ranking minority member of each such committee shall file with the Secretary their written approval of said findings."

Approved March 3, 1950.

AUTHORIZING CLERK OF THE HOUSE TO RECEIVE MESSAGES FROM THE SENATE; AND AUTHORIZING THE SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent, notwithstanding the adjournment of the House until Monday next, that the Clerk of the House may receive messages from the Senate, and that the Speaker pro tempore be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CANCER AND MALIGNANT NEOPLASTIC DISEASES

Mr. McMILLAN of South Carolina Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6278) to make cancer and all malignant neoplastic diseases reportable to the Health Officer of the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are authorized to promulgate regulations requiring that cancer, sarcoma, lymphoma (including Hodgkin's disease), leukemia, and all other malignant growths, be reported to the Health Officer of the District of Columbia.

SEC. 2. The reports of cases made pursuant to the provisions of regulations promulgated under this act shall be confidential and not open to public inspection. The information in such reports shall not be divulged or made public so as to disclose the identity of any person to whom they may relate, except upon order of court. All information in such reports, or compiled from them, which does not disclose the identity of any person, may be made public only on written authorization of the Health Officer.

SEC. 3. Nothing in this act or regulations promulgated thereunder shall be construed to compel any person suffering from any of the diseases listed in section 1 to submit to medical examination or treatment.

SEC. 4. The said Commissioners are authorized to prescribe a reasonable penalty or fine, not to exceed $100, for the violation of any regulation promulgated under the authority of this act, and all prosecutions for violations of such regulations shall be in the criminal branch of the municipal court for the District of Columbia in the name of the District of Columbia upon information

filed by the Corporation Counsel of the District of Columbia or any of his assistants.

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to make cancer and all malignant neoplastic diseases reportable to the Health Officer of the District of Columbia.

This it is believed will be of great value in gathering information which may be used in determining the causes, control, and treatment of such diseases. Twenty-seven States now have similar legislation.

This legislation was requested by the Commissioners of the District of Columbia and was endorsed by the Health Officer of the District of Columbia.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISTRICT BOXING COMMISSIONER

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7623) to authorize the Commissioners of the District of Columbia to appoint to the District Boxing Commission a retired member of the Metropolitan Police force of the District of Columbia.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. STEFAN. Reserving the right to object, Mr. Speaker, will the gentleman explain this bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to permit a retired member of the Police Department of the District of Columbia to serve as a member of the District of Columbia Boxing Commission.

This legislation would permit the retired member to reside within the District of Columbia or within the metropolitan area of the District, which is designated as an area within 12 miles of the Capitol Building.

Mr. STEFAN. That means that after a member of the police force is retired the Commissioners can bring him back in service, if he is qualified, physically fit, and so on?

Mr. McMILLAN of South Carolina. That is right; if he can qualify otherwise.

Mr. STEFAN. On the Boxing Commission?

Mr. McMILLAN of South Carolina. That is right.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944, is amended by adding at the end thereof the following new paragraph:

"The Metropolitan Police force member of the Commission may be a retired member of such force; but when the office is held by such a retired member the provisions of the act entitled 'An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes,' approved May 10, 1916 (5 U. S. C. 58), shall not apply to such member, and such member may reside within the District of Columbia or within the metropolitan area of the District not to exceed a distance of 12 miles from the United States Capitol Building."

With the following committee amendments:

Page 1, line 8, strike out all of line 8 after the word "The", all of lines 9 and 10 down to and including the word "the."

On page 2, line 5, strike out "such member" and insert "a retired member of the Metropolitan Police force who is a member of the Commission."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill relating to members of the District Boxing Commission who are retired members of the Metropolitan Police Department."

A motion to reconsider was laid on the table.

REGULATING BOXING CONTESTS AND EXHIBITIONS IN THE DISTRICT OF COLUMBIA

Mr. McMILLAN of South Carolina. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7662) to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes, approved December 20, 1944."

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. TACKETT. Mr. Speaker, reserving the right to object, will the gentleman explain this bill?

Mr. McMILLAN of South Carolina. Mr. Speaker, the purpose of this bill is to authorize paid service of a member of the Boxing Commission while he is receiving retired pay or compensation because of previous service rendered to the United States in any branch of its armed service or to the District of Columbia. Under existing law this may not be done.

The Commissioners of the District of Columbia stated in support of this bill that they were of the opinion that any person drawing pay as a retired officer of the service and who qualifies to perform duties of a member of the Boxing Commission should be permitted to receive the compensation provided by law as such member, as well as his retired pay. They hold that the one is a reward for services rendered while the other is a salary for duty performed.

Mr. TACKETT. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944 (58 Stat. 823), is amended by adding at the end thereof the following new section:

"SEC. 18. Notwithstanding the limitation of any other law or regulation to the contrary, any person heretofore or hereafter appointed as a member of the Commission may receive the compensation authorized by this act to be paid to such member, as well as any retired pay, retirement compensation, or annuity to which such member may be entitled on account of previous service rendered to the United States or District of Columbia governments."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXPANSION OF DISTRICT OF COLUMBIA WATER SYSTEM

Mr. McMILLAN of South Carolina. Mr. Speaker, I yield to the gentleman from Virginia [Mr. SMITH], a member of the committee, to call up a bill.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8578) authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. MILLER of Nebraska. Reserving the right to object, Mr. Speaker, I wish the gentleman would explain this bill, because it is an entirely new departure as far as financing the District of Columbia is concerned. I think the Members should understand what it provides.

Mr. SMITH of Virginia. Mr. Speaker, the purpose of this bill is to provide for the expansion, the very necessary expansion of the water system of the District of Columbia. That system has been in use for many years and has now reached its full capacity. The bill is of an emergency character because of the fact that the consumption of water in the District of Columbia is rapidly increasing. There have been times in the very near past when the demands for water and the usage of water exceeded the capacity of the reservoirs. If this bill is passed, it will take about 3 years to complete the work that is contemplated. It is a rather major undertaking.

In order to finance it the ordinary municipality would issue bonds, but that is not possible under the set-up of the District of Columbia. Therefore, as has been done in the past, the provision is, with the approval of the Bureau of the Budget, that the District Commissioners may from time to time borrow the necessary money from the Treasury to complete these improvements. That money is to be borrowed on terms as to interest rates fixed by the Secretary of the Treasury.

Mr. BEALL. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. BEALL. Is it not a fact that this is entirely self-liquidating? That is, that the water users will pay back both principal and interest to the Federal Government?

Mr. SMITH of Virginia. Yes; it will be entirely liquidated, and it will be at no cost to the Federal Government. There are further safeguards in the bill that none of this money can be borrowed or used until approved first by the budget. It is authorized in this bill. It will have to be approved year by year by

the Appropriations Committee in the consideration of the bill.

Let me add that this bill has been considered by the joint fiscal subcommittee of the Senate and the House. It was unanimously approved by that subcommittee and has been unanimously approved by the full Senate District Committee and has been unanimously approved by the full House District Committee.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. STEFAN. What is the condition of the water revolving fund now?

Mr. SMITH of Virginia. What does the gentleman mean?

Mr. STEFAN. What is the condition of the funds in the water department at the present time?

Mr. SMITH of Virginia. I could not give the gentleman the figures.

Mr. STEFAN. What is the status of it?

Mr. SMITH of Virginia. I am not sure that I know what the gentleman is asking about.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. MILLER of Nebraska. There is no revolving fund now. Congress gives the District of Columbia a million dollars a year to pay for the water that we use. However, a metering of the water shows that the Federal Government actually uses $1,200,000 worth of water each year; in other words, there is $200,000 that the Federal Government uses for which the District is not reimbursed. That is a fixed sum that we appropriate each year for water use; that is supposed to pay for all the water used by the Federal Government.

Mr. STEFAN. I understand that. What I want to know is what the condition of the Treasury is so far as the water fund is concerned today. How much money do they have on hand? And how much do they contemplate borrowing if this bill is passed? It is a far-reaching measure and a lot of consideration should be given to it.

Mr. SMITH of Virginia. A lot of consideration has been given to it, I can assure the gentleman from Nebraska.

Mr. STEFAN. How much is it contemplated borrowing?

Mr. SMITH of Virginia. Twenty-three million dollars over a period of 10 years. That is specified in the bill. It will come before the gentleman's committee for approval each year, and the money cannot be spent until the gentleman's committee approves it.

Mr. STEFAN. It can only be spent when the committee approves it, but I think this thing is so far-reaching that we ought to go into it at some length and debate it today, because the water service here originally belonged to the Federal Government. It was given to the District of Columbia. Since that time there have been considerable improvements. The gentleman from Nebraska [Mr. MILLER] said that the Government uses a million and a quarter dollars' worth of water every year. If we do not pay for all we use, I think we should. But I think we should have some consideration here as to exactly what we are doing. How is this fund going to be administered? What charges are going to be made? What is the situation with reference to collections? I understand they are falling behind in their collections.

Mr. SMITH of Virginia. If the gentleman will ask his questions one at a time, I will do my feeble best to answer them. But I do want to say to the gentleman that this matter has been given full and complete consideration by two subcommittees; we have had full hearings on the matter, and then had another hearing before the full House District Committee, and I assume they had some hearings before the full Senate committee.

Mr. STEFAN. I will ask the gentleman from Virginia how is this $23,000,000 going to be expended? How is it going to operate? What is the interest rate going to be on it?

Mr. SMITH of Virginia. The rate will be fixed by the Secretary of the Treasury.

Mr. STEFAN. Why is the amount fixed at $23,000,000?

Mr. SMITH of Virginia. Because that is the estimate of the amount required. The District Commissioners have made very elaborate estimates of costs.

Mr. STEFAN. And this money is to be used for further expanding the water system of the District of Columbia, which is growing so rapidly, is it?

Mr. SMITH of Virginia. Yes.

Mr. STEFAN. What is the condition as to receipts from water collections?

Mr. SMITH of Virginia. There are about $2,000,000 every year that can be used for capital improvements and for liquidating this necessary expenditure.

Mr. STEFAN. Is there enough in collections to make some expansion?

Mr. SMITH of Virginia. They have made some expansions in the past.

Mr. STEFAN. But is the condition such that the collections do not allow the necessary expansion?

Mr. SMITH of Virginia. Not the necessary expansion of this magnitude. That is the reason this bill is here.

Mr. STEFAN. Does the gentleman know anything about the collections for water use? Are they in arrears on collections?

Mr. SMITH of Virginia. The testimony I have is that they are not in arrears on collections except to a very minor extent. The testimony was that they lose only about $1,000 a year on water collections.

Mr. STEFAN. May I ask the gentleman from Virginia, does the District of Columbia Water Department furnish water to any parts of Virginia or Maryland?

Mr. SMITH of Virginia. Both. They furnish water at a rental that is fixed by an act of Congress.

Mr. TACKETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. TACKETT. If this bill is considered under the present procedure today, will there be an opportunity to debate the issues involved?

The SPEAKER pro tempore. If unanimous consent is granted for consideration of the bill, it will be considered under the 5-minute rule.

Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, as used in this act, unless the context otherwise requires—

(a) "Commissioners" means the Board of Commissioners of the District of Columbia.

(b) "District of Columbia water system" or "water system" means any and all of the facilities used or to be used for the supply of raw or partly purified water wherever situated and all of the facilities used or to be used for the distribution of purified water situated within the District of Columbia which are operated by the District of Columbia Water Division or the Washington Aqueduct Division of the Washington District of the Corps of Engineers, Department of the Army, or both.

SEC. 2. (a) The Commissioners of the District of Columbia are hereby authorized to accept loans for the District of Columbia from the United States Treasury and the Secretary of the Treasury of the United States is hereby authorized to lend to the Commissioners of the District of Columbia, such sums as may hereafter be appropriated, to finance the expansion and improvement of the water system when sufficient funds therefor are not available from the District of Columbia water fund established by law (D. C. Code, 1940 edition, title 43, ch. 15): *Provided*, That the total principal amount of loans made under the provisions of this section shall not exceed $23,000,000: *And provided further*, That a loan for use in any fiscal year must first be specifically requested of the Congress in connection with the budget submitted for the District of Columbia for that fiscal year, with a full statement of the work contemplated to be done and the need thereof, and must be specifically approved by the Congress. Such loans shall be in addition to any other loans heretofore or hereafter made to the Commissioners for any other purpose, and when advanced shall be deposited in full in the Treasury of the United States to the credit of the said District of Columbia water fund.

(b) The loans authorized under this section, or any parts thereof, shall be advanced to the Commissioners on their requisitions therefor and shall be available to the Commissioners or the Chief of Engineers, Department of the Army, for the performance of the said expansion and improvement of the water system, and shall be available until expended.

(c) The Secretary of the Treasury of the United States shall be repaid any moneys advanced under this section of this act, including interest thereon, beginning in fiscal year 1961 and concluding in fiscal year 1980, in such annual amounts as the Congress shall hereafter direct; interest thereon shall begin to accrue as of the dates the respective advancements are credited to the water fund.

(d) Loans made under this section shall be at such rate or rates of interest as would, in the opinion of the Secretary of the Treasury, be the lowest interest rate available to the District of Columbia on the date of the approval of each loan, respectively, were said District authorized by law to issue and sell obligations to the public, at the par value thereof, in a sum or sums equal to the amounts of such loans, maturing serially over a comparable period of years in comparable installments of principal and interest, and secured by a first pledge of and lien upon all the general fund revenues of said District.

(e) Moneys for the payments to the United States Treasury herein required shall be included in the budget estimates of the Commissioners of the District of Columbia, beginning with the budget estimates for fiscal year 1961, and shall be payable from the water fund.

Mr. TACKETT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, most of the membership of this Congress comes from various towns that have in the past and are willing today to donate water, buildings, or anything else in order to bring some industry to their respective communities. Many cities and towns throughout the United States daily advertise their anxiety to have big payrolls brought into their communities.

Washington, D. C., has been brought into existence—the great beautiful city it is—by virtue of the Federal payroll which is dished out every week. Just imagine what your towns and your cities and your counties and your States would give for the opportunity of having within their midst the Federal Government payroll as here in Washington. If the people of the District of Columbia paid the taxes that they do in my towns, in my counties, and in my State—you can say they do and I will say they do not—they would have a lot more to grumble about than they have to talk about today.

If your cities want to build a water-supply unit of some kind, do they come to the Federal Government and ask for a special loan to do this? Of course, the gentleman from Virginia [Mr. SMITH] will insist that the District of Columbia does not have authority to act upon revenue-raising matters as your respective localities. But I want to ask the proponents of this bill why is it necessary for the people in the District of Columbia or the Government to extend its projects all over the country around the District of Columbia to take care of people who are not citizens of the District of Columbia?

This bill is not only to take care of the District of Columbia. It is to take care of Maryland, it is to take care of Virginia, it is to take care of the people who are near but outside the District of Columbia, who cannot get their fingers in the pie in any other way. That is what it means.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The testimony this morning before our committee was to the effect that the average amount of daily use of water in the District is 180,000,000 gallons. Of that amount Virginia uses about 7,000,000 gallons and Maryland about 1,000,000 gallons, for which they pay.

I agree with the gentleman, I think the fiscal arrangement and the District Water Board ought to be set up on a business basis whereby they will have a revolving fund, a replacement fund, a depreciation fund, and so forth. It must be understood, though, that the District officials are so circumscribed by Congress that they are not able to issue bonds. On one day last summer we had a demand on the water system for 240,000,000 gallons. The system is only set up to furnish 175,000,000 gallons per day. This coming summer we may be short of water.

Mr. TACKETT. Right there, please, let me ask this question.

I will admit that the District of Columbia has such a procedural set-up that it cannot issue bonds as other cities, but is there anything to prohibit the Virginia areas about Alexandria and all these other areas across the river from issuing bonds to take care of their own water supply?

Mr. MILLER of Nebraska. I agree with the gentleman that there should not be any selling of water to both Virginia or Maryland.

Mr. TACKETT. Knowing how conservative the gentleman from Virginia [Mr. SMITH] is, can you imagine him getting up on the floor of this House and asking for a loan for Arkansas to get a water supply? No, you cannot. He would oppose the expenditure of a penny of this Federal Government except when it is for Alexandria and places within Virginia about Washington, D. C. He has bitterly protested practically all such Federal Government expenditures save and except moneys being dished out within and about his area.

Gentlemen, it is easy to be a conservative when the measure only affects the people of the other fellow's district. If that be the proper procedure there will be but one or two votes for this bill.

Mr. BEALL. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Maryland.

Mr. BEALL. I call the attention of the gentleman to the fact that the District of Columbia cannot borrow money like an ordinary municipality.

Mr. TACKETT. I admit that.

Mr. BEALL. The only way they can get that money is from the Federal Government. And, the users of this water are going to pay for it; they are not only going to pay back the original investment, but the interest as well.

Mr. TACKETT. I will go along with you on the District of Columbia loan, but let us confine the loan to the District of Columbia. That is as far as you have any right, under your argument, to progress.

Mr. BEALL. But the States of Maryland and Virginia pay for that water.

Mr. TACKETT. Oh, they pay for that water, but at a better rate than the people removed from this area are afforded. We have a few Federal projects out in Arkansas, but we are never given the consideration being daily afforded the District of Columbia. Here everything is for the District of Columbia. We would pay the water bill for the National Capital payroll down in my State. We would donate most of the contentions of the District of Columbia for the payroll afforded the District by virtue of the National Capital.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. The difficulty with that is that Arkansas is too far away to do that, but they really ought to move the Capital down there.

Mr. TACKETT. It ought to be there. We would at least show our appreciation.

Mr. MILLER of Nebraska. Mr. Speaker, if the gentleman will yield, the gentleman may not recall it, but the Congress itself passed legislation which made it possible for Virginia and Maryland to get a certain amount of water, including these border-line cases near the District of Columbia. I think it was in 1928 when that was done. So, if you want to change it, it ought to be done by law. I agree with the gentleman, and I said so in the committee this morning. Virginia and Maryland only get about 8,000,000 gallons out of 180,000,000 gallons a day. It is a small amount. The boundaries are fixed, but there are certain houses along the border line where it is convenient to tap in. But, that practice should not be enlarged, and I would support legislation to deny them any water supply from the District of Columbia. But, the territories are so entwined that it was found necessary to pass this legislation, and this Congress more than 20 years ago passed legislation permitting that to be done.

Mr. TACKETT. May I ask the gentleman this question? How much of this $22,000,000 is going to be used within the District of Columbia?

Mr. MILLER of Nebraska. All of it.

Mr. TACKETT. How much of it is going to be used outside the District of Columbia?

Mr. MILLER of Nebraska. It will all be used in the District of Columbia for developing a water supply on the Potomac River.

Mr. TACKETT. But that water is going to be transported over to and become a benefit to other localities outside of the District of Columbia, is it not?

Mr. MILLER of Nebraska. An average of 8,000,000 out of 180,000,000 gallons daily. That is a very small amount. Of course, it might develop that there would be a lack of water, just like there was in New York City and other large cities this year, and unless we develop a sufficient water supply, we might find ourselves in danger. This system is outmoded now. The demand in the last 10 years has more than tripled, and they expect in 10 years to have another doubling of the use of the water.

Mr. TACKETT. Is there any way for the District of Columbia to provide a water supply without the enactment of this legislation?

Mr. MILLER of Nebraska. I do not believe there is. I questioned the bill very closely in committee. I was opposed to it at first. I felt that the Water Commissioners should set up a revolving fund and a replacement fund, but they have not done it.

Mr. TACKETT. Could they not do that and build their own system?

Mr. MILLER of Nebraska. Yes; if they had started that procedure 20 years ago. I think from here on they will.

Mr. TACKETT. I disagree with the gentleman, because as long as they can get their fingers in the Government till, they will not do anything.

Mr. MILLER of Nebraska. They will have to pay this $22,000,000 back with

interest. The water rates will pay it back to the Federal Government. It is not costing the taxpayers any money. Unless we do this, one of these good, hot summer days we are going to find out we have no water in the District of Columbia, just as they did in the city of New York.

Mr. TACKETT. Is there any other way they can borrow money? Can they not get the money through private loans?

Mr. MILLER of Nebraska. Not unless we pass legislation allowing it.

Mr. TACKETT. Why do we not pass that legislation instead of allowing them to borrow from the Federal Government, when your towns and my towns cannot borrow from the Federal Government?

Mr. MILLER of Nebraska. We brought that up in the committee. I thought the best way to do it was to borrow from private concerns, but they would probably have to pay a little more interest. I would agree with the gentleman that they should borrow from private concerns, but it would take special legislation to do that.

Mr. TACKETT. This is special legislation. It does not take any longer to get a bill through allowing private enterprise to survive in this country than it does to allow those who happen to live in the District of Columbia and thereabouts to borrow from the Federal Government. That is absolutely contrary to our principles of operation. It does give the District and the people around the District an opportunity that your towns and my towns do not have the right to enjoy.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Georgia.

Mr. LANHAM. Does not the gentleman know that his own small cities can sell their bonds to the Reconstruction Finance Corporation and thus borrow from the Government?

Mr. TACKETT. They can borrow from the Reconstruction Finance Corporation if a private lending company does not want to take the loan?

Mr. LANHAM. You can borrow from the Reconstruction Finance Corporation for your cities to extend their waterworks, because we have done it in our city.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. TACKETT. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. TACKETT. It is true that the city in which I happen live in the State of Arkansas can borrow money from the Reconstruction Finance Corporation if they cannot get it from any other loan institution, but they must come forth with ample evidence that they cannot borrow it from another institution. However, under the provisions of this bill it is not necessary for you even to ask for a loan from a private institution. You just come straight to the Government and get the money, $22,000,000 over a period of 10 years. I just do not think it is right. I think there should be a proviso of some kind, special legislation or otherwise, that would make the cities about the District of Columbia follow the same practices that are followed all over the United States of America.

I will admit the District of Columbia is operating under different procedures than towns elsewhere operate, but I think that this is a discriminatory bill and is not justified unless they cannot get the money from any other source. There has been no proof to that effect, except that under the laws governing the District of Columbia you cannot issue bonds without special legislation. I think we should have special legislation—that would not take over 15 or 20 minutes of the time of the Congress to pass—which would allow them to borrow their money from some other source—from private enterprise—that is paying the taxes of this country.

You say this is not costing the taxpayers anything. That is just where you are wrong. It is costing the taxpayers money every time a dollar goes out of the tills of the Treasury because the interest rate is going to be so much lower—lower than the Federal Government can borrow. You know that. That is exactly the reason the people are here and do not want to borrow the money from private enterprise. They want the lowest possible rate of interest. They want to be in a position where, if they do not repay it, nothing will be done about it.

Mr. BEALL. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield to the gentleman from Maryland.

Mr. BEALL. I call the gentleman's attention to the fact that the District of Columbia gets its water from Maryland and Virginia.

Mr. TACKETT. Yes; I know that.

Mr. BEALL. It comes from the Potomac River, and the Potomac River is in Maryland.

Mr. TACKETT. Yes; and every penny of the money spent here is going to help other localities as much as the District of Columbia.

Mr. BEALL. But Maryland and Virginia pay for everything they get.

Mr. TACKETT. They pay for it, but they do not have to pay for it like other people all over the country.

Mr. BEALL. They certainly do.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. DAVIS of Georgia. The gentleman made the statement that this money would be borrowed from the Government at a lower rate of interest than the Government itself would have to borrow it. We had General Young, one of the Commissioners, before the committee and asked him that specific question. He said it would not be borrowed from the Government at a lower rate than the Government itself pays to borrow money.

Mr. TACKETT. Did he indicate what the rate of interest would be?

Mr. DAVIS of Georgia. It would be something in the neighborhood of 2 or 2¼ percent. I do not know the exact amount, but he made the specific statement that it would not be borrowed at a lower rate of interest than the Government itself pays on borrowed money.

Mr. TACKETT. That is a pretty high rate of interest. The State of Arkansas sold some highway bonds recently a great deal cheaper than that. I know that they do not have the security that the Federal Government has. There is no way in the world that you can lose any money on a loan like this. Twenty-two million dollars at 2¼ percent is pretty high.

Mr. DAVIS of Georgia. But this money would not be borrowed all at one time.

Mr. TACKETT. That is correct. It would be borrowed over a 10-year period, as they need it.

Mr. DAVIS of Georgia. That is right.

Mr. TACKETT. Now, you gentlemen can vote as you see fit. I am sure it is not going to hurt you one bit politically regardless of how you vote. But if you are honest with yourselves, you know I am right on this issue. You can do what you want to about it, but I say there should be a bill here to provide that if they cannot get the money first from private enterprise, then they can come back and get it from the Federal Government just as your cities and my cities have to do.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. TACKETT. I yield.

Mr. MILLER of Nebraska. I agree with what the gentleman said relative to borrowing from private sources. I wish that were possible. I think it would take some amending of the law in a good many places. It could not be done by just a simple bill. Also, I would go along with the thought that we ought to furnish the minimum amount of service to Maryland and Virginia and not expand that service. I understand we are not expanding the service. But we are faced with the cold, hard facts that within the next few years, unless we get an adequate water supply, and we have it in the Potomac River, piped into the city of Washington we are going to find days when we will not have enough water to supply the citizens here.

This money will be paid back with interest, otherwise I would not support it under any circumstances.

Mr. TACKETT. Let me say one thing to the gentleman. It is these little steps that we take every day which are driving private enterprise out of this country and socializing our economy. It is these little steps that we take that are bringing these conditions about. "Oh," they say, "this one does not amount to anything, and the other one does not amount to anything."

But I venture to say that if this bill goes through, it is not going to be long before every big city in the country is going to ask for the same legislation.

Mr. SMITH of Virginia. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I hope the gentleman from Arkansas [Mr. TACKETT] will remain in the Chamber, because I think he is under some misapprehension about this bill. I appreciate his deep interest in the Federal Treasury and in the District

of Columbia. Of course, I know he is deeply interested in the State of Arkansas, and Arkansas ought to be proud of him because he looks after them all the time here. I do not know why he ought to blame me for trying to look out for Virginia, and Alexandria a little bit, and I do not think he does. I think he appreciates my position on that. However, I do want to correct this misapprehension on the part of the gentleman from Arkansas in case the same misapprehension has found a place in the minds of other Members.

He indicated that this is largely for the benefit of the city of Alexandria. I want to say to the House that the city of Alexandria has its own adequate water supply. We have an older water-supply system than the District of Columbia. We do not get a drop of water from the District of Columbia system and never expect to, because we have an adequate supply of good, pure water of our own.

Now, Arlington County does get some water, and they pay for it. They do not pay for it what Arlington wants to pay. They pay the sum that this Congress has fixed that they must pay. It is fixed by law. The gentleman from Arkansas was here when this Congress passed the bill that authorized these outlying territories to purchase water from the District of Columbia water system. Why? There are several reasons why. One is that a large number of the members of the Federal Administration reside in those outlying areas. More of them come to reside there every year. I do not know how many, but my guess would be that at least 40 or 50 Members of this very House itself live over on the Virginia side of the river and must have that water if they want to take a bath in the morning. In addition to that, the Government built the great Pentagon Building on the Virginia side—a tremendous consumer of water. The Government has Fort Myer over on the Virginia side. The Government has the Navy annex on the Virginia side. It was absolutely necessary as a matter of Government policy and as a matter of national defense that those mains should be extended over there. None of this money will go into the improvement of the water systems of Virginia or Maryland. It is all being spent on the reservoirs in Washington. Every pipeline that is laid on the Virginia side or the Maryland side is laid by those communities themselves. The Government does not pay 1 cent of it. All that happens to the Government is that you get so much per thousand gallons for the water, so you put back into the Treasury the money for that water which would otherwise just run down the river and you would not get anything for it.

Mr. HARRISON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HARRISON. Has the gentleman any reply to the charge that this is socialistic legislation? The gentleman's reputation in support of socialistic legislation makes me suspect, when he comes in here and proposes legislation of this kind. I would like to hear what he has to say about that.

Mr. SMITH of Virginia. I do not want to reply to any personal allusions at this time. I am always ready to defend my record at an appropriate time, but I do not wish to be diverted from the task of clearing up any objections to the passage of this bill. I am sympathetically aware of the necessity of some Members in election years to make speeches that will be pleasing to the good folks at home, and in that spirit I am happy to be of service to my good friend from Arkansas, in furnishing a target for his remarks.

But let us get down to the merits of this problem. This city is governed by this Congress. There are a few of us who have the disagreeable duty of having to sit as a city council for the District of Columbia. I wish the gentleman from Arkansas would get on that committee. He would be a very valuable member. I would like to see him on that committee. There are usually vacancies on it, and I would like to see the gentleman there to help us work out these problems that are not really the business of our constituencies, but we do it as a public service. When we come in here with a bill you may be assured that we come after the most thorough and meticulous consideration of the problem involved.

The District of Columbia cannot borrow any money in the open market. The Congress has prohibited that. The gentleman from Arkansas never offered any bill to give this city home rule or to give this city the power to borrow money or to do the things that normal cities do. So the only way this city can get the necessary money for capital improvements is through this type of loan. The provision is that it can only get it after it has been approved by the Bureau of the Budget, then after it has gone to the Appropriations Committee and has been considered by the Appropriations Committee as to how much is needed, and then only when the Secretary of the Treasury fixes the rate of interest and the return date of payment. I just wonder what more the District Committee of the Senate or the District Committee of the House could have done.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. It is easy to complain about the way things are done or the way they are not done, but I would like to have some constructive suggestions about what we ought to do. We are not particularly interested in District legislation. We are just trying to do a job that somebody in this Congress has to do. This city has to make improvements. This is where you men have to come and live when you are in Congress. We are just trying to help you along. If the gentleman has any constructive suggestion about it, we would be glad to listen. We have done the best we could with this thing, we have done the best we could after ample and thorough study, and I hope the House will agree to go along with us on this measure, because this is rather an emergency situation, as the gentleman from Nebraska [Mr. MILLER] has pointed out. Last year with a normal capacity of 175,000,000 gallons a day, for several days they had to produce 240,000,000 gallons. That cannot keep up, and that situation is getting worse. The reason we bring this to you and ask you to act on it today is so they can get this additional supply that is so necessary, and that it may go forward at once, because the testimony is that it is going to take 3 years to do this job after we get the authority.

Mr. HEDRICK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. HEDRICK. Do the people living in Virginia and Maryland pay the same rate for water as they do in the District of Columbia?

Mr. SMITH of Virginia. No; the municipalities over there buy it wholesale at a rate fixed by Congress. They buy it wholesale at the Washington line. They put in all the distributing systems.

Mr. HEDRICK. Do I understand that it is much cheaper than in other cities of the country?

Mr. SMITH of Virginia. No; the testimony was that the rate in Washington is just about the average with comparable large cities in the country.

Mr. TACKETT. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. TACKETT. I have four towns in my district that want water and I have one town in my district, a pretty good-sized town, that cannot even borrow money to build a sewer system. I wonder if the gentleman would be pleased to support legislation that would give my city the opportunity to borrow money from the Federal Government to construct these needed water and sewer improvements.

Mr. SMITH of Virginia. I have already done so; I have already supported legislation for the RFC. They have ample power to lend that money to the cities in Arkansas if the security is there and the loan is sound; and I am sure they will; the gentleman might bend his energies in that direction, rather than in opposing constructive legislation for the Nation's Capital.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate disagrees to the amendment of the House to the bill (S. 2440) entitled "An act to authorize certain construction at military and naval in-

stallations, and for other purposes"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. RUSSELL, Mr. BYRD, Mr. BRIDGES, and Mr. SALTONSTALL to be the conferees on the part of the Senate.

AUTHORIZING CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS, KILDAY, SHORT, and ARENDS.

BRIDGE OVER ANACOSTIA RIVER

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7341) to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "line" and insert "vicinity."

Page 2, line 2, after "act.", insert "The Commissioners of the District of Columbia are further authorized and directed to proceed to acquire sufficient land along, or in close proximity to, Kenilworth Avenue in the District of Columbia, for a right-of-way of adequate width for the construction of a controlled access road to interconnect the Washington-Annapolis Freeway and the Baltimore-Washington Parkway with said bridge and its east approaches at or near the point where Kenilworth Avenue, if extended, would intersect said bridge and its east approaches."

Page 3, line 14, after "Commission" insert "and the Commission of Fine Arts."

Mr. HALLECK. Mr. Speaker, reserving the right to object, there is unanimous agreement in this matter?

Mr. DAVIS of Georgia. Yes; that is quite clear.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FIVE-DAY WEEK FOR OFFICERS AND MEMBERS OF THE METROPOLITAN POLICE FORCE, THE UNITED STATES PARK POLICE FORCE, AND THE WHITE HOUSE POLICE FORCE

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 7695) to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force.

The Clerk read the title of the bill.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I would like to know what this bill does.

Mr. DAVIS of Georgia. Mr. Speaker, the purpose of this bill is to place the Metropolitan Police force, the White House Police force and the United States Park Police force on a 5-day week. The 5-day week is now in operation in police departments in many cities in the United States; among these being Detroit, Mich.; Los Angeles and San Francisco, Calif.: Columbus, Ohio; Jersey City, N. J.; Minneapolis and St. Paul, Minn.; Fort Wayne, Ind.; Grand Rapids, Mich.; and a number of others.

Here in the District of Columbia practically every Federal employee is on a 5-day week except the police force. The police department is having trouble in keeping its personnel up to the necessary and required standard. It holds examinations. It goes out and undertakes to get young men as recruits of the right type and kind of people to make good police officers. These young men come in and investigate, see what the pay is and the various things connected with the work, but when they get to the 6-day week they say: "No, I can do better than that in the Civil Service, the Post Office Department, the Census Bureau, and other places."

Mr. BEALL. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Maryland.

Mr. BEALL. Is is not a fact the House passed this same bill 2 years ago?

Mr. DAVIS of Georgia. I understand the House did 2 years ago, although I was not a member of the committee at that time.

Mr. BEALL. I introduced the same bill in the Eightieth Congress and we passed it.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Speaker, may I be recognized on this bill?

The SPEAKER pro tempore. If the unanimous-consent request is granted, the bill will then be considered under the 5-minute rule.

Is there objection to the request of the gentleman from Georgia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) every officer and member of the Metropolitan Police force, the United States Park Police force, and the White House Police force shall be granted two consecutive days off in each period of 7 days, which shall be in addition to the annual leave and sick leave to which he is entitled by law.

(b) Notwithstanding subsection (a), whenever the Commissioners of the District of Columbia declare that an emergency exists of such a character as to require the continuous service of all officers and members of the Metropolitan Police force, it shall be the duty of the major and superintendent of police to suspend and discontinue the granting of such 2 days off in seven during the continuation of such emergency.

(c) Notwithstanding subsection (a), whenever the Secretary of the Interior declares that an emergency exists of such a character as to require the continuous service of all officers and members of the United States Park Police force, it shall be the duty of the Superintendent of National Capital Parks to suspend and discontinue the granting of such 2 days off in seven during the continuation of such emergency.

(d) Notwithstanding subsection (a), whenever the Chief of the Secret Service Division finds that an emergency exists of such a character as to require the continuous service of all officers and members of the White House Police force, he shall suspend and discontinue the granting of such 2 days off in seven during the continuation of such emergency.

SEC. 2. This act shall take effect on July 1, 1950.

With the following committee amendment:

Page 1, line 5, strike out the word "consecutive."

The committee amendment was agreed to.

Mr. HOFFMAN of Michigan. Mr. Speaker I move to strike out the last word.

Mr. Speaker, my information now is that this bill was passed in the Eightieth Congress, therefore it must be all right. That may or it may not be a sound reason. Here is the point I desire to make. I have the utmost confidence in the judgment of the gentleman from Georgia [Mr. DAVIS]. He states this bill is necessary in order to keep the number of policemen here, that when they come and look the situation over and learn what the pay is they do not want a job. Am I correct on that?

Mr. DAVIS of Georgia. The pay is not so objectionable. It is the number of hours. The major of police said that they lose good men they need and that they would get a lot of men, and good ones, but when they get down to the hours and days of work and they see that there is not the provision which all of the other Government and Federal employees have, they will not take the job.

Mr. HOFFMAN of Michigan. If that be true—and I assume it is, otherwise the major would not have stated it and the gentleman would not have repeated it—it seems to set a rather bad example. I understood the gentleman to say that practically all Federal employees were on a 5-day week. Is that correct?

Mr. DAVIS of Georgia. That is my understanding. May I say to the gentleman that I feel the same way about that, but I did not start the 5-day week. This is the situation in which the police department finds itself. The 5-day week is here and the police department must compete with other departments in getting their employees.

Mr. HOFFMAN of Michigan. I will have a great deal of difficulty in explaining to my constituents, or at least 30 percent of them who are farmers and who do not have, never have had, and never expect to have a 5-day week. It will be difficult to explain why the Federal Government should set a 5-day week

for its employees, while the people who pay them must work 6 days a week and an 8-hour day. If the police are not getting enough money, if we are not paying them a sufficient amount, let us pay them more. In spite of all improvement in production, in spite of all the new methods that have been brought about, and in spite of the new ways of doing things, in spite of the fact we get much more now in 3 days per week production than we used to get in 7, still, sometime, somewhere, somebody must work if we are to get along. There seems to be no short magic way of tilling the soil and getting production back home without work.

Mr. DAVIS of Georgia. Mr. Speaker, if the gentleman will yield, in that connection I want to say that I see the gentleman from Michigan coming in here in the morning and leaving late at night, as he sees me doing the same thing, and I do not have the benefit of a 5-day week any more than the gentleman from Michigan has. However, this situation here was testified to in great detail by the police authorities and by the District Commissioners, and it is an actual situation that we face, and regardless of how much we dislike it, we do know that we must have police protection here in the city.

Mr. HOFFMAN of Michigan. I assume the gentleman is trying to tell me that neither he nor I can do anything about the 5-day week. That is what it amounts to, is it not?

Mr. DAVIS of Georgia. I am just telling the gentleman about the difficulties encountered.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Missouri.

Mr. SHORT. What the gentleman from Michigan says is true. I think the Members of Congress are in the same category that the farmers of this Nation are. We work not 5 days a week, but 7 days a week.

Mr. HOFFMAN of Michigan. Some of us.

Mr. SHORT. Well, practically all of us do.

Mr. HOFFMAN of Michigan. All right; I will accept the blanket endorsement. I think all the Congressmen agree that they are some of the hardest working people in the country; at least it would be natural for us to think we work much of the time.

Mr. SHORT. Seven days a week, and not 8 hours a day either.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. SHORT. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I would say this to the gentleman from Michigan that we, like our farmers, work 7 days a week but not 8 hours a day.

Mr. HOFFMAN of Michigan. How many?

Mr. SHORT. Well, I will let the gentleman testify for himself. I know how diligent and assiduous he is in his arduous labors. Most of us work from 12 to 16 hours a day.

Mr. HOFFMAN of Michigan. If I was only as eloquent as the gentleman from Missouri, I would be all right.

Mr. SHORT. Just a moment. You are all right. I have the floor. I refuse to yield further to the gentleman. This legislation does not establish a precedent. The precedent already has been established, and certainly the gentleman is not going to object to giving the policemen in the District of Columbia the same consideration and fair treatment——

Mr. HOFFMAN of Michigan. That I expect from them.

Mr. SHORT. That we give other employees of the Federal Government. I think this is meritorius legislation and that it should be passed. We passed it in the Eighteith Congress which was Republican controlled.

Mr. HOFFMAN of Michigan. Do they vote in our district?

Mr. SHORT. That I do not know. I think many of them do. It matters not because we should show a little appreciation or consideration of the policemen of Washington in the District of Columbia.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I have asked for this time in order to read a telegram addressed to the Speaker of the House, and signed by James P. Wesberry, former Acting Chaplain of the House of Representatives:

> I had the great honor today of nominating BROOKS HAYS as second vice president of the Southern Baptist Convention which is meeting in Chicago with some 10,000 members attending. He was duly elected. This is a great spiritual honor and responsibility. The convention, as you know, represents over 28,000 churches with about 7,000,000 members. His friends in Congress will rejoice.
>
> With deep appreciation personally,
> JAMES P. WESBERRY.

I am sure, Mr. Speaker, all of us appreciate this recognition and honor that has come to our colleague.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mrs. BOSONE (at the request of Mr. CLEMENTE), for May 25, on account of official business.

To Mr. WAGNER, for 1 day, on account of serious illness in family.

EXTENSION OF REMARKS

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks.

Mr. JUDD asked and was given permission to extend his remarks in two instances and in each to include extraneous material.

Mr. MITCHELL asked and was given permission to extend his remarks and include an editorial.

Mr. O'SULLIVAN asked and was given permission to extend his remarks in two instances, and in each to include extraneous matter.

Mr. HARE (at the request of Mr. MCMILLAN of South Carolina) was given permission to extend his remarks and include a speech he delivered.

Mr. REES asked and was given permission to extend his remarks and include a newspaper article.

Mr. CASE of South Dakota (at the request of Mr. LOVRE) was given permission to extend his remarks and include an address by Maj. Gen. Thomas D. White.

Mr. MCCULLOCH asked and was given permission to extend his remarks and include an editorial.

Mr. DONOHUE asked and was given permission to extend his remarks and include extraneous matter.

Mr. SADOWSKI (at the request of Mr. RABAUT) was given permission to extend his remarks in five instances and in each to include extraneous matter.

Mr. PRICE asked and was given permission to extend his remarks and include an editorial from the St. Louis Post-Dispatch.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Monday next and on Thursday next, following the legislative program and any special orders heretofore entered.

MEMORIAL DAY ADDRESS

Mr. FELLOWS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. FELLOWS. Mr. Speaker, how else are you going to deliver a Memorial Day speech unless you walk in like this and ask for the time? Nobody has invited me to speak on Memorial Day. This is what I would deliver if I had been asked to deliver a Memorial Day speech.

As we strew with flowers the graves of those to whom freedom and liberty meant more than life, let us on Memorial Day pray with the poet—

> Wake in our breasts the living fires,
> The holy faith that warmed our sires;
> Thy hand hath made our Nation free;
> To die for her is serving Thee.

In doing honor to the memory of those men and women who, by their sacrifices, call to our attention that true liberty is beyond price, let us recognize that to such Americans as they the flowers and the flags will be but empty tribute

if we fail to rededicate our hearts and minds to those sublime truths which they held so dear.

This country was founded on faith, not fear. And that faith of our fathers was a wholesome thing. It was a faith in God—a faith that right makes might. It was the faith that casts out fear. It was at once our refuge and our strength.

Our fighting forces won the war. That was in 1945. In this year 1950, those hopes that were high in the fall of 1945 have been dashed by recent developments. Our diplomacy has nullified our victory. If there is any lesson this state of affairs should teach, it is the fallibility of man, and the mistake of placing our faith in things material. As a nation, even as individuals, we have come to assume that the dollar is the answer to all problems, and our diplomats seek to cement the victory won by our armed forces with cash, while peace terms remain unwritten.

Many of us have reached an age where we frequently may be heard to say, "I'll never live to see" certain things come to pass. Many will not live to see another war. More will not live to see the world at peace, even temporarily. But to all of us who have children or grandchildren the future of this country is a matter of grave concern. Normal adults are not easily influenced by the un-Godly and Godless teachings of those who have been referred to as social coercionists. But the youngsters of our Nation must be saved from the subversive efforts of the planners and plotters, and the strange and alien philosophies that have been allowed to take root in our schools and our Government since the beginning of the century must be weeded out by our homes and churches. More alarming than the knowledge that others possess the secret of the atom bomb is the record of failure to stockpile spiritual resources.

We have more houses than in 1900, but fewer homes.

We have better school buildings, but no greater wisdom.

We have labor- and time-saving devices unknown 50 years ago, but find no more opportunity to be with our children.

We have gained in pecuniary wealth and lost in sense of values.

Let us teach our children what our parents taught us—that life is not a gift but a loan, and that faith and freedom come as the result of study and work, as do most worth-while things of life. A prudent jealousy for our freedom is a healthy thing. Because of his strength, speed, grace of motion, sense of direction, and lack of fear—which enable him to cruise the airways freely—the eagle is the symbol of our country. Powerful wings lift him to the heights to which neither man nor eagle may reach without freedom. Injury to one of those powerful wings upsets the bird's equilibrium, cuts his speed, makes his motions awkward. So with our Government.

In recent years great emphasis has been put on the left wing. Now, if too much pressure is applied to the eagle's left wing, one of two things occurs—he turns bottom side up or he revolves in circles. If assured against pursuit by other denizens of the air—if promised food will be his without his hunting—if necessity for exercise of initiative and responsibility is absent, he will become like a parrot. Confined in a cage—perhaps chained to a perch—he is saved all worry as to sustenance, but that freedom to coast on the wind and flaunt his speed and strength he has exchanged for the certainty of applause when he jeers the family cat, and a cracker when he whistles.

We frequently hear complaints that one is too conservative, or, let us say, too far to the right. But so long as there are those elements in our country—in schools and in government—so very far to the left, just so long will it be necessary to work hard at keeping our country, like the eagle, in balance.

It has been said that a mother is not one on whom to lean, but one who makes leaning unnecessary. One who leans, whether on a parent or on a government, soon loses the ability to walk alone, and the increasing tendency of individuals to resort to the state for aid and guidance in solving personal problems, like the Government's assumption of omnipotence and omniscience is fast leading us down the road to a chaos of financial and moral bankruptcy.

Those founding fathers who fought in 1776 knew poverty and suffering. That the system they established had imperfections they realized. But they had a consuming desire to insure the freedom of the individual to manage and improve his own private affairs—to worship God in his own way—to keep the reins of government in his own hands. That even our country would never be altogether free of poverty, unhappiness, and suffering they knew, but they knew too that poverty, unhappiness, and suffering are comparative terms. And history, of course, discounted the idea that man-made government could cure all man-made ills.

Thousands of volunteers in the last century and a half have found the things their forebears stood for worth defending, and millions of people from the Old World continue to beseech admission at our national doors, like small boys trying to crawl under the tent of the greatest show on earth.

There is not a man or woman in America who is not concerned with the public welfare. There is a growing tendency to standardize it, however. Pursuit of happiness as an occupation seldom leads to mental, moral, or economic security. That persons who stays on his job, doing it as best he may, saves the necessary energy to grasp happiness when it overtakes him. What the ultra-liberal conceives to be the ingredients of happiness and welfare he would have the Government undertake to furnish each citizen. Material things all! A balanced diet, including spinach and carrots—which few crave—a modern home, with hot and cold running water, garbage disposal unit, so many cubic feet space per person, and a nearby supervised playground for children, with free motor transportation to schools presided over by teachers with college degrees. All this as insurance of health, welfare, and happiness.

It reminds me of a broadcast to which I listened recently, where success was discussed. Amazingly, everyone on the panel thought of success only in terms of material things. Is it then surprising that our mental institutions are full of frustrated souls, and our streets gloomy with wrinkled foreheads and black-rimmed eyes?

What are our parents, teachers, and churches teaching?

As parents we fail to instill the faith of our fathers, to give our children a true sense of value.

As teachers we urge education as a means to higher earning power, but neglect to point out another measure of success.

Our churches too often neglect the fundamental truths for sociological discussions.

Contracts, whether between man and wife, labor and industry, individuals or governments, are honored when it appears profitable, and too frequently bribery rather than diplomacy becomes the instrument of negotiations between countries. The result of all this is loss of respect for and faith in humanity. Somewhere along the way we have not been given access to fresh stores of faith at which to replenish the losses incident to ordinary living.

Do not let anyone convince us that all is well; that the state of the Union is good; that what we need is socialized medicine, free trade, more Federal aid for local undertakings and economic and arms assistance to foreign countries to insure so-called public welfare. Socialized medicine has been tried in Britain and has failed miserably from every standpoint. It would fare no better here.

Lack of tariffs to protect our products produced by highly paid workers from competition of imports is already threatening employment in agriculture and fisheries, and in our shoe, cotton, and pulp industries. Greater Federal aid to States that are as well or better able to furnish the money means greater taxes, debt, and inflation. And the billions we have sent and continue to pour into foreign countries make us no friends.

Ten out of twelve persons today would give as their chief cause of worry the threat to world peace. Their mental health is disturbed because of the seeming lack of moral health throughout the globe.

So I respectfully suggest that this coming week we take time to do something other than wave flags and make speeches in memory of our soldiers, sailors, marines, and airmen. That their sacrifices may not have been in vain, let us face the facts.

These United States support a national debt so colossal that it is beyond our ability to visualize such a sum.

The country staggers under a budget so huge it requires deficit spending, although there is no shooting war.

Under the guise of seeking our welfare there are influences ceaselessly working to take from us the privilege and right of spending our own earnings.

On the local level, any attempt to ferret out disloyalty is thwarted by the calling out of all the forces of Government to discredit those who seek to make our country secure.

Respect for our flag is at such low ebb that our airplanes are shot from the skies and our protests are disregarded. And those who accept our funds, rightly refuse to honor those who would put a cash price on the great intangibles—love, loyalty, liberty, faith, truth, friendship.

If those boys and girls whose fine bodies and high hearts today rest beneath the new green of waving grass and the bright stripes and stars of their country's flag were here today, I sincerely believe they would warn us: "Each to your battle station. Take up your burden. Assume your allotted task. Seek the truth that you may meet the somber challenge crowding down upon you from every corner of the country and every spot upon the globe. Your material world will crash about you unless there is a rededication to the sublime truths on which our great Nation was founded."

It was Jesus who said, "Ye shall know the truth, and the truth shall make you free."

It was someone else within recent years who said, "Who keeps the truth from the people stands in the way of God."

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. JENISON] is recognized for 10 minutes.

LOUIS DOLIVET

Mr. JENISON. Mr. Speaker, it is certainly an anticlimax to stand up here in the well and follow such an inspiring address as we have just had the privilege of hearing with the factual presentation I have before me. Perhaps the inspiring words of the gentleman from Maine may all the more apply to the matter which I wish to call to the attention of my colleagues.

Mr. Speaker, it has come to my attention that there is pending before the Bureau of Immigration a very unusual application for American citizenship. I want to call it to the special attention of my colleagues and to the Bureau in the hope that a very thorough investigation and hearing will be given the application of this man before any action is taken. It is also to be assumed that the State Department would be interested in going very thoroughly into his background and past activities and avail itself of the considerable dossier believed to be in the FBI files. For the benefit of my colleagues, I should like to give a brief résumé of the information I have been able to obtain about this petitioner.

On June 11, 1946, Louis Dolivet made application for American citizenship under section 701 of the Nationality Act of 1940 as amended, termination date of which has been extended several times. As you know, this act permitted the naturalization of aliens who had been in the United States and served honorably with the Armed Forces, without declaration of intention, without certificate of arrival, without specified residence in the United States. Petition for citizenship under this section had to be accompanied by the affidavits of at least two credible witnesses, citizens of the United States, stating that each such witness personally knew the petitioner to be a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States. Military service could be proved by either affidavits of two United States citizens who were former members of the Armed Forces, or by authenticated copies of the record of the executive department having jurisdiction of the petitioner's record.

Let me tell you something about Louis Dolivet, who still wants to become an American citizen under this law. On October 8, 1943, he was inducted into the Army while in this country on a temporary visitor's visa. On that same day he was transferred to the Enlisted Reserve Corps. On October 29, 1943, he reported for active duty. Less than a month later, on November 23, 1943, he was discharged from the Army. Since he has based his application for citizenship on this 25 days' service, it is to be presumed he was given an honorable discharge. However, I have been unable to find this out, nor why during wartime, he was given an honorable discharge after such short service.

Mr. Dolivet's two witnesses who attested to his good moral character are listed with the Bureau of Immigration as Jackson Leighton, assistant publisher, 71 Washington Place, New York City, and his then wife, Beatrice S. Dolivet, Old Applegreen, Old Waterbury, N. Y. As provided in section 701, they had to swear that they knew of his good moral character, that he was attached to the principles of the Constitution of the United States, and that he was well disposed to the good order and happiness of the United States. So far as I have been able to ascertain from the Bureau of Immigration, no investigation has yet been made as to the credibility of these two witnesses. However, in view of his record which I shall touch upon, undoubtedly they should be questioned. Also, Mrs. Dolivet may not be so positive as to his character at this time, since she divorced him in Reno on May 24, 1949.

It might be interesting at this point to note that Mr. Dolivet has been in and out of this country innumerable times, and until October 13, 1947, always on visitor's visas. This has been true at least from July 1941, when he was noted by the New York Times as speaking to the International Free World Association, and at the time of his marriage to Beatrice Whitney Straight in February 1942, he was mentioned by the New York Times as being secretary general of that organization, as well as the coeditor of its magazine, the Free World. However, on October 13, 1947, he changed his status, and from that time has gone to and fro as a United Nations official with diplomatic immunity.

At the present time, Mr. Dolivet is not only accredited to the United Nations, but he is international editor and a member of the board of directors of the United Nations World, formerly the Free World. This is a privately financed publication which reports and interprets the work of the United Nations and which is widely distributed within foreign countries as well as the United States. Dolivet's position in the United Nations World is an unusually influential one in that he is allowed a very free hand in the determination of editorial policy and content. His position with the United Nations is reported to be as consultant with that part of the UN Secretariat which is concerned with publications and informational handbooks. Because of Dolivet's position as noted above and his connection in the United States and abroad, he is in a position to do a considerable amount of harm to the interests of the United States and would be able to wage a skillful and effective campaign from within our borders which can have far-reaching effects. Certain articles which have appeared recently in the United Nations World are regarded as containing dangerous distortions of the truth and to be very misleading to world public opinion. At least one of these articles on the so-called Gromyko plan was the subject of extensive comment and publication in important newspapers both here and abroad.

A certain State Department official described Dolivet as a very dangerous Stalinist agent and a member of the international Communist apparatus Witness No. 8, when testifying before a Senate Judiciary Subcommittee on July 23, 1949, described Louis Dolivet, previously a Rumanian citizen, presently international editor of United Nations World, as a liaison of the Communists with the United Nations Secretariat. Witness No. 8 also testified that all the archives and papers of the Secretariat were accessible to Mr. Dolivet.

Perhaps it is only coincidence that one of Mr. Dolivet's character witnesses is listed as Jackson Leighton, assistant publisher, and that Jackson Leighton is listed in 1950 as executive director of United Nations World.

I am presenting herewith a translation of an article from the French magazine, La Revue Parlementaire, dated December 15, 1949, which gives an excellent account of Dolivet's earlier pro-Soviet activities, written by a man whose integrity has been vouched for to me. Much of the material the article contains has been checked and verified. In particular, his connection with the late Willy Muenzenberg, the former German Communist with whom Dolivet worked in France during the late thirties, has been well documented with material from several different sources:

I have had the occasion of knowing personally one of these agents in Paris, especially in 1933. He was a native of Rumania, Ludwig Brecher, who at that time called himself Udeanu, and who finally became, in his most recent incarnation, M. Louis Dolivet.

I was at that time editor of Monde, the weekly published by Henri Barbusse, and I

endeavored to prevent the seizure of the paper by the French Communist Party. Unfortunately, my colleagues of the editorial board and I only had our pens at our service. Thus the French Communist Party succeeded in its attempt; we had to leave the paper, which survived our departure by only a few months, for in the process of changing its orientation it very quickly lost all its readers. The principal instrument of this suppression of an independent paper, which refused to obey the Communists, was M. Udeanu-Brecher-Dolivet. He planted himself in the printing plant and pretended to exercise a censorship over our articles by eliminating all which could harm the U. S. S. R. and finally he succeeded in eliminating all the rebels.

Udeanu-Dolivet, who began his political career at Geneva in the pro-Soviet socialist circles of M. Leon Nicole, participated successively in the organization of the antiwar congress at Amsterdam (August 1932), in the similar movement at Amsterdam-Pleyel (1933), in the World Committee for the Struggle Against War and Fascism, and finally in 1935 in the Universal Rally for Peace (RVP—Reassemblement Universel pour la Paix), all party undertakings with Communist cadres, led by those Communist agents who, behind the scenes, pulled all the strings after being certain of the competition of the nobles, bishops, ministers, former ministers or those aspiring to be ministers, and writers in search of new emotions, which were designated as recruiting sergeants by Moscow.

There was not one of these projects in which Udeanu-Dolivet did not play a part. His superior in this technique was Willy Münzenberg, at the time when the latter, who had left Germany after the coming of Hitler to power, was transferred to France. To be exact, at this time Münzenberg was still in complete accord with Moscow, with whom he broke in the end, especially after the Russian-German Pact (1939). A trip to Russia at the end of 1934 presented Udeanu-Dolivet with an occasion to make direct contact with Soviet circles. It was about this time or a little after that Udeanu met, by being close to Münzenberg, the Swedish banker Olaf Ashberg, who had for a long time been a very active financial agent of the Soviets. Ashberg in his memoires, which appeared in Stockholm in 1946, named Udeanu-Dolivet and published his photograph, which leaves no doubt as to his identification.

In 1934–35 Udeanu-Dolivet wrote several articles in the organ of World Committees for the Struggle, etc., which was called World Front. In his articles the author interpreted all about the principal idea: The defense of the Soviet Union at any price. For the defense he invoked the masses in all countries, which should impose the Soviet foreign policy on their respective governments. In direct connection with the line of the French Communist Party and with its successive changes, he came out against the extension of French military service to 2 years in March 1935; this law required by the merchants of death—and in his opinion it was easier to fight against war than it was in 1914, since at the present time there is the Soviet Union, the bulwark of the policy for peace. He denounced with indignation American finance capital which under the pretext of neutrality wishes to bring off the same activities and for the same beneficiaries that it did during the First World War.

These citations could be added to, but it is not worth the trouble. Udeanu-Dolivet had a few difficulties in 1937–38, following allegations of embezzlement of funds in the RVP and in the subscriptions for Spain. One of his most implacable accusers was Francis Jourdain. Udeanu-Dolivet's administration was in any case extremely confused; in such matters he was the personification of disorder. He became a naturalized Frenchman in 1937 under the Popular Front; he was designated a sergeant in the Ministry of Air, where his great friend, Pierre Cot, had retained many connections. After the debacle, he embarked at Marseille for America, which permitted him to save his position as well as his skin.

He found there his old friend the banker, Ashberg, and also Pierre Cot, and founded with him a magazine, Free World, which finally became United Nations World, whose pro-Soviet leanings are the same as Tribune des Nations, which appears at Paris. Udeanu-Dolivet has been with Pierre Cot (always Pierre Cot), one of the sponsors in France of Henry Wallace, the exploitation of whom by the French Communist Party is remembered.

This article is signed by A. Rossi.

Questions which raise themselves about this petitioner seem to be:

Why was there such a lag in time between his Army service in 1943 and his petition for citizenship in 1946?

What is the reason no hearing has been held on his petition these last 4 years, since under section 701 it could be held immediately and heard in any court having naturalization jurisdiction?

Why has the credibility of his witnesses not been investigated?

Since he always traveled under temporary visitor's visas, or more recently with diplomatic status, does any Federal authority know when this petitioner comes or goes? Or where?

How does an alien in this country on a temporary visitor's visa take a job such as Dolivet did when he was coeditor and secretary general of Free World in 1942?

Who and what is behind all these obviously special privileges granted Dolivet?

Was not Dolivet named by Alger Hiss in his letter to Noel Field as the man who would be interested in publishing Field's reports on eastern Europe?

Has the Communist record of Louis Dolivet, also known as Ludwig Brecher, been investigated? Is it known to the State Department?

Who recommended him to his present post with the United Nations?

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. JENISON. I yield to the gentleman from Wisconsin.

Mr. SMITH of Wisconsin. First I want to say that the gentleman from Illinois is making a very fine statement on this individual. This case ought to have the attention of the FBI, and certainly the State Department. I wonder if the gentleman can tell us how this man got into the Army and out of the Army in such a short time.

Mr. JENISON. I will be very happy to say to my colleague from Wisconsin that that is one of the first questions that occurs to one in investigating a case of this sort, and to date there has been a very large and ominous note of silence from the agencies involved as to that incident.

Mr. SMITH of Wisconsin. Is not that information available in the Adjutant General's office?

Mr. JENISON. It is available there, as it should be, but it has not been revealed to us.

Mr. SMITH of Wisconsin. Has the gentleman made inquiry?

Mr. JENISON. We have made inquiry and we have been advised that it is confidential and cannot be released to us.

Mr. SMITH of Wisconsin. I understand that he is still an alien, and yet has free access to move about the United States by virtue of his identification with the United Nations Organization.

Mr. JENISON. I might say to my colleague from Wisconsin, not only does he have that privilege but he has access to such information as ought to be in a classified status and is available to him, apparently, when it is not available to the representatives of the people of the United States.

Mr. SMITH of Wisconsin. His application for citizenship was based upon a special regulation for one who has been in the service; is that true?

Mr. JENISON. His application seems to be based on the fact that he served in the United States forces, even though that service was of less than 30 days' duration.

Mr. SMITH of Wisconsin. He was inducted in October and discharged in November.

Mr. JENISON. Some 25 days later, and with no explanation whatsoever. I think perhaps the GI's of the Nation would be very much interested in knowing how some men can get out of the service in 25 days when others were required to spend 3 and 4 years fighting the battles of their country all over the world.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. JENISON. I yield to my colleague from Illinois.

Mr. PRICE. I think the gentleman has made a very fine presentation. If this man was in the Army for only 25 days, I do not know of any law that would qualify him for any sort of preference as a veteran or member of the armed services. To the best of my recollection, you have to serve at least 90 days before you are entitled to any preference or benefits under any law we have enacted here in the Congress.

Mr. JENISON. I thank the gentleman.

Mr. PRICE Would that apply also to the particular law that gives this man preference in applying for citizenship?

Mr. JENISON. I thank the gentleman from Illinois for raising that question, for I have raised the same question, and section 701 does not specify a definite time of service.

Mr. SMITH of Wisconsin. Has the gentleman made inquiry about that?

Mr. JENISON. We have pursued this investigation through every source available.

Mr. SMITH of Wisconsin. They actually do not give you much information, do they?

Mr. JENISON. It boils down to that. There is a black cloud of silence hovering over every agency that might give us information about this particular case, and I think my colleagues should know why we have not had any answer.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that

the gentleman be permitted to proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, if the gentleman will yield further, can the gentleman tell us anything about Dolivet's alleged Communist affiliations? Has he been identified, for instance, with certain cells or groups who have been charged as being communistic?

Mr. JENISON. The record of this particular individual, I might say, is replete with affiliations dating back as far as 1933. They have been documented by sources of unquestioned integrity. I have included in the RECORD, with the permission of the House, a translation of an article appearing in a current French magazine, dated December 15, 1949, which gives a complete account of his earlier pro-Soviet activities, written by a man whose integrity has been vouched for to me.

Mr. SMITH of Wisconsin. Has the Committee on Un-American Activities of the House had this information?

Mr. JENISON. I am unable to answer that question, but it is my intention to turn this information over to the House Committee on Un-American Activities with the hope that that body may succeed where individuals up to date have failed.

Mr. SMITH of Wisconsin. I hope the gentleman does that. I want to compliment him again on bringing this matter to our attention.

Mr. JENISON. I thank the gentleman.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. JENISON. I yield.

Mr. HOFFMAN of Michigan. Will the gentleman tell us again what position this gentleman holds, and by what authority?

Mr. JENISON. Apparently the UN confirmed his request for diplomatic status, but we do not know his exact position; but the other position he now holds is international editor of the magazine that is now used as a publicity soundingboard for the United Nations and spread throughout not only this country but the world, as accounting for the activities of the United Nations.

Mr. HOFFMAN of Michigan. Is he an agent or officer of the United Nations, or does he work under their direction?

Mr. JENISON. He has a diplomatic connection with the United Nations. I am unable to say whether he is an employee of the United Nations. That is one of the questions I should like to have the House Committee on Un-American Activities pursue further.

Mr. HOFFMAN of Michigan. Where does he get his money, if he gets any?

Mr. JENISON. That would be a very interesting question.

Mr. HOFFMAN of Michigan. The gentleman means he has not been able to discover that?

Mr. JENISON. I have not been able to discover the source of his salary as such. I suspect very much it is the taxpayers of the United States.

Mr. HOFFMAN of Michigan. Does he work out of this United Nations city or territory up here in New York?

Mr. JENISON. I am advised that they work physically on the site of the offices of the United Nations.

Mr. HOFFMAN of Michigan. That is a little territory within our country?

Mr. JENISON. The little world within the world in New York.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. JENISON. I yield to the gentleman from New York.

Mr. KEATING. I want to commend the gentleman for bringing this serious matter to the attention of the Members of the House. Do I understand from the gentleman that these facts and this record of the man the gentleman is describing here have been brought to the attention of our Department of Defense by the gentleman or someone else?

Mr. JENISON. They have been brought to the attention of the Bureau of Immigration, and they have been brought to the attention of the State Department.

Mr. KEATING. From neither the Department of State nor the Bureau of Immigration has the gentleman been able to get any information of a substantial character about what is going on with regard to this?

Mr. JENISON. We have been unable to obtain any information as to why there has been delay and delay and delay in acting on this case, in which there is so much evidence to indicate that matters adversely affecting the Nation may be at stake.

Mr. SMITH of Wisconsin. If the gentleman will permit an observation, when this matter was called to my attention I made inquiry of the State Department and after waiting at least 3 weeks was informed indirectly that this was a highly secretive matter, a matter that the FBI was working on. I was referred to the FBI. I then contacted the FBI, and they said, "Strange; we don't know about it," except that he had an application on file for citizenship.

There is something funny between State and the FBI on this.

Mr. JENISON. I want to express my appreciation to the gentleman from Wisconsin for his help to me in trying to run down this matter and to confirm the observation he has made of the silence—the ominous silence on the whole matter, on the part of departments that should have this whole thing at their fingertips.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. JENISON. I yield.

Mr. HOFFMAN of Michigan. Is this the situation, then, that while on yesterday we passed a law requiring the registration of all the young men of the land, so that they would be available for military service, and while other branches of the Government are, you might say, mobilizing our industry and our resources, that this man is in this country having previously had connection with or been working for the Communists and is permitted to remain here in a position where he can get information as to what we are doing in preparing for any aggression that Russia might bring about?

Mr. JENISON. The gentleman is exactly correct. That is exactly the situation.

Mr. HOFFMAN of Michigan. Does not that seem a rather strange position for our Government to take—to draft or get ready to draft young men everywhere and send them everywhere in the world to fight and then right here at home in New York, to let this man who has a record of affiliations with the Communists stay here and know what we are trying to do in our plans?

Mr. JENISON. It is most discouraging. It should result in our revitalized effort to protect our own people here at home.

Mr. SMITH of Wisconsin. This man has also been using a number of different names, has he not? How many different names has he used since he has been here?

Mr. JENISON. To date I have documentary proof of only two. But the difficulty of trailing a person through his activities on the European scene from the period from 1930 to 1940 gives sound basis for suspicion that there may be others.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. JENISON. I yield.

Mr. KEATING. Can the gentleman from Illinois or the gentleman from Wisconsin, who also apparently is somewhat familiar with this case, tell us whether this man is now here under some diplomatic immunity? Did I understand the gentleman to say that?

Mr. JENISON. The situation is that he came here under a temporary visa which seems to have been renewed and renewed, and then, upon application for citizenship, the whole matter has been frozen in silence.

Mr. KEATING. The gentleman somewhere in the course of his remarks spoke of some diplomatic immunity.

Mr. JENISON. The diplomatic immunity seems to come from his association with his present activities with the United Nations. I challenge its legality, but I concede its effectiveness.

Mr. KEATING. Apparently, it is effective, whatever the nature of that relationship is, but I wondered whether the Department of State was also silent upon the existence of this diplomatic privilege or whether that question has been addressed to them at all.

Mr. JENISON. Let us say that the Department of State has been silent—period. And it is to call it to their attention in public and to bring the matter before the House Committee on Un-American Activities and to advise my colleagues of the rather serious nature of this individual case that I have taken this time.

Mr. HOFFMAN of Michigan. Is it correct to assume, then, that this man who is suspected, and with good reason, of working for the Communists is here because either the immigration authori-

ties or the Department of State do not oust him?

Mr. JENISON. That is certainly a statement of fact—he is here and has not been ousted.

Mr. HOFFMAN of Michigan. Then what that amounts to is that either the Department of State or the Immigration Authorities are protecting him and keeping him here.

Mr. JENISON. He most certainly has been kept here, I will say to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. My constituents write me from week to week and they say, "Here is a man who you say is a Communist, or unfit or unpatriotic and is engaged in subversive activities. Why do you not get rid of him?"

Now, what can I answer them? I have to say, "Well, the administration or some one of the executive departments is keeping him here." What can I do? I have to say something. Then they say, "We are not going to send you down to Congress unless you get rid of these subversive boys."

Mr. JENISON. I yield to the gentleman from Michigan, acknowledging his greater capacity to answer his own question.

Mr. HOFFMAN of Michigan. I tell them that they will have to get a new President, or a completely new executive branch of the government, with new department heads. That is the only thing I can tell them.

Mr. JENISON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and also to extend my remarks in the Appendix of the RECORD and include some other material.

The SPEAKER pro tempore (Mr. ELLIOTT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7635. An act to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the Regular components of the Armed Forces of graduates of the United States Military, Naval, or Coast Guard Academies; and

H. J. Res. 476. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

The SPEAKER pro tempore announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 183. Joint resolution to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 46 minutes p. m.), under its previous order, the House adjourned until Monday, May 29, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1476. A letter from the Secretary of Defense, transmitting a draft of a proposed bill entitled "A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone; and for other purposes"; to the Committee on Merchant Marine and Fisheries.

1477. A letter from the Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes"; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Virginia: Committee on the District of Columbia: H. R. 8578. A bill authorizing loans from the United States Treasury for the expansion of the District of Columbia water system; without amendment (Rept. No. 2133). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. H. R. 1854. A bill for the relief of Kenneth Everard Hadfield; without amendment (Rept. No. 2126). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 5016. A bill for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati; with amendment (Rept. No. 2127). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 5470. A bill for the relief of Joseph A. Haddad; with amendment (Rept. No. 2128). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R 7812. A bill for the relief of Martha Aporta Strickland; without amendment (Rept. No. 2129). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 977. An act for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid; without amendment (Rept. No. 2130). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1693. An act for the relief of Karin Margareta Hellen and Olof Christer Hellen; without amendment (Rept. No. 2131). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2156. An act for the relief of Sister Edeltrudis Clara Weskamp; without amendment (Rept. No. 2132). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 404. An act for the relief of Emma L. Jackson; without amendment (Rept. No. 2134). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 784. An act for the relief of the First, Second, and Third National Steamship Cos.; without amendment (Rept. No. 2135). Referred to the Committee of the Whole House.

Mr. KEATING: Committee on the Judiciary. H. R. 2600. A bill for the relief of Ralph Dunsmore; with amendment (Rept. No. 2136). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5849. A bill for the relief of Samuel M. Kornegay; without amendment (Rept. No. 2137). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 5960. A bill for the relief of Lt. Comdr. Evan L. Krogue; without amendment (Rept. No. 2138). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 7253. A bill for the relief of Charles Wilson Roland and Mirtie L. Roland; with amendment (Rept. No. 2139). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 7944. A bill for the relief of Mr. and Mrs. Albert Chandler; without amendment (Rept No. 2140). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8519. A bill for the relief of the estate of Archer C. Gunter; with amendment (Rept. No. 2141). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TABER:

H. R. 8642. A bill to amend Veterans' Preference Act of 1944, as amended, to provide for designated representatives thereunder of certain veterans' organizations; to the Committee on Post Office and Civil Service.

By Mr. TABER (by request):

H. R. 8643. A bill to amend section 207, title II, part 1, Public Law 601, Seventy-ninth Congress, approved August 2, 1946; to the Committee on Armed Services.

By Mr. HELLER:

H. R. 8644. A bill to assist the States in establishing and maintaining recreation day centers for older persons, and for other purposes; to the Committee on Ways and Means.

By Mr. JOHNSON:

H. R. 8645. A bill to authorize and expedite the construction of family quarters needed at permanent military installations by authorizing the Secretaries of the military departments to contract for the construction of family quarters and to apply the occupants' basic allowances for quarters to the payment of the cost of construction provided that no monthly payment for any unit shall be less than $75, and for other purposes; to the Committee on Armed Services.

By Mr. TEAGUE:

H. R. 8646. A bill to amend the National Service Life Insurance Act of 1940 to provide that such act shall be centrally administered; to the Committee on Veterans' Affairs.

H. R. 8647. A bill to establish an Interagency Hospital Commission for the promotion of efficiency and economy in the operation of hospitals of the United States; to the Committee on Expenditures in the Executive Departments.

By Mr. WINSTEAD:

H. R. 8648. A bill to amend the Internal Revenue Code to allow deduction of certain premiums paid for life and fire insurance in computing income tax; to the Committee on Ways and Means.

By Mr. FELLOWS:

H. R. 8649. A bill to rescind the order of the Postmaster General curtailing certain postal services; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of Michigan:

H. R. 8650. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for additional personnel engaged in hazardous occupations; to the Committee on Post Office and Civil Service.

By Mr. PETERSON:

H. R. 8651. A bill granting compensation to certain disabled employees of draft boards; to the Committee on Armed Services.

By Mr. REED of New York:

H. J. Res. 480. Joint resolution extending the time for the release, free of estate and gift tax, of certain powers; to the Committee on Ways and Means.

By Mr. VINSON:

H. Res. 617. Resolution authorizing and directing the Committee on Armed Services to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (c) of the Rules of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARROLL:

H. R. 8652. A bill for the relief of Setsuko Ogawa Tapper; to the Committee on the Judiciary.

By Mr. GOLDEN:

H. R. 8653. A bill for the relief of Fumie Kawamoto; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 8654. A bill for the relief of Antranik Hovsepian; to the Committee on the Judiciary.

By Mr. MICHENER:

H. R. 8655. A bill for the relief of Toshiko Kikyo and Francis Kikyo; to the Committee on the Judiciary.

SENATE

FRIDAY, MAY 26, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, in the brooding silence of this still moment, may open windows of faith flood our gloom with light, that in Thy sunshine's blaze our day may brighter, fairer be. Even as we come to the altar of prayer our minds are plagued with questions we cannot answer, as to how humanity, with the dread secrets of nature in its fumbling hands, can live on this planet in peace and security. O God, the answers for which we gropingly seek in the darkness of our own devices are hidden in Thy heart.

Give us, we pray Thee, inner greatness of spirit and clearness of vision to meet and match the large designs of this demanding day, that even amid the tensions of human relationships we may keep step with the drumbeat of Thy truth which is marching on. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MYERS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 25, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 25, 1950, the President had approved and signed the following acts:

S. 1145. An act for the relief of Persephone Poulios;

S. 2071. An act for the relief of Mrs. Alice Willmarth;

S. 2258. An act for the relief of Dr. Apostoles A. Kartsonis;

S. 2368. An act for the relief of William Alfred Bevan;

S. 2427. An act for the relief of Masae Marumeto;

S. 2431. An act for the relief of Sumike Kato;

S. 2443. An act for the relief of Mrs. Georgette Pensard;

S. 2568. An act for the relief of Carmen E. Lyon; and

S. 3122. An act to authorize the Secretary of the Navy to convey to the Goodyear Aircraft Corp., Akron, Ohio, an easement for sewer purposes in, over, and across certain Government-owned lands situated in Maricopa County, Ariz.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5990. An act to provide for the construction, development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland and its extension into the District of Columbia as a part of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes;

H. R. 6278. An act to make cancer and all malignant neoplastic diseases reportable to the Health Officer of the District of Columbia;

H. R. 7623. An act relating to members of the District Boxing Commission who are retired members of the Metropolitan Police Department;

H. R. 7662. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944;

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; and

H. R. 8578. An act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

LEAVES OF ABSENCE

On request of Mr. MYERS, and by unanimous consent, Mr. LONG was excused from attendance on the sessions of the Senate until Thursday of next week.

On his own request, and by unanimous consent, Mr. THYE was excused from attendance on the sessions of the Senate from the close of today's session until June 2 at possibly 3 o'clock in the afternoon.

CALL OF THE ROLL

Mr. MYERS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Anderson	Holland	Myers
Benton	Humphrey	Neely
Brewster	Ives	O'Conor
Bridges	Jenner	O'Mahoney
Byrd	Johnson, Colo.	Pepper
Cain	Johnson, Tex.	Robertson
Capehart	Kem	Russell
Chapman	Kilgore	Saltonstall
Connally	Knowland	Schoeppel
Cordon	Langer	Smith, Maine
Darby	Leahy	Smith, N. J.
Donnell	Lehman	Sparkman
Douglas	McCarran	Stennis
Dworshak	McCarthy	Taft
Eastland	McClellan	Taylor
Ecton	McFarland	Thomas, Utah
Ellender	McKellar	Thye
Ferguson	McMahon	Tydings
Fulbright	Magnuson	Watkins
George	Malone	Wherry
Gillette	Martin	Wiley
Hayden	Maybank	Williams
Hendrickson	Millikin	Withers
Hill	Mundt	

Mr. MYERS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from California [Mr. DOWNEY] and the Senator from North Carolina [Mr. GRAHAM] are absent because of illness.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from North Carolina [Mr. HOEY], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], and the Senator from Illinois [Mr. LUCAS] are absent on public business.

The Senator from Montana [Mr. MURRAY] is necessarily absent.

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the Senator from Ohio [Mr. BRICKER], and the junior Senator from Vermont [Mr. FLANDERS] are necessarily absent.

The Senator from Nebraska [Mr. BUTLER] and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Oregon [Mr. MORSE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The VICE PRESIDENT. A quorum is present.

ARRANGEMENTS FOR ATTENDANCE OF SENATE TO HEAR ADDRESS BY SECRETARY OF STATE ON MAY 31, 1950

Mr. MYERS. Mr. President, on Wednesday, May 31, at 12:30 p. m., the Secretary of State, Mr. Dean Acheson, will address the Members of the two Houses of Congress at the Coolidge Auditorium in the Library of Congress.

Inasmuch as this speech is to be broadcast over the air at 12:30, the Senate will leave the Capitol not later than 12:10 p. m., to be seated by 12:20, before the Secretary goes on the air.

The Senate will forego a quorum call in order that the Senators may arrive at the auditorium on time.

The message of the Secretary of State is of interest to all, and I make this announcement in the hope that as many Members of the Senate as possible, who can attend, will do so.

ORDER FOR RECESS TO MONDAY

Mr. MYERS. Mr. President, I ask unanimous consent that at the conclusion of its business today the Senate take a recess until Monday, May 29, 1950, at 12 o'clock noon, and that immediately after convening on said day the Presiding Officer shall, without the transaction of any business, declare the Senate in recess until 12 o'clock noon on Wednesday, May 31, 1950.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none, and it is so ordered.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Senators for routine matters without debate and without speeches.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred as indicated:

SUPPLEMENTAL ESTIMATE, EUROPEAN RECOVERY PROGRAM (S. Doc. No. 176)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, involving a decrease of $292,300,000 for the continuation of the European recovery program, fiscal year 1951 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service, suspending the deportation of certain aliens, together with a complete statement of the facts and pertinent provisions of law as to each alien and the reason for ordering suspension of deportation (wtih accompanying papers); to the Committee on the Judiciary.

ADDITIONAL OFFICES OF ASSISTANT SECRETARIES OF AGRICULTURE AND ADMINISTRATIVE ASSISTANT SECRETARY OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to establish two additional offices of Assistant Secretaries of Agriculture and office of an Administrative Assistant Secretary of Agriculture, and for other purposes (with an accompanying paper); to the Committee on Agriculture and Forestry.

AUDIT REPORT OF CORPORATIONS OF FARM CREDIT ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of corporations of the Farm Credit Administration, for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

AUDIT REPORT OF FEDERAL PRISON INDUSTRIES, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of Federal Prison Industries, Inc., for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Jewish Young Adult Council, of Essex County, N. J., favoring the ratification of the genocide treaty; to the Committee on Foreign Relations.

A resolution adopted by the Arizona Brandeis Zionist District, ZOA; Hadassah, Phoenix Zionist District, ZOA; Pioneer Women; Hannah Senesch Group, and Poale Zion, at Phoenix, Ariz., relating to the supply of arms to Israel; to the Committee on Foreign Relations.

A resolution adopted by the national executive committee of the American Legion, at Indianapolis, Ind., relating to communism in the Government service; to the Committee on Foreign Relations.

A resolution adopted by the American Flag Day Association, of San Antonio, Tex., relating to the American flag after the admission of Alaska and Hawaii into the Union as States; to the Committee on the Judiciary.

A resolution adopted by Corporal George Benkert, Jr., Post, No. 516, Veterans of Foreign Wars of the United States, protesting against the closing of the Birmingham Veteran's Hospital at Van Nuys, Calif.; to the Committee on Labor and Public Welfare.

Resolutions adopted by a convention of the International Union of United Hatters, Cap, and Millinery Workers, in New York City, N. Y., favoring the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the board of trustees of the National Council of the National Association of Life Underwriters, Oklahoma City, Okla., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by a convention of the International Union of United Hatters, Cap, and Millinery Workers, in New York City, N. Y., favoring the adoption of a more liberalized social-security program; ordered to lie on the table.

TARIFF ON SOLE LEATHER IMPORTS—RESOLUTION OF INTERNATIONAL FUR AND LEATHER WORKERS LOCAL 207, WESTOVER, PA.

Mr. MARTIN. Mr. President, I present for appropriate reference a petition signed by 83 members of the International Fur and Leather Workers Local 207, of Westover, Pa., praying that there be no further lowering of the tariff on sole leather imports and shoe imports.

The VICE PRESIDENT. The petition will be received and referred to the Committee on Finance.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 3504. A bill to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof; with an amendment (Rept. No. 1751).

By Mr. McFARLAND, from the Committee on Interstate and Foreign Commerce:

S. 3358. A bill to prohibit transmission of certain gambling information in interstate and foreign commerce by communications facilities; with an amendment (Rept. No. 1752).

PRINTING OF ADDITIONAL COPIES OF SENATE REPORT NO. 1515, RELATING TO IMMIGRATION AND NATURALIZATION SYSTEMS

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Concurrent Resolution 88, and I submit a report (No. 1747) thereon. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 88) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 10,000 additional copies of Senate Report No. 1515 of the Eighty-first Congress, second session, which is a report of the Senate Committee on the Judiciary, pursuant to Senate Resolution 137, Eightieth Congress, first session, as amended, on the immigration and naturalization systems of the United States. Such additional copies shall be for the use of the Senate Committee on the Judiciary.

PRINTING OF REVISED EDITION OF THE BIOGRAPHICAL DIRECTORY OF THE AMERICAN CONGRESS

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without an amendment, House Concurrent Resolution 182, and I submit a report (No. 1748) thereon. I ask unanimous consent for the immediate consideration of the concurrent resolution.

There being no objection, the concurrent resolution (H. Con. Res. 182) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That House Concurrent Resolution 163, adopted on July 26, 1946, providing for the printing of a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress, be, and is hereby, rescinded, and that in lieu thereof there shall be compiled and printed, with illustrations, as a House document, in such style and form as may be directed by the Joint Committee on Printing, a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress (1774–1948); and that 6,500 additional copies shall be printed, of which 4,400 copies shall be for the use of the House of Representatives, 1,600 copies for the use of the

Senate, and 500 copies for the use of the Joint Committee on Printing.

ADDITIONAL POWERS FOR SELECT COMMITTEE ON SMALL BUSINESS

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, Senate Resolution 272, submitted by the Senator from Alabama [Mr. SPARKMAN] on May 11, 1950, and I submit a report (No. 1749) thereon. I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the Senate proceeded to consider the resolution.

Mr. HAYDEN. I may state that the committee is organized on the same basis as a standing committee of the Senate, and the Committee on Rules and Administration provided $10,000 for its needs until the 30th of June, when further provision will be made in the appropriation bill.

The amendment of the Committee on Rules and Administration was on page 2, line 21, after the word "exceed", to insert "$10,000."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Select Committee on Small Business, created by Senate Resolution 58, agreed to February 20, 1950, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words.

SEC. 2. A majority of the members of the committee, or any subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number, to be fixed by the committee, shall constitute a quorum for the purpose of taking sworn testimony.

SEC. 3. The committee shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary in the performance of its duties, but the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949 for comparable duties. The committee is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of the heads of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

SEC. 4. Until an appropriation shall be made for payment of expenses of the committee, such expenses, in an amount not to exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

FURTHER STUDY OF HEALTH PROBLEMS

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, Senate Resolution 273, reported by the Senator from Utah [Mr. THOMAS] from the Committee on Labor and Public Welfare, on May 12, 1950, and referred to the Committee on Rules and Administration, and I submit a report (No. 1750) thereon. I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the Senate proceeded to consider the resolution.

The amendment of the Committee on Rules and Administration was, on page 3, line 5, after the word "exceed", to strike out "$42,500" and insert "$37,800."

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Senate Committee on Labor and Public Welfare is hereby authorized and directed through the Subcommittee on Health of the said committee to—

(a) continue its study of the health problems of the Nation and of legislative proposals relating thereto which have been referred to the said subcommittee, which study shall be primarily concerned with ascertaining the status, methods of operation, types, potentialities, and problems of health insurance plans in the United States, the activities of State and local governments in the field of health services, and of related matters in terms of their bearing on the objectives sought by those legislative proposals;

(b) consult, in the course of such study, with Federal agencies administering health and related programs, with such other legislative committees of the Senate as are concerned with related matters, and with such other agencies, organizations, or persons as the subcommittee may desire to consult;

(c) report to the Senate not later than February 1, 1951, the results of the study, together with such proposed legislation, if any, and such other recommendations as the subcommittee may deem desirable.

SEC. 2. (a) The Senate Committee on Labor and Public Welfare, through the said Subcommittee on Health, is authorized to sit and act at such times and in such places during the sessions, recesses, and adjourned periods of the Eighty-first Congress, to employ such consultants, clerical, and other assistance; to procure such printing and binding; to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to make such expenditures, within the limits below set forth, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words.

(b) The expenses incurred under this resolution, which shall not exceed $37,800, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 3655. A bill to authorize the sale of certain land of John Little Crow; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS:

S. 3656. A bill to reduce juvenile delinquency by providing for the care and prompt return home of runaway, transient, or vagrant children of juvenile age, going from one State to another without proper legal consent, through the use of funds appropriated under the provisions of the Social Security Act for aid to dependent children, under certain conditions; to the Committee on Finance.

(Mr. DOUGLAS also introduced Senate bill 3657, to provide for the carrying out of certain of the recommendations of the Commission on Organization of the Executive Branch of the Government relating to the Department of the Interior, which was referred to the Committee on Public Works, and appears under a separate heading.)

By Mr. NEELY (by request):

S. 3658. A bill to amend the act entitled "An act to establish a Code for the District of Columbia" approved March 3, 1901, regulating the disposal of dead human bodies in the District of Columbia; and

S. 3659. A bill to amend title IV of the District of Columbia Revenue Act of 1937, as amended, so as to provide for the issuance of dealers' identification tags for use on trailers, to provide for the revocation and suspension of dealers' registration and identification tags, to change the fee for dealers' identification tags, to provide for the issuance of temporary identification tags, and for other purposes; to the Committee on the District of Columbia.

(Mr. CAIN introduced Senate bill 3660, to incorporate Survivors, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

(Mr. MCCARRAN introduced Senate bill 3661, to conserve and develop mineral resources and preserve essential mining industries of the United States, which was referred to the Committee on Interior and Insular Affairs, and appears under a separate heading.)

By Mr. THOMAS of Utah:

S. 3662. A bill for the relief of Antonio Artolozaga Euscola; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 3663. A bill for the relief of the city of Hazelhurst, Miss.; to the Committee on Public Works.

By Mr. BENTON:

S. 3664. A bill for the relief of Gudrun Christiansen; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 3665. A bill to promote the economic recovery of the Oglala Sioux Indians and better utilization of the resources of the Pine Ridge Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Texas:

S. 3666. A bill to extend for 5 years the authority to provide for the maintenance of a domestic tin-smelting industry; to the Committee on Armed Services.

By Mr. NEELY (for himself and Mr. LEHMAN):

S. J. Res. 184. Joint resolution for the relief of certain Shanghai displaced persons; to the Committee on the Judiciary.

RECOMMENDATIONS OF COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF GOVERNMENT RELATING TO INTERIOR DEPARTMENT

Mr. DOUGLAS. Mr. President, I introduce for appropriate reference a bill providing for carrying out certain recommendations of the Commission on Organization of the Executive Branch of the Government, relating to the Department of the Interior, and I ask unanimous consent that the bill, together with a statement which I have prepared regarding the contents of the bill and its purposes, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill and statement by the Senator from Illinois will be printed in the RECORD. The Chair hears no objection.

The bill (S. 3657) to provide for the carrying out of certain of the recommendations of the Commission on Organization of the Executive Branch of

the Government relating to the Department of the Interior, introduced by Mr. DOUGLAS, was received, read twice by its title, and referred to the Committee on Public Works, as follows:

Be it enacted, etc., That (a) the functions of the Secretary of the Army and the Corps of Engineers relating to flood control, river and harbor improvement, and the production of electric power are hereby transferred to the Secretary of the Interior (hereinafter referred to as the "Secretary").

(b) Such personnel (except military personnel), property, records, and unexpended balances of appropriations as the Director of the Bureau of the Budget shall determine relate primarily to the functions transferred to the Secretary by subsection (a) of this section are hereby transferred to the Department of the Interior for use by the Secretary in the administration of the functions so transferred. Any personnel transferred by this section which the Secretary shall find to be in excess of the personnel necessary to enable him to administer his functions shall, in accordance with law, be retransferred to other positions in the Government or separated from the service.

(c) The Secretary is authorized to make use of personnel of the Corps of Engineers or other personnel of the Army, Navy, or Air Force detailed, under cooperative arrangements with the Secretary, for service in connection with public-works projects under the supervision and control of the Department of the Interior.

SEC. 2. (a) There is hereby created, in the Executive Office of the President, a Board of Analysis for Public Works Projects (hereinafter referred to as the "Board") which shall be composed of five members appointed by the President. Each member shall hold office for a term of 5 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and the terms of office of the members first taking office shall expire, as designated by the President at the time of appointment, one at the end of the first year, one at the end of the second year, one at the end of the third year, one at the end of the fourth year, and one at the end of the fifth year, after the date of appointment. Members of the Board shall receive compensation at the rate of $15,000 per annum.

(b) The Board shall, under the direction and supervision of the President, make investigations, analyze and report with recommendations on all major civil public-works projects (except projects of the Atomic Energy Commission) constructed by the Federal Government or in whole or in part with the use of Federal funds, including among other purposes flood control, river and harbor improvement, navigation, irrigation, drainage, hydroelectric power, municipal and industrial water supplies, fish and wildlife conservation, and related land improvement and conservation; and including hospitals, post offices, Federal-aid highways, and public buildings generally. Such investigations, analyses, and reports shall give due consideration to the engineering aspects of the projects; their economic feasibility and benefit to the public, particularly in relation to their ultimate costs; their relation to integrated resource development plans, programs, and policies for river basins and for the Nation; and their relation to the Nation's economic and security policies. The Board shall report to the President and to the Congress on the feasibility and desirability of and the benefits to be anticipated from the construction of such projects.

(c) The Board shall periodically review such projects which have been authorized and report to the President and the Congress with respect to the advisability of continuing with the construction of such projects.

(d) No plan or report relating to the construction of projects described in subsection (b) of this section shall be submitted to the Congress for consideration unless first approved by the Board.

(e) The various departments, agencies, and establishments of the Government are directed to cooperate with the Board in the performance of its duties under this section.

SEC. 3. (a) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by this act, before the effective date of this act, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law, have the same effect as if this act had not been enacted; but where any such statute, regulation, or other action has vested the function in the agency from which it is removed under this act, such function shall, insofar as it is to be exercised after this act becomes effective, be considered as vested in the agency under which the function is placed by this act.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of this act, but the court may, on motion or supplemental petition filed at any time within 12 months after this act takes effect, showing a necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the successor of such head or other officer.

SEC. 4. The Secretary is hereby authorized and directed to cause to be prepared for submission to Congress during the first session of the Eighty-second Congress, a proposed revision and codification of the reclamation laws.

SEC. 5. This act shall take effect on the first day of the first month which begins more than 3 months after the date of its enactment.

The statement presented by Mr. DOUGLAS is as follows:

STATEMENT BY SENATOR DOUGLAS

Congressman CECIL P. WHITE and I are introducing identical bills in the House and Senate to provide for the more efficient and prudent development and administration of the Nation's water resources and public-works programs.

The provisions of the bill have been drafted to accomplish three objectives: (1) to transfer the water resource development functions of the Army engineers to the Department of the Interior; (2) to establish in the executive office of the President a Board of Analysis for Public Works Projects to review the economic feasibility and general desirability of all major civil public works projects, except those of the Atomic Energy Commission; and (3) to authorize the Secretary of the Interior to propose a revision and codification of the reclamation laws.

In connection with the first of these aims, the bill provides that for public-works projects under his supervision the Secretary may utilize Army engineer personnel detailed for that purpose under cooperative arrangements with the appropriate officers of the Military Establishment. The country would thus continue to secure the manifest benefits of the great technical competence of the engineers, while the Corps of Engineers would also be enabled to provide for its officers who are so detailed, the training opportunities and administrative experience which seem desirable.

The Board of Analysis for Public Works Projects set up under section 2 of the bill would have broad authority to review public-works projects in all their aspects. It is directed to consider not only the economic feasibility and engineering aspects, but also their relation to integrated resource development plans and to the Nation's general economic and security policies.

It is given review responsibilities over all civil public works (except those of the Atomic Energy Commission), for important though the water-resources projects are, they account for only about 40 percent of the total civil public works expenditures in 1950.

Paragraph (d) of section 2 requires approval of plans by the Board before submission to Congress. In keeping with the broad responsibilities of the Board, it is provided that its members shall serve for 5-year terms and be compensated at the rate of $15,000 a year.

It will be observed that the provisions of this bill would put into operation some of the important recommendations of the Hoover Commission on Organization of the Executive Branch of the Government in reference to the Department of the Interior. (See recommendations Nos. 1, 9, and 10. The bill in section 2 goes somewhat beyond the precise limits, but not the principles of the Commission's first recommendation.)

Reorganization Plan No. 3 of 1950 already transmitted by the President has adopted certain of the other proposals of the Commission and empowered the Secretary to proceed further.

The grave defects in our national water-development policies which this bill and the Commission recommendations are designed to remedy include the following:

(a) Lack of an effective agency for screening and over-all review of proposed projects to determine economic and social worth and proper timing in the light of the national interest and their relationship to comprehensive resource development plans.

(b) Costly duplication and overlap of effort and competition for jurisdiction.

(c) Disastrously wasteful conflicts in policies for the development and use of water and other resources (flood control versus power versus irrigation versus soil conservation and reforestation versus navigation).

(d) Questionable and inconsistent accounting procedures in allocation of capital costs.

(e) Inadequate and inconsistent requirements as to recovery of construction and maintenance costs from local interests benefitted.

(f) Indefiniteness, complexity, and contradictions in existing reclamation laws.

(g) Lack of sufficient hydrologic data to make intelligent long-run commitments on water uses.

(h) Great excess of actual project construction costs over initial cost estimates furnished in securing first congressional authorizations.

(i) Lack of sufficient control over construction starts or plan modifications resulting in Government commitments to expenditures "far in excess of amounts contemplated by Congress" (H. Rept. No. 1797, of March 21, 1950, p. 248).

The recent debate on the rivers and harbors and flood-control bill (H. R. 5472), and the message of the President on signing this measure have highlighted some of these serious deficiencies.

While the report of the President's Water Resources Policy Commission should provide other helpful recommendations for the Eighty-second Congress, the sponsors of this bill are convinced that the Congress should give the earliest possible consideration to these proposals in view of the Nation's serious budget situation and the urgency of the need to reorganize our water and other resource development planning and administration.

CONSERVATION AND DEVELOPMENT OF MINERAL RESOURCES

Mr. McCARRAN. Mr. President, I introduce for appropriate reference a bill

to conserve and develop mineral resources and preserve essential mining industries of the United States, and I ask unanimous consent that the bill, together with an explanatory statement prepared by me, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill and statement presented by the Senator from Nevada will be printed in the RECORD. The Chair hears no objection.

The bill (S. 3661) to conserve and develop mineral resources and preserve essential mining industries of the United States, introduced by Mr. MCCARRAN, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs, as follows:

Be it enacted, etc., That this act may be cited as the "Mineral Resources Act of 1950."

SEC. 2. The Congress declares that—

(a) National welfare requires wise conservation and development of the Nation's mineral resources.

(b) It is essential to preserve a minimum nucleus of domestic mining industries, maintaining such industries on a sound basis, for the production of strategic and critical metals and minerals upon which the Nation must depend in case of emergency.

(c) It is the policy of the Congress—

(1) that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial and defense needs of the United States;

(2) that every effort be made to encourage the development and maintenance of sources of such metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials;

(3) that every effort be made to maintain within the United States a sound and active mining industry, capable of rapid and efficient expansion in time of emergency;

(4) that small mining enterprises shall be encouraged and assisted in every way possible under this act, and that special provision shall be made for expeditious handling, under this act, of applications from small mining enterprises;

(5) that private enterprise is to be encouraged at all times to discover and develop new sources of mineral resources, and to devise and develop new technologies for the production of metals and minerals therefrom;

(6) that the rights of individual discoverers of mineral deposits are to be protected, and individuals are to be encouraged to exploit their discoveries;

(7) that Government assistance in the exploration for and development of sources of critical or strategic metals or minerals and in devising and developing new and improved technologies for the production and recovery thereof is to be provided to the fullest extent possible within the limits of appropriations made therefor by the Congress;

(8) that the cost of financial aid provided pursuant to this act for exploration for new sources of critical or strategic metals or minerals, which exploration proves unsuccessful or unproductive, is considered to be a proper expenditure by the Government in the interests of the national welfare, but where such exploration results in the discovery or development of any such source the Government is considered to be entitled to a royalty at a reasonable rate upon the critical or strategic metals or minerals produced from such source until the total amount of such royalty shall have repaid the cost of the aid provided for the particular exploration which resulted in the discovery or development of such source.

SEC. 3. (a) For carrying out the provisions of this act (except the provisions of section 6 hereof) including payments to producers for exploration, maintenance, and production, and for costs of administration, there is hereby authorized to be appropriated to the Department of the Interior, to remain available until expended, not to exceed $45,000,000 for the fiscal year 1951 and not to exceed $67,500,000 for each of the fiscal years 1952–54, inclusive; and there is hereby authorized to be granted to the Department of the Interior, for each of the fiscal years 1951–54, inclusive, such contractual authority in excess of authorized appropriations as may be necessary to assure the continuity of exploration and mining operations: *Provided*, That all contractual obligations incurred pursuant to such contractual authority shall be liquidated from appropriations authorized under this section: *Provided further*, That no contract entered into pursuant to this section shall extend beyond June 30, 1954.

(b) For carrying out the provisions of section 6 of this act there is hereby authorized to be appropriated to the Treasury Department such sums as may be necessary.

SEC. 4. Subject to the availability of funds appropriated therefor pursuant to section 3 hereof, and after consultation with the Secretary of Defense, the Secretary of Commerce, and the Secretary of the Treasury, or their deputies, the Secretary of the Interior (hereinafter called the Secretary) shall from time to time determine—

(a) the amounts to be allocated to the aid of (1) exploration and (2) conservation, respectively;

(b) the amount to be allocated to the aid of exploration for any metal or mineral or group of metals or minerals;

(c) the amount to be allocated to the aid of conservation of any metal or mineral or group of metals or minerals;

(d) the maximum price or the minimum price, or both, which may be paid for the purchase, pursuant to this act, of any metal or mineral for conservation: *Provided*, That adequate allowance shall be made for depletion and depreciation in computing costs of operation or maintenance;

(e) the maximum amount or the minimum amount, or both, which may be paid pursuant to this act on account of participation in the costs of maintenance for conservation with respect to any metal or mineral;

(f) the maximum amount or the minimum amount, or both, which may be paid pursuant to this act to any producer or class of producers on account of exploration for any metal or mineral or group of metals or minerals, and the ratio which the Government's contribution for exploration shall bear to the contribution of any producer or class of producers for exploration;

(g) the particular metals or minerals or ores thereof and specifications therefor that shall be eligible for aid for conservation;

(h) the particular metals or minerals that shall be eligible for aid for exploration; and

(i) the time limits or dates within which contracts for aid for conservation shall terminate.

SEC. 5. (a) Any producer may file with the Secretary an application for financial aid (1) in carrying out a specified project for exploration, or (2) to conserve a deposit of ores or minerals. An application to conserve may be either for aid by participating in the costs of maintaining the property in stand-by condition or by contracting to purchase all or any part of the metals or minerals resulting from production from such deposit. The application and the project for aid disclosed thereby shall be in conformity with the express policy and provisions of this act and with the rules and regulations of the Secretary issued pursuant hereto: *Provided, however*, That simple contracts covering exploration projects shall be awarded upon application to small mines, and each such contract shall provide for the payment by the United States of one-half of the total reasonable cost of all tunnels, shafts, winzes, and raises in such mine if it is determined upon examination pursuant hereto that there is a reasonable promise of developing unknown or undeveloped sources of metals or minerals.

(b) The Secretary shall cause qualified mining engineers, geologists, and any other necessary technicians to make examination of and to report on each application, and to certify it to the Secretary either for acceptance, as presented or subject to specified modifications, or for rejection. In the case of a project for exploration, the examining experts shall certify whether the project offers reasonable promise of discovering unknown or undeveloped sources of metals or minerals. In the case of a project for aid to conserve a deposit of ores or minerals, either by participating in the costs of maintaining the property in stand-by condition or by contracting to purchase all or any part of the metals or minerals resulting from production from such deposit, the examining experts, considering economic and practical factors, shall certify whether the project offers reasonable promise of maintaining in stand-by condition or in production, as the case may be, a property the production from which would, in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

(c) The Secretary shall either accept and approve the application, subject to any modification therein which he may require, or he shall reject it. If the Secretary accepts the application, either in its original or modified form, the terms of the application and acceptance shall be merged in a formal, written contract. Advance payments may be made for exploration projects, in such amounts and on such terms as the Secretary shall deem appropriate, where the producer certifies the need for such advance payments as working capital. Any advance payments received by any producer shall not be commingled with other funds and shall be subject to post audit.

(d) Any applicant who is dissatisfied with the decision of the Secretary upon his application may, at any time within 30 days after receipt of notice of such decision, or within such further time as may be granted by the Secretary in his discretion, appeal to the Secretary for reconsideration of such application; and in the case of any such appeal the Secretary shall, as expeditiously as possible, review the entire matter, reconsider his findings thereon, and notify the applicant of his decision on the appeal. Such decision on appeal shall constitute final action within the purview of the Administrative Procedure Act. Each producer shall at all reasonable times have access to a complete file of copies of all calculations and analyses and determinations used as a basis for either granting him aid under this act or for modification or denial of his application, and shall be furnished a copy of each such analysis.

(e) All metals or minerals or ores thereof purchased pursuant to the provisions of this section, or such equivalent quantities thereof as may be permitted by the contract with the producer, shall be delivered by the producer to and shall be received by the Administrator of General Services (hereinafter called the Administrator) at such places and times as may be provided for in the contract. The Secretary shall transfer to the Administrator for the performance of his functions hereunder such funds as the Administrator, with

the approval of the Director of the Bureau of the Budget shall determine to be necessary, in addition to any funds appropriated to the General Services Administration, for the proper performance of said functions. The Administrator shall from time to time notify the Munitions Board of the inventory of metals or minerals held by him under the provisions of this act and shall continue to hold any metals or minerals so received by him until at least 60 days after he has given notice to the Munitions Board that such metals or minerals are so held. So long as any such metals or minerals are held by the Administrator, the Munitions Board may (1) direct the Administrator to transfer any of them to the national security stockpile in accordance with the provisions of the Strategic and Critical Material Stockpiling Act, as amended (53 Stat. 811, 60 Stat. 596), or (2) within 60 days after notice from the Administrator that any such metals or minerals are so held, direct him to hold any such metals or minerals listed in such notice until 60 days after the next succeeding appropriation for purchases for the stockpile has become available. The Administrator shall comply with any such direction so given. Unless notified by the Munitions Board to either transfer any of such metals or minerals or to continue to hold them as provided in this subsection, the Administrator shall sell them in the open market if and when open-market prices will return to the Government at least the approximate average price paid by the Government for such metals or minerals, and only in such quantities as will not materially depress the market. No metal or mineral shall be transferred into the national security stockpile under the provisions of this act, unless the material has been found to be strategic and critical as provided in the Strategic and Critical Material Stockpiling Act, and meets established specifications as to quality and degree of refinement or processing, and unless such transfer is consistent with the then current stockpiling procurement program of the Munitions Board. All moneys received by the Administrator from such sales in the open market shall be deposited in the Treasury as miscellaneous receipts, and any transfer of metals or minerals or ores thereof to the national security stockpile pursuant to this act shall be covered by a transfer of funds, from appropriations available for purchases for the stockpile, to miscellaneous receipts of the Treasury, in amounts approximating what the costs of the metals or minerals would have been if purchased in the open market at the time of transfer.

(f) All contracts authorized by this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes, as amended, or other provisions of law prescribing the manner of making contracts on behalf of the United States.

SEC. 6. (a) Subject to the limitations prescribed in subsection (b) of this section, the Secretary of the Treasury shall, within 30 days after certification to him of each semiannual report prescribed in section 9, distribute among the domestic primary producers of manganese, antimony, mercury, and tungsten ores—

(1) in the case of manganese ore producers, an amount equal to one-fourth of 1 per cent per pound for each pound of contained manganese imported into the United States during the semiannual period covered by such report;

(2) in the case of antimony ore producers, an amount equal to 1 cent per pound for each pound of contained antimony imported into the United States during such period;

(3) in the case of mercury ore producers, an amount equal to 25 cents per pound for each pound of contained mercury imported into the United States during such period; and

(4) in the case of tungsten ore producers, an amount equal to 38 cents per pound for each pound of contained tungsten imported into the United States during such period.

(b) Each domestic primary producer of manganese, antimony, mercury, or tungsten ores shall be paid that portion of the total amount distributed for any semiannual period to domestic producers of the metal produced by him which bears the same ratio to the total amount distributed for such semiannual period to domestic producers of such metal as the quantity of such metal, newly produced, sold by such producer during such semiannual period bears to the total amount of such metal, newly produced, sold by all domestic producers of such metal during such semiannual period.

(c) The amounts distributable to domestic primary producers of manganese, antimony, mercury, and tungsten ores pursuant to subsection (a) of this section shall not exceed—

(1) in the case of manganese producers, an amount equal to 2½ cents per pound for each pound of newly produced manganese sold during such semiannual period by such domestic primary producers;

(2) in the case of antimony producers, an amount equal to 10 cents per pound for each pound of newly produced antimony sold during such semiannual period by such domestic primary producers;

(3) in the case of mercury producers, an amount equal to $2.50 per pound for each pound of newly produced mercury sold during such semiannual period by such domestic primary producers; and

(4) in the case of tungsten producers, an amount equal to $3.80 per pound for each pound of newly produced tungsten sold during such semiannual period by such domestic primary producers.

(d) No part of the amounts paid to any domestic primary producer of manganese, antimony, mercury, and tungsten ores pursuant to this act shall be distributable by such producer to any royalty holder unless such royalty holder participates in the operational risks of the mining venture.

SEC. 7. The Secretary shall provide such assistance as may be feasible, within the limits of appropriations made therefor and pursuant to regulations or orders which he shall issue hereunder, to the several States, Territories, and possessions, and political subdivisions thereof, in connection with matters affecting the sound development of mineral resources. The Secretary is authorized to confer with representatives of the several States, Territories, and possessions, and political subdivisions thereof, in connection with any matter arising under this act within their respective jurisdictions, and to avail himself of the cooperation, services, records, and facilities of such representatives as fully as may be practicable in the administration and enforcement of this act.

SEC. 8. (a) The Secretary shall prescribe such rules and regulations, and issue such orders, not inconsistent herewith, as may be necessary to carry out the provisions of this act, and such rules, regulations, and orders, so issued, shall be binding upon all applicants for contracts under the provisions of this act. All such rules and regulations so issued shall be promptly published in the Federal Register.

(b) The Secretary is authorized by regulation to require semiannual reports, as of January 1 and July 1 of each year, from each domestic primary producer of ores containing manganese, antimony, mercury, and tungsten as to the amounts of any such metals, newly mined, sold by such producer during the preceding semiannual period. Any producer who shall fail to file a report as required by such regulations for any semiannual period, and the production and sales of any such producer who shall so fail, shall be disregarded, for all purposes of this act, with respect to such semiannual period.

(c) The Secretary may delegate any of his powers, duties, or functions under this act.

SEC. 9. (a) The Secretary shall make annual reports to Congress on the operations under this act on April 15, 1951, and on February 15 of each succeeding year. Such reports shall include current and summary information of his activities, and the results obtained and anticipated, pursuant to this act, and such other pertinent information concerning the administration of this act as will enable the Congress to evaluate its administration and the need for amendments and related legislation.

(b) The Secretary shall report semiannually, as of January 1 and July 1 of each year, and shall certify to the Secretary of the Treasury, the amounts of newly produced manganese, antimony, mercury, and tungsten sold by each domestic primary producer of ores containing such metals during the preceding semiannual period.

SEC. 10. As used in this act, unless the context otherwise requires—

(a) "Exploration" means exploration in the United States for unknown or undeveloped sources of metals or minerals, including undeveloped extensions of known deposits, conducted from the surface or underground, by surface trenching, core or churn drilling, tunnels, raises, winzes, or shafts, including recognized and sound procedures for obtaining pertinent geological information, and including also metallurgical research on processes for the production of such metals or minerals.

(b) "Newly produced" means produced at any time after the date of approval of this act.

(c) "Ores" includes ores, concentrates, sinters, mattes, nodules, briquettes, ferroalloys, metals, minerals, or other convertible or usable raw materials of minerals and metals, and any such products recovered from mine dumps, mill tailings, slag piles, and residues.

(d) "Producer" means any person or persons or legal entity by whom or for whose account and interest exploration, maintenance, or production is to be or is being performed.

(e) "Production" means the production of ores or minerals from mines in the United States, or from tailings, dumps, slags, or residues of such mines, which the Secretary determines would in the absence of financial aid by the United States, be discontinued or remain discontinued under such circumstances with respect to each particular mine as to make it probable that for economic or technical reasons such production would not or could not be resumed when needed for the national economy or security.

(f) "Small mines" means mines or deposits of ores primarily producing or which in the course of conducting an exploration project primarily produce (1) lead, zinc, or copper ores, or ores containing a combination of such metals, the average aggregate monthly production of which does not exceed 100 tons of lead, zinc, and copper metal combined and (2) manganese, mica, chromite, mercury, or tungsten ores, or other ores of strategic and critical minerals and metals, the average monthly production of which does not exceed a quantity having a market value equal to the market value of 100 tons of lead, both such values being computed and fixed as of the effective date of this act.

(g) "United States," when used in a geographic sense, means the United States of America and its Territories and possessions.

SEC. 11. (a) This act shall not be construed as superseding or amending the Atomic Energy Act of 1946 (60 Stat. 755), as amended.

(b) If any provision of this act or any order, rule, or regulation issued hereunder or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

(c) This act shall be effective from the date of its approval.

The statement presented by Mr. McCARRAN is as follows:

STATEMENT BY SENATOR PAT MCCARRAN ON A BILL TO CONSERVE AND DEVELOP MINERAL RESOURCES AND PRESERVE ESSENTIAL MINING INDUSTRIES OF THE UNITED STATES

Mr. President, I have today introduced a bill to conserve and develop mineral resources and preserve essential mining industries of the United States. The bill has been referred to the Committee on Interior and Insular Affairs.

The deplorable condition of the domestic mining industry has been for several years, and still is, of primary concern to me, as I know it is to other Senators from mining States, and should be to all Senators, for this problem has a national impact.

In many instances, producers of nonferrous metals and minerals have been forced to close down in the face of one of the gravest threats from abroad ever to face our country. Without these metals and minerals our security would be endangered, and our domestic mining industry must be able to supply our wartime needs unless we are to gamble on our ability to defeat the treacherous submarine which today is more efficient and destructive than ever before. We cannot afford to take such a chance with the security of our great Nation, and it is the obligation of Congress to provide whatever assistance is required to keep our mining industry in a state of production to an extent sufficient to assure an adequate supply of these important metals and minerals.

The bill which I have just introduced attempts to meet this problem. I want to say frankly to my colleagues, that I am not wholly satisfied with the provisions of this bill, and I think there is more which could be done, and which should be done, than this bill provides. We are faced, however, with a practical problem—the problem of getting some legislation enacted which will afford a measure of relief, and give to this Nation a measure of security with regard to the conservation and development of its mineral resources. This general subject has been before the Congress for a long time. I have myself introduced several bills, as have other Senators; and bills have been introduced in the other body. It has become clear that in order to get legislation at all, some concessions will have to be made. The bill which I have just introduced represents my best thought as to what can be enacted now. I know that the combined knowledge and intelligence of the Senate Committee on Interior and Insular Affairs will be brought to bear on this question, and it may be that the collective judgment of that committee will differ in some respects from the judgment of the senior Senator from Nevada. That is all right. The important thing is that legislation should be enacted, and enacted promptly; and I am hopeful that this new bill may provide a vehicle toward that end.

This bill contains some provisions which have already been approved by the Senate in the bill S. 2105, which is now pending in the other body. It contains also some modifications and changes, with respect to amounts and otherwise, growing out of discussions and debate on the bill both in the Senate and in the other body. The bill also contains substantially the provisions of S. 2320, introduced last August under the sponsorship of 22 Senators, of whom the senior Senator from Nevada was one. The new bill also contains a few provisions from the bill S. 35 which I introduced at the beginning of the present Congress; and it contains some new provisions which I hope may be of value to the committee in its considerations.

I will not attempt to burden the Senate with a section by section analysis of the bill; but there are some points to which I believe the attention of the Senate should be directed.

The bill contains at the outset a congressional declaration that national welfare requires wise conservation and development of the Nation's mineral resources, and that it is essential to preserve a minimum nucleus of domestic mining industries, maintaining such industries on a sound basis, for the production of strategic and critical metals and minerals upon which the Nation must depend in case of emergency.

The bill then declares it to be the policy of the Congress (1) that every effort be made to stimulate exploration for and conservation of strategic and critical metals and minerals and other essential metals and minerals by private enterprise to supply the industrial and defense needs of the United States; (2) that every effort be made to encourage the development and maintenance of sources of such metals and minerals within the United States in order to decrease and prevent, wherever possible, a dangerous and costly dependence by the United States upon foreign nations for supplies of such materials; (3) that every effort be made to maintain within the United States a sound and active mining industry, capable of rapid and efficient expansion in time of emergency; (4) that small mining enterprises shall be encouraged and assisted in every way possible under this act, and that special provision shall be made for expeditious handling, under this act, of applications from small mining enterprises; (5) that private enterprise is to be encouraged at all times to discover and develop new sources of mineral resources, and to devise and develop new technologies for the production of metals and minerals therefrom; (6) that the rights of individual discoverers of mineral deposits are to be protected, and individuals are to be encouraged to exploit their discoveries; (7) that Government assistance in the exploration for and development of sources of critical or strategic metals or minerals and in devising and developing new and improved technologies for the production and recovery thereof is to be provided to the fullest extent possible within the limits of appropriations made therefor by the Congress; and (8) that the cost of financial aid provided pursuant to this act for exploration for new sources of critical or strategic metals or minerals, which exploration proves unsuccessful or unproductive, is considered to be a proper expenditure by the Government in the interests of the national welfare, but where such exploration results in the discovery or development of any such source the Government is considered to be entitled to a royalty at a reasonable rate upon the critical or strategic metals or minerals produced from such source until the total amount of such royalty shall have repaid the cost of the aid provided for the particular exploration which resulted in the discovery or development of such source.

Under this bill, the Secretary of the Interior would administer a program of aid for exploration and conservation of mineral resources. The bill gives the Secretary broad powers, within limitations fixed by the Congress. The Secretary would, for example, determine, after consultation with the Secretaries of Defense, Commerce, and the Treasury, the specifications for metals and minerals that would be eligible for aid for exploration and conservation; the maximum and minimum prices which may be paid for the purchase of strategic and critical minerals and metals; requirements for cooperative obligations to be undertaken by producers; and so on.

The bill provides that any producer may file with the Secretary of the Interior an application for financial aid in carrying out a specified project for exploration or for financial aid to conserve the ores in a particular mine or deposit, including tailings, dumps, slags, or residues of mines, through Government participation in the costs of maintaining the property in stand-by condition or through Government purchases of all or any part of the ores, minerals, or metals resulting from the production from such mine or deposit.

An applicant under this bill need not be one currently engaged in mining activities.

The reasons for including tailings, dumps, slags, or residues in a conservation measure is that often the prompt recovery of values from these sources is important in a conservation program. In the case of tailings, especially erosion by wind and water may reduce the bulk, and oxidation, leaching, and other chemical changes may seriously decrease the percentage of recovery of valuable minerals or metals contained therein in proportion to the passage of time.

Under the bill simple contracts covering exploration projects will be awarded upon application to small mines if it is determined upon examination that there is a reasonable promise of developing unknown or undeveloped sources of minerals or metals. Such contracts to small mines shall provide for financial assistance by the United States of one-half of the total reasonable costs of the exploration projects. In many or most small-mine cases an examination of the various data or engineering or geological reports submitted with the applications, with or without data available on the properties in files of Government agencies, would probably serve to reveal whether or not a reasonable promise exists for developing sources of critical minerals or metals. In some cases an examination of the applicant's property will be necessary.

All strategic and critical minerals and metals, or equivalent quantities thereof, purchased under the provisions of the bill, are to be delivered by the producer to the Administrator of General Services. The Secretary of the Interior would arrange with the smelters and processing or treatment plants to accept the ores of smaller producers and either treat the ores on a toll basis, or, as agents of the Government, accept and pay for the ores stipulated in the producers' contracts and return an equivalent quantity of such minerals or metals to the Administrator of General Services. Possibly a simpler means of accomplishing the desired results may be devised.

All materials purchased under the provisions of this act are to be offered to the Munitions Board for transfer to the national security stock pile. Unless notified by the Munitions Board to transfer any of such materials or to continue to hold them until 60 days after the next succeeding appropriation for stockpile purchases becomes available, the Administrator of General Services shall sell them in the open market if and when open-market prices will return to the Government at least the approximate average price paid by the Government for the critical metals or minerals, and only in such quantities as will not materially depress the market.

All money received by the Administrator of General Services from such sales in the open market shall be for deposit in miscellaneous receipts of the Treasury. Any transfer of minerals and metals to the national security stockpile shall be covered by a transfer of stock-pile funds to miscellaneous receipts of the Treasury in amounts approximately equivalent to the cost of such materials if purchased in the open market at the time of transfer.

In order to assure a continuity of exploration and mining operations, the bill authorizes the Department of the Interior to be granted such contractural authority in excess of authorized appropriations as may be necessary for the purpose. However, all contractural obligations incurred by the Department under any contractural authority so granted are to be liquidated with appropriations authorized by the act.

This bill would authorize appropriations for this program as follows: $45,000,000 in the fiscal year 1951, and $67,500,000 each year thereafter for 3 years, a total of $240,000,000 over a period of 4 years; all contracts to terminate as of June 30, 1954.

The Secretary would be authorized to make advance payments on approved exploration projects, in such terms as he considers appropriate, where the producer certifies the need for such advance payments as working capital. Advance payments received by producers are not to be commingled with other funds and shall be subject to post audit.

It is probable that only a limited number of small producers would be able to proceed far with an exploration project without the advancement of funds from the Government's stipulated contribution to the project. Furthermore, a portion of many a producer's share in an exploration project may be in the form of his personal services and equipment, supplies, and utilities furnished rather than a direct money outlay.

With regard to certain named, top priority strategic metals—tungsten, manganese, antimony, and quicksilver—the bill contains special provisions which would have the effect of dividing among domestic producers, in proportion to their production of each such metal, the amounts collected as tariff receipts on quantities of such metals imported from foreign countries.

The purpose of these provisions is to save a nucleus of American production of these strategic metals, without increasing metal costs to domestic consumers, and without interfering with our reciprocal trade pacts. In other words, the objective is to finance a relief program for our domestic producers at the expense of foreign producers and foreign cartels.

There is ample precedent for this, in the 1935 Agricultural Adjustment Act, section 32 of which provides for similar payments to farmers based on collections of tariffs on imports of agricultural products.

It is vital that we maintain domestic production of these top priority strategic metals. If we lose such production, we will be at the mercy of a foreign power, with great supplies of these metals at its disposal. We cannot expect to depend entirely upon foreign imports unless and until we are assured of peaceful relations with foreign powers for a period of some 20 years to come; and there is no prospect of any such assurance at the present time.

In the event foreign sources of these metals should be cut off, due to submarine warfare in time of war, American mines would constitute what the military experts refer to as the strategic reserve, upon which we would then have to rely. The total value of these four metals consumed yearly in the United States is only approximately $65,000,000; but without these metals we could not fight a war. Without them we would have no steel industry, no jet engines, no poison gas, no storage batteries, no electric lights, no radio tubes, and no guided missiles.

This plan, as embodied in the bill which I have introduced, contains features which would operate automatically, so that we should see domestic prices fall if imports increase, while more money would be paid to domestic producers in competition with cheap foreign production. If new deposits should be discovered in this country, and domestic production increases, payments to producers under this program would be automatically decreased, as a result of the increased output itself and the decreased imports. Thus, the stimulus for added production is removed, while at the same time reserves are maintained for the future.

Experts have told us that the maximum amount of tariff receipts which would be diverted to American mines under the provisions of this bill would not exceed $5,900,000 per year. In the opinion of the senior Senator from Nevada, this total would be substantially lower, in the neighborhood of $3,500,000 per year. Mr. President, this is a small price to pay for maintaining an industry in being, and capable of rapid expansion, which in time of war would be absolutely essential to the national welfare of this Nation. If this bill is passed, then no matter how foreign nations or foreign interests may try to destroy our American mining industry in these strategic and critical metals, as the European quicksilver cartel has done, they cannot be successful.

Mr. President, I commend this bill to the attention and study of all Senators, and I am sure it will have the attention and study of the Committee on Interior and Insular Affairs. I am hopeful that committee may in the very near future report to the Senate this bill, or some similar legislation, because this is not a case of bailing out some special industries which are in trouble, it is a case of preserving from complete and utter ruin a segment of American industry, the existence of which is absolutely vital to the security of the United States.

MORDKA SZAJA (ALSO KNOWN AS MORDKA WIENER)—AMENDMENT

Mr. LANGER submitted an amendment in the nature of a substitute, intended to be proposed by him to the bill (S. 3415) for the relief of Mordka Szaja (also known as Mordka Wiener), which was referred to the Committee on the Judiciary, and ordered printed.

AMENDMENT OF TAX BILL—AMENDMENT

Mr. McCARRAN. Mr. President, I present for appropriate reference an amendment intended to be proposed by me to H. R. ——, a tax bill, relating to an increase of the depletion allowance from 15 percent to 27½ percent in the case of metal-mining properties, and I ask unanimous consent that an explanatory statement of the amendment prepared by me may be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance, and, without objection, the statement presented by the Senator from Nevada will be printed in the RECORD. The Chair hears no objection.

The statement presented by Mr. McCARRAN is as follows:

STATEMENT BY SENATOR McCARRAN IN SUPPORT OF HIS PROPOSED AMENDMENT TO THE TAX BILL TO INCREASE THE DEPLETION ALLOWANCE FROM 15 PERCENT TO 27½ PERCENT IN THE CASE OF METAL-MINING PROPERTIES

I have today submitted an amendment to the tax bill now under consideration in the Committee on Ways and Means of the House to increase the percentage depletion rate for certain mineral and metal mines from 15 percent to 27½ percent in order that the depletion allowance for such mines may have the same rate as oil-producing properties.

Eighteen years ago percentage depletion was first recognized by our Government as an equitable method of determining the amount of capital value lost during the life of the mineral deposit. At that time the depletion allowance of 15 percent was granted in the case of metal mines. This allowance of 15 percent applied against the total gross income, but on not more than 50 percent of the net income received from the property.

Actually when it is considered that this formula applies to not more than 50 percent of the net income, the actual depletion allowance for many properties has been less than 15 percent of the gross income.

When it is realized that very few mineral properties develop into profitable ventures it is obviously desirable and equitable to increase the allowance for depletion. The capital expended by the average metal miner is lost in probably 75 percent of the metal-mining ventures, and it would be reasonable to urge that a return of the total expenditure used in exploration and development of mineral properties should be made.

If an allowance of 27½ percent is made for depletion, venture capital would be attracted to the mining industry in sufficient amount to increase the search for new ore bodies, and thus result in locating and producing new bodies of critical and strategic metals and minerals so vitally needed for the defense of our great country and the preservation of our liberty.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 5990. An act to provide for the construction, development, administration, and maintenance of the Baltimore-Washington Parkway in the State of Maryland and its extension into the District of Columbia as a part of the park system of the District of Columbia and its environs by the Secretary of the Interior, and other purposes; to the Committee on Public Works.

H. R. 6278. An act to make cancer and all malignant neoplastic diseases reportable to the Health Officer of the District of Columbia; ordered to be placed on the calendar.

H. R. 7623. An act relating to members of the District Boxing Commission who are retired members of the Metropolitan Police Department;

H. R. 7662. An act to amend the act entitled "An act to regulate boxing contests and exhibitions in the District of Columbia, and for other purposes," approved December 20, 1944; and

H. R. 7695. An act to provide a 5-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force; to the Committee on the District of Columbia.

TEXAS CITY TIN SMELTER OPERATION—LETTER FROM THE RECONSTRUCTION FINANCE CORPORATION—CHANGE OF REFERENCE

Mr. MAYBANK. The original legislation relating to the strengthening of the common defense and the domestic tin smelting industry, Public Law 125, was referred to the Committee on Banking and Currency, and more recently in the Eighty-first Congress, further amendment to the original legislation was reported from that committee. However, since the Armed Services Committee in the Eightieth Congress reported a joint resolution extending title II of the original legislation, I am requesting that the letter from the Reconstruction Finance Corporation asking for further extension of title II until June 30, 1956, be referred to the Armed Services Committee.

The VICE PRESIDENT. Without objection, the request is granted.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of

the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ADDRESS BY SENATOR MAYBANK AT ANNUAL MEETING OF SURGEONS OF THE SOUTHERN RAILWAY

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address delivered by him at the annual meeting of the surgeons of the Southern Railway, at the Hotel Statler, Washington, D. C., on May 25, 1950, which appears in the Appendix.]

CAN OUR FREEDOM BE PRESERVED?—ADDRESS BY NATIONAL COMMANDER GEORGE N. CRAIG

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address delivered by George N. Craig, national commander of the American Legion, before the silver anniversary banquet of the Chicago Accident and Health Association, Chicago, Ill., on May 16, 1950, which appears in the Appendix.]

THE NEW IDOLATRY, "STATE WORSHIP"—SERMON BY DR. HARRISON RAY ANDERSON

[Mr. MARTIN asked and obtained leave to have printed in the RECORD a sermon delivered by Dr. Harrison Ray Anderson on May 14, 1950, entitled "The New Idolatry: State Worship," which appears in the Appendix.]

SALVAGE: NEW HOPE FOR THE INSANE—ARTICLE BY HARRY HENDERSON

[Mr. HILL asked and obtained leave to have printed in the RECORD an article entitled "Salvage: New Hope for the Insane," written by Harry Henderson, and published in Collier's magazine for May 20, 1950, which appears in the Appendix.]

THE MAN IN THE MIDDLE—EDITORIAL FROM THE BALTIMORE NEWS-POST

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "The Man in the Middle," published in the Baltimore News-Post of May 15, 1950, which appears in the Appendix.]

HOW FAR HAS AMERICA MOVED TOWARD SOCIALISM?—ADDRESS BY DR. PAUL F. DOUGLASS

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address entitled "How Far Has America Moved Toward Socialism?" delivered by Dr. Paul F. Douglass, president of American University, at the annual congressional dinner of the Potomac Grange, at Washington, D. C., on May 15, 1950, which appears in the Appendix.]

THE FOG DEEPENS AS TRUMAN HEADS WEST—EDITORIAL FROM THE LOUISVILLE COURIER-JOURNAL

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an editorial entitled "The Fog Deepens as Truman Heads West," published in the Louisville Courier-Journal of May 11, 1950, which appears in the Appendix.]

RECORD OF JOHN S. SERVICE—BROADCAST BY HENRY J. TAYLOR

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD a radio broadcast by Mr. Henry J. Taylor, relative to the record of John S. Service, which appears in the Appendix.]

CONTINUATION OF RENT CONTROL—EDITORIALS FROM THE WASHINGTON POST AND PHILADELPHIA INQUIRER

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Rent Control," published in the Washington Post of May 20, 1950, and an editorial entitled "Low-Cost Housing Still Scarce; Keep Rent Curbs," published in the Philadelphia Inquirer of May 22, 1950, which appear in the Appendix.]

MESSENGERS OF RECONCILIATION—SERMON BY REV. GALEN E. RUSSELL

[Mr. BENTON asked and obtained leave to have printed in the RECORD a sermon on the subject Messengers of Reconciliation, by Rev. Galen E. Russell, of the Southport Congregation Church, Southport, Conn., which appears in the Appendix.]

TOLERANCE—PRIZE-WINNING LETTER BY STEPHEN SCHNECK

[Mr. BENTON asked and obtained leave to have printed in the RECORD a prize-winning letter on the subject Tolerance by Stephen Schneck, a student at Cheshire Academy, of Cheshire, Conn., which appears in the Appendix.]

EXTENSION OF THE DRAFT LAW

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an editorial from the New York Times of May 26, 1950, entitled "A Reassuring Vote," and an editorial from the Washington Post of May 26, 1950, entitled "Sense on the Draft," both relating to proposed legislation to extend the Selective Service Act for 2 years, which appear in the Appendix.]

CONSTRUCTION OF UNITED STATES APPRAISERS BUILDING, SAN FRANCISCO—RETURN OF ENROLLED BILL

Mr. McCARRAN. Mr. President, I send forward a concurrent resolution and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The concurrent resolution will be read.

The concurrent resolution (S. Con. Res. 93) was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; that if and when the said bill is returned, the action of the Presiding Officers of the two Houses in signing said enrolled bill be deemed to be rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of the said bill, to make the following change, namely: On page 2, line 2, of the engrossed House amendments strike out "$709.84" and in lieu thereof insert "$790.84."

Mr. McCARRAN. Mr. President, by way of explanation, Senate bill 794 passed both Houses, but due to a clerical error there was an exchange of digits in the amount carried by the bill. The amount was "$790.84" as the bill passed the Congress. Due to the exchange of digits, when the bill reached the President's desk the amount was stated as "$709.84."

The concurrent resolution requests the return of the bill in order that it may be corrected in accordance with its form at the time it was passed.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

The VICE PRESIDENT. If there are no further routine matters, the question is on agreeing to the conference report on the so-called basing-point bill.

Mr. FULBRIGHT. Mr. President——

The VICE PRESIDENT. The Senator from Arkansas.

THE TURKISH ELECTION

Mr. FULBRIGHT. Mr. President, last week an event occurred in the Old World which I think has not received appropriate notice. I refer to the election in Turkey. I think that was an event of great importance to us and to all other people who are interested in free democratic processes and the democratic form of government.

For many years historians and others have referred to Turkey as "the sick man of Europe." It seems to me that the election which took place last week in Turkey is a turning point in Turkish history, and is an event the significance of which it is difficult for us to overemphasize. President Ismet Inonu, the President of Turkey since 1938, was defeated by what amounts to a landslide; but in that defeat I think he proved himself and his party to be forward-looking democrats of broad vision.

I believe it was in 1923 that Ataturk took over the leadership of Turkey. We have been told that throughout the succeeding period the leadership of Turkey was a dictatorship and a form of government with which we should not ally ourselves. Many American liberals have criticized the friendly relations we have maintained with Turkey and the assistance we have given to that country, on the ground that the regime there was a reactionary one, and that it was not democratic for us to assist Turkey. When one recognizes the danger to which that country has been subjected throughout the period between the two world wars, and certainly in recent years, it is all the more remarkable that a free election was held and that the Turkish people were quite willing to undergo a change in their administration.

I often think that we in this country, so far removed from the source of the danger to which the Turkish people are subjected, could learn a great deal from their example. In my opinion they have exhibited a courage which is very seldom found, which is encountered in but few places in the world today. When we find our own country almost hysterical about the developments of the atomic bomb and the revelations, or at least the allegations regarding Communists, it seems to me that we can well take heart from Turkey and can learn from her example.

Mr. MUNDT. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Arkansas yield to the Senator from South Dakota?

Mr. FULBRIGHT. I yield.

Mr. MUNDT. I wish to congratulate the Senator from Arkansas on highlighting the encouraging trend of events in Turkey. I should like to associate myself with him in congratulating that young republic for having manifested its capacity to hold a spirited and free election and for having demonstrated to the world that Turkey has actually become

a two-party country—one of the few anywhere outside the United States of America—in which there is a considerable degree of the kind of freedoms which we like to associate with western civilization.

If the Senator will yield further, I should like to point out that not only did President Inonu demonstrate his statesmanship by the manner in which he arranged to have fair and honest election laws established, so that the election could be held, but President Inonu took the action which created the two-party system in Turkey, because when he was elevated to the presidency of that nation, Turkey was really a one-party state. President Inonu, by means of what actually could be called executive decree, insisted that there be a minority party with minority representation in the government. At his direction a minority party was established in the Grand National Assembly—which is, of course, the Turkish parliament or congress.

So the events which finally brought about his defeat as president were but the consequence of the unselfish vision he displayed when he established the two-party system in Turkey and when he did everything reasonable and just to make it effective.

Mr. FULBRIGHT. Mr. President, I thank the Senator from South Dakota for his contribution and his observations. I think they are very well taken.

It seems to me, Mr. President, that Turkey is an example of a country in which our assistance has paid great dividends. I can think of no event which is more heartening than this demonstration of the strength of democracy in an area where democracy had never before been practiced. The recent Turkish election is the first full and free election which has ever been held in that country.

As the Senator from South Dakota has stated, the party which has just won the election—which I may point out is called the Democratic party—is only 5 years old, and yet it won 390-odd seats out of 487 seats in the assembly. However, the point is that Inonu and his party had the courage to permit a free election to be held, in contrast to the almost universal practice in recent years that when parties or individual gains such firm control of a country as Inonu has had, they simply do not permit free elections to be held in the future. Once the Communists gain control of a country, they never permit a free election.

One interesting statement in the account which appeared in the New York Times in regard to the issue in the Turkish election was that—

> The Democratic party platform puts greater emphasis on private enterprise and retreat from statism.

That was stated as being one of its principal platform planks.

That indicates that in Turkey not only was President Inonu willing to risk losing control, but that the reason for the change was a shift away from statism, which has made such great progress in many parts of the world. Therefore, I think the Turkish election is all the more encouraging.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield for a question.

Mr. MUNDT. Since the Senator from Arkansas has done what I was afraid he would do, namely, has referred to the fact that Inonu's party was the Republican Party and that the successful party in the recent election was the Democratic Party, I am sure the Senator would not mind my suggesting that if the Democratic Party in the United States would also place more emphasis upon private enterprise it would make for a better situation in our country, too.

Mr. FULBRIGHT. Of course, some of us are seeking to do that.

Mr. MUNDT. I am sure that is so.

Mr. FULBRIGHT. Mr. President, I may say that the name of Mr. Inonu's party is not just the Republican Party, but the Republican People's Party.

However, of course that is incidental to the central thought that being under the gun, so to speak, under the constant threats and pressure from Soviet Russia, which adjoins Turkey on its entire northern border, the Turks were quite willing to conduct a free election and to go through the procedures of the democratic system, without any fear or trembling or without any of the cries about emergencies which are so often used to prevent or influence free elections in other countries.

Mr. President, it so happens that a year ago last September I visited Turkey in company with the majority leader, and to some extent I visited the hinterland around Ankara. I was very much impressed by the character of the people, the sturdiness of the individuals, their toughness, their courage, their attitude toward communism and toward their own future. It was remarkable, and I took great heart from it.

I asked some of the people about communism in that country, and they said, "We do not have any." In some way they have found out how to dispose of Communists as such without confusing them with the persons who simply disagree with the existing regime. They have been able to distinguish Communists from legitimate oposition, which is a great feat and something which we seem to have great difficulty in doing. We tend to call all who disagree with us Communists, which makes it extremely difficult to deal with the real Communists as such. But here is the proof that while there is no Communist Party in Turkey, yet they tolerate a strong opposition, and permit that opposition to win an election in a free democratic manner.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MUNDT. I think this might sound at first blush like hyperbole, but in our era of history, when the areas of freedom are so rapidly diminishing all over the world, I think it can be demonstrated that in Turkey probably more than in any other area of the world freedom is forging ahead faster and expanding its avenues of opportunity more generally than any other country. I think it is tremendously important to emphasize that fact. I am sure the Senator, on his visit to Turkey saw, as I have seen on my visits to Turkey, that not only do they there provide for free elections, not only do they encourage private enterprise, but they are moving ahead very rapidly from the standpoint of providing a strong educational structure for the people of Turkey.

During the war, for example, while most of the countries of the world were pretty much engaged in demolishing each other's schools and civilizations and killing off each other's citizens, more than 700 new school buildings were erected in the Republic of Turkey. There was also established a teacher-training system, which is so good that we could learn something from it in connection with what we are doing here in the United States along similar lines.

Mr. FULBRIGHT. I was about to refer to that. I visited one of their training schools about 25 miles from Ankara, at a place called Hasanoghlan. It was a very modern operation. In relatively primitive circumstances, it was modern operation. That is, it did not have some of the fine physical buildings we have for some of our schools, but the teachers and students there had the most alert and eager spirit toward what they were doing that I have ever seen. We have some schools in my State of similar nature, designed to teach farm boys and girls and to give them vocational training. They were doing the same thing there. The contrast between what was going on in that school and the actual conditions in agriculture adjoining the school were to me very impressive. As we approached this school Turkish farmers were threshing wheat down on a little bottom, as they have been doing for 2,000 years. The farmers were actually using the old-fashioned sledge with the flint rocks embedded in them, and pulled by ox teams in circles round and round. It would take about 2 or 3 months I think to thresh their wheat. Just across the road, in this school, they had a modern Case combine, which they were teaching the farm boys how to use. So we have that contrast. Yet I have every confidence that they are going to go forward very rapidly. This is one case in which I think the validity of reasonable assistance under our program of assistance has been demonstrated.

With a little patience with a regime which many of our people had said was hopelessly reactionary, we have contributed to bring this about. I do not want in any way to detract from the credit which the Turks themselves deserve. All I mean is that we shall do well if we judiciously assist people of the character of the Turks.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MUNDT. I concur in that observation completely, but I am sure we both wish to emphasize that the spirit of freedom was well on the way and the spirit of self-determination and private initiative was being displayed in Turkey long before the Marshall plan was conceived.

Mr. FULBRIGHT. I quite agree.

Mr. MUNDT. I think we have furthered it, but we did not start it.

Mr. FULBRIGHT. I agree wholeheartedly. This is a case in which the distinction between trying to construct projects ourselves and simply assisting and aiding by way of giving technical advice and assistance, is well demonstrated.

Mr. MUNDT. Precisely.

Mr. FULBRIGHT. We have not built any of these projects, but we have helped them by way of giving technical advice and encouragement. At that time, under the Marshall plan, we were helping them in the engineering problems on roads. I think it was extremely well administered, and there was very little of what we call the hand-out type of thing going on so far as I could see, and all reports were confirmatory of that.

Mr. MUNDT. Mr. President, if the Senator will yield further, my only reason for emphasizing the point is that as the Senator from Arkansas well appreciates, Turkey had an exceedingly bad press during the war.

Mr. FULBRIGHT. Yes.

Mr. MUNDT. In my opinion, it was an exceedingly unjustified bad press. One day, in conference with President Inonu in Ankara, that matter came up in our discussion. I had the privilege a number of years ago of inserting in the CONGRESSIONAL RECORD a statement which he made, in which he tried to elucidate clearly and honestly, and I think factually, Turkey's actual position in the war. As it has added up, as we look at it retrospectively, we can see that Turkey contributed substantially to the cause of freedom in the last conflict. I should not want the idea to become current now that we had started Turkey off on a new career. She started; we helped.

Mr. FULBRIGHT. Mr. President, I heartily agree with the Senator's statement. When we look back over the past several years since the war, I should say Turkey has been the anchor in that entire area, the one strong cornerstone upon which we could base our policy. Had Turkey been in the same precarious condition so far as her Government is concerned as some of the other nations, I think that entire area would have been lost some years ago.

Mr. MUNDT. And probably Turkey is the most important beachhead for freedom we can maintain and develop in Europe today, because of its location and because of its people and the character of its government.

Mr. FULBRIGHT. I think that is entirely correct.

There is one other item about Turkey to which I wish to pay tribute, and that is Robert College. That little college was established by private funds under the aegis of Americans. It is still functioning on the shores of the Bosphorus, a beautiful and inspiring location. Dr. Black, the president of the college, is a remarkably fine and courageous American. A great many of the leading Turkish citizens have had the advantages of a scholarship at Robert College. Their experience illustrates clearly the validity of the approach of the exchange-of-students program in which our Government is now engaged. In a small way and in a small area, it has been operating now for about 70 years. I think anyone who would take the trouble to examine the operations and results of that college could not help but endorse the program for the exchange of students which we are now undertaking.

Mr. President, I do not wish to prolong the discussion too much. I ask unanimous consent to insert at the end of my remarks an editorial from the New York Times of May 16, entitled "Turkey Votes for Democracy," commenting upon the election in Turkey, and, following that, a news article of the same date, which gives facts which I think will be interesting to all Members of the Senate.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. FULBRIGHT. Mr. President, I conclude by stating that I think Mr. Inonu and the Turkish people deserve the gratitude of the American people, and certainly the thanks and gratitude of this body. I want to congratulate him upon the leadership he has given his country and the courage he has demonstrated in bringing about the opportunity for a free election.

It is rather a strange thing to be congratulating a man upon his defeat, but when one thinks about it, it is not really so strange. It required a great deal more courage and a higher level of statesmanship to permit this election to take place than has been demonstrated by many so-called dictators and leaders who are unwilling to subject themselves to the free opinion of their people. I understand that he is not sulking or retiring from public life. It is his intention to continue as a member of the Parliament and leader of the opposition, which is in the very best tradition of democratic people.

Mr. President, I again want to congratulate the Turkish people, and I predict for them a very fine future. I sincerely hope that our Government will cooperate with them and their new government in every way possible and help them to carry on and to work out their problems. They have given all free people good reason to have renewed faith in the soundness of free democratic government.

EXHIBIT 1

[From the New York Times of May 16, 1950]

TURKEY VOTES FOR DEMOCRACY

The astonishing upset in the Turkish elections, where the opposition Democratic Party has won an impressive victory, is a result of which not only Turkey but western democracy can be proud. That ancient country, once known as the Sick Man of Europe, looks today like a vigorous young recruit to the sort of world we believe in and want to see.

Turkey has had a long tradition of absolute and military rule. The people were accustomed to taking orders from above. Moreover, it is a Moslem country. Islam is democratic in the sense of genuine individual equality before God and man's law, but not in the newer modes of constitutional government. This is the culmination of a process that began with the spread of ideas from the French Revolution. Constitutionalism was a gradual but steady growth, and now we see the fine fruits of it. In this century the Young Turks and then Kemal Ataturk gave impetus to the development, but President Ismet Inonu, although now defeated, deserves the greatest credit for leading his country a long step on the road to democracy. In that sense, this election was a victory for him.

Ismet Inonu was Kemal Ataturk's chief of staff. He came up with him and took over as President and virtual dictator when Ataturk died in 1938. A real opposition was permitted to form and an electoral law was passed last February that was a model of democratic procedure. Neither President Inonu nor his People's Republican Party that had ruled Turkey since 1923 could have dreamed that the results would be so politically disastrous to them, but there is no question of their acceptance of the popular verdict.

Clearly it was the economic distress—inflation, the rise in the cost of living, and the material misery and discontent of the peasantry that makes up 80 percent of the population, that brought about this landslide. There is no dispute over foreign affairs. Turkey is with the west in the cold war and it can be expected to remain by our side.

Celal Bayar, the banker who led the Democratic Party to victory, promised that the rigid étatisme, or state capitalism, that Ataturk introduced in 1933 would be replaced by a a much greater degree of private enterprise and that there would be greater civil liberties, especially in the right of trade-unions to strike. The response of the voters to such a program was proof of the growth of social consciousness and democracy in Turkey.

EXHIBIT 2

INONU'S FOES GAIN TURKISH LANDSLIDE—DEMOCRATIC PARTY MAY WIN A MAJORITY OF TWO-THIRDS IN NEW NATIONAL ASSEMBLY—LIVING COSTS HELD CAUSE—GOVERNMENT FAILURE TO MEET ECONOMIC PERIL CHARGED—12 CABINET MINISTERS LOSE

(By Farnsworth Fowle)

ANKARA, Turkey, May 15.—The first genuinely free election in Turkish history has turned into a stunning landslide for the opposition Democratic Party. Unofficial returns indicated a majority of more than two-thirds for the Democrats in the new National Assembly.

President Ismet Inonu is one of the few People's Party leaders who is sure of reelection to the National Assembly. He is leading in Malataya Province, although his alternate candidacy in Ankara appears unsuccessful. Mr. Inonu declared last week that unless the People's Party obtained a majority he would not seek reelection by the Assembly to the presidency of the republic.

The first acknowledgment of the People's Party came this afternoon from Hussien Cahid Yalçin, Turkish member of the United Nations Palestine Conciliation Commission and editor of the People's Party newspaper Ulus. He said:

"I am glad the election result shows our friends that we have real democracy. They will be impressed to see a president who has sometimes been called a dictator quietly retiring from office. I can assure our friends that the election result will not mean any change in foreign policy."

Democratic leader Celal Bayar declined to comment until official returns were received but he said the party's majority might reach 400 out of 487 seats.

Although the extreme opposition Nation Party ran a very poor third it gave high praise to the government for administering the election with complete impartiality. The Democratic Party organ Zafer congratulated officials and police on their impartiality and expressed the hope that they would serve their fellow citizens similarly under the new administration.

The Democratic Party platform puts greater emphasis on private enterprise and retreat from statism but otherwise there are few differences from that of the People's Party to account for its overwhelming support. A more likely explanation is dissatisfaction with high living costs and enthusiasm for the new freedom to give a verdict on local and national rulers.

TWELVE CABINET AIDES LOSE

ISTANBUL, Turkey, May 15.—The Turkish Democratic Party's margin of victory in yesterday's general elections increased tonight. Celal Bayar, leader of the victorious Democrats, said his 5-year-old party had already captured 375 of the 487 assembly seats.

Some observers said President Inonu's party might have no more than 80 seats when the assembly meets next Monday to elect a new president. The Nation Party seemed likely to have four or five seats.

The Democratic sweep lopped off 12 cabinet ministers: Premier Shemsettin Gunaltay, Foreign Minister Neemeddin Sadak; Cemil Sait Barlas, minister for coordination of the Marshall plan in Turkey; Vice Premier Erim Nihat, Finance Minister Rushtu Ismail, Customs Minister Sherafettin Fazil, Communications Minister Kamel Satir, Agriculture Minister Cavit Oral, Education Minister Tahsin Banguoglu, Exploitation Minister Munir Birsel, Public Works Minister Shefket Adalan, and National Defense Minister Husnu Cakir.

Mr. Bayar's victory surprised all foreign observers. But it all stemmed from one simple issue: Living costs are too high, Turkey has been tottering on the brink of economic peril, and Mr. Bayar thundered away in his campaign that the government had done nothing about the situation.

Mr. Bayar's views were expressed in a campaign manifesto.

"In economic and financial fields, our aims are to speed the economic equipment of the country, to increase national production and resources, and to lift up generally the standard of living. That is the only way to overcome the difficulties confronting not only the peasants but our workers, who make up a large proportion of our population."

Foreign issues played no part. Of these, Mr. Bayar said:

"It is important for this country's security and even for the cause of world peace that friend and foe alike should know that any change whatsoever in the government is not going to change our foreign policy."

LOANS FOR EXPANSION OF DISTRICT OF COLUMBIA WATER SYSTEM

Mr. HENDRICKSON. Mr. President, there is on the Secretary's desk House bill 8578, authorizing loans from the United States Treasury for the expansion of the District of Columbia water system. Since this bill is similar to Senate bill 3632, which is now on the Senate Calendar, I ask unanimous consent for the immediate consideration of House bill 8578.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 8578) authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 8578) authorizing loans from the United States Treasury for the expansion of the District of Columbia water system, was considered, ordered to a third reading, read the third time, and passed.

Mr. HENDRICKSON. I will say, Mr. President, that the purpose of the bill which has just been passed is to expand the water supply of the District of Columbia by making available $23,000,000 of Federal funds at interest rates to be fixed by the Secretary of the Treasury, and to be repaid in full not later than 1981. It is an emergency measure. The present emergency stems principally from the rapid growth of population in the metropolitan area of Washington, D. C., during and immediately following the war years, and the extension of the water-supply system in northern Virginia, Arlington, and Fairfax. The bill had the careful consideration of the joint committees on District of Columbia affairs, extensive hearings were held, and the committees were unanimous. The bill passed the House unanimously.

Mr. O'CONOR. Mr. President, will the Senator yield for a question?

Mr. HENDRICKSON. I yield.

Mr. O'CONOR. The Senator has already answered partially the inquiry which I was about to address to him as to the attitude of members of the committee. I understand, from the statement he has made, that members of the subcommittee were unanimous in the sponsorship of this measure. May I ask if there was any opposition in the committee as a whole?

Mr. HENDRICKSON. There was no opposition at all.

Mr. O'CONOR. Mr. President, I certainly concur in the statement of the Senator as to the imperative need for expansion and as to the benefits which will follow. I merely wanted to have the RECORD clear.

Mr. HENDRICKSON. I, too, want the RECORD clear and specific.

The PRESIDING OFFICER. Without objection, House bill 8578 having been passed, Senate bill 3632 is indefinitely postponed.

INCORPORATION OF SURVIVORS—MEMORIAL DAY

Mr. CAIN. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill to incorporate survivors.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3660) to incorporate survivors, introduced by Mr. CAIN, was read twice by its title, and referred to the Committee on the Judiciary.

Mr. CAIN. Mr. President, I wish now to speak briefly about this bill and to pay my respects to Memorial Day, which is to be Tuesday of next week.

On Memorial Day all of the citizens of America will bow their heads in silent and thankful prayer to the memory of those who have died in the wars of our Nation to keep us free. Freedom is a privilege that must be ever guarded and fought for. It is so priceless and desirable that thousands upon thousands of Americans have willingly died to keep and preserve it. The RECORD tells us that about a million Americans have died in the wars of our Republic. It is because of those who have ventured and died in the wars of our past that we are permitted to strive and live in the days of our present. How wonderful it really is for all of us to be given an opportunity on Tuesday next to honor those who have gone before.

Some months ago the junior Senator from Washington, and largely because the question was brought to him by others, became interested in the welfare of our combat-disabled veterans, some 37,000 of them who are patients today in our Veterans' Administration hospitals. A recent article in the Baltimore Sun made the shocking but verified statement that at one nearby hospital fewer than 20 percent of the patients ever received any visitors. Even more recently, in the current Reader's Digest, an article entitled "Forgotten Men in Veterans Hospitals," describes even more poignantly the fate of thousands of men, combat heroes of both world wars, the gallant of Belleau Wood, the Argonne Forest, the Somme, Anzio, Guadalcanal, Normandy, Caretan, Colmar, Bataan, Nijmegen, the Rapido River, Tunis, the Battle of the Bulge, of naval actions from the Coral Sea to Murmansk, of daring, brilliant, and devastating air strikes against predatory powers who had laid waste to three continents, men to whom in a very real way we owe our national existence, the enjoyment of liberties and the pursuit of happiness, both of which for them are now denied. The tragic truth, Mr. President, as related by the Veterans' Administration, is that today, scarcely 5 years after the brilliant military conclusion of World War II, thousands of these men without arms or legs, without sight or doomed by diseases of the jungles, the deserts and the Arctic, or mentally wrecked from overexposure to conditions of mass slaughter, yes, thousands of them of both world wars, languish through the days, weeks, and months, unvisited and neglected by both their families and their friends, and by citizens generally.

It is not, Mr. President, that we in America are an ungrateful people. It is only that we are sometimes a careless and often a forgetful people. The physical needs, the finest medical care that money can provide, has always been and will always be provided for these heroes of our wars who are fated to spend much of their lives in hospitals. But the spiritual warmth and moral encouragement, the constant reminder through repeated manifestations that theirs has not been a useless sacrifice, that the hearts of their fellow Americans, of freedom-loving people the world over, are as full of gratitude today as ever, that our best effort now and always shall be to safeguard the peace which their victory has achieved, these manifestations to them are woefully absent.

To know something of the understandable despair that often possesses these disabled veterans I should like to read a brief and moving story reported by Dr. Howard A. Rusk, who writes regularly and authoritatively every Sunday in the New York Times on subjects relating to veterans rehabilitation. This piece is entitled "John Crown's Legacy," and I think it appropriate indeed not only to the measure I have just offered to the

Chair for proper reference but a commendably provocative expression as we stand on the threshold of our National Memorial Day:

My name is John Crown. I am a paraplegic at Halloran General Hospital. My physical wounds are very small in comparison with my spiritual wounds. I have come back from death to a world that I no longer care for. I, who have been engaged in the great struggle to save the world from tyranny and having seen my comrades die for this cause, can now find no peace in the world or in my country.

Having lived close to death for 2 years, the reasons why there is no peace seem infinitesimally flimsy. Russia wants the Dardanelles, Yugoslavia wants Trieste, the Moslems want India, labor wants more wages, capital wants more profit, Smith wants to pass the car in front of him, Junior wants more spending money. To these, I say, is it necessary to kill and cripple human beings for these petty gains?

Anyone who thinks a human body is so cheap that it can be traded for a tract of land, a piece of silver, or a few minutes of time should be forced to listen to the moans of the dying night and day for the rest of his life.

All the troubles of the world originate in the common man. The selfish and greedy ways of nations are just the ways of each individual man multiplied a hundredfold. When the morals of the common man drop, so do the morals of the nation and of the world.

As long as our individual morals remain at a low ebb, so will be the world. Until each of us stops "hogging the road" with his car, stops fighting over the seat on the bus, stops arguing over who is going to cut the grass, there will be no peace in the world. If man wishes peace again, he must return to the great commandment, "Love thy neighbor as thyself for the love of God."

This letter by John Crown was published in the New York Times by Dr. Rusk in 1946. The letter was created out of a young man's suffering, anguish, and bewilderment. In early March of this year, after 4 years of struggle, the writer, John Crown, died.

Dr. Rusk wrote this about the passing of a brave young man:

His legacy to the world was an example of courage and philosophy of life which, in these troubled and uncertain days, plead even more eloquently for the necessity of understanding than the day on which his letter was written. In this era of precocious technology, hydrogen bombs, guided missiles, and all the additions to the horrors of war that have caused an epidemic of anxiety and tension throughout the world, this pain-wracked boy's prescription for peace among men merits thoughtful rereading.

The hopeful sign has always appeared on our national horizon, Mr. President, whenever our country has had to come to grips with any great problem or moral need. And for this, the problem of the forgotten disabled veteran in our hospitals, that distant beacon again appears illumined, dimly perhaps, but promising to shine fully, to give brighter promise as we advance toward the achievement of a more positive, objective, and useful civilization. Not a hundred miles from this Capital, on the Eastern Shore of Maryland, where much of the Nation's early history was fought for and written, there has been under way now for 5 months a movement to remedy in part the distressing situation of neglect and abandonment which is the fate of many of our disabled veterans. Not for a single moment, Mr. President, do my remarks construe the idea that this condition has been allowed to go unnoticed or unattended by the many splendid charitable and patriotic organizations who, with the Veterans' Administration, have for 3 years produced many commendable projects through the devoted labor of hundreds of men and women comprising the volunteer services of the Veterans' Administration, which is ably directed by the sturdy and sound leadership of Gen. F. R. Kerr. But this movement to which I refer impresses me, as it does the Veterans' Administration, the heads of the several military services in the Pentagon, and all other organizations concerned with the day-to-day progress of disabled veterans, because it promises to bridge a great gap to produce not hundreds but thousands of volunteers where thousands are really needed and to further provide a factor of great therapeutic value which all recognize as being essential to improving the health and spirit of our hospitalized combat veterans.

The Maryland movement will be recognized as possessing much which is good for the Nation should the bill I have just introduced be approved by the Congress. This bill seeks to incorporate an organization to carry the name of Survivors. Its membership would consist of combat veterans in both world wars of our Army, Navy, Air Forces, Marine Corps, and Coast Guard. The only purpose, but a very great purpose it is, of the proposed organization of Survivors is to assist in the rehabilitation of disabled combat veterans who are situated today in hospitals throughout the land. The Survivors would fulfill their mission by having each member undertake a responsibility for one disabled combat veteran, visiting him regularly, by attending his wants or those of his family outside the hospital, and otherwise giving to the disabled veteran the encouragement, companionship, understanding, and esteem that has always characterized the relationship between comrades in arms. It would be the long-range purpose in each and every case to get a disabled combat veteran back on his feet, rehabilitated in spirit as well as body, and reestablished in his community. It is the belief of those who seek to establish the Survivors, and the conviction of a great many medical authorities, that men who have been in combat, who have shared the experiences of the wounded, are best qualified to undertake the responsibility for rehabilitating the disabled. And because those who seek membership in the intended Survivors are proud members of a proud company, of a brotherhood whose bonds were fused in battle, they will accept that responsibility cheerfully, willingly, and undertake to discharge it faithfully.

I like to think, Mr. President, that the bill will be approved in due time by the Congress. It is true, of course, that in the absence of congressional approval that much more can be done in an informal way by unwounded or physically able combat veterans to give aid and assistance to their disabled and hospitalized comrades. But the passage of the bill would permit a more positive leadership to be exercised by the officers and incorporators of the hoped-for organization. Its passage would likewise focus public attention and approval on a step which the Congress had taken to render all possible aid and assistance and encouragement to those who have given so much of themselves and their blood for the good of the Nation.

Mr. President, the junior Senator from Washington, in acting most willingly as an instrument for many an American veteran, hopes soon to offer another bill which will call upon the Congress to establish an appropriate date to commemorate the victory of World War II, but unlike Armistice Day which we celebrate with parades and festivities appropriate to that happy occasion, or Memorial Day when we decorate the graves of our war dead, the commemoration sought after in Survivors Day will be to urge all the people of all of the land to dedicate that day to visiting our hospitalized disabled war wounded. Survivors Day, Mr. President, would be set aside to honor the living, as on next Tuesday we shall so proudly honor the dead.

Mr. O'CONOR. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I am most pleased to yield.

Mr. O'CONOR. I should like first of all to compliment the junior Senator from Washington for his very timely remarks, and to congratulate him upon the thought and the studious consideration which have been evidenced by the statement he has just made.

Particularly do I feel it in order to express appreciation on the part of the citizens of Maryland for the very complimentary and I think entirely justified references to Maryland's Eastern Shore. If the Senator will permit me to say so, we in Maryland feel that there is no finer citizenry anywhere in the Nation than in that section, as well as in other sections of our State.

I believe the Senator has made a very telling point in referring to the action which has been initiated on the Eastern Shore in this very important connection. I give assurance to the Senator that I shall be very happy to lend my assistance toward the prompt consideration of these matters, believing, as I do, that they are in the interest of the entire citizenry.

I thank the Senator very much for his generous references.

Mr. CAIN. The distinguished Senator from Maryland will permit me to respond simply by saying that I am very grateful for the word of commendation which was just directed to me by the Senator. But I would have no intention, because I do not feel that way, of accepting any such approving comment in a personal sense. What the disabled American war veterans want and hope is that the junior Senator from Washington, the Senator from Maryland, and all other Senators, all the Members of the House of Representatives, and all Americans generally, are going to be determined in the future to bring to those who have suffered for our good as much comfort and assistance, and the reestablishment of faith, as is possible.

I was pleased, because I have no pride of authorship in this movement at all, that there came into my office several months ago several unwounded and thus very fortunate combat veterans of long experience in the last war, who now live in Maryland. Because they were interested in the lack of attention being given to veterans in one of the Maryland hospitals, they examined the Nation's situation, to find, distressingly, that similar conditions existed all over the land, and they thought that if they could get some of us in Congress to pin point the need for emphasis on this problem, that action would help their hospitalized comrades.

I want to pass the Senator's comment along to a large number of veterans, both able-bodied and in hospitals. It will cheer them greatly.

Mr. O'CONOR. Mr. President, if the Senator will yield further to enable me to make a final observation, I think the Senator's remarks were well chosen, because he has directed attention to that area of the Nation which happens to be the eastern shore of Maryland, toward which it might very well be appropriate to have the attention of our citizens directed, because it was there that memories of Tench Tilghman, who was an aide to George Washington, are of course perpetuated. In the counties which, by their very names, indicate their ancient origin—Queen Anne, Kent, Cecil, and others—it can be understood that the Senator's very timely remarks and their appropriate and generous references have foundation in fact. It is for that reason that I say it is very much appreciated that the Senator has seen fit to initiate his movement based upon the activities of that section of the State of Maryland. I again thank the Senator.

Mr. CAIN. Mr. President, I wish to say that the junior Senator from Maryland is always a very astute Senator and very alert for a good cause, and he has recognized a mere reference I made to his Free State of Maryland in the complimentary way in which he referred to it. He properly has divined why I referred to it.

The Senator from Maryland is certainly of one mind with the Senator from Washington that in this perilous, uncertain day, what we need throughout this land is a renaissance of patriotism and of faith, of confidence and of appreciation for what the God up above has given us in the way of resources and opportunities in this country. When we are endeavoring, in our limited way, to encourage a great and patriotic renaissance in America, where do we look for aid? We look to those areas in America where patriotism has been and is a dominant force, and without any intention of neglecting the rights of others, or of being disrespectful to any other State, I know of no sovereign State in America which can lay claim to having had more patriots per capita than the Senator's State of Maryland.

Mr. O'CONOR. I agree entirely with that statement, and I am profoundly grateful.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

Mr. HUMPHREY. Mr. President, as of yesterday the debate on the conference report on Senate bill 1008 started with the proponents of the conference report opening the argument, with interrogations by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Louisiana [Mr. LONG].

I noted in the RECORD of yesterday on page 7730 a comment by the junior Senator from Louisiana [Mr. LONG], when he said, in reply to a question from the majority leader as to the extent of the debate on the part of those of us opposed to the conference report:

> I should like to advise the distinguished majority leader that those who are opposing the conference report want nothing more than an opportunity to make two important issues clear, which we have never in the past been able to get across. It is our belief that the conference report would work injury to the small-business men of the Nation, and we should like to have Senators present in order that we may explain it to them.

Mr. President, all I wish to say at this point is that it looks to me as if this is going to be a rather long debate, because in consultation with my friend and colleague from Louisiana at a very late hour last night, he indicated to me that as the leader of those of us who are opposed to this measure it was the intention to be able to talk on the report and the bill to as many Senators within the Chamber as was possible.

I merely desire to note this, because it is the intention of the opponents of the conference report to argue the case against the conference report until we feel that the United States Senate has had a chance fully to consider the arguments which will be placed before it.

It is my intention at this stage of the debate to discuss in broad outline the general effect of the antimonopoly laws upon the business economy. It is also my intention to discuss in some detail the menace of the growing concentration of economic power. This menace has been well documented by the reports of the Federal Trade Commission, as well as the reports of congressional committees. It is because of the evidence which is so apparent as to the growing concentration of economic power, the continued acceleration of mergers of business enterprise, and the ever present threat of a complete monopoly of the basic industries of this country, that I believe Senate bill 1008 is one of the severest threats to our economy that has ever been presented to this body for consideration. It will inevitably destroy the efforts which this Government is making to preserve free competitive enterprise through the effective enforcement of the antitrust laws. In fact, Mr. President, in the undermining effect it will have on our antitrust legislation and the enforcement of that legislation, this bill will take us back at least half a century. Price discrimination is one of the major implements by which big business has secured and has utilized its monopoly power in America. This bill would legalize price discrimination.

Mr. President, we in America, through our newspapers, through the radio, through our public forums, in every city and town and village, are this year eulogizing the progress which our Nation has made during the first half of the twentieth century. The picture of America during the first half of this century, however, is not complete without an understanding that during the past 50 years the character of our competitive system and the progress of our economy in America has been threatened by the encroachment of monopolistic enterprise.

I, for one, make no argument against big business as such, except at such point where big business becomes overpowering, monopolistic, and conspiratorial in its efforts and in its effect. Bigness within itself is not bad. However, bigness to a point where it kills competition, bigness which monopolizes the market, thereby controlling the production as well as the price, is a threat to a competitive economic system. Those who often speak of free enterprise fail to put in the qualifying phrase of "competitive free enterprise." It is my considered judgment that the answer to monopoly is in two categories or two alternatives; either the strong arm of government attempting to control and to break up monopoly, or the creation of the conditions of competition and the maintenance of competition. It is that upon which I wish to concentrate my attention.

Just 50 years ago we in America were involved in one of the greatest combination movements of all times. That combination movement saw the rise of great trusts: the Steel Trust; the Sugar Trust; the Tobacco Trust; the Farm-Machinery Trust; the Electrical-Equipment Trust; the Meat Trust; yes, the Whisky Trust; and a score of others.

Mr. President, I recognize that this is background and historical material, but it has always been my opinion that if one is to discuss current legislation he must discuss it in a frame of reference. In order properly to understand legislation which, for example, affects the Clayton Act, which affects the Robinson-Patman Act, public laws which are now in effect, it is important that we repeat for the RECORD, at least summarize for the RECORD, the historical development and the growth of conditions that necessitated such legislation as the Sherman Antitrust Act, the Clayton Act, and the Robinson-Patman Act. It is my privilege and responsibility in this debate to present for the purpose of observation and study the historical background of the development of monopolistic power in this country; yes, if you please, to discuss what is commonly called monopolistic competition, a new economic phrase which was discussed several years ago in a noted economic dissertation by a prominent economist named Chamberlin.

Before that great combination movement had been completed it was estimated that the trusts had in their hands no less than 40 percent of all the manufacturing capital in the United States. Before the wave of industrial amalgamations had died down, according to John Moody, the great business historian of the period, 26 corporations controlled 80 percent or more of the production in their respective fields; 57 controlled 60 percent or more; and 78, 50 percent or more.

The Sherman Act, great charter for economic freedom that it represented, was not found to be sufficient to stem the growth of the trusts. For that reason Congress in 1914 passed the Clayton Act. This act constituted an effort to halt the rise of monopoly in its incipiency by prohibiting monopolistic mergers and price discrimination.

I emphasize that the Clayton Act struck at not only monopolistic mergers but at what was becoming a very evident fact in the process of monopolistic merger, namely, price discrimination, which drove the small competitor out of the market.

Loopholes were found within the Clayton Act. It is the very normal process of a legislative body to review existing legislation in terms of experience. Loopholes are oftentimes discovered, and then a legislative body in its wisdom will attempt to plug up those loopholes. One of those loopholes which allowed "good faith" to be a legitimate and a legal defense against the charge of price discrimination was plugged by the passage of the Robinson-Patman Act in 1936. I believe this act was hailed as a magna carta for small business.

The other loophole, as the members of this distinguished body well know, found in section 7 of the Clayton Act, permitted mergers to be made by the purchase of assets even though those mergers would be considered illegal if consummated through stock purchases. As a result of these loopholes, a second great wave of monopolistic mergers was permitted to take place during the 1920's, only to be checked by the economic collapse of 1929. Right at this moment we are in the midst of a third merger movement.

President Truman, just as his predecessor, President Roosevelt, before him, has again called for a plugging of the loophole in section 7 of the Clayton Act. In the last session of Congress, the House voted by an overwhelming 71 percent majority to amend section 7. It is my fervent hope that the Senate will follow this lead and quickly pass the bill to amend this law. However, it would be folly on the one hand to attempt to halt the growth of monopoly by plugging the loophole in one section of the Clayton Act, while at the same time restoring loopholes in the self-same statute, under the mistaken guise of clarification.

S. 1008 would legalize wanton price discrimination. Price discrimination is one of the foremost of the arsenal of weapons employed by big business to suppress competition and to drive small business out of existence.

Let me cite some recent figures on the seriousness of this problem of the concentration of economic power.

In citing these figures I realize that they are not new. We have Members of this body who are distinguished in this field, who have developed for themselves a well-earned and merited reputation, and who have gained the confidence of the American people. I refer particularly to one distinguished Senator who has devoted a lifetime of work to this particular subject, the senior Senator from Wyoming [Mr. O'MAHONEY]. I recognize that he is on the opposite side of this particular question. I might say that during the period of the present debate it is my hope to learn from and to hear the Senator from Wyoming develop his particular point of view, as he did so ably as of yesterday during his discussions with the Senator from Louisiana [Mr. LONG], and as he discussed the pending measure with the Senator from Maryland [Mr. O'CONOR].

I said I wanted to cite a few of the recent figures on the seriousness of the problem of the concentration of economic power. A document entitled "Economic Concentration and World War II," issued by the Senate Small Business Committee of the Seventy-ninth Congress, second session—Senate Document No. 206—contains a wealth of information on this subject. Mr. President, it has always seemed to me that it would be most important to the American people to have this information made available to them by means of the press and the journals of America. All too often this information is a selective type of information which has a selective reading group. Certainly, if there is any threat to American economy it is the threat inherent in the concentration of economic power in the hands of any limited group of persons, any few individuals. One subject upon which we have a real shortage or limitation of information is the subject of the economic changes and transitions in the American economic system.

The document to which I refer, Senate Document No. 206, Seventy-ninth Congress, second session, cites figures originally compiled by Adolph A. Berle and Gardiner Means, and later brought up to date by the National Resources Committee under the direction of Dr. Means, showing that in 1909 the 200 largest nonfinancial corporations in this country owned approximately one-third of the assets of all nonfinancial corporations, primarily manufacturing corporations. By 1929—20 years later—their percentage of ownership had risen to 48 percent, and by the early thirties it had reached 55 percent.

Mr. President, I remember that in my days at the university, one of the books we regarded as an economic Bible, so to speak, was Berle & Means' treatise on economy, entitled "Private Property and the Modern Corporation." That book has become a source book of material for all persons who wish to understand the development of monopolistic power in the American economy. It is from that book that much of the material used by the Senate committees has been obtained, or on which much of it has been based. Berle & Means' work is considered the most basic study ever made of the corporate structure and its effect upon free enterprise and competitive enterprise in America.

Those who are the captains of monopolistic power in the United States frequently talk about free enterprise or private enterprise, but I think the phrase which should be used is "competitive enterprise." If we study the economic history of the United States before the giant corporations took over, we find that they used to talk about "competitive enterprise"; but once it was revealed by various studies and investigations that there was no longer any competition in many areas of American industry, then those companies began to try to sell the American people on the so-called private enterprise or free enterprise.

I say that monopolistic enterprise is neither free nor enterprising. Nor is it, under the terms of corporation law, private enterprise. Actually it is what it says—corporate enterprise. If we are to have an economy which permits the development of independent business, we must go back to the application of the conditions of competition incident to competitive enterprise.

Any law which would in any way weaken competitive enterprise or competition would be a law which would weaken the American economy.

Mr. President, this upward sweep in economic concentration was confirmed by a number of other studies assembled by the research experts responsible for the Senate document to which I have referred. For example, the Senate document, issued in the second session of the Seventy-ninth Congress, revealed that 316 large manufacturing corporations in 1926 held 35 percent of the working capital of all manufacturing corporations in the United States. By 1938 they held 47 percent of the total. The upper 5 percent of the country's nonfinancial corporations earned 79 percent of all the income of all nonfinancial corporations in 1918. By 1942 they secured 85 percent of the total.

However, this is only part of the story. Actually these giant corporations are tied together into cliques, or what is known as financial interest groups. Such interest groups reflect the pyramiding of control and influence centering in the big financial houses and in what are termed "the wealthy families."

The National Resources Committee reported that in 1935, back in the days of the depression, before the big financial corporations had been enriched by the profits of war and by the concentration of power which occurred during and immediately following World War II, 250 of the largest nonfinancial and banking corporations controlled over half of the resources in their fields. That was in 1935.

In other words, 250 companies, in a nation of 140,000,000 people at that time, controlled more than half of the resources in their fields. Certainly that is neither free nor enterprising, because there is nothing more stifling to ingenuity or incentive than a monopoly in any field of endeavor. No less than 106 of these corporations were bound together into 8 interest groups. The largest of the eight interest groups was known as

the Morgan-First National interest group, centering in the great Wall Street financial houses of J. P. Morgan & Co. and the First National Bank of New York. Kuhn, Loeb & Co., another of the great investment banking houses, headed another of these groups. Three other interest groups centered in the Rockefeller, Mellon, and du Pont estates. The 106 corporations under the domination of the 8 interest groups controlled nearly one-third of all the assets of all corporations in the nonfinancial and banking fields.

Mr. President, Thorstein Veblen, a great economist, who hails from the Midwest, pointed out the control being exercised over American industry, not by producers, not by engineers or others interested in production, but by financiers who were primarily interested in the profit from the production. Whether the profit is the result of rigging prices or of efficiency of production is of little or no concern. I think one cannot adequately understand what is happening in American economic life unless he is a student of the great writings and economic philosophy of Thorstein Veblen, particularly in one of his books entitled "The Leisure Classes," in which he opens up to the vision of the American people the tremendous change taking place in the American economic system, whereby the managerial group are losing control to a dominant financial group, and whereby the large investment houses, such as those I have cited—the City National Bank of New York, J. P. Morgan & Co., Kuhn, Loeb & Co.—are dominating the economic life of America by their financial control, and therefore are getting around the antitrust laws by their control of credit. The growth of what we call chain banking has placed a real handicap and has put a dead weight upon the development of independent small business. Those who control the credit life lines and control the use of capital and can set the interest rates, have a great deal to do with what happens in terms of a competitive, developing, growing economy.

I submit that it is not the hand of Government that is stifling the American economy. It is the hand which controls the credit policies of the Nation, the hands controlling some of the large banks—the Chase National Bank, of New York; the Continental Bank, of Chicago; the Bank of America, in California. Those three large banks are able to control in great measure the credit resources and interest rates and are able to be selective in the loans they make for the development of free competitive enterprise. It is for that reason that I look upon the small-business program recently proposed by the President as urgent and necessary. This program proposes furnishing financial and tax aid by the United States Government for free and independent competitive business—it is in this manner that we can challenge the power of monopoly.

Mr. President, as I have already said, the 106 corporations under the domination of the eight interest groups controlled nearly one-third of all the assets of all corporations in the nonfinancial and banking fields. Think of it, Mr. President. One-third of the entire resources of the United States in the nonbanking and nonfinancial fields—in other words, one-third of all the resources in the manufacturing field—were under the domination of only eight financial oligarchies. This is not a statement made without considered thought. It is the result of studies made by the Congress of the United States, a result of impartial objective studies made by the most eminent economists of the United States. No one in this Nation today disputes the fact of the growing concentration of economic power. Unfortunately, there are very few of us who are doing anything about it. We are occupied with the threat of communism, of big government, of statism, or of something else. Those are side shows in one sense compared with what is happening every day in every community of America, the constant driving out of independent business, the drying up of the sources of revenue and capital and of loans for the development of small business and manufacturing establishments, the concentration of credit facilities in the hands of a smaller and smaller number of people, and the ever-growing power of corporate banking on the one hand and corporate monopoly in industry on the other. I submit that those statements do not rest on mere assertion, because of the study of the past, but they can be proved, day in and day out, by what is happening, according to the financial page of every American newspaper.

It is no wonder therefore that the Department of Justice has invested a substantial portion of its meager reserve in its current case against the investment bankers. If successful, the antitrust suit may restore competition in the investment banking field. At long last, Mr. President, the Department of Justice is beginning to strike a blow where the blow needs to be placed. Instead of dealing with the fringes, instead of taking action affecting the edges of the American economic structure, the Department of Justice at long last is striking a blow for a competitive economy, for a free economy, right at the heart of its trouble, and that is in the corporate structure and in what I call the holding-company structure of investment banking in the Nation.

Someone may say, "What reference has this to Senate bill 1008?" As I said in the beginning, it appears to me that it is not possible to discuss legislation of this importance—and it is of tremendous importance—unless we discuss it within a frame of reference; unless, when we talk about the basing-point system, about price discrimination, about competition and about good faith, we understand what these phrases mean, what their historical background is. It is impossible even to talk about free economy, unless one understands the historical background of free economy. Frankly, as I have said before, terms such as "free economy" and "free enterprise" have lost some of their meaning today, because they are being mouthed by people who do not believe in a free economy. I submit that Kuhn, Loeb & Co., the J. Pierpont Morgan Co., the First National Bank of New York, the Continental Bank of Chicago, and the Bank of America of California, headed by Mr. Giannini, do not believe in free economy. They do not believe in the competitive system. They believe in getting bigger and bigger, fatter and fatter, richer and richer, at the expense of their competitors. This statement can be verified by the documentation of the obituaries or the bankruptcies of thousands and thousands of independent business establishments.

It is to this problem that we should direct our attention. Frankly, Senate bill 1008 deals with an issue which is not even so fundamental as the control over the credit structure and the financial structure of the United States of America. It is for that reason, Mr. President, if you please, that whenever there comes before the Congress of the United States a bill touching interest rates, such as the bill to provide middle-income housing, one would think the foundations of the Republic were being attacked, because there is nothing so precious to corporate investment banking, which has its holding-company facilities, as the rate of interest that the banking industry itself can dictate, without any regard to the public welfare. It is within this procedure that we have watched, in State after State and in community after community, small banks being destroyed, or merged, in the chain banking and corporate banking system. This sort of banking is not controlled by the local banker in the little town at the crossroads within the State of North Dakota, Minnesota, Maine, Maryland, or California. It is controlled from a head office in Chicago, Minneapolis, Detroit, New York, or San Francisco.

As I said, the Department of Justice has begun now an attack on the giants. It is beginning to wrestle with the real problem, instead of treating the symptoms, which today are the monopoly power we see in nonmanufacturing industries. Instead of treating those symptoms alone, they are beginning to treat the cause of the evil. I submit that it is impossible to build a major business without the facilities of credit, without low interest rates and long-term facilities. Is not the record replete with information showing that a big company, such as General Motors, can obtain credit over long periods of time at low rates of interest? Why? Because they have the financial resources. We can see the business soundness of that practice. They have the means to repay. But how about the man who wishes to compete? He has not much more to offer than a limited inventory or a limited amount of private property, or his character and his reputation. That man suffers today because of what I call discriminatory practices in the financial field. It is for this very reason that the Government of the United States has had to help him.

I wish this Chamber were filled with representatives of the banking fraternity. If they wish to preserve free banking in this Nation, if they wish to preserve banking that is called banking of

a private nature they had better operate in favor of private business, in favor of individuals, rather than continuously to restrict that area, and to focus their attention upon those who are growing greater and greater, and upon the too limited number of industries that can be monopoly-handled, not by the directors of the corporation but by the financial power that is behind it.

Let us take a look at one great corporation which really exemplifies all that I have been talking about.

There is an antitrust suit against the E. I. du Pont de Nemours Co. How many people in America, I wonder, know that the du Pont Co. controls General Motors, and that when General Motors last year made a net profit of more than $600,000,000, that was merely another part of the du Pont empire? Furthermore, how many people know that du Pont owns the United States Rubber Co., one of the greatest producers of rubber? Now, there is this great antitrust suit. The du Pont Co. secured favored treatment as a supplier of a long list of products, including paints and chemicals. It is not my purpose in these remarks to go into detail with regard to the Government's complaint against the du Pont Co. I believe, however, that complaint to be of such vital concern to the American people and of such profound importance to the future of our economy that I ask unanimous consent to have included in the body of the RECORD, following the completion of my remarks, the text of the complaint.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, the text of the complaint against the du Pont Co. is so revealing, so amazing, that I dare say, if the independent merchants in America who are concerned about the future of American economy will read it, they will be coming here by the hundreds demanding the most complete prosecution by the Government of the United States of the du Pont case that it is humanly possible to obtain. If there ever was a great empire tied in which financial concerns scattered all over the continent, the whole area of America, it is the du Pont Co. The du Pont Co. has been able to obtain privileged treatment for its subsidiaries, and they have been able to drive out of business thousands upon thousand of independent retail producers, wholesalers, and processors because of the control of banking structures enabling them to receive cheap credit. Yet, Mr. President, it is companies such as the du Pont Co. that talk about free enterprise. They do not believe in free enterprise; they believe in concentration and consolidation of enterprise. The exponents of the so-called free enterprise system are killing it. They have killed competition in area after area. There is no such thing as free enterprise where competition is dead. The du Pont Co. is a prime example of the slaughter of competition, destroying it, removing it, drying up great areas of the American economy and absorbing those areas within its empire.

In Fortune or Life magazine not long ago there appeared a fascinating story about the du Pont family. This is not, Mr. President, to criticize the character of the individuals or to use unkind or harsh words about the men and women who control that great business. It is merely to show that if we want to have a competitive economy, one in which opportunity is afforded for a man really to own his own place of business, we cannot permit the kind of development and growth of monopolistic power which is taking place today in connection with the du Pont Co. and in hundreds and hundreds of other instances. Suffice it to say at this time that if the Government suit is successful, it may delimit somewhat the power over American industry now exercised by the du Ponts.

It is well known that the Aluminum Co. of America is dominated by the Mellon family. Among the various illegal practices which Alcoa has employed which led to its conviction as a monopoly was the practice of price discrimination. Alcoa as the sole United States producer sold aluminum ingots in the open market at 23 cents a pound. Yet the evidence is clear that if aluminum was to be made into cable, it was available at 17½ cents a pound. The American people might well ask why this price discrimination? The answer is clear. Aluminum cable was in competition with copper cable. Housewives thus had to pay a higher price for aluminum pots and pans so that aluminum would be used in competition with copper cable. Alcoa went even further by holding the price of aluminum ingot so high that independent sheet rollers could not sell at a profit. This was the consequence of the Mellon monopoly.

Wherever there is competition one receives the benefit of efficiency and of competitive price.

What is an aluminum ingot? It is a small block of aluminum. As I have said, aluminum ingots sold for 23 cents a pound, and yet aluminum cable, which had to be processed, sold at 17½ cents a pound by the same company. Why? Because it was in competition. Ingots were not competitive. The company which produced the ingots had a monopoly up until the time of the war. Then the Government of the United States, in order better to defend the Nation, had to have another aluminum company.

That is another thing we have learned about monopoly. It was brought out through reports of the committee under the chairmanship of the able Senator from Wyoming [Mr. O'MAHONEY]. Monopolies do not expand production facilities; they rig the price. By rigging the price they make enough money so that they do not have to have full production. It was for that reason that the President of the United States threatened the steel companies with what are called pilot plants, in order to compel steel production to expand. The major producer of steel controls the market because of its overwhelming influence within that market.

Most Americans are familiar with the discriminatory tactics employed by the Rockefellers in building up the Standard Oil Trust. In fact, it was just such discriminatory tactics that the Congress had in mind when it attempted to outlaw price discrimination in the Clayton Act, passed in 1914. The Clayton Act attempted to forestall price discrimination before it had reached the monopoly stage by, first, forbidding the use of price discrimination as a weapon with which large sellers could destroy direct competitors that were small; and, second, prohibiting preferential prices to large buyers that were denied to small buyers.

Mr. President, every merchant along Main Street in every American town knows about that trick—giving a preferential price to the big concern and selling at a higher price to the smaller company. We were familiar with that situation in the early 1930's in connection with the chain stores buying products at lower prices than the prices at which small merchants could buy. If the chain store sold at the same price as that of the small-business man, and it wished to drive out the small-business man, all it had to do was to cut the price to a point where the small man could not compete. That happened in hundreds of cases; I have not heard any great outcry on the part of the big firms about that. They see a Socialist under every bush; they are afraid of big government, but they are not afraid of their own bigness. In fact, they seem to enjoy it. They enjoy their appetite to consume every possible competitor that stands in their way.

I repeat, there is no hope in America for a free economy without a competitive economy. Those who destroy competition are those who have assumed the control of the financial institutions of the country. It is not the Government which is destroying it. As a matter of fact, if it were not for the Government we would not have a free economy, or even a reasonably competitive economy. Had we left these big concerns to have their way without a Sherman Act, a Clayton Act, or a Robinson-Patman Act, we would have some kind of private socialism rather than a reasonably competive economy. Congress, in its wisdom, recognized these facts, and, from time to time, has passed certain laws to attempt to stop a continuing trend of monopolistic bigness. Not simply bigness, which, in itself, is not wrong, but bigness which uses predatory practices, which destroys competition.

Some time, Mr. President, I hope to have an opportunity to say to some of the captains of industry that if they will spend a little more time worrying about their own habits and less time worrying about what is happening in Washington in connection with some Government official, they will be much better off. They should be worrying about their own bigness and their own practices, their monopolistic practices, and their administered and fixed prices.

I was speaking of the Standard Oil case and how the Clayton Act was passed to forestall what was happening. That law proved to be inadequate. We have to have a strong law to be able to check the unfair practices of these big companies. The law proved to be inadequate to prevent price discrimination so

long as a seller could plead that in "good faith to meet competition" his discriminatory price was merely to meet the lower price of a competitor. What did that mean? That meant that there were two grants, and one was attacking someone across the street, and the other one said, "If he is going to attack the person across the street, the only way I can stay in business is to attack on this side of the street." That was called competition in good faith.

That is what happened in the early days of the Clayton Act. But the Robinson-Patman Act of 1936 plugged this loophole and made the law effective. We are now asked to restore this ineffective good-faith defense which was remedied by the Robinson-Patman Act. We are now asked to go back and do the same thing that was done before the Robinson-Patman Act was passed.

I am not talking about small business because I happen to think it is a sentimental phrase or because I happen to think it looks better to have many little independent stores and manufacturing plants in America. I am fighting for small independent business because it represents a free private economy. It represents competition. It represents individual initiative and accomplishment.

I submit that there are just two ways of running our economy—either on a competitive basis, or on a controlled basis. Control can be expressed either by the most strict type of regulation or by ownership. Mr. President, I do not believe in national ownership of American industry. I do not recommend what I call unbridled regimentation and control over American business. However, I submit that if concentration of economic power continues as it has in the past, strict control or public ownership will possibly be all we will have left to do. What is the other answer? The other answer is what our Government was set up to do, namely, to maintain, through fair standards of economic law areas in the economy where competitive enterprise will be secure, and where the consumer will be able to receive the benefit of the productive efficiency which comes from competition, and the reasonable price which comes from competition in the selling market.

Two new reports have been issued recently on the concentration of economic power. Lest someone think that I am talking about grandfather's days, let us get down to the present moment. Both reports indicate the seriousness of the problem at this very moment. The first of these documents was issued in June 1949—just a year ago. It was issued in June 1949, by the Federal Trade Commission. It is entitled "The Concentration of Productive Facilities, 1947."

Mr. President, I wonder how many Americans have read about that report. I wonder how many of them have read it. I wonder whether the newspapers carried headlines about it week in and week out, such as, "America Threatened by Concentration of Economic Power" or "America Threatened To Be Destroyed by Concentration of Economic Power." How many newspapers carried such headlines? How many newspapers referred to it? If they did, I guarantee, Mr. President, that it was in the want-ad section. Every time someone drinks a glass of pink lemonade, the cry is "America is threatened by subversives." That is particularly true if it happens in Washington. Every time someone proposes that we build a hydrolectric plant, or increase wages for American workers—wages which would be expended in the corner drugstore and the grocery store—we see the headline "America Threatened by Labor Unions." It is peculiar, indeed, that the very people who constantly talk about the power of labor unions, and put advertisements in newspapers about labor's monopoly, are the world's biggest monopolists. They are the No. 1 monopolists. Apparently they go around calling "Wolf, Wolf" so that no one will check up on them. They keep everyone so busy investigating everyone else that no one ever gets a chance to investigate the real culprits.

If American journalism is to do its job, it will have to tell the truth about such a situation. Unfortunately, Mr. President, some of our journalists are a part of the conspiracy. They, too, believe in monopoly. They talk about freedom, but they believe in concentration of power. They talk about a free press, but they believe in a monopolistic press. I think it ill behooves those who are supposed to be championing the cause of individual liberty, to be participants in a conspiracy which does away with any hope of liberty. After all, liberty and freedom mean that a man has an opportunity to be a participant on an equal basis. It means that society is not rigged against him. It means just that. Unfortunately today that is not the situation, particularly in the realm of America's economy.

The first of these documents is the one issued in June 1949, by the Federal Trade Commission. This was an extremely scholarly report. Possibly that is why it never got any headlines. It did not call anyone nasty names. It was a scholarly report. It was an objective report. It was a scientific report. It went to great lengths in the effort to clarify the meaning and significance of economic concentration.

The report was limited to 28 manufacturing industries and emphasized that it presented "only one measure of concentration at one level of business organization for one period of time." In other words, it was a very fair, frank, and factual report. Specifically, the report presented data on the extent to which the net capital assets—the property, plant and equipment—of manufacturing corporations are concentrated in the larger corporations.

From the over-all point of view, the Federal Trade Commission report brought out that the 113 largest manufacturing corporations, each with total assets in excess of $100,000,000 in 1947, owned in excess of $16,000,000,000 of net capital assets. This figure represented 46 percent of the total of all manufacturing assets, both corporate and noncorporate, in this country. Talk about equality. The publicists of these 113 companies placed advertisements in daily newspapers, which are tax deductible. If any of us puts an ad in the daily paper, it is not tax deductible. If any individual wants to place an advertisement in the paper to tell the American people what he thinks, he cannot deduct it from his income tax. However, any time a corporation wants to put an ad in the newspapers to tell the American people how to run the country, according to its corporate standards, the corporation can list it as a deductible item for income tax purposes. The average American who has a gripe which he would like to expose to the American people, must pay for his own ad, and he cannot deduct it from his income tax. If an American citizen puts an ad in the newspaper and it costs a hundred dollars, he must spend a hundred dollars. However, if the United States Rubber Co. decides that the Government is not doing things right, it faces no problem. All it has to do is to put an ad in the newspaper, and it can put it in every paper in the land and day after day, and it can deduct the cost of the advertising in computing its income tax. That is a pretty good deal. I say if it is good for the big ones it ought to be good for the little ones, too. If we permit some people to lecture the American people with their specific statements about how we ought to run the country, and permit them to do so with a tax-deductible item, why do we not permit every American to do likewise? Whenever a corporation wants to tell the American people about a strike, or how well American workers are paid, or how high farm prices are, they put an ad in the newspapers and deduct the cost of it when computing their income tax. That is all they have to do. All they have to show is that it was for business purposes and sign the advertisement with the name of the corporation.

As I said, from the over-all point of view, these 113 companies, which are the 113 largest manufacturing corporations in the country, each with total assets in excess of $100,000,000 in 1947, owned more than $16,000,000,000 of net capital assets. They controlled 46 percent of the total of all manufacturing, both corporate and noncorporate. Getting down to specific cases, the Commission listed some 13 industries in which the concentration was considered extreme. "Extreme concentration" was defined as including those industries in which 60 percent control is represented by three or fewer companies. In other words, three or fewer companies produce 60 percent of everything that is produced, 60 percent of all that is sold, and 60 percent of all the distribution facilities. The industries falling in the category of extreme concentration are as follows. Mr. President, rather than read this table, I ask that it may be incorporated in my remarks at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Industry:	*Percent of control by 3 companies*
Aluminum	100.0
Tin cans and other tinware	95.3
Linoleum	92.1
Copper smelting and refining	88.5
Cigarettes	77.6
Distilled liquors	[1] 72.4
Plumbing equipment and supplies	71.3
Rubber tires and tubes	70.3
Office and store machines and devices	69.5
Motor vehicles	68.7
Biscuits, crackers, and pretzels	67.7
Agricultural machinery	66.6
Meat products	64.0

[1] Based on total assets.

Mr. HUMPHREY. I wish to point out two or three of them. The list is rather long. Aluminum. Percentage of control by three companies, 100 percent. Can there be any effective competition when an industry is controlled by three companies? Tin cans and other tinware, 95.3 percent. As a matter of fact, the Justice Department has been prosecuting a case against the American Can Co. and the Continental Can Co. .I believe the attorney who has handled the case is present in the city today. He has talked with me on a number of occasions. Tin cans are an important part of the American way of life. After all, how could we cook a meal without tin cans? We need tin cans. There are three companies which have control of the production of 95.3 percent of all the tin cans in the country.

How much competition is there amongst them? There is not any. What they do is map out areas. One can company says, "We will take everything west of the Rockies." Another says, "We will take everything from the Rockies to the Ohio." The third one says, "We will take everything from the Ohio to the eastern seaboard." They have competition only in the sense of how good their productive capacity can be. A similar condition exists in regard to a number of other commodities, and I have incorporated the list in the RECORD.

As an example of the distorted character of our industrial structure, we find that among the extremely concentrated fields are three huge industries processing agricultural products and one other that supplies the instruments of production for the farms. According to the FTC, three companies control 72 percent of the distilled-liquor industry, three companies control 68 percent of the biscuit, cracker, and pretzel industry, and three companies control 64 percent of the meat-products industry.

Perhaps that is why the prices of beef and pork do not fluctuate as fast as the prices fluctuate on the farm. I wonder how the American consumer would like it if there were only three farmers producing hogs. Those farmers would not need any price supports. If there were only three farmers producing beef cattle, or producing hogs, they would make the American people pay exactly what they wanted them to pay. If there were only three farmers producing beef cattle, for the making of the fine hamburgers and beefsteaks we get, we would be paying the prices the three farmers wanted us to pay.

People have often wondered, "How does it happen that when farm prices go down, we do not get a reduction in the meat market?" Let me now state the reason why it is. Three companies control the production and processing of 64 percent of all the meat products in America, and when three companies control that market they have something to say about the price structure. They like to buy low and sell high. They have large refrigerators and freezing plants. When the prices of hogs are low, they buy the hogs at the low prices, and after the market starts going up, they sell the processed products. It is for that reason that great profits have been shown in relation to these commodities, particularly food commodities. The President's Economic Report revealed the tremendous profits made. It is because of the control of prices, while the American farmer has had to rely pretty largely on fluctuating prices.

Who are the people who complain about price supports for the farmer? It is the three companies, and others like them. They have it all fixed. They do not need any price supports. No one can argue with them. They are so big that they can buy out anybody who gets into a fight with them. But the farmer needs price supports, because he lives in an economy in which the prices of the goods he buys are already fixed. It is a game he cannot win. If the price of the commodity the farmer buys is fixed, and his price is not fixed, he knows what is going to happen to him; he is going to get "fixed" himself. He is going to wind up bankrupt, as he has generation after generation. It is for that reason the Government has properly inaugurated the price-support program.

Contrast this picture of economic concentration with the situation in agriculture. According to the National Resources Committee report entitled "The Structure of the American Economy," the four largest growers of cotton produced nine one-hundredths of 1 percent of all the cotton; the largest four wheat farmers grew eight one-hundredths of 1 percent of all the wheat; and the four largest hog farmers accounted for three one-hundredths of 1 percent of all the hogs.

Why is this situation dangerous? Because it reflects a two-world economy in the United States. The concentrated industrial sector of our economy is a price-conscious economy. In the face of declining demand it holds the lines on prices, but cuts production. Agriculture and nonconcentrated industry, on the other hand, is inherently a production-conscious economy. It is anathema for every farmer to cut production. So the farmer's production is upheld while his prices fall.

The National Resources Committee reported the following price-production experience during the depression of 1929–32:

In motor vehicles prices fell 12 percent, production was cut 74 percent. The companies laid off workers. They cut down production, but did not cut prices.

In agricultural implements, prices declined merely 15 percent, production was cut 84 percent.

Cement prices fell 16 percent, production 55 percent.

Iron and steel prices decreased 16 percent, production 76 percent.

Automobile tires, despite the catastrophic decline in crude-rubber prices, fell 25 percent, but the industry cut production 42 percent.

In short, in every one of these highly concentrated industries production was cut anywhere from one and a half times to six times as much as prices. Here is an illustration of scarcity economics, as practiced by monopoly.

In the nonconcentrated sectors, however, the following occurred: Leather and leather products prices fell 33 percent, nearly double the production drop of 18 percent. There was competition there. When men have to compete, they are compelled to go out and get business. They do not stand around rigging prices. Leather products fell 33 percent, nearly double the production drop of 18 percent, as I have said That meant that the consumer was getting a reasonable price, and the leather industry was still employing people. Who laid off the workers in that period of time? The cement industry cut production 55 percent, and cut prices only 16 percent. They were very slow in cutting prices.

In the case of agricultural products, the prices went down only 15 percent, while farm prices went down in some instances 100 percent. The industry simply laid off the workers because they could set the market prices of their commodities.

Now we come to the free commodities, where there is competition. Textile prices fell 39 percent, while production declined 28 percent. They kept production going because they cut the price of the commodities. If there had been only one or two textile companies in the United States, they would not have cut the price, they would have kept production up and made enough profit off the few commodities they sold to be able to hold the plants in operation.

Food prices fell 39 percent while production fell only 10 percent. In agricultural commodities prices declined 54 percent, but production fell off only 1 percent.

Thus, the monopolistic industries, by cutting production, reducing employment, and holding up prices, create scarcity, throwing the burden of adjustment on the nonconcentrated agricultural sectors of the economy.

Here were the big companies, the great defenders of the free system. The minute they get into trouble they start closing up shop. They have reserves built up. They have all kinds of credit facilities. They just close up shop and say to the working people, "We will see you next year. Good-by." Then they say to the consumers, "We are going to cut down production. So we are going to sell this automobile at about the same price, maybe 5 or 6 percent off, but at about the same price."

How about the worker? He has nothing. How about the farmer? He had 54 percent less, yet his production was only 1 percent less.

When there are nearly 5,000,000 cotton farmers, about 4,000,000 farmers raising hogs, and nearly 1,500,000 wheat farmers, it is obvious that they cannot individually affect their prices one iota. But big business administers, a polite word in common currency among economists, its prices.

Prices are rigged and set, but in the parlance of the economy textbooks we all went through in the early days, the economists said they were administered prices. It sounds so clean and wholesome. What it really means is that they set the prices to yield a profit and they cut down their overhead until they receive a profit.

From 1929 to 1932 wheat prices declined 56 percent, corn prices fell 66 percent, hog prices fell 62 percent, and cotton prices fell 66 percent. But what happened to the highly concentrated industrial prices? Just to pick a few random examples—and these examples were cited by a House Small Business Committee document entitled "United States Versus Economic Concentration and Monopoly"—pages 92–93—introduced December 27, 1946, by the Senator, then Representative, from Tennessee [Mr. KEFAUVER]:

> Single producers controlled all of the output of nickel and aluminum. Nickel prices remained unchanged (from 1929 to 1932), while aluminum declined 4 percent.
>
> Two producers in each field controlled the market for sulfur, plate glass, and bananas. Sulfur prices showed no change, plate glass prices decreased 5 percent, while banana prices dropped only 2 percent.
>
> Three top producers controlled automobile production and the potash market. Auto prices fell 21 percent. Potash prices fell only 9 percent.
>
> One company produced about 41 percent of the agricultural implements and the largest four producers produced 72 percent, prices declined only 15 percent.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. Yes, I am happy to yield.

Mr. DOUGLAS. While the monopolies were maintaining prices in the face of falling national income and falling agricultural prices, did not this mean a tremendous decrease in the demand for and the production of the monopolized articles?

Mr. HUMPHREY. It surely did. I want to say to the Senator from Illinois, who I believe to be one of the most able students in the field of economics, and one of the practical practitioners of sound economics, that I have just been pointing out what happens in these constricted, concentrated areas, and what happens in a relative free area. I have been pointing out what we are aiming for in America is not merely a slogan about our economy; but a real competitive economy. I have stated that many who talk about a free economy and private enterprise do not believe in, at least they do not believe in the conditions that make such possible, because those conditions are the result of competition. What we are attempting to do in this proposed legislation is to preserve competition or at least the means of competition, the environment in which competition is possible.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The result of the policy of monopoly in the face of falling national income, that is the maintenance of prices in the face of falling national income, was a tremendous decrease in consumer demand, and hence in employment, and hence in production. The net result was that the monopoly industries, by charging high prices, shut off the expansion of, indeed, curtailed, production and employment which otherwise would have occurred, and hence made the depression ever more severe?

Mr. HUMPHREY. The Senator from Illinois is absolutely correct. His statement is succinct, concise, and to the point. In other words, they rig up their production system, lay off thousands of workers, but in the process make some element of profit.

I recited what I believe to be the administered process and what I believe to be competitive conditions. The record is positively clear that wherever competitive conditions exist the people obtain the benefit of a reasonable price, and that wherever monopolistic conditions exist the consumer suffers and ultimately the economy suffers. That is the sum and substance of the remarks I have tried to project here today. I wish to say for my friend from Illinois that as we discuss the conference report, we have to discuss it within a frame of reference, within a context of economy and history. We do not want to repeat the same mistakes.

Mr. President, I recognize that there are honest differences of opinion over interpretations of the conference report. I do not claim to be a profound student of economics. But I do claim to know a little about what has happened and what is happening in the field of corporate enterprise, and what corporate enterprise has done to strangle the economy. I know what has happened in the field of credit. The large investors, the corporate banks, have been able to choke off credit to small business firms and to extend plenty of credit at splendid terms to the large ones. The bigger become bigger; the smaller become smaller; the fatter become fatter, and the slimmer become slimmer. Economic malnutrition sets in. The small and the slim become smaller and slimmer and finally die. Then comes the big sponge of monopoly and it sops up what little is left of life, and makes monopoly that much bigger. That is what we are witnessing. That is the real threat to America. That is the real threat to our free economy.

People who constantly talk about big Government and who are constantly condemning big Government are the very people who have precipitated the need for big Government. After all, big Government is but a reflex or reaction to what is happening on the economic scene. We cannot, for example, engage in a wrestling match with the du Pont organization, if we have a Government at a township level. With Government at such a level we could not even make a good showing. One who goes into the ring to fight Joe Louis must be prepared.

If we are to have a government which can meet the threat of the du Ponts and their pyramided structure, it must be equipped to go to battle, and not only have the will to battle, but to be fortified by a public law which there is a willingness to enforce.

One of the main criticisms I have to make of my own political party—and I think it is time for Democrats to criticize their own party—is that we have not vigorously enforced the antitrust law; we have been a little weak about it. We have been concerned about social security, about unemployment compensation, about rivers and harbors, about valley authorities—which are important, and which I am for—but I submit that even the constructive effort that goes into them can be destroyed unless we are willing to meet the threat of economic concentration. It behooves the administration vigorously to enforce the antimonopoly laws now on the books, and to put those who violate such laws where they properly belong by invoking the full procedures available. The Democratic Party and the Republican Party have failed to do that job.

Mr. DOUGLAS. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. In other words, does the Senator from Minnesota say that if the Government can help to restore genuine competition, such competition will, to a certain degree at least, provide a self-regulating system for business so that it will not be necessary to have as much governmental intervention? Some will be needed, but not so much.

Mr. HUMPHREY. That is certainly the position of the Senator from Minnesota, and it is the position he tried to develop some moments ago. I said we had to make a choice. If we were to permit this already great concentration to grow greater it simply means bigger government. It would mean ultimately not only big government, but possibly in the long run what I am opposed to—government ownership. It would mean first, rigid regimentation, and then government ownership.

What is the alternative? The alternative is setting the rules of the game and enforcing them so as to preserve the conditions of competition, as the Senator from Illinois has so well put it. Competition among those engaged in business is the best regulator because they then will be able to use their genius, to receive inspiration, and to have what we call incentive, resulting in an increase of production and efficiency, thus enabling them to present a better product to the American consumer, redounding to the benefit of both consumer and producer.

Mr. DOUGLAS. Mr. President, will the Senator yield to me for an observation?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator from Minnesota may modestly disclaim being

an economist or expert in economics, but I may say, to use a schoolmasterish example, that what the Senator has said would deserve a double A in any graduate school in the land.

Mr. HUMPHREY. That is one of the finest honors that has ever been paid to the Senator from Minnesota from a distinguished economist, a great teacher, and a man I consider to be one of the greatest men to have served in the United States Senate.

Mr. President, I desire to bring the report up to date.

The second recent report on concentration was just issued on December 1, 1949, by Secretary of Commerce Charles Sawyer. This represented a broad-scale investigation of the concentration of output in each of 452 industries as measured by the census of manufactures for 1947, the latest year for which such a census has been taken. According to present plans it will be 1953 before a new census of manufactures is taken and it will be sometime after that before concentration data similar to those presented by the Secretary of Commerce will be available to us. Therefore, we should examine this report with great care and interest.

The Sawyer report shows the concentration in various manufacturing industries in terms of the total business handled by the largest 4 companies, the largest 8 companies, the largest 20 companies, and the largest 50 companies. This report shows that in 46 of the census industries 75 percent or more of the production was concentrated in the 4 largest companies in the industry. In another 104 industries the concentration in the hands of the top 4 companies ranged from 50 to 75 percent. In other words, in studying the operations in 46 industries, it was found that 75 percent or more of the production was concentrated in the 4 largest companies. Of course, it is plain, ordinary horse sense—common sense—that if four companies control from 50 to 75 percent of the production, they dominate the field and set the rules of the game, including prices and trade practices and trade standards. In other words, they are the king bee, the boss man.

Fortunately, there are approximately 300 other industries in which the concentration falls below the 50-percent level. However, it is significant that many of our most strategic and basic industries are among the most highly concentrated—including motor vehicles, meat packing, steel, petroleum, rubber tires and tubes, and others.

The Sawyer report, excellent as it is, understates the concentration problem, for it fails to reveal how some of the giant corporations dominate a number of industries, and it reports only the concentration at the industry level, whereas in specific commodities the concentration of control is vastly greater.

I have made a check of the price changes over the past year, from November 1948 to November 1949, for a list of the industries characterized by the Federal Trade Commission as extremely concentrated; and I have compared the changes occurring there with those occurring in the prices of the most important agricultural commodities—which are, of course, nonconcentrated. The results are as follows:

Price changes, November 1948 to November 1949

	Percentage change
Concentrated industrial products:	
Tin cans	+11
Motor vehicles	+1
Aluminum	0
Agricultural machinery	0
Cigarettes	0
Office machines	0
Crackers	0
Plumbing and heating equipment	−2
Linoleum	−2
Rubber tires	−6
Nonconcentrated agricultural products:	
Tobacco, leaf	−3
Wheat	−4
Cattle	−4
Cotton	−6
Corn	−14
Eggs (Chicago)	−18
Poultry (Chicago)	−29
Hogs	−31

Mr. President, in referring to the preceding list, let me point out some cases in which prices rose, although that was a period when the newspapers informed us that the cost of living was going down and inflation was checked. However, from the list we find that the price of tin cans rose 11 percent during that period; the price of motor vehicles rose 1 percent. There was no change in the price of agricultural machinery; there was no change in the price of cigarettes; there was no change in the price of office machines; and there was no change in the price of crackers—the crackers that people like to eat with cheese. However, I will guarantee that the price of cheese went down.

On the other hand, what happened in the case of the prices of some of the agricultural products during that same period? During that time the price of hogs went down 31 percent. Yet the American people are being led to believe that the one group in America that is really getting fat and rich is the group of farm folk. To be sure, some of them are doing all right; but, on the national average, the price of hogs went down 31 percent in the period from November 1948 to November 1949. The price of crackers did not go down, the price of cigarettes did not go down, the price of agricultural machinery did not go down. On the other hand, the price of tin cans—the tin cans into which Smithfield hams and Armour's hams go—went up 11 percent, although in the same period the price of hogs went down 31 percent.

In the same period the price of poultry went down 29 percent, the price of eggs went down 18 percent, the price of corn went down 14 percent, the price of cotton went down 6 percent, the price of cattle went down 4 percent, the price of wheat went down 4 percent, and the price of tobacco went down 3 percent—although the price of cigarettes did not change.

I point out these figures because we can see from them what happens when there is concentration of economic power and what happens when there is a relatively free economy.

Mark my words, Mr. President. Agricultural products were protected by price supports, but, despite that, they dropped in price anywhere from 3 percent to 31 percent.

Thus, for most of the concentrated industries, prices either showed no change or actually increased. Among the farm products there was a price decline in every instance. Declines have been moderate for such supported prices as those of tobacco, wheat, and cotton, but they were substantial in the case of corn, eggs, poultry, and hogs.

While the farmer has to pay just as much for his machinery as he did a year ago, he is getting as much as 29 percent less for his poultry and 31 percent less for his hogs.

The concentration of economic power revealed by these two reports issued by the Department of Commerce and the Federal Trade Commission, in conjunction with the voluminous studies presented by the Temporary National Economic Committee under the chairmanship of the Senator from Wyoming [Mr. O'MAHONEY], should give pause to those who would relax or destroy our antitrust laws. Those who sincerely believe that the Sherman Act and the Federal Trade Commission and Clayton Acts are truly charters of economic freedom should stop and ponder before they cripple the effectiveness of our antitrust agencies, for the antitrust laws are much more than mere economic measures for the enforcement of competition in the interest of consumer and competitor. They have their origins in the great struggles for religious freedom of the seventeenth century, and the eternal pursuit of personal liberty, as opposed to the prerogative assumed by the all-powerful state. Vast concentrations of economic power today must be blasted, just as the feudal barriers to a vigorous and emerging capitalism were destroyed some two centuries ago.

CAUSES OF ECONOMIC CONCENTRATION

A reading of the vast literature on the rise of monopoly and concentrated economic power shows that there are two basic causes underlying the concentration movement. These are: (1) monopolistic mergers and (2) price discrimination. Let me say again that I hope this body will not attempt to ride the horse in two directions at the same time during this session by first plugging the loophole in the Clayton Act to prevent monopolistic mergers and then emasculating the self-same Clayton Act of its provisions against price discrimination.

Ever since the Supreme Court handed down its memorable decision on the Cement case, there has been a rash of literature on the problem of basing points. A great deal of money is being spent now by big business to subsidize studies of this subject. The economic journals are being filled with learned articles on the subject; and for the first time since the old days of the TNEC reports, some of the so-called authorities in the economics profession are being heard from on the subject of monopoly.

Of course there are all kinds of "authorities" on various economic problems, and I am not questioning the sincerity

of the various economists who now are writing so profusely on this subject. All I say is that when we boil all of it down, what we have left is the old-fashioned price discrimination. There ought to be a law against it; there is a law against it, and that law is effective. That is why some persons want to get rid of it.

Mr. President, let me ask, What is wrong with the present law? We have been living with it for quite a long time. As of today, we have been living with the Robinson-Patman Act since 1936. Why is it that someone has become so excited all of a sudden about the present law? All at once the excitement starts over a case known as the Cement case. Of course, the cement industry is one of the big monopolistic industries.

How was the old Standard Oil Trust built up? It was built up by local price cutting to force small competitors out of business, the technique of cutting prices in one area to drive out competition, and simultaneously boosting prices in other areas to recoup the losses. This predatory practice is still with us. It is an old game. In other words, cut the price on the west side, but raise the price on the east side, thus make up on one side the losses which are sustained on the other side. There is nothing new in this type of discriminatory tactic to drive out competition; it is as old as the first trust. What is new is the approach. Now we are told that a clarification of the law is necessary.

Mr. President, if a clarification of the present law is necessary, it is not because the big concerns have become any smaller or weaker or have not been making money. Apparently the situation is that they have become so big and are making so much money that their appetite has gotten the best of them.

I cannot see why there needs to be any clarification; and, what is equally important, this bill, S. 1008, does not clarify, it confuses. Eminent authorities disagree as to the effect and meaning of this bill. This is not clarification; it is legalized confusion. The vast majority of the business people of the country are not disturbed about the existing laws. Only a handful of them are disturbed, and they represent the very group who have grown by leaps and bounds in their economic power. The more they make, the more they want.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. Is it not true that the drive to change the antitrust laws, culminating in the bill now before the Senate, began with the steel and cement industries?

Mr. HUMPHREY. That is true, according to the reports I have, and I have in my possession an article recently published, by a learned professor of Duke University, who says, with quite a little documentary information, that such is the case.

Mr. DOUGLAS. And this drive was joined by the oil industry, which was worried by the decision in the Standard Oil case, rendered by the seventh circuit court of appeals; was it not?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. So, in effect, what is happening is that three of the industries which have the greatest degree of concentration have led the drive against the antitrust laws, and have furnished the impetus for the legislation which is now before the Senate. Is that not correct?

Mr. HUMPHREY. The Senator is reciting the record. At least it is the record, as reported by very accredited, respectable, and responsible sources. The very concerns, the very enterprises that are involved in the drive to modify the existing law, are the industries which exemplify the greatest concentration and historically have had the most vicious record of price discrimination. In other words, they built themselves to where they now are on the bones and carcasses of thousands and thousands of independent entrepreneurs, who were destroyed, as they moved along with their price-cutting and price-discriminatory practices.

Mr. DOUGLAS and Mr. O'MAHONEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Minnesota yield, and if so, to whom?

Mr. HUMPHREY. I yield first to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, in view of the fact that the Senator from Minnesota and the Senator from Illinois have been discussing, if not the origin, the support of this bill, and so that there may be no false implication as to the origin of the act, I ask the Senator from Minnesota whether it is his intention by what he has now said to indicate that the sponsor of the bill before the Senate was acting at the behest of or in cooperation in any way directly or indirectly with the great concentrations of economic power which he has mentioned?

Mr. HUMPHREY. The Senator from Minnesota would under no circumstances make such a statement, nor does he infer by his comment or by his argument any such conclusion. As a matter of fact, the Senator from Minnesota, while the Senator from Wyoming was out of the Chamber, paid proper tribute to what I consider to be the great public service which the Senator from Wyoming has rendered. I consider him to be a most eminent authority in the field of economic concentration. I may say I have the same feeling about the Senator from Pennsylvania, who is interested in this proposed legislation.

I recognize, as I said, that there are honest differences of opinion. I also recognize that this is a very technical subject; I qualified my statements by saying that I do not profess to be an expert. I felt, however, that this debate afforded an opportunity to restate the case for vigorous enforcement of the antitrust laws, the necessity of being continuously on guard to see that price discrimination does not creep back in, and of making sure that nothing happens to the good work which the Senator from Wyoming has done over the years.

I feel that after this debate is ended, somehow or other someone is going to be convinced. I read in the RECORD with great interest the debate between the Senator from Louisiana [Mr. LONG] and the Senator from Wyoming [Mr. O'MAHONEY]. That is the kind of conflict, the competition of ideas, that we need here. Possibly as a result of this discussion we can come to some agreement. It is not merely a matter of whether this is the right conference report or not, but we are fundamentally concerned with getting the right law, and if there has to be some correction of the law, to see that it is properly made. Some of us feel that this is not the right method, and we want to test the case of our friend from Wyoming. Possibly he can convince and persuade, and if he can, I shall be one of the first to join with him.

Mr. DOUGLAS. Mr. President, if I may be permitted, I should like to join the Senator from Minnesota in saying that I, of course, did not impute to the Senator from Wyoming the influence either of steel or cement or oil in the formulation of this bill. I did want to point out, however, that the drive to change the law on this point started after the decision of the Court in the Cement case. The leader of the steel industry, Mr. Fairless, then came out and said there must be a change in the law.

It is well known that the leading firm in the cement industry, Universal-Atlas, is a subsidiary of United States Steel, so that United States Steel is dominant both in the steel and cement industries. Then, following the Standard Oil decision, the oil industry joined the drive. So, I am not trying to impute to the Senator from Wyoming the slightest degree of guilt by association, but I say that a large number of people are behind this bill who are not in sympathy with what I believe are still the fundamental aims of the Senator from Wyoming, for whom I have great affection. I can only say that, without reference to the Senator from Wyoming, we should all recognize the fact that people have swung in behind the pending bill whose interests are not fundamentally his.

Mr. O'MAHONEY. Mr. President, will the Senator from Minnesota be good enough to yield to me for just a moment more?

Mr. HUMPHREY. I shall always be happy to yield to the Senator from Wyoming.

Mr. O'MAHONEY. I may say first that I greatly appreciate the very kind words of the Senator from Minnesota and of the Senator from Illinois. I reciprocate the feeling, I may say to my friends, the Senator from Minnesota and the Senator from Illinois. I was prompted to rise because the Senator was asking the rhetorical question, "Why should there be any change in this law?" I speak for myself. I introduced the precise bill which became the basis of the conference report, and moved it as a substitute upon the floor for the original bill, S. 1008, because I felt that a mere moratorium was not sufficient to clear up the misunderstanding in the minds of honest businessmen who had no purpose to engage in monopolistic practices. I felt from a reading of the cases, particularly the Rigid Steel Conduit case,

so far as the Supreme Court is concerned and so far as the circuit court of appeals is concerned, from a reading of the Martin case and the Staley case, and the Standard Oil of Indiana case, that there was a distinct and emphatic misunderstanding of what the meaning of the bill is.

The purpose of Senate bill 1008, in its present form, is to clear up the misunderstanding occasioned by dicta in certain decisions and by misinterpretations placed upon those decisions by various comments. I recognize the fact that comments on the original Cement case, emanating from the offices of big business, were critical of the basic law. I am not critical of the Clayton Act. I have sought to strengthen the Clayton Act. I am not critical of the Robinson-Patman Act, which amended the Clayton Act. I seek only to make it certain that the situation is understood; and if the Senator will bear with me, a little later, when I succeed in getting the floor in my own right, I shall undertake to explain at some length my own very deep conviction that this bill as reported by the conference does not weaken the antitrust laws and that its only importance for us is to place a congressional construction upon previous legislative language so that the door may be closed to misinterpretation of the law by those who may desire to misinterpret it to their own advantage, either in administering prices or pursuing monopolistic practices in the future. I think I shall be able to convince both of my good friends, by the legislative construction of the language, that no spokesman for Big Steel, no spokesman for any cement monopoly, no spokesman for any oil monopoly, can take any comfort from this bill.

The Senator from Tennessee [Mr. KEFAUVER] yesterday called my attention to the fact that during the colloquy in the Supreme Court only a short time ago, over the appeal of the Standard Oil Co. from the decision of Justice Minton, the attorney for the Standard Oil Co. asserted that if the bill became law it would make good faith an absolute defense, which would shut off the power of the Federal Trade Commission to prove injury to commerce. I say, as I have said to the Senator from Tennessee, that was the natural contention of an attorney representing a client; but it does not represent my belief. The passage of this bill would not shut off the power of the Federal Trade Commission to prove injury to commerce, or, in the language of the bill, injury to competition. The language of the bill is so clear that no one can misunderstand it.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to be permitted to ask a question of the learned Senator from Wyoming.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. DOUGLAS. I should like to ask my good friend from Wyoming what are the ambiguities in the decisions of the circuit court and of the Supreme Court about which the Senator from Wyoming and others speak and which they say require clarification? What are the ambiguities in the Corn Products case, the Rigid Steel Conduits case, the Standard Oil case, and others?

Mr. O'MAHONEY. I shall undertake to describe them when I can make a speech in my own time, but for the present, let me say to the Senator that it seems to me the action of the Supreme Court of the United States in the Rigid Steel Conduit case is a complete answer to the question which the Senator now propounds, because in that case, with one member of the nine-man Supreme Court not participating in judgment, the eight remaining Justices divided four and four. Four Justices said, "This is what the law means"; four Justices said, "That is what the law means."

So, when the Justices of the Supreme Court divide evenly in an appeal from a circuit court of appeals, it seems to me it is absolutely clear that the need of clarification has been proved, because the law was not so clear upon either side as to enable any of the four Justices on one side to convince the four Justices on the other side. I said at the time that when courts cannot agree upon the meaning of the law, obviously the time has come for the lawmaking body, the Congress, to clear up the doubt. That is what we have sought to do.

Mr. DOUGLAS. Did I correctly understand the Senator to say that when the Supreme Court evenly divides upon the interpretation of a statute, Congress should change the statute?

Mr. O'MAHONEY. Congress should say what it meant. It should clarify it. I say that if the law is of such doubtful clarity that the Supreme Court of the United States, composed, as it is, of men eminent and learned in the law, are unable to interpret it, certainly the lawmaking body ought to interpret it.

Mr. DOUGLAS. May I remind the very learned Senator from Wyoming that in a decision in, I believe, 1918, in the cast of Stettler against O'Hara, in which case the Court divided 4 to 4: four judges said the minimum-wage law of Oregon was constitutional; four said it was unconstitutional. Would the Senator then have said that the various State legislatures and the Federal Government should have revised all minimum-wage laws? As a matter of fact, Congress did not do that. Congress proceeded to pass a minimum-wage act for the District of Columbia, subsequent to the case of Stettler against O'Hara; and the Senator will remember that in the 1920's there was a District of Columbia case, Adkins against Children's Hospital, which the Court threw out. It was affirmed in an Arizona case, and the western laws were kept in operation. New York and a number of other States passed different minimum-wage laws which were declared unconstitutional.

The Supreme Court finally, in 1937, in West Coast Hotel against Parrish, declared Washington State minimum-wage law, similar to the original type of Oregon law, constitutional. After 20 years the Supreme Court said it was constitutional for a State to fix a minimum below which women should not be forced to sell their labor. If, in the meantime, the legislatures and Congress had given up the ship because of these decisions, we would not have had any minimum-wage laws. Should we not, perhaps, refrain from interfering in these matters until the dust settles, instead of rushing in and trying to legislate? How should the law be clarified?

Mr. O'MAHONEY. Let me answer one question before the Senator launches another one at me.

Mr. DOUGLAS. Certainly.

Mr. O'MAHONEY. I may say to my good friend that he has answered his own question. Twenty years passed before the minimum-wage decision was corrected. It was then corrected by the Supreme Court itself. How much better would it have been, and how many recipients of wages would have profited by a minimum-wage law, if the Legislature of the State of Oregon and the Congress of the United States had taken the steps we are trying to take here, to say precisely what the law means?

The Senator from Illinois bases his argument wholly upon the assumption that this is an abandonment of the ship. I say to the Senator that I am not abandoning the antitrust laws; there is no abandonment of the ship here. I can demonstrate that the law will be a better law as a result of the approval of the conference report than it is at the present time, because we shall have to wait for another 20 years if the courts are to be called upon to straighten out the tangle. Let us, the lawmaking body, which is given by the Constitution the primary power to make the laws, straighten it out. The Constitution gives to the Supreme Court the power to interpret the laws.

The Senator from Illinois is contending for judge-made law. I am against judge-made law when it invades the correct interpretation of a statute passed by the Congress. My contention is that the confusion which is evident in case after case in trying to interpret the law is such that we must act.

Mr. DOUGLAS. I may say in reply to my good friend from Wyoming that I shall await with much interest the subsequent speech in which I hope he will point out just what is the confusion. I have heard much said about confusion, but I do not see any confusion in the decisions of the Court which outlaw the basing-point system as an instrument of monopoly. But I do see a great deal of confusion in endless litigation if the bill is passed.

Mr. O'MAHONEY. The bill does not reestablish the basing-point system as an instrument of monopoly.

Mr. DOUGLAS. We shall argue that at Thermopylae.

Mr. O'MAHONEY. Let us argue it here. Let us not postpone it. Why should we have to go to Greece for it?

Mr. DOUGLAS. We will have Thermopylae here.

Mr. HUMPHREY. I would prefer that the Senators argue this point at a time when I do not occupy the floor. While we are on that particular issue, however, I should like to thank both distinguished Senators for their participation in the debate, because it is in this manner that we are going to have the diver-

gent views clarified. It is also in this manner that the American people, the people who are interested and who are concerned about discriminatory pricing and basing points, are going to be able to find out what is the intent of Congress and what is the application of the present law. However, as the Senator from Illinois [Mr. DOUGLAS] has stated, the information is available that, particularly in the Cement case, the Court has said that freight absorption as such is not illegal, except when used as part of a conspiracy or an unfair method of competition. Neither are administered prices illegal, as such. Administered prices are not illegal except when they are part of a combination, conspiracy, or an unfair method of competition. The only thing that seems apparent to me from all that has been said by the Federal Trade Commission is that there is nothing to be frightened about unless one is committing a violation of an existing law.

Mr. DOUGLAS. Unless it is part of a combined process, the net result of which appreciably might reduce competition. It need not be a malign conspiracy. It may be merely concurrent action, the effect of which may be to reduce competition.

Mr. HUMPHREY. That is correct. There has been a good deal of effort made to interpret dicta, to which the Senator from Wyoming has referred. Dicta are merely excess verbiage; that is all. Someone has said, "I have another opinion on it." That is dictum. That is not the official decision. That is merely excess baggage. It is excess verbiage. Someone may come along and say, "Well, if that is dictum, it may very well become the decision." It seems to me that is in line with the doctrine of anticipation. In other words, if today we have cars which can travel at the rate of 75 miles an hour, how do we know that one of these days we may not have a car which can travel 750 miles an hour? With that kind of reasoning one can reason himself into the madhouse.

Insofar as the Senator from Minnesota has been able to understand the decisions, they say that there is nothing to be upset about with reference to the law or its interpretation. The law has been applied, and the Federal Trade Commission has given complete assurance on that point. One of the Commissioners—I believe it was former Commissioner Frear—has stated repeatedly that there is nothing to be upset about, and there is nothing we are doing that should upset industries so long as they are not involved in an illegal conspiracy or unfair methods of competition.

Mr. DOUGLAS. It need not be a conspiracy. It may be concurrent action, the effect of which is to reduce competition.

Mr. HUMPHREY. That is true.

Corwin Edwards of the Commission's staff has repeatedly said without contradiction:

> No Commission order has yet required f. o. b. mill pricing, nor forbidden freight absorption, except in a context of collusion or injury to competition, nor challenged the legality of uniform delivered prices.

In other words, it is possible to have a delivered price, it is possible to have an f. o. b. mill price, and it is possible to have freight absorption, but not in combination or collusion or as a part of an unfair method of competition.

Mr. DOUGLAS. I believe the Senator from Minnesota has made a very concise statement of the decisions which some of the distinguished sponsors of this legislation have lost sight of. It is simply that if the effect of the combined action may be substantially to reduce competition, they would strike at the practice.

Mr. HUMPHREY. Take for example the Rigid Steel Conduit case. That did not represent a case of an individual company losing its right to absorb freight or its own delivered-price system per se. It simply said they could not do these things as part of a system which lessened competition.

Mr. DOUGLAS. It was a case of together maintaining a system of prices so that the prices were identical to a given customer in a given town, and the customer never had a chance to play one supplier against another.

Mr. HUMPHREY. Yes. The case that brought this whole thing to a head was the Cement case. The Rigid Steel Conduit case has been pointed to. However, there was nothing in that case which should have caused consternation. It was primarily that someone said, "Look what they have done. They may do more." According to the record of enforcement, FTC have not done enough. It is not that they have done too much. The statistical record which we have introduced is one that shows we must constantly be on guard against collusion and acts of combination on the part of industries such as are mentioned in the cases referred to.

Mr. President, the Senator from Minnesota wishes to conclude in a very short time. I understand that the Senator from Illinois [Mr. DOUGLAS] at a later date intends to discuss the full application of basing-point practices, and my good friend, the Senator from Louisiana [Mr. LONG], according to a discussion which I had with him, wishes to go into more detail with reference to section 3 of the conference report. It was my purpose to talk in broader outline, in order to set a frame of reference and create an economic environment in which this discussion could be held.

The Sherman Antitrust Act, as we all know, is the original law outlawing conspiracies and monopolies in restraint of trade. Two decades of attempted enforcement of the act, however, revealed certain fundamental weaknesses. The Sherman Act was directed at industrial combinations which had attained a status threatening the complete disappearance of competition. The force of law could come into play only in the effort to suppress a firm which dominated some industry. It did not check competition-destroying conditions in their beginning. In fact, in actual operation, the Sherman Act fell short of restoring competitive conditions once they had been eliminated by a monopoly. In other words, it was impossible to dig up the dead. Once a condition of competition was destroyed, and once it had been consigned to the economic graveyard, there was nothing that could be done about it.

It is true that many instances of unfair competitive practices were brought to light in the early cases brought under the Sherman Act. The view was quite generally held that many of the trusts had attained their dominant position, not by superior productive and selling efficiency, but by the exercise of unfair methods of competition. That ought to be quite well known. Yet it seems that they talked about their outstanding ability and their ingenuity. It was not ingenuity of production at which they were skilled. It was ingenuity with some kind of sub rosa, and perhaps even subversive, practice of destroying their competitors. Such instances of predatory practices, however, were introduced as evidence of illegal intent to monopolize, or of the abuse of power. There was no statutory authority either for uprooting in their incipiency discriminatory competitive practices which led to monopoly, or eliminating unfair competitive practices which suppress competition without necessarily reaching monopoly proportions. As I pointed out, the legislation comprising the Federal Trade Commission Act and the Clayton Act were designed to fill this void, to check in their incipiency acts which may substantially lessen competition or tend to create a monopoly. The Federal Trade Commission Act established the Federal Trade Commission and authorized it to stop unfair methods of competition and unfair or deceptive acts or practices in commerce. The Clayton Antitrust Act specifically prohibited price discrimination, exclusive dealing contracts, monopolistic acquisitions of corporate stock, and certain interlocking directorates.

Section 2 of the Clayton Act was directed at two types of price discrimination: First, local price cutting, designed either to drive competitors out of business or to bring them to terms; and, second, price discrimination favoring particular buyers—the so-called personal discrimination by which big buyers secured an unfair advantage over small buyers. Section 3 prohibited tying and exclusive dealing contracts. The Clayton Act did not outlaw discrimination as such. It permitted price differences based upon differences in grade, quality, quantity, or cost of selling or transportation.

I think that should be emphasized, that the Clayton Act did not outlaw discrimination as such, but permitted price differences based upon differences in grade, quality, quantity, or cost of selling or transportation. It only forbade price discrimination that lessened competition substantially or tended to create a monopoly.

But there was a joker in this act. Any seller could justify his discriminatory price by showing that such discriminatory price was granted in good faith to meet the price of a competitor.

I discussed this in some detail a moment ago. In other words, one bad fellow meets the practices of another bad fellow. One believer in monopoly says,

"I will have to meet the conditions of another." So there is the law of the jungle, the law of the unfair. In other words, to promote fair trade, unfair practices are used. Moreover, the seller could demonstrate his good faith by producing some evidence to show that he had a basis for believing his discrimination would meet the price of a competitor. Just believing it, he looks into the crystal ball and says, "I know there is a rascal over on the other side of the street who is going to do something to me." So he is believing. He is just filled with belief. Then he immediately practices some kind of price discrimination to meet what he considered probably unfair competition.

Thus, as a practical matter the Federal Trade Commission would have to first discover a discriminatory price and then issue a cease-and-desist order against it before a competitor met the discriminatory price. Once two or more sellers were offering the same price to a buyer, both of their discriminations would be legal, regardless of which seller initiated the discrimination.

In other words, if they could just get two illegal acts going on at the same time, that made it legal. That is a kind of operation it is hard for me to comprehend. Each one of the discriminators could not show that his price discrimination was made in good faith to meet the lower price of a competitor.

By eliminating the good-faith defense, when competition is destroyed, the Robinson-Patman Act made the Clayton Act enforceable. That is where the Clayton Act comes into play. Price differentials were still permitted which could be justified by differences in cost of manufacture, sale, or delivery resulting from differing methods or quantities in which commodities are sold or delivered. That is good economic sense. The Robinson-Patman Act, by amending section 2 of the Clayton Act, made it possible to stop discriminations which would injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

Here at last was an enforceable law—a law that would delimit the great buying advantages of the big companies straddling an artery of trade. The law now forbade discriminations which could not be justified by cost savings where the effect of such discrimination may be substantially to injure or lessen competition or tend to create a monopoly in any line of commerce.

Mr. President, because of the interest of the average retailer and the small-business man, I have compiled information which I felt would be of some interest to people who sometimes do not quite see the application of basing points to their particular businesses. For example, the independent small retailer ought to have and does have a real interest in maintaining effective antitrust laws. He has a vital interest in maintaining laws against unjustified and destructive price discrimination, and he has a deep concern in maintaining effective laws against basing-point and other formula price fixing.

The retailer's interest in the Robinson-Patman law against injurious price discrimination is twofold. In the first place, the retail merchant has a real though indirect interest in the effect of price discrimination upon sellers—that is, the effect upon his suppliers. When a merchant has a large number of suppliers to choose from, all vigorously competing for his business, then his margins are livable, and prices to consumers are low. On the other hand, when the big suppliers put the smaller suppliers out of business—by price discrimination or any other unfair means—and the retailer has only a few monopolies to choose from, profits of the monopolies are high, prices to consumers are high, and the small retailer's margin is appreciably reduced.

In the second place, the small retailer has a vital and direct interest in the effect of price discrimination upon buyers—that is, he is immediately affected by prices which discriminate between himself and other buyers with whom he must compete. This is the kind of language the corner druggist and grocery store operator can understand, where there is price discrimination amongst buyers.

The typical type of discrimination—the special price concessions offered to the large chains and other big buyers—can mean the end of the small retailer's business life. The present controversy on basing-point legislation, Senate bill 1008, therefore, is quite pertinent as a subject for discussion in the journal of the small retailer.

When Senate bill 1008 was originally introduced in the Senate, it contained disastrous implications for small business. The Senator from Tennessee [Mr. KEFAUVER] attempted to ameliorate the potential harm of the bill to small business by introducing amendments to the bill on the floor of the Senate. In the House, similar perfecting amendments were introduced by Representative CARROLL, of Colorado. In short, the bill as originally introduced was disastrous to small business; as amended by the Senator from Tennessee, it was no longer disastrous but still very bad; and as amended by Representative CARROLL, it was no longer very bad but still undesirable. This is the most concise summary of a very confused legislative tangle that I can make.

I believe that Senators who are opposing the conference report would say, "If it was disastrous before Senator KEFAUVER amended it, and undesirable after Mr. CARROLL's amendments, it is now unnecessary." It is unneeded, it is undesirable, and rather than clarify, it may well confuse the enforcement of the Clayton Act and the Robinson-Patman Act.

Mr. President, I ask that at this point in the RECORD material which I have prepared on the basing-point system, which is going to be discussed by the Senator from Illinois [Mr. DOUGLAS], be incorporated. The Senator from Illinois will discuss this subject in a much more enlightened and more detailed manner, and we want that part of the record to be on its own.

I have only made comment and reference to the basing-point operation as it affects the independent retailer, because I wanted some of my friends in the retail business to see the relationship. The material can be read in the RECORD, and since we do not have a quorum present at the moment, I do not think it is important that it be read at this time. I ask that all the pages of this document, which is an article I had written entitled "Basing Points—The Retailers and Independent Business," be incorporated in the body of the RECORD as a statement so that it can be there if anyone wishes to refer to it. I feel Senate bill 1008 does affect and would injure the independent businessman and small retailer.

The PRESIDING OFFICER (Mr. WILEY in the chair). Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BASING POINTS—THE RETAILERS AND INDEPENDENT BUSINESS

(By Hon. HUBERT H. HUMPHREY, of Minnesota, United States Senator)

The independent small retailer has a real interest in maintaining effective antitrust laws. He has a vital interest in maintaining laws against unjustified and destructive price discrimination; and he has a deep concern in maintaining effective laws against basing point and other formula price fixing.

The retailer's interest in the Robinson-Patman law against injurious price discrimination is twofold. In the first place, the retail merchant has a real, though indirect, interest in the effect of price discrimination upon sellers; that is, the effect upon his suppliers. When the merchant has a large number of suppliers to choose from, all vigorously competing for his business, then his margins are livable and prices to consumers are low. On the other hand, when the big suppliers put the smaller suppliers out of business, by price discrimination or any other unfair means, and the retailer has only a few monopolies to choose from, profits of the monopolies are high, prices to consumers are high, and the small retailer's margin is appreciably reduced.

In the second place, the small retailer has a vital and direct interest in the effect of price discrimination upon buyers—that is, he is immediately affected by prices which discriminate between himself and other buyers with whom he must compete. The typical type of discrimination—the special price concessions offered to the large chains and other big buyers—can mean the end of the small retailer's business life. The present controversy on basing-point legislation, S. 1008, therefore, is quite pertinent as a subject for discussion in a journal of the small retailer.

When S. 1008 was originally introduced in the Senate, it contained disastrous implications for small business. Senator KEFAUVER, of Tennessee, attempted to ameliorate the potential harm of the bill to small business by introducing amendments to the bill on the floor of the Senate. In the House, similar perfecting amendments were introduced by Representative CARROLL, of Colorado. In short, the bill as originally introduced was disastrous to small business; as amended by Senator KEFAUVER, it was no longer disastrous but still very bad; and as amended by Representative CARROLL, it was no longer very bad but still undesirable. This is the most concise summary of a very confused legislative tangle that I can make.

THE BASING-POINT SYSTEM

The basing-point system has been used prominently in the pricing of steel, cement,

sugar, corn sirup, heavy chemical and fertilizer materials, copper and brass, some segments of petroleum, and perhaps in a few lesser industries. The industries using the system are, in general, characterized by high freight costs and a high degree of concentration—that is, these industries are concentrated as to ownership and concentrated at a relatively few locations.

At the heart of the basing-point system there is a formula which is known to all competitors and commonly used by all competitors in computing the price to be quoted to any prospective buyer. The formula is composed of one or more basing points, where a base price is announced, and a book of rail-freight rates is used. When a prospective buyer shows up, all of the competitors first look to see where the buyer is located. Then they all take the price at the basing point nearest to the customer, add to it the rail-freight charges which would be incurred for shipping from that basing point to the buyer's location, and that is the delivered price they all quote. Under this arrangement the buyer obviously gets identical price quotations from all sellers, even when quotations are made under sealed bids.

It is asking too much of any reasonable-minded man to assume that the identical delivered prices resulting from the use of this system are the mere product of chance and happenstance.

Senator DOUGLAS, who before his election to the Senate was already a famous economist and a past president of the American Economic Association, has given his colleagues in the Senate some rather phenomenal figures on the operation of the multiple basing-point system in the cement industry. Senator DOUGLAS did not lean on the facts brought out in the evidence entered in the Government's case against the cement industry, but made an independent study of sealed bids to his State of Illinois. He found that on one occasion when the State of Illinois invited bids for 50,000 barrels of cement delivered inside of 102 separate counties, it received bids from eight companies, all identical to the penny in each of the 102 counties. The delivered price bid for each county was different, but all the bids for each county were the same. Senator DOUGLAS then asked Prof. C. O. Oakly, chairman of the department of mathematics of Haverford College, what the mathematical chance was that this identity of 8 bids in each of 102 counties was purely accidental. Professor Oakly reported that there was about 1 chance in 8 followed by 214 zeros. Such a chance as this, according to Professor Oakly, "would be far more difficult than picking out at random a single predetermined electron in the total universe."

These facts should make it crystal clear that the basing-point system is not a matter of accident and individual action. Rather, it is a matter of collusion, a conspiracy to fix prices which, of course, is in violation of section 5 of the Federal Trade Commission Act. Confronted with a system of this type, the Federal Trade Commission did only what the law requires. It took action to stop what were obviously conspiracies to fix prices. That is what set off all the agitation and clamor which has led to the introduction of S. 1008.

S. 1008 IS A BILL FOR BIG BUSINESS

The campaign for legislation to "clarify" the antitrust laws was begun last year immediately after the Supreme Court handed down its decision in the Cement Institute case. The decision, which upheld the Federal Trade Commission's findings that the cement producers had conspired and agreed to fix prices through the use of the basing-point system, also upheld the Commission's finding that the use of the basing-point system is in violation of the antitrust laws. The decision was handed down on April 26. The next day Mr. Irving S. Olds, chairman of the board of the United States Steel Corp., announced to the press a drive to have Congress change the antitrust laws. On the following morning, April 28, the New York Journal of Commerce carried a front-page story on Mr. Olds' statement under the following headline: "Move for Congress action rushed to avert disruptive impact of ban on basing points in Nation's industry." Under this headline, Mr. Olds was quoted as announcing, among other things, that "Industry is faced with two alternatives—either to seek remedial legislation or to 'educate' the Supreme Court." One of the United States Steel Corp.'s subsidiaries is, of course, the largest cement company in the world. Moreover, at the time this decision was announced, the American Iron and Steel Institute and its member steel producers were, and are now, trying to defend a similar case in which they also are charged by the Federal Trade Commission with fixing prices through use of the basing-point system.

Several bills, dealing with basing points, have been introduced in Congress, and one, S. 1008, which we shall consider here, has passed both the Senate and the House, although in somewhat different forms. A conference committee whose function is to iron out differences between the Senate and House versions, has presented a draft to the Congress. The Senate decided not to act on this legislation at the end of the last session, but will take it up on January 20.

TWO ISSUES: PRICE FIXING AND PRICE DISCRIMINATION

S. 1008 involves two issues. One is price fixing, the other is price discrimination. I should like to discuss first the issue of price discrimination, for as I see the matter, it is through its proposal to legalize price discrimination, rather than through its proposal to legalize price fixing, that this bill offers its more evil portent.

Price discrimination, as well as other kinds of discrimination—such as discrimination in services, etc.—is prohibited under certain circumstances by section 2 of the Clayton Act, as amended by the Robinson-Patman Act. The circumstances under which price discrimination is prohibited are, in general, these: (1) when the discrimination among various buyers is not justified by differences in the seller's cost of serving the different buyers, and (2) when the effect of the discrimination "may" in the language of the law, "be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition." The term "may" is defined in judicial interpretations as "reasonable probability."

The present law does not prohibit all discriminations in price, nor is the law concerned about small details of everyday business transactions. It does, however, put the seller on warning not to discriminate among his various customers, unless there is a cost justification for the discrimination, where the customers are in competition with one another, and where "substantial" injury will be in "reasonable probability" result to those discriminated against. There are certain exemptions to the law. For example, price changes in time are allowed, which permit a seller to have one price one day and another the next. He is permitted to change his price as often as he likes. Similarly, there are exemptions in the case of perishable goods, distressed stocks, and a number of minor items which are not involved in the present controversy.

S. 1008 WOULD NULLIFY THE ROBINSON-PATMAN ACT

S. 1008 would make several changes in the Clayton Act and in the Robinson-Patman Act. It is not necessary to discuss or even to consider all of these changes in detail. Two of the changes are so sweeping and offer such disastrous prospects for small business that these alone are enough to condemn any possible thought of passing this bill into law.

The first of these changes on which I should like to comment is contained in section 3 of the bill. The language of this section would make it impossible for the law-enforcement agencies to win any suit against a company making price discriminations where the company could show that its discriminations are made in good faith.

This means, first, that the company can show that its discriminatory price is meeting the price of a competitor. Thus, when two sellers make a special price to a large buyer, both sellers are acting in good faith and the discrimination is legal, even though the special price enables the big buyer to put all of its smaller competitors out of business.

The second way a seller may show good faith is this: He may show that he had reasonable grounds for believing that his discriminatory price would meet the lower price of a competitor, although his belief was mistaken, and the lower price of the competitor did not in fact exist. If he can do this, then the discriminations are legal and the Federal Trade Commission could not, under this bill, issue a cease and desist order to stop the discriminatory practice.

Hence the sole requirements for justifying and continuing discriminatory prices by showing good faith are: One, that the seller can show that his discriminatory price does in fact meet the price of a competitor; or two, that he can produce some facts to show that he had a basis for believing that his discriminations would meet price of a competitor, although the competitor had not in fact offered the lower price.

When a single seller, therefore, makes a price discrimination under this bill, if the Federal Trade Commission can find out about it and issue a cease and desist order before another seller meets or offers to meet the first seller's price, then the discrimination might possibly be stopped. But, if by the time the Federal Trade Commission finds out about the discrimination and issues a complaint, another seller has met or has offered to meet the discriminatory price, then the discrimination will be legal, no matter what the effect upon competition. Therefore, when a large buyer gets a special price concession from two or more suppliers, which his small competitors cannot get, he will be perfectly free to use this favored price to drive all the small buyers out of business. The plain fact is that a large buyer who can get a special price concession from one seller can almost always get similar quotations from two or more sellers. Such a law as this would be little better than useless in protecting small buyers from unjustified and destructive price discrimination.

In most types of business the price discrimination made in favor of the large buyer is a prompt invitation for him to undersell his small competitors and put them out of business. This includes the whole range of manufacturing business, construction business, service business, and much of the range of retail-sales business. Even in those retail sales businesses where resale prices are typically set by the manufacturer, price discriminations made in favor of the large chains and other big buyers put the small independent merchant at a competitive disadvantage which can mean a quick end to his business life. This is true, for instance, in the small retail business. In the retail business, when the products sold to the big chains are packaged, trade-marked, and resale priced identically with those sold to the independent retailer, the independent is put to serious competitive disadvantages when he is charged higher prices than are granted to the chains. The bigger margins

which the chains enjoy as a result of such discriminations allow them to squeeze the independents in many ways. These squeezes include special services which the independents cannot afford, newer stores and fancier customer appeal. And, of course, the bigger margins allow the chains to make loss leaders of a variety of items on which the manufacturers do not stipulate resale prices. I imagine that almost everyone has observed, for example, that the typical drug store today handles a great many products other than drugs and toiletries. Indeed the variety of items one finds in a drug store is exceeded only by the variety of the customer's requests for things he thinks he might find in a drug store.

In the same way that large buyers could destroy small buyers under this bill, large sellers could likewise destroy small sellers. A large seller with national sales outlets could legally make a special low price in one territory, with the effect of destroying the small local or regional sellers in that territory, so long as another seller met or offered to meet the local price cuts. Such local price cutting as this was one of the principal means by which the old Standard Oil Trust drove out smaller competitors and came to control more than 90 percent of all the country's business in petroleum products, before this trust was partially dissolved by the courts in 1911. This point is worthy of note because it is generally conceded that it was the facts which came to light in this case that brought the Congress of 1914 to devise and pass the original Clayton Act.

Moreover, under the Senate version of S. 1008, the Federal Trade Commission could not stop price discriminations where two or more sellers were involved, even though it could find out and prove which seller made the discrimination first. The fact that two or more sellers are currently offering the same price to the large buyer, or to the special territory, would make the discrimination currently legal, regardless of the question of which seller initiated the discrimination.

CONCLUSION

I have frequently heard it said that price discriminations in favor of mass buyers are necessary because these buyers make possible the use of mass production methods by the manufacturers. I have heard this said about the discriminations which the Morton Salt Co. was making, and which the Federal Trade Commission ordered stopped. This company was offering quantity discounts on such large quantities of salt that only the A. & P. Co. and one other mass buyer could possibly take advantage of the discount. Yet when the Commission looked into the matter it found that there was no difference at all in the cost of producing the salt sold to the A. & P. and that sold to the smaller buyers at higher prices. It was all the same salt, all produced, packaged, and labeled alike, and all coming off the same assembly line.

Did the A. & P. purchase make possible the mass production and other cost-saving techniques this company uses? Let us suppose there had been no A. & P. Let us suppose there had not even been such a thing as a chain store in this country, and suppose all of the salt had been distributed to the American consumers through independent, single-unit stores. Does anyone think, then, that under these circumstances the American public would have bought and consumed any less salt? No. How, then, if just as much salt would have been consumed, and just as much salt would have been produced, can it be argued that the orders of A. & P. made possible the mass-production methods in salt manufacturing? If just as much salt would have been produced had there been no large chain, then would not the same mass-production methods have been possible? Then why the discrimination? Why add penalties on the smaller buyers in order to subsidize the big buyers?

We have all heard and read a lot of subtle and insidious arguments for monopoly. We have all heard and read a lot of arguments for monopoly. We have all heard and read a lot of arguments advanced to show why this or that practice to destroy small business is necessary in the high name of efficiency. But I for one am not ready to see small business destroyed and the whole business life of this Nation turned over to a handful of supergiant corporations.

Mr. HUMPHREY. Mr. President, at this point I should like to enter into the RECORD a few letters and communications which have been brought to my attention.

First, here is a letter from the National Federation of Independent Business, Inc., signed by a distinguished citizen, Mr. George J. Burger, vice president of this federation. In view of the debate and the importance of the debate, particularly as it affects the small-business man, I bring Mr. Burger's letter to the attention of the Members of the Senate, and ask unanimous consent to have it printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF INDEPENDENT BUSINESS, INC.,
Washington, D. C., January 13, 1950.

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: I am in receipt of your letter of the 12th and I am very vitally interested in the contents of your letter, and particularly the enclosures. In fact, in that part of your letter where you state "I am afraid, however, that many of our independent merchants and small-business men do not understand the effect" you hit the nail on the head and we in the federation cannot understand the function of many trade associations and their objectives, claiming to represent independents in their respective industry, failing to take the appropriate action in bringing to their members the important over-all situation in this basing-point legislation.

You stated the issue clearly in the conference on January 3 where you said it was all tied up in the one package, the entire antitrust law structure, so irrespective of what industry is involved the basic problems and principles remain—the antitrust laws and their future. You stated the question very well on the floor of the Senate a day or two ago where you remarked that both the Republicans and the Democrats had merely given lip service to the monopoly situation.

In my Nation-wide trips in behalf of the federation, and prior to that time in the interest of the tire dealers of this Nation, when one stressed the importance of antitrust law enforcement you would find certain factors saying "soft pedal it."

To acquaint the people the federation represents, independent business and professional men, it will be found to the ever lasting credit of the federation that we did not close our eyes to the importance of the basing-point situation and similar actions where antitrust laws were involved. From the very first instance on this particular piece of legislation, through the courtesy of Members of the Congress, starting in June 1948, the federation gave Nation-wide publicity to the statement of Mr. Robert E. Freer, then Chairman of the Federal Trade Commission, in his testimony before the subcommittee of the Senate Interstate and Foreign Commerce, June 2, 1948. Then again, similar action was taken by the federation in Nation-wide distribution from the CONGRESSIONAL RECORD of February 7, 1948, pertaining to the federation's testimony before the same committee December 6, 1948. The main and principal purpose of the federation's activity was to bring home to the independent businessmen throughout the Nation what was taking place under one subterfuge or another to scuttle the antitrust laws or weaken them to such an extent that the laws would be worthless.

With no disrespect to the press of our Nation it seems utterly impossible through the columns of the press in many instances to get the importance of the background in this over-all attempt to weaken antitrust laws before their readers.

You and I well know and will agree that independent business of this Nation doesn't seek any subsidy, nor do they seek special concessions or particular class legislation, but what they do demand of the Congress is the enforcement of these antitrust laws which it appears from the record never have been given a fair chance to function, because without a sincere vigorous enforcement of the antitrust laws there can be no future for independent business of this Nation.

You are to be complimented in your endeavor to bring this matter home to independent businessmen of this Nation, in which you may feel assured you will have the fullest cooperation from us, and if you deem fit you are privileged to insert this letter in the RECORD, with the hope that many of your colleagues will take the same procedure as you are doing; namely, full explanations on S. 1008 so that not alone the independent businessman will be informed of the seriousness in this legislation, but the public at large will know what is behind the whole proposition.

Sincerely yours,

GEORGE J. BURGER,
Vice President.

Mr. HUMPHREY. Mr. President, I should also like to have printed at this point two letters from the president of the National Congress of Petroleum Retailers.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL CONGRESS OF PETROLEUM RETAILERS, INC.,
Detroit, Mich., March 15, 1950.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The gasoline retailers of your State have urged me to write you regarding Senate bill 1008, which is now before the Senate. This bill, commonly known as the basing-point bill, contains provisions which have nothing to do with freight absorption or basing-point pricing and are intended only to accommodate monopoly to the detriment of all small business in the Nation. I refer your particular attention to my letter of March 10 which enclosed a careful analysis of this bill written by Robert Elliott Freer, former Chairman of the Federal Trade Commission.

Section 3 of the conference version of Senate bill 1008, now before the Senate, would amend section 2 (b) of the Clayton Act to make it an absolute defense to a charge of unlawful price discrimination for a seller to show that the lower of his two prices was made in good faith to meet the equally low price of one of his competitors. Since suppliers usually encounter competition in selling to large purchasers, this would mean that a chain store or other large buyer could obtain a competitive advantage over its smaller competitors merely by demanding and obtaining a preferential price from two or more suppliers. Under the bill this would be a complete defense regardless of the amount of the discrimination or the resulting injury to small independent merchants.

Section 2 of the original Clayton Act contained a proviso making "meeting competition" a defense. Prior to 1936 the Federal Trade Commission had found that this proviso was one of the principal loopholes in the act, preventing effective enforcement. In framing the Robinson-Patman Act Congress struck out all mention of meeting competition from present section 2 (a), but inserted a proviso in section 2 (b) making a showing that a seller met his competitor's price in good faith a matter of rebuttal in each case.

In the case of *Standard Oil Co.* v. *Federal Trade Commission*, now before the United States Supreme Court, the Standard Oil Co. has contended that Congress failed in its purpose in enacting the Robinson-Patman amendment and that "meeting competition" is still an absolute defense under the present Clayton Act. The Federal Trade Commission denied this contention and the United States Seventh Circuit Court of Appeals unanimously affirmed. One of the avowed purposes of Senate bill 1008, as originally introduced, was to change the law as interpreted by the circuit court of appeals in this case without even awaiting the Supreme Court's decision. It is unthinkable that the monopoly lobbyists could prevail upon the Congress to change the law in a matter so serious as this without even waiting for the Supreme Court to rule in a case which was started almost 11 years ago by small independent gasoline retailers in the city of Detroit. This practice of discrimination is not confined to the Detroit area, but rather it is widespread and will affect every small-business man in the Nation.

All of the arguments against the position of Standard Oil Co. in the case referred to above are equally valid as arguments against the enactment of S. 1008. Section 3 of this bill now before the Senate would do exactly what Standard Oil Co. has asked the Supreme Court to do. The issues involved in this case are clearly defined in the unanimous decision handed down by the United States Seventh Circuit Court of Appeals. A copy of this decision is being enclosed for your information and we trust that you will take the time to carefully examine this material.

The protective Kefauver and Carroll amendments which had previously been inserted into the bill have been torn out of S. 1008. If this bill passes the Congress it will virtually crucify small business by legally opening the door to unfair price discrimination which will shortly result in the elimination of the independent small-business man from the American scene.

The retailers of your State have directed me to apprise you of the facts outlined above and we appeal to you to use every resource at your command to defeat Senate bill 1008 when it comes before the Senate for a vote.

Sincerely yours,

RANKIN P. FECK,
President.

NATIONAL CONGRESS OF
PETROLEUM RETAILERS, INC.,
Detroit, Mich., April 7, 1950.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The purpose of Senate bill 1008 has been declared time after time by its proponents. That declared purpose embodies nothing whatever beyond the reconciliation of freight-absorption practices to existing antimonopolistic laws.

Section 3 of this bill has nothing whatsoever to do with freight absorption, but would change the existing antitrust laws to accommodate, among others, the Standard Oil Co. (Indiana) who has been charged with violation of same in a case which they have appealed to the United States Supreme Court after being found in violation by unanimous decision of the United States Seventh Circuit Court of Appeals. The gasoline retailers of the Nation have battled for 11 long years to render effective the order of the Federal Trade Commission in this case. Passage of Senate bill 1008 in its present form would change the law before the High Court even has a chance to rule on the Standard case.

The proponents of Senate bill 1008 are continually talking about good faith. Yet section 3, which has absolutely nothing to do with freight absorption, sneaked into this bill. Small business is counting on you, Senator, to tell these proponents of S. 1008 to either remove section 3 from this bill or stop talking about good faith.

Sincerely yours,

RANKIN P. PECK.

Mr. HUMPHREY. Mr. President, I should like to have incorporated in the RECORD at this point a communication entitled "An Open Letter to Open Minds on S. 1008, the Basing-Point Bill," dated March 30, 1950. The communication comes from six organizations which are noted on the communication.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO OPEN MINDS ON S. 1008, THE BASING-POINT BILL

MARCH 30, 1950.

DEAR SENATOR: The supporters of S. 1008 have stated over and over again that the purpose of the bill is merely that a seller can be sure that he may absorb freight and that he may charge a delivered price.

The opponents have stated, and still state, that this is a sham argument, that everybody knows a seller may absorb freight, which simply means reduce his price, and that he may charge a delivered price—provided that he does not violate the antitrust laws, particularly the Robinson-Patman Act in regard to price discrimination and lessening competition.

But, say the bill's supporters, there are certain dicta of the Supreme Court in the Cement case, which, although they do not hold to the contrary and in any event are not necessary to the decision, create a doubt. And meanwhile Big Steel and Big Cement, those loyal and obedient followers of the antitrust laws, pretend that they are bound by this sham doubt, and they refused to reduce their prices to the South and the West—all for the purpose of putting the squeeze on the small fabricators and buyers so that they, too, will come out favoring S. 1008.

Now, if the supporters of S. 1008 are sincere that the purpose of the bill is what they say it is, we would like to know why the bill does not consist of just one sentence saying that, but saying no more. We are not supporting or agreeing even to a single sentence, inasmuch as we do not believe any bill is necessary to legalize freight absorption or delivered pricing, and we believe that the real supporters of the bill have something else in mind. However, we are suggesting to you that you ask the supporters of the bill the following questions:

1. Why doesn't S. 1008 simply consist of a single sentence as follows?: "The absorption of freight or the charging of a delivered price in any sale, shall not, in and of itself, constitute a violation of any law of the United States."

2. Why does S. 1008 go much further by amending the Robinson-Patman Act and the Federal Trade Commission Act all over the lot—so that the courts will be occupied another 20 years construing these laws, while Big Steel and Big Cement again run riot in maintaining identical delivered prices by all so-called competitors?

3. Why does S. 1008 have to get into the Standard Oil of Indiana case, which raises an issue not peculiar to freight absorption at all but relates to all pricing affected by the Robinson-Patman Act?

4. Why does S. 1008, in section 3, have to go out of its way to add more difficulties to the Government's burden of proof—not only in freight absorption cases, but in all Robinson-Patman Act cases?

5. Why does S. 1008 have to legalize the zoning system, and incidentally something far beyond the zoning system, as it does in the first part of section 2, a provision which has sneaked into the bill and which has hardly even been debated?

6. Why does S. 1008, also in section 2, have to contain a provision protecting customary price differentials—in effect a "grandfather's clause"—legalizing present discriminations even if illegal?

7. Why—unless small business is being sacrificed to Big Steel and Big Cement, and unless the South and the West are being sacrificed to a small portion of the great State of Pennsylvania and other producing areas.

Sincerely yours,

THE NATIONAL ASSOCIATION OF
RETAIL DRUGGISTS,
GEORGE H. FRATES,
Washington Representative.
NATIONAL FARMERS UNION,
JAMES G. PATTON, *President.*
NATIONAL CONGRESS OF PETROLEUM RETAILERS, INC.,
RANKIN PECK, *President.*
NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
GEORGE J. BURGER, *Vice President.*
INTERNATIONAL ASSOCIATION OF
MACHINISTS,
GEORGE NELSON,
Washington Representative.
COOPERATIVE LEAGUE OF U. S. A.,
WALLACE J. CAMPBELL,
Director of Washington Office.

Mr. HUMPHREY. Mr. President, I should also like to have printed as a part of the RECORD today the report of the Congressional Quarterly News Features, page 578, pertaining to the basing-point bill, entitled "Opponents of Basing-Point Bill." This gives a summary of the opinions of organizations and many of the individuals who have actively opposed Senate bill 1008.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

OPPONENTS OF BASING-POINT BILL

According to a weekly Washington newsletter of the National Farmers Union, the antimonopoly committee, to which NFU is a party, is primarily responsible for defeating the attempts of big business to railroad S. 1008 through Congress and thus sound the death knell for all small business and purchasing cooperatives.

The NFU publication, NFU in Washington, in the April 21 issue, also said that the antimonopoly committee, organized a year ago and composed of 17 organizations was primarily organized to help bring about the defeat of S. 1008.

The committee was organized and operates with the cooperation of Representative WRIGHT PATMAN, Democrat, of Texas, chairman of the House Small Business Committee. Congressional Quarterly Log was told by George H. Frates, of the National Association of Retail Druggists, that the antimonopoly committee grew out of a similarly constituted but slightly smaller committee set up to fight against S. 1008—a committee of which he is steering committee chairman. Frates also said that he is not chairman of the antimonopoly committee, whose purposes would include matters besides the basing-point bill.

According to NFU, the organizations in the antimonopoly committee, and their representatives, are:

American Farm Bureau Federation, Hugh F. Hall.

American Federation of Labor, George D. Riley.

American Retail Federation, Preston Bergin.

Congress of Industrial Organizations, Dr. Frank Fernbash and Donald Montgomery.

Cooperative League of the United States, Wallace Campbell.

Credit Union National Association, Inc., Hubert M. Rhodes.

International Association of Machinists, George Nelson.

National Association of Independent Tire Dealers, W. W. Marsh.

National Association of Retail Druggists, George H. Frates.

National Candy Wholesalers Association, C. M. McMillen.

National Congress of Petroleum Retailers, Rankin P. Peck.

National Council of Farmer Cooperatives, James Harmanson.

National Farmers Union, Angus McDonald.

National Federation of Independent Business, Inc., George J. Burger.

National Food Brokers Association, Watson Rogers.

National Grange, Lloyd C. Halverson.

National Rural Electric Cooperative Association, George Goss.

Railway Labor Executives Association, A. E. Lyon.

United States Wholesale Grocers Association, Harold O. Smith, Jr.

(Congressional Quarterly reference on basing-points bill: For background and legislative history, see 1949 Congressional Quarterly Almanac, vol. V, pp. 704–713 and 1950 Congressional Quarterly Logs, pp. 7, 30, 97, 268, 325, and 447; record votes in both Chambers in 1949 almanac, pp. 820, 822, and 826, and 1950 Logs, pp. 276, 332, and 454; stands of organizations generally for and against the legislation in 1949 almanac, pp. 713–715.)

Mr. HUMPHREY. I also ask to have printed in the RECORD an article published by the National Association of Independent Tire Dealers entitled "Here's NAITD's Analysis of S. 1008; Bill Would Hurt Small Business," published in the NAITD Dealer News of January 9, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HERE'S NAITD'S ANALYSIS OF S. 1008; BILL WOULD HURT SMALL BUSINESS

The following is an analysis of Senate bill S. 1008, which has already passed the House and almost passed the Senate in October. Tire dealers are not greatly interested in section 1, which deals with the so-called basing point. Section 2 is of more interest. Sections 3 and 4, however, are of vital interest. You should read the following analysis of sections 2, 3, and 4 of S. 1008. Study it, discuss it with your friends and associates and act accordingly.

CLAUSE IS WEAKENED

Section 2 of S. 1008 provides that it shall be an unlawful discrimination for a seller acting independently to quote or sell at delivered prices if prices are identical at different points or to absorb freight or meet equally low price of a competitor except where effect will be to substantially injure competition. The protective clause is weakened by substituting "will" for "may" in the present law. If adopted, FTC could not bring a violator to task unless it could prove that injury to competition will be inevitable. This would be difficult, if not impossible, to prove perhaps even though the probability of competition being injured was very great.

THE GOOD FAITH DEFENSE

Section 3 further amends the Clayton Act to provide that a seller may justify a discrimination by showing that his lower price was made in good faith to meet the equally low price of a competitor. The apparent purpose is to make good faith a complete defense. This may cut the heart out of our antitrust laws so far as price discrimination by manufacturers is concerned. Most any large seller can make a show of good faith no matter what the real facts are.

In the same way a provision of section 4 of S. 1008 amends the Clayton Act to require "substantial and probative evidence" of the specified injury to competition. In other words it substitutes for a law which prohibits discriminations that have the reasonable probability of substantially lessening competition, a law which would prohibit only discriminations which had already resulted in a substantial lessening of competition. This is like saying it is all right to run through a red light if you don't hit anybody—in other words, you are allowed to commit acts even when there is a reasonable probability that competition will be injured.

Thus, under S. 1008 as presently written, not only will the old base-point pricing system be legalized but discriminations in which no element of transportation costs are involved, now prohibited by the Clayton Act, will be made legal.

NAITD OPPOSES BILL

This legislation, already agreed to by the House of Representatives, will be considered by the Senate on January 20. NAITD is officially opposed to this bill. If you also oppose it, why not write, wire, or telephone your Senator to talk and vote against S. 1008?

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Members Active as S. 1008 Is Deferred; Bill Would Hurt Small Business," from the NAITD Dealer News, the magazine of the National Association of Independent Tire Dealers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEMBERS ACTIVE AS S. 1008 IS DEFERRED; BILL WOULD HURT SMALL BUSINESS

Action on S. 1008, a bill which NAITD believes would almost defeat the purpose of the Robinson-Patman Act, has been postponed until Congress reconvenes in January.

The controversial bill, passed by the House on October 14, came before the Senate on October 18 where it was bitterly opposed by Democratic Senator PAUL H. DOUGLAS, of Illinois.

DOUGLAS, charging the bill would foster big monopolies and threaten the whole industrial future of this country, requested a vote to defer consideration of the bill until January. A 29–29 vote followed.

NAITD and many qualified students of S. 1008 maintain that the bill which would allow sellers to justify discrimination if they lowered prices in good faith to meet competitor's equally low price, would be very damaging to small-business men. Under one section of the bill, proving good faith represents an absolute defense.

The measure also deals with general discrimination. At present where varying discounts are shown it is only necessary for the FTC to show probability that somebody might be injured. That somebody has been injured already is accepted as sufficient proof.

Under the new bill, much more must be shown. FTC must show that competition will be injured which requires evidence approaching certainty. Obviously, there is grave danger in a bill which would allow a seller to justify discrimination on the plea he did so in good faith to meet a competitor's equally low price.

A section of the bill said that "any combination, conspiracy, or collusive agreement or any monopolistic, oppressive, deceptive, or fraudulent practices shall not be considered lawful." But in view of the seller's right to justify discrimination if he did so in good faith, couldn't the seller, who was guilty of collusion and deception, etc., still maintain that he did so in good faith to meet a competitor's equally low prices?

Two wrongs don't make a right and S. 1008, as it stands now waiting for consideration in January, appears to be a bill that invites, but yet condemns, collusion, deception, etc.

NAITD ACTIVITY

With little or no warning S. 1008 was almost passed. It escaped the attention it deserves and little time was given the Washington office to notify the membership that passage of such a bill was likely.

But fortunately, groups in Illinois and New York, cooperating admirably with NAITD headquarters, phoned their strenuous objections to their Senators. It is reasonable to believe that NAITD action produced results.

Mr. HUMPHREY. I also ask unanimous consent to have printed in the RECORD an article entitled "Promonopoly Bill Heads List of Senate Battles," written by Wallace J. Campbell, and published in the January 11, 1950, issue of Co-op News. It is a very brief article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROMONOPOLY BILL HEADS LIST OF SENATE BATTLES

(By Wallace J. Campbell)

WASHINGTON, D. C.—The first great economic battle before the new session of Congress will be over the basing-point bill (S. 1008), which comes up on the Senate Calendar January 20.

A decision on this bill will means hundreds of millions of dollars to consumers. The issues at stake are almost as big as the American economic system itself.

Representatives of major organizations of agriculture, labor, small business, and cooperatives have had informal meetings to map strategy to oppose the basing-point system.

At the same time representatives of monopolies have been working to push through the promonopoly bill as recommended by the conference committee of the House and Senate. The bill legalizes the basing-point system under certain conditions. It is so bad that even its original sponsor, Senator O'MAHONEY, of Wyoming, refused to support it when it came for a final Senate vote last year.

In a simple analysis of the basing-point system, David Cushman Coyle says:

"If it turned out that someone put in a lower bid and took the business, he was regarded as a chiseler who ought to be punished. The other companies would then teach him a lesson by offering low prices in his territory even at a loss, until he was faced with bankruptcy and decided to be good."

The great cry on Capitol Hill now is going to be a demand that Congress clarify the law so everyone will know just how far he can go on the basing-point system. Coyle characterizes this as "like demanding that Congress clarify the law against murder, saying just what weapons you must not kill a man with or how big a crowd you must not shoot into."

Mr. HUMPHREY. Mr. President, I happen to have a close association with one particular group of people in business, known as the National Association of Retail Druggists. I have been very happy to note that this national association has recognized the meaning of the pending legislation and is vigorously opposing it. So at this point I ask to have incorporated in the RECORD an analysis of the legislation as presented by the National Association of Retail Druggists under the date line of their Washington representative, which gives what I consider to be an excellent analysis of the legislation particularly as it applies to the Robinson-Patman Act.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NATIONAL ASSOCIATION OF RETAIL DRUGGISTS,
Washington, D. C., December 13, 1949.

To the Presidents, Executive Secretaries and Legislative Contact Committee Members:

With this is a legal analysis of S. 1008 written by Herman S. Waller, legal counsel for the NARD.

It is sent to you in order that you may have additional ammunition to support NARD's contention that S. 1008 is detrimental to small business—that it stabs right at the heart of the Robinson-Patman Act.

As you are aware, S. 1008 is scheduled for consideration in the Senate January 20. If the bill passes, the Robinson-Patman Act goes down the drain.

Won't you again tell your Senators what this means to small independent business? The issue is of such vital concern that every legitimate effort must be made to defeat S. 1008. Please talk to your Senators in person while they are at home during the recess. If they are not available wire or air mail them and tell them that the Robinson-Patman Act must be saved. If monopoly is permitted to get a stranglehold on small business by diluting the antitrust laws, we will be in for a reign of price discrimination and secret rebates wherein a favored buyer will have a distinct competitive advantage.

With legalized price discriminations, as provided for in this bill, the large retail chain organizations, some of which are Nationwide, would be free to receive the benefits of discriminations from large sellers with denial of such benefits to small independent retailers. How could that be defended under this bill? That is simple. The large seller need only show that he was meeting a discriminatory price by another large seller as offered to the large chain retail buyer. In doing that the bill would provide him with an absolute defense to any charge that he was unlawfully discriminating in price. It would not matter whether the Government or any injured party showed that the discriminations practiced had the result of destroying the small independent retailer. Relevant evidence and the controlling evidence would be the showing that the large seller had discriminated only as another large seller in giving the chain retailer the advantages. That would be classed as meeting competition.

We can win this fight if everybody will pitch in and lend a helping hand.

Cordially,

GEORGE H. FRATES,
Washington Representative.

S. 1008, besides defining the words "Price," "Delivered Price," "Absorb Freight," "The effect maybe," amends both section 5 (a) of the Federal Trade Commission Act and section 2 (a) as well as section 2 (b) of the Robinson-Patman Act in the following respects:

The Federal Trade Commission Act, section 5 (a), provides that—

"Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful: that is, by this section the FTC is empowered and directed to prevent persons from using unfair methods of competition in commerce and unfair or deceptive acts or practices in commerce."

S. 1008 by section (1) thereof provides an amendment to section 5 (a) of the Federal Trade Commission Act, by adding a proviso (that is an exception) in the following language:

"It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight: *Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice carried out by or involving the use of delivered prices or freight absorption."

In other words S. 1008 by section (1) thereof so amends the FTC Act that no matter how one may juggle freight charges, whether absorbed, charged to one customer and not to another, shall not, by the Federal Trade Commission, in any way or manner be considered as an unfair method of competition, or an unfair or deceptive act or practice. By the adoption of this amendment one may with impunity juggle freight charges to substantially affect the cost of delivered goods between purchasers, without justification, and without a legal means of correcting the resulting unfair method of competition. Freight charges as is commonly known, frequently amounts to a material differential in the cost of delivered goods, often enough to constitute a means of discrimination detrimental to the fair-trade practices, which the Federal Trade Commission is directed to prevent. The amendment will afford a means of using a substantial element of the cost of goods in a manner that may result in unfair methods of competition prohibited by the Federal Trade Commission Act, and is therefore a step backward in the field of antidiscriminatory legislation, which the National Association of Retail Druggists has for many years championed.

The Robinson-Patman Act, section 2 (a), dealing with price discrimination and quantity discounts, briefly provides:

"It shall be unlawful to either directly or indirectly discriminate in price between different purchasers of commodities of like grade and quality, where the effect of such discrimination may be substantially to lessen competition, or tend to create a monopoly, in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants, or who knowingly receives the benefit of such discrimination, or with customers of either of them, with the following provisos (that is, exceptions): (1) Nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered; (2) nor, prevent persons from selecting their own customers in bona fide transactions and not in restraint of trade; (3) nor prevent price changes, from time to time, in response to changes in market conditions, deterioration of perishable goods, obsolescence of seasonal goods, or sales in good faith upon discontinuance of business in the goods concerned; (4) that the Federal Trade Commission after investigation and hearing may fix and establish quantity limits, where it finds that available purchasers in the greater quantities are so few as to render the differentials unjustly discriminatory, or promotive of monopoly in any line of commerce."

S. 1008 by section 2 thereof seeks to amend section 2 (a) of the Robinson-Patman Act, by adding at the end thereof the following two provisos (that is, exceptions) in the following language: "*And provided further*, That it shall not be an unlawful discrimination in price for a seller, acting independently (a) to quote or sell at delivered prices if such prices are identical at different delivery points or if differences between such prices are not such that their effect upon competition may be that prohibited by this section; or (b) to absorb freight to meet the equally low price of a competitor in good faith, and this may include the maintenance above or below the price of such competitor, or a differential in price which such seller customarily maintains."

In other words, section 2 of S. 1008 seeks to amend section 2 (a) of the Robinson-Patman Act by providing, generally, that the juggling of freight charges, either by including therein the price quoted as the delivered price, that is, a price other than the price available at the seller's own place of business, or absorbing the freight charges in some places or instances, and not in others, whichever may be the case or exigency to meet the equally low price of a competitor in good faith, shall not be an unlawful discrimination in price. The tolerance of permitting to juggle such a substantial element in the cost of goods is diametrically opposite to the clear provisions and intent and purposes of the Robinson-Patman Act which clearly provides that "it shall be unlawful, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality."

Although this section of S. 1008 provides that the charges for freight shall be identical at different delivery points, or if there are differences, the differences may not be such as will have an effect upon competition as is prohibited by section 2 of the Robinson-Patman Act, it nevertheless provides a loophole whereby one may add freight charges in some places and not in others as well as the absorption of the freight charges in some places and not in others, or in some circumstances and not in others, as the seller may decide to suit its purpose or alleged good faith.

Section 2 (a) of S. 1008 is not only generally ambiguous, but leaves open for misinterpretation the meaning of the following terms and possibilities; "different delivery points"; whether the freight charges may be juggled on certain types of merchandise or quantities; and what is meant by "any delivery point other than the seller's own place of business" in the definition of the term "delivered price," as is contained in (b) of section 4 of S. 1008, in which is provided as follows: "The term 'delivered price' shall mean a price at which a seller makes or offers to make delivery of a commodity to a buyer at any delivery point other than the seller's own place of business." It also seeks to emasculate the meaning of the term "the effect may be" to mean that there is reasonable probability of the specified effect, rather than as it is now provided to mean substantial or probative evidence, as the effect of such discrimination may be substantially to lessen competition.

In (b) of section 2 of S. 1008, dealing with the absorption of freight, as a practice which shall not constitute a discrimination, the language which defines the term "absorb freight" in (c) of section 4 of S. 1008, provides for an outright tolerance of freight-charge juggling without restriction as to differences of territories, commodities, or conditions other than the seller's decision to meet an equally low price of a competitor which to such seller seemed to be in good faith, and this juggling of freight absorption may be for the maintenance of a price above or below the price of

said competitor. The term "absorb freight" as defined in S. 1008 "shall mean to establish for any commodity at any delivery point a delivered price which, although as high as, or higher than, the seller's price for the same commodity at the point from which such commodity is shipped, is lower than the sum of the seller's price for such commodity at such point of shipment plus the actual cost to the seller for transportation of such commodity from such point of shipment to the delivery point or the average cost of transportation to the seller."

In short, by this section of S. 1008 as it amends the Robinson-Patman Act, one will be permitted, indiscriminately, unregulated, to juggle freight charges no matter how much such a practice may work as a discrimination in price and with practical immunity, irrespective of the extent such practice may have in injuring, destroying, or lessening competition as is prohibited by the Robinson-Patman Act, the Federal Trade Commission Act, and the Sherman Antitrust Act.

The permission of promiscuous and unregulated juggling of freight charges as is sought in S. 1008, will be no less an evil of price discrimination than special discounts, hidden rebates, or secret promotional allowances not accorded all purchasers on proportionally equal terms, who compete in the distribution of commodities of like grade and quality. Small business should therefore unequivocally oppose any measure which affords a loophole in the present law, regulations, and court decisions thereunder, which may afford a means of weakening present antidiscrimination laws.

Section 2 (b) of the Robinson-Patman Act, dealing with "burden of rebuttal and meeting competition" provides that:

"Upon proof being made, at any hearing on a complaint under this section, that there has been a discrimination in price or services of facilities furnished, the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination; provided, however, that nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

Section 3 of S. 1008 amends the above section of the Robinson-Patman Act by rewriting it in the following language:

"Upon proof being made, at any hearing on a complaint under this section, that there has been a discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection, or discrimination in services or facilities furnished, the burden of showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor, and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains."

In other words, now under the Robinson-Patman Act, the proof of the existence of any discrimination, the burden of rebutting the prima facie case of such discrimination, shall be upon the person charged with the violation; under the S. 1008 provision, in this respect, not only must there be a prima facie case of the discrimination made, there must also be proven that the discrimination has the effect of substantially lessening competition, or tend to create a monopoly, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such competition, or with customers of either of them. The underlined words in the amendment to the Robinson-Patman Act as contained in S. 1008 in effect shifts the burden of proof of any type of discrimination from the violator to the Commission. It makes enforcement of the Robinson-Patman Act practically, and for all purposes, ineffective, if not entirely impossible.

This section of the S. 1008 not only weakens the enforcement of the Robinson-Patman Act, but in effect nullifies the entire act. It will not be an unjustified conclusion to say that this section of S. 1008 in fact repeals the Robisnon-Patman Act because any law which has an enforcement provision that requires proof of a subject matter, the nature of which is difficult and often impossible or present and maintain a preponderance thereof, such as is provided in section 3 of S. 1008, is of no use and effect. That section 3 of S. 1008 so amends the enforcement provision of the Robinson-Patman Act as to nullify it, is clear when one realizes that the Commission is called upon not only to make proof of the discrimination, but also the highly controversial proposition that the discrimination as charged had an effect upon competition enough so as to create a monopoly or other phases which tend to lessen, destroy, or injure competition.

The last phrase of section 3 of S. 1008 which amends the Robinson-Patman Act by adding a new term thereto, further weakens and makes the enforcement provision of the Robinson-Patman Act ineffective by providing that to justify a discrimination in price, the seller may make such lower price even if the maintenance of such price is above or below the price of such competitor, and even if it is a different price which such seller customarily maintains. This phrase which is also contained in section 2 (b) of S. 1008 opens an avenue of indiscriminate and promiscuous price discriminations that only lack of ingenuity can stop. Under the guise of meeting competition one may under this provision of S. 1008 have various prices, under different circumstances, and in divers territories, wherein some customers will pay for the costs of such differentials without immunity or control. Completely nullifying the aims and purposes of the Robinson-Patman Act which seek to provide that there be equal prices to all purchasers of commodities of like grade and quality, except when a higher or lower price is justified because of the cost in manufacture, sale, or delivery thereof, or the purchase of reasonable quantities.

In brief, S. 1008 definitely so amends the Federal Trade Commission Act and the Robinson-Patman Act, first so as to permit freight charge juggling indiscriminately and without control, irrespective of the effect such practice may have on free and open competition, and second by so amending the Robinson-Patman Act enforcement section thereof so as not only to shift the burden of proving discriminations on the Commission instead of the violator, but in effect to so weaken the effectiveness of the enforcement provision thereof as to in fact nullify the entire purposes and aims of the Robinson-Patman Act, and third by this amendment it would invalidate all of the court decisions made in this respect, and thus require years of legal battles to interpret the new phrases and terms of the amendment.

Let no one be sold on the proposition that S. 1008 merely seeks to assert the right to establish prices in which freight is absorbed or charged as the seller may desire. This a seller may do today without S. 1008, except where such is done to effect a discrimination or to prevent free and open competition, or when it is done in concert or in collusion, or in conspiracy to lessen, injure, or destroy competition. To juggle freight charges to effect a discrimination whether independently done, or when done in collusion with others is under the Federal Trade Commission Act, the Robinson-Patman Act, and the Sherman Antitrust Act a forbidden practice, and it should remain to be so for the good of small business. The laws prohibiting means to effect discriminations in price which inevitably results in stifling competition, should be strengthened and not weakened as is sought to be done by S. 1008.

The National Association of Retail Druggists long a champion of equal opportunities for small business and antidiscrimination laws must exert every effort against the adoption of any measure that will frustrate its long established aim and purpose in this respect. As a matter of self-preservation, every group that represents small business ought to be equally inclined and sufficiently aroused to the possible danger of any measure which will weaken the laws enacted for their protection.

Mr. HUMPHREY. Mr. President, I do not see that I have anything more at this point which I want to place in the RECORD.

I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I wonder if the Senator from Minnesota would yield for two questions?

Mr. HUMPHREY. I am delighted to yield.

Mr. DOUGLAS. Is it not true that in dealing with price discrimination both the Clayton Act and the Robinson-Patman Act forbid such discrimination where the effect "may be substantially to lessen competition"?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. And the term "may be" was given by the courts the same interpretation which is given in section 4 of the present act, namely, that there is a reasonable probability?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. But in the pending bill the term "may be" is eliminated, and the term "will be" is inserted.

Mr. HUMPHREY. The Senator is exactly right, and in the prepared statement which I asked to have included as a statement, there is a comment made on that particular feature. In other words the phrase "may be" placed the burden of proof upon the violator and gave the Federal Trade Commission the opportunity to proceed before competition was actually destroyed. The substitute is the phrase "will be," which means the violation must be proved conclusively, or, in other words, after the act has been performed and competition has been destroyed.

Mr. DOUGLAS. In other words the term "may be" refers to a reasonable probability that competition will be impaired.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. But the term "the effect will be substantially to reduce competition" means that it must be demonstrated almost 100 percent.

Mr. HUMPHREY. That is my interpretation. I think those words indicate what has resulted from the bill going back and forth from one House to the other, from conference to conference.

There was plenty of reference made during consideration of a former conference report respecting the phrases "may be" and "will be." In the early part of the bill there is the term "may be," but later on it turns into "will be." That is in section 2, paragraph B. The language which is set forth clearly points out the words to be "will be"—"will be substantially to lessen competition."

Mr. DOUGLAS. The second question I should like to ask the Senator from Minnesota is this: Why should we pass a law legalizing freight absorption, delivered prices, price discrimination, and identical prices when the Federal Trade Commission has never moved, or indicated that it might move, against such practices by individual firms unless the effect on competition as a whole might be harmful?

Mr. HUMPHREY. I would say that there is absolutely no necessity for such a law at all. Even the Department of Justice has said that there is no necessity for it. In fact in every one of the cases, where the individual firm was not acting in collusion or in combination, and where it was not doing something which might substantially lessen competition, there has never been an application of the rule by the Federal Trade Commission to prosecute or to move against them, nor by the court, and that delivered prices, freight absorption and so forth are permitted so long as they are made use of by an individual firm, without collusion, without combination or for the purpose of substantially lessening competition.

Mr. DOUGLAS. Or having the effect of lessening competition.

Mr. HUMPHREY. Or having the effect of lessening competition. As the Senator from Illinois has put it so well so many times heretofore, what is all the fuss about? Why the need for the pending legislation? Frequently there are happenings which lead us to legislate. But we must act from practical experience. What has been the experience rating of the application of the Federal Trade Commission and its enforcement of the Clayton Act and the Robinson-Patman Act? What has been the effect? If there is no combination, no conspiracy, no collusion, nor any practice the effect of which may be substantially to lessen competition, freight absorption is not illegal, and certain other practices are not illegal. It is only when such practices are used for illegal purposes that they are wrong.

Mr. DOUGLAS. Or practices which might have the effect of lessening competition.

Mr. HUMPHREY. Yes, which might have the effect of lessening competition. In other words, if we wait until the action has taken place, then we cannot retrace our steps. It is like the old Sherman Act which attacked monopoly after it was monopoly. The purpose of the Clayton Act as amended by the Robinson-Patman Act is to see that such conditions do not jell, that they do not become a part of the economic environment. The purpose of that act is to stop illegal practices before they occur. In other words, the act is founded on the doctrine that "An ounce of prevention is worth a pound of cure," even when fighting monopoly.

Mr. DOUGLAS. Even suppose the Federal Trade Commission should break its pledged word and should move against either freight absorption, delivered prices, price discrimination, and identical prices when practiced by an individual firm, if the effect was not to reduce competition would not the Court override such a ruling, and protect the individual from such action by the Commission itself?

Mr. HUMPHREY. There is not the shadow of a doubt that that is what the Court would do, because in the Morton Salt case, the Cement case, the Staley case, the Corn Products case, the Standard Oil case, the Rigid Steel Conduit case—in every one of those cases the Court made it perfectly clear that unless the effect of the practice may be substantially to lessen competition, these practices are not illegal. It is not illegal for a company to engage in the practices to which we have just referred to. But it is illegal if such practices are engaged in in collusion with others to destroy their competitors, or to have the effect of lessening conditions of competition. That is a judicial determination.

I may say that the Senator from Illinois is absolutely correct, so correct that I do not believe anyone can demonstrate, in debate, at any time that the Court has ever been fuzzy on this issue.

The Court has been very clear as to what is considered to be an illegal practice under the terms of the Clayton Act as amended by the Robinson-Patman Act.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield for a further question?

Mr. HUMPHREY. Surely.

Mr. DOUGLAS. Is it not somewhat extraordinary that every time the courts hand down decisions which tend to make the Sherman Act, the Clayton Act, and other statutes rather effective, almost immediately the interests involved come to Congress and ask to have a law passed to prevent the courts from so applying the basic legislation?

Mr. HUMPHREY. There is no doubt about that being done. Let me give a good example of it. I refer to the Reed-Bulwinkle bill with which the railroads attempted to secure legislation favorable to them, and in which connection the Governor of Georgia led the fight against the railroads before the Court. In the West we have been discriminated against for years by reason of discriminatory freight rates. All at once we get what we consider to be a reasonably good Court decision, and it looks as if things will be a little better, at least in regard to the shipment of certain commodities. But then we get the Reed-Bulwinkle bill.

Mr. DOUGLAS. The Reed-Bulwinkle bill, which permits the railroads to fix schedules and rates without regard to the antitrust laws, and then in most cases the Interstate Commerce Commission merely ratifies the schedules adopted by the railroads themselves.

Mr. HUMPHREY. That is correct. Of course, it can be said for the Reed-Bulwinkle bill that it made legal what the railroads had been doing illegally for quite a long period of time.

Mr. DOUGLAS. Was it not also found that after the courts ruled that the insurance companies were engaged in interstate commerce, then the insurance companies proceeded to obtain the enactment by Congress of a law freeing the sale of insurance from the application of the antitrust laws?

Mr. HUMPHREY. Of course that is correct.

Mr. DOUGLAS. And in most cases in which it was said that the situation must be cleared up and that the fuzziness in the court decisions must be removed, laws were passed preventing the application of the antitrust laws—first, to the insurance companies or to the railroad industry, and now to the big mass-producers and mass-buyers. Is not that true?

Mr. HUMPHREY. The Senator from Illinois knows and states with constructive positiveness the situation in those cases, and I believe his argument is entirely sound and cannot be refuted.

Of course, Mr. President, if those industries "get by" with this sort of business, they will clean out the competition.

Mr. DOUGLAS. And they will also "clean up" the public; does not the Senator from Minnesota agree?

Mr. HUMPHREY. Of course, that is correct. There are other words for it, but I will let it go at that.

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION—CIVIL ACTION NO. 49C–1071—EQUITABLE RELIEF SOUGHT—UNITED STATES OF AMERICA, PLAINTIFF, AGAINST E. I. DU PONT DE NEMOURS & CO.; GENERAL MOTORS CORP.; UNITED STATES RUBBER CO.; CHRISTIANA SECURITIES CO.; DELAWARE REALTY & INVESTMENT CORP.; PIERRE S. DU PONT; LAMMOT DU PONT; IRENEE DU PONT; DEFENDANTS—COMPLAINT—EQUITABLE RELIEF SOUGHT

The United States of America, by its attorneys, acting under the direction of the Attorney General, brings this complaint against the defendants named herein, and upon information and belief alleges as follows:

I. JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are instituted under section 4 of the act of Congress of July 2, 1890, c. 647, 26 Stat. 209, as amended, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," said act being commonly known as the Sherman Act, and under section 15 of the act of Congress of October 15, 1914, c. 323, 38 Stat. 730, as amended, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," commonly known as the Clayton Act, in order to prevent and restrain violations by the defendants individually, jointly, and severally, as hereinafter alleged, of sections 1 and 2 of the Sherman Act and section 7 of the Clayton Act.

2. The defendants E. I. du Pont de Nemours & Co., General Motors Corp., and United States Rubber Co. transact business within the eastern division of the northern district of Illinois and are found therein.

II. DEFENDANTS

3. The following corporations and persons are named as defendants herein:

(a) E. I. du Pont de Nemours & Co. (du Pont Co.), a Delaware corporation with principal offices at Wilmington, Del. Its immediate predecessor corporation was E. I. du Pont de Nemours Powder Co.

(b) General Motors Corp. (General Motors), a Delaware corporation, with principal offices at 3044 West Grand Boulevard, Detroit, Mich. Its immediate predecessor corporation was General Motors Co.

(c) United States Rubber Co. (U. S. Rubber), a New Jersey corporation, with principal offices at 1230 Avenue of the Americas, New York, N. Y.

(d) Christiana Securities Co. (Christiana), a Delaware corporation, with principal offices at the du Pont Building, Wilmington, Del. The name of the defendant was originally du Pont Securities Co.

(e) Delaware Realty & Investment Corp. (Delaware), a Delaware corporation, with principal offices at the du Pont Building, Wilmington, Del.

(f) Pierre S. du Pont, of Wilmington, Del. In du Pont he has been a director from 1915 to date; was president from 1915 to 1919; a member of the finance committee of the board of directors from 1915 to date; and chairman of the board of directors from 1919 to 1940. In General Motors he was a director from 1917 to 1944; president from 1920 to 1923; a member of and chairman of the executive committee of the board of directors from 1918 to 1921; a member of the finance committee from 1917 to 1921; and chairman of the board of directors from 1917 to 1929.

(g) Lammot du Pont, of Wilmington, Del. In du Pont he has been a director from 1915 to date; was a member of the finance committee of the board of directors from 1918 to 1945; a member of the executive committee from 1915 to 1940; vice president from 1916 to 1926; president from 1926 to 1940; and chairman of the board of directors from 1940 to 1948. In General Motors he was a director from 1918 to 1946; a member of the executive committee of the board of directors from 1921 to 1929, and chairman of that committee from 1921 to 1923; a member of the finance committee from 1917 to 1937; and chairman of the board of directors from 1929 to 1937.

(h) Irenee du Pont, of Wilmington, Del. In du Pont he has been a director from 1915 to date; was a member of the finance committee of the board of directors from 1915 to 1946; a member of the executive committee from 1915 to 1919 and from 1921 to 1926; vice president from 1915 to 1919; president from 1919 to 1926; vice chairman of the board of directors from 1926 to 1940. In General Motors he was a director from 1918 to 1938; a member of the executive committee of the board of directors from 1930 to 1934; a member of the finance committee of the board of directors from 1918 to 1937, and of the policy committee from 1937 to 1946.

4. Where the term "defendant manufacturers" is used herein, it applies to the defendants du Pont Co., General Motors, and United States Rubber, and the predecessors and subsidiaries of each.

5. Where the term "defendant individuals" is used herein, it applies to defendants Pierre S. du Pont, Lammot du Pont, and Irenee du Pont.

6. Where reference is made herein to any corporate defendant, such reference shall be deemed to include the predecessors and subsidiaries of such defendant; and for purposes of the relief prayed for, reference to any corporate defendant shall be deemed to apply to the subsidiaries, successors, assignees of such corporation and their officers, directors, agents, employees, and other representatives.

7. The term "members of the du Pont family," when used herein, applies to those persons who are lineal descendants of Pierre Samuel du Pont de Nemours, the senior member of the family, who emigrated to the United States from France, and the wives and husbands of such lineal descendants.

8. Each of the defendant individuals is a member of the du Pont family.

9. Each of the members of the class of persons hereinafter defined is named as a defendant. The individual defendants are fairly and adequately representative of such class of persons, who are so numerous as to make it impractical to bring all of them before the court on the charges herein alleged. The charges herein involve all of the members of the class, and common relief is sought against all. The members of the class of persons made defendants herein have the following things in common:

(a) All are members of the du Pont family and are related by blood or marriage to the defendants Pierre, Lammot, and Irenee du Pont;

(b) All hold, either directly, or indirectly through personal holding companies, or have a beneficial interest in, through trusts established in their favor or otherwise, shares of voting stock of one or more of the following defendant corporations: Christiana, Delaware, and United States Rubber.

10. Most of the members of the class made defendants herein are members of the immediate families (wives, husbands, children, grandchildren, etc.) of the individual defendants Pierre, Lammot, or Irenee du Pont, or of the persons listed below. Said individual defendants are brothers. Each of the persons listed below has the relationship to said individual defendants shown following his name:

Family head	*Relationship to individual defendants*
William K. du Pont (deceased)	Brother
R. R. M. Carpenter (deceased)	Brother-in-law
Charles Copeland	Brother-in-law
A. Felix du Pont (deceased)	Second cousin
Harry B. du Pont	Nephew
William Winder Laird	Nephew

11. The members of the class made defendants herein number in excess of 100. They will sometimes hereinafter be referred to as the "class defendants."

III. NATURE OF TRADE AND COMMERCE INVOLVED

12. The du Pont Co. is the largest producer in the United States of explosives, powder and chemicals. Its principal manufacturing operations are conducted through 10 departments. The names of these departments and the principal products which each produces are as follows: Ammonia department: ammonia, urea, urea fertilizer compounds, methanol, higher alcohols, glycol, organic acids, hydrogenate products, antifreezes, and food chemicals; electric chemicals department: electro and industrial chemicals including solvents, formaldehyde, cyanide, sodium, peroxide, ceramic colors, refrigerants, vinyl products, and fumigants; explosives department: commercial explosives, blasting accessories, nitroglycerin, military and sporting powders, and commercial nitrocellulose; fabrics and finishes department: pyroxylin and other coated fabrics and adhesives, various finishes for industrial, transportation, marine, and household purposes, including lacquers, enamels, paints, varnishes, plastics, waxes and polishes, plasticizers, and pyroxylin solutions; Grasselli chemicals department: inorganic and organic acids and heavy chemicals, zinc and zinc products, fungicides, insecticides, and wood preservatives; organic chemicals department: dyestuffs, tetraethyl lead, neoprene, ethyl alcohol, camphor, and other organic chemicals; photo products department: motion picture, X-ray, portrait, lithographic and microfilms, fluorescent screens, photographic printing papers and processing chemicals; pigments department: titanium dioxide, extended titanium pigments, lithopone, dry colors, and copperas; plastics department: various types of plastics, molding powders, and fabricated articles; rayon department: rayon yarn of various types and for various uses, cellophane and nylon yarn.

13. The du Pont Co. also has a large number of either wholly or partially owned subsidiaries in this and other nations. It has a 50-percent interest in The Old Hickory Chemical Co. which produces carbon bisulphide. It holds 51 percent, and General Motors 49 percent, of the voting stock of Kinetic Chemicals, Inc., a manufacturer of refrigerants. Du Pont Co. owns 66.7 percent of the voting stock of International Freighting Corp., Inc., which operates a steamship and general chartering business between the Atlantic coast, Gulf coast, and South American ports. The balance of the voting stock is held by General Motors.

14. General Motors is the largest manufacturing company in the United States. Its principal business consists of the manufacture of passenger cars and trucks, including various parts and accessories. It produces the Chevrolet, Buick, Oldsmobile, Pontiac, and Cadillac passenger cars and the Chevrolet and GMC trucks. It is the largest producer of passenger cars and trucks in the United States. In 1947, it sold 1,931,000 passenger cars and trucks to dealers in the United States and Canada and for shipment overseas, which was 38 percent of the industry total produced in the United States. In the 1937–41 period, its average annual sales of passenger cars and trucks were 1,832,466 units or 43 percent of the industry total produced in the United States. It is the largest producer of automobile parts and accessories. It manufactures parts and accessories for use in its own cars as well as for sale and use in cars and trucks produced by other automobile and truck manufacturers.

15. General Motors is also the largest manufacturer of railroad Diesel locomotives in the United States. It produces Diesel engines for use in these locomotives as well as for other purposes. It manufactures numerous other products, including ball bearings, roller bearings, and a wide range of household appliances, such as electric refrigerators and heating equipment. Many of the General Motors production operations are conducted through operating divisions which include the following:

Car, truck, and body divisions: Buick motor, Cadillac motor car, Chevrolet motor, GMC truck and coach, Pontiac motor, Buick-Oldsmobile-Pontiac assembly, Fisher body, and Oldsmobile; Accessory and parts divisions: AC spark plug, Aeroproducts, Brown-Lipe-Chapin, Central foundry, Delco products, Delco radio, Delco-Remy, Detroit transmission, Guide lamp, Harrison radiator, Hyatt bearings, Inland Mfg., Moraine products, New Departure, Packard electric, Rochester products, and Saginaw steering gear; Household appliance divisions: Delco appliance and Frigidaire; Engine divisions: Allison, Diesel equipment, Cleveland Diesel engine, Electro-Motive, and Detroit Diesel engine.

16. General Motors also has a large number of subsidiaries, mostly wholly owned, through which other operations of the company are conducted. It holds 50 percent of the common stock of Ethyl Corp., which, prior to 1948, was the sole producer of Ethyl fluid made from tetraethyl lead and used as an antiknock in gasoline. The other 50 percent of the stock of that company was owned by Standard Oil Co. of New Jersey. General Motors also holds substantial interests in Kinetic Chemicals, Inc., and International Freighting Corp., Inc., as hereinbefore alleged.

17. United States Rubber is the largest manufacturer in the United States of rubber tires and tubes, as well as of numerous

other products made in whole or in part from rubber. Most of the defendant United States Rubber's manufacturing operations are conducted through the following divisions of the company: Tire division, Mechanical Goods division, Footwear, Naugatuck Chemical and Synthetic Rubber, and Textile. Defendant United States Rubber also has a large number of wholly owned and a small number of partially owned subsidiaries through which other operations of the company are conducted.

18. Du Pont Co., General Motors, and United States Rubber together constitute the largest combination of manufacturing enterprises in the United States. For the year 1947, the assets, sales volume, and net income after taxes of the defendant manufacturers were as follows:

	Assets	Sales (round numbers)	Net income after taxes (round numbers)
Du Pont	$1,438,000,000	$783,000,000	$120,000,000
General Motors	2,473,000,000	3,815,000,000	288,000,000
U. S. Rubber	348,000,000	581,000,000	21,000,000
Total	4,259,000,000	5,189,000,000	429,000,000

19. The defendant manufacturers maintain production and distribution facilities throughout the United States. Products produced by the defendant manufacturers are by them sold and shipped in commerce among the several States of the United States.

20. The du Pont Co. produces many products which are used in the operations of other defendant manufacturers. General Motors and United States Rubber constitute a substantial market for many of such products produced by du Pont Co. Du Pont sells to General Motors large quantities of lacquers, paints, varnishes, thinners, antifreeze preparations, coated fabrics, and artificial leather. It sells to United States Rubber large quantities of rayon and organic chemicals. It has sold to Ethyl Corp., a General Motors subsidiary organized in furtherance of the hereinafter alleged conspiracy, large quantities of tetraethyl lead, alcohol, and ethyl chloride. Du Pont Co. sells large quantities of many products other than those mentioned above to General Motors and United States Rubber, while additional quantities of products produced by du Pont Co. are sold to these two companies through companies and persons other than du Pont Co. Du Pont Co.'s sales (not including sales of du Pont-made products sold through companies other than du Pont) for the years 1938 to 1947, inclusive, to defendant General Motors totaled approximately $134,000,000, to defendant United States Rubber approximately $72,000,000, and to Ethyl Corp. approximately $57,000,000, a total of $263,000,000.

21. United States Rubber sells to General Motors large quantities of tires and tubes for use as original equipment in General Motors cars and trucks, as well as quantities of other products. It is General Motors' principal supplier of tires and tubes for use as original equipment in the cars, trucks, and busses produced and sold by General Motors and its subsidiaries. United States Rubber's direct sales of tires and tubes to General Motors for original equipment totaled, for the period 1934 to 1947, inclusive, approximately $500,000,000.

22. General Motors sells a large number of passenger cars and trucks either directly or through dealers to each of the other defendant manufacturers.

23. The products sold by each defendant manufacturer to the other defendant manufacturers are shipped in interstate trade and commerce from the factories or warehouses of the selling defendant to the factories or warehouses of the purchasing defendants located in other States.

24. There are numerous manufacturers, other than the defendant manufacturers, located in various parts of the United States, which manufacture and sell products of substantially the same type, kind, and quality as the products manufactured and sold by the defendant manufacturers, and but for the combination and conspiracy alleged hereinafter these other manufacturers would be able to offer their products competitively to the manufacturing defendants having need for them. In addition, the potential market in which these other manufacturing companies may compete generally has been restricted substantially by the nature and magnitude of the growth of the defendant manufacturers, and the ability of said other manufacturing companies to compete effectively, has been substantially impaired by the illegal means hereinafter alleged.

IV. ORIGIN AND DEVELOPMENT OF DU PONT CO. TO 1915

25. The du Pont Co. was founded in 1802 by Eleuthere Irénée du Pont, who, with his father and members of their families, had immigrated to the United States from France, and set up a company to engage in the manufacture of black powder. The company's first plant was located on the Brandywine River in Delaware, where the headquarters of the company has remained. Prior to 1899, the company operated as a partnership, with members of the du Pont family and their close associates holding the partnership shares. In 1899, the company became a corporation, with control remaining in the hands of members of the du Pont family. Until the latter part of the nineteenth century, the company's principal business consisted of the production of black powder and it was the leading company in the United States in that field. It then expanded into the manufacture of smokeless powder and high explosives, and in these fields also shortly became the principal producer in the United States.

26. In 1902, a major change occurred in the administration of the company. The then president of the company, Eugene du Pont, died, and the remaining senior members of the du Pont family wished to dispose of their holdings in the company. Three of the younger members of the family, Alfred I. du Pont, Pierre S. du Pont, and T. Coleman du Pont, purchased the company, and formed a new company, the E. I. du Pont de Nemours Powder Co. (a New Jersey corporation), which took over the assets of the acquired company. Approximately 89,000 shares of the 119,970 shares of common stock issued by the new company were acquired by T. Coleman du Pont, Alfred I. du Pont, and Pierre S. du Pont, with T. Coleman du Pont acquiring the principal block. This stock gave these three members of the du Pont family control of the company. The new company acquired not only the powder and explosives business of the old company, but also the shares of stock which its predecessor, as a holding company, held in numerous other powder and explosive companies. The new company immediately embarked, both directly and through subsidiary and holding companies, on a program of acquiring control of additional powder and explosives companies.

27. In 1907, a suit in equity was filed by the United States against the du Pont Co. (the powder company of 1902), charging it and other companies with combining and conspiring to restrain and monopolize interstate trade and commerce in the field of powder and explosives. In 1911, the Court held the combination to be illegal and in 1912 a final judgment was entered providing for the splitting of the business of the du Pont Co. among three companies: du Pont Co:; Atlas Powder Co., and Hercules Powder Co.

28. In 1910 (prior to the dissolution referred to above), the total annual sales of the du Pont Co. amounted to approximately $34,000,000. Its only holding at that time outside the powder and explosives field, was a part interest in a company which made artificial leather (Fabrikoid Co.). Du Pont subsequently acquired full stock interest in that company, dissolved it, and merged its operations into those of the du Pont Co. as part of what subsequently became known as the fabrics and finishes department. In 1915 du Pont acquired the Arlington Co., makers of celluloid, a product then used in substantial quantities in the making of automobile side curtains.

V. OFFENSES CHARGED

29. Beginning in or about 1915 and continuing thereafter up to and including the date of the filing of this complaint, the defendants have been and are now engaged in a continuing combination and conspiracy to restrain unreasonably the aforesaid interstate trade and commerce in the development, production, manufacture, distribution, and sale of the products which are or may be produced by each of the defendant manufacturers and have conspired and combined to monopolize a substantial part of such interstate trade and commerce, in violation of sections 1 and 2 of the Sherman Act, and defendant du Pont has acquired a controlling interest in the stock or other share capital of defendant General Motors, while both of said corporations were engaged in interstate commerce, the effect of which acquisition has been to substantially lessen competition between the two companies and to tend to create a monopoly in particular lines of commerce in violation of section 7 of the Clayton Act. Defendants threaten to continue such offenses and will continue them unless the relief hereinafter prayed for in this complaint is granted.

30. The aforesaid combination and conspiracy to restrain interstate trade and commerce and to monopolize a substantial part thereof, has consisted of a continuing agreement and concert of action among the defendants, the substantial terms of which have been that the defendants:

(a) Agree to acquire, hold, and perpetuate control by the defendant individuals and class defendants of the directors, executives, and corporate policy of each of the corporate defendants:

(1) By establishing Christiana and Delaware as personal holding companies, a majority of the outstanding voting stock of which would be held by the defendant individuals and class defendants and their families in perpetuity and voted by them.

(2) By utilizing Christiana and Delaware to acquire sufficient of the common stock of du Pont Co. to control it, and to hold such stock in perpetuity, and to vote it.

(3) By causing du Pont Co. to acquire sufficient of the common stock of General Motors to control it, to hold such stock in perpetuity, and to vote it.

(4) By causing the defendant individuals and certain of the class defendants to acquire sufficient of the common stock of United States Rubber to control it, to hold such stock in perpetuity for themselves and their families, and to vote it.

(b) Agree to utilize control of the defendant manufacturers to enhance the size, power, and market control of each of them at the expense of its competitors:

(1) By causing each defendant manufacturer which uses products produced by one or more of the other defendant manufacturers to purchase substantially all of its requirements of such products from such other defendant manufacturers, and to exclude competitors of such other defendant manufacturers from the opportunity of competing freely for such business.

(2) By causing du Pont Co. to expand its production facilities, through acquisitions

and otherwise, so as to enable it to produce the types and quantities of products in the chemical and related fields which are used in substantial quantities by the other defendant manufacturers.

(3) By causing General Motors and United States Rubber to expand in their respective existing fields, and into new fields, through acquisitions and otherwise, so as to enlarge the closed and noncompetitive market available to du Pont Co. for products sold by it to General Motors and United States Rubber, and to increase the profits available to du Pont Co. from its ownership of General Motors stock.

(4) By subsidizing the expansion of du Pont Co. by using for such purpose the profits derived by it from the sale of its products on a closed market basis to General Motors and United States Rubber, as well as the profits derived by du Pont Co. from its ownership of General Motors stock.

(5) By subsidizing the expansion of General Motors by causing du Pont Co. and United States Rubber to grant General Motors systematic secret rebates and preferential prices on certain of the products sold to General Motors on a closed market basis by du Pont Co. and United States Rubber, and selling such products at higher prices to customers of du Pont and United States Rubber other than General Motors.

(6) By subsidizing the expansion of United States Rubber by using for such purpose the profits derived by it from the sale of its products on a closed market basis to General Motors and du Pont Co.

(7) By inducing suppliers of each defendant manufacturer to purchase products on a basis of reciprocity from one or more of the other defendant manufacturers, and to refrain from purchasing such products from competitors of such other defendant manufacturers.

(8) By causing each defendant manufacturer to make patents, technical data, and trade information obtained by any one defendant manufacturer available to the other defendant manufacturers on an exclusive or preferential basis.

(c) Agree to utilize control of the defendant manufacturers to eliminate competition among themselves:

(1) By causing General Motors to refrain from entering into chemical manufacturing fields, including the manufacture of paints, varnishes, and related products, and to grant du Pont Co. exclusive production rights in chemical discoveries made by General Motors.

(2) By causing General Motors to refrain from manufacturing tires and tubes.

(3) By causing United States Rubber to refrain from expanding its operations into chemical and related fields in which du Pont Co. operates, or into fields in which General Motors operates.

31. During the period of time covered by this complaint and for the purpose of forming and effectuating the aforesaid combination and conspiracy, the defendants by agreement and concerted action have done the things which, as hereinbefore alleged, they conspired to do, and more particularly, have done, among others, the following acts and things:

A. The organization of Christiana and Delaware to perpetuate du Pont family control over du Pont Co.

32. In 1915, the defendants Pierre S., Irenee, and Lammot du Pont, together with A. Felix du Pont and R. R. M. Carpenter, who were members of the du Pont family, and John J. Raskob, treasurer of the du Pont Co., formed a syndicate to acquire the large block of stock in du Pont Co. (Powder Co.) then held by its largest stockholder, T. Coleman du Pont. The stock was acquired and the members of the syndicate organized the du Pont Securities Co. (predecessor of defendant Christiana and hereinafter referred to as defendant Christiana) as a personal holding company to which the T. Coleman du Pont holdings were transferred, along with certain shares of du Pont Co. common stock owned by members of the syndicate. Christiana then held a controlling portion of the du Pont Co. common stock.

33. At the outset, all of Christiana's outstanding common stock (75,000 shares) was held by its incorporators in the following amounts: Defendant Pierre S. du Pont, 37,500 shares; defendant Irenee du Pont, 12,000 shares; defendant Lammot du Pont, 12,000 shares; A. Felix du Pont, 6,000 shares; R. R. M. Carpenter, 4,500 shares, and John J. Raskob, 3,000 shares. All except John J. Raskob were members of the du Pont family. These stockholders then allocated certain of their shares of Christiana stock to officers of the du Pont Co. When this redistribution had been completed, the original incorporators held approximately 68,250 shares of the 75,000 outstanding shares of Christiana stock. Thereafter most of the common stock which the defendant individuals and class defendants held in du Pont Co. was turned over to Christiana in exchange for its stock to prevent dispersal of such du Pont Co. stock, and to insure the perpetuation by such individual and class defendants of their control over du Pont Co.

34. It was understood and agreed among the individual defendants and class defendants who held Christiana stock that they would continue to hold it, would keep it within their families, and would not dispose of it to outsiders, so that, either directly or through their families, such defendants would maintain control of a majority of the stock of Christiana and, through such stockholdings, maintain control of the du Pont Co. This understanding and agreement has been adhered to, and throughout the period covered by this complaint, the individual defendants and the class defendants have, pursuant to said understanding and agreement, held control of Christiana, and, through it, of du Pont Co. The du Pont Co. common stock held by Christiana has been voted as a block at the stockholders' meetings of the du Pont Co. The directors of Christiana have customarily been directors and officers of the du Pont Co.

35. The largest single block of stock in Christiana (approximately 49,000 shares, or 32 percent) is held by defendant Delaware. Delaware, in turn, is a personal holding company for a small number of the members of the du Pont family and their close associates. It was used by defendant Pierre S. du Pont, who had no children, as a means of passing control of his stock holdings to his closest relatives. To accomplish this, he turned the bulk of his holding in Christiana, in which he was the largest stockholder, together wth his common stock in du Pont Co. and other companies, over to Delaware in consideration of the payment by it to him of an annuity of approximately $900,000 a year. The common stock of Delaware was then distributed among his close relatives. The majority of Delaware's 800,000 shares of outstanding common stock is held by the defendants Irenee and Lammot du Pont, a brother-in-law, and two of their nephews, and the members of their respective families. It was understood and agreed among the defendant individuals and class defendants who held Delaware stock that they would hold it for themselves and the members of their families, so that control of defendant Delaware would remain in perpetuity in the hands of the defendant individuals and certain of the class defendants. This understanding and agreement has been adhered to, and, throughout the period of Delaware's existence, said defendants have, pursuant to said understanding and agreement, retained control of Delaware, and have caused the common stock of du Pont Co. which is held by Delaware to be voted in stockholder's meetings of du Pont Co. in the same manner as the common stock in du Pont Co. held by Christiana. The defendant individuals have at all times occupied the dominant position in determining what the policies of Christiana, Delaware, and du Pont Co. should be. The class defendants have at all times accommodated themselves to the decisions of the defendant individuals, and such class defendants have voted their stock in Christiana, Delaware, and du Pont Co., and have done other acts in furtherance of this combination and conspiracy, pursuant to agreement and understanding had among themselves and the defendant individuals.

36. Christiana now holds approximately 3,049,800 shares (or 26 percent) and Delaware holds approximately 304,480 shares (or 3 percent) of the outstanding shares (11,153,340) of the common stock of du Pont Co. Defendant individuals and class defendants who are either officers or directors of the du Pont Co. own a further block of approximately 5.3 percent of the stock of that company, while other members of the du Pont family, including the class defendants, who are not officers or directors of the du Pont Co., own directly a further 2.2 percent of the stock in du Pont. The combined holdings of Christiana and Delware in du Pont Co., together with the direct holdings of members of the du Pont family in that company, total at the present time approximately 36 percent of the outstanding common stock of du Pont Co.

37. The remaining approximately 64 percent of the capital stock of the du Pont Co. is diffused among approximately 73,000 stockholders whose average holdings amount to slightly over 100 shares apiece. The concentrated holdings of Christiana and Delaware alone, as contrasted to the wide distribution of the remaining shares of the stock among 73,000 stockholders scattered throughout the world, are sufficient to, and do, enable these personal holding companies to control the defendant du Pont Co. and its policies.

B. Acquisition and exercise of control by du Pont Co. over General Motors

38. During World War I, du Pont Co. plant facilities, sales, and profits in the powder and explosives fields expanded enormously as a result of the wartime demand for these products on the part, first of Great Britain, France, and the other allied powers, and later of the United States. Its net profits on this war business during the period 1915 to 1918, inclusive, totaled approximately $232,000,000.

39. During 1917, the du Pont Co., anticipating the end of World War I and the cessation of orders for vast quantities of powder and explosives which the company had enjoyed, determined to utilize part of its war profits to expand into fields other than gunpowder and explosives, and to acquire for itself protected markets for these new products and for products such as artificial leather and transparent celluloid, which were being produced by companies in which du Pont had already acquired an interest, and thus to counterbalance the anticipated shrinkage in the powder and explosives business which would inevitably follow the close of hostilities.

1. Acquisition of Stock

40. The defendant Pierre S. du Pont, then president of du Pont Co., and others associated with him in the company, had been investing in the common stock of General Motors Co. and Chevrolet Co. (which then held a majority of the stock of General Motors), and had become acquainted with the potentialities of the motor car industry and

with the opportunities it held as a protected market for products which du Pont Co. produced or might produce through an expansion of its enterprises.

41. On December 21, 1917, the executive and finance committees of the du Pont Co., which included defendants Pierre S. du Pont, Lammot du Pont, and Irenee du Pont in their membership, in a joint meeting, formally approved the acquisition by du Pont Co. of a substantial interest in General Motors Co. and Chevrolet Co., and authorized the purchase of $25,000,000 worth of the common stock of these companies. A new company, General Industries, Inc., all of whose stock was held by du Pont Co., was set up with an authorized capital of $25,000,000 to accomplish the actual purchase of General Motors and Chevrolet stock. The acquisition was made on the understanding that du Pont Co. and the then existing William Durant management of Chevrolet and General Motors would have joint control of those two companies, that the du Pont Co. would immediately assume charge and be responsible for the financial operation of General Motors and Chevrolet, and that General Motors and Chevrolet would purchase from du Pont Co. all of their requirements of Fabricoid (artificial leather), Pyralin (transparent celluloid), paint, varnish, and related products then produced or thereafter to be produced by du Pont Co., or by companies to be acquired by du Pont Co.

42. Pursuant to the foregoing understanding, General Industries, Inc., had by March 8, 1918, purchased common stock of General Motors and Chevrolet in an amount equivalent to approximately a 23-percent interest in the two companies.

43. Shortly thereafter the name of this stock-purchasing instrumentality was changed from General Industries, Inc., to du Pont American Industries, Inc., its capitalization was substantially increased, and it continued to purchase stock in General Motors and Chevrolet. The du Pont Co. also approved the acquisition by General Motors of the assets of Chevrolet, which was thereafter accomplished, with Chevrolet thereafter being operated as a division of General Motors. By October 1919, du Pont American Industries owned almost 30 percent of the then outstanding stock of General Motors.

44. In 1920, William Durant, the organizer of General Motors, was in financial difficulty and the du Pont Co. undertook to acquire his stock holdings in General Motors so as to eliminate him from participation in the control of General Motors, concentrate the control in the hands of du Pont Co., and prevent interests unsympathetic to du Pont Co. from acquiring an interest in and a voice in the control of General Motors. To accomplish this, the du Pont Securities Co. was organized as a subsidiary of du Pont American Industries and purchased William Durant's General Motors stock. The du Pont Co.'s stock-purchasing subsidiaries, du Pont American Industries, Inc., and du Pont Securities Co., were later dissolved and their General Motors stock holdings taken over by du Pont Co. It thereafter from time to time acquired additional blocks of General Motors stock to prevent them from falling into hands which might embarrass du Pont Co.'s control of General Motors.

45. Du Pont Co. utilized J. P. Morgan & Co. to aid in the financing of du Pont's acquisition of Durant's stock, as well as in financing the capital needs of General Motors, and during the financial stringency of 1920 induced affiliated companies, such as Canadian Industries, Ltd. (a Canadian firm jointly controlled by du Pont Co. and the Nobel interests (explosives) of Great Britain) both severally and in partnership with du Pont, to subscribe heavily for General Motors capital stock. Such acquisitions were in large part taken over by du Pont at a later date.

46. Du Pont Co., in return for the assistance given it and General Motors by J. P. Morgan & Co., designated two of the Morgan representatives for membership on the General Motors board of directors, such membership being held by the Morgan representatives until approximately 1942, when one of the Morgan men died.

47. Defendant du Pont Co. has for many years past owned 10,000,000 shares (approximately 23 percent) of the approximately 44,000,000 outstanding shares of General Motors common stock. The remaining shares of General Motors stock were, in 1947, held by over 436,000 stockholders located in the various States of the United States and in foreign countries. Ninety-two percent of these stockholders owned no more than 100 shares. Sixty percent owned no more than 25 shares. The concentrated block of 10,000,000 shares held by du Pont Co. as contrasted to the wide distribution of the remaining 34,000,000 shares among hundreds of thousands of small shareholders, has enabled defendants to control the selection of the directors of General Motors and to control the administration and policies of that corporation.

2. Control Over Officers and Directors

48. In the du Pont Co., the finance and the executive committees of the board of directors are the bodies which control the basic policies of the company. Likewise, in defendant General Motors, the finance committee (otherwise known as the policy committee and later as the financial policy committee) and the executive committee are the bodies which control the basic policies of that company.

49. When the du Pont Co. decision was made in 1917 to acquire a substantial stock interest in General Motors, du Pont Co., pursuant to the understanding reached with the hitherto dominant William Durant management interests in General Motors, began taking over control of the finance committee of that company.

50. Starting in the latter part of 1917, and continuing into 1918, the du Pont Co. placed the following representatives on the finance committee of the board of directors of General Motors:

	Position with du Pont
Pierre S. du Pont	President, director, and member of finance committee.
Lammot du Pont	Vice president, director, and member of executive committee.
Irenee du Pont	Vice president, director, and mem- of finance committee.
Henry F. du Pont	Director, member of finance committee.
J. A. Haskell	Vice president, director, member of executive committee.
J. J. Raskob	Treasurer (later vice president), director, member of finance and executive committees.

The seventh member of the General Motors finance committee was William Durant.

51. Since 1917 key officers and directors of the du Pont Co., including the individual defendants named herein, have been assigned by du Pont Co. to serve as officers and directors of General Motors and on its principal committees. The du Pont Co. has also determined what other persons should hold office as members of the board of directors of General Motors, and no person has been chosen for membership on such board contrary to the wishes of du Pont Co.

52. The principal official positions which the individual defendants have held with du Pont Co. and General Motors are as follows:

Pierre S. du Pont

DU PONT CO.

Director	1915–date
President	1915–19
Chairman of board	1919–40
Finance committee	1915–date

GENERAL MOTORS

Director	1917–44
President	1920–23
Chairman of board	1917–29
Finance committee	1917–37
Executive committee	1921–29

Lammot du Pont

DU PONT CO.

Director	1915–date
Vice president	1916–26
President	1926–40
Chairman of board	1940–48
Finance committee	1918–45
Executive committee	1915–40

GENERAL MOTORS

Director	1918–46
Chairman of board	1929–37
Finance committee	1917–37
Executive committee	1921–29

Irénée du Pont

DU PONT CO.

Director	1915–date
Vice president	1915–19
President	1919–26
Vice chairman of board	1926–40

GENERAL MOTORS

Director	1918–38
Finance committee and successor committee	1918–46
Executive committee	1930–34

53. In 1923, General Motors and du Pont Co. worked out a plan to provide special financial incentives to the executives of General Motors in a form which would make them more directly responsive to the influence and desires of du Pont Co. Under this plan, General Motors organized a corporation known as Managers Securities Co. and obligated itself to pay the company a minimum of $2,000,000 annually (thereafter changed to a percentage of General Motors' net profits). Du Pont Co. transferred to the new company the right to receive dividends from approximately 2,250,000 shares of the General Motors common stock owned by du Pont Co. General Motors, through its finance committee, then allocated class A and B stock of Managers Securities Co. to General Motors executives in amounts determined by the finance committee of General Motors. One of these classes of Managers Securities Co. stock so allocated to the General Motors executives, carried with it the right to participate in the special payments which General Motors had obligated itself to make annually to Managers Securities Co. The other class of Managers Securities Co. stock, also allocated to General Motors executives, received the balance of the income which Managers Securities had, such income consisting, in the main, of dividends from 2,250,000 shares of General Motors common stock allocated to Managers Securities by du Pont Co. Although various changes were made thereafter in the detailed operation of the bonus system, the basic elements of the plan have continued to the date of the filing of this complaint.

54. Under the bonus plan those General Motors executives who have been permitted to participate have been enabled, through the payment of small sums, to reap tremendous returns. The $1,000,000 worth of

Managers Securities stock to which the dividends from General Motors stock was allocated, as issued to General Motors executives starting about 1923, was worth over $500,000,000 on the basis of the highest market price prevailing in 1929 for General Motors common, and nearly $350,000,000 on the basis of the median price in that year.

55. Throughout the period of time that the bonus plan has been in operation, the allocation of benefits under the plan to General Motors executives and the determination of the amount of each such allocation has been made either by the finance committee of General Motors or by a special bonus and salary committee of the board of directors of General Motors. Throughout this period of time, either defendant individuals or associates of defendant individuals who were officers or directors of du Pont Co., including certain class defendants, have dominated said finance committee or bonus and salary committee and have determined who among the General Motors executives should receive bonus allocations and the amount each should receive. The executive personnel of General Motors have known throughout the existence of the bonus plan that the recipients of cash and stock bonuses and the amount each received was determined by a committee the majority of which has at all times been composed of du Pont Co. directors, officials, and employees. As an inevitable, and intended, consequence of the operation of the bonus plan, General Motors executives have responded readily to the influence and desires of the du Pont Co.

3. Agreements Relating to Intercompany Sales

56. Beginning in 1917, it was understood and agreed between General Motors and du Pont Co. that, because of the latter's acquisition of control over General Motors, General Motors would give preference to du Pont Co. in buying products for use in its operations. It was agreed that General Motors would purchase from du Pont all or substantially all of its requirements of products manufactured by du Pont, and would refrain, in whole or in large part, from purchasing such products from competitors of du Pont Co. It was further understood and agreed that du Pont Co. in buying cars or trucks or other products produced by General Motors would buy all or substantially all of such goods from General Motors, and refrain, in whole or in large part, from purchasing such products from General Motors' competitors.

57. In 1917, du Pont Co. was producing principally powder and explosives. It manufactured few items which could be used in the production of automobiles. Among the few items required by General Motors which were produced by du Pont Co. or its subsidiaries in 1917 was celluloid which, in transparent form, was used in making side curtains for automobiles, and artificial leather which was used extensively in automobile seats and upholstery. Beginning in or about 1917, General Motors has purchased all or substantially all of its requirements of these items from du Pont Co.

58. The du Pont Co., from in or about 1917, has purchased all or substantially all of its requirements of cars and trucks and other items produced by General Motors from that company or its dealers.

59. In 1917, the du Pont Co. was engaged to but a limited extent in the production of paints and varnishes and related products. In reliance upon the understanding that it would be the primary supplier for General Motors of products which were manufactured by du Pont, and knowing that General Motors would constitute a large market for paints, varnishes, lacquers, thinners, enamels, and the like, du Pont Co. embarked, starting in 1917, upon a program of acquiring numerous independent companies engaged in the production of such products. Among the companies so acquired were Bridgeport Wood Finishing Co.; Cauley, Clark & Co.; Harrison Brothers & Co., Inc.; Flint Varnish & Chemical Works; New England Oil Paint & Varnish Co.; Chicago Varnish Co.; Mountain Varnish & Color Works. At the time it was acquired by du Pont Co., the Flint Varnish & Chemical Works specialized in automobile finishes, and General Motors acquired and held a minority interest in the common stock of that company. After acquiring the majority stock interest in Flint Varnish, du Pont Co. purchased from General Motors its minority interest pursuant to an understanding and agreement between General Motors and du Pont Co. that General Motors would not engage in the production of paints and varnish and allied products so long as du Pont Co. was engaged in such business and retained its control over General Motors.

60. The paint and varnish companies which were acquired by du Pont Co. were thereafter dissolved and their assets taken over by du Pont Co. and incorporated in its fabrics and finishes department. The fabrics division of this department produces artificial leather and other coated fabrics while the finishes division of such department produces paints, enamels, varnishes, lacquers, thinners, and related products. Beginning in or about 1917, General Motors has purchased all or substantially all of its requirements of items in this fabrics and finishes field from du Pont Co. The bulk of the purchases made by General Motors from du Pont Co. are from the fabrics and finishes department. General Motors is not only the largest customer of this department but its purchases constitute a large percentage of the department's total volume of business. This department is one of, if not the largest, profit producer of the many departments of du Pont Co.

61. At the time du Pont Co. first acquired a substantial stock interest in General Motors, that company operated through somewhat autonomous operating divisions, each of which had its own purchasing departments which purchased for their own division with but limited supervision from the central office of General Motors. In order to secure more effective liaison among these divisional purchasing agents and to insure that du Pont Co. wishes would be promptly communicated to them and fully complied with, a central purchasing committee for General Motors was established in or about 1922. The membership of this committee was made up of the purchasing agents of the operating divisions and the committee met approximately monthly. The chairman of the committee was at all times one of the high executives of General Motors who was either a former executive of du Pont Co. or one who possessed the complete confidence of du Pont Co. This central purchasing committee was an effective instrumentality in carrying out the du Pont-General Motors intercompany sales arrangements hereinbefore and hereinafter described.

62. The original policy of requiring General Motors to purchase exclusively from du Pont the products du Pont was able to supply was subsequently modified so as to permit General Motors to purchase from 20 to 25 percent of its requirements of the products du Pont manufactured which General Motors used from companies other than du Pont, leaving du Pont with 75 to 80 percent of the General Motors business. This modification was made because of the fear of both du Pont and General Motors that their business relations with other concerns might be jeopardized if it became generally known that General Motors was required to buy exclusively from du Pont.

63. General Motors, as a protected market for du Pont Co., from which its competitors have been substantially excluded, has provided du Pont Co. a substantial and highly profitable outlet for its products. Du Pont Co.'s direct sales to General Motors and Ethyl (excluding sales of du Pont products made to General Motors by others than du Pont Co.) have exceeded $191,000,000 for the period 1938 to 1947, inclusive.

4. Agreements Relating to Division of Fields

64. Du Pont Co., following its acquisition of control over General Motors in or about 1917, not only extended its operations into the manufacture of paints and varnishes and related products, but also began expanding into other areas in the chemical field. In connection with this expansion, du Pont Co. entered into an agreement with General Motors to the effect that the latter would refrain from the manufacture of chemicals, including paints and varnishes and similar products, leaving this field, as between the two companies, exclusively to du Pont Co. It was further agreed between the two companies that when General Motors made discoveries in the chemical field it would inform du Pont Co. of the findings and grant to du Pont Co. exclusive development, production, and exploitation rights with respect to such discoveries. It was also understood that if any of said General Motors discoveries were usable in General Motors operations, du Pont Co. would, after their development, make them available to General Motors Co. for use upon an exclusive or preferential basis. It was further understood that if du Pont Co. made discoveries in the chemical field which might be of use in the production of automobiles, du Pont Co. would promptly inform General Motors of its findings and grant to General Motors preferential rights with respect to such discoveries, and General Motors would aid in the experimental work on such discoveries.

65. Two illustrations of the results of the agreements to divide fields are set out below.

(a) Tetraethyl lead

66. Starting in or about 1918, General Motors engaged in an extensive investigation into the nature and causes of "knocking" in internal-combustion engines. The chemical research involved in this investigation revealed that the use of tetraethyl lead blended with gasoline in proper proportions constituted an effective "antiknock." When General Motors made this discovery, tetraethyl lead was a scarce and expensive product, production of which was highly hazardous. General Motors, therefore, continued its researches in an attempt to discover a cheaper and safer method of producing tetraethyl lead on a commercial basis. It was successful in its endeavor and discovered that tetraethyl lead could be produced commercially from ethyl bromide. It secured patents on both the use of tetraethyl lead in gasoline as an "antiknock" and on the method of producing it. The du Pont Co. was kept fully advised by General Motors as to these developments. When General Motors had completed the basic research and development work, the project was surrendered to du Pont Co. on an exclusive basis pursuant to the agreements set out above. Du Pont Co. undertook to develop the "antiknock" commercially, and also to negotiate with companies in foreign countries such agreements as might be desirable to insure that tetraethyl lead as an "antiknock" could be produced and sold in the United States free from competition arising from such foreign sources.

67. In or about 1922 General Motors and du Pont Co. were ready to exploit commercially the use of tetraethyl lead in gasoline as an "antiknock." The two companies then entered into agreements under which the du Pont Co. was given the exclusive right to manufacture tetraethyl lead under the General Motors patents. The contract was a continuing one, giving the du Pont Co. this exclusive right in perpetuity, but allowing

it to cancel the contract on 1 year's notice. By supplementary contracts, du Pont was enabled to construct plants to produce tetraethyl lead upon a basis which involved no financial risk for du Pont Co. and which imposed all such risks on General Motors.

68. The tetraethyl lead, which was manufactured by du Pont Co. pursuant to the terms of the foregoing agreements, was distributed by a General Motors subsidiary which was organized to handle the marketing of the tetraethyl lead to oil companies. This General Motors subsidiary entered into an agreement, in or about 1924, with the Standard Oil Co. of New Jersey (Standard Oil), giving that company the exclusive right to distribute tetraethyl lead for use as an antiknock in gasoline for a period of 18 months. During the period of this exclusive distributorship Standard Oil discovered a new and improved method of producing tetraethyl lead. The new method was both cheaper and safer than the method which had been discovered by General Motors. It permitted the production of the tetraethyl lead from ethyl chloride, which was in plentiful supply, instead of from ethyl bromide, which was in very short supply. In the meantime du Pont Co. had built a sizable plant at Deepwater, N. J., and was producing substantial amounts of tetraethyl lead under the bromide process. Oil companies that were using the tetraethyl lead in their gasoline were enthusiastic about the antiknock results achieved, and du Pont Co. anticipated a great expansion in demand and production.

69. Standard Oil, relying on its exclusive distributorship rights to tetraethyl lead and on the potentialities of its new method of producing the product, demanded of General Motors and du Pont the right itself to produce tetraethyl lead and thereby share production privileges and profits with du Pont Co. Du Pont Co. objected even though its production of tetraethyl lead was at the time being severely limited by shortages in the supply of bromide. General Motors supported du Pont Co. in resisting Standard Oil's attempt to enter into the business of producing tetraethyl lead.

70. The conflict was resolved by an agreement under which a new corporation, Ethyl Gasoline Corp. (later changed to Ethyl Corp., and referred to herein as "Ethyl") was organized in or about 1924, to take over the physical assets and contract obligations of the General Motors subsidiary which had been handling the marketing of the tetraethyl lead produced by du Pont Co. Both Standard Oil and General Motors assigned to the new company their patents and patent applications relating to the use of tetraethyl lead as an antiknock and to the methods of producing the substance. The voting stock in the new corporation, was divided equally between General Motors and Standard Oil. It was agreed among du Pont Co., General Motors, and Standard Oil that the latter, in consideration for receiving a 50-percent stock interest in Ethyl, and thereby securing a right to one-half of the profits involved in the distribution of the Ethyl fluid, would withdraw its demand to share with du Pont Co. in the manufacture of tetraethyl lead. The three companies agreed that du Pont Co. would have the exclusive right to produce tetraethyl lead for Ethyl and to blend the tetraethyl lead into what was known as Ethyl fluid, and would be permitted to produce and supply total requirements of the principal products needed in the production of tetraethyl lead.

71. In the years following the organization of Ethyl, du Pont Co., and General Motors entered into numerous contracts, agreements, and understandings which (a) gave to and insured to du Pont Co. the exclusive right to produce tetraethyl lead, to blend the lead into the Ethyl fluid which Ethyl distributed to oil companies for blending in gasoline, and to supply exclusively the basic ingredients, such as ethyl alcohol, caustic soda, sodium, and other products which entered into the production of tetraethyl lead; and (b) provided that du Pont Co. should erect the necessary plants to produce the tetraethyl lead and certain of the products entering into its production, but upon terms involving no financial risk to du Pont Co. and imposing the greater part of the expense of construction upon Ethyl.

72. The term of the last basic Ethyl patent expired about December 31, 1947. Beginning in the early thirties, du Pont Co. and General Motors gave much attention to devising means for the protection of du Pont Co.'s monopoly in the production of tetraethyl lead and the blending of Ethyl fluid upon the expiration of the applicable patents. To achieve this purpose, General Motors and du Pont agreed that their arrangements with Ethyl would be modified from time to time prior to the expiration of the patents in such a way that when the patent protection ended, du Pont Co. would be in a position not only to continue manufacturing the tetraethyl lead, but also to take over from Ethyl the distribution of the Ethyl fluid. In furtherance of this agreement, a series of contracts were entered into between du Pont Co. and Ethyl, the first ones being entered into in 1938, under which du Pont Co. was employed by Ethyl to make tetraethyl lead, with du Pont Co. to be compensated on the basis of an elaborate formula which was worked out among the parties, under du Pont Co.'s domination.

73. In or about January 1, 1948, the Ethyl patent monopoly having expired, du Pont Co. ceased manufacturing tetraethyl lead for the account of Ethyl and for distribution by Ethyl. Du Pont Co. instead, as contemplated by the agreement reached between it and General Motors and referred to hereinbefore, manufactured tetraethyl lead and blended Ethyl fluid for its own account, and distributed the Ethyl fluid through its own organization.

74. The exclusive rights which du Pont Co. secured in the tetraethyl lead development as a result of du Pont Co.'s control over General Motors established du Pont Co. in a new and lucrative line of business and provided it with a protected market for tetraethyl lead, Ethyl fluid, and the products used in making them, from which all competitors were rigidly excluded. Finally du Pont Co. was enabled to enter the business of distributing as well as manufacturing Ethyl fluid, with a substantial advantage over potential competitors when the Ethyl patent monopoly ended.

75. During the period prior to 1938, du Pont Co.'s profits on the manufacture and sale of tetraethyl lead in this protected market approximated $34,000,000. From 1938 to 1947, Ethyl paid du Pont Co. an additional $47,000,000 in payment for its services in the manufacture of tetraethyl lead. These sums received by du Pont Co. do not include profits which it realized in the production of the basic ingredients utilized in the manufacture of tetraethyl lead and Ethyl fluid.

(b) Refrigerants

76. During the latter part of the 1920's General Motors' research department made discoveries of and secured patent applications on certain fluorine compounds (refrigerant) which would be of great use in connection with electric refrigeration. These discoveries were of particular significance to General Motors because, through its Frigidaire division, it was engaged in the manufacture and sale of electric refrigerators whose successful operation depended in large part on the type of refrigerant used in the mechanism. The newly discovered refrigerant was a material improvement over those then on the market.

77. General Motors, pursuant to the understanding it had with du Pont Co., promptly advised du Pont Co. of the discovery of the new refrigerant. Du Pont Co. thereupon advised General Motors that as the discovery was in the chemical field, it should be handled by du Pont Co. rather than by General Motors. The latter company acceded to du Pont Co.'s demands.

78. In or about 1930, General Motors and du Pont Co. entered into an agreement to set up a third corporation, Kinetic Chemicals, Inc., to handle both the manufacture and the sale of the new refrigerant and to further developments in the field. The new company was organized with du Pont Co. securing 51 percent of its common stock and General Motors being allocated the minority share of 49 percent. General Motors gave the new company an exclusive license under the patents which General Motors had secured.

79. Since the organization of Kinetic Chemicals, Inc., it has been operated by du Pont Co. as a division of its organic chemicals department and has been wholly under the control and direction of du Pont Co. The Frigidaire division of General Motors has, pursuant to the terms of the hereinbefore described understanding and agreement between General Motors and du Pont Co., purchased its requirements of refrigerants exclusively from Kinetic.

80. During a part of the time covered by this conspiracy, Kinetic sold its patented refrigerants exclusively to the Frigidaire division of General Motors, and pursuant to agreement with that company refused to sell such refrigerants to other manufacturers of electric refrigerators. Thereafter, Kinetic sold certain forms of its patented refrigerants to companies other than General Motors but reserved other and preferred forms of such refrigerants exclusively for use by and sale to the Frigidaire division of General Motors. Substantially all of the refrigerants used by General Motors have been purchased by it from Kinetic or from persons through whom Kinetic sells.

5. Agreements Relating to Reciprocity

81. The expansion in size, power, and market control of du Pont Co. at the expense of competitors has been aided through its use of the weapon of reciprocity demands and pressure against suppliers of General Motors.

82. Shortly after du Pont Co. acquired control of General Motors, the two companies entered into an understanding under which General Motors provided du Pont Co. with detailed information as to the companies which were suppliers of General Motors and the amounts and the volume of goods which such suppliers sold General Motors. General Motors supplied this information to du Pont knowing that such company intended to use this information to induce suppliers of General Motors to reciprocate by purchasing from du Pont Co. the products which it produced. Later this general arrangement between du Pont and General Motors was formalized under an agreement between the two companies which provided that whenever a high executive of du Pont desired information concerning suppliers of General Motors the request for such information should be directed to a designated high executive of General Motors who would secure the specific information and furnish it to du Pont Co.

83. The du Pont Co. made it known to suppliers in various ways that if they desired to continue to do business with General Motors, it would be advisable for such suppliers to buy from du Pont Co. those materials manufactured by du Pont Co. which were needed in connection with the manufacture of the products which the suppliers produced.

6. Expansion of du Pont Through Its Control of General Motors

84. Du Pont Co.'s present investment in General Motors stock, which at current market prices is worth in excess of $500,000,000, was acquired by it at a cost of approximately

$47,000,000. Du Pont Co. has received approximately $676,000,000 in dividends from its General Motors stock during the period from 1918 to 1947, inclusive. In addition, as hereinbefore alleged, du Pont Co. has realized both substantial competitive advantage and great profit from the exclusion of competitors from the opportunity of competing for General Motors' business and from the substantial monopolization of said business by du Pont Co. Illustrative of the many competitive advantages, in addition to enhanced profits and other income, which accrued to du Pont from its control over General Motors, was the assured availability of a substantial and noncompetitive market for any product usable by General Motors which du Pont might contemplate manufacturing, and du Pont Co.'s exclusive access to the results of General Motors research and experimentation in numerous fields of potential du Pont expansion.

85. Du Pont Co. has utilized the dividends from General Motors stock, the profits derived from its sales in the closed General Motors market, and the many competitive advantages arising from its control over General Motors, to expand its operations in its existing fields of production, and into fields new to it.

This expansion has been in large measure accomplished by the acquisition of independent companies, as well as by the organization of new companies in partnership with other interests. The following are illustrative of these du Pont Co., acquisitions and expansions during the period of the conspiracy herein:

86. In 1917, du Pont acquired Beckton Chemical Co., Bridgeport Wood Finishing Co., Cauley Clark & Co., and Harrison Bros. & Co., Inc., all in the paint and varnish industry.

87. In 1918, du Pont acquired the Flint Varnish & Color Works (General Motors held a minority interest in this company which du Pont bought out in 1923) and the New England Oil Paint & Varnish Co., these companies also being in the paint and varnish field. The Flint & Color Works specialized in the production of finished for automobiles.

88. In 1919, du Pont acquired a 43.8 percent stock interest in Canadian Explosives, Ltd. (whose name was changed in 1927 to Canadian Industries, Ltd.), with the bulk of the remaining stock in that company being acquired by the Nobel interests of Great Britain, who occupied a position in the field of powder and explosives in Great Britain similar to that occupied by du Pont Co. in the United States.

89. In 1920, du Pont acquired full control of the du Pont Fabricoid Co. (makers of artificial leather) in which it had acquired a part interest in 1915. In 1920, du Pont also, with certain French interest, formed the du Pont Fiber Silk Co. (60 percent owned by du Pont) to manufacture rayon. Later, the name of this company was changed to the du Pont Rayon Co., with du Pont Co. acquiring full control in 1929.

90. In 1923, the du Pont Co. and French interests organized the du Pont Cellophane Co., with du Pont acquiring 52 percent of the capital stock.

91. In 1924, du Pont acquired the business and assets of General Explosives Co. In the same year, du Pont Co. acquired 63 percent of the capital stock of Lazote, Inc., which was formed to manufacture synthetic ammonia under patents owned by French interests. Later (1926), du Pont Co.'s stock interest in Lazote, Inc. was merged into a new company, du Pont National Ammonia Co. (in which du Pont acquired a majority of the stock), with the latter acquiring a 100-percent stock ownership in National Ammonia Co., Inc., a leading distributor of anhydrous ammonia to the refrigeration trade, and a 79-percent stock interest in Pacific Nitrogen Co. In 1928 du Pont Co. acquired the minority interests in du Pont National Ammonia Co. and acquired additional stock in Lazote, Inc., bringing its interest in that firm up to 89 percent and thereupon dissolved the du Pont Ammonia Co. Through ownership of National Ammonia Co. du Pont Co. had a 74-percent interest in Michigan Ammonia Works and a majority interest in Pacific Ammonia & Chemical Co., and in 1929 secured full control of Lazote with all of the assets of the ammonia business being thereafter consolidated under the du Pont Ammonia Corp. The assets of these ammonia companies were later taken over by the parent company.

92. In 1924, du Pont formed the du Pont Pathe Film Manufacturing Corp. (name changed in 1931 to du Pont Film Manufacturing Corp.), with French interests, with du Pont Co. acquiring all of the preferred stock and 51 percent of the common. In 1928 it acquired full control of the company.

93. In 1925, du Pont formed the du Pont Viscoloid Co., which took over the celluloid plants of the du Pont Co. and a plant of the Viscoloid Co., with du Pont Co. receiving 83 percent of the common stock of du Pont Viscoloid Co. and acquiring full control in 1928.

94. In 1925, du Pont acquired a 50-percent stock interest in Eastern Alcohol Corp., which was formed jointly with Kentucky Alcohol Corp. to construct an alcohol plant at Deepwater Point, N. J. In 1931, du Pont acquired full control of Eastern Alcohol Corp.

95. In 1927, du Pont acquired the assets and business of Excelsior Powder Co.

96. In 1928, du Pont acquired a 50-percent stock interest in Bayer-Semesan Co., Inc., which was formed jointly with Winthrop Chemical Co.

97. In 1928, du Pont acquired, through a subsidiary, du Pont Viscoloid Co.

98. In 1928, du Pont acquired a 50-percent interest in the Old Hickory Chemical Co., which was organized in conjunction with other interests to manufacture carbon bisulphide at Old Hickory, Tenn.

99. In 1928, du Pont acquired the Grasselli Chemical Co., which operated 23 plants in the production of acids and heavy chemicals, lithopone, and other pigments, zinc and zinc products, and other products. The acquired company's Canadian plant and business were transferred to Canadian Industries, Inc., its acid and heavy chemicals business were turned over to a newly formed company, the Grasselli Co., and the explosives plants and business of the acquired company were combined with the corresponding department of du Pont.

100. In 1929, du Pont acquired Krebs Pigment and Chemical Co., a leading manufacturer of lithopone. Later, Krebs Pigment and Color Corp. was formed to consolidate Krebs Pigment and Chemical Co., the pigment and dry color operations of Grasselli Co. and the titanium pigment business of Commercial Pigments Corp., which was owned by Commercial Solvents Co. The Grasselli Chemical Co. owned 70 percent of the stock of the new company and Commercial Solvents 30 percent, with the latter interest being acquired by du Pont Co. in 1934.

101. In 1930, du Pont acquired the assets and business of the Roessler and Hasslacher Chemical Co. of New York, manufacturers of a large number of important chemicals. (In the same year du Pont acquired a 51-percent interest in Kinetic Chemicals, which was formed jointly with General Motors Corp.)

102. In 1931 du Pont acquired the dyestuffs and organic chemical properties and business of the Newport Co. and through this acquisition acquired a 72-percent common-stock interest in Acetol Products, Inc., manufacturers of Cel-O-Glass. The latter company was subsequently dissolved and its assets taken over by du Pont.

103. In 1932 du Pont acquired a 55-percent interest in Gardinol Corp., which was formed jointly with Procter & Gamble Co. to exploit cleaning materials in the textile industry.

104. In 1933 du Pont acquired 94 percent of the preferred stock and 51 percent of the common stock of Remington Arms Co., Inc., in which du Pont's voting-stock interest was later increased to approximately 60 percent.

105. As a result of du Pont Co.'s subsidized and protected expansion program, it became, during the period of the conspiracy herein, the largest producer of explosives and chemicals in the United States. Indicative of the extent of du Pont's Co.'s growth by the illegal means herein alleged is the fact that its annual sales increased 2,300 percent from 1910 to 1947, rising from approximately $34,000,000 in 1910 to approximately $783,000,000 in 1947.

7. Expansion of General Motors Through Favored Treatment by du Pont

106. Since the date when du Pont Co. purchased a controlling interest in General Motors, the latter company has expanded its operations into many fields other than the manufacture and sale of passenger cars and trucks. In each of these new fields, as well as in the original field of passenger cars and trucks, General Motors has acquired a dominating position.

107. Each expansion by General Motors into a new field was first approved by the du Pont Co. In many instances du Pont initiated the entry of General Motors into the new field. In order to place General Motors in a position of competitive advantage in each of the fields in which it was engaged and to assure General Motors a rapid expansion, du Pont, for many years from and after 1926, gave General Motors a secret rebate on all purchases made by General Motors from du Pont over and above the volume which General Motors had theretofore normally purchased from du Pont.

108. Under the 1926 rebate agreement, du Pont agreed to give General Motors a rebate of 7½ percent on the first million dollars of purchases made by General Motors from du Pont in excess of $8,000,000; an additional 10-percent rebate on the next million dollars of purchases; a rebate of 12½ percent on the next million dollars of purchases; and a rebate of 15 percent on all additional purchases. These discounts were over and above the normal discounts ordinarily allowed by du Pont to its customers for quantity purchases.

109. Du Pont Co. financed its rebate arrangements with General Motors by raising the prices which it charged to customers other than General Motors. Because disclosure of the arrangement would require du Pont to reduce its prices on sales to customers other than General Motors and discontinue its rebates to General Motors, du Pont Co. made it clear to General Motors that it was imperative that the rebate arrangement and all its details be kept strictly secret and confidential.

110. This rebate plan was approved by the executive committee of du Pont Co., although the plan was not made a matter of record in the official minutes of such committee. Under the plan, du Pont Co. for many years paid rebates to General Motors. Such rebates were distributed to the various operating divisions of General Motors on the basis of volume of purchases made from du Pont. Said discriminatory and preferential secret rebates paid to General Motors by du Pont contributed in substantial part to General Motors' expansion in the automotive field, and in fields new to it.

111. The expansion of General Motors, approved and initiated by du Pont Co., substantially enlarged the protected and noncompetitive market available to du Pont and du Pont's profits therefrom, and substantially increased the income accruing to du Pont Co. as dividends from General Motors' stock.

As alleged in the preceding subsections hereof, said profits and income were utilized to subsidize the expansion of du Pont Co.

C. Acquisition and exercise of control by du Pont family over United States Rubber

1. Acquisition of Stock

112. In or about 1927, the defendants Pierre, Lammot, and Irénée du Pont, together with Henry B. du Pont, Lammot du Pont Copeland, and certain of the other members of the du Pont family and their close business associates who controlled du Pont Co., formed a syndicate for the purpose of purchasing sufficient of the capital stock of United States Rubber Co. to give the members of the syndicate control over that company.

113. At the time the syndicate was organized, its members knew that United States Rubber Co., although one of the largest manufacturers of rubber products in the United States, was in financial difficulties. United States Rubber had an excessive inventory of rubber and had been unable to sell any substantial number of tires and tubes to General Motors or other automobile manufacturers for original equipment use, one of the most important outlets for rubber products.

114. The syndicate commenced its buying operations in June 1927, and by December of 1927, had purchased approximately 150,000 shares of United States Rubber common stock. By agreement among the members of the syndicate these shares were held by trustees, including defendants Lammot and Irénée du Pont, and by these trustees voted as a block at meetings of the stockholders of United States Rubber.

115. In December 1929, the members of the syndicate organized the Rubber Securities Co. as a personal holding company for the purpose of consolidating their existing holdings of United States Rubber stock and of increasing these holdings. Members of the syndicate became stockholders in Rubber Securities Co., which purchased the United States Rubber holdings of the members of the syndicate, together with additional shares of United States Rubber Co. common stock which were purchased through brokers. By the end of December 1929, Rubber Securities held approximately 314,000 shares of United States Rubber Co. common stock and 46,000 shares of preferred stock, acquired at a cost of approximately $8,277,000 and $2,306,000, respectively, a total of $10,583,000.

116. The Rubber Securities Co. held these shares of stock intact until November 1937. At that time the stockholders of Rubber Securities began exchanging their stock in that company for the United States Rubber common and preferred stock when it held. The exchange was completed by December 1, 1938, and on that date Rubber Securities was dissolved. Since December 1, 1938, the shares of United States Rubber common and preferred stock which had been held by Rubber Securities Co. have been held individually by the persons who were stockholders in Rubber Securities Co., or their successors in interest, and such holdings have been maintained substantially intact by defendant individuals and class defendants. The persons now holding the United States Rubber stock, which was distributed as a result of the dissolution of Rubber Securities Co., are, in the main, the same persons who hold a controlling interest in the stock of Delaware Realty and Christiana Securities Co.

2. Control Over United States Rubber

117. The stock acquisitions which the syndicate had made by the end of 1927 were sufficient to give the syndicate control over United States Rubber. This control was utilized to make drastic changes in the board of directors of United States Rubber. Of the 14 persons who were on the board of directors of that company immediately prior to the beginning of the syndicate's stock purchase operations, 4 were replaced by joint action of the members of the syndicate in 1928, and another 6 were replaced in the following year, leaving only 4 of the original directors remaining on the board. These four were thereafter replaced. In 1928, the members of the syndicate agreed upon and secured the appointment of Francis B. Davis, Jr., as president of United States Rubber and as a member of its board of directors. For many years prior thereto, Francis B. Davis, Sr., had been one of the top executives of du Pont Co. and had also served for a number of years in a high executive capacity with the defendant General Motors Co. by designation of the du Pont Co. The members of the syndicate also instituted a bonus plan for United States Rubber executives which was similar in nature and designed to achieve the same results as the hereinbefore described bonus plan for General Motors executives. Throughout the period of time that the bonus plan for United States Rubber executives has been in operation, the allocation of benefits and the determination of the amount of such allocation has been made by a committee dominated by persons selected by defendant individuals and class defendants. As an inevitable and intended consequence of the operation of the plan, United States Rubber executives have responded readily to the influence and desires of du Pont Co.

118. Since in or about 1928 the defendant individuals and the class defendants who hold United States Rubber stock have, by agreement and understanding among themselves, controlled the selection of the members of the board of directors of United States Rubber, and no person has been elected to membership on that board without the approval of the said individual defendants and those class defendants who held United States Rubber common stock.

119. The defendant individuals and class defendants have for many years past held, either directly or through personal holding companies and trusts, approximately 300,000 (or 17 percent) of the 1,761,092 shares of outstanding common stock of United States Rubber.

120. The common stock of United States Rubber, other than that held by defendant individuals and class defendants, is distributed among approximately 14,000 other stockholders who are located all over the United States, as well as in foreign countries. The concentrated stockholdings in United States Rubber of defendant individuals and the class defendants, as contrasted to the dispersed and small holdings of approximately 14,000 other stockholders, enables the defendant individuals and those class defendants who own United States Rubber stock to control the selection of members of the board of directors, the administration and the policies of United States Rubber.

3. Reciprocal Preferences Between du Pont Co. and United States Rubber

121. Beginning in or about 1928, after the syndicate had taken over control of United States Rubber, that company instituted, by agreement and understanding with defendant individuals, the class defendants and du Pont Co., the policy of giving preference to du Pont Co. over its competitors in making purchases of products which were produced by the du Pont Co. It was agreed that United States Rubber would purchase from du Pont Co. all or substantially all of its requirements of products produced by du Pont Co., and would refrain in whole or in major part from purchasing such products from competitors of du Pont Co. It was further understood and agreed that du Pont Co., when it purchased products of the kind produced by United States Rubber, would purchase all or substantially all of such products from United States Rubber. The policy originally established by such agreements was modified to permit each of these companies to purchase limited amounts from competitors of the other. This was done in order to prevent their respective business relations with other firms from being jeopardized by adhering too rigidly to a policy of total exclusion of competitors from the opportunity of securing some of the business of each of these defendant companies.

4. Reciprocal Relations Between United States Rubber and General Motors

122. Prior to 1929, United States Rubber had sold practically no tires and tubes to General Motors for use as original equipment on General Motors' cars and trucks, although General Motors was one of the largest of such buyers in the United States. This type of business was regarded by tire and tube manufacturers as being highly desirable because purchasers of motor vehicles tended to purchase replacement tires and tubes of the same make as those which came as original equipment with the car.

123. In 1929 General Motors, because of the stock acquisition by the members of the du Pont family as alleged, began giving United States Rubber a substantial portion of the General Motors business for original equipment, tires and tubes. In that year, General Motors arbitrarily granted United States Rubber a minimum of 30 percent of the tire business of Pontiac Division and a minimum of 15 percent of the tire business of the Oakland Division, as well as certain other tire business with the other automotive divisions of General Motors. The grant of this business was made by General Motors in the face of opposition from the sales department of certain of the divisions and from their dealer organizations.

124. Prior to 1929, the General Motors subsidiary in Canada had, on direct orders of its parent company, been purchasing all of its requirements of tires and tubes from a tire company in which Canadian Industries, Inc., had an interest. (Du Pont Co. had approximately 44 percent interest in the voting stock of Canadian Industries, Inc.) In 1929, on orders from the parent company, the Canadian subsidiary began buying approximately 50 percent of its requirements of tires and tubes for original equipment from the Canadian subsidiary of United States Rubber.

125. During 1930, by agreement among the defendants, General Motors and its subsidiaries continued to purchase an increasingly large number of tires and tubes from United States Rubber for use on original equipment. On January 1, 1931, General Motors and United States Rubber entered into a long-term contract under the terms of which General Motors agreed on behalf of itself and its subsidiaries and affiliates, including its Canadian subsidiary, to purchase at least 50 percent of its requirements of original equipment tires and tubes, including spare tires, from United States Rubber. General Motors agreed that it would discourage its dealers and distributors from removing such tires from General Motors cars and trucks and substituting tires manufactured by companies other than United States Rubber. A supplementary agreement entered into between the two companies shortly after the primary agreement was executed increased General Motors percentage of purchases from United States Rubber by providing for the purchase from United States Rubber of 100 percent of the tire requirements of the Oldsmobile, Oakland, Pontiac, and GMC truck divisions, and 65 percent of the requirements of the Cadillac and La Salle divisions of General Motors.

126. The foregoing agreements provided that General Motors would carry the risk and responsibility of purchasing the rubber and cotton to be used in the manufacture of the tires which it was to purchase from United States Rubber. The agreements also provided that United States Rubber would

actually make the purchases as "agent" for General Motors and that General Motors would then resell to United States Rubber at cost plus not to exceed 12½ percent, the rubber and cotton which United States Rubber had itself purchased on General Motors' account. By this means, the agreements provided for the payment to General Motors of a rebate on the price which it paid to United States Rubber for tires and tubes, in an amount equal to 12½ percent of the cost of the rubber and cotton used therein.

127. In addition to the substantial rebate to be paid to General Motors as profit on fictitious sales of cotton and rubber, the General Motors-United States Rubber contract of 1931 provided for substantially lower prices to General Motors than were to be made available to other purchasers of tires and tubes from United States Rubber. Provision was made within the contract to conceal its terms not only from other United States Rubber customers, but from General Motors employees as well. The contract provided that tires and tubes delivered under the contract were to be built by United States Rubber to the several car and truck divisions of General Motors at fictitious prices which were substantially higher than the true prices. General Motors agreed that its divisions would pay United States Rubber the fictitious prices so billed, and that thereafter United States Rubber would rebate to General Motors the difference between the true price and the fictitious price. This arrangement was carried into effect.

128. An agreement supplementary to the primary agreement of January 1, 1931, provided for special prices on spare tires purchased by General Motors for use as original equipment in addition to the running tires. This agreement provided that the first spare tire was to be sold by United States Rubber to General Motors at prices materially below the price of the running tires while second spare tires were to be provided free of any charge for cars which were to be exported and for cars manufactured by those divisions of General Motors which purchased their entire requirements of tires from United States Rubber.

129. Although varied in detail from time to time, the agreements of 1931 remained in effect until 1933. In that year a new long-term purchasing agreement was entered into between United States Rubber and General Motors, guaranteeing United States Rubber substantially the same proportion of General Motors' original equipment tire business as had been allocated to United States Rubber in the earlier agreement, but making minor modifications in the pricing formulas. Under the 1933 agreement the prices to be charged by United States Rubber to General Motors were not to be in excess of the lowest prices being charged by United States Rubber and its three principal competitors to General Motors or to any other original equipment purchaser. But in a separate letter agreement, United States Rubber agreed to give General Motors the following discounts:

Volume of sales:	*Discount*
$10,000,000	$825,000
$11,000,000	940,000
$12,000,000	1,050,000
$13,000,000	1,200,000
$14,000,000	1,350,000
$15,000,000	1,500,000
And up	10 percent

130. Thereafter, a disagreement arose between General Motors and United States Rubber as to the amount of rebate which the latter could pay to General Motors and still leave United States Rubber sufficient return to cover its costs. On December 17, 1934, the differences were resolved by a further agreement providing that United States Rubber would guarantee to General Motors a firm discount, to be paid whether or not the net prices paid by General Motors were sufficient to cover United States Rubber's cost of production, and further providing that United States Rubber would rebate to General Motors one-half of any profits in excess of 10 percent which it realized on sales to General Motors over and above $15,000,000 annually.

131. From time to time thereafter the amount of the guaranteed discount to be paid to General Motors by United States Rubber was revised and slight changes made with respect to the percentage of the requirements of the various divisions of General Motors which United States Rubber would supply. In August 1936, the 1933 agreement was further modified to provide that General Motors would buy from United States Rubber 75 percent of original equipment tires for all divisions except Chevrolet and GMT, and 55 percent of the requirements of Chevrolet and 66⅔ percent of the requirements of GMT. United States Rubber agreed to charge General Motors the lowest price available to any purchaser of tires and tubes as original equipment for automobiles from any manufacturer, and in addition agreed to grant General Motors discounts ranging from 1½ percent on sales of $3,000,000 to 3½ percent on sales of $21,000,000 and over. A supplemental agreement provided that General Motors' Canadian subsidiary would purchase at least 50 percent of its requirements from United States Rubber's Canadian subsidiary. These agreements were in effect to January 31, 1942, when they were discontinued because of the wartime emergency. At the conclusion of the war, General Motors resumed its purchases of tires and tubes from United States Rubber on substantially the same basis as had prevailed before the war.

132. Availability of the guaranteed noncompetitive General Motors' market for a tremendous quantity of tires and tubes has enabled United States Rubber to advance from a position of financial distress to one of profit and power. United States Rubber's direct sales to General Motors during the period 1934 to 1943, approximated $402,000,000. Use of United States Rubber's products as original equipment on General Motors cars also resulted in a proportionate rise in sales of United States Rubber tires and tubes for replacement use.

133. The preferential prices and secret rebates granted to General Motors by United States Rubber, which were unavailable to General Motors' competitors, contributed substantially to the enhancement of the size, power, and market control of General Motors. In addition, as a result of the activities in the acquisition and exercise of control over United States Rubber herein alleged, du Pont Co.'s expansion has been directly subsidized by profits from closed market sales to United States Rubber (amounting to over $72,000,000 during the period 1938 to 1947) and indirectly subsidized through the hereinbefore alleged advantages accruing directly to General Motors.

VI. EFFECTS OF THE CONSPIRACY

134. The aforesaid agreements and concerted action by the defendants pursuant to and in furtherance of the combination and conspiracy alleged in this complaint, have had the effects, as intended by the defendants, of permitting the individual and class defendants to acquire control of du Pont Co. in perpetuity through their family-holding companies, defendants Christiana and Delaware; of acquiring control of General Motors by du Pont Co.; of acquiring control of United States Rubber Co. by the individual and class defendants; of requiring each defendant manufacturer to purchase its requirements of the products of each of the other defendant manufacturers in a substantially closed market, thus depriving outside suppliers of an opportunity to compete freely for such business; of increasing the size of such closed market by using the reciprocal benefits of interlocking control, and closed market buying; of increasing the size and competitive position of each of the defendant manufacturers by intercompany subsidization made possible by such interlocking control and reciprocal buying and selling arrangements; of expanding still further the market of each defendant manufacturer by requiring that the outside suppliers of one or more of such defendant manufacturers purchase products from the other defendant manufacturers on the basis of reciprocity, thus depriving such suppliers of an opportunity to purchase their requirements in a free market; of eliminating competition among defendant manufacturers by dividing manufacturing fields between them on an exclusive basis; of enhancing the competitive position of each defendant manufacturer by selling among themselves products manufactured by one and used by the others at discriminatory and preferential prices, and selling to outsiders at higher prices, all of which practices have had the effect of unreasonably restraining and monopolizing the trade and commerce in which each manufacturing defendant is engaged, in violation of sections 1 and 2 of the Sherman Act and of section 7 of the Clayton Act.

Prayer

Wherefore, the plaintiff prays:

1. That pursuant to section 5 of the Sherman Act, a summons issue to each of the defendants commanding such defendant to appear and answer the allegations contained in this complaint and to abide by and perform such orders and decrees as the Court may make in the premises.

2. That the aforesaid combination and conspiracy, contracts, agreements, arrangements, and understandings in unreasonable restraint of trade and commerce, and conspiracy to monopolize, be adjudged and decreed to be unlawful and in violation of sections 1 and 2 of the Sherman Act, and of section 7 of the Clayton Act; and that the Court adjudge and decree that the defendants and each of them have combined and conspired to restrain and to monopolize interstate trade and commerce in violation of sections 1 and 2 of the Sherman Act and section 7 of the Clayton Act, as charged.

3. That the defendant du Pont Co. be enjoined from paying to its stockholders in the form of stock dividends or otherwise the General Motors stock which du Pont Co. holds, and be required promptly to dispose by sale of all of its holdings of such stock in General Motors, and promptly thereafter to pay to its stockholders in cash dividends the entire proceeds of such sale.

4. That pending the aforesaid sale of such stock by defendant du Pont Co., it be enjoined from exercising any voting rights under such stock.

5. That the defendants Christiana and Delaware be enjoined from paying to their stockholders in the form of stock dividends or otherwise any of the voting stock which they hold in General Motors, and be required promptly to dispose by sale of their holdings of such stock, and promptly thereafter pay to their stockholders in cash dividends the entire proceeds of such sales.

6. That pending the aforesaid sale by Christiana and Delaware of such stock, they be enjoined from exercising any voting rights under it.

7. That the defendant General Motors be given the option, for a period of 1 year, to purchase all or any part of the voting stock of General Motors held by du Pont Co., Christiana, and Delaware, the defendant individuals and the class defendants.

8. That the defendants Christiana, Delaware, the individual defendants, and the class defendants be enjoined from purchasing or otherwise acquiring any of the voting stock of General Motors which is disposed of by du Pont Co., Christiana, and Delaware, and be enjoined from establishing, aiding in the

establishment, designating, appointing, nominating, or instructing any subsidiaries, holding companies, trustees, designees, or others to acquire such stock on behalf of said defendants, either directly or indirectly.

9. That the defendants Christiana, Delaware, the individual defendants, and the class defendants be enjoined from in any way aiding or assisting, whether by loans, gifts, or otherwise, any member of the du Pont family not included in this proceeding, as an individual defendant or class defendant in the acquisition of any of the aforesaid stock which du Pont Co., Christiana, and Delaware are required as aforesaid to dispose of.

10. That the individual defendants and the class defendants be required to sell or otherwise dispose of all of their voting stock in General Motors and United States Rubber, however it may be held; be enjoined from establishing, aiding in the establishment, designating, appointing, or nominating other companies or persons to acquire such stock and hold it beneficially for any one or more of such individual defendants or class defendants or any other members of the du Pont family; and be enjoined from disposing of any of such stock, whether by gift, devise, trust agreement, or otherwise, to or for the benefit of any member of the du Pont family.

11. Pending the sale or other disposition by the individual defendants and class defendants of their voting stock in General Motors and United States Rubber, that such individual defendants and class defendants, and any persons or corporations holding such stock for the beneficial interest of any individual defendant or class defendant, be enjoined from exercising voting rights under it.

12. That the defendant United States Rubber be given the option for a period of 1 year, to purchase all or any part of the voting stock of United States Rubber held or beneficially held by any defendant individual or class defendants.

13. That defendants du Pont Co., Christiana, Delaware, the individual defendants, and the class defendants be perpetually enjoined from acquiring any capital stock in General Motors or United States Rubber Co., or any company in which either of such companies has a stock or financial interest.

14. That the individual defendants and the class defendants be enjoined from in any way aiding or assisting, whether by loans, gifts, or otherwise, any member of the du Pont family not included in this proceeding as a party, in the acquisition of capital stock in General Motors, United States Rubber, or any company in which such companies have any financial interest.

15. That the defendant du Pont Co. be required to divest itself of its business of making tetraethyl lead, ethyl fluid, ethyl chloride, and be perpetually enjoined from reentering such business.

16. That the defendant General Motors be required to divest itself of all interest in the Ethyl Corp., but in so doing be enjoined from disposing of such interest as it has to du Pont Co., or any of the other defendants or class defendants.

17. That the defendants du Pont Co. and General Motors each be required to divest themselves of their respective interests in Kinetic Corp.

18. That the individual defendants and class defendants be perpetually enjoined from acquiring any stock or other financial interest, either directly or indirectly, through personal holding companies or otherwise, in any of the foregoing enterprises which are required to be divested by any of the defendants, and that they further be enjoined from aiding any other member of the du Pont family by loans, gifts, or otherwise, to acquire any stock or other financial interest in any of such enterprises.

19. That defendants General Motors and United States Rubber each be enjoined from allowing any person to be a member of its board of directors, who, at any time during the period from January 1, 1915, to the date of the entry of the final judgment in this cause, was a director, officer, or an employee of du Pont Co.

20. That General Motors, United States Rubber, and du Pont Co. each be enjoined from permitting any person, who during the period from 1915 to the date of the entry of the final judgment in this cause was or had been an officer, director, or an employee of any one of the others of such defendant companies, from serving as an officer or director of the company subject to the injunction.

21. That du Pont Co., General Motors, and United States Rubber, their subsidiaries, successors, and assigns each be perpetually enjoined from acquiring or holding capital stock in any one of the others, or in any company in which such other defendant has a stock or financial interest.

22. That each and every contract between du Pont, General Motors, United States Rubber, or any of them, relating to the sale of goods, the grant of licenses or agreements to license under patents or applications for patents, or agreements providing for the exchange of know-how and information, be canceled.

23. That the plaintiff have such further, general, and different relief as the nature of the case may require and the Court may deem proper in the premises.

24. That the plaintiff have the costs of this suit.

MELVILLE C. WILLIAMS,
WILLIS L. HOTCHKISS,
Special Assistants to the Attorney General.
TOM C. CLARK,
Attorney General.
HERBERT A. BERGSON,
Assistant Attorney General.
HOLMES BALDRIDGE,
JAMES R. BROWNING,
Special Assistants to the Attorney General.
OTTO KERNER, Jr.,
United States Attorney.

Mr. HUMPHREY. Mr. President, I ask that there be printed in the RECORD a paper entitled "Exit Basing-Point Pricing," by Frank Albert Fetter, professor emeritus of political economy at Princeton University.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

EXIT BASING-POINT PRICING

(By Frank Albert Fetter, professor emeritus of political economy at Princeton University)

I. BACKGROUND OF THE RECENT CEMENT DECISION

Sixty-eight years ago three steel mills in New Jersey and eastern Pennsylvania, the only considerable producers of steel bars in the United States at that time outside of Pittsburgh, stopped quoting the price of steel bars f. o. b. mill and began quoting only delivered prices identical at every destination with those of the Carnegie plant in Pittsburgh. This followed the example of the German steel cartel founded in the seventies. Thus began the so-called natural evolution of the basing-point practice in the United States.

In the next 20 years this practice was extended to all branches of the steel industry and to the cement industry, which was already connected with steel by various bonds of ownership. Then the practice was gradually extended to the sale of many standardized heavy basic products, including most building materials, and became the chief instrument by which American cartels have exercised a control over prices.

For 40 years this pricing practice largely escaped notice, and, when it was glimpsed, its real nature was misrepresented by the industries and misunderstood by the public, the courts, the Congress, and the executive agencies. This was notably so in the dissolution suit against the United States Steel Corp., which ended in 1920 with the vindication of the corporation, and also in the Cement Manufacturers' Protective Association cases, concluded in confusion and failure in 1925.

Meantime, however, the practice had been dragged out into the open and its real nature partially disclosed by the complaint against the United States Steel Corp. in 1920 by the Federal Trade Commission on the petition of numerous manufacturers in the Chicago region who had to pay Pittsburgh-plus prices for the basic steel which they used in fabricating agricultural implements and other finished products. The Commission's order to cease and desist, issued in 1924, was mockingly accepted by the corporation, and was negligently left unenforced, but it marked the beginning of a quarter century of open and intense legal and economic discussion, concluding with the decision of the Supreme Court April 26, 1948, in the case against the Cement Institute and others, definitely outlawing the practice. This decision, the most thoroughgoing ever rendered under the antitrust laws, cleared away all doubt as to the jurisdiction and competence of the Federal Trade Commission in such matters, as to the meaning of various economic terms in the statutes, and as to various legal technicalities which had long been pleaded in defense of the basing point practice. The Supreme Court which, with successive changes in membership had long groped its way painfully through misleading evidence and confusing arguments of counsel, attained, in the studious opinion read by Justice Black, the high point of understanding of competitive and monopolistic practices. The cement industry and the steel industry, the elder ally in the defense of the basing point practice, acknowledged that they were at the end of the judicial rope. Financial writers declared the change to be "epochal" and that "an industrial revolution is under way."

II. LEGAL AND ECONOMIC ISSUES

Among the various aspects of the basing point practice—historical, biographical, anecdotal, economic, legal and practical in effects on profits, on the location of industries, and on the welfare of particular communities and of the Nation as a whole, the most significant are the economic theories which have been offered to justify the practice as competitive. The practice may be attacked in the courts as unlawful under the Sherman Act, or under the Clayton Act, or under the Federal Trade Commission Act. Suits and complaint were, in fact, brought against it at various times under all three statutes, but cases under the Sherman Act came to nothing, and those in which the practice met disaster in 1945 and 1948 were brought by the Federal Trade Commission under the two later acts. The more prominent of the two is the Clayton Act making it "unlawful to discriminate in price," with the puzzling proviso in the original act permitting discrimination when "made in good faith to meet competition," or in the Robinson-Patman amendment, section 2 (b), when "made in good faith to meet an equally low price of a competitor." Practices which have not yet "grown into Sherman Act dimensions" may be restrained under the Federal Trade Commission Act as unfair competition (dictum in the recent decision). To a most unusual degree, if not entirely, the legal decision whether the practice is lawful or unlawful depends in all cases on the economic decision whether the effect of the discrimination involved in the practice "may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent

competition, etc. (language of the Robinson-Patman amendment).

III. THE EXISTENCE OR REALITY OF THE BASING-POINT PRACTICE LONG DENIED

The first argument in order of time advanced to justify the basing-point practice was to deny its reality as anything different from f. o. b.-mill pricing plus actual freight. It was claimed that sellers were compelled to quote delivered prices in that way because buyers wish to know how much the commodity will cost delivered. The false implication was that sellers could not quote f. o. b.-mill prices plus actual freight in that way, or that if a buyer is told the f. o. b.-mill price, he cannot in a few minutes learn what the all-rail freight will be from any mill. To calculate the delivered cost of the commodity then would require no more than a knowledge of elementary arithmetic; yet this shallow fallacy was accepted by two of the three judges in the Seventh Circuit Court of Appeals, in these words: "The reason buyers are so insistent that cement be sold at a destination price is their desire to know what it will cost them delivered" (157 F. 2d 541). A delivered price in the generic sense of delivered cost quoted to buyers is the sum of two prices, the seller's price for the commodity, and the price of transportation to the buyer's destination. But there are two species of delivered prices, innocent f. o. b.-mill delivered prices which are the sums of the shipping mill's base price and actual freight to destination, and basing point delivered prices (now declared to be unlawful) which are the sums of another mill's base price plus what the freight would be if the commodity were shipped from that mill. In the one case both prices in the so-called delivered price are real; in the other case both are fictitious and arbitrarily assumed.

IV. CLAIM THAT IT WAS NOT REGULARLY MAINTAINED

Closely related to the argument just analyzed, or virtually the same, is the claim often made by counsel for the cement industry that while basing-point prices were quoted as a rule, genuine f. o. b.-mill prices were quoted on request (with the implication that this was always done). Considerable testimony, pro and con, was heard on this subject. As late as 1946, two of the three judges in the Seventh Circuit Court of Appeals repeatedly accepted this impossible claim at face value: "Some was sold on an f. o. b.-plant basis, and the Commission made no finding of a refusal on the part of respondents to sell on the latter (f. o. b.-mill) basis" (157 F. 2d 541; also 575 and 577). To the same effect, as showing that no system of basing-point prices was regularly maintained, the circuit court opinion declared that "some of the petitioners were pursuing one course and some another" (idem, p. 553). Yet anyone with an elementary understanding of the basing-point practice must know that if such an option were open to buyers, a basing-point system of prices would be at once disrupted. There is here again the erroneous implication and belief that there is really no difference between f. o. b.-mill pricing and basing-point pricing, or between the systems of prices which result from them. The testimony in this manner, given in vague phrases by hard-pressed company employees, could mean no more than the prices quoted by a base mill within its natural territory are f. o. b. delivered prices; or, as was shown by other evidence, that alleged f. o. b.-mill quotations on Government purchases were counterfeits, being the discriminatory mill net price resulting from the basing-point rule; or in rare cases that the f. o. b. prices were quoted in brief periods by recalcitrant mills when the basing-point system had temporarily broken down.

Moreover, a great body of evidence in the record exposed the various measures taken to police the system by specific job contracts, by refusing to permit the use of trucks or other cheaper means of transportation, by imposing punitive bases upon recalcitrant mills, etc.—all to prevent the slightest departure from the basing-point formula by the use of f. o. b. mill prices or in any other way. All this would have been useless effort if basing point delivered prices had been merely f. o. b. mill prices plus actual freight.

V. THE SURPLUS-DEFICIT ARGUMENT IN THE PITTSBURGH-PLUS CASE

Next in order of time came the surplus-deficit argument to justify the basing-point practice. It was born in academic halls and made a modest appearance first in the steel dissolution suit. It was said that an undefined area around Pittsburgh, where a large part of the Nation's steel-producing capacity was concentrated, was the one surplus area of steel production, and every other region was a deficit area, producing less steel than it consumed. The natural market for Pittsburgh steel, it was said, was all over the country, and the delivered cost at every destination was properly the Pittsburgh base price plus actual freight from Pittsburgh. This theory so impressed Justice McKenna and the majority of the Supreme Court that they gave it much weight in their decision exculpating the United States Steel Corp.

The surplus-deficit argument appeared full grown in the proceedings under the Pittsburgh-plus complaint against the United States Steel Corp. issued by the Federal Trade Commission in 1920, the very year of the steel dissolution decision. On the same economic advice it was presented to justify the sale of steel produced at the corporation's plants in Chicago and at Gary at the delivered cost of the Pittsburgh base price plus full freight from Pittsburgh to Chicago. It was reported that economists of the Commission, overawed by the decision in the dissolution suit, pronounced this argument unanswerable, and it was thought the complaint would therefore be dismissed by the Commission. It was at this stage that Judge Gary, president of the United States Steel Corp., was quoted as saying confidently: "This case is 95 percent economics and only 5 percent law." Something like panic struck the Associated States Opposing Pittsburgh-Plus, an organization of some 17 States which, backed strongly by public and political opinion in the Midwest, was supporting the complaint. The proceedings were hastily halted, and Prof. John R. Commons was persuaded to take a leave of absence from the University of Wisconsin to study the economics of the problem. He and two colleagues, one from Harvard and another from Princeton, made such a study and, in December 1923, gave in evidence their conclusions in refutation of the surplus-deficit theory.

They called attention to the unquestioned fact that the mills in and near Chicago, including Gary, the new highly efficient mill in Indiana, were producing large quantities of steel and were supplying a large part of the steel bought in and near Chicago, while at the same time they were shipping large quantities eastward for a considerable distance, not infrequently as far as Pittsburgh and beyond. In the latter case these sales netted a price less than the Pittsburgh base by the amount of the freight from Chicago, whereas sales in Chicago netted the full Pittsburgh base price plus imaginary freight, called phantom freight, from Pittsburgh. There was thus a large amount of wasteful cross-hauling between the two regions. The so-called deficit in the Chicago region was largely, if not wholly, the result of shipping steel eastward into the Pittsburgh region, and Pittsburgh in turn became a deficit region by shipping too much of its steel to Chicago and elsewhere. The answer to the surplus-deficit area argument is the economic law of market areas, by which it is shown that when mills in any location sell independently and competitively without discrimination in price, they can sell a gradually increasing product only by decreasing their base prices so as to extend the area in which they can sell. The boundary between the sales areas of two mills really competing in price is determined by the comparative base prices and actual freights to each destination, the lower a mill's comparative base price the larger its sales area. Since that time the surplus-deficit argument has not been seriously offered in court as a defense of the basing-point practice, but it has never fully lost its popular appeal. It sounds plausible.

VI. CLAIM THAT DISCRIMINATORY BASING-POINT PRICES ARE UNIFORM PRICES IN A NORMAL MARKET

Next in order of time came the bogus uniform-price theory, presented in the old Cement case decided in March 1925. An economic witness testified that the identical delivered prices for cement quoted by all sellers at each destination are what is meant by uniform prices in a normal market as defined by 17 distinguished economists whom he named. The witness was not cross-examined and no other economic testimony was heard. Strangely in conflict with usual rules of evidence and misled by this testimony, Justice Stone, speaking for a majority of the Court, said: "A great volume of testimony was also given by distinguished economists that uniformity of prices will inevitably result from active, free, and unrestrained competition" (as the context shows), "in a normal market" (268 U. S. 605–606).

Each destination is not a normal market where numerous buyers and sellers assemble and where there is active, free and unrestrained competition, as the necessary conditions of a truly competitive price. To assume these conditions as present is to beg the whole question. Yet from this distorted evidence the Court inferred (6 to 3) that the basing point pricing system is competitive and lawful. For 20 years this decision was the main legal defense of the basing-point practice. During this period economic witnesses employed by the cement and other industries developed to the furthest extreme the claim that every basing point destination is a normal market in which the delivered price is determined by the free play of demand and supply, independently of the price at any other destination. Ex parte witnesses persisted in this claim when confronted with the evidence that the bids of numerous sellers for delivery at 50 or more destinations were identical and were all mathematically related to a single base price—that of the nearest mill—by the basing-point formula. An expert in the theory of mathematics testified that if in those cases each of the independent bidders could bid only a cent below or above any of the others at each of these destinations, the chance that the bids would all be identical would be equivalent to picking one particular dime out of the space between the earth and the sun filled with dimes placed on edge. No one has ever ventured to question this mathematical disproof of the bogus economic claim that each destination is a normal market.

VII. ARGUMENT THAT THE PRICE OF A COMMODITY MEANS DELIVERED PRICE WHICH INCLUDES FREIGHT

The meaning of the term "price" in the phrases of the statute referring to a discriminatory price became a prominent issue during the consideration of the Robinson-Patman bill to amend the Clayton Act in 1936. At the outset, undoubtedly, the sole purpose of the sponsors of this bill was to relieve independent retail merchants from the unfair competitive disadvantage under

which they were believed to suffer because chain stores could buy at excessive discounts. However, in the course of the year-long discussion, this purpose became increasingly confused. Fairly late, a definition of price as the net realized amount received by the seller of a commodity was inadvisedly introduced into the House bill with the avowed object of facilitating the prosecution of the basing-point practice. This aroused the bitter hostility of the basing-point lobby, and the sponsors of the bill eliminated it and other irrelevant matters in order not to endanger their real purpose. From that time until the recent Cement decision, counsel for the basing-point industries have contended with more than doubtful logic that this negative action by the sponsors of the Robinson-Patman bill, without formal vote of the House, was equivalent to a positive vote by both Houses of Congress to legalize the basing-point practice.

VIII. THE NOTORIOUS SECTION 2 (B) ARGUMENT

The basing-point interests in Congress did not overlook the opportunity to carry the war into the enemy's country. In a House committee report before the final vote there appeared in the bill a new subsection 2 (b), ingeniously worded and smelling of the corporation lawyer's lamp, which read as follows: "Upon proof being made * * * that there has been discrimination in price * * * the burden of rebutting the prima facie case thus made * * * shall be upon the person charged." But to this is added the joker of the section: "*Provided, however,* That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price * * * was made in good faith to meet an equally low price of a competitor."

Who introduced this in committee into the House bill, or just when, does not appear in the RECORD, but later a Senator from New Jersey moved the incorporation of this section into the Senate bill, disavowing any personal responsibility and explaining that he acted at the request of the milk producers of his State (CONGRESSIONAL RECORD, 74th Cong., 2d sess., vol. 80, part 6, p. 6435). However, the milk producers of New Jersey or of any other State have never made use of section 2 (b), whereas the cement and other basing-point industries, which did not appear openly in favor of this proviso, have always claimed that it legalized the basing-point practice, as doubtless was the intention of those who somehow smuggled it into the bill.

The sponsors of the Robinson-Patman bill evidently did not know what this subsection meant. They waived aside the repeated question with the vague assertion that it was merely procedural. When harder pressed, they suggested that it simply gave the seller the right of self-defense, that is, the right to discriminate in price when a competitor had previously done so unlawfully. It is not clear whether they meant that unlawful discrimination by both parties should continue perpetually with no attempt on the part of either to invoke the protection of the law. "In good faith" is a mystic phrase whose interpretation calls for knowledge of men's secret motives, and which has never, to date, been positively interpreted judicially. The prima facie case thus made is the fact that there has been discrimination. That fact is not rebutted by showing that this was to meet an equally low price previously made by a competitor, for this is always the motive of discrimination. How, then, or why, is that a justification of the unquestioned fact of discrimination? In the end, the Supreme Court spelled the riddle in the only sensible way, by recognizing that no action which restrains competition and is an exercise of monopoly can be competition in good faith. To say that it can is self-contradictory.

IX. THE OVERHEAD-COST ARGUMENT THAT DUMPING DECREASES PRODUCERS' AND CONSUMERS' COSTS

When overhead-cost doctrine came into vogue, a plausible argument was derived from it to justify freight absorption and dumping by a mill into the territory of other mills. Thereby, it was argued, a mill may decrease "its unit cost of production at its factory" and may then decrease its base price and the delivered cost even to nearby buyers. There are two doubtful maybe's in this argument. It is doubtful in any specific case whether a mill can decrease its unit cost of production by more than the cost of absorbing freight, and it is certain that it can do so only under exceptional conditions. It is still more doubtful that if a mill profits by freight absorption it will pass on the saving to its customers. Why should it? Moreover, freight absorption is rarely unilateral, but usually mutual, so that what one mill reputedly gains in sales and profits, the other loses, and the reputed gains cancel. The industry as a whole can no more increase its sales and reduce consumers' costs by mutual dumping than men can lift each other by pulling at each other's boot straps. Althought the argument was accepted at face value by two of the three judges of the circuit court of appeals (157 F. 2d ser. 559), it did not impress Justice Black and his associates.

The overhead-cost argument has been applied in a limited manner to the steel industry, and a whole book was written in the attempt to prove that, because of the very large investment in that industry, competition is impossible and monopolistic pricing is inevitable. This conclusion is contradictory of all the other arguments to justify the basing-point practice, for they insist that it is truly competitive. Moreover, as presented, it did not apply generally to other industries but to steel alone.

X. THE LOCAL-MONOPOLY ARGUMENT TO JUSTIFY FREIGHT ABSORPTION

The decisions in the two corn products cases in 1945 (the Corn Products and the Staley cases) seemed to opponents of the basing-point practice to outlaw it in all its aspects; but defenders of the practice persisted in the contention that these decisions outlawed only phantom freight, not freight absorption. In the final stages of the cement proceedings in the circuit and in the Supreme Court, counsel for the industry focused their efforts upon proving the twofold thesis that departure from a uniform f. o. b. mill base price, so as to match the delivered prices of other mills, is real competition, whereas preventing freight absorption would make every mill a local monopoly having power to raise its base price indefinitely. Just how much was not indicated, but the alarming suggestions was that the sky would be the limit.

Unless both propositions in this complex argument are proved, the whole argument fails. Two of the three judges in the circuit court accepted both as valid, but the Supreme Court examined and rejected the first proposition in detail and passed over the second proposition as being evidently inconsistent with the decision of the first. Yet those who have announced their intention of persuading the next Congress to legalize the basing-point practice found their contentions and their hopes mainly, if not entirely, on the local monopoly argument. The Court's decision that the practice is monopolistic would still be true if Congress were to legalize it. Congress would merely be legalizing monopoly to the abandonment of the policy of the antitrust laws and of a system of free enterprise.

XI. COMPARISON OF THE EFFECTS OF F. O. B. MILL PRICING WITH THOSE OF FREIGHT ABSORPTION

It is desirable, therefore, to compare in some detail the results of the two methods of pricing in respect to competition and monopoly. It may be taken as agreed that both competition and monopoly are rarely, if ever, perfect or complete. Somewhere and somehow either is likely in practice to be somewhat limited. The real question is whether freight absorption or f. o. b. mill pricing more nearly results in the fair and free competition which is the ideal of antitrust law policy. The list of contrasts here given is not exhaustive, but serves to indicate the main aspects of the subject, all more or less interrelated.

1. F. o. b. mill prices are uniform to all buyers at the mill, and the delivered costs to the buyers at various destinations differ according to the actual freight from the shipping mill; whereas when freight is absorbed the prices realized are not uniform and they vary according to the all-rail freight from some other mill.

2. F. o. b. mill quotations of delivered costs are not identical as between different mills at most locations, but only at some points and marginal zones between mills; whereas the quotations of delivered costs by mills absorbing freight in a basing-point system are identical at every destination on the map.

3. F. o. b. mills sell to all their customers alike at one place as in a regular market; whereas mills absorbing freight treat each destination, by a legal and economic fiction, as a separate market.

4. F. o. b. mills give all buyers access to the same place of sale as in a regular market, and treat them all without discrimination; whereas basing-point mills deny buyers common access, but deal with them only at separate destinations; that is, mills absorbing freight refuse to quote genuine uniform mill prices, for to do so would destroy the basing-point system.

5. Each independently owned f. o. b. mill can determine its own base price and thus its delivered cost to all destinations according to supply and demand conditions, and by lowering its base price can exclude other mills from its territory, thus making for the independent fixing of base prices and their more frequent variation as in a regular market; whereas mills which absorb freight have far more static base prices in disregard to changes in business conditions in their territories.

6. F. o. b. mills realize the same net prices on sales to buyers from different destinations as in a regular market; whereas basing-point mills, absorbing freight, collect higher net realized prices from buyers near the mill, thus reversing their geographical relations.

7. F. o. b. mill pricing protects the smaller enterprises from coercion and discipline through freight absorption by the price leaders and stronger financial corporations; whereas freight absorption enables price leaders to coerce their smaller rivals not only by matching their delivered quotations, but by punitive bases, to the point of bankruptcy.

8. Buyers on the boundaries around the market areas of f. o. b. mills have a constant price motive to choose between sellers and to shift from one to another, thus taking part in the determination of base prices; whereas, since by means of freight absorption quoted destination costs are identical, all buyers lack any price motive to choose between sellers.

9. F. o. b. mills cannot raise their base prices in comparison with adjacent mills without restricting the area in which they can sell, and thus reducing their sales, so that their potential monopoly power is strictly limited; whereas basing-point mills can raise their mill base prices without restricting the area of their sales anywhere.

10. F. o. b. mills having excess capacity can, by reducing their base prices, extend the areas in which they can sell to the exclusion of other mills; whereas basing-point mills cannot exclude other mills in this way.

11. F. o. b. mills having excess capacity have constantly the motive to reduce base prices in order to increase their sales area; whereas basing-point mills have no such motive.

12. F. o. b. mills are frequently under the pressure of geographical marginal competition not to raise their base prices, but rather, in order to retain and attract buyers, to reduce base prices uniformly to all buyers as in a regular market, this being the one effective form of price competition possible, according to the f. o. b. rule, among isolated mills; whereas basing-point mills, by absorbing freight, limit to the particular sale the effect of geographical marginal competition upon their net realized prices, while exploiting their monopoly power by continuing to collect higher prices from nearer buyers.

13. F. o. b. mill base prices are thus largely determined by the forces of supply and demand in the territory surrounding each mill, as in a regular competitive market; whereas basing-point base prices are determined by the price leaders solely by the monopolistic principle of charging what the traffic will bear in the absence of effective price competition.

14. F. o. b. mill prices do not include freight, and the buyer is permitted to choose whatever cheaper means of transportation he prefers—it may be in his own trucks or by water carriage; whereas the freight element in basing-point delivered prices arbitrarily includes the all-rail rate regardless of the buyers' preference and of the actual freight. F. o. b. mills thus permit buyers to choose the most economical means of carriage, while basing-point mills force the buyers to use and pay for wasteful and more costly transportation.

15. F. o. b. mills do not engage in wasteful cross hauling which adds to their costs; whereas freight absorption leads to wasteful cross hauling and adds to the total costs of the industry. Unless the basing-point industries can shift this wasteful cost to the consumers by charging higher prices, it is reasonable to conclude that they would not favor the retention of freight absorption.

16. F. o. b. mills leave buyers free to deal directly with common carriers; whereas basing-point mills deprive shippers of this essential right in a free economic system.

17. The one effective argument of an f. o. b. mill in selling a homogeneous product is a lower base price which results in uniformly lower delivered costs to buyers; whereas basing-point mills do not offer this inducement to buyers, but must resort to costly selling efforts, without price or cost inducements, which must be paid for in the long run by the consuming public.

18. F. o. b. mill pricing is favorable to the establishment and survival of small business in the zones between the older mills, where delivered costs to consumers are at the maximum, and where a small business, if secure against dumping, can begin with a limited line of products and sell them profitably at lower delivered costs and then gradually reduce its uniform base prices as its capacity increases; whereas the older mills can, by absorbing freight locally, at once strangle the young enterprise in its infancy without reducing prices to other buyers.

19. F. o. b. mill pricing is therefore favorable to the geographical decentralization of the physical capacity in an industry, and tends to create and preserve a larger number of smaller plants; whereas freight absorption tends to centralize production in fewer large plants.

20. F. o. b. mill pricing is more favorable, for the same reason, to the independent ownership of separate plants; whereas freight absorption is favorable to financial merger and consolidation, which gives greater control over prices by price leaders, and eliminates completely whatever competitive influence the smaller enterprice may have exercised.

21. F. o. b. mill pricing makes the task of administering and enforcing laws against unfair and discriminatory prices as simple and practical as is possible; whereas, if freight absorption is permitted, either sporadically or systematically, the task of enforcement agencies is practically impossible.

22. Finally, it is apparent that there is in the situation of every more or less isolated enterprise an inherent possibility of monopoly, which becomes a certainty without geographical marginal price competition. F. o. b. mill pricing is the sole effective means of preserving and enforcing in large measure this kind of competition; whereas freight absorption exploits that monopoly power to the fullest extent that ingenuity has been able to devise.

XII. THE SUPREME COURT'S VERDICT ON THE ARGUMENTS TO JUSTIFY THE BASING-POINT PRACTICE

All the arguments in favor of the basing-point practice outlined above (secs. III to XI) were urged forcibly and in detail upon the Supreme Court, and all of them were unqualifiedly rejected. Leaving no loophole open, Justice Black concluded the opinion of the Court with the broad statement: "Many other arguments have been presented by respondents. All have been examined, but we find them without merit." Under present laws and present public policy the basing-point practice is declared by our highest Court to be a form and method of monopoly. It is definitely out, according to accepted antitrust law policy. Moreover, this is fully recognized, under advice of counsel, by the leading basing-point industries, and they have announced their intention to persuade the next Congress to legalize the practice, despite the judgment of the Supreme Court. Indeed, they have already set in motion powerful forces to attain that end. It is clear, in the light of the recent decision as to the monopolistic nature of the practice, that this would be not simply a change in statute law but a revolution in fundamental antitrust law policy and a long step toward the acceptance of a universal system of industrial monopoly.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 7797) to provide foreign economic assistance.

AUTHORIZATION TO THE PRESIDENT OF THE SENATE TO SIGN ENROLLED BILLS AND RESOLUTIONS

Mr. O'CONOR. Mr. President, I ask unanimous consent that the President of the Senate be authorized to sign enrolled bills and joint resolutions during the recess of the Senate.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Without objection, it is so ordered.

CALL OF THE ROLL

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that my suggestion of the absence of a quorum may be withdrawn and that the order for the calling of the roll may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FRANCO-GERMAN AGREEMENT ON PRODUCTION OF STEEL AND COAL

Mr. McCARRAN. Mr. President, the remarks I am about to make are based upon a study which the watchdog committee of the Senate and the House of Representatives has attempted to make in regard to what is known as the Franco-German agreement on the production of steel and coal.

I am sure that all Members of the Senate have been interested in the reports of the French proposal that the French and German coal and steel industries should be placed under a joint authority and that other European nations would be invited to participate.

This proposal has obvious advantages in furthering the unification of Europe and in providing an effective safeguard against the future militarization of German industry. Let me point out at the beginning that I am in favor of the proposal, and I hope the United States will use all its influence to bring such an organization into being.

Nevertheless, Mr. President, I fear there is a tendency for us on this side of the Atlantic to feel that any proposal directed toward the unification of Europe is good and that the details of organization and operation do not concern us. Such a tendency may well contribute to the eventual failure of our gigantic effort to aid the people of Europe.

As chairman of the Joint Committee on Foreign Economic Cooperation, I have observed certain aspects of the European steel industry; and the purpose of these remarks is to point out that unless the United States is vigilant and unless our officials concern themselves with the details of the organization and operation of the proposed authority, it is highly probable that arrangements which will be made for uniting and controlling the steel industry of Europe will defeat much of what we hope to accomplish with our European recovery program.

Let me call attention to some rather fundamental changes which have taken place in the steel industry of Europe since the war. In the first place, it should be recognized that, with the exception of Germany, the steel industry of Europe is producing more steel than it was before the war. Furthermore, England and France are the leading steel producers in Europe today, and Germany is in third place, whereas before the war Germany led France and England by a substantial margin.

In addition, the steel industry of Europe, again with the exception of Germany, has obtained about all the United States money it wants for expansion and modernization. All steel-producing countries of any importance, except Germany, are building new continuous rolling mills financed with Marshall plan money and utilizing the most up-to-date machinery procured in the United States.

The significance of this situation is that the European producer is beginning to worry about excess production capacity in the steel industry. France in particular finds herself in a position with respect to production capacity which she has never enjoyed before.

We have to recognize that European businessmen have a fundamentally different attitude toward competition than we in the United States have. That is true in England, France, and Germany, as well as elsewhere on the European Continent. Businessmen in those countries generally are more concerned with methods of protecting their markets and price structures than they are in methods of low-cost production that would insure survival in a competitive atmosphere. They generally subscribe to a doctrine that anyone in a business must be protected, and that a high-cost producer should be compensated if he should close down an obsolete plant.

The European steel producer does not strive to protect his future by giving first priority to cutting costs so that he can meet all comers in the competitive struggle. Instead, he seeks to get everyone in the steel business into an organization which will, by agreement, protect his place in the industry.

In the past, such agreements have resulted in monopolies and cartels which constrict production, increase costs, and have generally contributed to a lower living standard in Europe.

It is against such agreements that we in this country have enacted antitrust and antimonopoly legislation and have spent millions of dollars and endless hours of work since the war in decartelization efforts in Germany.

It is my opinion that the German steel makers, with the knowledge that their production cannot exceed a certain limit established by international agreement and recognizing that many of their past markets have been occupied by other suppliers, will welcome an opportunity to join an organization which can offer a limited but nevertheless secure place in the new structure of the industry. Certainly the producers in countries like Austria and Italy, which do not enjoy great natural advantages in steel manufacturing, will be glad to join up and reserve a place for themselves.

The point I want to make is that while we in America see the proposed international authority for uniting the European steel and coal industries as an agency for increasing the efficiency of production, for encouraging competition, and for subordinating the national interests of each steel-producing country to the interests of western Europe as a whole, the situation is quite favorable for an organization to emerge which will have as its prime function the preservation of established markets, the limitations of production, and probably the regulation of prices. It would also be possible to utilize this organization for the protection of national interests to the detriment of the development of one big market and the maximum utilization of European resources.

I am fully familiar with the statement by the French that the authority they propose would not be a cartel, that it would not divide up markets or maintain high profits. Furthermore, they propose the immediate exemption of coal and steel from customs duties.

On the other hand, I note that the French proposal does mention the application of a production and investment plan and a mechanism for equalizing prices. It is in these areas that the officials of this country must look with concern. Recognizing the fundamental difference of approach that exists between the European view and the American view concerning free and competitive enterprise, unless the detailed meaning of these proposals is made entirely clear, the resulting pattern of business may be entirely different from what we are attempting to encourage through the European cooperation acts.

My contention is that if the proposed authority devotes itself primarily to removing tariffs, trade barriers, subsidies, and other props that maintain an artificial structure in European steel production it will render a great service.

In the United States we have never found it necessary to have a central authority to determine where the lowest-cost factory locations are, and we have generally found it unnecessary to control manufacturers' prices to promote efficiency.

I suggest that there are two conditions which the United States should insist should be met if we are to support an organization of the kind which has been proposed. First, the organization shall impose no restriction on new investment, and, second, it shall not attempt to enforce or maintain prices. This does not mean that the present limitation on German steel capacity should not continue. It does mean, however, that anyone who wants to build a new or a bigger or a better steel plant in Europe can do so without the approval of a bureaucratic organization which is controlled by the industry. It means also that if any producer finds he cannot meet existing prices and survive, he must either cut his costs or quit.

I suspect that if such conditions are imposed by the United States, the enthusiasm of some of the advocates of the proposed authority will diminish perceptibly. Nevertheless, this in no sense emasculates the organization. There is a big job to be done. Unless Europe can produce steel as cheaply as any other part of the world and make this steel available to her manufacturers of machinery and technical equipment at the lowest possible cost, so that they in turn can compete in the markets of the world, I do not see how Europe will ever be able to pay its own way.

The way to accomplish this is to be certain that this new authority will remove restrictions, expand markets, encourage modernization, and discourage high-cost producers. The ever-present danger, however, is that this device may be instead an organization devoted to keeping everyone in business, discouraging further investment, and holding up prices.

We must be in this regard highly vigilant, in view of our enormous investment in Europe.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

Mr. O'MAHONEY. Mr. President, it is my desire to speak now on the pending conference report, and to endeavor to explain some of the reasons why in my opinion the bill (S. 1008), as agreed to in conference, will promote competition and maintain the antitrust laws.

This measure, which is called "An act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices," might well be called "an act to preserve and promote competition and to maintain the antitrust laws." It has, indeed, been subjected to confused and confusing attack on the ground that in some obscure manner it would impair competition, but an impartial examination of the language as reported by the conferees in the light of the antitrust laws and their interpretation will, I believe, demonstrate not only that the bill is not in fact open to these attacks, but is, on the contrary, a measure calculated to bring great benefit in the expansion of a competitive economy.

I undertake to say that this bill is good for business, that it will promote competition, that it will be beneficial to small business, and that it will aid in developing the economy of the United States. It seems to me to be an extraordinary fact that the principal attack which has been made upon this bill from the very outset has revolved around its provisions with respect to the good-faith defense a respondent is permitted to make to show that a discrimination in price was made to meet an equally low price by a competitor. The arguments seem to be that there is some type of good-faith competition that should not be protected by the law. To my ears it sounds very strange, coming from the tongues of critics who represent themselves as defenders of the antitrust laws who want to preserve competition. Surely the consumers of the country are entitled to the benefit of lower prices which may be established in good faith.

I am convinced that this strange confusion arises chiefly from a misunderstanding of really plain language in the antitrust laws, and in this bill, and that part of the misunderstanding is due also to a failure to realize the extent to which scientific advancement has expanded the area in which trade and commerce may be carried on by individuals and organizations engaged in it.

ADVANCES IN TRANSPORTATION REQUIRE NEW BUSINESS METHODS

Scientific advancement in the last 25 years has been so great that national business as compared with local business has expanded in a manner nobody could possibly have foreseen at the beginning

of this century. Automobiles, Diesel engines, and airplanes, as well as Federal-aid highways and airports which are supported by Government, have almost wiped out regional, sectional, and State boundaries. The ease and rapidity of modern transportation have made it possible for producers to reach population centers all over the country with increasing speed and facility. Big businesses have adjusted themselves to this physical transformation. Little businesses cannot grow to compete with larger businesses unless they can use modern transportation to reach the markets in which big business operates. Raw materials in sparsely populated areas cannot be processed in those areas unless the processors can take advantage of all lawful means to reach the market. Business, big and little, must accommodate itself to modern conditions if it is to grow, and the law must not be made a straitjacket to prevent the growth of honest business.

This measure does not make lawful anything that is now unlawful. It merely restates existing law in a manner that will remove all doubts from the minds of honest business managers that they may competitively enter the national business field by the use of lawful delivered pricing and lawful freight absorption.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. O'MAHONEY. If the Senator will permit me to complete my statement, I shall then be glad to yield.

Everyone who has studied the problems of trade and commerce in our time is aware of the fact that many integrated and agglomerated modern businesses have invaded the field of local retail distribution. Innumerable instances can be cited of the manner in which such organizations have used devious means to crush competition in local markets. They have been known, for example, to sell at a loss in one city or in one area in order to drive out competition. They have been known to impose or to try to impose a rigid price system beneficial to themselves alone and having the effect of stifling the establishment and growth of small or new competitive units. The uniform basing-point price system and its variations were typical of this sort of monopolistic weapon.

UNCHANGING NATURE OF MONOPOLISTIC ATTACKS

All such practices are obvious violations of law. No one, to my knowledge, has ever stated this better than has former President, and former Chief Justice, William Howard Taft. In a Presidential message to Congress on January 7, 1910, he used these words:

> It is possible for the owners of a business of manufacturing and selling useful articles of merchandise so to conduct their business as not to violate the inhibitions of the antitrust law and yet to secure to themselves the benefit of the economies of management and of production due to the concentration under one control of large capital and many plants. If they use no other inducement than the constant low price of their product and its good quality to attract custom, and their business is a profitable one, they violate no law. If their actual competitors are small in comparison with the total capital invested, the prospect of new investments of capital by others in such a profitable business is sufficiently near and potential to restrain them in the prices at which they sell their product.
>
> But if they attempt by a use of their preponderating capital and by a sale of their goods temporarily at unduly low prices to drive out of business their competitors, or if they attempt, by exclusive contracts with their patrons and threats of nondealing except upon such contracts, or by other methods of a similar character, to use the largeness of their resources and the extent of their output compared with the total output as a means of compelling custom and frightening off competition, then they disclose a purpose to restrain trade and to establish a monopoly and violate the act.

Mr. President, those words of former President and former Chief Justice Taft, to my mind, are a very succinct and explicit explanation of the purposes of antitrust laws. They are purposes which ought to be maintained and sustained by congressional action if we believe that it is a desirable objective to promote a real competitive economy.

None of these attacks by big business upon little business will be protected by S. 1008, for this bill operates only in a very narrow field. It opens no door to monopoly, but on the other hand, it gives assurance and confidence to honest business, which desires only to conform to the laws which have been enacted for the protection of competitive opportunity in this country.

As has been repeatedly stated by members of the Federal Trade Commission and officials of the Department of Justice, existing law does not prohibit either delivered pricing or freight absorption. When either practice is used independently and without collusion and in a manner which does not have the effect of lessening or preventing competition or tending to create a monopoly it is not a violation of any antitrust law. This the bill reaffirms.

With respect to unlawful price discriminations, neither of these practices is or ever has been mentioned in the Clayton Act or the Robinson-Patman Act as a forbidden method of pricing. Nothing in this bill changes existing law except that in section 2 of S. 1008 the bill clarifies that portion of the Robinson-Patman Act which provides the method of procedure by which a respondent, charged with price discrimination by the Federal Trade Commission, may offer proof that the difference in price which such a seller has offered or made was, in fact, made in good faith to meet an equally low price of a competitor.

ANTITRUST LAWS FORBID AEUSES OF ECONOMIC POWER

Unless the bill is adopted, honest business managers in the United States who have no desire to violate the antitrust laws with respect to monopoly and who desire to launch new businesses, will be hindered, obstructed, and delayed in promoting and expanding competitive business opportunities in the United States.

The Sherman antitrust law makes illegal "every contract, combination in the form of trust, or otherwise, or conspiracy in restraint of trade or commerce," and provides that every person making such a contract or engaging in such a combination or conspiracy shall be guilty of a misdemeanor. It provides that every person who shall monopolize or attempt to monopolize and every person who combines or conspires with another person or persons to monopolize "any part" of trade or commerce shall be guilty of a misdemeanor.

The Federal Trade Commission Act declares that unfair methods of competition and unfair or deceptive acts or practices in commerce are unlawful and directs the Federal Trade Commission to prevent such unfair methods or unfair or deceptive acts.

The Clayton Act, as amended by the Robinson-Patman Act, makes it unlawful for any person engaged in commerce to discriminate in price between different purchasers of commodities of like grade and quality. It also provides that where the effect of such discrimination "may be substantially to lessen competition or tend to create a monopoly, or injure, destroy, or prevent competition," the Federal Trade Commission may prohibit such discriminations.

To make certain that this power given to the Federal Trade Commission to prevent discrimination in price is not to be used to interfere with wholly normal and honest business activities in pricing commodities, the Robinson-Patman Act in explicit language declares that price differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery are not prohibited. It also provides that the act shall not be construed to prevent sellers from selecting their own customers in good-faith transactions which are not in restraint of trade and that nothing shall prevent price changes in response to changing conditions of business.

There is a further provision which permits price variations in individual competitive situations when made in good faith to meet an equally low price of a competitor.

ORIGIN OF GEOGRAPHIC PRICING CONTROVERSY

This, I think, is a complete summary of the antitrust statutes—the Sherman Act, the Federal Trade Commission Act, and the Clayton Act, as amended by the Robinson-Patman Act. Nowhere in any of these laws is the practice of delivered pricing or freight absorption condemned. The question therefore arises, why should there be an act of Congress which makes clear that these practices when independently used, and not as a device for unfair competition or illegal price discrimination, are not unlawful.

The explanation is that the Supreme Court opinion, handed down in a case brought by the Federal Trade Commission against certain manufacturers of cement, in which it had been shown by competent evidence that these manufacturers had combined to fix prices, the court in a footnote said:

> While we hold that the Commission's findings of combination were supported by evidence, that does not mean that existence of a "combination" is an indispensable ingredient of an "unfair method of competition" under the Trade Commission Act. (333 U. S. 683 at p. 721.)

This statement and similar dicta in the opinion, which were wholly unneces-

sary to that decision, showed only that the Court did not want to bar itself in the future from holding unlawful some other unfair method of competition in which either freight absorption or delivered pricing might be used as a means. It amounts only to a declaration that an unfair method of competition may exist without a combination. It certainly does not say that delivered prices or freight absorption without collusion are unlawful.

Mr. President, some commentators on that decision misinterpreted the dictum as meaning that freight absorption, without conspiracy or collusion or intent to violate the antitrust law, was condemned by the decision. They may have had the purpose of creating confusion. They succeeded in convincing representatives of small business and even Members of Congress that the effect of the decision was to make individual freight absorption and delivered pricing unlawful even where there was no intent to violate the antitrust law. Even some of the courts were confused. For in another Federal Trade case, which was decided thereafter, namely, the Rigid Steel Conduit case, the seventh circuit court of appeals went far beyond the dicta of the Cement case and declared:

> In the light of that opinion (i. e., the Cement case), we cannot say that the Commission was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition (168 F. 2d 175 at p. 181).

In this case, two counts were filed, the first of which was clearly based upon conspiracy and not upon individual action. The second count, many thought, implied conspiracy, but it was variously interpreted within the staff of the Federal Trade Commission.

The respondents did not appeal from the conviction on the first count, which charged a conspiracy and upon which they were found guilty, but went to the Supreme Court on the second count, and there, with one Justice not participating, the remaining eight Justices divided equally, four against four, on whether or not to sustain the conviction on the second count. There we have a clear demonstration of how confusion resulting from conflicting interpretations of the meaning of language went so high as the Supreme Court itself, where four Justices said the law meant one thing and four Justices said it meant another.

POLICY OF FEDERAL TRADE COMMISSION

When it is remembered that Judge Ewin L. Davis, in responding to a formal questionnaire of the Senate Committee on Interstate and Foreign Commerce, under the chairmanship of Senator EDWIN C. JOHNSON, declared specifically that the second count was "not susceptible of application except in conspiracy situations," it became apparent that the dicta of the Supreme Court were not generally accepted within the Commission itself. The official view of the Commission as to the legality of delivered prices and freight absorption was expressed by Judge Davis as follows:

> There is nothing inherently or necessarily unlawful about delivered prices, zone prices, or freight absorption. However, there may be discriminations in any prices, and if these discriminations have monopolistic effects or result in injury to competition within the meaning of the Clayton Act, they are illegal.

Thus, with the Supreme Court dividing equally, with the Federal Trade Commission asserting through its Chairman that there is nothing inherently or necessarily unlawful about delivered prices or freight absorption, and with the business world in evident confusion, this Senator from Wyoming undertook to clarify the law by asserting in simple language that when these practices are used independently, that is to say, without collusion, and do not have a monopolistic or oppressive effect, they are not prohibited.

To do this it was necessary only to declare that neither delivered pricing nor freight absorption, standing alone and independently used, is prohibited by the Federal Trade Commission Act, while at the same time retaining in full vigor the power of the Federal Trade Commission to condemn such practices when, as in the Cement case, they are used as a means of violating the law prohibiting unfair trade practices. It was necessary also to do the same thing with respect to the Clayton Act, as amended by the Robinson-Patman Act, with respect to price discriminations involving the use of freight absorption and delivered prices by individual sellers.

This is precisely what S. 1008 does, and nothing more. It reasserts existing law and it protects the antitrust laws as will be readily seen by reading the bill, section by section.

ANALYSIS OF SECTION 1 OF S. 1008

Now let us analyze the bill.

Section 1 amends the particular provision of the Federal Trade Commission Act, which makes unlawful unfair methods of competition and unfair or deceptive acts or practices, by declaring that it is not an unfair method of competition under section 5 of the Federal Trade Commission Act for a seller acting independently, without collusion express or implied, to sell at delivered prices or to absorb freight. Then to make certain that the power of the Federal Trade Commission is preserved to prevent the use of such practices to hinder competition, the following provision is added:

> *Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption.

This language covers the whole scope of the prohibitions of the antitrust laws. Under this bill, S. 1008, neither delivered prices nor freight absorption can be even involved in any combination, conspiracy or collusive agreement, nor can any monopolistic, oppressive, deceptive, or fraudulent practice be carried out by means of either of these practices without violation of the act. Any attempt to unduly hinder, lessen, injure, or prevent competition, or any tendency to hinder competition or create a monopoly, or any acts which could bring about such effects by the use of delivered prices or freight absorption would be unlawful under this proviso, which preserves the flexibility of the term, "unfair method of competition."

To hinder, lessen, injure, or prevent competition would be monopolistic. To fix prices to administer prices, to monopolize any part of trade or commerce or to attempt to monopolize by means of either of these practices would be both monopolistic and oppressive, and, therefore, would not by section 1 of this bill be exempted from the jurisdiction of the Federal Trade Commission. Moreover, any conceivable predatory practice attempted to be carried out by means of delivered prices or freight absorption would certainly be oppressive. In short, any effort to violate the antitrust laws by means of or involving the use of delivered prices or freight absorption would obviously be an unfair or deceptive practice within the meaning of section 5 of the Federal Trade Commission Act, or an unfair method of competition.

Any attempt to argue that this section revives basing-point pricing either as a single or multiple system for the purpose or with the effect of eliminating price competition is a plain repudiation of the clear meaning of simple words.

SECTION 2 LEAVES STANDARDS OF ILLEGALITY UNCHANGED

Section 2 of S. 1008 meets the same problems with respect to the Clayton Act, as amended by the Robinson-Patman Act. It will be remembered that the amended Clayton Act in section 2 (a) prohibits discriminations which "may have the effect" of substantially lessening competition or tending to create a monopoly, or injuring, destroying, or preventing competition. Nowhere in this section, as nowhere in section 5 of the Federal Trade Commission Act, is delivered pricing or freight absorption mentioned as a discrimination.

So section 2 of S. 1008 is written in a form specifically designed to inform the honest manager in trade or commerce that, if delivered pricing or freight absorption is used independently and does not effect a violation of the antitrust laws, it is not to be regarded as within the definition of an illegal price discrimination. This section makes it clear that so-called postage stamp pricing is not unlawfully discriminatory and the questions of discrimination as to other types of delivered pricing are to be answered by consideration of the effect of the pricing method upon competition. So it is provided that delivered prices are not unlawful if they "are not such that their effect upon competition may be that prohibited by this section." Thus with respect to delivered pricing, the full force of the Robinson-Patman Act is preserved in the language of the Robinson-Patman Act. It is not changed in the slightest respect.

With regard to freight absorption, the bill as introduced provided that where this practice was followed "to meet the equally low price of a competitor in good faith," it was not unlawful. However, amendments to this provision added in the Senate and in the House emerge in the conference report in the following form: "(except where such absorption of freight would be such that its effect upon competition will be to substantially lessen competition)."

The conference committee expressly rejected strained interpretations of the language of this amendment and stated that the amendment to section 2–B of S. 1008 amounted to a simple fusion of the express language of both of the floor amendments. Thus the amendment expresses the possibility that freight absorption could, in certain cases, be found to have one of the effects forbidden by the act and that under such circumstances even the independent use of freight absorption is forbidden by the act. The word, "will," was not used in any context which would imply that proof would be required of the certainty of a future event or result. Thus it is clear that provision is made in the bill to protect the antidiscriminatory provisions of the Robinson-Patman Act if it should appear that the effect of freight absorption would be such as substantially to lessen competition.

What I seek to obtain by a declaratory congressional act of existing law with respect to freight absorption is to promote competition.

It is impossible for me to understand in the light of these facts—and they are facts—which I have recited in describing the antitrust laws and sections 1 and 2 of this bill, how any person can entertain the slightest doubt that the measure does anything in the world except to reassert existing law, by clearing away uncertainties which have arisen from confused interpretation and comment.

SECTION 3 PREVENTS ALL PREDATORY PRACTICES

Now we come to section 3 of the bill. It amends what is known as the procedural provision of the Clayton Act to provide the method by which a seller who makes a discrimination in price may show that it was done in good faith to meet competition. In the *Moss case* (148 F. 2d 378), although the Federal Trade Commission presented a case of price discrimination having an adverse affect upon competition, the court in another dictum not necessary to the decision asserted that the Federal Trade Commission was only called upon to show a difference in price and that it would then be incumbent upon the accused business to prove that it was innocent of injuring competition—obviously a sort of Scotch verdict of guilty unless proven innocent. It was a point of view never asserted by the Federal Trade Commission, and it was obviously unfair to honest business. It was a point of view that did not exist under the facts of the Moss case in which the proof of the effect was clearly found by the Commission. So, section 3 amends the procedural provision of the Robinson-Patman Act so as to make it clear that the prima facie case to be presented by the Trade Commission should be of a discrimination in price the effect of which upon competition may be that prohibited by the law.

As I pointed out yesterday in response to the inquiry of the Senator from Minnesota [Mr. THYE], in the bill which I introduced and in the bill which the conferees have approved, we find this very language which has been so much emphasized by the critics of the bill—"the effect of which"—that is, the price, "upon competition may be that prohibited" by the law.

When this is done, the burden of justification falls upon the seller, and if the seller does not prove his justification, the Commission may issue its order to end the price discrimination. Surely, thus far, section 3 preserves the Robinson-Patman Act and deals justly with business. Moreover, it contains the precise phrase, "the effect of which upon competition may be that prohibited" on which critics of the bill have placed so much emphasis as an essential ingredient of the Robinson-Patman Act.

Then there follows the provision that a seller may justify a price discrimination on the ground that it was made in good faith to meet the equally low price of a competitor. Amendments were offered to this proviso in each House: the Kefauver amendment, "(other than a discrimination which will substantially lessen competition)", in the Senate; and the Carroll amendment in the House, "(if the discrimination is not such that its effect upon competition may be that prohibited by this section)."

In lieu of either of these amendments, the conferees agreed upon the following phrase at the end of section 3:

> Except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

This provision modifies everything in the good-faith proviso so that the seller who attempts to show that the discrimination was "made in good faith to meet the equally low price of a competitor" must show not only good faith in meeting a real competitor's price, but also must be in a position to show that if there is a prima facie case, the discrimination would not have any of the condemned results of collusive agreements or of monopolistic or oppressive practices.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Wyoming yield to the Senator from Minnesota?

Mr. O'MAHONEY. I yield.

Mr. THYE. The language really clarifies and strengthens the law, rather than detracting from or weakening it. Am I correct in that statement?

Mr. O'MAHONEY. Precisely. The Senator from Minnesota is quite correct.

Mr. THYE. Last evening, when I propounded a question to the Senator from Wyoming, and when I also propounded a question to the Senator from Maryland [Mr. O'CONOR], I gained comfort and assurance from both replies that what is proposed by the conference report would actually clarify and strengthen the law, rather than weaken it, in such a way as to make possible unfair trade practices or discriminations.

I thank the Senator for yielding to me for that brief comment.

Mr. O'MAHONEY. Mr. President, I have no doubt at all in my mind that that is the fact. I speak as a Member of this body who throughout a rather long service here has given the closest possible attention that time would allow me to the antitrust laws and to the maintenance of a competitive economy. I seek to maintain competition and to keep open the door of opportunity to do business and particularly to do competitive business. I feel in all sincerity that it is essential to do this by a legislative enactment if we are to succeed in expanding the economy of the United States.

Mr. President, there are innumerable persons who desire to engage in business, who desire to promote the development of raw materials, who desire to go into the distribution of processed materials, but who are intimidated from investing their funds because of the uncertainties which have been occasioned by the interpretations of this act.

Again I say that nothing in this measure, if it is adopted—and I feel confident that it will be—will have the slightest effect of impeding or obstructing or harassing the local retail distributor.

Thus the necessity for applying the general standards of the Clayton Act to every case of price discrimination is recognized and the power of the Federal Trade Commission to act against price discriminations, including freight absorption and delivered pricing, is preserved even when good faith is affirmatively shown when the Commission establishes that the practices, if continued, will contribute in any way to oppression or the growth of monopoly or to the lessening of competition.

GOOD-FAITH DEFENSE CONSTITUTES OBJECTIVE STANDARD

The requirement that a seller who discriminates in price to meet competition must do so in good faith, is intended to prevent the use of the proviso to justify discriminations that in fact have either the purpose or the effect of injuring competition or of tending to create a monopoly. The term "good faith" is a broad and flexible one. It must be interpreted according to the rules of common sense. There is nothing technical about it. No legalistic toying with words is required to define its meaning, and nothing in this bill reduces its breadth or its flexibility. Businessmen know what the effects of their price determinations will be. It would be impossible, it seems to me, to justify discriminations if their naturally foreseeable effect is to substantially lessen competition, or tend to create a monopoly, or prevent, injure, or destroy competition. Surely the competition of one seller with another is worthy of consideration by any law or any lawyers or by any enforcement agency committed to the preservation of competition.

CONFLICT RESOLVED BY OVERRIDING STANDARDS OF SECTION 3

It is said that there is a conflict between section 2 and section 3. This is to overlook completely the fact that the conference report adopted the language at the end of section 3, to use the language of the conferees, "simply to create a uniformity in language between sections 2 and 3 of the bill." Of course, the standards set forth in section 2 (b) of the Clayton Act as amended by Senate bill 1008 are applicable to every kind

of price discrimination. Section 2 of Senate bill 1008 recognizes the good-faith defense, but by reason of the amendment provides that it may be overcome. Likewise, in section 3, it may be overcome when the price discrimination becomes the instrument of collusive agreement or monopolistic, oppressive, deceptive, or fraudulent practices.

The utter lack of foundation for the fears which have been expressed in certain quarters with respect to section 3 must be completely dissipated when the section is analyzed in the light of section 2 (a) of the Robinson-Patman Act. That is the section, and the only section in the Robinson-Patman Act, which describes the unlawful effects which the law was intended to avoid. It is not amended in this measure. It still stands as the law of the land.

The entire scope of section 3 may be described in summary fashion as follows:

First. The Federal Trade Commission may make a prima facie case against any discriminations the effect of which may be that prohibited by section 2 (a) of the Robinson-Patman Act.

Second. The burden of justifying the discriminations then falls completely upon the respondent.

Third. Unless the respondent justifies his action as provided in section 2 (a) of the Robinson-Patman Act, the Federal Trade Commission may issue its order to terminate the discriminatory practice.

Fourth. But the respondent may show that the discrimination was made in good faith to meet the action of a competitor.

Fifth. This good-faith defense will not prevail if the Federal Trade Commission can show collusion, or any monopolistic or oppressive effect. Those words have been made as broad as the antitrust laws and the decisions thereunder could make it possible to make them.

OPPOSITION OF COMMISSION STAFF

Some of the lawyers in the Federal Trade Commission have apparently reported to the Commissioners a fear that if Senate bill 1008 is adopted, it will require litigation to construe it. They would apparently prefer the lack of clarity which the Supreme Court was not able to dispel in the Rigid Steel Conduit case. Dicta used by the courts, uninformed discussion, and hasty interpretations of the decisions have precipitated within the enforcement agencies and in the courts debate which remains unresolved. Doubts have been created as to the meaning of the law. This uncertainty only the Congress can clear away, and I think that Senate bill 1008 serves this purpose admirably. It will need far less litigation to clarify than is required under the present state of law; and if Congress should be deterred from legislating by the argument that its enactments might lead to lawsuits, then Congress might just as well give up the practice of legislating, and might let the bureaus govern us in their wise discretion.

Mr. President, I made some mention of the Moss case as an illustration of the lack of clarity of the law. The decision in the Moss case is a perfect example. That case was decided in 1948 by the circuit court of appeals for the second circuit. The decision was reported in One Hundred Forty-eighth Federal Reports, volume 2. However, the meaning of the opinion was so unclear that the court itself sought to amend the opinion, and the amendment of the opinion, by the same judges, the same court, appears in One Hundred Fifty-fifth Federal Reports, volume 2.

This is another example of the lack of clarity which we undertake here to dissolve by making the language so precise that, it seems to me, no one can fail to understand it. In my opinion, it is the duty of the Congress of the United States, and particularly the duty of those Members of the Congress who actively desire to promote the establishment of new and competitive business, to take this obstruction of confused interpretation away from the path of those who would invest their funds in free competitive enterprise.

An examination of the criticisms which have been made by some members of the staff of the Federal Trade Commission—and they have been good enough to send me their criticisms—shows that they are based upon the fact that language used from time to time by the courts in interpreting section 5 of the Federal Trade Commission Act or the Clayton Act was not used at one point or another in this bill. For example, in the Gratz and Beechnut cases, the court interpreted the law to mean that a "dangerous tendency unduly to hinder competition" was an effect of an action or practice which could be prohibited as an unfair method of competition. Since this phrase was never in the original statute, the court found no difficulty in finding that the acts complained of had that effect, and therefore it had no difficulty in finding that such an effect of the acts complained of did constitute an unfair trade practice within the prohibition of section 5. So it seems to me, Mr. President, there is no reason why this precise phrase should be put into the law. I have sought to use words which are apt, to cover every possible violation of the antitrust laws, and I think the bill does it.

But by the theory of the critics every descriptive phrase used by a court in the interpretation of a statute would have to be added to every subsequent amendment in order to avoid implied repeal. The thing prohibited is "unfair methods of competition" because they have the effect of injuring or suppressing competition or because they display a dangerous tendency unduly to hinder competition. We need no new phrases to protect the antitrust laws so long as the Federal Trade Commission remains alert to detect unfair methods of competition and their effects.

The whole purpose of this bill, and I believe its sole effect, will be through an act of Congress to resolve the confusion which has been a real source of concern to honest managers of business, who have no responsibility for having created the confusion, and who wish to make their contributions to the economy by expanding their operations and financing new enterprises.

Congress owes to such citizens an obligation to resolve their doubts. This bill will furnish no aid or comfort to any monopolist. It will not curtail the powers and authority of the Department of Justice or the Federal Trade Commission. It will injure no retailer. But it will, in my opinion, be a substantial stimulus to the expansion of a really free, competitive economy. It ought to be enacted without further delay, and, Mr. President, I express the profound hope that the Senate of the United States, early next week, may follow the example of the House of Representatives and approve the conference report.

Mr. DOUGLAS. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I shall be very glad to yield to my colleague.

Mr. McMAHON. Mr. President, I wanted to ask the Senator from Wyoming a few questions, but I defer to the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator.

Mr. McMAHON. Is the Senator from Illinois going to ask the Senator from Wyoming questions, or is he going to make a speech?

Mr. DOUGLAS. I should like to ask some questions.

Mr. McMAHON. Very well.

Mr. O'MAHONEY. Mr. President, I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, may I first thank the Senator from Wyoming for at last stating just what the alleged confusion has been in the decisions of the Supreme Court and of the Seventh Circuit Court?

Mr. O'MAHONEY. I move to amend the words of the Senator by striking out the words "at last," because I explained that, when I introduced the bill.

Mr. DOUGLAS. I am very grateful to the Senator from Wyoming for pin pointing what the alleged grounds of confusion are. I take it the alleged grounds are the nineteenth footnote in a decision of the Supreme Court in the Cement case, which appears on page 35 of the supplement:

> While we hold that the Commission's findings of combination were supported by evidence, that does not mean that existence of a combination is an indispensable ingredient of an unfair method of competition under the Trade Commission Act.

Mr. O'MAHONEY. That language was seized upon by representatives of some of the large concentrated industries in the United States to delude independent competitors into the belief that now, if they individually adopted delivered prices, or if they individually absorbed freight, they would be violating the law. The footnote does not, in my judgment, mean that. But what I judge and what the Senator from Illinois judges, will not control the thinking of the man who, either by himself or with associates, wishes to invest $100,000, or $500,000, or $1,000,000, or some such sum in expanding a business.

Mr. DOUGLAS. I may say I am delighted the Senator from Wyoming agrees with me that the attempt by the

steel industry and the cement industry to make small-business men believe that the independent absorption of freight was illegal was an attempt to delude. The Senator from Wyoming used that phrase. I am delighted the Senator from Wyoming agrees that no such interpretation can be put upon this footnote, thrown in incidentally in the course of a decision.

Mr. O'MAHONEY. That is correct.

Mr. DOUGLAS. May I ask whether it is necessary for the legislature of the United States to pass a law merely to clear up a misapprehension which may have been more or less deliberately planted in the minds of people by certain interests?

Mr. O'MAHONEY. Oh, I do; certainly, I do. I think we owe that obligation to those who desire to enter into competition with big business. I think, in the interest of employment in the United States, in the interest of an expanding economy, in the interest of promoting free, independent, competitive interests, we should not let those who misinterpret the law get away with their persuasion of the independent businessman.

Mr. DOUGLAS. And in the process should we pass legislation which these very interests demand?

Mr. O'MAHONEY. That is a conclusion of the Senator, with which I do not agree. I think many of those who will be comprehended within the Senator's definition, when, tomorrow, they read the construction I have placed upon this bill in the CONGRESSIONAL RECORD, will feel that it is perhaps not what they thought it was.

Mr. DOUGLAS. Is it not true that both the United States Supreme Court, in the Cement case, and the Seventh Circuit Court of Appeals, in the Rigid Steel Conduit case, were aiming to say that it would be possible, through the basing-point system, to have the substantial lessening, or indeed the abolition of competition? Were they not aiming to say that that could be done without formal conspiracy on the part of the participants, without formal combination on the part of the participants, and without formal collusion on the part of the participants? That each and every individual or firm would have a freight book, and the price leader—which, in the case of steel was United States Steel, and in the case of cement, the subsidiary of United States Steel, Universal Atlas—would declare a basing point or basing points? That the price leader would fix prices at different localities to be the base price, plus the freight from those basing points to the points in question? Then each and every other member of the industry would choose the same basing point, look up the freight rates in his freight book, and fix prices identical to those fixed for a common locality by the price leader? That without ever meeting together, without ever having a dinner together, as was formerly the practice under the Gary dinner, without ever signing an agreement, without ever colluding, nevertheless, each one, by an individual act of meeting the price leader's base price and following the same delivered price formula, would reach a combined policy, the effect of which would be to lessen competition?

The court would say that the test of "combination," "conspiracy," and "collusion," which were the standards under the Sherman Act and which are the standards which the Senator from Wyoming has put into this bill in an attempt, and, I believe, an honest attempt——

Mr. O'MAHONEY. I thank the Senator from Illinois.

Mr. DOUGLAS. To make it monopoly proof—that they are not sufficient to insure competition. With the concentration of industry in a relatively few hands, which the Senator from Minnesota [Mr. HUMPHREY] pointed out earlier this afternoon, we do not have to have leaders of big industry meeting together in the same room and reaching an agreement, conspiring together. It can be much more subtly done than that. It can be through allegedly independent lines of action which, nevertheless, lead to a unified result and the destruction of price competition.

Mr. O'MAHONEY. In reply to the Senator's question, I may say that when I presented this bill on the floor of the Senate I took occasion to discuss the Cement case and pointed out that in that case the respondent cement dealers had submitted identical prices carried out to the fifth or sixth decimal point, and I said then, and I now repeat, that any such prices would, to my mind, under this bill, be an evidence of collusion to agree upon prices and would not be exempted by anything in the bill, because the bill provides, in section 2 (B), that it shall not be an unlawful discrimination in price for a seller, acting independently, to absorb freight to meet the equally low price of a competitor, in good faith.

I say, Mr. President, it is perfectly apparent to me that when competitors use identical freight books or identical arithmetical formulas to arrive at an identical price, and seem to do it independently, without a Gary dinner or without a written document, they are giving evidence of an intent to violate the law, and, certainly, evidence of a complete lack of good faith.

Mr. DOUGLAS. The Senator from Wyoming may say that.

Mr. O'MAHONEY. And the courts will say that.

Mr. DOUGLAS. I am not so certain of it, because it will always be possible for the attorneys of the companies to say it was purely accidental that the identity of prices was established, that it was not through design, not through agreement, not through conspiracy or collusion. I may point out to my good friend that they can advance very subtle reasons for the argument that it was purely accidental. I read a book on logic some years ago in which the author said it was quite possible that all the books in the British Museum might have been written by a group of monkeys in front of typewriters pounding the keys at random, and that it was possible that they might have pounded the keys in such sequence that the books in the British Museum were the result.

Mr. O'MAHONEY. I will say to the Senator that no court in the United States would decide any case upon the basis of an expert on the British Museum and the analogy of monkeys pounding typewriter keys. The Senator may base his argument against this bill upon such a theory, but it seems to me it is a very unsound authority.

Mr. DOUGLAS. In the Cement case companies were making identical bids for cement to be used in the construction of a project at Tucumcari, N. Mex., down to the fifth decimal place——

Mr. O'MAHONEY. The sixth decimal place, I believe.

Mr. DOUGLAS. That is correct; and they argued that it was a purely accidental coincidence, and yet the arithmetical chances of this being an accident were one in a quintrillion. As a matter of fact, it was that coincidence which led the court to say that it was not necessary to prove formal conspiracy, formal collusion, or formal agreement for the result, nevertheless, to be substantially to lessen competition.

Mr. O'MAHONEY. With that I agree. With that this bill agrees.

Mr. DOUGLAS. But now the bill, which, unfortunately, the very able Senator from Wyoming, in a moment of inadvertence, fathered——

Mr. O'MAHONEY. There was no inadvertence.

Mr. DOUGLAS. I will strike out "inadvertence," and say "which, unfortunately, the Senator from Wyoming fathered"——

Mr. O'MAHONEY. It was the result of long and accurate processes by a mind devoted to the study of preserving the antitrust laws.

Mr. DOUGLAS. The bill which, unfortunately, the Senator from Wyoming fathered, permits an individual firm to carry out each and every feature of the basing-point system, namely, to insist upon delivered prices and, therefore, to prevent the buyer from buying steel or cement or corn sirup, or whatever the product might be, at the mill of the seller, and compelling him to accept it at its own mill with the freight added.

Mr. O'MAHONEY. I do not agree with the Senator.

Mr. DOUGLAS. That is what is meant by delivered prices.

Mr. O'MAHONEY. The bill does not make it mandatory.

Mr. DOUGLAS. No; but it permits the seller to insist upon delivered prices; it permits him to absorb freight, and it permits him to meet the prices of competitors. Those are the three essential features of the basing-point system itself. If we legalize each and every one of them, we legalize the basing-point system and permit individual firms to arrive at an identity of prices. They can argue that they have never met together to conspire, to collude, or to combine.

Mr. O'MAHONEY. Of course I do not agree with what the Senator has said. The Federal Trade Commission has repeatedly stated that delivered prices and freight absorption, independently practiced, are not forbidden by the law. The bill would protect the businessman who desired to be a competitor, and it does not open any loophole to monopolistic or predatory practices.

If the Senator will pardon me, I should like to yield to the Senator from Connecticut.

Mr. DOUGLAS. I should like to ask one more question, for the sake of continuity of the record. Does not the Senator from Wyoming suspect that the reasoning which I have advanced will be advanced by the highly skilled and highly paid attorneys for the big concerns which do practice basing-point systems, and that those arguments will resound through the courts? Would he not further suspect that, with the encouragement given them by this bill, even though the courts should eventually come to the conclusion which the Senator from Wyoming has reached, the whole issue will be tied up in litigation, and it will be years before the issue is cleared up? Meanwhile, big business will be able to operate as it pleases. Instead of resolving the confusion, would not the Senator from Wyoming, with all his ability and his good intentions, be heaping confusion upon confusion?

Mr. O'MAHONEY. I am confident that the courts will read the generous commendation of the Senator, and not his misplaced condemnation, when they interpret the meaning of this construction.

I now yield to the Senator from Connecticut.

Mr. McMAHON. Mr. President, I was somewhat impressed by the illustration of the Senator from Illinois, namely, that a thousand monkeys might have typed all the volumes in the British Museum. I invite the attention of the Senator from Wyoming to the fact that if any judge should proceed on any such theory there is a provision in the code which says that the President may appoint a commission to examine anyone who would give such patent evidence that he is out of his mind, and could then proceed to insist on his retirement and appoint his successor. I do not say that I phrase the provision exactly.

Mr. O'MAHONEY. The Senator is quite right, and perhaps I should say to my good friend from Illinois that he will agree with me that the professorial exponent he chose is not in his judgment a good pattern for professors anywhere.

Mr. DOUGLAS. I may say that that is not merely a professorial exponent, although it is a very worthy profession. The Senator will find that some very high-priced lawyers in the land will advance the same theory. I have known of some very learned books which hold that the identity of price is purely incidental, and, indeed, is the inevitable and logical accompaniment of the price system.

Mr. O'MAHONEY. I am sure that they will not be able to fool the Supreme Court with any such argument as that after the conference report has been enacted into law.

Mr. McMAHON. I might say that in the Cigarette case, which was tried in Kentucky a few years ago, the rule of "coincidental identity of behavior" was adhered to and the conviction was sustained. I should like to ask the Senator a question. A considerable amount of correspondence has come to the Senator from Connecticut with reference to this bill. I was not present during the debate yesterday because I was engaged in a committee hearing when the Senator answered some objections which had been advanced by the National Association of Retail Druggists, who seem to think, according to mail which I have received from them in Connecticut, that this bill is designed to make their life more difficult and their business activities unprofitable. I wrote some of them that we had had some testimony in a committee of which I had the privilege of being a member—the Committee on Interstate and Foreign Commerce—and that I had heard some testimony from Connecticut manufacturers which seemed to prove that unless a system of freight absorption was made possible in a clear and obvious manner they would be unable to compete with Middle Western manufacturers. The druggists to whom I wrote along that line replied by saying that apparently I was interested only in manufacturers, not in druggists. The obvious answer is that if there are no manufacturers in Connecticut who employ people there will not be many druggists who will have anybody to sell to.

I should like to ask the Senator again to give an assurance which, coming from him, will have great weight, because the Senator from Wyoming has devoted a lifetime to fighting monopoly and has become an expert on the question. I should like to have the Senator's assurance that, as he reads the bill, there is nothing in it which in his opinion would jeopardize the druggists in carrying out a legal business legally, and profitably.

Mr. O'MAHONEY. There is absolutely nothing in this bill which alters the situation of any distributor. It does not adversely affect retail druggists. It does not adversely affect gasoline filling station proprietors. It does not adversely affect any person engaged in commerce who is acting competitively and in good faith. In order to establish that clearly and technically, I desire to call attention to the fact that the Robinson-Patman Act was an amendment of section 2 of the Clayton Act. As the Senator well knows, it amended the Clayton Act by dividing section 2 into several sections, among which was section 2 (a) and section 2 (b).

Section 2 (a) of the Robinson-Patman Act—the Clayton Act as amended by the Robinson-Patman Act—is the section which provides the prohibition against price discrimination. I think it is very important. I shall read a portion of section 2 (a):

SEC. 2 (a). That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for the use, consumption, or resale within the United States or any territory thereof, or the District of Columbia, or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

That is the substantive provision of law upon which the retail druggists depend. That is the substantive provision of law which protects them in what they want to be protected. It is the substantive provision of law which protects the dealers in gasoline.

Is it changed by this bill? It is strengthened. Let me show how it is strengthened. I am reading now section 2b of the Clayton Act, as amended by the Robinson Act, as it appears in this bill.

Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price—

This is the new language—

the effect of which upon competition may be that prohibited by the preceding subsection—

That is section 2a of the Clayton Act, as amended by the Robinson-Patman Act—

or discrimination in services or facilities furnished, the burden of showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination.

That protects the retailer.

Mr. McMAHON. In view of what the Senator has just read, I should like to read an excerpt from a letter which I received, in which the writer says:

Under the proposed Senate bill 1008 provision in this respect not only must there be a prima facie case of the discrimination made, there must also be proven that the discrimination has the effect of substantially lessening competition or tends to create a monopoly or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such competition.

Mr. O'MAHONEY. That is the Robinson-Patman Act.

Mr. McMAHON. The writer goes on:

This proposed amendment in effect shifts the burden of proof of any type of discrimination from the violator to the Commission. It makes enforcement of the Robinson-Patman Act practically and for all purposes ineffective, if not entirely impossible. Furthermore, this section of Senate bill 1008 not only weakens the enforcement of the Robinson-Patman Act but in effect nullifies the entire act.

Mr. O'MAHONEY. Oh, the author of that letter is utterly and completely mistaken.

Mr. THYE. I have received very similar letters to the one which the Senator from Connecticut has read.

Mr. McMAHON. This is a standard letter. This was written here in Washington and it was shipped out to the States.

Mr. THYE. The authors must be circularizing universities because I have received letters from university students in Minnesota, who have expressed the fear that if the conference report is adopted they themselves, as they grow into manhood and womanhood and seek to assume the responsibility of business

management, will not have an opportunity of success because the opportunity will be entirely destroyed by the proposed legislation which is embodied in the conference report. That is the type of concern and type of feeling that have been created, and it is evidenced by such letters as the one the Senator has read.

Mr. McMAHON. The Senator from Wyoming was about to say, was he not, that the statement in the letter from which I read is absolutely untrue?

Mr. O'MAHONEY. Definitely it is fallacious. Yesterday, in response to the Senator from Minnesota, I read the precise section of the Robinson-Patman Act to which that letter refers. I have no hesitation in saying that that law has not been weakened. It has been strengthened.

Mr. McMAHON. I thank the Senator.

Mr. O'CONOR. Mr. President, will the Senator yield for a question?

Mr. O'MAHONEY. I yield to the Senator from Maryland.

Mr. O'CONOR. Before the question I should like very much to express the view not only as an individual Senator but I think in behalf of the conferees that we are profoundly grateful to the able senior Senator from Wyoming for his magnificent contribution to this discussion, and for clearing up so much misunderstanding. I know full well that the Senator from Wyoming has devoted considerable time and thought to the subject, and I may say that I feel the time has been well spent, because from one end of the country to the other will the very clear statement of the Senator be available in order to dispel much of the doubt which has been created.

Mr. O'MAHONEY. I thank the Senator most deeply.

Mr. O'CONOR. In that connection, because of the reference of the able Senator from Illinois to the fact that the Senator from Wyoming in a moment of inadvertence—and I underscore the word "moment"—made the observation that it was on June 1 of last year that the Senator proposed the bill we are considering in the nature of a substitute, I may say that it is now almost June 1, 1950, which is almost a year afterward, to the day, certainly within a week, and it is the understanding of the conferees that the Senator has consistently maintained, not merely for a moment but throughout the year, and I am sure prior to that, the very self-same attitude which underlies his position in this matter.

There is one point about which I should like to inquire, merely for the record, and in verification of my statement. Is it not a fact, in the opinion of the Senator from Wyoming, that when the conferees in the report they brought back last year departed by one word the Senator from Wyoming was one of the most insistent that that conference report be not adopted, because by that one word it departed from what the Senator thought was the correct line and the correct situation?

Mr. O'MAHONEY. The Senator from Maryland, of course, accurately states the situation. I am sure that the Senator from Illinois, when he used the word "moment," was thinking in terms of the process of evolution, by which monkeys are supposed to turn into men.

Mr. DOUGLAS. I assure the Senator there was no implication at all in what I said.

Mr. O'CONOR. My point is that the Senator from Wyoming has consistently maintained the same position, and not until the bill, by reason of the action of the conferees, was brought into line with what he and the Department of Justice felt was a proper step in support of the antitrust laws, would he give his endorsement and his backing to it, but on the contrary he was just as eloquent and just as forceful in opposition when he thought there was the slightest chance of any weakening of the antitrust laws.

Mr. O'MAHONEY. The Senator is very kind. It may be appropriate for me to say that I attended some of the meetings of the Capehart committee in the last Congress, in which this matter was being discussed. I studied the hearings. I attended some of the meetings of our own committee headed by the Senator from Colorado [Mr. JOHNSON] in the present Congress, and talked with some of the witnesses. Then, when the moratorium bill was reported under the number "S. 1008," as the Senator has stated, I felt that it would not meet the situation, so I introduced another bill. That was prior to the first of June; I have forgotten the day upon which I introduced it, but that bill was not introduced until after I had consulted with antitrust lawyers and economists of the Department of Justice and of the Federal Trade Commission, and when I introduced the bill I thought that I had the complete support of both the Department of Justice and the Federal Trade Commission. So I offered the bill as a substitute upon the floor, and I accepted amendments on the floor which I felt were intended to strengthen the measure. But I felt it was important in the development of our economy and in increasing production that all doubts should be eliminated, and that I should cooperate to the best of my ability with the able Senator from Maryland, who has carried so much of the burden of this struggle, in order to bring forth a measure which will clearly open the door to a competitive economy.

At this very moment I say to the Senator that there apparently is taking form in the United States a campaign by the leaders of concentrated monopolistic power to persuade the people of the United States that the antitrust laws are outmoded and should be repealed. I engaged in a television debate with the spokesman for the A. & P. Co., and made the charge in the debate that the advertisements with which the A. & P. Co. was filling the newspapers of the United States were intended to undermine the confidence of the people of the United States in the antitrust laws.

I feel most deeply that if we are to support the antitrust laws we must make every effort to make them so clear that they shall not be subject to misinterpretation and attack, and that has been my purpose.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield to the Senator from Idaho.

Mr. DWORSHAK. Will the Senator from Wyoming advise the Senate whether S. 1008 in any way affects the Miller-Tydings Act?

Mr. O'MAHONEY. It does not affect it at all. The Miller-Tydings Act is still on the statute books; it still grants the retail druggists an exemption from the antitrust laws, which they desire to have.

Mr. President, I am very grateful to the Senator from Maryland for his most generous remarks.

Mr. O'CONOR. We are certainly indebted to the Senator from Wyoming.

RECESS TO MONDAY

Mr. O'CONOR. Mr. President, it is not apparent that any other Senator desires to speak at this time on the pending question. So if there is no other business to come before the Senate, I move that, in accordance with the action previously taken, the Senate stand in recess until noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 19 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, May 29, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 26 (legislative day of March 29), 1950:

DEPARTMENT OF THE INTERIOR

Dale E. Doty, of California, to be Assistant Secretary of the Interior.

FEDERAL POWER COMMISSION

Nelson Lee Smith, of New Hampshire, to be a member of the Federal Power Commission for the term expiring June 22, 1955. (Reappointment.)

FEDERAL COMMUNICATIONS COMMISSION

George E. Sterling, of Maine, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1950. (Reappointment.)

FEDERAL RESERVE SYSTEM

Edward Lee Norton, of Alabama, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1950, vice Ernest G. Draper.

SECURITIES AND EXCHANGE COMMISSION

Paul R. Rowen, of Massachusetts, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1955. (Reappointment.)

IN THE NAVY

The following-named midshipmen (aviation) to be ensigns in the Navy, from the 2d day of June 1950:

Edwin G. York III
Grover McC. Yowell

Donald W. Mitchell, midshipman (aviation), to be an ensign in the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy as previously nominated and confirmed, to correct name.

The following-named (Naval ROTC) to be ensigns in the Navy, from the 2d day of June 1950:

Haney H. Daniell
Harrison W. Davidson, Jr.
David W. Faris
Robert D. Kelley, Jr.
James F. Liebenguth, Jr.
Ralph E. Schaber
Donald D. Zell

John A. Carley (Naval ROTC), to be an ensign in the Supply Corps of the Navy, from the 2d day of June 1950.

Harold C. Donley, Jr. (Naval ROTC), to be an ensign in the Supply Corps of the Navy, from the 2d day of June 1950, in lieu of ensign in the Supply Corps of the Navy, as previously nominated and confirmed, to correct name.

The following-named to be ensigns in the Nurse Corps of the Navy:

Joan E. Bower	Helen I. Obertance
Lois T. Carpenter	Shella A. O'Leary

SENATE

MONDAY, MAY 29, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., May 29, 1950.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CARL HAYDEN, a Senator from the State of Arizona, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,
President pro tempore.

The ACTING PRESIDENT pro tempore. Under the order adopted last Friday, the Senate will stand in recess until 12 o'clock noon on Wednesday next.

Thereupon (at 12 o'clock and 15 seconds p. m.) the Senate took a recess until Wednesday, May 31, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 29, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Eternal God, our Father, as we are about to commemorate one of the great days in the calendar of our national life, we find our minds and hearts strangely stirred by the thought of the tragedy and misery of war.

We thank Thee for the courage and devotion of all who gave themselves so sacrificially in order to safeguard our heritage of freedom and democracy.

Grant that we may seek to harvest for all mankind the seed sown in blood and in tears.

Hear us in our prayer of intercession for those who are broken in mind or body or estate, still bearing the marks of suffering and sacrifice.

May the day be hastened when nations shall never again submit their claims and their decisions to the dreadful arbitrament of war. Show us how we may find the way of peace and help us to build the social order on the foundation of righteousness and justice.

We thank Thee for the life and character of Thy servant who served his country in the affairs of government and whose spirit now dwells with Thee in eternal blessedness. Grant unto the members of his bereaved family the consolation of Thy grace.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Thursday, May 25, 1950, was read and approved.

MESSAGE FROM THE SENATE

The SPEAKER pro tempore laid before the House the following communication:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 26, 1950.

The honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority heretofore granted, the Clerk received today from the Secretary of the Senate the following message:

That the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7797) entitled "An act to provide foreign economic assistance."

Very truly yours,

RALPH R. ROBERTS,
Clerk of the House of Representatives.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had on May 26, 1950, examined and found truly enrolled a bill of the House of the following title:

H. R. 7797. An act to provide foreign economic assistance.

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the authority granted him on May 25, 1950, he did on Friday, May 26, 1950, sign the following enrolled bill:

H. R. 7797. An act to provide foreign economic assistance.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LUCAS (at the request of Mr. PRESTON), for the balance of the week, on account of illness in family.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolution of the House of the following titles:

H. R. 8578. An act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system; and

H. Con. Res. 182. Concurrent resolution authorizing the printing of a revised edition of the Biographical Directory of the American Congress up to and including the Eightieth Congress.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 88. Concurrent resolution to print additional copies of the report of the Committee on the Judiciary on the immigration and naturalization systems of the United States; and

S. Con. Res. 93. Concurrent resolution relative to the reenrollment of the bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2128) entitled "An act to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILEY, Mr. O'CONOR, and Mr. EASTLAND to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1285) entitled "An act for the relief of the legal guardian of Lena Mae West, a minor."

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 88. Concurrent resolution to print additional copies of the report of the Committee on the Judiciary on the immigration and naturalization systems of the United States; to the Committee on House Administration.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H. R. 7341. An act to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes; and

H. R. 8578. An act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on May 25, 1950, present to the President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 7635. An act to amend the Armed Forces Leave Act of 1946, as amended, to provide graduation leave upon appointment as commissioned officers in the Regular components of the Armed Forces of graduates of the United States Military, Naval, or Coast Guard Academies; and

H. J. Res. 476. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

THE LATE HONORABLE JOHN LESINSKI

Mr. McCORMACK. Mr. Speaker, it is my sad duty, and it is sad not only from the official angle but extremely so from the personal standpoint, to announce to the House of Representatives the death of our late colleague and friend, JOHN LESINSKI, of Michigan.

For Members to receive news of the death of a Member when that Member has been sick for a long period of time is sad, but it is particularly so where death visits one of our colleagues suddenly and unexpectedly, and in such case the impact, while severe in the case of a Member who has been ill for a long time, is greater in degree.

Our good friend, JOHN LESINSKI, was with us last week. He actively participated in the considerations and the affairs of this body and left for home only the latter part of the week, after the legislative business of the House had been completed. Shortly after his arrival at home, having traveled there by automobile, the hand of the reaper was extended, and death visited him.

JOHN LESINSKI served with distinction and great courage during his approximately 18 years as a Member of this body—a dynamic Member, one of striking personality, one with intensity of feeling, and of devotion to the legislation and the policies of Government that he so devoutly believed in, one who when other Members disagreed with him thoroughly respected their intellectual honesty and the sincerity of their views, a Member who fought with great courage for the attainment of the policies, the legislation, and the ideals in which he believed. During his years of service he has been a great team man. I can say that, having been majority leader for approximately 8 years now, and observing him during the years preceding the time that I was first elected in 1940 as majority leader of the House, he firmly and strongly believed in the legislation that he supported and which he so courageously fought for in this body and to have it enacted into law. He believed in the great constructive reforms and progress as advocated and recommended by the late President Franklin Delano Roosevelt and as advocated and recommended by President Harry S. Truman. He believed firmly in such legislation. Even in the case of those Members who disagreed with some of them, and some of his views, there was a deep respect for the sincerity of his views and for the able and courageous manner in which he fought to have his views expressed into living operation through enactment into law.

We are going to miss his charming personality, his buoyancy, his dynamic characteristics, his ever beaming countenance. Even in disagreement there was never entertained or evidenced any bitterness on his part. He was a hard fighter, but a clean and an honorable one. To me it is a personal loss because of our close association throughout the years of his service in this body. JOHN LESINSKI and I were very close to one another. He was on many occasions, when I was in a mental state of being what might be termed dispirited, an inspiration and a consolation to me. I shall miss him greatly.

To Mrs. Lesinski and her children Mrs. McCormack and I express our profound sympathy. I know that I also express and extend to her and her children the profound sympathy of every Member of the National House of Representatives. Mrs. Lesinski and her children, as time passes, will derive great consolation in the knowledge that her late husband and the children's late father served our country in this body in an honorable, in a trustworthy, in an able, and in a courageous manner. It is the memory of a nice mind and a good life that brings great consolation to the loved ones left behind. JOHN LESINSKI led a fine life, he led a good life, he led a noble life, he led a constructive life. He has left his favorable imprint upon the pages of the legislative history of this body and of the Congress of the United States. Mrs. Lesinski and her children, I repeat, as time passes, and the sudden impact of his death commences to be toned down, so to speak, will derive the greatest consolation in the knowledge of his fine life and his constructive and courageous contribution to the enactment of progressive legislation in this great body in the interest of our people.

Mr. Speaker, I yield to my distinguished friend, the Republican whip, the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, one of the greatest satisfactions of serving in the Congress is the opportunity it furnishes to make deep and lasting friendships. I have always looked upon the House of Representatives as being a cross section of the American people. Here serve men and women from every section of the country and from all walks of life, of different political faiths and different points of view.

While we have our sharp differences of opinion as to the best course to pursue, and we have engaged in many heated debates in committees and on the floor, we have never allowed those differences to interfere with the inspirational value of friendship. We hold respect for the views of each other, for we alike seek the common goal—to serve our country.

Mr. Speaker, I am sure I speak the unanimous sentiment of my side of the aisle in expressing our deep sorrow in the passing of our good friend, JOHN LESINSKI. He served his district well, as demonstrated by the fact that his people returned him to Congress for nine consecutive terms. He was a man of conviction, and he had the courage of his convictions. All of us admire such a man. We mourn the passing of this fine gentleman of courage and ability. We have lost a friend. We extend to his family our sincerest sympathy, whose loss we share.

Mr. McCORMACK. Mr. Speaker, I yield to the distinguished gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, I fully concur in everything that has been said by the majority leader and my colleague from Illinois relative to our departed friend and coworker, JOHN LESINSKI. In his passing not only his district and his State but the Nation has lost a great legislator and an outstanding citizen, who at all times during his 18 years of service had the interests of his people and country at heart.

I knew John well. He always had my cooperation. Frequently when he labored to carry out the recommendations of President Roosevelt and President Truman on legislation and found some opposition in his own committee he would consult with me. I tried to be of aid and assistance.

In JOHN LESINSKI the American people had a great Representative; the laboring people had an outstanding and sincere friend. At all times the interests of labor were uppermost in his mind. He was a successful businessman, but unlike many businessmen he realized that labor was entitled to fair consideration.

With this underlying basic philosophy ever before him, he did his part to be of service to the cause of labor.

JOHN LESINSKI came of good stock, and I am indeed proud that not only he, but all other members of this same Polish-American ancestry have, in this House and elsewhere, shown their patriotism and loyalty to the cause of democracy. Indeed, at all times he tried to help his people, not only here, but also those less fortunate across the sea. I know how he deplored the fact that Poland was deprived of its liberty, which he and I and many others were so concerned with and fought to overcome. It was his fervent hope that in the near future the country which gave us Pulaski and Kosciusko—with its glorious history in the struggle for freedom and liberty—would before long, enjoy again that liberty and independence they cherished so deeply.

As his friend, having the same views, I feel that the time is not far distant when the people of Poland will again enjoy a real democratic form of government.

I know the House of Representatives, as well as his family, his district, and his State will miss him. He was really a splendid, courageous Representative. I hope the ideals for which he worked and for which he died will one day become a reality—that the labor legislation for which he fought so vigorously will be enacted; and that the people of Poland will again enjoy their freedom and liberty.

To his family and loved ones I extend my sincerest sympathy, with the heartfelt hope that time will deal lightly with them in this, their sad hour of bereavement.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, when I came to the Capitol on Saturday morning, I noticed that the flag was at half mast. I knew that one of our colleagues had died. I little suspected it was my friend, JOHN LESINSKI, from my own State. It had been but a few hours since I conferred with him about legislation pending before his committee and his contemplated trip home. Apparently strong and vigorous, his sudden passing was a shock to all of us. Again we have been reminded that there is nothing so uncertain in life as life itself.

There was much in the career of JOHN LESINSKI that was unusual, and illustrative of the possibilities of the average citizen under our form of government. This Polish boy, born in Pennsylvania, came to Michigan and, by hard work, thrift, and treating his neighbors fairly, made a success of life. Working in a lumber yard and later in the lumber business, his acquaintance in his fast-developing industrial community was

extensive. It was perfectly natural that when a new congressional district was created after the 1930 census, JOHN LESINSKI should be the choice for Congress of those with whom he worked and who knew him so well. He had no difficulty in being elected in 1932, and the same was true in each succeeding election.

JOHN LESINSKI was a devout Catholic and was always much interested in organized labor, its procedure and objectives. He was bitterly opposed to communism and often addressed the Congress expounding his views on this particular subject.

Frequently I disagreed with Mr. LESINSKI's economic, social, and political philosophy. This made no difference so far as our personal friendship was concerned. Each assumed the attitude that the other might be right and we voted according to the dictates of our conscience. Neither wanted the other to do otherwise.

As chairman of the Committee on Education and Labor throughout the Eighty-first Congress, Mr. LESINSKI has been in one of the most controversial and nerve-wracking spots in the Congress. Possibly at times he exercised more courage than diplomacy in the management of his committee, yet we all know how difficult his problem has been, and in this spirit we appraise the important work he has done on this particular committee. Our sympathy goes out to his fine wife and family.

JOHN LESINSKI was human and, like the rest of us, he had faults and made mistakes. It is fine that when our friends depart we write their faults upon the sands and their virtues upon the tablets of love and memory.

Mr. McCORMACK. I thank my friend from Michigan.

I yield to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Speaker, the news of the death of JOHN LESINSKI on last Saturday came as a great personal shock to me. It was only last week that we were having lunch together downstairs and talking about the future.

I came to know JOHN LESINSKI very well back in 1941, when I first came to this great legislative body. It has been my privilege to have been a personal friend of JOHN LESINSKI for the past 10 years, not only as a colleague on the floor of the House but off the floor of the House as well. I do not believe I have ever known a cleaner competitor in sports than JOHN LESINSKI, as he has shown himself so well. After a hard day's work in the House, going over to the gymnasium, we who have played and competed with him in that gymnasium, on both sides of the aisle, have come to know him as one of the cleanest sportsmen we have ever competed with. He was a man of great character. He was a man of great principle. He was a man who had the courage of his convictions. He was a man whose word was his bond.

Not only his wife and family and his colleagues in the United States House of Representatives will miss him but so will the constituents of his own district and the untold millions of underprivileged throughout this country and the world whose cause he championed so well in his 18 years as a Member of this great legislative body.

Mr. McCORMACK. I thank my friend, and I now yield to the gentleman from Illinois [Mr. VELDE].

Mr. VELDE. Mr. Speaker, the news of the untimely death of our colleague, JOHN LESINSKI, came to me as a severe shock. As a minority member of the Education and Labor Committee, I came to know JOHN LESINSKI as a man of courage and great resourcefulness in legislative matters. On a committee assignment last November in Puerto Rico Mrs. Velde and I were fortunate to become better acquainted with Mr. LESINSKI and his wife, Estelle, in a social way.

His sudden passing recalled to our minds the very pleasant comradeship we enjoyed with Mr. and Mrs. Lesinski on this occasion. I learned to respect Chairman LESINSKI for his devotion to duty, his integrity, his honesty, and his great love of country.

JOHN LESINSKI was a deeply religious man. He was thoroughly endowed with the spirit of Americanism, having risen in esteem and love of his fellowmen by dint of hard work and good business judgment. His tolerance for the opinions of his fellowmen with whom he worked was responsible for their extreme affection and respect. His passing will be mourned by all who had the opportunity of knowing his fine character.

Mrs. Velde joins with me in extending to his wife, Estelle, and all the members of his family our deepest sympathy.

Mr. McCORMACK. I thank my friend from Illinois.

Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. BIEMILLER].

Mr. BIEMILLER. Mr. Speaker, when my secretary brought me the tragic news last Saturday that JOHN LESINSKI had died, it was hard to believe. Only last week I had spent 3 long hours with our departed friend discussing many matters that were coming before his committee, and discussing many other matters in which we found ourselves in agreement. As usual I had thoroughly enjoyed our discussion.

I think all of us recognize that JOHN LESINSKI was one of the most genial and most jovial Members of this House; his jovial bantering that all of us recall as he sat at the luncheon table will always be among my fondest memories. JOHN LESINSKI was also a man of deep convictions, and he was willing to fight for his convictions. Having come up from the ranks himself, he appreciated the problems that beset all American citizens, no matter what their economic status might be.

I think he fought hard and well for the things he believed in. He backed President Truman's program as he had earlier backed Franklin Roosevelt's program. He never hesitated to tell you where he stood, and for that I think all of us respected him.

His deep religious faith naturally made him a tremendous foe of Communism throughout the world. I was discussing with him only last Wednesday the problem of the present Communist government in Poland, which he detested as all of us do. He was looking forward, as has been suggested several times on this floor, to the time when the beloved land of his forefathers should once again become a true democratic government.

His fame had spread well beyond his district. One matter I was discussing with him last week was an invitation from some citizens of my district to come and speak to them. I urged him to give it every possible consideration, as I knew how very much Americans of Polish descent respected this great fighter for democracy and the rights of the people.

I think probably none of us realized the extent to which he had through his intensity been spending his energy. This undoubtedly helped to bring about his untimely death.

I, too, want to extend my deepest sympathy to his wife and to the other loved ones that JOHN LESINSKI leaves behind. He was a great person who gave freely of himself. We will all miss him.

Mr. McCORMACK. I thank the gentleman from Wisconsin.

Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Speaker, during the few months I have been in Congress it has been my privilege to serve on the Committee on Education and Labor of which JOHN LESINSKI was chairman. Because of the long hours of work we put in together on the committee I came to know him very well. I was stunned by news of his death, because only last Thursday morning the whole committee met in executive session. Despite the fact that in months gone by the committee has had to deal with many bitter and highly controversial problems, this meeting on Thursday was one of harmony, one in which we completed work on a bill in which JOHN LESINSKI had great interest, H. R. 7940. I believe the Members of the House would like to know that after the committee finished its work on that bill it reported the bill unanimously, which in our committee, is something unusual.

Mr. LESINSKI was working on his job up until almost the time of his death.

I want to say here one thing I said about JOHN LESINSKI while he was still alive, and it comes about by reason of my experience serving under him on the committee: I have never known a man as devoid of personal malice as was JOHN LESINSKI. I saw him put to the test many, many times. No matter how bitter and how difficult the debate in the committee became, no matter how many harsh words were said, JOHN LESINSKI always had good will toward everyone on the committee, and as far as I know, toward everyone else that he knew in the world. I think nothing finer could be said of any man. I know from personal experience that JOHN LESINSKI was a man devoid of personal malice.

My wife joins me in expressing our deepest sympathy to Mrs. Lesinski and the family.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Ohio [Mr. BURKE].

Mr. BURKE. Mr. Speaker, along with all other Members of Congress I was deeply shocked when I reached my office Saturday morning and heard the sad

news of the passing of the chairman of my committee, JOHN LESINSKI.

Since I became a Member of Congress, and this is my first term, I worked very closely with JOHN LESINSKI on matters of legislation interesting to both of us. I join with the gentleman from Oklahoma [Mr. STEED] in his statement with reference to John's lovable character. He was known as a man who never carried a grudge regardless of how hot the issue might be or how tense the situation might become. I join with all Members of the House of Representatives in extending my sympathy to the family of JOHN LESINSKI in this hour of their bereavement.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Idaho [Mr. WHITE].

Mr. WHITE of Idaho. Mr. Speaker, it was with a deep sense of sorrow and great loss that I learned of the passing of my good friend JOHN LESINSKI. He came to the Congress at the same time I did, back in the troublesome days of 1933.

A review of the record of JOHN LESINSKI will be a review of the constructive legislation that has been passed since that time which he supported—legislation which has done so much to advance the welfare of the American people and our country.

I join with other Members of the House of Representatives in extending my heartfelt sympathy to Mrs. Lesinski and the family.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, I join with my colleagues in expressing the sympathy which this House feels in the death of our friend, JOHN LESINSKI. We will all miss his sense of humor, we will miss his moving personality, we will miss his integrity and his honesty, and we will miss him most of all because he was so much like the rest of us, a man who was trying to do as good a job as he could on behalf of the people he represented.

I take this means of expressing to Mrs. Lesinski and the children the sincere sympathy which we all feel and to express the hope that JOHN LESINSKI will go to a place where all of us hope to go and that his soul will rest in peace.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, JOHN LESINSKI and I came to the House of Representatives at the same time, the Seventy-third Congress.

I have had the privilege and pleasure of associating with our late friend during these past 17 years. JOHN LESINSKI and I, coming from different sections of the country, did not always see eye to eye with each other upon questions that arose to be considered in this great deliberative body; but there were certain traits that he possessed which were most admirable and that endeared him to all of us. Among these I may mention his forthrightness. No one ever doubted where JOHN LESINSKI stood upon any public question. He was courageous and forthright in taking his stand which was usually along with the stand taken by the chieftains of his party.

As one speaker has so well stated already this morning, the lack of personal malice was so manifest in our late friend that it was just obvious to all. One could have the most bitter kind of debate with JOHN LESINSKI on the floor of this House or in the committee, and then when it was over, that was the end of it, and one could walk off the floor arm in arm in good comradeship and in good friendship with him.

His devoted wife and my wife were good friends. They worked together in the Seventy-third Club, and I am sure that I speak the sentiments of both of us this morning in expressing our very deep and sincere grief to Mrs. Lesinski and her children. May John's soul rest in peace.

Mr. McCORMACK. I thank the gentleman. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY of Wisconsin. Mr. Speaker, I never was on Mr. LESINSKI's committee, so I did not have the opportunity to know him as well as some of the other Members. By reason of the fact that he showed such deep interest in labor, I cannot let this occasion pass without calling attention to the fact that he was not only interested in industrial labor, but farm labor as well. There has never been a Member of Congress whom I have contacted since I have been here who seemed to have the interest of agricultural labor more at heart than the interest exemplified by the statements made by Mr. LESINSKI.

Mr. LESINSKI had been to Puerto Rico. He visited with us many times about the minimum wage in connection with agriculture, and I was always very much encouraged in the interest that he took in having the over-all picture of minimum wage apply to everyone. I naturally have accumulated over the years a high regard not only for his statesmanship, but also for the fairness which he exhibited. The passing of JOHN LESINSKI is a great loss to that large segment of American people who live on farms. I just had faith that when the time came, with the little more spadework that was necessary, JOHN LESINSKI was going to see that a more fair attitude was taken toward this great group of labor than has been taken up to the present time. I feel that his death is a great loss to a large segment of the American people, and to me personally, and I extend every sympathy to his fine family.

Mr. McCORMACK. I thank the gentleman for his observation. I might say that we are all in agreement that JOHN LESINSKI, in his advocacy of the best interest of labor, fought for all elements that constituted labor, whether organized or unorganized, and that included labor on the farm that the gentleman from Wisconsin has so properly referred to.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I just want to add my words of sadness at the untimely passing of my very good friend, JOHN LESINSKI. He was a very lovable character. He was at all times true to his convictions. He was a prodigious worker. He had a tremendous amount of energy, and I do not know of any Member of the House that tried to accomplish as much as my good friend JOHN LESINSKI did. We all knew how he stood. He was always for doing something to better the lot of those people in life who were less fortunate than others have been. I am sure that Mrs. Eberharter has already expressed to Mrs. Lesinski her sadness at the untimely passing of our friend. I am sure that every Member of this House will miss him very much, as well as his constituents and the people of the State of Michigan. I do trust that he will join with other good Members who have passed to the Great Beyond and have a restful period in heaven.

Mr. McCORMACK. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Speaker, I feel strongly the great loss that labor has suffered. I came to this Congress pledged to the people who elected me for the repeal of the Taft-Hartley Act, a law that the working people in my district and in my city believe to be unfair. Their mandate to me was to join with other Members of this body in replacing a discriminatory labor law with one certainly fair to management but equally fair to the men and women who work for wages.

I came to this Congress and found in the chairman of the Committee on Education and Labor the great son of the State of my birth, a strong and virile champion of labor. His heart was set on the emancipation of the toilers of the Nation from the conditions of a law which treated the workers as a class incapable of self-government and denied them the dignity of being full and equal participants with their employers in the determinations affecting the welfare of both management and labor.

I feel, Mr. Speaker, that JOHN LESINSKI did a great work as the chairman of that committee in giving a dynamic and driving leadership to the fight in his own committee and on the floor of this House to get for the working men and women of America that dignity, equality, and justice to which they are entitled. There can be in our United States no class distinctions, and to the honest mind of JOHN LESINSKI labor-management legislation that even by inference gave the suggestion of inferiority to the men and women who do the hand work of the world was a start on the road to the establishment in free America of a dangerous and undemocratic system of class distinctions.

JOHN LESINSKI felt keenly his responsibility and his opportunity to be of service to the humble workers of the country he loved. He was of strong physique, but he was so unsparing of himself that even the strength of a rugged constitution could not withstand the terrific demands he made upon it. Truly we may say he gave his life to the cause of the common people from whom he came and whom he so ably represented. His name long will be remembered. To many another Polish-American name on the roll of the

greats of America has been added that of JOHN LESINSKI.

Mr. Speaker, JOHN LESINSKI, having made the good and the brave and the true and the courageous fight for the working men and women of America, fell with the victory, I think, just ahead.

I remember reading that to Mark Twain, I believe it was he, came a great grief, the loss of his young daughter whom he idolized. He met that grief by denying to himself that she was dead. Why, Mr. Speaker, death can have no sting unless we admit to ourselves the one we love is dead. The one we love lives on until we close the door by admitting a finality.

Mr. Speaker, I have followed that thought in the griefs that have come to me. I have denied to myself that those for whom I cared were dead. I shall continue, Mr. Speaker, as a Member of this Congress to hope that there shall come to labor the sort of law to which labor is entitled. I shall continue in the fight for such a law under the leadership, as I shall feel it in this House, the continuing although invisible leadership, of JOHN LESINSKI, champion of labor; and Mr. Speaker, I have the faith that he will be here. His spirit will march on. It will be with us on the field of victory when the great day of labor's triumph comes.

I should like, Mr. Speaker, to quote here that which recently I read in the newspaper column of Ed Sullivan, a clipping from an old scrapbook kept by the Honorable Webster J. Oliver, chief judge of the United States Customs Court, in Washington.

I am standing upon the seashore. A ship at my side spreads her white sails to the morning breeze and starts for the blue ocean. She is an object of beauty and strength and I stand and watch her, until at length she hangs like a speck of white cloud, just where the sea and sky come down and mingle with each other. Then, someone at my side says: "There, she's gone." Gone where? Gone from my sight, that is all. She is just as large, in mast and hull and spar, as she was when she left my side, and just as able to bear her load of living freight to the place of destination. Her diminished size is in me, not in her; and just at the moment when someone at my side says: "There, she's gone," there are other eyes watching her coming, and other voices ready to take up the glad shout: "There she comes." And that, I think, is God's design or pattern of death.

Mr. McCORMACK. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, the death on Saturday last of my colleague, my chairman, and my friend, the Honorable JOHN LESINSKI, came as a deep shock to me, as it must have been a shock to the members of the Committee on Education and Labor, of which he was chairman, as well as the Members of the entire House of Representatives.

On Thursday last Mr. LESINSKI presided over the Committee on Education and Labor in the consideration of school legislation of which I happen to be the author. It was his desire that he get started to his home in Detroit, and he left before the completion of the committee meeting. He called me to the chair to preside during the remainder of the meeting and subsequent meetings in consideration of school legislation, which is proof on its face that any differences that might have developed within the Committee on Education and Labor were wiped out by the mutual confidence in which he held me, and in which I always held him.

Mr. Speaker, some of the most arduous legislative tasks were assigned to Mr. LESINSKI. Some of the most controversial legislation to come before the Eighty-first Congress was handled by the Committee on Education and Labor. We had honest differences of opinion. Any rancor that I might have had was wiped out by the broadness of his smile and the depth of his friendship.

Mr. LESINSKI did not have the advantages that other Members of this body might have had, in that he did not hold degrees from universities and colleges. If there ever was a Member of the House who was a self-made man, it was JOHN LESINSKI, a two-fisted fighter for what he thought was right. I may not always have agreed with him, but I always respected him.

Mr. Speaker, in the loss of my colleague, labor, both organized and unorganized, has lost a steadfast friend.

I wish at this time to convey my heartfelt sympathy to his bereaved family and particularly to his son, now a cadet in the United States Military Academy at West Point.

Mr. Speaker, it was a pleasure to serve with JOHN LESINSKI, not only on the floor of the House but in committee. I shall always remember him as a true friend.

Mr. McCORMACK. Mr. Speaker, I thank the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I deem it a very great privilege to have served with my late colleague, JOHN LESINSKI. I liked his fine spirit and friendliness and, as others have mentioned, his smile, which was ever present, even when he had had serious arguments with people and they might not have agreed with him. I admired his great fight for labor—for all kinds of labor. He did not specialize with any one particular labor group, but he fought for the rights of all labor.

Mr. Speaker, I remember also his great fight for the Spanish-American War veterans and veterans generally. As you all know, those of you who have been here for some time, he was chairman of the old Committee on Pensions and was instrumental in bringing about much valuable legislation for the benefit of those who were seeking pensions.

Also, Mr. Speaker, I have a great admiration for his loyalty and pride for the people of Poland—for as everyone knows he was of Polish descent. He was extremely proud of that great race. He inherited the fighting spirit of those people. He was one of the finest leaders of Americans of Polish ancestry in the United States. I do him all honor, Mr. Speaker, and send to his family my deep sorrow and sympathy.

Mr. McCORMACK. Mr. Speaker, I thank the gentlewoman from Massachusetts.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks at this point in the RECORD on the life and service of our late beloved colleague, JOHN LESINSKI.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. NORTON. Mr. Speaker, it was with much sorrow and regret I heard yesterday of my dear friend and associate, JOHN LESINSKI. Mr. LESINSKI was a great Democrat who believed in the principles of equality, of tolerance, and of complete justice to the individual. He was also a great liberal and could be depended upon to advance the cause of labor and support the policies of President Truman in his Fair Deal program. During the many years I was associated with him on the Labor Committee, I knew exactly where he stood on questions affecting labor policy and counted him as one of labor's best friends. Although a man of wide business interests and an employer of hundreds of workers, he could always be depended on to see their problem from the point of view of the employee as well as the employer.

JOHN LESINSKI did not know how to equivocate or how to dissemble. To him a thing was right or it was wrong and he knew how to fight for the thing he believed to be right. Whether one agreed with him or not, none could disagree with his honesty of purpose, his sincerity, and his great loyalty. And this loyalty was expressed magnificently in his devotion to his family, to his church, to his country, and to the laboring people of America.

He will be greatly missed by all of us, but more particularly by the Members who have worked with him during his long service in the House of Representatives, and by the working men and women he served so well. May his soul rest in peace and may God comfort his beloved family in their great sorrow.

Mr. RABAUT. Mr. Speaker, it comes as a great shock to me to hear of the death of one who has been a faithful Member of this body for 18 years.

JOHN LESINSKI's position as chairman of the Committee on Education and Labor entailed the most trying tasks, and his devotion to principle and the things he believed was well known to everyone on this Hill.

Labor has lost a great champion. Michigan has lost a faithful Representative. His burdens are now taken from him, the burdens he carried in his devotion to mankind.

My deep sympathy goes to his charming wife and to his children. May God have mercy on his soul.

Mr. SADOWSKI. Mr. Speaker, the passing of our colleague, JOHN LESINSKI, came as a great shock. He was robust

and appeared in the best of health. He left Washington Thursday by automobile, driving right on through to Detroit and arrived at 3 a. m., Friday morning. He intended to remain in Detroit until after the Memorial Day recess. He entertained some guests Friday evening, retired at midnight, and passed away at about 1:30 a. m.

JOHN LESINSKI represented the Sixteenth Congressional District of Michigan for the past 18 years. He was a Democrat, loyally prolabor, and deeply interested in Polish questions. He was a strong and unrelenting foe of the Taft-Hartley bill and, as he was the chairman of the important Committee on Education and Labor, he was compelled to meet and face some of the hottest and most controversial issues in the Congress. As a result, he became the central figure in many bitter fights over revision of the labor act and Federal aid to schools.

John was born in Erie, Pa., and was brought to Michigan when only 3 months old. He received his education at the St. Albertus Parochial School, the St. Cyril and Methodius Seminary, and the Detroit Business University

Since he was 18 years of age he was actively engaged in the building, real estate, and lumber business. He established the Hamtramck Lumber & Supply Co., the Dearborn Lumber & Coal Co., and was one of the organizers of the First State Bank of Hamtramck. He had joined the Homer Warren & Co., and in conjunction with them built some 4,000 homes in Hamtramck and the northeast Detroit area.

During World War I and for the following 13 years, he was president of the Polish Citizens Committee. In this capacity he helped recruit the Polish army organized in this country and Canada and sent to France to fight on the side of the Allies. He likewise helped to direct relief, aid, and assistance to the newly reborn Poland. In recognition of his great services to Poland, Mr. Paderewski personally honored him on behalf of the Polish Nation, with the high Order of Polonia Restituta. This honor was one of his most cherished possessions and he always spoke of his friendship with Paderewski with great reverence.

JOHN LESINSKI was an earnest, sincere, and conscientious public official. He was a man of intense patriotism whose votes and actions were guided by a sincere purpose to make this a stronger and a better America. He was a loyal Democrat and a true friend of organized labor. He was blunt and outspoken, was generous and kind. In courage he was never lacking.

Before the reorganization of the House committees he had been chairman of the House Committee on Invalid Pensions from the Seventy-fourth to the Seventy-ninth Congress, and then he became chairman of the House Committee on Immigration and Naturalization during the Seventy-ninth Congress. As a result of the merger of committees under the reorganization, and the resignation of Congresswoman MARY NORTON, of New Jersey, he became the chairman of the very important and highly controversial Committee on Education and Labor.

I wish to join with all of his constituents, and his many friends throughout the State of Michigan in extending to his bereaved widow and his family my deepest sympathy.

Mr. MADDEN. Mr. Speaker, the Members of Congress were greatly grieved to learn of the sudden passing of our colleague, JOHN LESINSKI.

John was serving his ninth session in the House of Representatives and during this time rendered outstanding service not only to his constituents from the Sixteenth District of Michigan, but also to the Nation.

During this time he contributed a great deal toward legislation advancing the cause of union labor and also legislation dealing with immigration problems.

JOHN LESINSKI was a successful banker, businessman, and contractor before coming to Congress and by reason of his wide experience soon became a very valuable Member of this body.

He was an active member of several Polish organizations which had for their purpose not only the welfare of Polish-Americans, but also the cause of restoring a free and independent government to Poland.

JOHN LESINSKI was always a stanch and sincere fighter for legislation which he sponsored, and possessed a forgiving personality toward all with whom he entered combat over any problem of legislation.

He was an outstanding family man and a valuable legislator. He will be greatly missed, not only by his family and relatives, but by all who were fortunate enough to enjoy his friendship.

Mr. CROOK. Mr. Speaker, it was with deep regret and a sense of personal loss when I learned of the sudden and untimely death of our esteemed colleague, the Honorable JOHN A. LESINSKI.

Man has but a very short lease on this life. He enters the stage of action, plays his brief part, and makes his exit to join the bosom of divinity. John played his part well and, in so acting, he engraved himself in the hearts and minds of a wide circle of friends and associates who admired and loved him for his lofty ideals of service in governmental and civic affairs and his magnetic interest in the cultural development of our Nation.

Dearborn, Mich., has lost a valuable citizen; the Polish people, a great leader; organized labor, an unexcelled champion; the Congress, an esteemed legislator; and the Democratic Party, a courageous advocate of its humanitarian principles.

The loved ones of his immediate family have my deepest, heartfelt sympathy. May God bless them one and all and strengthen them to brave the future with the same dauntless courage and splendid spirit that obsessed John in his efforts dedicated in building for them one of the greatest institutions, the cherished American home.

Mr. DINGELL. Mr. Speaker, the final roll has been called and the servant of his people, who for nearly 18 years so faithfully attended their best interests, has given obedient answer.

My beloved friend and colleague, JOHN LESINSKI, and I entered upon our congressional service together in the special session of that memorable year 1933. I am proud to say that in most respects our voting records in Congress are the same.

JOHN LESINSKI was as courageous as he was forthright; and he had no fear of the consequences of his course, just so he knew he was right. He was rough and ready; he was kind and generous; he was candid and outspoken; he was a diamond in the rough; he was self-made and independent; he picked himself up by his own bootstraps. He grew in influence as he assumed ever greater responsibilities in the legislative councils of this House. He was admired and respected by all who knew his sterling qualities.

This House has lost a valuable Member, his constituency a very productive and influential Representative, the Nation a splendid public servant, and all of us have lost a dear friend. I want to pay humble tribute to my departed colleague, and close this final farewell with the prayer that God will rest his weary soul.

Mr. O'BRIEN of Michigan. Mr. Speaker, the sudden death of my colleague from Michigan, the Honorable JOHN LESINSKI, was a great shock as I had been with him the afternoon he last left Washington for home and he was enjoying his customary vigor and was engaged in the full activities of his duties. He was truly a most democratic man and legislator always ready to respond to any demand upon his time or his personal efforts when any individual needed his help. His views on public issues were always clear and decisive and hence it was characteristic of him to express himself in a forthright and uncompromising manner, so the public could always know where he stood. He had a jovial and hearty quality which won him many friends and I believe it could be truly said of him that he never did any man a wilful and deliberate harm. He was ever ready to smile even after a sharp disagreement. His nine consecutive terms in Congress demonstrated the respect his people had for him. His chairmanship of the Committee on Education and Labor of the House of Representatives during the Eighty-first Congress probably constituted the most arduous legislative responsibility of any Member of this Congress. To it he dedicated himself with such fidelity that its exacting duties undoubtedly hastened his death. He passed away at home with his family and in the zenith of his career as a legislator.

Mr. McCORMACK. Mr. Speaker, I offer a resolution.

The Clerk read the resolution (H. Res. 618), as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN LESINSKI, a Representative from the State of Michigan.

Resolved, That a committee of 16 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

Mr. McCORMACK resumed the chair.

The SPEAKER pro tempore. The Chair appoints as members of the funeral committee Messrs. SABATH, WOLCOTT, DINGELL, DONDERO, CRAWFORD, ENGEL of Michigan, SHAFER, BLACKNEY, SADOWSKI, STEED, BENNETT of Michigan, POTTER, RABAUT, O'BRIEN of Michigan, FORD, and BURKE.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 55 minutes p. m.), under its previous order, the House adjourned until Wednesday, May 31, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1478. A letter from the Director, Bureau of the Budget, transmitting a report of personnel ceilings as determined and fixed pursuant to section 607 of the act as amended by section 14, of the Federal Employees Pay Act of 1946 (Public Law 390, 79th Cong.) for the quarter ending March 31, 1950, pursuant to the Federal Employees Pay Act of 1945 (Public Law 106, 79th Cong.); to the Committee on Post Office and Civil Service.

1479. A letter from the President, Board of Commissioners of the District of Columbia, transmitting a draft of a proposed bill entitled, "To change the designations of Health Officer and Assistant Health Officer of the District of Columbia respectively to Director of Public Health and Assistant Director of Public Health"; to the Committee on the District of Columbia.

1480. A letter from the Attorney General, transmitting the report on the activities of the Department of Justice for the fiscal year ended June 30, 1949; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RHODES: Committee on Post Office and Civil Service. S. 3118. An act relating to the forwarding and return of second-, third-, and fourth-class mail, the collection of postage due at the time of delivery, and for other purposes; without amendment (Rept. No. 2158). Referred to the Committee of the Whole House on the State of the Union.

Mr. CARROLL: Committee on Ways and Means. H. R. 3934. A bill to permit religious or charitable societies to import musical instruments free of duty in certain cases; with amendment (Rept. No. 2159). Referred to the Committee of the Whole House on the State of the Union.

Mr. HERLONG: Committee on Post Office and Civil Service. H. R. 7265. A bill to provide for the conduct of a periodic census of governments; without amendment (Rept. No. 2160). Referred to the Committee of the Whole House on the State of the Union.

Mr. CROOK: Committee on Post Office and Civil Service. H. R. 8270. A bill relating to the renewal of contracts for the carrying of mail on star routes; without amendment (Rept. No. 2161). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. R. 7824. A bill to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes; with amendment (Rept. No. 2162). Referred to the Committee of the Whole House on the State of the Union.

Mr. KARST: Committee on Post Office and Civil Service. H. R. 7866. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump sum death payments, and for other purposes; without amendment (Rept. No. 2163). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURRAY of Tennessee: Committee on Post Office and Civil Service. H. J. Res. 461. Joint resolution to provide that South Parkersburg, W. Va., shall for the purposes of the seventeenth decennial census be treated as a part of Parkersburg, W. Va.; without amendment (Rept. No. 2164). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DENTON: Committee on the Judiciary. S. 764. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.; without amendment (Rept. No. 2142). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 765. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust; without amendment (Rept. No. 2143). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 766. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.; without amendment (Rept. No. 2144). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1146. An act for the relief of Francis W. Dodge; without amendment (Rept. No. 2145). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. S. 1769. An act to reimburse the Stebbins Construction Co.; with an amendment (Rept. No. 2146). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 1798. An act for the relief of Mrs. Minda Moore; without amendment (Rept. No. 2147). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 2338. An act for the relief of J. M. Arthur; without amendment (Rept. No. 2148). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 2646. An act for the relief of the Articaire Refrigeration Co.; without amendment (Rept. No. 2149). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 2655. An act for the relief of Mrs. Evelyn M. Hryniak. Without amendment (Rept. No. 2150). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. S. 3090. An act for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes; without amendment (Rept. No. 2151). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 612. A bill for the relief of Col. W. M. Chubb; with an amendment (Rept. No. 2152). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 3316. A bill for the relief of the estate of the late Francisco J. Córdova; without amendment (Rept. No. 2153). Referred to the Committee of the Whole House.

Mr. FRAZIER: Committee on the Judiciary. H. R. 3328. A bill for the relief of Daniel Lindsey Payne; with amendment (Rept. No. 2154). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 7016. A bill for the relief of Peter and Margaret O'Donnell, and James P. and Arlene R. Shannon; with amendment (Rept. No. 2155). Referred to the Committee of the Whole House.

Mr. DENTON: Committee on the Judiciary. H. R. 7392. A bill for the relief of Columbus Finley; with amendment (Rept. No. 2156). Referred to the Committee of the Whole House.

Mr. BYRNE of New York: Committee on the Judiciary. H. R. 8422. A bill for the relief of Carmencita von Plettenberg; with an amendment (Rept. No. 2157). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2107. An act for the relief of Georges Gregory Alpiar; without amendment (Rept. No. 2165). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2309. An act for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son); with an amendment (Rept. No. 2166). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. Con. Res. 73. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 2167). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. Con. Res. 75. Concurrent resolution favoring the suspension of deportation of certain aliens; without amendment (Rept. No. 2168). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. Con. Res. 76. Concurrent resolution favoring the suspension of deportation of certain aliens; with an amendment (Rept. No. 2169). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6758. A bill for the relief of Ruby Thaw and Hla Sein; without amendment (Rept. No. 2170). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 8656. A bill to amend the Immigration Act of 1924, as amended; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 8657. A bill to authorize an appropriation to aid the Arctic Institute of North America in its scientific research activities in North American arctic and subarctic areas; to the Committee on Foreign Affairs.

By Mr. CASE of South Dakota:

H. R. 8658. A bill to authorize the issuance of trust patents in lieu of land-use exchange assignments issued on the Cheyenne River Sioux Reservation and the Standing Rock Sioux Reservation prior to January 1, 1950; to the Committee on Public Lands.

By Mr. ELLSWORTH:

H. R. 8659. A bill to authorize the construction of a dam and dike to prevent the flow of tidal waters into Oar Creek, Douglas County, Oreg.; to the Committee on Public Works.

By Mr. MURRAY of Tennessee:

H. R. 8660. A bill to permit secretaries, law clerks, and secretary-law clerks to Federal judges separated from the service involuntarily, to acquire a classified civil service status; to the Committee on Post Office and Civil Service.

By Mr. RODINO:

H. R. 8661. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. DAWSON:

H. R. 8662. A bill to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. WHITE of California:

H. R. 8663. A bill to provide for the carrying out of certain of the recommendations of the Commission on Organization of the Executive Branch of the Government relating to the Department of the Interior; to the Committee on Expenditures in the Executive Departments.

By Mr. WILLIAMS:

H. R. 8664. A bill for the relief of the city of Hazelhurst, Miss; to the Committee on the Judiciary.

By Mr. PACE:

H. R. 8665. A bill to amend the cotton acreage allotment and marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana memorializing the President and the Congress of the United States to restrict imports of foreign oil into the United States; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Louisiana memorializing the President and the Congress of the United States to preserve the present income-tax depletion allowance on oil and gas; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 8666. A bill to recognize the public service of, and extend certain benefits to, Oscar Bitchman; to the Committee on Armed Services.

By Mr. FARRINGTON:

H. R. 8667. A bill for the relief of Soon Hee Chir; to the Committee on the Judiciary.

H. R. 8668. A bill for the relief of Mrs. Toyo Ishizuka; to the Committee on the Judiciary.

By Mr. GRANT:

H. R. 8669. A bill for the relief of Mrs. Sophia Asbury; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 8670. A bill for the relief of Charles T. Douds; to the Committee on the Judiciary.

By Mr. MURRAY of Wisconsin:

H. R. 8671. A bill for the relief of Waclaw Betlejewski; to the Committee on the Judiciary.

By Mr. SABATH:

H. R. 8672. A bill to grant permanent residence in the United States to Spyridon V. Karavitis; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H. R. 8673. A bill for the relief of Spiro Pavlou; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 481. Joint resolution for the relief of certain Shanghai displaced persons; to the Committee on the Judiciary.

By Mr. JAVITS:

H. J. Res. 482. Joint resolution for the relief of certain Shanghai displaced persons; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2169. By Mr. RICH: Resolution of Twenty-third District, American Legion, Department of Pennsylvania, representing 26 American Legion posts in the counties of Cameron, Center, Clearfield, and McKean, in opposition to curtailment of postal service in accordance with April 18, 1950, order of the Postmaster General; to the Committee on Post Office and Civil Service.

2170. By the SPEAKER: Petition of Hebden Porteus, secretary, Hawaii State Constitutional Convention, Honolulu, T. H., relative to providing the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence; to the Committee on the Judiciary.

SENATE

WEDNESDAY, MAY 31, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, from remembered yesterdays we come with grateful hearts. On countless grassy graves the starry flag this day bears mute testimony to the sacrificial deeds of the valiant dead. We dedicate afresh all that we have and are to the unfinished tasks before us. On this significant day of deliberation we pray that there may be given to the chosen representatives of this free land a sense of the most solemn responsibility, in an hour dark with peril and freighted with destiny. As appraisals are given, needs assessed, and cooperation urged to those whose liberty is threatened, may our strength, which is ours as a trust for all humanity, be speeded to buttress the weak in their determination not to surrender to ruthless tyranny.

So fashion our desires and deeds in accordance with Thy will that, rising to the full measure of our duty and opportunity, we may yet build the fair and decent world for which good men have bravely died, wherein men and nations may live together in concord and fellowship. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of Friday, May 26, 1950, and Monday, May 29, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts and joint resolution:

On May 26, 1950:

S. 2479. An act for the relief of A. D. Strenger and his wife Claire Strenger;

S. 2811. An act to amend section 1462 of title 18 of the United States Code, with respect to the importation or transportation of obscene matters; and

S. J. Res. 183. Joint resolution to suspend the application of certain Federal laws with respect to attorneys and assistants employed by the Subcommittee on Reconstruction Finance Corporation of the Banking and Currency Committee of the Senate in connection with the study ordered by Senate Resolution 219, Eighty-first Congress, second session.

On May 29, 1950:

S. 469. An act for the relief of Cathryn A. Glesener.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. JOHN LESINSKI, late a Representative from the State of Michigan, and transmitted the resolutions of the House thereon.

ENROLLED BILLS SIGNED

The message announced that the Speaker pro tempore had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 7341. An act to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes; and

H. R. 8578. An act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

ENROLLED BILLS SIGNED DURING RECESS

Under authority of the order of the Senate of the 26th instant,

The PRESIDENT pro tempore, on May 26, 1950, signed the enrolled bill (H. R. 7797) to provide foreign economic assistance, which had previously been signed by the Speaker pro tempore of the House.

LEAVES OF ABSENCE

Mr. BENTON. Mr. President, the junior Senator from Maine [Mrs. SMITH] and I have been appointed by the President as congressional advisers to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy. Therefore I ask unanimous consent to be absent from the Senate from June 2 until June 14, when I hope to be back from Florence.

The VICE PRESIDENT. Without objection, leave of absence is granted.

On request of Mr. HENDRICKSON, and by unanimous consent, Mr. AIKEN was excused from attendance on the sessions of the Senate today and tomorrow, and Mr. SCHOEPPEL and Mr. YOUNG were excused from attendance on the sessions of the Senate today, tomorrow, and Friday.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT ON OPERATIONS OF INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 611)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

In accordance with section 4 (b) (6) of the Bretton Woods Agreements Act, there is transmitted herewith the second special report on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 31, 1950.*

EDUCATION OR TRAINING OF VETERANS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), which was to strike out all after the enacting clause and insert:

That paragraph 9 of part VIII of Veterans' Regulation No. 1 (a), as amended, is amended by adding at the end thereof the following: "*Provided*, That, except as provided in this amendment, no regulation or other purported construction of title II, as amended, shall be deemed consistent therewith which denies or is designed to deny any eligible person, or limit any eligible person in his right to select such course or courses as he may desire, during the full period of his entitlement or any remaining part thereof, in any approved educational or training institution or institutions, whether such courses are full time, part time, or correspondence courses: *Provided further*—

"A. That the Administrator shall disapprove a course in any institution which has been in operation for a period of less than one year immediately prior to the date of enrollment in such course unless such enrollment was prior to August 24, 1949, but this shall not require or permit the disapproval of any course in any public school or other tax-supported school: *Provided*, That upon the certification of any State approval agency, that a new or existing institution is essential to meet the requirements of veterans in such State, the Administrator in his discretion may approve such an institution notwithstanding the provisions of this paragraph;

"B. That in accordance with the provisions of paragraph 3 (a) of this part, the Administrator may, for reasons satisfactory to him, disapprove a change of course of instruction and may discontinue any course of education or training if he finds that according to the regularly prescribed standards of the institution the conduct or progress of such person is unsatisfactory;

"C. That if any eligible veteran, who has completed or discontinued (for any reason other than unsatisfactory conduct or progress) a course of education or training, applies for an additional course in the same or other field of education or training, the Administrator may deny initiation of such course only if he finds (1) that it is precluded by the first proviso, paragraph 1 of said title II, as amended, or (2) that it is not in the same general field as his original educational or occupational objective, or (3) that it is precluded by limitation of paragraph D below;

"D. That the Administrator shall refuse approval to any course elected or commenced by a veteran on or subsequent to July 1, 1948, which is avocational or recreational in character. The following courses shall be presumed to be avocational or recreational in character: Dancing courses; photography courses; glider courses; bartending courses; personality-development courses; entertainment courses: Music courses—instrumental and vocal; public-speaking courses; and courses in sports and athletics such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, and sports officiating (except applied music, physical education, or public-speaking courses which are offered by institutions of higher learning for credit as an integral part of a course leading to an educational objective); but no such course shall be considered to be avocational or recreational in character if the veteran submits complete justification that such course will contribute to bona fide use in the veteran's present or contemplated business or occupation; and the Administrator may find any other course to be avocational or recreational in character, but no such other course shall be considered avocational or recreational in character when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood. Notwithstanding the foregoing provisions of this paragraph, education or training for the purpose of teaching a veteran to fly or related aviation courses in connection with his present or contemplated business or occupation shall not, in the absence of substantial evidence to the contrary, be considered avocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood."

SEC. 2. Paragraph 11 of part VIII of Veterans Regulation No. 1 (a), as amended, is amended by adding at the end thereof a new subparagraph (d) as follows:

"(d) As used in this part, the term 'customary cost of tuition' or 'customary charges' or 'customary tuition charges' shall mean that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tution for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a 'customary cost of tuition' for the course or courses in question in the following circumstances:

"(A) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended; and

"(B) One of the following conditions prevails:

"1. The institution has been established subsequent to June 22, 1944.

"2. The institution, although established prior to June 22, 1944, has not been in continuous operation since that date.

"3. The institution, although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"4. The course (or a course of substantially the same length and character) was not provided for nonveteran students by the institution prior to June 22, 1944.

"For any course of education or training for which the educational or training institution involved has no customary cost of tuition, a fair and reasonable rate of payment for tuition, fees, or other charges for such course shall be determined by the Administrator. In any case in which one or more contracts providing a rate or rates of tuition have been executed for two successive years, the rate established by the most recent contract shall be considered to be the customary cost of tuition notwithstanding the definition of 'customary cost of tuition' as hereinbefore set forth. For the purpose of the preceding sentence 'contract' shall include contracts under Public Law 16 (78th Cong., March 24, 1943), Public Law 346 (78th Cong., June 22, 1944), and any other agreement in writing on the basis of which tuition payments have been made from the Treasury of the United States. If the Administrator finds that any institution has no customary cost of tuition he shall forthwith fix and pay or cause to be paid a fair and reasonable rate of payment for tuition, fees, and other charges for the courses offered by such institution. Any educational or training institution which is dissatisfied with a determination of a rate of payment for tuition, fees, or other charges under the foregoing provisions of this paragraph, or with any other action of the Administrator under the amendments made by the veterans' education and training amendments of 1949, shall be entitled, upon application therefor, to a review of such determination or action (including the determination with respect to whether there is a customary cost of tuition) by a board to be known as the Veterans' Education Appeals Board consisting of three members, appointed by the President. Members of the Board shall receive, out of appropriations available for administrative expenses of the Veterans' Administration, compensation at the rate of $50 for each day actually spent by them in the work of the Board, together with necessary travel and subsistence expenses. The Administrator of Veterans' Affairs shall provide for the Board such stenographic, clerical, and other assistance and such facilities and services as may be necessary for the discharge of its functions. Such Board shall be subject, in respect to hearings, appeals, and all other actions and qualifications, to the provisions of sections 5 to 11, inclusive, of the Administrative Procedure Act, approved June 11, 1946, as amended. The decision of such Board with respect to all matters shall constitute the final administrative determination. In no event shall the Board fix a rate

of payment in excess of the maximum amount allowable under the Servicemen's Readjustment Act, as amended.

"Any institution having a 'customary cost of tuition' established under this part may revise and improve an existing course (or establish a new related course) of substantially the same length and character subject to the same customary cost of tuition: *Provided*, That nothing in the foregoing amendments shall be construed to affect adversely any legal rights which have accrued prior to the date of enactment of the veterans' education and training amendments of 1949, or to affect payments to educational or training institutions under contracts in effect on such date: *Provided further*, That the Veterans' Administration shall continue to make further payments to a school at such amount as the Administrator considers to be 'fair and reasonable' during negotiations for a contract, and, during the pendency of any appeal which the school may make."

SEC. 3. Paragraph 5 of part VIII of Veterans Regulation No. 1 (a), as amended, is further amended by inserting before the period at the end thereof a colon and the following: "*And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, in the case of nonprofit institutions, any institution shall be regarded as a nonprofit institution if it is exempt from taxation under paragraph (6), section 101, of the Internal Revenue Code, whether it was certified as such by the Bureau of Internal Revenue before or subsequent to June 22, 1944: *And provided further*, That for the purpose of applying the governing statutes and applicable regulations of the Veterans' Administration respecting the payment of tuition and other charges, any professional or graduate school which has been continuously affiliated with an educational institution since June 22, 1944, may elect to be subject to the nonresident tuition rates established for such educational institution, with respect to payments made for tuition during any school year beginning on or after August 1, 1949, even though the administrative function of such school is separate and distinct from that of the institution with which it is affiliated."

SEC. 4. The third sentence of section 3 of Public Law No. 16, Seventy-eighth Congress, as amended, is hereby amended by adding before the period at the end thereof a comma and the following: "(4) rendering necessary services in ascertaining the qualifications of proprietary institutions for furnishing education and training under the provisions of part VIII of such regulation and in the supervision of such institutions."

SEC. 5. That paragraph 11 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by adding at the end thereof the following new subparagraph:

"(e) 1. Any school operated for profit in order to secure or retain approval to train veterans which, during any period, has fewer than 25 students, or one-fourth of the students enrolled (whichever is larger), paying their own tuition, in addition to meeting all requirements of existing law, will be required to submit to the appropriate State approving agency a written application setting forth the course or courses of training. The written application covering each course must include the following:

"a. Title of the course and specific description of the objective for which given.

"b. Length of course.

"c. A detailed curriculum showing subjects taught, type of work or skills to be learned, and approximate length of time to be spent on each.

"d. A showing of educational and experience qualifications of the instructors.

"e. A description of space, facilities, and equipment used for the course.

"f. A statement of the maximum number of students proposed to be trained in the course at one time.

"g. A statement of the educational prerequisite for such a course.

"2. The appropriate approving agency of the State or the Administrator may approve the application of such school when the school is found upon investigation to have met the following criteria:

"a. The curriculum and instruction are consistent in quality, content, and length with similar courses in the public schools or other private schools with recognized and accepted standards.

"b. There is in the school adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training. When approval is given, it shall state the maximum number authorized to be trained in each course.

"c. Educational and experience qualifications of the instructor are adequate as determined by the State approval agency.

"d. The salaries of teacher and administrative personnel are comparable to the prevailing salary rates of teachers and administrative personnel in similar schools located in the same area.

"e. Adequate records are kept to show attendance, progress, and conduct, with periodic report to be provided to the Veterans' Administration; there are clearly stated and enforced standards of attendance, progress, and conduct.

"f. Appropriate credit is given for previous training or experience, with training period shortened proportionately. No course of training will be considered bona fide if given to a veteran who is already qualified by training and experience for the course objective.

"g. A copy of curriculum as approved is provided to the veteran and the Veterans' Administration by the school.

"h. Upon completion of the training, the veteran is given a certificate by the school indicating the approved course, title, and length, and that the training was completed satisfactorily.

"3. No new course, or additions to the capacity of existing course, in any school operated for profit, shall be approved if the State approving agency shall determine that the occupation for which the course is intended to provide training is crowded in the State and locality where the training is to be given and that existing training facilities are adequate.

"4. The Veterans' Administration is not authorized to award benefits under this part if it is found by the appropriate State approving agency that the course offered by a school operated for profit fails to meet the applicable requirements of this subparagraph (e)."

SEC. 6. Paragraph 6 of part VIII of Veterans Regulation No. 1 (a), as amended, is hereby amended to insert "(a)" immediately after "6", and adding the following new subparagraph:

"(b) For the purpose of this part, a trade or technical course, offered on a clock-hour basis below the college level, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of 30 hours per week of attendance is required with not more than 30 minutes of rest period per day allowed. A course offered on a clock-hour basis below the college level in which theoretical or class-room instruction predominates shall be considered a full-time course when a minimum of 25 hours per week net of instruction is required."

SEC. 7. Paragraph 5 of part VIII, Veterans Regulation No. 1 (a), as amended, is hereby amended by inserting "(a)" immediately after "5", and adding a new subparagraph (b) as follows:

"(b) In any case where it is found that an overpayment to a veteran of subsistence allowance (which overpayment has not been recovered or waived) is proved in a hearing before the committee on waivers of the appropriate Veterans' Administration regional office to be the result of willful or negligent failure of the school to report, as required by applicable regulation or contract, to the Veterans' Administration unauthorized or excessive absences from a course, or discontinuance or interruption of a course by the veteran, the amount of such overpayment shall, at the discretion of the Administrator, constitute a liability of the school for such failure to report, and may be recovered by an offset from amounts otherwise due the school or in other appropriate action, provided that any amount so collected shall be reimbursed if the overpayment is received from the veteran. This amendment shall be construed as applying only to matters arising after the effective date of this amendment, and shall not preclude the imposition of any civil or criminal action under any other statute."

SEC. 8. This act shall be effective the date of approval except as hereinafter provided: *Provided*, That section 5 shall be effective the first day of the third calendar month following the date of approval of this act: *Provided further*, That the provisions of section 4 shall be applied at the earliest practicable time in accordance with regulations issued by the Administrator.

SEC. 9. The matter beginning with the first proviso in the item "Readjustment benefits" under the caption "Veterans' Administration" in the Independent Offices Appropriation Act, 1950, approved August 24, 1949, is hereby repealed, effective August 24, 1949.

SEC. 10. This act may be cited as the "Veterans' education and training amendments of 1950".

Mr. THOMAS of Utah. Mr. President, I move that the Senate disagree to the amendment of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. PEPPER, Mr. HILL, Mr. DOUGLAS, Mr. TAFT, and Mr. MORSE conferees on the part of the Senate.

CONTINUATION OF RENT CONTROL

Mr. DOUGLAS. Mr. President, I ask unanimous consent that there may be printed in the body of the RECORD a resolution adopted by the City Council of Chicago, Ill., on the 25th of this month. Embodied in the resolution is a telegram from the Honorable Martin H. Kennelly, mayor of Chicago. The resolution asks for a continuance of rent control.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CONTINUATION OF FEDERAL RENT CONTROL—VIEWS OF MAYOR AND CITY COUNCIL OF CITY OF CHICAGO, MAY 25, 1950

Whereas on May 9, 1950, Mayor Martin H. Kennelly addressed a telegram to the Honorable BRENT SPENCE, chairman of the House Committee on Banking and Currency, as follows:

"The Honorable BRENT SPENCE,

"Chairman, Committee on Banking and Currency, House Office Building, Washington, D. C.

"As mayor of Chicago I would like to present my views concerning the question of continuation of Federal rent control which is now being considered by your committee.

"In Chicago at present there is less than one-half of 1 percent vacancy in housing units except those renting for $100 a month

or more. This affects more than 95 percent of Chicago's rental families.

"It is obvious and certainly should need little argument that removal of rent controls at this time and in such a market, would result in severe hardship to a large segment of this community.

"There have been practically no housing units built in the moderate rental classification during the past 10 years. So renting families will have no choice if controls are lifted. Of course not all owners are unscrupulous, but there are some who would take advantage of such a situation, and this would result in severe hardship to many of our citizens.

"It would be less than fair if I did not at the same time point out to you the financial difficulties under which many small-property owners have been operating during the past few years. Statistics show that many thousands of small-property owners have not been able to secure equitable adjustments in the rentals of their housing units. This should be corrected.

"Large-property owners, through their accountants and lawyers have obtained the adjustments to which they were entitled by law. But of the small-property owners in the two- and three-apartment-building class, many are still receiving the same rental which they received in 1942.

"So, in urging continuation of Federal rent control I would also like to urge that the legislation adopted and its administration as well should take into consideration the equities on both sides of the question.

"MARTIN H. KENNELLY,
"Mayor."

And whereas the House Committee on Banking and Currency has approved a bill to continue rent controls to June 30, 1951, where such continuance is deemed necessary by the local authorities or the electorate: Now, therefore, be it

Resolved, That the City Council of the City of Chicago concurs in the view expressed by the mayor in the aforesaid telegram of May 9, 1950, to the chairman of the House Committee on Banking and Currency; and be it further

Resolved, That copies of this resolution be immediately forwarded by air mail to the President of the United States and Members of Congress from Illinois.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 940. A bill to authorize construction of the Eklutna project, hydroelectric generating plant, and transmission facilities in connection therewith, and for other purposes; with an amendment (Rept. No. 1754).

Mr. TYDINGS, from the Committee on Armed Services, to which was referred the bill (S. 3314) to authorize the appointment of Joseph F. Carroll and Bernt Balchen as permanent colonels in the Regular Air Force, reported it without amendment, and submitted a report (No. 1753) thereon, together with minority views of Mr. KNOWLAND, which were ordered to be printed with the committee report.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAYLOR:

S. 3667. A bill for the relief of Mrs. Tashike Kawano Miyoke; and

S. 3668. A bill for the relief of Mrs. Dolores Hogan; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado (by request):

S. 3669. A bill to amend title 14, United States Code, entitled "Coast Guard"; to the Committee on Interstate and Foreign Commerce.

By Mr. McMAHON:

S. 3670. A bill to authorize the apportionment of retirement pay in certain cases; to the Committee on Armed Services; and

S. 3671. A bill for the relief of the Rubbercraft Corp. of America, Inc.; to the Committee on the Judiciary.

By Mr. O'CONOR:

S. 3672. A bill to amend section 3 (c) of the Civil Service Retirement Act so as to make the exclusion from such act of temporary employees of the Senate and House of Representatives inapplicable to such employees with 1 or more years of service; to the Committee on Post Office and Civil Service.

By Mr. LANGER:

S. 3673. A bill for the relief of Jan Sokol and his family;

S. 3674. A bill for the relief of Jersey Hadrosek and his family;

S. 3675. A bill for the relief of Albertas Bauras and his family;

S. 3676. A bill for the relief of Jirair Mazartzian and his family; and

S. 3677. A bill for the relief of Bernard Spielmann; to the Committee on the Judiciary.

By Mr. LEAHY:

S. 3678. A bill to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; to the Committee on the District of Columbia.

By Mr. HAYDEN:

S. 3679. A bill to authorize the sale of lands to the city of Flagstaff, Ariz.; to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON:

S. 3680. A bill to provide for the conservation of natural fish resources and for an adequate and balanced flow of fish and fish products in interstate and foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HUMPHREY:

S. 3681. A bill for the relief of Marit Haugom; to the Committee on the Judiciary; and

S. 3682. A bill to amend the Civil Service Retirement Act of May 29, 1930, as amended, with respect to the time of taking effect of annuities of Members and elected officers of the Senate and House of Representatives; to the Committee on Post Office and Civil Service.

MAJ. GEN. MAXWELL D. TAYLOR AND MAYOR ERNST REUTER OF WEST BERLIN

Mr. ECTON submitted a resolution (S. Res. 286), which was read and referred to the Committee on Armed Services, as follows:

Whereas the confidence of the American Government and its people in Maj. Gen. Maxwell D. Taylor has again been sustained by his sound judgment as a guardian of the peace in Berlin during the recent Whitsunday rally demonstration by organized Communists; and

Whereas his firm conviction to deal properly with any eventuality and his creditable manner and commendable control has prevented incidents which could have resulted in widespread suffering and grief; and

Whereas General Taylor had the cooperation of Mayor Ernst Reuter of West Berlin and the anti-Communist citizens of that sector: Therefore be it

Resolved, That the Senate of the United States of America commend General Taylor and those under his command, as well as Mayor Reuter and the people of West Berlin for their exemplary conduct and extend to them its sincere greetings and appreciation for the excellent service rendered this country and the free peoples of all nations.

Resolved, That the Secretary of the Senate communicate the substance of this resolution to General Taylor and Mayor Reuter at their headquarters in Berlin.

1950 NATIONAL CONVENTION OF ITALIAN-AMERICAN WORLD WAR VETERANS IN ROME, ITALY

Mr. BENTON submitted the following resolution (S. Res. 287), which was referred to the Committee on Foreign Relations:

Whereas the Italian-American World War Veterans of the United States, Inc., a national organization composed of honorably discharged veterans who served in World War I or World War II, will conduct its annual national convention in Rome in September of this year; and

Whereas, in conjunction with the annual convention, the members of the organization and their families and guests will make a Holy Year pilgrimage to Rome; and

Whereas this occasion will provide an opportunity for the members of the organization to visit the World War II battlegrounds and American cemeteries in Italy, to visit with relatives and friends, and at the same time to participate in the Holy Year ceremonies thereby honoring their fallen comrades in arms, increasing good will and friendship between Italy and the United States, and fostering democratic ideals against the spread of communism: Now, therefore, be it

Resolved, That the Senate hereby extends its best wishes to the members of the Italian-American World War Veterans of the United States, Inc., on the occasion of holding their 1950 national convention in Rome, and in conjunction therewith making a Holy Year pilgrimage, and expresses its hope for outstanding success in this joint undertaking.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT—AMENDMENT

Mr. O'CONOR submitted an amendment intended to be proposed by him to the bill (S. 2112) to amend the Civil Service Retirement Act of May 29, 1930, as amended, which was referred to the Committee on Post Office and Civil Service, and ordered to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MEMORIAL DAY ADDRESS AT GETTYSBURG, PA., BY SENATOR BRICKER

[Mr. MARTIN asked and obtained leave to have printed in the RECORD the address delivered by Senator BRICKER at Gettysburg, Pa., on Memorial Day, May 30, 1950, which appears in the Appendix.]

ADDRESS TO MEMBERS OF CONGRESS BY THE SECRETARY OF STATE—RECESS

Mr. LUCAS. Mr. President, as every Senator knows from previous announcement, in a few minutes the Senate will go to the Auditorium of the Library of Congress to listen to an address to be delivered by the Secretary of State, Mr. Acheson, to the Members of the two Houses of Congress. I do not believe it advisable to have a quorum call, because

the Secretary of State is expected to begin his address at 12:30. I shall merely move that the Senate take a recess.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Is the majority leader in a position to inform the Senate at what time we shall return to the Chamber? I understand there is to be a question and answer period, which may continue indefinitely.

Mr. LUCAS. I cannot inform the Senator. The Senator would probably know the answer as well as anyone else. I presume it will depend on the number of questions and the length of time it takes to answer them. I should say that the Senate ought to return to its Chamber not later than 3 o'clock, at which time we shall resume consideration of the conference report on the basing-point bill, which is the pending business.

I now move that the Senate stand in recess subject to the call of the Chair.

The VICE PRESIDENT. The question is on the motion of the Senator from Illinois.

The motion was agreed to.

Thereupon (at 12 o'clock and 5 minutes p. m.) the Senate stood in recess subject to the call of the Chair.

At 1 o'clock and 39 minutes p. m., the Senate reassembled when called to order by the Presiding Officer (Mr. GEORGE in the chair).

ADDRESS BY THE SECRETARY OF STATE TO MEMBERS OF THE CONGRESS

Mr. LUCAS. Mr. President, today the Secretary of State delivered a notable address before Members of the House of Representatives and of the Senate. I ask unanimous consent that the text of the address be incorporated in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE DEAN ACHESON, SECRETARY OF STATE, TO MEMBERS OF THE SENATE AND THE HOUSE OF REPRESENTATIVES, LIBRARY OF CONGRESS AUDITORIUM, WASHINGTON, D. C., MAY 31, 1950

I am greatly honored by this opportunity to report to you and to the people of the United States on the recent meetings in Paris and London. I should like to begin by telling you of the strength which was given me in this series of meetings I am about to describe by the reports which kept coming into Paris and London of the successive steps taken by the Congress in the enactment of the Foreign Economic Assistance Act of 1950. The continuation by the Congress of the European recovery program for the third year, the inauguration of the point 4 program and the approval of the other provisions of this great measure are fundamental to the program of action on which I wish to report.

I would not wish you to expect a report of events which could be described as sensational. The significance of the discussions with Mr. Bevin and Mr. Schuman and of the meeting of the North Atlantic Council, lies in the fact that they are working business meetings which are becoming a regular institution. In this aspect of the meetings, we see the outward sign of a comprehension which ran through every discussion and every resolution—that the North Atlantic community is emerging as a political reality of the greatest importance.

This impression and one other should be underlined at the outset of this report. The other is a new vigor in European life and European leadership. Mr. Schuman's coal and steel proposals, and the reception accorded them particularly in Germany, are one sign of this. The imminent solution of the problems surrounding the European Payments Union is another.

These two developments—the growing acceptance of the North Atlantic community as a community having common interests and facing common dangers and the renewed vitality and confidence in Europe—give warrant in saying that the meetings mark the beginning of something new, something which is full of hope and the promise of strength.

The realization of this hope and this promise will depend in each country upon those in executive authority, upon the legislative bodies, and upon the peoples whom they serve.

The fundamental purpose of these meetings was the same as the constant purpose of our foreign policy. That purpose is the preservation of peace, not the fragile temporary peace which comes from appeasement, not the hopeless peace of submission, but the peace which free peoples, sure of the rightness of their purpose, win and maintain by developing their economic and military strength through the processes of voluntary and continuing cooperation. It is from this strength that our confidence derives, from this cooperation that peace becomes secure.

We have long hoped that all nations would cooperate for peace in the United Nations. The attitude of the Soviet Union has delayed the fulfillment of that hope, but it has not caused us, on our part, to slacken our efforts. It has made it necessary for us, in harmony with the Charter, to use means supplementary but not rival to the United Nations. The North Atlantic Treaty, like the Rio Pact, is one of these means.

The meeting of the North Atlantic Council naturally dealt with only a part of the world problem. But that part is an important one. The North Atlantic community holds the world's greatest concentration of industrial and technical skills. It is the ancient home of freedom and the rights of man. These resources must be drawn on by the entire free world in order that it may continue to make steady progress in improving the welfare of its peoples.

The continued strengthening of the North Atlantic community is thus not a selfish end in itself. The effort we devote to it will benefit free peoples everywhere, and in our talks we explored ways in which we can help to advance the security and welfare of many areas outside the Atlantic community.

All of the meetings began with an analysis of the present world situation. In each case the analysis was the same. Since it profoundly affected all our conclusions, it should be reported first.

As we saw it, in the years since the war the 18 western European countries had made great economic progress. This had played an essential part in strengthening their social and political structures and preventing the subversion of their free institutions. While this had been going forward, the Soviet Union had been devoting so much of its resources to military purposes that a dangerous situation was developing.

If the free nations did not look to their defenses, and do so speedily, the maintenance of peace and security might not be possible. It was also plain that provision of the necessary defense would require a very large economic and financial effort. Therefore, the continued development of production and productivity was essential to underpin the defense effort and to maintain and extend the hard-won social and political gains.

In the face of these equal and equally compelling needs for increased defense and strengthened economies, the free nations have come, therefore, to another time of decision. The world does not stand still. It is up to us whether we go forward or fall back, and falling back, risk not only all the progress we have made but total failure.

Most of us had hoped that with the completion of the reconstruction phase, each nation would be free to work out its own problems within the framework of the security which would be assured by the United Nations. We now see that to go forward we must pursue the course of cooperative association—including partnership in the North American and western European community of nations, for none of the complex and baffling problems which lie ahead will yield to purely national action.

We recognized that the task before the Atlantic community is to build a common defense, to create a successfully functioning economic system, and to achieve unity of action on the major problems of foreign relations. Our meetings in Paris and London demonstrated a new and basic understanding that success in this task will require close, cohesive, and sustained efforts on a partnership basis in all these fields.

My talks with Mr. Bevin and Mr. Schuman ranged over a multitude of problems in all parts of the world and reflected throughout the deep appreciation of the need for common and mutually supporting policies.

In Europe it has long been clear that no real progress will be possible until France and Germany work out their age-old differences. During the conferences Mr. Schuman announced the proposal of the French Government for joint utilization of the coal and steel resources of France and Germany, proposals which are open to all other European countries willing to participate on an equal basis. This proposal is a momentous and courageous act, made on the initiative of the French Government. The plan is still to be perfected and its details must be developed with great care so that it will help to strengthen and expand the European economy. If it is developed for that purpose, it will open the door to a new era in Europe.

Germany's reentrance into the free western community, which is the established policy of the three Governments in occupation of western Germany, should be greatly helped by the new climate created by the French proposal and by other actions taken at the meetings.

Germany has been a member for some time of the Organization for European Economic Cooperation, commonly referred to as the OEEC, and we are hopeful that she will soon join the Council of Europe.

A declaration of our common policy was issued by the three Ministers and promptly welcomed by Dr. Adenauer, the Chancelor of the German Federal Republic, as another long step forward on this road.

We agreed as well upon proposals under which the inhabitants of the Soviet zone of occupation could rejoin their fellow countryment in a democratic and united Germany and these have been forwarded by the three western High Commissioners to the Soviet representatives in Germany with an offer to negotiate on the framing of an electoral law to allow free elections in all Germany.

Our statement expressing our determination to maintain our rights in Berlin, together with our actions in that city in recent months, may have had some influence on the relative quiet which prevailed in Berlin on Sunday.

A declaration was also made on the repatriation from the Soviet Union of the many German prisoners of war still detained there.

All in all, the results of our discussions on Germany were most encouraging, and, we believe, laid the basis for successful work

by the joint group established to consider ways of easing the difficulties for ourselves and the German people resulting from the continuance of the technical state of war.

With respect to Austria, the three Ministers announced that our Governments will soon appoint civilian High Commissioners. This is a further step in restoring Austria to a peacetime status and is one which can be taken now despite the continued and callous blocking of the peace treaty by the Soviet Union.

In the same appreciation of the need for common action, we found that the British Government was ready to move ahead with the European Payments Union in an attempt to reconcile the requirements of their own position with the need for substantial progress in the liberalization of trade and payments among the European countries.

During these meetings the continuing interest of the United States in European affairs was expressed to the other governments, and also our genuine desire to work on the economic problems ahead in cooperation with Canada and the western European countries. There has been some concern in western Europe that despite the North Atlantic Treaty, the concern of this country with European affairs would slacken after 1952.

Various projects related to these problems have been going forward on both sides of the Atlantic. In this country, as you know, the President has appointed Mr. Gordon Gray to study what adjustments this country needs to make if it is to achieve a balance in its international accounts at high and stable levels of trade. The Canadian Government has been actively considering these problems from its point of view, and the OEEC countries have been steadily working on this same range of problems in their organization.

After discussions with Mr. Pearson, of Canada, and Mr. Stikker, the chairman of the OEEC, it was thought that a new working relationship between Canada, the United States, and the OEEC would be a desirable means for working out solutions of common economic problems. We are hopeful that the OEEC will issue an invitation to establish this relationship.

We can no longer afford the luxury of regarding these problems as purely national in character. The additional economic strength which will flow from a cooperative approach is required to meet the cost of defense, to maintain and improve standards of living, and to provide essential assistance to other free nations of the world in their development. A new attitude is required of each of us, for we must work out solutions to these problems which will strengthen the community as a whole and advance the welfare of us all.

Sucsess in this venture will be of the greatest practical significance, both for the economic benefits it can bring to every one of us and because the security of free institutions is directly related to their economic health and vitality.

There were many other evidences of the necessity of avoiding purely unilateral treatment of problems which affect more than one state, even though one may have a primary concern in their solution.

In Paris there was a most satisfactory discussion with Mr. Schuman on the situation in Indochina. Mr. Schuman recognized that the problem of meeting the threat to the security of Viet Nam, Cambodia, and Laos is primarily the responsibility of France and the governments and peoples of Indochina. On our part, I was able to inform Mr. Schuman of the assistance which the United States could provide toward the achievement of security and the development of a healthy nationalism in these associated states of Indochina.

In London the initiative of the Commonwealth Conference at Sydney for a program of economic development in south and southeast Asia was discussed and Mr. Bevin was informed that this Government will attempt to coordinate its efforts in that area with the efforts of the Commonwealth, in order that our actions will be mutually supporting.

By strengthening the economy and the defenses of the Atlantic community, we believe that we are making a direct contribution to the security and welfare of all free nations.

Mr. Bevin and I reaffirmed the concern of our Governments with the security and welfare of Greece, Turkey, and Iran.

Together with Mr. Schuman we agreed on a firm policy toward arms shipments and security for the Arab States and Israel which should greatly assist in promoting peace and stability in that important area.

In south and southeast Asia a great development has been taking place; never before in history have so many peoples acquired national independence in so short a period of time. The United States and other members of the Atlantic community were glad to see this happen; we worked for it, we assisted it, and in our meetings we recognized our large responsibility for helping it succeed. The great need of these newly independent peoples is for a period of peace and quiet in which they can concentrate on the difficult problems of establishing their political and economic institutions. The success of our efforts in the Atlantic community will greatly assist in giving them this opportunity.

Time does not permit me to discuss in detail any of these matters or the other issues we considered. I do wish to emphasize the basic understanding on objectives, of the dangers and threats which confront us, and of the requirements for action, and the businesslike atmosphere of the meetings. These may not at first glance appear dramatic but this is, in my opinion, the most dramatic fact that could be reported. It is news of a quiet, practical, and immense significance.

Finally, there is the problem of defending the North Atlantic area, which was the subject of the meeting of the North Atlantic Treaty Council. The 12 member countries had previously recognized the need for a common defense against a common threat. The North Atlantic Treaty had its origin in this realization.

First of all it should be made plain that there was nothing which any of the 12 Foreign Ministers had to say which indicated that there is any immediate threat of war.

It was our unanimous view that this is not the problem. The problem is to meet a threat which, in view of the known program of the Kremlin, will exist unless we act now to prepare our defenses against aggression.

It was made unmistakably clear in all our discussions that our common purpose in preparing our common defenses is a peaceful one. We hope never to need them. But so long as any dictatorship builds powerful armed forces, so long must democracies, if they are to be left in peace, evidence their determination to defend themselves by maintaining adequate forces in being and an adequate state of preparedness. Mr. Lange, the Foreign Minister of Norway, summed up this thought when he said: "Peace will never be secure in a world where democracies are weak and dictatorships alone are strong."

The work of the North Atlantic Treaty organization in the first year of its existence has shown that the task of defense is so large, its costs in labor and material resources so high, and the problem of security so indivisible, that only a combined effort will be adequate.

The work of this meeting of the Council, which grew out of its review and full approval of the work of the defense ministers and the finance ministers and of their progress to date in planning a combined effort, was twofold. It was necessary, first, to establish the principles which will guide our common defense effort. Secondly, the Council concluded that the requirements of the combined effort were such that additional control machinery was needed to enable the Council to do its job efficiently and effectively.

The job is a full-time one and requires on a full-time basis the services of the best men that the members can assign to it. The Council therefore decided that each government should appoint a deputy to its representative on the Council in order that the Council can function continuously in giving direction to the work of the organization. The deputies are to select from among themselves an outstanding man as permanent chairman, who, in addition to presiding at meetings of the deputies, will be responsible for directing the Council's work.

The Council decided that the following five tasks should be undertaken by the deputies:

1. To coordinate the various planning activities related to defense.

2. To recommend the measures necessary to carry out these plans.

3. To consider common political problems related to the objectives of the treaty.

4. To promote and coordinate public information on treaty questions.

5. To consider the development of political and economic cooperation as contemplated in article 2 of the treaty.

This list of tasks is worth citing in full in order to emphasize the importance of the work which is to be undertaken by the deputies and the need of securing from each country a man of the highest qualifications who will have the complete confidence of his own and other governments. The ability of the Organization to get on with its job will very largely depend on the caliber of the men who are appointed as deputies. It will equally depend on the support they receive from all branches of their governments and their peoples.

Perhaps the most important action of the Council was the recommendation of a principle to governments to guide the development of the common defense. This principle is the creation of balanced collective forces, rather than the duplication by each nation in a large or small way of what every other nation was doing. After a careful review of the plans which have been prepared, it became evident to each of us that the principle of balanced collective forces was the only principle which could reconcile the resources available with the demands upon them. It is the only way in which forces can be developed to meet successfully any initial attack and to carry through to a successful conclusion any war that is forced upon us. For the task of providing an adequate common defense and adequate standards of living is so large that waste and unnecessary duplication will prevent its accomplishment.

Also this principle more than any other reconciled the security needs of each member country with the security needs of the community as a whole.

This principle of balanced collective forces is of great and perhaps revolutionary significance. It has its legislative origin, so far as this Government is concerned, in the Mutual Defense Assistance Act of 1949 which stipulated that the assistance to be granted by the United States to other North Atlantic Treaty countries, should be used to promote the integrated defense of the North Atlantic area. It demonstrates that each country will rely on every other member of the community, and that the community will look to each country to contribute what it is best able to contribute to the common defense in accordance with a common plan. It demonstrates that each country recognizes that its own security is no better than the security of the community as a whole. It will give tangible proof to an aggressor that he must face the combined resources of the

community, that there will not be opportunities to pick off one member at a time.

The United States, as the most populous member of the North Atlantic community and the one with the largest and most productive plant, has necessarily a leading role in building balanced collective forces. If we faithfully observe this principle and direct our energies to the creation of such forces, we will find a corresponding response from the other treaty members.

The President has authorized me to say that he supports Secretary Johnson and me in view that we must make this principle work, for we can see no other way to accomplish the job of defense and at the same time to get ahead with the constructive task of building a successfully functioning economy in the free world.

The job cannot be done unless we do our full part, which includes the provision of mutual defense assistance. If we and our Atlantic community partners each take our respective share of the common burden, the goal can be attained. I am confining my present remarks on this vital point to this reference since within the week I shall appear before the appropriate congressional committees in support of the mutual defense assistance program when I shall discuss this problem in full.

If we put this principle into practice, it follows that the members of the Atlantic community will have to intensify their practice of developing common policies on the major problems of common concern in the field of foreign affairs and that they must also develop even closer and more cohesive economic policies.

It is in these corollaries of the principle of balanced collective forces that its implications become clear. It is because of these implications, as well as for the progress on other matters, that this conference marks the beginning of greater unity of thought and action among the free countries of the Atlantic community.

At the conclusion of our council meeting, we made a statement of our principles, our determination, and our faith. That statement has been published, but I wish in closing to cite a part of it because I believe it expresses well the purpose that guides us: "We are determined that freedom, which is the common basis of our institutions, shall be defended against every threat of aggression or subversion, direct or indirect. Freedom means the independence of nations, the respect for spiritual values, and the dignity of man. Only a free society can guarantee to the individual the benefits of economic and social betterment. * * * To the immense resources of the free world, and its industrial and scientific development, the peoples of the North Atlantic community bring the spiritual strength that comes from freedom."

These are the main outlines of what was accomplished in the meetings in Paris and London.

Most of what was done was a beginning of still further progress. Beginnings, of course, are very important. It is an inexperienced and naive traveler who does not make sure that he is on the right road at the beginning. The Atlantic community is on the right road, we have gone some distance down it, and we know where we are going. We have the machinery to carry us much farther. We have learned much regarding the cooperation necessary to make the machinery work.

How far and how fast we go depends on each country, but perhaps especially on the United States. These meetings will be just as important as the Government and the people of America choose to make them. If we now support on a sustained basis the measures necessary to make this cooperative venture a success, we will not find wanting a similar response from our friends and allies. Together we shall make a major contribution to the United Nations, whose Charter remains our basic guide.

This road is the road to peace. The concept of the free community is one which can bring peace and prosperity to the world. Individually, no one of these countries, including the United States, has the strength, even if it had the desire, to determine the course of the future. Together, this community has the human and material resources, the skills, the initiative, the tradition, and the devotion of free men, and a dynamic idea which can give us confidence that the future belongs to freedom. In our unity there is strength. And in our strength is the foundation of peace.

CALL OF THE ROLL

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Benton	Holland	Mundt
Bricker	Humphrey	Neely
Bridges	Hunt	O'Conor
Butler	Ives	O'Mahoney
Byrd	Johnson, Colo.	Pepper
Cain	Kem	Robertson
Connally	Kerr	Russell
Cordon	Kilgore	Saltonstall
Darby	Knowland	Smith, Maine
Donnell	Langer	Smith, N. J.
Douglas	Leahy	Sparkman
Dworshak	Lehman	Stennis
Eastland	Lucas	Taft
Ecton	McCarran	Taylor
Ellender	McCarthy	Thomas, Utah
Flanders	McClellan	Tobey
Frear	McKellar	Tydings
Fulbright	McMahon	Watkins
George	Magnuson	Wherry
Gillette	Malone	Wiley
Hayden	Martin	Williams
Hendrickson	Maybank	Withers
Hoey	Millikin	

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from North Carolina [Mr. GRAHAM], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Montana [Mr. MURRAY] is necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Oregon [Mr. MORSE], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Minnesota [Mr. THYE], the Senator from Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the senior Senator from Indiana [Mr. CAPEHART], and the junior Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from Michigan [Mr. FERGUSON] is absent on official business attending the funeral of Hon. John Lesinski.

The PRESIDING OFFICER. A quorum is present.

REORGANIZATION PLAN NO. 26 OF 1950—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 609)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, transmitting Reorganization Plan No. 26 of 1950, relating to the Department of the Treasury, which was read, and, with the accompanying paper, referred to the Committee on Expenditures in the Executive Departments.

(For President's message, see today's proceedings of the House of Representatives on p. 7873.)

REORGANIZATION PLAN NO. 27 OF 1950—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 610)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, transmitting Reorganization Plan No. 27 of 1950, providing for the creation of a Department of Health, Education, and Security, which was read, and, with the accompanying paper, referred to the Committee on Expenditures in the Executive Departments.

(For President's message, see today's proceedings of the House of Representatives on pp. 7873–7874.)

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

The PRESIDING OFFICER. The question is on agreeing to the conference report on Senate bill 1008, the so-called basing-point bill.

Mr. LUCAS. Mr. President, before leaving last week I notified the Senate that we would be compelled to make disposition of the pending measure, the conference report on the so-called basing-point bill, sometime this week. I have discussed the subject with Senators on both sides of the aisle to ascertain whether or not we could obtain a unanimous-consent agreement to vote on the conference report not later than Friday, say, at 6 o'clock. The distinguished Senator from Minnesota [Mr. HUMPHREY] advises me that the Senator from Louisiana [Mr. LONG], who is absent from the Senate today, told him to object to all unanimous-consent requests regarding the pending business until he returned,

which will be tomorrow. Therefore I am not going to make any unanimous-consent request at this time.

However, Mr. President, I did say in my statement last week that we would finish the consideration of the conference report this week, and I do believe we should do that. The basing-point bill has been with us for over a year. It has been debated pro and con in the Senate, and I am sure every Senator knows how he is going to vote, notwithstanding the fact that the Senator from Louisiana recently said that if Senators were present on the floor of the Senate, he thought some of them could be persuaded to his way of thinking. That may be true, but I have been a Member of the Senate 12 years, and there has been only one instance in which any Senator admitted that I changed his mind as a result of a speech I made. I admire the able Senator from Louisiana for the position he takes in that regard, but I doubt very much that he would accomplish his purpose, even if he spoke for a week on the basing-point bill.

Mr. President, we must conclude the consideration of the basing-point conference report between now and sometime Friday night. So I desire to give the Senate notice of the program now, and I hope no Senators will come around Friday evening and ask me to call off a night session, if it takes that long to conclude the consideration of the conference report. I should like very much to have it concluded this week.

So I am advising Senators now, and I hope the proper officials of the Senate will advise Senators who are out of town, that we shall try to conclude the consideration of the conference report on the basing-point bill this week, and if necessary have a night session Friday in order to accomplish that purpose. I hope every Senator will make his plans accordingly. The Friday night session is one session of the Senate the Senator from Illinois will not call off. We will have a night session Friday, if it takes that long to conclude the consideration of the report.

Mr. O'CONOR. Mr. President, I wish to say to the Senator from Illinois, in order that he may be fully informed in regard to any plans he may desire to make, that we who are the proponents of the conference report have completed our side of the presentation of the case. If I may speak for those who are supporting the report, I may say it is expected no speeches will be made by them, unless it should be in reply to something said during the debate. I gave assurance to the Senator from Illinois last week that we would consume only a few hours in presenting our side. That has been done, and we have completed our presentation, and do not expect to take any more time.

Mr. LUCAS. Then, I should hope that we might finish the conference report tomorrow. As I understand, the Senator from Louisiana [Mr. LONG] and the Senator from Tennessee [Mr. KEFAUVER] desire to make speeches on the subject. My colleague, the junior Senator from Illinois [Mr. DOUGLAS], will speak this afternoon on the report. But if action cannot be completed on the measure on Thursday, we ought to be able to complete it on Friday.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. LANGER. Can the distingished Senator advise us what bill will be taken up following completion of action on the conference report on the basing-point bill?

Mr. LUCAS. Following completion of the basing point legislation we will take up the bill to increase the capitalization of the Commodity Credit Corporation. It is on the calendar and has been on the calendar for some time.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. I understand there will not be a night session tonight or tomorrow night.

Mr. LUCAS. The Senator from Ohio is correct.

Mr. TAFT. But there will be a night session Friday?

Mr. LUCAS. That is correct.

Mr. TAFT. And if the Senate can reach a vote on the basing-point conference report by Thursday the Senate will, of course, take a vote on it at that time?

Mr. LUCAS. The Senator is correct, and there will then be no night session Friday.

Mr. TAFT. So in notifying absent Members we may tell them that it is possible the vote on the conference report might be reached on Thursday, and if not, as I understand, the Senator intends that the Senate shall hold a night session Friday night in order that a vote on the report may be had on Friday.

Mr. LUCAS. The Senator from Ohio is correct.

Mr. TAFT. And unless there should be a filibuster or something of that sort, there would not be a probability of a session on Saturday.

Mr. LUCAS. I do not want the Senate to stay in session on Saturday, I will say to the Senator from Ohio. I do not think we ever accomplish anything worth while by holding a Saturday session. Two or three speeches may be made, but, usually, a number of Senators are unavoidably absent over the week end.

Mr. TAFT. My only reason for wanting to be fully advised is so I may be able to notify absent Senators.

Mr. LUCAS. As my good friend from Ohio well recalls, a couple of weeks ago I indicated that we would hold a night session, and then about the time we were to hold the night session the Senator from Ohio said he thought it would not be fair to have a vote during that night session. That was with respect to a different proposal, however, a reorganization plan.

Mr. TAFT. Yes; and it was necessary to have a constitutional majority of the membership of the Senate. It was necessary to have a vote of 49 Senators.

Mr. LUCAS. I yield the floor.

PROHIBITION OF LOCKOUTS OR STRIKES IN THE RAILROAD INDUSTRY—LETTER FROM GEORGE C. SMITH

Mr. DONNELL. Mr. President, I ask unanimous consent to have set forth in the body of the RECORD at this point a letter dated May 24, 1950, sent by George C. Smith, president and general manager of the St. Louis Chamber of Commerce, to myself, with respect to action taken by the executive committee of that organization in relation to Senate bill 3463.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. LOUIS CHAMBER OF COMMERCE,
St. Louis, Mo., May 24, 1950.

Hon. FORREST C. DONNELL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR DONNELL: The importance of the great railroads of this country to commerce and industry was again demonstrated during the recent strike on several major lines due to the demand of the union for extra firemen on Diesel engines.

Our executive committee, at a meeting last Friday, unanimously voted its approval of Senate bill 3463, which would prohibit lockouts or strikes in the railroad industry.

Congress should take all steps necessary to prevent the reoccurrence of the stoppage of work on this great branch of our transportation system.

We believe that Senate bill 3463, which we understand you introduced, will accomplish this end and we know that you will do all you can to secure its passage.

Sincerely yours,

GEORGE C. SMITH,
President.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. WILLIAM LEMKE, late a Representative from the State of North Dakota, and transmitted the resolutions of the House thereto.

The message announced that the House had agreed to the concurrent resolution (S. Con. Res. 93) relative to the reenrollment of the bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.

THE PRESIDENT'S REORGANIZATION PLANS

Mr. MALONE. Mr. President, many of the so-called Hoover reorganization plans which have been submitted to the Senate and voted upon, or have been submitted and become effective without being voted upon, have been misleading in that they did not correspond to the original recommendations of the Hoover Commission, or included the recommendations only after they were changed to a substantial extent.

The major objectives were to simplify the work of the departments and to save money—several of these plans do neither—but do transfer more power to the Executive—which in itself is bad.

HOOVER REORGANIZATION PLANS PERVERTED

This, Mr. President, is important because organizations throughout the

United States, such as junior chambers of commerce and women's organizations, have spent considerable time in selling the Hoover reorganization plans to the people and are not aware that in many instances major changes were made in the recommended reorganization plans before being submitted to the United States Congress.

PLAN NO. 1

Mr. President, as an example, Reorganization Plan No. 1, having to do with the Department of the Treasury, did not incorporate the Hoover Commission recommendation to (a) transfer the Bureau of Narcotics to the Department of Justice; (b) transfer the United States Coast Guard to the Department of Commerce; (c) transfer marine functions to the Bureau of Customs and the Department of Commerce; (d) establish a domestic lending council made up of members of various Government lending agencies; and (e) provide that supervision of the operations of the RFC, FDIC, and the Export-Import Bank be vested in the Secretary of the Treasury. But it did set up a new $14,000 position.

The Senate turned down this reorganization plan, but that does not alter the fact that the President of the United States did not submit the reorganization plans as recommended by the Hoover Commission and that organizations throughout the country are not informed that the President's recommendation did not conform to the Hoover plan.

PLAN NO. 5

Mr. President, as another example, Reorganization Plan No. 5, having to do with the Department of Commerce, did not provide (a) for the grouping of all nonregulatory transportation activities in this bureau; (b) transfer motor-carrier-safety functions from the Interstate Commerce Commission to this Department; (c) transfer car service and railroad consolidation planning from the Interstate Commerce Commission to this Department; (d) establish a bureau of civil aviation; (e) incorporate a National Advisory Committee for Aeronautics; (f) vest in the Secretary of Commerce responsibility for the establishment of air, rail, and water transportation route patterns; or (g) provide for the initiation of regulatory action when carriers are at variance. All of these are recommendations by the Hoover Commission.

Reorganization Plan No. 5 did create some new high-paying positions, just as did Reorganization Plans Nos. 3 and 4. It also put more power over this Commission into the President's hands through appointment of the Chairman, instead of as it was, the Commission electing its own Chairman.

PEOPLE FOOLED

Mr. President, the administration has deliberately misused the name of our only living former President, Herbert Hoover, in its grab for power. These plans were prepared by the Hoover Commission in the first instance, but perverted in many instances by the administration before being sent to Congress.

The reorganization plans and recommendations as submitted by the President were in many ways different from the recommendations of the Hoover Commission.

The administration has been sucessful in securing the support of some high-minded people and highly respected organizations only by labeling its reorganization plans the Hoover plans, and representing them as measures of efficiency and economy.

Mr. President, I am for the Hoover plans of reorganization, but in several of the plans submitted by the President the resemblance to the Hoover plans is slight—and further centralized the power of the Federal Government

THE FEDERAL CENTRALIZATION ROAD

Mr. President, we have gone a fearful distance on the road to centralization. It seems to me that we have reached a point where the only sensible yardstick to apply to any new legislation or proposal is this: Does it further centralize power in the Executive? If it does, then this fault is so grievous that it outweighs whatever may be good about it, because centralization of power causes the atrophying of the national traits that made us big, virile, and wealthy, as a nation.

Those of us who have observed close at hand the reckless spending, wanton waste, and hopeless inefficiency in which the Truman administration has reveled, were at first surprised when it was reported that the administration favored the Hoover Commission recommendations. Had the administration at long last turned over a new leaf, or on the other hand was this another device to grab more power for the President? After reading some of the reorganization plans, we knew the answer.

The Senator from Illinois [Mr. LUCAS], the majority leader, in supporting all the reorganization plans suggested that the Congress should give the President some leeway. We in the Senate have cause to suspect what the words "some leeway" may mean to this administration.

The Hoover Commission was created by the efficiency-conscious and economy-conscious Republicans in the Eightieth Congress; it created the reorganization commission. The commission, following 2 years of intensive work, made the Hoover plan recommendations. The Democratic administration perverted many of the plans—further centralizing authority with no thought of economy.

OSCAR EWING—CABINET

Mr. President, it will be remembered that last year one of the reorganization plans called for the creation of a new Cabinet position for the social-security agencies; but the plan would have brought in through the back door through some proposals, such as the appointment of Mr. Oscar Ewing as head of the proposed new department, and having him serve as a member of the President's Cabinet with authority to inaugurate changes not passed upon by Congress.

LEGISLATIVE HISTORY—PRESIDENT'S REORGANIZATION PLANS

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a chart showing the legislative history of Reorganization Plans Nos. 1 to 21, in the Eighty-first Congress, second session.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Chart showing legislative history of Reorganization Plans Nos. 1 to 21, 81st Cong., 2d sess.

Plan No. and subject matter	Resolution to disapprove introduced	Resolution passed	Present status—effective
1. Treasury Department	Yes	Yes	No.
2. Justice Department	No		Yes.
3. Interior Department	No		Yes.
4. Agriculture Department	Yes	Yes	No.
5. Commerce Department	Yes	No	Yes.
6. Labor Department	No		Yes.
7. Interstate Commerce Commission.	Yes	Yes	No.
8. Federal Trade Commission.	Yes	No	Yes.
9. Federal Power Commission.	Yes	No	Yes.
10. Securities and Exchange Commission.	No		Yes.
11. Federal Communications Commission.	Yes	Yes	No.
12. National Labor Relations Board.	Yes	Yes	No.
13. Civil Aeronautics Board.	No		Yes.
14. Transfers labor standards enforcement to Labor Department.	No		Yes.
15. Transfers Alaska public works to Interior Department.	No		Yes.
16. Transfers school aid to Federal Security.	No		Yes.
17. Public works planning to be under Housing and Home Finance Agency.	Yes	No	Yes.
18. Building management to be under General Services Administration.	Yes	No	Yes.
19. Employment compensation to be under Labor Department.	No		Yes.
20. Record keeping to be under General Services Administration.	No		Yes.
21. Abolishes Maritime Commission—new board under Commerce Department.	Yes	No	Yes.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a memorandum giving examples of the divergence of the reorganization plans from the Hoover Commission recommendations.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

EXAMPLES OF DIVERGENCE OF REORGANIZATION PLANS FROM HOOVER COMMISSION RECOMMENDATIONS

Reorganization Plan No. 1, having to do with the Department of Treasury, did not incorporate Hoover Commission recommendations to (a) transfer the Bureau of Narcotics to the Department of Justice; (b) transfer the United States Coast Guard to the Department of Commerce; (c) transfer marine functions of the Bureau of Customs to the Department of Commerce; (d) establish a Domestic Lending Council made up of members of various Government lending agencies; or (e) provide that supervision of the operations of the RFC, FDIC, and the Export-Import Bank be vested in the Secretary of the Treasury; but it did set up a new $14,000 position.

Reorganization Plans Nos. 2, 12, 14, 15, 16, 18, and 19 had to do with the Department of Justice, the National Labor Relations Board, Labor Standards Enforcement, Alaska and Virgin Islands public works, assistance to school districts and water-pollution control, building and space management functions and employees' compensation functions, respectively. The Hoover Commission made

no recommendations exclusively affecting any of these.

Reorganization Plan No. 3, having to do with the Department of the Interior, did not (a) establish a National Public Works Board; (b) transfer civil functions of the United States Corps of Engineers; (c) set up an office of Public Buildings Construction; (d) transfer the tin smelter from RFC to the Department of Interior; (e) transfer the Bureau of Indian Affairs from the Department of Interior; (f) transfer the Bureau of Land Management from the Department of Interior; or (g) transfer Commercial Fisheries from the Department of the Interior, all of which were recommended by the Hoover Commission.

Reorganization Plan No. 4, having to do with the Department of Agriculture, did not (a) provide for restriction of Federal conservation payments; (b) provide for policy changes in community adjustment programs; (c) transfer food regulatory functions to the Department of Agriculture; (d) consolidate the Forest Service, Bureau of Land Management, and Soil Conservation Service. All of these were recommended by the Hoover Commission.

Reorganization Plan No. 5, having to do with the Department of Commerce, did not (a) provide for the grouping of all nonregulatory transportation activities in this Department; (b) transfer motor-carrier safety functions from the Interstate Commerce Commission to this Department; (c) transfer car service and railroad consolidation planning from the Interstate Commerce Commission to this Department; (d) established a Bureau of Civil Aviation; (e) incorporate a National Advisory Committee for Aeronautics; (f) vest in the Secretary of Commerce responsibility for the establishment of air, rail, and water transportation route patterns; or (g) provide for the initiation of regulatory action when carriers are at variance. All of these were recommended by the Hoover Commission. Plan No. 5 did set up some new high-paying positions, just as did plans Nos. 3 and 4.

Reorganization Plan No. 6, having to do with the Department of Labor, did not transfer to this Department (a) the Bureau of Employee Compensation; (b) the Selective Service System; (c) the determination of minimum wages for seamen; (d) the enforcement of labor standards in Government contracts; (e) wage-research surveys; or (f) the Division of Industrial Hygiene. All of these were recommended by the Hoover Commission.

Reorganization Plans Nos. 7, 8, 9, and 10, having to do with the Interstate Commerce Commission, Federal Trade Commission, Federal Power Commission, and Securities and Exchange Commission, respectively, provided that the Chairmen of the Commissions be chosen by the President rather than chosen by the Commission members, as at present. The Hoover Commission made no such recommendation. Nos. 9 and 10 did not provide for removal only for cause, as the Hoover Commission recommended. The Hoover Commission recommended that the power-planning functions of the Federal Power Commission be transferred to the Department of the Interior; no such provision was made in the plans applying to the two agencies.

Reorganization Plan No. 11, having to do with the Federal Communications Commission, also provided that the Chairman be chosen by the President, while the Hoover Commission made no such recommendation.

Reorganization Plan No. 13 did not transfer to the Department of Commerce the promulgation of aircraft safety regulations, as recommended by the Hoover Commission.

Reorganization Plan No. 17, contrary to Hoover Commission recommendations, transferred the Bureau of Community Services to the Department of the Interior.

Reorganization Plan No. 20 abolishes certain obsolete statutory duties of the Secretary of State; the Hoover Commission made no specific recommendations in this regard.

Reorganization Plan No. 21 established a Maritime Board within the Department of Commerce. The Hoover Commission did not recommend this; on the contrary, it recommended that functions of the Maritime Commission relating to rates, conditions of service, and granting of subsidies remain with the present Maritime Commission.

There were other differences, but this is sufficient to show that the plans submitted to the Congress by the President cannot be rightly called the Hoover plans.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a memorandum on the Hoover report recommendations of 1949.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM REGARDING HOOVER REPORT RECOMMENDATIONS, 1949

The Hoover Commission made 23 task-force reports, which made a total of about 277 specific recommendations. However, not all of these recommendations could be made effective in the same manner. Of the 277, 114 could be made effective through administrative action, which means that they could be put into effect without any congressional consent.

One hundred and six recommendations require legislative action, meaning that Congress will have to pass enabling legislation. Eighteen more recommendations require actual appropriations to be made by Congress. Eighty of those 277 recommendations can be carried out under the authority of the Reorganization Act of 1949. These 80 recommendations have been partly submitted to Congress, which, under the terms of the Reorganization Act, has the authority to disapprove each specific recommendation submitted within 60 calendar days. Disapproval of reorganization plans is effected by the passage of a simple resolution in either House of Congress.

During 1949 eight reorganization plans were submitted, of which six became effective either through lack of disapproval or the resolution for disapproval having been voted down. One reorganization plan was disapproved and a second became inoperative through the passage of a law which provided for changes similar to those proposed in the plan.

Each reorganization plan incorporates more than one specific recommendation of the Hoover Commission, and therefore an exact analysis of the number of recommendations put into effect is rendered difficult. Here follows a list of the 1949 reorganization plans, with the recommendations made in each:

REORGANIZATION PLAN NO. 1—DEPARTMENT OF WELFARE

The plan provides that a Department of Welfare would be added to the principal executive departments of the Government and would perform the functions and conduct the programs now administered by the Federal Security Agency. Responsibility and authority for the administration of these programs were to be vested in a Secretary of Welfare.

Present status of plan No. 1: Disapproved.

REORGANIZATION PLAN NO. 2—TRANSFERRING THE BUREAU OF EMPLOYMENT SECURITY

This plans transfers the Bureau of Employment Security, now in the Federal Security Agency, to the Department of Labor and vests in the Secretary of Labor the functions of the Federal Security Administrator with respect to employment services and unemployment conpensation.

Present status of plan No. 2: Effective.

REORGANIZATION PLAN NO. 3—POST OFFICE DEPARTMENT

This plan increases the authority of the Postmaster General by transferring to him the functions of all subordinate offices and agencies of the Post Office Department, including the functions of each Assistant Postmaster General, the Purchasing Agent, the Comptroller, and the Bureau of Accounts.

Present status of plan No. 3: Effective.

REORGANIZATION PLAN NO. 4—TRANSFERRING THE NATIONAL SECURITY COUNCIL AND THE NATIONAL SECURITY RESOURCES BOARD

This plan transfers the National Security Council and the National Security Resources Board to the Executive Office of the President in accordance with Reclamation No. 7 in this report.

Present status of plan No. 4: Effective.

REORGANIZATION PLAN NO. 5—UNITED STATES CIVIL SERVICE COMMISSION

This plan provides for unified direction by the Chairman of the United States Civil Service Commission of executive affairs of the Commission. At the same time it maintains advantages of the bipartisan three-membered Commission.

Present status of plan No. 5: Effective.

REORGANIZATION PLAN NO. 6—THE MARITIME COMMISSION

This plan is designed to strengthen the administration of the United States Maritime Commission by making the Chairman the chief executive and administrative officer of the Commission and vesting in him responsibility for the appointment of its personnel and the supervision and direction of their activities.

Present status of plan No. 6: Effective.

REORGANIZATION PLAN NO. 7—TRANSFERRING THE PUBLIC ROADS ADMINISTRATION

This plan transfers the Public Roads Administration from the Federal Works Agency to the Department of Commerce, in accordance with recommendations of the Commission.

Present status of plan No. 7: Effective.

REORGANIZATION PLAN NO. 8—THE NATIONAL MILITARY ESTABLISHMENT

This plan converts the National Military Establishment into the Department of Defense. The Secretary of Defense as the head of the Department of Defense will exercise authority, direction, and control over the Department. Subject thereto, the Departments of the Army, Navy, and Air Force will be administered as military departments by their respective Secretaries.

Present status of plan No. 8: Passage of Public Law No. 216 incorporated the major provisions of Reorganization Plan No. 8. This act included a provision nullifying Reorganization Plan No. 8 and it, therefore, became inoperative.

Here follows a short description of the latest reorganization plans submitted to Congress on May 9, 1950:

LATEST REORGANIZATION PLANS SUBMITTED MAY 9, 1950

Reorganization Plan No. 22: This plan transfers the Federal National Mortgage Association from the Reconstruction Finance Corporation to the Housing and Home Finance Agency.

Reorganization Plan No. 23: This plan transfers from the Reconstruction Finance Corporation to the Housing and Home Finance Agency the lending functions of the Government with respect to the production and distribution of prefabricated houses and components.

Reorganization Plan No. 24: This plan transfers the Reconstruction Finance Corporation to the Department of Commerce.

Reorganization Plan No. 25: This plan transfers the function of the National Security Resources Board from the Board to the Chairman of the Board and makes the Board advisory to the Chairman.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a memorandum outlining the debates on Hoover Reorganization Plans Nos. 1 to 21, 1950.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM REGARDING HOOVER REORGANIZATION PLANS 1–21, 1950

The following pages give outlines of the debates pertaining to those of the 21 reorganization plans which have been approved or disapproved as of May 22, 1950. The reorganization plans which have neither been challenged or on which a vote to disapprove has not been taken are left out.

REORGANIZATION PLAN NO. 1

The main feature of this plan is to put the Comptroller of the Currency directly under the Secretary of the Treasury. The resolution to disapprove this plan was passed with a vote of 65 to 13.

In the debate supporting the resolution to disapprove it was stated that this plan would tend to disrupt confidence in our national banks. Other phases of the plan, such as providing for an administrative assistant to the Secretary of the Treasury, and other provisions, were not objected to. It was stated that the Comptroller of the Currency had been on an independent statutory basis for 86 years and his independence would be destroyed by making him subservient to the President and the Secretary of the Treasury.

No economy could be effected by the implementation of this plan since the office of the Comptroller of the Currency is paid by the banks and not by the Government. The Secretary of the Treasury himself stated specifically that he was opposed to the plan and that he, himself, would make no changes in the present operation of the office of the Comptroller of the Currency should the plan become effective. However, the Secretary stated in a letter that he could not guarantee continuation of the independence of the Comptroller of the Currency under any successor. It was brought out, moreover, in the debate that this plan went counter to the intent of the Reorganization Act of 1949 by making substantive changes, in other words, changes involving policy rather than merely changes involving economy and the elimination of duplication.

The essence of the argument for approval of Reorganization Plan No. 1 was that close liaison and cooperation existed under present laws between the Secretary of the Treasury and the office of the Comptroller of the Currency.

The arguments in favor of the plan could not point to any favorable testimony from the Treasury or from other branches of the executive or from the banks. The main argument used in favor of the plan was that its disapproval would set a bad precedent.

REORGANIZATION PLAN NO. 4

Department of Agriculture. Provisions: Vests in Secretary of Agriculture all functions of other officers, employees, and offices of Department; (b) authorizes Secretary to transfer functions to any officers, employees, or office of Department; (c) establishes two additional Assistant Secretaries of Agriculture; (d) establishes an Administrative Assistant Secretary of Agriculture.

Resolution to disapprove was adopted by voice vote.

In the debate on the resolution to disapprove Reorganization Plan No. 4, the main argument against the plan devolved about the fact that this plan did not follow the Hoover recommendations, was, in fact, opposed by the Hoover Commission, and gave the Secretary of Agriculture (and thereby the President) much too great powers over the manyfold activities of the Department of Agriculture.

The Secretary of Agriculture would, by the approval of this plan, be empowered to revamp and reorganize the Department far beyond the intent and policy of Congress. It would be granting a blank check to the Secretary of Agriculture for as many reorganizations of his Department as he may care to undertake. He would be allowed to defeat the will of Congress by transferring unused appropriations from year to year or from objective to objective within his Department. The Extension Service of the Department of Agriculture, for instance, could be eliminated; the activities of the Production and Marketing Administration could be severely limited by transferring funds allotted to that agency to some other section within his Department.

It was pointed out that numerous farm organizations opposed this reorganization plan. The only organization within the Department exempt from the Secretary's authority would be the Commodity Credit Corporation and other agricultural corporations under the Department.

The specific recommendations of the Hoover Commission in regard to the Department of Agriculture were not taken into consideration under this plan, but the Secretary of Agriculture was to receive unspecified authority to direct and administer his own Department's reorganization.

There was no serious debate in favor of the plan.

REORGANIZATION PLAN NO. 7

Reorganization of the Interstate Commerce Commission gives the Chairman larger powers over appointment and supervision of personnel, the use and expenditure of funds, etc., and provides for the transfer of functions of the Commission with respect to choosing a Chairman from the commissioners to the President.

Resolution to disapprove this plan was agreed to 66 to 13.

In the debate on the resolution to disapprove this plan it was stated that all administrative and executive authority of the Interstate Commerce Commission would be vested in the chairman of the Commission who, instead of being elected by the commissioners, would be appointed by the President. It was pointed out that this would circumvent many laws regulating the Commission and would amount to the legislation by the executive. The Interstate Commerce Commission would be made a one man Commission and the independent regulatory nature of this agency would be brought under direct control of the President. This plan would provide for no economy, it would not increase efficiency and one of the safeguards under present law in providing for staggered appointments of the Commissioners would be eliminated. Staggered appointments are provided for in order to assure continuity and protect the Commission from abrupt changes in policy in the case of a change in the Presidency. This safeguard would be swept away under Reorganization Plan No. 7.

Five important functions which now rest in the Commission would be vested in the Chairman, who, being appointed by the President, would logically be a political appointee. Many associations such as the Association of American Railroads, the Association of Interstate Commerce Practitioners, the American Trucking Association and others, were said to be in opposition to this plan.

During the debate in favor of the Reorganization Plan No. 7, it was pointed out that the chairmanships of several regulatory commissions had been appointed by the President for some time and that there was nothing revolutionary in this proposal. These examples were given: the Federal Communications Commission, the Maritime Commission, the CAB and the NLRB. It was also stated that committee reports on other reorganization plans having the same general provision, but in respect to different agencies, had not objected to the President's appointment of a chairman. The proponents of the plan pointed out that Reorganization Plan No. 6 of 1949 provided for changes in the Maritime Commission along the same lines as here proposed and that plan was not rejected.

In short, appointment of chairmanship by the President was not new and had frequently been provided for by Congress itself. The rest of the argument for approval of the plan concerned itself mainly with the transfer of certain functions formerly vested in the commission as a whole to the chairman. It was pointed out that the chairman would only have added administrative duties and responsibilities in order to make the organization more efficient and to relieve the other commissioners from so-called housekeeping duties.

It was strongly emphasized that the substantive work of the Commission would, as heretofore, lie with the Commission as a whole. In other words, regulatory functions, the work for which the ICC was set up, would be handled by the commissioners as a body. In cases of dispute, it was said, the vote of the whole commission would determine what was regulatory or substantive and what was administrative, or housekeeping work.

REORGANIZATION PLANS NOS. 8, 9, AND 11

The debate on these 3 plans hinged on the same principle as plan No. 7 because all four plans are identical except for these two differences: In addition to the other provisions there is one in plan 7 which places the Director of Locomotive Inspection and the two Assistant Directors under the direction of the Chairman of the Interstate Commerce Commission. Plan No. 11 differs from the others in not transferring the functions of choosing the chairman of the Commission to the President, because this already is part of the Federal Communications Commission laws.

Reorganization Plan Nos. 7, 8, 9, and 11 can therefore be grouped together and debated in toto.

REORGANIZATION PLAN NO. 5

This plan which is similar to Plans 1, 2, 3, 4, and 6 vests in the Secretary of Commerce all functions of all other officers and offices of the Department. The objections raised to this plan were based on the fact that the Commissioner of Patents would have to report directly to the Secretary of Commerce and be under his jurisdiction. Since, it was argued, the functions of the Commissioner of Patents were quasi legislative and judicial, he should not be placed under the direct authority of the Secretary of Commerce but should remain on an independent status. The Commissioner of Patents is appointed by the President with the advice and consent of the Senate.

REORGANIZATION PLAN NO. 12

This plan, which would have abolished the Office of General Council of the NLRB, was objected to on the grounds that it went far beyond the principles established in the Reorganization Act of 1949 by actually changing existing legislation. The Taft-Hartley Act provides for the independence and separate authority of the general council of the NLRB and under the plan the Board would

have taken over his functions and abolished his independent status.

The Senate rejected the attempt to unmake present legislation through the use of reorganization plans.

REORGANIZATION PLAN NO. 17

The plan transfers the administration of Federal grants and advance planning of public works from the General Services Administration to the Housing and Home Finance Agency and also transfers certain other facilities from the General Services Administration to the Housing and Home Finance Agency. The basis of arguments against this plan was the testimony by the head of the Bureau of the Budget that this plan would effect no economies but was very likely to produce added expense. Furthermore, there was a strong belief among the opponents of the plan that 388 temporary employees might be made permanent Federal workers.

REORGANIZATION PLAN NO. 18

This plan transfers to the General Services Administration functions of various Federal agencies with respect to leasing, maintenance, space control, and custody of Federal office buildings with specified exclusions.

The objections to this plan were based merely on the fact that between four and five thousand custodial employees of the Post Office Department would lose their rights to longevity benefits and would be denied opportunity for promotions after their transfer to the GSA.

Other phases of this reorganization plan were not found objectionable.

REORGANIZATION PLAN NO. 21

This plan abolishes the Maritime Commission and establishes under the Secretary of Commerce a Maritime Board. Objections were based on the argument that the Hoover Commission specifically recommended the retention of regulatory functions in the Maritime Commission, and the plan thus goes far beyond the Hoover Commission recommendations.

The determination of shipping routes would be left to the Secretary of Commerce, and thus, the independent functions of the Maritime Commission would be subjected to closer executive control. Proponents of the plan, in pointing out the severe criticisms which had been leveled against the Maritime Commission, argued that a reorganization was badly needed. However, this plan is going beyond Hoover Commission recommendations in changing policy, goes far beyond the purposes in increasing efficiency and eliminating waste. In 1949, certain changes had been made in the Maritime Commission set-up (also under Hoover Commission recommendations), and it was argued that these changes had only been effective for 7 months, and should therefore be given a chance to operate for a longer period of time.

Mr. MALONE. Mr. President, the fine and earnest groups and individuals working throughout the country for the adoption of the Hoover reorganization plans must be informed that many of such plans were perverted by the President before submitting them to Congress and resulted in merely further centralization of power in the Federal Government and in the hands of the President.

The Hoover reorganization plans honestly submitted will, in the main, be adopted.

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. HUMPHREY. Mr. President, I rise to bring to the attention of the Senate an editorial which appeared in the Washington Post of this morning, May 31. It deals with my bill, S. 3116, to abolish the Byrd committee.

I wish to read that editorial now:

When Senator HUMPHREY launched his campaign some months ago to abolish the Byrd committee, he met with sharp resistance in the Senate. That is not surprising, for the Byrd committee stands in the public mind as a symbol of economy. People still remember its effective work some years ago in centering attention on extravagances and wasted effort in Government. Under the impact of the present demand for economy, there is natural reluctance on the part of Congress to take any step that might minimize the pressure upon Federal agencies to operate with a maximum of economy and efficiency. That accounts for the poor response to Senator HUMPHREY's efforts.

The fact remains, however, that the Byrd committee duplicates the functions of the Committees on Expenditures in the Executive Departments. Created in the Seventy-seventh Congress, the Byrd committee was instructed to make a full and complete study and investigation of all expenditures of the Federal Government with a view to recommending the elimination or reduction of all such expenditures deemed by the committee to be nonessential. When Congress reorganized its own committee structure in 1946, it rejuvenated the Expenditures Committees in both the House and Senate and gave them the task of studying the operation of Government activities at all levels with a view to determining its economy and efficiency. The Byrd committee, representing both Houses, was not disturbed.

Under sound principles of organization, one of the committees ought to give way and have its duties transferred to the other. In our opinion, it should be the Byrd committee, in spite of the good work it has done in the past, because the function logically belongs to the Committees on Expenditures. Under the Reorganization Act, the Expenditures Committees have competent staffs. They receive reports on reckless executive practices from the Comptroller General. They handle legislation on executive and congressional reorganization. The Senate Expenditures Committee puts out a report on Government personnel which in some measure duplicates the reports of the Byrd committee. It has become the investigative arm of the Senate. Common sense dictates that the investigation of extravagance and waste be centered in this group and its counterpart in the House.

We see no prospect, however, of Congress voting to abolish the Byrd committee so long as the vote might be interpreted as an anti-economy move. Apparently the only effective remedy is for Senator BYRD to recognize the duplication and ask for the merger of his organization into the Committees on Expenditures.

Mr. President, I welcome this editorial as an indication of growing public support for the merits of my position. I am confident that regardless of the strength which the Byrd committee now has in the Senate of the United States, the people of the United States and those who objectively look at the facts which I have presented—and intend to present—will agree, just as the editors of the Washington Post have agreed, that the existence of the Byrd committee violates sound principles of legislative organization.

In a sense, Mr. President, we now begin chapter 5 in the story of this legislation. The first chapter in my fight for abolition of the Byrd committee began on February 24 when I introduced my bill. Members of the Senate will recall that when I did so I made a brief statement explaining its purpose and its provisions. I mention this because on a later occasion the Senator from Virginia implied that the introduction of the bill during his absence was somehow improper. Aside from the fact that I did not know the Senator was absent, Members of this body fully appreciate that thousands of bills are introduced as a matter of form, regardless of whether our colleagues who will be affected are present or are not present. That was chapter 1.

Chapter 2 began much more lustily. The Senator from Virginia, joined by his colleagues of the Republican-Dixiecrat coalition, attacked me. I was accused of making nine misstatements. Even though I was able—when I finally obtained the floor, after a number of vain attempts—to hastily refute the allegations of the Senator from Virginia, the coalition was not present on the floor of the Senate to hear my refutation.

I might say as an aside, Mr. President, that if the Senator from Virginia considered it improper for me to have inadvertently introduced my bill in his absence, I think it grossly improper for him and his colleagues to have absented themselves from the Senate floor, rather than listen to my answer. I can only conclude that they did so out of a desire to escape facing the facts. A careful reading of the RECORD, incidentally, will show that those who were in opposition to my proposal monopolized the floor of the Senate for 3 hours, without giving me an opportunity to reply; and I say they did so by violating the rules of the Senate.

The coalition saw fit, however, to pay glowing tribute and to eulogize the Senator from Virginia without in any sense meeting the point at issue. I joined in that eulogy insofar as it applied to the individual person, but as I have mentioned, the issue at stake was not a personality. The issue at stake was the matter of a congressional committee. As I have said, the coalition paid glowing tribute to and eulogized the Senator from Virginia, without in any sense meeting the point at issue, namely, that the activities of the Joint Committee on Reduction of Nonessential Federal Expenditures duplicates the work of the Standing Committees on Expenditures in the Executive Departments. That is the issue.

In this connection, I was interested in the remarks of the Senator from South Dakota [Mr. MUNDT], the Senator from Michigan [Mr. FERGUSON], and the distinguished Senator from Arkansas [Mr. MCCLELLAN], chairman of the Senate Committee on Expenditures in the Executive Departments.

The Senator from Michigan, who was a member of the same committee in the Eightieth Congress said, "There was no desire on our part to transfer the functions of that committee to the Committee on Expenditures." The Senator from Michigan indicated, in fact, that it might be a calamity—and I quote from the RECORD—"if we were even to consider the question of abolishing the joint committee."

The Senator from South Dakota, who was a majority member of the Expenditures Committee during the Eightieth Congress, indicated the same belief and the same allegiance.

I was interested in these comments, Mr. President, because I have in my possession staff memoranda of the Committee on Expenditures in the Executive Departments, which indicate to my mind that the reverse was true. I therefore respectfully bring to the attention of the Senate, and particularly to the attention of the Senator from Michigan and the Senator from South Dakota, these staff memoranda so that they can properly refresh their memories.

I quote first from a staff memorandum entitled, "Summary of Proposed Changes in Legislative Reorganization Act—Public Law 601, Seventy-ninth Congress." It is signed by Mr. E. B. Van Horn, staff director of the Committee on Expenditures in the Executive Departments. I read one of the recommendations from that memorandum as follows—and, Mr. President, this is the memorandum submitted at the time the Senator from South Dakota and the Senator from Michigan were members of the Committee on Expenditures in the Executive Departments:

The Joint Committee on Reduction of Nonessential Federal Expenditures to be discontinued immediately by joint resolution.

I now quote from another staff memorandum dated March 11, 1948, entitled "Suggested Changes in the Legislative Reorganization Act" and also signed by Mr. E. B. Van Horn, staff director of the committee. I quote from its recommendations:

Abolish all joint committees except—
(a) Joint Committee on Internal Revenue Taxation.
(b) Joint Committee on the Economic Report.
(c) Joint Committee on Labor-Management Relations.
(d) Joint Committee on Printing.
(e) Joint Committee on the Library.

The Joint Committee on Reduction of Nonessential Federal Expenditures is conspicuous by its absence from this list—a list of those joint committees which were to be maintained.

I ask unanimous consent that the full text of the staff memoranda be printed in the body of the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Illinois?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I take it that since the Joint Committee on Reduction of Nonessential Federal Expenditures was not included in the list of committees to be kept, that it was, by implication, to be abolished.

Mr. HUMPHREY. That is my observation. But now let me go on. I was not surprised at the show of strength exhibited by the Senator from Virginia, nor by the fact that he has been praised by so many Republican Members of the other side of the aisle. They demonstrated to me a fact that has long been known to me: There is a basic unity between the principles of the Republican Party and the activities and principles of the senior Senator from Virginia and his joint committee.

In this connection I was interested in reading a column of the Washington Star for Sunday, March 12, by Mr. Frank R. Kent, headed "Republican 'principles' traced to HARRY BYRD," and I ask unanimous consent to have this article printed in the body of the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HUMPHREY. In that connection, too, I was interested in seeing an article by Mr. W. H. Lawrence in the New York Times for March 9, 1950, entitled "Republicans Woo States' Righters." I ask unanimous consent that this article be placed in the body of the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HUMPHREY. The next is a news item which appeared in the Richmond Times-Dispatch on Friday, April 21, 1950, under a headline which reads:

MUNDT Suggests South Recapture Party, Run BYRD.

The reference is to our colleague, the Senator from South Dakota [Mr. MUNDT]. In this story the Senator from South Dakota is quoted as saying:

There is no difference between the Democratic principles of BYRD and the kind of Republicanism we have in South Dakota.

I ask unanimous consent that the article from the Richmond Times-Dispatch be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. HUMPHREY. This statement is quite in harmony with the statement of the distinguished minority leader, appearing at page 2618 of the CONGRESSIONAL RECORD of March 2, when, in the course of that eulogistic session, he said that "the methods of the junior Senator from Virginia have somehow become a symbol for the things for which I stand."

Mr. President, I wish Mr. Gabrielson, Mr. Wherry, Mr. Mundt, and the Republican Party success in their efforts. I welcome the growing coalition between the Republican Party and the Dixiecrats, and I invite those liberal members of the Republican Party to take heed of the direction in which their party is moving. I know that the American people would welcome a realinement of the American party system. With the liberal Republicans joining the Democratic Party, Mr. Gabrielson's Republican Party could join in holy wedlock with the Dixiecrats, thereby making legal the illicit marriage which now exists.

In the course of his remarks on March 2, the senior Senator from Virginia extended an invitation to me "to point to a single inaccurate statement of fact by the Joint Committee on Reduction of Nonessential Federal Expenditures."

I serve notice, Mr. President, that I shall use the occasion of these remarks to take advantage of this invitation, and point not to a single inaccuracy but to an undetermined number of inaccuracies, which to date I have not found it possible to enumerate.

So much for a brief résumé of chapter 2, a very active chapter in the sequence of events leading to the introduction of my bill for the abolition of the Byrd committee.

Chapter 3 largely passed unnoticed, both on the floor of the Senate and in the public press, which has been so avidly expressing its camaraderie with the senior Senator from Virginia on this issue. It is, however, an interesting chapter, and I direct the attention of the Members of this body to it.

On Friday, March 10, the distinguished senior Senator from Arkansas, chairman of the Committee on Expenditures in the Executive Departments, filed with the Senate his Committee Report No. 9. It was a report of 16 pages devoted exclusively to the personnel and work of the executive branch as of January 1, 1950. Since most people do not pay attention to these routine reports it passed largely unnoticed. But the report, Mr. President, an investigation will reveal, was comprehensive and complete in every detail. Why do I bring this report to the attention of the Senate? Because upon comparing it with the report of the Byrd committee placed in the CONGRESSIONAL RECORD of February 14, pages 1783 to 1786, I charge that duplication exists.

For proof of this charge I invite the Members of the Senate to read both reports, and I ask unanimous consent to place at this point in the RECORD, as an illustration, the excerpts from the reports which both committees have made with regard to the Post Office Department.

An examination of these reports will show not only that duplication exists but that the report of the Committee on Expenditures is the more responsible one in that it not only reports personnel reductions and increases but also supplies detailed analyses of the costs of those personnel fluctuations, information without which any report is both incomplete and misleading.

I ask to have printed in the RECORD following my remarks an excerpt from Committee Report No. 9 of the Committee on Expenditures in the Executive Departments.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. HUMPHREY. I also ask to have printed in the RECORD following my remarks an excerpt from a release dated February 6, 1950, of the Joint Committee on Reduction of Nonessential Federal Expenditures.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. HUMPHREY. I learned about chapter 4 from the members of the press who reported to me, some of them over the telephone, some of them as they saw me in the halls of the Senate lobby, that the Byrd committee held a meeting on Friday, March 17, at which time, accord-

ing to the New York Times, it "adopted an ambitious work program." I failed to see any mention in the CONGRESSIONAL RECORD Daily Digest of this meeting, which normally carries notices of all the committee meetings held in both the Senate and the House.

The New York Times reported that the committee agreed to meet monthly from now on. I would like to comment on this seeming revitalization of the Byrd committee. I naturally applaud the fact that a congressional committee receiving appropriations, has decided to meet regularly. However, I must confess that with regard to this latest decision of the Byrd committee, it is difficult to decide whether it is better to do nothing with appropriated moneys or to duplicate something already being done.

I did read with interest, however, the proposed program of the Byrd committee as reported by the newspapers. I noticed that it includes a series of public hearings on the operation of the postal service so as to single out the management problems of the Department and devise recommendations for more efficient service. I must again point out to the Senate that this function is specifically spelled out in the Legislative Reorganization Act of 1946 as a function of the Committee on Expenditures in the Executive Departments.

It is also the intent of the Byrd committee, as reported by the New York Times, to conduct a study of the extent and necessity of the Federal Government's real estate holdings with the objective of determining whether some are nonessential. Again, Mr. President, I point out that the Senate Committee on Expenditures in the Executive Departments has already made such a study, is currently continuing such a study, and in accordance with its mandate in the Legislative Reorganization Act of 1946, will continue to survey this matter.

Mr. President, the New York Times also reports three other projects which the Byrd committee intends to pursue. The first of these, a compilation of all grant and spending programs in terms of money, individuals, objectives, and results, is a direct conflict with the activities of the Subcommittee on Intergovernmental Relations, of which I have the privilege of being the chairman. In fact, the subcommittee is already making an extensive study of the whole system of grants-in-aid and is expending a sizable amount of money in order to make the study. A duplicating study is not only unnecessary, but it would be wasteful. This subcommittee will very shortly submit to the Senate a detailed report on all Federal grants-in-aid programs as well as all direct Federal aid to individuals. This report will be complete and comprehensive in every detail and will carry out the mandate of the Legislative Reorganization Act that the Committee on Expenditures in the Executive Departments "study intergovernmental relations between the United States and the States and municipalities."

The New York Times has also reported that the Byrd committee will continue its monthly reports on the volume of Federal employment as well as the investigation into the unauthorized use of Government vehicles.

All this is meritorious, but I submit that it is already being done and is under the competent jurisdiction of competent committees.

I have on several occasions said that the compiling of monthly reports by the Byrd committee is unnecessary. Such information is produced regularly by the Civil Service Commission and by the Bureau of the Budget. Such information is produced seasonally every 6 months by the Senate Committee on Expenditures in the Executive Departments. It is a wanton duplication of effort for four separate components of government to exercise the same function. It is certainly a prime example of congressional inefficiency for the Joint Committee on Reduction of Nonessential Federal Expenditures to continue with employment statistics when the standing Senate Committee on Expenditures in the Executive Departments already prepares a fully documented, thorough, and detailed report along identical lines and on a more sensible, periodic basis.

Mr. President, chapter 4 supplies further evidence to my allegation that the Byrd committee is an example of legislative duplication. That is the whole argument. It is not a case of overlapping, Mr. President, but a simon-pure case of duplication. I state again and will continue to state that, if the Senate is to live up to the spirit and the letter of the Legislative Reorganization Act of 1946, the Byrd committee should be abolished.

We now come to chapter 5. It will not be the last chapter. I now wish to address myself to the invitation from the senior Senator from Virginia. The Senator from Virginia stated in his remarks, "I take pride in the fact that in all of its many reports during 9 years there has not been a single instance of a factual statement having been successfully contradicted."

I present evidence which denies the accuracy of that statement. I do so, however, with no regard to the personalities involved. To me, Mr. President, this is a matter which must be decided on the basis of the issues and on the basis of the facts, and I hope that I shall so conduct myself on the floor of the Senate in a manner which will make it clear that I repudiate all attempts to drag this debate into the quagmire of personal vilification. I do so, Mr. President, not only because I am confident that the facts support my position but because I have a deep and inherent respect for the rules of the Senate.

I shall present my evidence in sequence. I place in the RECORD, first, a letter from the late Harold D. Smith, former Director of the Budget and Director of the Budget at the time of the first report of the Committee on Reduction of Nonessential Federal Expenditures. This letter is the first of a series of letters from Directors of the Budget from the time of the origin of the committee. These letters will indicate that the Directors took exception to the statements, to the conclusions, and to the work of the Byrd committee.

The letter from Mr. Smith, dated December 23, 1941, reads:

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., December 23, 1941.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Expenditures of the United States Senate.

MY DEAR SENATOR: While I have cooperated with the committee by making available the facilities of the Bureau of the Budget, in view of my position as head of the Bureau and my official participation in the preparation of the President's forthcoming 1943 budget to be submitted January 3, I obviously cannot join in a report which may contain recommendations at variance therewith.

Sincerely yours,

HAROLD D. SMITH,
Director.

The report to which Mr. Smith refers is Senate Document No. 152, Seventy-seventh Congress, first session. Interestingly enough, it contains the minority views of an outstanding authority on legislative reorganization, the former distinguished Senator from Wisconsin, Robert M. La Follette, Jr. I quote from Mr. La Follette's minority report:

The sweeping recommendations of the majority of the committee are hasty and unwarranted. Although in presenting this dissenting report it is my purpose to deal only with some of the major items covered in the majority report, the brief hearings and scattering testimony taken largely from secondary sources and carefully removed from public scrutiny by executive sessions and confidential hearings, do not justify in my opinion the conclusions reached by the committee.

Mr. President, that is a formal minority report filed by the distinguished former Senator from Wisconsin, Robert M. La Follette, Jr., who was one of the most active proponents of congressional reorganization.

I next refer to a letter dated November 18, 1943, from the former Secretary of the Treasury, Mr. Henry Morgenthau, Jr., in connection with the committee report of the Byrd committee, Senate Document 131, Seventy-eighth Congress, first session, submitted on November 22, 1943. Secretary Morgenthau had this to say:

I do not agree with the general implication in the report that the Civil Service Commission and the Bureau of the Budget have failed to exercise properly their assigned functions or that they are primarily responsible for many of the unfavorable personnel conditions mentioned in the report.

I should also like to read the complete letter of November 20, 1943, from Mr. Smith, Director of the Budget, commenting on the same report:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., November 20, 1943.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, Washington, D. C.

MY DEAR MR. CHAIRMAN—

The chairman being the honorable Senator from Virginia [Mr. BYRD]—

I cannot agree with the basic philosophy of the proposed report on Federal personnel. Reduction of personnel on the basis of an arbitrary quota would necessarily impair

services which the Congress through legislation and appropriations has declared essential.

The staffing of Government agencies must be related to the specific functions and work load of each agency as established by law or imposed by the exigencies of world-wide war. Personnel needs can be determined only by systematic investigation on the basis of comprehensive and detailed knowledge of each operation and establishment. The Bureau of the Budget endeavors constantly to reduce personnel by suggesting improvements in organization and procedure.

The manpower utilization surveys which you suggest would constitute a fruitful intensification of our present efforts; this is one of the possibilities I had in mind in my recent discussions with the Appropriations Committees.

Sincerely yours,

HAROLD D. SMITH,
Director.

The next letter, Mr. President, which I desire to read, is also from the former Director of the Budget, the late Harold D. Smith, this time criticizing the progress report of the committee, Senate Document 140, Seventy-eighth Congress, first session, of December 21, 1943. I read this letter, Mr. President:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., December 17, 1943.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, Washington, D. C.

MY DEAR MR. CHAIRMAN: While the progress report of the committee includes much that I endorse, I cannot sign it in its present form.

I think there is no basis for asserting, as this report does, that "hundreds of thousands of unnecessary Federal employees are still kept from more valuable war work by reason of their needless and duplicating activities," or for implying that there are "400,000 or more nonessential employees."

If I were to sign this report, I would be in the position of predetermining judgments about Federal personnel which I am required by law to make quarterly.

Sincerely yours,

HAROLD D. SMITH,
Director.

I might say, Mr. President, I am informed that at the same time these letters were being dispatched by the Director of the Budget and the Secretary of the Treasury, the Senator from Wisconsin, the Honorable Robert M. La Follette, Jr., was ill and unable to prepare his statement of dissent to both the recommendations and the conclusions contained in these reports.

Mr. President, I also refer to a letter dated April 17, 1946, directed to the senior Senator from Virginia and written by Mr. Fred M. Vinson, then Secretary of the Treasury and now Chief Justice of the United States Supreme Court. I ask unanimous consent to have this letter placed in the body of the RECORD at this place in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Under the heading "Conclusions" item IV states "that perpetuation of excess war personnel in the Federal service is being made by transferring such personnel and functions from war agencies to peacetime agencies." I cannot agree with this conclusion. The transfers cited in the report to support the conclusions are, from the standpoint of the personnel involved, mainly the transfer of peacetime functions back to peacetime agencies. For example, the United States Employment Service and the Apprentice Training Service are peacetime functions which were transferred during the war from the Labor Department to the War Manpower Commission and since the close of the war have been transferred back to the Labor Department. This also applies to the United States Coast Guard which has recently been transferred back to the Treasury from the Navy Department where it served during the war. Other examples can be cited of functions essential to our reconversion and peacetime problems which were lodged in so-called war agencies and which have been transferred to other agencies for continuance during the reconversion period and for orderly liquidation thereafter.

I am particularly opposed to recommendation No. 1 which recommends that Congress fix an over-all ceiling on civilian personnel in the executive branch of the Government both inside and outside continental United States during the fiscal year beginning July 1, 1946, at not to exceed 1,650,000. There is no showing whether 1,650,000 employees will be adequate to perform the functions which the Congress has by law placed upon Federal agencies, and no indication as to the problems which would arise as a result of a sudden large-scale termination of Federal employment in the short time before June 30 next.

This recommendation does not give adequate consideration to the fact that there has been a substantial reduction in civilian personnel between August 1945 (VJ-day) and January 31, 1946, in numbers from 3,649,769 to 2,946,947. The recommended reduction from 2,946,947 on January 31, 1946 (2,390,213 within the United States and 556,734 outside the United States—the latest figures cited in the report) to 1,650,000 on June 30, 1946, would be a substantial one. Such a reduction might have to be absorbed in large part in the civilian establishment within the United States since it may be difficult to reduce employment outside the United States in view of our responsibilities in foreign countries growing out of the war. Also, on the other hand, large postwar increases in personnel are necessary in such agencies as the Veterans' Administration and War Assets Administration to perform our obligations to returning veterans and to dispose of surplus property to the best advantage.

I shall be glad to support any practical approach to the problem of reducing excessive Federal personnel, but since I cannot support the approach recommended in the proposed committee report, I shall be glad if you will indicate therein that I am not in agreement with conclusion No. IV and recommendation No. 1, or you may include these comments with the committee report.

Mr. HUMPHREY. Rather than take the time of the Senate I merely point out that Mr. Vinson takes exception to the portion of the report entitled, "Postwar Federal Personnel" of April 30, 1946, Senate Document No. 177, Seventy-ninth Congress, second session. The reason for the introduction of these documents is merely to support the claim made by the junior Senator from Minnesota that the Byrd committee was under criticism for a considerable period of time. More particularly, these letters point out that the statement made by the Senator from Virginia that no one had ever taken issue or found fault with or successfully criticized the factual material published by the committee is not the fact. These letters prove that there was a considerable amount of honest criticism.

I now refer, Mr. President, to the fourth letter from Mr. Smith, as Director of the Budget, taking exception to a Byrd committee report. My impression is that he seems reconciled to the fact that the committee will not mend its ways and feels that there is little necessity for his elaborating his objections to its work other than registering an almost complete dissent. I read the letter:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., April 8, 1946.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, Washington, D. C.

MY DEAR SENATOR BYRD: I have the tentative draft of report on postwar Federal personnel which you transmitted for my comments on April 3. I cannot agree with the approach toward this problem made in the first and second recommendations in this report.

Sincerely yours,

HAROLD D. SMITH,
Director.

Mr. President, I refer now to the reactions of still another Director of the Budget, Dr. Paul H. Appleby. In a letter dated July 26, 1946, and addressed to the senior Senator from Virginia, he takes several exceptions to the work of the Byrd committee in connection with personnel ceilings, determinations, and violations. Rather than take the time of the Senate to read Mr. Appleby's letter in full, I ask unanimous consent that at this point in my remarks it be printed in the CONGRESSIONAL RECORD. Suffice it to say for these purposes, that Mr. Appleby considers the Byrd committee analysis to be slanted and that he completely disagrees with many of its implications.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., July 26, 1946.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: I have the committee print of a proposed report on the subject of personnel-ceiling determinations and violations, which was transmitted for my comments on July 23, 1946.

The statistical data contained in the report is drawn from quarterly reports made by the Director of the Bureau of the Budget relative to ceiling determinations. Of course, there could be no objection to publication of such data. The analysis and interpretation of the data, however, seem to be slanted in the direction of presenting the Bureau of the Budget in an unfavorable light. For example, on page 11, item 4, it is stated: "An increase of 164,609 employees was permitted in the old-line departments and establishments." The report does not indicate that nearly 67,000 of this increase occurred in the Veterans' Administration, 56,000 in the Post Office Department, and nearly 20,000 in the surplus-property activities of the Reconstruction Finance Corporation, since transferred to the War Assets Administration, which agencies the Congress has exempted from the mandatory provisions of the Federal

Employees' Pay Act of 1946. Furthermore, it does not indicate that another 28,000 of the increase is due to the transfer from the War Manpower Commission to the Labor Department of the United States Employment Service.

In the last paragraph the statement is made:

"Under the present law it is at least expected that the executive branch will be forced to reduce personnel to a level somewhere near what is actually required to carry on its functions efficiently and economically, thereby abolishing the 'deadwood' and overload of personnel which has been accruing since 19 3."

I disagree completely with this statement because it implies that there is a great disparity between the number of people on the payrolls and the number that is actually required to perform the functions which the Congress has placed upon the various Federal agencies. The Bureau of the Budget in making its quarterly review has not found this to be so, and the Congress in making appropriations for the fiscal year 1947 has not shown any indication that it considers such a situation to exist. It is one thing to make a general statement of this character and quite another to analyze each function and each appropriation and make the necessary determinations of the proper number of personnel and the proper amount of money necessary for effective performance. The Congress itself has indicated some alarm that an arbitrary ceiling on personnel might hamper effective conduct of operations under the appropriations which it has granted by providing an escape clause in section 402 of the Third Deficiency Appropriation Act to take care of those activities "whose personnel may be and is increased in consequence of appropriations or funds made available in or in pursuance of this or any other act."

For these reasons, I feel I cannot join in this report unless it is materially altered.

Sincerely yours,

PAUL H. APPLEBY,
Acting Director.

Mr. HUMPHREY. Members of the Senate will recall that Mr. Appleby, who has left the Bureau of the Budget, is now the director of the School of Citizenship at Syracuse University. It is interesting to note that he has recently written an article in the autumn 1949 issue of the Yale Review. I have already referred to this article in my remarks on March 2, but I think it is appropriate to quote from that article now since it is pertinent to the point at issue. Mr. Appleby had this to say:

Some idea of the dimensions of constant governmental reorganization may be had from a story of one large Government department's struggle to comply with a request from the Joint Committee on Reduction of Nonessential Federal Expenditures, headed by Senator BYRD. The request was to transmit all memoranda, plans, studies, recommendations, records, and orders involving administrative changes and reorganizations in the preceding half-dozen years. Scores of persons were involved for weeks in the process of locating and assembling such papers. Assembled, they would have filled a dozen trucks, for those papers dealt with a large part of the administration of a very large department during the years of acute social stress.

I go on with the parade of Bureau of Budget Directors who have taken exception to the work of the committee. I refer now to the Honorable James E. Webb, now Under Secretary of State, who on May 26, 1947, took issue with the committee report dated May 18, 1947, entitled, "Federal Employment." I quote excerpts from that letter:

Staff of the Bureau have called to my attention certain inconsistencies in the figures shown in the tables in the report. While the figures used are substantially correct, I feel sure that you will wish to consider reconciling them with other published figures relating to Federal personnel. * * *

It seems to me that it would be unfortunate for your report to give the impression that a mere listing of the numbers of personnel employed by the various agencies proves that they are overstaffed. In all areas where it is possible to do so, both the Bureau of the Budget and the Appropriations Committees require workload data in making their recommendations. * * *

It seems to me that improvements in procedures and methods cannot be expected to automatically result from arbitrary reduction of personnel, but can only come from careful systematic, intelligent application of effort to this work. Arbitrary reductions of personnel frequently cause both confusion and inefficiency in the conduct of authorized governmental programs.

We have, therefore, ample demonstration of the fact that not only have the findings, recommendations, and reports of the Joint Committee on Reduction of Nonessential Federal Expenditures been severely taken to task by outside critics of the committee, but that there has been severe criticism from within the committee, and from the Senate Committee on Expenditures in the Executive Departments as well.

It is therefore difficult to understand the justification for the pride which the Senator from Virginia and his colleagues have in the work of this committee. It is also difficult, in the light of the facts which will follow, to understand why the Senator from Virginia and his colleagues should boast that no inaccuracies can be found in the statements of fact which his committee has produced.

For many years the Joint Committee on Reduction of Nonessential Federal Expenditures has taken credit for the fact that its work has led to substantial savings in Federal expenditures. I have before me a progress report of the committee, printed in 1947, which covers the work of the committee from its inception in 1941 to its virtual death in 1946. I quote from that report:

Generally regarded as the spearhead of congressional economy drives during the period of its existence from 1941 to 1947, the joint committee's activity has resulted in direct savings to the Federal Government of more than $6,283,545,000.

We find here that the committee modestly takes credit for direct savings of $6,250,000,000.

Mr. President, I wish to emphasize that, because the figures are rather substantial, and the word "direct" has been used. The figure is $6,283,545,000.

Mr. President, I question the accuracy of that statement. I shall show in the remarks that follow that the savings for which the Byrd committee takes credit was a result not of that committee's action but a result of recommendations from the late President Roosevelt and from President Truman in their annual and periodic budget messages to the Congress. Even more, it is as a result of the work of the Committees on Appropriations of the respective two Houses of Congress, and more directly as a result of the votes of Representatives and Senators.

The major part of these savings was suggested to the Congress before the Byrd committee included them as recommendations.

Mr. President, I claim that in computing this saving of $6,250,000,000, the Byrd committee took credit for each and every personnel reduction made from 1941 through 1946, without regard to whether the Byrd committee was actually responsible for those reductions. In other words, every dollar that was saved because somebody was taken off the Federal Government payroll from 1941 to 1946 was credited to the work, accomplishments, and activities of the Byrd committee. The Byrd committee took credit for $4,000,000,000 worth of personnel reduction which took place as a natural postwar development and had no relation to the activities of the Byrd committee.

I cite now some of the more flagrant examples to which I refer.

Looking at the 1947 progress report of the Byrd committee, I find that the committee credits itself with a saving of $33,148,000 for the fiscal year 1943 in the following language:

Congress followed the committee's recommendation that nondefense public-building construction be deferred.

The first report of the Byrd committee, which includes this recommendation, came out on December 26, 1941.

I maintain, however, that this recommendation did nothing more than emulate a recommendation which the President of the United States had made one year earlier, on January 8, 1941, in his budget message to the Congress, when he said:

During this period of national emergency it seems appropriate to defer construction projects that interfere with the defense program by diverting manpower and materials.

He also said:

I have requested that further contracts for the construction of public buildings outside the District of Columbia be held in abeyance for the present. * * *

Throughout the Federal service other projects are being deferred until a more appropriate time.

In all good conscience, Mr. President, I find it difficult to understand how a committee can take credit for a saving of $33,000,000 which it did not initiate but which the President himself initiated.

I next refer to another claim of the Byrd committee, again using as my source its 1947 progress report. It takes credit for the following:

The committee recommended drastic reduction of the Work Projects Administration's activities, which the Congress accepted.

The Byrd committee here takes credit for a saving of $540,000,000, a sizable sum.

Again I refer the Senate to the budget message of the President dated January

8, 1941, a full year before the Byrd committee's first recommendation was ever published:

I recommend an appropriation of $995,000,000 for work relief for the full fiscal year. This is $400,000,000 less than the amount required for the present fiscal year. It will not be necessary to use this full amount if the defense program should result in a more general reemployment than is presently indicated.

The President followed up that recommendation with another one the following year in his budgeted message dated January 5, 1942, but actually, according to my information, prepared by December 15, 1941, again before the first published report of the Byrd committee. Here President Roosevelt said:

The average number of WPA workers was 2,000,000 in the fiscal year 1940, the year before the defense program started; the average has been cut to 1,000,000 this year. With increasing employment, a further considerable reduction will be possible.

Mr. President, let me revert for a moment to tying up the recommendations in reference to the WPA curtailment. It is now obvious that the late President Roosevelt on two occasions prior to the recommendations of the Byrd committee called for substantial savings in WPA reductions totaling between four and five hundred million dollars. Nevertheless, the Byrd committee, in its report 1 year later, after this had all been accomplished, came along and said, "Look at the money we saved."

The Byrd committee takes further credit for a saving of $181,894,100 for the fiscal year 1944 in the following language, which I find in its 1947 progress report:

Committee continued to recommend that work on rivers and harbors be deferred. Congress further reduced appropriations for these projects.

Again I refer to the budget message of the President, submitted to the Congress January 8, 1941, a full year in advance of the Byrd committee's first report. I quote:

With this in mind, I am recommending reductions for rivers and harbors and flood control work. Where possible, without placing the project or the water users thereof in jeopardy, reductions are proposed in expenditures for reclamation projects.

This was a full year before the Byrd committee recommendations, yet the Byrd committee comes around in its 1947 report and says, "We take credit for $181,894,100 worth of savings."

Mr. President, I could continue at length documenting my allegation that the so-called direct savings of the Byrd committee were not attributable to the Byrd committee at all and certainly were not attributable directly to the activities of that committee. Rather than take the time of the Senate, however, to read side by side the recommendations of the Byrd committee and the recommendations of the President in his budget messages—and I suggest that the Congress of the United States places much more credence in the suggestions and recommendations of the President of the United States than in the reports of the Byrd committee—I ask unanimous consent to place in the RECORD a table which serves the same purpose in writing.

The PRESIDING OFFICER (Mr. NEELY in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

A COMPARISON OF THE BYRD COMMITTEE'S INITIAL NINE RECOMMENDATIONS FOR WHICH IT CLAIMS SAVINGS OF $1,227,341,208 WITH THE PRESIDENT'S BUDGET MESSAGES OF JANUARY 8, 1941, AND JANUARY 5, 1942

BYRD COMMITTEE SAVINGS CREDITED TO FISCAL YEAR 1943	PRESIDENT'S BUDGET MESSAGES OF JANUARY 8, 1941, AND JANUARY 5, 1942
CCC and NYA	*CCC and NYA*
1. Congress followed the committee's recommendation that Civilian Conservation Corps be abolished. Savings, $238,960,000.	Page IX. Aid to Youth Under war conditions there is need and opportunity for youth to serve in many ways. It is, therefore, possible to make a considerable reduction in the programs of the Civilian Conservation Corps and the National Youth Administration. (January 5, 1942.)
2. The committee recommended the abolition of all nondefense activities of the National Youth Administration. Congress eliminated a major portion of the National Youth Administration's nondefense program. Savings, $83,767,000.	
WPA	*WPA*
3. The committee recommended drastic reduction of the Work Projects Administration's activities, which Congress accepted. Savings, $54,000,000.	Page X I recommend an appropriation of $995,000,000 for work relief for the full fiscal year. This is $400,000,000 less than the amount required for the present fiscal year. It will not be necessary to use this full amount if the defense program should result in a more general reemployment than is presently indicated. (January 8, 1941.) Page XIII. Work Projects The average number of WPA workers was 2,000,000 in the fiscal year 1940, the year before the defense program started; the average has been cut to 1,000,000 this year. With increasing employment, a further considerable reduction will be possible. (January 5, 1942.)
Agriculture	*Agriculture*
4. The committee recommended deferment of land purchases, reduction of overhead costs, and curtailment of nondefense activities in the Department of Agriculture. Congress reduced the appropriation of the Department of Agriculture. Savings, $195,731,208.	It is estimated that expenditures for the major Federal assistance programs—farm aid, work relief, youth aid—can be reduced by $600,000,000 from the previous to the current fiscal year, and again by $860,000,000 from the current to the next fiscal year. These programs will require $1,400,000 during the fiscal year 1943, about one-half of the expenditure for these purposes during the fiscal year 1941. By using methods of administrative budget control, $415,000,000 of appropriations for civil purposes have been placed in reserves. (January 5, 1942.)
5. The committee recommended that the farm-tenant program be curtailed. Congress reduced this appropriation. Savings, $2,270,000.	
6. The committee recommended that the Farm Security Administration be liquidated. Congress reduced the administrative expenses for the Farm Security Administration. Savings, $26,180,000.	
Public works	*Public works*
7. The committee recommended a 50-percent deferment of expenditures for Federal highway projects. Congress reduced appropriations for this function by about one-third. Savings, $50,300,000.	Page IX. Public-works program The public-works program is being fully adjusted to the war effort. Federal aid for highways will be expended only for construction essential for strategic purposes. Other highway projects will be deferred until the postwar period. For all other Federal construction I am restricting expenditures to those active projects which cannot be discontinued without endangering structural work in progress. (January 5, 1942.) I have requested that further contracts for the construction of public buildings outside the District of Columbia be held in abeyance for the present. * * * Throughout the Federal service other projects are being deferred until a more appropriate time. (January 8, 1941.)
8. Congress followed the committee's recommendation that nondefense public building construction be deferred. Savings, $33,148,000.	
9. Congress limited appropriations to the Interior Department for nonessential public work projects to projects already under construction. This followed committee recommendations. Savings, $56,985,000.	Page IX. Public works During this period of national emergency it seems appropriate to defer construction projects that interfere with the defense program by diverting manpower and materials. (January 8, 1941.)

Mr. HUMPHREY. Mr. President, in order to save time, I am going to ask that some of the comments I have prepared pertaining to the arguments on Civilian Personnel Ceilings, a complicated technical subject, and which has been dealt with by the Byrd committee, and was of great concern to the Senate and House Committees on Appropriations, as well as the Senate and House Committees on Civil Service, be incorporated in my presentation here, as a statement.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

CIVILIAN PERSONNEL CEILINGS

The next subject I should like to deal with is the pride with which the Byrd committee surrounds its claims that as a result of its recommendation for the establishment of civilian personnel ceilings, substantial savings resulted.

I wish to concede first that the Byrd committee is responsible for the provision in the Federal Employees' Pay Act of 1945 and again for the provisions in the Pay Act of 1946 which established civilian personnel ceilings and limitations. I hasten to add, however, that it would be wise for us not to accept, ipso facto, the claim of the Senator from Virginia either that civilian personnel ceilings are desirable or that they have resulted in savings. In fact, I would suggest that there is ample evidence to the contrary.

I have already referred to and placed in the RECORD a letter dated July 26, 1946, addressed to the Honorable HARRY F. BYRD and signed by Dr. Paul Appleby, Acting Director of the Budget Bureau, which dissents from the view that civilian personnel ceilings are desirable.

I wish now to refer to a staff memorandum, No. 80–2–8, dated March 10, 1948, approved by Mr. E. B. Van Horn, staff director of the Committee on Expenditures in the Executive Departments, which deals with the subject of personnel ceilings.

I quote from that memorandum:

"The staff has recently made a survey to determine the cost of administering personnel ceilings and the effectiveness of the ceiling laws. The information received from the Federal departments and independent agencies indicates that it costs at least 94 cents per employee each year to administer personnel ceilings. This means that nearly $2,000,000 is spent each year to control an infinitesimal fraction of the total Federal budget. The table below shows that of the nearly $40,000,000,000 Federal budget only one billion eight hundred million of 4 percent of the total amount is paid to employees covered by personnel limitations, and only one out of three employees in the Federal service is included in ceiling control."

I do wish, however, to read another portion of that memorandum, namely, that portion entitled "Conclusions." I quote:

"It is recommended that civilian personnel ceilings and limitations be abolished because—

"(a) Over 69 percent of the total Federal employees are exempt from over-all limitations either by the pay acts or by subsequent legislation.

"(b) The administration of ceilings and limitations are time-consuming, costly, and serve no useful purpose.

"(c) Ceilings are difficult to administer, promote backlogs, create more paper work, and cost more money than they save.

"(d) The purpose for which ceilings and limitations were established can be accomplished more effectively by reduction of appropriations.

"(e) If there is any doubt as to the use or cost of administering personnel ceilings, extensive hearings should be held to obtain the best information available from both opponents and proponents of the law.

"(f) Each department, agency, or independent establishment should be compelled to restrict the number of employees by the use of man-months justified in its budget, together with the funds appropriated by Congress."

We have here, therefore, the interesting sight of a committee which takes pride in reducing expenditures, in turn also taking pride for endorsing and being responsible for a bill which it is estimated would cost the taxpayer an additional $2,000,000 a year.

I want to read further from this staff memorandum, which I have incorporated into the RECORD. On page 5 of that memorandum is a section entitled "Administrative Burdens and Inequities," which sets forth the fact that complicated reports and records are required of all the agencies; that the agencies "expend considerable time and money accounting and reporting for the employees on duty and lose a great deal of productive time in justifying subsequent ceiling request."

I refer members of the Senate to a detailed reading of this section, but in the meantime, I want briefly to mention one additional observation from the Senate Expenditures Committee staff memorandum:

"A large number of individuals in many of the agencies devote a substantial portion of their time each month to the preparation of reports and justification of such reports in order that the ceiling will be justified in sufficient detail to retain enough people to perform the essential work."

The staff memorandum goes on to say that personnel ceilings have outlived their usefulness.

In this connection the staff memorandum quotes the President of the United States, who said that even though there may have been a purpose served by personnel ceiling during the time of conversion to a peacetime basis, by the Legislative Reorganization Act the Congress has in effect decided that the extent of Federal activities and hence personnel should be determined by the usual appropriations process.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that staff memorandum No. 80–2–8 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 7.)

Mr. HUMPHREY. I do not wish the merits or demerits of my proposal to abolish the Byrd committee to be sidetracked into a discussion of whether or not personnel ceilings are desirable. I am addressing myself at this point only to the fact that there is ample evidence to believe that personnel ceilings have not resulted in the economies claimed for them and may have outlived whatever usefulness was theirs.

The views of the President in this connection are, therefore, very important.

Mr. President, I bring to the attention of the Senate the similarity between these views and the views I have expressed ever since I introduced my bill to abolish the Byrd committee, when I said that the Byrd committee violated the spirit and purpose of the Legislative Reorganization Act of 1946. I have pointed out how the work of the committee duplicates the work of the Senate and the House Committees on Expenditures in the Executive Departments. I now find that the President of the United States expressed himself as believing that the Byrd committee's recommendations for civilian personnel ceilings also constituted a duplication of the work of both the Senate and the House Appropriations Committees.

The President in his annual budget message for the fiscal year 1948 went on to say:

I therefore recommend the repeal of the statutory limitations on personnel and provisions for personnel ceiling determinations.

The staff memorandum of the Committee on Expenditures in the Executive Departments further goes on to quote the Department of the Navy, which shares the belief that the best way to achieve economy in expenditures is through the appropriations process in Congress and through the legitimately organized Committees on Appropriation in the Congress. A statement from the Navy Department says:

A secondary control in the form of personnel ceilings no longer has any effect other than to duplicate an already completely effective control.

I also refer the Members of the Senate to the quotation in the staff memo from the House Appropriations Committee, where they, in House Resolution No. 1659, Seventy-ninth Congress, take issue with the desirability of personnel ceilings.

These are interesting findings, Mr. President. They are certainly interesting to me, and I know will be of interest to the Members of this body who have been misled to believe that the Byrd committee serves a useful function.

I have charged that the Joint Committee on Reduction of Nonessential Federal Expenditures duplicates the functions of existing standing committees and hence violates the spirit of the Legislative Reorganization Act of 1946. I have realized, however, that many, agreeing in substance with my charge, nevertheless have believed that perhaps the Byrd committee serves a useful function in producing savings. I have therefore attempted in the course of these remarks to disprove that fiction.

In the last few minutes I have referred most directly to the question of civilian personnel ceilings, which the Senator from Virginia has claimed with pride to be a result of the activities of his committee. It is therefore fully appropriate for me to state, further, a conclusion from the staff memorandum of the Committee on Expenditures in the Executive Departments:

From the foregoing, it is obvious that civilian personnel ceilings and limitations authorized by Congress are not reducing employment or expenditures, but are actually costing the American taxpayer more money to administer than they are worth.

I submit, Mr. President, that one of the accomplishments, supposedly, of the work of the Byrd committee was the personnel ceilings legislation. The professional staff of the Committee on Expenditures in the Executive Departments in examining this legislation had this to say:

It is obvious that civilian personnel ceilings and limitations authorized by Congress

are not reducing employment or expenditures, but are actually costing the American taxpayer more money to administer than they are worth.

Mr. President, I now come to the conclusion of my remarks. I have attempted in spite of great provocation—and there was plenty of it some months ago—to remain strictly on the issues and to refrain from personal ties. I introduced my bill, Senate bill 3119, because I believed that the facts warranted such action. As I have continued to study this subject, the evidence is overwhelmingly proving the legitimacy of my proposal. Events of the past months, however, have proved to me that my bill has assumed greater significance than the bill itself warrants. I have apparently disturbed the bastion of the coalition which is attempting to control this Congress and to repudiate the Fair Deal program which a majority of the people of America voted for in 1948.

There can be no other explanation for the haste and the enthusiasm with which members of this coalition have come to the defense of the Byrd committee. There can be no other explanation for the support which a large segment—not all of it, but a large portion—of the editorial press has given the Byrd committee.

This is the same press, Mr. President, which on the one hand accuses the Fair Deal of spending too much money, and on the other hand does everything within its power to stifle and kill legislation which strives to increase postal rates, a press which opposes subsidies for the American people, but supports a subsidy for magazine and newspaper publishers and big advertisers at a cost of $200,000,000 a year to the taxpayers.

Those who would be guided by the wishes of the people remember, however, that this is the same press which, in the main—not in every instance, for there were many instances of enlightened action to the contrary—but in the main opposed Franklin Delano Roosevelt every time he ran for office, and who opposed Harry Truman every time he ran for office, and have been since continuously repudiated at the polls by the American people. [Manifestations of applause in the galleries.]

Mr. DONNELL. Mr. President, I ask for order.

The PRESIDING OFFICER. The Senator from Minnesota will suspend. The Chair wishes to admonish the occupants of the galleries that manifestations of approval or disapproval by the occupants of the galleries are not permitted by the rules of the Senate. The occupants of the galleries will observe the rule.

Mr. HUMPHREY. In the past, Mr. President, I have never guided my principles, my convictions, nor my public action, by newspaper editorials. The press of America, with a few noble and courageous exceptions—and I cited one such exception today and, believe me, the newspaper I cited today has been one such exception, the press of America, unfortunately, and this is said with sincere regret—does not represent the people of America. The editorial columns of the press have not reflected the opinion of the people of America.

It is the people of America, Mr. President, and the people of Minnesota who guide me and give me leadership. I therefore want to take this opportunity to thank those citizens from all walks of life, from all the States, who have written me giving me their support. Particularly I want to take this opportunity to thank the many people from Virginia who have written me, and to thank those good people for the wonderful reception that they afforded me about a month ago on a recent trip and speaking engagement in Richmond, Va.

I am confident that regardless of what the coalition in the Senate of the United States may think, the people of the United States, when presented with the facts, will again support the principles of the New Deal and the Fair Deal, as they have in the past, and they will support my bill to abolish the Joint Committee on Reduction of Nonessential Federal Expenditures. They will learn, as they have the opportunity to examine the facts, that it is a duplication of services in the legislative branch, and nothing more than a camouflaged attempt to attack the New Deal and the Fair Deal—Mr. President, I repeat, nothing more or less than a camouflaged attempt to attack the New Deal and the Fair Deal.

Mr. President, I already noted the many expressions of support which have come to me. I now wish to conclude with one of the most touching. Two letters came to my office with a poem. Each letter contained the same poem. One of my distinguished and most beloved colleagues now present in the Senate received a letter containing the same poem. I may say in passing that that colleague is now present in the chair as the Presiding Officer. This is the poem:

You have no enemies you say! Ah! My friend that boast is poor;
For those who mingle in the fray of duty, that the brave endure,
Must have made foes. If you have none,
Then, small is the work that you have done.
You've struck no traitor on the hip, nor dashed a cup from perjured lip.
You've changed nothing from wrong to right,
You've been a coward in the fight.

EXHIBIT 1

UNITED STATES SENATE, COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS—STAFF MEMORANDUM NO. 80-SP-6

SUMMARY OF PROPOSED CHANGES IN LEGISLATIVE REORGANIZATION ACT (PUBLIC LAW 601, 79TH CONG.)

Section 102: All special committees of the Senate to be discontinued on their effective dates. The Joint Committee on Reduction of Nonessential Federal Expenditures to be discontinued immediately by joint resolution.

House and Senate Committees on the District of Columbia to be replaced by a Joint Committee on the District of Columbia.

Section 103: Substantive legislation not to be placed in appropriation bills.

Section 131: Concurrent resolution to be prepared to place in effect more stringent rules regarding the submission of claims against the Government. This will reduce the number of private bills.

Committee on Public Lands to delegate authority to Department of the Interior to handle certain patent-in-fee bills under restrictions to be established.

Section 133: Schedule all committees to meet weekly. Senate to meet every other day. Written proxies to be prescribed.

Section 134: This section to be revised to provide payment for travel and subsistence expenses to committee members and the staff, and to permit the hiring of outside experts on a per diem basis.

Section 138: Retain the principle of a legislative budget but require only an estimate of over-all Federal receipts—against which expenditures may be constantly measured.

Section 139: A standard appropriation classification schedule, as called for by paragraph (b) of this section, to be developed in the very near future.

Section 202: Permit committees to employ up to 6 professional staff members, instead of limiting them to 4. Total staff not to exceed 10, as at present, unless special permission is given by the Senate.

Joint or cooperative staff work to be encouraged. Chairmen to work with companion chairmen of the House to plan work and prevent duplication.

Section 206: Eliminate this section from the act. It required the Comptroller General to make management analyses of departments and agencies. This is not the proper function of an auditing office.

Section 241: Provide additional space and equipment for committees and their staffs.

OTHER CHANGES IN THE ACT RECOMMENDED BY PRIVATE CITIZENS AND BY SOME GROUPS BOTH INSIDE AND OUTSIDE CONGRESS

1. Majority policy committee:

A. Not to be chosen by caucus but to be composed of the chairmen of the standing committees.

B. Minutes of meetings to be recorded and all decisions to be published.

C. To establish all policies for the majority party.

D. To have a large and efficient staff to make the required studies.

E. To determine the legislative budget.

F. To act as liaison between legislative and executive branches.

2. Minority policy committee:

To be composed of ranking minority members of standing committees. Same functions as for majority policy committee except for points E and F.

3. Cloture to be invoked in the Senate by majority vote.

4. Modified cloture (rule of relevancy) to be invoked by President of the Senate.

5. A greater use to be made of provisional legislation (the legislative veto).

6. An omnibus appropriation bill to be used.

7. Question periods for department heads.

8. Find a substitute for the seniority rule for choosing committee chairmen.

9. Establish a central congressional personnel office to serve committees and individual members.

10. Group all congressional administrative services under one responsible head. Install modern machinery and methods.

E. B. VAN HORN,
Staff Director.

EXHIBIT 2

[From the Washington Sunday Star of March 12, 1950]

REPUBLICAN PRINCIPLES TRACED TO HARRY BYRD—WRITER CREDITS VIRGINIAN WITH INSPIRING GOP

(By Frank R. Kent)

The similarity between the declaration of principles recently made by the Republicans and those espoused and expounded by Senator HARRY F. BYRD of Virginia seems largely to have escaped notice. Yet, they are almost identical. This does not mean that Senator BYRD has gone Republican; rather it means the Republicans have gone BYRD.

There is one great difference between them. Senator BYRD has held his principles a lot longer and a whole lot more firmly than the Republicans. So far as he is concerned, they are not newly acquired at all. With

him they are congenital, inherited, and inherent, though he makes no claim of originality, freely conceding that they were the principles of Thomas Jefferson and Andrew Jackson. They were also the principles of Grover Cleveland and Woodrow Wilson, of John W. Davis and Alfred E. Smith, of many millions of other American citizens in every State, both past and present.

In addition, they were the principles of Franklin Roosevelt, promulgated in the party platform of 1932 and urged by him in speech after speech indicating governmental waste and extravagance, denouncing deficit financing, a swollen Federal bureaucracy, high taxes and heavy debt as dangers to the Nation, unequivocally pledging himself to end all these. If ever a man got a mandate, he got his in the majority given him on election day. Yet, he clung to those principles a bare 6 months after his inaugural. About that time the doctrine first enunciated by the late Mr. Hopkins that "we are going to spend, spend, spend, tax, tax, tax, elect, elect, elect," took hold of the Roosevelt regime and all those Jeffersonian, Jacksonian, Wilsonian, and Rooseveltian principles went out the window. Political promises had been broken in the past, but never before with such speed and completeness.

So politically successful was this beautiful scheme of buying the people with their own money that after the 1934, 1936, and 1938 Democratic victories many Republicans and most Democrats in politics felt it expedient to ride with the tide and were afraid to resist the administration demagogues, backed by the labor and farm leaders, the city bosses, and the Negro bloc. The real opposition came from conservative Democrats who felt their party had been betrayed, its solemn pledges violated, and its control turned over to the radicals, whose unsound economic theories soon or late would wreck the Nation. Chief among these was Senator BYRD. In season and out, he has waged a gallant, grim, unfaltering fight—often fighting almost alone and yet, despite White House opposition, accomplishing more than is generally known. The simple fact is that but for him there would have been no fight at all within Congress against unrestrained waste of public funds, no effective voice raised against governmental extravagance and payroll padding. Inevitably, he became intensely unpopular with the two spending Presidents.

It is a tribute to Senator BYRD that the Republicans desperately searching for principles that will appeal to the voters against the Truman administration, should have adopted the BYRD principles. They give him no credit, but that is what they have done just the same and they are on sound ground for the first time in a long while.

When, in his recent interview with Arthur Krock, Mr. Truman said that "in no sense does he tolerate deficit spending," that he "hates deficits as much as HARRY BYRD ever could and it is only a temporary condition brought on by necessities which could not be removed by any genius of statecraft known or available to him"—when those noble words from the President made their appearance, it was not the Republican Party, but Senator BYRD, who in a statement pounded Mr. Truman with facts, riddled him with figures, and impaled him upon his own tax and spending record until the pretense of a distaste for deficits was made too ridiculous to be seriously maintained. If the Republican Party has real sense it will let its publicity-seeking progressives with the liberal columnist promoters go their own way. They will cling to the BYRD principles and go to the country on the facts and figures of this penetrating and illuminating BYRD statement. If once these really reach—and are understood by—the American people, the conservative majority which undoubtedly exists, despite sectional, racial, and other prejudices might easily be welded behind a conservative candidate in a Presidential election.

EXHIBIT 3

[From the New York Times of March 9, 1950]

REPUBLICANS WOO STATES' RIGHTERS—GABRIELSON IS SOUNDING OUT SOUTHERN LEADERS ON PLAN TO UNITE ON 1952 SLATE

(By W. H. Lawrence)

WASHINGTON, March 8.—Guy George Gabrielson, Republican National Chairman, has met in recent weeks with some top leaders of the States' rights movement to discuss a plan whereby Dixiecrat votes might be thrown to the GOP Presidential nominee in 1952, it was learned today.

The plan would be based on a trial marriage at the top, it was said, taking into account the historic antipathy of the rank-and-file southern voter to marking his ballot for the Republican nominee for any office.

Under this scheme, the States' righters would nominate for President and Vice President the same men picked by the Republican National Convention instead of putting up a separate slate as they did in 1948. Gov. J. Strom Thurmond of South Carolina and Gov. Fielding L. Wright of Mississippi received 39 electoral votes for President and Vice President in that contest, taking all the votes of Alabama, Louisiana, Mississippi, South Carolina, and one vote from Tennessee.

SOME GOP CHIEFS CONSULTED

Whether there is full agreement between the Republicans and the Dixiecrats on this strategy could not be learned, but it was known that Mr. Gabrielson has discussed it with some other important GOP leaders.

Meanwhile, the Republican chairman has started a quiet effort to revitalize his party in the South, where it has been of no importance since the end of occupation of the defeated Southern States by northern soldiers at the end of the Civil War.

An effort is being made to bring in new blood and find new and effective leadership. Too many of the Republican leaders in the South, it was stated, have been in office long without any success or without having a role of any importance except every 4 years when rivals for the Presidential nomination vie for their convention votes.

In the last few weeks, Mr. Gabrielson has made speeches in Fort Worth, Tex., Nashville, Oklahoma City, Tulsa, Louisville, and Charlotte, N. C.

Associates said he had been preaching the gospel of republicanism, not necessarily expecting any immediate tangible results but in the hope of future success.

LABEL VOTING AN OBSTACLE

They reported that a number of persons who identified themselves as Democrats had attended the meetings and later had expressed the hope that a real two-party system for the South could be developed. But all stressed the great difficulty, if not the impossibility, of getting southern voters to mark a ballot marked "Republican."

In the talks with States' rights representatives, who are prominent in the movement but who do not hold public office, this problem has of course been predominant in the discussions and it led to the proposal for the "trial marriage" at the top.

"If we were successful in 1952 and worked together with these people for 4 years, something else might grow out of it," one of the participants in the parleys said.

Of course one of the main factors to be considered before any such coalition could be formed would be the effect that such a stand might have on the party in the North. Political strategists would have to weigh the question whether the party would gain more in the South than it would lose in the North.

The basis of the Dixiecrat rebellion, of course, is primarily the civil-rights program put forward by President Truman, but which, historically, has been the platform of the Republican Party as well. There are, of course, other issues, such as State ownership of tidelands oil and many economic problems, but the appeal of the States' rights movement to the ordinary voter grows out of the race issue.

EXHIBIT 4

[From the Richmond Times-Dispatch of April 21, 1950]

MUNDT SUGGESTS SOUTH RECAPTURE PARTY, RUN BYRD

NORFOLK, April 20.—Senator MUNDT, Republican, of South Dakota, said the South needs to recapture the Democratic Party and nominate a man like Senator HARRY F. BYRD, Democrat, of Virginia, for President in the battle against socialism.

"And I would support him," MUNDT told the Executives Club here last night. "There is no difference between the Democratic principles of BYRD and the kind of Republicanism we have in South Dakota," he said.

The creeping infiltration of Communists into the American Government and the welfare-state concept, he declared, are a greater menace to this Nation than the atomic bomb in the hands of Russia.

"What is going to happen to human freedom?" he asked. "It's going to be won or lost in the next 5 years—won or lost by folks like you in the cities and towns throughout this Nation."

MUNDT said, however, he doesn't believe the South will be able to regain control of the Democratic Party. "When the party did away with its two-thirds rule for making Presidential nominations, the South lost its only means of an effective voice in party control," he said.

EXHIBIT 5

EXCERPT FROM COMMITTEE REPORT NO. 9 OF THE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

POST OFFICE DEPARTMENT

The largest increase in personnel during the last 6 months was in the Post Office Department, which reflected a total of 18,207 more employees on January 1, 1950, than were on the rolls on July 1, 1949. During the last year the Post Office Department has increased its personnel by 27,424. The Department, in explanation of these personnel changes, contends that the list of personnel by number, without regard to man-years of employment, presents a picture which is not altogether accurate, and it does not actually portray an increase or decrease in manpower. As an illustration, it points to the fact that the total includes 116,491 "war-service regular and temporary," consisting largely of part-time employees, many of whom work only 4 hours or less a day. Many temporary employees are employed in large post offices for emergency only, but must be included in the totals. Another point made by the Postmaster General is that a total of 32,562 regular rural carriers are listed and the same number of substitute rural carriers is reported. The substitute rural carriers are not civil-service employees, but each rural carrier is required to designate a substitute, who is bonded and serves on the route only during the absence of the regular carrier. The same situation applies to clerks in the third-class post offices who are usually paid on an hourly basis.

EXHIBIT 6

EXCERPT FROM RELEASE DATED FEBRUARY 6, 1950, OF THE JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

POST OFFICE DEPARTMENT

Such reductions as were made in other civilian agencies of the Government were

largely nullified by the steady addition of permanent employees in the Post Office Department.

Exclusive of the Post Office Department employment, civilian agencies in the executive branch decreased 26,172 in the first 6 months of the current fiscal year. In the same period employment by the Post Office increased 18,207.

The records show that post office employment has increased without interruption for 10 consecutive months. In the 10-month period ending in December the number of post office employees increased 28,315 from 507,430 last February to 535,743 in December.

A special table in the committee report shows that the Post Office Department average employment went up 12 percent in the period between 1948 and the first half of the current year, while the Military Establishment, Veterans' Administration, and other agencies in the executive branch, exclusive of the Post Office Department, reported decreases in the average employment.

In the decade since 1939 average employment by the Post Office Department has increased by more than a quarter of a million, from a 1939 average of 297,191 to an average over the past 6 months of 529,735, an increase of 78 percent.

EXHIBIT 7

STAFF MEMORANDUM NO. 80-2-8—COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS, MARCH 10, 1948

CIVILIAN PERSONNEL CEILINGS

Since the end of the war considerable emphasis has been placed on civilian personnel ceilings, authorized by the Federal Employees' Pay Act of 1945, and personnel limitations established by the Pay Act of 1946.

The staff has recently made a survey to determine the cost of administering personnel ceilings and the effectiveness of the ceiling laws. The information received from the Federal departments and independent agencies indicates that it costs at least 94 cents per employee each year to administer personnel ceilings. This means that nearly $2,000,000 is spent each year to control an infinitesimal faction of the total Federal budget. The table below shows that of the nearly $40,000,000,000 Federal budget only $1,800,000,000, or 4 percent of the total amount, is paid to employees covered by personnel limitations, and only one out of three employees in the Federal service is included in ceiling control.

Summary of employment as related to the Federal budget, Feb. 28, 1948

	Amount (in billions)	Percent of total budget	Number of employees Dec. 31, 1947
Total budget (1949)	$39.6	100	
Less: Programs in which personal services are not involved	[1]33.6	85	
Total for civilian personnel	6.0	15	1,999,183
Less exemptions:			
From ceilings	.4	1	145,560
From over-all limitations but subject to ceilings	3.8	10	1,245,744
Total exempt from limitations	4.2	11	1,391,304
Subject to ceilings and limitations	1.8	4	607,879

[1] Estimated.

Conclusions

It is recommended that civilian personnel ceilings and limitations be abolished because—

(a) Over 69 percent of the total Federal employees are exempt from overall limitations either by the pay acts or by subsequent legislation.

(b) The administration of ceilings and limitations are time consuming, costly, and serve no useful purpose.

(c) Ceilings are difficult to administer, promote backlogs, create more paper work, and cost more money than they save.

(d) The purpose for which ceilings and limitations were established can be accomplished more effectively by reduction of appropriations.

(e) If there is any doubt as to the use or cost of administering personnel ceilings, extensive hearings should be held to obtain the best information available from both opponents and proponents of the law.

(f) Each department, agency, or independent establishment should be compelled to restrict the number of employees by use of man-months justified in its budget, together with the funds appropriated by Congress.

Recommendation

1. That the committee sponsor a bill to abolish civilian personnel ceilings required by section 607 of Public Law 106, and limitations imposed by section 14 of Public Law 390. The provisions of the bill are described below:

"A bill to repeal section 607 of the Federal Employees Pay Act of 1945, as amended, relating to personnel ceilings in the executive branch of the Government

"Be it enacted, etc., That section 607 of the Federal Employees Pay Act of 1945, as amended by section 14 of the Federal Employees' Pay Act of 1946, is hereby repealed."

Description of ceilings and limitations

Section 607 of the Federal Employees' Pay Act of 1945 required the head of each department, agency, or independent establishment of the executive branch to furnish the Director of the Bureau of the Budget such information as will enable him to determine the number of civilian employees required by each agency. As a result of this requirement, civilian personnel ceilings were established in the departments and agencies throughout the Federal service. These ceilings limited the number of full-time and other employees in each department, but no over-all ceiling was established for the Government as a whole. The Bureau of the Budget assigned the ceilings and was permitted to increase or decrease the numerical limitations from time to time.

The Federal Employees' Pay Act of 1946 amended section 607 of the Pay Act of 1945 and established definite maximum limitations on the number of full-time civilian employees and man-months of part-time employment for the entire executive branch. The limitations were made effective on July 1, 1946, and provided that the total maximum number of full-time employees, except the War and Navy Departments, shall not exceed 528,567 by October 1, 1946; 501,771 by January 1, 1947; 474,567 by April 1, 1947, and 447,363 by June 30, 1947. The act of 1946 further provided that the Bureau of the Budget shall determine the number of civilian employees required by the War and Navy Departments at the earliest possible time, but in no event shall the maximum number exceed 176,000 for the Department of the Army and 100,000 for the Department of the Navy by July 1, 1947. In addition to the foregoing, the Pay Act of 1946 excluded the following employees from limitation control:

(a) Officers and employees in the field service of the Post Office Department.

(b) Officers and employees in the field service of the Veterans' Administration.

(c) Officers and employees of the War and Navy Departments in the Territories and possessions.

(d) Employees whose basic compensation is fixed by wage boards or similar administrative authority serving the same purpose.

Many other employees were excluded from limitation control by subsequent legislation, and, as a result, on December 31, 1947, only 607,879 or 30 percent of the total Federal employment (1,999,183), were subject to limitations. The following report shows the number of employees excluded from personnel ceilings or limitations, as of December 31, 1947:

Federal civilian employment within the executive branch exempt from ceilings and limitations [1]

EXEMPT FROM CEILINGS ESTABLISHED BY PUBLIC LAW 106

	Number of employees, Dec. 31, 1947
Permanently exempt from ceilings:	
Elected officials and judges (Public Law 106)	17
Noncivilian employees (Public Law 106)	([2])
Employees outside executive branch, except GAO (Public Law 106)	8,057
Heads of departments and independent establishments (Public Law 106)	107
War and Navy Department employees outside United States, District of Columbia, Territories, and possessions (Public Law 390)	111,093
Employees of State Department in foreign countries and on detail in United States (Public Law 724)	11,868
Other employees outside United States and Territories whose compensation is not fixed by Classification Act of 1923 as amended (Public Law 390)	4,701
Department of Agriculture, meat inspectors (Public Law 266)	3,106
Employees in United States, required by agencies for procurement of supplies for International Refugee Organization (Public Law 146)	668
War Department employees required for procurement, storage, transportation authorized by House Joint Resolution 153, relief of devastated countries (Public Law 84)	130
Certain interns, student nurses, and employees of hospitals of the Federal Government (Public Law 330)	-------
Personnel employed to carry out the purposes of the Aid Act of 1947 (Public Law 389)	-------
Temporarily exempt from ceilings:	
Employees paid from assistance to Greece and Turkey (Public Law 271)	2,402
War Department cemeterial expenses (Public Law 46)	3,411

EXEMPT FROM LIMITATIONS ESTABLISHED BY PUBLIC LAW 390

Permanently exempt from limitations:	
Items 1 to 12 under "Permanently exempt from ceiling"	139,747
Employees whose compensation is fixed by wage boards (Public Law 390)	503,640
Officers and employees in field service of Post Office Department (Public Law 390)	480,580
Officers and employees of Veterans' Administration (Public Law 390)	196,237

Footnotes at end of table.

Permanently exempt from limitations—Continued	
Officers and employees of War and Navy Departments in Territories and possessions (Public Law 390)	17,110
Officers and employees of War Assets Administration (Public Law 521)	30,363
Employees engaged in the veterans' educational facilities program (Public Law 521)	600
Employees engaged in the Veterans' Housing Act of 1946, the Federal Airport Act, Philippine Rehabilitation Act of 1946, and others (Public Law 521)	3,002
Employees financed by Navy Department, or other Federal agencies, if such personnel is charged to the ceiling of another agency under Public Law 607 (g) (1) (Public Law 267)	1,235
Temporarily exempt from limitations:	
Items 13–14 under "Temporarily exempt from ceiling"	5,813
Employment under Armed Forces Leave Act of 1946 (Public Law 663)	1,101
Employment under funds available for allocation by the President to agencies in connection with the Engineer District—Atomic Energy Act of 1946 (Public Law 663)	-------
Employees separated from service during July 1947 through reduction in force (Public Law 122)	-------
Department of Agriculture—Control and eradication of hoof-and-mouth disease (Public Law 8)	667
Exempt from determination (ceiling and limitation). Under discretion allowed Director of Bureau of the Budget:	
Casual employees, as defined by CSC (Public Law 106)	-------
Employees serving without compensation (Public Law 106)	[3] 24,669

[1] Data by Bureau of the Budget.
[2] Military.
[3] Estimated.

Summary of employment reported under ceilings and limitations, as of Dec. 31, 1947

	Number of employees	Full-time equivalent
Total employment (world-wide)	1,999,183	----------
Permanently and temporarily exempt from ceilings	145,560	----------
Subject to ceilings	1,858,623	1,842,419
Permanently and temporarily exempt from limitations	----------	1,234,540
Subject to limitations	----------	607,879
[Total of limitations established by Public Law 390	----------	723,363]

HOW PERSONNEL CEILINGS OPERATE

1. At the beginning of each quarter of each year, the departments or agencies are required to submit estimates to the Bureau of the Budget showing the total maximum personnel requirements which the agency believes it will need to carry out its responsibility. The requests are broken down into three categories, namely, those employees who are exempt from control; those under ceiling but not limited by statute; and those under ceiling limitation by general numerical maximum specified by statute for agencies with certain specific exceptions.

2. On receipt of these estimates the Bureau of the Budget analyzes the requests and advises the agency what the maximum number of the full-time and man-months of part-time employment that it believes the agency needs.

3. On receipt of the Budget Bureau's allocation, referred to as the quarterly ceiling, the agency takes necessary steps to notify all of its field offices or department heads who are responsible for administering part of the agency's ceiling. Each department or agency is compelled to maintain detailed records showing the number of employees by the type of service, in order that it will not exceed the ceiling assigned by the Bureau of the Budget.

4. At the end of each month the department or agency prepares a monthly report showing the number of employees in pay status for submission to the Civil Service Commission and to the Bureau of the Budget.

5. Near the end of each quarter the agency forwards estimates to the Bureau of the Budget for allocation of personnel ceilings for the succeeding quarter together with a report showing the number of full-time employees and man-months of part-time personnel. At this time the Bureau checks the actual employment against the ceilings assigned at the beginning of the quarter and reports any violation of ceiling control to Congress, as required by law. The actual number of man-months of part-time employees are converted into full-time employment and added to the regular full-time employment for reporting purpose. Before this is possible, considerable computation is necessary to determine the actual number because in most instances the end of the pay period does not correspond with the reporting period.

PERSONNEL CONTROLS NOT RELATED TO FUNDS AVAILABLE

1. The general limitation on the number of employees for the fiscal year 1947 was enacted before 12 out of 15 appropriation bills were approved and did not conform with the number which could be financed by funds subsequently made available.

2. The general limitation beginning July 1, 1947, is a fixed number for an indefinite time and cannot therefore reflect the adjustments made in appropriations or funds made available from time to time.

3. Since enactment of the general limitation on the number of employees, the Congress has exempted some employees from the limitation and in other cases new legislation has changed the status of other employees. Inasmuch as the general limitation was not adjusted by subsequent action the effect was to liberalize the maximum number stated in the act, so that it no longer has the intended effect on Federal employment. Funds provided rather than the number authorized becomes the controlling factor.

4. When the Congress provides funds for the employment of more persons than the maximum number specified in the ceiling law the Bureau of the Budget must choose which programs are to be reduced below the level authorized by congressional action. Thus the Director of the Bureau of the Budget is in the unusual position of being compelled to comply with conflicting directives.

ADMINISTRATIVE BURDENS AND INEQUITIES

1. Complicated reports and records on various types of Federal employees are required of all agencies. Most of the agencies must keep separate records and prepare detailed reports showing the number and type of employment on at least two or more classes of employees. The agencies expend considerable time and money accounting and reporting for the employees on duty and lose a great deal of productive time in justifying subsequent ceiling requests.

2. Since the maximum numbers determined by the Director of the Bureau of the Budget cannot be exceeded at any time, it is necessary to keep daily records in the various offices of each agency to insure compliance with such determination. Because of the small staff available in the Bureau of the Budget, the Director must rely on the accuracy of the reports submitted by the agencies.

3. The burden of operating under the ceiling system varies with the number, geographical distribution, and type of personnel employed in an agency. Thus, a small centralized agency can utilize its full ceiling whereas a large decentralized department normally dissipates from 3 to 5 percent of its ceiling. In some agencies, the programs permit the choice of using wage boards or civil service, Federal or State employment, contract or force account employees, thus permitting greater latitude in some agencies than in others.

4. A fixed maximum number of employees throughout a year fails to provide for seasonal peaks and valleys. As a result the maximum is set high enough to permit carrying on essential work during certain seasons of the year, but must be adjusted during off seasons. For this reason, personnel ceilings are cumbersome and difficult to administer.

5. A large number of individuals in many of the agencies devote a substantial portion of their time each month to the preparation of reports and justification of such reports in order that the ceiling will be justified in sufficient detail to retain enough people to perform the essential work.

DOES CEILING CONTROL SAVE MONEY?

1. The budget submitted by the President for the fiscal year 1949 estimated that $39,600,000,000 will be required to carry on the functions and responsibilities vested in the executive, legislative, and judicial branches of the Federal Government. Of the 39,600,000,000 requested, approximately 33,600,000,000 was requested for objects other than civilian personnel service costs within the executive branch. Thus, civilian personnel service costs represent only 15 percent of the total estimated Government expenditures and of this amount an estimated $1,800,000,000 in salaries or approximately 4 percent of the total budget fall under a special limitation group set out specifically by Congress for separate accounting. Because only 15 percent of the total budget is represented by personnel services, it is apparent that the purpose of the Pay Acts of 1945 and 1946 are not producing the results anticipated.

2. Limiting the maximum number of persons available promotes the use of alternative devices for getting the work done and frequently these devices are more expensive than would be the case if civilian employees were used. As an example, it was recently discovered that the United States Maritime Commission could save upward of $4,000,000 per year if civilian employees were used instead of contracting with private concerns. It is believed that there are other agencies that are using this device or other methods of circumventing civilian personnel limitations and ceiling control.

3. In some types of work such as tax recoveries, and construction and investigations, numerical limitations frequently delay completion of work thereby creating backlogs which are more costly to remove than would be possible if the ceiling could be increased at certain intervals.

4. Personnel ceilings could tend to promote the use of overtime which is more expensive than normal employment.

From the foregoing, it is obvious that civilian personnel ceilings and limitations authorized by Congress are not reducing employment or expenditures, but are actually

costing the American taxpayer more money to administer than they are worth.

PERSONNEL CEILINGS HAVE OUTLIVED THEIR USEFULNESS

The President, other committees of Congress, and representatives of many of the spending agencies have indicated that the personnel-ceiling procedures have outlived their usefulness. The President has recently stated that:

"The personnel reductions were facilitated by the statutory limitations on personnel and provisions for detailed personnel-ceiling determinations enacted by the Seventy-ninth Congress. When we began to convert to a peacetime basis and appropriations greatly exceeded expenditures, this legislation served a useful purpose. By the Legislative Reorganization Act the Congress has in effect decided that the extent of Federal activities, and hence personnel, should be determined by the usual apppropriations process. The statutory limitations and personnel ceilings constitute a separate and possibly conflicting method of controlling the number of employees. The appropriations process, to my mind, is far preferable to the personnel ceilings and limitations, since these place undue emphasis upon the number of employees and put a premium on contractual arrangements and other measures to get the necessary work done without exceeding numerical limitations.

"I therefore recommend the repeal of the statutory limitations on personnel and provisions for personnel ceiling determinations." [1]

The House Appropriations Committee stated in House Resolution No. 1659, Seventy-ninth Congress that:

"The man-year element and the amounts of money appropriated go hand in hand. If one is increased or decreased the increase or decrease of the other automatically follows. From the beginning of the Government the Congress has invariably provided for the public service in terms of money appropriated, and the commitee knows of no reason for deviating from that practice."

The Budget and Finance Director of one of the large departments recently testified as follows:

"This matter of reduction of force, according to my observation is more a matter of dollars than any other factor; personnel is based almost solely on the amount of money allowed. * * * I have been unable to understand the amount of energy that is being required to be used by the departments, and the Bureau of the Budget, and the amount of dependence which the Congress apparently has placed on the recently instituted personnel ceiling procedure, because it is so easy to control Government personnel, and every other expenditure factor by the basic decision to grant, withhold or modify the appropriation. That is the basic thing which settles, or ought to settle, the question of how much personnel you are going to need or be allowed to have. To supplement that with an elaborate additional process such as is now in effect for quarterly personnel ceilings seems superfluous." [2]

During the course of our study we have examined the reports received, records maintained and procedures followed by the Department of the Navy, and other departments. It was found that the work entailed in administering civilian personnel ceilings no longer accomplishes the object for which it was intended. The Department of the Navy believes that economies in expenditures can be made more effectively by appropriation limitation. A statement from the Department follows:

"As a result of economies effected by the current Congress when appropriating funds for the operation of the Federal Government in the fiscal year 1948, sufficient funds for personal services were granted only to meet the minimum requirements of the Department of the Navy. Consequently, the number of employees the Navy may now engage is very definitely limited to the funds available for the purpose. A secondary control in the form of personnel ceilings no longer has any effect other than to duplicate an already completely effective control.

"The most drastic involuntary reductions in force since the war in the Department of the Navy took place at the beginning of fiscal year 1948 and were brought about by the reduction in funds provided in the Appropriation Act, for this year. In other words, reductions in force, other than those planned, resulted from the curtailment of financial resources and not from the ceiling granted by the Bureau of the Budget pursuant to Public Laws 106 and 390."

GLENN K. SHRIVER,
Staff Member.

Approved:

E. B. VAN HORN,
Staff Director.

[1] From the President's annual budget message for the fiscal year 1948.

[2] William A. Jump.

TAEKO SUZUKI

Mr. DONNELL. Mr. President, I am about to ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to consider Calendar No. 1714, House bill 6655, for the relief of Taeko Suzuki.

Mr. President, before asking for such unanimous consent I should like to make a very brief explanation of the reason for my proposed request. This is a bill to the effect that the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Taeko Suzuki, the Japanese fiancée of Harold Thurston, a citizen of the United States and an honorably discharged veteran of World War II, and that Taeko Suzuki may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months.

I shall not read all the bill. The bill is on the calendar.

The fact is, as I have been informed by a letter which is exceedingly well written and well composed by the young girl, that Mr. Thurston, a young man from my State, from Columbia, Mo., is to leave Japan, where he now is, on June 14. She said in her letter:

> It would be much easier if I could go at the same time he will than if I must travel alone.

This bill has been passed by the House. It has been reported without amendment by the Committee on the Judiciary. I have spoken both to the chairman of the Committee on the Judiciary, who has no objection to the bill being considered, and to the majority leader, who, without at all committing himself on the merits of the bill, has no objection to its being considered.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. DONNELL. Mr. President, may I ask that the bill be stated for the information of the Senate?

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 6655) for the relief of Taeko Suzuki.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LUCAS. Mr. President, I have no objection. Under the circumstances, I am satisfied that the bill should be passed.

There being no objection, the bill (H. R. 6655) was considered, ordered to a third reading, read the third time, and passed.

Mr. DONNELL. Mr. President, I thank the Senators for their courtesy in this matter.

CREDIT FOR CERTAIN MINING-ASSESSMENT WORK

Mr. McCARRAN. Mr. President, there is pending on the calendar House bill 6406, Calendar 1511, a bill providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

When that number on the calendar was called, I objected, for the reason that I did not know at the time what the purport of the bill was. I have always been opposed to moratoriums. There was a moratorium in the matter of doing assessment work on mining claims last year. Some mining-claim holders did the work, notwithstanding the moratorium. This bill would provide that where the work was done last year the holder of the claim might take credit for it this year and not have to do the annual assessment work. I hope that I may have permission to have the bill considered at this time.

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6406) providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

The PRESIDING OFFICER. As the Chair understands, the Senator from Nevada was the only Senator who made objection at the last call of the calendar.

Mr. McCARRAN. That is correct.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BRICKER. Reserving the right to object, I have been advised that there is no objection.

The PRESIDING OFFICER. The Chair is advised that the bill was unanimously reported by the Committee on Interior and Insular Affairs.

There being no objection, the bill (H. R. 6406) was considered, ordered to a third reading, read the third time, and passed.

Mr. WHERRY subsequently said: Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I yield.

Mr. WHERRY. Mr. President, I ask unanimous consent that my remarks in

this connection may appear in the RECORD following the action on House bill 6406.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. And I wish to thank the Senator from Illinois for yielding to me.

Mr. DOUGLAS. I am very glad to do so.

Mr. WHERRY. This afternoon the Senate passed House bill 6406, entitled "An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

I now wish to enter a motion to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The motion will be entered.

Does the Senator from Nebraska wish to call up the motion at this time?

Mr. WHERRY. No. I wish to explain that I am making the motion on request. I hope that by tomorrow or the next day the matter will be straightened out, so that it will not in any way interfere with the final passage of the bill. However, there are some points in connection with the bill which a Member of the Senate wishes to have considered.

Again I thank the distinguished junior Senator from Illinois for yielding.

Mr. DOUGLAS. Mr. President, it is always a pleasure to be able to help in some slight measure the genial junior Senator from Nebraska, the expert dart thrower from beyond the Missouri River.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

Mr. DOUGLAS. Mr. President, I rise to speak in opposition to the conference report on Senate bill 1008, the so-called basing point bill, a measure which in my judgment is probably the most important piece of domestic legislation which has confronted us in the Eighty-first Congress, although it does not seem to have attracted to the floor of the Senate a large assemblage of Senators.

In my judgment, the title of the bill should be "A bill to weaken the antitrust laws of the United States."

Despite the pages and pages of debate on Senate bill 1008, the whole issue can be summed up in a single sentence, namely: Should Congress pass a bill which would permit the elimination of competition? This is the whole issue. If Senators do not like the American system of free and fair competition, they should vote for the bill. If, on the other hand, they believe in competition and in our antitrust laws which are necessary to preserve competition, they should vote against Senate bill 1008, for this bill would put more holes in our antitrust laws than there are in a large piece of Swiss cheese.

The bill would allow big business to destroy competition in two ways. First, it would legalize the basing-point system, a method of price fixing which has been used by the members of certain highly concentrated industries to suppress competition among themselves. Second, it would virtually repeal the Robinson-Patman Act by legalizing the discriminatory practices by which big business destroys its small business competitors.

So we can see that Senate bill 1008 would result in the further elimination of independent competitors and the further concentration of business into the hands of a few big businesses. It would result in even tighter price fixing by means of the basing point and variations of the basing-point system among such industries as steel, cement, corn syrup, paper, furniture, zince, copper, lead, and a host of other industries, as well.

The disastrous effects this bill would have upon small business have been ably discussed by other Members of the Senate, and probably will be discussed tomorrow by the distinguished junior Senator from Louisiana [Mr. LONG] and the distinguished junior Senator from Tennesse [Mr. KEFAUVER]. Numerous small-business organizations which are so desperately opposing this bill have also presented these arguments. I shall not, therefore, burden the Senate with further elaborations of the small-business features of the bill. Instead, I shall confine my remarks to the basing-point question, as presented by section 1 and section 2 of the bill.

What is the basing-point system? Where did it come from? What was its purpose? What are its effects? How would it be legalized by this bill? These are the questions that I hope to answer so that all may see and understand why we must prevent Senate bill 1008 from becoming law. First, I shall discuss briefly what the basing-point system is and how it came about, and then, with the help of a few charts, I shall discuss its workings and effects.

THE BASING-POINT SYSTEM IS A METHOD OF PRICE FIXING

The basing-point system involves a number of things. To work successfully, it requires that the members of an industry using the system cooperate in a number of ways to maintain uniform business practices. But primarily it is a formula used for determining what delivered price is to be quoted to any prospective buyer. By using this formula, all the producers in an industry, no matter where their plants may be located or how much actual freight charges may vary, quote exactly the same delivered price to any prospective buyer, and thus destroy price competition. The formula is composed of two parts. These two parts, when added together, make the delivered price which is charged buyers at any particular location in the country. The first part is a base price which is announced at some place designated as a basing point. The basing point is usually, but not necessarily, a production center for the goods in question. Any designated city or town may be commonly observed by the members of an industry as a convenient place from which freight charges are computed. All that is essential is that they all observe a common point of reference.

The second part of the formula is the established freight charge for shipping the goods from the basing point to the buyer's place of business.

Adding these two parts of the formula together, all producers in the basing-point system arrive at the same delivered price for any particular buyer. All producers charge the buyer the same base price, plus the same established freight charge, regardless of the actual point of origin of the goods or the freight charges actually incurred. Thus, the basing-point system is a foolproof method of destroying price competition by enabling all members of an industry to charge any given buyer exactly the same delivered price.

In the basing-point systems which have been in practical operation, the established freight charge has usually been an amount computed from the current rail rates, or an amount closely approximating actual rail rates. The basing-point producers have refused to allow buyers to take delivery of goods at the mill, or to specify a means of transportation, even though truck or barge rates are usually lower than rail rates.

The object of the system is, as I have said, t have all producers quote the same delivered price to any prospective buyer. The success of the system depends, therefore, upon the following: First, that the buyer at any given location have one, and only one, delivered cost; and, second, that all the producers know what this delivered cost is to be. The object of the system, which is the elimination of price competition, could not be attained if producers allowed the buyer the benefit of cheaper transportation than the established rail freight charge from the basing point.

THE BASING-POINT SYSTEM WAS MODELED ON THE GERMAN CARTEL SYSTEM

Mr. President, how did the basing-point system come about, and what was its purpose?

The basing-point system made its first appearance in the United States in the year 1880. It first appeared in a segment of the steel industry, in the form of a miniature Pittsburgh-plus.

By 1880 the American steel industry had grown into a gangling youngster. It was big for its age, having thrived on Government protection from foreign competition, new technological developments, and a rapidly increasing demand for steel, particularly for steel rails. Profits were fabulous; but upon approaching manhood, it became the swain of a maid who was casting about for ways to secure herself against competition.

Earlier experiment with pools and gentlemen's agreements to maintain

prices and to restrict output had proved only partially successful. Agreements on price could be reached; but steel is a heavy product, and buyers would often buy from the nearest mill in order to cut down their freight costs. Thus, while the industry could usually fix prices and confront all buyers with identical prices at the mill, there was still competition of location.

Because of this inherent weakness of pools and price agreements based upon f. o. b.-mill prices, several groups began casting about for a more effective method of eliminating all price competition. Finally, in 1880 several eastern producers hit upon the system practiced by the German steel cartel. This was the basing-point system. Unhampered by any traditions of free competition, the German steel cartel had devised the basing-point formula as a means of eliminating competition. Andrew Carnegie is credited, among economic historians, with the importation of the German cartel system to the United States. We know that Carnegie traveled in Europe in 1878, that he talked with the German steel masters, and that he had an opportunity to study the system.

At any rate, his company was the first in this country to try it out. This try occurred in 1880 when the Carnegie Co. joined with three other firms in Pennsylvania and New Jersey and formed the Pittsburgh Steel Beam Association for the purpose of fixing the delivered price of steel beams. The price plan agreed upon inaugurated the Pittsburgh-plus formula.

PITTSBURGH PLUS

The Pittsburgh-plus formula was quite simple. The four members of the association agreed upon a common base price at Pittsburgh and agreed to make all sales from their variously located plants at the Pittsburgh price, plus the established rail freight charges from Pittsburgh to the buyer's location. In this way they could all quote the same delivered price to any prospective buyer. The prices might differ between localities and did differ between localities, because of the differences in freight rates; but they did not differ to buyers in any one given locality. They were all uniform to purchasers in any one locality. Such was the modest beginning of the German cartel system in the United States. This system was to become, some 20 or 30 years later, the Pittsburgh-plus system by which the prices of all steel products were fixed over the entire United States. Its use with variations was eventually adopted by other industries such as cement and corn syrup. We also know from the reports of the TNEC Monograph No. 1 that the basing-point system or variations of the basing-point system were also used in the lumber industry, for lime, for floor tile, for gypsum plaster, for prepared roofing, for window glass, for heating boilers, for linseed oil, for a wide variety of heavy chemicals, for copper, zinc, lead, iron ore, business furniture, paper and paper products, sugar, petroleum products, and undoubtedly many others, because recent suits have disclosed still further industries which have been operating under the basing-point system.

The eastern Pittsburgh-plus system of selling steel beams was an immediate success. There were relatively few producers of steel beams, and they managed to refrain from serious deviations from their new formula, at least up until the depression of 1895 and 1896. The system appears to have suffered a temporary breakdown under the exigencies of depression, as did the other pools and price agreements then in effect.

Following the great wave of combinations in the wire and nail field of the steel business, the Pittsburgh-plus system was adopted in 1894 for the sale of nails. The formula was not, however, extended into a Nation-wide system and expanded to include the great bulk of steel-mill products until after the formation of the United States Steel Corp. in 1901. The organization of the United States Steel Corp. climaxed a great wave of consolidations which eliminated hundreds of independent competitors in the steel industry. This great corporation brought together directly some 200 previously independent companies, many of which were recent consolidations of other companies. For example, the American Steel & Wire Co., one of the corporations taken into the new combine, had itself been put together during the preceding decade out of some 280 independent wire and nail companies.

PITTSBURGH-PLUS EXTENDED TO WHOLE STEEL INDUSTRY AFTER FORMATION OF UNITED STATES STEEL

The new corporation immediately presented its managers with a problem of new dimensions. The managers found themselves in possession of a number of steel mills in widely scattered parts of the country, most of which had been competing among themselves. The immediate problem was, therefore, to find a scheme whereby the variously located subsidiaries could avoid stepping on one another's toes and, at the same time, avoid competition with the remaining independent companies. Some method, it was decided, had to be found of equalizing the element of freight. In discussing the suitability of the Pittsburgh-plus system, Charles M. Schwab, earlier president of Carnegie Steel, and later president of United States Steel, testified in 1901:

> I don't see any other plan of doing it; we must establish some central point.[1]

The central point hit upon was, of course, Pittsburgh, the same as the corporation's principal subsidiary had originally used for fixing the price of steel beams. The United States Steel Corp. thereupon began to set the delivered prices at all its mills outside of Pittsburgh to include the Pittsburgh base price, plus the rail freight from Pittsburgh to the buyer's destination regardless of where the steel was actually produced. Other steel companies, fearing reprisals at the hands of the giant United States Steel combine if they refused to go along, agreed to do likewise. This formula was extended to one line of steel products after another as rapidly as agreements could be reached with competitors in those lines to follow the formula. Simple as this formula may seem to us now, it still was a novel idea to many of the steel companies in 1901, despite its earlier practical demonstration in selected fields. For example, I can illustrate this with a report covering the agreement worked out in 1901 for bars and plates.

Mr. President, I ask unanimous consent that at this point in the RECORD there may be printed this quotation from a report written by a trade correspondent in Philadelphia in 1901 which appeared in Philadelphia Iron Market for that year.

There being no objection, the quotation was ordered to be printed in the RECORD, as follows:

> Early in the year it looked as though there might be a somewhat demoralized market for bars and plates, but this was fortunately avoided by the manufacturers of each of these specialties formulating plans for maintaining uniform prices, which have proved to be eminently successful. It took a good deal of time to arrive at a basis which would be satisfactory to all the various interests, one great difficulty being in the variety of conditions in regard to location of mill, proximity to markets, cost of production, etc. The plan finally adopted and which has worked perfectly so far, and which is likely to be continued indefinitely, was to base all quotations at a figure agreed upon for f. o. b. deliveries in Pittsburgh. The local mills—Philadelphia—therefore quote Pittsburgh prices—plus freights to whatever point the material has to be shipped. The plate mills have a verbal agreement and the bar mills have a written agreement which is further strengthened by a substantial cash deposit. The lowest prices during the year were $1.35 for bars and $1.40 for plates, but under the price agreement they are now $1.62 and $1.72, and likely to remain at that for an indefinite period.[2]

STANDARDIZATION OF PRODUCTS IS NECESSARY TO SUPPRESSING COMPETITION

Mr. DOUGLAS. The Pittsburgh-plus system had to be nursed along for another decade before it could stand on its own feet without assistance by way of trade meetings and renewal agreements among the various members of the industry. In the Pittsburgh-plus case in 1924, the Federal Trade Commission reports in its findings of fact that pools, price-fixing meetings and Gary dinners continued up until 1910. That is, for 10 years there were periodic meetings of the heads of the various companies, at which they would agree upon prices and what the price would be at Pittsburgh, and also agree upon standardization of different products, so that quality differentials would be removed, so that a web of monopoly prices could be established for the entire steel industry. But at about that time, the system finally be-

[1] 13 Report of the Industrial Commission 469 (1901).

[2] The Philadelphia Iron Market for 1901, Annuel Review of the New York Metal Exchange 3 (1902), as reported by Vernon Mund in Law and Contemporary Problems, Duke University School of Law, Spring 1950, p. 147.

came so perfected that it supplanted these earlier forms of price fixing. This simple pricing formula obviated the necessity, so the Commission found, for continuing the pools, price-fixing meetings and Gary dinners, and the system then more or less operated by itself without combination, or collusion or conspiracy on the part of the companies.

One of the earlier draw-backs to the Pittsburgh-plus system as a means of suppressing competition arose from the fact that steel products had not, at that time, been perfectly standardized. Obviously, members of an industry cannot avoid competition simply by suppressing differences in delivered prices alone. This goes a long way toward suppressing competition, but the suppression cannot be perfect as long as there are quality differences which would cause buyers generally to prefer the products of some producers rather than others.

Today we hear a great deal about steel being a homogeneous product, but actually there are more ways of making steel than there are recipes for baking a cake. There are more differences in the kinds, qualities, types and forms of steel than there are differences between various kinds of shoes or the various varieties of cloth. Actually, of course, steel has become a homogeneous product only in the sense, first, that the steel industry has finally effected agreement upon a vast manual of specifications for the chemical composition, physical performance, kinds and forms of steel. Second, that the industry has agreed upon a set of laboratory and industrial tests by which these various specifications are gaged. And, third, the industry has agreed upon a set of nomenclature corresponding to the various specifications.

In the case of the similar problem in cement, it seems that it was never quite possible to create exact specifications. There are inherent differences in the qualities of cement, arising from the different raw materials which make it unfeasible to produce all cement to uniform specifications. The cement companies solved their problem of quality differences simply by pretending that they did not exist. They told buyers and the public generally that "cement is cement," and knowledge of quality differences was otherwise suppressed.

In a like manner, extras such as crating, cutting, bending, threading pipe, and other services were standardized and tabulated. With both quality and extras standardized, price competition is the only competition that matters. But, with the basing-point system in operation, even price competition is destroyed.

HOW THE SINGLE BASING-POINT SYSTEM WORKS

Now, how does the basing-point system work, and what are its effects? In order to make the effects of the basing-point system more understandable, I have prepared charts with which I hope to reduce the explanations to simple terms, for the benefit of the large number of Senators present.

In the first chart, we have an example of the system when only one city is used as a basing point. This was the way the system operated under Pittsburgh-plus. The chart illustrates the market area lying between Pittsburgh and Chicago. The prices and freights shown on the chart are those prevailing in 1922, when the Federal Trade Commission started its case against this system.

Remembering now the two main ingredients of this system, we can get from the chart a vivid picture of the way the system works. The first ingredient is, of course, exclusive delivered price selling. None of the steel mills will allow the buyer to take delivery at the mill. The Chicago buyer cannot take delivery of the steel at the Chicago mill. A buyer at Janesville, Wis., cannot take delivery at the mill. A buyer in Columbus cannot take delivery at the mill of the seller in either Pittsburgh or Chicago. The seller would insist that he would deliver the steel to the buyer and would charge in the freight from Pittsburgh, whether or not it was actually paid. None of the mills will allow the buyer to choose his method of transportation. All mills sell at delivered prices exclusively, and the buyer's place of business determines what his delivered price will be.

The second ingredient of the system is the formula by which the delivered price for any particular buyer is computed. This formula consists of adding together:

First. The established price at the city designated as the basing point—in this case Pittsburgh.

Second. The amount of freight charges which would be incurred for shipping the steel by rail from Pittsburgh to the buyer's location.

Hence delivered prices increase according to how far away the buyer is freightwise from Pittsburgh. This is true no matter from what mill the buyer actually orders his steel. Thus, if the buyer should order from a mill at Gary, Youngstown, Cleveland, or any of the other steel centers not represented on the chart, he would still pay a delivered price as though the steel were shipped by rail from Pittsburgh, even though he ordered from Gary, Cleveland, Youngstown, or some other location. For example, steel customers in Chicago paid the freight charges from Pittsburgh, even though they bought the steel from one of the Chicago mills. In 1922, when the base price of steel was $38 per ton in Pittsburgh, the rail freight from Pittsburgh to Chicago was $7.70. Therefore the delivered price to buyers in Chicago was $38 plus $7.70, or $45.70 per ton.

Similarly the freight from Pittsburgh to Duluth, Minn., was $13 per ton. Therefore the delivered price in Duluth was $38, plus $13, or $51 per ton. This was the price steel customers in Duluth paid, even though they bought steel produced in Duluth from Minnesota ores.

In other words, the ore did not have to move from Pittsburgh. The steel was produced in Duluth, but the consumers in Duluth or in northern Minnesota paid $51 at Duluth, or the Pittsburgh price of $38 plus $13 for transportation which had never in reality been paid by the mill from which the steel was bought.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield.

Mr. HUMPHREY. Only recently I received a communication from a very prominent manufacturer in the Duluth area who had been led to believe that the bill which is now being considered would be advantageous to his position as a Duluth processor of steel products. I will say to my friend from Illinois that my reply to him was that although I did not claim to be an expert, I knew that my friend from Illinois would make some comments on the basing-point system, and he would have his reply. I am going to telegraph him that the CONGRESSIONAL RECORD will carry the answer as to what is happening to our friends in the North as well as our friends in the South.

Mr. DOUGLAS. In Duluth they used Minnesota ore and had to pay $13 more than was charged for the steel in Pittsburgh. This discrimination stunted the growth of the Duluth market and thus prevented expansion of the Minnesota mills.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I shall be happy to yield.

Mr. HUMPHREY. Of course the Senator knows that the way it is produced in northern Minnesota is often under the control of the companies which have their factories at Pittsburgh. They not only take our ore out and pay us too little for it, but they charge extra to have their head offices at Pittsburgh.

Mr. DOUGLAS. That is correct. The result is that the steel prices are high in Minnesota, which puts local fabricators at a great disadvantage because of the high price they have to pay for steel as compared to that paid by their eastern competitors.

Customers located in Pittsburgh paid only $38 whether they bought steel produced in Pittsburgh or elsewhere.

This same formula was applied to steel sold anywhere in the United States, with some minor exceptions in the case of a small area around Birmingham. Customers located to the east, north, south, or west of Pittsburgh all paid the Pittsburgh base price, plus the rail freight from Pittsburgh, no matter where they bought their steel.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. Will the Senator be willing to comment on the economic factor, known as discriminatory freight rates, which diminishes our opportunities in the Midwest? Not only did we pay the additional $13 charged on the use of materials produced in the locality, but in case we wanted to ship out, the freight rates were higher to ship out than to ship back. So we got two loads.

Mr. DOUGLAS. The Senator from Minnesota is 100 percent correct in what he has said.

What was the result of this system? The result was that, by using this simple formula, all steel companies were able to quote any prospective buyer identically the same delivered price. In this way, they were all able to destroy price competition. The result looked very much the same as if all the steel mills in the country were owned by one giant monopoly, and all these mills were combined into one mill—at Pittsburgh.

THE BASING-POINT SYSTEM DISCRIMINATED AMONG CUSTOMERS

A second effect of the basing-point system which I shall touch upon but briefly, involves the discriminations which this system produces among the customers of the industries using the system. As we have already noted, the steel mills in Chicago charged buyers in Chicago $7.70 phantom freight on every ton of their steel sold in that area. This was despite the fact that the cost of producing steel was 20 percent higher in Pittsburgh than in Chicago. That is, they had lower production costs in Chicago than in Pittsburgh, but they charged $7.70 more on their steel sold in Chicago.

In one Chicago building alone, the Federal Reserve Bank Building, the imaginary freight on steel amounted to more than $76,000. One farm implement manufacturer, John Deere & Co., paid $488,400 annually in phantom freight. This was passed on to the farmers who bought their implements. A farm organization estimated that the farmers in 11 Middle Western States paid about $30,000,000 annually in phantom freight on steel.

DISCRIMINATIONS AGAINST LOCAL MARKETS STUNT THEIR GROWTH

Offhand, this system of price fixing might appear very profitable to Chicago steel mills, although obviously a monstrous handicap to the Chicago steel customers. But this proved not to be the case.

In the first place, the Chicago mills found—or should have found—that the growth of their local markets was stunted. Fabricators of literally hundreds of different kinds of products testified to the disastrous effect this discrimination had upon their businesses. They proved that they were at a gross disadvantage in competition with eastern manufacturers. They were held up and compelled to pay higher prices for the steel which they used. Their local markets were invaded by their eastern competitors who paid less for steel while they were prevented from selling in the eastern markets because of this handicap. As a result, in periods of business decline hundreds of western steel customers were wiped out, while their eastern competitors continued to prosper.

BASING-POINT SYSTEM NOT PROFITABLE TO WESTERN MILLS

In the second place, the price-fixing formula was not as profitable to the western steel mills as it might appear. What actually happened was that the western mills were saddling their local customers with phantom freight charges only to subsidize the dumping of much of their steel in the eastern markets.

The eastern steel mills could and did offer steel in the Chicago market without taking any price penalty.

Moreover, since, according to the formula, western customers were offered identical delivered prices by all mills, they bought a large portion of their steel requirements from the eastern mills. Since the West was buying steel in large quantities from the East, the western mills were obliged to dispose of some of their output in the eastern markets.

For example, the Chicago mills regularly sold to customers in Pittsburgh. In this case they charged the Pittsburgh customers $7.70 per ton less than the Chicago customers, and absorbed the $7.70 freight costs in addition. Thus, while they charged Chicago customers for freight not actually hauled, they absorbed the freight charges for Pittsburgh customers. Consequently, the Chicago mills actually received $15.40 per ton less on their sales in Pittsburgh than they received on their sales in Chicago. That is, they took 50 percent more from local buyers than they did from Pittsburgh buyers. The amount of the discrimination against the Chicago customers appears even greater when you consider that the cost of producing steel in Chicago was about 20 percent less than the cost of producing steel in Pittsburgh.

Pittsburgh mills were selling in Chicago and Chicago mills were selling in Pittsburgh. However, when the Chicago mills sold in Pittsburgh they charged the Pittsburgh customers $38 a ton and paid the freight of $7.70 from Chicago to Pittsburgh. Therefore they netted only $30.30 a ton for steel which they sold in Pittsburgh, although they got $45.70 a ton, or 50 percent more, for steel which they sold in Chicago. In practice, for Chicago to net $38 at the mill on steel which they sold in the East, they were able to sell steel only about as far east as Columbus, Ohio, to which the freight was roughly $3.85 a ton. The price at Columbus would be about $41.85, or $38 plus $3.85. Chicago would sell for $41.85. After paying $3.85, Chicago would net $38.

Another interesting point is that Pittsburgh could net $38 and sell not only all the way out to Chicago, but to any place in the country. On the other hand, for Chicago to net $38, they could go back only one-half the distance to Pittsburgh. Therefore the power of the East to sell in the West was twice as great as the power of the West to sell in the East. The result was the building of eastern steel mills at the expense of western steel mills.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. I wonder whether the Senator has made any observation as to whether the cause for this price differential and this price rigging in behalf of eastern mills is not possibly attributable to the fact that the capital investment in the mills, whether they are in Chicago or Pittsburgh, comes primarily from eastern sources, and that actually it is a matter of indifference whether the profit which is created comes from Chicago or Pittsburgh. Does the Senator believe there is any relationship?

Mr. DOUGLAS. The big trusts and combinations which have ruled the industry and who have used the basing-point system have tried to protect their investment in eastern mills.

Mr. HUMPHREY. Their original investment.

Mr. DOUGLAS. Their original investment. They have tried to suppress the development of new mills in the West, because they have not been able to make certain that they could control them.

Mr. HUMPHREY. Is it not true that the basing-point practice has often been used by those industries which are approaching a monopolistic condition, or, more often, in those in which there are only one or two firms which literally dominate the whole field, such as the cement industry and the steel industry? Is it true that the practice is primarily used in those industries?

Mr. DOUGLAS. The Senator from Minnesota in his speech pointed out basic industries in which three or four firms control a large percentage of the output. It is in those industries that we often find the basing-point system used, because it is a system under which one big firm announces a price, with which other firms fall into line, and one big firm can punish any independent by declaring a punitive basing point in its territory.

The discrimination in the Pittsburgh-plus system was not the primary result that the steel companies were aiming at. I doubt if they had any personal antagonism toward any particular group of customers. During the war it often occurred to me that Japanese machine gunners held nothing personal against our forces, even though they would gladly rip us to pieces with machine-gun fire. Their purpose was to win the war. In a like manner the primary purpose of the Pittsburgh-plus system was to fix prices and destroy competition. And that has been the primary purpose of all the other versions of the basing-point system.

PRINCIPLES OF MULTIPLE-BASING-POINT SYSTEM SAME AS PITTSBURGH PLUS

We come now to the multiple-basing-point system. The principles of this system are the same as the single basing point, or Pittsburgh-plus system. The only difference is that, instead of having only one basing point, the multiple system has two or more basing points. It is carried on in exactly the same manner as Pittsburgh plus except that all mills charge any individual customer the established price at the basing point nearest him plus the rail freight from that basing point to his location. Like Pittsburgh plus, it results in the elimination of price competition since any customer will still be confronted with identical price quotations from all companies.

As I have said, the Federal Trade Commission went into the question of Pittsburgh plus in 1922, and finally in 1925 it issued a cease-and-desist order

directing the United States Steel Corp. to discontinue the practice of Pittsburgh plus. The United States Steel Corp., in a rather patronizing style, replied implying that they would be the judge as to how far they could go, that they would stop using the Pittsburgh-plus system "insofar as it is practicable." Actually, all the corporation did was to adopt several other cities as basing points. In other words, the steel industry merely shifted from the single to the multiple system. This was the same system then used by the cement industry, dominated by Universal Atlas, a subsidiary of United States Steel. Pages and pages of data demonstrating the effectiveness of the multiple-basing-point system in eliminating price competition have been inserted in the CONGRESSIONAL RECORD. A good example is the case of the bids received by the Army engineers to furnish cement for a project in Tucumcari, N. Mex., in 1936. Eleven bidders each submitted the same figure, in sealed bids, without actual collusion, but these bids were identical down to the sixth decimal place. Last summer, I showed that the chances of this happening by accident were one in one quintillion. And yet the companies involved had not gotten together to determine the figure they would submit. They had not conspired. They were not in collusion. They merely used the same formula, the multiple-basing-point system, to arrive at the same figure.

THE MULTIPLE-BASING-POINT SYSTEM FOR SEAMLESS PIPE AND TUBES

We may see the mechanics of the multiple-basing-point system by turning now to a second chart. This chart shows the basing points for seamless pipe and tubes which were in effect in August 1947. This was the month in which the Federal Trade Commission issued a complaint and started its present suit against the steel industry.

There were only two basing points for seamless pipe and tubes in the whole country. These were Pittsburgh, Pa., and Lorain, Ohio.

The chart also shows a segment of the market lying between Pittsburgh and Chicago. And it shows several other selected locations between these two points where seamless pipe and tubes are produced. In addition to Pittsburgh and Lorain, which were the basing points, Gary, Ind., Canton, Ohio, and Youngstown, Ohio, also produced seamless pipe and tubes, but these were not basing points. All of the non-basing-point production centers are not illustrated on the chart. For example, Wooster, Ohio, was also a production point which might have been considered as lying between Chicago and Pittsburgh. But we have on the chart enough production points to illustrate the mechanics of the system.

The prices shown are for 2-inch line pipe. Here we may see that the base price at both Pittsburgh and Lorain was the same, namely, $108.90 per ton. Therefore, according to the formula, the delivered price for any given buyer in the United States would include freight charges from either Pittsburgh or Lorain, depending upon which city is closer to the buyer. The rail rates, of course, controlled the question of which basing point was closer to the buyer. The buyer was not permitted to take delivery of the pipe at the mill, or to arrange for shipment by truck or water carrier. He could have pipe at a delivered price only, and that delivered price was composed of the base price plus the established freight charge from either Pittsburgh or Lorain. For example, buyers in Canton are closer to Pittsburgh than to Lorain. They would pay the Pittsburgh base price plus the established freight from Pittsburgh, which was $3.50. In this case buyers in Canton paid $3.50 of phantom freight, since the pipe is also manufactured at Canton.

Similarly, buyers in Chicago paid the Lorain price plus $7.62 of freight from Lorain to Chicago, although the pipe which they bought was produced, not in Lorain, but in Gary, just outside Chicago. This was true because the pipe was also made at Gary, where it could be delivered to Chicago for a small switching charge. The Gary mills really announced no mill price at all. They simply charged delivered prices according to the formula we have already mentioned.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. I think that for the purposes of the RECORD it might be well for the Senator again to state the analysis. In other words, is the Senator from Minnesota correct in understanding the Senator from Illinois to say that if, for example, the city of Chicago were going to buy a certain number of tons of seamless pipe for use in a construction project, the city of Chicago would be able to get the pipe from Gary, Ind., just across the road, so to speak, but that the city of Chicago would not only have to pay the manufactured cost price of Gary but also the phantom freight price, which amounts to $7.62, as if they were purchasing it from Lorain, Ohio? Is that correct?

Mr. DOUGLAS. That is correct. As a matter of fact, it is probable that the Gary mill was more efficient than the Lorain mill, but the price was the price at Lorain plus the freight from Lorain to Chicago, although the pipe was obtained next door, in Gary, presumably at lower production costs. This is not the old Pittsburgh plus; it took place in 1947. It was the price under the multiple basing-point system.

Mr. HUMPHREY. Let us assume, then, that the city of Minneapolis, Minn., wanted to buy some seamless pipe. It would have to pay the Lorain price plus the freight——

Mr. DOUGLAS. From Lorain to Minneapolis.

Mr. HUMPHREY. Rather than from Gary to Minneapolis, even though Gary may be able to produce the same pipe, and may be able to supply the pipe?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Even though Gary, Ind., did supply the order, Minneapolis would still pay the price as if the pipe were shipped from Lorain?

Mr. DOUGLAS. That is correct. I do not know whether the Duluth mill produces seamless pipe or not. If it did, customers in Duluth would have to pay the Lorain price plus freight from Lorain, even though it were purchased from Duluth, under this system.

It should be noticed that while the nonbase mills charged phantom freight, the mills at Pittsburgh and at Lorain, although they often absorbed freight, did not charge any phantom freight. They were, nevertheless, able to follow the formula and quote the same delivered price as all the other mills to any buyer in the United States. For example, when the mills in Lorain sold to a buyer in Pittsburgh, they absorbed the freight from Lorain to Pittsburgh. Similarly, when the Pittsburgh mills sold to a buyer in Chicago, they charged the buyer freight from Lorain and absorbed the difference between that figure and the cost of shipping from Pittsburgh.

Mr. HUMPHREY. In other words, the price would be $108.90 a ton delivered?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. In either Pittsburgh or Lorain?

Mr. DOUGLAS. Yes. And there is Pittsburgh selling to Lorain and Lorain to Pittsburgh, and each producer absorbing the freight cost on unnecessary freight that was moving between these areas.

Mr. HUMPHREY. If one were living in Chicago, he would have to pay the freight?

Mr. DOUGLAS. That is the freight from Lorain, even though no freight was actually paid by the seller, which has its mill in Gary, just outside Chicago.

THE PLENARY BASING-POINT SYSTEM

Although in most systems which have been in operation there have been not nearly so many basing points as there are production points, there can be any number of basing points. When a system has a basing point for each city where the goods are produced, we call it the "complete," or "plenary," basing-point system. An example of the plenary basing-point system was that used for fixing the prices of bottle caps. The circuit court of appeals for the fourth circuit sustained the Commission's order against this system in the Bond Crown & Cork Co. case, last fall. The evidence brought out in this case provides a practical demonstration of the fact that the purpose of the basing-point system can be accomplished when all production points are used as basing points.

The bottle-cap manufacturers succeeded in suppressing competition among themselves by the usual methods of the basing-point system. First, they standardized their product, even down to the point where the decorations on the caps were all the same. So that one could not tell from looking at a bottle cap whether it was made by Armstrong or the Bond Co.

The bottle caps were identical.

Second, they quoted delivered prices according to the basing-point formula. The result was that they all quoted identically the same delivered price to any

given buyer in the United States. Finally, each producer absorbed freight in precisely the right amounts to make his delivered charges exactly equal to the formula prices.

Since each production point was a basing point, none of the producers charged phantom freight. It is not necessary to charge phantom freight to operate a basing-point formula. A basing-point formula can be used to suppress competition merely by absorbing exactly the right amounts of freight.

THE BASING-POINT SYSTEM IN STEEL IN AUGUST 1947

We may get an over-all map perspective of the multiple-basing-point system by a brief reference to a third chart showing the pricing system for hot-rolled, carbon-steel bars.

Here we have a map of the United States showing the basing points, which are given in black, namely Pittsburgh, Buffalo, Canton, Cleveland, Gary, Chicago, and Birmingham. All of these are production points for hot-rolled, carbon-steel bars which are basing-point locations.

The other production points, which are not basing points, are indicated in red, namely, Bethlehem, Lebanon, Philadelphia, Williamsport, North Tonawanda, Lackawanna, Aliquippa, Johnstown, several around Pittsburgh, Clairton, Duquesne; Indiana Harbor, South Chicago; Ashland, Ky.; Atlanta; Gadsden, Ala.; Fairfield, Ala.; Bessemer; Alton, Ill.; Madison, Ill.; and Kansas City. On the west coast, there were also Seattle, South San Francisco, Niles, Los Angeles, and Torrance.

This product, hot-rolled, carbon-steel bars, is one of the most important forms of steel, and one which has a very wide variety of uses.

The chart shows the way the multiple-basing-point system looked in steel in August 1947, when the FTC started its present case against the steel industry.

Here we may see that seven of the production points were designated as basing points. The basing points are shown in black. All of the points shown in red are production points not designated as basing points.

A buyer of hot rolled carbon steel bars anywhere in the United States paid freight from whichever one of these basing points was nearest him, freightwise. In almost all cases, moreover, the buyer paid rail freight even though his bars might have been shipped by water or truck. For example, buyers in Duluth paid $10 rail freight from Chicago, even though their bars were made in Duluth, and no actual freight was incurred at all.

St. Louis paid $5.80 rail freight from Chicago, even though the bars might have come from one of the mills, in the St. Louis area, on the Illinois side, at Alton or Madison, or even though they might have been shipped by water from Chicago.

Buyers in Denver paid $18.20 in rail freight charges for shipment from Chicago, although their bars may have been produced at Minnequa, Colo.

By 1947 the discriminations against the west coast were not so great—relatively speaking—as they had been several years earlier. Instead of paying the rail freight from Chicago, as they had done formerly, west coast buyers now paid a standard differential of about $15 over the Pittsburgh price. This was approximately equal to the rail and ocean charges for shipping steel from the east coast. Thus, since bars were produced at Los Angeles, San Francisco, and Seattle, west coast buyers paid about $15 per ton of phantom freight for steel produced on the west coast.

IDENTITY OF PRICE UNDER BASING-POINT SYSTEM IS PROOF OF MONOPOLY, NOT COMPETITION

Now, I know it is claimed by representatives of the big companies which dominate these fields and will be claimed by their highly paid lawyers and economists that the identity of price to buyers in a given place is proof that competition and not monopolistic conditions prevail. "Do not the principles of competitive pricing" it is asked, "require that the prices charged for an article by different sellers should become ultimately equal and identical?" I emphasize "ultimately equal and identical." When the reply to this question is given as "Yes," then the defenders of the basing-point system triumphantly comment, "Well, since that is precisely what happens under the basing-point system, it follows that the basing-point prices are competitive prices."

Secondly, the supporters of basing-point prices will point out that prices, under this system, increase by the amount of the freight as one moves away from the applicable basing point. This, they argue, is merely the same as what happens to such competitively produced articles as wheat and corn as they now move eastward toward the market, and hence it indicates the workings of competition rather than of a cartelized monopoly.

Now, what is there to these elaborate defenses? They are rationalizations and nothing more. For when analyzed they are found to prove the existence of monopoly practices rather than of competition.

In the first place, under competition, the prices charged by all competitors are not identical at any given time. The prices are instead moving toward an identity to be reached at the end of the process, but at any one time there are divergences between them. What happens is that a given firm because of advantages of efficient production or location or efficient purchase of raw materials, will seek to attract more customers by lowering the price as compared to that of its rivals. Other firms in order to hold their customers will lower theirs and the market will move downward to a new level.

Those who, because of higher production costs, higher procurement costs, or poor locations, are not able to cut their costs will either be forced out of business or compelled to operate on a smaller scale. That is the way competition works through the pressure for lower costs leading to lower prices spreading gradually from firm to firm. Similarly, if a firm feels compelled to charge higher prices, but the others do not follow suit, it will commonly be forced to fall back to the lower level. I want to emphasize that when prices change under a competitive system, they change gradually; and more or less through a process of osmosis, if I may say so, moving from one firm to another.

BASING-POINT PRICES ARE CONTROLLED

But under the basing-point system, when the price leaders change the price, all the others immediately follow suit. This in itself is proof that such prices are regimented rather than free. For free men do not change their minds or their lines of conduct in the twinkling of an eye. It takes time for them to respond to new conditions. Some adapt quickly, others more slowly, and still others move very slowly indeed. Regimented men move, on the other hand, in unison and with precision. Compare, for example, the way an ordinary crowd of citizens and the way a well-drilled platoon of soldiers will cross a street. Both groups will get across, but the members of the ordinary crowd will cross haphazardly with some leading off and others straggling behind. They move in a ragged fashion. The platoon, however, will start at precisely the same time and cross in unison. The very fact that the platoon moves in unison is proof that someone is giving orders and that the others are trained to obey.

I may say an analogy may be drawn between the development of expressed public opinion in a democracy and in a totalitarian state. In a democracy, with discussion going on, people will not be all of the same mind, and when the community does change its mind, it will change it gradually. Some will lead off; others will follow; others still will hang back. Even when and if there is final unanimity, it has been obtained slowly over a period of time; whereas in a totalitarian society the official leader starts off and everyone immediately follows suit. The very fact that there is apparent unanimity in the publications of the totalitarian government countries indicates that the people are not free men who are making up their own minds. It is an indication that they are under control.

One of the best tests we can have in this country in regard to whether people are making up their own minds or whether they are under the influence of foreign organizations is to determine whether they reverse their thoughts and programs in accordance with the line which is laid down to them by the official party leaders—not only with a great many "column rights" and "column lefts," but also a great many orders, "to the rear, march," and a great many exact reversals of position.

REAL COMPETITION IS NOT REGIMENTED

So it is in the case of the basing point. Let the price leader change its base price,

then every other firm immediately and generally, indeed, simultaneously changes its price at the base. Immediately, moreover, the freight books—showing freight, not from every shipping point, but from every basing point—are called into play, and delivered prices simultaneously change in every locality by the amount of the change at the base. These changes happen so fast and so uniformly that they cannot be explained by saying that they are merely the natural adaptations of competitive concerns toward each other, for under competition there would be far more straggling, and it would take much more time for a change to become universal.

Under the basing-point system, all the firms step off together on a price change with the precision of well-drilled soldiers who have been trained to obey their leader. What is said to be an indication of competition is in fact, therefore, proof of a regimented and cartellized set of firms which have chosen to conform, rather than to compete, and whose identity of behavior is not purely coincidental, but, rather, controlled and willed.

In the second place, under competition, varying firms act as the price innovators.. At one time, it is firm A, at another firm B, at still another firm C, and so on. But under the basing-point system there is only one leader to an industry, one fuhrer. It is always U. S. Steel which sets the pace for steel; and a subsidiary of U. S. Steel, Universal-Atlas, for cement; and so on. Instead of a free competitive society where the leaders come to the fore on their merits and compete on the basis of their activities, we have a firmly established leadership principle in which all the lesser members parrot the policies which stem from one source.

EVIDENCE OF PRICE FIXING UNDER THE BASING-POINT SYSTEM

Perhaps the best test of price fixing and the lack of competition under the basing-point system can be found by examining secret bids for cement before the decision of the Supreme Court in the cement case. Time after time, various cement companies all submitted figures not only identical down to the last cent, but in many cases down to the last ten-thousandth of a cent for individual projects. They were able to arrive at these identical figures even though the bids were secret because each followed the basing-point formula. Yet the cement companies claimed it was accidental.

Last summer I called attention to the fact that in Janaury 1947 the Illinois department of highways had asked for bids on some 50,000 barrels of cement delivered inside each of the 102 counties in the State. In response to this invitation, 8 firms submitted sealed bids, and each of the 8 firms bid exactly the same figure for cement to be delivered in each of the 102 counties. Again I wish to emphasize that the bids differed as between counties, but they were identical for each county. The prices bid varied from county to county, but in each of the 102 counties the 8 firms had all bid alike. I had asked Professor C. O. Oakley, of the department of mathematics of Haverford College, to analyze this record and to state what the chance was that such identity of 8 bids in each of the 102 counties could come about purely by chance. Professor Oakley authorized me to say that this chance was about 1 in 8 followed by 214 zeros. As a further translation of this astronomical figure, Professor Oakley went on to say that to accomplish such price identity as this merely by accident would be far more difficult than picking out at random a single predetermined electron in the total universe.

SIMULTANEOUS IDENTITY OF PRICE DOES NOT INDICATE COMPETITION

I believe that now we no longer have any difficulty in drawing a clear distinction between the identity of prices alleged to come about in a competitive market and the identity of prices which results from basing-point price-fixing. The distinction is that in a competitive market all sellers know the price at which the last sale was made, and tend to quote, if they are anxious to sell, at about the same price on the next prospective sale. Both the buyers and the sellers, take part in the price making. Those sellers who hope the market will go up or who are not particularly anxious to sell at the moment, may quote a price somewhat higher than that at which the last sale was made; while those sellers who fear that the market price will go down or who are particularly anxious to sell will quote somewhat less than the last sale price. As a result, prices being quoted at any particular time tend to identity within a rather narrow range of variation, but there is a range of variation.

In contrast, basing-point prices are fixed. Each seller knows in advance what price all the other sellers are going to quote, and each refrains from quoting a lower price. As a result, the prices quoted by all sellers are identical.

CEMENT BIDS—BEFORE AND AFTER THE CEMENT CASE

I have shown that the basing-point system results in identical prices and the destruction of competition among its users. Further convincing proof of this can be found in the voluminous data on identical bids covering almost a quarter of a century, as assembled and presented in the CONGRESSIONAL RECORD, volume 95, part 6, at pages 7077–7085.

The principle behind the cement order was that identical prices resulted in the elimination of competition. Freight absorption by itself had nothing to do with the case, since freight absorption is only illegal when it is a part of a system designed to destroy competition.

Mr. President, what has happened to bids for cement after the court order went into effect—stopping the basing-point system, but, as we have seen, not freight absorption by itself. Are these bids still identical, with a resulting destruction of competition? Or are the bids now different, allowing some choice to buyers? How do bids for cement immediately before the cement case decision compare with such bids after the cement case decision?

Mr. President, I ask unanimous consent to insert, at this point in my remarks, tables showing a comparison of the number of identical bids in the cement industry immediately before the cement case decision with the number of identical bids in that industry immediately after the cement case decision.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Cement bids to Government [1] *(immediately before and immediately after the Cement case decision)*

	Number of invitations with 100 percent identical bids	
	Before Supreme Court cement decision (postwar to Mar. 30, 1948)	After Supreme Court cement decision (July 1, 1948, to date)
State:		
Illinois	2 of 2	0 of 1
Kentucky	5 of 9	0 of 11
Louisiana	5 of 5	0 of 15
Missouri	6 of 8	0 of 11
New York	7 of 12	3 of 21
North Carolina	3 of 3	0 of 1
Ohio	8 of 24	1 of 29
South Carolina	1 of 1	0 of 2
Tennessee	6 of 8	0 of 3
Virginia	0 of 1	0 of 2
10-State total	44 of 73	4 of 96
Federal agencies:		
Army—Corps of Engineers	10 of 27	2 of 22
Interior—Reclamation Bureau	2 of 13	0 of 10
TVA	27 of 28	0 of 5
Federal total	39 of 68	2 of 37
Grand total	83 of 141	6 of 133

	Identical bids			
	Before Supreme Court cement decision (postwar to Mar. 30, 1948)		After Supreme Court cement decision (July 1, 1948, to date)	
	Number	Percent of total	Number	Percent of total
State:				
Illinois	1,428	100.0	237	44.1
Kentucky	42	91.3	2	3.0
Louisiana	540	100.0	0	0
Missouri	166	94.3	10	14.5
New York	281	96.9	141	61.6
North Carolina	8,560	100.0	0	0
Ohio	104	80.0	38	35.2
South Carolina	40	100.0	2	12.5
Tennessee	21	80.8	0	0
Virginia	540	99.4	16	2.3
10-State total	11,722	99.5	446	25.3
Federal agencies:				
Army—Corps of Engineers	109	72.2	17	21.0
Interior—Reclamation Bureau	6	17.6	10	25.0
TVA	48	98.0	29	56.9
Federal total	163	69.7	56	32.6
Grand total	11,885	98.9	502	26.0

[1] Compiled from data of the House Small Business Committee.

Summary of identical bids on cement to State and Federal Government agencies by cement companies before and after the Supreme Court decision of Apr. 26, 1948, in the Cement Institute case [1]

	Before Supreme Court decision (postwar to Mar. 31, 1948)						
	Invitations			Quantity (in barrels)	Total number of price bids	Identical bids	
	Number	Number of 100-percent identical bids	Dates			Number	Percent of total bids
States:							
Illinois	2	2	Jan. 17 and Apr. 8, 1947	100,000	1,428	1,428	100.0
Kentucky	9	5	Apr. 30 to Aug. 6, 1947	1,916	46	42	91.3
Louisiana	5	5	1946 to Mar. 30, 1948	10,980	540	540	100.0
Missouri	8	6	Jan. 6, 1947 to Feb. 25, 1948	[2]	176	166	94.3
New York	12	7	Jan. 22 to Nov. 17, 1947	[3] 16,952	290	281	96.9
North Carolina	3	3	Feb. 12, 1945 to Feb. 19, 1948	1,200,000	8,560	8,560	100.0
Ohio	24	8	Feb. 3, 1947 to Mar. 30, 1948	6,289	130	104	80.0
South Carolina	1	1	Nov. 14, 1945	16,000	40	40	100.0
Tennessee	8	6	Mar. 20, 1946 to Sept. 22, 1947	6,469	26	21	80.8
Virginia	1	1	June 17, 1947	40,000	543	540	99.4
10-State total	73	44		1,398,606	11,779	11,722	99.5
Federal agencies:							
Army: Corps of Engineers, Quartermaster and Ordnance Departments.	27	10	Jan. 21, 1947, to Mar. 22, 1948	1,452,410	151	109	72.2
Interior Department: Reclamation Bureau.	13	2	Oct. 10, 1946, to Mar. 11, 1948	684,900	34	6	17.6
TVA	28	27	Feb. 26, 1947, to Mar. 8, 1948	109,580	49	48	98.0
Federal total	68	39		2,246,890	234	163	69.7
Grand total	141	83		3,645,496	12,013	11,885	98.9

	After Supreme Court decision (July 1, 1948, to date)						
	Invitations			Quantity (in barrels)	Total number of price bids	Identical bids	
	Number	Number of 100-percent identical bids	Dates			Number	Percent of total bids
States:							
Illinois	1	0	Mar. 15, 1949	100,000	537	237	44.1
Kentucky	11	0	Mar. 2 to Oct. 11, 1949	3,087	66	2	3.0
Louisiana	15	0	July 13, 1948, to May 24, 1949	7,476	34	0	0
Missouri	11	0	July 16, 1948, to Apr. 15, 1949	[2]	69	10	14.5
New York	21	3	July 30, 1948, to Apr. 28, 1949	21,753	229	141	61.6
North Carolina	1	0	Feb. 19, 1949	250,000	12	0	0
Ohio	29	1	Aug. 6, 1948, to Oct. 13, 1949	7,539	108	38	35.2
South Carolina	2	0	July 13 and July 16, 1949	16,000	16	2	12.5
Tennessee	3	0	July 29 to Dec. 14, 1948	2,892	6	0	0
Virginia	2	0	Sept. 14, 1948, and Mar. 4, 1949	44,000	685	16	2.3
10-State total	96	4		452,747	1,766	446	25.3
Federal agencies:							
Army: Corps of Engineers, Quartermaster, and Ordnance Departments.	22	2	July 9, 1948, to Feb. 28, 1949	390,869	81	17	21.0
Interior Department: Reclamation Bureau.	10	0	Aug. 19, 1948, to Sept. 28, 1949	979,750	40	10	25.0
TVA	5	0	Feb. 2 to Oct. 10, 1949	[3] 630	51	29	56.9
Federal total	37	2		1,371,249	172	56	32.6
Grand total	133	6		1,823,996	1,934	502	26.0

[1] Compiled from data of the House Small Business Committee.
[2] Not available.
[3] Actual quantity greater than shown, as some bids did not list volume of cement covered.

Mr. DOUGLAS. Mr. President, the data presented in the summary tabulation just submitted covers a large and highly representative number of cement bids made to the highway commissioners or departments of 10 different States and to the three largest cement purchasers among Federal agencies, which use cement primarily for road building and repair, construction of dams, and in flood-control projects.

Representative of the perfection in identical price-fixing attained by the basing-point system in cement is the absolute price uniformity which confronted North Carolina in the postwar period prior to the Supreme Court decision in the cement case. On three invitations between February 1945 and February 1948 involving an aggregate of 1,200,000 barrels of cement, bids covering a total of 8,560 separate price quotations were, without exception, 100 percent identical at each destination. By contrast, in February 1949, after the Supreme Court cement case decision outlawing the basing-point system, three of these same companies for the first time in decades quoted varying f. o. b. mill prices on 250,000 barrels of cement requested by the North Carolina State Highway and Public Works Commission. Thus, only with the elimination of the basing-point system were North Carolina and her sister States able to exercise their freedom of choice on a rational price basis.

May I urge every Senator to carefully examine these comparative figures on identical bids as they appear in the above tabulation. It proves conclusively that the basing-point system was responsible for the absence of price competition and the almost absolute identity of prices which had prevailed for over 40 years in the cement industry. It demonstrates the success of the basing-point system in developing into an almost perfect mechanism for price fixing.

BASING-POINT SYSTEM UPSETS NORMAL DISTRIBUTION OF GOODS

But let us leave the identical price aspects of the basing-point system and take up another of its aspects. This is the effect the system has on the way goods are actually distributed, and which shows the basing-point system to be the opposite of true competition.

First, however, let us consider how goods are distributed under the competitive system. A great deal of confu-

sion has been created recently on this point, and it ought to be cleared up. We were all hearing, a year or so ago, that if we did not pass legislation to legalize the price-fixing system used by several industries, then all the mills in these industries would be bottled up, each in a small local market. Then we heard it said, on the one hand, that steel mills would not be able to ship beyond the confines of their local markets, and on the other hand, that buyers located at any distance from a steel mill would have to pay exorbitant prices for steel.

UNDER COMPETITIVE CONDITIONS GOODS ARE SHIPPED FROM SURPLUS TO DEFICIT AREAS

I should now like to point out that under competition goods are shipped from surplus areas to deficit areas, but not from deficit areas to surplus areas.

Since the beginning of the era of commerce, as we know about it, goods have been shipped from one region to another and from one country to another. Wherever there has been any degree of freedom for trading, particular goods have moved from those areas where the goods were in relatively plentiful supply to those areas where the goods were in relatively scarce supply. This is common knowledge. Where the producer of the goods himself did not handle the transactions with distant markets, traders or specialized merchants have done the job. Wherever goods could be bought in one market and sold for a profit in another market, businessmen have arranged the transfers of goods from one market to another, because initially prices would be higher in the deficit areas than in the surplus areas, and it would pay to move the goods. We do not expect, therefore, that under normal competitive conditions the distribution of goods will be confined to the local area where they are produced.

On the other hand, as I have said, under normal competitive conditions, goods will always be shipped from surplus areas to deficit areas and never from deficit areas to surplus areas. Except for wheat shipped from Idaho west, wheat always moves from west to east. So does corn, pork, and beef and the prices increase in accordance with the distance from the production areas, as the goods do move east. But these and other competitive products do not backtrack. They are not moved from primarily consuming to primarily producing areas. Competitive merchants do not ship goods from places where the price is high, and pay the freight charges, in order to sell the goods at places where they know the price to be low.

Illinois farmers do not ship wheat out to Kansas or to the Dakotas. We would not expect either the Illinois farmers or the wheat buyers to pay the freight charges for shipment out there, in order to sell the wheat at a delivered price below that prevailing in the local markets. We would not expect Maine potatoes, good as they are, to be shipped to Idaho. We would not expect milk produced in Florida to be shipped to Wisconsin, for the simple reason that the quantity of milk produced in Florida is insufficient to meet the demand there and there is a surplus of milk in Wisconsin.

DETROIT DOES NOT PRODUCE ENOUGH STEEL FOR ITS LOCAL MARKET

In contrast to the way goods are normally distributed under competitive conditions, let us see how steel has been distributed under the basing-point system.

Several years ago the Department of Justice collected from the steel mills, data on their shipments during the month of February 1939. This month was selected for detailed study by a group of Government and industry specialists as a typical month of steel operations in the prewar period. The basing-point system was very much in use in the steel industry at that time. Therefore, we have some factual data to answer our question.

Let us take the case of Detroit. As is well known, Detroit, because of the automobile industry, is a tremendous market for steel. It has steel mills, but not nearly enough to supply the demand of the automobile industry in that area. It is a great steel-deficit area, taken as a whole. Far more steel is shipped into Detroit than is actually produced in Detroit.

According to the data for February 1939, the principal product was hot-rolled sheets. More steel was delivered in Detroit in the form of hot-rolled sheets than any other form; and the mills located in Detroit produced more hot-rolled sheets than any other form of steel. Some 46,153 tons of hot-rolled sheets were delivered in the Detroit area in February 1939. The mills located in that area produced in total some 29,792 tons during this period. In short, the Detroit mills would have had to expand their total output by more than 35 percent in order to supply their local market.

Now, it is to be expected that a part of the Detroit market would have to be supplied from some of the distant surplus centers. Such supplies might come from the Chicago, Cleveland, Youngstown, Pittsburgh, or Buffalo areas, or perhaps from one of several other areas, such as the Canton-Massillon-Mansfield area. The mills in nearly all of these areas produced more hot-rolled sheets than were consumed in their nearby areas.

By referring to the special map which I have prepared, and which I will show to this large assembly of Senators, we may see how these centers of surplus production are located with reference to the Detroit area.

The PRESIDING OFFICER. Will the Senator turn the chart around so that one of his more attentive listeners may have a chance to look at it?

Mr. DOUGLAS. I shall be delighted to do so.

The centers indicated within black circles represent the areas where more hot rolled sheets were produced than were consumed. They were therefore surplus areas. The size of the circles is related to the amount of hot rolled steel sheets produced in the area, over and above the amount consumed in the area.

It will be seen that Chicago is a surplus area. Pittsburgh was a surplus area. Baltimore was a surplus area. Buffalo was a surplus area, and so on.

UNDER THE BASING-POINT SYSTEM GOODS ARE SHIPPED FROM DEFICIT TO SURPLUS AREAS

But what about the Detroit mills in a deficit area? Would they be expected to ship their output down to or across these surplus areas? The amazing fact is that the Detroit mills shipped 10,357 tons, or about 35 percent of their total production, to other areas of the country. Fanning out from Detroit, these red lines with arrows at the end indicate where they went. These shipments were, moreover, all made to, or across places where prices were lower than the price at Detroit.

In February 1939 the base price at all of the surrounding basing points—Chicago, Cleveland, Pittsburgh, Buffalo, and others—was $43 per ton. The delivered price at Detroit was $45 per ton; that is, a $2 differential over the surrounding base prices. Therefore the highest price, net of transport charges, which the Detroit mills could realize would be on sales for delivery within the Detroit area. They could get $2 a ton more selling in Detroit than they would elsewhere. To sell in any other areas, the Detroit mills were not only obliged to absorb the freight charges to those areas, but in most cases to accept a lower delivered price than prevailed in their local market. It would seem to be fantastic that mills would do this, yet, in fact, that is precisely what the Detroit mills do.

For example, they shipped 4,062 tons to Chicago, where the base price was $2 less than in their local market, and they absorbed the freight charges in addition. These shipments netted the Detroit mills $37.59 per ton. It may be of further interest to note that while the Detroit mills were shipping 4,062 tons of hot rolled sheets to Chicago, steel mills in the Chicago area were shipping 20,027 tons to Detroit.

Here are other examples: The Detroit mills shipped 1,026 tons to Connecticut. Yet Connecticut is much nearer to the surplus centers at Buffalo, at Pittsburgh, at Youngstown, at several other centers in Ohio and West Virginia. Moreover, by water transport the State is much nearer to the Bethlehem mill at Sparrows Point, just outside Baltimore, Md. Compared to the price of $45 set for delivery in Detroit, the Detroit mills realized $32.98 on their shipments to Connecticut.

Similarly, in the 1 month of February 1939 Detroit shipped 1,021 tons of hot rolled sheets to Cleveland, at a net realized price of $36.27 per ton.

In the same period Cleveland shipped 5,745 tons to Detroit. They are shipping back and forth.

Detroit shipped 1,354 tons into western Michigan at delivered prices computed on either the Chicago or Cleveland base prices, and the mills received a net realized price of $37.28 per ton, though they were getting $45 for the steel sheets sold in Detroit.

Here, again, is the summary: The steel mills in the Detroit area produced less than two-thirds of the hot rolled sheets needed to supply their local market, yet they shipped about 35 percent

of their output to other areas. All their shipments out of the area were made to or across the major surplus areas with the possible exception of shipments to western Michigan, and even here the shipments were uneconomic when relative deficits and nearness to surplus centers are considered.

Mr. President, I ask unanimous consent to insert at this point in my remarks a table showing all of the shipments of hot rolled sheets, shipped from Detroit during February 1939.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Shipments of hot-rolled steel sheets from Detroit during February 1939

Area to which shipment was made	Chart code	Net tons
NAME OF AREA [1]		
Detroit		19,435
Eastern and central New York	1	31
Buffalo	2	50
Massachusetts	3	241
Connecticut (except Fairfield County)	4	1,026
Metropolitan New York	5	480
Eastern Pennsylvania	6	50
Philadelphia	7	303
Cleveland	8	1,021
Pittsburgh	9	14
Western and southern Ohio	10	932
Indiana (except Lake County)	11	310
St. Louis	12	150
Illinois (except Chicago area)	13	18
Kansas City	14	216
Chicago	15	4,062
Iowa	16	84
Nebraska	17	15
Michigan (except Detroit area)	18	1,354
Total shipments		29,792

[1] For a detailed description of the above areas see supplemental list.

Areas producing hot-rolled steel sheets in February 1939 (showing tonnages produced and consumed within the area)

Producing areas	Net tons produced	Net tons consumed	Surplus (+) or deficit (−)
SURPLUS PRODUCING AREAS			
Birmingham, Ala	6,752	972	+5,780
Baltimore, Md	13,878	308	+13,570
South Ohio River area (Portsmouth, Ohio, and Ashland, Ky.)	4,299	345	+3,954
North Ohio River area (Weirton, W. Va., and Steubenville, Ohio)	14,836	1,725	+13,111
Pittsburgh, Pa	21,912	4,319	+17,593
Chicago—Gary	41,401	27,091	+14,310
Youngstown, Ohio	14,891	6,494	+8,397
Buffalo, N. Y	8,246	3,287	+4,959
Cleveland, Ohio	20,811	14,677	+6,134
Total	147,026	59,218	87,808
DEFICIT PRODUCING AREAS			
Detroit, Mich	29,792	46,153	−16,361
Indiana (except Chicago—Gary area)	563	9,139	−8,576
Ohio—other (Middletown, Ohio, Newport, Ky.)	8,566	9,456	−890
Philadelphia (including Delaware)	1,277	11,151	−9,874
St. Louis	2,677	3,185	−508
Canton—Massillon—Mansfield (Ohio)	1,009	2,124	−1,115
Total	43,884	81,208	37,324

NOTE.—Data are for steel mills representing 78.9 percent of all capacity for producing hot-rolled steel sheets.
Source: TNEC Form B.

Mr. DOUGLAS. Mr. President, why would the Detroit steel mills ship to these distant points when they do not make enough steel to supply the home market? Why would they absorb the very substantial freight charges in order to sell at lower prices than they know they could get for the same goods at home? We already have the answer in the basing-point system. Two points strike home. First, the steel producers set prices high enough to make their local markets attractive to their distant competitors. The circuit court of appeals summed up this point very nicely in the Rigid Steel Conduit decision when it said:

Each seller consciously intends not to attempt the exclusion of any competition from his natural freight advantage territory by reducing the price, and in effect invites the others to share the available business at matched prices in his natural market in return for a reciprocal invitation.

The second point is an inevitable corollary of this system. It is a certain result of the fact that all producers, near and far, confront the prospective buyer with identical goods and services at identical delivered costs. The buyer might just as well put the names of all the local mills and all the distant mills into a hat and choose the supplier blindfolded. To cite an example, let me read from a news story of some years ago. This appeared in the Baltimore Sun of December 1, 1934. It illustrates how Detroit steel happens to be shipped to distant parts of the country while steel produced in other parts of the country is shipped to Detroit.

HAT-PICKED BID WINS BIG UNITED STATES STEEL ORDER—GOVERNMENT BUYS 20,000 TONS MADE AT DETROIT PRICED F. O. B. BUFFALO—FIVE OFFERS IDENTICAL; CHOICE MADE BY LOT—MULTIPLE-POINT-BASING SYSTEM IS AGAIN BROUGHT TO FORE

WASHINGTON, November 30.—The Government today bought for use on the Pacific coast a record quantity of steel manufactured at Detroit but priced as though it were to be shipped from Buffalo.

The purchase served to revivify the long-standing controversy over the steel code's multiple-basing-point system just as two Federal agencies dispatched to President Roosevelt at Warm Springs, Ga., the results of investigations he had ordered them to make concerning that system.

It also brought back into the Capital spotlight an order President Roosevelt issued several months ago with the avowed intention of restoring competition for Government business by doing away with the excuse manufacturers gave for filing identical bids. All five bids for today's steel contract were identical to the penny and the successful bidder, Inland Steel Co., Chicago, had to be selected by lot.

TWENTY-ONE THOUSAND TONS BOUGHT

The contract called for 21,000 tons of steel sheet piling—the largest quantity of that material ever bought at one time by the Government according to officials—and each of the five companies bid $1,180,401.40.

All five companies bid the same, down to the last cent, although they were bidding in terms of more than a million dollars.

I read further:

The steel is to be used on the PWA's Grand Coulee Dam project on the Columbia River near Almyra, Wash.

PRICES EQUALIZED

Prices bid by the steel makers for the Grand Coulee Dam contract were equalized as the technicans put it, on Buffalo as a basing point, with the result that Inland Steel, Jones & Laughlin, Bethlehem Steel, Illinois Steel and Carnegie Steel bid alike and Walter B. Fry, Interior Department purchasing agent, had to pick the successful bidder by lot out of a hat.

The multiple-basing point system, was attacked at length in the first report of the National Recovery Review Board, headed by Clarence Darrow. The Darrow board's report moreover, drew its ammunition from a report the Federal Trade Commission submitted to the Senate last March in response to a resolution introduced by Senator Borah, Republican, Idaho.

The substance of the Commission's report was that the multiple-basing point system granted the steel industry in its code was nothing more than an elaboration of the Pittsburgh-plus system which the industry had used and against which the Commission in 1924 had issued a cease-and-desist order.

I am delighted, Mr. President, to find such a large attendance to listen to this news story.

That news story explains quite well how it is that steel would be shipped from places where there is a deficit of steel to places where there is a surplus of steel. Under the basing-point system commercial buyers, just as is the case with the Government, are offered identical products at identical prices by all the steel mills.

Under the basing-point system, all of the steel companies charge high prices in their local markets, while accepting lower net prices in other areas nearer to the basing points by absorbing freight all over the country. Each mill invites the distant mills to share in its local market in exchange for a reciprocal invitation to do likewise. I believe that is the way the circuit court of appeals summed up the matter in the Rigid Steel Conduit case. However we sum up the matter, it is plain that the steel masters are not looking to the development of their local markets.

BASING-POINT SYSTEM IS WASTEFUL

Mr. President, when such a situation exists, namely, deficit areas shipping into surplus areas, and, at the same time, surplus areas shipping into deficit areas, there is wastage. Furthermore, high prices are maintained in given markets. It would be possible for firms to supply the markets closer home if they would only reduce prices, instead of always looking elsewhere for some place in which they could dump at higher prices. I believe it was Thomas Wolfe, who wrote Look Homeward, Angel. I say to those plants, "Look homeward. Look at domestic markets, instead of being propped up by high prices imposed by United States Steel. Look nearer home."

I would say to the sugar-beet producers in Colorado, Wyoming, and Nebraska, "Instead of being so interested in absorbing freight in order that you may dump sugar in the East, lower your prices in your section of the country, and the consumers will buy more and absorb a larger portion of the product of your mills. Then, with lower prices, you can add freight and will not need to absorb it, and you can still meet the competition in the East."

The same thing holds for the iron and steel industry, as I shall later develop. It also holds for chemicals. It is not necessary for the chemical industry of

Wyoming to insist on dumping its chemical products eastward. Let it lower its prices for the farmers of the mountain areas and get a bigger demand for the products. Then, with a lower base price, under competition, it can ship eastward.

I would say to my good friends, the Senators from the Mountain States, that, unconsciously, it is true, but, nevertheless, in reality, they are holding up the consumers and manufacturers in those areas if they support the conference report. The industries in the Mountain States will flourish faster, if, instead of trying to dump so much of their production eastward, they will charge lower prices to their own people and establish a competitive system under which they will not be the fiefs and vassals of eastern industry and forced to maintain high prices in the West.

BAD RESULTS OF BASING-POINT SYSTEM SUMMARIZED

Mr. President, I am going to sum up the bad results of the basing-point system, and I shall list them in order as I see them.

1. PRICE DISCRIMINATION

Under the basing-point system the seller pays all of the freight charges for some buyers, pays part of the freight charges for other buyers, and then charges phantom freight to still other buyers. When the amounts of such discriminations are large, the practice injures some fabricators who depend on the basing-point industries for raw materials, while it gives undue advantages to other such fabricators.

The basing-point system inevitably involves price discrimination between customers, because the producing mill which is not located at a basing point will sell to customers nearer the basing point at lower prices than those which it will charge to customers in its own locality. In practice that means price discrimination given by western mills in favor of eastern customers and rarely in favor of western customers, because the basing-point system has been fixed so that it favors the East.

2. WASTEFUL USE OF TRANSPORTATION FACILITIES

The system results in wasteful use of transportation facilities in two ways.

First, it results in wasteful cross-hauling. Since the buyer is offered identical delivered prices by all mills, both near and far, he frequently buys from a distant mill, while buyers in the home town of that distant mill are themselves going abroad for identical materials. Thus in the month of February 1939, steel mills in Detroit shipped 4,000 tons of hot rolled sheets to buyers in Chicago, while steel mills in Chicago shipped 5,000 tons of the same material to buyers in Detroit. In this instance alone at least 4,000 tons of hot rolled sheets were shipped needlessly over a distance equivalent to the distance from Chicago to Detroit and back again. That is to say, if the 4,000 tons had not been shipped from Detroit to Chicago, then the 4,000 tons needed in Detroit to replace the deficit there need not have been shipped from Chicago.

Under the basing-point system the railroads of this country have been engaging in the most fabulous piece of featherbedding of all time. That was not done by the railroads, but they profited from it.

The second way in which the basing-point system results in wasteful use of transportation facilities in this: The system usually causes shipment to be made by rail, even where cheaper means of transportation are available. In order to quote identical delivered prices, the basing-point industry must use a basing-point formula which recognizes one and only one set of freight charges. Moreover, from the point of view of the basing-point industry, a relatively stable set of freight charges is highly preferred. Consequently, the rail freight charges are usually adapted for this purpose. The result is that, since buyers have to pay rail freight charges anyway, no matter how the goods are shipped, they usually expect to have their goods delivered by the transportation service for which they are paying. Therefore, the mills usually ship by rail in order to avoid incidental protests which might threaten their whole basing-point system. There is no advantage for the buyer to ask for transportation by water, because he does not get a lower delivered price. He must pay the base price plus the rail rate. Furthermore, water transportation is slower than rail transportation, and since he gets no advantage in price, he is naturally reluctant to use water transport because he loses in time.

Of course, if a buyer wants speed, rail shipments are usually the quickest; and, too, water routes are not always available. But if the buyer is more interested in low costs than he is in speed, then he should be allowed to have his goods shipped by the cheapest means possible and, moreover, to have the benefits of such shipments. He should not only have his goods transported by water, but he should get the advantage of the lower rate which water transportation brings. All the taxpayers of this country contribute to the building and upkeep of the waterways and highways. These facilities with their lower cost transportation are not the exclusive properties of the steel companies and a few other basing-point industries, and these industries should not be allowed to take exclusive benefits of these facilities but should pass them on to manufacturers and consumers by lower prices.

3. BIG COMPANY MANAGEMENT OF PRICES

The basing-point system allows a few big companies to control the prices of many small companies. A large company can, by selling a small fraction of its output at dumping prices, drive the price down in the entire territory of any small isolated mill. Small mills cannot do the same to drive the price down in the territory of large mills. The result is that the small producer, located away from the principal market centers, cannot reduce prices in his local markets, even when he wishes to do so. He knows that as a minimum the big mills will dump to meet any price reduction he may make, and as a maximum they may even set a lower price in his area.

4. UNDUE CENTRALIZATION OF INDUSTRY

Since the basing-point system makes it impossible or unattractive for small mills, in many scattered places of the country, to reduce their prices, the result is that fabrication industries tend to concentrate in the areas of the big production centers. And the mills supplying the raw material tend to grow in these areas, while those in other areas do not.

Thus, without the basing-point system, and if true competition were to prevail, a firm could take advantage of lower transportation costs and locate near given consumption centers in the South, the West, the far West, and New England. If a firm's production costs were anywhere near as low as those of its big rivals, it would be able to undersell them in these areas and hence would supply local needs in a larger manner and give more local employment. I am assuming that the cost of procuring the goods would be equal. However, under the basing-point system, an independent firm has no inducement to locate in or, if already located there, to expand production in these areas because its price will have to be as high as the rival located hundreds and perhaps thousands of miles away. It will thus be seen that the basing-point system has discouraged the growth of industry in the South, the West, and in New England. I may say that a study of the locale of basing points in the various industries discloses that the basing points tend to lie in the area between Pittsburgh and Chicago, and prices increase as we go westward, southward, and eastward.

If this system could be broken up, as the decisions of the courts will do if vigorously enforced and if we reject S. 1008, then we may expect industry to flourish still further in regions which have hitherto been kept in bondage to the existing production centers.

5. 1008 WOULD HINDER THE DEVELOPMENT OF THE SOUTH AND SOUTHWEST

New steel and cement plants, and other plants as well, will develop in the South and Southwest to meet the growing needs of those regions, and with these will come lower prices for these areas. This in turn will mean that steel-fabricating industries will be able to get their raw material for cheaper prices, and there will be more foundries, machine shops, and other industries located there. The same thing will happen in other industries such as fertilizer, heavy chemicals, and so forth.

But if we pass this bill and legitimize the basing-point system we can bid farewell to such happy possibilities for the South and Southwest. The new plants and industries will not start there; prices will be kept high to southern consumers, and the sons and daughters of the South, instead of finding employment in their homeland, will continue to turn northward in order to find employment, thus still further eroding the resources of the South. So, if we want to hold the South down, we should vote for S. 1008.

If we want to help the South, if we want to help build up the South, we should vote against S. 1008. I shall watch with much interest to see how my

southern friends will vote on the conference report on this bill. I remember that when the Reed-Bulwinkle bill was before Congress I was surprised by the fact that so many southern chambers of commerce sent petitions to Congress asking that the Reed-Bulwinkle bill be passed, even though its provisions would permit southern railroads and other railroads to combine to maintain freight rates higher for the South than for other parts of the country. In that instance a great many political representatives from the South voted against the economic interests not only of the whole South, but of the whole country. I shall await with great interest the vote on this bill.

S. 1008 WOULD HINDER THE DEVELOPMENT OF THE WEST

The West is similarly affected. Because Colorado fuel and iron and the Geneva plant in Utah used the basing-point system, steel prices were very high for the whole mountain area, as they were for the west coast. This held back the development of the iron and steel industry and of fabricating plants in the West. Because of the basing-point system, western consumers also paid high prices for fertilizer, although probably the richest phosphate deposits in the world lie undeveloped in Idaho and Utah. Their prices of sugar are kept high in order to permit the beet-sugar refineries to dump sugar eastward at a lower net price. The rich copper deposits of the country are mined and sent eastward to be fabricated, and then the West has to buy back its own fabricated copper at Connecticut prices plus transportation costs to the West.

If we can restore competition and eliminate the basing-point system, there is no good reason why the West should not have a copper-fabricating industry, but if we pass S. 1008, this will never happen. Those who want the West to develop should, therefore, vote against S. 1008 and enable industry to expand in their region, and prices to be reduced.

I think it is about time that the West woke up to what is happening and voted to help develop its industries. We have authorized millions of dollars under point 4 to develop the backward and undeveloped areas of the world, and I was very glad to vote for that authorization. Why should we not use a little intelligence to develop the undeveloped areas of our own country? We do not need subsidies to do this, but only to strike off the shackles and artificial restrictions imposed by private monopoly and merely let the forces of nature take their course, utilizing the rich natural resources and precious human skills of the West, and producing for the markets there.

S. 1008 WOULD HINDER THE DEVELOPMENT OF NEW ENGLAND

And what of New England, which has been experiencing severe economic difficulties with the decline of her textile and shoe industries? New England is still a great consuming area with a total population of about 9,000,000 people. Under a basing-point system, New England is held up for high prices of steel, cement, fertilizer, chemicals, furniture, glass, sugar, and so forth. New mills cannot start there if they cannot use the advantage of location near consumers. New England will continue to languish until these industries come, and they will not come if we pass S. 1008.

Already the decisions in the cement and steel cases have helped New England since New England can now get steel by water from Sparrows Point $4 a ton cheaper than it could when the full basing-point system was in operation. All these gains will be swept away if we pass S. 1008, and New England will never get its much-needed steel mill.

Help New England to get cheap power, and she needs cheap power, and free her from the shackles of monopoly and basing-point pricing. Her Yankee ingenuity will enable her to prosper. She will not be compelled, as now, to depend for her living upon the export of onions, tobacco, scenery, education, and the sound of the broad "a" as in father.

MIDDLE WESTERNERS NEED NO ARTIFICIAL ADVANTAGES

Now I know it will be asked what I, as a middle westerner, am doing in advocating a policy which will develop other areas of the country. May I say in reply that the people of the Middle West do not ask for any favors. They do not want to prosper at the expense of other sections of the country. They only want to prosper along with the rest of the country. They want other sections to prosper and succeed on the basis of natural advantages knowing that this increases the whole national income and, hence, helps nearly everyone, the Middle West included.

We in the Middle West are confident that we can always prosper because of the richness of our soil, our deposits of coal, our mass-production industries, our location, and, most of all, the industry and ability of our people. We do not need artificial advantages to get ahead and we do not want other sections to be hampered. In the truest sense of the term, we want to serve the genuine national interest of the country.

5. RESTRICTION OF BUSINESS GROWTH

Since the basing-point system makes many areas of the country unattractive locations for new competitors, the result is that business in the country as a whole does not expand as rapidly as it should. This means that investment opportunities are restricted and new jobs are not created.

The basing-point system also keeps down the level of new investment in another way—through monopoly. Monopoly means high prices, low production, low employment and, consequently, little need for new plants and expanded plants.

If prices are higher than under competition, less will be demanded than will be demanded under competition. If less is demanded than is demanded under competition, less will be produced. If less is produced, there will be less need for labor and less demand for capital. The result will be a restriction on production and a restriction on employment and a restriction on capital.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. EASTLAND in the chair). Does the Senator from Illinois yield to the Senator from Texas?

Mr. DOUGLAS. I yield for a question.

Mr. CONNALLY. Under the basing-point system, if the producers ship goods to the very door of the consumer without any freight added, how do they get the money back? Do they raise the prices to all their consumers?

Mr. DOUGLAS. The Senator from Texas is completely correct in his implication. The only way the mills are able to make up for the freight which they absorb when they ship eastward is through the high prices they charge consumers, and prices are kept high. There is an exploitation of local consumers, and there is an exploitation of consumers in the South and West, because the freight is usually absorbed on shipments toward the East nearer the basing points. The Senator from Texas has put his finger on a very real point.

Mr. CONNALLY. I should like to have the Senator elaborate a little about the increased costs to those who reside in areas closer to the basing point, rather than on the whole volume of business.

Mr. DOUGLAS. I can illustrate that by reference to the very simple chart I have here, which I used earlier to illustrate how, with the price at Pittsburgh $38 and the freight to Chicago $7.70, the price in Chicago would be $45.70. I pointed out that the Chicago mills did not merely supply local customers, but that they shipped eastward, that they sold eastward at lower delivered prices than in Chicago.

For instance, at the very height of Pittsburgh-plus, some Chicago mills were shipping to Pittsburgh and were selling in Pittsburgh for $38 and paying the freight to Pittsburgh, though they were selling their steel in Chicago for $45.70, and having no freight costs to pay. So that, as a matter of fact, when they had a price in Pittsburgh of $38, they netted only $30.30 for the steel which they sold in Pittsburgh. They dumped at lower prices eastward and were able to dump eastward because they were keeping the prices up westward. That is what is happening all along.

The sugar mills are keeping prices up westward, at high levels, in order to dump at lower prices eastward. Fertilizer factories in the West and in the South are keeping prices up in order to dump eastward and northward. Chemical plants will be keeping prices up in their areas in order to dump eastward at lower prices. The South and West are bled under the system. There are high prices to consumers in those areas, and industry is held back, so that they cannot get the development of population which they need in order to expand their industries.

There are good reasons why I, a middle westerner, am arguing the case for the West and the South. We do not need favors. We can stand on our own feet. We do not need any artificial advantages. We can hold our own. We do not want to hold down the other sections. We want the other sections to have a chance to expand according to the advantages of their locations and the efficiency of their production. We say that as the whole country goes for-

ward, production expands, and the national income increases, we will all be better off.

6. DESTRUCTION OF COMPETITION

The purpose of the basing-point system is, first and foremost, to eliminate competition. The system is a device whereby supposedly competing sellers offer identical goods at identical delivered prices to any prospective buyer. It is a simple device by which all supposed competitors can know in advance what price a prospective buyer is to be quoted. And it is a device by which we can all quote that buyer the same price. It destroys competition.

Finally, I desire to mention another disadvantage of the basing-point system which is not ordinarily apparent.

There is no choice in price between different sellers. The prices are identical. The commodity is standardized so that there is no difference in quality. It does not matter where a buyer buys. Under the conditions I have mentioned, how is a seller able to get business for himself rather than for a competitor?

I can tell the Senate what frequently happens in supplying public authorities. Bids are identical. How does A get the business rather than B? In all too many cases he gets the business because he slips money under the table to the public purchaser in order to get the business. The result is a corruption of public purchasing, because there is no distinction, on the basis of either price or quality. Similarly, in selling to private purchasers it leads to wholesale entertainment of buyers and the attempt to work in favors. The result is that when quality and price are abolished as distinctions between individuals, competition is forced in some of the least attractive ways of modern life.

HOW S. 1008 LEGALIZES THE BASING-POINT SYSTEM

Just how would S. 1008 legalize the basing-point system? It would do so by legalizing three of the four necessary ingredients of the system, namely delivered prices, freight absorption and identical prices. The other primary ingredient, standardization of products and extras so that there can be no quality competition, is already legal.

As we have seen delivered prices mean that customers are denied the privilege of buying goods from the seller's plant. They must pay the price delivered to their door. Customers cannot buy goods on an f. o. b. basis and use the most economical means of transporting them to their own location. They cannot be allowed to do this by the basing-point system since it would enable price competition to operate. F. o. b. prices would cause the buyer's net price to vary according to how cheaply he could get the goods shipped. This would prevent all plants from confronting each buyer with identical prices, causing price competition among the producers. The purpose of the basing-point system is to eliminate competition so delivered prices are a necessary part of the system.

The second necessary ingredient to the basing-point system is freight absorption. When a producer is located farther away from a buyer than the nearest applicable basing point, he must absorb some freight in order to make his delivered price identical with all other producers. If he did not absorb freight this would not be possible since it would cause his delivered price to differ from that of other producers. But, as we have seen, the purpose of the basing-point system is to eliminate all price differences, so freight absorption is also necessary.

The third ingredient is the result itself; namely identical prices.

So we see that delivered prices, freight absorption, and identical prices are the primary ingredients of the basing-point system. Now just how does S. 1008 legalize these ingredients? Looking at the bill itself we find that section I states that—

> It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight.

Thus delivered prices and freight absorption are legalized by section I. Then we find identical prices legalized by section 2 (B) which allows a seller to absorb freight to meet the equally low price of a competitor in good faith.

So there we have it. Delivered prices, freight absorption, and identical prices, all part and parcel of the basing-point system, are made entirely legal by S. 1008. Standardization of products and extras, also necessary, is already legal.

PROVISOS ARE NO PROTECTION

The proponents of S. 1008 assert that the basing-point system can still be stopped if the bill is passed. They point out that it allows only independent freight absorption and that laws against conspiracy and collusion would remain unchanged. Thus, they say, the Supreme Court decision is the Cement case, which stopped the use of the basing-point system in the cement industry, would still hold.

It would hold, they say, because section I of the bill contains the proviso:

> *Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by the use of delivered prices or freight absorption.

The senior Senator from Wyoming [Mr. O'MAHONEY] has made such statements on the floor of the Senate repeatedly, and as late as last Friday, and I appreciate his efforts to make the legislative record clear on this point.

I am not a lawyer, but it is certainly well established that the courts will always give preference to an interpretation of a law as set forth in a committee report over anything that an individual Senator may say on the floor of the Senate. So, with all deference to my good friend from Wyoming, whom I respect and admire very much, I must remind him of the interpretation of S. 1008 as it is set forth in House Report No. 869. Since the present S. 1008 is a substitute for the bill reported by the Senate committee, this House report issued by the House Judiciary Committee is the only committee report on the bill. The House and Senate versions of the bill did not differ with respect to section I, so the conference committee did not deal with this section.

If this bill is passed, suppose the matter comes before the Federal courts, as it certainly will. Suppose, for instance, that the cement companies themselves resumed the basing-point system and the Federal Trade Commission issued a cease-and-desist order to stop it. The cement companies could point to page 2 of the House report, where, in its analysis of the bill, it states:

> The first section of the bill amends section 5 (a) of the Federal Trade Commission Act, supra, to provide that in the absence of combination, conspiracy, or collusive agreement, or of monopolistic, oppressive, deceptive, or fraudulent practices, which are practices designed illegally to drive a competitor out of business, the Federal Trade Commission Act shall not deprive sellers of the right to quote or sell at delivered prices or to absorb freight.

I should like to emphasize the words "designed illegally to drive a competitor out of business."

THE BASING-POINT SYSTEM IS PRIVATELY ADMINISTERED "SOFT" COMPETITION

The basing-point system is a method of eliminating competition by confronting each buyer with identical prices. While it may stifle the development of new plants and prevent the old plants from competing among themselves, it is not in itself, "designed illegally to drive a competitor out of business." Thus delivered prices and freight absorption, when used as a part of the basing-point system, would be completely legal according to the House Report on S. 1008 issued by the House Judiciary Committee.

So we have the only report on the bill saying very definitely that the proviso refers only to driving a competitor out of business by illegal design and does not prevent holding an umbrella over uneconomic practices in the industry itself. So despite the good intentions of my good friend from Wyoming, the basing point system will indeed be legalized.

Mr. Bergson, as shown on page 3 of the report, says that the purpose of section 1 is to prevent the use of brass knuckles to drive the competitor out of business. Of course, that is not the purpose of the basing-point system.

BIG CONCERNS WANT TO LEGALIZE BASING-POINT PRICING BY S. 1008

I wish to mention another point, because it was touched on last Friday and at other times during the debate. When large numbers of firms are quoting identical prices to a given buyer, is that illegal? The courts have held it to be illegal when it is practiced among producers of standardized goods, and it is this holding by the courts that the big concerns are trying to reverse.

Under the pending bill it would be legal for each and every firm to quote identical prices, and if legal for each and every firm, then it would be legal for all the firms to do it.

Yes, but it is said, that would be a combination, a conspiracy, or a collusive agreement. Not necessarily. As I have shown, they stopped having formal agreements in the steel industry in 1910. Yet the basing-point system continued.

Conspiracy or collusive agreement is unnecessary. All that is needed is to have each company independently use the same pricing formula. Most of the major industries are so disciplined that it is merely necessary for the price leader to lead off, establish a basing point, and then all the other firms follow suit by adding the freight rates from the basing point, and we get a system of identical delivered prices. They do not have to meet together, they do not conspire, they do not collude, they do not combine, but the result is a concurrent identity of price the effect of which is to destroy competition. The antitrust laws of the country should prohibit it. But Senate bill 1008 says "You can do it."

Each individual firm can establish an identical delivered price, and all the firms together can establish identical delivered prices. Then when the Federal Trade Commission attempts to prosecute, the high-priced attorneys for those companies will say it is not a combination, it is not a conspiracy, it is not an act of collusion, but it is a sheer accident. Then what we shall have done, in effect, I think is to have legalized the basing-point system and to have fastened monopoly very strongly upon us.

EXCEPTION IN SECTION 2B NO PROTECTION

What about the exception in section 2B? The proponents of this bill may point out that freight can be absorbed to meet the equally low price of a competitor, but only subject to the qualification—and in the bill these words appear in parentheses—"except where such absorption of freight would be such that its effect upon competition will be to substantially lessen competition."

I should like, in this connection, to recall to the attention of the Senate an analysis of this section which the junior Senator from Tennessee [Mr. KEFAUVER] had printed in the CONGRESSIONAL RECORD for January 19, 1950, at page 610:

> This section confers exemptions upon freight absorption to meet the equally low price of a competitor. It thus exempts from possible illegality the Pittsburgh-plus system, the multiple basing-point system, and the freight equalization system.
>
> The exemptions of this section are qualified to the effect that freight absorption is not to be exempted if it will be to substantially lessen competition. This qualification fails to adopt the standards of the present law in two respects: First, only one of the effects upon competition is named, "injury to competition," as under the present law is omitted. Second, the present law is stated in terms of "effect may be"—the judicial criterion of which is "reasonable probability." Adoption of the word "will" renders the qualifying clause a nullity, since the future effect of a current act or practice cannot be proved in advance.

Thus section 2B makes two major changes in the existing law: First. It exempts all kinds of freight absorption from illegality, subject only to the qualification that a freight absorption practice which substantially lessens competition is illegal. This is only one of the circumstances or effects of freight absorption which are prohibited by the present law. The present law prohibits all kinds of discrimination—including freight absorption—where the effect may be substantially to lessen competition or tend to create a monopoly or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

Section 2B plainly means that mills that wish to do so may charge phantom freight. Since there is nothing in any law to limit a mill in regard to how high it may set its price, then nonbase mills can set a high price f. o. b. mill, and then can absorb freight when shipping away from the home market. This would have exactly the same effect as charging phantom freight, but it would be done under the legal exemptions this bill confers upon freight absorption. Moreover, if such phantom freight charges injured the customers in the home market, they would still be completely legal, unless the Federal Trade Commission could prove there was an actual total lessening of competition throughout that industry—not that many businesses will be injured or put out of business, but that total competition in the country will be substantially lessened.

Speed laws are designed to protect life and property; and a policeman can arrest anyone exceeding the limit, even though the speeder had not actually killed anyone or caused a smashup. Applying the doctrine of this bill to the same situation, a policeman could not arrest a speeder even after he had killed several people. He could arrest the speeder only when he could prove that the continued speeding would result in substantially fewer people in the country.

Second. The second major change from existing law is centered in the word "will." The present law prohibits discriminations—including freight absorption—where the effect may be substantially to lessen competition, and so on. The term "may be" has been defined by the courts in the same way it has finally been defined in section 4 of this bill, namely, to mean "a reasonable probability." But the language in section 2B protects this for basing-point practices only when its effect will be such as to substantially lessen competition. This change would mean that before the Federal Trade Commission could order either a phantom freight practice or a freight absorption practice stopped, it must prove that the practice will—and I emphasize the word "will"—beyond any doubt, have the future effect of substantially lessening competition if the practice is continued. Since neither the Federal Trade Commission nor anyone else can prove that an event or an effect will definitely take place in the future, the result of this section will be to legalize all phantom freight and all freight absorption. Here again, in short, the basing-point system is legalized.

CLARIFICATION IS NOT NECESSARY

What reason has been advanced for this proposed legislation? The only reason is that certain business groups have said that they interpreted the cement and rigid steel conduit decisions to require uniform f. o. b. mill pricing, or that they are confused about the matter.

Yet the Supreme Court's decision said in unmistakable terms that truly individual freight absorption, provided it is not a general practice of the industry, or used as part of an unfair method of competition, is not prohibited by the cement order. The Court said:

> Most of the objections to the order appear to rest on the premise that its terms will bar an individual cement producer from selling cement at delivered prices such that its net return from one customer will be less than from another, even if the particular sale be made in good faith to meet the lower price of a competitor. The Commission disclaims that the order can possibly be so understood. Nor do we so understand it.

In other words, the Court specifically said that it did not forbid absorption of freight, provided it was practiced only by an individual company or by a few individual companies, not part of a concerted plan. Yet the big industries which are behind the drive for S. 1008 say they are confused, that the courts are confused, and that the law needs to be clarified.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Minnesota?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. Is it not true that since the Cement case decision, as the Senator pointed out, the cement companies have shown some marked differences in prices on their bids for the first time in a long while?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. And that in no way has the economic solvency or business position of the respective cement companies been jeopardized or damaged?

Mr. DOUGLAS. As I intend to show later in my remarks, in September 1948, 3 months after United States Steel's announcement of a no-freight-absorption policy, 37 cement companies, operating 113 plants, filed reports stating definitely their intention of absorbing freight.

Mr. HUMPHREY. And it was not objected to, was it?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. In other words, so long as freight absorption is only for the purposes of meeting competition in any area, and so long as it is not used in combination for the purpose of restricting competition——

Mr. DOUGLAS. Or in a concerted effort.

Mr. HUMPHREY. Or as a concerted effort to restrict competition, it is not declared to be illegal?

Mr. DOUGLAS. That is correct, so long as it might not result in strangling competition.

Mr. HUMPHREY. In other words, as the Senator has pointed out, the practice has been absolutely uniform in hundreds of cases over many previous years?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Is it not true that what these companies are asking for is a return to conditions under which they can dictate the economic policies? I use the word "dictate" advisedly.

Mr. DOUGLAS. That is correct. Since the Court made its ruling, the Fed-

eral Trade Commission has said repeatedly that it does not believe the present law gives it the power to require f. o. b. mill pricing. It has said that it does not consider freight absorption per se to be illegal. It has said that freight absorption can be illegal only as an element in a price-fixing system which is an unfair method of competition, maintained by concurrent action.

Moreover, the conduit companies petitioned the Commission to modify a section of the rigid steel conduit order for the purpose of making clear that independent freight absorption is not illegal. The Commission refused to modify the order, officially stating:

The Commission does not consider that the order in its present form prohibits the independent practice of freight absorption or selling at delivered prices by independent sellers. What the questioned portion of the order does prohibit is the continuance of the basing-point, delivered-price system.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. In looking over the conference report on S. 1008, the burden of proof, as the Senator from Minnesota understands, in the matter of basing-point practices, or meeting competition in good faith, is shifted over onto the Federal Trade Commission.

Mr. DOUGLAS. That is the effect.

Mr. HUMPHREY. Whereas, under the present system the burden of proof rests upon the particular industry, enterprise, or so-called competitor?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. Is it not possible that what the complaint is about is simply this: Business firms complain because they want to have such a situation that they can dictate a price and have that price appear to be in good faith, and rely upon the Government agency, Federal Trade Commission, after months and months and months of litigation——

Mr. DOUGLAS. And years.

Mr. HUMPHREY. And years, to stop it after the fact?

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. And try to prove that the act was not in good faith?

Mr. DOUGLAS. That is the effect and also to show that it was a result of a conspiracy, combination, or collusion which, as I have shown, is not necessary to the maintenance of the basing-point system.

Mr. HUMPHREY. Is it not true that the persons who have used the basing-point practice, even though later on they may prove to have been acting in violation of the law, in the meantime may have been able to profit extensively, and to consolidate their economic position, having driven out of the market literally hundreds of competitors, thereby automatically consolidating their position?

Mr. DOUGLAS. That is correct.

I have quoted the statement of the Commission. What could be clearer than that? The unmistakable fact is that the law does not require f. o. b. mill pricing.

When the Senator from Wyoming [Mr. O'MAHONEY] introduced this bill, he said that he believed that many of the misinterpretations of the Commission's orders had been "deliberate misinterpretations." I now have the indication that this has been so.

Where did these misinterpretations come from? Where were they started?

THE UNITED STATES STEEL CORP. LAUNCHED THE DRIVE AGAINST THE ANTITRUST LAWS

In the event anyone has forgotten who initiated this drive, I should like to read the headlines which the New York Journal of Commerce carried on that press conference of Mr. Olds:

Move for Congress action rushed to avert disruptive impact of ban on basing points in Nation's industry. Olds asserts prompt legislation essential. See all lines hit.

That was the press conference held on April 27, 1948, the day following the Cement decision. We have since been told that the Cement decision is "confusing." It would appear, however, that it was not in the least confusing to Mr. Olds. It appears that after studying the decision overnight, at the most, Mr. Olds understood it perfectly. And it appears that he understood perfectly that the antitrust laws had to be changed.

I can understand how such press statements, emanating from the councils of the biggest industrial corporation in the country, might confuse a great many people. And I can also understand how some of the other statements quoted in that press story might frighten a great many people in Pennsylvania, as well as in other industrial areas. I refer, for example, to the following portion of the story which appeared under the headlines I have just read:

The FTC apparently thinks that you could have a steel mill in every backyard. If the present large mills at Pittsburgh and Chicago, which distribute over wide areas, were replaced by small mills operating in small areas, the cost of making steel would go up sharply.

I have seen no evidence that the FTC believes "you could have a steel mill in every backyard." And I have no evidence for believing that the present large mills at Pittsburgh and Chicago will be replaced by "small mills operating in small areas."

What we would have would be mills of most efficient size located in places where the combined costs of procuring raw materials and producing and transporting fabricated materials would in their totality be such as to place them at an economic advantage. But I do have evidence for believing that the United States Steel Corp. had been price fixing by means of the basing-point system. I have evidence for believing that the corporation was fixing prices for steel through its Pittsburgh-plus system. And I have evidence for believing that the corporation's subsidiary, the Universal Atlas Cement Co., had been fixing prices of cement by means of the multiple basing-point system.

And, finally, I have some grounds for suspecting that the United States Steel Corp. wants to amend the antitrust laws to the end that they will be ineffective against the basing-point method of price fixing.

The real reason United States Steel adopted f. o. b. mill pricing was to kill two birds with one stone. On the one hand, they were able to increase prices during a period of steel shortage, and blame the higher prices upon the Cement decision. On the other hand, they were able to put a squeeze on steel customers, create confusion, and get business generally to put the heat on Congress to legalize the basing-point system. That these tactics were successful can be seen right now. A single move by the Senate will send to the President the bill legalizing the basing-point system. We are now down on the 1-inch line. The conference report has been approved by the House. If it were to be approved by the Senate, it would finally go on its way to the President. We face the final hour of decision.

It has been stated that there is confusion. I submit we now know the sources of this "confusion."

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. Would the Senator say it is organized confusion?

Mr. DOUGLAS. I think it is organized confusion. Why should we introduce confusion into a situation which is clear? Individual firms can absorb freight, but when there is a basing-point system involving delivered prices, absorption of freight or identity of prices being practiced by all the firms in the industry, concerted identity of behavior, it is a form of monopoly which is destructive of competition, is against the best interests of the country, and is now illegal. These practices would be made legal if the conference report should be agreed to.

There is now no confusion, but confusion would be introduced if we agree to the conference report. The question is whether we are going to let big concerns dictate legislation to the Congress of the United States.

The record of the Federal Trade Commission is clear. We can make congressional intent just as clear by defeating this bill. If we pass it, we will open gaping loopholes in our antitrust laws.

FREIGHT ABSORPTION AND THE CEMENT ORDER

The Government officials who were responsible for the Cement order told the Supreme Court and have since told the public that the order does not prohibit freight absorption per se. They have publicly stated that the order is intended to prohibit the continued use of the basing-point method of price fixing in the cement industry. They also pointed out that freight absorption is only one of several elements necessary to the basing-point system. The Cement order no more prohibits one of the individual practices which, taken together, make up a basing-point system than it does another.

It prohibits the totality of those practices.

Both the Federal Trade Commission and the Supreme Court have said that the Cement case order could not possibly be interpreted as prohibiting freight absorption. On the other hand, the cement companies and the steel companies claim they have so interpreted the order. Now what are the facts? Have the cement companies interpreted the order as prohibiting freight

absorption or have they not? Of course, they have created the general impression that they have so interpreted it.

Each business firm which receives a cease-and-desist order from the Federal Trade Commission is required to file with the Commission a compliance report, stating how the firm's practices have been modified with respect to the order. Therefore, I wrote to the Commission asking that they make available a brief synopsis of the pricing methods used by each of the cement companies, as these methods had been described in the formal reports prepared by the companies themselves. I also asked the Commission for information on how each company had interpreted the Cement order with respect to freight absorption. The Commission has been good enough to send me this synopsis and a tabulation of the companies according to their various categories of compliance reports. These compliance reports were filed in September of 1948.

I ask unanimous consent to insert at this point in my remarks Commissioner Mason's letter and synopsis, along with a table showing freight-absorption policies of all the companies affected.

There being no objection, the letter, synopsis, and table were ordered to be printed in the RECORD, as follows:

FEDERAL TRADE COMMISSION,
Washington, March 20, 1950.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR: The Commission has made an effort to comply fully, in the brief time available, with your letter of March 16, requesting information about pricing practices of cement companies. I am enclosing herewith a brief summary as to methods of pricing, with particular reference to freight absorption or meeting of lower competitive prices, as reported to the Commission by each of 55 cement producing companies, operating some 152 plants.

This information is a résumé of the reports of compliance which were filed pursuant to the order to cease and desist in September of 1948. The information relates, therefore, to the practices obtaining in September 1948, or the practices which the respondents intended at the time to employ in the future.

You refer to the fact that there is a widespread impression that the cement companies have interpreted the order as preventing them from absorbing freight on an independent noncollusive basis. Of the 55 reporting respondent producers, three stated that they considered the order as preventing them from all freight absorption. These three are Monolith Portland Midwest Co., the Monarch Cement Co., and Kosmos Portland Cement Co., each of them single plant producers. Two others report use of uniform f. o. b. mill prices exclusively, without freight absorption, but have not stated that their practices in this respect are considered to have been required by the order. These are Lone Star Cement Corp. and Lawrence Portland Cement Co., the former a major, multiple-plant producer.

Two other companies report selling cement at uniform mill prices, without any statement as to freight absorption. These are Portland Cement Co. of Utah and Missouri Portland Cement Co.

Six companies report a practice of selling at f. o. b. mill prices and are silent as to whether freight absorption or the meeting of lower competitive prices is practiced.

Five of the reporting companies do not disclose any information whatever about their pricing practices.

A total of 37 reporting companies, operating 113 cement plants, have stated specifically either that they are absorbing freight to meet lower competitive prices or that they reserve the right under the order to engage in such practices.

To recapitulate, the reports of compliance filed in 1948 show the following information by groups of companies:

Reports of compliance disclose	Number of companies	Number of plants
No information re pricing	5	7
F.o.b. mill policy, but no information re freight absorption	8	17
Will absorb freight	37	113
Will not absorb freight:		
(*a*) Without assignment of reason	2	12
(*b*) By reason of the order	3	3
	5	15
Total	55	152

The Commission is unable to comply with a portion of your request, since it does not have information available regarding any intercorporate relationships or common principal officers among the five companies which reported in 1948 that they did not intend to absorb freight in any manner.

By direction of the Commission.

Sincerely yours,

LOWELL B. MASON,
Acting Chairman.

Aetna Portland Cement Co.: One plant at Essexville, Mich. This company reports that it normally quotes and sells at a plant price plus actual transportation charges, and that it may meet the lower price of a competitor at any given point.

Alpha Portland Cement Co.: Nine plants in active operation in the States of New York, Pennsylvania, West Virginia, Illinois, Ohio, Missouri and Alabama. This respondent reports that it will make no sales at prices involving freight absorption except where it has been ascertained that a competitor's price at such a point is lower than respondent's and that it is necessary to meet such price in order to sell.

Ashgrove Lime & Portland Cement Co.: Two plants at Chanute, Kans., and Louisville, Nebr. This respondent reports that it sells at uniform mill prices except in instances where the bona fide prices of competitors to our established customers are lower.

The Bessemer Limestone & Cement Co.: One plant at Bessemer, Pa. This respondent reports that it has instituted a pricing method by which a price has been established at its mill, which is the same for all buyers for each of its different types of cement. The report does not contain any statement regarding freight absorption or lowering delivered prices to meet competition.

Calaveras Cement Co.: One plant at Kentucky House, Calif. This company reports that it now sells cement f. o. b. mill plus actual transportation charges but that it may sell at prices, including delivered prices, to meet competition, whenever it is deemed necessary for competitive reasons.

California Portland Cement Co.: One plant at Colton, Calif. This company reports that it quotes and sells within the State of California on the basis of a blanket or zone price for destinations within market areas. Destination prices for interstate shipment are calculated on the basis of a uniform mill net plus railroad freight per barrel rounded to the nearest cent. This company reported in September 1948 that it has not yet done so but that it may sell at a lower price to meet a competitor's price.

Consolidated Cement Corp.: Two mills at Cement City, Mich., and Fredonia, Kans. This company reports that it sells from both mills at delivered prices representing the mill value plus rail or truck freight as the case might be, and that mill net is uniform. The report does not state that the company has or intends to absorb freight to meet competition. Principal officer of this company is S. W. Storey, president, who is also the president of the General Portland Cement Co.

Coplay Cement Manufacturing Co.: Two plants in Coplay, Pa., and Saylor, Pa. This company reports simply that it is no longer a member of the institute and that it is complying with the order to cease and desist. The report contains no description of its pricing practices.

Dewey Portland Cement Co.: Two plants in Dewey, Okla., and Linwood, Ohio. This company reports that it is selling at mill prices plus common carrier transportation charges and does not indicate whether or not the company has or intends to practice freight absorption or to meet the lower prices of competitors.

The Diamond Portland Cement Co.: One plant at Middlebranch, Ohio. This company reports that it has in certain instances met the competitive prices, terms, and conditions of sale of a competitor, and proposes to do so in the future in certain instances.

The Federal Portland Cement Co., Inc.: One plant at Hamburg, N. Y. This company reports that its prices are calculated f. o. b. mill plus actual transportation costs to destination except that in certain instances lower prices have been made to meet the price offered to a customer or prospective customer by a competitor.

General Portland Cement Co.: Mills at Tampa, Fla.; Chattanooga, Tenn.; and Dallas, Houston, and Fort Worth, Tex. This company reports that it sells at delivered prices representing a uniform mill value plus freight to destination. It is not stated that freight absorption has been or will be practiced. This company is the successor by consolidation of three respondents, Florida Portland Cement Co., Signal Mountain Portland Cement Co., and Trinity Portland Cement Co. The president of this company, S. W. Storey, is likewise the president of Consolidated Cement Corp. and both companies have the same principal offices, 111 West Monroe Street, Chicago, Ill.

Giant Portland Cement Co.: One mill at Egypt, Pa. This company reports that it sells f. o. b. its plant plus transportation charges but reserves the right to meet lower prices of competitors.

The Glens Falls Portland Cement Co.: One plant at Glens Falls, N. Y. This company reports that it quotes and sells at destination prices based on the mill price plus the railroad transportation charge to destination. This company reported in September 1948 that it has not yet done so but that it reserved the right to lower its prices to meet competition.

Green Bag Cement Co. of Pennsylvania: One plant at Neville Island, Pa. This company reports that it is obeying the order but does not set forth either the specific methods by which it prices or whether it has absorbed freight or met lower competitive prices.

Hercules Cement Corp.: One plant at Stockertown, Pa. This company reports that it endeavors to secure the mill price plus actual transportation costs, but that if it is unable to secure this price it will "secure as near to that price as is obtainable in each market."

Huron Portland Cement Co.: Twelve mills located in the States of Michigan, Minnesota, Wisconsin, Ohio, and New York. This company reports that it quotes f. o. b. plant prices and delivered prices made up by adding truck- or rail-freight rates but that in individual cases "the delivered price is the price necessary to meet the lower price of a competitor when respondent deems it neces-

sary or advisable to meet a lower price of a competitor."

Idaho Portland Cement Co.: One plant at Inkom, Idaho. This company reports that it sells at f. o. b. mill prices and, while it is difficult to determine the policy regarding freight absorption from the report, it is stated that the company "* * * has never quoted or sold cement at delivered prices which included transportation charges less than the actual transportation charges except where necessary to meet competition."

Ideal Cement Co.: Nine mills in Montana, Utah, Colorado, Nebraska, Oklahoma, Texas, Arkansas, and Alabama. This company reports that it quotes and sells at an f. o. b. mill price plus an "accurate freight estimate." This company reported in September 1948 that it reserved the right to meet competition "when in its judgment it becomes advisable to do so." Ideal Cement Co. is the successor by consolidation of six former respondents, namely, Arkansas Portland Cement Co., Colorado Portland Cement Co., Nebraska Cement Co., Oklahoma Portland Cement Co., Three Forks Portland Cement Co., and Union Portland Cement Co.

Keystone Portland Cement Co.: One plant at Bath, Pa. This company reports that it quotes and sells at delivered prices calculated on the basis of the price at the point of shipment plus transportation, but that when it finds it necessary to do so it intends to meet the lower prices of its competitors by absorbing freight.

Kosmos Portland Cement Co.: One mill at Kosmosdale, Ky. In September 1948 this company reported that it quotes at destination prices made up of f. o. b. mill prices plus transportation factors and that it will not practice freight absorption.

Lawrence Portland Cement Co.: Two mills at Siegfried, Pa., and Thomaston, Maine. This company reported in September 1948 that, since July 9, 1948, it has not practiced freight absorption to meet the lower price of a competitor; and that the only instances of freight absorption since July 9 have been in shipments from one of the company's mills into the territory normally served by its other mill for the purpose of better service to the customer.

Lehigh Portland Cement Co.: Thirteen mills located in the States of Pennsylvania, New York, Maryland, Indiana, Illinois, Virginia, Alabama, Iowa, Kansas, and Washington. This company reports destination prices made up of an f. o. b. plant price plus rail freight to destination and reports that it will meet lower competitive prices in certain circumstances and under certain conditions.

Lone Star Cement Corp.: Ten plants located in the States of New York, Pennsylvania, Virginia, Alabama, Louisiana, Texas, Indiana, and Kansas. This company reports that quotations and sales have, since July 1948, been made on the basis of a mill price established at each of its mills plus actual transportation, and that there is no absorption of freight or variation of its mill prices. However, the company reports that in various metropolitan areas such as New Orleans, Dallas, Houston, and Norfolk, it is averaging switching charges to customers located within the switching areas which would appear to result in a certain amount of freight absorption.

Marquette Cement Manufacturing Co.: Mills at Oglesby, Ill., Cape Girardeau, Mo., and Nashville, Tenn. This company reports that it will absorb freight whenever it considers it consistent with good business practice.

Medusa Portland Cement Co.: Nine plants in the States of Pennsylvania, Ohio, Illinois, Wisconsin, and Michigan. This respondent reports that it is selling on the basis of f. o. b. mill prices plus transportation charges but that it will meet the lower prices of a competitor.

Missouri Portland Cement Co.: Three plants at Sugar Creek, Mo., Prospect Hill, Mo., and Memphis, Tenn. This company reported in September 1948 that it sells on the basis of f. o. b. prices and does not indicate whether freight absorption will be practiced.

The Monarch Cement Co.: One plant at Humboldt, Kans. This company reports that since July 9, 1948, all cement has been quoted and sold at its f. o. b. plant price, and that all sales are made freight collect except where there is no freight agent at the destination. It is not indicated that the company practices freight absorption, although a trade bulletin under date of July 8, 1948, attached as exhibit 1 to the report, states: "When it has been clearly established that it will be legal to do so it will be our policy to meet competitors' prices whenever practical."

Monolith Portland Cement Co.: One mill at Monolith, Calif. This company reports selling at f. o. b. mill prices and reserves the right to meet competition when and where and as it finds it."

Monolith Portland Midwest Co.: One mill at Laramie, Wyo. This company reported in September 1948 that it sells at uniform f. o. b. mill prices and does not practice freight absorption or meet lower competitive prices.

National Cement Co.: One plant at Ragland, Ala. This respondent reports that it sells on f. o. b. mill basis but that it meets the lower prices of competitors.

Nazareth Cement Co.: One plant at Nazareth, Pa. This company reports that it will continue to quote delivered prices consisting of a mill price plus actual rail transportation charges, but that it reserves the right to meet lower competitive prices.

North American Cement Corp.: Plants at Catskill, N. Y.; Howe's Cave, N. Y.; and Security, Md. This company reports that its prices are computed by adding rail freight to its current mill prices. This respondent asserts its right to reduce such prices to meet lower competitive prices in individual competitive situations.

Northwestern Portland Cement Co.: One plant at Grotto, Wash. This company reports selling on an f. o. b. mill basis but states: "In some areas where it is necessary for the company to lower its price to meet an equally low price of a competitor in order to make a sale of cement, the company, if it wishes to make such sale, lowers its f. o. b. mill price in good faith to meet such equally low price of its competitor."

Northwestern States Portland Cement Co.: Two plants at Mason City, Iowa, and Gilmore City, Iowa. The report of this respondent does not set forth whether or not it has or intends to absorb freight or otherwise meet competitive prices.

Oregon Portland Cement Co.: Two plants at Lime, Oreg., and Oswego, Oreg. Report of this respondent in September 1948 indicates that sales will be made at its own mill prices plus transportation charges.

Pacific Portland Cement Co.: One plant at Redwood Harbor, Calif. This corporation reports its practices in the following language: "This corporation is following the interpretation of this order placed upon it by the United States Supreme Court in the following language of Mr. Justice Black (see pamphlet opinion, p. 42, *Federal Trade Commission* v. *The Cement Institute et al.*): 'Most of the objections to the order appear to rest on the premise that its terms will bar an individual cement producer from selling cement at delivered prices such that its net return from one customer will be less than from another, even if the particular sale be made in good faith to meet the lower price of a competitor. The Commission disclaims that the order can possibly be so understood. Nor do we so understand it. * * * It is thus apparent that the order by its terms is directed solely at concerted, not individual, activity on the part of the respondents.' Therefore this corporation may in particular cases and acting individually and independently reduce its f. o. b. mill prices or its delivered prices in good faith to meet the lower price of a competitor."

Peerless Cement Corp.: Two plants at Detroit, Mich., and Port Huron, Mich. After stating its policy of quoting at f. o. b. mill prices or delivered prices consisting of the mill price plus actual transportation charges, the company reports: "This respondent does reserve the right to reduce the price of its products to its customers to the extent that the price quoted and at which cement is sold by this respondent meets an equally low price of a competitor."

Pennsylvania-Dixie Cement Corp.: Eight plants in the States of Tennessee, Georgia, Pennsylvania, New York, and Iowa. Prices are quoted f. o. b. plant plus rail freight to destination and the company reserves the right to meet lower prices of competitors at such destinations.

Petoskey Portland Cement Co.: Four plants in Michigan, Illinois, and Wisconsin. This company reports sales at delivered prices computed on an f. o. b. plant price plus freight and reserves the right to meet lower prices of competitors "where it cannot secure the business or preserve its customers without doing so."

Pittsburgh Plate Glass Co.: One plant at East Fultonham, Ohio. Prices are quoted f. o. b. rail cars at the plant and lower competitive prices are met "in individual competitive situations and not as a part of the pricing system."

Portland Cement Co. of Utah: One plant at Salt Lake City, Utah. This company reports that all quotations and sales are made f. o. b. mill. It is not stated whether or not freight absorption is practiced.

Riverside Cement Co.: Plants at Crestmore, Calif., and Oro Grande, Calif. This respondent reports a pricing method including both f. o. b. mill sales and sales on a delivered-price basis and, with reference to lower competitive prices which may be encountered, states: "In the event competitive behavior in the future adversely affects Riverside's sales volume in any given area, Riverside's management will, of course, exercise their independent initiative in an effort to increase its sales through use of legitimate competitive methods."

Santa Cruz Portland Cement Co.: One plant at Davenport, Calif. This respondent reports that it quotes and sells f. o. b. mill, and that it will sell f. o. b. destination at a price enabling it to meet competition of other sellers, absorbing freight if necessary.

Southern States Portland Cement Co.: One plant at Rockmart, Ga.: This company reports that it is obeying the various provisions of the order, but no statement is made as to the pricing methods which it is employing.

Southwestern Portland Cement Co.: Three plants at Victorville, Calif., El Paso, Tex., and Osborn, Ohio. This company states that it will sell on either f. o. b. mill basis or delivered-price basis, but there is no indication as to how such prices are calculated or whether the company will absorb freight.

Spokane Portland Cement Co.: One plant at Spokane, Wash.: This company reports that since July 20, 1948, it has quoted and sold at the mill price plus actual freight except where meeting the lower price of a competitor. (See supplemental report.)

Diamond Alkali Co. (formerly Standard Portland Cement Co.): One plant at Painesville, Ohio. This company reports sales on either an f. o. b. mill or delivered-price basis but states that: "In the future, in order to meet individual competitive situations, this respondent in good faith may find it necessary to sell cement at prices such that its net returns from customers differ."

Superior Cement Corp.: One plant at Superior, Ohio. This respondent reports

that it is complying with the order and the only information regarding pricing practices is as follows: "This respondent, Superior Cement Corp., has made a change in its policy of selling and pricing its products. The practice and policy of fixing and maintaining prices for its products are based upon its own independent business judgment."

Superior Portland Cement, Inc.: One plant at Concrete, Wash. This company reports that it quotes and sells at a price effective at the mill and also at destination prices made up of the mill price plus actual freight. This company further reports that at some destination points where a competitor's price is lower its delivered price is reduced to meet such competition.

Universal Atlas Cement Co.: Thirteen plants located in States of Indiana, Pennsylvania, Minnesota, Alabama, Missouri, Kansas, Texas, and New York. This company reports that it sells f. o. b. mill, warehouse, or packing plant and states: "This respondent will from time to time in individual competitive situations reduce its delivered-price quotations in such amounts as are necessary in good faith to meet an equally low price of a competitor whenever this respondent considers that it is good business judgment to meet such competition."

Valley Forge Cement Co.: One plant at West Conshohocken, Pa. This company reports selling at mill prices plus actual freight to point of delivery but absorbs freight in particular instances to meet competition.

Volunteer Portland Cement Co.: One plant at Caswell, Tenn. This company reports that it sells f. o. b. railroad cars at its mill or in carload lots at delivered prices and absorbs freight to meet the price of a competitor in good faith.

West Penn Cement Co.: One plant at West Winfield, Pa. This company reports sales f. o. b. its plant and at delivered prices and meets the lower prices of competitors.

The Whitehall Cement Manufacturing Co.: One plant at Northampton, Pa. This company reports prices both at the mill and at destination and reserves the right to quote and sell at lower destination prices "when in its judgment it is desirable or necessary to do so in order to meet the prices of competitors."

Absorption of freight by cement companies following cement decision, as indicated by co mpliance reports to FTC

State and name of company	Location of plant	Answers to questions on freight absorption
Alabama:		
Ideal Cement Co	Mobile	Will absorb freight.
Lehigh Portland Cement Co	Boyles	Do.
Alpha Portland Cement Co	Birmingham	Do.
Lone Star Cement Co	Spocart	Will not absorb freight (no reason).
Do	North Birmingham.	Do.
National Cement Co	Ragland	Will absorb freight.
Universal Atlas Cement Co	Leeds	Do.
Arkansas: Ideal Cement Co	Okay Junction	Do.
California:		
California Portland Co	Colton	Do.
Riverside Cement Co	Crestmore	Do.
Do	Oro Grande	Do.
South Western Portland Cement Co	Victorville	No information on freight absorption.
Monolith Portland Cement Co	Monolith	Will absorb freight.
Santa Cruz Portland Cement Co	Davenport	Do.
Pacific Portland Cement Co	Redwood Harbor.	Do.
Calaverae Cement Co	Kentucky House	Do.
Colorado:		
Ideal Cement Co	Portland	Will absorb freight.
Do	Boettcher	Do.
Florida: General Portland Cement Co	Tampa	No information on freight absorption.
Georgia:		
Southern States Portland Cement Co.	Rockmart	No information re pricing.
Pennsylvania-Dixie Cement Co	Clinchfield	Will absorb freight.
Idaho: Idaho Portland Cement Co	Inkom	Do.
Illinois:		
Lehigh Portland Cement Co	Oglesby	Do.
Marquette Cement Manufacturing Co.	do	Do.
Alpha Portland Cement Co	La Salle	Do.
Medusa Portland Cement Co	Dixon	Do.
Do	Chicago	Do.
Petoskey Portland Cement Co	do	Do.
Indiana:		
Lehigh Portland Cement Co	Mitchell	Do.
Lone Star Cement Corp	Limedale	Will not absorb freight (no reason).
Universal Cement Co	Buffington	Will absorb freight.
Iowa:		
Dewey Portland Cement Co	Linwood	No information on freight absorption.
Pennsylvania-Dixie Cement Corp	West Des Moines.	Will absorb freight.
Northwestern States Portland Cement Co.	Mason City	No information re pricing.
Do	Gilmore City	Do.
Lehigh Portland Cement Co	Mason City	Will absorb freight.
Kansas:		
Universal Atlas Cement Co	Independence	Do.
Consolidated Cement Corp	Fredonia	No information on freight absorption.
Ashgrove Lime & Portland Cement Co.	Chanute	Will absorb freight.
Lehigh Portland Cement Co	Iola	Do.
Monarch Cement Co	Humboldt	Will not absorb freight (by reason of order).
Lone Star Cement Corp	Bonner Springs	Will not absorb freight (no reason).
Kentucky: Kosmos Portland Cement Co.	Kosmosdale	Will not absorb freight (by reason of order).
Louisiana: Lone Star Cement Corp	New Orleans	Will not absorb freight (no reason).
Maine: Lawrence Portland Cement Co.	Thomaston	Do.
Maryland:		
Lehigh Portland Cement Corp	Union Bridge	Will absorb freight.
North American Cement Corp	Security	Do.
Michigan:		
Consolidated Cement Corp	Cement City	No information on freight absorption.
Huron Portland Cement Co	Wyandotte	Will absorb freight.
Do	Detroit	Do.
Do	Saginaw	Do.
Do	Muskegon	Do.
Do	Alpena	Do.
Peerless Cement Corp	Detroit	Do.
Do	Fort Huron	Do.
Michigan—Continued		
Petoskey Portland Cement Co	Detroit	Will absorb freight.
Do	Petoskey	Do.
Aetna Portland Cement Co	Bay City	Do.
Medusa Portland Cement Co	Holland	Do.
Universal Atlas Cement Co	Muskegon	Do.
Minnesota:		
Huron Portland Cement Co	Duluth	Do.
Universal Atlas Cement Co	do	Do.
Missouri:		
Marquette Cement Manufacturing Co.	Cape Girardeau	Do.
Alpha Portland Cement Co	St. Louis	Do.
Universal Atlas Cement Co	do	Do.
Do	Hannibal	Do.
Missouri Portland Cement Co	Sugar Creek	No information on freight absorption.
Do	Prospect Hill	Do.
Montana: Ideal Cement Co	Trident	Will absorb freight.
Nebraska:		
Ideal Cement Co	Superior	Do.
Ash Grove Lime & Portland Cement Co.	Louisville	Do.
New York:		
Federal Portland Cement Co	Buffalo	Do.
Huron Portland Cement Co	do	Do.
Do	Oswego	Do.
Lehigh Portland Cement Co	Buffalo	Do.
Do	Alsen	Do.
Pennsylvania-Dixie Cement Corp	Portland Point	Do.
Alpha Portland Cement Co	Jamesville	Do.
Do	Catskill	Do.
North American Cement Corp	do	Do.
Do	Howe's Cave	Do.
Lone Star Cement Corp	Hudson	Will not absorb freight (no reason).
Universal Atlas Cement Co	do	Will absorb freight.
Glens Falls Portland Cement Co	Glens Falls	Do.
Ohio:		
Alpha Portland Cement Co	Ironton	Do.
Superior Cement Corp	Superior	No information re pricing.
Universal Atlas Cement Co	Osborn	Will absorb freight.
Southwestern Portland Cement Co	do	No information on freight absorption.
Pittsburgh Plate Glass Co	East Fultonham.	Will absorb freight.
Diamond Portland Cement Co	Middle Branch	Do.
Medusa Portland Cement Co	Bay Bridge	Do.
Do	Silica	Do.
Huron Portland Cement Co	Toledo	Do.
Do	Cleveland	Do.
Lehigh Portland Cement Co	do	Do.
Diamond Alkali Co	Painesville	Do.
Oklahoma:		
Ideal Cement Co	Ada	Do.
Dewey Portland Cement Co	Dewey	No information on freight absorption.
Oregon:		
Pacific Portland Cement Co	Gold Hill	Will absorb freight.
Oregon Portland Cement Co	Oswego	No information on freight absorption.
Do	Lime	Do.
Pennsylvania:		
Bessemer Limestone & Cement Co	Bessemer	Do.
Medusa Portland Cement Co	Wampun	Will absorb freight.
Do	York	Do.
West Penn Cement Co	West Winfield	Do.
Universal Atlas Cement Co	Universal	Do.
Do	North Hampton	Do.
Green Bag Cement Co. of Pennsylvania.	Neville Island	No information re pricing.
Valley Forge Cement Co	West Conshohocken.	Will absorb freight.
Pennsylvania-Dixie Cement Co	Penn Allen	Do.
Do	Nazareth	Do.
Do	Bath	Do.
Keystone Portland Cement Co	do	Do.
Lone Star Cement Corp	Nazareth	Will not absorb freight (no reason).
Nazareth Cement Co	do	Will absorb freight.
Alpha Portland Cement Co	Martins Creek [1]	Do.

[1] 2 mills.

Absorption of freight by cement companies following cement decision, as indicated by compliance reports to FTC—Continued

State and name of company	Location of plant	Answers to questions on freight absorption
Pennsylvania—Continued		
Lawrence Portland Cement Co	Siegfried	Will not absorb freight (no reason).
Hercules Cement Corp	Stockertown	Will absorb freight.
Whitehall Cement Manufacturing Co.	North Hampton	Do.
Lehigh Portland Cement Co	Sandts Eddy	Do.
Do	Fogelsville	Do.
Do	Onmrod	Do.
Giant Portland Cement Co	Lesley	Do.
Do	Egypt	Do.
Coplay Cement Manufacturing Co.	Coplay	No information re pricing.
Do	Saylor	Do.
Tennessee:		
Missouri Portland Cement Co	Memphis	No information on freight absorption.
Marquette Cement Manufacturing Co.	Nashville	Will absorb freight.
Pennsylvania-Dixie Cement Corp	Richard City	Do.
Do	Kingsport	Do.
General Portland Cement Co	Chattanooga	No information on freight absorption.
Volunteer Portland Cement Co	Caswell	Will absorb freight.
Texas:		
Lone Star Cement Corp	Manchester	Will not absorb freight (no reason).
Do	Harry's	Do.
General Portland Cement Co	Houston	No information on freight absorption.
Do	Dallas	Do.
Do	Fort Worth	Do.
Texas—Continued		
Ideal Cement Co	Houston	Will absorb freight.
Universal Atlas Cement Co	Waco	Do.
Utah:		
Ideal Cement Co	Devil's Slide	Do.
Portland Cement Co. of Utah	Salt Lake City	No information on freight absorption.
Virginia:		
Lehigh Portland Cement Co	Fordwick	Will absorb freight.
Lone Star Cement Corp	Norfolk	Will not absorb freight (no reason).
Washington:		
Spokane Portland Cement Co	Irvin	Will absorb freight.
Lehigh Portland Cement Co	Spokane	Do.
Do	Metalline Falls	Do.
Superior Portland Cement Co., Inc.	Seattle	No information re pricing
Do	Concrete	Do.
Northwestern Portland Cement Co.	Grotto	Do.
West Virginia: Alpha Portland Cement Co.	Manheim	Will absorb freight.
Wisconsin:		
Huron Portland Cement Co	Milwaukee	Do.
Do	Green Bay	Do.
Medusa Portland Cement Co	Milwaukee	Do.
Do	Manitowoc	Do.
Petoskey Portland Cement Co	Milwaukee	Do.
Universal Atlas Cement Co	do	Do.
Do	Green Bay	Do.
Wyoming: Monolith Portland Midwest Co.	Laramie	Will not absorb freight (by reason of order).

Mr. DOUGLAS. There were in total 55 companies which are subject to the Commission's Cement order. These 55 companies operate some 152 plants in various parts of the country.

To summarize, in September 1948, 3 months after United States Steel's announcement of a no-freight-absorption policy, 37 cement companies operating 113 plants filed reports stating definitely their intention of absorbing freight, and only 3 companies indicated that they interpreted the order as prohibiting them from absorbing freight. In terms of actual number of plants, only 3 out of a total of 152 stated that they would not absorb freight because they thought it was illegal. This is only 2 percent. One hundred and thirteen plants out of 152 have in effect stated that they would absorb freight. They know that it is not illegal unless it is used as an unfair method of competition.

The claim that this bill is needed in order to permit freight absorption is thus disproved by the actual practices of the cement industry, including the Universal Atlas Co., under existing law. What will actually happen, if we agree to the conference report on S. 1008, is that we will throw real confusion into the enforcement of our antitrust laws. The whole issue will be tied in litigation for years, during which time the big concerns can operate as they please.

Mr. President, I now come to my conclusion. I have probably taken too much time in my attempt to clarify the basing-point issues in S. 1008. But the big businesses which are pushing this bill have so beclouded these issues that I felt it necessary. Monopoly has made great inroads into our economy. It has done so by shrouding itself in a cloak of confusion. I think it time we ripped off this cloak and get at the naked facts.

If we need legislation, we should aim it at strengthening, not weakening, our antitrust laws. Increasing concentration of ownership, high prices and high profits demonstrate this convincingly, as was ably shown last week by the Senator from Minnesota [Mr. HUMPHREY]. We must remember that we are legislating not only for ourselves but also for our children and our children's children. We must not close the door of opportunity by allowing monopoly to control such large segments of our economy.

Democracy and free enterprise thrive best where there are opportunities for those with ability and imagination. Let monopoly and the concentration of economic power grow too great, and we will ultimately be faced with a choice between two alternatives: totalitarianism with monopoly in the saddle, or socialism with the bureaucrats at the helm. No Member of the Senate wants either. I certainly do not. I earnestly hope, therefore, that this body will resoundingly defeat S. 1008 and give new hope and encouragement to small business and the public-at-large.

Mr. HUMPHREY. Mr. President, this morning I received a communication from the National Congress of Petroleum Retailers, Inc., pertaining to the pending bill, S. 1008. I ask unanimous consent that the communication may be incorporated in the body of the RECORD at this point so that it may be studied by the Members of the Senate in their deliberations on this bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CONGRESS OF PETROLEUM RETAILERS, INC.,
Detroit, Mich, May 29, 1950.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Please note that the Department of Justice has not said that S. 1008 is either necessary or desirable. It has not said that S. 1008 will not harm small business. The most it has said is that it has no objection.

Please note also that the Department does not enforce the Federal Trade Commission Act nor the Robinson-Patman amendment to the Clayton Act. These are enforced by the Federal Trade Commission.

Please note further that the attorney for Standard Oil of Indiana said in arguing before the Supreme Court that if S. 1008 was enacted he had won his case. This is a confession that S. 1008 would overrule the Federal Trade Commission's and the circuit court's interpretation of the good-faith proviso of the Robinson-Patman Act and end that protection of small business.

Finally, please note the nonsequitur of the proponent's logic which appears to be:

"The Robinson-Patman Act is one of the antitrust laws. The Department enforcing antitrust laws does not object to S. 1008. Therefore, S. 1008 will not harm small business."

Small business looks to you to see that its hard-won and meager protection is not destroyed and pleads with you to work and vote to defeat S. 1008 unless at least section 3 (which has nothing to do with freight absorption) is deleted. Any repeal of that importance should not be made indirectly, but directly and openly, and then only after study of the decision now due from the Supreme Court.

Respectfully submitted.

R. P. PECK,
President.

ADDRESS TOMORROW BY SENATOR KNOWLAND

During the delivery of Mr. DOUGLAS' speech,

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am very glad to yield to the distinguished Senator from the Pacific coast.

Mr. KNOWLAND. Mr. President, I had intended to address the Senate this evening, at the conclusion of the remarks of the able junior Senator from Illinois. However, the hour is growing late.

Therefore, I ask unanimous consent that when the Senate meets at noon tomorrow, I may be recognized to make my remarks at that time.

The PRESIDING OFFICER. Is there objection?

Mr. LANGER. Mr. President, reserving the right to object, I should like to ask the distinguished junior Senator from California how long he expects to take tomorrow.

Mr. KNOWLAND. I would say about 45 minutes.

Mr. LANGER. Very well, I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

VETOES BY THE SOVIET UNION

During the delivery of Mr. DOUGLAS' speech,

Mr. KNOWLAND. Mr. President, will the Senator yield, to permit me to make an insertion in the RECORD?

Mr. DOUGLAS. I am very glad to yield for that purpose.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that these remarks appear at the end of the speech of the Senator from Illinois.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, today I received from the Assistant Secretary of State, John D. Hickerson, a letter in answer to a request by me for a list of the vetoes exercised by the Soviet Union in the Security Council of the United Nations. The list was supplied to me with a brief description of the subject of each of the vetoes. The number amounts to 41 separate vetoes.

I ask unanimous consent to have this list printed in the RECORD as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF STATE,
Washington, May 31, 1950.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: In response to your request for information on the vetoes to date in the United Nations Security Council, I hope the following will be of help to you.

There have been at least 41 vetoes in the Security Council. On three separate occasions it is possible technically to construe the voting as 2 vetoes rather than 1, and, therefore, there could be 44 rather than 41 vetoes. However, the list of vetoes set forth below numbers 41.

All of the vetoes have been by the Soviet Union, excepting the following:

(1) No. 3, where France joined the U. S. S. R. in exercising the veto.

(2) No. 18, where France alone exercised the veto. The list of vetoes is as follows:

NUMBER, DATE, BRIEF DESCRIPTION

1, February 16, 1946, resolution in the Syria-Lebanon case.

2, June 25, 1946, resolution on the Spanish question.

3, June 26, 1946, another resolution in the Spanish case.

4, June 26, 1946, a third resolution on the Spanish question.

5, August 29, 1946, membership application of Transjordan.

6, August 29, 1946, membership application of Portugal.

7, August 29, 1946, membership application of Ireland.

8, September 20, 1946, resolution to appoint a commission to investigate the Greek situation.

9, March 25, 1947, resolution in dispute between Albania and the United Kingdom concerning mine fields in the Corfu Channel.

10, July 29, 1947, resolution concerning the situation in Greece.

11, August 18, 1947, membership application of Transjordan.

12, August 18, 1947, membership application of Ireland.

13, August 18, 1947, membership application of Portugal.

14, August 19, 1947, a second resolution concerning the situation in Greece.

15, August 19, 1947, a third resolution concerning the situation in Greece.

16, August 26, 1947, membership application of Italy.

17, August 26, 1947, membership application of Austria.

18, August 25, 1947, a Soviet proposal to send a commission to Indonesia, vetoed by France.

19, September 15, 1947, resolution requesting the General Assembly to consider the Greek situation.

20, October 1, 1947, membership application of Italy.

21, October 1, 1947, membership application of Finland.

22, April 10, 1948, membership application of Italy.

23, May 26, 1948, resolution to appoint a subcommittee to hear evidence concerning the situation in Czechoslovakia.

24, June 22, 1948, proposal to approve the reports of the International Atomic Energy Commission.

25, August 18, 1948, membership application of Ceylon.

26, October 25, 1948, resolution calling upon France, the United Kingdom, the United States, and the Soviet Union to take certain steps to solve the Berlin crisis.

27, December 15, 1948, membership application of Ceylon.

28, April 8, 1949, membership application of Korea.

29, September 7, 1949, membership application of Nepal.

30, September 13, 1949, membership application of Portugal.

31, September 13, 1949, membership application of Transjordan.

32, September 13, 1949, membership application of Italy.

33, September 13, 1949, membership application of Finland.

34, September 13, 1949, membership application of Ireland.

35, September 13, 1949, membership application of Austria.

36, September 13, 1949, membership application of Ceylon.

37, October 11, 1949, resolution approving the progress reports of the Commission for Conventional Armaments.

38, October 18, 1949, resolution approving proposals made by the Commission for Conventional Armaments concerning the regulation and reduction of armaments and armed forces.

39, October 18, 1949, revised resolution in connection with regulation and reduction of armaments and armed forces.

40, December 13, 1949, resolution expressing satisfaction with the report of the United Nations Commission for Indonesia concerning the successful conclusion of negotiations for the establishment of the Republic of the United States of Indonesia.

41, December 13, 1949, resolution requesting the United Nations Commission for Indonesia to assist in the implementation of the agreements for the establishment of the Republic of the United States of Indonesia.

Sincerely yours,

JOHN D. HICKERSON,
Assistant Secretary.

DEATH OF REPRESENTATIVE LESINSKI, OF MICHIGAN

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Chair lays before the Senate a resolution coming over from the House of Representatives, and calls it to the attention of the Senator from Nebraska.

The resolution (H. Res. 618) was read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN LESINSKI, a Representative from the State of Michigan.

Resolved, That a committee of 16 Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. WHERRY. Mr. President, on behalf of the senior Senator from Michigan [Mr. VANDENBERG], I send to the desk a resolution which I ask to have read and considered.

The PRESIDING OFFICER. The resolution offered by the Senator from Nebraska will be read.

The resolution (S. Res. 288) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN LESINSKI, late a Representative from the State of Michigan.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. Under the second resolving clause, the Chair appoints the senior Senator from Michigan [Mr. VANDENBERG] and the junior Senator from Michigan [Mr. FERGUSON] as members of the committee on the part of the Senate to attend the funeral of the late Representative.

DEATH OF REPRESENTATIVE LEMKE, OF NORTH DAKOTA

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming over from the House of Representatives and calls it to the attention of the senior Senator from North Dakota.

The resolution (H. Res. 620) was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. WILLIAM LEMKE, a Representative from the State of North Dakota.

Resolved, That a committee of eight Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. LANGER. Mr. President, for 16 years, namely, during the Seventy-third, Seventy-fourth, Seventy-fifth, Seventy-sixth, Seventy-eighth, Seventy-ninth, Eightieth, and Eighty-first Congresses, Representative LEMKE served as one of North Dakota's two Representatives, both of whom are elected at large. Representative LEMKE had a host of friends, not only in North Dakota but all over the United States, who will mourn his sudden and totally unexpected death. In behalf of all those friends, as well as on behalf of the Members of the Senate, I extend condolences and sympathy to Mrs. Lemke and to members of the family of the deceased Representative.

Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The resolution (S. Res. 289) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM LEMKE, late a Representative from the State of North Dakota.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives, and transmit a copy thereof to the family of the deceased.

The PRESIDING OFFICER. Under the second resolving clause, the Chair appoints the senior Senator from North Dakota [Mr. LANGER] and the junior Senator from North Dakota [Mr. YOUNG] as members of the committee on the part of the Senate to attend the funeral of the late Representative.

Mr. WHERRY. Mr. President, as a further mark of respect to the memory of the deceased Representatives, I shall move that the Senate take a recess until 12 o'clock tomorrow.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will tate it.

Mr. KNOWLAND. As I understand, under the previous unanimous consent agreement entered into, I will be recognized when the Senate meets tomorrow.

The PRESIDING OFFICER. The Senator is correct. The action proposed to be taken now does not affect the Senator's rights.

Mr. WHERRY. Mr. President, as a further mark of respect to the memory of the two deceased Representatives, I move that the Senate do now take a recess until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 6 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 1, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 31 (legislative day of March 29), 1950:

DEPARTMENT OF THE AIR FORCE

John A. McCone, of California, to be Under Secretary of the Air Force, vice Arthur S. Barrows, resigned.

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Kenneth W. Spencer, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years from July 1, 1950. (Reappointment.)

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of the act of June 10, 1949 (Public Law 96, 81st Cong.):

To be colonel

Roscoe Bonham, [redacted]

To be lieutenant colonels

Pio Q. Caluya, [redacted]
Maximiano S. Janairo, [redacted]

To be major

Emmanuel S. Cepeda, [redacted]

The following-named person for appointment in the Judge Advocate General's Corps, Regular Army of the United States, in the grade of first lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Cecil L. Forinash, [redacted].

The following-named cadet, United States Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, effective June 2, 1950, upon his graduation, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

John Rutledge, Jr.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to physical qualification:

Warren P. Allen, [redacted].
William S. Barnes, [redacted].
Peter B. Bennett, [redacted].
Howard C. Berry, [redacted].
Eugene H. Breitenberg, [redacted].
Gunther A. Brumme, [redacted].
James H. Buck, [redacted].
Sherman K. Burke, [redacted].
Robert T. Burns, [redacted].
William K. Christie, [redacted].
Hugh Cort, Jr., [redacted].
Terrell J. Crawford, Jr., [redacted].
Anthony B. Cristo, [redacted].
Floyd M. Cummings, [redacted].
George R. Dufresne, [redacted].
Ralph Edwards, [redacted].
William R. Ellis, [redacted].
Robert W. Emmert, [redacted].
Frank C. Eubanks, Jr., [redacted].
Arvine J. Eyer, [redacted].
Ferdinand Ferrer, [redacted].
Darrel R. Fields.
Charles T. Garrison.
Martin Gerber.
William D. Gillis, [redacted].
Douglas D. Grinnel, [redacted].
Louis J. Gutting, [redacted].
Richard D. Haugen, [redacted].
Herbert T. Herrin, [redacted].
James W. Houtz, [redacted].
Walter P. Hughes, Jr., [redacted].
Orvalle T. Kirby.
Fred Kornet, Jr., [redacted].
Clifford V. Lambert, [redacted].
Vincent W. Lang, [redacted].
Henry F. Lopez, [redacted].
Dale C. Morgan, Jr., [redacted].
Powell D. Murphy, [redacted].
Joseph L. Power, [redacted].
Carleton J. Robinson, [redacted].
William B. Robinson, [redacted].
Houston S. Roby, Jr., [redacted].
Alexander P. Rusanowsky, [redacted].
Donald K. Russell, [redacted].
Jack D. Sanders, [redacted].
Lawrence L. Schrank, [redacted].
Robert R. Taylor, [redacted].
Paul E. Thornton, [redacted].
William H. Timberman, [redacted].
Leo L. Wilson, [redacted].
Selwin D. Wisdom, [redacted].
William J. Worth, [redacted].

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Harold B. Alexander.
Paul E. Coakley, [redacted].

The following-named distinguished military students for appointment in the Regular Army of the United States, effective June 15, 1950, in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), subject to designation as distinguished military graduates, and subject to physical qualification:

Richard L. Bidwell.
Harlan L. Bjork, [redacted].
John A. Carson.
Charles R. Christian.
Charles P. Cox.
Edward L. Culbertson.
Kenneth R. Darrington.
James C. Davis.
Richard K. Desmond.
James L. Gann.
Floyd H. Hall.
Orval H. Hansen.
Wallace R. Hansen.
Gerald E. Harris.
Richard W. Harris.
Robert C. Hodges.
Earl Hoock.
Arnold G. McDonald.
Robert C. McKeen, [redacted].
Jack H. Pedersen.
Robert A. Powers.
Brunn W. Roysden.
Allison C. Semmes.
Charles N. Still.
Wayne R. Wiedman.
William T. Withers.

IN THE NAVY

Capt. Daniel W. Ryan, Dental Corps, United States Navy, for temporary appointment to the grade of rear admiral in the Dental Corps of the United States Navy.

The following-named (Naval ROTC) to be ensigns in the Navy, from the 2d day of June 1950:

Richard A. Frohreich
Donald A. Garrett

Ralph W. Carver (Naval ROTC) to be an ensign in the Navy, from the 2d day of June 1950, in lieu of second lieutenant in the Marine Corps, as previously nominated and confirmed.

Rolph E. Schaber (Naval ROTC) to be an ensign in the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy, as previously nominated, to correct name.

Charles DesI. DeLaittre (Naval ROTC) to be an ensign in the Supply Corps of the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy, as previously nominated and confirmed.

Harry B. Adams, Jr. (civilian college graduate) to be a lieutenant in the Medical Corps of the Navy.

The following-named officers to the grade indicated in the line of the Navy, for limited duty only:

ENSIGNS

Martin D. Archer	George M. Bates
Gordon F. Averitt	Leonard F. Bathel

Francis T. Bean
Roy L. Bergeron
Cullen D. Bray
Kenneth B. Brisco
John L. Brown
Forrest T. Bruce
Herbert I. Byron
Joseph Caglione, Jr.
George W. Chapman, Jr.
Lawrence A. Chappell
Tom F. Cheek
Joseph E. Codemo
Leslie E. Concannon
William G. Cook
Donald A. Cruse
William B. Crytser
Kenneth S. Dick
James H. Downs
Laurence D. Egan
Elmer C. Everett
John R. Fitzpatrick
Max G. Freudenberg
Hubert D. Gano
George F. Gobble
Waring B. Haselton, Jr.
Albea D. Hight
Frank W. Hughes, Jr.
Edward G. Jones
Howard W. Jones
Sidney B. Kelley
Ellis G. Kelly
Marion C. Kilpatrick
Robert L. Kirkhorn
John Kriss
Edwin M. Leidholdt
Edwin E. Lindbeck
Thomas B. Mangus
Clayton W. Merrill
Albert C. Messier
Colvin E. Milham
John L. Murphy
Robert M. Ottensmeyer
Chester A. Parker, Jr.
James M. Parnell
William L. Perkins, Jr.
Russell B. Ramsey
Minor T. Rice
Stanley S. Ricker
John F. Rule
James W. Sands
Charles R. Satterfield
Alvin P. St. John
Edwin C. Vestal, Jr.
Walter A. Walden
Donald E. Wallace
Virgil W. Warner
Robert V. Werner
Richard O. Wetmore
Frank J. Zwolinski

The following-named officers to the grade indicated in the Supply Corps of the Navy, for limited duty only:

ENSIGNS

Hugh H. Chandler
Walton M. Morrison
Wilson M. Obendorfer
Ferdinand C. Peloquin
Anthony W. Rudzinski
Warren E. Steele

The following-named officers to the grade indicated in the Civil Engineer Corps of the Navy, for limited duty only:

ENSIGNS

James I. Huffman
George E. Sherman

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Robert D. Shaffer
Walter E. Lischeid
Albert H. Schierman
William P. Kaempfer
Dale H. Heely
Elbert D. Graves
Kenneth C. Houston
William S. McLaughlin
Kermit C. Zieg
Frank E. Hollar

The following-named officer of the Marine Corps for permanent appointment to the grade of lieutenant colonel, subject to qualification therefor as provided by law:

Charles J. Prall

The following-named officers of the Marine Corps for permanent appointment to the grade of major, subject to qualification therefor as provided by law:

John M. Kusiak
Harry J. T. Ellzey

The following-named officers of the Marine Corps for permanent appointment to the grade of captain:

Walter B. Patton
Bevan G. Cass
Thomas F. McGraw, Jr.
Albert C. Schoner
Dwight E. Mayo

The following-named officers of the Marine Corps for permanent appointment to the grades of commissioned warrant officer:

Robert H. J. McKay
John Smolinski

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant for limited duty:

Sidney W. Cooley
Cederic A. Fevurly

The following-named personnel of the Marine Corps for permanent appointment to the grade of second lieutenant for limited duty:

Albert J. Assad
James L. McGuire
Jack V. Canzonieri
Johnny L. Carter
Evio Ragsdale.
Jerry A. Harness
T. R. Liles
Gene C. Martin
Hershel H. Henson
Lynn E. Bath
John A. Rapp
Alex H. Touchton
Granville G. Sweet
Eugene D. Anderson
William C. Adams
Charles R. Livingston
Howard E. Pyles
Lytton F. Blass
Maurice W. Collins
Edward L. Zielinski
Frank L. Bradshaw
William J. Varley
Henry G. Roberts
Jack F. Bailey
Hubert C. Grow

The following-named civilian college graduates for permanent appointment to the grade of second lieutenant in the Marine Corps:

Ernest O. Agee
Withhold J. Bacauskas
Garland T. Beyerle
Richard W. Bomberger
Warren M. Brown
Thomas J. Burkell
John E. Buynak
William R. Corson
Harlan D. Cross
Francis C. Cushing
William T. Doughtie
William H. Duquette
John R. Fulgham, Jr.
Joseph J. N. Gambardella
Jesse L. Gibney, Jr.
Richard T. Guidera
Patrick H. H. Harrington
William M. Herrin, Jr.
Clifford J. Hofmann
David J. Hunter
George R. Jones
Lawrence D. Krentzlin
Ralph F. MacDonald, Jr.
Jimmy Magoulas
Robert J. Maynard, Jr.
Stewart G. Mayse
Thomas P. McGeeney, Jr.
Donald N. McKeon
Theodore F. Moellering
Alan F. Moreno
Phillip E. Neff
Marine B. Reilly
Edward A. Robbins, Jr.
Earl F. Roth, Jr.
Raymond M. Ryan
David E. Schwulst
Walter J. Sharpe
Newell D. Stanley, Jr.
Raymond C. Stenson
Harold E. Stine
Otto I. Svenson, Jr.
Kenneth E. Taft, Jr.
Lloyd E. Tatem
David M. Twomey
John O. Webb
David J. Wightman
Charles L. Wilson
Richard H. Winter
George W. Yates

HOUSE OF REPRESENTATIVES

WEDNESDAY, MAY 31, 1950

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou great God, our Father, whose presence and help are the supreme needs of all mankind, we pray that in our adventures, tasks, and responsibilities we may have the assurance that Thou art our companion and counselor.

Give us a greater appreciation of the wonder and joy of life. We humbly confess that there are times when we seem to lose the tang of living; we become dispirited; we are tempted to cease to aspire and cry out, "Vanity of vanities, all is vanity."

Inspire us daily with a contributing and a participating view of life. May we see more clearly that life yields its meaning and its joy to those who believe in Thee and do Thy will, who give primacy to character, who walk in love, and who serve needy humanity.

Thou who art the author and disposer of human life, we thank Thee for Thy servant whose spirit is now in Thy near presence. Comfort the sorrowing and may Thy grace be sufficient for all their needs. In Christ's name we pray. Amen.

The Journal of the proceedings of Monday, May 29, 1950, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On May 22, 1950:

H. R. 1151. An act to amend the act establishing grades of certain retired noncommissioned officers;

H. R. 2783. An act to authorize the Secretary of the Interior to convey a certain parcel of land, with improvements, to the city of Alpena, Mich.; and

H. R. 6171. An act to authorize commissioned officers of the Army, Navy, Air Force, and Marine Corps to administer certain oaths, and for other purposes.

On May 23, 1950:

H. R. 4433. An act to make retrocession to the Commonwealth of Massachusetts over certain land in Shirley, Mass.

On May 24, 1950:

H. R. 1354. An act to provide for a per capita payment from funds in the Treasury of the United States to the credit of the Indians of California;

H. R. 3494. An act to authorize the Secretary of the Interior to transfer a building in Juneau, Alaska, to the Alaska Native Brotherhood and/or Sisterhood, Juneau (Alaska) Camp; and

H. R. 5097. An act for the administration of Indian livestock loans, and for other purposes.

On May 25, 1950:

H. R. 2387. An act authorizing the Governor of Alaska to fix certain fees and charges with respect to elections;

H. R. 4732. An act to direct the Secretary of the Army to convey certain lands to the Two Rock Union School District, a political subdivision of the State of California, in Sonoma County, Calif., and for other purposes; and

H. R. 8199. An act to amend certain provisions of the act of May 25, 1948 (Public Law 554, 80th Cong.), relating to the Flathead Indian irrigation project.

On May 26, 1950:

H. J. Res. 476. Joint resolution making temporary appropriations for the fiscal year 1950, and for other purposes.

GENERAL LEAVE TO EXTEND REMARKS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks in the Appendix of the RECORD today and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

RELIEF OF CERTAIN CONTRACTORS EMPLOYED IN CONNECTION WITH CONSTRUCTION AT SAN FRANCISCO

Mr. HOBBS. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 93.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the President of the United States be, and he is hereby, requested to return to the Senate the enrolled bill (S. 794) for the relief of certain contractors employed in connection with the construction of the United States Ap-

praisers Building, San Francisco, Calif.; that if and when said bill is returned, the action of the Presiding Officers of the two Houses in signing said enrolled bill be deemed to be rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed, in the reenrollment of the said bill, to make the following change, namely: On page 2, line 2, of the engrossed House amendments strike out "$709.84" and in lieu thereof insert "$790.84."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

Mr. RICH. Reserving the right to object, Mr. Speaker, I would like to know what this resolution is.

Mr. HOBBS. This is simply to correct the mistake that was made in enrolling the bill S. 794. The amount was stated as $709 and it should have been $790.

The SPEAKER pro tempore. The Chair understands this action is necessary today.

Mr. HOBBS. With all due respect to the situation, this is the last day for the President to sign the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ORGANIZATION OF THE ARMY AND THE DEPARTMENT OF THE ARMY

Mr. COLMER, from the Committee on Rules, submitted the following privileged resolution (H. Res. 619, Rept. No. 2172), which was referred to the House Calendar and ordered printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

RECESS

Mr. REED of New York. Mr. Speaker, a parliamentary inquiry. Will the House stand in recess in order to go to the Library?

The SPEAKER pro tempore. The Chair appreciates the inquiry made by the gentleman from New York, which is a very pertinent one. The Chair is about to make an announcement.

The meeting to be held today in the Coolidge Auditorium of the Library of Congress to hear the Secretary of State will begin promptly at 12:30 this afternoon, and the Chair suggests that Members leave immediately in order that they may be seated in the auditorium by that hour.

The Chair declares the House to be in recess subject to the call of the Chair.

(Thereupon, at 12 o'clock and 6 minutes p. m., the House stood in recess, subject to the call of the Chair.)

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore at 1 o'clock and 50 minutes p. m.

REORGANIZATION PLAN NO. 26 OF 1950—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 609)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 26 of 1950, prepared in accordance with the Reorganization Act of 1949 and effecting reorganizations in the Department of the Treasury. The reorganizations included in this plan are identical with those contained in Reorganization Plan No. 1 of 1950, except that the functions of the Comptroller of the Currency are unaffected by Reorganization Plan No. 26 of 1950.

In transmitting Reorganization Plan No. 1 of 1950 on March 13, I stated that the reorganizations contained therein were essential to clarification of the lines of authority and responsibility in the executive branch. I further emphasized that those reorganizations would put into effect in the Department of the Treasury the principal remaining recommendations of the Commission on Organization of the Executive Branch of the Government affecting the location of management responsibility. I urged the Congress to add its approval to my acceptance of these recommendations of the Commission on Organization.

On May 11 the Senate disapproved Reorganization Plan No. 1 of 1950. The reason for the disapproval was the inclusion of the functions of the Comptroller of the Currency among the responsibilities proposed to be transferred to the Secretary of the Treasury. Accordingly, in order to meet the objection which led to such disapproval and to preserve the major benefits of the disapproved plan, Reorganization Plan No. 26 of 1950 is transmitted herewith.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 26 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949.

I have found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of reorganizations made thereby, provisions for the appointment and compensation of an Administrative Assistant Secretary of the Treasury. The rate of compensation fixed for this officer is that which I have found to prevail in respect of comparable officers in the executive branch of the Government.

The taking effect of the reorganizations included in this plan may not in itself result in substantial immediate savings. However, many benefits in improved operations are probable during the next years which will result in a reduction in expenditures as compared with those that would be otherwise necessary. An itemization of these reductions in advance of actual experience under this plan is not practicable.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 31, 1950.*

REORGANIZATION PLAN NO. 27 OF 1950—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 610)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Expenditures in the Executive Departments and ordered to be printed:

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 27 of 1950, prepared in accordance with the provisions of the Reorganization Act of 1949. This plan will create a Department of Health, Education, and Security, as one of the executive departments of the Government, and will transfer to it the functions and constituent units of the Federal Security Agency. The Department will be headed by a Secretary of Health, Education and Security, who will be vested with essentially the same duties and authority as are now vested in the Federal Security Administrator.

It is unnecessary to recite again the considerations which make the creation of such a department desirable. As I pointed out in my message transmitting Reorganization Plan No. 1 of 1949, such action has repeatedly been recommended by my predecessors and myself, as well as by others who have studied our Government organization. The scope and importance of the functions of the Federal Security Agency plainly warrant departmental status. I feel that there should be no further delay in effecting this essential reorganization.

The present plan is designed to meet the major objections which were raised in opposition to the 1949 plan when it was disapproved by the Senate. A principal criticism of the 1949 plan was that, in centralizing all statutory authority in the Secretary, as recommended by the Commission on Organization of the Executive Branch of the Government, the plan threatened in matters of health and education unduly to subordinate professional judgment to nonprofessional domination. The present plan is not open to this criticism.

Under the present plan, the Surgeon General and the Commissioner of Education retain all the statutory authority and duties now vested in them. The Public Health Service and the Office of Education remain intact as statutory entities with statutory functions. The Surgeon General and the Commissioner of Education will have the same relationship to the Secretary of the new

Department that they now have to the Federal Security Administrator.

Furthermore, the present plan provides that the Surgeon General and the Commissioner of Education, along with the Commissioner of Social Security, will report directly to the Secretary. This provision assures that these officials can deal directly with the Secretary in the performance of all matters in their respective fields of responsibility, and the Secretary will thus be in a position to transmit their views to the President and the Congress. It represents an additional safeguard against the fear of the possibility that the views of these officials could be unduly subordinated.

A further difference between this plan and last year's plan is in the name of the new Department. In the minds of some the title "Department of Welfare," which was used in the 1949 plan, did not adequately comprehend the health and educational functions and implied their subordination. To avoid any possible misunderstanding, the present plan uses the longer and more explicit title, "Department of Health, Education and Security."

The present plan retains one of the major advantages of the 1949 plan, namely, to permit the Secretary to establish central administrative services for the Department in the interest of efficiency and economy. Thus, he will be able, if he finds such purposes will be served, to centralize for the Department such services as procurement, budgeting, and accounting. This grant of authority is specifically limited so as not to infringe on the substantive professional responsibilities retained by officials within the Department.

Another advantage of the plan is that it provides for a uniform method of appointment for the positions of the Surgeon General, the Commissioner of Education, and the Commissioner of Social Security. Today, two of the three positions are filled by Presidential appointment, while the third is filled by appointment by the Administrator. Though the Surgeon General must be selected from the commissioned regular corps of the Public Health Service, no professional qualifications are now prescribed by law for the other two posts. The present plan provides that all three positions be filled by Presidential appointment, subject to Senate confirmation. In each case, appropriate professional qualifications are required and the selection of the Surgeon General from the commissioned corps will become discretionary rather than mandatory.

To the extent that this plan would give departmental status to the agency administering the social security and education functions, it is in accord with the one recommendation of the Commission on Organization of the Executive Branch for the creation of a new executive department. I recognize, as I did last year, that the Commission made a further recommendation with respect to the organization of the health functions of the Government. The adoption of this plan will not in any way interfere with further adjustments in the functions of the new department either by statute or reorganization plan.

After investigation I have found and hereby declare that each reorganization included in Reorganization Plan No. 27 of 1950 is necessary to accomplish one or more of the purposes set forth in section 2 (a) of the Reorganization Act of 1949. I also have found and hereby declare that by reason of these reoganizations it is necessary to include in the reorganization plan provisions for the appointment and compensation of the following officers: Secretary of Health, Education and Security, Undersecretary of Health, Education and Security, Assistant Secretary of Health, Education and Security, Administrative Assistant Secretary of Health, Education and Security, Surgeon General of the Public Health Service, Commissioner of Education, and Commissioner of Social Security. The rates of compensation fixed for these officers are, respectively, those which I have found to prevail in respect of comparable officers of the executive branch of the Government.

The reorganization plan will go far toward providing the status and type of organization which the magnitude and importance of the functions now administered by the Federal security agency demand. It will facilitate coordination with other major segments of the executive branch through the granting of Cabinet status. It will provide a more adequate supervisory structure and will contribute to administrative efficiency and economy. Consistent with the Reorganization Act itself, the plan neither provides for any new program nor extends or enlarges existing programs beyond the scope of present legislation.

While it is not practicable at this time to estimate the savings that will accrue from the plan, modest but worth-while economies will result from the factors already cited together with the authority conferred by the plan to improve the administration of the services common to the various agencies of the department.

The creation of this new department is long overdue. While I do not believe that the criticisms advanced against plan No. 1 of 1949 were well-founded, the present plan has been substantially modified to meet them. I recognize that as a result the present plan falls short of what I would regard, and what the Commission on Organization regarded, as the clearest lines of responsibility and authority within executive departments. Nevertheless, in my judgment, the present plan is still an important step forward toward better organization of the executive branch. It provides an adequate basis for establishing this new executive department. I strongly urge that the Congress allow this reorganization plan to become effective.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 31, 1950.*

SECOND SPECIAL REPORT OF INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 611)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed, with illustrations:

To the Congress of the United States:

In accordance with section 4 (b) (6) of the Bretton Woods Agreements Act, there is transmitted herewith the second special report on the operations and policies of the International Monetary Fund and the International Bank for Reconstruction and Development.

HARRY S. TRUMAN.

THE WHITE HOUSE, *May 31, 1950.*

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. EDWIN ARTHUR HALL, for an indefinite period, on account of illness in the family.

BILL PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on May 25, 1950, present to the President for his approval a bill of the House of the following title:

H. R. 7797. An act to provide foreign economic assistance.

ADJOURNMENT OVER FROM THURSDAY TO MONDAY

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE LATE HONORABLE WILLIAM LEMKE, A REPRESENTATIVE FROM THE STATE OF NORTH DAKOTA

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, all of us were shocked to learn of the untimely passing of our good friend and colleague BILL LEMKE, of North Dakota. He will be sorely missed, not only for his legislative ability but also for his friendliness, his winning smile, and the hand of good fellowship which he extended to all men, particularly those in need. He worked tirelessly for what he believed to be for the best interests of agriculture. And we know how he ardently sought to aid our veterans.

I do not know anyone who has had a more colorful career than BILL LEMKE. He was well known not only in the farming communities of the Northwest; he was well known in practically every State. In seeking to advance the things in which he believed, in seeking to serve his country as well as his home State of North Dakota, BILL LEMKE actively participated in national campaigns. In 1936 he was a Presidential candidate, being convinced that he could in that way best serve the principles of government in which he believed.

Mr. Speaker, with the passing of BILL LEMKE we have lost a brilliant lawyer, an able legislator, an outstanding American, and a fine friend. I extend to his family my sincere sympathy.

Congressman WHITE of Idaho loved Congressman LEMKE dearly, and, in Con-

gressman WHITE's absence, his wife gave me these stanzas which she composed in honor of Congressman LEMKE, who had gone home a few days ago to plant dahlias, of which he was so fond. I shall read them at this time:

Not in the wake of power's greed,
Was his soul freed,
He planted his flowers—

With this lovely thought in mind
He left life's strife behind
To plant his flowers.

To him his home did call,
To him home life was all—
He planted his flowers.

Now in the garden over there
He resteth from his labors fair,
He reapeth his flowers—

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the distinguished gentleman from Arizona.

Mr. MURDOCK. Mr. Speaker, it was only a few days ago when the Alaska homestead bill was being considered by the House that our colleague from North Dakota, Mr. LEMKE, took the floor favoring his legislation. That day I had a great many thoughts running through my mind because I have been working with Congressman LEMKE concerning that and other bills on the Public Lands Committee. I had little time that day to do more than to praise him for his energetic persistence in trying to pave the way for a new commonwealth to be settled by veterans. I am glad now I said to him even a few of the kindly thoughts I had for him.

I have worked with BILL LEMKE for many years on the Public Lands Committee, and especially on the Subcommittee on Indian Affairs. Our leader has just spoken of his friendly attitude toward the poor and oppressed, and he can back up that statement quite well with Congressman LEMKE's attitude toward the American Indian. Many times large delegations of Indians have come to attend our committee hearings. I always noticed the affection and the understanding between them and their beloved Congressman. No man was more diligent in protecting the rights of the Indians in his community, and other Indians too, for he took a friendly interest in my Navajos and Hopis and the Indians in far-away lands that he had not visited. He was truly a friend of the poor and oppressed and those who did not have a spokesman for them other than their elected Congressman in these halls.

We have lost a valuable Member in this versatile and many-sided Congressman. I express sympathy for his loved ones and grieve with you in his passing.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Iowa [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I read this morning with profound sorrow of the passing of BILL LEMKE.

BILL LEMKE was an able and fearless legislator. As has already been said, he was primarily interested in all those in life less fortunate than himself. But BILL LEMKE was more than that. BILL LEMKE was a typical son of America. He represented a great segment of our country in the Midwest. He understood those people. He worked for them. Their needs were his interest. He never forgot them. He will always be remembered in the Midwest, particularly in my great State of Iowa, for his coauthorship of the Frazier-Lemke Act. The Frazier-Lemke Act, of which he was one of the authors, has been of great benefit to the midwestern farmers. At the time of his death he had a bill pending to extend the Frazier-Lemke Act and its benefits to the American people. He never for a moment forgot his zeal and his desire to help mankind and his fellows. He was was a particularly gracious man. Here on the floor of this House, never in all the years have I known him to lose his temper or to say an unkind word or do an unkind act. I recall him particularly not so very long ago. He had a bill that was on the Consent Calendar. He was much interested in the bill. He came to the objectors, including myself, handling the Consent Calendar. We told him it involved too much money, that it was too controversial to be on the Consent Calendar, that he should get a rule for it. After talking it over he said: "You are right; it should not be on the Consent Calendar. I do not blame you boys a bit; I will have to handle it another way"; and he himself then requested that we pass his own bill over without prejudice. He was a very reasonable man.

I know by his work on the floor he has been equally kind to his family, all of his relatives, and all who loved him; and I know that the State of North Dakota has lost a great man, a great citizen, and the United States has lost a great legislator.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Ohio [Mr. McSWEENEY].

Mr. McSWEENEY. Mr. Speaker, I am grateful to the gentleman from Illinois [Mr. ARENDS] for allowing me to participate in this sad hour in paying tribute to a great friend and able legislator, the Honorable WILLIAM LEMKE, of North Dakota.

If I may, I wish to paraphrase a statement made by a great American, Daniel Webster, who, after he had been in a debate for a long time, said, in substance, "Let us emulate the spirit of the mariner whose ship had been tossed by the sea and wind who, at the first appearance of the sun after the storm had subsided, lets down his plummet to see how far he has drifted from his true course."

So I think that in the House of Representatives we cannot truly and entirely take our measure of a colleague in the storm of our work here when we are struggling with the great problems, trying to present our own point of view, working for the well-being of the people of our respective districts, and fighting for the things we think are right often in a too personal way. So, as the mariner, when this person is calm and at rest in his home or free from strife we should drop the plummet into his heart and find the things that are there. Such an occasion came to me to have a really quiet and peaceful time with Mr. LEMKE.

Mr. LEMKE honored Hon. MICHAEL KIRWAN and myself, when I was serving as Congressman at Large from Ohio, by coming to Youngstown to make a speech. That night we drove back through the hills of Ohio in the moonlight, on through Pennsylvania, Maryland, and on to Washington, Mike Kirwan, Bill Lemke, my brother James, and myself. I heard Mr. LEMKE discuss many things there in the calm of the night that were close to his heart, and we all came to know him as a different but truly wonderful and sincere person. I differed with him on some of his political concepts, but when I learned the sincerity, when I learned the deepness of his thoughts with regard to these things, I realized that there was no more sincere Member of this House than BILL LEMKE. I think, as my colleagues have said before me, not only we who served in the House here with him but those whom he served so faithfully in his district, as well as those who need a real champion in public life anywhere, will greatly miss Congressman LEMKE. As the gentleman from Arizona [Mr. MURDOCK] said, the less fortunate peoples of the world will always pay tribute to the type of person that was BILL LEMKE.

I send my sincerest sympathy to his family, to his friends, and to you, my colleagues. Let us hope and pray that a gracious Providence has not broken the mold and that He will give us other Bill Lemkes.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, it is difficult to reconcile myself to the death of my friend and colleague the Honorable WILLIAM LEMKE, who for so many years ably, faithfully, and courageously served not only the people of his own State, but the American people as well.

In BILL LEMKE, North Dakota gave to the Nation one of the most fearless Congressmen of all time. He asked no quarter and gave none, taking orders from no man or group of men, living and working under a code of honesty that came from a heart whose every beat was with compassion, respect, and love for ordinary citizens in all walks of life. He lived their kind of life and fought their battles up to the very moment of his death.

The Nation probably will remember BILL LEMKE best as the outspoken fighter that he was, but those of us privileged to know him as an individual, man to man, will never forget another equally inspiring characteristic: That of patience and tolerance. Yes, he was intolerant of the mouthpieces of selfish interests and wasted no time on them. But he was never too busy to give of himself to sincere people, no matter what their stature; never too busy to lend a hand wherever deserved and needed. I first met Congressman LEMKE early in the 1930's, and when I came to Congress in 1949, a green freshman from Iowa, he was never too busy to help me.

From BILL LEMKE's overwhelming love of little people came such forthright legislation as the Frazier-Lemke bill and the Lemke cost-of-production farm bill. The latter, H. R. 1686, introduced in the first session of this Congress, I was proud to reintroduce under my name in the present session, and I hereby pledge to continue to the best of my ability BILL

LEMKE's crusade for cost-of-production prices for the farmers of this country.

Mr. Speaker, we of the House of Representatives have lost a friend and helper. But the people of the United States have lost much more. They have lost a champion.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, when, on the convening of the Seventy-sixth Congress, on January 3, 1939, I found myself in the position of chairman of the Committee on Revision of Laws, I was most fortunate that among the distinguished Members of the House serving on that committee was our late colleague, Mr. LEMKE. In this work he was a tower of inspiration. He immeasurably aided the committee and me in the laying down of a program for the revising of the laws, which happily went forward from that day and continues now under the jurisdiction of the Committee on the Judiciary. He saw in such work as that, unpublicized and unheralded as it might be, an opportunity better to serve his follow Americans, for as interested as he was in making the laws he realized the importance of making those laws understandable. To the work he brought a store of legal learning and experience that is unsurpassed in this country.

So, Mr. Speaker, we who knew him by working with him know of the tremendous loss to this Congress, to his State, and to the country, and our expressions of sympathy to those he leaves behind are deep and sincere.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Speaker, the news of the death of our colleague, Mr. LEMKE, this morning greatly shocked me. As chairman of the Indian Affairs Subcommittee of the Public Lands Committee I had learned to rely to a great extent upon this gallant, good, and great colleague for good advice and for cooperation and help.

It is hard for me to realize that he is going to be among us no more. He was one of those rare individuals who seemed to be at any place where you would want to contact him. He seemed to always be in his office, always in the committee, always on this floor, always where he was needed and wanted.

I have never seen any man just like him. I have had the occasion to associate with him closely for some time because of our committee work. I would have need to advise with him most every day, and at any time I would want to advise with him I would have no trouble contacting him. I would look around on the floor and there he would be. He was also always in committee.

I did not realize that he had reached the age he had reached. He seemed to me to be a much younger man. He was so active for one of 70 years of age and more.

I think it is apparent to all who have listened to these eulogies here today that he had some outstanding characteristics and virtues. They have been mentioned. One was his courage. There is not a person in this House in my judgment who was more courageous than he was. I doubt if any of us are as courageous as he was. I believe he was the most courageous man, politically, that I have ever known; and courage is a great virtue indeed.

Then, in addition to being truly courageous, he was one of the most tireless, indefatigable workers that I have ever known. It is essential if we are to do anything like a good job here that we work long hours, and he certainly worked long hours. Also he had deep convictions about the things that he dealt with, and he dealt with many things. His knowledge was very broad. But he was not a stubborn man and he would listen to anyone who differed with him, and he would change his mind if convinced he was first in error. I have seen him change his mind about bills and admit that his first conception was wrong. I like to see that in people, and you do, too, and that is exactly the kind of man that he was. He was brilliant, efficient, and in my judgment most times right, but always willing to admit an error. He was in fact a big man indeed.

I doubt seriously, my friends, and I say this from the bottom of my heart, that America has ever had a finer, nobler, greater Congressman than BILL LEMKE.

Someone once said something like this:

Do you fear the force of the wind, the slash of the rain,
Go face them and fight them, be savage again;
Go hungry and cold like the wolf, go wade like the crane,
The palms of your hands will thicken, the skin on your cheeks will tan;
You'll grow hungry and weary and swarthy but you'll walk like a man.

To my mind that more or less symbolizes the character of BILL LEMKE. He certainly walked like a man. He was a true American; he was a great man. I am going to miss him personally. I am going to miss him as a friend, as a counselor, and as a member of our committee. The loss to this House is going to be great and the loss to the Nation will be felt in the passing of this great American citizen, the Honorable WILLIAM LEMKE, of North Dakota. May God bless his loved ones who mourn his passing.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Speaker, I would not want this moment to pass without paying a very brief but sincere tribute to the memory of WILLIAM LEMKE. When I learned of his death this morning I thought of what he said to me last week. He was greatly interested in the bills from his committee already referred to by the gentleman from Arizona [Mr. MURDOCK]. We wanted to get those bills, particularly the homestead bill and some bills relating to Indian welfare, passed.

After they had been passed he came and asked me what we might have on the program for this week. I explained the program to him as best I could, and BILL LEMKE said, "Well, when we get these bills out of the way, I think I will go home for a few days." This morning when I picked up the paper I thought, "BILL LEMKE went home, not for a few days, but for eternity." He was a man of great sincerity in his relations among his colleagues in the House. I think he impressed us all with the bigness of his soul.

BILL LEMKE was a man about whom I think it could be said, as Bryant said in Thanatopsis:

So live, that when thy summons comes to join
The innumerable caravan which moves
To that mysterious realm where each shall take
His chamber in the silent halls of death,
Thou go not, like the quarry-slave at night,
Scourged to his dungeon, but, sustained and soothed
By an unfaltering trust, approach thy grave
Like one who wraps the drapery of his couch
About him, and lies down to pleasant dreams.

Mr. Speaker, I think that describes BILL LEMKE as most of us knew him. To his sorrowing family I extend sincere sympathy.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Hawaii [Mr. FARRINGTON].

Mr. FARRINGTON. Mr. Speaker, I learned with profound sorrow this morning of the sudden death of WILLIAM LEMKE. I join in this tribute and in extending to Mrs. Lemke and his other relatives my sympathy in a deep sense of sorrow.

We, of Hawaii, lost a great friend when WILLIAM LEMKE passed to his last reward. The people of Guam, the people of the trust territory, the people of American Samoa, and the people of the Pacific islands generally also lost a great friend.

We, of the Pacific can ill afford to lose men like WILLIAM LEMKE. Congress, too, can ill afford to lose men of his knowledge of and his sympathy for the people of the Pacific and their problems.

I was with Mr. LEMKE last fall when a subcommittee of the House Committee on Public Lands took an extremely strenuous tour down to American Samoa, through the Marshall and Caroline Islands and then up to Guam to investigate the problems involving the government of these people. It was with great difficulty that the committee was formed as few members of the Public Lands Committee were willing to take the trip. The demands made on the time and energy by other responsibilities were so great that few were able or willing to go. But Mr. LEMKE, despite his advanced years, became a member of that committee and in consequence returned to Congress in January with a knowledge of the problems of the Pacific area which was invaluable. He was one of the few Members of the House who have that knowledge.

We who live in the Pacific Islands know what it means to have friends like WILLIAM LEMKE in this House. We know what it means to have his voice on our side when the hour of need arises.

He sat for hours through hearings in American Samoa when the temperature was running close to 90. One afternoon he rode through a driving rain without any protection to attend a small meeting at Mokil, an island many of you may never have heard of. His clothing was

soaking wet, but he remained throughout the meeting to hear what the natives had to say. He sat for days listening to the people of Guam tell their story. Throughout the Pacific islands, Kwajalein and Majuro in the Marshall Islands, Kusaie, Mokil, Panape, and Truk in the Caroline Islands, American Samoa, Guam, and Hawaii the people will grieve the loss of this man because they sensed in him a great friend. He had sympathy for these people. He understood them. When they left him, they felt they were saying farewell to a friend.

I put this upon the record so the people of the State of North Dakota and the Members of Congress will know how we of Hawaii and of the Pacific islands feel about the great and unselfish service WILLIAM LEMKE rendered us and rendered his country. I know of no finer manifestation of unselfishness in public service than was exemplified by what he did in this field. It was a fine exhibition of the magnificent service so often rendered by many Members of this great body unbeknownst to their own constituencies.

In the death of WILLIAM LEMKE we have lost a man of great ability, boundless energy and broad sympathies. The memory of him will long remain with those of us who saw him at first hand at work for the people and the country to whose welfare he was so thoroughly devoted throughout his long career as a public official.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. HAGEN].

Mr. HAGEN. Mr. Speaker, the passing of our good friend BILL LEMKE is a distinct loss to me and many Members of this House who knew him here for a long time. He was ever ready and willing to give advice and counsel to any new Member who came here.

The State of North Dakota has lost one of its greatest, most energetic, and useful representatives ever sent to the Nation's Capital in Washington. The State of Minnesota, where he was born and raised, has also lost a great friend and a great benefactor.

I just want to give you an example of what he did recently. On just an hour's notice, he sent his secretary, William Skeels, out from Washington by special airplane with me and others to the flood areas in Minnesota and North Dakota to see what could be done for the people there.

He immediately introduced legislation and contacted members of committees to see what could be done. His work will now bear fruit. Every effort is being made to help the people of Minnesota and North Dakota who suffered so badly on account of the recent flood disasters. Our friend, BILL LEMKE, was genuinely interested in their welfare.

The Nation has lost a national figure and a man whose legislative efforts have left a very profound, and useful, impact on millions of Americans. We have lost a great patriotic servant in the House of Representatives. It is a great loss to the country.

We all sympathize with his wife and family in his passing.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, I was deeply grieved, just as my colleagues were, when I read the sad news of the passing of my good friend BILL LEMKE. When I came to the Congress, one of the first men with whom I first became intimately acquainted was our late colleague, Bill. BILL LEMKE was a man of sterling worth and genuine integrity. He was an independent thinker. No pressure group could swing BILL LEMKE if he did not agree with them. No man could buy BILL LEMKE; he was not for sale. No one ever bought BILL LEMKE's vote or support that we know. BILL LEMKE was, in my opinion, one of the most sincere, conscientious, and able legislators I have had the privilege of knowing.

As a member of the Committee on Public Lands of the House of Representatives, he rendered great service to the West, as well as to the entire Nation. He always had the folks who were struggling to get along most at heart. He did great things for the American Indians. He did great things for people he felt needed help. Only a week ago he stood on the floor of the House in defense of legislation introduced by him providing for homesteading in Alaska. As Bill explained, that legislation would be of great benefit to the veterans of the Nation.

I am especially happy now that that bill which is of such great importance to the development of Alaska passed the House of Representatives. BILL LEMKE was pleased and gratified, and he felt honored because he had worked hard to bring that legislation to perfection and then to have it adopted by the House of Representatives just before he left for home to plant his garden and flowers.

As a member of the Interior Subcommittee of Appropriations, I had many visits with BILL LEMKE about the problems of the 17 Western States in which he was so vitally interested.

As I look back now I think of the many times I went to BILL LEMKE for guidance and counsel in my desire to do what was right and proper for the development of the great West. The Honorable WILLIAM LEMKE was truly one of God's chosen people. We shall miss him. The Nation has lost an able legislator.

My heart goes out to his fine family.

God rest his soul.

Mr. ARENDS. Mr. Speaker, I yield to the majority leader of the House, the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, I am in complete agreement with everything that my colleagues who have preceeded me have said about our late and valued friend, BILL LEMKE.

There is one aspect that I think I can express a little more than some of my colleagues can, due to the official position that I hold in the House as majority leader.

BILL LEMKE was a gentleman, honorable and trustworthy, a sweet character, bubbling over with an abundance of feeling and affection for his fellowman, particularly the sick, the suffering, the weak, the underprivileged, and those less fortunate than himself. He was a man who truly possessed nobility of mind and character. His life was an example of that.

His position in this body as a legislator has been referred to, and properly so. He was one of the outstanding Members of this body. But I knew him also from another angle that others observed but may not have known so well, as far as this element of his being impress upon them is concerned. I came across that element by reason of my official position. That was BILL LEMKE, the wholesome, persistent legislator. If BILL LEMKE was interested in any legislation, he was persistent in having it acted upon in committee, and, when reported out, in trying to have it brought up in the House of Representatives. I have said wholesome and persistent legislator, because his persistency, as other Members have referred to, was connected with an appreciation of the responsibilities of others. He would try to get his bill up, and persisted in it, but recognized the difficulties of leadership in bringing it up as quickly as he would like to see a bill in which he was interested brought up for consideration by the House. In connection with that my mind goes back to last Wednesday, Calendar Wednesday, when BILL LEMKE had three bills to be called up when his committee was reached on the Calendar Wednesday call. On Thursday preceding, BILL came to me on the floor of the House and told me he would like to have those bills brought up. There were two bills relating to tribes of American Indians, and a bill relating to homesteads for veterans in Alaska. He had spoken to me about them on a number of previous occasions; but a week ago last Thursday he came to me and expressed the hope that they could be programed, and through the medium of Calendar Wednesday. I said, "Why do not you bring it up under the 21-day rule, as I understand the 21-day rule is out on the Alaska bill, and the other two could probably be brought up by unanimous consent." But he preferred to bring them up on Calendar Wednesday. I said, "Bill, I am giving the House next week a tremendously heavy program." All the Members know that last week's program was a very heavy one, one that would ordinarily take 3 weeks for the House to consider. I said, "I do not know that I can give you Calendar Wednesday," but I said, "I will promise to give you Calendar Wednesday of next week." That would be this week. What a strange coincidence. I am talking here rendering a brief eulogy on him on the very day I said to him that I would be glad to give him, Calendar Wednesday, to bring up those three bills; and he said to me, "Well, all right, John; I am going out to North Dakota to do some planting"—that one of the Members referred to—"and some other work, and I will come back."

He could have stopped, Calendar Wednesday being dispensed with last week by his objection, but he would not do it. That was the wholesome part of the persistent legislator that BILL LEMKE was. When he told me that he was going out to North Dakota and that then he was going to come back, I said, "Bill, I am not going to have you do

that; that presents a little different situation to me. I am going to give you Calendar Wednesday; I am not going to have you go out to North Dakota and then fly back with all the trouble and expense of doing that, going out and coming back for Calendar Wednesday of this week," which would be today. It was his wholesome approach, his understanding state of mind of the difficulties of leadership. Because of his cooperative attitude, he will always be identified in my mind, along with the other fine qualities that he possessed, as being the wholesome, persistent legislator.

To Mrs. Lemke and her children Mrs. McCormack and I extend our profound sympathy in their bereavement.

In the case of a good life, death is not the end; it is the beginning of eternal life with God Himself. BILL LEMKE led a good life. I am not the judge; no human being is the judge; God Himself is the judge. But the widow and children of BILL LEMKE and his friends and constituents and those who admired him, knowing that BILL LEMKE lived a good life during his journey on earth, realize that his soul can approach the great judgment by the Maker with confidence.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, the strain of long grueling hours in committee and on the floor of the House of Representatives is taking its large and sad toll of our membership. Hon. WILLIAM LEMKE, my valued friend and colleague, has been stricken. We who have served with him all know that he has represented his State and Nation with fidelity and distinction. We all know that Representative LEMKE brought to bear on legislation his keen analytical mind and his wide range of knowledge. Our departed friend represented a people of pioneering spirit, many of whom had dared the perils of the seas to land on strange shores, and with their unbounded courage and energy staked their future on the beautiful plains of what is now the great State of North Dakota.

"Bill" as Congressman LEMKE was affectionately called by all of us, was ever pioneering in the field of legislation just as his forebears possessed of the same spirit and left to him and to our Nation the legacy of a rich, free, enlightened sovereign State.

I have enjoyed and valued the friendship of our departed friend, therefore, his death comes to me as a personal loss. Mrs. Reed and I extend to Mrs. Lemke and family our heartfelt sympathy in their great bereavement.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. RANKIN.]

Mr. RANKIN. Mr. Speaker, it is useless for me to tell the House that the news of BILL LEMKE's sudden passing was a great shock to me. I have served with him for a long time. I know his record on those measures that affect the welfare of humanity as well as any other Member of the House.

I have been chairman of the Committee on Veterans' Legislation longer than any other person who ever served in Congress. I have never found a more sympathetic supporter of legislation affecting our disabled veterans than BILL LEMKE.

He was a real American.

This morning I checked over the RECORD on a subject on which Mr. LEMKE and I have voted together almost unanimously since he first came to this House. I refer to the power question, the saving of the water power of this Nation for the welfare of the American people, and extending power lines to the farmers of the country.

I realize that many public men are prone to overlook the man who tills the soil. Edwin Markham described him when he said that—

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.

That man never had a better friend in Congress than BILL LEMKE, of North Dakota.

In addition to that, I considered him a Christian gentleman. He has gone to that "undiscovered country from whose bourne no traveler returns," in which I am sure that he will greet the coming of another age of youth and usefulness in another radiant Easter beyond the gates of night.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Idaho [Mr. SANBORN].

Mr. SANBORN. Mr. Speaker, in the passing of the Honorable WILLIAM LEMKE, I feel a great personal loss, the loss of a good and honest friend. I am not the only one, of course, who has suffered this great loss. The Public Lands Committee will certainly miss BILL LEMKE, so will the Members of the House of Representatives. This loss extends not only to North Dakota, but to the whole Nation.

Mr. Speaker, as a member of the Committee on Public Lands I came to know BILL LEMKE very well and came to appreciate his very fine qualities. BILL LEMKE was a real American. He persevered in many ways to help humanity.

He thought of those who needed help, he thought of his country and its betterment. Only a short time ago a spontaneous tribute was given to BILL LEMKE in the Committee on Public Lands. As so often happened, a piece of legislation that he was sponsoring was being considered by the Public Lands Committee, legislation for the betterment of the Indians. Bill was a great friend of the Indians, not only of the Indians of North Dakota, but the Indians of America. In this spontaneous expression a great tribute was paid Bill by many members of the Committee on Public Lands, a tribute to his fine character while he was still living and present.

My heart is full of sympathy for those who are near and dear to him.

Mr. ARENDS. Mr. Speaker, I yield to the gentleman from Montana [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Speaker, words are useless to express one's real feeling at a time like this, but unfortunately they are the only means which we have at our disposal to let others know just how we feel.

When I read in this morning's paper of the passing of BILL LEMKE, I knew that I had lost a real friend. Bill was not only interested in irrigation, reclamation, and agriculture in general, but more important, he was interested in people and their welfare. I appeared before him many times on committees on which he served so ably and so well, and on every occasion BILL LEMKE gave me every possible consideration on bills affecting the welfare of my State of Montana. I know that were my colleague, the gentleman from Montana [Mr. D'EWART], present today, that he would join with me in this eulogy, because he sat next to BILL LEMKE on the Committee on Indian Affairs and he knows as I do that in matters affecting the welfare of the country as a whole BILL LEMKE always listened, always gave us every consideration and always did everything he could to assist us.

The State of North Dakota has lost a fine citizen and a good Congressman. The State of Montana, the Northwest, and the people of the United States as a whole have lost a good friend. May his soul rest in peace.

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the passing of our late colleague, WILLIAM LEMKE.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mrs. BOSONE. Mr. Speaker, when the radio announced the sudden demise of WILLIAM LEMKE, our eminent colleague, I was not only shocked but saddened.

Much has been said and much could be said of the type of man and the type of legislator Mr. LEMKE was. I appreciate, as his friend and committee colleague, all of the tributes that have been made on the floor of the House today.

There is one element in Mr. LEMKE's character that I particularly would like to stress. He was a man of conviction—sincere and honest conviction. I have long since admired the type of citizen who thinks his way through to a conclusion—believes in his conclusion—and then has the courage to fight for it. No one ever had to guess on what side of the fence on any issue Mr. LEMKE placed his strength. He was anything but wishy-washy—he was direct and clear cut. But along with his strong character, there was a tenderness that drew people to him, and there was not a jealous or vicious thought in his head. A man of such strong convictions and yet one with such warm kindness became endeared to everyone who worked with him.

Congressman LEMKE was on my subcommittee which has recently been holding hearings on the bill to reestablish the Civilian Conservation Corps program. I am going to miss his faithfulness. I am going to miss his support.

The State of North Dakota has been honored by having Congressman LEMKE as its Representative in the national Congress.

Mr. WOLVERTON. Mr. Speaker, the news that our esteemed colleague, Hon.

WILLIAM LEMKE, of North Dakota, has passed into the Great Beyond comes with a suddenness that causes each of us to reflect on the uncertainty of life.

It has been my privilege, and I consider it a rare privilege, to have served with WILLIAM LEMKE during his entire service in the House of Representatives. It was a privilege in the opportunity it gave me to know this distinguished man in a very close and personal way. The close contact that I had with him enabled me to learn something of his innermost soul and purpose.

To know BILL LEMKE was to admire and respect him. He was a man of strong convictions. To him adherence to principle was the underlying and dominating influence in all that he did and said. His attachment to the principle involved in any matter in which he was interested held him to a straight course that did not permit him to deviate from what he considered right and just.

His interest in the welfare of his constituents was at all times of an outstanding character. He fought their battles intelligently and aggressively. On the last day he was in the House he obtained favorable action on bills that were close to his heart because they were for the welfare of the people he represented. He was happy in the success that attended his efforts and proud of the accomplishment.

BILL LEMKE not only thought in terms of the congressional district which he so faithfully and with such great ability represented, but, with the same fidelity he thought and planned in the terms of the Nation as a whole. He was ever anxious to promote the welfare of our people, particularly the weak and those he considered the downtrodden. He fought for right and justice that their lot might be improved. Often, he carried their battle into courts at his own expense so that justice might prevail.

The life and attitude of BILL LEMKE has left a deep impression upon me. He has passed from our midst but his influence will live on and continue to be an inspiration to each of us. He was a great American. He loved his country. Progressive in thought and with high ideals he served his country in a manner that will long be remembered.

I extend to the members of his family my deep and sincere sympathy in the great loss they have sustained. I hope that in their hour of bereavement they will find some comfort in the knowledge that his great service is appreciated by a host of friends who mourn his passing from our midst.

Mr. HORAN. Mr. Speaker, this is indeed an hour of sorrow for America. No Member of this body had a keener appreciation of the real needs and the real ambitions of those who toil to produce the Nation's fibers and foodstuffs than WILLIAM LEMKE, of North Dakota. His battle through the years to serve those who did live, thrive, and prosper on the land has indeed provided a landmark for many, many years to come.

Mr. D'EWART. Mr. Speaker, under leave previously granted, I wish to extend my remarks upon the occasion of the death of the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE and I worked closely together in matters of interest to our adjoining districts, and for a number of years we shared membership on the Public Lands Committee. I came to know BILL LEMKE well, and to respect his industry, his steadfastness for what he thought was right, and his ability as a legislator. He made many contributions to the work of our committee, and we will miss his advice and his leadership, his knowledge of public lands, Indian and reclamation problems, and his persistence in achieving solutions to those problems.

I shall miss him personally as a valued friend, a man of honesty, integrity, and unusual ability. My sympathy goes out to his family and to his thousands of friends in North Dakota.

Mr. CASE of South Dakota. Mr. Speaker, word of the death of the late Honorable WILLIAM LEMKE, Representative of the State of North Dakota, came to me when I was in my own State of South Dakota but I did not receive word of the funeral arrangements until it was too late for me to attend his burial. I want to place in the CONGRESSIONAL RECORD, however, the statement which I made upon hearing of the death of this distinguished public servant, a colleague who was a personal friend and a valiant comrade in many a battle on this floor and in committee rooms.

This was my comment at the time I first heard of his death:

I am shocked to hear of BILL LEMKE's death. Apparently he never quit. He was that kind—tireless, rugged, and incorruptible. Once he was regarded by some as a radical. He may have mellowed some in his methods but he never lost touch with the common people for whom he battled. We did not always vote alike but when we did not, I always respected the sincerity of his position and I think he respected mine. We shall all miss him.

I did not know fully then how much we would miss him. There is a quality of lonesomeness around these halls without his smile and his salty comment. The people of North Dakota have truly lost a great public servant and the House of Representatives one of its most useful Members.

Mr. ARENDS. Mr. Speaker, I offer a resolution (H. Res. 620).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. WILLIAM LEMKE, a Representative from the State of North Dakota.

Resolved, That a committee of eight Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER pro tempore. The Chair appoints the following Members to attend the funeral: Mr. CRAWFORD, Mr. CASE of South Dakota, Mr. MURDOCK, Mr. MORRIS, Mr. WHITE of Idaho, Mr. BURDICK, Mr. LOVRE, and Mr. MARSHALL.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 2 o'clock and 48 minutes p. m.) the House adjourned until tomorrow, Thursday, June 1, 1950, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COLMER: Committee on Rules. House Resolution 619. Resolution for consideration of H. R. 8198, a bill to provide for the organization of the Army and the Department of the Army, and for other purposes; without amendment (Rept. No. 2172). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KEATING: Committee on the Judiciary. H. R. 5381. A bill for the relief of Billy Ray Ridenour and L. L. Ridenour; without amendment (Rept. No. 2171). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAWSON:

H. R. 8674. A bill to constitute the Federal Security Agency a Department of Human Resources; to the Committee on Expenditures in the Executive Departments.

By Mr. FERNANDEZ:

H. R. 8675. A bill to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes"; to the Committee on Public Lands.

By Mr. GRANGER:

H. R. 8676. A bill to assist the Cooperative Agricultural Extension Service of the United States Department of Agriculture and the State land-grant colleges in providing services to the people of the United States on an equitable basis; to the Committee on Agriculture.

By Mr. HART:

H. R. 8677. A bill to authorize and provide for the maintenance and operation of the Panama Canal by the present corporate adjunct of the Panama Canal, as renamed; to reconstitute the agency charged with the civil government of the Canal Zone; and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MILES:

H. R. 8678. A bill to amend the act of June 9, 1906 (34 Stat. 227), entitled "An act granting land to the city of Albuquerque for public purposes"; to the Committee on Public Lands.

By Mr. WERDEL:

H. R. 8679. A bill to amend the act of May 28, 1926 (44 Stat. 670), entitled "An act granting public lands to the county of Kern,

Calif., for public park purposes"; to the Committee on Public Lands.

By Mr. NORRELL:

H. R. 8680. A bill to provide for the execution of a loyalty affidavit by every officer or employee in or under the executive, legislative, or judicial branch of the Government of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H. R. 8681. A bill to amend the Commodity Credit Corporation Charter Act to prescribe the share of lending agencies in the interest derived from loans made in carrying out loan programs of the Corporation; to the Committee on Banking and Currency.

MEMORIALS

Under clause 3 of rule XXII memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisian; requesting the insuring of the proper administration and processing of applications under the Displaced Persons Act of June 25, 1948; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOGGS of Louisiana:

H. R. 8682. A bill for the relief of Karel Anton Kovacic and Mrs. Maria Petrovic Kovacic; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 8683. A bill for the relief of Simone Lucacich; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 8684. A bill for the relief of Mrs. Yumiko Kawai Misanin and her daughter, Maria Mari Misanin; to the Committee on the Judiciary.

By Mr. JACKSON of Washington:

H. R. 8685. A bill for the relief of Mrs. Myrtle E. Moe; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8686. A bill for the relief of the Overseas Navigation Corp.; to the Committee on the Judiciary.

By Mr. SASSCER:

H. R. 8687. A bill for the relief of Angelo Messina; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2171. By Mr. HART: Resolution adopted by Board of Commissioners of the Mayor and Council of the City of Hoboken, N. J., protesting rent increases of excessive amounts granted by the regional Federal housing expediter; to the Committee on Banking and Currency.

2172. By Mr. RICH: Resolution of chapter 246, WOT Moose, Renovo, Pa., urging that order of Postmaster General curtailing postal service be rescinded; to the Committee on Post Office and Civil Service.

2173. By the SPEAKER: Petition of J. C. Watchman, vice president, Greater New Castle Association, Inc., New Castle, Pa., opposing any form of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

2174. Also, petition of F. Frank Ward, secretary, Vernal Chamber of Commerce, Vernal, Utah, requesting the defeat of any attempt to socialize medicine, and to prevent the enactment of House bill 6766; to the Committee on Interstate and Foreign Commerce.

2175. Also, petition of May Nakanishi, secretary, Japanese-American Citizens League, Salt Lake City, Utah, requesting Congress to increase the appropriation now allotted for the Justice Department to administer the evacuation claims program during the fiscal year 1951; to the Committee on the Judiciary.

2176. Also, petition of Generoso Tanseco, president, Filipino Shipowners Association, Manila, Philippines, vigorously opposing the enactment of House bill 7665, which would authorize the purchase of certain war-built vessels by citizens of the Republic of the Philippines; to the Committee on Merchant Marine and Fisheries.

SENATE

THURSDAY, JUNE 1, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, who in these searching days art sifting out the souls of men before Thy judgment seat, who hast ushered us into this strange world where no good thing cometh save as we fulfill the conditions of its coming, strengthen us for the high enterprise of being laborers together with Thee in building a more decent world where Thy children may dwell in plenty and fraternity and liberty. Though the road to peace for our time and for our children's children be tedious and toilsome, still lead us on, with patience following the gleam of Thy guidance, with clear heads and pure hearts, worthy of the trust the Nation has committed to our hands. We ask it in the Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 1, 1950.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. CARL HAYDEN, a Senator from the State of Arizona, to perform the duties of the Chair during my absence.

KENNETH MCKELLAR,
President pro tempore.

Thereupon Mr. HAYDEN took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. O'MAHONEY, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 31, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. LANGER was excused from attendance on the sessions of the Senate because of his appointment as a member of the committee to attend the funeral services of the late Representative William Lemke, of North Dakota.

On her own request, and by unanimous consent, Mrs. SMITH of Maine was excused from attendance on the sessions of the Senate from June 2 to and including June 12, for the purpose of attending the UNESCO Conference at Florence, Italy.

On his own request, and by unanimous consent, Mr. TOBEY was excused from attendance on the session of the Senate on Monday next.

CALL OF THE ROLL

Mr. O'MAHONEY. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant journal clerk (James Anton) called the roll, and the following Senators answered to their names:

Benton	Hendrickson	Myers
Bricker	Hill	Neely
Bridges	Hoey	O'Conor
Butler	Holland	O'Mahoney
Byrd	Humphrey	Pepper
Cain	Ives	Robertson
Capehart	Johnson, Colo.	Russell
Chapman	Kefauver	Saltonstall
Connally	Kem	Smith, Maine
Cordon	Kerr	Smith, N. J.
Darby	Kilgore	Sparkman
Donnell	Knowland	Stennis
Douglas	Langer	Taft
Dworshak	Leahy	Taylor
Eastland	Lehman	Thomas, Utah
Ecton	McCarran	Tobey
Ellender	McCarthy	Tydings
Ferguson	McClellan	Watkins
Flanders	Magnuson	Wherry
Frear	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Withers
Gillette	Millikin	
Hayden	Mundt	

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Connecticut [Mr. MCMAHON] are absent on public business.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from Louisiana [Mr. LONG], the Senator from Illinois [Mr. LUCAS], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from Montana [Mr. MURRAY] are necessarily absent.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Oregon [Mr. MORSE], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Minnesota [Mr. THYE], the Senator from

Michigan [Mr. VANDENBERG], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The ACTING PRESIDENT pro tempore. A quorum is present.

UNVEILING OF THE BRIGHAM YOUNG STATUE

Mr. THOMAS of Utah. Mr. President, I have been asked by the committee in charge to inform the Senate that the ceremonies in connection with the unveiling of the Brigham Young statue, which is Utah's statue to the Nation, will begin today at 2 o'clock in the rotunda of the Capitol.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT ON MUTUAL DEFENSE ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 613)

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the legislative clerk, and, with the accompanying report, referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives on p. 7930.)

RELIEF OF CERTAIN CONTRACTORS IN CONSTRUCTION OF UNITED STATES APPRAISERS BUILDING, SAN FRANCISCO, CALIF.—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read by the legislative clerk:

To the Senate:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith Senate bill 794, entitled "An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif."

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 1, 1950.*

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred, as indicated:

REPORT OF DEPARTMENT OF JUSTICE

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report of the activities of the Department of Justice for the fiscal year ended June 30, 1949 (with an accompanying report); to the Committee on the Judiciary.

EXCLUSION OF CERTAIN MATTERS FROM THE MAILS

A letter from the Postmaster General, transmitting a draft of proposed legislation to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT ON PERSONNEL CEILINGS

A letter from the Director of the Bureau of the Budget, transmitting, pursuant to law, his report of personnel ceilings for the quarter ended March 31, 1950 (with an accompanying report); to the Committee on Post Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"House Concurrent Resolution 2

"Concurrent resolution memorializing the Congress of the United States, the President of the United States, and the Displaced Persons Commission, to insure the proper administration and processing of applications under the Displaced Persons Act of June 25, 1948

"Whereas under the provisions of act of the Congress of the United States of June 25, 1948, commonly referred to as the Displaced Persons Act, certain displaced persons and refugees from Europe are being allowed entry into the United States of America; and

"Whereas under the administration of said act the probability of entry into the United States of Communists and other undesirable aliens is very great; and

"Whereas due to the strained relations existing at the present time between the United States and certain foreign powers such entry and infiltration of such undesirable aliens would in the opinion of the legislature be highly prejudicial and definitely detrimental to the peace and security of this country: Now, therefore, be it

"Resolved by the house of representatives (the senate concurring), That the legislature respectfully request, recommend, and implore the Members of the Congress of the United States, the President of the United States, and the members of the Displaced Persons Commission to use every means and power at their command to insure the proper and efficient administration of the Displaced Persons Act of June 25, 1948, and require rigid and strict processing and screening of any and all applications for entry into the United States under the provisions of said act; be it further

"Resolved, That the legislature do respectfully request, recommend, and implore the Displaced Persons Commission to reject any and all applications for entry under the provisions of said act filed by persons who are or have been members of the Communist Party or other organizations of similar subversive character; be it further

"Resolved, That the secretary of the state of Louisiana be and he is hereby directed to send certified copies of this resolution to the President of the United States, the House of Representatives and the Senate of the United States, and to the Displaced Persons Commission.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. A. LOTTINGER,
"Speaker of the House of Representatives."

Two concurrent resolutions of the Legislature of the State of Louisiana; to the Committee on Finance:

"Senate Concurrent Resolution 2

"Concurrent resolution memorializing Congress to preserve the present income-tax depletion allowance on oil and gas

"Whereas there has been proposed by the Secretary of the Treasury of the United States a reduction of the existing Federal income-tax depletion allowance on the production of oil and gas; and

"Whereas the said existing depletion allowance has been preserved intact through many sessions of Congress, not by oversight, but upon mature consideration; and

"Whereas the said existing depletion allowance has become an established factor in the economic structure of the oil and gas industry and banking and financial commitments have been based on it; and

"Whereas it has had a wholesome and beneficial effect upon the oil and gas industry in particular and upon the welfare and safety of the Nation as a whole by encouraging continual reinvestment of tremendous sums of risk capital and the continual discovery of new sources of oil and gas, so vital to the welfare and safety of our Nation in time of war; and

"Whereas the maintenance of said existing depletion allowance is of particularly vital importance to small, independent, and marginal producers of oil and gas and any substantial reduction of said depletion allowance would cripple production and eliminate altogether many independent producers: Therefore, be it

"Resolved, That the Legislature of Louisiana, upon the concurrence of the senate and the house of representatives, does hereby memorialize the Congress of the United States to refrain from enacting any legislation reducing the existing income-tax depletion allowance provided for the oil and gas industry; and be it further

"Resolved, That copies of this resolution be sent to the presiding officer of the House of Representatives and of the Senate of the United States; to the chairman of the House Ways and Means Committee; the chairman of the Senate Finance Committee of the United States Congress, and to the Members of the Louisiana congressional delegation.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. A. LOTTINGER,
"Speaker of the House of Representatives."

"Senate Concurrent Resolution 3

"Concurrent resolution memorializing Congress to restrict imports of foreign oil into the United States

"Whereas the excessive importation of foreign oil into the United States have resulted in repeated curtailments of domestic productions, with resultant heavy loss of revenues and income to domestic operators and the landowners of this State and loss of tax revenue to the State of Louisiana; and

"Whereas it appears that the State government is sustaining loss of some $8,000,000 per year in tax and royalty revenues, as well as untold losses in sales and other tax revenues because of the reduction of drilling and development and production operations; and

"Whereas said reduction of revenues poses not only a serious menace to the financial structure of the State government, but a growing danger to the welfare and security of the Nation as a whole by reason of the discouragement of development of those reserves of oil so vitally necessary in time of war: Therefore be it

"Resolved by the Legislature of Louisiana, upon the concurrence of the senate and house of representatives, That the Legislature of Louisiana does hereby memorialize the Congress of the United States to enact appropriate legislation restricting the importations of foreign oil; and be it further

"Resolved, That copies of this resolution be sent to the presiding officer of the Senate and of the House of Representatives of the Congress of the United States, to the chairman, EUGENE J. KEOGH, and members of the

Oil Imports Subcommittee of the Small Business Committee of the House of Representatives, to the Senators and Representatives in Congress from this State, to the Honorable S. L. Digby, State conservation commissioner, and to Hon. O. G. Collins, chairman of the State mineral board.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. A. LOTTINGER,
"Speaker of the House of Representatives."

A resolution of the House of Representatives of the State of Louisiana; to the Committee on Labor and Public Welfare:

"House Resolution 15

"Resolution memorializing the Congress of the United States not to federalize the practice of medicine

"Whereas the American people now enjoy the highest level of health, the finest standards of scientific care and the best quality of medical institutions thus far achieved by any major country in the world; and

"Whereas the great accomplishments of American medicine are the results of a free profession working under a free system unhampered by Government control; and

"Whereas the experience of all countries where Government has assumed control of medical care has been a progressive deterioration of the standards and quality of that care to the serious detriment of the sick and the needy: Therefore be it

"Resolved by the House of Representatives of the State of Louisiana, a majority of the members elected agreeing thereto:

"1. The Congress of the United States is hereby memorialized not to enact any proposed legislation the effect of which will be to bring the practice of medicine in this country under Federal direction and control, either through a form of compulsory insurance or any system of medical care designed for national bureaucratic control.

"2. The Senators and Representatives from Louisiana now in the Congress of the United States are hereby respectfully requested to bend their every effort and utilize all facilities at their command to prevent the enactment of such legislation.

"3. Copies of this resolution shall forthwith be transmitted to the President of the United States, to the presiding officer of each branch of the Congress, and to each Senator and Congressman from Louisiana."

A resolution adopted by the delegates to the Hawaiian Constitutional Convention, Honolulu, T. H.; to the Committee on the Judiciary:

"Resolution 38

"Whereas House Joint Resolution 238 of the Eighty-first Congress of the United States to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, passed the House of Representatives on June 6, 1949, and is now pending in the Senate; and

"Whereas under the present provisions of section 303 of the Nationality Act of 1940, as amended, the right of naturalization is denied Japanese, Burmese, Koreans, Malayans, Maoris, Polynesians, and Samoans; and

"Whereas there are today in the United States some 90,000 aliens lawfully admitted for permanent residence who are denied the privileges of naturalization under Federal laws solely because of race; and

"Whereas most of these aliens who are ineligible to citizenship have resided in the United States and its territories for at least the greater part of a half century and have demonstrated their capacity for citizenship and allegiance and loyalty beyond all question of doubt, and have earned the right to naturalization by every standard of citizenship: Now therefore, be it

"Resolved by the delegates to the Hawaii Constitutional Convention here assembled, That we go on record endorsing House Joint Resolution 238 of the Eighty-first Congress providing the privilege of naturalization for all aliens lawfully admitted into the United States for permanent residence; and be it further

"Resolved, That we request favorable action, as speedily as possible, by the Senate of the United States; and be it further

"Resolved, That certified copies of this resolution be transmitted to the President of the United States of America, the President of the Senate, the Speaker of the House of Representatives, the chairman of the Senate Committee on Immigration and Naturalization, the chairman of the Senate Committee on Interior and Insular Affairs and the Delegate to Congress from Hawaii."

"CONSTITUTIONAL CONVENTION OF HAWAII OF 1950,
"Honolulu, T. H., May 24, 1950.

"We hereby certify that the foregoing resolution was this day adopted by the Constitutional Convention of Hawaii of 1950.

"SAMUEL WILDER KING,
"President of the Convention.
"HEBDEN PORTEUS,
"Secretary of the Convention."

A resolution adopted by the Eastern District Council of the Japanese American Citizens League, at Washington, D. C., relating to increased appropriations for the Department of Justice to administer the evacuation claims program during the fiscal year 1951; to the Committee on Appropriations.

A letter in the nature of a petition from the New Jersey Association of Housing Authorities, of Newark, N. J., signed by Murray M. Bisgaier, executive director, relating to the appropration for the Administrative Budget of the Public Housng Administration; to the Committee on Appropriations.

A letter in the nature of a petition from the Liberal Party of New York State, New York, N. Y., signed by Marx Lewis, national legislative committee chairman, and Ben Davidson, executive director, relating to amendments of the so-called standby draft bill; to the Committee on Armed Services.

A letter in the nature of a memorial from the Beverly (Mass.) Council of Churches, signed by Eleanor M. Goodwin, remonstrating against the appointment of a representative of the United States to the Vatican; to the Committee on Foreign Relations.

A telegram in the nature of a petition from the Third Iowa District, Veterans of Foreign Wars, of Charles City, Iowa, signed by Wm. J. Hayes, adjutant, praying for the enactment of House bill 5965, to provide for the construction of certain Veterans' Administration hospitals, and H. R. 4617, to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children; to the Committee on Labor and Public Welfare.

A resolution adopted by the Vernal (Utah) Chamber of Commerce, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Maryland Branch of the Catholic Central Verein of America, and the Maryland Branch of the Catholic Women's Union, both at Baltimore, Md., favoring the enactment of Senate bill 2311, to protect the United States against certain un-American and subversive activities, and for other purposes; ordered to lie on the table.

A petition of members of the Forget Me Not Club of the Volunteers of America, and Clubs Nos. 1 and 2 of the Old Age Assistance Union of Illinois, assembled at Chicago, Ill., praying for the enactment of House bill 6000, providing for the extension and improvement of old-age assistance, with certain amendments; ordered to lie on the table.

THE GENOCIDE CONVENTION—PETITION

Mr. LUCAS. Mr. President, I have in my hand a letter in the nature of a petition from the Lithuanian-American Council, Inc., Chicago, Ill., praying for the ratification of the Genocide Convention, and giving its reasons therefor. I ask unanimous consent that the letter be incorporated in the RECORD and referred to the Committee on Foreign Relations.

There being no objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

LITHUANIAN AMERICAN COUNCIL, INC.,
Chicago, Ill., June 1, 1950.

Hon. SCOTT W. LUCAS,
United States Senate,
Washington, D. C.

DEAR SENATOR LUCAS: The Lithuanian American Council, which we have the honor to represent, embraces almost 1,000,000 American citizens of Lithuanian descent, living in all the States of the Union.

As the president, secretary, and treasurer of the council, we respectfully urge you to support the ratification of the Genocide Convention, for the following reasons:

1. Our members are deeply concerned over the genocide practices that the Soviet Union is carrying out against the Lithuanian nation behind the iron curtain, by such means as killing off intellectuals, political leaders, clergy, and all those who are providing leadership in community life, and by deporting thousands of families to Siberia in such conditions that families are broken up and never meet again. The Lithuanian people are subject to the type of destruction described in the Genocide Convention.

2. The Soviet Union, according to our information, also is practicing genocide on other Baltic nations and on the Ukraine. It is known that these nations are very friendly to the western allies and, in case of conflict, they can render important services to this country. Therefore, the destruction of these people is a threat to American security.

3. Fourteen nations have already ratified the Convention. Six more are necessary to make it a binding law upon nations. America took a leading part in the drafting and adoption of the Convention, and it would be inconceivable with the American position of leadership in the world if this country would not ratify the Convention immediately.

4. The Convention is a logical development of the foreign-aid program. If nations are helped economically, they should also be helped morally, legally, and politically in their struggle for survival.

5. The Genocide Convention will prove to be a most useful instrument in the cold war. By exposing Soviet Russia as the Cain of nations, we will prevent her from spreading her influence and penetration into other nations to whom Russian agents now promise liberation. It would also help us in our fight against communism—by showing that communism leads to genocide of the Soviet type.

We know that you are familiar with these problems, but we have taken the liberty to put a special emphasis on them at this crucial time.

We will be very grateful to you for your kind and urgent consideration.

Respectfully yours,

L. SIMUTIS,
President.
P. GRIGAITIS,
Secretary.
M. VAIDYLA,
Treasurer.

PUBLIC HEARINGS ON PUERTO RICAN CONSTITUTION BILL—PETITION

Mr. TYDINGS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in

the RECORD a letter in the nature of a petition signed by R. Arjona Siaca, a citizen of Puerto Rico, relating to public hearings in Puerto Rico on the Puerto Rican constitution bill.

There being no objection, the letter was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

MAY 18, 1950.

To the Honorable the Members of the Committee on Interior and Insular Affairs, Senate of the United States, Washington, D. C.

MY DEAR SENATORS: Moved by a spirit of cooperation with that committee in the loyal fulfillment of its duty to both the people of the United States and the people of Puerto Rico, I address this letter to all its distinguished members. Please consider it as an appeal to your civic conscience, with the hope that elemental political justice be not denied to the Puerto Rican people by limiting to Washington, D. C., and not holding also in Puerto Rico hearings regarding the pretended constitution bill now under your consideration.

There are, Sirs, many distinguished citizens in this island who, despite their deep respect for the opinion of the official authors and supporters of the bill, dare to sustain a contrary view regarding it, and are ready to show that, instead of being a serious measure toward the solution of a really unconcealable political problem, it could be considered—with less candorous judgment—as an act disdainful of the enlightened constitutional traditions of the United States. But almost all of these last-mentioned citizens are unable to afford the expenses of appearing in Washington to cooperate with you, in arriving at an adequate and just solution of the problem, a solution which would be worthy of the Nation's historic and contemporaneous place in the world's struggle for the survival of American principles of liberty and democracy.

Should those citizens be denied the opportunity to be heard in Puerto Rico, the result would be not only to deprive the committee of their more effective personal cooperation with it, to that end, but to make more onerous their poverty and more odious a situation so unbalanced in favor of the powerful bureaucrats of our over-centralized quasi-monopolistic one-party government, who, while dodging public discussion of the matter in Puerto Rico are financially able to appear personally before you at Washington in support of the measure, covering their expenses out of their considerable personal incomes or from a lavishly prodigal public treasury, wholly at their limitless command.

I am morally certain that the people of the whole Nation would consider such a result contrary to the lofty concepts of justice for all, which are the basis of the Nation's outstanding position in the world, particularly in its dealings with communities, as in the present case, subjected to its official might. That result would, furthermore, be more abhorrent if it should spring from a hasty or ill-advised metropolitan action regarding the basic process of all civilized, mature communities—the constitutional genesis which is vital and supreme to all Americans—to all, without distinctions.

I assume that in regard to proposed Federal legislative action, specifically or exclusively affecting your respective States, you would not think of holding hearings only in the Nation's Capital; and that, either officially or personally, you would also effectuate them in your own constituencies where it would be easier for your constituents—the less fortunate ones, I mean—to appear before you and express their ideas about the measure. The so-called constitution bill affects profoundly and almost exclusively the people of Puerto Rico. As a fellow citizen I therefore sincerely appeal to your spirit of justice and entreat you to apply the Golden Rule, which should by no means be exiled from political processes, in dealing with the paramount problem of the Puerto Ricans.

Very respectfully,

R. ARJONA SIACA.

RESOLUTIONS OF BOARD OF COUNTY COMMISSIONERS OF ST. LOUIS COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, two resolutions adopted by the Board of County Commissioners of St. Louis County, Minn., relating to Federal funds for repairs to roads and bridges as a result of the recent flood damage, and a Federal survey of waters in the Superior National Forest and border areas of northeastern Minnesota.

There being no objection, the resolutions were ordered to be printed in the RECORD, and referred, as follows:

To the Committee on Appropriations:

"Resolution 456

"Whereas unusual flood conditions in northeastern Minnesota, on lands owned by the Federal Government, have caused serious damages to roads and bridges to such an extent that an emergency exists: Now, therefore, be it

"*Resolved*, That Congressman JOHN A. BLATNIK, of the Eighth Congressional District, and the United States Senators of the State of Minnesota, EDWARD J. THYE and HUBERT H. HUMPHREY, are hereby requested to seek an appropriation of emergency funds to the United States Forest Service, so as to permit said United States Forest Service to reconstruct and repair roads and bridges which were damaged or destroyed, on lands owned by the United States Government situated within the Counties of Lake, Cook, and St. Louis."

To the Committee on Public Works:

"Resolution 453

"Whereas the owners of lake-shore lands, homes, summer homes, cabins and resorts on and adjacent to Birch, White Iron, Bear Island, Farm, Garden, Fall, Newton, Basswood, Moose, Newfound, Fourtown, Boot, Burntside, and Shagawa Lakes and connecting waterways, are suffering increasing damages to our lake-shore and river-front properties as a result of the ever-widening fluctuation of water levels in the upper and lower Kawishiwi River Basins; and

"Whereas from year to year the extreme contrasts of water levels on above chain of lakes creates dangerous and hazardous conditions which continue to get worse as the old dams further deteriorate, causing flood stages to become higher and low-water stages to become lower, and as a result, all property owners are suffering irreparable damages to their properties. Navigation to and adjacent to the wilderness areas is being impeded to a point of extreme hazard and danger to navigation and the natural propagation of fish is suffering to a considerable degree because of this water level fluctuation: Now, therefore, be it

"*Resolved*, That JOHN A. BLATNIK, Congressman in the Eighth Congressional District, and United States Senators EDWARD J. THYE and HUBERT H. HUMPHREY are hereby requested to submit a formal petition to the War Department Engineers with the request that said engineers conduct a survey within the Superior National Forest and border waters area in northeastern Minnesota, and to make recommendations thereon after such a survey is conducted."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

S. 3380. A bill to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes; with an amendment (Rept. No. 1755).

By Mr. MCCARRAN, from the Committee on the Judiciary:

H. R. 1103. A bill for the relief of Miriam Barkle; without amendment (Rept. No. 1756);

H. R. 1293. A bill for the relief of the Franco-Italian Packing Co.; with an amendment (Rept. No. 1757);

H. R. 1482. A bill for the relief of Frances L. Marshall; without amendment (Rept. No. 1758);

H. R. 4011. A bill for the relief of Stavros Matheos (also known as Steve Matheos or Matheou); without amendment (Rept. No. 1759);

H. R. 4371. A bill for the relief of Shiro Takemura; with amendments (Rept. No. 1760);

H. R. 5150. A bill for the relief of Ira D. Doyal and Clyde Doyal; without amendment (Rept. No. 1761);

H. R. 5295. A bill for the relief of C. R. Springman; without amendment (Rept. No. 1762);

H. R. 5639. A bill for the relief of Ivan E. Townsend; without amendment (Rept. No. 1763);

H. R. 6364. A bill for the relief of Yoshiko Matsumura; without amendment (Rept. No. 1764);

H. R. 6485. A bill for the relief of Jodeene Lehrman; without amendment (Rept. No. 1765);

H. R. 7082. A bill for the relief of Mrs. Isamu Tarasawa; without amendment (Rept. No. 1766);

H. R. 7096. A bill for the relief of Mrs. Maria Salome Holland; with an amendment (Rept. No. 1767);

H. R. 7283. A bill for the relief of Mrs. Jack B. Meyer; without amendment (Rept. No. 1768);

H. R. 7292. A bill for the relief of Erio Louis Tomita and Fumiko Tomita; with an amendment (Rept. No. 1769);

H. R. 7363. A bill for the relief of Suzuko Yagi and Anne Yagi; with an amendment (Rept. No. 1770); and

H. R. 7485. A bill for the relief of Mrs. Maria Margarite Noe; without amendment (Rept. No. 1771).

By Mr. KILGORE, from the Committee on the Judiciary:

H. R. 1095. A bill for the relief of Pittsburgh DuBois Co.; without amendment (Rept. No. 1772).

By Mr. MAGNUSON, from the Committee on the Judiciary:

H. R. 697. A bill for the relief of Samuel W. Poorvu; without amendment (Rept. No. 1773).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3683. A bill to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Winnebago Indian Agency, Nebr.; to the Committee on Interior and Insular Affairs.

By Mr. TOBEY:

S. 3684. A bill for the relief of Eileen Watkins; to the Committee on the Judiciary.

By Mr. ELLENDER:

S. 3685. A bill to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International

Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes; to the Committee on Finance.

By Mr. MILLIKIN:

S. 3686. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Interior and Insular Affairs.

REORGANIZATION PLAN NO. 24 OF 1950—RELATING TO TRANSFER OF RFC TO COMMERCE DEPARTMENT

Mr. FULBRIGHT submitted the following resolution (S. Res. 290), which was referred to the Committee on Expenditures in the Executive Departments:

Resolved, That the Senate does not favor the Reorganization Plan No. 24 of 1950 transmitted to Congress by the President on May 9, 1950.

DEFICIENCY APPROPRIATIONS—AMENDMENT

Mr. HUMPHREY submitted an amendment intended to be proposed by him to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

HEARINGS BEFORE BANKING AND CURRENCY COMMITTEE ON SMALL BUSINESS—RECOMMITTAL OF BILL

Mr. MAYBANK. Mr. President, for the information of the Senators, I announce that the Banking and Currency Committee will hold small-business hearings beginning Monday, June 12. The hearings will be held on the several small-business bills presently before the committee.

There is now on the Senate Calendar a bill of mine to establish a Small-Business Coordinator. In order that the committee may consider all of this legislation as a single package, I ask unanimous consent that the bill (S. 2943) to liberalize the lending policies of the Reconstruction Finance Corporation and of the Federal Reserve Banking System in favor of independent small-business enterprises; to adjust the registration provisions of the Securities Exchange Act, as amended, in order to enable independent small-business concerns to issue securities at a reasonable cost; to develop the productive facilities of the national economy; to further the interest of independent small-business enterprises; to provide for the appointment of a Small-Business Coordinator; and for other purposes, be taken from the calendar and recommitted to the Committee on Banking and Currency.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

William Robert Wallace, of Oklahoma, to be United States district judge for the northern, eastern, and western districts of Oklahoma, vice Bower Broaddus, deceased, favorably;

Rabe Ferguson Marsh, Jr., of Pennsylvania, to be United States district judge for the western district of Pennsylvania, vice Robert M. Gibson, retired, favorably;

Myron Wiener, of New York, to be a member of the War Claims Commission, vice David N. Lewis, deceased, favorably;

Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission, adversely; and

John A. Marzall, of Illinois, now holding recess appointment, to the position of Commissioner of Patents, favorably.

By Mr. MAYBANK, from the Committee on Banking and Currency:

Edward Lee Norton, of Alabama, to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1950, vice Ernest G. Draper; favorably; and

Roy Blough, of Illinois, to be a member of the Council of Economic Advisers, favorably.

ADDRESS BY THE VICE PRESIDENT AT NATIONAL TRIENNIAL CONVENTION OF B'NAI B'RITH

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address delivered by the Vice President of the United States on the occasion of the National Triennial Convention of B'nai B'rith, in Washington, D. C., March 21, 1950, which appears in the Appendix.]

COMMENCEMENT ADDRESS BY SENATOR KILGORE AT DAVIS AND ELKINS COLLEGE

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an address by him delivered at the commencement exercises of Davis and Elkins College, in Elkins, W. Va., May 30, 1950, which appears in the Appendix.]

REEDUCATING GERMANY WITH NAZI HISTORY—ARTICLE BY TELFORD TAYLOR

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "Reeducating Germany With Nazi History," written by Telford Taylor and published in the New York Times Magazine of May 28, 1950, which appears in the Appendix.]

ACHIEVEMENTS OF FREEMASONRY IN THE HISTORY OF AMERICA—ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by him at a meeting of the Reading (Pa.) Consistory, Scottish Rite Masons, at Reading, Pa., on Friday, May 26, 1950, which appears in the Appendix.]

ATLANTIC UNION—ADDRESS BY SENATOR GILLETTE

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD the address delivered by Senator GILLETTE before the Atlantic Union Committee at its luncheon in Washington, D. C., June 1, 1950, which appears in the Appendix.]

REBUTTAL OF BOARD OF TRADE ARGUMENTS AGAINST HOME RULE FOR THE DISTRICT OF COLUMBIA

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD answers in rebuttal prepared by him to arguments of the Board of Trade in opposition to home rule for the District of Columbia, which appear in the Appendix.]

EXCERPTS FROM ADDRESS BY SENATOR HUMPHREY AT ANNUAL CONVENTION OF INTERNATIONAL LADIES' GARMENT WORKERS UNION

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD excerpts from an address delivered by Senator HUMPHREY at the annual convention of the International Ladies' Garment Workers Union, at Atlantic City, N. J., on May 25, 1950, which appear in the Appendix.]

MEMORIAL DAY ADDRESS BY SENATOR LEHMAN BEFORE THE HYDE PARK HOME CLUB

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an address delivered by him before the Hyde Park Home Club, at its fourth annual Memorial Day service, at Hyde Park, N. Y., which appears in the Appendix.]

REORGANIZATION OF THE GOVERNMENT DEPARTMENTS—EDITORIAL FROM THE NEW YORK TIMES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD an editorial entitled "Sixteen of Twenty-one," published in the New York Times of May 25, 1950, which appears in the Appendix.]

A SENATOR'S VOTE: A SEARCHING OF THE SOUL — ARTICLE BY SENATOR DOUGLAS

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an article entitled "A Senator's Vote: A Searching of the Soul," written by Senator DOUGLAS, and published in the magazine section of the New York Times on April 30, 1950, which appears in the Appendix.]

INVESTIGATION OF INTERSTATE GAMBLING AND RACKETEERING

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject of interstate gambling and racketeering, together with a radio speech and several newspaper editorials on the same subject, which appear in the Appendix.]

KANSAS IN THE SPRINGTIME—EDITORIAL

[Mr. DARBY asked and obtained leave to have printed in the RECORD an editorial entitled "Spring in the Flint Hills," written by R. M. Seaton, publisher of the Coffeyville (Kans.) Daily Journal and printed in a recent issue of that newspaper, which appears in the Appendix.]

THE PRIVATE ENTERPRISE SYSTEM AND THE CHURCH—ADDRESS BY REV. DANIEL A. POLING

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address delivered by Rev. Daniel A. Poling before the Conference of Business Public Relations Executives, in New York City, which appears in the Appendix.]

ALL-AMERICAN CONFERENCE TO COMBAT COMMUNISM WINS ENDORSEMENTS

[Mr. MUNDT asked and obtained leave to have printed in the RECORD resolutions adopted at the Illinois State Convention of the Knights of Columbus, which appear in the Appendix.]

NOTICE OF HEARING ON NOMINATION OF CARRICK H. BUCK, OF HAWAII, TO BE FIRST JUDGE OF THE FIRST CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, June 9, 1950, at 10 a. m., in room 424, Senate Office Building, upon the nomination of Hon. Carrick H. Buck, of Hawaii, to be first judge of the First Circuit, Circuit Courts, Territory of Hawaii. Judge Buck is now serving in this post under an appointment which expired April 13, 1950. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Washington [Mr. MAGNUSON], and the Senator from Wisconsin [Mr. WILEY].

REOPENING THE AMERASIA CASE

Mr. KNOWLAND. Mr. President, there may be some who question the value of reopening the Amerasia case after a lapse of 5 years. First there is the need to close any loopholes in our wartime espionage laws, inasmuch as classified Government documents were found in the Communist-connected Amerasia magazine before VJ-day, while American forces were still locked in combat with a hostile power. Second, if the investigative job was bungled, as is contended by some of those who defend the lack of zest on the part of the Department of Justice in prosecuting the case, then it is important to find out why that happened. If it was because of jurisdictional handicaps in the relationship of the OSS with the FBI, then, too, it is important to solve this problem now, before the same mistakes are made again.

But if there are still in the Government men who acted as transmission belts for the leakage of information to Communist-connected Amerasia in 1945, are not they more dangerous to the security of our Nation in 1950?

In terms of ultimate destructive impact upon our free institutions, what difference does it make whether an American citizen, such as Gold, betrays his country, or whether our country is betrayed by an alien such as Dr. Fuchs? What difference does it make whether the betrayal is done for pay or for love of the Soviet system? What difference does it make whether it is done by a card-carrying Communist member or by a pervert who, being in a key position, has been blackmailed to deliver state secrets? What difference does it make whether the secrets are stolen by a burglar from an office at night or whether they are carried out in daytime by a naive employee with a gold badge and a tarnished sense of responsibility? The end result is the same, and those who set the policies and were careless or tolerant or ignorant, cannot escape their responsibility at the bar of American public opinion by pleading nolo contendere.

Another reason to press for a complete review of the Amerasia case was given, it seems to me, by George F. Kennan, counselor of the State Department, in an address he delivered before the Institute of United States Foreign Policy at Milwaukee, Wis., on May 5, 1950. In discussing the time lag in foreign affairs and its result he said:

> It seems to me that in the field of foreign affairs there is generally a great time lag—as much as 5 or 10 years on the average—between cause and effect in major developments. This is something that few people in this country are aware of. Their unawareness expresses itself in a demand for quick results where such results simply cannot be obtained. It also expresses itself in a tendency to lay the blame or credit for current developments on people who happen to bear public responsibility at the moment, even though the real causes of these developments may go much deeper in time and in complexity.

Mr. President, in the Amerasia case we find the threads of a network of Communist-connected individuals, fellow travelers, and those who by design or coincidence shared the common viewpoint that the Communists in China should be encouraged at the expense of the non-Communist Republic of China. Now, some 5 years later, the harvest they helped to plant and nurture is about to be reaped in southeast Asia, with north Korea and the mainland of China already in the Communist bins. Yes; "These developments go much deeper in time and complexity."

As distinct from the current investigation of current security risks in the State Department or in other Government agencies, for which a strong case can be made for executive sessions during the investigative period, it seems to me that the Amerasia case needs open hearings, with the full spotlight of press and public directed on the strange facets of this strange case.

While the statute of limitations has run on the participants, the committee can by intelligent probing get the facts not yet disclosed. Perjury by any witness will be a violation of the law which can be currently prosecuted.

Neither the Senate nor the country will be satisfied with semiexecutive hearings, where some prepared statements are released, but the cross-examination is not, or where a part of the story is told and much of it is kept behind the committee's iron curtain. There has already been far too much of that in the Amerasia case.

While it is true that our final judgments must not be based upon a case that is based alone on the premise of "guilt by association," there is likewise no need to ignore totally our early childhood teachings by parents, church, and school that "a man is known by the company he keeps."

The announcement last week that the FBI had arrested Harry Gold in Philadelphia as a member of a ring which transmitted to the Soviet Union atomic information secured by Dr. Klaus Fuchs has confirmed information previously suspected. This arrest, coming on top of the confession of Dr. Fuchs in Great Britain that he had stolen atomic secrets while in the United States, is sufficient in itself to cause additional great concern to the Congress and the Nation. Coming on top of the inquiry by the Canadian Royal Commission, which showed that atomic secrets were being stolen from Canada by the Soviet Union even before VJ-day, when we were all allies, the arrest is sufficient to help explain the accelerated rate of the Soviet's development of the atomic bomb.

It was last September that President Truman made known to the American people that an atomic explosion had taken place in the Soviet Union. This indicated that they had progressed at least approximately as far in their development as we had at the time of the Alamorgordo explosion in 1945. Since we had to gain our information the hard way, while the Soviet Union has gained much of its information by espionage and treason, its developments may be much further along than the mere lapse of time would indicate. The full consequences of the atomic espionage may even yet not have made its full impact upon the American people.

The fact of the matter is that by this treachery in behalf of a foreign power a citizen of Great Britain and at least one American have helped to make possible the killing of millions of their fellow countrymen if war should break out in the future.

This is another reason why many of us believe a complete investigation should be made of the Amerasia case. Espionage is a thing that grows throughout a government or a country, and, if there are leakages of information in one government department, the network or apparatus that is built up may be used to steal other secrets of equal or greater value.

The chairman of the Foreign Relations Subcommittee, the Senator from Maryland [Mr. TYDINGS], in a press interview carried in the papers of Wednesday, May 24, relative to the stolen documents, told the reporters that only 1 percent were of military importance.

In the first place, even if the amount is 1 percent, that is 1 percent more than should get out of Government files into the hands of a publication sympathetic to the Communist cause. In the second place, the test is not whether the documents were of military importance or not. In wartime there is much information of economic or political nature that properly may and should be classified as top secret, secret, or confidential, which, if disclosed, would be detrimental to the security of our country and beneficial to an enemy in time of war.

For some strange reason, this discounting of the importance of the loss of official Government documents has persistently occurred in the Amerasia case from the very beginning down to the statement of the chairman of the subcommittee [Mr. TYDINGS] of last week.

If there was or is an attempt to soft-pedal this case, the country is entitled to know the reason why. If there was inept handling of the case by any of the investigative agencies, that fact in itself is of utmost importance. Nor in the future can we afford to have jurisdictional

controversies between investigative and prosecuting agencies that may result in purloiners of official documents going free or being let off with small fines.

A thorough investigation of the Amerasia case rather than a whitewash of it may develop valuable information as to changes needed in our wartime espionage laws. The time to close the barn door is before the next horse is stolen, not afterward.

On Monday, May 22, for the first time there was revealed to the country and to the Congress a transcript of the record in the Amerasia case, based on the hearings before the subcommittee of the House of Representatives Judiciary Committee. This transcript of testimony may be found beginning on page 7438 of the CONGRESSIONAL RECORD at that date. I believe that every Member of the Senate should take the time to read it.

Amerasia, while having only a circulation of approximately 2,500, was far more influential than its size warranted.

Amerasia might well be called "the transmission belt" for the conveyance of pro-Chinese Communist views of Communists, fellow travelers, and sympathizers in this country, to our policy-making body on foreign policy, the United States Department of State.

In his testimony before the House Judiciary Subcommittee on May 13, 1946, reprinted on page 7444 of the CONGRESSIONAL RECORD of May 22, 1950, Mr. Larsen, one of the six arrested, in answer to an inquiry by Representative CHELF as to what good Mr. Jaffe could do with a magazine which did not have a widespread circulation, replied as follows:

Two thousand or something like that, but the magazine hits vital spots. That is the danger of a magazine like that.

Further on in his testimony Larsen stated:

I told him, Jaffe is going all out here. It goes to the State Department. It went to the Office of Strategic Services, every agency.

Representative FELLOWS then said:

It has been an important textbook?

Mr. Larsen replied:

Yes.

Mr. CHELF said:

He hoped to get it over in a few key spots the circulation covered.

Mr. Larsen replied:

He did not worry about the average American.

Mr. President, there appeared in articles in two newspapers yesterday paragraphs which I wish to insert in the RECORD at this time. The first is taken from the story by Bert Andrews, which appeared yesterday in the New York Herald Tribune. Mr. Andrews is one of the outstanding reporters of the country, a man who has performed some useful services on many occasions for his country and for his newspaper. I quote from his article:

One document, over the signature of former Secretary of State Cordell Hull, seemed, on the surface, to picture "Amerasia," a magazine plugging for Soviet interests in Asia, as a veritable bible on what to do in the Far East.

It seems a certainty that Secretary Hull never saw the message.

The questions remain:

Who sent it over his name?

Why?

On the same day, there appeared in the Washington Daily News an article by Mr. Frederick Woltman, who has done a considerable amount of research on the Amerasia case. By mentioning these two gentlemen, I do not mean to exclude others who have also been at work, but these two articles happen to be in point on the use to which Amerasia magazine was put. I want to insert these in the RECORD immediately following the quotations from the testimony of Mr. Larsen, one of those who had been involved in the Amerasia case. In his article, Mr. Woltman says:

A message addressed to the American Embassy in China, and sent by the State Department over the name of the former State Secretary Cordell Hull. In it, the Secretary purportedly called the Embassy's attention to an article in the July 1944 issue of the pro-Soviet magazine, Amerasia, which was the center of the stolen documents case.

The Amerasia article urged that the United States build up Japan's leading Communist, Susomo Okano, into the Tito of Japan. It urged also that this country supply arms to the Chinese Communist guerrilla and consult with China's Red leaders about postwar plans for Japan.

Mr. President, I took the liberty of getting from the Library of Congress the article mentioned. I have not the time today to read the article, nor do I believe I should encumber the RECORD by putting the entire article into it at this point, but for those who may be interested in it, I invite attention to the fact that the article appears in the August 1944 issue, rather than in the July issue, as stated. I am informed that, as is the custom with magazines, the August issue probably came out sometime late in July. So the publication was probably available in July though its date line is August 1944. On the front cover of Amerasia magazine appears the heading of the article which appears inside, "Candidates for Japan postwar leadership potential anti-Fascist forces in Japan," and so forth. There can be no question in the mind of anyone who reads this particular article that someone in the State Department felt justified in sending a message to China calling attention to this article advocating the selection of a Communist to be one of the important figures in postwar Japan. I think it is fortunate for the security of the United States and for the peace of the world that persons who had any such idea were not in control of the situation in Japan, but that rather a man of the caliber of Gen. Douglas MacArthur has been in charge of American policy and the policy of the supreme command in that area of the world.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article relating to the Amerasia case which appeared in the Washington Times-Herald of this morning, and which was written by Mr. Willard Edwards.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SECRET CABLE IN AMERASIA SCANDAL BARED—HULL'S WARTIME PRO-SOVIET NOTE REVEALED—TRUMAN AND AIDES KEPT SECRET 6 YEARS

(By Willard Edwards)

A secret wartime cable, one of the top exhibits in the Amerasia stolen documents scandal, came to light last night. Dated July 28, 1944, and hidden for 6 years by the Truman administration for obvious reasons, the document bares pro-Soviet influence in the State Department at top levels.

The cable is marked "Hull to Chungking" and is a confidential message to the American Ambassador in China. Cordell Hull, then State Secretary, resigned in November 1944. Now ailing, he was not available for comment on whether he authorized the dispatch, which bore his name, with its startling implications.

AMERASIA WAS QUOTED

At the time the message was sent, John Carter Vincent, now Minister to Switzerland, was head of the Office of Chinese Affairs. Alger Hiss, convicted recently of perjury to conceal espionage, was deputy director of special political affairs. Dean Acheson was Assistant Secretary of State.

The dispatch quoted the pro-Soviet magazine, Amerasia, in outlining policy for China and Japan. Earl Browder, then head of the Communist Party, had a hand in the founding of Amerasia. Philip Jaffe, its editor, was arrested less than a year later for the theft of hundreds of secret documents from Government departments. He finally pleaded guilty but received the light penalty of a $2,500 fine in a deal with the Justice Department into which an investigation was recently reopened.

The contents of the cable supports Communist leader Browder's boast before a congressional committee recently that he was a wartime White House agent, securing information from Chinese Communists which he passed on to the late President Roosevelt.

WAS STATE TEXTBOOK

The message also shed light on testimony before a House committee in 1946 that Amerasia was circulated in the State and other departments as an important textbook.

The Hull message was one of 1,700 secret Government papers locked from the public gaze since they were seized by the FBI in 1945 in the offices of Amerasia in New York City. A huge photostating apparatus was discovered and investigators reported there was no doubt that the magazine was being used to funnel a constant stream of confidential papers to Soviet Russia.

Jaffe and five others, including two State Department officials, John S. Service and Emmanuel Larsen, were arrested in what the FBI termed an airtight case. Seven months later, all six were free. Two had been fined and the four other cases were dropped by the Justice Department.

This paper learned the text of the Hull document shortly after James M. McInerney, Chief of the Justice Department's Criminal Division, told reporters he had studied all the documents in the Amerasia case and denied they included one, bearing the signature of Hull, plugging Amerasia as an authoritative policy source.

The Hull-to-Chungking cable follows:

"July issue of Amerasia suggests possibility of using Japanese Susomo Okano in the role of Tito of Japan to help Japanese people to establish a government which will discard aggression and the present ruling oligarchy.

"The magazine, however, voices uncertainty as to whether the United States State Department will support the program

advocated by Okano and his followers or will prefer to favor the so-called liberal elements in Japan's present ruling class."

RED TIE-UP PLAN CITED

"The same issue proposed that the opposition to Japan throughout eastern China should be strengthened by the Allies through establishing a close-working relationship with the guerrilla Communist forces now operating behind the Japanese lines and to bolster the activities with material and financial aid.

"Amerasia advocates that the Allies follow the policy adopted toward the guerrilla group of Yugoslavia where political considerations were eventually superseded by military necessity.

"Amerasia claims to have information proving the northern guerrilla forces (Communist) have carried on their resistance to the Japanese and have persistently contributed to the work of educating the people to participate in that resistance.

"Amerasia contends the time has passed when internal political considerations can be allowed to supersede military necessity and insists the immediate reformation of the potential strength of the guerrilla (Communist) forces, involving the dispatch of liaison officers, technical aid, and munitions, has become of primary importance for the success of the United States future offense against the Japanese."

The effect of this message, backed by the prestige of Hull's name, veteran diplomats said, would have been to impress upon the recipient that the policy advocated by Amerasia was one which was receiving favorable consideration. There were no comparable messages, quoting any other publication, in the file of confidential dispatches.

NAVY SECRET REVEALED

Assistant Attorney General McInerney also denied that the secret Amerasia documents disclosed the wartime disposition of United States submarines in the Pacific. One of the documents in the file is dated November 1944, and discloses the contents of a confidential talk by Grew to State Department personnel. (Joseph C. Grew was then State Under Secretary.)

This paper, apparently copied for espionage use, states definitely that the Navy would continue blocking a certain Japanese strait (named in the document) and that 25 submarines were stationed there. Grew also disclosed, according to the document, that "island-hopping for bomber bases" was continuing and discussed the use of the Japanese Emperor after the war as "an instrument for orderly peace."

Both the military and policy information in this document would have been of invaluable aid to Russia at the time, it was noted.

Other secret Amerasia documents stolen from Government wartime files contained the following information:

1. The Navy's formal wartime organization plan for setting up counter intelligence operations throughout the United States. It was sent by the Director of Naval Intelligence to the ranking intelligence officers of the Nation's 14 naval districts.

2. A confidential forecast of the trends of the war in the Pacific, delivered by Grew to top officials.

MALAYA SET-UP SET FORTH

3. A document setting forth in detail the composition of Allied troops in Malaya.

4. Details about two 1944 messages from President Roosevelt to Chiang Kai-shek, the Chinese generalissimo, proposing that Gen. Joseph Stillwell be made commander of all armies in China, including the Communist armies. These reports bore the top-secret classification of "for eyes only" which meant that they were to be delivered for reading only to Army officers in China and not kept by any recipient.

Two FBI officials, Louis B. Nichols and D. Milton Ladd, testified secretly before the Senate Foreign Relations subcommittee headed by Senator TYDINGS, of Maryland, which is inquiring into the Amerasia whitewash. TYDINGS refused to give any details of their testimony and a statement prepared by the witnesses for publication was withheld.

TYDINGS was asked concerning statements by Senator HICKENLOOPER, Republican, of Iowa, in Iowa, that the Amerasia documents revealed military installations and the location of fleet units during the war with Japan. He refused to comment but expressed interest concerning the source of HICKENLOOPER's information.

TYDINGS was told that HICKENLOOPER had denounced TYDINGS' characterization of most of the Amerasia documents as "casual and unimportant." He remarked only that HICKENLOOPER had not heard all the testimony.

Senator MCCARTHY, Republican, of Wisconsin, whose charges initiated the Tydings investigation, was told of McInerney's denials concerning the contents of the Amerasia documents, and remarked:

"I know beyond the slightest shadow of a doubt that not only those documents but other documents equally important in the Amerasia case are in the possession of the Justice Department."

The Tydings subcommittee finally agreed to question all six defendants in the Amerasia case. It will begin with a closed-door session next Monday at which Larsen, the only defendant in addition to Jaffe who received a penalty ($500 fine) in the case, will be quizzed.

Mr. KNOWLAND. Mr. President, it would perhaps be well at this time to go into the background of the Amerasia magazine to see how such a publication could be looked upon as an authoritative source by American policy-making officials. On page 7436 of the CONGRESSIONAL RECORD of May 22 Representative SAM HOBBS, of Alabama, who had been chairman of the House Judiciary Subcommittee which investigated the Amerasia case in 1946, has this to say:

I want to say one other word which may escape your thinking if I do not at this time. Although no connection with Russia has been shown, I believe with the gentleman from Georgia [Mr. Cox] that there was a vital connection, because here was a little magazine losing $5,000 a month and still they had all of this magazine equipment for duplication and they had all of these locked files that cost them thousands and thousands of dollars. I believe I know well where the money came from, and I think everyone else will agree that there was something terribly phony about that outfit.

Mr. HOBBS is an able and experienced legislator and commands a high standing among his colleagues in the House. He would not, in my opinion, have made that statement unless he had some substantial basis for believing what he said.

In his series of articles on the Amerasia case, Mr. Frederick Woltman has this to say:

What the cofounders, the judge and the public weren't told was that Amerasia, where the FBI found hundreds of classified wartime documents, was an outgrowth of China Today. China Today was a brain child of Earl Browder, Communist Party boss. Browder picked Mr. Jaffe to run it. Under Mr. Jaffe it stridently called for a Red revolution in China.

In its first issue, China Today's masthead listed its three editors: J. W. Phillips, Hansu Chan, and Frederick Spencer.

These three organized Amerasia. Phillips became Phillip J. Jaffe, managing editor, Hansu Chan became Ch'Ao-Tin, a member of Amerasia's editorial board, Spencer became Frederick Field, chairman of the Amerasia board.

Two of the individuals I have just mentioned have appeared and given testimony at public sessions of the subcommittee of the Foreign Relations Committee now investigating security risks, past and present, in the State Department. These two are Earl Browder and Frederick Vanderbilt Field. Keep in mind the relationship between the point of view of Amerasia magazine and the predecessor publication China Today, which is reputed to have received encouragement from Earl Browder, whose own interest in China was spotlighted in the following testimony of Thursday, April 27, 1950, found on page 1338 of the official transcript of these subcommittee hearings:

Mr. BROWDER. I would say that in 1937 I, in particular, as the secretary of the Communist Party, was giving a great deal of attention to the question of China; very great events were taking place in China at that time that affected the fate of the entire world.

Further on in his testimony on the same page, the committee counsel asked a number of questions to which Browder responded. I read:

Mr. Morgan—

Mr. Morgan was committee counsel—

How long were you in China at that time, Mr. Browder, for the record?

Mr. BROWDER. I was in China for several months in 1927; and, for the largest part of 1928.

Mr. MORGAN. I would presume, as a result of that period in China, that you have had a rather constant and direct interest in China; is that correct?

Mr. BROWDER. I had a direct interest in China ever since.

On page 1365 the following questions and answers took place between the committee counsel and the former secretary of the Communist Party in the United States:

Mr. MORGAN. Well, that was not exactly what I had in mind, but I think you have helped us in your answer to that, or your observation there.

During the course of the war, did you, as secretary of the Communist Party in this country, receive letters and other communications from leaders of the Communist movement in China?

Mr. BROWDER. Yes, I did.

Mr. MORGAN. Were those communications that you received, the predicate for any official or unofficial action by the Communist Party in this country?

Mr. BROWDER. In my capacity as the secretary of the Communist Party, and without consulting anyone else, I used information which I received from Mao T'se Tung, the head of the Communist Party in China, of China, to inform the President of the United States about the military situation inside of China, placing at his disposal, information concerning the diversion of 1,000,000 Chinese Government troops from the anti-Japanese front to the blockading of the Communist territory.

On page 1367 the following appears:

Mr. BROWDER. I would say that further, in 1942, it became unnecessary any longer to bring such pressure upon the Government

of the United States because the officially declared policy, from that time until 1946, was, the United States pressed upon China the coalition of the Kuomintang, the Communist and all the democratic mass forces in one united government. From 1942 to 1946 that was the official policy of the American Government, and it was therefore no occasion for the Communists, I would say from 1942 to 1945—the only period of which I can speak—there was no occasion for the Communists to press for a change of policy in the United States Government at that time.

With reference to Philip Jaffe, who took an active part in the publication of both China Today and Amerasia, the following testimony appears on page 1354 of the official record:

Mr. MORGAN. From 1937 to 1945, according to information available to the committee, the managing editor of this magazine, Amerasia, was one Philip Jaffe. I believe you testified that you knew Mr. Jaffe.

Mr. BROWDER. I know Mr. Jaffe.

Mr. MORGAN. Now, you know Mr. Jaffe as a member of the Communist Party?

Mr. BROWDER. I did not.

Mr. MORGAN. In your association with him did you accept him as a member of the Communist Party, and so consider him?

Mr. BROWDER. I accepted him as a friend.

Mr. Frederick Vanderbilt Field was formerly secretary of the Institute of Pacific Relations, and according to photostats available to the Senate committee was a financial contributor to the American Council, Institute of Pacific Relations, by checks dated September 12, 1943; November 27, 1942, January 15, 1942; January 22, 1942; and December 16, 1941.

The following interrogation may be found on pages 1353 and 1354 of the Browder testimony of April 27:

Mr. MORGAN. I have asked you earlier, Mr. Browder, about the Institute of Pacific Relations, and I think your observations are now in the record.

I would like to ask you if you are familiar or have been familiar with a publication known as Amerasia?

Mr. BROWDER. I am familiar with it.

Mr. MORGAN. I believe in, from 1937 to 1944, the chairman of the editorial board, of at least this publication, was a man named Frederick Vanderbilt Field. I believe that you testified that you knew Mr. Field.

Mr. BROWDER. I know Mr. Field.

Mr. MORGAN. Did you know or do you know Mr. Field to be a member of the Communist Party?

Mr. BROWDER. I would not be able to say definitely. I met him under the circumstances where we were cooperating and it never occurred to me to ask him if he was a member, because cooperation was complete at that time.

Mr. MORGAN. Did you accept him as a member?

Mr. BROWDER. I assumed he was, although I didn't know.

On Friday, April 28, Mr. Frederick Vanderbilt Field was himself a witness before the committee.

On page 1433, Field testified as follows:

I was employed by the Institute of Pacific Relations from 1928 to 1940, in the last 6 years as executive secretary of its American branch.

On page 1436, the following testimony appears:

Mr. MORGAN. I asked Mr. Field if he is now, or has ever been, a member of the Communist Party. Your answer?

Mr. FIELD. I decline to answer on the ground I stated.

Mr. MORGAN. Would you care to state those grounds again?

Mr. FIELD. My privilege, under the fifth amendment of the Constitution.

Mr. MORGAN. Is it your understanding that to answer this question would incriminate you in some way or another?

Mr. FIELD. Mr. Morgan, I think I stated my ground fully. I have a copy of the fifth amendment with me. I think it includes the privilege that I have invoked.

On pages 1452 and 1453 the following testimony was presented to the committee:

Mr. MORGAN. For the time being, Mr. Field, I am going to another matter. Are you familiar with the publication known as Amerasia?

Mr. FIELD. Yes; I am.

Mr. MORGAN. Were you ever associated with that publication in any official capacity?

Mr. FIELD. Yes; I was.

Mr. MORGAN. What was that capacity?

Mr. FIELD. I was chairman of its editorial board from the time of its inception, which was sometime, I think, in 1937, until I believe it was November 1943.

Mr. MORGAN. Did you write articles for that publication?

Mr. FIELD. Yes; a great many.

No one who has read the testimony of the public hearings can doubt a Red network existed which ran from the Communist Party to the magazines China Today to Amerasia and which included among others Earl Browder, Frederick Vanderbilt Field, and Philip Jaffe.

It was to this magazine, Amerasia, that literally hundreds of documents belonging to the Government of the United States were going on some kind of transmission belt, the full nature of which has not even to this day been fully disclosed.

Mr. McCARTHY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator yield to the Senator from Wisconsin?

Mr. KNOWLAND. I am glad to yield.

Mr. McCARTHY. I think what I am about to say is apropos what the Senator is discussing at this point. I wonder whether the Senator is aware of the fact that the secret testimony taken before the committee shows that there were 17 Communist writers who wrote for both the American Council of the Institute of Pacific Relations and Amerasia. That was not disclosed in the public testimony. I refer to the secret testimony before the committee.

Mr. KNOWLAND. I am not familiar with that particular testimony.

On page 2 of the report of Subcommittee IV of the Committee on the Judiciary, House of Representatives, Seventy-ninth Congress, second session—House Report No. 2732—the committee states as follows:

Among the documents seized in the possession of Jaffe at the Amerasia office in New York City at the time of his arrest were 267 prepared by the State Department, including 2 copies of a top-secret classification, 20 originals or duplicate originals and 14 copies of a secret classification, and 51 originals or duplicate originals and 14 copies of a confidential classification; 50 prepared by OSS, including 2 originals or duplicate originals and 1 copy of a secret classification and 11 originals or duplicate originals of a confidential classification; 19 prepared by ONI, including 1 original or duplicate original of a secret classification and 3 originals or duplicate originals of a confidential classification; 34 prepared by MID, including 9 copies of a secret classification, 1 original or duplicate original and 11 copies of a confidential classification; 58 prepared by OWI, including 3 copies of a secret classification, 1 original or duplicate original and 4 copies of a confidential classification.

On a Meet the Press television program of Sunday, May 21, 1950, Mr. Frank Bielaski, former Director of Investigation of the OSS, who led the original raid on the Amerasia office, had this to say:

I think that the Hiss and Chambers case was "chicken feed" compared to this case. I think that we can calculate that there was a total of about 3,000 documents involved in the Amerasia case in a period of 3 months.

The significance of the letter of resignation of Ambassador Patrick J. Hurley on November 26, 1945, needs reexamination in the light of the events that have taken place in China since that time and the part we now know was played by those connected with Amerasia.

For those who may be interested in reading the entire letter, I refer to pages 581 to 584, inclusive, of the China white paper, published in August of last year. For the purpose of this discussion, however, I desire to read three paragraphs which I believe are extremely important, as follows:

I was assigned to China at a time when statesmen were openly predicting the collapse of the National Government of the Republic of China and the disintegration of the Chinese Army. I was directed by President Roosevelt to prevent the collapse of the Government and to keep the Chinese Army in the war. From both a strategical and diplomatic viewpoint, the foregoing constituted our chief objective. The next in importance was the directive to harmonize the relations between the Chinese and American Military Establishments and between the American Embassy in Chungking and the Chinese Government. It will readily appear that the former objective could not be accomplished without the accomplishment of the secondary objective as a condition precedent. Both of these objectives were accomplished.

Listen to this, Members of the Senate:

While these objectives had the support of the President and the Secretary of State, it is no secret that the American policy in China did not have the support of all the career men in the State Department. The professional Foreign Service men sided with the Chinese Communist armed party and the imperialistic bloc of nations whose policy it was to keep China divided against herself. Our professional diplomats continuously advised the Communists that my efforts in preventing the collapse of the National Government did not represent the policy of the United States. Those same professionals openly advised the Communist armed party to decline unification of the Chinese Communist Army with the National Army unless the Chinese Communists were given control.

Mr. President, I wish to interpose again to say that I am reading from the letter of resignation of Ambassador Hurley, who had the confidence of and was sent on missions by two distinguished Presidents of the United States, President

Franklin D. Roosevelt and President Harry S. Truman. President Truman had asked him to continue as Ambassador to China, but General Hurley found it necessary to resign. I continue reading from Ambassador Hurley's letter of resignation:

Despite these handicaps we did make progress toward unification of the armed forces of China. We did prevent civil war between the rival factions, at least until after I had left China. We did bring the leaders of the rival parties together for peaceful discussions. Throughout this period the chief opposition to the accomplishment of our mission came from the American career diplomats in the embassy at Chungking and in the Chinese and far eastern divisions of the State Department.

I requested the relief of the career men who were opposing the American policy in the Chinese theater of war. These professional diplomats were returned to Washington and placed—

I might interpose here to inquire, where do Senators think these men who were relieved at the request of Mr. Hurley, the Ambassador to China, were placed? He promptly tells us. He said they were placed—

in the Chinese and far eastern divisions of the State Department as my supervisors. Some of these same career men whom I relieved have been assigned as advisers to the supreme commander in Asia. In such positions most of them have continued to side with the Communist armed party and at times with the imperialistic bloc against American policy. This, Mr. President, is an outline of one of the reasons why American foreign policy announced by the highest authority is rendered ineffective by another section of diplomatic officials.

Mr. President, on November 28, 1945, Representative GEORGE A. DONDERO, of Michigan, made a speech on communism in our Government which appears on page 11150 of the CONGRESSIONAL RECORD of that date. He was at that time discussing the Amerasia case. This was the speech which probably set off the investigation by the House committee. I quote Representative DONDERO.

Let me give one more example which is particularly illuminating and of present great importance to our policy in China. This stolen document was a lengthy detailed report showing complete disposition of the units in the army of Chiang Kai-shek, where located, how placed, under whose command, naming the units, division by division, and showing their military strength. It is easy to visualize the consequences of this information in the hands of the Communist forces in China, then and now. Is it possible that this information reached the headquarters of the Communist forces in China, enabling them to arrive at strategic places at the opportune time to accept the surrender of Japanese arms to serve their own purposes?

I continue to quote from Representative DONDERO's speech:

The six defendants in the case were arrested on or about June 7 of this year, but for a considerable time prior thereto these conspirators were under constant surveillance by agents of our Government and particularly by the FBI.

During this time, the San Francisco Conference was called and was in session to establish world peace. In the delegation from China to that conference was one duly accredited Communist officially representing the Communist regime in North China. His name was Tung Pi Wu and, until recently, he was here in Washington. It is not improbable that he may have alienated from Chiang's government the friendship and assistance promised by the United States at Cairo. He has been dividing his time between Washington and New York, working in the cause of communism.

Our Government records will show that one of his first acts upon arrival in San Francisco was to take a plane for New York City. The records will also show that Tung Pi Wu conferred with Philip Jaffe, one of the convicted conspirators, in New York, and a third person participating in the conference was Earl Browder, then head of the Communist Party in the United States and now planning a trip to Russia. He is the same man who served a term in a Federal penitentiary for passport fraud committed when he masqueraded in China under a false identity while engaged in organizing the Communist Party in China.

The conference between Jaffe, Tung Pi Wu, and Browder lasted approximately 5 hours. At the conclusion of that meeting, Mr. Tung Pi Wu hastened back to the San Francisco Conference for world peace. Is there any doubt in anybody's mind what became of the secrets which Jaffe then possessed as stolen property of our Government?

With further reference to the conference between Browder, Jaffe, and the Chinese Communist representative, Tung Pi Wu, it is interesting to examine the testimony of Mr. Browder before the subcommittee of the Senate Committee on Foreign Relations on Thursday, April 27, 1950. This testimony is found on pages 1391 and 1392 of the transcript. I read from the transcript:

Senator HICKENLOOPER. Do you know Tung Pi Wu, the Chinese Communist leader?

Mr. BROWDER. I do.

Senator HICKENLOOPER. When was the last time you conferred with him, or saw him?

Mr. BROWDER. I met him in New York when he was on his way to the conference that founded the United Nations. He was a member of the Chinese Government delegation.

Senator HICKENLOOPER. Was that the last time you ever saw him or met him, or talked with him?

Mr. BROWDER. Yes.

Senator HICKENLOOPER. Who was at that meeting?

Mr. BROWDER. I do not remember, and if I did, I would not give information about a meeting which I held with such a person, and who was present. I think that such questions as that are not in order.

Senator HICKENLOOPER. The determination of that, Mr. Browder, will be made by the committee.

I thoroughly agree with the statement of the Senator from Iowa [Mr. HICKENLOOPER] in that regard, because certainly this meeting is of high significance in connection with the whole question of the Amerasia case, the stolen documents, and the responsibility which may rest on certain officials of the Government of the United States for the debacle which has taken place in China and the Far East.

A pattern begins to emerge of this Red network which through active party members, fellow travelers, or dupes, played their part in influencing American policy and American public opinion to the end that support would be withdrawn from the Republic of China. When that happened the road for Communist expansion in Asia was facilitated.

There are same basic questions which must be answered. These include:

First. Who was the individual attending the United Nations Conference at San Francisco who brought pressure on the Department of Justice to delay prosecution of the Amerasia case? Was Alger Hiss directly or indirectly involved?

In the light of that, Mr. President, I think I should call the attention of the Members of the Senate, who, busy as they are, may not have had an opportunity to read the transcript of what occurred before the House subcommittee, to what appears on page 7460 of the CONGRESSIONAL RECORD of Monday, May 22, 1950. This is testimony given by Mr. Gurnea, who is with the FBI. He says:

On May 31, 1945, the Department of Justice advised the Bureau that any prosecution in connection with this matter was to be held in abeyance until the conclusion of the San Francisco Conference.

I understand that some of the men who were connected with the San Francisco Conference—Mr. McGranery may be able to give you more detailed information than I—but they were of the opinion that a prosecution of this case, at that particular time, might cause friction at the San Francisco Conference, and it was felt it should be postponed until a later date.

Before reading further, Mr. President, I might parenthetically say that if this was not a case of espionage, if there was not a case of leakage of information going to the Soviet Union, how would the Soviet Union at the San Francisco Conference be embarrassed by people who had merely illegally taken documents to help them in the publication of a magazine? It just does not make sense.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Has it ever been disclosed who it was at the San Francisco Conference that requested that no prosecution be had in this case?

Mr. KNOWLAND. So far as I know, it has not been disclosed. I believe that to be one of the great unanswered questions in the Amerasia case.

Mr. FERGUSON. But, as the Senator has said, it is clearly indicated that the Amerasia case was an espionage case and that the papers must have been obtained for another government. The meeting at San Francisco was a joint meeting of governments to establish a United Nations; therefore, it would by necessity mean that the documents were obtained for another government, and that the other government was not to be brought into the matter because, as we say, it might upset the apple cart in the Conference.

Mr. KNOWLAND. It seems to me that that is prima facie true. If, as it has since been attempted to show, this was merely the surreptitious taking of a few inconsequential documents for the use of a magazine, why would any foreign power be interested in the matter, and why should the prosecution of such a case be delayed until after the San Francisco Conference?

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Is it not true, then, that it is very important that we ascertain who the persons involved at the San Francisco Conference were, and what they were told which caused them to form the opinion that no prosecution should be had?

Mr. KNOWLAND. There can be no question about that. Unfortunately all the persons who attended the San Francisco Conference may not be available to testify on the subject, because some have died since that time. But it is not only important, I will say to the Senator from Michigan, to know who actually picked up the telephone or who sent a cablegram to say "Hold this up," but it is important to know who consulted with him and advised him to do it, because a person might have innocently done that in San Francisco on the advice of someone else.

Mr. FERGUSON. Therefore it is important that the Senate and the people of the country obtain all the facts to show why the block was put in; and whether or not Washington had full knowledge of what was going on. Is that not true?

Mr. McCARTHY rose.

Mr. KNOWLAND. There can be no question about that. I think it is even more important when I read the following three paragraphs, and then I shall yield to the Senator from Wisconsin. I continue to read from the testimony before the House committee:

> The Attorney General was advised of that fact. For that reason, there was no further action taken on the case until further word was received.
>
> However, on June 2, 1945, General Holmes, of the State Department, contacted the President, personally, relative to the case, and advised him, at that time, that it was being held in abeyance.

General Holmes, who was in the State Department and was thoroughly familiar with this case, apparently became so alarmed at this word from the Department of Justice which they said had come from the State Department, apparently without his knowledge, that immediately upon hearing it he took the unusual step of going direct to the highest authority in the land, the President of the United States.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Does the Senator realize that at that time, before an arrest could be made of a State Department official, the head of the Department, the Secretary of State, had to be consulted respecting such arrest? Is the Senator familiar with that fact?

Mr. KNOWLAND. I have understood that that was the case, and I also understood from a reading of the testimony and such other facts as I have been able to obtain in this case, that that formula had been followed prior to that time. Apparently there had been not only a clearance but the State Department, General Holmes, and other authorized persons, including Under Secretary Grew, had definitely told them to go ahead, that clearance had been received.

Mr. FERGUSON. Does the Senator understand then that facts must have been presented to General Holmes and Under Secretary Grew indicating there was sufficient evidence upon which to base a conviction, or at least to bring a prosecution, against those connected with the State Department who were to be arrested?

Mr. KNOWLAND. I think the record is very clear in that regard.

Mr. FERGUSON. Therefore something else must have occurred, some other representations must have been presented which caused the block of this prosecution to come from San Francisco.

Mr. KNOWLAND. The fact remains also, I might say, that all this occurred about the time of the San Francisco Conference. Certainly Ambassador Grew knew that a conference was going to be held. That the conference was going to be held had been known in the Government for a considerable period of time. General Holmes and Ambassador Grew, both competent public officials, long experienced in the State Department, must have taken all those facts into consideration. The advice to hold off the prosecution must, therefore, have come from someone else. Who is that someone else?

Mr. FERGUSON. Mr. President, will the Senator yield further?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator appreciates, of course, that Mr. Hiss was one of the advisers at San Francisco.

Mr. KNOWLAND. He was not only one of the advisers, he was, I believe, Secretary General of the UN Conference at San Francisco, and, of course, had gone to Yalta as an official adviser to Secretary Stettinius. If the Senator will read the book written by the late Mr. Stettinius, former Secretary of State, in which he deals with the Yalta question, the Senator will find numerous places in that book where former Secretary Stettinius tells of his high regard for Mr. Alger Hiss, of Mr. Hiss being invited into the various conferences in which policies were formulated and established, and that at one time Mr. Hiss was called in when they were trying to work out something with the President of the United States. Unfortunately, Mr. Stettinius died prior to the conviction of Mr. Hiss by the jury. But there can be no doubt that at the time of the Yalta Conference and at the time of the San Francisco Conference Alger Hiss was in a position of great influence with American officials.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. Yes.

Mr. FERGUSON. Would not the facts recited from former Secretary Stettinius' book indicate that the one man who would have been consulted in relation to this case, it being a case of an international nature, was the adviser or the chief adviser or architect of the plan, Mr. Hiss? Is it not reasonable to suppose that he is the man who would be consulted?

Mr. KNOWLAND. Of course, none of us knows the answer to that question. But certainly when I read the next paragraph from the testimony of Mr. Gurnea, it will be apparent to everyone that this is a lead which has never been followed through, so far as I know, to its ultimate conclusion. It is a very important lead in this whole network of individuals who were either actively engaged in the Communist Party in this country, were fellow travelers, or were at least guided by the same general principles, in the hope that China would become entirely Communist dominated.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Is it not important that the particular advice be disclosed and who gave the advice, so that all persons who were at the San Francisco Conference who had nothing to do with this matter would be freed from suspicion that the prosecution was held up upon their advice?

Mr. KNOWLAND. There can be no question about it. As a matter of fact I do not believe the Senate or the country are going to be satisfied until the committee requests, and there be made available, all the cables and telegrams which passed between San Francisco and the State Department dealing with this subject.

Mr. FERGUSON. I agree with the Senator.

Mr. KNOWLAND. The next paragraph I desire to read, which to me makes this whole thing even more significant and makes it more necessary to follow it through, is the amazing testimony by the FBI representative before the House committee in its hearings in 1946. I read what he said. Remember I had stopped reading when I mentioned that General Holmes had gone directly to the President.

> The President called the Bureau and stated he wanted action taken on the case as quickly as possible, and wanted it to be vigorously followed, and in the event we received instructions from anyone that the case was to be held in abeyance, we were to contact him personally and let him know what instructions had been issued.

There was certainly a strong indication shown by the President of the United States that the stopping of the prosecution had not been warranted, for he found it necessary to issue personal instructions to the FBI to follow the case, and he apparently was so concerned that somebody else would drop some filings into the machinery of justice, that he said, "If they try to stop it again, personally inform me." I think that is a very unusual precaution for a President of the United States to have to take in a case of this kind, one involving the stealing of many highly classified documents.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. I may say that I had planned to wait until the Senator concluded his remarks before I asked questions; but I must leave shortly, so perhaps the Senator will permit me to ask one or two questions at this time.

In the early part of his remarks the Senator from California said the statute

of limitations had run. I think the Senator had in mind section 793 of title 18 of the United States Code. However, the offense in the Amerasia case I think unquestionably would come under section 794 of title 18, which calls for a penalty up to and including death. That statute has been tolled during the war, so the statute of limitations would not have run, insofar as the defendants in the Amerasia case are concerned.

Mr. KNOWLAND. In that connection, I would say that I am not a lawyer, but am a newspaperman. So that is a legal question which I would not feel competent to pass upon. I had understood from others that the statute had run. Perhaps it has not run, but I am not qualified to discuss that point.

Mr. McCARTHY. I brought up that point because I think it is the general impression that the statute has run. However, I have gone into that question in some detail with some of the best legal minds which can be found; and, in fact, I have also contacted the Department of Justice, and the attorneys there agree that the statute of limitations on section 794 of title 18 was tolled during the war and, the war still being on, the statute is still tolled.

I would also like to call the attention of the Senator to some documents which I hold in my hand at this time. None of them have ever before been made public. The Senator from California thought it was important to find out who was financing Amerasia. The Senator will recall that Frederick Vanderbilt Field was asked whether or not he was doing any of the financing; but he refused to answer, on the ground that his answer might incriminate him.

Of course, I think it is fairly general knowledge that Amtorg and Frederick Vanderbilt Field were so financing. However, there is a long step between feeling sure of something and being able to prove it. The Senator from California, having been a newspaperman, knows that when photostats which are obtained from hostile sources show contributions of $2,000 or $3,000 or $4,000, undoubtedly they represent only a small portion of the total amounts paid.

I now hold in my hand, and I shall give them to the Senator from California, photostats of checks totaling $2,500, paid by Frederick Field to support the magazine Amerasia.

Mr. KNOWLAND. Are those over and above the checks the Senator from Wisconsin turned over to the committee and mentioned to the Senate—checks dealing with the Institute of Pacific Relations?

Mr. McCARTHY. These have nothing whatsoever to do with the Institute of Pacific Relations. I may say that these checks were written at the same time when Mr. Field was also financing the publication of the American Council of the Institute of Pacific Relations, and at a time when Mr. Philip Jessup, our present Ambassador at Large, was in charge of the American Council's publication. He was physically in charge in 1943 and 1944; he was head of the research advisory council, which gave him complete charge of the editorial policy.

So Field, who has spent I do not know how many hundreds of thousands of dollars for Communist causes, was financing Mr. Jessup's publication, which was following the Communist Party line on China, and also we now find that Field was financing Amerasia. I think that is interesting information.

Mr. KNOWLAND. Mr. President, the Senator from Wisconsin has performed a useful service in bringing this information to the attention of the Senate and of the country. I trust that he will, if he has not already done so, make this information available to the committee investigating the case. Frederick Vanderbilt Field was accepted by Earl Browder as a Communist and Browder never felt it was necessary to question him abount that. Field had been active with the Institute of Pacific Relations, and had been on the board of Amerasia magazine; but this is the first direct indication I have seen that he also had been financing Amerasia magazine.

Mr. McCARTHY. Mr. President, I may say to the Senator that these documents have not been submitted to the committee. I do not mean to go into that subject at this time; but I believe the entire Senate knows why I am reluctant to waste my time trying to convince the committee of the situation which exists.

These documents are only some of the many documents which perhaps will not be presented to the committee, but certainly will be presented to the Senate and to the country.

I may also call attention to the fact that although I do not have the documents showing who were the founders of Amerasia, yet Mr. Jaffe's attorney, when he appeared in court, told the judge—all this is a matter of record—that the cofounder of Amerasia was a man by the name of Mr. Owen Lattimore, of whom the Senator may have heard before. As the Senator will recall, Mr. Jaffe pled guilty and was fined $2,500. He was named by Mr. Budenz as a Communist espionage agent.

Mr. KNOWLAND. Mr. President, the second question which I think should be answered, and which I think the Senate and the country have a right to expect to be answered, is, Who was it in the Government who insisted, over objections of officers of the United States Navy, that a suspected fellow traveler should be placed in the Office of Naval Intelligence?

Third, was the judge presiding at the time when Philip Jaffe pled guilty and when Larsen plead nolo contendere fully informed by the prosecuting attorneys of the Communist background and affiliations of Amerasia magazine and the significance of some of the documents that were taken?

Mr. McCARTHY. Mr. President, would the Senator like to have those photostats inserted in the RECORD? If so, I shall leave them with him. Otherwise, inasmuch as they are the only copies I have, I will keep them, for I would not like to lose them.

Mr. KNOWLAND. Then, Mr. President, I ask unanimous consent that the photostats may be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The photostats are as follows:

Madison Avenue office, Guaranty Trust Co. of New York, New York, N. Y.

AUGUST 28, 1942.

No. 65.

Pay to the order of Amerasia, Inc., one thousand dollars.

$1,000.

FREDERICK V. FIELD,
Special Account.

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERASIA, INC.

SEPTEMBER 1, 1942.

Madison Avenue office, Guaranty Trust Co. of New York, New York, N. Y.

OCTOBER 16, 1942.

No. 68.

Pay to the order of Amerasia, Inc., one thousand dollars.

$1,000.

FREDERICK V. FIELD,
Special Account.

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERASIA, INC.

OCTOBER 18, 1942.

Madison Avenue office, Guaranty Trust Co. of New York.

NEW YORK, N. Y., *January 16, 1942.*

No. 211.

Pay to the order of Amerasia, Inc., five hundred dollars.

$500.

FREDERICK V. FIELD,

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERASIA, INC.

Pay to the order of any bank, banker, or trust company, January 20, 1942, or through the New York Clearing House.

Prior endorsements guaranteed.

Corn Exchange Bank Trust Co., Park Avenue branch.

Mr. McCARTHY. I ask the reporter to see that the photostats are returned to me, please.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Michigan.

Mr. FERGUSON. Is not the record very clear that the judge in that case, at the time of the plea and the sentence, was not informed as to the Communist connections with the case we are now discussing? The Senator from Michigan is one of those who feel a responsibility for requiring that the stenographers in all Federal courts report and transcribe all the proceedings in connection with pleas of guilty and the acceptance of pleas of guilty, so that the public may know later exactly what occurred at the time of the plea and at the time of the sentence.

So in this case the record is clear, it seems to me, that the stenographic notes, which have appeared in the record, and have been mentioned today by the distinguished Senator from California, indicate that the judge was not told of the Communist activities and

was not told all the facts in connection with the case. Is not that correct?

Mr. KNOWLAND. I think the record I have read, which has been made available, certainly indicates that the judge was not so informed.

Mr. FERGUSON. Does not the record also show, from the facts presented to the judge at that time, that a "deal" was made with Jaffe, outside the courtroom, in relation to his plea of guilty, to the effect that he was not to receive a jail sentence, but would receive only a small fine? Would not the Senator read that between the lines, and would not he know it from the record?

Mr. KNOWLAND. It certainly would appear to be so, from reading the record. I do not know that I can find that point in the transcript while we are discussing this matter now; but I will say that I was rather shocked, as a layman, upon reading the transcript of the testimony before the court in the Larsen case, to read a statement which we might expect to be made by defense counsel but to find that the statement was made by the Government attorney in that case, so that the defense counsel had very little to say, other than "me, too," in regard to the very pleasant hue which the Government attorney had put upon the whole matter—as though it had been something rather inconsequential, something to the effect that, "The boys made a mistake; but, after all, they were in the publication business, and, you know, newspaper men have to have background material."

On the contrary, the fact of the matter is that we do not find on the part of any legitimate publication in the United States any such rifling of secret and top-secret Government documents, taken for any such purpose. I say it is a slander and a libel upon the newspaper and publishing industry of America that 1,700 stolen documents would be in the files of a magazine of any kind, particularly a magazine of this kind.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator is familiar, is he not, with what happened after this item came out, so far as interviewing distinguished members of the press is concerned, and that they stated they did not have such access? Those newspapermen, responsible representatives of the press of America, did not have the opportunity to obtain hundreds of documents. In fact, the majority of them stated that if they ever got any information, it was read to them, or, if by way of a document, its possession was obtained by the official who gave it to them.

Mr. KNOWLAND. That is correct. I recall the article which appeared within the past few days.

Mr. FERGUSON. So the record is clear that that was not the practice of reputable newspapermen.

Mr. KNOWLAND. I am sure it is not their practice.

Mr. FERGUSON. Mr. President, will the Senator yield further?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. The Senator stated that, as a layman, he was shocked, upon reading this record, to find that the district attorney pleaded for the defense. Is the Senator familiar with the ethics of the legal profession, and particularly those respecting the bench, which would prohibit, and, in fact, would make it a matter of contempt of court, to enter into any such agreement as the one indicated by Mr. Hitchcock, where, outside the court, an agreement is made with a defendant, in effect telling him what the sentence will be? Is the Senator familiar with the fact that a proceeding of that kind, in a matter pending in a court of justice, is considered by judges to be contempt of court?

Mr. KNOWLAND. I am not so familiar with that as is the Senator, although I have generally understood that to be the case.

Mr. FERGUSON. Does the Senator understand that when a defendant is brought before a judge for sentence, it is the judge's duty to ascertain whether any promises have been made by anyone in order to obtain a plea of guilty?

Mr. KNOWLAND. No; I do not. I may say to the Senator, I am not familiar with that.

Mr. FERGUSON. That is an established rule of procedure. It is the established rule of all courts, in taking pleas of guilty. In other words, the Attorney General of the United States represents all the people. In effect, he must be fair and truthful with the defense. Therefore, he cannot promise that a man will receive only a sentence of a certain kind, or a fine without a jail sentence. To do so, would be a breach of the fundamental ethics of the legal profession and of the bench and bar of America.

Mr. KNOWLAND. I may say to the Senator from Michigan that, on May 22, there was placed in the CONGRESSIONAL RECORD the testimony before the subcommittee of the Committee on the Judiciary of the House. That testimony very clearly indicates that a deal was entered into with the attorneys for Jaffe, to the effect that he would get a fine of not more than $5,000—he later was actually fined $2,500—and that there would be no jail sentence.

Mr. FERGUSON. That is correct.

Mr. KNOWLAND. Whether that is ethical and legal, I cannot say, for I am unable to put my finger on a particular rule or statute to that effect, as the Senator from Michigan is able to do. But certainly, from reading the testimony, I should say a deal of that kind was entered into.

Mr. FERGUSON. The Senator from Michigan now states for the RECORD that comment of that kind is unethical. It is a contempt of court. The procedure followed by the Attorney General of the United States would not be becoming even to those who practice law in the police courts of the great cities of the United States if the record of what Mr. Hitchcock said is correct. The defendant's attorney was kept in another room so that he could not get out to ascertain what had been filed in a court, and there was therefore obtained from him a plea of guilty on behalf of his client. Such conduct would not be permitted in the police courts of the United States, let alone in the District Court of the United States for the District of Columbia.

Mr. KNOWLAND. I may say to the Senator from Michigan that from what I have been privileged to read to date, it seems to me that the Department of Justice is trying to pin upon the FBI or the OSS some mishandling of the investigative phases of this work. But, on my responsibility as a Senator, from a reading of the testimony which has been available to me, I venture to say that the bungling which has taken place in the Amerasia case rests in the Department of Justice of the United States and with others who may have been on the outside in any other Federal department who were advising them.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. When the Senator from Michigan learned that the Senator from California was about to make this speech on the floor of the Senate today, being familiar with the record, having read the record in the Hobbs case, and other information which he has been able to obtain, he discovered just what the distinguished Senator from California found—that there was the idea of placing upon the Federal Bureau of Investigation, rather than upon the office of the Attorney General, the responsibility for the difficulty in this case, and there was an attempt to make it appear that the bungling of the FBI was the cause of there having been no prosecution in this case.

I have therefore brought to the Senate, and will later in the day use, by way of questions or otherwise, legal authorities which indicate that a prosecution could be had in this case. It was not the fumbling or bungling of the FBI. In fact, the FBI, according to the record, appears to have done a good job. They were working under wartime conditions. I want to cite to the Senate later what Mr. Justice Holmes said about wartime conditions and their effect upon searches and seizures and upon freedom of speech. But will the Senator yield for but one further observation?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Is the Senator familiar with the fact that while, as Mr. Hitchcock says, they kept the attorney for Jaffe in another room, concealing from him the fact that certain documents had been filed in the District Court of the United States, at the same time, or at some later time, the United States district attorney was making a deal: Larsen was called in and was told, "If you will enter a plea of nolo contendere"—and a long discussion ensued as to what is meant by "nolo contendere," which I shall not discuss at this time—"If you will plead nolo contendere, which to all effect is a plea of guilty upon the record at least, for the purpose of a fine and a sentence, "we will have Jaffe pay your fine."

In other words, they were making an agreement with him—knowing that they could get the judge of the United States district court not to sentence him—to have Jaffe pay his fine, and not only to pay his fine, but they used the persuasion that they would pay his attorney

fees. So when he was taken to the court on Saturday morning to enter the plea of nolo contendere, and the judge fined him $500, the money was provided by Jaffe for the purpose of paying his fine. Larsen's attorney reached into his pocket, took out a bill for $2,000, and presented it, and Jaffe paid $2,000 as an attorney fee.

Has that been brought out by Mr. Hitchcock? Does not the Senator feel that it is material to the issue as to whether they were doing this for the purpose of covering up evidence, so that the people of the United States would not know what was going on? Does the Senator feel that that is indicated by such a deal?

Mr. KNOWLAND. I say to the Senator from Michigan that, in the judgment of the Senator from California, this is only one of the many unexplained facets of the Amerasia case which should be thoroughly gone into. If it is not thoroughly gone into, neither the Congress nor the country will be satisfied that there has not been a major cover-up in the whole proceeding.

Mr. FERGUSON. I thank the Senator.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. McCARTHY. On page 1467 of Field's testimony Senator HICKENLOOPER asked Mr. Field this question:

> Have you contributed any funds or property of value to either Amerasia, the magazine Amerasia, or the magazine or organization known as Far Eastern Survey?
>
> Mr. FIELD. I must decline to answer those questions on the ground that the answers might be self-incriminating.

In other words Mr. Field said, "I will not tell you whether I helped to support Amerasia because that might incriminate me."

In view of the fact that we have a few photostats here showing his financial support of Amerasia, would the Senator agree with me that the committee should do what I have been urging and coaxing it to do for weeks, namely, to subpena Mr. Field's financial records to find out to what extent he actually financed Amerasia and to what extent he financed the IPR publication.

In addition to that, I should like to invite the Senator's attention to something of which he may or may not be aware, namely, that after Mr. Field was called and refused to answer certain questions and the committee considered the wisdom of citing him for contempt, he then sent word that he was now willing to talk. I assume that means that he was willing, also, to furnish his financial records. At that time the counsel for the committee, Mr. Morgan, made the statement that he doubted whether Mr. Field should be given that privilege, in other words, the privilege of giving the committee the information it wanted. Since that time, for some mysterious reason, all mention of Mr. Field has been dropped. He has not been called, and no attempt has been made to have his records made available.

Is the Senator also aware of the fact that originally I produced photostats of checks totaling $3,500 which Field had paid to another publication?

Mr. KNOWLAND. Yes; I mentioned that in my remarks.

Mr. McCARTHY. Subsequently the State Department issued a white paper to prove, in effect, that McCARTHY was a liar. It stated that Mr. Field contributed only $3,500, and that was a small portion of the cost of running that publication. All the Department had to do was to call in Jessup and ask him how much Communist money was given to his organization.

I have been digging up additional photostats. I have now furnished photostats of checks totaling $6,000 which Field paid toward the support of Mr. Jessup's organization.

In view of this, does the Senator agree with me that it is important that we get the Field records and also find out how much in excess of $6,000 was paid? Up to this time I have succeeded in getting photostats only up to 1943. It was called to the President's attention that Mr. Jessup was in charge of the publication which was spearheading the Communist Party line of attack on the anti-Communist forces in China. It was called to his attention that while Mr. Jessup's publication was performing this task for the Communists, they were being supported by Communist money, and that the only action taken—and I think this is a very important thing for the people of the country to realize—was to give Mr. Jessup secret clearance to all H-bomb information.

Mr. KNOWLAND. I will say to the Senator that of course I do not know the answers to all the questions which the Senator has presented, but it certainly seems to me that the committee would be derelict in its duty to the country and to the Senate if it did not pursue this matter to get the complete answers to the questions. Certainly I do not believe, in the light of the known association of Mr. Field with Mr. Browder in the whole China situation, that we can ever get the complete threads of the network until we have supenaed the financial records of Mr. Field.

Another question, Mr. President, that should be raised at this time is why should not the documents in the Amerasia case be made available to the Congress and the Nation so that they may judge for themselves as to the importance of the documents? There have been statements to the effect that only 1 percent of the documents were really of a highly important nature. I have covered that point in my previous remarks by saying that even if only 1 percent of the documents were important, it would still be a serious situation.

On my responsibility as a United States Senator I say that the documents which were classified as confidential secret, and top secret, greatly exceed 1 percent. Certainly, there was a major leakage out of Government departments into the office of the Amerasia magazine. Certainly, in this case, as distinguished from the current question of security risks in Government departments, what it needs more than anything else is a full spotlight of public opinion. It may be that in connection with the testimony given by persons who were connected with the Amerasia case there may be others who are not now known who can supply the committee with information which would show whether perjury had been committed; but if star-chamber proceedings are conducted in this case which is now some 5 years old, we may never get the full facts of the case.

I should like to raise a final question: Does the Foreign Relations Subcommittee intend to subpena Philip Jaffe, Kate Mitchell, Mark Gayn, Emmanuel Larsen, John Service, and Andrew Roth and press for answers as to who constituted the transmission belt from Government classified files to the office of Amerasia and whether or not any such still remain in the Government service?

In concluding Mr. President, I merely want to say that in 1899 a great Secretary of State, John Hay, had this to say:

> The storm center of the world has gradually shifted to China. Whoever understands that mighty empire socially, politically, economically, and religiously has a key to the politics for the next 500 years.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Pennsylvania.

Mr. MARTIN. I have not heard all the remarks of the distinguished Senator from California, but I have been greatly interested in what I heard. I think he has performed a great service to the United States in bringing this matter into the open. Did the Senator make any reference to the paraphernalia which was used for recopying, and so forth, in the rear of the main office of Amerasia?

Mr. KNOWLAND. No; I did not go into that subject in these remarks, because at a later date I expect again to deal with the subject. However, in answer to the question of the Senator from Pennsylvania, the testimony which is now on record shows that in the office of this little magazine Amerasia, which had a circulation of approximately 2,500, there was quite a photostatic establishment. It was of the type which would be used in a publication of a much greater size. When Mr. Bielaski led the first OSS raid on the Amerasia office be found countless photostats of secret and other classified documents in the office of Amerasia. I very diligently searched through 2 years of the files of Amerasia in the Library of Congress and I have yet to find a single photostatic reproduction in any of those issues.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. Would that not indicate that there may have been other documents which had been photostated and returned.

Mr. KNOWLAND. There is no question about the fact that it would be hardly necessary to keep the originals when they had photostatic copies. It may be that there was such a volume of documents that they had not had a chance to return the remaining documents to the Government files before they were found in the office.

Mr. FERGUSON. I indicated that I would have something to say about

search and seizure, but I understand that the Senator from Maine desires the floor. Therefore, I shall not take any more time in asking questions of the Senator from California. Later I shall seek the floor in my own right and put this legal matter into the RECORD.

Mr. KNOWLAND. I think the Senator would be performing a very useful service if he were to do so, because I believe some misconceptions have arisen as a result of the material put out by the Department of Justice. The material which the Department of Justice has put out would indicate that there was no law case, and that that was the excuse for not pursuing the matter diligently.

In conclusion, Mr. President, it becomes more apparent each day that the men in the Kremlin have understood the importance of China far better than many of those in our own State Department. I only hope that it is not too late and that the fall of the mainland of China, carrying with it the implication of the ultimate loss of most of Asia, will not be fatal to the cause of peace in the world and ultimately undermine the security of the United States of America.

The PRESIDING OFFICER (Mr. IVES in the chair). In his capacity as a Senator, the Chair suggests the absence of a quorum, and the clerk will call the roll.

The clerk proceeded to call the roll.

Mrs. SMITH of Maine. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE GROWING CONFUSION—NEED FOR PATRIOTIC THINKING

Mrs. SMITH of Maine. Mr. President, I would like to speak briefly and simply about a serious national condition. It is a national feeling of fear and frustration that could result in national suicide and the end of everything that we Americans hold dear. It is a condition that comes from the lack of effective leadership either in the legislative branch or the executive branch of our Government. That leadership is so lacking that serious and responsible proposals are being made that national advisory commissions be appointed to provide such critically needed leadership.

I speak as briefly as possible because too much harm has already been done with irresponsible words of bitterness and selfish political opportunism. I speak as simply as possible because the issue is too great to be obscured by eloquence. I speak simply and briefly in the hope that my words will be taken to heart.

Mr. President, I speak as a Republican. I speak as a woman. I speak as a United States Senator. I speak as an American.

The United States Senate has long enjoyed world-wide respect as the greatest deliberative body in the world. But recently that deliberative character has too often been debased to the level of a forum of hate and character assassination sheltered by the shield of congressional immunity.

It is ironical that we Senators can in debate in the Senate, directly or indirectly, by any form of words, impute to any American who is not a Senator any conduct or motive unworthy or unbecoming an American—and without that non-Senator American having any legal redress against us—yet if we say the same thing in the Senate about our colleagues we can be stopped on the grounds of being out of order.

It is strange that we can verbally attack anyone else without restraint and with full protection, and yet we hold ourselves above the same type of criticism here on the Senate floor. Surely the United States Senate is big enough to take self-criticism and self-appraisal. Surely we should be able to take the same kind of character attacks that we "dish out" to outsiders.

I think that it is high time for the United States Senate and its Members to do some real soul searching and to weigh our consciences as to the manner in which we are performing our duty to the people of America and the manner in which we are using or abusing our individual powers and privileges.

I think it is high time that we remembered that we have sworn to uphold and defend the Constitution. I think it is high time that we remembered that the Constitution, as amended, speaks not only of the freedom of speech but also of trial by jury instead of trial by accusation.

Whether it be a criminal prosecution in court or a character prosecution in the Senate, there is little practical distinction when the life of a person has been ruined.

Those of us who shout the loudest about Americanism in making character assassinations are all too frequently those who, by our own words and acts, ignore some of the basic principles of Americanism—

The right to criticize.

The right to hold unpopular beliefs.

The right to protest.

The right of independent thought.

The exercise of these rights should not cost one single American citizen his reputation or his right to a livelihood nor should he be in danger of losing his reputation or livelihood merely because he happens to know some one who holds unpopular beliefs. Who of us does not? Otherwise none of us could call our souls our own. Otherwise thought control would have set in.

The American people are sick and tired of being afraid to speak their minds lest they be politically smeared as Communists or Fascists by their opponents. Freedom of speech is not what it used to be in America. It has been so abused by some that it is not exercised by others.

The American people are sick and tired of seeing innocent people smeared and guilty people whitewashed. But there have been enough proved cases, such as the Amerasia case, the Hiss case, the Coplon case, the Gold case, to cause Nation-wide distrust and strong suspicion that there may be something to the unproved, sensational accusations.

As a Republican, I say to my colleagues on this side of the aisle that the Republican Party faces a challenge today that is not unlike the challenge which it faced back in Lincoln's day. The Republican Party so successfully met that challenge that it emerged from the Civil War as the champion of a united nation—in addition to being a party which unrelentingly fought loose spending and loose programs.

Today our country is being psychologically divided by the confusion and the suspicions that are bred in the United States Senate to spread like cancerous tentacles of "know nothing, suspect everything" attitudes. Today we have a Democratic administration which has developed a mania for loose spending and loose programs. History is repeating itself—and the Republican Party again has the opportunity to emerge as the champion of unity and prudence.

The record of the present Democratic administration has provided us with sufficient campaign issues without the necessity of resorting to political smears. America is rapidly losing its position as leader of the world simply because the Democratic administration has pitifully failed to provide effective leadership.

The Democratic administration has completely confused the American people by its daily contradictory grave warnings and optimistic assurances, which show the people that our Democratic administration has no idea of where it is going.

The Democratic administration has greatly lost the confidence of the American people by its complacency to the threat of communism here at home and the leak of vital secrets to Russia through key officials of the Democratic administration. There are enough proved cases to make this point without diluting our criticism with unproved charges.

Surely these are sufficient reasons to make it clear to the American people that it is time for a change and that a Republican victory is necessary to the security of the country. Surely it is clear that this Nation will continue to suffer so long as it is governed by the present ineffective Democratic administration.

Yet to displace it with a Republican regime embracing a philosophy that lacks political integrity or intellectual honesty would prove equally disastrous to the Nation. The Nation sorely needs a Republican victory. But I do not want to see the Republican Party ride to political victory on the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.

I doubt if the Republican Party could do so, simply because I do not believe the American people will uphold any political party that puts political exploitation above national interest. Surely we Republicans are not so desperate for victory.

I do not want to see the Republican Party win that way. While it might be a fleeting victory for the Republican Party, it would be a more lasting defeat for the American people. Surely it would ultimately be suicide for the Republican Party and the two-party system that has protected our American liberties from the dictatorship of a one-party system.

As members of the minority party, we do not have the primary authority to formulate the policy of our Government.

But we do have the responsibility of rendering constructive criticism, of clarifying issues, of allaying fears by acting as responsible citizens.

As a woman, I wonder how the mothers, wives, sisters, and daughters feel about the way in which members of their families have been politically mangled in Senate debate—and I use the word "debate" advisedly.

As a United States Senator, I am not proud of the way in which the Senate has been made a publicity platform for irresponsible sensationalism. I am not proud of the reckless abandon in which unproved charges have been hurled from this side of the aisle. I am not proud of the obviously staged, undignified countercharges which have been attempted in retaliation from the other side of the aisle.

I do not like the way the Senate has been made a rendezvous for vilification, for selfish political gain at the sacrifice of individual reputations and national unity. I am not proud of the way we smear outsiders from the floor of the Senate and hide behind the cloak of congressional immunity and still place ourselves beyond criticism on the floor of the Senate.

As an American, I am shocked at the way Republicans and Democrats alike are playing directly into the Communist design of "confuse, divide, and conquer." As an American, I do not want a Democratic administration white wash or cover up any more than I want a Republican smear or witch hunt.

As an American, I condemn a Republican Fascist just as much as I condemn a Democrat Communist. I condemn a Democrat Fascist just as much as I condemn a Republican Communist. They are equally dangerous to you and me and to our country. As an American, I want to see our Nation recapture the strength and unity it once had when we fought the enemy instead of ourselves.

It is with these thoughts that I have drafted what I call a Declaration of Conscience. I am gratified that the Senator from New Hampshire [Mr. TOBEY], the Senator from Vermont [Mr. AIKEN], the Senator from Oregon [Mr. MORSE], the Senator from New York [Mr. IVES], the Senator from Minnesota [Mr. THYE], and the Senator from New Jersey [Mr. HENDRICKSON] have concurred in that declaration and have authorized me to announce their concurrence.

The declaration read as follows:

STATEMENT OF SEVEN REPUBLICAN SENATORS

1. We are Republicans. But we are Americans first. It is as Americans that we express our concern with the growing confusion that threatens the security and stability of our country. Democrats and Republicans alike have contributed to that confusion.

2. The Democratic administration has initially created the confusion by its lack of effective leadership, by its contradictory grave warnings and optimistic assurances, by its complacency to the threat of communism here at home, by its oversensitiveness to rightful criticism, by its petty bitterness against its critics.

3. Certain elements of the Republican Party have materially added to this confusion in the hopes of riding the Republican Party to victory through the selfish political exploitation of fear, bigotry, ignorance, and intolerance. There are enough mistakes of the Democrats for Republicans to criticize constructively without resorting to political smears.

4. To this extent, Democrats and Republicans alike have unwittingly, but undeniably, played directly into the Communist design of "confuse, divide, and conquer."

5. It is high time that we stopped thinking politically as Republicans and Democrats about elections and started thinking patriotically as Americans about national security based on individual freedom. It is high time that we all stopped being tools and victims of totalitarian techniques—techniques that, if continued here unchecked, will surely end what we have come to cherish as the American way of life.

MARGARET CHASE SMITH,
Maine.
CHARLES W. TOBEY,
New Hampshire.
GEORGE D. AIKEN,
Vermont.
WAYNE L. MORSE,
Oregon.
IRVING M. IVES,
New York.
EDWARD J. THYE,
Minnesota.
ROBERT C. HENDRICKSON,
New Jersey.

Mr. SMITH of New Jersey. Mr. President, prior to the address just delivered by our distinguished colleague, the Senator from Maine, she suggested to me that she thought the address she was about to make to the Senate might contain some matters with which I might disagree.

I wish to say to my distinguished colleague that I have listened with the greatest intentness to her speech; I left my desk and took a seat close to her desk in order that I might hear every word of her speech. I wish to state that I am in wholehearted agreement with everything she has said, and I congratulate her and commend her for the magnificent address she has just made to the Senate.

Mrs. SMITH of Maine. I thank the Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I wish to state for the record that the address which has just been delivered by the distinguished Senator from Maine is one of the best addresses I have heard since it has been my privilege to be a Member of this distinguished body. The address was inspiring and thought-provoking, and it sounded a clarion warning to which every one of us should pay heed. In the future, as we undertake our deliberations on the floor of this body and as we proceed to meet our daily obligations, we should keep in our minds this fine, ringing message.

I compliment and congratulate my distinguished colleague, the Senator from Maine; and as she goes forth on her new mission abroad, I hope she will remember that she has given us today this inspiring message—and to good advantage.

Mr. TYDINGS. Mr. President, it is not necessary for any of us to be in complete agreement with all the statements made by the distinguished Senator from Maine, who has just entertained us and instructed us on the highest level of statesmanship. I think there is much food for thought in the central theme of her magnificent address. This country is faced with terrific perils. The whole world is looking to us for leadership. Regardless of whether we like it or do not like it, there is no other place than America to which the free democratic world can turn.

I take the address just delivered to the Senate by the distinguished Senator from Maine to be a real contribution to the world situation and particularly to the situation existing in the Senate and the situation existing in the House of Representatives. She has been temperate, constructive, imaginative and, I believe, fair in her comments generally upon the passing scene. I wish to compliment her both personally and as a fellow Senator upon her breadth of view and the reasonable detachment from political affairs which she has stated in such a delightful manner in the thoughts to which she has given expression. Those of us of the male sex must coin a new word in order to aptly fit her magnificent address, and I suggest the word "stateswomanship."

Mr. LEHMAN. Mr. President, I deem it a great privilege to congratulate the distinguished Senator from Maine upon her masterly and very timely address. I think she has said things this afternoon in condemnation of the current smear campaign which had to be said and should have been said long ago, things which many of us on the floor of the Senate have felt and were in agreement with.

I think she has brought home to the American people both the evil and the danger of trial by accusation, not trial based on evidence or on proof, but merely on accusation, innuendo, and smear. She has well expressed her antipathy for what she aptly called the Four Horsemen of Calumny—fear, ignorance, bigotry, and smear.

She has said the things which are in our minds and hearts, and she has done so in a manner which I think none of us who had the privilege of listening to her will lightly or quickly forget.

I think she has pointed out, too, the great danger under which we here have been working for the past few months, namely, the danger that the people of America, through the endless repetition of unproved charges against the State Department and Government employees generally, will lose confidence in their Government. She pointed out the even greater danger that the freedom-loving people of other nations will lose confidence in the leadership of the United States. If that should happen, I would see very little hope for the free world.

Again I wish to take this opportunity both to congratulate and to thank the able junior Senator from Maine [Mrs. SMITH] for her very thoughtful address.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the

committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H. R. 6655) for the relief of Taeko Suzuki, and it was signed by the Acting President pro tempore.

MILITARY AID TO OTHER FREE NATIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read by the legislative clerk, and referred to the Committee on Armed Services:

To the Congress of the United States:

I recommend that the United States continue to provide military aid to other free nations during the fiscal year 1951, as part of the common effort to increase the strength of the free world in the interest of world peace. New authorizations are necessary to extend the program begun last year and advanced so successfully since that time.

This program is a further strengthening of the principles of peace on which this country bases its foreign policy. Through the Charter of the United Nations, the member nations have pledged themselves to the settlement of disputes by peaceful means, and to refrain from the threat or use of force against the territory or independence of any nation. In spite of those solemn pledges, there is clear evidence that certain adherents to the Charter will not hesitate to use force and to threaten the integrity of other countries if it suits their purposes. It has proved necessary to take further steps to defend the principles of the Charter, and the freedom of the member nations against this threat.

The United States and other free nations must be strong if they are to remain free. Communist imperialism has shown itself ready to exploit weakness and to seize nations which do not have the strength to resist. That imperialism seeks to gain its ends by intimidation, by fomenting disorder, and by attempts to force internal collapse.

But experience has shown that the designs of Communist imperialism can be thwarted if the intended victims of that imperialism are strong. Communist aggression can be successfully countered by people who value their independence and are determined to take the actions necessary to remain free.

The strength that is necessary to meet the Communist thrusts must take many forms—moral, political, economic, and military—because the Communist challenge takes all those forms. Furthermore, the strength to meet communism must be the combined strength of the free nations. No one nation alone can be successful.

Recognizing these facts, we have entered wholeheartedly into cooperative action with other free nations. We are contributing to the greater strength of the free world, and our own strength is being enhanced by the contributions of the other free nations joined with us.

The cooperative economic programs in which we are engaged—principally the European recovery program—are excellent examples of the way joint action can add to the strength of all of us. By such joint economic action, the free nations are building the foundation of their own security. Economic strength is now, and will continue to be, a prerequisite to the attainment of lasting political and military strength, and world peace.

To enhance this strength, we are engaged in cooperative action to build a stronger defense against aggression. In the Western Hemisphere and the North Atlantic area, we have entered into collective security arrangements within the framework of the United Nations Charter. In other parts of the world, we have helped to strengthen individual countries whose security is important to peace, and to our own security.

Our major effort has been devoted to western Europe, because two great wars in this century have shown us beyond any doubt that our prosperity, our security, and indeed our survival, are bound up with the fate of the nations of western Europe. In the face of the Communist threat to the common peace and security, we entered last year into a compact with 11 other countries in the North Atlantic area. Together, we announced the principle that an attack on one would be regarded as an attack on all.

This was a historic step that has great meaning both here and abroad. It was evidence that our people, and the people in the other countries which signed the North Atlantic Treaty, reject the dangerous futility of isolationism and understand the necessity of cooperation with other countries if peace and freedom are to be preserved.

Following the ratification of the Treaty, the nations set about the practical task of providing for their common defense. The prompt enactment by the Congress of the Mutual Defense Assistant Act was one step toward that goal. To assist western Europe and other nations whose freedom was threatened, the Congress authorized three types of aid: First, the direct supply of certain essential items of military equipment; second, the assistance of specialists in military production and training; and third, the transfer of machine tools and materials to enable increased production of military equipment. For these purposes, the Congress last year made available $1,314,010,000 in funds and contract authority. A detailed description of the specific accomplishments of the mutual defense assistance program will be found in the report of activities under the program which I am submitting separately to the Congress.

One billion dollars of the sum made available last year was to promote the integrated defense of the North Atlantic area. We have made great strides toward this objective in the short period since the act became effective. We have created an organization, and established procedures, which will assure the prompt carrying out of the program. Equipment has begun to flow abroad.

The North Atlantic Treaty countries have agreed on the general role which each is to play in the common defense. We are succeeding for the first time in history in overcoming considerations of national prestige and tradition, under which each nation felt bound to equip itself completely with men and resources in every branch of military activity. Our common defense planning, instead, will be based on a considerable degree of specialization. This will bring a much larger total strength from the resources devoted to defense purposes.

The recent meeting of the North Atlantic Treaty Council emphasized the need for balanced collective forces, and established a permanent group, one of the tasks of which will be to function continuously in giving direction to the joint efforts of the treaty partners toward this objective.

The complex work of preparing detailed defense plans, based on the concept of balanced collective forces, is now going forward. We have not yet fully determined the size and the nature of the forces and equipment necessary to insure ourselves against future aggression directed toward the North Atlantic area. But one thing is already plain. The military establishments of western Europe are below the minimum level consistent with security. Those countries must build up their forces as swiftly as their resources permit, assisted by such help as we can afford. To this end, I recommend that the Congress authorize additional funds in the amount of $1,000,000,000 for the next fiscal year. In conjunction with our own defense budget, and the defense budgets of the other treaty countries, this will continue the work so well begun to bolster the defenses of the North Atlantic area.

The emphasis on the defense of western Europe has not diverted our attention from the threats to the integrity of nations in other parts of the world whose security is closely linked to our own. The problem of security is world-wide. The threat of aggression casts its shadow upon every quarter of the globe.

The military assistance we have given Greece and Turkey since 1947 has brought impressive results. In Greece, it has brought guerrilla warfare to an end, and has paved the way toward political stability and economic progress. It has given Turkey the ability to maintain its territorial and political integrity. Our military aid to Greece and Turkey must continue, but the amount required will be less than half that needed in the current fiscal year. For military assistance to Greece and Turkey for the next fiscal year, I recommend that the Congress authorize funds in the amount of $120,000,000.

That Iran remains an independent country in spite of continuous Soviet pressure is due in part to the strong support of the United States. The security of the Republic of Korea is under the constant menace of the Communist-dominated regime in North Korea, whose purpose is to destroy the new Republic established after free elections held under the auspices of the United Na-

tions. The independence of the Philippine Republic, freely given it by the United States, has become a symbol to the Far East, and, indeed, to the whole world. Today, it is under attack by a subversive element among its own people, whose objective is to serve the ends of Communist imperialism. For military assistance to Iran, Korea, and the Philippines, for the next fiscal year, I recommend that Congress authorize $27,500,000.

The problem of security against Communist aggression extends to certain other countries of the Far East which have been emerging as new and independent states. Recent events make it evident that the forces of international communism do not want these countries to grow in freedom—instead, the Communists seek to dominate them. The $75,000,000 which the Congress authorized last year for assistance to countries in the general area of China has been available to help these nations ward off the threat to their security from subversive Communist forces within their countries, and to help them prevent the further extension of Communist imperialism in the Far East. The value of having these funds available has been amply demonstrated. Programs of assistance to countries in this area, such as Indochina, are now underway.

The rapidly changing conditions in and around China require the constant reevaluation of the situation in that area, and constant readiness to act in the interests of peace when we can do so effectively. Accordingly, I recommend the authorization of an additional $75,000,000 for military assistance to countries in the general area of China during the next fiscal year.

The security of the United States and the free world may demand prompt emergency assistance on the part of the United States to other imperiled nations whose continued integrity is of vital importance. I, therefore, recommend to the Congress that limited provision be made for authority to cope with such emergencies. It will not be necessary to provide additional funds for this purpose. Such emergencies will be sufficiently provided for if a small portion of the funds made available for military assistance may be shifted to meet such situations should they arise.

The present provisions of the statute under which the United States is authorized to provide military assistance to countries which can afford to pay for such assistance have proved unnecessarily restrictive. As enacted, the law limited the countries to which the United States could provide military equipment on this basis to those countries designated in the law and to those which have joined with the United States in a collective or regional security arrangement. There are, however, other countries the security of which is of importance to the United States and to which it would be in the national interest to provide military equipment at no expense to the United States. Moreover, limitations respecting the amount, time, and security of payment have tended to frustrate the purposes of the present provisions. I, therefore, recommend that Congress take action to modify the present provisions.

In addition to direct military supplies, assistance is now being provided to certain other countries in the limited form of materials and machine tools. We are helping our partner nations to increase their ability to help themselves by producing the equipment they need. The limitations in the law which prevent the furnishing of production equipment other than machine tools has interfered with programs of additional military production in a way which I am confident was not intended by the Congress. Accordingly, I recommend that the Congress authorize the provision of production equipment without limiting it to machine tools.

The recommendations I have made will, I believe, contribute to greater common strength among the free nations. They are designed, just as our own defense program is designed, to build the necessary level of military strength to discourage aggression, without undermining the economic strength which is fundamental to long-run security. In this field, as in others, we must preserve the momentum we have gained by our actions to build a stable peace.

The great concerted program of the free nations is a positive and dynamic program of constructive action, to use our combined resources to expand freedom and increase the well-being of all free people. The elements of our program—moral, political, economic, and military—are all interrelated. Each is an indispensable part of the whole effort to increase the strength of the free world against Communist aggression—each is vital to the effort for peace and human advancement.

Our program for peace is consistent with the legitimate aspirations of all nations—it is a program which can be joined, fully and honorably, by any nation which sincerely desires to work for peace with freedom and justice. The United States is not interested in building up power blocs which compete for resources and seek to dominate others. We are striving for conditions of peace under which all nations and all peoples can advance together toward greater freedom and happiness.

That is why we are continuing to give unfaltering support to the United Nations, and to all efforts to make it a more effective agency for world order.

That is why we are continuing to work toward world economic recovery, and a structure of international economic relationships which will permit each country, through the free flow of trade and investment, to achieve sound economic growth.

That is why we must continue to strengthen the common defense of free nations to the point where Communist imperialism comes to realize the impossibility of taking them over. When this is done, the leaders of this imperialism will recognize that their own interests will be served by cooperating with the free nations. Then—and only then—will a lasting peace be achieved.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 1, 1950.*

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. DONNELL was excused from attendance on the sessions of the Senate tomorrow until 3 o'clock p. m., for the purpose of attending the graduation exercises at the United States Naval Academy.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

Mr. BRICKER. Mr. President, during the past year, at the last session and the present session, Senate bill 1008 has been before us for a great length of time. This bill represents hundreds of hours of work on the part of the Senate as a whole and many of its Members. It seems appropriate at this time to point out that this vast expenditure of time and effort was occasioned solely by the failure of the Supreme Court to respect the division between the legislative and judicial powers of the Government. It seems safe to predict that when this Congress adjourns, in August or September, many worthy bills will die simply because we did not have the time to consider them. Many of those bills might have been reached had not the basing-point controversy been forced upon us by judicial legislation of the Supreme Court.

Before the decision in the Cement case on April 26, 1948, there was no law against delivered pricing. No law prevented sellers from absorbing freight in order to meet competition in localities where competitors had a freight advantage.

The campaign of the Federal Trade Commission against delivered prices began in the early 1920's. When the bill which became the Robinson-Patman Act was being considered in 1936, the Commission tried to sell Congress its economic theory that only f. o. b. mill pricing should be permitted. Congress emphatically rejected that theory. Not satisfied with the decision of Congress, the Commission waged its campaign against basing-point and delivered pricing in the courts. It argued that the Robinson-Patman Act, in making price discriminations which injure competition illegal, defined price to mean the seller's mill net; that is, the portion of what the buyer pays that remains after deducting transportation charges. Obviously, under any basing-point system sales to distant customers on which freight is absorbed result in varying mill net prices. The Commission's argument was carefully considered by the Supreme Court in 1945 and was rejected in *Corn Products Refining Co.* v. *Federal Trade Commission* (324 U. S. 726). Referring to the definition of price which Congress had

rejected in the original Robinson-Patman bill, the late Chief Justice Stone said:

> The practical effect of this provision would have been to require that the price of all commodities sold in interstate commerce be computed on an f. o. b. factory basis, in order to avoid the prohibited discriminations in selling price. It would have prohibited any system of uniform delivered prices, as well as any basing-point system of delivered prices. These effects were recognized in the committee's report. * * *
>
> Such a drastic change in existing pricing systems as would have been effected by the proposed amendment engendered opposition, which finally led to the withdrawal of the provision by the House Committee on the Judiciary (80 CONGRESSIONAL RECORD 8102, 8140, 8224). We think this legislative history indicates only that Congress was unwilling to require f. o. b. factory pricing, and thus to make all uniform delivered price systems and all basing-point systems illegal per se (pp. 736–737).

Still the Federal Trade Commission was not satisfied. It argued before the Supreme Court in the *Cement case* (333 U. S. 683) that a basing-point system of pricing is illegal, even in the absence of any agreement or conspiratorial action by competitors. The Supreme Court accepted that contention, even though evidence of conspiracy made the argument of the Commission unnecesary. Only one member of the Supreme Court, Mr. Justice Burton, protested the action of the Court in approving the Commission's assertion of power which had been specifically denied by the Congress. Mr. Justice Burton's quotation from the opinion of the court below deserves repetition:

> We know of no criticism so often and so forcibly directed at courts, particularly Federal courts, as their propensity for usurping the functions of Congress. If this pricing system which Congress has over the years steadfastly refused to declare illegal, although vigorously urged to do so, is now to be outlawed by the courts, it will mark the high tide in judicial usurpation.

The decision in the Cement case threw the legal profession and business, large and small, into a state of utter confusion. The Eightieth Congress launched a full-scale investigation in the closing days of its second session. Almost immediately apologists for the Supreme Court and the Federal Trade Commission claimed that no legislation was necessary, because the Cement case was merely declaratory of existing law. Technically, of course, this was true. The Federal Trade Commission had made a two-pronged attack on the cement industry basing-point system. It skillfully blended the argument of illegality per se with evidence of collusion. Inasmuch as the Supreme Court was not required to pass on the legality of a basing-point system not established by conspiratorial action, many of its remarks in the Cement case could be treated as unfortunate dicta, at least until its decision in the Rigid Steel Conduit case—*Triangle Conduit & Cable Co.* v. *Federal Trade Commission* (168 F. (2d) 175).

The Rigid Steel Conduit case proved that the Supreme Court did not speak carelessly when it indicated in the Cement case that the Federal Trade Commission could prohibit any system of freight absorption—delivered pricing, basing-point pricing, or zone pricing—even without evidence of the use of such a system as part of a price-fixing scheme. Two counts were involved in the Rigid Steel Conduit case. One count charged that the industry's basing-point pricing system was illegal even in the absence of any conspiracy. With reference to that count the circuit court of appeals said:

> We now turn to consider petitioners' contention that the individual use of the basing-point method, with knowledge that other sellers use it, does not constitute an unfair method of competition. * * *
>
> In the light of that opinion [in the Cement case] we cannot say that the Commission was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition. (*Triangle Conduit & Cable Co.* v. *Federal Trade Commission* (168 F. 2d 175, 180–181 (1948)).)

The Rigid Steel Conduit case was affirmed by an evenly divided Supreme Court in April 1949. Since the effect of this action was to make individual and independent use of the basing-point method of pricing illegal per se, S. 1008 was converted from a moratorium measure into permanent legislation by the O'Mahoney substitute introduced in May 1949. S. 1008 has emerged from conference for the second time in substantially the same form as introduced by Senator O'MAHONEY. Sections 1 and 2 of S. 1008 merely reassert the original intent of Congress and what had always been the law prior to the Cement case, namely, the right of a seller to offer his goods at delivered prices and to meet the destination prices of his competitors so long as the meeting of such prices is done in good faith.

The time has come, Mr. President, for a thorough revision of our antitrust laws and a more definite formulation of antitrust policy. With relatively few exceptions, the Department of Justice has tried to carry out a policy of promoting vigorous competition. The Federal Trade Commission, on the other hand, seems to be dedicated to a policy of protecting competitors from the natural consequences of hard-hitting competition. The fact that the Department of Justice and the Federal Trade Commission frequently work at cross purposes is due in some degree to conflicting policies expressed in the Sherman Act and in statutes enforced by the Federal Trade Commission.

As a result of these conflicting policies, businessmen are often required by the Federal Trade Commission to perform certain acts, which, if done voluntarily, would subject them to prosecution under the Sherman Act. The resulting confusion has not been dispelled by the courts. The basing-point controversy is a perfect example of the difference between the policy of free competition generally advocated by the Justice Department and the policy of the Federal Trade Commission to soften the impact of free competition. Senate bill 1008 was drafted in cooperation with officials of the Antitrust Division of the Department of Justice and the Department endorses the conference version of the bill. The Federal Trade Commission is somewhat hostile to the bill. Because the conference version of Senate bill 1008 supports the Justice Department's policies of free competition and rejects the Federal Trade Commission policy of restricting competition, I intend to vote for the conference report.

It would serve no useful purpose at this time, Mr. President, to review all the evidence showing how insistence on f. o. b. mill pricing would disrupt the economy of this Nation. There are hundreds of commodities such as cement for which buyers will not pay 1 cent more per unit for one brand than for any other. At any particular time, it is only natural that the prices of all sellers will be identical. But identity of prices for fungible or standardized products does not, as the Federal Trade Commission contends, imply collusive price fixing. If, as the Federal Trade Commission admitted in the Cement case, buyers will not pay 1 penny more for the cement of one manufacturer than they will for another, why should not a competitor's prices be identical most of the time? The inevitable result of preventing manufacturers of cement or other homogeneous goods from meeting competitors' prices through freight absorption is to confine every manufacturer to selling in his freight-advantage territory.

Nevertheless, those who support the Federal Trade Commission's policies of soft competition have conducted a thorough, and somewhat successful, campaign to enlist the aid of small business. As a result, many of the Nation's small-business men have been led to believe that their future is threatened by the basing-point bill. It is obvious, Mr. President, that some of the basic contradictions of our antitrust policy will never be ironed out if small business accepts the doctrine of the Federal Trade Commission that no one should get hurt by free competition. I propose to demonstrate, Mr. President, that small business has every reason to support Senate bill 1008 in preference to the restrictive devices with which the Federal Trade Commission would shackle competition.

Section 1 of the bill amends section 5 (a) of the Federal Trade Commission Act by permitting delivered pricing and freight absorption by a seller acting independently. The Supreme Court indicated in the Cement case that members of the Federal Trade Commission are "experts," and that their presumed expertness in interpreting unfair competition as used in section 5 (a) of the Federal Trade Commission Act prevented the Federal courts from questioning its judgment. It is difficult for me to believe that the small-business men of this country want the Federal Trade Commission rather than the courts to make the final determination of what constitutes unfair competition. Section 1 of the bill places both the Commission and the courts on notice that businessmen have a right to judicial review in the meaning of "unfair competition."

Moreover, section 1 of the bill, in declaring freight absorption not to be an unfair method of competition, benefits small business much more than large business. For many industries the effect

of compulsory f. o. b. mill pricing is to limit manufacturers to the territory in which they enjoy a freight advantage over more distant competitors. Any large business which found itself confined to an uneconomic trading area could widen its market by setting up warehouses and branch plants. A small business would undoubtedly lack the capital required to build new warehouses and new plants.

Another effect of compulsory f. o. b. pricing is the advantage gained by plants located near large metropolitan areas where most sales are made. Manufacturers located in small towns and at a considerable distance from primary markets might be unable to compete if prevented from absorbing freight costs, even though favorably situated with regard to other costs of production. Since most of the manufacturing in the small towns is small business, small business would suffer more than large business by artificial trade barriers which the Federal Trade Commission has tried to erect.

The Federal Trade Commission's geographical pricing theories would lessen competition by creating a series of local monopolies. Buyers, instead of having the choice of buying the product of many sellers, would be compelled to deal with the nearest seller. It is true, of course, that the addition of transportation costs to f. o. b. prices would result in a multitude of different prices. Unfortunately, any attempt to forbid noncollusive identical prices means that competition in the sale of standardized commodities is also forbidden. It is possible that some small businesses might benefit temporarily from a monopoly position created by the Federal Trade Commission. It is safe to assume, however, that neither the general public nor the Department of Justice would tolerate monopolies based only on the accident of location.

For industries selling fungible goods where transportation represents a significant portion of the sales price, one of the most effective methods for the allocation of trade territory and the elimination of competition is f. o. b. pricing. Any such agreement among competitors would be quickly attacked by the Department of Justice and condemned by the consuming public. Yet that is precisely the set-up which the Federal Trade Commission sought to enforce in the Cement and Rigid Steel Conduit cases. Small business will, in my opinion, have a much better chance of avoiding Government regimentation if it insists on a Nation-wide free market. Although that means more competitors for business at any particular point, it also means that no business is limited by an artificial geographical trade barrier.

I would much rather trust the growth and prosperity of small business to a free market than to the whims of bureaucrats who seek to protect small business against what they conceive to be excessive competition.

Section 2 of the bill provides that it shall not be an unlawful discrimination in price under section 2 (a) of the Clayton or Robinson-Patman Act for a seller, acting independently:

"B. To absorb freight to meet the equally low price of a competitor in good faith (except where such absorption of freight would be such that its effect upon competition will be to substantially lessen competition), and this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains.

Mr. O'CONOR. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Ohio yield to the Senator from Maryland?

Mr. BRICKER. I shall be happy to yield to the Senator from Maryland.

Mr. O'CONOR. Inasmuch as the Senator has just completed his very enlightening discussion as to section 1, I thought possibly I might ask him a question with regard to it without interrupting his thought. The Senator has very ably discussed the matter and has analyzed the situation pertaining to small business. Approving, as I do, of what he has said, I think the Senator could be of very great help to the Congress by a little elaboration of the statement, so that we may have the benefit of his sound judgment. It is true that in our opinion this bill will be beneficial to small business, despite a number of expressions of concern which have been voiced on the Senate floor. I was wondering whether the Senator does not think that by reason of the efforts to extend the field of competition and to increase possible competition, it will, if enacted, inure to the benefit of small-business men.

Mr. BRICKER. I am quite confident that the Senator is correct in his conclusion, that it will inure to the benefit of small-business men who grow strong under competition, with as few restrictions as may be possible, designed to protect small business against the power of concentrated wealth in big business. That is the way in which our industries have developed. As a result of the action of the Supreme Court, I think there is a restriction upon opportunity to the small-business man to start at the bottom and grow strong in free competition with big business and with his fellow competitors in the field of what we might call small business, although it is a misused term at the present time. The bill protects the small-business man against territorial restrictions.

Mr. O'CONOR. Mr. President, will the Senator yield for a further question?

Mr. BRICKER. I yield.

Mr. O'CONOR. The Senator has used in his address a very apt expression, "the accident of location." May I ask him whether he agrees with the statement that an enterprise located in a certain area—there is an example of it in my own State of Maryland at the present time—which might enjoy a benefit from f. o. b. pricing rather than through the other system, may feel that it is being benefited at present, and yet ultimately it will work to the disadvantage of that enterprise as well as to the disadvantage of many other enterprises throughout the country if the present uncertain state of affairs is allowed to continue in which large industries and other industries are not at all confident of what may be their rights in the present state of the law?

Mr. BRICKER. I think the confusion which has resulted from the decision of the Supreme Court in the referred to case and the activities of the Federal Trade Commission since have created uncertainty in industry generally and uncertainty and flux in the pricing market throughout the country. I believe that the Senator will concur in my statement that the opinion of the Federal Trade Commission, as sustained by the Supreme Court, will not attract small business into the territory of established large business. It will further concentrate their power rather than give small business a chance in the outlying territory. The big fellow can take care of himself. We want to develop the small business. Rather than helping the outside small-business man, under the present situation his opportunity is restricted.

Mr. O'CONOR. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. O'CONOR. In the instance where big business is established at the present time, this bill, if enacted, would invite and attract smaller enterprises, thus adding to competition?

Mr. BRICKER. Yes; it would expand rather than restrict business, in my judgment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. HUMPHREY. Did I understand the Senator to say that it was his view that freight absorption would not be possible if the present Commission orders were maintained?

Mr. BRICKER. That would be the ultimate end of it. There can be no question about that. That was not true at the time of the Cement case. I do not think there was any unanimity of agreement, but in the Steel Conduit case——

Mr. HUMPHREY. Does the Senator contend that there could be no freight absorption?

Mr. BRICKER. Ultimately; that is correct. That is the purpose of the Federal Trade Commission. That was the original idea with which they started and which was presented to the Congress, and rejected.

Mr. HUMPHREY. Without freight absorption real liability and restriction are put on the development of industry in other areas?

Mr. BRICKER. In the outlying areas. I believe that is true.

Mr. HUMPHREY. I wonder whether the Senator is familiar with the statement which was put into the RECORD yesterday by the Senator from Illinois [Mr. DOUGLAS]. The Senator from Illinois put in a statement regarding absorption of freight by cement companies, following the Cement decision, as indicated by compliance reports to the Federal Trade Commission. In the State of Ohio 13 companies were listed, including Alpha Portland Cement Co., Superior Cement Corp., Universal Atlas Cement Co., Southwestern Portland Cement Co., Pittsburgh Plate Glass Co., Diamond Portland Cement Co., Medusa Portland Cement Co., Huron Portland Cement Co., Lehigh Portland Cement Co., and Diamond Alkali Co. Of the 13

companies 10 companies already had absorbed freight under the present ruling following the Conduit case and the Cement case; one company said it had no information pertaining to freight absorption; another company said it would absorb freight; and the other company said there was no information on freight absorption which they would be willing to give.

Mr. BRICKER. I was in the Chamber when that table was put in the RECORD. The table is so extensive, that it is very hard to analyze, in the first place, and there is great confusion regarding it. I do not believe it brings out any principle. I think most of those prices were fixed subsequent to the decision in the Cement case and during the hearings conducted by the Committee on Interstate and Foreign Commerce. I do not think that many of them have been put into effect since the Conduit case. If they have, they would not mean anything until the Federal Trade Commission gets time to give consideration to them and the ultimate effect of law upon them.

Mr. HUMPHREY. Is it not true that the companies which the Senator from Illinois listed in his statement are as of the present moment absorbing freight, that freight absorption of itself is not illegal, and that freight absorption or the basing-point practice is illegal only when it is in combination to restrain the flow of commerce or to restrain competition, or when it is in conspiracy.

Mr. BRICKER. I do not believe that is the ultimate end under the ruling of the Federal Trade Commission or the decision of the Supreme Court, and it does not comply with the intent of the Federal Trade Commission's rulings in the field.

Mr. O'CONOR. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. O'CONOR. Does the Senator not know that subsequent to the decision to which the Senator has referred numerous representatives of chambers of commerce throughout the country sought advice and opinions from the Federal Trade Commission as to the legality of the proposed practices, and could not obtain satisfactory answers?

Mr. BRICKER. Not only could they not obtain satisfactory answers, but the Senate committee, as the Senator well remembers, could not get any unanimity of opinion on the part of the members of the Federal Trade Commission or on the part of counsel of the Federal Trade Commission. That was one development which led to the moratorium suggestion of the Senator from Illinois.

Mr. O'CONOR. Is it not true that in view of the state of affairs following the Rigid Steel Conduit case, in which the Supreme Court split 4 to 4, as a result of which the lower court's decision stood, if tomorrow a decision from another circuit came up to the Supreme Court which was absolutely opposite to the lower court decision in the Rigid Steel Conduit case, and if we assumed for the sake of the discussion that the Supreme Court would be equally divided, the state of affairs would then be absolutely opposite to what it is now?

Mr. BRICKER. There would be utter confusion. If the Supreme Court divided 4 to 4 the decision would be one way in one district and another way in another district.

Mr. President, it would be foolish, of course, for Congress to declare freight absorption not to be an unfair method of competition, but at the same time permit the Federal Trade Commission to outlaw freight absorption under its mill-net theory. Accordingly, section 2 of the bill simply reinforces and makes effective the intent of Congress expressed in section 1 of the bill. For reasons which have previously been stated, small business has much to gain and nothing to lose from the enactment of section 2 of the proposed bill.

My only objection to section 2, Mr. President, is that the parenthetical provision might be interpreted so as to nullify the value of the entire paragraph. First, the Federal Trade Commission has generally contended that systematic freight absorption substantially lessens competition. Secondly, sellers, as a practical matter, cannot predict whether or not the effect of their freight absorption will be interpreted by the Commission as substantially lessening competition. It is unfortunate that the right to absorb freight should have been so qualified. However, a court properly should construe the qualification in such a way as not to nullify the general purpose of Congress to legalize freight absorption.

However, I do not know that we can be greatly encouraged along that line in view of the fact that the decision in the Cement case was not only acted upon by the Federal Trade Commission, but absolutely nullified the express intention of Congress at least in two instances.

Section 3 of the bill appeared for the first time in the O'Mahoney substitute. It is not directly related to delivered pricing or freight absorption. Section 3 is concerned with the defense of meeting competition to a charge of price discrimination under section 2 (b) of the Robinson-Patman Act. It is this section of the bill which has drawn most of the fire from small-business associations.

The existing law provides that a seller may rebut a prima facie case of price discrimination by showing that his lower price was made in good faith to meet an equally low price of a competitor. It was held by the Seventh Circuit Court of Appeals in *Standard Oil Company* v. *Federal Trade Commission* (173 F. (2d) 210) that good-faith competition was not a defense because Standard's wholesale prices, although competitive with those of other wholesalers, reduced competition at the retail level in Detroit. This case was argued on January 10, 1950, before the Supreme Court but has not yet been decided.

I cannot understand, Mr. President, how section 3 in its present form can possibly prejudice small business generally or independent retailers in particular. In the first place, the protection accorded to independent retailers by virtue of State fair-trade laws and the Miller-Tydings Act is in no way diminished. Quantity discounts which are justified by cost savings are legal under existing law and are not affected by section 3. It has been suggested, however, by the National Association of Retail Druggists that section 3 legalizes price discriminations by permitting a large seller to justify a discriminatory price on the ground of meeting the discriminatory price of another large seller. Mr. President, that interpretation of section 3 is erroneous. The defense of meeting the equally low price of a competitor must still satisfy the good-faith condition. The Supreme Court has already held that a seller does not meet competition in good faith when it adopts the unlawful pricing policies of its competitors—*Federal Trade Commission* v. *A. E. Staley Mfg. Co.* (324 U. S. 746).

Section 3 of the proposed bill appears to have been designed to relieve sellers of the dilemma posed by Standard's Detroit case. Standard's Detroit case involved the right of Standard to sell to jobbers at lower prices than it sold to its own retail stations. Obviously, there were cost savings in sales to jobbers, but the differential could not be justified on that basis alone, because the jobber price was determined by competition and not cost accountancy. Four of Standard's jobbers also operated retail outlets. It was the ability of these jobbers to undersell Standard's retail customers which led the Federal Trade Commission to conclude that competition at the retail level was substantially lessened by the difference between Standard's jobber and retail prices. The decision of the circuit court, in effect, compelled Standard to refrain from selling to jobbers who sold gasoline at retail for a lower price than to retailers supplied by Standard.

This is the dilemma faced by Standard and many other sellers in a similar position. If sellers refuse to sell to wholesalers and jobbers who engage in price cutting at the retail level, they can be convicted under the antitrust laws. The Supreme Court decided that question in 1940 in *Ethyl Gasoline Corp.* v. *United States* (309 U. S. 436), where it was held that Ethyl violated the antitrust laws when it refused "to grant licenses to jobbers who cut prices." On the other hand, the decision of the court in Standard's Detroit case requires sellers to refuse to sell to jobbers engaged in price cutting at the retail level.

Because of this difference of opinion, the Department of Justice refused to argue before the Supreme Court on behalf of the Federal Trade Commission's position. In addition, the Department of Justice opposed both the Kefauver and Carroll amendments to section 3 because those amendments would have retained the rule laid down by the circuit court in Standard's Detroit case, which the Department felt conflicted with the policy of promoting free competition.

In any event, reversal of the doctrine advanced in Standard's Detroit case does not prejudice small business and does not even harm the independent gasoline retailers who were involved in that case. The circuit court said that all Standard had to do to comply with the order was to "discontinue selling to wholesalers at a price different than that made to re-

tailers." Since Standard had only four wholesalers in the Detroit area, the elimination of sales to these wholesalers by Standard would obviously not cripple the company. However, these four wholesalers with retail outlets would have been perfectly free to buy from other suppliers at wholesale prices, provided those suppliers did not have their own retail outlets. The effect on competition at the retail level would be exactly the same because Standard's exjobbers could still undercut Standard's retail stations.

It is easy to sympathize, Mr. President, with the plight of small independent retailers who are squeezed by price-cutting activities. However, small business should be reluctant to support any measure which promises protection against price cutting and the possibility of maintaining uniform retail prices. If the public is deprived of the benefits of vigorous competition, it will accept, or even demand, Government regulation to insure fair prices.

Section 4 of the proposed bill corrects another piece of judicial legislation by the Supreme Court. In *Federal Trade Commission* v. *Morton Salt Co.* (334 U. S. 37) the Supreme Court invalidated a quantity discount schedule because of a "reasonable possibility" that the discounts might have an adverse effect on competition. In previous cases the Court had interpreted the Clayton Act to require the record to show a "reasonable probability" that particular conduct would injure competition. Congress had approved these earlier cases because in various amendments to the Clayton Act it reenacted the same language which the Court had construed to require a test of reasonable probability.

The "reasonable possibility" test laid down in the Morton Salt case allows the Federal Trade Commission to obtain cease and desist orders based on only a gossamer thread of evidence. In his dissenting opinion, Mr. Justice Jackson said:

> The law of this case, in a nutshell, is that no quantity discount is valid if the Commission chooses to say that it is not. That is not the law which Congress enacted and which this Court has uniformly stated until today (p. 58).

Even the Federal Trade Commission was taken by surprise when the Supreme Court in the Morton Salt case said that the taking of testimony to prove an injurious effect on competition was not required. Later, the Commission described the Morton Salt case as a "radical interpretation of the law"—FTC Statement of Policy Toward Geographical Pricing Policies, October 12, 1948.

The Court's "reasonable possibility" test applies to a number of provisions of both the Federal Trade Commission and Clayton Acts. Unfortunately, the test of reasonable probability in section 4 of S. 1008 applies only to portions of the Clayton and Federal Trade Commission Acts which are amended by the bill. Although a fair standard of proof should apply to the Federal Trade Commission and Clayton Acts in their entirety, section 4 is a step in the right direction.

Mr. President, I do not believe that small business wants the Federal Trade Commission to have power to enter cease and desist orders based on a mere "hunch" that certain conduct at some time might possibly injure competition. In my opinion, no businessman wants, or should have, the burden of proving his innocence, once the Federal Trade Commission accuses him in a complaint.

THE EFFECT OF THE BASING-POINT BILL (S. 1008) ON THE FUTURE OF THE SOUTH, THE WEST, AND NEW ENGLAND

Mr. KEFAUVER. Mr. President, the issue before us is nothing less than the question of employment versus unemployment, of expanding production versus idle plants, of rising incomes versus bread lines, of hope versus despair. It is no less than the question of whether or not the economy of the United States will be able to expand sufficiently to provide employment opportunities for our steadily increasing population. It is no less than the question of whether or not jobs will be provided for those millions of persons entering the labor market as a result both of the natural increase in population and the continued decrease in agricultural employment.

Perhaps there are those among this body who will think I am placing far too much emphasis on the importance of a bill which is designed merely to clarify certain features of the antitrust laws. But I believe that when I have finished my remarks, I will have established the following propositions:

First. That if widespread unemployment is to be prevented, the American economy must experience a great expansion in nonfarm employment within this decade.

Second. That this needed expansion must take place throughout all parts of the country, but particularly within the great underdeveloped areas of the South and the West.

Third. That the basing-point system will prevent this needed expansion from taking place, nipping in the bud the expansion now under way within most of these areas which, if anything, must be accelerated if we are to escape the catastrophe of widespread unemployment.

Mr. President, in order to establish and clarify these points which I have just summarized, I will have to go rather thoroughly into such matters as the requirements, both national and regional, for economic expansion, and the way in which the basing-point system, if restored, will prevent expansion from taking place. I ask the indulgence of the other Members of this body in bearing with me through this discussion; but I believe that when I have completed my remarks, each Member will be able to see clearly the way in which the passage of the bill now before us, S. 1008, will affect his own State.

Mr. President, within 5 years the southeast region of the United States will have to develop over 900,000 new nonfarm jobs above and beyond its 1947 nonfarm employment of 7,856,000 persons.

The Southwest will have to create over 400,000 new nonfarm jobs above its 1947 total of 3,116,000.

The Northwest will have to develop approximately 200,000 new nonfarm jobs above its 1947 employment of 2,056,000.

The far West will have to develop over 1,000,000 new nonfarm jobs above its 1947 nonfarm employment of 4,744,000.

In other words, these four regions combined must develop a total of more than 2,500,000 new nonfarm jobs by 1955, above and beyond their aggregate 1947 nonfarm employment of 17,781,000. Twenty-five years from now, by 1975, these four regions combined will require no less than 9,000,000 new nonfarm jobs above and beyond their 1947 nonfarm employment level of 17,781,000, or an increase of 52 percent.

Mr. President, I wish to include at this point in the RECORD a footnote which shows the basis and source of the material from which these estimates or projections have been made, if I may have unanimous consent for that purpose.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Without objection, it is so ordered.

The footnote is as follows:

> The basis for these estimates may be summarized as follows:
>
> Using the average rate of decrease in the farm population between 1916 and 1948, the Department of Agriculture has estimated that the total farm population of the United States will decline from 27,500,000 in 1948 to 26,500,000 by 1955, assuming that industrial prosperity continues at about the 1929 or 1947 level. (See Long Range Agricultural Policy, Committee on Agriculture of the House of Representatives, 80th Cong., 2d sess.) Allocating the estimated decline in total farm population to the various regions of the country on the basis of the rates of decline prevailing in these regions over the period 1916–48, projected farm populations for the various regions in 1955 are as shown.

Mr. KEFAUVER. Mr. President, we are faced with this requirement to create these millions of new jobs in industry and commerce for the simple reason that the population of the United States will continue to increase for at least the next quarter of a century, while the population living on farms will continue its long-term decline.

From a little over 38,500,000 in 1870, the total population of this country almost doubled by 1900; and, barring some unforeseen disaster, it will have more than doubled again by 1955. Despite the war's interruption to family life and the long stay overseas of several million young men, the growth in the total population during the last decade substantially exceeded that of the 1930 decade.

At the same time that the total population has been rising, farm population has been decreasing. The percentage of American families living on farms started downward as early as 1820. And in terms of absolute numbers, the number of persons living on farms reached its peak in 1916. From a total of 32,530,000 in 1916, the farm population gradually declined to 30,169,000 in 1930, and, it is estimated, will decline even further to somewhere in the vicinity of twenty-six to twenty-seven million by 1955. This figure may actually understate the extent of the movement off the farm in view of such revolutionary new technological

developments as the mechanical cotton picker and the flame cultivator.

Mr. President, I ask the Members of this body whether they have ever seen the mechanical cotton picker in operation. It is something to behold and something to think about. It will surely displace millions of farm workers for whom new jobs must be found. According to the Pace committee—a House committee which made a very thorough study of farm trends, farm populations, and technological developments—in its report on the cotton South, the cotton picker and the flame cultivator, together, will reduce labor per bale of cotton by 75 percent; that is, from 191 man-hours in 1940 to approximately 48 man-hours. Based on a production of 13,000,000 bales, this will result by 1965 in a net cumulative displacement of more than 550,000 workers. In addition, the continued introduction of the tractor and related equipment will displace another 1,600,000 farm workers in the South by 1965—or a total displacement of approximately 2,150,000 farm workers by 1965, resulting from farm mechanization in the South.

The sharp difference between the trends of total population and farm population means, of course, that the country is confronted with a great increase in its nonfarm population. Expressed in percentage terms, the nonfarm population for the Nation as a whole will be about 8.5 percent higher in 1955 than in 1948.

This increase, however, is by no means evenly distributed within all of the regions. The greatest increases will occur in what are generally referred to as the outlying or underdeveloped areas. As contrasted to this figure of 8.5 percent, the nonfarm population on the Pacific coast will rise by about 20 percent, in the east south central region by about 13 percent, and in the west south central area by about 9 percent. Taking the so-called underdeveloped areas as a group, the south Atlantic, the east south central, the west south central, the west north central, the mountain, and the Pacific areas, their nonfarm population will be about 11 percent higher in 1955 than in 1948.

Translated in terms of numbers of jobs, these figures on total population mean, as I have pointed out, that there must be created in the underdeveloped areas no less than 2,500,000 new nonfarm jobs by 1955, and no less than 9,000,000 by 1975.

There may be those from the older and more established areas of this country who are not greatly concerned with this problem of the increase in population, regarding it as a problem for the other areas to worry about. Such indifference is the indifference of the ostrich with its head in the sand. Those from the older areas should be greatly concerned with this problem for at least two reasons: First, these so-called older areas will themselves experience increases in population, which, although less pronounced than in the underdeveloped areas, are nonetheless significant. Thus by 1955, the nonfarm population in the great east north central area will be approximately 7.5 percent higher than in 1948; and in the Middle Atlantic region, approximately 6 percent higher.

Second, unless the underdeveloped areas are able to create within themselves the new jobs required by the expansion of their population, the burden of providing employment, or at least the means of subsistence, for the workers displaced in the underdeveloped areas will fall directly upon the older regions, as has been the case in the past. Everyone knows that if workers in the South and the West are unable to get jobs, they will surely drift to the great metropolitan centers of the northeast. If this happens, the problems which now beset those cities will be multiplied many times. Like all other communities, the cities must provide at the minimum some sort of food, some sort of shelter, and I might add, some amount of water, to the persons residing in their confines, whether permanent residents or migrants.

Mr. President, if anyone has any doubts on this point, may I suggest that the mayors of the principal northeastern cities be asked to give their opinion as to the problems they would face if two and a half million persons looking for work from the South and the West descended on them in the next 5 years.

Mr. President, there may be those here who believe that my remarks in calling attention to this central problem of providing employment for the increase in our nonfarm population are not particularly relevant to the consideration of the bill now before us, S. 1008. In answer, I say that if S. 1008 is enacted, the basing-point system will be restored, and the economic expansion of the underdeveloped areas which is now underway will be stopped dead in its tracks, with ruinous consequences for every part of the country.

Mr. President, I should like to turn now to a description of the way in which the basing-point system retards the growth of the underdeveloped areas, first, in general terms, and then with reference to the individual regions.

From the point of view of the underdeveloped regions, the basing-point system is a variant of one of the oldest and most vicious types of monopolistic practices—predatory dumping. The way in which predatory dumping typically operates can be visualized by contrasting the competitive relationships between a large and small producer where both are located at the same location as against those which prevail when the two are located at widely separated places.

In the first situation, that is, where the two producers ship from the same location, they are on equal terms insofar as pricing is concerned. The smaller producer may hold only a fraction of the sales volume in each of the market areas, but nonetheless a price-cut initiated in any one market area by either of the producers results in a proportionate decline in revenue to both producers.

But in the second situation, that is, where the two producers are at widely separated locations and freight costs are such that each producer would tend to sell predominantly in his nearby areas, the possibilities for local price cutting become particularly disadvantageous to the smaller producer. In such circumstances the large producer may force the small producer to absorb income losses without, himself, having to share proportionately in such losses. The large producer need only undercut the delivered price in the small producer's area, perhaps even selling therein below costs, while maintaining full prices on his superior sales in his own area. Of course, the smaller producer is equally privileged to undercut the price in the large producer's area, and to ship his goods thereby absorbing the freight charges. But unless he can quickly expand his capacity and unless he possesses sufficient resources to sustain him through a period of prolonged losses—in which case he would not be small in the first place—he cannot, of course, drive the price down generally in the larger demand area, since he cannot offer to supply all of the customers there who might care to buy at his price.

In this case, then, since the identical monetary losses suffered by both producers have a disproportionate effect upon the smaller producer, it is only a question of time before he withdraws from the large producer's territory and, depending on whether the large firm continues price cutting or merely matches prices in the small firm's territory, either tries to match the price cutting or contents himself with sharing his home market with the large firm. In the former event, he goes out of business, and in the latter he implicitly accepts a definite restriction or limitation on his growth and development. This is not a matter of efficiency, it is only a matter of size and geography; and the basic relationships are the same whether the industry is such that the two producers ship to customers from their mills, one surrounded by a heavy-demand area and the other by a light-demand area, or whether the industry is a retail type of operation in which the smaller producer has established outlets in one area, while the larger has outlets in several areas.

It should be obvious that, as long as predatory dumping is practiced, economic expansion in the underdeveloped areas will be seriously retarded, since through the use of local price cutting, the new firm in the underdeveloped areas can quickly be wiped out and through local price matching it can be forever stunted in its growth by the requirement of sharing its own local market with the large, outside firm.

The basing-point system is nothing more than a sophisticated type of predatory dumping, involving the alternative of price-matching as against price-cutting, but on an automatic, systematic basis. And, as under any form of price-matching on the part of large outside firms, the growth of the small firm in the underdeveloped area is cut short by the necessity of sharing its home market with its distant, larger competitor. It is, in effect, condemned to a position of high prices and low volume—a position which has the correlative restrictive effect of retarding the development and growth of its own local fabricator-customers.

The essence of this system is that the nonbase producer—that is, the producer

who is not located at a basing point and who is usually, but not always, the weaker commercial rival—allows the distant base-mill producer to share his market area freely, and upon price terms decided by the base-mill producer. In exchange for the privilege of sharing the nonbase producer's market area, the base-mill producer generally, though not always, agrees, in turn, not to take punitive action against the nonbase producer by "local price cutting."

This arrangement has usually involved several serious disadvantages to the nonbase producers, particularly when located in a region where demand is rather small. But the least of these has been that which redounds to the producer from the handicaps which his local customers suffer.

According to the rules of the system, the nonbase producer is, of course, privileged to ship into the territory of the base producer—by absorbing the freight costs and taking the relatively low delivered prices prevailing there. But if he is located at any important freight distance from the base producer, this is a privilege which is likely to be used incompletely, if at all. Whereas the base producer may ship into the nonbase producer's area without absorbing any freight charges, the reverse is not true; the nonbase producer must absorb freight in shipping toward the base mill, and the farther he ships toward the base mill the larger the freight charges he must absorb and the lower his mill net. This fact is particularly disadvantageous to the small producer in a remote region, since, because of the amount of freight he would have to absorb, he may not be able to reach any of the base producer's market area.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Illinois?

Mr. KEFAUVER. I yield with great pleasure to my distinguished colleague, the junior Senator from Illinois.

Mr. DOUGLAS. Is it not true that the basing-point system, in the main, covers the territory between Pittsburgh and Chicago?

Mr. KEFAUVER. Yes; that is correct.

Mr. DOUGLAS. And prices west of Pittsburgh and Chicago, or south of Pittsburgh and Chicago, or east of Pittsburgh, are higher by the amount of the freight?

Mr. KEFAUVER. That is the way the Pittsburgh-plus or the basing point in the main has always worked.

Mr. DOUGLAS. Is it not true that the outlying mill, while it can ship back toward the base, does so at a double penalty, (a) the farther back it ships toward the basing point, the lower the price will be, and (b) it pays freight in addition?

Mr. KEFAUVER. That is correct.

Mr. DOUGLAS. So that in practice, western mills and southern mills can only go back about half the distance that the base mills can go west and south; in other words, it enables the mills in this area to penetrate the West and the South far more than the southern and western mills can penetrate the basing-point territory. Is that not correct?

Mr. KEFAUVER. That is entirely correct. Furthermore, under the multiple basing-point system the mills generally in the South and the West are so much smaller than the mills in the Pittsburgh-Chicago area that they take a great risk if they try to invade their territory.

Mr. DOUGLAS. So that the system works to the disadvantage of the West, to the disadvantage of the South, and to the disadvantage of New England, does it not?

Mr. KEFAUVER. That is correct; and to the disadvantage of the Chicago-Pittsburgh area, in that, if we are not allowed to develop our own industries in our own areas, workers in those areas will be dumped into the Pittsburgh area.

Mr. DOUGLAS. In other words, that the prosperity, even of the basing-point territory, depends in the main upon general national prosperity, and it is better for them to work for general national prosperity rather than try to get a little advantage over other sections. Is that not correct?

Mr. KEFAUVER. The Senator is entirely correct. Any system which does not result in the orderly and fair development of the resources and industries throughout the United States, not only penalizes those industries which are being retarded, but places an undue burden upon and penalizes industries which, for instance, the basing-point system is trying to protect in a particular area, say Pittsburgh. I thank the distinguished Senator for his usual clear and thoughtful contribution.

Despite the obvious disadvantages of this system to the underdeveloped regions, however, one of the frequent claims of the industries using the system is that it encourages new producers to locate in a backward region sooner than they otherwise would. Moreover, several prominent economists have occasionally repeated this claim. The proposition is usually put in such terms as follows: "Suppose that for maximum efficiency a mill of 100 units is required and there are only 80 units of demand in the region. Thus a mill could locate in the region, take the full price allowed by its distant competitor on 80 units, that is, nonbase price, and then get the 20 other required units by shipping into the concentrated markets on a freight absorption basis." The basic fallacy in this argument is that it fails to describe just how the local producer can manage to secure the 80 units in his home market, when he is required to offer products no better at prices no lower than those offered by the distant competitor, who, in addition, typically has the further advantages of a much larger sales force, expensive advertising, brand names, and so forth. It also overlooks the fact that, once located, the demand in the underdeveloped region is not likely to develop very rapidly if the customers are in competition with others located in more favorable price areas.

Where such an arrangement has been maintained over a period of time, the results are not difficult to see. In the case of steel, it has produced on the one hand expanded capacity at Pittsburgh and some of the less ancient basing points, accompanied by expanding employment in a variety of fabricating industries. On the other hand, it has produced rather static capacity at the nonbase locations surrounded by thin and rather anemic industries dependent upon steel.

Of course, if the hypothetical nonbase producer were allowed to "shade" the official delivered prices in his local area, or to offer a standard differential, he would then, patently, be in an ideal position in terms of short-run profits. But past experience indicates that the nonbase producer who "shades" the price usually finds himself subjected to reprisals—not by just a single large rival, but by community action from his entire industry. This was demonstrated conclusively in the material presented in the Cement case.

Similarly, when the small isolated producer attempts to become a base mill against the wishes of his large distant rivals, he is equally open to reprisals—a fact which was also proved in the Cement case. But taking the system on its own merits—that is, accepting the claim that producers only meet delivered prices in a distant competitor's area—the disadvantages inherent in the position of the small producer are usually sufficient to prevent him from lowering his price. The reason is, of course, that with the fore knowledge that any price reduction he may contemplate will be met by his distant rivals, such a producer can expect to gain little or no increase in volume as a result of his reduction.

On the other hand, there is an occasional situation in which the producer finds it quite profitable to operate as a nonbase mill. This is where the producer finds himself more or less isolated in an area where demand is quite large relative to local capacity. Under these circumstances there have been several industries in which some of the largest members of the industry operated as nonbase mills. Indeed, these instances provide some of the most striking examples of how the regional growth of the fabricating industries has been strangled by the use of this system.

Mr. President, I should now like to describe in specific terms the way in which the basing-point system has retarded the growth of each of the major underdeveloped areas. Because of its stifling effects on regional development, the basing-system for many years has been the subject of attack by regional groups. For example, in January 1919, the Western Association of Rolled Steel Consumers was formed to work for the abolition of the Pittsburgh-plus basing-point system. Another organization, the Associated States Opposing Pittsburgh Plus, was formed for the same purpose by the four States of Minnesota, Iowa, Illinois, and Wisconsin in 1922, which were shortly joined by a number of additional States. Similarly, the Southern Association of Steel Buyers and Consumers vigorously denounced the system, sending protests both to the NRA and on June 30, 1934, to the Federal Trade Commission.

I shall begin my discussion of the effects of the system on the individual areas with an examination of its effects on the South—the region with which I am most familiar.

One of the most overlooked features of this bill is that it would make possible the restoration of one of the most vicious devices of exploitation that has ever been directed against the South. I am speaking of what is commonly referred to as the Birmingham differential.

When the steel industry first went on the basing-point system in this country around the turn of the century, all steel prices were computed on the basis of the old Pittsbugh-plus formula. Under this system, the delivered price for steel at any given destination point in the country was the sum of the Pittsburgh base price plus freight from Pittsburgh. Thus even though the buyer located in Birmingham, Ala., bought steel from a Birmingham mill, he paid phantom freight all the way from Pittsburgh, amounting generally to $15 or more a ton.

To make matters worse, for many years after the establishment of the Birmingham differential a number of steel products were still priced in this incredible manner, among which was wire and wire products. One of the subsidiaries of the United States Steel Corp., the American Steel & Wire Co., has plants around Birmingham for the manufacture of wire and wire products. But since Birmingham was not a basing point for these products, the company charged Pittsburgh-plus on its sales. That meant that consumers in Birmingham paid $15.30 per ton more for such products than did consumers in Pittsburgh. Faced with this almost insurmountable handicap in the cost of their raw materials, southern wire users were obviously not in a position to compete against their northern competitors, and consequently, as the Federal Trade Commission pointed out in the Pittsburgh Plus case, the wire users in the South are very scarce—United States Steel Corp. et al., Complaint, Findings and Order, 8 FTC, page 49. And this was true despite the great market for wire products, such as wire fence, wire nails, and bale ties, which exist in the South.

The evidence on this matter is very revealing as to the attitude of the mind of northern corporations concerning the South. According to the evidence in the Pittsburgh Plus case, the vice president and general manager of sales of the American Steel and Wire Co. stated that if his company put in wire mills at Birmingham it was not his idea that those mills should sell on a Birmingham basis as this might result in giving the southern manufacturers an advantage over northern manufacturers at some of the northern points which, in his own words, of course, would not be advisable.

Commenting on this evidence, the Federal Trade Commission stated:

> The above statement of the respondents' wire company representatives illustrates the arbitrary nature and reason for Pittsburgh-plus prices, even when such prices run $15.30 per ton higher than their Pittsburgh prices. It must not be forgotten that the cost of producing steel in Birmingham, as shown by the evidence in the record, is much less than at Pittsburgh. Yet the selling price of wire and wire products is amazingly more.

Such a protest against the Pittsburgh-plus system went up from the South, however, that the steel industry had to back down somewhat, but only a little. In place of the Pittsburgh-plus system, they instituted what is known as the Birmingham differential. Under this new formula Birmingham was made a basing point, but the base price at Birmingham was arbitrarily set at a figure, first $5, and then $3 a ton above the Pittsburgh base price. This was done despite the fact that the costs of producing steel have been proved to be substantially lower in Birmingham than in any other part of the country. Let me illustrate this with a purely hypothetical example. Suppose the base price at Pittsburgh were $50. Under the Birmingham differential, it would be $53. Thus the Southern buyer of steel would pay as his delivered price the $53 base price plus rail freight from Birmingham. The buyer at Pittsburgh would pay as his delivered price only the base price of $50 plus rail freight from Pittsburgh. Thus the buyer in the Birmingham mills' territory would always pay more than would the buyer in the Pittsburgh mills' territory, even though the Birmingham mills had lower costs.

In its Finding of Facts in the Pittsburgh-plus case against the United States Steel Corp., the Federal Trade Commission described the Birmingham differential as follows:

> The cost of producing steel at Birmingham is approximately 21 percent less than at Pittsburgh, yet the price at which respondents sell their products at Birmingham is much higher. Indeed, as shown by Commission's exhibit 6853, the spread between the cost of producing bars and the selling price of bars is only $2.10 at Pittsburgh, while at Birmingham it is $8. Respondents impliedly threaten to return to the Pittsburgh-plus system in selling bars, plates, and shapes in the Birmingham district by their answer herein which alleges that the Birmingham differential is but a temporary concession from the Pittsburgh-plus prices formerly charged. If they do return to the Pittsburgh-plus prices, the spread between the cost and selling price of bars at Birmingham will be $18.03 as against $2.10 at Pittsburgh. Indeed, it must be assumed that this additional price of $16.20 per ton which the Birmingham public must pay is charged on wire and wire products, for on these products Pittsburgh-plus prices are still charged. The great public interest in a matter where that public is charged a profit at Birmingham which exceeds the profit at Pittsburgh by $16.20 per ton is manifest.

This Birmingham differential was continued up until 1938, at which time it was dropped, apparently in anticipation of the forthcoming investigation of monopoly by the Temporary National Economic Committee, which was headed by the eminent and distinguished senior Senator from Wyoming [Mr. O'MAHONEY].

The elimination of this differential was a great boon to the South and one which was welcomed by representatives of all branches of southern life. Yet I wonder how many of those of us here from the South have realized that the bill now before us, Senate bill 1008, would apparently legalize the restoration of the Birmingham differential? I wish to call attention to section 2 of the proposed bill, which states among other things:

> That it shall not be an unlawful discrimination in price for a seller, acting independently—
>
> * * * * *
>
> (b) To absorb freight to meet the equally low price of a competitor in good faith, and this may include the maintenance above or below the price of such competitor of a differential in price which such seller customarily maintains.

Mr. President, I invite explicit attention to the words "and this may include the maintenance of a differential in price which such seller customarily maintains."

Unless I am greatly mistaken, the Birmingham differential, which was customarily maintained in the steel industry for over a quarter of a century, can certainly qualify under this provision.

Mr. President, the passage of a bill which would reimpose the burden of the Birmingham differential on the South is almost unthinkable. And yet, under the guise of a bill which its proponents say is designed only to "clarify" the pricing situation with respect to the right of the individual seller to absorb freight "on a delivered price basis," we find this interesting little joker. The seller may maintain a "differential" in price.

What would be the effects of the restoration of the Birmingham differential upon the South We can obtain an answer on that point only by examining how the differential worked against us in the past.

It so happens that a very detailed analysis of the effect of the Birmingham differential on the South was made by the Tennessee Valley Authority in 1936, entitled "The Pittsburgh-Plus System, the Effects of the Birmingham Differential and Related Aspects of the Steel Pricing Structure Upon the South."

It is one of the most interesting studies which I have had the privilege to read. It was prepared in 1936. It is a case study of what the Birmingham differential did to retard development in the South and Southeast. It is applicable in every respect to what has happened in the West, the Pacific Northwest, and in New England. If anyone wishes to see a blueprint of undeveloped areas everywhere in the country, except where there are located ancient and well-established industries, which believe in the basing-point system and the Pittsburgh-plus system, here is a good example of what has happened in other sections of the United States.

Without burdening the Senate with the details of the 120-page study, I should like merely to quote its principal findings:

> 1. The South has not been producing an amount of steel sufficient for its own needs. During the years 1928–33, the ratio of production to consumption was approximately 65 percent. This figure includes Tennessee, Kentucky, Alabama, Mississippi, Florida, Georgia, South Carolina, North Carolina, and the southern part of Virginia.
>
> 2. The Birmingham differential, by holding the price of structural steel from $3 to $1 higher in the Birmingham price zone than

in the price zones controlled by Pittsburgh, Chicago, and Bethlehem, makes it possible for northern structural steel fabricators to secure steel from northern mills and to compete for southern construction jobs. Northern mills are willing to supply this steel because, even though absorbing heavy freight charges, the prices paid by consumers are held high enough to provide satisfactory net yields. This competition from northern fabricators has at times limited seriously the volume of business secured by southern fabricators. The removal of the differential would tend to force such competition northward by a band of territory varying in width from about 50 to 175 miles.

3. The freight-rate scale from North to South tends to increase the competition from northern structural steel fabricators. On shipments to the South, there are groups of towns and cities bearing the same rates even though varying many miles in distance from the northern mill. This grouping permits a northern steel mill to penetrate farther into the South and still secure a more satisfactory net price yield than would be possible if the freight rates progressed more uniformly in relation to distance. Also, there is an over-all freight rate disadvantage to the South of 3½ cents per hundred pounds in shipments of steel between Birmingham and Pittsburgh.

4. Through the removal of the Birmingham differential certain southern manufacturers of products containing steel would gain an additional potential market about 25 percent as large as the market in which they are now selling. Manufacturers of products composed entirely of steel to which the differential applies and carrying the same freight classification as basic steel products would benefit approximately to this degree. Manufacturers of products containing smaller amounts of steel or bearing a higher freight rate classification would benefit to a lesser degree. The fullest benefit of this additional potential market would of course be gained only after a period of sales cultivation by southern manufacturers.

Perhaps a clearer impression of the way in which this differential discriminated against the South may be gathered from a few individual examples. In 1935 the Pittsburgh base price for many steel products was quoted at around $2 per 100 pounds. In other words, a buyer in Pittsburgh could obtain these products at that price. Under the Birmingham differential, a buyer in Nashville, Tenn., paid not $2 but $2.40 a hundred pounds. Without the differential he would have had to pay only $2.25.

A buyer in Bristol, Tenn., under the differential, paid $2.50. Without the differential, he would have had to pay only $2.35.

Under the differential, a buyer in Charlotte, N. C., paid $2.55. Without the differential, he would have had to pay only $2.40.

Under the differential, a buyer in Charleston, S. C., paid $2.60. Without the differential, he would have had to pay only $2.45.

Under the differential, a buyer in Atlanta, Ga., paid $2.40. Without the differential, he would have had to pay only $2.25.

Under the differential, a buyer in Jacksonville, Fla., paid $2.55. Without the differential, he would have had to pay only $2.40.

Under the differential, a buyer in Mobile, Ala., paid $2.45. Without the differential, he would have had to pay only $2.30.

Under the differential, a buyer in New Orleans, La., paid $2.50. Without the differential, he would have had to pay only $2.35.

Under the differential, a buyer in Vicksburg, Miss., paid $2.45. Without the differential, he would have had to pay only $2.35.

The TVA report goes on to show the effects of the differential upon specific industries located in the South. In each, the differential clearly had the effect of confining and holding back the natural market areas of the southern concerns. For example, in the bolt and nut industry, the report found that the removal of the differential on basic steel would have substantially enlarged the market of southern bolt and nut producers, greatly increasing their share of the market in Oklahoma, Texas, Arkansas, Tennessee, Kentucky, and North Carolina. On an overall basis, the elimination of the differential would have increased the market held by southern producers in this industry by 25 percent. Similarly, with the elimination of the differential, the markets of southern wirework producers would have been increased by 25 percent. Likewise, in each of the other industries studied, the elimination of the differential would have increased their markets by amounts ranging from 2 to 12 percent.

Mr. President, every Member of this body from the South should strenuously oppose the passage of any piece of legislation which would have the effect of restoring one of the most vicious types of discrimination ever practiced against any region. Not only would the reimposition of the Birmingham differential halt the remarkable expansion of southeastern industry in its tracks; it would result, as the TVA report has pointed out, in an actual reduction in the market now held by southern manufacturers and fabricators by amounts ranging up to 25 percent.

This means idle factories and rising unemployment in the South. It means fewer working days and smaller pay checks for the southern worker. It means reduced profits to the southeastern industrialist. It means that once again the South will be in bondage to northern monopoly.

Then there is another feature of the basing-point system which works peculiar and extreme hardship upon the South, namely, the practice of computing delivered prices on the basis of all-rail freight even though shipment is actually made by water or truck.

The injury suffered by the South as a result of this practice can be seen by a few comparisons of water rates with rail rates. Thus, as of March 31, 1941, the rail rate for shipping a ton of steel between Pittsburgh and Memphis, Tenn., was $11.40; the water rate for a minimum of 500 tons was only $3.10. The rail rate from Pittsburgh to Vicksburg, Miss., was $13.60; the water rate was $4.15. From Pittsburgh to New Orleans, the rail rate was $13.60; the water rate was only $5.20. From Pittsburgh to Houston, Tex., the rail rate was $14; the water rate only $7.

Although many southern cities put in terminal and barge facilities at considerable expense to themselves and to the Federal Government, this investment, insofar as the basing-point products are concerned, has been largely wasted. Why should anybody ask for delivery by water if he does not receive the benefit of the lower water cost?

I should like to point out that in the South and Southwest we have been continuing to develop our waterways. Some time ago Congress authorized the development of the Tombigbee River, which, connected with the Warrior River, and thence with the Ohio and the Mississippi, would give us additional waterways between the Pittsburgh area, the St. Louis area, and the Gulf of Mexico. However, under the basing-point system the producers and consumers in the South would not benefit by water rates. Even though a product were hauled by water, rail freight rates would still have to be paid on it.

The record on this matter is filled with protests by southern cities against this practice. Yet despite their protests and despite the obvious injustice of the practice, they received no relief until the basing-point system was abandoned by the steel industry following the Cement decision in 1948. Let me cite a few of these protests which have been made by representatives of southern industry:

The Memphis Chamber of Commerce complained against this practice, stating: "This method of selling steel in effect excludes the transportation by water or rail and water, for the purchaser would naturally not accept water or rail-and-water delivery when he is being charged the all-rail freight as the saving would not be for his account but would go in the pocket of the seller. This eliminates Memphis and other river points from enjoying the natural advantages which she possesses and if allowed to maintain would eventually lead to a higher all-rail structure, as our present advantageous position is due to the recognition of the river competition"—FTC report on practices of the steel industry under the code, 1934.

The Mississippi Valley Association of St. Louis, with 437 registered delegates from 26 States, including most of the Southern States, passed a resolution submitted by its traffic committee declaring that the use of all-rail rates are inimical to the interest of the consumers, unjustly eliminate all forms of transportation other than railroads from participation in valuable traffic and tend to destroy water carriers and port facilities.

The Vicksburg, Miss., Chamber of Commerce protested through a Member of Congress that the all-rail basis will not only deprive industries and cousumers located along the inland waterways of a natural advantage but will eliminate the value and usefulness of terminals, and so forth.

The Belknap Hardware Manufacturing Co., of Louisville, Ky.—one of the great concerns in the State represented by the distinguished junior Senator from Kentucky [Mr. CHAPMAN], whom I see on the floor—objected to the all-rail basis on the ground that it arbitrarily and unjustly deprives many taxpayers of the advantages of economical river transportation for which they had paid, and

that the Government had spent hundreds of millions on the development of river transportation, but that the use of the river transportation is prohibited except at all-rail rates.

The Southern States Iron Roofing Co., of Savannah, Ga., stated that prior to the code mills quoted to river points based on river freight rates, that the opening up of water traffic on the Mississippi following large expenditures by the Government was the primary inducement in our opening up a branch factory at Memphis, Tenn. It stated that unless transportation cost was allowed it will probably necessitate our closing our Memphis, Tenn., plant—consequently throwing out of employment a large number of men and will also increase the cost of roofing products to the ultimate consumer and will make practically useless the money spent by the Government opening up traffic on the Mississippi River.

The Crescent Bed Co., of New Orleans, stated that it had been receiving its steel purchases from Birmingham by Government barge line since completion of the waterways system some 5 years ago. The barge line rates were 7 cents per hundred less than the all-rail rates. It stated that the Birmingham mills would only ship by rail and the Government spent so much money building a waterway system, it is a natural thing for us to continue to ship our steel by the barge line and save $1.40 per ton freight. To ship by rail, as far as we are concerned, is just wasting $1.40 a ton and it is handicapping our industry that amount. It requested that the mills be again allowed to use water transportation.

Similar protests have been made by many other representatives of southern industry. These are not the protests of Government agencies or theoretical economists. These are the protests of practical, hard-headed businessmen who have encountered what amounts to the iron hand of a private dictatorship. These southern businessmen have used every means in their power to bring about the elimination of this outrageous discrimination, so that they would have some chance of expanding their business and giving employment to southern workers. But although their protests have been carried to the highest quarters by many Senators and Representatives, it was not until the steel industry abandoned the basing-point system following the Cement decision that the South began to achieve some of the benefits of its marvelous natural system of waterways.

In addition to these very specific features of the basing-point system—the Birmingham differential, the charging of Pittsburgh-plus prices, and the refusal to base delivery charges on anything other than rail freight—the general features of the system, which I have already described, will continue to operate powerfully against the South. Thus, if the basing-point system is restored, the growth of any primary producer, such as a steel or cement manufacturer, will be halted before it gets started by the fear of predatory dumping which will be legalized under this bill. Similarly, with the restoration of the basing-point system, the growth of the fabricating industries in the South will be stunted because of the high and discriminatory prices which they will have to pay for their steel, cement, and any other materials which they used that are sold under the basing-point system.

Mr. President, in the debates which have been held on this bill, I have been very happy to note that most of the Members of this body who come from Southern States are united in opposition to this bill. Those of us who are from the South know how the northern monopolists have held back the growth of southern industry. We know that the vicious practices which these monopolists have instituted today, of which the basing-point system is a conspicuous example, have brought only suffering and want to the South. We know that if the South is to prosper and make effective use of the natural resources with which God endowed it, monopolistic control over southern industry must be brought to an end.

In this connection, I call to the attention of this body the exhaustive report of the Pace Committee on the Cotton South. Comprised of representatives of all walks of southern life and based upon the factual studies of an army of experts, the committee, in its formal recommendations, urged the elimination of monopolistic practices that hold back southern production. The committee went on to state that it regards monopoly as so peculiarly detrimental to the South that it recommends a long-range study of the problem by competent public or private agencies—Study of Agricultural and Economic Problems of the Cotton Belt, Pace Committee Report.

Mr. President, the least we can do in carrying out this recommendation is to defeat this and all other proposals which would have the effect of disastrously weakening our present safeguards against monopoly. As I pointed out in the beginning of my remarks, by 1955 the Southeast will have to develop over 900,000 and the Southwest over 400,000 new nonfarm jobs, or a total for the South of 1,300,000 new jobs in industry and commerce. The least that we can do in performing this staggering task is to give southern industry a fair chance to grow and prosper in a free and competitive market.

Mr. President, turning now to the West, that region has just as great a grievance against the basing-point system as the South. I wonder how many Members of this body know how prices for steel on the west coast are determined under the basing-point system? They are, in effect, the equivalent of base prices from the East, plus freight to the Pacific coast.

Mr. President, there have long been steel mills on the west coast. But the local western buyer, purchasing steel from such a mill—which may be located just across the street—has had to pay a delivered price which includes the fictional charge of a wholly imaginary shipment from one end of the United States to another. In view of this situation, is it any wonder that the growth of industry on the west coast has long been retarded? And is it any wonder that one western group after another has urged the elimination of this outrageous practice?

Mr. President, in support of the statement which I have just made, I would like to summarize the testimony presented before the TNEC by Mr. T. A. D. Loretz, general manager of one of these groups, the Pacific Coast Steel Fabricators Association, Los Angeles, Calif., an association of the principal structural and plate steel fabricators in the far Western States. In his testimony, Mr. Loretz described in detail the way in which delivered prices on the west coast are made up.

Let us take the case of steel bars. Until 1938 the controlling basing point on all deliveries to the west coast for steel bars and all other steel products as well, was Pittsburgh, Pa. But in 1938, in anticipation of the TNEC investigation the industry relaxed a little and established a few new basing points, which resulted in a slight, but very slight, reduction of delivered prices on the west coast. Thus, in 1939, the nearest basing point to the west coast for steel bars was Birmingham, Ala., with a base price, as of November 9, 1939, of $2.15 per 100 pounds. The transportation cost from Birmingham to Los Angeles harbor consisted of the following elements: Birmingham to Mobile, 16 cents; Mobile to Los Angeles harbor, 45 cents; wharfage at Los Angeles harbor, 1¼ cents; car loading at Los Angeles harbor, 1¾ cents; marine insurance, 1 cent; or a total of 65 cents, which, when added to the base price of $2.15, makes a total of $2.80. Now it so happens that the steel industry's official base price on cars, Los Angeles harbor, which was also the base price at other Pacific coast terminal ports, was $2.75. In other words, the official base price on the west coast was approximately the same as the sum of the base price in the East, plus freight and auxiliary charges to west coast ports.

In the case of structural shapes, Philadelphia was the nearest basing point to the west coast. The Philadelphia base price on shapes was $2.31½. Transportation costs from Philadelphia to Los Angeles amounted to 49 cents, or a total delivered price of $2.70½. What was the official base price on the west coast? It was $2.70, a difference of only half a cent from the sum of the Philadelphia basing point price plus freight.

On steel plates, the situation was the same. The base price from the nearest basing point, Sparrows Point, Md., was $2.10. The freight charges from Sparrows Point to Los Angeles amounted to 49 cents, or a total of $2.59. This compared to the official base price on cars, Los Angeles harbor of $2.60.

And on hot-rolled sheets the base price at Sparrows Point was $2, and freight to Los Angeles was 49 cents, or a total of $2.49. The official base price on the west coast was only 1 cent higher—$2.50.

Mr. President, let us consider this situation. In 1939 steel mills were located on the west coast, at San Francisco and Seattle, owned entirely by the United States Steel Corp. and the Bethlehem Steel Co. The western buyer who purchased steel from these mills paid

delivered prices at west coast ports of $2.50 per hundred pounds of steel sheets, as contrasted to only $2 paid by his competitor located at Sparrows Point—that is, Baltimore, Md.—with roughly similar differences existing in other steel products. In other words, under this system the materials costs to the western steel user were 25 percent higher than to his eastern competitor.

Expressed in another way, up to 1938 the amount of phantom freight paid by the western steel consumer averaged about $15 a ton, and after 1938 it ranged from $10 to $13 a ton.

Confronted with discrimination of this magnitude, may I be permitted to inquire just how the western companies are going to be able to continue their recent remarkable expansion, if the basing-point system is restored?

The representatives of the western regional groups do not seek special treatment. They ask only for fair play. Their position was summarized by the spokesmen of the Pacific Coast Steel Fabricators Association in these words:

> The Pacific coast prices are substantially the eastern prices plus actual transportation. It is the contention of the Pacific Coast Steel Fabricators that steel sold on the Pacific coast—steel produced on the Pacific coast, I should say—should be sold based upon its cost of production plus a reasonable profit, whatever that may be, and not based upon eastern prices plus transportation costs. (Hearings before the TNEC, pt. 20, pp. 10897-10914.)

The almost incredible amount of phantom freight paid by western buyers into the pockets of the eastern steel companies can perhaps best be visualized by a specific illustration, such as the case of the American Forge Co. of San Francisco. This firm had formerly purchased its raw steel f. o. b. San Francisco from a local mill at $3 a ton under the Pittsburgh base price. When the NRA was put into effect, the basing-point system was tightened up. Thus, under the NRA code, the nearest basing point for steel was Pittsburgh or Birmingham, thus requiring the addition of freight charges from one of those basing points to San Francisco. The American Forge Co. complained to the American Iron and Steel Institute and to the NRA that under the code the local mill from which it had been purchasing its steel—a subsidiary of the United States Steel Corp.—had informed it that—

> They cannot sell us any more of this material at the old price of $23 per ton.

The complaint went on to add:

> And the price that they now ask, which is $41.30 per gross ton, does not permit us to continue in this business, as our eastern competitors still pay $26 per gross ton for raw material. (FTC Report on Practices of the Steel Industry Under the Code, p. 19.)

Since under the basing-point system they are thus denied the benefits of their natural location—that is, the benefit of their adjacency to western steel mills, western manufacturers and fabricators have been able to secure only a small share of the western market.

In his testimony before the TNEC, Mr. Loretz presented some striking evidence on this point. He showed that during the 18-month period between January 1, 1938, and June 30, 1939, independent fabricators on the Pacific coast obtained, in terms of actual tonnage, only 27 percent of the fabricated structural steel awards made in the three Pacific Coast States. Who obtained the bulk of the awards? Senators can probably guess the answer. The fabricating affiliates of the United States Steel and Bethlehem Steel secured no less than 66 percent.

During the same period, Mr. Loretz showed that out of all the awards for fabricated structural tonnage placed in the Intermountain States of Arizona, New Mexico, Nevada, Utah, Idaho, and Montana, the independent fabricators in this very area received only 3.7 percent of the awards and the independent fabricators on the Pacific coast secured only 2.4 percent. It was again the affiliates of the big eastern steel companies which received the lion's share, 51 percent, of the awards.

The reason for this inability of western fabricators to get anything more than a small portion of the western market is not difficult to determine. The western fabricators have to pay a much higher price for their raw material—approximately 25 percent higher—than their eastern competitors. With this advantage, the eastern firm is frequently able to fabricate the item, ship it all the way to the west coast, and sell it at a lower price than the western firm, even though the western firm is just as efficient as the eastern company.

In this particular case the discrimination was probably even more extreme. The steel used by the affiliated fabricators—which secured the bulk of the awards—may have been produced and fabricated on the west coast. Since both the mill and the fabricator are owned by the same company—either United States Steel or Bethlehem—it is only to be expected that the mill did not charge its fabricating affiliate the $10 to $13 phantom freight which it most certainly did charge the independent western fabricators. In view of these circumstances, then, is it any wonder that the bulk of the western business went to the eastern companies?

Mr. President, we have here a vicious circle. Because the western steel users have to pay higher prices than their eastern competitors, they cannot get anything like a fair share of the western market. And because they cannot obtain the markets which are rightfully theirs, they cannot grow. And because they cannot grow, the market for steel and other raw materials in the West remains restricted. And because it is thus restricted, new steel mills, new cement mills, and new mills to produce other types of raw materials are not built. It is indeed a vicious circle of stagnation, which was broken for the first time by the Supreme Court decision in the Cement case.

Mr. President, the far West is going to have to develop about a million new nonfarm jobs during the next decade. If the basing-point system is restored and this staggering phantom freight charge is reimposed upon far western steel buyers, how, may I ask, is the Far West going to be able to create these new jobs? How can it be expected that western firms will be able to compete when they are forced to pay from $10 to $13 more per ton for steel than their eastern rivals? An untold number of western companies will undoubtedly be placed in the same situation as the American Forge Co. of San Francisco of having to pay a price for its steel so high that it "does not permit us to continue in this business."

Mr. President, I wish to speak very frankly on this matter. From the facts which I have set forth, it should be clear that under the basing-point system, the discrimination against the West is at least as great as the discrimination against the South. And as I have also pointed out, most of the Members of this body who come from Southern States recognize the basing-point system for what it is—a system which automatically and necessarily discriminates against the underdeveloped regions—and have accordingly opposed S. 1008. Yet for some reason unknown to me, there has been no such unanimity among the Members of this body who represent the Western States. I know, of course, that the western Members who support this bill believe its passage is essential in order to permit western companies to ship into eastern markets. But I call their attention to the fact that no legislation is required to make the absorption of freight legal. Freight absorption is now and has always been permissible under the law. The only type of freight absorption which is illegal is the absorption which is part of a conspiracy or which results in discrimination so great as to substantially lessen competition. The Federal Trade Commission has said time and again that freight absorption, per se, is not illegal. The same thing was said by the Supreme Court in the Cement case, and more recently, on August 22, 1949, by Judge Parker in the decision of the Fourth Circuit Court of Appeals in the Bond Crown and Cork case. May I quote what the Supreme Court has to say on this point:

> Most of the objections to the order appear to rest on the premise that its terms will bar an individual cement producer from selling cement at delivered prices such that its net return from one customer will be less than from another, even if the particular sale be made in good faith to meet the lower price of a competitor. The Commission disclaims that the order can possibly be so understood. Nor do we so understand it. As we read the order, all of its separate prohibiting paragraphs and subparagraphs, which need not here be set out, are modified and limited by a preamble. This preamble directs that all of the respondents "do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding or agreement, combination or conspiracy, between and among any two or more of said respondents and others not parties hereto, to do or perform any of the following things." Then follow the prohibitory sentences. It is thus apparent that the order by its terms is directed solely at concerted, not individual activity on the part of the respondents. (*FTC* v. *Cement Institute et al.*, p. 42.)

And may I quote what Judge Parker had to say:

> There has been a great deal of argument with regard to the practice of freight equalization. It should be noted in this connection, however, that the question in this case is, not whether such practice may be enjoined as constituting of itself an unfair

trade practice, but whether it may be considered along with the other facts and circumstances to which we have adverted as tending to establish the conspiracy and combination in restraint of trade, which is the only charge of the complaint. We think that it was properly considered for that purpose.

* * * * *

The practice unquestionably constitutes evidence to be considered, along with other facts and circumstances, as tending to establish the conspiracy charged; and that was the only purpose for which it was considered by the Commission. (*Bond Crown & Cork Co.* v. *Federal Trade Commission*, pp. 12, 14.)

But if despite the clear and unequivocal statements on this matter by the Federal Trade Commission, the Supreme Court, and Judge Parker, some Senators still feel that it might be a good idea to remove any lingering shadow of doubt that might be in the minds of some western businessmen by passing this law, then I say to them that this very slight and unnecessary clarification will be gained only at the expense of consequences which will be ruinous to the West. The steel industry and other basing-point industries have made it abundantly clear that as soon as this bill is passed, they will return to the basing-point system. And if this is done, it means that the west coast will again be saddled with the bonds of the basing-point system which it has been trying to get rid of for over half a century.

Mr. President, I now wish to shift clear across the country to another very important region, New England, which though not underdeveloped in the sense of the South and the West, is certainly underdeveloped with respect to steel capacity.

There is no region in this country which has accomplished as much with the resources at its command as New England. The venturesomeness of New England capital and the boldness of New England enterprise are known throughout the world. Yet, New England has always been largely dependent on other areas for the steel which it uses in its great metal-working industries. In other words, New England has been forced to pay the sort of tribute to the steel monopoly that it refused to pay to the English monopolies before the Revolutionary War.

Indeed, the resistance of the early settlers in New England to the restrictions against English laws prohibiting manufacturing in the colonies contributed in no small part to the Revolution. And after our independence was won, New England enterprises continued to resist, in less direct though nonetheless effective ways, the monopolistic restrictions of that day designed to deny to American firms the use of the industrial technology then available in Europe. Indeed, Samuel Slater's first factory was a triumph of Yankee resistance to restrictions devised to keep textile manufacturing out of the New World which the monopolists of that day had persuaded their Parliament to legalize.

Today, there is absolutely no need for New England to continue to pay this tribute for its steel. Today, New England can and should have its own steel industry, a fact which has become recognized by New England spokesmen. There have been a number of developments which make the development of a New England steel industry an entirely practical and feasible objective. The Boston Herald, for example, listed these developments on August 25, 1949 in a front page editorial entitled "Steel Age for New England." This editorial begins by stating that "a group of unrelated events offer New England an opportunity for prosperity such as we have not enjoyed since the days of the clipper ships." The "events" are then treated in the following order:

First, the decision of the Supreme Court sustaining the Government's power to prohibit the basing-point system.

Second, new technological developments in steel production. In this connection two new developments are mentioned. One, the new oxygenation process whereby the output of a given plant can be greatly increased; and, two, the continuous steel casting process which, as I understand it, now makes new small plants, requiring relatively small investments, quite feasible within the foreseeable future.

The third new development listed is the recent discovery of important new sources of iron ore in Labrador and Quebec, which are, as the editorial puts it, "almost at New England's back door."

Fourth, the decision to reduce the Labrador-Quebec ores by electricity to sponge iron before shipment to the United States. Shipment in this form will save on transport costs, and make particularly feasible the operation of small, nonintegrated steel mills such as would be most suited to the needs of New England.

And fifth, the prospective production of iron as a by-product of a new titanium smelter at Quebec, which promises a source of some basic iron in the period before the iron ore deposits are developed. After some discussion of each of these developments, this editorial concludes as follows:

All these factors do not assure a big steel industry to New England. They make such an industry a "natural" for us, but it will not come by itself against the inertia of the country's present industrial set-up. There is already on foot a powerful move to have Congress restore the basing-point system, which, if successful, would tend to freeze the present steel concentration of the country. We need to combat that.

This present iron famine should be exploited to bring home to the steel companies the urgency of our requirements and the growing demands of our hard-goods manufacture, now New England's most rapidly growing industry. We need to bring out that this is the center of an enormous market.

This can be, as we have said, the greatest thing for New England since the clipper ships if we do not muff the opportunity.

The factors mentioned in this editorial and their importance to the prospect of great industrial growth in New England represent no mere editorial dreaming. On the contrary, these are essentially the same conclusions reached by the Federal Reserve Bank of Boston and the New England Council after a careful study and appraisal of all of the factors which, according to the best business and professional economic judgment, have a proper bearing on the question. The staff of this bank made last year, at the request of the New England Council, an exhaustive study to ascertain the effects of the basing-point decisions on the New England economy. It contended, among other things, that a mere tripling of the now scant steel capacity in New England would mean an increase of about 50,000 jobs, counting both the new jobs in steel making and those which would be created in fabricating industries dependent upon steel, and, as the report to the New England Council put the matter—"In taking advantage of the opportunity, New England would be taking nothing from others that is rightfully theirs. Moreover, thanks again to a happy combination of circumstances, New England has several tidewater locations which meet both the requirements for steel facilities and the strategic military requirements set forth by the National Security Resources Board"—Alfred C. Neal, The Effect of the Basing Point Decision on the New England Economy, September 18, 1948.

What this opportunity for New England may mean in terms of growth of the free-enterprise system has been summed up in the report of the Boston Federal Reserve Bank, prepared by Dr. Alfred C. Neal, from which I should like to quote:

For the last few months I have been engaged in some economic detective work, piecing together facts from a collection gathered over a good many years and combining them with what we have found out about the New England economy and about the effects of the basing-point system. I think that we have succeeded in putting together most of the pieces in a massive jigsaw puzzle. When the pieces are fitted together they make a picture showing opportunities for New England unheard of for the last century at least. This picture shows far more than the basing-point system and its effects and far more than New England.

New England has an opportunity—and there may not be another like it for half a century or more—to accomplish far more than to advance its own prosperity, far more than to make more jobs for its people and more business for its utilities and its railroads. It has an opportunity to do far more than to revive its ports and its shipping and to make new opportunities for the investment of its capital. It has a golden chance to do all of these things, but in addition it has an opportunity to strengthen greatly the bonds of mutually advantageous commerce with our Canadian friends, and to expand its foreign trade into the distant places that Yankee captains reached by sailing ships over a century ago. It has an opportunity to advance the cause of free enterprise and of free people that will give another halt to those prophets of the doom of capitalism and our way of life.

Although the opportunity is certainly there, as all these studies and reports have conclusively shown, the hopes of New England for a steel industry of its own will certainly be dashed if this bill is passed and the basing-point system is restored.

If we may reason from the past, we must conclude that under the basing-point system any new mill to be established in New England would in all probability have to operate as a nonbase mill, if for no other reason than that such a

mill would probably be too small to engage in a contest of local price cutting with the large producers, and consequently could be easily penalized and punished for any attempt it might make to reduce prices in the New England market.

Yet under the basing-point system, the establishment of a nonbase mill in New England would be of little benefit either to the New England customer or to the mill itself. Differences between the high prices which local fabricating plants would have to pay and the low prices which their distant competitors would pay would be as great as before; that is, prices to steel customers in New England would be computed as the base price at Baltimore or Buffalo, whichever is the nearer, plus freight costs from these points. Hence the customers would pay the same delivered price for steel as before. The mill would be physically situated in New England but the New England steel buyers would not gain the benefits of its location.

Likewise, under these circumstances, the mill would gain very few benefits from its location. Under the basing-point system, a nonbase mill in New England would have its local market shared fully by the distant steel centers of Pennsylvania and Ohio, with the result that it could attain volume production only by shipping west to distant customers near or beyond those States. Of course, such shipments would not be very profitable, since the New England mill would not only have to accept the relatively low delivered prices prevailing in Pennsylvania, Ohio, and nearby States, but in addition would have to absorb the freight charges for the distant shipments as well.

It is, of course, conceivable, though not very probable, that a new mill in New England might be established as a base mill. But unless such a mill wanted to bring down the wrath of the entire steel industry on its head, it would have to cooperate in playing the game under the basing-point rules. The whole purpose of this game is to keep steel prices sufficiently high to enable the mills in the traditional steel-producing centers to ship into all markets and preempt customers everywhere. This means that even though the New England mill were a basing point it would be able to obtain only a small share of its natural market, the greater part continuing to be held by the old-established mills in Pennsylvania and Ohio.

The only way in which the New England mill could avoid this result would be for it to lower its base price. But this would lead to immediate retaliation, with the established mills probably making the New England mill a punitive basing point, lowering and lowering the price at that point until the New England mill pleaded for mercy.

This is no idle speculation. It is exactly what happens when a smaller independent mill gets tired of sharing its home market with its distant and larger rivals and tries to secure a greater share of that market by lowering its prices. As just one example, let me quote from the Supreme Court decision in the Cement case the account of what happened to an independent mill which decided to take this course of action, and which found that its larger rivals promptly made it a punitive basing point:

> The base price was driven down with relatively insignificant losses to the producers who imposed the punitive basing point, but with heavy losses to the recalcitrant who had to make all its sales on this basis. In one instance, where a producer had made a low public bid, a punitive base point price was put on its plant and cement was reduced 10 cents per barrel; further reductions quickly followed until the base price at which this recalcitrant had to sell its cement dropped to 75 cents per barrel, scarcely one-half of its former base price of $1.45. Within 6 weeks after the base price hit 75 cents capitulation occurred and the recalcitrant joined a portland-cement association. Cement in that locality then bouncel back to $1.15, later to $1.35, and finally to $1.75. (*FTC* v. *Cement Institute et al.*, p. 29.)

To allow companies to do that sort of thing is what the sponsors of Senate bill 1008 would like to inflict again upon the Nation.

New England has indeed a great opportunity for the establishment of its own steel industry. It has access to the materials; it has the labor; it has the capital; it has the market; and above all, it has the essential ingredient, for which New England has always been noted, of venturesomeness and risk-taking. But while the opportunity is beckoning and the reward is great, it should be clear for the reasons I have presented that New England will never have the slightest chance in the world of realizing its hopes if the basing-point system is restored.

Mr. President, the restrictive effects of the basing-point system on economic expansion, which are serious enough during normal times, become even more acute during "boom" times. When the steel mills have plenty of customers they naturally tend to ignore, under the basing-point system, the outlying customers whom they can supply only by absorbing freight. Why, indeed, should they try to supply such customers when they can sell all of their output to nearby buyers without absorbing freight?

Since the end of the war, the inability of many companies, particularly small firms, to obtain steel has been one of our principal economic problems. True enough, the severity of the problem diminished somewhat during the period of "disinflation" last spring and summer, but with the revival of economic activity, the shortage has again become critical.

In the last several Congresses there has been a procession of small-business men appearing before congressional committees complaining of their inabiilty to secure steel. To a very considerable extent these small-business men have placed the major responsibility for their difficulties on this very practice which we are discussing today—the basing-point system. They have testified that they have offered to buy steel f. o. b. mill and pay the cost of transportation themselves, thereby relieving the mill of the necessity of absorbing freight. But while the basing-point system existed, the mills, according to these witnesses, consistently refused to sell steel on this basis for the simple and obvious reason that they did not wish to deviate in any way from the basing-point method of pricing.

Let me quote briefly from the testimony of some of these small-business men before the Senate Small Business Committee. Mr. Richard Kline, treasurer of the Burke Steel Co., a steel warehouse and industrial supply concern, stated that his firm had been in existence for over 100 years and had been buying steel from the same companies for a long period of time, but that since the end of the war its supply had been cut off. When asked why he could no longer secure steel, Mr. Kline stated:

> We possibly exercised poor judgment in restricting our purchases to too few mills. We dealt with some of the larger mills, and to a large extent with a medium-sized mill. We now find ourselves in the position where that mill is not interested or willing to absorb freight to make shipments into our area, as we size it up. (Hearings before the Senate Small Business Committee, 80th Cong., pt. 42, pp. 4481–4482.)

Similarly, Mr. Frank J. Daugherty, vice president of the Gate City Iron Works, Omaha, Nebr., a large warehouse firm in the Missouri Valley area, stated that between 1945 and 1947 his total receipts of steel had declined by nearly half "with the decline still going on." Mr. Daugherty stated:

> These dislocations started to take place some 2 years ago. We are located in the Missouri Valley area, where unfortunately there are few producing mills. Our principal source there is the Chicago area. * * *
>
> The freight absorption has got to the point where they [the steel mills] maintain that they take a loss in shipping as far east as the Missouri River (p. 4504).

The chairman of the Senate Small Business Committee placed in the record a letter from a large steel company which was in reply to a protest from a small concern against being cut off from the mill's schedule and thus being dropped into a "trackless desert." The letter from the steel company is as follows:

> This will acknowledge your letter of November 29. I find it difficult to understand your statement that we have dropped you into a trackless desert.
>
> Actually we have issued ample warning in your own and other unfavorable freight territories from which we have gradually been withdrawing on flat-rolled steel. We are, as you know, still shipping to you and have unfilled tonnage on our books which will be shipped but we can no longer provide a regular place for you and others in your area in our 1948 schedule.
>
> As I told you over the phone, this is not an arbitrary action on our part. All mills are doing it with the ultimate aim of serving their natural trading areas * * *
>
> I am sorry we cannot entertain your offer to make a long-time agreement to pay us f. o. b. mill prices. Such arrangement would be uneconomic and unsound for you when the present rolled-flat stringency is over.
>
> It would violate our established policy of selling only on published-price and basing-point terms. It would likewise divert tonnage from our home areas in which we are obliged to establish ourselves firmly for the long pull (p. 4556).

The Senate Small Business Committee of the last Congress made an exhaustive statistical survey of the steel mills in order to determine whether there was substance to these and other allegations

by small-business men. Between 1940 and 1947 the committee found that shipments of steel sheets increased on the average of 18.8 percent. In contrast, shipments to customers located within the traditional steel-producing centers, principally Ohio, western Pennsylvania, Chicago, and Maryland, increased by no less than 44 percent—more than twice as much as the increase for the Nation as a whole. Yet shipments to the rest of the country showed practically no gain whatever, rising only 2.7 percent. The committee summarized its findings in these words:

The power to govern the distribution of steel is the power of life and death in the economic world. The way in which it is exercised determines which businesses grow and which do not, which industries expand and which do not, which States and regions prosper and which do not. Yet, despite its overwhelming importance, the power appears to have been exercised, for example, so that the 12 areas which happened to be the major centers of steel production received nearly half as much again as their prewar shipments of hot-rolled steel sheets, while the amount flowing into the entire remainder of the country stood practically unchanged, rising only 2.7 percent.

This means that in these other parts of the country which comprise by far the vast majority of our States and cities, their expanded steel-consuming facilities either had to be closed down or operated at considerably less than their full capacity. It means that in these areas both small and large firms were unable to secure their fair share of postwar market expansion. It means a further centralization of productive activities in a few greatly congested industrial centers. (Senate Small Business Committee, 80th Cong., "Changes in Distribution of Steel, 1940–47".)

Since the shortage of steel is again with us—perhaps for an indefinite stay—the restoration of the basing-point system will only mean that countless numbers of small-business men located outside the immediate environs of the steel mills will again find themselves unable to secure the raw materials necessary for their very existence.

If this bill is passed, we will again be confronted with the spectacle of plants located in unfavorable freight territories shutting down because they cannot get steel, while plants near the mills get more steel than they can use and sell their surplus in the gray markets.

Mr. President, we must be realistic in discussing this bill. We must realize that behind it lies the fundamental question of power—the power to determine, as the Senate Small Business Committee has so aptly stated, "which businesses grow and which do not, which industries expand and which do not, which States and regions prosper and which do not." If S. 1008 becomes the law of the land, that power will be placed squarely in the hands of a few great industrial corporations and a few great railroad systems, tied together by financial interests centering in Wall Street. In order to grow at all, any region must have two things: fair transportation rates and fair prices for the raw materials of industry. By the passage of the Reed-Bulwinkle bill in the Eightieth Congress, the railroads have been exempted from the antitrust laws and are substantially free to make railroad rates in any manner which they see fit. If this bill is passed, the steel companies will be given the same power with respect to the price of raw materials.

Moreover, it is not to be assumed that the railroads and the steel companies will act independently of each other. Rather, the record shows that they have a long history of mutual understanding and accord. This is only to be expected since many of the railroads and steel companies were organized originally by the same investment banking companies, and their security issues have been handled by the same financial interests. If anyone has any doubts on this question, let him examine the evidence placed by the Government into the record of the Investment Bankers case now being conducted in New York City.

Most of the cooperative efforts between the railroads and the steel companies are carried out discreetly by telephone or private conference without leaving behind any telltale scraps of evidence. But sometimes there is a slip and very revealing bits of information get into the record. Such is the case of the material gathered by the Department of Justice relating to the successful effort just before the war of the northern railroads and northern steel companies in preventing southern railroads from offering lower freight rates on steel to southern consumers, a full account of which is to be found in the CONGRESSIONAL RECORD of August 11, 1949, on pages 11262–11264. In essence, the southern railroads proposed to make substantial reductions in their freight rates on steel shipped from Birmingham to New Orleans and other Gulf and river cities. The eastern steel producers, acting through the pressures they were able to put upon the Association of American Railroads, were able to block the proposal of the Southern Freight Association. The evidence clearly reveals that the northern railroads and steel companies worked hand in glove in stifling this attempt by southern railroads to help southern industry. I should like to call attention to a few of the salient quotations from letters and memoranda of railroad officials.

On November 29, 1939, the Association of American Railroads held a meeting to discuss this matter, which was described in a letter written on December 4 by Mr. Tilford, vice president of the Louisville & Nashville Railroad, as follows:

The discussion indicated very clearly that the objections of the official territory roads (i. e., the eastern railroads) originated with the northern shippers (i. e., the northern steel producers) now using water service to the Mississippi River crossings and Gulf ports since the delivered prices would be affected by a reduction in the rates from Birmingham, the sales practice being to use Birmingham base price, plus rail rate from Birmingham.

Later, a meeting was held between southern and eastern railroads and the American Iron and Steel Institute, the results of which may be judged from a memorandum from J. G. Kerr, chairman, Southern Freight Association, dated January 20, 1940:

With the exception of Mr. Baker, representing the Andrews Steel Co., and Mr. McBride, representing Kokomo, Indiana producer, practically all, if not all, of the other iron and steel shippers strenuously opposed any reduction. There was a good deal of discussion regarding water movements down the Ohio and Mississippi Rivers which followed the statement that practically all of the iron and steel traffic to Mississippi River points and gulf ports was now moving by water, although it was being sold on basis of rail rates.

On the basis of these quotations and other evidence in the record, there can be absolutely no question but that it was the close and harmonious relationship between the northern railroads and steel companies that prevented this reduction from taking place. No one knows how often this sort of thing takes place. The particular case which I have cited merely represents one of the few which have come to light. But there is every reason to believe that it is a common occurrence, particularly since both the northern railroad and steel companies have the same objective in common—that of maintaining the status quo, preserving the price and rate structures as they are and preventing the growth of industry everywhere which might possibly impair the value of their existing investments.

Mr. President, I wish again to call attention to the inescapable fact that within the next 5 years the South will have to create 1,300,000 new nonfarm jobs, and the far West over 1,000,000 such jobs, over and above their 1947 levels.

Mr. President, I ask this question: How in the world is the South going to reach this goal if the Birmingham differential is restored, if on some products even Pittsburgh-plus prices are imposed, and if rail rates are charged for materials actually shipped by water or truck?

I ask: How is the West going to achieve its goal of creating over 1,000,000 new jobs if western steel users have to pay, for steel actually produced on the west coast, phantom freight from one end of the country to the other, averaging $10 to $13 per ton?

I ask: How is New England going to achieve its goal of 50,000 new jobs, which is almost within its grasp, if its potential steel mills are to be subjected to the vicious attacks and reprisals which the established steel interests in Pennsylvania and Ohio will be in a position to make under the basing-point system?

Mr. President, I wish to conclude my discussion of this extremely important matter now before us with a few remarks to my good friends from the traditional steel producing centers of Pennsylvania, Ohio, Illinois and Maryland. With very few exceptions, the Members of Congress from these States have voted almost solidly for this bill, believing that its passage is essential for the welfare of their people. When the vote was taken on this conference bill in the House of Representatives, only two Members of the 33-man Pennsylvania delegation of both parties voted against the bill. Of the Chicago delegation, only one Representative voted against it. None of the Maryland delegation voted against it. And on this side, the Senator from Pennsylvania was the author of the original moratorium bill, and the Senator from Maryland is handling the present legislation.

Mr. President, I want to make it perfectly clear that I have the fullest respect for the views of the Members from these States. I have listened with great attention to their arguments. I believe there is much in what they have to say. And I know that they have every reason to believe that in fighting for the passage of this bill they are only trying to carry out what they regard as a mandate from the people of their States.

Yet, I wonder whether they have considered all the aspects of this very complicated problem? I wonder whether they have thought about this problem, faced by the underdeveloped areas, of creating 2,500,000 new nonfarm jobs within the next 5 years? I wonder whether they have thought about what would happen if, as a result of the restoration of the basing-point system, the underdeveloped areas are unable to meet this goal, and widespread unemployment consequently develops. I wonder if they have thought about the migration of those unemployed workers which will undoubtedly take place into their own great metropolitan centers, greatly intensifying, as I have pointed out, the tremendous problems already faced by the great cities of the northeast.

And then I wonder whether they have thought about the question of markets for the products of their own industries. I wonder whether they have thought about the question of how their own producers of all types of products are going to find markets if the underdeveloped areas are unable to expand, and if widespread unemployment develops. Do the Members from these States really believe that they can be an island of prosperity in a sea of unemployment?

I wonder whether they have given any consideration to the fact, which history has demonstrated time and again, that the greater the trade between a wealthy and a poorer country, the greater is the prosperity not only of the poorer land but of the wealthy country as well.

I wonder whether they have given consideration to the fact that the elimination of the basing-point system would tend to result in the expansion of the fabricating or finished-goods industries in their own areas, thus providing greater diversification of industry and, hence, greater security against depression.

Finally, in view of the fact that the legality of freight absorption, in and of itself, has now become definitely established, I wonder whether they really regard this bill as essential in order to clarify the law.

Mr. President, in conclusion, I hope statements by various Members of the Senate in regard to the effects of enactment of S. 1008, effects which definitely will be against the interest of the further development of the industries and of an increase of employment in most sections of the country, will reach the people in those areas.

I know we have spent a long time debating this issue; but from the standpoint of regional development and general prosperity throughout the United States, from the standpoint of whether we are going to have employment or whether we are going to have unemployment, I think this measure is the most important one which will be before the Congress at this session.

So it is important that this issue be fully debated, that its implications be fully understood, and that the resultant effects upon various parts of the United States be fully appreciated by the Members of the Senate when they come to the final vote on the pending conference report.

Mr. O'MAHONEY. Mr. President, will the Senator from Tennessee yield for one or two questions?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. KEFAUVER. I yield.

Mr. O'MAHONEY. I have listened with the greatest interest to the address of the Senator from Tennessee today, and I have listened with great interest also to the addresses delivered by the Senator from Illinois [Mr. DOUGLAS] and the Senator from Louisiana [Mr. LONG].

It is my understanding from what has been said by these three opponents of the conference report that in their opinion the independent use of delivered prices or of freight absorption is not now prohibited by law. When I use the word "independent," I use it as meaning the action of a seller in absorbing freight and in making delivered prices, without any understanding, express or implied, with any other seller to fix prices or in any way to offend or violate the antitrust laws.

Is that the Senator's belief?

Mr. KEFAUVER. Yes; that is my belief.

Mr. O'MAHONEY. I thought it was.

Then, Mr. President, may I ask the Senator this question: If any seller in the United States were to adopt a delivered-pricing system or were to absorb freight, but if, at the same time, he did not enter into any agreement, express or implied, with any other competitor to fix prices, in the opinion of the Senator from Tennessee, he would not be violating the law; is that the Senator's opinion?

Mr. KEFAUVER. That is my opinion. Furthermore, I think there should be no doubt about that. If there ever was any doubt—which seemingly has caused all this difficulty—it certainly should have been removed by the opinion of the United States Circuit Court of Appeals for the Fourth Circuit, in the case of Bond Crown & Cork Co. against Federal Trade Commission, decided on August 22, 1949, by a very distinguished jurist, who incidentally is a distinguished member of the Republican Party, the Chief Justice of the Fourth Circuit, Justice Parker. As the Senator from Wyoming very well knows, the issue there was presented very clearly and squarely; and Justice Parker, speaking for a unanimous court, held that the independent, separate absorption of freight or selling on a delivered-price basis, without entering into any conspiracy, express or implied, was permissible under the present law.

That is the law of the land, and why, when the matter has now been settled on that basis, anyone should want to amend the Robinson-Patman Act and create a great deal of confusion, requiring the question to be litigated again in the courts, I am unable to understand.

Mr. O'MAHONEY. Mr. President, I of course do not want to undertake to make another explanation now in the Senator's time. I am familiar with the Crown Cap case which the Senator has cited. I cited it myself last fall.

Mr. KEFAUVER. I know the Senator did.

Mr. O'MAHONEY. I cited it when the conference report was before the Senate in a form which I feared did not adequately protect the antitrust laws. But the unfortunate fact is that that was the decision only of a circuit court. As I pointed out to the Senator from Illinois and to the Senator from Louisiana, a week ago, when this debate began, the difficulty arises from the fact that the Supreme Court of the United States divided 4 to 4 in the Rigid Steel Conduit case, and in that case, because the Court divided 4 to 4, the decision of the circuit court of appeals remained undisturbed. In that decision, the circuit court of appeals used language which has filled many honest businessmen with the fear that the individual use of freight absorption, which the Senator from Tennessee, the Senator from Illinois, and I all agree is not prohibited by law, would nevertheless be a violation of the law.

The Senator from Tennessee has made a very eloquent and persuasive plea for an expanding economy. I am for an expanding economy. I am for an expanding economy, to be brought about by the entrance of new competitors. I say to the Senator in all sincerity that if this conference report should not be agreed to, the result would be precisely the reverse of what the Senator believes. It would close the door to expanding free competitive enterprise, and, in the case of steel, would give big steel complete control.

Let me ask the Senator another question.

Mr. KEFAUVER. Just a moment, please. Let me say in answer to the Senator as to what the state of the law is, that all of us know that the Bond Crown and Cork Co. had very capable attorneys. Their attorneys of record were from New York and Baltimore, men who are well known as constitutional and antitrust lawyers. Had they thought that the decision of Justice Parker of the Fourth Circuit did not today represent the law of the land, and that they might have an opportunity of reversing his opinion in the Supreme Court, they had the necessary legal talent and the money, and, of course, would have appealed the case. This case stands as the last word on the subject.

Furthermore, the Senator goes back to the Rigid Steel Conduit case. I have never really seen anything in that case, in the light of other decisions, which casts any doubt on the matter. Certainly there is nothing in the Cement case to indicate that the independent absorption of freight, where it is not done by constructive or express conspiracy, is a violation of the antitrust laws. As a matter of fact, the case implies very strongly, and the entire purport of it is,

that freight absorption, if done independently and not systematically, is not a violation of the antitrust laws.

Mr. O'MAHONEY. Oh, the Senator is quite wrong in that interpretation, because otherwise, what possible reason could there be for four Justices opposing the other four? The issue upon which they divided——

Mr. KEFAUVER. The Senator is talking about the Rigid Steel Conduit case, not the Cement case.

Mr. O'MAHONEY. Oh, certainly; I am talking about the Rigid Steel Conduit case.

Mr. KEFAUVER. After reading the Cement case as a whole, which of course came later, I do not see how any industry could have become alarmed about the situation. As the Senator well knows, the cement industry largely, and most of the units that want to absorb freight, are at the present time doing so independently. They are selling on a delivered-price basis wherever they think it is to their best interests to do so. There has not been any great distress or confusion in the industry. But if the position of the Senator from Wyoming prevails, of writing in a section 1 which will have to be interpreted in the light of numerous laws, and a section 2 which is in direct contradiction of section 3, we are then going to have confusion. If the Senator is trying to eliminate confusion, it seems to me we have the matter pretty well settled now, and we are going to make only for confusion by adopting the pending conference report.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. KEFAUVER. No; I want to answer the other point made by the distinguished Senator. The Senator made one other point, namely, that many people are worried about what the state of the law is. When we have the definite statement of the members of the Federal Trade Commission that they feel that the independent absorption of freight, where there is no express or constructive conspiracy, is not illegal; when we have a great many distinguished lawyers saying the same thing; and when we have a former member of the Federal Trade Commission, Mr. Freer, saying the same thing, then I cannot see that there is such a great demand on the part of industry or on the part of anyone else merely to clarify the law.

I am thoroughly convinced, and I have an idea that, since the Senator is satisfied with the present status of the law, he must feel likewise, that there are some people who are interested in making this change in order to get their foot in the door, for the purpose of weakening and breaking down and destroying the effectiveness of the antitrust laws.

Mr. O'MAHONEY. I think the Senator from Tennessee is well enough aware of my opinions and my views on the antitrust laws at least to concede to me that I would not willingly lend my assistance to the creation of any loophole whereby monopolistic practices could be reinstituted.

Mr. KEFAUVER. Yes, I say that. But the Senator, when this matter first came up, and in every discussion when it has been brought up, has said, in the first place, that he is perfectly satisfied with matters as they are, that he feels that the proposed legislation is entirely unnecessary, and that he does not think it unlawful now to absorb freight.

Mr. O'MAHONEY. That is a very different thing from saying that the proposed legislation is not necessary. I do not say that.

Mr. KEFAUVER. The Senator, on June 1, 1949, when the matter was first brought before the Senate—if the Senator will give me just a moment, I shall find where he said he thought it was unnecessary.

Mr. O'MAHONEY. That was the day I moved the substitution, was it not?

Mr. KEFAUVER. Yes. Even without any protecting amendments of the Robinson-Patman Act, the Senator said it was unnecessary at that time. I think I can read to the Senator where he said, when it was first brought up, that he thought the present state of the law was very satisfactory, and that this proposed law was unnecessary.

Mr. O'MAHONEY. No; what I said then, and what I say now, and what the Senator from Tennessee says now, is, namely, that the antitrust laws do not prohibit the individual use of delivered prices—of freight absorption. But, if the Senator will bear with me only for a moment, he will understand why I say that the confusion has reached the Supreme Court, when the Supreme Court divides equally, 4 to 4, on a circuit court case in which the court used this language—and I now quote from the Circuit Court of Appeals, 168 Fed. 2d, at page 181, the Rigid Steel Conduit case—

In the light of that opinion—

That is, the Cement case; that is the language of the court—

we cannot say the Commission was wrong in concluding that the individual use of the basing-point method as here used does constitute an unfair method of competition.

There was a declaration which seemed to imply that the individual use of freight absorption was found by the Federal Trade Commission to be a violation of the law, in being an unfair trade practice; and I say——

Mr. KEFAUVER. But I say the Federal Trade Commission, in its own opinion in the Rigid Steel Conduit case, and upon petition for reconsideration of the Rigid Steel Conduit case, said, by unanimous decision, that it had held in the Rigid Steel Conduit case that independent, separate absorption of freight was not a violation of the law. I have the opinion of the Federal Trade Commission upon the rehearing of that very case. Of course, the Senator is familiar with it.

Mr. O'MAHONEY. I am familiar with it. But the Federal Trade Commission is not the Supreme Court; and when four members of the Supreme Court say that individual freight absorption may be illegal, then I say it is incumbent upon the Congress to declare what the Senator from Tennessee, the Senator from Wyoming, and the Federal Trade Commission agree is the law. I want to promote the investment of private capital in expanding business. I do not want to leave it in its present situation, which brings about the result that big companies, such as Big Steel, are able to strangle the whole country.

Mr. KEFAUVER. The Senator knows that a writ of certiorari is not granted by the Supreme Court of the United States unless certain things happen. That does not mean that four Justices of the Supreme Court have a different view about it.

Mr. O'MAHONEY. They voted 4 to 4.

Mr. KEFAUVER. As to whether to bring up the case.

Mr. O'MAHONEY. That is the thing which introduced the confusion and the doubt.

Mr. KEFAUVER. The Federal Trade Commission in the Rigid Steel Conduit case stated that independent absorption was not illegal. The opinion of the Supreme Court does not create any confusion whatever.

Mr. O'MAHONEY. Let us finish the case we are on, and then we can go to the other. Does not the Senator agree with me that the only difference between him and me is that he contends it is unnecessary for Congress to act because the Federal Trade Commission has said that the individual use of delivered prices and freight absorption is not a violation of the law, whereas I say that though the Federal Trade Commission has so declared, there is so much doubt in the Rigid Steel Conduit case that we should say by law what the Senator from Tennessee, the Senator from Wyoming, and the Federal Trade Commission agree is the law?

Mr. KEFAUVER. The only difference between the distinguished Senator from Wyoming and me is that he said, in the first place, that he did not think there was any necessity for the legislation.

Mr. O'MAHONEY. No; I did not say that.

Mr. KEFAUVER. I shall get the statement and read it to the Senator.

Mr. O'MAHONEY. What I said, and I repeat, was that, of course, I believe that individual delivered pricing and freight absorption are not illegal.

Mr. KEFAUVER. The Senator is willing to take a chance on inflicting upon the South the Birmingham differential which will again retard, if not destroy, the economic and industrial development of a great section of the country; he is willing to take a chance on imposing this iniquitous basing-point system upon his own territory and upon New England and to forego building an expanding economy, affording employment to our increasing population, because some lawyer on the Federal Trade Commission is of the opinion that the law is not clear. The Senator from Wyoming is fairly well satisfied that the latest expression of our courts makes it very clear, and yet he wants to run this risk.

Mr. O'MAHONEY. I do not believe there is any risk involved. I think we cannot fail to do everything within our power to make the law clear, because if we do not do so, the advocates of concentration of economic control, by sowing abroad among honest independents, those who seek to engage in competition, a doubt as to whether their money can

safely be invested, will prevent the expansion of our economy and will create the very unemployment which the Senator fears.

Mr. KEFAUVER. I should like to read to the Senator what he said on June 1, 1949, relative to the Cement case:

Mr. LUCAS. Do I correctly understand that the Senator is quoting from the Cement case?

That was after the Senator from Wyoming had stated that it did not mean that independent absorption was in violation of the law.

Mr. O'MAHONEY. Yes. I think the case is good law——

Mr. O'MAHONEY. I do.

Mr. KEFAUVER. I read further:

In my opinion, all of the interpretations of the law in that case should be approved by the Congress of the United States if we are to maintain what we call the free competitive system.

Mr. O'MAHONEY. Again I say it.

Mr. KEFAUVER. If the Senator is in agreement with the law, why take a chance on wrecking the Robinson-Patman Act and destroying the economy of many sections of the country by reinstituting the basing-point system?

Mr. O'MAHONEY. My answer is that there is nothing in the conference report which would wreck the Robinson-Patman Act.

Mr. KEFAUVER. That is what the Senator thinks, but many other persons do not think so, including the Federal Trade Commission.

Mr. O'MAHONEY. I have never yet seen a statement by anyone in the Federal Trade Commission, even by former Commissioner Freer, whose letter upon this matter I have analyzed—I analyzed it in a letter to Mr. Rankin Peck, of Michigan—which did not, in my opinion, support what we are trying to do. We are seeking to maintain a competitive system, but the great campaign alleging that we are upsetting the Robinson-Patman Act has emanated chiefly from the Retail Druggists Association, which was the sponsor of the Miller-Tydings law, the sole purpose of which was to eliminate competition.

Mr. KEFAUVER. If the Senator wants to protect the Robinson-Patman Act and also the so-called buying-in-good-faith provision, why does he recommend that the Carroll amendment, which says:

Provided, however, That such sales shall not be in violaton of the provisions of this section——

Mr. O'MAHONEY. That is not what the Carroll amendment said. Let me read to the Senator the Carroll amendment. The Senator cannot debate a technical question by misquoting the amendment. The Carroll amendment provided as follows:

If the discrimination is not such that its effect upon competition may be that prohibited by this section.

The reason it should not be in the law is because the very same language is already in it.

Mr. KEFAUVER. If it is in the law, why does the Senator want it changed?

Mr. O'MAHONEY. It was not my amendment. I am telling the Senator that it is not necessary, because the opening sentence of 2 (b) is as follows:

Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection.

I say it is already there. I do not believe in surplusage. That is what promotes confusion.

Mr. KEFAUVER. Which Carroll amendment was the Senator reading?

Mr. O'MAHONEY. The amendment which Representative CARROLL presented. Here is the amendment offered by the Senator from Tennessee:

Other than a discrimination which will substantially lessen competition.

That was stricken out in the House, and in lieu thereof came the Carroll amendment.

Mr. KEFAUVER. Why does the Senator want to take away one of the prohibitions of the Robinson-Patman Act?

Mr. O'MAHONEY. I do not. It is here. Let me show it to the Senator——

The PRESIDING OFFICER (Mr. HILL in the chair). The Senator from Tennessee has the floor. Does the Senator from Tennessee yield to the Senator from Wyoming?

Mr. KEFAUVER. I do not mind yielding for a question if I can have an opportunity to answer it once in a while.

Mr. O'MAHONEY. I point out, and the Senator from Tennessee may look over my shoulder if he desires, that here are the precise words:

Discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection.

Those words are from the conference report.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield to the Senator from Illinois?

Mr. KEFAUVER. Here is the answer to the Senator from Wyoming. In the first place, section 3 has no place in the bill. It does not deal with basing points at all. It was placed in the bill for a reason which I have never been able to understand. It was placed there by the Senator from Wyoming on the insistence of somebody. It has nothing to do with basing points. Its only purpose is to amend the Robinson-Patman Act, in order to enable manufacturers to maintain a differential and to do away with the decision in the Indiana Standard Oil case. It has nothing to do with basing points whatsoever. However, the section is in the bill, and if the section is to stay in the bill nobody should object to a provision that certain things can be done only if no violation occurs of a sound, fundamental antitrust law of the Nation.

Mr. O'MAHONEY. That was put in by the conferees, but in a different place.

Mr. KEFAUVER. It was not put in by the conferees at all.

Mr. O'MAHONEY. Yes.

Mr. KEFAUVER. They would not even accept the weak amendment which I proposed on the floor to the effect that it shall not substantially lessen competition. That was a very weak amendment. The Carroll amendment improved it. The conferees struck out both proposed amendments, showing that they wanted to amend the Robinson-Patman Act and do away with one of the most wholesome antitrust laws we have on the statute books. The only thing the conferees put in was a restatement of the Sherman Antitrust Act, which has been the law since approximately 1880. We have nothing more now than a great many words which mean nothing. They do not have anything to do with the good faith defense. If the intention is to preserve the Indiana Standard Oil decision, why not say "which may not lessen competition" or "provided it does violate the provisions of the Robinson-Patman Act?"

The point is that the conferees say:

Provided further, That a seller may justify a discrimination—

The old Birmingham-plus system—

by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

In other words, Mr. President, as Mr. Elliston has said, the Indiana Standard Oil case would be decided in favor of the Standard Oil Co. by the Congress of the United States if we passed a bill with that kind of language in it.

In order to placate or make Members of the Senate feel a little better, or perhaps make the public feel a little better, the conferees have included an amendment which says:

And this may include the maintenance, above or below the price of such competitor, of a differential in price which such seller customarily maintains.

Of course, they have been maintaining the Pittsburgh-plus system with respect to the South, West, and New England for a long time, but the conference report says:

Provided, That this shall not make lawful any combination—

We are not talking about combinations. We are talking about the good-faith provision of the Robinson-Patman Act—

conspiracy—

A conspiracy has been a violation since the Sherman Act was enacted—

or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice.

That has also been a violation of the law for a long time.

In other words, conferees have put language in the bill which does not refer to the subject matter under discussion. The question is whether the Robinson-Patman Act amendment of 1938, which did away with the absolute good-faith defense is to be preserved. The oratory placed in the bill does not deal with the subject matter at all. Mr. Elliston, of the Standard Oil Co. of Indiana, was eminently correct when he said that the Standard Oil case would be decided

in favor of the Standard Oil Co. by Congress, not by the Supreme Court, if this bill should be enacted. If that is what Senators want, they will at least know that some Members of Congress have tried to warn them about it.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Illinois?

Mr. KEFAUVER. I yield.

Mr. LUCAS. I should like to ask the able Senator from Tennessee how much longer he expects to discuss the conference report.

Mr. KEFAUVER. I desire to make a point of order with reference to the conference report. I assume that I should make my point of order when the President of the Senate is in the chair. However, I have concluded my remarks.

Mr. LUCAS. Aside from making his point of order when the Vice President is in the chair tomorrow, the Senator from Tennessee has concluded his remarks on the conference report, has he?

Mr. KEFAUVER. Yes.

Mr. LUCAS. I should like to ask the Senator from Tennessee if he is in a position to advise the Senate whether it is possible to enter into a unanimous-consent agreement to vote on the conference report sometime late tomorrow afternoon.

Mr. KEFAUVER. Mr. President, I understand that the distinguished Senator from Louisiana [Mr. LONG] is ill, and perhaps will not be able to return to the Senate until Monday. I do not know what negotiations have taken place. So far as I am concerned, I believe Monday would be a better day on which to vote, because perhaps by then the Senator from Louisiana will be present.

Mr. LUCAS. Monday is a bad day for a number of other Senators; indeed, every time we try to get a unanimous-consent agreement the day suggested is a bad day for some Senator.

Mr. KEFAUVER. Would Tuesday be satisfactory?

Mr. LUCAS. The Senator from Maryland [Mr. O'CONOR], who is tremendously interested in this measure, is leaving for the Old World on Tuesday, and he would like very much to be here to vote on the conference report. Does the Senator from Tennessee have any other suggestion?

Mr. KEFAUVER. Does the majority leader suggest that we should wait until the distinguished Senator from Maryland returns?

Mr. LUCAS. No; not at all. Mr. President, the Senator from Illinois gave notice a week ago that we would finish consideration of the pending conference report some time this week. I believe it was on yesterday that I gave notice to the Senate that we would hold a night session in order that we may finish consideration of the conference report this week. I advised the Senate that we would hold a night session tomorrow so that we could come to some conclusion with respect to voting on this matter. I should like not to hold a night session if it can be avoided. However, Mr. President, I hope the Senate will take me at my word that tomorrow we shall dispose of the pending conference report even if it means sitting until midnight to do it. I hear my good friend from Texas——

Mr. CONNALLY. I am applauding the majority leader.

Mr. LUCAS. I thank the Senator from Texas for applauding me. After all, we must get along with the business of the Senate. We cannot wait for one Senator to return on Monday and another on tomorrow or the next day. I assume that some Senators will be absent tomorrow who will be able to return by Monday. Undoubtedly some Senators will be absent on Monday. I believe the Senators from Connecticut will be absent tomorrow.

Mr. KEFAUVER. At what time is the Senator from Maryland leaving on Tuesday?

Mr. O'CONOR. I am required by appointment of the President to go to Geneva, and expect to leave early on Tuesday afternoon.

Mr. KEFAUVER. I wonder if we could not vote at 1 o'clock on Tuesday?

Mr. LUCAS. That would be inconvenient for my good friend from Pennsylvania [Mr. MYERS]. Certainly the whip should be here. After all, it is his measure. He is the author of the original bill, which sought a moratorium on this matter. Now we have more than a moratorium, I am afraid.

Mr. KEFAUVER. I want to say to the distinguished majority leader that I expected to go to Tennessee late tomorrow afternoon. Incidentally, I had not heard about a night session.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KEFAUVER. Yes.

Mr. WHERRY. Will the Senator yield so that I may propound a question to the distinguished majority leader?

Mr. KEFAUVER. I yield.

Mr. WHERRY. I do not know whether the majority leader had actually asked or whether the distinguished Senator from Tennessee had actually refused to vote at 4 o'clock tomorrow afternoon. Is there objection to that?

Mr. KEFAUVER. Until I have had an opportunity to confer with someone who knows about the situation of the Senator from Louisiana [Mr. LONG], I should have to object.

Mr. LUCAS. I plead with my friend the Senator from Tennessee to talk to Senators who are vitally interested in this measure from his viewpoint, in order to ascertain from them if we cannot unanimously agree to vote on the conference report tomorrow afternoon at 4 o'clock. Such an agreement would give the Senator from Tennessee time to leave for his home State. We must make progress with the legislative business of the Senate.

Mr. KEFAUVER. If the Senator will permit, if it would be possible to vote early Tuesday afternoon, I would even be willing——

Mr. LUCAS. I am not going to agree to that unless the Senate forces me, through some sort of a filibuster, to have the vote on Tuesday. I have advised the Senate twice, and I am not going to retreat from the position I have taken. I feel that I have to follow that course. On another occasion not long ago I said we would have a night session, and some of the Senators on both sides of the aisle canceled dinner engagements and other engagements. When we got here no Senator wanted to have a night session, and finally Senators convinced me that perhaps it would be better not to have one. I cannot break my word as to the session tomorrow evening. I am with the Senator in his position on the conference report, but the opponents of the report are going to keep arguing against the report until they lose the majority leader.

Mr. KEFAUVER. Will the majority leader let us know about when he is going to be lost?

Mr. LUCAS. They will lose me pretty soon if they continue to argue about the conference report and defer the time when we can vote. In all my service in the Senate I have never seen as much argument about a subject as has been made with regard to the pending business. I realize the bill is important, I am not underestimating its importance, but the arguments have been stated over and over again, and every Senator knows exactly how he is going to vote. Senators cannot change any votes by their arguments. They can make a record, of course, but they have made their records once or twice, and in some cases three times, and it seems to me they should let the Senate vote on the report. That is my position, and I am serious about it. I want to finish with the conference report tomorrow, and proceed with other business of the Senate next week.

Mr. President, this conference report on the basing-point bill has been pending some time. The senior Senator from Louisiana [Mr. ELLENDER] has been sitting here for weeks waiting to move the consideration of the bill increasing the capital stock of the Commodity Credit Corporation. The Secretary of Agriculture has spoken to me about that, and he has spoken to the Senator from Louisiana and the other members of the committee about it. It is an important measure, and there will probably not be much opposition to it. The senior Senator from Delaware [Mr. WILLIAMS] is going to speak against it. We have never been able to get it before the Senate. There are other measures which are important, just as important as the pending conference report, and perhaps more so.

I should like to have the Senate get along with its business. We will have been practically a week on the conference report by the time we finish its consideration, and I hope that the Senator from Tennessee and other Senators who are opposing the report will get together and agree on a time for a vote tomorrow, say 4 o'clock, so that we will not have a night session. But I promise that we will have one if we do not get through with the report, and we might have a Saturday session.

Mr. WHERRY. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Nebraska.

Mr. WHERRY. I should like to get some information from the majority

leader. There has been a good deal of discussion on both sides as to what might be a suitable time for a vote, and I assure the distinguished majority leader that so far as the Members of the Senate on this side of the aisle are concerned, tomorrow at any hour, 3 or 4 o'clock, or any hour that may be acceptable to him, will be agreeable to them. But if no agreement can be made for Friday, I am quite satisfied that the hour of 5 o'clock on Monday would be very acceptable to Senators on this side of the aisle.

I agree with the majority leader, and I think we should give him our support. This conference report has been debated, it has been kicked around the better part of a year, and to my way of thinking no votes will be changed. I had hoped that the distinguished junior Senator from Illinois [Mr. DOUGLAS] and also the junior Senator from Tennessee [Mr. KEFAUVER] might have been able, if there is to be a vote tomorrow, to agree to it this afternoon, because it is highly important, and it will be a real courtesy to many Senators, if a vote is to be taken tomorrow, to have the announcement made this afternoon.

I appreciate the fact that the majority leader has already said he intends to hold a session Friday afternoon and night, but even though that session is carried to a late hour, it still does not mean there is sure to be a vote on the report.

I go along with the majority leader in suggesting to the distinguished Senator from Tennessee that if there is any chance of getting a vote some time tomorrow afternoon, and we can enter into a unanimous-consent agreement to that effect, it would be well to inform the Members of the Senate.

Mr. LUCAS. If the Senator from Tennessee will yield, I should like very much, when the Senate assembles tomorrow, to be able to get a unanimous-consent agreement, and I am sure the Senator from Tennessee will try to bring that about.

Mr. KEFAUVER. I know it would be of some convenience to Senators if we could get a unanimous-consent agreement now. Would the majority leader be willing to propose that we have a unanimous-consent agreement to vote Monday at 5 o'clock?

Mr. LUCAS. I cannot do that because of the Senator from Pennsylvania, who is the author of the bill and who must be away on Monday.

Mr. KEFAUVER. I will pair with the Senator from Pennsylvania, if that will help the situation.

Mr. LUCAS. What hour did the Senator suggest?

Mr. KEFAUVER. Five o'clock.

Mr. MYERS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield to the Senator from Pennsylvania.

Mr. MYERS. I would much prefer to vote tomorrow if possible. I have made several engagements for Monday, thinking the bill would certainly be out of the way by Friday. I had no thought whatsoever that we would be debating the bill all this week and still not be able to vote on it. Of course, if necessary I will have to cancel my plans. I do not think any one Senator should stand in the way of a unanimous-consent agreement. If a unanimous-consent agreement can be secured for Monday, I will cancel my plans and be here. I would not ask the Senator from Tennessee to pair with me, but I really believe that there will be no changes in any votes, and I see no reason why we cannot vote tomorrow. Many Senators will be absent tomorrow, and many will be absent Monday.

Mr. KEFAUVER. The Senator knows the junior Senator from Louisiana [Mr. LONG] is ill.

Mr. MYERS. I understand the junior Senator from Louisiana is unwilling to enter into any agreement except for a vote Tuesday. Some Senators talked to the Senator from Louisiana this afternoon by telephone, and it is my understanding that the only agreement he was willing to enter into today was to vote some time Tuesday. From that information, it would seem to me that he would still object to a vote on Monday.

Mr. KEFAUVER. I think the junior Senator from Illinois and I might be willing to take the responsibility of entering into a uninimous-consent agreement for a vote at 5 o'clock Monday, feeling that the junior Senator from Louisiana will be back by that time.

Mr. MYERS. Would the Senator make it 4 o'clock?

Mr. KEFAUVER. Very well.

Mr. WHERRY. Mr. President, since the majority leader has attempted very earnestly to get a vote on Friday, some of the Senators on this side say that Senators on the other side of the aisle should exhaust every effort to get a vote on Friday before an agreement is reached as to any other day. It was my thought that we should let the majority leader know that, before entering into a unanimous-consent agreement for any other day, in view of the fact that a session has been called for tomorrow night.

Mr. KEFAUVER. In the absence of the junior Senator from Louisiana, I have an idea that it may be very difficult to get an agreement to vote even late tomorrow night.

Mr. LUCAS. Mr. President, other Senators are away, and the secretary to the majority just advised me of a Senator who could not be here Monday, and would object to the unanimous-consent agreement if he were here. Obviously, we would have to have a quorum called before we entered into an agreement of the kind suggested, so I presume we had better let the matter go over until tomorrow, and when the Senate convenes tomorrow we will try to get a unanimous-consent agreement.

If the Senator from Tennessee wants the debate continued tomorrow night, which he indicates he does, in order to have a vote the following Monday or Tuesday, that is one thing. I cannot, however, quite understand the Senator's position. My understanding is that 17 Republicans will be absent tomorrow. I heard a statement to that effect a few moments ago. It seems to me that tomorrow will be just about as good a time as Monday to vote. There is one Senator who says in one breath that he can be present tomorrow, if necessary, so I have been told; yet he wants to have the vote put off until Tuesday. Such a proposal is simply a little more than I can understand, Mr. President, especially in view of the fact that we have been so long debating the measure. Certainly if some Senator wants to begin a filibuster on the conference report tomorrow afternoon and filibuster tomorrow night, I am willing to remain. I think, however, we ought to vote on the measure tomorrow night. I hope we can do so.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. I may say that we have just heard from the junior Senator from Louisiana [Mr. LONG]. He is very ill, but he is going to fly here in order to make an effort to be present on the floor. He has authorized me to say that in order to facilitate business he is ready to enter into an agreement to vote at 4 o'clock tomorrow. He is doing this at great personal sacrifice. I believe that for the sake of the RECORD it should be indicated that the Senator from Louisiana has not in any way tried to hold up the proceedings of the Senate, or to filibuster, nor is he interfering with the ordinary procedure of business. He is getting up from a sick bed and coming here when he is in no condition to come. He is doing so in an endeavor to facilitate and not to delay the business of the Senate.

Mr. KEFAUVER. In response to the suggestion of the majority leader that we may be entering into a filibuster, I will state that we have stood ready all along to agree to a unanimous-consent agreement for a vote to be taken any time Monday, and would have agreed to a vote being taken on Friday except for the illness of the Senator from Louisiana, who I know the majority leader would want to be present when the vote is taken. I understand the Commodity Credit Corporation measure is in the Senate and perhaps can be brought up for consideration in the interim.

The PRESIDING OFFICER. Permit the Chair to make a statement. The Chair will advise the Senate that it is not necessary to have a quorum call before reaching an agreement for final vote on the conference report. In view of the fact that the Senator from Tennessee has advised the Chair that he proposed to make a point of order, the Chair feels that he ought to advise the Senator from Tennessee that if a unanimous-consent agreement is entered into definitely to vote on the conference report at a certain time tomorrow, the point of order cannot be made unless provision for it is contained in the agreement.

Mr. LUCAS. Mr. President, I would include in the unanimous-consent agreement——

The PRESIDING OFFICER. That the point of order be in order.

Mr. LUCAS. That the point of order may be presented by the able Senator from Tennessee. If the decision on the point of order is adverse to the Senator from Tennessee, that we then proceed to vote at 4 o'clock in the afternoon, the time to be controlled by the able Senator from Tennessee [Mr. KEFAUVER] and the able Senator from Maryland [Mr. O'CONOR].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. KEFAUVER. Mr. President, reserving the right to object, I wonder if the majority leader would suggest that the Senate meet at 11 o'clock in the morning, and vote at 2 o'clock, because I have an engagement to make a commencement address at the University of Tennessee, Middle Tennessee Branch, tomorrow night, and it is necessary, if I am going to be there, to leave at 2:35 in the afternoon.

Mr. LUCAS. I should be delighted to enter into an agreement to that effect, assuming it is agreeable to my colleague from Illinois.

Mr. DOUGLAS. That is agreeable.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. WHERRY. Mr. President, if no other way can be found by which we can enter into an agreement for taking the vote, I shall take upon me the responsibility of saying that I shall not object. I have waited for several Senators, two or three of whom are flying back to Washington, but they will not be able to be present by 2 o'clock. However, rather than to delay the vote, and so that we may secure a vote, I shall not object. I will say to the majority leader that while it is a matter of disappointment to one or two Senators, I will take the full responsibility of entering into the agreement.

Mr. LUCAS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. LUCAS. I modify my request in line with the suggestion made by the able Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Illinois asks unanimous consent that the Senate convene tomorrow at 11 o'clock a. m.; that at 2 o'clock the Senate proceed to vote on the question of the adoption or rejection of the conference report, with the proviso that it be in order for the Senator from Tennessee to make his point of order, and for the Chair to rule on the point of order, which means, of course, that if the Chair sustains the point of order, then no vote would be taken at 2 o'clock. Such ruling would be subject to appeal, of course.

Mr. LUCAS. Yes; subject to the rule of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Of course, an appeal would be debatable.

The PRESIDING OFFICER. The appeal would be debatable, but all the debate on the appeal would end at 2 o'clock and then the vote would be taken.

Is there objection to the request of the Senator from Illinois [Mr. LUCAS]? The Chair hears none, and it is so ordered.

Mr. LUCAS. Mr. President, I thank the Senator from Tennessee and my distinguished colleague from Illinois, and also I want to thank the Senator from Louisiana [Mr. LONG], and other Senators——

Mr. WHERRY. How about the minority leader?

Mr. LUCAS. I will thank the minority leader, too. He does occasionally cooperate.

The PRESIDING OFFICER. The Chair understood the request of the Senator from Illinois also to include that there be an equal division of time; for the time to be controlled by the Senator from Maryland [Mr. O'CONOR] for the proponents, and by the Senator from Tennessee [Mr. KEFAUVER] for the opponents.

Mr. KEFAUVER. Mr. President, although I would be very happy to control the time, inasmuch as the distinguished junior Senator from Louisiana has been so vitally interested in the legislation, I think the control of the time is an honor which is due to him, so I ask that the unanimous-consent request include the provision that the time on behalf of the opponents be controlled by the junior Senator from Louisiana.

Mr. LUCAS. I modify my request accordingly; that the junior Senator from Louisiana control the time on behalf of the opponents.

The PRESIDING OFFICER. Without objection, the time will be equally divided, half the time to be controlled by the junior Senator from Maryland [Mr. O'CONOR] and the other half to be controlled by the junior Senator from Louisiana [Mr. LONG].

Subsequently, the unanimous-consent agreement was reduced to writing, as follows:

Ordered, by unanimous consent, That on the calendar day of Friday, June 2, 1950, at the hour of 2 o'clock p. m., the Senate proceed to vote, without further debate, on the question of agreeing to the conference report on the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices: *Provided, however,* That such agreement shall not prohibit the making of a point of order against said report.

Ordered further, That on said day of June 2 the time between 11 o'clock a. m. and 2 o'clock p. m. shall be equally divided between those favoring and those opposing the report and controlled, respectively, by Mr. O'CONOR and Mr. LONG.

Mr. MARTIN. Mr. President, I should like to speak briefly in behalf of the conference report on Senate bill 1008. I do so with the firm conviction that the enactment of this proposed legislation is vital not only for the protection of jobs in our Pennsylvania factories, but to prevent Nation-wide business disruption.

Both Houses of Congress have voted favorably on this bill, disagreeing only on certain language which we are now called upon to resolve by our vote on the pending conference report.

I believe that the overwhelming majority of Senators and Representatives realize the need for the speedy enactment of Senate bill 1008 to legalize the basing-point method of freight charges on commodities, except where such practice would be in restraint of trade.

The subject has been fully debated. It is not my wish to burden the Senate with a recitation of the arguments which have been so ably presented by many of my fellow Senators.

On last Thursday the junior Senator from Maryland summed up admirably the reasons why the Senate should approve the conference report.

If any doubt remained in my own mind concerning the possible adverse effects of Senate bill 1008 on small business, it was promptly dispelled by the arguments made by our distinguished colleague, the senior Senator from Wyoming [Mr. O'MAHONEY] who, all his life, has been an active foe of monopoly. He would be the last to support proposed legislation which would be harmful to small business.

I am in full agreement with the senior Senator from Wyoming, who said:

> I think it is of such great importance to have the businessmen of the United States know that freight absorption and delivered prices are not a violation of the law, I believe we should not pay attention to what I think are fantastic criticisms of section 2 of this act.

I also agree with the senior Senator from Wyoming when he said:

> I am saying to the Senator and to all others who will listen, and to all who will read, that the conferees did a whale of a good job when they brought section 3 back on the floor. They brought it back in a form which will do no injury to small business, but will do a great deal of good.

Mr. President, it is a fact that delivered prices have fostered competition. The f. o. b. plant system would eventually strangle competition and lead to the creation of local or regional monopolies.

It is my firm conviction that unless this proposed legislation is enacted, the disruption of long-established business practices will cause great confusion and loss to small business.

The charge has been made that the language recommended in the conference report will weaken the Robinson-Patman Act. On the contrary, it is my belief that the Robinson-Patman Act will be strengthened.

Unless we legislate to upset the f. o. b. plant ruling, we shall discourage the investment of new venture capital in new business concerns, because it will restrict their markets and thus will eliminate the greatest incentive for investment, which is opportunity for expansion and reward.

Moreover, it is likely to decrease employment and community prosperity. It will bankrupt some smaller manufacturing concerns, because local consumption is frequently not sufficient for profitable operation.

The disastrous effect of the basing-point decision is shown by the experience of one small manufacturer located in West Virginia, just across the Pennsylvania line, about 30 miles from my home town of Washington, Pa. The firm produces metal cans, and has its market among packers of condensed milk.

In 1948, just before the impact of the basing-point decision had its full effect, this firm produced 309,000,000 cans. They were shipped to 69 milk-condensing plants in 20 different States.

In the next year, 1949, because of the adverse competitive position in which the firm was placed by the basing-point decision, the output of that company

was reduced from 309,000,000 cans in 1949 to 135,000,000 cans. Its customers fell from 69, in 20 States, to 30, in 12 States.

The downward trend has continued this year; and the owners of the business now estimate a production of only 95,000,000 cans, to be supplied to 10 condensing plants in an area restricted to only 4 States.

From these figures it can be seen that the business of this small manufacturer dropped approximately 60 percent with the basing-point decision as the principal cause of the decline. This is one example of many that have been brought to my attention.

Big business—the giants of American industry—have the capital and other resources to locate branch plants in every market. Small business is fighting for its existence without these advantages. Small business in the United States should not be subjected to conditions which, in many cases, are equivalent to a death sentence.

Pennsylvania has more factory workers than any other State in the Union. They are employed to a large extent by firms which qualify as small business. It is in their interest that I intend to vote for the adoption of the conference report.

ADDRESS TO MEMBERS OF CONGRESS BY THE SECRETARY OF STATE—SUGGESTED APPEARANCE OF CABINET MEMBERS ON THE FLOORS OF CONGRESS

Mr. KEFAUVER. Mr. President, I did not have the opportunity to attend the informal meeting of the Senate and the House of Representatives with the Secretary of State in the auditorium of the Library of Congress yesterday. I have read the result of that appearance by the Secretary of State before Congress, and I think it was a very successful and useful occasion.

Mr. President, I feel that one of the great weaknesses of our system of government is that we do not have some method of formalizing the personal appearance of Cabinet Members before the Senate and the House of Representatives under the rules prescribed by the respective bodies. It was intended by the founding fathers that there be actual appearances and particularly that there be consultation and advice with the Senate personally by the Cabinet Members of the executive department.

Of course, ours is the only democratic, parliamentary form of government which does not have some method of enabling such appearances. The result has been that Members of Congress do not have an opportunity to hear, on a face-to-face basis, a discussion by Cabinet members of the problems of the executive branch of the Government, and Cabinet members do not have an opportunity to appear before us for a face-to-face discussion, except in committees. Consequently we cannot keep informed about the over-all administration of the laws by the executive branch of the Government, because sometimes we cannot even attend the committees upon which we serve, let alone all the other committee meetings at which Cabinet officers may appear.

So, Mr. President, undoubtedly Members of Congress would be better informed about current matters and undoubtedly the prestige of Congress would be raised greatly and there would be better understanding and a better working agreement between the executive branch of the Government and the Members of Congress if on a formal basis, in our own Chamber, we could meet with Cabinet members, who would be invited to appear at a certain time by the appropriate committees having jurisdiction of the subject matter. Then we could discuss with the Cabinet officers the problems then under consideration, and Members of the Senate could ask them questions, which would have to be germane to the issues, not questions of a heckling nature.

Furthermore, such an arrangement would help the members of the executive branch of the Government a great deal. They would have an opportunity to reach the entire membership of the Senate, whereas now they must confine their appearances to the committees. Such an arrangement would also give the Cabinet officers an opportunity to make policy decisions, whereas now they may not have such an opportunity. Moreover, they would have to know the operations of their own departments. The appearances they made here would indicate the kind of reception they would receive throughout the country and the esteem in which they were held by people in general.

Mr. President, over a period of many years, beginning in 1941, I sponsored and worked in the House of Representatives for a program of that sort. From time to time it has been tied up in the Rules Committee of the House, although at one time almost half the Members of the House of Representatives said they favored it, and expressed support of it; and at one time every member of the Cabinet, with one exception, unqualifiedly approved the idea.

It seems to me that in these times, when we are besieged by difficult domestic and international problems, high on the agenda of our legislative program there should be some means of improving liaison and understanding, so as at least to make it possible for the executive and legislative branches of the Government to know the same facts.

The distinguished Senator from Arkansas [Mr. FULBRIGHT] at one time, when I was making this proposal in the House of Representatives, made a similar proposal in the Senate. I wish to join other Senators in making the proposal again. Several of us have been sponsoring a resolution for that purpose.

Mr. President, I wish to commend the chairman of the Foreign Relations Committee, the distinguished senior Senator from Texas [Mr. CONNALLY], for his foresight in arranging the meeting yesterday, so as to give all the Members of the Senate and all the Members of the House of Representatives an opportunity to hear the address by the Secretary of State and to participate in the discussion. I think that had a wholesome effect upon the Nation; and I think it did something, at least, to improve the understanding and the relationship between the Members of the Congress and the Secretary of State and the State Department.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD excerpts from one of the speeches I made in the House of Representatives on the subject of the necessity for better cooperation between the legislative and executive branches of the Government.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD of March 6, 1947]

BETTER COOPERATION NECESSARY BETWEEN LEGISLATIVE AND EXECUTIVE BRANCHES OF GOVERNMENT

Mr. KEFAUVER. Mr. Speaker, it seems to me that since the United States is obviously now in the position where it must assume more and more leadership in the international field and we, the Congress, are being called upon to establish and deal with international policy to an extent that this country has never known before, we should examine our congressional procedure to see whether we are really equipped properly as a legislative body to adequately handle the problems being thrust upon us.

On the domestic front, there is great need for better understanding between the legislative and executive branches of our Government. Several days ago I read an editorial by Marquis Childs in the Washington Post. I would like to read the first two paragraphs. It says:

"Underlying nine-tenths of the confusion and conflict in Washington today is one central, paramount fact that almost no one speaks about or thinks about. It is almost as though a deliberate conspiracy existed to prevent us from considering it.

"When the two corollary powers, executive and legislative, are divided between opposing parties, the machine of government stalls. This has happened again and again and again. Yet we register a kind of puzzled and hurt surprise that all is not harmony and progress on the Potomac."

For many, many years there has been evident need and advocacy of some procedure which will bridge the gap between Capitol Hill and the other end of Pennsylvania Avenue. Even when the Executive and the legislative members of our Government are of the same party, bickerings and differences between the legislative and the Executive commence very soon after the inauguration. I believe that regardless of whether we have a Democrat or a Republican in the White House, or whether we have Republican control or Democratic control of the Congress, Members of both branches sincerely and earnestly want to make the Government work efficiently for the best interests of America. Nowadays it is imperative that Government function smoothly. In this way we can take our place of effective leadership in world affairs. Both of the political parties are devoted to those two objects. We know that the time comes when there is lack of understanding and differences between the President and the Congress, regardless of whether or not there is a person of the same party in the White House as in control of the Congress. For many years I have been advocating a proposal which I think will do much to bring about closer cooperation and understanding between the President and the Congress. Now that we do have a situation which I think has occurred some 28 times in our history, of divided responsibility between the Presidency and one or the other Houses of Congress, it seems to me it is all the more important that we try to devise

ways and means to come to a better understanding and better working together with our national program.

The proposal that I have made this year, as in several years past, is for a so-called report-and-questioning period. It is contained in House Resolution 17. Under that proposal it is provided that once every week, or at least every 2 weeks, there should be set aside not more than 2 hours on the floor of the House for some legislative committee of the House to have the opportunity of inviting a Cabinet member or a top administrator to appear in the Chamber of the House to answer questions previously submitted to him by the legislative committee which issued the invitation. The first half of the time would be devoted to the Cabinet member answering written questions previously submitted, and the second half consumed by questions from the floor. The chairman of the committee and the ranking minority member would control the time for asking questions.

The Rules Committee would fix the order of appearance, in the event more than one request was pending.

Here is an example of how this program would operate: Suppose when Secretary Marshall returns from Moscow, the Foreign Affairs Committee of the House should feel it important that his message be heard by all the Members of the House and such Members of the Senate as might wish to come over. Under this proposal the Foreign Affairs Committee would contact Secretary Marshall, arrange a time, and discuss the agenda. They would prepare questions to be printed in the RECORD 2 days before the hearing. On the date of his appearance, one-half of the allotted time, whether it were 1 hour or 2 hours, would be taken by the Secretary in a discussion of the questions furnished him or agreed upon by him with the members of the Foreign Affairs Committee. After his report, the members of the Foreign Affairs Committee, or any Member of the House, by securing permission from the chairman or the ranking minority member, could ask him supplemental questions which, however, must be germane to the preceding discussion. It would not be a period of heckling. If an improper question were asked, since the Cabinet member came voluntarily, he would not have to answer it. The Speaker could rule the question out of order as not being germane. A point of order could be made by any Member to an improper question.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the distinguished majority leader.

Mr. HALLECK. Does not that statement indicate that the members of the executive department would tell us just what they wanted to tell us and nothing else? Does it not follow what they probably are doing now, telling us what they want us to know and not telling us what they do not want us to hear?

Mr. KEFAUVER. I do not think that would be the result at all. What I had reference to as an improper question was a question for heckling purposes or something entirely aside from the point of discussion. I have in mind, of course, that in the case of Secretary Marshall there would perhaps be some matters involving national security that it would be proper for him to refuse to answer in a public appearance.

I am certain that these would be periods of real cooperation between the Cabinet officer and the Members of Congress.

Mr. HALLECK. Mr. Speaker, will the gentleman yield further?

Mr. KEFAUVER. I yield.

Mr. HALLECK. I have felt many times during my service in the Congress that we have been required to legislate in a vacuum, particularly insofar as legislation dealing with our foreign affairs was concerned.

I am convinced that for us to know more about what is going on and what is really before us would be helpful in arriving at the right solution. Does the gentleman believe, however, having regard to the present controversies and difficulties that seem to be coming up to confront us, that General Marshall would feel it proper for him to respond to inquiries that might be addressed to him in respect to the problems involved in our foreign affairs at this time?

Mr. KEFAUVER. I am glad the gentleman asked that question. I believe General Marshall appreciates the fact that the foreign policy of the United States is one that must be understood and participated in by Members of both the Senate and the House. No foreign policy can long last unless it has public support and implementation from the Members of the House of Representatives. And an indication, I may say to the gentleman from Indiana, of the way I think Secretary Marshall would respond to an invitation of this kind can be found in what General Marshall did during the war. The gentleman will recall that on two, if not three, occasions General Marshall in connection with the conduct of the war and the necessity of congressional understanding of what was being done, and of congressional support of the war effort, even went to the extent of arranging meetings in the auditorium of the Library of Congress. I am sure the gentleman attended those meetings. General Marshall spoke on those occasions, as did General Eisenhower, Secretary Stimson, Under Secretary and later Secretary Patterson. Who were the audience they had on those occasions? They were Members of Congress who were eager to know what the over-all picture was. These leaders of our war effort were anxious that the Members of Congress should have a full and complete picture.

The only trouble on those occasions was they told us exactly what they wanted us to hear. We were more or less like school children sitting there to get the message. We had no opportunity of talking with them before the discussion and suggesting matters we wanted them to discuss or of asking questions during the course of the discussion. How much better it would be to have them appear here in our own forum and for us to have an opportunity to participate.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Ohio.

Mr. VORYS. I wanted to point out just the point the gentleman has made, and that is that in these very interesting meetings which General Marshall conducted during the war there was no opportunity to ask questions. Also, I want to point out that often if there had been such opportunity, there would have been no possibility for the public to know what his answers were. This system has worked in parliamentary countries right through the war. When questions were legitimately embarrassing, those questions were not answered. On the other hand, when perfectly proper questions were asked and when Cabinet members in other countries avoided those questions, the public knew about that. Very often that Cabinet member had to come around and explain what the answer was and also why he had not answered. If the gentleman will indulge me a moment further, I would appreciate it.

Mr. KEFAUVER. I am happy to indulge the gentleman as long as he wishes. The gentleman and I have discussed this matter a long time, and I feel it is really his idea, that he is really the sponsor of a proposal of this kind. He saw and expressed the need of a plan like this long before I did. I hope the gentleman will take the lead in its sponsorship.

Mr. VORYS. The gentleman flatters me. I have long been interested in this proposal, and while I was interested in it at previous sessions of Congress, I feel it is of great importance at the present session of Congress when each of the Cabinet members would be of one party and when the control on the Hill is in the other party. It is true that such a question period would give the Cabinet officer a chance to tell his side of the story to all of the Congress at once and to the country as well. Now, that is a good thing, because it would save that Cabinet officer's time in running around to as many as eight or nine different committee hearings in the period of a week, as has been the case in certain instances in the past. This procedure would save the time of the Cabinet officer in answering questions of general interest to Congressmen and to their constituents. In the first place, it would save the time of repeated congressional hearings and, in the second place, it would save his time spent in conferences with Congressmen and Senators and on the phone answering their questions. So it would be of advantage to the Cabinet officer, and I am sure he would take advantage of it to tell his views in this public and important way. On the other hand, it would be of great advantage, it seems to me, to those of us, who might not appreciate or understand or agree with the point of view of the Cabinet officer. It would give us a chance to get his answers in public, and then it would give us the opportunity later on, possibly on the same day, to give our comments on his answers. In this way you would have a tighter, more adequate system for the exchange of views between Capitol Hill and the executive departments, which would be of great benefit to the Republic.

Of course, if this system were instituted, we might have some few members who would try to take undue advantage of it. It is a possibility, although I hope an improbable one, that there might be publicity seekers who would attempt unduly to put a Cabinet officer or other Government official on the spot in an unfair way. There would be two remedies in case such a situation arose. One would be the remedy which I understand the gentleman's proposal provides, and that is that the Speaker would interrupt or would stop an obviously improper question, or that the Cabinet officer would himself refuse to answer it.

There would be a second remedy, however, for improper or unfair questions, and that would be the remedy of public opinion. When you get this arrangement going you will find that the American people who appreciate the spirit of fair play in any sort of public discussion would be quick to resent and show their resentment if a Member of Congress acted unfairly. I firmly believe that the American public and the press and the radio commentators would be just as quick to resent and to show their resentment if a Cabinet officer took unfair advantage of his position here on the floor. So that not only in the rules that the gentleman has set up, but in traditions, customs, and precedents that would be established almost immediately, you would have the sort of exchange that goes on during the question period, for instance, in the British Parliament, where several matters are cleaned up in a short time, with a saving of time to the Cabinet officials, furnishing great clarification to the Members of Parliament sitting there, and explaining the many situations to the public. I certainly feel that this is an experiment worth trying.

I ask the gentleman to forgive this long interruption.

Mr. KEFAUVER. I want to say to the gentleman that I am glad he made his excellent contribution to this discussion. I am sure that the Members of Congress will be greatly interested in the viewpoint of the gentleman from Ohio. We all recognize that he is one of the leading authorities on congressional procedures in the Congress.

Let us examine some of the other reasons why a plan like this should be adopted. In these days there are many great issues with which the Congress has to deal. They transcend the interest of any one committee. There are matters of foreign affairs, as well as matters relating to taxes. Even today we passed a resolution to investigate the Veterans' Administration. Would it not be a very healthy thing if the Committee on Veterans' Affairs, under the proper rules, could have General Bradley come here and discuss the veterans' rehabilitation program and ask him just what is being done? You know, it is impossible for the Members of Congress, or most of them, to attend all of the committee meetings of their own committee, let alone going to the 15 or 16 other committees to hear matters of great public concern which may be brought out by witnesses testifying before them. We need some method here where the Members of the House can keep currently advised of the position of the Government and the plans of the departments on these great issues that transcend the jurisdiction of any one committee. There is no way that we can do that now. The best thing we can do is try to read the committee hearings. Well, you cannot read all of the committee hearings. That is a physical impossibility. The hearings on an appropriation bill, with 1,000 or 2,000 pages of fine print, is an example. If you read all of them, you might have a pretty good picture of what some particular department or section downtown is doing. But we might as well recognize the physical limitations. It cannot be done.

Mr. HOBBS. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Alabama.

Mr. HOBBS. The gentleman is making a very illuminating and wise, and, to my mind, a statesmanlike statement, and I hate to interrupt. But I do so merely to request, as I have in the past, the privilege of associating myself with his remarks by saying a fervent amen.

Mr. KEFAUVER. I thank the gentleman. That is substantial support and assistance, which I am glad to have. The views of the gentleman from Alabama carry great weight.

The other method by which we are supposed to keep advised of what the departments are doing is through the reading of the annual reports filed with the Congress by the various departments. I have been here almost 8 years. I must say that I have never read any one of the great voluminous annual reports, resembling a Sears, Roebuck catalog. And, besides, they are post mortems. In those reports the administrators tell pretty much what they want to tell about how their department has been conducted. The crying need of the Congress of the United States is for some method to keep currently advised of problems, policies, difficulties, and plans of the executive agencies of our Government. This is the best method I know of doing that. If we try this method and it does not work, we do not have to issue any invitations. But certainly let us at least give it a trial.

Mr. Speaker, there is a further matter of importance that this procedure would affect. The gentleman from Ohio referred to it. We must recognize that during the years Congress has lost some prestige. Look at almost any newspaper and you see where a Cabinet member has had a press conference. What that Cabinet officer said at his press conference—and I am not blaming him—usually takes the headlines. But you have to go to the inside pages to find out what went on in the two great Houses of Congress. Yet the Congress is supposed to be the predominant branch of our Government. If we could have occasions of report and question period, the great news to the Nation would come from the halls of Congress and not from the press conferences of the members of the executive departments. On the occasions of these periods the galleries would be packed, the newspapers and the radios would carry full reports about what took place on the floor of the House of Representatives. It would do much to help restore the prestige and the standing of the Congress of the United States.

Mr. VORYS. If the gentleman will indulge me further, may I call attention to one way in which this might improve relations between the Hill and the departments? Possibly the gentleman is going to comment on it. If, as, and when questions are presented in advance for answer by the Cabinet official, in many instances he gives the answers informally in advance to the Member, or he explains in advance why it would be difficult to give a full answer. The whole matter is then cleared up before it ever gets to the floor. That is the way the system operates in parliamentary countries that use this system, in that many of the questions which are propounded are not reached on the floor because they have already been disposed of to the satisfaction of the Member and of the official. On the other hand, if the questions are of such a nature that both the Member and the official feel that a statement should be made on them that can also be done. By this system every Member of Congress will be sure that his question will get attention right at the top of any department, instead of having many of the questions on routine matters go to the departments and be kicked around in the mail there for some time before some assistant down the line gets around to answering them.

While the gentleman has been discussing questions of momentous import which might be answered by means of this system, I think it would be wise to bear in mind that many details of government and many criticisms of departmental action could be cleaned up in this way: First, by making sure that they would get attention by the official involved; and, second, by being explained and answered here on the floor of the House. And if the answer is not satisfactory, then it would be time for the Congress to take action, which, of course, is the fundamental reason why the discussion period would be so important.

Mr. KEFAUVER. The gentleman is entirely correct, and I again thank him.

I think this also would be true. Suppose the Committee on Veterans' Affairs was going to ask General Bradley to appear on the floor of the House 2 weeks hence. That fact would be known. Any Member of the House would have an opportunity of filing questions with the Committee on Veterans' Affairs. On the basis of those questions, the general discussion would be decided.

Also I would point out that the questions which would not be asked would be in the files of the committee which would be turned over to General Bradley. He would see that the Member who wanted information and had filed the question with the committee obtained the information that was desired. It would do away with many of the difficulties which cause so much friction between the Cabinet members and the Congress.

I also call attention to the very wholesome effect that this would have on the Cabinet members and the administrators. It would be like the situation with reference to bank examiners. The bank official keeps his house in order because he knows the bank examiner is eventually going to come around. He may not come this month or he may not come for 6 months, but sooner or later he is going to come and examine the condition of the bank. So it is with an administrator. He might not be called for 6 months or a year, and he would not know when Congress was going to invite him to come to the floor of the House to give an accounting of his administration of the program laid out by the Congress and to explain how he is carrying out the congressional intent as contained in the legislation of the Congress. So he would keep his house in good order.

What I am going to say now is not with reference to any Cabinet member. We have a very splendid Cabinet. But Presidents would be even more careful in the selection of Cabinet members if such members were called to give reports here on the floor of the House. He would have to secure very able men. If they did not know their business and make a good impression, it would reflect on the administration of the President. Furthermore, Cabinet members would have to be well versed in the business of their departments before coming to the Congress or make a poor showing. They would have to decide policy matters. If the President had not decided matters of policy on his level, the matters would have to be attended to before a Cabinet member came before the Congress. I think a great deal of value is secured by face-to-face meetings. Any arrangement where we have an opportunity of seeing the man who administers the laws we have passed, and where they have an opportunity of seeing and talking with us, will result in public good. It would give us an opportunity to let them know what we think about the way they are administering the law we had passed, the viewpoints of our constituents, by the questions asked. There is no easy way of bringing Members of Congress and Cabinet members together under our present arrangement.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Ohio.

Mr. VORYS. I had occasion some time ago to talk to one of the Cabinet officers about this proposal and asked him what he thought of it. He thought it was very good. He said he thought it would eliminate from the service any official who was not able to talk and give a good accounting of his department, whether he could make a speech or not; anyone who was unable to express himself, man to man, before a group. He also said that if this became tradition it would probably result in more former Members of Congress being selected for such positions because of their ability to explain their ways on the floor. I pose this opinion for consideration in this matter. I feel sure the gentleman will agree with me that if one result was that our officials become more and more those who were former Members of Congress and who knew the ways of Congress, that might be a very good thing.

Mr. KEFAUVER. I will say to the gentleman I think any Cabinet member who really wanted to do his job well, who appreciates, as he would have to appreciate, that he can do a better job if he gets along with Congress, will be very happy to accept an invitation to come here to explain his department and any difficulties he may be having, and to give information on the floor of this House.

Mr. Speaker, this is not an innovation. It can be done without a constitutional amendment. It is not a party matter. It does not seek to place executive officials under undue domination. It does not seek to give them any dominance over us. It is a simple provision that would enable us to have a face-to-face discussion with the men who are enforcing the laws we make. It would result in much good to the Congress and much good to the members of the executive department and to the Nation.

More than 200 daily newspapers have carried favorable editorials supporting this plan.

RECESS

Mr. MYERS. Mr. President, I move that the Senate stand in recess until 11 o'clock tomorrow.

The motion was agreed to; and (at 5 o'clock and 42 minutes p. m.) the Senate

took a recess until tomorrow, Friday, June 2, 1950, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 1 (legislative day of March 29), 1950:

IN THE AIR FORCE

The following officer for appointment to the position indicated under the provisions of section 504, Officer Personnel Act of 1947:

To be lieutenant general

Maj. Gen. William Ellsworth Kepner, 6A (major general, U. S. Air Force), Air Force of the United States, to be commander-in-chief, Alaskan command, with rank of lieutenant general with date of rank from date of appointment.

The following-named officers for promotion in the United States Air Force under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. All medical officers nominated for promotion have been found professionally qualified for promotion as required by law. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law.

To be majors

Chaplains

Cutress, Albert Leo, [redacted]
McWilliams, Alfred Edward, [redacted]

To be captains

United States Air Force

Acebedo, Bruce Hamilton, [redacted]
×Adams, Donald Earl, [redacted]
Adams, John Bosier, [redacted]
Adler, Bernard Raymond, [redacted]
Alden, John Emerson, [redacted]
Alger, LeRoy, [redacted]
Altman, Roger Gene, [redacted]
×Alven, Harold Fritz, [redacted]
×Alvestad, Russell Carlton, [redacted]
Ambrecht, John Flagg, [redacted]
AmRhein, Anthony Wendolin, [redacted]
Anderson, Russell George, [redacted]
Andrew, Wayne Ewing, [redacted]
Angus, Ralph Howe, [redacted]
Anthony, Richard Price, [redacted]
Apperson, Edward Barbour, [redacted]
Arbogast, Filbert Eugene, [redacted]
Archer, Lee Andrew, [redacted]
Arrington, Henry Thomas, [redacted]
×Aswad, Saleem, [redacted]
Auer, John Richard, [redacted]
Bailer, Harold Walter, [redacted]
Bandorsky, Stephen Michael, [redacted]
Barzee, Kenneth Gregory, [redacted]
Bates, Walter LaVerne, [redacted]
Baydala, Edward Thomas, [redacted]
Beaver, Earl Locksley, [redacted]
×Beckman, Kenneth Norman, [redacted]
Bell, Robert Benjamin, [redacted]
Benedict, Robert Delp, [redacted]
Berry, James Edward, [redacted]
Bertza, Emil, [redacted]
Bigelow, Baxter Blainey, [redacted]
×Bischoff, Hans Martin, [redacted]
Blackwell, Frank Bain, [redacted]
Blair, James Warren, [redacted]
×Blondet, Jose, [redacted]
Blount, Delbert Foster, [redacted]
Bogan, Harry David, [redacted]
Boggs, Kenneth Stratiff, [redacted]
Bolint, Michael John, Jr., [redacted]
Bolyard, John Wesley, [redacted]
Bonnett, Charles Daniel, [redacted]
Boone, Herbert Daniel, [redacted]
Bossa, Amos Loutelle, [redacted]
Boston, Joseph Hartsel, [redacted]
Bosworth, Wallace Clay, Jr., [redacted]
Botvidson Charles Clarence, [redacted]
×Bowden, William Woodrow, [redacted]
×Bower, James Alfred, [redacted]
×Bowland, Orrin Thomas, [redacted]
Bowley, Freeman Wate, Jr., [redacted]
Boyer, Joseph Maria, Jr., [redacted]
Bradford, Leo Galen, [redacted]
Bradley, Charles Hunter, [redacted]
Bradley, Lewis Lawson, Jr., [redacted]
Bragg, Wallace Simeon, [redacted]
×Brannon, Raymond Terrill, [redacted]
Brass, Ernest Herman, [redacted]
Brazie, Charles Leonard, [redacted]
Bridges, Wyman Mayo, [redacted]
Brockmire, William, [redacted]
Brofft, Robert Eugene, [redacted]
Broughton, Thomas Elbert, [redacted]
Brown, Fountain LaRoy, Jr., [redacted]
Brown, Uleces Lamar, [redacted]
Brownlee, Gordon Lawrence, Jr., [redacted]
Bruce, Joe Ben, [redacted]
Bryan, Donald Septimus, [redacted]
Bryan, Howard Youe, [redacted]
Bryant, Ralph Wilber, [redacted]
×Bryson, Eddie, [redacted]
Buckley, Cornelius Erin, [redacted]
Budnik, Eugene Joseph, [redacted]
Bullinger, Rollin Richard, [redacted]
Buls, Milton Richard, [redacted]
Burch, Nolan Edward, [redacted]
Burnett, William Howard, [redacted]
Burton, Carmen Wayne, [redacted]
Butler, James Joseph, Jr., [redacted]
Byrd, Neal Archie, [redacted]
Cadenhead, John Orville, Jr., [redacted]
Cahelo, George, Jr., [redacted]
Cale, Thomas Edison, [redacted]
Callahan, John Arthur, [redacted]
Cameron, Murray, [redacted]
Campbell, Norman Marshall, [redacted]
Carder, Orv l Burton, [redacted]
×Carey, Gates Chapman, [redacted]
Carey, Russell, John, Jr., [redacted]
Carkin, Vernon Eugene, [redacted]
Carlson, R. Barney, [redacted]
Carscaddon, Oliver Clyde, Jr., [redacted]
×Carson, Clarence Lester, [redacted]
Carter, Howard Koehler, [redacted]
Carter, Robert Francis, [redacted]
Cary, Thomas Isaac, [redacted]
Casey, George William, [redacted]
Cash, Hugh Mohl, [redacted]
Cather, Robert Montgomery, [redacted]
Cathey, John William, [redacted]
Chaffee, William Arthur, [redacted]
Chambers, Thomas Lee, [redacted]
×Chapman, Harman Eugene, [redacted]
Chiodo, Vincent Russell, [redacted]
Christensen, Richard Dean, [redacted]
Clark, Don Omar, [redacted]
Clarke, Russell Coen, [redacted]
Clemence, Charles James, Jr., [redacted]
×Coats, Wilbur Le Roy, [redacted]
Collins, Glenn Richmond, [redacted]
Collinson, Newton Brewer, Jr., [redacted]
Connally, Huion Lloyd, [redacted]
Conner, Pre ton E., [redacted]
Conrad, Henry Ward, Jr., [redacted]
Cook, Robert Milton, [redacted]
Cooper, Millard Von Cassell, [redacted]
×Cope, Stanley Smith, [redacted]
Cormier, Emery Oscar, [redacted]
Cotter, Richard Hurley, [redacted]
Cottingham, Jack, [redacted]
Cotton, Allen Beeson, [redacted]
Covell, Dwight Wayne, [redacted]
Cowart, Robert Page, [redacted]
Creech, Norman Oscar, [redacted]
Crego, John Carl, [redacted]
Crosland, Daniel, [redacted]
×Crozier, Gordon Wilson, [redacted]
×Culver, Douglas Eugene, [redacted]
Curran, Francis Eugene, [redacted]
Currie, Alexander Duncan, [redacted]
Curton, Warren Donald, [redacted]
Dahly, Ronald Norman, [redacted]
Dale, Manley Hovey, Jr., [redacted]
Danforth, George Luck, Jr., [redacted]
Davidson, Ross, [redacted]
Davis, Clayton Eugene, [redacted]
Davis, Eddy Donald, [redacted]
Davis, La Voi Blackham, [redacted]
DeLong, Robert Fredrick, [redacted]
Denison, George Fernie, [redacted]
Denman, John Ludlow, [redacted]
DeSutter, Ralph Bernard, [redacted]
DesVoigne, Melvin Charles, [redacted]
Dethman, Ivan Harry, [redacted]
Dick, Wagner Warner, [redacted]
Disbrow, Lorin Carlton, [redacted]
Dowdell, James Nicholas, [redacted]
Dowis, Kendal Burton, [redacted]
Duff, Robert Thomas, [redacted]
Duncan, John Dean, [redacted]
Duncan, Wayne Melvin, [redacted]
Durante, Anthony Raymond, [redacted]
Dyer, John C., [redacted]
Dyke, Samuel Eugene, [redacted]
Dykes, Leo Maurice, Jr., [redacted]
Early, John Stokes, [redacted]
Easley, Preston Warham, [redacted]
Ecelbarger, Paul Richard, [redacted]
Edge, William Cowan, [redacted]
Edwards, Leland Vernon, [redacted]
Eldridge, Truman Kermit, [redacted]
Elliott, William Pettigrew, [redacted]
Esh, Norman Richard, [redacted]
Estes, Eldridge, [redacted]
Evans, Jack Tharp, [redacted]
×Evans, Richard Newton, [redacted]
Evans, William Robert, [redacted]
Everett, Hal William, [redacted]
Eversole, James William, Jr., [redacted]
Fairburn, Craig Hamilton, [redacted]
Fasolas, James Eugene, [redacted]
Fassler, Robert Jacob, [redacted]
Fender, Guy Dale, [redacted]
Ferguson, Clyde Alvin, [redacted]
Ferguson, Howard Gillespie, Jr., [redacted]
Fieker, Virgil Edward, [redacted]
Findlay, Clayton, [redacted]
Finklea, Raymond Archer, Jr., [redacted]
Finley, Charles Buford, [redacted]
Finnan, George Alexander, Jr., [redacted]
Fish, Jules Verne, [redacted]
Fisher, David Glen, [redacted]
Fitch, Arthur Joseph, [redacted]
Fitch, Edward Benjamin, [redacted]
Fitzpatrick, Arthur, [redacted]
Fleak, Dennis Logan, [redacted]
Flynn, Norman Charles, [redacted]
Forbes, Brown Coleman, [redacted]
×Forman, Richard Joseph, [redacted]
×Fory, Garland Vallard, [redacted]
Fowler, Walter Melville, [redacted]
Fox, Roland George, [redacted]
Franck, Lewis Sandlin, [redacted]
Gabrielson, Roy Leonard, [redacted]
Gaines, Edwin Francis, [redacted]
Galarneau, Francis Ellsworth, [redacted]
Gallagher, James George, [redacted]
Gamble, Jack Kenneth, [redacted]
Garlick, Roy Daniel, [redacted]
×Garrison, Vernon Wayne, [redacted]
Gearhart, Fred Zurmehly, [redacted]
Gibb, Robert Duncan, [redacted]
Gibbs, Gordon Meade, Jr., [redacted]
Gibson, Billy Payne, [redacted]
Gill, Robert Edward, [redacted]
Gilmartin, William Patrick, [redacted]
Gipson, Guy Maurice, [redacted]
Goodman, Guy Howard, Jr., [redacted]
Gordon, John Henry, [redacted]
Gotto, George Swift, Jr., [redacted]
Govednik, Martin James, [redacted]
Gravenstine, Donald Joseph, [redacted]
Gray, Lawrence Ulysses, [redacted]
Gregg, Albert Joseph, Jr., [redacted]
Groom, John Frederick, [redacted]
Grosshuesch, LeRoy Victor, [redacted]
Grundmann, William Joseph, [redacted]
Gunn, Charles Daniels, Jr., [redacted]
Gryskiewicz, Lawrence Rodney, [redacted]
Gurd, Stephen John, [redacted]
Halsey, George Edward, Jr., [redacted]
Hamby, Jesse Mellar, [redacted]
Hamill, Jimmy Mearl, [redacted]
×Hancock, Robert Maxwell, Jr., [redacted]
Hanks, Dale Junior, [redacted]
Hanna, Russell James, [redacted]
Harris, Harvey James, [redacted]
×Hartley, James Richard, [redacted]
Hartline, Ralph Thompson, [redacted]
Hassel, Robert Kenneth, [redacted]
Haywood, Vernon Vincent, [redacted]
Heiney, Robert Alan, [redacted]
×Hendrickson, Oscar Stansmore, [redacted]
Hepler, Jesse Benjamin, [redacted]
Heltsley, Charles Morris, [redacted]
Herbert, Donald Joseph, [redacted]

Hersberger, Robert Alvin, [redacted]
Hess, Robert William, [redacted]
Hilbert, Faye Wilmarth, [redacted]
Hill, Cowan Scott, Jr., [redacted]
Hinckley, Ralph Edward, [redacted]
Hirsch, Henry R., [redacted]
Hodges, Hubert Byron, [redacted]
Hoenselaar, Floyd Joseph, [redacted]
×Hollis, William Nick, [redacted]
Holman, Jack Wesley, [redacted]
×Holsclaw, Jack Daniels, [redacted]
Hornick, George, Jr., [redacted]
Horton, John Nairn, [redacted]
Howard, Wilson Wayne, [redacted]
Howse, Benjamin McCausland, [redacted]
Hrkach, John James, [redacted]
Hughes, Alfred Aubrey, [redacted]
Hughes, Claude Allen, Jr., [redacted]
Hughes, Robert Earle, [redacted]
Hughey, Marvin Hutchison, [redacted]
Hugo, Frederick John, Jr., [redacted]
Hume, William Haywood, [redacted]
Hundley, Charles Proctor, [redacted]
Hutchinson, Tom, [redacted]
Ingham, John Stanley, [redacted]
Ireland, Paul Joseph, [redacted]
Irons, Victor Earl, Jr., [redacted]
Jabbour, Nicholas, [redacted]
×Jackson, William Charles, [redacted]
Jacobs, Robert Arthur, [redacted]
Janssen, Jan Walter, Jr., [redacted]
Johns, Gordon Howard, [redacted]
Johns, Mervyn Thomas, [redacted]
Johnson, Carl Herbert, [redacted]
Johnson, Conrad LeRoy, [redacted]
Jones, Billy Jack, [redacted]
Jones, Troy Homer, Jr., [redacted]
Kaluta, William Roman, [redacted]
Karschner, Donald Frank, [redacted]
×Kaufman, Glenn Oliver, [redacted]
Kavanagh, Robert James, [redacted]
Keeling, Rufus Kermit, [redacted]
Kelley, Charles Augustus, [redacted]
Kelley, Frank Robert, [redacted]
Kelley, George John, Jr., [redacted]
Kelly, Joseph Douglas, [redacted]
×Kepler, Paul Hospe, [redacted]
Killeavy, Francis Thomas, [redacted]
Killian, Oliver Marshall, [redacted]
Kimball, Roger Elwood, [redacted]
King, Homer James, Jr., [redacted]
King, Lonnie Tildon, [redacted]
King, Myles Anthony, [redacted]
King, Wayne Elvin, [redacted]
Kinsella, William Edward, [redacted]
Kleinhelter, Robert W., [redacted]
Klerk, Jacob Whitman, [redacted]
Kolvas, Stephen Foster, [redacted]
Kontur, William John, [redacted]
Kost, Stephen Delmarth, [redacted]
Kravchonok, Peter, [redacted]
Kropenicki, John Joseph, [redacted]
Kupersmith, Louis William, Jr., [redacted]
Lamb, Bennett Graham, [redacted]
Lane, Warren Joseph, [redacted]
×Lange, Edward James, [redacted]
Lasalle, Harry Stephen, Jr., [redacted]
Lawrence, Norman Taylor, [redacted]
Leavitt, Roy Delanson, [redacted]
Ledbetter, James Willis, [redacted]
×Lee, Zaden Oliver, [redacted]
Leigon, Charles William, [redacted]
Lewis, James Maybury, [redacted]
Lewis, Lynn Merrill, [redacted]
Lewis, William, [redacted]
Lillard, David Carter, Jr., [redacted]
Lindley, Wesley Ladell, [redacted]
Loney, George Alva, [redacted]
Looker, Carl Satterly, [redacted]
Louden, James Leslie, [redacted]
Lowell, Charles Luther, [redacted]
Luckey, William John, Jr., [redacted]
Lukeman, Robert Patrick, [redacted]
Lutz, Raymond Koliaokalani, [redacted]
Lynn, Mary Cecile, [redacted]
Lynn, Robert Encle, [redacted]
Lyons, Horace Clayton, [redacted]
MacLaughlin, John Thomson, [redacted]
×McCall, Dean Oliver, [redacted]
McCarty, Benjamin Frederick, [redacted]
McCarty, Harold Henry, [redacted]
×McCord, Richard David, [redacted]
McCormick, Raymond Charles, [redacted]
McCormick, Robert Russell, [redacted]
McCoy, Clifford Jack, [redacted]
McDaniel, Henry Byrne, Jr., [redacted]
McGehee, Harold Fisher, [redacted]
McGinniss, Robert Hudson, [redacted]
McHugh, John Francis, Jr., [redacted]
McIsaac, Lewis Gibson, [redacted]
McKay, Calvin Robert, [redacted]
McKenna, Bernard John, [redacted]
McKinney, Fred Dobyns, [redacted]
McLean, Richard Quentin, [redacted]
Mackie, Richard Gavin, [redacted]
Maggio, Charles Ignatius, [redacted]
Mahon, Keith, [redacted]
Mahoney, John Jacob, [redacted]
Malone, S. E., [redacted]
Manning, Simon Wilson, Jr., [redacted]
Manor, LeRoy Joseph, [redacted]
Marcum, Everette Lance, [redacted]
Marcum, Robert Stanley, [redacted]
×Marlin, Roger Thomas, [redacted]
Marsden, William Floyd, [redacted]
Marshall, Wofford Elbert, Jr., [redacted]
Martin, Thomas Wesley, [redacted]
Maughan, Weston Fisher, [redacted]
Mayer, Donald Victor, [redacted]
Meacham, Chauncey Wayne, [redacted]
Meagher, Robert Bruce, [redacted]
Mendenhall, George Warren, [redacted]
Menninger, Charles Joseph, [redacted]
Merrill, Edward Grosvenor, [redacted]
Messer, Frank Albert, [redacted]
×Meyer, Herbert Joe McDowell, [redacted]
Miller, Clarence Montgomery, Jr., [redacted]
Miller, Paul Randolph, [redacted]
Miller, Robert Andrew, [redacted]
×Miller, Robert Lee, [redacted]
Millholland, Robert Douglas, [redacted]
Mitchell, Daniel Boone, [redacted]
Mitchell, John Wilmot, [redacted]
Mitchell, Maurice Scott, [redacted]
Mitchell, Robert Jouett, [redacted]
Mize, Grover Cleveland, Jr., [redacted]
Moench, John Otto, [redacted]
Moore, Howard Marshall, [redacted]
Morgan, Thomas Wendell, [redacted]
Morison, Thomas Orville, [redacted]
Mosby, Milledge James, [redacted]
Mott, Maurice Kent, [redacted]
Moyle, Bennett Oliver, [redacted]
Mozley, Claude Daniel, Jr., [redacted]
Mullen, Bernard Neil, [redacted]
Mullen, John Thomas, [redacted]
Mumbower, Wilbur Eugene, [redacted]
Murphy, John Edwin, [redacted]
Myers, Bill Eugene, [redacted]
Nash, Charles Ellis, [redacted]
Neiswender, Van Arman, [redacted]
Nelson, Hal, Jr., [redacted]
New, Alvin Raymond, [redacted]
Newman, James Edmund, [redacted]
Nickerson, Richard Lawrence, [redacted]
Nixon, Stanley Jones, [redacted]
Norman, James Sidney, [redacted]
North, William Herbert, [redacted]
Norwood, James Pleasant, [redacted]
×Nunneley, Clarence Malcom, [redacted]
Nurnberg, Malcolm Lloyd, [redacted]
Ogozaly, Leo Edmund, [redacted]
O'Leary, Francis Anthony, [redacted]
Oliphant, Stephen Arnold, [redacted]
Olson, Howard Alan, [redacted]
Onks, Marvin Cecil, [redacted]
Osborne, William Finis, [redacted]
Parrish, James Murrell, [redacted]
Parsons, Edward Budd, [redacted]
Patterson, Alfred King, [redacted]
Payne, Joe Winfred, [redacted]
Pearce, Robert Charles, [redacted]
Pedigo, William Edward, [redacted]
Pennington, Alvin Lee, [redacted]
Penton, Gordon Kenneth, [redacted]
Perbetsky, George, [redacted]
Pesacreta, Samuel, [redacted]
Petersen, Nelson Louie, [redacted]
Petrul, Paul Joseph, [redacted]
Pierce, Harry Francis, [redacted]
Pitt, Earl Stellman, [redacted]
Pool, Fain Hulen, [redacted]
Porter, Lester Forrest, [redacted]
Prewitt, Ernest Lensy, [redacted]
Price, Harry Marcus, Jr., [redacted]
Price, Joe Carroll, [redacted]
Price, Robert Young, [redacted]
Pritchard, James Benard, [redacted]
Procopio, Bernardo Joseph, [redacted]
Proulx, Lionel Antonio, [redacted]
Pullen, John Lee, [redacted]
Pusko, Stanley Joseph, [redacted]
Quisenberry, George Burnell, [redacted]
Raisor, Clifford Eugene, [redacted]
Raschke, Wendell Maurice, [redacted]
Reed, Charles Donald, [redacted]
Reiley, Philip Francis, Jr., [redacted]
Renz, Karl Robert, [redacted]
Reynolds, Joseph Francis, [redacted]
Reynolds, Richard Franklin, [redacted]
Rhodes, Donald Frederick, [redacted]
Rhodes, Edwin, [redacted]
Ricci, Vincent Francis, [redacted]
Richards, William Wallace, Jr., [redacted]
Richardson, Howard, [redacted]
Richardson, Zaccheus Camp, [redacted]
Richmond, Clarence Walter, Jr., [redacted]
Richmond, Joe Frank, [redacted]
Richter, Erwin Edmund, [redacted]
Riemensnider, Robert Howard, [redacted]
Riseden, Jack Wiley, [redacted]
Robertson, Hugh William, [redacted]
×Robinett, Russell Norman, [redacted]
×Rodgers, James William, [redacted]
Rodriguez, Edward Frederick, [redacted]
Rogers, Ray Warren, [redacted]
Romaniw, Walter, [redacted]
Ross, Vance Lee, [redacted]
Rosser, Samuel Eugene, [redacted]
Rounds, Kenneth George, [redacted]
Rowland, Richard George, [redacted]
Russell, Burton Earl, [redacted]
Russell, Herbert, [redacted]
Russell, Lloyd George, [redacted]
Sahl, Frederick Hubert George, [redacted]
Sarter, Lee Andrew, Jr., [redacted]
Sauers, Dale Edward, [redacted]
Saunders, Earl Robert, [redacted]
Saunders, Jackson, [redacted]
Saunders, Maurice Edward, [redacted]
×Schardong, John George, [redacted]
Schenker, Edward Richard, [redacted]
Schneider, Victor James, Jr., [redacted]
Schuler, Paul Joseph, [redacted]
Scott, Leonard Bittle, Jr., [redacted]
×Scott, Richard Esker Jackson, [redacted]
Scott, Robert Adair, [redacted]
Scuro, Vito Morris, [redacted]
×Segler, Thomas Franklin, Jr., [redacted]
Shamblin, Richard Roy, [redacted]
Sharp, Edward Elias, [redacted]
Sheehan, Joseph Berchman, [redacted]
Sheidow, Robert Grant, [redacted]
Shelly, James Ellis, [redacted]
Sher, Harry Lewis, [redacted]
×Siebert, Raymond Andrew, [redacted]
Silva, Theodore Deane, [redacted]
Simmons, Alfred Clyde, [redacted]
×Simpson, Robert Franklin, Jr., [redacted]
Singleton, Earl Hallard, [redacted]
Skinner, Ernest Charles, [redacted]
Sloboda, Walter Joseph, [redacted]
Slupe, Harold Dwain, [redacted]
Smalles, Arja, [redacted]
Smith, Arthur William, [redacted]
Smith, James Harrison, [redacted]
Smith, Richard Henry, [redacted]
Smith, William Richard, [redacted]
Smith, William Stanley, [redacted]
Smith, Wylie Arthur, [redacted]
×Spann, Henry Hal, [redacted]
Sparrevohn, Frederic Durand Reidtz, [redacted]
Spindler, Walter Elwood, Jr., [redacted]
Sprinkel, Milton Drake, [redacted]
Stahle, Paul Joseph, [redacted]
Stallsmith, Donald Levi, [redacted]
Stanfield, Louis Paul, [redacted]
Stanton, Charles Richard, [redacted]
Stark, Louis Kenneth, [redacted]
Steelman, William Dale, [redacted]
Steinberger, Alfred Charles, [redacted]
Stephens, Bert Dwight, [redacted]
Stockton, Floyd Calvin, [redacted]
Stoeppelwerth, Earl, [redacted]
Stone, Leon, [redacted]

Strange, Russell Paddock, [redacted]
Street, Marion Scott, [redacted]
Stroud, Joe Forrest, [redacted]
Stuckey, Norman Dale, [redacted]
Stump, Charles Fay, Jr., [redacted]
Sullivan, Richard Donald, [redacted]
Sullivan, Robert Francis, [redacted]
Sullivan, Roy Marcus, Jr., [redacted]
Suprenant, Charles Edward, [redacted]
Suther, Fred Lee, Jr., [redacted]
Swanberg, Sigvard Christ, [redacted]
Sykes, Thomas McQuiston, [redacted]
Tabor, Raleigh Emerson, Jr., [redacted]
Taft, William Bert, [redacted]
Tarwater, Benjamin Wylie, [redacted]
Tate, LeRoy Dale, [redacted]
Taylor, Carroll Alfred, [redacted]
Taylor, Liston Talbott, [redacted]
Taylor, Ulysses Samuel, Jr., [redacted]
Thomas, John Howe, Jr., [redacted]
Thomas, William Herbert, [redacted]
×Thompson, Cary Anderson, Jr., [redacted]
Thompson, Douglas William, [redacted]
Thompson, Edward Leigh, [redacted]
Thompson, John, [redacted]
Thompson, Lassiter, [redacted]
Tillotson, Robert Levi, [redacted]
×Tinges, Anne Weatherbee, [redacted]
Titsworth, James Henry, Jr., [redacted]
Todd, Vernon Richard, [redacted]
Todd, Victor Kenneth, [redacted]
×Toner, James Henry Edward, [redacted]
Treadway, John Earl, [redacted]
Trumbo, Charles E., Jr., [redacted]
Tucker, Stanley Eugene, [redacted]
Vaughan, Harry Hailmon, Jr., [redacted]
Verhulst, Florent Joseph, Jr., [redacted]
×Waggener, Herman Alpheus, Jr., [redacted]
Wagner, James Mark, [redacted]
Walker, Barton Fellows, Jr., [redacted]
Walker, Charles Lynn, [redacted]
Walker, John David, [redacted]
Walker, Lawrence Davenport, [redacted]
Walker, Stewart Burgess, [redacted]
Waller, Charles Skillman, [redacted]
Walsh, Edward Francis, [redacted]
Wampler, Louis Clinton, [redacted]
Ward, Albert Thomas, [redacted]
Ward, John Rowland, [redacted]
Ward, Robert William, [redacted]
Ware, Samuel Houston, [redacted]
Warner, Richard James, [redacted]
×Warren, Johnnie J., [redacted]
Webb, Bert Harry, Jr., [redacted]
Webster, Fredrick Leonard, Jr., [redacted]
×Webster, John Andrew, [redacted]
Webster, Noble Leo, Jr., [redacted]
Wehrman, Kenneth Edward, [redacted]
Wertz, John Charles, [redacted]
West, Sammy Abner, [redacted]
Westermark, Robert Valdemar, [redacted]
Whalley, William Louis, [redacted]
White, Harry Alexander, Jr., [redacted]
White, John Sutton, [redacted]
White, Morris Douglas, [redacted]
×White, Robert Charles, [redacted]
White, Robert Golson, [redacted]
Whitenight, Harry William, [redacted]
Wiedenmann, Neal Louis, [redacted]
Wiggins, Leland Roy, [redacted]
Wilhelm, Andrew Carl, [redacted]
Wilkowski, Ernie William, Jr., [redacted]
Williams, Arthur Franklin, [redacted]
Williams, Evan Edward, [redacted]
Williams, Hubert Swan, [redacted]
Williams, Paul Ray, [redacted]
Williams, Robert George, [redacted]
Williams, Thomas Ferdinand, [redacted]
×Wills, Robert Martin, [redacted]
Wilson, Clifford Allen, [redacted]
Wilson, Francis Earl, [redacted]
Wilson, Homer Henry, [redacted]
Wilson, Roy Edwin, [redacted]
Wilton, David Nichols, [redacted]
Wine, Paul Harvey, [redacted]
Wirt, Robert Eliot, [redacted]
Wise, John Warren, [redacted]
With, Cleland Davis, [redacted]
Wood, Edwin Arthur, Jr., [redacted]
Wozniak, Stanley Edmund, [redacted]
Wright, Noble Dean, [redacted]
Wylie, Billy Clifford, [redacted]
×Young, Barnett Braswell, [redacted]
Youngs, James Roy, Jr., [redacted]
Zedler, Donald Louis, [redacted]
Zurivitza, William, [redacted]

Medical

Bickerton, John Harvey, Jr., [redacted]
Buker, Richard Steele, Jr., [redacted]
Cashman, Charles Albert, [redacted]
Chambers, George Henry, [redacted]
Dobyns, James Harold, [redacted]
Farrell, Donald Francis, [redacted]
×Good, Frederick Dale, [redacted]
Haynes, James William, [redacted]
Jahnke, Edward John, Jr., [redacted]
Kennedy, James Vincent, [redacted]
Mahoney, David Ignatius, Jr., [redacted]
Marshall, Charles Benton, Jr., [redacted]
Patterson, Roy Russell, [redacted]
Peterson, William Frank, [redacted]
Sedlacek, Richard Leo, [redacted]
Stein, Ignatius Joseph, [redacted]
Streete, Billie Gordon, [redacted]
Tkach, Walter Robert, [redacted]
Turner, William Robertson, [redacted]
Walton, Lowell Clair, [redacted]
Watts, Charles Clyde, Jr., [redacted]

The following-named officers for promotion in the United States Air Force under the provisions of section 107 of the Army-Navy Nurses Act of 1947. All officers have been found professionally qualified as required by law. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law.

To be captains

Air Force Nurses

×Askegaard, Elizabeth Ann, [redacted]
Deegan, Florence Irene, [redacted]
×McNally, Mary Jane, [redacted]
Staudt, Veleska Barbara, [redacted]

NOTE.—Dates of rank will be determined by the Secretary of the Air Force.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 1, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, who art found by all who truly seek Thee, grant that our minds and hearts may be kindled with a greater devotion to Thee and our beloved country.

Emancipate us from every sin which darkens and defiles our souls and which makes us unworthy and unfit to serve Thee and our fellow men.

Keep us in the ways of honor and integrity. Gird us with faith and with fortitude. Give us patience and perseverance as we labor for the coming of that blessed day when reason and righteousness shall be gloriously triumphant.

May we never lose heart and allow our faith to become eclipsed by that debasing spirit of cynicism and defeatism which would have us believe that our search for peace and good will among men is a forlorn hope and a vague impossibility.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on May 31, 1950, the President approved and signed a bill of the House of the following title:

H. R. 6329. An act for the relief of Betsy Sullivan.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6655. An act for the relief of Taeko Suzuki.

The message also announced that the Senate had adopted the following resolutions:

Senate Resolution 288

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN LESINSKI, late a Representative from the State of Michigan.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock noon tomorrow.

Senate Resolution 289

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM LEMKE, late a Representative from the State of North Dakota.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock noon tomorrow.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2596) entitled "An act relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944)"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PEPPER, Mr. HILL, Mr. DOUGLAS, Mr. TAFT, and Mr. MORSE to be the conferees on the part of the Senate.

UNVEILING OF STATUE OF BRIGHAM YOUNG

Mrs. BOSONE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Utah?

There was no objection.

Mrs. BOSONE. Mr. Speaker, today at 2 o'clock in the main rotunda of the Capitol the statue of Brigham Young will be unveiled. This is a great occasion which we should like you Members of Congress to attend, and I issue this cordial invitation to you in the name of the citizens of Utah and for my colleague the gentleman from Utah, WALTER GRANGER, and myself.

Brigham Young has long since gone down in history as one of the great colonizers of America. In 1847 when there were only the trappers' and Indian trails to guide them, he led his faithful followers across the plains, up the steep ravines, and down the rocky mountain trails, through all kinds of weather, to the valley of the Great Salt Lake.

Those acquainted with the history of the West recognize the tremendous organizational ability of this great leader. It was only a matter of a very few years until he had begun a system of colonization of the intermountain West, built a university, and harnessed the mountain streams into a system of ditches that led to the first program of irrigation in the United States.

Through his leadership and wisdom and ability to estimate future needs, Brigham Young laid plans for those things which caused the desert to bloom as a rose, which brought prosperity and happiness and security to the intermountain West.

The Utah Commission, under the able direction of its executive secretary, Mrs. E. E. Erickson, with the aid and generosity of former Gov. Herbert B. Maw, and the present Governor, J. Bracken Lee, has worked out a beautiful program for the unveiling of the statue of Brigham Young in the main rotunda of the Capitol at 2 this afternoon.

The citizens of Utah would be pleased to have the Members of Congress who are in Washington attend this ceremony.

COMMITTEE ON THE JUDICIARY

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight tomorrow to file a conference report on the displaced-persons bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

A PRIMER ON TAXES

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, Uncle Sam does not have a dime of his own. No; not a red cent. It is all our money—yours and mine. We just let Uncle Sam spend it for us. We think he can do a better job of spending it for us than we can do ourselves—or do we think about it at all?

During 1947 Uncle Sam took $39,000,000,000 out of our pockets and spent it for us; during 1948 he took $42,000,000,000; and during 1949 he took $40,500,000,000—a total of $121,500,000,000 in the last 3 years taken away from us by force. We could have bought a lot of things for our families with that $121,500,000,000, could we not? Perhaps if we yelled economy loud enough, Uncle Sam would let us keep a part of that $121,500,000,000 to spend for our own family needs. But it might accomplish more if our people were voting for economy instead of yelling for economy.

Mr. Speaker, there are 55,000,000 individuals who file Federal tax returns. Fifty million of these earn less than $5,000 per year, but pay 80 percent of all Federal taxes. So really it is the little fellow that supports Uncle Sam in present-day New Deal style—a style he was not accustomed to before 1932.

Now, what about corporations? Do they not pay a big share of the tax load? Of course they do. They paid eleven and one-half billion dollars into Uncle Sam's Treasury in 1949. But corporation taxes are part of the cost of doing business and are largely reflected in the cost of production. Therefore, corporation taxes become hidden taxes, a part of the price charged for the goods produced. So the more we soak the corporations for taxes the higher prices go and the more we little people—the consumers of the Nation—have to pay for the goods we need and must have. Indirectly, therefore, we little people pay through higher prices a large part of the tax load upon corporations.

The little people—the consumers of the Nation—pay the $2,500,000,000 social-security tax bill; they pay a large part of the $7,500,000,000 excise tax bill; they pay a large part of the $18,000,000,000 individual income-tax bill; and they pay a large part of the $11,500,000,000 corporation income-tax bill. Who therefore foots the tax bill? Why, of course, it is the little fellow, you and I, the consumers of the Nation.

The part of this whole tax headache that bothers me is the fact that no matter how they juggle the tax load around, the little guy, you and I, is going to have to carry most of the load. If we took every dollar away from every taxpayer that gets more than $10,000 per year, leaving him without one red cent, we would still have only half enough to operate our spendthrift Government. Most of the tax money is our money, yours and mine, and we are letting Uncle Sam spend it for us. Are we sure we are getting our money's worth? Don't you think we as taxpayers have a squawk coming, and don't you think the Federal Government should be cut down to normal size and stop throwing our money down the rat hole?

HIDDEN TAXES

Mr. Speaker, hidden taxes are whittling down the purchasing power of the dollar. In 1950 it is estimated that Federal, State, and local taxes combined will cost the average American family of four persons $31.60 per week. That is altogether too heavy a tax load to place upon the average American family. Since most of the taxes we pay are hidden or concealed in the price of things we buy and use, the general public does not realize what happens as the costs of government go up and up and up.

Hidden taxes enter into the cost of living to a much greater extent than most people realize. A tax study shows that when one buys a new car there are over 200 different taxes concealed in the price of the car, and they amount to one-fourth the total cost of the car. If the price of your new car was $2,000, about $500 of that price was the cost of the hidden taxes you had to pay. In the same way a large part of the price one pays for a new hat, a new suit, a pair of shoes, a loaf of bread, goes to pay the hidden taxes.

What are all these hidden taxes? Some of them are: Social-security taxes, license taxes, transportation taxes, excise taxes, real-estate and personal-property taxes, corporation taxes, and so forth. These taxes are all part of the cost of doing business, are, therefore, a part of the cost of production, and are reflected in the price you pay for the goods you buy and use. Altogether these hidden taxes add some $30,000,000,000 a year to the cost of living and constitute from 15 to 25 percent of the price you pay for goods.

To illustrate, take the price of a loaf of bread. The price you pay for the loaf of bread has something like 150 taxes concealed in it. The price of the machinery that planted and harvested the wheat had a lot of hidden taxes in it which the farmer had to pay when he bought the machinery. The elevator, the flour mill, the railroads, the baker, the grocer, the truck lines—all have a part in changing the wheat into the loaf of bread, and all had to pay taxes and include them. The salt, the sugar, the yeast, the milk that go into the bread—all have hidden taxes in them. And so the hidden taxes continue to pile up until they become a large part of the price of the finished product, the loaf of bread. Think it over—all a part of the high cost of government.

Corporation taxes have increased 1,000 percent since 1932. These taxes, being a business cost like labor and materials, increase production costs and selling prices, and living costs increase accordingly. For example, we pay 8 cents in taxes on a quart of milk, 5 cents on a loaf of bread, 25 cents on a 75-cent pound of meat, 50 cents on a pair of $1.50 stockings, $75 on a $225 refrigerator, $1 on a pair of baby shoes, $500 on a Ford automobile, 12 cents on a pack of cigarettes, 11 cents on a gallon of gasoline. The housewife who spent $10 per week for food in 1932 spent $26.40 for the same food in 1948—all the result of hidden taxes, and hidden taxes are a result of the high cost of government.

SOCIALISM BY WAY OF TAXATION

Mr. Speaker, when the Eightieth Congress, "the worst Congress in history," turned over the gavel to the Eighty-first Congress on January 3, 1949, the cost of the Federal Government had been reduced to $39,000,000,000, and the Federal budget had been balanced for the fiscal years ending June 30, 1947, and

June 30, 1948, the only time the Federal budget has been balanced during the last 21 years. Today the Federal budget is again out of balance and deficit spending has again become the order of the day.

President Truman has been demanding legislation to socialize medicine, to socialize housing, to socialize agriculture, and to socialize electric power. Experts who have examined these proposals, as to their possible cost if enacted into law, say they would almost double the cost of the Federal Government. It would mean adding thirty to forty billion dollars per year to the present cost of the Federal Government.

The cost of government—Federal, State, and local—now takes one-fourth our national income. This means the average worker works 3 months each year for his Government. If we double the cost of government we will then take one-half the national income, and the average worker would be required to work 6 months each year for the Government. Workers would then be unable to provide for their families and would have to look to the Government for support and livelihood. This has happened in Germany, in Italy, and in Russia. It is now happening in England. Are we to be the next country to become socialized through taxation?

DEFICIT SPENDING

Mr. Speaker, Dr. Keyserling, President Truman's chief economic adviser since Dr. Nourse resigned, is a follower of Lord Keynes, who came over here in the early days of the New Deal and sold F. D. R. a "bill of goods"; namely, that "we can spend money we have not got because we owe it to ourselves." In substance, Lord Keynes said, "A balanced budget and fiscal solvency are old-fashioned, out-of-date government policies that should be discarded for a deficit-spending program."

Henry Wallace, Secretary Brannan, Dr. Keyserling, and President Truman are all converts of Lord Keynes' deficit-spending school of thought, and they have enough followers in Congress to carry out the deficit-spending program. The burglars who got away with $1,500,000 in Boston were pikers compared to the deficit spenders. The Boston burglars dealt in paltry millions; the deficit spenders deal in billions and rob every taxpayer in America. Deficit spending during the last 10 years has cut the value of all investments, all insurance policies, and all pension payments almost in half. If the taxpayers and the voters of America send back to Congress those who vote for deficit spending, they deserve to suffer all that is coming to them, and that will be plenty. If deficit spending is continued it means financial chaos, national bankruptcy, repudiation, and dictatorship.

CONCLUSION AND SUMMARY

Mr. Speaker, we have had 20 years of deficit spending and 10 years of heavy current taxation. Our deficit spending has resulted in extremely high prices. The heavy current taxation takes away $1 out of every $4 the taxpayer earns and leaves him with only $3 to spend. Today the average taxpayer works 1½ days per week or 3 months each year for the Government.

The tax load today is four times as heavy as it was 10 years ago. Eighty percent of this tax load is borne by taxpayers who receive less than $5,000 per year. When a nation keeps spending beyond its means it is bound to lose its liberty and be taxed into socialism—just as an individual who spends beyond his means always ends up bankrupt and at the mercy of his creditors.

Our present fiscal policy is leading this Nation step by step down the road to financial chaos, national bankruptcy, repudiation, and then dictatorship. Is that where we want to go?

LENA MAE WEST

Mr. DENTON. Mr. Speaker, I call up the conference report on the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2111)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment and the House agree to the same.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.

WARREN G. MAGNUSON,
FRANK P. GRAHAM,
W. E. JENNER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report:

The bill as passed by the House appropriated the sum of $5,000 to the legal guardian of Lena Mae West, a minor, for personal injuries, medical and hospital expenses, sustained as a result of an accident involving a United States Army vehicle, on June 23, 1942.

The Senate reduced the amount to $1,000 and at the conference the original sum, as passed by the House, of $5,000 was agreed upon.

WILLIAM T. BYRNE,
WINFIELD K. DENTON,
JOHN JENNINGS, Jr.,
Managers on the Part of the House.

Mr. DENTON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MUTUAL SAVINGS BANKS

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain letters and telegrams.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, if the reports that emanate from the Committee on Ways and Means are correct, that committee has tentatively approved a proposal to impose a tax upon the surplus of the mutual savings banks of the country. It has been my privilege for a number of years to sit as a member of the board of trustees of the East New York Savings Bank in Brooklyn, which is the eleventh largest bank in the country. That service has given me an intimate knowledge of the devotion and loyalty displayed by the officers and employees of those institutions.

With the presidents and the officers of most of the savings banks of Brooklyn, I am personally acquainted. I know that they are a most self-sacrificing, public spirited, intelligent group who have for many years given unstintingly of their time and energies in the advancement of all worth-while community projects. They are rightfully concerned about this latest movement directed toward their institutions. Mutual savings banks, Mr. Speaker, are thrift institutions, not of the holders of great wealth, but of the savings of the small man. A tax upon the surplus of such institutions would, in my opinion, come closer to being a capital levy than anything that has ever been proposed.

It is my hope that the Members of the House, realizing the dangers of any such proposal as that, will join with me in urging upon the great Committee on Ways and Means a careful reconsideration of the proposal.

Mr. Speaker, I have received communications from the presidents of most of the savings banks of Brooklyn. They are genuinely alarmed. I think we could best serve the people of our country by assuring them that the proposal now pending will be rejected.

Under permission to extend my remarks, I include several communications received by me:

THE EAST NEW YORK SAVINGS BANK,
Brooklyn, N. Y., May 25, 1950.

Hon. EUGENE J. KEOGH,
House Office Building,
Washington, D. C.

MY DEAR GENE: There is before the House Ways and Means Committee what I think is the most unconscionable bill that I ever heard of. It proposes to tax the surplus of mutual savings banks.

If there is any one institution in the United States of America that should not be weakened in any way, it is the mutual savings banks that take care of the savings, more especially of small depositors, and urge them from the cradle to the grave to save that they may have.

You know what we do, and how carefully we operate in your bank. You know, I am sure, what happened to every savings bank, including our savings bank, during the depression. I went through it and sweated

blood because of the lowering of prices of our securities and because of the difficulty to get money to provide for depositors who were so hard hit.

Savings banks may be regarded as rich institutions, but if there are any riches in them, those riches belong to the individual depositor whose average deposit is comparatively low. These depositors want their money when they want it, and when they demand it they have got to get it or lose faith and confidence in our institution. You know that there was a time when we paid 4½ percent interest (when we should not have been paying 4½ percent) and you know how carefully we consider the question of setting up reserves and adding to surplus so that our bank may be kept strong and virile under all circumstances.

Let no one believe that the Federal Deposit Insurance Corporation is a substitute for a substantial surplus in savings banks. In my judgment, the Federal Deposit Insurance Corporation is a mistake, a terrible mistake, and if the Federal Deposit Insurance Corporation has to come in and help savings banks, it may be the end of savings banks in America and the beginning of the control of savings banks by the United States Government. That would be about the worst thing that could possibly happen to this country and to the citizens of this country that I can possibly think of, and I am quite certain you agree with me.

Savings banks are not rich. Savings banks are safe. Savings banks are here as a bulwark between the little man and his financial difficulties.

Please do everything you can to prevent the House Ways and Means Committee reporting out a bill that would tax mutual savings banks.

There are 7,500,000 depositors in the State of New York. They ought to be told of a proposal to tax the surplus that protects their account before any such bill is passed.

Cordially yours,

EDWARD A. RICHARDS,
President.

THE PRUDENTIAL SAVINGS BANK,
Brooklyn, N. Y., May 24, 1950.

Hon. EUGENE J. KEOGH,
House of Representatives,
Washington, D. C.

DEAR GENE: The House Ways and Means Committee is considering levying taxes against the surplus income of mutual savings banks and savings and loan associations.

I should like to point out to you, who know what mutual savings banks are, that the system operates in only 17 of the States of the Union, and most of the banks are centralized in the New England States. As a consequence, many of your confreres know nothing about mutual savings banks. Also, I should like to bring to your attention that of the estimated $17,000,000 which the said tax may raise, $10,000,000 thereof come from the State of New York. Certainly this is not equitable taxation. Secondly, it does seem rather ridiculous that the tax be removed on luxuries and assessed against the thrifty people of our States.

We know the need for tax dollars. I don't believe there is any set of institutions that has done a finer job in supporting the Government's programs, especially in the sale of Government bonds, which, as you know, are handled below cost. We should also like you to consider the effect this will have on the ability of the banks to continue to pay a reasonably incentive rate of interest.

This legislation will be most damaging to future thrift, and I would be obliged not only for your very careful consideration if the measure should come to a vote but also if you would take time to speak to the Congressmen of the other States and point out the unfairness of this proposed levy.

With many thanks for your splendid cooperation in all past matters, I am,

Sincerely yours,

FRED.

BROOKLYN, N. Y., *May 29, 1950.*

Hon. EUGENE J. KEOGH,
House Office Building,
Washington, D. C.:

We wish to be on record as vigorously opposing the resolution now under consideration in the House Ways and Means Committee proposing a corporate tax on the undistributed earned income of mutual savings banks.

It must be remembered that these funds are the property of the depositors of the mutual savings banks which are nonprofit organizations. These depositors are for the most part wage earners and members of the middle and lower income groups. Having struggled to save a little money to guard against the future, it seems unfair and discriminatory to tax away these earnings especially when the depositor has already paid an income tax on his wages. The depositors of the mutual savings bank of the State of New York number 7,500,000 and would, if this resolution were enacted into law, pay more than 50 percent of the entire tax. For this State at least, this would seem to be a pretty severe penalty to pay for the thrift of the depositors and the prudent management of the banks.

The irony of the case is that this proposal comes at a time when serious consideration is being given to lifting the excise taxes on luxury items such as fur coats, jewelry and other such articles which in many instances are beyond the reach of this particular segment of our population.

Respectfully,

GEORGE C. JOHNSON,
President, the Dime Savings Bank of Brooklyn.

BROOKLYN, N. Y., *May 30, 1950.*

Hon. EUGENE J. KEOGH,
House of Representatives,
Washington, D. C.

DEAR SIR: The proposed tax on mutual savings banks would weaken the structure of these worthy institutions by directly reducing the amounts available for addition to surplus. With the low rate of return on investments and the increased cost of operations prevailing, it is difficult to maintain a proper ratio of surplus to deposits. The proposed tax would make the maintenance of such a proper ratio impossible, and the result of such a tax would be the reduction of the interest rate paid to the saver, who is at present receiving a poor reward for his thrift.

I respectfully urge that you do everything in your power to defeat this tax, because in the end it would operate as a penalty on the thrifty. The proposal of such a tax as a means of replacing part of the revenue to be lost to the Government by the cutting of excise taxes on cosmetics, jewelry, furs, and other luxuries is certainly abhorrent to me.

THE BROOKLYN SAVINGS BANK,
GILBERT C. BARRETT, *President.*

NEW YORK, N. Y., *May 26, 1950.*

Hon. EUGENE J. KEOGH,
House of Representatives:

Hold that bill. Treasury Department, Philadelphia, urges banks teach thrift. Congress penalizes thrifty by taxing mutual savings bank earnings to fill luxury goods and night clubs. It doesn't make sense.

EDWARD SPECHT,
Prudential Savings Bank.

BROOKLYN, N. Y., *May 25, 1950.*

Hon. EUGENE J. KEOGH,
House Office Building,
Washington, D. C.:

Proposal to tax undistributed earnings of mutual savings banks is an unconscionable blow against the dignity and security of the individual. It is an attack upon mutual institutions through which wage earners for a century have found financial independence and self-reliance.

Savings banks retain in surplus only such amount as prudent, careful management requires to insure safety of deposits.

The last depression showed an absolute need for the creation and careful harboring of mutual savings bank surplus.

We ask you to use your influence to persuade the House Ways and Means Committee to refrain from reporting out any bill that would tax such surplus, at least until savings bankers of the country can have full opportunity to advise depositors of this attack upon the integrity of their savings banks. There are 7,500,000 savings depositors in the State of New York alone.

EDWARD A. RICHARDS,
President, East New York Savings Bank, Brooklyn.

THE TABER AMENDMENT TO THE APPROPRIATION BILL

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, the Members of the House have been long and loud in their praises of the Federal Bureau of Investigation and its accomplishments. They have been so proud of the performance of this agency under the directorship of J. Edgar Hoover—and properly so—that they have heaped task on task on the FBI. At this moment the Bureau bears almost alone the operational responsibility for the internal security of America. And there are those in this House who are asking that the Bureau take even more responsibility in law enforcement through assistance to local agencies.

But when the shouting and the tumult and the job assigning is done, what happens? This House, in all its mighty consistency, has cut the appropriations of the FBI to a point that makes one wonder if the 200 percent patriots are really so concerned about our internal security.

I ask the House to take another and better look at what it did so blindly on the black Wednesday it foolishly approved the Taber amendment to the omnibus appropriations bill.

Chapter X–A of the bill—the so-called Taber amendment—is among the most inconsistent and contradictory actions ever taken by this body. And its effect upon the FBI is a case in point.

The Federal Bureau of Investigation would be granted an appropriation of $57,400,000 in chapter III of this bill. This is the exact amount of the budget estimates. The Appropriations Committee report on this item declared:

> The committee will not risk in the slightest degree jeopardizing the internal security of this Nation.

Their recommendations were explicitly endorsed by the House during the item by item consideration of the appropriation measure.

Yet we have reversed our own considered judgments—without consideration, I fear. The Taber amendment will reduce personnel of the FBI, including agents, by 10 percent, and travel of the FBI, including that of agents, by 20 percent.

Civil Service loyalty investigators are already held here in Washington away from field assignments by lack of travel funds. Would you keep FBI agents from such trips to England as those necessary for the interviewing of Klaus Fuchs?

And this is not just a matter of personnel and travel expenses. Other expenses, right on down the list of scientific aids to law enforcement, even the amount to be spent for fingerprinting materials, must be reduced 10 percent below the estimates provided in the specific FBI budget you once approved.

I cannot believe the House knew what it was doing on black Wednesday. We substituted the arbitrary formulas of the Taber amendment for the considered judgments of our committee and the House as a whole. When the appropriations bill comes to conference, I hope we support our judgments rather than our ill-starred actions. We need the FBI—and not at 90 percent of strength.

THE SOVIET POWER POLICY OF THE STATE OF WASHINGTON

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. Mr. Speaker, I did not know until I read an article in a newspaper that my colleague, the gentleman from the State of Washington [Mr. JACKSON] and another Member of another legislative body from that State had complained about some remarks I made at a committee hearing recently regarding the Soviet power policy of the State of Washington.

The newspaper report credited these gentlemen as taking issue with my statement, which gives me an opportunity to bring the matter out in the open again. Here is the story.

A Washington State law permits public utility districts to condemn the property of privately owned utility business. What happens? An exorbitant price is paid for the property since it becomes Federal tax-free the minute the PUD takes over, and because the bonds carry a good interest rate over a long period of years, the brokers are glad to furnish the needed capital.

If that was all of the story then I would say it would be little for anyone other than the citizens of the State of Washington to worry about. But, I contend it does become some of my business as a representative of all the people when hundreds of milions of dollars of the American taxpayers' money is at stake. Hundreds of millions of tax dollars are expended by Congress in building great Federal power-producing facilities and transmission lines to furnish electric energy to these Federal tax-free PUD's at a rate so low no Federal taxpaying private industry can possibly compete, hence they are forced to sell out to the strange partnership of Wall Street money barons who get nice annual interest payments, and a promoter who gets a fat commission for swinging the deal. The members of the PUD are duped into thinking they are getting something for nothing, when the facts are that over the long period of years which the contract runs they will pay more than the Federal taxes they save because of the exorbitant price paid for the facilities, plus the interest on same. The immediate winners are the former owners and the promoter "Flash" Myers, who are paid a big price for their property and a fat commission to Myers. The long-time winners are the Wall Street money barons who receive the interest. The long-time losers are the PUD members and all the American taxpayers.

I would also like to remind my good friends that REA, municipal and privately owned power companies of our Nation pay in the neighborhood of $1,000,000,000 annually in local, State, and Federal taxes, and that those companies in my State of Iowa, like most other States, are not ducking, but are willing to pay and do pay their fair share of the taxes, a part of which is spent to build the power-producing facilities in the State of Washington to produce power for these Federal tax-free PUD's.

The irony of it all is that Iowa and other States, who pay their own way, are now losing industries to the areas represented by my critics because of the cheap power rates they brag so much about in their State.

I have high regard for the good people of the great State of Washington. I have traveled over it quite extensively and have many warm friends in the State, but surely the lawmakers of that great State should waste no time in getting the law repealed to which I have referred, and which is so foreign to our American way of doing things.

Again I say, if such a power policy, call it what you will, is permitted to spread to other sections of our Nation, in due time our farms, our business industries and factories will surely be taken over by an all-powerful Government under the same kind of condemnation procedures. If it is good for one it is good for all. Remember we have effective antimonopoly laws on our statute books which protects the American people against private monopolies, but only God or revolution, or both, can protect a people against the scourge of power-mad, political tyrants who always mask as self-appointed saviors.

I direct the American people's attention to my remarks on the floor of this House on March 29, 1949, at which time I explained this matter at greater length and more in detail than I have today. I assure you it is very interesting reading.

BRIGHAM YOUNG: EMPIRE BUILDER

Mr. SANBORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. SANBORN. Mr. Speaker, today Utah pays tribute to one of her greatest leaders, Brigham Young, in presenting to the Nation a statue of this colonizer and builder. Idaho joins her neighbor to the south in paying tribute to this great leader.

Brigham Young was the founder and chief builder of the great intermountain West of the United States. Because of his achievements in adapting a people to a new environment and applying new methods of farming he is recognized as one of the foremost colonizers. His unsurpassed methods of conquering for human use the great American desert, have been adopted to some degree by all who, since his day, have been engaged in the reclamation and settlement of unoccupied lands, especially under a low rainfall.

Through his genius a great territory was established. He founded a university and sponsored cultural development through music, art, and drama. He established colonies as far north as Fort Lemhi, located on the Salmon River many miles north into what is now Idaho. Some of his people founded the first permanent white settlement in Idaho at Franklin and his people played a major part in the development of the great State of Idaho.

Idaho joins Utah and the Nation in paying honor to this great leader of the nineteenth century. I pay tribute to Brigham Young as one of the great spiritual leaders of all time. He is America's empire builder.

THE REPORT OF THE SECRETARY OF STATE TO THE CONGRESS

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, on yesterday the Secretary of State did an unprecedented thing by reporting to a joint session of the two Houses of Congress and by inviting questions. It was a fine and an American thing to do. Certainly it is a step in the right direction.

It should clearly be obvious that this Nation is drifting toward war. Yet it is absolute folly that we get into another war. By exercising the leadership of which this Nation is capable we can keep out of war and we can find the way to lasting peace.

But we all will have to pull together in a way that we have not heretofore pulled together in order to do that. The thing that was done yesterday is an illustration of the way we can pull together and I earnestly hope it will set an example for future efforts.

IMPORTATION OF CANNED HAMS FROM POLAND

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I am astonished by the latest figures with respect to imports of canned hams from Poland.

The records show that 1,114,000 pounds of canned hams were shipped into the United States from Poland last year, but apparently that was only the beginning.

Listen to this: In January 1950 Poland shipped in 608,000 pounds of canned hams, and in February of this year, the latest 30-day period for which figures are available, no less than 895,000 pounds of these hams were shipped to the United States.

Mr. Speaker, all our agricultural experts warn that hog prices in this country are likely to take a sharp drop this fall, due to heavy marketings, yet American farmers are competing now and apparently will be forced to continue to compete with millions of pounds of imported pork from behind the so-called iron curtain.

How much longer does the State Department propose to victimize the farmers of America in favor of Soviet Russia and Poland, her puppet state?

HARVEY PLANS COURTHOUSE VISITS WITH INDIANA CITIZENS

Mr. HARVEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HARVEY. Mr. Speaker, in an effort to be of service to the citizens of my district, I plan to tour the 10-county area during the period of August 21 to September 2, 1950. With the cooperation of local officials at 10 county-seat cities, I have been assured courthouse space in which to confer with those individuals and groups who feel they have matters to discuss with their Representative in Congress.

It is my sincere hope that constituents will feel free to call on me during the time allotted their community. Whether they wish to discuss personal problems or national affairs, I shall welcome the opportunity to meet with them.

No appointments will be necessary for those wishing to sit down with their Congressman, and it will be my intent, aided by office staff members, to give attention to all callers.

Following is the itinerary scheduled, with the conference periods to be observed daily from the hours of 10 a. m. to 4 p. m.:

August 21—Monday—Greensburg, Decatur County.

August 22 — Tuesday — Winchester, Randolph County.

August 23—Wednesday—New Castle, Henry County.

August 24 — Thursday — Shelbyville, Shelby County.

August 25 and 26—Friday and Saturday—Muncie, Delaware County.

August 28—Monday—Greenfield, Hancock County.

August 29 — Tuesday — Connersville, Fayette County.

August 30 — Wednesday — Rushville, Rush County.

August 31—Thursday—Liberty, Union County.

September 1 and 2—Friday and Saturday—Richmond, Wayne County.

RECIPROCAL TRADE AGREEMENTS THREATEN FISHING INDUSTRY

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, there is an old saying that charity begins at home. I believe we should bear that in mind as our Nation's representatives meet in the near future to consider new reciprocal trade agreements.

Among the commodities to be considered are fish-liver oils.

Out on Puget Sound we have the Halibut Producers Cooperative, which markets vitamin oils under the trade name of halibut liver-oil producers. This organization represents some 550 fishing-vessel owners and their crews, totaling some 3,000 fishermen. Their investment in vessels and gear is approximately $15,000,000. They fish along the Pacific coast from the Aleutians to the Mexican border.

These men fish for halibut, sablefish, ling cod, rockfish, sole, tuna, and several types of shark. During the past 8 to 10 years the incomes received from food fish livers and viscera have amounted to about one-fourth to one-third of the total income received in these fisheries.

During the period from 1944 to 1948 the value of the vitamin oils marketed by the halibut liver-oil producers ranged between $3,000,000 and $5,000,000 annually. This cooperative furnished annually from twelve to fifteen trillion units of vitamin A, or about 25 percent of the natural fish-liver oil produced in the United States.

Last year excessive foreign imports of these vitamin oils demoralized the domestic market and the income to this Puget Sound cooperative was less than $2,000,000. Today many of these fish-liver oils bring such a low price they are not worth processing and handling, and the 1950 production probably will not yield more than $800,000.

During the past 15 years fish-liver oil has become an important source of income for practically every fisherman on the Pacific coast, and an item of some importance to many fishermen on the Atlantic and Gulf coasts. Thus, these foreign imports of vitamin oil are of direct concern to some 15,000 American fishermen and 5,000 fishing-vessel owners who may be classified as operators of small businesses.

The majority of these men, fishermen and vessel owners alike, have spent most of their life at sea. Fishing is their life work and most of them are unsuited for work on shore. Should they be deprived of a livelihood or prevented from making a living comparable to that of other skilled workers in the United States as the result of free importation of fishery products, a great injustice would be imposed upon a substantial segment of our population.

There are no reliable figures with which we can compare the cost of fishing in the United States with the cost in foreign countries. However, in many of the competing countries, the standards of living are lower, yet fishing is a major activity and they have the same degree of fishing efficiency that we have here. Furthermore, the manipulation of foreign exchange works to the disadvantage of our fishermen and relative costs per unit of effort therefore are meaningless.

The complete demoralization of the domestic vitamin A market has been due to the rapid increase of imports from Japan since 1948. It is estimated that imports from Japan during 1949 amounted to approximately 30,000,000,000,000 units, being nearly one-third of the total domestic consumption. If this trend is permitted to continue, the American fisherman will be forced out of business.

Instead of lowering the duty and import tax on halibut and fish-liver oils, we should increase it to the full extent allowed under the Trade Agreement Act. It is urged that we should limit the total imports of vitamin A oils to 20 percent of the annual average consumption of these natural fish-liver oils during the three calendar years preceding the year in which the imported oils are entered.

I believe that our fishermen should get an even break in competing with imported fishery products. They are not getting an even break now, and they will be even worse off if import duties are lowered. The impact of imports on American fisheries has already reached the point where this Government must decide whether or not the American fishing industry is to be permitted to survive. Any reduction in duties at this time will be a death blow to an industry already reeling from the impact of foreign imports.

MUTUAL SAVINGS BANKS

Mr. MULTER. Mr. Speaker, I ask consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, I rise at this moment to express my opposition to the contemplated action by the Committee on Ways and Means to tax the earnings of mutual savings banks. I trust that the other Members of this House will join with me in urging that committee to reverse its action. It is

not a tax on income; it is not a tax on profits; it is a tax on thrift. The mutual-savings banks are owned by the small men and women of this country, the people who save their money a dollar and two at a time. They represent the small-income group of this country. The mutual-savings banks are owned by those depositors who are the thrifty of our country. We should encourage that thrift and not tax it out of existence.

Mr. Speaker, I trust that the Committee on Ways and Means will reverse its tentative action.

WAR INDEBTEDNESS

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, we hear much about the great indebtedness of the United States. True it is that we have a monumental debt, but how did we accumulate it? We accumulated it by coming through two world wars to preserve our priceless heritage. Had World War II carried on for 5 or 10 more years, we probably would have doubled or tripled our indebtedness. Our efforts and our expenditures have been well worth while to preserve this great democracy of ours. Every man, woman, and child had a participating part in accumulating that debt, and when victory was at hand, too many escaped their grave responsibilities and escaped a continuing part in meeting that great expense. We took the excess-profits tax off industry, we relieved many others of gross-income taxes, and so forth. Had we all cooperated in defraying the indebtedness of the war, as each and every one of us did during the winning of the war, we would not have this gigantic financial indebtedness today.

Before it is too late, it is time that we change our philosophy and not long continue to spend 71 cents out of every tax dollar for costs of wars and military preparedness. When will the time come that we will learn to build and spend for peace as we have always learned to build and spend for war?

COMBATING SUBVERSIVE INFLUENCES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include an address by National Commander George N. Craig, of the American Legion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, I call attention of the House to the importance for every citizen who believes in our republican form of government, to be on the alert for the subversive influences that are working night and day to weaken our Republic. The address of the American Legion Commander George N. Craig, which I am including as a part of my remarks, calls attention to these subversive dangers. I think there are three great organizations that are working diligently in the interest of our Nation, for its protection, and its security. One of these organizations is the FBI, the second is the Committee on Un-American Activities, and the third is the American Legion. The American Legion is on the alert in every community in the United States of America and the message that the commander of the American Legion presents to the American people is well worth the study and reflection of every loyal American citizen.

The message of Commander Craig is as follows:

ADDRESS BY NATIONAL COMMANDER GEORGE N. CRAIG OF THE AMERICAN LEGION BEFORE THE SILVER ANNIVERSARY BANQUET OF THE CHICAGO ACCIDENT AND HEALTH ASSOCIATION AT HOTEL LA SALLE, CHICAGO, ILL., MAY 16, 1950

Tonight I am happy to extend to your association 4,000,000 congratulations upon the occasion of your silver anniversary, for that represents the membership of the American Legion and the American Legion Auxiliary.

We of the Legion know how you feel about socialism, the cunning consort of communism, and your fraternity knows how we feel.

It is good to know that 85 percent of your membership are veterans of one or both of the late World Wars. You and we are comrades, fighting side by side against comrats that are trying to gnaw their way into the very foundations of America.

The American Legion is absolutely in accord with your declaration that if we value our health and if we value our liberty, we must agree that compulsory health insurance—political medicine—is bad medicine for America.

If some of the crackpots should have their way—God forbid; socializing this and socializing that—they eventually would communize America.

They tell us in honeyed words that more concentrated Government control of everything will do something for us. They don't tell us what it would do to us.

Not only would they create a socialized state, but there well might follow a hypochondriac and neurotic state.

Since 1943, national conventions of the American Legion have gone on record as opposing socialized medicine and compulsory health insurance.

We stand on common ground, fighting a common enemy—socialism, the advance guard of communism.

On the great American highway we have approached an intersection, at which is a bold warning sign, "No left turn." And, too many of our people are mentally indulging in the old wisecrack that they don't believe in signs.

Our Nation today is sorely in need of unification of thought and purpose, unification of all its people in a firm determination to banish the enemy within our midst.

While above our heads, like the sword of Damocles, hangs the threat of atomic destruction, right under our very feet the termites of communism, with their allies the weevils of socialism, are biting their way into our schools, into our sacred institutions, into the governing bodies of our communities, our States, and now even into some of the highest departments of our national government.

It is the honest opinion of many Americans that our Department of State fairly reeks with deceit, depravity, and doubletalk; that it is a veritable snake pit in which powder-puff diplomats are playing at a game of demi-mond diplomacy.

It's a new national pastime—hide-and-seek—hide the facts, then seek confidence of the people.

The American public has indicated increasing concern, and rightly so, over the whole question of loyalty in our Department of State. Why has not the public the same confidence in those directing our foreign policy—upon which the security and the very life of our Republic depends—that it has in the FBI and in our Armed Forces?

A naval commander losing a ship, or an Army officer ignorantly leading his troops into disaster would undoubtedly have his career jeopardized, if not terminated. A Secretary of State, however, who is in charge of our first line of defense, and who loses whole areas of the world through mistakes of judgment, is not even open to official criticism, much less replaced by a more competent person. Instead, he is given the task of attempting to salvage the very situation he helped to produce.

Our military high command does not trust even a handful of troops or the smallest naval unit to anyone but a trained and qualified officer who, normally in peacetime, attains his rank and even extremely limited responsibility only after 4 years at West Point and Annapolis or comparable experience and training.

However, in our State Department today there are many top-level officials, reputed to be experts but who on the record are shown to be totally devoid of any significant training or experience. Here are two State Department aides considered incompetent, to say the least:

Walter M. Kitschnig, a native Austrian, was hired by the State Department at the start of World War II. He couldn't go into military service because he was classified as an enemy alien. United States citizenship was granted him hurriedly. Today he heads the Department's entire cultural relations policy with respect to foreign countries at an annual salary of $10,000.

Then there is Haldore Hanson. This 37-year-old $10,000-a-year man has no military record and no background of industrial, financial, labor, or economic experience. Yet he is in charge of planning the disbursement of billions of dollars to backward economic areas.

There are many other such cases.

What American businessmen would consider for one moment the operation of any department of his business along the lines that some of the most responsible departments of our Government are being run today? The time has come when we must be as practical and just as hard-headed in our international affairs as we are in our private business dealings.

Our diplomats should be hand-picked at an early age, so that their training for specific assignments would make them specialists in those particular posts. They could then hold their own with the diplomatic representatives of other nations instead of being amateur society bridge players at the international poker table, when the stakes are high, for they would have been selected and trained for their jobs, not floundering through important missions and endangering the very life of their country because their posts were plums picked in the overrun orchard of politics or because of financial or other backing.

The American Legion has had introduced in Congress a bill to create a National Academy for Training in Diplomacy.

Communist eradication in governmental office should never be treated as a political pawn. There should be no political pride in discovery, either by Democrats or Republicans. Only a common and mutual desire on the part of both parties can render that public service which all citizens are justly entitled to expect from their representatives.

American principles and the desire to preserve them rise far above party politics. Those who use politics either to cloak or prevent such discovery do an irreparable disservice to their Nation.

The time is past when our people can treat lightly any further foreign-born ideologies. To combat them we need a positive Americanism. The time has come when we must get tough.

Here in Chicago over the past week end was held the second All-American Conference in which delegates from leading patriotic, religious, civic, and other organizations, representing more than 80,000,000 citizens of the United States, gathered in a great united effort to stop the Red tide that is creeping over our land.

From long, and sometimes bitter, experience, we of the American Legion have learned how cunningly the Commies contrive their plans. True, the ranks of the Communists are interspersed with criminals, cranks, and crackpots, but they have a plan.

Events of the past weeks have afforded us ample evidence of the ramifications involved in pressing charges against those in our Government's highest offices who palpably are enemies of the American way, and the immediate resignation of whom should be demanded by the American people.

The difficulty of proving that a State Department official, or a former State Department official, is or was in fact a Soviet spy was proven in the Alger Hiss case. An extraordinary chain of favorable circumstances and accidents was required to convict one man after two jury trials of having committed perjury in connection with Soviet espionage. If Alger Hiss had not made the mistake of challenging Whittaker Chambers to repeat his charge publicly so that he (Hiss) could sue for libel, it is doubtful that Chambers ever would have produced the now famous "pumpkin papers."

Evidence is that there still are Hisses among the snakes crawling through the high grass of our State Department.

Incidentally, it required too many years to convict the Communist Harry Bridges, whose trial and deportation as an enemy alien the American Legion has been urging upon our Government since 1938.

The entire festering Amerasia case should be reopened. There have been vague promises that it will, and we are hopeful. Two individuals admitted that they stole classified State Department documents, and they were fined in a United States court. Four others, one of them still a top-level State Department official in a critical post—John Stewart Service—were involved in the same case. Upon recommendation of a representative of the Department of Justice, no charges were pressed against these four. Why? Our people have a right to know who was responsible. We have the right to demand that all the disgraceful circumstances surrounding those recommendations be brought out into the open.

Former Ambassadors Joseph Grew and William C. Bullitt should be asked to tell their stories to the Congress. As Under-Secretary of State, Grew was largely responsible for the arrests in the Amerasia case. Then he was relieved of his post—and succeeded by Dean Acheson.

All Americans, regardless of political beliefs, must stand together in the common defense, and the approach must transcend even so-called bipartisanship and be divorced as completely from politics as can be made possible in a democracy. Unfortunately the present investigation before the Tydings committee is filled with bickerings, mostly along party lines. There are charges and countercharges of "hit-and-run propagandist" from one side and "operation whitewash" from the other.

When charges were first made of communism in our Department of State, Secretary of State Acheson himself should have demanded an immediate investigation. He, of all people, should have been most eager to learn the truth. If there is communism in the State Department, the public is entitled to know it. If there is no communism in the Department, the public should know that.

The public does not understand yet who recommended and who hired Alger Hiss, Julian Wadleigh, John Stewart Service, and others, including the 91 homosexuals whom John Peurifoy recently admitted had been dismissed from the State Department.

The Department of State presently employs more than 7,000 persons. Competent authorities are of the opinion that at least half of them serve no useful purpose and that many of their jobs were invented and are purely synthetic and unnecessary, and should be eliminated in the cause of security, economy, and efficiency. The Department should be returned to its constitutional function: That of studying and devising American foreign policy.

And, for what significance it may have, permit me to inject here the statement that the present Secretary of State, Dean Acheson, was Vice Chairman of the Hoover Commission, whose report contained no recommendations for economy with respect to the State Department. Why?

The very life and security of this Nation depends upon the State Department, and the Chinese catastrophe and our increasing worries over the Soviet Union tend to high light this question more and more. Neither political vituperation nor facetious wisecracks will satisfy the American public as the final solution or the answer to the question: "What is wrong with our State Department?" They want the unvarnished facts, and they are entitled to them. A restoration of confidence demands it.

When the people know the facts they will demand the riddance from every governmental office of all disloyal subversives, perverts, incompetents, and cocktail strategists.

It is now apparent to the American people that our Department of State is a centipede for putting its foot in it.

In combating Communist influence here, a step in the right direction would be passage of the Mundt-Ferguson-Nixon bill now before Congress. This bill would require the Communist Party (1) to register and identify itself; (2) to list its front organizations; (3) label its literature and broadcasts; and (4) make fiscal reports to the Government, much as both the Democratic and Republican Parties are required to do under the Clean Politics Act. Moreover, it denies Communists the privilege of working for the Federal Government under penalty of law, and denies them the right to get Federal passports to travel abroad. This bill was approved by the Senate Judiciary Committee by a vote of 12 to 1 and now is before both House and Senate. Your letters and telegrams to your Senators and Representatives might be an effective means to get this bill passed by Congress.

This is, quite appropriately, National Defense Week, which will culminate in demonstrations here and throughout our land on Saturday. And it comes when the American people are being more and more confused by conflicting appraisals of the world situation.

At a news conference the other day (and I quote from the Associated Press) our President said he doesn't feel the cold war is close to turning into a shooting war with Russia. In fact, he said, he thinks the international situation is much better now than it was in 1946, the previous low point in American-Russian relations. Mr. Truman said the Nation's defense budget will be smaller for the 1951–52 fiscal year, and he is not alarmed in any sense of the word.

At the same time, the United Nations Secretary-General, Trigve Lie, while en route to Moscow on a peace mission, said things have not been so bad since 1945.

Secretary of Defense Louis A. Johnson, after a year's effort to economize in defense spending, has asked Congress for an additional $350,000,000 for defense, most of it for the purchase of planes. He based the reversal of his stand on a number of alarming elements in the world situation. But, he did not recommend universal military training, which he always has espoused. Why?

President Truman himself has rightly asked for universal military training year after year since he has been in office. How then can the Secretary of Defense so ignore the wishes of his Commander in Chief?

Secretary Johnson's request for more defense money followed on the heels of an expression of concern by General Eisenhower over some defense cuts.

About the same time Gen. Omar Bradley, Chairman of the Joint Chiefs of Staff, asked the House Armed Services Committee to extend the military draft 2 years because, he said, cold war developments have become worse in the last 5 months.

In Indianapolis last week, Kenneth C. Royall, last Secretary of War and the first Secretary of the Army, got back into circulation by saying he thought there would be no shooting war for about 8 or 9 years and that the United States is (and I quote) "as well prepared as we ought to be," the next war, he said, "won't be won with the weapons we have on hand; it will be won with weapons not yet created."

On the other hand, W. Stuart Symington, shortly before he was moved upstairs from the post of Secretary of the Air Force to the position of Chairman of the National Security Resources Board, delivered this warning (and I quote):

"Today Russia has an air force whose strength is the largest in the world, and growing relatively larger month by month. Russia is steadily increasing the strength of its long-range strategic bombing force—a type of plane it did not have in World War II. The Communists do not need long-range strategic bombers in order to conquer Eurasia. Should we not ask ourselves therefore, Why are they being built?"

In the light of such conflicting opinions by our leaders, it is little wonder that fear mists are clouding many minds.

We of the American Legion are not prophets of fear, but neither are we exponents of smug complacency. And, we admit that right now we are seeing "red," too much red for the good of the American people, and certainly too much of it in the sacred precincts of our Department of State, which too many of our citizens believe has the "hammer and sickle" tattooed all over it.

Communism—with socialism its accessory before the fact—is devoid of morality, devoid of spiritual belief, devoid of culture, or common decency. Verily, it is not only a fifth column; it is a filth column.

Socialism is a will-o'-the-wisp. When you follow it you sink into the bog of despotism before you know it. Socialism is like the camel's nose in the Arab's tent.

The members of your fine association—and all good American business and professional men—not only have the right to make a living, but the right to make that living worth while. We cannot permit "pink planners" to infringe upon our copyright on life, liberty, and the pursuit of happiness. We cannot be fugitives from faith—our faith in our God and faith in our country.

Our Nation was built through hard work and perseverance. It stands foremost among all the nations of the world because of that spirit. We need a revival of the old American principles of hard work, thrift, and self-reliance, as an antidote against socialism and communism in the United States.

We must have a plan. We must pay for it with confidence, with labor, with dollars, and with sense.

We must accomplish it.

In the words of a great American editor: "Let us maintain the Americanism which makes us free, and the freedom that makes us American."

HOUSE PRESS GALLERY

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the remarks of the gentleman from Florida [Mr. SIKES] prompt me to say that the Secretary of State in making his report to the Congress on yesterday also made report to Russia. There was nothing executive about the meeting and nothing of importance occurred. The Secretary was simply using Congress as a vehicle to sell his program, and with this, I make no quarrel.

Mr. Speaker, we have been complaining pretty generally about Communists being in agencies of the executive branch of the Government, but have to an extent overlooked the fact that they are represented here in the Press Gallery of this House.

The Tass Telegraph Agency of Russia has five representatives in our Press Gallery. They are Laurence Todd, Mickhail Fedorov, Jean Montgomery, Euphermia K. Virden, and Harriet W. Berger. The New York Daily Worker has two: Robert Hall and Melvin E. Fiske.

Pravda, the political mouthpiece of the Communist Party, is now applying for the admission of two, and if the Press Gallery follows the procedure heretofore followed, that is, takes the advice of the State Department as regards the admission of representatives of foreign governments, these Communist Pravda representatives will be admitted. The State Department will, you may take it as a certainty, advise that these two representatives of Pravda be admitted, it may feel compelled to do so.

The question is what do you Members of Congress want to do about it, if anything. Are you going to give the loyal press in our own gallery any kind of support in their effort to keep their own association under their own control, or are you going to stand by and let it be filled with Communists?

MUTUAL DEFENSE ASSISTANCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 613)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of Public Law 329 (81st Cong., 1st sess., 63 Stat. 714), I submit herewith the First Semiannual Report on the Mutual Defense Assistance Program, covering the period from the inception of the program to April 6, 1950.

By its enactment of the Mutual Defense Assistance Act of 1949, and by its earlier provision of aid for Greece and Turkey, the Congress of the United States recognized that the security of the United States required a strengthening of the will and ability of certain free nations to resist the aggression with which they were threatened. The preservation of world peace in a form which free peoples could accept depended then, as it depends now, upon the physical capacity and moral determination of the free world to stem those forces which seek to cloak the whole earth with the mantle of totalitarianism. The Mutual Defense Assistance Program represents one part of our effort to assist in the development of this essential capacity and determination and, as the attached report clearly demonstrates, is, and must continue to be, an integral part of the total foreign policy of the United States.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 1, 1950.*

RED RIVER VALLEY FLOOD

Mr. HAGEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks, and include a newspaper article relative to the flood in Minnesota and North Dakota.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HAGEN. Mr. Speaker, I appear here to tell you briefly about the very serious flood disaster which has visited the Red River Valley in northern Minnesota and North Dakota and more recently in Winnipeg, Canada, in the Canadian Province of Manitoba.

This is a national disaster and the losses are estimated to amount to perhaps $300,000,000 in Minnesota and North Dakota. It is a disaster almost beyond our comprehension and worse than anything we have had in the whole Nation in the nature of a flood for many years past.

Mr. Speaker, it is my purpose to tell you about this flood in detail from time to time by inserting in the CONGRESSIONAL RECORD newspaper articles and letters and also reports from county engineers detailing the damage and loss of bridges, culverts, roads, streets, ditches, and public and private property. I hope I may have your sympathetic consideration when the time comes to enact legislation on the floor of the House which, to some extent, may help the people in the towns, villages, and townships of our great States of Minnesota and North Dakota who have suffered such serious losses as a result of these very severe floods during the past 2 months.

Furthermore, these farmers are not going to be able to get into the fields to do their planting and seeding. Therefore, many farmers will be without any crops this year. It is a very serious disaster and I solicit your sympathetic consideration of the situation.

Mr. Speaker, under leave to extend my remarks, I include an interesting and informative article by Mr. Don L. McKenzie, owner and publisher of my home-town paper, the Crookston Daily Times, which appeared in the issue of May 11 of that paper. Mr. McKenzie vividly describes in this article conditions as he saw them from an aerial trip along the flooded Red River Valley of the North from Crookston, Minn., to Winnipeg, Canada. I commend its reading by the membership of the House.

REPORTER TAKES AERIAL TRIP ALONG FLOODED RIVER VALLEY

(By Don L. McKenzie)

The extent of the flood waters of 1950 through the Red River Valley can only be realized by an aerial trip up the river route to Winnipeg.

This reporter did just that yesterday, flying with Milton Saul, of the Saul Aviation Co.

It was unbelievable. The breadth of the Red River from Oslo north through Morris, Manitoba, averages 15 to 25 miles wide. Hundreds of farmhouses are completely inundated and isolated. Small communities are covered with hip-deep water.

The only sign of life in the swollen river was an occasional boat cruising to a farmhouse and a few cattle on high spots along the highway.

It was from a vantage point of 1,500 feet that we observed this disastrous flood. Water was in every direction, and it appeared as we neared Oslo as if we were approaching a gigantic lake that stretched 20 miles wide and as far north as we could see.

All the towns north have water in them; some of them are completely covered. Oslo, Drayton, N. Dak.; Pembina, Emerson, Letellier, St. Jean Baptiste, Morris, in Manitoba, all have thousands of dollars damage from high water.

At Pembina the immigration office building was surrounded by high water, and up the line at Morris, possibly the hardest hit village along the Red's route, nearly everything was afloat.

In the center of the village, probably the highest part of town, 20 cars were parked with water nearly up to the windows. The highway out of town was covered, and cars were caught there in the flood. A lumber yard was afloat.

North of Morris a stretch of the highway was cut of the water and cattle were being fed by boats there. But the animals were isolated also. The highway at that point was just an island about three-quarters of a mile long.

Farm buildings along the way were hard hit, and all the farms within 5 miles of the river were under water.

Haystacks sat as miniature islands and a long, faint streak of yellow showed in the water downstream from the stacks where the current had carried fodder away.

On some stacks cattle were still stranded. Two farmers traveling with us said these animals have to be killed as hundreds already have been killed to save them from the flood.

North of Morris to Winnipeg, the Red River continues its winding way but the water seemed not as spread out and more confined to a definite channel. We could trace the regular course of the river by the timber line in the center of the water.

Winnipeg itself is badly hit, but in comparison to total population and area of the city it appeared only about 10 percent under water. We could see activity all along the water line on the edge of the business district where men were trying to dike.

But we felt and knew that Winnipeg had not yet had the peak of the flood because the high waters that went through Crookston this week were just then reaching and passing through Grand Forks.

We circled Winnipeg several times and then headed back for Crookston. Our course brought us over Hallock.

The banks of the Red River were 4 miles west of Hallock and yet the village is 10 miles from the regular channel.

We continued back toward Crookston. The area west of us was drowned; to the east it appeared to be drying. We came over Crookston and the fields were spotted with water but were draining.

Circling the city didn't tell us much because all of us had seen this flooded city firsthand. We could see our own homes—and we knew what the water looked like inside of them.

Our entire flight lasted only 2 hours and 40 minutes but we all felt we had observed more destruction than we'd ever again see. We had taken off at Crookston at 2:50 p. m. and landed at 5:30.

LEGISLATIVE PROGRAM

Mr. MICHENER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MICHENER. Mr. Speaker, I have asked for this time so that the acting majority leader may give us the program for next week.

Mr. PRIEST. Mr. Speaker, in response to the query of the acting minority leader, I might say that following the disposition of the Consent Calendar on Monday, there will be one bill taken up under suspension of the rules. That is the bill, H. R. 7827, which I believe is reported from the Committee on the Judiciary, the committee to which the distinguished gentleman from Michigan is a member, dealing with the antitrust laws.

On Tuesday, the Private Calendar will be called. There is also scheduled the bill, H. R. 7468, an omnibus claims bill. The conference report on the bill, H. R. 4567, the displaced-persons bill, is scheduled for consideration on Tuesday.

On Wednesday, the bill, H. R. 8198, the Army Organization Act of 1950, is scheduled.

Of course, conference reports may be called up at any time.

If there is any additional legislation to be taken up, it will be announced later.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. MILLER of Nebraska. Can the gentleman tell us when the Rent Control Extension Act is going to be taken up?

Mr. PRIEST. It is not intended to bring it up during next week. Beyond that I cannot say at this time, but I believe it is not scheduled for next week.

The SPEAKER pro tempore. The Chair might state to the gentleman from Nebraska that it is the intention not to bring it up before June 12.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. BROWN of Ohio. I was going to make the same observation with reference to when the bill would be taken up.

Mr. MICHENER. I think it is generally understand that the rent-control bill will not come up before June 12.

SIGNING OF ENROLLED BILLS AND RECEIPT OF MESSAGES FROM THE SENATE

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that, notwithstanding the adjournment of the House until Monday next, the Clerk of the House may receive messages from the Senate, and that the Speaker pro tempore be authorized to sign any enrolled bills and joint resolutions passed by the two Houses and found truly enrolled.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

OUR FOREIGN POLICY

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, much has been said on the floor and in the press about the address of the eminent Secretary of State on yesterday.

I would be presumptuous indeed if, in the existing world turmoil, I should set myself up as an expert on foreign affairs. But I have certain firm convictions about what our foreign policy should be. Those convictions were conceived some 5 years ago, immediately following the cessation of hostilities. At that time you may honor me by recalling that, as chairman of the Post-War Policy Committee, together with six other members of that committee, and an eminently well-qualified staff, I visited Europe and the Middle East, and spent the better part of 2 months conferring with the then leaders of the 13 countries, including the Russian dictator, Josef Stalin, as well as Vishinski, Beria, and other members of the Politburo. Not only I, but my entire committee and staff, came out of a 10-day stay in Russia with the pronounced opinion that Russia wanted war no more than America wanted war; that there was no imminent danger of war with that country. But, on the other hand, that Stalin and his cohorts were prepared to set out on a scheme of world domination, not by force of arms, but through the crusading fanaticism of a modern ism, communism. And, further, that she will use not arms, but the weapons of chaos and infiltration; that the one way that would block her plan more than anything else would be a stable world peace. Therefore, that hurdles, obstacles, barriers, and road blocks would be thrown into the efforts of the other nations of the world to bring about a stable world peace. Therefore, this country should adopt a firm policy in dealing with Russia, and the policy of appeasement should be immediately abandoned.

The benefit of our views on this subject was then conveyed by us to the President, the then Secretary of State, Hon. James F. Byrnes, and the then Under Secretary, Mr. Dean Acheson. This was followed by a formal report of our committee to the Congress and the country setting out these and other recommendations which time will not permit a statement of here.

Now, that these recommendations have largely been adopted as the foreign policy of our Government, it, naturally, follows that in my humble judgment the foreign policy of the administration is now the correct one. In fact, it is in the main the only sensible one. If the present firm policy of the Government in dealing with the Soviet Republics is to be criticized, it seems to me that that criticism should be confined to the fact that that policy was belatedly adopted.

The proof of the fact that the policy is a correct one was demonstrated in Berlin a few days ago when the Soviet powers failed to go through with an announced effort to have a million young, regimented German youths to march into the western sector of Berlin to take over. This proved conclusively that this firm policy of the United States and her allies in serving notice beforehand that this movement would be resisted by arms, if necessary, is a correct policy.

Further, Mr. Speaker, I have no patience with those critics of our foreign policy in dealing with Russia who say that we are merely building up a war machine to invite war; and who, further, prate that our efforts should be directed toward peace. Of course, we all want peace, but the desire for peace alone will not bring peace. This Government has demonstrated throughout the past 5 years of the cold war that it is willing to cooperate with Russia to the end that we might have peace on earth; but the trouble is that Russia defines cooperation as a one-way street. She is perfectly willing to cooperate for peace so long as we are agreeable to her having everything that she desires to the end that communism may dominate the world. Peace cannot be had at that price. The only thing to be accomplished that way would be a communistically dominated world.

THE STATE OF DESERET

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. MURDOCK. Mr. Speaker, I was delighted when my colleague from Idaho took the floor a moment ago and spoke concerning the relationship between his State of Idaho and the State of Utah, historically and otherwise. Arizona lies just south of Utah. Arizona has felt the effect of the colonizing movement that came out from the great Salt Lake area.

Although I am not a member of the Church of Latter Day Saints myself, I have a name which has attracted the attention of my neighbors who are of that faith, JOHN R. MURDOCK. John Riggs Murdock was one of Brigham Young's right-hand men. He went across the plains and deserts with the Mormon battalion carrying the American flag more than 100 years ago, carving a wagon road across the wilderness to

the Pacific coast. The great State of Deseret, which was never admitted to this Union as such, was the dream of Brigham Young. The State of Deseret—much larger than the State of Utah—included the entire area of what is now the State of Arizona. It has a wonderful history. Under direction of President Young many men came down into Arizona carving a wilderness road and made their settlements along the streams and in the valleys of my State. They did not have a wild desire for gold but, against great obstacles, they turned a hostile land into good earth as far as the limiting resources of water would permit. The plow was a significant implement to them and the beehive was a symbol of their way of life.

Going out from Utah as a center they have founded new commonwealths. They are noted for taking their religion in a very practical sense, combining faith and works in everyday life. I do not know too much about their religious teachings or ethical code, but as an outsider looking on, I highly approve of their results. Truly Brigham Young was an empire builder in our western mountains.

FOREIGN POLICY COMMISSION

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, several of our distinguished colleagues have just spoken of the meeting on yesterday in the Library of Congress at which the Secretary of State reported to us on foriegn affairs. The objective of this meeting is highly commendable. Its purpose, as we all know, was to establish a closer relationship, a better understanding between Congress and the Department of State. However, the Secretary of State told us nothing new. All of us had learned through the press days before of all of the matters to which the Secretary made reference. All of us must have felt a sense of real futility insofar as the Congress having any actual voice in the making of foreign policy.

Some weeks ago I listened to the Secretary of State in a distinguished speech to the editors of the Nation. At that time he defined "total diplomacy." His often-used expression total diplomacy means, according to the Secretary of State, a commingling of both foreign and domestic affairs, our Nation's complete effort to win and preserve the peace. The Secretary well points out that domestic affairs and foreign affairs are so interwoven and interrelated as to be almost indistinguishable. On this point I think we can all agree.

However, since the foundation of this Government foreign policy has been left almost entirely to the President and the Secretary of State. Under the Constitution and practice foreign policy has been an executive function. Today we admit that foreign policy is just as important as domestic policy and that the line of demarcation between the two is practically nonexistent. Still we elect 531 Members of Congress who struggle the year around with domestic problems. At the same time we permit a Secretary of State the almost exclusive prerogative of making foreign policy.

In 1946 we created by law a Council of Economic Advisers and charged such Council with the duties of advising the President and the Congress on economic developments, trends, and problems. In 1947 pursuant to Public Law 253 we established the National Security Council and charged it with the duties of planning our country's military security. By the same act we set up the National Security Resources Board and charged it with the duties of planning for industrial strength and mobilization.

Mr. Speaker, the base on which foreign policy is determined ought to be broadened. We should have in this country a Foreign Policy Commission. This commission should be headed by the Secretary of State and ought to include the chairman and ranking minority member of the Foreign Affairs Committee of the House, and of the Foreign Relations Committee of the Senate, and of the Armed Services Committees of both House and Senate. It should also include not less than three civilians distinguished for their learning in matters of foreign policy. Also included should be the Secretary of Defense and other military experts. This commission could meet in secret, if need be. With such commission all matters of foreign policy should be frankly and fully discussed. The commission should at least be consulted by a Secretary of State before he commits this country to courses of action which might lead into war.

Mr. Speaker, we should not leave the matter of foreign policy to any single individual. We boast of our democracy and yet we, in effect, leave to one man the international relations of this Nation.

While I do not have the honor to serve upon the Foreign Affairs Committee of the House, I strongly recommend to them that something immediately be done to broaden the base upon which foreign policy is determined, and to give the American people a greater voice in the all-important field of international relations.

RUSSIA

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRESTON. Mr. Speaker, my courageous colleague the gentleman from Georgia [Mr. COX] has brought up something on the floor of the House this morning which deserves more than casual consideration. I recently read a book entitled "Dateline—Moscow," written by Henry C. Cassidy, who was chief of the Associated Press Bureau in Moscow during World War II. He relates the great difficulties he had in gathering news in that country at a time when Russia was our ally.

In this country we open the doors to them knowing that when we do so they are going to pervert the truth in every conceivable fashion. During the war in Moscow, when Cassidy was head of this great bureau, he thought it was actually a wonderful accomplishment if he could get a letter from Stalin in answer to a question, to say nothing of attending a press conference and having an opportunity to interview him, as this was practically unheard of.

We are careless in that respect and I think we have been derelict in our duty. For my part, further consideration should be given to the question raised by the gentleman from Georgia, and until such time as they are willing to report the news truthfully and factually they should be barred from our Press Gallery and from all official news conferences in Washington.

QUESTIONS PROPOUNDED TO SECRETARY OF STATE ACHESON

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, both the press and the radio have been commenting on, and emphasizing, the questions I asked Secretary of State Acheson after he had finished his speech in the Library of Congress on yesterday.

I was not trying to heckle Mr. Acheson but was trying to get information on questions that most vitally affect the welfare of every person in the United States, as well as the life of the Nation itself.

We all know that communism is the greatest menace with which mankind has been confronted since the Crucifixion.

It is utterly useless to talk about fighting communism abroad and at the same time attempting to impose it upon the American people here at home. The persecution of white Americans and especially the white children here in the District of Columbia, through this so-called antisegregation movement, is one of the greatest outrages of modern times. The white children in the District of Columbia have appealed to me to help them save their playgrounds and swimming pools and keep down the race riots which they fear this communistic program will bring.

Attempts to force the communistic FEPC law through the Congress, and impose it on the American people without their consent, is another vicious movement which would carry out the Stalin program. But you might as well understand now that patriotic Americans at the other end of the Capitol will talk until doomsday before they will ever let that crazy measure pass.

Now let me talk for a moment about Secretary of State Acheson's failure to answer my questions on yesterday, and his attempts to brush them off.

The so-called United Nations, which was set up at San Francisco by Alger Hiss and his cohorts, is trying to make of it-

self a world government. Members of that organization are using it to interfere in the internal affairs of the various States of this Union. Recently they attempted to wipe out the alien land laws in the State of California; and, if you will investigate the record, you will find where the American Bar Association pointed out to a Senate committee that under its so-called genocide program it would attempt to go into the various States under certain conditions, take citizens charged with violating its mandates, and remove them to other jurisdictions, probably outside of the United States, to be tried.

How would you like that in Pennsylvania, Illinois, Ohio, Texas, Georgia, or Missouri, or any other State?

On yesterday I asked Secretary of State Acheson about the proposal to drive the anti-Communist Chinese government out of this so-called United Nations and admit the Chinese Communist government in its place, when this country has the veto power to stop it. I had seen his statement to the effect that he would not advocate the use of the veto to keep the so-called United Nations from throwing out the anti-Communist administration and admitting the Communist administration in its place, which would simply give Communist Russia another weapon, another vote, and another voice in this United Nations assembly, to help force the Communist program upon the American people, drag us into a world government, and subordinate us to the domination of alien elements that are incapable of governing themselves.

Secretary Acheson did not attempt to answer my question.

It looks to me as if we are being sold down the river; and it is time the American people woke up to the dangers with which we are now threatened—diplomatic dangers, international dangers, executive dangers—danger of having our country subordinated to the domination of foreign powers and our people bankrupt by unjustified foreign spending.

We had better get back to the policies advocated and followed by Washington, Jefferson, Franklin, Jackson, and other great Americans of the past, instead of delegating the powers of Congress to a few self-appointed internationalists who would destroy our security at home and subordinate us to foreign domination.

I agree with one of the gentlemen who spoke a few moments ago that if we will maintain the strongest air force on earth, keep an ample supply of atomic bombs, and strengthen every sinew of our national defense, no other nation will ever attack us. If we will do that, and then clean house, fumigate, and drive every individual of questionable loyalty from public power, we can make the United States the strongest, the richest, the most powerful Nation the world has ever known, and forever protect the people of this country from our enemies at home and abroad.

That is the way to maintain peace, perpetuate liberty, and save America for Americans.

AUTHORIZING COMMITTEE ON ARMED SERVICES TO CONDUCT INVESTIGATIONS.

Mr. COX, from the Committee on Rules, reported the following privileged resolution (H. Res. 617, Rept. No. 2186), which was referred to the House Calendar and ordered to be printed:

Resolved, That the Committee on Armed Services, acting as a whole or by subcommittee, is authorized and directed to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (c) of the Rules of the House of Representatives, and for such purposes the said committee or any subcommittee thereof is hereby authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued over the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

That the said committee shall report to the House of Representatives during the present Congress the results of their studies and investigations with such recommendations for legislation or otherwise as the committee deems desirable.

Mr. COX. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 617.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the resolution.

Mr. COX. Mr. Speaker, this is the usual resolution that the House passes granting certain powers to standing committees of the House necessary in the doing of their work.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COX. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. This resolution was brought before the Committee on Rules with the unanimous report of the Committee on Armed Services. It was unanimously reported by the Committee on Rules and has the support of the leadership on both sides.

Mr. COX. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

FALSE FACE

Mr. HOFFMAN of Michigan. Mr. Speaker, last Monday, May 29, the Washington Post carried an editorial, the substance of which was that the committees of the House should be given the information which they sought under subpena. The Washington Post over the years, for the last 10 years anyway, has usually been found defending everyone who was accused of corruption in Government and found defending everyone accused of being a Communist, always condemning everyone who sought to expose either corruption or Communist activities in the Federal Government.

That editorial, captioned "Disguised propaganda," reads as follows:

In a free country many evils can be disposed of by simply bringing them into the light of day. That is the theory behind the present law on lobbying. Agents who are attempting to influence legislation are required to register and disclose their connections. It is a sound approach, but there is question as to whether the law goes far enough. Representative Buchanan's lobby investigating committee has given emphasis to the fact that some of the most effective lobbyists never buttonhole legislators on Capitol Hill. They stir up public sentiment which is communicated to Congress and perhaps reflected in legislation.

The Buchanan committee is now attempting to find out who supports a number of organizations of this type. It has issued subpenas designed to compel three national organizations—the Committee for Constitutional Government, the National Economic Council, and the Constitutional Educational League—to disclose the sources of their funds. Leaders of the CFCG and the NEC have been tried for contempt of Congress in the past for refusing to give the names of their financial backers. We think the public has a legitimate interest in knowing how such organizations are financed and hope the committee will not only reqiure a public accounting in these cases but will also consider the advisability of sponsoring a bill to require all similar organizations to make detailed financial reports. Only contributions of $500 or more must be identified in reports to Congress under the present lobbying act.

In this country everyone has the right to make his voice heard, but there is no right to sail under false colors. If an organization is engaged in a worthy undertaking it cannot reasonably object to having the sources of its funds known. If it is engaged in subversive activities or any kind of racket, the public interest demands that the sources of its support be laid bare. We have often pleaded for a law that would require all organizations appealing to the public for funds or carrying on propaganda activities (excepting established churches) to make a public accounting of their receipts and expenditures. Useful though it may be in pointing up a principle, no committee investigation can take the place of continuous systematic reporting of the facts. Only a statute requiring organizations to operate in the open can protect the public from being mulcted for subversive or special-interest causes and from being hoodwinked by propagandists in disguise.

The editorial purports to be a plea that all organizations attempting to influence public opinion and, indirectly, legislation, be required to disclose the sources of their funds.

Few, if we are in this country to have equal justice under law, would object to such a proposal. Unfortunately, some, like the Washington Post, are so powerful, so unscrupulous, so vindictive, in, at times, their opposition to freedom of speech that many individuals, as well as some organizations, are afraid to exercise their constitutional right to attempt to influence public opinion.

A representative of the Constitutional Educational League, which is making a

valiant effort to restore constitutional government in this country, has been convicted of contempt of Congress because he refused to disclose to congressional committees the sources of the league's funds.

The representative of that organization should have given the congressional committees the information they sought. Probably one of the reasons that information was refused was because the organization's representative knew that the Washington Post and others of like mind would immediately put the heat on those who contributed to such organization.

The league's representative was convicted. He must and he should take his medicine.

It would be helpful if the Post would be consistent and take a like position when subversive organizations refuse to disclose the sources of their funds.

It would be more helpful if the Post, instead of always attacking those who seek to expose either corruptionists or subversive elements in the national administration, would advocate a full disclosure of the facts.

The Washington Post and some other publications always rush to the defense of those in the executive department who refuse to give congressional committees information which, under the Constitution, they are entitled to have and which is necessary if the Congress is to legislate wisely and effectively.

If all organizations, all individuals, engaged in attempting to influence public opinion are to be required to disclose the sources of their funds, the names of their sponsors, few will object, even though, as experience has demonstrated, the Post and similar publications immediately enter upon a campaign of vilification against those who contribute to patriotic individuals and organizations fighting for clean government and a restoration of constitutional government.

The Washington Times-Herald of May 29, 1950, carried an editorial which is somewhat of an answer to the general position of the Washington Post. That editorial reads as follows:

LOOK WHO DEPLORES WITCH HUNTING

The Washington Post last week took the unusual step of buying full-page space in major newspapers outside of Washington to reproduce a Post editorial of May 22 entitled "The Road Back to America."

It may be that Post editorials appearing in their natural habitat die on the vine for lack of readership and that, to get an audience, the management was obliged to turn to newspapers which are read.

The theme of the Post essay was that Washington was in the grip of a terror resulting from the efforts of Senator MCCARTHY and other conscientious Members of Congress to clean the Communists and fellow travelers out of the State Department and the administration in general. It was the Post's contention that this constituted witch hunting and that such activity weakened America for Russia's benefit.

The Post was willing to concede that the Communists are a danger to the Republic, citing the activities of the convicted former State Department official, Alger Hiss.

This can only be accounted handsome of the Post, in view of its former passionate advocacy of the Hiss cause. When Hiss was convicted the Post last January 23 published an editorial which it did not circulate at paid rates throughout the country. Its opening gambit was:

"Alger Hiss had the misfortune of being tempted to betray his country in an era of widespread illusions about communism and of being tried for perjury in connection with his offense in a period of cold war when the pendulum of public sentiment had swung far in the other direction."

The implication is that there was nothing shocking about a disposition to betray one's country, but that the traitor has to be careful about his timing.

But to revert to the Post's current belief that the mad dog quality of McCarthyism should be curbed, the suggested solution of that organ is that the President appoint a commission on national security after bipartisan agreement on its membership.

The executive branch would thus be in the favorable position of appraising its own crimes, and anybody but the town half-wit knows what would come of that.

The State Department and Mr. Roosevelt had the opportunity to catch up with Hiss and his associates in 1939, 9 years before they were publicly exposed. Whittaker Chambers, the accuser of Hiss, took his information at that time to Assistant Secretary of State A. A. Berle, who handled departmental intelligence matters for Mr. Roosevelt.

Nothing happened for nearly 10 years, until the House Committee on Un-American Activities got on the trail in 1948. The congressional investigators were not restrained by any need to uphold the vested interests of the executive branch by perpetuating a myth of purity about bureaucrats engaged in treasonable activities. The result was that Hiss was indicted and convicted.

LOYALTY BOARD'S EMPTY BOASTS

The President's Loyalty Review Board boasts that only a fraction of 1 percent of Federal employees ever were subversive. That may be what the Board's statistics show, but hardly a day goes by but some fresh job-holder who has passed the Board's loyalty investigation with flying colors turns out to have had a pro-Communist affinity all along.

The case of George Shaw Wheeler, who sought asylum from the Communist regime in Czechoslovakia and promptly denounced American warmongering from Prague, is one example. Wheeler was okayed three times after loyalty investigations.

WITCH HUNT

The Post editorial proposes a course of inaction which would stop further discoveries of communism in the State Department or anywhere else. Although the Post now affects to deplore witch hunts, it was the instigator of the most notorious witch hunt in recent judicial history—the infamous wartime mass sedition trial in Washington of some 30 critics of the Roosevelt war policy.

A sprinkling of convicted bundists, anti-Semites, and lunatic fringers were run in as window dressing.

The charge was conspiracy to impair the morale of the Army and Navy through seditious utterances. To fix the jurisdiction in Washington and to make a showing that the defendants were acting together there, a reporter for the Washington Post, named Dillard Stokes, induced those marked out for this intended judicial lynching to send him samples of their writings.

The case finally went to trial in 1944 and endured through 8 months until the trial judge died of humiliation at lending his courtroom to this shabby spectacle. Finally, 4½ years after its inception, the case was thrown out of court with an acid rebuke to the Government from Judge Bolitha J. Laws.

The Post was not afflicted with any scruples about witch hunting in this instance. It reserves that consideration for conspiracies involving Communists. It is so keenly involved with communism that it has borrowed a spare red herring from Mr. Truman and is dragging it across the trail.

In order that one may understand something of the hypocrisy of the Washington Post, it should not be forgotten that the Washington Post has, over the years, rushed to the defense of many, who, harbored by the administration, were accused of either corruption or subversive activities, some, like Hiss and others, later convicted.

It should also be borne in mind that the Washington Post brought about the indictment of some 30 individuals for alleged subversive activities.

Although the Washington Post, through its paid representative, Dillard Stokes, by deceit and fraud, procured the indictment here in Washington of the so-called seditionists, the Post itself was forced to admit the unusualness and the unfairness of its own stepchild. In an editorial of July 16, 1944, the Post wrote:

MASS TRIAL

The severance of three cases from Washington's mass sedition trial is the best news that has come out of this dreary affair in Judge Eicher's court. It clearly suggests belated recognition of the mistake that was made in bringing 30 individuals of widely varying temperaments and backgrounds to trial at the same time and place for a series of alleged offenses classified as sedition.

One defendant recently died. Another is too ill to attend court sessions regularly. A third found it difficult to follow the proceedings because of limited hearing. A fourth proved to be so obstreperous as seriously to interfere with the progress of the trial. In other words, the exigencies of human life are such as to defeat most any attempt to dispose of complicated criminal charges en masse with both fairness and dispatch. It is a pity that the Department of Justice did not foresee this elementary objection to mass trials before embarking on such an adventure.

The fact that four cases have been eliminated from the trial is overshadowed, therefore, by the larger fact that 26 cases remain before the court. We hope that better progress can now be made but no end of even the presentation of evidence by the prosecution is in sight after 13 weeks. How can the jurymen be expected to remember testimony given many weeks before their verdict will be rendered? How can they in these circumstances, distinguish the varying degrees of guilt, if any, among the 26 remaining defendants? We fear that whatever may be the outcome of this trial it will stand as a black mark against American justice for many years to come.

On the 28th of the same month, it again editorially admitted the farcical nature of its proceeding in an editorial which reads as follows:

COURTROOM FARCE

For weeks Washington has been aware of the farcical nature of the sedition trial that is droning on from one weary session to another in Justice Eicher's court. Everyone who reads the newspapers knows that the trial has been characterized by obstruction, unruly conduct on the part of some of the defendants, unreasonable delays, prolongation of the testimony and cross-examination, and laxity of control or direction. If there were any lingering doubts as to the farcical nature of the trial, they must have been removed by James E. Chinn's factual account of the proceedings on the "third day of the fifteenth week" in the Post yesterday.

Justice Eicher has undoubtedly tried to make the best of a bad situation. He has attempted to prevent the trial from being turned into a comedy of errors; he has tried to keep it moving toward a conclusion. But the very nature of the case has thwarted his efforts. Mass trials may possibly be successful where the issues are simple and the testimony is brief, or where the Russian technique of condemning the defendants first and putting on a trial for show is used. But where the issues are complicated and defendants who have not been browbeaten stand on their democratic rights, a trial involving more than two dozen individuals is almost certain to be a fizzle.

We think the time has come to recognize the unlikelihood of securing any fair approximation to justice from this unhappy experiment. The end of the Government's testimony is nowhere in sight. Prosecutors have 4,000 exhibits to offer in evidence and only about one-eighth of them are in the record at present. Then each of the 26 defendants will have to present his case. At its present rate of progress, therefore, the trial may run on for several years after the war is over. Meanwhile, it is gravely undermining confidence in American justice.

Apparently it would be impossible now to end this sorry spectacle and try the individual defendants separately. But the court could probably sever additional cases and insist that the testimony be stripped down to essentials. After all, this is a trial of men and women accused of sedition, not a contest in befuddlement. In our opinion, the trial can continue its present course only at the cost of serious impairment of our judicial system and the reputations of those responsible for this travesty.

The left-wing PM, on August 2, 1944, referring to the Post, carried an editorial which reads:

SEDITION TRIAL GETS IGNORED

(By Elizabeth Donahue)

WASHINGTON, August 2.—In one of the most abrupt reversals of editorial policy in modern newspaper annals, the Washington Post has withdrawn its reporter from the sedition trial, ridiculed the Government's case, and justified its decision on the grounds of no news.

The paper, which took the lead in exposing many of the characters now before the district court has nevertheless found the trial newsworthy enough to use stories about it on page 1 within the last week, and to devote generous space to the courtroom proceedings until today.

Post reporter Dillard Stokes, 2 years ago won the American Newspaper Guild's Heywood Broun memorial award for turning up crucial evidence against several defendants. Stokes is now in the Army.

The Post's managing editor, A. F. Jones, today told PM "I'm not going to keep a man tied up on a lot of baloney." He indicated that he would assign a man to cover the courthouse "if there's any big news over there."

The sudden disappearance of the Post's reporter, James Chinn, from the courthouse coincided with a mild gust of news on Capitol Hill.

But as a preliminary to Chinn's reassignment to the Capitol, the Post in an editorial, entitled "Courtroom Farce," described the trial as a sorry spectacle and bemoaned the fact that the defendants were unlikely to get anything approximating justice from this unhappy experiment.

The Washington paper in its exposure of the activities of some of the defendants 2 years ago, when they were before a grand jury, plumped and paraded the story in its news and editorial columns. At that time few other papers found the story as newsworthy as the actual trial, now described by the Post as a courtroom farce.

On August 5, 1944, the Chicago Tribune carried an editorial referring to the efforts of the owner and publisher of the Post in the following words:

MR. MEYER'S CROW SUPPER

Eugene Meyer's Washington Post, foremost harridan in the witch hunt that led to the Washington sedition trial, has recanted and denounced the present performance as a bad job. The Post said editorially the other day that "Justice Eicher has undoubtedly tried to make the best of a bad situation. * * * But the very nature of the case has thwarted his efforts. Mass trials may possibly be successful where the issues are simple and the testimony is brief—or where the Russian technique of condemning the defendants first and putting on a trial for show is used. But where the issues are complicated and defendants who have not been browbeaten stand on their democratic rights a trial involving more than 2 dozen individuals is almost certain to be a fizzle. We think the time has come to recognize the unlikelihood of securing any fair approximation to justice from this unhappy experiment." * * *

Meyer's newspaper worked up the first two indictments against anti-interventionist pamphleteers, anti-Semites, and German agents, some of whom are among the 26 defendants now sweating out their sixteenth week in the most amazing farce that has disgraced a Federal courtroom in modern times. A Meyer reporter, Dillard Stokes, acted as agent provocateur to entrap the crackpots who were included in the first two indictments. Attorney General Biddle's prosecutors found that Stokes' copy definitely was not evidence, so the indictments were pigeonholed. To save face, a third indictment was drawn, naming some new defendants and dropping some others previously indicted. This true bill was turned over to O. John Rogge, one of Mr. Biddle's more respectable prosecutors, who is conducting the current mass trial.

If the Post ever expected any fair approximation to justice from the sedition cases its conduct did not so indicate. From the start Meyer's newspaper spoke of the indicted crackpots as though they already had been convicted, and poured columns of vilification on Republican Congressmen whom it tried to smear by fraudulently associating their names with those of indicted German agents and fanatics.

The Tribune, early in the proceedings and frequently thereafter, pointed out the impossibility of accommodating the procedure adopted in the sedition case to the framework of decent American justice. The perversion of the conspiracy charge; the transportation of the defendants for trial in a jurisdiction where the majority of veniremen would be beholden, directly or indirectly, to the present administration for their livelihood; and the well-organized campaign by the Post, the kept columnists and commentators, and other New Deal camp followers to poison the public mind against the defendants before the trial are features of the Communist judicial system, not that of America.

Any conversion, however late, should be welcomed. But Mr. Meyer should spend a long spell on the mourners' bench before he attempts to speak up in meeting.

The Post itself, on August 21, 1944, attempting to save face, wrote:

SEDITION TRIAL

Reports have come to us to the effect that the attitude of the Post toward the sedition trial in Judge Eicher's court is being grossly misrepresented by persons having axes to grind. Our expression of concern because of farcical developments that have often marked this mass trial have been twisted into sympathy for the alleged seditionists. It is scarcely necessary to say that our criticism of ineffective judicial procedure involves no sympathy whatever for anyone accused of knifing his country in the back in the hours of its peril.

What the Post has criticized has been the obstructionist tactics of the defendants and the apparent bogging down of the trial. We complained because the attempt to try 26 defendants at the same time was prolonging the testimony and making it possible to defeat that speedy justice which is the aim of all American courts. Instead of rejoicing because a slow motion mass trial seems to be making little progress toward determining the guilt or innocence of the defendants, we deplore the choice of what appears to be an ineffective method of bringing the alleged seditionists to justice. For the same reason we are pleased to note that the trial seems to be making better progress than it had previously done. In spite of the obstruction and the blunders that have seriously detracted from the dignity of the judicial process in this case, we hope that all of the little men who are found to have played Hitler's game to the peril of their country will get their deserts.

Notwithstanding the utmost efforts of the Post; its publisher, Meyer; its hired man, Stokes, who traveled under an alias, and the arbitrary and unjustifiable position taken by the special prosecutor, William Power Maloney, who was twice by United States courts and again by the United States Supreme Court designated as one who followed unethical procedures, the case against the alleged seditionists was dismissed.

Even though the Post, through fraud and deception practiced by its agent, Dillard Stokes, had been able to procure the indictment of the so-called seditionists, the Post, on November 23, 1946, editorially characterized its own baby as a sorry experiment.

The Post comment then was:

SORRY EXPERIMENT

The Department of Justice had been unconscionably dilatory in handling the sedition cases which Chief Justice Laws threw out of the district court yesterday. Nearly 2 years have elapsed since the death of Chief Justice Eicher halted the notorious mass trial. At that time, Government witnesses had been giving testimony for more than 7 months and vast piles of so-called evidence remained to be read into the record. When the war in Europe was over, the Department sent its prosecutor, O. John Rogge, to Germany in search of additional evidence. On his return, despite his sensational innuendoes against various prominent citizens, he recommended dismissal of the sedition cases. Mr Rogge was later dismissed for disclosing confidential material in his report. But the Department of Justice still insisted on keeping the cases open and was found in opposition when Chief Justice Laws finally brought this sorry incident in our judicial history to a close.

Whether the Government might have convicted some of the defendants if they had been tried individually is a question that can never be settled. But one conclusion is obvious. It was a colossal blunder to herd 30 persons of widely differing backgrounds and no specific relation to one overt act into a single trial. The unwieldy character of the trial contributed in no small measure to the farcical aspects which it soon developed. The effect was to bring American justice into contempt. But at last the court has acted to end that deplorable experiment in circumstances which should make it stand out as a warning against any similarly hysterical move if we are again involved in war.

Note this comment of the Post:

Whether the Government might have convicted some of the defendants if they had been tried individually is a question that can never be settled. But one conclusion is obvious. It was a colossal blunder to herd 30 persons of widely differing backgrounds and no specific relation to one overt act into a single trial.

Well, well, Mr. Post editor. Who pulled that little trick of bringing 30 persons thousands of miles from their homes to stand trial here in Washington, where the Post could, as it did, throughout the grand jury proceedings and later through the trial, send out biased and prejudiced reports against them?

It was the Washington Post which apparently originated, certainly which carried out, the fraudulent scheme to obtain that indictment. The Post's agent, Stokes, using a false name and a false address, as before stated, induced these individuals to write him letters, to send him material, and then apparently peddled that information to a sympathetic tool in the Federal Government's Department of Justice.

Not only was the indictment and trial a colossal blunder, as stated by the Post, it was a most reprehensible, un-American proceeding, designed to silence critics of the administration, critics of those who advocated a surrender of at least a portion of our sovereignty; to silence those who believed that the Congress should act first in the interests of America, rather than as an agent of some foreign government or governments.

But evidently the Post has learned no worth-while lesson from its sorry experiment. It still has favorable hand-outs for those who are accused of aiding the Communist cause; for those who are charged with corruption in public office; words of bitter denunciation for those who would expose Communists and communism, corruption, in the administration.

Apparently the Washington Post has learned nothing about fair dealing, equal justice under law.

Unfortunately, the Post does not stand alone in its efforts to silence those who criticize the present administration, Pendergastism, or communism. Many commentators, some columnists and some organizations still practice intimidation.

A very brief summary of the so-called sedition trial was carried in a news story by Robert Young printed in the Chicago Tribune on July 1, 1947. It reads:

COURT UPHOLDS MASS SEDITION CASE DISMISSAL—CRITICIZES JUSTICE DEPARTMENT FOR LACK OF DILIGENCE

(By Robert Young)

WASHINGTON, June 30.—The United States court of appeals today upheld a lower court order dismissing the wartime mass sedition case and reprimanded the Justice Department for "lack of diligence" in prosecuting the case.

Last November Justice Bolitha J. Laws in Federal district court dismissed the Government's case against 26 defendants, all who remain of 30 originally brought to trial in April 1944 on charges of conspiring to undermine the morale of the Army and the Navy. Death or previous dismissals removed the other four. The lower court held that the defendants had been deprived of their constitutional rights to a speedy trial. Laws said "another attempt to try the defendants would be a travesty of justice."

TELL COURT'S STAND

The Government appealed the dismissal. The appeals court decided today, in a majority opinion by Chief Justice D. Lawrence Groner, that:

"The rule in this jurisdiction is that where there has been a lack of diligence in the prosecution of a case, the trial judge may dismiss, and his orders will be sustained on appeal."

The court added that, from January 1946 until the dismissal order, the trial court, at the request of some of the defendants, "again and again sought to compel action which would either result in a trial or dismissal."

In a dissenting opinion, Associate Justice Henry W. Edgerton said the trial court exceeded its authority in dismissing the case.

The appeals court also upheld the district court in dismissing a petition for a writ of habeas corpus by William Dudley Pelley, one of the original defendants, who now is serving a 15-year term in Federal penitentiary at Terre Haute, Ind., for sedition law violation.

UNITED STATES STUDIES ACTION

A Justice Department spokesman said that the appeals court action "is under study" and no decision has been made whether the Government will accept the ruling or appeal to the Supreme Court. The Government could ask the Supreme Court to reverse the action of the lower courts.

The mass sedition trial had been under way 8 months when, in the fall of 1944, Edward C. Eicher, the presiding Federal judge, died and a mistrial was declared. The trial was resumed later, but last November the case was dismissed because of the Government's repeated delays in prosecutions and because of statements by O. John Rogge, then the Federal prosecutor, that he doubted the Supreme Court would uphold any possible convictions in light of the Government's evidence.

The original indictment was returned in July 1942 and subsequent indictments were returned in January 1943 and January 1944. Defendants included outspoken anti-New Dealers, some German bundists, and others.

Comment by the Washington Star on the dismissal, printed in its issue of June 30, 1947, in part reads as follows:

MASS SEDITION CASE DISMISSAL IS UPHELD BY APPEALS COURT

The United States court of appeals today upheld district court's dismissal of the wartime mass sedition case.

The case was dismissed by Chief Justice Bolitha J. Laws on December 2, 1946. The indictment had been returned January 3, 1944, charging about 30 defendants with subversive activities. Eight months after the case went to trial, a mistrial was declared as a result of the death of the presiding judge, Chief Justice Edward C. Eicher, in November 1944.

In the appellate court's opinion, it was pointed out that the trial court is empowered to dismiss an indictment if there is "unnecessary delay in bringing a defendant to trial."

The opinion was written by Chief Justice D. Lawrence Groner. Associate Justice Henry W. Edgerton wrote a dissenting opinion.

At the same time, the court upheld district court in dismissing a petition for a writ of habeas corpus by William Dudley Pelley, who was a defendant in the sedition case.

Pelley has been in this jurisdiction, having been brought here from the United States penitentiary at Terre Haute, Ind., where he was serving a 15-year term imposed by an Indiana court for a sedition-law violation.

While in this jurisdiction he had filed in district court a petition for a writ of habeas corpus attacking the jurisdiction of the court in Indiana in the trial which resulted in his conviction there.

The opinion, written by Associate Justice Bennett Champ Clark, held that district court had no jurisdiction to entertain Pelley's petition.

In the mass-sedition case, Justice Groner declared that "where there has been a lack of due diligence in the prosecution of a case, the trial judge may dismiss and his order will be sustained on appeal, unless there has been a clear abuse of discretion."

The appellate court opinion said the record shows that from January 1946, until the dismissal order, the trial court, at the request of some of the defendants, again and again sought to compel action which would either result in a trial or dismissal.

"Its final decision to adopt the latter course seems to us altogether reasonable and proper, and in fact we are not prepared to say it was compelled in the light of the facts then shown to exist," the opinion said, in regard to district court's action.

In his dissent, Justice Edgerton declared the court clearly indicated in its memorandum opinion that, in dismissing the indictment, it was very largely influenced not only by delays, but by the personal doubts of a successful prosecution which O. John Rogge had expressed when he was in charge of the Government's case.

The costly case, in which the defendants were accused of conspiring to undermine armed forces morale and set up a Nazi regime in this country, was assigned to Justice Laws early in 1946. He conducted a number of hearings on pending motions to dismiss.

"The Government," Justice Groner's opinion said, "was not ready to go forward and on at least three ocasions time was extended in order that, if possible, new evidence might be obtained."

Thereon Lamar Caudle, now Assistant Attorney General, succeeded Mr. Rogge in charge of the Government's case when Mr. Rogge left the Justice Department.

The Leader, of San Francisco, on March 20, 1948, summed up the whole disgraceful proceeding as follows:

THE INFAMOUS MASS SEDITION TRIAL

Until the end of time, or, at least, until the Soviet Union takes us over, and the last pretense of due process of law is dispensed with, the infamous mass sedition trial a la Moscow, cooked up by Eugene Meyer, Franklin Roosevelt, Francis Biddle, William Power Maloney, et al., will receive mention of one kind or another in any extended discussion of the trends of American jurisprudence.

Yet, the Washington Post, on Monday, the twenty-ninth, had the effrontery to pose as one advocating fair play, equal justice under law.

It is no wonder that the Washington Post is now buying full-page space in major newspapers outside of Washington to reproduce its editorial of May 22, entitled "The Road Back to America."

The Post here in Washington has been unfair, arbitrary, vicious, and unprincipled in its attacks upon all those who, wrongly or rightly, disagreed with its editorial policy.

Instead of rendering a worth-while service in aiding in driving from public service those who seek to overthrow our Government, either by force or by subterfuge, the Post still condemns those who seek the light, those who wish to exercise the right of free speech, those who wish to bring home to the people of

America the dangers which it is thought confront them.

The Post desires to exercise the right of free speech, but condemns others when they seek to express an opinion.

Has the Washington Post ever, during the last 15 years, given support to any congressional committee which sought information which might expose Communists or those in the Federal Government who were arbitrarily using or misusing the power of their office?

It is unfortunate that the Post has felt, still feels, obligated to follow the line of President Truman when he stated that the effort to expose the Communists in the executive departments was merely a "red herring."

In the New Leader of May 27, 1950, Elmer Davis has an article in which, using the Lattimore case as an illustration, he insists that one has the right to express his own opinion.

Because Mr. Davis presents his argument so vehemently, I am asking permission to print it herewith, hoping that some of those in the State Department and some of the left-wingers will practice what he preaches and not condemn all of us as being disloyal when we do not agree with everything the State Department or the New Deal advocates.

Certainly, the answer to one of his questions, "Shall we leave the field [of public comment] to the McCarthys and the Kamps?" is an emphatic "No."

An equally emphatic "No" is the answer to the question, "Shall we leave that field to the Washington Post, the columnists, the commentators, and others who can see nothing wrong in corruption in government or in the employment by the Federal Government of individuals who do not believe in or practice the principles enunciated in our Constitution?"

The true doctrine is that no one should be lightly accused. When accused, the presumption of innocence should apply until the evidence is convincing.

Whether Mr. Davis believes, as Mr. Granville Hicks states in his reply to Mr. Davis, that "the State Department should never have made homosexuality per se a cause for dismissal," I cannot decide from reading his article.

One thing I do know and that is that the people of my congressional district—and I assume they are little, if any, different from those in other districts—do not want homosexuals in the Federal Government, either as employees or as elected or appointed officials.

The Davis article is as follows:

LATTIMORE AND THE LIBERALS

MUST WE KEEP OUR MOUTHS SHUT? ASKS ELMER DAVIS

I do not suppose that Mr. Granville Hicks intended, in your issue of May 6, to advise Owen Lattimore's friends to throw him to the wolves regardless of the evidence, for fear they might get their fingers burnt on another Alger Hiss; but that is about what his argument comes down to. Follow out his line of reasoning and it would mean that the anti-Communist left must keep its mouth shut, leave the field to MCCARTHY, and regard everyone whom he accuses as guilty until he proves his innocence—if he can prove his innocence, which on the theory of evidence laid down by Louis Budenz is practically impossible. It does not seem that such a policy would be in the public interest.

Presumably, I am one of the people Mr. Hicks refers to as rallying to Lattimore's defense; though I would not have rallied to the defense of Dr. Fuchs, whom I did not know and who, to judge from the evidence I have seen, is certainly guilty. I do know Lattimore, and worked with him in the Government for 2 years. Perhaps I do not know him as well as Acheson knew Hiss, but I can assure Mr. Hicks that that awful example is always present in the mind of anybody in Washington. I have not supported Lattimore with absolute assurance, which is possible only to God; but with such assurance as comes from analysis and estimate of the evidence to the best of my abilities. Whenever any man, after such an analysis, feels that he must keep his mouth shut for fear of the theoretical possibility that he might be mistaken, he had better keep his mouth shut on all subjects for all time—as, of course, many of my listeners daily advise me to do, with a variety of virulence and obscenity which could hardly be reproduced in these pages.

What is the evidence against Lattimore as of this date—May 7? First, that he may be wrong in his views about China; which, as he says—and as Mr. Hicks admits—does not prove that he is a Communist. Second, what Freda Utley is sure he must have meant even if he didn't say so; on such reasoning you could convict anybody. Third—the only thing of the slightest evidential value—what Budenz says some people told him.

The fact that some of them deny they ever said it is discounted because they are, or are widely believed to be, still Communists; I would not quarrel with that. But in several points Budenz's testimony fails to hang together. Why did Stachel have to tell him to regard Lattimore as a Communist if, as he says, he had for 7 years known him as a Communist? Why did he never mention Lattimore till the McCarthy crusade had begun? Why did he appear to regard Lattimore as still editor of Pacific Affairs, and nothing else, at a time when he had no connection with that magazine for 2 years and was working for the Government? If Lattimore had received (or had given—Budenz told both stories) the instructions Budenz said he had in 1943, why should he not have tried to use them in the Government, where they could have been far more effective?

He did not so use them, to the best of my recollection; and I was then his superior officer and would soon have been aware of any of his proposals to deviate from Government policy. My confidence in Lattimore is based primarily on my association with him, my knowledge of what he was then doing, and of the policies he was then advocating. Of course, Budenz says all this amounts to nothing. If his books were criticized by the Communist press, here and abroad, that was only necessary protection. If he opposed causes which the Communists favored, he had a dispensation. May I point out that this kind of evidence would equally damn the editors of the New Leader, if Budenz or MCCARTHY chose to accuse them?

But Mr. Hicks seems to think that all this should be disregarded; that people who knew Lattimore and knew what he was doing should keep silent because of the mathematical possibility that they might turn out to be mistaken and fall with Lattimore. They should not trust their own judgment of the evidence; they should not rely on the kind of reasoning on which they would make a decision on any other issue; they should keep their mouths shut on the chance, however small, that they might be wrong.

Well, there are plenty of people who are not going to keep their mouths shut for any reason. Shall we leave the field to the McCarthys and the Kamps? If we do that on this issue we might as well do it on all issues, domestic and foreign—admit that we are wrong, and that there is no middle ground between communism and reaction. For that is what this argument is about in the minds of many men who are pushing it, whether or not it is so in the case of Senator MCCARTHY, whose mental processes I am unable to probe.

Mr. Hicks' theory would equally forbid skepticism about any charges of homosexuality, which to Senator McCarthy (and Senator Mundt, and Governor Dewey) seem equally important. The State Department fired all homosexual employees against whom it had evidence; what more do these gentlemen want? Apparently they want it to fire people against whom there is no evidence except MCCARTHY'S unsupported accusation. This is a peculiarly effective form of attack since it imputes a degrading offense, and since by its nature absolute disproof is impossible; once accused, no man can ever exculpate himself. Accordingly it has sometimes been used in local politics; but this is the first time in American history that it promises to be a major issue in an election.

That is a side issue which Mr. Hicks did not touch, but his doctrine would apply to that even more than to accusations of communism. Never defend anybody; you might be mistaken. Which implies that no man, however conversant with the available evidence he may be, dare ever trust his judgment to draw conclusions from that evidence; that he must leave the argument to those who either roll their own evidence, or reach their conclusions not by reason but by unanswerable argument of faith. It is no good trying to reach the best approximation to the truth of which your intelligence is capable; you must defer to authority, even if it be only the authority of a Budenz or a MCCARTHY.

If that is true, much of the human race has been on the wrong track for the past 500 years—as many people (including Adolf Hitler) have maintained. If that is true the argument is over; the New Leader had better suspend publication, and the rest of us had better become Trappists vowed to silence. To trust your judgment entails a hazard—the hazard that even after the most careful evaluation of the evidence you might be mistaken. But so does any other exercise of human judgment; and a man who is afraid on that account to exercise his judgment and report his conclusions does not amount to much. Yet, there seems to be increasing support for the opposite view. One of my listeners, apparently a man of standing in his community, writes me that "this is no time to wait for convictions" (he means convictions by legal process); "confidence can be restored only by admissions"—i. e. confessions.

And if there is nothing to confess? That is no problem in Russia or its satellite countries; they take care to get the confessions, so that accusation is always equivalent to conviction. But that is not the theory on which this Republic has been operated, so far.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks on the subject of fiat money and its consequences, and include therein a article by Professor Spahr, notwithstanding the fact that it is estimated by the Public Printer to cost $273.34.

Mr. ELLIOTT asked and was given permission to extend his remarks in three instances, in each to include certain extraneous matter.

Mr. WOODRUFF asked and was given permission to extend his remarks and include a speech by a former eminent Member of the House of Representatives.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three instances and to include extraneous matter.

Mr. LYNCH asked and was given permission to extend his remarks and include an address made before the Irish-American Historical Society.

Mr. MILLS. Mr. Speaker, the Secretary of the Treasury has recently made in his native State four addresses. I ask unanimous consent to include them in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ASPINALL asked and was given permission to extend his remarks and include an address entitled "Stockpiling and Mineral Security," notwithstanding the fact that it will take 2⅔ pages and is estimated by the Public Printer to cost $218.68.

Mr. JONES of Alabama asked and was given permission to extend his remarks and include a speech he made recently on the subject of rural housing.

Mr. VAN ZANDT (at the request of Mr. GRAHAM) was given permission to extend his remarks and include a speech he made on Memorial Day.

Mr. McGREGOR asked and was given permission to extend his remarks and include an editorial appearing in the Mount Vernon (Ohio) News.

Mr. MILLER of Maryland asked and was given permission to extend his own remarks.

Mr. KEE asked and was given permission to extend his remarks and include an address delivered by Gen. George C. Marshall at the memorial services in Arlington National Cemetery on May 30.

Mr. SULLIVAN asked and was given permission to extend his remarks and include an interview with him on the subject of rent control broadcast by transcription over radio station KWK, of St. Louis.

Mr. MURRAY of Wisconsin asked and was given permission to extend his remarks in two instances and include in one a table prepared by the Department of Agriculture showing the downward trend of farm prices since the Anderson-Cooley bill was in operation.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD in two instances.

Mrs. ST. GEORGE asked and was given permission to extend her remarks.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks and include a speech.

Mr. MACY asked and was given permission to extend his remarks in two instances and include two speeches, one he gave at Levittown, N. Y., and a memorial day address.

Mr. KEATING asked and was given permission to extend his remarks in two instances and include an editorial.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks in three instances and include related matter.

Mr. CHESNEY asked and was given permission to extend his remarks and include an article from the American magazine.

Mr. MULTER asked and was given permission to extend his remarks and include extraneous matter which is estimated by the Public Printer to cost $328.

Mr. JACKSON of Washington (at the request of Mr. MITCHELL) was given permission to extend his remarks and include an editorial.

Mr. MICHENER asked and was given permission to extend his remarks and include a news article.

Mr. SADOWSKI (at the request of Mr. PRIEST) was given permission to extend his remarks in six instances and include extraneous matter.

Mr. RABAUT (at the request of Mr. PRIEST) was given permission to extend his remarks and include an address by Mr. Leon Keyserling, notwithstanding the estimated additional cost of $369.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 6655. An act for the relief of Taeko Suzuki.

ADJOURNMENT

Mr. CROOK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 59 minutes p. m.), under its previous order, the House adjourned until Monday, June 5, 1950, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Armed Services. H. R. 8594. A bill to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes; without amendment (Rept. No. 2174). Referred to the Committee of the Whole House on the State of the Union.

Mr. COX: Committee on Rules. House Resolution 617. Resolution authorizing and directing the Committee on Armed Services to conduct thorough studies and investigations relating to matters coming within the jurisdiction of such committee under rule XI (1) (c) of the Rules of the House of Representatives; without amendment (Rept. No. 2186). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SHAFER: Committee on Armed Services. H. R. 8604. A bill to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.; without amendment (Rept. No. 2173). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 2462. A bill for the relief of Miju Iseri Tsuda; with amendment (Rept. No. 2175). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 6225. A bill for the relief of Mrs. Aimee Hoyningen-Huene; with amendment (Rept. No. 2176). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6710. A bill for the relief of Anna Samudovsky; without amendment (Rept. No. 2177). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7314. A bill for the relief of Yukie Nishimura Okubo; with amendment (Rept. No. 2178). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7629. A bill for the relief of Fumiko Arakawa and her child Rie; without amendment (Rept. No. 2179). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7779. A bill for the relief of Mrs. Stamatia Lymberopoulos and Leonidas Stavrou Limperopoulos; with amendment (Rept. No. 2180). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7899. A bill for the relief of Mrs. Michiko Nogami Cotter and Katsumi Cotter; without amendment (Rept. No. 2181). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8098. A bill for the relief of Teruko Ishikawa; without amendment (Rept. No. 2182). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8245. A bill for the relief of Dr. Alessandro Rizzo; without amendment (Rept. No. 2183). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 8382. A bill for the relief of Mrs. Misao Hatanaka Deskins; without amendment (Rept. No. 2184). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8585. A bill for the relief of Athena Mary Onasses; with amendment (Rept. No. 2185). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DAGUE:

H. R. 8688. A bill to provide that in determining eligibility for pensions payable to widows and children of veterans of World War I and World War II certain expenses shall be deducted from annual income; to the Committee on Veterans' Affairs.

By Mr. KEOGH:

H. R. 8689. A bill to increase the opportunities of blind persons for employment, and for other purposes; to the Committee on Education and Labor.

By Mr. SIKES:

H. R. 8690. A bill to provide for the issuance of commissions in the United States Coast Guard Temporary Reserve to members of the St. Andrews Bay Pilots Association; to the Committee on Merchant Marine and Fisheries.

By Mr. ELLIOTT:

H. R. 8691. A bill to amend the act approved August 4, 1919, as amended, providing additional aid for the American Printing House for the Blind; to the Committee on Education and Labor.

By Mr. JACKSON of Washington:

H. R. 8692. A bill to provide for the conservation of natural fish resources and for an adequate and balanced flow of fish and fish products in interstate and foreign com-

merce, and for other purposes; to the Committee on Banking and Currency.

By Mr. MITCHELL:

H. R. 8693. A bill to provide for the conservation of natural fish resources and for an adequate and balanced flow of fish and fish products in interstate and foreign commerce, and for other purposes; to the Committee on Banking and Currency.

By Mr. MURPHY:

H. R. 8694. A bill to prevent military personnel from replacing civilians in the United States Public Health Service; to the Committee on Interstate and Foreign Commerce.

By Mr. HÉBERT:

H. J. Res. 483. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Mid-Century International Exposition, Inc., New Orleans, La., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

By Mr. BROOKS:

H. Res. 621. Resolution to provide for the consideration of the bill (H. R. 8594) to provide for the acquisition, construction, expansion, rehabilitation, conversion, and joint utilization of facilities necessary for the administration and training of units of the Reserve components of the Armed Forces of the United States, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GOSSETT:

H. R. 8695. A bill for the relief of Winifred A. Hunter; to the Committee on the Judiciary.

By Mr. JOHNSON:

H. R. 8696. A bill for the relief of Tamaki Imai Myose; to the Committee on the Judiciary.

H. R. 8697. A bill for the relief of Ella Louie Attaway; to the Committee on the Judiciary.

H. R. 8698. A bill to validate a conveyance of certain lands by the Central Pacific Railway Co. and its lessee, Southern Pacific Co., to the Union Ice Co. and the Barbera Packing Corp.; to the Committee on Public Lands.

By Mr. O'BRIEN of Illinois:

H. R. 8699. A bill for the relief of Mrs. Anni Franchina and her minor daughter; to the Committee on the Judiciary.

By Mrs. WOODHOUSE:

H. R. 8700. A bill for the relief of Andre Lucien Marguier; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2177. Mr. SMITH of Wisconsin presented resolutions adopted by the National Society of New England Women at their thirty-seventh annual congress, Newport, R. I., May 22–25, 1950, opposing all proposals for world government or world federation, any change of United States status in the United Nations, international treaties interfering with the affairs and personal safety of the citizens of the United States under constitutional law in domestic courts, United States participation in the International Trade Organization; also demanding a balanced budget for the fiscal year 1951, that our Government adhere strictly to the existing immigration laws and quotas which govern immigration to the United States; also urging the use of appropriated funds to conduct a more vigorous, cooperative, and intensive investigation of charges against the State Department, which were referred to various committees.

SENATE

FRIDAY, JUNE 2, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Dr. C. W. Cranford, pastor, Calvary Baptist Church, Washington, D. C., offered the following prayer:

O God, our Father, we stand overwhelmed at the opportunity Thou hast given America today. Surely no nation in all history has ever faced a more glorious opportunity or so grave a responsibility. The decisions that are made in this room affect the lives of millions of people, not only in this country, but around the world. Grant, therefore, that the Members of this body shall be supremely conscious of Thy judgments and Thy purposes for mankind as they deliberate together. May their decisions reveal to all the world our faith in Thee and our concern that the worth of every individual shall be recognized and respected.

We pray in Jesus' name. Amen.

THE JOURNAL

On request of Mr. O'CONOR, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 1, 1950, was dispensed with.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. AIKEN and Mr. SALTONSTALL were excused from attendance on the session of the Senate today.

On his own request, and by unanimous consent, Mr. TAYLOR was excused from attendance on the sessions of the Senate for an indefinite period.

Mr. DARBY. Mr. President, it is necessary for me to be in Kansas next week on official business. Therefore, I ask unanimous consent to be absent from the sessions of the Senate until June 12.

The ACTING PRESIDENT pro tempore. Without objection, leave is granted.

COMMITTEE MEETINGS DURING SENATE SESSION TODAY

On request of Mr. O'CONOR, and by unanimous consent, the Committee on Foreign Relations and the Committee on Armed Services were authorized to meet jointly this afternoon during the session of the Senate.

On request of Mr. O'CONOR, and by unanimous consent, the Subcommittee on Employment of the Committee on Labor and Public Welfare was authorized to sit during the session of the Senate today.

COMMITTEE MEETING DURING SENATE SESSION ON JUNE 5

On request of Mr. CAIN, in behalf of Mr. TYDINGS, and by unanimous consent, the Committee on Armed Services was authorized to meet during the session of the Senate on Monday, June 5.

NOTICE OF HEARING ON NOMINATION OF M. NEIL ANDREWS, OF GEORGIA, TO BE UNITED STATES DISTRICT JUDGE, NORTHERN DISTRICT OF GEORGIA

Mr. McCARRAN. Mr. President, on behalf of the Committee on the Judiciary, and in accordance with the rules of the committee, I desire to give notice that a public hearing has been scheduled for Friday, June 30, 1950, at 10:30 a. m., in room 424, Senate Office Building, upon the nomination of Hon. M. Neil Andrews, of Georgia, to be United States district judge for the northern district of Georgia. Judge Andrews is now serving under a recess appointment. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. The subcommittee consists of the Senator from Nevada [Mr. McCARRAN], chairman, the Senator from Mississippi [Mr. EASTLAND], and the Senator from Indiana [Mr. JENNER].

CALL OF THE ROLL

Mr. O'CONOR. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore (Mr. HAYDEN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. O'CONOR. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MILITARY AID TO FOREIGN COUNTRIES—REFERENCE OF MESSAGE FROM PRESIDENT

The ACTING PRESIDENT pro tempore. On yesterday, a message from the President, relating to military aid to foreign countries, was referred to the Committee on Armed Services. Without objection, the message will be referred to the Committees on Foreign Relations and Armed Services jointly, in line with a similar arrangement last year.

DELIVERED-PRICE SYSTEMS AND FREIGHT-ABSORPTION PRACTICES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

Mr. O'CONOR. Mr. President, under the unanimous-consent agreement I believe the time was equally divided, and to be controlled, respectively, by the junior Senator from Louisiana [Mr. LONG] and the junior Senator from Maryland. If that is the situation, and if I am in order, I yield 10 minutes to the senior Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. President, it is now 2 years since the Senate undertook to clarify the law with respect to freight absorption, delivered prices, and good-faith competition. I

am proud to have done what I could to insure the continuance of the competitive, free-enterprise system, and to advise those businessmen who seek to engage in vigorous competition, of the dangers as to their pricing practices which they and America face unless S. 1008 is enacted into law.

In the 2 years this subject of free competition has been before the Congress, four congressional committees have heard a total of 176 witnesses, including many Members of Congress. There have been a total of 30 full days of full hearings before committees and 13 days of debate on the floor.

I do not recall any legislation that has been more fully considered by the Congress, more universally approved by those charged with administrative responsibility in the field, and more generally approved by the business interests concerned. As a member of a subcommittee during the Eightieth Congress and as chairman during the Eighty-first Congress of the Committee on Interstate and Foreign Commerce, I actively participated in these hearings. I conferred at length with Government officials concerning the drafting of legislation which would promote competitive activity in business without weakening the safeguards of the antitrust laws.

The first witness to appear before our committee, after I became its chairman, was the Honorable Charles Sawyer, Secretary of Commerce. The Secretary told us:

> It is probably desirable that the present language of the Robinson-Patman Act be clarified. In some situations businessmen feel that they are confronted with a choice between violating the Robinson-Patman Act by charging different prices to different customers or violating the antitrust laws by charging uniform delivered prices.

Testifying on S. 236, a bill substantially similar to the pending measure, and which was introduced by me, the Secretary of Commerce said:

> With its principal purpose, however, to clarify the legality of delivered pricing and freight absorption where there is no conspiracy or other conduct which is inequitable or contrary to the established policies of the antitrust laws, I am in agreement.

Mr. Sawyer then called attention to the fact that the Rigid Steel Conduit case was then pending before the Supreme Court and suggested that we might care to await the Court's decision in that case before passing legislation. A few days later the Assistant Attorney General in charge of the Antitrust Division testified before the committee and he, too, suggested that we might await the decision of the Supreme Court in the Rigid Steel Conduit case.

During the consideration of this entire question, I always tried to obtain, and give serious consideration to, the views of those in the Government who are charged with promoting a competitive economy. We adopted the suggestion of the Secretary and the Assistant Attorney General to withhold permanent legislation until the Supreme Court had had an opportunity to decide the Conduit case. We wanted this important matter to have every careful consideration. The Interstate and Foreign Commerce Committee, as well as the Judiciary Committee, thereupon approved and reported the moratorium bill, introduced by the Senator from Pennsylvania [Mr. MYERS]. This measure became the pending business of the Senate on May 31, 1949. By that time, however, the Supreme Court had disposed of—but had not decided—the Conduit case.

On April 25, 1949, with one Justice not participating, the remaining Justices of the Supreme Court divided 4 to 4 in attempting to decide the Conduit case. Most unfortunately they were unable to come to a decision in this important case, the outcome of which was eagerly awaited by the Congress.

The able Senator from Wyoming [Mr. O'MAHONEY], who has had a long and distinguished career as a champion of the antitrust laws, realized that moratorium legislation was then inadequate. He then proposed permanent legislation to be substituted for the pending moratorium bill. I am, of course, delighted that so eminent an antitrust authority as the Senator from Wyoming followed substantially the pattern of my bill, S. 236, in the legislation which he introduced. I am also glad to have been able to confer with him as to the language of the bill.

We may be comforted by the knowledge that before introducing the bill he had the advice, and consulted with, not only the Department of Justice but key members of the staff of the Federal Trade Commission.

Mr. President, this bill represents good legislation. It has been carefully and thoroughly considered. It has the full approval of the Attorney General as well as the Assistant Attorney General in charge of the Antitrust Division. They are the people primarily responsible for the enforcement of our antitrust policy.

Mr. President, that approval was not given as a matter of course, or without careful consideration. Although they initially approved the bill, they objected to the provision in section 4 (d) which was brought back by the first conference committee. They then objected to the bill and gave their approval again only after the conferees had withdrawn the report and changed that paragraph to the precise language recommended by the Attorney General.

This bill further has the support of the President's Council of Economic Advisors.

Even more important, Mr. President, on June 28, 1949, the Bureau of the Budget wrote the chairman of the Rules Committee that this bill, then in stronger form than at present, was in accord with the program of the President. On that day the President's secretary also wrote to the majority leader of the House that the bill was in accord with the President's program. The only amendments added after that date have been for the express purpose of further protecting small business.

The bill has been supported by the administration, but as everyone knows, this measure is wholly nonpolitical. On the other side of the aisle the minority leader has been one of the most ardent supporters of the bill; while on this side of the aisle, the majority whip is the original sponsor of the legislation, and it is vigorously supported by the chairmen of three great committees of the Senate, the Committee on the Judiciary, Joint Committee on the Economic Report, and the Committee on Interstate and Foreign Commerce. All these committees are concerned with the economic welfare of the country and the application of the antitrust laws to business. The comprehensive report of our committee, following many months of hearings and study, was unanimously adopted by the Interstate and Foreign Commerce Committee.

Opposition to the bill has come mainly from the retail druggists who have attacked it as a peril to their businesses. It is my considered opinion that these inspired attacks by some retail druggists are based wholly on false and misleading information which has been given to them. It is my further belief that this misinformation was willfully given to the retail druggists by those who would use these retailers as tools to accomplish a purpose which is not in the interests of those druggists.

I have made a careful study of the effect of the bill on retail druggists, and have written the Colorado Druggists Association the results of this study. For the benefit of my colleagues I recently sent a copy of that letter to each Member of the Senate. I now ask, Mr. President, unanimous consent that a copy of these letters may be inserted in the body of the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
April 6, 1950.

Mr. EARL C. VAN ZANDT,
Chairman, Legislative Committee, Colorado Pharmacal Association,
Denver, Colo.

DEAR EARL: Confirming our telephone conversation of the other day, I have carefully checked into the questions you raised on the telephone. My delay in answering is due to the fact that I wanted to get the information to you which I think you should have.

The fair-trade laws, the Miller-Tydings Act, and the minimum resale price contracts thereby provided for are not in any manner affected by S. 1008. They do not, however, govern the prices to which manufacturers or producers sell to wholesalers or retailers, but are limited only to the resale prices at which retailers sell to the consumer.

The present Robinson-Patman Act permits sellers to grant quantity discounts whenever and to the extent that they are justified by provable savings in costs. These discounts, which have always been available, and are now permissible, are also not affected by S. 1008.

The retail druggists have been concerned with section 3 of this bill because of misinformation given to them by the National Association of Retail Druggists. Section 3 of the bill does no more than permit one seller to, in good faith, meet the equally low price of a competitor in the sale of goods of like grade and quality. Attention is directed to the fact that three conditions are

required to comply with this provision: (1) the action must be in good faith; (2) the seller must meet the equally low price of the competitor; and (3) goods of like grade and quality must be involved.

In *Federal Trade Commission* v. *A. E. Staley Mfg. Co.*, the United States Supreme Court held that a seller was not in good faith when it adopted in toto the unlawful pricing practice of its competitor. There is nothing in S. 1008 which changes this definition of good faith. A drug supplier is therefore not in good faith in adopting an unlawful pricing practice of a competitor.

Drug products, particularly the advertised brands, are sold by the manufacturer through distribution channels intended to make the product available in all drug stores. Drug products are generally not homogeneous or fungible commodities. The product of one supplier is not substantially identical with that of others and not only is each supplier not required to sell at the same price as his competitor, but identical prices are unusual in the drug trade. Rarely do several brands of toothpaste, shaving cream, cosmetics, or any other drug products sell at identical prices. This situation is unlike that prevailing in the sale of sugar, salt, oil, chemicals, cement, and steel where a customer will not pay more for the product of one supplier than he will for another, and sellers are required to meet the equally low price of their competitors. Because of the facts under which the drug business is carried on, the provisions of section 3, S. 1008, will not have any effect upon the drug industry.

Examples of situations to which this provision would apply are the following:

A candy manufacturer in Omaha may compete with a candy manufacturer in Chicago in the sale of candy bars which have a national distribution. The Omaha candy manufacturer may purchase cane sugar refined in San Francisco while the Chicago candy man is able to purchase cane sugar refined at New Orleans. Because of the cheap water transportation up the Mississippi River, the Chicago man will be able to buy cane sugar at a lower price than the Omaha man. In order that Rocky Mountain beet sugar refiners may compete in the Chicago market, they would have to in good faith meet the equally low price of the Louisiana refiner. This in fact may result in his having a lower price in Chicago than in Omaha or Denver. However, the Omaha candy man cannot possibly be hurt because if the Rocky Mountain beet sugar refiners were denied the right to thus compete in Chicago it would merely mean that all the business in that market would go to the Louisiana cane refiner.

Another example appears when one seller elects to sell only to large buyers and therefore has a lower price. To deny his competitor the right to in good faith meet that equally low price would merely deliver a monopoly of the large buyer market to the first seller. This cannot apply, however, to the druggist, because the manufacturers of advertised drug products do not sell only to large buyers, and the advertised brand products of the druggist are such that one seller is not in fact required to sell at exactly the same price as a competing tooth paste, shaving cream, or cosmetic manufacturer. The only application this might have to the drug industry would be in the bulk sale of products such as epsom salts or soda bicarbonate which were purchased in bulk and packaged by the druggist.

The provisions of section 3 might also apply where a manufacturer is in good faith required to sell at a lower price to wholesalers than his price to retailers. Of course a manufacturer would be denied the right to sell to both wholesalers and retailers unless he could give a lower price to the wholesalers in order to permit them to make a profit and defray the cost of distribution. However, the druggists are not concerned with a lower price to wholesalers, for most retail druggists buy their drug products from wholesalers. The druggist would be concerned only if the wholesalers could not get a lower price than retailers who purchased directly from the supplier. In view of the foregoing, it seems to me clear that the nature of the products sold in a drug store are such that the provisions of section 3 of this bill will not adversely affect them. It is also clear that the bill in general is definitely in the best interests of retail druggists. The bill has as its primary purpose clarifying the right of sellers to absorb freight and sell at delivered prices. This is vital to the drug industry. Retail druggists would be substantially handicapped if they had to buy Lilly drugs f. o. b. Indianapolis, Parke-Davis drugs f. o. b. Detroit, and Abbott drugs f. o. b. Chicago. The druggist wants the supplier to sell at a delivered price. The druggist is also concerned with the maintenance of resale price contracts. This would be most difficult if not impossible if the law required each druggist to pay the full freight from the manufacturer's plant to his drug store. That would result in a different delivered cost to each druggist depending upon his distance from the factory. These different costs would require different retail prices, and the policing of fair trade contracts would be jeopardized if there were a different resale price in every town to which there was a freight rate. It cannot be said in good faith that this bill is not in the best interests of the retail druggists.

Sincerely yours,

ED. C. JOHNSON,
Chairman.

Mr. JOHNSON of Colorado. Mr. President, the distinguished Senator from Wyoming has demonstrated to the Senate that the bill will not and cannot harm small business or big business or any honest businessman who wants to engage in real competition. I fear, however, Mr. President, there are some who oppose the bill because they do not want competition or because they want what the President's economic advisers refer to as "soft" competition.

The bill is directed at two things. First to expand our economy and promote industrial expansion by permitting sellers to market their goods in distant areas through absorption of transportation costs whenever it is honestly required in order to compete in that distant market. The second portion of the bill deals with the right of the seller to in good faith meet the equally low price of his competitor. But his right to do so is conditioned upon his acting in good faith in the manner prescribed in the bill.

This bill carefully provides that a seller is not in good faith when his pricing practice is monopolistic, deceptive, fraudulent, or oppressive. It further provides he is not in good faith when acting under a combination, conspiracy, or collusive agreement.

The Senate need not fear that this bill will make lawful any system when enacted, which will permit monopolistic concerns to drive small-business men into bankruptcy, nor need there be any fear that it will permit one seller to lawfully adopt the unlawful pricing system of his competitors.

I can assure the Senate that the carefully chosen language of this bill would not permit those wicked practices.

I favor, and I know the American people support, the right of businessmen to engage in competitive conduct. In fact, we demand from business vigorous competition. This provision of the conference report does no more than permit sellers to engage in competition with their competitors by meeting the equally low price of such competitors when that is done within the limitations of the bill. Its limitations require that to be done in good faith, and that does not include monopolistic, oppressive, or fraudulent practices, nor, as the Supreme Court held in the Staley case, does it include the action of one seller in adopting the unlawful pricing system of his competitor.

This section of the bill was recommended to the Congress by the Department of Justice, and I commend the Attorney General for his forthright and vigorous stand in encouraging competitive conduct in business. I am wholeheartedly in accord with, and I fully support, the position of the Department of Justice in this respect.

This right to competitive conduct was also urged by the Council for Economic Advisors. On June 7, 1949, the Federal Trade Commission wrote the Committee on the Judiciary of the House that—

> All of the Commissioners believe that on balance it would be preferable to make the good faith meeting of competition a complete defense.

There is no Member of this body who would deny his support to any measure permitting and encouraging competitive conduct by businessmen. All of us abhor monopoly. All of us oppose conspiracies to fix prices. All of us demand, for the protection of the consuming public, that business engage in competition in order that the consuming public may have the best products at the lowest prices.

How can we, therefore, expect vigorous competition among businessmen if we impose restraints and restrictions upon their bona fide competitive conduct? When businessmen are honestly competing, we must assure their right to meet the competitive price of their competitors, when they do so honestly and without strong-arm methods designed to put the little fellows out of business.

In all probability the Congress will never enact perfect legislation. I say to you, however, Mr. President, that this bill is as nearly perfect as it is possible for legislation to be. It results from a 2-year study by the Congress. It was drafted with the advice and consultation of the best antitrust experts in the Government. It has been approved by the Attorney General, the Department of Justice, the Council of Economic Advisors, and the Bureau of the Budget, acting for the President.

Do those who suggest that this is a "big business" bill, that it will ruin small-business men, and will drive independent merchants out of business by the thousands, suggest that the Department of Justice is the tool of monopolistic big business? Do they want us to believe that the Department of Justice wants to drive little-business men out of business?

Do they think that the Council of Economic Advisors and the Bureau of the Budget are stooges for monopolistic big business and the confirmed enemies of small-business men? The answer to each of those questions, Mr. President, is "No." The same answer must be given to the question as to whether there is any valid objection to this bill.

I am disturbed by statements made on the floor regarding the effect of this bill, lest they create bad legislative history for those who may read the CONGRESSIONAL RECORD. I have analyzed one of the speeches which falls in that category; and for the benefit of posterity, I shall ask unanimous consent that the analysis be included in the CONGRESSIONAL RECORD.

I urge the Senate to adopt the conference report on Senate bill 1008. It is a good piece of legislation.

The ACTING PRESIDENT pro tempore. The time of the Senator from Colorado has expired.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a summary of congressional action on freight-absorption legislation.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF CONGRESSIONAL ACTION ON FREIGHT ABSORPTION LEGISLATION, MAY 20, 1948, TO MAY 23, 1950

May 20, 1948: Resolution (S. Res. 241) introduced for study of FTC pricing practices.

June 2, 4, 1948: Eight witnesses heard on resolution.

June 12, 1948: Resolution (S. Res. 241) approved.

November 9 through December 8, 1948: Hearings held on pricing study—109 witnesses heard.

January 5, 1949: S. 236 introduced by Senator ED C. JOHNSON (Colorado).

January 24 to February 18, 1949: Hearings held on S. 236. Heard 21 witnesses. Assistant Attorney General Herbert Bergson recommended (on January 25, 1949) that legislation await decision in Rigid Steel Conduit case, then in Supreme Court (hearings, p. 81).

February 18, 1949: S. 1008 (moratorium) introduced by Senator FRANCIS J. MYERS (Pennsylvania).

March 11, 1949: Report on Senate Resolution 241 filed (77 pages).

March 30 to April 1, 1949: Hearings on S. 1008 before Senate Judiciary Committee, 13 witnesses.

April 25, 1949: Supreme Court divides equally, 4 to 4 (one Justice not participating) in Rigid Steel Conduit case, referred to by Assistant Attorney General Bergson.

April 27, 1949: S. 1008, moratorium, reported favorably by Senate Judiciary Committee.

May 31, 1949: S. 1008 called before Senate for debate.

May 31, 1949: S. 1974, permanent legislation, introduced by Senator JOSEPH C. O'MAHONEY, to be substituted for Myers moratorium bill.

June 1, 1949: O'Mahoney bill substituted for moratorium and passed Senate by voice vote.

June 8, 1949: Hearings on S. 1008 by House Judiciary subcommittee. Two witnesses.

June 14, 1949: Hearing by House Judiciary Committee. Witnesses, Congressman PATMAN and three other Members of Congress.

June 21, 1949: S. 1008 reported favorably by House Judiciary Committee.

June 30, 1949: Hearing on S. 1008 before House Rules Committee. Four witnesses.

June 28, 29, 30; July 1 and 5, 1949: Hearings by House Small Business Committee in opposition to S. 1008. Fifteen witnesses.

July 6, 7, 1949: S. 1008 passed House, with amendments, by voice vote.

August 10, 11, 12, 1949: Debate in Senate on motion by Senator RUSSELL LONG, of Louisiana, to avoid sending bill to conference, so that a motion could be made to adopt House report.

August 12, 1949: Above motion defeated, 48 to 27.

October 13, 1949: Conference report filed.

October 14, 1949: Conference report approved in House 200 to 104 (after debate).

October 17–18, 1949: Debate in Senate on conference report—action postponed to January 20, 1950.

January 20, 1950: S. 1008 returned to conference to make a change in the bill suggested by the Attorney General.

February 28, 1950: Debate in House opposing returning bill to conference. Motion to reappoint conferees carried 240 to 144.

March 14, 1950: Second conference report filed.

March 14, 1950: Debate on second conference report in House. Report approved by voice vote.

Recapitulation

Favorable votes:	
Senate	2
House	4
Total	6
Days of debate:	
Senate	8
House	5
Total	13
Days of hearings:	
Senate	22
House	8
Total	30
Witnesses heard:	
Senate	151
House	25
Total	176

Insertions in CONGRESSIONAL RECORD estimated at over 200 (approximately 100 insertions in RECORD by Congressman WRIGHT PATMAN alone).

Mr. JOHNSON of Colorado. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a statement which I have prepared in reply to the arguments offered by the junior Senator from Illinois [Mr. DOUGLAS].

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF COLORADO

I have followed closely, and I have consistently supported the movement for, legislation to clarify the right of sellers to absorb transportation costs. I believe that this privilege is not only necessary for the good of our economy but is vital to the industrial development of the West. With the opening of the Eighty-first Congress, I became chairman of the committee which made an extensive study of this problem and heard the testimony of more than 100 witnesses. The first week of the last session I introduced a bill, S. 236, which closely paralleled the measure now before the Senate. I heard the testimony of many witnesses on that bill, including attorneys for the Department of Justice and the Federal Trade Commission.

I say without fear of successful contradiction that the pending bill will not legalize the basing-point system as formerly used in the steel and cement industries. It will not promote monopoly. It will not be harmful to small-business men.

I am deeply disturbed by the record that has been made by opponents of the bill. It has been said, for example, by the junior Senator from Illinois on many occasions that this bill would repeal the Sherman Act. There is certainly not one word in the bill which affects the Sherman Act. It is conclusive from even a casual reading of the bill that its provisions affect only the Federal Trade Commission and the Clayton Acts. The Sherman Act is not remotely changed by this bill. Of course, the Attorney General would not have given the bill his approval if there was any basis whatever for the statements that it repealed the Sherman Act.

Nevertheless, lawyers, businessmen, and even students of history who read the CONGRESSIONAL RECORD and find such statements unchallenged, might possibly think that the Congress intended to accomplish so absurd a result.

I know well the industry and sincerity with which the junior Senator from Illinois has approached this problem. His motive and intentions have obviously been the very best, and he has succeeded in presenting to the Senate all of the arguments against this bill. I deeply regret, however, that his advisers have apparently misled him both as to the scope and effect of the measure.

In spite of my high personal admiration for the distinguished junior Senator from Illinois, I feel compelled to correct the record on statements he has made as to this bill, not only for the benefit of the Senate, but also for posterity.

The Senator has time and again said that the bill would legalize the old basing-point system. The record is clear, however, that the bill would not legalize the old basing-point system and that the supporters of this legislation have consistently opposed that practice. One of the principal bases of this legislation has been the report unanimously adopted by the Interstate and Foreign Commerce Committee in March 1949 on its study of Federal Trade Commission pricing policies. I am proud to have been chairman of the committee that rendered that report. The Senator will find on page 23 of that Senate document a quotation from the testimony of the economist of the CIO United Steel Workers that: "I think that is one of the things which I cannot emphasize too strongly here. We are convinced that either system, a straight f. o. b. system or a basing-point system, is bound to serve the interests of big business."

With respect to that testimony the committee said: "The committee concurs in the conclusion that the basing-point system, as formerly used in the steel and cement industries, and the compulsory f. o. b. mill pricing, which at least some people at the Federal Trade Commission favor, are each iniquitous, that each operates to the benefit of big business and is harmful to the small-business interests of the Nation."

There are three elements in the old basing-point system: (1) The existence of both base mills and nonbase mills with nonbase mills all charging phantom freight; (2) the practice of charging all rail rates even though the shipments move by truck or water; and (3) an understanding among the sellers that they will all quote prices on the foregoing basis in order to reach identical delivered prices by prearrangement.

Not one of those elements of the old basing-point system is permitted by this bill. The bill does not permit phantom freight in any form and clearly outlaws all under-

standings or prearranged agreements for fixing prices.

The Senator from Illinois has said, "We shall be asked to vote without proper hearings, and the result will inevitably be bad, because it is not possible to write good legislation on such a complicated subject on the floor of the Senate without proper hearings" (685).

I call to the Senator's attention that not only proper but very extensive hearings have been had on this subject. The Senate subcommittee, of which the Senator from Indiana was chairman, heard 109 witnesses testify on this subject. The committee of which I was chairman heard 21 witnesses. The Senate Judiciary Committee heard 13 witnesses. The House Judiciary Committee heard 2 witnesses, and the Patman committee in the House heard an additional 15 witnesses. All phases of the problem were thoroughly explored. S. 236 served as a guinea pig and was criticized from both directions by lawyers both in industry and in government. The measure now before the Senate was drafted by the attorneys in the Department of Justice and in the Federal Trade Commission after having had the benefit of those extensive hearings. This bill was not hastily drawn on the floor of the Senate but was carefully prepared by the best antitrust lawyers in the Government. I regret that the opponents of the bill sought to attach crippling amendments to the bill on the floor of the Senate, but the responsibility for the unsound attempt to rewrite the bill on the floor of the Senate lies with those who now oppose the measure.

The Senator from Illinois has said "this measure would repeal the decisions of the United States Supreme Court" and that "we have this measure which would repeal these decisions which were based on our present antitrust laws" (685). The Senator referred to the Corn Products case, the Staley case, and the Cement case. The testimony of record by the antitrust lawyers is that none of those decisions will be repealed by this bill. The Senator will find the Supreme Court decision in the Corn Products case in volume 324 of the United States Reports, at page 726. He will find upon an examination of that case that the practice there held illegal was simply this: Corn Products Co. had plants at Chicago and at Kansas City; they charged all their customers the same mill price plus the freight from Chicago. This required Kansas City buyers whose goods were shipped from the Kansas City plant to pay phantom freight equal to the freight cost from Chicago to Kansas City. This phantom freight charge was held to be illegal and would continue to be illegal under the present bill. The Senator will find the Staley case reported in volume 324 of the United States Reports, at page 745. The only question involved in the Staley case was the question of fact as to whether Staley was in good faith. The court found that Staley had adopted in toto the illegal pricing practice of its competitor, and it was therefore not in good faith. There is nothing in S. 1008 which restricts the court as to a finding of good faith under similar circumstances, and it is clear that the Staley case is not overruled by this bill. Witness after witness among Government lawyers has testified that the only thing that was decided in the Cement case was that the cement companies had conspired to fix prices. The illegality of any conspired price is made crystal clear by S. 1008, and clearly that decision would not be repealed by this measure.

The Senator from Illinois has said "this is a promonopoly measure. It will increase the prices which the fabricators of goods will have to pay for the raw materials coming from the South and West" (686). The hearings of the committees which studied this problem are filled with the testimony of fabricators in direct contradiction to that statement. They all testified that the prohibition against freight absorption increases the price of raw materials to the fabricators, and not one witness supports the contrary statement. It is claimed by the Senator from Illinois that this bill represents "a reversal of the entire policy of this Government, which began in 1890 with the passage of the Sherman Act" (14834). Until 2 years ago every businessman in America had understood that from the first day settlers arrived in America the privilege of absorbing freight independently was available to every seller. We are now to understand that a practice which had never even been questioned until the last few years constitutes a reversal of Government policy beginning in 1890. Even the Federal Trade Commission denies that section 1 of this bill does more than restate what is now the existing law with respect to freight absorption. The letter from the majority of the Commission to the Senator from Tennessee which was inserted in the RECORD on January 19, 1950, denies that the freight-absorption provisions of the bill go beyond restating what the Commission maintains is the existing law.

The Senator from Illinois has said that "the Federal Trade Commission was begin ning to reveal the real and actual teeth inside the Sherman Act" (13331). I am sure he knows better than to infer that the Federal Trade Commission has jurisdiction to enforce the Sherman Act. This Congress has provided that jurisdiction to enforce the Sherman Act is vested exclusively in the Attorney General and so I cannot conceive of how the Federal Trade Commission, which to my knowledge has never brought a suit and never can under present law bring a suit under the Sherman Act, can reveal the teeth in that statute.

In the same vein the Senator said that "Senate bill 1008 would pull the teeth of the Sherman Act" (13331), but as I have previously shown this bill does not in any way change or alter the Sherman Act.

There is one statement by the Senator from Illinois in opposition to this bill that I am grateful to him for making. In his customary sincerity he has frankly disclosed his real objection to this bill. The Senator has said that he thinks it was the purpose of the Clayton Act "to protect individual producers" (14835), and he explained his opposition to this bill by saying that "it would not cover the effect on the competitor, but only the effect on competition" (14838).

That is a most significant statement. The Senator wants to protect the individual competitor while most of us want to protect competition itself. I am sure that as eminent an economist as the Senator from Illinois knows that in every competitive contest some competitor is apt to be hurt. The law cannot protect competitors against the normal incidents of competition without prohibiting competition. The purpose of our antitrust laws is to guarantee to the American public—to the 145,000,000 American people to whom we owe our primary responsibility—the benefits of a competitive system.

I should now like to briefly discuss the charges made by the Senator from Illinois against each of the sections of the bill. He has charged section 1 of the bill "will bring differing prices between localities—I emphasize that—but identical prices within a given locality," and that "the result is uniformity of prices and the abolition of competition" (14834). Thus we are told that the vice of section 1 of the bill is that it will result in uniform prices within each locality to all the buyers in that locality. But in discussing sections 2 and 3 of the bill the Senator has complained bitterly that they will permit sellers to discriminate in price by charging different prices to buyers on opposite sides of the street. Are we to understand that the very same bill is bad because it will result in uniform prices to all the buyers in a given locality and at the same time be bad because it will result in price differences to different buyers in the same community?

The principal attack of the Senator has been leveled at section 1 of the bill because it permits freight absorption, and this he says destroys the antitrust laws. He quotes from the opinion of Judge Parker in the Crown Cork case to the effect that freight absorption is just as bad as phantom freight (14839). Now section 1 of the bill relates only to the Federal Trade Commission and the Federal Trade Commission has a view exactly contrary to that of the Senator from Illinois. Their letter of January 17, 1950, to the Senator from Tennessee not only says that section 1 merely restates the present existing law but the Commission even cites that same Crown Cork case as clarifying the situation as to the seller's right to absorb freight.

When he reached section 2 of the bill the Senator said:

"This bill goes even further. It legalizes in section 2 (a) two additional pricing systems which monopolists can use. * * * What does this mean? It means that the so-called postage-stamp system of pricing or the zoning system of pricing is also legalized" 14834).

Prior to that statement by the distinguished Senator from Illinois I had never heard a criticism of postage-stamp pricing. This is the practice by which a seller charges the same price to every customer in the United States regardless of where he may be located. I note that the Senator from Louisiana, who has vigorously opposed the bill, has nevertheless expressed his approval of that type of pricing. We are told that this is a method of pricing which monopolists can use, and with this I agree, but I ask, What type of pricing is there which monopolists cannot use? Are we to attack every pricing practice which could be used by monopolists? I say, let's attack the monopolists instead.

Section 3 of this bill has come in for the full measure of devastation by the able Senator from Illinois.

He has said "section 3 completes the job of repealing the Robinson-Patman Act" (14783). When asked by the Senator from Louisiana if section 3 had the effect of going back to the old Clayton Act the Senator from Illinois replied: "I think it goes back even beyond the Clayton Act. I think this takes us back beyond the Sherman Act, as a matter of fact. This is a plunge back into the dark ages of big industry before any antitrust laws were passed" (14837).

And this isn't all that was said about section 3. He said: "It would reestablish the good-faith defense, and by so doing it would place beyond the law any and all price discriminations of a seller, no matter how great or how destructive of small business it was" (14839).

What is this iniquitous section that would plunge us back into the dark ages of big business? What is this horrible monster that would place beyond the law all price discriminations no matter how destructive to small business? Who supports this provision, presumably only the monopolistic monster of big business? This section provides, as appears from the clear language used by the draftsmen of the bill, that it shall be a defense to a charge of price discrimination for a seller to affirmatively prove that he made his lower price in good faith to meet the equally low price of a competitor.

Although the Federal Trade Commission has argued in the Standard Oil case that the present law does not permit this defense, its spokesmen told the Judiciary Committee last

March that it had no objection to a change in the law to make the good faith meeting of a competitor's price a defense. Last June the Commission wrote to the House Judiciary Committee that all of the Commissioners believed that it is preferable to make the good faith meeting of a competitor's equally low price a full defense. The Department of Justice has urged the Congress to enact legislation making the good faith meeting of a competitor's price a full defense. The Solicitor General of the United States refused to represent the Federal Trade Commission before the Supreme Court in the case in which it had denied this defense. The Council of Economic Advisers has approved making this a defense.

This bill in a form clearly making the good faith meeting of a competitor's equally low price a defense was drafted by the lawyers for the Department of Justice and the Federal Trade Commission. And in that very form it was approved by the Bureau of the Budget. A letter from the President's secretary to Majority Leader MCCORMACK said that it was in accord with the President's program.

If we are to accept at face value the statement of the Senator from Illinois as to section 3 of the bill, we must assume that the great champions of monopoly have now become: the members of the Federal Trade Commission, the Attorney General, the Solicitor General, the Antitrust Division of the Department of Justice, the Council of Economic Advisers, the Bureau of the Budget, and even the President of the United States.

I say with all the vigor at my command that it is not possible to question their fight against monopoly. Had I not made a thorough study of the problem I would unhesitatingly accept the view unanimously shared by the Department of Justice, the Council of Economic Advisers, the White House, and even the Federal Trade Commission. My own independent conclusion, however, is that their judgment is sound.

The only criticism that has ever been leveled at section 4 relates to the provisions of section 4 (d). Consequently demonstrating their good faith in this matter, the managers of the bill agreed to send it back to conference to change this section to conform to the recommendation of the Attorney General. The record should show, however, that there is a need for the amendment provided for in this section. In criticizing the prior language of this section the Senator from Illinois has said " 'reasonable probability' has been the standard used by the Commission and the courts up to date" (14838). The record is that that statement is accurate only up until the decision in the Morton Salt case. There the Supreme Court held that "reasonable possibility" was the standard. This was not mere loose language, because in a dissenting opinion, Justice Jackson bitterly criticized reducing the standard from "reasonable probability" to "reasonable possibility." I am sure the Senator appreciates the substantial distinction between the mere possibility of an event and the probability of that event.

The decision in the Morton Salt case is reported in volume 334 of the United States reports at page 37. It is true that the Commission was prompt to disown the broad scope of that decision and immediately said that it would continue to prove its cases by a reasonable probability, but the fact remains that in the Morton Salt case the Commission and the Court used the standard of possibility which section 4 (d) would now restore to probability. This is, as the Senator from Illinois says, as the law has always been.

This has been a highly controversial legislation, as every Member of the Senate knows. The effects and purposes of this bill have been magnified and greatly distorted. I have received inspired letters from people in my State claiming all sorts of things would result from this legislation. Some of them even feared that the bill would repeal the Miller-Tydings Act. The thing that disturbs me most, however, is the epitaphs that have been hurled at those who have sponsored this legislation. The able and distinguished Senator from Maryland, the courageous Senator from Wyoming, and others including myself, have been accused of being pawns of the monopolists because we have supported legislation which we know would be in the public interest. The overwhelming support for the bill, not only among businessmen in all segments of our economy but with those in administration who are charged with the enforcement of the antitrust laws, demonstrates the soundness of the legislation. I know that every Member of the Senate may vote to confirm this conference report with the assurance that time will prove this to be desirable legislation.

Mr. JOHNSON of Colorado. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an article entitled "Unrestricted Access to Markets: Aspects of Absorption of Freight Charges."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNRESTRICTED ACCESS TO MARKETS: ASPECTS OF ABSORPTION OF FREIGHT CHARGES

(By William F. Faircy, president, Association of American Railroads)

(Since the decision of *Federal Trade Commission* v. *Cement Institute* (333 U. S. 683 (1948)), the problem of absorption of freight charges by producers has been the subject of wide discussion and controversy. In this article, Mr. Faircy, a member of the Illinois, California, and Minnesota bars, treats the question from the broad viewpoint of the function of the freight absorption system in our national economy. He points out that the prosperity of the United States is the result of unrestricted access to markets and to sources of raw materials, and urges retention of the freight absorption system as a necessary part of that condition.)

Here in the United States we Americans enjoy such abundance as the world has never known before, and knows nowhere else today. Americans produce more and live better than any other people on earth. Why?

One common explanation is the size of the country—but there are other countries even larger. Another common explanation is the rich resources of the continent—but other continents enjoy resources equally rich, and even this continent, which now sustains nearly 150,000,000 people in a high degree of comfort, at one time could provide no more than the barest sustenance for perhaps half a million aboriginal inhabitants.

Still a third reason offered is our numerous ingenious and industrious population—but other nations have populations as numerous, perhaps as ingenious, and certainly as industrious. No, there must be still another reason for the difference in productive capacity and in the plenty we enjoy.

And there is such a reason. First, foremost, and fundamentally, the difference is in the political institutions which were devised and bequeathed to us by our forefathers. The unique thing about these institutions is the extent and degree to which they provide freedom. They do not provide merely a freedom to endeavor to be wise and good—all governments presumably do that—but freedom to try ventures, to make mistakes, perhaps to fail—but if to fail, then to have the chance to try again.

But not even this unique degree of freedom would be enough to produce such results as we see all about us in our magnificent country. To produce such results America had to be not only free but also had to have the transportation which made it truly united.

So, to its unique freedom, America added a unique concept of transportation. Transportation by rail, on the highways, in the air, on the waterways, and under the earth in the form of pipelines—all these are known and used in other countries as well as ours, but nowhere else are they known and used in such abundance.

Growing out of that fact is the thing that is unique about transportation in America. That thing is the use we make of it. Use of transportation in most countries is restricted by the concept, with how little can we get along? In our country the idea is, how much transportation can we use to increase production, to enlarge output, to cut costs, to enrich life?

THEORIST WOULD LIMIT PRODUCER TO ONE AREA

Every day in the year the railroads alone move 12 ton-miles of freight for every man, woman, and child in the United States. The theorist in transportation will say that not all this hauling is necessary. The theorist will tell you it is wasteful to move St. Louis shoes to Boston and Boston shoes to St. Louis; to move Baltimore beer to Milwaukee and Milwaukee beer to Baltimore; to move Kansas City steaks to Chicago and Chicago steaks to Kansas City. The theorist would have each producer restrict his sales to the trade area of his production, and would do it by the expedient of prohibiting absorption of freight charges. Well, let's see what we get into if the theorist's philosophy obtains.

Why is freight cross hauled? No one knows all the reasons why, for there are so many of them, variously combined in each individual case. But there are reasons, for most certainly nobody ships freight for fun. Nobody gives himself the pleasure of crating it up and loading it and paying the charges jut for the fun of doing it. Shipping freight is not a game. It's a business, and for every shipment made there is a reason, or, more likely, a whole complex of reasons adding up to one controlling fact, namely, that somebody thought that the freight shipped would have enough more value at destination than at point of origin to make it worth while to go to the trouble and pay the cost of shipping it. This is a good business reason so long as the businessman is free to make up his own mind where and how he will ship and how much he will charge for his product at destination. And since it is his goods that are being shipped and his money that pays for the movement and his privilege to make a profit on the sale of the goods—if he can—and his responsibility to bear the loss if his judgment is wrong, doesn't it seem reasonable to let him say what he will charge and how he will go about figuring the price? Shouldn't it be his business to say whether he will absorb all or a part of the freight charges or pass them along in their entirety to his customer, if he can, just so long as he does not conspire with his competitors to fix prices?

AMERICAN ECONOMIC SYSTEM BASED ON FREE CHOICE

The American economic system is based on freedom of choice, freedom of judgment, freedom of the market place, and freedom of movement. For the most part—except when and where we have had price supports or their opposites, price controls, or where questions of public utility regulation, or of conspiracy and combination, have intervened—businessmen in making prices have been free to use their own judgment. They have been free to give effect to any and all the elements which go into the making of prices. The seller has been supposed to know better than anyone else what prices would cover his costs; the buyer has been

supposed to be able to say whether any or none of the prices offered him was satisfactory. The whole process has been one of free meeting of the minds—with both buyer and seller taking into account all the tangible and intangible factors which enter into the making of a bargain.

Even now, no one seriously proposes to restrict this free method of selling as a general practice in the conduct of business—except insofar as transportation costs may enter into the determination of prices. The seller may continue—insofar as the theorists in transportation are concerned—to make his prices in relation to the supply and demand of his product, to the prices of his raw materials, to the cost of manufacture, to taxes, rent, insurance, interest charges, overhead of every character, and even to the transportation charges he pays on his inbound raw materials—but, according to these theorists he must not take account of the out-bound freight charges upon his finished product. According to them, he must sell f. o. b. mill, if he is to avoid the suspicion of collusion, and must let the consignee worry about the freight charges. As to whether he is actually subject to suit if he absorbs freight charges, on his own, without conspiring with competitors, not only the lawyers but also the Government officials themselves disagree—there is almost a confusion of tongues, so to speak, on this subject.

If it should turn out to be the law that no systematic absorption of freight charges is to be permitted—and that delivered pricing even in individual instances is subject to risk—the effects upon the structure of the economy would be profoundly disturbing.

Under such a system, there would be an unpredictable relocation of industry on the part of those businesses which say, unequivocally, that without some sort of freight absorption they cannot operate present plants which were built not to serve merely limited and restricted local markets but great sections of the country, or even the whole Nation.

UNRESTRICTED ACCESS TO MARKETS AN AMERICAN TRADITION

The structure of the economy of this country traditionally has been founded upon the concept of unrestricted access to markets and to sources of raw materials. It has been left for each producer to judge how far he should reach, either to secure his materials, or to distribute his product. It has been up to him to make the crucial decision as to where, in each individual case, he might reach the point of diminishing or vanishing returns. Under this concept, the country has grown and prospered as no other country in the history of the human race. Moreover, the experience of two wars has shown that the industrial capacity which has been achieved under this concept is indispensable to the national security.

The great productive capacity of this country has been built—and the transportation plant has been built—not upon the basis of the use of transportation only under the compulsion of niggardly necessity, but on the basis of its abundant use. The abundant use of transportation has made possible national opportunities for producers, and Nation-wide choices for consumers. These have created the American marvel of mass production, and this industrial marvel of the world could not be sustained without a continuation of national markets. In individual instances, there may be wasteful hauls. If so, they are the result of errors of judgment which are subject to the self-correction of results—the unrelenting testing of the market place. By that testing there is an almost automatic limiting factor, in that the producer who habitually overreaches in seeking new markets, or who habitually brings his raw materials from too great a distance and at too great a cost, soon ceases to be a producer. That, incidentally, is one of the great efficiency advantages of the private-enterprise way of getting things done, in comparison with the Government-controlled way. Under the private-enterprise way, repeated and habitual mistakes of judgment are corrected by failure; under the Government-control way, too often they are perpetuated through the involuntary, and sometimes unrecognized, support of the taxpayers.

ARTIFICIAL LIMITATION OF BUSINESS WOULD MEAN LOSS

But to limit artificially—as is proposed from time to time—the range within which a business may operate, is to do more than merely to limit that particular business. Such artificial limitation would result in the economic loss of junking plants built to serve great areas. It would create both economic and social dislocations. It would create uncertainties as to what would and what would not be permitted under such a policy of artificial limitation of transportation. It would limit the freedom of action and of choice which is the basis of our American large-scale production and widespread consumption.

Such artificial limitations upon the use of transportation would, in time, do even more. They would bring about the atrophy, more or less complete, of the very transportation systems which are one of the secrets of our national strength. The strongest muscles, when not exercised, wither and decay, and the complex mechanism of transport, if not used, would rust out. This is not to suggest transportation just to be transporting things—but then that doesn't happen to any significant degree because, as stated above, nobody ships freight for fun. But it is a fortunate fact that in our daily peacetime operations we do ship, by the various means of transport, enough to keep our transport agencies in vigorous working order.

It is a further fortunate circumstance that the cost of using our transport facilities is so little. Of course, we hear the words high freight rates—sometimes pronounced almost as if they were one word, highfreightrates—but actually the cost of transportation, and particularly of rail transportation, in this country is neither high nor burdensome. It is true that rail freight rates are higher in dollars and cents now than they were before the recent war. But when measured against the average value of the goods transported, rail freight rates are not only lower now than they were before the war, but in this postwar period are less than they have been since the Interstate Commerce Commission's Bureau of Transport Economics and Statistics has been keeping figures on the subject.

Because transportation in America is so cheap, it is used abundantly. And the converse is equally true. Transportation in this country is produced more cheaply because it is so abundantly used. In our transportation operations, we have applied the law of increasing returns—doing more and more for a smaller and smaller proportion of the total national production or income.

Those who would artificially limit the usefulness of transportation as a great tool, a great balance wheel of production and consumption would—if they should succeed—sharply reverse this trend. They would do so, no doubt, with high motives and good intentions. They would do so in the honest conviction that some commission, some board, somebody with the compulsive power of government could make the right and the wise decisions in the multitude of daily transactions. Some may contend that such a body, removed from the pressure of responsibility for results, would be wiser in its actions than the common businessman who has to make his guess, call his shots, and stand the consequences. But most Americans don't see it that way.

Most Americans recognize that prohibition of freight absorption would undercut the very foundations of the system of production and exchange of goods and services which have made America what it is—the great foundations of freedom of choice and action, and of the use of transportation as a productive tool. That would be a high price—a tragically high price—to pay for the testing out of some theory of compelling business enterprises to ignore one of the fundamentals of value and price—that is, the cost of putting the goods where the buyer wants them. It might even be that mankind ought to be willing to strive and struggle, to plan and sacrifice, without the incentive of the hope of profit—for which, incidentally, he takes the risk of loss. But that's not the way the American economy and the economic freedom, which is the sustaining force behind all our freedom, were built.

Mr. JOHNSON of Colorado subsequently said: Mr. President, earlier today I placed in the RECORD as a part of my remarks certain material. I now ask unanimous consent to have added material, which I send to the desk, inserted in the RECORD, together with the other matters I previously inserted in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Question by the able Senator from Tennessee [Mr. KEFAUVER] on June 1 and discussed by the Senator from Louisiana [Mr. LONG] today. Why is section 3 necessary if all we are concerned about is freight absorption?

Answer to that question and observation by the Senator from Colorado [Mr. JOHNSON]. Freight absorption takes care of sellers who sell their goods f. o. b. factory and then absorb a part of the freight cost. This, however, does not reach the manufacturer who sells at a delivered price and is required to meet the competitor's lower price in some distant market. Such sellers can compete in those distant markets only if given the right in good faith to meet the price prevailing in that market.

Mr. LONG. Mr. President, I yield 20 minutes to the distinguished senior Senator from Alabama [Mr. HILL].

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized for 20 minutes.

Mr. HILL. Mr. President, Senate bill 1008, as reported by the conference committee, would have the effect of legalizing two of the five principal forms of monopolistic market control against which the antitrust laws are directed. Specifically, this bill would legalize the most effective form of conspiracy ever devised, and it would throw wide open the door to the most effective of the illegal, competition-destroying practices—price discrimination—by making good faith an absolute defense.

INEFFECTIVENESS OF THE PRESENT ANTITRUST LAWS

In considering this extremely important piece of legislation, we must view the antitrust laws from a broad perspective. In directing our attention, as we properly must, to the technical details of this bill, we run the risk of overlooking the impact of the practices, which this bill would legalize, on the

whole body and structure of the antitrust laws.

The antitrust laws of the United States are, in essence, directed against five types of monopoly control. First, they are directed against control through excessive size and power. Second, they are directed against the control resulting from corporate mergers and acquisitions. Third, they are directed against the control by interrelationships of large corporations, through such means as interlocking directorates. Fourth, they are directed against certain specific coercive practices which destroy competition, principal among which is price discrimination. And fifth, they are directed against control through conspiracies in restraint of trade, of which the most important are conspiracies to fix prices.

Mr. President, the proponents of this bill vigorously assert that it is not their intent or desire to weaken in any way the whole structure and body of the antitrust laws. In this belief I am convinced that they are laboring under a misapprehension.

By failure of the law to be implemented and by judicial misinterpretation the antitrust acts have been rendered almost completely ineffective against the first three of the five forms of monopolistic control; that is to say, they are not effective against monopolistic control through excessive size and power; they are not effective against the control resulting from monopolistic mergers and acquisitions; and they are not effective against corporate interrelationships. Hence, the whole burden of maintaining a free competitive economy rests upon antitrust action against the remaining two forms of monopoly control—discrimination and conspiracies. It is precisely these two types which would be seriously, perhaps irreparably, damaged by Senate bill 1008.

Mr. President, I wish to pause here, although the time allotted to me is very brief, to pay tribute to the distinguished junior Senator from Louisiana [Mr. LONG] for the very fine, able, effective, and courageous leadership he has given those of us who are opposed to this measure. I salute him today as our young but most able, dynamic, aggressive, and courageous leader. He, in his very able address to the Senate, along with that of the distinguished junior Senator from Tennessee [Mr. KEFAUVER], who made a most able address yesterday, went thoroughly into the matter of price discrimination. In the limited time allotted to me I shall have to pass over that subject; but I wish particularly to invite the attention of the Senate to the provision of the conference report with reference to conspiracy, a provision which I think is one of the most fatal defects of this entire measure.

We must face the hard and somewhat bitter fact that since the time of the enactment of the antitrust laws we have winessed the various provisions of the antitrust laws crumble away, one by one. As each has gone down it has placed a correspondingly greater responsibility upon those that remain. Today we have reached a position where only two effective types of antitrust legislation remain; and now it is proposed that they, too, be sent to join their departed brethren. If that happens, the job of making a complete sham and farce of the antitrust laws will have been fully completed.

In passing the Sherman Act in 1890, the Congress obviously intended that restraints of trade, regardless of the form they took, should be prevented. This is apparent from the very words of the act. Indeed, it is difficult to conceive how Congress could have framed a more sweeping or inclusive statute than that law, which provides that—

SECTION 1. Every contract, combination in the form of a trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor.

SEC. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor.

It is not just some contracts or combinations that are prohibited. It is every such contract or combination. It is not just some persons who monopolize or attempt to monopolize, combine, or conspire who are guilty; it is every person who engages in such activities. Moreover, the law prohibits not only the actual monopoly but attempts to monopolize.

Yet, despite the inclusive character of this broad language, the Supreme Court by a long series of judicial decisions has read into it a distinction between restraints of trade which result from concerted action of independent enterprises—which it has held to be illegal—and those which result from great size and power—which for all practical purposes the Court has held to be perfectly legal.

As was feared, monopolistic interests have typically achieved their objective of controlling the market by what has become the permissible route of creating great corporate empires which possess sufficient size and power to fix prices, restrict production, hold back technological gains, and engage in the many other restrictive activities of monopolies. Because of the legality—read into the law by the courts—of great size and power, we are today confronted with a concentration of economic power which, to put it mildly, is astonishing.

The Federal Trade Commission recently issued a very illuminating report—The Concentration of Productive Facilities, 1947—which shows that in industry after industry a few giant corporations hold effective control of the market. For manufacturing as a whole, the report shows that in 1947 the 113 largest manufacturing corporations, each with assets of $100,000,000 and over, owned no less than 46 percent of the total net capital assets—that is, the total property, plant, and equipment, net—of all manufacturing enterprises, both corporate and noncorporate. Think of that: nearly half of the facilities of American industry in the hands of 113 corporations. This, let me repeat, is not a figure of only historical interest; it shows the actual situation which existed in 1947. Today the situation probably is even worse. Let me cite for just a few industries the figures published in that report, showing the proportion of the industry's total facilities—that is, its total net capital assets—held by its four largest companies—FTC, The Concentration of Productive Facilities, 1947, page 21.

Percent of net capital assets owned by four largest companies

Industry:	
Tin cans and other tinware	96.4
Copper smelting and refining	94.6
Linoleum	93.6
Rubber tires and tubes	88.3
Agricultural machinery	75.4
Office and store machines and devices	74.3
Plumbing equipment and supplies	74.3
Biscuits, crackers, and pretzels	71.4
Motor vehicles	70.7
Meat products	69.3
Glass and glassware	62.2

As in the case of excessive size and power, control through mergers is also permissible, despite the fact that Congress sought to render such control unlawful. In 1914 Congress passed section 7 of the Clayton Act, which prohibited one corporation from buying the stock of another corporation when the effect of the acquisition would be to substantially lessen competition or tend to create a monopoly.

But here, again, the intent of Congress has been nullified. For many years, corporations have been evading this specific intent of Congress by buying up the assets of corporations, rather than, or in addition to, the stock. As a consequence, the country has witnessed a long-term, steady increase in the concentration of economic power, an increase which is attested to by a number of separate, independent studies, all of which indicate the same general trend. Two thousand five hundred mergers and acquisitions have taken place in manufacturing and mining since World War II.

The same trend is to be found in most of our major industries. Thus, between 1880 and 1938, the share of the Nation's total iron and steel rolling-mill capacity held by its four largest producers rose from 24.8 percent to 64 percent; between 1900 and 1937, the share of the Nation's copper production accounted for by its four largest producers rose from 65.6 percent to 82.1 percent; and between 1909 and 1938, the share of the Nation's automobile production accounted for by the three largest automobile makers increased from 42.1 percent to 90.3 percent—TNEC Monograph No. 27, The Structure of Industry, Part 1.

This long-term steady upward sweep in the level of concentration is due in large part to acquisitions and mergers. Between 1919 and 1947, more than 11,000 formerly independent manufacturing and mining concerns disappeared as a result of mergers and acquisitions—FTC, The Merger Movement: A Summary Report, page 18.

It should be self-evident that these mergers and acquisitions constituted a powerful force in bringing about the steady increase in concentration.

Attempts to reach the third form of monopolistic control—that is, control of the market through intercorporate relationships such as interlocking directorates—have been equally ineffective. It is a little-known fact that the Clayton Act contains a specific prohibition against interlocking directorates. Section 8 of the Clayton Act makes unlawful the holding of directorships by the same person in two or more competing corporations, if one of the companies has capital surplus and undivided profits of more than $1,000,000. The joining of great aggregates of economic power through such ties was considered to be against the public interest in 1914, and should be so considered now. In his message to the Congress recommending the establishment of the Temporary National Economic Committee—Seventy-fifth Congress, third session, Senate Document No. 173, President Franklin D. Roosevelt condemned such over-all financial control, stating:

> Close financial control, through interlocking spheres of influence over channels of investment and through the use of financial devices like holding companies and strategic minority interests, creates close control of the business policies of enterprises which masquerade as independent units.
>
> That heavy hand of integrated financial and management control lies upon large and strategic areas of American industry.
>
> Interlocking financial controls have taken from American business much of its traditional virility, independence, adaptability, and daring—without compensating advantages. They have not given the stability they promised.

The law against interlocking directorates is almost wholly ineffective; and, as a consequence, interlocking directorates have spread like a gigantic spider web over American industry. In the latest study which has been made of interlocking directorates, the National Resources Committee examined the directorates of the 200 largest nonfinancial corporations and the 50 largest financial corporations in 1935. Of these 250 corporations, only 25 had no directors in common with at least one other of the 250 corporations. One firm interlocked with 35 of the 250 corporations. Altogether, there were 3,544 directorships on the boards of these 250 corporations. Between them, only 400 men held nearly one-third of those directorships.

American industry is crisscrossed by a perfect maze of interlocking directorships, bringing together corporations which Congress intended to be kept apart and competitive.

As I have said, Congress enacted a law against this very problem. However, that law has proved to be another of our ineffective antitrust statutes. Since that law—section 8 of the Clayton Act—applies only to interlocking directors, and says nothing about officers or employees, a firm can evade the provisions of the law by placing on the board of a competing concern, not one of its own directors, but one of its officers or employees. More commonly, however, the intent of the law is evaded by what are known as indirect interlocks—that is, directors of two competing companies who meet together on the board of a third firm, which is in a separate field.

The ineffectiveness of section 8 resulting from these loopholes was made abundantly clear in a statement by the Department of Justice in the form of a press release issued on October 11, 1947. The Department stated that between March 1 and October 11, 1947, it had examined the directorships held by some 10,000 persons in 1,600 leading corporations in industry. Of these 10,000, approximately 1,500 were found to have held directorships in more than one company. Despite the widespread extent of interlocking directorates indicated by these figures, the Department of Justice was able to state that as a result of its investigation only "20 directors had resigned or agreed to resign from the boards of 14 corporations." Twenty out of one thousand five hundred. Slightly more than 1 percent.

Like section 7 of the Clayton Act, section 8 was directed against a specific form of monopolistic control; like section 7, it has been almost completely ineffective.

GENERAL SIGNIFICANCE OF S. 1008 TO THE ANTITRUST LAWS

What we are concerned with here is the prevention of monopoly control of American industry. As I have stated, there are five ways in which that monopoly control can be achieved. Against each of these, Congress has directed legislation. The antitrust acts against three of these five forms of monopoly control are completely or almost completely ineffective. That makes it all the more important that we preserve and strengthen, rather than weaken in any way, the remaining provisions of the antitrust acts directed against the two other forms of monopoly control. To put it another way, if the laws on the statute books against excessive size, against monopolistic mergers and acquisitions and against interlocking directorates were really effective, perhaps we could afford to let down the barriers slightly against the other forms of monopolistic control. However, exactly the opposite situation prevails. The laws against the first three are of no value. Therefore, until such time as additional strengthening legislation is enacted, we are forced to place our full hope for the maintenance of a free competitive economy on the remaining phases of the antitrust acts which are directed against the other two forms of monopolistic control—namely, control by price discrimination and control by conspiracies.

Mr. President, in the face of the ineffectiveness of many of the provisions of our antitrust laws, is it logical to seriously weaken—and perhaps even destroy—the few remaining provisions which are effective? Is it logical to take the heart out of the law against price discrimination by making good faith a complete defense? Is it logical to legalize the most sophisticated and effective type of collusive activity ever devised?

Let us look for a moment at some of the ways in which Senate bill 1008 will weaken the provisions of the antitrust laws against price discrimination and the provisions against conspiracies.

THE EFFECT OF SENATE BILL 1008 ON THE LAW AGAINST PRICE DISCRIMINATION

Mr. President, my remarks concerning the effects of Senate bill 1008 on the law against price discrimination will be quite brief. Other Members of this body, particularly the junior Senator from Louisiana [Mr. LONG] and the junior Senator from Tennessee [Mr. KEFAUVER] already have described at some length the effect of the bill on the Robinson-Patman amendment to the Clayton Act.

When Congress passed the Clayton Act in 1914, it provided what it thought at that time was an adequate legislative barrier against unfair price discrimination. However, as in the case of so many other provisions of our antitrust laws, these provisions, it soon developed, contained serious flaws, one of which had a paralyzing effect upon the law. This was the so-called good-faith defense provision. Any corporation charged with price discrimination could beat the rap merely by showing that it was meeting, or just believed it was meeting, the discriminatory price of a competitor. However, this was one instance in which Congress acted to remedy the situation, for in 1935 Congress passed the Robinson-Patman Act, amending the Clayton Act, and significantly altering the status of the good-faith defense. No longer was it to be a complete defense, but only a procedural defense. Through this and other changes, the provisions of the antitrust laws against price discrimination were forged into a potentially extremely effective weapon. The law is so effective that today big business is determined to bring about its repeal. Such would be the practical effect of Senate bill 1008 as reported by the conference committee. It would undo the effect of the Robinson-Patman Act by once again making good faith a complete defense.

Thus, if Senate bill 1008 were enacted, even though a seller's discrimination could not be justified on the basis of cost, and even though the discrimination would have the effect of substantially lessening competition, the discrimination, no matter how substantial, would still be legal, provided that the seller making the discrimination could prove either (a) that another seller had offered to match his discrimination or (b) that he believed that another seller would do so. To say that such a provision does not impose an onerous hardship on sellers in making such a defense is to indulge in a rather considerable understatement.

I need only point out the obvious truth that any seller who wishes to discriminate in price can always find what the Senator from Louisiana has so aptly described as a dancing partner who will match his discrimination.

Inasmuch as any discrimination made by two or more sellers becomes legal under S. 1008—whether it involves freight absorption or not—it logically

follows that the effect of this bill will be to throw open a pandora's box of all manner of vicious price discriminations against small business.

THE EFFECT OF S. 1008 ON THE LAW AGAINST CONSPIRACIES

There is, however, another way in which the bill would weaken the antitrust laws—a way which, in terms of the general public interest, is at least equally important as the matter of price discrimination. I am referring to the impact of section 1 of the bill on the effectiveness of the Federal Trade Commission in carrying out the intent of Congress as embodied in its passage of the Federal Trade Commission Act 36 years ago.

Let us turn now to a consideration of the ways in which the bill would, in effect, weaken the provisions of the antitrust laws against conspiracies. As a necessary background to an understanding of the effect of the bill on the law against collusion, I think it well to look briefly at the origin and development of the basing-point system as a collusive mechanism. Senators who have studied that question are familiar with the origin of that system.

ORIGIN OF THE BASING-POINT SYSTEM

Parenthetically, I may say that I am defining the term "basing-point system" as a method of pricing in which, first, the commodity involved is sold at delivered prices; and, second, for every customer, there is one governing basing point, with a known base price to which sellers of the commodity, regardless of their geographical locations, add a predetermined amount—either the actual freight charge or the fictitious freight charge—to cover the cost of transportation. Under the basing-point system, the application of the freight charge to the base price nearest the customer results in identical prices by all sellers, wherever located, to any given point of delivery. Proponents of the basing-point system have argued vigorously that the system, like Topsy, just "growed." According to them, it was merely a "natural development." The facts reveal that quite the opposite is the case. The basing-point systems have typically been put into effect as a result of, and through the use of, collusion and nothing else.

Mr. President, a glance at some of the evidence in the record on this point reveals that the emergence of the basing-point system in the cement industry, and in other fields, as well, was a very "unnatural development." Prior to the formation of the Association of American Portland Cement Manufacturers in 1902, cement was generally sold f. o. b. mill—Docket 3167, *Cement Institute et al.* (37 FTC 87, p. 150). That association was stated at its December 1904 meeting to represent approximately 90 percent of the productive capacity of the United States. The minutes of that meeting indicate that one member stated that—

> The main grievance which the association has here is the grievance for a uniform price for cement.

Another said:

> Now if we are going to accomplish anything in the matter of prices, I believe the right place to do it is here.

Still another stated:

> While we are on this subject today we ought to do something practical; according to our bylaws, we are here for mutual benefit and not for mutual admiration, and I think we can pass a resolution that will be a basis to steady the market for next year. * * * I am sure that if we pass a resolution here, fixing the price to April 1 deliveries, then increase price for deliveries after that time, and agree right here to do this, we can carry this through. This is the time and place that this should be done (p. 151).

After discussion, it was resolved in association meeting:

> That the members of this association in answering inquiries for prices, confine deliveries up to April 1, 1905, and quote a higher price for deliveries after that date, and that it is the sense of this meeting that the price should not be less than $1 per barrel—at the mill for the Lehigh district (pp. 151–152).

Within a few years the basing-point system, as a result of such meetings and agreements, was firmly established in the cement industry. Members of the industry were told (a) what the basing points were, and (b) what prices to charge at each basing point. As early as 1915, very detailed instructions along those lines were sent out to the various producers. In one instance, for example, the general sales manager of Colorado Portland Cement Co.—of the Cement Securities group—outlined the understanding as follows, in instructions to an official of Colorado's affiliated Three Forks Portland Cement Co., on January 28, 1915:

> I have wired you the basis for quoting all of your territory, which is as follows: $1.50 per barrel f. o. b. Irvin, $1.30 per barrel f. o. b. La Salle, $1.50 per barrel f. o. b. Mason City, $1.10 per barrel f. o. b. Iola; whichever figures lowest.
>
> You need have no fear whatever of the Lehigh people taking any business except on this basis, as their Chicago office is now in complete charge of their Spokane factory, and will be responsible for every action of every one of their employees, and you may rest assured that Mr. Brown, as well as the others, understands this perfectly. Mr. Gowan gave me his personal guaranty of this and I gave him my guaranty of strict adherence to this (37 FTC, p. 155).

After discussing at some length the fact that International Cement Corp. had not been approached on the matter, but "that its western representative had stated that he would not go lower than any basis upon which he knew the Lehigh plant was selling," Colorado Portland Cement Co.'s general sales manager concluded with this admonition to his subordinate:

> While on this subject, I want to call your attention to the fact of not letting anyone know that any understanding, whatsoever, has been agreed upon, and especially never mention it to any of our customers, but simply say to them, that we have reasons to believe that no lower prices will be named than those we are quoting, because we know the basis to be practically cost to manufacture, at basing points, and no exceedingly high profit can be made by the plants operating at those basing points. Please caution your salesmen particularly in this regard (p. 156).

By such means as this, multiple basing-point pricing became the established method of pricing practically everywhere in the industry prior to the formation of the Cement Institute in 1929, and became one of the customs and usages which the institute has sought to maintain ever since.

The history of the developments of the basing-point system in the steel industry, and in other fields as well, parallels rather closely the history of its emergence in cement.

The sequence of events which have generally occurred in the establishment of basing-point system typically runs about as follows:

First. Around the turn of the century, producers in an industry would get together in pools or gentlemen's agreements for the express purpose of fixing prices.

Second. Because of their relative ineffectiveness and because of legal attacks by both Federal and State antitrust agencies, the pools and gentlemen's agreements gradually disappeared.

Third. During the course of their existence, however, it was found that one of the most effective ways of controlling prices was through the use of a single basing point which all mills, no matter where located, would use in quoting delivered prices, by adding to the price at such basing point the freight to destination.

Fourth. By providing a means whereby delivered prices could automatically be determined without the need of meetings, written agreements, and so forth, the basing-point system which emerged from the pools and gentlemen's agreements thus replaced them as a means of obtaining their objective.

Fifth. Either because of the development of new sources of production remote from the established basing point or because of legal attacks, the single basing point system gradually gave way to the multiple-basing-point system. The only difference between the two lies merely in the fact that under the latter the number of basing points is increased, and that in turn simply decreases the size of the areas in which each basing point controls the delivered price. By following the common practice of quoting delivered prices as the sum of, first, the base price at the basing point nearest the destination; and, second, freight from that basing point to the destination, all mills under the multiple-basing-point system, are able to quote identical delivered prices, down to the ten-thousandth of a cent, at any destination.

Although each industry which has followed the system shows minor deviations and exceptions of its own, the same general pattern applies, by and large, to the majority of the industries operating under the basing-point system.

From the point of view of the producers engaged in price fixing, the beauty of the basing point system lies in its nearly

automatic operation. Once it is established, it operates with the automatic regularity of an electric clock, without requiring attendance, direction, or guidance. Meetings, written agreements, and similar forms of overt activities which leave behind the tell-tale irrefutable proof of collusion are seldom required. Occasionally, evidence of this type does turn up; but generally it is the exception, rather than the rule. Most of the instances of collusive meetings and agreements which have taken place after an industry has adopted a basing-point system have occurred during the troubled period of the early thirties, when producers would at times deviate from the basing-point formula in their desperate attempt to secure business. In order to "correct" such straying from the beaten path, meetings were held now and then; and on occasion producers would write very frank letters concerning the necessity of maintaining prices through the use of a basing-point system. Such an instance is provided by a letter written on May 17, 1934, by Mr. John Treanor, a trustee of the Cement Institute, who stated:

> Do you think any of the arguments for the basing-point system, which we have thus far advanced, will arouse anything but derision in and out of the Government? I have read them all recently. Some of them are very clever and ingenious. They amount to this, however: That we price this way in order to discourage monopolistic practices and to preserve free competition, etc. This is sheer bunk and hyprocrisy. The truth is, of course—and there can be no serious, respectable discussion of our case unless this is acknowledged—that ours is an industry above all others that cannot stand free competition, that must systematically restrain competition or be ruined. Letter from Mr. John Treanor to Mr. Rader, dated May 17, 1934. Quoted from *Aetna Portland Cement Co. et al.* v. *Federal Trade Commission*, in the United States circuit court of appeals, brief for respondent (Federal Trade Commission, February 1946, p. 127).

With the appearance of the NRA, the basing-point system became the law of the land for those industries in which the system was incorporated as part of the Code of Fair Competition, and departures therefrom were punishable by fines. The effect of the NRA was thus to strengthen the effectiveness of the system, thereby largely eliminating the need for meetings and written agreements which had developed during the depression. Since that time, instances of such overt collusive activities have been few and far between.

Hence it may be seen that the collusive activity which sets in motion this nearly automatic mechanism is a matter of real importance in any true understanding of the basing-point system. They represent the prime mover, the initiating force, which sets in motion the most sophisticated, effective, and highly developed form of monopoly control ever devised.

From the foregoing, it should be obvious to anyone that the basing-point system was spawned, suckled, and nurtured by collusion. It was conceived by producers who regarded it as a more efficient means of price fixing than those which they have previously employed. In its development it required various types of concerted action in order to make its operations successful; but once it had been set in motion, it operated like an automatic clock.

Here the central issue is a simple one. It is the issue of conspiracy. Conspiracies were illegal under the common law, even before there were any antitrust statutes in this country. They were made specifically illegal by the Sherman Act in 1890. They were made even more illegal by the passage of the Federal Trade Commission Act in 1914. It was under that act that the Federal Trade Commission finally caught up with the use of the basing-point system as a collusive instrument.

What is the first and central charge by the Commission in the case which set off the tremendous pressure drive for the modification of the law? It was the simple charge of conspiracy. That is what most of the case is about. Yet, for some reason, I do not find the proponents of the bill emphasizing or stressing this feature of the issue. In its complaint against the Cement Institute et al., the Federal Trade Commission contended that the members of the industry had been engaged in a combination or conspiracy; and it was on the grounds of conspiracy, and nothing else, that the Supreme Court held against the cement producers. I quote from the Supreme Court's decision in the Cement Institute case:

> Most of the objections to the order appear to rest on the premise that its terms will bar an individual cement producer from selling cement at delivered prices such that its net return from one customer will be less than from another, even if the particular sale be made in good faith to meet the lower price of a competitor. The Commission disclaims that the order can possibly be so understood. Nor do we so understand it. As we read the order, all of its separate prohibiting paragraphs and subparagraphs, which need not here be set out, are modified and limited by a preamble. This preamble directs that all of the respondents "do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding or agreement, combination or conspiracy, between and among any two or more of said respondents, or between any one or more of said respondents and others not parties hereto, to do or perform any of the following things * * *." Then follow the prohibitory sentences. It is thus apparent that the order by its terms is directed solely at concerted, not individual, activity on the part of the respondents (*FTC* v. *Cement Institute et al.*, p. 42).

The order is directed "solely at concerted, not individual, activity on the part of the respondents."

Similarly, in the Rigid Steel Conduit case, about which there has been so much discussion, the first and central charge was, again, that of conspiracy. As in the Cement case, numerous examples of collusive activity are to be found in the evidence. For example, an agent of the Garland Manufacturing Co., one of the respondents, wrote in January 1948:

> I attended another meeting of the labeled conduit manufacturers today at the New York Athletic Club. Several projects were discussed as to prices and agreements that had been made, but nothing was pinned on to any of those present, which was in accord with our agreement to maintain card 76 on any new projects that might come up after our first meeting.

Difficulty of proving conspiracy under S. 1008: The objection may be raised that many of the types of collusive activity to which I refer are not specifically countenanced by the bill now before us, S. 1008. There is apparent substance to that objection; and I have cited this material, not for the purpose of suggesting that all of these activities are to be legalized by S. 1008, but, rather, to outline the general setting in which the basing-point system was conceived and carried out.

However, Mr. President, we must be realistic. It is highly unlikely that direct evidence of such overt action could ever be secured in any future case. Those who are engaged in such activities do not write letters any more, as the Senator from Louisiana well knows. As a result of the Supreme Court decision, as well as the congressional debate on this bill, big business has been put on notice that if it leaves such direct evidence lying around it is likely to get in trouble. Moreover, the direct evidence which I cited largely related to the time when the basing-point system was in its period of gestation. The "bugs" had not been completely ironed out. Meetings and conferences, which left behind their telltale evidence, had to be held in order to perfect the details. But all that is past history. The "bugs" have been ironed out. The details have been perfected. Hence, today the system can be put into operation without the occasion or necessity for letters, correspondence, minutes, or any other forms of "direct" evidence. In the future, if the system is to be found to be collusive, the finding must be based upon "circumstantial" or "indirect" evidence. That is the heart of this question, insofar as conspiracy or collusive action is concerned. There will not be any direct evidence any more.

Mr. President, what does this measure do? I suggest that we can come to grips with the question of whether or not S. 1008 does, in point of fact, legalize collusion by examining the features which are essential to the system's successful functioning after it had been established and set in motion. First, let us consider what are the "essential features" of a modern basing-point system. They are, as, of course, we know:

First. The quotation of prices only on a delivered basis.

Second. The establishment of prices at certain designated "base points."

Third. The calculation of delivered prices to any destination as the sum of (a) the price at the basing point nearest the destination, plus (b) a predetermined freight charge, either actual or on fictitious freight.

The combined use of these essential elements results in the distinctive characteristics of the system, namely, the existence of identical delivered prices at

any given destination for all sellers, regardless of location.

Assuming, as is only reasonable in view of the learned legal counsel which most of the corporations using the basing-point system employ, that it will be impossible to unearth any direct evidence on any of these features, is it reasonable to assume that a charge of conspiracy would still be upheld by the Court?

Mr. President, that is exactly the type of situation with which we will undoubtedly be confronted if the conference report is agreed to. The largest companies will set the base price and the smaller companies will simply follow. The industry will merely quote delivered prices as the sum of the base price plus the freight factor. If this bill is passed, is it reasonable to expect that the courts would regard circumstantial evidence indicating that such is the way prices are determined as proof in itself of conspiracy?

Let us assume, as is certainly reasonable, that all that the Federal Trade Commission will be able to unearth—owing in part to the expected disappearance of direct evidence—consists of circumstantial or economic information indicating the existence of a uniform practice among all members of an industry of selling only on the basis of delivered prices, which are computed as the sum of a base price nearest the buyer plus an arbitrary freight factor. Under such circumstances, the Court would then have these specific bases upon which to render a decision specifically and explicitly legalizing the system:

First. As the junior Senator from Tennessee has already pointed out, "The Supreme Court necessarily will say that in passing this proposed legislation Congress must have meant to do something; that Congress would not pass laws simply to leave things as they were"—CONGRESSIONAL RECORD, August 11, 1949, page 11254.

Second. The absorption of freight which constitutes one of the two principal means by which the basing-point system is operated is specifically sanctioned in sections 1 and 2B of the act.

Third. The other principal means by which the basing-point system is operated, namely, the posting of base prices governing a given destination area, is in no way affected by this bill. Typically, the base prices are set by one of the larger producers, and followed in due course by the smaller members of the industry. The resulting phenomenon, or price leadership as it is called, has been specifically sanctioned by decisions of the Supreme Court. In the International Harvester case, the Court upheld price leadership as a business practice, stating:

> And the fact that competitors may see proper, in the exercise of their own judgment, to follow the prices of another manufacturer, does not establish any suppression of competition or show any sinister domination (264 U. S. 693, 708).

In view of these considerations, how can it be seriously contended that the courts, in the expected absence of direct evidence, would ever regard this system as a violation of the law, even though it admittedly results in a complete disappearance of price competition?

Mr. President, the proponents of the bill will admit, as they must, that section 1 legalizes delivered prices and freight absorption; the first part of that section reads as follows:

> It shall not be an unfair method of competition or an unfair or deceptive act or practice for a seller, acting independently, to quote or sell at delivered prices or to absorb freight.

The proponents must admit that the section does exempt this important phase of business conduct from the test of illegality which applies to all other phases of business conduct, namely, the test of whether a particular practice under particular circumstances has a dangerous tendency unduly to hinder competition or create a monopoly. This is the test set forth in the majority opinion in the celebrated *Gratz case* (253 U. S. 421) which established what has become the most conservative and minimum test of a violation of section 5 of the Federal Trade Commission Act. But after having made this admission, the proponents contend that the public interest is adequately protected by the proviso of section 1. They contend that this proviso will enable the Federal Trade Commission to prevent the use of the basing-point system as a collusive instrument to fix prices. The proviso, which follows immediately after the words which I have just cited, reads as follows:

> *Provided*, That this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice, carried out by or involving the use of delivered prices or freight absorption.

Mr. President, the whole question thus becomes one of whether or not this language is adequate to prevent the return of the basing-point system as a collusive instrument to fix prices. Unfortunately, it is not adequate, as I shall now demonstrate.

The meaning of the first terms in the proviso, "combination, conspiracy, or collusive agreement," is clear and well-established in law. Combinations, conspiracies, and collusive agreements in restraint of trade are in violation of the Sherman Act. Moreover, the Supreme Court has ruled on several occasions that such combinations and agreements are also in violation of the Federal Trade Commission Act. There is no doubt, therefore, that if, as, and when the Federal Trade Commission could prove the existence of a combination, conspiracy, or collusive agreement to maintain a delivered-price system which has the effect of restraining trade, it could order the combination, conspiracy, or collusive agreement to be terminated. But here the problem is what constitutes proof. As I have already pointed out, the peculiar virtue of the basing-point system, from the point of view of the monopolists, is its automatic functioning, requiring after it is set in operation neither letters, minutes, nor any other form of direct evidence. And as I have also pointed out, it is extremely unlikely, if S. 1008 is passed, that the courts, in the absence of direct evidence, will hold that evidence of the system's effects and operations constitutes adequate proof of collusion.

Turning next to the terms, "deceptive, or fraudulent practice," these words also have a fairly well-established meaning in the law. At the risk of being too brief, we might say that they are terms of rather narrow meaning having to do with the simpler types of conduct which are universally regarded as reprehensible. They are usually avoided as unnecessary by the better established and more respected enterprises, and I cannot conceive of any way in which these terms could be important in any situation involving delivered pricing or freight absorption.

We come now to the remaining terms, "monopolistic" and "oppressive," which constitute the heart of the problem. Are they strong enough to enable the Federal Trade Commission to prevent the restoration of the basing-point system as a collusive instrument to fix prices? These words, monopolistic and oppressive, are new terms to the law. Although they have an extremely familiar sound, they also have a huge vagueness. They have no clear meaning either in statutes, court interpretations, or common usage. In order to determine what Congress meant by these terms, the courts would look first at the definition section of the bill, section 4, which however, says nothing about these words. Next, the courts would go to the reports of the standing committee, of which there is only one, the report of the House Judiciary Committee. And there they would find a definition—a definition which robs the terms of whatever effectiveness or force they might otherwise have had.

Remember, Mr. President, the Senate committee made no report on this bill. There were no hearings on it, as I understand, though the bill vitally affects the entire economy of our country, and, in the opinion of many of us, strikes at the very base of our free competitive American enterprise system. The bill comes before this body without hearings, without a report from the Senate committee.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HILL. I yield briefly, though I must move on.

Mr. LONG. As a matter of fact, is it not true that not only did the Senate committee not have a chance to consider this bill, but, when the bill went to the House, the committee there permitted only about three witnesses to testify?

Mr. HILL. The hearings before the House committee were brief.

Mr. LONG. They proceeded rapidly, did they not?

Mr. HILL. The conference report should be voted down, and the entire matter sent back to the agent of the Senate—the Senate committee—to allow

the committee to conduct hearings, to go into this question fully and thoroughly, and then to bring forth a piece of well considered and thoroughly digested legislation, if the committee feels that any legislation is needed on this subject.

When the court goes to the report of the House Judiciary Committee it will find a definition by the committee. The court considers the reports of committees, and I emphasize the fact that, regardless of what any individual Senator may say upon the floor of the Senate, or what interpretation or construction he may place on the language of a bill, the report of a standing committee takes precedence over any statement by any individual Senator, so far as the court is concerned, and carries far greater weight. It is given far greater priority in the consideration by the court, and it is much more a determining factor with the court than any statement of any individual Senator. I care not who the Senator may be, the determining factor as between a report of a standing committee and the statement of an individual Senator is the report of the standing committee.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HILL. I must hurry along, but I shall be glad to yield for a question.

Mr. KEFAUVER. The Senator is making a point which I think should be pressed again and again, and that is that a standing committee, the Judiciary Committee of the House of Representatives, interpreted the amendments to mean that the principle of good faith in meeting competition can be reinstituted as a complete defense.

Mr. HILL. The Senator is correct.

Mr. KEFAUVER. That would take precedence over what an able Senator, such as the distinguished Senator from Wyoming [Mr. O'MAHONEY], might say.

Mr. HILL. The Senator is exactly correct.

This definition is to be found on page 3 of the House Judiciary Committee report on Senate bill 1008. There the terms "monopolistic" and "oppressive" are clearly defined as follows: "Practices which are designed illegally to drive a competitor out of business." The circumstances under which this definition was drawn were such that the courts cannot treat it lightly. In the first place, it is contained in a report of the House committee having jurisdiction over this matter.

That is the definition. That will be the yardstick when the question reaches the Supreme Court of the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HILL. I yield for a question.

Mr. LONG. It is a fact, however, that the definition of the words "monopolistic" and "oppressive" would mean that if these practices are already illegal, they would continue to be illegal, but that does not make any such practices illegal.

Mr. HILL. The Senator is exactly correct.

In the second place, it was manifestly adopted from what must appear to be the considered statement, given before the House Judiciary Committee, of the Assistant Attorney General of the United States, a presumed authority on antimonopoly law.

Mr. President, it should be noted that according to this definition—that is, "practices designed illegally to drive a competitor out of business"—the terms, "monopolistic" and "oppressive," do not mean practices which have the tendency or capacity to drive a competitor out of business. Nor do they mean practices which have the effect of driving a competitor out of business. Rather, an additional and completely unenforceable test of illegality is required—the test of design, purpose, or intent. In other words, the Federal Trade Commission must go into the business of mind-reading and determine what a producer really has in the back of his mind when he engages in competitive practices as a result of which a competitor of his goes out of business. The occult is substituted for the observable.

Mr. President, I say that this definition robs the proviso of the protection to competition which the supporters of this bill have imputed to it. The definition, in effect, does nothing less than wipe out the protecting proviso.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HILL. Mr. President, I ask the distinguished Senator from Louisiana to yield me about five more minutes.

Mr. LONG. I yield five additional minutes to the Senator from Alabama.

Mr. HILL. Unless and until the proponents of the bill are able to provide the Federal Trade Commission with some new type of mind-reading device which really works, they had better stop talking about the way in which the proviso in section 1 protects the antitrust laws. Parenthetically, I must say that the objective of negating the proviso has been skillfully accomplished.

Whoever wrote that report did a skillful job. I should like to know whence the inspiration came.

I realize, of course, that there are Members of this body who sincerely believe that the words in the proviso mean something different and far stronger than is indicated in the House report. But it is a cardinal principle of our jurisprudence that the words of a statute are themselves the best expression of the intent of Congress, and the courts are generally reluctant to embark on the very dangerous course of seeking out a legislative intent which enlarges or modifies the language of a statute. Whether the courts would consider this proviso so ambiguous as to warrant going behind the words used for guidance is something none of us can possibly foretell.

In the likely event that the courts should decide to look behind the words of the statute to determine their meaning, they will be faced with directly contrary statements in the House committee report and in the Senate debates. It is an elementary proposition that the official reports of the standing committees are more authoritative than the individual views of Members expressed in the debates.

Furthermore, it is a settled principle of law that the courts may look for aid in construction of an ambiguous statute to the mischief to be remedied, as well as to the expressions of committee reports, and to consider what matters occasioned the necessity of the legislation. Should the courts follow such a course here, they will find the cause of the legislation to be their own decisions upholding the Federal Trade Commission in the Cement and Rigid Steel Conduit cases, cases against organized price fixing. On this theory the courts can hardly reach any other conclusion than that Congress intended to modify the law as expressed in those cases. This proviso, as interpreted by the House committee, would certainly furnish a strong implication that such was the intent of Congress.

Mr. President, in closing, I wish to say again that this bill must be considered not as a separate piece of legislation but rather in the context of the full structure and framework of the antitrust laws as a whole. The effect of this bill is seriously to weaken, if not destroy, those provisions of the antitrust acts directed against monopolistic control of the market through price discrimination and through conspiracies. If we pass this bill, we shall be doing so in the full knowledge that in thus paralyzing the two types of antitrust activity which have remained effective, we shall be unable to say that the general problem of monopoly can be handled by other features of the antitrust laws. As the law now stands there are no other features to which we can have recourse. The provisions of the antitrust laws against monopoly control through excessive size, control through mergers, and control through intercorporate relationships are already ineffective. In passing Senate bill 1008 we would thus not be able to say that although the bill might modify the antitrust laws in some respects, the general problem of monopoly is adequately dealt with elsewhere. It is not adequately dealt with elsewhere.

Mr. President, my argument boils down to this: Since three of the five planks upon which the Government's whole antitrust policy rests have been undermined to the core, and since the whole weight of the program therefore rests upon the remaining two planks, is it logical for us to weaken the planks that remain?

This is the thought which we must constantly bear in mind in deciding whether or not those remaining features of the antitrust laws which have proved effective against monopoly control through discrimination and against control through conspiracy should be substantially repealed.

Mr. President, I yield back the remainder of my time. How much time do I have remaining?

The PRESIDING OFFICER. About half a minute.

Mr. HILL. I yield back the half-minute, Mr. President. Before I do so, however, I ask unanimous consent to have placed in the RECORD at the conclusion of my remarks a report of the National Resources Committee.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Men holding 4 or more directorships among the 250 great corporations with the names of the corporations

[(I)=industrial; (U)=utility; (R)=railroads; (B)=banks; (F)=finance companies]

MEN HOLDING 9 DIRECTORSHIPS

Names	Companies	Positions[1]
Davison, G. W., Greenwich, Conn.	(I) Union Carbide & Carbon Corporation.	
	Chrysler Corporation	
	United Fruit Co.	
	Crucible Steel Co.	
	(U) Western Union Telegraph Co.	
	Third Avenue Ry. Co.	
	(R) Wabash Ry. Co.	
	Virginian Ry. Co.	
	(B) Central Hanover Bank & Trust Co.	Chairman of board and trustee.

MEN HOLDING 8 DIRECTORSHIPS

Names	Companies	Positions[1]
Avery, S. L., Chicago.	(I) United States Steel Corporation.	
	Armour & Co.	
	Pullman, Inc.	
	Montgomery, Ward & Co.	Chairman of board, president, and director.
	(U) Commonwealth Edison Co.	
	Peoples Gas Light & Coke Co.	
	(R) Chicago Great Western R. R. Co.	
	(B) Northern Trust Co.	
Mellon, R. K., Pittsburgh.	(I) Gulf Oil Corporation.	
	Koppers Co. of Delaware.	
	Pullman, Inc.	
	Aluminum Co. of America.	
	Pittsburgh Plate Glass Co.	
	(R) Pennsylvania R. R. Co.	
	(B) Mellon National Bank	President, and director.
	Union Trust Co.	
Wiggin, A. H., New York City.	(I) American Sugar Refining Co.	
	American Woolen Co.	
	(U) International Paper & Power Co.	
	Stone & Webster, Inc.	
	Western Union Telegraph Co.	
	Brooklyn-Manhattan Transit Corporation.	
	Hudson & Manhattan R. R. Co.	
	(R) New York, New Haven & Hartford R. R. Co.	

MEN HOLDING 7 DIRECTORSHIPS

Names	Companies	Positions[1]
Baker, G. F., New York City.	(I) United States Steel Corp.	
	General Motors Corp.	
	Pullman, Inc.	
	(U) American Telephone & Telegraph Co.	
	(R) New York Central R. R. Co.	
	(B) First National Bank (N. Y.)	Chairman of board and director.
	(F) Mutual Life Insurance Co. of New York.	Trustee.
Ecker, F. H., New York City.	(U) Consolidated Edison of New York, Inc.	Trustee.
	Interborough Rapid Transit Co.	
	Western Union Telegraph Co.	
	(R) Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	
	St. Louis-San Francisco Ry. Co.	
	(B) Chase National Bank	
	(F) Metropolitan Life Insurance Co.	President and director.
McLennan, D. R., Lake Forest, Ill.	(I) Armour & Co.	
	Pullman, Inc.	
	Montgomery Ward & Co.	
	American Sugar Refining Co.	
	(U) Peoples Gas Light & Coke Co.	
	(R) Pennsylvania R. R. Co.	
	(B) Continental Illinois National Bank & Trust Co.	
Perkins, T. N., Westwood, Mass.	(I) Loew's, Inc.	
	General Foods	
	(U) American Telephone and Telegraph Co.	
	Stone & Webster, Inc.	Member executive committee and director.
	(R) Southern Pacific Co.	
	Boston & Maine R. R. Co.	Do.
	(B) First National Bank (Boston)	
Reynolds, J. E., New York City.	(I) American Radiator & Standard Sanitary Corp.	
	National Biscuit Co.	
	(R) New York Central R. R. Co.	
	Southern Pacific Co.	
	Southern Ry. Co.	
	(B) First National Bank (New York)	President and director.
	(F) Prudential Insurance Co. of America.	

MEN HOLDING 7 DIRECTORSHIPS—continued

Names	Companies	Positions[1]
Whitney, George, Westbury, N. Y.	(I) General Motors Corporation	
	Kennecott Copper Corporation	
	Pullman, Inc.	
	Continental Oil Co.	
	(U) Consolidated Edison of New York, Inc.	Trustee.
	(B) Guaranty Trust Co.	
	J. P. Morgan Co.	Partner.

MEN HOLDING 6 DIRECTORSHIPS

Names	Companies	Positions[1]
Adams, C. F., Boston.	(I) General Electric Co.	
	United States Smelting, Refining & Mining Co.	
	(U) American Telephone & Telegraph Co.	
	Edison Electric Illuminating Co.	
	(R) New York, New Haven & Hartford R. R. Co.	
	(F) John Hancock Mutual Life Insurance Co.	
Loomis, E. E., New York City.	(I) American Can Co.	
	Phillips Petroleum Co.	
	(U) American Telephone & Telegraph Co.	
	(R) Great Northern Ry. Co.	Member executive committee and director.
	Lehigh Valley R. R. Co.	President, member executive committee and finance committee and director.
	(B) New York Trust Co.	Member advisory and executive committees and trustee.
Potter, W. C., New York City.	(I) Continental Oil Co.	
	(U) Electric Power & Light Corporation.	
	National Power & Light Co.	
	(R) Atchison, Topeka & Santa Fe Ry. Co.	
	(B) Guaranty Trust Co.	Chairman of board and director.
	(F) Mutual Life Insurance Co. of New York.	Trustee.
Taylor, M. C., New York City.	(I) U. S. Steel Corp.	Chairman of board, chief executive officer and director.
	(U) American Telephone & Telegraph Co.	Member, executive committee and director.
	(R) New York Central R. R. Co.	Do.
	Atchison, Topeka & Santa Fe Ry. Co.	Do.
	(B) First National Bank (N. Y.)	
	(F) Mutual Life Insurance Co. of New York.	Member, finance committee and trustee.
Weinberg, S. J., Scarsdale, N. Y.	(I) Sears, Roebuck & Co.	
	National Dairy Products Corp.	
	B. F. Goodrich Co.	Member, executive committee and director.
	Continental Can Co.	Do.
	McKesson & Robbins, Inc.	Do.
	General Foods Corp.	
Woolley, C. M., Greenwich, Conn.	(I) General Motors Corp.	
	General Electric Co.	
	American Radiator & Standard Sanitary Co.	Chairman of board, president and director.
	(R) Atchison, Topeka & Santa Fe Ry. Co.	
	Delaware, Lackawanna & Western R. R. Co.	Member board of managers.
	(F) Mutual Life Insurance Co. of New York.	Trustee.

MEN HOLDING 5 DIRECTORSHIPS

Names	Companies	Positions[1]
Buckner, M. N., Fishers Island, N. Y.	(U) Interborough Rapid Transit Co.	
	Consolidated Gas, Electric Light & Power Co. of Baltimore.	
	(R) Chicago, Milwaukee, St. Paul & Pacific R. R. Co.	
	(B) New York Trust Co.	Chairman of board and trustee
	(F) New York Life Insurance Co.	
Carlton, Newcomb, New York City.	(I) American Sugar Refining Co.	
	(U) Western Union Telegraph Co.	Chairman of board and director.
	(R) Union Pacific R. R. Co.	

[1] Director unless otherwise indicated.

Men holding 4 or more directorships among the 250 great corporations with the names of the corporations—Continued

[(I)=industrial; (U)=utility; (R)=railroads; (B)=banks; (F)=finance companies]

MEN HOLDING 5 DIRECTORSHIPS—continued

Names	Companies	Positions[1]
Carlton, Newcomb, New York City.	(B) Chase National Bank	
	(F) Metropolitan Life Insurance Co.	
County, A. J., St. Davids, Pa.	(R) Pennsylvania R. R. Co.	
	Norfolk & Western Ry. Co.	
	Chicago Union Station Co.	
	(B) Chemical Bank & Trust Co.	
	Philadelphia National Bank	
Crawford, D. A., Golf, Ill.	(I) Armour & Co.	
	Pullman, Inc.	President and director.
	Montgomery Ward & Co., Inc.	
	(B) Continental Illinois National Bank & Trust Co.	
	Harris Trust & Savings Bank	
Gray, W. S., Jr., Greenwich, Conn.	(I) Texas Corp.	
	Union Carbide & Carbon Corp.	
	Paramount Pictures, Inc.	
	General Foods Corp.	
	(B) Central Hanover Bank & Trust Co.	President and trustee.
Hayden, Charles, New York City.	(I) Shell Union Oil Corp.	Member executive committee and director.
	Kennecott Copper Corp.	Chairman finance committee and director.
	American Woolen Co.	Member executive committee and director.
	(U) Brooklyn Manhattan Transit Corp.	Member executive committee, finance committee, and director.
	(R) Chicago, Rock Island & Pacific Ry. Co.	Chairman of board, chairman finance committee, and director.
Herrick, R. F., Boston, Mass.	(I) United Fruit Co.	Member executive committee and director.
	United Shoe Machinery Corp.	Do.
	United States Smelting, Refining & Min-ing Co.	Do.
	(U) Edison Electric Illuminating Co. of Boston.	
	(B) First National Bank (Boston)	
Lamont, T. W., New York City.	(I) U. S. Steel Corp.	
	(R) Atchison, Topeka & Santa Fe Ry. Co.	
	Northern Pacific Ry. Co.	
	(B) Guaranty Trust Co.	
	J. P. Morgan Co., Drexel & Co.	Partner.
McInnerny, T. H., New York City.	(I) National Dairy Products Corp.	President, member, executive committee and director.
	B. F. Goodrich Co.	
	Gimbel Brothers, Inc.	
	(U) American Waterworks & Electric Co.	
	(R) Lehigh Valley R. R. Co.	
Prosser, Seward, Englewood, N. J.	(I) General Motors Corp.	Member, finance committee and director.
	General Electric Co.	Member, executive committee and director.
	Kennecott Copper Corp.	
	(B) Bankers Trust Co.	Chairman, management committee, member, executive committee, and director.
	(F) Equitable Life Assurance Society	
Robinson, H. M., Pasadena, Calif.	(I) General Electric Co.	
	Union Oil Co. of California	
	(U) Southern California Edison Co., Ltd.	
	(B) Security-First National Bank	Vice chairman, executive committee and director.
	(F) Pacific Mutual Life Insurance Co.	Member, executive committee and director.
Simpson, James, Chicago, Ill.	(I) Marshall Field & Co.	
	(U) Commonwealth Edison Co.	Chairman of board and director.
	Peoples Gas Light & Coke Co.	Do.
	Public Service Co. of Northern Illinois.	Do.
	(R) New York Central R. R. Co.	
Sprague, A. A., Chicago, Ill.	(I) International Harvester Co.	
	B. F. Goodrich Co.	
	Wilson & Co., Inc.	
	(R) Chicago & Northwestern Ry. Co.	Member finance committee and director.
	(B) Continental Illinois National Bank & Trust Co.	

MEN HOLDING 5 DIRECTORSHIPS—continued

Names	Companies	Positions[1]
Stockton, Philip, Boston.	(I) General Electric Co.	
	American Sugar Refining Co.	
	(U) American Telephone & Telegraph Co.	
	(B) First National Bank (Boston)	President and director.
	(F) New England Mutual Life Insurance Co.	
Sunny, B. E., Chicago, Ill.	(I) General Electric Co.	Member executive committee and director.
	Wilson & Co., Inc.	
	(U) Public Service Co. of Northern Illinois.	Do.
	(R) Chicago Great Western Railroad Co.	Chairman of board and director.
	(B) First National Bank (Chicago)	
Vanderbilt, Cornelius, New York City.	(R) Illinois Central R. R. Co.	
	Delaware & Hudson Co.	
	(B) Chase National Bank	
	Central Hanover Bank & Trust Co.	
	(F) Mutual Life Insurance Co. of New York.	Trustee.
Wadsworth, Eliot, Boston, Mass.	(I) United Shoe Machinery Corporation.	
	United States Smelting Refining & Mining Co.	
	American Woolen Co.	
	(U) Stone & Webster, Inc.	
	(F) John Hancock Mutual Life Insurance Co.	
Warriner, S. D., Philadelphia, Pa.	(I) Lehigh Coal & Navigation Co.	President, board of managers and directors.
	(U) National Power & Light Co.	
	(B) Philadelphia National Bank	
	Pennsylvania Co. for Insurances.	
	(F) Pennsylvania Mutual Life Insurance Co.	
Wing, D. G., Brookline, Mass.	(I) United Fruit Co.	
	United Shoe Machinery Corporation.	
	United States Smelting, Refining & Mining Co.	
	(B) First National Bank (Boston)	
	(F) Travelers Insurance Co.	

MEN HOLDING 4 DIRECTORSHIPS

Names	Companies	Positions[1]
Anderson, A. M., New York City.	(U) International Telephone & Telegraph Corp.	
	(R) Northern Pacific Ry. Co.	
	(B) J. P. Morgan Co., Drexel & Co.	Partner.
	New York Trust Co.	Trustee.
Astor, Vincent, New York City.	(U) Western Union Telegraph Co.	
	(R) Great Northern Ry. Co.	
	Illinois Central R. R. Co.	
	(B) Chase National Bank	
Baker, N. D., Shaker Heights, Ohio.	(I) Goodyear Tire & Rubber Co.	
	Radio Corp. of America	
	(B) Cleveland Trust Co.	
	(F) Mutual Life Insurance Co. of New York.	Trustee
Brown, Donaldson, Irvington-on-Hudson, N. Y.	(I) General Motors Corp.	Chairman, finance committee; vice president and director.
	E. I. du Pont de Nemours & Co.	
	(R) St. Louis-San Francisco Ry. Co.	
	(B) National Bank of Detroit	
Brownell, F. H., Greenwich, Conn.	(I) American Smelting & Refining Co.	Chairman of board; chairman, finance committee; and director
	American Sugar Refining Co.	
	(R) Northern Pacific Ry. Co.	
	(B) Chase National Bank	
Carlisle, F. L., New York City.	(I) St. Regis Paper Co.	Chairman of board and director
	(U) Consolidated Edison of New York, Inc.	Trustee.
	Niagara Hudson Power Corp.	Chairman of board and director
	(F) Marine Midland Corp.	
Clement, M. W., Philadelphia.	(U) Western Union Telegraph Co.	Vice president in charge of operation and director.
	(R) Pennsylvania R. R. Co.	
	Norfolk & Western Ry. Co.	
	Chicago Union Station Co.	President and director.
Clothier, M. L., Villanova, Pa.	(U) United Gas Improvement Co.	
	(R) Lehigh Valley R. R. Co.	
	(B) Philadelphia National Bank	
	(F) Pennsylvania Mutual Life Insurance Co.	

Men holding 4 or more directorships among the 250 great corporations with the names of the corporations—Continued

[(I) = industrial; (U) = utility; (R) = railroads; (B) = banks; (F) = finance companies]

MEN HOLDING 4 DIRECTORSHIPS—continued

Names	Companies	Positions[1]
Colt, S. S., Tuxedo Park, N. Y.	(I) General Foods Corp	
	(U) Commonwealth & Southern Corp.	
	(B) Bankers Trust Co	
	(F) Mutual Life Insurance Co. of New York.	Trustee.
Cummings, W. J., Chicago.	(I) Texas Corp	
	American Car & Foundry Co	
	(U) Commonwealth Edison Co	
	(B) Continental Illinois National Bank & Trust Co.	Chairman of board and director.
Cutler, Bertram, Green Village, N. J.	(I) Radio Corp. of America	
	(R) New York Central R. R. Co	
	(B) Chase National Bank	
	(F) Equitable Life Assurance Society of U. S.	
Davis, A. V., Pittsburgh, Pa.	(I) Aluminum Co. of America	Chairman of board and director.
	(U) Niagara Hudson Power Co	
	(B) Mellon National Bank	
	Union Trust Co	
Day, J. P., New York City.	(I) Union Carbide & Carbon Corp	
	R. H. Macy & Co	
	(U) Consolidated Edison of New York, Inc.	Trustee.
	(F) Metropolitan Life Insurance Co	
De Forest, H. W., New York City.	(I) Tidewater Associated Oil Co	
	(U) Western Union Telegraph Co	Member executive committee and director.
	(R) Southern Pacific Co	Member executive committee, finance officer, and director.
	(B) Guaranty Trust Co	Member executive committee and director.
D'Olier, Franklin, Morristown, N. J.	(I) National Biscuit Co	
	(R) Pennsylvania R. R. Co	
	(B) Chase National Bank	
	(F) Prudential Insurance Co. of America.	
Goelet, R. W., New York City.	(R) Union Pacific R. R. Co	
	Illinois Central R. R. Co	
	(B) Guaranty Trust Co	
	Chemical Bank & Trust Co	
Greene, E. B., Cleveland, Ohio.	(I) Goodyear Tire & Rubber Co	
	Cleveland Cliffs Iron Co	President, treasurer, and director.
	(R) New York Central R. R. Co	
	(B) Cleveland Trust Co	Chairman executive committee and director.
Groesbeck, C. E., New York City.	(U) American Power & Light Co	Chairman of board, member executive committee, and director.
	Electric Power & Light Corp	Do.
	National Power & Light Co	Do.
	American Gas & Electric Co	Do.
Harbord, J. G	(I) Radio Corp. of America	Chairman of board and director.
	(R) Atchison, Topeka & Santa Fe Ry. Co.	Member executive committee and director.
	(B) Bankers Trust Co	
	(F) New York Life Insurance Co	Do.
Harriman, W. A., Harriman, N. Y.	(U) Western Union Telegraph Co	
	(R) Union Pacific R. R. Co	
	Illinois Central R. R. Co	Chairman executive committee and director.
	(B) Guaranty Trust Co	
Hartford, J. A., Valhalla, N. Y.	(I) Chrysler Corp	
	Great A. & P. Tea Co. of America	President and director.
	(R) New York, New Haven & Hartford R. R. Co.	
	(B) Guaranty Trust Co	
Houston, D. F., New York, City.	(I) United States Steel Corp	
	(U) American Telephone & Telegraph Co.	
	(B) Guaranty Trust Co	
	(F) Mutual Life Insurance Co. of New York.	President and trustee.
James, A. C., New York City.	(I) Phelps Dodge Corp	
	(R) Great Northern Ry	
	Western Pacific R. R. Co	Chairman of board and director.
	(B) First National Bank (New York)	
Johnston, P. H., Montclair, N. J.	(I) Paramount Pictures, Inc	Member, executive committee, and director.
	(U) Hudson & Manhattan R. R. Co	
	(B) Chemical Bank & Trust Co	Chairman of board and director.
	(F) New York Life Insurance Co	
Kirby, F. M., Wilkes-Barre, Pa.	(I) F. W. Woolworth Co	Vice president and director.

MEN HOLDING 4 DIRECTORSHIPS—continued

Names	Companies	Positions[1]
Kirby, F. M., Wilkes-Barre, Pa.—Con.	(U) United Gas Improvement Co	
	(R) Lehigh Valley R. R. Co	Member, executive committee, and director.
	(F) Metropolitan Life Insurance Co	
Loasby, A. W., Montclair, N. J.	(U) Interborough Rapid Transit Co	
	(R) Denver & Rio Grande Western R. R. Co.	
	Western Pacific R. R. Co	
	(B) Chemical Bank & Trust Co	
McCain, C. S., Chicago.	(I) B. F. Goodrich Co	
	Corn Products Refining Co	
	(U) United Light & Power Co	President and director.
	(R) Seaboard Air Line Ry. Co	
McCulloch, C. A., Chicago.	(I) Texas Corp	
	Paramount Pictures, Inc	
	(R) Chicago Great Western Ry. Co	
	(B) First National Bank (Chicago)	
Mellon, Paul, Pittsburgh, Pa.	(I) Gulf Oil Corp. of Pennsylvania	
	Pittsburgh Coal Co	
	(B) Mellon National Bank	
	Union Trust Co	
Mellon, W. L., Pittsburgh, Pa.	(I) Gulf Oil Corp. of Pennsylvania	Chairman of board and director.
	Westinghouse Electric & Manufacturing Co.	
	(B) Mellon National Bank	
	Union Trust Co	
Moore, Paul, Convent, N. J.	(I) American Can Co	
	National Biscuit Co	
	(R) Delaware, Lackawanna & Western R. R. Co.	
	(B) Bankers Trust Co	
Murphy, G. M. P., New York City.	(I) Bethlehem Steel Corp	
	Anaconda Copper Mining Co	
	Goodyear Tire & Rubber Co	
	Interlake Iron Corp	
Perkins, J. H., Greenwich, Conn.	(U) Consolidated Edison of New York, Inc.	Trustee.
	(R) Union Pacific R. R. Co	
	(B) National City Bank	Chairman of board and director.
	(F) Mutual Life Insurance Co. of New York.	Trustee.
Pitcairn, N. B., Clayton, Mo.	(R) Wabash Ry. Co	Receiver and director.
	Lehigh Valley R. R. Co	Member executive committee and director.
	Chicago & Western Indiana R. R. Co.	
	Terminal R. R. Association of St. Louis.	Do.
Renny, G. A., Chicago.	(I) International Harvester Co	Do.
	(U) Commonwealth Edison Co	Vice chairman of board and director.
	Peoples Gas Light & Coke Co	
	(B) First National Bank (Chicago)	Member executive committee and director.
Richards, J. L., Newtonville, Mass.	(I) American Sugar Refining Co	Member executive committee and director.
	(U) Consolidated Gas Electric Light & Power Co. of Baltimore.	
	Boston Elevated Ry. Co	Do.
	(R) New York, New Haven & Hartford R. R. Co.	Do.
Robinson, W. C., Sewickley, Pa.	(I) Jones & Laughlin Steel Corp	
	(U) American Waterworks & Electric Co.	
	(B) Mellon National Bank	
	Union Trust Co	
Sawyer, P. B., Bethlehem, Pa.	(I) Lehigh Coal & Navigation Co	Member board of managers.
	(U) American Power & Light Co	
	Electric Power & Light Corp.	
	National Power & Light Co	
Sloan, A. P., Jr., Long Island, N. Y.	(I) General Motors Corp	President and director.
	E. I. du Pont de Nemours & Co	
	Pullman, Inc	
	(B) National Bank of Detroit	
Sloan, M. S., Brooklyn, N. Y.	(I) Continental Can Co	
	(R) Terminal R. R. Association of St. Louis.	
	Missouri-Kansas-Texas R. R. Co	President, chairman of board, and director.
	(B) Irving Trust Co	
Tidd, G. N., New York City.	(U) American Power & Light Co	
	National Power & Light Co	
	American Gas & Electric Co	President and director.
	(B) Irving Trust Co	
Tilney, A. A., Plainfield, N. J., and New York City.	(U) Electric Power & Light Corp.	
	National Power & Light Co	
	American Gas & Electric Co	
	(B) Bankers Trust Co	Chairman of board and director.

Men holding 4 or more directorships among the 250 great corporations with the names of the corporations—Continued

[(I)=industrial; (U)=utility; (R)=railroads; (B)=banks; (F)=finance companies]

MEN HOLDING 4 DIRECTORSHIPS—continued

Names	Companies	Positions [1]
Tomlinson, R. E., Montclair, N. J.	(I) American Can Co. National Biscuit Co.	President and director.
	(R) Delaware, Lackawanna & Western R. R. Co.	
	(F) Prudential Insurance Co. of America.	
Tracy, E. B., New York City.	(U) American Power & Light Co. Electric Power & Light Corporation. National Power & Light Co. American Gas & Electric Co.	
Vanderbilt, H. S., New York City.	(I) Pullman, Inc. (R) New York Central R. R. Co. Chicago & North Western Ry. Co. (B) First National Bank (New York City).	
Wayne, Joseph, Jr., Philadelphia.	(I) Philadelphia & Reading Coal & Iron Corporation.	

MEN HOLDING 4 DIRECTORSHIPS—continued

Names	Companies	Positions [1]
Wayne, Joseph, Jr. Philadelphia.—Con.	(R) Pennsylvania R. R. Co. (B) Philadelphia National Bank.	President and director.
	(F) Provident Mutual Life Insurance Co.	
Willard, Daniel, Baltimore.	(U) American Telephone & Telegraph Co.	
	(R) Baltimore & Ohio R. R. Co. Reading Co.	Do. Chairman of board and director.
	(F) Mutual Life Insurance Co. of New York.	Trustee.
Wilson, J. P., Chicago.	(I) International Harvester Co.	Member executive committee and director.
	Marshall Field & Co.	
	(B) First National Bank (Chicago). Harris Trust & Savings Bank.	

Residence of directors with 4 or more directorships

New York and environs	48
Chicago and environs	11
Boston and environs	7
Philadelphia and environs	5
Pittsburgh and environs	5
Cleveland and environs	2
St. Louis and environs	1
Wilkes-Barre, Pa.	1
Bethlehem, Pa.	1
Baltimore, Md.	1
Pasadena, Calif.	1
Total	83

Mr. O'CONOR. Mr. President, I yield 20 minutes to the Senator from Nebraska [Mr. WHERRY].

Mr. WHERRY. Mr. President, the answer to the argument just made by the distinguished Senator from Alabama that the report should be recommitted to the committee for further consideration is that it is merely a part of the tactics—tactics which are thoroughly understood—of those who oppose a decisive vote on proposed legislation which has been around the Senate for 2 years and as to which no new arguments are being made.

In the 2 years the pending question has been before the Congress there has been a tremendous and significant change in the strategy of the opponents of this legislation.

The Supreme Court decision, in April 1948, in Federal Trade Commission against Cement Institute created doubt and confusion as to the legality of freight absorption. The confusion starts from there, and it has grown and increased from the time of that decision.

Those who now oppose this bill then vigorously supported abolishing this practice, which had been a part of our economy for more than 100 years.

After the decision, in May 1948, in the Rigid Steel Conduit case, those opposing this legislation agreed with the holding of the circuit court that the independent absorption of freight was, and should be, illegal. That was their contention then.

Yet, strange as it may seem, the opponents of the pending legislation have changed their strategy. Now they say freight absorption is legal, per se, and that only when combined with delivered prices is freight absorption bad. Only when it is dragged in with something else do they say it is bad. That is their strategy.

Last year the opponents said if freight absorption were prohibited there would be an avalanche of new industries in New England, in the South, and in the West.

The answer to this is that the opponents do not even contend outlawing freight absorption would increase productivity. I ask them, Where will the new plants come from?

Mr. LONG. Mr. President, will the Senator yield?

Mr. WHERRY. Mr. President, the Senator knows that I am allotted only 20 minutes. I ask Senators not to interrupt me to ask questions until I have finished with my remarks. When I have finished with my statement I shall be very glad to answer any questions which may be put to me if any time remains from the time allotted to me.

If abolishing freight absorption creates new industries in one section of the country, it must obviously be at the expense of some other section. This is relocation, which will certainly fall the hardest on the small-business man.

The public demand from small-business men of every category, in all walks of life and in all sections of the country, for the legality of independent freight absorption has been so great that today no one attacks the right of businessmen independently to absorb freight in order to compete in distant markets.

Last week on this floor the junior Senator from Minnesota [Mr. HUMPHREY] argued that doubts as to the legality of freight absorption were created solely by dictum of the courts.

He described dictum as "excess verbiage" or "excess baggage" which businessmen, he said, can ignore.

Mr. President, any lawyer knows that one cannot ignore even the dictum uttered by the highest court in the land. It may be that the Court will never establish as law what it says as dictum, but no careful lawyer or businessman can afford to disregard or ignore anything the Court says by way of dictum.

What businessman would risk his money on a business the success of which depended upon ignoring the observations of the Supreme Court?

On the same day the junior Senator from Illinois [Mr. DOUGLAS] said Members of the Senate and businessmen need not be concerned because the Supreme Court divided 4 to 4 in the Rigid Steel Conduit case.

I submit that when four members of the Supreme Court say that the law is one thing, and four other members say it is the converse, lawyers and businessmen alike are unable to apply the laws governing normal business.

The junior Senator from Illinois pointed to cases involving minimum wages in which the Supreme Court had divided equally, and he said after 20 years of further litigation the uncertainty was clarified by the Court itself. He suggested the Congress wait until the Court, through other decisions, clarified this problem.

Certainly, Mr. President, this is not the solution. The junior Senator from Nebraska considers it his obligation to help eliminate economic uncertainty in business, and maintain, if you please, fair rules of competition.

If we are to prolong this uncertainty, I ask: How can we hope for industrial expansion? How can we hope for full employment, if there is to be no expansion of industry? How can we hope for the new industries which will be required to give jobs in our expanding economy? How can we hope to reduce unemployment? How can any independent businessman obtain relief or operate his business if the answers to those questions must await further decisions, at some unpredictable time, in some unpredictable case?

Economic expansion is impossible under laws that cannot be interpreted even by the Supreme Court.

Ours is a government of division of powers. It is the function of the Supreme Court to interpret the laws passed by the Congress.

It is the obligation of the Congress to pass the laws. That is the responsibility of Congress.

When a law is so vague and uncertain that the members of the Supreme Court divide equally on its construction, it becomes the responsibility of the Congress to enact new legislation in such language that not only the Supreme Court, but businessmen, can understand.

This is just what the pending bill does. It does nothing more. It simply clarifies, if you please, the rules under which business may operate and move forward.

Nebraska has a population of approximately one and one-third million people. Because it is a sparsely settled State, manufactured products must find customers in other markets. They cannot all be consumed within the State. I order to find customers in other markets, Nebraska industry must meet competition in those markets, and this will be possible only if the pending legislation is adopted. If Nebraska industries are to compete they must have freight absorption in order to meet competition outside of their territory. They must have it if they are to grow and expand, because all their manufactured products cannot be consumed within the confines of the State.

By the same token manufacturers in other States must be able to sell their goods in Nebraska, thus giving the people the full benefit of unrestricted competition.

This, Mr. President, is our competitive system. It is what has made America great.

Our neighboring State of Wyoming has but a quarter of a million people.

Nevada has scarcely more than 100,000.

Montana has a half million.

South Dakota has 650,000.

What is true of the West applies with even greater force to the South.

The combined populations of Mississippi, Louisiana, and Georgia are no greater than the population of the State of Illinois.

The combined populations of the States of Alabama, Florida, and South Carolina are less than the population of Ohio.

The South has great potential industrial facilities, but the South cannot attract new industries unless such industries are given equal opportunity of selling their manufactured goods in the large consuming markets of the entire country. The pending legislation is absolutely necessary if equal opportunity is to be maintained not only in the West, but in the South and throughout the entire United States.

II. SUBSTANCE OF THE BILL

The pending conference report is in substantially the form of the bill introduced by the senior Senator from Wyoming [Mr. O'MAHONEY] almost a year ago.

Talk about more time. This bill has been discussed longer in both Houses of Congress, by more committees, and by more conferees than any other bill since I have been a Member of the United States Senate.

In January of this year the Attorney General said unequivocally that he had no objection to any provision of the bill, but he did suggest a change in the language of section 4 (d). The Attorney General's recommended language is the identical language of section 4 (d) in the pending conference report, which the Senate is asked to adopt.

Certainly, if the Department of Justice thought this bill would open the gates to the destruction of independent businesses, they would be fighting tooth and toenail against its enactment. The converse is true, and the Department of Justice fully supports the conference report.

III. S. 1008 AND SMALL BUSINESS

In defiance of the recommendations of the Attorney General, the opponents have set up a bogeyman with the cry that the bill will ruin small business.

The junior Senator from Nebraska yields to no Member of the Senate or to anyone else as a defender of small business. The record speaks for itself. If this bill would harm small business interests of America, I would be the first to oppose it. But the opponents raise only a heavy smoke screen.

The senior Senator from Wyoming has shown how fully the proposed law would strengthen the laws against monopoly and foster competition.

Those who want relocation of plants certainly are not thinking about the small-business man, whose goal is paying off the mortgage on his plant at its present location and meeting the payroll, through which the employees in the factory can pay off the mortgages on their homes in the locality of the factory where they now work.

The junior Senator from Illinois talks about relocation, spreading out industry, moving plants. I ask this question: How is the small-business man to get the money to pick up his plant and move it to a new location, a location where he must find new workers, new conditions, and the uncertainty whether the transplanted business will succeed.

Kill this bill and the giant corporations will have the finances with which to establish a chain of plants throughout the country. Then small business will be ruined.

The only groups which have written me opposing the bill are a few druggists and some gasoline dealers, who I think are organized in Michigan and extend over into Wisconsin.

The opposition of the druggists, based upon misinformation, is so ably refuted by the Senator from Colorado [Mr. JOHNSON] that I ask unanimous consent to have inserted in the RECORD at this point in my remarks his answer, in a letter to Mr. Earl C. Van Zandt, chairman of the legislative committee of the Colorado Pharmacal Association.

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 6, 1950.

MR. EARL C. VAN ZANDT,
Chairman, Legislative Committee, Colorado Pharmacal Association, Denver, Colo.

DEAR EARL: Confirming our telephone conversation of the other day, I have carefully checked into the questions you raised on the telephone. My delay in answering is due to the fact that I wanted to get the information to you which I think you should have.

The fair-trade laws, the Miller-Tydings Act, and the minimum resale price contracts thereby provided for are not in any manner affected by S. 1008. They do not, however, govern the prices to which manufacturers or producers sell to wholesalers or retailers, but are limited only to the resale prices at which retailers sell to the consumer.

The present Robinson-Patman Act permits sellers to grant quantity discounts whenever and to the extent that they are justified by provable savings in costs. These discounts, which have always been available, and are now permissible, are also not affected by S. 1008.

The retail druggists have been concerned with section 3 of this bill because of misinformation given to them by the National Association of Retail Druggists. Section 3 of the bill does no more than permit one seller to, in good faith, meet the equally low price of a competitor in the sale of goods of like grade and quality. Attention is directed to the fact that three conditions are required to comply with this provision: (1) the action must be in good faith, (2) the seller must meet the equally low price of the competitor, and (3) goods of like grade and quality must be involved.

In *Federal Trade Commission* v. *A. E. Staley Mfg. Co.*, the United States Supreme Court held that a seller was not in good faith when it adopted in toto the unlawful pricing of its competitor. There is nothing in S. 1008 which changes this definition of good faith. A drug supplier is therefore not in good faith in adopting an unlawful pricing practice of a competitor.

Drug products, particularly the advertised brands, are sold by the manufacturer through distribution channels intended to make the product available in all drug stores. Drug products are generally not homogeneous or fungible commodities. The product of one supplier is not substantially identical with that of others and not only is each supplier not required to sell at the same price as his competitor, but identical prices are unusual in the drug trade. Rarely do several brands of toothpaste, shaving cream, cosmetics, or any other drug products sell at identical prices. This situation is unlike that prevailing in the sale of sugar, salt, oil, chemicals, cement, and steel where a customer will not pay more for the product of one supplier than he will for another, and sellers are required to meet the equally low price of their competitors. Because of the facts under which the drug business is carried on, the provisions of section 3, S. 1008, will not have any effect upon the drug industry.

Examples of situations to which this provision would apply are the following:

A candy manufacturer in Omaha may compete with a candy manufacturer in Chicago in the sale of candy bars which have a national distribution. The Omaha candy manufacturer may purchase cane sugar refined in San Francisco while the Chicago candy man is able to purchase cane sugar refined at New Orleans. Because of the cheap water transportation up the Mississippi River, the Chicago man will be able to buy cane sugar at a lower price than the Omaha man. In order that Rocky Mountain beet sugar refiners may compete in the Chicago market, they would have to in good faith meet the equally low price of the Louisiana refiner. This in fact may result in his having a lower price in Chicago than in Omaha or Denver. However, the Omaha candy man cannot possibly be hurt because if the Rocky Mountain beet-sugar refiners were denied the right to thus compete in Chicago it would merely mean that all the business in that market would go to the Louisiana cane refiners.

Another example appears when one seller elects to sell only to large buyers and therefore has a lower price. To deny his competitor the right to in good faith meet that equally low price would merely deliver a monopoly of the large buyer market to the first seller. This cannot apply, however, to the druggist, because the manufacturers of advertised drug products do not sell only to large buyers, and the advertised brand products of the druggist are such that one seller

is not in fact required to sell at exactly the same price as a competing toothpaste, shaving cream, or cosmetic manufacturer. The only application this might have to the drug industry would be in the bulk sale of products such as epsom salts or soda bicarbonate which were purchased in bulk and packaged by the druggist.

The provisions of section 3 might also apply where a manufacturer is in good faith required to sell at a lower price to wholesalers than his price to retailers. Of course, a manufacturer would be denied the right to sell to both wholesalers and retailers unless he could give a lower price to the wholesalers in order to permit them to make a profit and defray the cost of distribution. However, the druggists are not concerned with a lower price to wholesalers, for most retail druggists buy their drug products from wholesalers. The druggist would be concerned only if the wholesalers could not get a lower price than retailers who purchased directly from the supplier. In view of the foregoing, it seems to me clear that the nature of the products sold in a drug store are such that the provisions of section 3 of this bill will not adversely affect them. It is also clear that the bill in general is definitely in the best interests of retail druggists. The bill has as it's primary purpose clarifying the right of sellers to absorb freight and sell at delivered prices. This is vital to the drug industry. Retail druggists would be substantially handicapped if they had to buy Lilly drugs f. o. b. Indianapolis, Parke-Davis drugs f. o. b. Detroit, and Abbott drugs f. o. b. Chicago. The druggist wants the supplier to sell at a delivered price. The druggist is also concerned with the maintenance of resale price contracts. This would be most difficult if not impossible if the law required each druggist to pay the full freight from the manufacturer's plant to his drug store. That would result in a different delivered cost to each druggist depending upon his distance from the factory. These different costs would require different retail prices, and the policing of fair-trade contracts would be jeopardized if there were a different resale price in every town to which there was a freight rate. It cannot be said in good faith that this bill is not in the best interests of the retail druggists.

Sincerely yours,

ED. C. JOHNSON.

Mr. WHERRY. Mr. President, the Milwaukee unit of the Gasoline Dealers Association was recently convicted of a conspiracy to fix prices, and the conviction was affirmed by the Supreme Court of Wisconsin on March 7, 1950. This is what the court had to say about that association:

The printed and oral evidence shows the attempt to fix, establish, and maintain prices and restrain competition was so frequent and regular as to establish the conclusion that price fixing was a principal purpose of the association, if not the principal one.

The defendants in that case simply did not want competition, so of course they are opposing the pending legislation, which would open up competition in every State and locality in the whole United States.

IV. GOOD-FAITH COMPETITION

It is unbelievable that Senators have actually taken the floor to attack good-faith competition. Competition is the life of commerce, and must be preserved.

The antitrust laws are for the benefit of all the people. The goal of our economy is to give the consumer better products at lower prices, and thereby raise our standard of living.

Mr. DOUGLAS. Mr. President, will the genial Senator from Nebraska permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Illinois?

Mr. WHERRY. I asked a moment ago that I might not be interrupted. I shall be glad to yield after the conclusion of my remarks if I have any time left. I have been allotted 20 minutes.

The PRESIDING OFFICER. The Senator from Nebraska declines to yield.

Mr. WHERRY. I should like to yield. I am always glad to yield to my distinguished friend from Illinois, but what I have said has answered many of the arguments the Senator has presented. If I have any time left, I shall be glad to engage in a debate with the Senator.

The PRESIDING OFFICER. The Senator is advised that he has only 4 minutes left.

Mr. WHERRY. I should be glad to complete my remarks, and, as I have said, if I have any time left, I shall be glad to answer any questions.

Our standard of living is the highest anywhere, because better products, at lower prices, are made available to the people through active and vigorous competition.

The conference report bill, the Senate may be assured, will neither permit nor encourage the practice of conspiring to fix retail gasoline prices or the practice of having discriminatory wholesale gasoline prices designed to put independent merchants out of business. But the bill does permit sellers to meet their competitors' lower prices; and this is done by writing into the statute a section giving one the right to meet a competitor's equally low price in the absence of conspiracy, combination, or collusive agreement, and in the absence of monopolistic, oppressive, deceptive, or fraudulent practices. This section does permit businessmen who want honest competition to compete and to meet the lower price of their competitors, when it is necessary to do so. How can anyone say this will pave the way to driving independent merchants out of business?

Mr. President, there are many instances in which a businessman finds that he cannot compete in one section of the country, or in a particular market, or for a particular class of customers, because competitors dealing with those buyers sell at lower prices. For example, the Maytag washing machines made in Newton, Iowa, must be sold at competitive prices in all the markets of the country. The textiles and furniture made in the South must be sold in competition with producers in the eastern and northern markets. The canned milk produced by Wisconsin dairy farmers must be sold in competition with the Carnation Milk Co., which has plants in 24 States. Wisconsin produces 12 times as much canned milk as it consumes. It has to find a market outside its own area.

Freight absorption and delivered pricing are vital to New England's industries because of their geographic location. I ask Senators from New England, how do they think their industries could survive unless they could compete for business in the markets of the Nation? This bill must be enacted if Wisconsin farmers are to be able to compete in selling canned milk in competition with the big chain plants throughout the Nation. There is no other relief for these dairy farmers.

Thousands upon thousands of examples could be cited, because our economic system has been built upon sound, fair competition, made possible by freight absorption and delivered pricing.

It has been suggested on this floor that if one man makes use of an illegal system it would become legal if he could find somebody else to also adopt that illegal system. The junior Senator from Minnesota [Mr. HUMPHREY] said that both could then claim to be meeting the other's price, and it would be lawful for the two of them to do what it would be unlawful for either one of them to do.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. WHERRY. I ask the Senator from Maryland if I may have more time.

Mr. O'CONOR. I yield five additional minutes to the Senator from Nebraska.

The VICE PRESIDENT. The Senator from Nebraska is recognized for five additional minutes.

Mr. WHERRY. Mr. President, I repeat, the junior Senator from Minnesota said that it would be lawful for the two businessmen to whom I was referring to do what it would be unlawful for either one of them to do alone. That could not possibly happen under this bill. The United States Supreme Court has held in the Staley case that a seller is not in good faith when he adopts the illegal system of his competitor.

Those who most vigorously support the philosophy of the Federal Trade Commission enunciated in its pricing cases generally consider the late Walter B. Wooden a great champion in the fight against monopoly. Those who oppose the bill and yet support the philosophy of Walter Wooden should listen carefully to a paragraph written by Walter Wooden on the issue of good faith meeting of competition. In a Federal Trade Commission report to the Temporary National Economic Committee, printed as TNEC Monograph No. 42, Wooden wrote—page 139:

From its enactment in 1914 until its amendment in 1936 the Clayton Act specifically safeguarded the right of a seller to discriminate in price for various reasons, among them being discrimination in good faith to meet competition. The amended act now safeguards the right of a seller to discriminate in price in good faith to meet an equally low price of a competitor, but he has the burden of proof on that question. This right is guaranteed by statute and could not be curtailed by any mandate or order of the Commission. The Commission has never proposed that this right be disturbed by amendment of the statute. The right of self-defense against competitive price attacks is as vital in a competitive economy as the right of self-defense against personal attack.

The pending bill would not, in any manner, change what Mr. Wooden there said. This section in the conference report conforms with his views.

The Department of Justice has approved the bill in its present form, and,

particularly, it has recommended to the Congress section 3.

The antitrust lawyers recognize that when the law prohibits one seller from, in good faith, meeting the lower price at which his competitors are selling, price-fixing conspiracies are thereby encouraged, aided, and abetted.

The only official communication to the Congress on this bill is the letter of June 9, 1949, from the Federal Trade Commission to Representative WALTER of the House Judiciary Committee. The letter reads in part:

All of the Commissioners believe that on balance it would be preferable to make the good-faith meeting of competition a complete defense.

The bill has also been approved by the Council of Economic Advisors.

The Bureau of the Budget has written to the House Rules Committee that the bill is in accord with the President's program.

So it will be seen, Mr. President, that the good faith provision is approved by the Department of Justice, the Federal Trade Commission, the Council of Economic Advisers, and by the President, speaking through the Bureau of the Budget.

Mr. President, do not be fooled by chest-beating and flag-waving for helpless, small businesses by opponents of the bill.

The solid fact is that if the conference report is not adopted the present confusion in business will increase, and the consequent chaos could be the forerunner of a planned economy such as now exists in Great Britain.

All that S. 1008 does is maintain the status quo of more than 100 years, with added teeth to keep open the doors to equal opportunity for small and independent businesses.

All the arguments about monopolies and big fellows crushing small independent establishments is completely beside the point. It has nothing to do with the measure now before the Senate.

A vigorous enforcement of the Sherman antitrust law and the Clayton Act is the answer to grievances stated by opponents of the bill, and especially by the junior Senator from Illinois [Mr. DOUGLAS].

Mr. President, in the interest of equality of opportunity for every segment of our population and in the interest of all business in all sections of the Nation, I urge the adoption of the conference report.

Mr. LONG. Mr. President, may I yield the distinguished Senator from Nebraska 1 minute, or as much time as he may need to answer a question I wish to ask him?

Mr. WHERRY. Mr. President, I shall be glad to endeavor to answer any question the Senator desires to ask me.

Mr. LONG. Last year the Senator from Nebraska made the statement that so far as he was concerned he would have no objection to striking section 3 out of the bill. I heard the Senator from Wyoming [Mr. O'MAHONEY] make the same statement last Friday. Is the Senator from Nebraska still of the same opinion with respect to removing section 3 from the bill?

Mr. WHERRY. Mr. President, the Senator from Louisiana already knows the answer to the question. He knows that the first conference report which was brought to the Senate, was disagreed to in order that the suggested language submitted by the Attorney General could be placed in the bill. I was of the opinion that if that were done it would be agreeable to the Senators who are opposing the measure. I voted to send the report back to the conference committee. I voted to disagree to the report in order to have included the language to which the Senator from Louisiana now objects. I finally was for the language embodied in the report submitted by the conference committee. I thought that would end the controversy. So far as I am concerned, I stand on my vote and I stand on my record of last year. I am however, trying to facilitate the matter, and I am glad to accept the changed language in section 4 (d) in order that we may pass the bill and end the confusion which its opponents have brought upon the merchants and the businessmen of the United States of America. They cannot continue to operate under the chaos and confusion in which they are now placed.

Mr. LONG. Last year the Senator from Nebraska stated he would have no objection to striking section 3 from the bill. The Senator from Wyoming said on Friday he would have no objection to striking section 3 from the bill. I would like a "Yes" or "No" answer, a categorical answer to my question from the Senator from Nebraska.

Mr. WHERRY. Mr. President, the Senator from Louisiana cannot tell me that I am obliged to make a "Yes" or "No" answer to his question. If the Senator from Louisiana wishes to write a bill that will help business he should do what I am doing. That is, I am going ahead with the language which has been suggested, because it is the only way I know of by which we can secure the adoption of the conference report. I am willing to accept that language. I would be willing that we operate under the language we adopted a year ago. That, Mr. President, ought to be plain to anyone. I have a great deal of respect for the junior Senator from Louisiana.

Mr. LONG. Mr. President, I take it the Senator from Nebraska does not care to answer the question.

I now yield 15 minutes to the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, I do not intend to review all the provisions of the bill. I recommend only that the Members of this body and anyone else who is interested in having enlightenment on the subject, read the debates which have taken place, and particularly the speech of the junior Senator from Illinois [Mr. DOUGLAS], which I have read with great care. I believe it contains all the necessary discussion of the substantive part of the proposed legislation and is enlightening as to what is its significance.

I shall make only a few observations. First, I shall say that I am amazed at the attitude of the leader of the minority. I recall well his great interest in small business last year and the year before. At that time, if I remember correctly, he seemed to have some regard for the established organizations which are interested in small business. I call to his attention particularly a telegram which I have just received, and I have no doubt that other Members of this body have received, signed by Harold O. Smith, Jr., executive vice president, United States Wholesale Grocers Association, Inc. That is a very reputable organization, one which has members throughout the country. The telegram is brief, and I wish to read it. I may say that it is very similar to another telegram I have received this morning signed by other organizations interested in small business. I read as follows:

WASHINGTON, D. C., *June 2, 1950.*

Hon. J. W. FULBRIGHT,
Senate Office Building,
Washington, D. C.:

We respectfully urge you to reject conference report on S. 1008, clearing the way for the introduction, if necessary, of a new bill on this subject at the next session of Congress—a bill that will have the benefit of full and free public hearings which the present bill has never had. This is the most important and far-reaching domestic legislation before Congress in the last decade and yet still the most confusing and least understood, both in and out of Congress. There is too much chance of a tragic error being made if the conference report in its present form is accepted. As representative of an organization of small business and after a year of painstaking study, we see nothing in this bill but the weakening of the Robinson-Patman Act and other antitrust laws. It will please and benefit the big-business interests but will leave small business defenseless against the inroads of monopoly and monopolistic practices. Please vote against it.

HAROLD O. SMITH, JR.,
Executive Vice President, United States Wholesale Grocers Association, Inc.

I have received another telegram which I shall not read, but will say it is very similar to the one I have just read. It contains the same general request, and is signed by George J. Burger, National Federation of Independent Business; Rankin Peck, president, National Congress of Petroleum Retailers; George H. Frates, Washington representative, National Association of Retail Druggists; W. W. Marsh, general manager, National Association of Independent Tire Dealers; George Nelson, legislative representative, International Association of Machinists; James G. Patton, president, National Farmers Union; and W. J. Campbell, director, Washington Office, Cooperative League of U. S. A.

Mr. President, it seems to me extremely strange that all those who signed that telegram could be misled as to the significance of the pending legislation. I do not think they are. The very fact that there is such violent disagreement among those in this body who purport to be interested in small business, in itself is sufficient reason, I think, for the measure to be sent back to committee for further study.

Mr. President, I do not recall any bill as to the meaning of which there has been such divergence of view. One of the ablest members of this body, the Senator

from Wyoming [Mr. O'MAHONEY] says it means one thing. Other equally able Members—if that could truthfully be said—other Members of this body say it means exactly the opposite. The junior Senator from Illinois [Mr. DOUGLAS], who, as we all know, has had long training in the subject of economics, and who, I would say, qualifies as an expert on the subject, says it means the opposite. The Senator from Nebraska [Mr. WHERRY] says it has no significance whatever to small business; that it does not do anything prejudicial to the Robinson-Patman Act. Yet the leaders of the organizations representing small business say it does.

Mr. President, if so much confusion exists with respect to the bill, the conference report should be rejected, and the measure certainly should be sent back for further study.

This is one example, I may say to my friend, the Senator from Illinois, in which the rule of unlimited debate of the Senate might be put to good use, because the subject has not been thoroughly discussed on the floor or in the committee hearings.

Mr. President, this morning I received a very significant letter from one of my colleagues in the House of Representatives, Representative BOYD TACKETT, of the Fourth District of Arkansas, who served on the House Committee on the Judiciary which studied the bill. The letter illustrates to me how a member of a committee which has studied the proposed legislation after hearings, and after discussion of the measure, was misled, and has completely changed his views since he voted on the measure. The other day he told me he had spent a great deal of time in soliciting votes for this legislation in the House.

The letter, addressed to me, is dated this morning.

HOUSE OF REPRESENTATIVES,
Washington, June 2, 1950.

Hon. J. WILLIAM FULBRIGHT,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR: I apologetically admit that I strongly supported the basing-point proposal, S. 1008, in the House Judiciary Committee, of which I am a member, and on the floor of the House, upon the belief that the consuming public throughout the Nation would benefit from freight absorption as proposed by the involved legislation.

However, actual instances of business activities within our State have conclusively proven that the consuming benefits provided by the legislation are overshadowed by the concentration of business activities that will be afforded by virtue of this legislation. I could give you several instances to substantiate my findings and conclusions.

As an example, immediately following the United States Supreme Court Cement decision, the United States Gypsum Co. purchased considerable gypsum holdings within Pike County, Ark., believing it would eventually be necessary for them to scatter their enterprise in order that they could compete with other local interests throughout the country. This company bought in fee simple title all the available gypsum lands within the vicinity afore-mentioned, and took an option upon some plant sites with the intention of developing that gypsum area and producing gypsum for the consuming public of such merchandise within the Southwest. However, immediately after the passage of S. 1008 by the House of Representatives, the United States Gypsum Co. lost further interest in the Arkansas properties, and let it be generally known within the involved area that the passage of the basing-point legislation curtailed the need for spreading their enterprise to other localities.

Various cement companies within our area have engaged in similar activities, with the same ultimate results—curtailing intentions to expand their respective businesses within other localities because of the legislation which affords them the opportunity to compete from a concentrated and centralized operation.

I am now thoroughly convinced that I have been in error in supporting the basing-point proposal and do sincerely feel—based upon first-hand knowledge of business activities as exemplified herein—that should the Supreme Court Cement dictum become a reality, business would ultimately and inevitably expand and scatter throughout the country so as to be more beneficial to the citizenship, including the consuming public, than the brief benefits to the consumers because of freight absorption.

Respectfully submitted.

BOYD TACKETT,
Member of Congress.

Mr. President, Representative TACKETT spent hours in the House Judiciary Committee studying this proposed legislation. At first he favored it. However, in the course of a month he has completely reversed his position, and now he is violently opposed to the enactment of this measure.

Mr. President, I think this measure is much too important to be adopted by us at this time, in view of the feeling of uncertainty on the part of the leaders of both Houses of Congress with regard to the effect of this bill upon our economic system.

Because of the enactment of antitrust legislation, the people of the United States have demonstrated their belief in the necessity for the enactment and enforcement of such antitrust laws. In recent years, as I have become better acquainted with the economic conditions of our country, my faith has been reaffirmed in the validity of competition as the very lifespring of our economy. In every country in Europe we run into deplorable situations which are explained by the lack of competition and the growth of inefficient industries, such as those which exist throughout the countries of western Europe.

So I think the antitrust laws are absolutely necessary in a vigorous industrial system such as ours.

Of course it is only natural for business to wish to grow and to expand. When businesses become large, if they are vigorous, as ours are, they necessarily and inevitably wish to expand. That desire demonstrates the necessity for the enactment and enforcement of the antitrust laws.

I often regard the necessity for the antitrust laws in connection with our economic structure as I do the necessity for the Senate as a part of our governmental structure. The antitrust laws are a necessary part of our economic system, and they are just as necessary in connection with that system as this body, the Senate of the United States, is necessary as a part of our governmental structure. The Senate is able, from time to time—although in a limited way, I must admit—to restrain overly ambitious executive officers. But for the Senate, I think our Government would become a totalitarian political system, corresponding to a totalitarian monopolistic economic system which would be developed in the absence of the antitrust laws.

I, for one, never wish to do anything which would weaken the effectiveness of our antitrust laws. However, I have no question but that this measure, if enacted, will weaken the antitrust laws—not only the Clayton Act, but also the Robinson-Patman Act.

Therefore, I am very reluctant to take a chance in connection with this measure. It should be rejected.

Mr. President, I think this measure is very difficult to understand, and is most involved. I have read the debates with the greatest care, and I have studied this measure in considerable detail. As a result, I have arrived at the conclusion which I have just stated.

I concede that the public has not been sufficiently informed regarding this measure to be thoroughly aroused about it. However, within the last 2 months cases involving the Robinson-Patman Act have developed in my State, and have been called to my attention. They were small cases; but the fact that in one of them it was possible for a large can-manufacturing company to be brought into Federal court on a charge of violation of the Robinson-Patman Act, and the fact that in that case it was possible for the court to find that the company had violated that act, demonstrate the wisdom of the proper exercise of Federal control over oppressive actions.

Some firms, primarily retail dealers in steel in my State recommended to me some months ago that I support this proposed legislation. However, when similar complaints were analyzed in the course of the hearings, I think they did not prove by any means that small business as a whole is of that view. The complaints made by small-business men who appeared before the Senate committee do not challenge the view that, in the long run, basing-point legislation favors large enterprises, at the expense of small enterprises, and does not prevent the consolidation of power on the part of large business organizations.

Of course, as of the present time any dislocation in the existing price structure may result in some temporary inconvenience and some temporary harm to existing businesses, particularly to the dealers to whom I have referred. But that is so in the case of any change in any established economic pattern. When any new discovery is made or when any technological advance occurs, there are dislocations, and complaints are made about them. We always find those who are in the ranks of labor complaining about any kind of new development which may, for the time being, result in the loss of jobs by some persons. Recently we have had a good example of that in the case of the development of Diesel engines and their use by the railroads, resulting in the employment of fewer firemen. That situation is quite comparable to the situation which develops in connection with this matter

in that a change brought the inevitable complaint.

As a result of the decision of the Supreme Court in the Cement case, various industries contemplated scattering or broadening their enterprises in order to be able to compete with other local interests throughout the country. That situation was commented on by Representative TACKETT, whose letter I read a few moments ago. Of course, the prospect of the development of new plants caused some concern to existing plants. On the other hand, such a development has the opposite effect upon the people in the community who welcome the development of new industries and new employment and new business opportunities in their area.

So, Mr. President, on balance I would say there is always a net gain when such a development occurs. Of course, it is only human nature that the ones who are injured will complain much more vigorously than the ones who have a feeling of enjoying some good fortune.

The VICE PRESIDENT. The time of the Senator from Arkansas has expired.

Mr. FULBRIGHT. May I have 1 minute more?

Mr. LONG. I yield one additional minute to the Senator.

Mr. FULBRIGHT. We all know that is human nature, from our contacts with our constitutents. It is not a reprehensible characteristic. It is human nature that the few who are hurt are likely to complain, while those who have some good fortune do not seem to bother about mentioning it.

So, Mr. President, I certainly hope the Senate will not take this precipitate action. To reject the proposal outright would perhaps require more certainty of our position than actually exists, but we certainly ought to send the bill back to the committee. The question ought to be studied further, and, if any legislation is needed, it ought to be brought up in the next session, after serious and prolonged study, so that there may be no doubt about its significance in the minds of the leaders of the Senate. As I said in the beginning, the very fact of the extreme and violent disagreement as to what the bill means is alone a sufficient reason for rejecting the conference report at this time.

Mr. O'CONOR. Mr. President, I yield 5 minutes to the senior Senator from Wyoming [Mr. O'MAHONEY].

The VICE PRESIDENT. The Senator from Wyoming is recognized for 5 minutes.

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. O'MAHONEY. It is my understanding that there is nothing in the unanimous-consent agreement which prevents a Senator's speaking more than once, if the time is available. Am I correct in that understanding?

The VICE PRESIDENT. There is nothing in the agreement to prevent a Senator speaking more than once.

Mr. O'MAHONEY. Mr. President, the very eloquent and lucid remarks of the Senator from Arkansas [Mr. FULBRIGHT] prompted me to make this very brief statement now. I think the letter which the Senator read—from, I think, a constituent——

Mr. FULBRIGHT. If I may correct the Senator, the letter was from Representative TACKETT, a member of the House Judiciary Committee, who is also a constituent of mine.

Mr. O'MAHONEY. Very well. The letter indicates to my mind one of the principal reasons why this bill should be approved. The burden of the letter was that the United States Gypsum Co.—which is not a small business—when it felt that delivered pricing and freight absorption had been declared unlawful, although every spokesman for the Federal Trade Commission says delivered pricing and freight absorption is not unlawful per se when individually practiced, began to expand into every area of the United States. That would be the trend of big business, if the opponents of this bill could succeed.

Take the case of the United States Steel Co. By a decision of the courts, United States Steel acquired the Columbia Steel plant on the Pacific coast. By purchase from the Surplus Property Administration, it acquired the Geneva plant in Utah. It had its own plants in other sections of the country, and now it is proposed to build a plant in Philadelphia. So that f. o. b. is precisely what the United States Steel needs and desires in order to maintain its position of dominance in the steel industry. The same argument has been made with respect to the Bethlehem Steel Co. Advocates and spokesmen for the Bethlehem Co. would dearly love to have this bill fail, because then, with the great capital that company and other such institutions have, they would be in a position to build new plants and thereby strengthen their position.

I say without any hesitation that when we declare in unmistakable terms that freight absorption and delivered pricing, when individually practiced and not used as a method for violating the antitrust laws or stifling competition are lawful, we shall be promoting independent competitive enterprise, we shall be tending to break down the concentration of economic power. That is precisely the reason why I, as an advocate of the expansion of free competitive enterprise, as an advocate of methods which will tend to limit the concentration of economic power, am in favor of the pending legislation.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Arkansas?

Mr. O'MAHONEY. I am very glad to yield.

Mr. FULBRIGHT. Does it not strike the Senator as being rather odd that he should have such a directly opposite view of the significance of this bill, compared with the views of such Senators as the junior Senator from Illinois and other Senators who have spoken, who often have a different philosophy but who rarely differ on what the actual effect is? It is a rather strange thing to me.

The VICE PRESIDENT. The time of the Senator from Wyoming has expired.

Mr. LONG. Mr. President, I should like to say a word with reference to the argument just made by the Senator from Wyoming. Coming as I do from an underdeveloped State, I should be pleased to see big business, whether United States Steel, United States Gypsum, or whatever it might be, come into our section of the Nation and build some plants and industries. I know that in the event they were not able to emasculate the antitrust laws, the many underdeveloped sections of America, including the South and the West as well as New England, and many other areas, would be developed either by big industry or small. Why? Because big business could not drive out small business through freight absorption and price discrimination, designed to take away from a local business the advantages of its economic location, and therefore big business would be in the position that, if it did not develop the underdeveloped sections of the Nation, someone else would. That is the reason why the United States Gypsum Co. would go into Arkansas, and why other industries would go elsewhere in the Nation to develop other areas.

May I point out what has been happening since the decision in the Cement Institute Co. case? There is exhibited in the rear of the Chamber a map of the new cement plants being built in the United States since the Cement Institute decision was rendered 2 years ago. The best information I have is that only two new cement plants were constructed in the United States for many years prior to the Cement Institute decision. Looking at the map, all the blue dots represent new cement plants constructed in the United States since the Cement Institute decision was rendered 2 years ago. From a quick count, I think the number runs to about 22 new cement plants built in 2 years, all constructed primarily in the underdeveloped sections of the United States.

I also call attention to the fact that all the yellow dots on the map, numbering probably 35 or 40, represent major plant expansions taking place in America, primarily in the underdeveloped sections. Many of them I grant are being made by big business, many of them by small business. But it all sums up to this, that industry is spreading across America because of the economic advantages to industry accruing from location at strategic points, and being protected from unfair discrimination, in terms of freight absorption or in terms of price discrimination by big business. Thus, industry is in a position to go to an underdeveloped section, build it up, and compete effectively, without being driven out of business by unfair methods. By virtue of that, Mr. President, big business finds, so long as the basing-point system is illegal, it must help develop undeveloped areas, to keep someone else from doing it. I care not whether big business develops the South, the West, and New England, or whether small business develops the underdeveloped sections of America. It is good for the Nation, it is necessary for our na-

tional defense. I therefore say, whether done by big business or by small, I should be willing to have it done. I say it would be better for the welfare of the Nation.

If we accept the argument made by the distinguished Senator from Wyoming, the system as it is today would enable big business to develop underdeveloped sections of America and is better than the situation during the past 60 years under the basing-point system.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. FULBRIGHT. To pursue that thought a little further, the effect of the situation in Arkansas is to have no plants at all. Certainly I was not seeking to make the point that I am against big business as such. I think it should be dispersed and disseminated throughout the country. The argument of the Senator from Wyoming does not refute that statement.

Mr. LONG. Mr. President, I yield 5 minutes to the distinguished Senator from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. President, I wish to make a point of order against the conference report as being in violation of rule XXVII of the Senate, paragraph 2 thereof, which provides:

> Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses.

It may be a little easier to follow the point of order which I want very strongly to make if I may send to the desk a listing of the versions of the bill which will illustrate the point I am raising. The Presiding Officer will see on the extreme left of the chart that the original bill which the Senate considered was a moratorium bill. Later, in the afternoon of June 1, 1949, the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] offered a substitute, which was not a moratorium bill, and, after approximately 30 minutes' discussion, late in the afternoon, that bill was passed. It will be seen that in section 3 of the O'Mahoney substitute there is this provision:

> Other than a discrimination which will substantially lessen competition.

That was an amendment offered by the junior Senator from Tennessee which is commonly referred to as the Kefauver amendment.

When the bill reached the House of Representatives, the Judiciary Committee of the House struck out the so-called Kefauver amendment, but on the floor of the House the Carroll amendment was offered in lieu thereof; and in the third column the Presiding Officer will see that there is an amendment in the following language:

> If the discrimination is not such that its effect upon competition may be that prohibited by this section.

It will be seen that when the first conference report was presented, both amendments were stricken. On the extreme right it will be seen that after the Kefauver and Carroll amendments were stricken additional language was added at the end of section 3 in these words:

> Except that this shall not make lawful any combination, conspiracy, or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice.

In other words, the language which I have just read is supposed to have taken place of the Carroll and Kefauver amendments.

The points I wish to make are these, that, in the first place, the Carroll and Kefauver amendments meant the same thing. They raised a principle which I shall discuss, if I may, a little later, and while not in the same wording, they referred to the same matter and attempted to prevent, and did prevent, according to the record, the meeting of competition in good faith on the part of a seller and prevented a violation of section 2 of the Clayton Act and the Robinson-Patman Act.

A further point which I wish to make is that the substitution of this language at the end of section 3 does not refer to the same matter at all. The record will show that it does not have anything to do with the good-faith defense, and with the language which has been inserted at the end of section 3, the so-called good-faith defense has been restored.

Mr. President, in order to present the matter clearly, I think it is necessary that I relate a little economic and legislative history of what the provision means.

The Sherman Act was passed in 1890. Congress took two very affirmative steps in order to prevent unjust discrimination——

The VICE PRESIDENT. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield five additional minutes to the Senator from Tennessee.

Mr. KEFAUVER. In 1914 Congress passed the Federal Trade Commission Act, and then the Clayton Act. Section 2 of the Clayton Act attempted to prevent unfair discrimination on the part of sellers, but that provision contained a fatal loophole. It contained a provision to the effect that it shall not be an unfair discrimination if a seller is meeting competition in good faith. It so happened that this loophole was such as almost completely to nullify section 2 (a) of the Clayton Act.

It will be remembered that in the 1920's there was a great chain-store investigation by the Federal Trade Commission and there was much agitation for more legislation to plug up that loophole in the Clayton Act.

In 1936, after a great many reports, the Robinson-Patman Act was passed. The chief purpose of that act was to do away with the meeting of competition in good faith as an absolute defense. The record shows that the present Vice President took a great part in that effort. It has been the law since that time. It was sustained in the Staley case.

Fairly recently the Standard Oil Co. had been selling oil and gasoline to certain wholesale customers at a certain price and selling at a higher price to a number of retail customers. When the company was proceeded against by the Federal Trade Commission it relied upon meeting competition in good faith. The Seventh Circuit Court of Appeals, Mr. Justice Minton writing the unanimous opinion, held that the Robinson-Patman Act had changed the situation and it was no longer a complete defense. That case is now pending in the Supreme Court of the United States. The attorney for the Standard Oil Co. has said that if this bill is passed, Congress has decided the case in favor of the Standard Oil Co.

Mr. President, when the O'Mahoney substitute was presented, it should have been considered at greater length than 30 minutes. It was presented partly in writing and partly on oral statement. Several of us felt that it had nothing to do with the basing-point system, delivered prices, or freight absorption, and that it was a very clever effort, which had taken the Senator from Wyoming [Mr. O'MAHONEY] unawares, on the part of certain big monopolistic interests virtually to repeal the Robinson-Patman Act. On the floor I offered an amendment which the record shows the Senator from Wyoming and other Senators agreed would not make meeting competition in good faith an absolute defense. In other words, it would continue the provision contained in the Robinson-Patman Act.

When the bill went to the House the Carroll amendment was offered. Although in different language from my amendment, and, I may say, in improved language, the Carroll amendment does exactly the same thing. It prevents a seller from having an absolute defense when meeting competition in good faith. That is what the House committee said in its report. Although the Senator from Wyoming may say differently, the House committee has said definitely that with the Carroll and Kefauver amendments in section 3, the seller cannot have an absolute defense on the ground of meeting competition in good faith. The Attorney General has said that. It is stated in the House committee report. The arguments made in the House have given it that legislative intent. Therefore the substance of the amendments is exactly the same.

The VICE PRESIDENT. The time of the Senator from Tennessee has expired.

Mr. LONG. I yield three additional minutes to the Senator from Tennessee.

Mr. KEFAUVER. The House also found in its report, and unquestionably it is true, that with these amendments stricken out, and with this oratory inserted at the bottom, we would turn the clock back to prior to the adoption of the Robinson-Patman Act. In other words, meeting competition in good faith is again to be a defense. That is what the House committee report says. That is what the Attorney General says. That is plain language. I think the matter comes down to this question: Is the language at the bottom a substitute for the Kefauver and Carroll amendment? It is not a substitute, Mr. President, because the language does not do anything. The House of Representatives has said

so. The Attorney General has said so. Let us see what this language does. It will be seen that the language is "except that this shall not make lawful any combination, conspiracy, or collusive agreement."

Mr. President, that is nothing but a reenactment of the same language found in sections 1 and 2 of the Sherman Act. In 1936 it was found by the Congress that the Sherman Act did not afford the kind of protection that was needed. The Sherman Act does not deal with the matter of competition in good faith. That is why the Robinson-Patman Act was passed. This language is contained in sections 1 and 2 of the Sherman Act. The matter of meeting competition in good faith does not involve a conspiracy or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice. It does not involve any of those things. Therefore, it speaks of something entirely different. It is nothing more than an effort to reenact sections 1 and 2 of the Sherman Act, which have been law since 1890. It is a clever effort to do away with the protective part of the Robinson-Patman Act. The language is not germane to the Kefauver and Carroll amendments.

With those two amendments stricken out and with this language standing as it does, the protection which was offered has been taken away. The Senator from Wyoming admitted that the amendments proposed by me and by Mr. CARROLL did prohibit the defense of meeting competition in good faith. There is no showing whatsoever, and there can be no showing, that the oratory which has been inserted at the bottom, and which was taken from sections 1 and 2 of the Sherman Act, refers to or in any sense takes the place of the Kefauver amendment or the Carroll amendment. If time permitted, I would read sections 1 and 2 of the Sherman Act. The Vice President will see that they contain exactly the same language, except that something is referred to in the Sherman Act. The language as it stands here refers to nothing. It is just so much verbiage.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. KEFAUVER. I should like to insert in the RECORD at this point sections 1 and 2 of the Sherman Act, as well as a brief memorandum which I have prepared on the point of order which I make.

There being no objection, the excerpts from the Sherman Act and the statement were ordered to be printed in the RECORD, as follows:

SECTIONS 1 AND 2 OF THE SHERMAN ACT

SECTION 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor and, on conviction thereof, shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court.

SEC. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding $5,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court.

MEMORANDUM TO THE VICE PRESIDENT IN SUPPORT OF POINT OF ORDER TO CONFERENCE REPORT ON S. 1008 MADE BY SENATOR KEFAUVER

Mr. President, I wish to make a point of order. I refer specifically to section 3 of the conference report on S. 1008. The conferees have stricken matter agreed upon by both Houses in violation of rule 17, section 2. The conference bill is therefore contrary to the rules, as I shall now demonstrate.

In 1914 Congress passed two important antitrust acts. Legislation designed to arrest the widespread and growing concentration of industry and commerce into the hands of a few giant corporations has previously been passed in 1890 in the form of the Sherman Act. But this earlier legislation had proved largely ineffective, and by 1914 was generally agreed that further legislation was desirable.

The first of these two additional acts was the Federal Trade Commission Act, establishing the Federal Trade Commission and giving to it certain powers to deal with what was described in a general way as "unfair methods of competition." Then, a few months later, Congress passed the Clayton Act, prohibiting certain specific acts and practices which were unfair and promoted monopoly. One of the practices which were specifically outlawed in this bill was price discriminations which had an unwholesome effect upon competition. Section 2 of the old Clayton Act prohibited price discriminations and gave the Federal Trade Commission specific powers to bring such discriminations to a halt.

Unfortunately, however, this section, as then passed, contained a fatal loophole. It contained a proviso exempting from the prohibition of the act discrimination made in good faith to meet competition. This proviso, as subsequent history has abundantly proved, turned out to render the law an almost complete nullity. During the next 20 years the Federal Trade Commission took price discrimination cases up to the Court only to have the Court rule that the discriminations, regardless of how ruinous they might be on competition, were lawful because they had been made in good faith to meet competition.

This was the situation that existed for nearly a quarter of a century. But during the great depression of the thirties, Congress again awoke to the importance of preventing price discriminations. The chain stores, as we all remember, were driving small firms out of business by the thousands. And the principal weapon which they were using was price discrimination. I think each of us can remember how the chain stores would come into a community or a neighborhood, temporarily cut prices down to the bone, absorbing their losses in profits made elsewhere, drive the independent merchants out of business, and then when they had cornered the market, raise prices. And the same thing was, of course, happening in manufacturing and other fields as well.

Extensive investigations were made of this problem of price discrimination. The Federal Trade Commission issued exhaustive reports, one of which, the chain store investigation, contains vivid descriptions of the way in which small firms were forced out of business by price discriminations. Lengthy hearings were held by congressional committees of the Seventy-fourth Congress. As a result of these inquiries, it was found that, without question, because of the good faith proviso of the old Clayton Act, the purpose of the law had been circumvented and discriminatory practices could not be effectively stopped.

It was found, for example, that the practice of discriminating in favor of big buyers was not only widespread but usually far in excess of any differences in the sellers' costs as between supplying the few big buyers and the multitude of small buyers who were receiving the brunt of the discrimination.

The purpose of the Robinson-Patman Act was to put a halt to this vicious practice. It sought to do this by, among other things, correcting the nullity which the good faith defense had made of the old law. The House Committee on the Judiciary, in its report on the Robinson-Patman bill, pointed out the difficulty which the good-faith defense in the old Clayton Act has caused. Referring to the good-faith proviso (and one other proviso) of the old Clayton Act, this report said:

"These provisos have so materially weakened section 2 of the act which this bill proposes to amend as to render it inadequate if not almost a nullity." (H. R. 2287, 74th Cong., 2d sess., p. 7.)

The Robinson-Patman Act thus not only provided stronger language against discrimination but also specifically and explicitly removed the "good faith" defense from its status as a complete justification for a discriminatory practice, changing it to a procedural defense. By this it was meant that where a company charged with violating section 2 (a) of the Clayton Act, as amended, showed that its discriminations were made to meet the lower price of a competitor, the good-faith defense would be established. But by establishing the good-faith defense, the company would not necessarily establish a justification for the discriminatory practice and thus escape a cease and desist order. The mere fact that one seller could show that another seller had also made a discrimination was not to serve as a bar to illegality. The Members who worked out the Robinson-Patman legislation said on several occasions that two wrongs do not make a right.

The procedure which resulted in this change in the status of the good-faith defense may be summarized as follows: The Commission was to be able to initiate cases—that is, make out prima facie cases—upon a showing that a discrimination had been made.

If the company charged could show a cost justification—evidence of which only the company would have ready access—then, of course, the matter would be dropped.

If the company could show neither the cost justification nor the good-faith defense, then the Commission was to have authority to order the discriminatory practice stopped, without building up its proof to show that the practice would have the harmful effects upon competition specified in section 2 (a).

On the other hand, if the company could show that its discrimination was made in good faith to meet the lower price of a competitor, then the Commission was to have the burden of building up such proof of harmful effects before it could order the discrimination stopped.

In short, the effect of the passage of the Robinson-Patman Act on this point was to change the good-faith defense from a complete defense to one which, if established, merely placed a greater burden of proof upon the Commission than would be involved if it were not established.

Mr. President, I come now to the history of section 3 of S. 1008. As first presented, it would have restored the good-faith defense.

After a discussion of the good-faith question on the floor, in which the junior Senator from Louisiana joined with the junior Senator from Tennessee in pointing out the harmful effects of section 3 as it stood, there was general agreement that the good-faith defense should not be restored as a complete

defense for harmful discriminations. I think without question the discussions of this matter appearing on page 7064 through 7071 of the RECORD for June 1, 1949, will bear out my statement that the agreement reached on this point was general. This body did not intend to turn the clock back to the old Clayton Act test. It did not intend to overturn the decision in the Standard Oil case from which I have quoted. (See, particularly, p. 7071, second column.)

Accordingly, I suggested a qualifying amendment reflecting this intent, which was adopted in section 3. A similar qualifying amendment was adopted in section 2B, but we need not now consider section 2B, as it has not suffered the same violence at the hands of the conferees. These two amendments are frequently referred to as the Kefauver amendments, and as a matter of convenience and clarity I shall so refer to them. The Kefauver amendments were adopted, without dissent, and the bill was passed by the Senate on the same day—June 1, 1948. Parenthetically, I might add that since no hearings were held on this bill, I was forced to draft these amendments very hurriedly on the floor, and it is not surprising that their wording was later improved.

When the bill went to the House, the House Committee on the Judiciary had a different idea in this matter. It decided that the good-faith defense should be made a complete defense for a discriminatory practice, regardless of the discrimination upon competition. Consequently, that committee struck out the Kefauver amendments and reported to the House a bill which contained no language in their place.

In the course of debate, however, the House refused to accept the report of its Judiciary Committee. It adopted, instead, in section 3 (and also sec. 2) certain amendments offered by Mr. CARROLL. Although the intent of these amendments was the same as those which I had introduced, they were more carefully worded and placed even stronger safeguards against the possibility that good-faith defense might again be used as a complete defense for price discrimination.

Hence, neither of the bills which went to conference would have made the good faith defense a complete defense for price discrimination. In general, both the Kefauver and Carroll amendments would have continued to make illegal such discriminatory practices as would substantially lessen competition.

Despite this fact, however, the conferees decided that good faith should be made a complete defense for discriminatory practices, and amended section 3 of the bill to that effect. In partial explanation for this decision of the conferees, the statement of the House Managers on the conference report provides us with the following. I quote:

"The bill also deals, however, with the extent to which sellers may lawfully discriminate in price to meet the lower prices of their competitors. Proponents of the bill believe that sellers should be permitted to so discriminate whenever they can affirmatively prove that they are doing so in good faith. Real and vigorous competition as well as the public interest can never be adversely affected when sellers are actually competing in good faith."

Mr. President, the Congress that passed the Robinson-Patman Act thought differently. It thought that competition and the public interest not only could be, but definitely were, adversely affected by discriminatory practices carried on in good faith. Moreover, the Senate thought so on June 1 when it passed the bill containing the Kefauver amendments. And the House had also thought so when it passed the bill containing the Carroll amendments.

But today, the conference bill that is before us, which has recently been passed by the House, is at variance with the action of both Houses, since it does make good faith once again a complete defense against charges of price discrimination.

Mr. President, the conferees did not simply strike both the Carroll and Kefauver amendments in section 3 and merely leave the space blank. Rather, they substituted in their place certain high-sounding language which tends, upon casual reading, to camouflage the absence of both the Carroll and Kefauver amendments. The words added at the end of section 3 actually add nothing to the section. They certainly do not protest the Robinson-Patman law which was the purpose and result of the Kefauver and Carroll amendments.

Mr. President, let me summarize my remarks by quoting the exact language of the bill on this point, (1) as first introduced in the Senate, (2) as originally passed by the Senate with the Kefauver amendments, (3) as passed by the House with the Carroll amendments, and (4) as reported by the conferees without either the Kefauver or Carroll amendments and recently passed by the House. All of these versions relate to section 2 (a) of the Clayton Act, as amended by the Robinson-Patman Act, which reads as follows:

"Where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them."

(1) As first introduced in the Senate, the proviso of section 3 of S. 1008 reads as follows:

"*Provided further*, That a seller may justify a discrimination by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor."

(2) As passed by the Senate, the proviso of section 3 reads as follows:

"*Provided further*, That a seller may justify a discrimination (other than a discrimination which will substantially lessen competition) by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet the equally low price of a competitor, or the services or facilities furnished by a competitor."

(3) As originally passed by the House, the proviso of section 3 reads as follows:

"*Provided further*, That a seller may justify a discrimination (if the discrimination is not such that its effect upon competition may be that prohibited by this section) by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet the equally low price of a competitor."

(4) As reported by the conferees and recently passed by the House and now before this body, the proviso reads as follows:

"*Provided further*, That a seller may justify a discrimination (except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice) by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet the equally low price of a competitor."

The parenthetical language appearing in the conference report is in place of both the Carroll or Kefauver amendments appearing in parentheses in the version just cited. This parenthetical language of the conference report happens also to be the language of the proviso appearing in section 1 of the bill, which amends the Federal Trade Commission Act. Although this language may have some relevance when inserted into the Federal Trade Commission Act, its relevance to the Clayton Act is doubtful, and in any case, it cannot be regarded as a substitute for either the Kefauver or Carroll amendments.

There can be no doubt that the conferees understood that either the Carroll or Kefauver amendments would have retained the rule of the Standard Oil case. Moreover, there can be no doubt that the conferees understood that their language of the proviso would not retain the rule of the Standard Oil case. I quote from the statement of the House managers accompanying the conference report. Under the subheading "Amendments to section 3," this statement quotes both the Kefauver and Carroll amendments and then remarks as follows:

"In the words of the Assistant Attorney General in charge of the Antitrust Division, the effect of the parenthetical Senate amendment is as follows, and this would be true, a fortiori, of the parenthetical House amendment: 'Insertion of this phrase in the bill (S. 1008) has the effect of retaining the rule of *Standard Oil Co.* v. *Federal Trade Commission* (173 F. 2d 210), a decision by the Court of Appeals for the Seventh Circuit which held that good-faith competition is not a defense where the effect would be to lessen competition.' "

Then after this statement which clearly recognizes that both the Senate and House versions of the bill would retain the good-faith defense as a procedural defense only—that is, that either of these versions would retain in the law the rule of the Standard Oil case, the next sentences assert what the conferees have decided the law should be. The statement continues:

"While we recognize the competitive problems which arise when one purchaser obtains advantages denied to other purchasers, we do not believe the solution to this problem lies in denying to sellers the opportunity to make sales in good-faith competition with other sellers." (See CONGRESSIONAL RECORD for October 14, 1949, p. 14605, first column.)

Mr. President, we find ourselves confronted with a situation in which the Senate passed a bill containing language designed to accomplish a certain, specific objective, the House passed a bill containing even stronger language designed to accomplish that same objective, but the conferees have reported out a bill containing neither the Senate nor the House language, explaining that the objective which that language was designed to accomplish is not, in their view, a desirable one.

Mr. President, I say that by deleting the Kefauver and Carroll amendments from section 3 of S. 1008 and by failing to replace them with an adequate substitute, the conferees have exceeded their authority under the rules. Accordingly, I raise a point of order.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared indicating my position on the pending conference report.

There being no objection, the statement was ordered printed in the RECORD, as follows:

STATEMENT ON S. 1008 CONFERENCE REPORT BY SENATOR MAGNUSON

Mr. President, I will confine my remarks on this bill (S. 1008) to two of its more disastrous features. These are the features of the bill which would modify and, I think, effectively repeal the Robinson-Patman amendment to the Clayton Act. These are the features of the bill which would set the law on price discrimination back at least to 1914.

In the 10 or 15 years prior to 1914 there had been a great growth of monopoly in this country. Already small business units and

individual family enterprises had, except in the field of agriculture, begun to disappear in great numbers. A great many speeches were made in those years about the growth of monopoly and the disappearance of small business, and the general public seemed at all times greatly concerned about this trend of affairs in the United States. Moreover, the general public seemed at that time to have understood, in part, at least, one of the principal causes for this centralization of business into the hands of the few. This cause was price discrimination. The techniques of price discrimination, as they were then understood, were the techniques of cutthroat competition whereby the financially large business enterprises were ruthlessly destroying the small, either driving them into bankruptcy or forcing them to sell out and merge with the larger corporate units. Thus did monopoly grow.

The most notorious monopoly of that day was the old Standard Oil Trust. This trust came to own more than 90 percent of the petroleum business of the country. When the trust was investigated by the old Bureau of Corporations and was finally dissolved under the Sherman Act in 1911, the techniques of its success in attaining monopoly were brought into general public view. Principal among these techniques, as the public had long suspected, was the technique of price discrimination directed against its smaller competitors. The Standard Oil Co.'s first step was to gain a size advantage over the other competitors in the field. This was done by merging with several previously independent companies. Thereafter it went about destroying its small competitors in one territory after another. It would simply cut prices to cost—or below cost—in one area or territory until it had destroyed the small competitors whose outlets were confined to that territory, and then, of course, raise the price. The monopoly prices which this insidious trust was then able to extract from the consumers in those areas where the competition had been driven out were used to subsidize the destruction of small competitors in still another field.

As smaller competitors were driven to the wall, they were either bought up and absorbed into the tenacles of the trust or allowed to die. But this was not a technique of which the old Standard Oil Co. was the inventor or the exclusive practitioner. On the contrary, the effect of this practice had become visible in varying degrees throughout the range of industry.

The public received a great many promises from the political leaders of that day to the effect that something would be done to put a stop to such unfair trade practices, and the consequent disappearance of small business. It was not, however, until the Democratic Congress of 1914, during Woodrow Wilson's administration, devised and passed the Clayton Act that any really serious step was taken toward the ends that had been promised.

The Clayton Act was a noble attempt to deal with a problem which, it must be admitted, was incompletely understood. In drafting this act, the legislators set out to remedy the problem of price discrimination but fell into several pitfalls in the pursuit of that task.

After prohibiting price discrimination in section 2 of the act, the legislators turned around and included a proviso which, for the most part, rendered this section meaningless and unenforceable. This nullifying qualification was the so-called good-faith exemption. The legislators apparently recognized the evil of price discrimination on the one hand but, on the other, could not shake the notion that price discrimination after all made competition. Many recognized that price discrimination was, indeed, a symptom of a condition in which a degree of monopolization had already taken place, and the competitive character of the industry had in part already disappeared. But they reasoned, apparently, that once a degree of monopolization had been obtained, the best way for monopoly to regulate itself was through price discrimination. Some price discrimination, these legislators argued, would cause one quasi monopoly to break into the territory or customers of another and thus bring about a lower level of prices than could otherwise be expected.

As a consequence of this kind of mixed reasoning, the Clayton Act set about to prohibit what were considered bad price discriminations or those having bad results, but, on the other hand, to preserve those which it was thought might have good results. The legislative result was a law against price discrimination with many troublesome qualifications which, on the whole, rendered the law well nigh useless. For a general picture of some of the troublesome reasoning that beset the legislators' minds, I should like to quote from the writings of a distinguished economist, Frank Albert Fetter, who was writing on the subject of the Clayton Act in the year 1930. In his book, the Masquerade of Monopoly, on page 390, Mr. Fetter says:

"Thus surveying the useless and troublesome qualifications which clutter up the second section of the Clayton Act, they are seen to reflect the confused thought that discrimination is a normal condition of genuine market competition. The sincere reformers, torn with doubts and fear that they were rendering futile the whole legislative effort to prevent discrimination, voted the whole legislative effort to prevent discrimination, voted with tears in their eyes for the measure as it now stands. Skillful lobbyists had done their work in loading the law with persiflage. It had been rendered not quite useless but far less useful for its well-intended social purpose. A simple proposition forbidding discrimination in prices in interstate commerce would, in the economic view, have been far better to accomplish the ends desired. The court could be depended upon, either taking the word 'discrimination' in its plainest meaning, or be it by the rule of reason, to interpret, or read into, the section, all these conditions that were needful or helpful."

As judicial history since 1914 has proved, the qualification in the original Clayton Act which nullified the purposes of the act more than any other was the qualification that price discriminations were exempted from the law if they were, as the old law phrased it, "made in good faith to meet competition." The same economist whom I have just quoted, a long-time professor at Princeton University, called this good-faith exemption the "biggest joker in the pack."

On page 383 of Masquerade of Monopoly, Dr. Felter writes:

"The eighth qualification of the section is that it does not apply to 'discrimination in price in the same or different communities made in good faith to meet competition.' This is by general consensus of opinion the biggest joker in the pack. The prosecution is required to produce evidence, not simply of behavior and of actual conditions, but of the secret motive of the discriminators—a task not for attorneys and commissioners, but for mind readers, crystal gazers, and clairvoyants. This clause has no patent purpose that is not already attained in the first two limitations discussed above, and, therefore, it is again merely tautology. If, however, it is something more, it means that the prosecutor must prove not only that the particular discrimination has the effect 'to lessen competition' and 'to create a monopoly' but further than this lessening of competition and creation of a monopoly is not being done (in good faith to meet competition)—a grotesque contradiction."

When World War I was over and the attention of the Nation was freed from the troublesome problems of adjustment in the postwar period, the ineffectiveness of section 2 of the old Clayton Act had been revealed. But by this time it seemed too late to correct the faults of the earlier legislation. This was the hey-day of big business. Throughout the decade, monopoly grew and small business became less and less conspicuous on Main Street. The centralization of business, which had already engulfed substantial segments of manufacturing, now made rapid progress in the fields of distribution and retailing. This was the period of the rapid growth of the chain store.

After the big business debacle of 1929, the Nation's concern with the antitrust problem was directed to certain persuasive proposals to repeal the Sherman Act. The old campaign against the Sherman Act which had fallen into neglect during the boom twenties made its reappearance, and, as the New York Times currently commented, "has taken on new vigor as a result of difficult conditions created by the business depression." [1]

Mr. Thomas W. Lamont, then spokesman for the house of Morgan, attracted wide attention about this time in an address which was quoted in the New York Times, as follows: [2]

"Our somewhat antiquated antitrust laws have been in part responsible for encouraging excessive construction of plant and equipment in the industrial field. The present law constitutes almost a mandate to every wide-awake manufacturer to duplicate the facilities of his rival, and the result is bound to be a great economic waste. I am not assuming to suggest the sort of remedial legislation that should be had in order to avoid this obvious wastage of capital brought about through almost unbridled competition."

When the Democratic administration took over in 1933, business was, of course, in dire straits and the overwhelming public problem of that day was to find ways to halt the growing wave of bankruptcies. All thought and attention was, therefore, directed to the NRA program as a means of stopping the precipitously falling prices and tiding business over until the economic affairs of the Nation could be put on a firm footing. In consequence it was not until after NRA came to an end that the Democratic Congress of 1936 set about to correct the weaknesses of section 2 of the Clayton Act, and thereby give small business and the general public the protection against monopolistic pricing practices it had been promised. This promise was fulfilled with the passage of the Robinson-Patman Act, the same act which this bill before us today would effectively repeal.

Mr. President, the two most disastrous features of this bill, S. 1008, are contained in section 3 of the bill, and in section 4 D of the bill, respectively. Section 3 of the bill would restore the so-called good-faith defense as a complete and final defense against a charge of price discrimination. This would mean that no matter how disastrous a discriminatory practice might be to small business, the practice could not be stopped, under this bill, so long as two or more sellers were involved in the discrimination.

Section 4D of the bill would abandon the concept of reasonable probability and would make price discriminations illegal only if the lessening of competition could be proved by probative evidence. This would mean, of course, that a discriminatory pricing practice could not be stopped by the law until after the discrimination had already wrought its havoc upon competition.

Mr. President, these two proposals of S. 1008 are very extreme and radical, indeed. Therefore, in order to illustrate in a realistic way just what these changes would do—what destructive forces they could unleash—I have chosen and will discuss several cur-

[1] New York Times, November 16, 1930.
[2] New York Times, November 15, 1930.

rent price-discrimination cases from the files of the Federal Trade Commission.

I call these cases to the attention of the Senate to show by example the dangers of this bill as it now stands. These are current cases. They are in the complaint stage. The facts of the complaints have not been proved, nor have they been disproved. I have chosen cases to illustrate several different kinds of problems which would arise under this bill. I have deliberately chosen cases in which the facts have not been proved and controversial points of law have not arisen.

I shall ask the Members to assume as a hypothesis that the facts as set out in the complaints are true. In this way, I think we will be able to debate our problem in the realistic terms of modern industrial organization and large corporate enterprise. We are dealing here with a law which was designed to temper monopolistic practices in interstate commerce. This means that we shall have to look at interstate commerce today as it actually is—a composite of large industrial corporations.

PRICE DISCRIMINATION IN SOAP

The Federal Trade Commission now has pending a price-discrimination suit against the three largest soap companies in the whole world. These are Lever Bros. Corp., Procter & Gamble Co., and the Colgate-Palmolive-Peet Co. Now, who are these three soap companies? Are they small business? Are they medium-sized business?

These three soap companies together have virtually the whole market in soap in the United States. The Procter & Gamble Co. is an organization which has total assets of over $316,000,000. Last year its net sales were in excess of $723,000,000. Its operating profit last year was more than $108,000,000. In short, its operating profit for the year 1948 was more than one-third of its total assets. At this rate of earnings this giant corporation would recoup its total investment in a little less than 3 years. It sells its products in every remote corner of these United States. It has manufacturing plants and operating companies in England, Cuba, Canada, Netherlands East Indies, South Africa, Mexico, and in the Philippines. It owns cottonseed-pressing mills throughout the southern part of the United States.

The Colgate-Palmolive-Peet Co. has total assets in excess of $100,000,000. Its net sales last year were in excess of $220,000,000. Its operating profit was in excess of $8,000,000. In addition to the business in the United States, it has manufacturing plants in Argentina, Australia, Denmark, England, South Africa, New Zealand, and Cuba. It has other manufacturing plants or operating companies in the following countries: Belgium, Brazil, Colombia, Uruguay, Chile, Canada, Venezuela, Denmark, France, Holland, India, Italy, Netherland East Indies, Mexico, Poland, Sweden, Switzerland, and Germany. Its interests in Germany, Java, Poland, and China, it may be noted, were written off in the year 1946.

The data for Lever Bros. are not so complete, as the home office of this company is in London, and it controls various Dutch and other world-wide companies, which makes it difficult to know just who they are and how big they are. Their operating profits in the year 1947 were reported slightly over 26,000,000 British pounds and their fixed assets were reported in excess of 90,000,000 British pounds.

Mr. President, the difficulty one has in trying to find out who the Lever Bros. Co. is, and what their operations are, was expressed quite pointedly a few years ago by the London Economist. This company is a subsidiary of the Unilever Co. I should like to read briefly what the London Economist said about the Unilever Co. in 1932: [8]

[8] Economist, June 11, 1932, p. 1300.

"The Unilever combine and communism have not a few points of similarity in a strictly business sense. The combine is governed by committees innumerable. It controls the working life of the vegetable oil industries almost as completely as the Soviet monopolizes the working life of the Russian people. It embraces every activity from the production of the raw materials to the retail selling of finished goods. And, curiously enough, both Soviet and Unilever catch whales in the Antarctic. For the investor and economist, however, the significant feature is that the more enlightened and efficient Unilever and the Soviet become the more difficult it is to investigate their operations and to analyze their accounts."

Mr. President, this journal from which I have just quoted is not a radical journal. I believe it had then and still has now quite a reputation as a conservative economic journal which supports the policy of free enterprise system in opposition to the present British Labor Government.

Obviously these corporations are not small business. They do not meet in the corner market place and haggle with the buyers over the price of their soap. Their prices are made according to a worked out plan and formula. Their salesmen are not authorized to negotiate prices with buyers; rather they are told what price to charge what customers, and the customer pays that price or he does not get the soap.

Now what have these giant soap peddlers been doing? They have been granting special rebates to certain large buyers and they have been refusing to grant similar rebates to the medium-sized and smaller buyers. Are these discriminatory prices charged the medium-sized and small buyers justified by any difference in the cost of selling soap to these buyers?

This we do not know. The case is still pending and the suit has not yet brought out the facts. Perhaps these discriminations are justified by differences in cost. But let us assume that they are not. Let us suppose that when the facts come out they will not show any cost justification. Let us suppose that these discriminations are so serious that the smaller buyers are suffering a substantial competitive injury. And well they might. Certainly they are put to a disadvantage in competing with their large competitors—the large chains and the like.

But now the point to be noticed is that each of these three soap companies is charged with making similar discriminations in favor of the big customers and against the smaller buyers. If S. 1008 is passed, it is only logical to assume that they would make the good faith defense, in which case the Federal Trade Commission would be unable to order them to stop their discriminations. No matter how great these discriminations in the price of soap might be—even if these companies charged the smaller buyers 3 times, or 5 times, or 10 times the price they charge the big buyers—the Federal Trade Commission would not under this bill be able to order these companies to stop those discriminatory practices. As a matter of fact, could the companies prove good faith? Why not? Each is meeting the lower price of the other. That is all that is necessary to prove good faith. As a matter of fact, even less than that is required to prove good faith. All that these three companies would have to do under this bill to prove good faith is to show that each has some facts which would lead the sales manager, the vice president, the president, or somebody to believe that its discriminatory prices were meeting the prices of the other two.

This complaint, this charge of violating the Clayton Act as amended by the Robinson-Patman Act, was filed by the Federal Trade Commission on September 27, 1948, and released on October 7, 1948. Now it may be of pointed interest to take a look at the activities of these corporations at a period of some 13 years earlier.

It should be interesting to note that the very same discriminatory practices of two of these companies, namely, the Procter & Gamble Co. and the Colgate-Palmolive-Peet Co. were cited to the Congress of 1936 to show how the old Clayton Act had failed because of the "good faith" defense. Indeed, the specific names and the specific price discriminations of these very two companies were cited by the House manager of the Robinson-Patman bill to illustrate the kind of discriminatory practices this bill was designed to stop. I should like to read first the general explanation of the status that was to be given to the "good faith" defense under the Robinson-Patman Act, as was stated by the manager on the part of the House, in Report No. 2951, June 15, 1936. Mr. Utterback in the House, after submitting the conference report on the Robinson-Patman bill, explained to the House on June 15, as follows:

"In connection with the above rule as to burden of proof, it is also provided that a seller may show that his lower price was made in good faith to meet an equally low price of a competitor, or that his furnishing of services or facilities was made in good faith to meet those furnished by a competitor. It is to be noted, however, that this does not set up the meeting of competition as an absolute bar to a charge of discrimination under the bill. It merely permits it to be shown in the evidence. This provision is entirely procedural. It does not determine substantive rights, liabilities, and duties. They are fixed in the other provisions of the bill. It leaves it a question of fact to be determined in each case, whether the way in which the competition was met lies within the latitude allowed by those limitations.

"This procedural provision cannot be construed as a carte blanche exemption to violate the bill so long as a competitor can be shown to have violated it first, nor so long as that competition cannot be met without the use of oppressive discriminations in violation of the obvious intent of the bill."

Now to illustrate how the old Clayton Act had been unworkable because of the "good faith" defense and to show why the "good faith" defense had been removed as a complete justification for price discriminations under the Robinson-Patman bill, Mr. Utterback spoke of the discriminations of these two soap corporations, made in favor of our old friend, the A. & P. Co. His statement to the House continues as follows:

"To illustrate: The House committee hearings showed a discrimination of 15 cents a box granted by Colgate-Palmolive-Peet Co., on sales of soap to the A. & P. chain. Upon a complaint and hearing before the Federal Trade Commission, this proviso would permit the Colgate Co. to show in rebuttal evidence, if such were the fact, an equally low price made by a local soap manufacturer in Des Moines, Iowa, to A. & P.'s retail outlets in that city; but this would not exonerate it from a discrimination granted to A. & P. everywhere, if otherwise in violation of the bill.

"But the committee hearings show a similar discount of 15 cents a case granted by Procter & Gamble to the same chain. If this proviso were construed to permit the showing of a competing offer as an absolute bar to liability for discrimination, then it would nullify the act entirely at the very inception of its enforcement; for in nearly every case mass buyers receive similar discriminations from competing sellers of the same product."

Mr. President, here we have the giant soap companies today charged with practices carried on in violation of the law, which same practices were cited 13 years ago, to show precisely what practices the law was

being designed to stop. And here we are debating a bill which would legalize these same practices which were objected to 13 years ago, and, moreover, a bill which would legalize these practices in precisely the same way they had legal exemption from the old law, namely, by readopting the so-called good faith defense.

It seems to me that such a proposal as represented in S. 1008 would cause serious reflection upon the ingenuity of the Congress. I have heard a great deal said about confusion on this issue, but I do not think we should be so confused that we cannot find new ways of making the same old mistakes—if, indeed, we must repeat the old mistakes at all. Certainly there can be no confusion on this point. S. 1008 would readopt the loophole in the law, the so-called good faith defense—and it would exempt from the law the discriminatory pricing practices of Procter & Gamble, Lever Bros., and Colgate-Palmolive-Peet. These are pricing practices which discriminate against small business, and must inevitably centralize the business of this country into the hands of fewer and fewer giant corporations.

Mr. President, I do not know why practically all the soap business of the world or at least practically all of the soap business of the United States needs to be in the hands of only three giant corporations. I do not know why corporations of this great size are needed just in order to make and sell soap. I recall a statement of a small manufacturer in the newspapers a few months ago in which this manufacturer asserted that if the antitrust laws could break up the monopoly in soap in this country, the result would be to reduce the price of soap to American consumers by 40 percent.

The point with which we are concerned here is this: Are these three giant soap makers to be allowed to continue their price discriminations against the small independent buyers of this country? Are they to be allowed to continue their discriminations against the independent grocery firms, the small chain groceries, the independent drug stores and the small chain drug stores? If this bill, S. 1008, is passed into law, the answer is "Yes."

Mr. President, the retailers in this country who sell soap also sell a great many other items. Soap is sold typically in the drug stores and in grocery stores. Now it should be quite apparent that the price discriminations in soap alone are not sufficient to put the small drug and grocery merchants out of business. These merchants would have to be discriminated against in the price of a great many other items before the cumulative effect of the discriminations would put them out of business. And, indeed, I dare say they are discriminated against in the prices of a great many other items. But the point is this: Under this bill the discriminations in the price of soap alone could not be proved by probative evidence to constitute substantial injury to competition. Therefore the Federal Trade Commission could not order the discriminations in the price of soap stopped, because it would not have probative evidence of substantial injury to competition. Likewise the Federal Trade Commission could not order the discriminations stopped in any one of the other hundreds of items that the grocery and drug merchants handle, for the simple reason that it could not prove by probative evidence that the discriminations of the sellers of any one set of items were alone lessening competition. Yet the plain fact of the matter is that the combined effect of all the discriminations of all the suppliers would soon bankrupt every small druggist and small grocery merchant in the country.

PRICE DISCRIMINATIONS IN GROCERY ITEMS

I have chosen another current case from the Commission's files which illustrates very pointedly another way in which this bill would act to destroy small business. This is the way by which big sellers could, under this bill, legally reduce the price of their products in different territories with the effect and result of destroying the small competitors which have only local or regional sales outlets. Just this year, on July 25, 1949, the Federal Trade Commission issued a complaint charging the General Foods Corp. of New York with violation of section 2 (a) of the Robinson-Patman Act. This corporation, according to the complaint, has been discriminating in price between different purchasers for resale of two pectin products, namely, Certo and Pure-Jell, both used by the housewife in jelling fruit and fruit juices.

Now, who is the General Foods Corp.? The General Foods Corp. is a large manufacturer and seller of a wide variety of grocery and specialty products. It is a corporation with assets in excess of $222,000,000, and its gross sales in the year 1948 amounted to more than $463,000,000. It sells its products all over the United States, and it owns a number of subsidiary companies. It is a producer of Birdseye processed foods, Calumet baking powder, Maxwell House coffee, Log Cabin syrup, Postum, Swansdown cake flour, Jello, cereals, bran flakes, oysters, a variety of canned fruits and vegetables, and dog foods. It has subsidiaries in England, Canada, and Mexico. It is not a small business.

Now what has this corporation been doing to put small competitors out of business? As an example of the discriminations alleged in the complaint, General Foods in 1947, when it was charging $4.30 for a case of 24 bottles of Certo, authorized its managers for the Seattle, San Francisco, Los Angeles and Salt Lake City districts "to effect so-called special deals with wholesale grocers, direct buying chains and independent retail grocers" operating within these territories. Under these deals, the complaint charges, Certo was sold at only $3.18 per case net, representing a differential of $1.12 from the established price. Similarly in the same territories, as well as in the Denver territory, the complaint charges, General Foods authorized the sale of Sure-Jell at a special deal price of $2.57½ net per case while the established price over the rest of the country was $3.25 per case. Thus the differential in these specially designated territories was 67½ cents per case. General Foods, the complaint says, issued the following order to its managers in the districts where the special deals were made. I read from General Foods order to its managers:

"Every reasonable precaution should be taken to confine this offer within the territory specified above. The borderline jobbers and others, particularly chains, who operate stores outside of your own districts should be given a clear outline of the territory in which this offer is effective, and be requested to observe the territorial limitation."

The complaint further states that for sometime past, General Foods' competitors in the manufacture of similar pectin products had been materially reduced in number and compete only more or less regionally.

Mr. President, one can well understand why the small competitors of General Foods have been materially reduced in number. Obviously if General Foods reduces prices only in those regions and territories where small competitors operate and hold up prices in the rest of the country, the result is that the competitors are eliminated. When a big company with national sales outlets can find a small competitor with only regional sales outlets, it can always put the small competitor out of business by offering special price cuts in the small competitor's territory.

Describing General Foods as occupying a major position in the food manufacturing and processing industry, and as an intensive advertiser and promoter of many products, the complaint says that the corporation has had a "steady and powerful growth," alleging that its annual net sales increased from $131,000,000 in 1937 to more than $330,000,000 in 1946.

The effect of the described price discriminations which the Federal Trade Commission complains of "may be," according to the complaint, "to substantially lessen competition or to injure, destroy, or prevent competition between General Foods and its competitors in the sale of pectin products or to tend to create a monopoly in respondent's line of commerce in various localities or trading areas in the United States." Now, Mr. President, the suit is still pending and we do not know what the facts will show when they are brought out, but let us assume to be true what appears on the face of the complaint. Namely, that the General Foods Corp. has been eliminating its smaller regional competitors by systematically reducing the price in one territory after another and subsidizing these price reductions by the high prices it takes in the areas where competition has already been eliminated. Under S. 1008 the Federal Trade Commission would be powerless to stop such price discriminations and the consequent growth of monopolies since it could not prove by probative evidence that a substantial lessening of competition resulted from the practice.

Where are those businesses which have already gone into bankruptcy or sold out and merged with larger corporations? Will they come in now and complain of a price discrimination which has already put them out of business? Will they volunteer to come in and spend many days on the witness stand testifying that the price discriminations of General Foods forced them to bankruptcy? What is to be gained by crying over spilled milk? What does it profit the small-business man to make enemies in the business community if he is now trying to make a success of something else? Can we be sure that the small manufacturer who sold only in the San Francisco or Los Angeles districts actually knows the cause of his downfall? If he has salesmen only in the local territories, is he actually aware that General Foods is charging higher prices for its products throughout the rest of the United States?

Mr. President, the mere fact that a corporation is big, and owns many subsidiaries and sales outlets all over the United States does not mean that it necessarily is more efficient than the small competitor that sells in only one territory. But these characteristics of bigness do mean that small competitors can be destroyed and monopolies can be created simply through the practice of price discrimination. I ask, therefore, how could we pass a bill which will legalize these practices, destroy the small business of this country, and turn the economic affairs of this Nation over to a few commercial empires?

We have been told, of course, that section 3 of the Robinson-Patman Act will prevent the kind of regional and local price discrimination which I have just described. Section 3 of the Robinson-Patman Act, of course, requires that the Department of Justice prove that such regional price discrimination is done for the purpose of destroying competition or eliminating a competitor in any part of the United States, and moreover the criminal penalty is provided for violation of section 3 of the Robinson-Patman Act. How can anyone prove that General Foods' discriminations were done for the purpose of eliminating competition? Who can prove what is in the minds of men, and who would the Government put in jail for these discriminations, the district managers, the sales managers, the vice president, the lawyers, the president, the board of directors, or the chairman of the board of directors? Has anyone ever been put in jail

for price discrimination? Not for price discrimination or any other violation of the antitrust laws.

HOW S. 1008 WOULD CHANGE SECTION 2 (F) OF THE ROBINSON-PATMAN ACT

Mr. President, I have chosen another case from the pending files of the Federal Trade Commission in order to illustrate still another way in which this bill would affect small business. This is a case in which the company is charged with the violation of section 2 (f) of the Clayton Act, as amended by the Robinson-Patman Act. Section 2 (f) is the converse of section 2 (a) of this law. While section 2 (a) forbids sellers to discriminate in price among buyers where the discrimination may have certain specified effects, section 2 (f) makes it unlawful for the buyer knowingly to induce or receive a discrimination in price which may have the specified effects. Here again the specified effects hinge upon the key phrase "may be." Therefore, the change in the definition of this key phrase which section 4D of the bill would bring about would change the law with respect to section 2 (f) just as the law would be changed with respect to section 2 (a).

Specifically, the buyer who knowingly induces or receives the price discriminations having the specified effects upon competition would not be guilty of violating the statute, under this bill, unless the effect upon competition could be proved by substantial, probative, and reliable evidence. This would mean, again, that a buyer could not be stopped from inducing or receiving price discriminations in his favor until after there was a substantial destruction of competition to provide probative evidence of the specified effects.

The effect of changing section 2 (f) of the Clayton Act, as amended by the Robinson-Patman Act, is illustrated by a current case against the National Tea Co. The National Tea Co., through its various divisions and wholly owned subsidiaries, operates the Standard Grocery Co. and the National Food Stores Co. The National Food Stores Co., according to the Federal Trade Commission's complaint, operates about 700 retail stores in various Midwestern States, including 236 stores in Chicago. The Standard Grocery division operates 48 stores in Indianapolis.

The National Tea Co. is a corporation having total assets in excess of thirty-seven million. Its net sales for 1948 were in excess of two hundred and seventy million. Its operating profits in this year were more than six million four hundred thousand. It is not a small business. On the other hand, its retail stores are so important a factor in the retail grocery business in several cities that the discriminatory prices it might induce suppliers to make in its favor would certainly provide this company with the means of destroying small competitors.

During October, November, and December of 1948, the complaint of the Federal Trade Commission states, this grocery chain advertised a multimillion-dollar-profit-sharing plan. Under this plan they offered to give away in connection with purchases in their stores some half a million coupon books containing 25,000,000 coupons with an aggregate cash redemption value of $2,700,000. The coupons were used by customers of their retail stores, the cash value of the coupons being applied to the purchase price of certain merchandise specified by the coupons. The National Food Stores and the Standard Stores, in turn, were reimbursed by the suppliers concerned to the extent of the cash value of the coupons. Such reimbursement was pursuant to prior arrangements and agreements solicited by the respondents, so the complaint states. The coupon plan is described in the complaint as only one of the purchasing policies and practices which were knowingly designed and intended to induce grocery suppliers to make discriminatory prices favorable to the corporation stores.

Mr. President, here again is a current case, and the facts have not been proved in court. We do not know what the facts are, other than as they appear to be from this complaint issued by the Federal Trade Commission.

But if the facts are as they appear to be, then it is plain enough that under S. 1008 the Federal Trade Commission could not stop the National Tea Co. from receiving these discriminatory prices with an aggregate value of $2,700,000. Obviously, a multimillion dollar profit-sharing plan on the part of these stores would certainly take business away from their smaller competitors.

Mr. President, no one objects to the grocery merchants sharing profits with the American consumer. No one objects if the food processor and other manufacturers who supply the grocery merchants also share their profits with the consumer. On the contrary, that is what we all want them to do. We want prices to consumers reduced; we want a high volume of production and consumption at low profit margins. In short, we want competition in the sale of groceries. We want to have competition among the manufacturers and suppliers of groceries, and we want to have competition among the retailers of groceries. But we do not want to have the kind of practices which eliminate the competitors, irrespective of their efficiency, and which results in monopolies or at least quasi-monopolies.

Is there any reason why we should allow the independent stores and small chain stores to be put out of business by a law which allows unfair price discriminations—discriminations which are not justified by differences in the supplier's cost of serving the different stores? Why should not the smaller competitors of the National Tea Co. also receive lower prices from the suppliers? Why should not the smaller chains and independents also be allowed to pass on lower prices to their consumers? If these suppliers want to reduce prices, certainly there is no objection. I hope they will reduce prices. I hope that competition will force them to reduce prices. And if these suppliers choose to use a coupon method of reducing prices, there is no objection to this. But if these suppliers want to issue coupons which have the effect of reducing the prices of their products, why can they not issue these coupons fairly to the smaller merchants who also sell their products. Is there any reason why they could not redeem coupons collected by the smaller stores just as they redeem coupons collected by the national stores?

Mr. President, if we pass this bill, then the Federal Trade Commission cannot stop the National Tea Co. from taking discriminatory prices in their favor and injuring their smaller competitors. The Federal Trade Commission could not stop this practice until such time as the smaller competitors have already been destroyed and it could be proved by probative evidence that the effects of these discriminations is to lessen competition.

SUMMARY

Mr. President, I have illustrated by example of actual pending suits under the Clayton Act, as amended by the Robinson-Patman Act, how S. 1008 would destroy small business and increase monopoly in this country. I have shown how through price discrimination big buyers would put small buyers out of business, and I have shown how big sellers would put small sellers out of business.

I have shown how under the so-called "good faith" defense which S. 1008 would adopt—by way of emulation of the utter failures of section 2 of the old Clayton Act—the three big soap corporations would continue discriminatory pricing practices in favor of the mass buyers.

I have also shown how, under the definition of the term "may be," which S. 1008 would write into the law, the biggest food processor and seller in the country—namely, the General Foods Corp.—would be free to destroy its small local and regional competitors. Under the requirement which this bill would make—namely, that there be "probative" evidence of the effects on competition—the Federal Trade Commission could not effectively stop any national giant in the manufacturing field from destroying its smaller competitors, until such time as the smaller competitors had substantially all been destroyed.

I have also shown how a mass retail buyer could, under this bill, club small suppliers over the head and make them perpetrate price discriminations with the final result that the mass buyers would put their smaller competing buyers out of business. I have shown how the National Tea Co., and any other large chain would be free to do this. I have shown that this would be the effect of this bill since the definition under 4D of the bill would likewise require probative evidence of the effect of the discriminatory pricing practices prohibited under section 2 (f) of the Robinson-Patman Act.

In short, this is a very bad bill indeed. It would not only repudiate the solemn promises which both political parties have made to the American people to strengthen the law against practices which create monopoly and destroy small business; it would also be a repudiation of all legislative progress that has been made in this field since 1914.

Mr. O'CONOR. Mr. President, I yield myself so much time as I may need in addressing myself to the point of order which has been made by the able Senator from Tennessee. It is to be noted that under the rule to which he refers two things are particularly pointed out, namely, what conferees may do and what they may not do. The rule says:

> Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses.

All that is prohibited is that no new matter may be inserted, on the one hand, and, on the other hand, there must not be eliminated matter which has been agreed upon by both Houses. In this respect there has been no violation of either of these requirements.

Taking the second point first, if I may, namely, as to whether or not there was eliminated from the bill anything which had been agreed upon by both Houses, I should like to say that when the conferees met they were confronted with the fact that there were divergent amendments in respect of the very matter which has been referred to by the Senator from Tennessee. The amendment referred to as the Kefauver amendment had been agreed to by the Senate. When it went to the House it was stricken, and the so-called Carroll amendment was inserted. When the bill came back to the Senate, the Senate went on record as rejecting the Carroll amendment. Therefore, when the conferees met they were confronted with the situation that the Kefauver amendment had been disagreed to by the House, and the Carroll amendment had been rejected by the Senate. Obviously, therefore, in eliminating both amendments we were not eliminating anything which had been agreed upon by both Houses.

Mr. KEFAUVER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Tennessee?

Mr. O'CONOR. I should prefer if the Senator would allow me to complete my argument. If any time remains at the conclusion of my argument, I shall be very glad to answer questions.

In eliminating both amendments, as was done, there was eliminated nothing which had been agreed upon by both Houses. The Senate conferees did not stop there. The conferees did attempt to stay within the intent of the two amendments, the Kefauver and Carroll amendments, and agreed upon language which was germane, or had to do with the subject matter, and which would accomplish a very desirable purpose. What was done? Instead of adopting new legislation, the conferees confined themselves to the wording of the bill, and referred to the first section of the bill. Of course, the first section of the bill had to do with another act, but nevertheless was in this same bill. They transposed the language which had to do with freight absorption, and put it in place of the Carroll and Kefauver amendments. In doing so, they thought they had strengthened the act immeasurably. Of course, that is aside from the question of whether it is technically correct. However, they felt that there could be no doubt that no new matter was inserted, which is the second of the two possible objections, because the conferees confined themselves to this identical bill.

In that respect, it is important to remember, and it might be in point here, as to exactly what is new matter. Referring to the precedents and the arguments had on this floor as to what is meant by new matter, I invite the attention of the distinguished Vice President to the comment made by the late Senator Norris of Nebraska in arguing this very point in the case of the Muscle Shoals legislation. The same point of order was raised. Incidentally, it was sustained, because obviously the conferees had gone far outside the bill as passed by the two Houses. They provided entirely new legislation in regard to leasing, and many other things. The Chair at that time said:

> It has seemed to the Chair that the words "new matter" as found in rule XXVII and "new legislation" as found in rule XVI must mean practically the same thing. The fact of the identity of these two phrases makes it all the more important the ruling upon the points of order now before the Senate shall be correct. * * *
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> The Chair does not desire to be understood as holding that every change made in the Senate bill by the conference report constitutes "new matter." It is the opinion that in order to bring the change within the spirit of rule XXVII "new matter" must be of substantial import; that is to say, a change affecting in a substantial way the plan proposed in the Senate bill.

Mr. President, I repeat, obviously the conferees did not err in adopting that language, because they confined themselves entirely to the language already in the proposed legislation.

Mr. President, as we approach the final vote it will not be my purpose to repeat at length what has been said before. But it does seem appropriate to point out that with all the lengthy debate which is behind us on this subject, the need for congressional action to clarify doubt and dispel confusion with respect to the complete legality of freight absorption or delivered pricing, independently used, in good faith to meet competition, remains perfectly clear.

Mr. President, at one point in the history of this legislation, all of the attack was centered against a single point, namely, the definition of the phrase "the effect may be."

I might digress for a moment to say that the point of order made today, it is interesting to note, has nothing whatsoever to do with the action of the conference committee which met recently after the rejection of the report by the Senate on the last occasion. Everything the Senator from Tennessee argues about was done prior to the consideration by the Senate of the report 6 months ago, so that it seems as though the point of order now made is somewhat belated, to say the least. At that time all of the attack was made upon one definition. Now that definition is changed, and it is changed in accordance with the recommendation of the Department of Justice, whose representatives, the head of the Antitrust Division, the Attorney General himself, and his special assistant, Mr. Ford, met with us, and agreed that three of the four sections were entirely satisfactory to them. They had no objection to any part of the first three sections. They had objection only to one item in the fourth section, having to do with a definition. Then the conferees met and adopted the language which, in writing, the Attorney General and the Department of Justice set forth, saying that if that language were adopted the bill would be unobjectionable from their standpoint. That proposal was adopted in exact accordance with the recommendation of the Department of Justice, and that is the condition of the bill as it is before the Senate today.

After the definition had been amended by the second conference, to accord strictly with the recommendation of the Department of Justice, the attack shifted, and was directed against other provisions of the bill. In the past few days most of the attack has centered on section 3, which has been described as a drastic change in the antitrust laws which will wreak havoc on small businesses throughout the land. The fact remains, Mr. President, in spite of all these charges, that section 3 simply amends a procedural section of the Clayton Act, as amended by the Robinson-Patman Act. It does not affect any of the substantive provisions of the Clayton Act, the provisions that tell what is an offense. It goes only to the procedure. And, with respect to procedure, it makes no drastic change. The only change which this section makes that is of any substance at all is to place a greater burden upon any respondent charged by the Federal Trade Commission with a violation of section 2 (a) of the Clayton Act. Under the law as it stands today, the respondent charged with a violation can rebut the case against him by showing that he acted in good faith to meet the equally low price of a competitor, or the furnishing of services or facilities by a competitor. That is all he has to show under the law today, good faith. However, under the law as it is proposed to be amended, the respondent charged with a violation will have to show not only that he acted in good faith to meet the equally low price of a competitor, or the furnishing of services or facilities by a competitor; he will have to go further, and show affirmatively, by a preponderance of the evidence, that he has not engaged in any combination, or conspiracy, or collusive agreement; that what he has done has not constituted a monopolistic practice. He will have to show that what he has done has not been oppressive. He will have to show that what he has done has not been deceptive; and he will have to show that what he has done has not constituted a fraudulent practice.

I submit, Mr. President, that any respondent who can make such a showing, by a preponderance of the evidence, is entitled to complete exoneration. But if he has acted in concert with others in the same field, through identical pricing, however it may have been arrived at, then he has been engaging in a monopolistic practice, and he cannot show justification. If he has been guilty of price discriminations which substantially lessen competition, then he has been guilty of oppressive practices, and he cannot show justification. The way is completely open for a court to find, on the basis of evidence of identical pricing, such as was found in the Cement case, that a respondent has been engaging in a conspiracy, or acting in collusion with others, or acting deceptively or fraudulently; and on the basis of such a finding, such a respondent will be held to be in violation of the Clayton Act.

Mr. President, I am sure no one would propose here, in so many words, that we should enact a law saying that any difference in price is illegal; and yet that is, in effect, exactly the argument which has been made here many times over. The fallacy of that argument, when simply stated, is immediately apparent. Our whole economic system is based on free competition; and if price differences are to be outlawed, free competition will be at an end. There may be some outside of Senate membership who wish to see in this country a socialistic system under which competition is stifled, business is controlled and regimented, and a beneficent Government tries to see that every businessman makes a living, but no more, and that every business makes a profit, but not too much. There may be those who hold that view; but we are not among them. There may be those who feel that no business in America should be allowed to grow any bigger than it is, and that all business which is already big should be made small. But if we remove the possibility of business growth, we destroy incentive; and if we destroy incentive, we destroy private enterprise.

A minute or two ago the Senator from Wyoming, in response to a question, commented upon what has been the apparent desire of certain large business concerns to take advantage of the present situation. In that respect I may say

that certain opponents of the proposed legislation, in their desperation to find reasons upon which to base their attack, contradict themselves and, when their arguments are properly analyzed, really add emphasis to the compelling reasons for enactment of this bill.

I cite as an example the action taken in the name of the State Planning Commission of Maryland although I cannot assure the Senate that the entire Commission passed upon the question. In the publication entitled "Survey of the Impact of F. O. B. Mill Prices on Maryland Manufacturers," the writer of the article advanced the strange argument that the Baltimore steel mills would expand so rapidly if the so-called basing-point legislation is not enacted that it might gain a world lead in the industry. In other words, we in Maryland would then either be blessed or cursed with a partial monopoly. How ridiculous to advance such an argument while pretending to be speaking for the best interests of independent businesses.

We want no monopoly anywhere, whether in Maryland or any other State of the Union. A monopoly is inherently injurious to the economic system of the United States. Experience has shown that any area of the country which temporarily benefits from a monopoly will suffer in the long run. Tomorrow and next week and in the future other monopolies will be encouraged and will flourish. The end result will be irreparable harm to independent business.

I contend that it will be infinitely better for all business in Maryland and elsewhere to give the fullest play to free competitive enterprise. This is the traditional American system under which small business is encouraged and under which larger business can be safeguarded while being held within reasonable limitations.

I am firmly convinced that small-business enterprises, which we all desire to protect, are at a greater disadvantage under present circumstances than they will be if this legislation is enacted into law. This enactment is an effort to make unmistakably clear to that great section of the American industry which is vitally concerned with freight costs just what can be done legally in the matter of independent action to meet competition by absorbing freight charges and what cannot be done in this connection without running afoul of the Clayton Act as amended by the Robinson-Patman Act. Uncertainty now exists in industry and business circles with regard to the legality of noncollusive delivered-price practices based on freight absorption. This situation has had a most unsettling influence particularly upon those phases of industry where freight costs enter importantly into selling practices. It is highly desirable to allay the fears of business by setting down in clear and unmistakable language just what can and cannot be done in the matter of absorption of freight to meet legitimate competition. Small-business men everywhere must be protected. We desire to give them every encouragement.

At the same time we do not wish to contribute to the upset of the economic system by helping to put through other proposals which would tend to force further decentralization of industries with the resultant increase in cost which otherwise might follow.

For that reason, Mr. President, I urgently suggest approval of the conference report.

Mr. KEFAUVER. Mr. President, I yield myself 2 minutes.

The VICE PRESIDENT. The Senator from Tennessee is recognized for 2 minutes.

Mr. KEFAUVER. Mr. President there are two points which conclusively show that the express purpose of eliminating the Kefauver and Carroll amendments was to restore again as an absolute defense the good-faith meeting of competition section as it appeared in the Clayton Act before the Robinson-Patman Act was passed.

The first is, as will be seen, that in section 2 the conferees left in the Carroll amendment:

> Except where such absorption of freight would be such that its effect upon competition may be that prohibited by this section.

The conferees agreed to that amendment insofar as section 2 is concerned. That has to do with the absorption of freight.

Section 3 is a general amendment of the Clayton Act. It applies to all cases whether or not they involve the absorption of freight. Consequently, if the conferees wanted to preserve the protection in the Robinson-Patman Act, all they had to do was to accept the Carroll amendment, or the Kefauver amendment, in section 3, as they accepted the Carroll amendment in section 2.

Mr. President, it is quite apparent that the legislative history of this matter is going to show that the conferees and the House of Representatives and the Senate intended to reinstitute the good faith meeting of competition as an absolute defense, as it was prior to the Robinson-Patman Act. Whatever the distinguished Senator from Maryland may say, a report from a standing committee of the House of Representatives in the evolution of legislative history takes precedence in the eyes of the Supreme Court over what any Senator or what any Member of Congress may say. The Committee on the Judiciary of the House, by its unanimous report, has said not once but several times that such is its intent.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. KEFAUVER. I yield myself one more minute, Mr. President.

Then the House committee holds that "Proponents of the bill believe that sellers should be permitted so to discriminate whenever they can affirmatively prove that they are doing so in good faith."

Again, the managers on the part of the House said: "In the words of the Assistant Attorney General in charge of the Antitrust Division, 'Insertion of this phrase'—that is the Kefauver-Carroll amendment—'has the effect of retaining' " the Standard Oil decision; that the elimination of the amendments has the effect of reversing the decision or reinstituting the good-faith clause.

Mr. President, I ask unanimous consent that certain quotations from the statement of the House managers accompanying the conference report may be printed in the RECORD at this point.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

> The bill also deals, however, with the extent to which sellers may lawfully discriminate in price to meet the lower prices of their competitors. "Proponents of the bill believe that sellers should be permitted to so discriminate whenever they can affirmatively prove that they are doing so in good faith." Real and vigorous competition as well as the public interest can never be adversely affected when sellers are actually competing in good faith.
>
> In the words of the Assistant Attorney General in charge of the Antitrust Division, the effect of the parenthetical Senate amendment is as follows, and this would be true, a fortiori, of the parenthetical House amendment. Insertion of this phrase in the bill (S. 1008) has the effect of retaining the rule of *Standard Oil Co.* v. *Federal Trade Commission* (173 F. 2d 210), a decision by the Court of Appeals for the Seventh Circuit which held that good-faith competition is not a defense where the effect would be to lessen competition.

Mr. KEFAUVER. Mr. President, I yield back to myself the remainder of the time under my control.

Mr. O'CONOR. Mr. President, I yield the remaining time allotted to our side to the senior Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. Mr. President, I do not know that I shall need all the remaining time allotted me by my gracious friend the Senator from Maryland.

The VICE PRESIDENT. The Chair will state that the proponents have 21 minutes left.

Mr. O'MAHONEY. I desire to address myself first to one or two of the statements which the Senator from Tennessee has just made with respect to the point of order. I submit that whatever may have appeared in the report of the Committee on the Judiciary of the House is of no relevance whatsoever in the discussion of the point of order made by the Senator from Tennessee. The only question is whether the conference report violates the rule against the introduction of new matter. The Senator from Maryland, I think, has covered this point admirably and quite clearly. The rule is designed to protect material which appears in both the House and the Senate bills. That is what the rule says:

> If matter which was agreed to by both Houses is stricken.

There is no such condition here. There was an amendment agreed to in the Senate. It was disagreed to in the House. The House substituted a new amendment for the one which was offered in the Senate, and the Senate, when it sent the bill to conference, disagreed to that amendment.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I shall not yield at the moment, Mr. President.

So when the conferees met, their problem was to settle this difference. They did so by using neither text as adopted in the Senate or in the House,

but by inserting other text which is absolutely and completely germane to the issue.

What is the issue, Mr. President? This provision deals with the amendment of section 2 (b) of the Robinson-Patman Act. The Robinson-Patman Act makes certain types of discrimination in price unlawful. Nothing we can say, nothing we can argue about prosecution or defense is worth taking the time of anyone unless our argument is based upon the act which is made unlawful. Now, what is it that the Robinson-Patman Act makes unlawful? I read from the Robinson-Patman Act, as follows:

It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them.

There, Mr. President, is the gravamen of unlawful discrimination. It is discrimination in price "where the effect may be substantially to lessen competition or tend to create a monopoly"—I repeat, "or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition." That is the prohibition of the law.

When the conferees brought in the language to which the Senator from Maryland has drawn attention, as a substitute for the amendment of the Senate, which was rejected by the House, and the amendment of the House, which was rejected by the Senate, they compromise and brought agreement and harmony between the two Houses by basing their language clearly upon the provisions of the Robinson-Patman Act, because they said:

This shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

Mr. President, I submit that where the effect of a price discrimination—

May be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person—

And so forth, such a discrimination is clearly comprehended within the plain meaning of the words brought to us by the conferees.

However, Mr. President, this is a germane amendment. It deals with the precise subject before us. It is not new matter. It is wholly within the rule.

I think the Senator from Maryland quoted from the statement of Senator Stone, of Missouri, when the rule was first brought to the floor of the Senate. That quotation is worth repeating. I refer now to the CONGRESSIONAL RECORD for March 8, 1918, when Senator Gallinger, chairman of the Rules Committee, was reporting the rule:

Senator STONE. If the Senator will pardon me, I have served on conference committees where a section was under consideration, a part of which, it may be a clause, had been amended by one House or the other, and the remainder of the section was left intact. I want to know if it were found in the conference that part of the section had been amended by one House, would it then be forbidden to conform the remainder of the section to the change?

Senator GALLINGER. I think not. I will say to the Senator that that provision is taken from Jefferson's Manual.

The provision to which Senator Gallinger was referring appears on page 377 of Jefferson's Manual. There we find this statement:

At free conferences the managers discuss viva voce and freely, and interchange propositions for such modifications as may be made in a parliamentary way, and may bring the sense of the two Houses together.

Mr. President, that is precisely what was done by the conference report. We have here not new matter in the place of matter agreed to by both Houses but germane matter brought in by the conferees to accommodate the difference between the two Houses. It deals with the same subject, with the same problem, but different words are used.

Certainly that is wholly within the competence of the conferees and certainly it is wholly within the rule. In my opinion, there is no basis whatsoever for the point of order which has been raised by the Senator from Tennessee.

Mr. President, it is my understanding that it was the thought of the Vice President that the ruling would be made at the end of the discussion. If that is the understanding, I shall now undertake to discuss one or two other phases of this matter.

Mr. KEFAUVER. Mr. President, will the Senator yield to me at this point?

Mr. O'MAHONEY. I am very glad to yield to the Senator from Tennessee.

Mr. KEFAUVER. The Senator from Maryland [Mr. O'CONOR] made some point to the effect that the point of order was not made when the first conference report was submitted to the Senate some time ago. I wish to say—and I desire to ask the Senator from Wyoming if he agrees that this is true—that at that time the discussion was on section 4 of the bill; and even the distinguished senior Senator from Wyoming recommended at that time that the bill go back to a further conference in order to straighten out section 4, and he joined in the request that the bill be sent back to a further conference. Is not that true?

In other words, did not the Senator from Wyoming join in the request that the bill be sent back for a further conference, in consideration of the discussion of section 4 of the bill?

Mr. O'MAHONEY. That is correct.

Mr. KEFAUVER. I wish to say that had that motion not prevailed—and I felt that it would prevail, inasmuch as we had the support of the distinguished Senator from Wyoming—I would have made the point of order on the conference report when it was before the Senate in the beginning.

Mr. O'MAHONEY. Mr. President, I will say that, in my opinion, the point of order would have been as invalid then as it is now.

Mr. President, in order that what I am about to say may be intelligible to all who read the RECORD, I desire to insert at this point in the RECORD, first, section 2 of the Clayton Act prior to the enactment of the Robinson-Patman Act, as follows:

SECTION 2 OF THE CLAYTON ACT PRIOR TO AMENDMENT BY THE ROBINSON-PATMAN ACT, JUNE 19, 1936

That it shall be unlawful for any person engaged in commerce, * * * either directly or indirectly to discriminate in price between different purchasers of commodities * * * where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on acccunt of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition.

Then I desire to insert in the RECORD the modifications, dealing with the problem of good-faith defense, of section 2 of the Clayton Act, as made by the Robinson-Patman Act:

MODIFICATION OF SECTION 2 WITH RESPECT TO GOOD FAITH AS PROVIDED IN ROBINSON-PATMAN ACT AMENDMENT TO SECTION 2 OF THE CLAYTON ACT

SEC. 2. (a) It shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them: *Provided*, That nothing contained in sections 12, 13, 14–21, 22–27 of this title shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered: *Provided, however*, That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established: *And provided further*, That nothing contained in sections 12, 13, 14–21, 22–27 of this title shall prevent persons engaged in selling goods, wares, or merchandise in

commerce from selecting their own customers in bona fide transactions and not in restraint of trade: *And provided further*, That nothing contained in sections 12, 13, 14–21, 22–27 of this title shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

This provision of the Robinson-Patman Act is not changed in any way by S. 1008.

Following that, Mr. President, I should like also to have appear in the RECORD section 2 (b) of the Robinson-Patman Act, and section 2 (b), as amended by the conference report, so that the matter may be clearly understood:

SEC. 2. (b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price or of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, however*, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

Section 2 (b) of the Robinson-Patman Act is amended by S. 1008, as follows:

Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price the effect of which upon competition may be that prohibited by the preceding subsection, or discrimination in services or facilities furnished, the burden of showng justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: *Provided, further*, That a seller may justify a discrimination by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor, and this may include the maintenance above or below the price of such competitor, of a differential in price which such seller customarily maintains, except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

Mr. President, the Clayton Act, as it existed up until the 19th of June, 1936, after declaring what type of price discrimination should be unlawful—the type I have already described—added a proviso to this effect:

That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity, or that makes only due allowance for differences in the cost of selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition.

In that section of the Clayton Act, as it existed, good faith was an absolute defense; there is no question about that.

The issue here is whether the conference report changes the amendment made by the Robinson-Patman Act, which took that provision with respect to good faith out of the section which declared the type of discrimination which would be unlawful, and put it in section 2 (b), which provided the procedure for the handling of such a case.

The issue here, Mr. President, is whether the conferees in their amendment of section 2 (b) of the Robinson-Patman Act have made a mere allegation of good faith an absolute defense, whether they have restored the condition which existed prior to the enactment of the Robinson-Patman Act. I undertake to say that is not the fact, and a reading of the language before us shows that it cannot possibly be the fact. The good-faith proviso in the Robinson-Patman Act reads as follows:

Provided, however, That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

I have read every word of that proviso. Nowhere is there found a single phrase similar to the Kefauver amendment which was added in the Senate, or the Carroll amendment, which was added in the House. The proviso, in words which cannot be misunderstood, says that the respondent against whom a prima facie case has been brought may, under the Robinson-Patman Act, at this very moment, show "that his lower price or the furnishing of services or facilities * * * was made in good faith to meet an equally low price of a competitor."

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. KEFAUVER. Then, why does the Senator object to continuing the protections of the section?

Mr. O'MAHONEY. If the Senator from Tennessee will permit me, he knows I am laboring under limited time. I thought I had explained it, but I shall explain it as I go along.

The provision found in the conference report reads as follows:

Provided further, That a seller may justify a discrimination by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

There, Mr. President, we find the provision for good-faith defenses in the same manner provided by the authors of the Robinson-Patman Act. But the conferees added to it a specific amendment designed to make sure that such a defense could not excuse any monopolistic practice. This is the language added by the conference:

Except that this shall not make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive, or fraudulent practice.

Here we have the simple issue presented to the Members of the Senate, "Do you want a law—which is the apparent aim of the National Retail Druggists—that the mere lowering of a price, even though it does not injure or lessen competition, even though it may be perfectly innocent, must be regarded as a violation of law?"

Ah, Mr. President, that seems to me to come very strangely from the mouths of gentlemen who think they are the defenders of a system of price competition. To contend that a competitive lowering of prices would be unlawful, would be to give aid and comfort to those who want a system of administered prices. If the National Retail Druggists had their way, price competition would be unlawful. They do not want any change of price, and they have so stated in a letter which has been distributed today to Members of the Senate.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. If the Senator will pardon me, they have misinterpreted not only the Robinson-Patman Act, but the conference report, but they make clear their opposition to price competition. I read from page 2 of a letter of May 21——

The VICE PRESIDENT. The Senator's time has expired.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that I may insert at the conclusion of my statement the material I wish to insert.

The VICE PRESIDENT. Without objection it is so ordered.

The material referred to is as follows:

Mr. O'MAHONEY. I desire to read from page 2 of a letter from the National Association of Retail Druggists, dated May 31, 1950, the following:

"Heretofore under the Robinson-Patman Act or the Federal Trade Commission Act the Commission had but to prove a prima facie case of discrimination with the burden of rebutting the prima facie case on the respondent by showing justification that the discrimination was made in good faith to meet the equally low price of a competitor and that the discrimination was not in fact an act to lessen, destroy, or prevent competition contrary to the provisions of both the Federal Trade Commission and the Robinson-Patman Acts. Under S. 1008 the Commission will have the additional burden of proving that the discrimination had the effect of substantially lessening competition and creating a monopoly."

The letter is signed by Mr. J. W. Dargavel, Executive Secretary of the National Association of Retail Druggists. I know Mr. Dargavel very well and respect him as a diligent trade-association official. But in this language he totally misapprehends the meaning of both the Robinson-Patman Act and of this bill. The only price discrimination of which the Federal Trade Commission can take any jurisdiction is a discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly in any line of commerce, and any prima-facie case must be a case involving the danger of such an effect. Otherwise, no offense could be charged. It would be impossible to suppose that Congress would even intend to pass a law which would make unlawful a reduction of price which had no monopolistic effect. The Robinson-Patman Act did not do that, and this bill, therefore, does not and cannot amend the Robinson-Patman Act in that respect. The offense of discrimination, where the effect is to lessen competition, is stated in section 2 (a) of the Clayton Act, as amended by the Robinson-Patman Act, and that section is not changed

in any single respect by the conference report.

Our friends are mistaken in the assumption that this bill would reverse the Standard Oil case. It could not possibly reverse that case, because, as Justice Minton said, there was evidence in that case that the discrimination in price was used to lessen competition.

I read from Justice Minton's opinion, 173 Federal Reporter, second series, at page 217:

"We agree with the Commission that the showing of the petition that it made the discriminatory price in good faith to meet competition is not controlling in view."

And this I emphasize particularly—

"in view of the very substantial evidence that its discrimination was used to effect and lessen competition at the retail level."

No case in which such an effect is shown can possibly be weakened by this bill. On the contrary, this bill strengthens the Robinson-Patman Act, because it adds to the words in section 2 (a) that a discrimination is unlawful "where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

The much more specific and direct language which the conferees brought in, as an addition to section 2 (b) of the Robinson-Patman Act, is to the effect that the good-faith defense could not prevail to "make lawful any combination, conspiracy, or collusive agreement; or any monopolistic, oppressive, deceptive or fraudulent practice."

I now ask unanimous consent that there may be printed as part of my remarks a letter from Mr. Robert Elliott Freer, former member of the Federal Trade Commission, written under date of March 8, 1950, to Mr. Rankin P. Peck, and a letter which I wrote to Mr. Peck on April 1, commenting on former Commissioner Freer's letter.

The letters follow:

WASHINGTON, D. C., *March 8, 1950.*

MR. RANKIN P. PECK,
President, National Congress of Petroleum Retailers,
Detroit, Mich.

DEAR MR. PECK: In response to your request, the following brief analysis is submitted of the provisions and probable effects of S. 1008 in the form in which the second conference committee will report it, (1) as indicated by an announcement (2) of the conferee's agreement published at page D199 in the Daily Digest of the CONGRESSIONAL RECORD of March 2, 1950:

SECTION 1

Intended apparently to be a legislative declaration of that which the Federal Trade Commission states the present law to be, section 1 would amend section 5 of the Federal Trade Commission Act so as to legislatively declare the right of sellers to absorb freight in the absence of conspiracy or collusive agreement. The question is whether such legislative declaration is necessary. No decision of the Commission challenges that right, nor can freight absorption, competitively employed, logically be challenged as an unfair method of competition under section 5 of the Federal Trade Commission Act. In denying a motion to modify Count II of the order in the *Rigid Steel Conduit case* (D. 4452), the Commission, on July 12, 1949, specifically stated that that order did not prohibit independent as distinguished from collusive use of freight absorption.

While sections 2, 3, and 4 of S. 1008 would amend the Clayton (Robinson-Patman) Act, their inclusion in S. 1008, along with section 1 which would amend the FTC Act, might tend to add to rather than to dissipate any confusion existing as to the status of freight absorption under the latter act.

Additional construction of the new law by FTC and the courts would be required before the Commission could speak with the assurance it did in its previous statements, as to the legality of individual use of freight absorption under the FTC Act and the illegality thereunder of industry-wide employment of freight absorption (or other geographic system) as a means of matching delivered prices to all customers at any given destination.

SECTION 2

Section 2A would exempt from possible challenge under the Clayton Act the limited-zone method of delivered pricing as well as the one-zone or so-called postage-stamp method.

Dicta in the late Chief Justice Stone's opinion in the *Staley case* (324 U. S. at p. 751) indicates that the "postage stamp" method may be exempt without necessity of this amendment.

The test applied by FTC under the Robinson-Patman Act to geographic pricing is injury to competition. In the *Cement case* (333 U. S. 683) it was destruction of competition between sellers; in the *Staley case* (324 U. S. 746) the injury was to those buyers paying "phantom freight" charges. Section 2B would exempt from challenge under the Clayton, freight absorption employed to meet the equally low price of a competitor. What has been said about section 1 and section 2A is applicable here also. If freight absorption is neither collusively employed as a device for eliminating price competition among sellers, nor systematically used to the injury of mill-side purchasers in competition with their more distant competitors, it is not subject to challenge under the Robinson-Patman Act.

SECTION 3

Section 3 apparently would legislatively reverse not only the decision of the United States Court of Appeals in the *Standard Oil of Indiana case* (173 Fed. (2d) 210), but also the considered judgment of the Seventy-fourth Congress regarding the effect of meeting competition in good faith as a defense to a charge of discrimination injuring competition. In the Standard Oil case, if Standard had only reduced its price in good faith to meet the equally low price of another major oil company the result would have been competition. Standard, however gave unjustified quantity discounts to four customers and not to several hundred other competing customers. The defense was that other oil companies either had offered to meet or would have met the demands of these four favored customers for a jobber classification and a lower price. The good faith of such a meeting of a lower price might have been a defense, despite the resulting injurious discrimination, under the good-faith proviso of old section 2 of the Clayton Act prior to the 1936 Robinson-Patman amendments; Congress, however, deliberately changed that proviso's status to a procedural status by the Robinson-Patman Act.

Section 2B did not provide that such good faith lower price would justify an injurious discrimination only that it might serve to rebut the prima facie case made by a mere showing of price differences. Section 3, despite the Carroll amendment, not only might restore this defect in enforcement of the old section 2, but also might add even more difficulties of enforcement than existed in the administration of old section 2. For example, predatory price cutting, a tool of monopoly rather than that of healthy competition, is presently hard to reach because it is defended as a defensive meeting of local competition; under section 3, it might become almost impossible.

SECTION 4

Sections 4A, B, and C provide definitions of some but not all of the new terms employed in sections 1, 2, and 3, and are of importance in appraising the changes wrought in the law by use, in those sections, of the terms which are here defined.

Section 4D provides a definition meriting somewhat greater consideration since it would reverse the United States Supreme Court's decision in the *Morton Salt* case (334 U. S. 37) which interpreted the phrase "effect may be" in the act as meaning "a reasonable possibility." Section 4D's definition is that this phrase shall mean "reasonable probability" of the specified effect.

In practice, the FTC has neither employed the "reasonable possibility" interpretation nor indicated any disposition to do so. Adoption of section 4D, therefore, appears to be a matter of legislative discretion, depending on whether Congress deems it necessary to take positive steps to prevent "possible" rather than "probable" FTC implementation of this Supreme Court interpretation of the term "effect may be."

To fully appraise the changes in substantive law which S. 1008 would produce there is submitted the following brief recitation of the decisions which led to its introduction:

"GEOGRAPHICAL PRICING

"UNIFORM DELIVERED PRICING SYSTEMS

"In any industry where transportation charges are of real importance, some systematic method of equalizing transportation costs must be employed in determining the laid-down cost of the product to the customer so as to enable each seller to be able to match exactly his delivered price quotation to a distant customer with those of all his competitors. The key to this geographic price matching problem under the FTC Act is "collusion." Various systems found to have been collusively used are: 1. Single basing point, involving both "phantom freight" and systematic "freight absorption," e. g., the *U. S. Steel* (Pittsburgh plus), (U. S. Court of Appeals (3rd), Oct. 5, 1948), and *Rigid Steel Conduit* (168 Fed. (2d) 175) cases; 2. Multiple basing point, likewise involving both "phantom freight" and systematic "freight absorption," e. g., *The Cement* case (333 U. S. 683); 3. Freight equalization, involving systematic freight absorption and similar to the multiple basing point except that technically no "phantom freight" is involved, since every mill is a base, e. g., *Milk and Ice-Cream Can* (152 Fed (2d) 478) and *Bond Crown & Cork* cases (176 Fed. (2nd) 974); 4. Zone pricing, another variation of the multiple basing point used "to obviate any natural advantage of location from price determination," e. g., *Fort Howard Paper* (156 Fed. (2d) 899), (crepe paper) case.

"In all of these cases the evidence before FTC has been held by the courts to have established collusion in the maintenance of such geographic pricing systems contrary to section 5 of the FTC Act. None of the cases forbids individual or competitive employment of freight absorption. It is the fixing of prices by collusion which is held to be per se illegal, not the means (system) employed in the particular case, despite intimations in some of the cases that those particular systems were so complex as to warrant a doubt that they could have been employed at all in the absence of the established collusion among the sellers.

"The Robinson-Patman Act has sometimes been used by FTC along with section 5 of the FTC Act in basing-point cases. Geographic pricing under the various basing point systems generally means that customers in different localities are charged different prices which are systematically related to the distance from the controlling base but which bear no relation to the distance from the seller's mill. If these price differences are not shown to injure competition, they do not violate the Robinson-Patman Act. If they do injure competition they are illegal unless justified by the seller. And here it is that the perverse relationship which his price differences bear to his freight cost militates against the seller's successfully claiming that these price differ-

ences are not illegal discriminations because justified by differences in cost of delivery (one of the statutory justifications).

"PRICE DISCRIMINATION

"Just as collusion is the key to the problem under the FTC Act, injury to competition is the key to the price-discrimination problem under the Robinson-Patman Act.

"Section 2a of the Robinson-Patman amendment to the Clayton Act provides, in pertinent part, 'That it shall be unlawful for any person * * * to discriminate in price between purchasers of commodities of like grade and quality * * * where the effect of such discrimination may be to substantially lessen competition * * *,' excepting, however, by its proviso, '* * * differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery.' This condemns price differences not justified by cost differences where the effect is to suppress competition among sellers or to injure competition among competing customers of the discriminating sellers. Section 2b recites that a prima facie case is made by the mere showing of a 'discrimination in price,' but, in its proviso, states that a seller may rebut such a prima facie case 'by showing that his lower price * * * was made in good faith to meet an equally low price of a competitor * * *.' In several cases, the Commission has found against this defense on the facts. In the Cement case, for example, collusion to avoid competition negatived the good faith of the multiple basing-point system of matched prices as a meeting of competition (333 U. S. 683). In the Staley case, the matching of single basing-point prices also failed to meet the good faith test (324 U. S. 746, 757). In Standard Oil of Indiana, however, the proof of injury to several hundred retailers of Standard's Red Crown gasoline resulting from Standard's subsidized discrimination practiced through its four so-called wholesalers (all of whom sold Standard's Red Crown gasoline at retail in competition, not with Standard, but with Standard's several hundred other retailers), was considered to counterbalance Standard's defense of good faith meeting competition of other sellers. Section 2b being held to be merely procedural, and not to provide a substantive defense, served only to offset the Commission's prima facie case; and since it did not outweigh the proof of injury to competition, no finding of either good faith or lack of it was found necessary in the case.

"As stated by Representative Utterback, 'a discrimination is more than a mere difference * * * some relationship * * * between the parties to the discrimination * * * entitled them to equal treatment.' The FTC, therefore, proceeds against a seller's difference in price as an illegal discrimination only where its investigation indicates competition between his buyers or their customers and a reasonable possibility of injury thereto, or where, as in count II in the Cement case, it finds the discrimination to be a collusive origin and to result in injury to competition among sellers. Under FTC policy as a practical matter there must be more than a reasonable possibility of injury to some level of competition before the Commission will take action."

CONCLUSION

Instead of clarifying the law, enactment of S. 1008 may have the opposite effect. Price fixing is seldom accomplished by formal agreement "signed and sealed in the blood." The agreement usually is shown to have existed by reasonable inferences drawn from all the surrounding facts and circumstances, rather than by the introduction in evidence of a written agreement to fix prices. The nub of the controversy over the recent court decisions appears to be whether FTC and the Federal courts should continue to be able to draw a reasonable inference of the collusive agreement to fix prices from the other facts established by direct evidence, such as for example the collective efforts of the industry to maintain its price structure. In the Cement case these were summarized by the Supreme Court at page 710 of its opinion, to include "boycotts; discharge of uncooperative employees; organized opposition to * * * new cement plants; selling cement in a recalcitrant price cutter's sales territory at a price so low that the recalcitrant was forced to adhere to the established basing point prices; discouraging the shipment of cement by truck or barge; and preparing and distributing freight rate books which provide respondents with similar figures to use as actual or 'phantom' freight factors, thus guaranteeing that their delivered prices (base prices plus freight factors) would be identical on all sales whether made to individual purchasers under open bids or to governmental agencies under sealed bids."

The Federal Trade Commission has not issued orders against anyone solely or even primarily on the basis of his individually quoting or selling at a price identical to or matched with that of a competitor. In cases where orders have issued they ran against matched prices maintained by collusion and generally were based on some direct evidence of the collusion as well as upon reasonable inferences drawn from the collective efforts of the industry members to effectuate certain programs such as those cited by the Supreme Court in the Cement case.

Whatever the feeling of businessmen generally may be as to whether collusion may continue to be inferred from direct evidence of such collective activities, a part of the business community do not urge S. 1008 on that ground, but on the ground that its enactment would legalize the kind of basing-point selling found illegal as collusive price fixing and in which the injuriously discriminatory geographic prices had the effect of suppressing price competition among sellers.

No case holds freight absorption illegal under the FTC Act in the absence of collusion. Nor can any hold it illegal under the Robinson-Patman Act in the absence of a showing of unjustified injury to competition. Section 1 of S. 1008 in legislatively declaring the legality of freight absorption attempts to safeguard against a return of the Cement case type of freight absorption maintained by conspiracy.

As pointed out earlier, the results of litigation to test the adequacy or inadequacy of the section 1 safeguard would have to be predicted to appraise the real effectiveness of this effort to safeguard the public against a return of collusive geographic pricing. Delay and uncertainty in the interim, which is predictable, would handicap FTC in enforcement of its orders against continued use of geographic pricing involving freight absorption, previously found to have been maintained by collusion contrary to section 5 and/or to have resulted in unjustified discriminations destructive of competition contrary to the Robinson-Patman Act.

S. 1008 would legislatively reverse not only several decisions of the United States Supreme and other Federal courts but also, insofar as its amendment of the section 2B—good faith—proviso of the Robinson-Patman Act is concerned, the considered judgment and deliberate action of the Seventy-fourth Congress taken after full hearings in both Houses held following submission to the Congress of FTC's Chain Store Investigation (S. Doc. No. 4, 74th Cong., 1st sess.) showing the destructive effect on competition of price discrimination in favor of large buyers. Such a legislative reversal should be based on a showing of real need for the change rather than the showing of confusion regarding what new pricing methods may legally be substituted for those collusive and injurious geographic systems held illegal in the cases evoking the bill.

1. A comprehensive analysis of S. 1008 as reported by the first conference committee (and still applicable except as to sec. 4D) is found at pages 607 to 615 of the CONGRESSIONAL RECORD of January 19, 1950.

2. The announcement reads as follows:

"PRICING PRACTICES

"In late session yesterday, the conferees on S. 1008 to define application of FTC Act and Clayton Act to certain pricing practices, legalizing the basing-point system in the absence of conspiracy to lessen competition, agreed to file a second conference report on the differences between the House and Senate passed versions of the bill, the first conference report having been recommitted by the Senate on January 20, 1950. The second conference report, as approved by conferees last night, reaffirms the action of the first conference committee except in the case of House amendment No. 4, an amendment to section 4 (D) of the bill, to which the Senate conferees receded, accepting the House amendment. The report is not expected to come up in the House until after March 13, with the House acting on the report first."

Very truly yours,

ROBERT ELLIOTT FREER.

UNITED STATES SENATE,
Washington, D. C., April 1, 1950.

Mr. RANKIN P. PECK,
President, National Congress of Petroleum Retailers, Detroit Mich.

DEAR MR. PECK: I am sorry that a dozen things have prevented me from responding sooner to your letter of March 10 in which you transmitted an original copy of the opinion from former Commissioner Freer on the S. 1008 conference report. I have read it carefully, and I am returning it herewith with the following brief comment.

First, let me say that it seems to me to bear out the point of view I have repeatedly expressed with respect to this bill, its purpose, and its effect. Observe the statement in the first paragraph under the heading, Section 1—"No decision of the Commission challenges that right (the right of sellers to absorb freight in the absence of conspiracy or collusive agreement) nor can freight absorption, competitively employed, logically be challenged as an unfair method of competition under section 5 of the Federal Trade Commission Act." That is all that section 1 does. It makes clear the repeated statement by the Commission that freight absorption or delivered prices independently employed are not unfair.

Now with respect to section 3. Please note in the last paragraph on page 2 of Mr. Freer's letter the following sentence, "Section 3, despite the Carroll amendment, not only might restore this defect in enforcement of the old section 2, but might also even add more difficulties." I emphasize the use by Mr. Freer of the word "might." Is he not looking for possible defects? Predatory price cutting, from any point of view, can never be defended under a good-faith clause.

With respect to section 4, Mr. Freer says that the definition in section 4D "would reverse the United States Supreme Court's decision in the Morton Salt case, which interpreted the phrase 'effect may be' as meaning 'a reasonable possibility.'" The Morton Salt case is the only case in which that meaning was given to the phrase. It should not be forgotten that a criminal cannot be convicted unless he is guilty "beyond a reasonable doubt." I feel that before any bureau of Government should be enabled to issue an order against a course of action which is not illegal in itself, there should be a "reasonable probability" that the practice involved would substantially lessen competition or tend to create a monopoly. This is apparently Mr. Freer's opinion, too, because he says in the next sentence: "In practice the FTC has

neither employed the 'reasonable possibility' interpretation nor indicated any disposition to do so."

With respect to geographical pricing, please observe Mr. Freer's statement, "The key to this geographic price matching problem under the FTC Act is 'collusion.'" Nothing in this bill alters that. Under this act the Federal Trade Commission can continue in the future as in the past to prosecute cases in which, to use Mr. Freer's language on page 4, "the evidence before the FTC has been held by the courts to have established collusion in the maintenance of such geographic pricing systems."

Then again observe Mr. Freer's statement, "It is the fixing of prices by collusion which is held to be per se illegal, not the means (system) employed in the particular case." Again Mr. Freer says, "If these price differences are not shown to injure competition, they do not violate the Robinson-Patman Act."

Finally, in the beginning of the conclusion on page 5, Mr. Freer says, "Instead of clarifying the law, enactment of S. 1008 may have the opposite effect." Again you see the word "may" as before the word "might." I am convinced that those lawyers who have, in good faith, like Mr. Freer, criticized this bill are merely reciting phantom fears. They are depending upon possibilities rather than probabilities and that seems to me to be too vague a basis upon which to attack a legislative proposal which undertakes to state only what the Federal Trade Commission has repeatedly stated to be the meaning of the law.

It is necessary to make this meaning clear because too many honest businessmen have been confused by the highly technical debate.

With every good wish,

Sincerely yours,

JOSEPH C. O'MAHONEY.

The VICE PRESIDENT. The Senator from Maryland has used all of his time. The Senator from Louisiana has 14 minutes remaining.

Mr. LONG. Mr. President, I desire to make one or two points only, in closing this debate. In the first place, those of us who oppose S. 1008 do not oppose price competition; we do not oppose keen competition; we do not oppose vigorous competition. What we do oppose is unfair and destructive methods of competition which would make it impossible for small-business men to compete. I heard the very able argument made by the distinguished Senator from Wyoming, that under the proposal we are advocating today, manufacturers would not be able to make great discriminations in favor of large concerns and against small concerns, in good faith, because such discriminations would destroy the smaller competitors. I have just heard the statement that we are arguing for soft competition made by the same distinguished Senator who accepted the Kefauver amendment and who on this floor said he would concede, at the time he accepted the Kefauver amendment, that, without that amendment to protect the small-business people of the country, the independent petroleum retailers of Detroit would lose their case against the Standard Oil Co. of Indiana.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. LONG. I will yield for a brief question, not for a speech.

Mr. O'MAHONEY. I thank the Senator. May I make the statement that, in my opinion, the Senator is completely misinterpreting my statement?

Mr. KEFAUVER. Mr. President, I have the statement of the Senator from Wyoming here, and that is substantially what he said.

Mr. O'MAHONEY. The Senator says "substantially." So it is a matter of interpretation.

Mr. KEFAUVER. The Senator said the amendment offered by the Senator from Tennessee would protect the decision in the Standard Oil Co. of Indiana case.

Mr. LONG. I will not get into an argument, because in the 15 minutes remaining there is not sufficient time. I shall simply rely upon the record, that the distinguished Senator from Wyoming made the statement on last Friday, a week ago, that, so far as he was concerned, all of section 3 could be stricken from the bill, and it was unnecessary, and that he had accepted the Kefauver amendment when he offered his substitute last year.

At the time the Senator accepted that amendment, in response to a question by the distinguished majority leader, who asked, "Will this bill protect the little fellow?", he said, in effect, "I will have to concede to you that, without the Kefauver amendment, it does not protect the independent petroleum retailers of Detroit from the Standard Oil Co. of Indiana."

What is the issue there involved? What is the danger?

A consent-decree case is presented before the United States Supreme Court today. The Standard Oil Co. of Indiana makes an unjustified quantity discount in favor of chain stations. They give the chain stations a 2-cent jobber discount on the gasoline they sell to those chains. Some small discount would be justified, but not a discount of 2 cents a gallon. They claim that they can do this because an off-grade gasoline, known as Red Indian gasoline, will make the same price to those independent stations. It is all right with us for Standard Oil to drop its price by 2 cents, but it should drop its price to all stations, and should not drop it to the big dealers and the chains, and leave the little independent in a position where he cannot compete.

I am told that in the Mother Hubbard case the Justice Department alleged that the oil companies of America constructed 4 percent of the filling stations and owned 75 percent of them. How did they get them? By running the little fellows out of business by the same method we see in operation today. As between the independent petroleum retailers of America and the Standard Oil Co. of Indiana, it is a test case. In the city of Detroit the major oil companies are making similar discriminations in favor of certain of their favored customers, which will ultimately drive hundreds of independent retailers out of business. It was hoped that if the case could be won against the Standard Oil Co. of Indiana, all the larger, major companies would agree to quit making unfair price discriminations in favor of certain favored customers.

Before the Robinson-Patman Act was passed there was a flagrant illustration of the same situation. Some weeks ago I placed in the RECORD the House committee report, which stated that at that time the Goodyear Rubber Co. was granting a 33⅓-percent discount to Sears, Roebuck & Co. They were not making such a discount to the independent tire dealers. Who can show me that if Sears, Roebuck & Co. purchases tires at $10 and the independent tire dealer has to pay $15 for his tires, he can long remain in business? The Firestone Co. would like to have the same kind of business. It would like to give Sears, Roebuck & Co. the same kind of a discount in order to get purchases in large quantities. A large purchaser has enormous coercive power to bargain for a better price. The companies which could buy in such great quantities would receive what the House committee report said in 1936 was a 33⅓-percent discount. We are told that we are going to have competition. The manufacturers can sell their tires to large dealers at a cheaper price than that for which independent retailers can buy their tires. Is not that wonderful? That is going to be fine.

I am in favor of low prices. Let the manufacturers treat the little fellows all alike and not favor some so that they can run the others out of business.

It will be recalled that in 1933, 1934, and 1935 the same concerns were running independent retailers out of business, killing them off like flies. They were slaughtering them left and right.

What did the House and Senate committee reports find when the Robinson-Patman Act was passed? They found that the good-faith defense was a loophole. In 1936 it was said that it was the greatest loophole in the antitrust laws, and that if it were not plugged up it would destroy all the independent retailers. We are asked again to establish the good-faith defense. The distinguished Senator from Wyoming says that good faith cannot be presumed. Before they can run a small concern out of business they must prove good faith. They have got to prove that someone is trying to get the business of the big fellow so as to drive out the little fellow. That is an argument that two wrongs make a right. One person alone would not be permitted to discriminate in favor of Sears, Roebuck & Co. or the Atlantic & Pacific Tea Co., but all of them acting together could do it. All a man would have to do would be to show that he had a competitor who was willing to make a similar discrimination, or thought he had a competitor without knowing that he had one, who, in good faith, would do the same thing. The Atlantic & Pacific Tea Co. could manufacture its own commodities to meet competition. Any manufacturer of canned goods in America could practice any type of discrimination it desired to practice.

To what does it all boil down, Mr. President? Fourteen years ago Congress passed the Robinson-Patman Act to save the independent merchants of America. Representatives of tire dealers, grocery stores, and all the independ-

ent merchants of America are asking us to give them the protection we gave them in 1936. At that time they were being driven out of business by the hundreds of thousands. What is the situation today? The 100 largest concerns that had 15 percent of the retail business in 1936 have 15 percent of the retail business today. All we want to do is to save a place for the small independent merchants of America.

Mr. President, I am opposed to the basing-point system. I have pointed out on the chart the undeveloped areas of America and the situation prior to the decision in the Cement case. Look at all the little dots on the chart. They represent what is taking place in America since the decision in the Cement case. Anyone who sees it knows that the basing-point pricing system is designed to hold back the underdeveloped sections of America, besides denying anyone who develops those sections the advantage of his freight differential in the market which he is trying to serve. The system was designed to help big concerns to work together to remove price competition. They do not need anything more than section 1 of the bill to do this, if we legalize the basing-point system.

Section 3 was slipped into the bill because the Standard Oil Co. of Indiana wanted it and because the major oil companies wanted to be able to discriminate among their own customers. It was slipped in, in my opinion, without the knowledge of the author of the bill, because the Senator from Wyoming said on last Friday that, so far as he was concerned, we could strike section 3 from the bill. The distinguished minority leader said that so far as he was concerned we could strike that section from the act. It does not have anything to do with freight absorption. It is just a case of giving big concerns the right and the power to discriminate among their own customers, so they can drive the little fellows out of business, so a large purchaser can take advantage of a small purchaser.

Mr. President, if we can defeat the conference report, we can still, by agreeing to the House amendment, legalize basing-point pricing if we want to without disturbing the small independent merchants.

When the Senate met in the old Supreme Court chamber last year, I stated that, in my opinion, those who voted for small business had done about as much as could be hoped for if the House of Representatives adopted the Carroll amendment. I stated that I did not want to see the bill go to conference, because it was my opinion that it would result in an immeasurably worse bill than we thought it was at the time. It was a bad bill then, and it is twice as bad today. If we can defeat the conference report, we can agree to the House amendment, or we can throw out the whole basing-point system. The interests that want the bill are not the independent merchants. They are the cement companies, the oil companies, the sugar manufacturers, and various other large concerns. The people who do not want it are the small independent merchants of America.

Mr. President, I should like to place in the RECORD at this point a telegram from Mr. George J. Burger, vice president in charge of the Washington office of the National Federation of Independent Business, addressed to the junior Senator from Alabama [Mr. SPARKMAN], along the same line which I have been discussing.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *May 29, 1950.*

Hon. JOHN SPARKMAN,
Senate Office Building:

Mr. C. Wilson Harder, president of the National Federation of Independent Business, Inc., has requested me to send you the following message, with the request that you read it into the RECORD in the discussion on the basing-point bill.

"Contrary to statements made on the Senate floor last Thursday and Friday, the basing-point bill, S. 1008, will seriously jeopardize small and independent business. This proposed legislation will not, contrary to what its sponsors claim, benefit small business. Rather, it will seriously jeopardize the position of small firms in our economy by depriving these firms of the safeguards they now enjoy against unfair price discriminations. It will jeopardize small firms further by throwing price-discrimination cases into further confusion that may take the courts years to unravel while more and more small firms are forced out of business by monopolistic practices. It is a mystery why a Congress in which both parties are pledged to preservation and extension of small business and the free competitive enterprise system should be so interested in the passage of a law that, in seeking the emasculation of key segments of our antitrust laws, undermines the very foundation of small business and the free competitive enterprise system. It is equally a mystery why so many Members of this Congress should so unquestionably accept the policy that this legislation is sought by small business, when from the very beginning the movement for the legislation was sparked by joint firms affected by the United States Supreme Court decision on the Cement case. And when from the very beginning small firms fully informed of the real objectives of this legislation have opposed it most strongly. The fact is that S. 1008 is an anti-small-business bill. If the Congress is sincerely interested in the welfare of small business it will kill this bill at once. Signed C. Wilson Harder, president, National Federation Independent Business, Inc." Thanks.

GEORGE J. BURGER,
Vice President in Charge Washington Office, National Federation of Independent Business.

Mr. LONG. Mr. President, I should like to summarize——

The VICE PRESIDENT. The Senator has 1 minute remaining.

Mr. LONG. The attorney for the Standard Oil Co. of Indiana has said that if we pass this bill we shall win the case for the Standard Oil Co. of Indiana. That means that the result would be against every independent dealer in America, the men on the other side, trying to fight the case for independent retailers. In my speech of March 31 I said that if we passed the bill, we would win the case for the Standard Oil Co. against all the independent merchants of America.

The VICE PRESIDENT. The Senator's time has expired. All time for debate has expired, the hour of 2 o'clock having arrived, which is the time fixed by unanimous consent for a vote on the conference report.

Before a vote is taken it is incumbent upon the Chair to rule on the point of order made by the Senator from Tennessee [Mr. KEFAUVER] against the conference report.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. It is my understanding that the Vice President is about to rule on the point of order made by the Senator from Tennessee.

The VICE PRESIDENT. That is correct.

Mr. WHERRY. If an appeal were to be taken from the ruling of the Chair, it seems to me that the full membership of the Senate should be present to hear the Vice President give his ruling. I do not wish in any way to disrupt the program, but I think a quorum call should be made before the Vice President makes his ruling on the point of order.

The VICE PRESIDENT. Does the Senator make the point that a quorum is not present?

Mr. WHERRY. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Brewster	Hill	Murray
Bricker	Hoey	Myers
Bridges	Holland	Neely
Butler	Ives	O'Conor
Byrd	Jenner	O'Mahoney
Cain	Johnson, Colo.	Pepper
Capehart	Kefauver	Robertson
Chapman	Kem	Russell
Connally	Kerr	Smith, N. J.
Cordon	Kilgore	Sparkman
Darby	Knowland	Stennis
Donnell	Leahy	Taft
Douglas	Lehman	Taylor
Dworshak	Long	Thomas, Utah
Ecton	Lucas	Thye
Ellender	McCarran	Tobey
Ferguson	McCarthy	Tydings
Flanders	McClellan	Vandenberg
Frear	Magnuson	Watkins
Fulbright	Malone	Wherry
George	Martin	Wiley
Gillette	Maybank	Williams
Hayden	Millikin	Withers
Hendrickson	Mundt	

The VICE PRESIDENT. A quorum is present.

The Chair was on the verge of deciding the point of order raised by the Senator from Tennessee when the quorum call was ordered.

The Senator from Tennesee has made the point of order that the conferees exceeded their authority, first, in eliminating the language of House amendment No. 2, and, second, the language of the Senate bill for which the House amendment was a substitute, both of which provisions deal with justification for price discrimination. The Senator from Tennessee has raised the further point that the conferees exceeded their authority by adding new matter to House amendment No. 3.

Both these amendments deal with the question of justification for price discrimination. House amendment No. 2

in substance provides that such price discrimination cannot be justified if it substantially lessens competition in the commodity or the service which is the subject of the sale.

Rule XXVII provides that conferees cannot eliminate matter which has been agreed to by both Houses. By interpretation this may be taken to mean simply language which has been agreed upon, or the substance of the provision which has been the object of their agreement. Conferees are authorized in some cases to eliminate matter which has been agreed to if they include it in some other provision of the bill, or transpose it to some other section of the bill. While the language of provisions adopted, respectively, by the House and the Senate were both striking at the same thing, to wit, justification of price discrimination, there was no agreement as to the language in which the prohibition should be couched. Therefore it cannot be said that the two Houses had agreed on the matter contained in either the original Senate language and in the House amendment, so as to bring the elimination of it within rule XXVII.

Amendment No. 3 also deals with the same subject. It was to a different part of the bill, of course, but the whole background of both amendments related to exceptions to the price discrimination which the law prohibited.

It is not the function of the Chair to pass on the merits of legislation or the effect it may have on some other law. The only function of the Chair, in the circumstances, is to pass on the question whether the conferees violated their authority in either of these instances.

The Chair is of the opinion that the conferees did not violate their authority in eliminating both House amendment No. 2 and the language to which it was an amendment, first, because the two Houses did not agree. While they were striking at the same thing, they had not agreed on the method by which they would deal with it.

Furthermore, the Chair is of the opinion that the language superimposed on amendment No. 3 dealing with the same subject is more definite than the language either in the Senate bill originally or in the House amendment, because it provides in substance that such exception and justification shall not be tenable or permitted if it involves "any combination, conspiracy, or collusive agreement, or any monopolistic, oppressive, deceptive, or fraudulent practice."

All these descriptive terms relate to the question of justification for price discrimination as defined in the law. Therefore, they deal with the same subject as amendment No. 2 of the House and the Senate language for which the House amendment was a substitute. It deals with it more definitely and more specifically because all the things which are not permitted to be used as a basis for justification for price discrimination are referred to as monopolistic, oppressive, deceptive, or fraudulent. Therefore, the Chair does not feel that the conferees went beyond their authority in the addition of that language to amendment No. 3, but that that was a substitution in more definite language for the language of amendment No. 2 and the language for which it was a substitute.

Therefore, the Chair overrules the point of order submitted by the Senator from Tennessee.

The question now is on agreeing to the conference report.

Mr. LONG and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. STENNIS (when his name was called). On this vote, I have a pair with the junior Senator from Wyoming [Mr. HUNT]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The roll call was concluded.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Texas [Mr. JOHNSON], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] and the Senator from Tennessee [Mr. MCKELLAR] are unavoidably absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Connecticut [Mr. MCMAHON] are absent on public business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of a subcommittee of the Committee on Foreign Relations investigating the security program of the Department of State and its foreign establishments.

The Senator from New Mexico [Mr. ANDERSON] is paired on this vote with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from New Mexico would vote "Yea," and the Senator from Mississippi would vote "Nay."

The Senator from Arizona [Mr. MCFARLAND] is paired on this vote with the Senator from Texas [Mr. JOHNSON]. If present and voting, the Senator from Arizona would vote "Yea," and the Senator from Texas would vote "Nay."

The Senator from Connecticut [Mr. MCMAHON] is paired on this vote with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Connecticut would vote "Yea," and the Senator from Minnesota would vote "Nay."

The Senator from Oklahoma [Mr. THOMAS] is paired on this vote with the Senator from South Carolina [Mr. JOHNSTON]. If present and voting, the Senator from Oklahoma would vote "Yea," and the Senator from South Carolina would vote "Nay."

I announce further that if present and voting, the Senator from Connecticut [Mr. BENTON], the Senator from New Mexico [Mr. CHAVEZ], and the Senator from North Carolina [Mr. GRAHAM] would vote "Nay."

Mr. WHERRY. I announce that the Senator from Vermont [Mr. AIKEN], who is absent by leave of the Senate, is paired with the Senator from Massachusetts [Mr. SALTONSTALL], who is also absent by leave of the Senate. If present and voting, the Senator from Vermont would vote "nay" and the Senator from Massachusetts would vote "yea."

The Senator from South Dakota [Mr. GURNEY], who is absent by leave of the Senate, is paired with the Senator from North Dakota [Mr. LANGER], who is absent by leave of the Senate for the purpose of attending the funeral of the Honorable William Lemke. If present and voting, the Senator from South Dakota would vote "yea" and the Senator from North Dakota would vote "nay."

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from Iowa [Mr. HICKENLOOPER], who is absent by leave of the Senate, is paired with the Senator from North Dakota [Mr. YOUNG], who is also absent by leave of the Senate. If present and voting, the Senator from Iowa would vote "yea" and the Senator from North Dakota would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is absent by leave of the Senate, and if present and voting, would vote "nay."

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and is paired with the Senator from Oregon [Mr. MORSE], who is absent by leave of the Senate. If present and voting, the Senator from Maine woud vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 43, nays 27, as follows:

YEAS—43

Brewster	Hayden	Myers
Bricker	Hendrickson	O'Conor
Bridges	Hoey	O'Mahoney
Butler	Ives	Robertson
Byrd	Jenner	Smith, N. J.
Cain	Johnson, Colo.	Taft
Capehart	Kem	Thye
Chapman	Kerr	Tobey
Cordon	Knowland	Tydings
Darby	McCarran	Vandenberg
Donnell	Malone	Watkins
Dworshak	Martin	Wherry
Ecton	Maybank	Williams
Ferguson	Millikin	
Flanders	Mundt	

NAYS—27

Connally	Kefauver	Murray
Douglas	Kilgore	Neely
Ellender	Leahy	Pepper
Frear	Lehman	Russell
Fulbright	Long	Sparkman
George	Lucas	Taylor
Gillette	McCarthy	Thomas, Utah
Hill	McClellan	Wiley
Holland	Magnuson	Withers

NOT VOTING—26

Aiken	Downey	Gurney
Anderson	Eastland	Hickenlooper
Benton	Graham	Humphrey
Chavez	Green	Hunt

Johnson, Tex.	McKellar	Smith, Maine
Johnston, S. C.	McMahon	Stennis
Langer	Morse	Thomas, Okla.
Lodge	Saltonstall	Young
McFarland	Schoeppel	

So the conference report on Senate bill 1008 was agreed to.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The VICE PRESIDENT. The question before the Senate is the motion of the senior Senator from Illinois [Mr. LUCAS] to proceed to the consideration of Senate bill 1728, a bill to prohibit discrimination in employment because of race, color, religion, or national origin.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, the Senator from Georgia [Mr. GEORGE], chairman of the Finance Committee, desires that a conference report be considered immediately. Before that is done, I ask unanimous consent that Senators may be permitted to introduce bills and joint resolutions, present petitions and memorials, and place in the RECORD other routine matters, and also present matters for the Appendix of the RECORD, without debate.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

REVISED SUPPLEMENTAL ESTIMATE, PAYMENT OF CLAIMS FOR DAMAGES, ETC. (S. DOC. NO. 177)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a revised supplemental estimate of appropriation, involving an increase of $1,286,987.03 in the amount necessary for payment of claims for damages, audited claims, and judgments, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

Petitions, etc., were presented, and referred as indicated:

By Mr. TYDINGS:

A resolution adopted by the City Council of Baltimore, Md., favoring the enactment of legislation to continue rent control; to the Committee on Banking and Currency.

A resolution adopted by the Somerset County (Md.) Farm Bureau, favoring the enactment into law of the recommendations of the Hoover Commission on Reorganization of Government Departments; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the City Council of Baltimore, Md., relating to the construction of a building in Baltimore, for the Federal Bureau of Old-Age and Survivors Insurance; to the Committee on Finance.

A resolution adopted by the State Council of Maryland, Junior Order of United American Mechanics, at Baltimore, Md., relating to the earliest possible negotiations and signing of peace treaties; to the Committee on Foreign Relations.

A memorial signed by P. R. Diffenderfer and sundry employees of various departments of the Pennsylvania Railroad at Hagerstown, Md., remonstrating against the enactment of Senate bill 3295, to authorize union-shop and check-off system in the railroad industry; to the Committee on Labor and Public Welfare.

A petition signed by Nina Sutherland and sundry other citizens of Barton, Md., relating to the Senate bill 1847, to prohibit the transportation of alcoholic-beverage advertising in interstate commerce; to the Committee on Interstate and Foreign Commerce.

A resolution adopted by the State Council of Maryland, Junior Order United American Mechanics, at Baltimore, Md., relating to the liberalization of the Displaced Persons Act; to the Committee on the Judiciary.

A resolution adopted by the State Council of Maryland, Junior Order of United American Mechanics, at Baltimore, Md., relating to the employment of Communists in the State and Government service; to the Committee on the Judiciary.

A memorial signed by Jeremiah Mongan and sundry citizens of the State of Maryland, remonstrating against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the State Council of Maryland, Junior Order of United American Mechanics, at Baltimore, Md., protesting against the employment of teachers in public schools whose loyalty to the United States is suspected; to the Committee on Labor and Public Welfare.

A resolution adopted by the State Council of Maryland, Junior Order of United American Mechanics, at Baltimore, Md., relating to Federal aid to public schools; to the Committee on Labor and Public Welfare.

Resolutions adopted by the board of trustees and the national council of the National Association of Life Underwriters, at Oklahoma City, Okla., the Cambridge Chamber of Commerce, Woman's Club of Tell Hills, woman's auxiliary to the Prince Georges County Medical Society, Rockdale Homemakers' Club, national-affairs committee of the Frederick Chamber of Commerce, Inc., and the Young Adults of St. Mark's Methodist Church, of Baltimore, all in the State of Maryland, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

CONTINUATION OF RENT CONTROL—PETITIONS

Mr. MYERS. Mr. President, I present for appropriate reference letters, a resolution, and a telegram from the Philadelphia Typographical Union No. 2; Local No. 439, Bakery and Confectionery Workers International Union, and Local No. 492, Bakery and Confectionery Workers International Union, of Philadelphia; International Alliance Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada, of Chester; the Pennsylvania State Council of Public Employees, of Harrisburg; the Altoona Federation of Teachers, Local No. 820, and the American Federation of State, County, and Municipal Employees, Local No. 571, of Altoona, and the United Cement, Lime and Gypsum Workers International Union, of Easton, all in the State of Pennsylvania, praying for the continuation of rent control, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters, resolution, and telegram were referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

PHILADELPHIA TYPOGRAPHICAL UNION, No. 2,
Philadelphia, Pa., May 31, 1950.

Senator FRANCIS J. MYERS,
House Office Building,
Washington, D. C.

DEAR SENATOR: Philadelphia Typographical Union No. 2 at its regular meeting on Sunday, May 28, 1950, instructed the officers to write you and urge you to vote for the continuance of rent controls until at least June 30, 1951.

There is still a very acute shortage of homes available for sale as well as an even greater shortage of rental units.

The decontrol of rents would work a severe hardship on thousands of working men and their families through increases in rents that will range from 20 to 50 percent, thus actually bringing about a reduction in income from 6 to 8 percent as indicated in areas where decontrols have been exercised.

We, therefore, call upon Congress to continue the Rent Control Act to June 30, 1951.

Sincerely yours,

SINCLAIR L. MUIR,
President.

LOCAL NO. 439,
BAKERY AND CONFECTIONERY WORKERS INTERNATIONAL UNION,
Philadelphia, Pa., May 31, 1950.

Hon. FRANCIS J. MYERS,
United States Senator,
Senate Building, Washington, D. C.

DEAR SENATOR MYERS: As a representative of a group of over 1,400 working men and women I urge you to vote to continue the Rent Control Act to June 30, 1951, and I also urge you to use your influence with other Senators and Congressmen to do the same.

A great number of our members are renters and will continue to be for some time to come, because they are not in a financial position to be able to accumulate sufficient money to start purchasing a home. To allow a decontrol of rents at this time would mean adding to their confusion and create a desperate situation for, needless to say, landlords will exact their pound of flesh by increasing rents to the limit.

We are counting on you to help us.

Respectfully yours,

ROBERT E. LYNN,
President.

BAKERY AND CONFECTIONERY WORKERS INTERNATIONAL UNION,
LOCAL 492,
Philadelphia, Pa., May 29, 1950.

Hon. Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: We of the Bakery and Confectionery Workers International Union, Local Union No. 492, representing 3,000 workers, wish to call upon you to vote for the continuance of rent controls until June 30, 1951.

Thanking you for the consideration you may give our request, I remain,

Very truly yours,

JOHN D. NICOLA,
Secretary-Treasurer, Local Union No. 492.

Resolution 43

Whereas there is presently a concerted drive being conducted by the real estate lobby to bring about the decontrol of rents throughout the United States; and

Whereas there is still a very acute shortage of homes available for sale as well as an even greater shortage of rental units; and

Whereas the decontrol of rents would work a severe hardship on thousands of workingmen and their families through increases in rents that will range from 20 to 50 percent thus actually bringing about a reduction in pay income of from 6 to 8 percent as indicated in areas where decontrols have been exercised: Therefore be it

Resolved, That this federation call upon Congress to continue the Rent Control Act to June 30, 1951; and be it further

Resolved, That all affiliated unions write or wire their Congressmen and Senators MYERS and MARTIN requesting them to vote to continue rent control to the above-stated period.

Submitted by executive council:

James L. McDevitt, Earl C. Bohr, James Acri, Norman Blumberg, Eugene A. Burke, John M. Casler, Joseph L. Downes, David E. Glavin, Matt Gorman, Fred B. Hughes, Alfred J. Mascaro, Edward F. Netzler, Samuel Otto, Benjamin Weigand, Sidney G. Willar.

INTERNATIONAL ALLIANCE THEATRICAL STAGE EMPLOYEES AND MOVING PICTURE MACHINE OPERATORS OF THE UNITED STATES AND CANADA,
Chester, Pa., May 30, 1950.

United States Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: The great need for protection of the workingman and his family against excessive high rents is surely a matter of concern to you. The great bulk of your constituents are either the victims or the benefactors of these high rates. You can do much to assure your people that they will be given the proper protection they deserve by working for the extension of the Rent Control Act to June of 1951.

Unless such extension is granted it is very possible that the increase in rentals will be equivalent to a cut in wages for most of the working people in the State.

In behalf of the members of this labor organization I ask that you give this matter your very serious consideration.

Very respectfully and sincerely yours,
JACK MULLEN,
Secretary.

PENNSYLVANIA STATE COUNCIL OF PUBLIC EMPLOYEES,
Harrisburg, Pa., May 31, 1950.

Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SENATOR MYERS: Our organization, representing several thousand low-paid State and municipal employees in Pennsylvania, is keenly interested in the continuance of the present rent-control legislation which, unless extended, will imminently become inoperative.

The white-collared worker and more particularly the public employee in our Commonwealth have been severely pressed during these inflationary days to keep pace with their fellow workers in industry on the cost-of-living front. Should rent control be abolished now, the plain and inevitable result will be a critical reduction in the living standards of these people. Therefore, as our representative in the United States Senate, we urge you to support legislation which will continue rent control for at least another year.

With kindest regards, I am,
Sincerely yours,
ROBERT P. LONERGAN,
Executive Director.

LOCAL NO. 820,
ALTOONA FEDERATION OF TEACHERS,
Altoona, Pa., May 31, 1950.

Hon. FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

DEAR SIR: We appreciate your interest in matters that affect the working people of the State. Housing is one of these matters. Rent control seems to be a critical issue just now. If you have not already done so, will you not do all you can to have rent control continued, at least for a short time until other measures can be put into effect?

Sincerely yours,
IRMA B. LEWIS,
Corresponding Secretary.

AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES,
Altoona, Pa., May 29, 1950.

DEAR SIR: Altoona City Employees Local 571 requests you to vote for control of rents. The federation calls on Congress to continue the Rent Control Act to June 30, 1951.

Respectfully,
B. R. RUNYEON,
Secretary.

EASTON, PA., *May 31, 1950.*

Hon. FRANCIS MYERS,
Senate Office Building,
Washington, D. C.:

In behalf of the membership of the United Cement Lime and Gypsum Workers International Union and their families we urge and request your support for the continuance of rent control until at least June 30, 1951.

VICTOR H. THOMAS,
District Representative, District Council No. 1, United Cement, Lime and Gypsum Workers' International Union.

REORGANIZATION PLANS OF 1950—REPORT OF A COMMITTEE

Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments, submitted a report (No. 1774) relating to Reorganization Plans Nos. 1 to 21, inclusive, of 1950, including an analysis and action taken by the Senate which was ordered to be printed.

SUPPLEMENT TO EXISTING LAWS AGAINST UNLAWFUL RESTRAINTS AND MONOPOLIES—REPORT OF A COMMITTEE

Mr. O'CONOR. Mr. President, from the Committee on the Judiciary, I report favorably, with amendments, the bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1941 (38 Stat. 730), as amended, and I submit a report (No. 1775) thereon. Attached to the report are the minority views of the distinguished Senator from Missouri [Mr. DONNELL], which I ask be printed with the majority report.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar, and, without objection, the report will be printed as requested by the Senator from Maryland.

ARMY ORGANIZATION ACT OF 1950—REPORT OF A COMMITTEE

Mr. TYDINGS. Mr. President, from the Committee on Armed Services, I report an original bill, cited as the Army Organization Act of 1950, and I submit a report (No. 1776) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 3691) to provide for the organization of the Army and the Department of the Army, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON (for himself and Mr. O'CONOR):

S. 3687. A bill to require the armed services to utilize private American shipping services for the overseas transportation of commodities and civilian personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGLAS:

S. 3688. A bill for the relief of Dr. Alexander V. Papanicolau and his wife, Emilia; to the Committee on the Judiciary.

By Mr. CAIN:

S. 3689. A bill for the relief of Mrs. Marjorie Tracy White; to the Committee on the Judiciary.

By Mr. DARBY:

S. 3690. A bill for the relief of Mrs. Robert T. Wieland and minor child; to the Committee on the Judiciary.

(Mr. TYDINGS, from the Committee on Armed Services, reported an original bill (S. 3691) to provide for the organization of the Army and the Department of the Army, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

JEFFERSON-JACKSON DAY DINNER ADDRESS BY THE VICE PRESIDENT

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD the Jefferson-Jackson Day dinner address delivered by the Vice President of the United States at Austin, Tex., on May 27, 1950, which appears in the Appendix.]

ADDRESS BY SENATOR THOMAS OF UTAH ON UNVEILING OF STATUE OF BRIGHAM YOUNG

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD the address delivered by him on the occasion of the unveiling yesterday in the Rotunda of the Capitol of the statue of Brigham Young, which appears in the Appendix.]

TO THE PIONEERS—POEM BY LEONARD R. BAILEY

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a poem entitled "To The Pioneers," written by Leonard R. Bailey, of Salt Lake City, Utah, which appears in the Appendix.]

WASHINGTON NEWS LETTER BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD the Washington News Letter of May 4, 1950, prepared by him for the people of Pennsylvania, which appears in the Appendix.]

BIWEEKLY REPORTS BY SENATOR MYERS TO PEOPLE OF PENNSYLVANIA

[Mr. MYERS asked and obtained leave to have printed in the RECORD two radio broadcasts to the people of Pennsylvania, being No. 26 and No. 27 in his biweekly series, which appear in the Appendix.]

EFFECT OF STATE AND FEDERAL REGULATION UPON THE INSURED—ADDRESS BY ROGER KENNEY

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address on the subject Effect of State and Federal Regulation Upon the Insured, delivered by Roger Kenney, before the Insurance Conference of the American Management Association at New York City, May 23, 1950, which appears in the Appendix.]

NATURAL GAS AT THE CROSSROADS—ADDRESS BY RODERICK STEPHENS

[Mr. IVES asked and obtained leave to have printed in the RECORD an address entitled "Natural Gas at the Crossroads," delivered by Mr. Roderick Stephens at the annual convention of the Pennsylvania Retail Coal Merchants Association at Wernersville, Pa., on May 25, 1950, which appears in the Appendix.]

JET TRANSPORTS—EDITORIAL FROM THE WASHINGTON POST

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial entitled "Jet Transports," published in the Washington Post of May 28, 1950, which appears in the Appendix.]

AWARD TO TWENTIETH CENTURY CLUB OF IUKA, MISS., IN THE "BUILD A BETTER COMMUNITY" CONTEST

[Mr. STENNIS asked and obtained leave to have printed in the RECORD an article from the Washington Post of June 2, 1950, relative to the award to the Twentieth Century Club of Iuka, Miss., in the "Build a Better Community" contest, sponsored by the General Federation of Women's Clubs, which appears in the Appendix.]

REA POWER LINES IN SOUTH CAROLINA

[Mr. GILLETTE asked and obtained leave to have printed in the RECORD a communication written by Claude R. Wickard, Administrator, Rural Electrification Administration, relative to REA power lines in South Carolina, which appears in the Appendix.]

COMMUNISTS IN STATE DEPARTMENT—ADDRESS BY SENATOR McCARTHY

[Mr. McCARTHY asked and obtained leave to have printed in the RECORD an address on the subject of Communists in the State Department, delivered by him on May 25, 1950, which appears in the Appendix.]

NO WHITEWASH, PLEASE — EDITORIAL FROM THE OROVILLE (CALIF.) MERCURY

[Mr. KNOWLAND asked and obtained leave to have printed in the RECORD an editorial entitled "No Whitewash, Please," published in the Oroville (Calif.) Mercury for May 23, 1950, which appears in the Appendix.]

NOMINATIONS IN THE ARMED FORCES AND UNDER SECRETARY OF AIR

Mr. TYDINGS. Mr. President, as in executive session, from the Committee on Armed Services I report certain routine nominations in the Army, Navy, and Air Force, together with the nomination of John A. McCone, of California, to be Under Secretary of the Air Force, vice Arthur S. Barrows, resigned.

The VICE PRESIDENT. Without objection, the nominations will be received and placed on the Executive Calendar.

Mr. TYDINGS. Mr. President, I now ask unanimous consent that, as in executive session, the nominations may be immediately considered.

The VICE PRESIDENT. Is there objection to the request of the Senator from Maryland?

Mr. WHERRY. Mr. President, reserving the right to object, will the Senator from Maryland again state what the nominations are? There was so much confusion in the Chamber while the Senator was speaking, I am sure the Members of the Senate did not hear the Senator's observations.

Mr. TYDINGS. The nominations are routine nominations in the Army, Navy, and Air Force, few in number. The highest nomination among them, as I recall, is the promotion of Gen. James Alward Van Fleet to be lieutenant general, to fill a vacancy.

There is one civilian nomination, that of Mr. John A. McCone, of California, to be Under Secretary of the Air Force.

These nominations come from the Committee on Armed Services unanimously, after hearings, and after they had been before the committee the prescribed length of time to find whether objections would be filed.

Mr. WHERRY. Mr. President, I have no objection to the immediate consideration of the nominations.

Mr. DONNELL. Mr. President, will the Senator yield for an inquiry?

The VICE PRESIDENT. Does the Senator from Missouri reserve the right to object?

Mr. DONNELL. I do, Mr. President.

What is the civilian nomination? I did not understand it.

Mr. TYDINGS. The nomination is that of Mr. John A. McCone to be Under Secretary of Air. I may say to the Senator from Missouri, that Mr. McCone was one of the members of the Finletter Commission which, as the Senator will recall, surveyed the aviation industry and the military planes for the Government some time ago, and who participated in making what is known as the Finletter report, which was the basis for the 70 group air force of which we have frequently heard so much.

Mr. DONNELL. Reserving further the right to object, may I ask the Senator, why is it necessary that action be had on this civilian nomination today?

Mr. TYDINGS. I have no objection to the nomination going over. But let me say to the Senator from Missouri that the Air Force has been for some time without adequate civilian administration, due to the fact that Mr. Symington was promoted, and a new man was brought in from the outside to take his place. This vacancy has existed for some time. The only reason I could give the Senator for pushing the matter—and I think it is a good one—is that there is a great need to have civilian administration on the job to take the place of what might be called military administration, during the interim.

Mr. DONNELL. Mr. President, reserving the right to object, I have no doubt of the entire sincerity of my distinguished friend from Maryland. He may be quite right, and there may be no reason for delaying action on the nomination. It would appear to me, however, that it is an unfortunate precedent for the Senate to adopt, except in routine nominations, and I am not so sure whether we are acting wisely even in regard to those, to deviate from the rule of the Senate. Without any reflection on the nominee or on the Senator from Maryland, I must respectfully object to the present consideration of the nomination of Mr. McCone.

The VICE PRESIDENT. Is there objection to the consideration of the other nominations? The Chair hears none. Without objection, they are confirmed. The nomination of Mr. McCone will go to the calendar.

Mr. DONNELL. Mr. President, may I ask a question at this point? Is the Senator from Maryland asking that the President be notified of the confirmation of these nominations?

Mr. TYDINGS. No; I am not. I would not object to the President being notified immediately, because most of the nominations are those of midshipmen. Most of them are lower-rank promotions. There is only one major-rank promotion, as I recall, among them.

Mr. DONNELL. May I say that if the Senator does ask for the immediate notification of the President, I shall object.

Mr. TYDINGS. That is the reason I did not make the request. I knew the Senator's position, which I respect. On that account I did not ask for notification of the President.

Mr. DONNELL. I thank the Senator.

BRIEF OF NATIONAL CHEESE INSTITUTE IN OPPOSITION TO LOWERING OF RATES OF DUTIES ON DAIRY PRODUCTS

Mr. WILEY. Mr. President, I have in my hands a very excellent brief filed by the National Cheese Institute of 110 North Franklin Street, Chicago, Ill., with the United States Committee for Tariff Reciprocity Information. I ask unanimous consent that a statement which I have prepared on this brief as well as an appended letter from the Cheese Producers' Marketing Association of Monroe, Wis., be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

WHY DAIRY RATES OF DUTY MUST BE MAINTAINED

There are almost 6,000,000 farms on which milk is being produced in the United States. Almost one-fourth of the total farm income of America is derived from dairying. These facts indicate the crucial importance of the dairy segment to our entire agricultural economy.

In a great dairy State like Wisconsin, dairying provides the very lifeblood of the economic system. It is only natural therefore that the dairymen of Wisconsin should regard with grave concern the trend of the present administration to further lower rates of duty on dairy products, particularly on cheese.

My own State of Wisconsin manufactures more cheese than all the 47 other States in the Nation combined. We recall the bitter memories of the 1930's when cheese prices fell through the floor, when surplus milk in effect had to be thrown in the gutters, because farmers could not get

their cost of production plus a reasonable profit; cooperatives were going under; private dairy businesses were shutting their doors—the terrible days of the farm depression. We do not want those times to return.

We are interested in helping to promote world recovery; we want to be good neighbors, good customers, and good sellers with foreign nations, but we will not permit American dairying to have its economic throat cut by reckless slashes in tariff duties.

There are 2,300 plants in the United States engaged in the manufacture of cheese excluding cottage cheese, pot cheese, and baker cheese. Over 50 percent of those plants are farmer owned. I do not want these little fellows, or for that matter their larger competitors, to be smashed by a heedless tariff policy.

There follows a summary of the brief filed by Mr. E. W. Gaumnitz, executive secretary of the National Cheese Institute. This excellent summary presents the principal points in his case to the Committee for Tariff Reciprocity Information.

Following that are some excerpts from a fine letter which I have received this very morning from one of the distinguished organizations in my State, the Cheese Producers' Marketing Association, of Monroe, Wis. This message came to me from Mr. J. F. Shager, general manager of the association. I think that it represents the thinking of countless other cheese groups in my State.

All of these cheese facts must be borne in mind in light of the fact that foreign countries have devalued their currency in terms of the American dollar, thus enabling their exporters to quote their products at considerably reduced prices, prices well below ours.

I have heard from one cheese manufacturer in Fond du Lac who reported that already his company has been forced to close one plant completely, laying off many workers, because our Government policy is in effect pricing our domestic products right out of the market.

This situation, of course, particularly affects producers of foreign-type cheeses, but inevitably the repercussions will be felt on producers of domestic cheeses as well as other segments of dairying.

SUMMARY AND CONCLUSION OF NATIONAL CHEESE INSTITUTE BRIEF

From these facts and considerations certain conclusions appear clear.

1. United States supplies of milk are ample and such supplies are increasing.

2. United States cheese production has been increasing and is now at a record level.

3. Tariff rates for cheese and other dairy products have been reduced materially from the levels in effect in the 1930's and the full effect of such reductions are not yet apparent, due to the interference of the war and postwar adjustment periods, as well as to restrictions under licensing powers.

4. Cheese imports are increasing and exports declining. Exports will also certainly be negligible should direct or indirect subsidies be removed. Imports of other dairy products are also expected to increase and exports decline.

5. The prices of milk used for various end uses, such as fluid milk, cream, butter, cheese, evaporated milk, ice cream, and the like are closely related.

6. The various types of cheese are competitive.

7. Under support prices in effect for 1949, supplies of cheese and the milk equivalent of all products in the United States exceeded the quantities which moved into consumption, so that material quantities of butter, cheese, and nonfat dry milk solids were held by the Government at the end of the storage year on April 1, 1950. This was true in spite of abnormal exports of 98,000,000 pounds of cheese, abnormal exports of nonfat dry milk solids, abnormal exports of evaporated milk, and abnormal exports of dry whole milk. At the same time imports of cheese particularly but also of the other dairy products were subnormal.

8. With United States support prices for various dairy products announced for the period ending March 31, 1951, and with further increases in milk production likely, it is clear that governmental price support purchases in the announced 1950–51 support period will result in Government purchases and holdings of dairy products far in excess of those purchased in 1949 or on hand April 1, 1950. Increased imports and decreased exports of dairy products, which appear certain at this time, will add to that burden.

9. The form of excess dairy products in Government hands at the end of the support period—whether butter, cheese, evaporated milk, or other products—will depend entirely on the relative arbitrary Government support prices made effective for the various products.

10. With effective Government supports regarding producer prices of milk and butterfat and effective Government support prices for butter, Cheddar cheese, and nonfat dry milk solids, further reductions in the rates of duty for the types of cheese other than Cheddar will fall directly on the manufacturers of those types of cheese. In effect such manufacturers will be forced to shift to the production of other dairy products being supported by the Government or go out of business. Such results are beginning to appear. Those manufacturers cannot reduce paying prices for milk since competitive prices are necessary if they are to secure milk and they must sell the cheese produced competitively. Manufacturers of cheese in other countries do not operate under such restrictions. In other words, the manufacturers of types of cheese other than Cheddar, producing as they do cheese not supported by the Government, must meet the competition of imported cheeses, the manufacturers of which are not required to pay minimum producer prices for milk.

11. The effect of a reduction in rates of duty in the case of Cheddar or other cheeses, butter, or milk or cream, will be that of transferring to Government holdings a quantity of cheese, butter, and nonfat dry milk solids equivalent to the increased quantity of any dairy product imported, regardless of the form of the imported product. The exact form of the product acquired by the Government will depend upon relative Government support prices.

12. In other words, the final outcome of further reductions in rates of duty for dairy products under present conditions will be to force domestic United States manufacturers of types of cheese other than Cheddar to shift to Cheddar or other dairy products or to go out of business, and the effect with reference to the United States manufacturers of Cheddar cheese will be that additional quantities of Cheddar or other dairy products will be purchased by the Government. To put it another way, the United States Government will be purchasing the equivalent of the increased imported product at a time when it is already purchasing product produced in the United States for price-support purposes, and at a time when it is holding dairy products which it does not want. In effect, the result of further reductions in rate of duty under present conditions is that the United States, under its price-support program, will be supporting world dairy-product prices, or subsidizing the production of dairy products on a world-wide basis.

In view of these indisputable facts and conclusions, the National Cheese Institute strongly opposes further reductions in rates of duty for any dairy products, but particularly for all types of cheeses, including Roquefort, Cheddar, Edam and Gouda, Camembert, Brie, Coulommiers, and Pont-l'Eveque, and opposes the binding of these rates against increases.

Respectfully submitted.

E. W. GAUMNITZ,
Executive Secretary, National Cheese Institute, Inc.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D.C.

DEAR MR. WILEY: We have noted from newspaper reports that the United States Tariff Commission is going to study the import duties now applying to foreign types of cheese coming into this country. Naturally we are considerably concerned about the importation of not only foreign-type cheese but all dairy products as well, since it seems to add only to the burden of the dairy farmer both from the standpoint of lower returns for their milk due to the increased production or lower consumption, whichever may be at fault, and the imports, which are also affecting the prices on domestic products. * * *

We feel that if there was any change to be made in the tariff rates, they should be increased on all dairy products, and if these so-called "favorite nations" are to be subsidized, let's not let the American dairymen pay the entire subsidy. * * *

Mr. WILEY, we have appreciated all the efforts that you have expended on legislation, regulations, tariffs, etc., that have affected the Wisconsin dairymen as well as the dairymen all over the United States. We know that you are going to continue to fight for the things that are considered only fair and just to the American dairy farmer. That is all that we can expect, and if we can get that kind of a break, we do not have much to worry about, but we certainly are not able to operate without a fair return for the labor expended in the production of the greatest human food in the world today. * * *

With kindest regards from our organization and the writer.

Very truly yours,

C. P. M. A.,
J. F. SHAGER,
General Manager.

AUTHORIZATION TO PRINT CERTAIN MATERIAL IN THE APPENDIX, AND REQUEST FOR LEAVE OF ABSENCE

Mr. WILEY. Mr. President, I am in the process of preparing certain materials on diverse subjects. I ask unanimous consent that, notwithstanding that I may be absent from the Senate next week, there be printed in the appendix of the CONGRESSIONAL RECORD, materials which I am now preparing and which I will submit relative to—

A. The critical farm situation in Wisconsin.

B. The betrayal of the heroic people of Poland.

C. The Republican program for victory in November.

Mr. LUCAS. Mr. President, reserving the right to object, do I understand that my friend from Wisconsin is asking that the matters to which he has just referred shall be placed in the RECORD at this time?

Mr. WILEY. No. I am preparing the matter, and I ask that it be inserted in the RECORD later, because I shall now ask unanimous consent to be absent from the Senate next week because of the necessity of getting home and spending a little time on the hustings, as my friend, the Senator from Illinois, has done repeatedly in the past.

Mr. LUCAS. Mr. President, I think the request is a little unusual. The Senator is now asking to place something in the RECORD which is not prepared.

Mr. WILEY. It is to be prepared by the Senator from Wisconsin. The Senator from Wisconsin will be absent from the sessions of the Senate next week. The subjects to which I refer are—A, the critical farm situation in Wisconsin; B, the betrayal of the heroic people of Poland; C, the Republican program for victory in November.

Mr. LUCAS. Some Senator will have to rise at the proper time to ask unanimous consent that the matters referred to be placed in the RECORD. I am not going to object, but it seems to me a little unusual procedure for a Senator to ask, a week in advance, to have something placed in the RECORD. I should be glad to make the request for the Senator from Wisconsin at the proper time, or I am sure the Senator from Nebraska [Mr. WHERRY] would do so.

Mr. WILEY. The request is not unusual. Permission to do what I have now requested to do is granted when the Senate concludes its sessions. Senators are then given time in which to prepare materials to be placed in the RECORD. To my knowledge that practice has existed for 12 years. From the beginning of this year until now I have remained constantly in Washington. Next week a Republican conference will be held in Wisconsin. I plan to be there at that time.

I now ask unanimous consent that I be permitted to be absent from the Senate on official business in my State.

Next, I ask that I be permitted to insert in the RECORD next week, as if I were then present, articles which will be prepared by me and my staff, on which we are now working. That is something which has been done on numerous occasions in the past.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

ESTABLISHMENT OF FOREIGN-TRADE ZONES—CONFERENCE REPORT

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of the conference report on House bill 5332.

The VICE PRESIDENT. The conference report has been filed.

The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5332) entitled "An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones," as follows:

That the Senate recede from its amendment No. 2.

That the House recede from its disagreement to the amendment of the Senate No. 1 and agree to the same.

The VICE PRESIDENT. The question is on agreeing to the report.

Mr. GEORGE. Mr. President, the bill on which the conference was held was passed by the House sometime during the first session of the Eighty-first Congress, and subsequently was passed by the Senate. Two amendments were added by the Senate.

The bill went to conference; and on October 13, last, a majority of the conferees agreed to the report which now is before the Senate.

The first amendment adopted by the Senate was accepted by the conferees as a part of the conference report.

The second amendment adopted by the Senate was rejected by a majority of the conferees. I read that amendment, because I think it is the only point of controversy in connection with this matter:

SEC. 3. Paragraph 1519 of the Tariff Act of 1930, as amended, is hereby amended by adding at the end thereof a new subparagraph to read as follows:

"G. The President shall establish such regulations on the importation of furs and fur articles as are determined necessary by the Tariff Commission to prevent serious injury to the domestic fur-producing industry."

Mr. President, that amendment was adopted by the Senate. After some considerable time, a majority of the conferees of the Senate and of the House agreed to eliminate the amendment in order to secure a conference report on the bill.

Let me make this statement: This amendment raised an issue which was very bitterly contested by the House conferees. I do not think any further consideration for any additional length of time would have resulted in a change of their views; indeed, I am sure they would not be changed.

Heretofore I have refrained from calling up this conference report, in order that conversations might be held with the departments handling this particular matter. Conferences have been held with representatives of the State Department and also with the Tariff Commission. I myself have held more than one conference on this particular amendment. There is determined opposition to it, although to my way of thinking the amendment is meaningless; I do not think it means anything, actually.

The language of the amendment is as follows:

The President shall establish such regulations on the importation of furs and fur articles as are determined necessary by the Tariff Commission to prevent serious injury to the domestic fur-producing industry.

What regulations the President could establish are wholly beyond me. Of course the President can impose certain quotas and certain restrictions; but so far as regulations are concerned, it seems to me that the President could do nothing which would be very effective in a matter of this kind.

At any rate, after meeting on more than one occasion, with the issue narrowed to this one particular point, the conferees on the part of the Senate were unable to persuade the conferees on the part of the House to accept the amendment; and a majority of the conferees—the minority members of the conference declining to sign the report—have brought in this report.

The other Senate amendment, which was accepted, removed the duty on evergreen Christmas trees. That amendment was offered by the distinguished former Senator Baldwin, of Connecticut, as I recall. That amendment is included in the conference report.

The only thing which is controversial is the amendment on page 6 of the bill, which I have already read, and which has been rejected by the conferees. The bill itself is simply an amendment to section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones. It is an amendment which has been very much desired by all the interested departments of the Government. The bill itself was introduced by Representative BOGGS, of Louisiana. The bill was not opposed in the Senate Finance Committee, but was reported by that committee and was passed by the Senate, as I have just stated, with the inclusion of the two amendments to which I have referred.

I myself regretted very much that we could not persuade the House conferees to accept the fur amendment, as I shall call it for short, because I have become thoroughly familiar with the problem of the fur farmers, and I have endeavored in every way that I personally could, as chairman of the committee, to induce the State Department to make some recommendations or to take some steps under the Reciprocal Trade Agreements Act which would give some protection to the fur farmers of the West.

Mr. FERGUSON. Mr. President, will the Senator yield, to permit me to ask a question?

The PRESIDING OFFICER (Mr. HILL in the chair). Does the Senator from Georgia yield to the Senator from Michigan?

Mr. GEORGE. I am glad to yield.

Mr. FERGUSON. The Senator from Georgia has indicated that he has great trouble in recognizing how the President could act under the amendment. Would it be possible that the President might construe the amendment as advice from the Congress, and therefore he might, for instance, raise the tariff on furs which come into the United States from, let us say, Russia. Would that be possible under the amendment?

Mr. GEORGE. I do not think it would be possible, in view of the other extraneous facts which would have to be considered.

However, I will say to the Senator from Michigan that I endeavored to persuade the State Department to approve this amendment and to let it go into the bill. At least it would be advisory to the President; and if he could find any appropriate steps to take, of course they could be taken. We delayed bringing up the report since last October, and it is now merely a question whether or not the bill, which amends the Trade Zone Act in a way that everyone seems to desire, shall fail of enactment.

Mr. FERGUSON. There appeared to be no doubt in the minds of the House conferees, as well as in the minds of the Senate conferees, that there was a deplorable condition so far as the importation of furs in competition with domestic furs was concerned. The

amendment was included so as to have the President at least consider the situation and, if possible, make an effort to correct it.

Mr. GEORGE. That is true. I even importuned the State Department to submit an amendment which could be approved, which the House conferees might have accepted as a substitute for the Senate amendment; but all to no avail. Matters simply reached an impasse, and nobody but the Senate can determine it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield to the Senator from Nebraska.

Mr. WHERRY. I am always much persuaded by the arguments of the distinguished Senator from Georgia, and I am interested in the observation he made relative to the fact that he felt there was nothing in the amendment.

Mr. GEORGE. Nothing effective. I do not think the amendment affords an effective approach, but I concede it was possibly the only available approach, in connection with this bill.

Mr. WHERRY. If it was not effective, what were the objections urged by the House conferees? If it was not effective, what objection did they have? My reafor for asking the question is that I am intensely interested in the amendment. I think the foreign commerce legislative proposal as embodied in the conference report should be adopted or rejected. I think it should be voted on, because of the other provisions in the bill.

The distinguished Senator from Georgia will recall the debates on the Senate floor to the effect that importations of furs from foreign countries have had a terrific impact on the fur business in my section of the country. It was my understanding when the amendment was attached to the bill that it was offered not only as a matter of advice and suggestion to the President, but that there could be taken into consideration the question of licenses and quotas, with which I have come in contact continually in the Small Business Committee, in connection with regulating the number of furs, and so forth, that could be imported into this country. Although I had nothing to do with the amendment, I felt that it would call to the attention of the President the fact that by regulating the duty on the furs, the numbers might be limited, or at least the quotas on furs coming into this country might be limited.

Evidently that is not the interpretation given to the amendment. Therefore, I am asking what the objection of the House conferees is, if the amendment is not effective.

Mr. GEORGE. The objection of the House conferees was, frankly, based upon the objections raised by the State Department and by the Tariff Commission. They said that if amendments of this character were attached to the bill it would make it impossible for them to administer the reciprocal trade program.

I do not think that there is involved here so much a question of the duty on furs. The real trouble is that furs are coming in primarily from Russia in such large quantities that they are hurtful to the producers in the United States. They are coming in, not under a direct trade agreement, but they are coming in as a result of a favored-nation provision in other treaties respecting other countries. I have not with me the formal statement of the Department of State—if I had, I should be glad to put it in the RECORD—but the Department simply raised the question that this amendment would make it impossible for them to administer the Trade-Agreements Act.

I call attention to the language again because it is somewhat unusual:

> The President shall establish such regulations.

That, the Department said, would place upon the President an impossible duty and obligation, in view of the many treaties which deal with this subject, for instance, treaties between the United States and Canada, and other countries.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. GEORGE. I yield.

Mr. WHERRY. Under that language, would it not be possible for the President or the Tariff Commission, in a review of a case, to suggest an increase in the tariff schedules under which the furs are imported, regardless of whether they come in under a favored-nation clause or as a result of direct treaties?

Mr. GEORGE. I think that is true, and I think the Tariff Commission could now recommend some action. If they found the necessary facts, under the law, they might recommend a quota. But it is pretty difficult to reach the particular furs which are coming into this market, and are affecting the domestic article, without affecting all furs. The officials are of the opinion that they have certain advantageous agreements with other countries, with Canada, for instance, and that therefore they have not the same freedom of action they might otherwise have.

Regardless of whether appropriate action could have been taken, the House conferees simply declined to accept the amendment, and no amount of argument prevailed upon them.

As I have said, I myself felt so strongly that something should be done, just as the Senator from Nebraska did, that I withheld calling up the report until this late date, in the hope that we might obtain some affirmative action which would afford the domestic fur producers some relief.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. GEORGE. I yield to the Senator from Nebraska.

Mr. WHERRY. I did not mean in any way to suggest that the distinguished Senator had not endeavored to do his utmost to accomplish the will of the Senate in regard to the amendment. I think he has been very patient. But I wish to emphasize that one of the reasons why I supported the bill, in fact, the main reason, was that it looked as if for the first time a start at least had been made in the direction of obtaining some relief from the importations of certain foreign furs which certainly have had a destructive effect upon the markets for furs that come from my section of the country.

While I should like to go along with the distinguished Senator from Georgia, yet, because of the fact that this is the important provision of the bill, which I would like to see left in the measure in some way, if nothing more than as advice to the President, I want the RECORD to show that I am not going to be in favor of the conference report.

Mr. GEORGE. I thank the Senator, because I think it is a matter which the Senate must vote either up or down. The bill itself is not controversial.

Mr. WHERRY. That is correct.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WILEY. Do I understand correctly that the Senator takes the position that under the reciprocal treaties we have with various countries, when and if it is found that the importations of certain articles will destroy the business of this country, there is no relief?

Mr. GEORGE. No; I do not take that position at all. I take the position that the House conferees would not accept the amendment, and were adamant in their opposition to it.

Mr. WILEY. Will the Senator please state for the RECORD what, if any, relief or course of procedure is indicated under those circumstances?

Mr. GEORGE. I do not know that I can do that accurately and fully, but I think there is a remedy in the Tariff Commission. I believe an application might be made there for relief. Certainly the Congress has power to abrogate any of the trade agreements. But I call attention again to the fact that it is not an agreement with the Russian Government, the Soviet Government, that is the basis of the trouble. It is other agreements with which the United States authorities do not want to interfere, or to cancel.

This issue has arisen not only with respect to furs; it has arisen with respect to the importation of watches, particularly from Switzerland. The Finance Committee has held hearings in an effort to get some relief for the watch industry. As chairman of the Senate Finance Committee, I appointed a subcommittee to consider the increase in imports of oil. The distinguished Senator from Illinois [Mr. LUCAS] is the chairman of that subcommittee, and the subcommittee has been holding hearings. So there are other products besides furs which have certain difficulties. But this particular situation, from the point of view of the House, was decidedly mixed and complicated because of the fact that it was not a treaty between the Soviet Government and the United States which cause the trouble; treaties with other nations are also involved.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. GEORGE. Yes; I yield.

Mr. WILEY. Is it not true that there are escape clauses provided in most of the reciprocal treaties, so that when and if the executive department finds a situation such as has arisen in relation to furs, it can take appropriate action? In my own State the fur industry provided a

great deal of income to certain people in the State. The business is now virtually demoralized, which means that people are out of employment; it means that capital has been lost; that an industry which was functioning vitally has virtually become paralyzed. My understanding is that when and if such circumstances arise it is the function of the Executive who administers the law to go into action. It is not necessary for the legislative branch to take action. Is my statement correct with respect to escape clauses and the power of the executive department of the Government?

Mr. GEORGE. I think escape may be taken from most of the treaties, but not in the case of watches. The early agreement made with Switzerland did not contain an escape clause, but with respect to all other treaties I may say generally that is the case. Escape is taken upon a finding or recommendation of the Tariff Commission, and the executive branch of the Government can, of course, direct.

I thought, very frankly, as I have said, that some remedy should be found in the case of the fur producers as well as in other cases for a situation which has proved to be harmful to American producers.

Mr. WILEY. Mr. President, will the Senator further yield?

Mr. GEORGE. I yield.

Mr. WILEY. In order to make the point, which I think is extremely clear, but which most of our people do not understand, Congress is simply the legislative branch, and when and if conditions arise, such as are found in this particular instance, it then becomes the function of the administrative branch of the Government to protect the rights of American citizens and take action to prevent deteriorating influences affecting the industries of the United States.

Mr. GEORGE. I generally agree with the Senator, because the act empowers the President to negotiate and make treaties, and it also empowers the President to take steps for relief if an injury results to an American producer. I fully agree; but my agreeing did not persuade the House conferees.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. MILLIKIN. I think there is especially tragic irony in this situation. We are spending more than $20,000,000,000 a year to carry on a cold war with Russia, and we allow Russian furs to come into America and put out of business taxpayers who are carrying a part of the load of the cold war. I should like to suggest to the distinguished chairman of the Finance Committee that the President, with or without this particular amendment, has a complete arsenal of remedies with which to handle that kind of a situation.

Mr. GEORGE. I agree with the Senator.

Mr. MILLIKIN. I should like to suggest the dumping provisions are sufficient to cover this situation. I should like to suggest that the escape-clause provisions are sufficient for the purpose. But the point is that the administrative branch does not intend to use any of these remedies. It approves of what is happening. It has demonstrated the fact by action and by nonaction.

Mr. GEORGE. I agree thoroughly with the distinguished Senator from Colorado. The President has all those powers whether the amendment is adopted or is not adopted. The only advantage which could be gained would be to consider the amendment as in the nature of an admonition or request to the President.

Mr. President, I see the distinguished junior Senator from Wisconsin, who offered this amendment originally, is on the floor. I believe what I have stated concludes all I have to say with reference to the conference report.

WINNING THE COLD WAR—VII

Mr. FLANDERS. Mr. President, on May 2 a letter was sent to the President of the United States signed by 35 Senators. Both Democrats and Republicans were included in the list of signers. The letter read as follows:

DEAR MR. PRESIDENT: We, the undersigned members of the Senate of the United States, respectfully urge that this Government, in the development of a far-eastern policy, promptly make clear:

1. We have no present intention of recognizing the Communist regime in China, and

2. We shall actively oppose the move by representatives of the Soviet Union to unseat the representatives of the Republic of China and to extend membership to the representatives of the Communist regime of that country in the United Nations.

We firmly believe that a prompt clarification of our position in this matter is in the national interest.

To this letter a friendly acknowledgment has been received but no information has been vouchsafed as to the intent of our Government in these two matters of recognizing Communist China and unseating the representatives of the Republic of China in the United Nations.

Now, Mr. President, there is a great deal of precedent and some common sense in the idea that governments should not commit themselves too strongly and too soon to a course of action which they might wish to reverse should conditions change. The precedent is not necessarily a good one because it is tied in too closely to the old idea of diplomacy as a poker game in which you try by every means to conceal your cards and your prospective plays. There is too much of the poker game concept still remaining in diplomacy. We may thank the Lord, however, that it is diminishing and is or certainly should be no longer the ruling concept. We are dealing nowadays in matters of life and death, not merely for peoples and nations but for civilization itself. Diplomacy has ceased to be a game played by experts for its own sake.

On the other hand there is something to be said for the common sense of not committing ourselves too strongly or too quickly to a policy which may have to be changed if conditions themselves change very radically. The question that our President and the State Department should consider in connection with our letter is as to whether national interest at this moment, on grounds of common sense and taking all known considerations into account, requires that we should make a statement of policy on the two questions which we have raised.

It should be clear that in the matter of recognizing Communist China there is involved a matter of principle which we must not surrender and in which our interests are best served by an early and strong statement. The statement it would seem should be early, in view of the known desires of the Secretary General of the United Nations for acceptance of the Chinese Communist government and in view of the accomplished fact of recognition on the part of the British Government and of some other members of the United Nations.

The proposal put forth by our British friends and by others is that we should agree to recognize Communist China provided the Russians will agree to cease their obstructive tactics in the United Nations. This proposal is completely unacceptable. It asks that we should grant an irrevocable recognition in return for an improvement in international manners, which need only be temporary and quickly retracted.

To accept such a proposal as this would betray childlike innocence on our part, which is an attitude unfitted for the stern realities of the world in which we are living.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MILLIKIN. Were we not told by Russia in 1933 that they would stop their subversive tactics in this country if we recognized them?

Mr. FLANDERS. They not only said they would stop it, but Litvinov signed his name to documents promising to stop it. I am coming to that point very shortly.

In place of this, Mr. President, a statement should be made of the necessity for an exhibition of international good manners on the part of any nation which seeks recognition in the family of nations. All may agree that it is fitting to recognize nations with whose practices and principles we are out of sympathy provided the government concerned is in fact the active and effective ruler of the country in question. Such recognition makes an effective contact through which our own interests may be stated and to some extent protected through negotiations which, in a hard-boiled sort of way, give advantages to both the nations concerned. The advantages of such a recognition, however, are reduced to zero, and, indeed, to some point below zero, if recognition does not involve the required minimum of international decency of behavior which makes recognition useful and effective.

Such decency of behavior the Communists have not shown. Recognition by Great Britain was a unilateral action to which the Communists have not responded. All the traditional grounds for recognition have been, by the Communists themselves, cut out from under those who would support them. A case for recognition cannot be made. We should, it seems to me, make clear our position that there must be a sufficient

exhibition of decency in international behavior over a sufficient length of time before there can be any basis for our even giving consideration to the question of recognition.

The second request made in the letter of the 35 Senators relates to the additional proposal of unseating the representatives of the Republic of China in the United Nations. We would be committed to doing this should we recognize Communist China. So long as we do not recognize Communist China so long should we be committed to voting against her entry into the United Nations.

The question of supporting the Nationalist Government in its present position as one of the four great powers in the Security Council presents obvious problems. I am not so sure as I am with regard to the question of recognition that our Government can make a firm commitment as to its policy in this matter at this time. However, it seems to me that we may well call the attention of the President and the State Department to certain important considerations of which they must be aware, but which nevertheless should have public understanding and public discussion.

All the informal channels of communication between ourselves and the island of Taiwan or, as it is more familiarly called, Formosa, are to the same effect so far as I have been able to discover. The information is that at long last the Nationalist Government under the personal leadership of Chiang Kai-shek is identifying the interests of the government and the army with the interests of the civilian population of the island. This is the consummation for which we so devoutly hoped for the mainland of China itself during the years of the Nationalist Government. We were disappointed. The Nationalist Government failed to hold the mainland territory because it failed to hold the confidence and allegiance of the people. It is a conviction of mine which I have many times stated on this floor that ultimately the strength of any move in Asia, and particularly of any anti-Communist movement, will rest more on popular support rather than on force of arms. That popular support seems to be building up in Formosa. We cannot in all justice and honor run the butcher knife through the jugular vein of a government which appears at long last to have learned its lesson.

Other factors are equally important. Can we scuttle the Nationalist Government without losing a large share of our reputation and popular strength in Japan? It would be interesting to know what General MacArthur thinks about this. Would such action strengthen or weaken the Huk Communist menace in the Philippines?

We are committed to opposing the southern extension of Communist influence into Indochina. We are committed to the erection of a dike against a flood which will otherwise inundate all of southeast Asia and the islands of the sea. Will that task be made easier or harder if we retreat from a support which we have given for so many years under discouraging circumstances and withdraw now at a time when new spiritual energies seem to be in the making for the first time since the original retreat before the Japanese advance?

These considerations must be carefully considered before we liquidate what remains of the Chinese Nationalist Government.

Let us get back to the question of refusing to recognize Communist China on the basis that that government is not a fit member of the society of nations. Mr. President, I would like very briefly to call the attention of the Senate to some of the negotiations that went on between President Roosevelt and Secretary Hull on the one side, and Mr. Litvinoff on the other, when the question of our recognition of Russia was under consideration. The formal approach was made by President Roosevelt in his letter of October 10, 1933, to President Kalinin of Russia. The proposal to negotiate was accepted by President Kalinin on October 17, 1933. After some unimportant joint communiqués between Secretary Hull and Mr. Litvinov and the appropriate number of formal luncheons, President Roosevelt announced on the 16th of November that it had been decided to establish normal diplomatic relations with the government of the Union of Soviet Socialist Republics and to exchange ambassadors. However, there was involved a series of letters of the same date in which the Soviet Union through its Foreign Minister, Maxim Litvinov, agreed: (1) To refrain from interfering in any manner in the internal affairs of the United States, its Territories or possessions; (2) to refrain and restrain all persons in government service and any organizations in receipt of any financial assistance from any act overt or covert act liable in any way whatsoever to injure the United States, to avoid acts tending to incite or encourage armed intervention, and so forth; (3) not to assist any armed insurrection or military organizations; and (4) not to permit the formation of residence of any organizations aiming to overthrow.

The negotiations went further than that. The President in another letter of the same date requested that after the establishment of normal relations Americans who wished to reside temporarily or permanently in Russia should have the same freedom of conscience and religious liberty that they enjoy at home. This was spelled out in detail and was completely agreed to by Mr. Litvinov, his agreement being buttressed by extracts from Soviet law which guaranteed all these points. Finally, detailed arrangements were made for diplomatic and consular representation and the settlement of claims or counter claims between the two Governments.

How well the Russian Government has kept its promises the Members of this body well know. The point being made at this time is that recognition was not quickly given, but was the result of protracted and detailed negotiations, and was bound by solemn promises on both sides. This is a far cry from the slapdash recognition which Great Britain so quickly gave and which apparently she hopes that we will likewise offer.

This question of decency in international behavior which was arranged for in such detail in our recognition of Russia has a positive aspect as well as a negative one. The negative aspect simply relates to our refusal to have negotiations with those nations which have no decent respect for the opinions of mankind. But we should be actively pursuing the same principle at this time in connection with countries which, like Russia, have abandoned those first principles of international decency. Specifically, it would seem clear that we should refuse to permit in the future the torrent of vilification and abuse which has flowed from the mouths of her accredited representatives on the floor of the United Nations Assembly and Council. I do not know what the rules of procedure are by which those bodies are governed, but it must surely be within the power of the Assembly and the Council to adjourn immediately whenever discussion by any accredited representative of any accredited nation descends to the level which has been the normal level of discussion on the part of the Russian representatives for too many weeks, months, and years. That cannot be permitted to continue.

On one soul-satisfying occasion our Ambassador to the United Nations, Warren R. Austin, confronted the Russians with the plain truth as to their conduct and attitude. That probably ought to be done more often if conduct and attitude do not improve. However, Mr. President, even that necessary process savors too much of the defensive in the United Nations, and I have the strong feeling that we can go on the offensive. I am using that word in a constructive sense. I hope before long to offer to the Members of this body and to the administration some suggestions looking to the strengthening of the United Nations and bringing it back toward the constructive purposes which it was designed to accomplish. Meanwhile it would seem to be the height of folly to recognize Communist China under any conditions whatsoever that are visible in the immediate or distant future and, furthermore, the dangers involved in the abandonment of the Nationalist Government in Formosa are so great that we must think long and hard before we make any moves in this direction. The part we have to play in bringing peace to the world is difficult enough under the best conditions. Let us not increase that difficulty by our own folly.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Vermont, who has very ably presented today a discussion of the question of recognition of the Communist regime in China, or its admission into the United Nations, whether he is familiar with the fact that at the present time nine American businessmen are being held in China in order that extortion may be exacted? These men, who represent large American companies, have been trying to get exit visas, and they have been denied exit visas by the Chinese Communist regime in China until the firms which they represent

agree to guarantee for life pensions to the Chinese employees of those firms at the full amount of their normal compensation. Is the Senator familiar with that fact?

Mr. FLANDERS. I have not known the terms under which these men were being held, or the number of them. I did know that a considerable number of men were being held under terms of extortion. Certainly any nation which does that is not a fit member of the family of nations.

Mr. KNOWLAND. Is the Senator familiar with the fact that a man by the name of Lawrence R. Buel, an American citizen, is being held at the present time by the Chinese Communists?

Mr. FLANDERS. I am not acquainted with that particular incident.

Mr. KNOWLAND. Mr. President, I should like to read a letter to the Senator, because I think it fits in with his statement today. It is a letter addressed to me by the State Department, and reads as follows:

DEPARTMENT OF STATE,
Washington, May 15, 1950.

MY DEAR SENATOR KNOWLAND: Reference is again made to your interest in the case of Lawrence R. Buel in China.

The Department has received from the American Embassy at London a communication reporting that the British consulate general at Kunming, in a message dated April 24, 1950, sent through the British Foreign Office, stated that the consulate general had been informed unofficially by the chief administration section of the political department that Mr. Buel was held "as a prisoner of war and that therefore his American citizenship cannot be recognized." The consulate general was assured by the officer of the political department, however, that Mr. Buel was being treated with every consideration, that he was receiving the best food available, that he was playing basket ball—

I wish the Senator would pay particular attention to this part—

and that he was daily receiving 4 hours instruction in Communist principles. Since the British Consul General has not yet been permitted to see Mr. Buel and since the Department has no other information concerning him, it is not in a position to state what the Communists may mean by the expression "prisoner of war." The Department has, however, been informed that Mr. Buel has been able to communicate direct with his wife, which would seem to bear out the statement of the Communists to the effect that he is well treated.

You may be sure that the British Consulate General will continue to take advantage of every opportunity to press for Mr. Buel's release.

Sincerely yours,
EDWARD E. HUNT,
Chief, Division of Protective Services
(For the Acting Secretary of State).

For the information of the Senator from Vermont I will say that Mr. Buel was born and raised in Stockton, Calif. He was a pilot for the Air Transport Company, which is General Chennault's former company. Mr. Buel's plane went down in Communist territory about January 15. During the war period Mr. Buel, an American citizen, served his country for 6 years as a Marine Corps captain. Yet, he is being held, and has been held from the 15th day of January, as a prisoner of war, subjected to 4 hours of Communist indoctrination each day, and this Government is not able to secure his release.

I think this case, together with the case of the Americans who are being held in China so that extortion may be exacted amply support the remarks made by the Senator from Vermont that the Communist regime in China has not shown, on any basis whatsoever, that it is entitled either to recognition by this Government or is entitled to sit with civilized nations in the United Nations. I hope the Senator agrees on that point.

Mr. FLANDERS. I agree on that point. I should like in turn to ask the Senator from California whether he has any real fear that in spite of all these things our State Department may be led to recognize that regime.

Mr. KNOWLAND. I will say in answer to the Senator from Vermont that the best information I have up to this morning is that we have no present intention of recognizing the Communist regime in China; that it is our present intention to continue to vote in the United Nations to support the Republic of China rather than to seat the Communist regime. But I may say to the Senator from Vermont, that does not leave me satisfied.

If we merely say in effect to the Republic of China, our long-time ally and friend, "We are going to support you quietly, but we are going to take no position whatever so far as advising others of the free nations as to what they should do," I do not think we are thereby demonstrating the type of leadership the free world has the right to expect. I believe it would be even worse if we should pass our vote for any reason, because in that case, like a legislator who does not have the courage to cast a vote in a legislative body, we would probably end up by losing the respect of both sides. I hope that we will not only vote against the seating of the Communist regime, but that we will use every legitimate means we have in the United Nations to prevent the Communist regime from being seated.

Mr. President, I believe that would require us to give some leadership to the free nations who are looking for leadership. As the Senator from Vermont knows, we have done some unprecedented things. We have passed the Marshall-plan legislation in order to help rehabilitate the war-torn world. We have entered into the North Atlantic Treaty, which is an unprecedented thing for the United States to do, whereby we agree with the other law-abiding nations that an attack against one is an attack against all. We have implemented that with the arms implementation law. If the menace of communism in the world is so great as it has been pointed out to the Congress to be, which would warrant us doing the things we have done, then I say it simply does not make any sense for the Department of State of the United States to say, "So far as we are concerned the only thing we are going to do on the United Nations front of this cold war ourselves is to cast a vote." I think we ought to show some leadership. If we cannot line up the votes, so long as the Soviet Union is using its veto in the United Nations, I think we would be amply justified in using a veto to prevent the seating of the Communist regime in China in the United Nations.

Mr. FLANDERS. I should like to make one observation respecting what the Senator from California has just said. He spoke about losing the respect of the other nations who are members of the United Nations. I wonder if it would not be even more serious to lose our own self-respect. I cannot help feeling that we are in grave danger of doing so.

Mr. KNOWLAND. I agree absolutely with the Senator from Vermont.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. SMITH of New Jersey. In connection with the fine address just delivered by the Senator from Vermont on the question of recognition, does he agree with my conclusions, reached from a study of the relationship between Russia and China over a period of 20 or 25 years, that what we have witnessed in China is the conquest of China by Russia by the new subversive elements of conquest which Russia has demonstrated in other parts of the world? In other words, the question of recognition, if we should consider recognition of Communist China, might imply the recognition that Russia has defeated China in the war which has been going on, and might imply that Russia was taking over that area as a part of her area of influence, and in asking for recognition of the Communist regime by the United Nations, might it not imply that Russia was adding another satellite to the series of satellites she has, in trying to disrupt and destroy the United Nations?

Mr. FLANDERS. We have seen the conquering of China by Russia. In view of the serious disaffection between Russia and Yugoslavia, when Yugoslavia failed to follow exactly as the Russian Government desired the Yugoslav Government to do, in every jot and tittle and every dotted "i" and crossed "t," it has seemed to me, as doubtless it has to the Senator from New Jersey, that serious question should be raised as to whether the so-called satellite countries are separate independent countries at all which have the right to representation as separate nations in the United Nations. I do not know how to raise that question. But in connection with this latest one of the controlled states, which really is subject to Russia, it seems to me that we can at least put a stop to the process of multiple voting by a single power, or any extension of it.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. SMITH of New Jersey. The Senator from Vermont will agree with me, will he not, that had Russia conquered China in the traditional way by means of an invading army, and simply taken over, and, because she had de facto occupation and control of the country, had asked for recognition of that conquered country, probably no civilized nation today would consider recognizing it?

Mr. FLANDERS. We would not consider China as being an independent country, and would not recognize her.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. FERGUSON. The Senator from Vermont has brought the subject to the floor at a most timely occasion. I agree with the Senator's conclusions respecting recognition of Red China. I wish to call a matter to the attention of the Senate, and I do so in the form of a question addressed to the Senator from Vermont. I wish to obtain the opinion of the Senator from Vermont. Does not he believe that when we publicly announce to the world that we shall not use the veto on the question of the unseating of Nationalist China and the seating of Communist China, we are misleading the world, and that the countries of the world will feel that we are not wholeheartedly in the fight to keep Nationalist China in the Security Council? Does not the Senator believe that our leadership should be such as to demonstrate beyond a doubt that we intend to use every possible legal means to retain the status quo in relation to Nationalist China? Does not the Senator believe that even though the State Department has announced that the veto will not be used, we should make it clear that we will use every means to defeat the effort to unseat Nationalist China? I for one feel that the State Department should never have announced that the veto would not be used by us. I believe that by making that announcement the State Department has misled the world as to what our real stand is on this vitally important question. Does the Senator entertain that view?

Mr. FLANDERS. I will say to the Senator from Michigan that I entertain that view. The thought has occurred to me that when our Secretary of State a few months ago indicated that he did not feel it was too serious a thing to reverse position and lose face, here is one point at which he might well apply that thought of his. Let him change position and let him lose face respecting his statement that we would not apply the veto.

Mr. FERGUSON. Mr. President, will the Senator further yield?

Mr. FLANDERS. I yield.

Mr. FERGUSON. Does not the Senator also agree that if we are going to use total diplomacy, we must use total diplomacy and use every means that is legally available and morally available to us to see that the unseating of Nationalist China does not occur in the Security Council of the United Nations?

Mr. FLANDERS. I will say to the Senator from Michigan that the phrase "total diplomacy" has greatly mystified me. "Total" means to me to be less and less and less and less. I have not been able to apply any other term to it, viewing it by its results.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. First of all, I should like to ask the Senator from Vermont whether he will be willing, if unanimous consent may be obtained for that purpose, to have printed at this point in the RECORD the Gallup poll published in this morning's Washington Post. The poll is entitled, "United States Attitudes Toward Chinese Reds Found Hostile as Ever," and it shows that the public opinion as sampled by that poll indicates a more than 2-to-1 opposition to recognition of the Chinese Communist regime.

Mr. FLANDERS. Mr. President, that matter is pertinent to the subject under discussion, and I join in requesting unanimous consent to have it included at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 2, 1950]

UNITED STATES ATTITUDES TOWARD CHINESE REDS FOUND HOSTILE AS EVER

(By George Gallup, director, American Institute of Public Opinion)

PRINCETON, N. J., June 1.—Although Britain's Foreign Minister Ernest Bevin is urging that Red China be given a seat on the UN, American attitudes toward the Chinese Communist regime are just as hostile as ever.

The latest survey by the American Institute of Public Opinion finds, for instance, that diplomatic recognition of the Chinese Reds by the American Government is opposed by a vote of more than 2 to 1.

"Do you think the United States should recognize the new government in China—that is, do you think we should send an Ambassador and have dealings with this government in China?"

The vote:

	Percent
Favor recognition	16
Opposed	40
No opinion	9
Total	65
Not familiar with China situation	35
	100

A similar survey in November 1949 showed a ratio of 20 percent for recognition, 42 percent against.

The administration's China policy has been singled out for attack by a great many Republican leaders. They argue that we might have been able to prevent the fall of China into Communist hands if we had followed a different policy, and that if Republicans had been consulted by the administration in dealing with the problem of China the outcome might have been different.

Mr. KNOWLAND. Mr. President, I also ask unanimous consent, if I may have the permission of the Senator from Vermont for this purpose, to have printed in the RECORD—it has previously been printed in the RECORD, but I make this request because the matter is pertinent to the present discussion—a letter from the Assistant Secretary of State, John D. Hickerson, listing the 41 vetoes already cast in the Security Council of the United Nations, and showing that all but two of them were exercised by the Soviet Union.

Mr. FLANDERS. I am glad to yield for that purpose.

Mr. KNOWLAND. Then, Mr. President, I ask unanimous consent that the letter may be printed at this point in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF STATE,
Washington, May 31, 1950.

The Honorable WILLIAM F. KNOWLAND,
United States Senate.

MY DEAR SENATOR KNOWLAND: In response to your request for information on the vetoes to date in the United Nations Security Council, I hope the following will be of help to you.

There have been at least 41 vetoes in the Security Council. On three separate occasions it is possible, technically, to construe the voting as two vetoes rather than one, and, therefore, there could be 44 rather than 41 vetoes. However, the list of vetoes set forth below numbers 41.

All of the vetoes have been by the Soviet Union excepting the following:

(1) No. 3, where France joined the U. S. S. R. in exercising the veto.

(2) No. 18, where France alone exercised the veto.

The list of vetoes is as follows:

NUMBER, DATE, BRIEF DESCRIPTION

1, February 16, 1946, resolution in the Syria-Lebanon case.

2, June 25, 1946, resolution on the Spanish question.

3, June 26, 1946, another resolution in the Spanish case.

4, June 26, 1946, a third resolution on the Spanish question.

5, August 29, 1946, membership application of Transjordan.

6, August 29, 1946, membership application of Portugal.

7, August 29, 1946, membership application of Ireland.

8, September 20, 1946, resolution to appoint a commission to investigate the Greek situation.

9, April 25, 1947, resolution in dispute between Albania and the United Kingdom concerning mine fields in the Corfu Channel.

10, July 29, 1947, resolution concerning the situation in Greece.

11, August 18, 1947, membership application of Transjordan.

12, August 19, 1947, membership application of Ireland.

13, August 18, 1947, membership application of Portugal.

14, August 19, 1947, a second resolution concerning the situation in Greece.

15, August 19, 1947, a third resolution concerning the situation in Greece.

16, August 26, 1947, membership application of Italy.

17, August 26, 1947, membership application of Austria.

18, August 25, 1947, a Soviet proposal to send a commission to Indonesia, vetoed by France.

19, September 15, 1947, resolution requesting the General Assembly to consider the Greek situation.

20, October 1, 1947, membership application of Italy.

21, October 1, 1947, membership application of Finland.

22, April 10, 1948, membership application of Italy.

23, May 26, 1948, resolution to appoint a subcommittee to hear evidence concerning the situation in Czechoslovakia.

24, June 22, 1948, proposal to approve the reports of the International Atomic Energy Commission.

25, August 18, 1948 membership application of Ceylon.

26, October 25, 1948, resolution calling upon France, the United Kingdom, the United States, and the Soviet Union to take certain steps to solve the Berlin crisis.

27, December 15, 1948, membership application of Ceylon.

28, April 8, 1949, membership application of Korea.

29, September 7, 1949, membership application of Nepal.

30, September 13, 1949, membership application of Portugal.

31, September 13, 1949, membership application of Transjordan.

32, September 13, 1949, membership application of Italy.

33, September 13, 1949, membership application of Finland.

34, September 13, 1949, membership application of Ireland.

35, September 13, 1949, membership application of Austria.

36, September 13, 1949, membership application of Ceylon.

37, October 11, 1949, resolution approving the progress reports of the Commission for Conventional Armaments.

38, October 18, 1949, resolution approving proposals made by the Commission for Conventional Armaments concerning the regulation and reduction of armaments and armed forces.

39, October 18, 1949, revised resolution in connection with regulation and reduction of armaments and armed forces.

40, December 13, 1949, resolution expressing satisfaction with the report of the United Nations Commission for Indonesia concerning the successful conclusion of negotiations for the establishment of the Republic of the United States of Indonesia.

41, December 13, 1949, resolution requesting the United Nations Commission for Indonesia to assist in the implementation of the agreements for the establishment of the Republic of the United States of Indonesia.

Sincerely yours,

JOHN D. HICKERSON,
Assistant Secretary.

Mr. KNOWLAND. Mr. President, if the Senator from Vermont will yield further, I should like to ask him about this matter. I am quite willing to agree that the general theory of the State Department, which it has followed for some time—namely, that the veto should not be used on procedural matters—may be perfectly sound; in fact, I am inclined to believe that it is. However, it seems to me that the time for the State Department to have determined and finally decided whether there is any question or any doubt about that matter was when the Soviet Union was exercising vetoes, many of them on procedural matters.

If any other nation is going to be permitted to get by with a veto, then, Mr. President, it seems to me that the quickest way we can bring to its senses such a nation, which is arbitrarily using the veto power, is, not by bowing or bending to our knees and saying, "You have the United Nations by the throat; you can use the veto, but we will not use it," but by deciding that we will use the veto. If we do that, then no doubt we can obtain agreement by all the nations that they will not use the veto.

However, I, for one, am becoming sick and tired, almost tired to death, of the Munich type of appeasement by which Mr. Trygve Lie says, in effect, "Even though the Soviet Union has 'run out' on its obligations to the United Nations, although the Soviet Union refuses to sit in the Security Council as a member of the family of United Nations, because the Soviet Union will not sit in the Security Council under the circumstances, the other nations of the world have to bow or bend their knees and have to retreat from their position, in order to get the Soviet Union back."

I think that is too high a price to pay to get the Soviet Union back.

Mr. FLANDERS. Does the Senator know whether there is an agreement or simply a statement on our part that we will refrain from using the veto on procedural questions?

Mr. KNOWLAND. I understand that has been the general policy which we have followed over a period of time, and that it was a policy which we were hoping the Soviet Union itself might follow.

However, my point is that that issue has come up countless times, and it should have been threshed out, and, there should have been a firm determination as to whether the veto was usable or was not usable under such circumstances.

Mr. FLANDERS. Is it not true that the Russian Government has been very flexible in its own decisions as to what constituted a procedural question and as to what constituted a substantive question?

Mr. KNOWLAND. That is correct, and that is where the whole issue arises. If it is a substantive matter for the Russians to keep a nation out of the United Nations by using the veto, then I think we should say, "If those are the rules you are going by, they will be the rules we will go by." I think they will come to their senses quicker if we apply a quid pro quo to them, rather than if we constantly yield to their attempts to blackjack the other nations to abide by their point of view.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. FERGUSON. Does the Senator know whether there has been a bipartisan policy in connection with the agreement not to have the United States use the veto in the Security Council in regard to the question of the seating or recognition or admission of China?

Mr. FLANDERS. I am not a lawyer; but is that a leading question? [Laughter.]

Mr. FERGUSON. I thought it was a perfectly fair question.

Mr. FLANDERS. I think perhaps it is.

Mr. FERGUSON. I ask the question because the Senator from Vermont may have information which I do not have. I do not have any information to indicate that there has been a bipartisan decision to that effect, and that it has been so announced, early and in advance.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Vermont yield, to permit me to answer the Senator from Michigan.

Mr. FLANDERS. I yield.

Mr. FERGUSON. Yes, Mr. President; I think it would be very proper for the Senator from Vermont to yield to a member of the Foreign Relations Committee.

Mr. FLANDERS. I yield.

Mr. SMITH of New Jersey. I can answer the Senator from Michigan by saying that the issue to which he has referred has never been presented at any meeting of the Foreign Relations Committee which I have attended.

Mr. KNOWLAND. Mr. President, will the Senator yield, to permit me to ask a question of the Senator from New Jersey?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. Does not the Senator from New Jersey think this question is rather basic—so much so, that if we are to have a really bipartisan policy, representatives of the State Department should appear before the Foreign Relations Committee and should confer with it, including some of the minority members of the committee, before the State Department makes an announcement that it is going to throw away one of our weapons before this vital question is determined?

Mr. SMITH of New Jersey. Of course, I answer unconditionally, yes; and the question of recognition in the United Nations should definitely come before the Senate Foreign Relations Committee and before the Senate itself. It is a question vital to the future safety of the world.

Mr. FERGUSON. Mr. President, will the Senator from Vermont permit me to ask a question of the Senator from New Jersey?

Mr. FLANDERS. Yes; I yield for that purpose.

Mr. FERGUSON. Can the Senator from New Jersey inform us whether, so far as the Foreign Relations Committee is concerned, there has been any decision as to whether the admission of a new member to the Security Council of the United Nations is a substantive matter?

Mr. SMITH of New Jersey. The question of whether that is a procedural or a substantive matter was not considered at any meeting of the committee which I ever attended.

Mr. FERGUSON. I take it that a decision to announce, in advance, that we did not intend to use the veto power which we have under the Charter of the United Nations, is not a bipartisan decision.

Mr. SMITH of New Jersey. Definitely not.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. MILLIKIN. I should like to suggest to the distinguished Senator from Vermont that the veto power was provided in the United Nations Charter at our insistence, for our protection.

I should also like to suggest that a procedural matter can have sometimes the same import as a substantive matter, and that we cannot draw a complete line of demarcation between the two.

I suggest that we should keep the power of veto for our own protection, regardless of whether it takes the route of procedural matters or whether it takes the route of substantive matters. I think it would be an abdication of the Charter if we were to tie our hands in advance against the very means of protection which we insisted upon at the San Francisco Conference.

Mr. FLANDERS. I say to the Senator from Colorado that I am glad to have his observations go into the RECORD.

ESTABLISHMENT OF FOREIGN-TRADE ZONES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5332) entitled "An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones."

Mr. FERGUSON obtained the floor.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. FERGUSON. For what purpose does the Senator request me to yield?

Mr. McCARTHY. I should like to obtain unanimous consent, with the permission of the Senator from Michigan, that he may yield to me in order that I can discuss for about 3 minutes the fur amendment. I understand that the Senator from Georgia then will ask unanimous consent that the Senator from Michigan yield to him so that a vote can be had on the conference report.

Mr. FERGUSON. Mr. President, I ask unanimous consent that I may yield to the Senator from Wisconsin for that purpose without losing the floor, and also to the Senator from Georgia without losing the floor, so that the Senate may vote on the conference report.

The PRESIDING OFFICER. The Chair assumes that the agreement for that purpose would also include an agreement in regard to a quorum call if any Senator suggested the absence of a quorum. Is not that the Senator's intention?

Mr. FERGUSON. Yes.

Mr. GEORGE. Yes, Mr. President; perhaps there might be a quorum call.

The PRESIDING OFFICER. Very well.

Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

The Senator from Wisconsin is recognized.

Mr. McCARTHY. Mr. President, later in the afternoon I intend to discuss at some length a different subject.

However, for the time being I merely wish to discuss the conference report which the Senator from Georgia has asked the Senate to adopt.

I should like to have the Senator from Georgia know that many of us very greatly appreciate the efforts he made in conference to secure the acceptance of the fur amendment.

I understand that one of the reasons why the fur amendment was so vigorously and successfully opposed was because of the very effective lobbying done by the State Department. If I am in error on that matter, I should like to be corrected by the Senator from Georgia.

This fur amendment, which the Senate adopted last year by almost unanimous vote, gives the President the right and the power, which we would hope he would exercise, to restrict the importation of Russian furs.

Since the end of the war, the importation of furs into this country has increased from around $49,000,000 worth to $176,000,000 worth a year. If that were the result of clean competition, perhaps our fur raisers would not be so deeply disturbed about it.

However, as we know, the Russians have two principal sources of income in this country to finance their espionage activities. One of them is Amtorg. The other is a millionaire playboy called Vanderbilt Field. Roughly 59 percent of the income which Amtorg receives comes from the sale of Russian furs. It has been a clear-cut case of dumping.

They apparently do not care too much about what they obtain for the furs, in view of the fact that the state-owned industry has been dumping them here, with the result that our fur farmers, of course, back in my State and in the States of other Senators, are rapidly going bankrupt.

At the time we discussed this matter last fall, I pointed out to the Senate that Amtorg was the nucleus of one Russian espionage ring. At that time, that was pooh-poohed by the State Department, and by certain of my good friends on the Senate floor. However, within a few weeks the FBI picked up five of the top officials of that organization, the organization which is marketing Russian furs in this country. They were arrested for espionage. Then, for some reason not explained as yet, those five were released and sent back to Russia. That does not change the make-up of Amtorg, which is still the nucleus of one of the Russian spy rings in this country. The sale of furs is the source of income for Amtorg.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. BREWSTER. Has it come to the attention of the Senator from Wisconsin that the activities of Amtorg and its subsidiaries included the surveying of all the shipyards of this country, toward the end of World War II?

Mr. McCARTHY. That is correct.

Mr. BREWSTER. And also the very extensive examinations they have carried out, under the guise of expecting to secure our assistance in constructing their merchant marine and their navy, although nothing ever came of it. Viewed in retrospect, it would seem to be a rather clear case of carrying out exactly what the Senator from Wisconsin intimates, as to the survey for the purpose of acquiring a complete knowledge of our industrial activities and facilities. I think they carried it out in other fields, but the one in connection with the shipyards came particularly to the attention of the Senator from Maine, by reason of the very widespread investigations which ensued at that time.

Mr. McCARTHY. Not only that, but, as the Senator undoubtedly knows, Amtorg was caught red-handed, surreptitiously buying Geiger counters and sending them out of this country. The Geiger counter is an instrument used in connection with atomic work. One of the very interesting things, in view of the fact that the State Department has taken such a strong position on this matter, is that they sent this man—I believe his name was Brown—who did most of the lobbying. They informed the conferees, I understand, that the President would veto this bill if we included a provision which would allow the President to restrict the dumping of Russian furs in this country. That is of considerable interest, for a number of reasons. I have asked the special committee which is presently investigating—I should like the Senator's attention on this, in view of his question—I have asked the Senate committee which is presently investigating communism, or allegedly investigating communism, to subpena the financial records of Amtorg. I have assured them they would find some very interesting information. For example, one of the things they may learn is that Amtorg was contributing to Amerasia and was also contributing to the American Council of IPR. As will be recalled, the American Council of IPR prints a magazine called Far Eastern Survey.

The Senator will recall that the State Department's ambassador at large, Mr. Jessup, was physically in control of that magazine in 1943, when Mr. Carter was away, and in 1944 Mr. Jessup, the Ambassador at large, was the chairman of the Research Advisory Council, which gave him complete control of it. I have produced photostats showing that this man Field, the other source of Communist money in this country, helped support that magazine. Amtorg, also, according to the information we have, was "kicking in," so it is a very interesting thing now to find the State Department going all out to lobby the conference committee—and successfully so—to get the committee to reject this amendment, which would give the President power to restrict the activities of this Soviet espionage nucleus, Amtorg, and at the same time protect the American fur farmer. So, for that reason, or for the double reason that we need this protection for our fur farmers, who are going bankrupt, as we subsidize other branches of industry, and for the additional reason that here is one way in which to throw a monkey wrench into the Soviet espionage work in this country, I very seriously urge the Senate to reject this conference report and to send it back to conference, with the hope that the House will then take the Senate amendment. I might say that two of the three House Members refused to sign the conference report. They maintained that the Senate amendment should be adopted.

Mr. GEORGE. Mr. President, before we take a vote on this matter, it is necessary that we have a quorum call.

Mr. WHERRY. Yes.

Mr. GEORGE. I hesitate to suggest the absence of a quorum this late in the day. If we could have an agreement to vote on the conference report on Monday without further debate, or an agreement along that line I should be quite willing not to suggest the absence of a quorum.

Mr. McCARTHY. Mr. President, if the Senator will ask unanimous consent that a vote be taken at a certain time Monday, with, say, 5 minutes debate on each side, that will be agreeable to me.

Mr. GEORGE. That would be quite all right. I would ask, then, that on Monday 5 minutes of debate be allowed to each side of this question, and that

the vote then be taken, after a quorum call, if that is agreeable to the majority leader. I think that it would take us some time to obtain a quorum now, and the distinguished Senator from Michigan is anxious to make some remarks this afternoon.

Mr. WHERRY. Mr. President, will the Senator yield, that I may propound a question to the majority leader?

Mr. GEORGE. I yield.

Mr. WHERRY. In view of the statement made by the distinguished Senator from Georgia that he would rather wait until Monday for a vote, because of the necessity of a quorum call, I am wondering what the majority leader has in mind for the remainder of the afternoon. That is, would there be any votes on anything else, which would necessitate a quorum call?

Mr. LUCAS. No. In reply, I should say there will be no other votes this afternoon.

Mr. WHERRY. Of course, I have no objection to the unanimous-consent request, anyway. But I was wondering.

Mr. LUCAS. I will ask for a call of the Executive Calendar. I doubt whether there is any objection to any of the nominations which appear thereon.

The PRESIDING OFFICER. Does the Senator from Georgia include in his request a provision that 5 minutes be allotted to those in favor of the report, to be controlled by the Senator from Georgia, and that 5 minutes be allotted to those opposing the report, to be controlled by the Senator from Wisconsin?

Mr. GEORGE. I do.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia?

Mr. WHERRY. Was a definite time fixed?

The PRESIDING OFFICER. The Chair's understanding is that, 10 minutes after a quorum is obtained——

Mr. WHERRY. That is, it is contemplated that there shall be a quorum call following the convening of the Senate on Monday; is that correct?

The PRESIDING OFFICER. It is the Chair's understanding that, following the convening of the Senate on Monday, and 10 minutes after the Senate obtains a quorum, the vote will be taken, with the intervening 10 minutes divided equally between the Senator from Georgia and the Senator from Wisconsin.

Mr. WHERRY. That is satisfactory.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

Subsequently, the unanimous-consent agreement was reduced to writing, as follows:

Ordered, That on Monday, June 5, 1950, following a quorum call upon its convening, the Senate resume the consideration of the conference report on the bill (H. R. 5332) to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones; that debate on said report be limited to 10 minutes, to be equally divided between Mr. GEORGE, of Georgia, and Mr. MCCARTHY, of Wisconsin, and that at the expiration of the said 10 minutes, the Senate proceed to vote upon the question of agreeing to the said report.

ORDER FOR RECESS TO MONDAY

Mr. LUCAS. Mr. President, I ask unanimous consent that when the Senate finishes its business today it stand in recess until Monday next, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. LUCAS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HILL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

Mr. CONNALLY, from the Committee on Foreign Relations, reported favorably, without reservation or amendment, Executive M, Eighty-first Congress, second session, a convention with Canada for the extension of port privileges to halibut fishing vessels on the Pacific coasts of the United States and Canada, submitted a report (Ex. Rept. No. 6) thereon.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

MOTOR CARRIER CLAIMS COMMISSION—NOMINATION REPORTED ADVERSELY

The assistant journal clerk read the nomination of Frank E. Hook, to be a member of the Motor Carrier Claims Commission.

Mr. WHERRY. Mr. President, just a minute.

Mr. LUCAS. That nomination should go over, Mr. President.

The PRESIDING OFFICER. Without objection, the nomination will go over.

FEDERAL RESERVE SYSTEM

The assistant journal clerk read the nomination of Edward Lee Norton to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

WAR CLAIMS COMMISSION

The assistant journal clerk read the nomination of Myron Wiener to be a member of the War Claims Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COUNCIL OF ECONOMIC ADVISERS

The assistant journal clerk read the nomination of Roy Blough to be a member of the Council of Economic Advisers.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGES

The Assistant Journal Clerk read the nomination of William Robert Wallace, to be United States district judge for the northern, eastern, and western districts of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Assistant Journal Clerk read the nomination of Rabe Ferguson Marsh, Jr., to be United States district judge for the western district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. Mr. President, I have no objection to the confirmation of these judges; but if it is the purpose of the majority leader to ask that the President be immediately notified, I shall have to interpose on behalf of the Senator from Missouri [Mr. DONNELL] the usual objection.

Mr. LUCAS. I had not intended to ask that the President be notified immediately.

COMMISSIONER OF PATENTS

The Assistant Journal Clerk read the nomination of John A. Marzall to be Commissioner of Patents.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That completes the Executive Calendar.

LT. GEN. JAMES A. VAN FLEET

Mr. HOLLAND. Mr. President, while the Senate is proceeding in executive session, I should like to ask the consent of the Senate to make a few brief remarks.

The PRESIDING OFFICER. The Senator from Florida may proceed.

Mr. HOLLAND. Mr. President, the Senate has today unanimously confirmed the nomination of a gallant soldier to be Commanding General of the Second Army—Lt. Gen. James A. Van Fleet, of Florida, a truly great military leader in whom our State has very great pride. May I say that in my humble judgment the attainments of General Van Fleet, both as a great combat soldier and, more recently, in other complex fields, eminently entitle him to this well-deserved recognition. Without reciting at length the experience of General Van Fleet, I simply remind the Senate that after a distinguished service in the First World War he first came into combat in the Second World War as the commander of one of our invasion forces which Landed on D-day in Normandy at the base of the Cherbourg Peninsula, and attained great glory by his service there. I think the Senate will recall that although suffering two wounds, he continued with his forces until after the capture of Cherbourg. Later, commanding the Ninetieth Division, he was most successful in his leadership of that very fine military unit. Still later, as the commanding officer of the Third Army Corps, of which he took command shortly after the crossing of the Remagen bridgehead across the Rhine, he was in command of the activities of that great corps of American soldiers, the Third Army Corps, in their enveloping movement around the Ruhr and later in the swift advance with General Patton's Army across Germany and into Czechoslovakia.

Nothing that I could say here, Mr. President, would begin to express the great regard and pride which I have, and

which all citizens of my State have, in his achievements and in the fact that it has been the privilege of our State to lend this illustrious soldier to the people of the United States.

Speaking briefly upon his later assignments, the Senate will remember that General Van Fleet has just completed a tour of duty of approximately 2 years as the commanding officer of our military mission to Greece in which he not only showed continuing resourcefulness as a soldier, but great ability as a diplomat and a statesman in getting along, under very difficult circumstances, and in affording the leadership, the advice, and the guidance under which the campaign in Greece was carried to a successful conclusion.

The Senate will recall that within the past few weeks he served on a difficult diplomatic mission in the Near East as personal representative of the President of the United States. He now comes home, Mr. President, to receive this greatly merited recognition, his appointment and confirmation as commanding general of our great Second Army.

I am sure that all Senators will join with me in expressing our congratulations, felicitations, and deep gratitude to this very splendid American, this gallant soldier, who has proven himself to be not only a soldier, but likewise a diplomat, a scholar, and a gentleman, as well as one of our finest American citizens.

Mr. FERGUSON. Mr. President, I wish to join with the distinguished Senator from Florida in his statement regarding General Van Fleet. Coming from the State of Florida, the Senator was able to give the Senate some facts to show beyond any doubt that the general is well qualified for the position to which he has attained. I want to add my congratulations to the people of the country, as well as to General Van Fleet. I became acquainted with him in Greece, when he was on assignment there, and I learned from first hand of the splendid work he was doing in Greece at that time.

Mr. HOLLAND. Mr. President, on behalf of my State, for General Van Fleet and for myself and my colleague I wish to express our very great appreciation for the generous remarks of the Senator from Michigan.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will resume consideration of legislative business.

THE AMERASIA CASE

Mr. FERGUSON. Mr. President, I wish today on the Senate floor to discuss some questions of importance involved in what is known as the Amerasia case. It has taken on great importance with the public in the past few months, and, to a large extent, the questions which have excited public interest in it revolve about the manner in which that case was handled by the Department of Justice.

It will be recalled that on June 6, 1945, six persons were arrested by the FBI in that case on complaints alleging conspiracy to violate the espionage law. The charge was later reduced to conspiracy to violate sections of title 18 which have to do with the embezzlement and mutilation of Government property. A grand jury failed to return true bills against three of those who were charged, to wit, John Service, Mark Gayn, and Kate Mitchell. The presentation of facts to the grand jury, as indicated by the record, began on June 22, 1945. The term of that grand jury expired on July 2, 1945. The case was presented to another grand jury, and that presentation was concluded on August 8, 1945. On August 10, 1945, true bills were returned as to Philip Jaffe, Emmanuel Larsen, and Lt. Andrew Roth. No true bills were returned, as I have said, against Service, Mitchell, and Gayn. Mr. Jaffe, one of the defendants against whom a true bill was returned, was the editor of Amerasia magazine.

On October 2, 1945, Mr. Jaffe appeared in court and changed his plea to that of guilty. He was sentenced to a fine of $2,500.

Larsen, one of the other defendants, who was employed by the State Department, changed his plea of not guilty, on Saturday, November 2, 1945, to a plea of nolo contendere, and was fined $500.

The case against Andrew Roth, who had been with Naval Intelligence, was quashed. This took place on February 13, 1946.

On two occasions representatives of the Department of Justice have appeared before congressional committees to describe the prosecution in this particular case: before the Hobbs committee, which was a subcommittee of the House Judiciary Committee, in 1946; and before the Tydings subcommittee of the Senate Foreign Relations on last Friday. Robert Hitchcock, who prosecuted the Amerasia case as an attorney for the Department of Justice in 1945, appeared before both committees. Before the Hobbs subcommittee he was accompanied by James McInerney, who at the time of the prosecutions was Assistant Chief of the Criminal Division in the Department of Justice, and by James P. McGranery, who was then Assistant Attorney General.

I have studied carefully the testimony of those three gentlemen as it was given to the Hobbs subcommittee and as it was reproduced in the CONGRESSIONAL RECORD for May 22. I have not seen the transcript of Mr. Hitchcock's statement to the Tydings committee, as it was released last week, although I have read with care the press reports of that testimony. I am led to believe that the versions of the case, as presented by Mr. Hitchcock last week and by the three representatives of the Justice Department in 1946, correspond closely, and that the following account which appeared in the New York Times on May 27 is an accurate reflection of their attitudes and opinions in the Amerasia case:

> Mr. Hitchcock testified that agents of the Federal Bureau of Investigation had made several entries into the offices of Amerasia without warrants and likewise into the apartment of Mr. Larsen. There had been previous evidence that Frank Bielaski, an officer of the wartime Office of Strategic Services, also had gone into Amerasia's headquarters without a warrant. "Nothing is clearer under Federal law," Mr. Hitchcock told the subcommittee, "than that evidence secured as a result of illegal searches will be suppressed upon the application of those whose constitutional right to the privacy of their homes, their persons, and their effects has been violated. This is said with no criticism whatsoever of the FBI. This Nation was at war, and it seems to me that no reasonable person could have anything but praise for the FBI for utilizing this method to secure proof in a case where there was any basis for believing that the national security was involved."

Mr. President, just in passing I wish to underline those words:

> This Nation was at war, and it seems to me that no reasonable person could have anything but praise for the FBI for utilizing this method to secure proof in a case where there was any basis for believing that the national security was involved.

I share that view, Mr. President, to a certain extent. The country was at war and we should be very grateful to the FBI for the service they rendered during those war years. I will later make clear my disagreement with any inference in that statement that the FBI had impeded justice by anything it had done in its handling of the case.

Mr. Hitchcock here says he speaks no criticism of the FBI but clearly he dismisses the Amerasia case as a weak one from a prosecutor's point of view because the evidence to be used was illegally obtained by the FBI. Mr. McGranery, testifying before the Hobbs subcommittee, was more explicit. After explaining that Larsen, one of the defendants, had entered a motion to suppress the evidence in his case as having been obtained illegally and that at that point the prosecutors had proceeded to make a deal for Jaffe to plead guilty, Mr. McGranery said—page 7452, RECORD of May 22:

> If we had not handled it in that way—

Referring to the deal with Jaffe as he had described it—

> I do not think we would have any case at all. None of this evidence was obtained in a manner in which we ordinarily would have obtained it. It was very clumsily handled.

Mr. President, I repeat his words, and I wish to underscore them. Mr. McGranery said:

> None of this evidence was obtained in a manner in which we ordinarily would have obtained it. It was very clumsily handled.

At this point I again invite the attention of the Senate to the fact that these arrests were made on June 6, 1945, and that subsequent to that date, on June 22 and again on July 30, evidence was presented to the grand jury, upon which evidence indictments were returned. I ask now, and it should be ascertained, if this evidence was obtained in a manner in which they ordinarily would not have obtained it, and it was "clumsily handled," why the evidence was ever presented to a grand jury. Those are questions to which the public is entitled to an answer, because it is clear that indictments were not asked for until after the arrests had been made. I say again, as was said by the distinguished Senator from California [Mr. KNOWLAND] yesterday, and as the record discloses, that the State Department was consulted prior to the making of the arrests. Therefore I conclude—and I think it is a

reasonable conclusion—that Mr. Grew, the then acting Secretary of State, must have been given the facts or the conclusion that if arrests were made sufficient evidence would exist for a conviction. The State Department was presumably consulted prior to the arrests because of the nature of the documents involved and because Mr. John Service was an employee of the State Department, as was Mr. Larsen.

Mr. President, do the facts of the case and the law on search and seizure bear out Mr. McGranery's allegation that the collection of evidence was clumsily handled? We all know that notwithstanding its extraordinary reputation with the American people the FBI is no more and no less than a subordinate bureau of the Department of Justice, and that the Department of Justice is headed by a Cabinet officer of the United States. Both of them are under the scrutiny of the Congress, particularly the Senate. The Department of Justice appears to have had a spokesman on the platform to tell the public, through Congress, about some of the facts in this case. I want to know who will speak for the FBI? Who will present the facts publicly to the American people—the position of the FBI on the question of whether the collection of evidence was clumsily handled? I think it is only fair to know who will speak for them, and when the public will learn what the facts were so far as they were concerned.

Mr. President, those who have had experience at the bar know that when evidence is to be used which has been seized at the time of an arrest it is always possible that a motion will be made to suppress the evidence. Such a motion might well have been anticipated in the Amerasia case. The record shows such a motion was in fact filed by the attorney for the defendant Larsen. The Attorney General would receive a copy of the motion. That motion would contain the facts upon which the defendant in the case claimed the evidence was illegally seized. Under the practice the Attorney General would go to the FBI and say, "The defendant claims that you obtained this evidence illegally. Here is a motion to suppress the evidence. We must oppose that motion in court. What are the facts?"

Mr. President, I have looked through the Hobbs report and, as I say, I read detailed accounts of Mr. Hitchcock's report to the Senate committee. Nowhere do they include any such report from the FBI or indicate that one was asked or obtained. I nevertheless take it that would be the first thing that would be asked for. Inasmuch as it was of a technical nature, it would be made in writing. Therefore, there must be a report from the FBI, or from Mr. Hoover, stating exactly how the FBI obtained the evidence in the entire case. That would be a very interesting document, and I think the public should know what Mr. Hoover has to say. Mr. Hoover has no right to speak out, because he is directly under the Attorney General, but he must face the charge that this evidence was clumsily handled. What are the facts? That is the nub of the whole question as it relates to the prosecution of this case.

Mr. President, as a member of the Committee on the Judiciary, which, in effect, has jurisdiction of the Department of Justice, I felt that this case was of such importance that several weeks ago I wrote a letter to the chairman of the committee indicating that the procedural phases of the Amerasia case should be taken up and investigated by the Committee on the Judiciary. I pointed out that I did not want to interfere with the Tydings committee, which is primarily concerned with questions of disloyalty in the Government, but I felt that part of this case was so important to the administration of justice that it should be looked into by the Committee on the Judiciary. The distinguished chairman of the committee indicated that the case had already been investigated by the Hobbs committee, and was being investigated by the Tydings committee, and that it would not be investigated by the Judiciary Committee.

I hope my letter will remain on file, and that if a complete investigation as to the procedural methods, the actual handling of the case by the Department of Justice, is not made to the satisfaction of the Committee on the Judiciary, an investigation can be made by that committee looking into the legal aspects of the case, rather than the ramifications of communism, or what not. While the ramifications of espionage, disloyalty, and communism which appear on the surface of the Amerasia case are important, I feel that the questions of proper administration of justice as they appear in the case are equally vital and possibly even more far-reaching.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from California.

Mr. KNOWLAND. Does not the Senator agree that if, as a matter of fact, there was anything wrong in the method of investigating, in other words, if a jurisdictional dispute developed between the FBI and the OSS, or as a result of the OSS activities some evidence was spoiled which, if it had been handled by the FBI, would not have been, it is important that that in itself be ascertained, because if we should become involved in a hot war in the future, we certainly would not want such a situation to develop that Soviet agents could steal Government classified documents, and find that on a technicality they would escape prosecution, or at least get only a small fine?

Mr. FERGUSON. I agree with the Senator; and that brings up another question. Mr. Roth at the time of his arrest was an officer in the United States Navy. The Navy must have been presented sufficient evidence at the time of his arrest to bring the Navy to the conclusion that there was a case against him which could be upheld in the criminal courts, rather than hold him for a court martial. As this is a case of removal of documents, I asked the Navy Department if it developed that the evidence against him was insufficient for criminal prosecution, why Mr. Roth was not then prosecuted under naval regulations for the things which are alleged in this case against him, in a court-martial proceeding where the rules of evidence we are discussing do not apply.

Returning to my prepared remarks, if the facts and the law do not bear out the allegation made by representatives of the Justice Department, then the prosecution's timidity in contesting the motion to suppress the evidence, and its ready willingness to enter into a deal with the principal defendant, Jaffe, can mean only that the Department of Justice had a single purpose in mind. What was that purpose? The language of the street has an expression for it. It is known as whitewashing a case.

Mr. President, as one who for many years has paid attention to criminal law, as one who sat upon the bench for almost 14 years, I may say in due modesty that I believe I know something about criminal procedure.

I know that at times those who represent the State do not have the same zeal for prosecution that those who represent the defendants have to fight their cases. I have always felt that the crininal law of the United States is sufficient if those who are in charge of prosecutions will say to themselves, "After all, we are engaged in the administration of justice for all the people, all the people who are unseen, as well as the defendants, and if what we seek to do is justice, and not to enter into deals, we will have no trouble with the administration of justice."

Mr. KNOWLAND. Mr. President, will the Senator yield further?

Mr. FERGUSON. I yield to the Senator from California.

Mr. KNOWLAND. I do not know whether the Senator has had a chance to see the statement by Mr. Hitchcock of May 26, 1950, before the subcommittee of the Committee on Foreign Relations investigating the State Department. I shall be glad to lend him my copy, because it gives the full statement. One thing which seemed a little odd to me was that Mr. Hitchcock said in his statement, as appears on page 7:

> It was my opinion then, and it is my opinion now, that we had no case against Roth with which we could have gone to trial with the slightest likelihood of success.

Further he pointed out:

> Roth did not appear before the grand jury. The grand jury voted 13 to 7 to indict him. Twelve votes are necessary to indict.

The fact of the matter is that the FBI made the arrest. Having in mind the record of the FBI, I cannot believe that they were making the arrest without some basis of fact.

Mr. FERGUSON. Of a naval officer, particularly, and taking him from the service.

Mr. KNOWLAND. Yes. Secondly, the grand jury did indict. Of the six defendants, three took advantage of the offer of the Government to go before the grand jury and waive immunity and testify. The same offer was made to the other three, who did not take advantage of the opportunity of going before the grand jury. The grand jury did indict. It seems a little odd, through this whole case, that the man representing the Government of the United States should have been completely apologetic for what

the Government had been doing up to this time.

Mr. FERGUSON. I am glad the Senator raised that question, because it is truly very odd in this particular case to have them come now and say there was no case, for they did arrest a man who was then in the United States Navy, and it is clear it must have been done with the knowledge of the Navy officials. Why has there been a change of attitude?

Mr. President, these are among the facts which I think we should be sure to get to the public.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Maine.

Mr. BREWSTER. The Senator from Michigan has indicated something about the impropriety of deals. What would the Senator from Michigan think of a subcommittee of the Senate which investigated a case of this character, and on the basis of that investigation reported that there should be a comprehensive investigation of a certain bureau, and then proposed that if a certain man were removed, they would not have the investigation?

Mr. FERGUSON. Even without further enlightenment I would say that would be unusual.

Mr. BREWSTER. I am interested to have the opinion of the Senator from Michigan, who has had some experience in this field.

Mr. FERGUSON. A study of the facts appears to show now, as it did not show then, that the OSS did make a secret entry into the Amerasia offices with a view to recovering classified documents which had been stolen in time of war. The OSS was a branch of the military services, and they were looking for stolen documents of the United States of America at a time when we were at war.

Papers were removed as samples on that occasion. Those documents, when presented to the head of the OSS and to the State Department, were the basic information which started the FBI investigation of the case in motion.

Mr. President, despite intimations to the contrary, the papers which were then removed were not the papers used as a basis for the arrest or the indictment. The arrests were made pursuant to other information and they were legal. The arresting officers made a search and found other papers. These papers taken at the time of the arrests must be distinguished from those which had previously been obtained. We must keep that in mind.

There is no indication whatsoever in the record that the evidence thus obtained by the OSS was the basis for the arrests or was to be used as evidence in any prosecution.

It is quite true, as the record now shows, that the FBI also had made secret entries on the premises of Larsen and Jaffe, in the course of its surveillance and investigation. But here is the important fact. No evidence was taken on those occasions. All of the evidentiary documents upon which a prosecution could be based were seized incidental to the arrests. Larsen, whose motion to suppress the evidence so upset the prosecutors, according to their testimony, voluntarily surrendered all the papers in his apartment to the arresting agents.

Mr. President, Mr. Larsen does not say that he was forced to deliver over the papers that were found in his apartment at the time the arrest was made. Later in my remarks I want to discuss the law, which is clear that at the time of an arrest all the documents, all the papers, all the evidence that could in any way relate to the crime for which arrest is made may be taken perfectly legally and used as evidence in prosecution.

The testimony we have from the FBI is definite and positive on this point of seizing evidence. Myron Gurnea, who appears to have been the FBI agent in charge of the investigation, told the Hobbs committee—page 7461, CONGRESSIONAL RECORD of May 22:

> I think it is sufficient to say that there were no documents, whatsoever, removed from Larsen's apartment, at any time, other than at the time of Larsen's apprehension. It was incidental to the arrest.

I desire to read again and to underscore the words "it was incidental to the arrest." They make very clear that all the papers that were taken at the time of the arrest were perfectly legal evidence and could be used by the United States of America in the prosecution of the case. Not only could they be used in the case against Mr. Larsen but they could have been used, without any stretch of the imagination, in a case against Mr. Jaffe and all the other defendants whom they might have implicated.

Mr. President, the law is such that if those papers were illegally taken from Larsen they could be used against Jaffe, and all the Government of the United States had to do was to ask for separate trials in the conspiracy cases. The papers could have been used against all the other defendants in separate trials. I say that we needed, back in those days, a man who had a little zeal for the rights of the people of the United States of America.

D. Milton Ladd, another FBI agent, affirms the nature of the evidence so far as its admissibility is concerned. He told the Hobbs committee—page 7462, RECORD of May 22:

> The Federal Bureau of Investigation secured no documents through any means during the course of this investigation except incident to the arrest. They were all legally obtained. The only documents that we have and which we have brought up also for you which were illegally obtained were those that were obtained surreptitiously by the Office of Strategic Services and turned over to us. That resulted in our investigation.

Mr. President, the FBI could quite properly begin its investigations on the basis of documents illegally obtained. But all the evidentiary documents, Ladd says, and he is a skilled man in the Department of Justice, were obtained legally. Mr. President, I know that if we had the report of the FBI which must have gone or should have gone to the Department of Justice at the time of the filing of the motion to suppress the evidence, it would clearly show that both Ladd and Gurnea meant just what they say—that the documents were legally obtained.

Was the FBI guilty of "clumsy handling" of the case? I place those words in quotes, because I have found no evidence in the record to indicate that that is anywhere near a clear description of what was done, and those words in my opinion do not properly describe what was done.

Was the FBI guilty of "clumsy handling" of the case? The fact that the arrests were cleared by highest authority, including the State Department, the Justice Department, and even direct instructions from the President, would indicate that the FBI's case was at the outset considered to be well-grounded and well-prepared.

The question is now: What happened after it was well-grounded and well-prepared at the time of the arrest? Was the FBI ever given an opportunity to dispose of the notion that it had been guilty of "clumsy handling" by permitting it to reply to Larsen's affidavit in support of his motion to suppress the evidence?

We have no evidence that they were allowed to do that. The record does not indicate that any such opportunity was afforded or that any reply was made.

Is there justification for a claim that the case "blew up"—and I use the words "blew up" because they appear in the record—when Larsen filed his motion to suppress the evidence? The law of evidence, as interpreted by the courts and scholars, provides the answer.

I now want to discuss the law of this case. I rise, Mr. President, as I said, on this occasion because I believe that as the facts come out before the public, if we discuss the law on the floor of the Senate, the people may be able to judge what actually did take place.

I go back to a great authority on evidence, Mr. Wigmore, of Northwestern University, a great student of the law, a great legal writer. In his work, Wigmore on Evidence, in section 2183, this question is presented:

> Does the illegal source of a piece of evidence taint it so as to exclude it when offered by the party who has shared in the illegality?

He answers this by saying, on page 5, section 2183:

> It has long been established that the admissibility of evidence is not affected by the illegality of the means through which the party has been enabled to obtain the evidence.

This was the rule of the State courts until 1885. The doctrine was never doubted until the appearance, as Wigmore says, of "an ill-starred majority opinion of Boyd against United States"—*Boyd* v. *U. S.* (116 U. S. 616)—which, he says, has exercised "unhealthy influence upon subsequent judicial opinion in many States." He continues:

> That opinion, incorrect in its historical assertions, and traveling outside the question at issue, advanced two fallacious conclusions, viz, first, that the fourth amendment to the Constitution (prohibiting unreasonable search and seizure) was so related historically to the fifth amendment (prohibiting compulsory self-incrimination) that

the fifth amendment could be invoked by an accused to withhold from surrender documents sought by even a lawful official search; and, secondly, that documents obtained by unlawful official search could be excluded from evidence as a consequence of the fourth amendment.

In 1914 the Federal Supreme Court, in *Weeks* v. *United States*, reverted to the original doctrine of the Boyd case, but with a condition, viz, that the illegality of the search and seizure should first have been directly litigated and established by a motion, made before trial, for the return of the things seized; so that, after such a motion, and then only, the illegality would be noticed in the main trial and the evidence thus obtained would be excluded.

Criticizing this Federal doctrine, Wigmore, on page 40, says:

> Some day, no doubt, we shall emerge from this quaint method of enforcing the law. * * * At present we see it in many quarters. It will be abandoned only as the judiciary rises into a more appropriate conception of its powers and a less mechanical idea of justice.

In section 2184a Wigmore cites as follows the chief features of the limitations to the rule, where the courts of the United States have made exceptions to the rule which was announced in the case of United States against Boyd:

1. A warrantless search and seizure by some third person not acting in collusion with the Federal officer is not within the exclusionary rule.

2. A warrantless search and seizure by a State or other local officer is not within the rule.

3. A warrantless search and seizure after or upon a lawful arrest (i. e., made upon probable cause) is not within the exclusionary rule (with a distinction here between the evidence of an offense and the tools or fruits of an offense).

Mr. President, exception No. 3 is particularly important in connection with this matter, because it is the one which gives to the United States authority to use the documents which were taken at the time of the arrest, particularly those taken at the time of the arrest of Mr. Larsen, who voluntarily surrendered the documents in his possession. Later I shall discuss that exception more fully.

I read further from the list of exceptions, although at this time I wish to point out that exception No. 3, which I have just read, is particularly vital in this case.

The other exceptions are set forth as follows:

4. A warrantless search and seizure upon premises not owned or possessed by the party defendant is not within the rule.

5. A warrantless search and seizure of articles in an automobile not being on the party's premises is not within the rule.

6. A warrantless search and seizure of contraband goods is not within the rule.

In other words, exception No. 6 applies to a case of stolen goods. In this case the papers were the property of the United States Government and had been stolen from the United States, as alleged by those who made the arrest.

The next exception is stated as follows:

7. A warrantless search and seizure with consent of the party defendant is not within the rule.

That is exactly what Mr. Larsen did; he voluntarily allowed those who made the arrest to take the papers. Therefore, under exception No. 7, a warrantless search and seizure with the consent of the party defendant is not within the rule.

Mr. President, the facts in the Larsen case seem to be that, although his apartment had previously been entered into, no papers were removed from it; and at the time of his arrest he was asked if he had any papers, and to turn them over to the agents, which he voluntarily did. As I have said, that would come clearly under exception No. 7, which says that a warrantless search and seizure with the consent of the party defendant is not within the rule.

I say, too, that the papers could have been used against all the other defendants; and even though the papers were illegally seized, they could have been used against Larsen. Of course, it is not unusual for evidence obtained against one defendant to be used against other defendants. However, was that method tried in this case? There is no evidence that it was, Mr. President. It is clear that, even though the papers were illegally obtained from Larsen, they could be used so far as the other defendants were concerned, because under exception No. 1 the rule is clear that a warrantless search and seizure by some third person not acting in collusion with the Federal Government is not within the exclusionary rule. Exception No. 4 is also very important, because it says that a warrantless search and seizure upon premises not owned or possessed by the party defendant is not within the rule.

Mr. President, who had possession of the Amerasia headquarters? Were Amerasia and its headquarters owned by a corporation or by a partnership? Who had possession of the headquarters? If Amerasia was a corporation at that time, Mr. Jaffe could not claim immunity from search or that the search was illegal.

These papers were papers of the United States Government, and they had been stolen from the United States.

We should therefore consider what was said in the very important case of *Parts Manufacturing Co. v. Lynch* (129 Fed. Repr., 2d series, p. 841):

> Since the additional information obtained at the warehouse was not necessary to the validity of the search warrant, any illegality would have to rest on the single fact that the assistant United States attorney knew where the parts were. If we so held, we would say in effect to appellant: Since the first seizure was illegal, you now have a chance to spirit away the evidence, for no search can be made until some time after the FBI has lost track of its whereabouts. The protection of the fourth amendment is not to be secured by adopting the rules of hide and go seek.

I wish to interpolate at this point that following the seizure of the sample papers by the OSS, when the legal arrest was made by the FBI, the United States Government had a right to use all the papers which were then found there. It should not be said that the Government had to wait and should never at any time be able to prosecute Jaffe for any papers which he may have gotten subsequent to the probably tainted documents taken by the OSS, or should never be able to prosecute Larsen because at one time his premises had been entered illegally. It should not be said that because of prior secret entries the prosecution could not use papers taken in a legal arrest. Certainly that is not the law, because the decision from which I have been reading says that—

> The protection of the fourth amendment is not to be secured by adopting the rules of hide-and-go-seek.

I read further from the decision:

> After all, it must be remembered that we left the door open in the Weinberg case for further steps. An attempt was made to conform to the requirements of the search-warrant statute. A strong prima facie case of dealing interstate in stolen articles is presented. It is too much to hold that in order to obliterate the original illegal seizure an otherwise exemplary procedure must be thrown over because the Government did not close its eyes and lose track of the stolen parts.
>
> Affirmed.

Accordingly, Mr. President, I say that decision clearly holds and shows that notwithstanding possibly illegal trespass the Government authorities had a right to return some time later and make legal arrests and seize documents then in the possession of the defendants and prosecute them for such possession.

The case which usually is cited on the question of search and seizure is that of *Silverthorne Lumber Company, Incorporated* v. *United States* ((1920) 251 U. S. 384). I state the citations for the RECORD because I know there are those who will wish to read these decisions for themselves. That case was one where the Government had seized the papers illegally, and had made a study of the papers before returning them, copied them, and then had attempted to use the knowledge it had gained to call upon the owners in a more regular form to produce them. The court—Mr. Justice Holmes—said it was as though the Government were seeking to maintain—

> that the protection of the Constitution covers the physical possession but not any advantages that the Government can gain over the object of its pursuit by doing the forbidden act.

That case was simple and was properly decided. In that case, copies of the papers were made illegally, and then the Government authorities subpenaed the defendant lumber company to bring the papers into court to be used against itself.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. KNOWLAND. I am not an attorney, but I should like to consider a little the point the Senator from Michigan has just made. Was there any indication in the Silverthorne case, which the Senator from Michigan has mentioned, that the firm possessed any Government documents, or were the papers in question in that case only papers belonging to the lumber company and regularly used by it in the normal transaction of its business?

Mr. FERGUSON. They were papers normally in the hands of that business

concern, papers used by it in the ordinary transaction of its business.

That is why I make the point that in the Amerasia case the papers not only were contraband papers, illegally in the possession of the defendants, but were stolen papers, stolen from the United States Government. That is what makes the Amerasia case so strong.

As we know, the question arises, in connection with all matters of search and seizure, What is reasonable? The circumstances of war may have some bearing on that question.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I am glad to yield.

Mr. KNOWLAND. Is it not a fact, according to the testimony which has now been produced as a result of the inclusion in the RECORD of May 22 of the Hobbs committee investigation of 1946, that many of these documents were not only classified "top secret," "secret," "confidential," and "restricted," but that some of them had stamped upon them a warning that their possession by a person who was not legally entitled to them was in itself a violation of United States espionage laws, and yet these documents were found in the possession of the Amerasia magazine and its principals, during a time when this country was locked in mortal combat with a foreign foe?

Mr. FERGUSON. I believe that is correct. This is also correct: It was not a question merely of possessing documents, but there was also the surveillance of the FBI; which is of course shown by the record. I only cite what is in the official record, which has been disclosed to the public. The official record indicated that they made surveillance. The fact is that they saw Mr. Gayn reading one of the secret documents on some mode of public conveyance when they were "tailing" him. They saw meetings of these people. It must have been possible to produce stenographers and other clerical help who had helped copy documents. In a part of the Amerasia offices, there were multigraphs and photostatic equipment. Somebody must have been in charge of those. But those persons were not arrested, nor called as witnesses. What was wrong about using all that evidence and getting the direct testimony of those people that they had copied secret documents, or at least some of the contents? It would not be necessary even to put into the RECORD the document itself. This is not a case in which the prosecution would have to rely solely upon written documents, or in which the written documents must be presented in court. But, notwithstanding that, I think the facts are clear that these papers were legally received and could have been used with sufficiency in a trial.

I mentioned the fact of our country being at war, and that is very material. Mr. Justice Holmes spoke about there being a different rule applicable to freedom of speech when we were at war and when we were not.

In the case of *Schenk* v. *U. S.* (249 U. S. 47) Justice Holmes, speaking for the Court, said:

> When a nation is at war—

I underscore those words, "when a nation is at war"—

> many things that might be said in time of peace are such a hindrance to its efforts that their utterance may not be endured so long as men fight—

And I want to underscore "so long as men fight"—

> and that no court could regard them as protected by any constitutional rights.

It would therefore appear that when the country was at war, and the OSS was making investigations of espionage, certain of their acts even would be held proper by the courts particularly where the evidence was, as in this case, stolen property of the United States Government. In any event, as Mr. Hitchcock himself suggested, a certain tolerance might have been expected for FBI methods of investigation in such a wartime case.

How far may a search be made without a warrant for evidence at a home or office, as an incident to an arrest? I think it is well that we review those cases, so that we may be clear upon the law of this case.

The protection of the fourth amendment is personal, extending only to the victim of the search and seizure. That is the law. If property is obtained in my home, it may be used for the conviction of someone else outside my home. That is clear from the case of *Goldstein* v. *United States* (316 U. S. 114). The protection extends only to the owner or rightful possessor, as distinguished from a mere custodian, of the property involved in the search and seizure.

Where the occupant of the premises searched holds possession of the property of another, it has been held that the fourth amendment will not protect him as to the seizure of such property and its admission as evidence. That was decided in the case of *Lewis* v. *United States* (C. C. A. 10th, 1937, 92 Fed. 2d 952). I think we ought to read into the RECORD from that case. It is very interesting, because the individual who claimed evidence in the form of certain corporation papers could not be used against him, because they were illegally obtained was in effect the same person as the corporation. I read from the report of that case:

> We cannot understand what the corporation wishes more than it has obtained; and, as no point is made of the inadequacy of its relief, we shall treat as the only question involved, whether, the judge having declared the search illegal, Lagow—

Lagow was an individual involved in that case—

> Lagow may prevent the use against him of any information so acquired. When a man chooses to avail himself of the privilege of doing business as a corporation, even though he is its sole shareholder, he may not vicariously take on the privilege of the corporation under the fourth amendment; documents which he could have protected from seizure, if they had been his own, may be used against him, no matter how they were obtained from the corporation. Its wrongs are not his wrongs; its immunity is not his immunity.

That is what I said before. The individual must claim immunity in his own person and he is limited to that personal immunity. He cannot claim it for anyone else, nor can anyone else claim it because it was a wrong against another individual.

> This we have four times decided. *In re Dooley* (2 Cir., 48 F. 2d 121); *United States* v. *De Vasto* (2 Cir., 52 F. 2d 26; 78 A. L. R. 336); *Connolly* v. *Medalie* (2 Cir., 58 F. 2d 629); *United States* v. *Antonelli Fireworks Co.* (2 Cir., 155 F. 2d 631, 636). Nor, with deference can we accept the ruling in *United States* v. *Janitz*, D. C., 6 F. R. D. 1, that rule 41 (e) of the Rules of Criminal Procedure, 18 U. S. C. A. following section 637, has changed the law. The committee expressly declared that they had no intention of doing so; nor is there anything in the text to force us to defeat that intention. We readily read the phrase, "A person aggrieved," in the rule to cover only those persons who had been deemed "aggrieved" before.
>
> Order affirmed.

Mr. President, that case went to the United States Supreme Court, where certiorari was denied. That stands as the law.

Nor may an employee avail himself of the protection of the amendment regarding a search of his employer's premises and property—*Wida* v. *United States* (C. C. A. 8th, 1931, 52F).

The Supreme Court in two leading cases, however, has reaffirmed the principle that not all searches and seizures without a search warrant are invalid.

It is now the law that a search without a warrant, but incident to a valid arrest—I should again like to emphasize that—but incident to a valid arrest, may be made of the place where the arrest is made in order to find and seize things connected with the crime as its fruits or as a means by which it was committed, as well as weapons and other things to effect an escape from custody. (Citing *Harris* v. *United States* (1947), 331 United States 145). How far beyond the person proper the permissible area of search may extend is a matter to be determined in light of the circumstances presented in each case.

So, Mr. President, it will be seen that they could have put on trial Mr. Larsen, or anyone else who filed an affidavit that he was illegally searched, and they could have ascertained the facts and placed them in the record so that the people of the United States would know. The facts indicate that notwithstanding their contention to the contrary then and now, it was perfectly legal and proper evidence. That being true, why was there not a trial on the merits of the Larsen affidavit and motion?

It is very significant, as I said yesterday, that the record shows a deal was made with Jaffe. They did not want the evidence to come out. They did not want a trial. Beyond the deal for Jaffe to plead guilty they made a further deal with him that he would not only pay the fine of Larsen, but would pay his lawyer. Remember, it was the United States Gov-

ernment making that deal. Larsen did not go to Jaffe and say, "I want you to pay my fine and I want you to pay my lawyer." Oh, no. A representative of the United States Attorney General went to Jaffe and came back to Mr. Larsen and said, "We have this deal made if you plead nolo contendere. We shall not only see that Jaffe pays your fine, but we shall see that he pays your lawyer's fee," which amounted to $2,000, so that we—they did not say this, but this is what is implied—so we shall not have to produce any evidence in court.

If the facts had been fully presented even the judge on the bench, if he were trying the case on its merits, could have caught a slight odor of the fact that there was subversive activity. There was a smell of the Soviet in the case. If the judge had been told the facts, would he have slapped the defendant on the wrist with a $2,500 fine? In time of war the defendant had taken some United States documents vital to the security of the United States. If the judge had been told the facts, would he have slapped the other defendant on the wrist with a $500 fine? When they went into court, why did they not tell the judge all the facts?

I wish to read from a press report which came in today on the ticker. It reads as follows:

The State Department today confirmed that a cabled message figuring in the so-called Amerasia case actually was sent to the American Embassy at Chungking in wartime 1944.

The Department itself professed no knowledge of whether the document was seized in the 1945 raids on the magazine's New York headquarters, but it was learned elsewhere that it was.

Assistant Attorney General James M. McInerney on Wednesday denied that such a message was among the seized papers. He was commenting on published reports that the document, over the signature of the then Secretary of State, Cordell Hull, presented Amerasia as a veritable bible of United States far-eastern policy. McInerney was unavailable today for further comment.

The coded message to the Chungking embassy quoted an Amerasia article which suggested the possibility of using "As a Tito of Japan," Susomo Okano, to help the Japanese people "establish a government which will discard aggression and the present ruling oligarchy." It also proposed a "close working relationship with the guerrilla Communist forces now operating behind the Japanese line" in eastern China and giving them material and financial aid.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND. Did I correctly understand the Senator to say that in the State Department release today, which after the denials of the past few years, finally admitted the document had been sent, it is stated to be a message sent in code?

Mr. FERGUSON. The ticker report refers to "the coded message." I shall read the rest of the dispatch, and I think the import of it will come out. I read further:

Press Officer Michael J. McDermott told reporters today that in sending the message the Department was "merely transmitting information which appeared in the public press in accordance with a long-established routine."

"I don't think there was any idea in the mind of Ambassador (Clarence) Gauss that this was to be considered an endorsement or instruction from Mr. Hull or the Department," McDermott said.

The message was sent July 24, 1944, in a "restricted" category, which meant it should not be shown to unauthorized persons.

McDermott said this was "routine" procedure that all such messages were written, signed "Hull" and initialed in his own office. He said it was one of "thousands" of such messages sent to United States representatives abroad to keep them informed on what was being printed in this country.

McDermott said in response to a question that he does not see how the magazine could have acquired a copy of the message legally.

Mr. KNOWLAND. May I see the message?

Mr. FERGUSON. Certainly.

Mr. KNOWLAND. A little earlier the Senator mentioned that the message was coded. Yes; in the fourth paragraph it says "The coded message." That does not mean the classification of secret or top secret; it means it has been translated into one of our codes and is sent under code to the Far East, where the code is then broken and put into the English language again.

Mr. FERGUSON. I assume that is correct.

Mr. KNOWLAND. The significance of that is even more serious, because, unlike the stealing of a classified document from the State Department, or the Office of Naval Intelligence, or the Office of Military Intelligence, or the OSS—and there were documents in the Amerasia case stolen from all of those places—if the representatives of a magazine which is acknowledged to have had close connections with the Communist Party in this country, through Earl Browder, through Mr. Jaffe himself, through Frederick Vanderbilt Field, and through others, had a message which had been sent in code and there were agents on the other side who knew that the message in code had been sent, constituting this particular message, the Soviet Government would be able to break our code at that time, at least until we next changed the code. I think that is a very significant thing, and it is even more serious than is the stealing of an official document, and that is serious enough.

Mr. FERGUSON. That is why it is considered necessary to paraphase a message so that it is impossible to get the continuity or the exact words of a message. In that way it is more difficult to break the code. That was well established in the Pearl Harbor hearings. But possession of the basic text is always the key to breaking a code.

In *Harris* v. *United States* (331 U. S. 145), the arrest was made in the defendant's living room. His entire four-room apartment was searched, and the evidence in question was found in his bedroom. The search was upheld. In United States against Rabinowitz, to which I have referred, the search was confined to a one-room place of business where the defendant was arrested. The search was upheld.

Accordingly, in Harris against United States, the Supreme Court cited both the Boyd and Milam cases as authorities in connection with the following statement:

Here during the course of a valid search the agents came upon the property of the United States in the illegal custody of the petitioner. It was property of which the Government was entitled to possession. In keeping the draft cards in his custody petitioner was guilty of a serious and continuing offense against the laws of the United States. A crime was thus being committed in the very presence of the agents conducting the search. Nothing in the decisions of this Court gives support to the suggestions that under such circumstances the law-enforcement officials must impotently stand aside and refrain from seizing such contrabrand material.

Mr. President, I say that in this case, when they went into Mr. Larsen's place, who was then in illegal possession of those documents—as was the situation of the man in the case involving draft cards—the same decision would apply, even though he did not voluntarily give them up.

The decision continues:

If entry upon the premises be authorized and the search which follows be valid, there is nothing in the fourth amendment which inhibits the seizure by law-enforcement agents of Government property the possession of which is a crime, even though the officers are not aware that such property is on the premises when the search is initiated.

Mr. President, I have sought today to review some of the facts in this case, together with some of the law relating to search and seizure and the admissibility of evidence in a case such as this. As to facts I am limited to the record of the case as it has so far been made public. My review of the law of evidence is not exhaustive but it does establish that a motion to suppress evidence in this case could not have been cut and dried, as has been alleged. There are many other points which deserve very careful study by the committee which is now investigating the case. I hope they will give it the time and study it deserves. I hope for one thing the Attorney General may authorize Mr. J. Edgar Hoover, the head of the FBI, to make public his idea on whether or not his office clumsily obtained this evidence in such a way that it could not be used. Instead of striking down the importance of the FBI, the FBI on an occasion such as this should be authorized to give to the public its version of the matter, so that it might have the full and complete confidence which it has always had in the past. In behalf of justice, Mr. President, I say that I hope all the facts in the Amerasia case may be made public, so that the public of America and the public of the world will know that in America justice is really justice, and that when we carve upon the front of the great Supreme Court Building across the street from this Capitol the words "Equal justice under law" we mean equal justice under law; that we mean those with influence will be prosecuted the same as the most humble in our land.

If the torch of liberty, supported by justice, is to burn and shine in America, all the facts in the Amerasia case must be brought before the white light of public opinion so that we may have confidence in the institutions of America.

Mr. McCARTHY. Mr. President——

Mr. FERGUSON. If the Senator from Wisconsin will pardon me, I have a brief statement to make on another subject.

Mr. McCARTHY. Very well.

PRESERVATION OF ACADEMIC FREEDOMS

Mr. FERGUSON. Mr. President, the question of preserving academic freedoms in the face of communism's well-known efforts to pervert every form of individual freedom is one which has beset a great many college and university administrators in recent months.

At Wayne University, in Detroit, the issue erupted over a question of permitting a Communist lecturer to appear on the university campus. Dr. David D. Henry, president of Wayne University, ruled that the facilities of the university should not be made available to the Communist lecturer.

The reasoning behind that decision has been set forth in an impressive letter written by Dr. Henry in response to criticism which he had received from certain academic groups. I found Dr. Henry's reasoning in this situation and his explanation of rights as against privileges most enlightening. I believe it will serve many others who are troubled by these same questions and I therefore ask unanimous consent that a copy of his letter be printed in the RECORD as part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

My action has not impinged in any way upon the faculty's previous freedom to teach or the students' freedom to learn or the exchange of ideas among faculty and students. No ideas have been banned. I have merely applied to a visiting lecturer the same conditions that have been applied in the past to the employment of university faculty. We have long accepted restrictions as to who shall teach. We do not employ anyone about whose professional competence or intellectual integrity or moral character or loyalty to country there is any doubt.

The Communist belongs to an organization whose leaders have been convicted of conspiring to teach the overthrow of the Government of the United States by force. He is not a free agent, intellectually or politically, but has agreed to follow a line of thinking and action dictated by a foreign power. He belongs to an organization whose members are not regarded as safe for employment in the Federal Government or in our own municipal government or for positions of leadership in labor unions. By saying to a Communist, "You are not one who meets the standards for those from whom we want our students to learn," I am merely applying to speakers and lecturers the same standards we apply to teachers. I see no violation of academic freedom in so doing.

I do not question the Communist's right to speak in a public square so long as it is lawful for him to do so. I do not extend to him the privilege of holding a place of influence in an educational institution.

I believe that extending educational hospitality to the Communist as a teacher or as a visiting lecturer is now, in view of the present record of the Communist Party, a violation of our responsibility to assess the intellectual integrity of those who are given the teacher's place; further, it is an intolerable institutional disregard of the seriousness of the efforts of a foreign power, to whom the Communist owes allegiance, to destroy the liberties and freedoms we all wish to preserve.

I have said that I believe that communism and the issues related to it are appropriate subjects of debate and discussion in a university. To argue that a student cannot learn about communism without directly hearing from a Communist in person is analogous to saying he cannot learn about crime without hearing directly from a criminal. I cannot see that it serves any true educational end to have Mr. Phillips or any other Communist Party member use a campus program as a means of advancing the purposes of a group designated as subversive or led by individuals adjudged subversive.

There are those who accept the validity of the argument against Communists as teachers or lecturers, but who believe no great harm would result from the program which was the incident of the present discussion. They state that they have confidence (as have I) in the ability of most students to hear such a program and not be misled by a Communist's presentation when confronted by the opposition of an able faculty member. This argument ignores the possible effect of such a program upon all those who might be misled about communism through the university's appearing to regard it as being only an intellectual concern and to treat a Communist just as any other university visitor expressing an unconventional opinion might be treated. As I said in my original statement, I think it is now clear, through actions of the United States Congress, the Attorney General of the United States, and court decisions, that the Communist is not to be regarded merely as an ordinary citizen of a minority political party, but as an enemy of our national welfare, dedicated to violence, disruption, and discord.

There are those, too, who express fear that the line logically drawn against Communists may illogically be extended to include those whose ideas are merely unpopular, and hold that this fear is demoralizing to those who cherish the honest, free exchange of ideas.

I agree that there are pressures to classify together Communists and others who honestly hold minority points of view. These pressures must be resisted by all who believe in the competition of honestly expressed varying points of view. I believe our ability so to defend the principle of free exchange of ideas is strengthened when we clearly demonstrate that we know the difference between the deceitful propaganda of conspirators against the national welfare and the unconventional views of other citizens.

The fear of our inability to draw and hold that line in education can be as ill-founded and hysterical as the fear of those who call Communist anyone who advocates change from what they believe. Neither has any place in an educational institution.

I cannot avoid making decisions which I regard as professionally sound and for the welfare of Wayne merely because of the fears of those who do not have confidence that the position I have taken can be maintained without abuse of the educational integrity of the institution.

By securing academic setting for his propaganda, the Communist succeeds in his purpose of leading the public to believe that their colleges and universities are insensitive to the real nature of the Communist Party. Failure to make the distinction I have defined, resulting in a parade of Communists onto our campus, could well result in a deserved loss of public confidence in the responsibility of the university, which would do irreparable harm to alumni, students, and equally important, to those thousands who are to come to Wayne in the future.

Our disagreement is not one of objectives or principles; it is one of method. I believe that the action I have taken is not only in the interest of the welfare of Wayne University, but an essential one in the preservation of free and responsible higher education.

Very truly yours,

DAVID D. HENRY,
President, Wayne University.

COMMUNISTS IN GOVERNMENT SERVICE

Mr. McCARTHY. Mr. President, first I should like to compliment the Senator from Michigan for his outstanding presentation of the legal aspects of the Amerasia case.

Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD at this point a number of documents. The first is a letter dated June 15, 1943, marked "Secret," written by Mr. Owen Lattimore to Mr. Joseph Barnes, of the Office of War Information. This letter has been discussed in some detail in the past. In discussing it before the National Convention of Editors, I pointed out that this letter constituted an order by Mr. Lattimore to Mr. Barnes to discharge all anti-Communist Chinese and to replace them with Chinese friendly to the Communist Party. The State Department subsequently put out a white paper in which they said this was untrue, and in effect said that actually this document constituted a direction to be very careful not to hire Communists. Since that time I made the decision to make public some of the allegedly secret files, which explain the purport of this letter very well. These files are rather unusual. We find the case of two Chinese Communists who had been declared ineligible for Government employment. It is a case which Mr. Lattimore had succeeded in having reopened before the Loyalty Board. I am not able to find the exact quotation from the finding of the Loyalty Board. However, I am asking that these documents be printed in the RECORD, and anyone who wishes to see the exact words of the Loyalty Board will find them in these papers. The Loyalty Board in effect said: "This puts us in the very unusual position of either approving for Government employment a known Communist, or turning down the recommendation of the head of the Department." In this case it was Mr. Lattimore. They decided not to turn Mr. Lattimore down and they hired the two Communists whom Mr. Lattimore mentioned in this letter. I think it is rather important that all Members of the Senate have access to these documents, and I ask that they be inserted in the RECORD at this point.

There being no objection, the letter and documents were ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *June 15, 1943.*

MR. JOSEPH BARNES,
Office of War Information,
New York, N. Y.

DEAR JOE: In your capacity as a member of our personnel security committee there are certain things which you ought to know about Chinese personnel. It is a delicate matter for me to tell you about these things because of my recent official connection with

Generalissimo Chiang Kai-shek. For that reason I am marking this communication secret.

When we recently reduced the number of our Chinese staff in New York it was quite obvious that there was going to be trouble and that this trouble would take the form of accusations against the remaining personnel. The fact is that certain of the personnel with whose services we dispensed had connections outside the office. This leads directly into the main question. It is extremely important from the point of view of security that intelligence information should not leak out of our office through our Chinese personnel. It is an open secret in Washington that the security of various Chinese agencies there is deplorable. Any pipeline from our office to any of those agencies is not a pipeline but practically an open conduit.

However, it is not only a question of Chinese Government agencies. There is also a well-organized and well-financed organization among the Chinese in this country connected with Wang Ching-wei, the Japanese puppet. This can be traced back to the history of the Chinese revolution as a whole. To present it in the fewest possible words: Sun Yat-sen was largely financed for many years by Chinese living abroad. Not only Sun Yat-sen but Wang Ching-wei had close connections among the overseas Chinese. However much he is a traitor now the fact must be recognized that Wang Ching-wei is a veteran of Chinese communities abroad, including those in the United States.

Chinese in the United States come almost exclusively from a few localities on the coast of China, practically every one of which is now occupied by the Japanese. Thus these Chinese in America have both family connections and financial investments which are under the control of the Japanese, and because of his years of political organizing work Wang Ching-wei knows all of these connections and can apply pressure through them.

On the other side there is a special organization within the Kuomintang or Chinese Nationalist Party at Chungking which is charged with maintaining political and financial connections with Chinese overseas. This overseas bureau also has a detailed knowledge of the Chinese communities in America and is able to apply pressure. Thus there is a very intense conflict going on every day in every Chinatown in America between the Wang Ching-wei agents and those of the Kuomintang. It must be remembered that while the Kuomintang is able to operate in a private way as a political party among Chinese residents in America, it is also the party which "owns" the Chinese Government and is thus able to make use of Chinese Government agencies.

Thirdly, there are numerous Chinese in America who are politically unaffiliated. There are of course Communists but they have neither the money nor the organization of the Wang Ching-wei and Kuomintang groups. The genuinely unaffiliated Chinese are a curious compound of Chinese politics and the American environment. They tend to be intensely loyal to China as a country, without conceiving that the Kuomintang or any other political organization has a monopoly right to control of their thoughts and actions. They are like Americans; they like to give their political allegiance, not to have it demanded of them. They are reluctant to support a regimented series of causes laid down for them under orders; like Americans, they often give moral and financial support to a scattered number of causes some of which may even conflict with each other to a certain extent.

The conflict between the Wang Ching-wei organizing group and the Kuomintang organizing group in America cannot be fought out in the open. Both sides have very good reasons for not courting publicity. Each is anxious to bring into its fold as many of the unaffiliated Chinese as possible. Each is also anxious not to be exposed as an "un-American" organization or a foreign political group working on American soil. Both of them accordingly find it very good tactics, not only to cover up themselves but to put pressure on those whom they are trying to bring under their control, to accuse unaffiliated Chinese of being Communists. This is an accusation which covers up the accuser at the same time that it puts pressure on the accused.

One of the outstanding rallying points of the unaffiliated Chinese in America is the New China Daily News in New York. This is controlled by an organization of laundrymen. I understand that the shareholders number two or three thousand and that they take an active interest in the newspaper. The essential thing about these laundrymen is that in the nature of their business they are independent small-business men. This means that they are on the one hand fairly well-insured against Communist ideology, since the small-business man of whatever nationality is likely to be a man who has made his way by his own initiative and enterprise and is therefore extremely suspicious of collectivist economic theories. On the other hand these Chinese small business proprietors are reluctant to submit themselves unquestioningly to the control of the vested interests which have grown up in China in association with the dominant Kuomintang. The New China Daily News would probably not come under much pressure if it were not for the fact that it is one of the best edited Chinese papers in America with a growing circulation. It does not need to be subsidized or supported by a patron like many, perhaps the majority, of Chinese papers. It pays dividends on its own merits. A number of Chinese language papers in America receive subsidies from the Kuomintang. At least two, and perhaps three, receive subsidies from the Wang Ching-wei group. One or two others trace back to the group within the Kuomintang, which was at one time headed by the late Hu Han-min, a leader of a right-wing faction within the Kuomintang. The Hu Han-min group, though once regarded as right-wing conservatives, are now regarded in China as "old-fashioned liberals"—liberal, so to speak, short of the New Deal. They are less bitterly involved in Chinatown politics than the Wang Ching-wei and Kuomintang groups. The two latter, which are engaged in handing out carefully colored news and doctored editorial policies, are intensely jealous of and hostile to an unaffiliated paper like the New China Daily News which, so to speak, flaunts its sins by being so readable that the Chinese public in America buys it for its own sake.

It would be rash to say that there are no Communists connected with the New China Daily News. Here it is necessary to consider another peculiarity of the politics of Chinese living out of China. These Chinese are far from being tied to the chariot wheels of Moscow; but when it comes to resisting the trend toward totalitarian regimentation within China they are often willing to support parts of the program advocated by the Chinese Communists within China. This is so much a part of the pattern of politics of Chinese living out of China that it is not uncommon to find wealthy men, even millionaires, supporting the program of the Chinese Communists in whole or in part. This was, for instance, conspicuous in Malaya before the fall of Singapore. For such prosperous and independent Chinese it was a question either of backing their independent judgment of the steps that needed to be taken toward creating a working democracy within China, or of paying financial tribute to the Kuomintang, which sometimes tends to be autocratic, and not infrequently spurns advice from Chinese abroad at the same time that it demands their financial contributions.

In the specific setting of America, it is the independent small-business man—like the laundryman—rather than the very few wealthy merchants who most conspicuously maintain this tradition of political independence. In America, some of the most wealthy individuals are either committed to Wang Ching-wei and his puppet Japanese party or at least are hedging until they have a better idea of how the war is finally going to turn out.

In the circumstances we have to be extremely careful about our Chinese personnel. While we need to avoid recruiting any Chinese Communists we must be careful not to be frightened out of hiring people who have loosely been accused of being Communists. We have to be at least equally careful of not hiring people who are pipelines to the Wang Ching-wei group or to one or other of the main factions within the Kuomintang. After all, as an American Government agency we should deal with the Chinese Government or regular agencies of the Chinese Government, but should not get in the position of committing ourselves to the Kuomintang, the political party which controls the Chinese Government, as if it were itself the Chinese Government. You will recognize both the importance of this proposition and the delicacy which it requires on the operational level.

For our purposes, it is wise to recruit as many unaffiliated Chinese as we can, to pick people whose loyalty will be reasonably assured on the one hand by the salaries which we pay them and on the other hand by the fact that they do not receive salaries or subsidies from somewhere else.

Mr. Chi and Mr. Chew Hong, both of our New York office, conform excellently to these requirements. Mr. Chi I have known for many years. Until his family estates were occupied by the Japanese, he was a wealthy landlord. He was brought up in the older scholastic tradition in China, before the spread of modern western education, but at the same time he is keenly interested in the national unification of China and the orderly development of a stable political organization there. I know by long experience that he is anything but a Communist; I also know that because of his seniority, his background of independent wealth, and his superior mentality he is not a man to be pushed around by party bureaucrats. Chew Hong is a much younger man, but one whom Dr. Chi trusts and of whose integrity he is convinced. There is something in their relationship of the old Chinese standards of disciple and master. As long as Dr. Chi stands in the relationship of loyal friendship to me and the loyalty of an honest employee of an American Government agency, there will be no difficulty with either man, nor irresponsible playing with Chinese politics, and no leakage to any Chinese faction.

The retention of both men is therefore a guaranty to the secrecy and security of the work of OWI as well as a guaranty of the confident fulfillment of directives. I urge you not to be high-pressured into getting rid of either man. I know that both men may be subjected to attacks. Given the time to work on it, I could undoubtedly trace such attacks to their origin and give you the full details. I doubt whether the Personnel Security Committee of OWI would be able to trace such attacks, rooted in the intricacies of Chinese factional politics, to their source; but I should not like to see us placed in a position where, after getting rid of people now attacked, we would be forced to hire people who would actually be the nominee of factions not under our control.

It is for this reason that I have written this long letter to urge you to report to our Personnel Security Committee the necessity

for exercising pronounced agnosticism when any of our Chinese personnel are attacked.

In the meantime I am doing my best to check over our Chinese personnel in San Francisco.

Once more I urge you to observe the strictest confidence in acting on this letter, because in certain quarters it might be considered that I am under a moral obligation to see that OWI is staffed with Chinese who take their orders from some source other than the American Government.

Yours,

OWEN LATTIMORE,
Director, Pacific Operations.

OFFICE OF THE EXECUTIVE
DIRECTOR AND CHIEF EXAMINER,
October 12, 1942.

The Commission (via the Executive Director and Chief Examiner):

MEMORANDUM OPINION—IN THE MATTER OF CHEW SIH HONG, ASSISTANT FIELD REPRESENTATIVE, OFFICE OF WAR INFORMATION

Hong received a temporary appointment in December of 1941 as assistant field representative, $2,600 per annum, Office of War Information, at New York City. The appointment was made under Executive Order 8564, subject to investigation.

He was born in 1910 at Yinping, China, of Chinese-American parents, his father having been born in San Francisco. His citizenship is appropriately established. He arrived in the United States in November of 1920 at San Francisco. He was educated in the California public schools, completing part of his high school and some of his university work in China, the university work being taken at Tsing Hua University. In May of 1937 he graduated from the University of California with an A. B. degree in political science and history. Apparently he was unemployed in San Francisco from May through August of 1937 when he went to New York City, receiving his first employment there in October of 1937. For a period of about 2 years until September 1939, he served as executive secretary of the Chinese Hand Laundry Alliance at a salary of $900 per annum. From September of 1939 to July of 1940 he engaged in establishing a Chinese newspaper known as the China Daily News with address at 105 Mott Street, New York City. From July 1940 to the date of his employment with the Federal Government he operated as president and editor of the China Daily News at a salary of $960 per year.

The issue presented by the case is Hong's loyalty, there being indications in the evidence that organizations, enterprises, and individuals with whom he has been affiliated are communistic.

Hong's connections do not appear to be extensive. The investigation is thus not particularly broad in scope and is confined largely to contacts with members of the Chinese community in New York City who are thought to be in a position to report with some significance on his activities.

1. The Chinese Hand Laundry Alliance is reported by a number of witnesses as being an organization affiliated with the Communist Party. It is concluded from the evidence that this allegation is well-founded. It appears that the organization was originally started as representative of the trade indicated by the title. The evidence in the record shows that several years ago a division occurred among the membership. Witnesses report that it was the Communist element that caused the split and thereafter the conservative group in the membership, as distinct from the radicals or Communists, withdrew and established their own organization under the name of the Chinese Hand Laundry Association. The incident, as reported, conforms closely to the Communist pattern of organizational penetration. At the special hearing, Hong was asked how he might account for the fact that the alliance has the reputation of being communistic. He stated that it may have originated during the split several years ago and due to the fact that it does not exclude Communists or any other political groups from membership. At the time of the division the conservative elements brought a lawsuit challenging the election which reflected the split. The conservative group after extended litigation lost this suit. The incident is reported on by attorneys who participated and also by others. From such reports and from inferences, which it is believed may be drawn from Hong's own statement, it is believed that the organizational division represented a victory for the Communist group in the Chinese Hand Laundry Alliance and that the cumulative evidence shows the alliance to be a Communist Party affiliate.

In addition to the foregoing, significance is attached to items extracted from past copies of the Communist newspaper Daily Worker. An item in an issue of the Daily Worker on May 5 of 1938 consists of a letter from James Lee, secretary of the Chinese Hand Laundry Alliance and supervisor of Hong. Lee's letter refers to the record of the alliance and pleads for "your confidence and good will."

In another item in the Daily Worker, issue of January 31, 1938, a report is made on activities resulting in the obtaining of ambulances for shipment to the south Chinese front. According to the news item the announcement of the completion of the ambulance undertaking was made by one Chu Tang of the Chinese Hand Laundry Association. The item reported that procuring of two more ambulances was to be undertaken by the alliance in cooperation with the American League for Peace and Democracy and the American Friends of the Chinese People.

In a record found in the New York City Police Department it is stated that the Daily Worker, July 24, 1940, announced a meeting protesting closing of the Burma Road. The list of speakers for the meeting included names of persons generally considered as Communists and included one Lo Ton as representing the Chinese Hand Laundry Alliance.

2. China Daily News—the testimony is to the general effect that the China Daily News is a publication by and for Chinese Communists. It is described by some individuals as the Chinese equivalent of the Daily Worker. It is clearly shown from evidence that the China Daily News is the organ of the Chinese Hand Laundry Alliance. Hong moved from his second post with the alliance to work first as promoter and second as editor and president.

The paper has been publishing since July of 1940 and probably would supply an accurate application of the Communist Party line test. It is understood that the paper is printed in Chinese and probably a considerable amount of translating would be required to ascertain whether or not the paper adhered to the Communist Party line. There is the additional problem of whether the ordinary conception of the party-line test would apply to a Chinese Communist. Since China was at war with Japan during the period from August of 1939 to June of 1941, there is little likelihood that the test usually applied during this period would have any significance. The Chinese, including the Chinese Communists, were probably not anti-British and certainly favored as much intervention for the Chinese in the Chinese-Japanese conflict as could be provided.

Apart from the foregoing it is believed that the evidence shows the newspaper to be communistic.

There is a report filed with the Dies committee, undated, which states that two Chinese Communist leaders—Leiu Chei Mann, of 191 Canal Street, and Tong Manchu, of 172½ Canal Street, were to publish a Communist Party paper in the summer of 1940; 191 Canal Street is the address of the Chinese Hand Laundry Alliance. The home residence given by Hong in New York City is 298 West Eleventh Street. However, it should be noted that at the time of the special hearing Hong stated that one name which he had used at times was Chu Tong.

3. Reference and associates: One of the references supplied by Hong was Mr. Paul Radin, apparently an associate from the time Hong was in California. Paul Radin is a name which has come out in connection with many loyalty investigations. He is a brother of Max Radin, a well-known and spectacular member of the law teaching profession, on the staff of the University of California. In the course of one rather detailed interview, Max Radin described his brother Paul as very far to the left, coupling Paul's name with that of Dr. Robert Brady. Max, it is recalled, stated that his brother Paul and Dr. Brady saw eye to eye as radicals.

Hong referred to a man by the name of Julius L. Bezozo as one of his associates both in the alliance and in the newspaper organization. Bezozo is an attorney who is identified as one of the owners of the China Daily News. It is established that he does legal work for the Chinese Hand Laundry Alliance and for the China Daily News. It is also shown that he represented the alleged radical or Communist wing of the Alliance in a lawsuit which occurred at the time of the division. Bezozo was interviewed and stated that he had known Hong since he first came to New York. He stated that Hong was one of his very good friends and attested to his loyalty. Hong was described by Bezozo as a New Dealer. (Purely as an aside, Hong was described by another witness, favorable to him as a "Jeffersonian Democrat.")

In the special hearing Hong referred to his acquaintanceship with Mr. Bezozo and also with a Mr. Tauber, senior member of the law firm which includes Mr. Bezozo. Bezozo is said by witnesses in the investigation to regularly represent Communists in legal matters. The firm, including Tauber, is described as attorneys for the International Labor Defense. The organization, International Labor Defense, is known as a Communist organization supposed to be the American section of the Moscow-controlled Communist International Red Aid. One of its main activities has been to provide legal aid to Communists and fellow travelers and to propagandize communism. According to the Civil Service Commission security files, Julius L. Bezozo was reported as a member of the legal staff of the International Labor Defense in an issue of the Daily Worker dated February 11, 1938.

Bezozo is given as a reference by Hong, as is Dr. Paul Radin.

It is concluded that the activities, affiliations, and associations of Hong, as shown by the Commission's investigation, are communistic. A finding of ineligibility is considered necessary in this case.

J. F. CANNON,
Legal Adviser.

OFFICE OF THE CHIEF LAW OFFICER,
November 14, 1943.

The Commission Through Mr. Smith and the Executive Director and Chief Examiner:

I am submitting herewith as a unit the cases of Chew Sih Hong and Dr. Kung Chuan Chi, employees of the Office of War Information. These cases are being submitted together because both individuals are serving in the same section, and it appears that Mr. Hong was employed at the recommendation of Dr. Chi who in turn was employed by Mr. Owen Lattimore, Director of Pacific Operations of the Office of War Information.

The case of Mr. Hong was previously before the Commission and analyses of the facts in his case were furnished by the undersigned and by Mr. Cannon. We both took the position that Hong's connections with the Chinese Hand Laundry Alliance, reputed to be an

organization affiliated with the Communist Party, and the China Daily News, said to be a publication by and for Chinese Communists, and his references and associations, were such as to warrant a finding of ineligibility. The Commission transmitted to the Office of War Information a proposed memorandum opinion in the case of Mr. Hong and under date of November 30, 1942, Mr. Elmer Davis in a letter to Commissioner Flemming stated that in view of the information which we furnished him, Hong was terminated at the close of business November 15, 1942. The Commission thereupon advised the Office of War Information under date of December 8, 1942, that the Commission has concluded that a finding of ineligibility is necessary and that the Commission's records have been noted to show that Mr. Hong's services were terminated at the close of business on November 15, 1942, as reported in the letter from Mr. Elmer Davis of November 30, 1942. Previously the Commission had approved the finding of ineligibility and this action was recorded in minute No. 4, of December 4, 1942.

In a letter dated July 27, 1943, Rear Adm. R. P. McCullough referred to previous correspondence regarding Mr. Hong and stated that the letter of November 30, 1942, from the Office of War Information to the effect that Hong had been terminated at the close of business November 15, 1942, was somewhat in error because Mr. Hong had been separated from the New York office of the Office of War Information on November 15, 1942, for duty with the Army and that when he returned in the spring of 1943 he was again employed in the New York office of the Office of War Information, that office not knowing that Hong had been declared ineligible by the Civil Service Commission. Admiral McCullough accordingly requested that the Commission reconsider the case of Mr. Hong. Mr. Moyer then sent the file to the Investigations Division so that an interview might be had with Mr. Owen Lattimore, head of the San Francisco office of the Office of War Information. Mr. Lattimore was accordingly interviewed in San Francisco, and on a later date Mr. Steely interviewed Admiral McCullough and Mr. Marsh, of the Office of War Information, regarding Mr. Hong, Mr. Owen Lattimore being also present during this interview. Mr. Steely reported, among other things, that Mr. Lattimore stated that he wished to keep Mr. Hong on the job, that Mr. Lattimore had an efficient set-up in the Chinese Section in the New York office of the Office of War Information and wanted to keep it that way; that he had explicit confidence in Dr. Chi, that Mr. Hong is under careful supervision and even if he were a Communist he is not in a position where he can do any damage, that the selection of suitable Chinese was a delicate matter, and it is extremely difficult to obtain a competent employee who does not have connections which might constitute leaks in the organization, that under the present set-up with Dr. Chi and Mr. Hong there have been no incidents of confidential information getting into unauthorized channels, and that there has been no attempts on Mr. Hong's part to use his present position for the spreading of Communist propaganda. Mr. Lattimore also pointed out that Mr. Hong was recently used by the Army to teach Chinese to 224 officers in India. Mr. Lattimore stated that he did not know Mr. Hong but he did know Dr. Chi and is relying upon Dr. Chi's recommendation and knowledge of Mr. Hong.

During the interview in San Francisco Mr. Lattimore made an extended statement regarding Mr. Hong and Dr. Chi and also furnished the investigator with a copy of a letter which he had written to Mr. Joseph Barnes under date of June 15, 1943. The statement of Mr. Lattimore during the interview and the copy of his letter to Mr. Barnes are appropriately identified in the file. It would be a difficult thing to attempt to summarize Mr. Lattimore's lengthy statement or his letter to Mr. Barnes. However, the gist of his comments is that he does not know Hong personally but based on his knowledge of the situation, neither the Chinese Hand Laundry Alliance nor the China Daily News are communistic. He then proceeded to give rather involved reasons for his conclusion. He said that he had known Dr. Chi, who is about 70 years of age, in China, that he was a respected and cultured man, and that his knowledge of Dr. Chi is such that he has implicit faith and confidence in his integrity and ability. He told Dr. Chi to select the person he wanted to assist him and Dr. Chi selected Mr. Hong. This was the first time that Mr. Lattimore had any knowledge of Mr. Hong at all.

Among other things, Mr. Lattimore said:

"Of course I have no concrete proof that Hong is not a Communist, but in the absence of concrete proof I think there is a prima facie case to show that he is not a Communist. I know there is a law preventing the hiring of Communists. Personally and frankly, I would not be too worried if an individual Communist were in Hong's position. This is because he would not be able to form a cell and could not get away with anything. He could not commit verbal sabotage, and all of the work coming out of the New York office has to clear through me."

On a later occasion Mr. Lattimore stated to our investigator in part:

"Now I know that the various factions smear a nonconformist by charging him with being a Communist. However, the Chinese Government dare not come out in the open and intervene in such domestic problems. I merely say this: If your people have gone to the Chinese Ambassador or any other Chinese Government representative and such Chinese representative has told you that this man Hong is suspected of being a Communist, then I say you should discount such evidence and certainly should not declare the man ineligible merely on that kind of evidence. It is true that I don't know anything about Hong personally except what I have learned from Dr. Chi. It is also true that he could be a Communist without my knowledge. It is also true that he could have hoodwinked Dr. Chi. However, until concrete evidence is presented that he is a Communist, then I believe that based on Dr. Chi's standing and reputation and ability, his judgment that Hong is not a Communist is a prima facie case in favor of Hong and should not be reversed on the testimony that you may have received from anyone representing the Chinese Government or, for that matter, on the testimony of any Chinese."

It will be noted that the sum and substance of Mr. Lattimore's testimony is that he does not know Mr. Hong, that he does know Dr. Chi, that he has full faith in Dr. Chi and was willing to employ Hong on Dr. Chi's recommendation; that he does not know whether Hong is a Communist, but does not think he is and that even if Hong were a Communist, he would still like to retain Hong in the service, because Hong could do no harm in his position.

In his letter to Mr. Barnes, Mr. Lattimore outlined the entire situation as he understood it, described the relationship between Hong and Dr. Chi, and then said:

"As long as Dr. Chi stands in the relationship of loyal friendship to me and the loyalty of an honest employee of an American Government agency, there will be no difficulty with either man, no irresponsible playing with Chinese politics, and no leakage to any Chinese faction. The retention of both men is therefore a guaranty to the secrecy and security of the work of OWI as well as a guaranty of the confident fulfillment of directives. I urge you not to be high-pressured into getting rid of either man. I know that both men may be subjected to attacks. Given the time to work on it, I could undoubtedly trace such attacks to their origin and give you the full details. I doubt whether the Personnel Security Committee of OWI would be able to trace such attacks, rooted in the intricacies of Chinese factional politics, to their source; but I should not like to see us placed in a position where, after getting rid of people now attacked, we would be forced to hire people who would actually be the nominee of factions not under our control."

The foregoing letter from Mr. Lattimore to Mr. Barnes was written in strict confidence and is not to be quoted to any outside source.

The evidence before the Commission at the time unfavorable action was originally taken in the case of Mr. Hong tended to indicate rather strongly that Hong is a Communist and engaged in activities having for their purpose support of Communist Party interests. The recent investigation and interviews have not changed the evidence and have on the contrary elicited some information tending to strengthen the position that Hong is pro-Communist. Thus it was brought out in addition to all of the other information that Hong was active in the American Student Union during his school years.

The evidence indicated that Hong is pro-Communist. The question now for determination is whether his employment should be approved because of the strong representations of Mr. Lattimore that Hong is probably not a Communist, but even if he is a Communist Mr. Lattimore still wishes to retain him because Hong will work under close supervision and will not be able to do any harm.

On the one hand it can be argued that since we are reasonably convinced that Hong is pro-Communist, it is our responsibility to require his removal notwithstanding Mr. Lattimore's representations. On the other hand the Commission could, if it wished, take the position that since Mr. Lattimore has assumed responsibility, the Commission can afford to permit Hong's retention in the service. If the Commission takes the latter position it will be tantamount to saying that although we believe the individual is a Communist, we will be willing to rate him eligible provided the employing agency is willing to assume the responsibility. I doubt that the Commission can afford to avoid the issue in this manner. If we believe Hong is a Communist then we should rate him ineligible.

Do we believe Hong is a Communist? The Commission's original finding was based on Hong's connections with the Chinese Hand Laundry Alliance and with the China Daily News. Much of the information regarding the communistic nature of the alliance and the newspaper came from Chinese, some of whom were connected with competing newspapers. We ourselves have not read the China Daily News. Mr. Lattimore states he has read some of the issues and has found nothing communistic in them, although he admits there might have been something communistic in the issues which he has not read. Mr. Lattimore has spent years in China and from his statement and letter to Mr. Barnes it would appear that he is thoroughly familiar with the various political factions. His conclusion is that Hong's connections, in the light of his knowledge of the situation, do not necessarily point to procommunism. In matters of the Chinese, Lattimore is somewhat of an expert and his opinion is entitled to considerable weight.

Since we have no direct evidence that Hong is a Communist, and since the original decision was based on the circumstances of Hong's connections and in view of Mr. Lattimore's representations, I am ready to reach the conclusion that possibly we made an error in the case of Mr. Hong; I am, therefore, ready to recommend that Mr. Hong be

rated eligible for retention in his position in the Office of War Information.

In the case of Dr. Chi, I recommended in my memorandum of May 7, 1943, that he be rated eligible. Mr. Smith did not agree with me. The Commission has not yet acted on the case of Dr. Chi. For the reasons stated in my memorandum of May 7, 1943, I again recommend that Dr. Chi be rated eligible.

ALFRED KLEIN,
Acting Chief Law Officer.

Mr. MOYER:

I do not believe I clearly understand Mr. Lattimore's point of view regarding the cases of Chi and Hong. It seems that he is, in effect, suggesting that whatever evidence we may have, short of being positive and direct, tending to show the applicants to be communistically inclined is entitled to very little weight and that his judgment, based on his personal knowledge of Chi and on Chi's appraisal of Hong, should prevail. However, as pointed out by Mr. Klein, there is no absolute proof that the applicants are Communists and in view of Lattimore's knowledge of the complicated Chinese political situation, gained through years of residence in China, I am also willing to change my previous recommendation for both applicants from ineligibility to eligibility.

FARRAR SMITH.

SEPTEMBER 2, 1943.

WILLIAM H. MCMILLEN:

As requested by you, Mr. Frank Marsh and Admiral McCullough of the Office of War Information were interviewed on August 31, 1943, relative to the case of Chew Sih Hong, assistant field representative in the New York office of OWI. Mr. Owen Lattimore, Director of Pacific Operations, OWI, who is sponsoring Mr. Hong and upon whose recommendation OWI requested that this case be reopened, was also present during this interview.

Mr. Hong was originally investigated in New York for this position and was rated ineligible by the Commission (see minute 4 of December 4, 1942). The file also shows that on November 30, 1942, the Commission was informed that Mr. Hong's services were terminated at the close of business November 15, 1942, as a result of information furnished the OWI by the Commission in a letter dated October 26, 1942.

The Commission was subsequently informed under date of July 27, 1943, by Admiral McCullough that the information furnished it by Mr. Elmer Davis, under date of November 30, 1942, regarding the termination of Mr. Hong's services, was somewhat in error as Mr. Hong was separated from the New York office of OWI for duty with the Army and that upon his return in the spring of 1943 he was again employed in the New York office as the New York office was not advised of the fact that Mr. Hong had been declared ineligible by the Civil Service Commission.

On the basis of Rear Admiral McCullough's letter of July 27, 1943, this case was reopened for the purpose of interviewing Mr. Owen Lattimore of San Francisco and some additional investigation was also made.

During my interview with Mr. Marsh, Mr. Lattimore, and Admiral McCullough, the evidence secured during investigation of Mr. Hong was discussed and they were advised fully regarding the substance of the derogatory information.

As reported by Investigator H. R. Memering, who interviewed Mr. Lattimore in San Francisco, Mr. Lattimore does not know Mr. Hong personally and in recommending him for retention in the service, he is relying upon Dr. Kung Chuan Chi, assistant language editor (Chinese) in the New York office of OWI. Mr. Lattimore has known Dr. Chi since about 1935, when he met him in Shansi Province in China. Mr. Lattimore is also personally acquainted with Dr. Chi's son, Dr. Chi Chao-Ting. Mr. Lattimore added little to the testimony given Mr. Memering in San Francisco.

Dr. Kung Chuan Chi has been investigated by the Commission for his position as assistant language editor (Chinese), OWI, and his case is now pending before the Commission. In view of the fact that Mr. Lattimore is relying upon Dr. Chi's recommendation regarding Mr. Hong, the OWI representatives were also informed of the unfavorable information secured regarding Dr. Chi and his son, which included testimony to the effect that the young Dr. Chi is, or was until recently, a Communist and that he at one time was a delegate to the Third Internationale in Moscow and to the effect that the elder Dr. Chi was removed from his position as commissioner of education in the Shansi Province because of Communist activities.

Mr. Lattimore devoted considerable time to a discussion of factional strife among the Chinese and possible interests on the part of witnesses giving derogatory testimony regarding Mr. Hong. He appeared inclined to explain away all accusations of communism made against Mr. Hong on this basis. He also advanced as a reason for believing the Chinese Hand Laundry Alliance not to be a Communist organization the fact that this organization was composed of small-business men whose interests would be affected adversely under communism. Mr. Lattimore said he could not understand why the story that the elder Dr. Chi was removed from his position as minister of education in the Shansi Province because of Communist activities would be circulated. Mr. Lattimore also stated that Dr. Chi was known to Congressman WALTER H. JUDD, of Minnesota, and that Congressman JUDD, a former missionary, spent some time in Shansi Province during the time Dr. Chi was an official there. It was pointed out to Mr. Lattimore that testimony regarding Dr. Chi's removal was secured by the Commission both in New York and San Francisco. The information received in San Francisco came from a source found to be reliable in the past by the Commission. The informant did not know Dr. Chi personally but had to inquire about him to secure this information. That this latter source should be biased against Dr. Chi in making this statement appears to be unlikely.

After a lengthy discussion of the various angles in the case, such as the intricacies of Chinese politics, possible motives witnesses testifying might have, etc., as well as the derogatory testimony itself, Mr. Lattimore, Mr. Marsh, and Admiral McCullough were asked whether, in view of the information in the case, they felt that Mr. Hong should be retained. Their statements were substantially as follows:

Mr. Lattimore stated that he wished to keep Mr. Hong on the job, that he had an efficient set-up in the Chinese section in New York and wanted to keep it that way, that he has explicit confidence in Dr. Chi, that Mr. Hong is under careful supervision and even if he were a Communist that he is not in a position where he could do any damage, that the selection of suitable Chinese was a delicate matter and it is extremely difficult to obtain a competent employee who does not have connections which might constitute leaks in the organization, that under the present set-up with Dr. Chi and Mr. Hong there had been no instances of confidential information getting into unauthorized channels and that there had been no attempts on Mr. Hong's part to use his present position for the spreading of Communist propaganda, etc. Mr. Lattimore also pointed out that Mr. Hong was recently used by the Army to teach Chinese to 224 officers in India. Mr. Hong was highly praised for this work in a letter from Colonel Gilchrist of the United States Army.

The substance of Mr. Lattimore's statements was to the effect that he wants to retain Mr. Hong and is still relying upon Dr. Chi's recommendation and knowledge of Mr. Hong, all evidence to the contrary notwithstanding.

Mr. Marsh stated that he recognizes the intricacies of Chinese politics and he feels that if Mr. Lattimore still wants to employ Mr. Hong, knowing the nature of the testimony against him, the risk involved, etc., he would recommend that Mr. Lattimore be permitted to retain Mr. Hong as an employee of OWI in his present position.

Admiral McCullough said that if Mr. Hong was to be removed on the basis of the evidence that he had heard in the case that he felt that others higher up in the organization should also go, that others had been retained against whom the evidence was more damaging than it was against Mr. Hong, that he would go along with Mr. Lattimore and Mr. Marsh in favor of Mr. Hong's retention in the service.

In view of the fact that Mr. Lattimore is placing so much reliance upon Dr. Chi, whose case is also pending before the Commission at the present time, it is suggested that Dr. Chi's investigation be considered in connection with the Hong case.

Mr. Lattimore was asked whether there was anything unique about Mr. Hong's services which could not be performed by other Chinese translators and he said "no" but that he wished to keep his present organization in view of the fact that it was functioning efficiently.

In view of the testimony obtained during the subsequent investigation of Mr. Hong in San Francisco and the evidence secured in the investigation of Dr. Chi regarding Communist activities on the part of him and his son, I can see no reason why the Commission should disturb its previous rating of ineligibility in Mr. Hong's case.

E. NEWTON STEELY.

Mr. McCARTHY. Mr. President, some time ago in discussing the State Department's Ambassador at Large, I pointed out that he had received a great deal of money, or at least his organization did, for the support of the publication which he was operating. At that time I had checks totaling only $3,500. This was Communist money.

The State Department again put out a white paper on this subject, and said that the only Communist money paid was $3,500, and that that represented a small portion of the cost of running the organization.

Since that time I have dug up additional photostats, and of course, obviously, I have not even scratched the surface, because it is difficult almost to the point of being impossible to get photostats of checks of a hostile organization, one controlled by Communists. But I have dug up a total of $6,000 of Communist money paid to this particular organization, and in view of the fact that the State Department put out the official word that the total amount was only $3,500, when obviously they could have found out what the total was, when they had only to call Mr. Jessup up and say, "Mr. Ambassador, how much money did your organization get?", I think it is important that the photostats of these checks go into the RECORD. Therefore, I ask unanimous consent that they be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the photostats were ordered to be printed in the RECORD, as follows:

No. 34.

AMERICAN PEOPLES FUND, INC.,
16 WEST TWELFTH STREET,
September 12, 1943.

Pay to the order of American Council, Institute of Pacific Relations, $2,500.

AMERICAN PEOPLES FUND, INC.,
FREDERICK V. FIELD, *President.*

To Madison Avenue office, Guaranty Trust Co. of New York, Madison Avenue at Sixtieth Street, New York, N. Y.

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERICAN COUNCIL, INSTITUTE OF PACIFIC RELATIONS.

No. 7.

AMERICAN PEOPLES FUND, INC.,
16 WEST TWELFTH STREET,
November 27, 1942.

Pay to the order of American Council, Institute of Pacific Relations, $1,000.

AMERICAN PEOPLES FUND, INC.,
FREDERICK V. FIELD, *President.*

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERICAN COUNCIL, INSTITUTE OF PACIFIC RELATIONS.

No. 54.

MADISON AVENUE OFFICE,
GUARANTY TRUST CO. OF NEW YORK,
January 22, 1942.

Pay to the order of American Council, Institute of Pacific Relations, one thousand dollars.

$1,000.

FREDERICK V. FIELD,
Special Account.

[Endorsement]

Pay to the order of any bank, banker, or trust company or through the New York Clearing House. Endorsement guaranteed.

CORN EXCHANGE BANK TRUST CO.
January 28, 1942.

No. 159.

MADISON AVENUE OFFICE,
GUARANTY TRUST CO. OF NEW YORK,
December —, 1941.

Pay to the order of American Council, Institute of Pacific Relations, one thousand five hundred dollars.

$1,500.

FREDERICK V. FIELD,
Special Account.

[Endorsement]

Pay to the order of the Corn Exchange Bank Trust Co.

AMERICAN COUNCIL, INSTITUTE OF PACIFIC RELATIONS.

Mr. McCARTHY. Mr. President, in discussing the present Ambassador at Large, Mr. Jessup, I originally made the statement that he had a great affinity for Communist causes. That was a gross understatement. Since that time we have proven not only a great affinity for Communist causes, but a great affinity for Communist associates and a great affinity for Communist money. I think it should be said, however, in fairness to him, that there is no evidence that he personally benefited from the Communist money received. Apparently it was for the support of the publication which he was running, a publication which, incidentally, without any question at all, was following the Communist Party line right down to a "T."

Mr. President, I made the statement that I had documentary proof that he was affiliated with five different Communist-front organizations. The State Department denied that. They said, "No, only one," apparently on the theory that if an Ambassador of this country belonged to only one organization which the Attorney General had declared was a front for the Communist Party, doing their work, that would not disqualify him. Of course, I differ with them in that. I think if a man in Jessup's position belonged to one, that would certainly at least rate a question as to his qualifications.

However, I then produced the photostats showing five Communist-front organizations with which he was affiliated. The State Department said, "That is wrong; he belongs to only two." At this time I ask unanimous consent to insert in the RECORD the official citations of the five Communist-front organizations with which Mr. Jessup was affiliated, and of a sixth in which Mrs. Jessup occupied a position on the executive committee. My reason for inserting the document showing the Communist affiliation of Mrs. Jessup is not because we are concerned with her, except that this is one of the organizations with which Mr. Jessup was also very closely affiliated.

Mr. President, I call the attention of the Senate to the fact that in one of these documents a union label No. 209 is used. Mr. Jessup was in charge of the publication of a magazine, so I assume he would recognize that label, without any difficulty. This happens to be the union label of the Communist print shop in New York.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

DATA ON COMMUNIST-FRONT ORGANIZATIONS WITH WHICH AMBASSADOR PHILIP JESSUP WAS AFFILIATED

Source: Citations by official Government agencies of organizations and publications found to be Communist or Communist fronts, prepared and released by Committee on Un-American Activities, United States House of Representatives, December 18, 1948.

AMERICAN COUNCIL, INSTITUTE OF PACIFIC RELATIONS

1. Cited as a Communist front which received funds from the American People's Fund, another front organized and directed by Frederick V. Field as a repository for funds to be distributed to Communist enterprises. (California State Legislature Committee on Un-American Activities, report 1948, p. 168.)

NOTE.—American People's Fund—Organized and directed by Frederick Vanderbilt Field "as a repository for funds to be distributed to Communist enterprises." This "Communist financial organization has paid out large sums of money to * * * Communist and Communist-front organizations" such as National Council of American-Soviet Friendship, Allied Labor News, American Russian Institute, American Committee for Protection of Foreign Born, Joint Anti-Fascist Refugee Committee. (California State Legislature Committee on Un-American Activities, report 1948, p. 168.)

COORDINATING COMMITTEE TO LIFT THE SPANISH EMBARGO

1. Cited as one of a number of front organizations, set up during the Spanish Civil War by the Communist Party in the United States and through which the party carried on a great deal of agitation. (Special Congressional Committee on Un-American Activities, House of Representatives, report, March 29, 1944, pp. 137–138.)

2. Cited as a Communist front. (California State Legislature Committee on Un-American Activities, report, 1947, p. 210.)

NATIONAL EMERGENCY CONFERENCE

1. Cited as a Communist front. (Special congressional Committee on Un-American Activities, House of Representatives, report, March 29, 1944, p. 49.)

2. It will be remembered that during the days of the infamous Soviet-Nazi pact the Communists built protective organizations known as the National Emergency Conference, the National Emergency Conference for Democratic Rights, which culminated in the National Federation for Constitutional Liberties. (Congressional Committee on Un-American Activities, House of Representatives, Report No. 115, September 2, 1947, p. 12.)

3. Cited as a Communist front. (California State Legislature Committee on Un-American Activities, report, 1948, p. 115.)

NATIONAL EMERGENCY CONFERENCE FOR DEMOCRATIC RIGHTS

1. Cited as a Communist front. (Special congressional Committee on Un-American Activities, House of Representatives, report, March 29, 1944, pp. 48 and 102.)

2. It will be remembered that during the days of the infamous Soviet-Nazi pact the Communists built protective organizations known as the National Emergency Conference, the National Emergency Conference for Democratic Rights, which culminated in the National Federation for Constitutional Liberties. (Congressional Committee on Un-American Activities, House of Representatives, Report No. 1115, September 2, 1947, p. 12.)

3. Cited as a Communist-front organization defending Communists.

After the dissolution of the American League for Peace and Democracy in February 1940, the Communist Party frantically organized a new series of front organizations. The National Emergency Conference for Democratic Rights was one of the new fronts and it was filled from top to bottom with veteran Communist Party liners. (California State Legislature Committee on Un-American Activities, report, 1948, pp. 112 and 327.)

4. Cited as subversive and un-American. (Special Subcommittee of the House Committee on Appropriations, Report, April 21, 1943, p. 3.)

AMERICAN RUSSIAN INSTITUTE FOR CULTURAL RELATIONS WITH THE SOVIET UNION (ALSO KNOWN AS THE AMERICAN RUSSIAN INSTITUTE)

1. A direct agent of the Soviet Union, engaged in traitorous activities under the orders of Stalin's consular service in the United States. Founded in 1926, the semiofficial status of the American Russian Institute is established. (California State Legislature Committee on Un-American Activities, Report, 1948, pp. 169 and 327.)

2. Cited as a Communist organization supported by intellectuals. (Massachusetts House Committee on Un-American Activities, Report, 1938, p. 279.)

Branches of American Russian Institute cited by the Attorney General

1. American Russian Institute of San Francisco, cited as a Communist organization. (Attorney General Tom Clark, letter

to Loyalty Review Board, released September 21, 1948.)

2. American Russian Institute of New York. Cited as a Communist organization. (Attorney General Tom Clark, April 21, 1949.)

3. American Russian Institute of Southern California, Los Angeles. Cited as a Communist organization. (Attorney General Tom Clark, April 21, 1949.)

4. American Russian Institute of Philadelphia. Cited as a Communist organization. (Attorney General Tom Clark, April 21, 1949.)

AMERICAN LAW STUDENTS ASSOCIATION

Affiliated with three organizations cited by various Government agencies as Communist or Communist-front.

1. The American Law Students Association was affiliated with the American Youth Congress.

(1) Cited as subversive and Communist. (Attorney General Tom Clark, letters to Loyalty Review Board, released December 4, 1947, and September 21, 1948.)

(2) It originated in 1934 and has been controlled by Communists and manipulated by them to influence the thought of American youth. (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942; also cited in re Harry Bridges, May 28, 1942, p. 10.)

(3) One of the principal fronts of the Communist Party and "prominently identified with the White House picket line * * * under the immediate auspices of the American Peace Mobilization." (Special Committee on Un-American Activities, report, June 25, 1942, p. 16; also cited in reports of January 3, 1939, p. 82; January 3, 1941, p. 21; June 25, 1942, p. 16; and March 29, 1944, p. 102.)

(4) Launched during August of 1934 and for about 7 years one of the most influential front organizations ever established by the American Communist Party. (California Committee on Un-American Activities, report, 1948, p. 179.)

(5) The purpose of the Young Communist League in controlling and building this American Youth Congress is the same as in its other youth groups, namely, to build up a united front, to push the objective of and produce cadres for the Communist Party among persons to whom they would be unable to make a direct approach. (Massachusetts House Committee on Un-American Activities, report, 1938, p. 525.)

(6) Cited as subversive and un-American. (Special subcommittee of the House Committee on Appropriations, report, April 21, 1943, p. 3.)

(7) Cited as a Communist front. (Pennsylvania Commonwealth Counsel before the reviewing board of the Philadelphia County Board of Assistance, January 1942.)

2. The American Law Student Association was affiliated with the United Students Peace Committee of 347 Madison Avenue, New York City.

(1) The American Student Union announced that it set up the front movement, the United Student Peace Committee, in 1938, which has brought into its front 17 national youth organizations. (Special Congressional Committee on Un-American Activities, Report, January 3, 1939, p. 80.)

3. The American Law Students Association was affiliated with the American League Against War and Fascism.

(1) Cited as subversive and Communist. (Attorney General Tom Clark, letters to Loyalty Review Board, released December 4, 1947, and September 21, 1948.)

(2) A Communist-front organization. (Attorney General Francis Biddle, in re Harry Bridges, May 28, 1942, p. 10.)

(3) Established in the United States in an effort to create public sentiment on behalf of a foreign policy adapted to the interests of the Soviet Union. (Attorney General Francis Biddle, CONGRESSIONAL RECORD, September 24, 1942.)

(4) The American League Against War and Fascism was organized at the first United States Congress Against War which was held in New York City, September 29 to October 1, 1933. Four years later at Pittsburgh, November 26–28, 1937, the name of the organization was changed to the American League for Peace and Democracy. It remained as completely under the control of Communists when the name was changed as it had been before. (Special Committee on Un-American Activities, Report March 29, 1944, p. 53; also cited in Reports, January 3, 1939, pp. 69 and 121; January 3, 1940, p. 10; June 25, 1942, p. 14.)

(5) Hollywood unit cited as a Communist front. (California Committee on Un-American Activities, report, 1943, p. 91.)

(6) The Communist Party has since the inception of the league been a component and controlling part of it. William Z. Foster, chairman of the Communist Party, admitted his party was "a vital factor" in the league. (Massachusetts House Committee on Un-American Activities, report, 1938, pp. 298 and 460.)

(7) Cooperated with the Communist Party in defense of Morris U. Schappes, party member convicted of perjury. (Rapp-Coudert committee, report, 1942, p. 293.)

(8) The American League Against War and Fascism, predecessor of the American League for Peace and Democracy, both described by Earl Browder as Communist transmission belts. (New York City Council committee investigating the municipal civil service commission.)

4. The American Law Student's Association utilized the Communist Party print shop known as the Prompt Press, using union label 209.

CHINA AID COUNCIL

1. Cited as a Communist front and a subsidiary organization of the American League for Peace and Democracy. (California Committee on Un-American Activities, report, 1948, pp. 151, 319, and 336.)

2. Cited as a subsidiary of the American League for Peace and Democracy. (Special congressional Committee on Un-American Activities, House of Representatives, report, June 25, 1942, p. 16.)

China Aid Council combined with the American Committee for Chinese War Orphans. National office, 200 Fifth Avenue, New York City, Algonquin 4-3162.

Mrs. James Roosevelt, honorary chairman; His Excellency Dr. Hu Shih, His Excellency Dr. W. W. Yen, honorary vice chairmen; Dr. Claude E. Forkner, chairman; Arthur Upham Pope, treasurer.

Executive committee: Dr. Henry A. Atkinson, Dr. Henry L. Bibby, Lyman R. Bradley, Mrs. Edward C. Carter, Dr. Ch'ao Ting Chi, Mrs. Elizabeth B. Cotton, Margaret Forsyth, Dr. Claude E. Heaton, Philip J. Jaffe, Sally Lucas Jean, Mrs. Philip C. Jessup, Dorothy McConnell, Edgar H. Rue, Mrs. Gordon M. Tiffany.

Mildred Price, executive secretary.

Dorothy Gillam, promotion director.

American Law Student's Association, Woolworth Building, Room 530, New York, N. Y. Faculty advisory board: Northwestern University School of Law, Dean Leon Green; New York University, Dean Frank Sommers, Prof. F. D. Sloovers, Prof. Augustin Derby, Prof. William Walsh, Prof. Herman Grey; St. Johns University, Vice Dean John Maloney, Prof. D. S. Edgar, Sr., Prof. D. S. Edgar, Jr.; Columbia University, Prof. Elliot Cheatham, Prof. Walter Gellhorn, Prof. Philip Jessup; Brooklyn Law School, Prof. Jerome Prince, Prof. Abraham Rotwein; Yale Law School, Prof. Fred Rodell, Prof. Abe Fortas; National Executive Board, Robert Page, president; Thomas Levinia, vice president; Morris Engel, secretary; Norman Leonard, treasurer.

Union label No. 209, which is the Communist print-shop label.

Mr. McCARTHY. Mr. President, I also ask unanimous consent to place in the RECORD another document, a photostat. At the time I spoke to the National Association of Editors—and that seems to be a speech which has concerned the State Department considerably—I made the statement that at the height of the Communist smear campaign which was conducted by Mr. Jessup's publication, the Far Eastern Survey, Mr. Jessup was the chairman of the Research Advisory Committee. That is the committee which has the absolute editorial control of the magazine. The State Department issued a white paper—spent about a month doing it, with $10,000 a year men—and came back with the statement that Mr. Jessup was merely a member of the fifty-man board of trustees.

Mr. President, because of that I am producing for the RECORD a photostat showing that Mr. Jessup, first, was chairman of the Research Advisory Committee in 1944, which is when the smear campaign reached its peak; second, that he was also a member of the executive committee, which contains the names of a number of known Communists; and, third, that he was also on the board of trustees.

I might say that the mere fact that a man's name has appeared on a list of the board of trustees does not of itself indicate that he is a Communist. The aim of the Communist Party, insofar as the Institute of Pacific Relations was concerned, that is, the American Council, was to get at least three or four of their men on the executive committee, individuals residing in and around New York, so that they could maintain control of the executive committee. They did not seem to care much whether they had control of the board of trustees or not.

We have gone over lists of the board of trustees for 10 or 15 years, and we find that of the 50 on the board of trustees, normally no more than eight or nine were active Communists. Their top aim was to get some of their members on the executive committee, to control that. For example, we find Frederick V. Field, we find Philip C. Jessup, and Harriet Moore, a very well known Communist. Lattimore was not on the board at that time. He had been on for some time. Alger Hiss, incidentally, was on the board for a period of time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the photostats were ordered to be printed in the RECORD, as follows:

AMERICAN COUNCIL INSTITUTE OF PACIFIC RELATIONS

MEMBERS OF EXECUTIVE COMMITTEE, 1944

Robert D. Calkins, chairman, School of Business, Columbia University, New York City.

Eugene E. Barnett, International Committee, Y. M. C. A., New York City.

G. Ellsworth Huggins, Catlin Farish Co., Inc., New York City.

Philip C. Jessup, professor of international law, Columbia University, New York City.

James L. McConaughy, United China Relief, Inc., New York City.

Lawrence Morris, Hawkins, Delafield & Longfellow, New York City.

Mrs. Ada Comstock Notestein, former president, Radcliffe College, Cambridge, Mass.

Lawrence D. Seymour, Dodge & Seymour Ltd., New York City.

Frederick V. Field, Council for Pan American Democracy, New York City.

Raymond Dennett, secretary, American council, IPR, New York City.

MEMBERS OF RESEARCH ADVISORY COMMITTEE 1944

Philip C. Jessup, chairman, professor of international law, Columbia University, New York City.

H. Foster Bain, mining geologist and engineer, Engineers Club, New York City.

Rupert Emerson, Foreign Economic Administration, Washington, D. C.

Grayson Kirk, professor, Institute of International Studies, Yale University, New Haven, Conn.

Benjamin H. Kizer, Graves, Kizer & Graves, Spokane, Wash.

Harriet Lucy Moore, American-Russian Institute, New York City.

Frank M. Russell, professor, University of California, San Francisco, Calif.

Harold Sprout, Princeton University, Princeton, N. J.

Eugene Staley, School of Advanced International Studies, Washington, D. C.

Raymond Dennett, secretary, American Council, IPR, New York City.

1944 BOARD OF TRUSTEES

Commodore B. C. Allen, United States Navy, San Francisco, Calif.

Riley H. Allen, Honolulu Star Bulletin, Honolulu, Hawaii.

Frank C. Atherton, Castle & Cooke Ltd., Honolulu, Hawaii.

Eugene E. Barnett, International Committee, YMCA, New York City.

Carroll Binder, Chicago Daily News, Chicago, Ill.

Pearl S. Buck, East and West Association, New York City.

Robert D. Calkins, School of Business, Columbia University, New York City.

Joseph P. Chamberlain, department of public law, Columbia University, New York City.

Allan E. Charles, Lillick, Geary, Olson & Charles, San Francisco, Calif.

Joseph S. Davis, Food Research Institute, Stanford University, California.

Len DeCaux, Congress of Industrial Organizations, Washington, D. C.

W. F. Dillingham, Oahu Railway & Land Co., Honolulu, T. H.

Edwin R. Embree, Julius Rosenwald Fund, Chicago, Ill.

Brooks Emeny, Council on World Affairs, Cleveland, Ohio.

John Fairbank, Office of War Information, Washington, D. C.

Frederick V. Field, Council for Pan American Democracy, New York City.

Galen M. Fisher, Institute of Pacific Relations, San Francisco, Calif.

Huntington Gilchrist, American Cyanamid Co., 30 Rockefeller Plaza, New York City.

Henry F. Grady, American President Lines, San Francisco, Calif.

Mortimer Graves, American Council of Learned Societies, Washington, D. C.

Jerome D. Greene, formerly board of overseers, Harvard University, Cambridge, Mass.

Mrs. Edward H. Heller, trustee, Mills College, Oakland, Calif.

Paul G. Hoffman, the Studebaker Corp., South Bend, Ind.

G. Ellsworth Huggins, Catlin Farish Co. Inc., New York City.

Edward F. Ingraham, chairman, International Student Association, Boston, Mass.

Philip C. Jessup, professor of international law, Columbia University, New York City.

Mr. McCARTHY. Mr. President, I also ask unanimous consent to insert in the RECORD a copy of an article which appeared in the New York Times on Saturday, February 16, 1946, in which Mr. Jessup joined with certain other individuals urging that we stop manufacturing any atomic bombs, and that we dump into the ocean any atomic bomb material which had been developed. I am sure that Joe Stalin would not have objected too strenuously if we had done that at that time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

URGE BOMB-MAKING VACATION—COLUMBIA PROFESSORS ASK DECLARATION TO AID UNO COMMISSION

To the EDITOR OF THE NEW YORK TIMES:

In view of the establishment of the UNO Commission on the Atomic Bomb, we would like to suggest a declaration of policy of the following nature by the President of the United States, in order that the discussions of the UNO Commission may proceed in an atmosphere of full good faith and of confidence in their successful outcome for international peace.

1. The United States will at once stop the production of bombs from material currently produced. This includes the preparation of subassemblies and all other procedures involved in the fabrication of bombs.

2. For 1 year, which would seem to be a reasonable time for the Commission to mature its plans and to secure action on them by the governments concerned, we will stop accumulating purified plutonium and uranium-235, which are the essential ingredients of atomic bombs. The plants which produce these materials will be kept merely in a stand-by condition. For this purpose they will run at the minimum rate compatible with maintaining them in good order, but they will not accumulate the resulting purified and fissionable products. As produced, these will be eliminated by appropriate means, such as dumping them into the ocean or returning them to their original mixture.

3. We are prepared to have the disposition of our present stockpile of bombs considered as one of the items in an agreement to be entered into by us and the other governments.

L. C. Dunn, Irwin Edman, A. P. Evans, Selig Hecht, P. C. Jessup, R. M. MacIver, Edgar Miller, F. C. Mills, George B. Pegram, I. I. Rabi, Jan Schilt, C. S. Shoup.

NEW YORK, *February 13, 1946.*

(The signers of the foregoing letter are, respectively, professors of zoology, philosophy, history, biophysics, public law, sociology, biochemistry, economics, graduate faculties (dean), physics, astronomy, and economics.)

Mr. McCARTHY. Mr. President, the hour is growing late. I had prepared to address the Senate at some length on some difficulties which we were presently having in producing testimony before the committee, but rather than take up the time of the Senate in reading the entire prepared address, I ask unanimous consent to have it inserted, not in the Appendix, but in the body of the RECORD, and in the same shape and manner as though verbally given to the Senate.

The PRESIDING OFFICER. The Chair is advised that it will appear, under those circumstances, as a statement, not as a speech. It will be in smaller print.

Mr. McCARTHY. I agree with the Chair. The Chair is certainly correct in his ruling, and that is acceptable.

However, I should like to discuss with the Senate very briefly one of the things which concerns me very deeply.

The PRESIDING OFFICER. Does the Senator make the request that his statement be printed in the RECORD?

Mr. McCARTHY. Yes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR McCARTHY

I would like to get the Senate's advice today on a subject which I consider of great import.

As the Senate knows, over 3 months ago I gave to the Senate a brief résumé of what was in the files of some 81 cases of individuals presently, or in the recent past, working in the State Department.

Since that time my continued investigation has caused me to give to the committee appointed by the Senate an additional 25 names of individuals whose files indicate that they are, at least in my opinion, very dangerous to the security of this Nation.

As the Senate knows, I have pointed out to it that the files on those individuals were built up by thousands of investigators in the FBI, CIA, Office of Naval Intelligence, Army Intelligence, Secret Service, and so forth, at a cost of millions upon millions of dollars over years of time. I pointed out to the Senate that it would be impossible for me to duplicate even remotely the material in the files of all of those individuals because of the limitations of (1) time, (2) trained investigators, and (3) finances.

I have reproduced the evidence from parts of those files at great difficulty and shall continue to do so unless and until all of the files are opened.

I have pointed out time after time that the proof of all my charges can be found in the files and there alone. By that I mean all of the files, not merely the denuded, loose-leaf State Department files.

I say to you, Mr. Truman and your administration leaders who shout that the charges cannot be proved, take one of your top men whom I have named, such as Service, Lattimore, or Jessup, and open the files in that single case—the State Department files, the Civil Service files, the FBI files, and the files of any other Government agency which has investigated the case. Do this, Mr. Truman, so that there will no longer be any doubt in the minds of the American people as to whether or not McCARTHY is giving them the correct facts.

This is certainly not too much for the American people to ask of their President. What conceivable reason can you have for failing to take just one case and lay all the evidence on the table? If you continue to refuse, sooner or later the American people are going to become completely fed up with this campaign of your administration leaders; that it is McCARTHY's task, and not yours, to furnish the proof which you have in the files. Why are you hiding the proof, Mr. Truman? The American people would like to have an answer to that question.

You have long condemned vested interests, Mr. Truman. What more vicious vested interest could there be than the vested interests of the Communists in keeping their agents in our State Department. Why do you defend this vested interest, Mr. Truman? Why not prove to the American people tomorrow that you are right and I am wrong by cracking all of the files on one of those individuals whom I have named?

Why are you afraid, Mr. President, to crack, for example, the complete files on John Stewart Service, Philip Jessup, Owen Lattimore, or Haldore Hanson, the head of the technical staff of the point 4 program?

You will recall Mr. Lattimore asked that I adequately describe him off the Senate floor so that he might sue. You will recall that when I offered to do this providing he make his files available for any libel action he refused. I can understand this refusal on his part, but neither I nor the American people can understand this refusal by you to make his files available—not available to the public, but merely available to the Senate committee and its staff.

I have described the communistic activities of a number of your top experts, Mr. President, as they appear in the files. A number of those experts have threatened suit, if the statements were made off the Senate floor. I have offered to accommodate them, but not if you protect them and hamper the defense of a potential libel suit by keeping the proof locked in Government vaults. Let's you and I accommodate them, Mr. President. You make their files available, and I will help them start their lawsuits—not that I think they will. You recall Alger Hiss made that mistake. But let's you and I call their bluff, Mr. President. Here perhaps is one place where we can cooperate for the benefit of the country.

When I pointed out to the Senate that I could not individually produce witnesses to prove the vast amount of material in those files—some of them containing thousands of pages of evidence—the Senate apparently agreed with me and voted unanimously to subpena all of the files so as to get a complete picture of those individuals. At the time this was done, not a voice or a vote was raised against it. Since that time, however, as the Senate knows, the President has decided not to make any file available except the skeleton State Department files in some of the cases. Significantly, the files in the cases of Lattimore, Service, Jessup, and others of the more dangerous individuals will remain secret by Executive fiat. To date, no explanation has been made by the President or anyone else as to why part of the files of certain individuals should be made available to the committee and the files of others remain sacred.

When part of the files of part of the cases which I presented to the Senate were opened to the committee, it originally looked as though a step forward had been made and as though something might be accomplished. Strangely, however, the $10,000,-a-year men on the committee staff, who I understand had received the approval of the FBI for this work, were denied the right to see the files. The result of this denial was that the Senators who certainly have no training for his type of work were denied the expert aid which they would need, not only to evaluate the material in the files, but also to determine whether and how badly those files had been raped and denuded.

If the files had been made available in accordance with the demand of the Senate and thoroughly studied by a competent staff, there could then have been no doubt whatsoever in the minds of the Senate or the American people as to just how right or how wrong I was.

The opportunity to have this done I eagerly courted. I was certain then and I am still certain that if the administration felt that I was mistaken it would welcome the opportunity to make those files available (with the proper restriction, of course, so as to safeguard our investigative agencies) so as to prove to the 150,000,000 people in this country who have grown to suspect the loyalty and other things about some of our State Department personnel that my charges were false.

When the President decided to stick by his original black-out order—an order originally passed when Hiss was being exposed to the public eye—I decided that even though the Senate in its original resolution indicated that it would not expect me to do so, that I would develop enough information about some of those individuals to convince the Senate and this Nation how grave the danger was with the hope that public opinion might finally force the administration to clean house.

As the Senate knows, it was a tremendous and costly task to try to reproduce the documents and the evidence which is so easily available in the files of our investigative agencies.

This, however, has not been my major difficulty. The major difficulty has been in getting the evidence into the RECORD before the committee.

As the Senate knows, Senate committees have long followed the practice of allowing Senators who are not members of the committee to sit in and take part in the questioning of witnesses and to be of assistance in developing the facts. I therefore asked the committee for this right—especially for the right to cross-examine hostile witnesses, those whose files indicated, at least to me, that they were dangerous and disloyal to this country.

I pointed out to the commitee that I had been living with this subject for some time and studying it in detail and even though the committee members might be potentially more effective cross-examiners, that they simply did not have the background in the short time allowed them to prepare themselves.

I pointed out to the committee further that no witness who was willing to tell the truth should fear my cross-examination, nor should any committee which was interested in actually getting the truth.

By a split vote of 3 to 2—the Republicans voting to allow me to examine; the Democrats against it—I was denied this right. At that time I considered breaking any relations with this committee whatsoever and refusing even to attempt to present witnesses to it. However, I decided against this course when I was assured by the chairman that I could at least sit in with the committee while my witnesses were testifying. Subsequently, this right was denied me and I was asked to produce witnesses without even the right to be present when they testified. Again I considered refusing to present further witnesses, but again decided against that course of action and submitted the names of very important witnesses to the committee.

Since that time very unusual developments occurred. The picture can perhaps best be given by reading a wire which I have today received from the top security officer in OSS—the man who was technically in charge of OSS.

The Senate will recall that I asked that Mr. Archbold Van Beuren, the Security Officer of OSS, and General Donovan of OSS be called as witnesses. I stated at that time that they would be able to shed valuable light not only on the Amerasia case, but some additional light on some other State Department officials. Strangely, however, instead of calling those witnesses, two of the investigators for the committee merely interviewed them, after which the announcement was made that they would not be called.

Let me now read to you the wire I received this morning from Mr. Van Beuren:

NEW YORK CITY, *June 2, 1905.*

Senator JOSEPH R. MCCARTHY,
Senate Office Building:

Messrs. Tyler and Heald, attorneys for Tydings Committee, called on me May 23. I have a strong feeling they were more interested in my reactions to Mr. Bielaski's testimony than they were in my knowledge of early stages of Amerasia case. At no time did they ask for my opinion as Security Officer of OSS, of the importance of the documents which I saw. I myself volunteered that I definitely felt their unauthorized possession constituted a threat to national security in time of war. I told them that if the Tydings Committee was interested in that I would be glad to testify. I could also confirm and supplement Mr. Bielaski's testimony, as well as testify to the circumstances which led General Donovan to hand over the documents taken from Amerasia's office to the Secretary of State in person. They said that, on the basis of what I told them, they felt it was not necessary to call me and they would so recommend.

I feel they were primarily interested in getting information from me which would contradict or possibly discredit Mr. Bielaski's testimony, rather than information that would further their investigation of the Amerasia case.

I wonder if the attorneys would have urged that I be called had I contradicted Mr. Bielaski.

ARCHBOLD VAN BEUREN.

As I have informed some of the Senators, at this time we have available over a score of witnesses who could give valuable evidence on the Amerasia case and on communism in the State Department. Some of those witnesses are willing witnesses, some reluctant, others hostile, but if put under oath and properly examined, their evidence can be of very considerable value.

I would like to ask the advice of the Senate on just what I should do under the circumstances, after the sequence of events culminating in the experiences of Mr. Van Beuren. My present thought is that it would be a waste of time and a great abuse of the confidence of those witnesses to give their names to the staff and have them subjected either to the type of horseplay to which Mr. Van Beuren was subjected or the abuse to which Mr. Budenz was subjected. I have, therefore, tentatively decided not to present the names of any further witnesses to the committee unless and until it consents to the very simple and reasonable request that the minority members be allowed to subpena such witnesses as they desire, and that upon their appearance the minority counsel be allowed to develop the story from them (with of course, the right of any member of the committee or the chief counsel to conduct such subsequent cross-examination as is desired). I, frankly, think that is a reasonable position. However, it is not an arbitrary position. The witnesses are available. I want to have them heard. I consider the evidence important. However, I don't want to subject them to horseplay and abuse. Nevertheless, I shall be glad to abide by any advice which the Senate cares to offer.

I hope that those witnesses, together with such other witnesses as I am developing, will give the Congress and the country at least some semblance of a picture of the dangerous material contained in the files of the individuals whose names I have given the committee, and that thereafter, perhaps, the President can be induced to clean house before it is too late.

I realize that many Senators are extremely busy on other issues, issues of great importance also. But I would like to urge upon my fellow Senators that they take the time to go over the actual proof that has been presented—go over all of the documents—and I shall be more than happy to make them available to any Senator who wants them.

I realize that it has been coming in piecemeal. I realize that many of the Senators, consequently, do not have a complete picture of what has been proven. But I want all the Senators—both Democrats and Republicans—to know that I shall be more than glad to take time out to present them a picture of what has been proven to date—not a picture in my words, but a picture by the documents and sworn testimony.

In view of the piecemeal fashion in which the evidence, under the circumstances, has

been necessarily presented, plus the fact that much of the valuable testimony has been taken in secret, I assume that very few of the Senators know that a rather complete case has been presented against the man who now heads the technical staff of the point 4 program.

For example, the evidence available now shows that this man was in a joint business venture with one of the top spies named in the Sorge diary and listed as a Soviet agent in the reports forwarded by MacArthur's intelligence section to the House Un-American Activities Committee. The individual named as a spy is Nym Wales, who is Mrs. Edgar Snow. She and the man who is now head of the technical staff of our point 4 program ran a Communist magazine in Peiping at the time when, according to the evidence in the Sorge case, she was a part of the Sorge Communist spy ring. The Senators will recall that Sorge was a Russian spy who was hung by the Japanese during the war. One of the other men in the spy ring was given life imprisonment and has since been released. The evidence in the Sorge case shows that Nym Wales was one of the American contacts for the Sorge spy ring. This you understand is all a matter of record. It is also unquestioned that this top Soviet spy was in partnership running a magazine with the man who is now largely responsible for the planning of the spending of millions of American dollars under our point 4 program.

The testimony taken in executive session, which the committee has not released, is to the effect that this man Hanson was an important part of the Communist organization in the United States. The State Department, of course, has taken no action whatsoever in this case, except to still make the fantastic and screaming denial that there are no Communists or Communist sympathizers in the State Department.

I assume also that very few Senators know the extent of the testimony which has been laboriously dug up covering Mr. Philip Jessup, the State Department's ambassador at large. As of now there is a complete case against Mr. Jessup, showing that he was in charge of a publication which was supported by Communist funds and which was doing the work for the Communist Party. I refer to the Far Eastern Survey, the publication of the American Council of the Institute of Pacific Relations, which had an interlocking directorship with Amerasia, and whose publication was put out in offices immediately connected with Amerasia. Documentary proof also shows Mr. Jessup's connection with five different Communist-front organizations. I assume very few of the Senators are aware of the fact that after it was brought to the President's attention that the publication run by Mr. Jessup was being supported by Communist money and following the Communist Party line in toto and that he was affiliated with five organizations named officially as fronts for the Communist Party, that then Mr. Jessup was given top secret clearance to all A- and H-bomb information. I would suggest to those who say that no case has been completely proven that they look over the evidence and documents in the Jessup case and that anyone who can add two and two cannot help but understand that the case against Mr. Jessup has been completely proven.

Originally I stated that Mr. Jessup had a great affinity for Communist causes. That was an understatement. Since that time not only has that been proven, but it has also been proven that he had a great affinity for Communist associates and a great affinity for Communist money—not perhaps for his personal use, but to support his publication which was doing the Communist job.

This was information which had been hidden from the public and which the President refused to divulge by showing Mr. Jessup's file, but which I have painstakingly produced over a period of 3 months. In this connection, I thought the Senators might be interested in the photostats of the actual checks representing money paid to support the Far Eastern Survey, which was run by Jessup. You will recall that the State Department issued an official pronouncement to the effect that only $3,500 of Communist money had been used. However, I have here photostats showing $6,000 of Communist money paid to support this publication. I have additional copies if any of the Senators care for them.

You understand, of course, that when I have been able to get photostats from a hostile source totaling $6,000 that unquestionably many, many more thousands of dollars were paid. The amount, of course, could very easily be determined, if the committee decided to subpena and examine Mr. Field's financial records. I suggest in this connection, they also subpena the financial records of Amtorg. Amtorg and the Communist, Field, have been the principal sources of funds for Soviet espionage in the United States.

In view of the amount of work which the Senators must do, I doubt very much that they realize that the sworn testimony shows that the man who is today head of the technical staff of the President's point-4 program was the coeditor of a Communist paper in Peiping some 15 years ago and that his partner was a well-known Communist also. That, gentlemen, is the sworn testimony. Either there was perjury, or this man Hanson was a coeditor of a Communist magazine.

I doubt that the Senate knows that there is sworn testimony to the effect that this man after he was in the State Department was known to the top Communists as a member of the party and considered and treated as such by them. That, gentlemen, is the sworn testimony.

But as of this very moment he holds this top and important job in our Government.

Now I would further suggest to members of both parties that before they heed the statement, for example, of the Attorney General that there are no Communists or pro-Communists in government, that they remember the case of William Remington and Michael Lee—that they remember, for example, the statements of men like Vice-Admiral Russell S. Berkey, who, on May 15, said that United States bungling enabled the Communists to overrun China. In connection with that I want to quote to you what Admiral Berkey said:

"The Chinese Reds would still be north of the Great Wall if specific items of arms authorized by Congress 2 years ago had reached the Nationalist forces in time. For some reason or other it took 9 months to get specific items to China. Somewhere in the United States somebody slipped up, bogged down, or was interfered with. It has never been made plain why this material did not arrive in time."

Obviously, it was not a slip-up. It was planned between the Remingtons and Lees in the Commerce Department and the Acheson clique in the State Department.

I suggest to the Senators that they remember also that Remington, whose case is now being heard by a grand jury, was passed with flying colors by the Loyalty Board, whose job it is to protect America against Communists, fellow travelers, and dangerous individuals. I suggest also that they remember that Michael Lee not only had the approval of the Loyalty Board, but that he received the public sanction of the Secretary of Commerce after all the evidence on him had been developed, and remember also that had the Amerasia case been fully developed in 1945, this man Lee would have long since been removed from his position of power and would not have been able to sabotage Congress in its efforts to fight the spread of communism in Asia. Remember that he was one of the characters named in Amerasia—the evidence of which has been buried for 5 years until finally forced out.

I think the country owes a deep debt of gratitude to those Senators who completely and wholeheartedly supported this anti-Communist fight even at a time when the smear brigade locked as though it might accomplish its assigned task. At that time, it certainly didn't seem politically expedient for them to support this fight. The welfare of the country and that alone could have prompted them. I would like to call the roll of those Senators, but they were not impelled by political motives then and they are not looking for publicity or political gains now.

Let me make it clear, however, to the administration, to the Senate, and to the country that this fight against communism, this attempt to expose and neutralize the efforts of those who are attempting to betray this country shall not stop regardless of what any individual or group in this Senate, or in the administration may say or do. I hold myself accountable, not to them, but first to the people of my State, secondly to the people of the Nation, and thirdly to civilization as a whole.

In closing I would like to mention another subject.

A few days ago one of my colleagues authorized a statement that among the Amerasia documents was one that showed that the State Department had sent out a secret dispatch in July of 1944, setting forth the views of Amerasia which advocated the settlement of postwar problems in Japan and building up and arming the Chinese Communists. At the time the Justice Department, even though it had the dispatch, categorically and flatly denied that any such cable was in existence. Now, however, the State Department admits its existence after it has been smoked out, and attempts to explain it by calling it something that had been put out by the press section and sent to missions abroad for their information. This, too, is preposterous. The dispatch was a secret dispatch sent out under the name of the Secretary of State and nothing in it indicated that it was anything but an authoritative endorsement of the policy of Amerasia at that time. It was sent to the American Ambassador with a copy to COMINCH, the military designation of the President, and to certain other operational units. It called for consideration of the possibility of establishing the leading Japanese Communist outside of Japan as a Tito for Japan. It also represented an endorsement of the position that the Communists were then taking in China—that American aid and American military missions and arms should be sent to the Chinese Communists despite the fact that there was all kinds of evidence that the same Communists were then planning the revolution that has since come to pass in China in opposition to our then ally, the Chinese Government. Maybe Hull didn't send it, but if he did not who had such sweeping authority?

Mr. McCARTHY. Mr. President, I should like to discuss a matter with the Senate, and I should like to call it especially to the attention of the Senator from California, and I should like to obtain the advice of the entire Senate on the subject. I have made a tentative decision. It is not arbitrary, and is subject to change if the Senate as a whole were to disagree with me.

When the investigation was first commenced, as the Senate will well remember, I explained to the Senate that it would be impossible for me to reproduce all the evidence in the 81 cases given to the Senate. That number, 81, was later increased by an additional 25 names which I gave the committee. I again

explained to the committee what material was in the files. I explained that that had been produced, as they know, over a period of years, at a cost of millions and millions of dollars, by thousands of competent investigators. Obviously I, working on my own, with no authority of subpena, could not conceivably reproduce all that evidence.

As Senators will recall, the Senate unanimously agreed—not a voice or a vote was raised against the proposition—that we should subpena all the records, not merely the State Department files, but all the files, and secure the complete record and do a job of house cleaning.

As the Senate will recall, the President then refused to make the files available, but finally made available some of the skeleton, denuded, State Department files.

The administration then commenced a rather effective campaign, using all the publicity channels available to it, to convince the American people that even though the President had the files in his grip, even though he had all the proof, that it was right and proper for him to hide that proof and require MCCARTHY to go out and try and reproduce all that material, despite the fact that the Senate agreed that was impossible.

In view of the fact that those who had not seen the files could not very well be as deeply disturbed by the dangerous material in the files as those of us who had seen them, I decided that I would attempt to produce enough of material in some of the more dangerous cases so as to convince the Senate and the country of the imminent danger of the situation, with the hope that perhaps the pressure from the public and from the Senate might force the President to crack open the files—I do not mean publicly, but to the committee—and do a house-cleaning job. I ran into many difficulties, but nothing quite like what I ran into the last few days.

Originally I asked the committee to allow me to cross-examine the witnesses. There has been, as the Senators know, a long practice that a Senator who is not a member of committee be allowed to sit in and examine such witnesses as he desires. I pointed out to the committee in this case that I felt it was especially important that I be permitted to do so, in view of the fact that the five Senators who were on the committee freely admitted that they were not prepared to conduct the examination. They had not been living with this subject and studying it as I had been for months. As I told them, even though they might be potentially much more brilliant cross-examiners than the Senator from Wisconsin, I felt under the circumstances I could be of some benefit if I sat in and cross-examined. The answer was "No" by a 3-to-2 majority, three Democratic Senators voting against it and two Republicans voting that I should be allowed to cross-examine.

At that time I considered the wisdom of dropping any connection with the committee whatsoever. I felt that this was an indication that they were not interested in securing the facts. However, the chairman later assured me that even though I would not be allowed to cross-examine the witnesses, at least I would be allowed to sit in when my witnesses were cross-examined in executive session. Later, when some of my witnesses were called—when I say "my witnesses" I mean those I asked the committee to call—I found that Mr. Owen Lattimore, whom I had named as one of the top Communists in the country, was being allowed to sit in on an executive session, he and his lawyer. I found that before I had arrived the minority counsel had been ordered from the room. If Senators can get that picture—the chairman said, "We will not allow the minority counsel in the room, but we will allow Mr. Lattimore and his attorney."

The next move was to eject me from the room also. At that time I again considered dropping any connection with the committee and refusing even to attempt to submit witnesses to the committee, feeling that the committee was not interested in obtaining the facts. I decided against that and submitted the names of additional witnesses, two or three, just to see what would happen. I submitted the name of William J. Donovan, head of the OSS during the war, and his top security officer, Mr. Archbold Van Beuren—certainly two outstanding men whose integrity and truthfulness has not been questioned as far as I know.

Then we find the most fantastic situation conceivable, something unheard of in any Senate or House committee; unheard of even in a kangaroo court. We find that two investigators went up and interviewed Mr. Van Beuren, and then came back and said, "He will not be called." I was anxious to know what happened at that meeting, knowing that Mr. Van Beuren was the man in charge of the Amerasia case, who sent the men out on the raids, the man who had lived and slept with this case for months—I was curious why this man was not called, especially in view of the valuable information he had. So I sent a telegram asking him whether he had been interviewed, whether he had refused to testify, or just generally what the situation was. Let me read his telegram. I think it is so important I have had photostatic copies made. Photostats are available to any Senators who want them. Let me read the telegram to the Senate.

JUNE 2, 1950.

Senator JOSEPH R. MCCARTHY,
Senate Office Building:

Messrs. Tyler & Heald, attorneys for Tydings committee, called on me May 23. I have a strong feeling they were more interested in my reactions to Mr. Bielaski's testimony than they were in my knowledge of early stages of Amerasia case. At no time did they ask for my opinion, as Security Officer of OSS, of the importance of the documents which I saw. I, myself, volunteered that I definitely felt their unauthorized possession constituted a threat to national security in time of war. I told them that, if the Tydings committee was interested in that, I would be glad to testify.

Listen to this, if you will:

I could also confirm and supplement—

Confirm and supplement—

Mr. Bielaski's testimony as well as testify to the circumstances which led General Donovan to hand over the documents taken from Amerasia's office to the Secretary of State in person. They said that, on the basis of what I told them they felt it was not necessary to call me and they would so recommend.

Here was the chief of the committee's investigating staff, a man receiving $11,000 or $12,000 a year, and another member of the staff assigned the task of developing the facts; and when the security officer of OSS, in charge of the Amerasia raids said, "I can give you testimony that will not only confirm but also supplement Mr. Bielaski's testimony; I can give the committee the story of why General Donovan thought this was so important that he personally took these secret documents and handed them to the Secretary of State," the two investigators said, "Well, under the circumstances we do not want your testimony."

Let me read further from the telegram.

I feel—

Again quoting Mr. Van Beuren—

I feel they were primarily interested in getting information from me which would contradict or possibly discredit Mr. Bielaski's testimony rather than information that would further their investigation of the Amerasia case.

Mr. Van Beuren continues:

I wonder if the attorneys would have urged that I be called had I contradicted Mr. Bielaski.

ARCHBOLD VAN BEUREN.

So we have the fantastic picture, first, of the committee saying, "We will not do any investigation on our own whatsoever." None has been done so far as I know, except by the man Tyler who was sent down to check on what MCCARTHY did in West Virginia—a rather thorough investigation of that, and I gather, rather fruitless.

Aside from that new investigation, the committee says to me, "You must produce all the witnesses." Then the committee says, "We will not let you at the files, even though we know the proof is in the files. If you do not convict the 81, then we are justified in whitewashing. Then we can say that nothing has been proved so far."

So, Mr. President, I gave the committee the name of Bielaski. It took the committee weeks to call him at, which time, of course, his testimony was taken in secret, because it might prove communism in the State Department. Then the committee interviewed my other witnesses, to try to get them, if possible, to make a liar out of my first witness. However, the committee found from them that it could not do that, because the witness said, "No; Bielaski is telling the truth, and I can give you more information."

So now the committee says: "No; we shall not call you."

Mr. President, that brings up what to me is a most important question. We have over a score of witnesses who can give valuable information from the standpoint of helping to do a house-cleaning job. Some of them will simply supply the minor links in the chain. Some of them will be hostile witnesses and will have to be put under severe examination and very vigorously examined and made to tell the truth, under

the threat of prosecution for perjury. However, we have a score of witnesses to be heard if the truth is to be disclosed.

The question is, if I give the names to the committee staff, will the staff indulge further in this type of senseless horseplay?

So, Mr. President, under the circumstances, I have tentatively decided not even to attempt to continue trying to force proof upon this committee. I think it is a complete waste of time.

However, the material is there. It should be produced.

What should be done, I frankly do not know.

If some other committee which is interested in getting the facts would care to go into this matter, they could be produced before such a committee.

I sincerely hope the Senate will go into this unusual situation and will perhaps be of some assistance in deciding how we can produce the evidence, in view of this type of activity on the part of the staff of the committee.

RECESS TO MONDAY

Mr. ELLENDER. Mr. President, pursuant to the order previously entered, I now move that the Senate stand in recess until Monday next, at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 33 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until Monday, June 5, 1950, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate June 2 (legislative day of March 29), 1950:

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Chester G. Dunham, of Ohio.
James F. L. S. Matthews, of Florida.
Carl Rodman, of Massachusetts.

ASSISTANT ATTORNEY GENERAL

Harold I. Baynton, of Nevada, to be an Assistant Attorney General to fill an existing vacancy.

IN THE COAST GUARD

The following-named persons to be captains in the United States Coast Guard:

Walter C. Capron	Leslie D. Edwards
Watson A. Burton	Frederick G. Eastman
Frank K. Johnson	

The following-named persons to be commanders in the United States Coast Guard:

Ernest A. Cascini	Edward C. Thompson, Jr.
Frank V. Helmer	George R. Boyce, Jr.
Robert F. Shunk	Gerald T. Applegate
Justus P. White	Charles F. Perry
William J. Lawrence	George R. Reynolds
Bernard E. Scalan	Fred J. Scheiber
Guy L. Ottinger	Herbert E. Peters
Clifford S. Gerde	

The following-named persons to be lieutenant commanders in the United States Coast Guard:

Garland Sponburgh	Alvin N. Fisher
Raphael T. A. McKenzie	Daniel D. Murphy
	Howard M. Sias
John M. Joseph	Brownlow J. Fadden
Norman D. MacLellan	Gordon P. Hammond
Joseph E. O'Hagan	Ray Thorp
James W. Stonecypher	John O'Brien
Ralph D. Fritz	Linwood Hudgins
Ralph Burns	David G. Cowie
Donald R. Greenawalt	Norman A. Dreher
Clyde R. Brink	Ernest D. Murray
Charles F. Blake	James W. Coste
John L. Morgan	Burritt K. Cook
Anthony P. Winkler	John Lenci

The following-named persons to be lieutenants in the United States Coast Guard:

Alexander Cameron	Richard E. Weinacht
Alden E. Lewis	James E. Fleming
Robert T. Norris	Harry G. Kosky
James N. Ashbrook	Neale O. Westfall
Frank B. Carter	Edward P. Sawyer
Paul Morosky	Burton V. Weston, Jr.
Frank M. Fisher, Jr.	Robert H. Roberts
Rufus S. Drury	Manson E. Meekins
John J. Doherty	Gordon L. Bates
David L. Davies, Jr.	Carleton W. Wahl
Donald A. Caswell	Walter J. Felton
Donald J. P. Evans	Bruce H. Jensen
Joseph D. Meagher	Leonard A. Wardlaw, Jr.
Lewis F. Lovell	
David C. Kierbow	Caleb M. Sickles
Lloyd M. Logan	Davis Block
Albert S. Frevola	Harold J. McCormack
Edwin J. Brummeler	Earl B. Cooper
William H. Campbell	Rayner C. Burke
Robert E. Foley	William H. Monger
Antone E. Clark	William W. Richards
James D. Doyle	

The following-named persons to be chief boatswains in the United States Coast Guard:

William R. Gill
James E. Barr

The following-named person to be a chief machinist in the United States Coast Guard:

Leroy Teele

The following-named person to be a chief pay clerk in the United States Coast Guard:

Albert D. Stumpff

CONFIRMATIONS

Executive nominations confirmed by the Senate June 2 (legislative day of March 29), 1950:

FEDERAL RESERVE SYSTEM

Edward Lee Norton to be a member of the Board of Governors of the Federal Reserve System for a term of 14 years from February 1, 1950.

WAR CLAIMS COMMISSION

Myron Wiener to be a member of the War Claims Commission.

COUNCIL OF ECONOMIC ADVISERS

Roy Blough to be a member of the Council of Economic Advisers.

UNITED STATES DISTRICT JUDGES

William Robert Wallace to be United States district judge for the northern, eastern, and western districts of Oklahoma.

Rabe Ferguson Marsh, Jr., to be United States district judge for the western district of Pennsylvania.

COMMISSIONER OF PATENTS

John A. Marzall to be Commissioner of Patents.

IN THE ARMY

APPOINTMENT IN THE ARMY

Lt. Gen. James Alward Van Fleet, O3847 (major general, U. S. Army), for appointment as commanding general, Second Army, with the rank of lieutenant general under the provisions of section 504 of the Officer Personnel Act of 1947.

IN THE NAVY

TEMPORARY APPOINTMENT IN THE NAVY

The following-named officers of the Navy for temporary appointment to the grade of rear admiral:

Frederic S. Withington
William V. O'Regan

APPOINTMENT IN THE NAVY

The following-named midshipmen (Aviation) to be ensigns in the Navy, from the 2d day of June 1950:

Edwin G. York III
Grover McC. Yowell

Donard W. Mitchell, midshipman (Aviation) to be an ensign in the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy as previsously nominated and confirmed to correct name.

The following-named (Naval Reserve Officers Training Corps) to be ensigns in the Navy, from the 2d day of June 1950:

Haney H. Daniell	James F. Liebenguth, Jr.
Harrison W. Davidson, Jr.	Ralph E. Schaber
David W. Faris	Donald D. Zell
Robert D. Kelley, Jr.	

John A. Carley (Naval Reserve Officers Training Corps) to be an ensign in the Supply Corps of the Navy, from the 2d day of June 1950.

Harold C. Donley, Jr. (Naval Reserve Officers Training Corps) to be an ensign in the Supply Corps of the Navy, from the 2d day of June 1950, in lieu of ensign in the Supply Corps of the Navy, as previously nominated and confirmed to correct name.

The following-named to be ensigns in the Nurse Corps of the Navy:

Joan E. Bower	Helen I. Obertance
Lois T. Carpenter	Sheila A. O'Leary

SENATE

MONDAY, JUNE 5, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace and love, who hath taught us that in quietness and confidence shall be our strength: In the midst of the high concerns of public service in this demanding and confusing day of global change, we are grateful for quiet cloisters of the spirit where, in moments of reverential calm, Thou dost restore our souls.

Save us from losing our peace, our perspective, our tempers, when all around others are losing theirs and blaming it on us. In times of crisis, deliver us from disbelief in each other and thus weakening the defenses against a common foe. In paths beyond our human eye to discover, lead us to that concord which is the fruit of righteousness, as we bring every thought and effort into captivity, to that high and holy One of whom Thou hast declared, "And the government shall be upon His shoulders." Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 2, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.;

S. 1008. An act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices; and

H. R. 1285. An act for the relief of the legal guardian of Lena Mae West, a minor.

ORDER OF BUSINESS

Mr. GEORGE. Mr. President, since we have a unanimous-consent agreement for a vote after the development of a quorum, I shall withhold the suggestion of the absence of a quorum if any Senator has any routine matter to offer now for the RECORD.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. SCHOEPPEL was excused from attendance on the sessions of the Senate during the present week, and Mr. YOUNG was excused from attendance on the session of the Senate today.

On request of Mr. LUCAS, and by unanimous consent, Mr. MAYBANK was excused from attendance on the session of the Senate today.

On request of Mr. LUCAS, and by unanimous consent, Mr. LONG was excused from attendance on the session of the Senate today.

On his own request, and by unanimous consent, Mr. O'CONOR was excused from attendance on the sessions of the Senate in order to attend the sessions of the International Labor Organization as a delegate representing the United States.

FINANCING OF OPERATIONS OF BUREAU OF ENGRAVING AND PRINTING—CHANGE IN REFERENCE OF PAPERS

Mr. GEORGE. Mr. President, on April 28 there was referred to the Senate Committee on Finance a letter from the Acting Secretary of the Treasury, E. H. Foley, Jr., enclosing a draft of a proposed bill to provide for financing the operations of the Bureau of Engraving and Printing, Treasury Department, and for other purposes. This was a bill more properly under the jurisdiction of the Senate Committee on Expenditures in the Executive Departments. It was introduced by the chairman of that committee, the Senator from Arkansas [Mr. MCCLELLAN], on May 25, and was designated as Senate bill No. 3653. It is fitting, therefore, that the Committee on Finance be discharged from the further consideration of the papers and that they be referred to the Committee on Expenditures in the Executive Departments.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

CALL OF THE ROLL

Mr. GEORGE. If there are no other routine matters that any Senator wishes to present, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Ives	Mundt
Brewster	Johnson, Colo.	Murray
Bricker	Johnson, Tex.	Neely
Butler	Kem	O'Conor
Cain	Kerr	O'Mahoney
Capehart	Kilgore	Pepper
Chapman	Knowland	Robertson
Connally	Leahy	Russell
Cordon	Lehman	Saltonstall
Donnell	Lodge	Smith, N. J.
Dworshak	Lucas	Sparkman
Ecton	McCarran	Stennis
Ellender	McCarthy	Taft
Ferguson	McClellan	Thomas, Utah
Flanders	McKellar	Thye
George	McMahon	Tydings
Gillette	Magnuson	Watkins
Green	Malone	Wherry
Hayden	Martin	Williams
Hendrickson	Millikin	Withers
Hoey	Morse	

The VICE PRESIDENT. A quorum is present.

ESTABLISHMENT OF FOREIGN-TRADE ZONES—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5332) entitled "An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones."

The VICE PRESIDENT. Under the unanimous-consent agreement which has been entered into, 5 minutes of time is allotted to the proponents and 5 minutes to the opponents of the conference report, after which a vote will be taken. The Senator from Wisconsin [Mr. MCCARTHY] controls 5 minutes and the Senator from Georgia [Mr. GEORGE] 5 minutes. Does the Senator from Wisconsin wish to be recognized?

Mr. MCCARTHY. I believe the Senator from Georgia should be first recognized, in view of the fact that he is a proponent of the conference report.

The VICE PRESIDENT. There is no provision of the Senate rules requiring the Chair to recognize the proponents first.

Mr. GEORGE. Mr. President, I do not propose to make a statement, since an allotment of 5 minutes only has been made to each side, to the proponents of the conference report and to those who oppose it. I wish to say only that the bill to which the amendment in dispute was added proposes to amend the Foreign Trade Zone Act. It is a bill which is highly desirable, and has the approval of all the departments of Government. It received the approval of the Finance Committee, as well as of the Ways and Means Committee of the House, and was recommended to the Senate without dissenting votes.

In committee two amendments were made to the bill. Amendment No. 1, which the House accepted, was an amendment offered by the distinguished Senator from Connecticut [Mr. BALDWIN], who is not with us any longer, which exempted certain articles from the Tariff Act of 1930. The other amendment, No. 2, was the amendment offered by the distinguished Senator from Wisconsin [Mr. MCCARTHY], and which simply called upon the President to promulgate regulations on the importation of furs and fur articles to the extent determined necessary by the Tariff Commission to prevent serious injury to the domestic fur-producing interests.

Mr. President, I propose to say very frankly that if the conference report is rejected that is the end of the legislation, because the House will not accept the amendment, and it is, in fact, opposed by all the departments of Government which have spoken upon it.

I want to say one other thing. The amendment itself does not give to the President one single power which he does not now have, and which he could not now exercise. It does not create any new power. It is merely advisory. It is in the nature of an admonition to the President. and nothing more than that.

The conferees on the part of the Senate made every possible effort to induce the conferees on the part of the House to accept it, because it did not provide for anything more than can be done by the President under existing law, and can be done by the Tariff Commission under existing law. But the conferees on the part of the House would not accept it.

Since the bill itself, which amends the Foreign Trade Zone Act, is a good bill, and since it is highly desirable to have such an amendment of the act, inasmuch as the conference report has been awaiting action since last August, when it was finally agreed upon, and since ample opportunity will be given those interested in fur production in this country to prevail upon the President, the Tariff Commission, and the State Department, if possible, to do something about the importation of furs, I now think the conference report should be either voted up or down by the Senate. But in submitting it I simply say that if the Senate votes down the report, that is the end of the legislation. If it is sent back to conference, nothing can be accomplished by that course, and even if the amendment which the Senate placed upon the bill were approved it would not create a new power, it would not give to the President a single ounce of power he does not now possess; it would not give to the Tariff Commission one single ounce of power which it does not now possess. Therefore I am asking that the Senate approve the conference report.

The VICE PRESIDENT. The Senator from Wisconsin [Mr. MCCARTHY] is recognized for 5 minutes.

Mr. MCCARTHY. Mr. President, I yield 1 minute, or as much more time as he wants, to the Senator from Colorado [Mr. MILLIKIN].

Mr. MILLIKIN. Mr. President, it is with great reluctance, because of my respect for the distinguished chairman of the Finance Committee, that I must oppose the conference report. If the amendment adopted by the Senate serves no other purpose than to give an admonition to the President that our domestic industries must be safeguarded, it serves a very useful purpose. We are today in such a position that we are called upon to spend more than $20,000,000,000 a year to conduct a so-called cold war with Russia, and at the same time we are allow-

ing overwhelming importation of Russian furs, the effect of which is to put our own fur farmers out of business.

Many of our fur farmers are veterans. We urged them to go into the business. We do not even have a trade agreement with Russia. Yet through the operation of our reciprocal trade system the Russians are enabled through the most-favored-nations clause incorporated in the trade agreements, to overwhelm our fur markets. This they have done, and as a result our fur farmers are being put out of business. That is not a theory. That condition exists now.

If the President already has it within his power to take corrective measures, for obvious reasons, he should take them. If he does not have the power, adoption of the amendment will help him to keep his own pledge made repeatedly, that nothing would be done under the reciprocal trade system which would in any way injure or threaten with injury any domestic industry.

This industry is not only threatened, it is flat on its back, because of the stupid policies of administration adopted by our State Department, which make it necessary for American fur farmers to yield their taxes for carrying on a cold war while at the same time they are being destroyed by the invasion of Russian furs.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I have a very limited amount of time.

Mr. McCARTHY. Mr. President, I will yield half a minute to the Senator from Nevada to ask the question.

Mr. MALONE. I should like to ask the distinguished Senator from Colorado if there is any record of any industry getting relief through the escape clause, which must have been what the distinguished Senator from Georgia, as chairman of the Finance Committee, meant when he said a remedy was available?

Mr. MILLIKIN. Application after application has been made for relief without avail. The oil business is also suffering, and the importations of oil are having repercussions on the coal business. Glassware, textiles, chinaware, fisheries, and many of our other basic industries, are paralyzed, and yet there is no relief. If adoption of the amendment serves no purpose other than as an admonition, it serves a useful purpose.

Mr. McCARTHY. Mr. President, I yield 1 minute to the Senator from Utah [Mr. WATKINS].

The VICE PRESIDENT. The Senator from Wisconsin has 2 minutes left.

Mr. WATKINS. Mr. President, I desire to be associated with the Senator from Colorado in his excellent brief statement about the amendment. If we adhere to the amendment, and insist upon its adoption by the other House, it will result in nothing else, it will be a directive to the President to get busy and protect this important American industry.

In my State most of the fur farmers are practically out of business. They are losing heavily on their investment. They are making no profits whatsoever. I supported the amendment when it was before the Senate previously, and I certainly intend to support it now.

The VICE PRESIDENT. The Senator from Wisconsin has 1 minute left.

Mr. McCARTHY. The amendment which the Senate adopted unanimously last year simply provides that the President shall have the power to restrict the importation of furs. It affects almost exclusively Russian furs.

Prior to the war the total importation of furs was approximately $49,000,000 a year. At this time the importation of Russian furs alone is more than $50,000,000 a year.

In addition to protecting the fur farmers, there is one other very important matter the Senate should consider. The imported furs are being marketed by Amtorg, which as all Members of the Senate know, is the nucleus of the Russian spy ring. That was made clear when, last fall, five officials of Amtorg were arrested by the FBI. There is no secret about the fact that Amtorg is using the income from the sale of the furs which the Russians are dumping here to finance their espionage operations. For example, they were caught red handed, as the Senate knows, buying——

The VICE PRESIDENT. Under the unanimous-consent agreement, all time has expired.

The question is on the adoption of the conference report.

Mr. WHERRY asked for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. McCARTHY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARTHY. Am I correct in understanding that Senators who are in favor of retaining the fur amendment will vote "nay" on this vote?

The VICE PRESIDENT. Those who are in favor of the conference report will vote "yea." Those who are against it will vote "nay."

Mr. McCARTHY. Mr. President, another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. McCARTHY. Am I correct in understanding that if the conference report is rejected, that will mean that under the normal procedure the bill with the Senate amendment will again go back to conference?

The VICE PRESIDENT. Not automatically; it would be necessary for the Senate to request a further conference, and for the House to agree to one. Otherwise, the bill would be dead.

The Secretary will call the roll.

The legislative clerk called the roll.

Mr. MAGNUSON (after having voted in the negative). I withdraw my vote. I have a pair with the junior Senator from Louisiana [Mr. LONG]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. THOMAS of Utah (after having voted in the negative). On this vote, I have a pair with the Senator from California [Mr. DOWNEY]. Therefore, I withdraw my vote. If the Senator from California were present, he would vote "yea." If I were at liberty to vote, I would vote "nay."

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senators from South Carolina [Mr. MAYBANK and Mr. JOHNSTON], the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from North Carolina [Mr. GRAHAM], the Senator from Alabama [Mr. HILL], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Arizona [Mr. MCFARLAND], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Delaware [Mr. FREAR], the Senator from Florida [Mr. HOLLAND], and the Senator from Minnesota [Mr. HUMPHREY] are absent on official business.

The Senator from Florida [Mr. HOLLAND] is paired on this vote with the Senator from Wisconsin [Mr. WILEY]. If present and voting, the Senator from Florida would vote "yea," and the Senator from Wisconsin would vote "nay."

The Senator from Pennsylvania [Mr. MYERS] is paired on this vote with the Senator from Maine [Mrs. SMITH]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Maine would vote "nay."

I announce further that if present and voting, the Senator from Connecticut [Mr BENTON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Delaware [Mr. FREAR], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], and the Senator from South Carolina [Mr. MAYBANK] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the junior Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH], who is absent by leave of the Senate for the purpose of attending the UNESCO

Conference at Florence, Italy, is paired with the Senator from Pennsylvania [Mr. MYERS]. If present and voting, the Senator from Maine would vote "nay" and the Senator from Pennsylvania would vote "yea."

The Senator from Wisconsin [Mr. WILEY], who is absent by leave of the Senate, is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Wisconsin would vote "nay" and the Senator from Florida would vote "yea."

The yeas and nays resulted—yeas 30, nays 30, as follows:

YEAS—30

Chapman	Kerr	Neely
Connally	Kilgore	O'Conor
Ellender	Leahy	O'Mahoney
George	Lehman	Pepper
Gillette	Lucas	Robertson
Green	McCarran	Russell
Hayden	McClellan	Sparkman
Hoey	McKellar	Stennis
Johnson, Colo.	McMahon	Tydings
Johnson, Tex.	Murray	Withers

NAYS—30

Aiken	Ferguson	Millikin
Brewster	Flanders	Morse
Bricker	Hendrickson	Mundt
Butler	Ives	Saltonstall
Cain	Kem	Smith, N. J.
Capehart	Knowland	Taft
Cordon	Lodge	Thye
Donnell	McCarthy	Watkins
Dworshak	Malone	Wherry
Ecton	Martin	Williams

NOT VOTING—36

Anderson	Gurney	Magnuson
Benton	Hickenlooper	Maybank
Bridges	Hill	Myers
Byrd	Holland	Schoeppel
Chavez	Humphrey	Smith, Maine
Darby	Hunt	Taylor
Douglas	Jenner	Thomas, Okla.
Downey	Johnston, S. C.	Thomas, Utah
Eastland	Kefauver	Tobey
Frear	Langer	Vandenberg
Fulbright	Long	Wiley
Graham	McFarland	Young

The VICE PRESIDENT. On this question the yeas are 30 and the nays are 30. Under the Constitution, the President of the Senate, having the right to vote in the case of a tie, casts his vote in the affirmative; and the conference report is agreed to.

FEDERAL FAIR EMPLOYMENT PRACTICE ACT

The Senate resumed consideration of the motion of Mr. LUCAS to proceed to the consideration of the bill (S. 1728) to prohibit discrimination in employment because of race, religion, or national origin.

The VICE PRESIDENT. The question now before the Senate is the motion of the Senator from Illinois to proceed to the consideration of Senate bill 1728.

Mr. LUCAS. I withdraw the motion.

The VICE PRESIDENT. The Senator from Illinois withdraws the motion.

Mr. WHERRY. Mr. President, will the Senator yield for a comment?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, I should merely like to state that I regret exceedingly that the majority leader has seen fit to withdraw his motion. However, I understand from the majority leader that there will be another attempt made to take up the FEPC legislation. It had been my hope that by unanimous consent, the motion to take up the FEPC legislation might continue before the Senate as the pending question. I realize that the majority leader, from a parliamentary standpoint, can withdraw the motion, since it has not not been acted upon, but by so doing, the Senate proceeds to other legislation.

In view of other other important legislation coming before the Senate, including the social-security bill, the tax bill, and the appropriation bill, it occurs to me that it will be very difficult even to attempt again by motion to take up the FEPC bill. I am wondering whether the majority leader would feel kindly toward a suggestion that other legislation be taken up by unanimous consent, rather than by withdrawing the motion at this time. I make that suggestion, in all sincerity. I feel that now before the motion to take up the measure is withdrawn is the time to have the vote, if we are ever to vote on this question again; I make that suggestion with absolute sincerity.

The VICE PRESIDENT. The motion is withdrawn.

Mr. RUSSELL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Georgia?

Mr. LUCAS. I yield.

Mr. RUSSELL. I may say to the Senator from Nebraska that no business would be transacted by unanimous consent so long as this motion was pending.

Mr. WHERRY. Mr. President, if I may comment briefly on that suggestion, I realize that the distinguished Senator from Georgia has a perfect right, as has any other Senator, to object to a unanimous-consent request to take up any measure, and I realize that the majority leader is obliged to proceed with the work of the Senate, particularly with such priority matters as may be ready for consideration. But it seems to me, in all sincerity, that now is the time to have the vote on the FEPC bill, rather than to rely upon our ability to sandwich in between other bills when the situation becomes much more difficult than it is today, under the program of the Senate.

Mr. RUSSELL. Mr. President, I may say that of course I am not in a position to control the action of the Senate. The motion can of course be made again at any time. But there are a number of us who do not propose to be compelled to sit here on the edges of our seats from day to day for as long a time as the motion may be pending, unless the motion were to be proceeded with. If any other business is to be transacted, we would insist that a motion be made; which would have exactly the same effect as the withdrawal of his motion by the Senator from Illinois.

Mr. IVES. Mr. President——

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. Is it possible to have a yea-and-nay vote on the request of the majority leader?

The VICE PRESIDENT. It is not. The Senator has a right to withdraw any motion he makes, and no action is required on the part of the Senate. The motion can be renewed at any time.

Mr. IVES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from New York?

Mr. LUCAS. I yield.

Mr. IVES. Mr. President, I do not want the Senator from Illinois to feel that I am speaking politically in this matter, because I have no intention whatever of doing that. Politics is farthest from my thought, so far as this question is concerned.

I feel, however, that it is a mistake to withdraw the motion until we have had an opportunity for another vote on cloture. Then, if we fare no better, or not so well as in the first instance, the motion might be withdrawn.

I am wondering whether the distinguished Senator from Illinois would be willing to delay the withdrawal of his motion until we can have another cloture vote. Or, if I may ask another question at the same time, will the distinguished Senator from Illinois agree to a time when the motion can again be made, so that it will be possible for us to know where we are in the matter?

Mr. LUCAS. Mr. President, as everyone knows, until now we have been considering conference reports, which were privileged. So long as we were able to consider conference reports, the motion remained pending before the Senate, subject to consideration of those reports. We have now finished with the conference reports, and the Senator from Illinois will move that the Senate consider the bill, H. R. 6567, to increase the borrowing power of Commodity Credit Corporation.

Had the Senator from Illinois known, for example, that all the Democrats and Republicans who favor the motion to take up the FEPC bill would be here this week he would have filed a petition for cloture today and pressed for a vote on it, under the rules, on Wednesday. But that is not the situation. That is not the intention of the Senator from Illinois. I know it is not the hope or desire of any Senator on the Republican side of the aisle who may be vitally interested in this measure that on a second effort fewer votes may be obtained than when the last petition for cloture was presented. At that time we had but 52 votes. The Senate has just had a yea-and-nay vote, and we observed the number of Senators who were absent on both sides of the aisle.

What I hope to do is to cooperate with my friends on the Republican side of the aisle who are vitally interested in this measure, to the end that we may set a day, and be able to advise each and every Senator that a petition for cloture will be presented, say, on a certain day; and, then, of course, all Senators will know that, under the rules, the vote will automatically take place 2 days thereafter.

Mr. IVES. Mr. President, will the Senator yield at that point?

Mr. LUCAS. In one moment. I am hoping to do that, with the idea of giving Senators ample notice in advance, so they will be present. Everyone knows

that the Senator from Illinois did everything within his power to advise Senators on the occasion of the previous vote that the vote would be taken at a certain time, and that it was the duty of every Senator to be present. I again say it is not the responsibility of the majority leader of the United States Senate to see to it that Democrats on this side of the aisle are present; it is their own responsibility, and, unless unavoidably absent because of illness or death in the family or something of that kind, I think they ought to be here.

There is no speech on the hustings which can be more important than is the vote to be taken on the measure known as the fair employment practices bill. In my opinion, there is no excuse for any Senator being absent at a time when the date has been set for a vote, far enough in advance, so that he can govern his schedule accordingly.

I now yield to the senior Senator from New York.

Mr. IVES. The Senator from New York does not wish the Senator from Illinois to feel that the Senator from New York is in any way criticizing him.

Mr. LUCAS. I appreciate that.

Mr. IVES. The Senator from New York appreciates the difficulties which have faced the Senator from Illinois, but the Senator from New York does feel that the question should come up for another vote before the session shall adjourn. Therefore the Senator from New York is rather distressed to note that the Senator from Illinois says he hopes to bring it up. The Senator from New York wants to know if the Senator from Illinois will agree definitely to do it before we adjourn.

Mr. LUCAS. The Senator from New York, if he has followed the record of the debate, knows definitely that I stated on at least once, and probably two occasions, and have given the statement to the press, that we will definitely have another vote upon FEPC cloture.

Mr. IVES. That is all the Senator from New York wants to know. Then the Senator from Illinois gives us his word to do it before the Congress adjourns?

Mr. LUCAS. There is no question about that. I hope to meet with some of the Senators on the other side of the aisle to see whether we can arrange a date at which we can muster all our strength in the Senate. If we were to proceed today with debate on the motion, in view of all the legislation pending which is so vital to the Nation, if I were to file a petition for cloture today, and we should have a vote on Wednesday, we would probably have less than 50 votes. I do not think the Senator from New York, or even the Senator from Nebraska [Mr. WHERRY], who is complaining because we are not proceeding with the question today, would desire us to go before the country with a vote of less than 52.

Mr. IVES. The Senator from New York realizes full well that it would be perfectly futile at this time to undertake a vote.

Mr. LUCAS. I thank the Senator for that statement.

Mr. IVES. But the Senator from New York, nevertheless, does feel very strongly that we should have a definite understanding; and that is the understanding which the Senator from New York now has, so far as the majority leader is concerned, that the question will again come up for a vote. The Senator from New York does not like any qualification at all in the matter that before the session finally adjourns, even if we cannot get more than 60 Senators in the final analysis, the matter will again come up for a vote.

Mr. LUCAS. The Senator from New York does not need to advise me on that question at all.

Mr. IVES. The Senator from New York is not advising the Senator from Illinois; he is only expressing his opinion.

Mr. LUCAS. What the Senator is trying to do, it seems to me, in substance, is to show by implication that I have said we cannot get a vote upon the question. I advise the Senator and the country that before this session shall end we shall get another vote on the measure. The Senator well knows that we had a debate upon it for a week or 10 days, and all that is necessary with respect to the motion to take up the bill is merely to make the motion and to file a petition for cloture on the same day, and 2 days after that we can get a vote. What I want to do is to ascertain through the leadership on the Republican side, as well as on this side of the aisle, when we can all be present, when we can muster all our strength to agree upon a certain date, and then to proceed.

Mr. IVES. With that understanding and that pledge on the part of the distinguished Senator from Illinois, the Senator from New York is satisfied.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the junior Senator from New York.

Mr. LEHMAN. Mr. President, I think the majority leader has made the situation very clear. He has given his assurance that he will again call up the bill at a time at which we can marshal our full strength and give the Members of the Senate an opportunity to vote on cloture at least once, probably twice. It seems to me, that with this understanding, the situation is entirely clear, and I think it is wise to await a time when we can marshal our complete and full strength.

Mr. LUCAS. I am grateful to the junior Senator from New York for the contribution he has made.

If there is no further question with respect to FEPC——

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. LUCAS. I am happy to yield to the Senator from Georgia.

Mr. RUSSELL. Some of us who are interested in the other side of this question would like to be assured that we shall likewise be given notice of the time when the Senator will execute this great coup and give all the devotees of FEPC an opportunity to get their expressions of loyalty and fealty to the FEPC in the CONGRESSIONAL RECORD and bring it to a vote.

Mr. LUCAS. I can assure my friend from Georgia that he will be duly notified. In fact, I propose to talk to him first about it, because I have a feeling that perhaps the Senator from Georgia, who is a great leader in the Senate and one of the very strong opponents of FEPC legislation, might change his mind a little and become a somewhat more charitable, a little more tolerant, give us an opportunity to take up the bill, and then let the Senator fight it with all his might and main. It is merely a motion, as my able friend knows, and I feel that he might relax just a bit.

Mr. RUSSELL. I appreciate the kind language of the distinguished Senator from Illinois. I hope I am not lacking in either charity or tolerance, but if the Senator entertains any hopes that I shall agree to any legislative process with reference to this half-baked measure, I regret to advise him that I very much fear they will be blasted.

Mr. LUCAS. I was afraid I would receive that answer, but I think we can make the try, anyway.

Mr. RUSSELL. Very well.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

Mr. LUCAS. Mr. President, I now move that the Senate proceed to the consideration of House bill 6567 to increase the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President——

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LUCAS. Is the motion debatable?

The VICE PRESIDENT. The motion is debatable, and so is the bill.

Mr. LUCAS. If we are going to get into a debate on the motion, I should like to say a word or two.

Mr. MUNDT. Mr. President, will the Senator yield? I do not want to debate it.

Mr. LUCAS. I was hoping to get the bill up before debate started.

Mr. WILLIAMS. Mr. President, will the Senator yield? I shall not take more than a couple of minutes. Following that, I understand the Senator from South Dakota wishes to address the Senate.

Mr. LUCAS. Cannot the Senator——

Mr. WILLIAMS. I shall be through in about 2 minutes, if the Senator will wait.

Mr. LUCAS. I will wait for 5 minutes.

Mr. WILLIAMS. Mr. President, I merely wanted to point out that there is no emergency with regard to this particular proposed legislation. The report coming from the Commodity Credit Corporation within the past few days shows that its fiscal condition as of April 30 is greatly improved. Since last January, when the Corporation made a request for these additional funds, there has been a near failure in the winter-wheat crop. This elminates the necessity for a great deal of the money. The last, but not the

least, argument against taking the bill up at this time is that the audited reports of the Corporation have not been submitted to Congress, as required by law. At the time when hearings were had on the bill, I appeared before the subcommittee, of which the Senator from Louisiana [Mr. ELLENDER] was chairman, and made the request that the books of the Corporation be submitted to the Senate for our inspection. This the committee promised would be done. But that request has not been complied with. So far, those books have not been submitted to the Senate. There is still a sum of $366,000,000 which is not accounted for. I do understand that an intermediate report is being presented to the Senate today which will show that they have now found all but about $96,000,000. That is still a great deal of money. Until the books have been submitted to the Senate, I think we have no right to ask Members of the Senate to vote on this proposed legislation. The books for the years 1948 and 1949 have not been produced. In 1945, Congress passed a law which specifically stated that the audited reports of every Government corporation must be submitted to the Congress not later than January 15, following the end of each fiscal year. For the past 5 years, this Corporation has ignored and violated this requirement of the law. If we are not going to demand that these corporations comply with the law, then let us repeal the law and thereby serve notice on the American taxpayers that they need not expect any accounting for the spending of their money. I shall oppose extending any additional authority upon this Corporation until they account for the money they have already spent.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, which had been reported from the Committee on Agriculture and Forestry, with an amendment.

LEGISLATIVE PROGRAM

Mr. LUCAS. Before debate begins on the pending measure, I should like to make a statement with respect to the program following the disposition of the measure. I sincerely hope that we may conclude debate on the Commodity Credit Corporation bill and get a vote on it this afternoon. Following action upon it we shall take up H. R. 6000, which is the social-security bill. How long it will take to consider that measure I am not certain. In the meantime we may be compelled to lay aside temporarily the social-security bill in order to give consideration to the rent control bill. As Senators know, rent control expires on June 30. Both of the measures to which I have alluded are now pending on the Senate Calendar. I merely wish to make that statement so that Senators can govern themselves accordingly.

Mr. SALTONSTALL. I should like to inquire of the majority leader what his plans are with respect to the conference report on the displaced-persons bill, and when he intends to have it considered.

Mr. LUCAS. In reply to the distinguished Senator from Massachusetts, I should like to state that the conference report will first be submitted to the House of Representatives. After the House has acted on it, the report will come to the Senate. The distinguished chairman of the Committee on the Judiciary [Mr. MCCARRAN] told me last week that he thought the House of Representatives would act on the report not later than Wednesday of this week. When it comes to the Senate, it will come as a privileged matter, and may be taken up at almost any time.

Mr. SALTONSTALL. Will it probably come before the Senate this week?

Mr. LUCAS. It is possible that it may come before the Senate this week.

TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I should like to ask the able majority leader whether it is his intention to allow sufficient time for the transaction of routine business without debate and without speeches before we begin debate on the pending measure?

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REPORT OF CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

I am transmitting herewith the Sixty-sixth Annual Report of the United States Civil Service Commission. This report covers the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 5, 1950.*

[NOTE.—The report accompanied a similar message to the House of Representatives.]

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred, as indicated:

SUPPLEMENTAL ESTIMATES, POST OFFICE DEPARTMENT (S. DOC. NO. 178)

A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1950, in the amount of $626,200, and a revised supplemental estimate, involving an increase of $4,000,000 for the Post Office Department (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

COMPULSORY HEALTH INSURANCE—STATEMENT OF POSITION OF BALTIMORE ASSOCIATION OF COMMERCE

Mr. O'CONOR. Mr. President, I wish to bring to the attention of the Senate a formal statement adopted by the Baltimore Association of Commerce, with regard to its opposition to the principle of compulsory health insurance. This is a matter about which the people of my State are particularly concerned and the position taken by this outstanding organization of business leaders, is in thorough accord with the great number of expressions on this matter which have come to me. I present the statement for appropriate reference, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

STATEMENT OF POSITION OF THE BALTIMORE ASSOCIATION OF COMMERCE WITH RESPECT TO COMPULSORY HEALTH INSURANCE

The Baltimore Association of Commerce, by action of its board of directors, is opposed to the principle of compulsory health insurance, and particularly the so-called socialized medicine aspect of the President's health program as included in pending Senate bill 1679.

The association believes that Federal control would be detrimental to the further advancement of the medical profession which has, through private practice, established the world's highest medical standards and provided the largest number of doctors per capita of any nation; that it would destroy the present relationship between doctor and patient; would require a major increase in the Federal budget; and would create the need for another Government organization for administration of the program.

Furthermore, it is believed that the present system of medical care and the rapid increase in voluntary health and hospitalization plans will provide, in a democratic way, better medical service to the people of this country.

To assure continued advancement in the field of medicine and medical care, and to avoid further increases in Government expenditures, the association is strongly opposed to pending legislation for compulsory health insurance.

APRIL 27, 1950.

CONSTITUTIONAL GOVERNMENT FOR PUERTO RICO—RESOLUTION OF PUERTO RICAN STATEHOOD PARTY

Mr. BUTLER. Mr. President, by request, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Territorial Committee of

the Puerto Rican Statehood Party, relating to the holding of hearings by the Committee on Interior and Insular Affairs on Senate bill 3336, to provide for the organization of a constitutional government by the people of Puerto Rico.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

I, Eduardo Ortez Reyes, executive secretary of the Puerto Rican Statehood Party, do hereby certify that the following resolution was unanimously adopted by the Territorial Committee of the Puerto Rican Statehood Party at its meeting held on the 30th day of May 1950, at San Juan, P. R.:

"Whereas the fact that the Committee on Interior and Insular Affairs of the United States Senate has terminated hearings on Senate bill 3336 without affording an opportunity to be heard to all persons interested in said bill, which purports to authorize Puerto Rico to adopt its own constitution, has caused surprise and dissatisfaction in Puerto Rico, and, very particularly, in the statehood party of Puerto Rico, composed of American citizens who have consistently defended the democratic principles of government proclaimed by the United States and the implementation in Puerto Rico of the American institutions; and

"Whereas the action of said Committee on Interior and Insular Affairs in recommending approval of the bill without hearing this section of public opinion, which had expressed officially its desire to appear in opposition to such measure, is contrary to American democratic tradition; and

"Whereas the Statehood Party of Puerto Rico would like to express its points of view with reference to said bill which affects the future of Puerto Rico, in order that the Congress of the United States should have before it, should know, and should fully comprehend the real scope of such legislation; and

"Whereas the Congress of the United States has at all times shown its concern about hearing all persons affected by any proposed legislation before approval thereof, and particularly the people of Puerto Rico when such pending legislation may affect them collectively; and

"Whereas the importance and the extent of Senate bill 3336, from the point of view of constitutional and international law, and its economic implications, require that a most careful study thereof should be made by all citizens capable of grasping, without prejudice or emotional bias, its real meaning before the bill is submitted to a public referendum:

"Now, therefore, the Statehood Party of Puerto Rico genuinely expressing the feeling and desires of Puerto Rican public opinion, as manifested by the local press, emphatically and with all due respect requests, upon the basis of its constitutional right of petition, that the corresponding committees of the Congress charged with the study and recommendation of Senate bill 3336, give this party the opportunity of appearing before such committees and expressing its points of view with respect to the above-mentioned bill. This party hopes and expects that the hearings here requested shall preferably be held in Puerto Rico, but, if not possible, then in the United States, inasmuch as the importance of the proposed legislation requires a most careful study of its various political, economical, and social aspects."

In witness whereof, I have hereunto set my hand and caused to be affixed the seal of the Statehood Party of Puerto Rico, at my office in San Juan, P. R., on this the thirty-first day of May A. D. 1950.

EDUARDO ORTIZ REYES,
Executive Secretary, Statehood Party of Puerto Rico.

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COMPULSORY HEALTH INSURANCE—RESOLUTION OF RAVENNA (NEBR.) LIONS CLUB

Mr. BUTLER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Ravenna (Nebr.) Lions Club, protesting against the enactment of legislation providing compulsory health insurance.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Under our present system of free enterprise our American families are now receiving the finest quality of medical care available in any country in the world; and

Whereas in other countries where compulsory health insurance has been put into effect it has caused a decline in the national health and deterioration of the medical standards and facilities to the sad detriment of that nation's family welfare; and

Whereas, wherever tried, compulsory health insurance has taken away the family's right to choose its own family physicians; and

Whereas one of the most objectionable features of compulsory health insurance, wherever tried by other nations, is the fact that the family privacy has been invaded, and violation of the sanctity of the patient-physician relationship has been brought about; and

Whereas compulsory health insurance would immediately result in a tax of 3 percent on the income of the American workingman, and this tax would rise to 6 percent and possibly even higher within a few years, which would create a new tax burden, which would naturally reduce the household budgets and bring down the family standards of living; and

Whereas Government control of medical services would threaten national bankruptcy and would encourage the spread of socialism, which would also endanger the rights of our American children and their individual freedom, which has been the American heritage, by gradually undermining free enterprise and establishing heavy new tax burdens and unprecedented national deficit: Now, therefore, be it

Resolved, That the Ravenna Lions Club, of Ravenna, Nebr., does hereby go on record against any form of compulsory health insurance or any system of political medicine designed for national bureaucratic control; and we hereby respectfully request that you use every effort at your command to prevent the enactment of such legislation.

RAVENNA LIONS CLUB,
R. J. CHOT, D. D. S.,
President.
CLARENCE F. FISHER,
Secretary.

RAVENNA, NEBR.

REPORT OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. CORDON, from the Committee on Interior and Insular Affairs, to which was referred the bill (S. 3639) providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made, reported it without amendment, and submitted a report (No. 1777) thereon.

INVESTIGATION OF RELATIONS OF UNITED STATES WITH INDIANS AND INDIAN TRIBES

Mr. O'MAHONEY. Mr. President, under the Congressional Reorganization Act the Committee on Interior and Insular Affairs has jurisdiction over the relations of the United States with Indians and Indian tribes. From the Committee on Interior and Insular Affairs, I report an original resolution to authorize an appropriation of $25,000 to the Committee on Interior and Insular Affairs for the purpose of carrying out the obligation which is imposed upon the committee by the Reorganization Act, and request that the resolution be referred to the Committee on Rules and Administration.

There being no objection, the resolution (S. Res. 292) was received and referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, for the purpose of making a complete study and investigation of the relations of the United States with the Indians and the Indian tribes with a view to recommending legislation thereon, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate to employ such experts, and such clerical, stenographic, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 5, 1950, he presented to the President of the United States the following enrolled bills:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; and

S. 1008. An act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

BILLS INTRODUCED

Bills were introduced, read the third time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KERR (for Mr. THOMAS of Oklahoma and himself):

S. 3692. A bill to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Cobb Creek reclamation project, Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. CAPEHART:

S. 3693. A bill for the relief of Toshi Koike; and

S. 3694. A bill for the relief of Kasuko Yamazaki and minor child, Margaret Ann Yamazaki; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 3695. A bill for the relief of Francis Kueen San Thu, Mary Luke Thu, Catherine Thu, Victoria Thu, and Anne Bernadette Thu; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 3696. A bill to authorize the sale of inherited interests in certain allotted land under the jurisdiction of the Winnebago Indian Agency, Nebr.; to the Committee on Interior and Insular Affairs.

By Mr. FREAR:

S. 3697. A bill to amend the Internal Revenue Code so as to provide for a judicial determination of the existence of fraud prior to the assessment of an additional tax for fraud, and for other purposes; to the Committee on Finance.

(Mr. AIKEN (for himself and Mr. HOLLAND) introduced Senate bill 3698, to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. JOHNSON of Texas:

S. 3699. A bill for the relief of Linda Leo; to the Committee on the Judiciary.

S. 3700. A bill to provide for a preliminary examination and survey of streams in the vicinity of Alice, Tex., with a view to their improvement in the interests of flood control and allied purposes; to the Committee on Public Works.

By Mr. O'MAHONEY:

S. 3701. A bill to increase criminal penalties under the Sherman Antitrust Act; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 3702. A bill for the relief of Northeast Airlines, Inc.; to the Committee on the Judiciary.

By Mr. HOEY:

S. 3703. A bill for the relief of Jacoba van Dorp; and

S. 3704. A bill for the relief of Yoshie Murakami; to the Committee on the Judiciary.

INSPECTION SERVICE BY BUREAU OF ANIMAL INDUSTRY

Mr. AIKEN. Mr. President, on behalf of the junior Senator from Florida [Mr. HOLLAND] and myself, I introduce for appropriate reference a bill to enable the Secretary of Agriculture to furnish, upon a reimbursable basis, certain inspection services involving overtime work, and I ask unanimous consent that the bill, together with a statement prepared by me, explanatory of the bill, may be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and without objection, the bill and statement presented by the Senator from Vermont will be printed in the RECORD. The Chair hears no objection.

The bill (S. 3698) to enable the Secretary of Agriculture to furnish upon a reimbursable basis, certain inspection services involving overtime work, introduced by Mr. AIKEN (for himself and Mr. HOLLAND), was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized to pay employees of the United States Department of Agriculture performing inspection or quarantine services relating to imports into and exports from the United States, for all overtime, night, or holiday work performed by them at any place where such inspection and quarantine services are performed, at such rates as he may determine, and to accept from persons for whom such work is performed reimbursement for any sums paid out by him for such work.

The statement presented by Mr. AIKEN is as follows:

STATEMENT BY SENATOR AIKEN

On a number of occasions in recent years I have received complaints from my constituents in Vermont regarding available inspection service by the Bureau of Animal Industry in connection with the importation of livestock offered for entry from Canada at ports on the Vermont-Canadian border. Upon discussing this subject with representatives of the Bureau of Animal Industry, I have always been informed that their appropriations are so limited that they are only able to schedule the hours of duty of their inspectors to meet the greatest need, and lacking appropriations from which to pay the inspectors for overtime service they have not been in a position to furnish inspection services except during the designated hours of duty. The effect then has been to prohibit these importations during other than those designated hours.

Quite recently this service was denied because the animals arrived at the border port of entry only a few minutes after the end of the designated period when the animal industry inspector, who is stationed 35 miles distant, is available on an on-call basis. I have, therefore, gone into this matter at considerable length and learn that inspectors at the ports of entry working for the Bureau of Animal Industry as well as inspectors at such ports working for the Bureau of Entomology and Plant Quarantine are both under the same disadvantage. Inspectors of the Bureau of Customs and the Immigration and Naturalization Service under most conditions can perform these services on a reimbursable overtime basis under the provisions of special legislation. However, there is no comparable legislation applicable to the import-export inspection and quarantine work of the Department of Agriculture. Both bureaus have had to deny requests for overtime services from those who have indicated a willingness to pay for it because they lacked authority to accept such reimbursement. I am, therefore, offering for the junior Senator from Florida and myself this proposed legislation to enable the Department of Agriculture to assign inspectors to meet emergencies or for the arrivals outside of the hours of the regular tours of duty in a manner which is not now possible because of the inadequacy of their appropriations to pay their personnel for these services.

I would further point out that there is a precedent for this language in the act of July 24, 1919 (41 Stat. 24; 7 U. S. C. 394), and the act of August 4, 1949 (Public Law 206, 81st Cong.), which in almost identical language authorize the Secretary of Agriculture to pay employees of the Bureau of Animal Industry for overtime services of inspectors in meat packing establishments and in establishments producing virus, serum, toxin, and analogous products. With such legislation the Secretary of Agriculture can assign available inspectors upon request to meet demands for these inspection services, over and above that which he is able to furnish free of cost to the public under the appropriations available. He will have assurance that the employees may be paid for such services without jeopardizing the appropriations available to him for payment for the services of the employees on their regular assignments to this work. The next time one of my constituents in Vermont, for example, requires this service after the hours when the inspector is regularly on duty, he can make arrangements to receive it if an inspector is available and reimburse the Government for the payment for that inspector's services.

I have learned from my esteemed colleague, the Senator from Florida, enactment of this legislation would solve a very difficult situation recently arising in some of the Florida ports where, for lack of funds, the Bureau of Animal Industry has had to refuse the services of its inspectors for other than regular hours of duty, as well as discontinuing service at several ports, which is seriously hampering the new and flourishing business in the export by air of blooded animals to Latin-American countries.

I have also learned in talking with the representatives of BEPQ that their situation with respect to this problem is very nearly the same as that of the BAI and that despite the increases in demand for their inspection services they are being forced to spread their personnel assignments to give as much plant quarantine protection to the country as is possible with the funds made available to them. As a result they are likewise being forced to refuse requests for service on an overtime basis because of lack of funds from which to pay the inspectors for overtime work. If enacted this bill will help that Bureau to solve the difficult problem of giving the service requested at the time it is wanted by the importers or the transportation industry requesting it.

INVESTIGATION OF GASOLINE PRICE INCREASES

Mr. FERGUSON. Mr. President, on behalf of myself, and the senior Senator from Wyoming [Mr. O'MAHONEY], I desire to submit a resolution, and ask unanimous consent that I may make a short statement thereon.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan? The Chair hears none, and he may proceed.

Mr. FERGUSON. Mr. President, on behalf of myself and the senior Senator from Wyoming [Mr. O'MAHONEY], I submit a resolution calling upon the Senate Judiciary Committee to investigate the constantly rising trend of retail gasoline prices, and any relationship between that trend and the adequacy of antitrust laws and their administration in this field.

We start with the proposition that constantly rising gasoline prices impose a tremendous burden upon gasoline consumers and retailers. Statements from my constituents in Michigan confirm this fact, and I can assume that it is general.

Ten general price rises in the past 4 years are sufficient to excite the concern of the Congress, which has the prime responsibility of protecting the public interest in such matters. A period of creeping inflation imposes upon Congress a special responsibility to detect any factors in our economy which would aggravate an already serious situation.

It is true that there have been several inquiries into this field by congressional committees. My review of those inquiries, however, suggests that they have been devoted almost exclusively to a study of the economic factors which may be involved in gasoline price rises. Economic factors obviously have their bearing upon the market price of gasoline, but I am impressed by the fact that they seem to operate in just one way—to rationalize price increases, and never to suggest the possibility or necessity of decreases.

A cold winter and short supplies of fuel oil tend to boost gasoline prices. Likewise a warm winter has the effect of driving up gasoline prices. Heavy petroleum imports are used to justify a rise in gasoline prices, but an inadequate foreign supply does the same. And so on.

State and local taxes on retail gasoline sales affect the ultimate price to the consumer. Yet it is a fact that since the war States which have not raised their gasoline taxes—and Michigan is a prominent example—have experienced price increases as great as or greater than

States which have levied new taxes. This is an anomaly which is difficult to rationalize on economic grounds.

I believe that we should look behind the economic elements, and investigate the competitive situation as it exists in the gasoline industry, to determine whether it has a bearing on the price pattern.

The normal operation of the price system is that when one producer reduces prices his competitors seek to match the cut. It does not follow that when one producer raises prices his competitors should do likewise. The normal operation of the market should be to the contrary. Yet we see just that happening, time after time. It smells of monopolistic practices and manipulations.

It would be unjustifiable to say that the uniform upward trend of gasoline prices constitutes a prima facie case of collusion or conspiracy. Yet the situation exists and can only be resolved by inquiring into the operation of the antitrust laws in this situation. That is the purpose of my resolution.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I desire to ask the Senator if this resolution does not emphasize the incongruity which was exemplified upon the floor of the Senate last week, when opposition was indicated to a bill which would permit competition by reducing retail prices, and the opposition was based upon the contention that the reducing of prices would be monopolistic.

Mr. FERGUSON. Yes; the Senator is correct.

As a suggestion of a method of procedure, the recent history of the retail gasoline market should be studied to determine the pattern which it shows. The economic data which have been compiled by various other inquiries should be compiled and evaluated. Consultations should be held with the Antitrust Division of the Justice Department as to its experience and recommendations in this field.

On the basis of that preliminary work, an effort should be made to determine whether collusive manipulations have been accountable for the price pattern, and whether it has been shaped in violation of law or whether further legislation is deemed necessary or advisable.

I wish to say that I appreciate the remarks of the Senator from Wyoming in connection with the resolution which he joins me in sending to the desk.

Mr. President, under the Reorganization Act the Committee on the Judiciary has jurisdiction of trust and price monopoly legislation, and I ask that the resolution be referred to that committee, and printed in the RECORD at this point as a part of my remarks.

There being no objection, the resolution (S. Res. 291) was received, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas, during the years following the cessation of hostilities in World War II, the constantly advancing retail prices charged for gasoline in the State of Michigan and in other States has imposed upon consumers of gasoline and upon independent retail distributors thereof a heavy economic burden; and

Whereas the pattern of such successive increases in prices is such as to suggest the possibility that forces other than normal economic market factors are responsible therefor; and

Whereas it is essential in a time of creeping inflation to exercise the utmost vigilance to detect and remedy any factors in our economy which would aggravate an already serious situation: Therefore be it

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation to determine (a) whether the pattern of retail price increases in the petroleum industry during the past 5 years has resulted from any unlawful manipulation of prices, and (b) whether any legislation is necessary to supplement the antitrust laws to remedy any unwholesome practices which may exist within any part of the petroleum industry. The committee shall report to the Senate at the earliest practicable date, but in no event later than December 31, 1950, the results of its study and investigation, together with such recommendations as it may deem advisable for additional legislation.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized during the sessions, recesses, and adjourned periods of the Eighty-first Congress, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable and, with the consent of the head of the department or agency concerned, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government. The expenses of the committee under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

AMENDMENT OF PARAGRAPH 207 OF TARIFF ACT OF 1930—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 5226) to amend paragraph 207 of the Tariff Act of 1930, which was referred to the Committee on Finance and ordered to be printed.

CONSTRUCTION OF WATER AND SEWAGE-DISPOSAL SYSTEM, SANISH, N. DAK.—AMENDMENT

Mr. LANGER submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 3170) to authorize an appropriation for the construction of a water and sewage-disposal system for the village of Sanish, N. Dak., which was referred to the Committee on Public Works and ordered to be printed.

RELIEF OF CERTAIN PALESTINIAN ARAB REFUGEES—AMENDMENT

Mr. LANGER submitted an amendment intended to be proposed by him to the bill (S. 3558) for the relief of certain Palestinian Arab refugees, which was referred to the Committee on the Judiciary and ordered to be printed.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary to Iran, which was referred to the Committee on Foreign Relations.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

Dale E. Doty, of California, to be Assistant Secretary of the Interior.

EIGHTH ANNUAL TOURNAMENT OF ORATORS — STATEMENT BY SENATOR O'CONOR

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a statement dealing with the eighth annual tournament of orators held at Baltimore on May 12, 1950, which appears in the Appendix.]

THE CIVIL-RIGHTS PROGRAM—ARTICLE BY FRANK R. KENT

[Mr. HOEY asked and obtained leave to have printed in the RECORD an article entitled "Civil-Rights Program Termed 'Political,'" by Frank R. Kent, from the Washington Sunday Star of June 4, 1950, which appears in the Appendix.]

A VISIT WITH SCOTT LUCAS—ARTICLE BY G. EDWIN POPKESS, JR.

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an article entitled "A Visit With SCOTT LUCAS," written by G. Edwin Popkess, Jr., and published in Popkess' Dairyman's Journal for May 1950, which appears in the Appendix.]

THE AMERASIA CASE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a copy of a letter I wrote to the Federal Bureau of Investigation, and the reply which I received from Mr. J. Edgar Hoover. Both letters are dated June 2, 1950.

There being no objection, the letters were orders to be printed in the RECORD, as follows:

JUNE 2, 1950.

Mr. J. EDGAR HOOVER,
Federal Bureau of Investigation,
Washington, D. C.

DEAR MR. HOOVER: As a Member of the Senate of the United States I have been greatly concerned by the implications of the Amerasia case and a number of unexplained circumstances with relation thereto.

If the lack of prosecution in this case is due to inadequate legislation on the statute books to protect the security of the Nation in time of war or to guard its atomic and other secrets in time of peace, it is essential that the Congress have adequate information so that they may legislate while there is time to do so.

If on the other hand the legislation on the statute books is adequate and the lack of prosecution occurred because of conflict and confusion between several investigating agencies then it is equally important that the Congress be so informed so that similar jurisdictional conflicts will not occur in the future.

As you probably know by now there have been indications given to the Congress and the country that the lack of prosecution was because certain investigative phases of the Amerasia case were bungled.

Calling your attention to the testimony before the House Judiciary Committee on Wednesday, May 15, 1946, which was made public for the first time in the CONGRESSIONAL

RECORD of May 22, 1950, I would like to propound the following questions and would appreciate having your answers so that they could be placed in the CONGRESSIONAL RECORD for the information of the Congress.

On page 7452 the following testimony appears:

"Mr. MCGRANERY. We held the one fellow in our office to get the plea of guilty from him. The deal was made there. If we had not handled it in that way, I do not think we would have any case at all. None of this evidence was obtained in a manner in which we ordinarily would get it. It was very clumsily handled. That is my candid opinion of it. This one bird was smart enough to develop a little technique of his own. We, for a while, thought we had no case at all. Not only that, but we thought our faces would be very red by their beating us to the punch."

Based on the above-mentioned testimony by Mr. McGranery, I would like to propound the following questions to you as Director of the Federal Bureau of Investigation:

1. Is it a fact that none of the evidence was obtained in a manner in which the Government ordinarily gets it?

2. Is it a fact that the case was very clumsily handled?

3. Is it a fact that there was no case against Jaffe and that the Government was fortunate to have him plead guilty and receive a $2,500 fine?

On page 7453 of the CONGRESSIONAL RECORD of May 22 the following testimony is revealed:

"Mr. FELLOWS. Did you feel that was adequate punishment?

"Mr. HITCHCOCK. No, sir. Larsen had made his motion to suppress this evidence and put in an affidavit how we got that evidence. We knew we could not oppose that motion. We knew we had no evidence against Larsen unless we took whatever deal we could get from him. You gentlemen understand that term 'deal'."

Based on the above testimony of Mr. Hitchcock—

1. Is it your opinion that the Government had no evidence against Larsen?

2. Is it a fact that such evidence as the Government may have possessed was not usable in court because it had been secured in an illegal manner?

On page 7454 the following testimony appears:

"Mr. MCINERNEY. The evidence on Service was thin. They said there was in Jaffe's office, as I recall it, copies of his confidential reports. When we arrested or made the searches, we found copies of his report. We interviewed Larsen, and Larsen admitted he had given Service's copies to Jaffe, and Service had not given them. Service was very much surprised that Jaffe had that report. It was on that thin allegation that we authorized on Service, and the same way with Gayn."

Based on the above testimony the following questions are presented:

1. At the time the FBI arrested Service did you believe the evidence was thin?

2. Is it true that the testimony of Mr. McInerney tells the full facts as to the evidence possessed against Service and Gayn at the time of their arrest?

Further on in Mr. McInerney's testimony he states:

"We took a chance on the entire case. We took a chance on some of the subjects."

At the time the FBI gathered the evidence leading to the arrest of the six defendants was it your opinion that you were taking a chance on the entire case and on the subjects being arrested and is this a normal procedure of the Federal Bureau of Investigation?

On page 7447 of the CONGRESSIONAL RECORD of May 22 the proceedings before the court in the case of Larsen's plea of nolo contendere is given. The following statement is published:

"Mr. HITCHCOCK. That is, if this plea is accepted. As I told Your Honor in the Jaffe case, there was no element of disloyalty involved. Mr. Jaffe, who was the procurer, these two being employees of the Government, being a man of considerable means * * *."

With reference to this statement by Mr. Hitchcock before the court I would like to propound the following questions:

1. Was it then or is it now the judgment of the FBI based on the evidence available to them that there was no element of disloyalty involved and that the Government attorney was justified in discounting the importance of what Jaffe and Larsen had done?

On May 26 Robert M. Hitchcock, who was assigned to the prosecution of the Amerasia case, testified before the subcommittee of the Foreign Relations Committee investigating security risks in the State Department.

On page 7 of his testimony which was released to the press Hitchcock states:

"It was my opinion then, and it is my opinion now that we had no case against Roth with which we could have gone to trial with the slightest likelihood of success."

Further on in his statement he says:

"Roth did not appear before the grand jury. The grand jury voted 13 to 7 to indict him. Twelve votes are necessary to indict."

In view of the fact that Roth was arrested by the FBI and indicted by the grand jury is it your opinion that the Government had no case against Roth with which they could go to trial with the slightest likelihood of success?

Statements have recently been published to the effect that the documents were of an inconsequential nature and only 1 percent had any military importance.

Based on what you know of the facts in the case is it your opinion the documents seized in the Amerasia case were of an inconsequential nature?

I would appreciate it very much if you would answer the above questions as it is my intention to read these questions and your answers, if available, to the Senate at an early date.

With best personal regards, I remain,

Sincerely yours,

WILLIAM F. KNOWLAND.

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., June 2, 1950.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Your letter of June 2, 1950, propounding certain questions regarding the case involving Philip Jacob Jaffe, with aliases, et al., has been received.

Because of the nature of the questions therein which relate to the interpretation and application of existing legislation, and which also involve the interpretation and the value of certain evidence in this case, I have taken the liberty of referring your letter to the Attorney General for a reply.

With expressions of my highest esteem and best regards,

Sincerely yours,

J. E. HOOVER.

REORGANIZATION PLANS NOS. 22 TO 27 OF 1950

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD memorandums compiled by the staff of the Senate Committee on Expenditures in the Executive Departments on Reorganization Plans Nos. 22, 23, 24, and 25 submitted to the Senate by the President on May 9, 1950, and on Reorganization Plans Nos. 26 and 27 forwarded to the Congress on May 31, 1950. These memorandums set forth in detail an outline of the provisions of each plan, its purpose, and its conformity to and divergence from Hoover Commission recommendations.

One memorandum combines Reorganization Plans 22, 23, and 24—all of which deal with the Reconstruction Finance Corporation. A resolution of disapproval has been filed in the Senate—Senate Resolution 280—by my colleague the junior Senator from Arkansas, Senator FULBRIGHT, to disapprove Reorganization Plan No. 24, which provides for the transfer of the functions of the RFC to the Department of Commerce. Hearings on the resolution have been scheduled to be held by the Committee on Expenditures in the the Executive Departments beginning Wednesday morning, June 14, 1950.

The memorandums I am submitting for the RECORD have been prepared with a view to providing Members of the Senate with brief and concise information relative to the import of these reorganization plans and pointing up possible issues that may be involved therein.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
May 27, 1950.

REORGANIZATION PLANS NOS. 22, 23, AND 24 OF 1950—RECONSTRUCTION FINANCE CORPORATION

PURPOSE

These three reorganization plans, submitted to the Congress on May 9, 1950, pursuant to the Reorganization Act of 1949 (Public Law 109, 81st Cong., June 20, 1949), all relate to the Reconstruction Finance Corporation as a whole and to certain functions thereof in particular. The respective purposes of the plans are as follows:

Reorganization Plan No. 22 of 1950: This plan proposes to transfer the Federal National Mortgage Association from RFC to the Housing and Home Finance Administrator, who would be authorized to provide for the discharge of any function entailed in the transfer by any agency, officer, or employee of the Housing and Home Finance Agency as the Administrator may determine. The plan will become effective 60 days beyond the statutory 60 days after its submission, as provided in the Reorganization Act of 1949—that is, it may normally be expected to take effect on September 9, 1950.

Reorganization Plan No. 23 of 1950: This plan proposes to transfer from RFC to the Housing and Home Finance Administrator all functions of RFC with respect to the financing of factory-built homes. As with plan No. 22, above, the Housing and Home Finance Administrator would be authorized to provide for the performance of these transferred functions by such agency, officer, or employee of the Housing and Home Finance Agency as he may determine. This plan, also, has an extended effective date of 60 days beyond the date it would otherwise become effective.

Reorganization Plan No. 24 of 1950: This plan proposes to transfer the Reconstruction Finance Corporation, as a whole, to the Department of Commerce, there to be administered under the supervision, coordination, and policy guidance of the Secretary of Commerce. The Board of Directors and the officers of RFC are retained. This plan carries a normal effective date of July 9, 1950, and, of course, provides for the exclusion of the functions covered by Reorganizations Plans Nos. 22 and 23, above, upon those plans becoming effective on September 9, 1950.

CONFORMANCE WITH RECOMMENDATIONS OF THE HOOVER COMMISSION

Reorganization Plan No. 22 of 1950 is in direct conformance with recommendation No. 11 appearing in the Hoover Commission report on Federal business enterprises. That recommendation is as follows:

"We recommend that the Federal National Mortgage Association be placed under the Administrator of the Housing and Home Finance Agency."

There is no reported dissent to that recommendation of the Commission itself. However, it should be noted that the Hoover Commission task force report on lending agencies carries a flat recommendation for the discontinuance of the Federal National Mortgage Association. The task force recommends that the Government's secondary market operations in home-mortgage loans be transferred to the Federal home-loan banks, indicating its view that the function is more closely related to that group of institutions. In connection with its recommendation, the task force correctly reported that on March 10, 1948, the Senate Committee on Banking and Currency recommended the dissolution of the Federal National Mortgage Association. The committee's position at that time was that there was no further need for the activity. (S. Rept. No. 974, 80th Cong., 2d sess., March 10, 1948.) Nevertheless, the Federal National Mortgage Association was not abolished by the Congress and continues to function today under the supervision of the Reconstruction Finance Corporation.

Reorganization Plan No. 23 of 1950 does not find support in any recommendation of the Hoover Commission directed specifically to the financing of prefabricated housing. It is, nevertheless, directly in accord with recommendation No. 9 appearing in the Hoover Commission report on Federal business enterprises, which is as follows:

"We do, however, recommend that all housing activities be placed in one agency under a single Administrator who should be given the type of authority which we have recommended for the heads of all agencies."

This plan is also in accord with the general Hoover Commission recommendation appearing in Report No. 1, General Management of the Executive Branch, that similar functions should be grouped together in the same agency.

Reorganization Plan No. 24 of 1950, which would transfer the Reconstruction Finance Corporation as an integral unit to the Department of Commerce, is in complete digression from the recommendation of the Hoover Commission, that it be placed in the Department of the Treasury. Recommendation No. 3 appearing in the Hoover Commission report on the Treasury Department is as follows:

"We recommend, therefore, that the supervision of the operations of the Reconstruction Finance Corporation, the Federal Deposit Insurance Corporation, and the Export-Import Bank be vested in the Secretary of the Treasury."

Of great significance to this reorganization plan is a separate statement included in the Hoover Commission report on the Treasury Department by Commissioners Aiken, Pollock, and Rowe. Those three Commissioners agreed with the majority that the Reconstruction Finance Corporation should be placed within one of the departments of the executive branch, but took the position that it should be located within the Commerce Department. Their dissent from the majority opinion arose from a different interpretation of "major purposes." The minority view was that the primary function of RFC is the "promotion of foreign and domestic commerce and trade," a prime function of the Department of Commerce, rather than a strictly financial or money undertaking as an end in itself, as was the apparent basis for the majority recommendation. Therefore, the minority viewed the merging of RFC into the Department of Commerce as a natural and logical move, which accords with the views of the President in his message to Congress which accompanies the plan.

Also for consideration in relation to Reorganization Plan No. 24 is the recommendation of the Task Force on Lending Agencies, that the Reconstruction Finance Corporation be abolished. The ground for this recommendation is, briefly, the reasoning that RFC originally was created to cope with a national emergency and, at the time of its creation, the task force points out, it was the policy of Congress that the termination of the emergency should mark also the termination of RFC. As the emergency which brought about the creation of RFC has long since ceased to exist, the task force assumed the position that the Corporation should be abolished.

STATUTES AFFECTED

Reorganization Plan No. 22 of 1950: The Federal National Mortgage Association was chartered on February 10, 1938, by the Federal Housing Administrator pursuant to authority of title III of the National Housing Act, approved June 27, 1934 (12 U. S. C. 1701, et seq.). The Corporation is wholly owned by the Reconstruction Finance Corporation and, by its charter, officers of RFC were designated and continue as officers of the Federal National Mortgage Association. It is an important fact that FNMA has throughout its existence been administered exclusively by officers who have been concurrently officers of RFC and who thus are intimately acquainted with every statutory enactment affecting FNMA and are in possession of all historical facts relating to its administration and functional activities.

Through the years since 1938, statutory enactments have from time to time altered the enabling legislation of FNMA. For example, the Housing Act of 1948 embodied certain restrictions in the matter of mortgage purchases. Similarly, the recently enacted Housing Act of 1950 prohibits the making of advance commitments to mortgagees with respect to planned future construction. Nevertheless, the Corporation as originally chartered by the Federal Housing Administrator under the Housing Act of 1934 has continued uninterruptedly in operation under the general auspices of the Reconstruction Finance Corporation. FNMA is not a part of RFC; it is merely administered by officials of RFC.

Reorganization Plan No. 23 of 1950: Section 1 (1) of this plan transfers from the Reconstruction Finance Corporation to the Housing and Home Finance Administrator all functions of RFC under section 102 of the Housing Act of 1948 (Public Law 901, 80th Cong., Aug. 10, 1948, 62 Stat. 1268). This statutory provision authorized the Reconstruction Finance Corporation, for the purpose of aidi_g housing production, "to make loans to and purchase the obligations of any business enterprise for the purpose of providing financial assistance for the production of prefabricated houses or prefabricated housing components, or for large-scale modernized site construction."

This provision of law is clear and the transfer of the function is anticipated to be susceptible of satisfactory completion. It is understood that, of the $50,000,000 limitation imposed by this section 102, there remains at the present time approximately $12,000,000 available for commitment.

Section 1 (2) proposes that there shall be transferred to the Housing and Home Finance Administrator all other functions of the Reconstruction Finance Corporation, whether authorized by the Reconstruction Finance Corporation Act or by any other law, with respect to the financing predominantly of enterprises engaged in production, manufacture, distribution, sale, purchase, or erection of prefabricated houses or components or related site improvements. As can be seen, the language in which this portion of the reorganization plan is couched is vague in the extreme and can confidently be expected to be productive of continuing uncertainty and confusion. For example, section 4 of the current Reconstruction Finance Corporation Act (more fully identified in the ensuing section of this memorandum) embodies the broad authorization for RFC to aid in financing agriculture, commerce, and industry through the purchase of obligations and through the making of loans. There is no restriction in that authorization as to housing of any kind, prefabricated or otherwise, and even should the transfers proposed by Reorganization Plan No. 23 be effected, there will have been no proscription of the authority of RFC to continue to make loans in the same general category.

There is no thought here to imply that RFC would deliberately continue to make such loans in substantial duplication of the newly acquired function of the Housing and Home Finance Administrator. It is simply that all manner of administrative difficulties are almost inevitable in the determination of the dividing line between the lending responsibilities of RFC, on the one hand, and the Housing and Home Finance Administrator, on the other hand, should this reorganization plan go into effect.

To provide one additional illustration, assume an application for a loan from a manufacturer who seeks to become established in the manufacture of doors and door frames. This being a fairly standardized part of the equipment of both commercial and domestic structures, a decision would have to be made as to whether the manufacturer intended to limit his sales to the builders of commercial structures and ordinary housing or planned to supply also the makers of prefabricated housing. In the former market, the loan apparently would be within the scope of retained operations of RFC but, in the latter market, it would seem to be properly within the new jurisdiction of the Housing and Home Finance Administrator. Then, having hurdled the original obstacles of determination, it may be further assumed apparently that such a manufacturer must thereafter direct his production always into the same channels regardless of potential markets in other fields of industry.

In further relation to section 1 (2) of Reorganization Plan No. 23, it is not possible to determine exactly what portion of RFC enabling legislation would be transferred to the Housing and Home Finance Administrator, nor is it possible to determine what portion of the total investing, lending, purchasing, and committing ceiling of $3,750,000,000 governing RFC would be transferred to the Housing and Home Finance Administrator by the plan. Section 1 (2), as indicated above, is potentially a section which will cause interminable confusion and indecision. It is believed to be absolutely essential that the effect thereof be determined precisely before any action whatsoever is taken toward its implementation.

Reorganization Plan No. 24 of 1950: This plan places the Reconstruction Finance Corporation, together with all of its facilities, within the Department of Commerce, there to be administered by its own Board of Directors and by its officers but "subject to the supervision, coordination, and policy guidance of the Secretary of Commerce."

The Reconstruction Finance Corporation was originally organized on January 22, 1932. Through the years since its formation RFC has undergone a vast number of modifications in respect of its organic authority and has been extended as to its duration on numerous occasions. The latest enactment, and that which now provides RFC's basic statutory authority, is Public Law 548, Eightieth Congress, approved May 25, 1948. Among other salient features of Public Law 548 is an extension of the life of the Corporation

through June 30, 1956. This law was enacted pursuant to an investigation undertaken by the Senate Banking and Currency Committee by authority of Senate Resolution 132, Eightieth Congress, adopted June 23, 1947.

On February 8, 1950, the Senate adopted Senate Resolution 219 pursuant to which a Banking and Currency Subcommittee, consisting of Senators FULBRIGHT (chairman), MAYBANK, FREAR, DOUGLAS, TOBEY, and CAPEHART, was conducting a new study into the operations of the Reconstruction Finance Corporation. This investigation is still under way, but the result of its activities may be expected to have a decisive bearing on the action taken by this committee in the matter of these three reorganization plans.

In relation to this proposed transfer of the Reconstruction Finance Corporation to the Department of Commerce, the attention of the members of the committee is directed particularly to Reorganization Plan No. 5 of 1950. That plan became law on May 24, 1950, and is one of the group of six which vested, generally, all authority and functions in the respective heads of the six executive departments to which the plans pertained. Reorganization Plan No. 5 covers the Department of Commerce and transferred to the Secretary of Commerce all functions of all other officers of the Department of Commerce and all functions of all agencies and employees of such Department. The Secretary is now authorized to provide for the discharge of any of his present authority by any other officer or by any agency or any employee of the Department of Commerce as he may determine. Excepted from the provisions of Reorganization Plan No. 5 are functions of hearing examiners and functions of the Civil Aeronautics Board, the Inland Waterways Corporation, and the Advisory Board of the Inland Waterways Corporation.

The staff has made extensive inquiry and study as to the impact upon RFC which may result from the new authority vested in the Secretary of Commerce by Reorganization Plan No. 5. There appears to be nothing in this present Reorganization Plan No. 24 which safeguards the integrity of the existing RFC organization, and it appears quite plain that, using the power which he has acquired through Reorganization Plan No. 5, the Secretary of Commerce can work to the reorganization of RFC even to the extent of its complete disintegration. We have sought and are awaiting the best informed legal advice on this score.

It is very important to note that, in all other reorganization plans of 1950, including plan No. 5, providing for vesting in the respective secretaries all functions of components, officers, and employees of executive departments, corporations were specifically exempted.

With respect thereto, the President, in his special message covering Reorganization Plans Nos. 1 to 13 of 1950, the first six pertaining to executive departments, wrote as follows:

"These reorganization plans exclude from transfer to the department heads two classes of functions which are retained in their present status. These are the functions of the hearing examiners appointed under the Administrative Procedure Act and the functions of Government corporations in the departments."

While the absence of safeguarding language in plan No. 24 may be simply an oversight, it is nevertheless a matter of prime importance, insofar as the future of the Reconstruction Finance Corporation is concerned.

CONCLUSION

The three reorganization plans which form the subject of this memorandum are essentially of a highly controversial nature. No formal opposition has yet been expressed but in view of the repeated inquiries and comments which have thus far been directed to the staff, it appears most probable that determined opposition will develop on one or all of the plans.

Further in this regard, the Reconstruction Finance Corporation, by letter of July 27, 1949, addressed to the chairman of this committee, placed itself in vehement opposition to those Hoover Commission recommendations which may be said to form the basis for Reorganization Plans Nos. 22 and 24. As Reorganization Plan No. 23 is not built upon any specific Hoover Commission recommendation, the RFC protest is silent as to the transfer contemplated thereby. Also, the American Legion, by letter of May 18, 1950, has expressed opposition to the transfer of the Federal National Mortgage Association (Reorganization Plan No. 22) and has requested opportunity to testify if hearings should be held. It is understood that the basis for this opposition is that the transfer of FNMA would adversely affect the secondary market in mortgages on veterans' housing programs.

In this memorandum the staff has confined itself to factual information which may be helpful to the members of the committee. Because we have not yet completed our discussions with officials of agencies in the executive branch which will be affected by the plans, we have refrained from expressing any staff conclusions. Further, we believe that the results of the current hearing by the subcommittee of the Senate Banking and Currency Committee may well have a profound bearing on the ultimate disposition of these plans. We have issued this memorandum because the broad scope of the subject matter of the plans makes it inadvisable to delay this initial report until all aspects of the proposed transfers have been fully explored. A resolution of disapproval, Senate Resolution 290, has been introduced in the Senate by Senator J. W. FULBRIGHT, of Arkansas, chairman of the above-mentioned subcommittee, on Reorganization Plan No. 24, and hearings have been scheduled before the Committee on Expenditures in the Executive Departments, beginning on Wednesday morning, June 14, 1950.

THOMAS A. SAPPINGTON,
Professional Staff Member.

Approved:

WALTER L. REYNOLDS,
Staff Director.

SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS,
May 31, 1950.

REORGANIZATION PLAN NO. 25 OF 1950—NATIONAL SECURITY RESOURCES BOARD

Reorganization Plan No. 25, which was proposed May 9, 1950, to promote more effective security resources planning, transfers the functions of the National Security Resources Board (NSRB) to its Chairman, with full power of delegation by him; makes the NSRB advisory to the Chairman; and adds a Vice Chairman of the Board, to be appointed by the President from civilian life, with the consent of the Senate, at an annual salary of $16,000.

The President's message of transmittal states that the role of NSRB is to provide staff assistance in "the coordination of military, industrial and civilian mobilization," as Congress recognized when it approved plan No. 4 of 1949 which transferred NSRB to his Executive Office. (See staff memo. No. 81–1–54, dated June 21, 1949.) The message indicates that this high-level interdepartmental committee which includes seven Cabinet Secretaries (of State, Treasury, Defense, Agriculture, Commerce, Interior, and Labor Departments) cannot "possibly supervise or approve the Board's extensive and detailed activities (although they) must accept ultimate repsonsibility;" urges making the Board advisory, as was done last year with both Munitions, and Research and Development Boards; and proposes a Vice Chairman to help carry the heavy workload.

HOOVER COMMISSION RECOMMENDATIONS

Plan No. 25 of 1950 does not develop any specific recommendation of the Hoover Commission as did plan No. 4 of 1949, which transferred both the National Security Council (NSC) and the NSRB from independent status to the Executive Office of the President. Nevertheless, the proposed changes do relate to various Hoover Commission recommendations that the President have a direct and complete control over the staff agencies in his Executive Office, and that control should not be complicated by the difficulties of a staff agency controlled by a board dominated by seven heads of Cabinet departments (all except Attorney General and Postmaster General) with jurisdictional conflicts.

HISTORY AND BACKGROUND OF NSRB

The NSC and NSRB were established only 3 years ago by the National Security Act of 1947. Their background, however, reaches back to World War I during which there never did develop an accurate advance conception of the demands of that war on the national economic structure. To protect against a repetition of that experience the National Defense Act of 1920 charged the Assistant Secretary of War with planning for industrial mobilization. Shortly thereafter the Army and Navy Munitions Board was organized, which completed its first industrial mobilization plan in 1931, and revisions thereof in 1933, 1936, and 1939. As World War II approached, the President declined to place the revised 1939 plan in operation without giving the reason for his refusal.

The National Security Act of 1947 established three key agencies: (1) The NSC to provide continuous contact among Government agencies on foreign and military policies and their implementation; (2) the Central Intelligence Agency to coordinate intelligence activities; and (3) the NSRB "to advise the President concerning the coordination of military, industrial, and civilian mobilization." The Board is a civilian agency, nether subordinate to nor part of the Military Establishment, exercising staff rather than operating functions.

NSRB as part of Executive Office of the President

In view of the pervasive importance of present-day problems of security, the following brief comments cover the general setting of NSRB among the staff agencies concerned with the difficult management problems of the President. To assist in that immense task, the Reorganization Act of 1939 transferred various agencies to a new Executive Office of the President. In subsequent years the original Office of Government Reports, and the National Resources Planning Board, have been abolished. The various components of the Office of Emergency Management, used primarily during and since World War II as the framework within which emergency aspects of the war program were first established, were moved elsewhere as they became sufficiently developed, and were then moved back while in process of liquidation. Thus OEM now embraces only the Office of Defense Transportation, and the Philippine Alien Property Administration.

The Executive Office of the President now includes the following seven major operating units which were transferred to it in the years indicated in parentheses:

1. The White House Office (including six special Administrative Assistants in 1939).
2. Bureau of the Budget (1939).
3. Liaison Office for Personnel Management (1939).
4. Office for Emergency Management (1940).
5. Council of Economic Advisers (1946).
6. National Security Council (1949).
7. National Security Resources Board (1949).

Among the general management problems of the President, he must, as Commander in Chief of the armed forces by constitutional provision, manage the security system. In this area he works primarily through the Cabinet departments of Defense and State, and through other agencies with related functions, such as the Atomic Energy Commission and the Economic Cooperation Administration. For general guidance he relies on his Executive Office.

As to the NSC and the NSRB, it is difficult to separate out their respective functions. The NSRB is described elsewhere. The NSC advises the President on the integration of domestic, foreign, and military policies relating to national security. It is composed of five regular members (President, Vice President, Secretary of State, Secretary of Defense, and Chairman of NSRB), and any others designated by the President. The staff is headed by a civilian appointee of the President.

The central staff agencies in the Executive Office of the President should help to insure civilian control over military activities. On this score an unpublished Hoover Commission report[1] criticized the NSRB as follows:

"The President must have available considered and integrated advice on all such policy issues, backed by adequate, current staff and statistical studies and formulated jointly by the major operating agencies. The NSRB was created in order to perform precisely this kind of job. In the absence of a civilian agency capable of performing this current coordinating and regulating function, the failure to utilize the Board can lead to only one result. Inevitably, it must mean the domination of the military over the individual and great areas of the civilian life of the United States."

Chairmanship of NSRB

The 3 years of NSRB operation have been handicapped by difficulty in finding a successor for the first chairman, Arthur M. Hill, who served a little over a year and resigned December 15, 1948. While one of his administrative assistants, John R. Steelman, served as acting chairman, the President on February 7, 1949, nominated former Senator Mon C. Wallgren, but withdrew the nomination after hostile consideration in the Senate. On April 26, 1950, the Senate quickly approved the nomination as chairman of W. Stuart Symington, Secretary of the Air Force, and former Administrator of the War Surplus Property Board.

PRESENT WORK AND STAFF OF NSRB

The two major functions of the NSRB are summarized below from an official statement of responsibilities (NSRB Doc. No. 116; July 20, 1949):

(a) Mobilization planning to develop measures which will mobilize human, natural, productive, and financial resources in time of war. The function is greatly concerned with prospective wartime deficits in materials, manpower, and transportation, and with provision for wartime economic controls over prices, rationing, and distribution.

(b) Readiness planning of policies and programs to prepare the Nation for future wars; for example, assembling stockpiles, and training skilled manpower. In general this job is designed to take steps to eliminate the key deficits in present and potential national resources for meeting war needs.

The NSRB had 298 employees on January 1, 1950, distributed among the following 13 offices, arranged in the order of number of employees:[2] Administrative, 85; Production, 38; Civilian Mobilization, 30; Resources and Requirements, 27; Materials, 23; Chairman, 18; Manpower, 16; Economic Management, 14; and the five remaining, Transportation, Energy and Utilities, Program Coordination, General Counsel, and Foreign Activities Offices with a total of 47 employees.

A current article,[3] based on a study made by the Committee for Economic Development, comments adversely as follows on the work of the NSRB. (The staff of NSRB states that these findings were improperly based on conditions which have been cleared up in recent months.)

"The NSRB has not lived up to its potential. * * * It has been characterized by lack of clarity of purpose and by inability to establish satisfactory working relationships with other security agencies. Its failure to fulfill purposes not only handicaps the National Security Council in its policy deliberations but further weakens the hand of the President."

CONCLUSIONS

As Commander in Chief, the President must coordinate the many necessary Government activities in the field of national security. In that immense task, the NSRB now presents the incongruous situation of a staff arrangement under which the major departments to be supervised at the same time play a major role in Presidential direction and leadership, and inadequate powers are vested in the Chairman. That leadership should have staff assistance based on over-all considerations rather than on departmental desires and interests. Discussions of wartime organization will not then tempt a Department of Agriculture, for example, to urge that it be given control over agricultural prices, manpower, and production. Jurisdictional bickering can only damage constructive planning.

At present the coordination of views within the Executive Office on security problems requires direct dealings between the heads of the Budget Bureau, the Council of Economic Advisers and other Presidential staff. This task should not be subject to the further present difficult requirement that the views of seven Secretaries of Cabinet departments be obtained and coordinated with other views without full administrative and policy controls to accept or reject such views.

Special attention should be given to two possible extensions or alternatives of plan No. 25, especially if a disapproving resolution dictates public hearings of that proposal. One of these concerns working into the present organization set-up some sort of a civilian advisory council, as has been periodically suggested in various quarters to help guide the Nation on problems of security. The other concerns the fact that the Executive Office of the President has expanded and changed considerably over a decade of existence, and it might be modified or consolidated to bring about better and integrated assistance to the President.

HERMAN C. LOEFFLER,
Professional Staff Member.

Approved:

WALTER L. REYNOLDS,
Staff Director.

SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS,
June 1, 1950.

REORGANIZATION PLAN NO. 26 OF 1950, EFFECTING REORGANIZATIONS IN THE DEPARTMENT OF THE TREASURY

Plan No. 26, transmitted by the President on May 31, 1950, repeats the provisions of plan No. 1 of 1950 providing for reorganization of the Treasury Department. It now exempts the functions of the Comptroller of the Currency. The proposed transfer of the functions of the Comptroller to the Secretary was the factor that brought about rejection by the Senate.

HOOVER COMMISSION RECOMMENDATIONS

Plans Nos. 1–6 of 1950 for Cabinet Departments, and plans Nos. 7–13 of 1950 for the regulatory agencies, undertook "the first and essential step in the search for efficiency and economy (by eliminating) the present diffusion of authority and confusion of responsibility" in line with recommendations in Hoover Commission Report No. 1 on General Management.

PROVISIONS AND EFFECT OF PLAN NO. 26

Section 1 of plan No. 26 transfers to the Secretary all functions scattered throughout the Department of the Treasury, except those of hearing examiners, of the Coast Guard in time of war or when the President so directs (thus far, the same as under plan No. 1), and of the Comptroller of the Currency (added by plan No. 26). The three other sections continue to authorize the Secretary to delegate functions; to appoint an Administrative Assistant Secretary, with the approval of the President, under the classified civil service at an annual salary of $14,000; and to transfer records, property, personnel, and funds insofar as needed to carry out the plan.

The statutes controlling the Treasury Department lodge almost all departmental functions in its major operating units, as follows (number of employees are shown in parentheses): 1. Bureau of Internal Revenue (53,068); 2. Fiscal Service (9,907); 3. Bureau of Customs (8,393); 4. Bureau of Engraving and Printing (5,908); 5. Coast Guard (4,963); 6. Office of the Comptroller of the Currency (1,165); 7. Bureau of the Mint (1,137; 8. Secret Service (737); 9. Division of Savings Bonds (513); 10. Secretarial Services (919); and, 11. Bureau of Narcotics (280).

CONCLUSIONS

Senate Resolution 246, disapproving plan No. 1, was reported favorably by the Committee on Expenditures in the Executive Departments by vote of 8 to 3. (S. Rept. No. 1518, dated April 25, 1950.) The committee action was based on opposition to inclusion of the Comptroller of the Currency within the scope of plan No. 1. The Secretary of the Treasury and other witnesses who testified in opposition to the transfer of the functions of the Comptroller of the Currency to the Secretary, expressed no objections to the other provisions of the plan. The disapproving resolution was adopted in the Senate by vote of 65 to 13 on May 11, 1950, and plan No. 1 was thereby rejected.

Plan No. 26 apparently eliminates the basic opposition to plan No. 1, and, since hearings have already been held, the committee may take immediate action by reporting favorably a joint resolution without waiting for the expiration of the 60-day period required under the Reorganization Act, so that the plan may become effective before July 31, 1950, if it so desires.

HERMAN C. LOEFFLER,
Professional Staff Member.

Approved:

WALTER L. REYNOLDS,
Staff Director.

SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS,
June 3, 1950.

REORGANIZATION PLAN NO. 27 OF 1950—TO ESTABLISH A DEPARTMENT OF HEALTH, EDUCATION, AND SECURITY

The President on May 31, 1950, submitted to the Congress Reorganization Plan No. 27 of 1950 which provides for the establishment of a new department of government to be known as the Department of Health, Education, and Security.

[1] Committee on National Security Organization. Typescript Report for Hoover Commission. Vol. II, Chapter on NSRB, November 15, 1948, p. 87.

[2] Organization of Federal Executive Departments and Agencies. Committee Rept. No. 9, Senate Committee on Expenditures in the Executive Departments, January 1, 1950.

[3] American Affairs (magazine). The Threat of a Garrison State—How Freedom Is Imperiled by the Rise of Military Authority and the Decline of Civilian Control. April 1950, p. 116.

PROVISIONS OF PLAN NO. 27

To the Department would be transferred all components of the present Federal Security Agency, which would be abolished. Two of the three present major components of FSA, the Public Health Service and the Office of Education, would retain their independent statutory authority within the new department. Their relationship to the Secretary of Health, Education, and Security would be the same as that to the Federal Security Administrator at the present time. Functions of the third major component, the Social Security Administration, now vested in the Federal Security Administrator, would be lodged in the new Secretary. No new functions or programs, other than those presently incorporated in the Federal Security Agency, are provided for by the plan.

In addition to the Secretary, the plan provides for an Under Secretary, an Assistant Secretary, an Administrative Assistant Secretary, the Office of Surgeon General, Commissioner of Education, and Commissioner of Social Security, all of whom would be appointed by the President subject to approval by the Senate, except the Administrative Assistant Secretary, who would be appointed by the Secretary from the classified civil service, subject to the President's approval. The plan provides that the Surgeon General, Commissioner of Education, and Commissioner of Social Security shall have professional qualifications, experience, and training appropriate to their duties.

All present functions of the Federal Security Administrator are transferred to the Secretary. The plan provides that the Surgeon General shall be the head of the Public Health Service, the Commissioner of Education shall be head of the Office of Education, and the Commissioner of Social Security shall be head of the Social Security Administration. Each officer shall perform such other duties concerning his respective field as may be required by law or as the Secretary may prescribe pursuant to law. All functions of the heretofore existing Surgeon General are transferred to the new Surgeon General and all functions of the heretofore existing Commissioner of Education to the new Commissioner of Education. No transfer of functions of the heretofore existing Commissioner of Social Security is made since it appears that they would be lodged directly in the Secretary himself, on the same basis as they are in the Federal Security Agency Administrator at present. The Secretary is given authority to redelegate functions vested directly in him to any Department agency, officer, or employee.

The Secretary is authorized to establish central administrative services for procurement, budgeting, accounting, and other activities common to the Department's several components, provided, however, that such authority does not permit of the transfer from the Surgeon General, the Commissioner of Education, or the Commissioner of Social Security professional or substantive functions vested in them by statute.

The President is authorized to designate any person who was an officer of the Federal Security Agency immediately prior to the taking effect of Reorganization Plan No. 27 to perform the functions of any office provided for by sections 2, 3, 4, or 5 of the plan for 60 days, pending the appointment of the first person to be appointed to such office.

COMPARISON WITH RESOLUTION PLAN NO. 1 OF 1949—TO ESTABLISH A DEPARTMENT OF WELFARE

The major difference between Reorganization Plan No. 1 of 1949 (creating a Department of Welfare), and Reorganization Plan No. 27 of 1950 is that the original plan centered all statutory authority for the proposed Department in the Secretary, while Reorganization Plan No. 27 of 1950 vests statutory authority in the Secretary for only those functions presently vested in the Federal Security Administrator, and retains the independent statutory authority of the Public Health Service and of the Office of Education.

Plan No. 1 of 1949 also provided for the appointment of three Assistant Secretaries of Welfare, whereas plan No. 27 of 1950 provides for an Under Secretary, an Assistant Secretary, and an Administrative Assistant Secretary, the latter to be in charge of staff services as recommended by the Commission on Organization of the Executive Branch of the Government in its report on Social Security, Education, and Indian Affairs. Plan No. 27 of 1950 also prescribes professional qualifications for the Commissioner of Education and the Commissioner of Social Security, which requirement was not contained in plan No. 1 of 1949.

CONFORMANCE WITH RECOMMENDATIONS OF THE HOOVER COMMISSION

Plan No. 27 conforms in general to the Hoover Commission recommendations for the establishment of a cabinet department to administer welfare functions with these important deviations: The Hoover Commission recommended that (a) the Social Security Administration, the Office of Education, and the Bureau of Indian Affairs (now in Department of Interior) be incorporated in a new Department of Social Security and Education; and, (b) the Public Health Service be consolidated, along with all other major Government medical activities, in a proposed United Medical Administration, an independent agency which the Commission recommended be created. Although legislation has been introduced to establish such a United Medical Administration, no action has been taken on the bill (S. 2008) by the Committee on Labor and Public Welfare, to which it was referred.

The Hoover Commission also recommended that the Secretary be given full statutory authority for the department he would head. Other major recommendations made by the Hoover Commission, such as the transfer of the Bureau of Employment Security, the Bureau of Unemployment Compensation, and the Employees Compensation Appeals Board from the Federal Security Agency to the Department of Labor have been effectuated by the Congress. (Reorganization Plan No. 2 of 1949 and Reorganization Plan No. 19 of 1950, respectively.)

CONCLUSION

Reorganization Plan No. 27 of 1950, as the President pointed out in his accompanying message, is designed to meet the major objections to Reorganization Plan No. 1 of 1949, disapproved by the Senate. It adheres generally to the approach incorporated in S. 140 (the Taft-Fulbright bill), reported favorably by this committee in the Eightieth Congress, which provided Under Secretaries for Health, Education, and Welfare with independent statutory authority, and prescribed the structural organization of those separate bureaus, including transfer of applicable components thereto, with the functions thereof vested in the appropriate Under Secretary. In its report to the Senate on this bill (S. 140), on June 6, 1947, the Senate Committee on Expenditures in the Executive Departments commented in part (S. Rept. No. 242, 80th Cong.), as follows:

"The primary purpose of the legislation is to elevate the existing health, education, and public-welfare agencies into a departmental status. In order that this purpose be made clear and to insure that no additional authority is granted to the new department under the provisions of the act, the bill was amended to provide that it does not give the new department any functions other than those authorized by previous legislation affecting the Federal Security Agency or any of the components thereof.

"Therefore, it should be clearly understood that the purpose of the bill reported herein in no way adds authority or contemplates additional appropriations in the development of services and facilities in the fields of activity as outlined."

Plan No. 27, in the opinion of the staff, adheres to these major purposes.

MILES SCULL, Jr.,
Professional Staff Member.

Approved:

WALTER L. REYNOLDS,
Staff Director.

RENT CONTROL LEGISLATION—RESOLUTION AND EDITORIAL COMMENT

Mr. LEHMAN. Mr. President, shortly the Senate will take up the subject of rent control. I think we should all be aware of the overwhelming national sentiment in favor of the continuation of rent control. In this connection I ask unanimous consent to insert into the RECORD at this point three exhibits: A resolution by the annual conference of United States mayors, held in New York City last month; an editorial from the St. Louis Post-Dispatch, and an editorial from the St. Louis Star-Times. The editorials and the resolution ask continuation of rent control.

There being no objection, the resolution and editorials were ordered to be printed in the RECORD, as follows:

The annual conference of United States mayors, held at the Waldorf-Astoria Hotel in New York City, May 11–13, 1950, adopted the following resolution on May 13:

"*Resolved*, That since there still exists a critical shortage of low and moderately priced rental housing in many areas of the country, and since municipal officials from the affected cities have reported that the lifting of Federal rent controls at this time in their areas would result in undue hardships to many thousands of our cities, the 1950 Annual Conference of the United States Conference of Mayors petitions the Congress to continue Federal rent control in cities and areas where such action is formally requested by the local authorities."

[From the St. Louis Star-Times of May 1, 1950]

ONE IN 250

A spot check by the Bureau of Labor Statistics last December showed that 1 dwelling out of every 250 in the St. Louis area was for rent. The study, just released, covered 8,400 units in neighborhoods selected to provide a cross section of the entire metropolitan community.

One out of every 77 houses or apartments, it was found, was vacant. But less than a third of the vacancies represented rentable quarters. Some were termed "not habitable," nearly a third were available only to buyers, and others were empty because of recent sale or other reasons.

This distinction between empty homes and homes actually available to renters is something the Real Property Owners League failed to make in its survey of last fall. The league, concerned only with St. Louis proper, reported some 4,000 vacant housing units and argued before the board of aldermen that this was enough to justify the end of rent controls.

The number of empty homes or the number for rent actually means little unless taken in comparison with the number of people who can't find decent living quarters at prices they can afford to pay. There has been no actual count of those people in St. Louis. But a count of the people is hardly necessary when a check shows only 1 for-rent home out of every 250. One in 100 means a tight housing market. Three in 100

used to be considered good from the property owners' point of view.

The BLS figures are St. Louis' answer to the question of whether Federal rent control legislation should be continued after June 30. The new law probably should include some concessions to landlords in the way of rights to get increases in rent where conditions justify. But continued regulations there must be, or St. Louis and other crowded areas will be hit by a wave of inflation and homelessness.

[From the St. Louis Post-Dispatch of May 1, 1950]

THE REAL-ESTATE LOBBY TRIES AGAIN

The real-estate lobby has begun its annual parade of self-interest in Congress. The Senate Banking Committee is hearing testimony against rent controls, and there are only 2 months left for Congress to pass a new rent law.

Little time should be wasted. Everything the National Association of Real Estate Boards and its allies have to say has been said before, loudly and at length. If rent controls are unnecessary, why does the lobby try so hard to gain the privilege of increasing rents?

If so many rental units have been decontrolled that the matter is no longer a national problem, as a bankers' group claims, how is it that nearly four times as many units remain under controls as the number decontrolled?

If the housing supply has caught up with demand in many places, how about St. Louis and many other large cities where this is not so?

In St. Louis, where the slums are packed, where ex-GI's still live in quonset huts, where families are still doubled up, there is an apartment for rent: $115 a month; an apartment, $175; an efficiency, 2-year lease: $95.50.

Rent control is meant to permit landlords a fair return on their property. Perhaps the realty lobby could make a case for a general increase in rents. But it is wasting time in trying to deny the unpleasant truth of the housing shortage, and 38,000,000 people now protected by rent control know it.

The VICE PRESIDENT. If there are no further routine matters to be submitted, the Chair recognizes the Senator from South Dakota [Mr. MUNDT], who was on the verge of being recognized when the Senate took up consideration of routine business. Does the Senator from Louisiana [Mr. ELLENDER] desire to discuss the conference report?

Mr. ELLENDER. I desire to discuss the pending measure.

The VICE PRESIDENT. The Chair can recognize only one Senator at a time.

Mr. ELLENDER. I thought I would be recognized.

The VICE PRESIDENT. The Chair did not know that the Senator from Louisiana was seeking recognition.

Mr. ELLENDER. Mr. President, I have been standing for quite some time.

The VICE PRESIDENT. The Chair recognizes the Senator from South Dakota.

THE VISION OF AMERICA

Mr. MUNDT. Mr. President, today I want to discuss a specific aspect of a general problem which has plagued and perplexed our country and its leaders almost since the end of the shooting phases of World War II. I refer of course to what has been generally designated as the cold war, and I want to discuss one phase of it, a phase of it which relates to one of the three essential components of the current foreign policy of the United States. These components are, first, military; second, economic; and, third, ideological and informational.

Each has its functions to perform in the conduct and strategy of the cold war, and at various stages of this bloodless conflict one or the other of these three component factors is undoubtedly of greater importance than the other two.

It is my conviction that at this juncture of our national affairs, the ideological and informational factor is the most important element of our over-all global strategy, and I believe it could be made so determining a factor as to considerably lessen the costs of both the military and economic components of our foreign policy and of our over-all security program. It is to an analysis of the ideological and informational factors and opportunities of this cold war that I expect to devote my attention today.

As virtually all Americans now realize, we are engaged in a weaponless struggle between two diametrically opposed ideologies for the minds and loyalties of people all around the world. We energetically contend for the individual freedoms and liberties of all people, and our adversary in this cold war insists upon world-wide acceptance of the revolutionary doctrines of dialectic materialism as they have built upon and greatly altered the theoretical concepts conceived in the murky minds of Marx, Engel, Lenin, Stalin, and their evil-minded ilk in every era and area of the world.

This ideological conflict—this cold war—has accelerated in its intensity, and is steadily growing more and more acute in its vigorous animosities. The issue now is clear, and the rival forces are meeting head-on at many contact points around the globe. Our opponents are utilizing all manner of unorthodox methods, as well as the standard techniques, not only to sell their Godless doctrines and its synthetic promises of Utopia, but also to discredit our motives, our principles and our priceless American way of life.

This Communist counteroffensive is one of psychological prevarication. They rely upon lies being repeated frequently enough to be accepted as truth. They supplement falsehood with bribery and bludgeoning. They augment their prevarications with intrigue, with conspiracy, and with sabotage. To all this they add the force of arms and the ruthless power of might whenever such tactics serve their purposes and seem likely to win conquests for them at selected points along the global battle fronts of this cold war.

We, on our part, maintain our traditional respect for the principles and policies of peace, and refuse to adopt the Machiavellian methods and coup d'états employed by the Communists. In fact, it is only recently that we have awakened from our amazement at the situation we confront and the consciousness that we, too, must sell our principles to the world if we are to win friends and influence human behavior in the great areas of the world which are at stake in this cold war.

Although this cold psychological war—this war of nerves, of ideologies, and of propaganda—has been waged for a considerable time, we, as a nation, have been late in recognizing that to avert a fighting war and preserve our institutions we must meet the issue dynamically, immediately, and successfully. The only way to end a cold war and to prevent it from degenerating into a hot war is to win it. The development and effective use of means for meeting this issue has been my concern for several years, and it is the occasion for my address today.

It was this same conviction that led me on May 6, 1947, to prepare and introduce legislation in the first session of the Eightieth Congress which had as its objective the stepping up of our activities in the ideological and informational areas of this cold war to such proportions that there could be real hope of our winning the conflict without having it followed by a fighting war. In due time, and after prolonged debate and careful investigation both at home and abroad, the Eightieth Congress in its good judgment approved the proposed legislation, which is now known as Public Law 402, or the Smith-Mundt Act. It passed the House of Representatives by a vote of 273 to 97 on June 24, 1947, and after the so-called Smith-Mundt committee made its overseas studies and investigations in more than 20 countries in the fall of 1947, it was approved by the Senate and signed by the President early in 1948.

As the author and cosponsor of the Smith-Mundt Act, I have accepted certain continuing obligations following the passage and approval of this legislation, which set up the Voice of America overseas broadcasting program as a permanent feature of our governmental functions, and added to it a comprehensive program of information and educational exchange programs, together with authority for technical assistance and economic development and guidance programs.

One of the obligations I assumed for myself was to report to the Congress and the country from time to time on the results obtained under the Smith-Mundt Act, and to maintain over it, as best a single individual can, a friendly but critical watchfulness, with the hope that this might help improve its efficiency, help correct any carelessness of administration which might creep into it, and perhaps enable me to suggest additional functions and factors to which it might devote increased attention. Today I want to devote most of my attention to the second aspect of this continuing obligation, namely, a discussion of additional methods for accomplishing the objectives we so hopefully had in mind at the time the legislation was conceived and enacted into law.

As I have stated, it was back in 1947, during the first session of the Eightieth Congress, that people in our country became acutely conscious of the importance of expanding and maintaining a United States information service to tell the American story abroad. Up to that time there existed no legislative authority for maintaining such a service,

and for carrying the voice and the message of America to whatever areas of the world seemed most to need them, or which demonstrated the greatest desire to receive them. In any event, by enactment of Public Law 402, on January 27, 1948, our Congress and our country adopted a program the particular purpose of which is to promote the better understanding of the United States among the people of the world and to strengthen cooperative international relations. The Smith-Mundt Act specified certain detailed and comprehensive means for accomplishing this purpose.

I want to make it emphatically clear that it is this act and this act alone under which we Americans can properly conduct the cold ideological war against the enslavement of mankind, and for the protection of our American way of life insofar as its informational and ideological components are concerned. This act provides the weapons for the psychological war which we are called upon to wage.

Before coming to the major purpose of this address—the suggestion for new reinforcements and a new device for our current information program abroad—let me briefly review some of the consequences and activities thus far evident as a result of the passage of the Smith-Mundt Act by the Eightieth Congress.

Following the passage of this act, the State Department, which is charged with the responsibility for results under the act, requested a $60,000,000 appropriation for 1950—a very crucial year in this cold war in which we find ourselves so unhappily engaged. The budget was finally authorized at $34,000,000. This amount, in my mind, is in strange contrast to the $6,000,000,000 which our Government is spending through the ECA and the Army and other agencies for the economic and military rehabilitation of Europe and other areas of the world. These figures are presented not in criticism, but simply for comparison.

The Voice of America Act has been in existence for a little more than 2 years now. What is being done under the act? What are its accomplishments? What remains to be done?

These quite appropriate questions must be related to ever-changing needs and impressions. These must be associated with the ever-expanding Communist surge. They must take into account our increasingly extensive commitments, our definitive foreign policy, and the need for Communist containment. They must take into account the lessons which we gained from the week-to-week and month-to-month operation of the many facets of this act establishing the United States for the first time as a great and important factor in the battle for the minds of men around the world. We must not forget that the administrators and personnel of our ideological program are actually the members of our civilian army. Their loyalty, their effectiveness, or their ineptitude may well spell the difference between permanent peace and active war.

According to the last semiannual report to the Congress made by the United States Advisory Commission on Information—which was set up under one of the provisions of the Smith-Mundt Act—dated April 1, 1950, there are 586 Americans in the informational and educational exchange activities, now operating in 103 posts in 84 foreign countries. In addition, we have some 2,185 local personnel on our payroll assisting for this purpose. Also, there are numerous American employees engaged here in the United States in the planning, engineering, and executive services authorized under the Smith-Mundt Act.

The overseas personnel operating under the provisions of Public Law 402 make available library services, informational and documentary films; mobile film units, American music; technical, scientific, and professional books; American news and press releases; foreign-language pamphlets with the American translations; visual displays and exhibits; wireless bulletins; American magazines and publications; technical, educational, professional, and scientific counsel and assistance.

There are many lectures, conferences, and appropriate social engagements to which the time and attention of our field personnel are devoted. Of great importance, also, is the Voice of America, with its far-flung short-wave and medium-wave broadcasts, most of which originate in this country, and are projected from the New York City studios operated by the Voice of America section of the State Department.

In addition to all this, the activities now in operation as a result of the passage of the Smith-Mundt bill early in 1948, include student and teacher exchange programs, and the interchange of newspaper people, clergymen, cultural leaders, and others prominent in the molding of public opinion. Under this phase of the Smith-Mundt program, many foreign editors, newspaper writers, educators, labor leaders, clergymen, business leaders, and professional technicians have been brought to the United States so that they could familiarize themselves with American conditions and take back to their native countries any of the American know-how, inspiration, or techniques which appeal to them as meriting their emulation.

Mr. President, in the brief foregoing summary, I have endeavored to set forth the broad scope of our existing educational and informational activities.

I have not endeavored to make a detailed report at this time concerning the specific activities of our program of information and educational exchange, and I shall neither expand upon them nor weigh them in counterbalance in today's discussion. They are all good and necessary activities. They all merit continuance, improvement, and a substantial expansion in support. Because of the rapid expansion of this program since it was first inaugurated early in 1948, it would be difficult to accurately judge or evaluate either its administration or its results. In this short space of time our information program is already under its third Assistant Secretary of State, and the tremendous problems of administering a rapidly growing and entirely unprecedented public service set-up of this type are slowly, but I think surely, being overcome. On the whole, the work progresses.

The question remains, What is being accomplished by this program? This requires a searching inquiry into what must be accomplished by the United States in the ever-accelerating ideological battle for democratic survivorship.

The Advisory Commission on Information, in its March 1949 report to Congress, prefaced its conclusions with the following questions and answers:

Question. Is this program important?
Answer. Yes; more than the Commission thought when we began our work.
Question. Is it effective?
Answer. Yes; as far as it goes.
Question. Is it adequate?
Answer. No.

In its report issued in September 1949, the Commission reemphasized this point, saying:

The United States information program falls short of the effectiveness expected by Congress.

Let us therefore measure our accomplishments in the field of ideological and informational activities by the test of effectiveness and adequacy and relate them to the potentialities which now exist and to unused procedures and techniques which are available. Such a comparative evaluation is difficult because of the arbitrary division of our world into categories, as, for example, the iron-curtain states, the western states, the occupied states, the neutral states, the peripheral states along the iron curtain, the new independent republics, and regions still impossible to classify.

Then, again, we would have to survey effectiveness and adequacy in areas differing in abundance and scarcity, culture and illiteracy, hope and hopelessness, wealth and poverty, freedom and tyranny, and a multitude of other criteria. Consequently, the work of each informational center and of the Smith-Mundt program in any specific area must be assessed separately in relation to the needs of the region. To do this is a substantial administrative task and, while the advisory commissions set up under our act are doing a very creditable job, they have not yet been able to make the comprehensive and constructive pinpoint studies necessary for an accurate evaluation of what is being accomplished under this new program.

However, informational adequacy has a broader connotation when we relate it to our immediate purpose of rejecting and refuting the false promises and principles of communism. Our firm purpose is to sell to every person everywhere a true picture of the American people, our ideals, our way of life, and the purposes of our foreign policy, in order to combat the menace of international communism. "Adequate," therefore, means commensurate with the job to be done. The job, of course, is an enormous one.

I agree with the Advisory Commission that the sum total of techniques presently used by the Information Service abroad is substantially inadequate to accomplish the necessary productive penetration into the minds and hearts

of the world's multitudes in the time likely to be available to us.

It is therefore imperative that we step up by every means which is available our activities in this battle for the minds and hearts of men in areas of the world which still permit the people to make their own decisions and to select the loyalties which they prefer.

While under the provisions of the Smith-Mundt program we are trying—especially through short-wave broadcasting—to penetrate beyond the iron curtain to keep alive at least the feeble flame of hope burning there in the hearts of many people who yearn for the time they can be rid of their Communist overlords, our present emphasis must be upon the human beings outside the iron curtain whose sympathetic adherence to either ideology is the goal of both contestants in this cold war.

In a State Department bulletin, published in January 1950, there appears a chart of the world showing that two-thirds of its population live in economically undeveloped areas. The bulletin states:

> The economic situation of most of the people of the undeveloped areas is far from good. The situation of many is dire.

The chart locates these undeveloped multitudes in Central and South America; in the Near, the Middle, and the Far East; in Africa; and in areas of the Pacific. These are all active points of Soviet penetration today. They are in dire distress. These unfortunate peoples are fair prey for the Kremlin. Many of these peoples live in undeveloped regions of abundance. Their productive terrain presents a rich prize for the Communists in their aggressive march as the new Russian imperialists.

These people are among the human beings we seek to aid in their fight to emerge from darkness into the light. We refuse to permit the processes of political evolution to be reversed. These people must not be allowed to plunge from their present levels of development into the total depths of Soviet slavery.

The United States and other free nations of the world have a common concern for the proper self-government of these peoples. We do not seek to impose upon them any particular pattern or organization or any specific system of self-government. All we hope for is that they may emerge as freemen, as masters of their own souls, as human beings capable of providing for their own needs and protecting their own autonomies. Such progress will further the advancement of human freedom, secure the growth of the democratic way of life, expand our mutually beneficial commerce, and open up vast and unprecedented new frontiers the development of which will absorb vast segments of the world's population and consume huge volumes of the world's products, while also aiding in the development of international understanding, mutual good will, and a continuing and a permanent peace.

Two thirds of the world's population today is mostly illiterate. The life expectancy of this multitude of people is no more than 30 years. They live in regions without transportation or communications of any kind. Their mental processes have never been stimulated. Their lives are spent in search of a bare existence and the result of their insufferable toil is a diet of but 2,000 calories daily—hardly enough to support life. This diet is usually lacking in the basic food elements which are essential to health and well being.

These are the people, the individuals, the great mass of available manpower, which both the Communists and those who oppose that Godless tyranny are trying to reach if either side is to become dominant enough to prevent this cold war from growing into such an acrimonious and intensive stalemate that it becomes a hot war. These are the masses who, at any time, in very despair, may rise up in concerted protest against their misfortune and embrace the lying promises of communism in desperation, unless, to them we can hold out some hope and unless for them we can provide some program for improving their way of life and for enabling them to move out of the matrix of misery which for so long has been their pattern of existence.

PRESENT INFORMATION TECHNIQUES DO NOT SUFFICE

It can easily be realized that our present information program is inadequate when it comes to this vast population because we do not and cannot reach these multitudes by present techniques. To these illiterates, all our libraries, bulletins, pamphlets, and publications are useless. Without radio receivers, even where our Voice of America broadcasts are adequate, such people cannot hear our message. Living in remote areas, far from accessible transportation, our information personnel are not able to contact them in significant numbers. Our mobile units, with documentary films and American records as well as displays and movies are a source of contact, but they are so limited in use and availability that they are not adequate to serve the purpose. In the present revolutionary state of affairs in some areas, our information officers cannot or dare not leave the relative safety of their urban fastnesses to penetrate local military zones in some of the far-distant, backward areas of the world. Therefore, the unfortunate populace can never see or hear us or learn about us, or receive our messages of hope and faith. The insidious, inner revolt within these people against the conditions which plague and perplex them persists. And this restlessness is fed and fortified by paid agents of the Kremlin.

The tragedy is that we have, as yet, never found the means to show them a way by which these people themselves can work their own way out of misery into a more fruitful life. We have extended money grants, most of which have never reached the people, and which certainly cannot help them to help themselves. The size of the problem and the scope of the challenge are so great that to try to meet the need by direct economic aid and assistance from the United States might well bankrupt this country before we could even make a significant change in the lives, environment, or attitudes of these backward multitudes.

Our problem, therefore, is to find a technique which will achieve this objective before these areas are taken over by the Communists, and one which can do so within the budgetary limitations of our own national resources and abilities.

Our problem is to find a way—an effective and a practical way—to really help these people to be able henceforth to help themselves.

TO REACH ONLY THE LEADERS IS NOT ENOUGH

It is axiomatic that an extensive information service which benefits but a limited few, many of whom need no persuasion, may be conducive to success in the long run, but is inadequate in order to meet a challenge such as that now presented by the Communists, within the allotted time which seems to be predictable. We know that we can reach their leaders, and that they, in turn—given an ample amount of time—can relay this inspiration and this information to their fellows and their followers. However, history has shown us that the leaders of today may be the victims of tomorrow, and that properly persuaded leaders cannot secure the desired results until and unless their associates and fellow citizens have been given new understandings and new sources of hopefulness.

One of the difficulties we confront in this world-wide contest for the minds of men is that while the United States has to such a large extent been appealing to the leaders, the Communists, moving out from Russia, have been directing their appeals to the masses of the population.

The long-range strategy for our free side in this contest seems to call for measures which in the briefest possible time will expose to all the world the fallacies of Lenin and Stalin. We must reveal their false premises and promises as being the handmaidens that they are of the totalitarian tryranny which they invariably produce. The development and elaboration of this strategy must be the responsibility of all men and women on our side of the iron curtain who profess humanism and a devotion to the cause of freedom and democracy.

In complete fairness to the State Department, to Congress, to the United States Advisory Commission on Information, and to the personnel of our information and educational exchange activities, as well, it must be stated that there is widespread recognition of the problem and its difficulties. Much time and thought have been expended in attacking the joint problems of effectiveness and adequacy. The problem of effective saturation is well recognized, and the need for reaching additional multitudes of people beyond and below the cultural and political leaders of a country has been clearly understood. We seek additional solutions to these challenging problems.

It is self-evident that in this chaotic world, where great numbers of men have so many basic unfilled human needs, the diclosure that American workmen with well-filled stomachs ride to their work in

shiny automobiles, will hardly change envy into sympathetic understanding in the minds and hearts of broken men and women. Democracy and its rewards can not be sold so cheaply or so easily in backward areas of the world or to people in the loin-cloth economies abroad.

We have to do much more than paint a picture of contrast. Our educational films are splendid; our libraries and literature are comprehensive; our music is magnificent; but to all of this we must add a practical and realistic approach to the minds and hearts of hundreds of millions of people whom we have been unable to contact, and whose standards of living are still so low that appeals must be based on a more pragmatic and immediate basis.

Let us accept as fact that the world recognizes that we have the know-how What it is looking for from us today is the "show-how."

As I have stated, the device of communism is fed by unfilled stomachs and the unfilled needs of men, until it captures and controls their brains. It is in recognition of this fact that the whole philosophy of the Marshall plan of economic aid abroad was built. Related to it is the question of whether our informational and educational program abroad can be more effectively utilized to meet the needs of mankind and more adequately presented to combat the menace of communism.

I believe it can, and I shall propose and develop an additional suggestion for solving the problem we confront. There are undoubtedly many methods which we might employ to enforce and supplement our present crusade as contestants on the free side of this cold war. My purpose here is to stimulate thoughtful, creative attention to at least one available method which is well within the scope of our financial means and which is still an entirely untried peaceful weapon in our arsenal of democracy.

Our basic problem is to determine how, using our informational program as a buttress, we can relieve poverty and misery, raise health standards, create physical well-being, lift national standards of economy, strengthen the political freedoms, and enable people in backward areas to fulfill their reasonable aspirations, and to achieve all this without engaging upon some global plan of economic and material aid which would bankrupt our great bastion of freedom in America without building materially the hopes and improving the living standards of human beings in other areas of the world.

In order for us to show people how, under a given set of circumstances, they can improve their lot, it is first necessary to reach those people. Then we must understand their fears, their age-old accepted standards and inhibitions, in order to patiently, doggedly, and kindly point the way to change and acceptance of new standards and new methods. It is not an easy problem, and the difficulty increases when one realizes that by the use of radio alone the Voice of America has not talked and probably will not talk to many millions in the myriad native dialects and aboriginal languages employed by human beings around the world.

A NEW TECHNIQUE IS NOW AVAILABLE

As a former educator, I am well aware of the educational axiom that "one picture is worth 10,000 words." This assumption has been accepted as a premise in our informational program. People who cannot read and people who cannot interpret what they hear, can see and understand pictures. It is not only the educational technique for children, but it is also the reason for the success of many of our metropolitan daily newspapers. At least two great American slick-paper magazines have skyrocketed into stupendous circulation figures by utilizing the knowledge that pictures tell the story more graphically, dynamically, and lastingly than words can ever do.

Within the existing limitations of present techniques, employed by our Smith-Mundt program for carrying the American message overseas, we have used photographs, cartoons, graphs, and motion pictures to reach the limited numbers of people to whom we are able to make these devices accessible by present methods.

I again quote from the March 1949, Semiannual Report of the Advisory Commission on Information. This section is headed "Visual material." It states:

> In countries that have large numbers of illiterate persons in their populations. * * * the most effective channel of information is motion pictures, photographic displays, and exhibits. These visual materials should be displayed not only among the relatively illiterate groups in the large centers of population but should be carried to the small towns, villages, and rural areas.

Of course, the latter presupposes that we have enough personnel and sufficient finances to accomplish this task, and that additionally, as I have already stated, we can, by some miracle, penetrate into roadless areas and into guerrilla hinterlands, where neither life nor property are now secure.

I think it stands without fear of successful contradiction, therefore, that if we could supplement our know-how by some concentrated, repetitive, understandable, sympathetic, and practical show-how, we could improve the lot of mankind, and at the same time we might well arouse a mass sympathetic desire to embrace the philosophy of freedom and democracy, which has made all this possible. I believe that people want and fight for what they understand; but, first, we have to make them understand by proof and by practical demonstration. I repeat, however, that I do not think we have sufficient time so that we can afford to rely solely upon achieving this end through preaching the fruits of freedom from thousands of miles away, over the air waves. In my opinion, we should supplement this program by new, modern techniques of a more utilitarian nature which are now avilable to us.

To "show-how" means to cause something to be understood, and it means to make evident by demonstration. It intends that things be made visible. It recognizes that one picture is worth 10,000 words.

WE ENTER THE "SHOW-HOW" ERA OF HISTORY

Most of us are just coming dimly to realize that the world is today entering a new era of "show-how." When the history of the twentieth century is written it may well be divided into two great halves: the first, the period of mass hearing; the second, the period of mass seeing. Combined, we have attained an audio-video world—a world joined so closely that, at every living moment, all men can be witnesses to the acts and achievements of each other. Thus, we hope, potential friends may become actual and understanding allies.

There is an old Japanese statement to the effect that "The man you don't like is the man you don't know." This lack of knowledge about the ways and motives of other segments of the world has led to wars without number and to countless conflicts. Fortunately, it is no longer necessary or essential that people living a great distance from one another must fail to know, to see, and to understand each other.

We Americans are a complacent people. We accept technological achievements as a matter of course. We rarely stop to express amazement, to appreciate, or to applaud an economic system of private enterprise which has given us countless bounties. Nor do we often thank the good Lord for these abundant blessings, or ask ourselves whether we deserve our great system of economic and political enterprise which has been designed to give a fair chance for a free people, to more people, and in greater degree, than any other type of government the world has ever seen has been able to do. We demonstrate the same acceptance without enthusiasm of the new technological developments that we manifest for the blessings of our economic and political system.

How many of us, for example, have paused to grasp the full significance of television upon the lives of all of us? Five million more television receivers will be in American homes this year. I pass over their amusement value. The advent of the video form of exposure, the advent of "show-how" for mass consumption, spells radical change in our education, scientific, business, industrial, and political methods.

Of far greater significance than all this, however, is the potential impact of television in the area of international relations. I refer, specifically to its present possibility in connection wth the Voice of America program and the projection of the American point of view in the current controversy forming the battlefields of this cold war.

Let us indulge in suppositions for a moment. Let us assume that most Americans cannot read or write, and that there is but one available teacher in our land. Let as assume that all of us have television receivers or have access to a television screen. In such case, when we turn on those sets, millions of us see our teacher and hear our teacher; and, as though in our homes, she can painstakingly and thoroughly teach us our A B C's on the television blackboard. She can read slowly to us, and we can follow the written words on the black-

board. Thus, she can teach us to write, for we in our home schoolrooms can imitate what we see. So it goes, daily, regularly, persistently; and so we may soon learn the three R's of an elementary education. For those of us too poor to have home receivers, there could be community receivers, and we could study our lessons in groups. It is true that this would be a poor substitute for the excellent school system of America, but who is there to argue that it would not be an immeasurably better educational system than nothing at all?

Let us make another assumption. Suppose that our country was ridden with smallpox and typhoid fever and cholera; suppose that although people were dying by thousands, we knew nothing about inoculations, or, if we did know, we were afraid of puncturing the skin and having the strange fluid enter our veins. Suppose that over our television set we saw that those who were injected were saved, and that those who refused such assistance died. Would there be any fear of vaccination left in us? Certainly not. Would we get rid of our supersitions? Certainly. In a short time we could virtually eliminate many communicable diseases by the "show-how" technique, and we could put an end to the useless epidemic.

Let us make the same assumptions about our lack of knowledge of proper feeding or sanitation or infant and bodily care. Our teachers, all trained technicians, by visual demonstration, right in our video homes and communities, could show us and explain to us how to combat these deficiencies.

What splendid things we could do to improve the economic lot of mankind by explanatory "show-how," I shall treat with later. But under proper circumstances, and with proper planning, what each of us recognizes as a possibility here at home, should the need be present, is also possible abroad, where all alert Americans recognize the need today is omnipresent.

Mr. President, these fantastic suppositions of mine were made simply to point out the realities of what might be done with the techniques now available in this country should there be in our midst the needs, which now exist so greatly overseas, for the use of such unprecedented tactics.

We recognize that a new medium of expression—television, mass sight coupled with hearing—has become a practical reality for us in America. What I now ask Senators to do is to bear with me and consider the following propositions:

First. Whether it is possible to reach the masses outside the Soviet orbit by audio-video techniques.

Second. Whether the "show-how" picture and explanatory technique are dynamically effective.

Third. Whether this technique is practical, in view of the costs.

Fourth. Whether this system obviates the jamming techniques of the Soviets, which they now employ against traditional broadcasts.

Fifth. Whether it fits into and makes effective our informational program.

Sixth. Whether it is the key to an effective point 4 program tailored to costs which we can afford to undertake, and dealing with conditions which it is essential that we help correct.

America has an expanding television network, as it has telephone, telegraph radio, and other communication systems to meet our many needs. Many of the old nations, and all of the new ones, completely lack any of these various means of communication. Hence, their leaders cannot communicate with their people, police their people, inspire their people, or run an organized society other than under the most haphazard and unsatisfactory conditions.

Some day all these areas must and will have suitable communications systems. It is merely a question of time. If we were presently to help them attain organized communications and simultaneously aid them to solve their mass problems by audio-video methods, we would be conferring an incalculable benefit on mankind. For their new communication system will not be by poles and wires and coaxial cables. It will be through the air by electronic impulses, which, at once will give them telephone, telegraph, teletype, and facsimile, in addition to the television media.

It is proposed that a television network be established at strategic points throughout the areas to be served. Each station would act as a link in a relay chain to permit integrated network operation of all stations throughout the area. When desired, each station could be operated individually to provide a local broadcasting service in its own zone or district. All stations in the system would be situated on mountain tops at suitable locations, selected to provide completely reliable transmission to adjacent stations under all weather conditions. The relaying of television impulses would obviate entirely the necessity of expensive coaxial cables.

To insure satisfactory relay operations the stations forming links of the network chain would be 50 to 125 miles apart, at elevated points where strong signals could be received. Such a network would constitute a complete, integrated audiovideo intercommunication system.

I have had the benefit of the engineering skill and advice of the ablest electronic and sound engineers in the developing and maturing of this suggestion for your consideration. Two of them were the consultants who planned the rural radio network in New York State where a similar system, transmitting FM radio signals, by the relaying of impulses, such as I am now suggesting for remote areas of the world, and which is now in actual operation. Thus, we are not discussing some untried plan or some fanciful suggestion but simply considering whether an arrangement which is presently operating in up-State New York is feasible and financially acceptable for us in foreign areas of the world. In addition, these specialists have prepared charts of selected terrain showing the probable number of relay stations necessary for a given foreign area together with the individual and over-all costs.

I believe, Mr. President, that you will be astounded at the amazingly low costs for the construction and use of an overseas television network. Certainly that was my reaction as I have pursued my study of this possibility. For example, I have transmission lay-outs and costs for such areas as Turkey, Japan, Indonesia, and the Philippines. I have maps displayed at the rear of the room, indicating the locations where all these relay stations and buildings should be constructed.

Mr. President, I want you to accept these over-all figures as not being positive in exact amounts because it will require on-the-spot surveys by engineers to develop the precise costs for any given area. However, these figures are prepared by the best engineers in the business and you can accept them as rather accurate estimates of the potential costs in order to gage the feasibilities of this proposal.

For example, a nation-wide network in either Japan, Turkey, or Indonesia could be constructed for the estimated total cost of $4,600,000. These expenditures would be broken down as follows:

22 relay transmission stations (mountaintop) with equipment, including towers and Diesel generators, each at $150,000	$3,300,000
22 buildings to contain the foregoing, each at $30,000	660,000
Engineering and supervision of network construction	300,000
Completely equipped central studio	350,000
Total	4,610,000

For a similar nation-wide television network in the Philippines, the estimated cost of—

17 such relay stations (mountaintop) with full equipment, including towers and Diesel generators at $150,000 per unit	$2,550,000
17 buildings, each at $30,000	510,000
Engineering and supervision of network construction	250,000
Completely equipped central studios	350,000
Total	3,860,000

The foregoing figures contemplate, for the moment, but one master audio-video transmission station, which would be centrally located at the capital of each of the specified countries.

I am informed that the cost of one B–36 bomber is today approximately $4,000,000. I give you this comparative figure simply to point out that for the cost of one great transoceanic bomber, calculated to bring destruction to an enemy, we could establish in a country like Turkey, Japan, or Indonesia, the permanent communication facilities for projecting television to carry out constructive programs for our friends in each such country.

Mr. President, I call attention to the charts at the rear of the room, simply to give some idea of where the television stations would be located. For the Philippines, it will be noted that 17 relay stations, each of the stations projecting an impulse from 75 to 125 miles, would blanket the entire Philippine area. Each of the circles indicates the area to

be served by a single relay station. The station, to be located on a mountaintop, is also indicated. Programs could originate from each station. At the capital of the Philippines, of course, at Manila, would be located the major programing station of the network. On this chart [indicating] appears the program as projected for Turkey, involving again 17 radio stations. We are all aware, I think, that Turkey, in terms of friendly cooperation, is one of the most important bastions of freedom available to the United States anywhere. Both under their preceding government and under their newly elected government, the Turks are a friendly people, they are a democratic people, they are a pro-American people, eager to cooperate with us. At a cost of $4,000,000, we could establish throughout Turkey an entire television network system capable of reaching all persons in the Republic of Turkey, giving to them additional concepts of American know-how, which would help them to develop the agricultural and economic systems which are being gradually modernized in the Republic of Turkey.

On this chart [indicating] we have the situation from the standpoint of Japan. Japan is to be served by a group of 23 relay stations, or one major broadcasting station at Tokio and 22 relay stations. With those 22 stations and large community receiver sets located around the rural areas and cities of Japan, it would be possible for the American occupation forces under General MacArthur to bring by means of pictures to every citizen in that great area of the world the lessons of freedom and the concepts of democracy.

On this chart [indicating] appears a projection from the standpoint of the situation in the Indonesian network. Here we find it requires 44 television stations, with an expenditure of perhaps $10,000,000 to bring the miracle of television and the lessons we want to get to the inhabitants of Indonesia.

Here, Mr. President, is a map of the system which is now operating in New York State. In up-State New York we find a farmers' cooperative group have gotten together and established a rural radio network system which is presently operated within the cost limitations established in my argument this afternoon. Rural citizens living in areas surrounding Syracuse, Albany, Buffalo, Rochester, Ithaca, and that great general area of the rural regions of the Empire State now have in operation a program such as I am describing and recommending as feasible for use abroad.

Accepting the technical feasibility of this type of communication system, which, as I have said, is now a demonstrated actuality that can be witnessed in operation on the rural radio network of New York State, and recognizing its mass penetration, let us explore its operation. At the moment, I am not suggesting an intercontinental television system, although, in due course, it will become a reality. As a matter of fact, through use of already available airplanes, these programs can be projected, live, from stratocruisers in the air so that a message of importance can be carried to every area of a foreign country in no longer than it takes for a stratoplane to fly the oceans or to cross the continents.

Today, however, I confine myself to a nationally operated system set-up within a specified country and operated by relay stations from a central point. There are various ways in which these television networks could be owned, constructed, controlled, and operated. These foreign nations cannot yet expect the bounty of American advertising budgets, which would help make the network self-supporting, although it is not unreasonable to hope that such a time will come eventually.

I suggest that in the meantime, if the countries ask us for such technological assistance and developments, as they are certain to ask once they know it is available, we emphasize that for over-all effectiveness, some form of nonpolitical control board be established in each of the countries made up of educators, health officers, economists, agriculturists, businessmen, and labor leaders. These individuals can properly develop programs for useful purposes and make sure that we receive a quid pro quo for our American establishment of this great "show-how," "see-how," "hear-how," "know-how," information and guidance program.

I have often thought that, were we able to bring the inhabitants of each foreign nation together by some single technique so that they might all see and understand the basic problems of their country, many of the areas of the world could and would probably work out their own salvation. I believe that national unity of purpose and resolve can be attained by an effective communication system, especially when that system combines seeing with hearing because the veracity of the adage "seeing is believing" has never been successfully attacked. Likewise, I believe that, properly awakened, national endeavor, culture, and pride together can present unassailable barriers to communistic doctrines.

Consequently, by helping our fellowmen in foreign lands to run their own show, we need have no misgivings. I do not wish to interfere with them in solving their problems. I think we should stand ready to help them, because we have what they need. They must seek us out, as they are bound to do once they realize our assistance is available.

WE PROPOSE SIMPLY TO HELP OTHERS TO HELP THEMSELVES

Our information officers and our technicans will always be ready to serve our foreign friends. These American officials can give any nation, in person or by films, the "show-how" of the American scene, with helpful suggestions, advice and counsel. The price of our technical and organizational help will simply be the willingness of local foreign authorities to cooperate and assist in the projection and protection of the audio-video relay system which we can make available to them under terms, conditions, and cost equations, mutually acceptable to all concerned.

I think it is needless for me to enlarge upon the illustration which I have used earlier in presuming that the American people were illiterate or diseased in order to point up the technique of employing the television process. However, the fact remains that in many areas in which I suggest that a video-audio outlet could be most effective the people are illiterate, they do lack the minimum essentials for fighting disease, and they are in need of a basic education. In addition, they require personal and public health advice, including training in sanitary methods, diet, and child and maternal care. They have few available native teachers, public-health officers, nurses, dietitians, and other technicians. How, then, can we more adequately effect a rapid mass education than by this "show-how" "tell-how" method? If there be other effective means, let us call them forth without delay before our time runs out. If there be no better means, let us use this which is now available to us at costs which we can afford and by techniques which we are prepared to operate.

I have suggested that this show-how technique could do much to improve the economic lot of mankind. Many Senators will recall the reprint in the March 1950 edition of Reader's Digest, of an article which originally appeared in the Minneapolis Tribune entitled "A Way To Lessen World Hunger," written by Edwin Minner. It recounted how Mr. Norris E. Dodds, Director General of the Food and Agriculture Organization of the United Nations, visited nearly every undeveloped, undernourished area of the globe. Mr. Dodds came back with the conclusion that: "Farmers of hungry continents need our help, but not necessarily in the form of vast and expensive projects." In India, for example, he found farmers working on their knees with hoe handles only a couple of feet long. He showed them that they could do twice as much with a long-handled hoe, and four times as much with a hand cultivator, which is cheap and easy to make. Results there were gratifying in increased production, and the costs were less than the annual pay of a Government official.

Suppose that Mr. Dodds were able to show this miracle, not to a few people in the Punjab district of India, but to hundreds of thousands of farmers throughout all India upon the community video screen. Can you imagine its labor-saving effectiveness? Who can estimate its contribution to the food production of India? Who can evaluate or delimit the vast potentialities for improving the lives and the lot of millions of people which could come from just such easy-to-learn and easy-to-show reforms as this?

Another fact impressed Mr. Dodds strongly as he explained it in the inspiring article in the Reader's Digest. In more than half the world the scythe has not yet supplanted the sickle. Suppose Mr. Dodds were to stand before the television camera and contrast the two as a prelude to making available this ancient but significant improvement in the business of harvesting.

Mr. Dodds found a complete lack of knowledge of crop rotation by farmers in many undeveloped areas. With famine, pestilence, and starvation con-

fronting so many millions of people in the world, how simple and effective it would be to teach this crop-rotation technique and its benefits by visual contrast on the television screen where those who saw the difference could not help but believe the testimony of their own eyes.

Mr. Dodds states further:

As a rule the farmer of the undeveloped country has nobody to show him how, so he does things as they were done by his father and his grandfather.

He adds that "all the world around, the conquest of hunger begins with showing people simple tools and simple methods."

My question today is, Mr. President, By what effective, rapid means can this showing be done? Again, I submit for consideration the audio-video network method now available at costs so small that an entire country can be covered by the expenditures required to build a single bomber of the B–36 variety.

A WAY TO MAKE THE POINT 4 PROGRAM POSSIBLE

I have carefully studied the Department of State's 167-page bulletin expounding the so-called point 4 program. I suggest that the only effective and feasible means today for "making available to peace-loving peoples the benefits of our store of technical knowledge, in order to help them realize their aspirations for a better life," as the State Department has proposed it for American consideration, is to show how our know-how is able to produce results.

I venture the belief that, with a well-conceived agricultural help program televised to farmers in foreign areas we could increase their farm output 10 percent to 20 percent in our first year of operation in any given area.

I want to make it clear, however, that at the same time farmers are being shown profitable agricultural procedures simultaneous urban audio-video demonstrations in public health, such as proper methods of child feeding and care, can be demonstrated on other transmission units. They can, of course, be orally related in the language or dialects of the particular area, tribe, or people. This is because the proposed communication network is a transmission-link system and, when the over-all network is not in use, audio-video broadcasts can be made from any transmission unit, and the programs can be projected by speakers and demonstrators selected from the specific local areas to whom the educational programs are directed. Thus we entirely overcome our present language problems.

Mr. President, it is important to stress one additional technical factor. At the present time our Voice of America broadcasts overseas are being jammed to a considerable degree by devices developed by the Communists. In an address delivered by Assistant Secretary of State Edward W. Barrett, who is in charge of our Voice of America program for the State Department, he said in New York City on May 18 of this year:

We have been hit with the greatest jamming operation in history. We have triangulated at least 250 Russian stations that are devoted exclusively to jamming the Voice of America and the BBC. The Russians are spending more money on their jamming than we are spending on our entire radio output.

Mr. Barrett points out that we are making some headway in overcoming the jamming, but that it remains a serious problem and is short-circuiting the effectiveness of the foreign radio broadcasts.

Consequently it is gratifying to report today that the audio-video network system which I have described to you is technically incapable of being jammed from remote areas. At worst, such programs cannot be jammed from a greater distance than 35 to 50 miles, so that the major areas of every country can be reached consistently by our programs on such a system entirely free from outside interference by the Communists.

Before discussing this subject today I have probed carefully into operation and maintenance costs for such a communications system as well as the cost of initial installation. One day about 2 weeks ago we held extensive hearings in my office in the Senate Office Building at which one of my secretaries took stenographic notes which aggregated more than 47 pages of typed testimony dealing with the technical and economic aspects of this program. I shall be glad to have any Senator who cares to do so come to my office and read this technical testimony in complete detail.

Included among those participating in the hearings in my office were: Mr. William S. Halstead, of the Communications Research Corp.; Murray G. Crosby, of Crosby Laboratories; Hazard E. Reeves, of the Reeves Sound Studios, Inc.; Aries Vernes, president of the Phillips Export Corp.; which is part of the great Phillips industries of Holland; Mr. Brum Walters, of North American Phillips; and Mr. Harry Holthusen, a New York lawyer and consultant in the radio-television industry.

These men came to my office at their own expense and the sole reward that can be given these progressive-minded individuals is this recognition and our appreciation. I am indeed grateful for their assistance and the information provided and I repeat that any of you who care to read the testimony may have it available in my office. I only regret that I cannot afford to have it set up and made available to each of you in printed form.

I can assure Senators, however, that the costs of maintenance and operation are modest and feasible, just as the costs for installation are amazingly low.

It has been roughly calculated, for example, that while $4,000,000 would establish a complete television network, including the community receivers and screens for such a country as Japan, Turkey, or Indonesia, the annual costs of administering, engineering supervision, studio personnel, and programing, together with the tube and parts replacements for the main studio and the more than 20 relay stations involved, would be well under $300,000 per year for each of these countries.

In preparing this address I have also given serious consideration to the kind, character, and number of television receivers necessary to do the job in given areas. By the use of both direct-view and projection-type, large-screen receivers, located at community points, for mass vision and group use, effective and continuous programs may be had within the cost estimated above. Shortly, the direct-view receivers will have 30-inch tubes and the cost in volume quantities of all types of receivers is steadily declining.

It must also be kept in mind that, unlike American receivers with multiple selective channels, these receivers will have but one video and sound channel. This will not only lessen the cost but assure simple fool-proof operation.

Receivers at the community radio centers would also be utilized in connection with a facsimile recorder to print news bulletins, weather maps, pictures, and other graphic material. For the first time in their history, therefore, all communities could have a newspaper in their own language available to everyone.

TELEVISION NOW PRACTICAL FOR COMMUNITY RECEIVER SETS

Mr. President, let me make one thing crystal clear. This great television network program does not contemplate and it does not require the use of individual television receiver sets. The trend of world affairs and the tempo of the cold war is far too fast to permit us to wait for the time when the world's multitudes will have their own television sets available for individual use. Nor are the best results obtainable from individual sets. This plan will use community receiver sets such as are now available and such as are now in general use here in America except that their construction costs and operational expenses are greatly reduced by virtue of the fact they are attuned to a single television projection channel.

These community receiver sets will display their powerful television pictures on screens ranging upward of a surface 6 feet wide and 6 feet high similar to the ones many of you have already seen in action in the Army-Navy Club here in Washington and in other clubs or public places. The foreign audiences can assemble in theaters, school houses, amphitheaters, public halls, and even in tents or out of doors where the situation requires it, where from five hundred to a thousand human beings can simultaneously witness the pictures and hear the messages designed to aid them in the important work of learning new and better methods for helping themselves, for developing techniques for solving their own problems and for improving their own economic and educational status.

In summary, the system of telecommunication which I propose for suitable areas is a comprehensive one, including television. Such an over-all system is a necessary arm of national life and welfare. Modern techniques make such a system practical and reasonable in initial cost, operation, and maintenance. A system with proper video programing promises national integration and progress and can build effective irreducible barriers against the march of communism.

Mr. President, I cannot help speculating just a minute on what can be

done with such a television medium and set-up in occupied Japan, or even in occupied Germany. Here are countries with high degrees of literacy. Our present job is to try to convince the people in them to see democracy as we see it. The problem here is more political than economic, for these countries both will eventually recapture their economic position in the world. It is hard to change the political philosophies of peoples by argument, by radio programs, or by printed books and pamphlets, especially when the argument is presented by a resident conqueror. Yet we must not leave Japan or Germany until we effect some conversion to basic democratic concepts.

Why not let these people see for themselves? Why not show them our American system of living and being? Why not let them see our Bill of Rights as it operates in practice in America? Why not let them see how private enterprise, political independence, and individual initiative pay off for the American farmer, the American laboring man, and our little-business man? Why not let them see democracy and decency in action on the American scene? Why not let them see, by comparison, what communism would bring to them, with its Asiatic forms of tyranny and godless doctrines of materialism? How better can the millions in Japan and Germany be shown so they will come to know the truth than to show it on the video screen? How better could we spend $4,000,000 in capital outlay in a country, with an annual administrative and programing cost of perhaps another quarter of a million dollars?

Mr. President, last year the cost of the Japanese occupation to America was $400,000,000. The occupation in Germany likewise cost a stupendous sum. The annual interest on the $400,000,000 we spent last year in the occupation of Japan, even at governmental interest rates, is $12,000,000. Those $12,000,000, alone, would set up, maintain, and operate an effective audio-video program of democratization to feed the flames of freedom in Japan and in Germany far beyond the extensive operations which I have conceived and discussed in this address.

Mr. President, spending just 1 percent of our annual outlay for occupying Japan upon a dynamic educational program such as I have discussed today would enable us to get out of Japan successfully at a reasonably early date secure in our knowledge that by seeing the fruits of freedom the people in Japan would have come to believe wholeheartedly in their virtues and their values. Such a program might well ultimately save several hundred million dollars in Japan alone.

Mr. President, this has largely been an exploratory discussion, designed primarily to arouse and stimulate interest in the possibilities of employing television techniques as an effective weapon—and perhaps a determining one—in the cold war in which we are now engaged.

I have suggested Turkey and Germany, Japan, Indonesia, and the Philippines as possible areas for the immediate application of this program. It could be tried experimentally in any one of these areas, or it could be tried simultaneously in all of them. In either event, the cost to the United States in dollars, in time, and in effort, as measured against the expenditures under the Marshall plan, or our occupational costs, or the costs of our defense establishment, is of almost insignificant consequence.

On a later occasion I expect to address the Senate in some detail with regard to the implementation of this program. I have given much thought and study to practical methods for putting this proposition in gear in the most effective manner and with the least possible loss of time.

There are a number of avenues available on which we can travel in putting this program into operation. In Japan General MacArthur has sufficient control—and I believe sufficient finances—to put this program into operation as rapidly as engineers can install the equipment and technicians can prepare the studios and plans for operation.

In Germany our American occupation forces are in position to make quick use of such a program, and I believe arrangements could be worked out with the west German Government so that it could be used cooperatively both by it and by our occupation forces. Here, again, the costs to America shrink into insignificance by comparison with our over-all expenditures of occupation.

The Republic of Turkey is of vital importance to our over-all defense strategy. It is a land of friendly people, and is ruled by officials cooperating with America. It provides an almost ideal laboratory in which to operate a self-contained network of television stations such as we have been discussing.

SMITH-MUNDT ACT NOW PROVIDES NECESSARY AUTHORITY

As author of Public Law 402, I am completely confident that there is adequate authority—if finances were to be provided—to establish and operate this program under the provisions of the Smith-Mundt Act.

I have already indicated its direct relationship to the point 4 program. I have in mind, moreover, other possible legislative steps and congressional action which might be taken to expedite the use, on a wide-scale basis, of the techniques which have been the basis of my discourse this afternoon.

For the time being, I am content simply to place before my colleagues the vast potentialities involved in the use of audio-video developments in this mighty ideological war in which we are engaged, and to urge them to join me in exploring ways and means for harnessing these techniques to the problems of the hour and to the challenges of the cold war.

Before bringing these suggestions to the Senate, after making certain of the engineering practicability of the plan and of its feasible costs through careful investigation and hearings in my office—to which I have previously referred—I also secured first-hand information concerning the effectiveness of such a plan where its potentialities were field-tested recently throughout the area of one of its greatest potentials.

Mr. Henry F. Holthusen, who was a consultant to the Smith-Mundt Committee in our study trip in Europe in 1947, concerning the needs and potentialities of the Voice of America program, which later eventuated, has recently returned from an extensive trip to the Near, Middle, and Far Eastern countries. He discussed this plan of regional or national television systems with our own State Department representatives, with leaders of foreign governments, chiefs of departments of agriculture, editors, social workers, and many others.

Mr. Holthusen has informed me that, uniformly, their interest and enthusiasm were unparalleled. For example, since his return, our press attaché in Cairo writes:

> I have also had conversations with Dr. Riad Bey, one of the leading engineers of Egypt, who, in turn, presented me to Dr. Zaki Bey, head of the newly formed Egyptian Research Council. Dr. Zaki Bey is tremendously interested and declares that if it can be done, and he believes it can, it would be the most important single achievement in the history of Egypt for the past 20 years.

I take this opportunity to express a special word of appreciation to Mr. Holthusen, who was exceedingly helpful in putting me in touch with technicians and engineers in the field of radio and television, and whose suggestions have been most constructive and useful in preparing and verifying the suggestions in this discussion.

Finally in order to fortify this presentation with proof as positive as any that can be found that this plan is feasible, necessary, and important, I have discussed it with leading executives in the broadcasting, television, and allied electronics fields.

The man who is today recognized as the leader of television development in the world is Gen. David Sarnoff, chairman of the board of the Radio Corp. of America, a man who contributed greatly to military communications, first as a colonel and later as a brigadier general of our armed services during World War II.

Recently General Sarnoff made a statement which he authorized me to use in this address. General Sarnoff said:

> Democracy in theory, begs for the ear. Democracy in action, challenges the eye. To be believed, the American way of life must be seen as well as heard.
>
> Broadcasting can speak about the problems and television can show the answers. Through the ears and eyes of uninformed and anxious people in many parts of the world the voice and vision of America must be strong enough and clear enough to reach their minds and hearts. This is an effective way to fight communism's cold war and to promote peace throughout the world.

I also have a statement from the president of the Phillips Export Corp., which has its great parent industry in Holland, President Arie Vernes, who writes:

> That we of Phillips believe in such a plan we have made amply clear to you already. In these modern times, with this terrific ideological struggle going on with the aim of swaying these native populations over to our mode of life and to keep them on our side once they have been persuaded, it is of the

utmost importance that new and dramatic ways be found to appeal to their imagination. We can think of no better vehicle for such a proposition than Video, and on none that would be more welcomed by the governments concerned since they will be able to use this system for the immensely important task of educating the backward segments of their populations, both adult and children.

Mr. President, the free forces in the world have one great advantage over communism as we do conflict around the globe in this cold war. America, and those many other countries associated with us in our ideals and in our efforts, have nothing which we are trying to hide. Truth rides on the side of freedom. Having nothing to conceal, we are eager to tell and to demonstrate and to show how the spirit of freedom walks with the Prince of Peace in recognition of the dignity of man and the promotion of the general welfare. We need no iron curtain to shut our people in or to shut out the ideas and ideals of other countries and of other lands.

It is for that reason that all devices and techniques which better enable us, within our financial means, to carry the message of hope to the four corners of the world are certain to aid in the preservation of peace and in the development of attitudes conducive to a climate of mutual understanding and good will. It is for that reason that television calls to us to use its new techniques in making available this information program to other countries of the world. It is for this reason that television gives us the logical device for making point 4 a practical and a workable program, because with this television technique the point 4 program becomes one of not merely providing American aid, American money, American assistance and know-how to other countries, at great expense to this country, but in connection with point 4 this television program offers an inexpensive device which we can well afford, by which we can teach other peoples to develop themselves, and to provide the constantly expanding markets and the steadily growing economy necessary for the stabilization of the world.

Mr. President, I think we have now answered in the affirmative the six questions which I earlier set up for our consideration in this discourse.

First. It is possible to reach the masses outside the Soviet orbit by audio-video techniques.

Second. The "show-how" picture and explanatory technique is dynamically effective.

Third. This technique is practical because of costs, extremely so.

Fourth. This system does obviate the jamming techniques of the Soviets which they now employ against our ordinary radio broadcasts.

Fifth. Television does fit into and make more effective our informational program as it is now functioning.

Sixth. This television network system does provide the key to an effective point-4 program which our country can economically support and which will strengthen our regions of the world without weakening the forces of freedom here at home.

Mr. President, out in South Dakota, a great educator by the name of James Christian Lindberg, teaching at a teachers' college in Aberdeen, S. Dak., formed a South Dakota State poetry society of which he became the president and the directing genius and of which I was for a time the vice president. During his lifetime Dr. Lindberg wrote many important poems and did much to raise the cultural levels of the Middle West which he served so well for so long. There comes to mind today a four-line poem, written by James Christian Lindberg, which it seems to me holds promise for the side of freedom in this contest and gives credence to the thought that if we on our side of the ideological conflict utilize resources and techniques which we have available and do not permit this cold war to degenerate into a shooting one, we shall be able to conclude it with victory and be sure that communism in the end will deteriorate because of its own deficiencies and enemies. Here is what the poet, Dr. Lindberg, one time wrote:

A foolish hermit closed his doors and said:
"I'll live a Godly life untouched by sin."
Alas! who builds a wall about himself,
Shuts out much more of God than he shuts in.

Mr. President, this being true, as it is, of a hermit and a man of God, how much more certain it is to be true of a dictator and a godless creed like communism. The iron curtain of Russia and of the Communist countries of the world is certain to shut out much more of freedom, of hopefulness, of peace, and happiness than it could possibly shut in. Russia's iron curtain shuts out for the millions under its control the rights of private enterprise, of political independence, of free choice and free decision. It shuts out the good intentions and the friendly advances of unselfish, freedom-loving people like Americans. It shuts out the hopes and prayers and purposes of all the people on this side of the iron curtain who seek only to perpetuate the peace and to promote better understanding and welfare for the multitudes.

Russia's iron curtain shuts in the misery, the disillusionment, and the despair which comes to those denied the rights of freedom-loving men and women and includes even those in command at the top who never can be sure from dawn to dusk but that some desperate individual, tortured to recklessness, will throw a bomb, or pull a trigger on a gun, or drop some poison in the food in order by such frantic sacrifice to try to bring new opportunities to those who still survive.

Mr. President, America has nothing which it feels called upon to "shut out" from other regions of the world and it has no "know-how" that it feels compelled to "shut in" for use by ourselves alone. We have nothing to sell but peace and progress and prosperity around the world. We have the techniques and the devices and the resources available to defeat the menace of communism and get the message of America across by word and sound and picture so that all can see and so that many can believe. In my mind, this opportunity presents the greatest challenge of the hour.

To the Voice of America, I suggest that we now add the "Vision of America." I predict that this "see bomb" can put in motion chain reactions for constructive good which will rival in their magnitude the destructive consequences of the chain reactions of the A-bomb.

Mr. SMITH of New Jersey. Mr. President, before the distinguished Senator from South Dakota takes his seat I should like to add a word, if I may. I wish to express my regret that because of another engagement I was not present in the Senate Chamber when the Senator began his splendid and spirited address. I wish to commend him for this additional evidence of the study made by him of the important question of the Voice of America and, now the Vision of America. I had the honor and privilege of collaborating with the Senator from South Dakota in the legislation and in the work which is now being carried out. We traveled together in the summer of 1947 to look into the whole question of how best we could sell the idea of America to the other countries of the world. I simply wish to add this word to commend my distinguished colleague upon the additional contribution he has now made to this important matter.

Mr. MUNDT. I thank the Senator from New Jersey very much.

Mr. MARTIN. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. HOEY in the chair). Does the Senator from South Dakota yield to the Senator from Pennsylvania?

Mr. MUNDT. I yield for a question.

Mr. MARTIN. I have been very greatly impressed by what the Senator has just had to say. I am sorry I did not come into the Senate Chamber in time to hear the Senator's entire address, but I shall read it. I did not want to disturb the Senator in the middle of his address.

The Senator made mention of jamming by our enemies of our Voice of America program. I think it would be wise if the Senator went a little more into detail by making an explanation of what he meant by that expression. I did not quite follow him.

Mr. MUNDT. I shall be happy to do so. I think perhaps the word "jamming" is a somewhat technical term used by persons who are technicians in the field of radio. By jamming I mean that the Russians have set up techniques in their country whereby, by projecting sounds and noises, they are able to obliterate the reception of our Voice of America program in many regions of the world. They are at the moment using some 250 radio stations from behind the iron curtain trying to destroy the effectiveness of our broadcasts. That presents a very serious situation, but it shows also that the Russians recognize that when our Voice of America broadcasts do get through they have a tremendous impact upon the people behind the iron curtain who have no other access to the truth. We are trying by every possible technical device to overcome this jamming, this interference,

this obliteration of the reception of our broadcasts.

Relating that to the television program which I have recommended for use in certain areas of the world, where we are trying to secure and hold the loyalties and friendships of people in foreign lands, while the television projection is sent out from only 75 miles to 150 miles by relay stations, it is also technically correct that the jamming operations of the enemy can also be sent for only such a distance; so that gives us an entire jam-free area of the world until we get within, say, 50 miles of the Russian border. For the rest of the world it is impossible for the Russians to jam a television broadcast, whereas they are able to jam short wave broadcasts at considerably greater distances. Thus the television techniques I have described are able to overcome the challenge of "jamming."

Mr. MARTIN. I thank the Senator very much.

Mr. MUNDT. I thank the Senator from Pennsylvania for his inquiry.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1719. An act to amend section 3 of the Act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma;

S. 1739. An act to amend section 4934 of the Revised Statutes (U. S. C., title 35, sec. 78), as amended, to permit public libraries of the United States to acquire back copies of United States letters patent, and for other purposes;

S. 1959. An act to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes;

S. 2117. An act to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave;

S. 2274. An act to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes;

S. 2969. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce;

S. 3093. An act to amend section 82 of the Hawaiian Organic Act relating to the Supreme Court of the Territory of Hawaii and temporary vacancies therein;

S. 3118. An act relating to the forwarding and return of second-, third-, and fourth-class mail, the collection of postage due at the time of delivery, and for other purposes; and

S. 3226. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior.

The message also announced that the House had insisted upon its amendment to the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RANKIN, Mr. ALLEN of Louisiana, Mr. TEAGUE, Mr. KEARNEY, and Mr. DAVIS of Wisconsin were appointed managers on the part of the House at the conference.

CALL OF THE ROLL

Mr. MUNDT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Morse
Brewster	Ives	Mundt
Bricker	Johnson, Colo.	Murray
Butler	Johnson, Tex.	Neely
Cain	Kem	O'Conor
Capehart	Kerr	O'Mahoney
Chapman	Kilgore	Pepper
Connally	Knowland	Robertson
Cordon	Langer	Russell
Donnell	Leahy	Saltonstall
Douglas	Lehman	Smith, N. J.
Dworshak	Lodge	Sparkman
Ecton	Lucas	Stennis
Ellender	McCarran	Taft
Ferguson	McCarthy	Thomas, Utah
Flanders	McClellan	Thye
Frear	McKellar	Tydings
George	McMahon	Watkins
Gillette	Magnuson	Wherry
Green	Malone	Williams
Hayden	Martin	Withers
Hendrickson	Millikin	

The PRESIDING OFFICER. A quorum is present.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. ELLENDER. Mr. President, I am glad that the Senate has at last consented to consider the bill to increase the borrowing power for the Commodity Credit Corporation.

It will be recalled that early in March the Committee on Agriculture and Forestry reported to the Senate for consideration a bill to increase the borrowing power of the Corporation, but in the bill there was included an amendment which was considered obnoxious by the Department of Agriculture. That amendment would have required the Commodity Credit Corporation to employ the services of dealers, commission merchants, and other usual and customary channels, facilities, and arrangements of trade and commerce, in the acquisition, warehousing, transporting, processing, or handling of agricultural commodities.

It will be recalled that the Senate recommitted the bill to the Committee on Agriculture and Forestry. The committee chairman then appointed a subcommittee to hold further hearings with respect to the bill, which contained the amendment to which I have just referred. I was selected as chairman of the subcommittee, and with the Senator from Florida [Mr. HOLLAND], the Senator from Illinois [Mr. LUCAS], the Senator from Vermont [Mr. AIKEN], and the Senator from Minnesota [Mr. THYE], set to work to consider the bill as it had been amended. After extended hearings the committee unanimously reported the bill which is now pending. When I say it was unanimously reported, I mean that all Senators present and voting agreed on the recommendation.

In the meantime, and while hearings were being held by our subcommittee, the House of Representatives considered and passed a bill to increase the borrowing power of the Commodity Credit Corporation, and in due time that bill was referred to the Senate Committee on Agriculture and Forestry. Instead of reporting its own bill, namely, S. 2826, the committee decided to substitute the House bill. In a moment I shall discuss some of the reasons why the committee refused to place the so-called Thye amendment in the bill, and why it incorporated the so-called Magnuson amendment.

H. R. 6567 provides for an increase of $2,000,000,000 in the borrowing power of the Commodity Credit Corporation. The Commodity Credit Corporation is perhaps the most important of all the agencies of the United States Government in maintaining the economic health of the Nation, and, of course, particularly of the farmers. It is the financial organization through which are carried out the loans and purchases providing price supports for farmers. It has had a fine record of achievement, before the recent war, during the war, and since.

At present the Corporation has a borrowing power of $4,750,000,000. This means that we, the Congress, have placed a limit of four and three-fourths billion dollars on the amount the Corporation may owe the United States Treasury or banks at any one time. The limit applies to the sum of actual borrowings and obligations on the part of the Corporation to reimburse banks for CCC loans such banks make with their own funds as lending agencies of the Corporation.

Although we placed this limit on the Corporation's financial resources in 1945, we, the Congress, have by laws which we have passed directed the Corporation to carry out price-support operations for farmers. We have said that the Corporation shall carry out these operations because we recognize clearly the key importance of a sound and prosperous farm economy to the prosperity of the Nation as a whole. We have recognized the magnificent production job that farmers did for the free world during and after the late war. We have insisted that farmers' incomes be protected during the period of production adjustment that must inevitably follow the high levels attained to meet war and immediate postwar needs.

We have told the farmers of this Nation that we would not let them down. The Congress has a strong obligation to make available to the CCC the resources necessary for it to carry out effectively the price-support programs which the law says shall be carried out.

When the Senate Committee on Agriculture and Forestry voted to report H. R. 6567 on March 28, 1950, we asked the Secretary of Agriculture to provide us with up-to-date information on the status of the CCC's borrowing authority. I may state, Mr. President, that the letter to which I have just referred and the data furnished by the Secretary of

Agriculture appear in full on pages 1 and 2 of the committee report accompanying the bill.

We also asked him if any significant changes had taken place in the prospective needs for additional borrowing power. In a letter dated March 29, 1950, the Secretary said that as of February 28, approximately $937,000,000 of the $4,750,000,000 had not been borrowed. However, on the same date, current operating obligations on the books which will in part be liquidated by additional borrowings amounted to $563,000,000. Thus, as of February 28, the total obligations against the CCC's borrowing power amounted to nearly $4,400,000,000, or a little over the peak which was estimated by the Department would be reached this spring in the support of 1949 crops.

Mr. WILLIAMS. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Will the Senator from Louisiana place in the RECORD at the same time how the figures stand as of today, or rather as of June 1?

Mr. ELLENDER. Yes. I will do so now. The latest report available from the Department of Agriculture is that of April 30, 1950. As the distinguished Senator from Delaware knows, the Department must consult and receive data from more than 3,000 PMA offices as well as approximately 12,000 banks, throughout the Nation. The latest accurate information the Department is able to furnish, as I stated, is as of April 30, 1950. The report shows that the borrowings from the United States Treasury were $2,801,000,000; from the banks, $2,065,955.99, or a total of $2,803,065,955.99.

Obligations to purchase commodity loans held by leading agents—that is borrowings that were made by the farmers direct from the banks aggregated seven - hundred - and - thirty - seven - million - one - hundred - and- twenty - five-thousand-and-some-odd dollars as of that date. Obligations for guaranteeing storage-facility loans were $4,448,000. A total statutory obligation of $3,544,639,320.45 existed. The net statutory borrowing authority remaining available, as of April 30, was $1,205,360,679.55.

However, Mr. President, I desire to point out to the Senate that there are to be charged against this amount of $1,205,000,000, other obligations which the Commodity Credit Corporation may be called upon to meet at any time upon demand. These obligations aggregated $750,104,446.52 as of April 30, 1950. In other words, deducting that amount from the net statutory borrowing authority of the Commodity Credit Corporation there remained available on April 30, 1950, the sum of $450,000,000 which the Corporation could use to carry out programs authorized by the Congress.

Mr. President, I ask unanimous consent that the entire statement to which I have just referred may be incorporated in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Status of statutory borrowing authority as of April 30, 1950, and obligations as of that date which may require the use of borrowing authority

Statutory borrowing authority	$4,750,000,000.00
Borrowings:	
From U. S. Treasury	2,801,000,000.00
From banks	2,065,955.99
Total	2,803,065,955.99
Obligations to purchase commodity loans held by lending agencies	737,125,289.44
Obligations for guaranty of storage facility loans held by lending agencies	4,448,075.02
Total statutory obligations	3,544,639,320.45
Net statutory borrowing authority available	1,205,360,679.55

Memorandum: other obligations which may require the use of borrowing authority

Other obligations:	
Contingent liabilities under outstanding purchase agreements	$211,367,000.00
Approved commitments to make or guarantee loans on storage facilities	2,601,321.00
Loans approved, not fully processed	19,622,369.64
Accounts payable	391,424,306.42
Accrued liabilities	125,089,449.46
Total other obligations	750,104,446.52

NEED FOR ADDITIONAL CCC BORROWING POWER

1. Present resources: The Commodity Credit Corporation now has a borrowing power of $4,750,000,000 and paid-in capital of $100,000,000.

2. Borrowing power in use: As of March 31, 1950, the Corporation had outstanding borrowings of $2,779,000,000 and it was obligated to purchase $1,087,000,000 of loans held by banks and other lending agencies operating under agreements with the Corporation. This made a total of $3,866,000,000 of its statutory borrowing power actually in use. It also had other obligations already contracted in the amount of $471,000,000, some part of which will require additional borrowings to liquidate (such as loans in process, purchase agreements, accounts payable, etc.).

3. Reason additional borrowing power needed: Most of the borrowing power in use is reflected in the Corporation's investment in price-support loans and inventories acquired in price-support operations. There will be some realization on this investment due to loan repayments and sales, and most of the price-support operations on all 1949 crops except corn have been completed. However, it is obvious that the Corporation is in no position to undertake the formulation and announcement of 1950-crop price-support programs with the small financial resources remaining available to it.

4. Amount needed: It is the Corporation's best estimate that it will need $2,000,000,000 before starting 1950 crop-support operations and at the same time carry its investment in inventories not sold and leave a small margin of safety. The estimates must of necessity be subject to possible large error, since few of the 1950 crops involved have yet been planted.

5. Need for quick action: Planning 1950-crop operations and announcing approved programs should have preceded planting time. The law provides that it be done, and it would be only fair to farmers to let them know what they can expect. It has not been possible to do this, however, due to the lack of adequate borrowing authority. Harvesting has begun on 1950 crops in some areas. Thus, if fair and equitable treatment is to be given all producers, it is urgent that the increase of $2,000,000,000 in the borrowing authority of the CCC be approved immediately. The laws providing price support to farmers are on the books, but they can be rendered ineffective and the structure of farm prices damaged extensively by any further delay in providing the CCC financial resources to carry out the program.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for another question.

Mr. WILLIAMS. Am I correct that the statement the Senator has just incorporated in the RECORD is a similar one relative to the borrowing authority of the Corporation.

Mr. ELLENDER. That is the one the Senator asked about, and which was furnished me. It reflects the status of CCC funds as of April 30, and, as I have just stated to the Senate, is the latest available statement the Department of Agriculture can furnish at this time.

Mr. WILLIAMS. Then this is the statement of the borrowing authority at the present time?

Mr. ELLENDER. It is a statement similar to that which was furnished the committee pursuant to our request of last March. As I pointed out in my statement a moment ago, a statement was furnished to us as of February 28, and it was at the time the last available information.

The Senator asked me if I had a later statement. My answer was "Yes." That statement I have given, which is, as I said, similar to the other statement which was furnished to the Committee on Agriculture and Forestry, but it is of a more recent date.

Mr. WILLIAMS. How does that figure compare with the one for February placed in the RECORD just previous to that?

Mr. ELLENDER. The Senator can easily compare them. If the Senator will take the report accompanying the bill, he will see on page 2 and the top of page 3 that as of February 28, the net statutory borrowing authority available was $936,000,000-plus, and that the obligations were $567,000,000-plus.

The difference between the statement to which I have just referred and this one is that the net statutory borrowing authority has increased to the sum of $1,205,000,000 instead of $936,000,000, but I should like to call the Senate's attention to the fact that the other obligations for which the Commodity Credit Corporation is responsible amounted to $750,000,000 instead of $567,000,000, as was shown in the report of February 28, 1950.

I should like to invite the Senator's attention to the fact that if he will deduct from the net statutory borrowing authority available in the report of February 28, the other obligations, he will

note that the difference is a little less than $400,000,000 of available borrowing power, but under the most recent report the available borrowing power is about $450,000,000, in round figures.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. In other words, the trend has reversed, and during April, cash was accumulating in the Department. I am wondering if the Senator has any information from the Department of Agriculture as to whether the trend has continued down through the month of May? Although the final figures may not be available, the Commodity Credit Corporation should know the trend.

Mr. ELLENDER. I tried last Friday to obtain that information, and I was informed by Department officials that the information was not available because they had not accumulated all the reports from the various agencies scattered throughout the United States. However, I was informed that judging from some of the reports which have come in, as compared with the figures appearing in the report of April 30, there will not be a significant difference when the report for May 31 is available.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Do I correctly understand, then, from the Senator from Louisiana that this trend of liquidating inventories has stopped, and that there has been no increase? Is that what the Senator from Louisiana is saying?

Mr. ELLENDER. There has been a slight change. The reason for that is that cotton has been selling for 2 or 3 cents above the loan rate; wheat, as well as corn, has been selling a little above the loan rate. However, it would not take long for those prices to change; and the moment they did, the farmers would be anxious to go to the Commodity Credit Corporation for relief, rather than sell their commodities at less than the support price.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Will the Senator from Louisiana agree with me that nothing which can happen to the market in the future could change the trend in the month of May, which has passed?

Mr. ELLENDER. That is the Senator's opinion. I have tried to point out that there are many things which can happen which could cause just the reverse. Much has been said in the newspapers about the drastic losses which have been sustained by the wheat growers in Kansas and other Western States in their spring wheat crop but I do not believe the situation is going to be as bad as all that.

Mr. WILLIAMS. Mr. President will the Senator yield further?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. I think the Senator from Louisiana misunderstood me. I said that nothing which can happen from this day forward can change what happened in the month of May. In May the prices were higher; soybeans, wheat, corn, and other commodities were selling at higher prices. So it is only natural that the farmers who held such commodities would have been liquidating them.

I am merely asking the Senator whether he has any information from the Department of Agriculture as to whether they have liquidated any of those commodities during the month of May.

Mr. ELLENDER. No; I have not, except there is some information as to certain amounts, just as there was in the interval between the February statement and the March statement. This information concerns merely the usual disposals.

Mr. WILLIAMS. I see the Senator from Vermont [Mr. AIKEN] on his feet. Perhaps he could answer the question.

Mr. AIKEN. Mr. President, will the Senator yield, in order to permit me to answer the question?

Mr. ELLENDER. I yield for a question; or, if there is unanimous consent, I yield in order to permit the Senator from Vermont to reply to the Senator from Delaware.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. AIKEN. I have been trying this forenoon to get from the Commodity Credit Corporation an estimate as to the trend of affairs, as to whether liquidations were exceeding the loans, or vice versa. So far, I have been unable to get anyone in the Commodity Credit Corporation even to hazard a guess as to whether the amount of liquidations was exceeding the amount of new loans, which primarily would be on corn. It seemed to me rather incredible that responsible persons in the Commodity Credit Corporation would not even hazard a guess as to the direction in which the trend was running. From that circumstance, in view of the proposed legislation coming before the Senate almost immediately—although I did not know it at that time—I took it that probably the liquidations were exceeding the amount of the new loans. That was the only conclusion I could draw, in light of my inability to get any indication at all as to the direction in which the trend was running.

Mr. ELLENDER. I have no doubt that may be possible. As the Senator knows, the 1949 corn loans were closed on May 3, 1950, I believe.

Mr. AIKEN. That is correct.

Mr. ELLENDER. And the farmers continued to make loans until that date. In a moment, I expect to place in the RECORD figures to show the enormous amounts of commodities which now belong to the Commodity Credit Corporation, and on which the Commodity Credit Corporation has made loans in the past.

It does not take much, as the Senator knows, to change a trend. The moment prices of wheat, corn, or cotton go down the least bit, the farmers will rush to have protected in some way through this instrumentality which we have provided, whatever amounts of those commodities they have on hand.

Mr. AIKEN. Of course, between now and the first of August, under the law, liquidations should greatly exceed the amount of new loans; but I am sure the Senator from Louisiana will agree with me that it would be much easier to act intelligently upon the proposed Commodity Credit Corporation legislation if the Corporation would keep the Members of Congress better informed as to what is going on in its business and would keep us constantly up to date. That would do away with a great deal of uncertainty.

Mr. ELLENDER. Let me point out that the committee has had no difficulty in obtaining any information it requested from the Department. Of course, when it comes to obtaining a guess from the Department, it is reluctant to make one. However, I am giving the Senate today the last available authentic information, and that is what I am asking the Senate to go by—not guesses.

As I pointed out awhile ago, in order to get the most recent report—as of May 31—it was necessary for the Department to consult and obtain information from more than 3,000 PMA offices and approximately 12,000 banks throughout the Nation, so as to be able to work up the details and the accurate figures, and prepare a report such as the one of April 30, 1950.

However. I am advised that there is some trend; of course there is; that is to say, times are a little bit better. There is no question about that. However, when we stop and reflect on the vast amount of wheat, corn, cotton, and other commodities on hand of course we realize that a break can come at any time and change the picture.

Mr. WILLIAMS. Mr. President will the Senator yield for a question?

Mr. ELLENDER. In a moment.

Let me point out to the Senate that before any of the new crop of wheat is harvested it is estimated that there will be a carry-over of wheat alone of 430,000,000 bushels as of July 1, 1950. It also is estimated that there will be a carry-over of corn as of October 1 in excess of 900,000,000 bushels; of cotton, 7,500,000 bales. That is the anticipated situation, before any 1950 crops of cotton, corn, or wheat is harvested.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Delaware?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. Does not the Senator think, though, that it is rather unusual for the president or directors of a corporation to ask for $2,000,000,000 when at the same time they in effect say, "We have no idea whether in money we have been running ahead or behind for the last 30 days; we do not even know what is happening in our own business"?

Mr. ELLENDER. No, I do not think it unusual. The Congress of the United States has supplied the yardstick to be followed by the Commodity Credit Corporation with respect to protecting farm prices in the case of wheat, corn, and other commodities.

Mr. WILLIAMS. But surely the corporation should know what they have been doing with the money available to them.

Mr. ELLENDER. The fact is that while a few hundred million bushels less wheat may be harvested the present Congress also may not appropriate as much as was anticipated for ECA, which buys wheat, cotton, and other commodities. These and many other factors can change the picture overnight.

Let me point out, as I shall show my distinguished friend, as I proceed with my statement—in the near future——

Mr. WILLIAMS. Might I say I am not talking about the future; I am talking about the past. What have they been doing with the money they already have.

Mr. ELLENDER. Just a moment. I shall answer any question the Senator desires to ask, but I want permission at least to answer the questions the Senators has already asked before he propounds others.

Mr. WILLIAMS. I was endeavoring to set the Senator straight on the question I was asking, which dealt with their transactions for the month of May. Nothing in the future would affect what happened in May.

Mr. ELLENDER. I have already answered the Senator with respect to the month of May, and have nothing further to say on that point. If the Senator has anything to add on the subject, he may do so in his own time.

Mr. WILLIAMS. I have nothing to add. I have been unable to find out. I have been unable to find anyone in the Department who knows anything about transactions in that month. They have said they have not the slightest idea what happened in the month of May. Perhaps they are afraid to tell us while this legislation is pending.

Mr. ELLENDER. The Senator may draw his own conclusions, I presume, from the reports of February, March, and April, which are all before him. There may be a slight increase in net statutory borrowing authority when the report of May 31 comes out. But let me point out to the Senator that this is merely the authorization to borrow an additional $2,000,000,000. It is a sum which is asked by the Commodity Credit Corporation, in order that it may be in a position to comply with the laws which we, in Congress, have enacted, in order to help the farmer.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. I agree with the Senator from Louisiana that we have got to give them the money with which to carry out the law. But what I am trying to find out is, Do they need it? It seems to me that somebody in the Corporation could give us the trend as to how they are running for the month of May. It has been 6 weeks since the last report was printed, and what I want to know is what happened during the past 6 weeks.

Mr. ELLENDER. It is my considered judgment that it is needed, and that is why I am pleading for it. I continue, now, with my statement, Mr. President.

However, the Department believed it had enough borrowing power left to complete price-support operations on 1949 crops. Corn was the major commodity on which support operations had not been completed. That program was completed as of May 31, 1950, as I was informed.

As to the projected need for additional borrowing power, the Secretary said on March 29 that the Corporation could require as much as $6,300,000,000 to carry its investment in inventories acquired from 1949 and prior crops and at the same time carry out 1950 price-support operations. It is the firm opinion of the Department that the $2,000,000,000 additional borrowing power is the minimum amount required to assure the ability of the Corporation to carry out its responsibilities for farm price-support operations with respect to 1950 crops.

Considering all the facts, I think $2,000,000,000 is a conservative amount to be added to the CCC's borrowing power. In the first place, no one can estimate with reasonable accuracy what could happen with respect to crops now growing and which have not yet been harvested. Acreage planted, weather and other elements influencing yields, and domestic and foreign demand and other factors influencing prices cannot be predicted within close margins. All these factors will affect the amount of funds actually needed by the Corporation in carrying out 1950 crop-price-support operations. Many of these same factors will, of course, determine how much of inventories from 1949 and prior crops the Corporation can sell and how much it will realize on them.

Secondly, the borrowing power of the Corporation is, as I have said, simply an authorization. The Congress determines how that authorization shall be used. It does this by prescribing in the statutes the price-support program to be carried out, and by its annual review of a detailed budget submitted to the Congress by the Corporation. Further, the Congress is kept fully advised of operations actually carried out and the cost of those operations. This is done by the Department itself, through monthly detailed reports, and by the Secretary of the Treasury in his annual report of his appraisal of the assets and liabilities of the Corporation as required by law. Thus, it seems obvious that the use of borrowing power by the Corporation is dependent almost entirely on the expressed desires of the Congress.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. The Senator speaks of the $2,000,000,000 as an authorization. To a certain extent, that is true. But the Senator will agree with me, will he not, that it is different from ordinary authorizations, in that, after we once pass this bill, the Commodity Credit Corporation will not have to come back to Congress for an appropriation, but can get the $2,000,000,000 direct from the Treasury without further consent from the Congress. Is that not true?

Mr. ELLENDER. Of course, it can use it only for the purposes specified by the Congress and in carrying out annual budget programs submitted to and approved by the Congress.

Mr. WILLIAMS. That is true. But it is different from ordinary authorizations, in that the CCC can get the money, without seeking further authority from Congress; is that not true?

Mr. ELLENDER. Certainly. But it is to carry out the program the Congress has approved. I do not know whether he voted for it or not; I did. But this money is to be used to carry out the dictates of the Congress. It is going to be used for that purpose and for nothing else.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. The Senator is perfectly correct about that. But what I was pointing out is that so far as Congress is concerned, this might well be an appropriation. When we authorize it, we are done with it; the Corporation can spend all the money without coming back again.

Mr. ELLENDER. No; they cannot spend it all.

Mr. WILLIAMS. That is, if they need it.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. They must comply with the laws passed by the Congress.

Mr. WILLIAMS. Mr. President, I understand that. But if in the opinion of the directors of the Corporation, or the Secretary of Agriculture, the $2,000,000,000 is needed, they can go ahead and use every dollar of it without coming back to the Congress for further consent; is not that true?

Mr. ELLENDER. Certainly, except for the limitations which I have mentioned.

Mr. WILLIAMS. But it is different from an ordinary authorization.

Mr. ELLENDER. Certainly they can do that, but they must follow the dictates of the Congress.

A third and, I believe, a highly important reason that a minimum of $2,000,000,000 of additional borrowing power should be granted the Corporation is that a reserve in borrowing authority should at all times be available. It is just as necessary that the CCC have reserve resources to meet unexpected demands as it is for a bank or an insurance company. It is particularly important in the case of the CCC because of the impossibility of predicting what the next year, or even the next month, will bring in agriculture. Farmers must have confidence in the ability of the Corporation to meet the commitments of the Government for price support. There must be no doubts in their minds which might cause them to rush to get their crops under price support before the next fellow for fear the money will run out. If this were to happen, chaos would result, and the whole structure of farm prices could collapse, with disastrous effects. Banks, thousands of which act as lending agencies in making price-support loans to farmers, must have full confidence in the ability of the Corporation

to meet its obligations to them. Railroads, warehouses, and all other segments of commercial trade which deal with the Corporation must be certain that the Corporation can pay its bills.

Another major reason for being certain that the CCC has ample resources is that the mere availability of funds to carry out price-support operations when needed may either eliminate the need for actual use of funds or reduce the amount necessary. It is an economic fact that it is much less costly to keep a market from deteriorating than to try to restore a demoralized market. There have been several occasions when the Corporation has announced availability of price support on a particular commodity, and the result has been immediate strengthening of the market price to an extent which made it unnecessary for the Corporation to use any funds. In others the availability of price support has given farmers the confidence and assurance they needed to hold their commodities until later rises in price made it possible for them to sell at above the support price.

I repeat, it appears that the Congress would be somewhat less than realistic if it should have the slightest hesitation about providing $2,000,000,000 of additional borrowing power to the Commodity Credit Corporation. Also, I urge that there be no further delay in our action. The Department is obligated to announce 1950 crop-price-support programs as far in advance of planting time as may be practicable. This is so farmers will know what to expect, and in providing by law for price support, we have given farmers the right to know. Planting time has passed on most crops, however, and some farmers, in the Southwest, are beginning their harvest. We cannot expect the CCC to commit the Government without having the financial resources to assure its ability to fulfill its obligations.

I should like to state briefly the present position of the CCC with respect to the amount of money invested in commodities, or in loans on commodities. As of March 31, 1950, the Corporation had almost $2,200,000,000 invested in loans and $1,800,000,000 in commodity inventories. The total investment in commodity loans and inventories was thus about $4,000,000,000. Of this total, $3,000,000,000 was invested in loans on and inventories of wheat, cotton and corn, approximately $1,000,000,000 in each commodity. Except for tobacco, flaxseed and linseed oil, and dried eggs, there was no other commodity in which the Corporation had as much as $100,000,000 invested as of March 31. The largest of these three exceptions was $235,000,000 invested in flaxseed and linseed oil. There were 31 commodities other than wheat, cotton, and corn under the loan or in inventory.

Mr. President, I should like to insert in the RECORD a table showing all the commodities to which I have referred, and others, upon which the Commodity Credit Corporation has either loans or commodities in inventory. For instance, the table shows as of April 30, 1950, with respect to corn, 543,155,000 bushels, valued at $742,243,000. In inventory, that is, owned by the Corporation, the amount in bushels was a little more than 254,659,000 bushels, valued at $389,664,000.

In the case of wheat pledged for loans, there were 304,635,000 bushels valued at $604,143,000. The quantity in inventory was 127,132,000 bushels valued at $316,236,000.

As to upland cotton, the number of bales pledged for loans amounted to 2,000,000, valued at $283,329,000. In inventory there are 3,584,000 bales valued at $606,849,000. And so on down the line.

I ask unanimous consent to insert at this point in my remarks the table to which I have referred, showing the quantity and value of commodities pledged in connection with outstanding loans.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Quantity and value of commodities pledged for outstanding loans and commodities in price-support inventory as of Apr. 30, 1950

[All figures in thousands]

Commodity	Unit	Pledged for loans [1]		In inventory	
		Quantity	Value	Quantity	Value
Corn	Bushels	543,155	$742,343	254,659	$389,664
Wheat	do	304,635	604,143	127,132	316,236
Cotton, upland	Bales	2,000	283,329	3,584	606,849
Tobacco	Pounds	331,674	132,796	2,716	784
Linseed oil	do			439,496	125,260
Flaxseed	Bushels	9,248	34,467	12,223	77,122
Eggs, dried	Pounds			88,445	108,923
Grain sorghum	Hundredweight	8,495	17,841	36,043	86,586
Beans, dry edible	do	6,973	48,010	4,726	42,128
Barley	Bushels	20,838	22,459	28,874	41,265
Butter	Pounds			98,695	61,323
Milk, dried	do			315,914	40,027
Cottonseed	Tons	6	301	623	33,282
Rosin	Pounds			386,269	29,162
Oats	Bushels	26,636	17,744	10,767	9,523
Wool	Pounds			230	20,582
Soybeans	Bushels	9,285	19,710	37	126
Peanuts	Pounds	81,469	8,044	29,146	3,354
Cheese	do			21,352	7,264
Potatoes, Irish	Hundredweight	8,135	5,677	287	514
Rice	do	1,379	5,925	1	3
Peas, dry edible	do	748	2,297	2	13
Turkeys	Pounds			5,662	2,300
Cottonseed meal	do			48,353	1,766
Turpentine	Gallons			3,759	1,715
Prunes	Pounds			15,274	1,583
Rye	Bushels	796	953	255	333
Cotton, American-Egyptian	Bales	3	721	1	168
Cottonseed oil, refined	Pounds			6,351	888
Raisins	do			5,997	645
Seeds, hay and pasture	do	4,009	481	725	146
Potato starch	do			10,073	617
Cotton linters	do			6,758	575
Seeds, winter cover crop	do			6,149	307
Cottonseed oil, crude	do			450	54
Total			1,947,241		2,011,087

[1] Includes loans approved not fully processed.

Mr. ELLENDER. It has been true over the history of the Corporation since 1933, as now, that approximately 75 percent of the funds used in its price-support operations are used in connection with wheat, cotton, and corn. It is not possible to predict what portion of the total investment in commodities will be lost. It depends on the many different factors affecting prices for agricultural commodities. However, there is considerable assurance that the result will not be unreasonable in the fact that 75 percent of the investment is in three basic storable commodities, namely, cotton, corn, and wheat. We need some reserve of each of these commodities. One bad crop failure could cause the disappearance of all or a substantial part of the quantities in which the CCC now has funds invested. There is always the prospect facing farmers that they will not be able to produce a normal crop. Furthermore, it is expected that existing mechanisms for control of the production of these basic crops will prevent unmanageable surpluses from occurring.

I have tried to present to the Senate the important facts which should be considered in connection with House bill 6567. I believe it is necessary that $2,000,000,000 additional borrowing authority be provided the CCC and that it be done without delay. I urge that the Senate support the action of the Committee on Agriculture and Forestry in approving the bill.

I wish to state, Mr. President, that the part of the report dealing with the so-called Thye amendment appears on page 5, and I ask that at this point in my remarks the reasons given by the subcommittee for striking this amendment from the bill be incorporated in the RECORD as a part of my remarks.

There being no objection, the excerpt from the report (No. 1375) was ordered to be printed in the RECORD, as follows:

UTILIZATION OF PRIVATE TRADE FACILITIES

The extent to which the Commodity Credit Corporation should utilize the usual and customary channels of trade and commerce in its handling of agricultural commodities was investigated thoroughly in the hearings conducted by your subcommittee. The proposed amendment to the bill would direct the Corporation to employ dealers, commission merchants, and the other usual and customary channels, facilities, and arrangements of trade and commerce in the acquisition, warehousing, transporting, proc-

essing, handling, and disposition of any agricultural commodity. Department of Agriculture officials testified that such a directive would seriously impair the operation of the farm price-support program by subjecting the Corporation to unreasonable fees and unnecessary expenses, and by loss of operating control in the handling of all Government-owned agricultural commodities.

Representatives of the private grain trade recommended approval of the amendment as a solution to problems confronting the industry in its relations with the Federal Government. In general the private trade witnesses urged more, if not complete, utilization of regular facilities and especially emphasized the hardships imposed on them by the present bypassing of certain segments of the private trade. Three specific complaints were:

1. That the Commodity Credit Corporation has failed to make prompt financial settlements for services rendered by country elevators in the handling and shipment of grain owned by the Commodity Credit Corporation from the local area where it is produced to the grain terminals. Delays of payments for many months were frequent during the 1949 operation.

2. That the Corporation has failed to advise within a reasonable time country elevators of down grading and shortages in weight of shipments of Government-owned grain as reported by inspectors at the terminal markets. As a result of this delay the country elevators were often deprived of their right to call for a recheck or appeal and their liability for the value of the shortage was continued.

3. That the Corporation has failed to utilize the services of commission merchants, which, the trade representatives asserted, would correct to a great extent the problems cited above.

The bone of contention of the commission merchants is that they should be employed by the Commodity Credit Corporation in the handling of any movement of grain from the country elevators to the grain terminals, irrespective of whether or not the grain is actually sold. On the other hand, the Corporation contends that this service should be performed at the expense of the country elevators, for the reason that the Corporation already pays a fee to the country elevators for all necessary services; that, therefore, the employment of commission merchants would simply benefit the country elevators and would incur an added expense to the operations of the Commodity Credit Corporation. The country elevator operators contend that they are unable to employ and pay commission merchants out of the fees paid them by the Corporation.

Evidence presented to the subcommittee indicates that the complaints regarding the long delay in financial settlements and advisement on the status of shipments are justified. At the same time, your subcommittee recognizes that surplus production in 1949 and the necessary use of new personnel to handle the tremendously increased volume of the farm price-support program have contributed to the failure of the Corporation to operate the program as efficiently as might be expected. Yet these problems must be overcome if the price-support program is to be handled effectively and economically.

Your subcommittee, in recommending deletion of the section requiring complete utilization of private-trade facilities, does not intend by that action that no change be effected in the handling of grains acquired under the price-support program. Instead your subcommittee is convinced that more efficient operation is necessary. The problem should be solved through administrative action on the part of the Corporation and through negotiation with the private agencies concerned, rather than by detailed legislative direction in the law. The intent of the Congress that the Corporation should utilize private-trade facilities wherever possible could hardly be stated more plainly than as now written in the present charter of the Corporation. Yet the decision as to the details of such utilization should be made by the Corporation in the course of its administration of the program.

The country elevator operator, acting as an agent for the Corporation, has undoubtedly experienced financial hardships in the past through delays in payment of accounts and lack of information on shipments. Grain-trade representatives recommended the use of commission merchants by the Corporation to meet this problem. Certainly the Corporation is obligated to deal fairly with its agents and a method must be found whereby the interests of the private operator are protected. While compulsory utilization of trade facilities as directed by the amendment in question offers a possible solution to this problem, your subcommittee believes that satisfactory arrangements can be formulated through negotiation between the Corporation and the private trade. It is this latter procedure that your subcommittee recommends at present rather than the adoption of a mandatory program as contemplated by the proposed amendment.

The greatly increased volume of farm price-support operations has already been noted. Present crop production in the United States and general economic conditions indicate that such a trend will continue. In addition, prospective reduction in agricultural exports comprise a serious threat to the welfare of our farmers. These problems must be solved quickly and effectively if the price-support program is to serve its purpose. Your subcommittee believes it will require the combined efforts of public administrators and private traders to meet the challenge and that close cooperation between the two groups is of vital importance. If such cooperation does not result, your subcommittee believes legislative reconsideration of the detailed handling of agricultural commodities acquired under price-support operations will be in order.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. AIKEN. I was wondering whether the Senator from Louisiana has any information as to why when Secretary Brannan and Controller Brasfield, of the Commodity Credit Corporation, appeared before the Committee on Agriculture and Forestry last January they were quite insistent that the other obligations which are listed on page 3 of the report be not charged against the statutory borrowing authority of the Commodity Credit Corporation, whereas they now insist upon listing them as liabilities which should be charged against the statutory borrowing authority of the Commodity Credit Corporation. They now aggregate $567,000,000.

Mr. ELLENDER. I do not know the reason for it, except that it is an obligation of the Corporation. Why they should have taken a different position, I do not know; but the Senator is familiar with the charges. If he looks at page 3 of the report, at accounts payable, and accrued liabilities——

Mr. AIKEN. I have always insisted they were liabilities which should be charged against the borrowing authority.

Mr. ELLENDER. The Senator is evidently correct.

Mr. AIKEN. The Commodity Credit Corporation for months maintained that such liabilities should not be charged against the borrowing authority, but at this time, when they wish to make it appear that they have very little borrowing authority left—and I am inclined to think that is correct—they insist that they be charged against it. If we read pages 5 and 6 of the hearings on the borrowing power of the Commodity Credit Corporation, it will be found that the Corporation was very insistent that the liabilities referred to be not charged against the borrowing authority, because, as Mr. Brasfield said, they were unrealistic and would be offset by receipts from liquidation.

I am not rising to oppose adequate borrowing power for the Commodity Credit Corporation. However, I think we are justified in insisting that they be consistent in their use of figures, and not use one set of figures to suit their purposes one time and disregard the same set of figures at another time. I am pointing this out to show that only last January and February they insisted that these liabilities were not chargeable against the statutory borrowing authority.

Mr. ELLENDER. I do not know what Secretary Brannan or Mr. Brasfield had in mind. However, I presume one of the reasons why the obligations were not considered obligations against borrowing authority was because they could not be noted day by day, as was the case with borrowings from the Secretary of the Treasury, or other statutory obligations against borrowing authority. The obligations, aggregating $567,000,000, are obligations which occur in the course of the CCC's operations, I may say, and it is almost impossible for the Department to get the figures for them day by day. I presume that is the reason why they could not be considered in the same category as borrowing from banks and the Treasury.

Let me state to the distinguished Senator from Vermont that according to the statement which I placed in the RECORD, the amount of the other obligations as of April 30, 1950, aggregated a little over three-quarters of a billion dollars. The Senator knows that in many instances some farmers in the Midwest do not want to borrow. They would rather obtain price support which gives them the right to sell to CCC under purchase agreements. They may not have acceptable facilities to store wheat, although they have it on hand, or they do not want to pay interest on a loan even though they may want price support. Therefore they sign purchase agreements which give them the option to sell to CCC. Much of the three-quarter billion dollars is in that category and is in the nature of a contingent rather than a fixed liability of CCC.

Mr. AIKEN. I should like to point out that using the same method of figuring now which was used in January, it is apparent that the total obligations against the borrowing authority of the Commodity Credit Corporation are just about the same as they were on November 30, because Mr. Brasfield said that the total obligations as of January 30 were $3,500,000,000. In other words, the

other items make up the difference between inventories and loans.

Mr. ELLENDER. The Senator realizes, does he not, that the only reason this $2,000,000,000 is needed is to take care of the 1950 and subsequent crops. We are not concerned now with the past. The Secretary of Agriculture is late in making his announcement of 1950 crop programs. Certainly, the Senator would not want the Department to make an announcement that it was going to do thus and so unless it had money on hand to fulfill the obligations?

Mr. AIKEN. I cannot quite agree with that basis, because the Secretary is supposed to announce the supports whether or not he has cash on hand to pay them, as other Government agencies are required to do.

Mr. ELLENDER. I do not know of any instance where he has done it.

Mr. AIKEN. I can understand his reluctance to do so; nevertheless, it is in the law.

Mr. ELLENDER. How can he carry them out? Suppose he did not have $2,000,000,000, and Congress refused to appropriate it?

Mr. AIKEN. If he announced supports and Congress did not provide the money for them, Congress would have to accept the blame for the payments not being made.

Mr. ELLENDER. Does the Senator suggest that that would help the farmers?

Mr. AIKEN. That would not help them one bit. However, that is one of the risks involved in having farmers depend on Congress for their money.

Mr. ELLENDER. We have on the statute books today—and I believe the Senator from Vermont voted for its enactment—a law providing for a support price on the basic crops at 90 percent of parity for 1950 and 80 percent of parity for 1951. The wheat farmers have planted wheat on the assumption that this law would be effective. Cotton farmers have planted cotton on the assumption that this law would be effective. They have done it on the assumption that the money would be provided to carry out those programs.

Mr. AIKEN. The Secretary has fixed acreage allotments on the assumption that the money would be provided, but he has failed to announce a support price on the assumption that possibly the money may not be provided.

Mr. ELLENDER. That is why we wish to provide it now.

Mr. AIKEN. We should provide the money to carry out all the agreements and provisions in the law.

Mr. ELLENDER. Certainly. I am glad that the Senator takes that position.

Mr. THYE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THYE. Mr. President, I should like to say to the Senator from Louisiana that I think one reason why some of us might be somewhat critical of the Secretary of Agriculture is that he has not told us what the status of the Commodity Credit Corporation fund is at the present time.

Mr. ELLENDER. May I inquire of the Senator whether he has inquired recently?

Mr. THYE. I could perhaps speak in support of the Senator from Delaware [Mr. WILLIAMS] and also in support of the Senator from Vermont [Mr. AIKEN]. I personally have not sought the information. I have gone on my own personal reaction and experience. I have been through the Midwest. I went through there last week. One cannot drive through the countryside without seeing what is taking place. When one sees empty corn cribs and a pile of corn cobs, he knows that the farmers have shelled their corn. When the cash price is around $1.30 on the farm, it follows that farmers are going to empty their cribs and sell the corn for cash, because feeders are looking for corn throughout the entire Midwest. Therefore I would say to the Senator from Louisiana that the criticism that may be leveled against the Department of Agriculture is that when they were asked what the status of the fund is as of today they did not say frankly and honestly that they could not give out an exact figure.

Mr. ELLENDER. That is what they told me.

Mr. THYE. I believe the trend is that loans are being paid up. Information which has come to us from the PMA offices shows that loans are being paid up and that the farmers are disposing of the loans themselves.

Mr. ELLENDER. That was the information I received. I asked for it last Friday. I requested it because the Senator from Delaware [Mr. WILLIAMS] had asked me about it when we were supposed to take up the measure last week. I immediately took steps to obtain the latest figures. Accurate figures beyond April 30 could not be obtained.

Mr. THYE. No; accurate figures could not be obtained.

Mr. ELLENDER. They could give the statutory borrowings, but of what value would that be if the other information could not be obtained?

Mr. THYE. Except that the Secretary of Agriculture could have come out frankly and said: "The trend is now for the farmer to pay up his loans, and we have a greater balance than we had anticipated 6 weeks or 2 months ago, and that balance is much stronger and greater than it was when this particular request came for the increased borrowing authority for the Commodity Credit Corporation." I would say that if he had called the PMA office in Minnesota, or in Illinois, or in Iowa, they could have told him within a matter of a few thousand dollars what they expected the balances and the obligations of the Commodity Credit Corporation in the respective communities to be. It is primarily the 48 States with which the Department is concerned, not the three-thousand-and-some-odd units of counties; and the Department could call up the PMA chairman in any one of the States and get the figures within a few thousand dollars.

Mr. ELLENDER. I am certain that all they could do would be to give an estimate. When it comes to actual figures, they are not able to give them.

When the Secretary of Agriculture appeared before the House Committee on Banking and Currency on March 1 of this year, he estimated that the amount would be at least $5,300,000,000, and in giving that figure the Secretary pointed out that it was estimated that the Corporation would receive more than a billion and a quarter dollars in price support loan repayments, and more than a billion dollars from the sale of price-support commodities. That has come to pass. In other words, if one will consult the record of the hearings, he will see that the Department of Agriculture predicated its present request on the assumption that $2,250,000,000 would be returned to the Commodity Credit Corporation treasury by the sale of commodities and by reduction of loans.

Mr. THYE. If the Senator will yield further, I would say that what we are making possible is a revolving fund for the Secretary of Agriculture to use in guaranteeing the local banks when they make loans. In other words, the Secretary of Agriculture underwrites the loans the local banks make.

Mr. ELLENDER. The Senator is correct.

Mr. THYE. It is the local bank that lends the money to the producer.

Mr. ELLENDER. The Senator is correct.

Mr. THYE. It is a revolving fund, and if $2,000,000,000 is needed, it will be used. The Secretary of Agriculture cannot use one penny beyond what the law authorizes him to lend on a commodity. When a farmer makes an application and a loan is granted, and the produce or commodity goes into storage, or under a warehouse receipt, the Secretary commits the money. I personally am not opposed to this increased authority to the Commodity Credit Corporation, because if it needs the money, it must have it; if it does not need it, it will not use it. The Secretary cannot either squander or expend this money except in the manner Congress enacts as a legal authorization.

Mr. ELLENDER. In other words, I would rather that the CCC have it and not need it, than to need it and not have it.

Mr. THYE. If the money is needed and the Corporation does not have it, the producer will suffer.

Mr. ELLENDER. Absolutely.

Mr. THYE. And if the Corporation has it and does not need it, the Treasury is not out.

Mr. ELLENDER. The Senator is correct. As I have pointed out, it would require much more money to bolster demoralized markets than to keep the market steady. The effect of this bill will be to maintain a firm market. I repeat, this is like money advanced as a reserve for a bank to lend to those who do business with it. The Commodity Credit Corporation cannot lend a penny of the money nor can it dispose of a penny of it, except under laws passed by the Congress.

Mr. THYE. I believe, however, that if the Secretary had been as frank in his explanation to those who sought information as to the present situation, as he tried to point out when he pointed a

black and gloomy picture a year or 6 months ago, Congress might be better informed. Six months ago, and even a year ago, the Secretary was predicting with every utterance that no doubt he would have to support pork prices, and he would not announce a support of pork at the expiration of his last announcement, which was March 30, because he did not have money. When the support went off pork as of April 1, pork commenced to rise, and fortunately it went to a level of $4 a hundred higher than the support price at the time of the last announcement.

Mr. ELLENDER. Probably because of the mistake he made in the past the Secretary does not want to take a chance in predicting for the future.

Mr. THYE. The Senator will admit he made a mistake as to pork.

Mr. ELLENDER. I understand what the Senator has in mind. The Secretary was frank in his statement. He did not try to hide the facts. But he made a mistake. I do not know what is in his mind, but it may be that because of the mistake he made in the past he does not want to paint too gloomy a picture for the future. As I said a moment ago, it would take only a small downward swing in the price of cotton, wheat, and other basics to make necessary the utilization of most of the money we are now authorizing. I am sure the Senator recognizes that to be true.

Mr. THYE. The Senator is entirely correct. That is why I announced to the Senator from Louisiana that I would support this proposal for an increase of $2,000,000,000, because if it is not used, not one penny will be drawn from the Treasury.

Mr. ELLENDER. The Senator is correct.

Mr. THYE. If it is needed and is not available, it will be like having a room without a roof over it; when it rains, it is just too bad.

Mr. ELLENDER. The Senator heard me give the figures of the anticipated carry-over of wheat and corn. The expected carry-over of corn is 9,000,000,000 bushels on October 1, and of wheat 430,000,000 bushels on July 1. That is something to contemplate.

Mr. THYE. Mr. President, if the Senator will yield further, I would say that the carry-over of wheat may be a blessing before the season is over. Much of the Northwest is still under water, and conditions are unfavorable and have been unfavorable for the planting of wheat. The Southwest crop is falling away short of what the anticipation was last fall when the acreage reduction program was instigated. That illustrates why we have a farm program. Farmers do not know what their harvest is going to be at the planting season, and if they were to curtail their production to the minimum of their needs, there might be a famine any year, or when there is a surplus, if there is not a farm program, the farmer stands to lose, because the price is going so low that his costs, to say nothing of his investments, are not returned to him. For that reason we have a farm program, and for that reason we need sufficient sums of money to carry on the program in its entirety if the needs appear. If the needs do not appear, the money will not be used.

Mr. AIKEN. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. If the Senator will permit me to make it clear, I did not ask the Commodity Credit Corporation this morning for dollars and cents figures as to the trend of liquidations and loans. I did inquire of high officials of the Commodity Credit Corporation as to what the trend of loans and liquidations was during the month of May, and was told that there was not enough information available on which to hazard a guess. That statement was absolutely ridiculous, because if those men could not hazard a guess as to the trend in May, they have no business being in the employ of the Government. Of course, they knew, and yet they thought that Members of Congress and members of the Committee on Agriculture and Forestry should not know what the trend was during the month of May. I will have to admit that their attitude raised the question in my mind that perhaps they do not need this $2,000,000,000, and were afraid that if they told the truth they would not get it. Perhaps by tomorrow, or whenever this bill is voted upon, they may reconsider and tell us what the trend is. I certainly have had no inclination to block any appropriation or any authorization which might be necessary to carry out the provisions of law, but when they say they do not have any information on which to hazard a guess as to how the trend of loans and liquidations and repayments has been during May, they are just telling me something I do not believe.

Mr. ELLENDER. I would say that I have no difficulty in getting all the information I desire.

Mr. AIKEN. Will the Senator from Louisiana ask the Commodity Credit Corporation what the trend of loans and liquidations and repayments has been during the month of May, and see what he gets?

Mr. ELLENDER. I am sure the answer would be that there has not been a significant increase in statutory borrowing power. It is all in accord with the views expressed by the Secretary of Agriculture on March 1 before the House committee. He said the actual amount that would be used would be $5,300,000,000. He said that loans would be repaid in the amount of $2,250,000,000. What is happening now was anticipated by the Secretary last March. I am told that the repayments and sales are approximately what they had been figured to be last month.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. WILLIAMS. The Senator from Louisiana will agree with me, will he not, that much has happened in the field of agriculture since the bill was presented in January?

Mr. ELLENDER. I will state in answer to the Senator's question——

Mr. WILLIAMS. Let me finish my question.

Mr. ELLENDER. I would like to complete my answer.

Mr. WILLIAMS. Very well.

Mr. ELLENDER. The bill was introduced in January, but it remained before our committee until almost April. So we have had the most recent hearings that could be obtained. At the request of the Senator from Delaware, I obtained the last available figures, which I have placed in the RECORD. Those figures are as of April 30, 1950.

Mr. WILLIAMS. Will the Senator now yield to me so I may ask my question?

Mr. ELLENDER. Yes, I yield for a question.

Mr. WILLIAMS. What I wanted to ask the Senator from Louisiana was this: Does not the Senator agree with me that a great deal has happened in the field of agriculture since the bill was presented in January? Since January the Department has reduced its estimate of wheat 200,000,000 bushels downward, which will eliminate the necessity, not only of the Corporation taking into account those 200,000,000 bushels, but it has raised the price, so there will be liquidations of loans instead of new borrowings.

I think it is perfectly proper for us to ask the Department of Agriculture now what the trend was during the month of May. I agree with the Senator from Louisiana that perhaps some of the outstanding obligations included in the $750,000,000 cannot be reported in detail. But with respect to the statutory borrowing authority, surely someone in the Department knows what the trend is. Otherwise, how does the Department know whether $10,000,000,000 or $2,000,000,000 have been borrowed? Someone in the Department has charge of the borrowing. He should be able to tell us overnight what the situation is. He should be able to tell us the obligations with respect to purchase loans. If he cannot, there is poor management in the Department. I think the Senator will agree with me on that point.

Mr. ELLENDER. I can assure the Senator that the Department has given to me the latest available information, which I have placed in the RECORD, and the distinguished Senator from Delaware himself can obtain it.

As to the statutory borrowings, it may be that the distinguished Senator can obtain them from day to day.

Mr. WILLIAMS. I have not been able to obtain them.

Mr. ELLENDER. But it will do him no good unless he can obtain figures covering other obligations, as I previously pointed out, which the Commodity Credit Corporation must meet in the event demand is made upon it.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. I think it would do some good to have the figures on statutory borrowings. I have asked for them but have not been able to get them. Not only that but there seems to be some difference of opinion as to whether the Secretary of Agriculture himself feels that these unobligated balances should be included as a part of the statutory

borrowing authority. Does the Senator from Louisiana agree with me that they ought to be included under the maximum?

Mr. ELLENDER. Anything the Commodity Credit Corporation is responsible for, that is, a statutory borrowing or a promise of purchase which is made, or any other obligations such as for the payment of rent on a bin or for anything in connection with its operations should be made known to us, of course.

Mr. WILLIAMS. Mr. President, I agree fully with the Senator from Louisiana on that. I think the unobligated balances should be included, but whether they are included or not makes an important difference with respect to the amount of borrowing authority needed by the Corporation. For the sake of making sure that we know what we are doing, would the Senator from Louisiana go along with an amendment to the bill which would spell out that all loans or obligations of any kind or description must be counted in as a part of the borrowing authority?

Mr. ELLENDER. They have done that already. I do not see any necessity of placing such an amendment in the bill.

Mr. WILLIAMS. Why not? The Secretary of Agriculture in his testimony, according to the Senator from Vermont [Mr. AIKEN], took the position that they were not a part of it. Now today, when he is trying to obtain more money, when including them would result in giving him six or seven hundred million dollars more, he says they are a part of it. I think they should be a part of it. But let us clear up that situation, so the Secretary cannot say they are included or excluded as he sees fit. Will the Senator from Louisiana go along with me on such an amendment as I suggested? He has already agreed that the language should be as I have indicated.

Mr. ELLENDER. I am going along with the proposition that both ought to be included in appraising the need for increased borrowing power. It has been the practice in the past to do so. I will point out again that many of the Corporation's obligations are contingent rather than fixed. There is no way of telling whether a farmer in Ohio who has signed a purchase agreement for so many bushels of wheat will avail himself of the right to sell the wheat to CCC.

Mr. WILLIAMS. I agree fully with the Senator on that point; but will the Senator go along with an amendment spelling it out so that we would not have such a situation that the Secretary of Agriculture could change his mind again, as he apparently did in February?

Mr. ELLENDER. I do not see any necessity for it.

Mr. WILLIAMS. Such an amendment will be offered.

Mr. ELLENDER. It is the Senator's privilege to offer it.

Mr. President, before I was interrupted last—and I do not mind interruptions—I had incorporated in the RECORD a part of the report of the subcommittee selected by the chairman to investigate the proposal of utilization of private trade facilities, and as I recall, I had asked unanimous consent to have placed in the RECORD as a part of my remarks all of page 5 of the report and the top of page 6.

The next proposal considered by the committee was the so-called Magnuson amendment. The committee gave serious consideration to that amendment.

The subcommittee, of which I was chairman, instructed me to consult the chairman of the Finance Committee, the chairman of the Foreign Relations Committee and a representative of the State Department to determine whether or not it was possible for us to agree on some language that would be acceptable to all parties concerned. After we received the report from the individuals I have just named, the subcommittee submitted to the full committee a suggested amendment without recommendation. This suggested amendment appears at the bottom of page 6 of the report. I ask unanimous consent that the suggested amendment be incorporated in the RECORD, as a part of my remarks, at this point.

There being no objection, the suggested amendment was ordered to be printed in the RECORD, as follows:

On page 5, strike out lines 19 through 22 and insert in lieu thereof the following:

"(f) No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party; but no international agreement or amendment to an existing international agreement shall hereafter be entered into which does not permit the enforcement of this section with respect to the articles and countries to which such agreement or amendment is applicable to the full extent that the general agreement on tariffs and trade, as heretofore entered into by the United States, permits such enforcement with respect to the articles and countries to which such general agreement is applicable. Prescription of a lower rate of duty for any article than that prescribed by the general agreement on tariffs and trade shall not, if subject to the escape provisions of such general agreement, be deemed a violation of this subsection."

After a full discussion, the committee did not go along with the suggested amendment because it was felt that it would leave the whole of section 22, which we sought to revise, in about the same category as it now is.

The purpose of the so-called Magnuson amendment was to make section 22 effective. The only way by which section 22 could be made effective would be to revise subparagraph (f) of that section. The Magnuson amendment changes this subparagraph to read as follows:

No international agreement hereafter shall be entered into by the United States, or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section.

In other words, before any trade agreements could be entered into the President and those in authority would have to take cognizance of section 22 and give it the force and effect the Congress intended it to have.

The law as it now stands provides in section (f) as follows:

No proclamation under this section shall be enforced in contravention of any treaty or other international agreement to which the United States is or hereafter becomes a party.

The effect of the Magnuson amendment would be to strike out the language I have just read and insert the language I previously read.

Another change proposed in the present section 22 would be as follows: Under the law as it now stands, the survey must be made by the Tariff Commission, whereas under the proposed amendment the survey must be made by the Department of Agriculture.

Except for the two differences I have just mentioned, section 22 would be about the same as is now provided in the law.

Mr. President, there is nothing further that I desire to add.

Again I urge the Senate to act favorably upon this measure.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. Do I correctly understand that the proposal regarding section 22 of the Agricultural Adjustment Act of 1933, which the Senator has just been discussing, is now reported to the Senate as a whole without any action on the part of the Committee on Agriculture and Forestry?

Mr. ELLENDER. Oh, no. All the members who were present at the committee meeting voted unanimously to have the committee report favorably on the proposed amendment.

Perhaps I did not make myself clear. What I had in mind was that when the subcommittee, of which I was chairman, considered the so-called Magnuson amendment we called in representatives of the State Department, representatives of the Finance Committee, and representatives of the Foreign Relations Committee, and we asked them to consult and to find out whether they could agree upon a compromise which would be acceptable to all parties affected. They did so, and that suggested amendment appears at the bottom of page 6 of the report.

Mr. LUCAS. Yes.

Mr. ELLENDER. It was that amendment or that suggestion which the subcommittee submitted to the full committee without recommendation.

Mr. LUCAS. But that is not the amendment which was reported by the full committee; is it?

Mr. ELLENDER. Oh, no. So far as the amendment which appears in the printed copy of the bill is concerned, the committee itself as a whole considered it, and there was not a dissenting vote among the members of the committee then present.

Mr. LUCAS. How does the amendment reported by the committee differ from the amendment which was submitted to the full committee by the subcommittee?

Mr. ELLENDER. The amendment submitted by the subcommittee to the full committee would simply write into law the conditions of the general agreement on trade tariffs under which section 22 would be invoked.

Mr. LUCAS. In other words, the amendment reported by the subcommit-

tee to the full committee was in keeping with what the chairman of the Finance Committee wanted and with what the chairman of the Foreign Relations Committee wanted. Is that correct?

Mr. ELLENDER. No; it was in keeping with what the Secretary of State wanted, principally.

Mr. LUCAS. I should like, if I may, to make an observation for the RECORD, in the Senator's time. As a member of the Committee on Agriculture and Forestry, I found it impossible to be present at the committee meeting on the day when the amendment was voted upon.

As I read the amendment, it is directly in the teeth of the reciprocal trade agreements program; and I am satisfied that the Secretary of State and the chairman of the Finance Committee and the chairman of the Foreign Relations Committee—although I cannot speak for them—once they read the amendment, will be opposed to it, because it is entirely different from the amendment submitted by the subcommittee to the full committee, and upon which the full committee more or less agreed.

Mr. ELLENDER. An amendment similar to the Magnuson amendment was adopted by the Senate, as the Senator from Illinois will recall, a few months ago. It was identical.

Mr. LUCAS. To what bill was that amendment proposed?

Mr. AIKEN. To the Anderson bill, which we considered last fall.

Mr. ELLENDER. Yes; to the Anderson bill.

Mr. LUCAS. Yes; but that amendment was thrown out in conference.

Mr. ELLENDER. Yes; it was deleted in conference. However, that amendment was similar to this one.

Mr. LUCAS. That is correct.

Mr. ELLENDER. It was an amendment to make section 22 effective.

Mr. LUCAS. That is correct. At that particular time I voiced my opinion adversely to the amendment, and of course today I take the same position that I took then. Although I assume that probably the amendment would be adopted by the Senate, in view of the fact that the Senate adopted a similar amendment once before, nevertheless I cannot say that as a member of the conference committee I would work very strenuously to have the amendment retained.

Mr. WILLIAMS. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield for a question; otherwise, I would have to yield the floor.

Mr. WILLIAMS. I wish to ask several questions of the Senator from Louisiana.

Mr. ELLENDER. I shall be glad to yield.

Mr. WILLIAMS. However, I understand that the Senator from Minnesota wishes to make a speech.

Mr. THYE. I shall be glad to defer until the Senator from Delaware asks the questions he has in mind.

Mr. WILLIAMS. I wish to propound a question to the Senator from Louisiana. Several weeks ago I appeared before the committee and requested that the audited reports of the Commodity Credit Corporation be submitted prior to the time when the Senate would be asked to vote on this measure. It is my understanding that, thus far, the reports for the Commodity Credit Corporation for the years 1946, 1947, 1948, and 1949 have not been delivered to us. Is that correct?

Mr. ELLENDER. I am not aware whether or not they have been filed by GAO, which is the agency charged with responsibility for making audit reports. CCC, however, issues a financial statement currently each month.

Mr. President, inasmuch as the Senator from Delaware has raised a question concerning the GAO report, I should like to insert in the RECORD at this point a letter addressed to the Honorable ELMER THOMAS, chairman of the Senate Committee on Agriculture and Forestry, and signed by Lindsay Warren, Comptroller General of the United States, and Charles F. Brannan, Secretary of Agriculture, with respect to the subject matter about which the distinguished Senator from Delaware has questioned. I think their letter demonstrates that both the Department of Agriculture and the Comptroller General have done all that it is humanly possible to do in order to shed light on the question at issue.

As will appear in the letter, both the Department of Agriculture and the Comptroller General take the position that nothing will be gained by making an extensive audit to reconcile the accounts of the different Government agencies involved.

In this entire transaction, dating back to 1941, over $8,000,000,000 worth of commodities were handled. The reports which are attached to or submitted with the letter show what the Secretary of Agriculture thinks should be done and what the Comptroller General thinks should be done.

Mr. President, rather than take the time of the Senate to read these two reports, I ask unanimous consent that they may be incorporated at this point in the RECORD, in connection with my remarks.

Mr. WILLIAMS. Mr. President, reserving the right to object, I wish to ask some further questions before its insertion.

Mr. ELLENDER. I have been trying to be of assistance to the Senator from Delaware in this connection.

Mr. WILLIAMS. I appreciate that.

Mr. ELLENDER. Does the Senator from Delaware have a copy of the letter in his possession?

Mr. WILLIAMS. Yes; I just received a copy of it.

I wish to ask the Senator from Louisiana these questions because this subject has been debated on the floor of the Senate for over a year, from time to time; and I think it is time we settled it.

A year ago the Comptroller General said there was $366,000,000 for which at that time the Commodity Credit Corporation was unable to account as of the close of the books of the Corporation for the fiscal year 1945.

What years are included in this report today? Does it include the years up to 1949, or does it include only the years 1946 and 1947?

Mr. ELLENDER. As I understand the GAO report, it covers the period up to June 30, 1947.

Mr. WILLIAMS. In other words, the reports for 1948 and 1949 still are not before the Senate. Is that correct?

Mr. ELLENDER. There does not seem to be much question about that. The figures show there were accounting reconciliations not made during 1941 and that there has not been a full reconciliation since that time, as the Senator knows.

Mr. WILLIAMS. There may be no question about 1948 and 1949. But, on the other hand, I do not know that there might not be a question. There is no information and the reports are long past due.

Mr. ELLENDER. The Senator can obtain the information. I do not think anyone is trying to hide anything.

Mr. WILLIAMS. The Senator from Delaware went before the subcommittee of which the Senator from Louisiana was chairman, 4 months ago. I went before the Senate a year and a half ago, and requested that those books be delivered to the Senate. They have never been delivered yet. So the Senator from Delaware has not been able to obtain the information. And this report, if I understand correctly, shows they have not found all of the $366,000,000, during the past 12 months. They still lack $96,000,000. Is that correct?

Mr. ELLENDER. Yes. That is what this report shows, and the Senator is well acquainted with it, I am sure.

Mr. WILLIAMS. I glanced over it hurriedly.

Mr. ELLENDER. It reveals the same information as was brought out in the hearings. The Senator was present, I believe, when we had the hearing.

Mr. WILLIAMS. No; I was not present at the hearing.

Mr. ELLENDER. The Senator was present a part of the time.

Mr. WILLIAMS. Does the Senator from Louisiana mean, at the time the Comptroller General testified?

Mr. ELLENDER. Yes; and thereafter.

Mr. WILLIAMS. No. I made the request, and said I should like to be present when the Comptroller General testified, but I was not notified when he came, so I was not there. I did go the next day, and I told the Senator and his committee that I took exception to the whitewash which apparently had been applied, because the impression was given out that all these so-called unverified accounts and irregularities had been explained, and I knew that they had not been found. But now I find in this letter information to the effect that they found all but $96,000,000. That is still a sizable amount of money, and is far from being fully accounted for as was claimed last March.

Mr. ELLENDER. The Senator will find the explanation in the letter I have offered for the RECORD as to why further inquiry is unnecessary. Nothing would be gained, I may say, by spending more time and money in an effort to complete an accounting reconciliation.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. In a moment. Let me point out to the Senator with respect

to this so-called shortage he mentioned of $366,000,000——

Mr. WILLIAMS. No; I said $366,000,000 "unaccounted for." I want to say that the Comptroller General——

Mr. LUCAS. Mr. President, I demand the regular order in this debate.

Mr. WILLIAMS. Mr. President, if I cannot find out what is in the report, I have no alternative than to object to its insertion in the RECORD.

Mr. ELLENDER. This is what the Comptroller General said in the statement to which I have just referred:

The import of the foregoing quotation—

That is just above this—

made with respect to the June 30, 1945, accounts receivable balances, is not that the books were out of balance, or that there was a shortage of funds, or a discrepancy in the accounts in the amount of $366,643,129. The phrase "could not be supported or verified" is a technical audit term indicating in a concise manner that an effective audit could not be made of the book balance of the account as of June 30, 1945, so as to prove that the balance was substantially correct as stated. The purpose of the entire paragraph was to indicate factors which made an audit impossible.

The Comptroller General in this statement goes on to say why it is impractical and why nothing will be gained by spending more time, more money, and more effort on this report.

Mr. President, am I to understand that the distinguished Senator from Delaware still objects to my placing this in the RECORD?

Mr. WILLIAMS. Mr. President, I may say I had no intention of objecting. I was merely reserving the right to object until I could ask a question or two. But, if the Senator from Illinois calls for the regular order, we will read it into the RECORD. I should like to ask one or two other questions.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. The Senator from Illinois demanded the regular order merely that we might have some semblance of order in the Senate. The Senator from Louisiana and the Senator from Delaware were asking questions of each other, without going through the regular parliamentary procedure.

The PRESIDING OFFICER. The Chair so understood.

Mr. WILLIAMS. Mr. President, I was merely reserving the right to object.

The PRESIDING OFFICER. Does the Senator from Delaware desire to ask the Senator from Louisiana any further questions?

Mr. WILLIAMS. Yes, I should like to ask other questions.

Mr. ELLENDER. I shall be glad to answer them, if I can.

Mr. WILLIAMS. Is the Senator from Louisiana trying to give the impression, as he puts in this report, that he understands that everything is O. K., and that there is no money possibly which was not accounted for?

Mr. ELLENDER. I am not trying to give any "impression"; I am simply trying to give the facts as found both by the Department of Agriculture and by the Comptroller General with respect to these matters.

Mr. WILLIAMS. The Senator read a part of the statement of the Comptroller General, but if he will read all of his statement, he will find that the Comptroller General plainly stated that, while he did not say there was any money short in the Corporation—which the Senator from Delaware has also said—at the same time, he said he would not say there was not a shortage, nor would he say there was not fraud, because he could not determine whether there was fraud or a shortage, because he said, "the records are gone, we have no books, and we don't know what happened to the $96,000,000." Is not that the substance of the report?

Mr. ELLENDER. I shall let Senators judge by putting the entire report in the RECORD.

Mr. WILLIAMS. Mr. President, will the Senator yield, that I may read into the RECORD what the Comptroller General said, in full? I think it is very important that we get this in the RECORD at this time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield for that purpose?

Mr. WILLIAMS. Mr. President, on March 25, 1949, I first advised the Senate that over $350,000,000 of funds handled by the CCC could not be supported nor verified. Five days later this statement was confirmed by the Comptroller General. On May 26, 1949, 60 days after I first made my statement, and 60 days after the Senator from Illinois [Mr. LUCAS] said that if there was any truth in the statement that this Corporation had a large amount of money unaccounted for, he would be the first to go on the floor of the Senate to see that they rendered an accounting. We find the Senator from New Mexico wrote the Comptroller General, asking certain questions. I want to read the questions. I want to read both the answers and the questions exactly as the Comptroller General replied to the Senator from New Mexico on this subject. The first question asked by the Senator from New Mexico was—and I am quoting from the letter of the Senator from New Mexico to the Comptroller General:

On page 6808 of the CONGRESSIONAL RECORD for Wednesday, May 25, 1949, Senator WILLIAMS, of Delaware, makes the following statement: "Every statement I made on the floor of the Senate on that day was supported by the General Accounting Office." The day referred to is March 25. I assume you have examined that RECORD in which Mr. WILLIAMS charges that a million dollars' worth of barley was shipped to Russia and omitted entirely from the sales, that one duplication of $2,000,000 of loans could not be reconciled with the records of the Corporation, and that over $350,000,000 of receivables could not be supported or verified because of faulty accounting policies and poorly devised procedures. Was Senator WILLIAMS correct in stating that you supported everything he said?

The Comptroller General's answer was:

Each statement, as you have just summarized it, is correct.

He went on to say that he was making no interpretations as to any conclusions anyone wanted to draw on this subject.

The next question which the Senator from New Mexico asked the Comptroller General was:

The Senator's statement on May 25 on page 6808 could lead to the assumption that fraud existed in the management of the Corporation. Has your audit of the Commodity Credit Corporation disclosed any fraud? Incidentally, I notice in the audit report that there is no mention of fraud.

Here is the Comptroller General's answer to that question:

The audit of Commodity Credit Corporation has not disclosed that fraud existed, neither has it disclosed that fraud did not exist. That is, the records for the period covered by our audit report in many cases are simply insufficient to tell us or anyone else whether fraud existed or not.

The third question:

You ask whether I subscribe to the following statement evidently made by our auditor in charge at the Commodity Credit Corporation charter hearings a little over a year ago:

"The question of dishonesty is not raised in any point in our report. It is a matter of inefficiency in the accounting set-up and the accumulated errors. It is a matter of accumulation of work getting behind and errors that have been built up over the years rather than dishonesty."

The Senator from New Mexico [Mr. ANDERSON] apparently was quoting some testimony given before a congressional committee. Mr. Warren replied:

I do subscribe to the statement as far as it goes, but I would have to add what I have just said above; that is, the accumulated errors and incompleteness leave it unproven whether fraud could or could not have occurred. However, this is in no way to be taken as any indication that our auditors reported or disclosed fraud.

In other words, out of the original $366,000,000 unaccounted for we are now told that they have found all but $96,000,000.

I think the Senator from Louisiana will agree with me on that. If he does not agree with me, say so now, and let us get this record straight.

I asked the question as to what had happened to the $96,000,000. It seems that everyone is very much concerned that we do not use the words "written off." One of the officials said, "When you say it is written off, it is offensive to the taxpayers. He would prefer that I use the word 'substract'." I do not know what the difference is. The money is gone.

The Comptroller General goes on to say that it was necessary to subtract that amount in 1947 accounts in order to make the books balance. The claim has been made on the floor of the Senate that a substantial part of this ninety-six million might represent transfers with Government agencies. I disagree with that claim. How does the Senator from Louisiana feel about that?

Mr. ELLENDER. Let me say to the distinguished Senator that I believe the two reports which I am seeking to have

incorporated in the RECORD speak for themselves.

Mr. WILLIAMS. Has the Senator read them?

Mr. ELLENDER. Yes. One is from the Comptroller General and one is from the Department of Agriculture. This is the way the Comptroller General concludes his report:

Since May 2, 1949, various aspects of the situation have been given additional consideration, the Corporation's reports on the liquidation project have been restudied, and discussions have been held with departmental officials. From any practical standpoint the General Accounting Office would not recommend additional investigation of transactions under this wartime program from the standpoint of possible financial benefits to the Government because of:

1. The predominance of transactions with other Government agencies;
2. The procedures followed by the Corporation in its liquidation project as revealed through study and discussions of the Corporation's reports on the project;
3. The efforts by the Corporation to protect the interests of the Government;
4. The competence of the individuals responsible for the project and the fact that they had no connection with the Corporation during the period in which accounting and record-keeping control was lost;
5. The age of many of the transactions (dating back to March 1941) involving possible loss or destruction of records of third parties concerned; and
6. The substantial cost of the extensive additional work that would be required, with no positive indication that the result of the work would be remunerative to the Government.

Mr. LUCAS. Mr. President, will the Senator yield there?

Mr. ELLENDER. I yield.

Mr. LUCAS. Further to fortify what the Senator said, I think it is worth while to read into the RECORD the general summary, a part of which the Senator failed to read, which is as follows:

The wartime supply program of the Commodity Credit Corporation, known as the General Commodities Purchase Program——

Mr. WILLIAMS. Will the Senator state from what he is reading?

Mr. LUCAS. I am reading from page 135 of the hearings of the Committee on Agriculture and Forestry.

Mr. WILLIAMS. Whose testimony is it?

Mr. LUCAS. This is a report of the General Accounting Office.

Mr. WILLIAMS. I thank the Senator.

Mr. LUCAS. Mr. President, I continue reading:

After the activity started to expand rapidly, sufficient manpower and machines were never available for the record-keeping to be current throughout the entire life of the program which ended with completion of its liquidation as of June 30, 1947. The tremendous accumulation of backlogs resulting from the many handicaps of wartime operations resulted in the record-keeping being unsatisfactory. When it became possible at the end of the war period to recruit sufficient and qualified personnel and to obtain accounting machines, every effort was made to liquidate the program in a manner which would fully protect the interests of the Government. The job was done in the shortest possible period of time and at minimum cost. In so doing, some of the transfers of commodities to Government agencies were not reviewed for the purpose of making bookkeeping adjustments. Until the liquidation was accomplished, the records were not in such shape that the GAO auditors could be expected to make a satisfactory audit. Similarly, because of the tremendous size of the operation, and the span of years over which it was carried out, and the extent to which practical considerations affected the method of liquidation, it is obvious that there were serious practical limitations on the extent to which an audit of the whole program could be made by the GAO. The deficiencies in record-keeping, although serious should not be permitted to obscure the over-all job which was done. The net financial results of the program to the Commodity Credit Corporation, after all adjustments were made, was a net gain of approximately $187,000,000 (at December 31, 1949).

Mr. President, if I may make one further observation, the situation was such that it was absolutely impracticable and impossible to do the job with the ordinary accountants and auditors such as is done on books which have been regularly kept from day to day. The reason it could not be done was because of the limitation of manpower and the tremendous amount of work which had to be done on transactions involving this country with other nations throughout the world, as the Senator well knows.

Mr. ELLENDER. During the war.

Mr. LUCAS. During wartime. The GAO definitely states that insofar as its audit was concerned, there was no dishonesty in the transactions, and, so far as it could find, there was no fraud. Obviously, so far as the amounts they cannot find are concerned, they cannot make any observations as to whether there was fraud or whether there was not fraud.

It seems to me, Mr. President, we are wasting time in debate upon this matter. It has been going on for a long time, and we should arrive at a conclusion on it. Irrespective of what anyone may think about the loss of the money, the GAO tells us definitely and positively that there is no way in which any auditors in this country can trace the amount of money lost in the transactions. No investigating committee can do it. If the GAO cannot find it, certainly no one else can. It would require years of work, and then the same conclusion would be reached as that which has been arrived at by the GAO.

Mr. ELLENDER. The reasons assigned by the GAO are certainly plausible.

Mr. LUCAS. The Senator is, of course, correct. No one can take serious issue with the reasons assigned.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. I am not disagreeing entirely with what the Senator from Illinois has said. It is true the GAO has never said there was fraud, but each time it has also pointed out that there may be fraud. The reason it is uncertain is that the records are gone. Perhaps nothing can be gained by rehashing it. So far as I am concerned, I should like to settle the matter today as we are debating the bill, but I do not want it settled by leaving the impression that everything has been accounted for, because that is not the fact. I am determined this is not going to be a whitewash.

Mr. ELLENDER. The documents which I am asking to be placed in the RECORD show it——

Mr. WILLIAMS. All but the $96,000,000. As to that remaining amount, the Comptroller General thinks, in view of the fact that there are no records, that it would cost more to reconstruct the records, perhaps, than could be got out of it, but that is a very poor excuse. I feel confident that had these books been submitted to Congress as required by law we could have reconstructed many of these accounts. There is no justification for such loose accounting methods existing in any Government corporation.

Mr. ELLENDER. The report speaks for itself.

Mr. WILLIAMS. I should add the Comptroller General has not indicated that he has found out where the money has gone, or that he is satisfied with the type of bookkeeping that has been had. I will discuss this further later.

Mr. ELLENDER. The report speaks for itself.

The PRESIDING OFFICER. Is there objection to the insertions in the RECORD?

Mr. WILLIAMS. I have no objection.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 30, 1950.*

Hon. ELMER THOMAS,
United States Senate.

DEAR SENATOR THOMAS: There are submitted herewith statements prepared by the Department of Agriculture and the General Accounting Office relative to the item of $366,000,000 referred to in the 1945 audit report on the Commodity Credit Corporation. Because of the interest shown in this item from time to time over the past year, we are joining in this effort to clearly bring out the facts of the situation. We believe that Congress and the public are entitled to such facts.

As you know, the matter under discussion arose under a wartime operation of great magnitude and needs to be viewed in the light of conditions then existing in order to gain a clear perspective of the undertaking. It is recognized that the presentation of a matter of this character in an audit report has certain limitations. Accordingly we believe it will be helpful to the Congress for us to submit this résumé which tells the whole story at one time, along with the necessary background material which is essential to a complete understanding.

While these statements are being submitted at the same time, each has been prepared independently of the other. In this way the respective views and conclusions of each agency are set forth for your concurrent consideration.

Respectfully submitted.

LINDSAY WARREN,
Comptroller General of the United States.
CHARLES F. BRANNAN,
Secretary of Agriculture.

UNITED STATES DEPARTMENT OF AGRICULTURE—STATEMENT CONCERNING COMMODITY CREDIT CORPORATION ACTIVITIES UNDER THE WARTIME SUPPLY PROGRAM, WITH PARTICULAR REFERENCE TO RECORD-KEEPING PROBLEMS

(Submitted as an attachment to a joint letter from the Comptroller General of the United States and the Secretary of Agriculture to the chairman of the Senate Committee on Agriculture and Forestry.)

NATURE AND PURPOSE OF THE WARTIME SUPPLY PROGRAM

Origin of the program: Early in March 1941, it became apparent that the Department of Agriculture would have the responsibility for locating and supplying food to friendly countries whose supplies had been seriously depleted by the European war. The Lend-Lease Act was being considered, and it was recognized that it would be necessary for the United States to supply friendly countries with needed food.

Accordingly, on March 12, 1941, the President of the United States approved a procurement program which became the wartime supply program (known as the general commodities purchase program). Funds of the Commodity Credit Corporation (CCC) were to be used in making such purchases. The program was to be carried out by the Federal Surplus Commodities Corporation as agent of the CCC. This arrangement was decided upon in order to minimize expense, to avoid duplication of governmental agencies, and to permit the coordination of purchases under this program with other purchase and disposal operations of the Department.

Program expanded rapidly: Shipments of large quantities of food began immediately after the Lend-Lease Act was approved. As lend-lease requirements increased and the United States entered the war, the volume of commodities handled grew to unheard of proportions. The program was expanded time after time to meet the vast needs of our allies for food and other agricultural commodities, as well as the needs of the armed services of the United States.

The task was great: Food was a vital weapon of war, and this program was a major factor in the fullest use of that weapon. The size of the job is indicated by the quantity of commodities bought, shipped, and delivered for export; it increased from a small volume in 1941 to approximately 6,000,000,000 pounds in the year ended June 30, 1942, 10,000,000,000 pounds in 1943, 13,000,000,000 pounds in 1944, and 10,000,000,000 in 1945. An additional 6,500,000,000 pounds were delivered in 1946 when the UNRRA and other postwar relief programs were in operation. The dollar volume totaled approximately $8,000,000,000 over the period of operation of the program and it is estimated that about 1,600,000 carloads of commodities were moved to ports. This would represent approximately 14 solid freight trains each reaching from Chicago to New York City.

General method of operation: Operations included not only the initial procurement of hundreds of different agricultural commodities and products thereof, but also all the storage, processing, packaging, and shipping necessary to get the commodities aboard ship and on their way overseas. Purchases were made in the marketing or flush production seasons where possible, and the commodities were stored to meet needs during slack production seasons. This stabilized supplies and benefited farm income. Processing and packaging were frequently necessary to put the commodities in form to be used on arrival overseas. Shipment had to be arranged from origin to warehouse and to port. Where processing was required, additional movements were involved.

The major emphasis of the program was to get the food overseas where it was needed, and in the form required without delay.

Wartime operating problems: The tremendous growth in the activity and the required speed of operations, combined with wartime difficulties, prevented the Corporation from performing the related paper work on a current and satisfactory basis.

1. Inadequate staff: From the time this country entered the war the Department constantly lost personnel to the armed services and to other war agencies. Sufficient personnel, particularly key people, could not be retained or recruited to do the paper work currently and at the same time handle the actual procurement, storage, processing, and shipping work necessary to get the food overseas where it was needed in the war.

2. Lack of space and equipment: Sufficient office space was not available in Washington and a large part of the accounting group had to be moved to New York, resulting in a further loss of personnel. Office equipment, such as bookkeeping and accounting machines, were not available in quantities necessary to do the mammoth job.

3. Organization changes necessary: It was necessary to reorganize major parts of the Department several times during the war period in order for it to best carry out its over-all responsibilities for the food production and distribution system on an "all out" basis.

4. Expansion required accounting changes: The original system of records and accounts could not be adjusted to the expanded volume of the program, and a change-over had to be made after it broke down and during the period of peak activity.

5. Other difficulties: Along with these insurmountable handicaps to current record keeping, the wartime shortage of rail and ocean shipping facilities required many rerouting and diversions as well as many movements of commodities from one location to another. These additional movements added greatly to the work load and created many problems. Inexperienced personnel of venders, carriers, and warehousemen added to the record-keeping difficulties.

All in all, the problems posed by the nature of the program, its rapid expansion and gigantic size, the necessary speed with which operations were conducted, the wartime shortages of personnel, lack of office space and equipment, the necessity for changing the system of record-keeping, and the complications of wartime procurement and shipping made it impossible to keep the paper work on a current basis.

There follows a summary of the operating problems and progress made in overcoming them in each fiscal year beginning with the year ended June 30, 1945.

YEAR ENDED JUNE 30, 1945

Situation: During 1945, peak shipments of food to Europe were still in progress. The central accounting office for the program in New York was sorely undermanned, and sufficient accounting machines were not available to make any progress on the huge backlog in record-keeping which had accumulated almost from the beginning of the program. Backlogs were still growing each month.

Problems recognized: Shortly prior to June 30, 1945, the war food investigation conducted by the House Committee on Appropriations high-lighted a number of serious problems, such as the overstatement of accounts receivable resulting from unrealistic pricing of sales on commodities. At the request of the Corporation, a physical inventory was taken by the GAO at March 31, which indicated thousands of differences between inventory records and the physical inventory. Substantial manpower was devoted to tracing down these differences. The major portion subsequently turned out to be cases where shipping or delivery documents had not been received or, if received, had not been recorded. Other similar situations were known to exist, but there was no personnel available to assign to straightening them out.

The books were kept open until late in 1945 with the hope that with the use of borrowed equipment and assistance obtained from other Government agencies, real progress could be made in overcoming some of the backlog in the posting of records. Little was accomplished by these efforts because enough qualified people could not be obtained to plan and supervise the work. Most of such work later had to be done over again when adequate supervision was available.

In order to comply with reporting regulations, financial reports were prepared even though the books were not up to date. Lists of debtors and creditors could not be prepared until backlogs were eliminated.

Information for the auditors: Because of the backlogs, the GAO auditors were informed that data which they would normally expect to receive could not be furnished until such time as the records had been brought up to date, and that many adjustments would be required to properly state the accounts. Among such data which could not be furnished were lists of individual debtors and creditors. This situation existed, not only because of the backlogs, but because of the accumulation of errors made by untrained and overworked personnel over a period of years, working under an inadequate number of supervisors. (See GAO statement.)

YEAR ENDED JUNE 30, 1946

Activity during the year: There was some let-up in activity during the fiscal year ended June 30, 1946, but tremendous quantities of food were shipped. This activity took place under the same general conditions, methods, and procedures in effect during earlier years. Backlogs therefore continued to accumulate.

Plans for remedial action: By mid-1945 it was apparent to all concerned that drastic action was needed. It was also recognized that before any real improvements could be accomplished additional accountants, other technicians, and supervisors were essential, as well as additional clerical personnel and accounting machines. Efforts of the Secretary of Agriculture to obtain the release of qualified people from the Armed Services proved to be of little avail. Accordingly, it was not until members of the armed services were released under the point system that any real start could be made.

In the spring of 1946, it was determined that the wartime supply program should be put in liquidation as of July 1, 1946. This decision was made in order to make possible the operation of a new supply program on a current basis, while the tremendous wartime supply activity was being liquidated. The new staff recruited early in 1946 was split in two groups. One group was assigned to make plans for the cut-over to the new program which was to be carried out more completely by the field offices. The second group was assigned to the job of planning and conducting the liquidation of the wartime supply program. Most of the personnel recruited was new to the organization, and had to become familiar with the problem.

Situation at June 30, 1946: Other than a greater opportunity to record on the books certain transactions normally recorded at the end of a fiscal year, there was no real progress made in solving the basic problem, namely, the inability to bring records to a current condition, because sufficient personnel or adequate supervision were not available until too late in the fiscal year. Known inaccuracies in the accounts still existed, and those which would require significant increases in personnel and machines to correct had not been and could not be corrected at that time.

Information for the auditors: It was possible to develop somewhat more adequate information for the auditors at June 30, 1946, but the individual items comprising the major debtor and creditor accounts still could not be furnished at that time. Further, as the decision had been made to put the wartime program in liquidation at July 1, 1946, it became apparent that no real purpose would be served by later arranging to furnish information to the auditors concerning individual debtors and creditors at June 30, 1945, or June 30, 1946. Rather, it was decided to accomplish the liquidation of the total program as one project. This obviously saved many, many man-hours of work and

machine time. This decision to liquidate the entire program as one project appeared particularly advantageous when later in the year the GAO auditors decided to combine their 1946 and 1947 audit reports. (See GAO statement.)

YEAR ENDED JUNE 30, 1947

Activity during the year: Although the wartime supply program was placed in liquidation on July 1, 1946, that part of the inventory which was at shipside or in transit to port was necessarily disposed of under the wartime program. The remainder of the inventory plus new purchases was handled under the new program. Due to a shipping strike which took place in the late summer and early fall of 1946, it was almost the end of the year before shipments under the old program were completed. Other activity during the year was that of bringing the records up to date and liquidating the program.

Special efforts to expedite liquidation: In addition to all other available personnel that could be assigned, 175 temporary employees were hired in the spring of 1947 for the specific purpose of expediting the liquidation of the wartime supply program. Arrangements were also made under contract for a commercial organization to perform substantial tabulating-machine operations.

It was the expressed intent of Congress that this liquidation, along with other wartime activities, be concluded as quickly and at as low a cost as possible. It was understood that work undertaken in connection with accounts between Government agencies would be held to an absolute minimum.[1]

Liquidation project: A summary of the liquidation plan followed is described below. The GAO auditors were kept fully informed as the plan was developed and carried out.

1. Records were brought up to date. This included the bringing together and posting of documents which had not previously been recorded.

2. Receivables from private individuals, relief organizations, and corporations were examined to determine specific amounts due, if any, on the basis of delivery documents.

3. Receivables from cash-paying foreign governments, Lend-Lease shipments after VJ-day, and UNRRA were examined to determine specific amounts due, if any, on the basis of delivery documents.

4. After the foregoing steps were taken, there remained for consideration the amounts then due from Government agencies other than those named above. Spot-check reviews were made of several thousand of such receivables. This was done to determine whether similar reviews of the many thousands remaining receivables would be productive and whether individual adjustments of any differences found would accomplish any practical purpose. It was substantiated that accounts receivable were overstated in material amounts in many cases because sales were recorded at an estimated sales price different from the invoice price ultimately billed; no adjustment of such differences had been made currently as was originally contemplated by the accounting system. (See earlier reference to findings of War Food Investigation.) Similarly, it was found that use of estimated quantities had resulted in the overstatement of accounts receivable. Thus, it was apparent that the residual balance of accounts receivable reflected millions of dollars as being due which in fact were not owed by other Government agencies. The spot-check reviews also substantiated that, with few exceptions, the invoices as rendered reflected the correct amounts due.

5. After having completed the steps described above, it was concluded that no useful purpose would be served by spending the hundreds of man-years required to review in detail the transfers of commodities to other Government agencies, particularly Lend-Lease prior to VJ-day which comprised more than two-thirds of the total activity. Based on this conclusion, an adjustment was made to reduce accounts receivable to an amount which could be firmly established as then due and which was to be carried forward for collection. The principal element in this adjustment represented the overstatement of accounts receivable represented by the accumulated differences between the amount of sales that had been recorded on the books as opposed to the final amount as shown on the invoice supported by the delivery documents. This was done prior to the closing of the books as of June 30, 1947, and the adjustment amounted to $96,440,497. Of the total activity of approximately $3,000,000,000, 92 percent, or over $7,000,000,000, represented transactions with Government agencies. As indicated earlier, receivables from private individuals, relief organizations, and corporations, as well as transactions with cash-paying governments, Lend-Lease after VJ-day, and UNRRA, were examined to determine the specific amounts due.

Information for the auditors.—After the adjustment described above had been recorded on the books as of June 30, 1947, the Corporation furnished the GAO auditors with lists of the individual debtors and creditors for amounts shown on the books for receivables and payables. The records pertaining to the liquidation project were made available to the GAO auditors. Two reports, one in considerable detail, were made to the GAO auditors covering the liquidation project. (See GAO statement.)

ACTIVITY SUBSEQUENT TO LIQUIDATION

Under the decentralized plan of operation then in effect amounts still due were transferred to the books of the appropriate field offices as of June 30, 1947, and these offices continued to pursue collection. Some of these receivables due from private individuals and corporations were subsequently disputed, and some have resulted in litigation. Notwithstanding the adjustment of receivables, later events made it feasible to obtain payment or file claims for certain transfers and sales made prior to June 30, 1947. Receivables established for such items amounted to approximately $15,000,000 and primarily related to sales to Government agencies.

Some new claims have been filed with the Corporation pertaining to the wartime supply program, and some suits have been filed against the Corporation. For example, one such case involved OPA rulings on price ceilings. Some contracts were renegotiated by the Corporation to recover excess profits. While there have been many individual transactions of one sort or another with venders and purchasers arising out of the wartime supply program since June 30, 1947, the dollar amounts are relatively small. The Corporation has not relinquished its legal rights in any cases in which the financial interests of the Government may be involved.

GENERAL SUMMARY

The wartime supply program of the Commodity Credit Corporation, known as the general commodities purchase program, was begun in 1941. After the activity started to expand rapidly, sufficient manpower and machines were never available for the record keeping to be current throughout the entire life of the program which ended with completion of its liquidation as of June 30, 1947. The tremendous accumulation of backlogs resulting from the many handicaps of wartime operations resulted in the record keeping being unsatisfactory. When it became possible at the end of the war period to recruit sufficient and qualified personnel and to obtain accounting machines every effort was made to liquidate the program in a manner which would fully protect the interests of the Government. The job was done in the shortest possible period of time and at minimum cost. In so doing, some of the transfers of commodities to Government agencies were not reviewed for the purpose of making bookkeeping adjustments. Until the liquidation was accomplished the records were not in such shape that the GAO auditors could be expected to make a satisfactory audit. Similarly, because of the tremendous size of the operation and the span of years over which it was carried out, and the extent to which practical considerations affected the methods of liquidation, it is obvious that there were serious practical limitations on the extent to which an audit of the whole program could be made by the GAO. The deficiencies in record keeping, although serious, should not be permitted to obscure the over-all job which was done. The net financial results of the program to the Commodity Credit Corporation, after all adjustments were made, was a net gain of approximately $187,000,000 (at December 31, 1949).

GENERAL ACCOUNTING OFFICE—GENERAL ACCOUNTING OFFICE STATEMENT CONCERNING ACCOUNTS RECEIVABLE IN THE GENERAL COMMODITIES PURCHASE PROGRAM OF COMMODITY CREDIT CORPORATION

This statement presents the view of the General Accounting Office with respect to the above subject and accompanies a statement of the United States Department of Agriculture entitled "Statement concerning Commodity Credit Corporation Activities under the Wartime Supply Program, With Particular Reference to Record-keeping Problems." These statements have been prepared for the purpose of informing the Congress of the circumstances surrounding the necessity for the adjustment of the balance of accounts receivable of the general commodities purchase program and the attendant problems both for the Corporation and the GAO.

While these statements are being submitted simultaneously, each agency has presented its statement of its views and opinions independently of the other. In the interest of coordinating information on the situation and conditions that existed from time to time, there are certain references made in one statement to certain parts of the statement of the other agency.

By law, the General Accounting Office has been charged with the duty of making audits of CCC for each fiscal year beginning with 1945 in accordance with the principles and procedures applicable to commercial corporate transactions. Although some preliminary work had been done, the audit by the Corporation Audits Division did not commence until October 1945, several months after the close of the 1945 fiscal year. It soon became apparent that the type of audit of the accounts of Commodity Credit Corporation contemplated under the law could

[1] In response to questions with respect to the necessity for the reconciliation work being performed in connection with the liquidation of the wartime supply program raised during the hearings on the supplemental appropriation bill for 1948 (before the Subcommittee of the Appropriations Committee, House of Representatives, in Charge of Deficiency Appropriations, on June 23, 1947), the following statement was made:

"Mr. BRASFIELD. I would like to add to the comments given as to the liquidation process in this respect: We have not gone beyond accomplishing two things; that is, to review and reconcile the transactions that affected the Commodity Credit Corporation, which is required by Public Law 151, to be fully reimbursed for its lend-lease activities. The other is to review and check the transactions which we feel are essential to determine that no parties outside the Government have profited by reason of bookkeeping errors in the transfer of lend-lease goods."

not be made as of June 30, 1945. While it was the conclusion of GAO that the situation could not be remedied even by a material extension of audit procedures, it was incumbent on it to make such an examination as was practicable under the circumstances, and to render a report on its findings.

The General Commodities Purchase Program (GCPP) was the largest single program active at June 30, 1945, and the condition of the records at that date is described in the accompanying statement of the Department of Agriculture under the heading "June 30, 1945, Information for the Auditors." As that statement indicates, good accounting practice requires that the aggregate of receivables due from individual customers should equal the accounts receivable balance shown as due on the general ledger. Even if adequate procedures are installed, large differences can and ordinarily will arise unless adequate supervision of the bookkeeping practices is maintained and the accounts are very carefully watched and accurately handled.

From the inception of the program to June 30, 1945, sales were estimated to have been approximately $6,500,000,000. Amounts intended to represent these sales were entered as accounts receivable and as collections were made the receivables were correspondingly reduced. The sales entries were made from sources that were in part based on estimates. The resulting balance at June 30, 1945, as shown by the general books, amounted to $366,643,129. No satisfactory breakdown of this amount by individual customers was available. Neither could any assurance be gained that all transactions involving sales had been recorded, nor, conversely, that duplicate billings had not been made. The GAO auditors found conditions such that they could not determine whether the $366,643,129 balance was or was not correct, nor could they be responsible for ascertaining what the correct balance should be, as the latter was the responsibility of the Corporation.

Recognizing these facts, and owing to the further circumstance that the omission of certain bookkeeping procedures resulted in a large number of unadjusted differences, the audit report for the period ended June 30, 1945, stated that "The amount of $366,643,129 recorded as due from sales made in the General Commodities Purchase program could not be supported nor verified," and continued: "The recorded balances of individual accounts are subject to qualification as a result of faulty application of accounting policies and poorly devised procedures. Amounts recorded as owing from sales made in this program were recorded on the basis of quoted prices on the date of recordation, while the billings to customers were based upon the quoted prices as of the date of delivery. Adjustments frequently were not made. In a number of cases, entries for quantities sold (with associated values) were based upon representations made by the purchaser and could not be supported by documentary evidence." The paragraph quoted above must be considered as a whole in order to obtain an understanding of conditions as they existed at the time the GAO made its examination for that year.

The import of the foregoing quotation, made with respect to the June 30, 1945, accounts receivable balance, is not that the books were out of balance, or that there was a shortage of funds or a discrepancy in the accounts in the amount of $366,643,129. The phrase "could not be supported nor verified" is a technical audit term indicating in a concise manner that an effective audit could not be made of the book balance of the account as of June 30, 1945, so as to prove that the balance was substantially correct as stated. The purpose of the entire paragraph was to indicate factors which made an audit impossible.

The Corporation was aware of its responsibility in this matter, and in April 1946 began the task of analyzing a portion of the GCPP accounts receivable (later expanded into the so-called liquidation project). The nature of this project was known to and concurred in by the GAO, in view of the very large volume of work and the administrative costs involved, provided that it could be demonstrated that there would be no over-all loss to the Government.

Because the conditions referred to above were, in general, still in existence at June 30, 1946, and the liquidation project was incomplete, the accounts-receivable balance of $383,909,184 shown on the books at that date likewise could not be audited. By September 1947 the Corporation had completed most of the work on the liquidation project; as the books for the fiscal year ended June 30, 1947, had not yet been closed, the substantial adjustment necessary to correct the accounts-receivable balance was recorded in the accounts for that year.

Before this adjustment the book balance as of June 30, 1947, was $97,621,567. As a result of the liquidation project, the amount of receivables from individual customers (substantially all from outside the Government) was established at $1,181,070 as of that date, indicating a difference of $96,440,497. An adjustment of this amount was made in the accounts, and the general ledger balance of accounts receivable was consequently brought down to the amount of $1,181,070 established to be collectible, mainly from outside sources; most balances with Government agencies then existing were not carried forward in the accounts, but were included in the amount of the $96,440,497 adjustment. The actual amounts of these balances with other Government agencies were not ascertained because of the nature of the liquidation project, nor would such a determination serve any useful purpose; in fact, only additional cost to the Government would have resulted.

Changes in the balance of accounts receivable applicable to the GCP program between June 30, 1945, and June 30, 1947, based on the Corporation's accounting records, are summarized in the following tabulation:

Debit balance, June 30, 1945	$366,643,129
Transactions during fiscal year ended June 30, 1946: Add charges resulting from sales recorded for the fiscal year 1946	963,980,885
Total	1,330,624,014
Deduct credits representing for the most part cash collections	946,714,830
Balance June 30, 1946	383,909,184
Transactions during fiscal year ended June 30, 1947: Add charges resulting from sales recorded for the fiscal year 1947	211,149,236
Total	595,058,420
Deduct credits representing for the most part cash collections	497,436,853
Balance June 30, 1947, before adjustment	97,621,567
Deduct adjustment to reduce book balance of accounts receivable to balance as determined by the liquidation project	96,440,497
Balance June 30, 1947, after adjustment	1,181,070

NOTE.—GCPP was put into liquidation during the fiscal year 1947. In this connection see discussion of year ended June 30, 1947 in the statement of the Department of Agriculture.

It should be clearly understood that the amount of the adjustment did not represent individual customers' accounts which were written off as uncollectible, but was the residue remaining after the balance of accounts receivable to be carried forward as of June 30, 1947, had been determined. Because of the manner in which the liquidation project was conducted, as described in the statement of the Department of Agriculture, little, if any, of the $96,440,497 adjustment could have represented valid amounts due to CCC from outside the Government.

The General Accounting Office was furnished with a breakdown of the balance of $1,181,070, showing names of customers and amounts owing by each as shown by the corrected accounting records. In order to test the accuracy of this total, it corresponded directly with customers whose open balances comprised about 65 percent of the total. Differences reported were investigated by the internal auditors for the Corporation, who rendered reports following the completion of their investigation. Corrections with respect to these accounts were recorded in the Corporation's books during the fiscal year 1948.

Additional adjustments made by the Corporation during the 1948 and 1949 fiscal years amounted to about $15,000,000, most of which related to payments received from Government agencies whose accounts had not, under the liquidation project, been retained on the books as of June 30, 1947. The GAO has been informed by the Corporation that adjustments of GCPP accounts receivable between July 1, 1949, and December 31, 1949, have been negligible. The Corporation has stated that continuing attention is being devoted to the pursurance of claims, some of which are in litigation.

Following public and congressional discussion of the balance of $366,643,129 of accounts receivable of this program, as shown by the Corporation's books as of June 30, 1945, the Secretary of Agriculture requested an opinion from the Comptroller General as to whether the public interest would be served to an extent commensurate with the expenditure of effort and funds by a further investigation of the item. On May 2, 1949, the Comptroller General replied in part as follows:

"The work entailed the location, examination, recording, regrouping, etc., of hundreds of thousands of invoices, cards, and related documents. Under the circumstances, it did not seem advisable for the Corporation Audits Division to do more than make a general review of the methods employed. Based on this review and discussions and correspondence with the Corporation * * * I feel that no categorical answer can be given to your question. This decision is based on the reported chaotic state of the records, particularly prior to March 1, 1944, the scope of the investigation revealed by the review, discussions, and correspondence mentioned above, the fact that considerable important information was missing from a large number of records of invoices and that certain records could not be located, and on the passage of time. However, it can be definitely stated, now that lend-lease settlements have been arranged, that no purpose would be served by further investigation of the balances due at June 30, 1945, from other governmental agencies."

It was also pointed out in this letter that a review of the Corporation's reports on the liquidation project indicated that a real effort has been made to explore and adjust the more productive items of difference.

Since May 2, 1949, various aspects of the situation have been given additional consideration, the Corporation's reports on the liquidation project have been restudied, and discussions have been held with departmental officials. From any practical standpoint, the General Accounting Office would not recommend additional investigation of

transactions under this wartime program from the standpoint of possible financial benefits to the Government because of—

1. The predominance of transactions with other Government agencies.

2. The procedures followed by the Corporation in its liquidation project as revealed through study and discussions of the Corporation's reports on the project.

3. The efforts by the Corporation to protect the interests of the Government.

4. The competence of the individuals responsible for the project and the fact that they had no connection with the Corporation during the period in which accounting and record-keeping control was lost.

5. The age of many of the transactions (dating back to March 1941) involving possible loss or destruction of records of third parties concerned; and

6. The substantial cost of the extensive additional work that would be required, with no positive indication that the result of the work would be remunerative to the Government.

PERSONAL STATEMENT

During the delivery of Mr. ELLENDER'S speech,

Mr. McCLELLAN. Mr. President, will the Senator yield so that I may make a brief statement?

Mr. ELLENDER. I shall be glad to yield provided I do not lose the floor.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senator from Louisiana may yield to me for the purpose of making a brief statement without his losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. I also ask unanimous consent that my remarks may be printed in the RECORD immediately following the address of the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, in the June 5 issue of Newsweek, on pages 21 and 22, there appears an article under the heading "Reorganization," with a subtitle, "Bill Benton Blitz." I ask unanimous consent, Mr. President, that this article may be printed in the RECORD in full as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REORGANIZATION: BILL BENTON BLITZ

The approval that greeted the Hoover Commission plan for Government reorganization was a mighty chorus with voices from every quarter. The first eight proposals were made by the President in 1949 and were approved with but one exception.

By this year, public interest had waned, and vested private interest in stemming one or another plan began asserting itself. The first five plans, voted on earlier this month, were smoothly mowed down. It began to look as if the complex fabric of reorganization would be riddled. Last week, however, the rout was reversed; the foes of reorganization had apparently been stopped and the Hoover proposals successfully took the offensive. Samuel Shaffer of Newsweek's Washington bureau reports on the minor miracle of the week:

Senator WILLIAM BENTON, Connecticut Democrat, is easily the best-dressed Member of the Senate. In his well-tailored pinstriped suits, often decorated with a white carnation, BENTON looks as if he had just finished posing for a man-of-distinction advertisement. He is, however, a man with few illusions about the powers and privileges of freshmen Senators. The most recent Member of the body, he usually refers to himself as "Senator No. 96."

Last week, No. 96 decided it was time to speak out. When he did, he proceeded in ungloved fashion to raise hell with his own leadership, the leadership of the minority party, the Senate in general, ex-President Hoover, and a good portion of the President's Cabinet. To his own astonishment, it paid off.

BENTON could not understand why anyone would want to undercut any reform so essentially nonpartisan as badly needed Government reorganization. Nevertheless, he saw his majority leader, SCOTT LUCAS, vote against reorganization of the Treasury Department; he witnessed his majority whip, FRANCIS MYERS, vote against reorganization of the Interstate Commerce Commission; he watched the entire Senate shout down reorganization of the Agriculture Department.

BEHIND THE SCENES

Checking on the reasons for the debacle, BENTON discovered that the President's own Cabinet officers participated in the sabotage. John Snyder, for example, was on record agreeing with the Nation's bankers who opposed Treasury reorganization; Commerce Secretary Sawyer thought so little about his agency's reorganization that he said he would not exercise greater authority over the Patent Office even if it were given him.

In an effort to stem the rout, BENTON, a former ad-agency chief (BENTON & BOWLES) experienced at selling, wired ex-President Hoover urging him to speak up loudly. The reply, couched in equivocal language, stunned BENTON. He had yet another shocker to face: A Republican colleague told him that Hoover had actually advised this Senator in a phone conversation to vote against one of the pending programs. (The ex-President apparently disagreed with some of Truman's revisions of the original Commission plans.)

Over the week end, BENTON called former Budget Director, now Army Secretary, Frank Pace, Jr., and the present Budget Director, Frederick Lawton. He upbraided both of them, pointing out that the administration was failing to consult important Senators and giving only lip service to the various plans for streamlining Government.

BENTON also tongue-lashed SCOTT LUCAS. "I'm beginning to wonder," the Senator told him, "whether the administration wants reorganization. What am I to think when even the majority leader votes against some of the plans? It isn't too late, Scott. If the President will speak out we may be able to salvage the rest."

Monday morning, May 22, President Truman called Senator MCCLELLAN, chairman of the Expenditures Committee which had brought in several resolutions disapproving the reorganization plans. MCCLELLAN had denounced several of the proposals as administration "power grabs." Truman asked him to come to the White House right away.

The President turned on the charm. "What's this I hear, John," he said, "about power grabs? I don't want any additional power. I want to get rid of some. That's one reason why I want to see these reorganization plans go through."

"I was sort of carried away in the heat of debate when I spoke of power grabs, Mr. President," MCCLELLAN replied with a smile. Back at the Capitol, MCCLELLAN told some of his colleagues about the conversation. "You know," he said, "If the President had spoken to me about a month ago, some of the results might have been different."

His behind-the-scenes job done, BENTON delivered a speech on the floor. "If these 21 reorganization proposals had had skilled and determined leadership in the presentation to Congress," he said, "it is my opinion that they could have been put through. * * * The relative absence of veteran and influential congressional leadership unequivocally favoring Government reorganization on either side of the aisle again shows how unappealing and unglamorous this subject is. There is more excitement in Congress over daylight saving time. * * *

"Seemingly authentic reports have come to me that Mr. Hoover has even opposed behind the scenes one or more of the reorganization proposals," BENTON added. "His attitude has been disheartening. * * * This grave weakness of public leadership has undercut the limited and inadequate public support. * * * We the people have failed to achieve the greatly needed reorganization of the Federal Government."

Later in the cloakroom, no less than six Senators told BENTON that he had changed their votes. That evening, the Senate approved plan 8 (Federal Trade Commission) by 37 to 34 and plan 9 (Federal Power Commission) by 36 to 37 (49 "no" votes are required to defeat a reorganization plan). On Tuesday, three more went through: Reorganization of the Commerce Department, transfer of non-Federal public works to the Housing Agency; transfer of Federal buildings to the General Services Administration.

Final score for the session: Five plans defeated and 16 approved, out of 21 submitted so far.

Truman had learned a lesson. On future plans (four more this session) the key Senators will be consulted ("buttered up" may be the better words) and the Cabinet officials will give more than lip service. Had these elementary precautions been taken from the start, every plan but the controversial one dealing with the National Labor Relations Board might have been approved.

Mr. McCLELLAN. Mr. President, it will be noted that a Mr. Samuel Shaffer, a reporter for Newsweek, is the author of the article.

Portions of the article are grossly inaccurate, misleading, and deceptive. I do not care to refer to or discuss all the misstatements of fact in it, because some of them are identified with and related to other Members of this body and to the President of the United States. They can speak for themselves. I do, however, refer to the absolutely false quotations which the author ascribes to me in a conversation which I had with the President of the United States on May 22, when I responded to his invitation to see him at the White House. Mr. Shaffer untruthfully quotes me in the article as having said to the President:

I was sort of carried away in the heat of debate when I spoke of power grabs, Mr. President.

Mr. President, that quotation is a bald faced falsehood. The "power grab" remark and the false quote has reference to a speech I made in the Senate on May 17, 1950, in opposition to the President's Reorganization Plan No. 7, which remarks are printed in the CONGRESSIONAL RECORD of that date on pages 7110 to 7172.

What I said in that speech is fully recorded in the CONGRESSIONAL RECORD. Some few days after I made that address, the Associated Press contacted me and asked me to comment on some reference the President had made to my remarks in a press conference. I said to the press then, and I repeat now, that what I had to say about the plan concentrating power in the executive branch of the Government "still stands." I said at that time, "I said what I meant, and I meant what

I said." I said I had nothing to add to it and nothing to take from it.

I further stated, Mr. President, which is true, that those remarks were not directed at the present President of the United States but that, "I did oppose such concentration of power in the executive branch of the Government irrespective of who might be the occupant of the White House." The article and the quotation to which I have referred, and others represented to be quotations in it, were evidently designed and intended to imply that I was apologizing for or retreating from the position I had taken in Senate debate in opposition to Reorganization Plan No. 7. Such implication is false and a gross and flagrant misrepresentation of truth. I may add further, Mr. President, that Mr. Shaffer did not get his information or such quotation from either the President of the United States or from me, the only authentic sources from which he could have obtained such information and from which sources he would have obtained it, had he been careful to get and publish facts. Apparently Reporter Shaffer was not interested in doing a job of authentic reporting, as is evidenced by his letter to me of June 1, 1950, which I ask unanimous consent may be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
PERIODICAL PRESS GALLERY,
Washington, D. C., June 1, 1950.

Hon. JOHN L. MCCLELLAN,
United States Senator.

MY DEAR SENATOR: Regarding our discussion of this date, I can assure you that I did not obtain from you the conversations quoted in the June 5, 1950, issue of Newsweek—not from you nor the President of the United States. They were obtained from sources which I cannot disclose without violating the code of the newspaper profession. I did view my sources as unimpeachable, but I cannot cavil with the contention that in a strict legal sense the quotes would be labeled as hearsay. In writing the story I did not regard them as such.

There was no intention of implying that you had "backed down" on your opinions after seeing the President. I personally have watched your record in debate long enough to know that, though you would confess error when wrong, you stick to your guns when you are determined you are right.

Most sincerely yours,
SAMUEL SHAFFER,
Newsweek Magazine, Washington Bureau.

Mr. MCCLELLAN. As further confirmation of my opposition, I voted against approval of Reorganization Plans Nos. 8, 9, and 11, which included similar principles to those in plan No. 7, and I voted against two of those plans after my conference with the President of the United States.

Mr. President, this is not the first time that Mr. Shaffer has exercised an elastic and careless imagination in his reporting. In the May 23, 1949, issue of Newsweek he had an article entitled "Pork and Politics" that was absolutely false. It involved other Members of Congress from my State, more so than it did me, but, nevertheless, the article and its implications were maliciously false. Both the article of May 23, 1949, and the article to which I am addressing myself in the June issue of 1950 border on libel. They are both cases of loose and irresponsible reporting. They constitute a flagrant violation and abuse of freedom of the press, and either by premeditated design and intent or from lack of responsibility and diligence in seeking the truth they have inexcusably disseminated contemptibly false information to the public.

I sincerely hope, Mr. President, that the author of these articles and the publisher of this magazine will not again use the freedom of the press for a license recklessly to publish and disseminate misrepresentations, false quotations, and untruths to the readers of Newsweek.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. LUCAS. Mr. President, may I ask the distinguished Senator from Delaware one question? What does the Senator from Delaware wish to have done in connection with this debate?

Mr. WILLIAMS. The Senator from Delaware merely wanted the RECORD to show clearly that the Commodity Credit Corporation has spent $96,000,000 and they do not know what happened to that money. No one in the General Accounting Office or in the Department of Agriculture can tell us where the money has gone. What the Senator from Delaware wants is to make very sure that this will not happen again and if possible place the responsibility for this loss.

Mr. LUCAS. The Senator from Delaware has placed that statement in the RECORD many times in the past. There is no doubt about the position of the Senator from Delaware. What I was wondering was whether he was trying to get a reconstruction of these records or trying to have an investigating committee appointed in an effort to find out what happened to the money. Perhaps he is asking that someone be authorized or directed to try to find out what happened to the money.

Mr. WILLIAMS. After the experience which the Senator from Delaware has had for the past 15 months in trying to obtain a little information as to what has transpired in this Corporation, I am somewhat discouraged. Even the Senator from Illinois lost a lot of his enthusiasm after the Comptroller's report supporting my position was delivered to the Senate. The Senate has no right to even think of giving $2,000,000,000 more to this Corporation until the books are delivered to the Senate. We have no way of knowing whether the books for the years 1948 and 1949 are in any better shape or in any worse shape than the books for 1945. The books have not been sent to the Senate. I believe the Senator from Illinois voted for the law which provides that on the 15th of January of each year following the close of each fiscal year, Government corporations shall send their books to Congress. This Corporation has violated the law for 5 years. Why do we not demand that these books be sent to Congress? If there is nothing wrong with the books for the years 1948 and 1949, why should they be ashamed to show them to us?

Mr. LUCAS. I do not care about the books. I do not care whether they are sent to the Congress. If the books were sent here, the Senator still would not be in favor of the pending measure. He is unalterably opposed to it. I can understand his position. If I represented his State, perhaps I, too, would be opposed to the pending measure. I understand exactly what the Senator is trying to do. He is trying to defeat the measure indirectly. He is opposed to it, and he has been against it at all times. He is opposed to it because he wants to buy cheap corn as feed for his chickens in Delaware. He does not want the farmers in my section of the country to get the right kind of price for their corn. That is about all there is to this argument, Mr. President. The Senator from Delaware is trying to kill the Commodity Credit Corporation bill because, due to lack of manpower and the tremendous program involved some money was lost during the war. I wish we could find the money. However, either we must accept the statement of the General Accounting Office, or we must introduce a resolution to have this matter reconstructed and reinvestigated. That would take a long time to do. As the Senator has said, even if we did it, probably we would still land at the same place where we are today.

Mr. ELLENDER. I wish to thank the distinguished Senator from Minnesota for his indulgence.

Mr. WILLIAMS. Mr. President, will the Senator from Minnesota yield so that I may reply to the Senator from Illinois?

Mr. THYE. I shall be glad to yield provided I do not lose the floor.

Mr. WILLIAMS. The Senator from Illinois seems to think that my motives in opposing this bill and in seeking to have an accounting of this money are purely selfish. Frankly, Mr. President, I had expected the Senator from Illinois to support me on the amendment which I offered, because I know of no Senator who made a more eloquent speech on the subject than did the Senator from Illinois make on October 4, 1949, and his remarks appear at page 13775 of the CONGRESSIONAL RECORD. At that time he denounced the selfish interests who were trying to get 90 percent support prices in order to buy the votes of farmers in their States. I was planning to use that speech later. However, I wish at this time merely to read an excerpt from the speech of the Senator from Illinois [Mr. LUCAS].

Mr. LUCAS. I hope the Senator will do so, because the more advertising I get the better I like it.

Mr. WILLIAMS. I read the following excerpt:

Mr. LUCAS. There are certain individuals who want to keep raising support prices higher and higher, until the program is finally broken down. Such people are never satisfied with a decent, honorable support price. They want more and more. * * *

I believe I know something about my section of the country. I cannot speak for any

other section, but I know exactly what the farmers in my section desire and what they believe in with respect to a farm program. No one ever dreamed, when during the war times we adopted the Steagall amendment supporting everything at 90 percent because of war, that we would ever continue it, on and on and on; and that is exactly what we are doing. Senators eventually cannot get away with it. It may be possible for a while, but it cannot continue.

Apparently the Senator from Illinois has changed his mind. I should like to suggest that he read his entire speech, as of that date. It was a wonderful speech, not only did I agree with the Senator from Illinois that day, but I voted with him. I hope he will support the same position today which is what my amendment proposes.

Mr. THYE. Mr. President, I should like to take a little time to make clear my understanding of what the status of the so-called Thye amendment is at the present time.

Mr. President, that there should be the widest practical use of the facilities and channels of private enterprise in the vast operations of the Commodity Credit Corporation has been so clearly the intent of Congress that we have been too prone to take such a policy for granted. It is pertinent to reemphasize it in connection with the pending measure, H. R. 6567, which provides for an increase in the borrowing power of the Corporation.

As now reported by the Committee on Agriculture and Forestry, the bill does not contain an amendment which I had previously proposed to S. 2826, the Senate companion bill, to require the Corporation in its various operations to employ the usual and customary channels, facilities, and arrangements of trade and commerce. I shall not press for the amendment, as I feel the committee's report reiterates specifically and emphatically the intent of Congress, and that this report embodies what I had in mind.

When it was found that this amendment met with the strong objection of the Department of Agriculture, it was decided to recommit the bill to the committee, and we have now had the benefit of public hearings. These hearings brought forth testimony as to the reasons why the officials of the Commodity Credit Corporation felt that the amendment would curtail and hamper the Government's program, arguments which have led the committee to omit the amendment in reporting the bill at this time.

The hearings also brought clear-cut testimony from farmers' cooperative elevators, independently owned country elevator operators, and the grain people in general. Many of the criticisms of the Commodity Credit Corporation were shown to be completely justified.

These specific complaints as listed in the subcommittee report were:

First. That the Commodity Credit Corporation has failed to make prompt financial settlements for services rendered by country elevators in the handling and shipment of grain owned by the Commodity Credit Corporation from the local area where it is produced to the grain terminals.

Second. That the Corporation has failed to advise country elevators within a reasonable time of downgrading and shortages in weight of shipments of Government-owned grain as reported by inspectors at the terminal markets.

Third. That the Corporation has failed to utilize the service of private agencies which would correct these problems to a great extent.

Both the subcommittee of which the Senator from Louisiana [Mr. ELLENDER] was chairman, which conducted the hearings, and the committee which has now reported the bill, have taken note of these criticisms as valid, have urged the Commodity Credit Corporation to correct them, and have made clear that if a satisfactory arrangement is not worked out it may be necessary to write into the law the specific requirements, which are now only broadly covered. I quote the present provision of the law to which I refer:

In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall, to the maximum extent practicable consistent with the fulfillment of the Corporation's purpose and the effective and efficient conduct of its business, utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

Mr. President, in view of this committee report, and the announcement that a subcommittee will be maintained for continuing observation of the handling of Government-owned agricultural commodities, I shall not offer for further consideration at this time any amendment to spell out the specific requirement, beyond the provisions already in the law, that the Corporation must use private channels of trade wherever practicable. The provision of the law which I have quoted, if it is now carried out by the Commodity Credit Corporation in accordance with the intent of Congress, would make possible, I believe, an arrangement between the Corporation and the grain people and other private agencies that will tend to cure the defects in the past operations which were set forth in the hearings before the subcommittee. Certainly that is our hope and expectation.

In my opinion the Commodity Credit Corporation should make use of the experience of men who through the years have developed the know-how in finding markets in both the domestic and foreign fields. In dealing with the surpluses in agricultural commodities, this powerful agency—whose borrowing capacity it is proposed we increase to nearly $7,000,000,000—should use the best business brains available, both in its own administrative functions and in the advice and cooperation from private enterprise which it should actively cultivate and solicit.

Mr. President, we cannot hope to deal successfully with the complex problems we face in agriculture, or in any other field, unless we are determined to find the basis where public and private resources, leadership, and understanding can function harmoniously together for a common objective. It is plainly the duty of our Government—although it is far too often obscured—to provide a healthy atmosphere of cooperation, and not competition, wherein such an essential pooling of our resources would be possible.

Mr. SALTONSTALL. Mr. President, as a method of registering my protest to the present system of supporting the prices of basic agricultural products at 90 percent of parity with no flexibility, I have joined the Senator from Delaware [Mr. WILLIAMS] in an amendment to the bill, H. R. 6567, to increase the borrowing authority of the Commodity Credit Corporation. This amendment restores the Anderson flexible provisions of the farm-support law. Only if there is flexibility can we expect to bring our basic agricultural commodities more in line with the facts of supply and demand.

Our citizens in Massachusetts are principally consumers. They are workers in business and industrial establishments. If the cost of industrial products is to go down, naturally the cost of living must go down. If the Government supports the prices of basic agricultural commodities at fixed levels, then the costs of living are frozen and cannot go down.

The citizens of Massachusetts, a goodly number of whom are farmers, want to be fair to all the farmers from the grain-producing States of our country, but at the same time they want the farmers of those States to be fair to them. We want to be fair, not only to the farmers throughout the country, but to be fair to our consumers as well.

In Massachusetts our farmers produce for the most part poultry and dairy products. These are nonbasic agricultural commodities. Our farmers are very largely dependent upon the feed they must have through shipments from the Western and Central States of our country. These grains are basic commodities and are supported at 90 percent of parity for the year 1950. If the price of feed is kept at an artificially high support level and the price of eggs and poultry and milk drops, our farmers will get caught in the squeeze. The Government is working against their best interests. That is exactly what has happened. I cite a few figures:

In 1949, 6¾ dozen eggs would buy 100 pounds of feed; in 1950, it requires 9¾ dozen eggs to buy 100 pounds of feed.

In 1949, 11⅗ pounds of poultry meat were required to buy 100 pounds of grain; in 1950, 21 pounds of poultry meat are required to buy 100 pounds of grain.

In 1949, 100 pounds of milk would buy 123 pounds of grain; in 1950, 100 pounds of milk will buy only 112 pounds of grain.

Since the middle of 1949, our poultry farmers' returns over feed costs, in sale of eggs, have been about half those received in the year previous.

Mr. President, I quote a resolution unanimously passed by the Massachusetts Federation of Poultry Associations, and set forth in a letter I have received from Mr. C. Nelson Hardy, president of that federation:

Whereas Northeast agriculture must, if it is to survive, insist on legislative remedy for the uneconomic provisions of the Farm Act

which called for rigid 90 percent of parity support for principal feed grains for 1950, and a lower support price for animal products: Therefore be it

Resolved, That the Massachusetts Federation of Poultry Associations support the recommendations of the National Poultry Federation and the Northeastern Farm Bureau and request our Senators and Congressmen to do everything in their power to revise the disparities of the Agricultural Act of 1949 whereby grains and other feed prices are held at artificially high rigid levels and animal products at lower levels.

Furthermore, we favor an act which will give supports to all agricultural products at not higher than a stop-loss level. We insist that immediate legislation is necessary to secure the enactment of flexible support prices based on supply low enough to insure production for market, rather than production for Government surpluses.

Mr. President, this amendment in which I am joining the Senator from Delaware would place in immediate effect a sliding scale support. The consumers of my State have repeatedly written to me that they cannot understand why the taxpayers' money is used to buy farm commodities which are then stored out of reach of the consumer, in many cases until they are unfit for human consumption, or are later declared surplus and sold at a double loss to our Government and to our people. This the people of Massachusetts cannot understand. They believe it to be foolishness.

I recognize only too well that today some type of farm support is a necessary factor in our national economy, but I also wish to make it clear that in this regard the wartime emergency is over. We are growing more food than we are consuming, yet the prices of farm products remain so relatively high that some of our people cannot buy what they need and are undernourished.

Steps must be taken immediately to stop these excessive price supports. If they are not taken, the inevitable result will be Government purchase of more and more commodities for which it has no present use, and an increasing, tremendous loss to the American taxpayer, who, it must not be forgotten, is also a consumer. Could there be a greater paradox than exists in this situation? The American taxpayer and consumer is being asked to pay money in taxes for price support on the one hand so that he may have the very doubtful privilege of paying excessively high prices for his food on the other.

I am firmly convinced that the time has come to put a stop to this, and to try again a sliding scale of price supports. If that does not work, I will be the first to say so and will be glad to hear other proposals for working out the problem. Let me emphasize very strongly the importance of fairness in this matter, fairness to our farmers—whose magnificent effort during the war years we will always admire—and fairness to our consumers and taxpayers. Under the American system, we must keep a balance and a sound relativity always between supply and demand. I voted for the Aiken proposal on just that basis; I voted against the Anderson bill for the same reason.

Mr. President, in the interest of Massachusetts farmers and consumers, and I firmly believe in the interest of all the American people, I hope very much that this amendment to H. R. 6567 will prevail.

Mr. IVES. Mr. President, I find myself increasingly disturbed at the apparent inability of the Congress to come to grips with the actualities of the situation which arises from the Federal Government's farm-support program.

This proposal to give the Commodity Credit Corporation authority to use an additional $2,000,000,000 of the taxpayers' money is typical of our characteristically temporizing approach to the national agricultural problem itself.

Increasing the borrowing power of the Commodity Credit Corporation from $4,750,000,000 to $6,750,000,000 cannot even be called expedient. The sole effect of this additional extravagance is to purchase—at a fantastically exorbitant cost—that limited period of time which will elapse before we are confronted again with this same sad state of affairs.

If we pass the bill, we shall be guilty not only of failing to solve any problem, but of refusing even to face the problem.

The measure before us now cannot even be described as a compromise. For the action which it contemplates is made necessary by the administration's refusal to adhere to its own 1948 party platform and to adopt the flexible price-support program which would make the enactment of this legislative absurdity unnecessary. H. R. 6567, therefore, represents a complete 180° turn away from the self-proclaimed position of the Democratic administration.

Our deliberations are supposed to produce decisions—not postponements of decisions. And until we finally make up our minds to incorporate in our farm legislation the principle of flexible price supports—the principle urged by farm groups, demanded by consumers, and proposed by both major political parties—we shall be confronted with an endless succession of such situations as the one we now face.

For these reasons, and for reasons so well presented by the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL], I am very glad to associate myself with the able senior Senator from Delaware [Mr. WILLIAMS] in support of the amendment he is to offer, which would make effective immediately the flexible price-support program and would deny the additional $2,000,000,000 for the Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President, I send to the desk an amendment on behalf of myself, the Senator from New York [Mr. IVES], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Vermont [Mr. FLANDERS], the Senator from New Hampshire [Mr. TOBEY] and the Senator from Washington [Mr. CAIN]. I ask that it be read.

The PRESIDING OFFICER. The amendment will be received and lie on the table. Committee amendments have not been disposed of. It is not in order for the amendment to be considered.

Mr. LUCAS. Mr. President, I ask that the amendment be read for the information of the Senate.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 1 it is proposed to strike out sections 1 and 2 and renumber section 3 accordingly.

At the appropriate place in the bill it is proposed to insert a new section to read:

SEC. . Paragraphs (1) and (2) of subsection (d) of section 101 of the Agricultural Act of 1949 (Public Law No. 439, 81st Cong.) are hereby repealed.

Mr. WILLIAMS. Mr. President, simply stated, the amendment would repeal the guaranteed 90 percent support level by making effective immediately the flexible provisions of the Anderson Act, instead of waiting until 1952 before those provisions go into effect.

Mr. ELLENDER. And also the 80 percent level for 1951.

Mr. WILLIAMS. Yes.

Mr. LUCAS. Mr. President, the amendment which has been submitted by the distinguished Senator from Delaware for himself and other Senators who are interested in the flexible support price, of course, goes right in the teeth of the Anderson Act, which the Senate debated last year for some time and on which long hearings were held before the Committee on Agriculture and Forestry. We all recall that the bill which Congress finally enacted was a compromise measure. It was not what I wanted and was not what a number of other Senators wanted, but was a compromise bill. All legislation is more or less of a compromise nature. No Senator ever gets exactly what he wants after he introduces a measure because of the fact that there are so many conflicting interests throughout the United States.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I wish to ask the Senator from Illinois what I believe is a fair question. As one Senator from the northeastern section of the country I should like to know of what the compromise consisted. Congress passed the Aiken bill. The Aiken Act was repealed by the Anderson bill containing the flexible provision. Then, as the Senator from Illinois so rightly said, during the debate the Anderson provisions of flexible support were completely wiped out, and provisions which fixed 90 percent for 1950 and 80 percent for 1951 were inserted. I now ask the Senator from Illinois most respectfully, and I hope the question is a fair one: What was that a compromise between?

Mr. LUCAS. The Senator from Massachusetts will recall that the House of Representatives sent to the Senate a bill which contained the 90-percent support price on all commodities. It was a continuation of the wartime support price. The Senate passed a different version. However, we had a very difficult time with the conferees on the part of the House.

I hope my good friend from Massachusetts will some time serve as a conferee on the part of the Senate in a conference, on which there are Members representing peanuts and cotton and a few other products raised so well in the South. The Senator will then find out how difficult it is to reach an agreement in a conference of that kind.

Mr. SALTONSTALL. Mr. President, will the Senator from Illinois yield for another question?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. I ask this question with a smile, because I see the Senator from Illinois is smiling.

Mr. LUCAS. I always smile when I am debating with my friend from Massachusetts.

Mr. SALTONSTALL. Under the circumstances, would it not have been better to have permitted the Aiken Act to go into effect?

Mr. LUCAS. The Senator, of course, can have his own opinion about that. I do not think so. As the result of what has happened, I believe the bill before us is all right, and I will tell the Senator why.

Mr. SALTONSTALL. Except for the name "Aiken," would it not have been a good bill, in the opinion of the Senator from Illinois?

Mr. LUCAS. No. The Senator from Massachusetts cannot get me into any argument with my good friend the Senator from Vermont. I supported the Aiken bill, as the Senator well knows. I was one of the few Senators on this side of the aisle who stood up in the Eightieth Congress and supported the bill. Many Democratic Senators did not support it. But the hue and cry is constantly being raised against the farm program as it exists at the present time.

Mr. WILLIAMS. Mr. President, will the Senator from Illinois yield for a question?

Mr. LUCAS. I yield.

Mr. WILLIAMS. If the amendment offered by the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New York [Mr. IVES], the Senator from New Jersey [Mr. HENDRICKSON], the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from Vermont [Mr. FLANDERS], the Senator from Washington [Mr. CAIN], and myself, were adopted, would it not mean that the flexible provisions of the Anderson Act would become effective immediately? Those are the same provisions the Senator from Illinois himself stood on the floor and debated and defended so enthusiastically as late as last October.

Mr. LUCAS. The Senator from Delaware is correct about that. Let me say to my friend that this is not strictly a farm bill. What we are doing here is attempting to give the Commodity Credit Corporation more borrowing power.

When the Senator brings before the Senate the kind of amendment he has just submitted, he immediately projects the farm fight over again. If we were to adopt this kind of an amendment, Congress would not get away from here for some time, because nothing like it will be passed by the House. If the Senate were to insist upon an amendment to the bill affecting the Commodity Credit Corporation which is now before us, repealing the present farm program, we would be here for a long, long time, I will say to the Senator from Delaware. It is simply not practical to consider such an amendment. The Senator is simply inviting a considerable amount of trouble by submitting the amendment. Ordinarily I might go along with the Senator from Delaware on such a proposal, but not at this particular time.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILLIAMS. Does the Senator from Illinois not agree with me that about the only difference between our offering the amendment to this bill, and the Senator from Illinois offering his potato amendment to the cotton-acreage bill, is that perhaps there is more corn grown in the Midwest than potatoes? Both repeal existing law.

Mr. LUCAS. There is a good deal of corn raised in the Midwest, and we are not going to use it to feed to the chickens in Delaware. We are going to keep the price of corn where it belongs. If we do not keep the basic commodities of agriculture at decent prices, no money will be made on chickens in Delaware, notwithstanding what the Senator from Delaware or others may think about the controls.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. LUCAS. Not at this moment. The Senator from Delaware already has interrupted me.

Mr. President, every Senator, even my friend the Senator from Massachusetts knows that without a prosperous agriculture there cannot be a prosperous America. We saw what happened to the farmers back in the days of 1931, 1932, and 1933; and we know what happened to America at that time. Similarly, we know what was the buying power of the friends and constituents of the Senator from Delaware at that time. It was the little end of nothing, down to a fine point, so far as the farmers were concerned. If we are to have a prosperous Nation, the wheat farmers and the corn farmers and the cotton farmers and the other farmers must be prosperous, because some 35,000,000 persons are engaged in the agricultural industry, and they constitute the greatest single segment of real buying power there is in the United States. So long as the prices of agricultural commodities keep where they should be, the wages of labor will remain where they belong, the laboring man will have buying power, and that will keep the national income where it should be. Certainly we must have a national income somewhere near the maximum if we are to keep our economy strong and vigorous.

Mr. President, I did not expect to get into an argument of this sort; but since I have, I wish to state that since 1938, since the farm program has been in existence, the basic commodities—corn, wheat, tobacco, cotton, peanuts, and rice—taken as a whole have made money for the Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President, will the Senator yield at this point?

Mr. LUCAS. If the Senator from Delaware is disputing the statement I have just made, I yield.

Mr. WILLIAMS. I dispute it; yes. Is not the Senator from Illinois aware of the fact that the only way the Commodity Credit Corporation has made money on this so-called basic commodities is by virtue of the fact that in the past few years the Commodity Credit Corporation has given away billions of dollars' worth of these commodities and charged the loss to other Government agencies.

I have previously placed into the RECORD evidence to support that statement.

Mr. LUCAS. I do not agree at all with that statement; I challenge it. The Senator from Delaware has made that statement before on the floor of the Senate.

Mr. WILLIAMS. Mr. President——

Mr. LUCAS. Just a moment, Mr. President; the Senator from Delaware wants to do all the talking in the course of these debates. That is why sometimes I dislike to debate with him, because he simply will not let me finish what I wish to say when I have the floor.

I wish the Senator from Delaware would get the figures from the Department of Agriculture or from any other source and would show me where the Commodity Credit Corporation has lost billions of dollars. It simply is not a fact that the Commodity Credit Corporation has lost billions of dollars.

Mr. President, I have stated many times, and I have just checked it with the Senator from Louisiana [Mr. ELLENDER] and with the clerk of the Committee on Agriculture and Forestry, that the Government has lost no money on the basic commodities; in the 12 years during which this program has been in effect, I undertake to say—and no one can successfully challenge the statement—that on the basic agricultural commodities for which provisions have been made for storage or control through acreage allotments, marketing agreements, and marketing quotas, the Government has lost no money. The money which has been lost has been in the eastern and northern sections of the country, primarily upon potatoes. The potato has given the price-support program the real "black eye," so far as the entire agricultural program is concerned. The figures show that $383,000,000 have been lost on potatoes alone.

My contention has been from the beginning that if the Government would confine its operations to the basic commodities alone, as established originally under the Agricultural Adjustment Act, and would get away from the discretionary or mandatory power regarding price supports on the perishables and the nonstorables and the nonbasic agricultural commodities, the farm program would not fail under any circumstances.

However, so long as we permit farmers to grow as many potatoes as they wish to grow and so long as we permit commodities to come on the market without any control over them, just so long will we have a great deal of trouble arising from payments to the particular farmers concerned.

So far as I am concerned, I should like to see the discretionary power and the mandatory power stripped from the Secretary of Agriculture with respect to a great many of the nonbasic commodities, and I should like to see the farm program stand or fall upon that basis. In that case, I know what the price of pork will be in my section of the country; for so long as the price of corn is high, the price of pork will be high, and so will the price of cattle that are shipped from the West to be fattened on corn in the East, to make prime beef.

Mr. President, I am unalterably opposed to this amendment; it has no place in the bill. It should not be adopted. I predict that it will not be adopted unless Senators who are interested in agriculture desire at tihs time, when we are only a few months or a few days away from the closing of this session of Congress, to riddle the farm program in its entirety.

I am surprised that these good Senators should offer this amendment. I know they offer it in good faith; but certainly it cannot be adopted, and certainly it has no place whatsoever in the pending bill.

Mr. President, I did not intend to discuss that matter; I intended to discuss another one, which is of considerable importance in connection with this bill, namely, the amendment we adopted last year regarding the disposition of surplus commodities.

Mr. WILLIAMS. Mr. President, before the Senator goes to another subject, will he yield to me?

Mr. LUCAS. I yield.

Mr. WILLIAMS. I wish to say that recently I inserted in the CONGRESSIONAL RECORD figures showing that during the past 18 months, alone, we gave away at home and abroad nearly $3,500,000,000 worth of agricultural commodities, while during the same period the Commodity Credit Corporation showed a loss of only $327,000,000. The Corporation's reports do not tell the full story of the cost of our agricultural policies. Our expenditures in all Government agencies must be combined. Then only may the taxpayer know the true cost.

Instead of the Government's making money on corn, as the Senator from Illinois said the Government did, actually the Government gave away hundreds of millions of dollars' worth of corn.

Mr. LUCAS. How many millions of dollars' worth does the Senator say?

Mr. WILLIAMS. The Government gave away $121,722,455 worth of corn during the 12 months of the fiscal year 1949. At the same time the Commodity Credit Corporation claimed a loss of only $527,447.

Mr. LUCAS. Who got that corn? Illinois did not.

Mr. WILLIAMS. Illinois might not have fared so well in 1949, however, I understand that Illinois is doing better now.

The occupied areas got $30,899,902 worth, and $91,350,000 worth went for ECA grants.

Mr. President, I am not discussing the merits of these proposals, but I wish to point out that the reason why the Commodity Credit Corporation books show a profit on their operations in corn, wheat, cotton, and tobacco has been that we have been giving them away abroad, without charging the losses to the operations of this agency. The losses appear in other Government agencies. Of course, the taxpayer does not care exactly which Government agency loses his money; what he really is concerned about is that his money is gone.

Mr. LUCAS. Mr. President, that is the strangest argument I ever heard—that money can be made for a Government corporation by giving things away.

Mr. WILLIAMS. Mr. President, that is not my argument; it is the argument the Senator from Illinois is supporting. I agree that it certainly is strange.

Mr. LUCAS. No; the Senator from Delaware just made that argument.

Mr. WILLIAMS. No; I was quoting from the report of the Commodity Credit Corporation. I say it is a very strange argument, for either the Commodity Credit Corporation, or the Senator from Illinois to claim supporting these basic commodities is not costing the taxpayer millions.

Mr. LUCAS. I should like to know who got the $120,000,000 worth of corn.

Mr. WILLIAMS. The Senator from Illinois should be able to find that out.

Mr. LUCAS. The Senator from Delaware deals with figures all the time, Mr. President. He should be a certified public accountant. I never saw anyone who deals with so many figures on so many questions. I must admit that it is a little difficult for me to understand where the Senator from Delaware gets the figures he uses.

Mr. WILLIAMS. Mr. President, will the Senator from Illinois yield briefly?

Mr. LUCAS. No.

Mr. WILLIAMS. I merely want to tell the Senator——

Mr. LUCAS. Very well; I yield.

Mr. WILLIAMS. I simply wish to tell the Senator that, so far, the figures I placed in the RECORD have gone unchallenged, and they have been in the RECORD for periods of from 30 to 60 days. Perhaps it is time some figuring be done in regard to these matters.

Mr. LUCAS. I just challenged the Senator to show where the $120,000,000 worth of corn was given away, and the Senator from Delaware replied that I could find that out.

Mr. President, I will not yield further.

Mr. WILLIAMS. Very well; let the Senator proceed. I merely wanted to answer the question.

Mr. LUCAS. Just a moment, please.

Mr. WILLIAMS. Go right ahead.

Mr. LUCAS. Anyway, the Senator from Delaware is a very fine gentleman. He is making a very good Senator. He represents his constituency well, especially when he deals with figures. I hope he continues to do that. He has a sort of mania for figures.

Mr. WILLIAMS. I assure the Senator I shall be doing that as long as I am in the Senate.

Mr. LUCAS. I am sure the Senator will, and when he gets through with this set of figures he will have another set to present, somewhere along the line.

Mr. WILLIAMS. The Senator is exactly correct.

Mr. LUCAS. I thank the Senator. I have yielded to him again. Does the Senator want me to yield to him again?

Mr. WILLIAMS. If the Senator wishes to do so; yes.

Mr. LUCAS. Mr. President, in considering the question of disposal of the surplus foodstuffs which have been acquired by the Commodity Credit Corporation, many of us who are greatly concerned with this question constantly return to the premise that there is really but one solution to the problem.

The answer is obvious. It is to get this good food into the stomachs of people who need it before it goes to waste. That is one of the things we have been talking about, namely, the surplus food which exists in this country, and what to do about it.

Now, we all realize that that is not as simple as it sounds. The problem has to be attacked from many points, and we certainly have been working on it. We adopted an agricultural plan last year which will tend to gradually decrease production of the farms to bring the balance between production and consumption more nearly into equilibrium.

We have extended our reciprocal-trade program in order to find larger markets for our farm commodities abroad. We have used our farm surpluses intelligently in rebuilding the strength of democratic nations throughout the world. But with all this we still have surpluses.

The real answer is that we must find more ways to increase the food consumption of the American people by methods which will not strait-jacket the American farmer or undermine the neighborhood grocer who is the key man in our food-distribution system.

Last year the Congress made a small start on this problem. It will be recalled that under section 416 of Public Law 439, the 1949 Agricultural Stabilization Act approved last October 31, the Secretary of Agriculture was authorized, in order to prevent loss through spoilage, to dispose of commodities acquired under price-support operations.

The distinguished Senator from North Carolina [Mr. HOEY], who is now occupying the chair, who is a member of the Committee on Agriculture and Forestry, well remembers the debates we had in committee upon that very proposition. The Secretary was authorized to turn such commodities over to the Munitions Board or any other Federal agency that might use them in making payment for other commodities not produced in the United States.

Furthermore, any other commodities not so used and in danger of spoiling could be disposed of according to priority. In other words, Mr. President, so long as we have this program, so long as we have the perishables which are in surplus, the Senator from Illinois, along with the Senator from North Carolina and other Senators, took the position that we should try to do something to keep such commodities from spoiling and being thrown away, and should endeavor to place them in the hands of those in this country who could use

them. So it was provided that such commodities could be disposed of in the following order of priority:

First, to school-lunch programs, to the Bureau of Indian Affairs, and to Federal, State, and local public-welfare organizations; second, to private welfare organizations for the assistance of needy people within the United States; and, third, to private welfare organizations for the assistance of needy people outside the United States. That is the sum and substance of the amendment which was adopted.

All that State and local organizations have to do to get this food—and I should like to have the Senator from Delaware pay attention to this, because I want to give him a little advice and counsel as to just what this legislation means, for I am sure he does not quite understand it—all that State and local organizations have to do to get this food is to pay the cost of transportation from the point of Government storage. In addition, you will recall, through legislation this year, the Congress made it possible for the Secretary of Agriculture to pay the cost of transportation of potatoes ordered by State and local school-lunch and public-welfare organizations for use in this manner. This was done under section 3 of Public Law 471.

On May 19 the senior Senator from Delaware called attention to these programs. His remarks may be found on page 7213 of the RECORD. He included a table showing the amounts that had been ordered by the various States during the first 6 months of the undertaking up to May 1, 1950.

Although he placed a peculiar interpretation on the facts, the Senator from Illinois is extremely grateful to the Senator from Delaware.

The table shows that Illinois led all States in the ordering of surplus butter, cheese, dried eggs, and dried milk and was second only to Pennsylvania in ordering potatoes for her needy people.

The Senator from Delaware was obviously laboring under a misapprehension of what this action on the part of Illinois involved. He made this conjecture, and I quote:

> During recent weeks I have heard rumors that these free commodities were being distributed heavily in those States in which there were key elections scheduled, special emphasis being placed on the State of Illinois.

Mr. President, it is apparent that the Senator from Delaware, of course, was not making a political gesture there, at all; he was trying to be absolutely fair and impartial with the Senator from Illinois. He has advised us here all afternoon as to how wise he is in connection with all these agricultural matters, so he positively knew what he was talking about when he made that statement.

Now the Senator from Illinois believes that the Senator from Delaware has been a little hasty in his judgment and proposes to show that what has happened in Illinois is not an election year stunt, but rather a very intelligent application of some of the basic philosophy that the Senator from Delaware has himself expressed.

In the debate that occurred on the very day these provisions were approved in the Senate—October 12, 1949—the Senator from Delaware spoke out in what seemed to be support of this philosophy. On page 14320 of the RECORD for that date he said:

> In my opinion, there has not been and never will be any excuse for the destruction of good edible foods, particularly as long as we have people in our own country who are actually hungry.

It will be noted that he said "particularly as long as we have people in our own country who are actually hungry." That is not my statement, Mr. President. It is the statement of the Senator from Delaware, who some time ago charged on the floor of the Senate that because the Senator from Illinois happened to be running for reelection this year, he was using his influence to get surplus commodities into Illinois in order to influence the voters.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. No, I do not yield. That is exactly the interpretation that must be placed upon the statement which was made by the Senator from Delaware. It is perfectly all right with me that the Senator makes such statements. I hope the Senator will continue to put such things in the RECORD about the Senator from Illinois, because, the more Senators on the other side of the aisle talk about me, the better I like it.

Mr. President, we have people in Illinois who, though not hungry, are on a somewhat lean diet, and we some time ago set out to do something about it.

Months before this provision was agreed to in the Congress, the State of Illinois under the splendid farsighted leadership of that great Democratic Governor, Adlai Stevenson—who, by the way, though I do not think it has been told here on the floor of the Senate recently, was elected 2 years ago by 600,000 votes—was making plans to take advantage of the distribution of free surplus commodities should Congress make them available.

This was a move not only to aid the needy people of Illinois but also to cooperate to help reduce the growing stores of surplus foodstuffs which have been hanging like a great shadow over our Midwest farmers. This was using sense and foresight in meeting human problems both in the cities and on the farms.

Governor Stevenson and his State welfare director, Fred K. Hoehler, one of the Nation's leading welfare authorities, former president of the American Public Welfare Association and director of the Chicago Community Chest, worked personally on this matter. They made plans for transportation and storage of these commodities throughout the areas of need. They devised a system of certifying needy people and giving them identification with which to draw their allotments at the warehouses. When Congress approved this plan last October, their machinery was ready and they swiftly moved into action.

The system of procuring and distributing these surplus foods was entirely worked out by the Illinois Public Aid Commission, a great body in which Republicans and Democrats alike have submerged partisan feeling to serve the needy.

The Senator from Illinois had absolutely nothing to do with it whatsoever. I never talked to the Governor or the State welfare director with reference to it. I did not have to, because we have capable and competent officials in the executive branch of the government in Illinois who were watching for this very thing and took advantage of it.

Officials of the Department of Agriculture tell me that the States of Illinois and Massachusetts led all other in their advance planning and preparations to take advantage of these free foods when Congress made them available.

That gives me a terrific sense of pride in my State and in the Democratic administration that is directing its affairs. The Senator from Delaware has called attention to the fact that the State of Indiana next door has drawn nothing like the proportion that Illinois has taken. Indiana has a fine Democratic administration under Gov. Henry F. Schricker. However, it has only about 40 percent as many people as Illinois and much less of a problem of concentration of population in great city areas. It will be noted that Pennsylvania and New York, which have welfare problems similar to Illinois although under Republican administrations, have taken considerable quantities under the program also.

The Agriculture Department officials tell me that Illinois had a considerable advantage because of its geographic location. A good share of this butter, cheese, dried eggs and nonfat dry milk solids was produced on Illinois farms and processed in Illinois factories. A very large proportion of it was being stored by the Commodity Credit Corporation in Illinois, mainly in Chicago. Consequently, the cost of transportation which the State must bear, was low. Most of the potatoes ordered came from Illinois, Michigan, and from the Red River Valley of Minnesota and North Dakota.

So Illinois with the help of the Federal Government, thus, was mainly using Illinois products to meet the needs of Illinois people.

If the Senator from Delaware was as familiar with Commodity Credit Corporation operations as he has sometimes led us to believe—he has certainly led us to believe it this afternoon—he would know that there is no question involved of the Federal Government going out of its way to distribute anything to the States.

It is a question for the initiative of the States; it is not a question for the Federal Government.

The burden is entirely on the States to take advantage of this program. The Department of Agriculture notified all States equally of the items available and their points of storage. From there on it was entirely up to the States to devise a system for disposing of the commodities and put in their orders to meet their needs. Under the law the Agriculture Department could not dispose of a pound that the State of Illinois had not ordered.

I should like to have the Senator from Delaware remember that the Secretary of Agriculture could not dispose of a pound of certain foods until the State of Illinois had complied with the regulations and had taken the initiative.

As I have said, I am tremendously proud that Illinois has shown this outstanding initiative and enterprise in taking good solid Illinois-produced food to expand its school-lunch program, to give needy old folks in institutions a better diet, to help widows and orphans, and the families of the poor and the handicapped. This to me is government at its best and demonstrates, I believe, the great wisdom of the Congress last year in making this program possible.

Before I close I should like to read from an address of that splendid agricultural economist, our able senior Senator from Vermont [Mr. AIKEN]. It is from an address he made before the Northeast Dairy Conference in Washington, March 31, 1950, published on page A2690 of the Appendix of the RECORD.

I see the Senator from Vermont entering the Chamber. I hope he will listen as I read.

Mr. AIKEN. I am willing to listen. I have no idea what the quotation may be.

Mr. LUCAS. It is diametrically opposed to the philosophy of my friend from Delaware [Mr. WILLIAMS], but I wanted the Senator from Vermont to hear it. The distinguished Senator from Vermont said:

> With mounting surpluses and increasing unemployment, there is no time to be lost in meeting the challenge head on.
>
> We have learned several ways how not to meet the problem. We can no longer depend upon dumping surpluses overseas. We can no longer rely upon the destruction of food supplies to do the job, particularly in view of the rising tempo of consumer wrath. Finally, we have found that a severe restriction of production on the farm will only aggravate rather than alleviate our troubles.
>
> There is, however, right at our front door, the solution we seek if we can only find a way to reach it.
>
> That large element of our population that I mentioned in the beginning, the low-income people of America, would prove to be an outlet for most of our surplus production if we can find a means of getting badly needed food into their homes.

The Senator went on then to describe his proposed food allotment program. Certainly this program which the great State of Illinois is using so advantageously is a fitting forerunner of some such plan as the Senator from Vermont has in mind when the technical difficulties can be worked out.

Mr. President, I hope that these facts that I have cited will clarify the mind of the Senator from Delaware concerning the rumors that he has heard about the acquisition of surplus foodstuffs by the State of Illinois to help its needy people and its farmers.

I thought the Senator from Delaware had been in the Senate long enough not to take rumors too seriously until he finds out what the facts really are. The Senator must know that Washington, D. C., is a spot where there are more rumors manufactured than there are in any other place in the world. I did not think the Senator from Delaware would be a party to any of these rumors, because usually, with his very precise mind, he tries to find out what are the facts.

Mr. President, I ask unanimous consent to insert in the RECORD as a part of my remarks a table showing how the quantities of surplus food acquired by the Illinois Public Aid Commission have been used.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Distribution in Illinois of sec. 416 surplus foodstuffs, first 6 months to May 1, 1950

	Pounds
Butter:	
Welfare cases	1,220,000
Institutions	253,760
Cheese:	
Welfare cases	624,000
Institutions	90,540
Schools	1,050
Dried eggs:	
Welfare cases	480,000
Institutions	940
Dried milk:	
Welfare cases	960,000
Institutions	200
Potatoes (sec. 416 only):	
Welfare cases	429,000
Institutions	1,861,000
Schools	1,083,000
(Sec. 3, transport paid by U. S. Government):	
Welfare cases	3,042,000
Institutions	1,415,000
Schools	1,006,000

NOTE.—Schools under the school-lunch program had received a large distribution of butter, cheese, dried eggs, and dried milk just before the sec. 416 commodities became available. Institutions had received a similar distribution of dried eggs and dried milk.

Source: Commodity Credit Corporation, May 19, 1950.

Mr. LUCAS. Mr. President, that concludes my address. I sincerely hope I have not said anything which will cause my good friend from Delaware to make a longer speech than he had anticipated.

Mr. WILLIAMS. Not at all, Mr. President.

First, I want to thank the Senator from Illinois for concurring completely in the figures I placed in the RECORD in regard to the free distribution of agricultural commodities in Illinois. As he has said, we should not act on rumors. After hearing these rumors sometime ago, I checked with the Department of Agriculture, which supplied the figures I later placed in the RECORD. Those figures showed that Illinois was getting 28 percent of all the free dried eggs, 39 percent of all the free cheese, 43 percent of all the free butter, and, as the Senator said, around 9,000,000 pounds of potatoes. The Senator said I was wrong in saying that there might possibly be political implications involved. As proof he pointed out that Pennsylvania was the second runner-up in getting free goods. I cannot help but wonder whether there is any significance in the fact that the Democratic Party has candidates for reelection in Pennsylvania also.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. No, I cannot yield. The Senator did not yield to me.

Mr. LUCAS. I yielded many times to the Senator.

Mr. WILLIAMS. No, I cannot yield. That is the way the record stands, and if the Senator from Illinois wishes to take any exception to the figures placed in the RECORD, I am sure he can take it up with the Department of Agriculture.

As to his statement that the supporters of this amendment are trying to destroy the farm program, I will make only a brief statement. I do not want to speak on the amendment tonight, because I understand the Senate will recess in a few minutes. The amendment cannot be voted on until after the committee amendments are acted upon, and it would be more appropriate to speak at the time the amendment itself is offered.

The Senator from Illinois seems to think that everyone who criticizes the existing farm program is a reactionary of the worst type and is also antifarmer, but I call particular attention to the fact that as recently as October 4, 1949, the Senator from Illinois [Mr. LUCAS] himself was defending the amendment which we are now offering, and at that time he bitterly denounced those Senators who defended the 90 percent support price.

I read from the Senator's statement once before, and perhaps I should read a little more from it, because the Senator was very enthusiastic at that time for a lower support price. I assume he must have had a change of heart in the meantime. On October 4, 1949, the Senator from Illinois [Mr. LUCAS] said:

> There is no reason why any other Senator who has some peculiar commodity which he thinks needs supports should not offer an amendment and have it included in the bill. We would be getting right back to where we were, to the wartime supports, and would be supporting everything at 90 percent. That seems to be the trend in the Congress. If it is desired to do that, then, regardless of what the commodities are, let us support all of them, the 126 agricultural commodities, regardless of how much is produced, turn everything loose, and give them a 90-percent support price. Then, Mr. President, see what happens to the farm program in about 2 years from now.
>
> The thing that surprises me is, the economy-minded Senators upon my side of the aisle, and some Senators on the other side of the aisle, who are constantly talking about economy in government, and have been doing so all through the session, who have no hesitancy in getting off the economy bandwagon—no hesitancy whatever. When they are concerned with price supports on products grown in their own communities they bring up all this tommy rot about economy, and they try to force the majority leader to do a great many things with respect to resolutions of one kind and another; yet, when the time comes to support the basic commodities under a guaranty of 90 percent, Senators do not hesitate to take care of their people, the people in their own communities, with that kind of a proposition, regardless of what the cost may be in the future. * * *
>
> There are certain individuals who want to keep raising support prices higher and higher, until the program is finally broken down. Such people are never satisfied with a decent, honorable support price. They want more and more. * * *
>
> I believe I know something about my section of the country. I cannot speak for any other section, but I know exactly what the farmers in my section desire and what they believe in with respect to a farm program. No one ever dreamed, when during war times we adopted the Steagall amendments sup-

porting everything at 90 percent because of war, that we would ever continue it, on and on and on; and that is exactly what we are doing. Senators eventually cannot get away with it. It may be possible for a while, but it cannot continue.

I have just quoted excerpts from a speech made by the Senator from Illinois. This speech was made prior to an election year. It is a wonderful speech.

Mr. President, in November 1949, Congress authorized the Department of Agriculture, through its Secretary Mr. Brannan to appoint an advisory committee to advise the Secretary of Agriculture as to what should be done in relation to the domestic agricultural support program and particularly to advise how it related to our international policy. This report is most revealing.

Mr. President, I ask unanimous consent at this time that the report be printed in its entirety at this point in the RECORD, as a part of my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FOREIGN AGRICULTURAL TRADE POLICY ADVISORY COMMITTEE SUBMITS REPORT

The Foreign Agricultural Trade Policy Advisory Committee, formed in November, 1949 to advise the United States Department of Agriculture in matters involving foreign agricultural trade and policies, has submitted a report to Secretary of Agriculture Charles F. Brannan following its second meeting April 24 and 25.

The report is the second submitted to Secretary Brannan by the Committee. The first, rendered after the Committee's initial meeting January 6, 1950, emphasized the magnitude of the foreign trade problem and the need for detailed study by both Government and trade groups, and suggested full exploration of questions involved prior to specific policy recommendations. Seven policy areas were listed for such exploration. (Press release USDA 62–50.)

The Foreign Agricultural Trade Policy Advisory Committee is composed of representatives of farm organizations, land-grant colleges, the agricultural press and agricultural industry invited by Secretary Brannan to serve as members. (Press releases USDA 22–50 and 2526–49.)

The committee's second report follows:

"The agricultural industries of the United States are being rapidly and dramatically confronted with problems growing out of the alleviation of wartime and postwar shortages of farm products. As a result farmers and others interested in agricultural production and marketing policies must of necessity give prompt and vigorous attention to the developing foreign-trade situation as it affects the probable future foreign markets for American farm products.

"One of the questions which needs to be weighed most carefully in this connection is the fact that any agricultural or other program which endeavors to maintain prices above market levels for any considerable share of the time is inevitably nationalistic. It comes into conflict with efforts to develop international trade and other forms of international cooperation.

"Such programs are nationalistic and take us back on the road to isolationism because:

"1. They lead to well-nigh irresistible demands that trade barriers be raised to keep products of other nations from sharing in the artificially high prices they provide.

"2. They involve keeping American resources out of fullest use to curtail output in order to raise prices, and it is not logical to expect that imports which will defeat that objective will be acceptable.

"3. They increase the difficulties of exporting because prices are above those from competing sources of supply.

"4. They foster programs of export dumping which invite retaliation from other countries.

"5. They require barriers to keep products sold abroad at lower prices from returning to our markets.

"6. The encourage an expansion of State trading because of the Government controls necessary in their effective operation.

"7. They encourage similar nationalistic programs for the expansion of uneconomic production in other countries to replace our products which in turn will lead to further demands for restrictive action.

"While the inevitable adjustments in the postwar pattern of international trade will probably impose rather heavy adjustment problems on some segments of agriculture, it must also be recognized that similar adjustments may be required of other segments of the American economy. To the extent that nonagricultural imports into this country may be developed as a result of a high level of domestic business, a high level of world production and trade, and a minimum of restrictive barriers, the necessary downward adjustments in our important agricultural industries may be minimized. Our agricultural and other programs should have sufficient flexibility to make them adaptable to a constructive foreign-trade policy.

"The United States today is the world's leading Nation. As such, it must weigh the consequences of its every action on its relationship to the rest of the world. Our efforts to get other countries to lower trade barriers and to work together for maintaining an enduring world peace will be seriously hampered, if not completely nullified, if this country pursues domestic programs in conflict with our international aims. It is essential that Americans generally recognize these facts."

Members of the committee who attended the April 24–25 meeting were: Homer L. Brinkley, secretary and general manager, American Rice Growers' Cooperative Association, Lake Charles, La.; E. F. Creekmore, E. F. Creekmore & Co., New Orleans, La.; E. W. J. Hearty, E. W. J. Hearty, Inc., New York, N. Y.; Edward J. Grimes, vice president, Cargill, Inc., Minneapolis, Minn.; O. B. Jesness, head, Division of Agricultural Economics, University of Minnesota, St. Paul, Minn.; Paul D. Sanders, editor, The Southern Planter, Richmond, Va.; W. A. Schoenfeld, dean of the School of Agriculture, Oregon State College, Corvallis, Oreg.; R. E. Short, vice president, American Farm Bureau Federation, Brinkley, Ark., and Jesse W. Tapp, vice president, Bank of America, San Francisco, Calif.

Committee members unable to be present were: A. S. Goss, master, the National Grange, Washington, D. C.; Robert F. Loree, chairman of board, National Foreign Trade Council, Inc., New York, N. Y.; W. I. Myers, dean of the College of Agriculture, Cornell University, Ithaca, N. Y.; Edward J. O'Brien, Jr., Edward J. O'Brien Co., Louisville, Ky.; and James G. Patton, president, Farmers Educational and Cooperative Union of America.

Mr. WILLIAMS. Mr. President, I wish to call attention to certain recommendations which this committee made to the Secretary of Agriculture. The report is dated the 28th day of April 1950. This was long before the present bill was introduced in Congress. It was after the Senator from Delaware introduced his proposed amendment. I read from the report as follows:

The agricultural industries of the United States are being rapidly and dramatically confronted with problems growing out of the alleviation of wartime and postwar shortages of farm products. As a result, farmers and others interested in production and marketing policies must of necessity give prompt and vigorous attention to the developing foreign-trade situation as it affects the probable future foreign markets for American farm products.

One of the questions which needs to be weighed most carefully in this connection is the fact that any agricultural or other program which endeavors to maintain prices above market levels for any considerable share of the time is inevitably nationalistic. It comes into conflict with efforts to develop international trade and other forms of international cooperation. Such programs are nationalistic and take us back on the road to isolationism.

Mr. President, according to this report, apparently the Senator from Illinois in this election year is turning to isolationism, because he is now advocating high support prices, which this board said will not work.

Continuing, they say that such programs are nationalistic and take us back on the road to isolationism because—

1. They lead to well-nigh irresistible demands that trade barriers be raised to keep products of other nations from sharing in the artificially high prices they provide.

2. They involve keeping American resources out of fullest use to curtail output in order to raise prices, and it is not logical to expect that imports which will defeat that objective will be acceptable.

3. They increase the difficulties of exporting because prices are above those from competing sources of supply.

4. They foster programs of export dumping which invite retaliation from other countries.

Mr. President, we are dumping agricultural commodities at far below the level at which they are being offered to the American people. We are offering wheat and corn to foreign countries at cheaper prices than they are being sold in this country to our own dairy and poultry farmers. That is all being done in order to maintain agricultural prices in the Midwest at an artificially high level. As the Senator from Illinois said last year, we have an unsound and unrealistic agricultural program.

5. They require barriers to keep products sold abroad at lower prices from returning to our markets.

I shall not read the remainder of the report, Mr. President, because it has already been incorporated in the RECORD.

However, I wish to read the membership of the committee which drew up this report. The members are:

Homer L. Brinkley, secretary and general manager, American Rice Growers' Cooperative Association, Lake Charles, La.; E. F. Creekmore, E. F. Creekmore & Co., New Orleans, La.; E. W. J. Hearty, Inc., New York, N. Y.; Edward J. Grimes, vice president, Cargill, Inc., Minneapolis, Minn.; O. B. Jesness, head, Division of Agricultural Economics, University of Minnesota, St. Paul, Minn.; Paul D. Sanders, editor, the Southern Planter, Richmond, Va.; W. A. Schoenfeld, dean of the School of Agriculture, Oregon State College, Corvallis, Oreg.; R. E. Short, vice president, American Farm Bureau Federation, Brinkley, Ark., and Jesse W. Tapp, vice president, Bank of America, San Francisco, Calif.

The other members who were unable to attend, but who did not file a minority report, are:

A. S. Goss, master, the National Grange, Washington, D. C.; Robert F. Loree, chairman of the board, National Foreign Trade Council, Inc., New York, N. Y.; W. I. Myers, dean of the College of Agriculture, Cornell University, Ithaca, N. Y.; Edward J. O'Brien, Jr., Edward J. O'Brien Co., Louisville, Ky., and James G. Patton, president, Farmers Educational and Cooperative Union of America.

This group of men said that the agricultural program as it is now in our books is extremely nationalistic, and those who favor it are isolationists.

As the Senator from Illinois has said, I have always been unalterably opposed to an agricultural program which was based upon the destruction of good edible foods in this country. I am still opposed to it. We have a program on our books today under which agricultural commodities are being destroyed. I think the Senator from Illinois will agree with me that many more products will be destroyed unless we drop this support level.

What are we going to do with this unwieldly accumulation of eggs, butter, prunes, raisins, honey, milk, peanuts, cotton, tobacco, wheat, corn, along with the many other commodities now stored in the caves and warehouses throughout our country?

Mr. LUCAS. Mr. President, before I move that the Senate go into executive session, I wish to make one brief reply to the Senator from Delaware. The Senator from Delaware has discussed this farm program all afternoon, and it is apparent that the Senator from Delaware does not know the fundamental or basic principle of the agricultural act. I do not like to say that, but if the Senator believes what he has said, it is apparent that he does not know the fundamental principles of the agricultural act as it is in existence at this time. I do not care to argue any further with the Senator. I do not care to argue with him any further tonight, and I do not wish to extend the argument tomorrow. As usual, the Senator from Delaware is trying to bring politics into the discussion. The farm program has always been on a bipartisan basis. Senators from the Midwest, both Republicans and Democrats, have been going along on that basis from the time that the McNary-Haugen bill was introduced for the benefit of agriculture many years ago. It is absurd and ridiculous for the Senator to infer, simply because our officials in the State of Illinois happen to be efficient and happen to be on the job, and are complying with this act, that politics is involved in it. That is what we get from the Republican side of the aisle. We are always being told that this involves politics.

There is no politics in this; there was no politics in the bill we passed last year when we made money available for the transportation of surplus commodities to communities throughout the United States, to different organizations which could qualify. Instead of charging politics the Senator should be congratulating the officials of the State of Illinois. He has not anything to say about the officials of the State of Delaware. I do not know what they have done in Delaware to comply with the act, but those who have been on the job, showing efficiency, and exhibiting outstanding merit in government, like the group in Illinois that is governing the State at the present time, have performed well with respect to the amendment which Congress adopted, and in which Congress asked them to take action.

Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. WILLIAMS. Mr. President, I do not care to prolong the debate indefinitely, but the Senator from Illinois said that this afternoon the Senator from Delaware had been making a speech which indicated that he did not know what he was talking about in reference to the farm program. I merely want the RECORD to show that the Senator from Delaware has not made his own speech on the amendment today. What I have done this afternoon has been to read a speech which was previously made by the Senator from Illinois [Mr. LUCAS] and if the Senator from Illinois wants to now claim that that speech was dumb and displayed a lack of understanding of our agricultural programs, I want him to understand that he is speaking disparagingly of his own speech made last October.

At the same time I read into the RECORD a statement made by the advisory board appointed by the Secretary of Agriculture, and I listed the names. If the Senator from Illinois thinks that advisory board, in turn, did not know what they were talking about, let the RECORD show that that is his opinion—not mine. If he wants to take the position that neither of them knew what they were talking about in reference to the agricultural program, I disagree with him.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Illinois has had the floor, and was interrupted. He has moved that the Senate go into executive session.

Mr. WILLIAMS. I suggest the absence of a quorum.

Mr. LUCAS. I do not yield to the Senator to suggest the absence of a quorum.

RECESS

Mr. LUCAS. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 15 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 6, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate June 5 (legislative day of March 29), 1950:

DIPLOMATIC AND FOREIGN SERVICE

Henry F. Grady, of California, now Ambassador Extraordinary and Plenipotentiary to Greece, to be Ambassador Extraordinary and Plenipotentiary of the United States of American to Iran.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 5, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, whose resources of divine wisdom and power are abundantly adequate for all our needs, may this moment of prayer be one of sincere desire to know Thy truth and Thy will.

Inspire us with a loyalty that never wavers and a courage that never falters as we seek to fulfill the high and holy mission which Thou hast entrusted to us.

May it be our purpose and passion to minister to humanity's longings and heartaches by strengthening the bonds of appreciation, of understanding, of cooperation, of fellowship, and of peace between all the nations of the earth.

Grant that we may authenticate the glory and grandeur of the ideals and principles of our democracy by incarnating and reproducing them more fully in our daily personal life.

In Christ's name we pray. Amen.

The Journal of the proceedings of Thursday, June 1, 1950, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1008) entitled "An act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5332) entitled "An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones."

HON. TRYGVE LIE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, today I have introduced a House resolution providing for the extending of an invitation to Hon. Trygve Lie, Secretary-General of the United Nations, to address the House. I have not conferred with Mr. Trygve Lie. However, I believe that if the invitation were extended by the House he would not decline it.

We have heard the Secretary of State make his report, and I think that it is

the opinion of the people of the country and the world that the sole recommendation the Secretary has made at this time is for an increase in armaments. An increase in the armament budgets of this country and the other countries of the world is not the road to peace; it is the road of an insane war policy.

I believe Mr. Trygve Lie has an alternative. The people of America want peace. Certainly nothing could be lost if Mr. Trygve Lie were to address this House and to inform the country of his proposals, to inform the world from this forum of his proposals, where those proposals can be debated and discussed. This forum is needed in view of the fact that a curtain of silence has been deliberately thrown around Mr. Lie's trip as well as around his recommendations by the press, the State Department, and the White House.

SPECIAL ORDER GRANTED

Mr. LANE asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

BRITAIN'S INFLUENCE ON POOLING OF HEAVY INDUSTRIES IN WESTERN EUROPE

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, the world recognizes in the French proposal for pooling western Europe's heavy industries, one of the most valuable postwar bids for peace to come out of any country. The position of Great Britain in this matter is extremely important. Yet the British are giving it no support and they may be passively resisting the proposal. Presumably they fear its effect on trade and influence.

We in America have placed peace above everything else and I think we can freely insist upon a more realistic approach by the British. To an extent greater than any other foreign country, they have lived out of the American Treasury since 1941. Their great influence upon American diplomacy is widely recognized. But in this case I hope American diplomacy will stand on its own feet, and lead—instead of being a tail to the British kite.

DIVIDEND CHECKS BREAK RECORD OF LAST YEAR

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, as a freshman Member accustomed to giving respect to seniority, on several occasions when there has been pending legislation to help the lot of the little men and women of America I have been awed by the voice of seniority on the other side of the aisle raising the question, "Where are you going to get the money?"

I heard the question raised every time we on this side of the aisle tried to do something decent, and I thought on a modest scale, for just ordinary men and women. I felt that the gentleman would not on such occasions so persistently raise the question unless he were moved by deep emotion, some strange depression of spirit finding expression in a warning of bankruptcy to come. Feeling constrained to accord in all propriety deference to one so much longer a Member of this body, I began to wonder if indeed time had stopped dead in 1932 and we were back in the depression days of the last Republican administration when not only the jobs and the savings but even the hopes of the men and women of that generation were washed away.

So today it was heartening to read in the current issue of David Lawrence's United States News and World Report that during the second year of President Truman's first term there will be a billion-dollar jump in dividends paid to stockholders in the industries of the Nation and that profit totals this year will probably be the second largest in history. I quote:

> Stockholders this year are to get a record flow of cash in the form of dividend checks, dividends which will reach and probably exceed $9,500,000,000 for 1950. That is $1,000,000,000 more than the previous record set last year.

I am extending my remarks in the Appendix to include the article in Mr. Lawrence's periodical which represents the result, we are told, of an extensive research on a problem of outstanding importance. I respectfully suggest that any of my colleagues who have contracted the "Where are we going to get the money" gloom can get back to normalcy by reading this article.

And I hope the next time we are trying to get a little help for the little people of America, the voice of seniority on the other side of the aisle will be tempered by the good news that business in our country under Harry S. Truman is so good that the shareholders in one year alone had a billion dollars more in dividends to divide than in the peak year of 1949 and more than a billion and a half dollars more than in 1948.

SPECIAL ORDER GRANTED

Mr. BIEMILLER asked and was given permission to address the House for 20 minutes today, following the legislative program and any special orders heretofore entered.

PROFITS IN BUSINESS

Mr. NICHOLSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NICHOLSON. Mr. Speaker, I just heard the remarks of the gentleman from Illinois [Mr. O'HARA], who is probably in a better position in this world than I am as far as money is concerned, and who has made a success out of life in spite of the fact that he is a Democrat. I heard the gentleman from Wisconsin the other day talk about the wonderful pact that the CIO and the automobile people had made. I wonder if his astute mind realizes that the price of every automobile that we buy, whether it is a Ford or a Chrysler or a General Motors car, has gone up 150 percent, and that the only people who can buy it are the people who make automobiles and the people who work for them. The poor people who need an automobile to go back and forth to work are not able to buy one.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. SMITH of Wisconsin addressed the House. His remarks appear in the Appendix.]

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a paper from the Soil Conservation Service on the Indian Service.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[Mr. JENSEN addressed the House. His remarks appear in the Appendix.]

FACTUAL STATEMENTS IN CONNECTION WITH GOVERNMENT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, I believe the words of Winston Churchill are most timely at this juncture of our history. It will be recalled that following the speech on the fruits of Munich by Winston Churchill, his speech was attacked because he had stated facts which his critics thought should not have been disclosed.

And who are these people—

Said Churchill—

> who go about saying that even if it were true, why state the facts? I reply, why mislead the nation? What is the use of Parliament if it is not the place where true statements can be brought before the people? What is the use of sending members to the House of Commons who say just the popular things of the moment, and merely endeavor to give satisfaction to the Government whips by cheering loudly every ministerial platitude and by walking through the lobbies oblivious of the criticisms they hear? People talk about our parliamentary institution and parliamentary democracy; but if these are to survive it will not be because the constituencies return tame, docile, subservient members, and try to stamp out every form of independent judgment.

THE FARMERS AND THE RECIPROCAL TRADE TREATY AGREEMENTS

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, I had the honor this morning to appear before the committee on reciprocity down at the Tariff Commission. I was, of course, in a good position, one which I do not have to dig up an apology for. I do not know whether others are trying to deceive their constituents into believing in reciprocal trade treaties; I do not have to deceive mine because my position is clear. I have never believed in them. But the point I made this morning and which I want to make here is that when it comes to balancing the imports and the exports, or closing the gap, that gap has already been closed as far as American agriculture is concerned. This gap was closed 25 years ago. So if anyone is going to close the gap between imports and exports they had better look somewhere else besides agriculture, because you cannot expect agriculture to carry the whole load. Agriculture has already been subjected to unfair discrimination.

ANNAPOLIS AND WEST POINT

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I desire to call the attention of the Members of the House to a very important article concerning Annapolis and West Point, written by Maj. Gen. Hugh J. Knerr, former inspector general of the Air Force who graduated from the Naval Academy in 1908, served as an ensign in the Navy, was transferred to the Coast Artillery Corps of the Army, and continued to serve until World War I when he became an aviator. After World War I he became a member of the Air Corps and finally retired as major general of the Air Force. The pointed paragraph which I want to read to you is this:

> Yes; I believe that West Point and Annapolis, along with Randolph Field, should be reconstituted as 2-year graduate schools of a single military department. The venerable academies should embrace a new and honorable destiny: They should cease dealing with 17-year-old cadets and midshipmen and begin dealing with 21-year-old college graduates; instead of training a few for 4 years they should train all of our peacetime Regulars for 2 years.

I commend this article to your consideration.

DIVIDENDS AND THE PROFIT MOTIVE

Mr. WILSON of Indiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WILSON of Indiana. Mr. Speaker, I listened with quite a little concern, if not alarm, at the speech by the gentleman from Illinois [Mr. O'HARA] in which he referred to the profits made by corporations. I should like to refer the gentleman to the speech made by Mr. William C. Bullitt before the graduating class of Yale University, and see how closely his remarks compare with those preached by Joe Stalin and members of the Russian Communist organization in Russia as reported by Mr. Bullitt. They advocate the destruction of capitalism and the removal of profits from corporations. Yes; those whose hearts bleed for the poor man might well review the new contract signed by General Motors, a 5-year contract for the poor man, for the family man, for the workingman, at the highest wages, the greatest income, the greatest purchasing power labor has ever enjoyed, and all under the private-enterprise system supported by the profit motive.

THE ISSUE OF NATIONAL HEALTH

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, we are told that the administration will make its national health insurance program a big issue in the coming congressional elections yet it continues to refuse to bring up for consideration either its own plan or the National Health Act of 1949 for locally operated cooperative health plans with Federal-State aid, proposed by a group of Republicans in the Congress as a feasible alternative to the administration's plan. Together with other sponsors of this bill in the House I have been demanding hearings on the national health bills but to no avail. Both the administration's bill and our bill agree on certain items as essential. Among them, Federal aid to medical schools.

Fundamental in any national health program is the foreseeable insufficiency of the professional people to service it. The Committee on Interstate and Foreign Commerce will be considering a bill for Federal aid to medical schools in executive session tomorrow, such legislation having already passed on the other side of the Capitol. I hope that at least this element of accepting the national responsibility for the peoples' health will be acted on; pending bills to authorize medical research for such diseases as arthritis, rheumatism, cerebral palsy and multiple sclerosis and to bolster existing medical research programs also have tremendous support in the country and deserve urgent attention. Though it is late in the session I hope that the administration will not treat the whole health issue just as good campaign talk while it does little about it.

GOVERNMENT EXPENDITURES AND REVENUE

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, I am being asked every day by Members of Congress as to what the Ways and Means Committee is doing with reference to bringing out a tax bill. We should have brought out a bill reducing excise taxes several months ago. The Republican members of the committee soon after the opening of this session of Congress offered a resolution to the effect that the committee should proceed immediately to consider the reduction of excise taxes. If this had been done at that time it would have been a great benefit to many business organizations engaged in the manufacture and sale of commodities subject to excise taxes. Principal among these commodities are cosmetics, jewelry, luggage, furs, household implements, electrical appliances, and so forth.

I see by the paper that the President is saying that he will veto any bill that did not carry with it provisions for raising revenues and increasing taxes to cover any reduction allowed in excise taxes.

There is not much encouragement for our committee to raise revenues in order that the administration may have more money to spend and spend. For instance, there is now pending before the House legislation which provides for an appropriation of $85,000,000 to be used for road building in four countries or provinces, most of which I have never heard of before. I doubt whether many of the Members of this House ever heard of these four places in which this $85,000,000 is to be spent. Let me give you the names, and if any Member can tell where these countries or provinces are located I should be glad if he would hold up his hand. Some of these I shall be compelled to spell out because I cannot pronounce them. The first spells as follows: T-a-n-g-a-n-y-i-k-a. I do not know just what that spells out, but, of course, it spells something. The next province or country spells as follows: U-g-a-n-d-a. I do not know where it is located. The other one is the prize, from a spelling standpoint. It spells as follows: C-o-n-a-k-r-y. I do not know what it pronounces, but you can pronounce it as you please. And the fourth spells as if it pronounces Cameroons.

Mr. Speaker, I have no doubt that roads are badly needed in these countries, but, for the life of me, what American would want to travel on the roads in these countries. If the roads are to be built to bring people out of these countries, then still I do not know why we should build roads for that purpose.

Mr. Speaker, to be serious, why spend $85,000,000 in this way and at the same time threaten to raise taxes which are already entirely too high? I am sure the Ways and Means Committee will not recommend any direct raise in taxes at this time.

CORPORATE PROFITS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I, too, was very much interested in what the gentleman from Illinois had to say about where we are going to get the money, speaking about the corporations making large profits.

If any business were run like the administration is running the affairs of the United States Government, that now has a debt of some $260,000,000,000, with an income billions of dollars below its outgo, the business would be wrecked in short order. No business I know of is as inefficient. The directors of this corporation do not know how to run a business. Unless we do something here in the Congress in reference to administering the affairs of the Government of the United States in a businesslike manner, we will not have any Government or corporations, we will not have any business, we will not have freedom, we will not have liberty. We will have a dictator ordering us around as is the case in some countries abroad. You will not like this. It is about time that we wake up. The people should get a new board of directors of the United States Corporation.

Now I tell you there are a lot of corporations in this country that are not going to make a profit this year. If you want that condition to exist, just increase a lot of the taxes that they have to pay. Some of these corporations that make big profits may be able to pay dividends, but with the taxes now in effect it cannot go on. If you do not wake up here, gentlemen, you are going to wreck this country of ours. Our Government, as the gentleman from Illinois would have it, is a sick Government, it needs a doctor, and the doctor should give a prescription first for economy, he should prescribe efficiency. The doctor should operate and cut off many useless functions of Government. The doctor should extract the teeth of too many Government employees and get them a good job in private enterprise, and operate on the high cost of Government—cut out half of it. A few operations for economy are badly needed.

SERVICEMEN'S READJUSTMENT ACT

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2596) relating to education or training of veterans under title II of the Servicemen's Readjustment Act (Public Law 346, 78th Cong., June 22, 1944), with House amendments thereto, insist on the House amendments, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RANKIN, ALLEN of Louisiana, TEAGUE, KEARNEY, and DAVIS of Wisconsin.

SPECIAL ORDER GRANTED

Mr. CRAWFORD asked and was given permission to address the House for 20 minutes on tomorrow, following the legislative program and any special orders heretofore entered.

THE POSTAL SERVICE

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, there is a hot potato cooking in the Committee on Post Office and Civil Service. We are going to start turning that potato on Thursday of this week at 10 a. m. My resolution, House Resolution 8224, and 34 others, will be under consideration. Photographs of the authors of said resolutions are included in this Postal Record I show you. I want to say to you people that this is no time in this atomic age and aviation speed to return to the horse-and-buggy-day delivery of postal service on the ground. The American people operating big manufacturing plants and business at our industrial centers will never stand for this reduction. I am asking that each and every one of you take particular interest in these measures. This is no time to throw people out of employment. It is high time that this Congress appropriate money to take care of the many subsidies that are charged against the Post Office Department of these United States. The Post Office Department is the second largest agency of Government, most decentralized agency, and has always rendered a very efficient service. Why should it fall victim now to an ax of false economy?

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, if the Committee on Post Office and Civil Service has the stamina which I think it has, and which I know it should have, then when it comes to the consideration of the resolution to which the gentleman from Indiana [Mr. CROOK] refers to, the committee will throw it out the window.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, after listening to the gentleman from Georgia [Mr. COX] and the gentleman from Indiana [Mr. CROOK], it brings to my mind that the recent order of the Postmaster General affecting the delivery of mail service to the people of our country does not mean anything in comparison to the two amendments that were adopted by this House only 3 weeks ago when we had the appropriation bill before us. The Thomas-Taber amendment and the Jensen amendment adopted by this House have done more harm to the morale of the people engaged in the postal service and will do more harm to the future mail-delivery service to the people of our country than 10 Donaldson orders ever could do.

THE DEMOCRATIC PARTY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, we can all appreciate the emotional utterances made by the gentleman from Indiana [Mr. WILSON] and the gentleman from Pennsylvania [Mr. RICH] in response to the constructive statement made by the gentleman from Illinois [Mr. O'HARA]. Naturally, they do not want to construe his remarks correctly. The gentleman from Illinois [Mr. O'HARA] was pointing out the great prosperity that business and the American people have had under Democratic rule for the last 18 years. He was also pointing to the fact that when the Republicans were in power all we had was tens of thousands of bankruptcies of business and hundreds of thousands of foreclosures of homes and farms. It is only natural and proper that they emotionally react to the speech made by the gentleman from Illinois [Mr. O'HARA] and do not like to hear the truth of what the Democratic Party has done for the people of America, because it brings back the odious days of 1928 to 1932, when all the country had was bankruptcy in business, the foreclosure of homes and farms, and twelve to fifteen million unemployed.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, permit me to congratulate the gentleman from Massachusetts [Mr. McCORMACK] for his vigilance. There is one thing about the gentleman, he never misses an opportunity to do a little propaganda work, to do a little campaigning for his party, for Members on his side of the aisle. We could all remember that, and do a little for our own side once in a while.

It is kind of the gentleman to remind us about those Hoover days. It is encouraging, too, to remember that now even the Democratic Party and the Democratic leaders are attempting to follow, in a somewhat disguised manner, some of the recommendations of former President Hoover and the Hoover Commission.

True, the Republican Party, even conceding that it was responsible for those dark and dreary days, never gave us World War I, it did not give us World War II, it gives us no promise of world war III, and it never had a public debt

which equaled that magnificent figure of more than $256,000,000,000 to which the Democratic organization has boosted it.

Certainly the Truman administration holds the record for increasing the public debt, the tax burden of every living American.

Yes; under Truman, this is the land of the free, the home of the 2-percenters, the 5-percenters, those who are—may I say, colossal, if that be the proper word, in their spending of other people's hard-earned dollars.

Even the poor laboring man is privileged to pay a dollar plus for a pound of meat.

The Fair Deal, the New Deal, has given us many, many things. Apparently it intends to give us another world war. Certainly it intends to load upon us the burden of supporting a large part of the world's population.

I can congratulate the gentleman from Massachusetts [Mr. McCORMACK] for his vigilance, his enthusiasm, his constant protection of the members of his party, even though I cannot congratulate his party for any of its policies or activities.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

FOREIGN MILITARY AID—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 616)

The SPEAKER laid before the House a message from the President of the United States, which was read, referred to the Committee on Foreign Affairs, and ordered to be printed.

(For President's message see proceedings of the Senate of Thursday, June 1, 1950, pp. 7896–7897.)

THE PRESIDENT'S MESSAGE

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the message of the President just read is of such supreme importance that every medium of communication available should be used to the limit to take it to the people of America and to the people of the free world.

SIXTY-SIXTH ANNUAL REPORT OF THE UNITED STATES CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

I am transmitting herewith the sixty-sixth annual report of the United States Civil Service Commission. This report covers the fiscal year ended June 30, 1949.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 5, 1950.*

EXTENSION OF REMARKS

Mr. ABERNETHY asked and was given permission to extend his remarks and include a newspaper article.

Mr. POAGE asked and was given permission to extend his remarks and include three or four newspaper editorials.

Mr. LANE asked and was given permission to extend his remarks in five instances and include extraneous matter.

Mr. LYNCH asked and was given permission to extend his remarks and include extraneous matter.

Mr. WALTER asked and was given permission to extend his remarks and include an article by the President of the American Flag Day Association.

Mr. O'HARA of Illinois asked and was given permission to extend his remarks and include an article from the United States News and World Report of June 9.

Mr. YOUNG asked and was given permission to extend his remarks and include a report.

Mr. RANKIN asked and was given permission to extend his remarks in three instances; in one to include the graduation speech at the Naval Academy delivered on Friday, June 2, 1950, by the Honorable Louis Johnson; in another to include an address delivered in Jackson, Miss., on May 26, by the Honorable Clyde Ellis; and in the third to include two statements of the Honorable Louis Banford, chairman of the Memphis Board of Censorship.

Mr. REED of New York asked and was given permission to extend his remarks in five instances and in each case to include extraneous matter.

Mr. MURRAY of Wisconsin asked and was given permission to extend his own remarks.

Mr. CUNNINGHAM asked and was given permission to extend his remarks and include an article.

Mr. HALE asked and was given permission to extend his remarks and include a letter from the president of the S. D. Warren Co. to the men and women of the company.

Mr. AUCHINCLOSS asked and was given permission to extend his remarks and include a letter from a constituent.

Mr. GOODWIN asked and was given permission to extend his remarks in two instances, in each to include an editorial.

Mr. JENKINS asked and was given permission to extend his remarks in two instances and include newspaper articles.

Mr. MACK of Washington asked and was given permission to extend his remarks in three instances, in each to include extraneous material.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in four instances, in each to include extraneous material.

Mr. RICH asked and was given permission to extend his remarks and include an article.

Mr. THORNBERRY asked and was given permission to extend his remarks and include an editorial.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks and include extraneous material.

Mr. LARCADE asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. McCORMACK asked and was given permission to extend his remarks and include an address delivered by Floyd Odlum.

Mr. LANHAM asked and was given permission to extend his remarks and include an editorial.

Mr. HOFFMAN of Michigan asked and was given permission to extend his remarks and include a letter.

Mr. BURNSIDE asked and was given permission to extend his remarks in the Appendix of the RECORD.

THE CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

BENEFITS FOR ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948

The Clerk called the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 8 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by inserting "(a)" after the section number, by striking out the word "paragraph" and inserting in lieu thereof the word "section," and by adding at the end thereof a new subsection, as follows:

"(b) (1) In the case of any retired officer or employee mentioned in the first paragraph of subsection (a) who did not elect a survivor's annuity in accordance with the proviso in such subsection, there shall be payable upon his or her death, to his or her wife or husband to whom the annuitant was married before April 1, 1948, an annuity equal to one-half of his or her present annuity (excluding the increase therein under subsection (a)), but not to exceed $600 per annum, during the remainder of the life of such survivor. The provisions of this paragraph shall apply in the case of any such annuitant who died subsequent to April 30, 1948.

"(2) Any such retired officer or employee who elected a survivor's annuity in accordance with the proviso in subsection (a) shall be paid an increase in his annuity of 25 percent, or $300, whichever is the lesser."

This act shall become effective on the first day of the second month following its date of approval, and no survivor's annuity or increase in annuity under this subsection shall accrue for any period prior to such effective date.

With the following committee amendment:

SEC. 2. Subsection (b) of section 8 of the Civil Service Retirement Act of May 29, 1930, as added by this act, shall become effective on the first day of the second month following the date of enactment of this act, and no survivor's annuity or increase in annuity under such subsection shall accrue for any period prior to the effective date of such subsection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL GOVERNMENT FOR GUAM

The Clerk called the bill (H. R. 4499) to provide a civil government for Guam, and for other purposes.

Mr. PETERSON. Mr. Speaker, a somewhat similar bill passed the House recently. I ask unanimous consent that this bill be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

INCREASED MONTHLY DISABILITY BENEFITS UNDER NATIONAL SERVICE LIFE INSURANCE ACT

The Clerk called the bill (H. R. 6560) to amend the National Service Life Insurance Act of 1940, as amended, to authorize provisions in national service life-insurance policies for increased monthly disability benefits.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

USE OF DIVIDENDS TO PAY PREMIUMS ON NATIONAL SERVICE LIFE INSURANCE

The Clerk called the bill (H. R. 8236) to provide that on and after January 1, 1951, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

OUT-PATIENT TREATMENT FOR SPANISH-AMERICAN WAR VETERANS

The Clerk called the bill (H. R. 6217) to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration.

Mr. ASPINALL. Mr. Speaker, reserving the right to object, I wish someone would explain this bill and its probable cost as far as this authorization is concerned.

Mr. RANKIN. Mr. Speaker, this bill provides out-patient treatment for Spanish War veterans who are in need of such treatment. Hearings were held by a subcommittee on a similar bill, and the subcommittee found that the bill provides for a type of medical care which veterans of the Spanish War most badly need.

There were 127,000 veterans of the Spanish-American War alive on June 30, 1949. Their ages average 74 years. They are dying at the rate of about 9,000 a year. It would be impossible to get an estimate of the cost of the bill.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McCORMACK. And the death rate is going to increase.

Mr. RANKIN. The death rate will increase rapidly. These men are practically all above 72 years of age. The average, I believe, is 74 years.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. MARCANTONIO. And most of them are in no position to pay for private medical care.

Mr. RANKIN. Talking about costs, this will cost less than it will to send them to hospitals, because the out-patient treatment will probably be merely a visit from a physician or temporary treatment that will save a long trip to a hospital and probably a long stay in a hospital; in other words, this bill, instead of increasing the expense of caring for these old Spanish-American War veterans, is going to decrease the cost.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McCORMACK. I have looked into this bill very carefully, and I am in complete agreement with what the gentleman from Mississippi [Mr. RANKIN] has said. It seems to me that it is not going to cost any more; if anything, there will be a saving. But I do not base my support of the bill on that basis alone. It will not cost any more, and the Spanish-American War veterans, as the gentleman says are approaching an average age of 74. There are considerably less than 127,000 living now, because the figure just stated by the gentleman from Mississippi was based on June of last year.

Mr. RANKIN. That is right.

Mr. McCORMACK. I hope there will be no objection to the consideration of this bill.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Ohio.

Mr. JENKINS. Is it not a fact that the Spanish-American War veterans are more scattered throughout the country? That is, they are more rural, they do not concentrate in the big cities like the veterans of the last two wars?

Mr. RANKIN. Yes.

Mr. JENKINS. If these veterans are not given some attention like this, they will not get it at all.

Mr. RANKIN. That is right.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Yes; I yield.

Mr. JAVITS. I have received a great many letters in reference to this matter, and I think it is a very desirable bill.

Mr. RANKIN. It is one of the most just pieces of legislation that we have considered in some time.

The SPEAKER. Is there objection to the consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Public, No. 62, Seventy-sixth Congress, approved May 3, 1939 (53 Stat. 652; 38 U. S. C. 706a), is hereby amended by substituting a colon for the period at the end thereof and adding the following: "*Provided*, That veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, who are in need of out-patient treatment, shall, upon application for such out-patient treatment by the Veterans' Administration, be deemed, for the purposes of such out-patient treatment, to have incurred their diseases or disabilities as a direct result of military or naval service, in line of duty, during such war."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRESUMPTION OF SERVICE CONNECTION FOR WORLD WAR II VETERANS WHO DEVELOPED PSYCHOSIS PRIOR TO JANUARY 1, 1950

The Clerk called the bill (H. R. 7534) to amend Veterans Regulations to establish for persons who served in the armed forces during World War II a further presumption of service connection for psychoses developing to a compensable degree of disability within 3 years from the date of separation from active service.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. ASPINALL. Mr. Speaker, reserving the right to object, will some member of the committee explain this bill?

Mr. RANKIN. Mr. Speaker, let me say to the gentleman from Colorado that this creates a presumption of service connection for any World War II veterans who developed the disease of psychoses prior to January 1, 1950. The period for similar disorders for World War I veterans was January 1, 1925, 6 years after the First World War closed. Medical science has had some difficulty in tracing the exact cause of psychosis, which led the committee to believe that the bill is thoroughly justified. The presumption of service connection is rebuttable when there is affirmative evidence to the contrary. I can see no reason why these men in this unfortunate condition should not have the same benefits as we gave World War I veterans.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Colorado.

Mr. ASPINALL. Does the gentleman know what the probable cost of this authorization will be?

Mr. RANKIN. No. My opinion is it would be rather small, although I do not know the exact amount.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, may I ask the chairman of the Committee on Veterans' Affairs what his reaction is to the statement of the Veterans' Administration which says that the singling out of psychosis as a disease which should be accorded a 3-year presumptive period of service connection as proposed in the bill would be discriminatory and will be urged as a precedent for advocating such presumption for other chronic diseases.

Mr. RANKIN. We have already done that. We have the same provision for tuberculosis.

Mr. BYRNES of Wisconsin. I was asking the gentleman what his comment would be on the Veterans' Administration's opposition to the bill?

Mr. RANKIN. The Congress will not go wild and enact this provision for all diseases. We are merely covering those diseases that are due to be covered, and were covered by laws following World War I.

Mr. BYRNES of Wisconsin. In other words, what we are really doing here is carrying out a precedent which was in existence before rather than creating a new one?

Mr. RANKIN. Yes.

Mr. CUNNINGHAM. Mr. Speaker, reserving the right to object, I notice it is stated that this is not in accord with the program of the President. Will the gentleman advise us in what way it does not fit in with the program of the President?

Mr. RANKIN. I do not know. That must refer to the budget.

Mr. CUNNINGHAM. It was the Bureau of the Budget that made the report that it was not in accord with the President's program.

Mr. RANKIN. In my opinion, it is more important to take care of the disabled veterans who fought our wars than it is to appropriate money for the building of roads in those countries, the names of which the gentleman from Ohio [Mr. JENKINS] could not pronounce a while ago.

I think the Bureau is wrong in this instance.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subparagraph (c), paragraph I, part I, Veterans Regulation No. 1 (a), as amended, is hereby amended by addir g after the word "epilepsies;" the following: "psychoses;", and by adding immediately preceding the last proviso the following: "*Provided further*, That a disease of psychosis developing a 10-percent degree of disability or more within 3 years from the date of separation from active service shall, in the absence of affirmative evidence to the contrary, be deemed to have been incurred in or aggravated by active service:".

With the following committee amendments:

Page 1, line 7, after the word "following:", insert the following: "*Provided further*, That as to active service between December 7, 1941, and December 31, 1946."

Page 2, line 2, strike out "within 3 years from the date of separation from active service" and insert "prior to January 1, 1950."

Page 2, line 5, strike out "active" and insert "such."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for psychoses developing to a compensable degree of disability prior to January 1, 1950."

A motion to reconsider was laid on the table.

AMENDMENTS TO NATIONAL SERVICE LIFE INSURANCE ACT

The Clerk called the bill (H. R. 8235) to amend further the National Service Life Insurance Act of 1944, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, will the chairman of this committee give us some information concerning the details of this particular legislation?

Mr. NOLAND. I might say that in the consideration of these insurance bills before the subcommittee it was our intention not to approve any provisions which would do any damage to the USLI fund. H. R. 8235 has 10 provisions in it. Mainly they are continuing certain provisions in behalf of service-connected disability veterans for the maintenance of their insurance.

I might explain the most important of these. Section 1 of the bill authorizes the waiver of health requirement in applications for insurance or reinstatement of insurance. It extends this privilege to July 1, 1951. This provision was already in the bill. We extended the time another 6 months, because in the application of this provision the Veterans' Administration had been differentiating between service-connected disability and service-incurred disability, giving only the service-incurred the opportunity to have the health requirement waived. "Service-connected" is a term which is applied to the granting of compensation. It is more inclusive, and we thought that this would reinstate that insurance and the good health waiver should apply to all service-connected cases.

Another important provision in this bill changes the law prior to August 1, 1946 to the same as it has been in regard to veterans' insurance since August 1946. When the GI insurance was first set up, a limited class of beneficiaries was permitted, that is, what was ordinarily known as parents and directly connected relatives.

Mr. FORD. I would like to say to the gentleman from Indiana that it is apparent to me, and I am sure to anyone who reads the committee report, that this is rather far reaching and involved legislation. It has a very comprehensive committee report recommending a number of changes in the existing law, and I believe that under the circumstances, and particularly in view of the fact that it is not in accord with the recommendations of the President, that it ought to be passed over without prejudice.

Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. NOLAND. That is why we spent about a whole week in holding hearings giving this matter complete consideration, because it is involved.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GIVE MILITARY STATUS TO RUSSIAN RAILWAY SERVICE CORPS

The Clerk called the bill (H. R. 6277) to give military status and grant discharges to members of the Russian Railway Service Corps organized by the War Department under authority of the President of the United States for service during the war with Germany.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RANKIN. Mr. Speaker, reserving the right to object, I am of the opinion that this bill should not pass in its present form. It seeks to give military status to the Russian Railway Service Corps for service immediately after World War I. I have been asked by the American Legion to call attention of the House to their opposition to it, as well as to similar types of legislation.

I therefore ask unanimous consent that I may insert at this point a letter which I received from the American Legion and also a statement or résumé which they have submitted on this proposition.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. The letter and statement are as follows:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMISSION,
Washington, D. C., May 11, 1950.

HON. JOHN RANKIN,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN RANKIN: We note that the House Armed Services Committee on May 9 favorably reported H. R. 6277, a bill to give an honorable discharge from the United States military service to members of the Russian Railway Service Corps, organized by the State Department during World War I. This legislation has now been before the Congress since 1918, and I am attaching hereto for your information, a short résumé of the history of the organization when the bill was up for consideration during 1937–38.

The American Legion has repeatedly at its national conventions adopted resolutions opposing this legislation and similar bills to give various groups of a somewhat similar character an honorable discharge for service during World War I.

For your further information, bills now are being introduced and are pending before the Congress to give a military status to various groups who served during World War II. If this particular bill, H. R. 6277, is enacted into law it will only give aid and encouragement to all of the various other organizations from both World War I and World War II to secure the enactment of similar legislation. Certainly 30 years is more than sufficient time for Congress really to give serious thought to legislation of this character.

It has become of such concern to the American Legion that at its national convention held August 29–September 1, 1949, at Philadelphia, Pa., the following resolution was adopted:

"Resolution 302

"Whereas it has been the traditional policy of the United States to limit veterans' benefits to full-time active duty members of the Armed Forces of the United States; and

"Whereas only those on active duty in the Armed Forces of the United States during wartime were subject to the complete dislocation and uncertainties for the future so characteristic of wartime service in the military and naval forces; and

"Whereas the members of the nonmilitary and quasi-military groups were not forced

involuntarily into combat conditions and were not subject to the exigencies of the military processes; and

"Whereas members of the merchant marine received additional bonuses for service in war zones and bonuses on top of these for being exposed to enemy fire, and were not required to remain with their ship on returning to port: Now, therefore, be it

"Resolved by the American Legion in national convention assembled in Philadelphia, Pa., August 29–September 1, 1949, That we are opposed to any legislation granting to former members of the merchant marine any veterans' benefits or any benefits akin to those normally granted veterans for their rehabilitation; and, be it further

"Resolved, That the American Legion similarly opposes the granting of such benefits to former members of the American Field Service, Coast Guard Temporary Reservists (except those on full-time active duty), Civilian Air Patrol, American Red Cross Office of Strategic Services (civilians), and other nonmilitary or quasi-military groups."

Therefore, we shall appreciate it if you will have this communication read from the floor if and when this bill is called up for consideration, so that the Members of the House will know the background and history pertaining to the matter.

Thanking you for your courtesy, I am,

Sincerely yours,

MILES D. KENNEDY,
Director.

RUSSIAN RAILWAY SERVICE CORPS

The bill S. 3265 passed the Senate June 7, 1938, and was referred to the House Committee on Military Affairs June 10. It provided that the officers who served honorably during the war in the Russian Railway Service Corps shall be deemed to have the same legal status as if they had received a full and honorable discharge as emergency officers of the World War. The bill contained the proviso to the effect that no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of the measure. It contained another proviso to the effect that no adjusted compensation shall be payable to such officers by virture of its enactment.

The War Department was requested by the committee to submit a report on the measure. While the Department stated a departmental recommendation with respect to the advisability of legislation conferring benefits upon veterans of wars, or other persons who served with the Government, was deemed inadvisable, yet it filed a lengthy letter criticizing the proposal. The letter also reviewed the history of bills introduced in previous Congresses relative to the Russian Railway Service Corps. An excerpt from that letter follows:

"A number of bills have been introduced and in every instance adverse recommendations have been submitted by the War Department:

	Date of War Department report
S. 5034, 65th Cong	Dec. 10, 1918
S. 3865, 66th Cong	Dec. 23, 1920
H. R. 6432, 67th Cong	June 4, 1921
H. R. 4013, 69th Cong	Jan. 20, 1926
H. R. 7929, 70th Cong	Feb. 1, 1928
S. 2320, 73d Cong	Jan. 24, 1934
H. R. 6903, 73d Cong	Feb. 5, 1934
S. 1095, 74th Cong	Jan. 24, 1935
S. 3461, 74th Cong	Oct. 4, 1935

"The first-mentioned bill, proposing to grant full military status, was introduced November 18, 1918, by Senator Poindexter while the organization was still in Siberia. The records show that in connection with the report on that measure the director of military railways was consulted and that he stated he was vigorously opposed to the passage of the bill; that the men were contracted into this service on the basis of the original agreement with the Russian Government as instructors in railways and that they would be unanimously opposed to a change of pay to that of officers of the United States Army and to the retroactive feature of the act.

"As before referred to, the pay of the Russian Railway Service Corps was not based on the pay of the Army, but upon what was received for similar civilian work in the United States. Salaries and expenses were paid to the men from date of reporting for duty until their return to place of residence, unless dismissed for misconduct. Expenses included clothing (uniforms), equipment, subsistence, quarters, and all other expense incident to the particular service. The following remarks of the director of military railways are quoted from his communication, dated January 17, 1919, in which he commented in regard to the bill S. 5034:

" 'If the bill introduced by Senator Poindexter was passed, it would at once reduce the pay of all the men in the Russian Railway Service Corps. * * *

" 'I fixed the salaries of these men so that they would get as much as they received at home, and as the Russian Government was to pay their expenses, it would leave their families absolutely secure. * * *

" 'To adopt Senator Poindexter's bill would stop at once the payment of their expenses and would reduce all their salaries to Regular Army pay. I think the result of it would be that the entire corps would resign.'

"It is indicated that in October 1919 a 30-percent increase in the base pay of these men was authorized. Promotions to higher ranks or grades, together with the increased pay thereof, was given to various officers while in Siberia. The following shows the original pay schedules of the Russian Railway Service Corps, and of officers of the United States Army in domestic and foreign service.

Rank	Russian Railway Service Corps	U. S. Army domestic service	U. S. Army foreign service
Colonel	$20,000	$4,000	$4,400
Lieutenant colonel	8,000	3,500	3,850
Major	5,000	3,000	3,300
Captain	3,000	2,400	2,640
First lieutenant	2,500	2,000	2,200
Second lieutenant	2,000	1,700	1,870

(Taken from Proceedings of Twentieth National Convention of the American Legion, Los Angeles, Calif., September 19–22, 1938. (H. Doc. No. 40, 76th Cong., 1st sess.), pp. 284–285.)

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Georgia.

Mr. VINSON. I will say to the gentleman from Mississippi that this bill on five or six different occasions has passed the Senate and on three or four different occasions has passed the House. The bill simply seeks to permit the War Department to grant discharges to 128 men, the surviving number who served in this organization. They were originally given commissions by the Adjutant General at the direction of the President.

Mr. RANKIN. Yes, but where one of them if he had been serving in the Army domestic service would have drawn $4,000 a year, in this instance he drew $20,000, and a lieutenant colonel who would have drawn $3,500 in the regular service drew $8,000.

Mr. VINSON. When he found he was not in the Army he made a different contract, but if he had stayed in the Army, as the commission was originally drawn when he left the country, he would have drawn only the pay of a colonel.

Mr. RANKIN. But these men were not in the Army. If you start this, you are going to take in everybody that had anything to do at any time during the war. Many of them were drawing wages and salaries all out of proportion to what the men in the service were drawing. I am not willing to have them all foisted upon the pension rolls without more consideration than this bill is receiving at the hands of the House.

Mr. VINSON. It merely provides that a discharge be granted. No retroactive pay whatsoever is involved.

Mr. RANKIN. I understand.

Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. VINSON. I object, Mr. Speaker.

Mr. RANKIN. Then, Mr. Speaker, I object to the present consideration of the bill.

ACQUISITION AND PRESERVATION OF THE OLD STONE HOUSE

The Clerk called the bill (H. R. 7722) to provide for the acquisition and preservation, as a part of the National Capital Parks system, of the Old Stone House in the District of Columbia.

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. MURDOCK assumed the chair.

Mr. RAYBURN. If the gentleman will withhold his request for a moment, may I say that I am very much interested in the passage of this bill, not because it means a thing in the world to me but because I do think that the few landmarks we have in the United States ought to be preserved as an inspiration to the generations that are coming. If there was ever a time in our Nation's history when the patriotism of the youth of the land should be appealed to, that time is now, and in my opinion nothing appeals to the patriotism of the fiery youth of the country like the landmarks we have—Mount Vernon, Monticello, and the few others.

This old building was the headquarters of the Father of our Country during the Revolution. It does appear to me that this historic building should be preserved. Therefore, I trust that there will be no objection and that this bill will pass.

I do not know what the cost will be. I do not think it will be a great deal. But a building like this, even though it does cost some money, connects the first generation of our freedom and our liberty with the present generation and all the generations that are to come hereafter.

Mr. MILLER of Nebraska. I may say to the Speaker that the bill had a hearing before our committee, and many of the members of the committee felt that the price that was to be paid for this old

stone house, which is a wreck now, and would have to be torn down or remodeled completely, was entirely out of line, and that there were certain groups of people who were trying to profit by getting this legislation passed in order to unload something on the Government.

Mr. RAYBURN. That, of course, is always the case.

Mr. MILLER of Nebraska. I agree with the Speaker that there are many of these fine old historic places which probably ought to be preserved for future generations. In the opinion of a number of Members on our side of the committee who heard the testimony, it would seem that the bill was not too carefully drawn to protect the Government of the United States, and that is the reason why I would like to see the bill passed over without prejudice.

Mr. RAYBURN. I am trusting that those who deal with the people who own this property will protect the Government. Of course, we are not compelled to buy it. We can authorize the purchase of this property and then trade with the owners.

Mr. MILLER of Nebraska. Of course, if the Speaker can assure us that we are not going to be overcharged in acquiring this property, I, too, would like to see this site preserved. The committee wrote in an amendment that the purchase price of lot 851, square 1209, shall not exceed 15 percent of the Government's appraisal or price fixed by the court, and then not more than $90,000 without further authorization of Congress.

We all recognize the pressure that was behind this bill. There were some things I just did not like and I thought the bill ought to be considered further.

Of course I agree with our Speaker that these historic places ought to be preserved.

Mr. RAYBURN. I think the amendments which the committee put on the bill are proper and I do trust that those who deal on behalf of the Government will not allow some real estate concern to charge more for the property than it is worth.

Mr. WIGGLESWORTH. Is it not a fact that the bill carries with it the power of condemnation by the Government, and would that not meet the gentleman's objection so far as any overcharge of the Government is concerned?

Mr. RAYBURN. That would be my understanding. Besides the limitation which will be in the bill upon the adoption of the committee amendment, there is always the additional safeguard of the power of condemnation by the Government.

Mr. MILLER of Nebraska. In view of the interest manifested by the Speaker, I withdraw my request that the bill be passed over without prejudice. I do have some reservations as to why pressure came to the committee and the manner in which it came, for this type of legislation. Personally I was quite unhappy about some of the testimony that was turned up in connection with this legislation.

Mr. RAYBURN. There are a great many people whose grasp for money exceeds their patriotism in matters of this kind. I do hope that the people who deal with this matter on behalf of the Government will protect the Government as far as possible.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to acquire, on behalf of the United States, by gift or purchase, a historic building of great pre-Revolutionary architectural merit known as the Old Stone House, located at 3051 M Street NW., Washington, D. C., together with the site on which it stands, more particularly described as lot 859, square 1209, containing approximately 20,048 square feet. In the event the Secretary of the Interior is unable to acquire the property at a price deemed by him to be reasonable, he is authorized and directed to acquire such property by condemnation under the provisions of the act of March 1, 1929 (45 Stat. 1415).

SEC. 2. The property acquired under the provision of section 1 of this act shall be renovated, stabilized, maintained, and preserved as one of the outstanding remaining examples in the city of Washington of eighteenth century architecture by the Secretary of the Interior, as a part of the National Capital Parks system, subject to the provisions of the act of August 21, 1935 (49 Stat. 666). The Secretary is authorized to establish a museum on the premises for relics and records pertaining to the early history of Georgetown and the city of Washington and he may accept, on behalf of the United States, for installation such museum articles which may be offered as additions to the museum.

SEC. 3. All acts or parts of acts inconsistent with the provisions of this act are repealed to the extent of such inconsistency.

SEC. 4. There is authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

With the following committee amendment:

Page 2, line 23, change the period to a colon and insert the following: "*Provided*, That the purchase price of lot 859, square 1209, shall not exceed 15 percent of the Government appraisal or price fixed by the court, and then not more than $90,000 without further authorization of Congress."

Mr. PETERSON. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. PETERSON to the committee amendment:

On page 3, lines 2 and 3, strike out the words "of the Government appraisal"; and

On page 3, line 2, after the word "exceed", insert the following: "the Government's appraisal by more than."

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER resumed the chair.

UNITED STATES LETTERS PATENT

The Clerk called the bill (S. 1739) to amend section 4934 of the Revised Statutes (U. S. C., title 35, sec. 78), as amended, to permit public libraries of the United States to acquire back copies of United States letters patent, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4934 of the Revised Statutes, as amended (U. S. C., title 35, sec. 78), is amended by inserting after "*Provided*, That the Commissioner of Patents may supply public libraries of the United States with such copies as published, for $50 per annum" a colon and the following: "*Provided further*, That the Commissioner of Patents may supply to any public library approved by the Commissioner, which on January 1, 1949, was receiving such copies under the preceding proviso, such copies for any year in which such library did not receive copies under the preceding proviso upon the payment of $50 per year for any such year."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAKE MOHAVE

The Clerk called the bill (S. 2117) to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the reservoir to be formed by the impounding of the waters of the Colorado River by the Davis Dam now under construction shall be known and designated on the public records as Lake Mohave.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR BURIAL OF LAST MEMBER OF THE GRAND ARMY OF THE REPUBLIC AND THE UNITED CONFEDERATE VETERANS

The Clerk called Senate Concurrent Resolution 64, relating to the burial of the last member of the Grand Army of the Republic and the United Confederate Veterans.

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That, upon the death of the last surviving member of the Grand Army of the Republic, and with the consent of his nearest living next of kin, the Secretary of the Army is requested to make arrangements for his burial, with fitting and appropriate ceremonies, in Arlington National Cemetery.

With the following committee amendment:

Page 1, following line 6: Add the following new section:

"SEC. 2. Upon the death of the last surviving member of the United Confederate Veterans, and with the consent of his nearest living next of kin, the Secretary of the Army is requested to make arrangements for his burial, with fitting and appropriate ceremonies, in Arlington National Cemetery."

The committee amendment was agreed to.

The concurrent resolution was agreed to.

The title was amended so as to read: "Concurrent resolution requesting burial in Arlington National Cemtery of the last surviving member of the Grand Army of the Republic upon his death and of the last surviving member of the United Confederate Veterans upon his death."

A motion to reconsider was laid on the table.

PREPARATORY COMMISSION FOR THE INTERNATIONAL REFUGEE ORGANIZATION

The Clerk called the bill (H. R. 5363) for the relief of the Preparatory Commission for the International Refugee Organization.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Reserving the right to object, Mr. Speaker, I would like to inquire of the chairman or someone in regard to this bill. Just why is it that the customs duties will be remitted to this organization and not to other people who come into the United States and pay duty on their jewelry, diamonds, and so forth when they are declared? I would like to understand why there is special privilege given to this one group of people in this bill that does not apply to all other peoples who emigrate to the United States.

Mr. CELLER. Mr. Speaker, there is quite a distinction, in this sense, that this is a remission of the customs duties to the Preparatory Commission for the International Refugee Organization. After the war was over the army of occupation seized upon considerable property, nonmonetary gold and silver, rugs, jewelry, and precious stones from the Nazis. It was agreed by international accord amongst the allied nations that this property that had been seized might be used to help rehabilitate and reestablish the economy of the various countries, the victims of Nazi persecution. It was thought best to bring some of this property to countries like the United States where there would be a ready market. The property was brought here and sold, with no profit to anybody, no profit either to the Preparatory Commission for the International Refugee Organization or any individual.

Mr. CUNNINGHAM. But even so, why should that not be subject to duty, the same as any other property that comes into the United States? It seems to me that this bill opens the door for a great deal of fraud on the part of people who might indirectly use this method to get property into the United States.

Mr. CELLER. It was not for any individuals at all or any group of individuals.

Mr. CUNNINGHAM. I understand that.

Mr. CELLER. The purpose of the bill is simply to reduce the charges or burdens that the United States customs laws inflicted upon an international organization set up to relieve human suffering.

Mr. CUNNINGHAM. If that was the agreement and if it was an agreement between the nations, how did it happen that our customs officials collected the duty in the first place?

Mr. CELLER. Because, unless a bill like this was passed, they had no other choice. They had to collect the duties. For that reason we are now asking that the amount of customs be remitted to this international organization which operates under the United Nations.

Mr. CUNNINGHAM. Was there any bill pending before the Congress, that the gentleman knows of, to exempt them from this duty?

Mr. CELLER. No. The procedure was unknown to us. Then after it had been accomplished, the State Department and the Treasury Department concurred in a request that this bill be passed, and that this organization, purely eleemosynary, be relieved of these burdens.

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

OSAGE INDIANS OF OKLAHOMA

The Clerk called the bill (S. 1719) to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act of Congress approved June 28, 1906 (34 Stat. 539, 543), is amended by striking out "President of the United States" and substituting in lieu thereof "Osage Tribal Council, subject to the approval of the Secretary of the Interior."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HAWAIIAN ORGANIC ACT

The Clerk called the bill (S. 3093) to amend section 82 of the Hawaiian Organic Act relating to the Supreme Court of the Territory of Hawaii and temporary vacancies therein.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 82 of the Hawaiian Organic Act (act approved April 30, 1900, ch. 339, 31 Stat. 157; 48 U. S. C., sec. 632), as amended, is amended to read as follows:

"SEC. 82. Supreme Court: That the supreme court shall consist of a chief justice and two associate justices, who shall be citizens of the Territory of Hawaii and shall be appointed by the President of the United States, by and with the advice and consent of the Senate of the United States, and may be removed by the President: *Provided*, That any vacancy or vacancies occurring within the court, whether by reason of disqualification, disability, death, resignation, removal, absence from the Territory or inability to attend, or for any other reason, shall, for the hearing and determination of any cause, be temporarily filled as provided by the law of said Territory, and, if there be no such law, then by appointment from among the circuit judges of the Territory by the remaining justices or justice, and if there be no such justice, then by the Governor."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHIPPEWA INDIANS OF LAKE SUPERIOR

The Clerk called the bill (H. R. 3125) to amend the Jurisdictional Act of August 30, 1935, affecting the Chippewa Indians of Lake Superior.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Jurisdictional Act of August 30, 1935, affecting the Chippewa Indians be amended in paragraph 3, line 28, to read as follows: "That in no case shall the fees decreed by said court amount to more than 10 percent of the amount of judgment recovered in such cause, to be paid only to contract attorneys if employed."

With the following committee amendment:

Strike out all after the enacting clause, and insert: "That in no case shall the fees decreed by said court amount to more than 10 percent of the amount of the judgment recovered in such cause, to be paid only to contract attorneys, if employed. Should an attorney be employed by the State to assist in the prosecution of any suit filed hereunder the court shall determine the value of his services on a quantum meruit basis and such amount shall be withheld from the said 10 percent and become available to said Indians as a part of said judgment."

Mr. MORRIS. Mr. Speaker, I offer an amendment, in the nature of a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRIS as a substitute for the committee amendment: Strike out all after the enacting clause and insert: "That the Jurisdictional Act of August 30, 1935, affecting the Chippewa Indians be amended in paragraph 3, line 28, to read as follows: 'That in no case shall the fees decreed by said court amount to more than 10 percent of the amount of judgment recovered in such cause, to be paid only to contract attorneys if employed.

" 'Should an attorney be employed by the State to assist in the prosecution of any suit filed hereunder the court shall determine the value of his services on a quantum meruit basis and such amount shall be withheld from the said 10 percent and become available to said Indians as a part of said judgment.' "

The substitute amendment was agreed to.

The committee amendment as amended by the substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the act of August 30, 1935 (49 Stat. 1049), authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims."

A motion to reconsider was laid on the table.

FORT FREDERICA NATIONAL MONUMENT, GA.

The Clerk called the bill (H. R. 6986) relating to the acquisition and addition of certain lands to Fort Frederica National Monument, in the State of Georgia, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted., etc., That the maximum acreage of the Fort Frederica National Monument established pursuant to the act of May 26, 1936 (49 Stat. 1373), is hereby increased from 8 acres to 100 acres.

SEC. 2. There is hereby authorized to be appropriated not to exceed $5,000 for the acquisition of land and interests in land for the said national monument. The Secretary of the Interior is authorized to use any funds so appropriated, together with any donated funds made available pursuant to the aforesaid act of May 26, 1936, for the procurement of land and interests in land for the national monument.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

EL MORRO NATIONAL MONUMENT, N. MEX.

The Clerk called the bill (S. 2274) to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to procure, for the protection and preservation of El Morro National Monument, the following-described land and interests in land:

NEW MEXICO PRINCIPAL MERIDIAN

Township 9 north, range 14 west:

Section 5, lots 1, 2, 3, 4; south half northeast quarter; south half northwest quarter; southwest quarter; and southeast quarter, containing six hundred forty and eighty one-hundredths acres;

Section 6, lots 1, 2, 3, 4; north half northeast quarter; northeast quarter northwest quarter; south half southeast quarter and southeast quarter southwest quarter, containing three hundred ninety-seven and ninety-two one-hundredths acres.

Comprising in all an addition of one thousand thirty-eight and seventy-two one-hundredths acres.

SEC. 2. All property acquired pursuant to this act shall become a part of the national monument upon the issuance of an appropriate order, or orders, by the Secretary of the Interior setting forth the revised boundaries of the monument, such order or orders to be effective upon publication in the Federal Register. Lands so added to the monument shall thereafter be subject to all laws and regulations applicable to the monument.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHOCTAW NATION OF INDIANS, OKLAHOMA

The Clerk called the bill (H. R. 6209) to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, the sum of $350,666.67 for the purpose of commuting to the said sum of $350,666.67 the annual appropriation, amounting to $10,520, made for the purpose of fulfilling the following treaties with the Choctaw Indians of Oklahoma: For permanent annuity (art. 2, treaty of November, 16, 1805, and art. 13, treaty of June 22, 1855), $3,000; for permanent annuity for support of light horsemen (art. 13, treaty of October 18, 1820, and art. 13, treaty of June 22, 1855), $600; for permanent annuity for support of blacksmith (art. 6, treaty of October 18, 1820, and art. 9, treaty of January 20, 1825, and art. 13, treaty of June 22, 1855), $600; for permanent annuity for education (art. 2, treaty of January 20, 1825, and art. 13, treaty of June 22, 1855), $6,000; for permanent annuity for iron and steel (art. 9, treaty of January 20, 1825, and art. 13, treaty of June 22, 1855), $320. The said sum of $350,666.67, when appropriated, shall be deposited in the Treasury of the United States to the credit of the Choctaw Nation.

SEC. 2. The commutation provided for in section 1 of this act shall be contingent upon a majority of the enrolled members of the Choctaw Nation approving of such commutation in a referendum election conducted by the Secretary of the Interior under such rules and regulations as he shall, with the concurrence of the principal chief of the said nation, prescribe.

SEC. 3. The Secretary of the Interior is directed to distribute per capita to the enrolled members of the Choctaw Nation, entitled under existing law to share in the funds of such nation, or to their lawful heirs or devisees determined in the manner prescribed in section 4 of the contract ratified by the act of June 24, 1948 (Public Law 754, 80th Cong.), any or all the funds appropriated pursuant to section 1 of this act.

SEC. 4. There is hereby authorized to be appropriated, out of any funds in the Treasury of the United States not otherwise appropriated, the sum of not to exceed $20,000 for the purpose of defraying the expenses of conducting the referendum provided for in section 1 of this act, and of making the per capita payments authorized in section 3 of this act.

With the following committee amendments:

Page 2, lines 15 to 17, strike the words "a majority of the enrolled members of the Choctaw Nation approving of such commutation" and insert in lieu thereof the following: "the approval of such commutation by a majority of the votes cast by the enrolled members of the Choctaw Nation."

Page 3, line 8, strike the figure "1" and insert in lieu thereof the figure "2."

Page 3, line 6, strike the figure "$20,000" and insert in lieu thereof the figure "$5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I desire to say first of all that I am pleased, indeed, over the action which the House has just taken in unanimously passing H. R. 6209, a bill which I had the honor of introducing. I desire next to pay tribute to the gentleman from Oklahoma [Mr. STIGLER], who was joint author of this proposal. The gentleman from Oklahoma [Mr. STIGLER] introduced an identical bill, H. R. 6189. No Member from Oklahoma is better informed on the problems of Oklahoma Indians, and particularly the Indians of the Five Civilized Tribes, than my colleague. He did a large amount of spadework leading up to final action on this measure by this House. I am sure that the Choctaw Indians of Oklahoma, most of whom live in my congressional district, join me in this expression of gratitude to Mr. STIGLER.

I also desire to pay a word of tribute to my colleague the gentleman from Oklahoma [Mr. MORRIS], who was chairman of the subcommittee which reported this bill. The painstaking attention which the gentleman from Oklahoma [Mr. MORRIS] gave to this matter and the expeditious but thorough manner in which his committee processed this bill are commendable, indeed.

Thirdly, I desire to explain briefly the provisions of this bill. It provides for the capitalization of certain annual payments now made to the Choctaw Tribe by the Government under various old treaties. These payments amount to $10,520 per year. This bill is in the nature of an offer by the Government to commute these old annuities to the lump sum of $350,666.67, to be distributed per capita to the members of the tribe subject to a vote by the living enrolled members as to whether or not they desire to capitalize these treaty payments. This is an authorization bill, and if the members of the tribe take favorable action on it, it will necessarily have to be followed by an appropriation.

This bill is not a grant. It is simply the settlement of certain standing obligations. If enacted, it will eliminate the burdensome procedure now used in making the annual appropriation to $10,520. This amount is so small that it is of little benefit to the members of the tribe at the present time. The commutation is based upon the practices used by governmental agencies as well as commercial concerns, and is believed to be fair both to the Indians and to the Government.

RED LAKE BAND OF CHIPPEWA INDIANS

The Clerk called the bill (H. R. 6319) to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians, from the proceeds of the sale of timber and lumber on the Red Lake Reservation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to withdraw as much as may be necessary from the fund on deposit in the Treasury of the United States arising from the proceeds of the sale of timber and lumber within the Red Lake Reservation in Minnesota, according to the provisions of the act of May 18, 1916 (39 Stat. 137), to the credit of the Red Lake Indians in Minnesota, and to pay therefrom $100, in two equal installments to each member of the Red Lake Band of Chippewa Indians of Minnesota who is living at the date of enactment of this act. The first installment of $50 per capita to be made January 15, 1950, and the second installment of $50 per capita to be made January 15, 1951. Such installment payments shall be made under such rules and regulations as the Secretary of the Interior may prescribe.

SEC. 2. No money paid to Indians under this act shall be subject to any lien or claim of attorneys or other persons. Before any payment is made under this act, the Red Lake Band of Chippewa Indians of Minnesota shall, in such manner as may be prescribed by the Secretary of the Interior, ratify and accept the provisions of this act.

SEC. 3. Payments made under this act shall not be held to be "other income and resources" as that term is used in sections 2 (a) (7), 402 (a) (7), and 1002 (a) (8) of the Social Security Act, as amended (U. S. C. 1946 edition, title 42, secs. 302 (a) (7), 602 (a) (7), and 1202 (a) (8)).

With the following committee amendment:

Page 2, line 4, strike out "January 15, 1950," and insert in lieu thereof "upon the passage and approval of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLAQUE IN CARLSBAD CAVERNS HONORING JIM WHITE

The Clerk called the bill (S. 1959) to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purpose of commemorating the contribution of Jim White to the early history and public knowledge of Carlsbad Caverns, the Secretary of the Interior is authorized to erect a plaque or marker with an appropriate inscription thereon within Carlsbad Caverns National Park. Such plaque or marker shall be erected near the elevator in the elevator building in the park.

SEC. 2. There is authorized to be appropriated for the purposes of this act not to exceed $200.

The bill ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DE SOTO NATIONAL MEMORIAL, FLORIDA

The Clerk called the bill (H. R. 8230) to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, Florida, is hereby amended to read as follows:

"SEC. 3. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MULTIPURPOSE TUNNEL THROUGH THE LAGUNA MOUNTAINS IN SAN DIEGO COUNTY, CALIF.

The Clerk called the bill (H. R. 6339) to authorize a survey to determine the feasibility and advisability of constructing a multipurpose tunnel through the Laguna Mountains in San Diego County, Calif.

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, can a member of the committee answer a question or two on this particular bill? In the first place, I am wondering who would construct this highway, railway, and aqueduct tunnel in the event the survey revealed that it is a feasible project.

Mr. DAVIS of Tennessee. That would be determined later.

Mr. BYRNES of Wisconsin. What bothers me is this: Are we to understand this would be a project which would be appropriate for the Army engineers or the United States Government to undertake?

Mr. DAVIS of Tennessee. It would be expected that the Army engineers would enter into the survey to determine whether or not it should be done. They have a very serious water situation out in San Diego, as the gentleman possibly knows, and this would cut off a great many miles of very, very difficult terrain. But the chief object of the bill is to provide more water for San Diego. They really are in a very desperate situation out there.

Mr. BYRNES of Wisconsin. I appreciate the responsibility of the Corps of Engineers and of the United States Government in relation to rivers and harbors and flood control, and so forth; but I am wondering what the responsibility of the Federal Government is as far as constructing a general highway, or railroad, or aqueduct tunnel; and if we do not have basic responsibility to furnish this service I wonder why we have the responsibility of making the surveys to determine feasibility. That is the question that is bothering me in this instance. If the gentleman could tell me what our end responsibility is I think he might be able to relieve my mind somewhat on the situation.

Mr. DAVIS of Tennessee. I am going to ask the chairman of our committee to answer that in more detail for the gentleman.

Mr. WHITTINGTON. The gentleman's inquiry may be answered by the report of the committee. The bill was amended so that the chief of engineers would consult the Bureau of Reclamation, the Department of the Interior, the Bureau of Public Roads, Department of Commerce, and the other governmental agencies. The matter of an aqueduct to divert the waters of a river like the Colorado would be a matter which would concern the Chief of Engineers and the Corps of Engineers.

This is a preliminary examination. It might have been made by other agencies. It might have been made by the Commissioner of Public Roads. However, this bill provides for the examination in coordination with all of the departments to be made by the Chief of Engineers. It involves a multiple-purpose tunnel. It includes transportation, it includes water supply which the gentleman from Tennessee [Mr. DAVIS] referred to, and sets no precedent. It does not provide for any project at all. That matter will be determined later when the report comes in.

Mr. BYRNES of Wisconsin. Are these public lands over which the highway, railway, and water aqueduct would run? Is that the reason for the Federal Government's interest in the area?

Mr. WHITTINGTON. The interest of the Federal Government in the proposal is a public interest. Here is a city, San Diego, between the mountains and the sea. We are interested in diversion of the waters of the Colorado River. They have to come through the metropolitan district of Los Angeles now. It is in the public interest. In the event of war these people might be cut off. The United States Government is profoundly interested and by way of further explanation I may say that the Navy Department down there has an installation that costs a great deal. The United States participated in the provision for water being diverted from the metropolitan area there at a cost of several million dollars.

Mr. BYRNES of Wisconsin. I cannot help but feel that unless there is ample justification for Federal interest in this particular survey there can be no justification for the Federal Government going in there and spending $50,000 for a preliminary survey to find out whether it should make a further survey which will cost $575,000. I do not believe the gentleman has satisfied me that once that survey is completed and it is found feasible the Federal Government should go in and do the work.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAWFORD. It was my privilege to spend practically all of week before last surveying this very territory. The good people of the metropolitan districts of southern California, which include Los Angeles and San Francisco and towns in between, have put upon themselves a debt of about $325,000,000 to build a certain water system, including a great aqueduct 16 feet in diameter, that runs from the Colorado River across the mountains approximately 450 miles to furnish water to San Diego, Los Angeles, and other cities in that area. That aqueduct is being used perhaps at 6 or 7 percent of its capacity at the present time. The project has proven to be very successful.

In addition to that, when the Second World War developed, the Navy, performing great operations at San Diego, built a canal off of this aqueduct distribution into San Diego, which has been taken over by the metropolitan water districts of southern California and it is new serving those areas.

In addition you have the Alamo Canal, you have the great canal system supplying water to the Imperial Valley, you have the water system supplying water to the Coachella Valley——

Mr. BYRNES of Wisconsin. Mr. Speaker, if the gentleman will yield right there, those are all State projects or local projects, so to speak, are they not?

Mr. CRAWFORD. Those are State and Federal. For instance, this canal system ties into the Imperial Dam, the Parker Dam, the Hoover Dam, the new dam which is now being built, on which the bill just previously dealt with here, had to do with the changing of name of the great lake to be formed, and I join with the gentleman from Wisconsin insofar as the aqueduct provisions in this bill are concerned. If it is the desire to change the Federal highway down there and to make some surveys with reference to changing that, there might be something to it; I am not familiar with this bill, but I do not understand just why the provisions which refer to the aqueduct, with respect to the San Diego Harbor, are tied into this because, let me repeat now, you have an aqueduct running from the Colorado River across the mountains, approximately 450 miles long, 16 feet in diameter, which is running at a very, very small percentage of its capacity at the present time, because the water is not now called for.

That additional capacity will be used in the years to come by installing certain additional pumping capacity. Now, just why you need an additional aqueduct in connection with this bill, I do not know, unless it be that if you are building a road through the mountains, you can prepare an aqueduct for some great use in the future which would save you money by reason of the savings in connection with it being installed at the time the road is built. The gentleman may have some information he could give us on that.

Mr. WHITTINGTON. I may say that according to the testimony developed before the committee and according to the report here that this is a multiple-purpose tunnel. It would cover highways, it would cover railways, it will provide for any aqueduct that may be needed. The testimony indicated on this resolution as amended that provides for a preliminary examination, that in addition to the large amount of money that the Federal Government spent many millions of dollars—I do not undertake to quote the figure exactly—but as a matter of national defense the Federal Government contributed largely to the provision for the water for the metropolitan district out of the Colorado River, and it was indicated in the reports that the provision now made was inadequate and that a survey might better determine whether or not an aqueduct would be better than to enlarge those facilities. So, on the whole therefore, with the report from the Department of National Defense recommending this survey, with a report from the Director of the Budget, with a report from the Department of the Interior, with a report from the Department of Commerce, having jurisdiction over the matter of highways, having jurisdiction over the matter of the water supply that has already been installed there, and the future needs that may be required, it was felt in all the circumstances that a preliminary examination should be made, and the bill was so amended. So, in all the circumstances, in view of the fact that we have this vast metropolitan area between the mountains and the sea, that additional provisions would have to be made for water, and that a tunnel there that would provide for better transportation, we felt that that matter might well be explored, as it relates to highways, railways, and aqueducts.

Mr. BYRNES of Wisconsin. Mr. Speaker, I appreciate the gentleman's explanation. However, there are still some questions in my mind, and under the circumstances I ask unanimous consent, Mr. Speaker, that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ORDERS OF THE FEDERAL COMMUNICATIONS COMMISSION

The Clerk called the bill (H. R. 5487) to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended, and of orders of the United States Maritime Commission under the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc.—

DEFINITIONS

SECTION 1. As used in this act—

(a) "Court of appeals" means a court of appeals of the United States.

(b) "Clerk" means the clerk of the court in which the petition for the review of an order, reviewable under this act, is filed.

(c) "Petitioner" means the party or parties by whom a petition to review an order, reviewable under this act, is filed.

(d) When the order sought to be reviewed was entered by the Federal Communications Commission, "agency" means the Commission; when such order was entered by the Secretary of Agriculture, "agency" means the Secretary; when such order was entered by the United States Maritime Commission, "agency" means that Commission.

JURISDICTION

SEC. 2. The court of appeals shall have exclusive jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of, all final orders (a) of the Federal Communications Commission made under the Communications Act of 1934, as amended, and (b) of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and under the Perishable Agricultural Commodities Act, 1930, as amended, except orders issued under sections 309 (e) and 317 of the Packers and Stockyards Act and section 7 (a) of the Perishable Agricultural Commodities Act, and (c) such final orders of the United States Maritime Commission entered under authority of the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended, as are now subject to judicial review pursuant to the provisions of section 31, Shipping Act, 1916, as amended.

Such jurisdiction shall be invoked by the filing of a petition as provided in section 4 hereof.

VENUE

SEC. 3. The venue of any proceeding under this act shall be in the judicial circuit wherein is the residence of the party or any of the parties filing the petition for review, or wherein such party or any of such parties has its principal office, or in the United States Court of Appeals for the District of Columbia: *Provided*, That the venue of any proceeding to review orders now reviewable under section 402 (b) of the Communications Act of 1934, as amended, shall be in the United States Court of Appeals for the District of Columbia.

REVIEW OF ORDERS

SEC. 4. Any party aggrieved by a final order reviewable under this act may, within 60 days after entry of such order, file in the court of appeals, wherein the venue as prescribed by section 3 hereof lies, a petition to review such order. Upon the entry of such an order, notice thereof shall be given promptly by the agency by service or publication in accordance with the rules of such agency. The action in court shall be brought against the United States. The petition shall contain a concise statement of (a) the nature of the proceedings as to which review is sought, (b) the facts upon which venue is based, (c) the grounds on which relief is sought, and (d) the relief prayed. The petitioner shall attach to the petition, as exhibits, copies of the order, report, or decision of the agency. The clerk shall serve a true copy of the petition upon the agency and upon the Attorney General of the United States by mailing by registered mail, with request for return receipt, a true copy to the agency and a true copy to the Attorney General.

PREHEARING CONFERENCE

SEC. 5. The court of appeals may hold a prehearing conference or direct a judge of such court to hold a prehearing conference.

RECORD TO BE CERTIFIED

SEC. 6. Within the time prescribed by, and in accordance with the requirements of, rules promulgated by the court of appeals in which the proceeding is pending, unless the proceeding has been terminated on a motion to dismiss the petition, the agency shall file in the office of the clerk the record on review, duly certified, consisting of the pleadings, evidence, and proceedings before the agency, or such portions thereof as such rules shall require to be included in such record, or such portions thereof as the petitioner and the agency, with the approval of the court of appeals, shall agree upon in writing.

PETITIONS HEARD ON RECORD BEFORE RESPONDENT

SEC. 7. (a) Petitions to review orders reviewable under this act, unless determined on a motion to dismiss the petition, shall be heard in the court of appeals upon the record of the pleadings, evidence adduced, and proceedings before the agency where the agency has in fact held a hearing whether or not required to do so by law.

PROCEDURE WHERE NO HEARING HELD

(b) Where the agency has held no hearing prior to the taking of the action of which review is sought by the petition, the court of appeals shall determine whether a hearing is required by law. After such determination, the court shall (1) where a hearing is required by law, remand the proceedings to the agency for the purpose of holding a hearing; (2) where a hearing is not required by law, pass upon the issues presented when it appears from the pleadings and affidavits filed by the parties that no genuine issue of material fact is presented; and (3) where a hearing is not required by law, and a genuine issue of material fact is presented, transfer the proceedings to a United States district court for the district where the petitioner or any petitioner resides or has its principal office for hearing and determination as if such proceedings were originally initiated in the district court. The procedure in such cases in the United States district courts shall be governed by the Federal Rules of Civil Procedure.

ADDITIONAL EVIDENCE

(c) If a party to a proceeding to review shall apply to the court of appeals, in which the proceeding is pending, for leave to adduce additional evidence and shall show to the satisfaction of such court (1) that such additional evidence is material, and (2) that there were reasonable grounds for failure to adduce such evidence before the agency, such court may order such additional evidence and any counterevidence the opposite party desires to offer to be taken by the agency. The agency may modify its findings of fact, or make new findings, by reason of the additional evidence so taken and may modify or set aside its order and shall file a certified transcript of such additional evidence, such modified findings or new findings, and such modified order or the order setting aside the original order.

SCOPE OF REVIEW

(d) The findings of the agency as to the facts, if supported by substantial evidence, shall be conclusive. No objection to the order of the agency shall be considered by the court unless such objection shall have been urged before the agency or unless there were reasonable grounds for failure to do so.

REPRESENTATION IN PROCEEDING—INTERVENTION

SEC. 8. The Attorney General shall be responsible for and have charge and control of the interests of the Government in all court proceedings authorized by this act. The agency, and any party or parties in interest in the proceeding before the agency whose interests will be affected if an order of the agency is or is not enjoined, set aside, or suspended, may appear as parties thereto of their own motion and as of right, and be represented by counsel in any proceeding to review such order. Communities, associations, corporations, firms, and individuals, whose interests are affected by the agency's order, may intervene in any proceeding to review such order. The Attorney General shall not dispose of or discontinue said proceeding to review over the objection of such party or intervenors aforesaid, but said intervenor or intervenors may prosecute, defend, or continue said proceeding unaffected by the action or nonaction of the Attorney General therein.

JURISDICTION OF PROCEEDING

SEC. 9. (a) Upon the filing and service of a petition to review, the court of appeals shall have jurisdiction of the proceeding. The court of appeals in which the record on review is filed, on such filing, shall have jurisdiction to vacate stay orders or interlocutory injunctions theretofore granted by any court, and shall have exclusive jurisdiction to make and enter, upon the petition, evidence, and proceedings set forth in the record on review, a judgment determining the validity of, and enjoining, setting aside, or suspending, in whole or in part, the order of the agency.

STAY OR SUSPENSION OF ORDERS; INTERLOCUTORY INJUNCTIONS

(b) The filing of the petition to review shall not of itself stay or suspend the operation of the order of the agency, but the court of appeals in its discretion may restrain or suspend, in whole or in part, the operation of the order pending the final hearing and determination of the petition. Where the petitioner makes application for an interlocutory injunction suspending or restraining the enforcement, operation, or execution of, or setting aside, in whole or in part, any order reviewable under this act, at least 5 days' notice of the hearing thereon shall be given to the agency and to the Attorney General of the United States. In cases where irreparable damage would otherwise ensue to the petitioner, the court of appeals may, on hearing, after not less than 5 days' notice to the agency and to the Attorney General, order a temporary stay or suspension, in whole or in part, of the operation of the order of the agency for not more than 60 days from the date of such order pending the hearing on the application for such interlocutory injunction, in which case such order of the court of appeals shall contain a specific finding, based on evidence submitted to the court of appeals, and identified by reference thereto, that such irreparable damage would result to petitioner and specifying the nature of such damage. The court of appeals, at the time of hearing the application for an interlocutory injunction, upon a like finding, may continue the temporary stay or suspension, in whole or in part, until decision on the application.

The hearing upon such an application for an interlocutory injunction shall be given preference and expedited and shall be heard at the earliest practicable date after the expiration of the notice of hearing on the application provided for above.

Upon the final hearing of any proceeding to review any order under this act, the same requirements as to precedence and expedition shall apply.

REVIEW IN THE SUPREME COURT ON CERTIORARI OR CERTIFICATION

SEC. 10. An order granting or denying an interlocutory injunction under section 9 (b) of this act shall be subject to review by the Supreme Court of the United States upon writ of certiorari as provided in title 28, United States Code, section 1254 (1): *Provided*, That application therefor be duly made within 30 days after the entry of such order. The final judgment of the court of appeals in a proceeding to review under this act shall be subject to review by the Supreme Court of the United States upon a writ of certiorari in accordance with the provisions of title 28, United States Code, section 1254 (1): *Provided further*, That application therefor be duly made within 60 days after the entry of such judgment. Either the United States or the agency or an aggrieved party may file such petition for a writ of certiorari. The provisions of title 28, United States Code, section 1254 (3), regarding certification, and of title 28, United States Code, section 2101 (e), regarding stays, shall also apply to proceedings under this act.

RULES

SEC. 11. The several courts of appeals shall adopt and promulgate rules governing the practice and procedure, including prehearing conference procedure, in proceedings to review orders under this act: *Provided, however*, That such rules shall be approved by the Judicial Conference of the United States.

ENFORCEMENT

SEC. 12. The several United States district courts are hereby vested with jurisdiction specifically to enforce, and to enjoin and restrain any person from violating any order heretofore or hereafter issued under section 203 of the Packers and Stockyards Act, 1921 (42 Stat. 161).

REPEALS

SEC. 13. All laws or parts of laws inconsistent with the provisions of this act are repealed.

EFFECTIVE DATE

SEC. 14. This act shall take effect on the thirtieth day after the date of its approval. However, actions to enjoin, set aside, or suspend orders of the Federal Communications Commission or the Secretary of Agriculture, which are pending when this act becomes effective, shall not be affected thereby, but shall proceed to final disposition under the existing law.

With the following committee amendments:

Page 2, line 17, delete "under" and insert "reviewable in accordance with the provisions of section 402 (a) of."

Page 3, lines 13 through 17, delete ": *Provided*, That the venue of any proceeding to review orders now reviewable under section 402 (b) of the Communications Act of 1934, as amended, shall be in the United States Court of Appeals for the District of Columbia," and place a period after the word "Columbia" in line 13.

Page 9, line 25, delete "30" and insert "45."

Page 10, line 6, delete "60" and insert "90."

The committee amendments were agreed to.

Mr. REED of Illinois. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of Illinois:

On page 2, line 14, after "Commission", strike out the comma and insert "or the Federal Maritime Board," and at the end of the line, and before the period, insert "or board, as the case may require."

On page 3, line 3, after "Commission", insert "or the Federal Maritime Board."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended, and of orders of the United States Maritime Commission or the Federal Maritime Board under the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended."

A motion to reconsider was laid on the table.

DEPARTMENT OF COMMERCE

The Clerk called the bill (S. 2969) to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit, in the accounts of authorized certifying officers of terminated war agencies in process of liquidation by the Department of Commerce at the time of the enactment of this act, for the amounts of suspensions and disallowances, which have been, or may be, raised by the General Accounting Office on account of payments made in accordance with vouchers certified by such certifying officers: *Provided*, That the Secretary of Commerce or his authorized representative shall certify that in his opinion there is no evidence of fraud or collusion on the part of the certifying officers in connection with the payments: *Provided further*, That nothing under this act shall operate to relieve from liability to the United States, any payee who has received any payment of Government funds to which he is not entitled.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF THE INTERIOR

The Clerk called the bill (S. 3226) to authorize the relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to allow credit in the accounts of authorized certifying officers of terminated war agencies, in process of liquidation by the Department of the Interior at the time of the enactment of this act, for the amounts of suspensions and disallowances, which have been, or may be, raised by the General Accounting Office on account of payments made in accordance with vouchers certified by such certifying officers: *Provided*, That the Secretary of the Interior or his authorized representative shall certify that in his opinion there is no evidence of fraud or collusion on the part of the certifying officers in connection with the payments.

SEC. 2. The expression "terminated war agencies," as used in this act, means the Solid Fuels Administration for War, the Petroleum Administration for War, the War

Relocation Authority, the Coal Mines Administration, the Office of the United States High Commissioner to the Philippine Islands, and that part of the functions of the Division of Territories and Island Possessions authorized under the head of "Emergency fund, Territories and island possessions (national defense)" by the joint resolution of December 23, 1941 (55 Stat. 855, 856).

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORWARDING AND RETURN OF SECOND-, THIRD-, AND FOURTH-CLASS MAIL

The Clerk called the bill (S. 3118) relating to the forwarding and return of second-, third-, and fourth-class mail, the collection of postage due at the time of delivery, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, under such regulations as the Postmaster General may prescribe, second-, third-, and fourth-class matter which is undeliverable as addressed may be forwarded to the addressee or returned to the sender and the postage for such service may be prepaid or collected on delivery of the matter in accordance with the instructions and pledge of the addressee or sender, as the case may be, to pay the forwarding or return postage, and such matter, including that of a perishable or urgent nature, for which payment of forwarding or return postage is not pledged, may be forwarded or returned under such conditions as the Postmaster General shall prescribe, but when the addressee or sender refuses to pay the required postage, the forwarding or return of further matter may be discontinued.

SEC. 2. (a) Under such regulations as the Postmaster General may prescribe, the addressee or sender of second-, third-, or fourth-class matter which is undeliverable as addressed may be so notified, and there shall be a charge for each such notice of not to exceed 5 cents.

(b) When copies of any publication of the second class mailed by a publisher or news agents at the pound rate or free-in-county of publication are undeliverable as addressed, such publisher or agent shall be notified of that fact in such manner and at such time as the Postmaster General may prescribe, for which service there shall be a charge of not to exceed 5 cents, and copies of the publication received subsequent to such notification shall be treated as provided by this act or as may otherwise be directed by the Postmaster General.

SEC. 3. All laws or parts of laws inconsistent with the provisions of this act are hereby repealed. Such repeal shall include, but shall not be limited to, the following laws and parts of laws: (1) Revised Statutes, section 3835 (39 U. S. C., sec. 253); (2) section 4 of the act of June 13, 1898 (30 Stat. 444), as amended by section 9 of the act of March 3, 1903 (32 Stat. 1176); and the act of November 19, 1919 (41 Stat. 360), relative to forwarding or return of certain mail matter (39 U. S. C. 276, 278); (3) the next to the last paragraph of the act of May 12, 1910 (36 Stat. 366), as amended by the act of July 21, 1932 (47 Stat. 709), relating to second-class publications undeliverable at the address thereon (39 U. S. C. 277).

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

PERIODIC CENSUS OF GOVERNMENTS

The Clerk called the bill (H. R. 7265) to provide for the conduct of a periodic census of governments.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That (a) the Secretary of Commerce, hereinafter referred to as the Secretary, shall take, compile, and publish for the year 1952 and for every fifth year thereafter a census of governments, to include but not be limited to data on taxes and tax valuations, governmental receipts, expenditures, indebtedness, and employees of States, counties, cities, and other governmental units in the United States and in such of its Territories and possessions as may be determined by the Secretary.

(b) Inquiries, and the number, form, and subdivisions thereof for the census of governments, shall be determined by the Secretary: *Provided*, That nothing in this act shall be deemed to revoke or impair the authority of any other Federal agency with respect to the collection or release of information.

SEC. 2. Sections 7, 8, 11, 12, and 15 of the act of June 18, 1929 (46 Stat. 21; 13 U. S. C. 207, 208, 211, 212, and 215), as amended by section 404 of the Second Reorganization Plan (53 Stat. 1436), shall apply to the taking of the census of governments: *Provided, however*, That for the purpose of securing the statistics required by this act, employees may be appointed and receive compensation in accordance with section 3 of the act of June 18, 1929 (46 Stat. 21, 13 U. S. C. 203), as amended: *Provided further*, That section 11 thereof, relating to the confidential treatment of data for particular individuals and establishments, shall not apply to information compiled from or customarily provided in public records: *Provided further*, That the Secretary is authorized to acquire by purchase or otherwise from States, counties, cities, or other units of government, or their instrumentalities, or from private persons and agencies such copies of records and such reports and other material as may be required for the efficient and economical conduct of the census of governments.

SEC. 3. The Secretary may promulgate such rules and regulations as may be necessary in the conduct of the census of governments, and he may delegate authority to perform any functions herein vested in the Secretary to officers and employees under his direction and supervision.

SEC. 4. Section 7 of the act of March 6, 1902 (32 Stat. 52, 13 U. S. C. 111), as amended, is further amended by deletion of that portion reading: "to social statistics of cities; to public indebtedness, valuation, taxation, and expenditures."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RENEWAL OF CONTRACTS FOR CARRYING OF MAIL ON STAR ROUTES

The Clerk called the bill (H. R. 8270) relating to the renewal of contracts for the carrying of mail on star routes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of the next to last paragraph of section 3951 of the Revised Statutes, as amended (U. S. C., title 39, sec. 434), is amended to read as follows:

"The Postmaster General may, in his discretion and in the interest of the postal service, (1) notwithstanding the provisions of section 3949 of the Revised Statutes, as amended (U. S. C., title 39, sec. 429), by mutual agreement with the holder of any star-route contract, renew such contract at the rate prevailing at the end of the contract term for additional terms of 4 years with such bond as may be required by the Postmaster General, or (2) in any case in which a contractor has sublet the route in accordance with law and does not indicate in writing to the Postmaster General at least 90 days before the end of the contract term that he desires to renew the contract, the Postmaster General may enter into a contract upon the same terms with such bond as may be required by the Postmaster General, without advertising the route for bids, with a subcontractor then operating the route who has performed the services required under the contract to the satisfaction of the Postmaster General for a period of at least 1 year."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMINISTRATION OF PERFORMANCE-RATING PLANS

The Clerk called the bill (H. R. 7824) to provide for the administration of performance-rating plans for certain officers and employees of the Federal Government, and for other purposes.

Mr. CUNNINGHAM. Mr. Speaker, this bill apparently is very complicated. It revises the seniority system in the governmental departments. It seems to me it may be too controversial for the Consent Calendar. Therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING THE CIVIL SERVICE RETIREMENT ACT

The Clerk called the bill (H. R. 7866) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 (e) of the Civil Service Retirement Act of May 29, 1930, as amended, is amended to read as follows:

"(e) In any case in which—

"(1) an officer or employee to whom this act applies shall die before having rendered 5 years of civilian service computed as prescribed in section 5, or after having rendered 5 years of civilian service but without a survivor or survivors entitled to annuity benefits provided by subsection (c); or

"(2) the right of all persons entitled to annuity under subsection (c) based on the service of such officer or employee shall terminate before a valid claim therefor shall have been established,

the total amount credited to the individual account of such officer or employee with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year, to the date of death of such officer or employee, shall be paid upon the establishment of a valid claim therefor, to the person or persons surviving at the date title to the payment arises, in the following order of precedence, and such payment shall be a bar to recovery by any other person:

"First, to the beneficiary or beneficiaries as the officer or employee may have designated by a writing received in the Civil Service Commission prior to death;

"Second, if there be no such beneficiary, to the widow or widower of such officer or employee;

"Third, if none of the above, to the child or children of such officer or employee and descendants of deceased children by representation;

"Fourth, if none of the above, to the parents of such officer or employee or the survivor of them;

"Fifth, if none of the above, to the duly appointed executor or administrator of the estate of such officer or employee;

"Sixth, if none of the above, to other next of kin of such officer or employee as may be determined by the Civil Service Commission to be entitled under the laws of domicile of such officer or employee at the time of his death.

"Determination as to widow or child shall be made by the Civil Service Commission without regard to the definition of these terms stated in subsection (d) of this section."

SEC. 2. All claims received in the Civil Service Commission after the effective date of this amendment shall be paid in accordance with the order of precedence stated herein.

SEC. 3. Section 12 (k) of the Civil Service Retirement Act of May 29, 1930, as amended, is hereby amended to read as follows:

"(k) Each employee or former employee to whom this act applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries for the purposes of this act. Except where an application for benefits based on the death of the designator has been received in the Civil Service Commission not later than 3 months following the effective date of this amendment, all designations of beneficiary received in the Civil Service Commission more than 1 month before such effect date shall be null and void."

SEC. 4. This act shall take effect on the first day of the fourth month following its date of approval.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOUTH PARKERSBURG, W. VA.

The Clerk called the joint resolution (H. J. Res. 461) to provide that South Parkersburg, W. Va., shall for the purposes of the seventeenth decennial census be treated as a part of Parkersburg, W. Va.

There being no objection, the Clerk read the joint resolution as follows:

Whereas South Parkersburg, W. Va., will become a part of Parkersburg, W. Va., on July 28, 1950, pursuant to an election held by the citizens of Parkersburg and South Parkersburg on April 4, 1950; and

Whereas the results of the seventeenth decennial census, which will constitute a source of official information for the next decade, will be inaccurate if Parkersburg and South Parkersburg are treated as separate communities: Therefore be it

Resolved, etc., That South Parkersburg, W. Va., shall for the purposes of the seventeenth decennial census be treated as a part of Parkersburg, W. Va.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY COTTON ALLOTMENTS

Mr. POAGE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 8575) to provide emergency cotton allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by natural causes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. POAGE. This bill allows those whose crops have been destroyed by natural causes, particularly hail, to replant them in cotton to the extent of one-half the acreage of the destroyed crops.

Frankly, what has happened is that during this year there probably have been more disastrous hailstorms than we have ever known. There was one that swept through central Texas 2 weeks ago tonight, which was 50 miles long. That is extremely unusual for a hailstorm. It destroyed some 60,000 acres of growing crops, and most of the crops were approaching maturity. They are just getting ready to harvest the small grain in our country. The corn is about waist high. Both corn and grain were, of course, destroyed. It is too late to replant these crops. It is practically too late to replant any cotton, too, because the first week in June is considered our last planting time in central Texas.

But this bill allows farmers who have lost their crops to plant half of the destroyed acreage in cotton under rules prescribed by the Secretary of Agriculture.

Mr. MARTIN of Massachusetts. How much acreage is involved in this?

Mr. POAGE. Actually there is no reason to suppose that this bill would result in planting the 21,000,000-acre total allotment provided by last year's bill. It could not add any large acreage as the cotton planting season is almost past.

The bill limits the relief to 150,000 acres for the Nation, but I am sure that this late in the season it will be impossible to use that much.

Mr. MARTIN of Massachusetts. Has the bill been approved by the Committee on Agriculture?

Mr. POAGE. Yes, it is a unanimous report of the Committee on Agriculture.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. REES. Then that means that we are going to increase the cotton acreage after having put a limit on it some time ago.

Mr. POAGE. Yes, but I would like to call the gentleman's attention to the fact that in spite of the fact that earlier this spring we thought we greatly increased the cotton acreage, the latest estimate by the Department of Agriculture is that there is going to be less than 21,000,000 acres of cotton planted, which means that there was not any increase at all, taking the country over.

Mr. REES. This is the second time that we are increasing the cotton acreage, is it not?

Mr. POAGE. Yes, but we have not yet come up to the 21,000,000 acres allotted. This bill limits the new acreage to one-half of what was destroyed. In other words, if 100 acres were destroyed, it means a man cannot plant more than 50 acres in cotton under the terms of this bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. POAGE]?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, nothwithstanding any other provision of law, the Secretary shall use not more than 150,000 acres in 1950 (which shall be in addition to the national acreage allotment) for the purpose of making emergency cotton acreage allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by causes beyond the control of the producer, including hail, flood, drought, and other natural causes. Such acreage shall be allocated under regulations promulgated by the Secretary, shall provide for a cotton allocation and marketing quota for the 1950 crop only, and shall not be considered as giving to any farm, county, or State any credit or history for the purposes of cotton allocations in any subsequent year: *Provided*, That in no event shall any farm be allotted more than one acre of cotton under the provisions of this act for each two acres of other crops which have been destroyed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING CRIMINAL PENALTIES UNDER SHERMAN ANTITRUST ACT

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7827) to increase criminal penalties under the Sherman Antitrust Act.

The Clerk read, as follows:

Be it enacted, etc., That sections 1, 2, and 3 of the act of July 2, 1890 (15 U. S. C. 1 ff.), as amended, are hereby further amended by striking out in each section where it appears, the phrase "fine not exceeding $5,000" or the phrase "fine not exceeding $5,000" and substituting in lieu thereof in each case the phrase "fine not exceeding $50,000."

The SPEAKER. Is a second demanded?

If not, the Chair will put the question on the motion to suspend the rules and pass the bill.

Mr. GROSS. Mr. Speaker, I do not know what the parliamentary situation is here, but I would like to know something about the bill.

Mr. MICHENER. Mr. Speaker, I do not know of any opposition to the bill, but of course there is no reason why the bill should not be explained. I am in favor of the bill and cannot qualify to demand a second if anyone opposed to the bill demand a second. But in order that the Members may have an explanation of the bill, I will demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. CELLER. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the bill is very simple in form. It merely increases the monetary penalty for violation of the Sherman Antitrust Act from $5,000 to $50,000. It is presented to you in a purely bipartisan spirit. For example, the gentleman from Pennsylvania [Mr. WALTER] on my side of the aisle offered the bill. The gentleman from New York [Mr. KEATING] on the other side of the aisle, has written a very comprehensive and most cogent and illuminating report on the bill.

Mr. Speaker, when the Sherman Act was passed, way back in 1890, for example, Henry Ford had not invented the Model T, and the Wright brothers had not flown their plane from Kitty Hawk. Science, war, medicine, are conducted along modern twentieth century lines today. Apparently, however, our economy lags behind, particularly our industrial economy. Much of our antitrust fabric of law must be made current with present realities, especially the provisos for sanctions. While $5,000 in 1890 might have been considered quite a sum, but when one considers the type of violators of the Sherman Act in 1950, the sum of $5,000 is a piddling indeed. We feel the amount of the penalty should be increased. For example, if you would consider some of the fines that have been imposed against some malefactors against the Sherman Act, you would be rather amazed. For example, within the past 12 years General Motors Corp. was involved in five violations of the Sherman Act. In all of those five cases the total amount of fines was only $11,000. The E. I. du Pont de Nemours Corp. was involved in seven Sherman Act violations. The total fines for those seven violations was but $42,000. The General Electric Co. was involved in six such violations. The total fines were only $30,000. The Allied Chemical & Dye Corp. was involved in six offenses against the antitrust laws. The penalty was only $25,000. Those criminal consequences or fines are—I repeat—piddling when one compares the unjust enrichments that those corporations may have obtained because of those violations. Likewise, when compared to the over-all financial status of those guilty corporations, the fines were insignificant.

We members of the Judiciary Committee unanimously feel that the amount should be increased. There was not a dissenting vote in the committee against the bill.

Mr. GROSS. In view of the depreciated value of the dollar, I do not think you have increased this enough. I am not opposed to the bill, but I do not think you have increased it enough.

Mr. CELLER. We considered that. Very weighty testimony was brought to bear before our committee on the subject. Governor Miller, who is general counsel for the United States Steel Corp., stated that neither he nor any of the directors of the United States Steel Corp. would object to a $50,000 penalty. He said, specifically, "If $50,000 is not enough, make it more."

The head of the du Pont Corp., Crawford H. Greenewalt, said, in effect, that the amount of $5,000 penalty, seemed to be rather nominal, and it certainly should be larger.

There were a lot of proposals made with reference to sanctions. Some said there should be compulsory jail sentences. Others said the amount of the fine should be $100,000, and even more than that; that the company should be forced to disgorge whatever profits they made as a result of the violation.

We gave lengthy deliberation to those suggestions, and we felt that drastic penalties of that sort might make it difficult to successfully prosecute cases under the act. Therefore, we deemed $50,000 sufficient at this time.

Mr. GROSS. Will the gentleman yield further?

Mr. CELLER. I yield.

Mr. GROSS. Does the gentleman think we will ever have effective antitrust laws without providing penitentiary sentences for those offenses?

Mr. CELLER. The present act provides for jail sentences up to 1 year. The district judges hearing these cases can impose jail sentences, but there is a reluctance on the part of the judges to impose jail sentences.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. WALTER. As a matter of fact, since the enactment of the law, there has been only one jail sentence imposed, and after it was imposed the court suffered a change of heart and suspended the sentence entirely. There has not been one single jail sentence served.

Mr. BRYSON. And that is within a period of 60 years?

Mr. CELLER. Yes. That is correct.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. JAVITS. A rider was tacked on to the oleo bill, which provided a $5,000-a-day penalty for violation of a cease-and-desist order of the Federal Trade Commission. May I ask the gentleman whether the committee believes consideration should be given to the relationship between that situation and the situation in this bill as it affects small business?

Mr. CELLER. We did not consider distinctions of the type the gentleman has mentioned, but this must be remembered with reference to the question which a gentleman previously interrogated me about in connection with jail sentences: There have been various interpretations of the Sherman Act by the Supreme Court. It is claimed by certain interests that it may be difficult to determine at times whether there is or is not a violation, and counsel may be sorely put to it to indicate whether there is a violation by his client. I think, therefore, it would be somewhat draconian to make the penalties too severe; and, as I said, we have given in the present law the right to the court to impose a jail sentence. As was indicated by the gentleman from Pennsylvania, that right has been rarely if ever availed of. We now have the right to impose $5,000 for each count, but that amount is woefully inadequate. For example, in the case of United States against National Lead Co. recently decided in the United States District Court for the Southern District of New York, on March 1, of this year, the presiding justice, Judge Rifkind made the following significant statement with regard to his inability to impose appropriate fines:

> I cannot even go through the formula of looking the defendant in the eye and saying: "Is there anything you wish to say before I pronounce sentence? But I must confess that these amounts being substantially the maximum allowed by the statute there is very little I can do or very little reflection I can give this matter except to make the inevitable comment that a violation of the antitrust laws which persisted from sometime in the early 1920's until the 1940's with respect to which the criminal liability is discharged by the payment of a $5,000 penalty hardly seems to me to be the nature of penalty which is likely to discourage violations of antitrust laws as far as the criminal laws are concerned. But that problem"—

The court goes on to say—

"that problem is for Congress."

We are here before you now to carry out the opinions expressed by Judge Rifkind and many of the district judges that the penalties that they must impose are entirely inadequate and that Congress should do something about it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. GROSS. In the case just cited by the gentleman from New York, did the judge impose the prison sentence that he could have imposed?

Mr. CELLER. No; as I said, there is a reluctance on the part of judges to impose jail sentences. There is only one case where a jail sentence was imposed, and that sentence was suspended. That was in the Carbaloy case before Judge Knox in the southern district of New York. I think the case started just before the war. The court consented to suspend the consideration of the case until after the war. It was a very flagrant case, said Judge Knox, but because the war had intervened and 9 years had passed since the time of starting that action and the judgment, he felt that 9 years was too long a period to have elapsed and he did not feel in good conscience that he could impose a jail sentence. That seems to be the trend, a reluctance on the part of the judges to impose jail sentences.

Mr. GROSS. Can the gentleman tell me why there is that reluctance to impose jail sentences?

Mr. CELLER. I am not going to try to evaluate the motives of these judges. It is charged that there is a little uncertainty sometimes in the interpretation of the statutes and the courts feel it is a little unfair to impose jail sentences. For that reason we should at least make the monetary penalty larger than $5,000.

Too often these small penalties are of little effect and they become a license on the part of the offending corporation to continue their sins.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. DONDERO. May I ask the distinguished chairman of the committee whether these violations were with malice or did they come about as a matter of interpretation or misinterpretation of the statute?

Mr. CELLER. Certainly, if there were seven violations as in the case of the du Pont Corp., one can hardly say that that was not some deliberate action. The least one could say was that du Pont deliberately skated too far out on thin ice and fell in.

Mr. DONDERO. Was anything presented to the committee to indicate that?

Mr. CELLER. No, not specifically; but I think we have a right to deduce that if there are seven violations as in

the case of du Pont, and six as in the case of General Electric, that they were not merely accidental—not merely due to misinterpretations of the law.

Mr. DONDERO. I ask the question for the record. I am not opposing the bill; in fact, I am for the bill.

Mr. CELLER. No; we did not examine that phase.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from New York.

Mr. JAVITS. The point of my previous question was only whether or not the committee intended to take up all of the penalties under the Clayton Act and under the Federal Trade Commission Act in order to bring them in relationship to each other just as it is doing with the Sherman Act.

Mr. CELLER. We considered increasing the penalties of the Clayton Act, the Federal Trade Commission Act, and the other kindred acts, like the Robinson-Patman Act, but the Department of Justice seemed to be of the opinion it would be sufficient merely to increase the penalties of the Sherman Act, since most of the cases involving antitrust violations are brought under the Sherman Act; therefore, we deemed it advisable not to go too far. We want to get the bill through. We did not wish to encourage too much opposition by including acts other than the Sherman Act. We want to be practical. We want a bill passed with the widest area of agreement. We are willing to make progress slowly. Let us increase the penalties under the Sherman Act, which is the most important of all the acts. Then subsequently we may consider the other acts.

Mr. JAVITS. I was talking about the $5,000-a-day penalty, as it affects small business as well as large business. Did the committee in any way go into that in connection with this bill?

Mr. CELLER. We did not consider $5,000 a day. We did consider continuing penalties over a course of time, but discarded suggestions stemming therefrom.

Mr. JAVITS. The committee did not choose to deal with the Federal Trade Commission situation?

Mr. CELLER. No; we did not, for the reasons I have indicated.

In a recent study, for example, of 70 large corporations, 60 of the 70 at one time or another violated the antitrust laws. Seventy-three percent of the 60 were recidivists, that is, were repeated offenders. You are going to have this repetition of offending the antitrust laws unless you put more teeth into the antitrust laws and increase these penalties.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I notice the gentleman has cited du Pont and General Electric. I would like to know what effect this increase in penalty will have on the small-business corporations. I can readily see that du Pont, General Electric, General Motors, and others can absorb a very much larger penalty. What I am particularly interested and disturbed about is what this will do to the small corporation that seems to get very little consideration on the floor of this House.

Mr. CELLER. I may say to the distinguished gentlewoman from my State that we do not provide for a compulsory penalty of $50,000. It can be $1 or anything from $1 or nothing up to $50,000. In other words, the presiding judge, the judge who hears the case and inflicts the penalty, will naturally take into consideration the size of the company, the type of offense, and he may impose a penalty of $10, $100, or $1,000, or any amount up to $50,000.

Mrs. ST. GEORGE. I think the distinguished chairman will agree that a penalty of $50,000 could easily put a small business or a small corporation out of business.

Mr. CELLER. Certainly. I think a reading of the report by our distinguished colleague [Mr. KEATING] will indicate that we admonish or make certain suggestions to the courts with reference to imposing penalties. But here you have the du Pont Corp. offending seven times under the present statute with fines of $42,500, and in the case of General Electric, $11,000 for five offenses.

It is good to have this colloquy, however, so as to indicate to the judiciary what we have in mind. Assuredly the judiciary should not hesitate to impose jail sentences in flagrant cases as well as in repeated violations.

Mr. MICHENER. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. MICHENER. As a matter of fact, all this bill does is simply change the maximum penalty of now $5,000 to a possible $50,000. The discretion of the court is not in any way interfered with.

Mr. CELLER. That is correct.

Mr. MICHENER. That is all there is to the bill. It just changes a possibility of $5,000 to $50,000. There is no way that you can write in definite language a positive fine that will be felt by big business and will not destroy little business.

Therefore, we must have faith in our courts, as we have always had. There must be discretion vested in the courts, as there has always been because we, on the floor of the House, cannot write a rule that will apply equally to the little corporation with a $10,000 capital and to the big corporation with a $50,000 capital.

Mr. CELLER. I hope the gentleman from Michigan will use some of his own time at this juncture.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. RICH. I would like to ask the gentleman from Michigan this question: Certainly we have to rely on the courts, but what would a penalty of $50,000 mean to some small corporation, if the court saw fit to impose it upon it, compared to a penalty of $50,000 to one of the great, large corporations, like General Motors? It would not mean anything. As the gentlewoman from New York has said, if the judge sought to impose a $50,000 penalty on a small corporation, it would break it up.

Mr. MICHENER. The very thing I was talking about was to try to make it clear that our system of jurisprudence depends on the soundness and the fairness and the justice of our courts. I, for one, thoroughly believe in our courts. I believe that the future of our Republic largely depends, as it has in the past, on our courts. We should devote more time to the quality and the type of judge we select in order to get justice than to try to quibble on the floor here about making a penalty that will hurt General Motors and will not ruin the small-business man.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. As a matter of fact, under existing law, with a maximum penalty provision of $5,000, the courts, in but a small percentage of cases, have imposed the maximum penalty of $5,000.

Mr. MICHENER. Mr. Speaker, I did not write the committee report. The report was written by the gentleman from New York [Mr. KEATING], and I now yield 7 minutes to him.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I just want to ask a simple question. I would like to know why this bill is proposed? Has there been some infraction or something like that that caused such a drastic change from $5,000 to $50,000?

Mr. KEATING. I hope to be able in my remarks to convince the gentleman of the reason for the legislation.

Mr. Speaker, during the course of the hearings conducted by the Subcommittee on the Study of Monopoly Power, many suggestions for legislative action were advanced. Some of them were of a far-reaching character, designed to effect drastic changes in existing law. To date none of these have met the approval of a majority of the subcommittee, at least to the extent of being favorably reported in the form of specific legislative proposals.

Among all the members of the subcommittee, however, and all the witnesses, including the substantial number of industrial leaders who appeared before us, there was not a single dissent, so far as I can remember, from the proposition that the existing maximum penalty provided in the Sherman Act is inadequate in most cases to serve as a deterrent to future violations. An observation I made in the course of the hearings that "the cost of sinning should at least keep pace with the cost of living" was not challenged by any witness who testified before us.

It is important to be vigilant that our competitive system be not throttled by bureaucratic government controls and wasteful governmental extravagances. But it is equally important to make sure that while we close the front door against Government interference, the back door is not left wide open for monopolists, price fixers, and those intentionally engaged in unfair economic practices. The

laws of this country should be so framed that they will deter those who seek to take advantage of their competitors or the public by intentionally abusing the privileges of a free opportunity system.

The main legal safeguard for our present economic system is the Sherman antitrust law. This statute was designed to preserve and promote competition, and to prevent all those economic restraints which would in any way hinder or inhibit trade or commerce among the several States. The Sherman Act outlaws conspiracies or combinations in restraint of trade, monopolies, such practices as price fixing, territorial division of markets between competitors, and other restrictive arrangements. It is vitally important that this basic statute be vigorously and fairly implemented and enforced if the innumerable advantages which the American people derive from a free and competitive system are to be preserved.

Since the enactment of the Sherman Act by a Republican Congress over half a century ago, times have changed. Unfair practices, conspiracies, monopolies—all these things today have a much greater impact upon the economy, are much more potent and effective, than they were at the turn of the century. Violations of the antitrust laws today frequently have their ramifications throughout the entire economic structure of the nation. Likewise, the companies most predisposed to violate the law are among the largest and most important ones in the world.

The present provision for a fine contained in the Sherman Act limits the maximum penalty which may be imposed upon a corporation for each violation of the law to $5,000. If we were now in the era of the gay nineties when we first passed the Sherman Act, this sum might be adequate for its purposes. But today, in the middle of the twentieth century, in an era of mass production, large scale financing, and big industry, those who violate the law are frequently large and powerful and difficult to deter. Violations are frequently accompanied by huge profits obtained at the expense of small business competitors and the public. The $5,000 sum now provided is, therefore, utterly inadequate to accomplish its purpose.

The most persistent violators of the antitrust laws today regard the criminal sanctions as mere slaps on the wrist.

The $5,000 fine is considered a tax or a tribute paid to the Government for the privilege of continuing monopolistic or unfair practices. Frequently, they prefer to pay the fine and continue their strangulation of competition rather than take the trouble to defend themselves in court.

Now, I believe in the right of private, free enterprise to exist without regimentation or undue regulation. But when these privileges are intentionally abused, when certain companies continually violate the antitrust laws and become habitual offenders, the time arrives for us to strengthen the laws designed to prohibit such practices.

H. R. 7827, which raises the maximum allowable fine in criminal prosecutions under the Sherman Act to $50,000, will, to a large extent, deter some of the intentional violators of the antitrust laws who have heretofore oftentimes found it more profitable to transgress the law and pay their fine, than to compete fairly with their business rivals. It in no wise makes the $50,000 penalty a mandatory one.

I call this particularly to the attention of the distinguished gentlewoman from New York, who raised a very pertinent question here.

Smaller sums may be levied by the court upon a modest concern which might be completely wiped out of business by the imposition of the maximum fine or upon those who did not act with evil intent or who unknowingly went beyond the clear boundaries of the law. On the other hand, it will permit the court to impose suitable fines upon those who have continually and intentionally entered into combinations, conspiracies, or cartels, knowing full well their illegality, and who have so far escaped unscathed from all sanctions of the criminal law except the payment of the meager fine now provided by the statute.

Finally, this bill cannot injure any business or businessman. In fact, it has the support of many of the most prominent and distinguished leaders in the business community today. On the contrary, I feel that H. R. 7827, if enacted into law, will aid business and aid free competitive enterprise insofar as it strengthens the antitrust laws which are the very foundation of a free, competitive system. I, therefore, strongly urge the enactment of this measure.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mrs. ST. GEORGE. Will our distinguished colleague, whose opinion I very highly respect, tell us whether he feels he can assure us that small business and small corporations throughout the country will be adequately protected under the bill? There is language in the bill which will caution the courts so that they will not impose fines which will perhaps ruin some small businesses.

Mr. KEATING. The language, I may state to the gentlewoman, is not contained in the bill, inasmuch as the bill simply strikes out the figure "$5,000" and inserts the figure "$50,000," making that the maximum penalty which may be imposed. But in the report I would particularly call the attention of the gentlewoman to the language on page 5 which is supposed to be taken into consideration by the courts when they interpret this law, wherein the committee says:

> It is the obligation of the courts to deal leniently with those who acted without intent to contravene the statutes.

I do feel, in answer to the gentlewoman's inquiry, that the small corporations are protected by the provision that the penalty is not mandatory but discretionary.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. MICHENER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I would like to call the attention of the chairman of this distinguished committee, and his colleagues, to a paragraph in a little editorial which appeared on Sunday in the Daily News in New York. The editorial is critical of the Department of Justice's abuse of its power under the antitrust laws. This is the concluding paragraph, which I think the members of the committee should have in mind in dealing with amendments to the antitrust laws increasing the penalty.

Here is the quote:

> Court interpretations, qualifications, hedgings, and conflicting opinions, it is claimed, have made one man's guess as good as another's when it comes to figuring out what these laws actually mean.
>
> So we have a state of affairs where any stuffy little bureaucratic hater of business and industry can dream up any kind of antitrust suit and stand a fair chance of winning—and where no business or industrial executive knows whether he is legal from one day to the next.
>
> That's a Philadelphia lawyer's idea of paradise; but what will it eventually do to United States industry, business and employment if it isn't corrected soon?

I am wholeheartedly in favor of enforcement of the antitrust law. I think, however, that if the distinguished Committee on the Judiciary would devote itself to clarifying the antitrust laws before they increase the penalties for violation, it might be a very constructive idea.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. PATMAN].

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain extraneous matters.)

Mr. PATMAN. Mr. Speaker, this is a very mild increase. Under the present laws the punishment may be a $5,000 fine or imprisonment in jail for 1 year, or b- both such fine and imprisonment. The truth is, no person has ever been put in jail by reason of a violation of the antitrust laws. In the big case like the Atlantic & Pacific Tea Co., where all the individuals were fined the limit, $175,000, if $50,000 had been possible as a fine, the fine even then would have been very small indeed.

INCREASING THE PUNISHMENT BY INCREASING FINES IS NOT ENOUGH—H. R. 4402 PROVIDING FOR REMOVAL OF GUILTY CORPORATE OFFICIALS SHOULD BE THE SECOND STEP

Although I favor this bill and although I was the author of H. R. 5139 containing the same provisions of this bill, I must, at the risk of repetition, make it absolutely clear that I do not think it enough to increase the punishment for violating the Sherman Act merely by increasing maximum fines from $5,000 to $50,000.

INCREASING THE PUNISHMENT BY INCREASING FINES IS NOT ENOUGH

In my opinion, a $50,000 fine will hardly mean more than the present $5,000 fine to a giant corporation which violates the law. A $50,000 fine would merely substitute a few slaps on the wrist for one slap on the wrist. It would not represent more, in amount, than an extra expense account for some second-tier official.

TESTIMONY BEFORE THE SUBCOMMITTEE ON THE STUDY OF MONOPOLY POWER

My position was made very explicit in testimony given by me before the Subcommittee on the Study of Monopoly Power, of the House Judiciary Committee, at a hearing on the proposal to increase fines to $50,000, held on February 15 of this year. At this hearing, although endorsing the proposal, I took the opportunity of making a special plea in favor of another bill, H. R. 4402, introduced by me on April 27, 1949, providing for the removal of corporate officials guilty of violating the antitrust laws. I stated before the subcommittee as follows:

Before I go any further, I want to make clear that I do not think it enough to raise such fines to $50,000. In my opinion, a $50,000 fine will mean hardly more than the present $5,000 fine to a giant corporation which is found guilty of violating the antitrust laws. It will be substituting a few slaps on the wrist for one slap on the wrist.

But on the principle that half a loaf is better than none, I agree that an amendment increasing the fine to $50,000 is desirable, as far as it goes. That is why I introduced my own bill last June increasing, to $50,000, fines for violating the Sherman Act.

But the record will show that, prior to introducing my bill increasing fines to $50,000, I introduced another bill, H. R. 4402, providing that corporate officials convicted of antitrust violations might, in addition to any other punishment, be prohibited from serving as such officials for specified periods, and after prior convictions might be permanently barred. This, in my opinion, is the kind of punishment which will be understood and felt by corporate officials directing unlawful activities of their corporations much more deeply than $50,000 fines.

TESTIMONY BEFORE HOUSE JUDICIARY COMMITTEE

And before the Judiciary Committee itself I stated on May 10, 1950:

If the officer of a big corporation knows that he may be barred from being an officer for a definite period, he may hesitate a long time before permitting himself to violate the antitrust laws. And if violations of the antitrust laws constitute an economic offense rather than a criminal offense in the layman's sense, as has been contended, then there should be little objection by guilty corporate officers to a suspension from office, in lieu of a jail term, which the courts do not impose in any event.

REPORT OF SELECT COMMITTEE ON SMALL BUSINESS, EIGHTY-FIRST CONGRESS

The Select Committee on Small Business, of which I have the honor to be chairman, has extensive favorable comment on H. R. 4402 in its progress report, first session, Eighty-first Congress, pages 75–77. This report was unanimously adopted by all of the nine members of the committee, representing both political parties. I take the opportunity and liberty of quoting from this report as follows:

H. R. 4402—REMOVING GUILTY CORPORATE OFFICIALS

This bill, introduced on April 27, 1949, by the chairman, is admittedly more controversial than the preceding bill to increase fines to $50,000. Under H. R. 4402 the corporate official found guilty of violating the antitrust laws may, or must, be barred from serving as such a corporate official for a specified period.

The general principles of the bill have received support from members of both the major political parties and were endorsed by the Select Committee on Small Business of the Eightieth Congress, which, in its report of December 1948 (H. Rept. 2465, pp. 24 and 25), recommends that "for violations of certain important provisions in the existing antitrust laws * * * the following penalty should be mandatory," i. e., "persons found guilty of any of the foregoing offenses shall be enjoined from serving as an officer or director of any corporation engaged in commerce in the United States for a minimum period of years. For second offenses penalties should be more severe, and consideration should be given to permanent injunction."

Secondly, the principles of the bill are consistent with the view often expressed by the representatives of large corporations that antitrust violations are more in the nature of economic offenses than truly criminal offenses. The courts, too, have veered toward this concept of economic offenses, at least by refusing to impose prison sentences, although permissible for not exceeding 1 year, and by imposing only fines, which are comparable to money penalties imposed as a civil penalty.

Thirdly, barring a guilty corporate official from serving as such is comparable to existing precedent in the business world. It is comparable, for instance, to suspension or revocation of a member's rights to a stock exchange seat, by the exchange, for unethical or unlawful conduct. The bill is less drastic in that the corporate official may be barred only after a criminal conviction in a duly constituted court, on proof beyond a reasonable doubt, with rights of appeal and all constitutional safeguards. The bill is also comparable to suspension or disbarment of an attorney for unethical or unlawful conduct.

A fourth consideration is that punishment barring a violator of the antitrust laws from serving as a corporate official will act as even a greater deterrent than a maximum fine of $50,000 (H. R. 5139) in place of the present $5,000 fine.

H. R. 4402 reads as follows:

"A bill to provide additional punishment for violations of the antitrust laws

"Be it enacted, etc., That any person convicted of any offense under the antitrust laws shall, as part of the punishment for such offense, be barred, for not less than 2 nor more than 5 years, from serving, directly or indirectly, in the capacity of officer, director, executive, legal counsel, adviser, and any similar capacity, with any corporation or corporations convicted in the same proceedings, and from, directly or indirectly, receiving any compensation, remuneration, or other consideration therefor, or by way of indemnification for being so barred. If he shall have been connected with any such convicted corporation in any such capacity during the commission of the criminal acts for which he has been convicted, he shall be so barred from such corporation for not less than 3 years, instead of 2 years as provided above. If he is a second offender by reason of prior conviction under the antitrust laws, he shall be barred for not less than 10 years, instead of the time provided for above; if a third offender, he shall be permanently barred, and the bar shall extend to serving with all corporations engaged in commerce.

"SEC. 2. The punishment under the first section of this act may, in the discretion of the court, be made applicable not only with respect to corporations convicted in the same proceedings but also with respect to any one or more of the following: (1) Any or all corporations engaged in the same kinds of business as such convicted corporations, (2) any or all trade associations or corporations serving members or clients engaged in any such kinds of business, and (3) any or all corporations of any kind engaged in commerce.

"SEC. 3. For the purposes of this act the term 'antitrust laws' has the meaning assigned to such term in section 1 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, and includes the Federal Trade Commission Act.

"SEC. 4. United States district courts and United States judges are hereby specifically vested with authority to carry out the provisions of this act."

The bill applies (sec. 1) to any person convicted of violating the antitrust laws together with any corporation, either his own or some other corporation. He shall be barred from serving such corporation for not less than 3 years, if it is his own corporation, otherwise not less than 2 years. The court, in its discretion, may also bar him but for not more than a total of 5 years.

Second offenders shall be barred for not less than 10 years. A third offender shall be permanently barred from all corporations engaged in interstate commerce.

Under section 2, the court in its discretion may bar the convicted person from serving not only the convicted corporations but also other corporations engaged in the same kind of business or in interstate commerce generally, and also trade associations.

Some opponents of the bill have voiced an objection because, under section 1 a minimum bar is absolutely mandatory, so that the court is left without discretion. However, this mandatory feature accords with the recommendations of the Committee on Small Business for the Eightieth Congress. Moreover, antitrust laws are so defined in section 3 as to include only the more important antitrust laws.

It is hardly a sound argument that the punishment is not of the type customary in our criminal courts. If the time has come for our criminal courts to recognize a quasi-criminal "economic offense," our statutory law should be elastic enough to bend in the direction of mildness. There is no sound reason why a criminal court, instead of sending a man to jail, may not be authorized to enjoin him from specified activities in the same way as a civil court. Criminal courts in effect enjoin activities of the defendants at the present time, by releasing them, for instance, on conditions of probation. The bill (sec. 4) expressly confers on the courts and judges necessary authority, predicated on existing general authority.

May I therefore say just this: Let us pass the present $50,000 fines bill. But let us not think that our job is finished on this front until we provide for additional punishment of the kind contained in H. R. 4402.

A. & P. PROPAGANDA EXPERTS REACH A NEW LOW—A. & P.'S LATEST ADVERTISEMENT AN EFFORT TO COUNTERACT SHIFT IN PUBLIC OPINION

On Thursday and Friday, May 11 and 12, the A. & P. chain-store organization renewed its propaganda campaign against the efforts of the Department of Justice to compel A. & P. to obey the antitrust laws.

In the A. & P. advertisement which appeared in 2,000 newspapers on those dates, A. & P.'s propaganda experts reached a new low in the program of deliberate distortion and falsification by which they seek to confuse and mislead public opinion.

The premise of A. & P.'s propaganda to date has been that the public must be made to believe that the Government suddenly began an unjustified persecution of A. & P. for the purpose of destroying A. & P. A. & P. represented this to be the fact in a series of newspaper advertisements which preceded the advertisement of May 11 and 12. A. & P. knew

that these earlier advertisements were false. A. & P. knew that after a 6 months' trial in a Federal criminal court A. & P. was found guilty beyond all reasonable doubt of devising and carrying out a vicious scheme to eliminate and destroy free enterprise and competition in the grocery business; that A. & P. was fined $175,000 for this violation of the Sherman Antitrust Act; that A. & P.'s conviction was unanimously affirmed by a United States court of appeals; and that A. & P. paid its fine rather than appeal to the Supreme Court. A. & P. knew that only after this conviction in 1946 after a lengthy and exhaustive trial, only after the affirmance of the conviction in 1949 by the court of appeals, and only after the conduct of A. & P. subsequent to its conviction had conclusively demonstrated that A. & P. either could not, or would not, obey the antitrust laws—only after all of this did the Government, in September of 1949, file the pending civil suit asking the Federal courts to take the necessary steps to stop A. & P.'s criminal activity.

A. & P.'S AIR OF OUTRAGED INNOCENCE A DELIBERATE AND SYSTEMATIC EFFORT TO CONCEAL AND HIDE CRIMINAL CONVICTION

Despite its knowledge of these facts, A. & P. deliberately put on an air of outraged innocence and asserted week after week in full-page advertisements that the charges in the Government's civil suit were wholly unfounded. A. & P. carefully avoided printing a single word or phrase in these advertisements which might lead the public to discover that A. & P.'s guilt had already been conclusively established by two Federal courts.

There can be no doubt but that A. & P.'s propagandists would have continued to conceal A. & P.'s conviction if they could have done so. Fortunately, despite A. & P.'s best efforts, more and more people discovered the truth. A growing number of people learned that A. & P. was deliberately and systematically seeking to conceal the facts and, by duplicity, win public support. Upon learning that A. & P. had already been convicted of the Nation-wide restraints of trade which the Government was attempting to stop, the public began to swing sharply away from A. & P.'s side. A. & P. could no longer wear its mask of innocence in the face of outraged public opinion.

A. & P.'s advertisement of May 11 and 12 was obviously written and published in an effort to counteract this shift in public opinion.

A. & P. has decided that it can no longer conceal the fact that A. & P. has already been convicted criminally of the activity which is the subject matter of the pending civil suit. Therefore, A. & P. has attempted, in this most recent advertisement, to convince the public that the Federal judge who found A. & P. guilty and fined A. & P. $175,000 for violating the antitrust statutes in the earlier criminal case actually disapproves of the Government's present civil suit, which asks another Federal court to take the steps necessary to prevent A. & P. from continuing to violate the law.

A. & P. SHEDS ITS LAST VESTICE OF MORALITY BY INVADING THE PRIVACY OF PERSONAL CORRESPONDENCE

How does A. & P. purport to show this? Why, by quoting a private letter which the judge in the earlier criminal case wrote shortly after convicting A. & P.

Let me say here, parenthetically, that I had supposed that any person possessed of common decency would respect the privacy of a man's personal correspondence. I call your attention to the fact that A. & P. has no compunction at all about publishing a man's private correspondence in paid advertisements in 2,000 newspapers when A. & P. thinks it will serve A. & P.'s ends. It is not difficult to understand why an organization with this sort of moral scruples was able to devise and carry out a program to ruthlessly destroy its independent competitors.

But A. & P.'s violation of the judge's privacy is the least reprehensible thing about this particular propaganda blast. The real viciousness in it is that A. & P. has again willfully and deliberately distorted and falsified the facts in an effort to mislead the public.

In its ad, A. & P. quotes the following two sentences from a letter written by Judge Lindley—A. & P. says—shortly after he found A. & P. guilty of violating the Antitrust Act:

> I have not condemned the A. & P. system. I have not made a finding which could be the basis for a suit of dissolution.

Having quoted this much and no more, A. & P.'s ad goes on to say that Judge Lindley has by this language denied that the pending civil suit is based upon the criminal conviction.

A. & P.'S DUPLICITY—CRIMINAL CONVICTION SEPTEMBER 1946—JUDGE LINDLEY'S PERSONAL LETTER SEPTEMBER 1946—CIVIL SUIT NOT FILED UNTIL SEPTEMBER 1949

If we had nothing more to go by, it would be apparent that A. & P. was deliberately using the judge's letter to create an impression which the judge could not possibly have intended. A. & P. states that Judge Lindley disapproved of the pending civil suit against A. & P. in this letter which A. & P. states was written, and I quote A. & P.'s ad, "immediately after" the judge had convicted A. & P. in the criminal case. The Members of this House know that Judge Lindley found A. & P. guilty in September 1946. The Members of this House also know that the pending civil suit against A. & P. was not filed until September 1949. In short, when Judge Lindley wrote this letter in September 1946, he could not possibly have been referring to the pending A. & P. civil case, which was not filed until September 1949. A. & P. deliberately conceals this fact and blandly asserts what A. & P. knows to be untrue.

This much we would know, I say, even if we had only A. & P.'s word for the contents and meaning of Judge Lindley's letter. The fact is that we have more—for Judge Lindley has himself announced to the press just what he meant when he wrote the lines quoted by A. & P.

So far as the first of the two quoted sentences is concerned, we need say no more than this: That the Department of Justice, Judge Lindley, and the judges on the court of appeals all agreed that A. & P.'s general system was not illegal; nor was it attacked in any way. It was not A. & P.'s size and power that the Department of Justice attacked; it was the abuse of that size and power. It was the deliberate misuse of A. & P.'s tremendous power to destroy free competition that led the court to convict A. & P. and fine it $175,000.

A. & P. DREW MALICIOUSLY FALSE INFERENCES FROM JUDGE LINDLEY'S LETTER

How about Judge Lindley's second sentence, to the effect that in convicting A. & P. in the criminal case he had not made a finding which could be the basis for a suit of dissolution—a civil suit under the antitrust laws?

The simple fact is that Judge Lindley's statement is perfectly true. What is false—and, I think, knowingly and maliciously false—is the inference that A. & P. draws from the judge's words—the inference that the judge disapproved of the Government's pending civil proceedings against A. & P.

Remember that the case in which Judge Lindley presided was a criminal case. The question before Judge Lindley was whether or not A. & P. was guilty of violating the Antitrust Act. He answered that question. He found A. & P. guilty beyond all reasonable doubt. Under the law, Judge Lindley could go no further than this. Under the law, Judge Lindley was not permitted in a criminal case to enter an order dissolving A. & P. This could be done only in a separate civil suit. There was no civil case against A. & P. pending before Judge Lindley. The civil case now pending was not filed until 3 years later. In short, Judge Lindley did not make a finding which could be the basis for an order of dissolution in a civil suit simply because he had no authority to do so. There was no civil suit pending before him, and hence the question of entering an order of dissolution was not, and could not be, presented to the judge for decision.

JUDGE LINDLEY'S OWN STATEMENT TO THE PRESS (CHICAGO DAILY NEWS, THURSDAY, MAY 11, 1950)

Here is Judge Lindley's own statement concerning his letter, issued on Thursday, May 11, 1950, and printed in the Chicago Daily News. I quote:

> I decided that they [A. & P.] violated the law. I did not attempt to make a finding to be the basis for a suit of dissolution. I was not asked to do this. This was beyond my province in the case before me.

I personally regret that the question of civil relief was not before Judge Lindley when he found A. & P. guilty and assessed the maximum fines permitted by the law. I feel confident that, having spent over 6 months listening to the voluminous and overwhelming evidence of A. & P.'s flagrant violation of the Sherman Act, Judge Lindley would surely have granted in full the civil relief now sought by the Government in the pending civil suit.

But notice how shrewdly A. & P.'s propagandists have played with the truth, twisting it gradually into a lie:

The judge wrote that in convicting A. & P. he had not made a finding which could be the basis for a suit of dissolution. The judge meant simply that only the question of guilt and not the question of dissolution or other civil relief was before him at the time he found A. & P. guilty of violating the law. Hoping that the general public would not understand the judge's meaning, A. & P. cleverly asserts that Judge Lindley meant to disapprove the dissolution of A. & P. in a subsequent civil suit. Of course, A. & P. knows that this assertion is false, as Judge Lindley has unequivocally announced since the A. & P. ad appeared. But A. & P. is also well aware that the millions of Americans who will read A. & P.'s ad will never see Judge Lindley's denial.

A. & P. ONCE AGAIN TWISTS AND DISTORTS THE FACTS FOR ITS OWN SELFISH PURPOSES

In this same A. & P. ad of May 11 and 12, A. & P. also states that A. & P. was convicted only because of A. & P.'s produce-buying activities through ACCO. As the Members of the House know, this too is a complete fabrication. On October 6 of last year and again on March 20 of this year, I briefly outlined on this floor the full scope of the Nation-wide conspiracy in restraint of trade of which A. & P. was convicted. I shall not repeat that sordid story here again.

These, then, are the facts. The manner in which A. & P. has deliberately twisted and distorted them to suit its selfish purpose will, I know, shock the Members of this House as it has shocked me.

This increase is certainly justified. We should go much farther than this proposed increase. We should make it impossible for a director who is convicted of violating the antitrust laws to serve on the board of directors of other corporations or that corporation for a certain length of time. In other words, we should really punish them. They have not been punished in the past. They will not be adequately punished under this law if this bill becomes law. Certainly this bill as it is should be passed by the unanimous vote of this House.

I am supporting the bill. It will not be harmful to small business. Judges always look after the small fellows. They will not impose a fine that would be unmerciful, in view of the facts and conditions. I am perfectly willing to risk the judicial system in imposing punishment in cases of this kind.

The SPEAKER. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. MICHENER. Mr. Speaker, I yield such time as he may require to the gentleman from South Carolina [Mr. BRYSON].

Mr. BRYSON. Mr. Speaker, let me preface what I would say in behalf of the passage of the pending bill, H. R. 7827, by referring generally to our studies on monopoly power.

You will recall that the committee was created by the House. The Members thereof were chosen by the chairman of the Judiciary Committee under whose jurisdiction the study was to be conducted. Being assigned to the special subcommittee was an honor though an arduous one. Those of my colleagues who have not served on a similar special committee have no idea of the amount of work which has to be done. By reference to the numerous volumes of testimony taken in the many hearings, you will observe that much time and patience were required to make an intelligent, logical presentation of the important subject of monopolies.

The pending bill, as you will observe, consists of only half a dozen lines. Only one phrase would be changed, and I quote. Strike out the words "fine not exceeding $5,000" and insert in lieu thereof "fine not exceeding $50,000." The purpose of a fine or penalty is to deter violation. If $5,000 was an adequate fine when the Sherman Antitrust Act was first enacted in 1890, long before the majority of you gentlemen were born, it certainly is not adequate now. I recall an old Latin idiom as follows: "De minimis non curat lex," a liberal translation of which is "too little or too small for the law to take cognizance of." It seems that some violators of the Sherman Act considered the present maximum penalty as being of no consequence.

Under the pending bill, the maximum fine is to be raised to $50,000. Of course, discretion is still vested in the judge. The fine may be from one to fifty thousand dollars. In addition to the fine or penalty, the act provides for imprisonment. During all the 60 years since it was first written, no one has been actually imprisoned. One prison sentence was pronounced but was subsequently revoked.

The enactment of this measure, I believe, will have a wholesome effect and will allay much criticism. You will observe that the bill comes from our full Judiciary Committee without a dissenting vote. I am very hopeful that when it leaves the House, it will likewise be approved.

Mr. MICHENER. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I impose on the House by taking this time because of the very extraordinary letters which I am receiving from employees and friends of the Atlantic & Pacific Tea Co., a grocery concern that distributes goods to the people of this country.

I wish to ask the chairman of this distinguished committee, the gentleman from New York [Mr. CELLER], one or two specific questions because, based upon these letters which I am receiving—and I imagine other Members are receiving such letters—the people of this country are assuming that the Congress of the United States should administer the laws. I am referring to the antitrust violations.

My question is this: Whose responsibility is it to administer the Sherman antitrust laws? The Members of Congress or the executive branch of the Government? I want the gentleman to answer that because I want to use it.

Mr. CELLER. The Sherman Act is to be administered by the executive branch of the Government, to wit, the Department of Justice.

Mr. CRAWFORD. That was my understanding, but I wanted you to say so as chairman of this committee.

Now, is there any reason why the firms which are listed on page 2 of the committee report should be fined, as that table shows they were fined, unless they had violated the Sherman antitrust law? I raise that question because of the ability of those firms to engage counsel to protect their legal rights.

Mr. CELLER. I am sorry, but I did not understand the gentleman's question.

Mr. CRAWFORD. I am anxious to get some answers to these questions because we will need them in the campaign this fall so the people will understand who is to administer these laws.

Is there any reason why the firms listed on page 2 of the committee report should have been assessed those fines unless they violated the law? I put it that way because certainly those firms had the money to employ legal counsel to protect their rights under the law. Is there any reason why they should have been fined unless they violated the law?

Mr. CELLER. Of course, the fine was imposed by the court. But I do not want to give the gentleman any degree of comfort in making a political speech.

Mr. CRAWFORD. No. I am not asking for comfort. I am trying to get some information to give our people who apparently do not understand how the Congress and the courts operate. If the gentleman wants to take that attitude, that is O. K. with me.

If the chairman wants to take that attitude he can do it, but the people of this country are entitled to the information from this committee that I am trying to get for them. That is the reason that I asked for time on this bill which almost went through without anybody's asking for a second.

Mr. MICHENER. I supposed that the people of the country knew that Congress made the laws and that the executive bureaus administered them; that after a bill was signed by the President and became a law, then the effectiveness of that law depended entirely upon the executive branch of the Government. That is fundamental. I hope the gentleman now understands that.

Mr. CRAWFORD. Oh, I understand how it operates, but the people who write these letters do not understand that; and I wanted this colloquy in the RECORD so that I could put it before them so that they would understand it, coming from someone in higher authority than the gentleman now addressing the House and coming from members of the Judiciary Committee. There are many Members who can use it, to help educate our people, because they feel that we are responsible for the A. & P. suit.

Mr. MICHENER. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, while I intend to support this measure, I want to say that in my opinion it does not go nearly far enough. As the gentleman from Texas said, it is entirely too mild. I hope the Judiciary Committee in the next session of Congress will bring out a worth-while bill providing substantial prison sentences for violation of the antitrust laws. We must have stiffer penalties if we are going to stop these violations. Let us enact worth-while legislation.

Mr. MICHENER. Mr. Speaker, the debate on this bill has been most interesting. The committee held extensive hearings; we had small-business men before us who wanted to strike out all fines, wanted to make the punishment certain so that anybody anywhere who violated the antitrust laws of the United States would go to jail for a least a year. I think one of the witnesses who was sponsored by the gentleman from Texas [Mr. PATMAN] advocated that. On the other hand, we had those who would make the fines exceedingly high.

The committee in its discretion after careful and judicial consideration decided that the bill as presented would come the nearest to accomplishing what the Congress wanted—justice to all.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. NICHOLSON. Who was the petitioner for this legislation?

Mr. MICHENER. What does the gentleman mean by "petitioner"?

Mr. NICHOLSON. I mean who asked for this legislation?

Mr. MICHENER. A bill was introduced by the gentleman from Pennsylvania [Mr. WALTER]. Then a subcommittee held hearings, publicity was given the hearings; a number of witnesses appeared—everybody who wanted to, either for or against the proposal—and they were fully and completely heard. After much study the subcommittee recommended the passage of this bill and the full Committee on the Judiciary, after consideration, reported this bill unanimously. I do not know what more we could do. I yield to no Member in my interest in and concern for the small-business man. This change proposed will not militate against him.

Mr. Speaker, while I favor the objective of this bill, I do not favor the manner in which it is drafted. A statute passed by Congress should be complete, and no part of drafting the statute should be left to the codifiers, the secretaries, the clerks, the lawyers, or the judges. I am definitely opposed to writing in a statute the language in this bill which reads "are hereby further amended by striking out in each section where it appears the phrase 'fine not exceeding $5,000' and substituting in lieu thereof in each case the phrase 'fine not exceeding $50,000.'"

The bill should read:

A bill to increase criminal penalties under the Sherman Antitrust Act

Be it enacted, etc., That sections 1, 2, and 3 of the act of July 2, 1890 (15 U. S. C. 1 ff.), as amended, be amended to read:

"SECTION 1. Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal: *Provided*, That nothing herein contained shall render illegal contracts or agreements prescribing minimum prices for the resale of a commodity which bears, or the label or container of which bears, the trade-mark, brand, or name of the producer or distributor of such commodity and which is in free and open competition with commodities of the same general class produced or distributed by others, when contracts or agreements of that description are lawful as applied to intrastate transactions, under any statute, law, or public policy now or hereafter in effect in any State, Territory, or the District of Columbia in which such resale is to be made, or to which the commodity is to be transported for such resale, and the making of such contracts or agreements shall not be an unfair method of competition under section 5, as amended and supplemented, of the act entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' approved September 26, 1914: *Provided further*, That the preceding proviso shall not make lawful any contract or agreement, providing for the establishment or maintenance of minimum resale prices on any commodity herein involved, between manufacturers, or between producers, or between wholesalers, or between brokers, or between factors, or between retailers, or between persons, firms, or corporations in competition with each other. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding $50,000 or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court.

"SEC. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding $50,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court.

"SEC. 3. Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce in any Territory of the United States or of the District of Columbia, or in restraint of trade or commerce between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or with foreign nations, or between the District of Columbia and any State or States or foreign nations, is hereby declared illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding $50,000, or by imprisonment not exceeding 1 year, or by both said punishments, in the discretion of the court."

By reading this suggested draft, anyone interested can ascertain from the law passed by the Congress what the law is, without being compelled to look up the original law and superimpose the amendment on that statute.

The SPEAKER. The question is: Will the House suspend the rules and pass the bill?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

The SPEAKER. Under the previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 15 minutes.

STOCKPILE SUPPORT FOR CLOTH AS WELL AS CROPS

Mr. LANE. Mr. Speaker, people must eat.

To a lesser extent, they must be clothed.

Recognizing the priority of the former, the Government is engaged in a vast and costly aid-to-agriculture program.

But it has done nothing to help the mills and the workers who clothe us, even though the complete interdependence of agriculture and industry is beyond dispute.

A minimum income standard for farmers is the goal of the Government's agriculture program. Its proponents justify it on the reasoning that a fair and stable level of income to farmers would add to the demand for the products of labor. It would make industrial jobs more secure by building a better market for manufactured goods.

This is fine when it works out for the benefit of the industrial worker as well as the farmer.

But what about the situation when it does not follow through?

I refer to the present fact that all farmers have some income, but many workers in the textile industry have none.

By way of rebuttal, you call attention to the relief provided by unemployment compensation. This, however, is limited. When it runs out, and the textile worker still cannot find employment, what then?

Heavy appropriations to help agriculture without a corresponding concern for the problems of depressed industries and their displaced workers, places too much emphasis on one to the neglect of the other. No team can function at its best with such imbalance—as the farmers will learn, when unemployed or part-time employed textile workers start to pull in their belts.

The only farm program that can possibly succeed is one that does not try to live unto itself alone, but has some regard for other problems which have a bearing upon it. And the converse it true. The American economy is a two-way street. People who live in mill cities cannot pay taxes to support the surpluses of agriculture when they have little or no income. Unless farmers and industrial workers move toward each other, in the productive exchange of their noncompetitive goods and services, first one will suffer and inevitably the other.

That is why I plead with the many Representatives from the farm States, to pay some attention to the problems of depressed industries, and accord them supports in return for the help we are giving to their constituents.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. LANE. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. The gentleman does not want the record to show that the Representatives of the rural sec-

tions have not shown an interest in all employment?

Mr. LANE. No; I would not want the record to show that because I know otherwise.

Mr. MURRAY of Wisconsin. The gentleman knows that industrial labor has social security and unemployment benefits.

Mr. LANE. Yes. I just mentioned that.

Mr. MURRAY of Wisconsin. And has a lot of things that agriculture does not have?

Mr. LANE. They have some.

Mr. MURRAY of Wisconsin. And that agriculture has a 25-cent to 32-cent minimum wage for labor that produces the sugar to sweeten things that you have up in New England, yet when you put sugar in your coffee you do not like to work for 25 cents an hour.

Mr. LANE. I do not think anybody does.

Mr. MURRAY of Wisconsin. That is where agricultural labor comes out on the short end.

Mr. LANE. I will get to the gentleman's question in a few minutes.

It is not a pleasant task for me to point repeatedly to the numbers who are unemployed in New England; nor do I find comfort in the overgenerous trade policies of our State Department that will worsen our difficulties by encouraging the imports of competitive textiles to undersell our manufactured goods in our markets.

However, these stern facts must be underscored, relentlessly, for only in this way can our fellow citizens in the Carolinas, Iowa, and California be brought to an understanding of the need for an equitable remedy for this pressing problem.

We from the industrial districts can never be accused of failing to go along with the claims of agriculture, even though we have been disturbed by excesses that have appeared in the program.

American taxpayers, of whom a majority are workers rather than farmers, have had more than $408,000,000 taken away from them in the 3 years preceding this to buy up potatoes for burning, rotting, or as feed for hogs, just to keep the farmers happy.

Losses in other commodities run to hundreds of millions extra.

We have even dropped $80,000,000 on wool, but to help the growers, not the woolen and worsted manufacturing industry.

My purpose in mentioning these is not to discredit the whole farm program, but to reveal that a dangerous line is being drawn between lavish help to agriculture contrasted with no help for depressed industries.

Farmers, by virtue of their self-employment, cherish their independence. When the realities of modern living compel them to accept some assistance from the Government, and some regulation by the Government, they adjust themselves to these facts without undue alarm.

Manufacturers and industrial workers also want to stand on their own feet, but temporary circumstances arise that make this impossible.

You and I and all of us live in a free society, but not a static one. Isolationism, in all fields, is a relic of the past. The growing interdependence of our times requires a larger measure of Government regulation and Government assistance because it is the only organization that is public, that is national in scope, and that is capable of reconciling the various factors that might otherwise tangle in hopeless anarchy.

You and I are properly concerned with limiting such intervention, but we cannot eliminate it.

Because changes are taking place slowly, we are apt to overlook the fact that they are taking place.

As an illustration of the evolution that is going on in our way of life, let us look at this arrangement that we call credit, which is the greatest stimulant to economic activity. Not so many years ago it was in private hands. Today the Federal Government is the major factor in controlling its volume and velocity.

But the Government must be consistent in its operations.

It cannot help agriculture and ignore industry at the same time, for such a policy will have the effect of playing one-half of the team against the other half with serious consequences for both.

The Government helps to maintain reserves of grain and other commodities not only to assist farmers who could not otherwise dispose of them at a profit but in the interests of national security and world trade.

These are called storable commodities.

Worsted cloth is also storable, and a similar program is needed to help distressed textile manufacturers and unemployed textile workers until the market for this industry improves.

The stockpiling of worsted fabrics in place of raw wool is not only necessary to carry the textile industry over an emergency period. It is justified by the precedent established in the farm support program.

Therefore, I ask your approval of the bill I have introduced. It authorizes, for a temporary period, the purchase by the Government of worsted fabrics in amounts sufficient to maintain normal production and employment in the worsted-fabric industry, to promote the general national welfare, and for other purposes.

That the purposes of this act are—

(1) to promote the general national welfare by stimulating the economic recovery of the worsted-fabric industry, which is of vital importance to the industrial activities, health, and comfort of all the people of the United States;

(2) to take advantage of the present skilled labor supply to establish a stockpile of worsted fabric to insure that adequate supplies will be available for the common defense in any future emergency;

(3) to prevent economic depressions in the worsted-fabric industry and in local businesses in areas dependent on the industry; and

(4) to maintain normal employment in the worsted-fabric industry, and thereby to alleviate hardship among employees of the industry, their dependents, and all other residents of areas dependent on the industry, pending the establishment of a long-range program for the permanent economic rehabilitation of the industry.

A National Worsted Fabric Board would be created in the Department of Commerce to supervise this program. It would be composed of the Secretary of Commerce or his designated representative, and four members appointed by the President to represent the worsted fabric industry, two to represent management, and two to represent labor.

The Board, meeting monthly, shall determine the amount of worsted fabric produced in the United States during the ensuing month which should be purchased, in order to accomplish the purposes of this act.

It shall determine a schedule of just and reasonable prices at which such purchases should be made; it shall prescribe the manner in which purchases shall be made; and formulate policies with respect to the disposal of these worsted fabrics. Care shall be exercised to prevent surplus worsted fabric from being dumped on the market in a disorderly manner and disrupting the market prices for worsted fabric.

Apart from the needs of the industry and its workers, there is another and more compelling reason why we should stockpile worsted fabrics and that is to protect our national security.

Let me quote briefly from the article by Kenneth W. Marriner, Chairman of the Wool Industry Advisory Committee, Munitions Board, which appeared in the May 6, 1950, issue of the Army and Navy Journal:

It, therefore, is clear that there will be a heavy dependence on distant foreign sources for large quantities of wool. These circumstances point to the need and desirability for stockpiling, and immediately raise the question of the form in which the stockpile should be carried. Wool can be stored in numerous forms. Initial accumulation in the form of garments and cloth are clearly indicated, however, not only from the viewpoint of storage and manufacturing problems but also from consideration of the length of the manufacturing cycle from wool to cloth and thence to garments; perhaps such stocks of garments and cloths should be considered proper peacetime operational stocks of the supply services, as they rightfully are, rather than stockpiles; but regardless of name, they deserve first rank in the order of planning. A meeting of the Wool Industry Committee on January 13, 1949, was devoted mainly to a discussion of the problems of stockpiling wool. The committee recommended to the Munitions Board that wool be transferred on the listings of strategic and critical materials from group 2 to group 1a, and that it be stockpiled in the following order: (1) Garments to meet initial mobilization requirements; (2) fabric and knitting yarns to sustain cutting and knitting operations during the early months of mobilization; and (3) raw wool.

An element of uncertainty is introduced into all planning for the wool textile industry by the trade-agreements program of the Department of State. The facilities of the industry will remain intact only if the mills can meet competition from foreign goods. A comparison of the wages paid here and in England shows the difference has increased from about 30 cents an hour in the 1930's to 95 cents an hour at the present time. The national security implications of this tariff-reducing program of the State Department deserves the earnest and continuing consideration of the Munitions Board.

There it is: the solemn warning that the Government should do something to

protect the operations of the woolen and worsted manufacturing industry, which rates group 1 a priority to produce critically needed stockpiles.

For the well-being of our national economy, and for the defense of our national security, the United States must have an adequate reserve of worsted fabrics, already manufactured and in storage, ready to meet any emergency.

Give temporary assistance to this basic industry. It needs your help now, and you need its help always.

Its management and its workers deserve your support.

SPECIAL ORDER GRANTED

Mr. PATMAN asked and was given permission to address the House for 10 minutes today following any special orders heretofore granted.

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. BIEMILLER] is recognized for 20 minutes.

THE COMMITTEE FOR CONSTITUTIONAL GOVERNMENT—THE NO. 1 HATE LOBBY

Mr. BIEMILLER. Mr. Speaker, I want to commend the able chairman of the special House Committee Investigating Lobbying, the gentleman from Pennsylvania [Mr. BUCHANAN]. When he issued subpenas for officers of three of the Nation's top reactionary lobbies, he moved toward disclosure of a conspiracy of which every citizen and every Member of Congress should be aware.

The subpenas went to Edward A. Rumely, executive secretary of the Committee for Constitutional Government; Joseph Kamp, of the Constitutional Educational League; and Merwin K. Hart, of the National Economic Council.

When the Lobbying Committee opens its public hearings tomorrow, it is to be hoped that its members will be able to discover the financial backing, as well as the unsavory record and background of this conspiracy to convince the American people that their own elected, democratic Government is not to be trusted. It is to be hoped that the whole interlocking directorate of organized reaction in this country will be exposed.

My remarks today, however, are concerned primarily with the Committee for Constitutional Government, not its partners in hate. Having long been interested in the committee's medieval approach to modern problems, I have not been surprised at the committee's current reaction to investigation. And having watched its many attempts to conceal the source of its financing, I have been quick to hope that its current difficulties will lead to the end of that concealment.

First, I want to deal with a letter, press release, and copy of a complaint for an injunction against the lobby investigators which I received from Sumner Gerard, secretary and treasurer of the Committee for Constitutional Government, in this morning's mail. I assume other Members received copies of the same documents. The very nature of the protests contained in this material reveal fear of what is likely to be found if the committee's complete financial records are made public.

These documents ask that our lobby investigators be legally denied access to records which show the buyers of more than 100 copies of any one of the committee's publications, notably Why the Taft-Hartley Law, by Irving G. McCann; Compulsory Medical Care and the Welfare State, by Melchior Palyi; the Road Ahead, by John T. Flynn; and the Constitution of the United States, by Thomas James Norton.

Now the Committee for Constitutional Government admits in its formal court complaint filed May 25 "that the funds derived from the sale of such books and other literature"—and I am quoting or I would not use the word "literature"—"comprise approximately more than half of the income of the committee."

Here is a group which deals with such legislative issues as the Taft-Hartley law, compulsory health insurance, and the whole Fair-Deal program by selling publications for mass distribution and mailing out others under congressional franks. Here is an organization which is second only to the American Medical Association in the amount of money spent to influence legislation. Here is an organization which officially claims more than half its income, about half a million dollars a year, comes from mass sales of publications. And yet, it has the colossal gall to say that such activities need not be reported under our lobbying laws, that our investigators have no right to inquire about the sources of income which finance more than half of the committee's lobbying activities. How contradictory and evasive can you get?

Gerard's protests declaim against the so-called publicity threat of the Buchanan committee. What is the Committee for Constitutional Government up to that publicity will hurt? I think the Congress and the American people are entitled to know. I have a good deal of pertinent information myself which I will include in the RECORD, and I hope a good deal more will be compiled before the investigation is concluded.

Before concluding my own remarks, there is another question I would like to raise.

The Committee for Constitutional Government has very cleverly advised contributors to send checks of slightly less than $500, the limit for non-reportable contributions under congressional lobbying laws.

Considering the political nature of this group, I inquire as to whether the $100 limit of the corrupt practices statutes should not apply.

The CCG claims that it is not political, that it does not endorse candidates. Actually, it is true that the committee does not endorse candidates, but it is about as nonpolitical as the Republican National Committee. In its lexicon of hate, no administration supporter is any good.

The House should give the gentleman from Pennsylvania [Mr. BUCHANAN] and his committee all possible cooperation to continue their fine job. And when we have all the facts, the House might well consider any necessary changes in the corrupt practices act or its application as well as possible lobbying reforms.

So that Members might know the whole history, formal and informal, of the organization which has cluttered its desks with so many varieties of hate mongering during the last few years, I've done a little research. This is what I found.

In 1937, the committee was organized to fight President Roosevelt's proposal to expand the Supreme Court. Frank Gannett, millionaire publisher and a very active reactionary, furnished most of the money, and Edward Rumely most of the work. After the defeat of the proposal Gannett revealed that the committee had mailed out more than 10,000,000 pieces of literature against it and went around bragging of the success of what he called "mail-order government."

Gannett then put his friend and mentor, Edward Rumely, in charge of the committee as executive secretary. This man Rumely—the same now under subpena in the lobby investigation—has a background passing strange for the active director of an organization pretending to 200-percent Americanism.

Shortly after World War I, he was indicted for over-close cooperation with the agents of the German Government—the government with which we had been at war at the time of the alleged cooperation. Mr. Rumely escaped from that situation relatively well—with a sentence to serve a year in the Federal prison at Atlanta.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. BIEMILLER. I yield to my distinguished friend, the gentleman from Texas.

Mr. PATMAN. Is it not a fact that in that case it was disclosed that this man, Edward A. Rumely, received more than a million dollars directly from the German Government, and that money was used to buy a newspaper in New York City and the newspaper was used to spread German propaganda preceding and during the First World War, and he was convicted of espionage and sentenced to the penitentiary? That is the same Rumely?

Mr. BIEMILLER. That is my understanding of the situation exactly.

Mr. PATMAN. And he is the one who is spearheading this organization, which I consider the most outstanding and most dangerous Fascist movement in America and has been for the last 13 years.

Mr. BIEMILLER. I agree entirely with the gentleman from Texas, and later in my remarks I intend to pay tribute to the fine fight which the gentleman from Texas made a few years ago in exposing the machinations of this nefarious organization.

To give you further insight into this episode and Rumely's attitude toward it, considering these paragraphs from hearings held by Senate investigating committee which once expressed curiosity about the funds of the old Committee to Uphold Constitutional Government:

Senator SCHWELLENBACH. When a man comes in and represents himself as a patriotic American it is relevant to see if it is the same campaign being conducted by you

as was conducted by the German Government in 1915——

Mr. RUMELY. You have no right to say that——

Senator GREEN. Weren't you convicted and didn't you serve a term in Atlanta?

Mr. RUMELY. I did because I fought on an unpopular side.

Senator GREEN. And didn't you take an appeal to the Supreme Court and didn't the Supreme Court deny an appeal of the case?

Mr. RUMELY. That is correct.

The CHAIRMAN. Let me read into the record what the Circuit Court of Appeals said that case was all about—I am reading now from *Rumely et al.* v. *U. S.* (293 Fed. 532 at p. 533): "The plaintiffs in error have been convicted under an indictment which charged them with having conspired to defraud the United States by obstructing and preventing the United States from seizing and administering a certain indebtedness of the defendant Rumely to the Imperial German Government."

At a later point in the hearings Rumely was accused of connections with the Ku Klux Klan in Indiana. He admitted to friendship with D. C. Stephenson, KKK leader convicted to life imprisonment for murder.

The very logical reaction to these hearings forced Rumely into a temporary retreat. But he remained close to Gannett and the committee, eventually returning to high office when the heat went off. Sumner Gerard, once his secretary, moved into place as treasurer of the committee. Since 1944, he has taken an increasingly prominent position in the committee.

After the court-packing episode, the committee went into the business of printing and distributing political propaganda—propaganda aimed at defeating New Deal prolabor Congressmen at elections, and lobbying against New Deal and prolabor measures between elections. The campaign for mail-order government continued with a slight decline during the early years of the war, and by 1944 Frank Gannett was able to boast to a House committee that his committee had put out 80,000,000 pieces of literature.

The big enterprise for the year 1940 was a fight against the third term. Mr. Gannett indicated to Republicans that he would be willing to be drafted for President, but his boom was a quick fizzle. In 1940 Mr. Gannett retired as chairman of the committee to be succeeded by former Congressman Samuel Pettengill, prominent isolationist and friend of vigilante groups. But Mr. Gannett kept as closely in touch as ever.

The third term election was won by Roosevelt and lost by Gannett, among others, and he was denied the pleasure of bragging that mail-order government had triumphed again. The committtee was disbanded, but almost immediately reorganized under the new name of the Committee for Constitutional Government, with Mr. Pettengill as chairman. The history of the two committees is considered continuous by the members themselves, and was so described in a speech by Dr. Norman Vincent Peale, a later secretary.

In 1942, the committee took indirect credit for the election of some anti-New Deal Congressmen. A paean of triumph they put out states "Strong men of both parties were elected to Congress—again as in other campaigns, the committee claims no credit for inspiring this result, although some of its members, who did decide to enter public life said their inspiration came from the committee's work." Strong men is significantly a favorite term of the committee.

Frank Gannett's heart has always bled for the poor people of this country. His next promotion was in the interest of those poor people who have to struggle along on a few hundred thousand a year. In the early 1940's he instigated a quietly vicious campaign in the State legislatures for a constitutional amendment to limit income and inheritance taxes to 25 percent. By the smoothest sort of lobbying, resolutions were passed in 14 States, without the full understanding of the members of those legislatures, calling for a constitutional convention for that purpose. The valiant work of one Member of this House, the gentleman from Texas [Mr. PATMAN], aroused the public to the dangers of this movement.

The gentleman from Texas devoted a number of speeches to awakening the people of this country to the dangers of this attack upon the financial stability of our Government in 1943 and 1944. He spoke of this committee as "the outstanding Fascist group in America" and "the most sinister lobby ever organized." The move to undermine the financial standing of our Government he called "a sneak devastating attack on the Constitution" and "a millionaire's amendment to make the rich richer and the poor poorer."

Mr. PATMAN's valiant fight was successful in awakening the people of the United States to the danger of this particular amendment, and the Committee for Constitutional Government temporarily withdrew its efforts in this direction. But it continued to operate as a lobby against every law for the benefit of the majority of the people, and to broadside its poison-pen letters under the protection of tax exemption.

The real views of the committee on the subject of the income tax appear in a significant quotation from their tax expert—who is also the tax expert of the National Association of Manufacturers—Prof. Harley Lutz, of Princeton. This statement appears in a committee pamphlet which was widely distributed in connection with the tax-limitation campaign:

> When a future Edward Gibbon writes the history of the decline and fall of the American Republic, the date he will use to mark the beginning of that decline will be March 1, 1913. On that date the people sanctioned Federal taxation of incomes.

To put it briefly, the committee thinks we should not have any income tax at all, but since it is impracticable to wipe it out entirely just now, they would settle for a limitation which permits the rich to stay as rich as possible, even though it means that the poor will be poorer.

The committee got into a good deal of trouble in the 1944 campaign because of some curious maneuverings in Texas at primary time. It seems that they raised a lot of money both inside and outside of Texas, allegedly to stage essay contests in the schools.

And who do you suppose they sent down to take charge of these essay contests? None other than convicted-enemy agent Edward Rumely. A man who brushed off conniving with an enemy government to prejudice the American people against their allies as "choosing the unpopular side." A man who told a House committee that they had no right to question him about his unsavory connections with Franz von Papen, chief foreign conniver for the Kaiser and later for Hitler. A man who was indicted for contempt for refusing to turn over the records of the Committee for Constitutional Government to the Senate committee in 1938. That is the man whom self-styled patriot Frank Gannett chose to go to Texas and conduct essay contests for school children in Americanism.

The congressional committee investigating campaign expenditures was of the opinion that Mr. Rumely had other outlets for his spare time and spare money after setting up the contests. For one thing it was reported that $112,377.20 was raised, of which $35,000 was given out in prize money. That left $77,377.20 to be accounted for. The committee thought that Mr. Gannett was probably getting full return for that money in some form, and the unusual activity of anti-New Deal candidates in the primary election was noted in that connection. And Mr. Rumely was chosen, it was suspected, not for his outstanding patriotism, but for his proven ability in the realm of shady financial dealings with the enemy.

I want to quote to you rather fully from a story in the Philadelphia Record, one of the many papers covering the investigation of the Committee on House Campaign Expenditures in 1944. The "unholy three" again are prominent—Gannett, Rumely, and Gerard, the latter becoming increasingly important in the committee's activities.

The Record story, dated September 7, 1944, begins:

> The House Campaign Expenditures Committee today drew admissions from Frank E. Gannett, publisher of 21 newspapers and one farm magazine, that his Committee for Constitutional Government is spending more than $300,000 a year to protect free enterprise and smear the Roosevelt administration.
>
> Appearing with Gannett were Sumner Gerard, treasurer, and Dr. Edward A. Rumely, executive secretary of the committee. Rumely was convicted in the last war for failing to make a report to the Alien Property Custodian in regard to a loan involving individuals in Germany.
>
> Questioned persistently by Representative John W. Murphy, Democrat, Pennsylvania, Gannett admitted his organization is working with the same reactionary Texas group plotting to keep Roosevelt electors off the ballot in that State. It has collected $112,377.20 in Texas since the first of the year.
>
> One way of distributing the money is through high school essay contests on constitutional government and good citizenship. The man in charge of the contests, Gannett said, is Rumely.
>
> Murphy, who carried the burden of the questioning, was unable to get a list of contributors, although Gannett said he would take the request under consideration.

Gerard, however, said the Pew family of Philadelphia contributed $16,000 in 1940.

"The Pews must have been pretty excited about what was taking place," Gerard said. He expressed the hope that the "little birds" will contribute $120,000 in $1, $2, and $5, and $10 amounts this year, and that "big shots" like the Pews will come through with substantial $1,000 contributions.

Gannett protested emphatically that his committee is not engaged in politics, or even that it is his committee, although he organized it in 1937, was its first chairman, and is not a member of the board.

Here let me interject that it was at another point in these same proceedings that the irrepressible Mr. Gerard is reported as saying, "If we didn't have any political effect on an election, we might as well shut up shop." That was in a New York Herald Tribune story for September 8, 1944.

To return to the Record story:

True, Gannett said, the committee fought Roosevelt in 1940.

"But we were against the third term," Gerard interposed, "and we didn't mention any candidate, so it wasn't political."

"But Roosevelt was the only third-term candidate," Chairman CLINTON ANDERSON remarked, bringing a laugh from Gannett and the spectators alike.

Murphy then read the committee's immediate objectives which include the following:

1. "To encourage efficient and full utilization of resources of private enterprise for victory in war and full employment in peace."

Questioned on this plank by ANDERSON, Gannett agreed that never before in history had private enterprise been used and encouraged as in recent years. "I am proud of the job private industry has done," he said.

2. "To resist every attempt to use the war emergency as excuse for supplanting experienced private management and constitutional government with a Socialist economy."

Questioned by Murphy, Gannett and his associates admitted there has been no threat to private management. They said they had been smeared by being called Fascists, but saw nothing objectionable in attempting to fasten the political smear words "Socialist" and "Communist" on the administration.

3. "To mobilize 1,000,000 constitutionalists, 1,000 to 4,000 in each congressional district, organized to support our constitutional system."

"Perhaps we are slightly tinged with political activity," Gerard said, when Murphy read that one to him. But he and Rumely denied there was any politics in 200,000 pamphlets sent out by the committee charging that Congress is packed and the Supreme Court is a wrecking crew.

"Why that was not political," Rumely said. "That was just an editorial by William Randolph Hearst we picked up. Mr. Hearst was merely exercising his right of free speech."

Gerard said the committee makes money by selling its literature. One of the most profitable items is a book called Hunter's Revolution. It costs 40 cents to print and sells for as high as $2.50.

"Hunter's book shows how easy it is to put on a revolution," Gerard said. "We have made use of a lot of that material in our campaigns. We use his technique in order to spread American principles."

The committee gasped at that one, and Representative CLARENCE BROWN came to Gannett's rescue.

"Mr. Gannett," BROWN said, "you are the publisher of 21 newspapers. You have been so busy that you undoubtedly have not followed the activities of this organization as closely as you might."

But Gannett didn't want to be rescued.

"I've been busy all right," he replied, "but I have a great interest in the committee and I have followed its activities closely."

The article closes with a further discussion of Rumely's conviction. It seems that his original sentence was for a year and a day, but this was commuted by President Coolidge to a year, so that he might have his civil rights restored, and so that he might serve at White Plains, N. Y., instead of at Atlanta.

Some of the committee's views are as interesting as the careers of its officials.

Nowhere is the committee more vicious than in its unceasing attack on labor unions. It feels about labor unions the way the frontiersmen felt about the Indians—the only good one was a dead one. The simple solution for all our labor problems, it says, is just to abolish the unions.

A booklet widely distributed by the Committee for Constitutional Government is called Labor Monopolies or Freedom. The conclusion of this little volume is that—

We must not be defeatists. We must not say collective bargaining is here to stay, and there is nothing we can do about it. The public has been taught that collective bargaining is beneficial. We must learn through discussion, debate, experience, that it is harmful. For some years we will struggle to eliminate the abuses of collective bargaining. Some day it may dawn on the majority of our citizens that the abuse is collective bargaining itself.

These views are strongly endorsed by Willford I. King, the present chairman of the Committee for Constitutional Government. This is the same Dr. King who wrote in a CCG pamphlet in 1948 that—

The purport of such statutes as the Clayton Act, the Norris-LaGuardia Act, and the Wagner Act assume that members of labor unions are a privileged class who are entitled to plunder the unprivileged nonunionists * * *. The result has been to stifle individual initiative, to hamper the upward progress of the talented young man or woman, to cut down efficiency, to generate mass unemployment, to reduce production and hence the level of real annual wages, and to deny freedom of movement and freedom of contract to millions of our citizens * * *. To achieve recovery, the evil thing must be rooted out, and we must return to the system of equality before the law for all citizens of the Republic.

The Committee for Constitutional Government spoke its collective mind again on the subject of labor in connection with the recent coal strike. A letter was sent out by the committee on February 24, 1950, over the signature of Sumner Gerard, trustee.

Gerard wrote to the Members of Congress, and doubtless to others, in connection with possible seizure of the mines:

Seizure means eventual nationalization. Nationalization means total socialism. Total socialism means communism. * * * If Congress tries to offset the swollen and dangerous powers of labor monopolies by conferring still more vast powers upon the Federal Government to seize private property, we shall be moving down the road to fascism.

The conclusion is that "the sound remedy is to reduce the power of labor monopolies by subjecting them to the Sherman antitrust law by prohibiting industry-wide bargaining."

Another little gem of Dr. King's, in Paul Revere Letter No. 75, raises the following question:

Is it not time for thoughtful Americans to stop talking about the right to strike, and to recognize the truth that * * * strikes are unjustifiable in a civilized society?

The Committee for Constitutional Government believes that the Members of Congress are too much influenced by the opinions of the voters. They actually suggest that a system of secret ballot by push buttons would "improve the quality of our legislation." Let me read you part of Paul Revere Letter No. 35:

The typical Congressman is not at all oblivious to the dangers of wasteful spending. His common sense tells him that giving doles to the unemployed is a sure method of encouraging idleness and intensifying depression, and that, if a real business collapse appears, the cost to those who remain at work will be huge. However, he knows that both the A. F. of L. and the CIO are on record in favor of unemployment insurance, and he cannot afford to incur their wrath. Fear of these same organizations also impels him to endorse movements to increase social-security coverage. * * * He is familiar with the fact that rent control is almost entirely responsible for the housing shortage, and that entrance of Government into the building field will entail tremendous waste, but he does not see how he can be elected if the tenants and those seeking cheap housing units unite against him.

The probabilities are that we could greatly improve the quality of our legislation were we willing to sacrifice the privilege of knowing how our Representatives vote. Install in each branch of Congress an electric voting machine with a "yes" button and a "no" button under each Congressman's desk. The machine would record merely the total vote for and against a measure. This procedure would almost certainly improve amazingly the quality of the legislation adopted.

And the fact that it would destroy all semblance of representative government and responsibility to the people is apparently regarded as irrelevant.

Many of us have been deeply concerned about the perilous state of public education in the United States, and have felt that our Federal Government should come to the aid of the next generation by helping the schools to meet the rising costs of education with Federal grants to States. Some wanted the funds to be limited to public schools and some wanted them to include certain aids to private schools. But I am convinced that the overwhelming number of people wanted some form of Federal aid to schools, and still hope to see it accomplished.

Not so the Committee for Constitutional Government. They issued a 33-page confidential memo, printed on both sides of the 33 pages, opposing any and all Federal subsidies for schools. In the face of half-day programs, impossible heavy teaching loads, inadequate transportation, crowded and crumbling buildings, failing standards of teacher preparation, and loss of teachers to jobs that pay a living wage, the Committee for Constitutional Government comes up with the profound observation that we have yet to prove that an adequate public-school program cannot be financed by the States. A group of statements were collected, from people who are not close to the secondary schools system and its needs, to support this view.

To advance their attack upon Federal aid, the Committee for Constitutional

Government has been circulating reprints from the CONGRESSIONAL RECORD of an insert made by the gentleman from New York [Mr. GWINN], of a speech made by Dr. George Benson, of Harding College, Ark. Dr. Benson has been associated with a number of reactionary movements in this country. Harding College, it may be noted, is not an accredited institution. That means that its education standards are low.

The point in Dr. Benson's speech which particularly strikes me is the suggestion that too much education is a bad thing anyway. I quote:

> New York and California, the two wealthiest States in the Union and the two with the highest average expenditure per student for education, still have their problems. * * * The percentage of crimes and the number of Communists in those States testify to the fact that it takes more than money to provide proper education.

This is a most marvelous argument—the more education, the more crime and communism. Therefore the less education, the less crime and communism. Down with education.

Of course it goes without saying that the Committee for Constitutional Government is opposed to extension of social security for old age and disability. They have a novel approach to the problem. Dr. Wilford I. King has dreamed up a scheme whereby everyone should be compelled to buy insurance through private firms. This insures the profits of the insurance companies, even though it gives dubious coverage at extraordinarily high rates for the people. I have puzzled over why an organization which is opposed to Government compulsion in any other field should favor it in this one, and I have reached the conclusion that they are opposed only to compulsory provision of security, though they favor compulsory profits.

In addition to opposing the income tax, legislation protecting labor organizations, Federal aid to education, and social security extension, the committee carried on its campaign against practically everything else which would help the people in this country who earn less than, say $10,000 a year. They have fought Federal housing and rent control; veterans' bonus or pensions; health insurance; maintenance of farm prices; subsidies to shipping; loans to foreign governments; support for tottering European governments; and enlarging power projects. They also carry on a sort of perpetual war against expansion of Federal bureaucracy.

In view of these recent propaganda campaigns of the committee, it is appropriate to quote from the Senate committee hearings in 1938. The following dialog appears on page 2127 of the committee report:

> The CHAIRMAN. Is not this true, the sole purpose of the office at room 600, 205 East Forty-fifth Street, is to carry on a campaign to influence or defeat the passage of Federal legislation?
>
> Mr. RUMELY. Oh, no; some legislation we might be tremendously in favor of.
>
> The CHAIRMAN. Up to the present moment you have not been in favor of anything, have you?
>
> Mr. RUMELY. We have been in favor of recovery programs.
>
> The CHAIRMAN. Name some bill you have sent out a single article of propaganda in favor of.
>
> Mr. RUMELY. We have dealt with only two bills, the court bill and the reorganization bill.
>
> The CHAIRMAN. So it is a fact that all the educating you have done is for the defeat of Federal legislation, is it not?
>
> Mr. RUMELY. Oh no; here is a piece here in the last mailing, by Gannett, "Abolish surplus profits tax and capital gains tax."

One thing you can certainly say for this outfit. They cannot be accused of saying "me, too." They are against any and every measure advanced by the Roosevelt and Truman administrations. They are against the Government doing anything it did not do in 1895. They are against the Government assuming any share, however small, in protecting the poor from the rich and the rich from the consequences of their own folly.

Their methods include reaching citizens at every level, through local membership organizations called Fighters for Freedom through a radio organization called America's Future, Inc., through biweekly newsletters called the Paul Revere Messages, through innumerable leaflets and pamphlets, and through the promotion of books which develop their reactionary point of view.

For quite a while America's Future sponsored the broadcasts of former Congressman Samuel Pettengill, whose curious connections with American Fascist groups and individuals is well known, as is his predilection of violence, anti-Semitism, isolation, and so on.

America's Future now sponsors programs known as Americans, Speak Up. They are carried by 80 stations in 30 States and the District of Columbia. While a great many speakers appear on this program from time to time, no Fair Dealer was ever known to sneak in. It is no coincidence that the stuff put out by this subsidiary of the Committee for Constitutional Government closely parallels the line of all the printed propaganda of the committee.

Another interesting feature of America's Future is the close connection of many of its backers with Merwin K. Hart. Hart, whose propaganda line parallels the Nazis at every important point, is a notorious anti-Semite. His National Economic Council is even to the right of the Committee for Constitutional Government, and that is saying a good deal. He has been listed by the Americanism Committee of the Illinois Department of the American Legion as a native Fascist.

Hart tried to organize all American Fascist groups into a sort of holding company called American Action in 1945. Exposure by Friends of Democracy apparently killed off this move.

Over half of the 15 signers of a fundraising telegram for America's Future were associated with Merwin K. Hart and/or American Action. Their names include Ragnar Hummell, J. Howard Pew, Robert Lund, Charles R. Hook, Edward F. Hutton, Charles S. Payson, Lammot du Pont. All of these men have been unangelic angels for the National Economic Council or American Action, and some of them have been associated with other unsavory enterprises. Edward Rumely is also prominent in the affairs of America's Future.

And then there is Fighters for Freedom, not to be confused with Fight for Freedom, an organization of entirely different people and principles organized to help win World War II.

Fighters for Freedom is a membership organization designed to build a mailing list for the Committee for Constitutional Government. If you cut through the patriotic verbiage of its call, you find that its purpose is quite a simple one—lick the Fair Deal. It is about as nonpolitical and nonpartisan as the Republican National Committee. But it tries to be a little more subtle.

This year the Committee for Constitutional Government and its subsidiaries is going all out to promote a book by John T. Flynn called The Road Ahead. Let's take a look at John T. Flynn and his book—a good long look, since its artificially stimulated circulation is booming toward the million mark.

John T. Flynn is an ex-liberal, ex-editor of the New Republic. Like many liberals in the 1930's, Flynn was an isolationist and a pacifist. His isolationism outlived his liberalism, however, and his hatred of the British Government blinded him to the menace of fascism. In 1941 when most of his former friends were thoroughly disturbed about Hitler's vicious grab for power, Flynn was writing "This is the second time Americans have been played by the British Empire for the suckers they are, and the President of the United States has become the mouthpiece for British propaganda."

Flynn's book, Country Squire in the White House, published in 1940, won the united approval of the Roosevelt haters of every degree. It was quoted and praised by Friedrich Auhagen, a Nazi agent and promoter of the American Fellowship Forum. By late 1940 Flynn was a prominent leader in the isolationist cause. In December of that year we find him denouncing England's struggle against the Nazis as an imperialist war and telling the America First Committee members that—

> The President of the United States, the British Government's agents, and the William Allen White committee are conferring, intriguing, working night and day behind the scenes, to take you from one dangerous position to another, step by step, into this terrible war.

Subsequently Flynn became chairman of the New York Chapter of the America First Committee and national chairman of the Keep America Out of War Congress. Charles A. Lindbergh was a speaker for both groups; the two held a joint rally at Mecca Auditorium, New York City.

The America First Committee and the Keep America Out of War Congress were not merely antiwar, but definitely pro-Axis. In April 1941 American Firsters cheered Lindbergh's statement that "it is now obvious that England is losing the war" and in May, according to a New York Times report, a Congress audience "cheered Charles A. Lindbergh's name for 35 seconds, booed and hissed the names of Anthony Eden and Viscount Halifax, and gave only mild catcalls when Hitler or nazism were mentioned."

At first Flynn is credited with trying to fight the Fascist elements in the isolationist groups. But he became increasingly involved with them. He wrote articles for Scribner's Commentator in April and August of 1941. This magazine was openly anti-British, pro-Vichy, and pro-Japanese. Several of its employees appeared before the Federal grand jury investigating pro-Axis activity, and one of its editors was subsequently convicted as an unregistered Japanese agent. It may be remembered that this magazine was financed by a mysterious bag of cash which, the editor claimed, was thrown in his window one night. Such contributions, he assumed, did not need to be reported or accounted for to the Government, a theory with which the Government disagreed.

Meanwhile Flynn was telling America First audiences that Great Britain was "the greatest aggressor of all," that passage of lend-lease would make President Roosevelt a dictator, that Secretary of War Stimson and Secretary of the Navy Knox should be driven out of the President's Cabinet, and that he was "not willing to see millions, or thousands, or even a few men sacrificed to make the world safe for the British Empire." These statements appear in newspaper accounts of meetings of America First addressed by Flynn.

Flynn soon forgot his feud with the Fascist elements in America First and kindred organizations. The organ of the German-American Bund, the Deutscher Weckruf and Beobachter, proclaimed that "Flynn was a courageous man just like Lindbergh" and ran parts of his Country Squire in the White House. The Coughlinites, who had formerly hated him, eventually welcomed Flynn as a "veteran American crusader."

In September 1941 Lindbergh made his famous speech charging "the British, the Jews, and the Roosevelt administration" with dragging this country into war. The newspaper PM reported that Flynn repudiated this speech, but Flynn labeled the PM report "absolutely untrue." A former New York City magistrate shortly thereafter demanded Flynn's removal from the board of higher education for' his failure to repudiate Lindbergh's malicious attack on America's Jews.

Meanwhile the America First Committee became more and more Fascist in character. It toured Laura Ingalls, later convicted as a Nazi agent. West coast bund members were prominent in organizing America First rallies. Praise for the committee poured out over Hitler's short-wave radio, Mussolini's agents thought it was great. Father Coughlin was all for it too.

Flynn shared in this praise from curious sources. E. J. Garner, later one of the sedition defendants, called Flynn a realist, and praised him for standing by Lindbergh. "Every keen exposé of the New Deal," said Garner, "is a spike in the coffin lid of Jewocracy." William Dudley Pelley, who wanted to be America's Hitler, praised Flynn shortly before his conviction for sedition, when he was sentenced to serve 15 months in jail.

Pearl Harbor temporarily silenced the America Firsters and Flynn dropped out of sight for a couple of years. In 1944 he brought out another book called As We Go Marching. This book said fascism was inevitable in Italy, that the rushing currents in that country, and not Mussolini, were responsible for the rise of fascism there. Flynn added that Roosevelt policies were leading this country toward fascism.

This book won high praise from Carl Mota, associate of Gerald L. K. Smith, who said that Germans were superior to Americans, proclaimed Flynn's book as "a profound study of our republican institutions under the impact of the New Deal." Merwin K. Hart, leading American hate monger and native Fascist, also praised the book. Flynn and Hart became close at this time. Flynn sat at the speakers' table of several Hart luncheons. Hart's National Economic Council printed and distributed a Flynn pamphlet, Watch Dumbarton Oaks. This pamphlet denounced the Dumbarton Oaks conference as an "international monstrosity."

Another Flynn pamphlet published in 1944 was called The Truth About Pearl Harbor. It pictures Japan as a nation of peace lovers and blames the Pearl Harbor attack on Roosevelt, his columnists, his stooges, and his Cabinet chiefs. This pamphlet was widely quoted and distributed by American subversive forces such as Gerald L. K. Smith, the organization called We the Mothers Mobilize; anti-Semitic newspapers in Boise, Idaho, San Francisco, Chicago, and elsewhere. Elizabeth Dilling, sedition defendent, commented "Now that the astounding facts on Pearl Harbor have been publicized by John T. Flynn and the evidence shows that the Pearl Harbor debacle was a planned and maneuvered butchery to shock the American people into going to war for Jewry, history will record Franklin D. Roosevelt and the Jewish pack which manipulated him as the greatest war criminals in history."

The sequel to this pamphlet, called "Final Secret," was also widely praised and reprinted in the subversive press. Several in the group indicted for sedition thought it was great.

Flynn, along with Samuel Pettengill, Upton Close, antiwar and anti-Semitic radio commentator, Robert Harriss, adviser to Father Coughlin, and General Robert Wood, isolationist and angel to several questionable movements, was an active supporter of American Action in 1945 and 1946.

General publicity and a congressional investigation checked the advance of American Action and Flynn found it convenient to resign from the committee a few months later. But he issued no statement indicating any opposition to its purposes.

A Chicago Tribune article of Flynn's was reprinted in 1947 as a pamphlet called The Smear Terror. This was a defense of the sedition indictees, and its sale was pushed by the Chicago Tribune and by the questionable characters it defended.

A later book of Flynn's, the Roosevelt Myth, published in 1948, was pleasing to the same circle of subversives and reactionaries. It was quoted extensively by Leon de Aryan, sedition indictee, in an article on Roosevelt and Stalin entitled "Two Hounds from Hell."

This brief résumé brings Mr. Flynn's isolationist antidemocratic pro-Fascist career up to date to 1949. In 1949 he published The Road Ahead. This book was so completely reactionary and so violently opposed to every aim of the present administration that it won the immediate approval of the Committee for Constitutional Government. And the major program of the committee today is the promotion of this book.

Many of you have doubtless read this book or the excerpts from it which were featured in the Reader's Digest. Mr. Flynn harks back to his happy connections of 1940, when his America Firsters gave informal cooperation to the Fascist-Communist coalition and waged violent war on the democratic forces in Britain and America. Mr. Flynn devotes a great part of his book to fighting the British Labor Party, and the American followers of President Roosevelt and President Truman. He says planning—what he calls socialist planning—is the real menace to American progress.

Let me quote you a few significant passages from this nasty little volume:

> We have been making war on the Communists. This has had one very serious by-product. It has dramatized the American Communist Party and its dupes as the chief internal enemy of our economic system and our form of Government. And it is widely feared that a crisis here would present our native Communists with their great opportunity. This I hold to be a mistake of the first magnitude. I insist that if every Communist in America were rounded up and liquidated the great menace to our form of social organization would be still amongst us. I do not mean to underestimate the danger from the Communists. * * * They are a traitorous bloc in our midst and they have frightening potentialities for harm in our foreign relations. But they are not as dangerous to us in the struggle now under way to change our internal institutions as another wholly indigenous movement.

Mr. Flynn then goes on to discuss the developments in Britain in the past 60 years. His anti-British bias is such that he can manage at the same time to damn the British empire and the anti-imperialism of the Labor Party, to attack British business and the nationalization policies which changed it, to hate both Churchill and Atlee. It is a masterpiece of justification for prejudice. And he reaches the conclusion that America is being led down the same path as Britain through the machinations of the nefarious social planners.

The point Mr. Flynn tries to make all the way through his book is that if you are going to have any Government control or regulation, you will eventually get complete controls on everything. There is no middle ground between the horse and the jet-propelled racer, therefore, let us choose the horse. Any deviation from the extreme right must throw us to the extreme left. There is no such thing as center.

Now I am firmly of the opinion that what we in this country want is to keep an even keel, to hold a steady balance between the evils of reaction and the evils of radicalism. We live in the ma-

chine age, and we need a government suitable to meet the human needs created by that age. Individual freedom is no less important than it ever was, but it cannot be attained by the methods of 100 years ago.

Mr. Flynn's book should not be called the Road Ahead. It should be called Back to Methuselah. It ignores the most important facts of life today, facts which the Committee for Constitutional Government also invariably tries to cover up. I mean the facts that we are a strong and prosperous Nation, and that the wise actions of our Government during the past two decades have made and kept us that way. And we are strong from top to bottom, from the rich to the poor, precisely because we have followed policies which set a ceiling over individual wealth and a floor under individual poverty, while allowing a tremendous spread between the two in which individual initiative is rewarded according to its deserts.

The Committee for Constitutional Government has put out a special issue of this book of Flynn's, with a number of statements added by Willford I. King, S. D. Pettengill, Congressman Ralph Gwinn, and others who represent the same backward point of view. They are pushing it everywhere, urging employers to give it to their workers, setting up study groups on it, getting it reprinted wherever possible. They urge that it will become a second Uncle Tom's Cabin. They say:

> The goal should be to make the Road Ahead dominate national thinking and do its important job as the next session of Congress opens.

If the Road Ahead is a second Uncle Tom's Cabin, then I read the first one wrong. As I see it, the officials of the Committee for Constitutional Government as the bloodhounds taking out after Eliza; John T. Flynn is Simon Legree laying into Uncle Tom with his whip. If these people call our present state of freedom and prosperity akin to slavery, then words have lost their meaning.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. SULLIVAN). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 10 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain extraneous matter.)

COMMITTEE FOR CONSTITUTIONAL GOVERNMENT, INC.

Mr. PATMAN. Mr. Speaker, I agree with what my distinguished colleague from Wisconsin [Mr. BIEMILLER] said in commending the gentleman from Pennsylvania [Mr. BUCHANAN], chairman of the Lobbying Activities Committee. The gentleman from Pennsylvania [Mr. BUCHANAN] is doing a good job under adverse circumstances. He needs the support of every Member of this House. He is now investigating one of the most dangerous groups, I think, in this country. I am in accord with any fight that is made against communism. I think we should fight communism with all of our might, power, and strength. At the same time, while we are opposing this enemy that is approaching from the left, we should not overlook the equally devastating and destructive enemy approaching us from the right, in the form of fascism.

Fascism is a real threat in this country. I consider the Committee for Constitutional Government the spearhead of fascism in this country. As outlined by the gentleman from Wisconsin [Mr. BIEMILLER] it has been operated and run by this man Edward A. Rumely since its organization. Of course, he is an educated man and a very clever man. He was born in the United States, but educated in Germany. After receiving his education in Germany he came here and he was very much in sympathy with the German side preceding the First World War, and he wanted some means of communication to spread German propaganda. He secured more than a million dollars from the German Government, bought a newspaper in New York City, kept this important fact concealed from the American people and officers of this country, and he propagandized this country for the German cause. Then, even after the war commenced this propaganda continued. Then the fact was disclosed and he was indicted by a grand jury in the Federal court and he was brought to trial in a United States district court. He was tried by a jury. The trial lasted a long time, because he had the best legal talent in the United States to represent him. Notwithstanding that, he was found guilty. He was sentenced to the penitentiary, and after an unsuccessful appeal had been made to the circuit court of appeals and an effort made to get into the Supreme Court of the United States, and there was nothing else to do except go to the Federal penitentiary, after he was sent to the Federal penitentiary President Coolidge was induced to pardon him. He is the man who has been running this Committee for Constitution Government along with Samuel Pettengill and Frank Gannett. That group is the most dangerous group in our country. I will admit that we should continue the fight against communism, always be on the alert against communism; but at the same time let us remain alert against the forces that would throw this country into fascism.

This Committee for Constitutional Government headed by Rumely, Pettengill, and Gannett are trying to get our Constitution amended so Congress can not pay the veterans, farmers, aged, and others. I am inserting herewith references to speeches inserted in the CONGRESSIONAL RECORD on this subject:

Committee for Constitutional Government—articles in Congressional Record by Wright Patman, Member of Congress

Date	Permanent RECORD p. No.	Subject
May 11, 1944 (78th, 2d)	4328	Remarks on "Most sinister lobby ever organized" during debate on rule for taking up the GI bill.
May 15, 1944 (78th, 2d)	A2370	Limiting income taxes to 25 percent.
May 29, 1944 (78th, 2d)	A2660	Gannett-Pettengill Political Action Committee.
Do	A2665	Each candidate for Congress or for State legislative office in 1944 should be interrogated on his stand concerning the "Proposed millionaires' amendment to the Constitution"—it is real danger—the people must wake up and defeat this wicked proposal.
June 8, 1944 (78th, 2d)	A2895	Gannett-Pettengill-Rumely-McClure's millionaires' amendment to oppress the poor and benefit the rich. (Reprint of this article gives title "Millionaires' amendment to make the rich richer and the poor poorer.")
Nov. 27, 1944 (78th, 2d)	8462	Sneak devastating attack being made on the Constitution of the United States by a group whose pretended purpose to uphold and defend the Constitution—a part of the Constitution never before used for vehicle for the attack.
Nov. 29, 1944 (78th, 2d)	A4566	"The proposed twenty-second amendment" (current status).
Jan. 16, 1945 (79th, 1st)	A151	Churches, hospitals, and charitable organizations would be adversely affected in our activities by passage of proposed twenty-second amendment—Brotherhood of Railroad Trainmen high official castigates subversive forces of Gannett-Pettengill Committee on Constitutional Government attempting to put over proposal.
Jan. 18, 1945 (79th, 1st)	359	Proposed twenty-second amendment to limit taxes on the rich.
Jan. 24, 1945 (79th, 1st)	A278	Mounting tide of resentment against activities of Committee for Constitutional Government, Inc.—Arkansas State Legislature rescinds former action favoring adoption of proposed twenty-second amendment—National Education Association Journal publishes strong article condemning Gannett-Rumely group—New Hampshire, however, joins lists of States favoring tax-limitation proposal.
Jan. 29, 1945 (79th, 1st)	A370	Latest box score on twenty-second amendment shows no change for better—Arkansas Legislature rescinds 1943 action, but New Hampshire joins ranks of States which favor amendment.
Feb. 7, 1945 (79th, 1st)	A500	Effort made to pass proposed twenty-second amendment to United States Constitution in Georgia Legislature condemned by Journal editorial.
Feb. 15, 1945 (79th, 1st)	A640	Drive opened before State legislatures to obtain endorsement of vicious proposal to limit Federal taxes on the rich.
Mar. 13, 1945 (79th, 1st)	2160	Vicious plot to make sneak attack on Constitution.
Mar. 14, 1945 (79th, 1st)	A1206	Iowa on the road to joining Arkansas and Wisconsin in repealing former endorsement of vicious twentp-second amendment.
Mar. 19, 1945 (79th, 1st)	A1287	Wisconsin and Iowa join Arkansas in passage of rescinding resolution of former endorsement of "twenty-second amendment"—other States on road to joining Arkansas, Wisconsin, and Iowa.
Mar. 28, 1945 (79th, 1st)	A1528	Fascism in America not dead—sneak devastating attack being made on Constitution of United States by Fascist group representing most sinister lobby ever organized to make rich richer and poor poorer.
Mar. 28, 1945 (79th, 1st)	A1573	Another rebuff for the would-be tax-dodge advocates—Illinois joins rescinding States—score down to 13 endorsing resolutions.
Mar. 28, 1945 (79th, 1st)	A1609	Trojan horse tactics of Committee for Constitutional Government in Public Schools—long-range planning by this group through vicious tactics in the school system of our Nation.
July 5, 1945 (79th, 1st)	7236	25 percent tax limitation—Alabama rescinds former endorsement of proposed twenty-second amendment—the fifth of 17 endorsing States to take this step.

I am not as disturbed about communism's taking hold in this country and of the people's voluntarily embracing it as long as the people are prosperous, as long as they own their homes and their farms and have good jobs, are earning good wages, and having their own automobiles, furniture, and everything else—owning something; as long as people own something they are not so likely to join any movement that would cause them to have to divide what they have regardless of how small it might be.

I think many of the Communists in this country are Communists for the same reason that we have Democrats in certain sections of the North where they have not a chance of ever being elected to public office, or Republicans in certain sections of the South where they never have a chance of being elected; they just want to be in there and be known so that in case their party should get in power they would be recnized and have authority. I think we have a lot of Communists—of course, I am not trying to justify them; I am against them every way on earth; I would send them back to the country from which they came or punish them if they are American citizens—but I think we have a lot of people in this country who are Communists because they think if by chance the Communists should win domination in some way or other over the United States, one chance in a million, that they would become leaders themselves. I think a lot of them are that way.

Fascism, I think, is an awfully bad thing. It is possible for us to have fascism in this country. The way the Fascists work, they want to destroy the confidence the people have in their leaders. That is No. 1. This organization is doing more in that direction than any other organization in America. The Fascists first want to destroy farmer cooperatives, farmer organizations, and credit unions, and all kinds of organizations where the people get together and have a voice in their affairs. They destroy them first. Then they destroy labor unions. Read the evidence that was compiled by the Library of Congress in Fascism in Action, and look at the earmarks in this country of fascism, sponsored by this Committee for Constitutional Government that we see in Germany, in Italy, in Spain. You will find that we have some definite and strong earmarks and trends toward fascism in this country.

I regret very much that during the Eightieth Congress—I see my distinguished friend the minority leader of the House over here, who was Speaker then—during the Eightieth Congress you know a lot of books were printed on Communism in Action, and I voted for printing those books and for their free distribution by the millions; that is perfectly all right. But there was another publication, Fascism in Action, prepared by the same group, the Library of Congress, which exposed fascism. Did you know that although the Eightieth Congress made it a public document it did not authorize the printing or sending out of one single free copy, not one? They could only be bought at the Government Printing Office. I regretted that very much, and I wish our Republican friends had joined with us not only to fight communism in every way possible, but also to get out and fight and try to destroy that equally devastating and destructive enemy approaching us from the right in the form of fascism.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. McCORMACK. Having some knowledge of special investigations of communism, nazism, fascism, bigotry, and all other kinds of fakers in America, I should like to make a statement. Of course, the fakers are different than the subversive forces, but the bigots for which I have nothing but contempt, are deadly enemies of any decent way of life. They are, in my opinion, lower than the lowest animal that roams the woods; meaner than the meanest animal that roams the woods, and more brutal than the most brutal animal that roams the woods. God has given us human beings the power to think and to reason and to resolve our thoughts and reasons into will and to exercise that will for good or evil. An animal knows no different, but human beings can.

I was chairman of a special committee in 1935 and 1936 that made a very thorough investigation.

Mr. PATMAN. It was 1933 or 1934 I think. I remember that investigation very well.

Mr. McCORMACK. The only legislation that has passed this Congress in some decades aimed at subversive forces in the United States was legislation recommended by the special committee of which I had the honor to be chairman. There is on the statute books now the Foreign Agent Registration Act which was recommended by my special committee. I drafted the bill. There is also the act making it a crime for anyone to knowingly or willfully advocate the overthrow of the Government by force or violence. We could not get that bill out of committee. It took 3 years before there was a bill come up on this floor that our recommendation was germane and pertinent to. It became a part of the Smith law. The 10 Communists in New York were indicted under its provisions, the provisions of the law originally recommended by the committee of which I was chairman.

We also made another recommendation strengthening the hands of the Army and Navy in meeting subversive efforts in camps, in naval establishments, and aboard naval vessels. In peacetime they could go into those places and propagandize and engage in their activities. There was no power to stop them. My committee recommended such a law and it has been in effect now for some years. It took us several years to get it passed. I can remember that I was vilified because I was chairman of the special committee that recommended legislation to meet subversive influences, communistic, Nazi, and fascistic, in this country.

Then we found also that when special committees went out of the District of Columbia they could subpena no one. They had no power outside the District of Columbia. If a witness failed to appear or failed to produce books no criminal proceedings could be instituted against them. It was only when the committees were sitting in the District of Columbia that a special committee or subcommittee had the power to subpena and that action could be taken against them. We amended the law so that it extended to any special committee the power to subpena witnesses, and if there was perjury or failure to produce or failure to answer, it was a crime not only in the District of Columbia, but throughout the entire continental United States and our possessions.

That all took place under a committee of which the majority of members were Democratic. Those laws were passed by Democratic Congresses. The Republican members of that committee, both dead now, were men of outstanding character, men who rendered a great service to our country and I want to pay here a tribute to their memory. But the fact is that three particular bills aimed at subversive activities and the only three that have become law in the past three or four decades were enacted about 12 or 13 years ago as a result of investigations made by a special committee of which I had the honor to be chairman.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I remember that investigation, and it was conducted in a way that not one innocent person was ever smeared—not one. The hearings were executive. All hearsay and rumor were deleted from the testimony before anything was brought out into the open. I agree with the distinguished gentleman from Massachusetts, the majority leader of this House, on what he said about a bigot. Out of that committee he mentioned came more real constructive legislation along the line we have been discussing than from all other committees combined in the United States Congress. That committee really accomplished something.

I know personally, and I think the gentleman from Massachusetts will be willing to reveal, that there were definite trends of fascism back during that time; am I not correct?

Mr. McCORMACK. The gentleman is absolutely correct, because there were certain people in this country who, in their desperate fear, had even approached the late Maj. Gen. Smedley Butler, to head the proposed Fascist veterans' organization, and he led them on and got all the information and eventually exposed them. He was a great American. He led them on and got all the information and he disclosed it to the committee of which I was chairman. They were even going into the NYA camps.

Mr. PATMAN. Where were they getting their money for that purpose?

Mr. McCORMACK. I know. It was coming from principally—and it is not necessary to mention the name now—but it was principally coming through one of the biggest brokerage houses in the United States.

Mr. PATMAN. And is not that the same house that is now supporting this hate organization that we have heard discussed here today; the Committee for Constitutional Government?

Mr. McCORMACK. I did not hear the name mentioned. But, it was out of that source that came those charges which were anti-Semitic; for example, appeals to bigotry and hatred, appeals to people who were not possessed of a hateful mind and who did not have a hateful mind, but appeals to their emotionalism, the result of which would be the same as if they did possess a hateful mind.

Mr. PATMAN. And always doing things that would cause people to distrust their leaders and distrust their Government.

Mr. McCORMACK. That same brokerage house contributed $130,000, as we disclosed—and we got the bank accounts—in order to get through one of our great veterans' organizations a resolution against the country going off the gold standard.

Mr. PATMAN. In 1933, in Chicago.

Mr. McCORMACK. Yes. We did not know how much more was spent, but we know there was $130,000 raised, because we got the checks and we had the bank records, all emanating from one particular place.

Mr. PATMAN. During the war we had Axis Sally in Berlin on the radio trying to cause our soldiers, our servicemen, to be unhappy in their lot, trying to get them to turn against the United States Government. We had our Tokyo Rose in Japan, on the Pacific to contend with. Every night our servicemen were forced to listen to Tokyo Rose trying to get the servicemen to distrust their own Government and turn against the United States Government. Today, in peacetime, we have a lot of male Tokyo Roses and we have a lot of male Axis Sallys every day trying to cause the American people to distrust their Government and turn against their Government.

Mr. McCORMACK. As my mind goes back, this same brokerage concern sent a man, one of its employees, over to Europe to investigate veterans' organizations of a Fascist nature. We got his reports, which were under the guise of financial reports, of course, but it was very clear that they were reports on the veterans' organizations in Nazi Germany, in France, in Italy and other countries, and he recommended one along the pattern of a Fascist veteran organization in one of the countries of Europe as the pattern for one to be set up in America. Of course, the late General Smedley Butler was to be their come-on, because he was the enlisted man's general, but he, great American that he was, led them on, got all information possible as to their plans and purposes and he then exposed them. The organization had a high-sounding constitution, but the real purpose was American fascism, and to form such an organization among the veterans. But, Smedley Butler detected it. He led them on; got all the information. We heard about it, and we summoned the general and he exposed the whole thing to our committee.

It was an almost unbelievable story, but a fact. If they could have induced him to take that position, after about a year they were going to get him out and put their real leader in, one whom they could control and dominate and who would be responsive to their wishes. In their fear and desperation they were undertaking to start an American Fascist movement for the purpose of putting a dictator in control of our country, but their dictator.

Mr. PATMAN. The group was broken up, as the gentleman suggested, but they came back together under the banner and the leadership of this man Rumely, the Committee for Constitutional Government. They have been pursuing that line of thought and trying to sell that cause to the American people ever since that time. We do not need these Axis Sallys or these Tokyo Roses in time of peace here in the United States attacking us.

EMPLOYMENT OF TWO ADDITIONAL CLERKS

Mr. PRIEST. Mr. Speaker, I offer a resolution and ask for its immediate consideration.

The Clerk read the resolution (H. Res. 626), as follows:

Resolved, That effective June 1, 1950, there shall be paid out of the contingent fund of the House, until otherwise provided by law, compensation for the employment of two additional clerks, one for the majority leader and one for the minority leader, at the basic salary rate of $3,000 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. KLEIN asked and was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mr. HARRIS asked and was given permission to extend his remarks.

Mr. VAN ZANDT (at the request of Mr. GROSS) was given permission to extend his remarks and include a speech.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. TRIMBLE (at the request of Mr. HAYS of Arkansas) for 1 week, on account of illness.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1285. An act for the relief of the legal guardian of Lena Mae West, a minor.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 794. An act for the relief of certain contractors employed in connection with the construction of the United States Appraisers Building, San Francisco, Calif.; and

S. 1008. An act to define the application of the Federal Trade Commission Act and the Clayton Act to certain pricing practices.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On June 1, 1950:

H. R. 7341. An act to authorize and direct the Commissioners of the District of Columbia to construct a bridge over the Anacostia River in the vicinity of East Capitol Street, and for other purposes; and

H. R. 8578. An act authorizing loans from the United States Treasury for the expansion of the District of Columbia water system.

On June 5, 1950:

H. R. 1285. An act for the relief of the legal guardian of Lena Mae West, a minor; and

H. R. 6655. An act for the relief of Taeko Suzuki.

AMENDING THE DISPLACED PERSONS ACT OF 1948

Mr. WALTER, from the committee of conference, submitted a conference report and statement on the bill (H. R. 4567) to provide for the amendment of the Displaced Persons Act of 1948, and for other purposes.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 6, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1481. A letter from the Comptroller General of the United States, transmitting volume 1 of the report on the audit of Commodity Credit Corporation and its affiliate, War Hemp Industries, Inc., for the fiscal years ended June 30, 1946 and 1947, pursuant to section 5 of the act of February 24, 1945 (59 Stat. 6), and the Government Corporation Control Act (31 U. S. C. 841), respectively (H. Doc. No. 615); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1482. A letter from the Secretary of Defense, transmitting a report listing the contracts negotiated by the military departments under exceptions provided for by sections 2 (c) (11) and 2 (c) (16) of Public Law 413, Eightieth Congress, for the period from July 1 through December 31, 1949, the fourth semiannual report to be submitted; to the Committee on Armed Services.

1483. A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of a proposed bill entitled "A bill to amend the Federal Credit Union Act"; to the Committee on Banking and Currency.

1484. A letter from the Director, Philippine War Damage Commission, transmitting the Seventh Semiannual Report of the United States Philippine War Damage Commission, for the period ending December 31, 1949, pursuant to the Philippine Rehabilitation Act of 1946, as amended; to the Committee on Foreign Affairs.

1485. A letter from the Under Secretary of the Navy, transmitting a draft of a proposed bill entitled "A bill for the relief of certain

disbursing officers and former disbursing officers of the naval service, and for other purposes"; to the Committee on the Judiciary.

1486. A letter from the Secretary of the Interior, transmitting certified copies of Acts Nos. 1, 2, 3, and 4 of the second special session of the Seventeenth Legislature of Puerto Rico, December 19–30, 1949, pursuant to provisions of section 23 of the Organic Act of Puerto Rico; to the Committee on Public Lands.

1487. A letter from the Postmaster General, transmitting a draft of a proposed bill entitled "A bill to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee of conference. H. R. 4567. A bill to amend the Displaced Persons Act of 1948 (Rept. No. 2187). Ordered to be printed.

Mr. VINSON: Committee on Armed Services. S. 2269. An act to provide for the enlistment of aliens in the Regular Army; with amendment (Rept. No. 2188). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Armed Services. S. 2335. An act to make certain revisions in titles I and III of the Officer Personnel Act of 1947, as amended; with amendment (Rept. No. 2189). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 8575. A bill to provide emergency cotton allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by natural causes; without amendment (Rept. No. 2190). Referred to the Committee of the Whole House on the State of the Union.

Mr. KENNEDY: Committee on the District of Columbia. H. R. 8055. A bill relating to the collection, payment, and dishonor of demand items, and to the revocation of credit for, and payment of, such items, by banks in the District of Columbia; with amendment (Rept. No. 2191). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARTLETT:

H. R. 8701. A bill to enable the governments of Alaska, of Hawaii, of Puerto Rico, and of the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities, including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes; to the Committee on Public Lands.

By Mr. DAVENPORT:

H. R. 8702. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. DONOHUE:

H. R. 8703. A bill to allow to corporations an exemption of $25,000 for income-tax purposes, and to provide that the combined normal tax and surtax rate of 38 percent shall be applicable to corporations having taxable incomes of less than $50,000; to the Committee on Ways and Means.

H. R. 8704. A bill to encourage expansion of business by allowing a deduction, for income-tax purposes, of certain capital expenditures; to the Committee on Ways and Means.

By Mr. HAYS of Ohio:

H. R. 8705. A bill to provide for the erection of a memorial to those who served the United States in the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion; to the Committee on House Administration.

By Mr. KARSTEN:

H. R. 8706. A bill to provide for the purchase of bonds to cover officers and employees of the Government; to the Committee on Expenditures in the Executive Departments.

By Mr. LANE:

H. R. 8707. A bill to authorize, for a temporary period, the purchase by the Government of worsted fabric in amounts sufficient to maintain normal production and employment in the worsted-fabric industry, to promote the general national welfare, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LYLE:

H. R. 8708. A bill to provide for a preliminary examination and survey of streams in the vicinity of Alice, Tex., with a view to their improvement in the interests of flood control and allied purposes; to the Committee on Public Works.

By Mr. McMILLAN of South Carolina:

H. R. 8709. A bill to change the designations of Health Officer and Assistant Health Officer of the District of Columbia, respectively, to Director of Public Health and Assistant Director of Public Health; to the Committee on the District of Columbia.

H. R. 8710. A bill to provide for the improvement of stadium facilities at the Eastern Senior High School in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MURRAY of Tennessee:

H. R. 8711. A bill relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950; to the Committee on Post Office and Civil Service.

By Mr. RIVERS:

H. R. 8712. A bill to authorize the long-term chartering of tankers for the Department of Defense; to the Committee on Armed Services.

By Mr. WHITE of Idaho:

H. R. 8713. A bill to provide for the acquisition and preservation of irreplaceable American Indian artifacts and relics, and for other purposes; to the Committee on Public Lands.

By Mr. DONOHUE:

H. R. 8714. A bill to provide for the establishment of a commission to investigate and make recommendations with respect to the distribution of governmental functions and sources of revenue within the framework of our Federal, State, and local systems of government; to the Committee on Expenditures in the Executive Departments.

By Mr. SUTTON:

H. J. Res. 484. Joint resolution to return to the Treasury the unexpended and unobligated balance of the appropriation made for the National Capital Sesquicentennial Commission; to the Committee on House Administration.

By Mr. MARCANTONIO:

H. Res. 622. Resolution providing for recess of the House for the purpose of listening to an address by the Honorable Trygve Lie, Secretary General of the United Nations; to the Committee on Rules.

By Mr. SPENCE:

H. Res. 623. Resolution providing for the consideration of H. R. 8083, a bill to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad; to the Committee on Rules.

By Mr. VINSON:

H. Res. 624. Resolution to provide funds for the expenses of the investigations and studies authorized by House Resolution 617; to the Committee on House Administration.

H. Res. 625. Resolution providing for the consideration of S. 2269, a bill to provide for the enlistment of aliens in the Regular Army; to the Committee on Rules.

By Mr. RANKIN:

H. Res. 627. Resolution providing for the consideration of H. R. 8236, a bill to provide that on and after January 1, 1951, dividends on national service life insurance shall be applied in payment of premiums unless the insured has requested payment of dividends in cash; to the Committee on Rules.

H. Res. 628. Resolution providing for the consideration of H. R. 6560, a bill to amend the National Service Life Insurance Act of 1940, as amended, to authorize provisions in national service life-insurance policies for increased monthly benefits; to the Committee on Rules.

H. Res. 629. Resolution providing for the consideration of H. R. 8235, a bill to amend further the National Service Life Insurance Act of 1940, as amended; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, relative to locating the proposed Air Force Academy in the State of Louisiana; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Louisiana, requesting that Congress do not federalize the practice of medicine or enact any form of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Louisiana, relative to the proposed amendment to the Constitution of the United States relative to the term and election of the President of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. DOUGLAS:

H. R. 8715 A bill for the relief of Ying Chee Jung; to the Committee on the Judiciary.

By Mr. KING:

H. R. 8716. A bill for the relief of William Curtis Wong Woo; to the Committee on the Judiciary.

By Mr. LANHAM:

H. R. 8717. A bill for the relief of William F. Martin; to the Committee on the Judiciary.

By Mr. MANSFIELD:

H. R. 8718. A bill for the relief of Fred Hess; to the Committee on the Judiciary.

By Mr. TAURIELLO:

H. R. 8719. A bill for the relief of Mrs. Jacinta Santos Harn, Dr. Charles S. Harn, Helen Harn, Winifred Mary Harn, and James Harn; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H. R. 8720. A bill for the relief of Anna Caiati (nee Centrone); to the Committee on the Judiciary.

H. R. 8721. A bill for the relief of Malka Dwojra Kron; to the Committee on the Judiciary.

H. R. 8722. A bill for the relief of Jun Hin Lum; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2178. By Mr. CANFIELD: Resolution adopted at a rally sponsored by the Central Polish Organizations in Passaic on May 4, 1950, calling for repudiation of the Yalta agreement and an end to Communist tyranny; to the Committee on Foreign Affairs.

2179. Also, resolution adopted by the Women's State Republican Club of New Jersey, Inc., at their twentieth annual convention in Atlantic City, stating opposition to compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

2180. Also, resolution adopted at a regular meeting of the Passaic division, Passaic County Republican League, Inc., on May 18, 1950, calling for the rescission of the recent directive of the Postmaster General curtailing mail deliveries; to the Committee on Post Office and Civil Service.

2181. By Mr. RICH: Resolution of United Railroad Workers of America, CIO, Local No. 2006, Renovo, Pa., protesting the recent order of the Postmaster General curtailing postal service; to the Committee on Post Office and Civil Service.

2182. By Mr. SMITH of Wisconsin: Petition of School for Visually Handicapped, Janesville, Wis., urging favorable action on H. R. 8530, a bill increasing the ceiling of authorization from $125,000 to $250,000 for the purpose of enabling the American Printing House for the Blind more adequately to provide books and tangible apparatus for the education of the blind; to the Committee on Appropriations.

2183. By the SPEAKER: Petition of Robert Hare Davis, secretary, Pennsylvania Society of Sons of the Revolution, Philadelphia, Pa., requesting the President and Congress to strengthen greatly and immediately our entire Armed Forces to accentuate the defenses of Alaska; to the Committee on Armed Services.

2184. Also, petition of Mrs. Juanita Damele, secretary, Eureka County Livestock Growers Association, Eureka County, Nev., requesting the delegation from the State of Nevada to present their desire that certain portions of that act commonly known as the Taylor Grazing Act be amended; to the Committee on Public Lands.

2185. Also, petition of Robert H. Hughes, president, Hawaiian Junior Chamber of Commerce, Wailuku, Maui, T. H., requesting that House bill 49, for the admittance of Hawaii to statehood, be enacted; to the Committee on Public Lands.

SENATE

TUESDAY, JUNE 6, 1950

(Legislative day of Wednesday, March 29, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, in this still moment before turning, as we must, to national and global problems, make us vividly aware of Thy divine invasion through all the areas of our being, spiritual and intellectual. Give us the grace of hospitality to the highest. Save us from being subdued and submerged by opportunism or defeatism. As citizens of a world that carries on its bent shoulders a burden of suffering greater than humanity has ever borne, make us inwardly adequate to be Thy ministers of help and healing. At this high altar in the temple of public service maintain in us the fidelity of those to whom much has been given and from whom much will be required. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 5, 1950, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 64) requesting burial in Arlington National Cemetery of the last surviving member of the Grand Army of the Republic upon his death, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 3125. An act to amend the act of August 30, 1935 (49 Stat. 1049), authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

H. R. 4295. An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948;

H. R. 5487. An act to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended, and of orders of the United States Maritime Commission or the Federal Maritime Board under the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended;

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes;

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration;

H. R. 6319. An act to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 6986. An act relating to the acquisition and addition of certain lands to Fort Frederica National Monument, in the State of Georgia, and for other purposes;

H. R. 7265. An act to provide for the conduct of a periodic census of governments;

H. R. 7534. An act to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for psychoses developing to a compensable degree of disability prior to January 1, 1950;

H. R. 7722. An act to provide for the acquisition and preservation, as a part of the National Capital Parks system, of the Old Stone House in the District of Columbia;

H. R. 7827. An act to increase criminal penalties under the Sherman Antitrust Act;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump sum death payments, and for other purposes;

H. R. 8230. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida;

H. R. 8270. An act relating to the renewal of contracts for the carrying of mail on star routes; and

H. J. Res. 461. Joint resolution to provide that South Parkersburg, W. Va., shall for the purposes of the seventeenth decennial census be treated as a part of Parkersburg, W. Va.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS and by unanimous consent, two subcommittees of the Committee on Labor and Public Welfare were authorized to meet this afternoon during the session of the Senate.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Ives	Mundt
Butler	Johnson, Colo.	Murray
Byrd	Johnson, Tex.	Neely
Cain	Kefauver	O'Mahoney
Capehart	Kem	Pepper
Chapman	Kilgore	Robertson
Connally	Knowland	Russell
Cordon	Langer	Saltonstall
Donnell	Leahy	Smith, N. J.
Douglas	Lehman	Sparkman
Dworshak	Lodge	Stennis
Ecton	Long	Taft
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tobey
Frear	McClellan	Tydings
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	McMahon	Williams
Green	Magnuson	Withers
Hayden	Malone	Young
Hendrickson	Martin	
Hill	Maybank	

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to present petitions and memorials, introduce bills and joint resolutions, and submit routine matters for the RECORD, without debate and without speeches.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON CONTRACTS NEGOTIATED BY MILITARY DEPARTMENTS

A letter from the Secretary of Defense, transmitting, pursuant to law, a report listing the contracts negotiated by the military departments, for the period July 1 through December 31, 1949 (with an accompanying report); to the Committee on Armed Services.

LAWS ENACTED BY LEGISLATURE OF PUERTO RICO

A letter from the Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the second special session of the Seventeenth Legislature of Puerto Rico, December 19 to 30, 1949 (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF UNITED STATES PHILIPPINE WAR DAMAGE COMMISSION

A letter from the Director, Washington Office, of the United States Philippine War Damage Commission, transmitting, pursuant to law, the report of the Commission for the period ended December 31, 1949 (with an accompanying report); to the Committee on Foreign Relations.

AMENDMENT OF FEDERAL CREDIT UNION ACT

A letter from the Acting Administrator, Federal Security Agency, transmitting a draft of proposed legislation to amend the Federal Credit Union Act (with an accompanying paper); to the Committee on Banking and Currency.

AUDIT REPORT OF COMMODITY CREDIT CORPORATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Commodity Credit Corporation, for the fiscal years 1946 and 1947 (with an accompanying report); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"Senate Concurrent Resolution 1

"Concurrent resolution relative to the proposed amendment to the Constitution of the United States relative to the term and election of the President of the United States

"Whereas at the session of the Congress of the United States of America, on March 24, 1947, it was resolved by House Joint Resolution 27 by the Senate and House of Representatives of the United States in Congress assembled (two-thirds of each House concurring therein) that the following article be proposed as an amendment to the Constitution of the United States, viz:

" 'ARTICLE —

" 'SECTION 1. No person shall be elected to the office of the President more than twice, and no person who has held the office of President, or acted as President, for more than 2 years of a term to which some other person was elected President shall be elected to the office of the President more than once. But this article shall not apply to any person holding the office of President when this article was proposed by the Congress, and shall not prevent any person who may be holding the office of President, or acting as President, during the term within which this article becomes operative from holding the office of President or acting as President during the remainder of such term.

" 'SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress': Therefore be it

"Resolved by the Legislature of the State of Louisiana, That the foregoing amendment to the Constitution of the United States of America be, and the same is hereby, ratified to all intents and purposes as a part of the Constitution of the United States. That the Governor of the State of Louisiana is hereby requested to forward to the Secretary of State of the United States and to the presiding officer of the United States Senate, and to the Speaker of the House of Representatives of the United States, an authentic copy of the foregoing resolution. The clerk of the house and secretary of the senate are hereby instructed to send to the Governor the necessary certified copies of the action of the house and senate on this resolution.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. J. DOLLINGER,
"Speaker of the House of Representatives."

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on Armed Services:

"Senate Concurrent Resolution 7

"Concurrent resolution memorializing the Congress of the United States, the President of the United States, the Department of National Defense, and the Department of the Air Forces to locate the proposed Air Forces Academy in the State of Louisiana

"Whereas the Department of the Air Forces, Department of National Defense, proposes to establish an Air Forces Academy, equivalent to the United States Military Academy and the United States Naval Academy, for the purpose of training future officers of the Air Forces; and

"Whereas sites are now being considered by the Department of the Air Forces, Department of National Defense, at which said Air Forces Academy might be located; and

"Whereas a number of sites within the State of Louisiana are especially desirable as future location for said Air Forces Academy, at some of which sites there are now existing installations, not presently being utilized, which would make such sites particularly desirable; and

"Whereas the State of Louisiana is blessed with atmospheric conditions which are more than ordinarily favorable for flight training; and

"Whereas the climate of the State of Louisiana is such that year-round flying operations may be conducted with a minimum of bad weather adverse to such flying operations; and

"Whereas the State of Louisiana enjoys abundant surface and air transportation facilities to the extent that any location selected within this State for the Air Forces Academy would be readily accessible by several forms of transportation; and

"Whereas available sites for the location of said Air Forces Academy within the State of Louisiana would enjoy an abundant fresh-water supply which may be made available at a minimum of cost; and

"Whereas said State of Louisiana can provide an adequate supply of working personnel, both with regard to the construction of the academy and with respect to the permanent operation of same, at reasonable cost; and

"Whereas the State of Louisiana provides an educational system second to none, the benefits of which would be available to the operating personnel of the academy; and

"Whereas the State government of the State of Louisiana stands ready to cooperate with the Department of Air Forces, Department of National Defense, in every way to assure the success of the Air Forces Academy when same is located in Louisiana; and

"Whereas the people of the State of Louisiana would welcome the establishment of the Air Forces Academy within this State: Now, therefore, be it

"Resolved by the senate (the house of representatives concurring), That the legislature respectfully request, recommend, and implore the Members of the Congress of the United States, the President of the United States, the Department of National Defense, and the Department of the Air Forces to carefully consider the tremendous natural advantages provided by the State of Louisiana which would inure to the benefit of the Air Forces Academy if that academy is located within the State of Louisiana; be it further

"Resolved, That the legislature extends to the Department of the Air Forces, Department of National Defense, a cordial invitation to send representatives to this State in order to afford such representatives the opportunity of inspecting favorable sites within the State for the location of the aforesaid Air Forces Academy with the assurance that such representatives would receive the wholehearted cooperation of every member of the legislature, every public official, and all of the people of the State of Louisiana; be it further

"Resolved, That the secretary of state, State of Louisiana, be, and he is hereby, directed to furnish certified copies of this resolution to the Congress of the United States, the President of the United States, the Department of National Defense, and the Department of the Air Forces.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate.
"M. J. DOLLINGER,
"Speaker of the House of Representatives."

A resolution adopted by the board of managers of the Pennsylvania Society of Sons of the Revolution, Philadelphia, Pa., favoring the strengthening of the Armed Forces; to the Committee on Armed Services.

The memorial of John L. Zurfluh, of St. Louis, Mo., remonstrating against the enactment of House bill 7786, the general appropriation bill, if it contains the provision for filling only 10 percent of the vacancies in governmental employment; to the Committee on Appropriations.

The memorial of Vera Holsey, of Cleveland, Ohio, remonstrating against the continuation of rent control; to the Committee on Banking and Currency.

A resolution adopted by the United East Bay Democrats, Inc., Oakland, Calif., relating to the recommendations of the Hoover Commission regarding the civil-service employment system; to the Committee on Expenditures in the Executive Departments.

A letter in the nature of a petition from A. Figarella, of San Lorenza, P. R., relating to the customs duties on jewelry products imported into Puerto Rico (with accompanying papers); to the Committee on Finance.

A resolution adopted by the Eureka County (Nev.) Livestock Growers' Association, relating to the amendment of the Taylor Grazing Act; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Territorial Committee of the Statehood Party of Puerto Rico, requesting an opportunity to be heard in connection with Senate bill 3336, to provide a constitutional government for Puerto Rico; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Hawaiian Junior Chamber of Commerce, at Wailuku, Maui, T. H., relating to statehood for Hawaii; to the Committee on Interior and Insular Affairs.

The memorial of George W. Williams, of Baltimore, Md., remonstrating against the enactment of the displaced-persons bill and requesting a reorganization of the Displaced Persons Commission; to the Committee on the Judiciary.

The petition of Ada B. Thompson, of Collingdale, Pa., relating to claims for inventions made by her; to the Committee on the Judiciary.

Resolutions adopted by the Auxiliary to Cambria Somerset Pharmaceutical Association of Pennsylvania and the Woman's Auxiliary to the Academy of Medicine of Cleveland and Cuyahoga County, Ohio, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

The memorial of Mrs. Darsey, of Flagstaff, Ariz., remonstrating against the curtailment of mail delivery; to the Committee on Post Office and Civil Service.

A letter in the nature of a petition from the Citizens-Taxpayers Association of Westerly, R. I., signed by A. Fred Roberts, secretary, relating to the installation of television in all Government agencies; to the Committee on Rules and Administration.

A resolution adopted by the Alabama Conference of Social Work, Montgomery, Ala., relating to the liberalization of the social security law; ordered to lie on the table.

WORLD PEACE—RESOLUTION OF NORTHERN SYNOD, EVANGELICAL AND REFORMED CHURCH, FAIRMONT, MINN.

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, resolutions adopted by the Northern Synod, Evangelical and Reformed Church, at a meeting in Fairmont, Minn., on May 9–11, 1950, relating to expenditure for armaments, and so forth.

There being no objection, the resolutions were referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

NORTHERN SYNOD,
EVANGELICAL AND REFORMED CHURCH,
Faribault, Minn., May 29, 1950.

The Honorable WILLIAM LANGER,
United States Senate,
Washington, D. C.

DEAR SENATOR LANGER: The following resolutions are sent to you in accordance with the instructions of the Northern Synod of the Evangelical and Reformed Church, meeting in Fairmont, Minn., May 9–11, 1950. The Northern Synod is made up of churches in Minnesota, North Dakota, South Dakota, Wisconsin, and Iowa.

1. Reaffirming the ancient faith that not arms and alliances but spiritual values make for true security, the Northern Synod of the Evangelical and Reformed Church herewith desires to go on record as unqualifiedly opposing the present huge armaments expenditures of our National Government as bearing more the marks of a spirit of hysteria and moral bankruptcy than the determination to seek a just and pacific settlement of our difficulties.

2. We urge the President and the State Department and the Congress to keep the door open for negotiations with Soviet Russia, with a view of bridging the gap between east and west and ending the cold war.

3. We deeply deplore the unilateral decision to manufacture the H-bomb, a decision that can only be conducive to heightening international tensions and suspicions.

4. We declare our unalterable opposition to the continuation of the draft and the infiltration of military controls over any phase of civilian life.

5. Realizing the misery which economic and social conditions produce among more than half of the world's population, we approve the point 4 program set forth in President Truman's inaugural address, for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas, with the aim of helping the free peoples of the world to produce more food, more clothing, more materials for housing, and more mechanical power to lighten their burdens. We believe the program should be administered through the United Nations.

6. (a) Being the foremost agency for international cooperation in existence at present we heartily favor and encourage the strengthening of the United Nations organization and the submitting of our differences with other nations to its decision; (b) we favor gradual relinquishment of the rights of sovereignty of all to a democratic world organization.

Very truly yours,
VICTOR W. GRUPE,
Secretary.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

S. 3336. A bill to provide for the organization of a constitutional government by the people of Puerto Rico; with an amendment (Rept. No. 1779); and

H. R. 4895. A bill to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the Superior National Forest, Minn., and for other purposes; with amendments (Rept. No. 1778).

EXTENSION OF RENT CONTROL—AUTHORIZATION FOR COMMITTEE ON BANKING AND CURRENCY TO FILE REPORT

Mr. MAYBANK. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be permitted to report the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, and to file a report thereon by midnight tonight.

The VICE PRESIDENT. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

S. 3705. A bill for the relief of Jeffrey Bracken Spruill and Susan Spruill; to the Committee on the Judiciary.

By Mr. KNOWLAND (for himself and Mr. DOWNEY):

S. 3706. A bill to amend the act of May 28, 1926 (44 Stat. 670), entitled "An act granting public lands to the county of Kern, Calif., for public-park purposes"; to the Committee on Interior and Insular Affairs.

By Mr. GREEN (for himself, Mr. LEAHY, Mr. MCMAHON, Mr. BENTON, and Mr. LEHMAN):

S. 3707. A bill to aid in the use, conservation, and development of the natural resources of the river basins in the New England States and the State of New York and to establish the New England-New York Resources Survey Commission; to the Committee on Public Works.

By Mr. GILLETTE:

S. 3708. A bill establishing certain procedures for the contesting of elections of Members of the United States Senate; to the Committee on Rules and Administration.

By Mr. TYDINGS:

S. 3709. A bill for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes; to the Committee on the Judiciary.

By Mr. WATKINS:

S. 3710. A bill to amend the act approved September 7, 1916, as amended, so as to provide increased benefits for Federal employees suffering from occupational disease or infection; to the Committee on Labor and Public Welfare.

By Mr. CAIN:

S. 3711. A bill authorizing the issuance of a patent in fee to Israel T. Burland; to the Committee on Interior and Insular Affairs.

(Mr. MAYBANK (by request) introduced Senate bill 3712, to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. LEHMAN:

S. 3713. A bill to provide reimbursement of expenses incurred in connection with the burial of those who served in the military forces of the Commonwealth of the Philippines while such forces were in the armed forces of the United States pursuant to the military order of the President of the United States, dated July 26, 1941; to the Committee on Finance.

S. 3714. A bill to provide education benefits to certain persons who served in the armed forces of the Commonwealth of the Philippines during World War II; to the Committee on Labor and Public Welfare.

By Mr. JOHNSON of Colorado:

S. 3715. A bill to extend the time for filing application for certain benefits granted to veterans on account of injuries sustained as a result of hospitalization or medical examinations or treatment under the veterans' laws; to the Committee on Finance.

SECURITY BY NATIONAL BANKS FOR DEPOSITS OF CERTAIN FUNDS

Mr. MAYBANK. Mr. President, at the request of the Treasury Department, I introduce for appropriate reference a

bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers, and I ask unanimous consent that the bill together with a letter from the Acting Secretary of the Treasury addressed to the President of the Senate, dated May 11, 1950, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the bill and letter will be printed in the RECORD. The Chair hears no objection.

The bill (S. 3712) to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers, introduced by Mr. MAYBANK (by request), was read twice by its title, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the last paragraph of section 5153 of the Revised Statutes, as added by the act of June 25, 1930, 46 Stat. 809 (U. S. C., title 12, sec. 90), is amended to read as follows:

"Any national banking association may, upon the deposit with it of any funds by any State or political subdivision thereof or any agency or other governmental instrumentality of one or more States or political subdivisions thereof, including any officer, employee or agent thereof in his official capacity, give security for the safekeeping and prompt payment of the funds so deposited to the same extent and of the same kind as is authorized by the law of the State in which such association is located in the case of other banking institutions in the State."

The letter presented by Mr. MAYBANK is as follows:

TREASURY DEPARTMENT,
Washington, May 11, 1950.

The PRESIDENT OF THE SENATE:

There is enclosed a draft of a proposed bill to permit national banks to give security in the form required by State law for deposits of funds by local public agencies and officers.

The proposed bill would amend the last paragraph of section 5153 of the Revised Statutes, as added by the Act of June 25, 1930, 46 Stat. 809 (U. S. C., title 12, sec. 90), to permit national banks to accept and give security for deposits of funds made (1) by agencies or governmental instrumentalities of one or more States or political subdivisions thereof, and (2) by officers, employees or agents, in their official capacity, of States and their political subdivisions, agencies and governmental instrumentalities.

The act of June 25, 1930, authorizes national banks to give security for deposits of public money of a State or political subdivision of a State. Security given is of the same kind as provided by State law for other banking institutions in the State. Because of the limitations in this statute, national banks in some States are unable to accept deposits from local public agencies for which security is required by local law. In a number of States, for example, security is required when deposits are made of funds of State courts, municipal authorities, local housing authorities, bridge authorities, public power districts, and irrigation districts, and also of funds received in an official capacity by State, municipal, and court officers.

The Supreme Court of the United States has held that national banks lack the power to pledge their assets to secure a private deposit, and, in the absence of express statutory authority, have no power to pledge assets to secure public money deposits of a State or political subdivision thereof. See *Texas and Pacific Railway Company* v. *Pottorff* ((1934 291 U. S. 245) and *City of Marion* v. *Sneedon* ((1934) 291 U. S. 262). It should be noted that in some States municipal authorities or other governmental instrumentalities are not clearly defined as political subdivisions under the laws of the State. Also, funds deposited by public or court officers do not always consist of public money, and some of the courts have held that national banks cannot make a valid pledge of assets to secure deposits. See *Leonard* v. *Gage* ((C. C. A. 4th 1938) 94 F. (2d) 19); *Hood* v. *Hardesty* ((C. C. A. 4th 1938) 94 F. (2d) 26); and *Evale* v. *Aremaine* ((W. D. N. Y. 1938) 22 F. Supp. 171).

The proposed bill would permit national banks to secure deposits received from local public agencies and officers, to the same extent as authorized by State law for other banking institutions in a particular State. It would thus enable national banks to accept these deposits on an equal basis with State banks in performing this function.

The Treasury Department believes that the proposed legislation is highly desirable and urges that it be enacted into law. There is enclosed, for convenient reference, a comparative type showing changes which the legislation would make in existing law.

It would be appreciated if you would lay the attached proposed bill before the Senate. A similar proposed bill has been submitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Very truly yours,

G. H. FOLEY, Jr.,
Acting Secretary of the Treasury.

REDUCTION OF ARMAMENTS—ESTABLISHMENT OF A JUST PEACE

Mr. McMAHON. Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon [Mr. MORSE], the Senator from Alabama [Mr. SPARKMAN], the Senator from Iowa [Mr. GILLETTE], the Senator from New Jersey [Mr. HENDRICKSON], and myself, I submit for appropriate reference a concurrent resolution which concerns the overriding problem of our time—how to stop the armaments race and establish a just peace. Representatives PRICE, HENRY JACKSON, EATON, and STERLING COLE are submitting an identical resolution in the House. The resolution speaks for itself.

We, the sponsoring Congressmen, are convinced that the world's destiny is at a turning point. We hold that decent men must act, or events will act for them.

We resolutely oppose any sign of American weakness and any slackening of our Nation's firm determination to keep strong so long as the arms race continues. We just as resolutely advocate the most strenuous efforts to secure those effective safeguards which will halt the arms race and harness nature's forces solely for human welfare.

This is the spirit that motivates our resolution. We think the resolution is one which every believer in peace and liberty can wholeheartedly support.

The free world's strength derives in part from material things—the vigor of its industry and armed forces. But far more does its strength derive from the things of the spirit—the righteousness of the principles we hold sacred.

It is time for free men to speak out. It is time to call people everywhere to join in that crusade of the spirit which alone will establish a just and secure peace. It is time—while time remains—for free men to make known the profound sincerity of their desire for peace with justice—and their willingness to do their share and more in achieving it.

We believe that the Congress of the United States, by approving our resolution, can strike a mighty blow on behalf of this cause.

The concurrent resolution (S. Con. Res. 94) submitted by Mr. McMAHON (for himself and other Senators) was referred to the Committee on Foreign Relations, as follows:

Whereas the peoples of the earth are plunged, against their will, in an accelerating armaments race that involves atomic bombs, biological, and chemical agents, and conventional weapons; whereas the prospect of the hydrogen bomb propels the peoples of the earth into danger above and beyond anything heretofore conceived by man; whereas, in history, armaments races have always led to war; whereas the United States is unshakeably determined to keep strong so long as its strivings to halt the armaments race through just and dependable international agreement are thwarted; and whereas United States efforts to achieve international control over all weapons do not flow from craven fear or weakness but rather from the strength of democratic institutions, faith in freedom, belief in the value and worth of the human individual everywhere, and from trust in Almighty God and His laws: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States appeal to the peoples of the world to join in a great moral crusade for peace and freedom; that the Congress of the United States advocate and recommend an immediate special session of the General Assembly of the United Nations for the single purpose of stopping the armaments race by speeding agreement upon effective and enforceable disarmament and control covering conventional armaments, biological and chemical agents, and atomic and hydrogen bombs; be it further

Resolved, That the Congress of the United States, as tangible evidence of its good faith, pledge itself to appropriate and to make available to the United Nations—when an effective and enforceable system of worldwide disarmament and control takes effect—all sums which would otherwise have been spent upon weapons for a period of 5 years, such sums to be expended by the United Nations for peaceful development of atomic energy, technical assistance programs to underdeveloped areas, and general economic aid and assistance to all war-ravaged countries; be it further

Resolved, That the Congress of the United States call upon all other governments to make a like pledge, and therefore be it resolved that copies of this resolution be transmitted to the Secretary-General of the United Nations and to each United Nations delegate and also that copies be transmitted to the presiding officer of every national parliament, congress, and deliberative assembly throughout the world.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 3125. An act to amend the act of August 30, 1935 (49 Stat. 1019), authorizing the

Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

H. R. 6209. An act to authorize the commutation of the annual appropriation for fulfilling various treaties with the Choctaw Nation of Indians in Oklahoma, and for other purposes;

H. R. 6319. An act to authorize a $100 per capita payment to members of the Red Lake Band of Chippewa Indians from the proceeds of the sale of timber and lumber on the Red Lake Reservation;

H. R. 6986. An act relating to the acquisition and addition of certain lands to Fort Frederica National Monument, in the State of Georgia, and for other purposes; and

H. R. 8230. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida; to the Committee on Interior and Insular Affairs.

H. R. 4295. An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948; and

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes; ordered to be placed on the calendar.

H. R. 5487. An act to provide for the review of orders of the Federal Communications Commission under the Communications Act of 1934, as amended, and of certain orders of the Secretary of Agriculture made under the Packers and Stockyards Act, 1921, as amended, and the Perishable Agricultural Commodities Act, 1930, as amended, and of orders of the United States Maritime Commission or the Federal Maritime Board under the Shipping Act, 1916, as amended, and the Intercoastal Shipping Act, 1933, as amended; and

H. R. 7827. An act to increase criminal penalties under the Sherman Antitrust Act; to the Committee on the Judiciary.

H. R. 6217. An act to provide greater security for veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, in the granting of out-patient treatment by the Veterans' Administration; to the Committee on Labor and Public Welfare.

H. R. 7265. An act to provide for the conduct of a periodic census of governments;

H. R. 8270. An act relating to the renewal of contracts for the carrying of mail on star routes; and

H. J. Res. 461. Joint resolution to provide that South Parkersburg, W. Va., shall for the purposes of the seventeenth decennial census be treated as a part of Parkersburg, W. Va.; to the Committee on Post Office and Civil Service.

H. R. 7534. An act to amend Veterans Regulations to establish for persons who served in the armed forces during World War II a further presumption of service connection for psychoses developing to a compensable degree of disability prior to January 1, 1950; to the Committee on Finance.

H. R. 7722. An act to provide for the acquisition and preservation, as a part of the National Capital Parks system, of the Old Stone House in the District of Columbia; to the Committee on Public Works.

CREDIT FOR ASSESSMENT WORK ON MINING CLAIMS—WITHDRAWAL OF MOTION TO RECONSIDER H. R. 6406

Mr. WHERRY. Mr. President, I ask unanimous consent to withdraw the motion I made for reconsideration of the bill (H. R. 6406) providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress, which was entered on May 31, 1950. I made that motion on the advice and suggestion of a distinguished Senator. The matter has now been cleared up, and I ask unanimous consent to withdraw the motion to reconsider.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the motion is withdrawn.

AMENDMENT OF DISPLACED PERSONS ACT—CONFERENCE REPORT (S. DOC. NO. 179)

Mr. McCARRAN. Mr. President, I submit a conference report, including a statement of the managers on the part of the Senate, on the bill (H. R. 4567) to amend the Displaced Persons Act of 1948. I ask unanimous consent that the report, including the statement of the managers on the part of the Senate, be printed as a Senate document, printed in the RECORD, and lie on the table.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nevada? The Chairs hears none, and it is so ordered.

The conference report, including the statement of the managers on the part of the Senate, is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4567) entitled "An Act to Amend the Displaced Persons Act of 1948," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That subsection (c) of section 2 of the Displaced Persons Act of 1948 (Public Law 774, Eightieth Congress) is amended to read:

"'(c) "Eligible displaced person" means a displaced person as defined in subsection (b) above, (1) who on or after September 1, 1939, and on or before January 1, 1949, entered Germany, Austria, or Italy, and who on January 1, 1949, was in Italy or the American sector, the British sector, or the French sector of either Berlin or Vienna, or in the American zone, the British zone, or the French zone of either Germany or Austria, or who had temporarily absented himself therefrom for reasons which, in accordance with regulations to be promulgated by the Commission, show special circumstances justifying such absence, and who has not been firmly resettled; or a person who, having resided in Germany or Austria, was a victim of persecution by the Nazi government and was detained in, or was obliged to flee from such persecution and subsequently returned to one of these countries, and who has not been firmly resettled; and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence; and (3) for whom assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such an eligible displaced person, shall, if otherwise qualified for admission into the United States for permanent residence, also be deemed eligible displaced persons.'

"SEC. 2. Subsection (d) of section 2 of the Displaced Persons Act of 1948 is amended to read:

"'(d) "Eligible displaced person" shall also mean a person displaced from the country of his birth, or nationality, or of his last residence since January 1, 1946, who fled into Italy or the American sector, the British sector, or the French sector of either Berlin or Vienna, or the American zone, the British zone, or the French zone of either Germany or Austria; and cannot return to any of such countries because of persecution or fear of persecution on account of race, religion, or political opinions; and (1) whose admission into the United States for permanent residence is recommended by or on behalf of the Secretary of State and the Secretary of Defense, and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence, and (3) for whom assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such an eligible displaced person, shall, if otherwise qualified for admission into the United States for permanent residence, also be deemed eligible displaced persons: *Provided*, That a number of immigration visas not to exceed five hundred may be issued within the total numerical limitations provided by section 3 (a) of this Act, as amended, to eligible displaced persons as defined in this subsection.'

"SEC. 3. Subsection (e) of section 2 of the Displaced Persons Act of 1948 is amended to read as follows, and new subsections (f) and (g) are added to read as follows:

"'(e) "Eligible displaced orphan" means a displaced persons (1) who was sixteen years of age or under on June 25, 1948, and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence, and (3) who is an orphan because of the death or disappearance of both parents, or who has been abandoned, or deserted by, or separated, or lost from both parents, or who has only one parent due to the death or disappearance of his other parent and the remaining parent is incapable of providing care for such displaced person and agrees to release him for emigration and adoption or guardianship and (4) who on or before the effective date of this Act, as amended, was in Italy or in the American sector or the British sector or the French sector of either Berlin or Vienna or the American zone or the British zone or the French zone of either Germany or Austria, and (5) for whom satisfactory assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States will be cared for properly; an "eligible displaced orphan" also means a person who is a native of Greece who on or after January 1, 1940, and on or before January 1, 1949, was forcibly removed or forced to flee from his former habitual residence in Greece as a direct result of military operations in Greece by the Nazi government or by military operations in Greece by the Communist guerrillas,

and on January 1, 1950, resided in Greece and meets the qualifications of subdivisions (1), (2), (3), and (5) of this subsection.

"'(f) A special nonquota immigration visa may be issued to any alien who—

"'(1) prior to June 30, 1950, was a resident of Germany, Luxemburg, Austria, Italy, the United States-United Kingdom zone of the Free Territory of Trieste, the United Kingdom, Ireland, Portugal, France, Switzerland, Belgium, the Netherlands, Norway, Sweden, Denmark, Finland, Greece, Turkey;

"'(2) is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and agrees to release him for emigration and adoption or guardianship;

"'(3) prior to June 30, 1951, has assurances submitted in his behalf for admission to the United States for permanent residence with a father or mother by adoption, or for permanent residence with a near relative or with a person who is a citizen of the United States or an alien admitted to the United States for permanent residence, or is seeking to enter the United States to come to a public or private agency approved by the Commission, and such relative, person, or agency gives assurances, satisfactory to the Commission that adoption or guardianship proceedings will be initiated with respect to such alien;

"'(4) for whom satisfactory assurances in accordance with the regulations of the Commission have been given that such alien, if admitted into the United States, will be cared for properly; and

"'(5) is, at the time of issuance of a visa, under the age of ten years. Not to exceed five thousand such special nonquota immigration visas shall be issued until July 1, 1952, under the authority of this subsection, which number shall be in addition to the numbers authorized in section 3 (a) of this Act, as amended.

"'(g) An eligible displaced person shall also mean a person who was a resident of Venezia Giulia prior to May 6, 1945, and who on or after May 6, 1945, departed from those parts of Venezia Giulia placed under Yugoslav sovereignty or administration under the terms of the treaty of peace with Italy signed at Paris on February 10, 1947, and who on the effective date of this Act, as amended, is not "de jure" an Italian citizen, and who on July 1, 1947, was in Italy, or in the United States-United Kingdom zone of the Free Territory of Trieste or in the American sector, the British sector, or the French sector of either Berlin or Vienna, or in the American zone, the British zone, or the French zone of either Germany or Austria; and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence; and (3) for whom assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such an eligible displaced person, shall, if otherwise qualified for admission into the United States for permanent residence, also be deemed eligible displaced persons: *Provided*, That a number of immigration visas not to exceed two thousand may be issued within the total numerical limitations provided by section 3 (a) of this Act, as amended, to eligible displaced persons as defined in this subsection.'

"SEC. 4. Section 3 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 3. (a) During the three fiscal years beginning July 1, 1948, eligible displaced persons and eligible displaced orphans and persons defined in subdivisions (2), (3), and (4) of subsection (b) of this section seeking to enter the United States as immigrants may be issued immigration visas without regard to quota limitations for those years as provided by subsection (c) of this section: *Provided*, That not more than three hundred forty-one thousand such visas shall be issued under this Act, as amended, including such visas heretofore issued under the Displaced Persons Act of 1948; and it shall be the duty of the Secretary of State to procure the cooperation of other nations, particularly the members of the International Refugee Organization, in the solution of the displaced persons problem by their accepting for resettlement a relative number of displaced persons, and to expedite the closing of the camps and terminate the emergency.

"'(b) (1) A number of special nonquota immigration visas not to exceed five thousand may be issued within the total numerical limitations provided by subsection (a) of this section to eligible displaced orphans.

"'(2) A number of immigration visas not to exceed four thousand may be issued within the total numerical limitations provided by subsection (a) of this section to displaced persons or refugees as defined in annex I (except paragraph 1 (b) of section A of part I thereof) of the constitution of the International Refugee Organization who (1) resided in China, as displaced persons, or refugees, on July 1, 1948, or on the effective date of this Act, as amended, and (2) are qualified under the immigration laws of the United States for admission into the United States for permanent residence, and (3) are still in China or, having left China, have not subsequently been received for permanent residence by any country other than the United States.

"'(3) A number of immigration visas not to exceed eighteen thousand may be issued within the total numerical limitations provided by subsection (a) of this section to persons who (1) during World War II were members of the armed forces of the Republic of Poland, (2) were honorably discharged from such forces, (3) reside in the British Isles upon the effective date of this Act, as amended, but have not been either firmly settled or resettled, and (4) have registered for an immigration visa with a United States consular officer in Great Britain prior to the effective date of this Act, as amended: *Provided*, That they meet all requirements of the immigration laws of the United States for admission into the United States for permanent residence.

"'(4) A number of immigration visas not to exceed seven thousand five hundred may be issued within the total numerical limitations provided in subsection (a) of this section to persons who are natives of Greece and who on or after January 1, 1940, and on or before January 1, 1949, were forcibly removed or forced to flee from their former habitual residence in Greece as a direct result of military operations in Greece by the Nazi government or by military operations in Greece by the Communist guerrillas, and prior to January 1, 1950, had not been either firmly settled or firmly resettled, and are qualified under the immigration laws of the United States for admission into the United States for permanent residence; and a number of immigration visas not to exceed two thousand five hundred may be issued within the total numerical limitations provided in subsection (a) of this section to persons who prior to June 30, 1950, were residents and nationals of Greece, who are eligible for admission to the United States as first or second preference quota immigrants, and who prior to June 30, 1951, make application to an American consular officer in Greece for appropriate visas to the United States for permanent residence.

"'(5) In lieu of affidavits of support or other evidence of support, a person authorized to be admitted under subdivisions (2), (3), and (4) of this subsection may submit to the consuls assurances by a citizen or citizens of the United States, in accordance with the regulations of the Department of State, that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person and the members of such person's family who shall accompany such person or who propose to live with such person shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of persons defined in subdivisions (2), (3), and (4) of this subsection, shall, if otherwise qualified for admission into the United States for permanent residence, also be granted immigration visas within the numerical limitations set forth in the respective subdivisions. Those provisions of section 5 of this Act which relate to the contract-labor clause of the immigration laws and to the payment of ticket or passage shall be applicable to persons whose admission is authorized under the provisions of this section.

"'(c) Upon the issuance of an immigration visa to any alien as provided for in this Act, as amended, except to eligible displaced orphans, and except to aliens defined in sections 2 (f) and 12 of this Act, as amended, the consular officer shall use a quota number from the immigration quota for the country of the alien's nationality as defined in section 12 of the Immigration Act of May 26, 1924 (8 U. S. C. 212), for the fiscal year then current at the time or, if no such quota number is available for said fiscal year, in that event for the first succeeding fiscal year in which a quota number is available: *Provided*, That not more than 25 per centum of any quota shall be so used in any fiscal year beginning July 1, 1950, and ending June 30, 1954; and that not more than 50 per centum of any quota shall be so used in any fiscal year beginning July 1, 1954: *Provided further*, That during the fiscal years beginning July 1, 1950, and ending June 30, 1954, 50 per centum of the nonpreference portion of the immigration quotas as defined in section 6 of the Act of May 26, 1924, as amended (8 U. S. C. 206), shall be available to applicants for immigration visas who are otherwise qualified for admission into the United States for permanent residence, and who (1) on or after September 1, 1939, and before January 1, 1949, entered an area or country in Europe outside Italy or the American sector, the British sector, or the French sector of either Berlin or Vienna, or the American zone, the British zone, or the French zone of either Germany or Austria: *Provided further*, That for the purposes of this section the quotas referred to shall be computed on an annual rather than a monthly basis: *Provided further*, That any person who is an applicant for admission pursuant to this Act, as amended, and for whom assurances have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from

such housing, shall not be required to furnish any affidavit or other evidence of support pursuant to the regulations (22 C. F. R. 42. 327) promulgated under authority of subsection 7 (b) of the Immigration Act of May 26, 1924, or any other law or regulation; (2) established that they are persons of European national origin displaced from the country of their birth, or nationality, or of their last residence, as a result of events subsequent to the outbreak of World War II; (3) that they cannot return to any of such countries because of persecution or fear of persecution on account of race, religion, or political opinions; and (4) that they have not been firmly resettled in any other country. The spouse and the unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of persons who establish their eligibility for immigration into the United States under this proviso, shall also be granted such eligibility if otherwise qualified for admission into the United States for permanent residence.

"'(d) The selection of eligible displaced persons shall be made without discrimination in favor of or against a race, religion, or national origin of such eligible displaced persons, and the Commission shall insure that equitable opportunity for resettlement under the terms of this Act, as amended, shall be afforded to eligible displaced persons of all races, religions, and national origins. The extent to which the Commission has accomplished the foregoing objective shall be specifically indicated in the semiannual reports of the Commission filed pursuant to section 8 of this Act.'

"SEC. 5. Section 4 (a) of the Displaced Persons Act of 1948 is hereby amended to read:

"'(a) Any alien who (1) entered the United States prior to April 30, 1949, and was on that date in the United States, or if he was temporarily absent from the United States on that date for reasons which, in accordance with regulations to be promulgated by the Attorney General, show special circumstances justifying such absence, and (2) is otherwise admissible under the immigration laws, and (3) is a displaced person residing in the United States as defined in this section may, within two years next following the effective date of this Act, as amended, apply to the Attorney General for an adjustment of his immigration status. If the Attorney General shall, upon consideration of all the facts and circumstances of the case, determine that such alien has been of good moral character for the preceding five years and that such alien is qualified under the provisions of this section, the Attorney General shall report to the Congress all of the pertinent facts in the case. If during the session of the Congress at which a case is reported, or prior to the end of the session of the Congress next following the session at which a case is reported, the Congress passes a concurrent resolution stating in substance that it favors the granting of the status of permanent residence to such alien the Attorney General is authorized, upon receipt of a fee of $18, which shall be deposited in the Treasury of the United States to the account of miscellaneous receipts, to record the admission of the alien for permanent residence as of the date of the alien's last entry into the United States. If prior to the end of the session of the Congress next following the session at which a case is reported, the Congress does not pass such resolution, the Attorney General shall thereupon deport such alien in the manner provided by law: *Provided*, That the number of displaced persons who shall be granted the status of permanent residence pursuant to this section shall not exceed fifteen thousand. Upon the grant of status of permanent residence to such alien as provided for in this section, the Secretary of State shall, if the alien was a quota immigrant at the time of entry, reduce by one the immigration quota of the country of the alien's nationality as defined in section 12 of the Immigration Act of May 26, 1924, for the fiscal year then current or the next succeeding fiscal year in which a quota number is available, except that quota deductions provided for in this section shall be made within the limitations contained in the first proviso of subsection (c) of section 3 of the Displaced Persons Act of 1948, as amended.'

"SEC. 6. Section 6 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 6. The preferences provided within the quotas by section 6 of the Immigration Act of 1924, as amended (8 U. S. C. 206), shall not be applicable in the case of any person receiving an immigration visa under this Act, except as otherwise herein specifically provided but in lieu of such preferences the following preferences, without priority in time of issuance of visas as between such preferences or as between preference or nonpreference cases under this Act, as amended, shall be granted to persons and their family dependents who are the spouse or the unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such persons, in the consideration of visa applications:

"'(a) First. Persons who are farm, household, construction, clothing, and garment workers, and other workers needed in the locality in the United States in which such persons propose to reside, or persons possessing special educational, scientific, technological, or professional qualifications.

"'(b) Second. Persons who are the blood relatives of citizens or lawfully admitted alien residents of the United States, such relationship in either case being within the third degree of consanguinity computed according to the rules of the common law.

"'No visa shall be issued to any alien whose admission under this Act is based on the submission of an assurance of suitable employment unless he shall first execute a signed statement under oath or affirmation that he accepts and agrees in good faith to abide by the terms of employment provided for such person in the assurance upon which his application for a visa under this Act is based. The Commission is hereby authorized and empowered to administer an oath or take an affirmation for this purpose and to designate employees who shall have power to administer such oath or affirmation: *Provided*, That upon a finding by the Attorney General that such statement was falsely made it shall be deemed to be a misrepresentation for the purpose of gaining admission into the United States as provided for in section 10 of the Displaced Persons Act of 1948, as amended: *Provided further*, That in determining whether or not the person accepted and agreed in good faith to abide by the said terms of employment the Attorney General shall consider the manner, conditions, extent, and duration of the person's employment after admission into the United States. Such alien and any alien found to have been inadmissible under the provisions of this Act at the time of entry shall, irrespective of the date of his entry, be taken into custody and deported in the manner provided by sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.'

"SEC. 7. Section 7 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 7. Within the preferences provided in section 6, priority in the issuance of visas shall be given to eligible displaced persons who during World War II bore arms against the enemies of the United States or who served honorably in the labor service or guard units of the United States Army, and their family dependents who are the spouse or the unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren.'

"SEC. 8. Section 8 of the Displaced Persons Act of 1948 is amended by striking out the date 'June 30, 1951' in the first sentence and inserting in lieu thereof the date 'August 31, 1952' and by amending the sixth sentence to read as follows: 'The Commission shall formulate and issue regulations for the purpose of obtaining the most general distribution and settlement of persons admitted under this Act, consistent with housing and employment opportunities for resettlement, throughout the United States and their Territories and possessions'. The seventh sentence of section 8 of the Displaced Persons Act of 1948 is amended to read as follows: 'It shall also be the duty of the Commission to report on February 1, 1949, and semiannually thereafter to the President and to the Congress on the situation regarding eligible displaced orphans, eligible displaced persons and displaced persons; and such reports shall include full and complete details respecting the administration of the funds authorized to be appropriated pursuant to section 14 of the Displaced Persons Act of 1948, as amended, including the names of persons and organizations to whom loans shall be made and the amount of such loans.'

"SEC. 9. The second sentence of section 10 of the Displaced Persons Act of 1948 is amended to read as follows: 'The burden of proof shall be upon the person who seeks to establish his eligibility under this Act, and no person shall be certified by the Commission as eligible under this Act if the Commission knows or has reason to believe that the alien (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act; and no person shall be issued an immigration visa or be admitted into the United States under this Act if the consular officer or the immigrant inspector knows or has reason to believe that the alien is subject to exclusion from the United States under any provision of the immigration laws or (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act: *Provided*, That nothing in this section shall remove the right of review and appeal available to aliens under general immigration laws.'

"SEC. 10. Section 12 of the Displaced Persons Act of 1948 is amended to read as follows:

"'SEC. 12. (a) Notwithstanding the provisions of section 12 of the Act of May 26, 1924, as amended, until July 1, 1952, a number of immigration visas not to exceed fifty-four thousand seven hundred and forty-four may be issued to persons of German ethnic origin who were born in Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Russia, or Yugoslavia, or areas under the control and domination of any such countries, except those parts of Germany and Austria under military occupation by the Union of Soviet Socialist Republics, and who on January 1, 1949, resided in the western zones of Germany or Austria, or western sectors of Berlin or Vienna. Assurances shall be executed by a citizen or citizens of the United States in accordance with regulations of the Commission that persons eligible under this section, if admitted into the United States, will be suitably employed without displacing some other person from employment and that any such person and the members of his family who propose to live with him shall not become public charges, and will have housing without displacing some other person from such housing. The spouse and unmarried child or children under twenty-one years of age, including adopted children and stepchildren, of any person eligible under this section shall, if otherwise qualified for admission into the United States for permanent residence, also be eligible under the provisions of this section. All persons qualifying for admission under this section shall be exempt from paying visa and head taxes, and no such person shall be admitted into the United States unless there shall have been first a thorough examination and written report as provided for in section 10 of

the Displaced Persons Act of 1948, as amended.

"'(b) Upon the issuance of an immigration visa under subsection (a) above, which shall be in addition to the numbers authorized in section 3 (a) of the Displaced Persons Act of 1948, as amended, the consular officer shall use, notwithstanding the provisions of section 11 (f) of the Immigration Act of May 26, 1924 (8 U. S. C. 211), a quota number from that portion of the quotas for Germany and Austria for the fiscal years ending June 30, 1949, and June 30, 1950, which was made available to persons of German ethnic origin under the provisions of section 12 of Public Law 774, Eightieth Congress, except that the total of such quota numbers shall not exceed by seven thousand the quota numbers used under the authority of the said section prior to June 30, 1950; and if no such quota number is available in that event the consular officer shall use a quota number from the immigration quota of the country of nationality of the person who receives the visa as defined in section 12 of the Immigration Act of May 26, 1924 (8 U. S. C. 212): *Provided*, That not more than 50 per centum of the quotas of the country of nationality of persons who receive immigration visas under this section shall be used in any fiscal year, and quota deductions authorized under this proviso shall be made within the limitations contained in the first proviso of subsection (c) of section 3 of the Displaced Persons Act of 1948, as amended.'

"'(c) Notwithstanding the preferences provided by section 6 of this Act, as amended, first priority in the issuance of visas chargeable to the German or Austrian quota under the provisions of section 12 of the Act of May 26, 1924, as amended (8 U. S. C. 212), or under the provisions of this section shall be granted to children who were sixteen years of age or under on June 25, 1948, and who prior to May 1, 1949, were legally adopted under the laws of the country in which they resided, by American citizens residing abroad temporarily. Those provisions of section 5 of this Act which relate to the contract-labor clause of the immigration laws and to the payment of ticket or passage shall be applicable to persons whose admission is authorized under the provisions of this section.

"'(d) The Commission shall make the necessary arrangements incident to the transfer of persons eligible for emigration to the United States under this section from their place of residence in Germany or Austria to the port of embarkation and from the port of embarkation to the port of entry in the United States. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made for the purpose of this section, to make advances not to exceed in the aggregate $2,500,000 to the Commission which shall be employed by the Commission to finance the transportation and necessary incidents thereto of persons who are eligible for emigration to the United States under this section from their place of residence in Germany or Austria to the port of entry in the United States. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose, and the Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this section.'

"SEC. 11. Section 13 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 13. No visas shall be issued under the provisions of this Act, as amended, to any person who is or has been a member of the Communist Party, or to any person who adheres to, advocates, or follows, or who has adhered to, advocated, or followed, the principles of any political or economic system or philosophy directed toward the destruction of free competitive enterprise and the revolutionary overthrow of representative governments, or to any person who is or has been a member of any organization which has been designated by the Attorney General of the United States as a Communist organization, or to any person who is or has been a member of or participated in any movement which is or has been hostile to the United States or the form of government of the United States, or to any person who advocated or assisted in the persecution of any person because of race, religion, or national origin, or to any person who has voluntarily borne arms against the United States during World War II. Upon arrival at the port of entry in the United States, every person eighteen years of age or older authorized to be admitted under this Act shall take and subscribe an oath or affirmation that he is not and has never been a member of any organization or movement named in this section, and shall be liable to prosecution for perjury if such oath or affirmation is willfully false. If any person not entitled to a visa under this section shall nevertheless gain admission to this country, in addition to the penalty above-mentioned, such person shall, irrespective of the date of his entry, be deported in the manner provided by sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.'

"SEC. 12. Section 14 of the Displaced Persons Act of 1948 is renumbered as section 15 and a new section is added to the Displaced Persons Act of 1948 to be known as section 14 and to read:

"'SEC. 14. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made for the purposes of this section, to make advances not to exceed in the aggregate $5,000,000, to the Commission which shall be employed by the Commission for loans through public or private agencies to persons who provide assurances, or to public or private agencies to finance the reception and transportation of eligible displaced persons and eligible displaced orphans and persons authorized to be admitted under section 12 of this Act, as amended, from ports of entry within the United States or its Territories or possessions. Such loans, which shall mature not later than June 30, 1953, shall be made under rules and regulations approved by the President. No interest shall be charged on advances made by the Treasury Department to the Reconstruction Finance Corporation for the purposes of this section, and the Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this section.'

"SEC. 13. The Displaced Persons Act of 1948 is amended by adding a new section to read as follows:

"'SEC. 16. Representatives of the Government of the United States are authorized to participate in a conference between affected nations for the purpose of studying and making recommendations providing for a satisfactory solution of the problems of persons of German ethnic origin who were expelled from the countries of their residence into Germany and Austria and are presently residing in those countries. The appropriation of such sums as may be necessary to carry out this section is hereby authorized.'

"SEC. 14. The Displaced Persons Act of 1948 is amended by adding at the end thereof a new section to read as follows:

"'SEC. 17. All transportation by ships or planes of aliens under this Act to the United States, the cost of which is defrayed in whole or in part by the Government of the United States, shall be by ships or planes registered under the United States flag, or by ships owned by the United States.'"

And the Senate agree to the same.

PAT MCCARRAN,
HARLEY M. KILGORE,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

EMANUEL CELLER,
FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
LOUIS E. GRAHAM,
FRANK FELLOWS,
Managers on the Part of the House.

STATEMENT OF THE MANAGERS ON THE PART OF THE SENATE

The managers on the part of the Senate at the conference on the disagreeing votes of the two Houses to the amendments of the Senate to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948 submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

NUMBERS EMBRACED BY CLASSES

The provisions of the bill (H. R. 4567) as agreed upon by the conferees and recommended in the accompanying conference report embrace 415,744 aliens, plus an indeterminate number of aliens who are allotted 50 percent of the nonpreference portion of certain quotas for 5 years. The numbers hereinafter set forth in the aggregate include the numbers provided for in the Displaced Persons Act of 1948, and are, by classes, as follows:

(1) Three hundred and one thousand five hundred visas are authorized to be issued to aliens in the general eligible displaced persons class over a 3-year period beginning July 1, 1948. This category includes displaced persons who on or before January 1, 1949, were in Italy or the American, British, or French zones of Germany or Austria. The Displaced Persons Act of 1948 authorized the issuance of 202,000 visas to aliens in this class over a 2-year period beginning July 1, 1948, but the cut-off date for eligibility was December 22, 1945. The bill (H. R. 4567) as it passed the House of Representatives authorized the issuance of 297,000 visas to aliens in this class over a 3-year period beginning July 1, 1948, with a January 1, 1949, cut-off date for eligibility. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 302,000 visas to aliens in this class over a 3-year period beginning July 1, 1948, with a January 1, 1949, cut-off date for eligibility.

(2) Eighteen thousand visas are authorized to be issued during a period ending June 30, 1951, to certain aliens who during World War II were members of the armed forces of the Republic of Poland and who reside in the British Isles. The Displaced Persons Act of 1948 did not embrace this class of aliens. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate authorized the issuance of 18,000 visas to this class of aliens. The conference agreed to retain in the act the provision originating in the Senate which limits the class to those who have not been either firmly settled or resettled.

(3) Ten thousand visas are authorized to be issued during a period ending June 30, 1951, to certain aliens in Greece, as follows:

(a) Seven thousand five hundred visas are authorized to be issued to natives of Greece who were displaced from their former habitual residences in Greece as a direct result of military operations in Greece by the

Nazi government or by military operations in Greece by the Communist guerrillas; and

(b) Two thousand five hundred visas are authorized to be issued to certain residents and nationals of Greece who are eligible for admission to the United States as first-preference or second-preference quota immigrants. The Displaced Persons Act of 1948 and the bill (H. R. 4567) as it passed the House of Representatives did not embrace this class of aliens. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 10,000 visas to aliens in category (a) above but made no provision for aliens in category (b) above.

(4) Two thousand visas are authorized to be issued during a period ending June 30, 1951, to aliens who were residents of Venezia Giulia prior to May 6, 1945, who are not de jure Italian citizens and who, on July 1, 1947, were in Italy, the United States-United Kingdom zone of the Free Territory of Trieste, or in Italy, the American zone, the British zone, or the French zone of Germany or Austria. The Displaced Persons Act of 1948 and the bill (H. R. 4567) as it passed the House of Representatives did not embrace this class of aliens. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 5,000 visas to this class of aliens, with a January 1, 1949, cut-off date for eligibility. The conference agreed to change the cut-off date for eligibility for this class of aliens to July 1, 1947.

(5) Five hundred visas are authorized to be issued during a period ending June 30, 1951, to certain aliens who since January 1, 1946, have been or may hereafter be displaced in central Europe and whose admission into the United States is recommended by or on behalf of the Secretary of State and the Secretary of Defense. The Displaced Persons Act of 1948 did not embrace this class of aliens. The bill (H. R. 4567) as it passed the House of Representatives authorized the issuance of 15,000 visas to aliens in this class. The bill (H. R. 4567) as it passed the Senate did not embrace this class of aliens.

(6) Four thousand visas are authorized to be issued during a period ending June 30, 1951, to certain aliens who resided in China as displaced persons or refugees on July 1, 1948, or on the effective date of the amendment, and who have not subsequently been received for permanent residence by any other country other than the United States. The Displaced Persons Act of 1948 did not embrace this class of aliens. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate provided for the issuance of 4,000 visas to this class of aliens. The conferees agreed to retain in the act the provision originating in the Senate which limits the class to those who have not subsequently been received for permanent residence by any country other than the United States.

(7) Five thousand nonquota visas are authorized to be issued during a period ending June 30, 1951, to eligible displaced orphans. The Displaced Persons Act of 1948 authorized the issuance of 3,000 nonquota visas to eligible displaced orphans. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate authorized the issuance of 5,000 nonquota visas to eligible displaced orphans. The conference agreed to enlarge the class of eligible displaced orphans to include Greek displaced orphans.

(8) Five thousand nonquota visas are authorized to be issued to orphans, under the age of 10 years, who, prior to June 30, 1950, were residents of certain European countries and for whom adoption or guardianship proceedings will be instituted. The bill (H. R. 4567) as it passed the House of Representatives did not embrace this class of aliens. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 20,000 nonquota visas to this class of aliens, with an age limitation of 16 years.

(9) Fifty-four thousand seven hundred and forty-four visas are authorized to be issued during a period ending June 30, 1952, to certain aliens of German ethnic origin who were born in specified eastern European countries and who on January 1, 1949, resided in Germany or Austria. The Displaced Persons Act of 1948 provided that 50 percent of the German and Austrian quotas shall for 2 years be available exclusively to such aliens. The bill (H. R. 4567) as it passed the House of Representatives provided that 50 percent of the German quota shall, until July 1, 1952, be available exclusively to such aliens. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 54,744 visas to such aliens during a period ending June 30, 1952. The apparent intent of the language of the bill (H. R. 4567) as it passed the Senate was to charge the quota of the country of origin of each alien in this class. The conference agreed to charge 7,000 quota numbers against the quotas for Germany and Austria for the two fiscal years ending June 30, 1949, and June 30, 1950, and to charge the remaining quota numbers against the quota of the country of nationality of the aliens who receive visas in this class.

(10) Fifteen thousand quota numbers are made available for the adjustment of status to that of permanent residents of aliens who entered the United States prior to April 30, 1949, temporarily as nonimmigrants or as non-quota-immigrant students and who are displaced from the country of their birth, or nationality, or of their last residence as a result of events subsequent to the outbreak of World War II and who cannot return to any of such countries. The Displaced Persons Act of 1948 made available 15,000 quota numbers to this class of aliens with an April 1, 1948, cut-off date. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate made available 15,000 quota numbers to this class of aliens with an April 30, 1949, cut-off date. The bill (H. R. 4567) as it passed the Senate was amended by striking out the words "any of such countries," and inserting in lieu thereof the words "such country." The net effect of this change in language would be to make eligible for adjustment of status certain aliens who could return to one of the countries from which they had been displaced. The conference agreed to delete the Senate amendment. The bill (H. R. 4567) as it passed the Senate was also amended by adding language which embraced Palestinian Arab students within this class. The reason for this amendment is that the Immigration and Naturalization Service has held administratively that aliens embraced in this class must have been displaced by events occasioned by World War II and that the displacement of Palestinian Arab students was not occasioned by World War II. The conferees agreed to delete the Senate amendment which embraced Palestinian Arab students within this class, because the conferees hold that it was not the legislative intent to limit this class to aliens whose displacement was occasioned by World War II; and that the Senate amendment which embraced Palestinian Arab students within this class is not only unnecessary but would lead to ambiguity.

(11) Fifty percent of the nonpreference portion of the immigration quotas is allotted for a period ending June 30, 1954, to aliens of European national origin who, before January 1, 1949, entered an area or country in Europe outside Italy, or the American, British, or French zones of Germany or Austria, who have been displaced from the country of their birth or nationality or last residence as a result of events subsequent to the outbreak of World War II and who cannot return. The Displaced Persons Act of 1948 did not embrace this class of aliens. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate embraced this class of aliens. The bill (H. R. 4567) as it passed the Senate limited the geographical scope to European countries and the conference agreed to accept the Senate amendment.

PROCEDURES

The bill (H. R. 4567) as agreed upon by the conferees and recommended in the accompanying conference report contains provisions designed to strengthen the administration of the law, as follows:

(1) The conferees have agreed to retain in the act the essence of certain provisions, originating in the Senate, the language of which provisions has been agreed upon by the conferees to read as follows:

"The burden of proof shall be upon the person who seeks to establish his eligibility under this Act, and no person shall be certified by the Commission as eligible under this Act if the Commission knows or has reason to believe that the alien (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act; and no person shall be issued an immigration visa or be admitted into the United States under this Act if the consular officer or the immigrant inspector knows or has reason to believe that the alien is subject to exclusion from the United States under any provision of the immigration laws or (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act: *Provided*, That nothing in this section shall remove the right of review and appeal available to aliens under general immigration laws."

(2) The conferees have agreed to retain in the act the provision, originating in the Senate, under which assurances for employment and housing may be submitted only by a citizen or citizens of the United States. The conferees have also agreed to retain in the act the provision, originating in the Senate, which requires a sworn statement of good-faith acceptance of employment by certain eligible displaced persons and prescribes that if such statement is falsely made, it shall be deemed to be a misrepresentation under the provisions of the law.

(3) The conferees also agreed to retain in the act, with slight modifications, the provisions, originating in the Senate, which preclude the issuance of a visa to any person who has borne arms against the United States. The language of the provision as agreed upon by the conferees precludes the issuance of a visa "to any person who has voluntarily borne arms against the United States during World War II." It is the information of the conferees that certain persons other than German nationals were compelled against their will to serve in armed forces and auxiliaries thereof against the United States during World War II, and it is the judgment of the conferees that such persons should not ipso facto be made ineligible.

PAYMENT OF TRANSPORTATION COSTS

The conferees have agreed to retain in the act, with slight change, the provision, originating in the Senate, under which the Reconstruction Finance Corporation is authorized to make advances to the Displaced Persons Commission to be used to finance the overseas transportation of aliens of German ethnic origin who are provided for under the act. The reason for the provision is that

persons of German ethnic origin are expressly excluded from the concern of the International Refugee Organization, and therefore the International Refugee Organization does not pay the transportation costs of such aliens. The conferees also agreed to retain in the act, with slight modifications, a provision, originating in the Senate, which would include aliens of German ethnic origin in the class for whom loans could be made for the payment of inland transportation costs. Under the language agreed upon by the conferees the advances for the payment of inland transportation costs may be "through public or private agencies to persons who provide assurances, or to public or private agencies to finance the reception and transportation * * *." The conferees also agreed to a new provision in the act which would require the Displaced Persons Commission to include in its semiannual report full and complete details respecting the loans authorized by the act. The conferees also agreed to retain in the act a provision, originating in the Senate, under which all transportation by ships or planes of aliens under the act, to the United States, the cost of which is defrayed in whole or in part by the Government of the United States, shall be by ships or planes registered under the United States flag or by ships owned by the United States.

PAT MCCARRAN,
HARLEY M. KILGORE,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

HAPPENINGS IN WASHINGTON—ADDRESS BY SENATOR MARTIN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD program No. 26 in a series of radio addresses entitled "Happenings in Washington," delivered by him on June 5, 1950, which appears in the Appendix.]

ADDRESS BY JOHN E. PEURIFOY AT WINTHROP COLLEGE COMMENCEMENT EXERCISES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address to the graduating class of Winthrop College, Rock Hill, S. C., delivered by Hon. John E. Peurifoy, Deputy Under Secretary of State, on Sunday, June 4, 1950, which appears in the Appendix.]

ARMED FORCES DAY ADDRESS BY BRIG. GEN. ARTHUR G. TRUDEAU

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an address delivered on Armed Forces Day, May 20, 1950, at Sioux Falls, S. Dak., by Brig. Gen. Arthur G. Trudeau, Assistant Commandant, Army War College, Fort Leavenworth, Kans., which appears in the Appendix.]

DECISIONS BY THE SUPREME COURT—NEWSPAPER COMMENT

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD an article entitled "An Historic Day in the Supreme Court," by Arthur Krock, and an editorial entitled "Separate But Equal," published in the New York Times, June 6, 1950, which appear in the Appendix.]

DIVERSION OF ADDITIONAL WATER FROM THE NIAGARA RIVER FOR POWER PURPOSES

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD a letter from the Niagara Mohawk Power Corp. relating to the pending treaty to permit diversion of additional water from the Niagara River for power purposes, and a statement prepared by him on the same subject, which appear in the Appendix.]

ORIGIN OF THE NAME "WASHINGTON"—LETTER FROM ERIC UNDERWOOD

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD a letter regarding the origin of the name "Washington," signed by Eric Underwood, and published in the New York Herald Tribune, which appears in the Appendix.]

EFFECT OF FOREIGN IMPORTATIONS ON AMERICAN OPTICAL INDUSTRY

[Mr. LANGER asked and obtained leave to have printed in the RECORD a letter addressed to him by the DuMaurier Co., of Elmira, N. Y., dated June 1, 1950, referring to the effect of foreign importation on American optical industry, which appears in the Appendix.]

THE MISSOURI VALLEY AUTHORITY—ARTICLE FROM BURDICK'S MAGAZINE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "The Truth About the Missouri Valley Authority," published in Burdick's magazine for May–June 1950, which appears in the Appendix.]

BUSINESSMEN, FARMERS, AND THE BRANNAN PLAN—ARTICLE FROM BURDICK'S MAGAZINE

[Mr. LANGER asked and obtained leave to have printed in the RECORD an article entitled "Business and the Brannan Plan," published in Burdick's magazine of May–June 1950, which appears in the Appendix.]

THE 15 TOP MEN IN U. S. A.—EDITORIAL BY MERRYLE STANLEY RUKEYSER

[Mr. CAIN asked and obtained leave to have printed in the RECORD an editorial entitled "The 15 Top Men in U. S. A.," written by Merryle Stanley Rukeyser and published in the Seattle Post-Intelligencer on April 11, 1950, which appears in the Appendix.]

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. The question is on agreeing to the committee amendment to House bill 6567.

Mr. LUCAS. Mr. President, before the debate begins on the pending bill I should like to make an inquiry of my able friend from Delaware as to how long he thinks it may take before we can have a vote upon the measure. I know the Senator from Delaware is ready to proceed with the debate. If I could secure some information from him as to how long he believes the debate will last I should be delighted to have such a statement from the Senator.

Mr. WILLIAMS. It should not take very long. I am sure the Senator from Illinois is going to be very easy to persuade, as well as some of his colleagues. I do not anticipate too much trouble along that line.

Mr. LUCAS. I thank the Senator. My reason for making the inquiry is to ascertain how long it may take to conclude debate on the bill. It is the hope of the Senator from Illinois that we may complete action on the bill this afternoon. I hope Members of the Senate will stay around so we may vote upon the amendment and upon the bill itself, if possible, today.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. The distinguished majority leader yesterday made an announcement with respect to the legislative program. What is the next measure the majority leader intends to take up for consideration after the pending measure is disposed of?

Mr. LUCAS. I have previously advised the Senate that we would next bring up for consideration House bill 6000, the social-security bill. However, we may be compelled to lay that aside, in order to consider the rent-control bill, which has been ordered to be reported favorably to the Senate. Those are the two bills which will follow the measure now before the Senate.

I may also say to the Senator, since he made the request, that we will have to have a call of the calendar one day this week. That may be tomorrow or the next day, depending upon what the Democratic policy committee decides to do when it meets.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WILLIAMS. I might say to the Senator from Illinois that I had hoped we could proceed immediately to debate and act on the committee amendment, in order that I might offer my amendments which are to follow.

The VICE PRESIDENT. The clerk will state the amendment of the committee.

The LEGISLATIVE CLERK. On page 1, after line 9, it is proposed to insert:

SEC. 3. Section 22 of the Agricultural Adjustment Act, as amended (U. S. C., title 7, sec. 624), is hereby amended to read as follows:

"SEC. 22. (a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall cause, on his own motion or on the motion of interested producers or processors, an immediate investigation to be made by the appropriate office or agency of the United States Department of Agriculture responsible for the administration of the affected program, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Secretary of Agriculture shall specify.

"(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the Secretary of Agriculture finds the existence of such facts, he shall certify to the President such facts and the President may by proclamation impose such fees not in excess

of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a), of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Secretary of Agriculture: *And provided further*, That in designating any article or articles, the Secretary of Agriculture may describe them by physical qualities, value, use, or upon such other bases as he shall determine.

"(c) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law No. 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.

"(d) After investigation, report, finding, and declaration in the manner provided in the case of a proclamation issued pursuant to subsection (b) of this section, any proclamation or provision of such proclamation may be suspended or terminated by the President whenever the Secretary of Agriculture finds and certifies to the President that the circumstances requiring the proclamation or provision thereof no longer exist or may be modified by the President whenever the Secretary of Agriculture finds and certifies to the President that changed circumstances require such modification to carry out the purposes of this section.

"(e) Any decision, finding, or certification of facts and required fees or quantitative limitations of the Secretary of Agriculture under this section shall be final.

"(f) No international agreement hereafter shall be entered into by the United States, or renewed, extended, or allowed to extend beyond its permissible termination date in contravention of this section."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

THE SCHUMAN PLAN TO POOL STEEL AND COAL RESOURCES IN WESTERN EUROPE

Mr. STENNIS. Mr. President, the proposal of the great French Foreign Minister, Robert Schuman, to pool the steel and coal resources of France, Germany, and other western European nations is the most far-reaching and encouraging practical measure for the peace and economic development of western Europe that has been made since the end of World War I. The plan is something definite, practical, and tangible, with tremendous economic power behind it.

France and Germany have used their respective resources from these two basic materials in wars against each other for over a century. Since the end of World War II, we have been called on partly to underwrite the economy of each of these almost exhausted countries. If they do not now perfect plans to combine their powers and resources, they will run the hazard of being at war with each other again soon, and also run the far greater hazard of being destroyed by Russia.

On the other hand, the Schuman plan of combining the resources of the western European nations is a very definite and formidable defense against the Russian threat of control of western Europe, and will certainly tend to stop Russia's plan of dividing and destroying those great peoples.

We are fooling no one except ourselves if we think we are to be successful in helping rebuild and rearm the nations of western Europe so as to save her from Russia and communism, unless those nations are willing to take practical steps of this kind to combine their resources and their strength. In the beginning of the program of rehabilitation of Europe, I think we leaned over backward in maintaining our high-sounding declarations that we did not want to interfere with the internal affairs of European nations. Certainly, we do not want to dominate or control any other nation; but we made a serious mistake in not requiring these nations to pool their basic resources for their common defense and protection, and to alter their economic courses to the extent of the cooperation required.

The fact that this bold and revolutionary proposal comes from France and is quickly approved by western Germany, the two long-time archenemies of Europe, grimly attests the realization on their part of the absolute necessity of a change in attitude—the necessity of a move for unification. It is indeed encouraging that the Netherlands, Luxemburg, Belgium, and Italy have also agreed to proceed with the plan as a step in unifying western Europe for advancing the cause of peace. England can well reconsider her position of sending her blessings, rather than joining in cooperation. This is no time for theoretical discussions as to surrendering a part of national sovereignty, when the real issue, as I see it, is not a matter of sovereignty, but a matter of survival; nor is it a time to let vested interests in Europe hold things in a stalemate.

A plan along this line is long past due. Without it, the constructive accomplishments of the Marshall plan will slowly disintegrate within a few short years. As a supporter of the Marshall plan recovery program, I am fast losing hope for permanent results therefrom unless definite and practical steps are taken along the lines of the Schuman proposal.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. McCLELLAN. Has the Senator from Mississippi concluded his statement?

Mr. STENNIS. No; I have not quite completed my statement on this subject.

Mr. McCLELLAN. I have been following the Senator's remarks with very much interest. When he concludes them I should like to ask him a question.

Mr. ROBERTSON. Mr. President, will the Senator yield to me at this point for a question?

Mr. STENNIS. I yield for a question.

Mr. ROBERTSON. At the outset I wish to say that I am in thorough sympathy with the viewpoint being expressed by my distinguished colleague.

I wish to ask him whether he thinks the policy to which he has been referring should be followed with a very definite policy on our part to stop the dismantling of German plants, if any which have been designed primarily for industrial rehabilitation are now being dismantled.

Mr. STENNIS. Absolutely. Whatever purpose, if any, was to be served by dismantling plants in Germany has long since been accomplished, and the cause therefor has long since disappeared. So it seems to me to be the height of folly for us to be building plants on the one hand and destroying them on the other.

Mr. ROBERTSON. I call the attention of my distinguished colleague to the fact that we are still building plants in Germany, and so far we have invested in that program in excess of $700,000,000.

I am glad my colleague agrees with me, because I think it is the consensus of opinion of the Senate that we want a strong industrial Germany and we want Germany to become self-supporting, because that will not only relieve us of tremendous financial burdens but it will make a major contribution to the ultimate program of enabling all the countries of western Europe to become self-contained and self-supporting.

Mr. STENNIS. I agree wholeheartedly, Mr. President, with the sentiments of the Senator from Virginia; and I think that without a rebuilt and a strong Germany the economy of Europe cannot again be maintained.

Furthermore, Mr. President, it seems clear to me that the State Department should push this plan to the limit and should actively and vigorously support it at every turn. I wish that every Member of the American Congress would publicly express the position that I believe their common sense dictates to them, namely, that unless the countries of western Europe do combine their basic resources and alter their economic and trade policies to a pattern that will organize their economic power and resources to a common defense against Russia, then we cannot further help finance the economies and military programs of these countries. Time is short.

Now I am glad to yield to the Senator from Arkansas.

Mr. ROBERTSON. Mr. President, will the Senator yield to me, first, to permit me to ask one more question?

Mr. STENNIS. I had agreed to yield first to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I am very glad to defer to the Senator from Virginia.

Mr. ROBERTSON. I thank the Senator.

Mr. STENNIS. Then I yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, does not my colleague from Mississippi

agree with me that it is entirely possible for the five countries he has mentioned to integrate their coal and iron and steel industries for the rehabilitation of western Germany without ultimately engaging in world competition with us, and by means of national cartels putting that steel on the market in violation of the reciprocal trade agreements we now have with those nations?

Mr. STENNIS. Mr. President, I think that whatever tendency there might be to lead to a governmental cartel would not be so bad as the present system of cartels, as I understand it, which has been in vogue in Europe, particularly prior to World War II.

Mr. ROBERTSON. That is true.

Is it not also true that at the moment we face two big C's in Europe—one, communism; the other, competition—and we had better make up our minds which we fear the most?

Mr. STENNIS. That is well said, and the Senator from Virginia has made a real contribution, for which I thank him.

Mr. President, I now yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I appreciate the Senator's courtesy in yielding to me.

I simply rose to compliment him on his forthright statement. If the Senator will permit, I should like to join him in the remarks he has made, for they express my sentiments even better than I myself could express them.

We have aided the European countries under the Marshall plan to the extent that we have rehabilitated their production above prewar levels; yet there is something lacking. I think this is one of the things that is lacking. If we are to go along with a policy merely of suggesting that things be done, while no continued effort is made to see that they are done, we may anticipate that the beneficiary nations will expect us to provide Marshall plan aid long after the program should stop and can be stopped if the resources of the western European nations are pooled and if the interested countries will get together and work together on the same sort of economic union. I think the able Senator from Mississippi has well expressed the sentiments which many of us share.

Mr. STENNIS. Mr. President, I wish especially to thank the able Senator from Arkansas. I appreciate very much being associated with him in this important subject. I should like to add that I think we are burning daylight and destroying one of the opportunities we have to bring about a lasting and effective solution of the economic and industrial problems of western Europe.

Mr. THYE and Mr. LEHMAN addressed the Chair.

The VICE PRESIDENT. Does the Senator from Mississippi yield, and if so, to whom?

Mr. STENNIS. Mr. President, I do not wish to decline to yield to any Senator, but the Senator from Delaware had understood that I would occupy the floor for a few moments only. I would not want to yield extensively to any Senator.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield; and if so, to whom?

Mr. STENNIS. I yield to the Senator from Nebraska.

Mr. WHERRY. Mr. President, the subject which the distinguished Senator has been discussing is one which was quite thoroughly discussed this morning in the Appropriations Committee in connection with the taking of evidence on ECA appropriations.

The discussion of this aspect of the subject is timely. The Schuman proposal, according to the Administrator, is a complete, new program, advanced by the French Government. I should like to ask a question of the distinguished Senator from Mississippi, especially in view of a news item in the New York Times of this morning entitled "Six European Lands To Speed Meeting of Resources Pool." I ask unanimous consent that this news item, together with statements regarding the pool plan, be placed in the RECORD at this point.

There being no objection, the news item, together with the statements, was ordered to be printed in the RECORD, as follows:

SIX EUROPEAN LANDS TO SPEED MEETING ON RESOURCES POOL—CONTINENTAL NATIONS ANNOUNCE IMMEDIATE OBJECTIVE IS TO MERGE COAL AND STEEL—HIGH AUTHORITY IS SEEN—BRITAIN'S RELUCTANCE IS HELD IN PARIS TO SHOW UNWILLINGNESS TO AID WITH UNITY PLANS

(By Harold Callender)

PARIS, June 3.—Formal announcement was made today by six continental governments that they would negotiate with the immediate objective of pooling their coal and steel production under a new high authority whose decisions would bind the six countries.

The six were France, Italy, western Germany, Belgium, the Netherlands, and Luxemburg. The French Government promised it would keep Britain informed so that she might later join the negotiations if she found it possible.

The negotiations are expected to begin about the middle of June on the basis of the French proposal of May 9—the Schuman plan—instead of on the less precise basis urged by the British Government, which declined to accept the principles of the Schuman plan as the objective.

The brief statement today, issued after a week of hectic diplomatic sparring between the French and British, represented the first formal joint step to carry out a project that specifically entails abandonment of a measure of national sovereignty in the interest of uniting not merely basic industries but the nations of Europe.

UNWILLINGNESS OF THE BRITISH

The unwillingness of the British Government to join in this step, revealed in a series of notes during the last week, is interpreted as showing more clearly than ever the reluctance of the British Government to join in or to encourage moves toward the economic or political unity of Europe.

This reluctance has been visible in the Marshall plan council, to which the British have opposed giving leadership or authority, in the long British resistance to the project for a European Payments Union, in the British opposition to giving wider functions to the Council of Europe.

The French, long hesitant to join with Germany in any steps toward European unity without the approval or the presence of the British, have now taken the leadership in an unprecedented step in that direction; and they have done so against the resistance of the British.

In the swift diplomatic interchange between Paris and London over the Schuman plan, the French have stuck tenaciously to their thesis that negotiations would be useless unless all agreed on the objectives—these being to pool coal and steel resources and to put them under a supranational authority.

RELUCTANCE IS REITERATED

Day after day and in note after note, the British have refused to subscribe to these objectives. They thus reiterated in writing the reluctance they had so often shown toward proposals for European unity.

The view here is that the British would have been more candid and on firmer ground if they had frankly said that their planned economy and their Commonwealth relations had prevented their joining the Schuman plan, instead of saying that they sought constructive action while declining any commitments to the action proposed.

The view is growing on the Continent that the British Government not only is reluctant to take part in uniting Europe but, in conformity with the traditional balance-of-power practices, actually dislikes the idea of a strong and united Continent.

The week of diplomatic shadow-boxing over the Schuman plan is interpreted by some Europeans as a British attempt not so much to justify Britain's position as to block the application of the Schuman plan by the Continental countries.

The European leadership that France has assumed, in a direction in which Britain hesitates to follow, is expected to commend itself to the United States, which has long advocated European unity and urged regional moves to that end such as the Schuman plan will be if it materializes. Those Americans who have complained at a lack of positive action for unity in Europe are expected to be favorably impressed by the negotiations that the French have now set in motion, looking to a greater degree of unity than any counted on through the Marshall plan.

On the other hand, the American view that the British have been too hesitant in supporting such European moves will be reinforced by the British Government's noncommittal attitude toward the Schuman plan, as emphasized in the series of British notes.

Until now the British have apparently felt that they had a prior claim on the consideration of the United States, whether they cooperated fully with the Continent or not. Continentals themselves shared this feeling last September, when the British were called into a separate conference in Washington while the Europeans awaited the devaluation decision that followed. The effect was to sharpen the rift between Britain and the Continent that had already developed in the Marshall plan council.

RIFT AGAIN ACCENTUATED

This rift seems again to have been accentuated, or advertised, by Britain's attitude toward the Schuman plan. But this time the prior attention and sympathy of the United States is not expected to go so exclusively to one side as it appeared to Europeans to go last September.

Speaking of the split between the French and British Governments over the Schuman plan, former Premier Paul Reynaud ascribed it tonight to British unwillingness to accept a supranational authority. He contended there could be no union of Europe without such partial abandonment of sovereignty. He found it paradoxical that Winston

Churchill, in his Zurich speech, had called for European unity, but that when France responded by a concrete proposal, it was Britain who held back.

This comment was mild compared to the feelings of some of the sponsors of the Schuman plan when they read the communique issued by the British Government today.

During the last week the French adhered to the strictest diplomatic etiquette. Their foreign office even went so far as to tell an incredulous press that the dispute was a mere verbal misunderstanding. But at the end of the week the British took what was considered here a highly incorrect action.

At the end of its communique, the British Government told the public that it would be glad to join in a meeting of ministers to reach agreement on procedure for the Schuman plan negotiations "if the French Government were prepared to contemplate a fresh approach."

The communique said that this British suggestion had been put to the French Government. But it did not say that the French Government had rejected it as futile, or that the British Government had then resigned itself to the alternative of being informed by the French regarding the negotiations. The British suggestion was put into the communique as if it were something still pending a decision by the French.

The French found this communique misleading and discourteous since it is not the habit of governments to announce proposals made in secret notes without the consent of the other government involved.

The British proposed last night a conference of foreign ministers of the six negotiating Governments plus Britain in order to fix "procedure" for the negotiations. The French replied that such a course would only delay the negotiations without offering any chance of overcoming the French and British difference.

In important quarters the opinion was expressed that this British move for a Foreign Ministers' Conference—coming after the loss of a week through redundant arguments in diplomatic notes and long telephone conversations—could only have been intended as obstructive.

Throughout the astonishing diplomatic exchange of the last 8 days, all over the question whether the British would or would not agree upon the two objectives cited above as the basis of negotiations, the essentially negative British attitude has contrasted sharply with that of the six Continental countries that have agreed to discuss the Schuman plan by accepting in principle the goals it set.

But this attitude has seemed in striking conformity with previous British attitudes toward collective European undertakings since the Marshall plan was accepted as a means of bringing the European nations, including Britain, closer together.

The United States sometimes lumped Britain with the Continent in urging European unity, Britain being so lumped in the Marshall plan. At other times the United States has given Britain separate and preferential treatment ever since its loan to Britain 2 years before the Marshall plan. In a sense Britain became the leader of Europe in the Marshall Plan Council. It has appeared during the last few days more clearly than before that Britain's position in relation to the Continent was one of qualified isolation while it had become France's turn to offer leadership.

TEXTS OF STATEMENTS ON POOL PLAN

SIX-POWER COMMUNIQUÉ

The Governments of France, Germany, Belgium, Italy, Luxemburg, and the Netherlands are decided to pursue a common action of peace, European solidarity, and economic and social progress, having for their immediate objective the pooling of coal and steel production and the institution of a new high authority whose decisions will link France, Germany, Belgium, Italy, Luxemburg, the Netherlands, and countries which will adhere to it.

Negotiations on the basis of a French proposition last May 9 will begin at a date which will be proposed in the immediate future by the French Government with the view to bringing about the establishment of a treaty which will be submitted for ratification by the various parliaments.

STATEMENT BY FRANCE

In the present state of things the Government of Great Britain has not believed itself able to join the six other governments in signing a communique published today on the French proposition of May 9.

At the same time the French Government notes with satisfaction that the British Government agrees that it be kept informed of progress of the negotiations.

The French Government will be constantly alert to continue the exchanges of views with the British Government so that in the course of negotiations the greatest attention can be given to the British point of view. The aim will be to permit Britain to join or associate itself with the common effort at the time it may consider it possible.

BRITISH COMMUNIQUÉ

His Majesty's government in the United Kingdom have from the outset welcomed the French initiative of May 9 and have been fully alive to its bold character and far-reaching importance for future relations between France and Germany in particular.

They earnestly hope that the international discussions upon it may lead to a new era in Franco-German relations, with beneficial effects for western Europe as a whole.

His Majesty's government have been most anxious to be associated with these discussions and have made their position in this respect clear to the French Government from the outset.

It is their view that these discussions should serve to clarify the practical application of the French proposal, which must necessarily be worked out on an international basis, and they strongly desire to make a helpful, constructive, and practical contribution in the hope that a detailed scheme would emerge which they would be able to join.

They, themselves, are actively engaged in working on proposals inspired by the French initiative of May 9, in order that they may be ready to make such a contribution.

The French Government, for their part, have taken the view that the first step in the execution of their plan must be an international conference of countries prepared to accept a commitment in principle to pool their coal and steel resources and to set up a new high authority whose decisions would bind the governments concerned.

In the view of the French Government, the negotiations should be aimed, in the first instance, at the preparation of a treaty embodying these principles and establishing the high authority, to be submitted to ratification by Parliament.

His Majesty's government do not feel able to accept in advance nor do they wish to reject in advance, principles underlying the French proposal. They consider that detailed discussion, which would throw light on the nature of the scheme, and its full political and economic consequences, is a normal and, indeed, an essential preliminary to the conclusion of a treaty.

They feel that there is substantial difference of approach between the two governments as to the basis on which negotiations should be opened. An unhappy situation would arise if, having bound themselves to certain principles without knowing how they would work out in practice, they were to find themselves, as a result of the discussion, compelled to withdraw from their undertakings.

They have accordingly, to their regret, found it impossible, in view of their responsibility to Parliament and people, to associate themselves with the negotiations on the terms proposed by the French Government.

His Majesty's government are anxious to do their best to see whether a workable scheme could be produced that is fair and just to all concerned and they feel that this could best be furthered by a meeting of ministers of the countries interested, at which the question of the most effective and expeditious method of discussing the problem at issue could be examined and settled.

If the French Government were prepared to contemplate a fresh approach and arrange a meeting of ministers to reach agreement on a procedure for the opening of negotiations, His Majesty's government would be glad to participate and they have so informed the French Government.

Mr. WHERRY. Mr. President, if this plan is to become a reality, does not the Senator feel that if the steel and coal to be produced in the Ruhr are to be integrated by the six nations which have already agreed on an international authority, an entirely different light would be thrown upon the conditions heretofore imposed upon German recovery as to the allocations upon which the German people might go forward? I ask the distinguished Senator, if that is true, does he not feel that it would be timely for the State Department immediately to make a review once again of the remaining industrial plants still to be dismantled and to call a halt on that process.

I agree that there are but a few left, I think about 10 percent, though the number as I recall is more than 100. If present conditions imposed on Germany are withdrawn and if this integration is to be brought about by these countries, the industrial potential of Germany will certainly be improved. If it is, why cannot the countries that are entering into this agreement agree to discontinue further dismantling of plants which are necessary for German recovery? If they do not, and this plan becomes a reality, I know of no other country except the United States that would be able to furnish the money to rebuild the very plants which will be dismantled under the so-called Petersberg Agreement, plants which will be absolutely needed to carry out the integration looking toward the industrial recovery of the German people. I ask that question of the distinguished Senator.

Mr. STENNIS. I think the Senator from Nebraska is entirely correct that this plan, if it becomes operative, will change the entire picture. It provides a new set of facts, and, necessarily all major policies relative to the subject matter would have to be reconsidered. But there is a way out, and it can be done.

Mr. WHERRY. Mr. President, if the Senator will yield further for a question, does he not feel that it would be timely for the Members of the Senate to ask the State Department to make such a review?

Mr. STENNIS. I certainly do. In the remarks I made this morning, I expressed the hope that every Member of Congress would come forward with a statement of his position. I think that would be the most powerful factor in the entire picture in assuring success of the plan.

Mr. WHERRY. I thank the distinguished Senator for yielding to me, and I also want to thank the distinguished Senator from Delaware for consenting to withhold his remarks to enable me to address these two questions to the distinguished Senator from Mississippi.

In conclusion, I should like merely to make a brief observation. This is of course but an idea. We do not yet know exactly what is involved. Certainly I do not want such an international authority as would socialize the industry of all these nations. In saying that I am speaking merely for myself. But the point I make is that if this is ever to be done, certainly the time is ripe for doing it now. The review should be asked for. In the meantime, not another plant should be dismantled. It seems to me it would be completely contradictory to require the American taxpayer to furnish the money with which to build plants that might be dismantled under the present program in order to accomplish the very integration of which the Senator speaks.

Mr. STENNIS. And if the plan is to be successful, although the United States does not want to underwrite the plan, we necessarily must have a part in its functioning.

Mr. WHERRY. I may say to the distinguished Senator, that is one of the questions that was asked this morning. There was some question as to what part the United States would play. As I understand, the United States will not be a member of the international authority.

Mr. STENNIS. No.

Mr. WHERRY. On the other hand, we still have supervisors, and not only that, we also have Mr. McCloy, who is the overriding authority for the American Government. The British and French Governments are still represented, with equal authority. There would, of course, have to be total agreement. One of the reasons why dismantling has not been completely discontinued is that authority has been exercised by the supervisors for Great Britain and France. But in my humble opinion the proposal which has been adverted to by the Senator from Mississippi in the course of his observations, if it became a reality, will go beyond the stage of a mere idea. We should certainly consider it from all angles and we should not create a worse situation. It seems to me that until this matter is decided, the least that could be done would be to call a halt in the dismantling of plants, with the idea that when the conditions which have been imposed are lifted from the German people, so they can make a complete recovery, we would not have to build plants to take the place of those now being dismantled.

Mr. STENNIS. Mr. President, I yield the floor.

BURIAL AND EDUCATIONAL BENEFITS TO FILIPINO VETERANS OF WORLD WAR II

Mr. LEHMAN. Mr. President, one of the danger points in the world scene today which has only recently begun to attract our attention is the Philippine Republic. The fact that we are beginning to awaken to the perils which confront that Republic of 19,000,000 people to whom we gave independence is good. Let us hope that we are not too late.

It is unfortunate that we have overlooked the course of events in the Philippines in our concentration on other areas, including China and Japan. For the fact of the matter is that the Philippines had and still has promise of being the best show window for democracy in the Far East, and indeed in the world. Here are a brown-skinned people thoroughly committed to our way of life and even our political and social institutions by choice and by preference. They are the only exponents in the world, outside our own continent, of American-type democracy.

Therefore it is essential that we show by constructive measures—to an even greater extent than we have in the past—that we certainly intend to discharge all our obligations to our Filipino friends who certainly have well discharged their obligations to us. I am proposing today certain legislative steps whereby the Congress can honor one of our obligations to the Philippines.

I have today introduced two bills providing certain benefits, analogous to some of the benefits of the GI bill of rights, for Filipino veterans who served under the American flag with members of the United States Armed Services in the Far East.

The grant of these benefits to the Filipino veterans is long overdue. Many of these men fought shoulder to shoulder with American troops under the same command and in the same operations. They were fighting under the American flag for the restoration of American sovereignty in the islands. They fought so that the United States could redeem its promise to return and wrest the islands from the Japanese.

They had been promised by General MacArthur and by others in authority the same pay and benefits as was granted to American soldiers. They were, along with the other American forces in that area, a part of the military organization known as the United States Armed Forces of the Far East, under the command of General MacArthur.

Even while the fighting was going on, the Filipino troops were officially and specifically promised that they would receive all the benefits of the GI bill of rights that American soldiers were to receive. That promise was not kept.

Many of these Filipino soldiers fought for long months as guerrillas against the Japanese. The Filipino guerrillas fought under the orders of General MacArthur in organizations authorized by him and deployed by him. Yet the Seventy-ninth Congress saw fit to provide in a rider to an appropriation bill, that these veterans should not receive GI benefits nor any of the benefits to which American veterans were and are entitled.

Since that time, hospitalization benefits have been provided for Filipino veterans. But all the other benefits to which they should have been entitled have not been granted them.

My two bills are designed to grant in diminished measure two of the benefits which American GI's enjoy—the burial benefit and certain educational privileges. One of the two bills I have introduced would provide for a burial benefit of $75, which is considerably less than that provided for American veterans. The Veterans' Administration would also be authorized to provide an American flag in which to drape the casket of Filipino veterans on their death. These men who fought so nobly and so gallantly under the American flag should certainly be entitled to this.

My second bill would provide individual grants of $32.50 per month for periods not in excess of 3 years for a maximum total of 50,000 Filipino veterans, to permit them to continue their education. The administrative details would be left to be worked out by the President of the United States through the Veterans' Administration which now maintains a regional office in Manila.

Mr. President, we have been hearing much about the alleged failure of our policy in China and the dangers we face in the Far East. We have read a good many reports recently about disturbances in the Philippines where our armed forces have and maintain bases by formal compact with the Philippines—the only independent nation in the world which freely allows us to have our own bases under a long-term lease in their home territory.

The Philippines, moreover, is the far eastern outpost of democracy. It is the only country in the world which has a governmental system and institutions exactly modeled on our own.

There could be no greater calamity, not only to the interests of the United States but to the cause of world democracy, than to have democracy fail in the Philippines.

The Filipinos who fought under our flag in the last war—and there were some 300,000 of them—are proven fighters for democracy. We should not only honor all our obligations to them but we should do even more to show our gratitude to them and our interest in them, not only in their country but in them personally.

I hope that the appropriate Senate committees will give early and prompt consideration to these measures and that the Senate will approve them without delay.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. BUTLER. Mr. President, I should like permission to ask a question of the Senator from Minnesota [Mr. THYE], who yesterday made a statement concerning the pending bill in which I am very much interested. I appreciate the statement which was made yesterday by

the Senator from Minnesota. I merely want to confirm the fact that a subcommittee will be maintained for continued observation of the handling of Government-owned agricultural commodities. That objective was referred to by the subcommittee in making its report on House bill 6567. Has such a committee been appointed?

Mr. THYE. I have not seen anything about the naming of the committee, but, under a provision of the bill, if the bill is passed, such a committee would be called for. Of course, the bill is still before the Congress for action.

Mr. BUTLER. Perhaps the senior Senator from Louisiana could answer that question.

Mr. ELLENDER. The subcommittee which was to be selected to hold hearings has been appointed. The committee consists of myself, the Senator from Illinois [Mr. LUCAS], the Senator from Florida [Mr. HOLLAND], the Senator from Vermont [Mr. AIKEN], and the Senator from Minnesota [Mr. THYE].

Mr. BUTLER. That is the subcommittee of which the Senator is chairman, is it not?

Mr. ELLENDER. That is correct. The subcommittee was agreed to when the pending measure was ordered reported to the Senate.

Mr. BUTLER. Mr. President, I want to say that the grain dealers of the country, not only the individual operators, the old-line operators, as they are usually referred to, but the cooperative elevator companies, are keenly interested in the measure.

I should like to read into the RECORD a short telegram from the Equity Union Grain Co., a company which operates cooperative elevators in Kansas and Nebraska quite generally, and perhaps in some outside areas. The telegram reads as follows:

KANSAS CITY, MO., *June 5, 1950.*

Hon. HUGH BUTLER,
Senate Building, Washington, D. C.:

When H. R. 6567 comes up for debate we recommend the maintenance of a subcommittee to observe CCC policies in handling price support commodities. Firmly believe private grain trade can be beneficially utilized in handling commodities taken over by CCC.

EQUITY UNION GRAIN CO.,
OTTO B. PECHA.

The same sentiment has been expressed by many other cooperative dealers in the Central West. I am pleased to note that the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER], included in his report yesterday a statement to that effect.

Mr. ELLENDER. That is correct. The entire statement appears on page 5 and at the top of page 6 of the committee report.

Mr. BUTLER. Mr. President, I want to make it plain that the remarks I made are not to be interpreted in any way as a criticism of Commodity Credit Corporation or its policies in the past. I have always supported the Commodity Credit program. I think there may be some question in the minds of cooperative grain dealers throughout the country, as well as independent grain dealers, that there is an attempt to take over the grain trade as such. Personally, that is not my idea. I am sure the Commodity Credit Corporation would not attempt to replace the grain dealers under some new plan it wishes to formulate. The only purpose of the subcommittee provided for in the bill will be to see that the Commodity Credit Corporation, in the operation of its program, does make use to the limit practicable of the facilities of the cooperative grain trade and the grain trade in the future.

Mr. WILLIAMS. Mr. President, I should like to refer briefly to the question just raised by the Senator from Nebraska. I understand he has expressed concern with regard to what might be called nationalization of the grain industry. For his information I should like to read a statement from a so-called confidential report issued by the Department of Agriculture which I previously called to the attention of the Senate. This report was denied at the time, although it is rather significant that practically everything outlined in the report is now being placed into effect. From page 2 of the report which was issued last year, I read the following:

To meet the critical storage situation which is almost certain to develop when the 1949 grain crops begin to move to market, a program must be initiated at once and completed this year to provide for the construction of not less than 150,000,000 bushels of Government-owned and Government-operated trackside-storage facilities, principally in the heavy-producing areas of the Corn Belt. By "trackside storage" is meant storage structures from which grain may be loaded directly into railroad cars. The further expansion of Government grain-storage facilities to a capacity of at least 500,000,000 bushels for corn and wheat alone, should be planned for completion within the next 3 years.

I continue to read from the report:

If an international wheat agreement should become operative, the program would have to be expanded to provide for an additional 100,000,000 bushels of Government wheat-storage facilities in order to assure dependable supplies for export to participating importing countries.

The report concludes with this statement:

A grain-storage program of a magnitude and an expedient nature such as the proposed program involves should be carried out and operated as a Government project under the jurisdiction of the Commodity Credit Corporation.

There is no secret about it. The Commodity Credit Corporation and the Department of Agriculture for the past 15 or 18 months have been operating a program to nationalize the grain industry. They testified before the committee last year that they were planning a storage capacity of only 150,000,000 bushels. However, at the same time they were laying plans for storage capacity of 500,000,000 bushels and then making arrangements to carry out these plans.

This report which was mailed out to their keymen last year, stated that the report was to be kept strictly confidential and under no conditions was it to be made available to any Member of Congress.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Mr. President, I am interested in the quotation which the Senator from Delaware has placed in the RECORD. As he says, I think it was printed in the RECORD some months ago.

Mr. WILLIAMS. It was, although the Department of Agriculture denied at that time such plans. Since that time, however, every statement in it has been confirmed.

Mr. BUTLER. I understood the Senator to say that they denied the accuracy or the authenticity of this report.

Mr. WILLIAMS. They admitted the fact that the report had been written. They could not deny that. They could not deny that fact because I had the report, and the report was written on their stationery and was signed by the Secretary of Agriculture. Therefore, they could not deny its existence. However, they said that they had surveyed it and had decided that they would not use it. I disputed that fact at that time because of information I had received and also because at that time the Department had men in the field making a survey of storage facilities for so many hundred million bushels of soybeans, corn, and wheat. They outlined the whole program of how they would work in the next 3 years for nationalization.

Mr. BUTLER. Would funds provided for by this bill be available for construction of additional storage facilities?

Mr. WILLIAMS. I am not an attorney, but, in my opinion, the enactment of this bill would in no way affect the policy of the Department of Agriculture. I think the Department of Agriculture won its battle last year. At that time they obtained the authority, and they are now exercising it. Unless they are checked the nationalization of the grain industry and storage facilities will be effected.

Mr. BUTLER. I think the Senator heard the discussion between the Senator from Nebraska and the Senator from Louisiana [Mr. ELLENDER] regarding the appointment of a subcommittee to keep track of the operations of the Commodity Credit Corporation's warehousing program. Does the Senator think that would be a good idea?

Mr. WILLIAMS. I do not know whether it would be a good idea to appoint a committee to keep track of them. I think we should appoint a committee to keep ahead of them.

Mr. President, at this time, on behalf of myself, the Senator from New York [Mr. IVES], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. HENDRICKSON], the Senators from New Hampshire [Mr. BRIDGES and Mr. TOBEY], the Senator from Vermont [Mr. FLANDERS], and the Senator from Washington [Mr. CAIN], I offer and send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER (Mr. HOEY in the chair). The amendment will be read.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That paragraphs (1) and (2) of subsection (d) of section 101 of the Agricultural Act of 1949 (Public Law No. 439, 81st Cong.) are hereby repealed.

Mr. WILLIAMS. This amendment proposes to strike out that section of Senate bill 2826 which would increase the borrowing power of the Commodity Credit Corporation by an additional $2,000,000,000, and to insert in its place a proposal to repeal, effective immediately, the existing 90 percent minimum support guaranty on the so-called basic commodities. Under our amendment this is accomplished by advancing the effective date of the flexible provisions of the Anderson Act from January 1, 1952, to become "effective immediately."

Under the existing law the Commodity Credit Corporation has the authority to use the credit of the United States Government in borrowing $4,750,000,000. As of January 31, 1950, the Corporation had committed about $4,000,000,000 of this borrowing capacity. During the past 12 months the commitments of the Commodity Credit Corporation have increased $1,900,000,000 or from $2,031,000,000 in January 1949, to $3,947,000,000 in January 1950.

During the past 20 months, that is June 30, 1948, to February 28, 1950, the commitments of the Commodity Credit Corporation have increased at an average monthly rate of $160,000,000. At this time, I ask unanimous consent to have inserted in the RECORD a chart showing the graduated increases in the commitments on a monthly basis for the past 20 months.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total commitments of the Commodity Credit Corporation in the price-support program under loans and inventories as of last day of month

	Value
1948:	
June [1]	$289,106,230.24
July	269,030,883.03
August	313,260,740.74
September	510,565,946.47
October	938,022,876.55
November	1,284,695,194.45
December	1,858,988,764.25
1949:	
January	2,031,395,201.35
February	2,100,708,687.29
March	2,185,122,595.30
April	2,218,296,282.69
May	2,237,238,131.50
June	2,372,543,489.86
July	2,450,201,874.54
August	2,680,470,432.12
September	2,894,305,973.15
October [2]	3,148,577,434.67
November	3,370,189,273.37
December	3,645,129,317.13
1950:	
January	3,947,423,790.14
February	4,036,175,000.00

[1] First projection of the 90-percent support level under the Aiken-Hope Act.

[2] Second projection of the 90-percent support level under the Anderson Act.

Mr. WILLIAMS. In addition to this accumulation of over $4,000,000,000 investments in agricultural commodities during the past 20 months, our Government gave away at home and abroad an additional $3,500,000,000 worth of agricultural commodities. On March 21, 1950, I inserted in the CONGRESSIONAL RECORD a chart which appeared on page 3737, giving a breakdown by commodities of $3,460,000,000 which had been distributed between June 30, 1948, and December 31, 1949. In addition to this amount we find that during January and February 1950, our Government has given away at home and abroad an additional $241,513,145 worth of agricultural commodities, and at this point I ask unanimous consent to have inserted in the RECORD a chart showing a breakdown by commodities of this 2-month give-away program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Over-all cost of the farm-support program to the taxpayers for the 2-month period, January and February 1950

Commodity	Net program [1] results as reported by CCC	Sec. 32 [2]	Sec. 6 [3]	Occupied areas [4]	ECA (grants only) [5]	Total
Corn	$4,151,705			$529,000	$2,958,000	$7,638,705
Wheat [6]	1,757,298	$516,172		21,798,000	66,903,000	90,974,470
Barley	[7] 48,946				3,567,000	3,518,054
Rye [8]	[7] 2,247					[7] 2,247
Soybeans [9]	136,120			4,986,000	1,653,000	6,775,120
Cotton [10]	798,566	80		30,114,420	29,493,000	60,406,066
Tobacco	[7] 38,973				9,657,000	9,618,027
Potatoes [11]	8,890,963	1,670,268				10,560,331
Eggs	81,093	968,465			1,131,300	2,180,558
Milk [12]	1,026,763	216,686			1,392,000	2,635,449
Peanuts [13]	2,251,611	616,462	$107,048		261,000	3,236,121
Other [14]	7,050,564	9,614,360	2,297,595	736,972	24,273,000	43,972,491
Total	26,053,617	13,602,493	2,404,643	58,164,392	141,288,000	241,513,145

[1] From Commodity Credit Corporation's Report of Financial Conditions and Operations as of Feb. 28, 1950.

[2] Expenditures under sec. 32 of the Agricultural Adjustment Act of 1935.

[3] Expenditures under sec. 6, National School Lunch Act.

[4] Amounts invoiced to the Army for deliveries of commodities for export to occupied areas; not for consumption by U. S. armed services.

[5] Provides for all procurements in United States—either available directly to foreign countries for purchase or made available to procurement agency of U. S. Government.

[6] Includes wheat flour.

[7] Gain.

[8] Includes rye flour.

[9] Includes soybean oil.

[10] Includes cottonseed and cottonseed oil.

[11] Includes potato flour and potato starch.

[12] Includes dried whole milk, dried skimmed milk, and evaporated milk.

[13] Includes peanut butter.

[14] Includes butter, cheese, grain sorghums, oats, rice, flaxseed, lard, linseed oil, tallow, tung oil, apricots, dates, figs, peaches, prunes, raisins, sorghum starch, dry beans, dry peas, honey, sugar, miscellaneous seeds, canned fruit and fruit juices, canned vegetables, meat, fish and fish products, wool, alcohol, sweetpotatoes, pears, citrus fruit, apples, etc.

Mr. WILLIAMS. As in previous instances the Commodity Credit Corporation, in boasting of a small loss on this give-away program, is not telling the taxpayers the entire story. For instance, as can be seen from the chart just inserted, during January and February of this year, the Corporation showed a loss of $26,000,000, but an examination of their operations shows that this smaller loss was only possible by virtue of the fact that over $215,000,000 worth of agricultural commodities which had been given away by the Government were charged against the appropriations of other governmental agencies.

So far as the taxpayers are concerned the agricultural program during the first 2 months of this year is as follows:

Between December 31, 1949, and February 28, 1950, our investments in agricultural commodities, under loans and inventories, were increased by $391,045,686.87.

In addition to this increased accumulation of agricultural commodities during the same 2-month period we gave away at home and abroad at the American taxpayers' expense additional agricultural commodities costing $241,513,145. In view of this, earlier this year I would have said that the Corporation would need this additional $2,000,000,000 requested unless the support prices were lowered. However, since that time certain developments have occurred chief among which is the drastic downward revision in the Department's estimate for the winter-wheat crop. This now raises the question as to whether or not these funds will be needed. There is, however, no question but that if Congress will lower the support prices to a more realistic level this $2,000,000,000 absolutely will not be needed.

We should repeal, effective immediately, the 90-percent minimum support by making the flexible provisions of the Anderson Act effective immediately instead of waiting until January 1, 1952. This reduction in the support prices of the basic commodities would automatically result in an across-the-board lowering in the support for all commodities since one of the factors in determining the support price for any commodity is its relationship to all other basic commodities.

Mr. President, I pointed out yesterday that the distinguished majority leader, along with the Senator from New Mexico [Mr. ANDERSON], who formerly was Secretary of Agriculture, defended this principle on the floor of the Senate last October. At that time the existing 90-percent support program was being denounced from both sides of the aisle. And I call attention to the fact that last October the majority leader [Mr. LUCAS]

voted for the principles embodied in our amendment.

Mr. President, the argument has been advanced that Congress by repealing the 90-percent support level at this time might be violating a promise to the American farmers in the midst of a crop year since the winter wheat crop is on the verge of the harvesting season. I point out the fact that at the time this winter wheat crop, which is now ready for harvesting, was planted, we were operating under the provisions of the Hope-Aiken Act, a law under which they were scheduled to obtain a lower support price as of January 1, 1950, than is provided for under the flexible provisions of the Anderson Act. Regardless of what action the Congress takes on the amendment, which I am offering here today, the farmers will still be receiving a higher support price than they were promised by the Government at the time they planted their wheat last fall. As far as the rest of the crops affected are concerned, we are in the midst of the planting season, but the farmers still have ample time to reduce their acreage if they wish.

I have stated previously, and I repeat, that I do not think that even the adoption of our amendment would provide the ultimate answer to our farm-support program. However, it is a step in the right direction. Nor do we claim that its adoption would mean a net savings to the taxpayers of the full $2,000,000,000, even though it would eliminate the necessity for extending the $2,000,000,000 authority to the Corporation. Yet no one will question the fact that with the adoption of this amendment substantial savings approximating $1,000,000,000 would be made to the taxpayers.

On March 21 of this year, I called to the attention of the Senate the fact that during the past 18 months alone the Government had spent nearly $7,500,000,000 purchasing agricultural commodities which in turn were withheld from the markets. Of this amount, nearly $4,000,000,000 worth of commodities were held in inventories and under loans as of January 31, 1950, while the additional $3,500,000,000 worth were given away either at home or abroad. On that date, I inserted in the RECORD two charts which gave a breakdown of these expenditures by commodities. These charts appear on page 3737 of the CONGRESSIONAL RECORD of March 21, 1950.

Neither Congress nor the Department of Agriculture has any plan whereby we can dispose of this $4,000,000,000 worth of agricultural commodities, which at the present time is rapidly deteriorating in our warehouses and caves. I think that it is inexcusable that we today should even consider authorizing the Commodity Credit Corporation to further increase these unwieldy inventories by another $2,000,000,000 during the next 12 months.

Every Member of Congress recognizes the fact that the continuation of this absurd policy another 12 months will not solve the problem. We are merely postponing the day of reckoning. Unless we act now, 1 year from now we will have the same unsolved agricultural problem, only then we might well have $6,000,000,000 of the taxpayers' money tied up in surplus agricultural commodities instead of $4,000,000,000.

The wholesale waste and destruction of food which inevitably accompanies such an unsound program is becoming obnoxious to the American people, and unless the Senators representing the farm States recognize this situation and agree to have the support prices on these commodities lowered to a more realistic level, they will soon find themselves with no farm program whatever.

These high support prices cannot be justified to the American housewives, who for the past 2 years have seen the Government hold the price of agricultural commodities at an artificially high level—by withholding from the market—or at times destroying huge quantities of foods. This was particularly hard for them to understand when, at the same time, they were having a hard time providing the necessities of life for their families.

During the past 4 years our Government has spent billions for the announced purpose of checking the spread of communism throughout the world, yet no amount of money which we spend at home or abroad can check the acceptance of the principles of communism or any other "ism" by an American citizen who witnesses this unwarranted destruction of good edible foods when his family is hungry.

The principal farm organizations of this country recognize this danger and have endorsed the principle of lower support prices as provided under the flexible provisions of the law. They would rather have lower support prices put into effect immediately than face the danger of losing their farm-support program entirely.

Mr. President, some argue that those of us who favor this amendment which proposes to lower these prices are trying to destroy the farm-support program, but I point out that the adoption of our amendment, while it would result in an over-all lowering of the support prices, would still leave, in many instances, a support price on most agricultural commodities actually higher than the farmers received for those same commodities during the past 10 years. For instance, under the 90-percent formula, cotton is supported at 27 cents per pound, while under the flexible formula, if our amendment were adopted, cotton would be supported at a range between 22 cents and 27 cents, depending upon the national supply. The average price which the farmers have received for cotton during the past 10 years is only 22½ cents per pound. So even at the minimum figure under the flexible formula farmers still would have a good support price, more than they have been receiving.

The wheat farmers are today receiving a support price of around $1.92 per bushel. Under the flexible formula, the price could drop as low as $1.60 per bushel. This minimum price of $1.60 would still be 11 cents per bushel higher than the average price which the western farmer received for wheat during the past 10 years. This minimum price of $1.60 per bushel, as provided for under the flexible formula, is also about 50 cents over the average cost of production.

During the past 10 years we find that the average price the farmers received for corn was $1.16 per bushel. Today corn is being supported at a basis of $1.40 per bushel. If the amendment offered here today were adopted, corn would be allowed to fluctuate as low as $1.22 per bushel, which again is higher than the past 10-year average price for corn and far above the cost of production.

The same thing is true as to practically every other commodity affected under our amendment.

I have yet to hear any Member of Congress or the Secretary of Agriculture give any justification for the continuation of the Government's spending billions of dollars annually to support agricultural commodities at prices higher than at wartime level. These high support prices were authorized during the war for the sole purpose of encouraging increased production at a time when the country needed all the food it could obtain. It was never the intention of Congress that these high support prices should be projected over into a peacetime economy, and the only reason that they have been so projected is that neither the administration nor the Congress has as yet had the courage to face the cold facts and tell the American farmers that the program must be modified. So far the administration has been more interested in buying the votes of the American farmers than they are in promoting an economically sound agricultural program.

Unless Congress reduces governmental expenditures during the current fiscal year below the budgetary estimates, we are going to close our books next July with a deficit in excess of $6,000,000,000. The American taxpayers are becoming impatient with the continuation of the wartime excise taxes, and are insisting upon either a reduction or an outright repeal; but the taxpayer is only being kidded if he believes that he is going to obtain any worth-while reduction in taxes prior to a reduction in governmental expenditures. So far we have made very little progress toward reducing these expenditures. The amount involved in this vote this afternoon on the pending amendment would save the taxpayers enough money to enable us to repeal many of these excise or nuisance taxes without increasing our deficit, and at the same time give the farmers a sounder agricultural program.

I would suggest that if American taxpayers want to know just how sincere their representatives are in promising a reduction in the cost of government and a reduction in these excise taxes, they check the votes here this afternoon.

Practically every Member of the Senate since the convening of the second session of the Eighty-first Congress has made an eloquent speech on the floor of the Senate pleading for economy in order that we might reduce excise taxes and balance the budget, but the American taxpayers have long since learned that political speeches alone promising

economy are not enough, it is how we vote that really counts.

The vote on the amendment this afternoon is a vote not only for a better and sounder farm program, but also a vote for the saving of around $1,000,000,000 to the American taxpayers during the next 12 months. It is a vote which will check this obnoxious policy of a planned destruction of food to create artificial shortages. A vote for our amendment lowering the support prices will automatically provide lower prices to the American housewives, and the increased consumption which follows such a reduction in prices will have a tendency to start our unwieldy inventories moving in the normal channels of trade, and remove the necessity of the two-billion increase to be voted on today.

There is no use kidding the American housewife. She is never going to purchase her groceries at lower prices under any agricultural program, regardless of its name, until the support prices to the American farmer are reduced accordingly.

The Secretary of Agriculture, Mr. Brannan, during recent months, has been trying to make political capital by promising the farmers increased support prices, and at the same time promising housewives lower prices. Then he has the effrontery to tell the American taxpayer that this will cost less. To hear Mr. Brannan explain his utopian farm program reminds me of an inventor's dream of how he plans to place in operation the machine of perpetual motion. While it is admitted that either idea has a lot of appeal, yet in both instances we are confronted with the same problem; namely, that the sponsors themselves have not the slightest idea of how to make their plan work.

The cold facts of the situation are that no agricultural program under any name will ever work during peacetime which proposes to support any agricultural commodity at a price higher than the cost of production. The sooner this principle is recognized and the program reduced accordingly, the better it will be for the American farmers, consumers, and taxpayers. The adoption of this amendment here this afternoon would be a major step in that direction.

Mr. President, in conclusion let me say that while I come from one of the Eastern States I think I am qualified to speak so far as agriculture is concerned, because the county in which I live ranks third in agricultural production among the counties east of the Rocky Mountains. In agricultural production we outrank any county in any of the States which are represented on the two Agricultural Committees. Entirely too many Members of the Senate think that all of the farmers are located in the Mississippi Valley and the South. Our farmers in the East are just as important to the economy of this country as are the western farmers, and they are being bankrupted under this existing policy of supporting western grains at artificially high levels.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STENNIS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Martin
Bricker	Gillette	Morse
Byrd	Ives	Mundt
Donnell	Knowland	Stennis
Dworshak	Leahy	Williams
Ellender	McCarthy	
Frear	McClellan	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. BUTLER, Mr. CAIN, Mr. CORDON, Mr. DOUGLAS, Mr. ECTON, Mr. HENDRICKSON, Mr. HILL, Mr. KEM, Mr. LONG, Mr. LUCAS, Mr. MAGNUSON, Mr. MAYBANK, Mr. MCKELLAR, Mr. MCMAHON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. THOMAS of Utah, Mr. THYE, Mr. TYDINGS, Mr. WATKINS, and Mr. WHERRY answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. DOUGLAS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. BREWSTER, Mr. CAPEHART, Mr. CHAPMAN, Mr. CONNALLY, Mr. FERGUSON, Mr. FLANDERS, Mr. GEORGE, Mr. GREEN, Mr. HAYDEN, Mr. HOEY, Mr. HOLLAND, Mr. JOHNSON of Colorado, Mr. JOHNSON of Texas, Mr. KEFAUVER, Mr. KILGORE, Mr. LANGER, Mr. LEHMAN, Mr. LODGE, Mr. MALONE, Mr. MCCARRAN, Mr. MCFARLAND, Mr. MILLIKIN, Mr. MURRAY, Mr. NEELY, Mr. O'MAHONEY, Mr. PEPPER, Mr. ROBERTSON, Mr. TAFT, Mr. TOBEY, Mr. WITHERS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS] for himself and other Senators.

Mr. WILLIAMS. I ask for the yeas and nays.

The yeas and nays were ordered.

TIDELANDS OIL CASES—SUPREME COURT DECISIONS

Mr. McCARTHY obtained the floor.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Wyoming?

Mr. McCARTHY. I am glad to yield.

Mr. O'MAHONEY. Mr. President, yesterday the Supreme Court of the United States handed down two important decisions involving the marginal sea and the resources thereunder. One was in the case of the United States against the State of Louisiana, the other, in the case of United States against the State of Texas. Both decisions are of the utmost importance for the consideration of Members of Congress, and I ask unanimous consent that they may be printed in the body of the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the decisions were ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES—No. 12, ORIGINAL—OCTOBER TERM, 1949—THE UNITED STATES OF AMERICA, PLAINTIFF *v.* THE STATE OF LOUISIANA—MOTION FOR LEAVE TO FILE COMPLAINT AND COMPLAINT

(June 5, 1950)

Mr. Justice Douglas delivered the opinion of the Court:

"The United States by its Attorney General and its Solicitor General brought this suit against the State of Louisiana, invoking our jurisdiction under article III, section 2, Cl. 2 of the Constitution, which provides 'In all cases * * * in which a State shall be a party, the Supreme Court shall have original jurisdiction.'

"The complaint alleges that the United States was and is 'the owner in fee simple of, or possessed of paramount rights in, and full dominion and power over, the lands, minerals, and other things underlying the Gulf of Mexico, lying seaward of the ordinary low-water mark on the coast of Louisiana and outside of the inland waters, extending seaward 27 marine miles and bounded on the east and west, respectively, by the eastern and western boundaries of the State of Louisiana.'

"The complaint further alleges that Louisiana, claiming rights in that property adverse to the United States, has made leases under her statutes to various persons and corporations which have entered upon said lands, drilled wells for the recovery of petroleum, gas and other hydrocarbon substances, and paid Louisiana substantial sums of money in bonuses, rent, and royalties, but that neither Louisiana nor its lessees have recognized the rights of the United States in said property.

"The prayer of the complaint is for a decree adjudging and declaring the right of the United States as against Louisiana in this property, enjoining Louisiana and all persons claiming under it from continuing to trespass upon the area in violation of the right of the United States, and requiring Louisiana to account for the money derived by it from the area subsequent to June 23, 1947.

"Louisiana opposed the motion for leave to file the complaint, contending that the States have not consented to be sued by the Federal Government and that *United States* v. *Texas* (143 U. S. 621), which held that article III, section 2, Cl. 2 of the Constitution, granting this Court original jurisdiction in cases 'in which a State shall be a party,' includes cases brought by the United States against a State should be overruled. We heard argument on the motion for leave to file and thereafter granted it. (337 U. S. 902, rehearing denied, 337 U. S. 928.)

"Louisiana then filed a demurrer asserting that the Court has no original jurisdiction of the parties or of the subject matter. She moved to dismiss on the ground that the lessees are indispensable parties to the case; and she also moved for a more definite statement of the claim of the United States and for a bill of particulars. The United States moved for judgment. The demurrer was overruled, Louisiana's motions denied, and the motion of the United States for judgment was denied, Louisiana being given 30 days in which to file an answer (338 U. S. 806).

"In her answer Louisiana admits that 'the United States has paramount rights in, and full dominion and power over, the lands, minerals, and other things underlying the Gulf of Mexico adjacent to the coast of Louisiana, to the extent of all governmental powers existing under the Constitution, laws, and treaties of the United States,' but asserts that there are no con-

flicting claims of governmental powers to authorize the use of the bed of the Gulf of Mexico for the purpose of searching for and producing oil and other natural resources, on which the relief sought by the United States depends, since the Congress has not adopted any law which asserts such Federal authority over the bed of the Gulf of Mexico. Louisiana, therefore, contends that there is no actual justiciable controversy between the parties. Louisiana in her answer denies that the United States has a fee simple title to the lands, minerals, and other things underlying the Gulf of Mexico. As affirmative defenses Louisiana asserts that she is the holder of fee simple title to all the lands, minerals, and other things in controversy; and that since she was admitted into the Union in 1812, she has exercised continuous, undisturbed, and unchallenged sovereignty and possession over the property in question.

"Louisiana also moved for trial by jury. She asserts that this suit, involving title to the beds of tide waters, is essentially an action at law and that the seventh amendment and 28 United States Code, section 1872, 62 United States Statutes 953, require a jury.[1]

"The United States then moved for judgment on the ground that Louisiana's asserted defenses were insufficient in law. We set the case down for argument on that motion.

"The territory out of which Louisiana was created was purchased by the United States from France for $15,000,000 under the treaty of April 30, 1803, 8 United States Statutes 200. In 1804 the area thus acquired was divided into two territories, one being designated as the Territory of Orleans, 2 United States Statutes 283. By the enabling act of February 20, 1811, 2 United States Statutes 641, the inhabitants of the Territory of Orleans were authorized to form a constitution and a State government. By the act of April 8, 1812, 2 United States Statutes 701, 703, Louisiana was admitted to the Union on an equal footing with the original States, in all respects whatever. And as respects the southern boundary, that act recited that Louisiana was 'bounded by the said Gulf [of Mexico] * * * including all islands within three leagues of the coast.'[2] In 1938 Louisiana by statute declared its southern boundary to be 27 marine miles from the shore line.[3]

"We think *United States* v. *California* (332 U. S. 19) controls this case and that there must be a decree for the complainant.

"We lay aside such cases as *Toomer* v. *Witsell* (334 U. S. 385, 393) where a State's regulation of coastal waters below the low-water mark collides with the interests of a person not acting on behalf of or under the authority of the United States. The question here is not the power of a State to use the marginal sea or to regulate its use in absence of a conflicting Federal policy; it is the power of a State to deny the paramount authority which the United States seeks to assert over the area in question. We also put to one side *New Orleans* v. *United States* (10 Pet. 662), holding that title to or dominion over certain lots and vacant land along the river in the city of New Orleans did not pass to the United States under the treaty of cession but remained in the city. Such cases, like those involving ownership of the land under the inland waters (see, for example, *Pollard's Lessee* v. *Hagan* (3 How. 212)), are irrelevant here. As we pointed out in *United States* v. *California*, the issue in this class of litigation does not turn on title or ownership in the conventional sense. California, like the Thirteen Original Colonies, never acquired ownership in the marginal sea. The claim to our 3-mile belt was first asserted by the National Government. Protection and control of the area are indeed functions of national external sovereignty (332 U. S., pp. 31–34). The marginal sea is a national, not a State concern. National interests, national responsibilities, national concerns are involved. The problems of commerce, national defense, relations with other powers, war and peace focus there. National rights must therefore be paramount in that area.

"That is the rationale of *United States* v. *California*. It is fully elaborated in the opinion of the Court in that case and does not need repetition.

"We have carefully considered the extended and able argument of Louisiana in all its aspects and have found no reason why Louisiana stands on a better footing than California so far as the 3-mile belt is concerned. The national interest in that belt is as great off the shore line of Louisiana as it is off the shore line of California. And there are no material differences in the preadmission or postadmission history of Louisiana that make her case stronger than California's. Louisiana prior to admission had no stronger claim to ownership of the marginal sea than the Original Thirteen Colonies or California had. Moreover, the national dominion in the 3-mile belt has not been sacrificed or ceded away in either case. The United States, acting through its Attorney General who has authority to assert claims of this character and to invoke our jurisdiction in a Federal-State controversy (*United States* v. *California*, pp. 26–29), now claims its paramount rights in this domain.

"There is one difference, however, between Louisiana's claim and California's. The latter claimed rights in the 3-mile belt. Louisiana claims rights 24 miles seaward of the 3-mile belt. We need note only briefly this difference. We intimate no opinion on the power of a State to extend, define, or establish its external Territorial limits or on the consequences of any such extension vis-à-vis persons other than the United States or those acting on behalf of or pursuant to its authority. The matter of State boundaries has no bearing on the present problem. If, as we held in California's case, the 3-mile belt is in the domain of the Nation rather than that of the separate States, it follows a fortiori that the ocean beyond that limit also is. The ocean seaward of the marginal belt is perhaps even more directly related to the national defense, the conduct of foreign affairs, and world commerce than is the marginal sea. Certainly it is not less so. So far as the issues presented here are concerned, Louisiana's enlargement of her boundary emphasizes the strength of the claim of the United States to this part of the ocean and the resources of the soil under that area, including oil.

"Louisiana's motion for a jury trial is denied. We need not examine it beyond noting that this is an equity action for an injunction and accounting. The seventh amendment and the statute,[4] assuming they extend to cases under our original jurisdiction, are applicable only to actions at law. (See *Shields* v. *Thomas* (18 How. 253, 262); *Barton* v. *Barbour* (104 U. S. 126, 133–134).)

"We hold that the United States is entitled to the relief prayed for. The parties, or either of them, may before September 15, 1950, submit the form of decree to carry this opinion into effect."

So ordered.

Mr. Justice Jackson and Mr. Justice Clark took no part in the consideration or decision of this case.

Mr. Justice Frankfurter:

"Time has not made the reasoning of *United States* v. *California* (332 U. S. 19) more persuasive but the issue there decided is no longer open for me. It is relevant, however, to note that in rejecting California's claim of ownership in the off-shore oil the Court carefully abstained from recognizing such claim of ownership by the United States. This was emphasized when the Court struck out the proprietary claim of the United States from the terms of the decree proposed by the United States in the California case.[5]

"I must leave it to those who deem the reasoning of that decision right to define its scope and apply it, particularly to the historically very different situation of Texas. As is made clear in the opinion of Mr. Justice Reed, the submerged lands now in controversy were part of the domain of Texas when she was on her own. The Court now decides that when Texas entered the Union she lost what she had and the United States acquired it. How that shift came to pass remains for me a puzzle."

SUPREME COURT OF THE UNITED STATES—NO. 13, ORIGINAL—OCTOBER TERM, 1949—THE UNITED STATES OF AMERICA, PLAINTIFF *v.* THE STATE OF TEXAS—MOTION FOR LEAVE TO FILE COMPLAINT AND COMPLAINT

(June 5, 1950)

Mr. Justice Douglas delivered the opinion of the Court:

"This suit, like its companion *United States* v. *Louisiana*, *ante*, decided this day, invokes our original jurisdiction under article III, section 2, clause 2 of the Constitution, and puts into issue the conflicting claims of the parties to oil and other products under the bed of the ocean below low-water mark off the shores of Texas.

"The complaint alleges that the United States was and is 'the owner in fee simple of, or possessed of paramount rights in, and full dominion and power over, the lands, minerals and other things underlying the Gulf of Mexico, lying seaward of the ordinary low-water mark on the coast of Texas and outside of the inland waters, extending seaward to the outer edge of the continental shelf and bounded on the east and southwest, respectively, by the eastern boundary of the State of Texas and the boundary between the United States and Mexico.'

"The complaint is in other material respects identical with that filed against Louisiana. The prayer is for a decree adjudging and declaring the rights of the United States as against Texas in the above-described area, enjoining Texas and all persons claiming under it from continuing to trespass upon the area in violation of the rights of the United States, and requiring Texas to account to the United States for all money derived by it from the area subsequent to June 23, 1947.

"Texas opposed the motion for leave to file the complaint on the grounds that the Attorney General was not authorized to bring the suit and that the suit, if brought, should be instituted in a district court. And Texas, like Louisiana, moved to dismiss on the ground that since Texas had not

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[1] The seventh amendment provides: "In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise reexamined in any court of the United States, than according to the rules of the common law."

28 U. S. C. section 1872 provides: "In all original actions at law in the Supreme Court against citizens of the United States, issues of fact shall be tried by a jury."

[2] And see Dart, Louisiana Constitutions (1932), p. 499.

[3] 6 Dart, La. Gen. Stats. (1939), secs. 9311.1 to 9311.4.

[4] See note 1, supra.

[5] The decree proposed by the United States read in part: "1. The United States of America is now, and has been at all times pertinent hereto, possessed of paramount rights *of proprietorship* in, and full dominion and power over, the lands, minerals, and other things underlying the Pacific Ocean." The italicized words were omitted in the Court's decree (332 U. S. 804, 805).

consented to be sued, the Court had no original jurisdiction of the suit. After argument we granted the motion for leave to file the complaint (337 U. S. 902). Texas then moved to dismiss the complaint on the ground that the suit did not come within the original jurisdiction of the Court. She also moved for a more definite statement or for a bill of particulars and for an extension of time to answer. The United States then moved for judgment. These various motions were denied and Texas was granted 30 days to file an answer (338 U. S. 806).

"Texas in her answer, as later amended, renews her objection that this case is not one of which the Court has original jurisdiction; denies that the United States is or ever has been the owner of the lands, minerals, etc., underlying the Gulf of Mexico within the disputed area; denies that the United States is or ever has been possessed of paramount rights in our full dominion over the lands, minerals, etc., underlying the Gulf of Mexico within said area except the paramount power to control, improve, and regulate navigation which under the Commerce clause the United States has over lands beneath all navigable waters and except the same dominion and paramount power which the United States has over uplands within the United States, whether privately or State owned; denies that these or any other paramount powers or rights of the United States include ownership or the right to take or develop or authorize the taking or developing of oil or other minerals in the area in dispute without compensation to Texas; denies that any paramount powers or rights of the United States include the right to control or to prevent the taking or developing of these minerals by Texas or her lessees except when necessary in the exercise of the paramount Federal powers, as recognized by Texas, and when duly authorized by appropriate action of the Congress; admits that she claims rights, title, and interest in said lands, minerals, etc., and says that her rights include ownership and the right to take, use, lease, and develop these properties; admits that she has leased some of the lands in the area and received royalties from the lessees but denies that the United States is entitled to any of them; and denies that she has no title to or interest in any of the lands in the disputed area.

"As an affirmative defense Texas asserts that as an independent nation, the Republic of Texas had open, adverse, and exclusive possession and exercised jurisdiction and control over the land, minerals, etc., underlying that part of the Gulf of Mexico within her boundaries established at three marine leagues from shore by her first Congress and acquiesced in by the United States and other major nations; that when Texas was annexed to the United States the claim and rights of Texas to this land, minerals, etc., were recognized and preserved in Texas; that Texas continued as a State, to hold open, adverse and exclusive possession, jurisdiction and control of these lands, minerals, etc., without dispute, challenge or objection by the United States; that the United States has recognized and acquiesced in this claim and these rights; that Texas under the doctrine of prescription has established such title, ownership, and sovereign rights in the area as preclude the granting of the relief prayed.

"As a second affirmative defense Texas alleges that there was an agreement between the United States and the Republic of Texas that upon annexation Texas would not cede to the United States but would retain all of the lands, minerals, etc., underlying that part of the Gulf of Mexico within the original boundaries of the Republic.

"As a third affirmative defense Texas asserts that the United States acknowledged and confirmed the three-league boundary of Texas in the Gulf of Mexico as declared, established, and maintained by the Republic of Texas and as retained by Texas under the annexation agreement.

"Texas then moved for an order to take depositions of specified aged persons respecting the existence and extent of knowledge and use of subsoil minerals within the disputed area prior to and since the annexation of Texas, and the uses to which Texas has devoted parts of the area as bearing on her alleged prescriptive rights. Texas also moved for the appointment of a special master to take evidence and report to the Court.

"The United States opposed these motions and in turn moved for judgment asserting that the defenses tendered by Texas were insufficient in law and that no issue of fact had been raised which could not be resolved by judicial notice. We set the case down for argument on that motion.

"We are told that the considerations which give the Federal Government paramount rights in, and full dominion and power over, the marginal sea off the shores of California and Louisiana (see *United States* v. *California* (332 U. S. 19); *United States* v. *Louisiana, supra*) should be equally controlling when we come to the marginal sea off the shores of Texas. It is argued that the national interests, national responsibilities, and national concerns which are the basis of the paramount rights of the National Government in one case would seem to be equally applicable in the other.

"But there is a difference in this case which, Texas says, requires a different result. That difference is largely in the preadmission history of Texas.

"The sum of the argument is that prior to annexation Texas had both dominium (ownership or proprietary rights) and imperium (governmental powers of regulation and control) as respects the lands, minerals and other products underlying the marginal sea. In the case of California we found that she, like the original Thirteen Colonies, never had dominium over that area. The first claim to the marginal sea was asserted by the National Government. We held that protection and control of it were indeed a function of national external sovereignty (332 U. S. 31–34). The status of Texas, it is said, is different: Texas, when she came into the Union, retained the dominium over the marginal sea which she had previously acquired and transferred to the National Government only her powers of sovereignty—her imperium—over the marginal sea.

"This argument leads into several chapters of Texas history.

"The Republic of Texas was proclaimed by a convention on March 2, 1836.[1] The United States[2] and other nations[3] formally recognized it. The Congress of Texas on December 19, 1836, passed an act defining the boundaries of the Republic.[4] The southern boundary was described as follows: 'beginning at the mouth of the Sabine River, and running west along the Gulf of Mexico three leagues from land, to the mouth of the Rio Grande.'[5] Texas was admitted to the Union in 1845 'on an equal footing with the existing States,'[6] Texas claims that during the period from 1836–45 she had brought this marginal belt into her territory and subjected it to her domestic law which recognized ownership in minerals under coastal waters. This the United States contests. Texas also claims that under international law as it had evolved by the 1840's, the Republic of Texas as a sovereign nation became the owner of the bed and subsoil of the marginal sea vis-à-vis other nations. Texas claims that the Republic of Texas acquired during that period the same interest in its marginal sea as the United States acquired in the marginal sea off California when it purchased from Mexico in 1848 the Territory from which California was later formed. This the United States contests.

"The joint resolution annexing Texas[7] provided in part:

" 'Said State, when admitted into the Union, after ceding to the United States, all public edifices, fortifications, barracks, ports and harbors, navy and navy yards, docks, magazines, arms, armaments, and all other property and means pertaining to the public defence belonging to said Republic of Texas, shall retain all the public funds, debts, taxes, and dues of every kind, which may belong to or be due and owing said republic; and shall also retain all the vacant and unappropriated lands lying within its limits, to be applied to the payment of the debts and liabilities of said Republic of Texas, and the residue of said lands, after discharging said debts and liabilities, to be disposed of as said State may direct; but in no event are said debts and liabilities to become a charge upon the Government of the United States.'

"The United States contends that the inclusion of fortifications, barracks, ports and harbors, navy and navy yards, and docks in the cession clause of the resolution demonstrates an intent to convey all interests of the republic in the marginal sea, since most of these properties lie side by side with, and shade into, the marginal sea. It stresses the phrase in the resolution 'other property and means pertaining to the public defence.' It argues that possession by the United States in the lands underlying the marginal sea is a defense necessity. Texas maintains that the construction of the resolution both by the United States and Texas has been restricted to properties which the republic actually used at the time in the public defense.

"The United States contends that the 'vacant and unappropriated lands' which by the resolution were retained by Texas do not include the marginal belt. It argues that the purpose of the clause, the circumstances of its inclusion, and the meaning of the words in Texas and Federal usage give them a more restricted meaning. Texas replies that since the United States refused to assume the liabilities of the republic, it was to have no claim to the assets of the republic except the defense properties expressly ceded.

"In the California case, neither party suggested the necessity for the introduction of evidence (332 U. S. 24). But Texas makes an earnest plea to be heard on the facts as they bear on the circumstances of her history which, she says, sets her apart from the other States on this issue.

"The Court in original actions, passing as it does on controversies between sovereigns which involve issues of high public importance, has always been liberal in allowing full development of the facts (*United States* v. *Texas* (162 U. S. 1), *Kansas* v. *Colorado* (185 U. S. 125, 144, 145, 147), *Oklahoma* v. *Texas* (253 U. S. 465, 471)). If there were a dispute as to the meaning of documents and the answer was to be found in diplomatic

[1] 1 Laws, Rep. of Texas, p. 6.

[2] See the resolution passed by the Senate March 1, 1837 (Cong. Globe, 24th Cong., 2d sess., p. 270), the appropriation of a salary for a diplomatic agent to Texas (5 Stat. 170), and the confirmation of a chargé d'affaires to the Republic in 1837. 5 Exec. Journ. 17.

[3] See 2 Gammel's Laws of Texas 655, 880, 886, 889, 905 for recognition by France, Great Britain, and the Netherlands.

[4] 1 Laws, Rep. of Texas, p. 133.

[5] The traditional 3-mile maritime belt is one marine league or three marine miles in width. One marine league is 3.45 English statute miles.

[6] See joint resolution approved March 1, 1845, 5 Stat. 797.

[7] See note 6, supra.

correspondence, contemporary construction, usage, international law, and the like, introduction of evidence and a full hearing would be essential.

"We conclude, however, that no such hearing is required in this case. We are of the view that the 'equal footing' clause of the joint resolution annexing Texas to the Union disposes of the present phase of the controversy.

"The 'equal footing' clause has long been held to refer to political rights and to sovereignty. See *Stearns* v. *Minnesota*, 179 U. S. 223, 245. It does not, of course, include economic stature or standing. There has never been equality among the States in that sense. Some States when they entered the Union had within their boundaries tracts of land belonging to the Federal Government; others were sovereigns of their soil. Some had special agreements with the Federal Government governing property within their borders. See *Stearns* v. *Minnesota*, *supra*, pp. 243–245. Area, location, geology, and latitude have created great diversity in the economic aspects of the several States. The requirement of equal footing was designed not to wipe out those diversities but to create parity as respects political standing and sovereignty.

"Yet the 'equal footing' clause has long been held to have a direct effect on certain property rights. Thus the question early arose in controversies between the Federal Government and the States as to the ownership of the shores of navigable waters and the soils under them. It was consistently held that to deny to the States, admitted subsequent to the formation of the Union, ownership of this property would deny them admission on an equal footing with the original States, since the original States did not grant these properties to the United States but reserved them to themselves. See Pollard's *Lessee* v. *Hagan* (3 How. 212, 228–229); *Mumford* v. *Wardwell* (6 Wall. 423, 436); *Weber* v. *Harbor Commissioners* (18 Wall. 57, 65–66); *Knight* v. *U. S. Land Association* (142 U. S. 161, 183); *Shively* v. *Bowlby* (152 U. S. 1, 26); *United States* v. *Mission Rock Co.* (189 U. S. 391, 404). The theory of these decisions was aptly summarized by Mr. Justice Stone, speaking for the Court in *United States* v. *Oregon* (295 U. S. 1, 14), as follows: [8]

" 'Dominion over navigable waters and property in the soil under them are so identified with the sovereign power of government that a presumption against their separation from sovereignty must be indulged, in construing either grants by the sovereign of the lands to be held in private ownership or transfer of sovereignty itself. See *Massachusetts* v. *New York* (271 U. S. 65, 89). For that reason, upon the admission of a State to the Union, the title of the United States to lands underlying navigable waters within the States passes to it, as incident to the transfer to the State of local sovereignty, and is subject only to the paramount power of the United States to control such waters for purposes of navigation in interstate and foreign commerce.'

"The equal footing clause, we hold, works the same way in the converse situation presented by this case. It negatives any implied, special limitation of any of the paramount powers of the United States in favor of a State. Texas prior to her admission was a republic. We assume that as a republic she had not only full sovereignty over the marginal sea but ownership of it, of the land underlying it, and of all the riches which it held. In other words we assume that it then had the dominium and imperium in and over this belt which the United States now claims. When Texas came into the Union, she ceased to be an independent nation. She then became a sister State on an equal footing with all the other States. That act concededly entailed a relinquishment of some of her sovereignty. The United States then took her place as respects foreign commerce, the waging of war, the making of treaties, defense of the shores, and the like. In external affairs the United States became the sole and exclusive spokesman for the Nation. We hold that as an incident to the transfer of that sovereignty any claim that Texas may have had to the marginal sea was relinquished to the United States.

"We stated the reasons for this in *United States* v. *California*, page 35, as follows:

" 'The 3-mile rule is but a recognition of the necessity that a government next to the sea must be able to protect itself from dangers incident to its location. It must have powers of dominion and regulation in the interest of its revenues, its health, and the security of its people from wars waged on or too near its coasts. And insofar as the Nation asserts its rights under international law, whatever of value may be discovered in the seas next to its shores and within its protective belt, will most naturally be appropriated for its use. But whatever any nation does in the open sea, which detracts from its common usefulness to nations, or which another nation may charge detracts from it, is a question for consideration among nations as such, and not their separate governmental units. What this Government does, or even what the States do, anywhere in the ocean, is a subject upon which the Nation may enter into and assume treaty or similar international obligations. See *United States* v. *Belmont* (301 U. S. 324, 331–332). The very oil about which the State and Nation here contend might well become the subject of international dispute and settlement.'

"And so although dominium and imperium are normally separable and separate,[9] this is an instance where property interests are so subordinated to the rights of sovereignty as to follow sovereignty.

"It is said that there is no necessity for it—that the sovereignty of the sea can be complete and unimpaired no matter if Texas owns the oil underlying it. Yet, as pointed out in *United States* v. *California*, once low-water mark is passed the international domain is reached. Property rights must then be so subordinated to political rights as in substance to coalesce and unite in the national sovereign. Today the controversy is over oil. Tomorrow it may be over some other substance or mineral or perhaps the bed of the ocean itself. If the property, whatever it may be, lies seaward of low-water mark, its use, disposition, management, and control involve national interests and national responsibilities. That is the source of national rights in it. Such is the rationale of the California decision which we have applied to Louisiana's case. The same result must be reached here if 'equal footing' with the various States is to be achieved. Unless any claim or title which the Republic of Texas had to the marginal sea is subordinated to this full paramount power of the United States on admission, there is or may be in practical effect a subtraction in favor of Texas from the national sovereignty of the United States. Yet neither the Original Thirteen States (*United States* v. *California* (supra, pp. 31–32)) nor California nor Louisiana enjoys such an advantage. The 'equal footing' clause prevents extension of the sovereignty of a State into a domain of political and sovereign power of the United States from which the other States have been excluded, just as it prevents a contraction of sovereignty (Pollard's *Lessee* v. *Hagan*, supra) which would produce inequality among the States. For equality of States means that they are not 'less or greater, or different in dignity or power.' See *Coyle* v. *Oklahoma* (221 U. S. 559, 566). There is no need to take evidence to establish that meaning of 'equal footing.'

"Texas in 1941 sought to extend its boundary to a line in the Gulf of Mexico 24 marine miles beyond the 3-mile limit and asserted ownership of the bed within that area.[10] And in 1947 she put the extended boundary to the outer edge of the continental self.[11] The irrelevancy of these acts to the issue before us has been adequately answered in *United States* v. *Louisiana*. The other contentions of Texas need not be detailed. They have been foreclosed by *United States* v. *California* and *United States* v. *Louisiana*.

"The motions of Texas for an order to take depositions and for the appointment of a special master are denied. The motion of the United States for judgment is granted. The parties, or either of them, may before September 15, 1950, submit the form of decree to carry this opinion into effect."

So ordered.

Mr. Justice Jackson and Mr. Justice Clark took no part in the consideration or decision of this case.

Mr. Justice Reed, with whom Mr. Justice Minton joins, dissenting.

"This case brings before us the application of *United States* v. *California* (332 U. S. 19), to Texas. Insofar as Louisiana is concerned, I see no difference between its situation and that passed upon in the California case. Texas, however, presents a variation which requires a different result.

"The California case determines, page 36, that since 'paramount rights run to the States in inland waters to the shoreward of the low water mark, the same relationale leads to the conclusion that national interests, responsibilities, and therefore national rights are paramount in waters lying to the seaward in the 3-mile belt.' Thus the Court held, page 39, that the Federal Government has power over that belt, an incident of which is 'full dominion over the resources of the soil under that water area, including oil.' But that decision was based on the premise, pages 32–34, that the 3-mile belt had never belonged to California. The California case points out that it was the United States which had acquired this seacoast area for the Nation. Sovereignty over that area passed from Mexico to this country. The Court commented that similar belts along their shores were not owned by the original seacoast States. Since something akin to ownership of the similar area along the coasts of the original States was thought by the Court to have been obtained through an assertion of full dominion by the United States to this hitherto unclaimed portion of the earth's surface, it was decided that a similar right in the California area was

[8] The same idea was expressed somewhat differently by Mr. Justice Field in *Weber* v. *Harbor Commissioners*, supra, pp. 65–66, as follows: "Although the title to the soil under the tidewaters of the bay was acquired by the United States by cession from Mexico, equally with the title to the upland, they held it only in trust for the future State. Upon the admission of California into the Union upon equal footing with the original States, absolute property in, and dominion and sovereignty over, all soils under the tidewaters within her limits passed to the State, with the consequent right to dispose of the title to any part of said soils in such manner as she might deem proper, subject only to the paramount right of navigation over the waters, so far as such navigation might be required by the necessities of commerce with foreign nations or among the several States, the regulation of which was vested in the general Government."

[9] See the statement of Mr. Justice Field (then chief justice of the Supreme Court of California) in *Moore* v. *Smaw* (17 Calif. 199, 218–219).

[10] Act of May 16, 1941, L. Texas, 47th Leg., p. 454.

[11] Act of May 23, 1947, L. Texas, 50th Leg., p. 451.

obtained by the United States. The contrary is true in the case of Texas. The Court concedes that prior to the Resolution of Annexation, the United States recognized Texas ownership of the 3-league area claimed by Texas.[12]

"The Court holds immaterial the fact of Texas' original ownership of this marginal sea area, because Texas was admitted on an 'equal footing' with the other States by the Resolution of Annexation (5 Stat. 797). The scope of the 'equal footing' doctrine, however, has been thought to embrace only political rights or those rights considered necessary attributes of State sovereignty. Thus this Court has held in a consistent line of decisions that since the Original States, as an incident of sovereignty, had ownership and dominion over lands under navigable waters within their jurisdiction, States subsequently admitted must be accorded equivalent ownership (e. g., *Pollard* v. *Hagen* (3 How. 212); *Martin* v. *Waddell* (16 Pet. 367)). But it was an articulated premise of the California decision that the Thirteen Original States neither had asserted ownership nor had held dominion over the 3-mile zone as an incident of sovereignty.

" 'Equal footing' has heretofore brought to a State the ownership of river beds, but never before has that phrase been interpreted to take away from a newly admitted State property that it had theretofore owned. I see no constitutional requirement that this should be done and I think the Resolution of Annexation left the marginal sea area in Texas. The resolution expressly consented that Texas should retain all 'the vacant and unappropriated lands lying within its limits.' An agreement of this kind is in accord with the holding of this Court that ordinarily lands may be the subject of compact between a State and the Nation (*Stearns* v. *Minnesota* (179 U. S. 223, 245)). The Court, however, does not decide whether or not 'the vacant and unappropriated lands lying within its limits' (at the time of annexation) includes the land under the marginal sea. I think that it does include those lands (cf. *Hynes* v. *Grimes* (337 U. S. 86, 110)). At least we should permit evidence of its meaning.

"Instead of deciding this question of cession, the Court relies upon the need for the United States to control the area seaward of low water because of its international responsibilities. It reasons that full dominion over the resources follows this paramount responsibility, and it refers to the California discussion of the point (332 U. S. at 35). But the argument based on international responsibilities prevailed in the California case because the marginal sea area was staked out by the United States. The argument cannot reasonably be extended to Texas without holding that Texas ceded that area to the United States.

"The necessity for the United States to defend the land and to handle international affairs is not enough to transfer property rights in the marginal sea from Texas to the United States. Federal sovereignty is paramount within national boundaries, but Federal ownership depends on taking possession, as the California case holds; on consent, as in the case of places for Federal use; or on purchase, as in the case of Alaska or the Territory of Louisiana. The needs of defense and foreign affairs alone cannot transfer ownership of an ocean bed from a State to the Federal Government any more than they could transfer iron ore under uplands from State to Federal ownership. National responsibility is no greater in respect to the marginal sea than it is toward every other particle of American territory. In my view, Texas owned the marginal area by virtue of its original proprietorship; it has not been shown to my satisfaction that it lost it by the terms of the Resolution of Annexation.

"I would deny the United States motion for judgment."

Mr. Justice Frankfurter:

"Time has not made the reasoning of *United States* v. *California* (332 U. S. 19), more persuasive but the issue there decided is no longer open for me. It is relevant, however, to note that in rejecting California's claim of ownership in the off-shore oil the Court carefully abstained from recognizing such claim of ownership by the United States. This was emphasized when the Court struck out the proprietary claim of the United States from the terms of the decree proposed by the United States in the California case.[13]

"I must leave it to those who deem the reasoning of that decision right to define its scope and apply it, particularly to the historically very different situation of Texas. As is made clear in the opinion of Mr. Justice Reed, the submerged lands now in controversy were part of the domain of Texas when she was on her own. The Court now decides that when Texas entered the Union she lost what she had and the United States acquired it. How that shift came to pass remains for me a puzzle."

Mr. O'MAHONEY. Mr. President, will the Senator from Wisconsin yield further?

Mr. McCARTHY. I am glad to yield to the Senator.

Mr. O'MAHONEY. It has been suggested to me by the Senator from Oregon, and I think it a very pertinent and excellent suggestion, that I ought to amend the request so as to have published also the decision in the California case, which involves the same question, and which was decided some time ago.

The PRESIDING OFFICER. Is there objection?

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES—No. 12, ORIGINAL—OCTOBER TERM, 1946—UNITED STATES OF AMERICA, PLAINTIFF, *v.* STATE OF CALIFORNIA—ORIGINAL

(June 23, 1947)

Mr. Justice Black delivered the opinion of the Court:

"The United States by its Attorney General and Solicitor General brought this suit against the State of California invoking our original jurisdiction under article III, sec. 2, of the Constitution which provides that 'In all cases * * * in which a State shall be a party, the Supreme Court shall have original jurisdiction.' The complaint alleges that the United States 'is the owner in fee simple of, or possessed of paramount rights in and powers over, the lands, minerals, and other things of value underlying the Pacific Ocean, lying seaward of the ordinary low water mark on the coast of California and outside of the inland waters of the State, extending seaward 3 nautical miles and bounded on the north and south, respectively, by the northern and southern boundaries of the State of California.' It is further alleged that California, acting pursuant to State statutes, but without authority from the United States, has negotiated and executed numerous leases with persons and corporations purporting to authorize them to enter upon the described ocean area to take petroleum, gas, and other mineral deposits, and that the lessees have done so, paying to California large sums of money in rents and royalties for the petroleum products taken. The prayer is for a decree declaring the rights of the United States in the area as against California and enjoining California and all persons claiming under it from continuing to trespass upon the area in violation of the rights of the United States.

"California has filed an answer to the complaint. It admits that persons holding leases from California, or those claiming under it, have been extracting petroleum products from the land under the 3-mile ocean belt immediately adjacent to California. The basis of California's asserted ownership is that a belt extending three English miles from low-water mark lies within the original boundaries of the State (Cal. Const. art. XII (1849);[1] that the Original Thirteen States acquired from the Crown of England title to all lands within their boundaries under navigable waters, including a 3-mile belt in adjacent seas; and that since California was admitted as a State on an "equal footing" with the original States, California at that time became vested with title to all such lands. The answer further sets up several "affirmative" defenses. Among these are that California should be adjudged to have title under a doctrine of prescription; because of an alleged long-existing congressional policy of acquiescence in California's asserted ownership; because of estoppel or laches; and, finally, by application of the rule of res judicata.[2]

"After California's answer was filed, the United States moved for judgment as prayed for in the complaint on the ground that the purported defenses were not sufficient in law. The legal issues thus raised have been exhaustively presented by counsel for the parties, both by brief and oral argument. Neither has suggested any necessity for the introduction of evidence, and we perceive no such necessity at this stage of the case. It is now ripe for determination of the basic legal issues presented by the motion. But before reaching the merits of these issues, we must first consider questions raised in California's brief and oral argument concerning the Government's right to an adjudication of its claim in this proceeding.

"1. It is contended that the pleadings present no case or controversy under article III, section 2, of the Constitution. The contention rests in the first place on an argument that there is no case or controversy in a legal sense, but only a difference of opinion between Federal and State officials. It is

[12] See the statement in the Court's opinion as to the chapters of Texas history.

[13] The decree proposed by the United States read in part: "1. The United States of America is now, and has been at all times pertinent hereto, possessed of paramount rights *of proprietorship* in, and full dominion and power over, the lands, minerals, and other things underlying the Pacific Ocean." The italicized words were omitted in the Court's decree (332 U. S. 804, 805).

[1] The Government complaint claims an area extending 3 nautical miles from shore; the California boundary purports to extend 3 English miles. One nautical mile equals 1.15 English miles, so there is a difference of 0.45 of an English mile between the boundary of the area claimed by the Government, and the boundary of California. See Cal. Const., art. XXI, sec. 1 (1879).

[2] The claim of res judicata rests on the following contention. The United States sued in ejectment for certain lands situated in San Francisco Bay. The defendant held the lands under a grant from California. This Court decided that the State grant was valid because the land under the bay had passed to the State upon its admission to the Union. *United States* v. *Mission Rock Co.* (189 U. S. 391). There may be other reasons why the judgment in that case does not bar this litigation; but it is a ufficient reason that this case involves land under the open sea, and not land under the inland waters of San Francisco Bay.

true that there is a difference of opinion beween Federal and State officers. But there is far more than that. The point of difference is as to who owns, or has paramount rights in and power over several thousand square miles of land under the ocean off the coast of California. The difference involves the conflicting claims of Federal and State officials as to which Government, State or Federal, has a superior right to take or authorize the taking of the vast quantities of oil and gas underneath that land, much of which has already been, and more of which is about to be, taken by or under authority of the State. Such concrete conflicts as these constitute a controversy in the classic legal sense, and are the very kind of differences which can only be settled by agreement, arbitration, force, or judicial action. The case principally relied upon by California, *United States* v. *West Virginia*, 295 U. S. 463, does not support its contention. For here there is a claim by the United States, admitted by California, that California has invaded the title or paramount right asserted by the United States to a large area of land and that California has converted to its own use oil which was extracted from that land. Cf. *United States* v. *West Virginia*, supra, 471. This alone would sufficiently establish the kind of concrete, actual conflict of which we have jurisdiction under article III. The justiciability of this controversy rests therefore on conflicting claims of alleged invasions of interests in property and on conflicting claims of governmental powers to authorize its use. *United States* v. *Texas* (143 U. S. 621, 646, 648); *United States* v. *Minnesota* (270 U. S. 181, 194); *Nebraska* v. *Wyoming* (325 U. S. 589, 608).

"Nor can we sustain that phase of the State's contention as to the absence of a case or controversy resting on the argument that it is impossible to identify the subject matter of the suit so as to render a proper decree. The land claimed by the Government, it is said, has not been sufficiently described in the complaint since the only shoreward boundary of some segments of the marginal belt is the line between that belt and the State's inland waters. And the Government includes in the term 'inland waters' ports, harbors, bays, rivers, and lakes. Pointing out the numerous difficulties in fixing the point where these inland waters end and the marginal sea begins, the State argues that the pleadings are therefore wholly devoid of a basis for a definite decree, the kind of decree essential to disposition of a case like this. Therefore, California concludes, all that is prayed for is an abstract declaration of rights concerning an unidentified 3-mile belt, which could only be used as a basis for subsequent actions in which specific relief could be granted as to particular localities.

"We may assume that location of the exact coastal line will involve many complexities and difficulties. But that does not make this any the less a justiciable controversy. Certainly demarcation of the boundary is not an impossibility. Despite difficulties this Court has previously adjudicated controversies concerning submerged land boundaries. See *New Jersey* v. *Delaware* (291 U. S. 361, 295 U. S. 694); *Borax Ltd.* v. *Los Angeles* (296 U. S. 10, 21–27); *Oklahoma* v. *Texas* (256 U. S. 70, 602). And there is no reason why, after determining in general who owns the 3-mile belt here involved, the Court might not later, if necessary, have more detailed hearings in order to determine with greater definiteness particular segments of the boundary. *Oklahoma* v. *Texas* (258 U. S. 574, 582). Such practice is commonplace in actions similar to this which are in the nature of equitable proceedings. See e. g. *Oklahoma* v. *Texas* (256 U. S. 608–609; 260 U. S. 606, 625, 261 U. S. 340). California's contention concerning the indefiniteness of the claim presents no insuperable obstacle to the exercise of the highly important jurisdiction conferred on us by article III of the Constitution.

"2. It is contended that we should dismiss this action on the ground that the Attorney General has not been granted power either to file or to maintain it. It is not denied that Congress has given a very broad authority to the Attorney General to institute and conduct litigation in order to establish and safeguard Government rights and properties.[3] The argument is that Congress has for a long period of years acted in such a way as to manifest a clear policy to the effect that the States, not the Federal Government, have legal title to the land under the 3-mile belt. Although Congress has not expressly declared such a policy, we are asked to imply it from certain conduct of Congress and other governmental agencies charged with responsibilities concerning the national domain. And, in effect, we are urged to infer that Congress has by implication amended its long-existing statutes which grant the Attorney General broad powers to institute and maintain court proceedings in order to safeguard national interests.

"An act passed by Congress and signed by the President could, of course, limit the power previously granted the Attorney General to prosecute claims for the Government. For article IV, section 3, clause 2 of the Constitution vests in Congress 'power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.' We have said that the constitutional power of Congress in this respect is without limitation. *United States* v. *San Francisco* (310 U. S. 16, 29–30). Thus neither the courts nor the executive agencies could proceed contrary to an act of Congress in this congressional area of national power.

"But no act of Congress has amended the statutes which impose on the Attorney General the authority and the duty to protect the Government's interest through the courts. See *In re Cooper* (143 U. S. 472, 502–503). That Congress twice failed to grant the Attorney General specific authority to file suit against California[4] is not a sufficient basis upon which to rest a restriction of the Attorney General's statutory authority. And no more can we reach such a conclusion because both Houses of Congress passed a joint resolution quitclaiming to the adjacent States a 3-mile belt of all land situated under the ocean beyond the low-water mark, except those which the Government had previously acquired by purchase, condemnation, or donation.[5] This joint resolution was vetoed by the President.[6] His veto was sustained.[7] Plainly, the resolution does not represent an exercise of the constitutional power of Congress to dispose of public property under article IV, section 3, clause 2.

"Neither the matters to which we have specifically referred, nor any others relied on by California, afford support for a holding that Congress has either explicitly or by implication stripped the Attorney General of his statutorily granted power to invoke our jurisdiction in this Federal-State controversy. This bring us to the merits of the case.

"3. The crucial question on the merits is not merely who owns the bare legal title to the lands under the marginal sea. The United States here asserts rights in two capacities transcending those of a mere property owner. In one capacity it asserts the right and responsibility to exercise whatever power and dominion are necessary to protect this country against dangers to the security and tranquility of its people incident to the fact that the United States is located immediately adjacent to the ocean. The Government also appears in its capacity as a member of the family of nations. In that capacity it is responsible for conducting United States relations with other nations. It asserts that proper exercise of these constitutional responsibilities requires that it have power, unencumbered by State commitments, always to determine what agreements will be made concerning the control and use of the marginal sea and the land under it. See *McCulloch* v. *Maryland* (4 Wheat 316, 403–408); *United States* v. *Minnesota* (270 U. S. 181, 194). In the light of the foregoing, our question is whether the State or the Federal Government has the paramount right and power to determine in the first instance when, how, and by what agencies, foreign or domestic, the oil and other resources of the soil of the marginal sea, known or hereafter discovered, may be exploited.

"California claims that it owns the resources of the soil under the 3-mile marginal belt as an incident to those elements of sovereignty which it exercises in that water area. The State points out that its original Constitution, adopted in 1849 before that State was admitted to the Union, included within the State's boundary the water area extending 3 English miles from the shore. (Cal. Const. (1849) art. XXII, sec. 1); that the Enabling Act which admitted California to the Union ratified the territorial boundary thus defined; and that California was admitted 'on an equal footing with the original States in all respects whatever' (9 Stat. 452). With these premises admitted, California contends that its ownership follows from the rule originally announced in *Pollard's Lessee* v. *Hogan* (3 How. 212); see also *Martin* v. *Waddell* (16 Pet. 367, 410). In the Pollard case it was held, in effect, that the original States owned in trust for their people the navigable tidewaters between high and low water mark within each State's boundaries, and the soil under them, as an inseparable attribute of State sovereignty. Consequently, it was decided that Alabama, because admitted into the Union on 'an equal footing' with the other States, had thereby become the owner of the tidelands within its boundaries. Thus the title of Alabama's tidelands grantee was sustained as valid against that of a claimant holding under a United States grant made subsequent to Alabama's admission as a State.

"The Government does not deny that under the Pollard rule, as explained in later

[3] 5 U. S. C. secs. 291, 309; *United States* v. *San Jacinto Tin Co.* (125 U. S. 273, 279, 284); *Kern River Co.* v. *United States* (257 U. S. 147, 154–155); *Sanitary District* v. *United States* (266 U. S. 405, 425–426); see also *In re Debs* (158 U. S. 564, 584); *United States* v. *Oregon* (295 U. S. 1, 24); *United States* v. *Wyoming* (323 U. S. 669, 331 U. S. —).

[4] S. J. Res. 208, 75th Cong., 1st sess. (1938); S. J. Res. 83 and 92, 76th Cong., 1st sess. (1939). S. J. Res. 208 passed the Senate, 81 CONGRESSIONAL RECORD 9326 (1938), was favorably reported by the House Judiciary Committee, H. Rept. 2378, 75th Cong., 3d sess. (1938), but was never acted on in the House. Hearings were held on S. J. Res. 83 and 92 before the Senate Committee on Public Lands and Surveys, but no further action was taken. Hearings before the Senate Committee on Public Lands and Surveys on S. J. Res. 83 and 92, 76th Cong., 1st sess. (1939). In both hearings objections to the resolutions were repeatedly made on the ground that passage of the resolutions was unnecessary since the Attorney General already had statutory authority to institute the proceedings. See hearings before the House Committee on the Judiciary on S. J. Res. 208, 75th Cong., 3d sess., 42–45, 59–61 (1938); hearings on S. J. Res. 83 and 92, supra, 27–30.

[5] H. J. Res. 225, 79th Cong., 2d sess. (1946); 92 CONGRESSIONAL RECORD 9642, 10316 (1946).

[6] 92 CONGRESSIONAL RECORD 10660 (1946).

[7] 92 CONGRESSIONAL RECORD 10745 (1946).

cases,[8] California has a qualified ownership [9] of lands under inland navigable waters such as rivers, harbors, and even tidelands down to the low-water mark. It does question the validity of the rationale in the Pollard case that ownership of such water areas, any more than ownership of uplands, is a necessary incident of the State sovereignty contemplated by the 'equal footing' clause. Cf. *United States* v. *Oregon* (295 U. S. 1, 14). For this reason, among others, it argues that the Pollard rule should not be extended so as to apply to lands under the ocean. It stresses that the Thirteen Original Colonies did not own the marginal belt; that the Federal Government did not seriously assert its increasingly greater rights in this area until after the formation of the Union; that it has not bestowed any of these rights upon the States, but has retained them as appurtenances of national sovereignty. And the Government insists that no previous case in this Court has involved or decided conflicting claims of a State and the Federal Government to the 3-mile belt in a way which requires our extension of the Pollard inland water rule to the ocean area.

"It would unduly prolong our opinion to discuss in detail the multitude of references to which the able briefs of the parties have cited us with reference to the evolution of powers over marginal seas exercised by adjacent countries. From all the wealth of material supplied, however, we cannot say that the Thirteen Original Colonies separately acquired ownership to the 3-mile belt or the soil under it,[10] even if they did acquire elements of the sovereignty of the English Crown by their revolution against it. Cf. *United States* v. *Curtiss-Wright Export Corp.* (299 U. S. 304, 316).

"At the time this country won its independence from England there was no settled international custom or understanding among nations that each nation owned a 3-mile water belt along its borders. Some countries, notably England, Spain, and Portugal, had, from time to time, made sweeping claims to a right of dominion over wide expanses of ocean. And controversies had arisen among nations about rights to fish in prescribed areas.[11] But when this Nation was formed, the idea of a 3-mile belt over which a littoral nation could exercise rights of ownership was but a nebulous suggestion.[12] Neither the English charters granted to this Nation's settlers,[13] nor the treaty of peace with England,[14] nor any other document to which we have been referred, showed a purpose to set apart a 3-mile ocean belt for colonial or State ownership.[15] Those who settled this country were interested in lands upon which to live, and waters upon which to fish and sail. There is no substantial support in history for the idea that they wanted or claimed a right to block off the ocean's bottom for private ownership and use in the extraction of its wealth.

"It did happen that shortly after we became a nation our statesmen became interested in establishing national dominion over a definite marginal zone to protect our neutrality.[16] Largely as a result of their efforts, the idea of a definite 3-mile belt in which an adjacent nation can, if it chooses, exercise broad, if not complete dominion, has apparently at last been generally accepted throughout the world,[17] although as late as 1876 there was still considerable doubt in England about its scope and even its existence. See *The Queen* v. *Keyn* (L. R. 2 Exch. Div. 63). That the political agencies of this Nation both claim and exercise broad dominion and control over our 3-mile marginal belt is now a settled fact. *Cunard Steamship Co.* v. *Mellon* (262 U. S. 100, 122–124).[18] And this assertion of national dominion over the 3-mile belt is binding upon this Court. (See *Jones* v. *United States* (137 U. S. 202, 212–214); *In re Cooper* (143 U. S. 472, 502–503).

"Not only has acquisition, as it were, of the 3-mile belt been accomplished by the National Government, but protection and control of it has been and is a function of national external sovereignty. See *Jones* v. *United States* (137 U. S. 202); *In re Cooper* (143 U. S. 472, 502). The belief that local interests are so predominant as constitutionally to require State dominion over lands under its land-locked navigable waters finds some argument for its support. But such can hardly be said in favor of State control over any part of the ocean or the ocean's bottom. This country throughout its existence has stood for freedom of the seas, a principle whose breach has precipitated wars among nations. The country's adoption of the 3-mile belt is by no means incompatible with its traditional insistence upon freedom of the sea, at least so long as the National Government's power to exercise control consistently with whatever international undertakings or commitments it may see fit to assume in the national interest is unencumbered. See *Hines* v. *Davidowitz* (312 U. S. 52, 62–64); *McCulloch* v. *Maryland*, supra. The 3-mile rule is but a recognition of the necessity that a government next to the sea must be able to protect itself from dangers incident to its location. It must have powers of dominion and regulation in the interest of its revenues, its health, and the security of its people from wars raged on or too near its coasts. And insofar as the Nation asserts its rights under international law, whatever of value may be discovered in the seas next to its shores and within its protective belt will most naturally be appropriated for its use. But whatever any nation does in the open sea, which detracts from its common usefulness to nations, or which another nation may charge detracts from it,[19] is a question for consideration among nations as such, and not their separate governmental units. What this Government does, or even what the States do, anywhere in the ocean is a subject upon which the Nation may enter into and assume treaty or similar international obligations. See *United States* v. *Belmont* (301 U. S. 324, 331–332). The very oil about which the State and Nation here contend might well become the subject of international dispute and settlement.

"The ocean, even its 3-mile belt, is thus of vital consequence to the Nation in its desire to engage in commerce and to live in peace with the world; it also becomes of crucial importance should it ever again become impossible to preserve that peace. And as peace and world commerce are the paramount responsibilities of the Nation, rather than an individual State, so, if wars come, they must be fought by the Nation. See *Chy Lung* v. *Freeman* (92 U. S. 275, 279). The

[8] See e. g., *Manchester* v. *Massachusetts* (139 U. S. 240); *Louisiana* v. *Mississippi* (202 U. S. 1); *The Abby Dodge* (223 U. S. 166). See also *United States* v. *Mission Rock Co.* (189 U. S. 391); *Borax, Ltd.* v. *Los Angeles* (296 U. S. 10). Although the Pollard case has been thus generally approved many times, the case of *Shively* v. *Bowlby* (152 U. S. 1, 47–48, 58), held, contrary to implications of the Pollard opinion, that the United States could lawfully dispose of tidelands while holding a future State's land "in trust" as a territory.

[9] See *United States* v. *Commodore Park* (324 U. S. 386, 390, 391); *Scranton* v. *Wheeler* (179 U. S. 141, 159, 160, 163); *Stockton* v. *Baltimore & N. Y. R. Co.* (32 F. 9, 20); see also *United States v. Chandler-Dunbar Co.* (229 U. S. 53).

[10] A representative collection of official documents and scholarship on the subject is Crocker, the Extent of the Marginal Sea (1919). See also I Azuni, Maritime Law of Europe (published 1806) chapter II; Fulton, Sovereignty of the Sea (1911); Masterson, Jurisdiction in Marginal Seas (1929); Jessup, the Law of Territorial Waters and Maritime Jurisdiction (1927); Fraser, the Extent and Delimitation of Territorial Waters (11 Corn. L. Q. 455 (1926)); Ireland, Marginal Seas Around the States (2 La. L. Rev. 252, 436 (1940)); Comment, Conflicting State and Federal Claims of Title in Submerged Lands of the Continental Shelf (56 Yale L. J. 356 (1947)).

[11] See, e. g., Fulton, op. cit., supra, 3–19, 144–145; Jessup, op. cit., supra, 4.

[12] Fulton, *op. cit. supra*, 21, says in fact that "mainly through the action and practice of the United States of America and Great Britain since the end of the eighteenth century, the distance of 3 miles from shore was more or less formally adopted by most maritime States as * * * more definitely fixing the limits of their jurisdiction and rights for various purposes, and, in particular, for exclusive fishery."

[13] Collected in Thorpe, American Charters, Constitutions, and Organic Laws (1919).

[14] Treaty of 1783, 8 Stat. 80.

[15] The Continental Congress did for example authorize capture of neutral and even American ships carrying British goods, "if found within 3 leagues (about 9 miles) of the coasts." Journal of Congress, 185, 186, 187 (1781). Cf. Declaration of Panama of 1939, 1 Department of State Bulletin 321 (1939), claiming the right of the American Republics to be free from a hostile act in a zone 300 miles from the American coasts.

[16] Secretary of State Jefferson in a note to the British Minister in 1793 pointed to the nebulous character of a nation's assertions of territorial rights in the marginal belt, and put forward the first official American claim for a 3-mile zone which has since won general international acceptance. Reprinted in H. Ex. Doc. No. 324, 42d Cong., 2d sess. (1872) 553–554. See also Secretary Jefferson's note to the French Minister, Genet, reprinted American State Papers, I Foreign Relations (1833), 183, 384; act of June 5, 1794, 1 Stat. 381; 1 Kent, Commentaries, 14th ed., 33–40.

[17] See Jessup, op. cit. supra, 66; *Research in International Law* (23 A. J. I. L. 249, 250 (Spec. supp. 1929)).

[18] See also *Chruch* v. *Hubbart* (2 Cranch 187, 234). Congressional assertion of a territorial zone in the sea appears in statutes regulating seals, fishing, pollution of waters, etc. (36 Stat. 325, 328; 43 Stat. 604, 605; 37 Stat. 499, 501). Under the National Prohibition Act territory including a marginal belt of the sea extending from low-water mark outward a marine league, or 3 geographical miles constituting the territorial waters of the United States was regulated (41 Stat. 305). Reprinted in *Research in International Law*, supra (250). Antismuggling treaties in which foreign nations agreed to permit the United States to pursue smugglers beyond the 3-mile limit contained express stipulations that generally the 3-mile limit constitutes the proper limits of territorial waters.. See, e. g., 43 Stat. 1761 (pt. 2). There are innumerable Executive declarations to the world of our national claims to the 3-mile belt, and more recently to the whole Continental Shelf. For references to diplomatic correspondence making these assertions, see 1 Moore, International Law Digest ((1906) 705, 706, 707); 1 Wharton, Digest of International Law ((1886) 100). See also Hughes, Recent Questions and Negotiations (18 A. J. I. L. 229 (1924)). The latest and broadest claim is President Truman's recent proclamation that the United States regards the natural resources of the subsoil and sea bed of the Continental Shelf beneath the high seas but contiguous to the coasts of the United States as appertaining to the United States, subject to its jurisdiction and control (Exec. proc. 2667, September 28, 1945, 10 F. R. 12303).

[19] See *Lord* v. *Steamship Co.* (102 U. S. 541, 544).

State is not equipped in our constitutional system with the powers or the facilities for exercising the responsibilities which would be concomitant with the dominion which it seeks. Conceding that the State has been authorized to exercise local police power functions in the part of the marginal belt within its declared boundaries,[20] these do not detract from the Federal Government's paramount rights in and power over this area. Consequently, we are not persuaded to transplant the Pollard rule of ownership as an incident of State sovereignty in relation to inland waters out into the soil beneath the ocean, so much more a matter of national concern. If this rationale of the Pollard case is a valid basis for a conclusion that paramount rights run to the States in inland waters to the shoreward of the low-water mark, the same rationale leads to the conclusion that national interests responsibilities, and therefore national rights are paramount in waters lying to the seaward in the 3-mile belt. Cf. *United States* v. *Curtiss-Wright Corp.* (299 U. S. 304, 316); *United States* v. *Causby* (328 U. S. 256).

"As previously stated this Court has followed and reasserted the basic doctrine of the Pollard case many times. And in doing so it has used language strong enough to indicate that the Court then believed that States not only owned tidelands and soil under navigable inland waters, but also owned soils under all navigable waters within their territorial jurisdiction, whether inland or not. All of these statements were, however, merely paraphrases or offshoots of the Pollard inland water rule, and were used, not as enunciation of a new ocean rule, but in explanation of the old inland water principle. Notwithstanding the fact that none of these cases either involved or decided the State-Federal conflict presented here, we are urged to say that the language used and repeated in those cases forecloses the Government from the right to have this Court decide that question now that it is squarely presented for the first time.

"There are three such cases whose language probably lend more weight to California's argument than any others. The first is *Manchester* v. *Massachusetts* (139 U. S. 240). That case involved only the power of Massachusetts to regulate fishing. Moreover, the illegal fishing charged was in Buzzards Bay, found to be within Massachusetts territory. and no question whatever was raised or decided as to title or paramount rights in the open sea. And the Court specifically laid to one side any question as to the rights of the Federal Government to regulate fishing there. The second case, *Louisiana* v. *Mississippi* (202 U. S. 1, 52), uses language about 'the sway of the riparian States' over 'maritime belts.' That was a case involving the boundary between Louisiana and Mississippi. It did not involve any dispute between the Federal and State Governments. And the Court there specifically laid aside questions concerning 'the breadth of the maritime belt or the extent of the sway of the riparian States' (Id. at 52). The third case is *The Abby Dodge* (223 U. S. 166). That was an action against a ship landing sponges at a Florida port in violation of an act of Congress (34 Stat. 313), which made it unlawful to 'land' sponges taken under certain conditions from the waters of the Gulf of Mexico. This Court construed the statute's prohibition as applying only to sponges outside the State's territorial limits in the Gulf. It thus narrowed the scope of the statute because of a belief that the United States was without power to regulate the Florida traffic in sponges obtained from within Florida's territorial limits, presumably the 3-mile belt. But the opinion in that case was concerned with the State's power to regulate and conserve within its territorial waters, not with its exercise of the right to use and deplete resources which might be of national and international importance. And there was no argument there, nor did the Court decide, whether the Federal Government owned or had paramount rights in the soil under the Gulf waters. That this question remained undecided is evidenced by *Skiriotes* v. *Florida* (313 U. S. 69, 75), where we had occasion to speak of Florida's power over sponge fishing in its territorial waters. Through Mr. Chief Justice Hughes we said: 'It is also clear that Florida has an interest in the proper maintenance of the sponge fishery and that the [State] statute so far as applied to conduct within the territorial waters of Florida, in the absence of conflicting Federal legislation, is within the police power of the State.'

"None of the foregoing cases, nor others which we have decided, are sufficient to require us to extend the Pollard inland water rule so as to declare that California owns or has paramount rights in or power over the 3-mile belt under the ocean. The question of who owned the bed of the sea only, became of great potential importance at the beginning of this century when oil was discovered there.[21] As a consequence of this discovery, California passed an act in 1921 authorizing the granting of permits to California residents to prospect for oil and gas on blocks of land off its coast under the ocean. Cal. Stats. 1921, c. 303. This State statute, and others which followed it, together with the leasing practices under them, have precipitated this extremely important controversy, and pointedly raised this State-Federal conflict for the first time. Now that the question is here, we decide for the reasons we have stated that California is not the owner of the 3-mile marginal belt along its coast, and that the Federal Government rather than the State has paramount rights in and power over that belt, an incident to which is full dominion over the resources of the soil under the water area, including oil.

"4. Nor can we agree with California that the Federal Government's paramount rights have been lost by reason of the conduct of its agents. The State sets up such a defense, arguing that by this conduct the Government is barred from enforcing its rights by reason of principles similar to laches, estoppel, adverse possession. It would serve no useful purpose to recite the incidents in detail upon which the State relies for these defenses. Some of them are undoubtedly consistent with a belief on the part of some Government agents at the time that California owned all, or at least a part of the 3-mile belt. This belief was indicated in the substantial number of instances in which the Government acquired title from the States to lands located in the belt; some decisions of the Department of Interior have denied applications for Federal oil and gas leases in the California coastal belt on the ground that California owned the lands. Outside of court decisions following the Pollard rule, the foregoing are the types of conduct most nearly indicative of waiver upon which the State relies to show that the Government has lost its paramount rights in the belt. Assuming that Government agents could by conduct, short of a congressional surrender of title or interest, preclude the Government from asserting its legal rights, we cannot say it has done so here. As a matter of fact, the record plainly demonstrates that until the California oil issue began to be pressed in the thirties, neither the States nor the Government had reason to focus attention on the question of which of them owned or had paramount rights in or power over the 3-mile belt. And even assuming that Government agencies have been negligent in failing to recognize or assert the claims of the Government at an earlier date, the great interests of the Government in this ocean area are not to be forfeited as a result. The Government, which holds its interests here as elsewhere in trust for all the people, is not to be deprived of those interests by the ordinary court rules designed particularly for private disputes over individually owned pieces of property; and officers who have no authority at all to dispose of Government property cannot by their conduct cause the Government to lose its valuable rights by their acquiescence, laches, or failure to act.[22]

"We have not overlooked California's argument, buttressed by earnest briefs on behalf of other States, that improvements have been made along and near the shores at great expense to public and private agencies. And we note the Government's suggestion that the aggregate value of all these improvements are small in comparison with the tremendous value of the entire 3-mile belt here in controversy. But however this may be, we are faced with the issue as to whether State or Nation has paramount rights in and power over this ocean belt, and that great national question is not dependent upon what expenses may have been incurred upon mistaken assumptions. Furthermore, we cannot know how many of these improvements are within and how many without the boundary of the marginal sea which can later be accurately defined. But beyond all this we cannot and do not assume that Congress, which has constitutional control over Government property, will execute its powers in such way as to bring about injustices to States, their subdivisions, or persons acting pursuant to their permission. (See *United States* v. *Texas* (162 U. S. 1, 89, 90); *Lee Wilson & Co.* v. *United States* (245 U. S. 24, 32).)

"We hold that the United States is entitled to the relief prayed for. The parties, or either of them, may, before September 15, 1947, submit the form of decree to carry this opinion into effect, failing which the Court will prepare and enter an appropriate decree at the next term of Court."

It is so ordered.

Mr. Justice Jackson took no part in the consideration or decision of this case.

Mr. Justice Reed, dissenting:

"In my view the controversy brought before this Court by the complaint of the United States against California seeks a judgment between State and Nation as to the ownership of the land underlying the Pacific Ocean, seaward of the ordinary low-water mark, on the coast of California and within the 3-mile limit. The ownership of that land carries with it, it seems to me, the ownership of any minerals or other valuables in the soil, as well as the right to extract them.

"The determination as to the ownership of the land in controversy turns for me on the fact as to ownership in the original thirteen States of similar lands prior to the formation of the Union. If the original States owned the bed of the sea, adjacent to their coasts, to the 3-mile limit, then I think California has the same title or ownership to the lands adjacent to her coast. The original States were sovereignties in their own right, possessed of so much of the land underneath the adjacent seas as was generally recognized to be under their jurisdiction. The scope of their jurisdiction and the boundaries of their lands were coterminous. Any part of that territory which had not passed from their ownership by

[20] See *Utah Power & Light Co.* v. *United States* (243 U. S. 389, 404); cf. *The Abby Dodge* (223 U. S. 166) with *Skiriotes* v. *Florida* (313 U. S. 69, 74–75).

[21] Bull. No. 321, Department of the Interior, Geological Survey.

[22] *United States* v. *San Francisco* (310 U. S. 16, 21–32); *Utah* v. *United States* (284 U. S. 534, 545, 546); *Lee Wilson & Co.* v. *United States* (245 U. S. 24, 32); *Utah Power & Light Co.* v. *United States* (243 U. S. 389, 409). See also *Sec'y of State for India* v. *Chelikani Rama Rao, L. R.* (43 Indian App. 192, 204 (1916)).

existing valid grants were and remained public lands of the respective States. California, as is customary, was admitted into the Union 'on an equal footing with the original States in all respects whatever' (9 Stat. 452). By section 3 of the Act of Admission, the public lands within its borders were reserved for disposition by the United States. 'Public lands' was there used in its usual sense of lands subject to sale under general laws. As was the rule, title to lands under navigable waters vested in California as it had done in all other States. (*Pollard* v. *Hagan* (3 How. 212); *Barney* v. *Keokuk* (94 U. S. 324, 338); *Shively* v. *Bowlby* (152 U. S. 1, 49); *Mann* v. *Tacoma Land Co.* (153 U. S. 273, 284); *Borax Consolidated, Ltd.* v. *Los Angeles* (296 U. S. 10, 17).)

"The authorities cited in the Court's opinion lead me to the conclusion that the original States owned the lands under the seas to the 3-mile limit. There were, of course, as is shown by the citations, variations in the claims of sovereignty, jurisdiction, or ownership among the nations of the world. As early as 1793, Jefferson, as Secretary of State, in a communication to the British Minister said that the territorial protection of the United States would be extended 'three geographical miles' and added:

" 'This distance can admit of no opposition, as it is recognized by treaties between some of the powers with whom we are connected in commerce and navigation, and is as little, or less, than is claimed by any of them on their own coasts' (H. Ex. Doc. No. 324, 42d Cong., 2d sess., pp. 553–554).

"If the original States did claim, as I think they did, sovereignty and ownership to the 3-mile limit, California has the same rights in the lands bordering its littoral.

"This ownership in California would not interfere in any way with the needs or rights of the United States in war or peace. The power of the United States is plenary over these undersea lands precisely as it is over every river, farm, mine, and factory of the Nation. While no square ruling of this Court has determined the ownership of those marginal lands, to me the tone of the decisions dealing with similar problems indicates that, without discussion, State ownership has been assumed (*Pollard* v. *Hagen*, supra; *Louisiana* v. *Mississippi* (202 U. S. 1, 52); *The Abby Dodge* (223 U. S. 166); *New Jersey* v. *Delaware* (291 U. S. 361; 295 U. S. 694))."

Mr. Justice Frankfurter, dissenting:

"By this original bill, the United States prayed for a decree enjoining all persons, including those asserting a claim derived from the State of California, from trespassing upon the disputed area. An injunction against trespassers normally presupposes property rights. The Court, however, grants the prayer but does not do so by finding that the United States has proprietary interests in the area. To be sure it denies such proprietary rights in California. But even if we assume an absence of ownership or possessory interest on the part of California, that does not establish a proprietary interest in the United States. It is significent that the Court does not adopt the Government's elaborate argument, based on dubious and tenuous writings of publicists, that this part of the open sea belongs, in a proprietary sense, to the United States. (See Schwarzenberger, Inductive Approach to International Law (60 Harv. L. Rev. 539, 559)). Instead, the Court finds trespass against the United States on the basis of what it calls the "national domination" by the United States over this area.

"To speak of 'dominion' carries precisely those overtones in the law which relate to property and not to political authority. Dominion, from the Roman concept dominium, was concerned with property and ownership, as against imperium, which related to political sovereignty. One may choose to say, for example, that the United States has national dominion over navigable streams. But the power to regulate commerce over these streams, and its continued exercise, do not change the imperium of the United States into dominium over the land below the waters. Of course the United States has paramount rights in the sea belt of California—the rights that are implied by the power to regulate interstate and foreign commerce, the power of condemnation, the treaty-making power, the war power. We have not now before us the validity of the exercise of any of these paramount rights. Rights of ownership are here asserted—and rights of ownership are something else. Ownership implies acquisition in the various ways in which land is acquired—by conquest, by discovery and claim, by cession, by prescription, by purchase, by condemnation. When and how did the United States acquire this land?

"The fact that these oil deposits in the open sea may be vital to the national security, and important elements in the conduct of our foreign affairs, is no more relevant than is the existence of uranium deposits, wherever they may be, in determining questions of trespass to the land of which they form a part. This is not a situation where an exercise of national power is actively and presently interferred with. In such a case, the inherent power of a Federal court of equity may be invoked to prevent or remove the obstruction (*In re Debs*, 158 U. S. 564; *Sanitary District* v. *United States*, 266 U. S. 405). Neither the bill, nor the opinion sustaining it, suggests that there is interference by California or the alleged trespassers with any authority which the Government presently seeks to exercise. It is beside the point to say that "if wars come, they must be fought by the Nation." Nor is it relevant that "the very oil about which the State and Nation here contend might well become the subject of international dispute and settlement." It is common knowledge that uranium has become "the subject of international dispute" with a view to settlement. Compare *Missouri* v. *Holland* (252 U. S. 416).

"To declare that the Government has national dominion is merely a way of saying that vis-a-vis all other nations the Government is the sovereign. If that is what the Court's decree means, it needs no pronouncement by this Court to confer or declare such sovereignty. If it means more than that, it implies that the Government has some proprietary interest. That has not been remotely established except by sliding from absence of ownership by California to ownership by the United States.

"Let us assume, for the present, that ownership by California cannot be proven. On a fair analysis of all the evidence bearing on ownership, then, this area is, I believe, to be deemed unclaimed land, and the determination to claim it on the part of the United States is a political decision not for this Court. The Constitution places vast authority for the conduct of foreign relations in the independent hands of the President. See *United States* v. *Curtiss-Wright Corp.*, (299 U. S. 304). It is noteworthy that the Court does not treat the President's proclamation in regard to the disputed area as an assertion of ownership. If California is found to have no title, and this area is regarded as unclaimed land, I have no doubt that the President and the Congress between them could make it part of the national domain and thereby bring it under article IV, section 3 of the Constitution. The disposition of the area, the rights to be created in it, the rights heretofore claimed in it through usage that might be respected though it fall short of prescription, all raise appropriate questions of policy, questions of accommodation, for the determination of which Congress and not this Court is the appropriate agency.

"Today this Court has decided that a new application even in the old field of torts should not be made by adjudication, where Congress has refrained from acting. *United States* v. *Standard Oil Co.* (330 U. S.—). Considerations of judicial self-restraint would seem to me far more compelling where there are obviously at stake claims that involve so many far-reaching, complicated, historic interests, the proper adjustments of which are not readily resolved by the materials and methods to which this Court is confined.

"This is a summary statement of views which it would serve no purpose to elaborate. I think that the bill should be dismissed without prejudice."

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 274. An act for the relief of Constantin E. Aramescu;

S. 356. An act for the relief of Hugo Geiger;

S. 404. An act for the relief of Emma L. Jackson;

S. 764. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.;

S. 765. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust;

S. 766. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.;

S. 947. An act for the relief of the Baggett Transportation Co., Inc.;

S. 977. An act for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid;

S. 1146. An act for the relief of Francis W. Dodge;

S. 1423. An act for the relief of Alex Morningstar;

S. 1510. An act for the relief of James I. Bartley;

S. 1693. An act for the relief of Karin Margareta Hellen and Olof Christer Hellen;

S. 1798. An act for the relief of Mrs. Minda Moore;

S. 1856. An act for the relief of Sisters Maria Rita Rossi, Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli;

S. 1863. An act for the relief of Fremont Rider;

S. 1929. An act for the relief of Anna Samudovsky;

S. 2070. An act for the relief of the Clark Funeral Home;

S. 2108. An act for the relief of Italo Vespa de Chellis;

S. 2156. An act for the relief of Sister Edeltrudis Clara Weskamp;

S. 2338. An act for the relief of J. M. Arthur;

S. 2339. An act for the relief of the Davis Grocery Co., of Oneida, Tenn.;

S. 2385. An act for the relief of Edward C. Ritche;

S. 2611. An act for the relief of Roland Roger Alfred Boccia, also known as Roland Barbera;

S. 2646. An act for the relief of the Articaire Refrigeration Co.; and

S. 2090. An act for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes.

The message also announced that the House had agreed to the following concurrent resolutions of the Senate:

S. Con. Res. 73. Concurrent resolution favoring the suspension of deportation of certain aliens;

S. Con. Res. 75. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S Con. Res. 78. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5166) to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1719. An act to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma;

S. 1739. An act to amend section 4934 of the Revised Statutes (U. S. C., title 35, sec. 78), as amended, to permit public libraries of the United States to acquire back copies of United States letters patent, and for other purposes;

S. 1959. An act to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes;

S. 2117. An act to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave;

S. 2274. An act to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes;

S. 2969. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce;

S. 3093. An act to amend section 82 of the Hawaiian Organic Act relating to the Supreme Court of the Territory of Hawaii and temporary vacancies therein;

S. 3118. An act relating to the forwarding and return of second-, third-, and fourth-class mail, the collection of postage due at the time of delivery, and for other purposes; and

S. 3226. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 6, 1950, he presented to the President of the United States the following enrolled bills:

S. 1719. An act to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma;

S. 1739. An act to amend section 4934 of the Revised Statutes (U. S. C., title 35, sec. 78), as amended, to permit public libraries of the United States to acquire back copies of United States letters patent, and for other purposes;

S. 1959. An act to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes;

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S. 3226. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior.

LEAVE OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. MILLIKIN was excused from attendance on the session of the Senate for the remainder of the day.

RESULTS OF IOWA PRIMARY ELECTIONS

Mr. McCARTHY. Mr. President, I should first like to compliment the Senator from Iowa [Mr. HICKENLOOPER] upon a tremendous vote of confidence which the people of his State gave him yesterday. In what was advertised as a close contest, the Senator from Iowa won by about 4 or 5 to 1. He got more votes than the entire combined opposition of Democrats and Republicans running against him. It is certainly a vote of confidence which the Senator deserved, and I should like to compliment him on it.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. AIKEN. I should like to say I have just been reading on the news ticker that the Secretary of Agriculture and certain other persons have been hailing the result of the Iowa primary as a tremendous victory for the Brannan plan. Some call it a tremendous defeat for the Farm Bureau. However, in reading the figures carried on the ticker I find that Mr. Loveland, who apparently won the Democratic nomination, and who campaigned for the Brannan plan, received a total of approximately 35,000 votes out of 325,000 votes cast, with returns missing from a few precincts. If receiving 11 or 12 percent of the total vote constitutes a tremendous victory, then all I can say is that the advocates of the Brannan plan are very easily pleased.

Furthermore, upon reading the ticker I find that the bulk of Mr. Loveland's votes for the Brannan plan and for him came from the cities, although it is said he carried a few agricultural counties, which does not indicate overwhelming support of the Iowa farmers for the Brannan plan.

Of course, Mr. President, what I am saying is based on reports which have come through the press services, but, as the Senator from Wisconsin has said, the Senator from Iowa [Mr. HICKENLOOPER], than whom there is no greater opponent of the Brannan plan, received some twenty-five or thirty thousand votes more than all the other candidates of both parties combined. As I judge from the figures on the ticker, the supporters of the Brannan plan received 35,000 votes, the opponents of it received 290,000 votes. As I have said, if that constitutes a tremendous victory for the Brannan plan, then its advocates are very easily pleased.

Mr. McCARTHY. As I recall, the Senator from Vermont mentioned that Mr. Loveland had carried a few agricultural counties. I think it should be made clear that he did not carry any counties over the Senator from Iowa; he carried a few over his Democratic opponent. I understand the Senator from Iowa carried every county in the State, and by a very sizable majority in both agricultural and industrial areas.

Mr. AIKEN. As I understand, the bulk of the Brannan plan vote came from the cities.

Mr. McCARTHY. That is correct.

COMMUNISTS IN GOVERNMENT SERVICE

Mr. McCARTHY. Mr. President, as the Senate will recall, nearly 4 months ago I gave a brief résumé of what was in the files on some 81 individuals in Government employ. At that time I carefully explained to the Senate that there would be no way for me to reproduce for it the complete material in the files as to any individuals. I explained, as the Senate knows, that those files have been worked up over a period of years by thousands of trained investigators at a cost of millions of dollars to the American people.

At the time I made that talk one of the Senators suggested that I should not give the Senate this information unless and until I could individually produce all of the proof in the files. With this I disagreed. I felt that knowing the extremely dangerous nature of the material in the files, I had a duty to bring this information to the attention of the Senate.

No man could at this time duplicate and bring together all of the vast amount of information painstakingly gathered by the FBI, the CIA, Army Intelligence, Navy Intelligence, and so forth. Therefore, I was faced with the choice of giving the Senate the information in the files, knowing that it would be difficult beyond words to prove the charges unless the President would cooperate with the Congress and make available to it all of the necessary files. With that the Senate agreed.

Since that time, the administration, with the benefit of its entire paid press staff, has concentrated on trying to convince the American people that unless I, without the benefit of the files, can prove the charges which were based almost solely upon those files that then there are no disloyal people in Government.

I have some information today of a nature which I think should be of considerable interest to the Senate. It is based upon State Department files. It is information which has never been brought to the Senate or to the American people.

The reason for that will become obvious as I produce the photostats.

We find that about 3 or 4 years ago—and I say three or four because the file refers to the date of May 15, 1947, although I think the date on the photostat should be May 15, 1946. It may be a typographical error; however, for the time being we shall refer to it as 1947. We find on that date that the FBI performed a function which, so far as I know, it has never performed since. As Senators know, the function of the FBI is merely that of a fact-finding body, to dig up information for the Department of Justice. This is the only time it has ever been brought to my attention that the FBI has departed from its function and said, "We will evaluate our own evidence in our files and give it to the Department." Apparently, the reason was that they must have been seriously disturbed by what they had in their files. The Bureau sent to the State Department on that date a detailed chart listing what they considered as No. 1, Soviet agents; No. 2, Communists; No. 3, Communist sympathizers; and No. 4, suspects. So far as I know, this is the only time the FBI has attempted to evaluate the material gathered by it; otherwise, it has been, as Senators know, merely a fact-finding body, submitting the proof to the Attorney General or to whoever required it.

The submission of the list of Soviet agents, Communists, and so forth, to the State Department by the FBI met with such little favorable activity on the part of the State Department that, so far as I know, the Bureau has never submitted a like chart since that date.

I have photostated page 29 and part of page 30 of the report, which shed some light on this chart.

The report went to the top security man in the State Department, the man who is in charge of the loyalty program in that Department. It is strictly a State Department report, but I have photostated those portions of the report which refer particularly to the FBI chart. I think some Senators might be interested in some of the photostats, especially some of our friends who say that no proof has been submitted. This is not the language of McCARTHY; it is the language of the State Department's top investigator. Here is what the photostat shows. It shows that on May 15, 1947, there were in the State Department a total of 124 agents, Communists, sympathizers, and suspects, in the opinion of the FBI. During the 2 months' period between the time when the chart was submitted by the FBI, and the time when this report was made, 18 of these individuals were gotten rid of. So far as I know, none was discharged, but allowed to resign, so that they would not have a bad record at the time they went forth to secure employment in other branches of the Government. That left in the State Department 106 persons whom the FBI had named. Again let me say that this is not a case of McCARTHY naming individuals; it is the Federal Bureau of Investigation which took the time to do something they had never done before, namely, to submit a chart saying, "Here is what is wrong with these men." The chart shows that there were 20 agents, 13 Communists, 14 sympathizers, and 77 suspects.

Two months later there were still in the Department 11 agents. Can Senators conceive of it? Eleven Communist agents were left in the State Department 2 months after the FBI had labeled them and said, "Our files show these men are Communist agents." This was not during wartime.

Here is what the top investigator says:

> Since a considerable number of the persons so characterized came with the interim agencies, such as FEA, OWI, and OSS, continued reduction in force might dispose of some of these.

Do Senators follow me? The man who makes this report says in effect, "The only way we are going to get rid of the other Communists is accidentally by a reduction in the force."

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. DOUGLAS. I was out of the Chamber when the Senator from Wisconsin was reading from this document. I wonder if he would identify the date of it.

Mr. McCARTHY. I have identified the date of the document as May 15, 1947. However, I am reasonably certain that that is a typographical error which was made in the State Department. I think the date should be May 15, 1946. I did not want to make the correction on the photostat.

It will be noted that at the time this report was made there were on the payroll of the State Department, according to the FBI's evaluation of the information in its own files, 11 agents, 10 Communists, 11 sympathizers, and 74 suspects, making a total of 106. Normally it could be assumed that the least that the State Department would have done when they were notified by the FBI on May 15, 1947, that the State Department had on its payroll 20 Communist agents, that the least it would have done would be to suspend all of those men, pending a complete and thorough investigation. Certainly there was no reason why 106 of the 124 named by the FBI should be found on the State Department's payroll 2 months later.

This 106-page report is interesting for other reasons. It will be found on page 17 of the report—and I think it is of some interest when we are speaking about the value of the State Department files—that the FBI was not trusting the State Department with its top secret information about these individuals. Let me read this:

> It is explained that while CSA requests and receives a check of the indices and the files on the names sent in by the FBI, the information not filed and information particularly secret will not be conveyed by the FBI, but will be made available to the Department only a basis of personal trust to Mr. Lyon or Mr. Dennis Flynn or Mr. Bannerman.

The FBI wisely refused to submit top-secret information to the State Department on these dangerous individuals. They in effect were saying "We cannot trust you as long as you have Communist agents in your employ." I should like the Senator from New York [Mr. IVES] to look over that portion.

With that lack of interest on the part of the State Department it is understandable why the FBI became disgusted with the Department. Incidentally, as I said, this report also shows that the FBI did not furnish all of its information in regard to suspected individuals to the Department, apparently not trusting the State Department to that extent, which is certainly understandable when they found the Department failed to discharge Communist agents named by the Bureau.

It should be mentioned that the report points out that the FBI did not produce for the benefit of the State Department legal cases of espionage covering those listed as agents. It also points out that no legal proof of actual Communist Party membership was produced by the Bureau on those listed as Communists. It was a case of the Bureau evaluating the information which it had obtained and saying so many are agents, so many are Communists, and so many are listed merely as suspects. At least three of those listed as Communist agents by the FBI 3 years ago are still holding high positions in the State Department. Keep in mind again that the proof on these individuals, the evaluation of that proof, and the listing of them as Communist agents is not a listing by McCARTHY. That is a listing by the FBI. To anyone who says McCARTHY must give the proof that those men are Communist agents, let me say now that will be impossible for me individually to do. I am willing to rely upon the evaluation made of those individuals by the FBI. When the Bureau sends a chart to the State Department saying these men are agents of the Communist Party, I am satisfied that they unquestionably either are agents or so close to the category of agents that under no circumstances should they be retained in the Department.

The Senate will note that the number listed by the FBI as agents, Communists, suspects, and so forth, and retained by the State Department was 106. The Senate will also recall that I first gave the committee 81 names and later on an additional 25, making a total of 106. I want to make it clear, however, that the fact the State Department retained 106 named by the FBI and the fact that I gave the committee a list of 106 is merely a coincidence. The 106 names

on the FBI list are not identical to the 106 names which I gave to the committee. The three mentioned whom the FBI labeled as Communist agents and who are still in the State Department are, of course, on the Bureau's list and also on my list. The committee has had those names for months, as the Senate knows.

Let me make it clear when I point out that three of the individuals listed as agents by the FBI are still working in the State Department, it means three whom I have been able to pinpoint as of this particular moment. It will be impossible for me to give you the total number at this time. You will note that I am not discussing the number listed by the FBI as Communists, sympathizers, and suspects who are still working in the Department. I am only referring today to those who are listed as Communist agents. I hope to be able to give the Senate a complete picture of how many of the total of 106 agents, Communist sympathizers, and so forth, are still on the State Department's payroll and in what, if any, branch of the Government those who were permitted to resign are still working. From all the information we have been able to obtain, none of the men who were labeled by the FBI have been fired, but were allowed to resign, the reason being that firing them might make it more difficult for them to get jobs in other branches of the Government.

The names of those three whom the Bureau said were agents on May 15, 1947, and are still in the Department, are available to the Senate or to the committee. Those names are included among the 106 names that I gave to the committee.

If the committee desires more specific information as to those three agents, it may have it. However, I think it would be reasonable to insist that the committee subpena this FBI chart, which is in the possession of the State Department. I think the committee should subpena that chart and get the names. Otherwise I assume we shall have the same thing happen which happened before. If I give the names to the committee, without the committee making an attempt to subpena the chart, we shall have a repetition of what we have had for the past 4 months: The claim that we are smearing those poor Communist agents, and that we are getting too rough trying to get them out of the Government. Therefore, before the committee is given any more names, I think it should subpena, for example, a copy of this report and a copy of the FBI chart, and run down not merely the 3 names which I have succeeded in running down, but the entire 106 names, and find out how many of those 106—whether 70, 80, or 90—are still in the State Department. They should also run down the 18 who were allowed to resign. They should run down the nine Communist agents who, the FBI said, were Communist agents, and find out which department, if any, is employing those individuals now.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. DONNELL. I note that on page 29 of the photostatic copy which the Senator has kindly distributed to us it states, as he previously read:

> Since a considerable number of the persons so characterized came with the interim agencies, such as FEA, OWI, and OSS, continued reduction in force might dispose of some of these.

I ask the Senator, first: Is the OWI the Office of War Information?

Mr. McCARTHY. That is the Office of War Information, in which Mr. Lattimore held a high place.

Mr. DONNELL. Does this signify to the Senator, then, that a considerable number of the agents, Communists, sympathizers, and suspects, had previously been in the Department which was conveying war information, and were members of the Office of War Information of the United States Government?

Mr. McCARTHY. That is correct; and I might say for the Senator's benefit—I do not think he was here at the time I made the statement—that there have been produced some of the files of the OWI, which, as I understand, are now in the State Department—at least the correspondence is—showing that one of the men in the OWI, Mr. Owen Lattimore—whose name the Senator may have heard before——

Mr. DONNELL. I have.

Mr. McCARTHY. Went to bat for one Communist, one who had been officially turned down by the Loyalty Board because of his Communist connections; and for another Chinese who had been rejected by one member of the board because of his Communist activities. The other member had not acted when Lattimore stepped in. Mr. Owen Lattimore went to bat for those two men, who were Chinese, after it was pointed out to him that one had lost his job in Changsi Province in China because of his communism, and that he, Chi, had a son, Dr. Chi, who was one of the leading Communists, Lattimore said—and this is in the files, this is not the statement of any Senator, it is in the secret files—"I do not care whether he is a Communist or not, I still want him."

Then the Senator will find, as I put these secret files in the RECORD, that Mr. Klein, who wrote the final decision in the case of the Chinese Communists, though I cannot quote him verbatim, in effect said:

> The Board finds itself in the embarrassing position of either having to approve for Government employment a man whom we have previously found to be a Communist, or to slap down Mr. Owen Lattimore.

Then they finally made the decision that they would not hurt the feelings of Mr. Lattimore, and they approved this man whom they had previously disapproved because of his communism.

I mention that because this was in OWI. One of the reasons—this is all in the secret files—for approving this Chinese Communist for Government employment, in sensitive work, was—and listen to this—that if he were turned down, then the Loyalty Board would have to kick out a sizable number of more important employees in the Department because—and this was in the report—"the records of some of the higher officers were much worse than of this man whom we found to be a Communist."

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. McCARTHY. I am glad to yield.

Mr. DONNELL. I should like to ask the Senator, first, what is the "FEA," also mentioned in the same sentence?

Mr. McCARTHY. I do not have that at my hand.

Mr. DONNELL. What is the "OSS"?

Mr. McCARTHY. The Office of Strategic Services.

Mr. DONNELL. So, as I understand—and I ask the Senator if I am correct, according to his information—this report indicates that not only were these 11 agents, 10 Communists, 11 sympathizers, 74 suspects, in the Department of State on July 12, either 1947 or 1946, but that a considerable number of the persons so characterized came from the FEA, or the Office of War Information, or the Office of Strategic Services. Those were governmental offices, which, according to this report, had within them a considerable number of these persons characterized as agents, Communists, sympathizers, and suspects.

Mr. McCARTHY. I so understand.

Mr. DONNELL. And that a considerable number of those persons had come over to the State Department from one of these three agencies enumerated by the letters to which reference has been made.

Mr. McCARTHY. That is correct. But I believe the report also shows that some of the agents were in the State Department itself. It says a considerable number of them came from the other agencies.

Mr. DONNELL. Will the Senator yield for a further inquiry?

Mr. McCARTHY. Gladly.

Mr. DONNELL. I understood the Senator to say that he had had photostated both pages 29 and 30. Am I correct in that?

Mr. McCARTHY. That is correct.

Mr. DONNELL. I do not care to take away from the Senator from New York the paper he has been examining, but does the Senator have another photostat of page 30? The only one I have seen is page 29.

Mr. McCARTHY. I hand the Senator the top of page 30. Here is the entire 106-page document also.

As I recall, Mr. President, a number of top Federal administrators have been making speeches throughout the country. I have read so many of the reports I do not know exactly which to ascribe to any particular Federal officer. One of the statements I read—I think it was attributed to the Attorney General, though I may be wrong—was that there are no Communists or Communist sympathizers in the Federal Government. Also the State Department comes out

with almost a daily press release saying over and over and over, "There has been no proof presented. There has been no proof presented."

Let me again assure the Senate that the proof is not in the words of McCARTHY; the Federal Bureau of Investigation, which is not noted for any overstatement, says, "We have gone over the proof." The file shows they will not trust the State Department with some of the proof. They say, "We have gone over the proof, and we find that in the State Department there are 124 individuals who are either agents, Communists, sympathizers, or suspects."

We find that the State Department takes so little interest in that report that a few months later they have 11 of those listed as Communist agents, and now at this very moment, 3 or 4 years later they have at least three of those who were listed as agents of Soviet Russia, not by McCARTHY, but by the Federal Bureau of Investigation.

Mr. President, in my book that is proof, and I do not think that the Federal Bureau of Investigation was indulging in any irresponsible smears when it dug up the proof on those individuals who were traitors to this Nation.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). Does the Senator from Wisconsin yield to the Senator from California?

Mr. McCARTHY. I am glad to yield.

Mr. KNOWLAND. I have not had opportunity of examining the complete file but I have listened to the Senator from Wisconsin. Do I understand correctly that this file is the evaluation prepared for the State Department by the Federal Bureau of Investigation? I have not seen who signed the report or who actually prepared it, but I understood the Senator to say taht, so fare as he knows, it was the only evaluation which has been prepared by the FBI for Government agencies.

Mr. McCARTHY. The Senator is entirely correct. This is a 106-page document entitled "Survey of Departmental Personnel Security Investigation." It is made by one State Department investigator for the benefit of the State Department Security Agency. In the document he discusses in detail the methods of getting information, the difficulty at times, and one of the things he refers to—it is on page 29—is an FBI chart, which, he says, is now in the possession of a certain man, naming him, and he gives a résumé of the information on the chart. In other words, this document does not include the entire FBI chart. The FBI chart contains the names and all the information about these individuals. I should not say all the information; it contains the names and some of the information.

Mr. KNOWLAND. I was not clear on that point. I see now that this report refers to the FBI chart, which discloses the information to which the Senator refers. Is that correct?

Mr. McCARTHY. That is correct.

Mr. KNOWLAND. I want to say to the Senator from Wisconsin that it seems to me this is by far the most significant direct evidence which has yet been presented to the Senate of the United States. I believe the committee now investigating security risks in the Department of State would be derelict in their responsibility to themselves, to the Senate, and the United States if they did not proceed forthwith to exercise the subpena powers voted unanimously by the Senate of the United States. It seems to me that unless that is done, neither the Senate nor the country will be satisfied that there has not been a complete cover up and whitewash. Unless the persons who have been mentioned have been removed from the service of the Government of the United States it seems to me there may be a case for impeachment somewhere along the line.

Mr. McCARTHY. I thank the Senator very much.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARTHY. I will yield in a moment. Let me first comment on the remarks of the Senator from California. The Senator from California referred to this as some of the most valuable proof presented. One of the things which I hate to have to bore the Senate with repeating, one of the things I think should, however, be repeated, is that when the cases were first presented to the Senate I did not name any names. I said the information is in the files. I said, "I cannot reproduce the proof without the files. It is impossible for me to do it without the files." It took thousands and thousands of investigators to create the files over a period of years, at a cost of I do not know how many millions of dollars. It has become impossible for me to continue to try to do the job which could be so simply done if the President would open the files to the Senate committee. But with its large press staff, a press staff paid for by the American people, the administration has had considerable success in convincing the American people that, unless I submit the proof on all 81 individuals, then they are simon pure.

I have been working night and day with as many investigators as I could hire to conduct this type of investigation. As we go along I hope that the documents, the proof that we dig up, will be of such a nature that the Senate will demand, once and for all, that the committee get some cooperation from the President and then get down to the task of determining exactly which of those individuals should not be in the Government service.

I now yield to the Senator from Michigan.

Mr. FERGUSON. Page 29 and a portion of page 30 of the exhibit indicate the number the Senator has given. But he further stated—and if what I say is incorrect, I wish the Senator would correct me—that as of some other date there were at least three under the classification of "agents." Would the Senator care to make clear for the RECORD what the proof is about that, because it is not stated on page 29 and the portion of page 30 of the exhibit, which are photostated?

Mr. McCARTHY. I shall be glad to do so. I stated that as of this very moment at least three of the persons listed as agents are employed in the State Department. The proof is that their names are on the FBI chart, listed by the FBI. Those names I have checked, and I know the persons are working in the State Department now. In fact it did not take much checking. They are names which are fairly well known to all of us. I do not, the Senator will understand, have the proof of their being espionage agents. I am taking the word of the FBI for that. I do have the proof that those men are working in the State Department as of this very moment.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mc. McCARTHY. I yield.

Mr. FERGUSON. I understand, then, that of the "agents" mentioned as of July 12, whatever year it was, whether 1946 or 1947, under the word "agents" appears the number "11."

Mr. McCARTHY. That is correct.

Mr. FERGUSON. That the Senator is familiar with who those 11 were, and he has checked the names of 3 of those 11 as now being in the State Department?

Mr. McCARTHY. I know who at least 3 of the 11 are. I know they are in the State Department.

Mr. FERGUSON. At least three.

Mr. McCARTHY. I may say that I do not have the names of all 11 at this moment. I expect to have those in the very near future. I have the names of 3 that come off that chart. They are still working in the State Department.

Mr. FERGUSON. It is indicated that the FBI has prepared the chart now in the possession of—blank. I presume the Senator struck that name out?

Mr. McCARTHY. I struck that name out.

Mr. FERGUSON. Does the Senator now have any evidence indicating that under a similar finding the FBI contends that there are still three in the Department?

Mr. McCARTHY. So far as I know the FBI has no evidence whatsoever that any of these men have reformed. However, I have not talked to anyone in the FBI to get his opinion about it.

Mr. FERGUSON. Does the Senator have any further information as to what the word "agent" means as contained in this report?

Mr. McCARTHY. Yes. I discussed that in my prepared speech. I think it might be well to read into the RECORD the investigator's idea of what an agent was. On pages 30 and 31 he says:

It turned out that FBI—

As you listen to this, Senators, I hope you will keep in mind the information on page 17 to the effect that the FBI does not turn over much of its more secret information to the State Department.

It turned out that FBI had produced no convincing proof that any person was an actual agent. In other words, FBI had made no case to show espionage or a violation of the Foreign Agents Registration Act, or similar legislation, in any case. The word "agent" was, therefore, being used by FBI or by CON to mean simply a suspect in espionage investigations, etc.

In other words, as the Senator gets the picture, in this chart the FBI did not send the evidence showing that anyone was lighting a fuse to an A-bomb or an H-bomb. There was no legal case produced for the benefit of the State Department. The FBI said "Here are our files. We have examined them and in our opinion those men are agents."

Let me read the rest of the qualification. Referring to the party membership they say:

No proof of actual Communist Party membership had been produced by FBI. The word "Communist" therefore, was used merely to describe cases of such close affiliations as to lend credence to a hypothesis that the person in question was a member—a fact still to be proved.

The word "sympathizer" is, of course, subject to further of such qualifications.

Mr. FERGUSON. Would the Senator agree to put into the RECORD what is meant by the FBI so far as the word "sympathizers" is concerned?

Mr. McCARTHY. Yes; I shall be glad to read that.

Mr. FERGUSON. And also with respect to the word "suspects." Then the RECORD would be very clear as to what the Senator is speaking of.

Mr. McCARTHY. I read:

The word "sympathizer" is, of course, subject to further of such qualifications. The word "suspect" is apparently an all-inclusive phrase; it might or might not signify anything significant.

I did not find any definition of what they call a suspect. The investigator does not say what he thinks is meant by the word "suspects." The Senator understands there is nothing in the report to show the FBI's explanation of what they considered to be an agent or what they considered to be a Communist. This is the evaluation by the young man who went through the stuff.

Mr. FERGUSON. Let me ask the Senator what he is reading into the RECORD.

Mr. McCARTHY. I am reading from a 106-page report entitled "Survey of Departmental Personnel Security Investigations," marked "Secret," prepared by one of the top investigators in the State Department for the benefit of the man who was in charge of the security program at that time.

Mr. FERGUSON. In the State Department?

Mr. McCARTHY. In the State Department.

Mr. FERGUSON. Was the employee who prepared the document a State Department employee?

Mr. McCARTHY. He was a State Department employee, and it was prepared for the State Department use.

Mr. FERGUSON. Therefore, when the Senator read the definitions of the various terms, he was reading that State Department employee's definitions of those terms, was he?

Mr. McCARTHY. That is correct. The only material which comes directly from the FBI report is, I believe, obvious from the photostat. The definitions are strictly the definitions of the man in the State Department who prepared this 106-page report.

Mr. FERGUSON. They are not the FBI's definitions?

Mr. McCARTHY. That is correct.

Mr. FERGUSON. But as regards the word "agent" and the word "Communist" and the word "sympathizers" and the word "suspects," all those words were used by the FBI; is that correct?

Mr. McCARTHY. That is correct.

Mr. FERGUSON. And the numbers were the FBI numbers. Is that correct?

Mr. McCARTHY. Yes; the numbers were the FBI numbers. In other words, the listing of "Communists," "agents," "sympathizers," and "suspects," is a listing by the FBI.

Frankly, I do not have the FBI charts as of this moment. I do not know what definitions the FBI gives to the terms "Communist," "agent," "sympathizer," or "suspect."

Mr. FERGUSON. But does the Senator from Wisconsin know whether the man who was talking about "Communists," "agents," "sympathizers," and "suspects" had sufficient knowledge to enable him to evaluate them?

Mr. McCARTHY. Frankly, I do not know. This is the only copy of the report I have. I wish the Senator would take it to his office and go over it. I have great respect for his judgment, and I think his judgment regarding this matter would be as valuable as mine.

I think the committee should immediately subpena the FBI chart and should get all the information from that chart; because when the Federal Bureau of Investigation becomes so concerned that it follows the unusual procedure of evaluating the material in its own files, and when the FBI says "This man is an agent of Communist Russia," I think we can be certain that either he is an agent or he is an extremely dangerous individual.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I am glad to yield.

Mr. DOUGLAS. I wonder whether the Senator from Wisconsin would clarify this point for the benefit of the Senate: Do I correctly understand that originally the FBI submitted a report, either in 1946 or in 1947, to the effect that in its judgment there were 20 Communists in the State Department?

Mr. McCARTHY. That is correct.

Mr. DOUGLAS. Am I further correct in understanding that 2 months thereafter, when the man in the State Department made his report evaluating the FBI report, he said that 11 of those persons were still in the State Department?

Mr. McCARTHY. That is correct.

Mr. DOUGLAS. And that, therefore, nine of them had either resigned or had been eliminated from the employ of the State Department?

Mr. McCARTHY. My further information is that the nine resigned; I understand that none of them was discharged.

Mr. DOUGLAS. I understand that the Senator from Wisconsin says that he has found that three of those persons are still in the State Department. Is that correct?

Mr. McCARTHY. Yes; but I am speaking only of "agents," when I refer to three.

Mr. DOUGLAS. I understand.

Mr. McCARTHY. Senators should not take that to mean that the other eight have been discharged.

Mr. DOUGLAS. I understand.

Mr. McCARTHY. There are only three from the FBI's listing whom I am sure are still in the State Department.

Mr. DOUGLAS. Does the distinguished Senator know what happened to the other eight?

Mr. McCARTHY. I do not know. I hope to be able to determine that during the course of my investigation during the next few weeks or months, but it would be very simple for the committee to get that information from the files.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. WHERRY. Will the investigation made by the Senator from Wisconsin also provide information as to whether those nine persons have gone to some other department of the Government, some branch of the Government other than the State Department? Can we be assured of that?

Mr. McCARTHY. The Senator cannot be fully assured that I can run down that information. However, I am doing everything possible to do so. It would be oh, so simple for the committee to do it; all the committee would have to do would be to take the FBI chart and check the Federal payroll and determine that.

However, I intend to continue to try to run down those names and to find out where those persons are—not only the other eight who were in the Department in July 1947, but also the nine who have been allowed to resign.

Mr. WHERRY. Let me ask the distinguished Senator another question. Of course, regardless of whether the Senator from Wisconsin has the facilities or does not have the facilities required for such an investigation, it seems to me that, based upon past experience, it is just as essential to find out what became of those nine as it is to investigate any other numbers in the State Department. In connection with the report made by the junior Senator from Nebraska relative to tracing what became of the 91 moral perverts whom Mr. Peurifoy, the Assistant Secretary of State, or whatever his title is, mentioned in his testimony before the Foreign Relations Subcommittee of the Appropriations Committee, when he said that since January 1, 1947, 91 had been required to resign, let me say that after 4 weeks of continual pressure on the Civil Service Commission, the junior Senator from Nebraska learned that 14 of those 91 had been reemployed and then were working in other branches of the Government.

So I say to the distinguished Senator from Wisconsin that it seems to me that not only should we inquire regarding what his intentions are in respect to determining the employment of such persons in the State Department, but also we should inquire whether he will endeavor to learn whether such persons subsequently have been employed in any

other agency of the Government. The latter might be almost as important a matter as the former.

Mr. McCARTHY. Mr. President, I cannot give the Senate any assurance in regard to the information along that line which I can dig out of a very, very reluctant administration. If it had not been for some very loyal persons in the various Government agencies, persons who are even more disturbed about this matter than I am or any other Member of the Senate is, I could not get the type of information which I am giving to the Senate now.

Furthermore, when we talk about the 9 cases or the 11 cases, let me say, as the Senator from Nebraska knows, that no money was appropriated to me to enable me to perform that task. On the contrary, I am operating on my own; and it just about bankrupts me to have to employ the necessary investigators. Of course, for such a task it is essential to employ the best possible persons to investigate.

How long I shall be able to continue with my present staff of investigators I do not know, but I intend to continue it either until the administration cleans house and gets rid of those dangerous individuals or until we have a different administration.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McCARTHY. I am glad to yield.

Mr. WHERRY. I am not in any way suggesting what the distinguished Senator from Wisconsin should do with the money he does have at hand for the purpose of making the investigation; but I understood him to say that he hopes within a few days to know more about the remainder of the 11, as well as the 3. Inasmuch as he made the statement that the 3 are still with the State Department, I felt that in connection with his investigation it would be very important to know whether such persons are now working in any other agency of the Government of the United States. Of course, I appreciate the handicap under which the distinguished Senator from Wisconsin has been working.

Mr. President, will the Senator from Wisconsin yield for a further question?

Mr. McCARTHY. Certainly.

Mr. WHERRY. Does the Senator from Wisconsin know the names of any of the Communists who have been listed here, either the 13 or the 10?

Mr. McCARTHY. I beg the Senator's indulgence as to that matter. I would prefer not to discuss the 13 Communists at this time.

Mr. WHERRY. Very well.

Mr. McCARTHY. I hope to produce for the Senate some information with regard to those 13 in the fairly near future. I am not prepared to discuss them today.

Mr. WHERRY. Very well.

Mr. McCARTHY. The only group I am prepared to discuss today are the 11 and the 20 listed as agents.

Mr. WHERRY. I thank the Senator.

Mr. DOUGLAS. Mr. President, will the Senator from Wisconsin be kind enough to yield, to permit me to ask a further question?

Mr. McCARTHY. I am very happy to yield.

Mr. DOUGLAS. I do not wish to interfere with the prepared speech of the Senator from Wisconsin; but I wonder if he will inform the Senate whether, in relation to the three persons who 3 or 4 years ago were alleged to be Communist agents, he has any information that their cases have been considered by the loyalty board.

Mr. McCARTHY. Oh, I am sure they have—the same as Alger Hiss's, Remington's, and any others.

Mr. DOUGLAS. That is, considered by the departmental loyalty board?

Mr. McCARTHY. I assume so.

Mr. DOUGLAS. And the Senator thinks they have gone up to the general loyalty board?

Mr. McCARTHY. I assume they have been considered in the usual manner.

Mr. BREWSTER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. McCARTHY. I am glad to yield.

Mr. BREWSTER. If they were cleared by the loyalty board of the State Department, they would not go up. I take it the Senator from Illinois referred to the so-called Richardson Board. If they were cleared by the State Department loyalty board, they would not in the ordinary course of events go up to the Richardson Board.

Mr. McCARTHY. That is correct.

Mr. BREWSTER. I think the Senator would want to be clear about that.

Mr. DOUGLAS. I wanted to know, if the Senator had the information, whether the cases had gone up to the departmental loyalty board, and then, if an adverse decision were rendered there, whether an appeal had been taken to the general board.

Mr. BREWSTER. I am sure I would not know about that.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. McCARTHY. Let me first answer the Senator from Illinois. I think there may be some confusion in the Senator's mind as to the function of the Loyalty Review Board. The Departmental Review Board is technically for the protection of the country—in other words, the State Department's own loyalty board. It is supposed to be for the protection of the country. The Loyalty Review Board is for the protection of the rights of the individual. Consequently, if the Department's Loyalty Board passes favorably on an individual, the Government has no appeal to the Review Board. If, however, they find that an individual should be discharged, he can appeal to the Review Board.

However, the Loyalty Review Board, on its own initiative, does what is known as post audit the cases. They pick up the case on a post audit, and then they can refer the case back to the Department and say, "We do not like what you have done in this case." The Department, of course, is not bound by that. They can merely thumb their noses at the Loyalty Review Board if they so desire.

The Senator will perhaps recall the case of John W. Service. The State Department's Loyalty Board had passed him, I do not know how many times. The Loyalty Review Board picked up his case on a post audit, and as the Senator will recall—I informed the committee some time ago—the Review Board sent it back to the State Department's board and said, "Not only are we not satisfied with what you have done, but we recommend that you convene an entirely different loyalty board the next time." In other words, they were in effect saying, "The men on the board are incompetent to pass upon the question."

As the Senator knows, the Loyalty Board is now having hearings covering Mr. Service. But in the meantime, Mr. Peurifoy, who appoints the State Department board, and whose members hold their jobs by the grace of Mr. Peurifoy and Mr. Acheson, made a public statement saying that Mr. Service was simon pure, and that McCARTHY was an awful rat for embarrassing Service by causing him to come back to the United States. So today we have the unusual situation of the man who appoints the board—the man who has the absolute right to hire and fire them, under the McCarran rider—publicly says before they even hear the evidence, "This man," whose loyalty should be passed upon "is simon pure." As he says all the State Department employees are behind him.

In connection with that, I think I should give Senators some more information, so they may get the picture of what the decision of that board can mean. The man who is head of the Visa Division—what is his name?

Mr. DOUGLAS. L'Heureux.

Mr. McCARTHY. L'Heureux was at a dinner of State Department employees not so long ago. During the course of the dinner, he stood up and ordered all the State Department employees present at the dinner to rise and give three cheers for John Service. That was while Service's case was pending. That was long after I had discussed Mr. Service's communistic connections. At that time two or three of the employees refused to rise, and he ordered them to do so. The press then were given a story that there was a spontaneous demonstration for Mr. Service. How many members of the Loyalty Board were present at that meeting, I do not know. But that will give Senators some idea of what a clearance by the Loyalty Board actually means.

Of course, as the Senate knows, Mr. Remington's case is now being considered by a grand jury in New York. I assume we shall hear from that during the next week or so. That man had been cleared by the Loyalty Review Board.

Mr. Wheeler was turned down originally and from the evidence any 2-year-old child could see that he was either a Communist or certainly a fellow traveler. Then—and the record shows all this—Mr. William T. Stone, who was one of the editors of Amerasia, incidentally, and who is now in the Department, inter-

vened for Mr. Wheeler, and after his intervention, the Board turned around and cleared Mr. Wheeler within a short time, and later he went overseas, saying "I am taking refuge from American democracy." I merely mention that to the Senate in order to give some idea of what a clearance by the Loyalty Board means.

Mr. DOUGLAS. I wonder whether the Senator from Wisconsin would be kind enough to yield for another question.

Mr. McCARTHY. I am glad to yield.

Mr. DOUGLAS. Has the Senator from Wisconsin been able to ascertain whether the names of these alleged Communist agents, who the Senator from Wisconsin says are still in the employ of the State Department, were in the list of 106 which he submitted to the so-called Tydings committee?

Mr. McCARTHY. Those names are in that list. At the time I submitted that list, frankly I did not have the information which I am giving the Senate today. So I could not tell the committee at that time that these individuals were named by the FBI as agents of the Communist Party. But the information is available to the committee now. However—and I should like to have the Senator's thought on this point—there is a question as to what to do with those three names. I am confident that if I give them to the committee, the same thing will happen that has happened in the past—the names will be leaked to favorite correspondents, or made public somehow; the proof on them will not be obtained, and then McCARTHY will be damned from hell to breakfast for having failed to prove that those men are Communist agents. I think it is reasonable that I demand of the committee before I try to give them the names from that FBI chart that they subpena that chart and get all the information, including the names themselves, and do the investigating, and not expect me to produce all the proof on these individuals, when I have no staff with which to do it, no access to the files, whatever. That is, I believe, a reasonable request. If the Senators think it is not, I should like to have their reaction to it.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. McCARTHY. I am glad to yield.

Mr. WHERRY. Does the Senator know that in the National Defense agencies the head of a bureau can override the recommendations of the Loyalty Board?

Mr. McCARTHY. That is correct.

Mr. WHERRY. Does the Senator know whether that extends to all other branches of the Government?

Mr. McCARTHY. It extends to the State Department.

Mr. WHERRY. So that, even though a Loyalty Board may have made an examination and had it reviewed, still the head of the State Department can override the Loyalty Board?

Mr. McCARTHY. Oh, yes. As the Senator knows, under the McCarran amendment the Secretary of State has the absolute power to hire or fire whomever he chooses.

Mr. WHERRY. Regardless of the recommendations that are made?

Mr. McCARTHY. That is correct. But I may say I think that was an excellent amendment offered by the Senator from Nevada. The purpose of it was to give the State Department the power to get rid of questionable employees, Communist agents, against whom they could not make a legal court case. So far as I know, the McCarran amendment has been used only twice by the State Department. I may be wrong about that, but that is the best information I can get.

Mr. WHERRY. My point is that they can still retain them on the roll. There is no way to terminate their services. That could happen in the State Department, regardless of recommendations of the Loyalty Board.

Mr. McCARTHY. That is correct.

Take, for example, case No. 1, which I presented on the Senate floor, the name has not yet been made public, so we shall not use it now. The committee has the name. In that case the Loyalty Review Board made what is known as a post-audit, and, after looking at the post-audit, they said, "We are not satisfied with the finding." They sent it back to the State Department Loyalty Board, and that Board said "The case is closed." That man is still on the State Department payroll.

Mr. WHERRY. That may be the basis upon which these persons have been retained in the State Department all these years.

Mr. McCARTHY. I say to the Senator that I am glad to receive his comments upon the loyalty board. I understand it is the President's intention to appoint a new superloyalty board. I understand that it will be without any consultation with the Senate. In my opinion, it will be merely heaping whitewash upon whitewash. There are two ways in which I think the job can be done. The President could call in the heads of his intelligence agencies, such as Mr. Hoover of the FBI, the head of the Secret Service, the head of Naval Intelligence, and the head of Army Intelligence, and say to those men, "This is not your job, but I am going to give you a new duty to perform. I shall give you all the names which have been supplied to the committee. Go over them and check into your own files and tell me which of those persons you think are unfit for Government service because of Communist connections or otherwise. I will discharge those individuals upon whom you report adversely." I think he should have that much confidence in the heads of his intelligence agencies. Or, if he wants a civilian board, that is not too bad an idea; but I think the only way he can get a board which will have the confidence of the country is to make it a bipartisan board, not named by him, not a case of Truman deciding what Republican he is going to name, but for the Republican Members of the Senate to pick their men, and the Democrats to pick their men. It should not be too difficult to get men such as Judge Medina, or David Dubinsky, of New York, who, in my opinion, is an authority on communism and is a great Communist fighter. Men could be chosen who would have the confidence of Senators on both sides of the aisle. But any attempt to get some high-sounding names, men who know nothing whatever about the matters, and then staffing the board with stooges and coming up with a whitewash report, will leave us in much worse shape than we are now.

Mr. WHERRY. Plan No. 1 is perfectly satisfactory. The chiefs of the different departments now have access to the information they need. Certainly, if that kind of a board should pass upon the loyalty of an individual and the President would act on its recommendations, it would be agreeable to the junior Senator from Nebraska.

The answer to the second question, with reference to appointing a civilian bipartisan board, is that that would be perfectly agreeable, but I shall answer the question by asking the Senator another question. What difference would there be between doing that and the President submitting the files to a board which is bipartisan, a board which is investigating on the same basis as that which the distinguished Senator suggests as the second group which might make the investigation? What is the difference in the responsibility or obligation of the President to submit the files to a bipartisan Senate committee or to a bipartisan board which he might appoint? I cannot see any difference at all. That refers back to the very beginning of the investigation when the junior Senator from Nebraska made his first statement on the floor of the Senate. It seems to me that if the President wants to appoint a civilian board and releases the files, he will be doing exactly what the Senate has asked him to do under the resolution. I cannot see any difference in the obligation or the responsibility, the information, or the status of those affected by the information disclosed. Does the Senator agree with me on that?

Mr. McCARTHY. I agree with the Senator. I might say, also, that I think it would be a great mistake to have a bipartisan board upon which there is no congressional representation. I think this is a job which Congress cannot shirk. If we are going to have a board, I should not mind a bipartisan board containing two or three Democrats picked by Democrats and acceptable to the President, and two or three Republicans picked by Republicans who meet the President's approval. But I think we must maintain on such a board congressional representation, either House Members, Senate Members, or both, because we cannot shrug off this job which we have been trying to do for the past 4 months.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. McCARTHY. I yield.

Mr. WHERRY. Why would it be proper to disclose the names and information to a private board but not to disclose them to a congressional committee?

Mr. McCARTHY. It does not make sense.

Mr. WHERRY. If it is proper in one instance, it is proper in the other instance.

The American people want to have the files examined in order to find out whether the charges are true as alleged and, if they are, they want the services of the persons charged terminated. I cannot see why there should be longer delay. I cannot see why it should not be done wholeheartedly by the present administration or any other administration which might be in power.

Mr. McCARTHY. I agree with the Senator from Nebraska a hundred percent. There is no reason whatsoever why the files should not be made available by the President. The files belong to the American taxpayers.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. DONNELL. In the resolution adopted some weeks ago there is provision made for subpenaing the files. Has a subpena ever been served on anyone in that connection?

Mr. McCARTHY. Subpenas have been served but have not been honored.

Mr. DONNELL. Has there been any effort to ascertain whether there is legal power to enforce a subpena, or has the committee simply accepted the failure to respond to the subpena without going into the question as to whether the subpena is legally enforceable?

Mr. McCARTHY. I may say to the Senator that, as he knows, I am not in the best of grace with the committee and its staff, so I do not know what work they have been doing. I know they have taken no action to try to enforce the production of files, either by contempt proceedings or otherwise. What legal research has been made by the staff, frankly I do not know. I might say that I have gone into it myself in some detail. I think there is no question about the legal right, under the Constitution, to get from the executive branch such information as the Senate needs. However, it will be recalled that when the President was discussing the matter at a press conference—I do not recall the question which was asked of him, but I think someone asked him what would happen if a subpena were served—the President referred to a statement made by President Johnson when there was an attempt made to force him to produce some material—I am not too well acquainted with the case—and President Johnson said, "They have their court order, but I have the Army."

So no matter what the legal right is, the President has the physical power, being the Commander in Chief of the Armed Forces, and he can refuse to honor any court order he cares to. My legal research convinces me that the Senate has an absolute right to subpena the files. I am equally convinced that there is no way on earth, by court order or otherwise, to force the President physically to turn over the files except by the force of public opinion.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. DONNELL. The subpoena would not be directed to the President, would it? Would it not be directed to some subordinate officer? Would not such a subordinate officer have a very clear obligation to respond to the subpena of the Senate, or to respond to the action of a court in a proper proceeding to enforce compliance with the subpena?

Mr. McCARTHY. Subordinate officers are absolutely answerable legally. However, the very simple expedient they could follow would be to turn over the files to the possession of the President. Many of the files are now in the White House. I think there is no question about being able to enforce the legal right. However, if the President wants to refuse to honor any court decision, so far as I know there is no way on earth that the President can be forced to comply with a decision of any judicial body in the land. As the Senator from Missouri has pointed out, files and material now in the possession of a certain executive officer, not in the possession of the President, could be very easily turned over to the President.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. McCARTHY. I yield.

Mr. DONNELL. Does the Senator think, from his investigation, if a subpena were served on a subordinate officer while that official still was in possession of subpenaed files, and he thereafter turned the files over to the President, that such subordinate officer would be freed from the obligation to comply with the subpena? If he refused to comply with it could he not be punished for contempt if he turned the files over to the President?

Mr. McCARTHY. I think there is no question about the fact that he could be punished and even be jailed. A subordinate officer could be punished for failing to honor a subpena. He could be punished for contempt of court. I think some of them are in contempt of court now. However, nothing would be gained by jailing what could be termed a loyal subordinate who merely followed the orders of the President of the United States. Let us say that we served a subpena on John Peurifoy in the State Department. I assume the first thing he would do would be to contact the head of the department, Mr. Acheson, and ask him what he should do, who would ask the President what to do. Let us assume further that the President would say, "Do not honor the subpena." Peurifoy, while employed by the American people, actually is a member of the Presidential family. I doubt whether he should be punished for contempt of court for following a Presidential order. Nothing would be gained by it. Let us say that he was jailed for 60 days, 6 months, or a year. What would be gained? We still would not have the files. My thought is that unless the President of the United States himself decides to cooperate with Congress to make the material available, actually very little could be done. That is my personal thought about it.

Mr. IVES. Mr. President, will the Senator yield?

Mr. McCARTHY. Yes; I yield.

Mr. IVES. Mr. President, the Senator from New York, by indirection at least, has had occasion in the past to be slightly critical of the Senator from Wisconsin in the way in which he has presented his case. Nevertheless, the Senator from New York feels very strongly regarding the matter of communism and the menace of communism. He feels no steps should be left untaken in the Senate, the House, or in the Government itself, to weed out all subversive elements in the Government. The Senator from New York desires at all times to cooperate in every worthy effort of that nature.

In this particular instance the Senator from New York desires to commend the Senator from Wisconsin for the excellent presentation he has made, for the constructive approach he has offered this afternoon, and for the way in which he is now carrying on his effort. In that connection the Senator from New York wishes the Senator from Wisconsin the best of luck, and offers him his own full cooperation.

Mr. McCARTHY. I thank the Senator from New York very much. I know that some of my very good friends who have been following this anti-Communist fight have been disturbed by what they considered the method of approach, or the tactics used. I realize that they are working long hours on other matters of very great importance to the Nation. I know that they cannot completely and in detail follow what is going on with respect to this subject. If they did, they would know that when this question first came up I had the choice of either forgetting about the dangerous material in the files, such as this information—and this information would never have come out if it had not been dug out—or giving the information to the Senate, with the hope that the Senate itself would carry through and investigate the matter, and find out just what kind of material was in those files. It was there that I had hoped I would be able to stop. I thought that my task would have been completed when I had done that. However, it was then that the President said he would make the files available only to clear innocent people. Then he said he would make them available to disprove my charges. Later on he said he would make no files available. Following that, he said that he would follow a new scheme of making some parts of the State Department files available. Therefore the question came up as to what I should do. The question was whether I should sit down and go no further, or dig out the material. I frankly know of no other way of doing it than the way in which I have done it.

The opposition says, "You are naming names indiscriminately." Mr. President, I do not blame any of my friends who have been critical in the past. The prolonged fight I have waged and the work entailed in making lengthy speeches on the floor of the Senate must have been too burdensome at times to follow. However, it should be clear to Senators that when the accusation was made that I refused to name names I pointed out that I thought it would be wrong to do so. I thought that the committee should receive this information in executive session. I thought they should get the

names in executive session, and then they should dig up the information.

The majority leader [Mr. LUCAS] stood up on five different occasions—and this is by actual count in the RECORD—and said, "You must name names." It will be recalled that the Senator from Kentucky [Mr. WITHERS] also said I should name the names of the 81 persons. I said I would not do that. I thought it would be wrong to do it. Several days later the Senator from Maryland [Mr. TYDINGS] notified me that public hearings would be held. I said that the hearings should not be public. I again suggested that that was the wrong thing to do and the wrong way to go about it. He said, "We will have public hearings." I went to the Senator from Iowa [Mr. HICKENLOOPER] and I said the hearings should be in executive session. The Senator from Iowa has confirmed my statement on the floor, and he himself said that the hearings should be in executive session and politics should not be played with this question. He told me, "I have no control over the committee, but I shall take it up with them again." I was then obliged to appear before the committee in public. It is true that after I had given the cases to the press when there was no longer any point in going into executive session, the Senator from Maryland, however, said, "Now the committee can go into executive session if it wants to."

Mr. IVES. Mr. President, will the Senator yield?

Mr. McCARTHY. I should like to say, also, that today I gave the Senate information and a part of the file. I have said that I know the names of three of the men mentioned in the FBI report who are today in the State Department. I want the committee to get those names itself. I know what would happen if I gave the committee those names in secret session. There is no doubt that the names would be leaked. Not that they would be leaked by the members of the committee, perhaps, but by members of the staff. The information would be leaked to the press, and all hell would break loose because I had not been able to reproduce what has taken the FBI years to do.

I now yield to the Senator from New York.

Mr. IVES. On the point which the Senator from Wisconsin made about being placed in the embarassing position of being forced to reveal names now and then, the Senator from New York appreciates the predicament in which the Senator from Wisconsin has found himself. However, the Senator from New York feels very strongly that the type of presentation made here this afternoon by the Senator from Wisconsin is far more effective in the long run than coming to the Senate chamber and naming names. The Senator from New York would like to point out that there are 95 other Members of the Senate, and that all of us feel as strongly on the subject as does the Senator from Wisconsin.

The Senator from Wisconsin has presented evidence this afternoon of a type sufficiently important to demand the attention of the subcommittee of the Senate Committee on Foreign Relations investigating this matter. Therefore, the Senator from Wisconsin should have some faith in the rest of us, in our desire to see that this situation is properly handled in the Senate, and in our determination, as Members of the Senate, that it shall be propertly handled. The Senator from Wisconsin does not need to feel that he is alone in this matter. Some of us may disagree, as to methods, but as to purposes, as to intent, and as to the ultimate end, there will never be any disagreement among us.

Mr. McCARTHY. Mr. President, as the Senator from New York knows, I have the greatest possible respect for his ability and integrity; everything about the Senator from New York goes to make up a good Senator. I do not wish to get into an argument on generalities at this time, but I suggest that those who say, "We do not like your methods," sometime should come to me and, without using general terms, tell me when, where, how, the methods used at any particular time on any particular day could have been different.

I do not enjoy having to get tough in this matter, and do a bare-knuckle job, but it has to be done that way. Communists are not going to be rooted out with silk gloves and lace handkerchiefs.

Mr. IVES. The Senator from New York is in full sympathy with the attitude of the Senator from Wisconsin in this matter. However, again the Senator from New York would like to point out that there are 95 others of us who are just as determined as is the Senator from Wisconsin to clean up this situation. Leave some of these matters for us to pressure. We have our ways of doing it. We are ready to cooperate. That is the suggestion the Senator from New York makes to the Senator from Wisconsin.

Mr. McCARTHY. I thank the Senator from New York. There is nothing I would like better than for any 1 or 2 or 10 or 95 other Senators to take over any part of this task they care to assume. I have been inviting help. I want help. I agree with the Senator from New York, and I would like to get all the help I can. But keep in mind—and this is not a criticism of any Senator—that those agents, the agents who are now in the State Department, have been there for a good many years.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from California.

Mr. KNOWLAND. I have been rather startled at some of the information I have found in reading through this file. I do not intend to disclose it now because the file is marked "Secret." But in view of the fact that there are very few Senators on the floor at this time, and because the information the Senator today is giving the Senate is so significant, in my judgment, not only from the point of view of information which the Senate and the country should have but which may lay a foundation for far more serious proceedings in the future, I wonder if, without losing his right to the floor, the Senator would yield for a quorum call, because I think that if Senators on both sides of the aisle recognized the significance of the evidence the Senator is presenting today they would feel it their duty to attend this meeting of the Senate.

Mr. McCARTHY. I should be glad to yield if I could have unanimous consent that I would not lose the floor.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that without the Senator from Wisconsin losing his right to the floor, we may have a quorum called.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from California that a quorum be called without the Senator from Wisconsin losing his right to the floor?

Mr. MAGNUSON. Mr. President, reserving the right to object, I should like to ask the Senator from Wisconsin how long he thinks he may take. Some Senators have inquired whether we are going to proceed with the pending business, and whether or not there might possibly be a chance for a vote on some of the amendments to the bill this afternoon.

Mr. McCARTHY. I have completed the prepared portion of my statement. There are many other phases of this subject which I assume Senators may desire to discuss. That may take 10 minutes or an hour; I do not know.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Ives	Mundt
Butler	Johnson, Colo.	Murray
Byrd	Johnson, Tex.	Neely
Cain	Kefauver	O'Mahoney
Capehart	Kem	Pepper
Chapman	Kilgore	Robertson
Connally	Knowland	Russell
Cordon	Langer	Saltonstall
Donnell	Leahy	Smith, N. J.
Douglas	Lehman	Sparkman
Dworshak	Lodge	Stennis
Ecton	Long	Taft
Ellender	Lucas	Thomas, Utah
Ferguson	McCarran	Thye
Flanders	McCarthy	Tobey
Frear	McClellan	Tydings
Fulbright	McFarland	Watkins
George	McKellar	Wherry
Gillette	McMahon	Williams
Green	Magnuson	Withers
Hayden	Malone	Young
Hendrickson	Martin	
Hill	Maybank	

The PRESIDING OFFICER. A quorum is present.

ANNOUNCEMENT AS TO CALL OF THE CALENDAR—LEGISLATIVE PROGRAM

The PRESIDING OFFICER. The Senator from Wisconsin [Mr. McCARTHY] has the floor.

Mr. LUCAS. Mr. President, will the Senator yield, to permit me to make a brief announcement.

Mr. McCARTHY. I am glad to yield.

Mr. LUCAS. Mr. President, earlier today I advised Senators that probably we would hold a rather late session today in order to conclude action on the Commodity Credit Corporation bill. Of

course I sincerely hope that we shall take final action on it this afternoon.

After talking a moment ago with the distinguished Senator from Delaware [Mr. WILLIAMS], I understand that he has concluded his debate on the pending bill, so far as he is concerned; and I also understand that there will be no further debate on the bill by Senators on this side of the aisle.

At the meeting of the Democratic Policy Committee today, we agreed to have the calendar called tomorrow. However, after talking with the minority leader, the Senator from Nebraska [Mr. WHERRY] and, following the conversation with him, after talking with some of the Members of this side of the aisle, we have agreed to have the calendar taken up on Thursday, rather than tomorrow. That would seem to give ample time to all Senators to be present at that time.

In calling the calendar, we shall begin at the point where the last call of the calendar concluded, with the exception that I have agreed with the Senator from Nevada to include in the call of the calendar Senate bill 1165, Calendar 570, dealing with the employment of certain specialists alien sheepherders. I think all of us are familiar with that bill. He advised me that he has satisfied all objections to the bill. If so, I should like to have that bill included in the call of the calendar.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. MAYBANK. Inasmuch as the minority leader, the Senator from Nebraska [Mr. WHERRY], is present at this time, I should like to ask a question in connection with the program. A bill relative to the importation of certain fats and oils, introduced by the Senator from Iowa [Mr. GILLETTE] and the Senator from Minnesota [Mr. THYE] has been reported unanimously by the Banking and Currency Committee. The bill was introduced principally in connection with the flaxseed situation in Minnesota. I refer to Senate bill 3550.

Mr. THYE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. THYE. Let me say that the bill relates primarily to butterfats and other fats, including lards. I think it is most important that the bill be enacted.

Mr. MAYBANK. Mr. President, if the Senator will now yield to me——

Mr. McCARTHY. I yield.

Mr. MAYBANK. Let me say that I said to the minority leader that I had discussed the bill with the Senator from Minnesota. As I have just said, the Banking and Currency Committee has reported the bill unanimously. I think the bill should be passed, for there is considerable desire throughout the country to have it passed. The bill extends the time for 1 year more.

Mr. LUCAS. Mr. President, will the Senator yield, to permit me to ask a question?

Mr. McCARTHY. I yield.

Mr. LUCAS. Is there a deadline on the bill?

Mr. MAYBANK. There is.

Mr. WHERRY. Mr. President, will the Senator permit me to ask a question?

Mr. McCARTHY. I yield.

Mr. WHERRY. Does the bill appear on the calendar preceding the point at which the last call of the calendar was concluded?

Mr. MAYBANK. No; but I thought that either we could agree to have the bill included in the call of the calendar tomorrow or the bill could be called following the call of the calendar tomorrow.

Of course, I hope the bill is passed during the call of the calendar. If not, I hope the Senate will take up the bill following the call of the calendar, because the Senator from Minnesota believes that consideration of the bill will not take long, and as chairman of the Banking and Currency Committee, which has reported the bill unanimously, I certainly believe so, too.

So I hope the bill can be passed during the call of the calendar if it is not considered and passed this evening.

Mr. LUCAS. Mr. President, will the Senator yield to me at this time?

Mr. McCARTHY. I yield.

Mr. LUCAS. If the bill to which the Senator from South Carolina has just been referring is not passed during the call of the calendar, then, following the call of a quorum, I shall request that the bill be considered after the call of the calendar.

Mr. WHERRY. Mr. President, will the Senator yield to permit me to ask a question?

Mr. McCARTHY. I yield.

Mr. WHERRY. Is the majority leader now asking that the calendar be called beginning at the point where the last call of the calendar was concluded?

Mr. LUCAS. I have not made that request as yet. I expect to make it either tomorrow or the next day.

Mr. President, will the Senator from Wisconsin yield further to me at this time?

Mr. McCARTHY. I yield.

Mr. LUCAS. I should like to say that I think there is some question as to when we can take up the rent control bill. However, following the call of the calendar on Thursday, it is my intention to have the Senate then proceed to the consideration of the rent control bill, which was reported today.

Following that, we shall take up House bill 6000.

I should like to talk with the Senator from Nebraska [Mr. WHERRY], the Senator from Ohio [Mr. TAFT], and other Senators on the Republican side of the aisle, with a view to trying to ascertain whether we can reach some sort of an agreement about a time limit on some of these measures in the hope that we may be able to adjourn at an early date. From my conversations with the Senator from Nebraska, the Senator from Ohio, and other Senators, I am satisfied that we can expect full cooperation from them along that line. Of course I am satisfied that my friend the Senator from Indiana [Mr. CAPEHART] would like to go home.

Mr. LUCAS subsequently said: Mr. President, will the Senator from Wisconsin yield so that I may make a further observation?

Mr. McCARTHY. I am glad to yield.

Mr. LUCAS. Mr. President, I think perhaps I made a slight error a moment ago in announcing that we would take up the rent control measure following the call of the calendar on Thursday. What I should have said was that we will take up the rent control bill tomorrow, following disposition tonight of the pending measure. Then, if we do not finish the rent control bill, it will be the purpose to lay that measure aside temporarily, and to call the calendar on Thursday.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HENDRICKSON. The Senator from New Jersey was out of the room when the distinguished Senator from Illinois made the announcement concerning the call of the calendar on Thursday. Did the distinguished Senator say at what point in the calendar we would start?

Mr. LUCAS. We will start at the point where we previously ended the call of bills to which there is no objection.

Mr. HENDRICKSON. I thank the Senator.

Mr. WHERRY. Mr. President, will the Senator from Wisconsin yield to me?

Mr. McCARTHY. I am glad to yield.

Mr. WHERRY. I should like to state to the majority leader that the minority will be glad to cooperate in working out a program, so that we can expeditiously dispose of pending legislation and then adjourn as soon as possible.

Mr. LUCAS. Mr. President, if the Senator from Wisconsin will further yield——

Mr. McCARTHY. I yield.

Mr. LUCAS. Let me say that I have a list of the measures which I believe should be considered; and at any time that it is convenient for the Senator from Nebraska and the Senator from Ohio or any other Members on the Republican side of the aisle to sit down with me and consider that matter, I shall be glad to do so.

Mr. WHERRY. Mr. President, if the Senator from Wisconsin will further yield——

Mr. McCARTHY. I yield.

Mr. WHERRY. I should like to say that I shall be glad to have a list of those measures, if the majority leader cares to submit one to us; and, in turn, we shall have a list of some measures which we wish to have the majority leader consider in connection with the program. I assure the majority leader that we shall do everything possible to cooperate in connection with the program which may be arranged for the Senate.

Mr. KILGORE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. McCARTHY. I yield.

Mr. KILGORE. I should like to inquire whether the majority leader is contemplating having the entire calendar called on Thursday, or having the call of the calendar begin at the point where the last call of the calendar was concluded.

Mr. LUCAS. The intention is to have the call of the calendar commence at the point where the last call of the calendar of unobjected-to bills was concluded.

Mr. KILGORE. Concerning one measure which appears on the calendar prior to that point, Senators who previously have objected to its consideration have reached a compromise about it, I understand. Therefore, I should like very much to have that bill taken up in connection with the call of the calendar.

Mr. LUCAS. If the Senator from West Virginia will refer to it on Thursday, in connection with the call of the calendar, I shall be very glad to include that bill in the request in regard to measures to be considered at that time. In other words, in the case of bills previously passed over on the call of the calendar, when we are certain that the previous objections have been eliminated, I shall be glad to have such bills included in the call of the calendar.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Chair inquires whether the Senator from Wisconsin will yield, to permit the Chair, in his capacity as a Senator, to make an inquiry of the majority leader.

Mr. McCARTHY. I yield.

The PRESIDING OFFICER. The Chair would like to inquire of the majority leader whether any action was taken at the meeting of the Democratic Policy Committee regarding having Senate bill 878, calendar No. 294, taken up by the Senate this afternoon. That bill provides certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930 prior to April 1, 1948.

Mr. LUCAS. No; no action was taken at the meeting of the Democratic Policy Committee regarding that measure, because it was indicated that there would be debate on it if we took it up. Under the circumstances, the policy committee did not agree that it would be desirable to take up that measure in place of others.

The PRESIDING OFFICER. The Chair thought he understood from which Senator on the other side of the aisle the objection came previously, and the Chair understood that the objection had been removed.

Mr. LUCAS. I shall be glad to be informed of that following the call of the calendar.

The PRESIDING OFFICER. The Chair understands that the majority leader now is saying that perhaps that measure will be taken up on Thursday, rather than this afternoon; is that correct?

Mr. LUCAS. That is correct.

The PRESIDING OFFICER. The Chair thanks the majority leader and the Senator from Wisconsin.

COMMUNISTS IN THE GOVERNMENT SERVICE

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

Mr. MUNDT. Mr. President, will the Senator from Wisconsin yield?

Mr. McCARTHY. I yield.

Mr. MUNDT. During the quorum call, I had an opportunity to examine the secret report which has been the basis of the discussion this afternoon. It seems to me that the facts therein stated are so startling and so significant that if they have not already been incorporated as a part of the RECORD, the Senator from Wisconsin might well include them in his remarks, because the report appears to be an official Government report, stamped with the official stamp of secrecy which the junior Senator from South Dakota has frequently seen before on State Department documents, as they have made their appearance from the inside of pumpkins on Maryland farms, I may say, so that the stamp is rather familiar to me. I think the Senator from Wisconsin would render the country a real service by at least making these facts and figures available to the public through the pages of the RECORD.

Mr. McCARTHY. I think that is an excellent suggestion. Mr. President, I ask unanimous consent that I be allowed to insert in the RECORD the material on the photostat, which starts at the top of page 29.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

While this does not apply to departmental personnel, the fact should be noted as demonstrating a further reliance upon FBI by the Department. Presumably, this check is made by FBI as a matter of accommodation, not of duty. No control is exercised by the Department over the investigation.

(c) It is important to note that the Department is entirely and practically exclusively dependent on FBI for the type of information which comes from surveillance, wide coverage, and the use of unusual methods of interrogation and investigation. CSA appears to have neither the experience nor the facilities to do that type of work and it is apparently not used by anyone in that type of work. FBI is the sole repository of such information, therefore, as the identity of Communist Party members, of sympathizers and fellow travelers, of espionage cases, and of undisclosed foreign agents.

(d) FBI has prepared a chart, now in the possession of ———, which purports to show a number of "agents," "Communists," "sympathizers," and "suspects" in the State Department as of May 15, 1947. The tabulation shows—

Agents	20
Communists	13
Sympathizers	14
Suspects	77

——— states that by July 12 (the date of my interview), the number had been reduced to the following:

Agents	11
Communists	10
Sympathizers	11
Suspects—about	74

Since a considerable number of the persons so characterized came with the interim agencies, such as FEA, OWI, and OSS, continued reduction in force might dispose of more of these.

Mr. MUNDT. Mr. President, will the Senator yield for a further question?

Mr. McCARTHY. I yield.

Mr. MUNDT. We were discussing the classifications as they appear on this secret report, at page 29. I call attention to the fact that they are listed in the order of their primacy, as agents, Communists, sympathizers, and suspects, so that apparently "agents" in this classification of the FBI, or of whoever made this report, is of even more serious significance than "Communists"; which would lead to the deduction that by "agents" it is indicated that there are actual agents of foreign governments in these capacities within the State Department, or were, at the time this report was made. I wonder whether the Senator from Wisconsin is in a position to comment upon that?

Mr. McCARTHY. The only comment I could make would be that in my opinion the chart from the FBI speaks for itself, and when the Federal Bureau of Investigation lists a man as an espionage agent, I am willing to abide by that. I do not think I would want to question it. If they say he is an espionage agent, I think we can be sure that he is.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from California?

Mr. McCARTHY. I yield.

Mr. KNOWLAND. Let us assume for the moment, even contrary to the Senator's statement, that all of these people are out of the State Department. Does the Senator not believe, in view of the information which was presented to the Senate today, that that, of itself, would not be sufficient to acquit the Senate of its responsibilities, because, if any of those people who were allowed to resign from the Department are now occupying critical positions in other executive agencies of the Government, they can be just as detrimental to the security of the country in such a position, and if they are employed in the UN, they can likewise be detrimental to the national security. So, the job will not be done until there has been such a follow-through as will determine whether those people are now occupying positions of public trust, if any of them are occupying such positions? Does the Senator not agree with that?

Mr. McCARTHY. I heartily agree with the Senator, and I may say that if the committee ever decides to make those names public, the Senator from California I am sure will be shocked to find out who the FBI has listed as agents of the Communist Party.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I am glad to yield to the Senator from Michigan.

Mr. FERGUSON. Is it not also true that the Senate resolution, which was unanimously adopted, called for an investigation by the Senate committee, not only of those in the Department, but of those who had been in the Department? So that what the Senator has placed in the RECORD today is very material, because it, at least on its face, discloses that there was something wrong in the Department in 1946 or 1947, whichever is the correct date of this report. Is that not correct?

Mr. McCARTHY. Yes.

Mr. FERGUSON. It is a question not only of those who are in the Department, but of those who have been in the Department.

Mr. McCARTHY. I agree with the Senator wholeheartedly.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. MUNDT. To me, one of the most significant phases of this secret report is the fact that on May 15, 1947, the proper State Department official was advised that the FBI chart showed 20 agents within the State Department. Agents are in a higher, more dangerous, classification on this chart than Communists. Agents, we are led to believe, are people who, the FBI feels, are espionage agents of a foreign country, obviously Russia.

Sixty days after the State Department officials were notified that there were 20 agents in the State Department, another report was issued, on July 12, saying that they had reduced the number of those agents by 9, and they were only continuing 11 known espionage agents on the payroll—60 days after they had been alerted. To me, that is a pretty good indication that, however it is done, the Congress and the country are going to have to rely upon someone other than this administration to weed the Communists and perverts out of official positions in the Government. If, after 60 days' notice by the FBI, they continue to keep 11 agents on the payroll, we can see that they are guilty of the same kind of carelessness as was so apparent in the cases of Alger Hiss, Henry Julian Wadleigh, and Judith Coplon, until public pressure grew so strong that this administration was forced to take action.

In connection with that, I should like to ask the Senator from Wisconsin whether he has noticed in this morning's issue of the Washington Post a story headlined "New group is to study loyalty files."

Mr. McCARTHY. No. If I may interrupt the Senator, I do not read either the New York Daily Worker or the Washington Post.

Mr. MUNDT. In all events, in the issue of the Washington Post for Tuesday, June 6, there is a headline which says "New group is to study loyalty files." It is apparently not an Associated Press, a United Press or an International News Service story, because it does not have any identification and it carries no byline; but I presume it is a story which the Washington Post believes to be true and behind which it places the credibility of the newspaper.

Mr. McCARTHY. That is not putting too much behind it.

Mr. MUNDT. It says:

> President Truman has decided to name a group of distinguished citizens to study the charges of Senator McCARTHY that there are Communists in the State Department.

That is the first paragraph. So far, so good. That would at least indicate that President Truman at long last recognizes there is some meat in the McCarthy charges, that he feels some way should be found for bringing the investigation to a satisfactory conclusion.

The disturbing part of this news story is the manner in which the Commission is supposed to be established, because if the formula is to be followed as suggested in this article in the Post, it would simply indicate that this is going to be another whitewash. In this land of realities we all know that the administration, obviously, and understandably, is reluctant to get caught with the charge verified that it has placed Communists in positions of importance in the Government. Even though it is forced to remove them, it is obviously going to try to keep that fact from the public.

Consequently, any committee which the President might appoint, even though it might eventually ease some of these disloyal persons and sexual perverts out of the Government, would do it under the mantle of secrecy. We expected to be kept informed of what was going on, when the committee is holding hearings on the Amerasia case, a case which is 10 years old; but the committee continues to hold hearings in secrecy to keep the country in the dark, issuing little political stump speeches at the end of each day's hearing to put the best possible face on the evidence received.

I think there is some merit in the idea of having a commission appointed to supersede or override the so-called Tydings committee, to try to get at the heart of the evidence, to have access to the files which have been denied to the Tydings committee for some strange reason. But I should like to say, also, that I do not believe the country or the Congress is gullible enough conceivably to have any confidence in any kind of a committee investigating the administration, if the administration itself selects it.

That, obviously, is not the proper way to do the job. If there is a sincere desire, and I think there is, to get down to the facts in the case, if there is a sincere attempt to do that thing which was so piously and hopefully expressed by a number of my colleagues on this side of the aisle last week when they represented themselves as speaking for the conscience of the Senate—if that is what we want, and that certainly is what I want—there is one simple, understandable, realistic way to do the job, and that is to appoint a commission with an equal number of Republicans and Democrats——

Mr. THYE. Mr. President, will the Senator yield?

Mr. MUNDT. In just a moment.

We should have a commission with an equal number of Republicans and Democrats, two or three or five from each party with the President and his advisers naming the Democrats, and the Republican leadership naming the Republicans. There are prominent citizens on the Republican side in whom the Republican side has confidence, and there are prominent citizens on the Democratic side in whom the administration has confidence. Then, if the facts are placed before them and the files are opened, the junior Senator from South Dakota believes that the citizens selected by both parties will be patriotic, big, and fine enough to come out with a unanimous report which would be accepted by the country. That is the way to do it if we are not going to play politics, rather than to come in with this trumped up idea that the President is going to select three important persons, because, if they are selected by the President, they are beholden to him, and the country will realize it before they are named.

Mr. FERGUSON and Mr. THYE addressed the Chair.

The PRESIDING OFFICER (Mr. WITHERS in the chair). Does the Senator from Wisconsin yield; and if so, to whom?

Mr. McCARTHY. I yield to the Senator from Minnesota.

Mr. THYE. Mr. President, if the Senator from Wisconsin will permit, I should like to address a question to the junior Senator from South Dakota. We have confidence in the men who are serving on the committee today, both on the Republican side and on the Democratic side, and all that is now necessary is for the President to open the files and say, "Here are the files. The FBI will answer the questions you may direct to answer." If that were done, our fears would be allayed, as would the fears of the general public. I believe the Senator from South Dakota will agree with me that the men elected by the voters of the United States to seats in the Senate and taking the oath of office as United States Senator have just as much right to the confidential content of a file in the possession of the FBI or in the possession of the Attorney General as has any filing clerk employed in the Department, who has free access to the files; in fact, such clerks recopy and reclassify the files from day to day and from month to month. If they have that right of access to the files, certainly a Member of Congress, elected to office by the people of the Nation, taking an oath of office to uphold the Constitution, has a right to the files.

I have suggested, not only on the Senate floor, but to the President, that there be made available to the committee the files in order that my fears, the fears of my colleagues, and the fears of the public in general may be allayed by the knowledge that the committee which has been charged by resolution of the Senate with the responsibility of getting the facts, has access to all the files. I have made statements with reference to the charges and the countercharges, and the denials of charges, and I have said I believed we were running in a vicious circle. There is only one way to get to the bottom of the matter, and that is for the President to open the files and make them available to the committee which is charged with the responsibility of obtaining the facts. New committees can be appointed, but they cannot obtain the facts except when the files are open to them.

So I say to the junior Senator from South Dakota that committees can be appointed, but they will not be able to serve any better than does the committee which is now headed by the Senator from Maryland [Mr. TYDINGS], with the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Massachusetts [Mr. LODGE] on the Republican side, and the other honorable members on the Democratic side. I have in them all the confidence that a man could have. They would do the job if they were permitted to have the facts, and they can have the facts only if the files are made available to them. The counsel on the majority side and on the minority side are qualified to determine whether anything

has been deleted from the files or whether any parts have been taken away or reclassified. If there is any part absent, the fact should be brought to the attention of the committee in order that it may know what is in the files.

I should like to say to the distinguished junior Senator from Wisconsin that my remarks concerning this entire investigation were primarily made upon the basis of the start of it. He has performed a service to his country and to his State by what he has done. However, if we continue with this vicious circle, we shall only confuse and destroy. We shall destroy confidence in a governmental body of our Nation. If we do that, we shall destroy ourselves. We would destroy ourselves in the respect that foreign countries would not have the confidence in us which they had at the end of the war. So I certainly hope the President will reconsider his stand on the files and say to the committee, "You are honorable men, and surely I can place you on your honor not to disclose any of the facts you may note or read in these files." If the President will do that, this question can be resolved in the matter of time required by the committee members to read the records and the files. The President can name as many committees as he chooses. However, until he opens the files he will not allay the fears of the people of the country.

Mr. MUNDT and other Senators addressed the Chair.

The PRESIDING OFFICER (Mr. WITHERS in the chair). Does the Senator from Wisconsin yield; and, if so, to whom?

Mr. MUNDT. Mr. President, may I answer the question of the Senator from Minnesota?

Mr. McCARTHY. May I take just 2 minutes?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield?

Mr. MUNDT. The Senator from Minnesota asked me a question.

The PRESIDING OFFICER. Does the Senator yield?

Mr. McCARTHY. No. I should like to take 2 minutes at this point to add some information.

The PRESIDING OFFICER. The Senator from Wisconsin declines to yield.

Mr. McCARTHY. Let me add some other information before the Senator from South Dakota answers the question of the Senator from Minnesota. The Senator from Minnesota said that all we need do is to make the files available to the present committee. He said he has unlimited confidence in that committee. Before the Senator from South Dakota answers the question he should have a bit of history, which is all a part of the record. When the committee first began holding its hearings I asked for the right to cross-examine witnesses. That is a right which has been accorded to Senators for a hundred or a hundred and fifty years. It is a Senate practice. I explained to the committee that when they call before them men like Lattimore, Browder, or Field, no matter how potentially brilliant they are at the art of cross-examination, unless they have someone present who had been studying this subject and who had a complete picture of the background of the individuals who appeared as witnesses it would be impossible intelligently to cross-examine them. I said if they would let me cross-examine men like Frederick Field, the self-proclaimed leading Communist, and have him bring his financial records to the hearing, either he would indict himself or perjure himself. I said if they would let me cross-examine him or others like him I could develop information of value to the committee. The committee by a split vote of 3 to 2—the Democrats voting against the suggestion and the Republicans for it—decided that I could not cross-examine witnesses. At that time I seriously thought of breaking off any further contact with the committee, believing that they were not interested in getting the facts. However, I felt that perhaps it was merely a difference of opinion and I should continue to go along with them. The chairman assured me that, even though I could not cross-examine witnesses, I could at least sit in on the hearings when witnesses whom I had brought to testify were being examined. That is important, Mr. President, because it is pretty hard to get witnesses to appear before a Senate committee, as most Senators realize. I went into the hearing room. Who should be sitting there but Porter and Lattimore. Porter was Lattimore's counsel. I met the Republican counsel leaving the room. I said, "Bob, are you not going to remain here? This is going to be quite important."

"No," he said, "the committee chairman excluded me."

The chairman had said that the Republican counsel must leave the room. He said, however, that he would allow Lattimore and his counsel, Mr. Porter, to remain in the room. The committee chairman had decided that I could not stay in the room either. So Mr. Lattimore and Mr. Pawley——

Mr. KNOWLAND. Does the Senator mean Mr. Porter, instead of Mr. Pawley?

Mr. McCARTHY. I am sorry. I mean Paul Porter. I thank the Senator for correcting me. Upon the insistence of the Senator from Iowa [Mr. HICKENLOOPER]—the Senator from Massachusetts [Mr. LODGE] was not present—they finally ejected Mr. Lattimore and his counsel, Mr. Porter. Again, I thought it was hopeless to continue with the committee. However, I decided to proceed. The next development was that when a witness gave facts which would disclose Communists, his testimony would be given in secret. However, men like Browder and Field, who would say there were no Communists in Government service—and quite obviously they would say that—were permitted to testify in public. The other day we had the situation develop in which a witness was heard in secret—it was the Government attorney, Robert Hitchcock—and the portion of his testimony which amounted to a whitewash was given to the press. The portion which was developed under cross-examination—and that is rather interesting testimony—was kept secret. That was another step. Three or four weeks after I requested it Mr. Bielaski was called. He was the man who made the raid on the Amerasia office. I requested that his immediate superior, Archbold Van Beuren, be called. I also suggested that General Donovan, the head of the OSS, be called. I knew that they could shed a great deal of light on the unusual facts in the Amerasia case. What happened? Mr. Bielaski was called and he gave his testimony. I believe that testimony would startle and disturb any normal American. Then, instead of calling Mr. Archbold Van Beuren—and I ask Senators to listen to this—the committee sent two of their investigators, Mr. Tyler and Mr. Heald, to New York, to interview Archbold Van Beuren. They came back and announced that he would not be called as a witness. That was very unusual, because we knew of the valuable testimony he could give. I sent Mr. Van Beuren a wire and asked him what had happened. I asked him if he had refused to come down to Washington to testify, and I asked him what the attitude of the two investigators was. He sent me a wire in reply, and the wire has been put in the RECORD. I am sure the Senator from Minnesota was not here on the day that I put the telegram into the RECORD. This wire was to the effect that the two young men who contacted him were particularly interested in finding out whether he would say anything which would repudiate the testimony of Mr. Bielaski. Mr. Van Beuren was Bielaski's superior. He also said that they had not asked him anything at all about the importance of the stolen documents. He told them that not only did he feel that the stolen documents in unauthorized hands were a threat to our national security, but he told them that he would supplement Mr. Bielaski's testimony. He told me in his wire that he could testify why General Donovan felt those documents were so important that he personally delivered them to the Secretary of State, or the Attorney General. I forget which one it was. He said in his wire that the two young men seemed to be interested more in getting him to testify to something which would repudiate Bielaski than to get evidence in the Amerasia case. He said, "When I would not so testify they said they did not want me."

Mr. MUNDT. May I suggest that the Senator's 2 minutes have expired?

Mr. McCARTHY. This is in connection with the statement of the Senator from Minnesota that he is satisfied with this committee. After the wire was made public, however, the public——

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Minnesota?

Mr. McCARTHY. No. After the wire was made public, and public pressure was put on the committee, they decided to call Mr. Archbold Van Beuren.

As I told them, we have over 20 witnesses whom we should like to have called. However, I said it would be senseless to subject those witnesses to the type of horseplay to which Mr. Van

Beuren had been subjected, or to the type of abuse to which Mr. Budenz had been subjected. So that we have reluctantly arrived at the position that it is almost hopeless to try to force-feed the committee with proof. The Senator says he is satisfied with the committee. I want to make it very clear that I am completely dissatisfied with the committee. I now yield to the Senator from South Dakota.

Mr. MUNDT. Let me say first of all that the Senator from South Dakota is not rising to the defense of the procedure of the so-called Tydings committee. Like, I dare say, a vast majority of the Members of the Senate, I have been badly disappointed and disillusioned by the spectacle presented by the committee of the way in which they have been operating.

I think it is utterly unjustifiable for a Communist like Browder to show his contempt before the committee all afternoon, and then have the committee fail to measure up to the stature of Senators by citing him for contempt. We brought the matter up in the Senate the next day. The Democratic Senators of the committee said, "We are going to cite him for contempt. Just give us 24 hours, 48 hours, 72 hours." Now almost a month has elapsed, and Mr. Browder has not been cited for contempt at all, no action has been taken.

His accessory in the crime, Mr. Field, has also insulted the committee, and also subjected the committee to contempt, and also remains entirely free, moving around the country showing what suckers he made out of the Senate committee.

So I have been disappointed, bitterly disappointed, in the way the committee has functioned. But, like the Senator from Minnesota, I have confidence still in the personnel of the committee. I have known all five of the members intimately. I have respect for their basic patriotism. I confess I am at a loss to know why the Democratic members simply seem dedicated to the proposition that these charges must be whitewashed, rather than dedicated to the proposition that they must be analyzed and the facts disclosed.

I do concur with the Senator from Minnesota that, regardless of what kind of a committee there is, or what kind of a commission is chosen, unless we get the facts and the files and the records, we are never going to know what the honest answer actually is and the country can never be sure the Communists have been eliminated from high offices. I certainly would have confidence in the report of the committee as it now is comprised, if it came back to us with a unanimous report, and if the members had had access to the facts and the files.

I should like to point out that, while the Senator from Minnesota has confidence in the personnel of the committee, and while the junior Senator from South Dakota has confidence in the personnel of the committee, the President of the United States shares with the Senator from Wisconsin a complete lack of confidence in the personnel of the so-called Tydings committee.

I should like to point out that it is not the Senator from Minnesota or the Senator from South Dakota, but it is the President of the United States now suggesting that they have to take away from the Tydings committee the functions assigned to it by the unanimous vote of the Senate. It is the President of the United States who now repudiates the Tydings committee, who now expresses a complete lack of confidence in its Democratic members, who control the committee, because the President suggests according to this news story in the Post he is going to trump up a new committee, selected carefully by him, beholden to him, chosen by him, to investigate whether or not he is guilty of permitting Communists to enter or remain on the Government payroll.

This fact certainly stands out as clearly as a wart on a South Dakota pickle, that if there are Communists in the State Department today, or in the Government, those Communists got there under the administration of Harry S. Truman or the administration of Franklin D. Roosevelt, one or the other. No Republican President put them in. They scarcely could have lived long enough to date back to a Republican President. [Laughter.]

Alger Hiss was the creature of the New Deal, an appointee of the administration now in charge, if we recognize it as the continuing one of Mr. Roosevelt as President and Mr. Truman as Vice President. Alger Hiss was appointed by the Roosevelt administration.

Henry Julian Wadleigh, who confessed to his crime, said, "Yes, I was an espionage agent. I was associated with Alger Hiss." He went to the New York trial and turned State's evidence, and testified against Alger Hiss. He was appointed by the Truman administration.

Carl Aldo Marzani, who is now in the Federal penitentiary—cannot vote for the administration next time because he is in the penitentiary—was appointed by the Truman-Roosevelt clique. He, too, is a product of the New Deal.

Judith Coplon, convicted twice, was appointed by the Roosevelt-Truman administration.

Last week—or this, I do not know which—William K. Remington, and a fellow by the name of Michael Lee, were pushed out of the Government under a cloud of questions concerning their patriotism, loyalty, or something so serious that Secretary Sawyer said, "I am going to remove them summarily on my own authority. Both were appointed to the Government service either under Mr. Roosevelt or Mr. Truman, so here again the Republican Party cannot be held responsible for any Communist connections which they may have had.

How utterly silly do those in the White House think the American public really is to believe that the facts will be disclosed, with that kind of record, with the President on record saying that communism in Government is just a "red herring," with the President having written to former Governor Earle, of Pennsylvania, that he considers communism in America just a "bug-a-boo"? How in the world do the people of America think we are going to get at the facts if the White House, which brought the Communists in, is now to be permitted to appoint a new commission to tell the public whether there are Communists still there or not? Does anyone really believe the White House is going to condemn and convict itself?

I desire, as does the Senator from Minnesota, an honest investigation. I want an answer which, at the end of the road, will satisfy everyone in America, Republican and Democrat and Independent. I want to make sure that at long last we have gotten all the facts.

If the present committee, the Tydings committee, can recapture the confidence of the White House to such an extent that the White House will permit it to see the files, or if the White House is willing to appoint an unhampered commission equally divided politically and honestly and properly selected and if the President will give the files to that committee, and the committee brings back a unanimous report, I think the country will accept it.

If the President of the United States, however, insists on sharing with the Senator from Wisconsin his distrust of the Tydings committee, and refuses to give them the facts and to give them the files, then I suggest this easy, simple, understandable, realistic alternative formula. Let the President say, "We will set up a commission of citizens. We will have eight on the commission. The Democrats will pick four, the Republicans will pick four. They will be given the files, and when they report, I am sure the public will accept their report." If that is done, it will take this matter out of politics, and there cannot be a whitewash. If the President does not have enough confidence in the Tydings committee to give it the files, I submit that the sooner he is willing to give to the country through a bipartisan commission, on which the Republicans choose their representatives, and he chooses his, the more quickly we can get this case out of the headlines and get down to the hard facts, which the country is yearning to have.

Mr. THYE. If the Senator will yield, I am happy to hear the junior Senator from South Dakota say that unless the President opens the files, it matters not whom he appoints. If they did not have access to the full and complete files, they could not serve any better than do the members of the present committee.

The Senator from Wisconsin will agree with me, I am sure, when I say that the members of the committee, including their counsel—and I know the counsel on the minority side of the committee—will be compelled to determine whether the files are complete or not; and they could make a more complete digest of the files than a man who had no training.

I am sure the Senator from Wisconsin will agree with me that if the President makes the files available not only to the committee but to the committee counsel, the Senator from Wisconsin would have confidence in the ability of the committee and in the type of report the committee would make. At least I am sure he would not deny that they are honorable men, and ably qualified, and if they made a report upon a full investigation, having had the complete files before

them when they made the investigation, they could report not only to this congressional body, but to the people of the United States, as to what the situation was, so far as disloyal and other unworthy employees within the Federal Government were concerned. But if a new committee were named, and they were treated in the same manner in which the present committee has been treated, so far as the files are concerned, they could not report to us any more fully than could the present committee.

Mr. McCARTHY. Mr. President, I agree with the Senator in some of the things he has said.

It seems to me rather fantastic to read announcements that some new board of civilians will be appointed, who will have complete access to the files. I do not know why the President would trust some of his civilian employees with more material than he will trust to the present committee.

I wonder if the Senator from Minnesota is aware of the fact that none of the Senators who are examining the files can even take notes even though some of the files are as much as 4 or 5 inches thick, with hundreds of names in them?

Mr. THYE. Yes, I am aware of that; and it was for that reason I said that surely the President can put those Members on their honor and make available to them the full files, the full contents of the files, in order that the Members may know and may obtain that which they are seeking. It was for that reason I said the President should trust those men on their honor to examine the files in their full content.

I knew that request had been made of the Members not to make notes; that they could only examine the files and walk out, trusting that their memories were good enough to serve them respecting what was in the files. It was for that reason I said that I thought the President had been in error, that he had not shown the Members of Congress the courtesy to which they are justly entitled. Because of the fact that the people of this Nation has elected them, and that they have taken the oath of office to uphold the Constitution, they should be permitted to look at those files, and trusted as much as an employee, who has full access to the files, is trusted.

Mr. McCARTHY. I agree with the Senator wholeheartedly that, No. 1, unless the files are given to the committee, or some other committee, we can never have an intelligent report, and, No. 2, it is rather senseless to talk about giving some other committee the complete files and not entrusting them to the present committee.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. FERGUSON. The Senator has had on the floor photostatic copies of page 29 and part of page 30 of a report.

Mr. McCARTHY. Yes.

Mr. FERGUSON. There is a date on the photostatic copy. I wonder whether that matter was put officially into the RECORD.

Mr. McCARTHY. Yes; I placed it in the RECORD.

Mr. FERGUSON. I want to ask another question. On top of page 30 we find a blank, a name which has been crossed out.

Mr. McCARTHY. Yes.

Mr. FERGUSON. It says:

——— states that by July 12 (the date of my interview) the number had been reduced to the following—

Then he goes on with the number 11 for agents, Communists 10, sympathizers 11, and suspects 74.

Is the Senator familiar with the fact that the United States Senate and the House passed the McCarran amendment which gave to the Secretary of State absolute discretion to discharge anyone from the State Department without cause, that is, without trial, that the bill was H. R. 6057, which was approved July 5, 1946? So from July 5, 1946, until July 12, either 1946 or 1947—and as indicated by the date on the photostatic copy, or, I would say, from the report, it would indicate that it was 1946—the Secretary of State had the right to remove all these persons, whether they were individual loyalty risks or not, and that there would have been no question raised as to their loyalty had he removed them, because he could remove them for any reason whatsoever if in his opinion their retention was detrimental to the United States of America.

Mr. McCARTHY. I agree with the Senator wholeheartedly. There is no question about the fact that the Congress had given the Secretary of State the power to take care of a situation just like this. He did not exercise that power. There is no question about that.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. MUNDT. I should like to pursue my colloquy with my friend from Minnesota, because we find ourselves in agreement, No. 1, on the fact that the Senator from Wisconsin has rendered a public service in bringing this matter to the attention of the country. Certainly that is illustrated by the fact that the Amerasia case is finally being ventilated, and there is some hope that the public may know what actually occurred in it, whereas it had previously been successfully buried, before the Senator from Wisconsin started his current campaign.

I agree also that if we could get the files in the hands of the present committee we could then rely upon any unanimous report, if it were forthcoming from the committee.

The Senator from Minnesota knows, as does the Senator from South Dakota, that the President has refused to give the files to the committee. In view of that fact I wonder what the Senator from Minnesota would suggest as our next step as Members of the Senate in order to work this thing through to an orderly and satisfactory conclusion?

Mr. THYE. Mr. President, if the Senator would yield to me——

Mr. McCARTHY. I yield.

Mr. THYE. On April 3, in this Legislative Chamber, I said that the fears of the American people would never be allayed until such time as they knew that the files had been opened for examination by the committee upon whom the resolution placed the responsibility for making the examination. I said that previously and I have said it many times since.

Mr. MUNDT. I understand the President says "no." Where do we go from here?

Mr. THYE. My only thought— and I am sure I share the thoughts of all Senators—is that the whole purpose of our colloquy on the floor this afternoon is in the hope that the President may reexamine his own actions of the past few months, and that from such reexamination we may make a new start. My only hope, in the comment I made and in my support of certain statements that were made here on the Senate floor, was that we all should reexamine what we have endeavored to do, and what we have achieved in the past few months, insofar as loyalty in Government is concerned; that we may make a new start; that we may achieve our objectives with a minimum of involvement of those who may be innocent persons, and that at least we will not have a smudge over our entire Federal Government and over our entire State Department for an indefinite period, because that would be very injurious to our prestige as a Nation in the eyes of the peoples of the world. It is my hope, that while we are discussing the matter here today we might in some manner draw not only the attention of the country to the question, but also the attention of the President of this Nation, so that we might make a new start in our attempt to get the facts, which cannot be gotten unless the files are disclosed.

Mr. MUNDT. The Senator uses the first personal collective pronoun "we." If the Senator is talking about the Senators, I would certainly do everything I could in order that a new start can be made. I agree with the Senator's analysis of the problem, but we get back to the fact that unless we succeed in making the files available to the committee we are stymied. The matter will then have to be discussed publicly and the court of public opinion will have to decide it.

It seems to me the upshot of the Senator's argument is that unless the President of the United States makes these files available to the committee, or cooperates with both sides of the aisle in the United States Senate for the creation of a new commission in which confidence enough can be reposed so that the President will make the files available to its members—unless either one of those two things occurs, then I assume the Senator agrees the President must accept responsibility for the fact that this situation cannot be satisfactorily concluded.

Mr. THYE. No one could be responsible for that except the man who has control of the files, and who denies the legislative committee the right to examine the files, or who may deny them to some responsible commission which may in the future be named, and which will have the responsibility of examining the files. No one can examine the

files unless the President himself may choose to permit him to do so.

Mr. MUNDT. That is correct. The President has assumed that full authority.

Mr. THYE. For that reason there can be only one individual responsible in the ultimate end, providing that the files are kept closed to either congressional committees or some commission that may be formed in the future. That one man is the President.

Mr. MUNDT. That settles the question of pronouns to my entire satisfaction.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield.

Mr. CAPEHART. I want to ask the Senator a couple of questions about the "conscience group." Their conscience dictated to them to do—what? That the Senator drop the investigation? That the President of the United States show the files? Just what did their conscience dictate to them?

Mr. McCARTHY. Let me say that I have a great deal of respect for some of that group. I frankly would rather not discuss it.

Mr. CAPEHART. Let me ask the Senator whether they want him to stop the investigation, whether they want the President to show the files to the American people, or whether they want a new committee to be appointed. Just what do they want?

Mr. McCARTHY. Frankly, I do not know. So far as I am concerned, I will continue to do the best I can, in the best way I can.

SENATOR LANGER'S RECORD ON THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. LANGER. Mr. President, recently some paid political advertisements have appeared in the Grand Forks Herald, the Fargo Forum, the Devils Lake Journal, and possibly other newspapers, stating that I had nothing to do with the bringing of REA to our State.

Just why these attacks are made at a time when I am not even a candidate, is anyone's guess; but I think it is being done to hurt the Nonpartisan League, which is directly responsible for the bringing of rural electricity to North Dakota, as I was the Nonpartisan Republican Governor who signed the bill creating REA in our State. Evidently those making these attacks are inserting these political advertisements, believing they will hurt the League ticket which is headed by Tom Thoresen for United States Senator; Usher L. Burdick and Martin Stenehjem, for Congress; and Frank A. Vogel, for Governor, as all of these men are openly for public power owned by the people, and are against the private monopolies. These men believe that a farmer should get electricity at cost, and not to be bled white by a power company, after the Government builds a dam.

In November 1948, Mr. Richard A. Dell, regional head of applications and loans division, Rural Electrification Administration, and I, traveled all over North Dakota, speaking to thousands of people to answer these false and malicious and unwarranted charges.

Mr. President, I am writing a letter to the people of North Dakota, and with the letter I am enclosing a copy of a speech, made by me on the floor of the Senate entitled "I Bring My Record on REA to Your Attention," being an answer to a letter written by Mr. P. K. Mastel, former coordinator of the Kem Electric Cooperative, Inc., Linton, N. Dak.

I may add that in 1940, in 1941, in 1942, in 1943, in 1944, in 1945, in 1946, in 1947, in 1948, and again in 1949, time and time again I made speeches on the floor of the Senate in favor of rural electrification; and later I was publicly commended by Claude Wickard, head of the REA, for my outstanding service to rural electrification in North Dakota. Up to this time $90,000,000 has been loaned in North Dakota, with only the four States of Texas, Missouri, Minnesota, and Iowa receiving REA funds which total more than those North Dakota has received. By December 1950 I believe North Dakota will rank No. 1, in proportion to population, in terms of the number of farmers getting electric light and power.

I say to the people of North Dakota that if they will back me up, we will help them to get rural electrification light and power in North Dakota at cost.

Mr. President, let me add that I am sending this letter to the people of North Dakota in order to keep the record straight including a previous speech entitled "I Bring My Record on REA to Your Attention," to prove to them that political advertisements inserted by political opponents sometimes simply do not tell the truth.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. Do I correctly understand that the pending question is on agreeing to the amendment proposed by the distinguished Senator from Delaware [Mr. WILLIAMS]?

The PRESIDING OFFICER. That is correct.

Mr. ELLENDER. Mr. President, I shall not take long to discuss the amendment, except to say that should the Senate adopt the amendment, in my opinion, it would deal a mortal blow to the present farm program.

The purpose of the amendment of the Senator from Delaware is to strike from the bill the entire authorization of $2,000,000,000 which we now are seeking, and to strike from the bill paragraphs 1 and 2 under paragraph (d) of the bill enacted last year, known as Public Law 439.

Included in section 101 of the Agricultural Act of 1949—Public Law 439—Eighty-first Congress—which was approved by the President on October 31, 1949, are the following provisions:

(c) For tobacco, if marketing quotas are in effect, the level of support shall be 90 percent of the parity price.

(d) Notwithstanding the foregoing provisions of this section—

(1) If producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be 90 percent of the parity price for the 1950 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect;

(2) if producers have not disapproved marketing quotas for such crop, the level of support to cooperators shall be not less than 80 percent of the parity price for the 1951 crop of any basic agricultural commodity for which marketing quotas or acreage allotments are in effect.

Elimination of these provisions from the Agricultural Act of 1949 would mean that for the years 1950 and 1951, producers of the basic crops—cotton, corn, rice, wheat, tobacco, and peanuts—would receive Government price support based on the sliding-scale formula in section 101, ranging from 75 to 90 percent. With respect to the 1950 crop in particular, the Government would be repudiating its promise of a 90 percent price support to producers of the basic crops—a promise that has been on the statute books since October 31, 1949. We would be repudiating that promise at a time when the farmers have already planted their crops or have made arrangements for planting them.

As I pointed out yesterday, due to the lack of funds by Commodity Credit Corporation, no 1950 price-support programs for the basic crops have been officially announced by the Secretary of Agriculture up to this time, but to the farmers, this official announcement is a mere formality. All of them have accepted the program written into the 1949 Agriculture Act as definite and binding, and have made their plans for 1950 plantings on the basis of a 90 percent support price.

Acreage allotments have been announced by the Secretary of Agriculture for 1950 on rice, corn, and wheat; acreage allotments and marketing quotas have been announced for 1950 on peanuts, cotton, and certain kinds of tobacco. All of the marketing-quota programs have been submitted to the farmers by referendum vote and approved by over two-thirds of the producers voting with respect to each crop.

Cotton plantings have already been completed in the lower half of the cotton belt—April 15 is the average date at which the lower half of the Cotton Belt has completed planting—and progress has been made in the upper half of the belt. Winter wheat for the 1950 crop has been planted since last fall. Most of the rice acreage has been planted, and peanuts have either been planted or are in process of being planted. Tobacco farmers have already planted their seed stock, preparatory to setting the plants out in the fields. The corn crop is planted in the major producing areas. Even the farmers who have not actually planted their 1950 crops will be seriously affected if the 90-percent parity support

price is knocked out. All of these farmers have made their plans for 1950: They have bought seed and fertilizer, leased land, borrowed money, arranged for farm labor, and in many instances, prepared the land for planting.

Mr. President, I hope the Senate will not adopt the pending amendment.

During the debate earlier this afternoon, the distinguished Senator from Delaware produced certain figures to show the losses sustained by the Commodity Credit Corporation. I shall not consume the Senate's time to answer those charges, but I ask unanimous consent to have inserted in the RECORD at this point a statement pointing out the facts with respect to the matter—a statement made by Mr. COOLEY, chairman of the House Agricultural Committee, on March 31, 1950. It appears in the CONGRESSIONAL RECORD of March 31, 1950, at pages 4522 to 4526.

Mr. WILLIAMS. Mr. President, I understand the Senator from Louisiana has asked unanimous consent to have inserted in the RECORD a statement by Mr. COOLEY.

Mr. ELLENDER. That is correct. I ask unanimous consent that the statement may be printed in the RECORD following my remarks.

Mr. WILLIAMS. Mr. President, I want to say to the Senator from Louisiana that if he wants to take exception to any of the figures I have placed in the RECORD, now is the time to do it, and he should do it himself. If he does not want to take exception to them, there is no point in inserting in the RECORD a statement by someone else. I will stand upon the accuracy of every figure I have placed in the RECORD. I obtained the figures from the Department of Agriculture and the Bureau of the Budget. I think it is true the Secretary did write to me, saying he thought there was a mistake made in the letter I wrote. He thought something in a question I asked in an effort to obtain the figures was somewhat misleading. I want to read the question I asked the Bureau of the Budget:

> Would you please furnish me——

Mr. ELLENDER. Mr. President, I had not completed my remarks.

Mr. President, I desire to ask unanimous consent to have printed in the RECORD the statement by Mr. COOLEY, and I should like to call the attention of the distinguished Senator from Delaware to the fact that the statement is self-explanatory, that the figures submitted by Mr. COOLEY were the figures furnished him by the Commodity Credit Corporation. Does the Senator object?

Mr. WILLIAMS. Mr. President, reserving the right to object, I may say to the Senator from Louisiana I have no faith whatever in the figures of the Commodity Credit Corporation. I have stated that time and again. The Bureau of the Budget confirmed the statement I made. The Secretary objected to it. He said there was something misleading in the question I asked. I want to read the question to the Senator from Louisiana, to see whether he thinks it is misleading.

Mr. ELLENDER. Mr. President, I withdraw the request.

Mr. WILLIAMS. I should like to complete the reading of this question, which the Secretary of Agriculture said was misleading. This was when I got the information that this program had cost several billions of dollars during recent years. I asked Mr. Frank Pace, Jr., who was the top official of the Bureau of the Budget at that time:

> Would you please furnish me at the earliest possible date the net results, from a taxpayer's standpoint, of the operations of the Commodity Credit Corporation since its inception in 1933 to the latest date you have available.

The only thing misleading about it is that for 20 years no one in the Congress had ever asked about the cost of the program, from the taxpayers' standpoint. The answer of the Bureau of the Budget was that it had cost $3,890,891,170.

Mr. ELLENDER. Mr. President, may I inquire whether the Senator from Delaware objects to the inclusion in the RECORD at the conclusion of my remarks, of the statement made by the chairman of the Committee on Agriculture of the House of Representatives, Mr. COOLEY?

Mr. WILLIAMS. Yes; I object. If anyone wants to take exception to any of the figures I have placed in the RECORD, I should be glad to have him do it right here.

Mr. ELLENDER. I was simply seeking the truth, and seeking to put the truth in the RECORD.

Mr. WILLIAMS. The truth is in the RECORD.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Martin
Brewster	Holland	Maybank
Bricker	Ives	Mundt
Butler	Johnson, Colo.	Murray
Byrd	Johnson, Tex.	Neely
Cain	Kefauver	Pepper
Capehart	Kerr	Robertson
Chapman	Kilgore	Russell
Connally	Knowland	Saltonstall
Cordon	Langer	Smith, N. J.
Donnell	Leahy	Sparkman
Dworshak	Lehman	Stennis
Ecton	Lodge	Taft
Ellender	Long	Thomas, Utah
Ferguson	Lucas	Thye
Flanders	McCarran	Tobey
Frear	McCarthy	Tydings
Fulbright	McClellan	Watkins
George	McFarland	Wherry
Green	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Magnuson	Young
Hill	Malone	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Delaware [Mr. WILLIAMS], for himself and other Senators. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

I announce further that, if present and voting, the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from South Carolina [Mr. JOHNSTON], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Idaho [Mr. TAYLOR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate. If present and voting, the Senator from Iowa [Mr. HICKENLOOPER] would vote "nay."

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] who is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy; is paired with the Senator from Wisconsin [Mr. WILEY] who is absent by leave of the Senate. If present and voting, the Senator from Maine would vote "yea," and the Senator from Wisconsin would vote "nay."

The Senator from Oregon [Mr. MORSE] is detained on official business, and if present and voting would vote "nay."

The result was announced—yeas 18, nays 50, as follows:

YEAS—18

Aiken	Frear	Robertson
Brewster	Hendrickson	Saltonstall
Byrd	Ives	Smith, N. J.
Cain	Knowland	Tobey
Ferguson	Lodge	Watkins
Flanders	Martin	Williams

NAYS—50

Bricker	Johnson, Colo.	Malone
Butler	Johnson, Tex.	Maybank
Capehart	Kefauver	Mundt
Chapman	Kem	Murray
Connally	Kilgore	Neely
Cordon	Langer	Pepper
Donnell	Leahy	Russell
Dworshak	Lehman	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Taft
Fulbright	McCarran	Thomas, Utah
George	McCarthy	Thye
Green	McClellan	Tydings
Hayden	McFarland	Wherry
Hill	McKellar	Withers
Hoey	McMahon	Young
Holland	Magnuson	

NOT VOTING—28

Anderson	Gurney	O'Conor
Benton	Hickenlooper	O'Mahoney
Bridges	Humphrey	Schoeppel
Chavez	Hunt	Smith, Maine
Darby	Jenner	Taylor
Douglas	Johnston, S. C.	Thomas, Okla.
Downey	Kerr	Vandenberg
Eastland	Millikin	Wiley
Gillette	Morse	
Graham	Myers	

So the amendment offered by Mr. WILLIAMS for himself and other Senators was rejected.

Mr. AIKEN. Mr. President, on behalf of the junior Senator from Iowa [Mr. GILLETTE] and myself I offer an amendment which I ask to have stated. Inasmuch as the amendment was not prepared in time to be printed I have had mimeographed copies made, which are available to Senators who desire them.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 4. (a) Section 416 of the Agricultural Act of 1949 is amended by (1) striking out "at the point of storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage," and inserting in lieu thereof "under such terms and conditions as the Secretary deems appropriate and in the public interest (including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section)": and (2) inserting before the period at the end of the section a semicolon and the following: "fourth, to international welfare organizations in which the United States participates, for the assistance of needy persons outside the United States. In the case of disposition to private or international welfare organizations for the assistance of needy persons outside the United States the transportation and handling costs to be borne by the Government shall be limited to movement of the commodity to ship's side at the port of shipment."

(b) The Secretary of Agriculture and the Commodity Credit Corporation may make Mexican canned meat and meat products acquired in connection with foot and mouth disease programs available under such terms and conditions as the Secretary deems appropriate and in the public interest (but including the payment of transportation and handling costs only to ship's side at the port of shipment and only to the extent necessary to effectuate the purposes of this section) as follows in the following order of priority: First, to private welfare organizations for the assistance of needy persons outside the United States; second, to international welfare organizations in which the United States participates for the assistance of needy persons outside the United States.

Mr. AIKEN. Mr. President, the purpose of the amendment is to give the Secretary of Agriculture authority to dispose of perishable commodities, owned by the Government, for foreign relief purposes, through private organizations, such as CARE and CROP, and also to make them available to international welfare organizations in which the United States participates.

As of March 31, the commodities which would be affected are 83,000,000 pounds of dried eggs, 86,000,000 pounds of butter, 305,000,000 pounds of dried milk, some 20,000,000 pounds of cheese, and, I believe, prunes and raisins are included, 17,000,000 pounds of prunes, and 8,000,000 pounds of raisins. There is some question as to whether there might not be some dried edible beans available for this purpose, because they do not keep indefinitely, and the Government has about 4,000,000 pounds on hand.

The amendment permits the Secretary to dispose of them on such terms and conditions as he deems appropriate and in the public interest. It does limit him, however, to paying the transportation costs to the ship's side. He cannot pay costs overseas.

It will in effect permit dried milk and dried eggs, which are in heavy surplus, to be disposed of in the same manner as the law which was enacted affecting cotton and peanut acreages a short time ago permitted potatoes to be disposed of. Of course, potatoes were so bulky and heavy that I do not know how many the Department got rid of. I believe they got rid of some of them to Spain and Portugal.

I may say that this proposal to make these products available for foreign relief purposes has been considered when bills have come up previously. It was considered as an amendment to other bills, particularly the cotton-acreage bill; but at that time there were some 30 bills introduced in the House carrying the same provision or approximately the same provision, and the House Committee on Agriculture had started hearings. Therefore, it was concluded not to include anything but potatoes in that bill.

AMERICAN PURCHASES OF MEXICAN CATTLE

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to ask the distinguished Senator: How did the Secretary of Agriculture and the Commodity Credit Corporation acquire the Mexican canned meat in connection with the foot-and-mouth disease program?

Mr. AIKEN. That was acquired, I believe, in 1947 and 1948, when livestock coming over from Mexico was quarantined because of the foot-and-mouth disease. The price of beef, as I understand, fell to about 5 cents a pound just below the border for a strip of something like 100 miles, whereas farther down where the disease existed an indemnity of 12 cents a pound was being paid. It was feared that there might be some voluntary infection of the herds just below the border in order to obtain the 12-cent condemnation payment rather than the 5-cent market price. Therefore, our Government went into the Mexican market and bought a large amount of beef. Our Government has about 15,000,000 pounds of canned beef, for which I understand it has at the present time absolutely no market, and I understand our Government has been unsuccessful in disposing of it in any way.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. Were any of the cattle which were acquired infected by the hoof-and-mouth disease?

Mr. AIKEN. I understand they were not.

Mr. MALONE. Were they examined?

Mr. AIKEN. I am sure the meat was inspected. I believe the Senator from Minnesota [Mr. THYE] can tell us more about that, because he was a member of the subcommittee which conducted the investigation. I yield to the Senator from Minnesota to make a statement about that.

Mr. THYE. Mr. President, the canned meat to which the Senator from Vermont has referred is the canned meat of the disease-free, noninfected cattle in northern Mexico. We must go back to just prior to the infection of the foot-and-mouth disease in Mexico in order to examine what was the manner of disposing of cattle in Mexico. The average grass-fed animal was bought and shipped across the border to feed lots or to better grazing areas in the United States. That was the manner in which most Mexican ranchers were able to dispose of their cattle. When the infection in the central part of Mexico and in the vicinity of Mexico City occurred, of course, that consuming center was immediately shut off to the cattle ranchers of northern Mexico. Then their normal markets were shut off, and the border was closed to the ranchers, so they could not ship their cattle into the United States.

What happened was that the cattle population increased. There was no way to dispose of the cattle. The Mexicans did not have packing plants or the markets known to the American processors, and the remaining cattle were destroying the range. There was grave danger that the infection might be allowed to spread, so as to permit the cattle owners to receive for their cattle the indemnity price, which was much higher than the ranchers were able to obtain otherwise under those distressed marketing conditions.

So the State Department, through the Commodity Credit Corporation, agreed to assist the Mexican Government by having the Commodity Credit Corporation buy some of the canned meat. In fact, the United States assisted the Mexican Government, through the foot-and-mouth-disease eradication program, to construct packing plants, in order that the meat could be sold, and also to make certain that we had full cooperation in connection with the eradication of the disease.

That program accounts for the canned meat now on hand. It has been in storage for a sufficient number of months so that unless it is moved in the near future the cans of meat will deteriorate completely, by rusting, and then there will be a total loss.

So it seems desirable that some relief should be afforded.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to have the Senator from Minnesota answer this question: By what authority do we buy canned meat which is not allowed to enter this country? Is the law which Congress passed broad enough to allow the Commodity Credit Corporation to go to another country and buy whatever in the judgment of the Commodity Credit Corporation it should buy, simply because of what someone may do at some time in the future?

Mr. THYE. Mr. President, the Congress permitted the Department of Agriculture to fight the hoof-and-mouth disease in Mexico in whatever manner the Department of Agriculture found it necessary to proceed in order to fight that disease. The entire Southwest livestock industry was threatened by that disease. If the infection had spread into northern Mexico and had reached the United States border, and if we had had to patrol the border in attempts to keep our cattle free of that disease, the result would have been an expense exceeding by many times the cost involved, first, in assisting the Mexican Government to construct packing plants and, second, to help the Mexican Government find a market for the meat.

A great deal of meat was shipped through the ECA program and other programs.

The canned meat to which I now refer is the remainder of the meat which was canned in connection with the program I have just explained. At the present time the Mexican Government has no way of finding an immediate market for the canned meat, which is deteriorating because of the rusting of the cans. So it seems to me that the step now proposed is a common-sense one.

The Congress did give general authority to the Department of Agriculture to proceed with the eradication of the foot-and-mouth disease in whatever manner the Department saw fit, even to the extent of helping the Mexican Government to construct a laboratory to develop the vaccine which had to be developed in order to vaccinate all the cattle in that area.

I would say that the program for the eradication of the foot-and-mouth disease has progressed many times better than the Bureau of Animal Industry anticipated 2 years ago, and much better than those of us who were there in 1947 were willing to concede it could progress.

I say that the Bureau of Animal Industry has done a commendable job, and so have the men who are in Mexico in charge of the program.

The canned meat to which I have referred constitutes a remaining problem in connection with the assistance given by the United States in helping the ranchers in northern Mexico to dispose of the meat and thereby to maintain a normal slaughter of the cattle so that the cattle did not increase so greatly that they would overgraze the grazing lands and thereby not only destroy the future opportunities of the ranchers but result in severe losses of cattle by starvation, due to overgrazing of the lands, with the result that if that occurred the ranchers might become careless about controlling the disease, and then it might spread all the way to the northern border of Mexico, in which event we would have to make much greater expenditures.

Mr. MALONE. Then it would seem that the reason for this proposal is that the Mexicans may of their own accord have spread the disease as a threat in order to be able to sell the meat for 5 cents a pound, failing in selling it at 12 cents, which was paid.

Mr. THYE. No; I would not say that. I would say that the officials of the Bureau of Animal Industry, in the Department of Agriculture, recognized that if the Mexican ranchers had absolutely no outlet for their beef cattle and if overgrazing began to destroy the range, and if the Mexican ranchers were absolutely up against it, with no market for their cattle, and if they saw the ranchers in the quarantined area, the area in which the disease existed, having an opportunity to sell their cattle under the condemnation program and thus be able to receive a much better price for their cattle, through the governmental condemnation program, than the ranchers in the noninfected area were able to receive for their cattle, then the ranchers in the noninfected area might become careless and might permit cattle to stray back and forth over the border of the quarantined area, with the result that the disease would spread, perhaps all the way to the United States border; and in that event we would have a much greater problem confronting us.

Mr. AIKEN. Mr. President, it is my understanding that we had excellent cooperation from the Mexican Government. Although some mistakes were made at first, yet the gaining of control of the foot-and-mouth disease in Mexico has been one of the outstanding accomplishments of our Department of Agriculture, in cooperation with the Mexican Government, during recent years.

I also understand that a considerable number of cattle just below the border were owned by American interests. Does the Senator from Minnesota understand that that is correct?

Mr. THYE. There is no question as to that.

Mr. AIKEN. So it is not altogether a question of giving money to the Mexicans.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. MALONE. In other words, the situation is roughly parallel to that in which this Government gave three-quarters of a million acre-feet of Colorado River water to Mexico, in addition to the amount to which Mexico was entitled without proper investigation; so now we are buying cattle on the Mexican side of the border because the Mexicans had no market for them. Is that a correct statement of the situation?

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. THYE. I should like to head right into that question.

Mr. MALONE. I should like to have the Senator do so.

Mr. THYE. Of course I notice that the old bugaboo of water from the Colorado River comes into the colloquy. I believe that question might be somewhat misleading. I do not believe there are enough American ranch operators across the border, in Mexico, to constitute the reason why the step of buying that meat had to be taken.

The fact of the matter is that we were confronted with the one question that the foot-and-mouth disease existed in the vicinity of Mexico City, whereas the northern section of Mexico was free of the disease. The Bureau of Animal Industry first established a quarantine line at the northernmost point where the infection was known, and the Bureau continued a very close inspection in the free zone—in other words, the northern section—and then proceeded to fight the disease in the central section.

Their first program was to slaughter every animal which had been exposed to the disease, regardless of whether the animals showed symptoms of the disease.

Of course, when the slaughtering of those animals commenced, some of them were absolutely disease-free, and the meat from those animals went into the channels of human consumption, because that meat was disease-free. Thus there was more available meat than the population of Mexico could consume.

Immediately an embargo, we might say, was put on the cattle in northern Mexico—an embargo against permitting them to move into central Mexico, where the greatest market for the meat existed. However, in addition, the cattle could not move across the border into the United States; and the ranchers had never developed a foreign market, because they always had been dependent on shipping their thin cattle to the United States, to be fattened here.

So the Mexican rancher found himself with an embargo on the north and an embargo on the south and an ocean on either side, and no foreign market, and no consuming market within his area to take the meat. The ranchers were not able to find any other relief, except to turn to the canning process.

Our Government assisted them, in the general fight against the foot-and-mouth disease, to construct canning plants; and when the plants were constructed, of course, meat was processed in them. The United States Government assisted the Mexican Government as much as possible in finding markets for the meat.

The meat to which I have referred is a small surplus amount. If we do not assist the Mexicans in disposing of it, the cans will deteriorate, and there will be a total loss.

However, I would not say that there was an increased production of meat due to the water which went from the

Colorado River to increase the grazing area in Mexico.

Mr. MALONE. Mr. President, will the Senator yield, to permit me to ask a further question?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Vermont or the distinguished Senator from Minnesota this question: Were the cattle, when they were slaughtered, inspected in the same manner that cattle are inspected at United States slaughterhouses before the meat is processed?

Mr. THYE. That question I could not answer. All I can say is that the State bureaus of animal industry and the Department of Agriculture of the United States work very closely all the way through with the Mexican authorities. Whether they have assisted the Mexican authorities in setting up a program of meat inspection comparable to that of the United States I could not say. I think, however, that that is absolutely immaterial, because the meat has been processed in the packing operations.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. MALONE. Therefore, the meat which is processed, whether the cattle were infected or not, is deemed to be fit for human consumption.

Mr. THYE. I should like to answer that statement.

Mr. MALONE. Why, then, do we buy and can the Mexican meat when we know we have no sale for it?

Mr. THYE. The meat could not have been infected because there were no infected animals in northern Mexico, and no infected animals whatever went into the slaughtering process. The infected animals, in recent months of the eradication program, are slaughtered and buried. At first the program was to slaughter any animal that was found on inspection to be infected, or which had been exposed to contact with infected animals. But that program was found to be utterly impossible, because the ox is used as a work animal in Mexico. When the Mexican farmer is deprived of his oxen, he is left with nothing to till his land. So there was an uprising against the eradication program, at the outset, in Mexico. When it was discovered that through vaccination the disease could be held in check in Mexico, they completely reversed their program and proceeded with a program of vaccination, slaughtering only animals which were free from infection. I would say they have done a most commendable job. However, no diseased animals were ever put through the processing in the packing plants.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. MALONE. Of course our own packing houses are thoroughly inspected; nothing is taken for granted by the Federal inspectors. We are not supposed to have the disease in this country, but is inspected thoroughly for general and designated reasons. What I should like to know from the distinguished Senator from Minnesota, is whether the meat was inspected before it was canned, and, if it was not inspected thoroughly, as we do here, why would we want to ship it to any other country to be used for human consumption, and do so upon our own responsibility?

Mr. AIKEN. Mr. President, I think it is safe to say the meat was not infected before it was canned.

Mr. MALONE. I should like to have the basis of the Senator's statement.

Mr. AIKEN. I have not inquired into the details of it. However, I am advised that the meat was inspected and processed under the rules and regulations of the United States Department of Agriculture.

Mr. MALONE. The Department of Agriculture has sufficient authority there to buy such meat at a 12-cent-per-pound price when 5 cents would have been the limit for diseased meat—and the type of purchases that Congress had in mind when it passed the bill.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I yield to the Senator from California.

Mr. KNOWLAND. Since I do not have before me a copy of the act which he proposes to amend, I should like to ask the Senator from Vermont a question. Calling the Senator's attention to subparagraph (a) of his amendment, does that relate to making these commodities available for relief, to be distributed by public and semipublic agencies in the United States?

Mr. AIKEN. The priority would remain the same as it is in the law at present. If these commodities can be used in the United States without disrupting or depressing the market, the same priority that is already in the law would prevail.

Mr. KNOWLAND. What is the change? I am directing attention now merely to subparagraph (a).

Mr. AIKEN. The change lies in permitting the Secretary of Agriculture, if necessary, to make the products available at shipside, and also adding the Mexican canned meat. The fact remains that there are 15,000,000 pounds of the meat for which they say they are unable to find a market anywhere, and which is available for relief work overseas. The big surplus is in powdered milk and powdered eggs. The dairy market has been seriously depressed, as has been the poultry or egg market also. In fact, they are about the only two farm commodities that are in trouble at the present time. The Department feels that this leeway which is given them by this provision would enable them to dispose of part of the surplus, at least, for overseas relief purposes, without interfering with any normal channels of trade, or depressing or disrupting domestic markets in any way.

Mr. DONNELL and Mr. LEHMAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Missouri.

Mr. DONNELL. Mr. President, the Senator referred to the words "at shipside." I should like to ask him this question: In subdivision (a) there is reference to the limitation of the transportation—I underscore with my voice these words: "and handling costs to be borne by the Government," that limitation being to the "movement of the commodity to ship's side at the port of shipment."

Again, in subdivision (b) there is also a reference to the inclusion of payment, as I understand, by the Government or appropriate official of "transportation"—and again I underscore by my voice the three words—"and handling costs" only to ship's side at the port of shipment.

In order that there may be no doubt with respect to these provisions of section 4, on the part of the Administrator, will the Senator state for the record whether I am correct in understanding that the costs to be borne by the Government would not include loading costs onto the ship, but would include only the handling and transportation incident to bringing the commodities to the side of the ship?

Mr. AIKEN. I want to make it perfectly clear that the handling charges might include repacking at the place of storage. With respect to the term "at ship's side," I imagine the Senator from Missouri is more familiar with it than am I. At ship's side means delivered on the dock, ready to be loaded onto the ship. But the Senator from Missouri is doubtless more familiar with shipping terms than I am. That is a limitation. It means that the Secretary cannot pay transportation overseas.

Mr. DONNELL. Mr. President, will the Senator yield for a further question.

Mr. AIKEN. I yield.

Mr. DONNELL. I want to be perfectly clear about this, and I think it is of importance in the administration of the bill if it shall be enacted. The party who is going to pay the bill, the Government, wants to know just what it is that is to be paid. Is the Administrator authorized, according to the contention of the opponents of this amendment, to pay anything beyond the bringing, the handling, and the transportation of the merchandise up to the side of the ship, or is he entitled to pay, in addition, the expenses of loading the commodities from the side of the ship onto the ship?

Mr. AIKEN. I may say to the Senator from Missouri that this does not include loading onto the ship. It is simply to the point where it is ready to be loaded.

Mr. DONNELL. I thank the Senator. The handling and transportation necessary to bring the commodity to the side of the ship is included, but the expense of loading it onto the ship is not?

Mr. AIKEN. The Senator is correct.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from New York.

Mr. LEHMAN. Mr. President, I desire to address myself entirely to the (a) portion of the section. I am not familiar with the (b) portion. Do I correctly understand that the items which this amendment proposes to cover are substantially all perishable articles, such as dried eggs, canned meats, and dairy products?

Mr. AIKEN. It covers all articles that are in danger of spoiling, but the articles which are at present in danger of spoil-

ing are dried milk, dried eggs, butter, and possibly prunes, cheese, and raisins.

Mr. LEHMAN. But it covers items which are in all likelihood subject to deterioration if they are not disposed of promptly.

Mr. AIKEN. That is correct. It does not cover any long-storable commodities.

Mr. LEHMAN. That was my understanding. May I ask further whether the amendment continues in the Secretary of Agriculture, as heretofore, discretion in regard to making decisions covering disposal of these items?

Mr. AIKEN. It gives to the Secretary discretion for the disposal, and to the extent to which the Secretary will cooperate in delivering to shipside. It does not require him to deliver perishable commodities to shipside. It does not require him to give them away, even if they will spoil next week. It gives him the right to dispose of them under such terms and conditions as the Secretary deems appropriate in the public interest.

Mr. LEHMAN. But it is not mandatory on the Secretary of Agriculture.

Mr. AIKEN. No. It is not mandatory that he give them away. He can sell them at half price.

Mr. LEHMAN. But if he feels he can dispose of them without interfering with the normal economy of the country, he does not have to give them away; he can dispose of them through other channels, can he not?

Mr. AIKEN. That is the main purpose, to dispose of them without interfering with the normal channels of trade, but to dispose of them in such manner that people will receive some good from them rather than having them deteriorate and having to be destroyed.

Mr. LEHMAN. Mr. President, will the Senator yield further for an observation?

Mr. AIKEN. I yield.

Mr. LEHMAN. The junior Senator from New York wishes to say that, in his opinion, this is a sound amendment. I think it is of great benefit to the economy of our country, and it certainly is a further benefit to people abroad who may be helped, and, I hope, will be helped, through either private relief agencies or international relief agencies in which the United States is participating.

Mr. AIKEN. I may say that the Department of Agriculture feels that this provision would be of assistance in disposing of perishable commodities which otherwise might be a total loss. I am advised that the State Department has no objection to the provision, but, in all fairness, I want to say that I have not verified that report which was made to me. As I understand, the State Department sometime ago objected to a similar provision, but on the ground that it was mixing up and confusing some other legislation which it desired at that time. I understand that the Department does not now have any opposition to it.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KNOWLAND. I should like to invite the Senator's attention to subsection (b) and ask whether he would have any objection to an amendment at that point. Beginning after the word "priority" it reads:

> First, to private welfare organizations for the assistance of needy persons outside the United States.

I think that is perfectly understandable and perfectly agreeable. Then it reads:

> Second, to international welfare organizations in which the United States participates for the assistance of needy persons outside the United States.

I have no particular objection to that, but that language, it seems to me, precludes the distribution by the United States itself should we desire, for instance, for famine relief in China, not to do it through an international organization but to do it under the State Department or some other Federal agency. I should not want to foreclose action of that kind if the Government of the United States thought it was desirable. It seems to me that by this language we would be foreclosing the United States from itself proceeding. It is mandatory that it be done through an UNRRA-type organization or a United Nations organization. That may be the way we want to proceed, but I do not think we should close the door to doing it in the other way if, in the judgment of the United States, it should be done.

Mr. AIKEN. I can assure the Senator from California that there was no intent to close the door in such a contingency. If he thinks an amendment will take care of that situation, I should be very glad to accept it.

Mr. KNOWLAND. I should like to have it read:

> Second, to the United States Government or its own agencies, or to international welfare organizations.

I offer that as an amendment to the amendment of the Senator from Vermont.

Mr. AIKEN. I shall be glad to accept that amendment, because I can foresee situations which might arise whereby some agency of the United States Government might desire to make direct distribution of surplus spoilable commodities for relief purposes in some part of the world.

Mr. KNOWLAND. I submit that amendment to the amendments, Mr. President.

The PRESIDING OFFICER. Will the Senator restate his amendment?

Mr. KNOWLAND. The amendment would be after the word "second", near the end of section 4 (b), and would read as follows:

> To the United States Government or its own agencies or to international welfare organizations—

And so forth. I offer it as an amendment to the amendment of the Senator from Vermont.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Vermont if the amendment in subsection (b) confines the meat to be furnished to these organizations to meat already acquired or to be acquired in the future?

Mr. AIKEN. As I understand, there is little likelihood of its being acquired——

Mr. MALONE. The program is not over yet.

Mr. AIKEN. It is barely possible that there would be more acquired, but if more is acquired and there is no market for it, it would be included in this amendment.

Mr. MALONE. Under this amendment any quantity of meat could be acquired in the future and could be disposed of in this manner.

Mr. AIKEN. It would be limited to that which was made available.

Mr. MALONE. We are always ready to appropriate any amount of money when we think it is going for that particular purpose. It would also be of great interest to the junior Senator from Nevada if he had the names of the United States citizens who own the cattle which were purchased at 12 cents a pound and now are on our hands.

Mr. AIKEN. I do not know the names. I assume everyone else has received reports——

Mr. MALONE. I had not heard.

Mr. AIKEN. That American interests own cattle in Mexico. It seems quite a natural thing that they should.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. DONNELL. This further question is with a view to curing any possible misunderstanding which might have risen from the questions I previously asked the Senator in regard to the expression "ship's side." I invite attention to the fact that what I referred to in my previous questions related to the language in (2) in subsection (a) of section 4, and to the language in subsection (b). There is, however, subsection (a) of section 4, which refers to a different situation into which I certainly would not desire to introduce any confusion. As I understand, and I wish to ask the Senator if I am correct in my understanding, subsection (a) (1) refers to an amendment to section 416 of the Agricultural Act of 1949. Section 416 reads, in part, as follows:

> In order to prevent the waste of food commodities acquired through price-support operations which are found to be in danger of loss through deterioration or spoilage before they can be disposed of in normal domestic channels without impairment of the price-support program, the Secretary of Agriculture and the Commodity Credit Corporation are authorized, upon an application by the Munitions Board or any other Federal agency and on such terms and under such regulations as may be deemed in the public interest, to make such commodities available to any such agency for use in making payment for commodities not produced in the United States.

Section 416 proceeds:

> Any such commodities which are not disposed of pursuant to the foregoing sentence may be made available by the Secretary and the Commodity Credit Corporation—

Mr. President, I underscore by the tone of my voice this language—

> available by the Secretary and the Commodity Credit Corporation at the point of

storage at no cost, save handling and transportation costs incurred in making delivery from the point of storage, as follows in the order of priority set forth.

Mr. President, I ask the Senator, first, whether or not I am correct in my understanding that subsection (a) (1) does relate to an amendment of section 416, from which I have been reading.

Mr. AIKEN. That is correct.

Mr. DONNELL. I call the attention of the Senator to the fact that in section 416, among the persons or organizations to which disposal may be made, the act provides:

Third, to private welfare organizations for the assistance of needy persons outside the United States.

This may give rise to the question whether it is proposed by (a) (1) to confine the expenditure permissible to be made by the Secretary or the Commodity Credit Corporation simply to bringing the merchandise to shipside. I ask the Senator if I am correct in understanding that in subsection (a) (1) there is no intention to limit the Secretary of Agriculture or the Commodity Credit Corporation, as the case may be, to an expenditure in bringing merchandise to shipside; on the contrary, the insertion of the language which is proposed by the Senator's amendment is that there may be a disposal "under such terms and conditions as the Secretary deems appropriate and in the public interest—including the payment of transportation and handling costs to the extent necessary to effectuate the purposes of this section"? Thus it is true, as I understand, that (a) (1) would permit the expenditure of funds for loading the commodities which are to go to private-welfare organizations for the assistance of needy persons outside the United States under the terms of section 416. In other words, it would permit the payment of expenses to load on shipboard, but not for other expenses, possibly transportation on the way over to such private-welfare organizations or such needy persons.

Mr. AIKEN. May I say——

Mr. DONNELL. Am I correct in my understanding?

Mr. AIKEN. No; may I say for the RECORD that it is intended that "the transportation and handling costs to be borne by the Government shall be limited to movement of the commodity to shipside at the port of shipment". It is not intended to cover loading costs or transportation costs.

Mr. DONNELL. May I call the attention of the Senator to the fact that the language which he has read in regard to movement to shipside refers only to a second amendment under section 4, and does not refer, as I understand, to that which is embraced in subsection (a) (1), from which I have quoted? It seems to me that the language is quite clear to the effect that under subsection (a) (1) the governmental official, either the Secretary of Agriculture or the Commodity Credit Corporation—I have not read it carefully enough to see which it is—is authorized to make payment of transportation and handling costs to the extent necessary and under the purposes of this section, and that under that language he would not be confined to the payment of transportation and handling costs to shipside, but might pay other costs in addition.

Mr. AIKEN. I may say that it is intended that he be confined to paying the cost of transportation to shipside. While I am not a learned lawyer, and paragraph 2 of subsection 4 contains such a limitation and is part of the section referred to, I may say that the purpose is to limit the cost to the Government to delivery to shipside. If this amendment is accepted, it would have to go to conference, and if there is anything wrong with the amendment—and I do not know that there is anything wrong with it—an opportunity would be provided to correct it in conference. However, I will say to the Senator from Missouri and for the RECORD, it is intended to limit it in that way.

Mr. DONNELL. Mr. President, on rereading of the language, in view of the Senator's statement, I can quite well see how the language doubtless should be construed precisely as the Senator from Vermont has stated it. I think he has made the language clear that in the contingencies covered by section 4 (a) the expenditures as to shipment are to be limited to bringing the merchandise to shipside. He has corrected an error of construction in my mind into which I had fallen.

Mr. AIKEN. I thank the Senator for raising the point, because I do not want doubt to linger in the mind of anyone, and certainly not in the CONGRESSIONAL RECORD.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. AIKEN. I am glad to yield to the Senator from South Carolina.

Mr. MAYBANK. I am glad that the Senator from Missouri has brought up the question of shipside delivery. The freight rates on ocean transportation, as the Senator from Vermont knows, include also the loading of the cargo on the ship, carrying the cargo across the ocean, and the unloading of it on the other side. So those items would not be included.

Mr. AIKEN. It would not include the loading of the cargo.

Mr. MAYBANK. The freight rate includes the loading, unloading, and transportation. It includes the loading onto the ship from shipside, the transportation across the water, and the unloading.

Mr. AIKEN. I understood that transportation to shipside did not include loading of the ship. I am talking about getting the commodities to shipside, not about shipment overseas.

Mr. MAYBANK. When a commodity is sold shipside, it must be put on the ship, carried over, and taken off the ship. The freight rate includes all that.

Mr. DONNELL. It seems to me that the views of the Senator from Vermont and the Senator from South Carolina are entirely consistent. In other words, the Senator from Vermont has pointed out the limitation of expense which may be legally included under section 4 (a). He has pointed out that it is limited to bringing merchandise to shipside, and does not include the loading. The point suggested by the Senator from South Carolina is that the expense of carrying the merchandise to its ultimate destination would include the loading of the merchandise, its transportation, and the unloading of the merchandise at the ultimate destination. The Senator from Vermont, as I understand, is telling us now, as he has told us before, that it is the intent of section 4 (a) not to permit any expenditures by the United States, through whatever proper official may be involved, beyond those involved in bringing the merchandise to the side of the ship.

Mr. MAYBANK. That is correct.

Mr. AIKEN. That is correct. The whole purpose of this amendment is to see if we can take these commodities which we have in surplus in such quantities that they are actually depressing the market here at home, and which are surely going to spoil, and make some use of them in some part of the world. In all probability we cannot dispose of all of them. I do not think we can. We shall still have surpluses, because the agencies which might use them—unless the United States Government itself goes in for something like Chinese relief—could not use them all, particularly the powdered milk and powdered eggs. However, we can dispose of a quantity of them, and perhaps can create some good will in the world somewhere by making them available to hungry children, rather than letting them spoil here.

Mr. MAYBANK. I should like to ask the Senator from Vermont who is going to buy the commodities?

Mr. AIKEN. Buy them?

Mr. MAYBANK. The Government, of course. Why does not the Government buy them shipside? That is the usual and customary way of handling the business.

Mr. AIKEN. They should be used by private international welfare organizations, such as CARE. They could be used by them.

Mr. MAYBANK. Who is going to pay the freight on them, under the present law?

Mr. AIKEN. They will have to find the money.

Mr. MAYBANK. Who will—the international organization?

Mr. AIKEN. The recognized agencies which accept them and undertake to deliver them where they are most needed.

Mr. MAYBANK. Would there be any chance of storing the commodities en route to shipside? Suppose, as an illustration, the commodities were being shipped to New York, or some other port. Under the Senator's amendment, could they be stopped en route, be stored, and the Government pay the charges? I am just thinking out loud.

Mr. AIKEN. I am thinking quietly.

Mr. MAYBANK. The commodities are put on railroad cars, and they go shipside or go into storage. Can they go into storage and the Government get stuck for the storage costs?

Mr. AIKEN. Yes; I think that is entirely possible. That is done under the present law.

Mr. MAYBANK. I am asking for information.

Mr. AIKEN. The Department of Agriculture would be authorized to handle them in the best way, until they deliver them to shipside.

Mr. KNOWLAND. Mr. President, will the Senator yield on that point? I think it is a very pertinent question.

Mr. AIKEN. I yield to the Senator from California.

Mr. KNOWLAND. In view of the discussion on the floor of the Senate, I should think that with the power and discretion which is given to the Secretary of Agriculture, he would not pay the transportation costs to shipside unless the agencies had made arrangements themselves for the transshipment overseas. In other words, the Secretary will not permit someone to say, "We may want something," and then let them get it, and have demurrage charges running against the Government. I should think that would come under the discretion of the Secretary of Agriculture, and that he would require a firm commitment on the part of the requesting agency that they would ship the commodities.

Mr. AIKEN. The Senator from California is absolutely correct. There must be a commitment by some agency to use the commodities.

Mr. MAYBANK. Who is going to pay the demurrage charges when the commodities get to the port?

Mr. AIKEN. The Commodity Credit Corporation would deliver them to shipside. They have to pay storage charges on them anyway, wherever they may be.

Mr. MAYBANK. Not necessarily, if they are at shipside.

Mr. AIKEN. There must be a firm commitment of some agency to use the commodities.

I did not complete the answer as to what agencies would be authorized to utilize the commodities. There would also be authorized the United Nations International Emergency Children's Fund, which, as we know, was continued by an amendment offered by the senior Senator from Ohio, and other Senators, in connection with the ECA Act.

Mr. WHERRY. Mr. President, will the Senator from Vermont yield for a question?

Mr. AIKEN. I yield to the Senator from Nebraska.

Mr. WHERRY. The Senator from California raised a question which was in my mind, and it has now been answered.

Furthermore, I should like to know how expensive this is to be. The Senator may have given the figure, but what commodities are involved that are in surplus, and what are the amounts? Does the Senator have a list of them?

Mr. AIKEN. As of March 31, we had on hand 83,000,000 pounds of dried eggs; 86,000,000 pounds of butter; 305,000,000 pounds of dried milk, which is a tremendous amount; 21,000,000 pounds of cheese. I am not sure whether cheese would be considered perishable, and I doubt that cheese would be included in the program to any great extent. There are 17,000,000 or 18,000,000 pounds of prunes, and 8,500,000 pounds of raisins. Those are about the items which I am sure would be available.

Mr. WHERRY. Does the Senator have a tabulation in dollars of how much is involved?

Mr. AIKEN. Yes. I should like to have the complete tabulation in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Commodity holdings of the Department of Agriculture and Commodity Credit Corporation as of Mar. 31, 1950

(This is a complete list of holdings and is not confined to surpluses)

COMMODITIES HELD AS SECURITY FOR LOANS	
Corn, 573,809,804 bushels	$762,442,660
Wheat, 316,046,836 bushels	625,994,482
Cotton, upland, 2,275,798 bales	321,679,888
Tobacco, 356,043,799 pounds	143,375,900
Grain sorghums, 42,845,327 hundredweight	97,648,132
Beans, dry edible, 7,067,913 hundredweight	48,678,021
Flaxseed, 9,147,602 bushels	34,110,612
Barley, 24,685,675 bushels	26,967,599
Soybeans, 10,939,907 bushels	23,245,902
Oats, 28,431,169 bushels	19,057,828
Rosin, 178,222,685 pounds	12,176,597
Peanuts, 118,901,890 pounds	11,697,919
Potatoes, Irish, 9,811,321 hundredweight	6,847,522
Rice, 1,439,921 hundredweight	6,165,720
Peas, dry edible, 746,419 hundredweight	2,293,412
Turpentine, 2,586,471 gallons	1,074,137
Rye, 771,590 bushels	933,963
Cotton, American, Egyptian, 2,933 bales	839,923
Cottonseed, 6,785 tons	356,723
Lespedeza seed, 2,634,131 pounds	316,091
Total	2,165,903,033
COMMODITIES OWNED BY THE GOVERNMENT	
Cotton, upland, 3,598,600 bales	$608,003,453
Corn, 217,517,144 bushels	330,838,275
Wheat, 131,790,638 bushels	327,132,896
Linseed oil, 430,199,908 pounds	122,331,807
Eggs, dried, 83,237,185 pounds	104,446,706
Flaxseed, 12,501,708 bushels	79,238,672
Butter, 86,733,726 pounds	54,007,810
Beans, dry edible, 4,764,803 hundredweight	42,399,212
Milk, dried, 305,333,476 pounds	38,857,806
Barley, 24,718,044 bushels	35,490,428
Cottonseed, 562,959 tons	30,028,566
Wool, 28,503,647 pounds	24,049,131
Rosin, 210,837,798 pounds	17,177,446
Oats, 10,979,187 bushels	9,618,574
Cheese, 21,488,373 pounds	7,325,506
Grain, sorghums, 1,871,128 hundredweight	5,298,986
Peanuts, farmers' stock, 40,155,396 pounds	4,247,318
Peanuts, shelled, 11,366,595 pounds	1,690,779
Turkeys, 8,586,389 pounds	3,455,842
Soybeans, 1,060,259 bushels	2,864,515
Prunes, 17,879,310 pounds	1,828,778
Raisins, 8,446,830 pounds	849,464
Minor items	3,823,686
Total	1,855,005,656

Mr. AIKEN. The dried eggs which we had on hand on March 31 were valued at $104,446,706. The butter was valued at $54,007,810. The dried milk was valued at $38,857,806. There was $7,000,000 worth of cheese, and, as I have said, I doubt that it would be included in the program, although I am not sure about that. There was nearly $2,000,000 worth of prunes and $800,000 worth of raisins.

Mr. WHERRY. That would run the total up to over $200,000,000, would it not?

Mr. AIKEN. Approximately $200,000,000, of which eggs and butter are the largest items. I might say that, in addition to the humanitarian aspects, the enormous quantities being held now are evidently having a depressing effect on the market. I think the amounts have considerably increased since March 31.

Mr. WHERRY. I wonder if the Senator could get a statement up to date, and put it in the RECORD, if this matter goes over until tomorrow, so that we may have the complete totals of how much is involved, with reference, of course, to the perishables.

Mr. AIKEN. These are perishable commodities, owned by the Government.

Mr. WHERRY. That does not include the Mexican canned meat, which is covered in subdivision (b), does it?

Mr. AIKEN. It does not. But there is an item—

Minor items	$3,823,686

Whether that is the Mexican meat, I do not know. I am told it is about 15,000,000 pounds. I do not know what it is valued at per pound.

Mr. WILLIAMS. Mr. President, I can give the figure if the Senator desires to have it.

Mr. AIKEN. The Senator from Delaware has the figure, and I yield to him to give it.

Mr. WILLIAMS. On April 30, 1950, the report shows that there were 71,160,971 pounds——

Mr. AIKEN. As of what date?

Mr. WILLIAMS. That was on April 30. There were 71,160,971 pounds, with a value of $16,867,139.

Mr. AIKEN. With which the Government is stuck, as I understand.

Mr. WHERRY. Is there a possibility that the ECA countries which need food supplies could in any way take these surpluses?

Mr. AIKEN. That is entirely possible. It is possible that the 15,000,000-pound figure which I received represents the canned meat which is not going to be kept much longer, and which must be disposed of or destroyed, whereas the figures read by the Senator from Delaware may represent some that is more salable. I do not know as to that.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. AIKEN. I yield further to the Senator from Nebraska, if he is not through.

Mr. WHERRY. This program is more expensive than I had thought it was when it was submitted by the distinguished Senator. Certainly there is a commendable purpose, the food going to the needy, and all that, and I think we are all in favor of feeding needy people, especially if the food is going to spoil. On the other hand, there is much money involved. It would run in the neighborhood of $225,000,000 or $250,000,000, if the Mexican meat is added. I was wondering if there was any way by which

the ECA countries could purchase some of the supplies, in view of the amount of money involved. If it is food, and they need it—dried milk, butter, eggs, and cheese—it seems to me there should be some way of disposing of that food to the ECA countries which we are supplying and to which we are giving money.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Idaho.

Mr. DWORSHAK. The point raised by the Senator from Nebraska was one about which I have been concerned. I wonder if the Senator from Vermont can give us any assurance that this amendment, if agreed to, would not establish a precedent, and discourage the purchase of surplus agricultural commodities under the ECA program.

Mr. AIKEN. I think we already have precedent enough. We already have the law applying to potatoes. But they are so bulky that I do not know how many were shipped overseas. I understand potatoes were shipped to Spain and Portugal, and I believe a cargo of potatoes went to Israel. I do not know what did become of them. But what I should like to point out is that the commodities in question are perishable commodities. We can put them on the market here. The Commodity Credit Corporation has the right to put them on the open market here. However, if that were done, it would result in breaking the market. We can permit them to spoil or we can dispose of them in such a manner that some people will receive some good from them. It will cost us something to deliver them to the ship's side, but it is also costing something to pay storage on this enormous quantity every month. I expect the savings in storage would go quite a way toward paying transportation costs to some port from which they might be sent overseas.

Mr. DWORSHAK. How can we expect the beneficiary countries under the ECA program to purchase any of these commodities if we set up these patterns for giving them the commodities free? How can we expect to establish any commercial transactions?

Mr. AIKEN. Under the law the Secretary would not be permitted to distribute them in such manner as to interfere with any normal channels of trade. Technically, the ECA trade seems to be considered a normal channel of trade. We give the ECA countries the money and they buy the commodities. I should say we lend the money to them, rather.

Mr. DWORSHAK. The point I am making is that there would be little if any inducement for the ECA countries to purchase butter, cheese, or other surplus commodities if they know that by failing to purchase them they will receive them gratuitously.

Mr. AIKEN. I do not believe that any of the ECA countries that would have the ability to purchase any of these surplus commodities would be eligible to receive them free. I do not think that CARE and CROP, or any children's agencies which would be able to handle these commodities would interfere with the ECA trade.

Mr. DWORSHAK. Could not new welfare organization be set up to qualify under this program?

Mr. AIKEN. Almost anything could be done. But I will say that the Secretary can tomorrow place every pound of the surplus commodities on the United States market also. I do not think he will do so, however. I am trying to think of something to do with those surplus commodities which will prevent the depressing of the American markets, so we will not have to destroy the surplus commodities, so we can dispose of them in such a manner as to obtain some good will, which America sadly needs. If any Senator has any better suggestion to make as to what to do with them I should like to know what it is. Should we take them out in the ocean and drop them somewhere?

Mr. LANGER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LANGER. Is it not true that the entire Marshall program has been formulated on the theory that it is a subsidy to big business, so that the products we are shipping to the other countries relieve the surplus in this country?

Mr. AIKEN. I assume the Senator from North Dakota is entitled to his own opinion about that matter. I doubt if he will succeed in getting any official of Government to agree with him on that point, however.

Mr. LANGER. That certainly has been the theory of the senior Senator from North Dakota.

Mr. AIKEN. There is no question that big business has profited from the Marshall plan. There is no question that the Marshall plan has played a part in maintaining reasonably full employment in this country. I think everyone has shared in the subsidy.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield to the Senator from North Dakota.

Mr. LANGER. The situation which now exists is absolutely similar to the situation existing immediately after World War II, when we had $106,000,000,000 worth of surplus property, and we sold property in Italy, for example, for 1 cent on the dollar, instead of bringing it back here, in order to avoid having any surplus in our own country. Is that not correct?

Mr. AIKEN. I think that is probably correct. I do not know what we received for that surplus property. But I am satisfied that big business in this country probably did not want any surplus property brought back to this country which would interfere with its business. I expect that small business did not want surplus property brought back to this country which would interfere with its business. I presume the rank-and-file individual did not want anything brought back to this country which would interfere with his job.

Mr. LANGER. So the Senator from Vermont holds to exactly the same theory in connection with surplus products which the Commodity Credit Corporation has on hand?

Mr. AIKEN. The theory of the Senator from Vermont is that these surplus perishable commodities can be used to help the children of Europe and possibly of other parts of the world, and people who otherwise would have to go without them.

AMERICAN PURCHASES OF MEXICAN MEAT CONTINUED

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. Is it the opinion of the distinguished Senator from Vermont that under the ECA law this material could be purchased and distributed in the manner in which the argument here has always tended to show it will be distributed, that is to help hungry people throughout the world?

Of course it is well known that materials and food purchased under the ECA and sent to European countries was later sold by these countries—and not given to the hungry people.

Mr. AIKEN. I expect that any country having ECA funds could probably use them to purchase these surplus commodities if it so desired.

Mr. MALONE. I should like to ask the distinguished Senator from Vermont another question. Would the amendment which has been offered by the distinguished Senator from Vermont allow us to empty the Kansas caves of dried eggs, and empty other storage facilities now in use, for the storage of other agricultural commodities, thus making such storage available for the storage of further purchases of commodities of the same nature?

Mr. AIKEN. The Senator from Vermont hopes we will not have to buy eggs and dry them forever, but he does think that it would be a good thing to empty the caves where they are stored. No one in this country seems to want those eggs.

Mr. MALONE. Adoption of the amendment would allow us to empty the caves and other storage facilities so we would start building them up again?

We would only give such commodities to foreign countries and not to our own people who could use more food.

Mr. AIKEN. Yes, and so we could have a place into which to run in case of atomic warfare.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KNOWLAND. I think the RECORD should be made clear. We have been discussing the foreign phases of this subject, but, as I understand these surplus commodities, such as butter, milk, and so forth, will also be available under the domestic school-lunch program. Is that not correct?

Mr. AIKEN. They will not only be available, but they must be used first for the school-lunch program.

Mr. KNOWLAND. In other words, that has the highest priority?

Mr. AIKEN. That is correct.

Mr. KNOWLAND. The American school-lunch program has the highest priority?

Mr. AIKEN. Yes. Then the surplus commodities are available to the Bureau of Indian Affairs, Federal, State, and local public-welfare organizations, for the assistance of needy Indians, for oth-

er needy persons, to private welfare organizations for the assistance of needy persons within the United States. Then we come to the private welfare organizations for the assistance of needy persons outside the United States.

Mr. KNOWLAND. If the Senator will permit me, I will say I felt quite certain that was correct, but I thought the RECORD to date did not make it clear that disposal of these surplus commodities would also fit into our school-lunch program and the domestic situation.

Mr. AIKEN. These commodities cannot be used for foreign relief so long as there is any possibility of using them for domestic relief.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. According to the statement the Senator from Delaware [Mr. WILLIAMS] placed in the RECORD, 71,000,000 pounds of Mexican beef would mean that approximately 200,000 cattle had been purchased below the border. Would the Senator have any idea as to how many more cattle are American owned in Mexico, which the owners would like to sell?

Mr. AIKEN. No, the Senator from Vermont does not know. The Senator from Vermont has heard that there are a good many American-owned cattle below the border which are put there for grazing at certain times of the year. I have no reason to doubt that report. It seems a logical thing for an American cattleman to place his cattle there if he can secure Mexican grazing land.

Mr. MALONE. The amendment does provide that we can continue to buy their cattle.

Mr. AIKEN. That would depend upon another law. If we continue to accumulate surpluses we can continue to dispose of them.

Mr. MALONE. We can continue to buy the cattle under the other law, and continue to dispose of them under the proposed law?

Mr. AIKEN. That is correct. If we have surplus beef, and it is in danger of spoiling, it can be disposed of under the proposed amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Am I to understand that the adoption of the amendment would authorize a world-wide free distribution of these surplus agricultural commodities which are now on hand?

Mr. AIKEN. Through certain agencies.

Mr. WILLIAMS. What certain agencies are they? What I mean is, it would be free distribution?

Mr. AIKEN. Yes. They could be given away or they could be sold for a small part of the cost. They would have to be distributed through private welfare organizations, for the assistance of needy persons outside the United States, or by an agency of the Government of the United States itself. I suppose they could be used through another agency, and through international welfare organizations in which the United States participates, for the assistance of needy persons outside the United States. That means the United Nations International Children's Emergency Fund, which was continued by the amendment offered by the Senator from Ohio [Mr. TAFT] and other Senators at the time the ECA bill was under consideration. That organization has only $15,000,000 available, I believe.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Which commodities are affected, and how many commodities are affected? Are all the commodities which we have on inventory affected?

Mr. AIKEN. Any commodities which are in danger of spoiling—perishable commodities which will not keep any longer.

Mr. WILLIAMS. Suppose the Department of Agriculture decided that its wheat holdings were in danger of spoiling.

Mr. AIKEN. The Department has that right now; it can dispost of them either in or out of the United States, under the present law.

Mr. WILLIAMS. Wheat, corn, and all the other commodities we now own, under this amendment could be given away or could be sold abroad. Is that correct?

Mr. AIKEN. Yes; that can be done under the present law. If the wheat and corn held under this program are in danger of spoiling, the Department can sell them for any price it can get for them in this country, or can ship them overseas, to be sold at any price it can get for them.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WILLIAMS. We already have a sales force for Irish potatoes at a penny a bag, for export. Does this amendment mean that under it all the other commodities will go along on the same bargain list?

Mr. AIKEN. The amendment means that the very large surplus of milk, butter, and eggs could be disposed of in the same manner.

Mr. WILLIAMS. Is not this situation exactly the danger which was pointed out recently by the Advisory Board which the Secretary of Agriculture appointed, when the Advisory Board told the Secretary of Agriculture, in its report of April 28, that if the Congress did not lower the support prices, as the Senate has failed to vote to do this afternoon, but if the Congress continued the 90 percent support prices, that would inevitably lead to the dumping of the commodities throughout the world? In fact, in point 4 of its recommendations the Advisory Board said that the high-support prices would foster export dumping, which in turn would invite retaliation on the part of countries in which the products were dumped.

Is it not true that after the proposal to lower the support prices to a more realistic level failed of adoption in the Senate this afternoon, now, less than 15 minutes afterward, we are confronted with a proposal to authorize worldwide dumping of our commodity inventories, which today total over three billion dollars' worth?

Mr. AIKEN. I am very sure that we cannot dump the commodities without the consent of the country concerned.

Mr. WILLIAMS. Can the Senator from Vermont conceive that any country would refuse to allow us to give away over three billion dollars' worth of commodities?

Mr. AIKEN. Yes; France, I believe, has already refused to permit such commodities to go into her channels of trade.

Mr. WILLIAMS. I understand that France has shut down on such movements of our surplus commodities only to the extent that France does not wish to use ECA dollars for the French agricultural program, because France has enough of those products. However, France will not turn down our dollars, certainly.

Mr. AIKEN. No; I do not understand that.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. LUCAS. Let me inquire of the able Senator from Vermont how much longer he expects to take.

Mr. AIKEN. I intended to sit down an hour and a half ago, but I have been answering questions.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WHERRY. I should like to ask a question, in view of the statement the Senator from Vermont has made.

There are other Senators, including myself, who would like very much to get more information regarding this amendment. I should like to do so before I vote on it. If a majority of Senators wish to vote tonight on the amendment, we shall do so; but I should like to have more information about it. This amendment is much broader than I thought it was. I asked for some information, which apparently is not available tonight.

Of course the purpose of the amendment is quite sound, namely, a desire to feed needy people. On the other hand, the amendment involves nearly $300,000,000, as I estimate the amount.

I should like to inquire whether some of the ECA money can be spent for this purpose, rather than simply to add the amount now proposed to the total amount of grants we are making to the ECA countries.

Mr. AIKEN. I may say that under the limitations there is no possibility of using the entire surplus, except under the amendment offered by the Senator from California.

Mr. WHERRY. That may be true.

Mr. AIKEN. In case the United States Government itself, through any of its agencies, undertook major relief operations on a great scale, it could be used.

However, the children's agency could distribute 100,000,000 pounds of milk, although probably that is less than one-fourth of the total.

There is not much likelihood that the cost of this program will be so very high.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WHERRY. I should like to ask the distinguished majority leader—and let me say that I do not wish to delay a

vote on the proposed legislation—whether it is possible for us to take a recess tonight and to vote on this question tomorrow perhaps immediately after the Senate convenes. I would agree to have the Senate vote at any time tomorrow; but I should like to have an opportunity to examine this matter further tonight. However, I am ready to vote now, if the rest of the Senate is ready to do so.

Mr. AIKEN. I have no objection to having the Senate vote at any time either tonight or tomorrow. If the debate is likely to close now for the evening, I should like to say that it is intended by this proposal to cover perishable commodities which otherwise would be a total loss, and which, because of their enormous amount, are depressing commodity prices in the United States today, and are incurring heavy storage costs.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question before he closes his remarks?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Is it not a fact that under the law now on the statute books, as the Government gives away this $100,000,000 worth of free goods, the Treasury automatically cancels a corresponding amount of the notes of the Commodity Credit Corporation, as it takes this loss? In other words, the fund is a perpetually revolving fund, is it not?

Mr. AIKEN. No; I think the amount would be chargeable against the borrowing authority of the Commodity Credit Corporation. The Treasury could not cancel the notes—I think the Senator from Georgia will bear me out as to this—of the Commodity Credit Corporation without authority from the Congress. The Congress has given that authority once or twice in past years—over my opposition, as I recall.

However, I do not believe that the Treasury could automatically cancel the notes of the Commodity Credit Corporation. Otherwise, there certainly is no need to place a limitation upon the borrowing power of the Commodity Credit Corporation.

Mr. WILLIAMS. Is it not a fact that after the audited reports come to us, so far as they have come, as the accounts of the Commodity Credit Corporation have been audited for the fiscal year, to the extent that the capital of the Commodity Credit Corporation is impaired, the notes of the Commodity Credit Corporation are canceled under authorization by the Congress?

Mr. AIKEN. I am sure they are not canceled without special legislation by the Congress.

Mr. DONNELL. Mr. President, will the Senator yield to me?

Mr. AIKEN. Yes. I understand that the Senator from Louisiana desires to obtain the floor in his own right.

Mr. ELLENDER. Yes; I desire to obtain the floor for 3 minutes.

Mr. DONNELL. Mr. President, at this time will the Senator yield to me?

Mr. AIKEN. I yield.

Mr. DONNELL. In view of the fact, which apparently is in the minds of some Senators, that the Senator's amendment is opening up some new avenue for the disposition of these surplus commodities, I should like to ask whether it is true that under the present law, the Agricultural Act of 1949, section 116, the commodities which are not disposed of pursuant to the first sentence of that section may be disposed of under the priorities therein expressed—the school-lunch program being the first priority—and finally may be disposed of to private welfare organizations, for the assistance of needy persons outside the United States.

In the second place, is it not true that the Senator's amendment—leaving out, for the time being, the question of the Mexican meat—does two things: First, it gives the Secretary of Agriculture, and possibly the Commodity Credit Corporation—I am not certain as to which or both—authority to pay certain expenses up to shipside, that being authority which does not exist under the present law, for under existing law the commodities may be made available at the point of storage, rather than being shipped to shipside.

In the second place, the Senator's amendment adds, does it not, another category of welfare organizations, as a fourth category in order of priority? Today we have the private welfare organizations to which these commodities may be turned over and given at the point of storage, at no cost, and the private welfare organizations may employ the commodities for the assistance of needy persons outside the United States.

The Senator's amendment then would proceed to add the category of international welfare organizations in which the United States participates, which, under the amendment, could use the commodities for the assistance of needy persons outside the United States.

So there are the two points: first, the lesser restriction against the Secretary of Agriculture or the Commodity Credit Corporation, as to the place of delivery, namely, not the point of storage, but shipside; second, the increase in the category of the donees, or the distributees, namely, by international welfare organizations, in addition to the present list of four priorities, as expressed in that section. Is that correct?

Mr. AIKEN. The Senator has given a clear, concise, and correct analysis of what this amendment proposes to do.

Mr. DONNELL. I thank the Senator.

Mr. AIKEN. It does not open up new avenues, but simply adds the United Nations National Children's Emergency Fund to the category. That is the agency affected. It would add agencies of the United States Government to the list of those that could distribute abroad surplus commodities, spoilable commodities, and it would authorize the Secretary to pay transportation on the spoilable commodities to shipside, if he cannot get rid of them in any other way.

Mr. KNOWLAND. Mr. President will the Senator yield for the same modification which he had already accepted in the (b) section, to the (a) section, so there would be the same flexibility, to "the United States Government or its agencies"?

Mr. AIKEN. The Senator from Vermont is very glad to accept what he considers to be a wise amendment, proposed by the Senator from California.

Mr. KNOWLAND. As an amendment to subsection (a), I offer the same amendment as that which I previously offered to subsection (b), so as to provide: "fourth," inserting at this point, after the word "to," the words "the United States Government or its agencies or to," so as to make the clause read: "fourth, to the United States Government or its agencies or to international welfare organizations in which the United States participates, for the assistance of needy persons outside the United States."

It is also proposed to amend the next sentence of section 4, after the word "to" by inserting "the United States Government or its agencies or to," so as to make the sentence read: "In the case of disposition to the United States or its agencies or to private or international welfare organizations for the assistance of needy persons outside the United States the transportation and handling costs to be borne by the Government shall be limited to movement of the commodity to shipside at the port of shipment."

Mr. AIKEN. Mr. President, I should like to say I think the amendment offered by the Senator from California may be of inestimable value some day, much more so than we would expect at the present time.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Nevada.

Mr. MALONE. The figures show that there are about 341,000,000 bushels of wheat, without going into other commodities of all kinds now in storage. As I understand, the amendment leaves to the judgment of the Secretary of Agriculture the determination of the existence of perishable goods, or the danger of damage. Therefore, it would be up to the Department of Agriculture entirely to determine when the commodities, whatever they may be, should be disposed of in the manner provided by the amendment. If that be true, I call attention to the fact that there is now nearly $4,000,000,000 worth of these commodities. We have just provided $2,000,000,000 additional for the CCC, with which to go ahead and carry out the program. The CCC itself, on May 31, stated in a release that it had sustained a net loss of $155,322,000. Is this not, in effect, opening a new field for the disposition of commodities, with authority to continue buying commodities with new appropriations, and, in effect, a point 4 agricultural program?

Mr. AIKEN. No; this does not open up any new avenues for the disposal of wheat or other grains which might be deteriorating. Under the Agricultural Adjustment Act of 1938, the act of 1948, and the act of 1949, the Secretary is already authorized to sell, at any price, basic commodities which may be in danger of spoilage or deterioration. Also, he is not restricted as to the price at which he may sell such products abroad.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I should like to make sure the amendment which I previously offered to subsection (b) is

also accepted as to subsection (a), in the two places where it is necessary to be placed.

Mr. AIKEN. Yes; the Senator from Vermont accepted that amendment for both paragraphs, and for both parts of subsection (a).

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. FERGUSON. Does this amendment cover commodities on which the Government has loaned money?

Mr. AIKEN. No; only commodities which are Government-owned.

Mr. FERGUSON. It merely covers those owned by the Government, not those put up as security?

Mr. AIKEN. That is correct.

Mr. DONNELL. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. AIKEN. I yield.

Mr. DONNELL. I should like to be quite certain that I understand what the amendments are that were offered by the Senator from California. I doubtless should know, but I did not retain their import, if I heard it.

Mr. KNOWLAND. What the amendments had reference to, I may say to the Senator from Missouri, is that by the language of the amendment offered by the Senator from Vermont, distributions were limited to private relief agencies, or to international relief agencies, such as the International Children's Fund. The Senator from California pointed out that we may want to dispose of those commodities in either or both of those ways, but I did not feel that we should foreclose the distribution by the United States Government itself, or its agencies. In other words, we might want to carry on a permanent relief program, as we did in connection with Belgium relief, by the United States Government or one of its agencies. So my amendments would provide that additional flexibility.

Mr. DONNELL. That is the effect of the amendments?

Mr. KNOWLAND. That is the effect of the amendments offered by the Senator from California.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. Mr. President, it is now well known that the greatest agricultural crop that Europe has had for a long time will be harvested this year and that France is ready to sell wheat, and perhaps other commodities, with which we are not entirely familiar. Still, we are ready to break their markets, but not to break our own. Does that make sense to the Senator from Vermont?

Mr. AIKEN. No. I think there is no nation of Europe but what is smart enough to prohibit our dumping relief commodities on them, if the effect of it would be to break their market.

SEVERAL SENATORS. Vote! Vote!

Mr. ELLENDER. Mr. President, I shall detain the Senate for but 3 minutes. We already have under section 416 of the present law, the right to give food commodities in danger of spoilage, first, to the school-lunch program and to the Bureau of Indian Affairs and Federal, State, and local welfare organizations for the assistance of needy Indians and other needy persons; second, to private welfare organizations for the assistance of needy persons within the United States; and third, to private welfare organizations for the assistance of needy persons outside the United States.

The major purpose of this amendment is to make it possible for the Commodity Credit Corporation, in addition to giving away these commodities, to pay the freight on them. The Committee on Agriculture and Forestry has not acted upon this proposal and has never recommended the payment of transportation charges by the Government in the disposal of the commodities involved. I understand that the House of Representatives is now considering similar proposals. Let us consider this subject in a separate bill, and not tack it onto the Commodity Credit Corporation bill.

The amendment also adds international organizations for the relief of persons outside the United States to those agencies eligible to receive free food commodities. A third provision would allow the Corporation to give away canned meat acquired in connection with the foot-and-mouth disease eradication program in Mexico and also pay transportation charges.

Mr. President, this amendment would subject the Government to unknown costs and I earnestly hope it will be voted down.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont, as modified.

Mr. MALONE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is the demand sufficiently seconded?

The yeas and nays were not ordered.

Mr. MALONE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Malone
Bricker	Hoey	Martin
Butler	Holland	Maybank
Byrd	Ives	Morse
Cain	Johnson, Colo.	Mundt
Capehart	Johnson, Tex.	Neely
Chapman	Kefauver	Robertson
Connally	Kilgore	Russell
Cordon	Knowland	Saltonstall
Donnell	Langer	Sparkman
Dworshak	Leahy	Stennis
Ecton	Lehman	Taft
Ellender	Lodge	Thye
Ferguson	Long	Tobey
Flanders	Lucas	Watkins
Frear	McCarran	Wherry
Fulbright	McClellan	Williams
George	McFarland	Withers
Hayden	McMahon	Young
Hendrickson	Magnuson	

The VICE PRESIDENT. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Vermont, as modified.

Mr. MORSE, Mr. DONNELL, and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. PEPPER] are absent on official business.

The Senator from Tennessee [Mr. MCKELLAR], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. GREEN], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Iowa [Mr. GILLETTE] is paired with the Senator from Tennessee [Mr. MCKELLAR]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Jersey would vote "yea."

On this vote the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Maine [Mrs. SMITH]. If present and voting the Senator from Maryland would vote "nay," and the Senator from Maine would vote "yea."

I announce further that if present and voting, the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER], are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr.

WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from New Jersey [Mr. SMITH] is detained on official business, and is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Ohio [Mr. TAFT] are detained on official business.

The result was announced—yeas 20, nays 37, as follows:

YEAS—20

Aiken	Kefauver	Saltonstall
Capehart	Knowland	Sparkman
Donnell	Langer	Thye
Flanders	Lehman	Tobey
Hendrickson	Lodge	Watkins
Hoey	McMahon	Young
Ives	Morse	

NAYS—37

Bricker	Hayden	Malone
Butler	Hill	Martin
Byrd	Holland	Maybank
Cain	Johnson, Colo.	Mundt
Chapman	Johnson, Tex.	Neely
Connally	Kilgore	Robertson
Dworshak	Leahy	Russell
Ecton	Long	Stennis
Ellender	Lucas	Wherry
Ferguson	McCarran	Williams
Frear	McClellan	Withers
Fulbright	McFarland	
George	Magnuson	

NOT VOTING—39

Anderson	Gurney	O'Conor
Benton	Hickenlooper	O'Mahoney
Brewster	Humphrey	Pepper
Bridges	Hunt	Schoeppel
Chavez	Jenner	Smith, Maine
Cordon	Johnston, S. C.	Smith, N. J.
Darby	Kem	Taft
Douglas	Kerr	Taylor
Downey	McCarthy	Thomas, Okla.
Eastland	McKellar	Thomas, Utah
Gillette	Millikin	Tydings
Graham	Murray	Vandenberg
Green	Myers	Wiley

So Mr. AIKEN's amendment, as modified, was rejected.

Mr. WILLIAMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out "$6,750,000,000" and to insert in lieu thereof "$5,750,000,000." On page 1, line 9, it is proposed to strike out "$6,750,000,000" and to insert in lieu thereof "$5,750,000,000."

Mr. WILLIAMS. The amendment which I offer merely seeks to strike out $6,750,000,000 and to insert in lieu thereof $5,750,000,000. It would cut by $1,000,000,000 the proposed additional borrowing authority of the Commodity Credit Corporation. It would give the Corporation $1,000,000,000 less. The amendment would not affect in any way the existing farm laws or support levels. It would merely provide an additional $1,000,000,000, instead of $2,000,000,000. If we are to have laws on the books, we must provide adequate funds to carry out the laws.

It was only on the 24th of January that the President of the United States made his request for $2,000,000,000 additional borrowing authority. Since that time, through an act of God, we have had a drastic reduction in our wheat crop. That means that there will be approximately $500,000,000 less needed to support wheat than was contemplated at that time.

An indirect effect of the shorter wheat crop is that the price of wheat has risen considerably above the existing support price. Instead of farmers having to make wheat loans, they are liquidating them at a much faster rate than ever. According to the April report, instead of the Commodity Credit Corporation running behind, as they have been for months, they have gained about $100,000,000 over what was expected. Another item which should be taken into consideration is that around July 1 the Commodity Credit Corporation will get approximately $170,000,000 in restoration capital. That is given to them by virtue of the fact that under the act of March 8, 1938, which I mentioned previously, as of June 30 the Secretary of the Treasury audits the accounts of the Commodity Credit Corporation, and to the extent they have sustained losses and to the extent their capital has been impaired, that money is restored. According to the Bureau of the Budget, as shown on page 497, the Corporation will receive this year as restoration capital from the Treasury Department $170,515,000. Together with these extras they can very well operate under their existing level for the next 12 months. Even in the event that I should be wrong in the estimate—which I feel is a correct estimate—$1,000,000,000 surely would last beyond the first of the year, at which time Congress will be in session and can consider the subject again.

Another reason I think the amendment should be adopted is the fact that this Corporation, which is seeking $2,000,000,000 in additional funds, has never rendered any account for the past 2 years of any money which Congress has given them or which they have spent. So far as I know, or so far as any other Senator knows, everything may be 100 percent in order.

On the other hand, it may be in the worst shape imaginable. However, I think it is wrong for Congress to consider giving $2,000,000,000 to the Commodity Credit Corporation until we find out how its internal affairs are being run, or at least until it presents proof that it needs the additional money. Therefore I urge that this amendment be adopted. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy. If present and voting, the Senator from Connecticut [Mr. BENTON] would vote "yea".

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY], are absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. GREEN], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Jersey would vote "yea."

On this vote the Senator from Maryland [Mr. TYDINGS] is paired with the Senator from Tennessee [Mr. MCKELLAR]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Tennessee would vote "nay."

I announce further that if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], the Senator from North Carolina [Mr. GRAHAM], the Senator from Minnesota [Mr. HUMPHREY], the Senators from Wyoming [Mr. HUNT and Mr. O'MAHONEY], the Senator from South Carolina [Mr. JOHNSTON], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr.

BRIDGES] and the Senator from Indiana [Mr. JENNER], are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER] the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] who is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, is paired with the Senator from Ohio [Mr. TAFT] who is detained on official business. If present and voting, the Senator from Maine would vote "nay," and the Senator from Ohio would vote "yea."

The Senator from New Jersey [Mr. SMITH] who is detained on official business is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from Maine [Mr. BREWSTER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Missouri [Mr. KEM] are detained on official business.

The result was announced—yeas 21, nays 36, as follows:

YEAS—21

Bricker	Frear	Malone
Butler	Hendrickson	Martin
Byrd	Ives	Robertson
Cain	Kilgore	Saltonstall
Cordon	Knowland	Tobey
Ecton	Lodge	Wherry
Ferguson	McCarran	Williams

NAYS—36

Aiken	Johnson, Colo.	Maybank
Capehart	Johnson, Tex.	Morse
Chapman	Langer	Mundt
Donnell	Leahy	Neely
Dworshak	Lehman	Pepper
Ellender	Long	Russell
Fulbright	Lucas	Sparkman
George	McCarthy	Stennis
Hayden	McClellan	Thye
Hill	McFarland	Watkins
Hoey	McMahon	Withers
Holland	Magnuson	Young

NOT VOTING—39

Anderson	Green	Myers
Benton	Gurney	O'Conor
Brewster	Hickenlooper	O'Mahoney
Bridges	Humphrey	Schoeppel
Chavez	Hunt	Smith, Maine
Connally	Jenner	Smith, N. J.
Darby	Johnston, S. C.	Taft
Douglas	Kefauver	Taylor
Downey	Kem	Thomas, Okla.
Eastland	Kerr	Thomas, Utah
Flanders	McKellar	Tydings
Gillette	Millikin	Vandenberg
Graham	Murray	Wiley

So Mr. WILLIAMS' amendment was rejected.

Mr. AIKEN. Mr. President, I offer the amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1 it is proposed to strike out lines 8 and 9 and to insert in lieu thereof the following: "out the words 'other than trust deposits and advances received on sales,' striking out '$4,750,000,000' and inserting in lieu thereof '$6,750,000,000', and changing the period at the end thereof to a comma and adding the following 'to discharge all other liabilities of the Corporation, and to provide for any borrowing necessary to fulfill contingent liabilities and outstanding commitments'."

Mr. AIKEN. Mr. President, the proposed amendment will require the Corporation at all times to reserve a sufficient amount of its authorized borrowing power, which, together with other funds available to the Corporation, will not only enable it, as required under the present section 4 (i) of its charter act, to purchase in accordance with its contracts with landing agencies, notes or other obligations evidencing loans made by such agencies under the Corporation's programs, but will also enable it to discharge all its other liabilities, and to provide for any increased borrowing necessary to fulfill contingent liabilities and outstanding commitments. This does not mean that the Corporation will have to set up a reserve against its borrowing authority in the entire amount of program commitments outstanding, but only in such amount as will be required under its borrowing authority to meet such commitments. The same is true as to contingent liabilities such as those under outstanding purchase agreements. However, in the case of accounts payable and other accrued liabilities, and in the case of loans which have been approved and not yet fully processed, since these items should be considered as liabilities, a full reservation in the amount of such items will be required against the borrowing power.

The amendment also eliminates the language "other than trust deposits and advances received on sales" now in section 4 (i). The elimination of this language will not affect the borrowing power, since items of this nature are not borrowings in any event, but it will insure that such items are not left out of the computation when the Corporation considers its borrowing power together with other funds available to it for the purpose of determining that its borrowings plus its liabilities are not in excess of its total borrowing authority, together with such other funds.

Mr. President, the proposed amendment is inspired by the fact that the Commodity Credit Corporation uses different methods of bookkeeping to suit its convenience at different times. Up until March 1949, it had always included its obligations to purchase loans held by lending agencies, loans approved but not fully processed, accounts payable, accrued liabilities, producers' equity in cotton pools, and contingent liabilities under outstanding purchase agreements.

In April 1939, it dropped these items from its liabilities chargeable against its borrowing authority. Then to my amazement I found that in making their request for $2,000,000,000 they were including these items again as liabilities which must be taken into account.

The purpose of the amendment is to provide that the Corporation shall include as obligations chargeable against their borrowing authority such items as bills payable, producer's equity in cotton pools, accrued liabilities, and contingent liabilities under obligations for loans which have been consummated but not made. Those are really obligations which always have been taken into consideration in estimating the borrowing authority left, and they certainly should be. I do not like to have them come here one month and say that a bill payable is a liability, and come here 4 months later and say that a bill payable is not a liability, and come here 6 months later and say that bills payable are liabilities. The amendment does not take anything away from their borrowing authority at all. It is an effort to require them to keep their books and list all their liabilities against their borrowing authority, instead of simply those which they choose to list.

Mr. ELLENDER. Mr. President, since 1938, the Commodity Credit Corporation has been required to treat as obligations against its borrowing power its outstanding bonds, notes, debentures, and similar obligations. As I pointed out yesterday, the amount of those statutory obligations was $3,544,000,000-plus on April 30, 1950, leaving a net of $1,205,000,000 of statutory borrowing authority available. But, as I also pointed out, there are other contingent liabilities in the amount of $750,000,000 which may or may not become a fixed liability of the Commodity Credit Corporation.

The Commodity Credit Corporation Charter Act in 1948 required the Corporation, in addition, to reserve sufficient borrowing power to purchase loans held by lending agencies. The sum of these two items represents the statutory charge against borrowing power.

In the day-to-day conduct of its business, the Corporation enters into thousands of business transactions with farmers, railroads, dealers, processors, and others. The payment of invoices and the making of payments to farmers in connection with these transactions is handled on a daily basis in the ordinary course of business through field offices and the many private trade facilities utilized by the Corporation as agents. In addition, there are other transactions of a highly contingent nature which enter into the Corporation's daily operations, such as purchase agreements entered into with farmers, claims against the Corporation, suits against the Corporation, and so forth.

The Corporation pays invoices rendered, makes settlements with farmers and handles daily the many other types of business transactions as would be done in any operating business. The Corporation from time to time makes estimates of its financial requirements and, in so doing, it takes into consideration the possibility that a portion of these day-to-day business transactions may require the use of borrowing authority. To endeavor to prescribe by law the portion of borrowing authority that should be reserved to take care of these day-to-day transactions and the many contingent liabilities of the Corporation would add greatly to its administrative burden and would force it to follow methods and procedures not usually required of a business enterprise. This would add considerably to the cost of the Corporation's operations and would prevent it

from operating as efficiently and effectively as would be expected of a private concern.

Some examples of the types of transactions which would create problems if any fixed or rigid system of determining all obligations against the borrowing of the CCC is prescribed by statute are as follows:

First, the Corporation makes an open offer to farmers that it will enter into purchase agreements for many commodities. Under such arrangements, the farmer has no obligation to deliver the commodity to the Corporation and, accordingly, may store it as he chooses, sell it or dispose of it at will, without making any report to the Corporation as to what he has done with the commodity. In other words, he in effect has an option to sell a specified quantity of a commodity to the Corporation as of a given date. The Corporation has no means of knowing whether he will exercise his privilege to deliver prior to the termination of this option and even then he is not required to deliver the commodity to the Corporation if he can sell it to his advantage. To endeavor to keep detailed records on such an operation would require the farmer to report to the Corporation when he has sold the commodity, fed it to livestock, or otherwise disposed of it. This would impose an additional burden on the farmer and would add greatly to the cost of the Corporation in administration of such purchase agreements, and there could still be no assurance that the records maintained were accurate. In short, purchase agreements handled in this manner probably would not be advantageous to either the Corporation or the farmer.

Second. Another difficulty which would arise in attempting to establish an amount to be charged against the borrowing authorization which would be verified is presented by claims against the Corporation. As a Corporation, Commodity Credit Corporation may be sued, and many suits are brought for amounts greatly in excess of any possible liability. To reserve borrowing power sufficient to cover the amounts sued for or claimed in all such cases would present a misleading picture of the Corporation's obligations, and the determination of such amounts would require an excessive amount of administrative costs. On the other hand, any effort to appraise the amount of actual liability in such cases would result in a figure so conjectural as to present unreasonable obstacles to an accounting review.

These are only illustrations of the types of problems which would arise if an attempt is made to prescribe by statute the means by and extent to which reservations of borrowing authority should be made to cover obligations other than actual borrowings and those arising under contracts with lending agencies. If the Corporation is to operate efficiently in comparison with private industry, it must be permitted to follow normal business practice of exercising a business judgment in forecasting its needs and in the handling of its financing.

The Corporation each month makes available to the public a statement showing not only the statutory charges against its borrowing authority but also its estimate as of a specific date of other obligations all or part of which may require later use of borrowing authority. The nature of these obligations is such that the responsibility for assuring availability of funds to meet them is one which should remain a responsibility of the management of the Corporation.

Mr. President, I ask that the amendment be rejected.

Mr. LUCAS. Mr. President, one needs only to listen to the statements made by the able Senator from Vermont [Mr. AIKEN] and the able Senator from Louisiana [Mr. ELLENDER] on the amendment to realize how controversial and how far-reaching the amendment is. It is another classical example of attempting to legislate on the floor of the United States Senate, without having any hearings before a committee upon such an important question as this. The same is true with respect to other amendments which have been offered. The Committee on Agriculture and Forestry had no opportunity whatsoever to go into the merits of the allegations made with respect to the various amendments. The Senate should not be compelled to vote blindly upon amendments of this kind. They may be meritorious. The Senator from Vermont is one of the able legislators, so far as agricultural problems are concerned, and most of the time I respect his judgment, but I cannot conscientiously support an amendment of so far-reaching a character as the one now before the Senate, without any hearings having been held upon it, and without any testimony having been adduced with respect to it before the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, with due respect to the senior Senator from Illinois, I wish to say that this matter has been before the Committee on Agriculture and Forestry time and time and time again. The amendment would have the Commodity Credit Corporation do what for a long time the General Accounting Office has tried to require the Corporation to do. The Corporation used to include in its liabilities such items as loans approved but not fully processed, accounts payable, accrued liabilities, producers' equity in cotton pools, and continuing liabilities under outstanding purchase agreements.

In March 1949 the Commodity Credit Corporation deleted those items from its liabilities, showing thereby that the Corporation had much more money on hand unobligated than it actually had. Now when the Corporation wants $2,000,000,000 additional borrowing authority it comes here and adds these liabilities, which are genuine liabilities, and says "We do not have any money. We have got to have $2,000,000,000."

Here is an opportunity to decide whether we want our Federal agencies' books kept in order or not. Here is a chance to vote for this amendment which will do what the General Accounting Office wants the Commodity Credit Corporation to do and what it should do without compulsion by the General Accounting Office or by the Congress or by anyone else, namely, what should be done in accordance with good bookkeeping practices. Certainly an account payable is a liability. Approximately $700,000,000 are included in these items at the present time, and the Commodity Credit Corporation regards them as liabilities. I am sure when the Commodity Credit Corporation gets the $2,000,000,000 additional, it will deduct those amounts, as has been done in the past.

Mr. President it, is time for our Government agencies to keep their books straight. The Commodity Credit Corporation has been a terrible offender in that respect, and apparently it does not intend to reform.

I think this amendment is one little step which we should take to make the Commodity Credit Corporation keep its books in order, so that we can determine how much borrowing authority the Commodity Credit Corporation has from time to time.

Mr. President, on the question of the adoption of the amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, I rise to support the amendment offered by the Senator from Vermont.

The Senator from Illinois stated that he did not think we should consider proposed legislation without having hearings. I wish to point out to him that the Secretary of Agriculture testified, in effect, before the Senate committee, on this very bill and on this amendment, because at that time he said that the same items which the Senator from Vermont has pointed out should be included, were being included.

This amendment merely provides that the Secretary of Agriculture shall do exactly what he said he was going to do at the time when he applied for the $2,000,000,000 additional. The amendment will force him to do what he has not always done in the past.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN]. On this question the yeas and nays have been ordered.

Senators who favor the amendment will vote "yea" when their names are called.

Senators who oppose the question, will vote "nay" when their names are called.

The Secretary will call the roll.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been ap-

pointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

The Senator from Texas [Mr. CONNALLY], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. GREEN], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Iowa [Mr. GILLETTE] is paired with the Senator from Maine [Mrs. SMITH]. If present and voting, the Senator from Iowa would vote "nay," and the Senator from Maine would vote "yea."

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Jersey would vote "yea."

I announce further that if present and voting, the Senator from Texas [Mr. CONNALLY], the Senator from Tennessee [Mr. MCKELLAR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO conference at Florence, Italy, and is paired with the Senator from Iowa [Mr. GILLETTE]. If present and voting, the Senator from Maine would vote "yea," and the Senator from Iowa would vote "nay."

The Senator from New Jersey [Mr. SMITH] is detained on official business and is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The junior Senator from Ohio [Mr. BRICKER], the Senator from Maine [Mr. BREWSTER], the Senator from Vermont [Mr. FLANDERS], the Senator from Missouri [Mr. KEM], the Senator from California [Mr. KNOWLAND], the Senator from Wisconsin [Mr. MCCARTHY], the senior Senator from Ohio [Mr. TAFT], and the Senator from Utah [Mr. WATKINS] are detained on official business.

The result was announced—yeas 23, nays 29, as follows:

YEAS—23

Aiken	Ecton	Morse
Butler	Ferguson	Mundt
Byrd	Hendrickson	Saltonstall
Cain	Ives	Thye
Capehart	Langer	Tobey
Cordon	Lodge	Wherry
Donnell	Malone	Williams
Dworshak	Martin	

NAYS—29

Chapman	Johnson, Tex.	Maybank
Ellender	Kilgore	Neely
Frear	Leahy	Pepper
Fulbright	Lehman	Robertson
George	Long	Russell
Hayden	Lucas	Sparkman
Hill	McCarran	Stennis
Hoey	McFarland	Withers
Holland	McMahon	Young
Johnson, Colo.	Magnuson	

NOT VOTING—44

Anderson	Gurney	Myers
Benton	Hickenlooper	O'Conor
Brewster	Humphrey	O'Mahoney
Bricker	Hunt	Schoeppel
Bridges	Jenner	Smith, Maine
Chavez	Johnston, S. C.	Smith, N. J.
Connally	Kefauver	Taft
Darby	Kem	Taylor
Douglas	Kerr	Thomas, Okla.
Downey	Knowland	Thomas, Utah
Eastland	McCarthy	Tydings
Flanders	McClellan	Vandenberg
Gillette	McKellar	Watkins
Graham	Millikin	Wiley
Green	Murray	

So Mr. AIKEN's amendment was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

If there is no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass?

EXTENSION OF RENT CONTROL—REPORT OF A COMMITTEE (S. REPT. NO. 1780)

Mr. MAYBANK. Mr. President, earlier today the Senate was generous enough to permit me, by unanimous consent, to submit the report on the rent-control bill, so that is might be printed.

I may say that the hearings were completed some time ago, and have been available to all Senators.

I wish to send the report to the desk, so that it may be available to all Senators. The report is based on the hearings.

The Senate was also kind enough earlier today by unanimous consent to permit me to report the so-called Lucas-Myers bill, which I am reporting from the Banking and Currency Committee, with amendments. The bill was ordered by the committee, by a vote of 8 to 5, to be reported favorably.

So, I now report the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, with amendments; and I submit a report (No. 1780) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (H. R. 6557) to increase the borrowing power of the Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President, I have no desire to delay the Senate. If it is agreeable to the Senator from Illinois and the Senator from Louisiana, I shall ask unanimous consent to have inserted in the RECORD a statement I have prepared relative to the accounting policies of the Commodity Credit Corporation and the report which has just been submitted today to the Senate, along with the report of last year.

As many Senators will remember, last year I stated on the floor of the Senate that I had been advised that $350,000,000 spent by the Commodity Credit Corporation could not be supported or verified. A few days later the Secretary of Agriculture emphatically denied that, and said the money had been accounted for. About 5 days after the Secretary of Agriculture made that statement, the Comptroller General reported that $366,000,000-plus had not been accounted for and could not be accounted for as of that time. That was on March 31, 1950.

Since that time many statements have been made both ways, some of them in an endeavor to whitewash the matter or to say that the money had been accounted for.

Yesterday there was submitted to the Senate a preliminary report for the years 1946 and 1947, and this afternoon the reports for those years in their entirety were submitted to the Senate.

The report submitted this afternoon shows that there is $96,000,000-plus, out of the $366,000,000, which cannot be accounted for at this time. The Comptroller General, in his report, has stated that in the absence of any records, and in the absence of any chance, as he sees it, of reconstructing those records, he thinks the Senate and the country had just as well forget the $366,000,000, as soon as possible. He does not think that any worth-while purpose can be served.

I have a chronological history of this entire procedure in a report. I am willing to present it to the Senate, if there is any controversy over it or any misunderstanding, but it is my understanding now that it is accepted by the members of the committee, that as to the accounts of the Commodity Credit Corporation as of June 30, 1947, the report which is being submitted to the Senate shows that of the $366,000,000 there is $96,000,000 for which there will be no accounting.

The VICE PRESIDENT. Is there objection to the request of the Senator from Delaware?

Mr. WILLIAMS. I understand there is no objection to allowing that record to stand. In this regard, I may say that

during the past 12 months I have been doing quite a little research. I have uncovered 12 or 15 errors. We collected back money on 12 of them, as I recall the number, which were of 6 or 7 years' standing. This clearly indicates that if the proper auditors had examined the books of this corporation in time, a very large part of this money could have been recovered. It is rather significant that in one instance I discovered an error of $45,000, for which no inventory could be found. When we traced it down, after considerable wrangling, in an attempt to get the records, we found that the $45,000 represented a shipment of canned meat, sent to New York, which had never been delivered to the Government. It took an auditor but 48 hours after he was assigned to the task to make the necessary contacts and to recover this money. We found duplicate payments and many other errors, which are listed, all of them. This history, as far as I have been able to reconstruct it from the files, is in this report.

I should prefer not to delay the Senate. If I understand it is to be accepted without challenge, I shall ask that it be inserted in the body of the RECORD.

The VICE PRESIDENT. The Senator asks unanimous consent that the matter to which he has referred be printed in the RECORD.

Mr. WILLIAMS. I am asking that it be printed in the body of the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

(The material appears in the remarks subsequently delivered by Mr. WILLIAMS.)

Mr. HOLLAND. Mr. President, on the question of the acceptance of the report for the RECORD, I want it to be made very clear that the members of the Committee on Agriculture and Forestry have from time to time insisted upon the cleaning up of this particular matter, and that the junior Senator from Florida has been particularly insistent on that course; that we have not had a chance to see that report, and that by no means, would we want the RECORD to indicate that we accept, without question, every item that is in it. We have not seen it. I have no objection at all to the Senator's putting the report in the RECORD, but I would not want his words to appear to have the meaning that members of the Senate Committee on Agriculture and Forestry are accepting it as a true statement of what we are going to have to charge off, because I do not know whether that is the case.

Mr. WILLIAMS. Mr. President, it seems to me that the members of the Committee on Agriculture and Forestry will remember that I appeared before them in March or April of this year and told them that, so far as I was concerned, before the Senate acted on this bill, those books were going to be submitted to the Congress. I received those books this afternoon, showing what I have just said. If the Senator from Florida has not had the opportunity of reading this report, he perhaps does not want it to go into the RECORD. But the bill is not going to be voted on until it is in the RECORD. It is either going to be accepted for the RECORD, or I am going to read it on the floor of the Senate. It makes no difference to me which.

The VICE PRESIDENT. The Chair will state to the Senator that consent was given that the matter be printed in the RECORD.

Mr. WILLIAMS. But, Mr. President, I am not merely trying to get it into the RECORD. If there is any doubt in the mind of anyone as to the facts concerning the books of this Corporation, we are going to settle it right on the floor of the Senate.

The VICE PRESIDENT. The Senator cannot ask the Senate to accept it as a matter of fact.

Mr. WILLIAMS. I am not asking the Senate to accept it as a matter of fact, but since there is a doubt in the mind of one of the members of the Committee on Agriculture and Forestry, I shall proceed to deliver the speech. I ask the Senator from Illinois whether he wants to stay here tonight, or whether he wants to carry this over until tomorrow?

Mr. LUCAS. The Senator from Illinois desires to finish the bill tonight.

Mr. WILLIAMS. That is all right with me. I suggest the absence of a quorum.

Mr. TOBEY. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator has suggested the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Martin
Bricker	Hoey	Maybank
Butler	Holland	Morse
Byrd	Ives	Mundt
Cain	Johnson, Colo.	Neely
Capehart	Johnson, Tex.	Robertson
Chapman	Kilgore	Russell
Cordon	Langer	Saltonstall
Donnell	Leahy	Sparkman
Dworshak	Lehman	Stennis
Ecton	Lodge	Thye
Ellender	Long	Watkins
Ferguson	Lucas	Wherry
Frear	McCarran	Williams
Fulbright	McFarland	Withers
Hayden	Magnuson	Young
Hendrickson	Malone	

The VICE PRESIDENT. A quorum is present.

Mr. WILLIAMS. Mr. President, I should like to say in the beginning that I do not have any desire unduly to delay the Senate. I hesitate to speak this late in the evening. I was hoping that I might insert the report in the RECORD, but as I understand the position of the Senator from Florida [Mr. HOLLAND], he wants to know what is going into the RECORD. I think all Senators should know what is going into the RECORD, particularly in view of the fact——

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I want to make it clear again that I do not have the slightest objection to the insertion of the documents into the RECORD. What I have objection to is having them inserted with the statement of the Senator from Delaware that they must be accepted as a true and accurate statement of the situation as it exists, when Senators have not seen the documents which came in only last night. It was the condition of the admission to which the Senator from Florida objected. I have no objection whatever to the insertion of the documents in the RECORD as being what they purport to be, but I do not propose to accept them and be bound by them, and I am sure no other member of the Committee on Agriculture and Forestry would accept it subject to such conditions.

Mr. WILLIAMS. Mr. President, I respect the position of the Senator from Florida. I do not expect him to subscribe to anything he has not had an opportunity to see, although he is slightly mistaken. If I remember correctly when I appeared before the committee in February or early March, the Senator from Florida said he thought my request for the books of the Corporation was in order, and I think I am correct in saying that he made the motion, seconded by the Senator from New Mexico [Mr. ANDERSON] that the books be submitted to the Congress before we were asked to vote. I think I am correct in that statement.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. The Senator is correct. The Senator from Florida felt that the wartime disparity should be cleared up. The Senator from Florida insisted that the audits being made by the General Accounting Office be brought up to date. The office was quite a number of years behind, and it was brought out yesterday that the General Accounting Office had completed its work and had submitted the audits, as the Senator from Florida now recalls, to the Department of Agriculture, and that Department had not had time to check. The Senator from Delaware and the Senator from Florida are together on this one point, that we both felt that the whole matter should be cleared up so that we would have the exact facts. I am glad that the Senator from Delaware states that it is his feeling, as it is mine, that none of us should accept or be bound by the statement which came in last night, as I understand, or perhaps this morning, and which no Senator has seen unless it be that the Senator from Delaware has had an opportunity to examine it today.

Mr. WILLIAMS. The complete audited report came in last night and was laid before the Senate by the Chair this afternoon. However, the statement which I made was naturally not prepared from the report. It was prepared from a summary of the report which was given to the Committee on Agriculture and Forestry in advance. It was sent to that committee by the Honorable Lindsay C. Warren under date of March 31, 1950, and the Senator from Florida has had access to it for the past 2½ months, if he had seen fit to read it. I do not know whether he has seen it. That is beside the point. But the report which came from the Comptroller General, the preliminary report, a copy of which is on my desk, dated March 31, 1950, addressed to the chairman of the Senate Committee on Agriculture and Forestry, states that of the $366,000,000 which he reported to

Congress on March 30, last year, as being unable to account for, there is $96,000,000, to be exact, $96,440,497, which he had to subtract from the over-all accounts on June 30, 1947, in order to make the books balance.

That report has been in the hands of the Committee on Agriculture and Forestry for 2½ months. The Senator from Florida is a member of that committee. When I ask to insert this in the RECORD, I am not asking to insert something which has not been available to the members of the Committee on Agriculture and Forestry. I felt sure that the members of the Committee on Agriculture and Forestry meant what they said, that they were going to try to get these reports from the Comptroller General. Surely I had every reason to believe that after they got the reports they would read them.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. HOLLAND. The Senator from Florida feels that in justice to those Senators on both sides of the aisle who are members of the Committee on Agriculture and Forestry it should be stated that there are two different accountings being made in this rather difficult situation of checking up on the wartime activities of the Commodity Credit Corporation. One is an audit by the General Accounting Office. After that is completed for each year it is submitted to the Department of Agriculture for checking. The Senator is exactly correct in his feeling that the whole membership of the Committee on Agriculture and Forestry, particularly the Senator from New Mexico [Mr. ANDERSON], who is not here today, and the Senator from Florida, were insistent upon this matter being cleaned up. So far as the Senator from Florida is advised up to this moment, the check of the audits for the last several years, that is, the check of the audits made by the General Accounting Office, which check was being made by the Commodity Credit Corporation, has not been completed and reported to the Committee on Agriculture and Forestry. If it has been so completed and reported, it has not been reported to the Senator from Florida.

Mr. WILLIAMS. I do not know how much the Senator from Florida knows about what is going on in the Committee on Agriculture and Forestry. However, it is a fact that such a report was received. The Senator from Louisiana [Mr. ELLENDER] inserted in the RECORD a copy of the preliminary report which was received by the Committee on Agriculture and Forestry. So I know that the members of the committee received it. The reports were inserted yesterday and they covered not only a copy of the report from the Comptroller General with reference to the $96,000,000, but also a report from the Secretary of Agriculture.

Both the report from the Department of Agriculture and the report from the General Accounting Office, in compliance with the request under the motion made by the Senator from Florida himself, have been in the hands of the Committee on Agriculture and Forestry for 9 weeks. So there is no reason why the members of the Committee on Agriculture and Forestry should not be familiar with it. If they are not, it is all the more reason why this speech should be made. I think it is time that Members of the Senate, and particularly the members of the Committee on Agriculture and Forestry be made acquainted with the facts.

I know the Senator from Florida has had a considerable amount of other work to do, and I can see how he would not pay as much attention to this matter as I have been paying, because I have been a little bit more concerned about this particular project. However, I still think that it is important that this report be placed in the RECORD so as to settle once and for all, so far as the country is concerned, whether this money has been accounted for.

As I said, in the beginning the Secretary of Agriculture denied completely that there was any amount of money unaccounted for. The Senator from Illinois put the letter of the Secretary of Agriculture in the RECORD last March. I do not criticize that. He had every right to expect the Secretary of Agriculture to know what he was talking about. The Secretary of Agriculture, under date of March 31, 1950, sent a letter to the Committee on Agriculture and Forestry in which he said, in effect, "We have found all but $96,000,000."

Mr. YOUNG. Mr. President——

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield first to the Senator from North Dakota.

Mr. YOUNG. Does the Senator from Delaware expect every member of a committee to be fully informed as to all correspondence which the committee receives?

Mr. WILLIAMS. No. I do not say that as any criticism of any member of the Committee on Agriculture and Forestry. I feel that if they do not know the facts, I have no alternative but to go on with the address. Many people in the country are wondering whether I was all wet last year when I said that there was $366,000,000 unaccounted for. I did not make any charge that there were any shortages. I do not make any such charges now. I do not know. Conceivably, if the books were reconstructed, as the Comptroller General pointed out and as I pointed out yesterday, by a stretch of the imagination every dollar could be found to be in line. On the other hand, if one were of a somewhat suspicious nature, he could say that the $96,000,000 was gone.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. I would be inclined to agree with the Senator's statement, but certainly I think it is unreasonable to ask every member of the committee to agree with a report which he has not seen.

Mr. WILLIAMS. I fully agree with that. Had I known that the members of the Committee on Agriculture and Forestry were not familiar with it, I would not have made the request tonight. I had discussed this matter with the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER], and I told him that I would make the request. Perhaps I made the mistake of not going to each member of the committee. However, I thought they knew about it. If the Senator from Illinois wishes to carry the matter over until tomorrow morning, I am willing to give a copy of the report to each member of the committee and let them look it over.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LUCAS. I merely wanted to make the announcement that it is important that Senators remain in the Chamber, because if there is a quorum call at the end of the Senator's address we shall be compelled to get a quorum.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Mr. President, I desire to ask the Senator a question. Regardless of whether or not I was a member of the Committee on Agriculture and Forestry, it would seem to me to be entirely appropriate and desirable, before I voted on a bill to increase the borrowing power of the Commodity Credit Corporation by $2,000,000,000, that I should know whether the Commodity Credit Corporation had satisfactorily explained this $366,000,000 item. Does not the Senator agree that whether or not a Senator is a member of the Committee on Agriculture and Forestry it is appropriate and desirable that he have that information before he casts his vote on the bill?

Mr. WILLIAMS. I think it is. The Senator from Missouri joined me last year on a motion to have an appropriate committee make a check into this and other Government corporations.

Mr. DONNELL. Would the Senator not consider that we would at least be subject to the criticism of being derelict in our duty, whether or not we were members of the Committee on Agriculture and Forestry, if we voted to increase the borrowing power of the Commodity Credit Corporation by $2,000,000,000 without knowing whether or not this $366,000,000 item has been cleared up?

Mr. WILLIAMS. I think that is correct. I shall not read the entire report. I should like to read one paragraph of the report. It comes from the report which the Vice President handed down a few minutes ago. The report points out that during the past 12 months they have accounted for all of the $366,000,000 except $96,000,000. The Comptroller General has pointed out that it was necessary to deduct from the over-all accounts receivable $96,000,000 in order to balance the books. Even then the Comptroller General did not say that he knew he had the answer.

The report states:

> Because of accounting and record-keeping deficiencies, including delays in recording current transactions and in correcting errors and other deficiencies in transactions applicable to prior periods, the accuracy of the amounts shown as the total net losses, and the amounts shown as the gain or loss on individual commodity programs and groups of programs for each of the fiscal years 1946 and 1947, is impaired to an extent not fully determined.

It is further said that the report is sent more or less as the best they can submit, but they do not vouch for its accuracy.

I think it is time we tell these corporations that we expect them to account for their money.

Those paragraphs are from page 142 of the Comptroller's report, which was just handed down this afternoon by the Vice President. The report covers the period of the fiscal years 1946 and 1947.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Nevada.

Mr. MALONE. I should like to ask the distinguished Senator from Delaware if the amendment offered by the Senator from Vermont [Mr. AIKEN] this afternoon, to improve the bookkeeping of the organization, would have in the future answered the criticism now being offered by the Senator from Delaware.

Mr. WILLIAMS. No; I do not think so. It would have helped a great deal. Does the Senator refer to the last amendment?

Mr. MALONE. Yes.

Mr. WILLIAMS. The last amendment offered by the Senator from Vermont would merely have made it compulsory for the Secretary of Agriculture to do what he told the Committee on Agriculture and Forestry, in making his application for this authority, he was doing. It would merely spell out in the law that which he said he was going to do.

Mr. HOLLAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Florida?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. Repeating, first, one thing, and asking the Senator to remember it, the Senator from Florida, and every other member of the Committee on Agriculture and Forestry who is present, has no objection whatever to the placing in the RECORD of all the documents to which the Senator refers. I think the Senate is entitled to have them, the public is entitled to them, certainly we have no objection to their inclusion.

What we do object to is anything in the nature of a condition as imposed by the Senator from Delaware, which would make it appear that the members of the committee are acceding to the statement of account as being true and the best statement that can be made, or as clearing up the situation to which we have been addressing ourselves diligently for a period of months.

Let me say to the Senate and to the Senator that if the Senator is seeking to create the impression that this committee has been a rubber stamp committee which has acceded to everything the Department of Agriculture has wanted, the Senator is obviously overlooking the fact that the committee has not taken that position, but has refused to approve the Brannan plan, has refused to go along on the Irish potato program that was suggested, has insisted upon clearing up the functioning of the Commodity Credit Corporation insofar as the bylaws affecting charge-offs or allowance of claims are concerned, and has in many other particulars taken positions which were completely independent, and were addressed to the very objectives the Senator is now discussing, namely, getting in as nearly perfect condition as we could the past picture of operations, and the present program of operations, so that the corporation may be operated in a way that cannot be properly criticized.

I believe that the Senator should, in candor, state that the committee, each time he has appeared, backed him up in his insistence that the difference in auditing between the General Accounting Office and the Department of Agriculture be cleared up and be brought to a conclusion, so that we could see clearly what was happening and what had happened.

In closing, let me say again that no member of the committee objects to the inclusion of every one of the documents to which the Senator has referred, but we do all object to any conclusion or any assumption to the effect that the committee admits and accedes that the statement sent in is the best showing that can be made, and is the true and final account and that we are satisfied with charging off $96,000,000, when no member of the committee has taken any such position.

Mr. WILLIAMS. Mr. President, I am not asking the Senator from Florida or any other Senator to agree to anything. If in this report I make any statement that is wrong, I wish the Senator would correct me, because I think this is the time to get the matter cleared up.

I had assumed that the Committee on Agriculture and Forestry was familiar with the report, because I knew they took interest enough in it to ask for it from the Comptroller General, and I had every right to believe they would read it when it came to the Senate. It was from this same committee, after I appeared there, that there came the notice to the effect that everything was cleared up and everything was lovely. It developed later that everything was not lovely, and that we lack $96,000,000, and I want to straighten that out here tonight.

Mr. President, during the past year there has been considerable controversy regarding the question of the bookkeeping policies of the Commodity Credit Corporation——

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. DONNELL. From what is the Senator reading now?

Mr. WILLIAMS. I am merely trying to review briefly the history, and most of my statement is taken from the report.

Mr. DONNELL. I thank the Senator.

Mr. WILLIAMS. I am merely trying to review the record, as briefly as possible. I do not think it will take very long, but I want to review it in order that the members of the committee and of the Senate may understand exactly what is going on in this agency, because everyone seems to be taking the attitude that this is the end of the matter, and that they cannot find more of this money.

Mr. President, I repeat, during the past year there has been considerable controversy regarding the question of the bookkeeping policies of the Commodity Credit Corporation, particularly regarding the question as to whether or not the Commodity Credit Corporation had given proper accounting for the billions spent during the wartime period.

On March 25, 1949, I made the statement on the floor of the Senate that I had received information to the effect that if the books of the Commodity Credit Corporation for the period ended June 30, 1945, were examined, we would find over $350,000,000 listed as unaccounted for.

On March 29, 1949, 4 days following my statement, the Secretary of Agriculture, Mr. Charles F. Brannan, issued a denial and stated that "the $350,000,000 was accounted for."

On the same date Mr. Brannan further stated, in a letter, which was inserted in the CONGRESSIONAL RECORD by the Senator from Illinois [Mr. LUCAS]:

> Senator WILLIAMS is now, therefore, bringing up matters which have already been thoroughly investigated and on which full corrective action has already been taken, and they were thoroughly covered in investigations conducted by Judge Tarver pursuant to House Resolution 50 in the spring of 1945.

As I have said, that statement was put into the RECORD by the majority leader.

Presumably the Senate had every right to expect that that statement had some degree of accuracy in it, coming from the Secretary of Agriculture. Yet today we find that, instead of this covering the situation which was investigated in 1945, the Comptroller General in the report today says that for the past 12 months he has been reviewing this case, and of the $366,000,000 unaccounted for at that time, he had found all but $96,000,000. As I have said, since that time numerous conflicting statements have been made by responsible officials, first admitting and then denying that the books were in disorder or that substantial amounts had not been accounted for, until today no one except those who have followed the case very closely know just what has happened.

I believe that statement is borne out by the fact that here tonight several members of the Committee on Agriculture and Forestry stood up and admitted that they did not know what had happened.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. DONNELL. The books about which the Senator is talking are the books of the Commodity Credit Corporation; are they not?

Mr. WILLIAMS. They are, as audited by the Comptroller General of the United States.

I now check back through the Comptroller General's statement, in which he said that this matter had been investigated in 1945. I checked the records back and found that in December 1944 the Subcommittee on Department of Agriculture Appropriations received information indicating possible mismanagement and waste of public funds in the War Food Administration, which was the name of the agency under which the

functions of the Commodity Credit Corporation were conducted during the war. Subsequently, following the passage of House Resolution 50 on January 8, 1945, an investigation of the activities of this Corporation was authorized. Congressman Tarver, of Georgia, was chairman of this subcommittee.

On June 27, 1945, this subcommittee investigating the Corporation submitted a report to the House of Representatives—House Report No. 816 of the Seventy-ninth Congress. This is the same report to which Mr. Brannan referred in his statement of March 29, 1949, at which time he indicated that the investigators were fully satisfied with the operations of the Corporation. As evidence of just how satisfied this subcommittee in 1945 under Judge Tarver considered the operations of this Government Corporation, I read one paragraph from this report, which can be found on page 13, in the conclusion of the report. This is the report made by Judge Tarver's committee, and a report which Mr. Brannan said completely exonerated the War Food Corporation or the Commodity Credit Corporation of any mismanagement. I read:

It is impossible for all of the deficiencies in the operation of the WFA to be justified upon the basis of the magnitude of the over-all operations. Many of them have been deficiencies of the type which should have at once required the most diligent efforts for their correction on the part of the supervisory officials as soon as they were called to their attention, whatever the magnitude of the operations. We appreciate the fact that the WFA has indeed been faced with tremendous problems and we feel that the pride expressed by Judge Marvin Jones, present Administrator, in the course of the hearings, that no ship has had to sail without the requested food aboard and that, generally speaking, all commitments made by the WFA for delivery of commodities under the lend-lease program have been met, is thoroughly justified. WFA has met a national need in a period of extreme emergency and the over-all result has been one of which the people of this country have the right to be proud. The committee does feel, however, that these facts do not excuse errors in administration which were avoidable or which, if unavoidable, could have been corrected and were not corrected after proper notice of their existence had reached those who were in position to bring about corrective action. There appears to be no logical reason why more accurate records of WFA could not have been kept nor why the commitments of WFA could not have been met as readily or perhaps more readily if this had been done. The committee realizes that it was difficult to organize the regular flow of commodities to shipside due to the irregularity of ship schedules but there appears to be no logical reason for inefficiencies in administration which have resulted in some cases in commodities which are in demand in the civilian market remaining in storage until they reached such a deteriorated condition that they are unfit for human consumption.

I may point out that in the same report Judge Tarver's committee criticized very seriously the fact that there were men of irresponsible character holding office. The report pointed out how in one instance an embezzler, a man who had been convicted at least twice of embezzlement, was holding a responsible position, and that he had received three different promotions after that fact had been called to the attention of the Corporation. Instead of firing him, they promoted him three different times.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. I assure the Senator from Delaware I have no desire to interfere unduly with the continuity of his speech, but I should like to ask him a question. The Senator made mention earlier this evening of an instance of two carloads of grain having been billed to the Government, and $45,000 collected, as I understood, for those two carloads, but as a matter of fact the two carloads were never received by the Government. Does the Senator propose to tell us how that happened, and whether or not any suit was necessary to get back the money?

Mr. WILLIAMS. I have all the facts with reference to that matter in the report which I intended to insert in the RECORD. It was two carloads of canned meat instead of grain, and the canned meat was shipped from Buffalo, N. Y. The shipment was carried on the books of the Corporation as two carloads of canned meat which had been shipped to Russia. It is difficult for me to understand why the transaction was not followed through. Upon writing to the Department about the matter, I was told they would be unable to reconstruct the files, that it would be too expensive. I told them I was very suspicious of that item. I insisted on an investigation being made of it. After a little correspondence I told them I would be forced to take other steps if they could not at least check this case. I received a letter from them that the money had been paid. When I checked into the matter of when the money had been paid it seemed that it had been paid in 1948, after my last letter went to the Department, in which I told them I would not take "No" for an answer and that I expected them to give me complete details.

Mr. DONNELL. Did the Senator ascertain whether or not any inquiry was made by the Government officials as to whether the acquisition of the $45,000 by these parties was criminal in nature, or unintentional, or negligent, or just what was the explanation.

Mr. WILLIAMS. I am not a lawyer, and I do not know, but from my understanding of the case it looked to me simply like a very slip-shod bookkeeping system. I think it was a case where the Corporation had bought two carloads of canned meat. It seems they were doing quite a little business with these companies. They overpaid them for two carloads which were not delivered. The Corporation carried the item on one side of the books for a while, and then on the other side of the books, and the transaction was closed out. The case was 7 years old at the time I found it. It certainly must have been felt that the money was owing, although a 7-year-old claim could not ordinarily be collected. If any criminal charges could at one time possibly have been brought, they could not be brought at this time, because the case is too old.

That is why I say, Mr. President, we are negligent in our duty in not insisting upon the books being brought before us. On transactions which occurred in 1946 or 1947 we cannot collect the money unless those who owe the money see fit to pay it. It would be much easier to straighten out the books if they were brought in when they are supposed to be.

From this statement it is evident that the committee conducting the investigation in 1945 under Judge Tarver was far from satisfied as to the operations of this corporation.

On February 24, 1945, Congress passed Public Law 4 of the Seventy-ninth Congress, known as the Byrd-Butler Act, which instructed the General Accounting Office to audit all Government corporations, including the Commodity Credit Corporation, and render a report of its findings to the Congress at the earliest date possible, with further instructions to the General Accounting Office that such audit be made of every Government corporation at the close of each fiscal year ended June 30, and that the report of their audit should be submitted to the Congress no later than January 15 following the close of each fiscal year.

In other words, the 1949 books have been overdue since last January. The 1948 books were due a year ago. The books which we have here today were under the law supposed to have been submitted to the Congress 3 or 4 years ago. Other Senators know as well as I do that every American citizen must render a report to the Government on March 15 of each year as to his income, and give Uncle Sam his share of that income. Picture Uncle Sam letting a man who fails to report for 4 or 5 years go free of payment of his income tax simply because he tells Uncle Sam, "I have lost some records, and I am trying to get them straightened out. I lost $96,000,000 somewhere, but do not worry; if I had the records they would be good." Yet, that is exactly what Congress is doing with respect to this Government corporation. We passed a law providing that they must submit the books once a year. We are not requiring them to do so. We let them get away with it. We know the books are in bad shape. We pay the General Accounting Office to audit the books. We receive such audits, but half the time we do not read them. We must take steps to remedy this condition.

Mr. President, I was glad to have the Senator from Illinois interrupt me. Any time any Senator desires to interrupt my statement I wish he would do so. Now is the time to ask questions, to have matters cleared up. If Senators do not ask questions I assume that those who are listening are accepting my statement without challenge.

During the early part of 1949 it was called to my attention that if and when the audit report for the Commodity Credit Corporation were examined by the Congress we would find that it would contain the charge that over $350,000,000 was unaccounted for. I was greatly concerned with this information, and upon investigation was very much surprised to find the audit reports from the General Accounting Office on the Commodity Credit Corporation for either the period ending June 30, 1945, or for any of the

subsequent years up to that period, had not as of that date been submitted to the Congress, notwithstanding the fact that nearly 4 years had elapsed since the passage of the Byrd-Butler Act, which requires that those books be delivered to Congress.

Failing to obtain any definite information as to when such a report would be made available to the Members of Congress and in view of the alarming rumors that if and when such a report would be made available that it would contain rather serious charges of loose bookkeeping as well as the charge that millions of dollars were unaccounted for, I felt that I had no alternative other than to report to the Congress my suspicions and request that Congress pass a resolution providing that these books be submitted forthwith.

Therefore, on March 25, 1949, I made a report to the Senate outlining the information which I had received and at that time introduced a resolution—Senate Resolution 94—requesting the immediate delivery to the Senate of the books of the Corporation as of that time. My remarks of that date appear in the CONGRESSIONAL RECORD on pages 3190–3191.

On March 29, 1949, the Secretary of Agriculture, Mr. Charles F. Brannan, addressed a letter to the Honorable SCOTT W. LUCAS, the majority leader, a copy of which was inserted in the CONGRESSIONAL RECORD of that date and appears on page 3379, in which he emphatically denied my allegations as appearing in the CONGRESSIONAL RECORD of March 25, 1949, and made the statement that "The $350,000,000 was accounted for," and that I was bringing up matters which had been thoroughly investigated and on which full corrective action had already been taken.

On the following day, March 30, 1949, as a result of my resolution presented on March 25, 1949, after the Secretary of Agriculture made the statement that all of the $350,000,000 was accounted for, the Honorable Lindsay C. Warren, the Comptroller General of the United States, submitted a report on behalf of the General Accounting Office covering its examination of the Commodity Credit Corporation for the period ended June 30, 1945. This report was made official House Document No. 148.

Notwithstanding the fact that only the day previous the Secretary of Agriculture had denied my statement that over $350,000,000 could not be supported or verified, there is found on page 33 of this report this statement:

> The amount of $366,643,129 recorded as due from sales made in the General Commodities Purchase Program could not be supported nor verified.

That statement on the part of the Comptroller General was sent to the Congress just 1 day after the Secretary of Agriculture had said everything was accounted for, and, I may say, just a little over a year before the Secretary of Agriculture said to the Committee on Agriculture and Forestry—and a copy of his statement is included in the CONGRESSIONAL RECORD for yesterday—that he had found all but $96,000,000.

So apparently we cannot take the word of the Secretary of Agriculture relative to what is going on in that agency because there are the conflicting statements which he himself has made to the Congress in that period of time.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Delaware yield to the Senator from Missouri?

Mr. WILLIAMS. I yield.

Mr. DONNELL. As I understand, the Comptroller General has stated that he has found explanations for all but $96,000,000 of the $350,000,000. Is that correct?

Mr. WILLIAMS. That is correct; he arrived at that conclusion subsequent to the report made to the Congress last year.

In the report submitted today to the Congress, a preliminary summary of which was submitted to the Committee on Agriculture and Forestry on March 31 of this year, the Comptroller General said that during the period intervening since last year, in auditing the books of the Commodity Credit Corporation for 1946 and 1947, he has accounted for all but $96,000,000, but he thinks we might just as well forget that.

Mr. DONNELL. In other words, forget the $96,000,000?

Mr. WILLIAMS. I think the Comptroller General is correct, according to what I understand, after examining the books, because the records have gone—except that I feel that we should place responsibility where it belongs for the loss of the $96,000,000; we should determine who is responsible for losing track of that amount of money.

Mr. DONNELL. Has the Comptroller General explained how the other $270,000,000 happened to be unaccounted for over a considerable period of time?

Mr. WILLIAMS. Yes.

Mr. DONNELL. As I understand, at first the Comptroller General said that $366,000,000, in substance, could not be accounted for.

Mr. WILLIAMS. That is correct.

Mr. DONNELL. Now I understand that all of that has been accounted for except $96,000,000, so the Comptroller General has found some accountability for the $270,000,000.

I wonder whether he has informed the Senator or the Senate or the Congress how the other $270,000,000 had temporarily been unaccounted for. Has he done that?

Mr. WILLIAMS. Yes; I think he has done that to fairly good advantage in the report, which is rather voluminous and detailed. It seems that there would be transactions which would not be recorded on the books—transactions, I suppose, similar to the item I happened to uncover, the one I explained to the Senator, the item of $45,000 which the Commodity Credit Corporation had paid for, but had never received delivery for. Furthermore, they had triplicate items out, and again they had items charged on the books, but about which perhaps they did not know.

The Comptroller General said the trouble was due to a loose bookkeeping system and due to the irresponsibility of the administrators.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Does the Comptroller General tell us whether or not the Commodity Credit Corporation has put into effect a better system of bookkeeping, under which such discrepancies may no longer be expected to occur?

Mr. WILLIAMS. Yes; I understand that the Commodity Credit Corporation has made great improvement in its bookeeping system. The Comptroller General told us last year that the Commodity Credit Corporation was making great improvements.

However, I am somewhat concerned over the fact that in the report coming to us today from the Comptroller General, he warns us that the report he is submitting for those 2 years contains so many inaccuracies that he cannot exactly certify that the report is correct, because there are so many deficiencies in the Corporation's accounting policies or accounting system. He says that is the result of the Corporation's failure to record current transactions.

Of course there is no reason why an agency handling so much of the Government's money should not record its transaction as it goes along. Naturally, if the agency does not keep records or books of its transactions, the books or records cannot be audited as they should be.

In last year's report the Comptroller General pointed out an instance in which $20,000,000 had been paid by one agency without being recorded on the books at all.

I assume that a great many of the records for the amount of money which was unaccounted for have been reconstructed.

Mr. DONNELL. Let me ask whether the Comptroller General thinks there is any reason to make a further search as to the possible unaccountability of the $96,000,000.

Mr. WILLIAMS. No; because for the past 2 or 3 years the Comptroller General has had a group of auditors working on the books of the Commodity Credit Corporation; and he feels that they have reconstructed all the records they can reconstruct. After all, since 6 or 7 years have passed, and since time is moving along, and since the records cannot be found, he does not know what else can be done about it; and I do not, either.

However, I think it is inexcusable for us to consider giving $2,000,000,000 more to a Government corporation which has not submitted records for its operations over the past 2 years. There must be something wrong with its books; otherwise it would send us its books for the past 2 years. Perhaps the books are out of balance and the Corporation does not want to tell us about that.

Today the Corporation says it is unable to account for $96,000,000 of the taxpayers' money. Mr. President, if we continue to permit such delay in accounting or reporting the transactions of the Corporation, I do not know how much money may be unaccounted for in a few years. It might be that there will not be any money unaccounted for, but I think at least we have a right to know

promptly, in accordance with the requirements of law, what is shown by the books of the Corporation.

Mr. DONNELL. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Some of us, who come from communities where $96,000,000 would be a considerable sum of money, share the apprehension of the Senator from Delaware, wonder—or, at least, one of us wonders—whether the Senator from Delaware has come into contact with like careless methods of bookkeeping in any other department or agency of our Government.

Mr. WILLIAMS. Yes; I have been examining more than one branch of the Government.

The other day I stated that the RFC reports for the last 2 years, I believe, have not been submitted to the Congress: at least, I know the RFC is behind in submitting its books, and the report which was submitted was seriously criticized by the Comptroller General.

We have been permitting many of these Government corporations to handle billions of dollars of the Government's money without making any accounting at all either to the Congress or to the American people, but at the same time we employ hundreds of certified public accountants in the General Accounting Office, and give them instructions to audit those books.

The Senator from Nebraska was one of the cosponsors of one of the very good bills on this subject which was enacted. Yet so far as the results are concerned, perhaps it would have been better if we had never passed the bill, for then we would have saved the cost of having the auditors do that work, because certainly there is no use in employing auditors to do a job if they are required to report that they are unable to make an accurate report about it. The Corporation has said, in effect, "Do not worry if the auditors cannot find all the items or cannot account for all the amounts. Everything is lovely, because we have the utmost confidence in the man at the head."

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. I was going to mention the act which the Senator from Virginia [Mr. BYRD] and I sponsored in 1947, known as the Butler-Byrd Act, which the President signed. I can hardly agree with the Senator from Delaware that it might have been just as well if the bill had not been passed and had not been enacted into law. I think the Senator is mistaken about that because the bill has done a great deal of good. One of its requirements is that each Government corporation shall make an annual report to the Congress.

I am a little surprised to hear the Senator say that the RFC has not made a report in 2 years.

Mr. WILLIAMS. When I said it might have been just as well if the bill had not been passed, I did not mean that in the strict sense of the words I used. I think the intention of the Senate when the bill was passed was that the audited reports should be submitted to the Congress. However, that has not been done. I think it was the intention of the Senator from Nebraska that the audited reports should be submitted to the Congress annually, and I think the intention was good. I wish to have the act kept in force, and I wish to make the Government corporations comply with its provisions.

Mr. BUTLER. Mr. President, if the Senator will yield to me again, I should like to say that the first year following the passage of the Corporation Control Act, there was submitted to the Congress a one-volume report showing the condition of each and every Government corporation, what it had on hand, and what it was expected to ask for the ensuing budget. I remember very distinctly one Government corporation that had been in the process of liquidation over a period of years, which asked for an additional $40,000 for the ensuing year in order to complete its liquidation. In looking over the report, I might say, I noticed that it had liquidated everything except two items, which, added together, made a total of $247. Yet the corporation asked for $40,000 in order to continue liquidation for another year. I think the Corporation Control Act has really brought them to book, if someone, whose responsibility it is, sees to it that the reports are filed annually with the Congress.

Mr. WILLIAMS. I agree with the Senator.

Mr. DWORSHAK and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Delaware yield; and if so, to whom?

Mr. WILLIAMS. I yield first to the Senator from Idaho.

Mr. DWORSHAK. Does not the Senator from Delaware feel that it will require a complete change of national administration, involving the executive branch of the Government, so that it will be possible to examine these records in the various agencies to determine what has been done with these billions and billions of dollars of Federal funds?

Mr. WILLIAMS. I agree fully with the Senator, and that is the reason why I am not going to insist on any further investigation of this matter. From my experience of the past 15 months, I am thoroughly convinced it is a waste of time and effort to try to get any further information from this Corporation. As I abandon the effort, however, I want to say that I am not satisfied with its operations, and I am not going to remain silent. As one individual Senator, I shall continue to watch.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. I desire to commend the Senator from Delaware. I am sure he is rendering a distinct service to the Senate, to the Congress, and to the American people. If it were not for the efforts of such Members as the Senator from Delaware, I am sure it would be even more difficult to expose some of the questionable operations by the various corporations, bureaus, and agencies of the Government which handle billions of dollars of Federal funds.

Mr. WILLIAMS. I thank the Senator. In reply, I may say that the only reason we are able to obtain as much information from these corporations as we do is because of the Byrd-Butler Act, which was passed in 1945, which requires them to report, to a certain extent. The Senator from Nebraska called attention to one corporation which wanted $40,000 for the purposes of liquidating, I think he said, $240. I was not amused, I was rather concerned with a Government corporation, the United States Spruce Corporation, as to which it was developed, as I recall, that they had two conditional sales contracts, upon which semiannual payments were being made. In 1947, when I came to the Senate, the first report I saw from that corporation showed that it had a president, a vice president, a chauffeur, a secretary, and a treasurer, all handling four checks a year which were coming to the corporation. They had a car. Of course, they had to have a car for the chauffeur, with the president riding around, back and forth. For 27 years that corporation had been in existence, doing practically nothing but collect four checks a year, payable semiannually.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield.

Mr. DONNELL. This refers to the colloquy between the Senator from Delaware and the Senator from Nebraska. I think we all agree that the Byrd-Butler bill was, and still is, an excellent piece of legislation, and we are glad it was passed. I want to ask the Senator a question, however, based on this fact: I realize that the Byrd-Butler law requires reports to be made. Here we are in the Senate, every one of us going along from day to day, with our various duties, which are reasonably heavy in most instances, and it is easily possible, of course, that we do not realize that Government corporations may or may not be observing the provisions of that law. If they are not observing them, would the Senator from Delaware think it advisable that we give consideration to the introduction and passage of some type of legislation which would cause their failure to comply with the terms of the Byrd-Butler Act to come to the attention of the Senate; as, for illustration, a bill making it the duty of some particular individual to submit to the Senate annually a report as to corporations that are behind in the furnishing of their reports; and, in addition to that, in order to guard against the possibility that the particular official's report might become lost in the archives, making it the duty of someone, perhaps the President pro tempore of the Senate, or the Vice President himself, personally to read audibly in the hearing of the Senate the list of each and every corporation that is delinquent in the performance of its duties; so that we would have notice, in the CONGRESSIONAL RECORD, and audibly in our ears, of the government corporations that have not complied with the terms of the Byrd-Butler bill? Does the Senator think that some such legislation as that would be desirable to be considered and enacted?

Mr. WILLIAMS. I may say we already have pretty much that on the statute books. The Byrd-Butler bill provides that the Comptroller General of the United States shall audit the corporations, and render a report to Congress. The Comptroller General, in the report received today for the Commodity Credit Corporation for the 2 years 1946 and 1947, for which time he says he can account for all but $96,000,000, and that much was deducted from the general accounts receivable, he nevertheless says that, at the same time, the reports for the past 2 years are not available. The Comptroller General has a list of all the delinquent corporations as of today, which have not submitted their reports to Congress. The difficulty is that when these reports are received, and laid before the House, by the Speaker, or before the Senate by the Vice President, as was done today, many times they are not read.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. That is precisely the point that is in my mind. That is, a bulky report comes to the Senate. The Vice President says, very properly, "The Chair lays before the Senate a report from such and such a corporation," and out it goes on the clerk's desk. It is taken off to some proper depository, and the Members of the Senate pay no attention.

I am wondering whether in the opinion of the Senator it would be advisable that it be made the specific duty of either the Vice President, or the President pro tempore, or the clerk, or the Secretary of the Senate to stand here in person and read the report in full to the Senate, so that every Member present at any rate would have it within the actual, physical confines of his own ears, that such and such corporations were delinquent. Does the Senator think that that might be advisable as something to be considered?

Mr. WILLIAMS. I think that at least we should read a summary of the report. Of course, these reports are very voluminous.

Mr. DONNELL. Mr. President, if the Senator will yield, I did not mean that the report be read. I meant, would it not be advisable, in order to avoid the contingency that we do not know what corporations are in default, that it be made the duty of some official of the Senate to stand in the rostrum of the Senate and read in full the list of each and every corporation which is delinquent in the filing of its report.

Mr. WILLIAMS. I think that would be most desirable, and it would be well to have that done. That is what I am trying to do here tonight, to read this report. I have been a little bit concerned at—should I say the apparent lack of concern on the part of many of the administration officials, who do not seem to care too much as to what is going on? I remember the first day I called this matter to the attention of the Senate. The majority leader took rather violent exception to my statement, although it was later supported by the General Accounting Office. He said he just could not conceive of any corporation operating under such loose bookkeeping methods, that he could not help but feel that the Senator from Delaware was making a statement with the sole purpose of getting his name in the newspapers, and that there was no truth to it. He said if there was any truth to it, he would be the first to demand an investigation of the Corporation.

Five days later the Comptroller General stated that every statement made by the Senator from Delaware—and I inserted the letter in the RECORD—was in accord with the audit findings. He took no exception whatever to any statement I made that day. The Comptroller General went on further and said that instead of $350,000,000 being unaccounted for, the amount was $366,143,129.

For some strange reason which I do not understand, the majority leader lost all of his enthusiasm over this report after it came out. The report was one of the most bitter reports in its condemnation that I have ever read.

I had no assistance from the majority leader and heard nothing from him at all since that time as to what he thought should be done with the Corporation, except that he is willing to give it $2,000,000,000. He was a member of the Committee on Agriculture and Forestry. I told him in early March that I did not think it was fair to ask me or any other Member of the Senate to vote on the question of giving this Corporation $2,000,000,000 until we had an opportunity to examine the books. A resolution was adopted by the committee asking that the books be submitted, and the members of the committee gave every indication that they would see that they were here before we were asked to vote. But today we do not have the books for the past 2 years. Only within the past 2 weeks have we had them for 1946 and 1947. Yet the Senator from Illinois objects to my inserting the review in the RECORD, on the basis that he has never read it. This report has been before the committee of which he is a member since the 31st day of March. The report shows that as of June 30, 1947, there was $96,000,000 unaccounted for and the records are such that it cannot be found. The majority leader is not on the floor at this time. Perhaps he has other more important things which demand his attention. But I feel that the time has come when the people of the country must take the situation into their own hands if they want to know what is going on in their Government.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. I will say to the Senator that I did not understand that either the Senator from Illinois or the Senator from Florida was objecting to the placing in the RECORD of the documents and information which the Senator has. I think there was objection on the part of the Senator from Florida to the condition, as he put it, being attached to the receipt of the information in the RECORD, as he thought we would be bound by the contents.

Mr. WILLIAMS. That is correct.

Mr. DONNELL. I did not understand that either of the Senators was objecting to the insertion in the RECORD.

Mr. WILLIAMS. They had no objection at all to my inserting the statement in the RECORD as my own statement, but they did not want it inserted as being the conclusions from the Comptroller General's report, because they had not had an opportunity to study the report. They did not even know that the report had been in the committee for 8 or 9 weeks. That is evident from the debate tonight. Yet the committee, upon my request, adopted a resolution to ask for the books and, when the books were sent, they did not know they were in the committee. That is the reason they objected tonight.

I did not dream of such a thing as having the report without reading it. It is a very short summary. I certainly thought they had read it. As one member of the committee, I would not be asking the Senate to pass on $2,000,000,000 without having read the report. After another Member of the Senate had appeared before the committee and told me the books were not in order and had asked that they be submitted, I think I would have known when the report came in, and I think the Senator from Missouri would have known it. I think he would have known enough about it to say whether he would accept it.

When the Secretary of Agriculture said the report was wrong he was not calling me a liar. The Comptroller General, a few days after furnishing a denial that anything was out of line, stated that $96,000,000 was unaccounted for. A year later the Secretary of Agriculture sent a report—he must have known what he was talking about—that during the past 12 months he found that of $366,000,000, $96,000,000 was unaccounted for. Just forget the $96,000,000.

It is rather interesting to note that the books balance with the $45,000 item out of line. If the books had been out of balance I could have understood it, but the amazing thing is that the books balanced without these other items. They are small in comparison with $96,000,000; but I know enough about keeping books to know that they either balance or they do not balance. If they balance to a penny, and someone finds an item of $45,000 here, and other amounts there, I know that those books could not possibly have been in balance except as something was written off to make them balance.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. Is the Senator aware of the fact that the Secretary of Agriculture is busily engaged in making extensive tours and speeches throughout the country in an effort to sell the Brannan plan to the farmers, and that possibly he should not be held to a strict accountability insofar as the operations of the Commodity Credit Corporation are concerned, in view of the fact that he has business which he deems more vital and more important than a careful supervision of the various agencies within the Department of Agriculture?

Mr. WILLIAMS. I remember that a few days ago the Senator from Vermont [Mr. AIKEN] pointed out that the Secretary was campaigning throughout the country and that in one instance, I think, in Minnesota, he paid approximately $100,000 of the Department's funds to be sure he had an audience. I do not have any way of knowing, but there have been many audiences in the past 20 years, and possibly some of them could be accounted for in that way. I do not say that any of the unaccounted-for money has gone to pay for audiences, but with the records gone, I cannot say that it has not.

In order that the Senate might know just how far off base Mr. Brannan was in his statement of March 29, 1949, I shall quote a few other excerpts from this official report which was submitted to Congress by the General Accounting Office on March 30, 1949:

Our examination of the affairs of Commodity Credit Corporation was seriously impeded by major deficiencies in accounting policies and procedures and methods of financial reporting (p. 20).

In other words, the Secretary felt that he was above being called to render an accounting to the American people, because the Comptroller General said he was impeded in his audit by the apparent lack of appreciation on the part of the management of accurate financial reporting.

I read further:

The primary causes of the failure of the accounting function were found in the manner in which the functions of the Corporation were intermingled with others of the Department of Agriculture, the apparent lack of appreciation by the management of the necessity for accurate financial reporting (p. 20).

The Corporation did not maintain adequate control over amounts recorded as being receivable or payable. It was not possible in many instances to determine who owed amounts purporting to be receivable or to whom amounts recorded as owing were due. It also was not possible to determine that all amounts owed to or by the Corporation were reflected in the accounts (p. 20).

In other words, they did not know whether the books showed the true picture as to the amounts involved, and they had no way of determining.

The Corporation did not exercise satisfactory control over its investment in fixed assets, particularly grain bins and related equipment. Records were not maintained in such a way as to enable the Corporation (or us) to know the location or condition of such assets, whether, in fact, they were still owned by the Corporation, or whether all income resulting from rental or sale had been received (p. 21).

That is rather interesting to me because only 6 months before the Comptroller General told us this in March, the Secretary of Agriculture and the President of the United States were all over the Midwest bewailing the lack of grain bins. They claimed they won the election because the Eightieth Congress had not supplied them with enough money to buy grain bins. Yet the Comptroller General, in his letter, said they did not know how much they owned, whether they owned any, or whether they were paid for what they sold. They did not know the location of them. In fact, they said neither they nor the Comptroller General could determine what they had. I checked further—and it is a matter of record—and I found that during the political campaign, while they were bewailing the fact that they did not have adequate grain bins, they were selling grain bins in Washington for a small proportion of what they cost, and they were selling new bins. Yet the Comptroller General said the reason they did that was not intentional. He said they did not know what they had.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. AIKEN. The Senator realizes, does he not, that legislation passed by the Eightieth Congress gave the Commodity Credit Corporation full authority to purchase and furnish the farmers with an unlimited number of grain bins, had such course been necessary.

Mr. WILLIAMS. That is true. They had all the authority it was necessary for them to have. They could have set up grain bins to hold every bushel of farm commodities. They sidetracked that either through ignorance or by intent—and I think one is as bad as the other—and they did not supply the farmers with the grain bins. Furthermore, to make things worse, the Senator from Vermont knows that they actually pulled out from under the grain market during the election period and let the market go to pieces so that they could win the election.

Mr. AIKEN. As a matter of fact, every phase of the farm-storage program which the Secretary of Agriculture announced on June 6, 1949, could have been put into full effect in August of 1948 had the Secretary and the Department of Agriculture been so minded.

Mr. WILLIAMS. They could have, had the Secretary not felt that it would be politically expedient not to do so.

Mr. AIKEN. It was politically expedient, and it worked.

Mr. WILLIAMS. It worked; that is correct. I read further from the report:

The amounts of assets, liabilities, revenues, and expenses which were omitted from or improperly classified in, the Corporation's financial statements as the result of those circumstances were not determinable. Unrecorded liabilities are known to have existed but no representations can be made concerning either their aggregate amount, which we believe was substantial, or their effect upon the financial statements (p. 22).

In other words, they said unrecorded liabilities are known to have existed.

A duplication of $2,329,483 between loans held by the Corporation and those held by private lending agencies was observed in connection with cotton loans. As a result of the above circumstances, the amount of cotton loans indicated in the above summary as outstanding at June 30, 1945, is presented from Corporation records without satisfactory verification (p. 35).

The recorded balance of loans outstanding on wheat is known to be overstated by approximately $4,000,000, with a corresponding overstatement of accounts payable (p. 35).

The natural-cooler facility is a natural cave located on the site of a limestone quarry near Atchison, Kans. Its recorded cost to June 30, 1945, was $1,772,009. The facility is said to provide 7,000,000 cubic feet of storage space, sufficient to store 2,800 carloads of commodities. The site is not owned but is occupied under the terms of a 5-year lease (p. 38).

It is about time for the lease to expire. We cannot move out and we are stuck with the investment, which is gone.

The amount of $203,186,263 indicated as owed on purchases made in the general commodities purchase program could not be verified. No detail listing of individual creditors' balances could be obtained.

We are aware of an overstatement of approximately $18,500,000 resulting from the failure to record cash disbursements of that amount on regional office records.

Numerous errors, omissions, and inadequacies in the application of accounting policies and procedures in the conduct of this program necessarily had an effect on the recorded balance of accounts payable.

No adequate record was kept of outstanding dairy or beef production payment program drafts, and no determination could be made as to the accuracy of the amount of $130,000,000 shown above as estimated program obligations at June 30, 1945 (p. 39).

I call particular attention to the fact that these quotations which I have just read were taken from the report of the General Accounting Office, and they are charges which were made by the Comptroller General, the Honorable Lindsay C. Warren, against the loose management of the Commodity Credit Corporation, and are not charges which were made by me.

I call attention further to the fact that this report containing these charges was received by Congress from the Comptroller General on March 30, 1949, or less than 24 hours after the Secretary of Agriculture, Mr. Brannan, made his statement that all funds had been accounted for.

Following the receipt of this information by Congress I introduced, along with a group of other Senators, a resolution—Senate Resolution 98—asking the appropriate committee of the Senate to investigate the affairs of this Corporation and to obtain, if possible, an accounting for the $366,643,129 referred to in the Comptroller General's report. This resolution was referred to the Committee on Expenditures in the Executive Departments for its consideration.

Approximately 1 year later, on February 14, 1950, while testifying before the Senate Committee on Agriculture and Forestry on Senate bill 2826, to extend the borrowing power of the Commodity Credit Corporation by $2,000,000,000, which is the same bill we are considering today, Mr. James R. Blakemore, Assistant Director of Corporation Audits Division of the General Accounting Office, and representing the General Accounting Office, left the committee and the press with the understanding that the General Accounting Office was fully satisfied with the records of this Corporation and that perhaps I had misunderstood their original report from which I have just quoted.

As a result of his testimony an article appeared in the press the following day, February 15, 1950, under the headlines "Charges of Shortage in CCC Do Fade-out." In that press release Mr. Blakemore was quoted as testifying that Williams had "misunderstood" their interim

report for fiscal 1945 and in reality they had not meant to indicate in that report that anything was radically wrong with the accounting policies of this Corporation.

I have completed reading from the report itself. If that does not show that there is something wrong, I hope we never find a corporation in which there is something wrong.

In order that it might be clearly understood just how much of a misunderstanding I had at that time I want to quote my original statement made on March 25, 1949, following which I will quote from the Comptroller General himself, and you can determine for yourselves just how much of a misunderstanding there has been relative to this subject.

On March 25, 1949, I made the following statement on the floor of the Senate which appears in the CONGRESSIONAL RECORD, volume 95, part 3, page 3190:

> It has been reported to me, from sources which I consider very reliable, that over $350,000,000 of receivables in the general commodities purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures.

I had directed a letter to the General Accounting Office, asking them to read the CONGRESSIONAL RECORD of that day, and to advise me whether or not my statement was correct. In a letter to me they replied as follows:

> The amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified.

No one could misunderstand the language of the Comptroller General at that time, and most certainly the only misunderstanding which I had was that the amount in my statement was understated by $16,000,000.

As further evidence that there was no misunderstanding on my part, and that my remarks as appearing in the CONGRESSIONAL RECORD on March 25, 1949, were correct, I quote from a letter signed by Mr. Stephen B. Ives, Director of the Corporation Audits Division of the General Accounting Office, dated March 29, 1949, in which he said:

> In reply to your letter of even date, the statements made by you, appearing on page 3190 of the CONGRESSIONAL RECORD of March 25, are in accordance with our audit findings.

The implication has been given during recent weeks by the Department officials that while this $366,000,000 might have been unaccounted for as of June 30, 1945, perhaps it had been accounted for since then. They further inferred that the Senator from Delaware had been advised to that effect and withheld such information from the Senate.

To my recollection no letter had ever been received by my office either from the General Accounting Office or from the Commodity Credit Corporation since the time I had originally called these irregularities to the Senate in March of 1949. However, to make sure that I was correct, and that no further report had been received either by me or by any committee of Congress relative to an accounting having been made of this $366,000,000, I directed a letter on February 20, 1950, to the Committee on Expenditures in the Executive Departments, which committee had been instructed by the Senate to investigate this situation.

Following the statement of Mr. Blakemore, and the statements of the officials of the Commodity Credit Corporation, testifying before the Committee on Agriculture and Forestry, that everything had been accounted for, I directed a letter to the General Accounting Office asking them if it was possible I had overlooked such a letter coming to my office which would explain either all or any part of this amount of money.

At this time I ask unanimous consent to have inserted on the RECORD as a part of my remarks a letter dated February 20, 1950, signed by me, addressed to Mr. William Rogers, chief counsel of the Senate Investigating Committee, asking the committee if they had obtained any information subsequent to the delivery of the Comptroller General's report in 1949 relative to the disposition of either all or any part of this money, along with a copy of a reply which I received from the committee, signed by Mr. Rogers as chief counsel, in which he said that the committee had not as yet received any information supporting or verifying any part of the amount.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., February 20, 1950.

Mr. WILLIAM ROGERS,
Chief Counsel, Senate Investigating Committee, Washington, D. C.

DEAR MR. ROGERS: You will recall that under date of March 30, 1949, the General Accounting Office submitted a report to the Senate concerning its examination of the Commodity Credit Corporation for the period ending June 30, 1945. In this report they stated that "the amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified."

Following receipt of that report, I introduced in the Senate a resolution, No. 98, requesting that your committee conduct an investigation of this matter.

I would appreciate being advised at this time whether you have received from the General Accounting Office or from the Commodity Credit Corporation any information which would indicate that either all or a part of this $366,643,129 has been supported or verified.

Yours sincerely,

JOHN J. WILLIAMS.

UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
February 20, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: Receipt is acknowledged of your letter dated February 20, 1950, concerning a report of the General Accounting Office dated March 30, 1949, regarding its examination of the Commodity Credit Corporation for the period ending June 30, 1945. You refer to the statement in that report that "the amount of $366,643,129 recorded as due from sales made in the General Commodities Purchase Program could not be supported nor verified." You requested to be advised whether this subcommittee has received any information from the GAO or the CCC which would indicate that all or part of this $366,643,129 has been supported or verified.

Please be advised that this subcommittee has not as yet received any information supporting or verifying the $366,643,129 referred to in the above-mentioned report of March 30, 1949. In the event such information is received by the subcommittee we will be happy to discuss this matter with you.

Very truly yours,

WILLIAM P. ROGERS.

Mr. WILLIAMS. Mr. President, I read for the information of the Senate the last paragraph of this letter received from the committee and which has just been inserted:

> Please be advised that this subcommittee has not as yet received any information supporting or verifying the $366,643,129 referred to in the above-mentioned report of March 30, 1949. In the event such information is received by the subcommittee we will be happy to discuss this matter with you.

Mr. President, I call particular attention to the fact that this letter was written by the chief counsel of the Committee on Expenditures in the Executive Departments 6 days after Mr. Blakemore in testifying before the Senate Agricultural Committee had given the impression that such an accounting had been made.

Recognizing that perhaps subsequent to the delivery of the report of March 30, 1949, the Honorable Lindsay C. Warren, the Comptroller General, might have written me a letter relative to the $366,000,000 referred to in his report, with a further explanation than that contained in his report and that such a letter could have been misplaced or overlooked in my office, I directed a letter on the same date, February 20, 1950, to Mr. Warren.

Mr. President, I ask unanimous consent to have inserted in the RECORD a copy of my letter addressed to Hon. Lindsay C. Warren, dated February 20, 1950, and immediately following that a copy of a letter received from Mr. Warren in reply.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., February 20, 1950.

Hon. LINDSAY C. WARREN,
Comptroller General of the United States, General Accounting Office, Washington, D. C.

DEAR MR. WARREN: On March 30, 1949, you submitted to the Congress an audit report covering the operations of the Commodity Credit Corporation for the period ended June 30, 1945. In that report you stated that "the amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified." In the testimony of Mr. James R. Blakemore, Assistant Director of Corporation Audits Division, General Accounting Office, before the Senate Committee on Agriculture and Forestry, on Tuesday, February 14, 1950, the impression was given that this amount has since been accounted for.

During his testimony Mr. Blakemore also stated that "we wrote Senator WILLIAMS a letter which, as I recall, was included in that debate. It may not have been, but we wrote him a letter trying to set forth in full just

what this $366,000,000 was." This testimony was given with reference to the statements I made on the floor of the Senate following the receipt of the report itself on March 30, 1949, since it was only after receipt of the report that I was able to refer to the specific amount of $366,643,129. I have no record of ever receiving any such letter.

Will you please furnish me with an exact copy of any letter which was written by your office to me subsequent to delivery of the report on March 30, 1949, which contained information which would in any way account for all or any part of this $366,643,129?

Will you please advise me now of the exact status of this $366,643,129 which was in question as of March 30, 1949? How much of this amount have you been able to verify and how much did you have to mark off because it could neither be supported nor verified?

I am sending this letter by special messenger and request an immediate reply.

Yours sincerely,

JOHN J. WILLIAMS.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D. C., February 21, 1950.

Hon. JOHN J. WILLIAMS,
United States Senate.

MY DEAR SENATOR WILLIAMS: This is with reference to your letter of February 20, 1950, concerning the audit report on the examination of the Commodity Credit Corporation for the period ending June 30, 1945, and concerning testimony given by Mr. James R. Blakemore, Assistant Director, Corporation Audits Division, General Accounting Office, before the Senate Committee on Agriculture and Forestry on Tuesday, February 14, 1950.

In reply to the first request contained in your letter, please be advised that there was no letter written to you subsequent to March 30, 1949, concerning the amount of $366,643,129 recorded as due from sales in the general commodities purchase program. In his testimony on February 14, Mr. Blakemore had in mind the letters of March 28 and March 29, 1949, which were written to you by Mr. S. B. Ives, Director, Corporation Audits Division, and which were placed in the CONGRESSIONAL RECORD on Friday, February 17, 1950. The fact that Mr. Blakemore referred to the amount of $366,000,000 during his testimony on February 14 was not in any way intended to indicate that the letters were written to you prior or subsequent to the date of the report. Mr. Blakemore has informed me that at the time he testified he did not know the exact date of the letters, but only recalled that certain correspondence was addressed to you.

With reference to the second request contained in your letter, that you be advised now of the exact status of the $366,643,129 in receivables, please be informed that this Office is preparing a statement as to the subsequent status of the receivables account and it will be furnished to you as soon as it is available, as you were advised on February 16, 1950. I am sure you will agree that it is desirable to spend sufficient time in the preparation of such a statement to present as clearly as possible the complicated factors involved.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

Mr. WILLIAMS. Mr. President, I might say that both these letters deny that there had been submitted, either to the Senator from Delaware or to any committee of the Congress, any information prior to February 20 relative to the disposition of or acounting for all or any part of this $366,000,000. Yet prior to this time a report had come out of one of the committees here that Williams was "all wet," and that the money was all accounted for. It is in order to get the record straight that I am insisting on putting this record in tonight, and, as I said before, I have extended an invitation to any Senator who desires to take exception to anything going into the RECORD to interrupt.

I call particular attention to two questions asked in my letter and the replies to those questions as contained in the Comptroller General's letter.

The first question I asked was:

Will you please furnish me with an exact copy of any letter which was written by your office to me subsequent to delivery of the report on March 30, 1949, which contained information which would in any way account for all or any part of this $366,643,129?

To which the Comptroller General replied:

In reply to the first request contained in your letter, please be advised that there was no letter written to you subsequent to March 30, 1949, concerning the amount of $366,643,129 recorded as due from sales in the general commodities purchase program.

Mr. President, these letters are the same ones which have just been inserted in the RECORD, and which had been previously inserted in the RECORD, on February 17, 1950, and which appear at pages 1862 and 1863 of the RECORD.

The second question contained in my letter was as follows:

Will you please advise me now of the exact status of this $366,643,129 which was in question as of March 30, 1949? How much of this amount have you been able to verify and how much did you mark off because it could neither be supported nor verified?

To which Mr. Warren replied:

With reference to the second request contained in your letter, that you be advised now of the exact status of the $366,643,129 in receivables, please be informed that this Office is preparing a statement as to the subsequent status of the receivables account and it will be furnished to you as soon as it is available.

In other words, as of February 20, 1950, notwithstanding the fact that the Department of Agriculture and the Administration officials had made great efforts to give the impression to the press that all this money had been accounted for—and I am sure the Senator from Missouri, who sits before me, has seen some of the press accounts stating that all the money had been accounted for—yet, after this report had been printed in the press and given out, which was nothing less than a whitewash report, the Comptroller General said he had not written me informing me or the Senate that any part of the money had been accounted, and at the same time he said he was only then, as of February 20, preparing a statement for the Congress which would be submitted in a reasonable time.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. DONNELL. Inasmuch as the Senator mentioned the probability of the Senator from Missouri taking notice of the statement in the press, I do not think I should claim undue diligence. I do not recall having seen such articles in the press, though I have no doubt they were there, if the Senator from Delaware assures us they were there.

Mr. WILLIAMS. They were. I have many of the headlines here. There was quite a spread in the Washington Post. One of the men from the Comptroller General's office, after I took him to task, and after I wrote him, thinking he might be called before a committee to explain, wrote a letter to the Washington Post, a copy of which was printed, but in a footnote they indicated they did not exactly believe it.

I do not criticize the newspaper necessarily, because in reading the testimony I, too, gathered the impression that there was a deliberate attempt of those testifying before the committee on behalf of the Commodity Credit Corporation, along with this subordinate in the Comptroller General's office, to give the impression to the committee and to the press that everything was accounted for.

I talked with several members of the Committee on Agriculture and Forestry following that day's hearing, and some of them also were of the same understanding. So I am not criticizing the press for its wrong understanding. I say that any Government agency which is as far over the line as this Government agency is had better be careful how they come down here and try to whitewash, without being very sure that they have enough to cover them up.

Thus, on February 21, 1950, as I said, 7 days after all the publicity had been given out that the accounts of this Corporation had all been reconciled and that the Senator from Delaware was unduly alarmed, we find that the Comptroller General confirmed the fact that as of February 21, 1950, no further information had been delivered either to the Senator from Delaware or to any committee in Congress that this item of $366,643,129 referred to in his report of last year had been verified.

I call particular attention to the fact that not only was this letter confirming this fact written 7 days following the whitewash attempt of Mr. Blakemore before the Senate Agricultural Committee, but it also follows by nearly 1 year the statement of the Secretary of Agriculture, Mr. Charles F. Brannan, himself, when, on March 29, 1949, he, too, made the statement that "The $350,000,000 was accounted for."

Summarizing briefly the record to this point we have the situation where on March 30, 1949, the Comptroller General charged the Commodity Credit Corporation with having items on their books amounting to $366,000,000 which they could neither support nor verify and that nearly 1 year later, February 21, 1950, Mr. Warren confirms the fact that as far as Congress is concerned, or as far as the Senator from Delaware is concerned, no further explanation of this item had been made.

It was very interesting to find that the files of the General Accounting Office did contain copies of correspondence exchanged with the Senator from New Mexico [Mr. ANDERSON], the former Secretary of Agriculture, under the date of May 26, 1949, relative to this same question. It is interesting to note that this

correspondence between the Comptroller General and the former Secretary of Agriculture took place 2 months following my original disclosures. In this correspondence the Senator from New Mexico [Mr. ANDERSON], asked the following questions, and for the information of the Senate, I quote the questions asked by the Senator from New Mexico along with the replies which he received to those questions from the Comptroller General.

I point out that much has been said to the effect that perhaps Members on the other side of the aisle do not know the condition of the books of the Corporation, other than what I have told them. I found in the files that the Senator from New Mexico [Mr. ANDERSON] had written the Comptroller General to secure some information himself relative to this subject. The Senator's first question was:

1. On page 6808 of the CONGRESSIONAL RECORD, volume 95, part 5, Senator WILLIAMS, of Delaware, makes the following statement: "Every statement I made on the floor of the Senate on that day was supported by the General Accounting Office." The day referred to is March 25. I assume you have examined that RECORD in which Mr. WILLIAMS charges that a million dollars' worth of barley was shipped to Russia and omitted entirely from the sales, that one duplication of $2,000,000 of loans could not be reconciled with the record of the Corporation, and that over $350,000,000 of receivables could not be supported or verified because of faulty accounting policies and poorly devised procedures. Was Senator WILLIAMS correct in stating that you supported everything he said?

And the Comptroller General replied:

Each statement, as you have just summarized it, is correct.

The Senator from New Mexico asked this second question:

2. The Senator's statement on May 25, on page 6808, could lead to the assumption that fraud existed in the management of the Corporation. Has your audit of the Commodity Credit Corporation disclosed any fraud? Incidentally, I notice in the audit report that there is no mention of fraud.

And the Comptroller General replied in a letter addressed to the Senator from New Mexico:

The audit of Commodity Credit Corporation has not disclosed that fraud existed, neither has it disclosed that fraud did not exist. That is, the records for the period covered in our audit report in many cases are simply insufficient to tell us or anyone else whether fraud existed or not.

The Senator from New Mexico then asked the Comptroller General whether he subscribed to the following statement which evidently had been made by a GAO auditor while testifying before a congressional committee during the early part of 1948:

The question of dishonesty is not raised in any point in our report. It is a matter of inefficiency in the accounting set-up and the accumulated errors. It is a matter of accumulation of work getting behind and errors that have been built up over the years rather than any dishonesty.

I might point out that the statement that the Senator from New Mexico asked the Comptroller General about in his letter was a statement made by one of the accounting officers who testified before a congressional committee.

The Comptroller General replied:

I do subscribe to the statement as far as it goes, but I would have to add what I have just said above; that is, the accumulated errors and incompleteness leave it unproven whether fraud could or could not have occurred. However, this is in no way to be taken as any indication that our auditors reported or disclosed any fraud.

In other words, as I have said before, the Comptroller General called attention to the figure $366,000,000. Now it is said it is down to $96,000,000. It is true the Comptroller General does not say there is any fraud in disposing or getting rid of that $96,000,000, nor does he say there is not fraud. One's imagination can be stretched any way one wishes. If one is liberal minded and has a good opinion of all those connected with the Corporation he can say that if the records were reconstructed, everything would be found to be in order; or if one is a little suspicious one could say that it would all be found to be out of order. There is no way to determine how much, if any, of this money should be accounted for. There is no way to determine whether there is any fraud or there is no fraud. I agree fully with the Comptroller General in his statement.

I emphasize again that the record shows, as pointed out by Judge Tarver's committee, that one of the responsible officials of this Corporation—and he was holding a responsible position in one of the division of the Corporation in which the records were in worse shape—was three times convicted of embezzlement. That was called to the attention of the Corporation, yet he was thereafter promoted two or three times, and he was not taken from that position until an investigation was threatened by Congress.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. Yes.

Mr. DONNELL. What types of duties were assigned this man who had been convicted three times of embezzlement?

Mr. WILLIAMS. He was in charge of the general storage branch division, the department which was most out of line, in which was kept the record of inventories of what came in and what was sent out.

Mr. DONNELL. What is the name of that division? The Storage Branch Division of the Commodity Credit Corporation?

Mr. WILLIAMS. The Storage Branch Division of the War Food Division.

While it is a matter of record that the man did have a criminal record at the time he was hired by the Government, and that it was called to the attention of the Congress, I do not say that he did anything dishonest while in the employ of the Government. But I say one would not hire a convicted embezzler to handle one's money in a bank.

Thus we find, as I said, that 2 months after the Comptroller General had first called the attention of Congress to the fact that $366,000,000 of the Corporation's funds could not be supported nor verified, and 2 months after the Secretary of Agriculture, Mr. Brannan, had issued his erroneous statement that all funds had been accounted for, the Comptroller General, in his letter dated May 26, 1949, addressed to the Senator from New Mexico, the former Secretary of Agriculture, reiterated his position that an accounting had not been made, and that the statements I had made relative to the affairs of this Corporation were in accordance with the situation which the Comptroller General had found in the books of the Commodity Credit Corporation. Again, in a letter dated February 21, 1950, the Comptroller General confirmed that his Office even then had not submitted any further reports to Congress as to the subsequent status of the $366,000,000 receivables, but was still working on the preparation of such a statement and that it would be submitted as soon as it was available.

That is the statement which now is before us, a preliminary summary of which was submitted to the chairman of the Committee on Agriculture and Forestry on March 31 of this year, and the full report was handed down by the Presiding Officer this afternoon. That is the statement which says that out of $366,000,000, the Comptroller General has been able to account, now, for all but the $96,440,497.

This completely contradicts the statements which have been made by the Secretary of Agriculture, Mr. Brannan, and other officials of the Commodity Credit Corporation during the past year to the effect that a satisfactory accounting had been made.

Following the correspondence referred to above, a letter was received from the Honorable Lindsay C. Warren, the Comptroller General, on March 31, 1950, as I have said, concerning this $366,000,000. On that date he submitted a further report to the chairman of the Senate Committee on Agriculture and Forestry, the Senator from Oklahoma [Mr. THOMAS]. A copy of the letter was forwarded to me. The chairman of the Agriculture Committee has already inserted in the CONGRESSIONAL RECORD a copy of this report; therefore, I will only insert at this point only that portion of the report which specifically refers to the $366,000,000 item. At this point I ask unanimous consent to have inserted in the RECORD a breakdown of this amount as itemized by the Comptroller General.

The PRESIDING OFFICER. Without objection, it is so ordered.

The breakdown was ordered to be printed in the RECORD, as follows:

Changes in the balance of accounts receivable applicable to the GCP program between June 30, 1945, and June 30, 1947, based on

the Corporation's accounting records, are summarized in the following tabulation:

Debit balance, June 30, 1945	$366,643,129
Transactions during fiscal year ended June 30, 1946: Add charges resulting from sales recorded for the fiscal year 1946	963,980,885
Total	1,330,624,014
Deduct credits representing for the most part cash collections	946,714,830
Balance, June 30, 1946	383,909,184
Transactions during fiscal year ended June 30, 1947: Add charges resulting from sales recorded for the fiscal year 1947	211,149,236
Total	595,058,420
Deduct credits representing for the most part cash collections	497,436,853
Balance June 30, 1947, before adjustment	97,621,567
Deduct adjustment to reduce book balance of accounts receivable to balance as determined by the liquidation project	96,440,497
Balance June 30, 1947, after adjustment	1,181,070

Mr. WILLIAMS. Mr. President, I may say that report was submitted for the RECORD yesterday by the Senator from Louisiana [Mr. ELLENDER], instead of by the chairman of the committee.

From this report it can be seen that as of June 30, 1947, the item of $96,440,497 was deducted in order to bring the general books in balance. In order that there might be no misunderstanding as to whether or not this $96,440,497 represented that amount which remained as unaccounted for on April 5, 1950, I directed a further question to the Comptroller General, as follows:

> On page 3 of the enclosure with your letter of March 31, 1950, a copy of your report to the chairman of the Senate Committee on Agriculture and Forestry in which you furnish additional information relative to this $366,643,129 item, I note the item of $96,440,497 identified as an "adjustment to reduce book balance of accounts receivable to balance as determined by the liquidation project."
>
> Am I correct in my understanding that this item of $96,440,497 represents an amount which was subtracted from the over-all balance of accounts receivable as of June 30, 1947, and that such amount was subtracted in order to bring the general books in balance with what was a determined balance after the liquidation project was completed?

To that question, I received the following reply the same date, April 5, 1950, from the Comptroller General:

> Your understanding is correct that the item of $96,440,497 was subtracted from the unadjusted book balance of accounts receivable at June 30, 1947.

The Comptroller General went on to explain that after this adjustment, the balance on the general books was reduced, as of that date, to $1,181,070 and that this amount represented the amounts which were determined to be due.

To my knowledge this is the only explanation which has ever been submitted to Congress by the General Accounting Office relative to an accounting for the funds expended by the Commodity Credit Corporation during the war years. We are now advised, according to the Comptroller General, that instead of an accounting having been rendered for the full amount of $366,643,129, over $96,000,000 was subtracted from the over-all accounts in order to bring the books in balance as of June 30, 1947.

I know of no better way to express my opinion of the irresponsible bookkeeping policies of this Corporation than to quote a statement made by the Comptroller General, who, in his audit report, said:

> The accounting deficiencies encountered were so substantial and the inaccuracies cited in this report so material that we cannot express an opinion that the financial statements prepared by the Corporation present fairly the financial position of Commodity Credit Corporation.

I know of no greater charge that has ever been made against the loose operations of this Corporation than that made by the Comptroller General himself, who, when referring to the difficulties which his auditors experienced in auditing the accounts of this Corporation, described their greatest handicap as being—

> the apparent lack of appreciation by the management of the necessity for accurate financial reporting.

Apparently the reason why the Secretary of Agriculture and the officials of the Commodity Credit Corporation can take the attitude that they do not have to render an accurate accounting to Congress is that we continuously give them all they ask for; and except as some Senator rises on the floor of the Senate and criticizes them occasionally, nothing ever is done about it.

It is inexcusable that any Government corporation should be allowed to spend the taxpayers' money in such a manner, and then be exempted from rendering an accurate accounting.

Mr. President, I notice the Senator from Florida [Mr. HOLLAND] among other Senators now in the chamber. If at any time he wishes or any of the other Senators now present wish to ask questions about this matter, I hope they will feel free to do so, because I do not want any inaccuracies or uncertainties to remain in their minds about any of these matters. All the quotations I have been giving come from the reports of the Comptroller General. I hope Senators will assist me in finding out where this money has gone.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. I wish to be sure that I understand this matter. We are talking about $96,000,000 which is unexplained or unaccounted for.

Am I correct in understanding that the books of the Commodity Credit Corporation, under the heading of "Receivables," indicate that there should be on hand $96,440,497 of items receivable, which items receivable in that amount, however, cannot be found? Is that what the situation is?

Mr. WILLIAMS. Referring again to the chart which I previously inserted, let me say that the books show that as of June 30, 1947, there remained $97,621,567 which had not been accounted for; but of that amount, they felt reasonably sure they did know where $1,181,070 of it belonged; so they did not include that amount in the item which is listed as unaccounted for.

So the $96,440,497 was deducted from the total amount, in order that they might balance the books; and the $181,070 was carried forward as an item perhaps to be collected in future years.

Mr. DONNELL. Mr. President, will the Senator yield at this point?

Mr. WILLIAMS. I yield.

Mr. DONNELL. From reading the records which have been submitted in the last few minutes, let me say that I was familiar with the facts the Senator has narrated.

We talk about $96,440,497 which was unaccounted for. Let me ask the Senator if I correctly understand the situation? I shall be grateful to him if he will tell me if I am in error about it. I understand that the books of the Commodity Credit Corporation indicate, under the heading "Receivables"—receivables of one kind or another—that there should be on hand $96,440,497 more receivables than can be found anywhere under the heading of individual accounts receivable or notes or other items receivable.

Mr. WILLIAMS. That is my understanding. Realizing that the records were gone and that they would not be able to reconstruct those records, they merely subtracted this amount from the receivables, in order that they might balance their books as of June 30, 1947.

The Comptroller General felt that he had carried this amount along as far as he should and as far as it was reasonable to expect that much would be obtained in the way of collections.

Mr. DONNELL. Then, as I understand—and if I am in error, I wish to be corrected—the books of the Commodity Credit Corporation indicate that it should have on hand somewhere, in some form, receivables aggregating $96,440,497, which cannot be found in any form. Is that correct?

Mr. WILLIAMS. That is my understanding, and that amount was subtracted, although I might say two of the officials were very careful to caution me against using the words "written off." One of them said that if we used the word "write off" in connection with the $96,000,000, it might be offensive to the taxpayers or somebody, and we would not want to offend the taxpayer.

Mr. DONNELL. Oh, no.

Mr. WILLIAMS. So the $96,000,000 is merely subtracted. I do not know what difference it makes, because the

money is gone. They say they do not know where it has gone, nor how they are going to get it. I really do not see any difference between saying "written off" and "subtracted," but I am going to stick to it and use the word "subtract."

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. The best way I can explain, in a fashion, where some of the books went, is to relate this incident: About 1947 or 1948, my office received a telephone call. A young lady in the office answered. Evidently there was a girl at the other end of the telephone. She said, "I want to tell the Senator that they are making us destroy our records." Well, whoever it was in my office who was answering the telephone said, "Congress has passed a law permitting them to destroy old records." The girl at the other end of the line said, "But they are making us destroy the current records." She was asked, "What is your name?" She replied, "I do not dare tell you." She was asked, "In what department do you work?" She again replied, "I do not dare tell you that, either." And that is all we found out. That is only a little incident. I have not the slightest idea what department it was. I have some idea, too. I do not think it was the Department of Agriculture.

Mr. WILLIAMS. I may say I think the Comptroller General has tried to do a conscientious job in rendering an accounting to the Congress. But, if the records are not there, what can he do? He can only audit books as he finds them. He says there are simply no records for the $96,000,000. Somebody tried to say that most of it represents transactions with Government agencies. But the Comptroller General said that there is no way to determine what percentage represented transactions with a Government agency, and what percentage represented transactions with individuals.

Again, conceivably it could all be with Government agencies, interdepartmental transactions. On the other hand, it could all be outside, with private industry. I know that I found 12 errors which were so obvious that the money came back in, and they were all with outsiders, not any with Government agencies. And even if they were with Government agencies, I should like to know what Government agencies we have which can absorb $96,000,000 from the Commodity Credit Corporation? The officials of the Corporation do not know who got it. This agency spends it, yet it does not know where it goes. I think that perhaps it might be well that we audit the entire Government.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Florida.

Mr. HOLLAND. I thank the Senator. I should like to clarify, if I can, three or four of the matters which have been touched on by the Senator. Am I correct in my understanding that this entire situation applies to the years prior to June 30, 1947, and particularly to the wartime activities of the War Foods Administration?

Mr. WILLIAMS. The report which the Comptroller General submitted to the Congress on the 30th day of March 1949, covered the wartime activities of the Corporation for a 3-year period ending June 30, 1945. I see that their report, which has just been submitted to Congress today, the preliminary report of which was submitted to the Senator's committee on the 31st of March, covered the activities of the Corporation for the 2 years following the war, or the 2 years between June 30, 1945, and June 30, 1947.

The Comptroller General says in his report, if the Senator will read it, that the records of the Corporation were so confusing that it was impossible for him to separate where the year ended, so he merely picked up from where he left off, as I understand, beginning with June 30, 1945, or July 1, 1945. He started out with an item, as can be seen from this report just inserted in the RECORD, that had a balance of $366,643,129, which had not been accounted for.

Now, during the 2 years of their transactions, itemized in this report, a summary of which I have just inserted in the RECORD, which ran into more than $1,000,000,000 altogether, it was found that those transactions ended on June 30, 1947, were $96,440,497 unaccounted for. I do not see that in the report, and I do not think the Comptroller General could tell whether this $96,000,000 could all be dated back in the war years. If we had the records, it might be found that it all dated back to the war years. I think that is what the Senator from Florida is driving at.

On the other hand, it is possible that a part or all of it could have been in the years 1946 and 1947. In other words, in 1945 there was a preliminary report. This is another interim report, with the final report coming down for the years 1948 and 1949, at some time, if and when, if ever, they are submitted to Congress, or if and when Congress, if ever, becomes sufficiently interested to demand that the reports come to the Senate. It is possible that in the reports which will come to us subsequent to the report we have here tonight, it will be shown that some of the $96,000,000 will be accounted for, or found. I found $45,000 of it in the office, by merely checking through a few items which were sticking out like sore thumbs. But I do not know whether the Department has found any of it, or whether it has not. I doubt whether the Senator from Florida knows, because we do not have the reports.

That is why I say we should not pass this authorization of $2,000,000,000. Let us merely tell the Government departments that if they want any money, they must send their books here. Let us tell them there will be no money unless they send their books to Congress, and we will wait just as long as they want to wait. We will close up the job, if the reports are not sent. It might be a good idea to adopt an amendment saying that the salaries of all these officials shall be automatically suspended until such time as the books are made available to Congress, that they are off the payroll, and there will be no pay. In that event, I would say we would get the reports in short order. But, if no one manifests any concern, we shall never get the books. If I were in such an office I would never send the books to Congress if I thought they contained some information of which I was ashamed. The Lord knows I would be ashamed of the information furnished in this instance, if I were the head of the Corporation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I think the Senator knows that he has been scarcely more severe on the Commodity Credit Corporation than has the Senator from Florida. Let me state for the RECORD what I understand the situation is, so that it may be clear, if I understand it correctly. The account which first came to the Senate committee, in May 1949, I believe——

Mr. WILLIAMS. March, I think it was.

Mr. HOLLAND. In March 1949? It covered the three war years beginning July 1, 1942, and ending June 30, 1945.

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. For the 3 years of the greatest activity of the war; is that correct?

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. And according to that series of three annual statements, brought together for the purpose of covering the war activities, there was at that time an apparent unexplained investment of some $366,000,000, is that correct?

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. Is it further correct that in the completion and bringing forward of that accounting to cover the next 2 years, by the account which was filed yesterday, apparently the discrepancy in the amount of $366,000,000 has now been reduced to the sum of $96,000,000?

Mr. WILLIAMS. That is correct. To be exact, it is $96,440,000.

Mr. HOLLAND. I assume the Senator will be willing to concede for the record that the committee of the Senate to which he very properly brought this matter, the Senate Committee on Agriculture and Forestry, did, upon the motion of the Senator from Florida, supported by every other member of the committee, insist upon getting this checking done in an effort to bring it to just as clean a position as was possible.

Mr. WILLIAMS. That is correct. The Senator from Florida was present on the day I appeared before the committee and made a request that before the bill was brought to the Senate and the Senate asked to consider it, the books be obtained in order that we might intelligently arrive at a decision. It was the motion of the Senator from Florida, and I appreciate it very much, that was responsible for the demand for the books. However, I point out to the Senator from Florida that the committee has accomplished only half its job. It has the books for the years 1946 and 1947, but the books for 1948 and 1949 have not been delivered to the Congress. Does not the Senator from Florida feel that he owes it to the Senator from Delaware, who is suspicious of the Corporation, and

to himself, who is equally suspicious and critical, and to many other Members of the Senate who have every reason to be suspicious, to help me insist that these books be presented before we are asked for any more money?

I offered an amendment to the bill this afternoon, which was defeated. I am willing to abide by the decision of the Senate on that matter, but I feel, the Senate having defeated the amendment and having decided to continue support prices, that it should provide adequate funds to carry out the law which we have said is going to remain on the books. But let us get an accounting. I think we owe that much to the people back home. I do not think we can expect to go back home and face the people and say we gave $2,000,000,000 to a Government corporation which is spending our money in some way, we do not know how. We do not know whether they are putting it into their pockets; we do not say they are or that they are not. We just say we do not know. There seems to be a lack of concern.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I differ very strongly with the Senator's last statement as to a lack of concern in the matter, because the Senate today has shown its great concern, and the matter has been very largely cleared up under the direction of the Senate committee. However, I thoroughly agree with the Senator from Delaware that we should continue the check on what happened to the $96,000,000 of wartime expenditures. I think we have every reason to believe that every dollar of it was expended in the course of the war. Is the Senator able to state for the RECORD the entire amount of war financing by way of advancement for the production of crops, advancement upon crops, the purchase of crops, and the purchase of food for our allies, and so forth? Does he know the entire amount of such handling by the War Food Administration during the war years?

Mr. WILLIAMS. That information has been placed in the RECORD in the last few days.

Mr. HOLLAND. It is something over $8,000,000,000, is it not?

Mr. WILLIAMS. Yes.

Mr. HOLLAND. Then the real question is a question of the $96,000,000 being accounted for out of more than $8,000,000,000 of expenditures during the war period and without any showing at all of any of it having resulted from irregularities since the war period. Is that correct?

Mr. WILLIAMS. That is correct.

Mr. HOLLAND. I thank the Senator.

Mr. WILLIAMS. That is one of the arguments used by the Department officials, that perhaps we are unduly concerned, because one of them pointed out that, after all, it is less than 1 percent inaccurate, and that it is 99-percent accurate. But let us suppose that the General Motors Co., or one of our other big corporations, was doing $100,000,000 worth of business annually and could account for only $99,000,000 when they sent their report to Uncle Sam, and they said, "We do not know just where that 1 percent went, but do not be concerned, because if we had the records it would be lovely." They would go to jail.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment.

I say this Government Corporation should be called upon for the same sort of accounting that is required of every private corporation. We do not excuse a private corporation from rendering an accounting because of the fact that there was a war going on, and it might have lost the records. The thing which concerns me is the fact of the absence of records. As the Senator from Vermont [Mr. AIKEN] pointed out, it is a dangerous situation to allow to exist in government.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. I would simply like to assure the Senator that not only the Senator from Florida, but, I am sure, every other member of the committee is just as anxious as is the Senator from Delaware to have the very last word of information about this unexplained amount of $96,000,000, but the Senator from Florida is not willing to penalize or cripple the agricultural producers of this Nation in the event they need further advancements now or in the future simply because in the hurly-burly of the war years 1 percent of the money spent then for food is unaccounted for. The Senator is correct in his insistence that we should continue diligently to get a record explanation, but I think the Senator must realize that we are accountable to the people of the Nation and to the agricultural producing part of the Nation, if we are to have a support program under the laws we have passed, to see that the funds of the Commodity Credit Corporation are adequate to meet the needs created and recognized under the program.

Mr. WILLIAMS. I might point out to the Senator from Florida that I have no intention of wrecking the agricultural program. The Commodity Credit Corporation has more than $1,000,000,000 remaining in borrowing authority which it can use in carrying out the existing law. I am not referring exclusively to the $96,000,000. I agree with the Comptroller General that in the absence of records, and as far removed as we are from the period in which the shortage occurred, I doubt that any useful purpose would be served by further action. Perhaps he is right. We do not know, as Members of the Senate, what the records of the Corporation show, not only for the war years, but for the years 1948 and 1949.

Mr. HOLLAND. Mr. President, will the Senator yield right at that point?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. The Senate Committee on Agriculture and Forestry has insistently requested the completion to date of the accounting, not only by the General Accounting Office, but the checking by the Department of Agriculture, so that we may be right up to date. The Senator may recall that while he was present, at the time the committee, upon the motion of the Senator from Florida, demanded the bringing down to date of the wartime audits, we also demanded reports for the next 2 years to bring it down to the last year prior to that time.

Mr. WILLIAMS. I recall that. But let us say, "Get the books in. No books, no money." If we should say that, I think the books would be here in less than 30 days. So far as I know, if and when the books for the years 1948 and 1949 arrive, they may be 100 percent in order. I am not asking for the books on the basis that I have any reason to think they are out of line. I know they are out $96,000,000, because we have been told that that is the fact. But as to what has happened in the past 2 years, I do not know, and the Senator from Florida does not know. I think it is our duty to know. I think if we say tonight that they will not get any money until they send the books here, the books will be here in less than 2 weeks.

Mr. AIKEN. I should like to say that for the past 4 years at least the Committee on Agriculture and Forestry has persistently tried to get an accurate accounting of Commodity Credit Corporation affairs. I should also like to say that so far as the $96,000,000 which are missing are concerned, I presume we shall never find them. They are probably lost and gone forever. However, what discourages me is that this afternoon when the Senator from Vermont offered an amendment which would have required the Commodity Credit Corporation to keep their books in proper order from now on, the proposed amendment was defeated on the floor of the Senate by a strict party vote.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. In reply to the Senator from Vermont I should like to say that I, too, think it is most unfortunate that the amendment should have been defeated this afternoon.

Mr. AIKEN. I simply could not understand it at all.

Mr. WILLIAMS. Neither could I, because the amendment merely provided in plain language what the Secretary of Agriculture said he wanted when he appeared before the Senator's committee in making application for this loan. There was no testimony against the proposal. Senators on the other side in debate said that their intention was to carry out the purpose of that amendment. I do not understand it at all. I know that the Comptroller General was very much in accord with the substance of the amendment offered by the Senator from Vermont. Perhaps we made a mistake. I think the time has come when we must speak in a little stronger language to the deportments. The language which they will understand, and perhaps the only language which they will understand, is for us to take away their money.

Mr. AIKEN. I think it would go very far in restoring the confidence of the people if some of the Senators who voted against the amendment would move to

reconsider it and vote for its adoption, because it is something which the Comptroller General has been trying to get for a long time, namely, an accurate keeping of the books.

Mr. HOLLAND. Doubtless an inspection of the amendment offered by the distinguished Senator from Vermont would justify his expressions about it.

However, so that the RECORD may be clear, I shall have to say in complete candor no such amendment was before us in committee. No such amendment was ever read by the Senator from Florida except when the debate came up. The Senator from Florida, speaking only for himself, did not know such an amendment had been prepared until we debated this issue. No chance was given the committee or the Senators to consider any such amendment. So far as the Senator from Florida was concerned, he thought that no such far-reaching change in the law could be properly made by an amendment which was offered during debate on the bill. The Senator from Florida will join the Senator from Vermont and the Senator from Delaware to bring about sounder bookkeeping and speedier accounting. He did not feel that in a measure of this type such last-minute effort was at all consonant with the importance of the whole matter.

Mr. WILLIAMS. I should like to reply to the Senator from Florida by saying that it was not exactly a last-minute effort. There was some testimony along this line, as I understand, before the committee. I shall yield in a minute to the Senator from Vermont. However, the amendment which was offered today was discussed on the floor of the Senate, and notice was served that an amendment of such a character would be offered to the Senate today. I know that the Senate was put on notice that the amendment would be offered.

Mr. HOLLAND. Unfortunately or fortunately, I was able this last week end to make my first visit to my home in Florida since January, and I arrived back in Washington at noon today. I would not challenge the accuracy of the Senator, but the first information I had about any such amendment was today when the measure was under debate. It was so far-reaching, I decided to vote against it. I do not feel that I need make any apology to anyone for doing so. I feel that I would owe an explanation to someone if I were to vote for any such far-reaching amendment without having had an opportunity to study it before it was offered on the floor of the Senate and first called to my attention when the Clerk read it.

Mr. AIKEN. I must admit that I was surprised not to get some support for the amendment from the other side of the aisle, because the subject matter of the proposed amendment was discussed many times in the Committee on Agriculture and Forestry. I have before me the report of the hearings on the borrowing authority of the Commodity Credit Corporation, which were held on January 24, 1950, and later. On January 24, the subject matter which was covered by the amendment I offered was discussed in the Committee on Agriculture and Forestry.

Mr. HOLLAND. Was an amendment offered?

Mr. AIKEN. No. The situation which prompted the amendment was discussed.

Mr. HOLLAND. No amendment was prepared, no amendment was considered, and no amendment was offered.

Mr. AIKEN. The condition which prompted the amendment was discussed at pages 5 and 6. I expect to receive another part of this report shortly. There was no amendment offered, because at that time we thought the Commodity Credit Corporation had changed their method of bookkeeping. When they showed how short they were of money they added back into their liabilities chargeable against their borrowing authority the sum of $700,000,000, which they had previously deleted from the amount which they had charged against the borrowing authority.

Mr. HOLLAND. It is correct to say, is it not, that no amendment was prepared?

Mr. AIKEN. That is correct.

Mr. HOLLAND. None was submitted and none was considered in committee?

Mr. AIKEN. That is correct. The situation which prompted the amendment had been considered many times.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAIN. I have understood the Senator from Delaware to say that in his view it has not been established whether all or part of the apparent $96,000,000 loss occurred during the war years, or in the years 1946 and 1947. May I ask if my understanding is correct?

Mr. WILLIAMS. I would say that I do not think the record shows exactly what the situation is as to that. However, if I were to make a guess I would say a large percentage of it was a carryover from the war years.

Mr. CAIN. But the Senator from Delaware is not certain that the loss occurred in the war years?

Mr. WILLIAMS. No. The $366,000,000 loss which was unaccounted for occurred during the war years. All of it was found except $96,000,000. All of it was found during the years 1946 and 1947, except the $96,000,000. The Senator from Washington referred to it as a loss. I think it is only fair to say that I do not know whether it is a loss or not. It depends entirely on one's imagination. Ninety-six million dollars is on the books. The $96,000,000 was subtracted from the books so that the books could be balanced. There are no records to offset those items.

Mr. CAIN. I asked the Senator the question because the Senator from Florida took as his basic assumption that all of the $96,000,000 disappeared or was subtracted, was lost, or jumped out the window during the war years, not during 1946 and 1947, as I thought the Senator from Delaware indicated a part of it may have disappeared.

Mr. WILLIAMS. My understanding from the questions of the Senator from Florida was that he, too, thought that he would guess that a large percentage of it occurred in the war years, and I would agree with him on that. I have every reason to believe that a large percentage of it would be, or perhaps all of it would be, but from the books I would not want to say that any part of it was. It was $366,000,000 a year ago. It is $96,000,000 today. We are told that is about the best we can expect.

Mr. CAIN. The truth remains, certainly, in doubt as of this time.

Mr. WILLIAMS. That is correct. There is a possibility that in the report which will come later some of the $96,000,000 may be found. Unofficially I have been advised that a few million dollars of it have been found. So that it would go to show that the account could be reconstructed. I know that I found a dozen errors in collections. The Department will confirm that. I know unofficially collections will run into perhaps a few million dollars. I would not want to say definitely, but I have reason to feel that when we get the books here a little bit more will have been found. Perhaps they may have been a little more energetic during the last 12 months. That is why I want the books for 1948 and 1949. I want to know what they have done in the last 12 months.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. Does the Senator feel that a set of books, even though they are dealing in millions, or even billions, should be unable to show $96,000,000?

Mr. WILLIAMS. No; there is no excuse whatever for the books not being in balance.

Mr. FERGUSON. But would not they have a considerable amount of cash in the bank or in the Treasury if they had this amount as a surplus?

Mr. WILLIAMS. Frankly, I do not understand how, with any reasonable effort to keep books, it is possible to drop $96,000,000 by the wayside.

Mr. FERGUSON. Could it be that they have outstanding accounts, and did not want to collect them, have been carrying them on their books or in some separate ledger?

Mr. WILLIAMS. The one instance of which I spoke before, which was a matter of $45,000, from Buffalo, N. Y., was not even on their books. It was just an item which had been dropped back several years ago, and yet when it was called to the attention of the firm—I will give the name later—the firm looked over the books and decided, "I guess we do owe the Government"—for a couple of cars of meat they did not ship. So the money came a couple of days after I said I would not take no for an answer.

Mr. FERGUSON. In other words, this money could be on outstanding accounts, and not recorded in the books, so that they would never be paid?

Mr. WILLIAMS. As I see it, one could stretch his imagination one way and every dollar of it could represent outstanding accounts; on the other hand, not a dollar of it might.

Mr. FERGUSON. The Senator did find $45,000, however?

Mr. WILLIAMS. I found that in one item.

Mr. FERGUSON. And it was not on the books, and later when they discovered it, the company paid it?

Mr. WILLIAMS. That is correct; and the amazing thing is that the books balanced before I found it. The books were in balance before I found it. That is what I do not understand.

Mr. FERGUSON. Will the Senator yield that I may ask the Senator from Vermont a question?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. The Senator from Vermont has indicated something which seems strange. He made a statement somewhat to this effect, that when the Commodity Credit Corporation discovered they wanted more borrowing power they then set up on their books accounts to show that they had extended much more credit than previously shown by the books. Is that correct?

Mr. AIKEN. That was the sequel. Up until March 31, 1949, they had included on their books as liabilities chargeable against the borrowing authority several items, such as program commitments outstanding, loans approved but not fully processed, which undoubtedly were liabilities, accrued liabilities; bills payable; producers' equity in a cotton pool, which amounts to a few hundred thousand dollars; and a few other items.

Until March 31, 1949, they carried those items as liabilities chargeable against their borrowing authority. Then on April 30, 1949, they came out with an entirely different looking report, and for some time I could not figure it out.

Finally, I asked the General Accounting Office to see if they could find out how this great drop in liabilities had occurred. They reported to me that the Commodity Credit Corporation had dropped from their list of liabilities bills payable, loans agreed to but the checks not actually being written, and several other items, amounting to about a billion and a quarter dollars.

Mr. FERGUSON. About a billion and a quarter dollars?

Mr. AIKEN. About a billion and a quarter dollars. At that time they wanted to see how little the program was costing.

Mr. FERGUSON. Am I correct in my hearing—a billion and a quarter dollars, did the Senator say?

Mr. AIKEN. That is correct. It was a billion and a quarter dollars that they had been carrying along in items chargeable against the borrowing authority, which they decided to drop on April 30, 1949, which were their liabilities of March 31, 1949. They amounted to about a billion and a quarter dollars at that time.

That gives them a much larger balance of borrowing authority to be charged against their four and three-quarter billion dollars. However, it gets along to this spring, and they want to get as much added as possible to the borrowing authority, presumably under the assumption that it might be the last chance for a long time——

Mr. FERGUSON. To get it increased?

Mr. AIKEN. So they go to work, and in estimating their liabilities chargeable against the borrowing authority, they put back $700,000,000.

Mr. FERGUSON. Which they had taken out the year before?

Mr. AIKEN. Which they had taken out the year before.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from New Hampshire.

Mr. TOBEY. What system of bookkeeping did they use; does the Senator know?

Mr. AIKEN. I think they used their own.

Mr. FERGUSON. Was that the Brannan plan of bookkeeping?

Mr. AIKEN. As a matter of fact, they did change the bookkeeping exactly a week before Secretary Brannan presented his plan to the Congress. They changed it on the 31st of March 1949, and the Brannan plan was presented to Congress on the 7th of April. I am not sure there is any connection between the two.

Mr. TOBEY. I submit to the Senator that it must be a remarkable thing if a corporation of the Government can drop out of the balance sheet a billion dollars in accounts payable and not put something else on the balance sheet. How did they make it square, or balance?

Mr. AIKEN. It has not balanced for several years. It is not balanced yet. That is what the distinguished Senator from Delaware is complaining of.

Mr. TOBEY. As this goes across the country, and the people see this fiasco going on, there is going to be some righteous indignation among them, and God help those who get in their way. When a man gets to the place where he can throw to the winds a billion dollars and more of liabilities, it is a marvelous system. I should like to know how to do it. I have some liabilities I would like to get rid of myself.

Mr. AIKEN. The Comptroller of the Commodity Credit Corporation explained it to the committee this year by saying that they concluded that those figures which they had carried as liabilities were unrealistic. Whenever I have had bills payable I have not called them unrealistic; I have expected to have to pay them some time. Nevertheless, they wrote them out of the liabilities which were chargeable against their borrowing authority.

Mr. WILLIAMS. Mr. President, I should like to say, in concurring in what the Senator from New Hampshire just stated, that it is inconceivable that Congress would allow a corporation to continue any such accounting policy. It is true, in my opinion, and I agree fully with the Senator from Vermont that the amendment which he offered this afternoon would have tightened up the controls over this Corporation to a considerable extent, and now that it has been defeated, it more or less establishes a policy on the part of Congress that we do not expect those liabilities to be included, which would give them from five to seven hundred million dollars extra.

Mr. AIKEN. That is the unfortunate part of it. If they did not need the money, then in my opinion they did not need the $2,000,000,000, and probably could have gotten along with $1,000,000,000.

Mr. WILLIAMS. That is correct. Their actual statutory borrowing authority as of April 30 was a billion and a quarter dollars. They claimed they needed this extra authority because they had a lot of accounts outstanding. They had only four or five hundred million dollars outstanding. The defeat of the amendment, which provided they must continue to account for the liabilities, means they can leave them out, and they have actually gotten this afternoon not $2,000,000,000, but two billion and in addition from five to seven hundred million dollars.

Mr. AIKEN. Mr. President, let me say that under the old method of accounting, when bills payable and other items were classed as liabilities, on March 31, 1949, they had available borrowing authority of $1,477,360,614.23. Under the new method of bookkeeping they had at the end of April 1950,. $1,205,360,670.55. If they had carried along these items as liabilities, as they had been doing 13 months previously, they would have had borrowing authority of about $700,000,000 less, or, roughly, $500,000,000 on hand.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. DONNELL. Along the line of the inquiry, which I thought was very pertinent and in point, of the Senator from Michigan, I should like to ask the Senator a few questions.

In the first place, am I correct in understanding that the Senator read to us this evening from a letter or letters from the Comptroller General that it is not shown, as to the $366,643,129, either that fraud existed or that fraud did not exist?

Mr. WILLIAMS. That is correct.

Mr. DONNELL. As I understand, the $96,440,497 is a part of the $366,643,129.

Mr. WILLIAMS. I assume it might be so interpreted, and I think that it is. But I am not sure myself, and I do not think we could be sure from this report. A part of it might be an accumulation of errors which took place during the years 1946 and 1947.

But the net result is that they started out on June 30, 1945, with $366,000,000, we will call it, of accumulated errors at this point, and after operating 2 years, either making other errors or not, they ended up on June 30, 1947, with $96,440,000 which they said, "We simply cannot reconcile." As I said before, we start out on July 1, 1947, with that item, and perhaps we may find some more. I know that I found, as I said, about $50,000 or $60,000 of it myself, and I understand that during the past few months, through checking—and this is only grapevine understanding—that if and when the reports come down for the next 2 years we will find that a few more million dollars have been accounted for out of this amount. Now where they found these millions I do not know. I do not know that they found them. But I have reason to think such reports will come out. I hope they do.

Mr. DONNELL. Bearing in mind the fact, as the Senator says, that it is possible that some of the $96,440,000 may have been the result of transactions in 1946 and 1947, the fact still remains, does it not, that in the opinion of the Senator the great bulk of the $96,440,000 was a part of the $366,000,000?

Mr. WILLIAMS. That is my personal opinion.

Mr. DONNELL. That bears directly, I think, on the point the Senator from Michigan made. He made the inquiry a little while ago as to whether it is possible that some of this $96,000,000 may consist of receivables, the identity of which, for some reason, has never been disclosed; in other words, that there may be commodities that have been sold to people, and yet for some reason there has never been any recordation as to who owes for that merchandise or if there was a recordation, it is in a book that has never been found.

In that connection I call attention to the fact that, according to the CONGRESSIONAL RECORD, on page 8044, of yesterday, it is stated that—

> The audit report for the period ended June 30, 1945, stated that "the amount of $366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified."

Does not that indicate to the Senator that it is entirely possible that the surmise of the Senator from Michigan is correct, namely, that, although $366,000,000 are recorded as due from sales, one cannot find any records of who it was to whom the sales were made or who owes for the sales? So in the light of the fact that the Comptroller General cannot find whether fraud existed or did not exist, it is at least possible that some of that $366,000,000, to follow his exact language, "due from sales," may consist of sales made to people whose identity has never been recorded in the books, or, if recorded, is in books which are not available. Is not that entirely possible?

Mr. WILLIAMS. That is entirely possible.

Mr. DONNELL. I may say, before the Senator continues with his answer, that I, like the Senator, am not asserting the fact. I do not know—and I do not suppose the Senator from Delaware knows—but, particularly in view of the fact that the Comptroller General says he could neither say that fraud did exist or that it did not exist, it is entirely consistent with the theory of the Senator from Michigan that sales were made, that money is due from sales in the sum of $96,000,000, or thereabouts, and that the persons to whom the sales were made cannot be found from the books. Is that the idea of the Senator from Michigan?

Mr. FERGUSON. Yes.

Mr. WILLIAMS. That is correct.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall yield in a moment. I may say that each time the Comptroller General, correctly, has been very careful to point out that in his report he was not citing in any instance that fraud existed; he always carefully followed through with the language that neither did he say that fraud did not exist. I think his exact language was that the reason he did not say that was that in the absence of records it was impossible for him or anyone else to determine. I might say that in my own examination I found no instance in which I personally would say that there was fraud. I can become suspicious, yes, and while there were cases of irresponsible characters holding high positions, yet they might have been the most honest people in the country so far as I know.

Mr. DONNELL. So the Senator from Delaware, like the Comptroller General, could neither say that fraud did exist or that it did not exist?

Mr. WILLIAMS. That is correct. He could not find in the books records for the $366,000,000 on June 30, 1945. That is not so far back as it sounds. When we refer to that amount we want to remember that he was calling to our attention on March 30, 1949, a little over a year ago, that he could not find that amount, but during the intervening months he has been able to find all of it but the $96,000,000.

Mr. DONNELL. If the Senator will permit me a moment, I want to say that in my mention of the $96,000,000 or thereabouts I did not mean at all to imply that necessarily all of the $96,000,000 was included in the $366,000,000. But I understood from the Senator from Delaware that although it is possible that some of the $96,000,000 may have been an accumulation in later years, 1946 and 1947, in his judgment the great majority of the $96,000,000 consists of a part of the $366,000,000.

Mr. WILLIAMS. That is my opinion. I want to point out again that in the report which the Comptroller General sends down for the last 2 years he still criticizes the loose bookkeeping policies of this Corporation, and that their records for 1946 and 1947 in his opinion were not adequate. What they were in 1948 and 1949, I am unable to say.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. The Senator from Michigan asked me to yield a moment ago. I yield to him first.

Mr. FERGUSON. The Senator has indicated that an account of some $40,000, known as the Buffalo account, was found. How old an account was that?

Mr. WILLIAMS. I will come to that in a moment.

Mr. FERGUSON. About how old was it?

Mr. WILLIAMS. I am quoting from memory, but I will say it was around 6 or 7 years old.

Mr. FERGUSON. And was it not set up on the books as an account receivable?

Mr. WILLIAMS. Frankly, I do not think it was on the books at all, from what I could find out when we got into that matter. I have the full details of that matter and will place them in the RECORD later. As I recollect, two cars of canned meat were involved. The Corporation was doing quite a little business with the company in question. They were having rejections on some meat, but the Corporation had overpaid the company for two cars more than the Corporation received, and the Corporation did not pick them up in its inventories.

Mr. FERGUSON. Nor in its accounts receivable?

Mr. WILLIAMS. Nor in its accounts receivable. When I took it up with the Corporation they never knew that anyone owed them a dollar. No one knew it or made any effort to find out. When the first reply came they said the records were too old and they could not find the item. It was only after I insisted on the details that they said finally that they had discovered the item, and that the money had been paid. Following through in order to find out when they discovered it, and when the money was paid, it was found that the money was collected about 48 hours after I gave them the final notice that I would not take "No" for an answer, and that I was insisting upon the copy of the report.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. Is the Senator familiar with the maritime account, in which there was some $25,000,000 unaccounted for, and with respect to which it was later discovered that the accounts, that is the papers, the documents in relation to some of the accounts had been placed in drawers of old desks and that the desks had been sold as surplus furniture? So they were unable to collect approximately $25,000,000 in the maritime accounts.

Mr. WILLIAMS. I know that the maritime accounts are in perhaps equally as deplorable a condition. That makes the matter worse.

Mr. FERGUSON. That is why I am citing it.

Mr. WILLIAMS. This is not an exception among Government agencies or corporations. It seems to be the belief of Government agencies in the past few years that they do not have to render an accounting. The Comptroller General was very careful to point out that the difficulty he is experiencing in auditing these agencies is due to the apparent lack of appreciation on the part of the management of their responsibility to render an accounting, which is a rather serious charge.

Mr. FERGUSON. What was the date of the last accounting?

Mr. WILLIAMS. From the General Accounting Office, in reporting on the Commodity Credit Corporation?

Mr. FERGUSON. Yes.

Mr. WILLIAMS. It came in to them.

Mr. FERGUSON. For what years?

Mr. WILLIAMS. For the year 1947. We lack the reports for the years 1948 and 1949.

Mr. FERGUSON. But we are now in June 1950.

Mr. WILLIAMS. Yes. On January 15 last, the books for the fiscal year ending June 30, 1949, were due in the Congress, under the law. If there were in the United States a taxpayer who failed to file tax returns for the last 4 or 5 years, and if in his last tax return he failed to account for several million dollars, we would not think of having the Government send him a considerable amount of extra money—which is what we are doing in the case of the Commodity Credit Corporation. It simply does not make sense.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Delaware yield to the Senator from Florida?

Mr. WILLIAMS. I yield.

Mr. HOLLAND. A comment which was made by my good friend, the Senator from Missouri [Mr. DONNELL], indicated that he might be under the impression that this entire account might be based on simply a situation of purchases and sales, for the Senator from Missouri used several times the word "sales."

I simply wish to point out that this accounting involved a vastly more complicated matter than that. For instance, hundreds of agents were handling these matters, and there were hundreds or thousands of claims arising during the war period in connection with the transactions of the Corporation—for instance, such matters as shortages on purchases and excess amounts of purchases and the spoiling of various amounts of materials which were purchased, and losses by fire and other kinds of losses.

Then tremendous amounts of money were advanced to farmers in various parts of the Nation, for the purpose of enabling them to convert their agricultural production to a different sort of production of food which was needed—in short, the production of crops different from the crops they normally produced. Sometimes the new crops turned out well, and sometimes they did not.

In addition, hundreds of transactions arose as a result of establishing dehydration and canning operations and other operations.

The entire program was so enormous that it cannot be compared with a situation arising as a result of certain numbers of purchases and sales, because the transactions in this case represent the entire wartime operations of the War Board Administration, and hundreds of agents were involved.

Mr. WILLIAMS. Mr. President, I should like to say to the Senator from Florida at this point, because I have spent a great deal of time on the books of the Commodity Credit Corporation, that in my opinion, every one of the transactions of the Corporation can be recorded or at least should be recorded as a sale or a purchase, regardless of whether they were actually physical transactions, which is a different matter.

I do not care whether an item involves a claim by a Florida farmer or a claim by a Delaware farmer or a claim by a North Dakota farmer, or whether a thousand bushels of peanuts or a thousand bushels of wheat are involved. Regardless of whether the commodity was given away or whether it was sold to another government, at least the transaction can be completed in the same manner that a transaction in the Senator's business or in my business, back home, would be completed. In my opinion, there is no excuse whatever for the absence of accounts in connection with such transactions.

I know that the job which was done was a tremendous job, and I know that a great many transactions were involved. However, each individual transaction represents either a cash transaction or a transfer of inventories.

I think the Senator from Missouri was 100-percent correct in saying that these transactions could be followed through and should be followed through.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Let me speak in answer to the inquiry of my distinguished and close friend, the Senator from Florida [Mr. HOLLAND].

When I used the term "sales," I was not using it from my own vocabulary or from my own knowledge, but I was using it on the basis of words which appeared on page 8044 of the CONGRESSIONAL RECORD of yesterday, from the audit report and the statement appearing in the audit report, as referred to in a statement submitted at that time by the Senator from Louisiana [Mr. ELLENDER]. I quote the following from the audit report:

The amount of $366,643,129 recorded—

I emphasize by my voice the next four words—

as due from sales made in the general commodities purchase program could not be supported nor verified.

I drew the inference—and I ask the Senator from Delaware whether he joins with me in drawing such an inference—that, according to the report, there was recorded in the books of the Commodity Credit Corporation $366,643,129—"as due from sales"—but that no record could be found to support or verify to whom those sales were made or of what the sales consisted.

Is not that the inference the Senator from Delaware draws from the language, not of the Senator from Missouri, but of the audit report, which I understand came from the General Accounting Office, and which is quoted in the statement submitted yesterday by the Senator from Louisiana [Mr. ELLENDER]?

Mr. WILLIAMS. That is my understanding; yes.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. Does not the Secretary of Agriculture apologize for this bad situation and this bad record he has made?

Mr. WILLIAMS. Oh, no; the Secretary of Agriculture says the Senator from Delaware simply does not know what he is talking about. In fact, 3 or 4 days after I made my first statement, and 1 day before the Comptroller General's report came to us showing $366,000,000 unaccounted for, the Secretary of Agriculture wrote a letter to the distinguished majority leader—a copy of the letter has been inserted in the RECORD—and in the letter the Secretary of Agriculture said that all of the $366,000,000 was accounted for; and then the Secretary of Agriculture went on to state that the Senator from Delaware was rehashing a lot of transactions, all of which had been investigated by the Senate, and all of which the Senate was through with.

About a year later the Secretary of Agriculture returns; and although he does not say that I was correct, yet he says that they have accounted for all but $96,000,000. However, he still thinks everything is all right.

Mr. CAPEHART. The $366,000,000 is the shortage as shown by the General Accounting Office; is it not?

Mr. WILLIAMS. The General Accounting Office does not describe it as a shortage, but describes it as being unaccounted for.

Mr. CAPEHART. What is the difference between a shortage and a thing which it is impossible to account for?

Mr. WILLIAMS. Frankly, I see no difference. To me or to anyone else who has been engaged in business, as the Senator from Indiana has, I think it is difficult to see any difference.

However, there is this difference: In the absence of records, it could be that such an amount never existed and never should have been put on the books.

If one of the departments of a business in which a Senator was interested had several thousand dollars on the books and could not account for it——

Mr. CAPEHART. Does the Senator from Delaware mean to say that they could not account for this money?

Mr. WILLIAMS. That is what they said.

Mr. CAPEHART. Does the Senator mean that they have no records of it at all?

Mr. WILLIAMS. They said they could not account for it. That statement was made a year ago, although now the Comptroller General says that in auditing the reports for the years 1946 and 1947, he has been able to account for all of it but $96,000,000.

Mr. CAPEHART. Can the Senate have all the items which it is now said can be accounted for, and which go to make up the amount for which the Corporation is now able to account?

In other words, I should like to see the items which have been found, which justify the $300,000,000. I should like to see the items which constitute that amount.

Let us subpena the records or let us ask that the items which now have been discovered be submitted to us, so that we can see just what items constitute that amount.

Mr. WILLIAMS. I have already made such a request. I do not know what the report will be. I understand the report will be voluminous—although I informed them that I had nothing to do for the next 2 years but look them over. [Laughter.]

Mr. CAPEHART. Mr. President, let me see if I correctly understand the situation.

As I understand, first the General Accounting Office said the Commodity Credit Corporation was $366,000,000 short.

Mr. WILLIAMS. No, "unaccounted for"; they insisted on using the phrase "unaccounted for."

Mr. CAPEHART. Very well, "unaccounted for."

Mr. WILLIAMS. That is right.

Mr. CAPEHART. Now the Senator from Delaware tells me that the Commodity Credit Corporation claims and the General Accounting Office claims

that they have accounted for everything but $96,000,000.

Mr. WILLIAMS. That is correct.

Mr. CAPEHART. Would not it be very simple to give to the Senator from Delaware and to the entire Senate the items which they have discovered, which make up the three-hundred-million-odd dollars? Either there are 10 items or there are 100 items or there are some other number of items. Why cannot we take a look at those items?

Mr. WILLIAMS. I think that perhaps in fairness to the General Accounting Office I may say that I think most of those items will be available to the Senate; that has been my experience with the matter.

I am very much interested, as the Senator from Indiana is, in knowing where the money has gone.

I am also interested in the $96,000,000, because that amount was "deducted" or was "subtracted"—they insisted upon saying that it was not written off, but they insisted upon saying that it was "deducted." Perhaps the Senator from Indiana knows the difference, although I do not.

Mr. HOLLAND and Mr. CAPEHART addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield, and if so, to whom?

Mr. WILLIAMS. I know, that in that $96,440,000 which was subtracted, they cannot tell me that all of that represented amounts which could not be reconciled. I found a small part of it, and I got the money back, and I understand a few more millions of dollars have come in. So I do know that a little of it was in error.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. The Senator knows, does he not, that it is possible to make an honest mistake?

Mr. WILLIAMS. That is true.

Mr. CAPEHART. Now, if they made an honest mistake in some $360,000,000, why do they not rush in here and say to the Senator and to the United States Senate, "Well, we made an honest mistake of $360,000,000. Here is how we made mistakes." If they do not do that, so far as I personally am concerned, I think they are covering up something unwarranted, either bad bookkeeping, or just out-and-out crooked transactions.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment. The Secretary of Agriculture, Mr. Brannan, last year, after I first disclosed this to the Senate, insisted that the $350,000,000 was all accounted for. The majority leader of the Democratic Party rose on the floor of the Senate and said that the Senator from Delaware was making wild statements and wild charges for the sole purpose of getting his name in the newspapers, and that, if he thought there was any truth whatever in these statements, or that it was a fact that a Government agency could have that many millions of dollars unaccounted for, he would be the first to rise on the Senate floor to demand an investigation. I have not heard a peep out of him for 15 months. He is not here tonight. He walked off the floor again tonight. I hope he comes back, because I want to know how he feels about it. He was so enthusiastic, but for some reason he lost his enthusiasm when he read the report.

Mr. CAPEHART. Do we understand that the Secretary of Agriculture is refusing to give the United States Senate full and complete information on this subject?

Mr. WILLIAMS. Oh, no; oh, no; he does not refuse it. He says, "Just quit worrying about it, it is all lovely," he knows where it is, and there is nothing to get concerned about. He says it is all accounted for. Of course, the Comptroller General says that it is not.

Mr. CAPEHART. That is what I was about to ask the able Senator. The Comptroller General, or the General Accounting Office, says it is not accounted for. Is that correct?

Mr. WILLIAMS. That is correct.

Mr. CAPEHART. What good is the General Accounting Office if we are not going to follow its recommendations?

Mr. WILLIAMS. The Secretary of Agriculture says "this is all accounted for. You boys should not become concerned. Just give me another $2,000,000,000. That is all I want." And that is what he is asking us to do here—"Give me another $2,000,000,000, and I will send you the books, sometime, if and when I ever think you are entitled to them."

The fact that we have a law on the books which says that the books must be sent here means nothing to the Secretary of Agriculture. The laws do not apply to the top executive branches, apparently.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CAPEHART. Is the Senator of the opinion they have something they want to cover up?

Mr. WILLIAMS. If I were the Secretary of Agriculture, in control of the books of the Corporation, and any such reports were to be made, and I had nothing that I wanted to cover up, I would have the books sent here so fast one would not even get a chance to sit down.

Mr. CAPEHART. Any other person would, if he felt the books were correct, would he not?

Mr. WILLIAMS. I feel the same way.

Mr. HOLLAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Florida?

Mr. WILLIAMS. The fact that the books have not come here makes me all the more determined that they should come. I have said, and I repeat, that so far as I know when they come, they may be 100 percent in order, but, still, let us see them.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Florida.

Mr. HOLLAND. There are one or two things of which I should like to remind my distinguished friend, the Senator from Indiana, because I think he has lost sight of them. The first thing is that he does not have to struggle to get facts which are in the possession of the General Accounting Office. That is an arm of Congress. That does not belong to the executive department. That is an agency working for the Senator's protection and for the protection of every other Senator and of every other Member of the Congress. All the Senator has to do is to find time, if he has an abundance of it, to sit down and look at the multifarious records showing their checks by which they have found out where all of the $366,000,000, which could not be accounted for a little over a year ago, was expended except $96,000,000. I hope they will find more of it. In their long report which the Senator probably has not had the chance to read, but which is a part of yesterday's record, they list separately some six or more reasons why they think it is unwise to do any further checking. I do not agree with that, because I think we should do further checking. But that advice is given by an agency of the Senator from Indiana, an arm of every other Senator here. The information which they have discovered is his information and not that of the President, not information belonging to the Secretary of Agriculture. So that if the Senator has not seen it—which I quite well understand, because he is not a member of that committee, and even members of the committee have not been able to see it—let him be sure that it is there and available, and that it belongs to him, because it is Senate information.

The second thing I should like to bring out is this: I think that, in complete fairness to the present Secretary of Agriculture, it should be said that he has cooperated in helping us get the facts, and that this matter does not in the slightest affect or involve his administration of his office. It relates entirely to the war years, during which time the two former Secretaries of Agriculture were in office. It should be said that he has been highly cooperative, and that the committee, though it has pressed very diligently after this matter—and sometimes, I fear, disagreeably—has nevertheless had to admit that every facility of his office has been made available, and the committee will continue to press the matter. So, those two points I wanted to make. No one is wanting to cover up. To the contrary, the examining agency which has discovered an explanation of this matter, belongs to the Senator from Indiana and to the rest of Congress and the information which has been discovered is our information.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HOLLAND. The second thing is that the present Secretary of Agriculture has no stake at all in the matter except as a Government employee and as a citizen, and as the holder of a high executive office, to see that his office and his Department of the Government make the fullest possible disclosure of everything within their power.

I think that, with all deference to a situation which is not wholly acceptable—and I have been the first to admit it, and I have stood back of the Senator from Delaware in his complaints to our

committee—I think every one of us would have to admit that the present Secretary of Agriculture has been 100-percent cooperative. So I wanted to reassure the Senator from Indiana, who, as a successful businessman, would naturally be impatient of this vexatious difficulty in the accounting on these huge wartime activities, involving us in over $8,000,000,000 of public money.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I will yield in a moment. I should like to reply to the Senator from Florida, by saying I agree with him on a good many things, but I do not excuse the Secretary of Agriculture for failing to fulfill his responsibility. The Comptroller General, it is true——

Mr. HOLLAND. The Senator is not holding that the present Secretary of Agriculture is himself accountable for the expenditure of any moneys spent by the War Food Administration, is he?

Mr. WILLIAMS. Not a dime of it. But I hold the Secretary of Agriculture 100-percent responsible for the fact that the books for the years 1948 and 1949 are not in the Senate, and it is his responsibility and his alone. While it is true that the Comptroller General is the one who is supposed to get the books here, nevertheless, I know something about books, as does the Senator from Indiana, and if we send a dozen or a hundred auditors, whatever number it might take, to check a corporation, if the books of the corporation are in such a deplorable condition as the Comptroller General says these books are, naturally it is impossible to send the audited reports as soon as they might be sent under different conditions. The fact that the books are in such shape that the Comptroller General cannot get the books here as should be done, is the fault of the Secretary of Agriculture, and it is nobody else's fault but his. I am speaking of the years since he has been in office and had the responsibility.

Mr. HOLLAND. I will agree with that as to past years.

Mr. WILLIAMS. If those books come to the Senate, they may show 100 percent good bookkeeping. But, nevertheless, he should still get them here. He should not be ashamed of anything that is in them. If he is ashamed, that is all the more reason for my wanting to see them.

I certainly am opposed to giving any money to any Government corporation until we get its books and know how it spent that which it has already had.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HOLLAND. Let me ask the Senator one more question. Is the Senator contending that we have the accounts down to date of any one of the executive branches of the Government for whom we are making appropriations this year?

Mr. WILLIAMS. No. I say we have got them in some instances.

Mr. HOLLAND. If so, the Senator has seen some reports that I have not seen. I understand all of them are at least a year old.

Mr. WILLIAMS. We have got them from some of the departments or agencies, and I say, and I do not retract it, that so far as I am concerned, I care not what Government agency it may be, before it gets a dime I vote for, it is going to send to Congress all its books. If the majority of the Senate serves notice on the Government agencies either to put up or shut up, maybe we shall get some action. I hope the Senator from Florida will join me in that attitude.

Mr. HOLLAND. The Senator from Florida will join the Senator in any reasonable position, but he does not expect to vote against all appropriation bills. The position in which the Senator from Delaware would place the Senator from Florida would require him to vote against all appropriation bills for Government agencies.

Mr. WILLIAMS. If they are so far behind that they cannot have accurate bookkeeping, put them out of business and put in some other people who will adopt some good accounting policies. They have enough money to proceed, and before Congress adjourns, if the Secretary still insists that he will not give us a report, let Congress take action to get rid of him and get a new Secretary. After all, who is he?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. I rather think the Senator from Indiana understands the situation much more clearly than the able Senator from Florida realizes. I know the General Accounting Office is an arm of the United States Senate. It corresponds to an accounting from that any business organization might hire to audit its books. If I understand correctly, it audited the books of the Commodity Credit Corporation and found $366,000,000 unaccounted for, or short, or at least it did not know how to account for it. That is very simple. I think any high school student can understand that. I understand that that occurred a couple of years ago——

Mr. HOLLAND. Last March.

Mr. CAPEHART. The same General Accounting Office has been able to account for all of the $366,000,000 except $96,000,000.

Mr. WILLIAMS. That is bringing the books up to June 30, 1947.

Mr. CAPEHART. The Secretary of Agriculture, when the shortage of $366,000,000 was brought to his attention, said, "There is nothing to it. We will find it. Just give us time——"

Mr. WILLIAMS. No; the Senator is wrong. The Secretary of Agriculture said there was nothing to it at all, that the money had all been accounted for and that WILLIAMS was just rehashing something that had been discussed many times.

Mr. CAPEHART. The General Accounting Office, this accounting firm representing the Congress, has accounted for all of the $366,000,000 except $96,000,000.

Mr. WILLIAMS. The General Accounting Office says it has accounted for all of the $366,000,000 except $96,000,000 of the amount which the Secretary of Agriculture said never existed.

Mr. CAPEHART. If we, the Senate, are a good board of directors and are running the country—at least, we are appropriating the money—we want to have the items that go to make up that $366,000,000 which was originally found to be short.

Mr. WILLIAMS. If we were a private corporation and the Treasury Department were auditing our accounts and found a similar item unaccounted for, we would either have to account for it or it would be assessed against us.

Mr. CAPEHART. That is correct. We would want to know about each of the items going to make up the $366,000,000.

Mr. WILLIAMS. Yes.

Mr. CAPEHART. It is now down to $96,000,000. My question is, Why do not the General Accounting Office and the Department of Agriculture deliver to the Senate the items that go to make up the $366,000,000 that was short but which has now been found with the exception of $96,000,000? Why should we not have the items that go to make up the $96,000,000? What is wrong with that?

Mr. WILLIAMS. That is a very good question, and I do not see anything wrong with it except that if the Secretary of Agriculture can get $2,000,000,000 without it, why should he account for it? If he accounted for it, I do not know how much we would give him.

Mr. CAPEHART. If it is not honestly accounted for eventually, or within a reasonable length of time, it constitutes a fraud, does it not?

Mr. WILLIAMS. I do not know whether it does or not.

Mr. CAPEHART. What does it constitute? Did the money evaporate?

Mr. WILLIAMS. Frankly, I would not want to express my opinion as to what it does constitute. I think it might be stricken from the record. But I think that Members of the Senate who will stand for any such operation is a Government agency are negligent in their duties.

I want to point out, along the same line, having nothing to do with accounting policies, the irresponsibility of a prominent Government official, a Cabinet officer.

In the report which was placed in the RECORD yesterday there was a letter to the chairman of the committee written by the Secretary of Agriculture, and I want to read the last sentence:

> The net financial results of the program of the Commodity Credit Corporation after all adjustments were made was a net gain of approximately $187,000,000 at December 31, 1949.

The Senator from Indiana and I would have every reason to expect some degree of accuracy in a statement issued by a Cabinet officer, and yet I find that just a few days before that, the same Secretary of Agriculture, Mr. Brannan, testifying before the Senate Committee on Agriculture and Forestry, in favor of a small Brannan plan with reference to potatoes, tried to prove that his program would be much cheaper than the other program, and on pages 17 and 18 of the committee hearings on Senate bill 2634, dated March 15, 1950,

Mr. Brannan said that the loss of the Commodity Credit Corporation, after deducting their gain as of that time, was $469,000,000.

Mr. CAPEHART. That was the loss?

Mr. WILLIAMS. Yes.

Mr. CAPEHART. I thought the Senator said there was a profit of $187,000,000.

Mr. WILLIAMS. I am quoting the Secretary of Agriculture. A few moments ago I read that the Secretary of Agriculture said on March 31 that there was a gain of $187,000,000. When he said there was this gain of $187,000,000 he was appealing to the committee for more money and he wanted to show the committee what an excellent manager he was.

Mr. CAPEHART. A couple of months ago he said there was a gain of $187,000,000?

Mr. WILLIAMS. On the 31st of March, in his letter in support of his application——

Mr. CAPEHART. He said there was a gain of $187,000,000?

Mr. WILLIAMS. Yes.

Mr. CAPEHART. When did he say there was a loss of $469,000,000?

Mr. WILLIAMS. Just a few days later. At that time he was telling the committee how expensive was the existing program with reference to potatoes and how his program was superior.

Let me read the exact language. He said it was $468,800,000, and of that amount $348,500,000 represented the loss on potatoes. All we have to do is to adopt the Brannan plan, and we could make money on potatoes.

So we have a situation in which, when he is testifying for one bill, he says he lost $469,000,000, but when he needs to get some more money from another committee he says, "I am a great executive. I have made you $187,000,000," all in the same 2-week period with reference to the same Corporation.

Mr. CAPEHART. Is the Senator from Delaware a member of the Commitee on Agriculture and Forestry?

Mr. WILLIAMS. No; I wish I were. I should very much like to have been there when he was testifying.

Mr. CAPEHART. Whom are we going to believe, and when and how?

Mr. WILLIAMS. I presume that the Secretary of Agriculture is telling the truth. Far be it from me to say he is not telling the truth. My only trouble is that I do not know when he is telling the truth. I am sure that he hits it sometimes. At one time he says he is making money, and the next time he says he is losing money. I am sure he is right one or the other of those times. However, I do not know how anyone can tell.

Mr. NEELY. Mr. President, I object. A Senator may yield only for a question.

Mr. WILLIAMS. I did not yield to the Senator from West Virginia.

Mr. WHERRY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS. I ask that the disturbance on the other side of the Chamber be taken care of.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator may yield only for a question.

Mr. WILLIAMS. I yield to the Senator from Nebraska for a question.

Mr. WHERRY. I ask the distinguished Senator from Delaware if he could advise the Senator from Nebraska how much longer he feels it will take him to complete the report which he began introducing into the RECORD some hours ago. He has been interrupted many times. Does the Senator feel he can now tell the Senate how long it will take him to complete his report?

Mr. WILLIAMS. I do not know. I shall complete it as soon as I possibly can. I shall continue to yield to Senators who wish to ask questions, for the simple reason it is very important that I do so. If anyone wishes to take any exceptions to this report, now is the time to take them. I want the RECORD to show that every Member of the Senate on both sides of the aisle has had an opportunity to take exceptions or to make suggestions. I am very sorry that I was put in the position of having to start so late in making my report. However, I had very little cooperation from the other side of the aisle. The first time I called the attention of the Senate to the matter it was said that I was trying to get my name in the newspapers; that there was nothing to it; that if there was anything to it the majority leader would be the first one to see that something was done about it. Since that time the majority leader apparently has lost his enthusiasm. I am sorry that I have been put in the position of being compelled to make my statement tonight, or of not making it all and perhaps having a whitewash. It is 11 o'clock now. I have been speaking for 4 or 5 hours. So far as I am concerned, I shall finish the report, if I can, and get my dinner sometime later in the evening. I am sorry that we have had no cooperation whatever from the majority leader, who has insisted that in order to report the facts on this subject to the country, it is necessary to take time in the evening.

Mr. WHERRY. Mr. President——

Mr. MAYBANK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. WILLIAMS. I yield first to the Senator from Nebraska for a question.

Mr. WHERRY. I thank the Senator for yielding. I should like to ask unanimous consent, Mr. President, that the Senator be permitted to yield so that I may address a question to the acting majority leader, if there is no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska that the Senator from Delaware may yield for that purpose without his losing his right to the floor?

Mr. MAYBANK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I move that the Senate take a recess.

Mr. WILLIAMS. Mr. President, I hope the Senator will not press his motion.

Mr. MAYBANK. Mr. President, a point of order. The Senator can yield only for a question.

Mr. WHERRY. I ask the Senator from Delaware if he will yield so that I may make a motion to recess.

Mr. MAYBANK. Mr. President, a point of order.

Mr. WILLIAMS. Mr. President, I should very much like to continue with this report tonight. I appreciate the concern of the Senator from Nebraska, but I think the Senator from Illinois and the other Members of the Senate want to complete consideration of this bill tonight. That was my understanding. There have been objections on the other side of the aisle to my yielding, and I shall continue with the report.

Mr. WHERRY. Mr. President, will the Senator yield so that I may suggest the absence of a quorum?

Mr. WILLIAMS. Mr. President, I ask unanimous consent that I may yield for the purpose of having the Senator from Nebraska suggest the absence of a quorum, but without my losing the floor.

Mr. MAYBANK. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, I nevertheless ask the Senator to yield so that I may suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator may yield only for a question, or yield the floor.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is it not always in order for a Senator to yield for the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER. Only by unanimous consent.

Mr. WHERRY. I ask the Senator from Delaware if he will yield so that I may suggest the absence of a quorum.

Mr. WILLIAMS. I will ask the Senator to withhold his request until I have reached a certain point in my address. Then I shall be very glad to yield.

Mr. President, I understand that if I were to yield for that purpose perhaps it would be interpreted as my having made two addresses, and I would not be able to complete this address. Therefore I shall continue at this time. I appreciate the concern of the Senator from Nebraska. I know he realizes that it is a strain to continue, but I shall continue putting the report in the RECORD tonight. I renew my offer to yield to any Member of the Senate who wishes to ask any questions or take any exceptions to anything being put in the RECORD. I hope that the Members of the Senate on the other side of the aisle will display the same enthusiasm to get an accounting from this Corporation as they are in seeing to it that the Senator from Delaware continue this lengthy discussion.

I may say, Mr. President, that there is nothing I am putting into the RECORD that should give any concern to the Senator from West Virginia [Mr. NEELY].

He has not been here all night. All I am trying to do is to get an accounting from this Government Corporation for the money which they have been spending a part of which belongs to the citizens of his State. I think the Corporation should render such an account.

While it is true that the Comptroller General, on March 31, 1950, did submit a summary of his audit findings on this Corporation for the period ended June 30, 1947, I call attention of the Senate to the fact that Congress has had no report whatever of how the Corporation is handling its affairs, nor in what condition are the books for the fiscal years 1948 and 1949. We have received only temporary summaries for the fiscal years 1946 and 1947, but not the complete reports for either of these 2 years.

Public Law 4 as passed by the Congress on February 24, 1945, plainly states:

> The financial transactions of all Government corporations shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. * * * A report of each such audit for each fiscal year ending on June 30 shall be made by the Comptroller General to the Congress not later than January 15 following the close of the fiscal year for which such audit is made.

Yet here is a Government Corporation with the authority to borrow $4,750,000,000 in the name of the United States Government and today is asking for additional authority to increase this by another $2,000,000,000, making a total of $6,750,000,000.

I do not feel that Congress has any right to ignore the fact that the audited accounts of this Corporation have not been submitted to Congress as required by law, particularly when we consider that, according to all information we have received, the accounts of the Corporation are in a deplorable condition.

I think it is most regrettable that the Senate did not take more aggressive steps during the past 12 months to force an accounting from this giant Corporation, and as one Member of the Senate I shall continue to oppose any action by Congress toward extending any additional borrowing power to this Corporation—at least until such time as a complete accounting has been rendered to the Congress as required by law. I insist upon this, particularly in view of the fact that this Corporation which is spending billions of dollars annually found it necessary, on June 30, 1947, to subtract the staggering sum of $96,440,497 from the over-all balance of accounts receivable in order to bring their books in balance.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. Can the distinguished Senator from Delaware tell us the amount of the surety bond which the Secretary of Agriculture is required to put up?

Mr. WILLIAMS. I am sorry. I do not have the information. I do not know whether he is required to put up any bond.

Mr. LANGER. What is the custom, if the Senator knows, when one Secretary of Agriculture goes out of office and a new Secretary of Agriculture takes office, as to whether or not the new Secretary of Agriculture requires an audit by the Comptroller General?

Mr. WILLIAMS. I would assume that he does, although evidently he did not, because it was only last year, in March, that we received audited reports for the year ending June 30, 1945, and today we are receiving reports only for the fiscal period ending June 30, 1947. I do not know whether we shall get the ones for 1948 and 1949 before the present Secretary of Agriculture goes out of office.

Such a loose procedure would not be condoned by the Government for any private corporation and I feel that a Government corporation which is handdling the taxpayers' money has an even greater obligation to render an accounting.

SPECIFIC CASES OF ERRORS UNCOVERED

When I first called to the attention of the Congress in March of 1949 the fact that the records of the Commodity Credit Corporation, if made available, would show that over $350,000,000 could not be supported nor verified, the Secretary of Agriculture immediately issued a denial at which time he stated, "The $350,000,000 was accounted for."

One year later, on March 31, 1950, the Secretary addressed a letter to the chairman of the Senate Agriculture Committee, admitting that the books of the Corporation were in balance only as a result of the Corporation having arbitrarily reduced their over-all accounts receivable by the sum of $96,440,497.

Apparently the $96,000,000 was such an insignificant amount to the Secretary of Agriculture's way of thinking that he did not consider it worth mentioning in March of 1949, at which time he claimed that, without exception, the books of the Corporation were in balance and all funds accounted for.

It is amusing how the officials, in referring to this $96,440,497 which was subtracted from the over-all accounts in order to bring the books in balance, keep insisting that we use the word "subtract" instead of the phrase "written off," on the basis that the taxpayers might misunderstand if we use the phrase "written off." However, as I pointed out to the Senator from Indiana, I fail to see any difference, from the taxpayers' standpoint, whether the amount is referred to as being written off or as being subtracted. As far as they are concerned, it is gone.

The argument is advanced that it would be cheaper to forget the $96,000,000 rather than attempt to reconstruct all the files in view of the fact that there would be substantial cost for the extensive additional work that would be required with no positive indication that the result of the work would be remunerative to the Government, and also because of the theory that all transactions were between the Commodity Credit Corporation and other Government agencies and very little, if any, represented transactions with private corporations. I cannot accept that as an excuse as I do not think anyone knows to what extent either are involved.

In the first place, suppose it did represent transfers between Government agencies. Then that merely means that some Government agency has spent $96,000,000 more than Congress knows about or perhaps more than the Government agencies themselves know about—in which event they, too, need auditing. I cannot conceive any Government agency or series of Government agencies absorbing $96,000,000 without knowing it.

I do know that a partial examination of the records in my own office disclosed 13 recognized errors, not one of which involved transactions between the Commodity Credit Corporation and other Government agencies. As a result of uncovering these errors the Government has collected $51,357.30.

Mr. President, it is interesting to note that the books balanced before I called this to their attention, according to the Secretary of Agriculture.

I realized that this $51,357.30 is but a small part of the $96,440,497 referred to, but it does constitute proof that there was a great laxity in the handling of these accounts; otherwise, these obvious discrepancies would have been recognized by their auditors. It also convinces me that had a determined effort been made at the right time a substantial amount of the $96,000,000 could have been reconciled; and if not reconciled, at least we could have placed the responsibility.

At this time I shall review briefly the cases to which I refer.

On March 26, 1949, following my statement in the Senate the previous day relative to the accounting deficiencies of the Commodity Credit Corporation, I received a note from Mr. Olin R. Dennis, of Freeport, Ill., stating that he read in the daily press that I was asking for an investigation of the Corporation and with his note he enclosed a copy of a letter which he was, as of that date, forwarding to the majority leader, the Senator from Illinois [Mr. LUCAS] criticizing his premature defense of the Corporation.

I will not take the time to read to the Senate this entire letter which Mr. Dennis sent to the Senator from Illinois. However, I will read certain excerpts relating to the Commodity Credit Corporation. I quote from the letter:

> Enclosed clipped from the Freeport Journal-Standard of March 26. I happen to be politically friendly to the administration and feel that a reasonable workable program of farm price supports is in order but I feel bound to tell you that you are not being fair to agriculture, the administration, nor yourself in rushing blindly to the support of the CCC, because it is badly in need of a rigorous overhauling.

Continuing in this same letter Mr. Dennis outlined to the Senator from Illinois the difficulties that he and his brother, Alvadore Dennis, while operating under the trade name of Padua Grain Co., Padua, Ill., had experienced in trading with the Commodity Credit

Corporation. Mr. Dennis pointed out how the Commodity Credit Corporation had arbitrarily refused to pay what the company considered to be a justified claim and which at that time had been outstanding nearly 6 years, or since April 1943.

In the same letter Mr. Dennis also called the attention of the Senator from Illinois to the fact that the Commodity Credit Corporation in one instance had forwarded to their concern three checks for the same transaction, and that while these checks had been in their possession over 5 years, the Corporation to that date had not corrected its error, and probably did not know that the triplicate payment was outstanding.

Mr. President, I wish to quote further from Mr. Dennis' letter to the majority leader, the senior Senator from Illinois, who is now on the floor. I am sure he recalls at the time I made this statement that he said that there was nothing wrong with the affairs of this Corporation, and that if there were he would be the first man on the floor of the Senate to demand a complete investigation of any corporation of the Federal Government which the Comptroller General would say had the amount of $350,000,000 unaccounted for. Early in the evening I said that I was sorry that the enthusiasm expressed that day by the dinstinguished majority leader apparently had faded in the subsequent 15 months.

I now quote from Mr. Dennis' letter:

> The Padua Grain Co. handled a considerable volume of other grain for the CCC and in one case they forwarded three checks—in considerable amount—for doing one job. My brother, being an honest man, of course, did not cash the second and third checks but thinking his holding them might influence the CCC to adjust his unpaid claim placed them on file and never so much as heard from the CCC about them.
>
> Fact is, after I had exhausted every argument I could think of to induce the CCC to pay their debt while I was in their Chicago office I asked them if there was anybody in the office who really knew what was going on, which seemed to upset them somewhat. It developed that they actually did not know that they had issued three checks in payment for the one job. The man I was talking to was R. W. Hostrop, in charge of the auditing and accounting section. I don't think that I would care to employ him were I in need of a bookkeeper.

Naturally being very much interested in this situation and greatly concerned over the fact that the records of this Corporation were apparently in such condition that they could make a triplicate payment without discovering it over a period of 5 years, I immediately began checking this case.

Following a series of correspondence, Mr. Alvadore Dennis, the owner of the Padua Grain Co., wrote me that he had received payment for his outstanding claim and in turn for this payment had delivered back to the Commodity Credit Corporation their two uncanceled checks. For the record I will quote from this letter of Mr. Dennis dated June 20, 1949, in which he reviews the case.

For the RECORD, I should like to have inserted at this point a copy of the letter from Mr. Alvadore Dennis.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> In April 1944, CCC offered a short-time inducement of 5 cents per bushel, to cover shelling and trucking costs, in order to stimulate the movement of corn, at ceiling prices. Country elevators paid these charges on the corn they handled and collected from CCC. Under this arrangement, I handled a total of 11,908.52 bushels and on May 29, 1944, I mailed an invoice to CCC for $595.45. On May 31 they mailed me a check for this amount. On June 2, they mailed me another check. and on June 5 still another, all in the same amount and for the same invoice. I cashed only the first check but the other two were in my possession until recently.
>
> Last December, in talking to my brother, Olin R. Dennis of Freeport, Ill., I told him of my experiences with CCC and that they still owed me money for handling corn in 1943. He asked for my file containing all the correspondence and information and took this with him when he called at the Chicago office of Commodity Credit Corporation on December 23, 1948. They had their own file as well as mine before them, and they admitted they had no written agreement, but still refused to pay. My brother then made some remarks as to their unfairness and inefficiency and disclosed the fact that they had paid me three times to cover the same service.
>
> On January 17, 1949, Mr. Joseph E. Hayes, representing CCC and Mr. Frank Hubert, of McLean County Farm Bureau called at my office and asked to see the checks. I told them I was going to put them up in my office with an explanation to show taxpayers how CCC used their money. Mr. Hayes asked me to please not do this. He promised that if I would let him have the checks, he would see that I got the money due me since 1943. In order to close the matter, I gave them to him and later received a check in full from CCC for my claim which they previously refused to pay many times.
>
> There was really no connection between the corn handled in 1943 and that handled under a different plan in 1944. It is very apparent that I was paid only so they could recover evidence of their inefficiency. Not only did CCC pay me three times for the same invoice but they had not found their errors in almost 5 years, and then someone had to tell them about it. I don't think this could happen in any office where competent grain men and auditors were employed.
>
> I recently sold my elevator and was influenced in doing so by the fact that CCC will no doubt handle a large percent of the crops this year. I have no desire to continue in business and work with people who apparently know little or nothing about handling grain. I had more difficulty in handling a few thousand bushels of grain for Commodity Credit Corporation than I have had handling millions of bushels through the regular grain trade over a period of 25 years.

Mr. WILLIAMS. Mr. President, I might say that in this letter Mr. Dennis points out how, in his opinion, the claim, which had been 5 or 6 years outstanding, was paid. He said the claim, which he felt was due, but which had been denied, was paid by the Corporation for the sole purpose of getting back from him the two checks which they had paid apparently before he forwarded them to the Senator from Delaware. Mr. Dennis, in a conversation, pointed out that he had kept these two or three checks for 4 or 5 years, had them framed in his office, as he said, to show to his customers and to the people in his vicinity, what kind of a loose business was being conducted by the Commodity Credit Corporation, and he wanted to wait, as he said, to see how long it took somebody in Washington to discover that they were paying two or three times for the same transaction. There was nothing wrong with what Mr. Dennis did, and I appreciated the fact that he called the matter to our attention. He had called it to the attention of the Corporation many times before, and the checks were turned in.

The transaction referred to above was called to the attention of the Department of Agriculture along with other instances in which the transactions appeared questionable, and on August 30, 1949, they confirmed the fact that upon investigation they had paid the 6-year outstanding claim of the Padua Grain Co. and in turn had obtained from Mr. Dennis the two outstanding checks representing the triplicate payment.

The Department of Agriculture denied that there was any connection between the two transactions. However, it is interesting to note that the settlement for the claim, according to the Department of Agriculture's letter, was made on March 30, 1949, 5 days after my disclosure in the Senate of the irregularities in this Corporation, and 4 days after Mr. Dennis had forwarded me a copy of a letter which he was sending to the majority leader, the Senator from Illinois [Mr. LUCAS], in which he not only outlined the triplicate payment, but also advised the Senator that a copy of his letter of complaint was being forwarded to my office.

Following the discovery of the $1,190.90 overpayment to the Padua Grain Co., a spot check was made of other accounts in that area and 11 other similar cases of overpayments were uncovered and refunds amounting to $5,076.40 were repaid to the Corporation.

At this point, Mr. President, I ask unanimous consent to have inserted in the RECORD a list of other overpayments under the 1944 corn purchase program disclosed by examination made following disclosure of overpayments to the Padua Grain Co., Padua, Ill.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

	Amount
Davis Grain Co., Toulon, Ill	$48.50
Sutherland Grain Co., Sutherland, Iowa	23.35
Farmers Elevator Co., Gowrie, Iowa	435.65
H. L. Danielson Elevator, Newell, Iowa	86.05
Farmers Mutual Cooperative Co., Alton, Iowa	507.99
Lake Park Farmers Elevator, Lake Park, Ill	720.11
Lake Park Grain Co., Lake Park, Ill	780.08
Francis Sherry Elevator, Flanagan, Ill	86.25
Holmquist Grain & Lumber Co., Lyons, Nebr	909.02
R. H. Coorts Elevator, Hartsburg, Ill	847.60
Farmers Union Cooperative Elevator, Wern, Nebr	631.80
Total	5,076.40

Mr. WILLIAMS. Mr. President, on the books of the Commodity Credit Corporation there appeared another questionable transaction which occurred in

1942 involving two carloads of canned meat representing $45,090.

On April 12, 1949, I directed a letter to Mr. Ralph S. Trigg, President of the Commodity Credit Corporation, requesting full details about this transaction.

Mr. President, at this point I ask unanimous consent to have inserted in the RECORD a copy of that letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., April 12, 1949.

Mr. RALPH S. TRIGG,
President, Commodity Credit Corporation, United States Department of Agriculture, Washington, D. C.

DEAR MR. TRIGG: Will you please furnish me with the full details regarding the transaction involving two carloads of canned luncheon meat processed by the Dold Packing Corp., Buffalo, N. Y., and accepted at Buffalo by the War Food Administration inspectors for shipment to Russia via Portland, Maine?

This transaction was covered by contract No. 22973, shipping order MFO 242, and the approximate date was May 1942.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, on April 22, 1949, I received an acknowledgment to my letter from Mr. Trigg, stating that the records for that period had been placed in permanent storage, but that the information requested would be furnished at the earliest possible date.

Mr. President, at this point I ask unanimous consent to have inserted in the RECORD a copy of that letter.

There being not objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., April 22, 1949.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This will acknowledge receipt of your letter of April 12, 1949, in which you requested full details regarding the transactions involving two carloads of canned luncheon meat purchased from the Dold Packing Corp., Buffalo, N. Y., by the Federal Surplus Commodities Corporation under contract No. 22973 and shipped to Portland, Maine, under shipping order MFO-242 in 1942.

We find that the records pertaining to the Federal Surplus Commodities Corporation for this period have been placed in permanent storage, and that some of them are located outside of Washington, D. C., because of the wartime location of the operating offices in which such records were originally developed. However, we shall furnish the information you requested at the earliest possible date.

Sincerely yours,

RALPH S. TRIGG,
President.

Mr. WILLIAMS. Mr. President, on June 8, 1949, I received a letter from Mr. Trigg, in answer to an inquiry by me on another subject, and included in that letter further reference was made to this canned-meat transaction. I quote from that letter that portion which referred to the canned-meat transaction:

You also requested detailed information in two other letters, one of April 12 in connection with two carloads of canned luncheon meat processed by the Dold Packing Corp., Buffalo, N. Y., in 1942, and the other on May 17 relative to an item of $18,500,000 referred to on pages 59 and 60 of the Report of the General Accounting Office on the Commodity Credit Corporation for the year ended June 30, 1945, and submitted to the Congress on March 30, 1949.

We have already performed considerable work on these requests, but, under the circumstances, we respectfully suggest that these inquiries also be handled as a part of the investigation. This will permit all related phases of these matters to be covered comprehensively at one time and at a savings to the Government.

On June 10, 1949, I directed a reply to Mr. Trigg, at which time I took exception to their withholding the information requested by me on the basis that they would subsequently furnish the information to the committee, and at this point, Mr. President, I ask unanimous consent to have inserted in the RECORD my letter of June 10, 1949, to Mr. Trigg.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., June 10, 1949.

Mr. RALPH S. TRIGG,
President, Commodity Credit Corporation, United States Department of Agriculture,
Washington, D. C.

DEAR MR. TRIGG: In reply to your letter of June 8, 1949, I am not at all satisfied with that portion thereof in which you refuse to furnish the information requested by me in my letter of April 12, 1949, regarding the transaction involving the two carloads of canned luncheon meat. In my original request I furnished you with rather detailed information regarding this transaction, including the actual contract and shipping order numbers, name and location of the corporation from which shipped, and final designated destination for these two cars.

The request for this information was presented to you approximately 2 months ago, during which time I have repeatedly been advised by your office that the information was being obtained from your New York office and finally, this week, I was again advised that the information was assembled and would be available within a few days. I was therefore very much surprised that in your letter of June 8 you saw fit to refuse this information. The Senate Investigating Committee has already been advised regarding this transaction; however, I still insist upon a reply to my letter of April 12, 1949.

In this same letter of June 8, you refer to the problem of compiling the information requested in my letter of May 4, 1949, regarding the 1944 shell-egg program. I will withdraw my request at this time for a breakdown of the transaction under items (a) and (c) as referred to in your letter of May 3, 1949. However, with reference to item (d) referred to in the same letter, namely, the 1,198,973 dozen eggs charged off as spoiled or damaged in transit or in warehouses, I do want to know whether or not claims were filed against the transportation companies or warehouse companies to recover this loss, and if so, to what extent.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Mr. President, on July 7, 1949, I received a reply from Mr. Trigg in which he confirmed that an error had been made by the Corporation in that they had erroneously paid the Dold Packing Corp. of Buffalo, N. Y., $45,090 for two carloads of canned luncheon meat which had never been delivered to the Government and, upon demand, the Dold Packing Corp. had refunded to the Commodity Credit Corporation the $45,090.

At this time, Mr. President, I ask unanimous consent to have inserted in the RECORD a copy of Mr. Trigg's letter dated July 7, 1949.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., July 7, 1949.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter of June 10, 1949. Contrary to the statement made in your letter we did not refuse to furnish any of the information you requested, but respectfully suggested to you that your inquiries be handled as a part of the investigation being conducted by a subcommittee of the Senate Committee on Expenditures in order to avoid duplication of effort and expense. Notwithstanding the possibilities for duplication of effort and expense, we submit the information you requested.

Where the facts were such as to indicate liability on the part of carriers or warehousemen and the loss could be adequately documented, claims were filed for shell eggs spoiled or damaged. However, due to the wartime conditions under which this emergency program was conducted, there were relatively few such claims. In the greater number of instances the losses represented deterioration of portions of lots for the reasons pointed out in the War Food Administration hearings, namely, these were current receipt eggs and were generally purchased without being inspected or candled because of the extreme scarcity of facilities and labor at the time. Another important factor was the unavailability of the usual types of containers, i. e., egg crates. In many cases it was necessary that improvised containers be used which resulted in greater losses than would normally be the case. These factors are, of course, not present in the current egg price support program and would not recur in the event it were deemed necessary to carry out a shell egg program at some future date.

There were approximately 700 individual potential claims involved in the 1,198,973 dozen eggs charged off, of which 254 were adjudicated as constituting a liability on the part of the carrier or warehouse. Recoveries were made in the amount of $9,612.88; however, we are aware of a relatively few instances in which reclaims were subsequently submitted and allowed after submission of additional information and documentary evidence in support of the claimant's contentions. The dollar amount involved in such reclaims is obviously small. The extent to which such reclaims have been submitted and approved could only be furnished by reviewing and searching the general claims file of the Corporation for a considerable period of time. Accordingly, the cost of furnishing such information would appear to be prohibitive at this time even though personnel were available which is not the case.

The two cars of canned luncheon meat were shipped by the vendor to port in June 1942. Title was accepted and payment was made for the meat upon presentation of proper documentation subject to rejection at port if the 10-day incubation test then in process by the Bureau of Animal Industry proved the meat was not to be acceptable. The meat was found to contain an excess number of unsound cans and was returned to the vendor. There then ensued a period of approximately 2 years during which the vendor

pursued numerous negotiations with BAI and apparently believed it had reasonable prospect of redelivering the meat under an acceptable inspection certification. These efforts failed, but the vendor did not refund the purchase price or replace the rejected quantity as generally practiced during the war period, nor did the War Food Administration (Federal Surplus Commodities Corporation) make demand for such refund. Upon receipt of information indicating the possibility of a refund being due and after a considerable search of the dead files, demand was made upon the vendor who refunded the amount involved under protest pending further effort to check his records of the transaction, which as indicated above occurred in 1942. On June 16, 1949, the vendor advised that two of their plant officials in charge at that time had subsequently died and since their records for 1942 in the main had been destroyed, it was not possible for them to check the transactions.

Because the item in question was not reflected as a receivable in the accounting records, we have undertaken a review of other comparable rejections to vendors, particularly as to failures by vendors to meet BAI standards. Our view has covered a substantial number of cases, but it is not entirely complete because of the necessity to refer to files long in dead storage in field locations. This review has disclosed no other case where refund has not been received. However, in furtherance of our efforts to make certain that the interests of the Government has been fully protected, we shall be glad to make a careful investigation of any further information in your possession which has not heretofore been disclosed to us.

Sincerely yours,

RALPH S. TRIGG,
President.

Mr. WILLIAMS. Mr. President, since this letter of Mr. Trigg's of July 7, 1949, was not quite clear as to whether or not this error had been discovered and the refund collected prior or subsequent to my disclosure, I directed a further letter to Mr. Trigg on that same date asking upon what date the error was discovered, and upon what date the repayment was made.

On July 12, 1949, I received a reply from Mr. Trigg confirming the fact that the refund was obtained as a result of my initial inquiry and that the payment was received from the Dold Packing Corp. on May 18, 1949, or 48 hours after the demand for payment was made.

At this point, Mr. President, I ask unanimous consent to have inserted in the RECORD a copy of my letter of July 7, 1949, addressed to Mr. Ralph S. Trigg, President of the Commodity Credit Corporation, together with a copy of the reply I received from Mr. Trigg on July 12, 1949.

There being no objection, the letters referred to were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., July 7, 1949.

Mr. RALPH S. TRIGG,
President, Commodity Credit Corporation, United States Department of Agriculture, Washington, D. C.

DEAR MR. TRIGG: With further reference to your letter of July 7, 1949, in which you state that upon receipt of information indicating the possibility of a refund being due on the transaction involving the two cars of canned luncheon meat, you instituted proceedings which resulted in the collection of a refund. Will you please advise me:

1. Upon what date was the referred-to information received?
2. Upon what date was the demand for repayment made upon the vendor?
3. Upon what date was the check in settlement received?
4. What was the amount of the check?
5. What was the amount involved in the original transaction, including any transportation charges which might have been paid by the Government?

Yours sincerely,

JOHN J. WILLIAMS.

UNITED STATES
DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., July 12, 1949.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: This is in reply to your letter of July 7, 1949, in which you requested additional information on the transactions involving the two cars of canned luncheon meat purchased from the Dold Packing Corp. under contract FSC–22973, dated May 23, 1942.

The following information is submitted in the same order as requested in your letter:

1. The information indicating the possibility of a refund being due was developed by the PMA Commodity Office, New York, N. Y., on or about April 13, 1949, as a result of your initial inquiry dated April 12, 1949.
2. Demand for repayment from the vendor was made on May 16, 1949, following an extensive search of files for documentary evidence in support of the transactions.
3. The vendor submitted its check in settlement of the account on May 18, 1949. This check was received with a letter of protest by the vendor pending completion of a recheck of their records for evidence of either replacement shipments or prior reimbursements to the Federal Surplus Commodities Corporation. On June 16, 1949, the vendor further advised that two of their plant officials in charge during the time the transactions occurred had since died, and since their records for 1942 in the main had been destroyed, it was not possible for them to check the transactions.
4. The amount of the check was $45,090.
5. The amount involved in the original transaction was $45,090, as all transportation was paid on commercial bills of lading by the vendor.

Sincerely yours,

RALPH S. TRIGG.

Mr. WILLIAMS. Mr. President, it is interesting to note that this item of $45,090 had remained undiscovered on the books of the Corporation for 7 years.

The record indicated that this $45,090 check was initially paid to the Dold Packing Corp. for delivery of two carloads of meat which were subsequently rejected by the Government as unfit. For a period of nearly 2 years this item was carried pending on the books of the Corporation, during which time the Government apparently was attempting to obtain delivery of two substitute carloads of acceptable meat, or else obtain a refund of payment which had previously been made.

However, the transaction never was carried through, nor were the books reconciled by either the delivery of the meat or the refund of the purchase price therefor. Under the loose bookkeeping policies of the Corporation, this item was either overlooked or ignored and I could find no record anywhere indicating where at any time during the past 5 years the Corporation made any effort to adjust this account, nor is there any indication that during the recent years the Corporation even knew that the item was outstanding until I called the discrepancy to their attention in April 1949.

I do not know of how many other similar cases of irregularities could be discovered if it were possible to reconstruct the files relating to the $96,440,497 which was the unreconciled balance appearing on the books as of June 30, 1947.

This $96,440,497 which was subtracted from the assets of the Corporation as of June 30, 1947, in order to bring the books of the Corporation in balance, cannot be excused on the basis that it represented transactions between Government agencies only. If so, how can they account for the fact that the 13 errors uncovered through my office all represented transactions 100 percent with private individuals and corporations?

I repeat, Congress should not even consider extending the borrowing authority to this Corporation by an additional $2,000,000,000 until such time as the books of the Corporation have been audited and the reports of the audits submitted to Congress in accordance with the law. That has not been done for the year 1948 nor for the year 1949.

As Members of the Senate, I do not believe we have any right to authorize an additional $2,000,000,000 for this Corporation, regardless of the merits of the bill, until such time as the books have been submitted. I think we should stop the bill where it is and wait for the Corporation to submit the books.

Mr. President, in the hope that that can be done, and joining with the majority leader in the hope that we can finish this business tonight, I have concluded my remarks.

Before yielding the floor, if there is any Senator who wishes to take exception to any statement which has been placed in the RECORD—and I notice that the majority leader is on the floor—or if there are any Senators who wish to ask any questions, I shall be glad to yield.

If there are no questions—apparently there are none—I shall suggest the absence of a quorum.

I hope we can conclude this business tonight.

Mr. LANGER. Mr. President, before the Senator suggests the absence of a quorum, will he yield to me?

Mr. WILLIAMS. Very well; I shall withhold temporarily the suggestion of the absence of a quorum, and I yield to the Senator from North Dakota for a question only.

Mr. LANGER. Does the Senator from Delaware believe that it would benefit the Senate if we studied this matter before voting on this measure?

Mr. WILLIAMS. I think so, or perhaps we could postpone the vote on the bill to an indefinite date in the future, rather than kill the bill, and in the meantime get the books before us. If the Secretary of Agriculture and the Commodity Credit Corporation were given to understand that these books must be submitted to us before any action at all will be taken by the Senate on this measure, I am sure the books would soon be submitted to us. The books are in Washington, downtown; and the law requires

that they be submitted to the Congress. It is time that the law be complied with.

Mr. LANGER. Mr. President, will the Senator yield for another question?

Mr. WILLIAMS. I yield for a question.

Mr. LANGER. In order to get this information, let me ask the distinguished Senator whether he thinks it would be wise for us to recommit the bill, so that the committee could take further testimony and could report to the Senate by a certain specified date.

Mr. WILLIAMS. I am glad the Senator from North Dakota has suggested that course, and I think perhaps it would be a better one to pursue, rather than for us to defeat the bill. I think the action the Senator from North Dakota has just suggested perhaps would be the better action to take; and I shall give it consideration, and shall be willing to make a motion to that effect, so as to have the Senate take such action.

However, I think more Members of the Senate than the number of Senators now in the Chamber should be present when we decide exactly what we shall do in this connection.

Mr. LANGER. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield for a question.

Mr. LANGER. Inasmuch as the Senator from Delaware was present in the committee, I am very much interested in the various items the Senator has said he has discovered as he enumerated them toward the conclusion of his speech.

Let me inquire how many items the Senator discovered; how many items were there?

Mr. WILLIAMS. I think there were 13 on which the money was paid back or on which the money was collected.

Of course, I wish to have it clearly understood that I did not collect the money. The money was paid into the Corporation, and the Department or the Corporation did the running down of the items after they were called to their attention. However, the money was paid back to the Corporation.

The most important point is that before these recognized errors were called to their attention they were still claiming that their books balanced. That is what I do not understand.

Mr. LANGER. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield for a question.

Mr. LANGER. What puzzles me is how the books could balance and then later the distinguished Senator from Delaware discovered a $45,000 item.

Mr. WILLIAMS. I do not understand it; nor do I understand what prompted the Secretary of Agriculture to write a letter to the Senate a year ago saying that the Senator from Delaware did not know what he was talking about when he said that $350,000,000 was unaccounted for. I do not understand what prompted the Secretary of Agriculture to say at that time that all of the money was accounted for when he, himself, knew it was not accounted for. He had to know that, if he was on the job, because a year later he wrote another letter to the committee, and in it he said that all but $96,000,000 was accounted for.

So certainly the Secretary of Agriculture knew something about it; if he did not, he was not attending to his business. He could have checked the records easily, and he could have checked them after he made the statement, and before he wrote the letter, if he knew what he was talking about.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hoey	Maybank
Butler	Ives	Morse
Capehart	Kilgore	Neely
Donnell	Langer	Robertson
Dworshak	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lucas	Thye
Ferguson	McCarran	Wherry
Frear	Magnuson	Williams
Hill	Martin	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators, and Mr. CAIN, Mr. HENDRICKSON, Mr. HOLLAND, Mr. LONG, and Mr. MUNDT answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. LUCAS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. FULBRIGHT, Mr. JOHNSON of Texas, Mr. SALTONSTALL, Mr. BREWSTER, Mr. HAYDEN, Mr. BRICKER, and Mr. RUSSELL entered the Chamber and answered to their names.

After a further delay Mr. FLANDERS, Mr. MCMAHON, Mr. JOHNSON of Colorado, Mr. KNOWLAND, Mr. MALONE, and Mr. YOUNG entered the Chamber and answered to their names.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator will state it.

Mr. CAIN. Is a motion to adjourn in order?

The PRESIDING OFFICER. A motion to adjourn is in order.

Mr. CAIN. I move the Senate adjourn.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington that the Senate adjourn.

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. A quorum is not present. That fact has already been ascertained. The motion to adjourn is in order.

Mr. LUCAS and Mr. CAIN asked for the yeas and nays, and they were ordered.

The legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Arizona [Mr. MCFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Florida [Mr. PEPPER], the Senator from Utah [Mr. THOMAS], and the Senator from Kentucky [Mr. WITHERS] are necessarily absent.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Maine would vote "nay," and the Senator from New Jersey would vote "yea."

The Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Massachusetts [Mr. LODGE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Ohio

[Mr. TAFT], the Senator from New Hampshire [Mr. TOBEY], and the Senator from Utah [Mr. WATKINS] are necessarily absent.

The result was announced—yeas 19, nays 28, as follows:

YEAS—19

Brewster	Ferguson	Martin
Bricker	Flanders	Morse
Butler	Hendrickson	Saltonstall
Cain	Ives	Wherry
Donnell	Knowland	Williams
Dworshak	Langer	
Ecton	Malone	

NAYS—28

Aiken	Johnson, Tex.	Mundt
Capehart	Kilgore	Neely
Ellender	Leahy	Robertson
Frear	Lehman	Russell
Fulbright	Long	Sparkman
Hayden	Lucas	Stennis
Hill	McCarran	Thye
Hoey	McMahon	Young
Holland	Magnuson	
Johnson, Colo.	Maybank	

NOT VOTING—49

Anderson	Hickenlooper	O'Mahoney
Benton	Humphrey	Pepper
Bridges	Hunt	Schoeppel
Byrd	Jenner	Smith, Maine
Chapman	Johnston, S. C.	Smith, N. J.
Chavez	Kefauver	Taft
Connally	Kem	Taylor
Cordon	Kerr	Thomas, Okla.
Darby	Lodge	Thomas, Utah
Douglas	McCarthy	Tobey
Downey	McClellan	Tydings
Eastland	McFarland	Vandenberg
George	McKellar	Watkins
Gillette	Millikin	Wiley
Graham	Murray	Withers
Green	Myers	
Gurney	O'Conor	

So the Senate refused to adjourn.

The PRESIDING OFFICER. A quorum still is not present.

The Sergeant at Arms will continue his efforts to develop the presence of a quorum.

After a little delay, Mr. MCCLELLAN and Mr. WATKINS entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. WILLIAMS. Mr. President, I move that the bill be recommitted to the Committee on Agriculture and Forestry, with instructions to report the bill back to the Senate on June 20; that the committee be instructed during the intervening period to give consideration to the Aiken amendment, which was rejected this afternoon, which would circumscribe the authority of the Secretary of Agriculture; and at the same time, during the interval, to obtain from the proper departments the audited reports of this Corporation for the fiscal years 1948 and 1949, so that they may be examined by the committee and the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware [Mr. WILLIAMS].

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senator from Arizona [Mr. MCFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from New Jersey would vote "yea."

I announce further that if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Arizona [Mr. MCFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Colorado [Mr. MILLIKIN], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY], are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and, if present and voting, would vote "nay."

The Senator from New Jersey [Mr. SMITH] who is necessarily absent, is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "yea," and the Senator from Rhode Island would vote "nay."

The Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Masachusetts [Mr. LODGE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY], are necessarily absent.

The result was announced—yeas 21, nays 30, as follows:

YEAS—21

Brewster	Ferguson	Malone
Bricker	Flanders	Martin
Butler	Hendrickson	Morse
Cain	Ives	Saltonstall
Donnell	Knowland	Watkins
Dworshak	Langer	Wherry
Ecton	McCarran	Williams

NAYS—30

Aiken	Johnson, Tex.	Mundt
Capehart	Kilgore	Neely
Ellender	Leahy	O'Mahoney
Frear	Lehman	Robertson
Fulbright	Long	Russell
Hayden	Lucas	Sparkman
Hill	McClellan	Stennis
Hoey	McMahon	Thye
Holland	Magnuson	Withers
Johnson, Colo.	Maybank	Young

NOT VOTING—45

Anderson	Green	Murray
Benton	Gurney	Myers
Bridges	Hickenlooper	O'Conor
Byrd	Humphrey	Pepper
Chapman	Hunt	Schoeppel
Chavez	Jenner	Smith, Maine
Connally	Johnston, S. C.	Smith, N. J.
Cordon	Kefauver	Taft
Darby	Kem	Taylor
Douglas	Kerr	Thomas, Okla.
Downey	Lodge	Thomas, Utah
Eastland	McCarthy	Tobey
George	McFarland	Tydings
Gillette	McKellar	Vandenberg
Graham	Millikin	Wiley

So Mr. WILLIAMS' motion was rejected.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. IVES and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. LUCAS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Virginia [Mr. BYRD], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Is-

land [Mr. GREEN], the Senators from Tennessee [Mr. KEFAUVER and Mr. MCKELLAR], the Senator from Arizona [Mr. MCFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Utah [Mr. THOMAS] are necessarily absent.

The Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Oklahoma [Mr. KERR], the Senator from Pennsylvania [Mr. MYERS], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

On this vote the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from New Jersey [Mr. SMITH]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from New Jersey would vote "nay."

On this vote the Senator from Tennessee [Mr. MCKELLAR] is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Maryland would vote "nay."

I announce further that if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Kentucky [Mr. CHAPMAN], the Senator from Texas [Mr. CONNALLY], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Tennessee [Mr. KEFAUVER], the Senators from Oklahoma [Mr. KERR and Mr. THOMAS], the Senator from Arizona [Mr. MCFARLAND], the Senator from Montana [Mr. MURRAY], the Senator from Pennsylvania [Mr. MYERS], the Senator from Florida [Mr. PEPPER], the Senator from Idaho [Mr. TAYLOR], and the Senator from Utah [Mr. THOMAS] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate. If present and voting, the Senator from Wisconsin [Mr. WILEY] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy, and, if present and voting, would vote "yea."

The Senator from Iowa [Mr. HICKENLOOPER] who is absent by leave of the Senate is paired with the Senator from Massachusetts [Mr. LODGE], who is necessarily absent. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Massachusetts would vote "nay."

The Senator from New Jersey [Mr. SMITH] who is necessarily absent is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Jersey would vote "nay" and the Senator from Rhode Island would vote "yea."

The Senator from Oregon [Mr. CORDON], the Senator from Missouri [Mr. KEM], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY], are necessarily absent. If present and voting, the Senator from Ohio [Mr. TAFT] would vote "yea."

The result was announced—yeas 46, nays 5, as follows:

YEAS—46

Aiken	Holland	Maybank
Brewster	Johnson, Colo.	Morse
Bricker	Johnson, Tex.	Mundt
Butler	Kilgore	Neely
Cain	Knowland	O'Mahoney
Capehart	Langer	Robertson
Donnell	Leahy	Russell
Dworshak	Lehman	Sparkman
Ecton	Long	Stennis
Ellender	Lucas	Thye
Ferguson	McCarran	Watkins
Flanders	McClellan	Wherry
Fulbright	McMahon	Withers
Hayden	Magnuson	Young
Hill	Malone	
Hoey	Martin	

NAYS—5

Frear	Ives	Williams
Hendrickson	Saltonstall	

NOT VOTING—45

Anderson	Green	Murray
Benton	Gurney	Myers
Bridges	Hickenlooper	O'Conor
Byrd	Humphrey	Pepper
Chapman	Hunt	Schoeppel
Chavez	Jenner	Smith, Maine
Connally	Johnston, S. C.	Smith, N. J.
Cordon	Kefauver	Taft
Darby	Kem	Taylor
Douglas	Kerr	Thomas, Okla.
Downey	Lodge	Thomas, Utah
Eastland	McCarthy	Tobey
George	McFarland	Tydings
Gillette	McKellar	Vandenberg
Graham	Millikin	Wiley

So the bill (H. R. 6567) was passed.

Mr. ELLENDER. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. LUCAS, Mr. HOLLAND, Mr. AIKEN, and Mr. THYE conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there are no reports of committees, the clerk will state the nominations on the calendar.

MOTOR CARRIER CLAIMS COMMISSION

The executive clerk read the nomination of Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission.

Mr. LUCAS. Mr. President, that nomination should be passed over for the time being.

The PRESIDING OFFICER. Without objection, the nomination is passed over.

DEPARTMENT OF THE AIR FORCE

The executive clerk read the nomination of John A. McCone, of California, to be Under Secretary of the Air Force.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. DONNELL. Mr. President, is it the intention of the majority leader to move or request that the President be notified of the confirmation of the nomination?

Mr. LUCAS. I will say to the Senator from Missouri that it is not my intention, and I can assure him that from now on I shall not make that request, in view of his repeated admonitions that he does not want it done, that he wants the Senate to abide by the rules respecting that particular situation.

Mr. DONNELL. I very greatly appreciate the courtesy of the Senator, and I thank him for it.

DEPARTMENT OF THE INTERIOR

The legislative clerk read the nomination of Dale E. Doty, of California, to be Assistant Secretary of the Interior.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will resume legislative session.

ESTABLISHMENT OF A JOINT SENATE AND HOUSE RECORDING FACILITY

Mr. LUCAS. Mr. President, there is a joint resolution on the calendar, House Joint Resolution 332, to which there is no objection, as I understand. The resolution provides for the establishment of a Joint Senate and House Recording Facility, and I ask unanimous consent for the immediate consideration of the joint resolution.

Mr. WHERRY. Reserving the right to object, this joint resolution has been reported by the Committee on Rules and

Administration. The distinguished Senator from South Dakota [Mr. MUNDT], together with the Senator from Connecticut [Mr. BENTON], gave considerable study to this arrangement for recording the speeches and observations of Senators and Representatives. The private property of the person who has been using it has been purchased, and it will now become the property of the Senate and the House. The report comes unanimously from the Committee on Rules and Administration. So far as the minority leader is concerned, there is no objection. I think, however, that inasmuch as the junior Senator from South Dakota is present, he might probably make a further explanation which I think would be in order at this time.

Mr. LUCAS. Mr. President, the report is very brief, and I ask unanimous consent that it be placed in the body of the RECORD at this point.

There being no objection, the report (No. 1490) was ordered to be printed in the RECORD, as follows:

The Committee on Rules and Administration, to whom was referred the joint resolution (H. J. Res. 332) providing for the establishment of a joint Senate and House recording facility, having considered the same, report it favorably to the Senate with an amendment and recommend that the joint resolution, as amended, do pass.

This resolution, as amended by the Senate, will place the control of the Senate and House joint radio facility, now being administered by the Secretary of the Senate and the Clerk of the House of Representatives, under the direction of a joint committee chosen from the membership of the Senate Committee on Rules and Administration and the Committee on House Administration of the House.

This procedure is at variance with the House text, which would leave the control of the facility to the Secretary and the Clerk. The Committee on Rules and Administration, however, feels that a subcommittee of the administration committees of both Houses of the Congress will be in a better position to oversee the functions of the facility and its services for Congress in the same manner that subcommittees of the two standing committees mentioned above keep jurisdiction over the Library of Congress and the Government Printing Office.

The new provision also inserted by the committee would authorize the disbursement of not less than $13,000 nor more than $15,000 for the purchase of privately owned equipment now in use at the facility and currently under lease by the Senate and the House from the Coordinator, pursuant to an agreement entered into on August 1, 1947.

All current bank balances which have resulted from the operation of the facility since 1947, approximately $64,700, will be placed in a revolving fund to finance future expenses, other than salaries, of the facility. The House text provides that this revolving fund shall be established in the Treasury. The amendment recommended by the committee places such fund within the contingent fund of the House, to be disbursed on vouchers of the chairman of the joint committee, but with the concurrence of the chairman of the House Administration Committee.

Salaries of the facility will continue to be met by appropriations under the yearly legislative appropriation acts.

The committee amendment also authorizes the making of disk, film, and tape recordings, and the operation of a public-address system for the benefit of the congressional committees. The bond conditions of the House text are retained, and the superintendent who will administer the facility under the joint resolution is to render quarterly reports of his operations to the joint committee. An audit must be taken each year, or at lesser intervals, if the joint committee so desires.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MUNDT. Mr. President, the distinguished junior Senator from Connecticut [Mr. BENTON] and I were a committee of two selected by the Committee on Rules and Administration of the Senate. We held hearings on the matter and went into it very thoroughly. There is no expense to the Senate involved. It simply provides a better system of bookkeeping and housekeeping.

Mr. FLANDERS. Mr. President, due to some little confusion I do not know to what resolution the Senator is referring. May I be informed? What calendar number are we considering?

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 332) providing for the establishment of a Joint Senate and House Recording Facility.

Mr. LUCAS. It is a facility which the Senator from Vermont uses occasionally.

Mr. FLANDERS. I am very glad to use the facility, and I am in hearty support of the resolution.

Mr. LUCAS. I was sure the Senator would be in support of it when he found out what it was all about.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 332) providing for the establishment of a Joint Senate and House Recording Facility, which had been reported from the Committee on Rules and Administration with an amendment to strike out all after the enacting clause and to insert:

That there is hereby established a Joint Senate and House Recording Facility (hereinafter referred to as the Facility).

(a) The Facility shall assist Members of the Senate and House of Representatives in making disk, film, and tape recordings, arranging for time for radio broadcasts of such recordings, and in the performance of such other functions and duties in connection therewith as may be necessary, including the maintenance and operation of a public-address system for the convenience of the Senate and the House (including any committee of either House of Congress, and any joint committee).

(b) The recording and other facilities shall be for the exclusive use of the Members of the Senate and House.

(c) There is hereby established a joint congressional committee (hereinafter referred to as the "Committee") to be composed of three members of the Senate Committee on Rules and Administration, to be appointed by the President of the Senate, and three members of the Committee on House Administration of the House of Representatives, to be appointed by the Speaker of the House of Representatives. Vacancies in the membership of the committee shall not affect the power of the remaining members to execute the functions of the committee, and shall be filled in the same manner as the original selection. The committee shall select a chairman and a vice chairman from among its members.

(d) The committee shall exercise supervision and control over the Facility, and shall promulgate such annual regulations as may be necessary to carry out the purposes of this joint resolution.

(e) Subject to the appropriations made therefor, the committee is authorized to appoint and fix the compensation of a superintendent and such other employees as are deemed necessary to carry out the purposes of this joint resolution. The Coordinator of the Joint Facility and the employees thereof shall continue in office until the committee makes the appointments authorized herein.

(f) The superintendent shall, subject to the approval of the committee, set the price of all recordings, public-address-system rentals, and other services, and collect all moneys due the Facility.

(g) All purchase orders of the Facility of more than $100 previous to being issued by the superintendent, shall be approved by the chairman of the committee.

(h) The superintendent shall maintain detailed records of all moneys collected, deposited, and expended, and shall file quarterly reports thereof with the committee. Such records shall be audited annually, and at lesser intervals if the committee so directs.

(i) All balances of the Joint Facility on hand on the date of enactment of this joint resolution and all moneys hereafter received by the Facility from sales or rentals, the sale of any equipment, or from any other source shall be deposited in a revolving fund within the contingent fund of the House of Representatives by the Clerk of the House, and shall be available for disbursement (for other than salaries) by the Clerk of the House for the care, maintenance, and operation of the Facility upon vouchers to be approved by the chairman of the committee.

(j) The superintendent shall give bond to the Clerk of the House of Representatives with one or more sureties, to be approved by the chairman of the committee, in the penal sum of $20,000, with condition for the faithful performance of his duties and the preservation and security of all property in his care.

(k) The committee is authorized to arrange for the lease, rental, upkeep, repair, and insurance, or, in its discretion, the purchase of any such property as may be necessary for the operation of the Facility: *Provided, however,* That the Clerk of the House of Representatives hereby is authorized to disburse from the revolving fund not less than $13,000 nor more than $15,000 for the purchase of all property presently leased by said Clerk and the Secretary of the Senate under agreement dated August 1, 1947, in Washington, D. C., from the Joint Senate and House Recording Facility as may be determined by the committee to be fair and equitable.

The amendment was agreed to.

The joint resolution was ordered to a third reading, read the third time, and passed.

IMPORT CONTROLS WITH RESPECT TO FATS AND OILS, ETC.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. Mr. President, I was wondering if by unanimous consent there might be considered Calendar No. 1551, Senate bill 3550, to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils, including butter, and rice and rice products. The bill, which was introduced by the Senator from Minnesota

[Mr. THYE], was reported unanimously by the Committee on Banking and Currency.

Mr. WHERRY. Mr. President, I shall object to taking up any further bills tonight. If it is on the calendar it will come up when the calendar is called on Thursday.

ADJOURNMENT

Mr. LUCAS. I move that the Senate adjourn until 12 o'clock noon today.

The motion was agreed to; and on Wednesday, June 7, 1950 (at 12 o'clock and 55 minutes a. m.), the Senate adjourned until 12 o'clock meridian the same day.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 6 (legislative day of March 29), 1950:

DEPARTMENT OF THE AIR FORCE

John A. McCone to be Under Secretary of the Air Force.

DEPARTMENT OF THE INTERIOR

Dale E. Doty to be Assistant Secretary of the Interior.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 6, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou blessed and eternal God, who art here and everywhere, grant that we may sense Thy presence in the many and varied experiences of our human way.

We rejoice that Thou art near us with Thy sustaining grace in all our cares and concerns, our duties and responsibilities, our joys and sorrows, our trials and tribulations, our fears and struggles, our hopes and longings.

May we always be sensitive and responsive to the promptings and persuasions of Thy spirit, seeking to fortify us against every temptation that would undermine our character, strengthening our souls with a deeper faith, enlarging our hearts with a greater love, and renewing our minds with a more radiant hope.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE TIDELANDS OIL CASES

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, yesterday, by the close vote of 4 to 3, the Supreme Court gave the Federal Government paramount rights to the Texas oil tidelands. The Louisiana case was decided in favor of the Government by a 6-to-0 vote of the Supreme Court.

For approximately a century the State of Texas—and I believe the same to be true of the State of Louisiana—has been granting oil leases to private companies. Until the California case in 1947 the oil royalties were used for a much-needed school program. Since 1947 these royalties have been put in a special fund pending legislation by Congress. Twice this body has voted to let the States retain these rights. Once the other body has done likewise. President Truman vetoed the bill and the deadlock continues.

My purpose in bringing this decision to the attention of the House is twofold. First, by a 4-to-3 decision the Supreme Court holds contrary to the will of the Congress of the United States. Secondly, this is just another example of the Government stepping in and confiscating private property, the private property in this case belonging to the citizens of the States of Texas and Louisiana.

About 10 days ago I received information showing that the State governments owe more than at any time in history. We must admit that each year the Federal Government comes forth with some idea of taxation which prohibits the various States from taxing their people in order to carry on their functions of government. This matter should have the attention of all of us, otherwise Federal bureaucracy will continue to become more powerful, the rights of States lessened. Eventually it will mean the States will not be able to function—that the Federal Government will be the complete overlord.

The only redeeming feature is that after the California decision the Justice Department announced that an agreement had been made with the State to let private oil companies operate under State leases. I trust that they will make the same agreement with the States of Texas and Louisiana, thus letting those States retain the royalties for much-needed school purposes.

ELECTION OF CHAIRMAN OF COMMITTEE ON EDUCATION AND LABOR

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution (H. Res. 630) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That GRAHAM A. BARDEN, of North Carolina, be, and he is hereby, elected chairman of the standing Committee of the House of Representatives on Education and Labor.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE TEXAS TIDELANDS THEFT

Mr. LUCAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUCAS. Mr. Speaker, yesterday will go down in history as infamous. A shameful decision of the Supreme Court wrested from Texas a portion of her public lands which had been hers since before she voluntarily became a State. Until only a few years ago, no one ever dreamed that lands within the borders of Texas could belong to the Federal Government; but some power-mad bureaucrats in the Interior Department conceived the idea that all natural resources, wherever located, should belong to the Federal Government, and as a step toward taking them, the tidelands of the seas were claimed. Now the Supreme Court, by a disgraceful 4-to-3 vote, steals from Texas her very birthright.

Let no man from another State be fooled. This is not simply a Texas decision. It is part of a design, a scheme, which in the end will rob every State of jurisdiction over every form of natural resource within its borders. In this instance Texas loses its rich tidelands, which have been a part of Texas' public domain since its war of independence. The next step will be against another State, for it will be done piecemeal. Look at what has occurred: The Federal Government now controls virtually all the water power in the United States; the rights of the States have long since ceased to be regarded as valid by the Federal Power Commission. The Federal Power Commission will soon regulate all sales of natural gas. That is apparent in the veto of the Kerr bill. There are moves on foot to nationalize the coal fields.

Hydroelectric power, gas, coal, and now a large portion of the oil of the Nation. Can you not see where we are heading? The Socialist dream is coming true. All natural resources belong to the people, and only the superior wisdom of Washington bureaucrats can administer them. This decision is socialism rampant.

After natural resources, then what? None of us is so blind that he cannot see the inevitable consequences.

This Congress can repudiate such a detestable decision. It not only can but it must. Let those of us who represent people who still believe in independence and freedom, and not socialism and nationalism, take immediate action to restore to the States that which the Supreme Court has stolen.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FLOOD addressed the House. His remarks appear in the Appendix.]

SUPREME COURT DECISIONS

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GOSSETT. Mr. Speaker, yesterday might well be called black Monday. Yesterday's Supreme Court decisions in the Tideland cases, the Sweatt case, the Henderson case, and the McLaurin case,

mark a new low in Anglo-Saxon jurisprudence. The Supreme Court has definitely established itself as a political arm of those who would wittingly, or unwittingly, destroy Anglo-Saxon civilization.

In the absence of congressional action, the Tidelands case legalizes the theft of property by a superior sovereign. This, however, is a minor evil compared to the destruction of character which portends from the other decisions. States rights, State laws, and State constitutions are gradually being destroyed.

If Solicitor General Perlman has his way, America will eventually be communized. If the Perlman gang continue their successful attack upon American institutions, the Russians can one day take this country without firing a shot. The delivery of atomic secrets to the Russians by spies and traitors is of small consequence when compared to the destruction of American principles by executive fiat and judicial decree. Our foundations are rotting and are being eaten away.

Mr. Speaker, I hope the gloom and pessimism to which I now succumb is not justified. I hope there is enough integrity and intelligence left in this country to stem the tide that now threatens to overwhelm us.

However, Mr. Speaker, the time may come when the inscription above the Supreme Court should read: "Gas chamber of American liberties."

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 10 minutes on Thursday next, and also on Monday next, following the legislative business of each day and any special orders heretofore granted for each day.

THE SUPREME COURT—THE INVESTIGATION OF LOBBYING

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, unasked and unappreciated, I nevertheless rise to shed a sympathetic tear in behalf of the memory of those Nine Old Men. Their philosophy of government, sound as it was, seems to have been repudiated.

I want to congratulate the gentlemen from Texas who have spoken here this morning upon the fact that it was their party which created this new Court. It was their President who appointed, their party which approved the present members of that Court. I hope that in time to come they may be satisfied with the pronouncements of that Court.

I also want to call attention to the fact that the committee of the House investigating lobbying seems to be engaged in an inquiry to ascertain the sources of income of certain patriotic organizations. I have today introduced a resolution, believing as I do in publicity, calling upon the committee to give us a list of those who are employed by it, who are directing its activities, and the source of income of those who are carrying on this very searching investigation.

MR. YUKIO OZAKI

Mr. FARRINGTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. FARRINGTON. Mr. Speaker, the House has among its guests today Mr. Yukio Ozaki of Japan.

I deem it a great honor to call this to the attention of the House as Mr. Ozaki is a man of unusual distinction.

Mr. Ozaki is now in his ninety-first year. It was as the mayor of Tokyo that he gave to Washington the cherry trees which have commanded such widespread and favorable attention. These trees were presented to President Theodore Roosevelt in 1905 by Mr. Ozaki in appreciation of his services in reestablishing peace after the Russo-Japanese War.

It will be of special interest to Members of the House to know that Mr. Ozaki probably has served as a member of a parliamentary body for a longer period than any other person on the face of the earth today. He first became a member of the Japanese Diet in 1890 and has served continuously in that capacity since that time, a period of 60 years.

Throughout his long career Mr. Ozaki has consistently fought for constitutional government and a parliamentary system in Japan which would bring to the people of that country the benefits of democratic government. He was one of the founders of constitutional government in Japan and the only person living today who participated in that great reform. Many of the others were assassinated. Others have died. He alone survives among those who sought to develop a democratic system of government in Japan during the days of the Japanese Imperial Government.

Throughout his lifetime Mr. Ozaki has fought for constitutional government and world peace. His consistent friendship for this country has been well established. During the period of the war he was imprisoned for his outspoken opposition to the war with a country which he has always contended was in reality the greatest friend of the Japanese people in the world today.

Mr. Ozaki returns to America now to see once more the cherry trees that he sent to Washington almost half a century ago and to express the hope that the spirit of peace and amity that they symbolize may once more rule the relationships of the United States and Japan. He has come to this country to personally express to the Members of Congress and to the people of America his gratitude for what he feels has been their greatness of heart in dealing with a fallen foe. He declares that upon his return to Japan he intends to see that the seeds of democracy are as firmly planted and nourished in Japan as were the cherry trees which were planted in the soil of the National Capital close to 50 years ago.

PERMISSION TO ADDRESS THE HOUSE

Mr. GUILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

[Mr. GUILL addressed the House. His remarks appear in the Appendix.]

WAYS TO DECREASE COST OF LIVING

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, since the vast majority of the constituents of every Member of this Congress are greatly concerned over the increasing cost of living, it seems to me that we would be well-advised to make every effort to prevent further inflation. This would include the elimination of all vestiges of the "economy of scarcity" which has been advocated directly and indirectly by the administration for the past two decades.

There are many ways by which we can decrease the cost of living—ways that may seem small in themselves but which collectively could exercise a potent force for good on our economy. Too often there is a tendency to overlook this common-sense approach since it does not require the fanfare of trumpets nor does it produce headlines. I will give you one example to illustrate my point. The cost of manufacturing steel has been increased over $5 per ton during the past year simply because the State Department and the ECA have effectively prevented the importation of iron and steel scrap to this country from Germany.

When in 1948, as chairman of a Committee of this House, I investigated the gray market in steel, I found that one of the principal causes of this condition was the lack of iron and steel scrap. However, we found that there was in the German Ruhr millions of tons of this ingredient so vital to the making of steel, which could be shipped to this country without harming the economy of western Europe. After pushing and prodding the State Department for 9 or 10 months, we finally got the scrap moving into this country, and during the first 5 months of 1949 approximately 500,000 tons came in. This caused the price of scrap to drop from $45 a ton to $20 a ton.

After our Committee expired, imports of scrap dropped to a mere trickle because the State Department and the ECA kept the German scrap tagged at the artificially high price of $27 a ton. To make things worse, the Office of International Trade began increasing the quota for the export of scrap. Export quotas rose to 100,000 tons per quarter and it appears that during this year the exportation of 400,000 tons of scrap will be licensed. This will effectively offset the expected importation and will keep the price of scrap at its present ridiculously high price.

The price of scrap has risen over $20 per ton in the last few weeks and this price rise is bound to be felt in the cost to the public of steel and steel products, since every $10 increase in the price of scrap adds approximately $2.50 to the cost of a ton of steel. Last December, a $5 per ton increase in the price of steel brought on a congressional investigation. Yet, an increase in cost of the same amount, due to short-sightedness or worse, goes by without notice.

This is merely one illustration of how harmful inflation is being permitted by our failure to insist that governmental agencies integrate their policies so as to insure the greatest possible benefits to this country.

HARRY TANSEY

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, I am advised that shortly after the consideration of the displaced persons conference report there will be brought before the House H. R. 7468, an omnibus bill for sundry claimants. I would like to call the attention of the membership to title III of the omnibus bill (H. R. 5546) for the relief of Harry Tansey. Those of you who were in this Congress before I arrived here in 1940 will remember that prior to that date this bill was before the Congress for consideration. I think it has been before us four or five times since then. It is an attempt to collect from the Treasury Department approximately $34,000. I hope you will read the report from the Treasury Department. When the bill was first presented, Mr. Speaker, it represented about $84,000. Now they are down to $34,000. I might say that this matter has been to the courts, and Mr. Tansey presented his case and the court determined adversely to him more than 10 years ago. And the decision was rendered by a court of competent jurisdiction.

The SPEAKER. The time of the gentleman from Ohio has expired.

THE LATE BEN JOHNSON

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, it is with deep regret that I announce the death of a former Member of this body, who served here for 20 years, the Honorable Ben Johnson, of Bardstown, Ky. Mr. Johnson died in his home last Sunday morning at the age of 92.

Perhaps there are not many Members here at this time who recall the able and invaluable service that Mr. Johnson rendered while he was a Member of this body. He served 10 consecutive terms, from 1907 to 1927.

Mr. Johnson gave to Kentucky and the Nation more than 50 years of public service. He was known among those who knew him best as being strictly honest, and always advocated the principles of honesty and efficiency as a public servant. Very few Kentuckians have made a greater contribution toward good government in Kentucky than Ben Johnson. His passing is regretted by all Kentuckians. He was a fine, honorable public servant.

Mr. Speaker, I ask unanimous consent that all Members may extend their remarks at this point in the record on the death of Ben Johnson.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. CHELF. Mr. Speaker, I have the sad mission to bring to you the message of the death of the Honorable Ben Johnson who, for 20 years, served here among you as the faithful, able, tireless, and conscientious Representative from the great Fourth Congressional District of Kentucky, which I now have the honor to represent.

Mr. Johnson, "Uncle Ben," as he was affectionately known by his intimate friends—and they were legion, first came to this august body in 1907. While a Member of Congress, representing our great district, Mr. Johnson became nationally known due to the extraordinary service that he rendered to the District of Columbia as chairman of the District Committee of the House. During his tenure of office in such capacity, he successfully conducted an investigation that brought into the District treasury over $1,000,000 that was legally due it. Mr. Johnson voluntarily retired from Congress in 1927. At that time he had hoped he would be permitted to retire permanently from active politics and public service. However, such was not the case because he was drafted by the then Governor of Kentucky, the Honorable Flem D. Sampson, to serve in the capacity of chairman of the Highway Commission of Kentucky. Notwithstanding the fact that Governor Sampson was a Republican, he recognized Mr. Johnson's ability. Having done such an outstanding job as highway chairman for our native State, Mr. Johnson was appointed and reappointed by no less than four succeeding governors.

On or about 1938, at the age of 80 years, Mr. Johnson finally retired to his beloved Bardstown for a much needed rest and permanent retirement. It was there at Bardstown on Sunday that he passed away quietly at the ripe old age of 92.

Mr. Johnson was a noble, sincere, honest, respected, aggressive, intelligent, and trustworthy public official. He was loyal and devoted to his Nation, his native State, his own country, his friends, and his constituents. He loved his friends with the fervor of religious devotion. His kind sympathetic tolerance of the faults of his friends was most inspiring. In a sense, his friends could "do no wrong"—save when one of them might happen to become dishonest. He was so scrupulously honest that honesty was a passion and even an obsession with him. Even his political adversaries could not help but admire and respect his honesty, his keen and analytical mind, his ready wit, his fearlessness and, above all—his word. If he ever made a promise—it was kept. He was a polished gentleman and a distinguished scholar of the old school—truly a Chesterfield. If you will please pardon the personal reference, I would like to give you a concrete example of this fine old gentleman's kindness and consideration of his fellow men. When I had just graduated from law school and was attempting to establish myself in the practice, my financial difficulties were so many and my lack of practice so complete that I was literally "hanging on the ropes" of despair and disillusionment. Notwithstanding the fact that I had worked my way through school and had experienced, as a result thereof, countless heartaches and setbacks—I found my then existing dilemma almost insuperable. A dear friend of mine, a little Catholic priest, Father J. P. Hayden, God rest his soul in peace, spoke to Mr. Johnson about me and asked if he might be able to help me. Mr. Johnson's ready answer was "Tell that young man, CHELF, to report to me immediately." I did so and, as a result, served as his confidential aide and personal secretary for 2 years while he was chairman of the highway commission. By reason of such fact, I was able to acquire a small "grub stake" by being frugal, and, having had the benefit of his great wisdom, fine counsel, advice, and suggestion, I made my first successful campaign for political office by being elected as county attorney of Marion County, Ky. I owe my first venture into politics to Father Hayden and "Uncle Ben." Together they managed and helped prepare me for the battles that lay ahead.

Mr. Johnson loved a political fight and at the age of 82 was still quite active in politics. His natural role was leadership. In victory he was grand—in defeat he was magnificent, but due to his outstanding ability, fortitude, tenacity, and abounding energy, defeat came to him rather infrequently.

For more than 65 years the name of Ben Johnson has been a household word throughout all Kentucky. Loved, respected, revered—he was a part of Kentucky. The Nation, our beloved Kentucky and our people have not only been greatly enriched and generously endowed by his extraordinary contribution to posterity, but actually blessed by the simple fact that Ben Johnson lived. The world is a better place because Ben Johnson lived.

To his loved ones and to his legion of friends, I extend my deep sympathy. May God comfort them all with the knowledge that Ben Johnson "let his light so shine that others may see his good work and glorify our Father who art in heaven."

Mr. SPENCE. Mr. Speaker, I have heard with profound regret of the death after a long illness on June 4 of Hon. Ben Johnson, who represented the Fourth District of Kentucky in the House of Representatives of the United States for 20 years.

He had been a power in Kentucky politics for more than half a century. In

1885 he was elected a member of the Kentucky House of Representatives and was chosen speaker in 1887. He was appointed by President Cleveland collector of internal revenue for the fifth Kentucky district on July 10, 1893, and served until August 10, 1897. He was elected to the State Senate of Kentucky in 1905 but resigned the next year when he was elected as a Representative in the Congress of the United States. He was reelected for nine consecutive terms but declined to be a candidate for renomination in 1926. While a Member of the House he served as chairman of the Committee on the District of Columbia. He resumed the practice of law in Bardstown, Ky., and thereafter served as chairman of the Kentucky Highway Commission under four governors.

Mr. Johnson was a man of fine intellect, of strong character and determination, and exercised a profound influence on those with whom he was associated. All who knew him recognized him as a faithful public servant and a loyal friend. His long record of public service entitles him to the respect and gratitude of those he represented. Not only his devoted family but all the people of Kentucky have sustained a great loss. I know I speak the sentiments of the Kentucky delegation when I extend to them our deepest sympathy in their hour of grief.

EXTENSION OF REMARKS

Mr. ADDONIZIO asked and was given permission to extend his remarks in two instances; in one to include an editorial, and in the other to include an address given by the gentleman from New York [Mr. TAURIELLO].

Mr. DOLLINGER asked and was given permission to extend his remarks and include a statement.

Mr. THOMAS asked and was given permission to extend his remarks and include a speech made in Madison, Wis.

Mr. HEFFERNAN asked and was given permission to extend his remarks and include a book review on beards, which appears in the current issue of the Explorers Journal.

Mr. FLOOD asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. SADOWSKI (at the request of Mr. MORRIS) was given permission to extend his remarks in five different instances.

Mr. YOUNG asked and was given permission to extend his remarks and include an editorial.

Mr. PETERSON asked and was given permission to extend his remarks and include an address made under the auspices of the United Daughters of the Confederacy by the gentleman from Mississippi [Mr. WINSTEAD].

Mr. CELLER asked and was given permission to extend his remarks and include a brochure prepared by Fiduciary Council, Inc., entitled "Activities of the Reconstruction Finance Corporation," notwithstanding the fact that the additional cost will be $205.

Mr. JACKSON of Washington (at the request of Mr. COLMER) was given permission to extend his remarks and include extraneous matter.

Mr. MULTER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. LEFEVRE asked and was given permission to extend his remarks and include an editorial from the New York Times.

Mr. DONDERO asked and was given permission to extend his remarks and include an article.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks and include extraneous matter.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in two instances, in one to include a statement by a constituent entitled "The Test of the Dairyman's Strength."

Mr. CASE of New Jersey asked and was given permission to extend his remarks and include extraneous matter.

Mr. CASE of New Jersey asked and was given permission to extend his remarks and include extraneous matter notwithstanding that it exceeds two pages and is estimated by the Public Printer to cost $287.

Mr. KEATING asked and was given permission to extend his remarks and include two editorials, one appearing in the Rochester Democrat Chronicle and the other in the New York Times commenting on the outstanding accomplishments of his colleague JAMES W. WADSWORTH.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include an article by Frank C. Waldrop.

Mr. HERTER asked and was given permission to extend his remarks and include certain material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $328.

Mr. HESELTON asked and was given permission to extend his remarks and include a statement of the New England delegation.

Mr. COLE of New York asked and was given permission to extend his remarks.

Mr. JUDD asked and was given permission to extend his remarks in two instances and include extraneous matter.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

GLADYS J. SENYOHL

The Clerk called the bill (H. R. 2234) for the relief of Gladys J. Senyohl.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gladys J. Senyohl, 425 Royal Hawaiian Avenue, Honolulu, T. H., the sum of $100,000 in full settlement of all claims against the United States for losses of income and personal and business effects which she suffered as the result of her forced evacuation from the Territory of Hawaii in May 1942 on the grounds that she was a dependent of personnel of the United States Navy, despite the fact that her husband, who was serving with the United States Navy, had been reported killed in action: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid to or received by any agent or attorney on account of services rendered in connection therewith, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, after "Senyohl" insert "McCarthy."

Page 1, line 7, strike out "$100,000" and insert "$5,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Gladys J. Senyohl McCarthy."

A motion to reconsider was laid on the table.

FAVORING THE GRANT OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Clerk called the concurrent resolution (H. Con. Res. 187) favoring the grant of status of permanent residence to certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948 (62 Stat. 1011; 50 App. U. S. C. 1953):

[redacted], Blaustein, Izak.
[redacted], Blaustein, Morris.
[redacted], Chejfec, Borys.
[redacted], Dolowska, Wanda Joanna.
[redacted], Figa, Szloma.
[redacted], Moszczynski-Hruzewicz, Boleslas Joseph.
[redacted], Moszczynski-Hruzewicz, Anna Edwarda.
[redacted], Tubelis, Jadvyga Anna.
[redacted], Tubelis, Maria Rima (nee Maria Rima Tubelis Kuhlman).
[redacted], Weinstock, Miklos.

With the following committee amendment:

Page 2, after line 5, insert: "[redacted], Wandycz, Damian Stanislaw, or D. Wandycz or Damian S. Wandycz."

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 65) favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in

the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Abrahamson, Karen Elizabeth (nee Thompson).

[redacted], Anaya, Maria De La Luz, or Concepcion Rodriguez.

[redacted], Andreanchich, Giachino, or Jim Andren.

[redacted], Asapansa-Johnson, Josephus Milton, or Comma, Asapansa-Johnson.

[redacted], Bageris, Helen George or Bagheris (nee Alexopoulou).

[redacted], Barron-Juarez, Angel, or Angel Barron.

[redacted], Bournias, Eleftherios, or Elif-therios or Louis Terry or Louis George Bournias.

[redacted], Camacho, Cresencio Pesina.

[redacted], Campo, Sebastian, or Sebastian Campa.

[redacted], Casella, Maria Angela, maiden name Fasciani, former marriage D'Amore or Maria Angela Trato.

[redacted], Chiu, Chen Sung, or Chui Chen Sung or Sung Chui Chen.

[redacted], Chen, Hsui-Hua (nee Wu).

[redacted], Chow, Che Keung.

[redacted], Ciccone, Maria (nee De Martino or Maria Pastafina or Maria Villano or Roza Puma or Parente or Jennie Esposito or Jenni Capuana).

[redacted], Cosman, George William or Kosman, George William or Gregory or Casman, George William.

[redacted], Da Silva, Francisco Honorato.

[redacted], De Cortez, Felicitas Moreno, or Felicitas Moreno-Escobedo.

[redacted], De Guzman, Maria Encarnacion Gutierrez, or Encarnacion Gutierrez De Guzman or Encarnacion Arroyo.

[redacted], Delegeorge, George Thomas, or George Athamasios Delegeorge or Georgios Deligeorgis.

[redacted], De Trejo, Concepcion Gonzalez Vda.

[redacted], Diaz, Jose Maria.

[redacted], D'Onofrio, Loretta (nee Penna).

[redacted], Dulak, Josefa.

[redacted], Economou, Venizelos.

[redacted], Erbe, Emilie Franziska, or Emmy Erbe.

[redacted], Evangelos, Despina.

[redacted], Fadl, Mostafa Ahmad Aboud, or Ahmed Mostapa Fadl or Ahmed Mustapha Fadl or Ahmed Musthapah Fadl or Ahmed Mistafa Fadl.

[redacted], Felix, Alpheus Jeremiah Strickland, or Alpheus Jeremiah Felix.

[redacted], Fiebiger, Babette Hacker (nee Babette Hacker).

[redacted], Flores, Silvestre, or Angel Silvestre Flores or Crescencio Reza or Soltero Delfin or Crescencio Reva or Jose Marquez.

[redacted], Foster, Henry, or Harry Foster.

[redacted], Garcia, Francisca Mendez, or Francisca Mendez.

[redacted], Glatzel, Ferdinand Salvatore.

[redacted], Ging, Neng Shwen, or Neng Swen Ging (alias Nelson Ging).

[redacted], Glikis, Triantafilos, or Ross Glikis.

[redacted], Gurrobat, Thomas Gianan.

[redacted], Hurowitz, Sam (alias Owsej Urowecz or Owziej Urowicz).

[redacted], Hutchinson, George Earl Wilfred, or George Wilfred Hutchinson.

[redacted], Jahren, Signe Marie, or Signe Jahren Valentino.

[redacted], Jurjan, Sybill, or Sibille Zihle (nee Stankevitz).

[redacted], Karaviotis, Ioannis, or John Karas.

[redacted] Lawyer, Eric Sorabji, or Erachsaw Sorabji Lawyer.

[redacted], Leahey, Suzanne, or Suzzane Krausz or Suzanne De Body or Suzanne De Strasser or Suzanne Bernstein.

[redacted], Lehr, Fridolf Alarik, or Fridolf Lihr.

[redacted], Limberator, Iraklis Panagiotis, or Hercules Limberatos or Iraklis Libby.

[redacted], Lorenzo, Manuel Alvarez, or Manuel Alvarez.

[redacted], Maneiro, Manuel Arcos.

[redacted], Marcoida, Juan Hoyos.

[redacted], Mata, Luis, or Louis Mata.

[redacted], Metaxas, Kleanthis Dionysios.

[redacted], Muntean, Cornelia Filip.

[redacted], Muntean, Stella or Steluta.

[redacted], Mykulak, Peter.

[redacted], Nakamura, Chieko or Chiye.

[redacted], Nielsen, Dagmar Charlotte (nee Sander formerly Henriksen).

[redacted], Pappargyris, George Nicholas, or Georgios Nicholas Pappargyris.

[redacted], Pearson, Dudley Augustas, or Dudley Pearson.

[redacted], Pedersen, Jens Peder Albinus, or Jens Pedersen.

[redacted], Perhauz, Carlo Mario.

[redacted], Petrincich, Francesco.

[redacted], Pohl, Heinrich August.

[redacted], Pontarolo, Ellen Laura (nee Gillanders or Ellen Laura McMurry or Ellen Laura Vonkeister).

[redacted], Railton, Susan Ann, or Sarah Virginia Railton.

[redacted], Railton, Timothy John Reid.

[redacted], Rasso, Carmen Mary Ramirez, or Carmen M. Ramirez.

[redacted], Rasso, Alfredo N., or J. Alfredo Rasso.

[redacted], Root, Jeanne Rose (nee Jeanne Rose Albinelli).

[redacted], Rosi, Cleofe, or Mario Rose.

[redacted], Rouse, Herbert Newton.

[redacted], Samuels, Frances Louise, or Frances Louisa Samuels (alias Franca Luisa Sparano or Franca Sparano).

[redacted], Samuray, Salih Behcet.

[redacted], Saucedo, Alfonso Campusano, or Alfonso Saucedo.

[redacted], Schmitt, Fraser Jasper.

[redacted], Seoane, Eugenio, or Eugenio Calvo Seoane.

[redacted], Serenil, Clara Briseno, or Clara Briseno-Ogaz or Clara Briseno or Clara Ogaz.

[redacted], Shanda, Elsie Zamora, or Elsie Zamora Salas (maiden name).

[redacted], Simony, Marie Anne (nee Brady).

[redacted], Sodeikat, Otto August Wilhelm or Sodiekat.

[redacted], Staine, Antonio.

[redacted], Szuic, Judel, or Judel Schultz.

[redacted], Tavarez, Librada, or Librada Tavarez-Loya or Librada Loya.

[redacted], Toong, David.

[redacted], Tosini, Cesare Alessandro, or Chester Tosini.

[redacted], Troutlein, William.

[redacted], Uddin, Rahan.

[redacted], Wang, Philip, or Philip Wong or Philip Sheng Ping Wang or Sheng Ping Wang.

[redacted], Wlodarski, Waclaw Ignacy, or Waclaw Ignacy Wodarski or Wodarsky.

[redacted], Zen, Osman Ben, or Osman Zen.

[redacted], Ziemba, Eustachio, or Eustachius, or Stanislaus or Stanislaw or Stanley Ziemba.

With the following committee amendments:

On page 2, after line 3, insert the registration number and name "[redacted], Barth, George or Gabriel Bart."

On page 2, after line 16, insert the registration number and name "[redacted], Corkidhi, Amnon Shemaya, alias Barness."

On page 2, after line 18, insert the registration number and name "[redacted], David, Tuma or Tuma Nassar David or Tom David."

On page 3, strike lines 17, 18, and 19, strike the name and registration number "[redacted], Flores, Silvestre, or Angel Silvestre Flores or Crescencio Reza or Soltero Delfin or Crescencio Reva or Jose Marquez."

On page 3, after line 20, insert the registration number and name "[redacted], Franks, William Franklin, Jr., or William Franklin Flynn."

On page 4, after line 8, insert the registration number and name "[redacted], Iacono, Biagio Dello or Biagio Delloiacono."

On page 6, after line 18, insert the registration number and name "[redacted], Sol, Alex or Szyja Tuller."

On page 6, after line 19, insert the registration numbers and names:

"[redacted], Strassman, Karl or Karl Isidor Strassman or Charles I. Strassman or Emanuel or Emmanuel Spiegen."

"[redacted], Strassman, Frances, nee Sprincze Lea Stein or Sabina Stein."

On page 7, after line 1, insert the registration number and name "[redacted], Tuller, Sarah or Sura, nee Feldzamen."

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 78) favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

[redacted] Albertsen, Erik Albertus, or Erik Albertus Albertson.

[redacted], Amey, Herbert Augustus.

[redacted], Andor, Frank, or Francisc Andor.

[redacted], Avalos, Jesus Flores.

[redacted], Bailey, William Nathaniel.

[redacted], Balot, Francisco.

[redacted], Barker, Ethel (nee Beesley).

[redacted], Barton, Beatrice Ethel Gwendolyn (nee Linton, formerly Demarest).

[redacted], Basarow, Eduard.

[redacted], Boikos, Alexandros, or Aleck or Alex Boikos.

[redacted] Borowicz, Jeannine, or Jeanine Borowiecz.

[redacted], Bradley, Dominga (nee Hipolito).

[redacted], Brodauf, Lina Agnes (nee Pohler).

[redacted], Brokos, Georgios or George.

[redacted], Burgess, Mary Fraser (nee Fraser).

[redacted], Camarena-Limon, Pedro, or Jose or Pedro Kliman.

[redacted], Campbell, Allan George.

[redacted], Candela, Filippo, or Vincenzo Di Bella or Phillip Candela.

[redacted], Candela, Providenza (nee Providenza Di Bella).

[redacted], Caracostis, Evangelos.

[redacted], Cardaris, Catherine or Katherine (nee Glavas).

[redacted], Cazabon, John Charles.

[redacted], Chavez-Perez, Venancio.

[redacted], Christian, Hilda Juanita.

[redacted], Christoff, Stoina.

[redacted], Chung, Sylvia Ssu-Yi Liang, or Sylvia Chang nee Liang or Chang Liang Ssu-Yi or Ssu-Yi Liang or Chung.

[redacted], Collios, Hariklia, or Hariklia Gallinis or Hariklia Pappanicolaou.

[redacted], Connell, Dalia Philomene, or Dalia or Dahlia Magetti.

[redacted], Coray, Claudine Helene (nee Wiesmann).

[redacted] Crisan, John George Julius, or Ioan Gheorghe Iuliu Crisan.

[redacted], Cristobal, Juan Urbino, or Johnny or Chris Cristobal.
[redacted], Crovetto, Andrea, or Andrew Crovetto.
[redacted], Cruz, Guillermo.
[redacted], Cruz-Ortega, Narcizo.
[redacted], De Caballero, Luisa Guerra.
[redacted], De Carpio, Teresa Torralva, or Teresa Falcon or Teresa Falcon Zamora or Teresa Torralva or Teresa Torralva De Zamora.
[redacted], De Luca, Stanislao, or Stanley De Luca.
[redacted], De McClure, Griselda Jaimes.
[redacted], Discart, Marie Morren.
[redacted], Dmitrasinovich, Stojan Bude, or Steve Dmitrich.
[redacted], De Duarte, Adela Leon.
[redacted], Duggan, Linda Jane Rosa.
[redacted], Dunne, Hop Hee.
[redacted], Ebanks, George Robert.
[redacted], Eugenios, Markos.
[redacted], Farkas, Armin.
[redacted], Farnes, George Theodore, or George T. Farnes.
[redacted], Finkel, Samuel Abraham.
[redacted], Fisher, Josephine Thelma.
[redacted], Frugone, Oretta Caterina, or Oretta Frugone Kuwana.
[redacted], Gam, Moi Nguk, or Nguk Gam Moi.
[redacted], Gee, Quan Dong, or Quan Yew Moon.
[redacted], Gentile, Atanasio.
[redacted], George, Eduardo, or Eppoletta Edward George.
[redacted], Giankopoulos, Christos Lazarou or Yankopoulos.
[redacted], Gladych, Boleslaw Michael, or Michael Gladych.
[redacted], Gomez, Domingo Garcia, or Domingo Garcia.
[redacted], Gonzalez-Cardenas, Santana.
[redacted], Gonzalez-Quintero, Inez.
[redacted], Goranson, Carl Emil.
[redacted], Grant, Herman Josiah.
[redacted], Green, Sarah (nee Marshall or Edelstein).
[redacted], Greenberg-Shaffer, Rachel, or Rachel Shaffer-Greenberg (nee Brott).
[redacted], Guigli, Doriana Mary.
[redacted], Guzman, Maria Modesta Cancholla, or Maria Cancholla Munoz or Modesta Maria Cancholla Silva.
[redacted], Haberl, Max (alias Walter Schoen or Max Walter Schoen).
[redacted], Heras, Vasilios John.
[redacted], Herman, Pesia Gitkis.
[redacted], Hong-Tuan, Dominique Anne Marie.
[redacted], Honig, Paul (alias Paul Hoenig alias Hoenigue alias Paul Montefiore).
[redacted], Hudziec, Ernest Rudolph.
[redacted], Hudziec, Hedwig (nee Jadwiga Kumeczko).
[redacted], Hughes, Desmond Connell.
[redacted], Jahrblum, Beila (nee Reichenthal, alias Beila Heart alias Blanche Heart).
[redacted], Jahrblum, Herz Naftali (alias Henry Norman Heart).
[redacted], Jaquez, Manuel, or Manuel Jaquez Martinez.
[redacted], Jorgensen, Peter Gunerius.
[redacted], Joseph, Freidrich, or Josef Deutsch.
[redacted], Kalomaris, Gerasimos Peter, or Jerry Kalomaris.
[redacted], Karalis, Chresanthy or Chrisanthe (nee Chrysanthe John Kosmethes).
[redacted], Katorsky, Hugo Ernest.
[redacted], Kindness, Christina (nee Gunn).
[redacted], Kontacostas, Kostas, or Gus Kontos.
[redacted], Kudszus, Wolfgang Peter, or Peter Kudszus.
[redacted], Kui, Ng.
[redacted], Law, Fred, or Law Fook or Fook Law.
[redacted], Lawrence, Percy James, or Cyril Lawrence.
[redacted], Lee, Chin Shee, or Lee Fung Thin or Chin Leu Gay or Shin Wai King.
[redacted], Lopez, Rafael Duarte, or Rafael Lopez-Duarte or Rafael Lopez or Raphael Lopez or Ralph Lopez.
[redacted], Low, Phyllis Eva (nee Eng or Sue Yook Eng).
[redacted], Luehr, Walter Adolf Georg.
[redacted], Luppi, Enrico.
[redacted], Luppi, Giovanni.
[redacted], Lyden, Hazel Mae (nee Chunn).
[redacted], Lyras, Stavros Aristides.
[redacted], Maisus, Jewel.
[redacted], Martinez-Rivera, Juvenal, or Juan Martinez.
[redacted], Mau, Wei-Hui Huang, or Wei-Hui Huang.
[redacted], Medovich, Ralph or Antonio or Anthony.
[redacted], Mendez, Jesus Valdez.
[redacted], Mithalopoulos, Nicholas, or Nicholas Michalopoulos.
[redacted], Monasterio-Sagasti, Leon, or Leon Monasterio or Sagasti Leon Monasterio.
[redacted], Montelongo-Gonzalez, Santiago.
[redacted], Murillo, Manuel, or Manuel Sermeno.
[redacted], Nagtegaal, Johannes Christianus.
[redacted], Nahm, Alice.
[redacted], Nahm, Doris.
[redacted], Nahm, Jakob, or Jacob Nahm.
[redacted], Neisloss, Jecheskilis, or Ezekiel Schloss or Ezekial or E. Schloss.
[redacted], Nicholas, Demetrius, or James Nicholas Samaras.
[redacted], Palero, Raffaele, or Ralph Polera (alias Frank Ciraco).
[redacted], Papadopoulos, Stelios, or Stylianos or Papazoulos, Stanley, or Papas or Pappas, Steve.
[redacted], Pashalis, Anthony Demetrios.
[redacted], Pauly, Annabelle Jane.
[redacted], Pauly, Catalina Aviles.
[redacted], Pauly, Howard John.
[redacted], Percel, Henry Oliver.
[redacted], Petrecca, Giovanni (John), or Giovain Petric.
[redacted], Pistolakis, Nicholas Stelianos.
[redacted], Plasencia-Ortega, Ernesto (also Ernest Plasencia).
[redacted], Porras, Reyes.
[redacted], Puccioni, Otello, or Nino Gini or Adolfo Dovicchi.
[redacted], Pulido-Estrada, Martin.
[redacted], Quong, Rose, or Quong Ru-Ssu.
[redacted], Reid, Joseph George Menzie.
[redacted], Reid, Reginald Sinclair.
[redacted], Rendon-Benavides, Olaya.
[redacted], Rivas, Carmen Natalia.
[redacted], Rivas, Josefina Elena.
[redacted], Rivas, Jr., Victor Manuel.
[redacted], Rod, Olaf, Martinson.
[redacted], Ruppert, David, or Davidas Rapoportas or David Rapaport.
[redacted], Rusciano, Constantino.
[redacted], Salaney, Dorothy Augusta.
[redacted], Salovardos, Stamatios Konstantinos.
[redacted], Sapata, Alfredo De Pinho, or Alfredo Pinho Sapata.
[redacted], Saul, Lembit.
[redacted], Schnabel, August Josef.
[redacted], Scopetani, Luigi.
[redacted], Seleman, George.
[redacted], Shultz, Charles, or Karls Alksne or Karlis Alksinis.
[redacted], Silva, Leandro Tavares, or Leandro Tavares or Leandro Silva or Leandro Tavo.
[redacted], Skias, Maria (nee Misigi or Maria G. Skias or Maria J. Missigi).
[redacted], Simmonds, Claude Hubert.
[redacted], Simmonds, Leona.
[redacted], Stamatiou, Constantinos.
[redacted], Stratis, John Stefanos.
[redacted], Theofiles, Nicholas George, or Nick George Theofiles.
[redacted], Torbarina, Sam, or Sime Torbarino.
[redacted], Tountasakis, Nicolaos, or Nick or Nicholas Tountasakis or Nick Totisikis.
[redacted], Tracy, George Courtenay.
[redacted], Trujillo, Liliane Maria (nee Medina).
[redacted], Tsagaris, Evangelos, or Angelo Twagris.
[redacted], Tsolainos, Theodore Panaghiotis.
[redacted], Ulfers, Frederick Adolf Emil (alias Frederick Ulfers alias Frederick Schaefer).
[redacted], Ullah, Joban, or Abdul Aziz.
[redacted], Urzua-Lopez, Manuel, or Miguel Urzua-Lopez.
[redacted], Valino, Manuel Romay.
[redacted], Varela, Roman Pardo, or Ramon Pardo Varela or Raymond Pardo Varela or Varella.
[redacted], Velarde, Juana.
[redacted], Viada, Angel Gabriel Patricio or Gimenez.
[redacted], Viada, Pilar (nee Fernandez, also known as Berman and Ferrer).
[redacted], Wagner, Eddie, or Andrzej Zielas or Andrew Zielas.
[redacted], Wegner, Max John.
[redacted], Zambrano-Serrano, Carlos.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

BAGGETT TRANSPORTATION CO., INC.

The Clerk called the bill (S. 947) for the relief of the Baggett Transportation Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Baggett Transportation Co., Inc., Birmingham, Ala., the sum of $5,898.94. The payment of such sum shall be in full settlement of all claims of the said company against the United States on account of damage to and loss of use of truck No. 75, owned by said company, as a result of a collision between such truck and a United States Army truck on United States Highway No. 78, near Muscadine, Ala., on November 6, 1943. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALEX MORNINGSTAR

The Clerk called the bill (S. 1423) for the relief of Alex Morningstar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to pay out of the fund to which the money order otherwise would be chargeable, to Alex Morningstar, of 125 Summer Street, Boston, Mass., upon receipt of money order No. 39159, the sum of $100, in full satisfaction of his claim against the United States for the amount of such money order held by Mr. Morningstar and rendered invalid by the fact it contains more than one endorsement.

SEC. 2. The Treasurer of the United States is authorized and directed to pay out of the fund to which the check otherwise would be

chargeable, to the said Alex Morningstar, upon receipt of United States Government check No. 7601, the sum of $41, in full satisfaction of his claim against the United States for the amount of such check held by Mr. Morningstar, payment having been refused on the ground that in accepting such check he failed to obtain the endorsement of the payee.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAMES I. BARTLEY

The Clerk called the bill (S. 1510) for the relief of James I. Bartley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James I. Bartley, of Surry County, N. C., the sum of $3,500, in full settlement of all claims against the United States arising out of the personal injuries sustained by the said James I. Bartley on January 29, 1938, in an accident occurring on a bridge on the highway between Rusk and Dobson, N. C., and involving a Civilian Conservation Corps truck: *Provided*, That the Secretary of the Treasury shall make such payment only after receipt of evidence satisfactory to him that the judgment in the sum of $3,500 entered in the Superior Court of Surry County, N. C., in favor of James I. Bartley and against Paul Flynn has been satisfied and discharged of record: *And provided further*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with this claim and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREMONT RIDER

The Clerk called the bill (S. 1863) for the relief of Fremont Rider.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon application filed by Fremont Rider, of Middletown, Conn., within 6 months after the date of enactment of this act, the Secretary of the Army is hereby authorized and directed to certify to the Secretary of the Treasury an amount not exceeding the sum of $10,216.52, said sum representing the amount owing to Fremont Rider from the United States as a result of the purchase by him from the United States of tracts 2 and 3 of the Saint Joseph's Bay Military Reservation, Fla., such tracts having been erroneously represented by the United States as containing 1,636 acres, whereas the actual acreage as revealed by topographical maps issued recently by the United States Geological Survey is only approximately 1,100 acres: *Provided*, That the payment of such sum to the said Fremont Rider shall be in full settlement of all of his claims against the United States, including the use by the Government of a portion of his property at Saint Joseph's Bay Military Reservation during the years 1942 through 1947, as well as the cutting of certain timber thereon.

SEC. 2. Upon receipt of the certification as authorized in section 1 of this act, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Fremont Rider a sum equal to the amount so certified.

SEC. 3. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARK FUNERAL HOME

The Clerk called the bill (S. 2070) for the relief of the Clark Funeral Home.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Clark Funeral Home, Hundred, W. Va., the sum of $300, in full satisfaction of its claim against the United States for services in connection with the transportation of Monard G. Snider, a veteran, from Waynesburg Hospital, Waynesburg, Pa., to the Veterans' Administration Hospital, Hines, Ill., on February 19 and 20, 1949: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAVIS GROCERY CO., OF ONEIDA, TENN.

The Clerk called the bill (S. 2339) for the relief of the Davis Grocery Co., of Oneida, Tenn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Davis Grocery Co., of Oneida, Tenn., the sum of $5,184.26, in full satisfaction of its claim against the United States for subsidy as a class 2 meat slaughterer (permit No. P–63–076–1) during the period 1943 through 1946: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD C. RITCHE

The Clerk called the bill (S. 2385) for the relief of Edward C. Ritche.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward C. Ritche the sum of $8,000, in full satisfaction of his claim against the United States for compensation for personal injuries sustained by him as a result of an accident which occurred when the automobile in which he was a passenger was struck by an automobile being driven by Byron Goodall while in the course of his employment with the United States Immigration Service in Chicago, Ill., on July 20, 1938; the said Edward C. Ritche having obtained a judgment for $8,000 against the said Byron Goodall in the United States District Court for the Northern District of Illinois, Eastern Division, on account of such injuries: *Provided*, That the said Edward C. Ritche shall furnish to the Secretary of the Treasury satisfactory evidence of the relief of the said Byron Goodall from liability for the payment of such judgment: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALVIN SMITH

The Clerk called the bill (H. R. 1022) for the relief of Alvin Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alvin Smith, New Castle, Del., the sum of $26,655. The payment of such sum shall be in full settlement of all claims against the United States arising out of the damages sustained by the said Alvin Smith as the direct result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the jurisdiction conferred upon the United States District Court for the District of Delaware by subsection (b) of section 1346, title 28, United States Code, is hereby extended to a civil action, which may be commenced not later than 1 year after the enactment of this act, asserting any claim or claims of Alvin Smith, of New Castle, Del., against the United States for money damages arising out of property damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del. Except as otherwise provided in this act all provisions of law applicable in and to such subsection and applicable to judgments

therein and appeals therefrom, are hereby made equally applicable in respect of the civil action authorized by this act: *Provided, however,* That nothing in this act does or shall constitute an admission of liability on the part of the Government of the United States of America."

Mr. LICHTENWALTER. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. LICHTENWALTER: On page 2, line 19, after the word "Delaware", insert "*Provided,* That the exception set forth in section 2680 (a), title 28, United States Code shall not apply to the action authorized under this act."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Conferring jurisdiction upon the United States District Court for the District of Delaware to hear, determine, and render judgment upon the claim of Alvin Smith, of New Castle, Del., arising out of the damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del."

A motion to reconsider was laid on the table.

GRACE G. WALKER

The Clerk called the bill (H. R. 2808) for the relief of Grace G. Walker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $17,856.68 to Grace G. Walker, Walker's Lane and Preston Street Road, Louisville, Ky., in full settlement of all claims against the United States for damages sustained as a result of Army activities at the Modification Center, Standiford Field, Ky., during the year 1942: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$17,856.68" and insert "$16,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUIS J. MARX

The Clerk called the bill (H. R. 4528) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Louis J. Marx.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon, notwithstanding the lapse of time or any provision of law to the contrary, the claim of Louis J. Marx, New York, N. Y., against the United States, on account of personal injuries sustained by him when he was struck, shoved, and assaulted by a soldier in the United States Army. The court shall have such jurisdiction if suit is instituted within 1 year after the date of enactment of this act and the liability of the United States in such suit shall be determined upon the same principles and measures of liability as in like cases between private individuals.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS CLAYTON SMITH

The Clerk called the bill (H. R. 5109) for the relief of Thomas Clayton Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Geraldine L. Smith, mother and natural guardian of Thomas Clayton Smith, a minor, of St. Paul, Minn., the sum of $2,500. The payment of such sum shall be in full settlement of all claims against the United States (1) for compensation for personal injuries sustained by the said Thomas Clayton Smith when he was struck by a United States Army vehicle at St. Paul, Minn., in 1943, and (2) for reimbursement of hospital and medical expenses incurred by reason of such injuries: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 7, strike out "$2,500", and insert "$500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Geraldine L. Smith, mother and natural guardian of Thomas Clayton Smith, a minor."

A motion to reconsider was laid on the table.

ANTHONY ALBANESE

The Clerk called the bill (H. R. 5157) for the relief of the legal guardian of Anthony Albanese, a minor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $15,000 to the legal guardian of Anthony Albanese, a minor, of 63 Dorchester Street, South Boston, Mass., in full settlement of all claims against the United States for personal injuries and medical and hospital expenses sustained as a result of an accident involving a United States Coast Guard truck, at the intersection of Wallaston Beach Boulevard and Davis Street, Quincy, Mass., on June 7, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$15,000," and insert "$7,500."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAJ. ROY E. BEVEL

The Clerk called the bill (H. R. 6458) for the relief of Maj. Roy E. Bevel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Maj. Roy E. Bevel, Army of the United States, retired (serial number [redacted]), is hereby relieved of all liability to pay to the United States the sum of $680.64. Such sum represents certain amounts erroneously paid to the said Maj. Roy E. Bevel during the period between June 30, 1948, and July 8, 1949, as a result of errors made in the computation of his retired pay. No finance officer of the United States shall be liable to the United States by reason of having made any such overpayment to the said Maj. Roy E. Bevel, and in the settlement of the account of any finance officer of the United States full credit shall be given for any amount so paid.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Maj. Roy E. Bevel an amount equal to the aggregate of amounts paid by him, or which have been withheld from sums otherwise due him, in complete or partial satisfaction of such claim of the United States.

With the following committee amendments:

Page 1, line 8, strike out "June 30" and insert "July 1."

Page 1, line 8, strike out "July 8" and insert "June 30."

Page 1, line 8, after the figures "1949" insert "inclusive."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

C. W. JACOBS

The Clerk called the bill (H. R. 7046) for the relief of C. W. Jacobs.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to C. W. Jacobs, of Tyler, Tex., the sum of $2,829.71. The pay-

ment of such sum shall be in full settlement of all claims of the said C. W. Jacobs against the United States for compensation for a tract of land taken from him by the United States in connection with the establishment of Camp Fannin, Tex. Although the jury returned a verdict of $5,929.71 in Mr. Jacobs' favor in a suit by the Government to acquire title to the land, the verdict was set aside and judgment entered in the amount of $3,100, the amount fixed in an option for the purchase of the land by the Government which Mr. Jacobs signed on January 7, 1943, having been told by a Government negotiator that he would impede the war effort unless he signed the option immediately. Mr. Jacobs, relying on the presiding judge's erroneous statement that the land would be returned when it was no longer needed, failed to press his case when the Government moved to set aside the verdict: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN LAND ON ROSEBUD INDIAN RESERVATION, S. DAK.

The Clerk called the bill (H. R. 6699) to authorize the sale of certain land on the Rosebud Indian Reservation, S. Dak., allotted to Susan Eagle Dog.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to sell at a price not less than $2,000 the trust allotment numbered 4913 of Susan Eagle Dog, described as the northeast quarter of section 29, township 102 north, range 78 west, of the fifth principal meridian, South Dakota, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to Susan Eagle Dog for her benefit: *Provided*, That the proceeds shall be regarded as trust funds and shall not be subject to liens or attachments of any character whatsoever except obligations due the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN ALLOTTED INHERITED LAND ON ROSEBUD INDIAN RESERVATION, S. DAK.

The Clerk called the bill (H. R. 6703) to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to sell at the highest competitive bid the trust allotment numbered 950 of Yellow Breast, deceased Rosebud Sioux allottee, described as the northwest quarter of section 4, township 95 north, of range 69 west, of the fifth principal meridian, South Dakota, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to the heirs for their benefit.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUY C. HICKENLIVELY

The Clerk called the bill (H. R. 6963) authorizing the Secretary of the Interior to issue a patent in fee to Guy C. Hickenlively.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Guy C. Hickenlively, a patent in fee to the following-described lands, known as allotment 2374 on the Crow Indian Reservation, Mont.: The south half of the southeast quarter of section 1 and the east half of section 12, township 9 south, range 36 east, Montana principal meridian; lots 3 and 4 of section 6 and lots 1, 2, 3, and 4 of section 7, township 9 south, range 37 east, Montana principal meridian, containing 696 acres more or less.

With the following committee amendments:

Page 1, line 4, strike out "Guy C. Hickenlively" and insert "Guy L. Heckenlively."

Page 2, line 3, strike out "acres more or less" and insert "and eight one-hundredths acres."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively."

A motion to reconsider was laid on the table.

CHARLOTTE GEISDORFF KIBBY

The Clerk called the bill (H. R. 7293) authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Charlotte Geisdorff Kibby a patent in fee to the following-described lands on the Crow Indian Reservation, Mont.: Lots 9, 10, 11, and 12 of section 3, lots 9, 10, 11, and 12 of section 4, the north half and the north half of the southwest quarter of section 9, and the north half of section 10, township 1 south, range 34 east, Montana principal meridian, containing seven hundred seventy-six and eight one-hundredths acres more or less.

With the following committee amendment:

Page 1, line 8, after the word "half", insert "of the north half."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNETTA BACHIS ET AL.

The Clerk called the bill (H. R. 3995) for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi, nuns who are at the Good Counsel Novitiate, New Hamburg, N. Y., who were admitted into the United States on temporary visas from Rome, Italy, on April 13, 1948, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their actual entry into the United States, upon the payment by them of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN TWEIT

The Clerk called the bill (H. R. 5979) for the relief of John Tweit.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That John Tweit, who arrived at the port of Highgate Springs, Vt., July 1, 1949, shall, upon the payment of the required visa fee and head tax, be considered for the purposes of the immigration and naturalization law, to have been lawfully admitted to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Norway for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUN YIP CHIN AND CHUNG LUM

The Clerk called the bill (H. R. 6173) for the relief of Sun Yip Chin and Chung Lum (Lum Chung).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the quota limitations now provided by law, quota immigration visas may be issued to Sun Yip Chin and Chung Lum (Lum Chung) who are the Chinese born minor sons of Lan Bow Chin and Lee Lum (Lum Lee), respectively, American citizens and honorably discharged veterans of World War II, upon applications hereafter made, provided they are otherwise admissible under the immigration laws.

SEC. 2. Upon issuance of such visas, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate category of the first available Chinese racial quota.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JIRINA ZIZKOVSKY

The Clerk called the bill (H. R. 6461) for the relief of Jirina Zizkovsky.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, Jirina Zizkovsky, who entered the United States at the port of New York on July 5,

1949, shall be considered to have entered for permanent residence.

SEC. 2. On the passage of this measure, the Secretary of State is directed to deduct one number from the current immigration quota for Czechoslovakia.

With the following committee amendments:

Page 1, line 6, strike out the word "entered" and insert "been admitted."

Page 1, line 6, at the end of the line, after the word "residence" insert "as of that date."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HIROKO FUJIWARA MATSUOKA AND MIMIYO MATSUOKA

The Clerk called the bill (H. R. 7074) for the relief of Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka, the wife and child of Tadashi Matsuoka, a citizen of the United States and an honorably discharged veteran of World War II and that, if otherwise admissible under the immigration laws, they shall be granted admission into the United States, as nonquota immigrants for permanent residence upon application hereafter filed.

With the following committee amendment:

Page 2, line 1, after "World War II", strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EIKO YAMADA NAGATOSHI AND HER SON

The Clerk called the bill (H. R. 7078) for the relief of Mrs. Eiko Yamada Nagatoshi and her son.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Mrs. Eiko Yamada Nagatoshi, the wife of Takishi Nagatoshi, an American citizen and an honorably discharged veteran of World War II, and to their son, and that, if otherwise admissible under the immigration laws, they shall be granted admission into the United States as nonquota immigrants for permanent residence upon application hereafter filed.

With the following committee amendment:

Page 1, line 7, after the word "Nagatoshi", strike out the balance of line 7, all of lines 8, 9, 10, and on page 2 lines 1 and 2, down to and including the word "filed" on line 3, and insert "Edward Takeo Nagatoshi, and Frances Yoko Nagatoshi, the wife and children, respectively, of Takeshi Nagatoshi, a citizen of the United States and an honorably discharged veteran of World War II."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Eiko Yamada Nagatoshi, Eward Takeo Nagatoshi, and Frances Yoko Nagatoshi."

A motion to reconsider was laid on the table.

JOHN JOSEPH GRIFFIN

The Clerk called the bill (H. R. 7114) for the relief of John Joseph Griffin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917, as amended (8 U. S. C. 136 (e)), John Joseph Griffin shall be admitted to the United States for permanent residence if he is otherwise admissible under the immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ERNA TVEDT

The Clerk called the bill (H. R. 7428) to admit Mrs. Erna Tvedt to the United States for permanent residence.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the eleventh category of section 3 of the act of February 5, 1917, Mrs. Erna Tvedt, of Zelterstrasse 62, Frankfurt (Main)-Schwanheim, Germany, the wife of Paul A. Tvedt, a citizen of the United States and a veteran of World War II, and the mother of two minor children, both citizens of the United States, shall be admitted to the United States for permanent residence if she is otherwise admissible under immigration laws.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MITSUKO MORITA

The Clerk called the bill (H. R. 7608) for the relief of Mitsuko Morita.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Mitsuko Morita, Yamagata City, Yamagata Prefecture, Honshu, Japan, the Japanese fiancée of Ralph Osada, a citizen of the United States and an honorably discharged veteran of World War II, and that Mitsuko Morita may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Mitsuko Morita is coming to the United States with a bona fide intention of being married to said Ralph Osada, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Mitsuko Morita, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur with 3 months after entry of said Mitsuko Morita, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Mitsuko Morita as of the date of her entry into the United States, upon the payment by her of the required fee and head taxes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AYAKO KURIHARA

The Clerk called the bill (H. R. 7705) for the relief of Ayako Kurihara.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Ayako Kurihara, the Japanese fiancée of Steve Seiji Sugano, a citizen of the United States and an honorably discharged veteran of World War II, and that Ayako Kurihara may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Ayako Kurihara is coming to the United States with a bona fide intention of being married to said Steve Seiji Sugano, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Ayako Kurihara, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Ayako Kurihara, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Ayako Kurihara as of the date of her entry into the United States, upon the payment by her of the required fees and head tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHIYOKO YANO

The Clerk called the bill (H. R. 7961) for the relief of Chiyoko Yano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of section 13 (c) of the Immigration Act of 1924, as amended, relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Chiyoko Yano, the Japanese fiancée of Lt. Kiyoshi G. Hachiya, a citizen of the United States, and that the said Chiyoko Yano may be eligible for a nonquota immigration visa if she is found otherwise admissible under the immigration laws: *Provided*, That the administrative authorities find that marriage between the above-named parties occurred within 3 months immediately succeeding the enactment date of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. YUP BOON (JOAN) KIM SKANES

The Clerk called the bill (H. R. 8067) for the relief of Mrs. Yup Boon (Joan) Kim Skanes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from the United States aliens who are ineligible to citizenship, shall not apply to Mrs. Yup Boon (Joan) Kim Skanes, Korean wife of Robert Max Skanes, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOSHIKO EMORY

The Clerk called the bill (H. R. 8117) for the relief of Yoshiko Emory.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from the United States aliens ineligible to citizenship, shall not apply to Yoshiko Emory, Japanese fiancée of Francis J. Durkey, a United States citizen and honorably discharged World War II veteran, and the said Yoshiko Emory shall be granted admission to the United States as a nonquota immigrant for permanent residence, if the said Yoshiko Emory is married to the said Francis J. Durkey within 3 months after the date of enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIDORI OHTA, ALSO KNOWN AS MARY STEPHEN

The Clerk called the bill (H. R. 8119) for the relief of Midori Ohta, also known as Mary Stephen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to exclusion of aliens inadmissible because of race shall not hereafter apply to Midori Ohta, the Japanese fiancée of Cleon L. Schultz, a citizen of the United States and an honorably discharged veteran of World War II, and that Midori Ohta may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Midori Ohta is coming to the United States with a bona fide intention of being married to the said Cleon L. Schultz, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of the said Midori Ohta, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event that the marriage between the above-named parties shall occur within 3 months after the entry of the said Midori Ohta, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Midori Ohta as of the date of her entry into the United States upon the payment by her of the required fees and head taxes.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HISAE KAWAUCHI KELLY

The Clerk called the bill (H. R. 8125) for the relief of Mrs. Hisae Kawauchi Kelly.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Hisae Kawauchi Kelly, the wife of Corp. Richard C. Kelly, a citizen of the United States who is presently serving with the United States armed forces in Japan.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHIYO FURUMURA YOSHIDA

The Clerk called the bill (H. R. 8155) for the relief of Chiyo Furumura Yoshida.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States aliens who are ineligible to citizenship, shall not hereafter apply to Mrs. Chiyo Furumura Yoshida, wife of Kay Yoshida, a citizen of the United States and an honorably discharged veteran of World War II.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PARUE K. TSUGAMI

The Clerk called the bill (H. R. 8180) for the relief of Parue K. Tsugami.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1917, as amended, Parue K. Tsugami, the Japanese fiancée of John Brumels, a citizen of the United States and an honorably discharged veteran of World War II, shall be admitted to the United States for permanent residence as a nonquota immigrant upon application hereafter filed, if she is otherwise admissible under immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Parue K. Tsugami, the Japanese fiancée of John Brumels, a citizen of the United States and an honorably discharged veteran of World War II, and that Parue K. Tsugami may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Parue K. Tsugami is coming to the United States with a bona fide intention of being married to said John Brumels and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Parue K. Tsugami, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after entry of Parue K. Tsugami, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Parue K. Tsugami as of the date of her entry into the United States, upon the payment by her of the required fees and head taxes."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSTANTIN E. ARAMESCU

The Clerk called the bill (S. 274) for the relief of Constantin E. Aramescu.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the arrival of Constantin E. Aramescu at the port of New York on April 29, 1948, as a transit visitor, shall be taken, deemed, and regarded as an arrival under the immigration laws for permanent residence in the United States: *Provided*, That, upon the approval of this act, one number shall be deducted from the Rumanian quota when such quota shall be available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUGO GEIGER

The Clerk called the bill (S. 356) for the relief of Hugo Geiger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at port of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917, as amended (U. S. C., title 8, sec. 136 (e)), which excludes from admission into the United States persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude, shall not hereafter be held to apply to Hugo Geiger, the son of Otto and Karoline Geiger, who are American citizens, on account of the offense alleged to have been committed by him in connection with a theft of food in Germany. If he is found otherwise admissible under the immigration laws, an immigration visa may be issued and admission granted to the said Hugo Geiger under this act upon application hereafter filed.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the quota for nationals of Germany during the current year.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTERS MARIA RITA ROSSI ET AL.

The Clerk called the bill (S. 1856) for the relief of Sisters Maria Rita Rossi, Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Sisters Maria Rita Rossi, Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli, who were admitted to the United States on temporary visas, shall be deemed to have been lawfully admitted to the United States for permanent residence as of the dates of their last entries, on payment of the required visa fees and head taxes.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to deduct six numbers from the nonpreference category of the first available quota for nationals of Italy.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ITALO VESPA DE CHELLIS

The Clerk called the bill (S. 2108) for the rclief of Italo Vespa de Chellis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Italo Vespa de Chellis shall be held and considered to be the minor child of his mother, Mrs. Ninetta Vespa de Chellis, lawfully admitted legal resident of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROLAND ROGER ALFRED BOCCIA

The Clerk called the bill (S. 2611) for the relief of Roland Roger Alfred Boccia, also known as Roland Barbera.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Roland Roger Alfred Boccia, also known as Roland Barbera, of Buffalo, N. Y., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 31, 1948, the date on which he last entered the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SHELBY SHOE CO., SALEM, MASS.

The Clerk called the bill (H. R. 1789) for the relief of the Shelby Shoe Co., of Salem, Mass.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $109,000 to the Shelby Shoe Co., of Salem, Mass., in full settlement of all claims against the United States for loss sustained as a result of contract numbered W 19-074qm-4627, dated May 21, 1946, with the Procurement Division of the Department of the Army.

With the following committee amendments:

Page 1, line 5, strike out "$109,000" and insert "$84,498.98."

Page 1, line 10, after "Army:", insert *"Provided*, That no part of the amount appropriated in this Act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WINNEBAGO INDIAN RESERVATION

The Clerk called the bill (H. R. 6270) to authorize the sale of certain allotted inherited land on the Winnebago Indian Reservation, Nebr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to sell at the highest competitive bid the trust allotment numbered 983 of Robert Henry, deceased Winnebago allottee, described as the southeast quarter of the southwest quarter of section 23, township 26 north, range 6 east, sixth principal meridian, Thurston County, Nebr., containing 40 acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to the several heirs for their benefit.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REBECCA COLLINS ROSS

The Clerk called the bill (H. R. 7294) authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue to Rebecca Collins Ross a patent in fee to the following-described lands on the Crow Indian Reservation, Mont.: The west half, the south half of the southeast quarter, and the south half of the north half of the southeast quarter, section 13, township 3 south, range 33 east, Montana principal meridian, containing 440 acres.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KENNETH EVERARD HADFIELD

The Clerk called the bill (H. R. 1854) for the relief of Kenneth Everard Hadfield.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 307 of the Nationality Act of 1940 (54 Stat. 1142–1143; 8 U. S. C. 707), the continuity of residence in the United States for naturalization purposes shall not be considered as having been interrupted in the case of Kenneth Everard Hadfield, who is a lawful permanent resident of the United States since 1927 and who, with the consent of his local draft board, departed from the United States for the purpose of serving in the Royal Canadian Air Force.

SEC. 2. Declaration of intention made by Kenneth Everard Hadfield and dated May 18, 1942, shall be held valid for all purposes of the Nationality Act of 1940, as amended.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. VIRGINIA DALLA ROSA PRATI AND ROLANDO DALLA ROSA PRATI

The Clerk called the bill (H. R. 5016) for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Mrs. Virginia Dalla Rosa Prati, and her minor son, Rolando Dalla Rosa Prati, San Francisco, Calif., shall be held and considered to have been lawfully admitted at Miami, Fla., on September 10, 1944, to the United States for permanent residence. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the quota for Italy of the first year that such quota is available.

With the following committee amendment:

Page 1, line 10, strike out "two numbers from the quota for Italy of the first year that such quota is available" and insert "quota numbers from the appropriate quotas of the first year that such quotas are available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOSEPH A. HADDAD

The Clerk called the bill (H. R. 5470) for the relief of Joseph A. Haddad.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Joseph A. Haddad, a native and citizen of Syria, shall be considered to be the natural-born son of Mrs. Marie Haddad Trucano, a citizen of the United States and a resident of the Territory of Hawaii.

With the following committee amendment:

Page 1, strike out all after the enacting clause and insert the following: "That, for the purpose of section 4 (a) and section 9 of the Immigration Act of 1924, Joseph A. Haddad, a native and citizen of Lebanon, who is the son of the deceased brother of Mrs. Marie Haddad Trucano, a citizen of the United States and a resident of the Territory of Hawaii, shall be considered to be the alien natural-born son of the said Mrs. Marie Haddad Trucano."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARTHA APORTA STRICKLAND

The Clerk called the bill (H. R. 7812) for the relief of Martha Aporta Strickland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, relating to the issuance of immigration visas for admission to the United States for permanent residence and relating to admissions at ports of entry of aliens as immigrants for permanent residence in the United States, that provision of section 3 of the Immigration Act of 1917, as amended (U. S. C., title 8, sec. 136 (c)), which excludes from admission into the United States persons who have been convicted of or admit having committed a felony or other crime or misdemeanor involving moral turpitude, shall not hereafter be held to apply to Martha Aporta Strickland, the wife of Johnny Earl Strickland, an American citizen.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACQUES YEDID ET AL.

The Clerk called the bill (S. 977) for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid shall be considered as having been lawfully admitted for permanent residence as of the date of their last entries into the United States, on payment of the required visa fees and head taxes.

SEC. 2. Upon the enactment of this Act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the first available immigration quota for nationals of Lebanon, Poland, and Egypt.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KARIN MARGARETA HELLEN AND OLOF CHRISTER HELLEN

The Clerk called the bill (S. 1693) for the relief of Karin Margareta Hellen and Olof Christer Hellen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Karin Margareta Hellen and her minor son, Olof Christer Hellen, of Portland, Oreg., who were admitted into the United States on temporary visas, shall be deemed to have been lawfully admitted into the United States for permanent residence as of October 24, 1948, upon the payment of the required visa fees and head taxes.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the first available immigration quota for nationals of Finland.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER EDELTRUDIS CLARA WESKAMP

The Clerk called the bill (S. 2156) for the relief of Sister Edeltrudis Clara Weskamp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, the alien, Sister Edeltrudis Clara Weskamp, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 14, 1946, the date of her last entry into the United States, upon payment of the required visa fee and head tax. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMMA L. JACKSON

The Clerk called the bill (S. 404) for the relief of Emma L. Jackson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000, to Emma L. Jackson, of Indianapolis, Ind., in full settlement of all claims against the United States on account of the death of her husband, Everett L. Jackson, who died as a result of injuries sustained while fighting a fire at Fort Benjamin Harrison, Ind., May 31, 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FIRST, SECOND, AND THIRD NATIONAL STEAMSHIP COS.

The Clerk called the bill (S. 784) for the relief of the First, Second, and Third National Steamship Cos.

Mr. DOLLIVER and Mr. SMITH of Wisconsin objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

RALPH DUNSMORE

The Clerk called the bill (H. R. 2600) for the relief of Ralph Dunsmore.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ralph Dunsmore, of Knoxville, Tenn., the sum of $1,000. Such sum represents currency belonging to the said Ralph Dunsmore which was entirely destroyed when the boat in which he was a passenger exploded and burned: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$1,000" and insert "$1,387."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SAMUEL M. KORNEGAY

The Clerk called the bill (H. R. 5849) for the relief of Samuel M. Kornegay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Samuel M. Kornegay, of Chula Vista, Calif., the sum of $1,372.68. The payment of such sum shall be in full settlement of all claims of the said Samuel M. Kornegay against the United States for reimbursement for amounts withheld from his retired pay pursuant to section 212 of the act of June 30, 1932, as amended (5 U. S. C. 59a), as a result of the adjustment of his account for the period beginning November 1, 1946, and ending September 21, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. COMDR. EVAN L. KROGUE

The Clerk called the bill (H. R. 5960) for the relief of Lt. Comdr. Evan L. Krogue.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lt. Comdr. Evan L. Krogue, United States Naval Reserve, Arlington, Va., the sum of $518. The payment of such sum shall be in full settlement of all claims of the said Lt. Comdr. Evan L. Krogue against the United States arising out of official travel performed by him between Washington, D. C., and Red Bank, N. J., between April 30, 1944, and July 16, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES WILSON ROLAND AND MIRTIE L. ROLAND

The Clerk called the bill (H. R. 7253) for the relief of Charles Wilson Roland and Mirtie L. Roland.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles Wilson Roland, of Congress Junction, Ariz., the sum of $1,298; to Mirtie L. Roland, of Congress Junction, Ariz., the sum of $3,780, in full satisfaction of their claims against the United States for damages arising out of personal injuries suffered when their automobile was struck by an automobile driven by an employee of the Civil Aeronautics Authority on Highway No. 89 about 20 miles south of Wickenburg, on February 4, 1939.

With the following committee amendments:

Page 1, line 6, strike out "$1,298" and insert "$800."

Page 1, line 8, strike out "$3,780" and insert "$2,280."

At the end of the bill insert *"Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. ALBERT CHANDLER

The Clerk called the bill (H. R. 7944) for the relief of Mr. and Mrs. Albert Chandler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Mr. and Mrs. Albert Chandler, whose son, James Dalton Chandler, died in France on September 19, 1945, while serving in the Armed Forces, and whose application for benefits under veterans' laws was misplaced by the local veterans' agency to which they had delivered such application on November 13, 1945, shall be entitled to the same benefits under laws administered by the Veterans' Administration as those to which they would have been entitled if such error had not been made and such application had been received by the Veterans' Administration within 1 year after the date of their son's death.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF ARCHER C. GUNTER

The Clerk called the bill (H. R. 8519) for the relief of the estate of Archer C. Gunter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $6,000 to the estate of Archer C. Gunter, who was formerly of Philadelphia, Pa., and later become a resident of Menomonie, Wis., where he died, in full settlement of all claims against the United States for personal injuries and medical and hospital expenses sustained as the result of an accident involving a United States Navy airplane, at the United States Navy Yard, Philadelphia, Pa., on May 10, 1944: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 5, strike out "$6,000" and insert "$1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOREST LUMBER CO.

The Clerk called the bill (S. 764) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2103 of the Revised Statutes (U. S. C., title 25, sec. 81) and notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of the Court of Claims with respect to claims upon any contract implied in law, jurisdiction is hereby conferred upon such court to hear, determine, and render judgment upon the claim of the Forest Lumber Co. against either the United States in a fiduciary capacity or the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians in connection with the contract construed by such court in its decision dated January 12, 1938, in the case of Forest Lumber Co., a corporation, against the United States (86 C. Cls. 188).

SEC. 2. The amount of any judgment awarded by the Court of Claims upon such claim shall not exceed the amount of the judgment heretofore awarded by such court in the case of Forest Lumber Co., a corporation, against the United States (86 C. Cls. 188, 225). Such judgment may be awarded against the United States in a fiduciary capacity or as guardian, or against the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, or in part against the United States in a fiduciary capacity or as guardian and in part against such tribe, as the facts and law require, except that as to timber cut from allotted lands any judgment may be against the United States as guardian of the allottees.

SEC. 3. Suit upon such claim may be instituted by or on behalf of the Forest Lumber Co. at any time within 1 year after the date of enactment of this act. Upon the rendition of final judgments, the court shall certify the same to the Secretary of Interior, who shall thereupon direct the payment of said judgments out of any funds in the Treasury of the United States to the credit of said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALGOMA LUMBER CO.

The Clerk called the bill (S. 765) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2103 of the Revised Statutes (U. S. C., title 25, sec. 81) and notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of the Court of Claims with respect to claims upon any contract implied in law, jurisdiction is hereby conferred upon such court to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. (including the claim of George B. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust, successors by transfer, conveyance, and assignment thereof) against either the United States in a fiduciary capacity or the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians in connection with the contract construed by such court in its decision dated January 12, 1938, in the case of Algoma Lumber Co., a corporation, against the United States (86 C. Cls. 226).

SEC. 2. The amount of any judgment awarded by the Court of Claims upon such claim shall not exceed the amount of the judgment heretofore awarded by such court in the case of Algoma Lumber Co., a corporation, against the United States (86 C. Cls. 226, 271). Such judgment may be awarded against the United States in a fiduciary capacity or as guardian, or against the Klamath and Modoc Tribes and Yahooskin Band of Snake Indains, or in part against the United States in a fiduciary capacity or as guardian and in part against such tribe, as the facts and law require, except that as to timber cut from allotted lands any judgment may be against the United States as guardian of the allottees.

SEC. 3. Suit upon such claim may be instituted by or on behalf of the Algoma Lumber Co. as by the said trustees as successors in interest thereto at any time within 1 year after the date of enactment of this act. Upon the rendition of final judgments, the court shall certify the same to the Secretary of Interior, who shall thereupon direct the payment of said judgments out of any funds in the Treasury of the United States to the credit of said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LAMM LUMBER CO.

The Clerk called the bill (S. 766) to confer jurisdiction upon the Court of

Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 2103 of the Revised Statutes (U. S. C., title 25, sec. 81) and notwithstanding any statute of limitations or lapse of time or any limitation upon the jurisdiction of the Court of Claims with respect to claims upon any contract implied in law, jurisdiction is hereby conferred upon such court, to hear, determine, and render judgment upon the claim of the Lamm Lumber Co. against either the United States in a fiduciary capacity or the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians in connection with the contract construed by such court in its decision dated January 12, 1938, in the case of Lamm Lumber Co. against the United States (86 C. Cls. 171).

SEC. 2. The amount of any judgment awarded by the Court of Claims upon such claim shall not exceed the amount of the judgment heretofore awarded by such court in the case of Lamm Lumber Co. against the United States (86 C. Cls. 171, 188). Such judgment may be awarded against the United States in a fiduciary capacity or as guardian, or against the Klamath and Modoc Tribes and Yahooskin Band of Snake Indians, or in part against the United States in a fiduciary capacity or as guardian and in part against such tribe, as the facts and law require, except that as to timber cut from allotted lands any judgment may be against the United States as guardian of the allottees.

SEC. 3. Suit upon such claim may be instituted by or on behalf of the Lamm Lumber Co. at any time within 1 year after the date of enactment of this act. Upon the rendition of final judgments, the court shall certify the same to the Secretary of the Interior, who shall thereupon direct the payment of said judgments out of any funds in the Treasury of the United States to the credit of said Klamath and Modoc Tribes and Yahooskin Band of Snake Indians.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCIS W. DODGE

The Clerk called the bill (S. 1146) for the relief of Francis W. Dodge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Francis W. Dodge is hereby relieved of all liability to refund to the United States the amount of the overpayment of salary received by him, as a temporary employee in the postal service at Goffstown, N. H., from July 1, 1946, to the date when it was determined that the rate properly payable to him was 5 cents per hour less than the amount he had been receiving. In the audit and settlement of the accounts of any postmaster or other disbursing officer of the Post Office Department or postal service, the overpayment to the said Francis W. Dodge during the time specified shall be considered to have been authorized.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEBBINS CONSTRUCTION CO.

The Clerk called the bill (S. 1769) to reimburse the Stebbins Construction Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render findings of fact as to the amount of loss, if any, sustained by Stebbins Construction Co., Tulsa, Okla., Reclamation Bureau contract No. 12–r–15914 arising out of and attributable to the alleged failure of the Government to supply materials as provided for in said contract.

The court shall cause such findings to be certified to the Secretary of the Treasury, who is hereby authorized and directed to pay, out of any money not otherwise appropriated, the amount set forth in said findings to the Stebbins Construction Co.: *Provided*, That the passage of this act shall not be construed as an inference of liability on the part of the Government of the United States.

With the following committee amendment:

Page 1, line 4, strike out "Court of Claims" and insert "District Court for the Northern District of Oklahoma."

The committee amendment was agreed to.

The bill was ordered to be read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MINDA MOORE

The Clerk called the bill (S. 1798) for the relief of Mrs. Minda Moore.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Minda Moore, of 578 Forest Avenue, Rye, N. Y., the sum of $4,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her as the result of an accident which occurred when the United States Army bus in which she was riding was forced off the road by a United States Army truck in Nuremberg, Germany, on April 22, 1947: *Provided*, That no part of the amount appropriated in this act in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. M. ARTHUR

The Clerk called the bill (S. 2338) for the relief of J. M. Arthur.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. M. Arthur, Ocoee, Tenn., the sum of $1,448.04. The payment of such sum shall be in full settlement of all claims of the said J. M. Arthur against the United States for losses which he sustained as a result of the failure of the Reconstruction Finance Corporation to make subsidy payments to him for the slaughter of cattle and hogs during July and August 1945: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTICAIRE REFRIGERATION CO.

The Clerk called the bill (S. 2646) for the relief of the Articaire Refrigeration Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Articaire Refrigeration Co., of Kansas City, Mo., the sum of $1,500, representing the unpaid purchase price of air-conditioning equipment installed by the said company in an Army recruiting station in Kansas City, Mo., under unnumbered contract, purchase order No. 821, dated July 16, 1947, payment of such sum by the Department of the Army having been held to be unauthorized: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. EVELYN M. HRYNIAK

The Clerk called the bill (S. 2655) for the relief of Mrs. Evelyn M. Hryniak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $7,500 to Mrs. Evelyn M. Hryniak, of Cleveland, Ohio, in full settlement of all claims against the United States for personal injuries, pain and suffering, permanent disability, and loss of earnings sustained by her and arising out of an accident which occurred at Gudensberg, Germany, on October 21, 1948, while she was riding in an Army reconnaissance car, and against all officers, agents, or employees of the United States whose acts or omissions caused or contributed to the personal injuries, pain and suffering, permanent disability, and loss of earnings sustained by the said Mrs. Evelyn M. Hryniak: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: On page 1, line 5, strike out "$7,500" and insert "$5,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. CHARLES W. IRELAND, UNITED STATES NAVY

The Clerk called the bill (S. 3090) for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the payments made by Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, symbol No. [redacted], to certain civilians employed by the Navy Department in the maintenance and operation of the Aiken Relay Calculator, for the cost of their travel and that of their dependents and for the cost of transportation of their household effects incident to the transfer of such personnel from Cambridge, Mass., to Dahlgren, Va., are hereby ratified and the Comptroller General of the United States is hereby authorized and directed to credit the accounts of the said Lt. (jg) Charles W. Ireland in the amounts of such payments.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert W. Rose the sum of $143.56, which sum represents reimbursement for expenses incurred by him in the transportation of his household effects to Dahlgren, Va.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. W. M. CHUBB

The Clerk called the bill (H. R. 612) for the relief of Col. W. M. Chubb.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Col. W. M. Chubb, New York, N. Y., the sum of $900. The payment of such sum shall be in full settlement of all claims against the United States for the loss of a parcel containing 10 silver fox furs mailed to the said Col. W. M. Chubb from Shanghai, China, and lost in May 1946, while in transit, under the jurisdiction of the Post Office Department, from the Bureau of Customs office in San Diego, Calif., to the Bureau of Customs office in New York, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$900", and insert in lieu thereof "$200."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF FRANCISCO J. CORDOVA

The Clerk called the bill (H. R. 3316) for the relief of the estate of the late Francisco J. Córdova.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to the administrator of the estate of the late Francisco J. Córdova, who was fatally injured on September 28, 1942, when struck in San Juan, P. R., by a United States Army passenger wagon. The payment of such sum shall be in full settlement of all claims against the United States on account of such accident: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DANIEL LINDSEY PAYNE

The Clerk called the bill (H. R. 3328) for the relief of Daniel Lindsey Payne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Daniel Lindsey Payne, of Bonifay, Fla., the sum of $8,198.45, in full settlement of his claim against the United States for personal injuries, pain, and suffering sustained on the 3d day of December 1937, when a truck he was driving was struck by another truck driven by an employee of the Federal Works Progress Administration, an agency of the United States, while in the regular scope of his employment, said collision occurring on the streets of the town of Bonifay, Fla.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$8,198.45", and insert "$5,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER AND MARGARET O'DONNELL ET AL.

The Clerk called the bill (H. R. 7016) for the relief of Peter and Margaret O'Donnell, and James P. and Arlene R. Shannon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Peter O'Donnell and Mrs. Margaret O'Donnell, his wife, both of Elizabeth, N. J., and to pay the sum of $500 to James P. Shannon and Mrs. Arlene R. Shannon, his wife, both of Elizabeth, N. J., in full settlement of all claims against the United States for personal injuries and medical and hospital expenses sustained as a result of a collision between a Public Service bus and a United States Army truck at the intersection of New Jersey State Highway, Route 25, and South Broad Street, Elizabeth, N. J., on March 24, 1941.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert in lieu thereof "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 to Mrs. Margaret O'Donnell, of Elizabeth, N. J., and the sum of $500 to Mrs. Arlene R. Shannon, of Elizabeth, N. J., in full settlement of all claims against the United States for the personal injuries sustained and the medical, hospital, and other expenses incurred by them as the result of the collision of a United States Army truck with a bus of the Public Service Coordinated Transport Co., on which they were riding as passengers, at the intersection of New Jersey State Route No. 25 and South Broad Street, Elizabeth, N. J., on March 24, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Margaret O'Donnell and Mrs. Arlene R. Shannon."

A motion to reconsider was laid on the table.

COLUMBUS FINLEY

The Clerk called the bill (H. R. 7392) for the relief of Columbus Finley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Columbus Finley, Detroit, Mich., the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Columbus Finley against the United States for the death of his wife, Georgia Mae Finley, and for personal injuries sustained by him, on or about October 2, 1943, when the said Columbus Finley and Georgia Mae Finley were struck by a United States Army vehicle in Camp Van Dorn, Miss.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services

rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause down to the colon on page 2, line 1, and insert in lieu thereof "That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Columbus Finley, of Detroit, Mich., the sum of $7,500, in full settlement of all claims of the said Columbus Finley against the United States for the death of his wife, Georgia Mae Finley, as a result of being struck by a United States Army truck in Camp Van Dorn, Miss., on October 2, 1943."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARMENCITA VON PLETTENBERG

The Clerk called the bill (H. R. 8422) for the relief of Carmencita von Plettenberg.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President, or the officer or agency designated by him, pursuant to the provisions of section 32 of the Trading With the Enemy Act (U. S. C., title 50, App., sec. 32), shall transfer and deliver 30.77 percent of the property hereinafter described to Carmencita von Plettenberg (also known as Minita von Plettenberg) or her successors in interest. The property heretofore referred to is all of the property and interests vested in or transferred to the Attorney General as the property of Casa Konke S. A., a corporation, and as the property of La Talleres Tipo-Litograficos Ariston (Imprenta Ariston), remaining after the deduction of an amount not exceeding that expended or incurred by the United States, prior to the transfers provided by this act, for the conservation, preservation, or maintenance of such property and interests. The term "successor in interest" shall mean a person succeeding after April 1, 1950, to any part of the stock or other beneficial ownership by Carmencita von Plettenberg of the corporation, property, and interests referred to above.

With the following committee amendment:

Page 2, line 2, after the word "deduction" strike out the remainder of the bill and insert in lieu thereof "of the amount expended or incurred by the United States, prior to the transfers provided by this act, for the conservation, preservation, or maintenance of such property and interests and for the payment of debts lawfully payable out of such property and interests. The term 'successor in interest' shall mean the legal representative (whether or not appointed by a court in the United States), or a person succeeding by inheritance, devise, bequest, or operation of law, to any part of the stock or other beneficial ownership by Carmencita von Plettenberg of the corporation, property, and interests referred to above.

"SEC. 2. The property and interests to be transferred as provided by this act shall be subject to attachment, in accordance with the provisions of section 32 (f) of the Trading With the Enemy Act, in the same manner as property of (1) the person to whom return is to be made and (2) the person who owned such property or interests immediately prior to its vesting or transfer to the Alien Property Custodian; but not more than 30.77 percent of any obligation of such owner prior to vesting shall be satisfied out of such property and interests. Upon delivery of property to a transferee under this act, such transferee shall succeed to 30.77 percent of each obligation lawfully assertible by a person not ineligible to receive a return under section 32 of the Trading With the Enemy Act against the corporation, property, or interests referred to above, except that such transferee shall not succeed to obligations exceeding in aggregate amount the value of the property and interests transferred to such transferee under the provisions of this act.

"SEC. 3. Not more than 10 percent in value of the proceeds of the transfers provided for by this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with the transfers provided for by this act, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GEORGES GREGORY ALPIAR

The Clerk called the bill (S. 2107) for the relief of Georges Gregory Alpiar.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

OSCAR (OSZKAR) NEMENYI AND FAMILY

The Clerk called the bill (S. 2309) for the relief of Oscar (Oszkar) Nemenyi, Marianna Nemenyi (wife), and Thomas John Nemenyi (son).

Mr. DOLLIVER. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

BERTAGNI, HUGO, OR UGO BERTAGNI ET AL.

The Clerk called the resolution (S. Con. Res. 73) favoring the suspension of deportation in the case of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring.) That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Bertagni, Hugo, or Ugo Bertagni.

[redacted], Bochicchio, Cristino, or Nick De Mario or Nick DiMario or Nicola De Maria.

[redacted], Clarisse, Abraham Anthonie.

[redacted], Dietl, Marta Maria, or Martha Maria Dietl.

[redacted], Dolan, Hilda Ena Louise (nee Phang), formerly Orinitcheff.

[redacted], Ehlers, Mary Helen.

[redacted], Harvey, Frederick Herbert or Frederick (or Fredrick), Herbert Harvey or Fred Harvey.

[redacted], Hriczo, Yanos Ferencz or John Frank Hriczo or Janos Hriczo or John Kriszo.

[redacted], Latoff, Catherine Hage.

[redacted], Lyras, George Nicholas or Georgios Nicholas Lyras.

[redacted], Lyras, Angeliki George, or Angela Lyras (nee Angela Joan Lyras).

[redacted], Kong, Leet Tung or Lee Chung Kwong.

[redacted], Lee, Mary Anne or Kwan Chong Yen (maiden name).

[redacted], Mercer, Clare Nelson.

[redacted], Moran, Mary Joyce (nee Rooney).

[redacted], Nowitsch, Silvia Marianna.

[redacted], Prideaux, Charles Stephen Anstice.

[redacted], Sliskonen, Evert.

[redacted], Szefner, Feliks or Felix Shafner.

[redacted], Szefner, Paulina or Pauline Shafner (nee Geszychter).

[redacted], Tang, Doris or Chu Pui-Fong or Tang Pui Fong.

[redacted], Tang, Harry, Tang Kim Man or Tang Kim-Man.

[redacted], Tang, Ruth or Tang Wan Yin or Tang Wan-Yin.

[redacted], Tang, Paul or Tang Sik-Pui or Tang Sik Pui.

[redacted], Tang, Peggy, or Tang Wan-Yon.

[redacted], Tang, Helen, or Tang Wan-Yim.

[redacted], Tang, Andrew or Tang Sen-Man.

[redacted], Tigeleiro, Jose.

[redacted], Wojciechowska, Zofia Jadeiga.

[redacted], Wojciechowska, Maria Teresa.

[redacted], Wojciechowska, Christopher Richard.

The Senate concurrent resolution was agreed to.

ALVAREZ, JOSE GONZALEZ, ET AL.

The Clerk called the resolution (S. Con. Res. 75) favoring the suspension of deportation of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

[redacted], Alvarez, Jose Gonzalez.

[redacted], Arrighi, Arrigo.

[redacted], Augustine, Albert Gustave.

[redacted], Ballingall, William.

[redacted], Barriero, Modesto, or Modesto Barriero Pereiras.

[redacted], Baxter, Mary (nee Mary Ramsay or Mary Robertson).

[redacted], Beaumont, Richard Louis.

[redacted], Bernd, Karl Johan, or Carl Johan Bernd.

[redacted], Bokwa, Josef.

[redacted], Bouma, Anna (Anna Novak) (nee Anna Vojtova).

[redacted], Bronk, Margaret Elizabeth (nee Blackwell).

[redacted], Brown, David Emanuel.

[redacted], Calengas, Leonardos Petros, or Leonardos Kalengas.

[redacted], Change Shou-Lien, or Sheldon Shou-Lien Chang.

[redacted], Chiotelis, Anna, or Anna Hiotelis (nee Anna Hadjinicolaou).

[redacted], Chow, David Ta Wei, or Chow Ta Wei or David T. W. Chow.

[redacted], De Gonzalez, Carmen Pardo, or Carmen Pardo Vda De Vega.

[redacted], De Putter, Theodule Joseph, or George De Putter.

[redacted], De Regt, Leendert, or Leo De Reget or Leo De Regt.
[redacted], Divitcoff, Petre George, or Petros Georgios Divitcoff.
[redacted], Drechsler, Karl.
[redacted] Espeneda, Nellie (nee Scholes aka Nellie Peterson or Nellie Perry or Nellie Churchill).
[redacted], Fieber, George John.
[redacted], Fong, Wone, or Fong Wone or Harry Wone or Reverend Harry Wone.
[redacted] Gomez-Diaz, Parfirio, or Porfirio Gomez-Madina.
[redacted], Grenoski, Joseph Frank, or Frank Stroda or Franzisek Grenowski or Frank Grenowski.
[redacted], Herman, Josephine Moreno.
[redacted], Jasnoch, Felix Bruno or Jassnoch.
[redacted], Johansson, Nils Sigvard, or Nils Hohansson or "Nick" Johansson.
[redacted], Johnson, John Moore.
[redacted], Knutsen, Bernt Mathias.
[redacted], Koufoudakis, Aristides, Dimitrios.
[redacted], Koufoudakis, Eftihia Aristides.
[redacted], Larsen, Sigurd.
[redacted], Lee, Anna Dorothy.
[redacted], Lefert, Joseph Emil.
[redacted], Lettsome, Ellen Rebecca, or Ellen Rebecca Jennings.
[redacted], Lettsome, Hueroy Alpheous, or Hugh Roy Lettsome "Angel."
[redacted], Lolax, Einar William, or Einar Lolax.
[redacted], Lucas, Vaia Stamati (nee Asime).
[redacted], Luzzi, Domenico.
[redacted], Makritsky, Alexander Edward or Makritsky or Makrickits or Makricki or Mokricki or Makrickys.
[redacted], Makritzky, Michalina Maria.
[redacted], Mallis, Antonios Apostolis.
[redacted], Marshall, George Falkner.
[redacted], Migliore, Caterina (nee Dionigi or Catherine Migliore or Leonarda Savoiardo or Saviordo or Guiseppa Bagarella).
[redacted], Migliore Anthony, or Antionino or Antonino Migliore or Salvatore Migliore or Antonino Joseph Migliore.
[redacted], Migliore, Rose, or Rosa Migliore or Guiseppa Migliore or Rose Mary Migliore.
[redacted], Min, Ng Yick, or Ng Yik Nin or Eng Yick Min.
[redacted], Morfessis, Telemachos (alias Telemachos Morfessis).
[redacted], Muller, Carl Christian Frederick Vilhelm, or Carl Fred Lem or Carl Fred Muller Lem.
[redacted], Nevarez-Alarcon, Ninfa.
[redacted] Nigo-Gonzalez, Leonardo, or Leon Nigo.
[redacted], Noakes, Romkje Anna.
[redacted], Ojeda, Domingo.
[redacted], Ojeda, Manuel.
[redacted], Paraskevopulos, Peter Kostas (alias Peter Kostas Parras).
[redacted], Patronas, Minas.
[redacted], Peavey, Fred Washington, or Fred W. Peavey.
[redacted], Perry, Amy Jane (nee Donaldson).
[redacted], Petersen, Alice Marie.
[redacted], Peterson, Dorothy (nee Arron or Dorothy Lewis).
[redacted], Petrone, Domenico, or Dominick, alias Leonardo Ricciardi.
[redacted], Piovesan, Vittorio Giovanni.
[redacted], Propst, Anna (nee Perrault or Ethel Georgeanna Perrault Propst).
[redacted], Pukansky, Joseph.
[redacted], Pustelnik, Stefan Pawel.
[redacted], Rausch, Eva (nee Bieler or Evette Rausch or Chawa or Ewa Bieler).
[redacted], Reyes, Jose Billegas.
[redacted], Roland, Elizabeth Allen (nee Allen).
[redacted], Rosario, Maximo.
[redacted], Rose, Maria Alexandra.
[redacted], Salgado, Jorge, or Jorge Salgado-Rodriguez.
[redacted], Sandoval-Silva, Epitasio.
[redacted], Schachter, Herman Max.
[redacted], Schulhof, Bernard or Bernat.
[redacted], Seeber, Eugene John.
[redacted], Sikaras, Helen (nee Martoulas or Helen Stelios Martoulas).
[redacted], Silver, Isidore aka Icko Iola, or Izzo or Izzi or Icek or Itcko Igla.
[redacted], Simmonds, Delia Hortencia.
[redacted], Simone, Tommaso (also Thomas Simone).
[redacted], Skordas, Lambros.
[redacted], Smith, Emma Maria Valdes (nee Valdes).
[redacted], Stathapoulos, Stephanos, or Steve Stathes.
[redacted], Stettler, Emma (nee Emma Sbaschnig).
[redacted], Stevens, Peggy Joan (nee McCartney).
[redacted], Taberlet, Fred Romolo, or Romolo Taberlet.
[redacted], Touliatos, John.
[redacted], Tronrud, John, or John Wilhelm Tronrud.
[redacted] Tschinkowitz, Valentin, or Walter Bayer.
[redacted], Vaz, Manuel Viegas.
[redacted], Warwick, William.
[redacted], Weissgarber, Barbara (nee Spanier).
[redacted], Weissgarber, Nikolaus.
[redacted], Wolff, Hedwig Sadie (nee Schauer).
[redacted], Zakos, Sophie Kretekos, or Sophie Kretekos (nee Perides).
[redacted], Zachou, Theodota (nee Theodota Goussi).
[redacted], Zaremsky, Isaac, or Zarebski or Zarembsky.
[redacted], Just, Reinhard.

The concurrent resolution was agreed to.

BECERRA, JOSE GUADALUPE, ET AL.

The Clerk called the resolution (S. Con. Res. 76) favoring the suspension of deportation in the case of certain aliens.

There being no objection, the Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Becerra, Jose Guadalupe.
[redacted], Bianco, Anthony Lo.
[redacted], Cochran, Graham Rayman, or Graham Reginald Boske.
[redacted], Colantonio, Michele.
[redacted], Conran, Judy Lynne.
[redacted], Cumelia, Raymond, or Raimondo Cumella.
[redacted], Giatrakos, Elefterios.
[redacted], Ginararis, Avgerinos George.
[redacted], Klimenko-Gurewska, Helene (now Helen Kuntz).
[redacted], Koesling, Grete Hedwig.
[redacted], Lam, Caroline Han Fang Wang (alias Caroline Han Fang Wang Lim).
[redacted], Lieu, Len Hee (alias Len Hee Lee or Liu Hen Hee).
[redacted], Loolam, August Reginald.
[redacted], Mavrakis, Stratos Antoniou.
[redacted], Merani, Giobatta Alessandro, or Emilio Giobatta Merani, or Emilio G. Merani.
[redacted], Mitchell, Aurelia.
[redacted], Oh, Sydney Bah, or Sydney Scott Bahoh.
[redacted], Rodrigues, Jose.
[redacted], Rupa, Amir Bin.
[redacted], Schneider, Victor.
[redacted] Squazza, Assunta, or Assunta Giungi.
[redacted], Squazza, Fernanda, or Fernanda Giungi.
[redacted], Teijeiro, Olegario, or Olegario Teijeiro Garcia.
[redacted], Young, Virginia, Josephine.
[redacted], Cividanes, Jesus Vieiro.

With the following committee amendment:

On page 1, after line 11, insert the registration number and name:

"[redacted], Correale, Alfredo."

On page 2, after line 22, insert the registration numbers and names:

"[redacted], Tobiassen, Karl Torner.
"[redacted], Walker, Alice nee Anderson.
"[redacted], Yavitz, Shimon or Simon Yavitz."

The committee amendment was agreed to.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER:

Page 1, after line 5, insert:

"[redacted], Aroff Todor Doneff, Papalez or Tony Papovich."

Page 1, after line 6, insert:

"[redacted], Blanca, Angel Agusto, or Angel A. Blanco-Cantaloppe."

On page 2, after line 2, insert:

"[redacted], Ferranti, Guiseppe."

The amendment was agreed to.

The Senate concurrent resolution was agreed to.

RUBY THAW AND HLA SEIN

The Clerk called the bill (H. R. 6758) for the relief of Ruby Thaw and Hla Sein.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Ruby Thaw and Hla Sein as of November 22, 1947, the date of their lawful admission at the port of Boston, Mass.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the quota-control officer to deduct two numbers from the proper quota for the first year such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BILLY RAY RIDENOUR AND L. L. RIDENOUR

The Clerk called the bill (H. R. 5381) for the relief of Billy Ray Ridenour and L. L. Ridenour.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $10,000, to Billy Ray Ridenour and L. L. Ridenour, his father, of Newcomb, Tenn. The payment of such sum shall be in full settlement of all claims against the United States arising out of personal injuries sustained by the said Billy Ray Ridenour on October 25, 1935, when he was burned, shocked, and otherwise injured throughout his entire body, head, legs, and arms as the result of an explosion caused by the negligence and wrongful conduct of employees of the Federal Government engaged in work on the

public roads of Campbell County, Tenn., said work being carried on by employees of the Works Projects Administration, and in the performance of which they stored quantities of road materials in iron or steel barrels on a lot in the town of Newcomb, Tenn., where children were accustomed to congregate and play, and which said road materials thus stored in said barrels generated and emitted when they were unstopped highly inflammable and explosive gases which, when they came in contact with fire, exploded. On the date on which the said Billy Ray Ridenour was injured as aforesaid, he was only 7 years of age and another child about the same age threw a lighted match into one of the said steel barrels containing said highly volatile and explosive materials, thereby causing the explosion which injured the said Billy Ray Ridenour as aforesaid; and that in having his said son, Billy Ray Ridenour treated for his injuries aforesaid which were and are of a permanent nature, said L. L. Ridenour expended large sums of money: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERCY JONES GENERAL HOSPITAL GULL LAKE ANNEX, GULL LAKE, MICH.

The Clerk called the bill (H. R. 8604) to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the General Services Administrator is authorized and directed to donate and convey to the W. K. Kellogg Foundation, Battle Creek, Mich., all the right, title, and interest of the United States in and to the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., which is more particularly described in a deed dated March 2, 1944, from W. K. Kellogg Foundation to the United States of America filed in the land records of Kalamazoo County in liber 464 of deeds at page 107, and a final judgment dated June 19, 1946, in a condemnation proceeding entitled "United States of America against Certain Land in Kalamazoo County, State of Michigan, and W. K. Kellogg Foundation et al., miscellaneous No. 105 in the United States District Court for the Western District of Michigan, Southern Division," by which such property was obtained by the United States from the said W. K. Kellogg Foundation: *Provided, however*, That such conveyance shall be made only after it has been determined that the property is surplus to the requirements of the Government.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MIJU ISERI TSUDA

The Clerk called the bill (H. R. 2462) for the relief of Miju Iseri Tsuda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of State be, and he is hereby, authorized and directed to cause that a visa under the provisions of section 4 (b) of the Immigration Act of 1924, as amended, be issued to Miju Iseri Tsuda, a returning immigrant who has been previously lawfully admitted into the United States and who is the widowed mother of several American citizens residing in the United States.

With the following committee amendment:

Page 1, line 3, strike out lines 3, 4, 5, and the first two words on line 6, and insert "That in the administration of the immigration laws, notwithstanding the provisions of section 13 (c) of the Immigration Act of 1924, as amended, the provisions of section 4 (b) of the said act shall be applicable to."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. AIMEE HOYNINGEN-HUENE

The Clerk called the bill (H. R. 6225) for the relief of Mrs. Aimee Hoyningen-Huene.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of section 401 (e) of the Nationality Act of 1940, as amended (U. S. C., title 8, sec. 801 (e)) (relating to loss of nationality through voting in a political election in a foreign state), shall not apply in the case of the participation of Mrs. Aimee Hoyningen-Huene, of Brunswick, Maine, in the elections held in Germany, under the auspices of the United States military government, in 1947 with respect to the adoption of the new Hessian constitution.

With the following committee amendment:

Strike out all after the enacting clause and insert "That Mrs. Aimee Hoyningen-Huene, a natural-born citizen of the United States born in Hartford, Conn., on October 6, 1903, who lost citizenship by voting in the elections held in Germany, under the auspices of the United States military government, in 1947 with respect to the adoption of the new Hessian Constitution, may be naturalized by taking, prior to 1 year from the enactment of this act, before any naturalization court specified in subsection (a) of section 301 of the Nationality Act of 1940, as amended, the oaths prescribed by section 335 of the said act. From and after naturalization under this act, Mrs. Aimee Hoyningen-Huene shall have the same citizenship status as that which existed immediately prior to its loss."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNA SAMUDOVSKY

The Clerk called the bill (H. R. 6710) for the relief of Anna Samudovsky.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that S. 1929, an identical bill, be substituted for the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the Senate bill (S. 1929), as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Anna Samudovsky who is precently residing in Malcicebe, Czechoslovakia, and who has been adopted by Dr. and Mrs. John M. Rinda, of Bridgeport, Conn., shall be deemed to be the alien child of said Dr. and Mrs. John M. Rinda.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the bill (H. R. 6710) was laid on the table.

YUKIE NISHIMURA OKUBO

The Clerk called the bill (H. R. 7314) for the relief of Yukie Nishimura Okubo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Yukie Nishimura Okubo, wife of Floyd Okubo, an American citizen, and that the said Yukie Nishimura Okubo may be permitted to enter the United States as a nonquota immigrant for permanent residence if she is found to be otherwise admissible under the provisions of the immigration laws.

With the following committee amendment:

Page 1, line 9, strike out all of line 9 after the word "citizen," all of lines 10, 11, and 12.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FUMIKO ARAKAWA

The Clerk called the bill (H. R. 7629) for the relief of Fumiko Arakawa and her child Rie.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Fumiko Arakawa and her child, Rie, natives of Japan, and that, if otherwise admissible under the immigration laws, they shall be granted admission into the United States as nonquota immigrants for permanent residence upon application hereafter filed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. STAMATIA LYMBEROPOULOS AND LEONIDAS STAVROU LIMPEROPOULOS

The Clerk called the bill (H. R. 7779) for the relief of Mrs. Stamatia Lymberopoulos and Leonidas Stavrou Limperopoulos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Stamatia Stavros Lymberopoulos, who was admitted into the United States at the port of New York, on May 11, 1947, as a visitor, and Leonidas Stavrou Limperopoulos, who was admitted into the United States at Newport News, Va., on November 23, 1945, as a visitor, shall be deemed to be lawfully admitted for permanent residence as of the date of their respective entries, upon payment by them of the visa fee and head tax.

SEC. 2. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the quota for Greece for the first year that such quota is available.

With the following committee amendment:

On line 3, before the word "naturalization", insert the words "immigration and."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MICHIKO NOGAMI COTTER AND KATSUMI COTTER

The Clerk called the bill (H. R. 7899) for the relief of Mrs. Michiko Nogami Cotter and Katsumi Cotter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from the United States aliens ineligible to citizenship, shall not hereafter apply to Mrs. Michiko Nogami Cotter and Katsumi Cotter, Yamagata City, Honshu, Japan, wife and minor daughter, respectively, of Conrad Cotter, a United States citizen and World War II veteran.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: Page 1, after the enacting clause, strike out all the paragraph and insert in lieu thereof "That in the administration of the immigration laws, the provisions of section 31 (c) and 28 (n) of the Immigration Act of 1924, as amended, shall not hereafter apply to Michiko Nogami Cotter and Katsumi Cotter of Yamagata City, Honshu, Japan, the wife and minor daughter, respectively, of Conrad Cotter, a United States citizen and World War II veteran."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERUKO ISHIKAWA

The Clerk called the bill (H. R. 8098) for the relief of Teruko Ishikawa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion from the United States of aliens inadmissible because of race shall not hereafter apply to Teruko Ishikawa, the Japanese fiancée of Paul Yoshino, a United States citizen and honorably discharged World War II veterans. The said Teruko Ishikawa shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months if the appropriate administrative authorities find that the said Teruko Ishikawa is coming to the United States with a bona fide intention of being married to the said Paul Yoshino and that she is otherwise admissible under the immigration laws. If the marriage between the above-named parties does not occur within 3 months after the entry of the said Teruko Ishikawa, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with sections 19 and 20 of the Immigration Act of 1917, as amended (8 U. S. C., secs. 155 and 156). If the above-named parties are married within 3 months after the entry of the said Teruko Ishikawa, the Attorney General is authorized and directed to record the lawful admission of the said Teruko Ishikawa to the United States for permanent residence, as of the date of her entry into the United States, upon payment by her of the required fees and head tax.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. ALESSANDRO RIZZO

The Clerk called the bill (H. R. 8245) for the relief of Dr. Alessandro Rizzo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence in the United States of Dr. Alessandro Rizzo as of the date on which he lawfully entered the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Italy for the first year that such quota is hereafter available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MISAO HATANAKA DESKINS

The Clerk called the bill (H. R. 8382) for the relief of Mrs. Misao Hatanaka Deskins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which exclude from admission to the United States persons who are ineligible to citizenship, shall not apply to Mrs. Misao Hatanaka Deskins, a native of Canada, the wife of Carson E. Deskins, a citizen of the United States, an honorably discharged veteran of World War II.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATHENA MARY ONASSES

The Clerk called the bill (H. R. 8585) for the relief of Athena Mary Onasses.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Athena Mary Onasses, a native and citizen of England, shall be deemed to have been lawfully admitted to the United States for permanent residence as of May 27, 1942.

With the following committee amendment:

Page 1, line 4, strike out "Athena Mary Onasses" and insert in lieu thereof "Athina Mary Onassis."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Athina Mary Onassis."

A motion to reconsider was laid on the table.

CIVIL ACTS OR OFFENSES CONSUMMATED OR COMMITTED ON THE HIGH SEAS

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5166) to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, strike out lines 21, 22, and 23.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING THE DISPLACED PERSONS ACT OF 1948

Mr. CELLER. Mr. Speaker, I call up the conference report on the bill (H. R. 4567) to amend the Displaced Persons Act of 1948, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 2187)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4567) entitled "An Act to Amend the Displaced Persons Act of 1948," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That subsection (c) of section 2 of the Displaced Persons Act of 1948

(Public Law 774, Eightieth Congress) is amended to read:

"'(c) "Eligible displaced person" means a displaced person as defined in subsection (b) above, (1) who on or after September 1, 1939, and on or before January 1, 1949, entered Germany, Austria, or Italy, and who on January 1, 1949, was in Italy or the American sector, the British sector, or the French sector of either Berlin or Vienna, or in the American zone, the British zone, or the French zone of either Germany or Austria, or who had temporarily absented himself therefrom for reasons which, in accordance with regulations to be promulgated by the Commission, show special circumstances justifying such absence, and who has not been firmly resettled; or a person who, having resided in Germany or Austria, was a victim of persecution by the Nazi government and was detained in, or was obliged to flee from such persecution and subsequently returned to, one of these countries, and who has not been firmly resettled; and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence; and (3) for whom assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such an eligible displaced person, shall, if otherwise qualified for admission into the United States for permanent residence, also be deemed eligible displaced persons.'

"SEC. 2. Subsection (d) of section 2 of the Displaced Persons Act of 1948 is amended to read:

"'(d) "Eligible displaced person" shall also mean a person displaced from the country of his birth, or nationality, or of his last residence since January 1, 1946, who fled into Italy or the American sector, the British sector, or the French sector of either Berlin or Vienna, or the American zone, the British zone, or the French zone of either Germany or Austria; and cannot return to any of such countries because of persecution or fear of persecution on account of race, religion, or political opinions; and (1) whose admission into the United States for permanent residence is recommended by or on behalf of the Secretary of State and the Secretary of Defense, and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence, and (3) for whom assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such an eligible displaced person, shall, if otherwise qualified for admission into the United States for permanent residence, also be deemed eligible displaced persons: *Provided*, That a number of immigration visas not to exceed five hundred may be issued within the total numerical limitations provided by section 3 (a) of this Act, as amended, to eligible displaced persons as defined in this subsection.'

"SEC. 3. Subsection (e) of section 2 of the Displaced Persons Act of 1948 is amended to read as follows, and new subsections (f) and (g) are added to read as follows:

"'(e) "Eligible displaced orphan" means a displaced person (1) who was sixteen years of age or under on June 25, 1948, and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence, and (3) who is an orphan because of the death or disappearance of both parents, or who has been abandoned, or deserted by, or separated, or lost from both parents, or who has only one parent due to the death or disappearance of his other parent and the remaining parent is incapable of providing care for such displaced person and agrees to release him for emigration or adoption or guardianship and (4) who on or before the effective date of this Act, as amended, was in Italy or in the American sector or the British sector or the French sector of either Berlin or Vienna or the American zone or the British zone or the French zone of either Germany or Austria, and (5) for whom satisfactory assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States will be cared for properly; an "eligible displaced orphan" also means a person who is a native of Greece who on or after January 1, 1940, and on or before January 1, 1949, was forcibly removed or forced to flee from his former habitual residence in Greece as a direct result of military operations in Greece by the Nazi government or by military operations in Greece by the Communist guerrillas, and on January 1, 1950, resided in Greece and meets the qualifications of subdivisions (1), (2), (3), and (5) of this subsection.

"'(f) A special nonquota immigration visa may be issued to any alien who—

"'(1) prior to June 30, 1950, was a resident of Germany, Luxemburg, Austria, Italy, the United States-United Kingdom zone of the Free Territory of Trieste, the United Kingdom, Ireland, Portugal, France, Switzerland, Belgium, the Netherlands, Norway, Sweden, Denmark, Finland, Greece, Turkey;

"'(2) is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and agrees to release him for emigration and adoption or guardianship;

"'(3) prior to June 30, 1951, has assurances submitted in his behalf for admission to the United States for permanent residence with a father or mother by adoption, or for permanent residence with a near relative or with a person who is a citizen of the United States or an alien admitted to the United States for permanent residence, or is seeking to enter the United States to come to a public or private agency approved by the Commission, and such relative, person, or agency gives assurances, satisfactory to the Commission that adoption or guardianship proceedings will be initiated with respect to such alen;

"'(4) for whom satisfactory assurances in accordance with the regulations of the Commission have been given that such alien, if admitted into the United States, will be cared for properly; and

"'(5) is, at the time of issuance of a visa, under the age of ten years. Not to exceed five thousand such special nonquota immigration visas shall be issued until July 1, 1952, under the authority of this subsection, which number shall be in addition to the numbers authorized in section 3 (a) of this Act, as amended.

"'(g) An eligible displaced person shall also mean a person who was a resident of Venezia Giulia prior to May 6, 1945, and who on or after May 6, 1945, departed from those parts of Venezia Giulia placed under Yugoslav sovereignty or administration under the terms of the treaty of peace with Italy signed at Paris on February 10, 1947, and who on the effective date of this Act, as amended, is not "de jure" an Italian citizen, and who on July 1, 1947, was in Italy, or in the United States-United Kingdom zone of the Free Territory of Trieste or in the American sector, the British sector, or the French sector of either Berlin or Vienna, or in the American zone, the British zone, or the French zone of either Germany or Austria; and (2) who is qualified under the immigration laws of the United States for admission into the United States for permanent residence; and (3) for whom assurances in accordance with the regulations of the Commission have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such an eligible displaced person, shall, if otherwise qualified for admission into the United States for permanent residence, also be deemed eligible displaced persons: *Provided*, That a number of immigration visas not to exceed two thousand may be issued within the total numerical limitations provided by section 3 (a) of this Act, as amended, to eligible displaced persons as defined in this subsection.'

"SEC. 4. Section 3 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 3. (a) During the three fiscal years beginning July 1, 1948, eligible displaced persons and eligible displaced orphans and persons defined in subdivisions (2), (3), and (4) of subsection (b) of this section seeking to enter the United States as immigrants may be issued immigration visas without regard to quota limitations for those years as provided by subsection (c) of this section: *Provided*, That not more than three hundred forty-one thousand such visas shall be issued under this Act, as amended, including such visas heretofore issued under the Displaced Persons Act of 1948; and it shall be the duty of the Secretary of State to procure the cooperation of other nations, particularly the members of the International Refugee Organization, in the solution of the displaced persons problem by their accepting for resettlement a relative number of displaced persons, and to expedite the closing of the camps and terminate the emergency.

"'(b) (1) A number of special nonquota immigration visas not to exceed five thousand may be issued within the total numerical limitations provided by subsection (a) of this section to eligible displaced orphans.

"'(2) A number of immigration visas not to exceed four thousand may be issued within the total numerical limitations provided by subsection (a) of this section to displaced persons or refugees as defined in annex I (except paragraph 1 (b) of section A of part I thereof) of the constitution of the International Refugee Organization who (1) resided in China, as displaced persons, or refugees, on July 1, 1948, or on the effective date of this Act, as amended, and (2) are qualified under the immigration laws of the United States for admission into the United States for permanent residence, and (3) are still in

China or, having left China, have not subsequently been received for permanent residence by any country other than the United States.

"'(3) A number of immigration visas not to exceed eighteen thousand may be issued within the total numerical limitations provided by subsection (a) of this section to persons who (1) during World War II were members of the armed forces of the Republic of Poland, (2) were honorably discharged from such forces, (3) reside in the British Isles upon the effective date of this Act, as amended, but have not been either firmly settled or resettled, and (4) have registered for an immigration visa with a United States consular officer in Great Britain prior to the effective date of this Act, as amended: *Provided,* That they meet all requirements of the immigration laws of the United States for admission into the United States for permanent residence.

"'(4) A number of immigration visas not to exceed seven thousand five hundred may be issued within the total numerical limitations provided in subsection (a) of this section to persons who are natives of Greece and who on or after January 1, 1940, and on or before January 1, 1949, were forcibly removed or forced to flee from their former habitual residence in Greece as a direct result of military operations in Greece by the Nazi government or by military operations in Greece by the Communist guerrillas, and prior to January 1, 1950, had not been either firmly settled or firmly resettled, and are qualified under the immigration laws of the United States for admission into the United States for permanent residence; and a number of immigration visas not to exceed two thousand five hundred may be issued within the total numerical limitations provided in subsection (a) of this section to persons who prior to June 30, 1950, were residents and nationals of Greece, who are eligible for admission to the United States as first or second preference quota immigrants, and who prior to June 30, 1951, make application to an American consular officer in Greece for appropriate visas to the United States for permanent residence.

"'(5) in lieu of affidavits of support or other evidence of support, a person authorized to be admitted under subdivisions (2), (3), and (4) of this subsection may submit to the consuls assurances by a citizen or citizens of the United States, in accordance with the regulations of the Department of State, that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person and the members of such person's family who shall accompany such person or who propose to live with such person shall not become public charges and will have housing without displacing some other person from such housing. The spouse and unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of persons defined in subdivisions (2), (3), and (4) of this subsection, shall, if otherwise qualified for admission into the United States for permanent residence, also be granted immigration visas within the numerical limitations set forth in the respective subdivisions. Those provisions of section 5 of this Act which relate to the contract-labor clause of the immigration laws and to the payment of ticket or passage shall be applicable to persons whose admission is authorized under the provisions of this section.

"'(c) Upon the issuance of an immigration visa to any alien as provided for in this Act, as amended, except to eligible displaced orphans, and except to aliens defined in sections 2 (f) and 12 of this Act, as amended, the consular officer shall use a quota number from the immigration quota for the country of the alien's nationality as defined in section 12 of the Immigration Act of May 26, 1924 (8 U. S. C. 212), for the fiscal year then current at the time or, if no such quota number is available for said fiscal year, in that event for the first succeeding fiscal year in which a quota number is available: *Provided,* That not more than 25 per centum of any quota shall be so used in any fiscal year beginning July 1, 1950, and ending June 30, 1954; and that not more than 50 per centum of any quota shall be so used in any fiscal year beginning July 1, 1954: *Provided further,* That during the fiscal years beginning July 1, 1950, and ending June 30, 1954, 50 per centum of the nonpreference portion of the immigration quotas as defined in section 6 of the Act of May 26, 1924, as amended (8 U. S. C. 206), shall be available to applicants for immigration visas who are otherwise qualified for admission into the United States for permanent residence, and who (1) on or after September 1, 1939, and before January 1, 1949, entered an area or country in Europe outside Italy or the American sector, the British sector, or the French sector of either Berlin or Vienna, or the American zone, the British zone, or the French zone of either Germany or Austria: *Provided further,* That for the purposes of this section the quotas referred to shall be computed on an annual rather than a monthly basis: *Provided further,* That any person who is an applicant for admission pursuant to this Act, as amended, and for whom assurances have been given by a citizen or citizens of the United States that such person, if admitted into the United States, will be suitably employed without displacing some other person from employment and that such person, and the members of such person's family who shall accompany such person and who propose to live with such person, shall not become public charges and will have housing without displacing some other person from such housing, shall not be required to furnish any affidavit or other evidence of support pursuant to the regulations (22 C. F. R. 42.327) promulgated under authority of subsection 7 (b) of the Immigration Act of May 26, 1924, or any other law or regulation; (2) establish that they are persons of European national origin displaced from the country of their birth, or nationality, or of their last residence, as a result of events subsequent to the outbreak of World War II; (3) that they cannot return to any of such countries because of persecution or fear of persecution on account of race, religion, or political opinions; and (4) that they have not been firmly resettled in any other country. The spouse and the unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of persons who establish their eligibility for immigration into the United States under this proviso, shall also be granted such eligibility if otherwise qualified for admission into the United States for permanent residence.

"'(d) The selection of eligible displaced persons shall be made without discrimination in favor of or against a race, religion, or national origin of such eligible displaced persons, and the Commission shall insure that equitable opportunity for resettlement under the terms of this Act, as amended, shall be afforded to eligible displaced persons of all races, religions, and national origins. The extent to which the Commission has accomplished the foregoing objective shall be specifically indicated in the semiannual reports of the Commission filed pursuant to section 8 of this Act.'

"SEC. 5. Section 4 (a) of the Displaced Persons Act of 1948 is hereby amended to read:

"'(a) Any alien who (1) entered the United States prior to April 30, 1949, and was on that date in the United States, or if he was temporarily absent from the United States on that date for reasons which, in accordance with regulations to be promulgated by the Attorney General, show special circumstances justifying such absence, and (2) is otherwise admissible under the immigration laws, and (3) is a displaced person residing in the United States as defined in this section may, within two years next following the effective date of this Act, as amended, apply to the Attorney General for an adjustment of his immigration status. If the Attorney General shall, upon consideration of all the facts and circumstances of the case, determine that such alien has been of good moral character for the preceding five years and that such alien is qualified under the provisions of this section, the Attorney General shall report to the Congress all of the pertinent facts in the case. If during the session of the Congress at which a case is reported, or prior to the end of the session of the Congress next following the session at which a case is reported, the Congress passes a concurrent resolution stating in substance that it favors the granting of the status of permanent residence to such alien the Attorney General is authorized, upon receipt of a fee of $18, which shall be deposited in the Treasury of the United States to the account of miscellaneous receipts, to record the admission of the alien for permanent residence as of the date of the alien's last entry into the United States. If prior to the end of the session of the Congress next following the session at which a case is reported, the Congress does not pass such resolution, the Attorney General shall thereupon deport such alien in the manner provided by law: *Provided,* That the number of displaced persons who shall be granted the status of permanent residence pursuant to this section shall not exceed fifteen thousand. Upon the grant of status of permanent residence to such alien as provided for in this section, the Secretary of State shall, if the alien was a quota immigrant at the time of entry, reduce by one the immigration quota of the country of the alien's nationality as defined in section 12 of the Immigration Act of May 26, 1924, for the fiscal year then current or the next succeeding fiscal year in which a quota number is available, except that quota deductions provided for in this section shall be made within the limitations contained in the first proviso of subsection (c) of section 3 of the Displaced Persons Act of 1948, as amended.'

"SEC. 6. Section 6 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 6. The preferences provided within the quotas by section 6 of the Immigration Act of 1924, as amended (8 U. S. C. 206), shall not be applicable in the case of any person receiving an immigration visa under this Act, except as otherwise herein specifically provided but in lieu of such preferences the following preferences, without priority in time of issuance of visas as between such preferences or as between preference or nonpreference cases under this Act, as amended, shall be granted to persons and their family dependents who are the spouse or the unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren of such persons, in the consideration of visa applications:

"'(a) First. Persons who are farm, household, construction, clothing, and garment workers, and other workers needed in the locality in the United States in which such persons propose to reside, or persons possessing special educational, scientific, technological, or professional qualifications.

"'(b) Second. Persons who are the blood relatives of citizens or lawfully admitted alien residents of the United States, such relationship in either case being within the third degree of consanguinity computed according to the rules of the common law.

"'No visa shall be issued to any alien whose admission under this Act is based on the submission of an assurance of suitable employment unless he shall first execute a signed statement under oath or affirmation that he accepts and agrees in good faith to abide by the terms of employment provided

for such person in the assurance upon which his application for a visa under this Act is based. The Commission is hereby authorized and empowered to administer an oath or take an affirmation for this purpose and to designate employees who shall have power to administer such oath or affirmation: *Provided*, That upon a finding by the Attorney General that such statement was falsely made it shall be deemed to be a misrepresentation for the purpose of gaining admission into the United States as provided for in section 10 of the Displaced Persons Act of 1948, as amended: *Provided further*, That in determining whether or not the person accepted and agreed in good faith to abide by the said terms of employment the Attorney General shall consider the manner, conditions, extent, and duration of the person's employment after admission into the United States. Such alien and any alien found to have been inadmissible under the provisions of this Act at the time of entry shall, irrespective of the date of his entry, be taken into custody and deported in the manner provided by sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.'

"SEC. 7. Section 7 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 7. Within the preferences provided in section 6, priority in the issuance of visas shall be given to eligible displaced persons who during World War II bore arms against the enemies of the United States or who served honorably in the labor service or guard units of the United States Army, and their family dependents who are the spouse or the unmarried dependent child or children under twenty-one years of age, including adopted children and stepchildren.'

"SEC. 8. Section 8 of the Displaced Persons Act of 1948 is amended by striking out the date 'June 30, 1951' in the first sentence and inserting in lieu thereof the date 'August 31, 1952' and by amending the sixth sentence to read as follows: 'The Commission shall formulate and issue regulations for the purpose of obtaining the most general distribution and settlement of persons admitted under this Act, consistent with housing and employment opportunities for resettlement, throughout the United States and their Territories and possessions'. The seventh sentence of section 8 of the Displaced Persons Act of 1948 is amended to read as follows: 'It shall also be the duty of the Commission to report on February 1, 1949, and semiannually thereafter to the President and to the Congress on the situation regarding eligible displaced orphans, eligible displaced persons and displaced persons; and such reports shall include full and complete details respecting the administration of the funds authorized to be appropriated pursuant to section 14 of the Displaced Persons Act of 1948, as amended, including the names of persons and organizations to whom loans shall be made and the amount of such loans.'

"SEC. 9. The second sentence of section 10 of the Displaced Persons Act of 1948 is amended to read as follows: 'The burden of proof shall be upon the person who seeks to establish his eligibility under this Act, and no person shall be certified by the Commission as eligible under this Act if the Commission knows or has reason to believe that the alien (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act; and no person shall be issued an immigration visa or be admitted into the United States under this Act if the consular officer or the immigrant inspector knows or has reason to believe that the alien is subject to exclusion from the United States under any provision of the immigration laws or (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this Act: *Provided*, That nothing in this section shall remove the right of review and appeal available to aliens under general immigration laws.'

"SEC. 10. Section 12 of the Displaced Persons Act of 1948 is amended to read as follows:

"'SEC. 12. (a) Notwithstanding the provisions of section 12 of the Act of May 26, 1924, as amended, until July 1, 1952, a number of immigration visas not to exceed fifty-four thousand seven hundred and forty-four may be issued to persons of German ethnic origin who were born in Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Russia, or Yugoslavia, or areas under the control and domination of any such countries, except those parts of Germany and Austria under military occupation by the Union of Soviet Socialist Republics, and who on January 1, 1949, resided in the western zones of Germany or Austria, or western sectors of Berlin or Vienna. Assurances shall be executed by a citizen or citizens of the United States in accordance with regulations of the Commission that persons eligible under this section, if admitted into the United States, will be suitably employed without displacing some other person from employment and that any such person and the members of his family who propose to live with him shall not become public charges, and will have housing without displacing some other person from such housing. The spouse and unmarried child or children under twenty-one years of age, including adopted children and stepchildren, of any person eligible under this section shall, if otherwise qualified for admission into the United States for permanent residence, also be eligible under the provisions of this section. All persons qualifying for admission under this section shall be exempt from paying visa and head taxes, and no such person shall be admitted into the United States unless there shall have been first a thorough examination and written report as provided for in section 10 of the Displaced Persons Act of 1948, as amended.

"'(b) Upon the issuance of an immigration visa under subsection (a) above, which shall be in addition to the numbers authorized in section 3 (a) of the Displaced Persons Act of 1948, as amended, the consular officer shall use, notwithstanding the provisions of section 11 (f) of the Immigration Act of May 26, 1924 (8 U. S. C. 211), a quota number from that portion of the quotas for Germany and Austria for the fiscal years ending June 30, 1949, and June 30, 1950, which was made available to persons of Germany ethnic origin under the provisions of section 12 of Public Law 774, Eightieth Congress, except that the total of such quota numbers shall not exceed by seven thousand the quota numbers used under the authority of the said section prior to June 30, 1950; and if no such quota number is available in that event the consular officer shall use a quota number from the immigration quota of the country of nationality of the person who receives the visa as defined in section 12 of the Immigration Act of May 26, 1924 (8 U. S. C. 212): *Provided*, That not more than 50 per centum of the quotas of the country of nationality of persons who receive immigration visas under this section shall be used in any fiscal year, and quota deductions authorized under this proviso shall be made within the limitations contained in the first proviso of subsection (c) of section 3 of the Displaced Persons Act of 1948, as amended.'

"'(c) Notwithstanding the preferences provided by section 6 of this Act, as amended, first priority in the issuance of visas chargeable to the German or Austrian quota under the provisions of section 12 of the Act of May 26, 1924, as amended (8 U. S. C. 212), or under the provisions of this section shall be granted to children who were sixteen years of age or under on June 25, 1948, and who prior to May 1, 1949, were legally adopted under the laws of the country in which they resided, by American citizens residing abroad temporarily. Those provisions of section 5 of this Act which relate to the contract-labor clause of the immigration laws and to the payment of ticket or passage shall be applicable to persons whose admission is authorized under the provisions of this section.

"'(d) The Commission shall make the necessary arrangements incident to the transfer of persons eligible for emigration to the United States under this section from their place of residence in Germany or Austria to the port of embarkation and from the port of embarkation to the port of entry in the United States. Notwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made for the purpose of this section, to make advances not to exceed in the aggregate $2,500,000 to the Commission which shall be employed by the Commission to finance the transportation and necessary incidents thereto of persons who are eligible for emigration to the United States under this section from their place of residence in Germany or Austria to the port of entry in the United States. No interest shall be charged on advances made by the Treasury to the Reconstruction Finance Corporation for this purpose, and the Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this section.'"

"SEC. 11. Section 13 of the Displaced Persons Act of 1948 is amended to read:

"'SEC. 13. No visas shall be issued under the provisions of this Act, as amended, to any person who is or has been a member of the Communist Party, or to any person who adheres to, advocates, or follows, or who has adhered to, advocated, or followed, the principles of any political or economic system or philosophy directed toward the destruction of free competitive enterprise and the revolutionary overthrow of representative governments, or to any person who is or has been a member of any organization which has been designated by the Attorney General of the United States as a Communist organization, or to any person who is or has been a member of or participated in any movement which is or has been hostile to the United States or the form of government of the United States, or to any person who advocated or assisted in the persecution of any person because of race, religion, or national origin, or to any person who has voluntarily borne arms against the United States during World War II. Upon arrival at the port of entry in the United States, every person eighteen years of age or older authorized to be admitted under this Act, shall take and subscribe an oath or affirmation that he is not and has never been a member of any organization or movement named in this section, and shall be liable to prosecution for perjury if such oath or affirmation is willfully false. If any person not entitled to a visa under this section shall nevertheless gain admission to this country, in addition to the penalty above-mentioned, such person shall, irrespective of the date of his entry, be deported in the manner provided by sections 19 and 20 of the Immigration Act of February 5, 1917, as amended.'

"SEC. 12. Section 14 of the Displaced Persons Act of 1948 is renumbered as section 15 and a new section is added to the Displaced Persons Act of 1948 to be known as section 14 and to read:

"'SEC. 14. Nothwithstanding the provisions of any other law, the Reconstruction Finance Corporation is authorized and directed, until such time as an appropriation is made for the purposes of this section, to make advances not to exceed in the aggregate $5,000,000, to the Commission which shall be employed by the Commission for loans through public or private agencies to persons who provide assurances, or to public or private agencies to finance the reception

and transportation of eligible displaced persons and eligible displaced orphans and persons authorized to be admitted under section 12 of this Act, as amended, from ports of entry within the United States or its Territories or possessions. Such loans, which shall mature not later than June 30, 1953, shall be made under rules and regulations approved by the President. No interest shall be charged on advances made by the Treasury Department to the Reconstruction Finance Corporation for the purposes of this section, and the Reconstruction Finance Corporation shall be repaid without interest for advances made by it hereunder from funds made available for the purposes of this section.'

"SEC. 13. The Displaced Persons Act of 1948 is amended by adding a new section to read as follows:

" 'SEC. 16. Representatives of the Government of the United States are authorized to participate in a conference between affected nations for the purpose of studying and making recommendations providing for a satisfactory solution of the problems of persons of German ethnic origin who were expelled from the countries of their residence into Germany and Austria and are presently residing in those countries. The appropriation of such sums as may be necessary to carry out this section is hereby authorized.'

"SEC. 14. The Displaced Persons Act of 1948 is amended by adding at the end thereof a new section to read as follows:

" 'SEC. 17. All transportation by ships or planes of aliens under this Act to the United States, the cost of which is defrayed in whole or in part by the Government of the United States, shall be by ships or planes registered under the United States flag, or by ships owned by the United States.' "

And the Senate agree to the same.

EMANUEL CELLER,
FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
LOUIS E. GRAHAM,
FRANK FELLOWS,
Managers on the Part of the House.

PAT MCCARRAN,
HARLEY M. KILGORE,
HERBERT R. O'CONOR,
ALEXANDER WILEY,
HOMER FERGUSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

It is the considered opinion of the conferees that the enactment of this legislation constitutes the final contribution of the United States toward a satisfactory solution of the displaced persons problem and that its enactment would alleviate the necessity of any extension of the International Refugee Organization, expiring on March 31, 1951.

In a free exchange of opinions and arguments the conferees endeavored to compose certain differences as they appeared in both versions of H. R. 4567, originally introduced by Representative EMANUEL CELLER, most of the work of the conferees consisting in perfecting the language of the measure, thus providing for as smooth and efficient operation as possible of this necessarily complicated and involved legislative measure. The conferees agreed to clarify in their respective statements certain thoughts and intentions in order to facilitate the task of the executive agencies charged with the operations authorized under the law.

The conference carefully considered the adverse effect of a cut-off date of January 1, 1949, upon anti-Communist refugees who fled subsequent to that date and upon outstanding anti-Communist leaders still risking their lives behind the iron curtain who might have to flee to the west. The conference concluded that, due to the unprecedented repression behind the iron curtain, this was more than simply the usual question of unfortunate border-line cases. The conference agreed with the urgent representations of the Department of State that continuing aid to the outstanding anti-Communist leaders should represent an important element in our foreign policy. The conference believes that by granting authority to issue a limited number of visas to such persons, upon the joint recommendations of the Secretaries of State and Defense, strong encouragement to anti-Communist elements will be given, and extremely deserving and useful potential citizens will be admitted to the United States. The conference, accordingly, retained the language of section 2 (d) of H. R. 4567 in the House bill, but reduced the number from 15,000 to 500. The reduction was due to the belief that these visas should be issued only to cases of unusual appeal which cannot be handled under the other provisions of the Displaced Persons Act of 1948, as amended, or under the regular immigration laws.

The conferees have agreed to retain in the act the provision, originating in the Senate, under which assurances for employment and housing may be submitted only by a citizen or citizens of the United States. This provision, contained in sections 1, 2, 3, 4, and 10, is intended to assure proper resettlement opportunities. Recognized and approved American voluntary agencies and State committees or commissions for the resettlement of displaced persons are included within the term "citizen" for the purpose of submitting assurances in the same manner as they have thus far in the program.

The act provides in several sections that unmarried dependent children under twenty-one years of age shall derive eligibility from the principal applicant. In order to avoid separation of families, the age of twenty-one shall be determined as of the time of visa issuance.

Section 3 provides for the nonquota entry of 5,000 war orphans who are not IRO eligibles, who reside in the free countries of Europe and in Turkey and who may be sponsored without adoption in Europe. The provision originated in the Senate, but the authorization has been reduced from 20,000 to 5,000, and the upper age of the orphans reduced from 16 to 10 years. Although it will involve additional administrative arrangements, this provision is to be administered by the Displaced Persons Commission with the assistance of such other agencies or departments as it may feel necessary to call upon. In conformity with other provisions of the act, as amended, the authorization is extended only until July 1, 1952, and the 5,000 visas are in addition to those elsewhere authorized in the act, as amended. Assurances may be filed until June 30, 1951, and visas may be issued until July 1, 1952.

Another subsection of section 3, authorizing admission of a limited number of persons displaced from Venezia Giulia as a result of its absorption into Yugoslavia, originated in the Senate and the House conferees accept its inclusion into the measure. The number is reduced from 5,000 to 2,000. Because of the nature of the problem and its similarity with other categories of displaced persons covered by the act, the administration of this provision is being placed in the hands of the Displaced Persons Commission.

Subdivisions (2), (3), and (4) of section 3 (b) of the 1948 act as amended by section 4 of this act are new and cover groups of displaced persons not presently included in the existing law. Because of the nature of the problems involved, these provisions will be administered by the proper officers of the Department of State and the Department of Justice. There will be no necessity of extending the operations of the Displaced Persons Commission in these three instances: European refugees in the Far East, honorably discharged veterans of the exiled Polish Army, and the Greek immigrants.

The new subsection 3 (b) (2) of the amended act covers people who may still be in China on the effective date of this amendatory legislation, as well as those displaced persons who fled China and have not been firmly resettled in or received for permanent residence in countries other than the United States.

The new subsection 3 (b) (3) of the amended act covers former members of the Polish Army who fought on the side of the Western Allies, who reside in the British Isles upon the effective date of the amendments, and who have registered for an immigration visa to the United States prior to such effective date. It is the understanding of the conferees, in connection with the provision "but have not been either firmly settled or resettled," which originated in the Senate, that registration for an immigration visa with a United States consular officer in Great Britain prior to the effective date of this legislation shall be considered by the consuls to be indicative of the failure of such registrant to become either firmly settled or resettled, notwithstanding the provisions of British legislation. However, in any event, a person who has applied for British naturalization shall be considered firmly settled or resettled.

In order that the American organizations interested in the European refugees in the Far East, the Poles and the Greeks, covered in subdivisions (2), (3), and (4) of section 3 (b) of the amended act, may assist in their resettlement, provision is made for sponsorship either by the normal affidavits of support or the assurances which are available to other groups under the bill. Either form shall be acceptable, and either may be used for different individuals.

With reference to section 5 which amends section 4 of the 1948 act, the conferees were advised that by misconstruction of the statute, some question had been raised by the Department of Justice as to whether persons in the United States affected by the recent hostilities in the Middle East were within the meaning of section 4 of the Displaced Persons Act of 1948. It is the view of the conferees that such persons were and are definitely within the purview of section 4 and, more particularly, that the recent hostilities in the Middle East were "events subsequent to the outbreak of World War II" as that phrase is used in section 4 of the Displaced Persons Act of 1948.

Section 6 contains a new "good faith" amendment which requires that the alien state, under oath of affirmation, that he accepts and agrees in good faith to abide by the terms of employment provided in the assurance. This requirement is aimed at fraud at the outset and is not intended as a means of general labor-management controls. It is not intended to prevent proper resettlements in the United States where such are advisable. The Displaced Persons Commission's statutory obligations in connection with resettlement are being increased thereby and there is imposed upon the Commission the obligation to provide the displaced persons overseas with information and guidance as to their responsibilities to American sponsors and the American community. The "good faith" requirement is applicable not only to IRO displaced persons but to all persons admitted under assurances. Provision is made for the Displaced Persons Commission to administer oaths. The oath required by this provision does not apply, of course, to cases already visaed upon the effective date of these amendments, and shall not affect

the validity of assurances validated prior to the effective date of the amendments. The Commission may continue to receive assurances submitted by recognized voluntary agencies and State commission and committees which designate the area of the prospective housing and the type of employment.

Under the existing law, visas may be issued up to but not beyond June 30, 1950, and the Displaced Persons Commission's term of office continues until June 30, 1951. Under the amendatory legislation, visas will be issued as late as July 1, 1952, under section 3 (war orphans) and section 10 (German expellees and refugees). The Displaced Persons Commission is made responsible for the disbursement of certain funds until July 1, 1952. Therefore the Commission's term of office is continued until August 31, 1952, as provided in the Senate bill, to permit of orderly liquidation of its functions and to enable it to submit the final report required by the act. It is to be noted that the statutory salary for members of the Displaced Persons Commission was amended by the Classification Act of 1949, Public Law 429, Eighty-first Congress, first session.

The new provisions of section 10 of the 1948 act, as amended by section 9 of this act, are designed to give the Foreign Service and the Immigration and Naturalization Service a veto power on all questions of eligibility under the Displaced Persons Act as well as on all questions of admissibility under the regular immigration laws. Where the Displaced Persons Commission does not select a displaced person for submission to the consul as an eligible displaced person, the case is closed except for the Commission's internal review process. But where the Commission forwards a case to the consul, the Foreign Service has full authority to deny a visa where it knows or has reason to believe that the alien is subject to exclusion or is not eligible under the terms of this act. Similar authority is vested in the Immigration and Naturalization Service. This provision gives veto power and does not substitute the Foreign Service or the Immigration and Naturalization Service for the agency designated by the President under section 10 of the 1948 act, as amended, to make the thorough investigation and written report on the character, history, and eligibility of each person admitted under the act. Section 10, as amended, is not intended or designed to require either the consuls or the immigration inspector to reopen or review every case de novo in the absence of specific knowledge or substantial belief showing ineligibility. Where the veto is exercised, the Foreign Service and the Immigration and Naturalization Service shall continue to report to the Displaced Persons Commission the cause for rejection, for the purpose of maintaining orderly records. The proviso is intended to assure that there will be no change in appeal procedure.

The new provisions of section 12 of the 1948 act, as amended by section 10 of this act, increase to 54,744 the number of persons of German ethnic origin who may be admitted and seek to provide, to the extent possible, the same mode of operation as prevails for IRO displaced persons. Accordingly, administration of the program is transferred to the Displaced Persons Commission and provision is made for assurances instead of affidavits of support. To this same end, section 12 (d), as amended, authorizes the appropriation to the Displaced Persons Commission of such funds as may be necessary for transferring persons of German ethnic origin to the United States, and authorizes the Reconstruction Finance Corporation to advance $2,500,000 to the Displaced Persons Commission. Section 12 (b), as amended, governs the charging of quotas for such persons, and section 12 (c), as amended, provides a first priority, under both the normal immigration law and the Displaced Persons program, for certain children adopted by American citizens residing abroad temporarily.

The bar in section 13 of the 1948 act, as amended by section 11 of this act, against aliens who have adhered to, advocated, or followed the principles of any political or economic system or philosophy directed toward the destruction of free competitive enterprise and the revolutionary overthrow of representative government is conjunctive in application. In order to be subject to this restriction, an alien must have adhered, etc., to both a system or philosophy directed toward the revolutionary overthrow of representative government and one directed toward the destruction of free competitive enterprise.

The denial of a visa "to any person who has voluntarily borne arms against the United States" applies to aliens who voluntarily bore arms on the western front, including North Africa and Italy, during World War II. The conferees have amended this provision by including the word "voluntarily." The purpose of this amendment is to exempt from this exclusion provision of section 13, as amended, certain persons, other than German nationals, who were forced against their will to serve in the German armed forces or auxiliary organizations.

The conferees were anxious to assure the continuity of the displaced persons program, and to preserve efficiency in the smooth flow of cases through the complex and manifold process, which involves operations in the United States and in Europe, and which requires the closest cooperation of many Government agencies. Nevertheless, in view of the clear congressional intent in respect to certain changes in the present law, the various administrative agencies must immediately adapt their respective programs to the following important changes, which shall not be retroactive:

(1) on and after the effective date of the amendment, and beginning with the very first boat or plane arriving thereafter, no one 18 years or older may be admitted under this act without taking the security oath on arrival as provided for in section 13, as amended;

(2) on and after the effective date of the amendment, no assurances may be validated unless they have been submitted by a citizen or citizens of the United States (including recognized American voluntary agencies and State Commissions); and

(3) on and after the effective date of the amendments, the "good faith" oath of section 6, as amended, shall be required of all persons who have not yet received a visa. The terms of employment indicated in the assurances validated before the effective date of the amendments shall be sufficient basis for such oath.

The managers on the part of the House believe that the legislation herewith presented to the House is fair, equitable, and that it serves well the interests of the United States, and they therefore recommend the approval of the conference report.

EMANUEL CELLER,
FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
FRANK FELLOWS,
LOUIS E. GRAHAM,
Managers on the Part of the House.

The conference report was agreed to.

A motion to reconsider was laid on the table.

Mr. CELLER. Mr. Speaker, today marks, we fervently hope, the beginning of the end of a journey.

The Celler Displaced Persons Act, as amended by H. R. 4567, looks just like any other bill with a certain number of provisions, and a certain number of "provided howevers," so many lines to a page, and so many words to a sentence. But if you hold up the bill to the light, you will see the faces of men, women, and children who have traveled through terror and despair, sustained only by the hope that ultimately the heart of mankind will see them and understand.

The constant repetition of their story has perhaps dulled us into thinking of them only in terms of numbers. But each number is a human being endowed with the precious gift of life with all the strength and the weaknesses common to humanity—with muscle, flesh, and blood, with hopes and fears and prayers—even as you and I.

Celler bill, H. R. 4567, reaffirms a faith in humanity. H. R. 4567 is a reaffirmation of the preciousness of life and a reaffirmation that the fate of an individual is civilization's responsibility. Caught in a tragic and desperate net of circumstances, they carried with them over a decade the badge of their despair summed up in a single word "displaced," deprived of the right to live as other men live.

In all humility because "but for the grace of God go I," I urge that the conference report on H. R. 4567, unanimously agreed to by all conferees, be unanimously adopted.

I take pardonable pride in drawing attention to the fact that this legislation bears my name. I have fought for passage of a sensible nondiscriminatory DP bill for several years. I am happy in the thought that the fight is ended.

I shall treasure the pen that President Truman uses to sign the measure. It shall be among my treasured possessions.

It is significant that all 10 conferees of the House and Senate signed the report.

I offer uninhibited praise to my distinguished colleagues, Messrs. WALTER, FEIGHAN, GRAHAM, and FELLOWS, for their cooperation and painstaking work in getting these fine results. I did not get all I wanted. It is a good compromise.

The final passage of this report will insure the closing of these DP camps and the saving of $75,000,000 per annum of American taxpayers' money for their maintenance.

We set a fine example to the rest of the world. Our lead will be followed by other countries who will take their share of DP's.

Inclusive of admissions under the 1948 act we shall admit by the final passage of the Celler bill 415,744 persons by July 1, 1951. Orphans admissible have until 1952 to enter and Volksdeutsche have until 1952.

With the exception of the 10,000 orphans admissible all are chargeable to quotas—future and present quotas.

IMMIGRATION NOT INCREASED

Thus the over-all immigration is not increased beyond eventual quota allowances. With the exception of 10,000 orphans all coming in are charged to present and future quotas. The quotas for various countries are mortgaged at the rate of 25 percent for each for 4 years from July 1, 1950 and 50 percent thereafter. I opposed such mortgaging. It is cruel to do so and quite unfair to future worthy immigrants who would

want to migrate here but cannot. But in conference the manager must give and take—must compromise. I held out on this matter as long as I could or would dare. In return for yielding, suitable compensations were obtained.

Between 1940 and 1946, inclusive, there were 896,000 unused quota numbers. Thus in effect the Celler bill would take up about 50 percent of the total quota numbers unused. We really admit but half of those who might have come in but for the havoc and misfortune of war.

CLASSES ADMITTED

The breakdown of the over-all number of persons eventually entering will be as follows:

Three hundred and one thousand five hundred will be DP's by definition of the IRO—International Refugee Organization.

Eighteen thousand Poles now in Britain are permanently settled there.

Ten thousand Greeks. Two thousand five hundred will be dear ones and near relatives of American citizens and Greeks in United States. Seven thousand five hundred will be Greeks of all categories.

Two thousand Italians of Venezia Giulia displaced by Yugoslavia difficulties.

Five hundred from behind the iron curtain. These will include former employees of our embassies in satellite countries. They will form a reservoir upon which we may draw for intelligence agents. The Celler bill, as it passed the House, provided for fifteen thousand who could escape from beyond the iron curtain and who are anti-Communists and are members of resistance movements against the Kremlin. I thought it well to offer encouragement to these brave souls willing to resist Stalin and his stooges. The conferees refused my request to keep the number at fifteen thousand and reduced same to five hundred—to my mind an insignificant number. These five hundred must be approved by the Departments of State and Justice as condition precedent for entry. There is no time limit on their entry.

Four hundred Shanghai refugees.

Five thousand war orphans who may now be IRO eligibles and who are residents of free countries of Europe and Turkey, and who may be sponsored without adoption.

Five thousand orphans adopted—mostly by GI's.

Fifty four thousand seven hundred and forty-four Volkdeutsche or expellees.

Fifteen thousand refugees in United States temporarily prior to July 1, 1949.

Total, 415,744.

VOLKDEUTSCHE

Seven thousand of the Volkdeutsche will be charged to the German quota. Ten thousand have already been processed and are en route. These ten thousand are also charged to the German quota or a total of seventeen thousand. The balance of the Volkdeutsche, 37,744, will be charged to countries of origin. This is unfair—loading countries with charges against future quotas like Latvia, Czechoslovakia, Hungary, Poland, and so forth. The quotas of these countries are pitifully small. They will thus be mortgaged, in some instances, to the year 2000. I fought against this procedure. My bill, as it passed the House, charged Volkdeutsche wholly against the German quota. But mine was a voice in the wilderness. Most of the conferees did not agree with me. I had to be content with the compromise charging seventeen thousand against Germany.

SHANGHAI REFUGEES

There are today on Ellis Island 107 Shanghai refugees who but for an unfortunate quirk of fate would be eligible for admission into the United States under the Displaced Persons Act. Had they been still in Shanghai the signing of H. R. 4567 would have clearly authorized their entry. Though bound for Germany under the auspices of the IRO, they come clearly within the purview of the provision of the bill, since, actually, in the language of the bill they "fled China and have not been firmly resettled in or received for permanent residence in countries other than the United States." Though clearly within the language of the bill, administrative difficulties have presented themselves which, I hope, will be ultimately settled so that the language so definitely applicable to them can be effectively used for their benefit.

MIDDLE EAST REFUGEES

We have tried to make it crystal clear so that the Department of Justice and other interested authorities cannot make arbitrary judgments that recent hostilities in the Middle East are "events subsequent to the outbreak of World War II," and hence Jews and Arabs in this country prior to April 30, 1949, can apply to the Attorney General for adjustment of their immigration status under the Displaced Persons Act. We wanted no mistake about this, and hereafter there shall exist no excuse of misinterpretation. Jews and Arabs who left the Middle East because of the recent hostilities come squarely within the provisions of the Displaced Persons Act.

CUTOFF DATE

The cutoff date for the DP's is changed from the 1948 provision, namely, December 22, 1945, to January 1, 1949. The 1945 cutoff was a cruel attempt to shut out deserving DP's who entered these camps subsequent to that date.

PREFERENCE

We do away with the obnoxious racial and religious discriminations. We knock out the 40-percent Baltic preference and the 30-percent preference for agriculturists.

We provide funds for the transportation of the DP's from Germany and other parts of Europe across the Atlantic to ports of debarkation and from those ports inland in the United States to places of settlement. We also provide two and a half million dollars for similar transportation of the Volkdeutsche or expellees.

For security purposes there is effective screening by the Departments of the Army, State, and FBI, as well as the immigration authorities and the Displaced Persons Commission. Such screening will keep out Fascists and Communists.

DP PROGRAM IN THE UNITED STATES

The DP program is working with great success. The DP's are a credit wherever they have settled in the United States and have become integrated into the economy of the Nation as carpenters, lathers, bricklayers, farmers, doctors, pharmacists, blacksmiths, nurses, houseworkers or domestics, and miners.

The program has the earnest cooperation of various splendid religious organizations, like the Catholic Rural Life Conference, Federal Council of Churches of Christ in America, United Service for New Americans, Joint Distribution Committee, Lutheran organizations, and the like. Yeoman service has also been rendered in the settlement of the DP's by 38 State displaced persons commissions.

Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to extend their remarks at this point in the RECORD on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WALTER. Mr. Speaker, there are certain facts in connection with the displaced-persons program that are of interest to the American people. They are:

First. Numerical breakdown comparing the amended bill with the 1948 act. All numbers are set forth in the aggregate and they include the numbers provided for in the 1948 act:

	1948 act	Amended bill
IRO displaced persons	200,000	301,500
German expellees	27,377	54,744
Polish veterans	----------	18,000
Greek displaced persons	----------	10,000
European refugees from China	----------	4,000
Venezia-Giulia refugees	----------	2,000
Displaced orphans	3,000	5,000
Adopted orphans	----------	5,000
Recent refugees (general cutoff date not applicable)	2,000	500
Adjustment of status (DP's in United States)	15,000	15,000
Total	247,377	415,744
Charged to quota	405,744	----------
Nonquota (children)	10,000	----------
Total	415,744	----------

Second. The total number above listed represents less than 50 percent of the unused quota numbers for the war years—fiscal years ending June 30, 1940, through June 30, 1946. The breakdown of the unused quota numbers is shown in the following table:

Year	Annual quota authorized	Quota immigrants admitted	Unused quota
1940	150,501	51,141	99,360
1941	150,501	35,316	115,185
1942	150,501	14,147	136,354
1943	150,501	8,714	141,787
1944	150,501	8,983	141,518
1945	150,501	11,042	139,459
1946	150,501	27,839	122,662
Total	1,053,507	157,182	896,325

Third. This legislation does not revive or in any other way authorize that the 1940–46 deficiency be used, but it mortgages for the future quotas of 14 European countries—in several instances, for over 200 years.

Fourth. The admission of 54,774 German expellees and refugees. This figure includes the 10,000 already admitted under the 1948 act. It does not, of course, provide a solution for a problem involving more than 8,000,000 people. It is a token of good will and a practical expression of this country's willingness to contribute to a solution. This problem could only be solved by concerted international action and section 16 of the bill now under consideration authorizes the United States to participate in such an international effort. It is necessary to make clear that by referring in the new section 16 to the problem of German expellees and refugees, no one familiar with the European situation intends to detract in the slightest from the importance in solving other existing population problems, particularly in Italy. In that respect, the recent conference of foreign ministers held in London, has made an important step forward by authorizing an international study of this problem.

Fifth. Loans—These loans will be granted through American voluntary aid societies to individual sponsors in order to help defray the cost of inland transportation. This provision is primarily designed to alleviate the already visible congestion of the eastern seaboard States and help to distribute the displaced persons more evenly all over the United States.

Sixth. Most recent pertinent figures relating to admission of displaced persons under the 1948 act as of May 31, 1950:

Admitted	153,843
Visas issued	165,945

Of this number, the following quota charges were made:

Poland	78,074
Latvia	21,825
Lithuania	19,339
Russia	14,715
Estonia	7,440
Yugoslavia	5,741
Hungary	4,879
Czechoslovakia, etc	4,672

The breakdown according to religious affiliations of displaced persons admitted by May 31, 1950, shows that 46 percent are of the Catholic faith, 29 percent of the Protestant and orthodox faith, 23 percent of the Jewish faith, and 2 percent belong to other faiths. Compared with figures showing the religious affiliation of the new immigrants as of January 1, 1950, these figures show a gradual decrease of the percentage of Jews, most of whom are now going to Israel, and a gradual but steady increase of the percentage of Protestants and orthodox. The percentage of Catholics remains static.

Seventh. The resettlement picture—which should show improvement since funds will now be provided for inland transportation of the new arrivals—is not very satisfactory. Although displaced persons have now been resettled in every one of the 48 States and in Alaska, Hawaii, and the Philippine Islands, the State of New York leads on resettlements with the figure of 41,311. Illinois and Pennsylvania are next with 11,892 and 11,346, respectively. New Jersey follows with the figure of 8,397; Michigan is next with 7,639; then California with 5,746; Massachusetts, 5,673; Connecticut, 4,521; Maryland, 4,301; Minnesota, 4,197; Wisconsin, 3,878; Virginia, 2,851; Indiana, 2,707; Louisiana, 2,543; Mississippi, 1,954; North Carolina, 1,792; Missouri, Texas, South Dakota, Nebraska, Iowa, and the State of Washington are all in the vicinity of 1,000 each. The remaining States and the Territories have received less than 1,000 displaced persons each. Seventy-five percent of all displaced persons admitted to this country were in family groups and 38,854 of those admitted are children—of which 31,822 or 22 percent of all aliens admitted are children under 14 years of age.

Eighth. One of the important changes made by the conferees in the bill as it passed the Senate is the elimination of an amendment submitted by Senator ROBERTSON, of Virginia. Under this amendment, accepted in the late hours of the Senate's final deliberations on the bill, certain persons temporarily in the United States could obtain the privilege of permanent residence under section 4 of the 1948 act even if they could safely return to the countries of their last residence.

The conferees were unanimous in their opinion that this provision would be too extensive and that it would do much more than originally intended, namely, to provide for a safe haven in the United States for those refugees who have no safe place to go. It is important, however, that the Department of Justice take judicial notice of the conferees' sentiments in that respect. As we all agreed, only such countries should be regarded as the countries of the alien's residence in which he had the right to reside permanently in accordance with our construction of "permanent residence," if he had established his domicile, and if he had there the right to work.

I hope that this clarifying statement will be helpful to the Department of Justice in the administration of the law and, since congressional approval of the Attorney General's ruling in section 4 cases is being retained, I trust that, in cooperation with the Department, both Houses of Congress will be able to work out a realistic basis for granting of permanent residence to this category of displaced persons.

Mr. RODINO. Mr. Speaker, I am very happy to support this legislation.

The present amendments have considerably liberalized the old law of 1948, and this should be a source of gratification to us all for two reasons: In the first place, because we are thus reaffirming the traditional American policy of giving refuge to persecuted and helpless minorities; in the second place, because to the extent in which we relieve the situation of the DP's we are also contributing to the solution of the predicament of Europe's overpopulation. Moreover, the United States opens its doors to a new and important quota of immigrants who, over and above this, will be loyal Americans and even more ardent in their love of democracy for having been the victims of dictatorial governments and for having realized by sad experience how much more precious than life itself is the supreme boon of liberty.

I am therefore of the opinion that Congress has accomplished an excellent work in the interest of all concerned and that we must therefore pass the bill which is laid before us.

However, there is one remark I should like to make, not so much to point out an omission in its provision, but to call attention to the fact that the bill, by limiting itself in section 16 to suggest an international conference for the resettlement of the DP's of German ethnic origin only, covers but one side of the serious question of overpopulation in Europe.

It is my belief that overpopulation in Italy being the basic problem which the Italian democratic Government is now facing, it cannot be considered as one concerning only that foreign Government; but, on the contrary, I think that it should be examined and solved on an international basis in the common interest of the western democracies.

The immediate goal we are pursuing is the relief of overpopulation in a country which is closer to the communistic world, both geographically and because of its economic conditions which make it receptive to the communistic message. We can counteract communistic influence by affording this country relief. Another aim that we will attain is the improved distribution of labor in the world.

These considerations, I believe, were among those that prompted the three Foreign Ministers to state on May 14 last that the excess of population from which several countries of western Europe are suffering is one of the most important elements in the difficulties and disequilibrium of the world.

The statement concluded, as you know, by suggesting an international meeting with representatives of Italy and Germany mentioned as the two countries having the greatest interest on the subject.

I should like to quote here from an article which appeared in the New York Times May 14, 1950, relative to a statement on migrants by the three foreign ministers:

> In the course of their discussions the foreign ministers have recognized that the excess of population from which several countries of western Europe are suffering is one of the most important elements in the difficulties and disequilibrium of the world.
>
> They also believe that the systematic exploration of opportunities for greater population mobility can attribute significantly to the solution of the problem.
>
> In this connection they have noted the valuable work on numerous aspects of the problems of migration which have been going forward within the ILO (International Labor Organization), the United Nations, and specialized agencies in the OEEC (Organization for European Economic Cooperation), and in particular the conclusions reached at the preliminary migration conference which has just completed its work in Geneva.
>
> They believe that in view of the importance and wide scope of the problem it would be desirable to make a general review of the various activities in this field with a view of determining whether there are additional approaches which could be undertaken. For this purpose they have agreed that they will designate experts to confer together after

the conclusion of these meetings and to consult with the experts of other interested governments, particularly Italy and Germany, in view of their major interest in the problem.

Mr. Speaker, you know how important and urgent is this problem of overpopulation: overpopulation means poverty and poverty is the best soil for the spread of communism. Fight poverty and you will preserve freedom in countries with a low economic level. This is especially true of Italy, the home of a people which by nature, by tradition, and by very recent experiences is certainly not inclined to any kind of extremism but is, on the contrary, to be trusted as a sure partner in the Atlantic alliance of liberty-loving nations.

Mr. BRYSON. Mr. Speaker, in opposing the adoption of the conference report on H. R. 4567, I am thus consistently following my policy regarding displaced persons legislation which has been before the Congress now for several years.

As a member of the Judiciary Committee, which, under the reorganization act of Congress, absorbed jurisdiction of immigration and naturalization, I went to Europe last fall with a group of my colleagues to study this problem. Since I have spoken before, I do not intend now to elaborate to any great extent on the subject of displaced persons legislation.

In opposing this measure, I do not believe I can be charged with lack of sympathy for those unfortunate people living in lands devastated by the late war. I have consistently voted for the Marshall plan for the reason that funds flowing therefrom would not only alleviate pain and suffering and provide at least the necessities of life for those worthy thereof, but, in addition thereto, since we must continue to fight at least a cold war we resort to economic, psychological, and military strength. I am encouraged by the reports we received while in Europe and subsequently thereto regarding the results of the Marshall plan.

I believe that under our generous laws on immigration, we have provided and shall continue to provide for many. We must, however, give first thought to our own safety and security and are therefore unable to further open our gates for those who seek our shores. I therefore am voting against the adoption of this report.

Mr. JAVITS. Mr. Speaker, the displaced-persons policy of the United States comes to full maturity by this conference report. The United States is, within the limitations of the democratic process and the reconciliation of differing points of view doing its fair share by this bill in connection with the displaced-persons problem, as urged in its 1947 report by the Subcommittee on Displaced Persons of the Committee on Foreign Affairs, of which with the Honorable JAMES G. FULTON, of Pennsylvania, and the Honorable FRANK CHELF, of Kentucky, I was a member.

The conference report in the main strikes out the discriminatory provisions which existed in the displaced persons legislation passed in 1948. I look forward now to the use of this new legislation for negotiations to terminate the displaced-persons problem, to care for the hard core cases, and to finally terminate the displaced-persons camps as such.

I express the hope that the State Department and the Displaced Persons Commission will bear in mind in their allocation of quota numbers that 600 persons, many with close relatives in the United States, eligible under the bill are still marooned in Shanghai for reasons beyond their control. I also am deeply gratified to see that the idea of admitting orphaned children for adoption as nonquota immigrants, originally proposed by Senator IVES and myself, has been incorporated in this bill.

CORRECTION OF CONFERENCE REPORT

Mr. CELLER. Mr. Speaker, I ask unanimous consent to correct two typographical errors which appear in the conference report, House Report No. 2187, namely, on page 2, fifth line from the bottom, substitute the word "and" for the word "or", as it appears before the word "adoption", so as to make the line read, "placed person and agrees to release him for emigration and adoption or." And, on page 7, fourth line from the top, correct the spelling of the word "during."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. MICHENER. Mr. Speaker, reserving the right to object, that "and or" business, I did not know anything about this request until the chairman called it up. Does it change the meaning at all, or the substance of the conference report?

Mr. CELLER. No; it does not change the substance. It is purely a technical change, and there is no danger that there is anything but a mere error in the wording by virtue of this typographical error.

Mr. MICHENER. Certainly I would have no objection to changing anything that is merely a typographical error.

Mr. CELLER. That is all it is.

Mr. MICHENER. But when you are dealing with "and or" those are two very important words in the law. They have different meanings.

Mr. CELLER. There is no important change in the substance.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

OMNIBUS PRIVATE CLAIMS BILL

The SPEAKER. The Clerk will call the first omnibus bill on the Private Calendar.

FOR THE RELIEF OF SUNDRY CLAIMANTS, AND FOR OTHER PURPOSES

The Clerk called the bill (H. R. 7468) for the relief of sundry claimants, and for other purposes.

The Clerk read as follows:

TITLE I—(S. 749. FOR THE RELIEF OF FERD H. GIBLER.) BY SENATOR LUCAS

That the Comptroller General is authorized and directed to credit the accounts of Ferd H. Gibler, postmaster at Freeport, Ill., in the sum of $9,812.28, representing the balance due the United States on account of the embezzlement of post-office funds by Harry J. Seachrist, former assistant postmaster at the Freeport, Ill., post office.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: Beginning on page 1, strike out all of title I.

Mr. DOLLIVER. Mr. Speaker, this is the first time in this session of Congress that we have been confronted with an omnibus bill, and perhaps it is in order to explain why such a bill comes before the House of Representatives. In this omnibus bill are included three private bills which were objected to, and properly, the objectors thought, involving a total sum of $54,084.28.

In reporting this omnibus bill, the author of the report the gentleman from New York [Mr. BYRNE], very kindly said, "It is the opinion of the committee that the bills included in this omnibus bill were objected to only because the objectors felt that they were too involved to be allowed to pass by unanimous consent." I say that is a very kind way of stating the opinion of the objectors on these three bills that are on H. R. 7468.

Now we take each of them up separately, and the House has an opportunity to vote on each of them. The first title is the one which has just been read by the Clerk, title I, for the relief of Ferd H. Gibler. This bill is to relieve Mr. Gibler from the payment of $9,812.28, representing the balance due the United States on account of the embezzlement of funds by Harry J. Seachrist, former assistant postmaster at this post office.

Under the law, as I understand, the postmaster in a post office is responsible to the Government for the funds that go through that post office. Postal employees are bonded. It is the responsibility of the postmaster to see that they are bonded in an adequate amount. That is exactly the place where Mr. Seachrist apparently was, shall I say, too crafty for his superior, the postmaster. Because Mr. Seachrist, the former assistant postmaster, embezzled a sum in excess of the amount for which he was bonded.

It is at that very point that Mr. Gibler, the postmaster, now asks for relief from the Congress. The United States Government has lost this sum of money, $9,912.28. The question now arises whether that loss shall fall upon the man who was responsible for the loss, namely, the postmaster, Mr. Gibler, or whether it shall fall upon the Treasury of the United States.

Expressing my own opinion, and mine only, although I hope the House shares this opinion, I believe that loss should fall on the shoulders of the man who was responsible, Mr. Gibler. I am conscious of the fact, of course, that it represents a considerable financial loss to him. But that is one of the responsibilities of the job he has under the Federal Government.

As I understand from the record, the remedy the Government and the postmaster, Mr. Gibler, have against the bonding companies has been exhausted, and this is a clear-cut case now of whether this loss of $9,812.28 shall fall

upon the man who was responsible for the loss under the law or whether you are going to lift that from his shoulders. That is the only issue involved in this title of the bill.

If the House decides it is going to relieve this man, it can do so. But for me, I think this a chance to save the taxpayers of the United States about $10,000. We have been struggling over these last weeks until about the middle of May with a huge appropriation bill involving some $29,000,000,000. Maybe $10,000 does not amount to much in the book of some of the Members present. As far as I am concerned, I am willing to hew to the line. I have moved that this title be stricken from this bill and that the United States be relieved from paying this amount which is rightfully due from Mr. Gibler, the man involved. I hope the House will support my motion.

Mr. ALLEN of Illinois. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, I dislike very much to be in disagreement with my good friend from Iowa, as well as the others of the official objectors. In my 18 years in the Congress this is the first time I have taken the floor in disagreement to them. They perform an honest and faithful service. But this happens to affect one from my district and I believe it is important that I make a few observations in order that you better understand.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. McCORMACK. I remember there was one bill in which I was very much interested and my friend supported me. I simply want the RECORD to show that the gentleman has been generous in some respects, and in order to support the gentleman on this meritorious bill which he is sponsoring, I want to point out that the right vote on this amendment would be "no," would it not?

Mr. ALLEN of Illinois. That is correct. I thank the able Democratic majority leader. With your influential support I feel certain that we will be successful in voting down this amendment. I appreciate that this will be handled in a nonpartisan manner.

I am convinced, Mr. Speaker, when I have stated the case and the rest of the Members know the real facts, you are going to be in agreement with the gentleman from Massachusetts [Mr. McCORMACK], the majority leader, as well as with me.

Now, what are the facts? On June 1, 1935, Mr. Gibler became the postmaster at Freeport, Ill., and was requested to go on the bond of the assistant postmaster, Harry J. Seachrist. The assistant postmaster was a career man. From June 1, 1925, to November 25, 1944, a period of approximately 20 years, the assistant postmaster embezzled $28,156.61 from the Freeport post office. It happens that Mr. Gibler, the postmaster, is not a public accountant, and is not an expert on bookkeeping. But the strange and surprising thing to me is how these inspectors for 20 years could not find the embezzlement. That is their business. They went into this post office and could not find the mistakes, and could not find the embezzlement. How can the Post Office Department or anyone else say that this postmaster, with no education in the field of accountancy to speak of, was negligent when the inspectors, with all their great learning of bookkeeping, came in there for 20 years and could not find the mistake?

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. JONAS. Over what period of time did this embezzlement extend?

Mr. ALLEN of Illinois. It extended over a period of approximately 20 years.

Mr. JONAS. Do I understand the gentleman from Illinois to say that during this period of 20 years there was an annual inspection by the Post Office Department?

Mr. ALLEN of Illinois. Yes; there was an annual inspection. As a matter of fact, the inspection might have been twice a year.

Mr. JONAS. And the inspectors never found any evidence of the embezzlement or any evidence of the shortage of funds?

Mr. ALLEN of Illinois. No; they found nothing. But still they have come in with a report stating that this postmaster, with no knowledge of that type of work, was negligent.

Mr. JONAS. How much was he bonded for?

Mr. ALLEN of Illinois. It has all been paid, that is, $28,156.61, except the $9,812.28.

Mr. JONAS. What became of the man? Was he apprehended and convicted?

Mr. ALLEN of Illinois. That is my understanding although I am not positive.

Mr. JONAS. I thank the gentleman for the information.

Mr. ALLEN of Illinois. The Post Office Department says that it will interpose no objection to the enactment of this bill if, in the judgment of the Congress, the liability assessed against Mr. Gibler represents too heavy a penalty for his negligence. That is signed by the Assistant to the Attorney General.

Just think of what that means. To my knowledge nothing like that has ever come in from the Department of Justice. They know that if there has been any responsibility or negligence in this case, it is the responsibility and negligence of these inspectors who came in there at least 20 times and never found any evidence of the embezzlement, and they are men well versed in the school of accountancy.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. PRICE. First, I want to say I am going to certainly support the position of the gentleman in this matter. I think it might be helpful to the Members if the gentleman would explain why the bonding company only had to pay up to a certain amount in making repayment on this bond.

Mr. ALLEN of Illinois. I would say that the postmaster, Mr. Gibler, had to go a certain amount on the bond, and the bonding company had to pay the full amount that they went on the bond. But I think it is required by the law, I am not positive, that the postmaster must go on the bond. This other man was a career man.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. COLE of New York. How was the defalcation eventually discovered?

Mr. ALLEN of Illinois. For the answer to that question, may I yield to the gentleman from Iowa, Mr. DOLLIVER. How was this embezzlement finally discovered?

Mr. DOLLIVER. It was discovered by the inspectors.

Mr. ALLEN of Illinois. That is, it was discovered after perhaps 40 inspections.

Mr. DOLLIVER. I would not concur in the statement of the gentleman that there were 40 inspections. I just do not know how many inspections there were, but there were a number of inspections, I will agree.

Mr. ALLEN of Illinois. I thank the gentleman. You are always honest and fair. That is the reason that you have the admiration and respect of the entire membership of the House of Representatives—both Republicans and Democrats.

I would ask the gentleman this: Do you think there could possibly be negligence on the part of a man who is not versed in the school of accountancy, as compared with inspectors whose business that is, when they could not find it?

Mr. DOLLIVER. If the gentleman will yield for an answer, I will say that it is a question of legal responsibility.

The SPEAKER pro tempore (Mr. WALTER). The time of the gentleman from Illinois has expired.

The question is on the amendment offered by the gentleman from Iowa (Mr. DOLLIVER).

The question was taken; and on a division (demanded by Mr. DOLLIVER), there were—ayes 3, noes 45.

So the amendment was rejected.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to withdraw the unanimous consent I received heretofore today in connection with changing the wordings in the conference report on the Displaced Persons Act (H. R. 4567).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MICHENER. Mr. Speaker, reserving the right to object, if we had known what the request entailed this mistake might have been avoided. As I understand, the gentleman asked unanimous consent to change and amend a conference report which had been signed by the conferees on the part of the Senate and the conferees on the part of the House. Of course that cannot be done by unanimous consent of the House. The gentleman probably realizes that now. What the chairman wants to do is to start all over again?

Mr. CELLER. Correct. But I will say this in exculpation of myself——

Mr. MICHENER. That is too big a word.

Mr. CELLER. The paper involving changes was handed me rather suddenly and I had not seen it, and in the interest of aiding the clerk in the committee I read what was contained therein. I should have been more careful. No harm

has been done. Had I realized that the proceeding was contrary to protocol, I would have refrained.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MICHENER. Well, reserving the right to object, Mr. Speaker, I do not like to accept a plea in confession and avoidance, because our chairman is very astute; he is very particular; he is very capable; he wants to do things right. I am amazed that he yielded to some clerk or somebody else in such a vital matter, without further investigation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, out of deference to the gentleman from Michigan [Mr. MICHENER] I cannot leave the RECORD the way it is left as a result of the gentleman's remarks, without taking complete responsibility myself. I completely absolve the gentleman from New York [Mr. CELLER]. I take complete responsibility, and the admonition directed by the gentleman from Michigan [Mr. MICHENER] to the gentleman from New York [Mr. CELLER] should be directed to me. I want the RECORD to show that, and I accept the admonition.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, I just wanted to say to the gentleman from New York now that if he has acknowledged his debt of gratitude to the gentleman from Michigan, and I understand the gentleman from Massachusetts has, and the gentleman from Michigan [Mr. MICHENER] is satisfied, I do not want to object.

The SPEAKER pro tempore (Mr. WALTER). Is there objection to the request of the gentleman from New York to vacate the order heretofore made?

There was no objection.

OMNIBUS PRIVATE CLAIMS BILL

The Clerk read as follows:

TITLE II—(H. R. 2256. FOR THE RELIEF OF ANGELINA MARSIGLIA.) BY MR. MURPHY

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Angelina Marsiglia, New York City, N. Y., the sum of $10,000. The payment of such sum shall be in full settlement of all claims of the said Angelina Marsiglia against the United States on account of the death of her husband, Michael R. Marsiglia, who was fatally injured on December 2, 1944, when he was struck by a United States Army motor vehicle while said motor vehicle was proceeding on and over the public highway at the corner of West Houston and Varick Streets, Manhattan, New York City, N. Y.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. DOLLIVER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DOLLIVER moves to strike out all of title II.

Mr. DOLLIVER. Mr. Speaker, the objectors did not prevail on the first title of the omnibus bill. But there were some at least in the House who wished to save the taxpayers $10,000.

Of course, when the majority leader and the ranking Republican member on the Rules Committee approve a bill it is rather difficult for one of the objectors to make any progress in that kind of situation. I accept this good-naturedly; I have no rancor about it. I am about to talk about the next item.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield.

Mr. HOFFMAN of Michigan. The gentleman is to be commended for his effort to defend the Treasury of the United States. But some of us, and I shall have to confess that I was one, voted for that $10,000 item because we remember that over in the other body, I think it was yesterday, they want to install televisions in India at the cost of several million dollars and they want to build roads—the gentleman from Ohio [Mr. JENKINS], could not pronounce the names of the countries—but some of us here feel that if we are going to throw money away like that we might better take care of our own.

Mr. DOLLIVER. I have no quarrel with the gentleman; I do not criticize him or anyone for his vote.

Now, to get to the business at hand in title II of the omnibus bill, this is for the relief of Angelina Marsiglia on account of the death of her husband, and it is a tragic occurrence, of course.

The whole basis of any objection to this section of the omnibus bill and the basis of objection for the bill when it came up on the private calendar, is a question of law as to whether this man was or was not guilty of contributory negligence in the tragic accident which caused his death. It seems to me undeniable under the record that he was guilty of contributory negligence. Many Members of the House are lawyers and know that the law in most of the States, if not all, is that negligence which contributes to an accident or to the death of an unfortunate victim of an accident bars recovery. That certainly is the law in the State where I live, and I think it is the law in most of States of the Union. That is the whole basis of objection to that section and it is a question which the House must pass upon.

It seems to me again that here is an opportunity of saving rather a modest sum to be sure, $10,000 of the taxpayers' money; instead of paying it to the widow you can keep it in the Treasury. I think there are doubtless those here who will feel that the widow should be taken care of. I have no quarrel particularly with that view, but I do not think the House of Representatives ought to pass on a bill which is as doubtful as this one. Accordingly, I have offered an amendment, Mr. Speaker, that title II be stricken. I hope there will be at least three votes to sustain the position I have taken on this section of the bill. It is solely a question of whether the contributory negligence, which is revealed very clearly in the record, bars this widow from recovery. This man stepped off the curb into the path of this vehicle in utter disregard of his own safety. Unfortunately he was killed. As I say, under the law of most of the States that would bar the widow completely from recovery.

Mr. Speaker, there is the issue.

Mr. LANE. Mr. Speaker, I rise in opposition to the amendment offered by the gentleman from Iowa.

Mr. Speaker, I rise in opposition to the amendment offered by one of the official objectors for the reason this bill has been passed by the Committee on the Judiciary and warrants the favorable consideration of the House.

Mr. Speaker, briefly, this accident took place on the evening of December 2, 1944, just before 8 o'clock in the evening on a busy intersection in New York. When this person by the name of Marsiglia, who was living in New York City, was about to cross on a pedestrian passageway at that intersection he was hit. At the time of this accident, which I stated was in December 1944, Mr. Marsiglia was 50 years of age. The claimant in this bill, his widow and the mother of three children, was 47 years of age at the time of the accident. Mr. Speaker, this is not my bill and I am only speaking in behalf of the committee which heard this bill at some length and reported it to the full committee and to the House. Of course, it ran up against this action by the official objectors.

Mr. Speaker, it seems this motor vehicle which was being operated by a civilian employee of the War Department was proceeding along this highway.

It appears in the record that the detective of the police department who investigated this accident in the city of New York on the night of the accident, about 9 p. m.—bear in mind I stated it happened shortly before 8—made certain measurements and made an investigation. As a result of that investigation, he offered evidence to the magistrate in court that this motor vehicle was proceeding at no less than 32 miles an hour. It seems that at the time of this accident certain rules and regulations had been promulgated by the police department of the city of New York in reference to new speeds, due to the blackout and for the preservation and conservation of rubber, and they were in effect at the time of this accident. The speed at such an intersection according to the new rules and regulations should have been no greater than 20 miles an hour. The detective testified after his examination of the physical evidence at the scene of the accident that this operator was proceeding at no less than 32 miles an hour.

The man who was fatally injured died at the hospital within a few hours from the time of the accident. He had just stepped off the curbstone and had proceeded, as the record shows, three to four

steps when he was struck by the front end of this motor vehicle. He had not walked into the side of the motor vehicle.

At the time of the accident this man had a wife and three children whose ages were 16, 14, and 12. The wife at the time was diabetic and had been in the hospital and was under the care of her physician. Her oldest son, 16 years of age, back in 1944, although he was then old enough to work and to seek employment, had a rheumatic heart and was unable to work. In other words, I am trying to bring out to the House that at the time of this accident this man had a wife and three minor children who were totally dependent upon him for support. He was employed as a trucker. He was born in Pennsylvania. He was one of our citizens, and your committee felt, after considering the facts, considering the fact of the speed of this car, and the fact that this man was hit such a severe blow that he died within an hour or two at the hospital, and the fact that this woman was dependent and the children were also in need of his support and assistance, that this warranted favorable consideration of your committee, and we so reported to the House.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Iowa [Mr. DOLLIVER].

The question was taken; and on a division (demanded by Mr. DOLLIVER) there were—ayes 14, noes 43.

So the amendment was rejected.

The Clerk read as follows:

TITLE III—(H. R. 5546. FOR THE RELIEF OF HARRY TANSEY.) BY MR. O'HARA OF ILLINOIS

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $34,272 to Harry Tansey, in full settlement of all claims against the United States as reimbursement of tax paid on stock of merchandise located at 2419 West Monroe Street, Chicago, Ill., which was seized and destroyed by agents of the United States Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. DOLLIVER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLIVER: Beginning on page 2, strike out all of title III.

CALL OF THE HOUSE

Mr. McGREGOR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 174]

Abbitt	Halleck	Phillips, Calif.
Allen, Calif.	Hare	Phillips, Tenn.
Anderson, Calif.	Harrison	Plumley
Bailey	Hart	Potter
Barrett, Wyo.	Hobbs	Poulson
Bates, Ky.	Hoeven	Quinn
Blatnik	Holifield	Redden
Bosone	Hope	Riehlman
Boykin	Irving	Rivers
Bramblett	Jackson, Calif.	Robeson
Brehm	Jennings	Rogers, Mass.
Brooks	Johnson	Sabath
Buckley, N. Y.	Jones, Mo.	Sadowski
Bulwinkle	Kearney	Scott, Hardie
Burdick	Keefe	Scudder
Camp	Kelley, Pa.	Shelley
Case, S. Dak.	Kerr	Sheppard
Cavalcante	King	Short
Chatham	Kirwan	Sims
Chelf	LeCompte	Smathers
Chiperfield	Lodge	Smith, Ohio
Christopher	Lyle	Stanley
Combs	McConnell	Stockman
Davenport	McDonough	Sutton
Dawson	McKinnon	Teague
Denton	Mack, Ill.	Towe
Dingell	Marshall	Trimble
Douglas	Martin, Iowa	Vinson
Doyle	Meyer	Vorys
Engel, Mich.	Miles	Werdel
Fernandez	Miller, Calif.	Wheeler
Fisher	Monroney	Whitaker
Frazier	Murphy	White, Calif.
Gamble	Nelson	White, Idaho
Gary	Nicholson	Wier
Gavin	Nixon	Wood
Gilmer	Norblad	Woodhouse
Granahan	Norton	Zablocki
Gwinn	O'Konski	
Hall, Leonard, W.	O'Sullivan	
	Pace	

The SPEAKER pro tempore (Mr. WALTER.) On this roll call 311 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

OMNIBUS PRIVATE CLAIMS BILL

Mr. DOLLIVER. Mr. Speaker, this portion of the omnibus bill is for the relief of Harry Tansey and would, if agreed to, pay him the sum of $34,272. The legislation originated in some legal transactions back in the year 1926, as I understand it, during the prohibition era when a very substantial amount of liquor was declared contraband by the Federal courts in Chicago. The liquor was destroyed.

This is an attempt on the part of the claimant, the man who claims to be the owner of the liquor, to get the tax that was paid on it, although it is not shown in any way that he did pay the tax. This would pay over to him $34,272.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Is that what is referred to on page 3 as "stock of merchandise"? Is that "merchandise" the contraband liquor?

Mr. DOLLIVER. That is correct. The merchandise involved was contraband liquor which was confiscated by direction of the Federal court in Chicago and was destroyed.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Ohio.

Mr. McGREGOR. I may say that it was my privilege to serve as chairman of the objectors committee that handled this case several years ago. This matter first started in the Congress back many years ago and originally involved a request for about $84,000. I may refer the gentleman to the report of the Treasury Department which states on page 9 that the court had ordered the Federal Prohibition Administrator to destroy the liquor and to make a report to the court of said destruction. The claimant appealed the case and upon motion of his own counsel the appeal was dismissed. The report does not show that any tax was paid either by Mr. Tansey or anyone else. Nor do the reports show the value of the liquor.

I quote from the report of the Treasury of the United States:

It appears that whatever right or interest Harry Tansey may have had in the liquors in question were fully litigated and determined adversely to him more than 10 years ago by a court of competent jurisdiction.

Mr. Speaker, the plaintiff in this matter took his case to the Federal court in Chicago, then to the court of appeals, and it was turned down. He is now coming and asking us to refund a tax, and it is very questionable whether the tax was ever paid or not. You have an adverse report from the Treasury Department.

Mr. DOLLIVER. I thank the gentleman for his contribution. What he says is entirely correct—that the claimant, Harry Tansey, has had his day in court, the court has decided against him, and now he comes to the Congress after being turned down numerous times and again offers this bill as reported from the committee.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Can the gentleman name one reason why the Congress should pay this individual even 23 cents?

Mr. DOLLIVER. I cannot think of any reason why he should be paid 1 cent.

Mr. RICH. Why should we take the time of the Congress to try to get him the $34,000?

Mr. DOLLIVER. We have to take the time of the Congress to determine this issue.

Mr. REES. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Kansas.

Mr. REES. This matter has been before the House a number of times, has it not?

Mr. DOLLIVER. Yes.

Mr. REES. It has been in almost every Congress since 1927, and each and every time the House has turned it down?

Mr. DOLLIVER. Well, it has not been turned down every time by the House, but the last few times it has been up it has been turned down, once on a roll call here, I believe in the Seventy-ninth Congress, if I remember correctly. This is a bill which in my honest opinion, Mr. Speaker, has no justification whatever. Of course, the beneficiary of the bill

would like to get the $34,000; that is obvious.

Mr. REES. And all of the reports from the Treasury are adverse, are they not?

Mr. DOLLIVER. The gentleman is entirely correct about that.

Mr. REES. We have had several reports from the Treasury and each time they have been adverse and in opposition to the passage of this legislation.

Mr. DOLLIVER. The gentleman is correct.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Ohio.

Mr. McGREGOR. Just in carrying out the thought of the distinguished gentleman from Kansas, let me quote from the Treasurer's report:

> There have been numerous seizures and destruction of contraband liquor pursuant to the National Prohibition Act. Reimbursement for all such forfeitures would be impracticable and unwarranted. Compensating a particular claimant for such a loss would appear to be discriminatory.

Mr. RICH. Mr. Speaker, if the gentleman will yield further, does it not beat the Dutch how some of these liquor men try to get something out of the Government?

Mr. DOLLIVER. Well, this is a barefaced attempt, in my opinion, to recoup a loss which it is not clear at all that he ever suffered because when the tax was paid, if it was paid, and there was some question about that until quite recently, there was no showing at all that the claimant paid the tax.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. DOLLIVER. I yield to the gentleman from Illinois.

Mr. JONAS. I want to say to the distinguished gentleman from Iowa that I have some recollection of this case from its very inception because at the time that this occurred I was the chief assistant prosecutor of Cook County. There was a general investigation made, as general as there could be in those prohibition days, but I would like to inquire of the gentleman now: Did any committee at any time report this bill out favorably, or have we any committee report here?

Mr. DOLLIVER. Oh, this bill has been reported several times by the respective committees of the Judiciary of the House, and I am not criticizing them; I just disagree with them.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. O'HARA of Illinois. Mr. Speaker, I rise in opposition to the amendment.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from New York.

Mr. ROONEY. I wish to inquire through the distinguished gentleman from Illinois if this is the same claim on which there was a roll call vote in the Eightieth Congress when the bill approving the claim lost by either one or two votes? Is this the same claim?

Mr. McGREGOR. Mr. Speaker, if the gentleman will yield, we had it up in the Eightieth Congress, but it certainly lost by more than one or two votes, and I refer my distinguished friend to the RECORD.

Mr. ROONEY. I am not familiar with it, but if the gentleman says it was in the hundreds of votes, that may be the fact.

Mr. McGREGOR. It was in the majority. The bill has been before the House some five, six, or seven different times and it was defeated every time but once. One time it went through by unanimous consent and went to the Senate, but every time we have voted on it, we turned it down.

Mr. BRYSON. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from South Carolina.

Mr. BRYSON. Is this claimant the same gentleman who for years has been employed here on Capitol Hill so that he may look after his bill and promote its passage?

Mr. O'HARA of Illinois. He has been employed here, I believe, long before I came here, and has rendered faithful service, as the Members know. His employment here, to the complete satisfaction of a Republican Congress as well as Democratic Congresses, has had nothing to do with this bill. Mr. Tansey is a constituent of mine. More than that, I have known him as a friend for many, many years. His brother was a buddy of mine in World War I, and I have deep and true affection for Harry Tansey and for his brother. Yet despite that, and despite the fact that I introduced the bill which at long last would do him simple justice and right a wrong done him a quarter of a century ago, he has been so conscientious in his attention to his employment that only on a very few occasions has he talked to me about this bill and then in the evening after the end of his day's work.

All that this bill does is to return to Harry Tansey the money which he deposited with the Government as a tax on merchandise which was destroyed before the tax was attached. It will not cost the Government one red cent, for it merely gives back to Mr. Tansey his own money which he left with the Government to pay a tax when such tax became applicable, which it never did.

The subcommittee of the Judiciary Committee has examined fully into all the facts and circumstances and unanimously joined in a report that Mr. Tansey has a legitimate claim which should be paid. Indeed, the committee's report holds that Mr. Tansey has a valid claim for $81,000, a claim which under this bill he is settling for $34,272.

Mr. Tansey's claim was first presented in the Seventy-fifth Congress, but the papers were lost. A similar bill passed the House in the Seventy-eighth Congress, but the Senate adjourned before it reached this legislation. In the Eightieth Congress the Committee on the Judiciary favorably reported a similar bill to the House, but the bill failed of passage because some question had been raised as to whether the money had actually been paid to the Government. This point has now been cleared up to the complete satisfaction of the Judiciary Committee. On page 20, report No. 1716, you will find the letter from John T. Jarecki, collector of internal revenue, city of Chicago, in which he states, with definiteness, that the tax was paid.

The opposition to the payment of this claim which the Judiciary Committee after exhaustive investigation approves in the strongest of language stems from misunderstanding of the facts and a resultant confusion. Harry Tansey was never in the liquor business. He was the personal bailiff to one of the most highly esteemed judges in the history of the bench in Chicago. He had established an enviable reputation for honesty and integrity, and it was because of this, and of his great ability and industry, that he was recommended to perform an outstanding service for law and order in a period of wide lawlessness during the prohibition era. It was a time when gangsters were attempting to take over breweries and distilleries for purposes of profiting in the bootlegging trade. The reputable firm of Grommes & Ullrich would have none of this. So following a pattern which had been established by the Bacardi Rum Co. with the approval of responsible Government officials, the reputable house of Grommes & Ullrich proceeded under the supervision of Mr. Tansey to go out of business altogether. Instead of attempting to get into the bootlegging trade the wares on hand, as was too frequently done and to a shocking extent, it was the high purpose of Grommes & Ullrich and of Mr. Tansey to see that the company was dissolved and that the wares remaining on hand at the time of dissolution should remain in lawful hands and for lawful uses. I can assure my colleagues that this was not the kind of procedure which was followed by those in the fabulously profitable illegitimate liquor trade. For instance, it was not long before the Grommes & Ullrich dissolution that one of the large liquor warehouses in Chicago was completely divested of its contents, some million dollars worth of bonded whisky, by trucks that drove up in the darkness of the night and disappeared with another rich cargo for the bootleg trade. I am trying to give the House some idea of the picture that obtained at that period in order to dispel some of the confusion surrounding this bill.

The point is that Harry Tansey was as far away from the liquor business and certainly bootlegging, as the North Pole is from the South Pole. He was selected by honest and upright men to do a service for law and order. In the doing of that service he paid the Government the money which now it is sought to return to him. The money was in the nature of a deposit on a tax which never attached itself. The tax did not attach because the wares were destroyed by an agent of the Federal Government, clearly through an error due to misunderstanding, certainly not as has been said here today, on a court order. The Judiciary Committee states flatly that there is no record anywhere of such a court order. To say that Harry Tansey had had his day in court, and that the courts had passed upon the merits of the case in this bill, is surely not borne out by the facts, and the report of the Judiciary Committee so

states. My distinguished colleague from Chicago [Mr. JONAS], who served with great distinction as a judge in the courts there, I think personally knew many of the men of high standing in our community who were associated with Mr. Tansey in the dissolution of Grommes & Ullrich.

Mr. JONAS. Mr. Speaker, will the gentleman yield?

Mr. O'HARA of Illinois. I yield to the gentleman from Illinois.

Mr. JONAS. Is there any evidence of record, and I have been trying to find this, showing definitely and positively that Tansey paid this tax that the gentleman has just stated has been paid? I have been trying to find that, but I cannot find any evidence as to who paid the tax and whether Tansey paid it. If the gentleman can show that he paid it, I shall support this bill.

Mr. O'HARA of Illinois. Yes, I can show that he paid it. Mr. Jarecki states that the tax was paid. It was paid by this company, and at the time of dissolution Tansey was the head of the company and was charged with paying the money. I do not see where there can be any question that Tansey paid it. The collector of the internal revenue tax in Chicago stated definitely that the tax was paid. I understand that was the one question that came up in the Eightieth Congress, whether this tax had actually been paid to the Government. So the subcommittee of the Committee on the Judiciary this time conducted an exhaustive investigation and established definitely by a statement given by the man authorized to give that statement that the tax had been paid. I trust that the House will defeat the pending amendment and cause to be returned to Mr. Tansey without any cost to the Government, as pointed out in the report of the Judiciary Committee, the money he deposited with the Government a quarter of a century ago.

The SPEAKER. The question is on the amendment offered by the gentleman from Iowa [Mr. DOLLIVER].

The question was taken; and the Chair being in doubt, the House divided, and there were—ayes 71, noes 64.

Mr. O'HARA of Illinois. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 184, nays 119, not voting 127, as follows:

[Roll No. 175]

YEAS—184

Abernethy	Bolton, Md.	Cox
Albert	Bolton, Ohio	Crawford
Allen, Calif.	Bonner	Cunningham
Allen, La.	Boykin	Curtis
Andersen, H. Carl	Brown, Ga.	Dague
Andrews	Bryson	Davis, Ga.
Angell	Burnside	Davis, Tenn.
Arends	Burton	Davis, Wis.
Auchincloss	Byrnes, Wis.	DeGraffenried
Barden	Cannon	D'Ewart
Bates, Mass.	Carlyle	Dolliver
Battle	Case, N. J.	Dondero
Beall	Clevenger	Doughton
Beckworth	Cole, Kans.	Durham
Bennett, Fla.	Cole, N. Y.	Elliott
Bennett, Mich.	Colmer	Ellsworth
Bentsen	Cooley	Elston
Bishop	Cooper	Evins
Blackney	Corbett	Fallon
Boggs, Del.	Cotton	Fellows
	Coudert	Fenton
Ford	Kearns	Rogers, Fla.
Fugate	Keating	Sadlak
Fulton	Kilburn	St. George
Gillette	Kruse	Sanborn
Golden	Kunkel	Saylor
Goodwin	Lanham	Scott, Hugh D., Jr.
Gore	Latham	Scrivner
Graham	LeFevre	Secrest
Grant	Lovre	Shafer
Gregory	Lucas	Sikes
Gross	McCulloch	Simpson, Ill.
Guill	McGregor	Simpson, Pa.
Hagen	Mack, Wash.	Smith, Kans.
Hale	Macy	Smith, Va.
Hall, Edwin Arthur	Mahon	Smith, Wis.
Hall, Leonard W.	Martin, Mass.	Steed
Harden	Mason	Stefan
Hardy	Michener	Stigler
Harris	Miller, Md.	Taber
Harvey	Miller, Nebr.	Tackett
Hedrick	Mills	Talle
Herlong	Morris	Taylor
Herter	Morton	Thomas
Heselton	Murray, Tenn.	Thompson
Hill	O'Toole	Thornberry
Hinshaw	Passman	Van Zandt
Hoffman, Ill.	Patman	Velde
Hoffman, Mich.	Patterson	Vinson
Holmes	Perkins	Vursell
Hope	Pfeiffer, William L.	Wadsworth
Horan	Pickett	Whitten
Hull	Poage	Whittington
James	Polk	Wigglesworth
Javits	Preston	Williams
Jenkins	Priest	Wilson, Ind.
Jensen	Rankin	Wilson, Okla.
Jonas	Reed, N. Y.	Wilson, Tex.
Jones, N. C.	Rees	Winstead
Judd	Regan	Withrow
Kean	Ribicoff	Wolcott
	Rich	Wolverton

NAYS—119

Addonizio	Granger	Mitchell
Aspinall	Green	Morgan
Bailey	Havenner	Morrison
Baring	Hays, Ark.	Moulder
Barrett, Pa.	Hays, Ohio	Multer
Biemiller	Hébert	Noland
Boggs, La.	Heffernan	O'Brien, Ill.
Bolling	Heller	O'Brien, Mich.
Breen	Howell	O'Hara, Ill.
Brown, Ohio	Huber	O'Hara, Minn.
Buchanan	Jackson, Wash.	O'Neill
Buckley, Ill.	Jacobs	Patten
Burke	Jenison	Peterson
Byrne, N. Y.	Jones, Ala.	Pfeifer, Joseph L.
Canfield	Karst	Philbin
Carnahan	Karsten	Price
Carroll	Kelly, N. Y.	Rabaut
Celler	Kennedy	Ramsay
Chesney	Keogh	Reed, Ill.
Chudoff	Kilday	Rhodes
Clemente	King	Rivers
Crook	Kirwan	Rodino
Crosser	Klein	Roosevelt
Davenport	Lane	Rooney
Davies, N. Y.	Larcade	Sasscer
Deane	Lichtenwalter	Spence
Delaney	Lind	Staggers
Dollinger	Linehan	Sullivan
Donohue	Lynch	Tauriello
Eberharter	McCarthy	Tollefson
Engle, Calif.	McCormack	Underwood
Feighan	McGrath	Wagner
Flood	McGuire	Walsh
Fogarty	McMillan, S. C.	Walter
Forand	McSweeney	Weichel
Garmatz	Madden	Welch
Gathings	Magee	Wickersham
Gordon	Mansfield	Yates
Gorski	Marcantonio	Young
Gossett	Marsalis	

NOT VOTING—127

Abbitt	Case, S. Dak.	Furcolo
Allen, Ill.	Cavalcante	Gamble
Anderson, Calif.	Chatham	Gary
Andresen, August H.	Chelf	Gavin
Barrett, Wyo.	Chiperfield	Gilmer
Bates, Ky.	Christopher	Granahan
Blatnik	Combs	Gwinn
Bosone	Dawson	Halleck
Brambletт	Denton	Hand
Brehm	Dingell	Hare
Brooks	Douglas	Harrison
Buckley, N. Y.	Doyle	Hart
Bulwinkle	Eaton	Hobbs
Burdick	Engel, Mich.	Hoeven
Burleson	Fernandez	Holifield
Camp	Fisher	Irving
	Frazier	Jackson, Calif.
Jennings	Nelson	Shelley
Johnson	Nicholson	Sheppard
Jones, Mo.	Nixon	Short
Kearney	Norblad	Sims
Kee	Norrell	Smathers
Keefe	Norton	Smith, Ohio
Kelley, Pa.	O'Konski	Stanley
Kerr	O'Sullivan	Stockman
LeCompte	Pace	Sutton
Lodge	Phillips, Calif.	Teague
Lyle	Phillips, Tenn.	Towe
McConnell	Plumley	Trimble
McDonough	Potter	Vorys
McKinnon	Poulson	Werdel
McMillen, Ill.	Powell	Wheeler
Mack, Ill.	Quinn	Whitaker
Marshall	Rains	White, Calif.
Martin, Iowa	Redden	White, Idaho
Merrow	Richards	Widnall
Meyer	Riehlman	Wier
Miles	Robeson, Jr.	Willis
Miller, Calif.	Rogers, Mass.	Wood
Monroney	Sabath	Woodhouse
Murdock	Sadowski	Woodruff
Murphy	Scott, Hardie	Zablocki
Murray, Wis.	Scudder	

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Christopher with Mr. Allen of Illinois.
Mrs. Woodhouse with Mr. Gavin.
Mr. Murphy with Mr. Hand.
Mr. Zablocki with Mr. Jennings.
Mr. Burleson with Mr. Woodruff.
Mr. O'Sullivan with Mr. Riehlman.
Mr. Chelf with Mr. Brehm.
Mr. Stanley with Mr. Chiperfield.
Mr. Harrison with Mr. Eaton.
Mr. Abbitt with Mr. Engel of Michigan.
Mr. Denton with Mr. Halleck.
Mr. Frazier with Mr. Hoeven.
Mr. Gary with Mr. Short.
Mr. Doyle with Mr. Werdel.
Mr. Hare with Mr. Gamble.
Mr. Gilmer with Mr. McConnell.
Mr. Hobbs with Mr. LeCompte.
Mr. McKinnon with Mrs. Rogers of Massachusetts.
Mr. Redden with Mr. Martin of Iowa.
Mr. Irving with Mr. Norblad.
Mr. Miller of California with Mr. Poulson.
Mr. Sutton with Mr. Kearney.
Mr. Teague with Mr. Nicholson.
Mr. Wheeler with Mr. Potter.
Mr. Whitaker with Mr. Vorys.
Mr. Jones of Missouri with Mr. August H. Andresen.

Mr. DURHAM and Mr. CANNON changed their votes from "nay" to "yea."

Mr. JACOBS changed his vote from "yea" to "nay."

Mr. JONAS changed his vote from "present" to "yea."

Mr. TACKETT. Mr. Speaker, it was my intention to vote against the bill. I thought that a nay vote was against the bill; therefore I wish to have my vote changed from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the omnibus bill.

The bill was passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BRYSON asked and was given permission to extend his remarks and include extraneous matter.

Mr. JONES of Alabama asked and was given permission to extend his remarks and include an address delivered by T. E. Williams before the Alabama Bankers Association.

Mr. CLEMENTE asked and was given permission to extend his remarks with

respect to the transfer of the Watson Laboratories.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1719. An act to amend section 3 of the act of Congress approved June 28, 1906, relating to the Osage Indians of Oklahoma;

S. 1739. An act to amend section 4934 of the Revised Statutes (U. S. C., title 35, sec. 78), as amended, to permit public libraries of the United States to acquire back copies of United States letters patent and for other purposes;

S. 1959. An act to commemorate Jim White and his contribution to the early history of Carlsbad Caverns, in the State of New Mexico, and for other purposes;

S. 2117. An act to provide for the designation of the reservoir to be formed by the Davis Dam on the Colorado River as Lake Mohave;

S. 2274. An act to provide for the addition of certain lands to El Morro National Monument, in the State of New Mexico, and for other purposes;

S. 2969. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of Commerce;

S. 3093. An act to amend section 82 of the Hawaiian Organic Act relating to the Supreme Court of the Territory of Hawaii and temporary vacancies therein;

S. 3118. An act relating to the forwarding and return of second-, third-, and fourth-class mail, the collection of postage due at the time of delivery, and for other purposes; and

S. 3226. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Department of the Interior.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 31 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 7, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

1488. Under clause 2 of rule XXIV, a letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies, was taken from the Speaker's table and referred to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Public Lands. H. R. 7982. A bill to abolish the Wheeler National Monument, in the State of Colorado, and to provide for the administration of the lands contained therein as a part of the national forest within which such national monument is situated, and for other purposes; without amendment (Rept. No. 2192). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H. R. 8723. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. DAVIES of New York:

H. R. 8724. A bill to suspend certain import taxes on copper; to the Committee on Ways and Means.

By Mr. FLOOD:

H. R. 8725. A bill to provide for the establishment and operation of an anthracite research laboratory at Wilkes-Barre, Pa.; to the Committee on Public Lands.

By Mr. FORAND:

H. R 8726. A bill to amend the Tariff Act of 1930 to exempt from duty sound recordings for news broadcasts; to the Committee on Ways and Means.

H. R. 8727. A bill providing that gain realized on the sale or exchange of a residence shall, in certain cases, be exempt from income tax; to the Committee on Ways and Means.

By Mr. HEFFERNAN:

H. R. 8728. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. HELLER:

H. R. 8729. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. JACKSON of Washington:

H. R. 8730. A bill to authorize the exchange of damaged timber for certain property within Olympic National Park, Wash., and for other purposes; to the Committee on Public Lands.

By Mrs. KELLY of New York:

H. R. 8731. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. KEOGH:

H. R. 8732. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 8733. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. O'TOOLE:

H. R. 8734. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. JOSEPH L. PFEIFER:

H. R. 8735. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundred and seventy-fifth anniversary of the Battle of Brooklyn; to the Committee on Post Office and Civil Service.

By Mr. REES:

H. R. 8736. A bill relating to the compensation and leave benefits of officers and employees in the custodial service of the Post Office Department transferred to the General Services Administration under Reorganization Plan No. 18 of 1950; to the Committee on Post Office and Civil Service.

By Mr. SPENCE:

H. R. 8737. A bill to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising import controls with respect to fats and oils, and rice and rice products; to the Committee on Banking and Currency.

By Mr. WALSH:

H. R. 8738. A bill to authorize an appropriation for the construction of permanent modern dormitory-type living facilities for enlisted men of the Armed Forces; to the Committee on Armed Services.

By Mr. EATON:

H. Con. Res. 216. Concurrent resolution recommending a special session of the General Assembly of the United Nations to deal with disarmament and calling for a crusade for world peace and freedom; to the Committee on Foreign Affairs.

By Mr. COLE of New York:

H. Con. Res. 217. Concurrent resolution recommending a special session of the General Assembly of the United Nations to deal with disarmament and calling for a crusade for world peace and freedom; to the Committee on Foreign Affairs.

By Mr. PRICE:

H. Con. Res. 218. Concurrent resolution recommending a special session of the General Assembly of the United Nations to deal with disarmament and calling for a crusade for world peace and freedom; to the Committee on Foreign Affairs.

By Mr. JACKSON of Washington:

H. Con. Res. 219. Concurrent resolution recommending a special session of the General Assembly of the United Nations to deal with disarmament and calling for a crusade for world peace and freedom; to the Committee on Foreign Affairs.

By Mr. RIVERS:

H. Res. 631. Resolution fixing the salary of an employee of the House of Representatives; to the Committee on House Administration.

By Mr. ADDONIZIO:

H. Res. 632. Resolution requesting the United Nations to call an international conference with a view to achieving world disarmament; to the Committee on Foreign Affairs.

By Mr. HOFFMAN of Michigan:

H. Res. 633. Resolution requiring the production of information by the Select Committee To Investigate Lobbying Activities; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER:

H. R. 8739. A bill for the relief of William Brewer; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 8740. A bill for the relief of Erika Kuhn; to the Committee on the Judiciary.

By Mr. GUILL:

H. R. 8741. A bill for the relief of Mrs. Nobuko Yonashiro Martin and Gerald Philip Martin; to the Committee on the Judiciary.

By Mr. EDWIN ARTHUR HALL:

H. R. 8742. A bill for the relief of Mrs. Tokiko Amano Roloson; to the Committee on the Judiciary.

By Mr. MILLER of Maryland:

H. R. 8743. A bill for the relief of Chiyo Sueyashi Murray; to the Committee on the Judiciary.

By Mr. MITCHELL:

H. R. 8744. A bill for the relief of Yoshiko Fukuda; to the Committee on the Judiciary.

By Mr. SMITH of Virginia (by request):

H. R. 8745. A bill for the relief of Jindrich (Henri) Nosek and Mrs. Zdenka Nosek; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2186. The SPEAKER presented a petition of Miss Elizabeth Bryan, secretary, Alabama Conference of Social Work, Montgomery, Ala., commending the action taken in liberalizing the old-age and survivors insurance program and increasing Federal funds for child-welfare services, and urging favorable consideration to restoring major public-assistance amendments in House bill 6000 as passed by the House, which was referred to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 7, 1950

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God and Father of us all, amid the maddening maze of things that fill our toiling days with fever and fret, we would tarry for this hallowed moment in the pavilion of prayer. May our eyes be lifted up from the ground beneath them to the eternal hills of peace and power whence cometh our help.

From shams and shadows we turn unfilled to Thee, asking for strength for our burdens, wisdom for our responsibilities, insight for our times, and vision which sets our eyes on far horizons. Before evening comes and our work is done, may our glad eyes yet see the victory of liberty over tyranny, of righteousness over injustice, of peace over war, in our hearts, in our Nation, and in all the world. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 6, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 749) for the relief of Ferd H. Gibler.

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1769. An act to reimburse the Stebbins Construction Co.; and

S. 2655. An act for the relief of Mrs. Evelyn M. Hryniak.

The message further announced that the House had insisted upon its amendments to the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BRYSON, Mr. WILLIS, and Mr. BOGGS of Delaware were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. HAYS of Arkansas, Mr. WOLCOTT, Mr. GAMBLE, and Mr. TALLE were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the following concurrent resolutions of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. Con. Res. 65. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 76. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1022. An act conferring jurisdiction upon the United States District Court for the District of Delaware to hear, determine, and render judgment upon the claim of Alvin Smith, of New Castle, Del., arising out of the damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del.;

H. R. 1789. An act for the relief of Shelby Shoe Co., of Salem, Mass.;

H. R. 1854. An act for the relief of Kenneth Everard Hadfield;

H. R. 2234. An act for the relief of Mrs. Gladys J. Senyohl McCarthy;

H. R. 2256. An act for the relief of Angelina Marsiglia;

H. R. 2462. An act for the relief of Miju Iseri Tsuda;

H. R. 2600. An act for the relief of Ralph Dunsmore;

H. R. 2808. An act for the relief of Grace G. Walker;

H. R. 3316. An act for the relief of the estate of the late Francisco J. Cordova;

H. R. 3328. An act for the relief of Daniel Lindsey Payne;

H. R. 3995. An act for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo, Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi;

H. R. 4528. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 5109. An act for the relief of Geraldine L. Smith, mother and natural guardian of Thomas Clayton Smith, a minor;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5381. An act for the relief of Billy Ray Ridenour and L. L. Ridenour;

H. R. 5470. An act for the relief of Joseph A. Haddad;

H. R. 5849. An act for the relief of Samuel M. Kornegay;

H. R. 5960. An act for the relief of Lt. Comdr. Evan L. Krogue;

H. R. 5979. An act for the relief of John Tweit;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6270. An act to authorize the sale of certain allotted inherited land on the Winnebago Indian Reservation, Nebr.;

H. R. 6453. An act for the relief of Maj. Roy E. Bevel;

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6699. An act to authorize the sale of certain land on the Rosebud Indian Reservation, S. Dak., allotted to Susan Eagle Dog;

H. R. 6703. An act to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.;

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 7016. An act for the relief of Mrs. Margaret O'Donnell and Mrs. Arlene R. Shannon;

H. R. 7046. An act for the relief of C. W. Jacobs;

H. R. 7074. An act for the relief of Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka;

H. R. 7078. An act for the relief of Mrs. Eiko Yamada Nagatoshi, Edward Takeo Nagatoshi, and Frances Yoko Nagatoshi;

H. R. 7114. An act for the relief of John Joseph Griffin;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby;

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross;

H. R. 7314. An act for the relief of Yukie Nishimura Okubo;

H. R. 7392. An act for the relief of Columbus Finley;

H. R. 7423. An act to admit Mrs. Erna Tvedt to the United States for permanent residence;

H. R. 7608. An act for the relief of Mitsuko Morita;

H. R. 7629. An act for the relief of Fumiko Arakawa and her child Rie;

H. R. 7706. An act for the relief of Ayako Kurihara;

H. R. 7779. An act for the relief of Mrs. Stamatia Lymberopoulos and Leonidas Stavrou Limperopoulos;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 7899. An act for the relief of Mrs. Michiko Nogami Cotter and Katsumi Cotter;

H. R. 7944. An act for the relief of Mr. and Mrs. Albert Chandler;

H. R. 7961. An act for the relief of Chiyoko Yano;

H. R. 8067. An act for the relief of Mrs. Yup Boon (Joan) Kim Skanes;

H. R. 8098. An act for the relief of Teruko Ishikawa;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8119. An act for the relief of Midori Ohta (also known as Mary Stephen);

H. R. 8125. An act for the relief of Mrs. Hisae Kawauchi Kelly;

H. R. 8155. An act for the relief of Chiyo Furumura Yoshida;

H. R. 8180. An act for the relief of Parue K. Tsugami;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo;

H. R. 8382. An act for the relief of Mrs. Misao Hatanaka Deskins;

H. R. 8422. An act for the relief of Carmencita von Plettenberg;

H. R. 8519. An act for the relief of the estate of Archer C. Gunter;

H. R. 8585. An act for the relief of Athina Mary Onassis; and

H. R. 8604. An act to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 187) favoring the grant of status of permanent residence to certain aliens, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 5166. An act to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes; and

H. R. 6406. An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to sit during the session of the Senate today.

CALL OF THE ROLL

The VICE PRESIDENT. The Senate having adjourned last night, there is a morning hour today.

Mr. LUCAS. Mr. President, before we enter upon the business of the morning hour I think it best that I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Malone
Brewster	Hoey	Martin
Bricker	Holland	Maybank
Bridges	Humphrey	Millikin
Butler	Ives	Morse
Byrd	Johnson, Colo.	Mundt
Cain	Johnson, Tex.	Murray
Capehart	Kefauver	Myers
Chapman	Kem	Neely
Connally	Kerr	O'Mahoney
Cordon	Kilgore	Pepper
Donnell	Knowland	Robertson
Douglas	Langer	Russell
Dworshak	Leahy	Saltonstall
Ecton	Lehman	Smith, N. J.
Ellender	Lodge	Stennis
Ferguson	Long	Thomas, Utah
Flanders	Lucas	Thye
Frear	McCarran	Tobey
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Green	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Magnuson	Young

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], and the Senator from Alabama [Mr. SPARKMAN] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. JENNER] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy.

The VICE PRESIDENT. A quorum is present.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on the Judiciary:

H. R. 483. A bill to extend the time limit within which certain suits in admiralty may be brought against the United States; without amendment (Rept. No. 1782).

ERECTION OF MONUMENT AT GRAVE OF CONSTANTINO BRUMIDI

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, with amendments, the bill (H. R. 5943) to provide for the erection of a monument at the grave of Constantino Brumidi, and I submit a report (No. 1781) thereon. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The amendments of the Committee on Rules and Administration were, on page 1, line 3, after the word "That", to strike out "(a)"; in line 4, after the word "to", to strike out "accept on behalf of, and without cost to the United States, title to" and insert "install a bronze and stone monument at"; in line 11, after the word "Capitol", to insert a colon and the following provisos: *"Provided,* That upon the installation of the monument the maintenance of the monument and perpetual care of the grave site shall be assumed by the trustees of Glenwood Cemetery, District of Columbia: *And provided further,* That the United States shall have no responsibility for the upkeep and care of the monument at the grave site."

On page 2, after line 6, to strike out:

(b) Upon acquisition by the United States of title to such site, the Secretary of the Interior is authorized and directed to erect, with the advice of the Commission of Fine Arts, a suitable monument to mark the grave of the said Constantino Brumidi.

In line 13, after the word "of", to strike out "$200 to carry out the purposes of this act" and insert "$100 for the perpetual care and upkeep of the monument and grave site by the trustees of Glenwood Cemetery, and the further sum of not to exceed $400 for a suitable bronze and stone monument to mark the grave of the said Constantino Brumidi."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for the erection of a bronze and stone monument at the grave of Constantino Brumidi."

INVESTIGATION OF SEXUAL-PERVERSION PRACTICES IN THE DISTRICT OF COLUMBIA

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, with additional amendments, Senate Resolution 280, submitted by the Senator from Alabama [Mr. HILL] for himself, Mr. WHERRY, Mr. O'MAHONEY, Mr. FERGUSON, Mr. MAYBANK, Mr. MCCLELLAN, Mr. YOUNG, Mr. HUNT, Mr. HENDRICKSON, and Mr. FREAR, on May 19, 1950, and reported by the Senator from Arkansas [Mr. MCCLELLAN] from the Committee on Expenditures in the Executive Departments, on May 25, 1950, with an amendment. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. SALTONSTALL. Mr. President, reserving the right to object, I did not get a chance to talk to the Senator from Arizona privately. Will he explain very briefly the purpose of the resolution?

Mr. HAYDEN. The amount of money provided in the resolution is $25,000. The committee reduced it to $10,000, because the Committee on Expenditures in the Executive Departments now has ample funds, and limited the time as in the case of other investigations.

Mr. SALTONSTALL. I have no objection.

There being no objection, the Senate proceeded to consider the resolution,

which had been reported previously from the Committee on Expenditures in the Executive Departments, with an amendment, on page 1, to strike out all after the resolving clause, and insert:

That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a thorough and comprehensive study and investigation of (a) the alleged employment by the departments and agencies of the Government of homosexuals and other moral perverts, and (b) the preparedness and diligence of authorities of the District of Columbia, as well as the appropriate authorities of the Federal Government, for the protection of life and property against the threat to security, inherent in the employment of such perverts by such departments and agencies. The committee shall report to the Senate at the earliest practicable date the results of its study and investigation and such recommendations for legislation and other remedial action as it may deem desirable.

For the purposes of this resolution, the committee or any duly authorized subcommittee thereof is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee.

The amendments of the Committee on Rules and Administration to the amendment of the Committee on Expenditures in the Executive Departments were, on page 3, line 3, after the word "date", to insert a comma and "but not later than January 31, 1951,", and in line 10, after the word "exceed", to strike out "$25,000" and insert "$10,000."

The amendments were agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That the Committee on Expenditures in the Executive Departments, or any duly authorized subcommittee thereof, is authorized and directed to make a thorough and comprehensive study and investigation of (a) the alleged employment by the departments and agencies of the Government of homosexuals and other moral perverts, and (b) the preparedness and diligence of authorities of the District of Columbia, as well as the appropriate authorities of the Federal Government, for the protection of life and property against the threat to security, inherent in the employment of such perverts by such departments and agencies. The committee shall report to the Senate at the earliest practicable date, but not later than January 31, 1951, the results of its study and investigation and such recommendations for legislation and other remedial action as it may deem desirable.

For the purposes of this resolution the committee or any duly authorized subcommittee thereof is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

S. 3716. A bill for the relief of Adam Styka and Wanda Engeman Styka; and

S. 3717. A bill for the relief of Yaeko Noda and minor daughter, Diane Zeiner; to the Committee on the Judiciary.

(Mr. SALTONSTALL (for himself and Mr. SMITH of New Jersey) introduced Senate bill 3718, to establish a bipartisan commission to make recommendations concerning policies and programs of the United States in the foreign economic field after termination of the Economic Cooperation Administration, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

By Mr. LODGE:

S. J. Res. 185. Joint resolution to designate the second week in December of each year as National Civil Rights Week; to the Committee on the Judiciary.

BIPARTISAN FOREIGN ECONOMIC COMMISSION

Mr. SALTONSTALL. Mr. President, on behalf of the Senator from New Jersey [Mr. SMITH] and myself, I introduce for appropriate reference a bill to establish a bipartisan commission to make recommendations concerning policies and programs of the United States in the foreign economic field after termination of the Economic Cooperation Administration, and I ask unanimous consent to speak for 4 minutes concerning the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and without objection, the Senator from Massachusetts may speak for 4 minutes.

The bill (S. 3718) to establish a bipartisan commission to make recommendations concerning policies and programs of the United States in the foreign economic field after termination of the Economic Cooperation Administration, introduced by Mr. SALTONSTALL (for himself and Mr. SMITH of New Jersey), was read twice by its title, and referred to the Committee on Foreign Relations.

Mr. SALTONSTALL. Mr. President, the Congress has just passed and the President has just signed a bill to authorize the ECA for another year, as well as money for economic aid in various parts of the world. During the debates and the discussion which took place during the consideration of this bill, it became perfectly clear that there are very sincere but divergent views on various issues in the foreign economic field. On June 30, 1952, the ECA is due to end. A year from now the Congress will presumably have under discussion the final authorization for the ECA. The question which is on the minds of many people will become paramount at that time. That question is simply this: What steps should our Government take when ECA ends? The President has asked Mr. Gordon Gray to work on one important aspect of the problem. Other officials and agencies of the Government are also studying it. So that there may be a comprehensive study joined in by the President, the Congress, and the public, we are at this time introducing a bill to establish a bipartisan commission to make recommendations concerning policies and programs of the United States in the foreign economic field in anticipation of the termination of the ECA.

The whole foreign economic program is one of vital concern to the citizens of our country and to their Representatives in Congress. The program must be designed in the interest of the security and the welfare of our citizens. Frankly, our motives behind any foreign economic program are those of national self-interest. If it is desirable, it is desirable because in the long run it will lead to a better life in this country, to more stability for industry and more jobs for our citizens, and to the peace of the world. The Congress is deeply concerned not only because it must pass the programs, but also because it must judge the amount of funds to be appropriated in relation to the over-all appropriations for all Government agencies and purposes.

In view of the many problems involved and in view of the desirability of meeting them in a cooperative way as between Congress, the Executive, and the public at large, we are proposing that a Commission be set up by act of Congress similar in form to that which we all know as the Hoover Commission. We propose that it consist of 12 people. The President and the Vice President, and the Speaker of the House are each to appoint 4 persons. In each case 2 are to be appointed from the branch of the Government they represent and 2 from private life, not more than 1 of each group of 2 to be from either of the 2 major political parties. In selecting the Republican representatives from the Senate and from the House, the Vice President and the Speaker of the House are respectfully requested to give due consideration to the recommendations of the minority leader.

We have purposely limited this Commission in size because we believe it will thus constitute a more workable unit. We have purposely limited its area of study to the foreign economic field. While the problems of foreign military aid are closely allied in certain circumstances, we feel that they should not be included, although they might well be considered by a similar Commission. We have purposely included the whole of the foreign economic field because of the intimate and important connection of all elements and factors. We have specifically drawn attention to the fact that our foreign economic policies must be considered in connection with the security and the welfare of all our citizens, and the necessity of having peace in the world as the paramount issue.

Without intending in any way to limit or predetermine the Commission's studies, we suggest that it might give attention to such problems as the solution of the so-called dollar-gap problem, the creation of an atmosphere favorable to private international investment, and the improvement of the conditions of life in economically undeveloped areas, with particular emphasis on just what steps should be recommended in view of the scheduled termination of the ECA in 1952.

Mr. President, we take no particular pride of authorship in any specific wording of this bill. We welcome suggestions and criticism, but we feel very strongly that the subject matter is of such tremendous importance to the future of our way of life in this country that we should

take every possible step toward the solution of our long-range foreign economic problems. We believe this is vital to the peace of the world and the security of the American people. We offer this bill to set up a bipartisan Commission in a spirit of helpfulness. We hope that the Foreign Relations Committee will be willing to have it considered and that the Congress will be willing to pass it as speedily as possible so that the commission may be appointed and its discussions may start. The time is getting very short.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent to speak for just 1 minute on the same matter about which the Senator from Massachusetts [Mr. SALTONSTALL] has spoken; I desire to speak in support of the bill just introduced.

The VICE PRESIDENT. Without objection, the Senator may proceed.

Mr. SMITH of New Jersey. Mr. President, it has been a privilege for me to join with the Senator from Massachusetts [Mr. SALTONSTALL] in framing and presenting to the Senate the bill just introduced.

There are many good arguments in favor of the approach which this bill embodies, and I subscribe to everything which my distinguished cosponsor has said in that connection. I wish only to add that my own overriding motive is a desire to see the United States and the other free nations of the world once again turn their major talents and energies, not to the task of military defense, essential though that may be, but rather to the task of laying the true foundations of peace in the world.

The answer to the question of war or peace lies to a very great extent in the economic realm. It is no secret that poverty and disease are major breeders of dissension, disloyalty, and war. I therefore suggest that we cannot preserve peace in the world simply by the negative strategy of arming ourselves against Communist aggression. In the struggle for the minds and loyalties of men in which we are engaged, we must show the world not only what we are against, but what we are for. This is something that cannot be done with weapons.

I hope to speak to the Senate at greater length in the near future concerning the over-all trend of our foreign policy, and particularly concerning the apparent drift toward a preoccupation with mere military defense. I think I speak for many Americans when I say that this trend seems to me to contain tragic implications for the future.

I hope a commission such as we propose will be established as soon as possible, and that it will serve to light our path along the road of positive cooperation among nations in the arts of peace.

BENEFITS FOR ANNUITANTS WHO RETIRED PRIOR TO APRIL 1, 1948—AMENDMENTS

Mr. WILLIAMS submitted amendments intended to be proposed by him to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, which were ordered to lie on the table and to be printed.

EXTENSION OF FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM—AMENDMENTS

Mr. WATKINS. Mr. President, I submit two amendments intended to be proposed by me to the bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child welfare provisions of the Social Security Act, and for other purposes. The amendments would eliminate any distinction between farmer cooperatives and other commercial corporations as to the social-security coverage of their respective employees.

I ask unanimous consent that the amendments and a memorandum prepared by me in connection with the amendments be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments and memorandum will be printed in the RECORD. The Chair hears no objection.

The amendments submitted by Mr. WATKINS are as follows:

Amend section 204 (d) (h) (4) by adding a new subparagraph (D), line 6, page 335, as follows:

"(D) Employees of farmer cooperative organizations shall not be considered engaged in agricultural labor unless their activities are encompassed by this section. Where such employees and their employers have contributed to the fund between 1936 and 1950 and such contributions have not been refunded, they shall be considered in covered employment during the periods for which contributions were made."

Amend section 210 (f) (5) by adding a new subparagraph (A) after line 9, page 254, as follows:

"(A) Employees of farmer cooperative organizations shall not be considered engaged in agricultural labor unless their activities are encompassed by this section. Where such employees and their employers have contributed to the fund between 1936 and 1950 and such contributions have not been refunded, they shall be considered in covered employment during the periods for which contributions were made."

The memorandum presented by Mr. WATKINS is as follows:

MEMORANDUM BY SENATOR WATKINS IN SUPPORT OF PROPOSED AMENDMENTS TO H. R. 6000, WHICH WOULD ELIMINATE ANY DISTINCTION BETWEEN FARMER COOPERATIVES AND OTHER COMMERCIAL CORPORATIONS AS TO THE SOCIAL SECURITY COVERAGE OF THEIR RESPECTIVE EMPLOYEES

The proposed amendments to prevent any discrimination against social-security coverage of employees of farmer cooperatives are made necessary by a recent opinion of the Appeals Council of the Social Security Administration in a case entitled Henry R. Azevedo, claimant, Social Security account No. [redacted] which involved a claim for a lump sum death payment under the present Social Security Act. Mrs. Ellen J. Azevedo was an egg candler employed by the Poultry Producers of Central California, a former cooperative organized under the Agricultural Code of California. On her death in 1948 her husband, the claimant, filed an application for a lump sum death payment to which he considered himself entitled, since Mrs. Azevedo and her farmer cooperative employer had been making contributions under the Social Security Act during the entire time of her employment. Not only that, but the farmer cooperative had made contributions only after obtaining an informal, oral opinion from the collector of internal revenue at San Francisco to the effect that the employees of the cooperative were covered by the Social Security Act. However, when Mr. Azevedo made his claim it was denied by the Bureau of Old-Age and Survivors Insurance, Social Security Administration. Thereupon, with the cooperation of the employer Mr. Azevedo entered an appeal and the hearing was conducted before a referee of the Social Security Administration. The Referee upheld the ruling of the Social Security Administration and an appeal was thereafter taken to the Appeals Council of the Social Security Administration.

On April 14, 1950, said Appeals Council upheld the ruling of the Bureau of Old Age and Survivors Insurance, Social Security Administration. In that decision the Appeals Council commented, as follows:

"If we had before us for decision a case involving egg-candling services, where the employer was a commercial concern * * * under the views expressed here * * * such egg-candling services [would not be] within the agricultural exemption."

As a result of this decision, employees of Farmer Cooperatives, who, along with their employers, have contributed to the social-security fund, are denied benefits normally accruing from such fund solely because they are employed by Farmer Cooperatives. They would be covered and receive benefits under the act if they were doing identical work for noncooperative organizations. The Senate and House versions of H. R. 6000, we believe, will cure this defect in the future if either the Senate or House version is enacted. However, this does not relieve the discrimination with respect to employees and employers who have contributed to the fund in the past in the honest belief that they were covered by its terms. Under the present law, in fact, the employer and employee are prohibited from securing refunds from amounts paid to the funds for periods preceding 4 years prior to the time a claim is filed. In other words, employees of the Poultry Producers of Central California and similar cooperative organizations who have contributed to the fund for approximately 10 years are deprived from receiving any benefits under the fund and prohibited from receiving refunds, except for the final 4 years of the period.

The amendments herewith proposed would cure this situation.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles, and referred, or ordered to be placed on the calendar, as indicated:

H. R. 612. An act for the relief of Col. W. M. Chubb;

H. R. 1022. An act conferring jurisdiction upon the United States District Court for the District of Delaware to hear, determine, and render judgment upon the claim of Alvin Smith, of New Castle, Del., arising out of the damage sustained by him as a result of the construction and maintenance of the New Castle United States Army Air Base, New Castle, Del.;

H. R. 1789. An act for the relief of Shelby Shoe Co., of Salem, Mass.;

H. R. 1854. An act for the relief of Kenneth Everard Hadfield;

H. R. 2234. An act for the relief of Mrs. Gladys J. Senyohl McCarthy;

H. R. 2256. An act for the relief of Angelina Marsiglia;

H. R. 2462. An act for the relief of Miju Iseri Tsuda;

H. R. 2600. An act for the relief of Ralph Dunsmore;

H. R. 2808. An act for the relief of Grace G. Walker;

H. R. 3316. An act for the relief of the estate of the late Francisco J. Cordova;

H. R. 3328. An act for the relief of Daniel Lindsey Payne;

H. R. 3995. An act for the relief of Annetta Bachis, Anna Bellani, Angelina Colombo,

Maria Grazia Impari, Franca Porricino, and Antonia Tirabassi;

H. R. 4523. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Louis J. Marx;

H. R. 5016. An act for the relief of Mrs. Virginia Dalla Rosa Prati and her minor son, Rolando Dalla Rosa Prati;

H. R. 5109. An act for the relief of Geraldine L. Smith, mother and natural guardian of Thomas Clayton Smith, a minor;

H. R. 5157. An act for the relief of the legal guardian of Anthony Albanese, a minor;

H. R. 5381. An act for the relief of Billy Ray Ridenour and L. L. Ridenour;

H. R. 5470. An act for the relief of Joseph A. Haddad;

H. R. 5849. An act for the relief of Samuel M. Kornegay;

H. R. 5960. An act for the relief of Lt. Comdr. Evan L. Krogue;

H. R. 5979. An act for the relief of John Tweit;

H. R. 6173. An act for the relief of Sun Yip Chin and Chung Lum (Lum Chung);

H. R. 6225. An act for the relief of Mrs. Aimee Hoyningen-Huene;

H. R. 6458. An act for the relief of Maj. Roy E. Bevel;

H. R. 6461. An act for the relief of Jirina Zizkovsky;

H. R. 6758. An act for the relief of Ruby Thaw and Hla Sein;

H. R. 7016. An act for the relief of Mrs. Margaret O'Donnell and Mrs. Arlene R. Shannon;

H. R. 7046. An act for the relief of C. W. Jacobs;

H. R. 7074. An act for the relief of Hiroko Fujiwara Matsuoka and Mimiyo Matsuoka;

H. R. 7078. An act for the relief of Mrs. Eiko Yamada Nagatoshi, Edward Takeo Nagatoshi, and Frances Yoko Nagatoshi;

H. R. 7114. An act for the relief of John Joseph Griffin;

H. R. 7253. An act for the relief of Charles Wilson Roland and Mirtie L. Roland;

H. R. 7314. An act for the relief of Yukie Nishimura Okubo;

H. R. 7392. An act for the relief of Columbus Finley;

H. R. 7428. An act to admit Mrs. Erna Tbedt to the United States for permanent residence;

H. R. 7608. An act for the relief of Mitsuko Morita;

H. R. 7629. An act for the relief of Fumiko Arakawa and her child Rie;

H. R. 7706. An act for the relief of Ayako Kurihara;

H. R. 7779. An act for the relief of Mrs. Stamatia Lymberopoulos and Leonidas Stavrou Limperopoulos;

H. R. 7812. An act for the relief of Martha Aporta Strickland;

H. R. 7899. An act for the relief of Mrs. Michiko Nogami Cotter and Katsumi Cotter;

H. R. 7944. An act for the relief of Mr. and Mrs. Albert Chandler;

H. R. 7961. An act for the relief of Chiyoko Yano;

H. R. 8067. An act for the relief of Mrs. Yup Boon (Joan) Kim Skanes;

H. R. 8098. An act for the relief of Teruko Ishikawa;

H. R. 8117. An act for the relief of Yoshiko Emory;

H. R. 8119. An act for the relief of Midori Ohta (also known as Mary Stephen);

H. R. 8125. An act for the relief of Mrs. Hisae Kawauchi Kelly;

H. R. 8155. An act for the relief of Chiyo Furumura Yoshida;

H. R. 8180. An act for the relief of Parue K. Tsugami;

H. R. 8245. An act for the relief of Dr. Alessandro Rizzo;

H. R. 8382. An act for the relief of Mrs. Misao Hatanaka Deskins;

H. R. 8519. An act for the relief of the estate of Archer C. Gunter; and

H. R. 8585. An act for the relief of Athina Mary Onassis; to the Committee on the Judiciary.

H. R. 6270. An act to authorize the sale of certain allotted inherited land on the Winnebago Indian Reservation, Nebr.;

H. R. 6699. An act to authorize the sale of certain land on the Rosebud Indian Reservation, S. Dak., allotted to Susan Eagle Dog;

H. R. 6703. An act to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.;

H. R. 6963. An act authorizing the Secretary of the Interior to issue a patent in fee to Guy L. Heckenlively;

H. R. 7293. An act authorizing the Secretary of the Interior to issue a patent in fee to Charlotte Geisdorff Kibby; and

H. R. 7294. An act authorizing the Secretary of the Interior to issue a patent in fee to Rebecca Collins Ross; to the Committee on Interior and Insular Affairs.

H. R. 8604. An act to provide for the conveyance of the Percy Jones General Hospital Gull Lake Annex, Gull Lake, Mich., to the W. K. Kellogg Foundation, Battle Creek, Mich.; to the Committee on Armed Services.

H. R. 8422. An act for the relief of Carmencita von Plettenberg; ordered to be placed on the calendar.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 187) favoring the grant of status of permanent residence to certain aliens was referred to the Committee on the Judiciary.

INCREASE IN BORROWING POWER OF COMMODITY CREDIT CORPORATION—APPOINTMENT OF ADDITIONAL CONFEREES

Mr. ELLENDER. Mr. President, I ask unanimous consent that the names of the Senator from North Carolina [Mr. HOEY] and the Senator from North Dakota [Mr. YOUNG] be added as conferees on the part of the Senate on the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation.

The VICE PRESIDENT. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

COMMENCEMENT ADDRESS BY AMBASSADOR HENRI BONNET AT FLORIDA STATE UNIVERSITY

[Mr. HOLLAND asked and obtained leave to have printed in the RECORD an address delivered by the Honorable Henri Bonnet, Ambassador of France, at the graduation exercises of the Florida State University, at Tallahassee, Fla., on June 5, 1950, which appears in the Appendix.]

FIFTY-FIFTH ANNIVERSARY OF JEWISH WAR VETERANS—ADDRESS BY LOUIS B. MAYER

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an address delivered by Louis B. Mayer at the dinner in New York celebrating the fifty-fifth anniversary of the founding of the Jewish War Veterans of the United States, which appears in the Appendix.]

COMMENCEMENT ADDRESS BY DAVID E. FINLEY AT UNIVERSITY OF SOUTH CAROLINA

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a commencement day address delivered by David E. Finley, Director of the National Gallery of Art, at the graduating exercises of the University of South Carolina, at Columbia, S. C., on June 5, 1950, which appears in the Appendix.]

HYDROELECTRIC DEVELOPMENT IN NEW ENGLAND—EDITORIAL COMMENT

[Mr. LODGE asked and obtained leave to have printed in the RECORD an editorial entitled "The $64 Question," published in the Boston (Mass.) Record of May 24, 1950, and an editorial entitled "Out in Cold," published in the Boston (Mass.) American of May 25, 1950, relating to river development in New England, which appear in the Appendix.]

A THOUGHT FOR MEMORIAL DAY—EDITORIAL FROM THE MONTEVIDEO (MINN.) NEWS

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial entitled "A Thought for Memorial Day," published in the Montevideo (Minn.) News, which appears in the Appendix.]

REQUESTS FOR VETO OF BASING-POINT BILL

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD memorials addressed to the President of the United States by officers of the National Federation of Independent Business, the National Association of Retail Druggists, and the United States Wholesale Grocers' Association, requesting a veto of Senate bill 1008, which appear in the Appendix.]

REPORT OF CITIZENS COMMITTEE ON DISPLACED PERSONS

Mr. McCARRAN. Mr. President, I ask unanimous consent to insert in the body of the RECORD a copy of a report which has been filed with the Secretary of the Senate, pursuant to the Lobbying Act, by the Citizens Committee on Displaced Persons showing receipts and expenditures for the quarter beginning January 1, 1950, and ending March 31, 1950.

I also ask unanimous consent to insert in the body of the RECORD a table which I have compiled from the quarterly reports which have been filed by the Citizens Committee on Displaced Persons, pursuant to the Lobbying Act.

There being no objection, the report and table were ordered to be printed in the RECORD, as follows:

MAY 1, 1950.

REPORT PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

A. Organization or individual filing—State name, business address, and nature of business: Citizens Committee on Displaced Persons, 303 Lexington Avenue, New York.

B. Employer—State name, address, and nature of business. If there is no employer, write "None." (If the work is done in the interest of one person, but payment therefor is made by another, list both persons as employers.) None.

C. Legislative interests, and publications in connection therewith:

1. State approximately how long legislative interests are to continue. If legislative interests have terminated with the current quarter: Please explain, so that this Office will no longer expect to receive reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known.

3. In the case of each publication which the person filing has issued or caused to be issued in connection with legislative interests, set forth: (a) Description, (b) quantity published, (c) date of publication, (d) name of printer.

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Until passage of H. R. 4567.
2. H. R. 4567.

3. (a) "It Is Still True"—a leaflet; (b) $25,000; (c) January 1950; (d) La Salle Letter Co.

Also reprints of materials originally released prior to 1950.

4. NOTE.—If this is a preliminary report, in addition to the other data in the space above, state: (a) Whether compensation is to be paid by the day, by the month, or by the year; (b) what the rate of compensation is to be; (c) what the approximate period of employment will be; (d) what the nature and amount of anticipated expenses will be.

AFFIDAVIT

STATE OF NEW YORK,
County of New York, ss:

The undersigned affiant, being duly sworn, says:

1. That he has examined the attached report, numbered consecutively from page 1 through page 5, and the same is true, correct, and complete as he verily believes.

2. That he is secretary of the above-named organization for whom such report is filed, and that he is authorized to make this affidavit for and on behalf of such person. [If the report is for an individual, strike out paragraph 2.]

WILLIAM S. BERNARD,
Affiant.

Subscribed and sworn to before me this 28th day of April 1950.

LYDIA CONSTANTINO,
Notary Public, State of New York.

D. Receipts (including contributions and loans) (from which expenditures are made, or will be made, in connection with legislative interests):

Receipts (other than loans):

1. $——— dues and assessments.
2. $77,980.78 gifts of money.
3. $——— printed or duplicated matter received as a gift.
4. $——— receipts from sale of printed or duplicated matter.
5. $——— received for services, i. e., salary, fee, per diem, etc.
6. $——— other contributions received.
7. $77,980.78 total for this quarter (add items 1 through 6).
8. $——— received during previous quarters of calendar year.
9. $77,980.78 total from January 1 through this quarter (add 7 and 8).

Loans received, section 302 (a). The term "contribution" includes a * * * loan.

10. $502,000 total now owed to others on account of loans.
11. $——— borrowed from others during this quarter.
12. $25,000 repaid to others during this quarter.

Contributors of $500 or more (from January 1 through this quarter).

13. Have there been such contributors? Please answer "Yes" or "No": Yes.

14. In the case of each contributor whose contributions (including loans) during the period from January 1 through the last day of this quarter, total of $500 or more. Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "amount" and "name and address of contributor; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Name and address of contributor (period from Jan. 1 through Mar. 31, 1950)

	Amount
John Doe, 1621 Blank Bldg., New York, N. Y.	$1,500
The Roe Corp., 2511 Doe Bldg., Chicago, Ill.	1,785
Total	3,285

E. Expenditures (including loans) in connection with legislative interests:

Expenditures (other than loans):

1. $4,707.22 public relations and advertising services.

2. $16,327.04 wages, salaries, fees, commissions (other than item 1).

3. $——— gifts or contributions made during quarter.

4. $16,421.58 printed or duplicated matter, including distribution cost.

5. $3,530.28 office overhead (rent, supplies, utilities, etc.).

6. $4,121.17 telephone and telegraph.

7. $5,030.04 travel, food, lodging, and entertainment.

8. $327.32 all other expenditures.

9. $50,465.35 total for this quarter (add "1" through "8").

10. $——— expended during previous quarters of calendar year.

11. $50,465.35 total from January 1 through this quarter (add 9 and 10).

Loans made to others:

(Sec. 302 (b). The term "expenditure" includes a loan. . . .)

12. $——— total now owed to person filing.

13. $——— lent to others during this quarter.

14. $——— repayments received during this quarter.

15. $——— if there is an employer, state what amount of the expenditures for this quarter has been or will be defrayed by such employer.

16. Recipients of expenditures of $10 or more. In the case of expenditures made during this quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following headings: "Amount," "Date or dates," "Name and address of recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Date or dates—Name and address of recipient—Purpose

	Amount
7–11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo. Printing and mailing circulars on the Marshbanks bill	$1,750
7–15, 8–15, 9–15: Britten & Blatten, 3127 Gremlin Bldg., Washington, D. C. Public relations service, at $800 per month	2,400
Total	4,150

Citizens Committee on Displaced Persons contributions received Jan. 1 to Mar. 31, 1950

	Amount
Lessing and Edith Rosenwald, Alverthorpe, Meetinghouse Rd., Jenkintown, Pa.	$6,000.00
Janet Rosenwald, Henny-Penny Farm, Almshouse Rd., Jenkintown, Pa.	3,000.00
Julius and Julia Rosenwald, 7910 Whitewood Road, Elkins Park, Pa.	6,000.00
Robert and Barbara Rosenwald, Box 96, Rushland, Pa.	6,000.00
Isadore and Joan R. Scott, 268 Lenox Rd., Jenkintown, Pa.	6,000.00
Harry and Helen Snellenburg, Henny-Penny Farm, Almshouse Rd., Jenkintown, Pa.	6,000.00
Max and Marion Ascoli, 23 Gramercy Park South, New York City	6,000.00
David and Adele Levy, 300 Park Ave., New York City	6,000.00
Edgar and Edith Stern, 2110 American Bank Bldg., New Orleans, La.	6,000.00
Edward T. Cone, Cherry Hill Rd., Princeton, N. J.	500.00
International Ladies Garment Workers Union, 1710 Broadway, New York	1,000.00
Total contributions of $500 or over	52,500.00
Contributions under $500	25,480.78
Total contributions received Jan. 1 to Mar. 31, 1950	77,980.78

Citizens Committee on Displaced Persons, expenses, Jan. 1 to Mar. 31, 1950

	Amount
Academy Photo Offset, Inc., 15 East 22d St., New York, stenographing, mimeographing, printing	$137.00
Addison-Wesley Press, Inc., Kendall Sq., Cambridge, Mass., books, newspapers, etc.	6.71
Addressing Machine & Equipment Co., 29 East 22d St., New York, stationery and supplies	3.18
Lillian Baral, 9850 67th Ave., Forest Hills, Long Island, N. Y., publicity services	200.00
Bell Messenger Service, 152 West 42d St., New York, messenger service	162.87
Frances Berger, 111 East 26th St., New York, stenographing, mimeographing, printing	3.00
Allen T. Burns, 336 Northlawn, East Lansing, Mich., travel expenses	243.88
Chase National Bank, 18 Pine St., New York, bank charges	.25
Collector of Internal Revenue, 110 East 45th St., New York, payroll taxes	576.21
Commerce Clearing House, Inc., Chicago, Ill., books, newspapers, magazines	195.00
Common Council for American Unity, 20 West 40th St., New York, stationery and supplies	96.20
Consolidated Press Clipping Bureau, 431 South Dearborn St., Chicago, Ill., books, newspapers, magazines	862.10
Direct Mail Envelope Co., 15 West 20th St., New York, stationery and supplies	11.43
Editor & Publisher, 1475 Broadway, New York, books, newspapers, magazines	5.00
Leila Fleisher, 3538 W Pl. NW., Washington, D. C., petty cash expenses	6.02
Garden City Publishing Co., Inc., Garden City, N. Y., books, newspapers, magazines	3.28
Graphic Syndicate, Inc., 280 Madison Ave., New York, stenographing, mimeographing, printing	61.20
International Office Appliances, 29 East 22d St., New York, rentals of equipment	45.00
Thomas B. Keehn, 1751 N St. NW., Washington, D. C., travel expenses	20.45
Robert Kohler, 6745–1 190th Lane, Fresh Meadows, N. Y., stenographing, mimeographing, printing	13.50
Louise Landis, 582 Market St., San Francisco, Calif., publicity services	200.00
LaSalle Letter Co., 45 White St., New York, stenographing, mimeographing, printing	11,719.12
Lincoln Warehouse Corp., 1195 3d Ave., New York, freight, storage	50.01
Meco Press, 4 East 45th St., New York, stationery and supplies	1,337.07
May McKinsey, New York City, petty cash expenses	196.80
National Catholic Welfare Conference, 350 5th Ave., New York, books, news, magazines	3.70
National Committee on Immigration Policy, 36 West 44th St., New York, books, news, magazines	560.00
National Social Welfare Assembly, 1790 Broadway, New York, books, news, magazines	.80
New York State Unemployment Insurance, Albany, N. Y., payroll taxes	112.29
New York Telephone Co., box 222, Station O, New York, telephone	1,808.99

	Amount
Oram & Rich, 8 West 40th St., New York, publicity services	$2,500.00
Publicity expenses	1,802.22
Packers Press, 209 West 38th St., New York, stenographing, mimeographing, printing	903.69
Par-X Letter Service, 35 West 19th St., New York, stenographing, mimeographing, printing	226.71
Permacam Co., 1 Bond St., New York, stationery and supplies	5.18
Pine Hill Crystal Spring Water, 132d St. and Brook Ave., Bronx, N. Y., water	20.57
Pitney-Bowes, Inc., Walnut and Pacific Sts., Stamford, stationery and supplies	5.42
Population Association of America, New York City, dues	3.00
Postmaster, New York City, postage for meter	400.00
Stationery and supplies	30.69
Radio Daily, 1501 Broadway, New York, books, newspapers, magazines	10.00
John Ralph, 494 Hudson St., New York, literary services	147.88
Ransdell, Inc., 806–16 Rhode Island Ave. NE., Washington, D. C., stenographing, mimeographing, printing	62.75
Rapid Messenger Service, 480 Lexington Ave., New York, messenger service	11.27
RCA Communications, Inc., 66 Broad St., New York, telephone and telegraph	58.44
Rialto Service Bureau, Inc., 1501 Broadway, New York, stenographing, mimeographing, printing	$365.95
Emil Rosenberg, 25 Charles St., New York, field counsel fees	1,073.00
Field counsel expenses	729.67
Shelburne Hotel, 303 Lexington Ave., New York, rent	1,210.50
Newspapers, etc	41.30
Superintendent of Documents, Washington, D. C., books, newspapers, magazines	112.50
Telanserphone, Inc., 224 East 38th St., New York, telephone and telegraph	40.85
Time, Inc., New York City, stenographing, mimeographing, printing	694.98
Tru-Rite, Inc., 116 Broad St., New York, stationery and supplies	6.18
Patricia Tucker, 200 East 16th St., New York, publicity services	5.00
Wallie Warren & Associates, 131 West 2d St., Reno, Nev., field counsel fees	1,200.00
Field counsel expense	1,896.91
Washington, D. C., Unemployment Insurance, Washington, D. C., payroll taxes	10.20
Western Union Telegraph Co., 60 Hudson St., New York, telephone and telegraph	2,212.89
Wholesale Typewriter Co., 155 6th Ave., New York, rentals of equipment	70.86
Brought forward	34,499.67

Citizens Committee on Displaced Persons expenses, Jan. 1 to Mar. 31, 1950

Name and address	Payroll	Travel	Total
William S. Bernard, 14 East 80th St., New York, N. Y.	$2,505.00	$4,442.57	$6,947.57
Hanni Blumenfeld, 310 West 97th St., New York, N. Y.	1,015.04	26.87	1,041.91
Edwin H. Brown, 6745–1 190th Lane, Fresh Meadows Station, Flushing, N. Y.	13.50		13.50
Mildred Calin, 222 West 77th St., New York, N. Y.	491.13	4.15	495.28
Hugh E. Carstensen, 324 East 48th St., New York, N. Y.	679.00	53.05	732.05
Elizabeth B. Chavin, 230 East 30th St., New York, N. Y.	81.23		81.23
Elizabeth Gardiner, 1005 Battlefield Dr., Nashville, Tenn.		14.47	14.47
Emily Lehan, 360 East 50th St., New York, N. Y.	1,264.85	2.40	1,267.25
May McKinsey, 213 East 58th St., New York, N. Y.	1,364.46	125.09	1,489.55
Thelma Plafker, 285 Albany Ave., Brooklyn, N. Y.	525.00	4.54	529.54
Margaret Shengold, 146 Fulton St., Brooklyn, N. Y.	823.24	17.89	841.13
Helen A. Shuford, 75–22 197th St., Flushing, N. Y.	1,875.00	84.14	1,959.14
Bert Lind Samalman, 155 West 20th St., New York, N. Y.		100.00	100.00
Peggy Ward, 138 East 38th St., New York, N. Y.	591.36	10.93	602.29
Deborah Weinerman, 1760 East 18th St., Brooklyn, N. Y.	50.77		50.77
Total	11,279.58	4,686.10	15,965.68
Expenses from previous page			34,499.67
Total expenditures for the first quarter of 1950, per schedule E, p. 2			50,465.35

Table compiled from the quarterly reports filed by Citizens Committee on Displaced Persons

Quarter ending—	Contributions	Expenditures
Dec. 31, 1946	$27,000.00	$2,487.67
Mar. 31, 1947	36,200.00	48,760.61
June 30, 1947	200,553.25	136,670.84
Sept. 30, 1947	37,845.97	103,295.72
Dec. 31, 1947	109,899.70	96,314.72
Mar. 31, 1948	139,947.77	149,507.95
June 30, 1948	122,645.90	136,959.32
Sept. 30, 1948	34,484.86	30,356.97
Dec. 31, 1948	30,468.00	28,336.75
Mar. 31, 1949	74,852.84	80,537.75
June 30, 1949	66,391.48	61,075.08
Sept. 30, 1949	42,680.50	44,758.91
Dec. 31, 1949	33,601.00	36,437.58
Mar. 31, 1950	77,980.78	50,465.35
Total	1,034,562.05	1,005,965.22

AID FOR FLOOD SUFFERERS IN THE PROVINCE OF MANITOBA, CANADA

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution coming over from a previous day, which will be stated.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 89) favoring aid for flood sufferers in the Province of Manitoba, Canada.

Mr. LUCAS. Mr. President, I ask that the concurrent resolution be passed over without prejudice.

The VICE PRESIDENT. Without objection, it is so ordered.

CONSULAR CONVENTION BETWEEN THE UNITED STATES AND IRELAND—REMOVAL OF INJUNCTION OF SECRECY

The VICE PRESIDENT. As in executive session, the Chair lays before the Senate a message from the President of the United States, transmitting a consular convention between the United States of America and Ireland, signed at Dublin on May 1, 1950, being Executive P, Eighty-first Congress, second session, which the clerk will read.

The legislative clerk read as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the consular convention between the United States of America and Ireland, signed at Dublin on May 1, 1950.

I transmit also, for the information of the Senate, the report by the Secretary of State with respect to the convention and the copy, referred to therein, of "Minutes of Interpretation" initialed by the plenipotentiaries on May 1, 1950, on the occasion of the signing of the convention.

HARRY S. TRUMAN.

THE WHITE HOUSE, *June 7, 1950.*

(Enclosures: (1) Report of the Secretary of State; (2) consular convention with Ireland, signed May 1, 1950; (3) minutes of interpretation, initialed May 1, 1950 (copy).)

Mr. CONNALLY. Mr. President, as in executive session, I move that the injunction of secrecy be removed from the convention, and that the message and convention be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The morning business is concluded.

TRANSFER OF PAINTINGS TO THE DEPARTMENT OF THE INTERIOR

Mr. HAYDEN. Mr. President, I ask unanimous consent for the present consideration of Senate Joint Resolution 170, providing for the transfer of the paintings, The Grand Canyon of the Yellowstone and The Chasm of the Colorado, from the United States Capitol to the Department of the Interior.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the joint resolution (S. J. Res. 170) to provide for the transfer of the paintings, The Grand Canyon of the Yellowstone and The Chasm of the Colorado, from the United States Capitol to the Department of the Interior was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the painting The Grand Canyon of the Yellowstone and the painting The Chasm of the Colorado, by Thomas Moran, now located in the United State Capitol Building, be, and the same are hereby, transferred to the permanent custody of the United States Department of the Interior for display in the Department of the Interior Building, and the Architect of the Capitol is authorized and directed to effect the actual transfer of such paintings from the United States Capitol to the Department of the Interior.

TRANSFER OF PLASTER CAST OF STATUE OF GEORGE WASHINGTON TO THE SMITHSONIAN INSTITUTION

Mr. HAYDEN. Mr. President, I ask unanimous consent for the present consideration of Senate Joint Resolution 171, providing for the transfer of the plaster cast of the statue of George Washington from the United States Capitol to the Smithsonian Institution. The joint resolution is on the calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arizona?

There being no objection, the joint resolution (S. J. Res. 171) to provide for the transfer of the plaster cast of the

statue of George Washington from the United States Capitol to the Smithsonian Institution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the plaster cast of the statue of George Washington, now located in the rotunda of the United States Capitol, executed by William J. Hubard from the original statue in marble by Jean Antoine Houdon, be, and the same is hereby, transferred to the custody of the Smithsonian Institution, and the Architect of the Capitol is authorized and directed to effect the actual transfer of such statue from the United States Capitol to the Smithsonian Institution.

ESTABLISHMENT OF A JOINT SENATE AND HOUSE RECORDING FACILITY

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. FERGUSON. At this particular time in the session, is it appropriate to make a motion for the reconsideration of the vote on a joint resolution?

The VICE PRESIDENT. Such a motion is in order at any time.

Mr. FERGUSON. Then, Mr. President, I now move that the Senate reconsider the vote by which the Senate passed House Joint Resolution 332, a joint resolution providing for the establishment of a joint Senate and House recording facility. The vote on that measure was taken, as I understand, early this morning. I was not on the floor at that particular time.

The VICE PRESIDENT. The joint resolution has gone to the House; and the Senator will have to move that the House be requested to return the papers.

Mr. FERGUSON. Very well; I now move that the House be requested to return the joint resolution to the Senate.

The VICE PRESIDENT. The motion is not debatable.

The question is on agreeing to the motion of the Senator from Michigan. [Putting the question.]

The Chair is in doubt.

Mr. FERGUSON. I ask for a division.

The VICE PRESIDENT. A division is requested.

Mr. FERGUSON. Mr. President, in order that the Senate may know the nature of this matter, let me state that the joint resolution provides for the establishment of a joint Senate and House recording facility. The matter is one which I am sure deserves more attention than it has received by the Senate; and when the joint resolution is returned to us from the House of Representatives and is placed on the calendar, more attention can be given to it.

The Senator from Connecticut [Mr. BENTON], who was one of the sponsors of the measure, is out of the country at the present time.

I think the joint resolution should be returned to the Senate, for further consideration by the Senate.

The VICE PRESIDENT. The motion before the Senate is not debatable.

Mr. LUCAS. Mr. President, I ask unanimous consent that I may speak for 1 minute on the pending motion.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Illinois may proceed.

Mr. LUCAS. I should like to advise the Senate that when the Senate passed the joint resolution early this morning, it was done primarily at the request of the Senator from South Dakota [Mr. MUNDT], the Senator from Nebraska [Mr. WHERRY], and other Senators on the Republican side of the aisle, who were very much interested in the passage of the joint resolution. They indicated to me that there was no objection whatever on the part of Senators on their side of the aisle; and the RECORD will so show.

I had placed in the RECORD at that time a report which had been submitted by the Committee on Rules and Administration; and the Senator from South Dakota [Mr. MUNDT] made a very illuminating statement about the joint resolution. I assumed that all Senators were in favor of it.

It is rather important, as I see it, to have this measure enacted as early as possible. I should not like to oppose the motion to have the Senate reconsider its vote on the joint resolution; but in view of what was done here last night by the leadership of the Republican Party, it seems to me that the motion is a little out of order.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Michigan [Mr. FERGUSON] that the House of Representatives be requested to return House Joint Resolution 332 to the Senate.

On this question a division has been requested, and the Senate will now divide.

On a division, the motion was rejected.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SALTONSTALL. Where does the motion of the Senator from Michigan for reconsideration of the vote by which House Joint Resolution 332 was passed by the Senate now stand?

The VICE PRESIDENT. The vote which was just taken defeats the motion. The joint resolution is in the House of Representatives, and presumably it will remain there until the House acts on the Senate amendment.

EXTENSION OF RENT CONTROL

Mr. LUCAS. Mr. President, I made an announcement yesterday that we would take up the bill, S. 3181, to extend for 1 year the Housing and Rent Act of 1947, as amended. It is a bill to extend rent control for another year. It has been reported by the Committee on Banking and Currency, with an amendment.

It is a very important measure, on which the Senate must act upon before June 30; otherwise, the Housing and Rent Act of 1949 will expire. I now move that the Senate proceed to the consideration of Senate bill 3181.

The VICE PRESIDENT. The Secretary will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The question is on agreeing to the motion, which is not debatable.

The motion was agreed to, and the Senate proceeded to consider the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, which had been reported from the Committee on Banking and Currency, with an amendment, to strike out all after the enacting clause and insert:

That this act may be cited as the "Housing and Rent Act of 1950."

SEC. 2. Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951."

SEC. 3. Section 202 (c) (1) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"(1) those housing accommodations in any establishment which is commonly known as a hotel in the community in which it is located and which is occupied by an appreciable number of persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service: *Provided, however,* That nothing herein shall be construed to have the effect of controlling any housing accommodations which were exempt from control under this section or decontrolled by administrative action prior to the date of enactment of the Housing and Rent Act of 1950; or".

SEC. 4. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951".

SEC. 5. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"(f) (1) The provisions of this title, except section 204 (a), shall cease to be in effect at the close of December 31, 1950, except that they shall cease to be in effect at the close of June 30, 1951—

"(A) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to December 31, 1950, declares (by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such city, town, or village; and

"(B) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (A) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declaration specified in paragraph (1) (A) of this subsection shall notify the Housing Expediter in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

SEC. 6. Section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out the first proviso, and

by striking out *"And provided further"* and inserting in lieu thereof *"Provided."*

SEC. 7. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

SEC. 8. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 9. This act shall become effective on the first day of the first calendar month following the month in which it is enacted.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. MAYBANK and Mr. CAIN addressed the Chair.

The VICE PRESIDENT. The Senator from Illinois has the floor.

Mr. LUCAS. Does the Senator from South Carolina desire me to yield?

Mr. MAYBANK. I merely desire to explain the bill and the amendment, very briefly.

Mr. LUCAS. I yield the floor to the Senator from South Carolina.

The VICE PRESIDENT. The Senator from South Carolina, chairman of the committee, is recognized.

Mr. MAYBANK. Mr. President, the bill which is now before the Senate was introduced by the Senator from Illinois [Mr. LUCAS].

AMENDMENT OF DISPLACED PERSONS ACT—CONFERENCE REPORT

Mr. McCARRAN. Mr. President——

The VICE PRESIDENT. The Senator from South Carolina has the floor.

Mr. McCARRAN. I desire to present a privileged matter, namely, the conference report on the bill H. R. 4567, the displaced-persons bill.

The VICE PRESIDENT. The Senator cannot take the Senator from South Carolina off the floor for that purpose.

Mr. McCARRAN. Mr. President, will the Senator from South Carolina yield to me for the purpose stated? I do not think it will take more than a few minutes.

Mr. MAYBANK. Mr. President, I will gladly yield to the Senator from Nevada for the purpose stated, provided I do not lose my place on the floor. I ask unanimous consent that I may yield to the Senator from Nevada for the purpose stated without losing my right to the floor.

The PRESIDING OFFICER (Mr. MYERS in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARRAN. Mr. President, I move that the Senate proceed to the consideration of the conference report on the bill H. R. 4567, to amend the Displaced Persons Act of 1948.

(For conference report, see CONGRESSIONAL RECORD of June 6, 1950, p. 8091.)

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4567) to amend the Displaced Persons Act of 1948.

Mr. SALTONSTALL. Mr. President, will the Senator from Nevada yield for the purpose of a quorum call? I think in the interest of orderly procedure we should have a quorum call, particularly since the conference report has come up rather suddenly. I think we should have a quorum call, in order that Senators who are interested in the matter may be present. Senators thought yesterday the measure to be considered this morning would be the extension of the Housing and Rent Act of 1947, as amended.

Mr. McCARRAN. Mr. President, I am entirely in accord with the suggestion, so long as I may have the floor after a quorum is obtained. I think I could obtain the floor anyway.

Mr. MAYBANK. Mr. President——

Mr. SALTONSTALL. Mr. President, before I suggest the absence of a quorum——

Mr. MAYBANK. I merely wanted to make certain that after a quorum is obtained, and after the conference report has been disposed of, I may have the same position I had when I yielded.

The PRESIDING OFFICER. There is a unanimous-consent agreement to that effect.

VISIT TO THE SENATE BY HON. YUKIO OSAKI, MEMBER OF THE JAPANESE DIET

Mr. LUCAS. Mr. President, before there is a quorum call, will the Senator from Massachusetts yield to me in order that I may make a brief statement with respect to a very distinguished visitor who is in our midst today?

Mr. SALTONSTALL. I yield.

Mr. LUCAS. Mr. President, the Honorable Yukio Osaki, who is a member of the Japanese Diet, and has been for 60 years, continuously—probably the longest tenure enjoyed by any man who has ever served in a parliamentary body—is at this moment in the Vice President's room, and will soon come on the floor of the Senate to visit with Members. I merely make the announcement at this time in order that Senators may know that our distinguished guest will soon be escorted into the Chamber, as I understand, by the Vice President of the United States, and by the Senator from New Jersey [Mr. SMITH]. It is my hope that while a quorum call is under way, Senators may have an opportunity to greet this very distinguished visitor from the Far East.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN answered to his name when called.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the proceedings under the order for a quorum call be suspended until I ask the majority leader a question.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF RENT CONTROL

Mr. SALTONSTALL. Mr. President, the question I desire to ask the majority leader is this: I understand and I mention this in order that there may be no misunderstanding at this point that the committee substitute for Senate bill 3181 was agreed to. I know that there are Senators who will desire to propose amendments to the bill. I understand from the parliamentarian that under the action of the Senate, no amendments may now be offered. I also discussed the matter with the chairman of the Committee on Banking and Currency. I hope he will have no objection to a unanimous-consent request to reconsider the vote of the Senate, by which the committee amendment was agreed to so that the bill may be open to amendment. I ask unanimous consent that the vote of the Senate on the committee amendment, which was taken very quickly, be reconsidered, in order that the Senate bill 3181, extending the Housing and Rent Act of 1947, as amended, may be open to amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts that the vote by which the committee amendment was adopted be reconsidered?

Mr. MAYBANK. Mr. President, reserving the right to object, the Senate agreed to the amendment. I should like to ask the Senator from Massachusetts whether it is a question of having a large number of amendments presented to the bill, the consideration of which might consume 2 or 3 weeks, or whether the number of amendments to be proposed is limited. I want to be frank about it. I want to know.

Mr. SALTONSTALL. I am unable to give the Senator that information. I am making the request in the interest of what I hope is the orderly discussion of the bill. I understand there will be some amendments, though I do not know what they are. I, myself, do not propose to offer any.

Mr. MAYBANK. Mr. President, naturally I should like to see an orderly procedure followed. I am for that. But the question of rent control is urgent, because the existing law will expire at the end of this month. The bill to extend the law will have to pass both Houses of Congress. The Senate bill differs from the House bill, and a conference will be required. I do not want to place the Senate in a position of having a large number of amendments adopted, or presented for consideration, which would prevent action on the bill within a reasonable time. That is why I raise this question. I should like to see the amendments.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts?

Mr. LUCAS. Mr. President, reserving the right to object for the moment, I am wondering whether it would be possible to delay acting on the request until after the quorum call. We could then discuss it, with the hope that we could agree upon a time for voting upon the bill. Personally, I have no objection to reconsideration, in order that amendments may be offered, if we may have a time

limit and a time fixed for a vote on the bill. What I desire is that in cooperation with the leadership on the Republican side of the aisle, we may be able to expedite consideration of this and other important measures as much as possible, and at the same time have the merits of the bills discussed properly by Members of the Senate.

Mr. SALTONSTALL. Mr. President, speaking for myself personally, it is my desire to cooperate 100 percent with the majority leader in that respect. I understand that, if the action which was taken—perfectly properly, but very quickly—is not reconsidered, certain Members on this side of the aisle will be precluded from offering amendments, and they will be placed in a very difficult position.

The VICE PRESIDENT. The Chair suggests to the Senator from Massachusetts that while a motion to reconsider is not in order at the moment, it will be later on.

Mr. SALTONSTALL. I realize that, but I had hoped we might have a reconsideration by unanimous consent.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts.

Mr. LUCAS. I should like to wait until the quorum call is concluded, discussing it in the meantime, to see whether we can work out some satisfactory arrangement. I should like to confer with Senators on the other side of the aisle, to see whether it is possible to fix a time limit for a vote on the bill. Any reasonable time would be agreeable to me, which would permit Senators desiring to offer amendments to do so.

Mr. MAYBANK. Mr. President, I desire to cooperate in every way possible I can, to have amendments offered, and so forth, and to work with the Senator from Massachusetts. But I think, in view of the fact that the present rent control law will expire at the end of this month, we should reach some understanding as to when a vote will be had.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. SALTONSTALL. So far as I have heard, there is no suggestion on this side of the aisle that there will be a filibuster or any other delay in connection with the bill.

Mr. MAYBANK. I am not suggesting that, but I think that after the quorum call we might perhaps reach a unanimous-consent agreement to vote on Monday or Tuesday of next week, or even on Saturday of this week.

Mr. SALTONSTALL. I shall be very glad to take it up after the quorum call.

VISIT TO THE SENATE OF THE HONORABLE YUKIO OSAKI, MEMBER OF THE JAPANESE DIET

The VICE PRESIDENT. The Chair requests that the quorum call be suspended for the time being. We have with us today a very distinguished guest, the Honorable Yukio Osaki, the distinguished Japanese gentleman who presented to the Government and to the people of the United States the cherry trees which adorn the city of Washington. He has been continuously a member of the Japanese Diet for 60 years. He is a former mayor of Tokyo, and is 92 years of age.

The Senator from New Jersey [Mr. SMITH], who, with other Senators, visited Japan last year and received marked courtesy at the hands of this distinguished Japanese statesman, has asked Mr. Osaki to visit the Senate Chamber, where he has a right to sit because of his membership in the Japanese Diet. The Chair, on behalf of himself and on behalf of the Senate, is glad to welcome Mr. Osaki into the Senate and to the United States and is sure the Members of the Senate are glad to give him an appropriate greeting. [Applause, Senators rising.]

Mr. SMITH of New Jersey. Mr. President, it gives me great pleasure to add to the eloquent words of the Vice President a word of sincere greeting to our distinguished guest. We are all familiar with the wonderful gift he made some years ago, after the Russian-Japanese War, of the cherry trees which now adorn the Tidal Basin in Washington. That gift was made in appreciative recognition of the services of the then President of the United States in bringing about peace between Japan and Russia. All through his life our distinguished guest has been a warm friend of America. Even during the deplorable period when we were at war with Japan he was opposed to that war, because he always felt the United States was one of the best friends Japan had.

I am very happy that this gentleman, who is 92 years of age, and who has had such a long and distinguished career in his own country, can be with us for a few moments during the session of the Senate. We recognize the distinction he has achieved in his own country and the distinction he brings to us by reason of his visit. We wish him Godspeed and many more years of useful service to his country and to the world.

Mr. KNOWLAND. Mr. President, I desire to join with my colleague from the State of New Jersey in saying a word of welcome to our distinguished guest. I had the privilege of visiting Japan in November of last year. I think we all know of the distinguished career of our guest and the friendship he has had for the United States, his desire to promote democratic institutions, and the graceful gesture he made in the presentation of the cherry trees which line the Tidal Basin in Washington and which bring so much joy to visitors and to the people of Washington. I join with the distinguished Senator from New Jersey in extending this word of welcome to our distinguished guest.

Mr. FERGUSON. Mr. President, I rise to greet the distinguished member of the Diet of Japan who has served 60 years in that legislative body. His actions prior to the war and during the war were such as to indicate his great friendship for America. I am sure he was a believer in the fact that America had been the greatest friend Japan ever had. We wish him well. We realize that because of his many years in the service of his country the remaining years in the future may not be so long as we would desire, but we know they will reflect his attitude toward America. We hope that his people will feel that they need the friendship of America and of the world, that the things which happened in Japan, so far as militarism is concerned, shall not reappear, and that we shall enjoy the friendship of Japan in the future, making easier General MacArthur's work in Japan.

We who live in Washington enjoy the fruits of his wonderful gift of cherry trees to our great country, and particularly to this great city.

The VICE PRESIDENT. The Chair will say to our distinguished guest that, under the rules of the Senate, he is welcome to remain here as long as he may wish. We are very happy to have him present with us. We hope he will enjoy our session and enjoy his visit to Washington and to the United States. We hope that he will carry back with him happy memories of what we hope will be a long season of peace between Japan and the United States.

AMENDMENT OF DISPLACED PERSONS ACT—CONFERENCE REPORT

The VICE PRESIDENT. The question is on agreeing to the conference report on the so-called displaced-persons bill.

EXTENSION OF RENT CONTROL

Mr. SALTONSTALL. Mr. President, before discussing the conference report, I ask unanimous consent that the vote by which the Senate agreed to the amendment in the nature of a substitute to the rent-control bill be reconsidered and the bill placed in its original status. I make that request in the hope that we can reach an agreement to vote upon it.

Mr. LUCAS. Mr. President, I cannot agree to that. I am not going to object if the Senator asks reconsideration of the vote by which the amendment was adopted, but I understand the Senator asks reconsideration of the entire bill.

Mr. SALTONSTALL. No.

The VICE PRESIDENT. The only thing which can be acted upon is the amendment in the nature of a substitute.

Mr. LUCAS. I understood the Senator from Massachusetts to say that he was requesting that the bill be placed in its original status.

The VICE PRESIDENT. The Senator evidently meant that the amendment be placed in its original status. The Chair does not understand that the Senator is asking for anything other than that.

Mr. SALTONSTALL. That is correct.

Mr. LUCAS. I shall not object, but I sincerely hope we may start discussing and debating rent control and remain with it until we can finish it, with the exception of the interruption which will occur tomorrow when the calendar will be called.

I am appealing to Senators on both sides of the aisle to refrain, if possible, from extraneous debate and to stay with the rent-control bill until we finish its consideration. I believe the leadership on the Republican side of the aisle is just as anxious to bring about an adjournment of Congress as rapidly as possible as is the leadership on this side of the aisle. That can be done if we stick to our text. I sincerely hope that we can

reach a vote on the rent-control bill by Friday afternoon or late Friday night.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts that the vote by which the amendment in the nature of a substitute was adopted be reconsidered? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. I thank the Senator from Nevada, and, with his approval, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hill	Malone
Brewster	Hoey	Martin
Bricker	Holland	Maybank
Bridges	Humphrey	Millikin
Butler	Ives	Morse
Byrd	Johnson, Colo.	Mundt
Cain	Johnson, Tex.	Murray
Capehart	Kefauver	Myers
Chapman	Kem	Neely
Connally	Kerr	O'Mahoney
Cordon	Kilgore	Pepper
Donnell	Knowland	Robertson
Douglas	Langer	Russell
Dworshak	Leahy	Saltonstall
Ecton	Lehman	Smith, N. J.
Ellender	Lodge	Stennis
Ferguson	Long	Thomas, Utah
Flanders	Lucas	Thye
Frear	McCarran	Tobey
Fulbright	McCarthy	Tydings
George	McClellan	Watkins
Gillette	McFarland	Wherry
Green	McKellar	Williams
Hayden	McMahon	Withers
Hendrickson	Magnuson	Young

The VICE PRESIDENT. A quorum is present.

AMENDMENT OF DISPLACED PERSONS ACT—CONFERENCE REPORT

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. McCARRAN. Mr. President, I ask that the conference report on H. R. 4567 be adopted.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. SALTONSTALL. I am personally in favor of the conference report. However, because of the lengthy discussion that was had on this subject, I believe the chairman should explain the report briefly.

Mr. McCARRAN. The provisions of the bill (H. R. 4567) as agreed upon by the conferees and recommended in the accompanying conference report embrace 415,744 aliens, plus an indeterminate number of aliens who are allotted 50 percent of the nonpreference portion of certain quotas for 5 years. The numbers hereinafter set forth in the aggregate include the numbers provided for in the Displaced Persons Act of 1948, and are by classes as follows:

First. Three hundred and one thousand five hundred visas are authorized to be issued to aliens in the general eligible displaced persons class, over a 3-year period beginning July 1, 1948. This category includes displaced persons who on or before January 1, 1949, were in Italy or the American, British, or French zones of Germany or Austria. The Displaced Persons Act of 1948 authorized the issuance of 202,000 visas to aliens in this class over a 2-year period beginning July 1, 1948, but the cut-off date for eligibility was December 22, 1945.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. Yes.

Mr. SALTONSTALL. The Senator has cited two figures: first, the number of displaced persons the provisions of the pending bill would admit to the United States, and second, the number permitted entry under the present law. Will the Senator tell us in round figures how many more persons would be admitted under the provisions of the proposed law?

Mr. McCARRAN. I can give the Senator round figures. It is the difference between 415,744, and 202,000.

Mr. SALTONSTALL. So, approximately 213,000 more people would be entitled to entry.

Mr. McCARRAN. Let us call it approximately 200,000. That represents the known admissions. But I draw the attention of the Senate to the further fact that it is plus an indeterminate number of aliens who are allotted 50 percent of the nonpreference portion of certain quotas for 5 years. It is utterly impossible for us to determine how many persons that will embrace. No one can tell. But if the Senator wants round figures, it is approximately 210,000, I should say, in addition to the numbers of displaced persons who may be brought in under the 1948 act.

Mr. SALTONSTALL. The eligibility date was previously 1945, was it not?

Mr. McCARRAN. The cut-off date, we call it, was January 1, 1945, because the President had established that date. Under the bill which passed the Senate, and under the conference agreement, it is January 1, 1949.

Mr. SALTONSTALL. I thank the Senator.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from Virginia.

Mr. ROBERTSON. I wish to ask the Senator a question about the legislative intent in eliminating the amendment I offered to section 4. The distinguished Senator will recall that section 4 covers a special category that is limited to a total of 15,000.

When the bill was pending in the Senate, the Senator from Virginia offered an amendment which he said would, in his opinion, apply to not more than 100 of the 15,000 covered by section 4. The amendment was offered first to the committee bill, but it was not offered at the appropriate time. The chairman handling the committee bill agreed to accept it at the proper time. The amendment was offered to the substitute bill, which was the bill finally passed, which eliminated the committee bill, and the patron of the substitute bill, the distinguished Senator from West Virginia [Mr. KILGORE], agreed to accept the amendment.

In view of the fact that the proponents of both bills agreed to accept the amendment, it was not debated at length on the floor of the Senate, and it was unanimously agreed to.

When the bill went to conference the conferees first, as I understand, agreed to the amendment. Later the amendment was deleted. I may be wrong.

Mr. McCARRAN. The Senator has not been correctly advised.

Mr. ROBERTSON. At any rate, the amendment was stricken from the bill. I was told that the managers on the part of the House were favorably inclined to the amendment because there were 17 bills in the House which would have been affected by it.

Mr. President, the issue was the construction of the language in the 1949 bill relating to those who were from some country to which they could not return, but who perhaps had a chance to return to some other country. Language which was different from the Senate bill and different from the House bill in 1949, was put in the conference report and became the law.

I was told by those who framed that language that it meant that a person would be considered a displaced person if he or she could not return to the country of his or her origin, but they used the language "any such country," and in the first case that came before the Commissioner of Immigration and Naturalization it was held by him that "any such country" referred to any country to which possibly under the law such persons could return.

The case then pending dealt with a man whose father was a Greek and whose mother was a Rumanian, and who had been a resident of Rumania and was a refugee from Rumania. But on account of his alleged Greek citizenship, because his father was a Greek, it was ruled that he was not eligible inasmuch as he could technically return to Greece, but he could not return to Greece because of the unemployment there; they would not accept him.

There was another case, of a Polish woman who was a refugee from Poland, to which, of course, she could not return. She had been married to a Britisher, who left her, I understand, about a month after the marriage, and possibly she had some technical right to return to Great Britain, but no actual right to do so.

Mr. President, I understand that of 6,000 cases now pending in the Department of Justice affecting persons in this general alleged category under section 4, the cases I have mentioned are the only two which would have been affected by the amendment I proposed, in addition to the 17 cases which I have mentioned as covered by special bills in the House of Representatives.

When the bill was originally before the Senate I believe I stated that I doubted whether it would apply to as many as a hundred people, but it seemed to be so fundamentally right and just to give even 17 or 20 or 100 equal protection and rights, that I thought the amendment would be proper to be included in the bill.

Mr. KILGORE. Mr. President, will the Senator from Nevada yield to me to reply to the Senator from Virginia?

Mr. McCARRAN. I yield.

Mr. ROBERTSON. I have not yet quite finished.

Mr. McCARRAN. This is a hypothetical question.

Mr. ROBERTSON. Mr. President, my amendment was to clarify the words "any such country," and it inserted instead of "any such country" the words "such country."

As the word "any" is defined in the dictionary, it means one or all. If a person was displaced from his country of birth or nationality or last residence, and could not return to that country for fear of persecution, he was, in my interpretation of the present law, a displaced person under this language.

I discussed this matter with one of the managers on the part of the House [Mr. WALTER] and I understood him to say that in his opinion the conferees eliminated amendment No. 48, which had been unanimously adopted by the Senate, because the conferees were of the opinion that the existing law had not been correctly construed by the Immigration and Naturalization Service, and that if correctly construed it would take care of the two cases I have mentioned, and possibly of the 17 for whom private bills have been introduced.

I now ask the distinguished chairman of the committee, and the patron of the substitute bill, which was passed, if I am not right in stating what was and is the legislative intent.

Mr. KILGORE. Mr. President, if the Senator from Nevada will yield to me to reply to the Senator from Virginia, the sole purpose of changing the language of the bill, and the whole controversy here, is the same as that which caused all the controversy about the displaced-persons bill. There is an administrative decision, or whatever it may be called, affecting immigration, by which officials of the Service feel they are bound. I wish to say to my distinguished friend from Virginia that the one thing we were striving to do in the conference was to keep out some fellow who had been through 6 or 8 or 9 or 10 countries and complained that one country had refused to let him return. The whole idea was to take care of the person who was displaced in the country of his origin or the country to which he would normally return.

I suggested to the Senator from Virginia that he bring this matter up at this time in order that in the debate we might indicate the legislative intent, which would govern the Immigration and Naturalization Service, and govern the Department of State.

The purpose was to provide for such a case as I shall use as an illustration. A man may go from Poland into Sweden, and from Sweden into France, and from France into Spain, and from Spain into Portugal, and from Portugal to Cuba, and from Cuba he may desire to go to the United States as a displaced person. All he would have been obliged to do under the original wording was to say "Well, Portugal will not permit me to return and Cuba does not wish me to remain." The purpose of the provision was to protect such a person if he was displaced from his real residence. I leave it to the Senator from Nevada if the principal discussion in the conference was not to the effect that persons who fall into such a class should be protected, and we were trying to protect them. We do not want them to be able to say, "Well, we want to get into the United States because Cuba does not want us to remain here any longer. We have been to eight or nine countries, and came originally from Poland"—or from Czechoslovakia, or Germany. If they have no country in Europe to which they can return, we want to take care of them. I think the debate is bringing out the real legislative intent, and will give a basis upon which the Immigration Service and the State Department can interpret that phase of the law.

Mr. ROBERTSON. Mr. President, that explanation of the legislative intent is entirely acceptable to me. I only hope and pray that those who are called upon in the future to administer this act will recognize that legislation intent. If my information is correct, I think erroneous information was given to the conferees. The amendment was limited to those who were here, I believe, prior to April 1949, and they had to be here either on a student's permit or on a temporary visa. All we want is that the legislative intent shall be such that if the person had a home in Rumania and cannot go back there, or the person had a home in Poland and cannot go back there, he can qualify under section 4. That is all we ask. We do not want anybody to be obliged to go through eight or nine countries, and go to Cuba, and then say "Well, Cuba will not let me remain". Nothing was further from my intention.

Mr. KILGORE. Mr. President, will the Senator from Nevada yield to me so I may reply?

Mr. McCARRAN. I yield.

Mr. KILGORE. That was the complete intent of the conferees. It is not a legislative intent. It is a conferee intent, and I think it must be read into the law. That is why the language was changed.

Mr. ROBERTSON. I will certainly see that that intent is made known to the enforcement agency.

Mr. McCARRAN. The question was whether or not——

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I should like to answer the question of the Senator from Virginia, if I may.

The question that was before the conferees and discussed at length concerned one who was in this country, and ordered to leave, who would say that he could not go back to one or the other of three countries, either the country of his nativity, the country of his last residence, or the country of his nationality. If he says, "I cannot go back to the country of my last residence because I will then be persecuted," the question then is, Can he go back to the country of his nativity? If he said there was some reason why he could not go back to the country of his nativity, could he then go back to the country of his nationality? Those are the questions which are involved.

But in order that the matter may not be confused, I think it is best to read the language which was used by Representative WALTER as it appears in the CONGRESSIONAL RECORD at page 8199 of June 6. He said:

> One of the important changes made by the conferees in the bill as it passed the Senate is the elimination of an amendment submitted by Senator ROBERTSON, of Virginia. Under this amendment, accepted in the late hours of the Senate's final deliberations on the bill, certain persons temporarily in the United States could obtain the privilege of permanent residence under section 4 of the 1948 act even if they could safely return to the countries of their last residence.
>
> The conferees were unanimous in their opinion that this provision would be too extensive and that it would do much more than originally intended, namely, to provide for a safe haven in the United States for those refugees who have no safe place to go. It is important, however, that the Department of Justice take judicial notice of the conferees' sentiments in that respect. As we all agreed, only such countries should be regarded as the countries of the alien's residence in which he had the right to reside permanently in accordance with our construction of "permanent residence," if he had established his domicile, and if he had there the right to work.
>
> I hope that this clarifying statement will be helpful to the Department of Justice in the administration of the law, and, since congressional approval of the Attorney General's ruling in section 4 cases is being retained, I trust that, in cooperation with the Department, both Houses of Congress will be able to work out a realistic basis for granting of permanent residence to this category of displaced persons.

In order that there may be no confusion as between the conferees on this subject, my answer to the Senator is in substance at least what was stated by Representative WALTER in the House. That is as near as I can come to an answer to the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, I thank the Senator from Nevada for the answer. It is in line with my thinking of what was intended. But I frankly state that I think the statement made by the distinguished Senator from West Virginia [Mr. KILGORE], who was the patron of the bill we are considering, is much clearer, and, so far as I am concerned, I shall rely on his statement.

Mr. KNOWLAND. Mr. President, will the Senator from Nevada yield to me?

Mr. McCARRAN. I yield to the Senator from California.

Mr. KNOWLAND. Mr. President, I should like to call the Senator's attention to section 3 (b) (2) of the bill as it appears on page 4 of the conference report, which deals with those who are presently on the island of Samar for the most part, who were displaced persons in two world wars. They are the so-called White Russians who had been displaced from what is now the Soviet Union and had gone to China, and then as the Chinese Communist revolution progressed were gradually pushed out, and have temporary refuge on the island of Samar. I believe the language as I read it amply takes care of that situation. We had considerable debate on the floor of the Senate, as the Senator will remember, when the bill itself was under consideration.

Mr. McCARRAN. I draw the Senator's attention to page 13 of the confer-

ence report, under the head of "Statement of the managers on the part of the Senate." Page 13, subdivision (6), is as follows:

(6) Four thousand visas are authorized to be issued during a period ending June 30, 1951, to certain aliens who resided in China as displaced persons or refugees on July 1, 1948, or on the effective date of the amendment, and who have not subsequently been received for permanent residence by any other country other than the United States. The Displaced Persons Act of 1948 did not embrace this class of aliens. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate provided for the issuance of 4,000 visas to this class of aliens. The conferees agreed to retain in the act the provision originating in the Senate which limits the class to those who have not subsequently been received for permanent residence by any country other than the United States.

Mr. KNOWLAND. I think that clears up that point. There is one additional fact, which I believe should be made clear, and I think it was made clear in the debate on the bill itself. As the able Senator from Nevada knows, many of those refugees and displaced persons, while living in China, had children who were actually not born in the old country, but were born in China. It is my understanding that such families would not be broken up. In other words, is it correct that the children would be eligible under this section?

Mr. McCARRAN. The spouse and the children of a displaced person come in as eligible displaced persons.

Mr. KNOWLAND. I thank the Senator from Nevada.

Mr. ROBERTSON. Mr. President, I should like to ask the distinguished Senator from Nevada if it is not a fact that 9 of the 10 conferees agreed concerning the legislative intent in leaving out my amendment No. 48, as expressed on the floor today by the distinguished Senator from West Virginia [Mr. KILGORE]?

Mr. McCARRAN. Mr. President, my answer will have to be no, because I have no recollection of any such procedure as that. The matter was discussed at length. It was discussed during parts of 2 days, as I recall.

However, as regards a division as between numbers of conferees on one side of the question and numbers of conferees on another side of the question, there was nothing of that kind. No vote was taken on the basis of such a division. I do not think there was any clear-cut division in regard to the matter. We tried to work it out so that what we intended would be clear.

Mr. ROBERTSON. Mr. President, with all due deference to the Senator, let me say that it was reported to me that the first time the matter was discussed in the conference, there were 10 conferees present, and all of them but one agreed with the interpretation of the legislative intent as given today by the Senator from West Virginia; and on the second occasion, so I was informed, there were six conferees present, and there was agreement among five of the six. Each time, so I am informed, it was the distinguished Senator from Nevada who did not agree.

Mr. McCARRAN. That is not true at all; someone has been giving the Senator from Virginia misinformation.

The Senator from Nevada presided during each meeting of the conferees. There was no cleavage; there was no clear-cut disagreement. I will say there was no clear-cut disagreement on any formal phases of the bill. The issues were worked out in conference; but so far as concerns a division of five of the conferees in favor of one position and six of the conferees in favor of another position, such a situation simply did not exist.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARRAN. Inasmuch as the Senator from South Carolina has been on his feet for some time, I am glad to yield to him for a question.

Mr. MAYBANK. I wish to be perfectly frank with my friend the Senator from Nevada, Mr. President. I yielded with the understanding that the conference report would be disposed of quickly. However, now I understand there will be lengthy debate regarding it.

I should like to have inserted in the RECORD a statement which I have prepared on the pending rent-control bill, inasmuch as there is to be long discussion.

If the Senator from West Virginia [Mr. KILGORE] wishes to ask questions of the Senator from Nevada, of course, it is up to the Senator from Nevada to determine whether he will yield for that purpose.

However, I wish to be recognized, so as to place in the RECORD a statement I have prepared on the rent-control bill, because I now understand that the conference report on the displaced-persons bill will be debated for a considerable length of time.

At first we understood that the conference report would be disposed of quickly, but now we understand that there are various Senators who wish to raise questions regarding it. Is that correct?

Mr. CAIN. I think the Senator's understanding that a considerable number of comments will be made during the course of the consideration of the conference report is quite correct.

Mr. MAYBANK. Certainly that is the present understanding.

Mr. McCARRAN. Mr. President, the conference report is a privileged matter. I sought to have it brought up in the Senate as early as possible. The House adopted the conference report yesterday. I thought it was the duty of the Senate to take up the conference report at this time. Regardless of how long its consideration may require, the conference report is now before the Senate, and I shall persist in trying to have it adopted as soon as possible.

Mr. MAYBANK. Mr. President, will the Senator yield.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Nevada yield to the Senator from South Carolina?

Mr. McCARRAN. I yield.

Mr. MAYBANK. I simply wish to say to the Senator from Nevada that I am in complete accord with him, and I should like to see the conference report adopted at once.

I was merely trying to protect my own rights in respect to the presentation and consideration of the rent-control bill, in view of the fact that attempts may be made by other Senators to present other matters following the disposition of the conference report, which, of course, is a privileged matter.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. KILGORE. I do not wish to have a misapprehension remain to the effect that I gave misinformation to my distinguished colleague, the Senator from Virginia [Mr. ROBERTSON]. My understanding is that the statement made about the proceedings in the conference was utterly correct.

I do not know whether the Senator from Nevada voted for or against the points at issue. My understanding was that a man who was taken from his home had no rights as a displaced person under the bill. That was my point, in agreeing to the change.

We do not wish to permit a man who came to the United States from Canada or from Cuba or from Venezuela or any other place, then to say, "I am not welcome in the country from which I came, so I have to have a place here in the United States."

But if a man came to the United States from a place which he originally called his home and in which he had had his business, he would be taken care of.

I do not want the Senator from Nevada to understand that I have misrepresented things in any way.

I do not exactly recall what the vote was; but my understanding was exactly the same as that of the House conferees. As I recall, there were only six of us present at the final conference when this matter was arranged.

I want the legislative intent in that connection to be clear, not to be subject to any administrative decisions by some bureau which will destroy the intent of the conferees and the intent of the Congress.

That was my reason for making the statement I did make, and I made it after asking the consent of the conferees.

Let me say to the distinguished Senator from South Carolina that we have to adopt the conference report in order that the Displaced Persons Act may continue, and the quicker we adopt the conference report, the better off we shall be.

Of course the Senator from South Carolina realizes that a similar situation exists as regards the rent-control bill. In other words, the sooner we take action on both of those measures, the better off the country will be. The Displaced Persons Commission cannot even request an appropriation until the conference report is agreed to; neither can the rent-control group request an appropriation until the rent-control bill is passed. So, if possible, we should try our utmost to secure the enactment of both measures as quickly as possible, in order that the agencies involved may

request and may receive the necessary appropriations.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. McCARRAN. Mr. President, I cannot yield just now; I shall yield in a few minutes.

Mr. President, we have before us a subject matter which I think should be cleared up so far as we possibly can do so. This entire matter pertains to those who may come temporarily to the United States in one category or another, and who might be required to return to the countries from which they come.

If an individual can say, "I cannot return to the place of my birth, because of persecution"; but if, on the other hand, he can say, "Yes; I can go back to the place of my last residence" or "I can go back to the place of my nationality," then he is not to remain in this country.

The Senator from Virginia very properly draws our attention to certain individuals, and he says there are 2 or 3 or perhaps 9 or 10 of them. There may be more, of course. However, we are dealing with those individuals every day by means of private bills, and we are dealing with them fairly successfully in that way. So it seems to me that the Senator from Virginia is overly apprehensive about the matter.

In order to make the RECORD as clear and as concise as I know how to make it, it is best to take the language of the able Representative who had this matter in charge on the floor of the House of Representatives, so that there may be no confusion as between the House of Representatives and the Senate; and I say that, so far as I am concerned, I adopt the language of Representative WALTER, and I make it a part of my answer, if that will aid in the administration of the bill. That is the position I take on the matter, and I do not think there can be any confusion there.

The less confusion we inject into this matter, the better it will be, for there is sufficient confusion regarding it, anyway.

Now I yield to the Senator from South Carolina, to permit him to ask a question.

Mr. MAYBANK. Mr. President, with the Senator's consent, I should like to say that I am thoroughly in favor of the adoption of the conference report and the enactment of this proposed legislation, as well as of the rent-control bill.

Having previously had the floor, and inasmuch as it now seems that long discussion is about to start on the displaced persons bill, I wonder whether the Senator from Nevada will yield to me, to permit me to make a brief statement.

Mr. McCARRAN. Very well, I yield to the Senator, to permit him to make a brief statement.

The PRESIDING OFFICER. Does the Senator from Nevada yield the floor?

Mr. McCARRAN. No, Mr. President; I do not yield the floor. As I understand, I have the floor.

The PRESIDING OFFICER. Yes; and the Senator can yield only for a question.

Mr. McCARRAN. That is correct.

Let me inquire whether there are any other questions regarding the conference report? I am anxious to have it adopted.

Mr. HOLLAND, Mr. LEHMAN, and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nevada yield; and if so, to whom?

Mr. McCARRAN. I yield first to the Senator from Florida, to permit him to ask a question regarding the pending measure.

Mr. HOLLAND. Mr. President, I wished to address several questions to the distinguished Senator from Nevada. However, I shall confine myself to questions.

In the first place, I ask the distinguished Senator whether it is true that under this measure, as it comes from the conference, decidedly more displaced persons will be admitted to the United States in the year beginning July 1, 1950, and ending June 30, 1951, than the entire number who have been admitted into the United States under the present legislation in the 2 years of the operation of that legislation.

Mr. McCARRAN. The answer to that question is "Yes," because there will be permitted to enter this country, in addition to the 205,000 who were embraced within the 1948 act, approximately 210,000 or 212,000 additional, plus an additional number that no one can estimate accurately. It is plus an indeterminate number of aliens, who are alotted 50 percent of the nonpreference portion of certain quotas for 5 years. There is no one who can tell us what that number is.

Mr. HOLLAND. I thank the Senator. The Senator will recall that I was interested in an amendment offered by the distinguished junior Senator from Minnesota, who, I believe, is not present today, applicable to the admission of certain orphans.

Mr. McCARRAN. Yes.

Mr. HOLLAND. Will the Senator state for the RECORD what disposition was made of that particular matter?

Mr. McCARRAN. There are two provisions relative to orphans, and I shall read to the Senator the statement of the managers on the part of the Senate, appearing on page 13 of the report, subdivision 7, as follows:

(7) Five thousand nonquota visas are authorized to be issued during a period ending June 30, 1951, to eligible displaced orphans. The Displaced Persons Act of 1948 authorized the issuance of 3,000 nonquota visas to eligible displaced orphans. The bill (H. R. 4567) as it passed the House of Representatives and as it passed the Senate authorized the issuance of 5,000 nonquota visas to eligible displaced orphans. The conference agreed to enlarge the class of eligible displaced orphans to include Greek displaced orphans.

We did not enlarge the number. We merely agreed that the class of eligible displaced persons might include Greek displaced orphans.

Mr. HOLLAND. I may say to the Senator I am thoroughly in accord with that change.

Mr. McCARRAN. The next section dealing with the subject of orphans in the explanation by the managers on the part of the Senate, on page 13, paragraph (8), reads as follows:

(8) Five thousand nonquota visas are authorized to be issued to orphans, under the age of 10 years, who, prior to June 30, 1950, were residents of certain European countries and for whom adoption or guardianship proceedings will be instituted. The bill (H. R. 4567) as it passed the Honse of Representatives did not embrace this class of aliens. The bill (H. R. 4567) as it passed the Senate authorized the issuance of 20,000 nonquota visas to this class of aliens, with an age limitation of 16 years.

Mr. HOLLAND. Mr. President, if I may ask, is this the provision that was included in the amendment offered by the distinguished junior Senator from Minnesota?

Mr. McCARRAN. The second one.

Mr. HOLLAND. The second one?

Mr. McCARRAN. Yes. This is paragraph (8). We cut the numbers and reduced the age.

Mr. HOLLAND. I thank the Senator. If I may ask the Senator further, was the provision included in the bill upon the amendment offered by the distinguished junior Senator from Kentucky [Mr. WITHERS], with reference to greatly improved security provisions retained in the conference report? The essence of that provision, if I may say to the Senator, was that only American citizens would be allowed to sit upon the various bodies which would determine the eligibility of persons for admission to the United States under this act.

Mr. McCARRAN. The language adopted by the Senate, offered by the Senator from Kentucky [Mr. WITHERS], was changed in conference and in that connection I invite the Senator's attention to page 15 of the report which the Senator has in his hand, wherein appears the following explanation:

PROCEDURES

The bill (H. R. 4567) as agreed upon by the conferees and recommended in the accompanying conference report contains provisions designed to strengthen the administration of the law, as follows:

(1) The conferees have agreed to retain in the act the essence of certain provisions, originating in the Senate, the language of which provisions has been agreed upon by the conferees to read as follows:

"The burden of proof shall be upon the person who seeks to establish his eligibility under this act, and no person shall be certified by the Commission as eligible under this act if the Commission knows or has reason to believe that the alien (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this act; and no person shall be issued an immigration visa or be admitted into the United States under this act if the consular officer or the immigrant inspector knows or has reason to believe that the alien is subject to exclusion from the United States under any provision of the immigration laws or (1) is not a displaced person and an eligible displaced person, or (2) is not eligible under the terms of this act: *Provided*, That nothing in this section shall remove the right of review and appeal available to aliens under general immigration laws."

Let me say to the Senator that that was a matter of long debate and con-

sideration, as a result of which the amendment offered by the Senator from Kentucky and the amendment offered by the Senator from Michigan [Mr. FERGUSON] were, if I may use the term, amalgamated in an attempt to get an agreement; and yet, at the same time, to throw as much protection as possible around the screening of these people, and throw as much responsibility and authority onto our regular immigration officers as possible.

Mr. HOLLAND. Mr. President, am I correct in my understanding of this particular provision, that the conference omitted that portion of the amendment offered by the Senator from Kentucky which would have prescribed that only American citizens could sit upon the bodies which determined the eligibility of persons to enter the United States under this act?

Mr. McCARRAN. That is correct. The conferees omitted that language, the statement being made and the record showing that as a rule immigration officers, with but very few exceptions, are citizens of the United States. We put the immigration authorities into the picture as strongly as possible, knowing that their employees and officers were citizens of the United States.

Mr. HOLLAND. Mr. President, will the Senator yield for another question?

Mr. McCARRAN. Yes, indeed.

Mr. HOLLAND. Then, under the conference report, the situation still remains wherein it is possible, under some circumstances, for the question of eligibility to be determined by persons not citizens of the United States?

Mr. McCARRAN. It would be a very rare proposition, and we tried to guard against that as much as possible.

Mr. KILGORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from Nevada yield to the Senator from West Virginia?

Mr. McCARRAN. I yield.

Mr. KILGORE. I believe the answer to that question is found in one section of the conference report. The Displaced Persons Commission has a veto. It takes the IRO recommendations, and it can veto those recommendations as to certain people, but cannot add new people. It can veto anyone suggested by the IRO as a displaced person. The question of whether a person is a displaced person is left to the IRO, but the question of whether he is an eligible displaced person is left completely to either the Visa Division or to the Displaced Persons Commission. In other words, the Displaced Persons Commission can exercise a veto power.

Mr. McCARRAN. That is a correct statement.

Mr. HOLLAND. Mr. President, there is one further question I should like to ask, if I may. The Senator has been very patient.

Mr. McCARRAN. I yield.

Mr. HOLLAND. The Senator will recall that in the debate in the Senate an amendment was added which would have completely prohibited the issuance of a visa to any person to come into the United States under this act who had borne arms against the United States in the Second World War.

Mr. McCARRAN. That has been retained.

Mr. HOLLAND. As I read the conference report, that particular provision is changed so as to read in this fashion, that the conference report precludes the issuance of a visa "to any person who has voluntarily borne arms against the United States during World War II." Is it the meaning of that provision that the distinction shall be drawn as to whether the person serving in any army fighting the United States during World War II was a volunteer or came in by draft of his government?

Mr. McCARRAN. It was to establish a division line between those who voluntarily took up arms against the United States and those who, according to history and according to the information we have, were forced into the Army to fight the United States. It has no applicability to German nationals.

Mr. HOLLAND. Is the Senator sure that under the wording of the conference report that provision has no applicability to German nationals?

Mr. McCARRAN. Yes.

Mr. HOLLAND. I should appreciate it if the Senator would put that language into the colloquy at this time.

Mr. McCARRAN. I read from page 15, paragraph (3):

> The conferees also agreed to retain in the act, with slight modifications, the provisions, originating in the Senate, which preclude the issuance of a visa to any person who has borne arms against the United States. The language of the provision as agreed upon by the conferees precludes the issuance of a visa "to any person who has voluntarily borne arms against the United States during World War II." It is the information of the conferees that certain persons other than German nationals were compelled against their will to serve in armed forces and auxiliaries thereof against the United States during World War II, and it is the judgment of the conferees that such persons should not ipso facto be made ineligible.

Mr. HOLLAND. May I ask one further clarifying question?

Mr. McCARRAN. Certainly.

Mr. HOLLAND. Omitting German nationals, is the line of distinction among those who served against the United States as to whether they may be admitted under the act based upon whether they volunteered for service or were forced in by draft?

Mr. McCARRAN. That is in the provision which I have read.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. KILGORE. I may say to the Senator from Florida that it came to the attention of the conferees that numerous nationals from Poland, Yugoslavia, Rumania, and other nations were in concentration camps and were forced to serve with German troops, and the burden of proving that they had not voluntarily served against the United States was placed upon them.

Mr. HOLLAND. I thank the Senator.

Mr. McCARRAN. Mr. President, may I ask whether there are any further questions?

Mr. LEHMAN. Mr. President, will the Senator yield? I should like to be recognized in my own right to speak in support of the conference report.

Mr. McCARRAN. I understand the Senator wishes to be recognized in his own right, but I should like to hold the floor until all questions have been answered.

Mr. LEHMAN. Mr. President, will the Senator yield so that I may make a statement?

Mr. McCARRAN. I yield for that purpose.

Mr. LEHMAN. Mr. President, approval of the conference report on the displaced persons bill by this body will put the final legislative mark on a measure which is clearly in the highest interests of this Nation and of the free world.

What we have done here can only add to the luster in which the name of the United States of America is held in the hearts of men and women everywhere. We are once again proving to skeptics and cynics here and abroad that this Nation is still the hope of the struggling, the oppressed, and the sorrowful.

The junior Senator from New York does not wish to delay passage of the conference report by unnecessarily taking the time of this body. However, there are one or two points which I would like to mention in connection with this bill.

While we have acted in good faith to ease the vast problem of human beings displaced from their homes because of war or political aggression, another similar problem of still greater magnitude has been making itself evident.

In this regard I wish to call the attention of my colleagues to section 16 of the bill which authorizes this Government to participate in an international conference to discuss the urgent matter of the millions of persons of German ethnic origin who have been expelled from the land of their birth and are now residing in Germany or Austria.

But it should not be supposed that these German expellees are the only people whose plight demands international attention and assistance. The New York Times on May 29 in a dispatch from Geneva reported at length on the new refugees from eastern Europe who are fleeing the suppression of Communist dictatorship. This disturbing article claimed that a failure of western powers to deal adequately with this problem "threatens to cause a catastrophe of major political importance." Bitterness and disillusionment has been seen in the return recently of many hundreds of these refugees to the eastern European countries from which they had fled in the hope of permanent asylum in democratic lands.

An additional problem is presented by the plight of refugees in the Italian area known as Venezia Guilia. The Senate approved an amendment calling for the admission of 5,000 of these refugees from

Communist oppression. Our conference committee, acting in the absence of sufficient information, reduced that number to 2,000. The sad plight of these people, too, could and should be considered by an international conference called to weigh the problem presented by the wandering and uprooted refugees of Europe.

Italy, itself, presents a vast demographic problem in overpopulation, which calls for the concerted attention and consideration by the free nations of the world.

Nor have I gone through the entire list of the problems of this kind confronting us not only in Europe but in Asia, too.

In any event, I would urge and hope that our Government would take the lead indicated by the sentiment of Congress expressed in section 16 and convene at an early date a conference authorized to look at all aspects of this vast and troublesome problem, which carries the seeds of difficulties as grave as any we face anywhere in the world. It is not a problem which we can or should attempt to solve piecemeal or by ourselves. It is a problem which concerns the entire free world.

Finally, having discussed and debated with many of my colleagues the vital issues involved in this bill, I now wish to congratulate the Members of this body who have done so much to see this worthy piece of legislation approved. In particular, I wish to express my personal gratitude to each member of the conference committee for their earnest and diligent efforts on behalf of this displaced persons bill.

I thank the Senator from Nevada.

Mr. McCARRAN. Mr. President, if there are no further questions, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

Mr. McCARRAN. Mr. President, I desire to address the Senate for a few minutes on the entire matter which has just been concluded.

Mr. MAYBANK. Mr. President, that will not change the unanimous-consent agreement under which I had the floor, will it?

Mr. McCARRAN. That is correct.

The PRESIDING OFFICER. The Senator from South Carolina will be recognized after the Senator from Nevada has concluded, when the rent-control bill automatically comes before the Senate.

Mr. McCARRAN. Mr. President, on Tuesday, June 6, 1950, I filed with the Senate the conference report and the statement of the managers on the part of the Senate on the bill (H. R. 4567) to amend the Displaced Persons Act of 1948. I should like at this time to make a few observations with reference to the legislation and particularly to clarify my position.

As chairman of the Senate Committee on the Judiciary, which has jurisdiction over immigration legislation and as chairman of the Special Subcommittee of the Committee on the Judiciary to consider displaced persons legislation, I was greatly disturbed because of the fragmentary information which had come to the attention of the subcommittee about 1 year ago which indicated that there was maladministration of our displaced persons program.

On the basis of this fragmentary information I concluded that it was my duty to investigate the administration of the displaced persons program and I therefore, during the fall of 1949, accompanied by members of my staff, made an on-the-scene investigation in Europe of the displaced-persons program.

I am gratified that the Senate refused to actively consider the bill to amend the Displaced Persons Act which was then pending in the Senate until I could complete the investigation and report the facts to the Senate. In my opinion, Mr. President, the judgment of the Senate in deferring action on displaced-persons legislation until all the facts were available has been amply vindicated, because as a result of the disclosures which were made, not only from the information which I acquired in the European investigation but also from the testimony of numerous witnesses who appeared before the subcommittee in hearings conducted in Washington, it has been conclusively demonstrated that there has been a complete breakdown in the administration of the law. I shall not again burden the Senate with a recitation of the facts on this score, but I am gratified that certain amendments have now been embodied in the displaced persons legislation which are designed to strengthen the administration of the law and protect the interests of this country.

Right there I hasten to add, Mr. President, that there is one principal weakness in the legislation now adopted which, notwithstanding the other safeguards of the legislation, constitutes an open door for the infiltration into this country of subversives and that during the course of the operative effect of the legislation the only limitation on the number of Communist agents who will be sent into the United States will be the number which the Kremlin wants to send to this country. This is not a rash conclusion, Mr. President, but is compelled by the testimony of the field officers in Europe of the Immigration and Naturalization Service, the testimony of our security officers in Europe, the testimony of those who are engaged in the day-by-day operation of our displaced-persons program, and, may I add, the conclusions contained in detailed security reports which have been available to the subcommittee.

The principal weakness of which I speak, Mr. President, is the advance of the cut-off date to January 1, 1949, applicable to aliens in the general displaced-persons category.

Mr. President, the cut-off date in the Displaced Persons Act of 1948 is December 22, 1945, which is some 7 months after the war, and is the same cut-off date which was used in the administration of the Presidential directive. The cut-off date, April 21, 1947, which I have been advocating, is the same date which was advocated on the floor of the Senate by the Senator from New Jersey [Mr. SMITH], the Senator from Michigan [Mr. FERGUSON], the former Senator from Rhode Island, Mr. McGrath, and others, when the 1948 law was being debated in the Senate. This is the same cut-off date which was contained in the administration's displaced-persons bill which was proposed in the Senate by the former Senator from Rhode Island, Mr. McGrath, and the junior Senator from West Virginia [Mr. NEELY] in the bill S. 311. It was on this date, April 21, 1947, that a complete census had been taken of the displaced persons and the camps were closed to new arrivals.

Mr. President, I wish to impress upon the Senate the definite relationship between the cut-off date in our displaced-persons legislation and the security risk to this country. Rather than to make assertions on the basis of my own knowledge of the subject, I invite the attention of the Senate to excerpts from the testimony which was given before the Senate Committee on the Judiciary by intelligence officers of this Government, immigration officials, and others who have a first-hand knowledge of the situation.

May I first quote the testimony given in January of this year by a witness who was formerly a director of certain phases of Army intelligence work in Germany and who has an intimate knowledge of security problems in connection with displaced persons:

> We became convinced with adequate evidence that deliberate attempts were being made by the Soviet Government, by the Polish Government, not only to infiltrate the military installations of Berlin and Germany but to send people much farther, to the United States, to South America, and to Canada, under the guise of being displaced persons or being political refugees.
>
> Question. Colonel, may I ask you this question? Inviting your attention specifically to the date December 2, 1945, how did the flow of these penetration agents come in volume after that approximate time compared to before?
>
> The WITNESS. I can answer that quickly. It was definitely on the rise on that date because I returned to the United States in the following February of 1946 for a rather extended leave of absence to which all officers were entitled and was recalled because of the heavy increase in attempted penetration of American installations and because certain things had been discovered in the displaced-persons camps in Berlin which needed immediate attention and correction.
>
> Question. To what extent is there present infiltration of Communists as from the east to the west?
>
> The WITNESS. That is a matter I cannot answer except to say it is still of considerable volume.
>
> Question. May I make an observation and ask for your appraisal on the basis of knowledge of the situation from the standpoint of penetration of agents? Under the existing law, we have a cut-off date for eligibility of displaced persons. That cut-off date is December 22, 1945, the date prior to which displaced persons must have been in the occupied areas in order to gain eligibility under the law. Do you have any appraisal on the basis of your experience from the standpoint of security as to what would be the probable result if that cut-off date were advanced nearer to the present day?
>
> The WITNESS. I should like to say I know nothing about immigration laws, but I do know that since the date you mentioned,

December 22, 1945, and the present date there has elapsed a good many years, in which time a lot of people have come from behind the iron curtain who definitely are agents of communism and these people are, despite our contempt for them, intelligent, clever, and fanatic in their belief in communism. There would be no doubt in my mind that as many as possible of such people would attempt to be admitted to the United States under the liberalized laws.

Question. Would there be a greater or lesser security risk to this country if the eligibility date were advanced?

The WITNESS. There would be a far greater risk because in the intervening years many of those people have established themselves in western Germany, have built up friendships with Americans, which is part of their job, and have pretty well established themselves. Undoubtedly it would be impossible to check their antecedents prior to their coming over the border.

If we limit it to December 1945, it makes our work much easier at the moment. If we set it a year ahead, it makes it that much tougher. If we set it 5 years ahead, it makes it 5 times as tough, maye 50 times as tough, because hundreds and hundreds of thousands have come in since then.

And now, Mr. President, I quote the testimony given on February 15 of this year by Mr. Almanza Tripp, who is the officer in charge of the immigration detail stationed in Europe to examine displaced persons:

Question. Now, may I ask you this: The present law provides a cut-off date of December 22, 1945, for eligibility in the general category of displaced persons, does it not?

Mr. TRIPP. It does.

Question. In your opinion, would the security risk to the United States of America be greater or less if that cut-off date were advanced closer to the present day?

Mr. TRIPP. Well, obviously, by extending the date, or making it possible for persons who live behind the iron curtain to go to the United States in comparatively large numbers—if a large number of persons who lived under Communist domination are permitted to come here—it would seem to follow that there be an increase in the security risk.

Question. Now, may I ask you this question on that same point:

On the basis of your observation and experience and information, would you say that the infiltration of Communist agents, the penetration of Communist agents, was greater or less after December 22, 1945?

Mr. TRIPP. There is no way for me to know whether it was greater or less, but there was a much greater opportunity for infiltration.

Question. Do you mean after December 22, 1945?

Mr. TRIPP. That is right.

Here is the testimony, Mr. President, of Mr. Louis G. Craig, given on February 16 of this year. Mr. Craig is a selector for the Displaced Persons Commission in Germany.

Question. Mr. Craig, the present law provides a cut-off date of December 22, 1945. In your opinion, on the basis of your experience as an employee of the Displaced Persons Commission, if that cut-off date were advanced, would the security risk to this Government and to the people of the United States be increased or decreased?

Mr. CRAIG. I would have to reply to that that the security risk would be increased because of the vast number of individuals coming in from behind the iron curtain into Germany and into Austria.

And now, Mr. President, here is the testimony given on February 15, 1950, by Frank Benjamin Vaughan, Jr., of the Displaced Persons Commission in Germany:

Question. Mr. Vaughan, I would like to ask you at this time the same question I asked Mr. Tripp earlier today. The present law, as you know, provides a cut-off date of December 22, 1945, for eligibility. If that cut-off date were advanced, would the security risk to the United States Government be greater or less?

Mr. VAUGHAN. It would be greater.

Question. You are saying that on the basis of your observations and experience as an employee of the Displaced Persons Commission?

Mr. VAUGHAN. Yes.

Question. If the investigating process were made more completely and more detailed, would it be more hazardous?

Mr. VAUGHAN. Still the same problem would be there. The difficulty of obtaining information on these people before the date of entry would still exist.

Mr. President, now I quote the testimony of a witness who was formerly engaged in the day-by-day operation of the Displaced Persons program in Europe. This testimony was given on May 16, 1950, as follows:

Question. Would you kindly express yourself to the committee with reference to whether or not there has been any appreciable infiltration of Communists and Communist agents and subversives into the DP areas from the East?

The WITNESS. Yes, I think definitely so, mostly in 1946 and 1947. Many of these people returned to their home countries behind the iron curtain were forced to flee again and it was a very good opportunity for the Communist Party to send some of their agents with these people back to the western countries.

Mr. President, the Senate will recall that when the bill was being debated in the Senate, I offered a substantial number of amendments which were designed to strengthen the administration of the law and to protect the security interests of this country. I voted for the bill as it passed the Senate because I felt that I had accomplished as much as I could, under the circumstances, toward strengthening the act. I have continued my efforts in the conference, and have signed the conference report, and I have voted for the bill as reported from the conference, because the bill does contain substantial provisions to strengthen the administration of the law. But, Mr. President, these provisions cannot equip the administrators of the law with background information on persons who have been and are even now pouring into the occupied areas of Germany and Austria from behind the iron curtain at the rate of 10,000 a day, and without this background information the Communist agents cannot be screened out, irrespective of the provisions of the law. Therefore, Mr. President, I solemnly proclaim to the Senate that this legislation, which contains a cut-off date of January 1, 1949, for eligibility, flies in the face of the warnings of those who know the facts and who have told us that with this weakness in the legislation there will be a further opening of the door to the infiltration of those who would destroy our form of government.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

Mr. MAYBANK. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FREAR in the chair). The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Bricker	Kefauver	Martin
Butler	Kerr	Maybank
Cain	Knowland	Mundt
Dworshak	Long	Myers
Ecton	McCarran	Neely
Ferguson	McFarland	Robertson
Frear	Magnuson	Russell
Holland	Malone	Thye

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. BYRD, Mr. DOUGLAS, Mr. ELLENDER, Mr. GILLETTE, Mr. HAYDEN, Mr. HENDRICKSON, Mr. HILL, Mr. MCKELLAR, Mr. O'MAHONEY, Mr. STENNIS, and Mr. WILLIAMS answered to their names when called.

The PRESIDING OFFICER. A quorum is not present.

Mr. NEELY. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at arms will execute the order of the Senate.

Mr. CAIN. Mr. President, can the Chair advise the junior Senator from Washington as to the whereabouts of the majority leader, the distinguished Senator from Illinois, who, a few hours ago, was publicly pleading on the floor of the Senate that we take action on the public business?

The PRESIDING OFFICER. The Chair is very sorry to say to the Senator from Washington that that is not a parliamentary inquiry.

Mr. CAIN. The Senator thanks the Chair for his response.

After a little delay Mr. MCCLELLAN, Mr. CORDON, Mr. THOMAS of Utah, Mr. LODGE, Mr. KNOWLAND, Mr. MORSE, Mr. SALTONSTALL, Mr. SMITH of New Jersey, Mr. GEORGE, Mr. CHAPMAN, Mr. CONNALLY, and Mr. LUCAS entered the Chamber and answered to their names.

After a little further delay Mr. AIKEN, Mr. BREWSTER, Mr. BRIDGES, Mr. CAPEHART, Mr. DONNELL, Mr. FLANDERS, Mr. FULBRIGHT, Mr. GREEN, Mr. HOEY, Mr. HUMPHREY, Mr. IVES, Mr. JOHNSON of Colorado, Mr. JOHNSON of Texas, Mr. KEM, Mr. KILGORE, Mr. LANGER, Mr. LEAHY, Mr. LEHMAN, Mr. MCCARTHY, Mr. MCMAHON, Mr. MILLIKIN, Mr. MURRAY, Mr. PEPPER, Mr. TOBEY, Mr. TYDINGS, Mr. WATKINS, Mr. WHERRY, Mr. WITHERS, and Mr. YOUNG entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present. The Senator from South Carolina is recognized.

Mr. MAYBANK. Mr. President, I realize that it is the wish of the Senate to expedite consideration of the rent-control bill which is now before us. I

appreciate the fact that it is the desire of Senators with whom I have discussed the matter to vote on the bill not later than Friday.

Mr. President, the bill needs very little explanation, because all Senators are quite familiar with the present rent-control law. They are also familiar with the extension adopted last year, which expires on June 30. On March 3, when the distinguished majority leader and the distinguished Senator from Pennsylvania [Mr. MYERS] introduced a bill to extend rent control for 1 year, as chairman of the committee to which the bill was referred I stated that it was the wish of the committee to hold hearings so that all interested persons might be heard. We held hearings in the morning, afternoon, and even late in the evening, for 1 week. We heard many witnesses who were in favor of the bill and many witnesses who were against the bill. The testimony taken at the hearings has been printed, and the transcript has been placed on the desks of all Senators. Therefore there is very little that I can say, except that I wish the RECORD to show what the committee did.

Mr. President, last year Congress passed a law giving cities and States the right to decontrol rents. Many States took advantage of the provisions of that law, among them Arizona, Alabama, and Nebraska. The pending bill, known as the Lucas-Myers rent-control bill, as amended, was ordered to be reported to the Senate by the Committee on Banking and Currency by a vote of 8 to 5. This vote was taken following a motion to report the so-called Lehman bill. Following this motion, a vote was taken to report the original Lucas-Myers bill. The motion was rejected by a vote of 9 to 3. The committee thereupon voted to report the Lucas-Myers bill with an amendment in the nature of a substitute.

The committee action was based on the testimony of more than 70 witnesses, who personally appeared before the committee. The hearings were printed and have now been available to all Members of the Senate for approximately 3 weeks.

The hearings speak for themselves. Testimony was received from various and diverse groups, representing consumers, veterans, labor, and municipal and State government officials. It was pointed out that a rent increase would certainly be followed by another round of wage increases, which would seriously disrupt and impair our economy.

I wish to call particular attention to the testimony given by labor groups at the hearings held by the committee. Labor groups from various large cities testified that rent increases would certainly be followed by another demand for increased wages, which would seriously disrupt the relationship between employers and employees. Naturally, such action would affect our economy.

The Lucas-Myers bill, as reported, permits cities and local governing bodies to continue rent control 6 months beyond December 31, 1950, providing they take affirmative action before that date. In other words, Mr. President, the pending bill extends rent control until December 31 of this year. After December 31 any community by affirmative action of its council or other governing body may further extend rent control if it wishes to do so. The 6 months' extension carries the same provision permitting local decontrol as that contained in the present law, except that it is more liberal. It permits a community to decontrol itself without having to obtain the approval of the governor. It is entirely local.

A number of communities have been decontrolled. I know that in my own State all except one have been decontrolled. In some States cities which wished to decontrol themselves were not permitted to do so by the governor. The pending bill gives cities the right to decontrol themselves without affirmative action on the part of the State or the governor of the State. I may say that the committee thought it was proper so to provide.

I shall not read from the testimony because the full transcript of the testimony is available to Senators. I hope the Senate will pass the bill, and will do so expeditiously, because if the House shall pass a different bill, unless it agrees to the amendment proposed by the Senate bill, the measure will have to go to conference. So I hope we may expedite the passage of the bill, and that Senators will be willing to stay here until the bill is passed, and I hope it may be passed this week.

Mr. President, I ask unanimous consent that I may have printed in the body of the RECORD at this point a statement showing the status of rent decontrol in various States as of May 5, 1950, and a summary of decontrol actions from April 1, 1949, to June 6, 1950.

There being no objection, the statement and summary were ordered to be printed in the RECORD, as follows:

STATE DECONTROL AS OF MAY 5, 1950

Four States (Texas, Nebraska, Alabama, and Virginia) have taken action to remove Federal rent control without substituting any State or local rent control.

Two States (Wisconsin and New York) have substituted State control for Federal rent control.

Two States (Arizona and Utah) have been decontrolled by a combination of local option and Housing Expediter initiative decontrol actions.

These actions will leave 40 States under Federal rent control as of June 30, 1950.

STATE, EFFECTIVE DATE, AND TYPE OF DECONTROL

Alabama, May 25, 1950, State action.

Arizona, June 16, 1949, local option and agency initiative.

Nebraska, November 2, 1949, State action.

New York, May 1, 1950, State control substituted.

Texas, October 19, 1949, State action.

Utah, September 27, 1949, local option and agency initiative.

Virginia, June 25, 1950, State action.

Wisconsin, August 5, 1949, State control substituted.

NOTE.—Portions of Florida were decontrolled by the State legislature, and Mississippi has enacted legislation, effective July 1, 1950, to decontrol all areas except those with military installations.

Summary of decontrol actions, Apr. 1, 1949–June 6, 1950

Method of decontrol	Number of decontrol actions	Estimated number of units decontrolled
By initiative of Housing Expediter	543	1,331,300
By local option of incorporated cities, towns, and villages	273	1,058,000
By State option	8	[1] 3,308,200
By recommendation of local rent advisory boards	6	84,400
Total	830	5,781,900

[1] More than 2,500,000 of these units remain under rent control by State law in New York and Wisconsin.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee in the nature of a substitute.

Mr. CAIN obtained the floor.

Mr. MALONE. Mr. President, will the Senator from Washington yield?

Mr. CAIN. If I may have permission to yield without losing the floor.

Mr. MALONE. I ask unanimous consent that the Senator from Washington may yield for 6 or 7 minutes to the junior Senator from Nevada without losing his right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. LUCAS. Mr. President, I am not going to object to the Senator taking not over 7 minutes of the time of the Senator from Washington, but I would not consent to a long speech in the Senator's time.

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nevada for a period of 7 minutes?

Mr. CAIN. The Senator from Washington is very pleased so to do.

[Mr. MALONE addressed the Senate. His remarks appear in the RECORD under the appropriate heading following Mr. CAIN'S speech.]

Mr. CAIN. Mr. President, in a speech delivered yesterday to a dinner meeting of the Better Business Bureau in Washington, D. C., the President of the United States accused his political foes of pouring enormous sums of money into an election year scare campaign to destroy public confidence in his progress and prosperity program. He tagged his opponents as being reactionaries who have nothing to offer but defeatism, scare words, and prophecies of disaster.

To my mind the President of the United States shares a responsibility with our majority leader, the senior Senator from Illinois, for now making Senate bill 3181 the pending business before the Senate. The Senator from Illinois moved earlier today to call up a Federal rent-control extension bill which was reported to the Senate by the chairman of the Senate Banking and Currency Committee late yesterday. In opposing this intended action the junior Senator from Washington will use the words the President of the United States employed yesterday and will charge the President of the United States together with the Senate majority leader with being among the most reactionary individuals I per-

sonally have ever known. Those to whom I have referred are outstanding among the prophets of disaster and defeatism in their present effort to force a further extension of Federal rent controls down the collective throats of the United States Senate and of millions of American citizens.

At the outset, Mr. President, I want to make it very clear that in my opinion the only persons who can presently favor the extension of Federal rent controls—and permit me to emphasize the word "Federal"—are those who in themselves are frightened of things they do not understand or will not understand. They are those who seek to frighten others, the uninformed, with prophecies of disaster and chaos, when such prophecies, as the record proves, are known to be utterly false and cannot come to pass; they are those who seek political gain at the expense of the rights of others, and they are those who blindly pay unholy allegiance to the power and abilty of a Federal Government to do for other subdivisions of Government what these States and municipalities are better qualified and equipped to do for themselves.

In his speech of yesterday the President of the United States referred to his "progress and prosperity" program. My only reference to that program this afternoon is to where it ought to be, namely, in the field of Federal rent controls. What the President must or ought to know is that we have in this country today more than a million fewer units of rental accommodations than we possessed 10 years ago in 1940. Any thinking man or woman or any thinking child knows that the continuance of Federal rent controls has been responsible for this catastrophic loss of places in which people can live and seek to secure rental shelter.

I ask, Mr. President, what sort of progress—and certainly I do not put that word at this time in quotation marks—is this, when we lose more than a million places in which to live during a 10-year period? Should Federal rent controls be continued by the Congress in this year of 1950 we shall continue to add to the loss of rental accommodations throughout the Nation. Before the junior Senator from Washington concludes, he will, he hopes, have established this to be a fact beyond any conceivable shadow of doubt to be advanced by anyone, either in or out of the Senate of the United States.

It happens, Mr. President, that Senate bill 3181 was reported to the Senate under some very strange and unusual circumstances. I wish every Member of the Senate to know what those circumstances were. I hope some Senators—in fact, I hope a good many Senators on both sides of the aisle—will share my very real distress over the way in which Senate bill 3181 has come to the attention of this great body, the United States Senate.

Mr. President, are you and are all other Senators aware that the Banking and Currency Committee of the House of Representatives reported a similar rent-control bill to the House calendar several weeks ago? No reference to that as being a fact was made, so far as I recall, in any of the comments made earlier today by either the majority leader, the senior Senator from Illinois [Mr. LUCAS], or by the chairman of the Banking and Currency Committee, the Senator from South Carolina [Mr. MAYBANK].

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I shall be most pleased to yield.

Mr. MAYBANK. I should like to tell my good friend, who used to be on the committee with me for many years, and with whom I always enjoy working, that before the committee voted, it had several meetings. It determined, because of the requests of some of our distinguished friends on the other side of the aisle, who could not be at the meeting, to vote at 10:30 on the following day, on the bill the Senator from New York [Mr. LEHMAN] introduced and on the bill the Senator from Pennsylvania [Mr. MYERS] and the Senator from Illinois [Mr. LUCAS] introduced as the Myers-Lucas amendment, and on the bill introduced by Representative SPENCE, of Kentucky.

I do not know whether the Senator knew that we had agreed in executive session, the day before we voted, to vote on those bills the next morning at 10:30 o'clock. So every member of the committee knew very well what we were voting on at that time.

Mr. CAIN. I am very well aware of what the Senator from South Carolina has said as being a fact.

I think the Senator misunderstood me. I said that, so far as I recall, at no time during the debate today in the Senate was it stated on the floor of the Senate that a rule had been granted by the House Rules Committee to bring up a rent-control bill in the House of Representatives on Monday of next week.

As I go along, Mr. President, I hope a number of Senators will feel constrained to ask questions, because the fuller this record is, the better the average citizen, including Senators, will be able to judge it for themselves.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. MAYBANK. Of course, the Senator is absolutely correct when he refers to the fact that the House is to vote on the bill next week. But I ask the Senator when was the rule granted in the House?

Mr. CAIN. Will the Senator from South Carolina permit me to answer that question?

Mr. MAYBANK. Certainly.

Mr. CAIN. I had set forth the answer in my prepared remarks in anticipation of having that question come from my friend the Senator from South Carolina or from some other Senator.

Mr. President, are you or are all other Senators aware that the Rules Committee of the House of Representatives granted a rule for the bill, a rule which would result in having it called up for debate in the House of Representatives on next Monday, June 12? Are all Senators aware that that rule was granted and public notice was taken of it before the House of Representatives took a recess prior to Memorial Day? I read the information, which I am now stating to be a fact, in practically every Washington newspaper, and I suppose it was heard over most of the television and radio stations.

Mr. President, are you and all other Senators aware that public hearings, where witnesses were called and where testimony was taken from them, were held on the reported House bill when it was before the House Committee on Banking and Currency? Are Senators generally, and are you yourself, Mr. President, aware of what I take to be so, namely, that until about a week ago it had been the intention—at least, most of the members of the committee felt so—of the Senate Banking and Currency Committee to take no affirmative action on any proposed Federal rent-control extension bill until the House of Representatives had first acted?

Are Senators aware, Mr. President, that even after the Senate Banking and Currency Committee had voted on last Friday, June 2, to report Senate bill 3181 it was the understanding of several highly responsible members of that committee, of both parties—for they have personally told me so within the last 24 hours—that the reported bill would not and should not be called up in the Senate before the House of Representatives had first taken action?

Mr. President, I believe that every one of these assumptions can be proved, during the course of this and other afternoons and evenings, to constitute fact. If these assumptions can be established, we must recognize now that we are faced with a political question of expediency which is wholly unrelated to the economic considerations involved in a Federal rent-control proposal. I think I am qualified, Mr. President, to tell the Senate of the United States why and how Senate bill 3181 was reported by the Senate Committee on Banking and Currency.

The Senate Committee on Banking and Currency held a meeting on Thursday, June 1, less than a week ago, to consider some routine matters. The junior Senator from Illinois [Mr. DOUGLAS] had previously, so I have been told, requested of the chairman, a very reasonable man, that during the meeting the Senator from Illinois be permitted to raise a question concerning what the Banking and Currency Committee intended to do about several rent-control proposals on which testimony had been taken by the committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I shall be very pleased to yield, either at this or at any other time.

Mr. MAYBANK. I appreciate my colleague's willingness to yield.

I wish the RECORD to show the position I have taken since the bill was introduced on March 3—3 months ago.

Mr. CAIN. Yes.

Mr. MAYBANK. Since that time, all of March, all of April, and all of May have passed.

I said then that in the committee we would hold hearings on that bill and on all bills referred to the committee. I said that, regardless of whether the committee voted for the Lucas bill or for the Lehman bill or for some other bill, I thought it was the duty of the Banking and Currency Committee to report a bill on the subject of rent control, even if it had to report it adversely, because millions of people in this country are affected by rent control. The landowners and landholders, on one side, are affected, and the working people, on the other side, are affected.

I said in March that we would report a bill, and, although possibly the bill might not be approved, nevertheless I thought it was the duty of the Banking and Currency Committee to report a bill. I shall continue to take the position so long as I am chairman of the committee that if any Senator introduces a bill which the Vice President sends to the Banking and Currency Committee, the committee will hold hearings on it, and report it either favorably or unfavorably. I do not believe in bottling up measures in the committee.

I know the Senator from Washington will agree with me regarding that statement, because he has been associated with the committee over a period of many years.

The bill was introduced on March 3.

Mr. CAIN. That is what we have a RECORD for, Mr. President—namely, to show what was done, and by whom, and for what reason.

Mr. President, so far as concerns what my friend, the Senator from South Caroline, has just said, I wish to agree with him in part and to disagree with him in part.

I agree with a part of what he said; namely, that months ago he was desirous of holding hearings on all bills before the committee. So far, so good. There were before the committee two bills on which the Senator from South Carolina authorized hearings to be held, and they were held. I attended some of those hearings, either as a Senator or as a witness.

However, I think I must call to the attention of my friend the obvious; namely, that the bill which the Senate Banking and Currency Comittee finally decided—I think, in haste—to report to the Senate was not before the Senate Banking and Currency Committee; it had never been introduced and referred to that committee by anyone. No hearings were held on that bill.

In the second place, I should like to say to the Senator from South Carolina that there is a great deal of difference between reporting a piece of proposed legislation to the Senate and calling it up for action in the Senate.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield.

Mr. MAYBANK. I should merely like to remind my friend that eight members of the Committee on Banking and Currency voted for the amended Lucas-Myers bill. The only difference between the bill providing for an extension of 1 year and the pending bill is that the latter extends rent control for 6 months and is a little more liberal, in that it gives cities the right to decontrol themselves, without permission by the Governor or anyone else. Eight members of the committtee did that. I did not do it.

Mr. CAIN. Yet I say, with all humility, to the chairman of the great Committee on Banking and Currency, that the Senator from South Carolina was quoted in the press, I know not whether correctly or incorrectly, shortly after the bill was reported by his committee, to this effect: "There are three members of the committee who share a doubt as to the constitutionality of part of the bill we have reported." One of those members of the committee was the Senator from Delaware [Mr. FREAR], who now so gallantly occupies the chair. Another was the chairman of the Committee on Banking and Currency.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CAIN. In a moment. I am deeply concerned with the accuracy of this record, which can only be made so by comments from anyone who wants to offer them. What I gathered from reading those statements quoted in the public press, credited to the chairman of the Committee on Banking and Currency, was that the committee was so anxious to do something, and to do it now, despite the fact that they knew as well as I did when the House of Representatives was going to take action on a rent-control bill that they by a vote of 8 to 5 approved a bill as to the constitutionality of which some of their very responsible members entertained strong doubts.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MAYBANK. Mr. President, may I first answer the statement made by the Senator from Washington?

The PRESIDING OFFICER. Does the Senator from Washington yield, and, if so, to whom?

Mr. CAIN. If the Senator from Indiana will permit, I shall yield first to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from Washington has the floor, and may yield to whomever he pleases.

Mr. MAYBANK. I merely want to make it very plain that it is not at all unusual for the constitutionality of bills to be questioned. I had no right to speak, and I hope the press did not say I spoke, for the distinguished Presiding Officer at this time or for the Senator from Arkansas [Mr. FULBRIGHT]. I spoke for myself. If I think something is questionable, it can be settled by the courts. I think other Senators feel the same way about it. If there were never any doubts about the constitutionality of laws, everyone could proceed with confidence, and we would not need the courts to decide such questions. If the constitutionality of laws was never questioned, we would have no need for the Supreme Court to settle such questions. Certainly I entertain some doubt as to certain features of the bill.

Mr. CAIN. I think it obvious that many bills are reported by committees of the Congress, concerning the constitutionality of which the committees have some doubt. But I think it somewhat unusual—and I am not being disrespectful or personally critical—for the chairman of a standing committee not to express such doubts to his colleagues in the course of the discussions.

Mr. MAYBANK. If I were to begin expressing my views as to the constitutionality of a number of things that are being done throughout the United States now, I feel certain the Senator appreciates the fact that it might perhaps require quite some time. I did not quote the Presiding Officer, the Senator from Delaware, nor did I quote the Senator from Arkansas [Mr. FULBRIGHT]. It was for them to speak for themselves. I merely want the RECORD to show that.

Mr. CAIN. I shall quote in a moment what the newspaper to which I have referred had to say on the subject.

Mr. MAYBANK. I merely do not want to be put in the light of having attempted to speak for other members of the committee. I spoke merely for myself.

Mr. CAIN. I will read what the newspaper had to say on the subject, and I will let the Senator straighten it out for himself. The newspaper credits the Senator with the following statement:

> Chairman MAYBANK said he, SPARKMAN, and FREAR have doubts as to the constitutionality of the optional 6-month extension offered to municipalities, although they voted for the plan.

The only point I make is that a critic and a very strong opponent of this bill is the one who seemingly must take it upon himself to cast a doubt upon the constitutionality of this legislation, because no such reference has been made by the other member of the committee.

Mr. MAYBANK. Mr. President, will the Senator yield for a moment?

Mr. CAIN. I yield.

Mr. MAYBANK. I merely want to remind the Senator that when Congress passed the rent control bill last year, there was included in it the so-called States' rights provision, designed to protect the rights of States and municipalities. The authors of the amendment were the Senator from Arkansas [Mr. FULBRIGHT] and myself. I at that time doubted the constitutionality of it, but the courts upheld its constitutionality. I can see no harm in that.

Mr. CAIN. I may suggest to the chairman of the committee that I think no harm has been done. The record speaks for itself. One Senator at least has raised a question of its constitutionality. He feels that some Senator should have raised it, and, if his friend from South Carolina did not think it necessary, the RECORD carries the information anyway.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CAIN. I am delighted to yield to the distinguished Senator from Indiana?

Mr. CAPEHART. Mr. President, as a member of the Committee on Banking and Currency, I may possibly be able to clear up the colloquy of a moment ago between the Senator from Washington and the able Senator from South Carolina, the chairman of the Committee on Banking and Currency, with respect to what actually happened in connection with this proposed legislation.

Mr. CAIN. Mr. President, will the Senator permit me to continue for a moment, for an inquiry?

Mr. CAPEHART. Certainly.

Mr. CAIN. In order that the junior Senator from Washington may be in no doubt concerning his right to the floor, I wonder whether it would be possible for the Senator to advance his argument in the form of questions.

Mr. CAPEHART. Yes. I ask the able Senator from Washington whether he does not know that what actually happened in the committee was this: The House Committee on Banking and Currency reported to the House a rent-control bill, H. R. 8276. In the Senate Committee on Banking and Currency, that bill was substituted for the so-called Lucas-Myers bill. In fact, everything was stricken from the Lucas-Myers bill after the enacting clause, and House bill 8276 was substituted in its entirety, with this exception: The junior Senator from Illinois [Mr. DOUGLAS] offered an amendment to decontrol what were referred to as the big hotels in Chicago.

Mr. CAIN. In answer to the Senator's question, I may say that he has related the facts as I have understood them to be.

Mr. MAYBANK. Mr. President, if the Senator will yield, the Senator is absolutely correct. I may add that in February and March I discussed the so-called Spence bill with the distinguished chairman of the Committee on Banking and Currency of the House, in a discussion just outside the Senate Chamber, when we were having the hearings on housing. That is certainly correct. Certainly the Committee on Banking and Currency has a right to make substitutions in a bill.

Mr. CAPEHART. Therefore, the Senator says a rule has been granted in the House permitting a vote on H. R. 8276, so the House will be considering exactly the same bill the Senate is now considering, with the exception——

Mr. CAIN. With one great exception, I may say.

Mr. CAPEHART. That in the House bill controls are still continued on the larger hotels in Chicago.

Mr. CAIN. The House bill differs from the bill now before the Senate only in the matter of the amendment, as I understand, proposed to the bill by the junior Senator from Illinois, and accepted.

Mr. MAYBANK. The Senator is entirely correct.

Mr. CAIN. The House Committee on Banking and Currency held public hearings, at which witnesses were invited to testify. As yet I have heard no one rise to say that any witnesses were heard on the bill which was placed on the Senate Calendar by its Committee on Banking and Currency last night.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. MAYBANK. Persons from Chicago came before the committee to testify.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CAIN. I yield to the Senator from Indiana.

Mr. CAPEHART. I think the Senator from Washington is correct in saying that no hearings were held on the specific bill which was reported to the Senate. I am quite certain that is correct.

Mr. MAYBANK. Is it not a fact that hearings were held on the pending bill with the distinct understanding that if any Senator wanted to offer another bill he had a right to do so? I sat all week long, from 10 a. m. until 7 p. m., and sometimes I was the only Senator present. Some persons came from Chicago to testify regarding the hotel situation, asking for exemption.

Mr. CAPEHART. Is it not a fact that the Senate Banking and Currency Committee did not hold any public hearings on the bill reported by the committee?

Mr. MAYBANK. It held hearings on the Lehman bill, the Lucas bill, and any other bill——

Mr. CAPEHART. Is this one of the bills on which someone wanted to testify?

Mr. MAYBANK. The only difference is that we extended the time for 6 months instead of for 1 year. There was a question last year as to the constitutionality of the bill, but the Supreme Court said it was constitutional.

Mr. CAIN. For different reasons, I may suggest.

Mr. CAPEHART. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. CAPEHART. The bill as reported by the Senate Committee on Banking and Currency was the bill which was approved by the House Banking and Currency Committee, and no hearings were held on that bill. The bill was never before the Senate committee when the hearings were held. The House bill was substituted for the Senate bill, known as the Lucas-Myers bill. The Lucas-Myers bill was a very simple and short bill, in that it simply extended rent control as the previous law was written for 1 year, and it took up only approximately a quarter of a page, whereas the bill which the Senate Committee on Banking and Currency reported is three and one-half pages in length.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAYBANK. The Senator is correct in saying that the Lucas-Myers bill was a short bill. But members of the Banking and Currency Committee thought it was better to report the other bill.

Mr. CAPEHART. By a vote of eight to four.

Mr. CAIN. Mr. President, because we are all interested in accuracy, I should like to refer, in the proper use of that word, to a rather voluminous book which I hold in my hand and with which the chairman of the Banking and Currency Committee and other members of the committee certainly must be familiar. Its title is "Extension of Rent Control. Hearings Before the Committee on Banking and Currency, United States Senate, Eightieth Congress, Second Session, on S. 3181, S. 3164, and S. 3492." It so happens that the proposals which the committee has reported were not included in any of those three bills. I think my friend will agree with me.

Mr. MAYBANK. Of course the members of the committee believed it was best to have a 6-month extension and permit the people to vote in municipalities as to whether they wanted rent control after 6 months.

Mr. CAIN. That idea happens, however, to be an idea upon which testimony was taken in the House, and I think that in a few minutes the Senator and I are likely to be closer in agreement that there were no hearings worthy of the name before the Senate Banking and Currency Committee on the bill which has been reported to the Senate.

Mr. MAYBANK. The committee heard everyone who asked to be heard, on both sides, for one solid week. So I suggest that the Senator should not place in the RECORD the statement that there were no hearings.

Mr. CAIN. I did not intend to use a disrespectful phrase, which I think the Senator might consider "no hearings worthy of the name" to be. With the permission of the Senator from South Carolina, I ask to withdraw that expression. But I want to say, and it will be proved affirmatively before I am through, that, to my knowledge, no hearings were held on the subject matter of the bill which has been offered to the Senate and as to which the Senator from Illinois [Mr. LUCAS] this morning said we must act with a great rush and hurry.

Mr. President, I should like to go back about two sentences. The junior Senator from Illinois [Mr. DOUGLAS] had previously, referring to the meeting held last Thursday, so I am told, requested of the chairman, a very considerate man, that during the meeting the Senator from Illinois be permitted to raise a question concerning what the committee intended to do with reference to several rent-control proposals on which testimony had been taken by the committee.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAYBANK. That, of course, is a fact. If the junior Senator from Illinois or any other member of the committee wants to discuss anything with me I am glad to have it called to my attention. I said to my friend from Washington, when we first started the hearings, that I would be pleased to cooperate with him.

Mr. CAIN. As one who has served for three very interesting years upon the Senator's committee, I would be among the first publicly to testify to his willingness to subscribe to any reasonable wish of any member of the committee or of any other Senator. What began to arouse my curiosity, however, was the lateness of the day on which the junior Senator from Illinois began to take an interest in seeing that some action was taken last Friday on the rent-control bill which is now before the Senate.

During the meeting of last Thursday the Senator from Illinois pleaded with the committee for some action. He told the committee that the Governor of Illinois had notified the members of the Illinois Legislature that it would be called

into special session to consider the Illinois rent-control situation if the Congress did not take affirmative action on a Federal law by June 15.

I do not actually know that the junior Senator from Illinois said this within the committee, but I know the Governor of Illinois spoke for himself in the press of the Nation. I have it on pretty good authority that the junior Senator from Illinois begged, figuratively, on bended knees—I think he used this very expression—for the committee to get him out of an awkward and understandable dilemma. To say that it is a dilemma is presumably an understatement.

The Banking and Currency Committee, Mr. President, consists of a splendid group of men. I spent 3 years in their company as a member of the committee and hold them collectively in high regard. I can understand that a majority of the committee wanted to aid one of its members who was in distress. Other members, having strong convictions on the question, were not willing to report any Federal rent-control bill which in their considered view should not pass in this or any foreseeable session of any Congress.

Anyway, Mr. President, the committee agreed, in acknowledgment of the unhappy state of mind which overwhelmed the Senator from Illinois, to take some action on the next morning, which was Friday, the 2d of June, only a few days ago. The committee met, as scheduled, to take some action. Before the committee there were two proposals which had been discussed and examined in public hearings in April.

Because I notice, Mr. President, two present members of the Senate Banking and Currency Committee in the Chamber, the distinguished Senator from Indiana [Mr. CAPEHART] and the distinguished Senator from Ohio [Mr. BRICKER], let me say that if I state anything from now on which in their opinion is not concretely correct, they will please me greatly and benefit the RECORD by taking exception to any such comments I may make.

Mr. President, the committee met as scheduled last Friday morning. Before the committee were two proposals which had been discussed and examined in public hearings in April. One was a bill which carried out the President's recommendation for a 1-year extension of Federal rent control which he had submitted last January to both Houses of Congress. In legislative form the proposal was known as the Lucas-Myers bill. By a vote of 10 to 3 the committee voted against reporting the proposal for a 1-year extension. In other words, they took a look at it and said "No." That was said by both Democrats and Republicans. What else did they say? They said, in substance, that the recommendation which had been offered to the American people by the President was not tenable in this year of 1950, and they would not agree to report it favorably.

It has been obvious for months that both Democrats and Republicans had no intention whatever of extending Federal rent controls for another year. If someone believes that any serious intent exists to extend rent control Federal-wise for another year, I should like to have him say so. We ought to bear this fact in mind. We should not forget that the President of the United States recommended and the Senator from Illinois [Mr. LUCAS] and the Senator from Pennsylvania [Mr. MYERS] gave support to a proposal which never, from the day it was introduced, had the slightest chance of being adopted by Congress.

The only other proposal before the committee was a bill offered by the junior Senator from New York [Mr. LEHMAN]. This proposal included a 2-year extension of Federal rent controls. I listened to the junior Senator from New York with great interest on the occasion when he testified in support of his bill. With the exception of the sponsor and a handful of others, no one even bothered to consider a proposal which included restrictions on the rights of private property—rights which belonged to American citizens—far greater and to my mind and more vicious in character than anything which had been proposed by anyone during the war years, when there was some excuse for the Federal Government violating the constitutional rights of citizens.

Included in the so-called Lehman bill—for it is the practice in Congress not to refer to a bill by number but by the name of its sponsor—was a recommendation that no property owner in this land should be permitted to convert his rental property to some other use unless such conversion were approved by the Office of the Housing Expediter. Of all the proposals which in my opinion do not belong in a free society, this is it. My understanding is that during the meeting the committee saw no possible reason for even taking a vote on such a proposed measure, which would undeniably confiscate property belonging to free citizens.

Having disposed of the two proposals before it, the committee was still constrained to do something. The membership was familiar with the provisions of the so-called Spence bill, which will be debated by the House of Representatives beginning next Monday. The House committee had held hearings on the Spence bill, but the Senate committee had not. Someone ought to ask me the question: "Where is the testimony of the hearings which were held in the House?" I should like to answer the question. As I understand, the only reason the House deferred debate on the Spence bill until next Monday is that the testimony of the hearings has not been printed. Because the hearings covered in large part the Spence proposal, and the 6 months' Federal extension, providing a further 6 months of rent control for those communities which wanted it, every Member of the House of Representatives wanted to read that testimony thoughtfully before taking action. Ironically and strangely enough, we have before us in considerable quantity the testimony taken on the subject of the bills which were actually studied by the Committee on Banking and Currency. I shall ask Senators on either side of the aisle to read that testimony backward and forward and find, if they can, any testimony devoted to the Spence bill.

The Committee on Banking and Currency finally agreed to strike out everything after the enacting clause in S. 3131, the Lucas-Myers proposal, and substitute the Spence bill. The junior Senator from Illinois [Mr. DOUGLAS] offered an amendment to the amended bill. The amendment would remove rent controls on permanent guests of hotels in cities having a population of more than 2,500,000. I think there are two such cities in the United States. One is the city of Chicago, the other is the city of New York.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. BRICKER. Can the Senator give any reason in law, morals, or justice for a classification of that kind?

Mr. CAIN. I can only say to the Senator from Ohio that a year ago, when the amendment was proposed, I joined with the Senator from Ohio in doing everything that could be done to defeat the amendment. We failed to defeat the proposal. My considered view remains that failure to do so was a great pity. The amendment provided for one set or class of Americans what the bill refused to do for other Americans.

Mr. BRICKER. Can the Senator see any reason for such a proposal except one which might be motivated by individual political desires?

Mr. CAIN. I feel deeply, and said so a few minutes ago, that with reference to the pending Federal rent-control extension bill, which strikes out the amendment of last year to which the Senator from Ohio has addressed himself, that the entire business is pure politics, nothing more and nothing less. It can only be supported and defended for political reasons, not for either economic or social reasons. This restriction was thought up a year ago by the Senator from Illinois [Mr. DOUGLAS], and he prevailed upon Congress to accept it. I was about to say that I was a member of the conference. Apparently I was not.

Mr. MAYBANK. The Senator was a member of the committee.

Mr. CAIN. The Senator from Illinois and I had agreed on certain provisions in certain rent laws, but we disagreed most widely on his amendment, which the Senate and the House through conference thought fit to accept a year ago.

It looks to me—from hindsight, now—that a year ago the junior Senator from Illinois secured some special privilege—I do not know how else to define it—for the permanent occupants of hotels in Chicago, and this year, by his amendment, which was accepted by the Banking and Currency Committee last Friday, he now secures some special privilege for the owners of hotels. He is now recommending that controls be removed from those who permanently occupy hotels in Chicago, while absolutely maintaining that controls should be continued on the thousands of small owners of rental property in Chicago.

After the Spence bill had been agreed to, as modified by the Douglas amend-

ment, the committee agreed, by a vote of 8 to 5, to report the amended bill to the Senate. Enthusiasm for the reported measure was lacking among some of the Senators who voted affirmatively. The chairman of the committee has been quoted in the public press as saying he and the Senator from Alabama [Mr. SPARKMAN] and the Senator from Delaware [Mr. FREAR] have doubts as to the constitutionality of the reported bill.

Mr. DOUGLAS. Mr. President, would my good friend, the able and genial junior Senator from Washington, be kind enough to yield for a question?

Mr. CAIN. I do not think it would be an act of kindness; I am delighted to have the observations of the junior Senator from Illinois for the record.

Mr. DOUGLAS. Is it not true that whereas last year there was a very small vacancy rate amongst hotels, this year there has been a vacancy rate of approximately 12½ percent in Chicago?

Mr. CAIN. I am not satisfied as to what the percentages are, although I am quite willing to agree that they are higher this year than they were a year ago.

Mr. DOUGLAS. I think it is true that if my good friend the genial and tolerant junior Senator from Washington consults the record of the hearings he will find that the vacancy rate this year is 12½ percent for hotels in Chicago, whereas last year it was very small.

I think he will also find that the junior Senator from Illinois would be in favor of removing rent control on any type of building when there was a vacancy rate of 12½ percent, and it was merely because the actual vacancy rate for ordinary apartments and houses in Chicago was four-tenths of 1 percent—and only four-tenths of 1 percent—that he favors extension of rent control for that ordinary type of apartment.

So I suggest to the Senator from Washington that if he will go into this matter he will find no inconsistency on my part, and no desire to do one thing one year and another thing another year, when the circumstances are the same. I believe it should be our aim merely to use rent control when the vacancy rate is extremely low and the pressure for accommodations very great and remove it the instant it is not needed. I believe the Senator from Washington, with his sense of fairness, will reach that conclusion if he goes into the matter.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. Permit me to respond briefly to the Senator from Illinois. I disagreed with him violently a year ago—and do now—in his theory that the circumstances justify extending special treatment and special privilege to one class of American citizens. I draw his attention again to the obvious—that in scores of American cities where such hotels were complely decontrolled no harm of any kind came to occupants during the past 15 months.

Does the Senator from South Carolina desire to have me yield?

Mr. MAYBANK. Mr. President, I merely wish to say that the question of conditions in Chicago has nothing to do with what the Senator said a while ago about the bill which is now before the Senate. When we held our extensive hearings I asked many witnesses what they believed should be done, and I merely wish to have the RECORD show that Governor Stevenson, of Illinois, was one whom I interrogated, and I read this from page 73 of the hearings:

> The CHAIRMAN. I read in the paper that they thought Congress might extend Federal rent control 6 months.

I do not have to read the complete testimony.

Mr. CAIN. Mr. President, I think it would be an admirable thing to have the entire statement of the Governor of Illinois, who is an important witness in this matter.

Mr. MAYBANK. I do not think it is necessary to read all this statement. I am hopeful we will get a vote on the bill in a reasonable time, and if I read all of this testimony, it would take too long.

Mr. CAIN. I believe a good deal of the testimony must be read for the benefit of other Senators who are not so well informed on this subject as are some of us who have had a chance to study it.

Mr. MAYBANK. Since the Senator has asked me to read it, with his permission I shall read what I asked Governor Stevenson.

Mr. CAIN. I read the Senator's questions and the Governor's answers, indeed, the whole statement, and I think it is fascinating, and if the Senator finds it convenient to read the whole statement, do so. If he does not, I shall.

Mr. MAYBANK. I have read many long statements here, but I am going to read now merely a short statement. This was my question:

> The CHAIRMAN. I read in the paper that they thought Congress might extend Federal rent control 6 months. I do not know whether Congress is going to extend it 6 months or a year, or what Congress is going to do, but hearing all these things, I wondered what your judgment would be on that problem.
>
> Governor STEVENSON. My judgment would be that it should be extended for a year.

I skip a little. Then the Governor said:

> If the Congress sees fit to make the extension provisional upon action by local communities after 6 months, I would see no objection to that, and I think it might be wholesome.

I merely desired to bring out that testimony of the Governor of Illinois. There were many other witnesses. He was not for the bill as reported. He was for the Lucas-Myers bill.

Mr. CAIN. He makes himself very clear on that.

Mr. MAYBANK. Yes; but he did say:

> If the Congress sees fit to make the extension provisional upon action by local communities after 6 months, I would see no objection to that, and I think it might be wholesome.

I merely wanted the Senator from Washington to know that witnesses on both sides were heard. The distinguished Senator from Washington himself was a witness, as were the proponents and opponents of the bill. I want the RECORD to show that the Committee on Banking and Currency was not negligent in making its inquiry.

Mr. CAIN. I thank the Senator from South Carolina. Something he just said tickled me very much. The Senator mentioned the fact that the Governor of Illinois said, "While I want the Federal Government to do this for a year, if they will not do it for a year, but will for 6 months, I will accept that." Is not that the case of a man getting something for nothing, and being willing to accept less than he first asked?

Mr. MAYBANK. No.

Mr. CAIN. I am referring to the Governor of Illinois, for in my view it is his determination to have Congress do for him, his people, and his State, what he ought to have done for himself through them, if necessary, a good long time ago; and I could not possibly be more serious in that conviction.

Mr. President, on the day before the committee took its action last Friday, the chairman of the committee was quoted as saying that the committee would vote on some kind of an extension plan in order that the Senate might have a chance to act. The Senator said substantially that in our previous colloquy today.

Mr. MAYBANK. I said on March 3, 3 months ago, that we were going to vote on a bill.

Mr. CAIN. The Senator made that announcement. The Senator from Illinois [Mr. DOUGLAS] was quoted as having said that the city of Chicago was faced with a skyrocketing round of possible strikes if rent control were allowed to die.

Mr. MAYBANK. Mr. President, I wish to say one word. No matter what the Senator from Illinois said, we did not suggest that. I have the greatest respect for the Senator from Illinois, but it did not matter with me what anyone might do, because on March 3, as the RECORD will show, I said we would have some kind of a bill, with a favorable report or an unfavorable report. While I have the deepest affection for the Senator from Illinois, certainly that affection alone is not going to influence my judgment of what is best for the welfare of the people of the United States. As I understood him, the Senator would have us believe that very high rent increases have been proposed for Chicago.

Mr. CAIN. Shortly after the committee took action last Friday, I was told by three members of the Banking and Currency Committee—and I would particularly draw the attention of the Senator from South Carolina to what I am about to say, because I do not wish to make an incorrect statement, and if I make a misstatement of fact I should appreciate having it challenged here on the floor and for the RECORD—that a very few days prior to Friday, and for a long time, there was evidenced no hubbub, no enthusiasm, no energy for quite some period respecting this rent-control problem by the committee as such, but last Friday they went into action. They became a ball of fury indeed. Out came a bill. Three members of the committee told me that it had generally been agreed—and I use that phrase advisedly "generally had been agreed," because I am not certain

how tight the situation really was—that the bill would not be called up for debate until the House of Representatives had concluded its debate, which begins on Monday next.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. Certainly I yield.

Mr. MAYBANK. I want it distinctly understood that as chairman of the committee I never suggested such a thing. I heard it mentioned the other day around the Senate. To be perfectly frank, 3 days ago I did not know that the bill would be here now. But in the committee I never suggested such a thing. And to make certain, I sent word to the Senator from Virginia [Mr. ROBERTSON], because he was on the other side of the question, and he said he never heard any such thing suggested. Someone may have had an illusion, but I did not see any use of reporting a bill simply for the calendar. We have too many bills on the calendar now.

Mr. CAIN. I raised the question because three members of the committee said to me what I have related to the Senate. It happens that they are not on the floor at the moment, but they will in due time be here, and will speak for themselves.

Mr. MAYBANK. The chairman of the committee made no such suggestion.

Mr. CAIN. They made no such reference to the chairman of the committee.

Mr. MAYBANK. There was no agreement to wait until the House had concluded its debate on the question.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAIN. Before I yield to the Senator from Illinois, I should like to pursue the subject for a moment because of something the distinguished chairman of the committee just said. Did I understand the chairman of the Senate Banking and Currency Committee to tell me a moment ago that 3 days ago he did not know the bill was going to be brought before the Senate?

Mr. MAYBANK. I said that when the bill was reported several days ago I did not know that it would be on the floor tonight, because I had thought that perhaps there might have been another bill taken up for consideration. But fortunately the Senator from Illinois [Mr. LUCAS] kept the Senate in session last night until it concluded action on the Commodity Credit Corporation measure. That bill would still be before the Senate if we had not stayed up late last night.

Mr. CAIN. We stayed in session for some time.

I now yield to the Senator from Illinois.

Mr. DOUGLAS. I thank my good friend the distinguished Senator from Washington for yielding. I do not quite know what the Senator from Washington is attempting to develop by his comment. I may say that so far as the junior Senator from Illinois is concerned he never consented to a postponement until after the 12th; but on the contrary urged the necessity for speedy action on this whole matter.

Mr. CAIN. I did not have the Senator from Illinois in mind at all in that particular connection.

Mr. President, I say again with all humility that a pretty good friend of mine, the majority leader of the Senate, is an interesting individual. I am going to speak about him only in one paragraph, and I am not going to be disrespectful. I watched with interest how he operated last night for hours on end. It was a long, a very difficult session. At one point he rose, as most Senators will remember, vehemently to oppose an amendment to the CCC bill, which had been offered by the senior Senator from Vermont [Mr. AIKEN]. The Senator from Illinois opposed the amendment because he said the committee had not taken testimony on it. He was looking for testimony all over the Senate, and upon failing to find it he said, "This would be a terrible way to do business. This amendment must not prevail because the committee has not taken any testimony on it." He went on to add that the amendment on which no committee hearings had been held was "another classical example" to use his words, "of attempting to legislate on the floor of the United States Senate without having any hearing in an appropriate committee upon an important question."

The Senator rejected the proposal offered by the Senator from Vermont and perhaps largely for the reason that the proposal, however meritorious, had not been thoughtfully considered by an appropriate committee of the Senate. Yet the same Senator, the majority leader, now wants to force action on a proposal on which testimony was not taken in any substantial fashion at all, and hearings were not held by the Senate Banking and Currency Committee on it.

I shall be very curious during the course of the debate as to what the majority leader will say today and tonight and tomorrow and on Friday in support of a proposal which, to my mind, has not been properly processed.

Mr. President, the relationship and balance between Federal, State, and local governments is of serious concern and interest to the junior Senator from Washington. I do not believe one level of government should do anything for another level of government which the other level is prepared and able to do for itself. In fact, I believe there are some things which one level of government is prohibited from doing for another. To my mind, it was proper during the war years, because an emergency existed, for the Federal Government to control rents throughout the Nation. The only justification for such Federal control of private property was that a national emergency existed. There were similar reasons for the existence of rent control in practically every section of the United States.

There is no such emergency today throughout this land. It may exist in isolated spots, but shall we make certain that a Federal Congress provides relief or assistance or subsidy or benefits in the name of a national emergency when it simply does not exist?

Since the 1949 rent law was enacted in April of that year 36 American States—there are only 48—have either been completely or largely decontrolled. I am not overstating that situation, because later on we will state for the RECORD and speak about each of the States that have been decontrolled in their entirety, and, what is much more important, we want to tell the Members of the Senate and the people of the country of the fine things which have happened in every American State that has had self-respect and intelligence enough and determination enough to stand on its own feet and quit being a vassal of a Federal Government.

Mr. President, 15 months ago more than 14,000,000 rental units were under Federal rent control. By June of this year, as best I can figure it, when the 1949 law is scheduled to be terminated, slightly more than 7,000,000 units will be under such control.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. LEHMAN. The figures the Senator has given—namely, 14,000,000 units a few months ago and approximately 7,000,000 units on June 30—are obtained after subtracting, I supose, the housing units in the great State of New York which are under State control.

Mr. CAIN. Oh, yes.

Mr. LEHMAN. That control possibly is much more drastic than the control provided by the bill now pending before the Senate.

Mr. CAIN. Mr. President, I could not more happily express my enthusiasm for having the Senator from New York rise and ask the question, because all he has said is that in the State of New York there was a problem and the legislature and the Governor of the State of New York solved it, and the State of New York is no longer in a position to look to the United States Congress to do for them what they can and have done for themselves.

Mr. LEHMAN. Let me point out to the Senator from Washington that the bill which was passed by the Legislature of New York is now in the courts of New York, and its constitutionality is very much in question. If it is declared unconstitutional, and if there is no Federal rent-control law, New York State will be without any rent-control protection whatsoever.

Let me ask a further question of the Senator.

Mr. CAIN. Please do.

Mr. LEHMAN. Does the Senator seriously contend that there would be no emergency in the State of New York or in the city of New York or in the city of Chicago or in Philadelphia or in Los Angeles if there were no rent control? In my opinion, everything indicates that if rent controls were removed in those great urban centers, rents would rise almost astronomically—not 3 percent or 5 percent or 10 percent, but 40 percent or 50 percent or 60 percent. I think probably the Senator from Washington has seen figures as to the rent increases which have occurred in some of the cities in which rent controls were removed.

I wonder whether the Senator would repeat that he seriously believes there would be no crisis, no emergency, if rent controls were removed in the great urban centers of this country.

Mr. CAIN. One of the reasons why earlier today I rose and expressed myself out of the depths of my indignation was because an attempt was being made to rush—from my point of view—an ill-considered piece of proposed rent-control legislation through the Senate, without giving the Members of the Senate a chance either to agree with it or to amend it or to oppose it.

We had a strange situation here earlier today, let me say to the junior Senator from New York, when a bill came up so hurriedly and action was taken on it so rapidly that the unanimous consent of all Members of the Senate then present was required in order to permit the Senate to back-track, so that amendments could be offered to the bill.

However, in direct reference to the question the Senator from New York has asked, let me reply that if the Senate has patience enough and if I have strength enough, I shall attempt to prove, without reference to politics, but with relationship only to facts, that the junior Senator from New York, who has raised the question, would actually be doing the people of his great sovereign State the greatest possible favor by restoring property to free competition.

During the course of the debate the Senator from New York will permit me, I trust, to establish what I believe to be the facts of the matter. If thereafter he disagrees with my contentions, then we shall be simply in friendly disagreement.

However, I add that I would not possibly stand up, as I intend to do, for quite a considerable length of time and address the Senate for a considerable length of time unless I believed conclusively in what I am saying.

I like to say these things to the Senator from New York, for he is as well-intentioned and as sincere as I am.

However, he has used the word "catastrophic," and yet he does not define it.

As I look over my shoulder at this time, I see that there is in the gallery one Henry Van Veen, representing the Housing Expediter. He uses the word "chaotic." Those who espouse such terms and threaten and intimidate and browbeat the American people into thinking that some terrible things are going to happen to them, things which the record shows simply have not come to pass, if rent controls are removed. After all, by now we have had a considerable experience in this matter.

I shall not labor this point, I say to my colleague, the Senator from New York, but there were many of us who for 3 years following 1947 thought it was bad for the moral strength and heart and fiber and soul of America to continue Federal rent controls. However, for 3 years those of us who shared that view could make only assumptions. We concluded that this, that, and the other thing would happen; but we could not prove them.

However, now I am in a position to take on, in a friendly way, the Senator from New York, who has been a Governor of that great and distinguished State, and to argue with him on the basis of facts.

Before we conclude, he may be able to prove that the people who live in New York are different from the people who live in Texas or the people who live in the State of Alabama or the people who live in the State of Virginia or the people who live in half a dozen other sovereign States which have decontrolled themselves so far as rents are concerned, and have found that no bad things or catastrophes have occurred; people have not been thrown out into the streets; invariably the number of evictions, in a 3-month or 6-month period, has decreased; furnishings have been replenished, and accommodations have been redecorated; nails have been driven, varnish has been put on the floors, and calcimine and paint have been put on the walls. Those are some of the reasons why I shall try to convince the Senator from New York that the Senate should not pass this measure, and that if the courts of New York should declare the State law unconstitutional, the Senator from New York himself should not be in favor of the bill now before the Senate, which has been reported by the Banking and Currency Committee.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. CAIN. Yes; and I apologize for having taken so long in making my answer.

Mr. LEHMAN. A few minutes ago the Senator from Washington stated, in effect, that he thought I would be doing the people of New York a favor by joining in an effort to remove rent controls.

Mr. CAIN. Yes.

Mr. LEHMAN. The Senator from Washington also said there would be no emergency in the State of New York if rent controls were removed.

I do not at all presume to speak with any knowledge with regard to conditions in the State of Washington, but I think it is not unduly immodest on my part for me to presume to speak on the basis of some knowledge of conditions in the State of New York, of which I was lieutenant governor or governor for 14 years.

I can say to the Senator from Washington that there is no doubt whatsoever in my mind—and I think the Senator from Washington himself will be convinced of that fact before the conclusion of the debate—that the removal of rent controls in the large uban centers and cities and in some of the rural sections——

Mr. CAIN. Let me inquire what the Senator would call a large city or a large urban center.

Mr. LEHMAN. Before answering that question, let me continue with my statement, namely, that I have no doubt that before the debate is concluded the Senator from Washington himself will be convinced that the removal of rent controls in the large urban centers and in some of the rural sections would bring about the development of a most serious situation.

I agree with the Senator from Washington that it is difficult to determine exactly what is meant by the word "catastrophe." However, I wish to ask the Senator from Washington whether he would agree that a rent increase of from 30 to 40 percent in the one item of expenditure which consumes the largest part of the dollar of the workers in this country would be catastrophic? If the Senator disagrees with me, of course he is quite within his rights.

Mr. CAIN. Of course I do, but for a reason.

I would not say to my friend, the Senator from New York, that he taught the Office of the Housing Expediter how to use the substance of the observation he has just made; but the Office of Housing Expediter has been using it literally, in one way or another, for a considerable length of time.

In answering the Senator's question, I would wish to know what the piece of property was. I like to try to be a student of the facts in these questions and in these cases. I like to know what each property was renting for as of the time when the rent on it was controlled—which might well have been back in 1941 or 1942 or 1943; and I like to know what the reasons for that rate were.

The Senator was talking about a particular case which results from a particular reason. In the United States there are many, many scores of accommodations which were in depression areas, which have since become very healthy sectors. There were units in which families sometimes permitted their relatively impoverished relatives to live. The incomes of those persons being low, their landlords, who often were relatives of theirs, permitted them to live there at practically cost.

In 1941 in this country there was an amazing housing surplus; housing went begging. So the average landlord in many areas was grateful to get anything he could get. Controls were clamped on, incomes started going up, costs started going up. Revenue remained about where it was. I could take the Senator from Illinois, a reasonably minded man, by the hand, as one would take a child, and lead him to many instances which would conclusively answer his question that in particular cases a rate of 200 percent would not be exorbitant.

Mr. DOUGLAS. Mr. President, will the very able Senator from Washington yield for an observation?

Mr. CAIN. In a moment. I am glad the Senator is on his feet, and I would beg him to so remain for a moment.

Mr. DOUGLAS. I thank the Senator.

Mr. CAIN. Later on I am going to say something that has a direct bearing upon the colloquy between the Senator from New York and the Senator from Washington. It is going to be about the city of Chicago. I am going to tell an interesting story about it. I shall attempt to prove, as I think I can beyond any question of doubt, what I said to about 700 citizens in Chicago last Thursday, who are interested in this question. It was a memorable occasion, partly because it was the night before the Senate Committee on Banking and Currency reported this bill. But the figures in

the case will establish it to be a fact that there was a great housing surplus in Chicago in 1940. In the 10 years which have elapsed since then the city of Chicago has become one of the few major cities of this country which have not benefited—if it may be called a benefit—from a large increase in population. The census returns are to become public within a few days, and will, I think, be the clincher in the case I am going to try to establish. That is the principal reason for wanting to extend this debate for some little time, in order that I may get all the facts into the RECORD.

I may say to the Senator from New York that this is the equation with respect to Chicago in 1940, in the matter of the housing surplus. From 1940 to 1950—or, more particularly, from 1945 to 1950—a great amount of accelerated residential housing was constructed in Chicago. During the 10-year period the population has risen very little. With a slightly larger population at the end of 10 years, with thousands of units of new construction occupied by people during the 10-year period, the city of Chicago, from a housing surplus in 1940, has successfully built itself into the greatest artificial housing shortage America has known. I believe that to be the fact. I have support for it here and will get to that as soon as I can.

Mr. DOUGLAS. Mr. President, will the Senator yield for an observation?

Mr. CAIN. Certainly.

Mr. DOUGLAS. I was much interested in the invitation of the very able junior Senator from Washington, who offered to take the Senator from Illinois by the hand, as he would a little child, and convince him of the facts in regard to all these matters.

Mr. CAIN. If the Senator will permit, I may say I said that in reference to my friend from New York.

Mr. DOUGLAS. No; the Senator had concluded his remarks to his friend, the Senator from New York.

Mr. CAIN. It was my only reference of the kind, and it was addressed to the Senator from New York.

Mr. DOUGLAS. The Senator said "the Senator from Illinois." Whether the Senator intended to address the remark to the Senator from Illinois or to the Senator from New York, I hope my good friend will remember the Biblical quotation, "When I was a child, I spake as a child, I understood as a child, I thought as a child: but when I became a man, I put away childish things."

Mr. CAIN. That will certainly give a note of lightness, or of departure.

Mr. DOUGLAS. No, it is a much needed note of sanctity in these proceedings.

Mr. CAIN. May I be of any further service, so far as the Senator from New York is concerned? I am not being facetious.

Mr. LEHMAN. The Senator from New York, of course, thanks the Senator for his explanation, and looks forward to being enlightened. He has not yet been enlightened.

Mr. CAIN. Perhaps there is somewhere a middle course. The Senator from New York rose to speak, and the first explosive word that he used was "catastrophic." The Senator from New York is an important individual. When his name appears in the newspapers it is recognized by hosts of Americans. When he rises in debate and says that catastrophic results will result from decontrol, and then, in two or three sentences following he says to the junior Senator from Washington, "I am not certain how to define the word 'catastrophic'," that lack of definition is not in the public press.

Mr. LEHMAN. In the first place, the Senator from New York wants to thank the Senator from Washington for his complimentary remarks.

Mr. CAIN. They are sincere remarks.

Mr. LEHMAN. The Senator from New York also wants to correct the Senator. I did not say that I could not define the word. I did say there was some question as to the definition of the word "catastrophic," obviously, in the mind of the Senator from Washington, and in the mind of the junior Senator from New York. But I may add parenthetically that it is perfectly true, I did use the word "catastrophic" in my opening remarks.

Mr. CAIN. And also in the Senator's statement before the committee?

Mr. LEHMAN. But I have used the word many times before.

Mr. CAIN. Every time the Senator has spoken on the subject, he has used it.

Mr. LEHMAN. I certainly have, because it reflected my sincere, honest, and thoughtful view.

Mr. CAIN. Will the Senator define the word "catastrophic" for us now in the RECORD?

Mr. LEHMAN. Certainly, I shall be very glad indeed to do so.

Mr. CAIN. That is, what is going to happen if this bill is not passed. Some of us are opposed to the passage of the bill, and we want to know what "catastrophic" means.

Mr. LEHMAN. I will define it in connection with this particular proposal, which the Senator is not supporting. I think if a man of limited income finds himself under the compulsion of adding 30 percent, 40 percent, or 50 percent, and sometimes a larger percentage to the item of the rent he has to pay—and as I have already pointed out, rent is the greatest single item in the living cost of the average man of moderate or small income—if he finds himself in that position, I think he is facing a catastrophe.

Mr. CAIN. The Senator from New York understands economics and mathematics as well as I do. Let us remember what has happened during the past 10 years to consumer items, such as the radio, television, and so forth, and so on, things which make for happier and more fruitful living, and then let us bear in mind that it used to be, in a free country and I use the term advisedly—considered to be quite all right for a family to use anywhere from 20 to 25 percent of the family income for shelter, whereas now, as the facts plainly indicate the average percentage of cost to the family today for shelter is 7 points less—I think I am accurate, and I hope someone will correct me if I am not—7 points, on the average, less than the 20 percent formerly allowed for housing.

Mr. LEHMAN. Seven points?

Mr. CAIN. The averag rental cost to the American family is 13 percent of the family income. That is 7 percent under the 20 percent which is the minimum of what used to be considered a reasonable scale.

One of my basic objections is that, from good motives no doubt, it is intended, through this proposed legislation and in the future, as we have done in the past, to subsidize one class of American citizens at the expense of another class. I have often thought, in trying to be honest about the situation, that if we want to subsidize a class of persons known as tenants in one income bracket or another, why does not the Government do so with the help and encouragement of appropriations of the Congress by an outright subsidy to provide them with more living space.

Mr. LEHMAN. I certainly am not willing to accept the figure of 13 percent which the Senator has used—13 percent in the case of the low-income class.

Mr. CAIN. I gave an average figure.

Mr. LEHMAN. I am talking about the middle-income and low-income classes. I am not a bit concerned with the Senator's plight or with my plight if our rents should be raised. I am concerned with the low- and middle-income classes, with which the Senate of the United States, I think, should and must be concerned.

Mr. CAIN. The Senator from New York and I are concerned with the welfare of the same kind of people. We are merely approaching the problems from poles which are miles apart. I seek, in opposing such proposed legislation as is before us, to help my people, and the Senator from New York seeks to support the proposed legislation because he thinks it will help his people.

The Senator from New York, a few minutes ago, took casual exception to a figure which I gave. The American people, on the average, are presently paying 13 percent of their annual income for shelter as opposed to a historically accepted basis of anywhere from 20 to 25 percent.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. FREAR. The average 15 years ago was 20 or 25 percent.

Mr. DOUGLAS. Was it not the maximum rather than the average?

Mr. CAIN. No; the average ran from 20 to 25 percent. But I can give the Senator from New York a more detailed answer than that which I gave. I read from page 6 of an interesting document, the report which accompanied the Housing and Rent Act of 1950, to which the bill which is before us relates. On page 6, in the first paragraph, this statement appears, and we ought to bear in mind that it was made by the Banking and Currency Committee. The Senator from Illinois is a member of that committee, and Mr. McMurray is a member of the staff, so we must agree with these figures:

According to the Federal Reserve Board (the Federal Reserve Bulletin, September 1949) families with incomes under $2,000 in

1948 spent 23 percent of this income on rent, compared with 12 percent for all families, and only 9 percent for families with incomes of $5,000 and over.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. LEHMAN. I thank the Senator for correcting his statement, and I wish to invite his attention to the fact that I said I was concerned with persons in the low- and middle-income classes. May I pursue for a moment the thought with which I started?

Mr. CAIN. Certainly.

Mr. LEHMAN. The Senator has referred to the fact that various commodities and manufactured articles, such as television sets, radios, automobiles——

Mr. CAIN. The whole gamut.

Mr. LEHMAN. Have advanced in price during the past few years. Of course, the Senator is entirely accurate in that statement, but what he overlooks, I think, is the fact that anyone can get along without a television set, without a radio, or an automobile, but no one can get along without housing. It is needed by every man, woman, and child. Therefore there is a compulsion to protect a man in the rent he may be compelled to pay for housing. It is not necessarily important that a person be protected in the price he pays for an automobile, a radio set, a television set, or some similar article the purchase of which is entirely voluntary on his part and which is not a necessity of life, as is shelter.

Mr. CAIN. I should like to observe that it is generally agreed that there are fewer units of rental housing in this country in 1950, despite all our magnificant and monumental building in recent years, than there were in 1940. Some of us think we can prove that rent control, with whatever virtues it may have, has the overriding vice, in a material sense, of forever reducing the volume of housing available to the rental public of the United States. That is one thing I wish to get around to with respect to New York. We are losing housing all the time. If I can establish that fact, I should like to elicit some sympathy from the Senator from New York.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. CAIN. I yield to the Senator from Delaware.

Mr. FREAR. I have only one question to ask. The Senator stated that he was in Chicago last Thursday night, I believe.

Mr. CAIN. Yes.

Mr. FREAR. Does the Senator think that had anything to do with the speedy action of the Banking and Currency Committee taken on the following day?

Mr. CAIN. As a matter of fact, I knew before I went to Chicago that the Banking and Currency Committee was going to meet the next day, so my only concern was to get away so that I could transact my business and return the next day, because my affection and respect for the committee, on which I served for a long time, are very real, and knowing it had not bothered to do anything about the rent-control problem over a long period, I likewise knew that if the committee ever got around to doing something about it, it might do it conclusively and in its entirety overnight. So that no Senator interested in the question could take a chance of being away very long.

Mr. FREAR. Does the Senator think the committee did do it conclusively?

Mr. CAIN. Eight Senators voted to report the bill; five Senators voted not to report it; three Senators voted conditionally. It was an affirmative vote. I saw Mr. McMurray, who is an extremely intelligent staff worker, about 7:30 o'clock last night with some sort of draft form of the report which is available to us today. The bill has either got to be passed in a very great hurry, or there is a good chance that there will not be any rent-control bill.

Mr. FREAR. But the Senator is not sure that his appearance in Chicago had anything to do with the Friday morning action?

Mr. CAIN. I would say it had nothing at all to do with it. I was invited by a group of citizens of Chicago to talk about the property question.

Mr. FREAR. I did not think the Senator wanted to leave that impression.

Mr. CAIN. Oh, no.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. I shall be happy to yield to the distinguished majority leader.

Mr. LUCAS. The Senator from Washington, in the early part of his address, discussed the possibility of the House voting on a rent-control bill somewhat similar to this one, on next Tuesday.

Mr. CAIN. That is my understanding.

Mr. LUCAS. I understand that is correct. At least the Rules Committee has granted the rule to vote on the rent-control bill on that day, providing the leadership in the House takes it up. I should like to advise the Senator from Washington and other Senators who are interested in this proposed legislation that I have conferred with Representative JOHN MCCORMACK, of Massachusetts, the majority leader. I told him that the rent-control bill was now being considered by the Senate and that it was a bill, as I understand, which was on all fours with the House bill.

Mr. CAIN. With one exception.

Mr. LUCAS. With the exception of the amendment offered by the junior Senator from Illinois. He advised me that so long as the Senate was considering a rent-control bill, under no circumstances would the House of Representatives take it up. In other words, it would be illogical and rather nonsensical for both Houses of Congress to be considering a rent-control bill at the same time. Consequently, he advised me to say, if I desired to do so, that the House would not take up the rent-control bill until the Senate had made disposition of the bill. I thought it was only fair to the Senator from Washington and other Senators to advise the Senate and the country of that fact.

Mr. CAIN. If the Senator will permit me to make an observation in response to his statement, the Senator from Illinois, the majority leader, has now come to the floor of the Senate and has said, "I have been in conference with Mr. MCCORMACK, of the House, and he tells me this," as though it were an entirely new subject, or that it was news that the House had made arrangements to take this bill up next Tuesday. Every Member of this body has a right to assume, when the majority leader quotes Mr. MCCORMACK as saying, "It would be illogical for us to do next week in the House what you are doing this week in the Senate." That everyone, including the majority leader, knew it was completely illogical for us to attempt to do something in the Senate when we had been put on notice that the House was going to consider this question next week.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I should like to make a brief reply.

Mr. MAYBANK. I merely wish to say that I had been in conference with Representative SPENCE, and he told me that they were going to take up the bill on Tuesday, because he hoped by that time the Senate would have passed the bill. That is why I want the bill to be passed by Friday.

Mr. LUCAS. I should like to reply briefly to the able Senator from Washington. As he well knows, and as all other Senators know, we have a deadline to meet on rent control. Yesterday it was practically agreed that we would take up H. R. 6000, the social-security bill. After discussion with the able Senator from Georgia [Mr. GEORGE] the chairman of the Committee on Finance, as well as others who are familiar with the ramifications of H. R. 6000, it was concluded that consideration of it would take probably 10 days, or perhaps 2 weeks. I say very frankly to my friend from Washington that I was afraid if we did not take up the rent-control bill now, rent control might pass out of the picture. That might happen if we failed to act on it in the House and the Senate, and through a conference committee of both Houses. In other words, these bills are different. It is possible that a conference will be needed. If so, conferees must meet, and they must report to the House and to the Senate.

It was the thought of the majority leader and others who joined with him in the Democratic Policy Committee's meeting yesterday that, under the circumstances, it was the better part of wisdom to take up the rent-control bill in the Senate, with a view to passing it as quickly as possible, and sending it to the House. In that way the conferees would have some time to consider it, provided the Senate could pass the bill—and I assume it will pass, and I think it will pass—and the bill could be sent to the White House before June 30. I know that the Senator has served on conference committees, and he realizes how time slips by. He knows how long it takes to get a bill to the White House after we begin its consideration.

I desire to make that explanation because I do not want the Senator from Washington to think that we were trying to do something which was illogical in view of the situation in the House. He may feel that way about it, but it

seems to me the rent-control bill has very few issues involved in it.

Mr. CAIN. Oh.

Mr. LUCAS. I may be wrong about it from the standpoint of the philosophy of it, and whether one wants to go along with it or not. However, it is a simple bill.

Mr. CAIN. It has little freedom in it.

Mr. LUCAS. The bill itself is rather simple. It is easy to understand. It is not like the social-security bill, with all its technicalities. Every Senator can understand the terms of this bill, and every Senator knows whether he wants to vote "yea" or "nay" on it. I thought perhaps we could finish consideration of the bill before the end of the week, or at least early next week. However, the House has served notice on me that under no circumstances would it take up a rent-control bill until we have finished with our bill in the Senate.

Mr. CAIN. May I ask the majority leader a very logical question? Did the majority leader have any conferences or conversations with Mr. MCCORMACK of the House as to which body should take action first on rent-control legislation?

Mr. LUCAS. No. I do not confer with the House of Representatives as to whether we should take action on a bill before they take action on a bill. I repeat what I said a moment ago. There is an emergency.

Mr. CAIN. From my point of view, the House went to considerable trouble.

Mr. LUCAS. That is correct.

Mr. CAIN. To grant a rule to permit a rent-control bill to be considered. That was publicized all over America. It seems that once we get started, there are telephone conversations, and the House says, "We will let the Senate go about its business."

Mr. LUCAS. The Senator is in error when he implies that the House has done something they should not have done. I served as a Member of the House for 4 years. Under the rules of the House of Representatives, the committee which reports this bill must get a rule.

Mr. CAIN. And it had it.

Mr. LUCAS. It has a rule. However, it must go before the Rules Committee to get it before the House of Representatives can consider the bill. However, we, on this side of the aisle, definitely believed that the emergency was of such a nature that we should take up rent control now in preference to the social-security bill, because of the length of time it would take to debate the social-security bill. We were fearful that we might have to lay the social-security bill aside if we were to take it up first. The Senator knows that it is not a very satisfactory parliamentary stiuation to lay aside a highly technical bill, such as H. R. 6000, so as to consider something else. We believed it to be the better part of wisdom, in view of the emergency, to consider the rent-control bill first.

Mr. CAIN. I take no exception to anything my friend, the majority leader has said, except that I was a little tickled when he said that in his view it was the better part of wisdom to bring up the rent-control bill now. I would merely say that it may be good strategy and perhaps good tactics, but I see very little wisdom in doing it.

Mr. LUCAS. From the Senator's viewpoint I can appreciate that he would object to the word wisdom, because he is opposed to the rent-control bill. From that point of view, he is absolutely correct. From that point of view he is correct in his definition of the word "wisdom," as he views it. But from my viewpoint, it was the better part of wisdom to do so.

Mr. CAIN. I should like to ask one other question. I think it is the last question I need to ask, When the House has a rule to begin a debate next Monday, which is only a few days away, if, by the time Monday comes, there has been no resolving of this matter by the Senate one way or another—and none is to be foreseen—then must the House go to all the trouble of trying to get a new rule, or must it wait and let the law expire; or what must it do?

Mr. LUCAS. The rule has already been granted. It is up to the leadership of the House of Representatives when they exercise a right under the rule.

Mr. CAIN. On Monday they might exercise their right under the rule.

Mr. LUCAS. They might exercise the right under the rule at any time they desire. The rule has been granted, and I understand the House of Representatives originally arranged to take up the bill Tuesday.

Mr. CAIN. That has been in every newspaper, and I take that to be true.

Mr. LUCAS. That is not binding on the House.

Mr. CAIN. This might be a likely situation, if any Member of the Senate is still seriously concerned with the rent-control question: The House might think it wise to consider and pass the bill—I do not know whether they can or cannot—and then send it to the Senate, which would make it reasonable for us to drop our discussion and consider what action we wanted to take on the House bill.

Mr. LUCAS. Mr. President, if the Senator will yield, I merely desire to repeat, with all the emphasis at my command, that under no circumstances will the House consider a rent-control bill so long as the Senate is considering one. If we are still debating the bill on Monday, Tuesday, or Wednesday, the House of Representatives will be discussing something else.

Mr. CAIN. It seems to me there is one weakness in that comment. The Senator has gotten all this information as a result of some conversation this afternoon.

Mr. LUCAS. That is correct.

Mr. CAIN. The Senator did not have it this morning. He may get different information later today or tomorrow or the next day. Mr. MCCORMACK can change his mind, and the Senator from Illinois may say, "The situation is a little delicate, and let us get together and talk." If he has had only one conversation over what the two Houses of Congress want to join in doing with rent control, before June 30 I take it there will be other conferences, resulting in different decisions.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. CAIN. I yield to the Senator from Illinois.

Mr. LUCAS. I merely wish to make this final observation: In the 12 years I have been a Member of the Senate, and the 4 years I was a Member of the House, I never have known the House and the Senate to be debating a bill on the same subject at the same time. That is the point I make. It seems to me absolutely illogical and utterly outside of any system of organized parliamentary procedure, to have both Houses debating a bill on the same subject at the same time.

Mr. CAIN. Let us take a look at it from the other side of the street. The House of Representatives announced to the country that it was going to debate the rent-control situation beginning on next Monday. Without the Senate leadership having gone to Mr. MCCORMACK and saying, "Look; we have a bill. The committee has taken action. It will be more convenient for us to take up that bill. Why do not you withdraw the rule and make the necessary and natural and reasonable public announcement?"

There was not anything like that. My goodness gracious, this thing came up out of nowhere, as some sort of monsoon, which ran across the northern section of our great country. It comes like a meteor, which sometimes stays quite a while.

Mr. LUCAS. I hope it is that powerful.

Mr. CAIN. The Senator would not expect any Member of this body to take absolutely for granted what Mr. MCCORMACK has said to him in the course of a spur-of-the-moment conversation. That is all I can conclude it was.

Mr. LUCAS. The Senator does not know what leadership means, if he thinks a leader gives that sort of a promise and pledge, and that it is just a sort of——

Mr. CAIN. Promise and pledge? What does that mean?

Mr. LUCAS. Promise and pledge that the House is not going to take the bill up so long as it is being debated in the Senate.

Mr. CAIN. Does not the Senator think they might have said, "You might have taken us on board?"

Mr. LUCAS. I notified them in plenty of time.

Mr. CAIN. I was talking about the other side.

Mr. LUCAS. I do not interfere with what goes on in the House. I merely called JOHN MCCORMACK and told him the Senate was considering the rent-control bill, and what the Democratic policy committee had considered was the wise course to pursue. He advised me then, "So long as your body has the Senate bill before it, we are not going to take up any rent-control bill," assuming the debate might run, as it sometimes does here, 6 or 7 days.

Mr. CAIN. It has been known to happen. [Laughter.]

The VICE PRESIDENT. The Chair would like to advise Senators that all rules of debate are being violated, and

the Chair may be called upon to enforce them.

Mr. FREAR rose.

Mr. CAIN. May I yield to the Senator from Delaware? Does he care to ask me a question?

Mr. FREAR. I merely desire to ask a question. Is my understanding correct that the junior Senator from Washington would be willing to have a vote taken on this bill some time today or tonight?

Mr. CAIN. I will say later in the statement, which I had to write, under the circumstances, rather hurriedly this morning, that I do not know how much help this Senator is going to get from other Senators. I know approximately the number of those who feel strongly about this question on both sides of the aisle. To the extent that my health and good humor hold out, the intention of the junior Senator from Washington is to do everything conceivably in his power to stop in its tracks what he thinks is a bad bill, badly achieved and arrived at, and to speak as long as it turns out to be necessary. That is only saying that one individual Senator hopes to arouse sufficient interest among other Senators, who share at least in part his views, to get them tomorrow and the next day and the day after that to write their own presentations, and to stand up here and to hold the line, if we can, because though we may be wrong, we think we are right and that we are fighting only to restore legitimacy, in terms of freedom, to a lot of Americans who have been disfranchised, beginning with about 1941. It was excusable and defensible during the war, from which time it has been tyranny in the modern twentieth century. That is the best way I can answer the Senator's question.

Mr. FREAR. Will the Senator yield again?

Mr. CAIN. I yield.

Mr. FREAR. I did not ask the Senator that question to be impertinent at all.

Mr. CAIN. I appreciate that.

Mr. FREAR. I should like also to ask the junior Senator from Washington if he will yield for a unanimous consent agreement that I may be absent from the Senate tomorrow. The other was a preliminary statement.

Mr. CAIN. If I may yield to the Senator from Delaware without losing the floor, he knows I want to do it.

Mr. FREAR. The Senator from Washington is very gracious, and with that I will ask unanimous consent.

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Delaware in order that the Senator from Delaware may ask the Senate that he may be absent?

Mr. FREAR. I ask unanimous consent to be absent from the Senate tomorrow, Thursday.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CAIN. Will the Senator from Delaware let me push my previous answer to him a little further?

Mr. FREAR. Certainly.

Mr. CAIN. The bill includes many things. It is a bill on which no Member of the Senate, with very few exceptions, has previously seen a report. Someone, a number, I hope, will bother to point out the fundamental flaws in the pending bill, including a reasonable doubt as to portions of it being constitutional.

I think it is proper that the CONGRESSIONAL RECORD should show what ordinary American people think. Such men and women have been writing to me and other Senators for the better part of the past 3 years. We have never had an opportunity to let their letters and communications speak for themselves. I hope that I will have sufficient energy to take time enough to read a couple of thousand such letters, every one of which has as its main subject rent control.

Then I should like to devote a portion of the presentation to the general subject of administration, to prove to the Senate why the law which we have passed in successive years from 1947 has not worked, and why those who have administered the law have brought about injustice in great degree to the very little people whom we in the Congress are always prattling about trying to help.

Those are the avenues which I think ought to be explored. Let us assume by way of argument that a bill is passed by the Senate. Because what it provides for has not worked in the past, should we not so amend the bill that it would be equally beneficial to both the tenant on the one hand and the property owner on the other?

The junior Senator from Illinois spent a great deal of time about 15 months ago in working out an amendment called a fair-operating-net-income amendment. Oh, it was designed out of the goodness and the best intentions of both his heart and his brain. But I shall be able to explain, before we get through, why that provision has not worked, why it will not work, and why it cannot work under the present administration. That discussion will be shared by other Senators on successive days, I hope, but it is important to make those views known. I do not know when the Senate will get around to voting on the measure. I have no control over that except as an individual.

Mr. FREAR. Mr. President, will the Senator yield for one further question?

Mr. CAIN. I yield.

Mr. FREAR. I believe the junior Senator from Washington will admit that under the extension proposed by the bill any locality can decontrol itself?

Mr. CAIN. Oh, I thank the Senator for bringing that up. Yes.

Mr. FREAR. I thought that would be a subject the Senator would like to discuss.

Mr. CAIN. What is a local community? In a way, it is a city council which represents a great many people. Every city that has had rent controls imposed upon it has a city council which, for the most part, is familiar with the local circumstances. If the pending proposal is approved by the Congress permitting city councils by affirmative action to continue rent controls for an additional 6 months, it would be my judgment that in most of the cities throughout the land No. 1, a city council would vote for the extension, and, No. 2, it would not be a fair expression of how the citizens of the community felt.

Having myself sat for some years in a city-council chamber, I can see the pressure group start moving in now. "Keep what you have got. We are safe and secure for as long a time as we have rent controls." It would be a very unusual city council that under those circumstances would have, to my mind, the courage to stand up and ask, "What are the facts? City X has a population of 150,000. Let us take a look at what happened in city B that has a population of 150,000. That city has been decontrolled for 6 months. If benefits have resulted in city B from decontrol let us provide for decontrols in our community." That is what I like to think would happen. But in many instances it would not. Certainly, I think something ought to be said on that subject.

Mr. FREAR. The Senator does not think, does he, the pressure groups would be equally strong for and against?

Mr. CAIN. No; I must speak from my own experience on that score. In most cities they would not be equally strong. The numbers of people whom the pressure groups represent are a very popular political asset.

Mr. FREAR. The Senator would not think numbers alone would have any political bearing, or influence the votes of any members of the city council?

Mr. CAIN. No more than they have an attractive political appeal to persons outside city councils, such as members of boards of county commissioners, governors, and friends and associates in the United States Senate, for example. Let me answer the question in this way: During the 4 years I have been in the United States Senate I have never seen a legislative proposal which seemingly was so well designed as this as political bait to attract votes from both sides of the aisle.

In the first place, the proposition is to extend rent controls on a Federal basis for 6 months. Not very much is said about it, but 6 months from now the congressional elections will have come and gone. If we extend the rent control law, everyone during that period can pretty generally be all things to all people. One can either be for it or against it. I do not like the proposal for a good many reasons, not the least of which is that the measure is a substitute compromise which came from Tighe Woods, Henry Van Veen, and certain others who sat in the galleries representing the Office of the Housing Expediter.

I have the right to assume that most of my colleagues are as sincere, conscientious, and intelligent, or more intelligent than I am. I think most of them, if they are interested in economic truths, will say that if there is any justification for continuing Federal rent controls it ought obviously, for administrative reasons, to be on an annual basis. After a while I should like to have any Senator who wishes to do so, to defend strongly, with all its weaknesses, this 6-month approach. In January the President of the United States recommended a 1-year extension. Within a short time no attention was paid to that

recommendation. Then I was advised that a rather interesting fellow, the Housing Expediter, Mr. Tighe Woods, called into his office representatives of a good many groups throughout the country. I think I can at a later date establish who they were, and where they came from. The substance of the conversation was, "Look, this 1-year proposition is not going to go anywhere. The Office of the Housing Expediter is shortly going to fold up. We have got to think, and think fast." So they all thought, and they conceived an idea that admittedly has many attractive features to it: Extend rent controls for 6 months, which takes it through the election, and that will bring votes from some Republicans as well as Democrats.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. THYE. Extension for 6 months would not give relief to States which have no State rent control laws. A 6 months' extension would not permit legislative bodies of such States to reconvene to deal with the subject on a State basis if they find the situation to have become so acute in the respective States that they would want to deal with it legislatively. The extension should be for a period of 7 months instead of 6 months. That would permit States whose legislatures convene in the odd calendar years to act. The Legislature of the State of Minnesota convenes early in January of 1951. The Legislature of the State of Minnesota could deal with the subject in the legislative term of 1951. If Federal rent control expired on December 31 of this year, the Legislature of the State of Minnesota, and I presume the legislatures of other States in which there is no State rent control legislation, would be compelled to hold special legislative sessions in order to enact State rent control legislation to deal with the subject. The proposal is that the Federal rent control be extended for 6 months. If we are to have such extension, I hope the bill can be amended so as to provide for a 7 months' extension. That, as I said, would permit the legislatures of States which meet in the odd calendar years to be in session when the Federal rent control law expires.

Mr. CAIN. I thank the Senator from Minnesota. Interestingly enough, he is not a member of the Banking and Currency Committee, which reported this endeavor. The Senator from Minnesota has pointed up one of the bill's obvious weaknesses. Some Senators will agree with the Senator from Minnesota that the bill should be amended so as to extend Federal rent control for 7 months. Some other Senator might wish to vote to extend it for 8 months. Others might wish to extend it for 9 or 10 or 12 months. But no one, on the basis of fact, is going to agree to a 6 months' extension, partly because in 6 months, if any of the catastrophic events the fear of which has been raised by the junior Senator from New York, should come to pass despite the fact that they have not come to pass anywhere else, but if some of them were to come to pass, December, I think, would probably be the worst month in the year in which to be put out on the sidewalk.

Mr. DOUGLAS. Mr. President, will the Senator from Washington be willing to yield with the understanding that he shall not lose his right to the floor, so that I may ask a question of the Senator from Minnesota and clarify the point which the able senior Senator from Minnesota has just made?

Mr. CAIN. If the Senator will permit me 10 seconds or so, I shall be pleased to yield to him.

I should like to point out to the Senator from Minnesota that, so far as I know, there is no reason, nor should there be, to prevent a governor from calling the legislature of his State into special session to consider this question. Some legislatures already have decided this question on a State basis.

The Senator probably is reminded of a fact which some of our colleagues distressingly and sadly have overlooked and forgotten, namely, that 15 months ago—and we shall prove this in the course of the debate—one Senator after another rose on the floor of the Senate and gave notice to the various States of the Union that if in the future they were confronted with a rent problem, they had better do something about it, and had better not wait until they found themselves in the position in which the State of the Senator from Illinois has found itself, namely, the position of being simply scared to death as a result of having the Federal Government give notice that it would not continue rent controls in its area.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. THYE. I should like to give notice that if there is an intention to provide for an extension of 6 months, I would suggest that the extension be 7 months, so as to extend the control into the year 1951.

Mr. CAIN. Certainly that is a very valid suggestion.

Mr. THYE. In that event the legislatures then would have reconvened, and could deal with the question.

After all, it is expensive to call a special session of a State legislature.

So if Senators propose to deal with rent control on the basis of providing for an extension of 6 months, it seems to me it would be wiser to provide that the extension be for 7 months, and thus avoid the expense of having to call special sessions of the State legislatures to deal with this question.

Mr. CAIN. I thank the Senator for his suggestion.

Now I am glad to yield to the distinguished junior Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, let me inquire whether I correctly understand the Senator from Minnesota, in connection with the very interesting and valuable suggestion he has made, that the proposal is to have, following the 7-month extension, a further 5-month extension so as to enable the localities to act in regard to this matter. This would be 5 months following the extension of rent control by the Federal Government for 7 months, instead of 6 months—in which event, instead of having extensions of 6 months and 6 months, respectively, the extensions would be for 7 months and then for 5 months. Do I correctly understand the suggestion the Senator from Minnesota has made?

Mr. THYE. An extension of 6 months, which has been discussed, would continue rent controls until December 30.

Mr. DOUGLAS. The Senator from Minnesota proposes that the extension be made for 7 months, instead; is that correct?

Mr. THYE. If it is the sentiment of the Senate that rent controls should be extended on a Federal basis for 6 months, then I would suggest that, instead, there be an amendment to provide that the controls be extended for 7 months.

Mr. DOUGLAS. And then there would be a further extension of 5 months during which the localities would be permitted to act on the subject, in the event there was no rent-control extension action on the part of the States. Is that correct?

Mr. THYE. I did not understand that there was a proposal to continue rent controls for an additional 5 months to enable the localities to take such action.

Mr. DOUGLAS. The present proposal is that there be an extension of rent controls on a Federal basis for 6 months, unless such areas are specifically decontrolled in the meantime; but, the proposal of the pending measure in addition is that in the localities which specifically request the continuation of Federal control, it be continued for 6 months more on a Federal basis, and then stopped.

I think the suggestion of the Senator from Minnesota that the original extension be for 7 months, rather than 6 months, is a very valuable one.

Mr. THYE. Yes, so far as the Federal law is concerned.

Mr. DOUGLAS. And that then, if there is a desire on the part of the localities for a further extension of rent control, that rent control be extended for 5 months more, rather than 6 months, if so requested by the localities concerned.

Mr. THYE. My proposal is to have the extension made for 7 months, rather than 6 months, on a Federal basis.

Mr. DOUGLAS. Yes; and then to have an additional 5 months' extension, if that is requested by the locality concerned; is that correct?

Mr. THYE. I am thinking only about the Federal law and extending the application and operation of the Federal law into the calendar year 1951, thus permitting the State legislative bodies, which reconvene in the calendar year 1951 to have an opportunity to give consideration at their regular sessions to the question of whether they wish to enact a State rent-control law before the expiration of the Federal rent-control law.

If the Federal rent-control law expires just prior to the first of the new year, the State legislative bodies could not reconvene at that time, unless they reconvened in special session, to deal with that question. Otherwise there would be a lapse.

For that reason, if we are going to provide for a 6-month extension of the Federal rent-control law, it seems to me it would be better—it is my recommend-

ation, and no doubt the suggestion can be covered by an amendment—that the extension be made for 7 months, rather 6 months, so as to relieve the States of the expense involved in calling special sessions of their legislatures.

Mr. CAIN. Mr. President, if the Senator from Minnesota gave about 3 days' thought to his amendment—today is Wednesday; and let us say the Senator perhaps would offer the amendment on Saturday, if we were in session on Saturday, or on Monday—the Senator would be giving more thought to that one amendment than the entire committee has given to the entire bill.

One point I am endeavoring to establish is that the bill needs refining. I am very grateful to my friend the Senator from Minnesota for suggesting that he will begin to consider seriously what should be done.

Mr. THYE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLLAND in the chair). Does the Senator from Washington yield to the Senator from Minnesota?

Mr. CAIN. I yield.

Mr. THYE. Let me say that the thought I have just expressed did not occur to me on the spur of the moment. On the contrary, I have been giving consideration to the possibility of offering such an amendment if it is the consensus of the Senate that the Federal rent-control law should be extended for another 6 months, because I recognize the problem confronting the individual States.

Mr. CAIN. Mr. President, it is good that someone does recognize the practical problem, rather than merely talk in a vacuum. I think the Senator from Minnesota has made a very valuable suggestion.

Mr. DOUGLAS. Mr. President, will the Senator from Washington permit me an opportunity to pay a tribute to the Senator from Minnesota in connection with this matter, without causing the Senator from Washington to lose his right to the floor?

Mr. CAIN. I will yield for the purpose of permitting the Senator from Illinois to say to the Senator from Minnesota whatever he likes, and then I am sure he will reserve to me the opportunity of either endorsing it or associating myself with it or saying that I do not care so much for it.

The PRESIDING OFFICER. Does the Senator from Washington wish to be protected in his right to the floor?

Mr. DOUGLAS. Of course, the Senator should be protected.

Mr. CAIN. Mr. President, I ask unanimous consent that the Senator from Illinois may be permitted to express whatever observations he cares to express to the Senator from Minnesota.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Mr. President, let me say that I was very much pleased to hear the Senator from Washington compliment the Senator from Minnesota on his very valuable suggestion that the period of general Federal rent-control be prolonged for 7 months, rather than 6 months, in order to give the State legislatures a better opportunity to act on this question; and I agree that the Senator from Minnesota deserves all the credit the Senator from Washington gave him.

However, I should like to share in the credit, because it so happens that this feature also was proposed by the junior Senator from Illinois inside the committee, accompanied, however, by the fact that the proposal of the junior Senator from Illinois was for a 7 months' period plus a 5 months' period, during which rent control could be continued at the option of the locality or of the State.

Mr. CAIN. Mr. President, that is to say, both these splendid Senators are in agreement that the bill needs to be improved before we should give it any serious consideration.

Mr. DOUGLAS. Oh, no. Certainly we should give it very serious consideration, but I am delighted that the senior Senator from Minnesota apparently favors—I think I am not mistaken as to that—having the Congress make a 7 months' extension, to be followed by a 5 months' extension—that being a proposal which, I think, exceeds in length for the first general extension period the proposal made by the committee itself, which was a proposal for a 6 months' extension, to be followed by a 6 months' extension if requested by the State or the locality.

I think the senior Senator from Minnesota has made a very valuable contribution to the debate, and I should like to welcome him among the ranks of those who are trying to protect the people from large increases in rents, and to permit the localities and the States to function freely in this matter.

Mr. THYE. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. THYE. I am not a member of the Banking and Currency Committee, and therefore I was not aware that the 7 months' provision had been considered.

I regret that the Senator from Illinois was unsuccessful in securing endorsement by the committee of a provision for a 7 months' extension of Federal rent control, if any extension of rent control is to be considered.

Mr. DOUGLAS. Mr. President, may I add that——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois?

Mr. CAIN. Yes; I am glad to yield.

Mr. DOUGLAS. Let me say that some of the most valuable testimony which the Senate committee heard was received from a Mr. Rothman, representing the Governor of Minnesota. Mr. Rothman gave splendid testimony regarding the need for rent control in the State of Minnesota, and the committee was greatly helped by his testimony and by the message sent by the Governor of Minnesota, who I believe is of the same splendid American stamp that the senior Senator from Minnesota is. We were very happy to do whatever we could to carry out the wishes of the Governor of Minnesota.

Mr. CAIN. Mr. President, I believe it is correct—Mr. McMurray can check on this—that that testimony was on either of the other proposals which were before the committee; however valuable that testimony might have been, I think it was not directed to the subject about which we are talking this afternoon.

Mr. DOUGLAS. They asked for even more than is contained in the bill as reported. They wanted a straight extension of 1 year.

Mr. CAIN. As the President had previously recommended.

Mr. DOUGLAS. Yes. And we were very glad to have the support of the splendid Republican Governor of Minnesota.

Mr. CAIN. Mr. President, I have said previously that the junior Senator from Illinois was quoted as having begged—and I use the word in no uncomplimentary way—the Senate Committee on Banking and Currency to report a Federal law, because without rent control Chicago would be a city of skyrocketing rents, and strikes would probably result. Under today's conditions I sincerely believe that Chicago's property problem belongs to Chicago and to the State of Illinois; and I believe that fervently as a matter of conviction. If there is a continuing and severe shortage of rental housing in Chicago, which I shall presently endeavor to prove is not the case, why should not Chicago and the State of Illinois face up to that problem—and this is a justifiable reason for my occupying the Senate floor at great length, I think—why should not the city of Chicago and the State of Illinois face up to that problem and do something about it? I may ask, What right has the city of Chicago or what right has the State of Illinois to exert pressure on the Congress to do for them what, to my mind, their self respect ought to demand that they do for themselves? Why, for example, should the citizens and taxpayers of the States and communities which have been decontrolled within recent months be required to provide the administrative cost for continuing Federal rent controls in an isolated midwestern area? I think it nothing short of fantastic, Mr. President, that those who represent a great State and a great city should make any such suggestion.

The Governor of Illinois wrote to the members of the State legislature that he would call them into special session if the Congress did not pull his chestnuts out of the fire by June 15. What, in heaven's name, has the Governor of Illinois been waiting for? Why has the Governor waited so long? I am told that the Governor of Illinois is a personable and very intelligent man. How can he be such while he continues to avoid his responsibility is something I do not know, something I shall never know. This Congress, of which I was a Member, 15 months ago said to the Governor of Illinois and to every other governor throughout the country, and to the legislative bodies, as well, "There must sometime be an end to Federal rent control, and we, the Congress, predict that there will be no rent-control law on a Federal level extended beyond June 30, 1950." If that was not due notice to the States and municipalities that they should do what

they thought best, I simply do not know what it was.

I suppose that most people know—though I know that some, both in the Senate and out, do not—that the State of Illinois had a stand-by rent control which was permitted to expire in June 1949. So far as I know, no steps were taken by the Governor to have this stand-by law renewed. Perhaps in due time, either in my time or in his time, the junior Senator from Illinois or the majority leader, the senior Senator from Illinois, will wish to enlighten the Senate as to why, in the face of due notice given by the Congress, the Governor of the State of Illinois permitted a stand-by rent-control law to expire a year ago this month.

From my point of view this lack of action and energy on the part of the Governor of Illinois indicates one of two things: either he believes that Federal rent controls are here to stay—I know that some Americans not only share that view, but hope it is so; I do not know that the Governor of Illinois is among them—or that he did his best to avoid a State-wide responsibility which so clearly confronted him during the past few months.

One needs but to read casually the record of this Congress to be convinced beyond question that the Congress served notice in April 1949 that it was extremely unlikely that the 1949 Federal rent-control law would be continued beyond its terminal date of June 30, 1950.

Not long ago I contacted a friend who is very good on research, and I asked him whether he would do me the great favor of going back to about 1947 and taking from the RECORD excerpts from the comments both by Senators and Representatives about their intention to do away with Federal rent controls at the earliest possible moment. At some time in the course of this debate I want to read a good many pages of those excerpts, because I am trying to make a reasonable contribution to letting the American people know what their legislators do and say—how some of them sometimes say one thing in one year, and quite another thing in another year. One thing that is very obvious to all of us is that a great many Americans took the Congress at its word a year ago and have acted in accordance with the action they thought the Congress was going to take in June of this year.

Both Senators from the State of Illinois were in this body when the 1949 Rent Control Act was approved. They know that it was neither the intention nor the desire of the Congress to extend that law. What they may have said to the Governor of Illinois I do not know. Perhaps one or both of the Senators from the State of Illinois said nothing at all to the Governor. What they must have said, however, if they said anything, was that the State of Illinois had better do whatever it thought was proper in the future, because the Congress was pretty well committed to getting rid of Federal rent controls when they terminated on June 30 of this year.

Mr. President, this morning I was told that the Governor of Illinois was in Washington, D. C., yesterday on official business. While here, he is said to have announced that he had called a special session of the Illinois Legislature for Monday, June 19. As I understand, the Governor had advised the legislators that the legislature would consider the question of rent control in the State of Illinois. The Governor is said to have stated yesterday that he will cancel his call of a special session for June 19, if the Congress takes affirmative action on extending Federal rent control prior to that date.

Mr. President, I did not read in the newspaper what the Governor of Illinois said with reference to his intention of calling a special session of the State legislature for the 19th of June, but, during the course of this day, while seated here, I have received a number of telegrams from the State of Illinois, particularly from the city of Chicago. I am going to read some of the telegrams, because they indicate what some people are thinking. They are clear proof that there is likely to be a session of the Illinois Legislature. I shall read the names and addresses where they are attached to these telegrams, because I think it unlikely that I know any of them personally.

The first telegram which I wish to read is as follows:

CHICAGO, ILL., *June 7, 1950.*

Hon. HARRY P. CAIN:

Governor Stevenson, State of Illinois, is calling a special session of the legislature on June 19 to consider State rent control bill. Under the circumstances suggest the Senate take no action on the extension of the Federal rent-control bill until at least the Legislature of Illinois makes a decision as to enacting rent-control bill for the State of Illinois. It seems unnecessary that Federal rent control should continue after June 30 just for the State of Illinois. I urge your fullest cooperation.

LESLIE N. PRICE.

The next telegram is very short, but I think it contains a lot of sense. It reads as follows:

CHICAGO, ILL., *June 7, 1950.*

Senator HARRY CAIN,

Senate Office Building:

Give Illinois a chance to work out own rent-control problems. Postpone Senate hearing after June 15.

WILLIAM G. BRADNA.

The next telegram is as follows:

CHICAGO, ILL., *June 7, 1950.*

Senator HARRY P. CAIN:

Understand floor hearings imminent on rent bill. Governor Stevenson called special session Illinois Legislature for nineteenth. In view of fact that rent bill aimed primarily at Illinois, urgently request Senate action be delayed pending action of Illinois Legislature.

GEORGE S. STANSELL.

There is something to be said for the substance of that telegram, Mr. President, because, if the bill which is before the Senate is not aimed directly at the State of Illinois, it is aimed largely at the State of Illinois. Let us bear in mind that the State of New York—I do not know the reasons why—thought it had a problem calling for the extension of rent control, and the governor and the legislature were willing to stand up and be counted. The State of New York is no longer asking the Congress of the United States to use Federal tax dollars to take care of the purely local needs of the people of the State of New York or of the city of New York.

The next telegram, Mr. President, is as follows:

CHICAGO, ILL., *June 7, 1950.*

Senator HARRY P. CAIN,

Senate Office Building:

Stevenson calling legislature June 18. We demand Senate not act before State.

PAUL SCOFIELD.

That is a pretty positive telegram which carries the conviction of one citizen of Illinois.

The next telegram reads as follows:

CHICAGO, ILL., *June 7, 1950.*

Senator HARRY P. CAIN,

Senate Office Building:

Don't dare act in Senate till Illinois Legislature meets next week.

HERMANN GREENBURG.

All these telegrams indicate that there are a number of citizens in Illinois who are willing to grapple with and to face up to the problem. I am reading the telegrams at this point, partly because it is late and one needs a little encouragement and a little revitalizing, and partly because it is from such telegrams as these that this Senator is inclined to think that what he is attempting to do is constructive and worth while.

The next telegram reads as follows:

CHICAGO, ILL., *June 7, 1950.*

Senator HARRY CAIN,

Senate Office Building:

Please postpone Senate action rent control until after special Illinois legislators session on June 19, 1950.

ANDREW F. BYFEL.

The next telegram reads as follows:

CHICAGO, ILL., *June 7, 1950.*

Senator HARRY CAIN,

Senate Office Building:

Governor Stevenson of Illinois has called special session for June 18 that no action be taken on rent law until after our State has had a chance to act.

RICHETTA REICHERT.

That is the sort of a concluding statement that I like, Mr. President. It says, in effect, "We would rather Congress should not act until we have had a chance to try to do something for ourselves in the State of Illinois."

Mr. DOUGLAS. Mr. President, will the Senator yield at this point?

Mr. CAIN. So long as the debate goes on I shall automatically and very happily yield to my friend from Illinois.

Mr. DOUGLAS. Is it the understanding of the junior Senator from Washington that the persons sending him these telegrams would favor a State rent-control law?

Mr. CAIN. The junior Senator from Illinois can sometimes ask me some of the most amusing questions that one could possibly think of. How in heaven's name does the junior Senator from Washington know what action is going to be taken by the free citizens of the State of Illinois when they sit in legislative session in Springfield? The Senator has just asked me that question to have some fun with me. In return for it, I am having some fun with him. One of my contentions in this particular field of human endeavor in the year 1950 is that it is unreasonable to expect a United

States Senator from some other State to know what all the facts are in, say, the State of Illinois. The point I am trying to make, among others, is that the time has come when the citizens of all the free States in the Union should make up their own minds how they want to face up to the future. Every time I have been in the State of Illinois or in the city of Chicago I have had a very splendid and joyous time. The citizens of Illinois are uniformly hospitable and gracious, and it is always a great pleasure for me to be in Illinois. But I do them a favor by saying to the legislators, as the junior Senator from Washington, "In the first place, you should not let me advise you how to run your business; and, in the second place, if I try to do it you should tell me in no uncertain terms to mind my legislative Federal business." It has no relationship to the rent-control problem of 1950 in the State of Illinois, as I see it. I think there will be a terrific fight in the State legislature. Both Democrats and Republicans who are for the extension of rent control, provided the Governor actually calls the legislature into session, will take part, providing he can be convinced that there is a need for his calling the session and doing what we no longer want to do for the State of Illinois. I cannot guess what the result will be.

Mr. President, the next telegram reads, as follows:

CHICAGO, ILL., *June 7, 1950.*

Senator HARRY P. CAIN,
United States Senate:

The people of Illinois do not subscribe to the chaos and bloodshed propaganda for rent control by Governor Stevenson, of Illinois. If Governor Stevenson wants rent control in Illinois let Illinois taxpayers pay for it. No reason for taxpayers of the other 47 States to pay the bill.

NATIONAL HOME AND PROPERTY OWNERS FOUNDATION,
JOSEPH F. DIXON.

I do not know Mr. Dixon, but I certainly agree with his comment.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. DOUGLAS. The Senator is doubtless aware of the fact that there are 3,400 communities in approximately 40 States in the Union which are under rent control.

Mr. CAIN. Yes.

Mr. DOUGLAS. And I am sure the Senator from Washington does not want to convey the impression that this is solely a matter for the city of Chicago, attractive as it may be to make the junior Senator from Illinois a target for the arrows of the Senator from Washington so that the citizens can hear the twang across the country.

Mr. CAIN. It is interesting to observe that the Senator from Illinois recognizes a twang when he hears it, because that, in fact, is a colloquial expression coming from the Pacific Northwest where I understand the Senator has been as a visitor on many occasions. It is not going to be very difficult to establish that if the State of Illinois, through its Governor and its legislature, had done weeks ago what the State of New York did several months ago, there would be no likelihood that any of us would presently be discussing a rent-control bill on a Federal level.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAYBANK. Reference has been made to Chicago. That has nothing to do with the bill, if the Senator will permit me to say so. The situation in New York may be influenced by pending litigation. I have heard it rumored that Illinois should have the legislature meet and that Chicago should do this or that. There are many other cities concerned besides Chicago. Pittsburgh is concerned, and so is Washington.

Mr. DOUGLAS. Also Minneapolis, St. Paul, and Duluth.

Mr. CAIN. On the other hand, we can take Miami, and we can take Dallas, Houston, Tex., or we can take Tucson, Phoenix, and Spokane, and perhaps Knoxville, Tenn. Those cities have been decontrolled.

Mr. MAYBANK. Do not omit Charleston, S. C.

Mr. CAIN. Is the Senator proud of the fact that Charleston has been decontrolled?

Mr. MAYBANK. The city council did it in a proper and legal manner. Cities can do it under this bill.

Mr. CAIN. The point is that the Senator from South Carolina speaks with pride about one of his communities which has been decontrolled. It is a rather large city, is it not?

Mr. MAYBANK. Yes.

Mr. CAIN. It is the largest city in the State, is it not?

Mr. MAYBANK. Yes.

Mr. CAIN. Does the Senator know of any chaos or catastrophe which has overtaken the residents of Charleston, S. C.?

Mr. MAYBANK. I do not know what the Senator has reference to.

Mr. CAIN. Has there been any trouble?

Mr. MAYBANK. This bill gives cities and States the right to decontrol. Seattle has decontrolled. Alabama and Florida have decontrolled. Virginia has decontrolled. However, certain sections of the country are overcrowded.

Mr. CAIN. We shall attempt to disprove that.

Mr. MAYBANK. If the Senator can disprove that to me, after having heard people from all over the United States testify to the opposite view, I shall be very glad to have him do so.

Mr. CAIN. Later on, perhaps several days from now, we shall get into the figures. We shall present a breakdown of the situation in every one of the 34 largest metropolitan cities in America. In that breakdown I shall attempt to show what has been the increase in dwellings occupied by one family. We are all curious to know why so many American families are required to double up. I believe the figures will prove what the situation is. That presentation will be made in an effort to indicate that the same fine things which have happened as a result of decontrol in Charleston, S. C., can be anticipated elsewhere.

Mr. MAYBANK. Unfortunately, I must say that the city of Charleston has lost population during the past 10 years.

Mr. CAIN. Is that one of the reasons the Senator believes decontrol has been a good thing for Charleston?

Mr. MAYBANK. My good friend from Washington was a mayor of a city at one time.

Mr. CAIN. Yes.

Mr. MAYBANK. I was a mayor of a city also. I merely wish to point out that this bill gives the mayor and the city council of a city the right to decontrol rents.

Mr. CAIN. Do I understand that the city of Charleston, S. C., has lost population in recent years?

Mr. MAYBANK. Yes.

Mr. CAIN. Beginning when?

Mr. MAYBANK. According to the last census figures which I have seen.

Mr. CAIN. When was Charleston decontrolled?

Mr. MAYBANK. Last year, when the State's rights bill was passed.

Mr. CAIN. I thank the Senator very much. I should like to read a few additional telegrams which have come in during the course of the day. I have before me a telegram from Fred B. Huebenthal, which reads as follows:

Strongly urge Senate action on rent control be postponed until after June 19, when Illinois Legislature will consider local control on local State basis.

Nettie Phillips sends the following telegram:

Ask Senate to postpone consideration of rent control bill until after special session of the Illinois Legislature has made decision.

Mary and Louis Fichtel, of 820 North Wabash, Chicago, send the following telegram:

Governor Stevenson has called a special rent control session for June 19. Please delay Senate vote and give the State of Illinois an opportunity to act.

Again a rather typical pair of American citizens living in the city of Chicago. They say:

We would like to have a chance to do this job ourselves, if in fact there is a job to be done.

Helen R. Webster, of 5416 Harper Avenue, telegraphs:

We demand no action be taken by Senate or House until after special session called by Governor Stevenson for June 18. Illinois citizens, tenants, and property owners deplore fact that States now free of rent control are taxed to help finance the most unfair law ever devised by Congress.

I do not know that I could go so far as to agree with the last statement. However, I conclusively agree that it is strange and ironic that the pending bill proposes that we collect taxes from American citizens everywhere to use in paying the administrative costs resulting from the continuance of Federal rent controls in isolated areas throughout the country. I do not think that citizens of any community have a right to expect citizens in decontrolled communities to pay what amounts to their bills. As an American I was brought up in the simple school of philosophy to never expect, let alone ask for, things from others which they ought not extend to me and which I was perfectly able to do myself.

James A. Carroll, of 1355 East Fifty-third Street, Chicago, sends the following telegram:

Property owners and tenants of Chicago demand that no action be taken on rent control by either Senate or House until after June 18. Special session of Illinois Legislature to decide question of State control. If Illinois citizens must live in a police state, let them finance this fiasco for their own politicians.

Mr. KNOWLAND. Mr. President, I wonder if the Senator would be willing to yield to me for a unanimous-consent request to put some material in the RECORD, with the understanding that it shall appear at the end of his remarks.

Mr. CAIN. I shall be very glad to do so if the Senator will permit me to finish reading the telegram. If he will do so, I shall be very glad to accede to his request.

Other States now free—

Mr. President, it is a weird thing to have people refer to the restoration of freedom in this enlightened twentieth century, in the year 1950. A good many people are saying things like that these days.

Other States now free should not be taxed to carry our burden.

Mr. President, may I now yield for an insertion in the RECORD by the Senator from California?

Mr. MAYBANK. Mr. President, reserving the right to object to the unanimous-consent request, may I ask the Senator from Washington how long he thinks he will continue with his address?

Mr. CAIN. That is a very fair question. A very fair answer is that whenever it suits the purposes of the majority leader or his agents to suggest that the time has come to a recess for the night and begin again by agreement where we leave off, I am perfectly willing to agree to any proposal.

Mr. MAYBANK. The point is that tomorrow we shall have a calendar call.

Mr. CAIN. That was by a unanimous-consent agreement, also?

Mr. MAYBANK. Yes.

The PRESIDING OFFICER. The Senator from Washington has asked unanimous consent that he may yield to the Senator from California for the purpose of making an insertion in the RECORD.

Mr. MAYBANK. Mr. President, reserving the right to object, may I ask whether the Senator would say that he expects to continue for another hour or 2 hours?

Mr. CAIN. Mr. President, the chairman of the committee and the Senator from Washington and other Senators are very much interested in the public business, and I am awaiting some suggestion from the majority leader, or an authorized agent of his, as to what the plans are for the remainder of the evening.

Mr. KNOWLAND. If the Senator would permit me, so that there would be no question in the mind of the Senator from South Carolina, I intend only to make some insertions in the RECORD, not to take more than 5 minutes. The over-all time consumption will not be greatly increased by my request.

Mr. MAYBANK. I was not suggesting that the Senator from California would prolong the debate.

Mr. CAIN. If I had my own way, I should like, I will say to the Senator from South Carolina, to continue the discussion, interrupted or uninterrupted, as the case might be, until about 7 o'clock, and go home and enjoy dinner. But I am prepared and would enjoy just staying with my business here for any length of time, I suppose.

Mr. MAYBANK. Mr. President, that is a matter for the Senator from Washington. So long as he wants to stay, of course we will stay. I was merely asking a question.

Mr. CAIN. If the suggestion is made by those in authority around 7 o'clock, the Senator from Washington will not object.

Mr. MAYBANK. The Senator will be finished by then?

Mr. CAIN. By no means.

Mr. MAYBANK. The speech must be finished, because we will have a call of the calendar tomorrow.

Mr. CAIN. As I understand, the Senate can do anything it wants by unanimous consent.

Mr. MAYBANK. But there is not going to be a unanimous-consent agreement for that sort of thing. That is why I object now. Mr. President, I object.

Mr. CAIN. I have no objection to the Senator's objections. He asked me a question, and I did my best to answer.

The PRESIDING OFFICER. Objection is heard.

Mr. MAYBANK. I want to be reasonable, but so long as the Senator is going to talk, I will stay here. I stayed here until 2 o'clock this morning, and I am ready to stay until 2 o'clock tomorrow.

Mr. CAIN. Then we will go back to work again on Friday?

Mr. MAYBANK. Yes.

The PRESIDING OFFICER. Objection is heard.

Mr. KNOWLAND. Mr. President, I was going to ask the Senator to withhold his objection.

Mr. MAYBANK. I withhold the objection.

Mr. KNOWLAND. It is a rather unusual objection. The junior Senator from California does have a matter which is of current importance to the country from a national and international point of view. I do not intend to take over 5 minutes to make the insertions in the RECORD. It is a courtesy which in the 5 years I have been a Member of the Senate I have not known to be denied, in the circumstances. I do not intend to make a prolonged speech. Of course, I am at the mercy of the Senator from South Carolina.

Mr. MAYBANK. I do not intend to have the Senator from California for one moment think he is at the mercy of the Senator from South Carolina. There have been legislative situations here in which no one was allowed to yield except for a question. The Senator knows that. We have had some bills under consideration when long questions were asked and answers returned. I am not going to oppose the Senator putting something into the RECORD, but I do want to know about what time we may expect to adjourn.

Mr. KNOWLAND. Whatever the Senator from Washington may agree to is a matter which he and the Senator from South Carolina will have to work out, but I assure the Senator that we probably have taken more time than would have been consumed if my request had been granted.

Mr. MAYBANK. The Senator knows the high regard I have for him, and my reserving the right to object was to find out about the other matter. I withdraw the objection against the Senator from California.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from California may proceed.

(Mr. KNOWLAND asked and obtained leave to have certain matters printed in the RECORD, which appear under their appropriate headings following Mr. CAIN'S speech.)

Mr. CAIN. Mr. President, insofar as the State of Illinois is concerned, the question now before the Senate of the United States to my mind is very clear. Unlike the Senator from South Carolina, I think the State of Illinois has a very great deal to do with whether or not there shall be an extended Federal rent-control law. That State includes within its confines the largest single city in America, presently under rent control, and if that city is either released from rent controls of any kind, or if rent controls are imposed upon it by an act of the Illinois Legislature, it stands to reason that our problem, or the problem of Federal rent controls, will have been considerably diminished.

If by our action in the Senate and in the House we do something for the State of Illinois which it ought more properly to do for itself, the State of Illinois will do nothing. I think nobody can deny the truth of that statement. If, however, we refuse to do for the State of Illinois what it can better do for itself, the State of Illinois will do something for itself, and be much better off in the future.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I am pleased to yield.

Mr. MAYBANK. The Senator is making a speech which he tells me will require some time to complete. Is the Senator agreeable to a proposal being made for entering into a unanimous-consent agreement that the Senator be recognized after the completion of the call of the calendar tomorrow, with respect to which we have a unanimous-consent agreement? I propose that the Senate then recess until tomorrow, if such a unanimous-consent agreement can be entered into.

The PRESIDING OFFICER. Does the Senator from South Carolina suggest that a unanimous-consent agreement be entered into that the pending measure shall be again taken up for consideration after the conclusion of the call of the calendar?

Mr. MAYBANK. No; I suggest that the Senator from Washington be recog-

nized after the call of the calendar for unobjected-to bills is completed tomorrow.

Mr. KNOWLAND. Mr. President, reserving the right to object, and I do not intend to object, as I understand, the request of the Senator from South Carolina is that the Senate recess tonight with the understanding that on tomorrow there will be a call of the calendar?

Mr. MAYBANK. It has been agreed by unanimous consent to have a call of the calendar tomorrow.

Mr. KNOWLAND. And that when the Senate next meets, after the call of the calendar has been completed, the Senator from Washington shall be recognized thereafter on the following day?

Mr. MAYBANK. To complete his statement.

Mr. KNOWLAND. Yes, to complete his statement.

The PRESIDING OFFICER. The Chair will state that he is advised by the Parliamentarian that there has been no formal unanimous-consent agreement to consider bills on the calendar tomorrow. The situation now is that there simply has been an informal announcement, and apparently an informal accord to that effect, but no unanimous-consent agreement has been formally entered into.

Mr. MAYBANK. Since no formal agreement has been entered into, I withdraw my suggestion, and I ask that the Senator from Washington be good enough to yield to me in a few minutes so I may make a unanimous-consent request.

Mr. CAIN. Certainly.

Mr. President, I think this sentence, which has been well considered, is deserving of note, and even though it applies particularly to the State of Illinois, I think its application can be placed with equal force on any other sovereign State in our Union. In heaven's name, let us not continue to make a vassal of a sovereign State which in years gone by has been noted for its self-respect. Bear in mind that the city of Springfield is in the State of Illinois, where a great man once lived, possessed of courage and a willingness to achieve, and a determination to make something of himself in order that he could better help his State and Nation.

In heaven's name, let us not continue to make a vassal of a sovereign State which in years gone by has been noted for its self-respect—one of the most important phrases in the English language—and for its determination to ask favors and special privilege from no one.

In months gone by the Governor of Illinois has been quoted occasionally on the question of rent control. He has said that if the State of Illinois finds it necessary to pass a rent-control law——

Mr. MAYBANK. Mr. President, will the Senator yield so I may make a unanimous-consent request?

Mr. CAIN. I shall be most pleased to yield for any purpose the Senator has in mind.

Mr. MAYBANK. Mr. President, a few moments ago I stated that a unanimous-consent agreement had been entered into providing for a call of the calendar tomorrow. I was in error in that statement. However, a statement was made by the majority leader, concurred in by the minority leader, the Senator from Nebraska [Mr. WHERRY], which appears on page 8122 of the RECORD of yesterday. The Senator from Illinois stated that at a meeting of the Democratic policy committee on yesterday the members had agreed to have the calendar called on Tuesday, but that later, after consultation with the minority leader and several other Members of the Senate it was agreed to have the calendar taken up on Thursday. The Senator from Illinois said:

> In calling the calendar, we shall begin at the point where the last call of the calendar concluded, with the exception that I have agreed with the Senator from Nevada to include in the call of the calendar Senate bill 1165, Calendar 570, dealing with the employment of certain specialists alien sheepherders. I think all of us are familiar with that bill. He advised me that he has satisfied all objections to the bill. If so, I should like to have that bill included in the call of the calendar.

Mr. President, I ask unanimous consent that the colloquy in respect to the call of the calendar be placed in the RECORD at this point.

There being no objection, the colloquy was ordered to be printed in the RECORD, as follows:

> Mr. LUCAS. I should like to say that I think there is some question as to when we can take up the rent control bill. However, following the call of the calendar on Thursday, it is my intention to have the Senate then proceed to the consideration of the rent control bill, which was reported today.
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>
> Mr. KILGORE. I should like to inquire whether the majority leader is contemplating having the entire calendar called on Thursday, or having the call of the calendar begin at the point where the last call of the calendar was concluded.
>
> Mr. LUCAS. The intention is to have the call of the calendar commence at the point where the last call of the calendar of unobjected-to bills was concluded.

Mr. MAYBANK. Mr. President, in view of the fact that it is understood among us all that the calendar shall be called tomorrow——

Mr. CAIN. The Senator from Illinois so stated in our presence earlier today during a colloquy.

Mr. MAYBANK. Therefore, I ask unanimous consent that the Senator from Washington be permitted to finish his speech when the call of the calendar for unobjected-to bills shall have been completed.

Mr. CAIN. I want to be sure that under the unanimous-consent agreement the junior Senator from Washington will be recognized——

Mr. MAYBANK. To complete his speech.

Mr. CAIN. To complete his initial speech on the subject now under consideration, after the call of the calendar has been completed tomorrow. I want to be certain that we understand each other.

Mr. MAYBANK. I agree with what the Senator from Washington has proposed. But assuming the consideration of a bill on the calendar should be continued to another day by vote of the Senate——

Mr. CAIN. The Senator from South Carolina and I are trying to understand each other and to be fair with each other.

Mr. MAYBANK. I had in mind the possibility that some Senator may make a motion to consider some bill on the calendar, other than the bill now pending. I do not wish to be placed in the position of embarrassing the Senator from Washington.

Mr. CAIN. The only reason I raised the question was that it might come to pass that tomorrow after the call of the calendar has been completed, which in itself, however, might require a good many hours——

Mr. MAYBANK. It probably will.

Mr. CAIN. The majority leadership might be of the thought to recess for the day after completion of the call of the calendar. It was my purpose to be certain that if such a condition came to pass it is the sense of the Senator's unanimous-consent request that I be recognized as soon as the Senate reconvenes thereafter.

Mr. MAYBANK. That is correct; but provided no other bill is carried over to the next day for consideration.

The PRESIDING OFFICER. The Chair may suggest his understanding of the unanimous-consent request, namely, that the Senator from Washington suspend at this time, with the understanding that upon the resumption of the consideration of the unfinished business, after the completion of the call of the Consent Calendar, whether resumption of consideration of the pending business occurs tomorrow or thereafter, that the Senator from Washington be again recognized and be regarded as then continuing to complete his present address.

Mr. MAYBANK. The statement of Presiding Officer is exactly correct.

Mr. CAIN. Mr. President, speaking only for myself, and on the assumption that the unanimous-consent request will be approved, I would ask that it be amended so as to permit the junior Senator from Washington to conclude the thought he is presently advancing with reference to the State of Illinois, which will take only 10 or 12 minutes. If that is acceptable to the Senator from South Carolina, his request, as he has stated it, is completely agreeable to me.

Mr. MAYBANK. Mr. President, the Senator from Arizona [Mr. MCFARLAND] wishes the Senate to have an executive session before the recess is taken today.

Mr. MCFARLAND. Mr. President, I suggest that the unanimous-consent request be amended to provide that instead of taking a recess immediately, the Senator from Washington be given a few minutes to complete the thought which he is now presenting. Is that what the Senator wanted?

Mr. CAIN. I simply wish to continue for about 10 or 12 minutes.

The PRESIDING OFFICER. Let the Chair suggest that the unanimous-consent request be put at the time, within the next few minutes, when the Senator

from Washington completes the paragraph which he has begun to deliver in the course of his remarks.

Mr. CAIN. I thank the Chair.

Mr. President, permit me to restate the premise of this paragraph:

In months gone by the Governor of Illinois has been quoted occasionally on this question of rent controls. He has said that if the State of Illinois finds it necessary to pass a rent-control law such a law should be more fair and reasonable to the property owners of Illinois than the Federal Government has ever been. Mr. President, I could not agree more strongly with the Governor's contention. Yet, Mr. President, if we do not insist that the State of Illinois, through its legislature do whatever it thinks should be done; and if, I say, by way of argument, the Congress were to take favorable action on the proposal on which the majority leader seeks to have the Congress act today or tomorrow or the next day or some days thereafter, the State of Illinois would continue to be imposed upon by a Federal law which the Governor of Illinois rightfully points out is unreasonable, unfair, and administratively defective.

In being a rather rational and reasonable man, I think I know what disturbs the Governor of Illinois and its two Senators. They probably believe that the Illinois State Legislature will not pass a State rent-control bill. The junior Senator of Illinois, in hearings before the Banking and Currency Committee has stated that the members of the legislature, because most of them come from what he claims to be the country, are a strange lot and do not understand the problems of the people who live in the city of Chicago. Although I do not live in the State of Illinois, I will not believe in any such assumption. If the greatness and the strength and the vitality of our beloved Nation are to be maintained, that will be done because of the intelligence and activities of those who represent every State in the Nation in their respective legislative bodies and cities and counties.

Mr. President, the House of Representatives is and has been giving serious consideration to the question of extending the Federal rent controls, while we in the Senate have paid but relatively little attention, in terms of intended action, to the question. The House is prepared to vote intelligently on the matter next week. Every Member of the House has been advised for days that they would begin their debate next Monday. Most observers are of the opinion that the contest will be a very close one. A Federal rent-control bill may be approved by the House, or it may well be defeated. I think that our majority leader is well aware of this situation. I think because of his awareness, he asks now to rush a "quickie" Federal rent-control-extension bill through the Senate. He must think this result would be of benefit to his Federal rent-control-extension ambitions in the House of Representatives. He probably believes, also, that by his action in demanding action now, he will convince the Governor of Illinois and others of like mind that they can cancel a call for a special session of the Illinois State Legislature. I think these reasons are promiscuous, political, and untenable.

In probably being too naive, and in trying to be honestly frank, I ought to state my own personal ambition. My desire and hope as the junior Senator from Washington, is to see that the Senate does not taken action on Senate bill 3181 until the House has been given a chance to act, beginning next Monday. In having known for quite a long time that the House was scheduled to act first on the Federal rent-control-extension question; and in having generally among us agreed that this was proper the majority leader ought not to impose upon our patience and our good nature and our precious time. He ought to bring before us any of a score of measures on which the House expects us to take action before it acts.

Mr. President, not very long ago, in terms of time, the majority leader advised us that as a result of a conversation he had had today with Mr. McCORMACK, in the House of Representatives, it had been decided that the House now would take no action on the rent-control-extension matter until it had determined what action would first be taken by the Senate. Whether that decision was arrived at in haste this afternoon between the majority leader of the Senate and the majority leader of the House, I do not know.

Mr. President, in conclusion for this afternoon, the junior Senator from Washington wishes to say that he expects to speak on the general subject of rent controls during this debate for as long as he can stand up or for as long as may be necessary. That others share the views held by the junior Senator from Washington is obvious. Not long ago the Housing Expediter requested a ridiculous deficiency appropriation in the sum of $3,600,000. The Senator from South Carolina remembers that request well, I am sure.

Mr. MAYBANK. Mr. President, if the Senator will yield, let me say that I am sure the Senator from Washington will agree that the Senator from South Carolina certainly thought that amount should have been reduced.

Mr. CAIN. The Senator and I certainly are in agreement on many things, Mr. President.

The junior Senator from Washington offered a compromise amendment in the sum of $1,400,000. This amendment was agreed to; but, as I recall, 24 Senators voted against the amendment. In asking some of them why they voted against it, they told me that they did not wish to vote for a penny in addition to what had been previously provided for operating expenses to the Housing Expediter. These Senators wanted to cancel Federal rent controls weeks ago. I am very hopeful that some of these Senators will feel inclined to speak against the pending measure, brought before us today by the Senator from Illinois.

This business of talking at length against any motion or proposal is hard work, Mr. President. It can only be justified or done out of a very deep and sincere conviction. I shall do everything I can as an individual Senator to keep the pending measure from being acted on between now and the time when the House of Representatives gets around to acting on it. That is my first objective.

Mr. President, help in doing this from any other source will be deeply appreciated by me and, what is a great deal more important, by millions of good, solid, patriotic American citizens throughout the land.

Mr. President, if I correctly understood the suggestion a few moments ago, it probably was that the acting majority leader seeks to move that the Senate proceed at this time to consider executive business.

The PRESIDING OFFICER. It was the understanding of the Chair that the unanimous-consent request propounded by the senior Senator from South Carolina would be again propounded at this time.

Mr. McFARLAND. Mr. President, may the request be repeated?

Mr. MAYBANK. Mr. President, will the Chair repeat the request?

The PRESIDING OFFICER. Yes.

Mr. McFARLAND. Mr. President, I take it that there is no need to repeat the request. I simply wish to know if it can be considered at this time, as it was propounded before.

Mr. CAIN. Yes, Mr. President. The only consideration I asked was that I be permitted to continue my remarks for a few minutes, and now I have done so.

If it now suits the wishes of the Senator from South Carolina, I shall most happily subscribe to his view.

The PRESIDING OFFICER. Is there objection at this time to the request of the Senator from South Carolina, as stated a few minutes ago?

The Chair hears none. Without objection, the order is entered.

It is the understanding of the Chair that the Senator from Washington will be recognized for continuation and completion of his present address at the time when the Senate resumes consideration of the measure now pending, whether that be tomorrow or on a subsequent day.

Mr. CAIN. Yes.

DIVISION OF UNITED STATES MARKETS WITH FOREIGN NATIONS

During the delivery of Mr. CAIN'S speech,

Mr. MALONE. Mr. President, today I am naming the first 21 States which are destined to suffer severe unemployment through the division of our markets with foreign nations which have lower living standards than our own, including the slave labor of Asia, the South Seas, and Africa, and the low living standards of countries of Europe and South America and the Pacific sterling-bloc countries.

WIDESPREAD UNEMPLOYMENT

The threatened widespread unemployment could be avoided, but only by a complete reversal of the State Department's present foreign-trade policy—the policy of driving towards a one economic world.

From nearly every one of the first 21 States, which I am naming today, representatives of workers and their factory

managers, side by side, have been coming in a steady stream to the office of the junior Senator from Nevada to discuss the already serious curtailment of production and the threat of closing down their industries—industries which are important to our national security, employment, and tax structure.

Here are the 21 States and the industries in those States which, according to present indications, will be the hardest hit by the administration's reckless foreign-trade policy of lowering tariffs and import fees without regard to the difference in the wage living standards here and in the foreign competitive nations:

Alabama: Cotton broad woven goods, aluminum.

California: Pottery and chinaware, canned foods, nuts, minerals.

Connecticut: Metal products, woolens and worsteds, textiles, fur, felt, and wool hats, lace.

Illinois: Rolling-mill products, shoes, and watch factories.

Indiana: Iron products, petroleum refining products, glass containers.

Maine: Shoes, clothespins, cotton broad woven goods, woolens and worsteds, paper and paperboard, pulp, textiles, canned fish.

Massachusetts: Hats, watches, paper and paperboard, shoes, woolens and worsteds, cotton broad woven goods.

Michigan: Paper and paperboard, chemicals.

Missouri: Shoes, lead and zinc products.

New Jersey: Petroleum refining products, chemicals, silk, woolens and worsteds, metal-smelting products.

New York: Gloves, textiles, scientific apparatus, aluminum.

Nevada: Minerals, chemicals.

North Carolina: Cotton broad woven goods.

Ohio: Pottery, glassware, cheese, paper and paperboard, petroleum refining products.

Oregon: Filbert nuts, canned foods, paper and paperboard.

Pennsylvania: Petroleum refining products, paper and paperboard, woolens and worsteds, coal mining—hit by oil imports.

Rhode Island: Woolens and worsteds, textiles.

Tennesseee: Aluminum.

Texas: Crude oil.

Washington: Pulp, paper, canned foods, aluminum.

West Virginia: Coal mining—hit by oil imports, glass, pottery.

ONLY A PRELIMINARY LIST OF STATES AND INDUSTRIES

Mr. President, this is only a partial list of the States injured by such imports. It will be added to from time to time.

In the industries here listed, unemployment is already spreading, due to our stupid insistence upon matching side by side workers in foreign countries who must work an hour or several hours to buy a loaf of bread, and our own workers, who may buy the same amount of bread for 10 minutes' work.

WRITE-OFF OF INVESTMENTS—WRITE-DOWN OF WAGES

The importation of the products of these workers, who receive little or no compensation, are pitted against those of the American higher-living-standard workers, using the same machinery and direction, simply displaces our own workers, or forces a write-off of our own investments and a write-down in our own wages, to meet the slave-labor competition.

ALTERNATIVE IS UNEMPLOYMENT

The alternative is unemployment, and huge additional Government appropriations for unemployment insurance, which has already been suggested by the President of the United States.

COMPARISON OF WAGE RATES

With the present State Department's irresponsible foreign-trade policy, the cards are therefore stacked against American workers and investors. No amount of management ingenuity can compete against labor rates in England which are one-third of our own; in Italy, about one-fifth; in Japan, about one-twentieth; and in other nations of Europe and Asia in like proportions.

The American pottery industry is being killed. The wage scale of workers in this industry in 1948 was: The United States, $1.30 per hour; England, 43 cents an hour; Belgium, 31 cents; Germany, 30 cents; France, 26 cents; Italy, 25 cents; Czechoslovakia, 22 cents; Japan, 9 cents. And in this country, wages have increased since 1948. Information has come to the junior Senator from Nevada to the effect that over 100 small pottery plants around Los Angeles have been driven out of business since the war, due to imports.

Makers of knitted berets say American labor costs are five to eight times those in that industry in France and Czechoslovakia. Foreign-made cotton string gloves are being sold here at wholesale for just what an American producer pays for labor alone.

Woolen manufacturers warn that if there is any further lowering of import fees, the industry will be faced with a ruinous flood of imports from countries with labor costs and standards of living far lower than in this country.

Hatters say that foreign-slave labor is the cause of unemployment in their trade. Lay-offs of thousands of workers have been reported, and most hatters are now working only part time. The hatting industry is threatened with extinction in another year.

New England shoe manufacturers and workers tell the junior Senator from Nevada that the Czechs are dumping shoes here at 87 cents to 95 cents a pair wholesale.

American watchmakers are protesting the importation of Swiss watches and watch movements—over four and a half million dollars worth last year. American watchmakers cannot compete with Swiss labor rates, and the Waltham Watch Co. gave this as the reason for its closing.

Mine workers protest that foreign oil is being dumped in this country at a rate of about 1,000,000 barrels a day, and sale of this oil at cutthroat prices has put 35,000 coal miners out of work. Such imports are already curtailing oil production in this country.

TUTORS TO TEACH WORKERS NEW JOBS

Mr. Paul Hoffman, ECA Director, and Mr. Acheson, Secretary of State, have already suggested that workers whose jobs have been exported to foreign soil, and investors whose investments become valueless or less valuable by reason of the administration's stupid policy of putting the low-wage living standard of foreign workers in direct competition, be put on relief and taught new jobs, and some compensation be voted for the luckless investors.

ONLY THE BEGINNING

Unfortunately, this is only the beginning. Seventy-five percent of the metal mines in the United States have closed down or curtailed production because of imports from the low-wage-standard foreign countries. Labor has as much at stake as has the investor. Their interests are absolutely common.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MALONE. I ask the Senator from Washington for an additional 3 minutes. May I have unanimous consent for three more minutes?

Mr. CAIN. I am a trifle concerned by the absence again of the senior Senator from Illinois, for he is the one who questioned my yielding.

Mr. MALONE. He was the one who is in such a hurry, but he is not attending the session.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. Certainly. I should be most happy to accommodate the wishes of the Senator from Nevada, provided the senior Senator from Illinois, the majority leader, will agree to a further 3 minutes to be granted the Senator from Nevada.

Mr. MAYBANK. Mr. President, in justice to the senior Senator from Illinois, I wish to say that he has been just outside the door here discussing important matters with several of us. I have no objection.

Mr. CAIN. The Senator from South Carolina was a bit late in coming to the floor, for the junior Senator from Washington said to his friend the Senator from Nevada that he could not agree with the Senator's request unless the senior Senator from Illinois concurred in the request for an additional 3 minutes. I was trying to be as completely courteous to the majority leader as possible.

Mr. LUCAS. I am willing to give my friend from Nevada 10 minutes, if he desires to have it.

Mr. MALONE. I thank the Senator.

Mr. CAIN. May the junior Senator from Washington ask his friend the Senator from Nevada whether the request is now for 3 minutes or for a longer period?

Mr. MALONE. Mr. President, I can finish in 3 or 4 minutes.

Mr. CAIN. Mr. President, may the Senator from Washington be permitted to grant an additional 7 minutes to the Senator from Nevada?

The PRESIDING OFFICER (Mr. FREAR in the chair). Without objection, it is so ordered, and the Senator from

Washington will not lose the floor by yielding.

FLOOR UNDER WAGES AND INVESTMENTS

Mr. MALONE. Mr. President, labor has as much at stake as has the investor. Their interests are common. Realizing this, labor is fighting shoulder to shoulder with management against all tariff and import-fee cuts which threaten jobs and investments in the United States, Mr. President, which threaten the removal of the floor under wages and investments.

THE FLEXIBLE IMPORT-FEE PRINCIPLE

There is a solution to the foreign-trade problem—the adoption of a flexible import-fee principle which would take care of the differential between the American workers' standard of living and the standard of living of the foreign low-wage workers, on a basis of fair and reasonable competition.

By adjusting import fees upon a fair and reasonable competitive basis, there would be no question of a high tariff or a low tariff or import fee, and import fees would be lowered as foreign nations raised their standards of living. When and as such standards approximate our own, then the common objective of free trade would be the almost immediate and automatic result. Thus the application of this principle would create an incentive for foreign nations throughout the world to raise their standards of living, and at the same time it would protect not only the standard of living of American workers but their jobs as well.

THE AMERICAN ECONOMIC SYSTEM

Mr. President, the economic system of the United States is made up of thousands of individuals and of small, medium, and large business organizations employing from a few men and women up to thousands of American citizens. These industries mesh economically and naturally in a free competitive system and form the economic system of the United States of America—the greatest productive machine and with the highest standard of living in the world.

INCENTIVE FOR VENTURE CAPITAL BEING DESTROYED

Mr. President, the incentive for the investment of venture capital is being deliberately destroyed through Congress putting into the hands of an industrially inexperienced State Department the right to say what industries in this country will survive, and what industries will be sacrificed upon the altar of "One Economic World." This objective is being accomplished through the haphazard lowering of tariffs and import fees, without regard to the difference in the wages and living standards here and in the competitive foreign countries. The incentive has been further destroyed through the basic tax structure which makes venture capital investment unprofitable, and through the impracticable rules and regulations under which the Securities and Exchange Commission operates in the supervision of the sale of securities.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a release from the Post-Hall Syndicate, Inc., 295 Madison Avenue, New York City, entitled "Inside Labor," by Victor Riesel.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

INSIDE LABOR

(By Victor Riesel)

WASHINGTON.—Dried eggs from China, silk from Japan, and pottery from Britain don't always hold the center of conversation with this particular practical political campaigner—now high in the Republican Party's supreme strategy board. But obviously, he believed the time had come for him to talk of eggs and silk and dishes and unions and the 1950 congressional elections.

"You'd be amazed at the number of union leaders who are coming to us Republicans to complain about the jobs their members are losing because of what's coming in from abroad," he asserted.

Knowing him to be one of the few politicos who talk to you off the cuff and never exaggerate, I was ready for amazement. Ready—but skeptical. I asked when he expected CIO's Phil Murray and the AFL's Bill Green to drop in, and he grinned back with:

"Not for years, Vic, but we are getting many of the smaller labor chiefs coming in to ask what they can expect from the Republican Party if they work with us against the Democrats to save jobs in industries affected not only by slave labor but by imports from friendly nations.

"There's nothing we can say. We're not going to hurt this country abroad. But there's definitely new antagonism against the administration if this griping to Republican Congressmen, and especially Senator MALONE, by union leaders means anything at all. They're blaming it on the Democrats' foreign-trade policies."

How intensely the union chiefs feel about this is difficult to measure. It can be reported, however, that even Fair Deal labor leaders, devoted to Mr. Truman, are caught in a vise—caught between pressure from membership below and belief in the need to rehabilitate potential allies overseas.

Typical of the unions suffering are the jewelry workers, with 85 percent of fine watches now imported where 53 percent were previously made in the United States; the unions making hand-blown glass, especially in Pennsylvania where production has been cut right in half by imports from Belgium, France, and Czechoslovakia; and the glovemakers—20,000 of whom are jobless because of competition from Japan and elsewhere.

How all this will be translated politically can't be foreseen, but the Republicans are not counting on these resentments to swing a labor vote to them automatically. The GOP is going after a labor vote. But the Republican strategists will talk about their plans only in strictly guarded terms—for they fear that their union people may be discriminated against in labor circles if their names are released.

However, it can be put on the record that the GOP version of the CIO's political action committee—the Republican action committees which pivot on union district leaders organizing for labor votes—are operating in seven States now: New Jersey, Connecticut, Pennsylvania, Ohio, Indiana, Missouri, and Illinois. Right after the rash of primary elections, the Republicans will swing similar RAC labor machines into action in Idaho (to beat cowboy Senator GLEN TAYLOR of unlamented Wallace fame) and California.

Other Congressmen in industrial areas are planning to hit the factory plants gates in an effort to get right over the heads of the national labor leaders. Equipped with loud speakers, buttons, and tape recordings of former speeches and Republican policies, these GOP campaigners will bid directly for working-class votes this fall. Some of their material will come from a central headquarters supplying data on national issues to 300 GOP candidates, of whom 171 are up for reelection.

All this is in answer to the joint AFL-CIO drive, which is aimed not only at clearing Congress of Republicans, but at giving Mr. Truman a national legislature which will serve him up the labor legislation he seeks. This labor coalition is now a powerful national vote-getting machine, which expects to raise some $5,000,000 to $6,000,000 this summer for the fall drive.

For a view of the methods to be used in raising this labor election fund, just look at the AFL International Ladies Garment Workers Union which, in Atlantic City a few days ago, simply voted to tax itself $500,000 for politics. And on June 18, Phil Murray will call some 300 CIO political action leaders to Washington for a presummer pep talk. Here they will be told not to slack off for the summer but to use the almost daily labor picnics, farm outings, State fairs, and general hot weather jamborees for fund raisings.

This money will be spent for radio time, billboards, even daily newspaper campaigns. The union chiefs are saying this is a crisis year, dangerous * * * for labor. They'll throw everything they have got into it. But the Republicans will be around competing for labor, even union, votes.

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Foreign Loans (Sans Strings) Hit," written by M. S. Rukeyser, International News Service economic commentator.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN LOANS (SANS STRINGS) HIT

(By M. S. Rukeyser)

NEW YORK, May 18.—The heterodox Republican Senator GEORGE W. MALONE, of Nevada, has raised the question whether the United States Government is not again repeating at this time in Europe the war-bred error of giving material aid to nations without an understanding as to objectives.

In wartime under lend-lease the United States Government gave crucial assistance in building up the military power of the U. S. S. R. (Russia). But American representatives obtained no satisfactory meeting of the minds with the Russians as to the political goals to which such material power would be used. Instead, our top personalities contented themselves with slogans such as "unconditional surrender." The seeds for the current postwar troubles were sown during World War II.

Senator MALONE thinks that similar errors are currently being made in our sending material aid to Marshall-plan countries without any strings attached.

In a message to this column, Senator MALONE contends:

"It is my present conviction that by giving them almost unlimited assistance with no conditions attached, we are simply building the 100-year-old European feuds between the countries higher and higher, and no progress is being made toward unity of the European area. As long as they can give us lip service and receive our money and goods, they will simply rock along as they are now—while if specific conditions are made as a criterion of further help, I believe that real progress can be made.

"You understand, of course, that I have never opposed assisting any nation to the extent of our ability without injuring our own economy, but I am completely opposed to using such assistance in any form which simply builds up types of government elsewhere in the world which may at any time turn from socialism to communism or fascism, or some other kind of 'ism,' and with

which we could not cope any better than we are apparently getting along with Russia."

Senator MALONE thus brings out into the open one serious limitation on Government lending to other governments, as opposed to private lending. In private lending through the investment market, it is routine for investment bankers to undertake to protect the interests of lenders through an elaborate indenture, which sets up terms and conditions to which the borrowing government is expected to comply. On the other hand, when there is socialized banking, that is, lending by a Government agency, theorists take over, and speciously argue that it would be sinful and undemocratic for us to interfere in the internal political affairs of beneficiary nations.

At first blush, the argument may seem meritorious, but the sending of material aid by our Government to another government is itself a formidable and overt form of intervention. If it is our purpose to maintain a hands-off position, then obviously we cannot intervene to the tune of sending consumption and production goods on the one hand, and military assistance, on the other.

On the other hand, if delicate international conditions make it imperative for us to build up friendly allies, then we should candidly recognize what we are doing, and clearly set up the objectives.

Senator MALONE further pointed out:

"I agree with Mr. Baruch when he says that 'we could offer the removal of all trade barriers to nations which maintain wage and living standards equal to our own.' You are right that at present no foreign nation could qualify for several reasons.

"The first two and most important, however, are that their wage standard of living obviously is way below our own, and that they resort to all kinds of subterfuges, including quotas, embargoes, specifications, import permits, as well as manipulation of their money systems for trade advantage.

"For example, it is well known that the sterling bloc area, fully controlled by the Bank of England, is divided into several areas—the sterling area proper, the convertible area (which includes Russia, by the way) and the nonconvertible area, which includes this Nation."

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article under the heading "The Political Parade," written by George Rothwell Brown, and published in the New York Journal-American of May 4, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE POLITICAL PARADE

(By George Rothwell Brown)

WASHINGTON, May 4.—Mr. Truman's politically minded Secretary of Agriculture has taken a radically advanced step down the totalitarian road to a one-world Socialist state by moving the Brannan plan into the international picture.

This is the significance of his appearance before the House Foreign Affairs Committee—packed with State Department sympathizers—to advocate the adoption of the administration's resolution which would put the United States under the Geneva-Habana Charter of the International Trade Organization.

While the Secretary of Agriculture was thus adding to the pressure which Secretary Acheson is bringing to bear on Congress for additional economic powers in the foreign field, a small group of Republicans in the Senate were taking the administration's tariff and European aid programs to pieces.

Brannan told the House committee that membership in ITO would help American farm export markets, notwithstanding this specious argument is easily refuted by current import statistics on foreign agricultural products.

Senators KEM, of Missouri, MALONE, of Nevada, and JENNER, of Indiana, have been hammering remorselessly at the pending ECA bill, to carry on the Marshall plan for another year.

They have done a magnificent job, teamwork at its best—but unhappily in a Senate of well-nigh empty seats for the Democrats apparently are deliberately boycotting the debate on one of the most important measures to come before Congress this year, affecting the business, employment, savings and wages of the American people.

At the House of Representatives a revolt led by Representative DAN REED, of New York, against the reference of the ITO resolution to Foreign Affairs, instead of to Ways and Means, where, as a tariff bill, it properly belongs, thus far has been the sole evidence of open hostility to it.

But on the Republican side of the Senate a formidable opposition to ITO is developing, forecasting a determined effort to prevent American membership in this international subsidiary of the United Nations.

During the debate on the pending European aid bill, Senator MALONE defied the administration and dared it to have the ITO charter brought to the Senate floor for a show-down vote. He implied it would be defeated.

He characterized it as being, with the Trade Agreements Act and ECA, the third part of a three-part free-trade system that would make permanent what the first two have temporarily established.

That is precisely the nub of the question.

Senator MALONE charged that in the interest of the so-called bipartisan policy, it had been suggested that ITO be withdrawn during the present session, with action deferred "until the Republicans can take a more enlightened view."

"What is meant is," said the Nevada Senator, "until they can look at this instrument through the eyes of the one-worlders, which would average the standard of living of the United States with that of the foreign nations of the world—and perhaps through the so-called bipartisan policy secure an agreement that the legislation will pass the Senate.

"The ITO is but one more device affecting private trade which has been placed under the umbrella of that greater protective phrase 'bipartisan foreign policy.'"

What is happening in Washington is the steady emergence of the Roosevelt-Hull-Truman foreign economic policy, under the Marshall plan, the Trade Agreements Act, ECA, ITO, and point 4 as a paramount political issue in the elections of 1950 and 1952.

The Republican Party is divided, but its majority group is steadily rallying to its historic position.

Mr. MALONE. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point an article entitled "Loose Talk of Hurting Morale," written by M. S. Rukeyser, and published in the New York Journal-American of May 11, 1950.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOOSE TALK OF HURTING MORALE

(By M. S. Rukeyser)

While Senator MCCARTHY has been dwelling on subversives, Senator GEORGE W. MALONE, Republican, of Nevada, has been concentrating his criticism on free-trade tendencies of the Fair Deal.

While under the cover of the current armament boom the over-all adverse effect of departure from protectionism has been concealed, Senator MALONE is hammering away at the potential dangers.

Already the labor unions are beginning to take cognizance of the matter, and real progress will start when capital and labor present a united front in discussing matters with their public servants.

As an alternative to the Roosevelt-Truman tariff-slashing policy, Mr. MALONE has recommended a flexible import fee principle, which would represent the differential in labor costs and standards here and abroad.

This idea accords with the remark made to me years ago by Bernard M. Baruch, sage and elder statesman of the Democratic Party.

Mr. Baruch said that it would be psychologically astute to get out from under the onus of protectionism.

Mr. Baruch instead proposed that hereafter we offer removal of all trade barriers to nations which maintain wage and living standards equal to our own. At present, no foreign nation could qualify.

This fresh and affirmative manner of dealing with international differences would take the ground from under the helier than thou nations, which have been sweating their own labor.

Mr. MALONE. Mr. President, in this discussion the junior Senator from Nevada is particularly referring to the 1934 Trade Agreements Act, as extended—putting the fate of every worker and investor into the hands of an industrially inexperienced State Department. The Marshall plan or ECA which makes up the trade balance deficits of the European nations until such time as the markets of this Nation—the basis of our income—can be divided with the nations of the world so that theoretically there will be no trade balance deficits; and the International Trade Organization (ITO) consisting of 58 nations each with one vote—we would have the same vote as Siam—and to that organization if approved by Congress we would assign the right to fix the tariffs of its member nations and to fix quotas of production.

Mr. CAIN. Mr. President, I ask the Senator from Nevada if it will be agreeable to him to have the remarks he has just made follow my intended remarks in order that the remarks of the Senator from Washington may follow immediately after the remarks recently made by the chairman of the Committee on Banking and Currency of the Senate, the distinguished Senator from South Carolina [Mr. MAYBANK]?

Mr. MALONE. Mr. President, I ask unanimous consent that the remarks just made by the junior Senator from Nevada may appear at the end of the discussion which is about to be made by the junior Senator from Washington.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE UNITED NATIONS AND TRYGVE LIE

During the delivery of Mr. CAIN's speech,

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of a letter written by Secretary General Trygve Lie to the members of the United Nations, which was published this morning in the New York Times.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SIR: The deterioration of relations between leading members of the United Nations has created a situation of most serious concern for the United Nations and the future peace

of the world. In my capacity as Secretary General, I have felt it my duty to suggest means by which the principles of the Charter and the resources of the United Nations could be employed to moderate the present conflict and to enable a fresh start to be made toward eventual peaceful solutions of outstanding problems.

To this end I have drawn up a memorandum of points for consideration in the development of a 20-year program for achieving peace through the United Nations, a copy of which is annexed hereto.

I have personally handed this memorandum to the President of the United States of America, Mr. Harry S. Truman, on April 20, to the Prime Minister of the United Kingdom, Mr. Clement Attlee, on April 28, to the Prime Minister of France, Mr. Georges Bidault, on May 3, and to the Prime Minister of the Union of Soviet Socialist Republics, Generalissimo Joseph Stalin, on May 15.

I had opportunity to discuss the points of this memorandum with the foregoing heads of governments and with other leaders of their governments, including the Secretary of State of the United States of America, Mr. Dean Acheson, the Foreign Secretary of the United Kingdom, Mr. Ernest Bevin, the Foreign Minister of France, Mr. Robert Schuman, the Vice Premier of the U. S. S. R., Mr. Vyacheslav Molotov, and the Foreign Minister of the U. S. S. R., Mr. Andrei Vishinsky.

HOLDS NEGOTIATIONS POSSIBLE

While it would not be appropriate for me to state the views of any of the governments on the points of the memorandum, I can say that I have drawn from my conversations a firm conviction that the United Nations remain a primary factor in the foreign policy of each of these governments and that the reopening of genuine negotiations on certain of the outstanding issues may be possible.

It is evident that no significant progress can be made while the members of the United Nations remain sharply divided on the question of the representation of one of the permanent members of the Security Council—the Republic of China. It is necessary that this question be settled.

Under point 2 of the annexed memorandum, I have made a number of suggestions for resumption of negotiations on the prcblems of atomic energy. Another suggestion was made in the appeal circulated on April 20, 1950, by the International Committee of the Red Cross to the high contracting parties to the Geneva conventions for the protection of victims of war, to do everything in their power to reach agreements on the prohibition of the atomic bomb and blind weapons generally.

In connection with point 7, the conversations of the executive secretary of the Economic Commission for Europe, Mr. Gunnar Myrdal, with various European governments have emphasized the necessity for further efforts to liberate international trade from the restrictions and discriminatory practices which now hamper the free flow of goods.

Further, in connection with point 7, I call your attention to the statement unanimously adopted in Paris on May 4, 1950, by the Administrative Committee on Coordination (composed of the Secretary-General and the administrative heads of the following specialized agencies: United Nations Educational, Scientific and Cultural Organization, International Labor Organization, Food and Agriculture Organization, World Health Organization, International Civil Aviation Organization, International Bank for Reconstruction and Development, International Monetary Fund, International Refugee Organization, International Telecommunications Union, International Bureau of the Universal Postal Union, Interim Commission of the International Trade Organization. The statement reads:

"The present division of the world and the increasingly serious conflicts of policy among the great powers have gravely impaired the prospects for world peace and for raising the standards of living of the peoples of the world. It is of particular concern to the administrative heads of the organizations that these conditions threaten the very basis of their work.

"The United Nations and the specialized agencies are founded upon the principles that lasting world problems—like disease, hunger, ignorance and poverty which recognize no frontier—can never be overcome unless all the nations join in universal efforts to these ends. We affirm the validity of this principle of universality. The United Nations system makes ample room for diversity within a universal framework. We believe it would be a disaster if efforts to realize the principle of universality in practice were to be abandoned now.

"We believe that the greatest efforts should, on the contrary, be directed toward achieving in fact true universality in the membership and programs of the United Nations and of those of the specialized agencies which are founded on that principle. We also believe that it is necessary for all the governments to renew their efforts to conciliate and negotiate the political differences that divide them and obstruct economic and social advancement. Specifically, we believe that it is essential to the future of both the United Nations and the specialized agencies that the present political deadlock in the United Nations be resolved at the earliest possible moment. The peace and well-being of all peoples demand from their governments a great and sustained new effort by the nations of the world to achieve a constructive and durable peace."

I have the honor to request the earnest attention of your Government to the annexed memorandum. I have in contemplation the possibility of its formal submission to the Security Council at an appropriate time, and I reserve the right to place it on the provisional agenda of the forthcoming regular session of the General Assembly.

I have the honor to be, etc.

TRYGVE LIE,
Secretary-General.

Mr. KNOWLAND. Mr. President, I desire to read into the RECORD a press dispatch which came in on the news ticker, as follows:

Secretary Acheson said today that Russia's walkouts in the United Nations over the China issue are "an unwarranted attempt at coercion."

"We do not like coercion," Acheson said in a cold formal statement. The statement, in effect, told the world that the United States sees no easy way out of the present impasse with Russia.

Acheson noted that UN Secretary-General Trygve Lie has said the UN can make no significant progress until the question of Chinese representation—Nationalist or Communist—is settled.

"The present situation in the UN," Acheson said, "does not arise from our position on the question of Chinese representation, but from the refusal of the Soviet Union to accept decisions taken by parliamentary majorities in the various organs of the United Nations.

"Their refusal constitutes a boycott of the UN and an unwarranted attempt at coercion."

Mr. Acheson then proceeds, according to the dispatch:

Acheson then strongly reaffirmed America's willingness to accept a majority decision in the UN as to whether the Communists or Nationalists shall represent China.

Mr. President, I believe the first part of Mr. Acheson's statement is certainly in keeping with a considerable body of opinion in the Senate of the United States, but I must say that I disagree with the idea that the United States should sit complacently by and be satisfied with merely casting a vote on the seating in the United Nations of the representative of the Communist regime and the unseating of the representative of the Republic of China.

I ask to have the entire dispatch printed in the RECORD at this point.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

Secretary Acheson said today that Russia's walkouts in the United Nations over the China issue are "an unwarranted attempt at coercion."

"We do not like coercion," Acheson said in a cold formal statement. The statement, in effect, told the world that the United States sees no easy way out of the present impasse with Russia.

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"Their refusal constitutes a boycott of the UN and an unwarranted attempt at coercion."

Acheson then strongly reaffirmed America's willingness to accept a majority decision in the UN as to whether the Communists or Nationalists shall represent China.

He read the formal statement to a news conference and used the words "unwarranted attempt at coercion." The mimeographed text handed out by the State Department read, "unwarranted attempt at blackmail." The State Department hastily explained that "blackmail" was an error and should be corrected to "coercion."

Acheson stated again that the United States will not veto a UN decision to accept the Chinese Communists. He said that each Nation must decide for itself how it will vote on the China question, and we are not going to try to influence them.

"The Soviet record has been one of obstruction in many respects in the UN prior to the walkout," he said.

"Nevertheless this Government desires to have the Soviet Union associated in every aspect of the United Nations."

He said the United States wants to see Russia in all UN specialized agencies which they have refrained from joining and that America wants Russia "to join with other members in genuine efforts to solve the difficulties which are now before the UN."

Mr. KNOWLAND. Mr. President, I ask to have printed in the body of the RECORD as a part of my remarks a dispatch reading as follows:

Senator HERBERT R. O'CONOR, Democrat, Maryland, said that Trygve Lie, Secretary General of the United Nations, was "following the Communist line" in his formula for breaking the deadlock within the United Nations.

O'CONOR issued a statement criticizing Lie's proposals for settling the UN dispute over representation of China. He called Lie's plan to seat Chinese Communists in the UN "appeasement at its worst."

"Lie is definitely following the Communist line, because his recommendation is all in the interest of the Kremlin," O'CONOR said.

Mr. President, I merely wish to say that I thoroughly agree with the able Democratic Senator from Maryland that this action of Mr. Trygve Lie is following out the desires of the Soviet Union to its ultimate end, that it is a policy of appeasement comparable to the appeasement at Munich, and that it is detrimental to the future of the United Nations. I believe that the Government of the United States and the State Department should use all the legitimate means at our disposal to prevent the seating of the representatives of the Communist regime in China.

Finally, Mr. President, I ask to have printed in the body of the RECORD as a part of my remarks an article entitled "The Real Trygve Lie—Stalin's Tool in the UN?" by Sheppard Marley, which appeared in Plain Talk magazine for October 1947.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE REAL TRYGVE LIE—STALIN'S TOOL IN THE UN?

(By Sheppard Marley)

The Soviet Union used the veto power for the twenty-first—and not the twentieth time as is generally believed—on September 15 last, the day before the United Nations General Assembly opened its current session.

Russia's first veto was exercised informally on January 29, 1946, to insure the election of Trygve Lie as Secretary-General of the United Nations. Andrei Gromyko wielded the veto club off the record when the 11-nations Security Council met at Church House in London.

It all began when Stalin's representatives proposed the election by acclaim of Trygve Lie as president of the General Assembly, even though the rules called for a secret ballot. When Lie was defeated by the Belgian Paul-Henri Spaak, Mr. Gromyko resorted for the first time to his now-familiar weapon. The occasion presented itself when the Soviet delegation was informed that Lester B. Pearson, Canadian Ambassador to Washington, had the support of 8 out of the 11 members of the Security Council for the post of Secretary-General. Although this selection was strictly a procedural matter, and as such exempted from the veto, the western architects of the United Nations beat a hasty retreat in the face of Gromyko's threat to veto Mr. Pearson.

"The Russians got the candidate they wanted without even mentioning his name at the meeting," reported James Reston of the New York Times, in his description of the behind-the-scenes maneuvers: "The first veto in the UNO was cast without ever really being cast." To date, none of the leading actors in this silent rape of the United Nations Charter has confided the full story to the general public.

When the Russians went to this extreme so early in the career of the UN they were not acting blindly. Trygve Lie had proved himself a reliable friend of the Stalin regime for nearly a quarter of a century, and fully merited this display of confidence, for which he, in turn, has shown genuine gratitude by definite services to the U. S. S. R.

Trygve Lie first visited the Soviet Union in 1921 as a rising young official in the Norwegian Labor Party. This group was one of the first to affiliate with Lenin's new Third International in 1919, but it broke with the Kremlin in 1923. Lie, however, managed to remain in the good graces of those who ruled Russia and international communism.

Lie's most recent visit to Moscow in July 1946 was made under vastly different circumstances. He was now Secretary-General of the United Nations, and Stalin was supreme in Russia. On this visit he spent 4 days conferring with Stalin, Molotov, and Vishinsky. Upon his arrival in Copenhagen in a Russian plane, he is reported to have announced that the Soviet leaders had expressed the greatest optimism about the UN, and had shown real interest in international cooperation (after all, there were only five Russian vetoes at that time). Lie was impressed, too, by Stalin's wide knowledge of international affairs.

In the 1920's Lie maintained his connections with the rulers of Russia through his position in the Norwegian Labor Party and his membership in an ultra-radical wing within the International Federation of Trade Unions at Amsterdam. The leader of this wing, Edo Fimmen, of Holland, for years flirted with the Soviet trade-unions.

During the 1930's, after the announcement of the world-wide united front, Norwegian Communists were able to penetrate more deeply into the labor party. It was in this period that Trygve Lie performed his greatest service for Stalin: he was instrumental in deporting Stalin's arch enemy, Leon Trotsky, from Norway in 1936. The question has been posed whether Lie at that time had direct contact with the Russian secret police.

Trotsky entered Norway in June 1935. He was undisturbed until the fall of 1936, after the famous Moscow trials of Zinoviev and other high Communists had implicated him in a plot to overthrow the Soviet Government.

At this time Trygve Lie was Norway's Minister of Justice. On August 13, the day before it was announced that the trials of the Russian revolutionary leaders would be held, Lie sent the chief of police in charge of criminal cases to Trotsky's residence to conduct an investigation. Soon Norwegian newspapers began a campaign against Trotsky, accusing him of plotting with the Nazis and of various crimes against the friendly Russian government.

Trotsky, one of the founders of the Communist International, reported in 1937 that Lie, "the Minister of Justice, who not so long ago had been a member of the Communist International, did not have the least sympathy for the liberalism of the chief of criminal police."

Later Trotsky received two more visitors from Lie—the chief of the Norwegian police and the head of the passport bureau. He was told to stop writing on current events and to submit his mail for censorship. Since there was no legal way to enforce such restrictions even against a foreigner, Lie next tried to get Trotsky to sign a statement voluntarily offering to submit to censorship. In rejecting this ingenious proposal, Trotsky pointed out that Minister of Justice Lie was aiding the prosecutor of the Moscow trials by trying to prevent one of the accused from replying to the serious charges.

Not long after this incident, Trotsky's room was broken into. The police took him to Oslo, supposedly in order that he might testify against the interlopers. He was brought before Lie, who demanded that Trotsky voluntarily accept police control of his mail and visitors.

"If you want to arrest me, why do you need my consent?" Trotsky has written that he asked Lie.

"There is an intermediate status between arrest and full freedom," the Minister answered.

Trotsky replied: "That may be a trap, I prefer an outright arrest."

Lie complied. Three days later he legalized his illegal act by arranging a retroactive decree giving the Minister of Justice the power to intern undesirable aliens. Then he expelled from Norway Trotsky's two secretaries, one a citizen of France and the other of Czechoslovakia.

Trotsky has reported that Lie visited him several times in his internment to check on security measures, but refused him permission to get in touch with his friends to arrange his departure from the country. During the last of these visits Trotsky told Lie that even in Czarist Russia prisoners were granted the right to arrange their personal affairs through friends.

"Yes, yes," Lie is said to have replied, "but times have changed."

While Trotsky was detained, it was learned that Lie had suppressed a letter written him by Trotsky on August 26. Copies of the letter were forcibly taken from Trotsky's secretaries, but one had already been sent out of the country and was finally published in the Nation of October 10, 1936. In the letter Trotsky appealed for an open trial:

"To refrain from bringing me to trial before a Norwegian court and at the same time to rob me of the possibility of appeal to public opinion on a question that concerns myself, my son, my whole political past, and my political honor, would mean to transform the right of asylum into a trap and to allow free passage to the executioners and slanderers of the GPU."

The Norwegian Minister of Justice did not heed this plea. Instead he arranged the details of Trotsky's secret journey to Mexico, where the Russian revolutionist was murdered by an assassin of Stalin's GPU.

A decade after the Trotsky affair both Trygve Lie and the U. S. S. R. had advanced in their respective spheres. By April of 1945, Lie was Norway's Foreign Minister, and the Soviet Union was in eastern Europe. In the New York Times of January 11, 1947, correspondent C. L. Sulzberger stated:

"According to responsible diplomatic sources, the Norwegian Government proposed to the Soviet Union on April 9, 1945, the joint defense of Spitzbergen. * * * The offer is said to have been made while Trygve Lie was Foreign Minister of Norway."

This move under Lie's stewardship a month before the end of the war in Europe is significant for a number of reasons, since it involved the fortification of the Svalbard Archipelago, including Bear Island, north of Norway. It would have given Russia an Arctic base closer than its own Arctic possessions to Canada and the United States. It would also have meant, probably, the inclusion of Norway in the Soviet sphere, resulting in even greater pressure on Sweden, which would have been placed precariously between two areas influenced by the U. S. S. R.—since Finland is on its east.

Aside from the danger of this plan, it would have been a violation of the Svalbard Treaty of 1920 unless agreed to by the United States, Britain, and France, which were joint signatories to the pact giving Norway control of the archipelago. When asked for a statement on the Sulzberger report, Lie declined to comment on any aspect of the Spitzbergen incident.

Because of little services like these, the Kremlin knew Trygve Lie to be a real friend. The Soviet Union's insistence upon Lie for the Secretary-Generalship of the United Nations has been amply rewarded by his conduct of that high office.

As Secretary-General, Trygve Lie has the power to select all employees of the UN, to control its finances, and to execute its decisions. UN employees are hired on the basis of a personal interview, and a written examination. "We don't ask a person what his politics are and we don't care," said Basil Capella, UN personnel director, according to the Communist Daily Worker of March 28, 1946. The Daily Worker added: "Unlike the United States Civil Service, the United Nations isn't interested in a person's political belief or in labor or political activities usually

called Red by United States witch-hunting congressional committees."

In accordance with his powers, Lie selected his own staff of Assistant Secretaries-General, the eight officers who head the entire Secretariat of 2,600 persons. Of the eight, three are of known Russian sympathies.

To the most important post on his staff, Assistant Secretary-General for Security Council Affairs, Lie invited the Russian Arkady A. Sobolev. In this pivotal position Sobolev acts as liaison officer for the Council. To him come the world's territorial, military, and juridical disputes for documentation. Thus after having served Stalin faithfully in Moscow and in the Soviet Embassy in London, Sobolev is now able to perform wider functions for his masters. He had much to do with the hiring of UN personnel.

Lie's Assistant Secretary-General for Social Affairs is the Frenchman Henri Laugier, a Socialist with strong Communist leanings. In 1944 he was the vice president of Rapprochement Franco-Soviétique, an organization similar to our own National Council of American-Soviet Friendship. Lie's Assistant Secretary-General for Legal Affairs is Dr. Ivan Kerno, of Czechoslovakia, a Soviet satellite—as the world learned when that country, on Stalin's instructions, had to retract its acceptance of the invitation to join free Europe in the conference growing out of the Marshall plan. Kerno has already addressed the pro-Communist National Lawyers Guild.

In addition to these three Assistant Secretaries-General, Lie appointed pro-Soviet Abraham Feller as General Counsel and Director of the Legal Department of the United Nations Secretariat. Feller's Russian sympathies are well known to his associates. He has been a member of the Committee on International Law of the Nation Lawyers Guild, which was repudiated as Communist-controlled by such liberal attorneys as Frank P. Walsh, Morris Ernst, Ferdinand Pecora, and Robert Jackson. Feller was also a member of the Washington Committee for Democratic Action, which defended civil-service employees charged with subversive activities, and which was itself cited as subversive by Attorney General Francis Biddle.

In appointing his assistants Trygve Lie made one error which he later corrected. John B. Hutson, Assistant Secretary General of Administrative and Financial Services, had the bad taste in May of 1946 to make a speech welcoming Gen. T. Komorowski (General Bor) at a reception in his honor. Outlawed by the Soviet-oriented regime in Poland, General Bor had led the heroic Polish underground army which, in its Warsaw revolt against the Nazis, was first encouraged to fight and was then abandoned by the Russians. The Polish and Russian UN delegates immediately protested Hutson's conduct to Trygve Lie. Less than a month later the Secretary-General "reorganized" his staff, and Hutson resigned.

These were only the preliminary moves of the genial Norwegian who calls himself the "servant of the world." Such a servant finds himself in a difficult position as both the East and West beckon him from opposite sides of the ideological map. Yet impartiality is made even more important by this deep cleavage. A review of Lie's record in the UN shows that on the UN menu the items approved by Moscow have been served up promptly from the Secretary-General's kitchen, while the dishes favored by other customers have been given less generous treatment.

The key to Trygve Lie's allegiance is not so much his positive acts, but rather his omissions, which have been more significant if less obvious.

Article 99 of the UN Charter states: "The Secretary-General may bring to the attention of the Security Council any matter which in his opinion may threaten the maintenance of international peace and security." In exercising this privilege, Lie has clearly revealed his loyalties, for he has been quick to put the UN machinery into motion in the direction indicated by the U. S. S. R.

Lie's first service to Stalin occurred only 3 months after he took office. In April of 1946 the Security Council was considering the Iranian issue, since Russia had failed to comply with the treaty requiring withdrawal of the Red Army from Iran and with subsequent instructions from the Security Council. The Soviet delegate, Gromyko, demanded that the issue be removed from the agenda, but he was opposed by most of the other delegates. Secretary-General Lie then offered the Council an unsolicited statement in which he showed that the body could not properly keep the case on its agenda. A committee of experts to which his letter was referred, disagreed with the Secretary-General, however, although 3 of the 11 members (those representing the U. S. S. R., Poland and France) took the same position as Lie. The Council did not take the advice of its Secretary-General, with the result that today its handling of the Iranian issue stands out as one of its few successes.

One of the U. S. S. R.'s main policies in international affairs is to achieve a world diplomatic break of relations with the Franco government of Spain. However much Franco may deserve the condemnation of the United Nations, this particular method of dealing with him is the Soviet's pet idea, and Lie has frequently indicated his approval. In his 1947 report, he deplored the fact that the problem was not "satisfactorily resolved." He neglected to point out, however, that the Soviet delegate had used the veto power three times in one day in order to prevent the Security Council from taking any action against Franco except the Soviet plan of a break in relations.

But Secretary-General Lie has not been so hesitant in slapping Uncle Sam around. Last March he told the Security Council that the UN will succeed only if all countries "resort to the UN even when the most vital national issues are at stake"—an obvious rebuke to the United States for its Truman doctrine.

Although willing to scold the United States or Britain every now and then, Trygve Lie is much more circumspect in his remarks that might not go well with the Russians. He did nothing to urge Russian participation in the sessions of the UN Trusteeship Council. He took no action on his own initiative regarding the invasion of Greece by Soviet-controlled Albania, Yugoslavia, and Bulgaria. He said nothing about the faked elections in Poland, Rumania, and Hungary, or about the deportation of Poles, Lithuanians, and Estonians to Soviet slave labor camps. He did not use his power in the Security Council when Tito's soldiers shot down American planes over Yugoslavia. He has not called the attention of the Security Council to the civil war fomented in China by the Communists with the aid of the Soviet Union.

When the Secretary-General travels, he is the authorized representative of the United Nations as a whole. During his tour of Central America last January, his official welcome from the various governments included receptions by President Aleman of Mexico and dictator Trujillo of the Dominican Republic. Somewhat surprising, however, was the tribute paid to Lie in Panama by the local Communist group, the Partido del Pueblo, who held a rally in honor of the Secretary-General and his visit to Panama. Well-known Communist figures spoke, including Rivera Reyes, Cristobal L. Segundo, and Celso Solano. Solano closed the meeting by asserting the firm determination of the Partido del Pueblo to fight for the termination of racial discrimination in the Canal Zone which, he said, was sustained by "Yankee imperialism" despite Panamanian objections. He also spoke of the flagrant violation by the United States Army, in occupation of portions of Panamanian soil, of treaties concerning defense sites.

Ostensibly to speed his return to New York, Lie canceled a visit to Puerto Rico, which had been next on his itinerary. This decision has been seen as a move to avoid a demonstration by the Puerto Rican Independentistas. Though not primarily Communist, this group agitates for the independence of Puerto Rico, a line followed by Communists all over the world. It is possible that Lie may have been warned following the tribute to him in Panama; and became wary of another demonstration which might have been construed as pro-Communist and anti-United States.

Just as the Trotsky incident stands out in Trygve Lie's pre-UN career of service to the Soviet Union, so his appointments to the Secretariat of the Commission to investigate the current Balkan warfare stands out as the greatest service to Russia thus far in his career as a UN diplomat.

In December of 1946 the Security Council appointed a group of 11 men from 11 nations to probe the warfare in Greece, at the borders of Yugoslavia, Albania, and Bulgaria, all Soviet satellites. The Secretariat, appointed to aid the Commission, had 75 members, in the selection of which Soviet citizen Arkady Sobolev had virtually complete freedom—granted by Secretary General Lie. Sobolev had the crudeness to select a Ukrainian as secretary, but when the matter was brought to Trygve Lie after British protests, he showed his greater finesse by appointing instead his special adviser and friend, the Norwegian Col. Roscher Lund. The colonel was less obviously pro-Russian, but appeared faithful nevertheless. According to Joseph Alsop, he "is believed by a good many competent observers to have intimate Soviet connections." Lund's deputy was Gustav Gottesman, a Pole about whose loyalties there could be no doubt. The press section was headed by Stanley Ryan, born in Russia, who showed his intense pro-Soviet sympathies.

The Balkan Investigating Commission did a good job under difficult conditions. For example, Yugoslavia and Albania refused to admit a subsidiary group sent there by the Commission in May. The Secretariat acted in a similar way, obstructing the work of the Commission at various points.

According to F. A. Voigt, independent British editor, writing in the New Leader:

"The Secretariat was, in effect, a Communist cell, and did all in its power to vitiate the task of the Commission." Voigt reports that when the Commission held its first meeting, the EAM, Communist-controlled political group, demonstrated outside. "Colonel Lund," he adds, "stepped on the balcony and addressed the demonstration."

Voigt also states that the Secretariat dealt with EAM "as though it were a sovereign state." The Secretariat, deciding what petitions and delegations were to be received by the Commission, received them only from groups hostile to the Government of Greece for the first 2 weeks of the investigation. The real work of the Commission was delayed by the admission of propagandists who read long statements and the postponement of the testimony of other groups and persons whose views showed greater independence. Voigt estimates that these tactics delayed the Commission for about a month, giving the Soviet satellites on the Greek borders that much time to remove the evidence of their aggression.

One member of the Secretariat, an interpreter, was so pro-Soviet that he actually deserted the Commission during its work and joined the Greek guerrillas who were being aided by the Russian-dominated countries on the north. Documents and important evidence disappeared from Commission members' files, while secret reports

not released for publication were spread over the pages of Balkan Communist newspapers.

One authenticated incident reveals the kind of sabotage that was exercised against the Commission. Returning members, according to Phelps Adams in the New York Sun, told the story behind the Commission's rebuke to the Greek Government for having executed two political prisoners in spite of a request to delay carrying out of the sentence. The Commission had sent this request 24 hours earlier, but it did not reach the Government in time to prevent the execution.

An investigation later showed that the very member of the secretariat who had demanded the passage of the resolution denouncing the execution had deliberately caused it by delaying the transmission of the Commission's request until it was too late to be effective.

Under fire for the secretariat's activities, Trygve Lie sent a personal adviser to investigate the charges that it had not been impartial. In a press interview on April 22, the Secretary-General dismissed as hallucinations certain newspaper reports that UN employees tampered with documents, but he admitted that a suitcase full of papers had disappeared while the Commission was en route from Greece to Geneva.

As the Washington Daily News pointed out in an editorial, full responsibility for the conduct of the secretariat of the Balkan Investigating Commission rests on Trygve Lie:

"He could have selected the Commission's staff from nationalities in no way involved in the Balkan dispute. It is difficult to dismiss his failure to do this as a mere error of judgment. The head of the Commission's secretariat, a personal friend of Mr. Lie's, is the principal target of the present charges. The Secretary-General certainly should have known his views. Mr. Lie's own activities have not reflected the objectivity to be desired of a man in his position."

Despite Trygve Lie's record to date in the UN, it should be borne in mind that he still has another 3 years to serve as Secretary-General.

EXECUTIVE SESSION

Mr McFARLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. HOLLAND in the chair). The Chair lays before the Senate a message from the President of the United States, submitting the nomination of Charles I. Lafferty, of Atlantic City, N. J., to be Comptroller of Customs with headquarters at Philadelphia, Pa., which will be referred to the Committee on Finance.

Does the Senator from Arizona desire to call up any pending treaties?

Mr. McFARLAND. No, Mr. President; I do not desire to call up any treaties.

The PRESIDING OFFICER. In that event, executive business is concluded.

RECESS

Mr. McFARLAND. Mr. President, as in legislative session, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 8, 1950, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate June 7, 1950:

COMPTROLLER OF CUSTOMS

Charles I. Lafferty, of Atlantic City, N. J., to be Comptroller of Customs with headquarters at Philadelphia, Pa. (Reappointment.)

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 7, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, who hast created us in Thine own image and with a capacity to be like Thee in spirit, may we be loyal to our high vocation and to every noble cause, following and pursuing them, not fitfully and in a fickle mood, but with constancy and joy.

May we be true for there are those who trust us; may we be pure for there are those who care; may we be strong for there is much to suffer; may we be brave for there is much to dare; may we be humble for we know our weakness.

Grant that our loyalty and fidelity may inspire others and make it easier for them to believe and maintain their hold on whatsoever things are true, honest, just, pure, lovely, and of good report and all the cardinal virtues that are needed to make this a better and more beautiful world. In Christ's name we bring our petition. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6406. An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6567. An act to increase the borrowing power of Commodity Credit Corporation.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. LUCAS, Mr. HOLLAND, Mr. AIKEN, and Mr. THYE to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 332. Joint resolution providing for the establishment of a joint Senate and House recording facility.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 50–24.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

Mr. DAVIS of Georgia asked and was given permission to address the House for 10 minutes today following the legislative program and any special orders heretofore entered.

PUERTO RICAN PLANE CRASH

Mr. DOLLINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOLLINGER. Mr. Speaker, a year ago today a plane, within a few minutes after taking off from San Juan, P. R., for Miami, crashed, killing 53 persons. It was undoubtedly because of the greed of the company operating the plane in overloading it that the plane crash occurred.

The day before yesterday another similar plane, to wit, a C–46, carrying 65 passengers, crashed into the sea, killing approximately 28 persons. Here we have another crash involving Puerto Rican workers.

How long are we going to allow such wholesale butchery to continue? The time has come when the Civil Aeronautics Board should make checks before people are permitted to travel on such planes, rather than merely make investigations after the tragedies occur. We must realize that human lives are more precious than monetary gain, and drastic punishment should be meted out to culprits who ignore rules of safety and permit innocent people to perish in so ghastly a manner.

If the Civil Aeronautics Board cannot assume the responsibility of protecting passengers, then it is time Congress did

something about it. We must act now before more innocent lives are lost.

SUPREME COURT OF THE UNITED STATES DESTROYING PEACEFUL RELATIONSHIPS EXISTING BETWEEN WHITES AND NEGROES IN THE SOUTHERN STATES

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, when the Supreme Court of the United States went off at a tangent a few days ago and rendered its decisions outlawing segregation in certain southern colleges and on pullman and railway dining cars, it did the Negroes of the South more harm than anything else that has been done since the War Between the States.

It did more to destroy the peaceful relationships between the whites and the Negroes in the Southern States than anything else that could possibly have been done at this time, and will probably result in vast numbers of those Negroes leaving their present homes and crowding into the cities of the North.

The millions of hard-working, law-abiding Negroes of the South must depend for their happiness, their homes, and their prosperity upon the peaceful relationships, the good will, if you please, existing between them and the white people among whom they live.

It reminds me of the earnest prayer of the good old Negro who said: "O God, bless us Negroes, and protect us from our pretended friends."

PERMISSION TO ADDRESS THE HOUSE

Mr. McSWEENEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. McSWEENEY addressed the House. His remarks appear in the Appendix.]

SUPREME COURT DECISION IN THE TIDELAND CASES

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, the decision of the Supreme Court Monday in the Tidelands cases—wrestling from the State of Texas a portion of her public lands—carrying out the policy of this administration in its grab for more and more power for centralization of Government in Washington, is a threat to all States and to all of the people of the Nation.

It is an extension of its present policy to extend greater bureaucratic control over all of the natural resources of our country. It is a move to further plunder and rob the States of their rights guaranteed them under the Constitution.

Mr. Speaker, unless checked by the power of the Congress of the United States, this dictatorial and socialistic extension of power will eventually take over the coal-mining industry, the great railroad-transportation systems, and doubtless the steel industry of the Nation.

The Federal Government has extended this power and control over practically all of the water power of the United States, and the Federal Power Commission has taken over control and usurped much of the power of the States.

The Federal Power Commission is now reaching out for control of all sales of natural gas. The decision of the Supreme Court, following out the policies of this administration that all natural resources belong to the people, is rapidly making their socialistic dream come true.

There is only one body left in our Government that can stop such gigantic moves which so greatly accelerate our headlong rush into the socialized state. That department of Government is the Congress of the United States.

Those who wrote the Constitution were fearful of the power of the executive department, and for that reason gave Congress the power to protect the rights of the people of the several States. By giving the Congress this power they expected it to use it with resolute determination.

It is time for Congress to act and carry out the mandate given it in the Constitution to protect the rights and liberties of the people.

COMMITTEE ON ARMED SERVICES

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may have until midnight Saturday to file a conference report on the bill, S. 2440, and the bill, H. R. 1437, to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes.

The SPEAKER pro tempore (Mr. COOPER). Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain letters.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks appear in the Appendix.]

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extent my remarks and include a report by George Gallup, director of the American Institute of Public Opinion, the Gallup poll.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. SMITH of Wisconsin addressed the House. His remarks appear in the Appendix.]

EQUAL RIGHTS

Mr. BIEMILLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BIEMILLER. Mr. Speaker, it is a little difficult for me to understand how anyone can interpret the decisions of the Supreme Court which clearly define certain civil rights of our citizens originally guaranteed by the Constitution as doing harm to any group in our population. Personally, I was very pleased to see the Supreme Court decisions of Monday which did definitely guarantee to minority groups in our population full protection under the preamble, the body, and the amendments to the Constitution of the United States. Likewise, I think those decisions were rendered in the spirit that all of us have always been taught to believe is the basic principle of our country—the immortal words of the Declaration of Independence that all men are created free and equal. I for one do not believe those words were ever intended to refer to just some of the population of this country.

AIR TRAGEDIES FROM PUERTO RICO

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I was shocked to read in the press yesterday the accounts of another plane going down in the Atlantic, a plane coming from Puerto Rico to the United States. Last year we had a similar tragedy causing the loss of the lives of 53 Puerto Ricans. It is estimated that about 28 people were lost in this accident yesterday.

Last year I asked for a full and thorough investigation; and, although I received promises that there would be certain regulations as to safety, those promises have not been kept.

Last year 53 people were jammed in an overloaded plane which crashed. No lesson was learned by our authorities or by the insular government. The other day 65 persons were squeezed into this plane which fell into the Atlantic Ocean. Puerto Rican workers are being herded into these planes as though they were cattle. They are being brought here to work on farms and are exploited. No protection is given them by the insular government down in Puerto Rico against packing them in these planes, and no protection is given to them by the representatives of their Government up here against exploitation.

The CAF is blaming the CAB, and the CAB is blaming the CAF, but in the meantime these lives have been lost.

I have asked the Committee on Interstate and Foreign Commerce to conduct

an investigation, a real thorough-going investigation, to place the responsibility where it lies. I understand that this company which has been operating very freely has been charged with serious violations in the past, and nothing has been done about it. I hope the Congress, through the Committee on Interstate and Foreign Commerce, will discharge its duty in this matter by a full, complete, and honest investigation.

AIR TRAGEDIES IN PUERTO RICO

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN. Mr. Speaker, I hasten to assure you and the Members of the House that the gentleman from New York [Mr. MARCANTONIO] is not alone in his solicitude for the American citizens of Puerto Rico nor in his concern over the accidents in airplanes in transit to the mainland while carrying Puerto Rican passengers.

In fact, Mr. Speaker, the Committee on Interstate and Foreign Commerce, through its subcommittee on transportation, already has taken cognizance of this most recent tragic crash and just a few minutes ago formally determined upon an immediate investigation, in cooperation with the Civil Aeronautics Board. I have been designated by the subcommittee to go to Puerto Rico as the committee representative, and the committee staff is, right now, in touch with the CAB to make arrangements for my departure as soon as practicable.

It is the purpose of the committee to aid in an expeditious investigation into the circumstances of this and previous accidents and to do our utmost to insure against any future repetition.

The problem goes much deeper than these recent accidents, with their toll of death and injury. As the House is well aware, the Federal Government, the Territorial government of Puerto Rico, and the city government in New York, which is most directly concerned with native Puerto Ricans migrating to the continental United States, are all most sympathetically aware of the desperate economic circumstances of the island and its inhabitants, and are earnestly seeking, and finding, means of ameliorating the poverty, the congestion, the illiteracy, and the dearth of decent housing and of employment opportunities in Puerto Rico.

The influx of Puerto Ricans into continental United States, and especially into the city of New York, is creating new and critical problems here. The mayor of New York has appointed a large committee of able citizens to assist in solving the new problems created there by unskilled people from Puerto Rico who come into the city, practically destitute, and almost at once go on the relief rolls, adding to the financial burdens of the city and to the housing scarcity.

I hope to learn a great deal in Puerto Rico about the way in which these citizen immigrants are persuaded to come to the United States without adequate funds, without prospects of jobs, and often with no chance of joining friends or relatives who can assist them. Puerto Ricans are citizens with all the rights of citizenship, and I do not propose that any bar should be placed against their free movement as citizens. However, if it appears that they are being induced to flock to the mainland through misrepresentation or as a purely commercial venture operating against public interest and against the proper interest of the people themselves, I shall make a proper report to the House to see if any remedy can be found at law.

Newspaper stories indicate that these poor people are being herded into planes of doubtful serviceability—and not only into planes but on ships of every description—like cattle.

We should be sure that if there is good reason for their coming here that they come in safety; and we should make sure, too, that they have good reasons for coming, with reasonable chances of getting jobs and becoming self-sustaining citizens of the States where they settle, before they are encouraged to make the hazardous trip merely to produce revenue for transportation companies.

AMERICANS GETTING MISDEAL INSTEAD OF FAIR DEAL

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent to addres the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McGREGOR. Mr. Speaker, today millions of workers are out of jobs, factories are being shut down, farm prices are dropping, and all of us are worried about the future.

It is becoming increasingly apparent that importation of low-cost foreign products into the United States from countries employing low-wage-rate labor is ruining many American industries and businesses.

Mainly responsible for the dilemma confronting us is the Reciprocal Trade Act extended by Congress in 1949 over my protest. This act allows the President to raise or lower our national trade barriers at his discretion. His lowering of these barriers has resulted in a flood of the American market with cheaply produced articles.

In a speech on the floor of the House of Representatives in February 1949, I predicted that our national economy would be endangered if this act was extended. My prediction is rapidly becoming a reality.

Under the Economic Cooperation Administration, we are sending money to foreign countries to stimulate their farm and industrial production. Through the lowering of this country's trade barriers, products of these farms and factories, financed with American tax money, are competing directly with our own goods.

The following table of figures for the importation of a few farm products into the United States from July 1, 1949, to February 28, 1950, clearly illustrates this deplorable situation:

Import items:	Amount
Cheese ---------- pounds--	29,365,000
Dried milk ---------- do----	6,608,000
Shell eggs ---------- dozen--	2,952,000
Dried eggs ---------- pounds--	2,005,000
Butter ---------- do----	444,000
Fresh and frozen pork -- do----	506,000
Pickled pork ---------- do----	4,665,000
Meat and meat products (beef and veal) ---------- pounds--	220,908,000
Wool ---------- do----	217,933,000
Corn ---------- bushels--	468,000
Potatoes ---------- pounds--	393,661,000

On the list are two commodities of which we have a great surplus, corn and potatoes. These bushels of corn and pounds of potatoes were being imported while our own stocks of these products were stored or destroyed.

The reason for these vast imports, we are told, is to halt the spread of communism by bolstering the trade of non-Communist countries. But many of these imports have come directly from Russia and other Communist-controlled nations.

The glassware, pottery, and fur industries are heavy sufferers from competition from behind the iron curtain. This year over 15,000,000 pieces of glassware and 180,000,000 pieces of pottery will be brought into this country and will sell at one-half what it costs to produce it here. In 1949, we imported $23,947,000 worth of furs from Russia, while our own traders could not sell their pelts.

It is now evident that the President is going to add 2,500 more products to the reduced tariff list. This will affect nearly every industrial worker and farmer in the country.

The facts do not lie. Under the trade program of the present administration, the American worker, farmer, and businessman are paying taxes to help drive themselves out of business and jobs.

This, Mr. Speaker, is called the Fair Deal by the President and the misdeal by thinking Americans. If the President gets the rubber-stamp Congress he demands by defeating those of us who oppose his socialistic policies, then the American people will truly have had a "misdeal."

FEDERAL HEALTH REINSURANCE BILL

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, today I introduced H. R. 8746, a bill to facilitate the broader distribution of health services.

The bill declares our national policy to attempt to improve the health of all our people by facilitating a wider distribution of hospital, medical, and other health services through reinsurance of benefits furnished by local nonprofit voluntary health service associations; to attempt to ease the economic burden on stricken individuals and their families

by providing them with added safeguards against financial disaster resulting from serious illness and accidents; and to accomplish such objectives in cooperation with the health professions involved, without interfering with the mutually beneficial relationship which results when the patient is permitted to make a free choice of his doctor and hospital and without impairing the strength inherent in any plan based on individual initiative, voluntary action, and local administration.

The bill is modeled after the Federal Deposit Insurance Corporation legislation and designed to solve the problem of health services in the Nation without socializing medicine, even as the FDIC secured deposits without taking over the banks.

The key point is that by reinsuring the heavier losses for health insurance it will be possible for the local Blue Cross, Blue Shield, and other local farm cooperative and union hospitalization and medical-care plans to give much more attractive and comprehensive contracts to the subscribers at a reasonable charge. Within a brief space of time this should cover the medical economic problem in the Nation.

The bill will largely solve this health problem without bringing the Government into the patient-doctor or patient-hospital relationship. It will confine the Government's contact to the local voluntary insurance nonprofit associations.

The minimum clauses contained in the bill are for the purpose of preventing either patient or doctor or hospital from abusing the system. This safeguard against abuse has proved to be very necessary under the British experience.

The bill is, of course, a first draft and is subject to improvement and modification as it is analyzed and considered by various interested groups, professions, and associations.

INVESTIGATIONS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I was very much interested in the gentlemen on this side of the aisle making requests that we ought to have an investigation of the airplane that came over to this country and went down in the Atlantic. Now, I cannot understand why when we have the laws that we do have on the statute books you have to have an investigation to determine whether those people had a right to come in here. We have the laws already. If you had any confidence in your departments of government, you would call up the departments and find out who they were. They ought to give you the whole data on it. As far as the airplane was concerned, you already have a board set up governing that phase. If you do not have any more confidence in the departments of this Government than you gentlemen seem to have over here, I think it is about time for a change.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. RICH. I yield to the gentleman from New York.

Mr. MARCANTONIO. Last year they crowded 53 people into a plane which crashed and this year they crowded 65 into a plane which crashed.

Mr. RICH. Well, you have a department of government set up for that purpose, and they can stop it if we only demand that that department do its duty.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

UNEMPLOYMENT

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, concerned as I am over the growing unemployment in the United States, I am of the opinion Congress should do something about it. I am submitting a resolution today which this House should adopt so that the State Department and the world may know we mean business.

I had understood in voting to send billions to foreign countries that American industry and agriculture would be aided and unemployment would be practically unknown.

Frankly, the main reasons I have gone along with the foreign-aid program are to fight communism and to provide jobs for American workers through increased orders for American goods.

Perhaps we are successfully combatting the onward march of the Kremlin into the nations we are helping abroad. I will not argue that point because I am not on the ground to see.

I do know, however, that our industrial activity has not yet been stimulated enough by this program to take up the slack in jobs.

It seems to me the State Department ought to do a little bargaining with the other countries to persuade them to use our money to buy American products. Why should they spend these funds somewhere else?

It is scarcely necessary to point out the evils which unemployment will bring to our land if it continues to mount. Every free nation falls if it does not conquer this menace.

We cannot let people here remain idle. If they are footing the bill this foreign-aid program is costing, they should participate in the benefits, and I mean full employment.

Therefore, I present the following resolution and ask the House for its immediate adoption:

Whereas unemployment throughout the Nation is fast becoming our No. 1 problem; and

Whereas Congress has already taken steps to create jobs for American workers by voting billions of dollars for foreign aid; and

Whereas Congress was given to understand that, in approving the Marshall plan, American industry and agriculture were to receive priority and consideration from the other nations participating by their placing gigantic orders with all phases of American business; and

Whereas it is obvious that American industry and agriculture are not receiving consideration from the foreign nations we are helping in sufficient amounts to lessen or eliminate unemployment in the United States; and

Whereas the foreign-aid program properly organized will be capable of giving jobs to all Americans now unwillingly unemployed: Therefore, be it

Resolved, That the Secretary of State is hereby requested to instruct all officials in charge of the administration of our foreign-aid programs to give priority to applications for American aid which guarantee total purchases of American manufactured and agricultural products.

COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6567) to increase the borrowing power of Commodity Credit Corporation, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, HAYS of Arkansas, WOLCOTT, GAMBLE, and TALLE.

TARIFF REDUCTION ON IMPORTED CANVAS AND RUBBER FOOTWEAR CONSIDERED DANGEROUS

Mr. CROOK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROOK. Mr. Speaker, I am including in my remarks a letter from Mr. F. A. Miller, manager, industrial relations, United States Rubber Co., Mishawaka, Ind.

This Congress, in deliberating on the program pertinent to the reduction of tariffs on imports, especially the imports of canvas and rubber footwear made under slave labor in various European countries, should fully realize the disastrous repercussions that would crop from careless action. Tariff reduction on the imports of said commodities would have a demoralizing effect upon both rubber industry and the labor employment thereof. It certainly would be extremely harmful to the Ball Band Rubber Co. in Mishawaka, of my district, and I implore the Members of Congress to grasp the true significance of this grave question and act in a manner conducive to assuring adequate protection to our home industries and labor:

UNITED STATES RUBBER CO.,
Mishawaka, Ind., June 2, 1950.

Hon. THURMAN C. CROOK,
South Bend, Ind.

DEAR SIR: We take this opportunity to bring to your attention what we feel is a very serious threat to one of America's oldest industries, namely, the manufacturing of canvas and rubber footwear. You are unquestionably familiar with the program which might result in the reduction of tar-

iffs on imports, and we refer particularly to the imports of canvas and rubber footwear made by the European slave labor in Czechoslovakia and elsewhere.

Both rubber manufacturing industries as well as labor unions are violently protesting any reduction in the tariff rates or any possibility of a reduction in that it offers a very serious threat to those Americans who have earned their livelihood for many years in this industry.

Being a resident of South Bend, you are familiar with the Ball Band plant and the products that it manufactures—Red Ball footwear, which has been a leader in the trade for many years. As you well know, our product is a quality product and competes very favorably with all leading brands manufactured in the United States. Our postwar employment level has been approximately 6,000 in total, and we are by far the largest payer of wages in the community of Mishawaka.

It has been openly stated by Messrs. Dean Acheson and Paul Hoffman that a reduction in tariff rates is necessary in order to stimulate European imports, thus reviving European business. To this foolish position we can only say that throwing the American wage earner on unemployment-compensation benefits and the increasing of relief, Federal or otherwise, is a very un-American way of helping Europe.

As our Representative in Congress we urge and expect you to do all within your power to fight any possible reductions in tariff rates on canvas and rubber footwear. We are supported in this position by everyone in our entire factory personnel, and we invite you, if your schedule permits, to visit us in order to make yourself aware of the importance of our contentions.

We plan to write you further in connection with this very important matter and at your convenience we would appreciate a reply from you concerning your position in this matter.

Yours very truly,

F. A. MILLER,
Manager, Industrial Relations.

CRITICISM OF THE ADMINISTRATION

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, a few days ago the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Texas [Mr. PATMAN] took occasion to address the House on the activities of the House committee investigating lobbying. I have, of course, no criticism of what they had to say. The text of their remarks seemed to be that anyone who disagreed with the adminstration or any of its policies was inclined to be unpatriotic. Of that the people of the country will judge. Later, and on Thursday, a few remarks will be made by me in answer.

I have no suggestions to make to the Members, but if anyone cares to read the CONGRESSIONAL RECORD of yesterday beginning at page 8113, he will find where what we might figuratively say the hide of certain individuals who have been criticizing others who criticize certain departments was nailed to the barn door. I would not suggest that Members read those remarks, but if you are curious, of course, you have that privilege. You will find them in the CONGRESSIONAL RECORD, pages 8113 to 8128 with special reference to page 8121.

ROYALTY-FREE LICENSES GRANTED TO THE GOVERNMENT

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2128) to provide for the modification or cancellation of certain royalty-free licenses granted to the Government by private holders of patents and rights thereunder, with House amendments thereto, insist upon the House amendments, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. BRYSON, WILLIS, and BOGGS of Delaware.

RENT CONTROL

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, next week we in the House will be passing upon the fate of many thousands of American families whose incomes will not permit them to meet the exorbitant increase in residential rents which may be expected with the abrupt termination of rent control on June 30.

The housing shortage in Chicago is becoming so progressively serious that in the Chicago Tribune of yesterday, June 6, in the Voice of the People column appeared the following letter, which I think should be brought to the attention of the House, in order that none will be misled as to the seriousness of the situation in Chicago and what could be expected if rent control should end abruptly on June 30:

VETS VICTIMS OF RENT FREEZE

CHICAGO, June 1.—The renting situation grows worse every day. My daughter has been married over a year now to a veteran—living with us. They want their own apartment, have answered innumerable ads, agencies won't even take a name, long waiting lists.

Three- or four-room apartments are available at $40 a room. How many vets can really afford these rentals, or answer ads and pay $1,500 for old furniture, carpeting, and other junk. Our vets are surely treated fine. The 4F's and slackers are sitting pretty in the nice apartments. It's time something was done for these boys and their families, and soon.

Mrs. W.

SPECIAL ORDER GRANTED

Mr. WILLIAMS (at the request of Mr. RANKIN) was given permission to address the House for 10 minutes today, following the legislative program and any special orders heretofore entered.

EXTENSION OF REMARKS

Mr. BUCHANAN asked and was given permission to extend his remarks in two instances and include extraneous matter; in one instance notwithstanding the fact the extension will exceed two pages and is estimated by the Public Printer to cost $451.

Mr. TAURIELLO asked and was given permission to extend his remarks and include a brochure of the Trinity Evangelical and Reform Church of Buffalo.

Mr. SADOWSKI (at the request of Mr. O'BRIEN of Michigan) was given permission to extend his remarks in four instances and include some extraneous matter.

Mr. PRICE asked and was given permission to extend his remarks and include an article from the May 31 issue of Pathfinder.

Mr. BRYSON asked and was given permission to extend his remarks in three instances.

Mr. HELLER asked and was given permission to extend his remarks in seven instances and to include extraneous matter.

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks and include a letter from the White House regarding action taken by England and the United States concerning the armament situation in Israel and Arabia.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in three separate instances and in each to include extraneous matter.

Mr. BIEMILLER asked and was given permission to extend his remarks and include extraneous matter.

Mr. HAYS of Ohio asked and was given permission to extend his remarks and include a newspaper editorial.

Mr. FORD asked and was given permission to extend his remarks and include the text of a speech he made at Grand Rapids, Mich., on May 27.

Mr. VELDE asked and was given permission to extend his remarks and include an editorial.

Mr. BOGGS of Delaware asked and was given permission to extend his remarks and include extraneous material.

Mr. GAVIN asked and was given permission to extend his remarks and include an editorial.

Mrs. ST. GEORGE asked and was given permission to extend her remarks in two instances; to include in one an article by Mr. Frank C. Waldrop, and in the other a very informative article by Mr. Sokolsky regarding Japan and the magnificent work being done by Gen. Douglas MacArthur.

Mr. REES asked and was given permission to extend his remarks and include an address delivered by Hon. Alf M. Landon.

Mr. RICH asked and was given permission to extend his remarks in two instances and include editorials.

Mr. STEFAN asked and was given permission to extend his remarks and include an article.

Mr. ELLIOTT asked and was given permission to extend his remarks and include a statement he made today before the Committee for Reciprocity Information.

Mr. MULTER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. RODINO asked and was given permission to extend his remarks and include an editorial.

Mr. JAVITS asked and was given permission to extend his remarks in two

instances and include certain newspaper and other material.

Mr. HARRIS asked and was given permission to extend his remarks and include a statement.

ARMY ORGANIZATION ACT OF 1950

Mr. COLMER. Mr. Speaker, I call up House Resolution 619 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the Committee resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the word "Committee" in line 2 of the resolution be stricken and the word "House" inserted therein.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLMER. Mr. Speaker, this is a resolution making in order the bill for the organization of the Army. It was unanimously reported out of the Committee on Armed Services. The bill is of a technical nature and when the House resolves itself into the Committee of the Whole, the gentleman from Texas [Mr. KILDAY], the sponsor of this bill, who is so well versed in these matters, and who has a full knowledge of this bill, will explain it to the Members.

Mr. Speaker, I have no requests for time on this side and now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Mississippi pointed out, House Resolution 619 makes in order the consideration of the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, with 2 hours of general debate. This is a very important organizational matter, which is to be considered in the bill. It is to a certain extent a bill of some detail and very frankly I do not understand it completely myself because it could only be well understood by those who have the knowledge and experience of years of service on the old Committees on Military Affairs and Naval Affairs, now the Committee on Armed Services.

It does correct in a number of ways the present structure and modernizes the structure of the Department of the Army which we originally knew as the War Department.

This rule should be adopted, Mr. Speaker, and I hope the bill, H. R. 8198, will be given every consideration.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. RICH. Is it a fact that all of the members of the Committee on Armed Services are in favor of these changes?

Mr. BROWN of Ohio. I would like the gentleman to check my recollection with the recollection of the gentleman from Mississippi [Mr. COLMER], but I believe it was the unanimous action of the Armed Services Committee. The request made of the Rules Committee was a unanimous request by both the minority and majority members of the Armed Services Committee. The Rules Committee reported this bill unanimously.

Mr. COLMER. That was the testimony before the Rules Committee.

Mr. BROWN of Ohio. I do not think there is any controversy about this measure. The Armed Services Committee is doing that which we want them to do, that is, attempting to modernize our national defense and put that structure in the best possible working condition in case of need.

Mr. RICH. This entire legislation is one of efficiency, as far as the armed services is concerned?

Mr. BROWN of Ohio. It is to provide greater efficiency, greater flexibility, and better organizational structure, as I understand it, and it may even bring greater economy also. At the least, it should provide for better administration in the Department of the Army.

Mr. Speaker, I have no requests for time on this side.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8198, with Mr. KARSTEN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the time has been fixed at 2 hours, 1 hour to be controlled by the gentleman from Texas [Mr. KILDAY] and 1 hour by the gentleman from Illinois [Mr. ARENDS].

The gentleman from Texas [Mr. KILDAY] is recognized.

Mr. KILDAY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill provides for the organization of the Army Establishment under the Department of the Army. The bill is made necessary by the fact that under existing law the Army is organized under the National Defense Act of 1916, as amended in 1921, and certain amendments which have been adopted since that time. As a matter of fact, the organization provided by statute is not in existence in the Army at this time. Under the First War Powers Act the Department has been vastly reorganized. This bill would, to a large extent, carry into law the present organization of the Army. Should this bill not pass, and should the First War Powers Act expire, either by declaration or termination of the war, then we would revert to the organization of the Army as provided under the basic law of 1916, as amended. Many of the provisions of that body of law are obsolete, antiquated, and do not fit the present organization necessary in the Army.

The bill presented today resulted from a bill presented to the committee by the Department of the Army and the Office of the Secretary of Defense, in which their views as to the organization which should be authorized were submitted. Very careful hearings were had on the bill, which continued over a period of weeks. During that time we heard very extensively from the Secretary of the Army, from the Chiefs of Staff of the Army, and many others connected with the Department of the Army. It has been stated that the bill is technical in nature. That is true. It is technical. It affects primarily the over-all establishment of the Army in the higher commands of the Army.

I think it would be well to point out that when we refer to the "Army Establishment" in this bill we mean the Army as a whole from the highest ranking officer down to the lowest enlisted man, and when we refer to "property of the Army" we refer to all property down to the last bolt and nut; that is the Army Establishment. The Department of the Army is that portion of the Army Establishment which is located at the seat of government.

There are in existing laws many things which have been changed inferentially by laws passed since the termination of hostilities. For instance, at the present time the Secretary of War who has been succeeded by the Secretary of the Army is charged with industrial mobilization; whereas, under the National Security Act of 1947, that function has been transferred to the National Security Resources Board.

There are many other things that must be coordinated, such as the recent pay bill, Officer Procurement Act, and laws of that kind which have thrown the statutory bases for the Department of the Army into a potential state of confusion that this bill will prevent. Of course, it provides that the Army shall be under the control and direction of the Secretary of the Army; that is, subject only to the powers of the President, as commander in chief, and to the provisions of the National Security Act of 1947 as amended; so, we carry through this bill in a very distinct fashion the civilian control of the Army. The Army of the United States will continue to be under civilian control in its entirety in accordance with our constitutional sys-

tem in the United States that the civilian shall always control the armed forces and shall take precedence over the military. It provides, of course, for a Chief of Staff and the Army Staff. The Army Staff is the larger and is composed of the Chief of Staff, Vice Chief of Staff, not to exceed three Deputies, and not to exceed five assistants; and a number of other officers of the Department of the Army and such other persons as may be detailed to it.

The General Staff is a portion of the Army Staff charged in general with the functions of the General Staff as originally enacted in 1903. The General Staff for the Army was established by law in 1903. It was limited to not to exceed 102 officers. Now, of course, ever since the beginning of the war, and ever since the first War Powers Act was invoked there have been many more officers on duty than 102; and experience shows that it is essential that there be more.

The bill also provides for a Chief of Engineers, a Chief Signal Officer, an Adjutant General, Quartermaster General, Chief of Finance, Chief of Ordnance, Chief Chemical Officer, Chief of Transportation, Surgeon General, Judge Advocate General, Chief of Chaplains, Inspector General, and Provost Marshal General. Under existing law all of these officers are in being; that is, under the law these positions are provided for with the exception of the Chief of Transportation and the Provost Marshal General. During the war it was found necessary to have these two officers. They are actually now on duty under authority contained in the First War Powers Act, and this will provide a permanent basis for them by law. Should the First War Powers Act expire, it would be necessary for us to revert, as I have said, to the old organization. That would mean that we would have to go back to the Chief of Infantry, the Chief of Cavalry, the Chief of Field Artillery; yet those positions have been vacant ever since the beginning of World War II; they are not regarded as being necessary or performing any useful function under the modern organization of the Army.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. NICHOLSON. Mow many major generals does this act provide for?

Mr. KILDAY. Perhaps at this point I should state that the most important thing about this bill is what it does not do. In the first place, this bill does not cost any money. That is unusual, I agree, but under this bill there will be no increase in expense or expenditures by the Army. This bill does not create any new officers other than the ones I have mentioned, which are already in existence. It does not increase the personnel, either enlisted or commissioned. Specifically answering the gentleman's question, it does not in any wise increase nor diminish the general officers of the Army nor any of the officers of the Army. This bill does not affect the National Guard, nor does it affect the Reserves. It has to do with the internal organization of the Army only. I may say also it does not in any wise affect either the civil functions or the military functions of the Chief of Engineers or the Corps of Engineers. None of those are affected by this bill.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Tennessee.

Mr. PRIEST. It is my understanding that the bill aids the whole program of unification. That is true, is it not?

Mr. KILDAY. This bill affects the Army only and has to do with the internal organization of the Army and does not in any wise affect any of the other services. This is purely an Army matter on this occasion. Of course, it will function under the Unification Act and under the Secretary of National Defense through the Secretary of the Army. All power in this bill is given to the Secretary of the Army, subject to the powers of the President and subject to the provisions of law as contained in the National Security Act of 1947, as amended.

At the present time there is an Assistant Surgeon General and head of the Dental Corps who carries the rank of major general. That is preserved in this bill. The same is true of the Assistant Judge Advocate General who holds the same rank. That is also preserved in this bill.

For the first time we limit the number of officers who may be on duty in Washington. We place the number who may be on duty in the Department of the Army at 3,000, of whom not to exceed 1,000 may be designated as members of the General Staff. Those limitations will apply except in case of war or national emergency hereafter declared.

Mr. NICHOLSON. Will these 3,000 major generals be on the payroll of the United States Government now under the gentleman's plan?

Mr. KILDAY. These 3,000 will be officers within the present strength of the Army, already in existence and already commissioned. As a matter of fact, at the present time there are on duty in Washington 2,645. These are not all major generals, may I say to the gentleman. These are officers of all ranks. They are not all major generals.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KILDAY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. KEATING. These 1,000 officers detailed to duty with the Army General Staff include, I take it, those who may be serving in other places but who are detailed to General Staff duty or are they limited to Washington duty?

Mr. KILDAY. Washington. This is the General Staff in Washington. The 3,000 is the over-all officer strength of the Department of the Army, of whom not to exceed 1,000 may be members of the General Staff. I stated a moment ago that under the definitions of the bill the Department of the Army is defined to be that portion of the Army Establishment located at the seat of Government.

Mr. KEATING. Is the Army General Staff defined in this bill as being limited to those located at the seat of Government?

Mr. KILDAY. Yes, 1,000 at the seat of Government.

Mr. KEATING. Does that imply that hereafter officers will not be detailed to the Army General Staff for service in other areas?

Mr. KILDAY. Of course, the General Staff concept, as the gentleman knows from his military service, is carried on through all of the organizations in the field.

Mr. KEATING. There is no change made in that?

Mr. KILDAY. No, there is no change in that.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. JAVITS. Do the chiefs of the various services remain statutory officers appointed by the President and confirmed by the Senate under this bill?

Mr. KILDAY. Yes; confirmation is necessary except as to the provost marshal and the inspector general.

Mr. JAVITS. But there is no change in that.

Mr. KILDAY. No.

Mr. JAVITS. I thank the gentleman.

Mr. COLE of New York. Mr. Speaker, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. COLE of New York. I suggest that the gentleman explain the further limitation which the committee imposed with respect to the length of duty which members of the Army may serve here in Washington.

Mr. KILDAY. Under the bill it is provided that no officer may serve in the Department of the Army for a period in excess of 4 years except upon a special finding by the Secretary and at the termination of his tour of 4 years he shall not again be assigned to Washington for a period of 2 years; in other words, he shall rotate from the Department of the Army out into the field. When he has served not more than 4 years in Washington, then he must go to the field and cannot get back to Washington for a period of 2 years.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield further?

Mr. KILDAY. I yield.

Mr. NICHOLSON. Where is this general going after he is moved out of Washington?

Mr. KILDAY. The gentleman continues to refer to generals. The bill applies to all officer personnel, whether he be a second lieutenant or four-star general. He is going to move to another assignment, wherever he might be ordered by the Department of the Army. All generals are not located in Washington.

Mr. NICHOLSON. As I understood, the gentleman mentioned The Adjutant General and other generals. He did not mention any officers except generals.

Mr. KILDAY. I was at that time explaining the statutory officers provided for by law.

Mr. NICHOLSON. I think that we have so many generals that it is pretty near time we kind of stopped them from functioning.

Mr. KILDAY. The gentleman is entitled to his opinion on that. But that is not involved in this bill. Some time ago we had up a bill dealing with the officer strength of the army in which we provided the number of generals which they could have in the Army and the number of admirals they could have in the Navy. Both Houses passed the bill and it became law. But that question is not involved here.

Mr. NICHOLSON. Up until 1898 we only had about four admirals and four generals in our whole Armed Forces of the United States.

Mr. KILDAY. Would the gentleman go further and tell us the over-all strength of the Army at the time we had four admirals and four generals?

Mr. NICHOLSON. Well, I could, but it would take a good deal of time and I do not want to take the time of the House now.

Mr. KILDAY. It would not take long to say how many thousand we had at that time. I recall when we had a force of 262,000. That is the way it was when I went on the old Committee on Military Affairs. But we have gone far past that now. We never did get 262,000 in the Army and the Air Force at that time. At that time we had an authorization of 16,000 officers. Now, I believe, we have an authorization of 100,000 officers. Times have changed and our Armed Forces have increased.

Mr. NICHOLSON. Has anybody from the gentleman's district asked to be put into the Army or the Navy or the Air Force who was not taken in?

Mr. KILDAY. Oh, certainly. Surely, many of them would like to get places in the Armed Forces and they have not been accepted, among them some highly efficient men.

Mr. NICHOLSON. That is true of some people in my district, and we cannot get them.

Mr. KILDAY. For the first time this bill provides two things for the Chief of Staff. First of all, he is hereafter to be nominated by the President and confirmed by the Senate. Oddly enough, that has not been true in the past. The first Chief of Staff ever to be nominated by the President and confirmed by the Senate was General Marshall. In the future it will be necessary for the Chief of Staff to be nominated by the President and confirmed by the Senate.

This bill also provides for a definite responsibility of the Chief of Staff for the first time. It provides that he shall preside over the staff, shall transmit to the Secretary of the Army the plans and recommendations of the staff, shall advise him in regard thereto, and, upon the approval of such plans or recommendations by the Secretary of the Army, shall act as the agent of the Secretary in carrying the same into effect. Of course, this definition of his duties continues our traditional policy of civilian control of our military forces.

Now, there are a number of other matters contained in the bill. I think perhaps I should touch on the distinction between basic and special branches. The bill sets up what shall constitute the basic branches of the Army and what shall constitute the special branches.

In that connection I want to point out that the special branches are those branches which have special promotion lists. In other words, that would take in the Army Medical Service, that is, the Medical Corps, Dental Corps, Veterinary Corps, Medical Service Corps, Army Nurse Corps, and Women's Medical Specialist Corps. The other special branches are the Judge Advocate General's Corps, and the Chaplains. Having been so recently studied by Congress and having been adopted, we have not in anywise affected those branches.

In these three branches the officers are commissioned in that particular branch. They are nominated by the President and confirmed by the Senate as officers of the Medical Service or of the Chaplains or the Judge Advocate General's Department, and are confirmed in that branch. Under existing law all other officers are just appointed in the service. So that there is a definite distinction that we have carried forward in this bill as to basic branches and special branches.

The basic branches we provide for may be consolidated and new branches created or abolished in the event of a national emergency hereafter declared, but such rearrangement shall exist only during the existence of that national emergency, so that the basic organization of the Army will continue to be within the control of Congress and not within the control of the Department.

We have been careful throughout the bill to maintain congressional control over the organization of the Army. That is not the way it was requested of us by the Department, as I said before. In reporting the bill we have vastly revised it from what was originally requested.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. COLE of New York. In connection with the gentleman's statement that this bill represents a substantial revision of the proposal submitted to the Congress by the Department of the Army, can the gentleman, for the RECORD, indicate the attitude of the Department of the Army now with respect to the proposal as revised by the committee?

Mr. KILDAY. I would not be able to say that they are in total agreement, but over-all they are well pleased with the bill as we have finally reported it.

Mr. COLE of New York. There is no substantial criticism or disagreement?

Mr. KILDAY. That is true. I do not want to be understood as saying there is not some provision or several provisions that they would not want to have changed, or seek to have changed in the other body, but over-all they are rather well pleased with the bill as we brought it out, even though they did not get all they asked for. Maybe they asked for more than they wanted and got what they wanted, but anyway we were the ones that cut out what they did not get.

There are many other things in the bill, particularly repealers, repealing obsolete laws that are on the statute books. For instance, there is a provision in existing law that the President may recruit not to exceed 1,000 Indian scouts. There is a provision that the Quartermaster General shall maintain stables in the District of Columbia for the housing of the President's horses. So far as we know, he does not have any horses in the District of Columbia. There are a number of other things which are antiquated and obsolete, as much so as the two instances I have mentioned. We have gone through them carefully, the Department originally and then our staff, in culling out those things which are completely dead and obsolete, and we have repealed them, taken them out of the body of the law, so that the administration of the service will be much simplified.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Florida.

Mr. SIKES. I am in complete sympathy with what the gentleman and his committee are attempting to do. It should be obvious to all of us that they have done a very fine job in bringing this bill to us. I want to ask one question. I notice in section 305 the use of the term "Organized Reserve Corps." I am sure the gentleman is familiar with the fact that the Army itself is now using by Executive order the term "United States Army Reserve," to replace the term "Organized Reserve Corps," and that they have done that in order to stay in general alinement with the other services, such as the United States Marine Reserve, the United States Naval Reserve, and the United States Air Force Reserve.

I wonder if the gentleman had given thought to using the term in this bill "the United States Army Reserve," rather than "Organized Reserve Corps"?

Mr. KILDAY. As I now recall, that was not specifically discussed in the committee. I would like to give it a little thought, and if I may speak to the gentleman about it, I am sure we may be able to get together on that.

Mr. SIKES. I thank the gentleman.

Mr. KILDAY. Of course, since the gentleman has mentioned the Reserve, I may state that under this bill it will be possible to assign members of the Reserve to the branches. That has not heretofore been possible. This bill eliminates that. We regard it as rather absurd that a man in the Reserve cannot be assigned to a branch. Under this bill we provide that he may.

Mr. SIKES. I do not want my question to be construed as being critical. I think the gentleman's committee has done a very fine job. I simply bring up that point with the idea that we might get that in mind while the bill was being discussed.

Mr. KILDAY. I did not so consider it, and I am glad to get the suggestion. We will take it up further.

Mr. Chairman, I want to say this bill is a highly necessary piece of legislation for the peacetime organization of the Army. It has received the careful consideration of the committee and is the

unanimous report of the committee. I trust the bill will be adopted.

Mr. ARENDS. Mr. Chairman, I have no requests for time on this side of the aisle. I would simply like to state that this bill has unanimous support of the House Committee on Armed Services. It has been ably and capably explained by the gentleman from Texas [Mr. KILDAY]. Since I have no requests for time, I yield back the balance of the time allotted to this side of the aisle.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

Mr. KILDAY. Mr. Chairman, I ask unanimous consent that the bill be considered as read, and printed in the RECORD at this point and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill is as follows:

Be it enacted, etc.—

SHORT TITLE

SECTION 1. This act may be cited as the "Army Organization Act of 1950."

TABLE OF CONTENTS

Title I. Secretary of the Army.
Title II. Chief of Staff and the Army Staff.
Title III. Organization of the Army.
Title IV. Repeals, amendments, and saving provisions.

DEFINITIONS

SEC. 2. As used in this act—

(a) The terms "Army of the United States" and "Army" are synonymous and mean the Army or Armies referred to in the Constitution of the United States, less that part established by law as the Air Force. The Army includes the components and persons prescribed in section 301 of this act.

(b) The term "members of the Army" means all persons appointed, enlisted, or inducted in any of the components of the Army; all persons appointed, enlisted, or inducted in the Army without specification of component; and all persons serving as members of the Army under call or conscription under any provision of law. The term "officers of the Army" means all members of the Army appointed to and holding a commissioned or warrant officer grade. The term "enlisted members of the Army" means all members of the Army in any enlisted grade.

(c) The term "Army Establishment" means all organizations, forces, agencies, installations, and activities, including the Department of the Army, all members of the Army, all property of every kind and character—real, personal, and mixed—and all civilian personnel, under the control or supervision of the Secretary of the Army.

(d) The term "Department of the Army" means the executive part of the Army Establishment at the seat of government.

TITLE I—SECRETARY OF THE ARMY

SEC. 101. (a) Except as otherwise prescribed by law, the Secretary of the Army shall be responsible for and shall have the authority necessary to conduct all affairs of the Army Establishment, including but not limited to those necessary or appropriate for the training, operations, administration, logistical support and maintenance, welfare, preparedness, and effectiveness of the Army, including research and development, and such other activities as may be prescribed by the President or the Secretary of Defense, as authorized by law. There are authorized to be appropriated such sums as may be necessary to conduct the affairs of the Army Establishment.

(b) The Secretary of the Army may assign to the Under Secretary of the Army and to the Assistant Secretaries of the Army such of his duties under this act as he may consider proper. Officers of the Army shall report regarding any matters to the Secretary, Under Secretary, or either Assistant Secretary of the Army, as the Secretary of the Army may prescribe.

(c) Except as otherwise prescribed by law, the Secretary of the Army or, as he may prescribe, the Under Secretary of the Army or either Assistant Secretary of the Army, shall, in addition to other duties, be charged with supervision of the procurement activities of the Army Establishment, of plans for the mobilization of materials and industrial organizations essential to wartime needs of the Army, and of other business pertaining thereto.

(d) Except as otherwise prescribed by law, the Secretary of the Army may make such assignments and details of members of the Army and civilian personnel as he thinks proper, and may prescribe the duties of the members and civilian personnel so assigned; and such members and civilian personnel shall be responsible for, and shall have the authority necessary to perform, such duties as may be so prescribed for them.

(e) Except as otherwise prescribed by law, the Secretary of the Army shall cause to be manufactured or produced at the Government arsenals or Government-owned factories of the United States all those supplies needed by the Army which can be manufactured or produced upon an economical basis at such arsenals or factories.

SEC. 102. (a) There shall be in the Department of the Army an Under Secretary of the Army and two Assistant Secretaries of the Army, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive the compensation prescribed by law.

(b) In case of the death, resignation, removal from office, absence, disability, or sickness of the Secretary of the Army, the officer of the United States who is highest on the following list, and who is not absent, disabled, or sick, shall, until the President directs some other person to perform such duties in accordance with section 179, Revised Statutes (5 U. S. C. 6), perform his duties until a successor is appointed, or until such absence, disability, or sickness shall cease—

(1) the Under Secretary of the Army;

(2) the Assistant Secretaries of the Army in the order fixed by their length of service as such;

(3) the Chief of Staff.

(c) If the Chief of Staff by reason of succession assumes or if he or any other officer of the Army is designated in accordance with section 179, Revised Statutes (5 U. S. C. 6), to perform the duties of the Secretary of the Army, section 1222, Revised Statutes (10 U. S. C. 576), shall not apply to him by reason of his temporarily performing such duties.

TITLE II—CHIEF OF STAFF AND THE ARMY STAFF

SEC. 201. (a) There shall be in the Department of the Army a staff, which shall be known as the Army Staff, and which shall consist of—

(1) the Chief of Staff;

(2) a Vice Chief of Staff;

(3) not to exceed three Deputy Chiefs of Staff and not to exceed five Assistant Chiefs of Staff as the Secretary of the Army may prescribe;

(4) the officers prescribed in sections 206, 207, and 208 of this act; and

(5) such other members of the Army and such civilian officers and employees in or under the jurisdiction of the Department of the Army as may be assigned or detailed under regulations prescribed by the Secretary of the Army.

(b) Except as otherwise specifically provided by law, the Army Staff shall be organized in such manner, and its members shall perform such duties and bear such titles, as the Secretary of the Army may prescribe. Part of the Army Staff may be designated the Army General Staff.

(c) Except in time of war or national emergency hereafter declared by the Congress, not more than 2,700 officers of the Army shall be detailed or assigned to permanent duty in the Department of the Army. Of this number, not more than 500 officers of the Army shall be detailed or assigned to duty on or with the Army General Staff.

(d) A commissioned officer of the Army hereafter detailed or assigned to duty in the Department of the Army shall serve for a tour of duty not to exceed 4 years, except that such tour of duty may be extended beyond 4 years upon a special finding by the Secretary of the Army that the extension is necessary in the public interest. Upon relief from such duty no such officer shall again be detailed or assigned within 2 years to duty in the Department of the Army except upon a like finding by the Secretary of the Army. This subsection shall be inapplicable in time of war or national emergency hereafter declared by the Congress. For the purposes of this subsection a tour of duty in the Department of the Army shall not include periods of such duty performed prior to the date of enactment of this act.

SEC. 202. The Chief of Staff shall be appointed by the President, by and with the advice and consent of the Senate, from the general officers of the Army, to serve during the pleasure of the President, but no person shall serve as Chief of Staff for a term of more than 4 years unless reappointed by the President, by and with the advice and consent of the Senate. The Chief of Staff, while holding office as such, shall have the grade of general, without vacation of his permanent grade in the Army, and shall take rank as prescribed by law. He shall receive the compensation prescribed by law and shall be counted as one of the officers authorized to be serving in grade above lieutenant general under the provisions of the Officer Personnel Act of 1947 (61 Stat. 886), as amended.

SEC. 203. The Vice Chief of Staff, the Deputy Chiefs of Staff, and the Assistant Chiefs of Staff shall be general officers of the Army detailed to those positions. In case of a vacancy in the office or the disability or absence of the Chief of Staff, the Vice Chief of Staff, or the senior Deputy Chief of Staff if there be no Vice Chief of Staff, shall, unless otherwise directed by the President, perform the duties of Chief of Staff until his successor is appointed or such absence or sickness shall cease.

SEC. 204. (a) The Chief of Staff shall have supervision of all members and organizations of the Army, shall perform the duties prescribed for him by the National Security Act of 1947, as amended, by this act, and by other laws, and shall perform such other military duties not otherwise assigned by law as may be assigned to him by the President.

(b) The Chief of Staff shall preside over the Army Staff. He shall be directly responsible to the Secretary of the Army for the efficiency of the Army, its state of preparation for military operations, and plans therefor. He shall transmit to the Secretary of the Army the plans and recommendations of the Army Staff, shall advise him in regard thereto, and, upon the approval of such plans or recommendations by the Secretary of the Army, he shall act as the agent of the Secretary of the Army in carrying the same into effect.

(c) Except as otherwise prescribed by law, the Chief of Staff shall perform his duties under the direction of the Secretary of the Army.

SEC. 205. (a) The Army Staff shall render professional aid and assistance to the Secretary of the Army, the Under Secretary of the Army, and the Assistant Secretaries of the Army.

(b) Under the direction and control of the Secretary of the Army, it shall be the duty of the Army Staff—

(1) to prepare such plans for the national security, and the use of the Army for that purpose, both separately and in conjunction with the naval and air forces, and for recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing the Army, as will assist the execution of any power vested in, duty imposed upon, or function assigned to the Secretary of the Army or the Chief of Staff;

(2) to investigate and report upon all questions affecting the efficiency of the Army and its state of preparation for military operations;

(3) to prepare detailed instructions for the execution of approved plans and to supervise the execution of such plans and instructions;

(4) to act as the agents of the Secretary of the Army and the Chief of Staff in coordinating the action of all organizations of the Army Establishment; and

(5) to perform such other duties not otherwise assigned by law as may be prescribed by the Secretary of the Army.

SEC. 206. (a) There shall be in the Army the following officers: Chief of Engineers, Chief Signal Officer, Adjutant General, Quartermaster General, Chief of Finance, Chief of Ordnance, Chief Chemical Officer, Chief of Transportation, Surgeon General, Judge Advocate General, and Chief of Chaplains.

(b) Each of the officers named in this section shall have the grade of major general, and shall be selected and appointed by the President, by and with the advice and consent of the Senate, as prescribed in section 513 of the Officer Personnel Act of 1947 (61 Stat. 901; 10 U. S. C. 559g); except that the Judge Advocate General shall be selected and appointed as prescribed in section 249, Public Law 759, Eightieth Congress (62 Stat. 643).

(c) Each of the officers named in this section shall perform such duties as may be prescribed by the Secretary of the Army or required by law.

SEC. 207. (a) There shall be in the Army an Inspector General and a Provost Marshal General, who shall be general officers of the Army detailed to those positions for tours of duty not to exceed 4 years.

(b) The Inspector General shall, when so directed by the Secretary of the Army or the Chief of Staff, inquire into and report upon matters which pertain to the discipline, efficiency, and economy of the Army; and shall perform such other duties as may be prescribed by the Secretary of the Army or the Chief of Staff or required by law.

(c) The Provost Marshal General shall perform such duties as may be prescribed by the Secretary of the Army or the Chief of Staff or required by law.

SEC. 208. (a) Each of the officers named in sections 206 and 207 of this act shall have such deputies and assistants as may be prescribed by the Secretary of the Army. Except as prescribed in subsections (b) and (c) of this section, such deputies and assistants shall be officers of the Army selected and detailed to those positions for a tour of duty not to exceed 4 years by the Secretary of the Army under a procedure prescribed by the Secretary of the Army, which procedure shall be similar to that prescribed in section 513 of the Officer Personnel Act of 1947 (61 Stat. 901; 10 U. S. C. 559g), but no officer shall be entitled to any increase in rank, pay, or allowances solely by virtue of such selection and detail.

(b) There shall be an Assistant Surgeon General with the rank of major general, who shall be an officer in the Dental Corps, and who shall be selected and appointed as prescribed in section 513 of the Officer Personnel Act of 1947.

(c) There shall be an Assistant Judge Advocate General with the rank of major general, who shall be selected and appointed as prescribed in section 249 of Public Law 759, Eightieth Congress.

TITLE III—ORGANIZATION OF THE ARMY

SEC. 301. The Army includes the Regular Army, the National Guard of the United States, and the Organized Reserve Corps; all persons appointed, enlisted, or inducted in the above-named components; all persons appointed, enlisted, or inducted in the Army without specification of component; and all persons serving in the Army under call or conscription under any provision of law, including members of the National Guard of the several States, Territories, and the District of Columbia when in the service of the United States pursuant to call as provided by law.

SEC. 302. (a) The Regular Army is that component of the Army which consists of persons whose continuous service on active duty in both peace and war is contemplated by law, and of persons who are retired members of the Regular Army.

(b) The Regular Army shall include the commissioned officers, warrant officers, and enlisted members, holding appointments or enlisted in the Regular Army as now or hereafter provided by law; the professors and cadets of the United States Military Academy; the retired commissioned officers, warrant officers, and enlisted members of the Regular Army; and such other persons as are now or may hereafter be specified by law. No person who is now a member of the Regular Army, active or retired, shall, by reason of the enactment of this act, be deprived of his or her membership in the Regular Army.

SEC. 303. Except as otherwise prescribed by law, the Army shall be divided into such commands, forces, and organizations as may be directed by the Secretary of the Army.

SEC. 304. For Army purposes, the United States of America, its Territories and possessions, and other territory in which the Army may be stationed or operate, may be divided into such areas as may be directed by the Secretary of the Army; and officers of the Army may be assigned to command of Army activities, installations, and personnel in such areas. In the discharge of the Army's functions or such other functions as may be authorized by other provisions of law, officers of the Army so assigned shall perform such duties and exercise such powers as the Secretary of the Army may prescribe.

SEC. 305. The organized peace establishment of the Army, including the Regular Army, the National Guard of the United States, and the Organized Reserve Corps, shall include all military organizations, with their supporting and auxiliary elements, including combat, training, administrative, and logistic organizations and elements; and all personnel, including those not assigned to units; necessary to form the basis for a complete and immediate mobilization for the national security.

SEC. 306. (a) There shall be in the Army certain branches, which shall be known as basic branches of the Army, to which members of the Army shall be assigned by the Secretary of the Army; but the Secretary shall not assign to any basic branch any officer who has been appointed and commissioned in one of the special branches specified in subsection (b) of this section. The basic branches of the Army shall be: Infantry, Armor, Artillery, Corps of Engineers, Signal Corps, Adjutant General's Corps, Quartermaster Corps, Finance Corps, Ordnance Corps, Chemical Corps, Transportation Corps, and Military Police Corps. For the duration of any war or national emergency hereafter declared by the Congress, the Secretary of the Army may establish new basic branches, or discontinue or consolidate the basic branches enumerated in this subsection.

(b) There shall be in the Army certain branches, which shall be known as special branches, and which shall consist of Regular Army officers appointed and commissioned therein, and such other members of the Army as may be assigned thereto by the Secretary of the Army; but the Secretary shall not assign to any special branch any officer who has been appointed and commissioned in some other special branch, or in the Regular Army without specification of branch. The several corps of the Army Medical Service, the Judge Advocate General's Corps, and the chaplains, authorized by sections 307, 308, and 309 of this act, shall constitute the special branches of the Army.

(c) Under such regulations as the Secretary of the Army may prescribe, commissioned officers of the Army may be detailed as general staff officers and as inspectors general; and members of the Army may be detailed to duty in particular fields to be designated from time to time by the Secretary of the Army, including, but not limited to, the fields of intelligence, counterintelligence, and military government.

(d) Members of the Army, appointed or assigned to one branch, may, under regulations prescribed by the Secretary of the Army, be detailed for duty with any other branch.

(e) Members of the Army while not serving on active duty may, under regulations prescribed by the Secretary of the Army, be assigned to the branches of the Army provided for in this act, or to such other branches or groups, and to such organizations as the Secretary of the Army may deem appropriate.

(f) Under regulations prescribed by the Secretary of the Army, officers of the Army assigned to technical, scientific, or other professional duties shall possess qualifications suitable for the performance of those duties; and, when the duties involve the performance of professional work, the same as or similar to that usually performed in civil life by members of a learned profession, such as engineering, law, medicine, or theology, they shall, unless the exigencies of the situation prevent, possess, by education, training, or experience, qualifications equal or similar to those usually required of members of that profession.

SEC. 307. There shall be in the Army an Army Medical Service, which shall consist of the Surgeon General and the Assistant Surgeons General authorized by sections 206 and 208, respectively, of this act, the Medical Corps, the Dental Corps, the Veterinary Corps, the Medical Service Corps, the Army Nurse Corps, and the Women's Medical Specialist Corps. Each such corps shall consist of Regular Army officers appointed and commissioned therein and such other members of the Army as may be assigned thereto by the Secretary of the Army; but the Secretary shall not assign to any corps of the Army Medical Service any officer who has been appointed and commissioned in some other corps of the Army Medical Service, or in some other special branch, or in the Regular Army without specification of branch. The Medical Service Corps, the Army Nurse Corps, and the Women's Medical Specialist Corps shall include the Chiefs and Assistant Chiefs, and shall include the sections, as now prescribed by law.

SEC. 308. There shall be in the Army a Judge Advocate General's Corps, which shall consist of the Judge Advocate General and the Assistant Judge Advocate General authorized by sections 206 and 208, respectively, of this act, three officers with the rank of brigadier general, Regular Army officers appointed and commissioned therein, and such

other members of the Army as may be assigned thereto by the Secretary of the Army: but the Secretary shall not assign to the Judge Advocate General's Corps any officer who has been appointed and commissioned in some other special branch or in the Regular Army without specification of branch. The authorized number of commissioned officers of the Regular Army on the active list in the Judge Advocate General's Corps shall be prescribed by the Secretary of the Army, but such authorized number shall not be less than 1½ percent of the authorized number of commissioned officers on the active list of the Regular Army. The Judge Advocates' promotion list prescribed in section 247, Public Law 759, Eightieth Congress, shall include only commissioned officers of the Regular Army on the active list in the Judge Advocate General's Corps.

SEC. 309. There shall be chaplains in the Army. The chaplains shall include the Chief of Chaplains authorized by section 206 of this act, Regular Army officers appointed and commissioned as chaplains, and other officers of the Army appointed and commissioned as chaplains in the Army, or in any component thereof, as now or hereafter provided by law.

SEC. 310. There shall be in the Army a Women's Army Corps as now authorized by law.

TITLE IV—REPEALS, AMENDMENTS, AND SAVING PROVISIONS

SEC. 401. The following laws and parts of laws are hereby repealed, and all other laws and parts of laws inconsistent with the provisions of this act are hereby repealed: *Provided*, That any such laws and parts of laws shall remain in effect to the extent, but only to the extent, that they are applicable to the Department of the Air Force, the United States Air Force, or any officers or agencies thereof, by virtue of the National Security Act of 1947 (61 Stat. 495), as amended, or action taken under the authority of that act:

(a) Sections 1, 2, 3, 5a, 5b, 6, 7, 8, 9, 9a, 10, 12, 12a, 13, 15, 17, 18, 19, 20, 25, and 30 of the National Defense Act, as amended;

(b) All of section 5 of the National Defense Act, as amended, except that part which was inserted by section 2 of the act of June 15, 1933 (ch. 87, 48 Stat. 153; 10 U. S. C. 38);

(c) Sections 219, 1104, 1105, 1108, 1112, 1132, 1157, 1164, 1165, 1166, and 1167 of the Revised Statutes, as amended;

(d) The act of March 5, 1890 (ch. 26, 26 Stat. 17; 5 U. S. C. 182), as amended;

(e) Section 2 of the act of October 1, 1890 (ch. 1266, 26 Stat. 653; 10 U. S. C. 212);

(f) Section 3 of the act of April 22, 1898 (ch. 187, 30 Stat. 361; 10 U. S. C. 3);

(g) Section 31 of the act of February 2, 1901 (ch. 192, 31 Stat. 756; 10 U. S. C. 641);

(h) The act of February 14, 1903 (ch. 553, 32 Stat. 830);

(i) Sections 1, 3, and 4 of the act of January 25, 1907 (ch. 397, 34 Stat. 861);

(j) Section 108 of title 3 of the United States Code (ch. 644, 62 Stat. 672);

(k) The act of February 24, 1925 (ch. 307, 43 Stat. 970);

(l) The act of February 23, 1929 (ch. 298, 45 Stat. 1255; 10 U. S. C. 22a);

(m) Section 4 of the act of July 31, 1935 (ch. 422, 49 Stat. 506; 10 U. S. C. 552b);

(n) The act of April 13, 1938 (ch. 146, 52 Stat. 216);

(o) Section 2 of the act of August 30, 1935 (ch. 830, 49 Stat. 1028), as amended by section 6 of the act of April 3, 1939 (ch. 35, 53 Stat. 557; 10 U. S. C. 487a);

(p) All of section 1 of the act of August 30, 1935 (ch. 830, 49 Stat. 1028), as amended by section 5 of the act of April 3, 1939 (ch. 35, 53 Stat. 557), except the last proviso thereof as amended by the act of July 25, 1939 (ch. 349, 53 Stat. 1079), the act of December 10, 1941 (ch. 562, 55 Stat. 796), and section 2 of the act of June 20, 1949 (Public Law 108, 81st Cong.);

(q) Section 1 of the act of December 16, 1940 (ch. 931, 54 Stat. 1224), as amended by the act of December 15, 1944 (ch. 591, 58 Stat. 807), and section 2 of the act of May 15, 1947 (ch. 60, 61 Stat. 93; 5 U. S. C. 181a);

(r) Section 1 of the act of July 20, 1942 (ch. 509, 56 Stat. 663; 10 U. S. C. 156);

(s) So much of the Appropriation Act of June 20, 1874, as reads: "and hereafter it shall be unlawful to allow or pay to any of the persons designated in this act any additional compensation from any source whatever, or to retain, detail, or employ in any branch of the War Department in the city of Washington, any person other than those herein authorized, except in the Signal Office and the Engineer Corps, and except such commissioned officers as the Secretary of War may from time to time assign to special duties" (ch. 328, 18 Stat. 101; 10 U. S. C. 642a);

(t) The proviso only, appearing on page 238 of volume 22, chapter 389, of the Statutes at Large, being a part of the Appropriation Act of August 5, 1882 (5 U. S. C. 183);

(u) The first two provisos and the sentence following the second proviso only, appearing on page 109 of volume 23, chapter 217, of the Statutes at Large, being a part of the Army Appropriation Act of July 5, 1884 (10 U. S. C. 1200);

(v) The proviso beginning on page 110 and ending on page 111 only, of volume 23, chapter 217, of the Statutes at Large, being a part of the Army Appropriation Act of July 5, 1884;

(w) The second proviso only, appearing on page 242 of volume 34, chapter 3078, of the Statutes at Large, being a part of the Army Appropriation Act of June 12, 1906 (10 U. S. C. 641);

(x) The first proviso only, appearing on page 250 of volume 34, chapter 3078, of the Statutes at Large, being a part of the Army Appropriation Act of June 12, 1906 (10 U. S. C. 1240);

(y) The first complete paragraph only, appearing on page 418 of volume 34, chapter 3514, of the Statutes at Large, being a part of the appropriation act of June 22, 1906 (5 U. S. C. 188);

(z) The second and third provisos only, appearing on page 733 of volume 35, chapter 252, of the Statutes at Large, being a part of the appropriation act of March 3, 1909 (10 U. S. C. 1174);

(aa) The fourth proviso only, appearing on page 254 of volume 36, chapter 115, of the Statutes at Large, being a part of the Army Appropriation Act of March 23, 1910 (10 U. S. C. 811);

(bb) The fourth and fifth provisos only, appearing on page 1049 of volume 36, chapter 209, of the Statutes of Large, being a part of the Army Appropriation Act of March 3, 1911 (10 U. S. C. 642);

(cc) So much of the Army Appropriation Act of March 4, 1915, as reads: "In addition to detailing for duty at said disciplinary barracks such number of enlisted men of the Staff Corps and departments at he may deem necessary, the Secretary of War shall assign a sufficient number of enlisted men of the line of the Army for duty as guards at said disciplinary barracks and as noncommissioned officers of the disciplinary organizations hereinafter authorized. Said guards, and also the enlisted men assigned for duty as noncommissioned officers of disciplinary organizations, shall be detached from the line of the Army, or enlisted for the purpose;" (ch. 143, 38 Stat. 1085; 10 U. S. C. 1454);

(dd) The fifth proviso only, appearing on page 1279 of volume 41, chapter 124, of the Statutes at Large, being a part of the appropriation act of March 3, 1921 (10 U. S. C. 273).

SEC. 402. Wherever by the following acts or parts of acts, as amended, certain duties and powers are imposed upon or vested in the Quartermaster Corps, the Ordnance Department, the Finance Department, the Medical Department, the Adjutant General's Department, or the chiefs or other officers of such branches of the Army, such acts and parts of acts are hereby amended so that hereafter such powers and duties shall be vested in and performed by whatever branch, office, or officers of the Army the Secretary of the Army may from time to time designate:

(a) Sections 1135, 1141, 1143, 1144, 1145, and 3715 of the Revised Statutes of the United States;

(b) The first proviso on page 111 of volume 23, chapter 217, of the Statutes at Large, being a part of the Army Appropriation Act of July 5, 1884 (10 U. S. C. 73);

(c) The last proviso on page 178 of volume 27, chapter 195, of the Statutes at Large, being a part of the Army Appropriation Act of July 16, 1892 (10 U. S. C. 1335);

(d) Only that part of the appropriation act of June 4, 1897, included in the paragraph commencing with the words: "Soldiers' Home, District of Columbia:" appearing on page 54 of volume 30, chapter 2, of the Statutes at Large (24 U. S. C. 58);

(e) The proviso on page 216 of volume 31 of chapter 586 of the Statutes at Large, being a part of the Army Appropriation Act of May 26, 1900;

(f) The proviso on pages 832 and 833 of volume 33, chapter 1307, of the Statutes at Large, being a part of the Army Appropriation Act of March 2, 1905 (10 U. S. C. 177);

(g) Section 14 of the act of May 28, 1908 (ch. 215, 35 Stat. 443; 50 U. S. C. 64);

(h) The second complete paragraph on page 751 of volume 35, chapter 252, of the Statutes at Large, being part of the Army Appropriation Act of March 3, 1909 (34 U. S. C. 540; 50 U. S. C. 70);

(i) Section 47 of the act of March 4, 1909 (ch. 319, 35 Stat. 1075);

(j) The first proviso on page 362 of volume 38, chapter 72, of the Statutes at Large, being a part of the Army Appropriation Act of April 27, 1914;

(k) The first proviso on page 1079 of volume 38, chapter 143, of the Statutes at Large, being a part of the Army Appropriation Act of March 4, 1915 (10 U. S. C. 1234; 34 U. S. C. 539);

(l) Paragraph 3 of section 2 of the Army Appropriation Act of March 4, 1915 (ch. 143, 38 Stat. 1085; 10 U. S. C. 1453);

(m) The first proviso on page 635 of volume 39, chapter 418, of the Statutes at Large, being a part of the Army Appropriation Act of August 29, 1916 (31 U. S. C. 488);

(n) The act of October 30, 1941 (ch. 465, 55 Stat. 758; 10 U. S. C. 1304).

SEC. 403. Under such regulations as may be prescribed by the Secretary of the Army, officers of the Army accountable for public moneys may intrust moneys to other officers of the Army for the purpose of having them make disbursements as their agents, and the officer to whom the moneys are intrusted, as well as the officer who intrusts the moneys to him, shall be held pecuniarily responsible therefor to the United States.

SEC. 404. (a) The armor shall be a continuation of the cavalry; the artillery shall be a continuation of the field artillery and the Coast Artillery Corps; and the offices, positions, branches, corps, services, components, and organizations referred to in this act shall be continuations of corresponding offices, positions, branches, corps, departments, services, components, and organizations previously authorized or existing. The reappointment, reassignment, or redetail of members of the Army, or of civil officers or employees, now holding any such offices, or now appointed, assigned, or detailed to any such positions, branches, corps, departments, services, components, or organizations shall not be required.

(b) Notwithstanding the repeal or amendment of any law by this act, no civil officer or employee now serving, and no member of

the Army now in service, active, inactive, or retired, shall, in consequence of the passage of this act, be deprived of any civil or military office, appointment, commission, warrant, or rank, held by him, or of any right to pay, allowance, promotion, retirement, or of any other right, privilege, or benefit to which he is or may be entitled under the authority of laws or regulations existing immediately prior to the effective date of this act.

(c) Nothing in this act shall be construed as changing the numbers of officers authorized by law in each of the several commissioned officer grades in the Army; or as changing the laws applicable to the promotion and retirement of members of the Army; or as giving to any person any right to retirement, to pay, or to allowances not heretofore authorized by law.

(d) Nothing in this act shall be construed as changing existing laws pertaining to the Chief of the National Guard Bureau.

(e) Nothing in this act shall be construed as reducing or eliminating the professional qualifications required by existing laws or regulations of officers of the several different branches of the Army.

(f) Nothing in this act shall be construed as changing existing laws pertaining to the military or civil functions of the Chief of Engineers or the Corps of Engineers of the Army, or as changing the act of June 25, 1943 (Public Law 777, 80th Cong.), pertaining to rank, pay, and allowances of the Assistant Chief of Engineers in charge of civil works. The number of officers and enlisted men set forth in section 11 of the National Defense Act, as amended, shall be a minimum strength and not a limitation.

SEC. 405. Notwithstanding the repeal by this act of any law vesting any power in or imposing any duty upon any officer, civil or military, of the Army Establishment, or in or upon any department, corps, branch, or organization of the Army; and notwithstanding the several provisions of this act to the effect that the powers and duties of various officers, civil and military, of the Army Establishment, and of various branches and organizations of the Army, shall be such as the Secretary of the Army shall prescribe; and in order that there shall be no interruption in the performance of duties; and in order that the immediate issuance and promulgation of new orders and regulations shall not be required; it is hereby prescribed that every power vested in and every duty imposed upon any officer, civil or military, of the Army Establishment, or in or upon any department, corps, branch, or organization of the Army, by any law, regulation, or order, in force immediately prior to the effective date of this act, shall continue to be exercised and performed by the same officer, department, corps, branch, or organization, or by his or its successor, until the Secretary of the Army shall otherwise direct in accordance with the authority conferred upon him by this act.

SEC. 406. Nothing in this act shall be construed as amending existing provisions of law concerning the Army Mine Planter Service, except that that service shall no longer be a part of the Coast Artillery; but it may hereafter be discontinued or assigned to or consolidated with such other branch of the Army, or such other service as the President may direct.

SEC. 407. Nothing in this act shall be construed as amending, repealing, limiting, enlarging, or in any way modifying any provision of the National Security Act of 1947, as amended.

SEC. 408. If any provision of this act or the application thereof to any person or circumstances be held invalid, the validity of the remainder of the act and of the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. KILDAY. Mr. Chairman, I ask unanimous consent that the committee amendments be considered en bloc, since with one exception they are all formal, perfecting amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read as follows:

Committee amendments:

On page 5, strike out all of lines 1, 2, and 3, and insert in lieu thereof the following: "office, absence, or disability of the Secretary of the Army, the officer of the United States who is highest on the following list, and who is not absent, or disabled, shall."

On page 5, line 7, strike out the words "absence, disability, or sickness" and substitute in lieu thereof the words "absence or disability."

On page 6, strike out all of subsection 201 (c) and insert in lieu thereof the following:

"(c) Except in time of war or national emergency hereafter declared by the Congress, not more than 3,000 officers of the Army shall be detailed or assigned to permanent duty in the Department of the Army, and of this number, not more than 1,000 officers of the Army may be detailed or assigned to duty on or with the Army General Staff."

On page 7, line 17, immediately after the word "President", strike out the comma, and insert in lieu thereof a semicolon.

On page 8, strike out all of section 203 and insert in lieu thereof the following:

"SEC. 203. The Vice Chief of Staff, the Deputy Chiefs of Staff, and the Assistant Chiefs of Staff shall be general officers of the Army detailed to those positions. In case of a vacancy in the office or the absence or disability of the Chief of Staff, the Vice Chief of Staff or the senior Deputy Chief of Staff, who is not absent or disabled, shall, unless otherwise directed by the President, perform the duties of Chief of Staff until his successor is appointed or such absence or disability shall cease."

On page 16, line 10, after the word "deem", add the words "to be."

On page 20, line 20, strike out the comma before the word "except", and insert in lieu thereof a semicolon.

On page 28, line 6, insert a comma after the word "Establishment."

The committee amendments were agreed to.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time because while the House is fixing up the Army so it can do business in a more businesslike way, there are some other things which need fixing. I read from the paper of yesterday or the day before, I think it was the Daily News, where President Truman says that all the fuss about what organization a man belongs to gives him—and I quote—"a pain in the neck."

Well, some of the organizations, or Mr. Truman's membership in some of the organizations, the Pendergast machine, for example, to which he belonged gives some of the rest of us a pain in the neck. His statement that Republicans are drawing a red herring across the trail gives us a pain in the neck and a pain elsewhere as well. As it does several millions of our people.

I want to say to the gentleman in the White House that the Republicans are not drawing any red herring across the trail of anything so far as I know. This red herring business, if I understand it correctly, is a maneuver to distract attention from certain things which it may be unpleasant to discuss. The Republicans have not attempted to distract attention from this charge—irresponsible, as some say—that there are Communists in the State and other departments. If there is no foundation for that charge, then there might be some logic in Mr. Truman's statement that we are trying to draw a red herring across that trail. But this morning, not feeling very good and waking up a little early, I got the CONGRESSIONAL RECORD—this is all while I was in bed—and I started to read it. It just happened to open up at that place, I think it is page 8113 and I will not, because it would be a violation of the rules of the House, as the Chair well knows, and as the present occupant of the chair [Mr. KARSTEN] observed the other day, when some comments were made here about Communists and the Chair followed the rules very, very carefully and very closely, and I want to follow the rules—I read in the RECORD about a certain report, a secret report, which it was said had been made by a top investigator for the State Department who quoted—bless your heart—an FBI report, the first time I ever knew an FBI report to evaluate the information it had obtained.

Those two reports together referred to 106 individuals. It is all in the CONGRESSIONAL RECORD. I am just repeating it. I know you gentlemen are all busy, so I am just giving it to you thinking that you might not have an opportunity to read it. I notice the gentleman from New Jersey, Dr. EATON, who has always been fighting these Communists. I call this to his attention.

This report from the FBI lists those 106. It states, "Here are so many of them who are agents." Now, an agent in the picture is in the high school, whereas the Communists are in the grade school. An "agent" is worse than one just labeled "Communist." Then they say there are so many Communists. It is in the RECORD. I will not state who said it, but it was not, in any event, a Member of this body. Then it lists the number of those Communists. Then it lists the sympathizers, and so on. The account in the RECORD is real interesting. It is my hope that the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Texas [Mr. PATMAN] will read and study this thing very carefully because, if they do, they will get an idea—just a very faint suspicion—that perhaps maybe there are Communists in some of—perhaps one of—the executive departments.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. COLE of New York. That was the question I was going to ask. Where is it that this report, to which the gentleman refers, states that these Communists are purported to exist?

Mr. HOFFMAN of Michigan. Where is the report?

Mr. COLE of New York. No, no. Where are those individuals?

Mr. HOFFMAN of Michigan. Oh, some of them are in the State Department. The RECORD—not the report, for that does not seem to carry names—refers to—names a man in there. I think it is Lattimore. It refers to a man named Lattimore. I have been reading in the papers where somebody in the Justice Department said there are no Communists in the State Department. I wish the great and exalted gentleman in the White House would read the RECORD of yesterday himself. I know he is just honestly mistaken about that. He is just as mistaken about it as he was mistaken about who cast the votes in Missouri when he was a candidate for Senator—and for whom those voters cast their ballots.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. NICHOLSON. I hesitate to ask the gentleman a question because he is so smart——

Mr. HOFFMAN of Michigan. Oh, now, you make me blush. I have been out in the sun a great deal of late, too.

Mr. NICHOLSON. I am doing it because I have a great deal of admiration for you.

Mr. HOFFMAN of Michigan. Well, you are one in a million perhaps.

Mr. NICHOLSON. You are quoting the representative from Wisconsin?

Mr. HOFFMAN of Michigan. Oh, I object to violating the rules of the House. I just could not quote a Member of the other body. No. I am not quoting anybody. I was just referring previously to the CONGRESSIONAL RECORD and to the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Texas [Mr. PATMAN].

The CHAIRMAN. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a great deal of admiration for the gentleman from Michigan [Mr. HOFFMAN] who has just preceded me, but the other day the gentleman from Wisconsin [Mr. BIEMILLER] rose and said what a great thing it was that labor and the General Motors Co. had come together on some kind of a proposition to take care of everybody. I was very much amused, because they did not take care of me. When I bought a Chevrolet it cost me 150 percent more. Now, being in Congress, I have a Pontiac, and it cost me $2,500. It used to cost $900. So the gentleman from Wisconsin [Mr. BIEMILLER] says how much better off we are with this condition. I agree with the gentleman from Michigan [Mr. HOFFMAN]. I do not dare ask him a question.

Mr. HOFFMAN of Michigan. Well, will the gentleman yield?

Mr. NICHOLSON. Certainly.

Mr. HOFFMAN of Michigan. I would be happy to be honored by a question from the gentleman.

Mr. NICHOLSON. Do you agree with the gentleman from Wisconsin [Mr. BIEMILLER] in his views?

Mr. HOFFMAN of Michigan. You mean the gentleman from Wisconsin, a Member of the House, Mr. BIEMILLER?

Mr. NICHOLSON. That is right.

Mr. HOFFMAN of Michigan. The only thing I agree with him—he is a very soft-spoken, pleasant gentleman, but I do not agree with a single thought I ever heard him utter.

Mr. NICHOLSON. Can I ask you a question?

Mr. HOFFMAN of Michigan. I would be honored again. That is twice I have been honored today.

Mr. NICHOLSON. Does the gentleman believe that his idea of a square deal for you and me and the people we represent is to have to pay 150 percent more for everything we buy?

Mr. HOFFMAN of Michigan. That is fine. We can pay more taxes, do you not see? We cannot pay it as fast as they spend it, though.

Mr. NICHOLSON. I do not see it that way; maybe the gentleman does.

Mr. HOFFMAN of Michigan. The gentleman certainly is aware of the fact that they spend it faster than we get it, is he not?

Mr. NICHOLSON. Mr. Chairman, I yield back the balance of my time.

Mr. KILDAY. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments.

Accordingly the Committee rose; and Mr. COOPER having assumed the chair as Speaker pro tempore, Mr. KARSTEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, pursuant to House Resolution 619, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STARTING A NEW SMEAR

Mr. HOFFMAN of Michigan. Mr. Speaker, a $64 question now troubling the House of Representatives is the activity of its present Antilobbying Committee. How far shall that committee be permitted to go in inquiring into the activities of individuals or organizations, in no way subversive, but which are attempting to mold public opinion?

The chairman of that committee, which was created to inquire into who financed and the purpose of lobbying, has now called upon a long list of corporations and individuals for information which many Members of Congress believe has nothing to do with lobbying.

As an illustration, the committee has requested the Constitutional Educational League, which has long been supported by voluntary contributions and the purpose of which is to maintain constitutional government, to furnish it with information, including a list of those who contribute to the league.

The Committee for Constitutional Government, Inc., whose purpose is much the same as that of the Constitutional Educational League, has been asked for like information.

The latter organization was ordered to produce before the committee, not later than 10 o'clock a. m., on June 6, in Washington, additional records and data, including the names and the addresses of those who purchased a quantity of certain books which the league has published.

Four of the books or pamphlets are: The Constitution of the United States, by Thomas James Norton; The Road Ahead, by John T. Flynn; Compulsory Medical Care and the Welfare State, by Melchior Palyi; Why the Taft-Hartley Law? by Irving G. McCann.

Just why a committee of the House of Representatives should be entitled to, or should want your name and address if you had purchased more than 100 copies of any of the above-named publications is beyond me.

Personally I purchased more than 2,000 copies of the Reader's Digest reprint of The Road Ahead, and I purchased a number of copies of the original book by Flynn. Of what concern to the committee is that?

Personally, I do not care who knows how many copies of that or any other book I purchased, nor to whom I sent them. But what business is it of a committee of the House as to how many copies of a book any individual purchased or distributed, as long as no complaint is found with the material published?

Just as logically might the committee inquire as to how many bibles or copies of gospel hymns or of a prayer book were sold to an individual or to churches.

It can readily be seen that, if someone published a book purporting to advise as to how a bank might be robbed, the Congress might be interested in why it was written and to whom it was sent.

Permit me to repeat, the material in the publication being unobjectionable, what, if any, business has a congressional committee inquiring as to how many were published, or sold, or who got them?

Because the Committee for Constitutional Government is of the opinion that it is none of the Congress' business as to who bought these various books, or who contributes to its activities, any more than it would be Congress' business to inquire into who supported the Catholic or one of the Protestant churches, it has filed an application here in Washington for an injunction restricting the committee's inquiries.

Some think the House committee is going altogether too far, adopting methods which smack altogether too much of tyranny, to require either individuals or corporations to tell what they

do with their money, where they get it, so long as the objective and the methods of the individual or the organization are not illegal.

Freedom of the press would seem to be threatened by the requests of the chairman of this particular committee.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Georgia [Mr. DAVIS] is recognized for 10 minutes.

THE SUPREME COURT DECISIONS ON SEGREGATION

Mr. DAVIS of Georgia. Mr. Speaker, I denounce the three Supreme Court decisions on segregation Monday as rank usurpation by the Court of legislative functions which do not belong to that Court, but which belong exclusively to Congress.

Many times the question of segregation has come before Congress when bills were being voted upon, and Congress has time and time again refused to change existing laws so as to abolish segregation. If segregation should ever be abolished legally, and in a constitutional manner, the legislative department is the department of government to change the law—not the judicial department.

The Supreme Court by its continual efforts to enforce radical ideas and crackpot theories upon the States and upon the people has weakened the confidence of the public in the Court. Such actions by the Court in getting out of its own jurisdiction and usurping legislative functions, undermine the American form of government, which has for its theme three separate and independent departments, namely, the executive, legislative, and judicial. The act of the Court in attempting to change existing laws, which is a function of the legislative department, is an act which in itself undermines the foundations of our Government.

I well remember the time when the personnel of the Court, and also its decisions, were such that it never occurred to anyone to question either the ability of the members or the soundness of its decisions. Such is not the case now, although the present membership of the Supreme Court apparently feel themselves competent to overrule previous decisions of the Court on a wholesale basis.

The Supreme Court in the past is remembered for the legal ability of its members, and for the clarity of its reasoning and the soundness of its decisions. The present Court will be remembered by such things as the fact that two of its members went to Court to testify as character witnesses for the traitor, Alger Hiss, that it found a way to relieve Harry Bridges from being deported, found a way to usurp legislative functions and hold that restrictive covenants in a deed cannot be enforced, and found a way to hold that white people cannot have a primary of their own, or that they cannot ride by themselves, eat by themselves, or go to college by themselves.

From its once high pedestal, this Court apparently has descended to the status of a mere lackey boy whose primary function is to validate the radical theories and crackpot philosophies now being promulgated by the would-be world changers.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Mississippi.

Mr. RANKIN. Thomas Jefferson said that if this Republic was ever destroyed, it would be destroyed by the courts. I wonder if we are approaching that time?

Mr. DAVIS of Georgia. I thank the gentleman for his observation.

The present personnel of the Supreme Court seem determined to force their radical beliefs upon the country at all costs. They have done, and are doing untold harm to good race relations. They are doing much to create antagonism between the races, where otherwise it would not exist.

The white people of Georgia, and of the South, are not going to school with blacks, or eat with them, or live among them. These Supreme Court decrees are not going to force these things upon our people. We shall live with our kind, eat with our kind, go to school with our kind, and associate with our kind.

I congratulate Governor Talmadge of Georgia upon his prompt and vigorous protest and declaration. I am in hearty accord with it.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. MILLER of Nebraska, for June 12 and 13, on account of official business.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. WILLIAMS] is recognized.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that that special order be vacated and that it be reentered for tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 5166. An act to extend the laws of the United States relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island (Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes; and

H. R. 6406. An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 18 minutes p. m.) the House adjourned until tomorrow, Thursday, June 8, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1489. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to the subjects of such orders; to the Committee on the Judiciary.

1490. A letter from the Acting Attorney General, transmitting copies of orders of the Commissioner of the Immigration and Naturalization Service suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

1491. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 4474 of the Revised Statutes, as amended, relating to the use of petroleum as fuel aboard steam vessels"; to the Committee on Merchant Marine and Fisheries.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOLVERTON:

H. R. 8746. A bill to facilitate the broader distribution of health services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LANE:

H. R. 8747. A bill to aid in the use, conservation, and development of the natural resources of the river basins in the New England States and the State of New York and to establish the New England-New York Resources Survey Commission; to the Committee on Public Works.

By Mr. O'BRIEN of Michigan:

H. R. 8748. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. O'HARA of Illinois:

H. R. 8749. A bill to make capital and credit more readily available for financing small business, foster competition, and coordinate Federal aids to small business, and thus to promote, foster, and develop the domestic and foreign commerce of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. STOCKMAN:

H. R. 8750. A bill authorizing the Secretary of the Interior to convey to the city of Klamath Falls, Oreg., all right, title, and interest of the United States of America in certain lands in Klamath County, Oreg., and for other purposes; to the Committee on Public Lands.

By Mr. MARCANTONIO:

H. J. Res. 485. Joint resolution providing for the appointment of a congressional committee on the needs of the American youth, and for other purposes; to the Committee on Rules.

By Mr. EDWIN ARTHUR HALL:

H. Res. 634. Resolution to eliminate unemployment in the United States; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 8751. A bill for the relief of Mrs. Yoshiko Ogiso Peterson; to the Committee on the Judiciary.

By Mr. D'EWART:

H. R. 8752. A bill authorizing the Secretary of the Interior to issue a patent in fee to Sylvania Cooper Jahncke; to the Committee on Public Lands.

By Mr. FARRINGTON:

H. R. 8753. A bill for the relief of Mrs. Shizu Takamura Asami; to the Committee on the Judiciary.

H. R. 8754. A bill for the relief of Mrs. Choon Ja Chu Hong; to the Committee on the Judiciary.

H. R. 8755. A bill for the relief of Keiko Hoshikawa; to the Committee on the Judiciary.

H. R. 8756. A bill for the relief of Fumiko Yoshida; to the Committee on the Judiciary.

By Mr. HERTER:

H. R. 8757. A bill authorizing the naturalization of Nicholas George Strangas; to the Committee on the Judiciary.

By Mr. JAMES:

H. R. 8758. A bill for the relief of Shizuka Igarashi; to the Committee on the Judiciary.

By Mrs. KELLY of New York:

H. R. 8759. A bill for the relief of Rev. Andrew Chai Kyung Whang; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 8760. A bill for the relief of Mrs. Elfriede Stein Mehalko; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 8761. A bill for the relief of Susan E. Scott; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2187. The SPEAKER presented a petition of Alabama State conference, National Association for the Advancement of Colored People, Montgomery, Ala., relative to the bombings of homes in Birmingham, and requesting that the Federal Government step into these cases and see that justice is done, which was referred to the Committee on the Judiciary.

SENATE

THURSDAY, JUNE 8, 1950

(Legislative day of Wednesday, June 7, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. P. O. Bersell, president of the Augustana Evangelical Lutheran Church, Minneapolis, Minn., offered the following prayer:

Gracious Father in heaven, we come into Thy presence with thanksgiving and supplication. We glorify Thee, for Thou art God. We thank Thee that Thy promises are true, that Thou shalt judge Thy people with righteousness, and that Thou shalt save the children of the needy and shall break in pieces the oppressor.

Unworthy though we be, Thou hast richly blessed us and graciously kept us ever hitherto. Forgive us, Lord, for our sins, for Jesus' sake.

Be Thou the strength and stay of our land. Give it grace and honor. Use us in Thy service to Thy glory and the welfare of mankind.

Bless Thou and guide the deliberations of this body this day in accordance with Thy good will. In Jesus' name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 7, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, in which it requested the concurrence of the Senate.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. DONNELL was excused from attendance on the sessions of the Senate from 5 o'clock today until Monday next.

Mr. LODGE. Mr. President, I ask unanimous consent to be absent from the Senate tomorrow, because I must be in New York tomorrow as a member of the subcommittee of two of the Foreign Relations Committee, which is going to New York to continue its investigation of the day-to-day operations and policing of the loyalty program in the State Department.

The VICE PRESIDENT. Without objection, leave is granted.

On his own request, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate on Monday, Tuesday, and Wednesday of next week.

On his own request, and by unanimous consent, Mr. GREEN was excused from attendance on the session of the Senate tomorrow, for the same reason as that previously stated by Mr. LODGE.

On his own request, and by unanimous consent, Mr. AIKEN was excused from attendance on the session of the Senate tomorrow.

On his own request, and by unanimous consent, Mr. ROBERTSON was excused from attendance on the session of the Senate tomorrow.

On his own request, and by unanimous consent, Mr. FLANDERS was excused from attendance on the session of the Senate next Monday.

On his own request, and by unanimous consent, Mr. IVES was excused from attendance on the session of the Senate on Monday, June 12, 1950.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. GEORGE, and by unanimous consent, the Committee on Armed Services and the Committee on Foreign Relations, sitting jointly, were authorized to meet during the session of the Senate this afternoon.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Martin
Brewster	Hoey	Maybank
Bricker	Holland	Millikin
Bridges	Humphrey	Morse
Butler	Ives	Mundt
Byrd	Johnson, Colo.	Myers
Cain	Johnson, Tex.	Neely
Capehart	Kefauver	O'Mahoney
Chapman	Kem	Pepper
Connally	Kerr	Robertson
Cordon	Kilgore	Russell
Donnell	Knowland	Saltonstall
Douglas	Langer	Smith, N. J.
Dworshak	Leahy	Sparkman
Ecton	Lehman	Stennis
Ellender	Lodge	Taft
Ferguson	Lucas	Thomas, Utah
Flanders	McCarran	Thye
Fulbright	McClellan	Tydings
George	McFarland	Watkins
Gillette	McKellar	Wherry
Green	McMahon	Williams
Hayden	Magnuson	Withers
Hendrickson	Malone	Young

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAIN:

S. 3719. A bill for the relief of George Tus; and

S. 3720. A bill for the relief of Mrs. Robert Collier; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3721. A bill for the relief of Pavel Burshuliak and his wife, Amelia; and

S. 3722. A bill for the relief of Ludvic Poenaru and his wife, Rosalia; to the Committee on the Judiciary.

By Mr. TAFT:

S. 3723. A bill for the relief of Mircea Grossu and his family; to the Committee on the Judiciary.

By Mr. WHERRY:

S. 3724. A bill for the relief of Maria Sulikowska Forbes; to the Committee on the Judiciary.

INCREASED EXPENDITURES BY COMMITTEE ON APPROPRIATIONS

Mr. McKELLAR from the Committee on Appropriations, reported an original resolution (S. Res. 293), which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-first Congress, $10,000 in addition to the amounts, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946, Senate Resolution No. 126, agreed to June 22, 1949, and Senate Resolution No. 185, agreed to October 13, 1949.

EXTENSION OF RENT CONTROL—AMENDMENTS

Mr. NEELY submitted amendments intended to be proposed by him to the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, which were ordered to lie on the table and to be printed.

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

DOCTRINE FOR ECONOMIC FREEDOM—PAMPHLET BY FRANZY EAKIN

[Mr. DOUGLAS asked and obtained leave to have printed in the RECORD a pamphlet entitled "Doctrine for Economic Freedom," by Franzy Eakin, published by Economic Accouting, Inc., of Decatur, Ill., which appears in the Appendix.]

THE AMERASIA CASE

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter which I addressed to Mr. J. Edgar Hoover on June 2, 1950, Mr. Hoover's reply, and a letter from the Attorney General to me, dated June 6, 1950, all dealing with the Amerasia case.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

JUNE 2, 1950.

Mr. J. EDGAR HOOVER,
Federal Bureau of Investigation,
Washington, D. C.

DEAR MR. HOOVER: As a Member of the Senate of the United States I have been greatly concerned by the implications of the Amerasia case and a number of unexplained circumstances with relation thereto.

If the lack of prosecution in this case is due to inadequate legislation on the statute books to protect the security of the Nation in time of war or to guard its atomic and other secrets in time of peace, it is essential that the Congress have adequate information so that they may legislate while there is time to do so.

If on the other hand the legislation on the statute books is adequate and the lack of prosecution occurred because of conflict and confusion between several investigating agencies then it is equally important that the Congress be so informed so that similar jurisdictional conflicts will not occur in the future.

As you probably know by now there have been indications given to the Congress and the country that the lack of prosecution was because certain investigative phases of the Amerasia case were bungled.

Calling your attention to the testimony before the House Judiciary Committee on Wednesday, May 15, 1946, which was made public for the first time in the CONGRESSIONAL RECORD of May 22, 1950, I would like to propose the following questions and would appreciate having your answers so that they could be placed in the CONGRESSIONAL RECORD for the information of the Congress.

On page 7452 the following testimony appears:

"Mr. MCGRANERY. We held the one fellow in our office to get the plea of guilty from him. The deal was made there. If we had not handled it in that way, I do not think we would have any case at all. None of this evidence was obtained in a manner in which we ordinarily would get it. It was very clumsily handled. That is my candid opinion do it. This one bird was smart enough to develop a little technique of his own. We, for a while, thought we had no case at all, not only that, but we thought our faces would be very red by their beating us to the punch."

Based on the above-mentioned testimony by Mr. McGranery, I would like to propound the following questions to you as Director of the Federal Bureau of Investigation:

1. Is it a fact that none of the evidence was obtained in a manner in which the Government ordinarily gets it?

2. Is it a fact that the case was very clumsily handled?

3. Is it a fact that there was no case against Jaffe and that the Government was fortunate to have him plead guilty and receive a $2,500 fine?

On page 7453 of the CONGRESSIONAL RECORD of May 22 the following testimony is revealed:

"Mr. FELLOWS. 'Did you feel that was adequate punishment?' "

"Mr, HITCHCOCK. 'No, sir. Larsen had made his motion to suppress this evidence and put in an affidavit how we got that evidence. We knew we could not oppose that motion. We knew we had no evidence against Larsen unless we took whatever deal we could get from him. You gentlemen understand that term "deal".' "

Based on the above testimony of Mr. Hitchcock:

1. Is it your opinion that the Government had no evidence against Larsen?

2. Is it a fact that such evidence as the Government may have possessed was not usable in court because it had been secured in an illegal manner?

On the same page the following testimony appears:

"Mr. MCINERNEY. 'The evidence on Service was thin. They said there was in Jaffe's office, as I recall it, copies of his confidential reports. When we arrested or made the searches, we found copies of his report. We interviewed Larsen, and Larsen admitted he had given Service's copies to Jaffe, and Service had not given them. Service was very much surprised that Jaffe had that report. It was on that thin allegation that we authorized on Service, and the same way with Gayn.' "

Based on the above testimony the following questions are presented:

1. At the time the FBI arrested Service did you believe the evidence was thin?

2. Is it true that the testimony of Mr. McInerney tells the full facts as to the evidence possessed against Service and Gayn at the time of their arrest?

Further on in Mr. McInerney's testimony he states:

"We took a chance on the entire case. We took a chance on some of the subjects."

At the time the FBI gathered the evidence leading to the arrest of the six defendants was it your opinion that you were taking a chance on the entire case and on the subjects being arrested and is this a normal procedure of the Federal Bureau of Investigation?

On page 7447 of the CONGRESSIONAL RECORD of May 22 the proceedings before the court in the case of Larsen's plea of nolo contendere is given. The following statement is published:

"Mr. HITCHCOCK. 'That is, if this plea is accepted. As I told Your Honor in the Jaffe case, there was no element of disloyalty involved, Mr. Jaffe, who was the procurer, these two being employees of the Government, being a man of considerable means——'."

With reference to this statement by Mr. Hitchcock before the court I would like to propound the following questions:

1. Was it then or is it now, the judgment of the FBI based on the evidence available to them that there was no element of disloyalty involved and that the Government attorney was justified in discounting the importance of what Jaffe and Larsen had done?

On May 26, Robert M. Hitchcock, who was assigned to the prosecution of the Amerasia case, testified before the subcommittee of the Foreign Relations Committee investigating security risks in the State Department.

On page 7 of his testimony which was released to the press Hitchcock states:

"It was my opinion then, and it is my opinion now that we had no case against Roth with which we could have gone to trial with the slightest likelihood of success."

Further on in his statement he says:

"Roth did not appear before the grand jury. The grand jury voted 13 to 7 to indict him. Twelve votes are necessary to indict."

In view of the fact that Roth was arrested by the FBI and indicted by the grand jury is it your opinion that the Government had no case against Roth with which they could go to trial with the slightest likelihood of success?

Statements have recently been published to the effect that the documents were of an inconsequential nature and only 1 percent had any military importance.

Based on what you know of the facts in the case is it your opinion the documents seized in the Amerasia case were of an inconsequential nature?

I would appreciate it very much if you would answer the above questions as it is my

intention to read these questions and your answers, if available, to the Senate at an early date.

With best personal regards, I remain,

Sincerely yours,

WILLIAM F. KNOWLAND.

FEDERAL BUREAU OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
Washington, D. C., June 2, 1950.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Your letter of June 2, 1950, propounding certain questions regarding the case involving Philip Jacob Jaffe, with aliases et al., has been received.

Because of the nature of the questions therein which relate to the interpretation and application of existing legislation, and which also involve the interpretation and the value of certain evidence in this case, I have taken the liberty of referring your letter to the Attorney General for a reply.

With expressions of my highest esteem and best regards,

Sincerely yours,

J. E. HOOVER.

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., June 6, 1950.

Hon. WILLIAM F. KNOWLAND,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Mr. Hoover has referred to me your letter of June 2, 1950, propounding certain questions having to do with the Amerasia case and requesting that answers be prepared for inclusion in the CONGRESSIONAL RECORD.

As you know, a subcommittee of the Foreign Relations Committee of the Senate has and is conducting a very thorough inquiry concerning this case. I know that you have confidence in the integrity of the membership of this subcommittee. Testimony by representatives of this Department, including the FBI, covering the points raised by your letter has been given in considerable detail. The committee has, as you are aware, conducted these hearings in executive session. I am sure under these circumstances you will agree with me that it would not be proper to comply with your request at this time.

In addition, the answers to the questions propounded would be a duplication of matters already covered by the subcommittee of the Senate designated to inquire into this matter.

With personal regards,

Sincerely,

J. HOWARD MCGRATH,
Attorney General.

CALL OF THE CALENDAR

Mr. LUCAS. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the calendar commencing with Calendar No. 1513, Senate bill 2980, which is the first bill on the calendar after the calendar was called on April 19, 1950. In addition to that, I should like to include in the call today measures which heretofore have been objected to, as follows:

Calendar No. 570, Senate bill 1165; Calendar No. 1231, Senate bill 1529; Calendar No. 1236, House bill 3532; Calendar No. 1196, Senate bill 2609; Calendar No. 1179, House Joint Resolution 238; and Calendar No. 1333, H. R. 4800. It is my understanding that the objections which had been raised to these six bills, which I request to have included in the call, have been withdrawn.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. HENDRICKSON. The distinguished majority leader is entirely correct. The objections have been withdrawn.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McKELLAR. I should like to have included also Calendar No. 321, Senate bill 1086. This is a simple claims bill for the return of taxes to the Dixie Margarine Co., which the Supreme Court has said this company of Memphis, Tenn., is entitled to receive. The Senator from New Jersey told me he would look into the matter, and I hope very much that he will let that bill be added to the list of bills to be considered at this time.

Mr. HENDRICKSON. Mr. President, I regret that there has been objection to this bill. The objection has not been withdrawn.

Mr. LODGE. Mr. President, will the Chair state the unanimous-consent request?

The VICE PRESIDENT. The Chair will state it in a moment.

Mr. GEORGE. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Georgia.

Mr. GEORGE. I request that Calendar No. 1189, House bill 6073, to amend section 501 (b) (6) of the Internal Revenue Code, be included in the unanimous-consent request, and I should like to make a statement, if the Senator from New Jersey will give me his attention.

Mr. HENDRICKSON. I am giving attention to the Senator from Georgia.

Mr. GEORGE. House bill 6073 is a bill to amend the Small Loan Company Act. Objection has been made from time to time, but most of the Senators who have objected have told me they would not press their objections.

The situation is such that it will be necessary to strike out all after the enacting clause of the House bill and substitute an amendment in order to make the bill effective, and then have it go to conference, in the hope that we may work out a bill in conference. If this bill is included in the list, that would be the course I would ask to have followed. The Senator from Colorado has offered a substitute, to strike out all after the enacting clause and substitute matter in lieu thereof. I think that in conference it will be quite possible to work out a satisfactory bill.

Mr. HENDRICKSON. The Senator from New Jersey has no objection at all to that course.

Mr. LUCAS. I thank the Senator from New Jersey, and I shall include Calendar No. 1189, House bill 6073 in the list of bills to be considered.

The VICE PRESIDENT. The Senator from Illinois asks unanimous consent that the Senate proceed to the consideration of unobjected-to bills on the calendar beginning with Calendar No. 1513, Senate bill 2980, including certain bills prior to that which he has named, and which have been heretofore reached on previous calls of the calendar.

Mr. LODGE. May we have those bills listed?

The VICE PRESIDENT. The Senator from Illinois has listed them, but the Chair cannot from memory list them.

Mr. LUCAS. I shall read the bill numbers and calendar numbers for the benefit of the Senate. Calendar No. 570, Senate bill 1165; Calendar No. 1196, Senate bill 2609; Calendar No. 1179, House Joint Resolution 238; Calendar No. 1231, Senate bill 1529; Calendar No. 1236, House bill 3532; Calendar No. 1333, House bill 4800; and the last one requested by the senior Senator from Georgia is Calendar No. 1189, House bill 6073.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. There is on the calendar a bill for objection to which I was partially responsible one time last year. I withdraw my objection, and if it is possible I should like to include it in the list of bills to be considered today.

Mr. LUCAS. What is the number?

Mr. TAFT. Calendar No. 294 on the first page, Senate bill 878.

The VICE PRESIDENT. The Chair would suggest that there is a House bill now on the calendar which has come to the Senate since the Senate bill was placed on the calendar. The House bill will be reached on the call of the calendar today.

Mr. TAFT. It will be satisfactory to have the House bill considered.

Mr. LUCAS. That will be reached on the call today.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois that the Senate proceed to the consideration of the calendar as indicated? The Chair hears none.

Mr. THYE. There is another bill I should like to have included in the list of those to be considered. I refer to Senate bill 2034, Calendar No. 1133, to be found on page 11 of the calendar. That bill was objected to when the calendar was last called. The objection, as I understand, has been withdrawn, and I think there is now no objection to the bill. I wonder if the bill might be included in the list the able majority leader has read.

Mr. LUCAS. If the Senator is certain the objection has been withdrawn today I shall be glad to include it.

Mr. THYE. The Senator from Delaware [Mr. WILLIAMS], acting as minority leader when the calendar was last called, had been requested to object to the bill when it was reached on the calendar. The Senator from Delaware is present and I am sure he will be glad to speak now.

Mr. WILLIAMS. The statement just made is correct. It is my understanding that there is no objection to the bill.

Mr. THYE. I thank the Senator.

Mr. TAFT. What number is it?

Mr. THYE. Calendar No. 1133, Senate bill 2034.

Mr. LUCAS. Mr. President, I modify my request to include that bill.

The VICE PRESIDENT. The request for inclusion of certain bills has previously been agreed to. Without objection, the bill just referred to will be added to the list.

Mr. THYE. I thank the Senator from Illinois.

The VICE PRESIDENT. The Secretary will call the first bill on the calendar.

Mr. WITHERS. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WITHERS. I should like to address myself to House bill 3480, Calendar No. 1171. This bill was objected to by the junior Senator from Oregon [Mr. MORSE], when reached on the calendar previously. He has withdrawn his objection, and so far as we know there is no further objection to the bill. I should like to have that included in the list.

Mr. LUCAS. Mr. President, I ask unanimous consent that the bill referred to by the Senator from Kentucky may also be included in the list.

Mr. HENDRICKSON. Mr. President, I have no objection.

The VICE PRESIDENT. Will the Senator repeat the number?

Mr. LUCAS. Calendar No. 1171, House bill 3480.

The VICE PRESIDENT. Without objection, that bill will be added to the list.

Does the Senator from Illinois wish the bills which have heretofore been reached on the calendar to be called first, or does he wish those bills to be called after the conclusion of the call of the new bills placed on the calendar?

Mr. LUCAS. I should like to begin with Calendar 570, Senate bill 1165, and continue from that point on.

The VICE PRESIDENT. The Secretary will call the first bill.

ADMISSION INTO UNITED STATES OF CERTAIN ALIEN SHEEPHERDERS

The bill (S. 1165) to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders, was announced as first in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HUMPHREY. I object.

The VICE PRESIDENT. Was it the Senator from Minnesota [Mr. HUMPHREY] or the Senator from Delaware [Mr. FREAR] who objected?

Mr. HUMPHREY. Mr. President, I objected.

The VICE PRESIDENT. The Chair was in doubt whether the Senator from Minnesota objected or the Senator from Delaware. Senators should rise when they wish to make objection. It is not very dignified for Senators to remain sitting in their seats when they object.

Mr. HUMPHREY. Mr. President, I withdraw my objection. I am informed that the Senator who had previously objected has withdrawn his objection. So I now withdraw my objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 1165) to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders, which had been reported from the Committee on the Judiciary with amendments on page 1, line 5, after the words "authority of", to insert "the fourth proviso to"; and on page 2, line 10, after the word "under", to insert "the fourth proviso to", so as to make the bill read:

Be it enacted, etc., That for a period of 1 year after the effective date of this act, in any case in which the Attorney General, under the authority of the fourth proviso to section 3 of the Immigration Act of 1917 (U. S. C., title 8, sec. 136), grants permission for the importation of a skilled sheepherder into the United States and the investigation of the application for such importation discloses that—

(1) the employment offered such skilled sheepherder is permanent, and

(2) no immigration quota number of the country of which such alien sheepherder is a national is then available,

a special immigration visa may be issued to such alien sheepherder as provided in this act: *Provided*, That such alien sheepherder is otherwise admissible into the United States for permanent residence.

SEC. 2. The Attorney General shall certify to the Secretary of State the name and address of every skilled sheepherder for which an application for importation under the fourth proviso to section 3 of the Immigration Act of 1917 has been approved. If a quota number is not then available for such alien sheepherder, the proper consular officer may issue a special quota immigration visa to such alien sheepherder. Upon the issuance of such visa the proper quota-control officer shall deduct one number from the appropriate quota for the first year that such quota is available: *Provided*, That not more than 50 percent of any quota shall be deducted under the provisions of this act in any given fiscal year.

SEC. 3. (a) There shall not be issued more than 250 special quota immigration visas under this act.

(b) Nothing contained in this act shall be construed as increasing the immigration quota of any country or of altering the requirements for admission of aliens into the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARKETING OF PERISHABLE AGRICULTURAL COMMODITIES

The bill (S. 2034) to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities, was announced as next in order.

The VICE PRESIDENT. The Chair would like to say that an identical House bill, H. R. 5511, is on the calendar, and, without objection, the title of the House bill will be stated for the information of the Senate.

The LEGISLATIVE CLERK. A bill, H. R. 5511, to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 5511) was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2034 will be indefinitely postponed.

USE FOR EDUCATIONAL PURPOSES OF CERTAIN LANDS IN KENTUCKY

The bill (H. R. 3480) to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill.

Mr. MORSE. Mr. President, reserving the right to object, and I shall not object, I wish to say, as the one who objected to the bill the last time it was reached on the call of the calendar, that I have made a personal investigation into this matter, and I find the facts to be these: This particular piece of property was transferred to the Federal Government for the use of the Veterans' Administration and for the building of a veterans' hospital, and for that specific purpose only. The Veterans' Administration decided not to build the hospital on this particular piece of property. Therefore, in all fairness, and in accordance with the original conveyance, this property should revert to Kentucky. Therefore it does not fall within the formula I usually apply in all such transfers, namely that the Federal Government receive something for the conveyance of the property. In this instance I think the Federal Government owes the property to the State of Kentucky in accordance with the terms of the original conveyance, and I do not object.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 3480) to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively, was considered, ordered to a third reading, read the third time, and passed.

CITIZENSHIP FOR IMMIGRANTS HAVING LEGAL RIGHT TO PERMANENT RESIDENCE—JOINT RESOLUTION PLACED AT FOOT OF CALENDAR

The joint resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. McCARRAN. Mr. President, I suggest that the joint resolution go to the end of the calendar.

The VICE PRESIDENT. Without objection, the joint resolution will be placed at the end of the calendar.

LICENSED PERSONAL FINANCE COMPANIES

The bill (H. R. 6073) to amend section 501 (b) (6) of the Internal Revenue Code, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. LANGER. Mr. President, may we have an explanation of the bill?

The VICE PRESIDENT. Will the senior Senator from Georgia explain the bill?

Mr. GEORGE. Mr. President, this bill was reported by the Finance Committee unanimously. We now seek to amend the bill by striking out all after the enacting clause, and to let it go to conference. The bill applies to small-loan companies and would prevent them from being classified as holding companies.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6073) to amend section 501 (b) (6) of the Internal Revenue Code.

Mr. GEORGE. Mr. President, we wish to submit an amendment proposing to strike out all after the enacting clause and insert different language, so that the bill may go to conference.

The VICE PRESIDENT. The amendment is not at the desk. Will the Senator send it to the desk? The Chair is advised that there are two substitutes.

Mr. GEORGE. Mr. President, we are offering to amend the bill by striking out all after the enacting clause and inserting a substitute.

The VICE PRESIDENT. Which one of the substitutes does the Senator from Georgia submit?

Mr. GEORGE. The latter of the two; that is the correct one.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That section 501 (b) (6) of the Internal Revenue Code is amended to read as follows:

"(6) A loan, discount, or finance company if—

"(A) At least 60 percent of its gross income is derived from, or arises out of, business done by it as a loan, discount, or finance company under State supervision, as permitted by one or more controlling State statutes; and

"(B) The deductions allowed it under section 23 (a) (relating to expenses), other than for compensation for personal services rendered by shareholders, constitute 15 percent or more of its gross income; and

"(C) The loans to a person, who is a shareholder in such company during such taxable year by or for whom 10 percent or more in value of its outstanding stock is owned directly or indirectly (including in the case of an individual, stock owned by the members of his family as defined in section 503 (a) (2)), outstanding at any time during such year do not exceed $5,000 in principal amount."

SEC. 2. Effective date: The amendment made by the first section of this act shall be applicable with respect to taxable years beginning after December 31 1949.

The VICE PRESIDENT. Without objection, the amendment is agreed.

The question now is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. GEORGE. Mr. President, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

Mr. GEORGE. Mr. President, if I may be permitted to suggest the conferees from the floor, I would suggest the senior Senator from Colorado [Mr. JOHNSON], the junior Senator from Colorado [Mr. MILLIKIN], the Senator from Ohio [Mr. TAFT], the Senator from Virginia [Mr. BYRD], and myself.

The VICE PRESIDENT. The Chair appoints the Senator from Georgia [Mr. GEORGE], the Senator from Colorado [Mr. JOHNSON], the Senator from Virginia [Mr. BYRD], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Ohio [Mr. TAFT] conferees on the part of the Senate.

TREATMENT AND REHABILITATION OF YOUTH OFFENDERS

The VICE PRESIDENT. The clerk will state the next bill coming under the agreement.

The bill (S. 2609) to provide a system for the treatment and rehabilitation of youth offenders, to improve the administration of criminal justice, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. RUSSELL. Mr. President, I desire to reserve the right to object to consideration of the bill. I do not object, but I understand that the Senator from West Virginia is going to offer an amendment to the bill.

The VICE PRESIDENT. The bill is not yet before the Senate. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments on page 2, line 3, after the word "this", to strike out "act" and insert "section"; in line 6, after the word "this", to strike out "act" and insert "section"; in line 17, after the word "him", to strike out "such" and insert "the necessary"; in line 18, after the word "responsibilities", to strike out "as may be required for the effectuation of this act"; on page 3, after line 3, in the table at the top of the page, to strike out "'5012. Certificate of the Division as to availability of facilities'" and in lieu thereof to insert "'5012. Certificate as to availability of facilities'"; on page 10, line 10, to change the lettering of the subparagraph from "(d)" to "(e)"; on page 12, line 2, after the word "effect", to strike out "and the certificate shall have the same legal effect as a pardon", and after line 23, to strike out:

SEC. 3. Nothing in chapter 402 (title 18, U. S. C.) shall be construed as repealing or modifying the duties, power, or authority of the Board of Parole with respect to the parole of United States prisoners not held to be committed youth offenders or juvenile delinquents.

And in lieu thereof, to insert the following:

SEC. 3. (a) When a majority of the members of the Board of Parole appointed under section 4201 of title 18 of the United States Code, as amended by this act, qualify and enter upon their duties, the Board of Parole, established in that section prior to its amendment, shall cease to exist and its powers and duties shall become vested in and be exercised by the Board established by section 1 of this act.

(b) Nothing in chapter 402 of title 18 of the United States Code shall be construed as repealing or modifying the duties, power, or authority of the Board of Parole with respect to the parole of United States prisoners not held to be committed youth offenders or juvenile delinquents.

The amendments were agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. KILGORE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, in line 2, it is proposed to strike out the words "twenty-four" and insert the words "twenty-two."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I should like to have an explanation of the bill.

Mr. KILGORE. Mr. President, the bill comes initially from the conference of senior circuit court judges. Its purpose is to grant to trial courts in criminal cases, where the courts are trying youths under the age of 22, some additional facilities, in order that they may determine whether the case is a mental case, and also to try certain correctional methods. Use of the system provided by this measure would not be mandatory.

The same system is in use in Massachusetts, where it has been in operation for a number of years, and also in New Jersey and in California. It has been in use in England since 1894, with great success.

As I have said, enactment of the bill is recommended by the conference of senior circuit court judges, and also by the American Bar Association, by all the veterans' organizations, by the Grange, by all the labor organizations, and by the National Institute of Law. Furthermore, every district court judge whom we have been able to contact is in favor of the bill. The judges say that the bill will give them an additional facility, although use of the system provided by the bill will not be mandatory.

However, when there is a case about which a judge is in doubt, if the accused is under the age of 22, the judge may refer the case to the youth correction division.

The bill does not present any question of additional personnel, it creates no new board or agency. The Parole Board of the Department of Justice will administer the system provided by the bill.

The estimate of the cost is $85,000 for the first year, and not to exceed $185,000 at any time during the operation of the proposed law, because Federal Government facilities now in existence will be used exclusively.

The VICE PRESIDENT. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2609) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4201 of title 18 of the United States Code is amended to read as follows:

"SEC. 4201. Board of Parole; members; salaries.

"There is hereby created in the Department of Justice a Board of Parole to consist of eight members to be appointed by the President, by and with the advice and consent of the Senate. The salary of each member of the Board shall be fixed in accordance with the Classification Act of 1923, as amended, and any acts supplementary thereto or in substitution therefor. The members of the Board first appointed under this section shall be appointed for terms as follows: Two for 2 years, two for 3 years, two for 4 years, and two for 6 years, respectively, from the effective date of this section. The term of office of a successor to any member shall expire 6 years from the date of the expiration of the term for which his predecessor was appointed, except that any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Upon the expiration of his term of office, a member of the Board shall continue to act until his successor shall have been appointed and qualified. The Attorney General shall from time to time designate one of its members to serve as Chairman of said Board and delegate to him the necessary administrative duties and responsibilities."

SEC. 2. Part IV of title 18 of the United States Code is hereby amended by inserting therein a new chapter immediately after chapter 401 thereof, as follows:

"CHAPTER 402—FEDERAL YOUTH CORRECTIONS ACT

"Sec.
"5005. Youth Correction Division.
"5006. Definitions.
"5007. Duties of members; meetings.
"5008. Officers and employees.
"5009. Rules of Division.
"5010. Sentence.
"5011. Treatment.
"5012. Certificate as to availability of facilities.
"5013. Provision of facilities.
"5014. Classification studies and reports.
"5015. Powers of Director as to placement of youth offenders.
"5016. Reports concerning offenders.
"5017. Release of youth offenders.
"5018. Revocation of Division orders.
"5019. Supervision of released youth offenders.
"5020. Apprehension of released offenders.
"5021. Certificate setting aside conviction.
"5022. Applicable date.
"5023. Relationship to Probation and Juvenile Delinquency Acts.
"5024. Where applicable.

"SEC. 5005. Youth Correction Division.

"There is created within the Board of Parole a Youth Correction Division. The Attorney General shall from time to time designate members of the Board of Parole to serve on said Division as the work requires. The Attorney General shall from time to time designate one of the members of the Division to serve as Chairman and delegate to him such administrative duties and responsibilities as may be required to carry out the purposes of this chapter.

"SEC. 5006. Definitions.

"As used in this chapter—

"(a) 'Board' means the Board of Parole;

"(b) 'Division' means the Youth Correction Division of the Board of Parole;

"(c) 'Bureau' means the Bureau of Prisons;

"(d) 'Director' means the Director of the Bureau;

"(e) 'Youth offender' means a person under the age of 22 years at the time of conviction;

"(f) 'Committed youth offender' is one committed for treatment hereunder to the custody of the Attorney General pursuant to section 5010 (b) and 5010 (c) of this chapter;

"(g) 'Treatment' means corrective and preventive guidance and training designed to protect the public by correcting the antisocial tendencies of youth offenders;

"(h) 'Conviction' means the judgment on a verdict or finding of guilty, a plea of guilty, or a plea of nolo contendere.

"SEC. 5007. Duties of members; meetings.

"The Division shall hold stated meetings to consider problems of treatment and correction, to consult with, and make recommendations to, the Director with respect to general treatment and correction policies for committed youth offenders, and to enter orders directing the release of such youth offenders conditionally under supervision and the unconditional discharge of such youth offenders, and take such further action and enter such other orders as may be necessary or proper to carry out the purposes of this chapter.

"SEC. 5008. Officers and employees.

"The Attorney General shall appoint such supervisory and other officers and employees as may be necessary to carry out the purposes of this chapter. United States probation officers shall perform such duties with respect to youth offenders on conditional release as the Attorney General shall request.

"SEC. 5009. Rules of Division.

"The Division shall adopt and promulgate rules governing its own procedure.

"SEC. 5010. Sentence.

"(a) If the court is of the opinion that the youth offender does not need commitment, it may suspend the imposition or execution of sentence and place the youth offender on probation.

"(b) If the court shall find that a convicted person is a youth offender, and the offense is punishable by imprisonment under applicable provisions of law other than this subsection, the court may, in lieu of the penalty of imprisonment otherwise provided by law, sentence the youth offender to the custody of the Attorney General for treatment and supervision pursuant to this chapter until discharged by the Division as provided in section 5017 (c) of this chapter; or

"(c) If the court shall find that the youth offender may not be able to derive maximum benefit from treatment by the Division prior to the expiration of 6 years from the date of conviction it may, in lieu of the penalty of imprisonment otherwise provided by law, sentence the youth offender to the custody of the Attorney General for treatment and supervision pursuant to this chapter for any further period that may be authorized by law for the offense or offenses of which he stands convicted or until discharged by the Division as provided in section 5017 (d) of this chapter.

"(d) If the court shall find that the youth offender will not derive benefit from treatment under subsection (b) or (c), then the court may sentence the youth offender under any other applicable penalty provision.

"(e) If the court desires additional information as to whether a youth offender will derive benefit from treatment under subsections (b) or (c) it may order that he be committed to the custody of the Attorney General for observation and study at an appropriate classification center or agency. Within 60 days from the date of the order, or such additional period as the court may grant, the Division shall report to the court its findings.

"SEC. 5011. Treatment.

"Committed youth offenders not conditionally released shall undergo treatment in institutions of maximum-security, medium-security, or minimum-security types, including training schools, hospitals, farms, forestry, and other camps, and other agencies that will provide the essential varieties of treatment. The Director shall from time to time designate, set aside, and adapt institutions and agencies under the control of the Department of Justice for treatment. Insofar as practical, such institutions and agencies shall be used only for treatment of committed youth offenders, and such youth offenders shall be segregated from other offenders, and classes of committed youth offenders shall be segregated according to their needs for treatment.

"SEC. 5012. Certificate as to availability of facilities.

"No youth offender shall be committed to the Attorney General under this chapter until the Director shall certify that proper and adequate treatment facilities and personnel have been provided.

"SEC. 5013. Provision of facilities.

"The Director may contract with any appropriate public or private agency not under his control for the custody, care, subsistence, education, treatment, and training of committed youth offenders the cost of which may be paid from the appropriation for 'Support of United States Prisoners.'

"SEC. 5014. Classification studies and reports.

"The Director shall provide classification centers and agencies. Every committed youth offender shall first be sent to a classification center or agency. The classification center or agency shall make a complete study of each committed youth offender, including a mental and physical examination, to ascertain his personal traits, his capabilities, pertinent circumstances of his school, family life, any previous delinquency or criminal experience, and any mental or physical defect or other factor contributing to his delinquency. In the absence of exceptional circumstances, such study shall be completed within a period of 30 days. The agency shall promptly forward to the Director and to the Division a report of its findings with respect to the youth offender and its recommendations as to his treatment. At least one member of the Division shall, as soon as practicable after commitment, interview the youth offender, review all reports concerning him, and make such recommendations to the Director and to the Division as may be indicated.

"SEC. 5015. Powers of Director as to placement of youth offenders.

"(a) On receipt of the report and recommendations from the classification agency the Director may—

"(1) recommend to the Division that the committed youth offender be released conditionally under supervision; or

"(2) allocate and direct the transfer of the committed youth offender to an agency or institution for treatment; or

"(3) order the committed youth offender confined and afforded treatment under such conditions as he believes best designed for the protection of the public.

"(b) The Director may transfer at any time a committed youth offender from one

agency or institution to any other agency or institution.

"SEC. 5016. Reports concerning offenders.

"The Director shall cause periodic examinations and reexaminations to be made of all committed youth offenders and shall report to the Division as to each such offender as the Division may require. United States probation officers and supervisory agents shall likewise report to the Division respecting youth offenders under their supervision as the Division may direct.

"SEC. 5017. Release of youth offenders.

"(a) The Division may at any time after reasonable notice to the Director release conditionally under supervision a committed youth offender. When, in the judgment of the Director, a committed youth offender should be released conditionally under supervision he shall so report and recommend to the Division.

"(b) The Division may discharge a committed youth offender unconditionally at the expiration of 1 year from the date of conditional release.

"(c) A youth offender committed under section 5010 (b) of this chapter shall be released conditionally under supervision on or before the expiration of 4 years from the date of his conviction and shall be discharged unconditionally on or before 6 years from the date of his conviction.

"(d) A youth offender committed under section 5010 (c) of this chapter shall be released conditionally under supervision not later than 2 years before the expiration of the term imposed by the court. He may be discharged unconditionally at the expiration of not less than 1 year from the date of his conditional release. He shall be discharged unconditionally on or before the expiration of the maximum sentence imposed, computed uninterruptedly from the date of conviction.

"(e) Commutation of sentence authorized by any act of Congress shall not be granted as a matter of right to committed youth offenders but only in accordance with rules prescribed by the Director with the approval of the Division.

"SEC. 5018. Revocation of Division orders.

"The Division may revoke or modify any of its previous orders respecting a committed youth offender except an order of unconditional discharge.

"SEC. 5019. Supervision of released youth offenders.

"Committed youth offenders permitted to remain at liberty under supervision or conditionally released shall be under the supervision of United States probation officers, supervisory agents appointed by the Attorney General, and voluntary supervisory agents approved by the Division. The Division is authorized to encourage the formation of voluntary organizations composed of members who will serve without compensation as voluntary supervisory agents and sponsors. The powers and duties of voluntary supervisory agents and sponsors shall be limited and defined by regulations adopted by the Division.

"SEC. 5020. Apprehension of released offenders.

"If, at any time before the unconditional discharge of a committed youth offender, the Division is of the opinion that such youth offender will be benefited by further treatment in an institution or other facility, any member of the Division may direct his return to custody or, if necessary, may issue a warrant for the apprehension and return to custody of such youth offender and cause such warrant to be executed by a United States probation officer, and appointed supervisory agent, a United States marshal, or any officer of a Federal penal or correctional institution. Upon return to custody, such youth offender shall be given an opportunity to appear before the Division or a member thereof. The Division may then or at its discretion revoke the order of conditional release.

"SEC. 5021. Certificate setting aside conviction.

"Upon the unconditional discharge by the Division of a committed youth offender before the expiration of the maximum sentence imposed upon him, the conviction shall be automatically set aside and the Division shall issue to the youth offender a certificate to that effect.

"SEC. 5022. Applicable date.

"This chapter shall not apply to any offense committed before its enactment.

"SEC. 5023. Relationship to Probation and Juvenile Delinquency Acts.

"(a) Nothing in this chapter shall limit or affect the power of any court to suspend the imposition or execution of any sentence and place a youth offender on probation or be construed in any wise to amend, repeal, or affect the provisions of chapter 231 of this title relative to probation.

"(b) Nothing in this chapter shall be construed in any wise to amend, repeal, or affect the provisions of chapter 403 of this title (the Federal Juvenile Delinquency Act), or limit the jurisdiction of the United States courts in the administration and enforcement of that chapter except that the powers as to parole of juvenile delinquents shall be exercised by the Division.

"SEC. 5024. Where applicable.

"This chapter shall apply in the continental United States other than the District of Columbia and Alaska."

SEC. 3. (a) When a majority of the members of the Board of Parole appointed under section 4201 of title 18 of the United States Code, as amended by this act, qualify and enter upon their duties, the Board of Parole, established by that section prior to its amendment, shall cease to exist and its powers and duties shall become vested in and be exercised by the Board established by section 1 of this act.

(b) Nothing in chapter 402 of title 18 of the United States Code shall be construed as repealing or modifying the duties, power, or authority of the Board of Parole with respect to the parole of United States prisoners not held to be committed youth offenders or juvenile delinquents.

SEC. 4. Chapter 401 of title 18 of the United States Code is hereby amended by adding at the end thereof immediately after section 5001 a new section as follows:

"SEC. 5002. Advisory Corrections Council.

"There is hereby created an Advisory Corrections Council, composed of one United States circuit judge and two United States district judges designated from time to time by the Chief Justice of the United States, of one member, who shall be chairman, designated by the Attorney General, and, ex officio, of the Chairman of the Board of Parole, the Chairman of the Youth Division, the Director of the Bureau of Prisons, and the Chief of Probation of the Administrative Office of the United States Courts. The Council shall hold stated meetings to consider problems of treatment and correction of all offenders against the United States and shall make such recommendations of the Congress, the President, the Judicial Conference of the United States, and other appropriate officials as may improve the administration of criminal justice and assure the coordination and integration of policies respecting the disposition, treatment, and correction of all persons convicted of offenses against the United States. It shall also consider measures to promote the prevention of crime and delinquency, suggest appropriate studies in this connection to be undertaken by agencies both public and private. The members of the Council shall serve without compensation but necessary travel and subsistence expenses as authorized by law shall be paid from available appropriations of the Department of Justice."

SEC. 5. (a) The analysis of part IV of title 18 of the United States Code, immediately preceding chapter 401 of that title, is amended by inserting immediately after and underneath item "401. General Provisions * * * 5001", a new item to read as follows: "402. Federal Youth Corrections Act * * * 5005."

(b) The analysis of chapter 401 of said title 18 of the United States Code, is amended by inserting immediately after and underneath item "Sec. 5001. Surrender to State authorities; expenses," a new item "Sec. 5002. Advisory Corrections Council."

AMY L. HEFINGTON

The VICE PRESIDENT. The next bill under the agreement will be stated.

The bill (S. 1529) for the relief of Amy L. Hefington was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I send to the desk an amendment which I wish to offer.

The VICE PRESIDENT. The first question is whether there is objection to the present consideration of the bill. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

Mr. HENDRICKSON. Mr. President, I now submit the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 3, before the period at the end of the bill, it is proposed to add a semicolon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Army is hereby authorized and directed to pay, out of any money available for the payment of salaries to civilian personnel, the sum of $1,783.38 to Amy L. Hefington, of Balboa, C. Z., in full settlement of all claims against the United States as compensation covering the period from July 19, 1948, to December 24, 1948, inclusive (920 hours at $1.9384603 an hour), during which period she was, according to findings of the Department of the Army Grievance Board, wrongfully and without justification suspended and dismissed from her civilian position with the Finance Office, United States Army Caribbean, Corozal, C. Z.; *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in

connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MRS. SIRVART ARSENIAN

The Senate proceeded to consider the bill (H. R. 3532) for the relief of Mrs. Sirvart Arsenian, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 5, after the word "act", to insert a colon and "*Provided*, That passage of this act shall not be construed as an inference of liability on the part of the Government of the United States."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN MINERAL INTERESTS—BILL PLACED AT FOOT OF CALENDAR

The bill (H. R. 4800) to direct the Secretary of Agriculture to convey certain mineral interests, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. May we have an explanation of the bill?

Mr. ELLENDER. Mr. President, this bill came up for consideration on the last call of the calendar, at which time I gave an explanation. The purpose of the bill is merely to authorize a division of the Department of Agriculture to transfer mineral rights to the owners of farms, who acquired their lands from the Resettlement Administration or the Farm Security Administration, or now administered by the Farmer's Home Administration.

As will be recalled, several years ago, through the agencies named, certain bodies of land were acquired in various parts of the country, and they were sold to farmers, the Government reserving the mineral rights. In 1946 the Congress passed an act whereby all lands could be transferred to farmers without the necessity of retaining mineral rights.

This bill tends to create a uniform policy as to the disposition of mineral rights retained by the Department of Agriculture, in that, as to all lands which had been sold by the Government formerly, and which had been acquired through the agencies heretofore named, the Government will be given the right under this bill to transfer those mineral rights. That is all the bill does.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, reserving the right to object, do I correctly understand that the testimony of witnesses who appeared before the committee was to the effect that prior to this time no mineral rights have been sold? Is that the testimony?

Mr. ELLENDER. That is correct, insofar as lands administered by the Resettlement Administration or the Farm Security Administration, or now administered by the Farmer's Home Administration.

Mr. WILLIAMS. Does the testimony cover all Government departments?

Mr. ELLENDER. The only department involved here was the Department of Agriculture under which the programs heretofore named were administered. Representatives of the Department of Agriculture, have appeared before the committee, and have favored the bill.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. WILLIAMS. Is it the understanding of the Senator from Louisiana that none have been sold by any other Government agency?

Mr. ELLENDER. I do not know as to other lands not in a similar category as those covered by the pending measure. As a matter of fact, there could not have been, because this is authority to sell the mineral rights as to lands formerly owned by the Resettlement Administration, or the Farm Security Administration, or now administered by the Farmers Home Administration. If the Senator remembers, soon after 1933 large areas of land were acquired by certain Government agencies, which were subdivided into farms, and those lands were sold to farmers throughout the country, the Government reserving a portion of the mineral rights. Later on, the Congress passed a law whereby certain Government agencies owning certain lands could sell them without reserving the mineral rights.

This bill has the effect of making the policy uniform, as I explained, when the bill first came up for consideration on the last previous call of the calendar.

Mr. WILLIAMS. I am going to ask, with the permission of the Senator from Louisiana, that the bill go to the foot of the calendar, to be called up again later. In the meantime, perhaps we can get together.

Mr. ELLENDER. That will be agreeable to me.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill will go to the foot of the calendar. The clerk will call the next bill.

CIGAR-WRAPPER TOBACCO TYPES 61 AND 62

The bill (S. 2980) to amend the Agricultural Adjustment Act of 1938 with respect to cigar-wrapper type 61 tobacco and cigar-wrapper type 62 tobacco was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, may we have an explanation of the bill?

Mr. HOLLAND. Mr. President, this bill was introduced by the two Senators from Georgia and the two Senators from Florida. It relates to the so-called wrapper-leaf type of tobacco, which on the request of the producers of such tobacco themselves, was omitted from the agricultural support program in former legislation.

There are only two areas of the Nation affected, namely, the States of Georgia and Florida, where a small amount of acreage, about 5,100 acres, is devoted to the production of this wrapper-leaf tobacco, and the States of Connecticut and Massachusetts, where a somewhat larger area, I think amounting to about 10,000 acres, produces this type of tobacco.

The reason for the request of these producers to be included at this time under the program grows out of the fact that during World War II the competing areas in Indonesia—Java and Sumatra—were unable to bring their products into this country. As a result, the acreage in this country increased largely, in part due to an increase of the plantings of growers here, and in part due to the coming into this nation of new corporate growers belonging to the Indonesian producers. It is now the case that the offshore tobacco is again available for introduction here, which means that the acreage here will have to be reduced. Unfortunately, there is no way of reducing the acreage equitably, except by bringing this industry, which has heretofore strongly insisted that it not be included in the program, under the terms of the agricultural price-support legislation.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. This industry, as the Senator says, is conducted by a comparatively few people, including some in a certain section of Massachusetts. Some of them want the bill, some of them do not. Is it the intention, through this bill, to reduce the acreage, in order to bring the supply within the demand, and to get the Government out of the business, or will the Government constantly have to provide a subsidy?

Mr. HOLLAND. The purpose of this measure, and the only purpose, is to allow reduction of acreage, in order that the supply may conform to the demand. I may say to the Senator there are in the Connecticut Valley area, according to statements made at the hearing, only about 38 producers. There are in the Florida-Georgia area some 300 or 305 producers. The history of this whole price-support operation as to other forms of tobacco is that it has been one of the most fortunate, if not the most fortunate operation under the program, in that the Government has been able to reduce acreage and to make the production conform to market demands. I may call the attention of the Senator to the fact that the Government has a peculiar stake in this business because of the tremendous revenue-paying operations of the tobacco industry to both the Federal and the State Governments.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. The report states that the first year of the operation of the act will cost the Government $8,000,000, the second year $4,000,000, with lowering costs thereafter. Does the Senator agree to those figures?

Mr. HOLLAND. Those were the best figures we could get, and I think even they are exaggerated. I think the quoted statement really means that ac-

cording to the best information available, an investment of $3,000,000 would be required the first year, and $4,000,000 in subsequent years. But, if the Senator will read the remainder of the report, he will note that it has been the history of operations in the tobacco industry that there has been no loss to the Government. To the contrary, there has been some profit. It would be the intention, provided two-thirds or more of the producers in each area would agree to it—and that would be the condition—to bring into the program this additional part of the tobacco industry, in order that the acreage may be reduced, and the heavy overproduction may be avoided, which is itself the result of conditions produced by World War II, which I have just mentioned.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SALTONSTALL. Mr. President, reserving the right to object, may I ask the Senator from Florida one more question?

Mr. HOLLAND. I yield.

Mr. SALTONSTALL. Is it not true that prior to the war, and prior to the Indonesian situation, most of this business was in Massachusetts and Connecticut?

Mr. HOLLAND. My understanding is that the business in Florida and Georgia is much the older of the two, but that the business in Massachusetts and Connecticut has been in recent years twice as great in acreage as the business in Georgia and Florida. But I do not believe there is any situation here of disparity of interest between the two areas. To the contrary, I may say to the Senator that there was only one grower who appeared in opposition to this program, and he admitted that the business of the two corporations which he represented belonged entirely to the offshore producers, the Indonesian producers who had come in during the war.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2980) to amend the Agricultural Adjustment Act of 1938 with respect to cigar-wrapper type 61 tobacco and cigar-wrapper type 62 tobacco, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 3, line 5, after the word "section", to strike out:

The Secretary may appoint a committee of producers of type 62 tobacco which, in accordance with regulations issued by the Secretary, shall assist other committees and agencies utilized in the administration of marketing quotas pursuant to this act.

On page 5, line 11, after the word "regulations;", insert "and"; on the same page, line 16, after the word "context", strike out "indicates;" and insert "indicates."; and after line 17 to strike out:

(7) The Secretary shall appoint a committee of producers of type 61 tobacco which, in accordance with regulations issued by the Secretary, shall assist the other committees and agencies utilized in the administration of marketing quotas pursuant to this act.

So as to make the bill read:

Be it enacted, etc., That section 301 (b) of the Agricultural Adjustment Act of 1938, as amended (U. S. C., title 7, sec. 1301 (b)), is amended (a) by amending paragraph (7) so as to provide marketing years for tobacco as follows:

"Tobacco (flue-cured and cigar-wrapper types 61 and 62), July 1–June 30;

"Tobacco (other than flue-cured and cigar-wrapper types 61 and 62), October 1–September 30;".

(b) By amending paragraph (10) (B) to read as follows:

"(B) 'Normal supply' in the case of tobacco shall be a normal year's domestic consumption and exports, plus, as an allowance for a normal carry-over, 65 percent of a normal year's exports and the following percentage of a normal year's domestic consumption: 175 percent in the case of kinds of tobacco other than cigar-wrapper types 61 and 62; 150 percent in the case of cigar-wrapper type 61 tobacco; and 140 percent in the case of cigar-wrapper type 62 tobacco."

(c) By amending paragraph (15) by changing the period following the words, "Cigar-filler tobacco, comprising type 41" to a semicolon, and by adding at the bottom of the list contained therein the following:

"Cigar-wrapper type 61 tobacco:

"Cigar-wrapper type 62 tobacco."

SEC. 2. Section 313 of the Agricultural Adjustment Act of 1938, as amended (U. S. C., title 7, sec. 1313), is amended by adding at the end thereof the following new subsections:

"(i) Notwithstanding any other provisions of this act, in the case of cigar-wrapper type 62 tobacco, the Secretary, on the basis of the national average yield per acre during the 5 years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production, shall convert such national marketing quota into a national acreage allotment. The national acreage allotment shall be apportioned to farms on the basis of the factors set forth in subsection (g) of this section.

"(j) Notwithstanding any other provisions of this act, it is hereby provided, with respect to cigar-wrapper type 61 tobacco—

"(1) the Secretary, on the basis of the national average yield per acre of cigar-wrapper type 61 tobacco during the 5 years last preceding the year in which the national marketing quota is proclaimed, adjusted for abnormal conditions of production, shall convert such national marketing quota into a national acreage allotment;

"(2) the national acreage allotment, less the acreage to be allotted pursuant to paragraph (3) hereof, shall be apportioned on the basis of the factors set forth in subsection (b) of this section, using past acreage (harvested and diverted) of the producer in lieu of past marketing of tobacco, among those persons who have produced cigar-wrapper type 61 tobacco on farms owned or leased by them in one or more of the five calendar years immediately preceding the year for which such allotment is established: *Provided,* That no allotment established pursuant to this paragraph shall be less than the smaller of (i) 20 percent of the average acreage allotment for type 61 tobacco (i. e., the acreage obtained by dividing the national acreage allotment by the total number of allotments to producers of such tobacco), or (ii) the annual average number of acres actually devoted by the producer to the production of such tobacco during such 5 years. In addition to other factors to be used as a basis for apportioning allotments to producers, consideration shall be given to changes in production resulting from the use of different varieties of seed and to the effect thereof upon the acreage of tobacco which can reasonably be handled with facilities available to and normaly used by the producer. Each producer shall designate the farm or farms on which the allotment of tobacco established for him will be produced;

"(3) not in excess of 5 percent of the national acreage allotment shall be apportioned, on the basis of the factors set forth in subsection (c) of this section, among persons who will operate farms on which they will produce such tobacco during the year for which the allotment is established but who have not produced such tobacco in any one of the preceding 5 years;

"(4) the acreage, production, and yield of type 61 tobacco for the 1950 crop shall be excluded in establishing allotments for producers;

"(5) acreage allotments and production history shall be transferred only in such manner and subject to such conditions as the Secretary may prescribe by regulations; and

"(6) the terms 'farm allotment' and 'farm marketing quota', wherever used in this act or the Agricultural Act of 1949, shall be construed for purposes of type 61 tobacco to mean the allotment or the quota established for a producer, whichever the context indicates."

SEC. 3. That sentence of section 313 (g) of the Agricultural Adjustment Act of 1938, as amended (U. S. S., title 7, sec. 1313 (g)) which reads "The actual production of the acreage allotment established for a farm pursuant to this subsection shall be the amount of the farm marketing quota" is amended by striking out the words "pursuant to this subsection."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PATENT IN FEE TO ANSON HAROLD PEASE

The Senate proceeded to consider the bill (S. 2510) to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, after line 3, to insert section 2, so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Anson Harold Pease, Crow allottee No. 1322, a patent in fee to the following-described lands in the State of Montana: Lot 8, south half northeast quarter, southeast quarter southwest quarter, southeast quarter of section 11; lots 1, 3, northeast quarter, east half northwest quarter of section 14, lot 3, southeast quarter southeast quarter of section 15, township 1 south, range 27 east, principal meridian, Montana, containing six hundred forty-nine and fifty-five one-hundredths acres, more or less.

SEC. 2. (a) The lands herein described shall not be sold after the date of enactment of this act to any purchaser, other than the Crow Tribe or a member thereof, unless (1) at least 60 days prior to such sale the superintendent of the Crow Agency shall have been served with notice of the terms thereof and a copy of such notice, together with a description of the lands, shall have been posted by the superintendent in a conspicuous public place at such agency and have remained posted for a period of 60 days, and (2) prior to the expiration of such 60 days no bona fide offer in writing to purchase such land upon the terms specified in such notice, or upon terms more favorable to the owner shall have been made by the Crow Tribe or any member thereof and a copy thereof served upon the superintendent of the Crow Agency.

(b) A certificate of the superintendent of the Crow Agency stating that notice of the proposed sale was served upon him and was posted by him for a period of 60 days in accordance with the provisions of clause (1) of subsection (a) and that no offer was received in accordance with clause (2) of such subsection, when filed and recorded in the office of the county clerk and recorder of the county in which such lands are situated shall be conclusive evidence of compliance with this section. The superintendent shall furnish the certificate to the purchaser for filing and recording.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CORRECTION OF CLERICAL ERROR IN ACT OF JANUARY 16, 1883

The bill (H. R. 6552) to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress, was announced as next in order.

Mr. HENDRICKSON. Reserving the right to object, may we have an explanation of this bill?

Mr. LEAHY. Mr. President, in the first session of the Eighty-first Congress, in the passage of Public Law 425 an error was made in connection with certain requirements for applicants for appointment under the civil-service law. It was intended to refer to the legal or voting residences of applicants. By error the bill as passed used the words "legal voting residence." The word "or" should have appeared between the word "legal" and the word "voting." The bill has the approval of the Civil Service Commission. There was evidently an error, and this bill corrects the error.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 6552) to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress, was considered, ordered, to a third reading, read the third time, and passed.

PROMOTIONS OF CERTAIN VETERANS IN FIELD SERVICE OF POST OFFICE DEPARTMENT

The bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department was announced as next in order.

Mr. LUCAS. Mr. President, may that bill go to the foot of the calendar?

The VICE PRESIDENT. Without objection, the bill will be placed at the foot of the calendar.

Mr. LUCAS subsequently said: Mr. President, while we are returning to previous bills, a little while ago I requested that Calendar No. 1516, House bill 87, go to the foot of the calendar. I made that request on behalf of a Senator who thought he would object to the bill. I now find that the objection has been withdrawn, and I ask that the bill be considered.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I wonder whether the Senator from Illinois is able to tell us how much this bill will cost?

Mr. LUCAS. I know nothing about the cost. The bill was handled by the Committee on Post Office and Civil Service. Perhaps a Senator who is familiar with it can give us an explanation. I am not familiar with the bill. I merely asked that it go to the foot of the calendar at the request of a Senator who thought he would object to it. He has now withdrawn his objection. Apparently no Senator had intended to object to it at the time it was called.

Mr. HENDRICKSON. The Senator from New Jersey would like to have an explanation of the bill in the RECORD, and some indication as to its cost.

Mr. MAGNUSON. The report sets forth, on a percentage basis, an estimate of the additional amount it would cost to cover these extra postal workers. On a percentage basis it is estimated that the additional cost for the first year, if H. R. 87 were enacted, would be approximately as follows: July 1, 1947, $8,266,000; July 1, 1948, $13,946,000; July 1, 1949, $18,896,000; July 1, 1950, $23,621,000. Thus it can be seen, with the cutoff date as the bill passed the House, the estimated cost for the first year would be $23,621,000.

Mr. HENDRICKSON. I thank the Senator for the explanation.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 87) relating to the promotion of veterans of World War II in the field service of the Post Office Department was considered, ordered to a third reading, read the third time, and passed.

PATENT IN FEE TO BETTY LITTLE WHITE MAN

The Senate proceeded to consider the bill (S. 2552) to authorize and direct the Secretary of the Interior to issue to Betty Little White Man a patent in fee to certain land, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is hereby authorized to sell the trust allotment No. 4534 of Bettie Morrison, now Betty Little White Man, Pine Ridge allottee, described as the southeast quarter of section 32, township 37 north, range 36 west, sixth principal meridian, South Dakota, containing one hundred and sixty acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to Betty Little White Man for her benefit.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain allotted lands on the Pine Ridge Reservation, S. Dak."

PATENT IN FEE TO JULIA TWO CROW

The Senate proceeded to consider the bill (S. 2551) to authorize and direct the Secretary of the Interior to issue to Julia Two Crow a patent in fee to certain land, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is hereby authorized to sell the trust allotment No. 4533 of Julia Poor Bear Two Crow, Pine Ridge allottee, described as the northeast quarter of section 32, township 37 north, range 36 west, sixth principal meridian, South Dakota, containing one hundred and sixty acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to Julia Poor Bear Two Crow for her benefit.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak."

USE BY INDIANS OF CERTAIN SURPLUS PROPERTY AT WINGATE ORDNANCE DEPOT, N. MEX.

The bill (H. R. 5556) to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex., was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3049) to amend the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

AUTHORIZATION ON CERTAIN LOANS

The Senate proceeded to consider the bill (S. 2996) to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation, which was read as follows:

Be it enacted, etc., That paragraph (2) of the first section of the act of April 6, 1949 (Public Law 38, 81st Cong.), is amended to read as follows:

"(2) loans to make available in any area or region credit of a type formerly made available in such area or region by the Corporation if the Secretary finds that there is a continued need for such credit and that such credit is not readily available from other sources; and."

Mr. HENDRICKSON. Mr. President, I send to the desk an amendment to this bill.

The VICE PRESIDENT. The Senator from New Jersey offers an amendment which will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That (a) paragraph (2) of subsection (a) of the first section of the act of April 6, 1949 (Public Law 38, 81st Cong.), is amended to read as follows:

"(2) loans to make available to the owners or operators of established farms in any area or region, upon their full personal liability and such reasonable security as may be determined by the Secretary, credit of a type which, beginning in 1941, was made available in such area or region by the Corporation, if the Secretary finds that there is a continued need for such credit and such credit is not

readily available from other sources; except that no such loan shall be made (A) after 3 years after the enactment of the 1950 Amendment to Public Law 38, (B) to any one borrower at any one time in excess of $10,000, (C) which would increase the total indebtedness of any one borrower under this paragraph to an amount exceeding $20,000 (including principal and accrued interest), and (D) which would increase the aggregate principal amount of the loans outstanding under this paragraph at any one time to an amount exceeding $2,000,000."

(b) This act may be cited as the "1950 Amendment to Public Law 38."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a statement with reference to the bill which has just been passed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENDRICKSON

This bill, S. 2696, is sponsored by the senior Senator from Washington, and according to the committee report it was designed to meet a specific situation in what is called the Wenatchee-Okanogan area in his State. The justification for some action by the Senate stems from the fact that there arose a misunderstanding between the senior Senator from Washington and the junior Senator from New Mexico when the bill, which is now Public Law 38, was being discussed on the floor of the Senate March 18, 1949.

The bill then under consideration was H. R. 2101 entitled "An act to abolish the Regional Agricultural Credit Corporation of Washington, D. C. and transfer its functions to the Secretary of Agriculture to authorize the Secretary of Agriculture to make disaster loans, and for other purposes." That measure was designed primarily to alleviate a serious situation then confronting farmers and stockmen resulting from severe snow and storm conditions of the preceding winter.

Senators will recall that this act transferred all of the functions of RACC to the Secretary of Agriculture and abolish the Corporation as such. The senior Senator from Washington was interested in insuring that in this transfer, authority to make loans to apple growers in the Wenatchee-Okanogan area under certain limited conditions would be continued.

On page 2765 of volume 95, part 2, of the CONGRESSIONAL RECORD there appears the following colloquy (the senior Senator from Washington said):

"Mr. President, reserving the right to object, I should like to ask the Senator from New Mexico a question regarding RACC. Under this proposed legislation could the type of loan ordinarily made in the apple area be made?"

"Mr. ANDERSON. Yes; it could.

"Mr. MAGNUSON. So there will be a broader agency to which to go; is that correct?

"Mr. ANDERSON. They will be able to use the regular agency."

A few minutes later the following colloquy took place as recorded on page 2766 of volume 95, part 2, of the CONGRESSIONAL RECORD:

"Mr. MAGNUSON. Mr. President, reserving the right to object, I want to ask the Senator from New Mexico one further question. If there should occur in the Wenatchee area a similar situation, could the same type of loan be made under the terms of this bill as was made under RACC?

"Mr. ANDERSON. Exactly."

It developed after H. R. 2101 became Public Law 38 that the Solicitor of the Department of Agriculture contended that the terms of the bill would not permit the agency to reenter the Wenatchee-Okanogan apple-growing district and complete the job it started in 1941. That is the reason—that is the justification for having this bill before us today.

I think the language of the bill as reported by the committee is broader than it needs to be to accomplish the limited objectives intended. I, therefore, send to the desk an amendment in the nature of a substitute. Here are the main differences between the substitute and the bill as reported by the committee:

First, it makes the borrowers personally liable for the amount of the loan and authorizes the Secretary to demand reasonable security.

Second, it limits the sphere in which this type of credit may be extended to those areas that RACC served "beginning in 1941".

Third, it limits the life of this program to 3 years.

Fourth, the substitute places a $10,000 limit on the amount of each individual loan and a $20,000 limit on the amount that may be outstanding at any one time to any one borrower.

Fifth, it places an over-all limitation on this type of loan of $2,000,000.

In my judgment this language is much more precise. I have talked this over with the Senator from Washington, and he is agreeable to the changes in language I am suggesting.

ACCEPTANCE OF CERTAIN BUILDINGS AND IMPROVEMENTS

The bill (H. R. 829) to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EXCHANGE OF LAND IN PLUMAS COUNTY, CALIF.

The bill (H. R. 4641) to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. KNOWLAND. Mr. President, this bill involves an exchange of land in Plumas County, Calif. If the Senator from New Jersey will look at the committee report he will find that at the present time an airport has been developed and maintained by the forest service of the county, primarily for the purpose of fire patrol. The service will still be able to use the airport. However, it is not felt it is economical for them to maintain the airport, and in exchange for that, the county is making available to the forest service lands for certain of their other services. I think there is a fair quid pro quo in this exchange.

Mr. HENDRICKSON. I thank the Senator.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The bill (S. 3330) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes, was announced as next in order.

The VICE PRESIDENT. There is on the calendar an identical House bill which the clerk will state by title.

The LEGISLATIVE CLERK. A bill (H. R. 7866) to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 7866) was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 3330 is indefinitely postponed.

AMENDMENT OF CLASSIFICATION ACT OF 1949

The bill (S. 3413) to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal was announced as next in order.

The VICE PRESIDENT. Is there objection to the consideration of an identical House bill which the clerk will state by title?

The LEGISLATIVE CLERK. A bill (H. R. 7888) to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal.

The VICE PRESIDENT. Is there objection to the present consideration of the House bill?

There being no objection, the bill (H. R. 7888) was considered, ordered to a third reading, read the third time, and passed.

Mr. HENDRICKSON. Mr. President, I ask unanimous consent to have included in the RECORD at this point an explanation of the bill.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

MEMORANDUM TO SENATOR HENDRICKSON RE CALENDAR NO. 1526 (ALSO CALENDAR NO. 1542), WITH RESPECT TO POSTAL EMPLOYEES AT THE PANAMA CANAL

It is my information that when the Classification Act of 1949 was being considered, the question was raised as to whether to include within that act District of Columbia and Panama Canal firemen, policemen and teachers, as well as postal employees in the field and at the Panama Canal. It apparently was decided at that time not to do so since all of the classifications which have been excluded and which have been mentioned in the report accompanying Calendar No. 1526 were contained in the Classification Act of 1949. I am further informed that it was the intent to exclude from that act also

not only postal employees in the field, but also postal employees at Panama Canal. Through some inadvertence, the latter group was omitted. This bill is designed to correct the situation.

The VICE PRESIDENT. Without objection, Senate bill 3413 is indefinitely postponed.

OFFICES OF VETERANS' ADMINISTRATION IN THE PHILIPPINES

The bill (H. R. 6632) to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines was considered, ordered to a third reading, read the third time, and passed.

BOUNDARY BETWEEN GREAT SMOKY MOUNTAINS NATIONAL PARK AND CHEROKEE - PISGAH - NANTAHALA NATIONAL FOREST

The Senate proceeded to consider the bill (H. R. 5866) to adjust and define the boundary between the Great Smoky Mountains National Park and the Cherokee - Pisgah - Nantahala National Forest, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, line 5, after the word "the", to insert "Cherokee-", and in the same line, after the name "Nantahala", to strike out "-Cherokee."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN LANDS IN THE STATE OF MINNESOTA

The Senate proceeded to consider the bill (S. 2397) authorizing the Secretary of the Interior to convey certain land in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen, which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 3, line 9, after "section 26", to insert a colon and the following proviso: "*Provided*, That in said quitclaim deed it shall be expressed that there is reserved to the United States from the lands so quitclaimed any right-of-way thereon necessary for the management of adjoining property owned by the United States", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to Signa M. Lodoen and Nels R. Lodoen, all right, title, and interest of the United States in and to the following-described tract of land in Becker County, Minnesota, which was mistakenly included in a conveyance to the United States executed on January 12, 1938: Eighty-six one-hundredths acre in Government lot 3 located in the northwest quarter of the southwest quarter of section 25, township 142 north, range 39 west of the fifth principal meridian in Beck County, Minnesota, and forty-eight one-hundredths acre in the northeast quarter of the southeast quarter of section 26, township and range aforesaid, described as follows:

Beginning at an iron pipe at a point which bears south twenty-six minutes east two and five-tenths chains from the quarter corner common to said sections 25 and 26; thence running north seventy-six degrees thirty-four minutes east three hundred and nine feet; thence north thirteen degrees twenty-eight minutes west ninety-four and two-tenths feet to a point on the north line of said northwest quarter of the southwest quarter of section 25; thence south eighty-nine degrees forty-three minutes west two hundred and eighty-one feet to the northwest corner of said northwest one-quarter southwest one-quarter; thence continuing south eighty-nine degrees fifty-two minutes west one hundred and twenty-three feet along the north line of the northeast quarter of the southeast quarter of afore-mentioned section 26; thence running south four degrees nineteen minutes west one hundred eighty-two and five-tenths feet; thence north eighty-one degrees thirty-four minutes east one hundred forty and three-tenths feet to the point of beginning and there terminating, together with the right of ingress and egress to the above-described premises over and across a strip of land one rod in width and whose center line is located as follows, to wit:

Beginning at a point on the westerly line of the above-described tract at a point forty-four and four-tenths feet from the northwest corner thereof, thence running north eighty-two degrees eleven minutes west two hundred ninety-one and five-tenths feet to intersect the north line of the aforementioned northeast quarter of the southeast quarter of section 26: *Provided*, That in said quitclaim deed it shall be expressed that there is reserved to the United States from the lands so quitclaimed any right-of-way thereon necessary for the management of adjoining property owned by the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OFFICIAL PAPERS RELATING TO THE TERRITORIES OF THE UNITED STATES

The bill (S. 2348) to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing of official papers relating to the Territories of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of July 31, 1945 (59 Stat. 510; U. S. C. 168d), is hereby amended by deleting the amount of "$30,000" contained therein and inserting in lieu thereof "$50,000."

STORY OF AVIATION ON HISTORICAL FRIEZE OF CAPITOL

The Senate proceeded to consider the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 4, after the word "utilization", to strike out "of a part"; in line 6, after the word "Capitol", to strike out "to portray the story of aviation in the United States." and insert "including the small isolated section added in 1917–1918, to complete the history up to the beginning of the twentieth century, including the portrayal of (1) the Civil War, (2) the Spanish-American War, and (3) the birth of aviation in the United States."; on page 2, line 1, after the word "design", to strike out "which appropriately depicts such story, including the portrayal of the all-important achievements of Wilbur Wright and Orville Wright", and insert "depicting such events"; in line 4, after the word "such", to insert "artist or artists", and in line 5, after the word "committee", to strike out "their."

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution to provide for the utilization of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray (1) the Civil War, (2) the Spanish-American War, and (3) the birth of aviation in the United States."

COMPUTATION OF CERTAIN COSTS OF TEACHING PERSONNEL, ETC.

The bill (H. R. 7057) to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of college of agriculture and the mechanic arts and other nonprofit educational institutions was considered, ordered to a third reading, read the third time, and passed.

CARMENCITA VON PLETTENBERG

The bill (S. 3459) for the relief of Carmencita von Plettenberg was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I think this bill requires an explanation.

Mr. McCARRAN. Mr. President, there is a companion bill to this bill, House bill 8422, Calendar No. 1786, which should be considered instead of the Senate bill.

This is a bill in which the Senator from Mississippi [Mr. EASTLAND] has been interested. It is my understanding questions have been raised by the minority policy committee, and that amendments have been worked out which are satisfactory both to the Senator from Mississippi and to the minority policy committee.

The amendments which originated in the Senate minority policy committee have been incorporated in the House companion measure, as reported from the House Committee on the Judiciary. In that connection, I wish to call the attention of the Senate to House Report 2157, which is an excellent explanation of the issues raised and the amendments.

The companion House bill, H. R. 8422, was passed by the House of Representatives on Tuesday, June 6. Since this House bill already embodies the amendments proposed by the Senate minority calendar committee, which I am advised are acceptable to the sponsor of the bill, I now ask unanimous consent that this House bill may be substituted for the pending Senate bill, with a view to passing it without amendment.

The VICE PRESIDENT. Is there objection to the consideration of the House bill?

There being no objection, the bill (H. R. 8422) for the relief of Carmencita von Plettenberg was considered, ordered to a third reading, read the third time, and passed.

Mr. HENDRICKSON. I wish to thank the Senator from Nevada for his explanation.

The VICE PRESIDENT. Without objection, Senate bill 3459 will be indefinitely postponed.

DIXIE MARGARINE CO.

Mr. McKELLAR. Mr. President, earlier in the day when I requested that Calendar No. 321, Senate bill 1086, for the relief of the Dixie Margarine Co., Memphis, Tenn., be considered, the Senator from New Jersey [Mr. HENDRICKSON], at the request of the Senator from Kansas [Mr. SCHOEPPEL], asked that it go over, which was done. I have talked to the Senator from Kansas on the telephone, and he has withdrawn his objection. I now ask unanimous consent that the bill be considered.

Mr. HENDRICKSON. The Senator from Tennessee is entirely correct. He has been in touch with the Senator from Kansas, and the Senator from Kansas has telegraphed me as recently as 10 minutes ago. He has withdrawn his objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1086) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn., was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to the Dixie Margarine Co., a corporation organized and existing under the laws of the State of Tennessee, the sum of $69,530.40, in full satisfaction of its claim against the United States for refund of capital illegally exacted by the Commissioner of Internal Revenue, under the guise of taxes and licenses, for the period from March 1923 to November 28, 1925, the statutory period for refund of said illegally collected moneys having expired prior to the date of a decision of the United States Supreme Court that said moneys had been illegally collected as taxes on the product manufactured, and it also having been held by both the United States Court of Claims and the Sixth Circuit Court of Appeals that relief must be from the Congress and not from the courts.

Mr. McKELLAR. I ask unanimous consent to insert in the RECORD the report of the Committee on the Judiciary on Senate bill 1086.

There being no objection, the report (No. 342) was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to whom was referred the bill (S. 1086) for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn., having conconsidered the same, report favorably thereon, without amendment, and recommend that the bill do pass.

The purpose of the proposed legislation is to authorize and direct the Secretary of the Treasury to pay out of any money in the Treasury not otherwise appropriated, the sum of $69,530.40, to the Dixie Margarine Co., in full satisfaction of its claim against the United States for refund of capital illegally exacted by the Commissioner of Internal Revenue, under the guise of taxes and licenses.

STATEMENT

The Dixie Margarine Co., along with other companies similarly engaged in the manufacture and sale of margarine, was forced, for many years, by the Collector of Internal Revenue, to pay certain taxes on their products which they did not believe were properly assessable. After payment for several years the companies contrived to test in court the collection of this tax by the Collector of Internal Revenue, and as a result thereof the Supreme Court, in the case of *Miller* v. *Standard Nut Margarine Co.* (1932) reported (284 U. S. 498), held that "the produce in question was not taxable," and further, "a valid oleomargarine tax could by no legal possibility have been assessed." The action by the collector was characterized by the court as "an exaction in the guise of a tax." Following the decision of the Supreme Court the collector voluntarily refunded to the Dixie Margarine Co. the sum of $241,819.64, but refused to refund the balance which had been paid more than 4 years prior to the date of filing suit.

Suit was instituted in the Court of Claims for refund of this balance, and that court, in 1935, in the case of *Dixie Margarine Co.* v. *United States* (17 Fed. Sup. 543; 81 Ct. Cl. 944) held that:

"The facts show that the plaintiff has paid, beyond the statutory period for refunds, amounts it should not have paid but this court has no jurisdiction to entertain a suit for the recovery of these amounts. Any relief to which the plaintiff may be entitled must come from the Congress."

Thereafter suit was filed by the Dixie Margarine Co. against the collector of internal revenue in the district court, seeking equitable relief even though the legal remedy was barred by the statute of limitations. In 1943 the Sixth Circuit Court of Appeals held that the courts were bound by the limitations and said, "As pointed out in the decision of the Court of Claims, relief must be had from the Congress and not from the courts."

The Treasury Department and the Department of Justice are opposed to enactment of this bill for the reason that the waiver in this case would act as a discrimination against all other taxpayers in the same or similar circumstances. They wisely state that the statute of limitations is a two-edged sword which acts both in favor of the taxpayer and the Government. The committee agrees with this statement of policy on the part of the Department of Justice and the Treasury Department, but the committee distinguish this case from a refund of taxes in that the Supreme Court in the case cited above has held that the money collected from the Dixie Margarine Co. was not taxes but was "an exaction in the guise of a tax."

In the Eightieth Congress the House of Representatives passed a similar bill for the benefit of this company in the amount of $87,412. Subsequent to the passage of the bill by the House, there was received by the then chairman of the Senate Judiciary Committee, a letter explaining that the amount authorized to be awarded by the House was subject to a deduction by the Internal Revenue Bureau amounting to $17,881.60. The bill presently under consideration has been introduced in the net amount due the company.

Attached hereto and made a part of this report is the above referred to letter as well as a letter from the Treasury Department concerning a similar bill in a previous Congress.

DIXIE MARGARINE CO.,
Memphis, Tenn., June 12, 1948.

Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
Senate Office Building,
Washington, D. C.

DEAR SIR: This is to certify that we recognize that the act passed by the House of Representatives (H. R. 354) in the sum of $87,412, now under consideration by your committee is subject to deductions, and the correct amount due after deductions is $69,530.40.

This company will, and does hereby, guarantee in any manner satisfactory to your committee, the payment to the United States Government upon passage of the act by the Congress and approved by the President of the United States the sum of $17,881.60.

This letter will be binding on the undersigned company and any person entitled to the distribution of any amounts refunded by the United States Government.

Yours very truly,

M. B. STEWART,
Secretary-Treasurer.

TREASURY DEPARTMENT,
Washington, March 29, 1946.

Hon. DAN R. McGEHEE,
Chairman, Committee on Claims,
House of Representatives,
Washington, D. C.

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of February 4, 1946, requesting a report on H. R. 5279 (79th Cong., 2d sess.), entitled "A bill for the relief of the Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn."

This bill would authorize and direct the Secretary of the Treasury to pay to the Dixie Margarine Co., out of any money in the Treasury not otherwise appropriated, the sum of $87,412, "in full satisfaction of its claim against the United States for refund of capital illegally exacted by the Commissioner of Internal Revenue, under the guise of taxes and licenses, for the period from March 1923 to November 18, 1925."

The records of the Department disclose that the Dixie Margarine Co., relying on *Miller* v. *Standard Nut Margarine Co.* (1932) (284 U. S. 498), which held that vegetable oil products containing no animal fats were not taxable as oleomargarine prior to the effective date of the act of July 10, 1930 (46 Stat. 1022), brought an action against the United States to recover $87,412, the amount of oleomargarine taxes alleged to have been erroneously collected from the company between March 15, 1923, and December 1, 1925. The United States Court of Claims in *Dixie Margarine Co.* v. *United States* (1935) (81 Ct. Cl. 1944, certiorari denied (1936), 297 U. S. 713), held that since no claim for refund of such $87,412 was filed within the 4-year period prescribed by section 3228 (a) of the United States Revised Statutes, as amended (now sec. 3313 of the Internal Revenue Code), the Commissioner of Internal Revenue was prohibited by statute from refunding this sum, and the court had no jurisdiction to entertain a suit for the recovery of such amount.

The Dixie Margarine Co. then instituted in the United States district court, in *Dixie Margarine Company* v. *Schaeffer*, an action for a declaration that the defendant, formerly deputy collector of internal revenue, held $87,412 as constructive trustee for plaintiff and for a judgment requiring the defendant to make restitution of such amount. The action was dismissed by the district court in an unreported decision. The judgment was affirmed in a case bearing the same caption and reported (1943) in 139 F. (2d) 221 (certiorari denied (1944), 321 U. S. 791).

In 1932 the Commissioner of Internal Revenue had refunded to the Dixie Margarine Co. $234,512.86, as to which claims for refund had been timely filed. Because of the failure of that company to report such amount in its income-tax return for the taxable year 1932, the Commissioner of Internal Revenue determined a deficiency in the amount of $16,775.60 for such year. Upon an appeal from the decision of the Board of Tax Appeals (*Dixie Margarine Company* v. *Commissioner of Internal Revenue* ((1938) 38 B. T. A. 471)) in favor of the Commissioner, the Circuit Court of Appeals for the Sixth Circuit found

that there was no deficiency for the reason that the petitioner was entitled to recoup to the extent of the deficiency for the taxable year 1932 the amount illegally exacted during the period from 1923 to 1925, the refund of which was barred by the statute of limitations (*Dixie Margarine Company* v. *Commissioner of Internal Revenue* ((1940) 115 F. (2d) 445)).

While H. R. 5279 does not specify the nature of the taxes stated to have been erroneously collected, it is assumed that it has reference to the oleomargarine taxes mentioned above.

Similar bills, S. 2917 and S. 1763, were introduced in the Seventy-sixth Congress, first session, and Seventy-ninth Congress, second session, respectively, with respect to which the Department reported it was not in favor of enactment.

In the light of the facts stated above, there obviously is no material difference between this case and numerous other cases in which taxpayers have attempted through congressional legislation to obtain relief from the results of their own failure to follow the procedure prescribed by law for the recovery of taxes claimed to have been overpaid. This Department has consistently taken the position, which Congress has sanctioned, that it is sound public policy to have statutes of limitation binding against the taxpayer as well as against the Government.

The Department, therefore, is not in favor of the enactment of H. R. 5279.

If further correspondence relative to this matter is necessary, please refer to IR:MT:M.

The Director, Bureau of the Budget, has advised the Treasury Department that there is no objection to the presentation of this report.

Very truly yours,

JOSEPH J. O'CONNELL,
Acting Secretary of the Treasury.

ADMISSION OF PAY PATIENTS TO THE HOME FOR THE AGED AND INFIRM

The bill (H. R. 4392) to provide for the admission of pay patients to the Home for the Aged and Infirm was considered, ordered to a third reading, read the third time, and passed.

EDUCATIONAL AGENCY FOR SURPLUS PROPERTY WITHIN THE GOVERNMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 6104) to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment on page 3, after line 10, to insert a new section, as follows:

SEC. 3. The authority of the Agency and of the Advisory Board shall terminate upon direction of the Commissioners of the District of Columbia and in any event no later the repeal of sections 203 (j) and 203 (k) of the Federal Property and Administrative Services Act of 1949. Upon such termination, the assets of the Agency shall be disposed of as the Commissioners may direct.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EMPLOYMENT OF MINORS WITHIN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1777) to amend the act entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 7, after the word "during", to insert "the"; in line 8, after the word "hours", to insert "applicable to such minor"; and in line 16, after "July 1", to strike out "1949" and insert "1950", so as to make the bill read:

Be it enacted, etc., That the first section of the act entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928, as amended (D. C. Code, secs. 36-201 to 36-227), is amended by striking out all that follows *"Provided,"* and inserting in lieu thereof the following: "That nothing in this section shall be construed to prevent the employment of boys 12 years of age and over outside of school hours in the distribution or sale of newspapers, subject to the provisions of section 17 to 24 of this act.

"No minor under 16 years of age shall be employed in, about, or in connection with any manufacturing or mechanical establishment at any time, nor shall any minor under 16 years of age be employed, permitted, or suffered to work in any gainful occupation during the school hours applicable to such minor."

SEC. 2. The first sentence of section 2 of such act is amended by striking out "forty-eight" and inserting in lieu thereof "forty."

SEC. 3. The second sentence of section 17 of such act is amended by striking out "twelve" and "ten" and inserting in lieu thereof "fourteen" and "twelve," respectively.

SEC. 4. This act shall become effective on July 1, 1950.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7185) to amend Public Law 359, chapter 287, Seventy-eighth Congress, second session, was announced as next in order.

Mr. LEHMAN. Over.

The VICE PRESIDENT. Objection is heard. The bill will go over.

REPORTING OF CANCER AND OTHER DISEASES TO HEALTH OFFICER OF THE DISTRICT OF COLUMBIA

The bill (S. 2605) to make cancer and all malignant neoplastic diseases reportable to the health officer of the District of Columbia was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MAGNUSON. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from West Virginia to make a brief statement as to the necessity of reporting, for instance, cancer. Cancer is not an infectious or transmittable disease. I was wondering what the reason was.

Mr. NEELY. Mr. President, the object of the bill is to illuminate the dark way in which cancer, the world's most terrifying foe, is destroying its victims in the District of Columbia. Although cancer is the second greatest killer of the Nation, the extent of its destruction in the District is concealed, and the necessity for increasing warfare against it is not officially revealed. If the bill be becomes a law the District Commissioners will be authorized to require that cancer and certain other serious afflictions be reported to the Health Officer of the District. To inform the people of the menace of a hideous disease is to arouse them to the necessity of increasing their efforts to conquer it.

Mr. MAGNUSON. In other words, the Senator from West Virginia feels that it would be an aid in the fight against cancer to gather these statistics so that it may be known where and to what extent the disease exists.

Mr. NEELY. That is my confident belief.

The PRESIDING OFFICER (Mr. STENNIS in the chair). There is a companion bill on the calendar, House bill 6278, Calendar 1753. Is there objection to the substitution of the House bill for the Senate bill and the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6278) to make cancer and all malignant neoplastic diseases reportable to the Health Office of the District of Columbia.

Mr. LEAHY. Mr. President, I offer an amendment to the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 2, after the word "court", it is proposed to strike out the period and "All information in such reports, or compiled from them, which does not disclose the identity of any person, may be made public only on written authorization of the health officer." and insert a comma and "and unless already published shall be divulged or made public only on the written authorization of the health officer."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2605 will be indefinitely postponed.

ISSUANCE OF CERTIFICATES OF INSANITY IN THE DISTRICT OF COLUMBIA

The bill (S. 2604) to amend section 5 of the act entitled "An act to authorize the apprehension and detention of insane persons in the District of Columbia, and providing for their temporary commitment in the Government Hospital for the Insane, and for other purposes," approved April 27, 1904, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, I think this is the sort of bill which requires an explanation for the RECORD.

Mr. LEAHY. Mr. President, under the present statute certificates of insanity may be issued by commissioned surgeons in the Army, the Navy, and the Public Health Service, provided they are practicing physicians licensed in the District of Columbia, and residing here. This bill would extend this power to the commissioned surgeons of the Air Force, and physicians employed by the Veterans' Administration. The bill is reported unanimously by the Committee on the

District of Columbia, and requires no expenditure of funds.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with an amendment on page 2, line 10, after "(b)", to strike out "by a physician who has not been actively engaged in the practice of his profession for at least 3 years, or (c)", so as to make the bill read:

Be it enacted, etc., That the first sentence of section 5 of the act entitled "An act to authorize the apprehension and detention of insane persons in the District of Columbia, and providing for their temporary commitment in the Government Hospital for the Insane, and for other purposes," approved April 27, 1904, as amended (sec. 21–330, D. C. Code, 1940 ed.), is hereby amended to read:

"That for the purpose of this act no certificate as to the sanity or the insanity of any person shall be valid which has been issued (a) by a physician who has not been regularly licensed to practice medicine in the District of Columbia, unless he be a commissioned surgeon of the United States Army, Navy, Air Force, or Public Health Service, or a physician employed by the Veterans' Administration; or (b) by a physician who is related by blood or by marriage to the person whose mental condition is in question."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ERIK H. LINDMAN

The bill (H. R. 3675) for the relief of Erik H. Lindman was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the corresponding Senate bill, Calendar No. 1232, Senate bill 1677, will be indefinitely postponed.

CLAIMS AGAINST ESTATES OF RECIPIENTS OF OLD-AGE ASSISTANCE IN THE DISTRICT OF COLUMBIA

The bill (S. 2155) to authorize the cancellation or settlement of claims of the District of Columbia against the estates of recipients of old-age assistance was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of section 12 of the act entitled "An act to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want," approved August 24, 1935 (49 Stat. 747), is amended by inserting before the proviso the following: "*Provided*, That if the Board of Commissioners or its designated agency finds that an allowance of such claim will work a hardship on the survivors of the deceased, such Board or agency may in its discretion cancel, in whole or in part, or otherwise settle, such claim:".

SEC. 2. The amendment made by this act shall be applicable with respect to the estates of recipients of old-age assistance dying on or after January 1, 1949.

TRUSTEES OF THE PRESBYTERIAN CONGREGATION OF GEORGETOWN

The bill (S. 3282) to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806, was announced as next in order.

The PRESIDING OFFICER. There is on the calendar a House bill, Calendar No. 1677, House bill 7966, which is a companion bill and identical in terms. Is there objection to the substitution of the House bill and its present consideration?

There being no objection, the bill (H. R. 7966) to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3282 is indefinitely postponed.

FIRE DEPARTMENT OF THE DISTRICT OF COLUMBIA

The bill (H. R. 7147) to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF THE FEDERAL HOME LOAN BANK ACT

The Senate proceeded to consider the bill (H. R. 6743) to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes, which had been reported to the Committee on Banking and Currency with amendments, on page 2, line 20, after the word "this", to strike out "amendment" and insert "subsection"; on page 3, line 3, after the word "this", to strike out "amendment" and insert "subsection"; in line 9, after the word "this", to strike out "amendment" and insert "subsection"; on page 6, line 14, after the word "stock", to insert "of $100,000,000"; in line 16, after the word "stock", to strike out "all of which dividends are hereby waived,"; in line 18, after the word "fiscal", to strike out "year (beginning" and insert "year, beginning"; in line 19, after the words "with the", to strike out "first"; in the same line, after the word "year", to strike out "which begins after the date of enactment of this subsection)" and insert "1951"; on page 7, line 1, after the word "year", to insert "and the Corporation shall also pay to the Secretary of the Treasury an amount equal to 2 percent simple interest per annum on its capital stock of $100,000,000 from June 27, 1934, to June 30, 1950, less any amount heretofore paid by the Corporation as dividends on such capital stock"; on page 8, after line 19, to strike out:

SEC. 8. Subsection (b) of section 404 of the National Housing Act, as amended, is repealed and stricken out.

In line 22, to change the section number from "9" to "8"; in line 23, after the word "is", to strike out "redesignated subsection (b) and"; in line 25, to reletter the subsection from "(b)" to "(c)"; on page 9, at the beginning of line 1, to insert "(other than any premium which may be assessed under subsection (b) of this section)", and after line 7, to insert a new section, as follows:

SEC. 9. Subsection (a) of section 405 of the National Housing Act, as amended, is amended by striking out "$5,000" and inserting in lieu thereof "$10,000": *Provided, however*, That this amendment shall become effective only in the event of, and at the same time as, an increase to $10,000 in the maximum deposit insured by the Federal Deposit Insurance Corporation.

The amendments were agreed to.

Mr. BRICKER. Mr. President, I have two technical amendments, really in the nature of committee amendments for the clarification of the bill, one of them dealing with the examination. General Accounting Office authority having been granted, there is no need for two examinations, and this amendment would reduce the examinations to one. I submit the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to insert in the proper place the following:

SEC. 8. The first sentence of section 20 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word "twice."

The amendment was agreed to.

Mr. BRICKER. Mr. President, I have one other amendment of the same character, which deals with the termination of the guarantee account after the cancellation of the account.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

"SEC. 9. Section 407 of the National Housing Act, as amended, is amended to read as follows:

"'SEC. 407. Any insured institution other than a Federal savings and loan association may terminate its status as an insured institution by written notice to the Corporation, and the Corporation, for violation by an insured institution of its duty as such may, after written notice of any such alleged violation of duty and after reasonable opportunity to be heard, by written notice to such insured institution, terminate such status. In the event of the termination of such status, insurance of its accounts to the extent that they were insured on the date of such notice, less any amounts thereafter withdrawn, repurchased, or redeemed which reduce the insured accounts of an insured member below the amount insured on the date of such notice, shall continue for a period of 2 years, but no investments or deposits made after the date of the notice of termination shall be insured. The Corporation shall have the right to examine such institution from time to time during the 2-year period aforesaid. Such insured institution shall be obligated to pay, within 30 days after any such notice of termination, as a final insurance premium, a sum equivalent to twice the last annual insurance premium paid by it. In the event of the termination of insurance of accounts as herein provided the institution which was the insured institution shall give prompt and reasonable notice to all of its insured members that it has ceased to be an insured institution and it may include in such notice the fact that insured accounts, to the extent not withdrawn, repurchased, or redeemed, remain insured for 2 years from the date of such termination, but it shall not further represent itself in any manner as an insured institution. In the event of failure to give the notice to insured members as herein provided the Corporation is authorized to give reasonable notice.'"

Mr. BRICKER obtained the floor.

Mr. MAYBANK. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield to the Senator from South Carolina.

Mr. MAYBANK. I, of course, have no objection to the amendment offered by the distinguished Senator from Ohio, but I desired to ask him if he was going to make a brief explanation for the RECORD.

Mr. BRICKER. I was going to ask unanimous consent that there be included an explanation.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BRICKER. Mr. President, I ask unanimous consent that at this point there be included in the RECORD an explanation of each of the two amendments.

The PRESIDING OFFICER. Is there objection?

There being no objection, the explanations were ordered to be printed in the RECORD, as follows:

AMENDMENT TO PROVIDE THAT THE FEDERAL HOME LOAN BANKS BE EXAMINED AT LEAST ANNUALLY INSTEAD OF AT LEAST TWICE ANNUALLY

The first amendment is a minor amendment. It would add a new section to H. R. 6743, which would have the effect of requiring that the Federal home-loan banks be examined at least annually instead of at least twice annually, as is the case under the present statute. It is considered that the present requirement for two examinations annually is more stringent than is necessary, but authority would still exist under the amendment for more frequent examination by the Home Loan Bank Board in any case where it was necessary or desirable. This change is particularly appropriate in view of the fact that the Federal home-loan banks, since the original requirement for semiannual examination, have been made subject to audit by the General Accounting Office under the provisions of the Government Corporation Control Act.

AMENDMENT CONCERNING TERMINATION OF INSURANCE OF ACCOUNTS OF A LENDING INSTITUTION INSURED BY THE FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

This is also a minor amendment, adding a new section at the end of H. R. 6743. This new section would amend section 407 of the National Housing Act to place terminations of insurance of accounts, either at the instance of an individual insured institution or at the instance of the Corporation, on the same basis.

Under existing law, when an institution insured by the Federal Savings and Loan Insurance Corporation voluntarily terminates insurance, the accounts of individual investors immediately cease to be insured, but the institution must pay premiums for 3 years thereafter. Where termination is involuntary, payment of premiums and insurance of accounts continue for 5 years. The proposed amendment changes the existing law so as to place voluntary and involuntary terminations of insurance on the same basis. In either type of termination the insurance of existing accounts, less any later withdrawals below the insured amounts, would continue for 2 years and the insured institution would be required to pay as a final premium an amount equal to twice the last annual premium paid by it.

Mr. MAYBANK. Mr. President, I am happy that the Senate has acted unanimously on this bill, because it puts insured savings and loan associations in the position equivalent to the insured banks under the bill recently passed by the Senate by increasing the amount of individual accounts that may be insured from $5,000 to $10,000 and by providing for orderly retirement of the capital stock of the Federal Savings and Loan Insurance Corporation now held by the Secretary of the Treasury.

Mr. LUCAS. Mr. President, before the Senate votes on the bill I take the opportunity of commending the Committee on Banking and Currency for reporting the bill. It is one which has long been needed in the banking circles of the country.

The financial institutions in Illinois are peculiarly interested in the bill because there are 378 savings and loan associations in Illinois which are members of the Federal Home Loan Bank of Chicago, and a very high proportion of that number also have their accounts insured by the Federal Savings and Loan Insurance Corporation. The Illinois membership is equal to almost 10 percent of the entire membership in the Federal Home Loan Bank System throughout the country. This is a remarkable record for a single State and demonstrates the leadership which has been taken by the savings and loan industry in Illinois in the financing of homes and the encouragement of savings.

The bill which has just been passed by the Senate will prove of very material, long-term benefit to savings and loan associations. It, therefore, will aid their contribution to the financing and building of homes.

The Illinois Savings and Loan League and its members have played a very important part in the discussions which have been had during the past several years in connection with the proposals which were incorporated in this legislation.

I am sure that all members of the savings and loan associations of Illinois will be very happy if the Senate acts favorably upon this measure today.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. GEORGE. Mr. President, may I make an inquiry of the chairman of the Banking and Currency Committee? The bill would reduce the insurance rate from one-eighth to one-sixteenth, would it not?

Mr. MAYBANK. To one-twelfth.

Mr. GEORGE. And raise the amount from $5,000 to $10,000.

Mr. MAYBANK. The amount that is insurable, yes.

Mr. GEORGE. The amount that is insurable.

Mr. MAYBANK. It will place these organizations on the same basis as the other banks which are covered by the Federal deposit insurance, providing the House passes the FDIC legislation which the Senate recently enacted.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 6743) was read the third time and passed.

IMPORT CONTROLS ON FATS AND OILS AND RICE AND RICE PRODUCTS—BILL TO FOOT OF CALENDAR

The bill (S. 3550) to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter) and rice and rice products was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, I fear this is not the sort of bill that should be passed on the mere call of the calendar. I, therefore, ask that it go over.

The PRESIDING OFFICER. Objection is heard.

Mr. MAYBANK. Mr. President, will the Senator withhold his objection for a moment?

Mr. HENDRICKSON. I withhold my objection.

Mr. MAYBANK. Do I understand that the Senator asks that the bill go to the foot of the calendar?

Mr. HENDRICKSON. No; I asked that it go over.

Mr. MAYBANK. I wish to make a statement, with the permission of the Senator from New Jersey who has the floor.

The existing legislation expires in June. This bill was introduced by the distinguished Senator from Iowa [Mr. GILLETTE] and the distinguished Senator from Minnesota [Mr. THYE]. Both Senators have been to see me on many occasions and we have discussed the bill with the Department of Agriculture. Of course, in committee we went thoroughly into the subject. I simply want the two Senators I mentioned to know that the Senator from South Carolina hopes it may be possible to have the bill considered, before the existing legislation expires, because otherwise, as I understand, the Government of the United States will lose a great deal of money in connection with flaxseed and other commodities.

Mr. GILLETTE. Mr. President, in that connection I should like to say that a serious situation has existed in the past with respect to the commodities in question. If the existing legislation is not continued all the producers of domestic oils, edible and inedible, animal and vegetable, cottonseed oil, peanut oil, tung oil, and lards are going to be adversely affected and the market will be seriously demoralized. If the distinguished Senator from New Jersey has any amendment in mind I know the distinguished Senator from South Carolina will be glad to consider it.

Mr. MAYBANK. I understood an amendment or amendments are proposed to be offered, and I shall be only too glad to take them to conference. I fear that with the expiration of the ex-

isting legislation the country may be flooded with cheap oils, which will ruin the producers of soybeans, cottonseed oil, peanuts, flaxseed, and other commodities.

Mr. GILLETTE. I am convinced that if the present law expires a very demoralizing affect would result. It is my hope that the bill can be passed before the expiration date of the present law.

Mr. HENDRICKSON. Mr. President, may I ask whether the bill received the unanimous approval of the committee?

Mr. MAYBANK. As I remember, it did; yes. The Senator from Ohio [Mr. BRICKER] had an amendment which I think he wishes to offer. But I do not believe any member of the committee voted against the bill in committee.

Mr. BRICKER. Mr. President, I reserved the right to vote against it.

Mr. MAYBANK. I said no member of the committee voted against it in committee.

Mr. BRICKER. That is true.

Mr. MAYBANK. The Senator from Ohio said he had an amendment which he might offer on the floor; but there was no vote in the committee against the bill. Am I not correct? I think I am.

Mr. BRICKER. Yes; except that I reserved the right to vote against the bill.

Mr. MAYBANK. The Senator has some amendment to offer?

Mr. BRICKER. I have two amendments to offer. I think the bill should go over until we can give it further consideration.

Mr. MAYBANK. Is the Senator willing that the bill go to the end of the calendar so that we may consider it later? I make that inquiry of the Senator from Ohio because he is a member of the committee.

Mr. BRICKER. That would meet with my approval. I will discuss the amendments meantime with the chairman during the course of the afternoon.

The PRESIDING OFFICER. Is there objection to the bill being placed at the foot of the calendar?

Mr. HENDRICKSON. I have no objection to that, Mr. President.

The PRESIDING OFFICER. By unanimous consent the bill will be placed at the foot of the calendar.

AMENDMENT OF SECTION 14 (b) OF THE FEDERAL RESERVE ACT

The bill (S. 3527) to amend section 14 (b) of the Federal Reserve Act, as amended, was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. MAYBANK. This bill was unanimously reported from the committee. I wish to read the first paragraph of the general statement of the report of the committee. I think that will explain the bill succinctly better than any brief statement I can make about it. I read as follows:

> Under existing law the Federal Reserve banks have authority to buy directly from the Treasury, rather than in the open market, direct obligations of the United States or obligations fully guaranteed by the United States, up to an aggregate holding at one time of $5,000,000,000. The Federal Reserve banks had this authority without any limitation on holdings from 1913 to 1935. The present authority, which was provided by the Second War Powers Act of 1942, will expire on June 30, 1950. This bill would extend the authority until July 1, 1952.

There was not a vote against the bill in committee. In fact, every member of the committee voted in favor of it.

Mr. HENDRICKSON. I thank the Senator from South Carolina.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3527) to amend section 14 (b) of the Federal Reserve Act, as amended, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

> That section 14 (b) of the Federal Reserve Act, as amended (U. S. C., 1946 ed., title 12, sec. 355), is amended by striking out "July 1, 1950" and inserting in lieu thereof "July 1, 1952" and by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1952."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEFINITION OF REQUEST FOR RELIEF

Mr. CONNALLY. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1612, House bill 3436, to amend section 3 of the Lucas Act with respect to redefinition of request for relief. My excuse for doing so is that I must attend a hearing on the military aid arms bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CONNALLY. The Senator from New Jersey is always calling for an explanation. Why not permit me to explain the bill? Why does the Senator object?

Mr. HENDRICKSON. I am not required to ask for an explanation, Mr. President.

Mr. CONNALLY. No; the Senator is not. Neither are we required to make one.

Mr. HENDRICKSON. I would say that I do not approve of having bills called up out of order.

Mr. CONNALLY. Very well.

The PRESIDING OFFICER. Objection is heard.

Mr. CONNALLY. I simply wish to add that I cannot be present to look after the bill when it is reached on the calendar.

CODIFICATION OF FEDERAL LAWS RELATING TO HOUSING

The Senate proceeded to consider the resolution (S. Res. 252) calling on the Administrator of the Housing and Home Finance Agency for a codification of Federal laws relating to housing, which had been submitted by Mr. BRICKER on April 12, 1950, as follows:

> *Resolved*, That the Administrator of the Housing and Home Finance Agency is requested to prepare and transmit to the Senate, on or before January 15, 1951, in form suitable to be printed, a codification of all Federal laws relating to housing, which codification shall contain (1) appropriate explanatory notes and annotations to each section of such condification and (2) suitable headings, reference tables, and indices.

Mr. HENDRICKSON. Mr. President, may I ask what is contemplated by the proposed revision?

Mr. BRICKER. It is proposed that a codification be prepared. When the resolution was first drafted by the legislative counsel the word "compilation" was used. However it is desired to have the laws prepared in a form suitable to be offered for reenactment as a true codification. Thus the housing laws while remaining absolutely unchanged in substance or effect would, where appropriate, be changed in language or arrangement so that they could be more readily understood and so that it would be easier to locate particular provisions.

This is necessary, Mr. President, by reason of the fact that at the present time neither head nor tails nor sense can be made out of the housing laws.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MAYBANK. I agree entirely with what the Senator has said. It is necessary that there should be a codification of the laws, as Federal laws, instead of merely rules and regulations which no one understands.

Mr. BRICKER. Mr. President, I thank the Senator from South Carolina, the chairman of the committee.

To supplement what I have said, Mr. President, let me add that the resolution provides for a complete codification. The committee was advised that the Housing Authority will be able to do that and be able to report to the Congress at the next session.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 252) was agreed to.

Mr. BRICKER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a more detailed explanation of the resolution, for the information of the Senate.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

> Question. Is it contemplated under the resolution that the housing laws will be collected, exactly as now written, and annotated and indexed merely for ready reference, or is it contemplated that there will be a rearrangement of the provisions and a weeding out of obsolete or duplicate provisions with a view to the laws being offered for reenactment by the Congress?
>
> Answer. The latter is intended. As a matter of fact that is the reason for specifying that a "codification" be prepared. When the resolution was first drafted by the legislative counsel, the word "compilation" was used. However, what we wanted was to have the laws prepared in a form suitable for them

to be offered for reenactment as a true codification, so the word "codification" was substituted for the word "compilation." Thus the housing laws, while remaining absolutely unchanged in substance or effect, would, where appropriate, be changed in language or arrangement so that they may more readily be understood and so that it will be easier to locate particular provisions.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5332) to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 274. An act for the relief of Constantin E. Aramescu;

S. 356. An act for the relief of Hugo Geiger;

S. 404. An act for the relief of Emma L. Jackson;

S. 749. An act for the relief of Ferd H. Gibler;

S. 764. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.;

S. 765. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust;

S. 766. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.;

S. 947. An act for the relief of the Baggett Transportation Co., Inc.;

S. 977. An act for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid;

S. 1146. As act for the relief of Francis W. Dodge;

S. 1423. An act for the relief of Alex Morningstar;

S. 1510. An act for the relief of James I. Bartley;

S. 1693. An act for the relief of Karin Margareta Hellen and Olof Christer Hellen;

S. 1798. An act for the relief of Mrs. Minda Moore;

S. 1856. An act for the relief of Sisters Maria Rita Rossi, Maria Domenica Paone, Pachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli;

S. 1863. An act for the relief of Fremont Rider;

S. 1929. An act for the relief of Anna Samudovsky;

S. 2070. An act for the relief of the Clark Funeral Home;

S. 2103. An act for the relief of Italo Vespa de Chellis;

S. 2156. An act for the relief of Sister Edeltrudis Clara Weskamp;

S. 2338. An act for the relief of J. M. Arthur;

S. 2339. An act for the relief of the Davis Grocery Co., of Oneida, Tenn.;

S. 2385. An act for the relief of Edward C. Ritche;

S. 2611. An act for the relief of Roland Roger Alfred Boccia, also known as Roland Barbera;

S. 2646. An act for the relief of the Articaire Refrigeration Co.; and

S. 3090. An act for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes.

POSTPONEMENT OF APPLICATION OF CLASSIFICATION ACT TO CERTAIN EMPLOYEES OF SELECTIVE SERVICE SYSTEM

The bill (H. R. 7889) to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McCARRAN. Mr. President, may we have an explanation?

Mr. LEAHY. Mr. President, at present the members and employees of the selective service boards are paid the prevailing rate of compensation in the communities in which the boards serve. If this measure is not enacted, they will have to be paid according to the rates provided for by the General Classification Act.

The purpose of the bill is to provide that in the future they may continue to be paid according to the rates prevailing in the communities. If that is done, it is estimated that a saving of approximately $40,000 will be had.

The PRESIDING OFFICER. If there is no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 7889) was ordered to a third reading, read the third time, and passed.

Mr. LANGER subsequently said: Mr. President, I was not on the floor of the Senate when Calendar No. 1554, House bill 7889, came up. I had intended to offer an amendment. I therefore ask unanimous consent that the votes by which the bill was ordered to a third reading, read the third time, and passed be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill is before the Senate.

Mr. LANGER. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to insert the following:

SEC. 2. Section 703 (a) of such act is amended by inserting at the end thereof a new sentence, as follows: "Officers and employees who are otherwise eligible shall receive full credit under this subsection for service at the maximum authorized salary rate specified in the Bacharach Act of May 29, 1928, as amended and supplemented, and the Reed-Jenkins Act of May 29, 1928, as amended, to the same extent as if such service had been at the maximum rate of a grade of the Classification Act of 1923, as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RESCISSION OF ORDER CURTAILING CERTAIN POSTAL SERVICES

The bill (S. 3560) to rescind the order of the Postmaster General curtailing certain postal services was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

EXPENDITURES FOR TRAVEL—PERSONAL STATEMENT

Mr. LANGER. Mr. President, in yesterday morning's Washington Post, in the column "Washington Merry-Go-Round," written by Mr. Drew Pearson, there appeared the following article:

CONGRESSIONAL ECONOMY

While Congress preaches economy and prepares to slash another billion dollars from the civilian functions of the Government, Congressmen have indulged in a certain brand of economy that benefits themselves, but not Uncle Sam.

They are evading the 15-percent transportation tax that every other citizen of the United States has to pay. The way they do this is by claiming their trips are on Government business, when actually they are private.

Worst offenders are Senator WILLIAM LANGER, North Dakota Republican; Representative HOMER ANGELL, Oregon Republican, and Representative ABRAHAM MULTER, New York Democrat.

Legally, they cannot escape the travel tax unless the Government actually pays their fare. And if they are traveling on congressional committee business, that committee must initiate the exemption request.

However, LANGER, ANGELL, and MULTER have been signing their own exemption certificates, using a form that the Bureau of Internal Revenue had ruled not legal for Members of Congress. Ticket offices have been advised not to accept this form from Congressmen, but LANGER, ANGELL, and MULTER have disregarded the warnings of ticket girls.

Mr. President, with all other Senators, I share the concern that we should jealously guard against unfair, unfounded, or ignorant charges and it is in this spirit that I rise to speak.

When I was elected to the United States Senate, I promptly divested myself of every kind and form of private business, not only private business which might interfere with my duties as a Senator, but anything which might take any of my time. I feel that my time, during the term for which I was elected, belongs wholly and entirely to the people.

As a farmer, I immediately transferred or leased all my holdings, with the exception of the old homestead, which has been in the family since 1877. Also, I immediately stopped the practice of law; and during the nearly 10 years that I have been in the Senate, I have not, directly or indirectly, participated in any lawsuit. Also, I have completely divorced myself from all the other business interests which had previously occupied some of my time. Since I have been in the Senate I have not been a director of any corporation, but have devoted my time exclusively to my official duties. Therefore, I have no private business.

Also, I am not a candidate for any office at the coming elections, either primary or general.

In connection with my official duties as Senator, it has often been necessary for me to return to my State at the request of our citizens.

In regard to some of the more recent trips I have taken, and to which Mr. Pearson evidently refers, let me say that there was one, when the Elks Lodge requested me to come to Mandan to give a speech against communism, on I Am an American Day; then there was a trip involving the transfer of Fort Lincoln to the Bismarck Junior College, for which I had introduced a bill which is pending. On that trip I made the startling discovery that an agency of our Government is paying $1,250 a month rent, although at Fort Lincoln there is a huge building, No. 30, which is standing vacant. Then there are the two trips I made at the request of thousands of citizens to investigate the recent disastrous flood conditions in North Dakota and Minnesota, a disaster without parallel in my State, and resulting in a loss of millions upon millions of dollars.

For none of these trips did I receive 1 penny of compensation or expense money; and during the nearly 10 years that I have been in the Senate, I have never accepted any pay for any speech or work that I have done for any individual, corporation, citizen, or alien residing in my State. For all of the trips I have mentioned, and for many, many others, such as giving commencement addresses, speaking at community picnics and community day celebrations, or for the Lions Club celebration at Finley, which I am scheduled to address on June 12, I have never asked for or received one single penny.

Public Law 601, Seventy-ninth Congress, chapter 753, second session, is entitled "To provide for increased efficiency in the legislative branch of the Government." Title VI of said act contains the following——

The PRESIDING OFFICER. Under the 5-minute rule, the time of the Senator from North Dakota has expired.

Mr. LANGER. Mr. President, I ask unanimous consent that I may proceed for 4 minutes additional.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. McCARRAN. Mr. President, I shall not object to the request; but I do not wish to have a precedent established in that connection, for this day has been assigned for the call of the calendar, and I think it should be devoted to that.

Mr. LANGER. Mr. President, in the event that there is objection, I shall take 5 minutes on the next bill.

The PRESIDING OFFICER. The Chair hears no objection; and the Senator from North Dakota may proceed, by unanimous consent, for an additional 4 minutes.

Mr. LANGER. I thank the Chair.

Mr. President, the act to which I have referred reads as follows:

(b) Effective on the day on which the Eightieth Congress convenes there shall be paid to each Senator, Representative in Congress, Delegate from the Territories, Resident Commissioner from Puerto Rico, an expense allowance of $2,500 per annum to assist in defraying expenses relating to or resulting from the discharge of his official duties, for which no tax liability shall incur, or accounting be made; such sum to be paid in equal monthly installments.

Mr. President, nothing could be more clear than that it was the intention of the Congress when it passed the act, and the President when he signed it, that every Senator was to have this expense allowance without any tax liability of any kind. Therefore the imposition of a 15-percent tax to be taken out of the expense account would reduce the $2,500 by just that much, and by just that 15 percent would reduce the effectiveness of any Senator or Representative.

In addition to the numerous trips already described within the State, it happens that the Senator from Washington [Mr. MAGNUSON] as chairman; the Senator from Maryland [Mr. O'CONOR]; and I, are members of the Committee on Federal Penitentiaries, for which there was appropriated for 2 years the sum of $5,000. The duties on this job are not pleasant, but are very onerous. Not only do they involve looking into the physical assets of the various penitentiaries and reformatories; but if the job is to be done properly, it entails an investigation of the food, the punishment of prisoners, their compensation, if any, and the attitude of the wardens and the guards, an investigation of charges of favoritism to prisoners, and other duties too numerous to mention.

The procedure has been that whenever any member of the committee has investigated a penitentiary, he pays his own transportation, tax exempt; he pays for the ticket personally, and then later he is reimbursed out of the appropriation. That system has been followed ever since the inception of this committee; and by common consent we have construed Ellis Island to be included in the characterization of Federal prisons, as people are restrained there or temporarily deprived of their liberty.

Mr. President, from what I have stated above, it must be apparent to each and every one that (1) I have paid personally out of the $2,500 expense money allotted to me under the legislative act for each and every trip to North Dakota; (2) that I have not received a single penny from any citizen of North Dakota on any of the trips I have taken to North Dakota; (3) that under the clear terms of the legislative act, in the spending of that $2,500 "no tax liability shall incur"; (4) that I have no private business of any kind which would warrant anyone to make any assertion that these were trips on private business.

Mr. President, it is so easy to make irresponsible charges, and when these charges are once made, no matter how well refuted, they usually linger on in the minds of taxpayers.

As before stated, the true facts are that instead of taking this $2,500 of expense money and putting it in my pocket, (because under the law no accounting has to be made therefor), I spend this money in accordance with which I believe was the clear intent of the Congress and the President. Of course, the harm done by this newspaper article is irretrievable. Hundreds of thousands of people who read it will unfortunately never know the truth.

From Mr. Pearson's previous record there is not the least doubt in my mind but that he was actuated by the most patriotic motives in the world. He has made it almost a duty as a good American, and I am glad that he has done so, to discover and publicize corruption in the Government. I commend him for it, but I can only suggest that if he had taken the trouble to call me on the telephone and ascertain the true facts that I would have been delighted to have given them to him.

I am mailing Mr. Pearson a copy of this statement, and if he can discover that I have any private business in North Dakota, or that I ever charged any organization, or person, or citizen of North Dakota any fee or asked for any expenses for an appearance there, in any shape, manner, or form, I shall be glad to buy him the best Adam hat that money can procure.

RESCISSION OF ORDER CURTAILING CERTAIN POSTAL SERVICES—BILL PASSED OVER

The PRESIDING OFFICER. The bill which was previously stated will be restated.

The bill (S. 3560) to rescind the order of the Postmaster General curtailing certain postal services was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, it seems to me with respect to the provisions of this bill, which would require the Postmaster General to maintain a postal service on the "earlier basis," as the bill says, it might be interpreted as a permanent requirement rather than simply the postponement of his authority until after the Congress has finally acted on the pending appropriation bill for the fiscal year. So, Mr. President, with that explanation, I move to amend the bill by striking out the comma in line 5 and inserting in lieu thereof a period, and striking out the remainder of lines 5, 6, and 7, namely "and (b) the Postmaster General is hereby directed to maintain such services on the basis existing immediately prior to the issuance of such order."

The PRESIDING OFFICER. The bill is not yet before the Senate. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The clerk will state the next bill on the calendar.

ALLOWANCE FOR POSTAL CLERKS DETAILED TO MILITARY ESTABLISHMENTS

The bill (H. R. 5103) to provide for clerical assistance at post offices, branches, or stations serving military

and naval personnel, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

WITHDRAWAL OF OBJECTION TO CERTAIN BILLS

Mr. MORSE. Mr. President, reserving the right to object, I wish to comment briefly on Calendar 1369, Senate bill 2357, to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel, and Calendar No. 1448, House bill 3783, authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas.

On the last call of the calendar, I objected to Calendar 1369, Senate bill 2357, asking for such time as I needed to complete my study of that particular bill. I have investigated the bill and am satisfied it should pass. Therefore, I no longer object to the bill, and I notify the Senator from Arkansas [Mr. MCCLELLAN] that so far as I am concerned I should be happy to have him ask, later in the afternoon, unanimous consent to revert to Calendar 1369, Senate bill 2357.

I also wish to take time now to announce that I am withdrawing my objections to Calendar 1448, House bill 3783, which calls for the transfer of Camp Joseph T. Robinson to the State of Arkansas. My investigation shows that it does not fall within the so-called Morse formula in regard to the transfer of Federal property, because this particular transfer proposes to give this property to the State of Arkansas for National Guard purposes. I have always agreed to the transfer of property for National Guard purposes, with the reservation in the transfer, as is contained in this bill, that, should the property ever cease to be used for National Guard purposes, it shall revert to the Federal Government. The people of the United States as a whole have a great interest in the use of this property in Arkansas for National Guard purposes, and therefore I withdraw my objection.

Mr. MCCLELLAN. I thank the able Senator from Oregon. I appreciate very much his action in looking into the merits of these bills and at this time withdrawing his objection to them. Immediately following the consideration of the pending bill, I shall ask unanimous consent to return to these measures and have them considered.

Mr. MORSE. Mr. President, in connection with my comments on Calendar No. 1369, Senate bill 2357, I ask to have two memorandums inserted in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the two memorandums were ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE,
Washington, April 14, 1950.

Mr. CHARLES E. JOHNSON,
Office of the Comptroller General:

Consideration has been given to the construction of the words "or a charge raised" in the bill S. 2357, Eighty-first Congress, as reported by the Senate Expenditures Committee.

The said bill would amend the act of May 26, 1936 (49 Stat. 1374), so that whenever upon the statement of the account of any disbursing or certifying officer of the United States in the General Accounting Office credit shall have been disallowed or a charge raised for any payment to any person in the executive branch of the Government, otherwise entitled to compensation from the United States, such compensation of the payee shall be withheld, in part or in whole, until full reimbursement has been accomplished under such regulations as may be prescribed by the head of the agency under which such payee is entitled to receive compensation.

The terms "settlement of account" and "disallowance," as used in the act of May 26, 1936, and as applied to disbursing officers, have well-defined and long-established meanings. The "settlement of account" represents a settlement of an officer's money account for a specific period, showing a list of items for which credit has not been allowed in the account, and the term "disallowance" constituting a formalization of exceptions taken to questionable payments in said accounts which have not been removed or cleared by proper explanation or refund. However, unlike disbursing officers, a certifying officer has no public funds in his possession and hence renders no "money account" against which "disallowances" might be issued. For this reason, the phrase contained in the present bill "or a charge raised" was deemed required to provide a basis for applying the provisions of the bill to certifying officers and was intended for application only in connection with certifying officers as distinguished from disbursing officers; also, it may be stated that such phrase, as used in the bill, contemplates a statement of exceptions outstanding against a certifying officer and not cleared by satisfactory reply or payment of the same degree of formality and finality represented by the "statement of account" or "disallowance" as those terms relate to disbursing officers.

It is, therefore, to be understood that the proposed enactment contemplates withholding of compensation only where the certifying or disbursing officer involved, after reasonable opportunity to explain or clear an exception challenging the propriety of payment, has not been able to do so, or has not done so, and credit has been disallowed or a charge raised for the amount by the issuance by the General Accounting Office of a certificate of settlement of the responsibilities of the accountable officer; also, the bill contemplates that compensation will be withheld only where the officer certifying such compensation for payment or the officer making the payment has actual knowledge, or has been advised, that credit has been disallowed or a charge raised in the settlement of an accountable officer's responsibilities for an apparently improper payment. The bill is intended as an added safeguard to the United States and to certifying and disbursing officers generally, and there is no intention that charges be raised against accountable officers for failure to withhold compensation unless it plainly appears that at the time of making such payment or certification they had actual knowledge of the improper payment to the payee and that this Office in settlement of the responsibility of the accountable officer concerned had raised a charge or disallowed credit therefor.

E. L. FISHER,
General Counsel.

UNITED STATES SENATE,
COMMITTEE ON EXPENDITURES
IN THE EXECUTIVE DEPARTMENTS,
June 8, 1950.

Memorandum to Senator WAYNE MORSE:

Subject: Calendar No. 1369, S. 2357, a bill to authorize withholding of compensation due Government personnel. (Objected to by Senator MORSE on previous call of calendar.)

This bill merely extends to certifying officers the same provisions of law which are now available to disbursing officers of the United States.

Prior to 1941 certifying officers and disbursing officers had the same responsibility and authority of law to withhold funds due Federal employees when such employees were overpaid. When the certifying officers' and disbursing officers' responsibility was separated (Public Law 389, 77th Cong., approved December 29, 1941) extension of authority to certifying officers to withhold was apparently overlooked, and since that time certifying officers have not had any legal authority to withhold compensation for which the accountable officer is held responsible. Therefore, S. 2357 will merely restore to the certifying officer the same authority that he had prior to 1941, and make available the same remedies which presently are available to disbursing officers.

The General Accounting Office, Department of Justice, Department of the Treasury, and most of the other Government departments have approved this measure and recommended that it be passed by the Congress.

GLENN K. SHRIVER,
Staff Member.

HEARINGS ON SO-CALLED SMALL-BUSINESS BILLS

Mr. MAYBANK. Mr. President, I want to make a short statement about another matter, because we have a very important meeting of a subcommittee of the Committee on Agriculture and Forestry. Yesterday I stated that the hearings on the various so-called small-business bills before the Senate, scheduled for June 12, would be postponed. It appears that there are those who have gotten the idea that perhaps the hearing might not be held. I am glad the distinguished Senator from Wyoming is present at this time. He is the author of one of the bills I have in mind, a bill which, as I understand, was introduced at the request of the Department of Agriculture itself.

I merely want to say for the RECORD that it is the desire to expedite the appropriation bill. We all know, of course, that the appropriation bill should be passed by July 1. We are somewhat behind by reason of the fact that this year it is a one-package bill, as the present occupant of the chair knows, he being a member of the committee.

Mr. President, I make this statement because I want it distinctly understood that the Small Business Committee and the members of the Banking and Currency Committee are very anxious to have hearings on the bills affecting small business. What the committee may or may not do, of course, no one knows.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. O'MAHONEY. I understand it to be the purpose of the Senator to set the bills down definitely for hearing just as soon as is possible, with respect to the work on the Appropriations Committee.

Mr. MAYBANK. Mr. President, that is exactly what the members of the Committee on Banking and Currency wish to do, and I am in thorough accord with it. I think that some time in the early part of July we shall have the hearings. We are certainly going to have the hearings, because the Senator from Illinois [Mr. LUCAS] has introduced a bill, as has the Senator from Wyoming [Mr. O'MAHONEY], and there are many other

bills which I will not take the time of the Senate now to enumerate. We will have the hearings in July.

ALLOWANCE FOR POSTAL CLERKS DETAILED TO MILITARY ESTABLISHMENTS

Mr. ELLENDER. Mr. President, may I ask what disposition was made of Calendar 1557, House bill 5103?

The PRESIDING OFFICER. That bill, which was previously stated, will be stated once more.

The LEGISLATIVE CLERK. A bill (H. R. 5103) to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ELLENDER. Mr. President, I should like to have an explanation of the bill.

Mr. LEAHY. Mr. President, this bill would authorize the Postmaster General, in cases where employees of the Post Office Department are detailed to military or naval establishments, to make an allowance for their travel and maintenance while on such detailed service.

Mr. ELLENDER. What annual cost would be entailed?

Mr. LEAHY. It is estimated that it would cost $50,000 annually.

Prior to 1948 the Postmaster General had this authority, but he does not have it now. The bill has the approval of the Bureau of the Budget and also of the Postmaster General.

Mr. ELLENDER. How is the matter now being handled?

Mr. LEAHY. I regret I do not have the answer to that question.

Mr. ELLENDER. I should like to have it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ELLENDER. I ask that the bill go over temporarily.

The PRESIDING OFFICER. Objection is heard, and the bill will go over.

Mr. HENDRICKSON subsequently said: Mr. President, I ask unanimous consent that the Senate return to Calendar 1557, House bill 5103, to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes.

Mr. ELLENDER. Mr. President, I have received an explanation of the bill, and I now withdraw my objection.

There being no objection, the bill (H. R. 5103) was considered, ordered to a third reading, read the third time, and passed.

WITHHOLDING OF COMPENSATION DUE GOVERNMENT PERSONNEL

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1369, Senate bill 2357.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2357) to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2357) to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel, which had been reported from the Committee on Expenditures in the Executive Departments with amendments, on page 2, line 2, after the word "payee", to strike out "may" and insert "shall", and in the same line, after the word "withheld", to insert "in part or in whole", so as to make the bill read:

Be it enacted, etc., That the act of May 26, 1936 (ch. 452, 49 Stat. 1374; U. S. C., 1946 ed., title 5, sec. 46b), is amended to read as follows:

"Hereafter, whenever upon the statement of the account of any disbursing or certifying officer of the United States in the General Accounting Office credit shall have been disallowed or a charge raised for any payment to any person in the executive branch of the Government, otherwise entitled to compensation from the United States or from any agency or instrumentality thereof, such compensation of the payee shall be withheld, in part or in whole, until full reimbursement has been accomplished under such regulations as may be prescribed by the head of the department, branch, or independent establishment (including corporations) under which such payee is entitled to receive compensation: *Provided*, That nothing contained in this act shall be construed to repeal or in any way modify existing laws relating to the collection of the indebtedness of accountable, certifying or disbursing officers."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRANSFER OF A PART OF CAMP JOSEPH T. ROBINSON TO THE STATE OF ARKANSAS

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1448, House bill 3783.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 3783) authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas.

The PRESIDING OFFICER. Is there objection to the request?

There being no objection, the Senate proceeded to consider the bill (H. R. 3783) authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas, which had been reported from the Committee on Armed Services with an amendment on page 4, line 3, after the word "way", to strike out the comma and "but the Secretary of the Army may, if he deems it in the best interests of the United States, convey to the State of Arkansas all or any of the improvements made by the United States during its occupancy of the property."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RESCISSION OF ORDER CURTAILING CERTAIN POSTAL SERVICES

The resolution (S. Res. 261) favoring rescission of the order of the Postmaster General curtailing certain postal services was announced as next in order.

Mr. WILLIAMS. Mr. President, I shall object to the consideration of this resolution for the same reason that I objected to the consideration of Senate bill 3560. This bill proposes to rescind the order of the Postmaster General when he laid off 10,000 employees. I made a statement some time ago in which I stated that I did not think it was necessary for the Postmaster General to curtail the service and at the same time lay off 10,000 employees. I called attention to the fact that even after those men were laid off there would be on the rolls approximately 30,000 more than there were a year ago. There will be nearly double the number who were on the rolls 10 to 12 years ago. There is no reason why the Postmaster General could not lay off 40,000 and still give the public better service. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILLIAMS subsequently said: Mr. President, when Calendar No. 1556, Senate bill 3560, and Calendar No. 1558, Senate Resolution 261 were called, I objected. I ask unanimous consent that immediately following my remarks there be inserted as a part of my remarks at that time a chart showing the civilian employment in the Post Office Department from 1934 to 1949.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Total paid civilian employment, Post Office Department

June 30:	
1934	265,070
1935	258,783
1936	264,614
1937	279,443
1938	291,613
1939	294,651
1940	303,654
1941	315,181
1942	319,763
1943	316,357
1944	352,773
1945	378,849
1946	488,623
1947	471,787
1948	503,607
1949	517,743
Dec. 31, 1949	535,745

EXTENSION OF PERIOD FOR APPROPRIATING AND EXPENDING FUNDS TO CARRY OUT THE FEDERAL AIRPORT ACT

The bill (S. 2875) to extend for a period of 5 years the time for appropriating and expending funds to carry out the Federal Airport Act was announced as next in order.

Mr. HENDRICKSON. Mr. President, I think this bill should be carefully explained.

Mr. McCARRAN. Mr. President, this bill would extend the authorization for appropriations under the Federal Airport Act of 1946 for an additional 5 years beyond the present termination date of June 30, 1953.

The present Federal Airport Act authorized a 7-year program, with a top limitation of $520,000,000 on funds authorized to be appropriated. The extension would not increase the amount of the authorized appropriation; it would

simply allow additional time for the program to be brought to completion.

During the first 5 years of the program—this year's appropriation bill covers the fifth year—the rate of appropriation has been approximately $36,000,000 per year. That is about half the average rate contemplated under the provisions of the act. Obviously, in order to complete the whole program which the act authorized more time will be necessary.

We have had ample time to observe the operation of this Federal airport program and to determine its desirability. I do not believe any Member of the Senate would vote to halt the program today. Many of the cities now participating in the airport program are anxious to know as soon as possible if the program is to be extended. From our experience with local government, we can well understand the problems of these cities in planning for the financing and construction of further improvements to their airports. Let me stress the point that the bill now before the Senate does not provide for any increase in total money authorization, and that no request is being made for such an increase, or for increased annual appropriations. What we are asking is simply that the authority of the Civil Aeronautics Administration to continue under the Federal Airport Act be extended for an additional 5 years. Any appropriations which are to be made for any one of those additional 5 years would have to be justified before the Appropriations Committees of the Congress, exactly as any other appropriation under the present law must be justified. This bill does not change the law. It merely extends it for an additional 5 years.

Congress has approved the idea of an airport program. Experience has shown that the program cannot be completed within the 7 years originally authorized. Logically, the thing to do is to extend the life of the program. Such an extension, if it is to be authorized, should be authorized this year.

Mr. HENDRICKSON. The hearings on the bill indicate that the Budget Bureau is opposed to the passage of the bill at this time. Can the Senator tell the Senate why that is?

Mr. McCARRAN. The only response we have received from the Budget Bureau is that it is not in accordance with the President's program. I do not know, and no one else knows, what the President's program is. Congress established the program by specific legislation. All we shall be doing by this bill will be to extend the program and not increase the appropriation.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subsections (b) and (c) of section 5 of the Federal Airport Act are amended—

(1) by striking out "seven fiscal years", in each such subsection, and inserting in lieu thereof "twelve fiscal years"; and

(2) by striking out "shall remain available until June 30, 1953", in each such subsection, and inserting in lieu thereof "shall remain available until June 30, 1958."

DEVELOPMENT AND IMPROVEMENT OF CHATHAM FIELD, SAVANNAH, GA.

The bill (S. 3173) to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Chatham Field at Savannah, Ga., during the fiscal year 1950 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 8 of the Federal Airport Act, the Administrator of Civil Aeronautics is hereby authorized to undertake a project under said act during the fiscal year 1950 for development of Chatham Field at Savannah, Ga., to the same extent and on the same conditions as if there had been included in the list of projects appended to the said Administrator's request for authority to undertake during the fiscal year 1950 certain projects for the development of class 4 and larger airports, which was submitted to the Congress by the Acting Secretary of Commerce under date of April 18, 1949, and published as Senate Document No. 77, Eighty-first Congress, first session, in the appropriate columns of said list, under the heading "Georgia," the following:

Location and name of airport: Savannah, Chatham Field.

Class: Plan 6; present, 6; proposed 6.

Estimated funds required: Sponsor's matching share, $13,333; Federal tentative allocation, $40,000; total funds, $53,333.

Total estimated cost: Land, $0; buildings, $0; other, $53,333.

Proposed work: (Installation high intensity runway lighting system).

CONTRIBUTIONS TO COOPERATIVE FOR AMERICAN REMITTANCES TO EUROPE, INC.

The bill (S. 2496) to authorize contributions to Cooperative for American Remittances to Europe, Inc., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of State is hereby authorized in his discretion to make contributions, subject to the limit of appropriations made in pursuance of the authorization herein, to Cooperative for American Remittances to Europe, Inc., for use in the provision of technical, scientific, and professional publications and educational and scientific equipment for libraries and institutions of learning abroad.

SEC. 2. There is hereby authorized to be appropriated for the purpose of this act a sum not to exceed the sums covered into the Treasury as miscellaneous receipts from the special deposit accounts in the Treasury for moneys received by agencies of the United States Government from private employers for work performed by persons assigned to tasks of national importance under civilian direction in pursuance of section 5 (g) of the Selective Training and Service Act of 1940, as amended.

EASEMENTS AND RIGHTS-OF-WAY WITHIN UNITED STATES NAVAL AMMUNITION DEPOT, EARLE, N. J.

The bill (H. R. 7708) to authorize the Secretary of the Navy to grant to Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval ammunition depot, Earle, N. J., was considered, ordered to a third reading, read the third time, and passed.

PAYMENTS TO MENTALLY INCOMPETENT PERSONNEL OF THE ARMED FORCES

The bill (S. 2395) to provide for payment of amounts due to mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SALTONSTALL. Mr. President, Calendar No. 1569, House bill 5920, is similar to Calendar No. 1564, Senate bill 2395. There is one slight difference between the Senate version and the House version. Therefore, I ask unanimous consent that the Senate proceed to the consideration of House bill 5920.

There being no objection, the Senate proceeded to consider the bill (H. R. 5920) to provide for payment of amounts due mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

Mr. SALTONSTALL. Mr. President, I now move that all after the enacting clause of the House bill be stricken out and that there be substituted the text of Senate bill 2395.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert the following:

That the term "member of the uniformed services" as used in this act means any person on the active or retired list of the Army, Navy, Marine Corps, Air Force, Coast Guard, Coast and Geodetic Survey, or Public Health Service, including transferred members of the Fleet Reserve and of the Fleet Marine Corps Reserve, and members of the Reserve components of the respective services entitled to Federal pay either on the active or any retired list of said services.

SEC. 2. Any active-duty pay and allowances, or any amounts due for accumulated or accrued leave, or any retired or retainer pay, otherwise payable to any member of the uniformed services who, in the opinion of competent medical authority, is mentally incapable of managing his own affairs is authorized to be paid, for the use and benefit of such incompetent member, to such person or persons who may be designated by the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of the Treasury, the Secretary of Commerce, the Federal Security Administrator, or such other officer or officers as the respective Secretaries or Administrator may designate for such purposes, without the necessity for appointment in judicial proceedings of a committee, guardian, or other legal representative, and any payments to the person or persons so appointed as provided herein shall constitute a complete discharge of the obligation of the United States as to the amounts so paid: *Provided*, That no person serving in a legal, medical, or fiduciary capacity, or in any other capacity, shall demand or accept any fee, commission, or charge for any services rendered under the authority of, or in connection with, the provisions of this act: *Provided further*, That the provisions of this section shall not apply where a legal committee, guardian, or other representative has been appointed by a court

of competent jurisdiction, except as to any payments made hereunder prior to the receipt in the paying agency of the department or agency concerned of notice of such appointment: *And provided further*, That competent medical authority shall consist of a board of not less than three qualified medical officers one of whom shall be specially qualified in the treatment of mental disorders, appointed by the secretary of the department concerned or the Federal Security Administrator from available medical officers.

SEC. 3. The secretary of the department concerned and the Federal Security Administrator shall prescribe such regulations as may be necessary to carry out effectively the provisions of this act, including a requirement that such person or persons designated to receive payments as provided in section 2 above shall furnish satisfactory assurances that amounts received have been and will be applied to the use and benefit of the incompetent and, in cases wherein the payments may be reasonably expected to exceed $1,000, that a suitable bond shall be provided by such person or persons which may be paid for out of sums due the incompetent.

SEC. 4. The determination of the person or persons authorized to receive payments as provided in section 2 above, made by the respective secretaries or by the Federal Security Administrator, or by their duly designated subordinates pursuant to this act, shall be final and conclusive and not subject to review by any court or Government official.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. SALTONSTALL. Mr. President, I now ask unanimous consent that Senate bill 2395 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVEYANCE OF CERTAIN LANDS TO MILES CITY, MONT.

The bill (H. R. 7984) to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 2386) to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev., was announced as next in order.

Mr. HENDRICKSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

The bill (S. 2640) to amend the Civil Service Retirement Act of May 29, 1930, as amended, was announced as next in order.

Mr. HENDRICKSON. I object.

The PRESIDING OFFICER. Objection is heard. The bill will go over.

REFUNDS OF DEPOSITS UNDER CIVIL SERVICE RETIREMENT ACT

The Senate proceeded to consider the bill (S. 1862) to provide refunds of certain deposits made for the purpose of obtaining credit under the Civil Service Retirement Act of May 29, 1930, as amended, for service in the Army, Navy, Marine Corps, or Coast Guard, which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause and insert:

That section 9 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by striking out the period at the end thereof, inserting in lieu thereof a semicolon, and adding the following "and any such deposit made for military or naval service by any person in service or separated on or after April 1, 1948, shall, upon application, be refunded."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MIYOKO OISHI

The bill (H. R. 7778), for the relief of Miyoko Oishi was considered, ordered to a third reading, read the third time, and passed.

MARY FRANCES YOSHINAGA

The bill (H. R. 7560), for the relief of Mary Frances Yoshinaga was considered, ordered to a third reading, read the third time, and passed.

TOSHIKO ONO

The bill (H. R. 7173) for the relief of Toshiki Ono was considered, ordered to a third reading, read the third time, and passed.

KAZUYO DOHI

The bill (H. R. 7094) for the relief of Kazuyo Dohi was considered, ordered to a third reading, read the third time, and passed.

MRS. KARRY WAKEFIELD

The bill H. R. 7092) for the relief of Mrs. Harry Wakefield was considered ordered to a third reading, read the third time, and passed.

E. G. MORRIS

The bill (H. R. 6991) for the relief of E. G. Morris was considered, ordered to a third reading, read the third time, and passed.

MITSUKO UEMURA

The bill (H. R. 6689) for the relief of Mitsuko Uemura was considered, ordered to a third reading, read the third time, and passed.

ESTABLISHMENT AND OPERATION OF RARE AND PRECIOUS METALS EXPERIMENT STATION AT RENO, NEV.

Mr. McCARRAN. Mr. President, I ask unanimous consent to recur to and to have considered at this time Calendar No. 1566, House bill 2386, which was previously passed over.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, I think this bill should be thoroughly explained. I have serious question about it, because I understand the Budget Bureau are opposed to it.

Mr. McCARRAN. No; they have no objection to it. The purpose of House bill 2386 is to authorize the construction and operation by the Bureau of Mines of facilities at Reno, Nev., for experimental work relating to the mining and metallurgy of rare and precious metals vital to the national security and for medical and scientific development. Since 1920 the Bureau of Mines has used facilities at Reno contributed by the University of Nevada. I hope that the Senator will see fit to withdraw his objection.

Mr. HENDRICKSON. In the light of the explanation, I withdraw my objection.

There being no objection, the bill (H. R. 2386) to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev., was considered, ordered to a third reading, read the third time, and passed.

NATURALIZATION OF CERTAIN IMMIGRANTS

Mr. McCARRAN. Mr. President, I ask unanimous consent to return to Calendar No. 1179, House Joint Resolution 238. My reason for asking that is that I see the Senator from Georgia on the floor. He has an amendment to offer to the joint resolution. Originally I asked that it go to the foot of the calendar. However, the Senator from Georgia is here, and I now ask that the joint resolution be considered.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 238) to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence..

Mr. RUSSELL. Mr. President, this joint resolution purports to extend the privilege of naturalization to all citizens of Japanese descent in this country or those who came into the country prior to the enactment of the Immigration Act of 1924. I have no objection to the extension of that privilege to Japanese. The bill as presented to the Senate was so broad that I felt it would permit a great many other aliens, including those who were here by virtue of treaties, to be included under its terms.

I have prepared an amendment, in the nature of a subsitute, which limits the application of the measure to Japanese persons and persons of Japanese descent in this country.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and insert:

That subsection (a) of section 303 of the Nationality Act of 1940, as amended (60 Stat. 416, 8 U. S. C. 703 (a)), is amended (1) by striking out the word "and" following the semicolon in paragraph (3), (2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and (3) by adding thereto a new paragraph, as follows:

"(5) Japanese persons and persons of Japanese descent who (i) entered the United States (including the Territory of Hawaii) prior to July 1, 1924, (ii) have resided continuously in the United States (including the Territory of Hawaii) since such entry, and (iii) are not subject to deportation."

Mr. FERGUSON. Mr. President, do I correctly understand that the only change is to make the bill applicable to Japanese?

Mr. RUSSELL. That is correct. That was the ostensible purpose of it. This amendment makes the purpose perfectly clear. It extends the privilege of naturalization to Japanese persons.

Mr. McCARRAN. I want to say that I concur with the Senator from Georgia in limiting the purpose and intent of this bill to that extent. When the committee acted on the bill the committee understood that to be the intent of the bill.

Mr. FERGUSON. That was my understanding of it. The amendment makes it perfectly clear.

Mr. JOHNSON of Colorado. I desire to have the RECORD show that I am in complete accord with the amendment which has been offered by the Senator from Georgia.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "Joint resolution to remove the racial restrictions on naturalization in the case of certain Japanese persons who entered the United States prior to July 1, 1924."

HARUKO TERAMOTO

The bill (H. R. 6577) for the relief of Haruko Teramoto was considered, ordered to a third reading, read the third time, and passed.

MRS. CHIKAKO MARY OHORI HORI

The bill (H. R. 6414) for the relief of Mrs. Chikako Mary Ohori Hori was considered, ordered to a third reading, read the third time, and passed.

LOUISE M. KOCH

The Senate proceeded to consider the bill (H. R. 6385) for the relief of Louise M. Koch.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, this is a private claim bill, growing out of an accident case, the claimant having been injured by an army vehicle. The accident took place in Frankfurt, Germany, so the claimant is ineligible to file an action under the Federal Tort Claims Act. The Army admits liability. The claimant is a school teacher, now 34 years old. The accident aggravated a previous injury. This woman had a number of operations, over a period of nearly 3 years, and has a considerable degree of permanent disability. The amount of the claim is $11,973.67, which includes $1,343 for medical and hospital expenses, $4,630 for loss of earnings, and $6,000 for personal injury, pain and suffering, and disfigurement. This is a House bill, and the Senate committee has approved the amount which the House allowed.

Mr. HENDRICKSON. I thank the Senator for the explanation.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

J. O. EVANS

The bill (H. R. 6371) for the relief of J. O. Evans was considered, ordered to a third reading, read the third time, and passed.

MRS. WILLIAM Y. IMANAKA

The bill (H. R. 6344) for the relief of Mrs. William Y. Imanaka was considered, ordered to a third reading, read the third time, and passed.

MRS. HARRY SCHNEIDER

The bill (H. R. 6271) for the relief of Mrs. Harry Schneider was considered, ordered to a third reading, read the third time, and passed.

MR. AND MRS. THURMAN L. BOMAR

The bill (H. R. 5199) for the relief of Mr. and Mrs. Thurman L. Bomar was announced as next in order.

Mr. HENDRICKSON. Mr. President, the amount involved in this bill is very small, I realize, but I am wondering if this is the sort of risk the Government should assume. I am wondering if it does not set a bad precedent to recognize a claim of this sort.

Mr. McCARRAN. Mr. President, this is a private claim bill, the amount involved being $250. The claim is for the loss of a mare who had to be destroyed as the result of an injury sustained when she was ridden by a soldier during the course of Army maneuvers in the vicinity of Shelbyville, Tenn. The Department of the Army has stated it has no objection to the enactment of the bill.

In approving this bill, the committee considered it to be a case of damage resulting from the activities of troops on maneuvers. If permission to ride the mare had been granted by the farmer who owned the animal, a different result might have been reached, because that could have been personal between the farmer and the soldier. Here, however, the only permission sought or granted was from a 12-year-old girl who had no authority to give such permission, and it should be presumed the soldier must have known she had no such authority. On this basis, the committee has approved the bill.

If the soldier had taken the mare without any authority at all, clearly the Government would have been liable. In legal effect, that is what happened.

Mr. HENDRICKSON. Did the committee report the bill unanimously?

Mr. McCARRAN. The committee report was unanimous.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MRS. NATHALIE E. COBB

The bill (H. R. 5126) for the relief of Mrs. Nathalie E. Cobb was announced as next in order.

Mr. HENDRICKSON. Mr. President, may I ask the distinguished Senator from Nevada whether this bill in any sense violates the spirit or letter of the Legislative Reorganization Act?

Mr. McCARRAN. It is my judgment that it does not.

Mr. HENDRICKSON. I thank the Senator.

Mr. McCARRAN. Mr. President, by way of explanation, I ask that there be inserted in the RECORD an explanation of H. R. 5126.

The PRESIDING OFFICER. Is there objection?

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

This is the case of a former officer in the Coast Guard Reserve, whose commission expired on October 10, 1946, but who was continued on active duty. The Coard Guard was slow in processing his renewal commission for an additional 3-year term, and the renewal commission was tendered to him on August 20, 1947. On that date he was seriously ill and unconscious in a Government hospital, and could not take the required oath. He remained unconscious until his death 9 days later.

The General Accounting Office has ruled that because this officer did not take the oath a second time, he was technically ineligible to receive his salary, and further, his widow is precluded from receiving the usual 6-month death gratuity. The purpose of this bill is to pay the widow the back salary of her late husband, plus the death gratuity, or a total amount of $2,035.42. The Treasury Department has stated its opinion that the delay in tendering the new commission to this officer was an administrative error resulting in an injustice to the widow, and recommends enactment of the bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

LONNIE M. ABERNATHY

The bill (H. R. 4996) for the relief of Lonnie M. Abernathy was announced as next in order.

WINNING THE COLD WAR—VIII

Mr. FLANDERS. Mr. President, I have to leave for a committee meeting, and I ask unanimous consent to address the Senate for 5 minutes.

The PRESIDING OFFICER. The Senator from Vermont is allowed 5 minutes on any bill.

(Mr. FLANDERS addressed the Senate, under the 5 minute rule, during the consideration of four measures, and asked and obtained unanimous consent that his remarks might all be printed as one address. His address entire is as follows:)

Mr. FLANDERS. Mr. President, the greatest question before the country today is the ending of the cold war. We face serious domestic questions of which the maintenance of American ideas and ideals is the most serious. The maintenance of a continued prosperity which reaches down to the wage earner and the small farmer is scarcely less important. But nothing is more important than ending the cold war and we do not conceive of its ending except in victory for the peoples of the earth, including the peoples of Russia and the satellite countries.

The leadership in considering the means of such a victory has not come

from our State Department. It has not come from any point in the administration. It has come from the floor of the Senate which under the Constitution has particular responsibilities for the conduct of our foreign affairs but which likewise under the Constitution has very limited means of affecting it. It can and has given leadership in the world of ideas.

I would refer particularly to the two speeches of Senator McMAHON, of Connecticut, on February 2 and March 1, wherein he pleaded eloquently and forcefully for an alternative to the debilitating drain on our financial and moral strength which is required by our concentration on armed force as the only means. Further leadership has come from Senator TYDINGS of Maryland, who on February 6, 16, and 23, made pleas for the calling of a disarmament conference which should consider not atomic arms alone, but every means of offense down to the rifle of the infantry soldier. I have been rereading those addresses and feel moved to comment briefly upon them.

As Senator TYDINGS said on February 6:

> The situation requires bold treatment. We are not faced with a flood or a famine or a typhoon or a tidal wave. We are faced with the extinction of all human beings on the earth as the march of events and of science proceeds on its way down the roadway of the future.
>
> If what I say is true—and who is there to doubt it?—shall we be like dumb driven cattle waiting for the butcher's knife, or shall we take firm, aggressive action in good faith backed up by the logic of the situation, with an appeal to all mankind to come forward and act in an effort to put an end to what now causes so much fear, a fear which will darken and still further darken the atmosphere with the passing of the hours, and the passage of the days?

And again with respect to the sterility of State Department policy he refers on February 23 to an article published in the Readers' Digest for March 1950 entitled "Is War With Russia Inevitable?" Mr. George F. Kennan, the able counselor of the State Department, says war is possible. He says it may come either by accident, or from the fear of the Russians that someone is going to attack them. Speaking for the State Department, he tells us that there are only three alternatives open to us:

> (a) A return to isolation and armed neutrality, (b) war, or (c) to continue the policy of throwing our weight into the balance wherever there are relatively good chances that it will be effective in preventing the further expansion of international communism.
>
> There Mr. Kennan closes the door. We must either retreat back to America and pursue a policy of armed and isolated neutrality, or go to war with Russia, or just hold fast as we are.
>
> All imagination, energy, ingenuity, and diplomacy on the part of our Government and people are by such a policy completely and unmitigatingly discounted. They are all deposited in a steel-riveted sphere of frozen vacuity.

The language of the senior Senator from Maryland is not gentle. It is hard. It is not placating. It is uncomprising in its rejection of the stupid and dangerous leadership given us by our constituted authorities in foreign affairs. It may be that I have overemphasized the disturbance with which he views that leadership, but I can read no other emotions into his words.

The senior Senator from Connecticut, the senior Senator from Maryland, and, may I add, the junior Senator from Vermont are not the only American citizens who are deeply disturbed. The whole thinking population of the United States is disturbed. The young people coming through our secondary schools and colleges are facing their entrance to life with a sense of impending fate, often subsconscious but none the less real.

Speaking for the millions whose future is being, I believe, misled by our constituted leadership, we find Mr. Walter Lippmann's column of June 1 where he refers to General Marshall's speech at Arlington Cemetery:

> He found it necessary—
>
> Says Walter Lippmann—
>
> to warn the country against the "surrender" of any "part of our leadership in the fight for peace." He used these words in replying specifically to Mr. Hoover's proposal to break up the United Nations. But he was thinking of something much bigger than that. The theme of this exalted and faithful address was that we are failing to provide leadership to mankind in the fight for peace.
>
> Having said that, of course, we must remain well armed and that we must use our economic power constructively, General Marshall warned the country that "we should not place complete dependence on military and material power." The word complete was not, I think, carelessly and accidentally used. For no one who has been a close observer of things in Washington can fail to feel that for a variety of reasons, some of them objective, some psychological, some personal, some partisan and political, the administration's foreign policy has during the past year created the impression here and abroad that it places virtually complete dependence on military and material power.
>
> We have allowed ourselves to become identified with the idea that war is inevitable, and that our whole foreign policy is determined by the strategic necessities of the United States. As long as that is the picture of ourselves which we permit mankind to regard as the true picture, no money we appropriate for armaments and no contributions we make to recovery can arrest the breakdown of American influence abroad. "War," said General Marshall, "is no longer just an evil. In this age it seems intolerable." The plain fact is that we have allowed the Soviet propaganda to associate us with the intolerable evil of war. Indeed, we have helped the Soviet propaganda by all kinds of incendiary utterances from the Pentagon, from the State Department, from various foreign mission abroad, in Congress, and in inspired radio and press commentaries.
>
> We have played right into the hands of the Soviet propaganda by explaining that everything we do, every decision we take, is based on a strategical calculation about war. This damnable obsession has gotten to the point where we can hardly send milk to babies abroad without explaining that this is an important action in our cold war with Russian communism.

Walter Lippmann properly called our complete dependence on arms a "damnable obsession." He then continues his analysis of our dangerous situation in these words:

> The official theory of peace has been that it can be preserved if the Atlantic community is united and strong. Until it is stronger and more united than it is now, we must not talk about peace. We must not let the Russians think we wish to negotiate. For that will only make them think that we are weak. We must not let our own people think about negotiation. That will only make them soft and unwilling to vote the money, to create the armies, and to face the sacrifices which are necessary to make us strong. We must concentrate our whole attention and effort on strengthening and uniting the Atlantic community—and then, eventually, we shall extend the area of possible agreement.
>
> This theory is, I venture to believe, almost but not altogether sound and true. It is more than a mere half-truth. It is decidedly less, however, than the sufficient truth.
>
> The defect of the theory is that you cannot unite—and keep united—the Atlantic community unless you can convince the exposed nations of continental Europe that you are organizing peace. If you treat the Atlantic community as a military coalition for war, or allow the impression to exist that that is what you are doing, you will not, in my opinion, be able to unite the Atlantic community. For there are many countries in the Atlantic community that cannot surely be defended in case of war. There are some which cannot be defended at all. They cannot be intimately associated with the Atlantic community unless they believe that in that association war can be prevented. The more probable that war appears to be, the stronger the tendency of the undefendable countries to break away from the Atlantic alliance.
>
> Therefore, it is safe to predict that no matter what the agreements reached by the governments in London, the unity and strength of the Atlantic alliance will decline, not increase, unless the administration succeeds in identifying itself, once more, with the probability and with the hope of peace.

There are practical problems which we face, Mr. President, in considering the suggestion of the senior Senator from Maryland that we call for a disarmament conference. One problem is that we will seem to be calling for help while loudly proclaiming our strength and our dependence on strength. The other is that we will run into the same impasse with regard to the whole range of disarmament that we have in connection with the atomic bomb. That is to say that the Russians will give no guaranty such as we are prepared to give of the carrying out of any agreements arrived at.

With regard to these two objections we can, Mr. President, find the answers to them in our method of approach to the proposed disarmament conference. We must, I am convinced, first clear the ground by a submission of the case of the western world to a debate in the Assembly of the United Nations called, if necessary, for that specific purpose. We are at the moment characterized by the Politburo as warmongers and Mr. President, the label sticks. It sticks precisely because we place our dependence on military strength. It sticks precisely because we have not defined before the tribunal of the world our position in terms other than the armament race and the reaching for power. What does it matter that our desire for power is expressed in terms of benevolence to the world at large? From time immemorial such high-minded purposes have been proclaimed in justification for the grasping of power.

We have no sufficient defense against a growing conviction on the part of the peoples of the neutral nations and allies alike that our purposes and policies are directed toward a military victory over the Soviet Union.

Mr. President, we must put our case in other terms. We must have that decent respect for the opinion of mankind referred to in the Declaration of Independence. We must justify ourselves before the nations of the world in our resistance to the totalitarian offensive.

To be successful we must do this in another spirit than that of indicting the Politburo as a criminal before the bar of mankind. We have to remember that we likewise stand in the dock charged with criminal actions and purposes. It is not pleasant for us to think of ourselves in this position. But a large sector of the world does so think of us and if we are to make a successful appeal we must recognize that liability and turn it into an asset.

What is needed is a sober truthful account of the happenings in the history of the last 15 years as seen through the eyes of a people with our training and ideals. We must not be so much attacking the Russians as expressing ourselves. Only thus can we bring up a background in which we gain an understanding from the nations of the world and in which our suggestions for a disarmament conference will not be misinterpreted.

With this as the needed preliminary even the failure of a disarmament conference will work to the benefit of the free nations of the world. The attempt was made. It was made openly and honestly. The failure will not be ours or that of the other free nations. The moral strength of the free nations will be tremendously augmented. The hold of the Politburo on the hearts and minds of men will be seriously weakened.

Mr. President, our State Department seems to have lost any sense of the power of the spiritual forces. A return to the use of those forces, it seems, must come from the outside. It must come from the people of the country who should be communicating with the officials in charge of our foreign affairs telling them what they are thinking and hoping. It must come from outside spiritual leadership. It must come and is coming, Mr. President, from the floor of the Senate of the United States. I rejoice that it has been so strongly displayed not only by the two colleagues to whom I have referred but to others also.

Events move fast. Since the preceding talk was prepared the senior Senator from Connecticut and six other Senators have joined in introducing a resolution looking toward the calling of a disarmament conference with a pledge on our part to divert to world development the money which we would not have to spend if a satisfactory international agreement can be arrived at.

Mr. President, I honor the Senators who propose and back this resolution. I suggest to them that it can have best chance of success if by such a preliminary meeting of the Assembly as I have suggested, the case of the free nations can first be presented to that great neutral section of the world that is becoming convinced that we are warmongers. By this means our call for disarmament becomes a bid from strength and not from weakness.

The second event is a more unfortunate one. It is the summary and conclusive dismissal by our Secretary of State of the proposals of Mr. Trygve Lie. His proposals are completely unacceptable, but the summary dismissal without seizing the advantages for a moral offensive which lie in the situation is most unfortunate. Mr. President, the truth is with us. The hopes and fears of all the years are with us. We must rise to our opportunity.

Mr. LUCAS. Mr. President, there is no one more interested in attaining peace in the world than is the Senator from Illinois, but I doubt that we can attain it this afternoon. I hope we can move along with the calendar. There are 14 or 15 pages remaining, and we shall have to stay here until we finish the calendar.

Mr. FLANDERS. Had the distinguished majority leader been on the floor during the last hour or so, I am sure he would have noted that the interludes I have provided have been used to good advantage by various Members of the Senate in gaining information and straightening out differences with regard to various items on the calendar. Up in Vermont we call this "horse shedd'n" in memory of similar conferences in the horse sheds back of the town hall on town meeting day. I am sure no time has been lost.

LONNIE M. ABERNATHY

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 4996?

There being no objection, the bill (H. R. 4996) for the relief of Lonnie M. Abernathy was considered, ordered to a third reading, read the third time, and passed.

VERONICA JOLLY

The bill (H. R. 4781) for the relief of Veronica Jolly was considered, ordered to a third reading, read the third time, and passed.

LOUISE AHTING

The bill (H. R. 4747) for the relief of Louise Ahting was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 4653) for the relief of the New York Quinine and Chemical Works, Inc.; Merck & Co., Inc.; and Mallinckrodt Chemical Works was announced as next in order.

Mr. FERGUSON. Over.

The PRESIDING OFFICER. The bill will be passed over.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS POSSESSING SPECIAL SKILLS—BILL PASSED OVER

The bill (H. R. 4604) to authorize the admission into the United States of certain aliens possessing special skills, namely, Teodor Egle, Karlis Fogelis, Vasily Kils, and Aleksanders Zelmenis, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. May we have an explanation of the bill?

Mr. McCARRAN. Mr. President, this is the case of four Latvians, all of whom endured forced labor and confinement in concentration camps by the Nazis during the war. They are highly skilled specialists in the operation of certain types of foreign-made textile machinery. Their services are needed in connection with the operation of such machinery in a textile mill in Woonsocket, R. I. The successful operation of this mill means substantial employment opportunities for many citizens of that community—a community which has in recent years suffered severely because of the slump in textile production.

In reporting on this bill, the Attorney General recommended an amendment to provide that these aliens should serve what would amount to a 1-year probationary period, and during that period would be required to maintain their employment status as skilled technicians, and that they might thereafter be recorded as having been admitted for permanent residence. The House passed the bill with language in it carrying out the spirit of this amendment, but stating it in the negative—that is, providing that if the Attorney General finds, at any time within a year, that one of these aliens has failed to maintain a satisfactory employment status, the alien shall be subject to deportation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. TAFT. Mr. President, does not the bill provide a rather strange modification of the immigration laws, without any other reason being given for the proposal than that the individuals involved possess special skills? Such a reason would cover almost anyone in the United States. I do not know whether these are hardship cases. I cannot really see the basis for the proposed action. Are we to permit individuals to come to this country simply because they have special skills, or because some particular manufacturer wants them to work in his plant? Is there any hardship involved with respect to these four Latvians?

Mr. McCARRAN. I may say that, in my judgment, what impelled the committee to look with favor on the proposal was not because of the applicants having special skills; that was not the principal thing; but rather that their presence here and their services would be of great benefit to a community, namely, Woonsocket, R. I., which is in need of the skills possessed by these individuals. That is what impressed the committee rather than the mere skill of the applicants.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. TAFT. Mr. President, I object. I think it is violating the fundamental principle of the immigration laws of the United States.

The PRESIDING OFFICER. Objection is heard, and the bill goes over.

KATE LAURSEN

The bill (H. R. 4015) for the relief of Kate Laursen was considered, ordered to a third reading, read the third time, and passed.

DR. J. CARLYLE NAGLE

The bill (H. R. 3996) for the relief of Dr. J. Carlye Nagle was considered, ordered to a third reading, read the third time, and passed.

WINONA MACHINE & FOUNDRY CO.

The bill (H. R. 2224) for the relief of the Winona Machine & Foundry Co., a corporation, of Winona, Minn., was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill be placed at the foot of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill will be placed at the foot of the calendar.

Mr. HUMPHREY subsequently said: Mr. President, I ask unanimous consent that the Senate return to Calendar No. 1600, House bill 2224.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? That measure has already been carried to the foot of the calendar.

Mr. HUMPHREY. Mr. President, I ask unanimous consent, however, that that bill may now be considered.

Mr. McCARRAN. Mr. President, my recollection is—I stand ready to be corrected if I am in error—that the Senator from Michigan [Mr. FERGUSON] objected to the consideration of this bill.

Mr. HUMPHREY. Mr. President, the Senator from New Jersey was the one who asked that the bill be passed over. My colleague and I have conferred with him about the bill.

Mr. McCARRAN. I have no objection; I thought it was the Senator from Michigan who objected.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 2224) for the relief of the Winona Machine & Foundry Co., a corporation, of Winona, Minn.

The PRESIDING OFFICER. If there is no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I thank the Senators for their cooperation in this matter.

Mr. THYE. Mr. President, I was about to make the same request that my colleague has made of the able Senator from New Jersey [Mr. HENDRICKSON], the acting minority leader, namely, whether he would permit us to have a reconsideration of the previous action in placing the bill at the foot of the calendar, because I think the bill is a very reasonable and just one.

I thank the Senator for permitting the bill to be passed.

HONORIO CANCILLER AND NANCY TING EVANGELISTA

The bill (H. R. 1866) for the relief of Honorio Canciller and Nancy Ting Evangelista was considered, ordered to a third reading, read the third time, and passed.

BEN GRUNSTEIN

The bill (H. R. 1602) for the relief of Ben Grunstein was considered, ordered to a third reading, read the third time, and passed.

ANNA HELMAN

The bill (H. R. 1275) for the relief of Anna Helman was considered, ordered to a third reading, read the third time, and passed.

EDWARD A. SEELEY

The bill (H. R. 1272) for the relief of Edward A. Seeley was considered, ordered to a third reading, read the third time, and passed.

MRS. JOHN KAUDY

The bill (H. R. 1170) for the relief of Mrs. John Kaudy (formerly Stella Cappler) was considered, ordered to a third reading, read the third time, and passed.

C. M. SMART

The bill (H. R. 589) for the relief of C. M. Smart was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

E. H. CORRIGAN

The Senate proceeded to consider the bill (H. R. 6934) for the relief of E. H. Corrigan, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 9, after the word "dated", to strike out "January 15, 1944" and insert "January 17, 1944."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. LILLIAN COOLIDGE

The Senate proceeded to consider the bill (H. R. 5846) for the relief of Mrs. Lillian Coolidge, which had been reported from the Committee on the Judiciary with an amendment on page 1, after line 2, to strike out:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lillian Coolidge, of Lancaster, Pa., in full settlement of all claims against the United States, as reimbursement for deposits made by her son, Thomas Coolidge; for the purchase of United States bonds; the amount allowed being the present value of 18 $100 bonds purchased in April 1942. Such deposits were made while a prisoner at the Cabanatuan Prison Camp.

And in lieu thereof, to insert the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Lillian Coolidge, of Lancaster, Pa., the sum of $1,656, in full settlement of all claims against the United States for reimbursement for deposits made by her son, Thomas Coolidge, while present on Corregidor, just prior to its capitulation, for the purchase of United States bonds; such sum being an amount equal to the value, as of April 1950, of 18 $100 United States Savings Bonds of the April 1942 issue.

The amendment was agreed to.

Mr. HENDRICKSON. May we have a thorough explanation of the bill?

Mr. McCARRAN. Mr. President, the claimant is the mother of a former Navy petty officer who died in a Japanese prison camp.

The son had been retired for disability, and when the war broke out was operating a restaurant in Manila. Immediately upon the outbreak of the war, he requested a recall to active duty, and when he was found physically unfit for such duty, he escaped to Corregidor and volunteered his services to the Navy. He was permitted to live with the Navy contingent in Queen tunnel where he remained until the surrender of Corregidor, and afterward went with his former comrades to the Japanese prison camp at Cabanatuan.

After the war started the Navy arranged for its personnel on Corregidor to purchase war bonds by radio; and the son of the claimant here, on a number of occasions, made a deposit with a Navy paymaster to pay for defense bonds. He notified his mother, the claimant here, by a post card, that he had bought the bonds and named her as beneficiary.

In the fall of 1944, the son was scheduled to go aboard a Japanese transport bound for Japan, but before leaving the prison camp he gave his personal papers to a friend for safekeeping. The friend has submitted a sworn statement to the effect that among these papers were receipts for United States bonds in the amount of $1,800. The friend buried these papers, but it has been found impossible to recover them. The records of the Treasury Department do not show that the bonds were ever issued; and since, under orders, all money in currency was burned before the surrender of Corregidor, it is not to be expected that a record of receipt of the money by the Treasury would be found, and no such record has been found.

The reputation of the friend who has made affidavit that the bonds were purchased is attested to by his former commanding officer. The committee was satisfied that this man did buy the bonds and make his mother beneficiary, and this bill is to pay her for the value of the bonds.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5846) was read the third time and passed.

DR. TA FU WU

The Senate proceeded to consider the bill (H. R. 4532) for the relief of Dr. Ta Fu Wu, which had been reported from the Committee on the Judiciary with an

amendment on page 1, line 7, after "United States", to insert "upon the payment of the required head tax and visa fee."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

IVA GAVIN

The Senate proceeded to consider the bill (H. R. 3254) for the relief of Iva Gavin, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert the following:

That, nothwithstanding the lapse of time or any statute of limitations, or any limitation upon the jurisdiction of United States district courts to hear, determine, and render judgment upon tort claims against the United States which accrue prior to January 1, 1945, suit may be instituted at any time within 1 year from the date of enactment of this act, in accordance with the provisions of law applicable in the case of tort claims against the United States, on the claim of Miss Iva Gavin, of Muncie, Ind., against the United States arising as a result of personal injuries sustained in an automobile accident involving a United States Army Air Corps bus at the intersection of United States Highway No. 25 and Coronette Avenue, near Dayton, Ohio, on August 18, 1943: *Provided, however,* That nothing contained herein shall be construed as an inference of liability on the part of the United States Government.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WAR CONTRACT HARDSHIP CLAIMS

The bill (H. R. 3436) to amend section 3 of the Lucas Act with respect to redefinition of request for relief was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, let me say that this bill appears to me to be a very important piece of proposed legislation. I thought it was not a bill which should be passed during the call of the calendar, at all.

However, if the distinguished Senator from Illinois will give us a thorough explanation of the bill, I may withhold objection.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. LUCAS. Mr. President, first I wish to commend the Judiciary Committee for reporting the bill.

Back in the Seventy-ninth Congress, I introduced a bill on the subject, because the executive agencies of the Government took the position, as I recall, that they had no further jurisdiction over certain claims which might arise out of certain war contracts because of certain provisions in the First War Powers Act.

The report which has been filed by the committee is a very excellent one. I call the attention of the Senator from New Jersey to page 2, at the bottom, where the following is stated:

Certain of the war agencies refused to make further adjustments of claims on the ground that there was no longer a basis for the First War Powers Act relief provisions, since an adjustment could not "facilitate the prosecution of the war."

In other words, Mr. President, the original War Powers Act provided that the moment a contract failed to facilitate the prosecution of the war or the moment the war more or less ended, no damages could be recovered.

In order to meet that state of affairs, the Congress, in the Seventy-ninth Congress, enacted what is known as the Lucas Act.

As first introduced, that act was clearly intended to provide continuing ground for relief under the First War Powers Act, even though the adjustment of the contract could no longer "facilitate the prosecution of the war." However, it was decided to change the language, so that the act, when finally enacted, read in part:

To settle equitable claims of contractors * * * for losses (not including diminution of anticipated profits) incurred * * * without fault or negligence on their part in the performance of such contracts.

In other words, there were a few contractors who, through no fault of their own, incurred damages after the war had ceased or after hostilities had terminated; and the executive branch of the Government, primarily the Navy, took the very arbitrary position, as I see it, that in view of the fact that hostilities had ceased, they could not pay any claims or damages to contractors thereafter. That is why I introduced the bill.

Notwithstanding the intent of Congress to give some aid and relief to the contractors, one of the branches of the Government—the Navy, as I recall—during the war practically abrogated the intent of Congress by doing nothing in the way of carrying out what the Congress expected to be done.

Not only that, but, as I recall, they obtained an Executive order from the President of the United States which practically kept the War Powers Act in force as it was during the war.

I may say to my friend the Senator from New Jersey that this measure is extremely meritorious. It takes care of a small number of needy contractors who are practically bankrupt as a result of the failure of the Army and the Navy to go along with the original intent of Congress.

I am very happy that the bill has been reported.

The distinguished Senator from Nevada [Mr. McCARRAN] probably can give the Senator a clearer explanation of the bill than I can, because he has considered the amendments and has had the record before him.

However, the report itself is a remarkable report of the facts which actually exist. Again I wish to commend the Judiciary Committee for reporting the bill as they have.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, as the distinguished Senator from Nevada gives us an explanation of the bill, I hope he will indicate the possible cost of the proposed legislation.

Mr. McCARRAN. Mr. President, the purpose of this bill is to amend a law enacted in 1946, having as its purpose the granting of relief to certain contractors for losses incurred without fault or negligence on their part in the performance of war contracts.

Very little relief has, in fact, been granted under this law, which is known as the Lucas Act, because of a provision in the Executive order purporting to implement the act, which contravened an express provision of the act itself, and also because of technical administrative interpretations. The purpose of the bill now before the Senate is to insure that relief may be granted in accordance with the original intent of the Congress to the contractors, approximately three hundred in number, who have filed claims under the original Lucas Act.

This bill was the subject of hearings before a subcommittee headed by the Senator from Mississippi [Mr. EASTLAND]. The full committee adopted the subcommittee report. This report is, as Senators who have studied it will recognize, a very thoughtful, careful, and meticulous appraisal of all the issues involved, with full explanation of the action taken by the committee.

Since the subcommittee filed its report, no objection of any nature to the proposed amendments has been registered with the Committee on the Judiciary, so far as the chairman of that committee is aware. On the contrary, there have been a number of communications praising the subcommittee for having done an excellent job.

It may be that objection will be raised to passing a bill of this nature on a call of the calendar. However, it may be pointed out that this bill would not let in any new claimants; and in the case of those contractors whose claims have been filed under the original law, none can receive any relief in excess of his actual provable loss, without fault or negligence on his part, and taking into account all his Government contracts during the war period. Congress intended these claimants to have relief under such circumstances. They have not had it. This bill will give it to them.

It is impossible to state accurately just how much money will be involved in the payment of these claims. The chairman of the Judiciary Committee has sought advice on this point, and will say to the Senate that in his studied opinion, for whatever it may be worth, the total amount of claims which will be paid under this bill will not exceed five or six million dollars.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. LUCAS. I think it may be advisable to add that the United States Court of Claims, where these contractors have filed claims in the past, has always held with the original theory of the Lucas bill.

In other words, it has said that they were entitled to relief. But the courts have divided upon the question, and that is one of the strongest reasons why it is desired to amend the act. There is no question about the merit of the claims involved, there is no question about the laws respecting the contracts.

Had the war continued, these claimants would have suffered no loss whatever, but the moment hostilities ceased the Navy and War Departments took the position that under the War Powers Act they had no right to pay any claims of this nature. That is the reason why the bill introduced in the Seventy-ninth Congress was enacted. It was rigidly interpreted in line with the original War Powers Act, and one branch of the Government, which, as I recall, was the Navy, even went to the extent of obtaining an Executive order to keep from paying these just claims. On the other hand, another branch of the Government—the Army, as I recall—paid these claims. One military branch of the Government paid them, while the other military branch did not pay, and continues not to pay. In other words, they nullified and abrogated the clear intent of the Congress.

This bill proposing amendments to the act has been offered in an effort to get some relief, so that there can be no misunderstanding as to what the Congress intends and as to what we mean by passing this highly meritorious measure.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Does the distinguished Senator know what the position of the General Accounting Office is in respect to this bill?

Mr. LUCAS. I do not.

Mr. McCARRAN. There is no objection from the Accounting Office. We have heard of no objection.

Mr. HENDRICKSON. Has it been approved?

Mr. McCARRAN. It has not been approved specifically.

Mr. HENDRICKSON. Mr. President, in view of the explanations, for which I thank the distinguished Senators, I withhold objection.

Mr. HUMPHREY. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to ask the Senator from Nevada, in view of the communication which I have received from a Representative in Congress in reference to this proposed legislation, whether the Senator interprets section 3 of the Senate bill in line with these words, "that the form of request for relief shall be immaterial, provided that the request inform the Government or the prime contractor that a claim was being made in connection with the work in question." In other words, does the bill meet the very severe limitations which were in previous legislation and make it possible for some of these subcontractors and prime contractors who were denied equity to have an opportunity to be paid and to receive compensation?

Mr. McCARRAN. Let me say to the Senator that in my judgment the language of the bill sets forth that principle even better than is suggested by the language read by the Senator from Minnesota.

Mr. HUMPHREY. I wish to thank the Senator from Nevada.

The PRESIDING OFFICER. Is there obection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3436) to amend section 3 of the Lucas Act with respect to redefinition of request for relief, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That the act of August 7, 1946 (Public Law 657, 79th Cong., 41 U. S. C., sec. 106), as amended, is further amended as follows:

(a) By adding at the end of section 2 thereof the following new subsection:

"(c) In determining the amount of the net loss on all contracts and subcontracts held by the claimant under which work, supplies, or services were furnished for the Government between September 16, 1940, and August 14, 1945, the respective departments and agencies shall allow as costs of performance of such contracts and subcontracts (1) all, or the properly allocable portion, of the sum paid or allowable by the claimant as reasonable compensation for services, during the period of performance of the contracts and subcontracts, to its working partners or working sole proprietor, and (2) interest at reasonable rates paid by the claimant to the date of determination of the claim on sums borrowed by him or if for the purpose of providing necessary working capital for the performance of the contracts and subcontractors. For the purposes of this subsection, the term 'reasonable compensation for services' means wages or salaries which were or could have been allowed under the contract renegotiation procedure or the applicable wage and salary stabilization regulations."

(b) By amending section 3 thereof to read as follows:

"SEC. 3. Claims for losses shall not be considered unless filed with the department or agency concerned on or before February 7, 1947, and unless a written request for relief, or a demand for payment of such losses, or a notice of such losses, sustained or impending, adequate under the circumstances to apprise such department or agency of the distress of the contractor was filed or submitted to such department or agency or to any of its subordinate offices on or before August 14, 1945; but a previous settlement, regardless of its nature, under the First War Powers Act, 1941, or the Contract Settlement Act of 1944, or other final action on a request for relief shall not operate to preclude further relief otherwise allowable under this act. A request for relief, or a demand for payment of losses or a notice of such losses, sustained or impending, adequate under the circumstances to apprise such department or agency of the distress of the contractor which had been submitted to or filed with a prime Government contractor by a subcontractor, or with a subcontractor, by a sub-subcontractor prior to August 14, 1945, shall constitute a proper and sufficient request for relief within the terms of this act. The form of the request for relief hereunder shall be immaterial, provided it inform the Government or the dominant contractor that a loss was being suffered, was anticipated, or had been suffered by the contractor, subcontractor, or sub-subcontractor in connection with the work in question."

(c) By adding at the end of section 6 thereof a new sentence, as follows: "Notwithstanding any other provisions of this act and any amendments thereto, the Court of Claims is hereby given jurisdiction of any such petition filed in said court or transferred thereto at any time after June 25, 1948, and within the time provided by this act."

(d) By adding at the end thereof the following new sections:

"SEC. 7. As used in this act, the terms 'contractors', 'subcontractors', and 'materialmen' include individuals, partnerships, joint ventures, business associations, and corporations, and mean with respect to partnerships, joint ventures, or business associations, the partnerships, joint ventures, or business associations themselves, and not the individual members thereof.

"SEC. 8. Any claim filed with any department or agency of the Government under this act prior to the effective date of this section shall be reconsidered and settled in accordance with this act, as amended as of such date; except that in any case in which any contractor, subcontractor, or materialman has, prior to such date, filed an action pursuant to section 6 of this act as originally enacted or as amended by section 37 of the act of June 25, 1948, the claim involved in such action shall not be reconsidered by the department or agency of the Government which originally considered such claim. Any claimant shall be permitted within 60 days after the effective date of this section to revise his claim or amend his complaint or petition and to revive his action if necessary, to seek relief in accordance with this act, as amended as of such date."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend the War Contractors Relief Act, as amended."

DR. ALI REZA BASSIR

The bill (H. R. 3009) for the relief of Dr. Ali Reza Bassir, which had been reported from the Committee on the Judiciary, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I should like to state for the RECORD that this measure is a companion bill to Senate bill 2261, which I sponsored at this session.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 3009) for the relief of Dr. Ali Reza Bassir, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 9, after the word "residence", to insert "upon payment of the required head tax and visa fee."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ALBERT J. PETERSON

The bill (H. R. 2803) for the relief of Albert J. Peterson was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I think the bill should be explained.

Mr. McCARRAN. This is the case of a merchant in Honolulu who violated an order of the military government prohibiting the sale of intoxicating liquor. The penalty provided under the order included confiscation of the liquor stocks of such a violator. In this case the claimant here made a proper return on his stocks of liquor at his cafe and stored in a warehouse; and no sales were made from these stocks. However, he failed to file an inventory of certain intoxicating liquors which he had in the basement of his residence, to the amount of approximately 80 cases; and illegal sales were made from these stocks in his basement. The military authorities seized all the liquor stocks, not only those in the basement of his residence but also those in his cafe and those in the warehouse. The purpose of this bill is to pay for the liquor seized from the cafe and the warehouse, liquor on which proper inventory had been filed and from which no illegal sales were made.

There is precedent for this action, a similar bill having been approved by the President in 1948, involving another merchant, also in Honolulu.

The liquor in the basement of this claimant's home was worth between $800 and $900. He has already paid a fine of $5,000 for his violation, in addition to having this liquor seized.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 2803) for the relief of Albert J. Peterson, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the words "sum of," to strike out "$10,310.79" and insert "$9,436.61."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MARTIN KENNETH IKEDA

The Senate proceeded to consider the bill (H. R. 2705) for the relief of Martin Kenneth Ikeda, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, after the word "laws.", to strike out "Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the first available quota for nationals of China."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REIMBURSEMENT OF A. S. HORNER CONSTRUCTION CO.

The bill (H. R. 2230) to reimburse Arthur S. Horner, Leah B. Horner, and Maude Brewer, partners composing a firm doing business as A. S. Horner Construction Co., was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object, it seems to me that this bill requires an explanation, and I should appreciate one.

Mr. McCARRAN. Mr. President the purpose of this bill is to grant jurisdiction to the United States District Court for the District of Colorado to hear, determine, and render findings of fact upon the claim of a Government contractor for alleged losses attributable to the failure of the Government to supply materials as provided for in his contract. The committee has amended the bill to provide for review by the Supreme Court upon writ of certiorari, and to provide also that the passage of this act shall not be considered as an inference of liability on the part of the United States.

The title of this bill as it passed the House is misleading, and should be amended, so as to read "An act to confer jurisdiction upon the District Court of the United States for the District of Colorado with respect to the claim of Arthur S. Horner, Leah B. Horner, and Maude Brewer, partners, doing business as A. S. Horner Construction Co."

The claimants here have, in the opinion of the committee, made a good case for sending the claim to the district court rather than to the Court of Claims, in view of the fact that this will serve the convenience not only of the claimants but also of the Bureau of Reclamation, which has local headquarters in Denver. It is to be noted the Department has raised no objection to having the case decided in the district court, and it has in fact been stated that this procedure was originally suggested by the Bureau of Reclamation.

Mr. HENDRICKSON. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 2230) which had been reported from the Committee on the Judiciary with an amendment on page 2, after line 9, to insert a new section, as follows:

SEC. 3. Any findings rendered under the authority of this act may be reviewed by the Supreme Court by writ of certiorari granted upon the petition of either party: *Provided*, That the passage of this act shall not be considered an inference of liability on the part of the United States.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to confer jurisdiction upon the District Court of the United States for the District of Colorado with respect to the claim of Arthur S. Horner, Leah B. Horner, and Maude Brewer, partners, doing business as A. S. Horner Construction Co."

WILLIAM RICHARD GEOFFREY MALPAS

The Senate proceeded to consider the bill (H. R. 1038) for the relief of William Richard Geoffrey Malpas, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of the eighth category of section 3 of the Immigration Act of 1924, as amended (8 U. S. C. 136 (c)), William Richard Geoffrey Malpas, a native and citizen of Great Britain, may be admitted to the United States for permanent residence if he is found otherwise admissible under the provisions of the immigration laws.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PIETER CORNELIS TEN WOLDE AND FAMILY

The Senate proceeded to consider the bill (H. R. 714) for the relief of Pieter Cornelis ten Wolde and family, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 11, after the word "date", to insert "upon payment of the required head taxes and visa fees."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

REVISION OF TITLE 18, UNITED STATES CODE

The bill (H. R. 6480) to revise title 18, United States Code, entitled "Crimes and Criminal Procedure," was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, the purpose of this bill is to give statutory protection to a particular type of cremation urn which the Secretary of Defense has approved for use to retain the cremated remains of deceased members of the armed forces. The urn is at present protected only by patent rights. This is not a case, however, where the Congress is attempting to give a patent owner the protection of the criminal laws. The purpose is to give the public, and particularly the loved ones of deceased servicemen, protection against the counterfeiting or improper use of this type of cremation urn.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6480) which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That (a) the analysis of chapter 33 of title 18, United States Code, immediately preceding section 701 of such title, is amended by inserting, immediately after and underneath item 709, the following new item:

"710. Cremation urns for military use."

(b) Title 18, United States Code, is amended by inserting imediately following section 709 of such title, a new section, to be designated as section 710, as follows:

"SEC. 710. Cremation urns for military use.

"Whoever knowingly uses, manufactures, or sells any cremation urn of a design approved by the Secretary of Defense for use to retain the cremated remains of deceased members of the armed forces or an urn which is a colorable imitation of the approved design, except when authorized under regulation made pursuant to law, shall be fined not more than $250 or imprisoned for not more than 6 months, or both."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to amend title 18, United States Code, entitled 'Crimes and Criminal procedure'."

FELLA H. HOLBROOK

The bill (H. R. 5019) for the relief of Fella H. Holbrook was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. I am wondering whether the passage of this bill would establish a bad precedent. I should like to ask the distinguished Senator from Nevada to make an observation with reference to it.

Mr. McCARRAN. This is the case of a Federal employee at the United States engineer office at Oak Ridge, Tenn., who was suspended without pay on charges of misconduct, and subsequently removed from his position. After repeated appeals and numerous investigations, it was concluded the evidence on record did not justify his removal, and he was restored to a position of like security, status, and pay. Meanwhile, he had lost a year of work and a year of pay.

The committee has recommended payment of the claim for an amount arrived at by deducting from the amount of pay this employee would have received an amount equal to what he did get from other work during the period of his separation from Government employment.

As the bill passed the House, the claimant would also have been allowed reimbursement for expenditures in connection with the investigation and appeal of his case. The committee has disallowed this part of the claim.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5019) for the relief of Fella H. Holbrook, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 6, after the word "of", to strike out "$6,229.96" and insert "$4,029.25"; and in line 7, after the word "sustained", to strike out the comma and "and expenses incurred."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. ROSE A. MONGRAIN

The Senate proceeded to consider the bill (H. R. 1817) for the relief of Mrs. Rose A. Mongrain, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the lapse of time or any statute of limitations, or any limitation upon the jurisdiction of United States district courts to hear, determine, and render judgment upon tort claims against the United States which accrue prior to January 1, 1945, suit may be instituted at any time within 1 year from the date of enactment of this act, in accordance with the provisions of law applicable in the case of tort claims against the United States, on the claim of Mrs. Rose A. Mongrain, of Lowell, Mass., against the United States arising as a result of personal injuries sustained by her on June 15, 1944, when she fell on the floor of the lobby of the main post-office building in Lowell, Mass.: *Provided, however,* That nothing contained in this act shall be construed as an inference of liability on the part of the United States Government.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill permitting suit to be brought on the claim of Mrs. Rose A. Mongrain against the United States."

JURISDICTION OF UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

The Senate proceeded to consider the bill (H. R. 1082) conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corp., which had been reported from the Committee on the Judiciary with amendments, on page 2, line 1, after the word "of", to insert "alleged"; in line 3, after the word "such", to strike out "corporation, such damages being caused by" and insert "corporation as a result of"; and in line 4, after the word "cement", to strike out "dust", and insert "dust."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon a claim of the Bunker Hill Development Corp."

WILLIAM T. ORTON

The Senate proceeded to consider the bill (H. R. 5682) for the relief of William T. Orton, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "authorized", to insert "and directed", and in line 4, after the word "pay", to insert "out of Lanham Act funds."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 91) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Abramovich, Esther (nee Edelman).
[redacted], Adler, Anton Joseph.
[redacted], Afable, Trinidad Barcelon.
[redacted], Aigner, Thomas Siegfried.
[redacted], Alonso, Juan Vidal.
[redacted], Alvarado-Tinajero, Alfonso, or Alfonso Ramirez-Mendoza.
[redacted], Alvarez Jose.
[redacted], Ammouri, Naim Moussa, or Neal Korey.
[redacted], Andrato, Gregorio, or Gregorio Andrade.
[redacted], Andreadis, Marie Chris, or Mary Chris Andreadis or Maria G. Hadjigeorgiou or Maria Hadjigeorgiou.
[redacted], Andreu, Clarivel Azcuy y.
[redacted], Arico, Mary (nee Magadding or Concetta Catanzaro).
[redacted], Arrieta-Gobantes, Genaro.
[redacted], Artinian, George Kevork (alias Kevord Palutzian).
[redacted], Atanasoff, Peter Petooff, or Peter Petooff.
[redacted], Bagley, Jeanne Modeste (nee Milet).
[redacted], Bainbridge, Harry.
[redacted], Bak, Wong Sing, or Sing Bak Wong or Wong Hick Chuen or Wong Dock or Wong Dock Sou.
[redacted], Barajas-Macias, Miguel, or Miguel Barajas-Macias.
[redacted], Barrow, Albertha Geraldine.
[redacted], Barsan, Frank, or Sofron or Sofronie Barsan or Borson.
[redacted], Beiro, Jesus Garcia.
[redacted], Bell, Maybelle Lillian (Ditcham), or Maybelle Lillian Ditcham.
[redacted], Beltran, Jose Bernabeu, or Jose Bernabeu.
[redacted], Bembibre, Elisardo Dieguez y, or Elisardo Dieguez.
[redacted], Bemelmans, Anton Hubert, or Mathew Jansen.
[redacted], Bennett, Sophy (nee Ellis).
[redacted], Benson, Heman, or Hemon Benson.
[redacted], Berkon, Morris Joseph, or Jose Barrkan.
[redacted] Bernsten, Reidar Norman Hansen.
[redacted], Bidabe, Pedro Morales, or Pete Bidabe.
[redacted], Billi, Gyorgy, or George Bally.
[redacted], Block, Stanislaw Marius, or Marius Stanley Block or George Grot.
[redacted], Borst, William Frederick Ernst (also William Frecerick Borst).
[redacted], Bosch, Maria, or Maria Gasne y Valencia De Bosch.
[redacted], Brozda, Bruno Ludwig.
[redacted], Burkle, Angela Augusta (nee Trentmann).
[redacted], Bustamante, Pedro.
[redacted], Cabrera, Luis Quiros, or Luis Quiros.
[redacted], Caneira, Joao Antonio; John Antonio Lavarado; Joao Caneira Lavarado.
[redacted], Cannon, John Dyson.
[redacted], Cannon, Patricia Ivy.
[redacted], Caputo, Andrew or Andrea.

[redacted], Carlson, Carl Ivar, or Karl Ivar Karlsson.
[redacted], Carpico, Lorenzo (alias Lawrence Carpico).
[redacted], Carrasco, Therese (nee Teresa Preciado).
[redacted], Catania, Vincenzo, or James Catania.
[redacted], Catingub, Glicerio Tenchavez, or Glicerio Serna, Sam Lohn.
[redacted], Catingub, Saturnina Reyes.
[redacted], Chandler, Eustace Anysley (alias George Chandler).
[redacted], Chateau, Felix Victor Henri, or Felix Chateau or Felix Victor Chateau.
[redacted], Chau, Gee Lun, or Lew Shee (Lew Gee Lun) or Lew Gee Lun or Lee Shee.
[redacted], Chau, Lim Hung, or Chau Lim Hung or Chau (Jew) Lim Hung or Henry Chau.
[redacted], Chien, Helen Jeanne.
[redacted], Chen, Tung Chang.
[redacted], Chen, Tung-Yu, or Jeannette Chen or Tung-Yu Jeannette Chen.
[redacted], Chernos, Joseph.
[redacted], Christensen, Jens.
[redacted], Conde, Jose.
[redacted], Coppa, Carmelo.
[redacted], Curran, Owen Gerard.
[redacted], Czaikowsky, Jozef, or Joseph Chcda.
[redacted], Da Graca, Eduardo (alias Edward Grace).
[redacted], Da Silva, Antonio Joaquim.
[redacted], Dactylidis, Evangelos Dimitrios.
[redacted], De Castro, Enid Marjorie.
[redacted], De Escobedo, Teresa Villa Michel (nee Michel).
[redacted], De Flores, Luisa Chavarria, or Luisa Chavarria-Reyes.
[redacted], De Llamas, Maria Del Refugio Esquivel.
[redacted], De Lopez, Marta Mendoza, or Marta Mendoza de Munoz.
[redacted], De Martinez, Eulogia Reyna, or Eulogia Reyna or Eulogia Reyna De Picasie.
[redacted], De Mendonca, Juliao Furtado, or John Rodrigues or John Furtado.
[redacted], De Rodriguez, Alejandra Gonzalez Delgadillo.
[redacted], Rodriguez, Leon Garcia.
[redacted], De Rosas, Maria Agundez.
[redacted], Deneau, Marvin.
[redacted], Derosier, Maisie Mary, or Maisie Mary Derosa or Maisie Derosier.
[redacted], Desmarais, Estela Emma.
[redacted], Deveau, Harry Henry.
[redacted], Deveau, Marie Domethilde, or Marie Le Blanc.
[redacted], Diaz-Lomeli, Toribio, or Juan Perez or Jose Miranda.
[redacted], Dienesch, Johann, or John Dienesch.
[redacted], Dilalla, John, or Giovannattonio Dilalla.
[redacted], Dimitroff, Milenko, or Milo Dimitroff or Milenko Demetroff or Milo Demetroff or Mike Dimitroff or Menelaos Miliangos or Menelaos Diom Milianis.
[redacted], Dollah, Amir Bin, or Winalaeng Anthony or Hermanus or Herman Anthony.
[redacted], Duff, William.
[redacted], Durazo-Murillo, Jose Trinidad.
[redacted], Durazo-Murillo, Mercedes.
[redacted], Eide, Malvin Hansen, or Melvin Hansen Eide.
[redacted], Einheiber, Schame Berl, or Sidney Berl Einheber or Schame Berl Einheiber (alias Sidney Berl Einheber alias Jack Orman or Jack Orman).
[redacted], Esteves, Manuel Rosales.
[redacted], Estwick, Saint Clair Aubrey.
[redacted], Evtikhieff, Alexander Nicholas.
[redacted], Evtikhieff, Taistia (nee Blinoff).
[redacted], Falquez, Guadalupe Gomez, or Guadalupe Gomez or Guadalupe Aguirre or Guadalupe Gomez Fontes or Guadalupe Gomez Olvera.
[redacted], Fatovic, Ante, or Anthony Fatovic.
[redacted], Faur-Kovach, Anna (nee Savony).
[redacted], Fernandes, Antonio, or Antonio Fernandez Cortez.
[redacted], Fernandez-Mendez, Jose.
[redacted], Filipas, George, or Giorgio Filipas.
[redacted], Flaman, Joseph, or Joseph Fleming.
[redacted], Fohr, Terezia, or Terezia Mueller.
[redacted], Fong, Yee Get, or Fong Yee Get.
[redacted], Fung, Ka, or Carl Fung.
[redacted], Gajdos, Andrew, or Ondrej Gajdos.
[redacted], Galaviz, Antonio, or Antonio Galaviz Valdez or Antonio Galaviz Medina or Juan Antonio Galaviz.
[redacted], Ganazlez, Biendenido Teodoro.
[redacted], Gandolfo, Pietro, or Pete Gandolfo.
[redacted], Gasca, Gabriel.
[redacted], Gee, Chung Yuk, or Chung Shee or Lam Kee or Lum Chun Shee or Chee.
[redacted], Gold, Sam, or Shmelich Kogonovitch.
[redacted], Goldfarb, Olga Caplin, or Olga Goldfarb Moskowitz or Anna Moskowitz or Rachael Bader.
[redacted], Gomez, Joseph Isabel, or Joseph I. Castillo.
[redacted], Goncar, Joseph, or Joseph Goncar Smith.
[redacted], Gonzales-Madrigal, Salvador.
[redacted], Gray, Mary, or May Mackintosh.
[redacted], Greenfield, Ben.
[redacted], Griffith, Pamela Ann or McGuire.
[redacted], Griffith, Victoria Mary (nee de Leon).
[redacted], Grimanis, Demetrios.
[redacted], Groll, Majer Marcus, or Mayer Groll or Mark Groll.
[redacted], Guerrero, Luisa Torres, or Luisa Torres.
[redacted], Gugliotti, Carmine, or Charles Gugliotti.
[redacted], Guida, Mathilda Marion.
[redacted], Guzman-Villalobos, Hilario.
[redacted], Harris, Nathan Benjamin.
[redacted], Hartung, Eckbert Michael Heinz.
[redacted], Hassan, Sayeda Mahgoub Mohamed Hanafi, or Sayda Hahgoub Mohammed Hahafi Hassan, Sayda Mahgoub Hanafi Hassan (nee Hanafi, Sayeda Mohamed Hanafi, Sayeda Hassan).
[redacted], Hecker, Edgar Alexander (also known as Edgar Alexander Mourey).
[redacted], Hencke, Wilhelm Carl, or William Henke or William Kalow.
[redacted], Herbert, Lionel Austin Lee (alias Lionel Austin Lee Triggs-Herbert).
[redacted], Herberth, Maria.
[redacted], Hermanovsky, Askold, or Askold Felix Hermanovsky, or Askolds Feliss Hermanovskis.
[redacted], Hernandez, Rodolfo Rodriguez, or Rodolfo Chavez.
[redacted], Herrmann, Charles Henry.
[redacted], Hickman, Ingeborg (nee Killan).
[redacted], Ho, Laura Wen-Wei Fong (nee Laura Wen-Wei Fong).
[redacted], Hodge, Clothilda Albertha or Fahlie.
[redacted], Hok, Quon On, or Quon On or On H. Quon.
[redacted], Holstein, David, or Dezso Holczstein.
[redacted], Hong, Chang Kan, or Wy Hong.
[redacted], Iovanut, Vasile.
[redacted], Ip, Ching-U.
[redacted], Isaksen, Isak William.
[redacted], Jackson, Benjamin, or Benny Jackson.
[redacted], Jaquez, Antonio.
[redacted], Jerman, Pawel, or Pawel Korczak.
[redacted], Kadas, James Louis, or Emeric Louis Kadas or James Kadas or Iwre Kadas.
[redacted], Keczan, Gyorgy, or George Keczan or George Kecan.
[redacted], Keppler, Minna.
[redacted], Kirkinis, Peter Spyros, or Petros Spyros Kirkinis.
[redacted], Kirs, Oskar.
[redacted], Knudsen, Olive Beulah (nee Thompson).
[redacted], Kollen, Derk, or Dirk Kollen.
[redacted], Konrad, Wilhelm, or William Conrad.
[redacted], Kontogeorge, Nick Kostas, or Nick Constantinos Kontogeorge or Nick Constinos Contogeorge.
[redacted], Kostanoff, Atanas Naum, or Tom Kostanoff.
[redacted], Krawciw, Stefan.
[redacted], Kristensen, Kaare, or Kare Kristensen.
[redacted], Kromdijk, Wilhelmus Franciscus, or William Francis Kromdijk.
[redacted], Kruse, Hans Holger Ekkart.
[redacted], Lamberton, Robert Ferdinand (alias Robert Hans Ferdinand Lenaerts).
[redacted], Lamclos, Edalia Delida (nee Smith).
[redacted], Larsen, Helge Carl.
[redacted], Larsen, Reidar.
[redacted], Lee, Sheridan Hsio-Tao.
[redacted], Leidemann, Erhard Franz Rudolf.
[redacted], Leng, Junior, Christopher.
[redacted], Levy, George Raphael.
[redacted], Macropoulos, Achilles Konstantine, or Achille K. Macropoulos.
[redacted], Madamba, Jorge Arzaga.
[redacted], Malkhasian, Maria (nee Khojayian Sinamian or Mary or Marisa Malkjasian).
[redacted], Mandujano-Urbano, Jesus.
[redacted], Mantzouras, Constantinos Demetrios, or Costa Mantzouras.
[redacted], Mantzouras, Elias Demetrios, or Ilias Dimitriou Mantzouras Matsouras.
[redacted], Mashkovzeff, Stanislava Kazemirevna.
[redacted], Mata, Clara, or Clara Luz Mata or Clara Mata Salinas.
[redacted], Mattina, Concetta (nee Morreale).
[redacted], Maudrame, Theodore.
[redacted], Maus, Jacob.
[redacted], Maus, Katherine.
[redacted], Maxwell, Coburn Dain.
[redacted], Mazurkiewicz, Jan, or John Mazurkiewicz.
[redacted], McDonnell, Ella Gertrude, or Ella Gertrude Macdonnell (nee Fitzgerald).
[redacted], Mekota, Marie or Maria (nee Zsilinszky (Zsilinsky)).
[redacted], Meling, Hans Kristian.
[redacted], Meren, Joseph, or Guiseppe Meren.
[redacted], Merry, Fanny Louisa, or Louise Merry.
[redacted], Merry, Francis John, or Frank John Merry.
[redacted], Mitchell, George Ernest (alias Noel Drayton).
[redacted], Molano, Edward Joseph, or Hernando Eduard Molano or Herman Molano.
[redacted], Molfesis, Elias Antonis.
[redacted], Molfetas, Spyridon, or Spiros Molfetas or Molfis or Molefis.
[redacted], Molnar, Yolanda Margaret.
[redacted], Morales, Nicolas Concepcion.
[redacted], Morales, Maria Wijsfinger.
[redacted], Motecus, Frank, or Pranas Motecius.
[redacted], Moutafis, Panagiotis, or Pete Moitis.
[redacted], Mrazek, Emmanuel, or Emanuel Mracek or Fred Koerner.
[redacted], Natali, Gervasio, or Gerry Nata.
[redacted], Nejman, Chaim, or Charles Nejman or Neiman.
[redacted], Nelson, Alena, or Elena Pacinaityte or Alena Miller or Victoria Miller.
[redacted], Neves, Joaquim Duarte (alias Jack Duarte).

[redacted], Ogilvie, Donald Fitzgerald, or Donald Fitzgerald Bloomfield.
[redacted], Olsen, Ole Alfred.
[redacted], Osinga, Ellen Marjorie Hephzibah, or Ellen M. Osinga.
[redacted], Palomba, Salvatore.
[redacted], Panagopoulos, Efthimios Peter, or Tom Peter Poulos.
[redacted], Panos, Andonios, or Tony Panoff or Donchio Mincoff.
[redacted], Park, Elizabeth Gertrude (formerly Elizabeth Gertrude Reed).
[redacted], Pascu, Elena.
[redacted] Pascu, Livia.
[redacted], Passalacqua, Silvio.
[redacted], Pasut, Agostino.
[redacted], Pazos, Manuel Fernandez, or Manuel Fernandez Pazos.
[redacted], Pearson, Samah Alexander.
[redacted] Pedersen, Karl Leo, or Carl Leo Pedersen.
[redacted], Perez, Ignacio.
[redacted], Perez, Juan.
[redacted], Perez, Jose Baldemero, or Jose Perez Lloret.
[redacted], Perreman, Pierre Gustaaf, or Peter Gus Perreman.
[redacted], Person, Nils Nilson, or Nils Nilsson Rodrich or Nils Nilsson (also known as Frank Nelson or Nils Nelson or Nils Rodrick).
[redacted], Petillo, Eudardo, or Edward Petillo or Frank Petillo.
[redacted], Pierce, Anne Rita.
[redacted], Pierce, James Bernard.
[redacted], Pissolito, Pietro, or Pete Pissolto or Pete Pissolito.
[redacted], Ponsen, Gerrit Dionisius Jacques Cornelis, or Joseph Dionsisius Posum.
[redacted], Ponton, Manuel Rivas (alias Manuel Rivas y Ponton or Manuel Rivas).
[redacted], Pouillion, Pierre, or Pierre Pouillon.
[redacted], Pousatis, Vasilios Michael (alias Bill Hatzes).
[redacted], Pouso, John, or John Poso or Juan Pouso or John Poseo.
[redacted], Primosigh, Gustav Viktor.
[redacted], Raavik, August Taaniel.
[redacted], Rabon, Antonio Pan, or Tony Pong.
[redacted], Raddell, Frank, or Franc Radelj.
[redacted], Raftopoulos, Gerasimos Sacrates, or Raftis, Jerry.
[redacted], Rambing, Bastian, or Ratag Bastian Rambing or Arnocoukar.
[redacted], Ramirez-Garnica, Efrain, or Ygnacio Ramirez.
[redacted], Raphael, Cecil.
[redacted], Rascon-Uranga, Francisco.
[redacted], Read, Margarita Flores.
[redacted], Ready, Bessie, Bessie Dyer (maiden name).
[redacted], Ready, Patrick John.
[redacted], Ready, Vincent Hugh.
[redacted], Rebarber, Francis Joseph.
[redacted], Rebenstock, Filip.
[redacted], Reinartz, Klara, or Klara Schaefer or Klara Hoppe.
[redacted], Reisinger, Martin.
[redacted], Richardson, Albert Nicholas.
[redacted], Richardson, Ellen Marie.
[redacted], Rios, Rodolfo, or Rudolf Rios or Rodolfo Rios Aranda.
[redacted], Robinson, Earl Denzil.
[redacted], Rodrigues, Gaspar.
[redacted], Rodriguez-Barberii, Efrain Emeterio.
[redacted], Rodriguez, Segundo, or Segundo Rodriquez.
[redacted], Roelofs, Johanna.
[redacted], Roggia, Bruno.
[redacted], Rojas, Maria Luisa, or Maria Luisa Rojas De Resendez.
[redacted], Rojas-Gomez, Baltazar, or Baltazar Rojas.
[redacted], De Rojas, Michaela Reyes.
[redacted], Rojas-Reyes, Catalina.
[redacted], Roos, Pieter Cornelis.
[redacted], Roos, Helen Elizabeth (nee Pigeon).
[redacted], Rubio-Sanchez, Sebastian (alias Sebastian Sanchez Rubio; Rubio S. Sanchez).
[redacted], Ruffoni, Antonio Geosue, or Jose Rossi or Alfred Aquistopace.
[redacted], Rusin, John Steven (also John S. Ofsonka).
[redacted], Sadgrove, John Edwin, or Charles Trevor Brent.
[redacted], Sala, Jose Costa, or Jose Prats Serra.
[redacted], Salminen, Clara Ray (formerly Freyermuth nee Hanlon).
[redacted], Salvet, Emma, or Emma Swetonic or Svitonek.
[redacted], Sammels, Joseph Oscar, or John Sammels or Joseph George Sammels.
[redacted], Sanchez-Gonzalez, Gilberto, or Gilberto Sanchez or Gilberto Gonzalez Sanchez.
[redacted], Satray, Louis Edgard, or Louis Edgard Schwartz.
[redacted] Sauerlender, Oscar Sewell, or Oscar S. Sauerlender.
[redacted], Savala, Manuel Reyes, or Manuel Reyes Zavala.
[redacted], Schiller, Sigrid Augusta (nee Andriassen).
[redacted], Schlue, Charles Wilhelm.
[redacted], Schramm, Emma Bertha Friederike.
[redacted], Schramm, Gustav Adolf Louis Wilhelm.
[redacted], Scuderi, Carmelo.
[redacted], Seid, Gam Jun, or Kam Jun Seid or Seid Kam Jun.
[redacted], Seijas, Jose Fernandez.
[redacted], Lemus-Serrano, Francisco, or Francisco Lemus-Serrano or Francisco Lemus Serrano.
[redacted], Shapiro, Adeline Chagnon (alias Adeline Chagnon).
[redacted], Siaba, Manuel, or Malvarez, Manuel Siaba or Sadamalbares, Manuel or Sabo, Manuel.
[redacted], Sildorff, Rita (nee Rederiksen, alias Rita Jensen).
[redacted], Silvestri, Henri; or Henry Silvestri.
[redacted], Simon, Magdalena.
[redacted], Sjostrom, Isak Erick, or Eric Erickson.
[redacted], Smolich, Augustus, or Augustin Smolich.
[redacted], Sofikitis, Demitros, or Demetrios Sofikitis or James Sofikitis.
[redacted], Sousouris, Louis, or Leonidis Sousouris.
[redacted], Sove, Ole Johan.
[redacted], Sparozich, John.
[redacted], Spielman, Zelda, or Zelda Gizella Spielman.
[redacted], Spinati, Nicola Mario, or Nicola Mario Spinati.
[redacted], Stiling, Sandra Helen, or Sandra Helen Cryderman.
[redacted], Stokel, Antonietta (nee Altea).
[redacted], Sowe, Aubrey Edwin.
[redacted], Struhs, Henry.
[redacted], Sung, Henry Hsien-Yung, or Hsien Yung Sung.
[redacted], Suzuki, Nobuo.
[redacted], Swanton, Richard Alfred Ernest.
[redacted], Szymanski, John Joseph.
[redacted], Tani, Denkichi.
[redacted], Tarango, Josefa.
[redacted], Martinez, Ramona.
[redacted], Thury, Elizabeth (nee Geschery).
[redacted], Todte, Rudolf.
[redacted], Trojanowski, Aleksander.
[redacted], Tsangaris, Haralambos, Markos, or Harry Tsangaris.
[redacted], Tsanopoulos, Nicholas.
[redacted], Tsai, Albert Lou Suen, or Lou Suen Tsai.
[redacted], Twinchek, Mary Antoinette, or Mary Antoinette Pittgrino.
[redacted], Vallianos, Gerassimos P., or Gerry P. Vallianos.
[redacted], Urtaza-Cabrera, Francisco.
[redacted], Vagianos, Nicholas Michael.
[redacted], Vakerlis, Marie George (alias Marie Keramida).
[redacted], Valerio, Juan.
[redacted], De Valerio, Maria Alaniz, or Maria Alaniz-Gonzales.
[redacted], Varga, Antoniu.
[redacted] De Vasquez, Dolores Silva, or Dolores Silva.
[redacted] Ventouras, Ioannis Dimitrios.
[redacted], Venturas, Christos Nicholoas (alias Chris Vans).
[redacted], Virgo, Selvyn or Selwyn or Selvin.
[redacted], Vittoratos, John Gerassimos, or John Victor.
[redacted], Vlamis, Phillip T., or Filippos Vlamis.
[redacted], Vlisides, Sam Hetros or Siamatios.
[redacted], Wah, Lee Yow, or Lee Wah or Wah Lee or Tommy Lee.
[redacted], Ward, Amos Alexander, or Amos Ward.
[redacted], Warnken, Helen Agatha Marjory.
[redacted], Weber, Doreen Florence, or Doreen Florence McCoy.
[redacted], Westover, Edwin Harold.
[redacted], Whangbo, Ik Jun, or Eugene Whangbo or Eugene Park Hwangbo or Ik Choon Whangbo.
[redacted], White, Aimee Lucy De Mowbray Bone, or Aimee Lucy De Mowbray Bond.
[redacted], White, Mary Eva (nee Mullin).
[redacted], Wikiel, Mieczyslaw, or Mitchell M. Wickel or Mitchell Wickel.
[redacted], Williams, Irene Constantia, or Irene Constancia Williams.
[redacted], Wilson, Mary Augusta, or Mary Augusta Teske or Mary Teski.
[redacted], Wing, Char.
[redacted], Wong, Gim Foon.
[redacted], Wong, Ho, or Pak Chung Wong.
[redacted], Wong, Kah-King.
[redacted], Yagoda, Jona, or Jona Jagoda or Joseph Silverman or Joe Silverman Jagoda or Jose Iesek or Iezek or Tezek or Izek.
[redacted], Yoanou, Nicola, or Nicola Kousma Ioanou.
[redacted], Yoshida, Toshiko.
[redacted], Yung, Ching, or Yung Ching.
[redacted], Zammitt, Kenneth Joseph A.
[redacted], Zammit, Norman Charles.
[redacted], Zorrilla, Anibal Augustin.
[redacted], Facchin, Umberto, or Alberto Feroli.
[redacted], Fellensteiner, Josef Harold.
[redacted], Feola, Joseph, or Giuseppe Feola.
[redacted], Fuih-Heng, Wang (also Si Heng Wang).
[redacted], Wang, Louise Siu-Tuan Chen.
[redacted], Adler, Katherina, or Katherine (nee Germani Schskaja).
[redacted], Di Vito, Frank or Francesco.
[redacted], Giordano, Nicola.
[redacted], Iliades, Constantine Emanuel or Iliades, Kosstas.
[redacted], Kim, Chang Ha.
[redacted], Paap, Cornelia.
[redacted], Paap, Antonie.
[redacted], Stefenatos, Apostolos, or Apostolos Stephanatos.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 90) favoring suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Kuszer, Czeslawa (alias Cywie or Czeslawa Miller, alias Sylvia Kuszer).
[redacted], Kuszer, Szymon (alias Symcha or Simka or Sam Kuszer.
[redacted], Paulson, Grace.

[redacted], Weinberger, Irena Szenker.
[redacted], Martinez, Fernando Antonio.
[redacted], Martinez, Roberto, or Roberto Martinez-Sanchez.
[redacted], Martinez, Maria Eugenia Del Socorro.
[redacted], Martinez, Mario Sergio.
[redacted], Rempaldi, Riccardo (alias Riccardi Rampaldi).
[redacted], Scheinberg, Noach.
[redacted], Scheinberg, Pola.
[redacted], Soto, Jesus.
[redacted], Sperapani, Giannina Caffererecci.
[redacted], Sperapani, Roger Joseph, or Ruggero Temperini.
[redacted], Torres, Hermelinda, or Maria Hermelinda Torres.
[redacted], Torres, Anastacio, or Anastacio Torres-Villa.
[redacted], Wecker, Karl Ludwig Paul.
[redacted], Wein, Martin, or Moshe Weinschenker.
[redacted], Wong, Ella Guadalupe (nee Elia Guadalupe Fuu Perez).
[redacted], Minner, Robert Franz Cornelius.
[redacted], York, Norma Louise, or Norma Louise Smith or Sunny York or Sunny Smith or Norma Howell or Sunny Howell.
[redacted], Grey, Alice Mary (nee Samson).
[redacted], Grey, Henry James.
[redacted], Medina-Zamudio, Isidro Medina.
[redacted], Medina, Emilia Garcia, or Amelia Garcia Medina or Amelia Garcia Medina-Zamudio or Amelia Medina or Amelia Garcia or Emilia Garcia or Emilia Medina.
[redacted], Avalos, Elias.
[redacted], Avalos, Francisco, or Francisco Avalos Rios or Francisco Rios Avalos.
[redacted], Avalos, Jose.
[redacted], Britton, Wilfred.
[redacted], Deste, Mario.
[redacted], De Valdespino, Aurelia Villarreal, or Aurelia Villarreal De Devalos or Aurelia Villarreal-Gomez or Maria Villarreal.
[redacted], Fischer, Felice Breier, or Felice Breyer Fischer.
[redacted], Ghilarducci, Francesco (Frank) (alias Joe Martini).
[redacted], Glunz, Richard Johann.
[redacted], Maroudis, John Leonidas.
[redacted], Tarazon, Dionicio, or Francisco Valencia or Jose Sanchez.
[redacted], Barry, Olive Inez (nee Williams).
[redacted], Barry, Leopold Orlando.
[redacted], Callwood, Gladys.
[redacted], Callwood, Ina.
[redacted], Callwood, Princes Andora (nee Fahie).
[redacted], Stavrides, Theoharis Stavros.

LORENZO BUIRA SARRATE

The bill (S. 848) for the relief of Lorenzo Buira Sarrate was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Lorenzo Buira Sarrate, of Silver Spring, Md., who was admitted into the United States on a temporary visa on December 28, 1947, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon the payment by him of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Spain.

AMY ALEXANDROVNA TAYLOR AND MYRNA TAYLOR

The bill (S. 1049) for the relief of Amy Alexandrovna and Myrna Taylor was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, directed to cancel forthwith the outstanding warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the cases of Amy Alexandrovna Taylor and her daughter, Myrna Taylor, of San Francisco, Calif., and is directed not to issue any further warrants or orders in the cases of such aliens, insofar as such further warrants are based on any unlawful entry of such aliens into the United States prior to the enactment of this act. Hereafter for the purposes of the immigration and naturalization laws, such aliens shall be considered to have legally entered the United States on the date of their entry May 6, 1945, at the port of San Francisco, Calif., and to have been lawfully admitted to the United States for permanent residence. Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officers to deduct the necessary numbers from the appropriate quota for the first year such quota is available.

MR. AND MRS. LUCILLO GRASSI

The bill (S. 1259) for the relief of Mr. and Mrs. Lucillo Grassi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 401 and section 404 of the Nationality Act of 1940 (relating to loss of nationality) Mr. and Mrs. Lucillo Grassi shall not be considered to have lost their United States citizenship because of voting in a foreign election or because of any period of residence outside the United States prior to the enactment of this act.

JOSE DA SILVA

The bill (S. 1347), for the relief of Jose Da Silva was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, I should like to make an observation with reference to this bill. It seems to me that the person who seeks relief under it will become a public charge. I should like the Senator from Nevada to make a statement with reference to it.

Mr. McCARRAN. This is the case of a boy 19 years old. He has been in the United States for 6 years. Both his parents, his brother, and his sister are lawful permanent residents of the United States. He has one brother who is a United States citizen. This boy was admitted for permanent residence in 1944, and a quota charge was made at that time.

The boy is afflicted with epilepsy, and it has been held that for that reason his entry was illegal, and he is subject to deportation.

There is some question about how serious the boy's condition is. At one time, in 1945, his condition was diagnosed as grand mal epilepsy. Subsequently, he attended a public school in Norton, Mass., in 1947; but he had to be removed because of his epileptic attacks. Since December 1948 he has been a patient at the State hospital at Monson, Mass., and doctors there have stated that the boy will continuously require treatment in a hospital, being totally and permanently disabled.

However, the Senator from Massachusetts [Mr. LODGE], who is the sponsor of this bill, advised the committee in April of 1949 that the boy was at that time employed on his grandfather's farm at Taunton, Mass., was not dependent on anyone, and was earning his own living as a farm worker.

Under the circumstances, the committee felt the bill should be approved.

The parents of this boy are both working and have stated that they are willing and able to pay for the boy's hospitalization, if he has to go to the hospital again.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1374) for the relief of Jose Da Silva was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is hereby directed to cancel the warrant of arrest, warrant of deportation, and any outstanding bond or bonds, in connection with existing deportation proceedings against Jose Da Silva, of Norton, Mass., an alien legally admitted into the United States on May 30, 1944. The Attorney General is likewise directed not to issue any further such warrants of arrest or warrants of deportation against the said Jose Da Silva based upon the grounds upon which the present proceedings are founded.

GREGORY PIRRO AND NELLIE PIRRO

The bill (S. 1357) for the relief of Gregory Pirro and Nellie Pirro was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration laws, Gregory Pirro and Nellie Pirro, of Wildrose, N. Dak., who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last entry into the United States, upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct two numbers from the nonpreference category of the first available immigration quota for nationals of Italy.

THOMAS NICHOLAS EPIPHANIADES AND WANDA JULIA EPIPHANIADES

The bill (S. 1792) for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General be, and he is hereby, authorized and directed to record Thomas Nicholas Epiphaniades as having entered the United States for permanent residence on May 21, 1948, and Wanda Julia Epiphaniades as having entered the United States for permanent residence on May 20, 1948. Upon the enactment of the act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for Greece of the first year that the said quota is available, and one number from the quota for the Union of Soviet Socialist Republics of the first year that the said quota is available.

MARY DI REZZA

The bill (S. 1900) for the relief of Mary Di Rezza was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of section 401 (e) of the Nationality Act of 1940, as amended (U. S. C., title 8, sec. 801 (e)) (relating to loss of nationality through voting in a political election in a foreign state), shall not apply in the case of the participation of Mary Di Rezza, who was born in Irondale, Colorado, in the elections held in Rome, Italy, on October 12, 1947.

ISABEL ALBA CASAS AND OTHERS

The bill (S. 1942) for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez, Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez, Teresa Duque Saenz, Martina Equiza Garces, and Teresa Bazton Elizalde, nuns in the Order of the Sisters of Charity, who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their actual entry into the United States, upon the payment by them of the required head taxes and visa fees.

The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

AUGUSTO SEGRE

The bill (S. 1963) for the relief of Augusto Segre was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Augusto Segre, of Chicago, Ill., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

MARCO MUROLO AND ROMANA PELLIS MUROLO

The bill (S. 2231) for the relief of Marco Murolo and his wife Romana Pellis Murolo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Marco Murolo and his wife, Romana Pellis Murolo, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States, upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such numbers are available.

JOHN E. DWYER

The bill (S. 2242) for the relief of John E. Dwyer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John E. Dwyer, of 504 Halsey Avenue, San Jose, Calif., the sum of $1,666.50, in full satisfaction of his claim against the United States for reimbursement of medical and hospital expenses incurred by him for the treatment of a disease from which he was suffering at the time he was released from active duty in the Army by special orders No. 35 of the Infantry School, Fort Benning, Ga., dated February 19, 1941: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ESTATE OF LEE JONES CARDY

The bill (S. 2297) for the relief of the estate of Lee Jones Cardy was announced as next in order.

Mr. HENDRICKSON. Mr. President, in order to clarify the legislative history of this measure, I ask unanimous consent that a statement prepared by me be inserted in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENDRICKSON WITH RESPECT TO S. 2297, FOR THE RELIEF OF THE ESTATE OF LEE JONES CARDY

Under this bill, it is proposed to make an award of $5,000 to the estate of Lee Jones Cardy, as a result of a collision between a civilian car in which he was riding and an Army truck, in San Diego, Calif., on November 17, 1944.

It appears that a similar bill was vetoed in the Eightieth Congress. In the veto message accompanying S. 252 of that Congress, it was stated: "There appears to be no question but what the accident was due to the negligent manner in which the Army vehicle was being driven and that Mr. Cardy met his death in the line of duty and not as a result of his own misconduct."

Cardy was not a civilian. Instead, he was a chief pharmacist mate, United States Navy. A Naval Board of Inquiry had determined that he met his death in line of duty and not as a result of his own misconduct, and, therefore, the Army paid a claim for burial expenses to the amount of $227.93; Mrs. Cardy was awarded the usual death gratuity, amounting to $756; she also was awarded death compensation in behalf of herself and minor child at the rate of $78 per month; and the deceased's mother, as his dependent, was awarded death compensation at the rate of $54 per month. The wife also receives monthly payments of $36.20 on a $10,000 National Life Insurance policy.

The veto message pointed out that had Cardy been a civilian under these circumstances, such benefits would not have been paid to his estate.

Both the Justice Department and the Department of the Army oppose relief on the ground that it would grant a special benefit that is denied to estates of other members of the Armed Forces where the facts are similar.

It is believed that the merits of an award under these facts should be measured against the situation that now obtains under the Federal Tort Claims Act. It is appropriate, in this connection, to ascertain whether the estate could sue under that act if the statute of limitations were not a bar. On May 16, 1949, the Supreme Court of the United States decided the question in the affirmative in the case of *Brooks* v. *United States* (337 U. S. 49). In that case, suit was brought under the Tort Claims Act based upon the negligence of the civilian driver of an Army truck for the injury and death, respectively, of two members of the Armed Services occasioned while they were riding in a civilian automobile on a public highway. The Supreme Court, with two Justices dissenting, determined that the Tort Claims Act does not bar such an action. The Court made the distinction, however, between an accident which had nothing to do with the Army careers of the injured and the deceased, respectively ("injuries not caused by their service except in the sense that all human events depend upon what has already transpired"), and an accident incident to their service. The Court stated with respect to the latter case that "a wholly different case would be presented. We express no opinions as to it."

With respect to damages, the Court used the following language:

"But this does not mean that the amount payable under servicemen's benefit laws should not be deducted, or taken into consideration, when the serviceman obtains judgment under the Tort Claims Act. Without the benefit of argument in this Court, or discussion of the matter in the court of appeals, we now see no indication that Congress meant the United States to pay twice for the same injury. Certain elements of tort damages may be the equivalent of elements taken into account in providing disability payments. It would seem incongruous, at first glance, if the United States should have to pay in tort for hospital expenses it had already paid, for example. And whatever the legal theory behind a wrongful death action, the same considerations might apply to the Government's gratuity death payment to Arthur Brooks' survivors, although national service life insurance might be considered a separate transaction, unrelated to an action in tort or other benefits."

In its report the Senate Judiciary Committee urges favorable consideration of this bill on the thesis that denial of relief results in discrimination against a person wearing the uniform of the Navy and in favor of a civilian; that death benefits bestowed on Armed Forces personnel were bestowed as a matter of law, irrespective of any question of negligence; and that an award under this bill would not be a gratuity but a payment for a wrongful and negligent act of the driver of an Army truck.

It is believed that the committee report might have more fully considered, especially in the light of the decision in the Brooks case, the status of the deceased at the time of his death. Notwithstanding the finding of the Naval Board of Inquiry that Cardy's death was "in line of duty," the committee may well have found on the facts of this case that his death was actually not incidental to his service. On that basis, an award to his estate would not be available as a precedent for future claims based upon injury or death having a more direct relationship to service.

It is also believed that the committee report should be supplemented by making it clear that the award of $5,000 in this case was determined to be fair and reasonable, in consideration of the other payments and benefits which have been made available to the deceased's family.

Mr. McCARRAN. Mr. President, I think it advisable, and I ask unanimous consent, that an explanatory statement prepared by me in connection with this bill be inserted at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

There are two points to be made clear in connection with this claim, which is one for personal injuries growing out of an accident involving a United States Army vehicle.

The first point to be made clear is that the committee determined that the amount recommended in the bill, $5,000, is fair and reasonable, in addition to the amounts already paid by the Army. To put it another way, if the Army had not already made some payments, the committee would have allowed a larger amount.

The second point to be made clear is that while this man was technically on active duty, his death was not incidental to his Army service. Senators know that a member of the Army is "on active duty" 24 hours a day during the entire term of his enlistment. It is the opinion of the committee, in line with a recent holding by the Supreme Court, that the fact that a man is in the employ or service of the Government does not preclude his recovery for injuries growing out of tort, where such injuries have no factual connection with his Government employment or service.

The minority policy committee has made a careful study of this case, and it is understood that a member of that committee desires to make a statement with regard to it.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Lee Jones Cardy, the sum of $5,000, in full satisfaction of the claims of such estate against the United States for compensation for the death of the said Lee Jones Cardy as a result of personal injuries sustained by him when the automobile in which he was riding was struck by a United States Army vehicle near San Diego, Calif., on November 17, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

HO PAAK-SUI

The bill (S. 2349) for the relief of Ho Paak-Sui was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Ho Paak-Sui (alias P. S. Ho), of Indianapolis, Ind., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

MARIA, MAGDALENA, MARGIT, AND MARTHA BATTHA

The bill (S. 2492) for the relief of Maria, Magdalena, Margit, and Martha Battha was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Maria Battha, Magdalena Battha, Margit Battha, and Martha Battha, who were admitted into the United States on visitors' permits, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last entry into the United States, upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct four numbers from the nonpreference category of the first available immigration quota for nationals of Hungary.

DAIJIRO YOSHIDA

The bill (S. 2499) for the relief of Daijiro Yoshida was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Daijiro Yoshida, minor son of Suzuko Yoshida, an American citizen, and that the said Daijiro Yoshida may be permitted to enter the United States as a nonquota immigrant for permanent residence if he is found to be otherwise admissible under the provisions of the immigration laws.

Mr. McCARRAN subsequently said: Mr. President, with reference to Calendar No. 1640, Senate bill 2499, at approximately the same date on which this bill was reported to the Senate Calendar, a companion House bill was received by the Senate and was erroneously referred to the Committee on the Judiciary instead of being held on the Senate Calendar. Senate action should be, of course, on the House bill. Therefore, I now move that the Committee on the Judiciary be discharged from further consideration of the companion bill, H. R. 7315, that the House bill be substituted for the pending Senate bill, that the House bill be amended by striking out all after the enacting clause and inserting the language of the Senate bill as reported from committee, that the House bill as so amended be passed, and that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada? The Chair hears none, and the Committee on the Judiciary is discharged from the further consideration of the bill.

Is there objection to the reconsideration of the vote by which Senate bill 2499 was passed? The Chair hears none, and the vote is reconsidered.

The Senator from Nevada now asks unanimous consent for the present consideration of H. R. 7315.

There being no objection, the Senate proceeded to consider the bill (H. R. 7315) for the relief of Daijiro Yoshida.

The PRESIDING OFFICER. The Senator from Nevada now moves that all after the enacting clause of the House bill be stricken out, and that the language of Senate bill 2499 be inserted.

The motion was agreed to.

The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2499 is indefinitely postponed.

VERA STEIN

The bill (S. 2526) for the relief of Vera Stein was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration laws, Vera Stein shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Czechoslovakia.

EDWARD E. DUFF

The bill (S. 2565) for the relief of Edward E. Duff was announced as next in order.

Mr. HENDRICKSON. Mr. President, I think this bill should be explained.

Mr. McCARRAN. Mr. President, this bill deals with a personal accident case. The bill would pay $3,000 as compensation for personal injuries and reimbursement of hospital and medical expenses in connection with the injury of a 14-year-old boy when he was struck by a cartridge discharged from a pistol carried by a seaman of the United States Navy.

The injured boy and his younger brother were visiting a friend, a seaman in the Navy, in the gatehouse at the naval training center at Bainbridge, Md. Another guard returned to the gatehouse on official business and, while still outside the gatehouse, took his gun out of its holster to unload it. The gun went off accidentally and the bullet entered the boy's left hip.

The bill was considered by a subcommittee composed of the Senator from Kentucky [Mr. WITHERS], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Indiana [Mr. JENNER]. The subcommittee went into the matter with particular care because there had been a court action in this case, the action had been dismissed, and the judgment of dismissal had been affirmed by the Court of Appeals for the Fourth Circuit. In that decision Judge Parker

made a strong dissent. The subcommittee agreed with Judge Parker's dissent and reported that—

The subcommittee conceive this to be a case where an untrained youth in the employ of the Federal Government was permitted to carry a deadly firearm on his person, without proper instruction in its handling, who, with knowledge of the boy's presence, placed him in a position of peril.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward E. Duff, of Port Deposit, Md., the sum of $3,000, in full satisfaction of his claim and that of his minor son, Edward Leigh Duff, against the United States for (1) compensation for personal injuries sustained by said Edward Leigh Duff, and (2) reimbursement for hospital and medical expenses incurred by said Edward E. Duff on behalf of said Edward Leigh Duff, as a result of an accident which occurred at the Bainbridge Naval Training Center on November 16, 1946, when said Edward Leigh Duff was struck by a cartridge unintentionally discharged from a pistol carried by a seaman of the United States Navy then engaged in guard duty at such training center: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

YAYOKO KOBAYASHI AND JUNE KOBAYASHI

The bill (S. 2575) for the relief of Yayoko Kobayashi and June Kobayashi was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Yayoko Kobayashi, the Japanese fiancée of Ted Ladke, a citizen of the United States and an honorably discharged veteran of World War II, and her daughter, June Kobayashi, and that said Yayoko Kobayashi and her above-named daughter may be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Yayoko Kobayaski is coming to the United States with a bona fide intention of being married to said Ted Ladke, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Yayoko Kobayashi and her daughter, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of Yayoko Kobayashi and her daughter, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of their entry into the United States, upon the payment by them of the required fees and head tax.

CHYON YONG YUN

The bill (S. 2620) for the relief of Chyon Yong Yun was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration laws the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Chyon Yong Yun, wife of Pvt. Daniel R. Mueller, an American citizen, and that the said Chyon Yong Yun may be permitted to enter the United States as a nonquota immigrant for permanent residence if she is found to be otherwise admissible under the provisions of the immigration laws.

EVZEN SYROVATKA AND HIS WIFE

The bill (S. 2662) for the relief of Evzen Syrovatka and his wife was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Evzen Syrovatka and his wife, Vera, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

KIMIE YAMADA INA AND HER DAUGHTER, RITSUKO INA

The bill (S. 2676) for the relief of Kimie Yamada Ina and her daughter, Ritsuko Ina, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the provisions of the immigration laws relating to exclusion of aliens inadmissible because of race shall not hereafter apply to Kimie Yamada Ina, the Japanese fiancée of Hugh L. Burleson, a citizen of the United States and an honorably discharged veteran of World War II, and her daughter, Ritsuko Ina, and that Kimie Yamada Ina and her daughter, Ritsuko Ina, may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Kimie Yamada Ina is coming to the United States with a bona fide intention of being married to said Hugh L. Burleson, and that she and her daughter are found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Kimie Yamada Ina, she and her daughter shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of said Kimie Yamada Ina, the Attorney General is authorized and directed to record the lawful admission for permanent residence of said Kimie Yamada Ina and her daughter, Ritsuko Ina, as of the date of their entry into the United States, upon the payment of the required fees and head taxes.

NAUM IONESCU AND HIS WIFE

The bill (S. 2682) for the relief of Naum Ionescu and his wife was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Naum Ionescu and his wife, Irene Mihaela, shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

STEPHANIA ZIEGLER AND OTHERS

The bill (S. 2741) for the relief of Stephania Ziegler, Anna Hagl, and Theresia Tuppinger was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Stephania Ziegler (Sister Benitia), Anna Hagl (Sister Klara), and Theresia Tuppinger (Sister Romana), who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their last entry into the United States, upon the payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

MARIE DE CHAMPOURCIN

The bill (S. 2745) for the relief of Marie De Champourcin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Marie De Champourcin, of Brattleboro, Vermont, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of the required visa fee and head tax. Upon enactment of this Act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of the Philippine Islands.

EGBERT G. GESELL

The bill (S. 2866) for the relief of Egbert G. Gesell was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That (a) the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Egbert G. Gesell, presently residing in Washington, D. C., in full satisfaction of his claim against the United States for pay and allowances for active military service actually performed by him in the period June 18, 1941, to July 9, 1941, both dates inclusive, as a major, Specialist Reserve, Army of the United States (Army serial No. [redacted]) assigned to duty with the Office of Administrator of Export Control, a sum equal to the amount of pay and allowances which he would have been

entitled to receive for such service for such period if valid orders had been issued prior to June 18, 1941, by competent military authority placing him on active duty effective on such date.

(b) In the administration of the Civil Service Retirement Act, as amended, such service performed by said Egbert G. Gesell in such period shall be deemed to have been active military service in the Army of the United States.

LYON F. HIBBERD AND THE ESTATE OF GEORGE T. ERB

The bill (S. 3253) for the relief of Lyon F. Hibberd and the estate of George T. Erb was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lyon F. Hibberd, route 4, Elizabethtown, Ky., the sum of $21.85, and to the estate of George T. Erb, deceased, 298 Main Street, Hempstead, Long Island, N. Y., the sum of $200. The payment of said sums shall be in full settlement of all claims of the above-named claimants against the United States for damage to or loss or destruction of property and personal injury caused by military personnel or civilian employees of the Army, or otherwise incident to noncombat activities of the Army, and determined by the Department of the Army to be meritorious, which are not payable either under the provisions of the act of July 3, 1943 (57 Stat. 372; 31 U. S. C. 223b), entitled "An act to provide for the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or civilian employees, or otherwise incident to activities of the War Department or of the Army," as amended, or under the Federal Tort Claims Act (60 Stat. 843; 28 U. S. C. 921), as revised and codified by the act of June 25, 1948 (62 Stat. 983; 28 U. S. C. 2672), and as amended by Public Law 55, Eighty-first Congress, approved April 25, 1949: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent of any claim shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

CREATION OF COURT OF CLAIMS AS A CONSTITUTIONAL COURT OF THE UNITED STATES—BILL PASSED OVER

The bill (S. 638) to amend title 28, United States Code, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

HERMAN L. WEINER

The Senate proceeded to consider the bill (S. 819) for the relief of Herman L. Weiner, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 6, after the words "sum of", to strike out "$4,000" and insert "$3,500," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herman L. Weiner, of Philadelphia, Pa., the sum of $3,500, in full satisfaction of his claim against the United States for reimbursement of money forfeited by him to the United States on March 5, 1941, in connection with the breach of the condition of a bail bond by one for whom the said Herman L. Weiner posted bond in the sum of $4,000; such sum, having never been remitted to the said Herman L. Weiner although the person for whom such bond was posted and for whose breach of bail such sum was forfeited was subsequently apprehended and convicted in a court of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARTA FAUGNO

The Senate proceeded to consider the bill (S. 1276) for the relief of Marta Faugno, which had been reported from the Committee on the Judiciary with an amendment in line 11, after the word "residence", to insert a colon and "*Provided*, That she is otherwise admissible under the immigration laws", so as to make the bill read:

Be it enacted, etc., That, notwithstanding the provisions of the eleventh category of section 3 of the Immigration Act of 1917 (U. S. C., title 8, sec. 136 (e)), Marta Faugno, the wife of Sabato Faugno and the mother of Alexander T. Faugno and Ralph Faugno, all of whom are citizens of the United States residing in Stamford, Conn., and the latter two of whom served honorably in the armed forces of the United States during World War II, shall be admitted to the United States for permanent residence: *Provided*, That she is otherwise admissible under the immigration laws.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KYRA KITE RIDDLE

The Senate proceeded to consider the bill (S. 1654) for the relief of Kyra Kite Riddle, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 5, after the word "of", to strike out "$2,693.26" and insert "$1,764.43", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,764.43 to Mrs. Kyra Kite Riddle, of 5308 New Hampshire Avenue, Washington, District of Columbia. Such sum represents the amount of death benefits to which the said Mrs. Riddle would have been entitled from the date of the death of her husband, Corporal T. J. Kite, who was killed in action on May 2, 1942, to November 23, 1945, if claim for such death benefits had been filed with the Veterans' Administration within 1 year after the death of her husband: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JURISDICTION OF COURT OF CLAIMS FOR BASIC AND OVERTIME COMPENSATION—BILL PASSED OVER

The bill (S. 1981) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon certain claims for basic and overtime compensation was announced as next in order.

Mr. HENDRICKSON. I ask that this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EUGENE FROHLINGER

The Senate proceeded to consider the bill (S. 1996) for the relief of Eugene Frohlinger, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 2, after the words "from the", to strike out nonpreference category of the first available immigration quota for nationals of the Netherlands" and insert "appropriate quota for the first year such quota is available," so as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration laws, Eugene Frohlinger, of Bridgeport, Conn., who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year such quota is available.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOHN DAVID LOGAN

The Senate proceeded to consider the bill (S. 2035) for the relief of John David Logan, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel all outstanding deportation proceedings with respect to John David Logan, who is a patient at the Northeastern Oklahoma Hospital at Vinita, Okla., and to record the lawful admission for permanent residence of said John David Logan as of September 1, 1913.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIE C. ARAUJO

The Senate proceeded to consider the bill (S. 2047) for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito, which had been reported from

the Committee on the Judiciary with an amendment in line 7, after the word "minor", to insert "natural-born alien," so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Marie C. Araujo, also known as Marie Conceipaco de Brito, who is the adopted daughter of Pedro Alcartara Araujo, a citizen of the United States, shall be deemed to be the minor natural-born alien child of said Pedro Alcartara Araujo.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NICHOLAS J. CHICOURAS

The Senate proceeded to consider the bill (S. 2183) for the relief of Nicholas J. Chicouras, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the immigration and naturalization laws, Nicholas J. Chicouras shall be held and considered to be the minor child of his father, John Nicholas Chicouras, a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIA CICERELLI

The Senate proceeded to consider the bill (S. 2296) for the relief of Maria Cicerelli, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the immigration and naturalization laws, Maria Cicerelli shall be held and considered to be the minor child of her father, Sam Cicerelli, a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YONE T. PARK

The Senate proceeded to consider the bill (S. 2442) for the relief of Yone T. Park, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 9, after the word "and", to strike out "the Secretary of State is authorized and directed to cause an immigration visa to be issued to the said Yone T. Park permitting her immediate entry into the United States for permanent residence, if she is found to be otherwise admissible under the provisions of the immigration laws" and insert "if otherwise admissible under the immigration laws she shall be deemed to be a nonquota immigrant," so as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Yone T. Park, of Honshu, Japan, wife of George M. Park, an American citizen, and if otherwise admissible under the immigration laws she shall be deemed to be a nonquota immigrant.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RUZINA SKALOVA

The Senate proceeded to consider the bill (S. 2462) for the relief of Ruzina Skalova, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That Ruzina Skalova, a native and citizen of Czechoslovakia now residing in Cizice, Czechoslovakia, the fiancée of Lloyd Koehmstedt, a citizen of the United States and an honorably discharged veteran of the armed forces of the United States during World War II, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Ruzina Skalova is coming to the United States with the bona fide intention of being married to the said Lloyd Koehmstedt, and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur with 3 months after the entry of the said Ruzina Skalova, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event that the marriage between the above-named parties shall occur within 3 months after the entry of the said Ruzina Skalova, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Ruzina Skalova as of the date of her entry into the United States upon the payment of the required head tax and visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. VERNON B. RASMUSSEN

The Senate proceeded to consider the bill (S. 2735) for the relief of Mrs. Vernon B. Rasmussen, which had been reported from the Committee on the Judiciary with an amendment in line 11, after the word "residence", to insert "if otherwise admissible under the provisions of the immigration and naturalization laws", so as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended (U. S. C., title 8, sec. 213 (c)), which excludes from admission to the United States persons who are ineligible to citizenship, shall not hereafter apply to Mrs. Vernon B. Rasmussen, wife of an American citizen, and that the said Mrs. Vernon B. Rasmussen may be permitted to enter the United States as a nonquota immigrant for permanent residence if otherwise admissible under the provisions of the immigration and naturalization laws.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REDEFINITION OF TERM "BANK" TO INCLUDE CERTAIN SAVINGS AND LOAN ASSOCIATIONS

The Senate proceeded to consider the bill (S. 2774) to redefine the term "bank" as used in section 2113 of title 18 of the United States Code, dealing with bank robbery and incidental crimes, so as to include within the meaning of such term any savings and loan association the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That section 2113 of title 18 of the United States Code is amended to read as follows: "SEC. 2113. Bank robbery and incidental crimes

"(a) Whoever, by force and violence, or by intimidation, takes, or attempts to take, from the person or presence of another any property or money or any other thing of value belonging to, or in the care, custody, control, management, or possession of, any bank, or any savings and loan association; or

"Whoever enters or attempts to enter any bank, or any savings and loan association, or any building used in whole or in part as a bank, or as a savings and loan association, with intent to commit in such bank, or in such savings and loan association, or building, or part thereof, so used, any felony affecting such bank or such savings and loan association and in violation of any statute of the United States, or any larceny—

"Shall be fined not more than $5,000 or imprisoned not more than 20 years, or both.

"(b) Whoever takes and carries away, with intent to steal or purloin, any property or money or any other thing of value exceeding $100 belonging to, or in the care, custody, control, management, or possession of any bank, or any savings and loan association, shall be fined not more than $5,000 or imprisoned not more than 10 years, or both; or

"Whoever takes and carries away, with intent to steal or purloin, any property or money or any other thing of value not exceeding $100 belonging to, or in the care, custody, control, management, or possession of any bank, or any savings and loan association, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

"(c) Whoever receives, possesses, conceals, stores, barters, sells, or disposes of, any property or money or other thing of value knowing the same to have been taken from a bank, or a savings and loan association, in violation of subsection (b) of this section shall be subject to the punishment provided by said subsection (b) for the taker.

"(d) Whoever, in committing, or in attempting to commit, any offense defined in subsections (a) and (b) of this section, assaults any person, or puts in jeopardy the life of any person by the use of a dangerous weapon or device, shall be fined not more than $10,000 or imprisoned not more than 25 years, or both.

"(e) Whoever, in committing any offense defined in this section, or in avoiding or attempting to avoid apprehension for the commission of such offense, or in freeing himself or attempting to free himself from arrest or confinement for such offense, kills any person, or forces any person to accompany him without the consent of such person, shall be imprisoned not less than 10 years, or punished by death if the verdict of the jury shall so direct.

"(f) As used in this section the term 'bank' means any member bank of the Federal Reserve System, and any bank, banking association, trust company, savings bank, or other banking institution organized or operating under the laws of the United States, and any bank the deposits of which are insured by the Federal Deposit Insurance Corporation.

"(g) As used in this section the term 'savings and loan association' means any Federal savings and loan association and any savings and loan association the accounts of which are insured by the Federal Savings and Loan Insurance Corporation."

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. The purpose of this bill is to extend the protection of the criminal statutes to State-chartered savings and loan associations, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation.

Under existing law, robbery of a Federally-chartered savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, is a Federal crime. This bill would extend the same crime to the robbery of a State-chartered association whose accounts are insured.

There may have been some confusion in the minds of Senators because of a clerical error in the report on this bill as originally printed, which error indicated that there might be a technical defect in the language of the bill as reported. There was no such technical defect in the bill as reported, and a star print of the report has been printed, correcting the clerical error.

Mr. HENDRICKSON. Does the bill have the approval of the administrative agencies involved?

Mr. McCARRAN. It does have the approval of the administrative agencies.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions."

STEFANIE PFISTER AND HILDEGARDE WEBER

The Senate proceeded to consider the bill (S. 3007) for the relief of Stefanie Pfister and Hildegarde Weber, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the word "the", to insert "natural-born alien", so as to make the bill read:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws, Stefanie Pfister and Hildegarde Weber who are presently residing in Austria, and who have been adopted by Mr. and Mrs. Carl Pfister, of New Britain, Conn., shall be deemed to be the natural-born alien children of said Mr. and Mrs. Carl Pfister.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SATIRIOS CHRISTOS ROUMANIS

The Senate proceeded to consider the bill (S. 846) for the relief of Satirios Christos Roumanis, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 4, after the word "laws", to strike out "Satirios" and insert "Sotirios", so as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Sotirios Christos Roumanis, of Denver, Colo., who was admitted into the United States on a temporary visa, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 8, 1948, the date of his actual entry into the United States, upon the payment by him of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the proper immigration quota.

Mr. HENDRICKSON. Mr. President, I ask the distinguished Senator from Nevada if the person for whom relief is asked in this bill is not covered by the Displaced Persons Act?

Mr. McCARRAN. He might be, but there is nothing certain about it. He might be covered by the Displaced Persons Act. I have some doubts about it.

This is a case of a 40-year-old native of Greece, presently in the United States as a visitor, but subject to deportation. He is of good moral character. The record before the committee indicates that if he should be returned to Greece, his life would be in jeopardy.

Some question has been raised on this point, and therefore I should like to introduce for the record an affidavit from the committee files, covering this point, and showing that this man has been particularly singled out, because of his anti-Communist activity, and specifically threatened by Communists in Greece.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of the affidavit which is on file with the Committee on the Judiciary.

There being no objection, the affidavit was ordered to be printed in the RECORD, as follows:

AFFIDAVIT

STATE OF COLORADO,
City and County of Denver, ss:

James G. Dikeou, being first duly sworn, deposes and says:

That he has been a resident of the city and county of Denver for 48 years and owns his home and is engaged in business in Denver. That Sotirios C. Roumanis has been well known to affiant for over a year. That since his arrival in Denver, Sotirios C. Roumanis has been attending Opportunity School in Denver and that affiant and his brother, Pete G. Dikeou, are ready, willing, and able, in the event that said Sotirios C. Roumanis is allowed to remain in this city, to set him up in business. That affiant has investigated the reasons why Sotirios C. Roumanis does not desire to return to Greece through affiant's sister and her husband who live in Athens. That their names are Demetrios and Matina Coclanes, and that they confirm the statements of Sotirios C. Roumanis that he was active in the Brotherhood of St. Paul since its inception and up to a year ago. That the brotherhood was active in anti-Communist activities and that Sotirios C. Roumanis and his work became well known to the Communists in Greece, who threatened his life and made an attempt on his life, coupled with a statement that he would be liquidated unless he joined the Communist Party. That as a result of such threats, he was in hiding for several months before he was able to leave Greece and come to the United States. That affiant is familiar with the character and reputation of Sotirios C. Roumanis. That he is a fine person and one who would make a good citizen of the United States. That his financial future is secured so that he will never become a public charge.

JAMES GEO. DIKEOU.

Subscribed and sworn to before me this 5th day of April 1950. My commission expires February 28, 1954.

[SEAL] JESSIE K. MCGRAW,
Notary Public.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Sotorios Christos Roumanis."

NATURALIZATION OF ELLEN RODRIGUEZ MORENO

The Senate proceeded to consider the bill (S. 920) recording the lawful entry for permanent residence into the United States and authorizing the naturalization of Ellen Rodriguez Moreno, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the numerals "1946", to insert "upon payment of the required head tax and visa fee", and on page 2, after line 3, to strike out:

SEC. 3. Notwithstanding any other provision of law, at any time within 1 year after the date of enactment of this act, the said Ellen Rodriguez Moreno may be naturalized as a citizen of the United States by taking the naturalization oath of allegiance before any court having jurisdiction of the naturalization of aliens.

So as to make the bill read:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Ellen Rodriguez Moreno, of Norwalk, Conn., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of September 3, 1946, upon payment of the required head tax and visa fee.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of the Republic of the Philippines.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ellen Rodriguez Moreno."

BILL PASSED OVER

The bill (S. 1816) for the reimbursement of the S. A. Healy Co., which had been reported from the Committee on the Judiciary with amendments, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill go over.

The PRESIDING OFFICER. Objection is heard.

Mr. McCARRAN. Mr. President, will the Senator yield for a very brief explanation?

Mr. HENDRICKSON. Gladly.

Mr. McCARRAN. This is a claim growing out of contract. The amounts approved by the committee represent

out-of-pocket losses to the contractor, because of wage increases authorized by the Government's Wage Adjustment Board, and increases in the price of materials authorized by the Office of Price Administration.

Included in these totals are $92,373.96 representing losses because of wage rate increases, and $71,162.97 representing losses resulting from material price increases.

This bill was introduced jointly by the Senator from Washington [Mr. MAGNUSON] and the Senator from California [Mr. DOWNEY]. It was considered by a subcommittee composed of the Senator from West Virginia [Mr. KILGORE], the Senator from Mississippi [Mr. EASTLAND], and the Senator from North Dakota [Mr. LANGER]. The subcommittee reported favorably to the full committee and the full committee has accepted the subcommittee recommendation.

I am informed the minority calendar committee has given particular consideration to this bill, and may have some objection or propose some amendments. I hope that perhaps they may have looked upon the bill with some favor.

Mr. HENDRICKSON. I have no amendment, but I think the bill should go over to the next call of the calendar for further study.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MAGNUSON. Mr. President, I should like to ask the Senator from New Jersey a question, and if he wishes to, he may answer it. The reason the Senator asked that the bill be passed over is so he may have an opportunity for further study of it; not because of any conclusion he has reached? Is that correct?

Mr. HENDRICKSON. That is entirely correct, Mr. President.

PEJSACH LEDERMAN AND HIS WIFE AND DAUGHTER

The Senate proceeded to consider the bill (S. 1925) for the relief of Pejsach Lederman and his wife and daughter, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 5, after the word "and", to strike out "daughter" and insert "stepdaughter", so as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Pejsach Lederman, his wife Bronislawa, and stepdaughter Daniela, all of Los Angeles, Calif., shall be held and considered to have been lawfully admitted into the United States for permanent residence as of the date of their last entry into the United States, upon payment of the required head taxes and visa fees.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct three numbers from the nonpreference category of the first available immigration quota for nationals of Poland.

Mr. McCARRAN. Mr. President, this bill relates to a family of three, all of them natives of Poland. The husband and father has five brothers and one sister living in the United States, two of whom are citizens and four of whom are legal residents. The purpose of the bill is to grant this family the status of permanent residence.

Attention should be directed to a typographical error. The letter from the Assistant to the Attorney General, which is set forth on page 2 of the report, contains a statement that "The files further reflect that Mr. and Mrs. Lederman were married in Poland in 1940." The fact is that they were married in Poland in 1945. If the marriage had taken place in 1940, Mr. Lederman would be a bigamist, as he had a wife living at that time, who was killed by the Germans in 1943.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Pejsach Lederman and his wife and stepdaughter."

ROSA OTTAVIANI

The Senate proceeded to consider the bill (S. 2092) for the relief of Rosa Ottaviani, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 1, after the word "issued", to insert a colon and "*Provided*, That there be given a suitable bond or undertaking approved by the Commissioner of Immigration and Naturalization, in such amount and containing such conditions as he may prescribe as a guaranty against the said Rosa Ottaviani becoming a public charge"; and in line 7, after the word "shall", to insert "upon the posting of the bond required by section 1 of this act", so as to make the bill read:

Be it enacted, etc., That the Attorney General is authorized and directed to discontinue any deportation proceedings and to cancel any outstanding order and warrant of deportation, warrant of arrest, and bond, which may have been issued in the case of Rosa Ottaviani, of New Britain, Conn. From and after the date of enactment of this act, the said Rosa Ottaviani shall not again be subject to deportation by reason of the same facts upon which any such deportation proceedings were commenced or any such warrants and order have issued: *Provided*, That there be given a suitable bond or undertaking approved by the Commissioner of Immigration and Naturalization, in such amount and containing such conditions as he may prescribe as a guaranty against the said Rosa Ottaviani becoming a public charge.

SEC. 2. In the administration of the immigration laws, the said Rosa Ottaviani shall, upon the posting of the bond required by section 1 of this act, be considered as having been lawfully admitted to the United States for permanent residence as of the date of her last entry into the United States, upon payment of the required head tax and visa fee.

SEC. 3. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota for nationals of Italy.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIA DEL CARMEN MORANO ELORZA AND OTHERS

The Senate proceeded to consider the bill (S. 2723) for the relief of Maria del Carmen Morano Elorza, Maria Louisa Luri Acin, Rafaela Garcia Casini, Giovanna Importa, and Teresa Compagnoni, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 4, after the name "Carmen", to strike out "Morano Elorza" and insert "Moreno-Elorza"; in line 5, after the name "Louisa", to strike out Luri Acin" and insert "Asin Luri"; in line 6, after the name "Casini", to strike out "Giovanna" and insert "Giovanni", and in the same line, after the name "Teresa", to strike out "Compagnoni" and insert "Campagnoni", so as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni, nuns in the Order of the Sisters of the Guardian Angel, who were admitted into the United States on temporary visas, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of their actual entry into the United States, upon the payment by them of the required head taxes and visa fees.

The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct appropriate numbers from the nonpreference category of the proper immigration quota or quotas.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni."

DISTRICT JUDGE FOR DISTRICT OF DELAWARE

The Senate proceeded to consider the bill (S. 2901) to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "That", to insert "the second judgeship for the district of Delaware provided for by the act entitled 'An act authorizing the appointment of an additional judge for the district of Delaware,' approved July 24, 1946 (60 Stat. 654), shall hereafter be a permanent judgeship. Accordingly in order to incorporate the permanent provisions of the said Act into the United States Code, as a continuation of existing law and not as a new enactment," on page 2, line 9, after the word "repealed", to strike out "and" and insert "but its repeal shall not affect the tenure of office of," and in line 10, after the word "Act", to insert "who", so as to make the bill read:

Be it enacted, etc., That the second judgeship for the district of Delaware provided for by the act entitled "An act authorizing the appointment of an additional judge for the district of Delaware," approved July 24, 1946 (60 Stat. 654), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new

enactment, title 28, United States Code, section 133, is amended to read as follows with respect to the district of Delaware:

"Districts Judges

* * * * *

Delaware---------- 2"

* * * * *

SEC. 2. The act entitled "An act authorizing the appointment of an additional judge for the district of Delaware," approved July 24, 1946 (60 Stat. 654), is hereby repealed but its repeal shall not affect the tenure of office of the incumbent of the judgeship created by such act who shall henceforth hold his position under title 28, United States Code, section 133, as amended by this act.

The amendments were agreed to.

Mr. WILLIAMS. Mr. President, I certainly hope this bill will be passed by the Senate today.

The purpose of the bill is to insure the permanence of the present number of two judges for the district of Delaware. There is no doubt that if a vacancy should occur in one of the present judgeships, and if in accordance with present law Delaware were then to revert to a single judge, it would be impossible to handle the business of the court, involving many long and difficult cases. The need for this legislation is very well expressed in the statement of Hon. J. CALEB BOGGS, Member of Congress from Delaware, a member of the House Judiciary Committee, on an identical bill, H. R. 6836, which he introduced in the House. I ask unanimous consent at this time to have inserted in the RECORD Mr. BOGGS' statement before the House committee at hearings on the companion bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. J. CALEB BOGGS, OF DELAWARE

Mr. Chairman, I am indeed grateful to you and the other members of the committee for having scheduled these hearings on H. R. 6836, which I introduced on January 18, 1950, and for this opportunity to testify on behalf of this proposed legislation.

The bill under consideration is to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware. Perhaps a more positive way of stating the purpose of the bill is that it is designed to insure the permanence of the present number of two judges for the district of Delaware.

Briefly, the background of the situation is that the district of Delaware had only one United States district judge from 1789 to 1946. In the latter year legislation was passed providing for a much-needed additional judge. Unfortunately, however, in retrospect the legislation of 1946 provided that the first vacancy to occur in the district of Delaware should not be filled. In other words, whenever for any reason a vacancy shall occur, the district of Delaware will revert to a status of a single United States district judge.

Since the appointment of a second judge in 1946, experience has shown that even with two district court judges, each carrying heavy schedules, it is not possible for their court calendars to be kept even reasonably current. The underlying reason for the existence of this situation is found in the character of the civil cases which are heard in the district of Delaware.

Delaware is a State in which many large corporations doing Nation-wide business are incorporated. As a result, the Federal court in Delaware is resorted to for the determination of litigation of great complexity. Such litigation includes many patent suits of great magnitude, stockholders' derivative actions, receiverships, antitrust suits, and suits to confirm holding-company dissolutions. Because of the scope, importance, and intricacies of suits brought in Delaware, the time required for trial is unusually long. Specifically, for example, there are two patent suits in the Delaware court which are expected to require 8 months to a year each for trial.

The high proportion of cases of this type in the district of Delaware in relation to the districts throughout the country is shown by statistical data which has been prepared by the court. We find, for example, that in fiscal 1949 there were filed in the district of Delaware eight and one-half patent suits per judge, compared with a national average of only two and eight-tenths per judge. We also find that for the same fiscal year two and one-half stockholders' derivative actions per judge in Delaware compared with a national average of six-tenths per judge.

I also wish to emphasize, Mr. Chairman, that the high proportion of complex and time-consuming cases in the district of Delaware today cannot be reasonably considered a temporary condition. That situation exists and will continue to exist because Delaware is in a legal sense the home of many of the Nation's largest corporations. It may therefore be said with assurance that the present situation is fully expected to be permanent.

Consequently, it is extremely important for us to recognize the fact that if a vacancy should occur in one of the present judgeships and the district of Delaware should revert under the existing law to a single judge, the business of the court would soon create a backlog of cases which a single judge could not be expected to handle within any reasonable period of time. Such a situation would, of course, be unfair and highly detrimental not only to the litigants, but to the public as well.

Mr. Chairman, it is to avoid such an unfortunate situation as would be created by an unfilled Federal judgship in Delaware that I earnestly urge your consideration of and favorable action upon H. R. 6836.

I would also like to add that legislation such as is provided for by H. R. 6836 has been recommended by the Judicial Conference of the Third Circuit, by the Judicial Conference of the United States, and by the Department of Justice.

Thank you.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2901) was ordered to be engrossed for a third reading, read the third time, and passed.

PROTECTION OF BADGE, ETC., OF AUXILIARIES TO VETERANS ORGANIZATIONS

The Senate proceeded to consider the bill (S. 648) to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans organizations, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That section 705 of title 18 of the United States Code is amended by inserting after the words "of any veterans' organization incorporated by enactment of Congress" the following: "or of any organization formally recognized by any such veterans' organization as an auxiliary of such veterans' organization".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CORRECTION OF LETTERS PATENT OF WILLIAM R. BLAIR—BILL PASSED OVER

The bill (H. R. 577) to correct possible inequity in the case of a certain application for letters patent of William R. Blair was announced as next in order.

Mr. HENDRICKSON. Mr. President, on behalf of the senior Senator from Massachusetts and the junior Senator from Massachusetts I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. McCARRAN. Mr. President, I should like to make a brief statement regarding the bill if I may have unanimous consent for that purpose.

The PRESIDING OFFICER. Without objection, the Senator from Nevada may proceed.

Mr. McCARRAN. Mr. President Calendar No. 1675, House bill 577, concerns the man who claims to have invented radar. He was at the time a major in the Signal Corps. As soon as he demonstrated his invention to a group of high Government officials he was ordered to keep the invention secret, and not to file a patent application. Soon afterward he was retired. The invention was perfected by the Signal Corps, and during the war it was manufactured in various forms. After the war the veil of secrecy was lifted and radar was explained to the public.

Under existing law, an application for a patent cannot be filed if the invention was described in any printed publication more than 1 year prior to the filing of the application. The purpose of this bill is to let Major Blair, now Colonel Blair, file his application notwithstanding. The bill does not assure the granting of a patent, but will permit the Patent Office to determine who was the actual inventor; and if Colonel Blair can show that he was the original inventor, he can get a patent. At the same time the bill protects the rights of others who now are manufacturing radar equipment by giving them, in the event Colonel Blair is granted a patent, the right to continue to use or manufacture, notwithstanding such patent, upon the payment of a reasonable charge or royalty.

Mr. HENDRICKSON. Mr. President, I should like the RECORD to show at this point, in regard to this bill about which the distinguished Senator from Nevada has just made a statement, that I wholeheartedly favor the bill. In fact, it affects a very prominent resident of the State of New Jersey. I should like to support the bill. Nevertheless I have been asked by the distinguished Senators from Massachusetts to object to the present consideration of the bill. So I object.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

EMBLEM OF THE DISABLED AMERICAN VETERANS

The bill (H. R. 7609) to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War was announced as next in order.

Mr. McCARRAN. Mr. President, this bill simply extends the design patent on the emblem of the Disabled American Veterans of the World War. There is ample precedent for such legislation, in the case of patriotic organizations, as is set forth in the committee report.

On page 1 of the report, there is a typographical error. The date May 28, 1926, in the second paragraph on the first page of the report, should read May 28, 1936.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF SECTION 12 OF THE MISSING PERSONS ACT

The Senate proceeded to consider the bill (S. 2857) to amend section 12 of the Missing Persons Act, as amended, relating to travel by dependents and transportation of household and personal effects, which had been reported from the Committee on Armed Services with amendments, on page 1, line 8, after the word "dead", to insert "injured"; in line 9, after the word "missing", to insert "for a period of 30 days or more"; on page 2, line 6, after the word "designate", to insert the following proviso:

Provided, That when the person is in an "injured" status, such movement of dependents or household effects may be authorized only in cases where the anticipated period of hospitalization or treatment will be of prolonged duration: *Provided further,* That no transportation shall be authorized under this section unless a reasonable relationship exists between the condition and circumstances of the dependents and the destination to which transportation is requested.

On page 3, line 9, after the word "after", to strike out "March 7, 1942" and insert "September 8, 1939"; in line 12, after the word "officers", to insert "on or after September 8, 1939, and prior to the date of approval of this act", and in line 16, after the word "amended", to strike out "on or after March 7, 1942, and prior to the date of approval of this act, are hereby ratified", so as to make the bill read:

Be it enacted, etc., That section 12 of the Missing Persons Act, as amended (50 U. S. C. App. 1012), is hereby further amended to read as follows:

"SEC. 12. The dependents and household and personal effects of any person in active service (without regard to pay grade) who is officially reported as dead, injured, missing for a period of 30 days or more, interned in a neutral country, or captured by the enemy, upon application by such dependents, may be moved (including packing and unpacking of household effects), upon receipt by such dependents of such official report, to such location as may be determined in advance or subsequently approved by the head of the department concerned or by such person as he may designate: *Provided,* That when the person is in an "injured" status, such movement of dependents or household effects may be authorized only in cases where the anticipated period of hospitalization or treatment will be of prolonged duration: *Provided further,* That no transportation shall be authorized under this section unless a reasonable relationship exists between the condition and circumstances of the dependents and the destination to which transportation is requested: *Provided further,* That the cost of such transportation, including packing and unpacking of household effects, shall be charged against appropriations currently available: *Provided further,* That in lieu of transportation authorized by this section for dependents, the head of the department concerned may authorize the payment in money of amounts equal to such commercial transportation costs for the whole or such part of travel for which transportation in kind is not furnished, when such travel shall have been completed."

SEC. 2. (a) Claims for travel by dependents and for transportation of household and personal effects which arose under section 12 of the Missing Persons Act, as amended, incident to the death of a person in active service, and which were not presented for reimbursement or were presented and were rejected or disallowed, may, until 3 years after the date of approval of this act, be presented for consideration or reconsideration and reimbursement under the provisions of section 12 of the Missing Persons Act, as amended by this act: *Provided,* That this section shall be applicable only to such claims which arose on or after September 8, 1939, and prior to the date of approval of this act.

(b) Payments made by disbursing officers, on or after September 8, 1939, and prior to the date of approval of this act, for travel by dependents and for transportation of household and personal effects pursuant to section 12 of the Missing Persons Act, as amended.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TIMBER CUTTING ON FLATHEAD INDIAN RESERVATION, MONT.

The bill (H. R. 4509) to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

FEDERAL OLD-AGE AND SURVIVORS INSURANCE SYSTEM AND SOCIAL SECURITY ACT—BILL PASSED OVER

The bill (H. R. 6000) to extend and improve the Federal Old-Age and Survivors Insurance System, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, the subject matter of this bill is not calendar material at all. I think the bill should be passed over. Therefore, I object to its present consideration.

The PRESIDING OFFICER. Objection being heard, the bill is passed over.

PENALTY ON FARM MARKETING EXCESS OF CORN AND WHEAT

The bill (S. 3510) to amend Public Law 74, Seventy-seventh Congress, as amended, relating to the rate of penalty on the farm marketing excess of corn and wheat, was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. ELLENDER. Mr. President, the purpose of Senate bill 3510 is to correct an error which was made in connection with the passage of a bill some time ago.

The enactment of this bill was requested by the Department of Agriculture. The bill provides that the rate of penalty on the farm marketing excess of wheat and corn shall be 50 percent of the parity price. The bill amends section 2 of Public Law 74, Seventy-seventh Congress, which now provides that the rate of penalty shall be 50 percent of the support level prescribed in section 302 of the Agricultural Adjustment Act of 1938. That is the point of this bill, Mr. President. Public Law 439 of the Eighty-first Congress repealed section 302 of that act, and therefore it would appear that the penalty rate would be zero. Senate bill 3510 would correct this situation, but would change the penalty rate from 50 percent of the support price to 50 percent of the parity price. The penalty rate on cotton and rice is also 50 percent of the parity price.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3510) was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

Be it enacted, etc., That the second sentence of paragraph (2) of Public Law 74, Seventy-seventh Congress, as amended, is hereby amended to read as follows: "The rate of the penalty shall be 50 percent of the parity price per bushel of the commodity as of August 1, in the case of corn, and as of May 1, in the case of wheat, of the calendar year in which such crop is produced."

EXCHANGE OF LANDS ON SHORES OF NIMROD LAKE, ARK.

The bill (H. R. 4969) to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands was announced as next in order.

Mr. ELLENDER. Mr. President, this bill authorizes the exchange of about 320 acres of Forest Service lands on the shores of Nimrod Lake in Arkansas for about 306 acres of land under the jurisdiction of the Secretary of the Army and administered by the Corps of Army Engineers. The land under the Forest Service is favorably situated for recreational development while the tract for which it is to be exchanged is better suited for watershed protection. The Department of Agriculture and the Department of the Army recommend enactment of the legislation.

Mr. HENDRICKSON. I thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 4969) was considered, ordered to a third reading, read the third time, and passed.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. LANGER was excused from attendance upon the sessions of the Senate until a week from next Monday.

EXCHANGE OF LANDS IN ROSS COUNTY AND LAWRENCE COUNTY, OHIO

The bill (H. R. 5913) to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within the Symmes Creek Purchase Unit in Lawrence County, Ohio, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF RICE MARKETING QUOTA PROVISIONS

The bill (H. R. 7700) to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, was announced as next in order.

Mr. HENDRICKSON. Mr. President, this is extremely important legislation. I think there should be an explanation.

Mr. ELLENDER. Mr. President, this bill provides for a national reserve for adjustment of inadequate farm-acreage allotments of not more than one-half of 1 percent of the national-acreage allotment for rice in 1950 and not more than 1 percent thereafter. The 1950 reserve will be in addition to the national allotment and cannot exceed 7,965 acres. After 1950, the reserve will be taken out of the national-acreage allotment.

The bill also exempts nonirrigated rice produced on farms of 3 acres or less and rice produced outside the continental United States from marketing quotas or acreage allotments.

The House committee report describes the problem in part as follows:

Some farms, because rice was not produced during all of the preceding 5 years, will be required to reduce their 1950 plantings from 1949 plantings by a percentage far in excess of the reduction required on other farms in the same county and State. The national-acreage allotment calls for a reduction of 13.7 percent, whereas the reduction in State-acreage allotments below 1949 plantings range from 7.8 to 64.8 percent. Unless some relief is afforded, many farmers who have made large investments and who have incurred large indebtedness in providing irrigation facilities for the production of rice, will be faced with bankruptcy.

As I have just indicated, this would increase the rice acreage by only 7,800 acres. It has been recommended by the Department of Agriculture.

Mr. HENDRICKSON. Mr. President, can the distinguished Senator give us an estimate of the cost involved?

Mr. ELLENDER. There is no cost.

Mr. HENDRICKSON. It involves no cost at all?

Mr. ELLENDER. That is correct.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

REPEAL OF PROHIBITION AGAINST FILLING VACANCY IN OFFICE OF DISTRICT JUDGE, WESTERN DISTRICT OF PENNSYLVANIA

The Senate proceeded to consider the bill (S. 3099) to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "That", to insert "the judgeship for the western district of Pennsylvania provided for by the act entitled 'An act to provide for the appointment of additional circuit and district judges, and for other purposes,' approved August 3, 1949 (Public Law 205, 81st Cong.), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new enactment"; on page 2, line 13, after the word "repealed", to strike out "and" and insert "but its repeal shall not affect the tenure of office"; and in line 15, after the word "subsection" to insert "who", so as to make the bill read:

Be it enacted, etc., That the judgeship for the western district of Pennsylvania provided for by the act entitled "An act to provide for the appointment of additional circuit and district judges, and for other purposes," approved August 3, 1949 (Public Law 205, 81st Cong.), shall hereafter be a permanent judgeship. Accordingly, in order to incorporate the permanent provisions of the said act into the United States Code, as a continuation of existing law and not as a new enactment, title 28, United States Code, section 133, is amended to read as follows with respect to the western district of Pennsylvania:

"Districts Judges

* * * * *

Pennsylvania

* * * * *

Western---------- 4

* * * * *"

SEC. 2. Subsection (c) of section 2 of the act entitled "An act to provide for the appointment of additional circuit and district judges, and for other purposes," approved August 3, 1949 (Public Law 205, 81st Cong.), is hereby repealed but its repeal shall not affect the tenure of office of the encumbent of the judgeship created by such subsection who shall henceforth hold such position under title 28 in the United States Code, section 133, as amended by this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WESTERN HEMISPHERE PRODUCTION OF ABACÁ—BILL PASSED OVER

The bill (S. 3520) to strengthen the common defense by providing for continuation and expansion of Western Hemisphere production of abacá by the United States was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, on behalf of the senior Senator from Ohio, I object.

Mr. SALTONSTALL. Mr. President, will the Senator withhold his objection long enough to permit an explanation?

Mr. HENDRICKSON. I regret that I am without authority to withhold the objection. I am speaking on behalf of an absent Senator, therefore I cannot very well withhold the objection.

The PRESIDING OFFICER. The Senator declines to withhold his objection.

Mr. SALTONSTALL. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, it has just occurred to me that the distinguished Senator from Massachusetts may have wanted to put something in the RECORD at this point. If so, I withhold the objection for that purpose.

Mr. SALTONSTALL. Mr. President, the Senator from Massachusetts is a member of the Armed Services Committee, and was ready to explain the bill. I had in mind merely an explanation, but if there is objection, there is nothing to be gained by making it at this time.

Mr. HENDRICKSON. Mr. President, I want to make it quite clear that personally I have no objection whatever to the bill. I object on behalf of the senior Senator from Ohio.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. Is the Senate considering the bill S. 3520?

The PRESIDING OFFICER. It is, but objection is heard, and the bill will go over.

PATENT TO LOT SMITH AND HELEN SEYMOUR SMITH

The Senate proceeded to consider the bill (S. 3130) authorizing the issuance of a patent in fee to Lot Smith and Helen Seymour Smith, heirs of Charles Smith, deceased, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is hereby authorized to sell the trust allotment No. 144 of Charles Smith, deceased Winnebago allottee, described as the southeast quarter of the northwest quarter of section 3, township 25 north, range 6 east, sixth principal meridian, Nebraska, containing 40 acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to the heirs, Lot Smith and Helen Seymour Smith, for their benefit.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr."

PATENT TO JOHN D. DECORA

The Senate proceeded to consider the bill (S. 3128) authorizing the issuance of a patent in fee to John D. Decora, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is hereby authorized to sell a portion of the trust allotment No. 535 inherited by John D. Decora, Winnebago Indian, described as the southeast quarter of the northwest quarter of section 12, township 26 north, range 7 east, sixth principal meridian, Nebraska, containing 40 acres, conveyance to be made by deed or the issuance of a patent

in fee to the purchaser and to disburse the proceeds of such sale to John D. Decora for his benefit.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to sell a portion of the trust allotment numbered 535 inherited by John D. Decora, Winnebago Indian, described as the southeast quarter of the northwest quarter of section 12, township 26 north, range 7 east, sixth principal meridian, Nebraska, containing forty acres, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to John D. Decora for his benefit.

The title was amended so as to read: "A bill to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr."

SALE OF CERTAIN INHERITED LAND BELONGING TO JAMES CHIEF, AND OTHERS

The Senate proceeded to consider the bill (S. 2949) authorizing the Secretary of the Interior to issue a patent in fee to James Chief, to certain lands, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is hereby authorized and directed to sell at the highest competitive bid the trust allotment numbered 950 of Yellow Breast, deceased Rosebud Sioux allottee, described as the northwest quarter of section 4, township 95 north, of range 69 west, of the fifth principal meridian, South Dakota, conveyance to be made by deed or the issuance of a patent in fee to the purchaser and to disburse the proceeds of such sale to the heirs for their benefit.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, South Dakota."

SALE OF LAND ALLOTTED TO LUCY ARAPAHOE IRON BEAR

The bill (H. R. 6521) to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear, was considered, ordered to a third reading, read the third time, and passed.

NATIONAL MILITARY ESTABLISHMENT LANDS ACT OF 1950

The Senate proceeded to consider the bill (H. R. 5368) to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes, which had been reported from the Committee on Armed Services with amendments, on page 1, line 6, after the word "of", to strike out "1949" and insert "1950"; on page 2, in the table of contents, under the subhead "Title III—Miscellaneous Land Transfers", after "Sec. 305.", to strike out "State of Kentucky (Hardin and Jefferson Counties, Ky.—Army)" and insert "Caroline-Virginia Coastal Highway Corporation (Target Site No. 12, North Carolina—Navy).";

on page 8, line 9, after the word "law", to strike out "all right, title, and interest of Reconstruction Finance Corporation in"; in line 18, after the word "by", to strike out "Reconstruction Finance Corporation (or by War Assets Administration if such property has been declared surplus)," and insert "General Services Administration"; on page 9, line 24, after the word "of", to strike out "War Assets Administration" and insert "Reconstruction Finance Corporation"; on page 10, line 7, after the word "by", to strike out "War Assets Administration" and insert "General Services Administration", and after line 8, to strike out:

SEC. 305. The Secretary of the Army is hereby authorized and directed to convey to the State of Kentucky, by quitclaim deed, title to that land, comprising approximately 100 acres, acquired by the United States in the case entitled "United States of America v. Certain Lands situated in Hardin and Jefferson Counties, Ky., the West Point Brick Company, et al.", Civil No. 362, in the District Court of the United States for the Western District of Kentucky at Louisville.

And in lieu thereof to insert the following:

SEC. 305. The Secretary of the Navy is hereby authorized to convey to Ray T. Adams, of Corolla, N. C., all right, title, and interest of the United States in a site of land, located approximately 1 mile north of Duck, N. C., comprising approximately 175 acres, and including all land lying between the Atlantic Ocean and Currituck Sound for a distance of approximately 3,300 feet north and south along the coast, referred to and known as Target Site No. 12, and to accept in exchange therefor a conveyance by and on behalf of the said Ray T. Adams to the Secretary of the Navy, of the fee-simple title to a substitute site or sites of equivalent value, suitable in all respects, of approximately 175 acres, together with adequate substitute facilities erected thereon, as determined and approved by the Secretary of the Navy: *Provided*, That the exchange of target sites and the construction of substitute facilities shall be without cost to the United States.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SLUM CLEARANCE, ETC., IN ALASKA, HAWAII, PUERTO RICO, AND VIRGIN ISLANDS

The bill (S. 3635) to enable the governments of Alaska, of Hawai, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities, including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. An explanation of the bill is requested.

Mr. MAYBANK. Mr. President, this bill is necessary in order to overcome a number of technical obstacles which either prevent or seriously impede participation by communities in Alaska, Hawaii, Puerto Rico, and the Virgin Islands in the urban redevelopment and low-rent housing programs authorized by the Housing Act of 1949. Some of these obstacles were overlooked when the legislation which was enacted as the Housing Act of 1949 was pending. Other technical obstacles have either arisen since or the attention of the committee has since been called to their existence.

Title I would expressly authorize the Legislatures of Alaska, Hawaii, and Puerto Rico to authorize slum-clearance and urban-redevelopment undertakings. This title would give to the Territorial legislatures the same authority as the 48 States now have to determine when and how and through what Territorial or local agencies slum-clearance and urban-redevelopment activities may be carried on.

Title II would permit, but not require, the governments of Alaska and Hawaii to authorize local communities to carry on low-rent housing programs through local corporate bodies. At present, Federal enabling legislation permits Alaska and Hawaii to carry on such activities only through a single corporate body in each Territory. This title would merely place the two Territories on a par with the 48 States and with Puerto Rico in this respect.

Title III would enable the Virgin Islands to participate in urban-redevelopment and public-housing activities under the Housing Act of 1949. In recognition of the fact that the population of the Virgin Islands is only about 31,000 and of the relatively small land area, this title (unlike the titles dealing with Alaska, Hawaii, and Puerto Rico) authorize a single corporate body to be created for these purposes in the Virgin Islands. This provision is in the interest of economy and efficiency.

The enactment of title III appears necessary in order for the Virgin Islands to participate in urban redevelopment and low-rent housing programs under the Housing Act of 1949. Thus, Public Law 418, Eighty-first Congress, enacted subsequent to the Housing Act of 1949, inadvertently cast doubt on prior authority of the islands to issue bonds for programs under the Housing Act of 1949. This doubt results from specific authority for the issuance of bonds contained in Public Law 418. This specific grant of authority casts doubt on the previously existing general power to issue bonds in connection with programs aided under the Housing Act of 1949.

Another difficulty arose in the Virgin Islands from the fact that Federal funds are generally appropriated each year for municipal services in the Virgin Islands, thereby supplementing local revenues. Such appropriations may be found in Public Law 350, Eighty-first Congress, and in earlier Interior Department appropriation acts. This Federal contribution may be construed (under the terms of section 110 (d) of the Housing Act of 1949) as making local improvements which serve urban redevelopment projects aided under that act ineligible for being counted as local contributions required by that act. Title III of this bill contains a provision to correct this difficulty.

Mr. HENDRICKSON. I thank the Senator for his explanation.

Mr. MAYBANK. Mr. President, I ask unanimous consent to insert in the RECORD a letter from the Governor of the Virgin Islands, and a letter from Mr. B. T. Fitzpatrick, Acting Administrator of the Housing and Home Finance Agency.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
DIVISION OF TERRITORIES AND
ISLAND POSSESSIONS,
Washington, April 28, 1950.

Hon. EURNET R. MAYBANK,
Chairman, Committee on Banking and Currency, United States Senate, Washington, D. C.

MY DEAR SENATOR MAYBANK: I understand that the Housing and Home Finance Agency will submit to you in the next few days a bill to enable the insular possessions of the United States to become eligible for housing and redevelopment loans.

In the Virgin Islands, we have not been able to participate in these Federal housing programs. There is urgent need for them. We must clear our slums and provide adequate community facilities if we are to progress as modern American communities.

We have reservations of funds, but our program cannot move until there is clarification of our legal status to participate. The bill is designed to do this.

I respectfully urge your favorable consideration for action at this session. I shall be returning to the islands on May 3. If you desire, I shall be happy to appear before your committee or to send a representative if I am not here.

Respectfully,
MORRIS F. DE CASTRO,
Governor of Virgin Islands.

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., April 28, 1950.

Hon. ALBEN W. BARKLEY,
President of the Senate, Washington, D. C.

MY DEAR MR. PRESIDENT: Transmitted herewith is a draft of a proposed bill designed to make it possible for Alaska, Hawaii, Puerto Rico, and the Virgin Islands to participate in low-rent housing and slum clearance programs under the Housing Act of 1949 on a basis most nearly comparable to the States and the District of Columbia. A detailed summary and explanation of the proposed legislation is also enclosed.

The draft legislation was prepared in consultation with the Department of the Interior, and that Department joins with this Agency in strongly recommending its enactment. I have been informed also by the Bureau of the Budget that it has no objection to the submission of this legislation.

Sincerely yours,
B. T. FITZPATRICK,
Acting Administrator.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (S. 3635) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Territorial Enabling Act of 1950."

TITLE I—SLUM CLEARANCE AND URBAN REDEVELOPMENT IN ALASKA, HAWAII, AND PUERTO RICO

SEC. 101. The governments of Alaska, of Hawaii, and of Puerto Rico, each acting through its legislature, may create a public corporate authority or authorities and may authorize such authority or authorities or any other public corporate atuhority or any municipal corporation or political subdivision, acting directly or through any officer or agency thereof or through a public corporate authority, to undertake slum clearance and urban redevelopment projects and to do all things, exercise any and all powers, and to assume and fulfill any and all obligations, duties, responsibilities, and requirements, including but not limited to those relating to planning and zoning, necessary or desirable for receiving Federal assistance under title I of the Housing Act of 1949 (Public Law 171, 81st Cong.), or any other law, except that public corporate authorities (as distinct from municipalities or political subdivisions) created or authorized to operate in accordance with this act shall not be given any power of taxation or any power to pledge the full faith and credit of the people of the Territory, or municipality, or political subdivision, as the case may be, for any loan whatever. The Legislatures of Alaska, of Hawaii, and of Puerto Rico may, with respect to any public corporate authority or authorities empowered or which may be empowered to undertake slum clearance and urban redevelopment projects, provide for the appointment and terms of office of the members thereof, and for the powers of such authorities, including authority to accept whatever benefits the Federal Government may make available for slum clearance and urban redevelopment projects, and authority, notwithstanding any other Federal law, to borrow money and to issue notes, bonds, and other obligations of such character and maturity, with such security, and in such manner as the respective legislatures may provide. Such notes, bonds, and other obligations shall not be a debt of the United States, or of any Territory or municipal corporation or other political subdivision or agency thereof other than the public corporate authority which issued such notes, bonds, or obligations, nor constitute a debt, indebtedness, or the borrowing of money within the meaning of any limitation or restriction on the issuance of notes, bonds, or other obligations contained in any laws of the United States applicable to Alaska, Hawaii, or Puerto Rico, or to any municipal corporation or other political subdivision or agency thereof.

SEC. 102. The governments of Alaska, of Hawaii, and of Puerto Rico may assist slum clearance and urban redevelopment projects through cash donations, loans, conveyances of real and personal property, facilities, and services, and otherwise, and may authorize municipalities or other political subdivisions to make cash donations, loans, conveyances of real and personal property to public corporate authorities and to take other action, including but not limited to the making available or the furnishing of facilities and services, in aid of slum clearance and urban redevelopment projects.

SEC. 103. All legislation heretofore enacted by the Legislature of the Territory of Alaska, of Hawaii, and of Puerto Rico dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.

TITLE II—AMENDMENTS TO THE LOW-RENT-HOUSING ENABLING STATUTES FOR ALASKA AND HAWAII

SEC. 201. Alaska: (a) The act of July 21, 1941 (55 Stat. 601), is amended to read as follows:

"That the Legislature of the Territory of Alaska may create public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income and for persons (and their families) engaged in national-defense activities within the Territory.

"SEC. 2. The Legislature of the Territory of Alaska may provide for the appointment and terms of the commissioners of such authorities and for the powers of such authorities, except that such authorities shall not be given any power of taxation, nor any power to pledge the faith of the people of the Territory for any loan whatever.

"SEC. 3. The Legislature of the Territory of Alaska may authorize such authorities to issue bonds or other obligations with such security and in such manner as the legislature may provide, except as provided in this act. Such bonds and other obligations shall not be a debt of the Territory of Alaska or any political or municipal corporation or other subdivision of the Territory other than such authorities; and such bonds and other obligations shall not constitute a debt, indebtedness, or the borrowing of money within the meaning of any limitation or restriction on the issuance of bonds or other obligations contained in the laws of the United States applicable to the Territory of Alaska or any political or municipal corporation or other subdivision of the Territory.

"SEC. 4. All legislation heretofore enacted by the Legislature of the Territory of Alaska dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.

"SEC. 5. Powers granted herein shall be in addition to and not in derogation of any powers granted by other law to or for the benefit or assistance of any public corporate authority or municipality."

(b) The title of said act of July 21, 1941, is amended to read as follows:

"An act to authorize the Legislature of the Territory of Alaska to create one or more public corporate authorities to undertake slum clearance and projects to provide dwelling accommodations for families of low income and to issue bonds and other obligations of the authority or authorities for such purposes, and for other purposes."

SEC. 202. Hawaii: (a) The act of July 10, 1937 (50 Stat. 508), is amended to read as follows:

"That the Legislature of the Territory of Hawaii may create public corporate authorities to engage in slum clearance, or housing undertakings, or both, within such Territory. The legislature of said Territory may provide for the appointment and terms of the members of such authorities and for the powers of such authorities, except that such authorities shall be given no power of taxation. The legislature may authorize the Territory or any political or municipal corporation or subdivision thereof to make loans, donations, and conveyances and make available their facilities and services to such authorities, and to take other action in aid of slum clearance or housing undertakings, and may, without regard to any Federal acts restricting the disposition of public lands of the Territory, authorize the commissioner of public lands, the Hawaiian Homes Commissioners, and any other officers of the Territory having power to manage and dispose of its public lands, to grant, convey, or lease to such authorities parts of the public domain, and may provide that any of the public domain or other property acquired by such authorities may be mortgaged by them as security for their bonds. The legislature of said Territory may authorize such authorities to issue bonds or other obligations of such character and maturity and in such manner as the legislature may provide. Such bonds shall not be a debt of the Territory or any political or municipal corporation or subdivision thereof, shall not constitute public indebtedness within the meaning of section 55 of the act approved April 30, 1900, entitled 'An act to provide a government for the Territory of Hawaii,' as amended, and shall not constitute bonds of the Territory of Hawaii within the meaning of the act approved August 3, 1935, entitled 'An act to enable the Legislature of the Territory of Hawaii to authorize the issuance of certain bonds, and for other purposes,' as amended. All legislation

heretofore enacted by the Legislature of the Territory of Hawaii dealing with the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed. Powers granted herein shall be in addition to and not in derogation of any powers granted by other law to or for the benefit or assistance of any public corporate authority or municipality."

(b) The title of said act of July 10, 1937, is amended to read as follows:

"An act to authorize the Legislature of the Territory of Hawaii to create one or more public corporate authorities authorized to engage in slum clearance and housing undertakings and to issue bonds of the authority or authorities, to authorize said legislature to provide for financial assistance to said authority or authorities by the Territory and its political subdivisions, and for other purposes."

TITLE III—SLUM CLEARANCE, URBAN REDEVELOPMENT, AND LOW-RENT HOUSING IN THE VIRGIN ISLANDS

SEC. 301. The government of the Virgin Islands, through its legislative assembly, may grant to a public corporate authority existing or to be created through said assembly, exclusive authority to undertake slum clearance, urban redevelopment, and low-rent housing activities within the municipalities of the Virgin Islands. The legislative assembly may provide for the appointment and terms of office of the members of such authority and for the powers of such authority, including authority to accept whatever benefits the Federal Government may make available under the Housing Act of 1949 (Public Law 171, 81st Cong.), or any other law, for projects contemplated by this act and to do all things, to exercise any and all powers, and to assume and fulfill any and all obligations, duties, responsibilities, and requirements, including but not limited to those relating to planning or zoning, necessary or desirable for receiving such Federal assistance, except that such authority shall not be given any power of taxation, nor any power to pledge the faith and credit of the people of the Virgin Islands for any loan whatsoever.

SEC. 302. The legislative assembly may authorize such authority, any provision of the Virgin Islands Organic Act or any other act of Congress to the contrary notwithstanding, to borrow money and to issue notes, bonds, and other obligations of such character and maturity, with such security, and in such manner as the legislative assembly may provide. Such notes, bonds, and other obligations shall not be a debt of the United States, or of the Virgin Islands or of any municipality or subdivision thereof, other than such authority, nor constitute "bonds and other obligations" within the meaning of the act approved October 27, 1949 (Public Law 418, 81st Cong.), entitled "An act to authorize the government of the Virgin Islands or any municipality thereof to issue bonds and other obligations", or a debt, indebtedness, or the borrowing of money within the meaning of any limitation or restriction on the issuance of notes, bonds, or other obligations contained in any laws of the United States applicable to the Virgin Islands or to any municipal corporation or other political subdivision or agency thereof.

SEC. 303. The government of the Virgin Islands, through its legislative assembly, may assist such authority with cash donations, loans, conveyances of real and personal property, facilities, and services, and otherwise, and may authorize municipalities and other subdivisions to make cash donations, loans, conveyances of real and personal property to such authority, and to take other action, including but not limited to, the making available or the furnishing of facilities and services, in aid of slum clearance, urban redevelopment, or low-rent housing projects.

SEC. 304. Notwithstanding the limitation contained in the last sentence of section 110 (d) or in any other provision of title I of the Housing Act of 1949 (Public Law 171, 81st Cong.), the Housing and Home Finance Administrator is hereby authorized to allow and credit to such authority as may be created for the Virgin Islands under this act (1) such local grants-in-aid as are otherwise approvable pursuant to the first sentence of said section 110 (d) with respect to any slum clearance and urban redevelopment project or projects undertaken by such authority with Federal assistance made available under title I of the Housing Act of 1949, and (2) such grants-in-aid made or assistance given to the local community by any Federal department or agency pursuant to authority of law other than the Housing Act of 1949 which would, if made or given by a State or local community, be approvable pursuant to said first sentence of section 110 (d) with respect to any such project or projects so undertaken.

SEC. 305. All legislation heretofore enacted by the legislative assembly of the Virgin Islands dealing with any part of the subject matter of this act and not inconsistent herewith is hereby ratified and confirmed.

SEC. 306. Powers granted herein shall be in addition to and not in derogation of any powers granted by other law to or for the benefit or assistance of any public corporate authority or municipality.

MRS. SANFORD PRUITT—BILL PASSED OVER

The bill (S. 858) for the relief of Mrs. Sanford Pruitt was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that that bill go over.

Mr. McCARRAN. Mr. President, will the Senator withhold his objection for a moment?

Mr. HENDRICKSON. I shall gladly withhold it.

Mr. McCARRAN. Mr. President, this is the case of a deputy sheriff in North Carolina who lost his life while assisting Federal prohibition agents in the apprehension of a violator of the Federal prohibition laws.

Technically this man was not an agent of the United States Government, since there was no legal authority for a prohibition agent to deputize anyone else. However, the record indicates that the deputy sheriff thought he had been so deputized, and that he was carrying out his duties as though he had been so deputized. Since he lost his life while engaged in the business of the Federal Government, it was the view of the committee that his widow should be entitled to a death gratuity. The amount involved is $10,000.

Mr. HENDRICKSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

FORTUNATO GIULIO TORRE

The bill (S. 2795) for the relief of Fortunato Giulio Torre was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, Fortunato Giulio Torre shall be held and considered to have been lawfully admitted to the United States for permanent residence as of October 1, 1948, the date on which he entered the United States, upon payment of the required head tax and visa fee.

SEC. 2. The Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available immigration quota of Italy.

CHEN HUA HUANG

The Senate proceeded to consider the bill (S. 2968) for the relief of Chen Hua Huang, which had been reported from the Committee on the Judiciary with an amendment to strike out all over the enacting clause and insert:

That, for the purpose of the immigration and naturalization laws, Chen Hua Huang shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Chun Ku Huang, citizens of the United States, and shall be deemed to be a nonquota immigrant within the purview of sections 4 (a) and 9 of the Immigration Act of 1924.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ISSUANCE OF MEDALS FOR MERITORIOUS SERVICE TO CERTAIN FEDERAL EMPLOYEES

The Senate proceeded to consider the bill (S. 2021) to provide for the issuance of medals for meritorious service to Federal employees engaged in the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 5, after the word "persons", to insert "or the next of kin in the event of their death", and on page 2, line 1, after the word "the", to insert "criminal", so as to make the bill read:

Be it enacted, etc., That the President is authorized to award, under such rules and regulations as he may prescribe, a medal of appropriate design to persons, or the next of kin in the event of their death, who have rendered or who hereafter render especially meritorious service in the performance of their duties as officers or employees of the United States who are primarily engaged in the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADOPTED CHILD OF LIEUTENANT AND MRS. NEILL C. BURNETT

The Senate proceeded to consider the bill (S. 3068) for the relief of the adopted child of Lieutenant and Mrs. Neill C. Burnett, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of sections 4 (a) and 9 of the Immigration Act of 1924, Jimmie Franklin Burnett shall be considered to be the alien natural-born son of his adoptive parents, Lieutenant and Mrs. Neill C. Burnett, United States citizens.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Jimmie Franklin Burnett."

AERO-BOCKER KNITTING MILLS, INC.

The bill (H. R. 1047) for the relief of Aero-Bocker Knitting Mills, Inc., was considered, ordered to a third reading, read the third time, and passed.

ANN IRENE FEIKEMA

The bill (H. R. 1110) for the relief of Ann Irene Feikema was considered, ordered to a third reading, read the third time, and passed.

LEE FREDDIE LAMBERT

The bill (H. R. 1124) for the relief of Lee Freddie Lambert was considered, ordered to a third reading, read the third time, and passed.

HAROLD L. LINDQUIST

The bill (H. R. 1492) for the relief of Harold L. Lindquist was considered, ordered to a third reading, read the third time, and passed.

Mr. McCARRAN. Mr. President, with reference to House bill 1492, I ask unanimous consent that I may insert at this point in the RECORD an explanatory statement regarding the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The printed report on this bill contains a misstatement. The report states that the bill would make this alien eligible for United States citizenship. It will not have that effect. It will only permit him to remain in the United States as a permanent resident.

This is the case of a native of Finland, who came to the United States as a seaman and remained here illegally. He is now working as a carpenter. It is impossible for him to adjust his immigration status administratively because he sought exemption from military service as a neutral alien. That same fact also prevents him from applying for citizenship.

In recommending approval of this bill, which will let the alien remain in the United States but which will not permit him to become a citizen, the committee is not attempting to grant relief to the man himself, but to his wife and child, both of whom are American citizens, the wife by naturalization and the child by birth. They are entirely dependent upon him for support. Evidence before the committee indicates that this man is of good moral character, and a steady worker. He is supporting his wife and child. If he is deported, they will be destitute.

I might say for the information of the Senate that the misstatement which appears in the Senate report appeared originally in the House report, and was noted by the staff of the Senate Committee on the Judiciary, but that in spite of this fact, when the report was being prepared for filing, through inadvertence, this misstatement was not stricken.

FILIP NICOLA LAZAREVICH

The bill (H. R. 1627) for the relief of Filip Nicola Lazarevich was considered, ordered to a third reading, read the third time, and passed.

GIFFORD E. MOAK

The bill (H. R. 3527) for the relief of Gifford E. Moak was considered, ordered to a third reading, read the third time, and passed.

MRS. VERA C. A. FREUND

The bill (H. R. 3672) for the relief of Mrs. Vera C. A. Freund was considered, ordered to a third reading, read the third time, and passed.

NG SOO LIP AND NG YUT CHEE

The bill (H. R. 5017) for the relief of Ng Soo Lip and Ng Yut Chee was considered, ordered to a third reading, read the third time, and passed.

DEBORAH ELIZABETH EBEL

The bill (H. R. 5581) for the relief of Deborah Elizabeth Ebel was considered, ordered to a third reading, read the third time, and passed.

PATRICK CRONIN

The bill (H. R. 5709) for the relief of Patrick Cronin was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, I am surprised at my friend from New Jersey for asking an explanation of the bill when it involves a man whose name is Patrick.

This is the case of an Irishman who entered the country as a seaman and overstayed his leave. He has since married a citizen of the United States, and has three children who are native-born citizens of the United States. His immigration status cannot be adjusted because he was at one time convicted of a crime involving moral turpitude. The conviction was in 1940. Subsequently, psychiatrists have certified that the crime arose because this man was afflicted with constitutional psychopathic inferiority, but that he appears to have overcome this handicap, is living a normal married life, and is a member in good standing of a church in his community.

If he should be deported, his wife and children would be destitute. The wife is in poor health.

Mr. HENDRICKSON. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 5709) for the relief of Patrick Cronin was considered, ordered to a third reading, read the third time, and passed.

DR. WEI TCHENG LIANG

The bill (H. R. 6163) for the relief of Dr. Wei Tcheng Liang was considered, ordered to a third reading, read the third time, and passed.

MRS. SACHIKO IWAI HIGAKI

The bill (H. R. 6462) for the relief of Mrs. Sachiko Iwai Higaki was considered, ordered to a third reading, read the third time, and passed.

MAGARITA FUNAKURA

The bill (H. R. 6490) for the relief of Margarita Funakura was considered, ordered to a third reading, read the third time, and passed.

FUJIKO FUKUDA

The bill (H. R. 6793) for the relief of Fujiko Fukuda was considered, ordered to a third reading, read the third time, and passed.

HISAKO NAKANE

The bill (H. R. 6942) for the relief of Hisako Nakane was considered, ordered to a third reading, read the third time, and passed.

MRS. YAE BENNETT

The bill (H. R. 7013) for the relief of Mrs. Yae Bennett was considered, ordered to a third reading, read the third time, and passed.

YOSHIKO ISHII TEVES

The bill (H. R. 7084) for the relief of Yoshiko Ishii Teves was considered, ordered to a third reading, read the third time, and passed.

MRS. REI YAMADA MUNNS AND EDWARD LEE MUNNS

The bill (H. R. 7194) for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns was considered, ordered to a third reading, read the third time, and passed.

MIEKO NISHITSURU

The bill (H. R. 7256) for the relief of Mieko Nishitsuru was considered, ordered to a third reading, read the third time, and passed.

UMEKO STEVENSON

The bill (H. R. 7279) for the relief of Umeko Stevenson was considered, ordered to a third reading, read the third time, and passed.

LUCY TERESA MORRIS

The bill (H. R. 7313) for the relief of Lucy Teresa Morris was considered, ordered to a third reading, read the third time, and passed.

ASANO TERAMOTO

The bill (H. R. 7338) for the relief of Asano Teramoto was considered, ordered to a third reading, read the third time, and passed.

MRS. KIYOKO TANAKA PEREZ

The bill (H. R. 7410) for the relief of Mrs. Kiyoko Tanaka Perez was considered, ordered to a third reading, read the third time, and passed.

MRS. JUNE NODA LOMAN

The bill (H. R. 7427) for the relief of Mrs. June Noda Loman was considered, ordered to a third reading, read the third time, and passed.

ARNE GORDON WESTLY

The Senate proceeded to consider the bill (H. R. 1609) for the relief of Arne Gordon Westly, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the word "entry", to strike out "therein" and insert "upon the payment of the required head tax and visa fee."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

VICTOR C. KAMINSKI (ALSO KNOWN AS VICTOR KAMINSKI)

The Senate proceeded to consider the bill (H. R. 2226) for the relief of Victor C. Kaminski (also known as Victor Kaminski), which had been reported from the Committee on the Judiciary with an amendment on page 2, line 5, after the word "entry", to strike out "therein" and insert "upon the payment of the head tax and visa fee".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CAMILLA FABRIS

The Senate proceeded to consider the bill (H. R. 3018) for the relief of Camilla Fabris, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 5, after the word "entry", to strike out "therein" and insert "upon the payment of the head tax and visa fee."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

KRIKOR G. GUIRAGOSSIAN

The Senate proceeded to consider the bill (H. R. 4903) for the relief of Krikor G. Guiragossian, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the word "residence", to insert "upon the payment of the head tax and visa fee."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MINDEL MALEK

The bill (H. R. 5355) for the relief of Mindel Malek was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCARRAN. With regard to this bill, I should like to say that a typographical error appears in it, and in that connection I ask leave to insert in the RECORD an explanatory statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This is the case of a woman who erroneously believed herself to be a United States citizen and who has actually been admitted to the United States as a United States citizen. She was born in Rumania, and came to the United States at the age of 16, in 1936, when she was admitted as the unmarried minor child of a United States citizen. Her father had been naturalized in 1929, and this woman has consistently believed herself to be a United States citizen as a result of her father's naturalization. Actually under the state of the law at the time, she did not derive citizenship in this way; but she did not learn of this until 1949. Her mother was naturalized in 1943, but since that was subsequent to the passage of the Nationality Act of 1940, that did not confer citizenship on this young woman either.

The record indicates this woman is a person of good character. The purpose of the bill is to let her remain in the United States.

The letter from the Department of Justice, as printed in the committee report, contains a typographical error. Where it states this girl entered the United States on December 24, 1934, it should read "December 24, 1936." That was the actual date of entry.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5355) for the relief of Mindel Malek, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 331 of the Nationality Act of 1940 (8 U. S. C. 731), as amended, Mindel Malek may, if otherwise eligible under all other applicable provisions of the nationality laws, file the petition for naturalization prescribed by law.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MITSUE MIYAMOTO

The Senate proceeded to consider the bill (H. R. 6589) for the relief of Mitsue Miyamoto, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States aliens who are ineligible to citizenship, shall not apply to Mrs. Cloice Howard Bryan (nee Mitsue Miyamoto), the wife of a citizen of the United States and an honorably discharged veteran of World War II.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HELGA HOLLEB

The Senate proceeded to consider the bill (H. R. 6747) for the relief of Helga Holleb, which had been reported from the Committee on the Judiciary with an amendment in line 5, after the word "natural-born", to insert "alien".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ARTHUR CHEN SHU JEE

The Senate proceeded to consider the bill (H. R. 6756) for the relief of Arthur Chen Shu Jee, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That the provisions of section 2 of the act of December 17, 1943 (8 U. S. C., 1946 ed., sec. 212a), which requires that Chinese alien children of United States citizens shall be charged to the immigration quota for the Chinese, shall be held and considered not to be applicable to Arthur Chen Shu Jee, the son of Dr. Kenneth Chen Huan Jee.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. KYOKO NAKAMURA KORNHAUSER

The Senate proceed to consider the bill (H. R. 6787) for the relief of Mrs. Kyoko Nakamura Kornhauser, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 10, after "United States", to strike out "armed forces during World War II, and that if otherwise admissible under the immigration laws she shall be granted admission to the United States for permanent residence upon application hereafter filed."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. KIYO NARUMI MURAKAMI AND KEIKO NARUMI

The Senate proceeded to consider the bill (H. R. 6880) for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi, which had been reported from the Committee on the Judiciary with an amendment on page 2, line 5, after the word "natural-born", to insert "alien".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MRS. NOBUKO ETO HEARD

The Senate proceeded to consider the bill (H. R. 6894) for the relief of Mrs. Nobuko Eto Heard, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 10, after the word "States", to strike out the comma and "and that if otherwise admissible under the immigration laws she shall be granted admission to the United States for permanent residence upon application hereafter filed."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HISAKO SAKATA IKEZAWA

The Senate proceeded to consider the bill (H. R. 7035) for the relief of Hisako Sakata Ikezawa, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, in the administration of the immigration laws, the provisions of section 13 (c) of the Immigration Act of 1924, as amended, which excludes from admission to the United States aliens who are ineligible to citizenship, shall not apply to Mrs. Hisako Sakata Ikezawa, the wife of a citizen of the United States and an honorably discharged veteran of World War II.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

IMPORT CONTROLS ON FATS AND OILS (INCLUDING BUTTER), AND RICE AND RICE PRODUCTS

Mr. THYE. Mr. President, earlier in the day Calendar No. 1551, Senate bill 3550, was objected to and was placed at the foot of the calendar. I wonder if we may consider the bill now. I believe the objections which were previously raised have now been overcome.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3550), to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter) and rice and rice products.

The bill is as follows:

Be it enacted, etc., That notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, and the amendments to existing law made by such title shall continue in effect until July 1, 1951, for the purpose of authorizing and exercising, administering, and enforcing of import controls with respect to fats and oils (including oil-bearing materials, fatty acids, butter, soap and soap powder, but excluding petroleum and petroleum products) and rice and rice products, upon a determination by the President that such controls are (a) essential to the acquisition or distribution of products in world short supply or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government or (c) essential to the enforcement of governmental measures which operate to restrict the quantities of the like domestic product permitted to be marketed or produced, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted or (d) essential to the enforcement of governmental measures which operate to remove a temporary surplus of the like domestic product, or, if there is no substantial domestic production of the like product, of a domestic product for which the imported product can be directly substituted, by making the surplus available to certain groups of domestic consumers free of charge or at prices below the current market level or (e) essential to prevent the importation of any product, as a result of unforeseen developments and of the effect of the obligations incurred by a contracting party under the general agreement on tariffs and trade to which the United States is a party, in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in the United States of like or directly competitive products: *Provided, however,* That such controls shall be removed as soon as the conditions giving rise to them have ceased.

Mr. BRICKER. Mr. President, I have three amendments which I wish to offer to the bill. It has been suggested by the chairman of the Committee on Banking and Currency that he would accept the amendments and take them to conference. One of them I introduce for the senior Senator from Kansas [Mr. SCHOEPPEL].

Mr. MAYBANK. I have discussed the matter with the distinguished Senator from Ohio, and I shall be glad to take the amendments to conference. I do not know what the attitude of the House conferees will be. However, I shall be very glad to take the amendments to conference and try to have them accepted.

The PRESIDING OFFICER. The clerk will read the first amendment offered by the Senator from Ohio.

The LEGISLATIVE CLERK. On page 2, line 5, after the word "Government", it is proposed to insert a colon and the following proviso: "*Provided, however,* That such controls shall be removed as soon as conditions giving rise to them cease."

Mr. MILLIKIN. I wonder whether we could consider all the amendments at one time.

The PRESIDING OFFICER. Does the Senator wish to submit the amendments en bloc?

Mr. BRICKER. I shall be glad to have that done.

The PRESIDING OFFICER. The clerk will state the amendments.

The LEGISLATIVE CLERK. It is proposed to strike out the words "or (c) essential," on page 2, line 5; all of lines 6 through 22 on page 2; and all of lines 1 through 5 on page 3.

On page 1, line 10, after the words "petroleum products" it is proposed to insert the words "and coconuts and coconut products."

Mr. BRICKER. That strikes out all the additional material in the Senate bill. However, I want the law left as it is with the 1-year extension, because of the trade agreements which are to be considered this fall. As soon as the conditions which bring about the embargo have passed, the President shall immediately remove the restrictions. That is the substance of the first amendment.

Mr. MAYBANK. As I understand, having discussed the matter with the Senator from Ohio, the restrictions will be lifted as soon as the trade agreements have been completed.

Mr. BRICKER. That would be done anyway, if they were approved.

Mr. MAYBANK. It would cancel them, so to speak.

Mr. BRICKER. It is not for that purpose, however. It is to eliminate the additional language over and above that contained in the act which was passed a year ago.

The last amendment is offered by me for the senior Senator from Kansas [Mr. SCHOEPPEL]. It has to do with the importation of coconut oil and coconut products. It is introduced at the instance of candy manufacturers. There is no competing product which they can utilize for the purpose of making coconut candy, and they want those items excluded from the power of the President.

Mr. MAYBANK. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield?

Mr. BRICKER. Yes.

Mr. MAYBANK. I will take only 5 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 5 minutes.

Mr. MAYBANK. I should like to ask the Senator if he knows the amount of the importations used by candy manufacturers. I learned of this only last night. The matter did not come before the Committee on Banking and Currency. Is the Senator familiar with the amount? Is it limited?

Mr. BRICKER. There is no limit.

Mr. MAYBANK. I did not mean that. I was told last evening that a certain number of tons came into the country last year. I should like to know what the amount was.

Mr. BRICKER. I do not have the information. I merely have this amendment. I offered it for the Senator from Kansas, to protect the candy industry. I should like to read a letter which was submitted to the Senator from Kansas. It gives the data.

Mr. MAYBANK. The Senator from Minnesota and I were engaged in a hearing of the Committee on Agriculture, and we left the hearing to come to the floor to find out if the bill could be considered at this time. The Senator from New Jersey and the majority leader agreed. May I ask the Senator from Ohio to furnish those figures for which I have asked? Is he in a position to furnish the figures as to the amount of that material coming into the country? I do not know whether there would be any objection from the candy manufacturers. I am concerned with soap manufacturers, for instance.

Mr. BRICKER. I shall be glad to read from this letter. I read the following paragraph:

> As you know, the confectionery industry is dependent on many foreign oils which are not produced domestically. To us coconut oil is vital. At present there is no limitation on its importation, but there has been considerable pressure exerted to get the Secretary to include coconut oil on the restricted list.

I think that is pertinent information. Those are all the facts that are stated here. That is the basic fact.

Mr. THYE. Mr. President, the information relative to the amount of coconut oil and coconut products which would be needed by candy manufacturers could be ascertained in conference, and the question could be dealt with in conference.

Mr. MAYBANK. Mr. President, I agree with the Senator. I call his attention to the fact that this is a Senate bill, and unless the House accepts it without amendment, it will go to conference. In conference the records and the figures should be available. It would be my suggestion that if the bill goes to conference, the Senator from Ohio and the Senator from Minnesota and others interested attend the conference. I am fearful, however, that there may not be a conference, and that is why I asked the questions about the figures, because I certainly want them printed in the RECORD so that the House would

know of them, and there could be no criticism. I can see that coconut oil can be used for other things than the making of candy.

Mr. THYE. Mr. President, the fear I have of permitting coconut oil and coconut products to come in without any restriction is that their importation would militate against flaxseed and soybeans and all manner of fats and oils. I believe it is quite important that we try to ascertain the amount needed for the candy manufacturers, and then give consideration to such an amount, and to exclude the excess, because a tremendous volume of fats and oils is now held by the Commodity Credit Corporation, and in the event we admit an unlimited amount of imports of coconuts and coconut products we will not relieve the Commodity Credit Corporation of the tremendous responsibility they have now in connection with the surplus oils and fats they have had to acquire under the support program.

Mr. MAYBANK. Mr. President, the distinguished Senator from Colorado was on his feet, and I yield to him.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAYBANK. I ask unanimous consent that I may have 5 minutes more.

The PRESIDING OFFICER. The Senator from South Carolina asks for 5 minutes addition to discuss the bill. Is there objection? The Chair hears none.

Mr. MILLIKIN. Will the Senator yield?

Mr. MAYBANK. I yield.

Mr. MILLIKIN. Does the amendment of the Senator from Ohio exclude everything in the bill except what was in the bill a year ago?

Mr. BRICKER. Yes; it merely continues for the next year the provisions of the law passed a year ago.

Mr. MILLIKIN. Where does the amendment start, if I may ask?

Mr. BRICKER. It starts in line 5, page 2, after the word "Government", and excludes all the rest, and limits the power of the President to matters which are "essential to the acquisition or distribution of products in world short supply or (b) essential to the orderly liquidation of temporary surpluses of stocks owned or controlled by the Government."

Mr. MILLIKIN. The remainder is stricken out?

Mr. BRICKER. The remainder is stricken out. This came about, the Senator will recall, because of the fact that there has been too high a price placed on the linseed oil, and the production in the Argentine had become so extensive that combined with the surplus piled up here, it was becoming competitive with all sorts of oils and fats.

Mr. MILLIKIN. What was the source of the other of the provisions put in the bill; who suggested them?

Mr. BRICKER. I do not know from whom the suggestion came.

Mr. MAYBANK. The suggestion came from the Department of Agriculture, but the interest the Committee on Banking and Currency had in the bill was, as the Senator from Minnesota has said, that it was our desire to protect the Commodity Credit Corporation in the large stock of flaxseed they have now. The Senator from Minnesota introduced a bill on the other side of the aisle, and the Senator from Iowa [Mr. GILLETTE] on this side. I think the bill of the Senator from Minnesota provided for an extension of 1 year, and the bill of the Senator from Iowa provided for an extension of 2 years. We made the provision 1 year. We want to do away with the controls as fast as we can.

Mr. BRICKER. Mr. President, when this matter was brought up before the committee the suggestion was made that we were continuing for only 1 year the law as it is.

Mr. MAYBANK. That is correct.

Mr. BRICKER. And the other provision was written in by the staff afterward, and I did not know about it until it came to the floor.

Mr. MAYBANK. The Senator is correct. I told him earlier that I was only too pleased to accept the amendment. I am concerned primarily with the tremendous quantities of coconuts which might be bumped here. My desire was to protect the soybean and cotton and flaxseed producers.

Mr. BRICKER. It is not possible to make very good candy out of cottonseed, I suggest.

Mr. MAYBANK. I agree with that, of course.

Mr. THYE. Mr. President, the bill I introduced was merely to extend the controls for another year. I did not have in mind any other congressional action.

Mr. MAYBANK. The Senator is correct. The committee determined on 1 year.

Mr. THYE. The Senator is correct.

Mr. MILLIKIN. Mr. President, I should like to invite attention to the fact that in the additional matter included there are some implications which I do not believe serve the purposes desired, which might open up an extended debate. For example, there is a reference to the general agreement on tariffs and trade to which the United States is a party. It has been understood that we would come to that some day and meet it properly, but that we were not going to have references to it in connection with minor legislation.

Mr. MAYBANK. The Senator is eminently correct.

Mr. MILLIKIN. I notice there is a reference to "unforeseen developments." That is a highly controversial phrase connected with our whole tariff program, and I wanted to make very sure that there was no intention on the part of the committee to insist on that kind of thing in conference.

Mr. MAYBANK. There is none whatsoever.

Mr. BRICKER. When the committee considered the bill, this language was not in it.

Mr. MAYBANK. The Senator is correct. I assure the Senator from Colorado that the provision as to the unforeseeable future, and other like matters, will not be in the bill.

Mr. MILLIKIN. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the consideration en bloc of the amendments of the Senator from Ohio? The Chair hears none, and the question is on agreeing to the amendments en bloc.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. JUAN ANTONIO RIVERA AND OTHERS

The bill (H. R. 5051) for the relief of Mrs. Juan Antonio Rivera, Mrs. Raul Valle Antelo, Mrs. Jorge Diaz Romero, Mrs. Otto Resse, and Mrs. Hugo Soria was announced as next in order.

Mr. HENDRICKSON. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

WILLIAM LAWRENCE TAN

The Senate proceeded to consider the bill (H. R. 5541) to amend Private Law No. 463, Seventy-sixth Congress, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, for the purpose of the immigration and naturalization laws, the alien, William Lawrence Tan, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of December 1, 1934, at the port of Honolulu, T. H.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act for the relief of William Lawrence Tan."

MRS. TOMO NONQUE ROSEVEAR III

The Senate proceeded to consider the bill (H. R. 7047) for the relief of Mrs. Tomo Nonque Rosevear III, which had been reported from the Committee on the Judiciary with amendments, in line 7, after the name "Rosevear", to strike out "III,", and in line 8, after the name "Rosevear", to insert "III".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PATENT TO WILBUR J. SCOTT

The bill (S. 3029) authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue a patent in fee to Wilbur J. Scott for the following-described lands in the State of Montana: The northeast quarter and the north half of the southeast quarter of section 34, township 2 south, range 28 east; lot 4 of section 18, township 4 south, range 33 east, and the southwest quarter of the southwest quarter of section 21, township 6 south, range 32 east, Montana principal meridian, and containing approximately three hundred

seventeen and eighty-six one-hundredths acres.

OAHE DAM—SETTLEMENT CONTRACTS WITH SIOUX INDIANS

The Senate proceeded to consider the bill (H. R. 5372) to authorize the negotiation and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That the Chief of Engineers, Department of the Army, jointly with the Secretary of the Interior, representing the United States of America, are hereby authorized and directed to negotiate contracts containing the provisions outlined herein separately with the Sioux Indians of the Cheyenne River Reservation in South Dakota and with the Sioux Indians of the Standing Rock Reservation in South Dakota and North Dakota, through representatives of the two tribes appointed for this purpose by their tribal councils.

SEC. 2. The contracts made pursuant to section 1 of this act shall—

(a) convey to the United States the title to all tribal, allotted, assigned, and inherited lands or interests therein belonging to the Indians of each tribe required by the United States for the reservoir to be created by the construction of the dam across the Missouri River in South Dakota, to be known as Oahe Dam, including such lands along the margin of said reservoir as may be required by the Chief of Engineers, United States Army, for the protection, development, and use of said reservoir: *Provided*, That the date on which the contract is signed by Chief of Engineers, United States Army, and the Secretary of the Interior shall be the date of taking by the United States for purposes of determining the ownership of the Indian tribal, allotted, and assigned lands conveyed thereby to the United States, subject to the determinations and the payments to be made as hereinafter provided for;

(b) provide for the payment of—

(1) just compensation for lands and improvements and interests therein, conveyed pursuant to subsection (a);

(2) costs of moving the members of each tribe who reside upon such lands out of the proposed flooded area; and

(3) costs of relocating and reestablishing Indian cemeteries, tribal monuments, and shrines located upon such lands;

(c) provide that just compensation for the lands of individual members of such tribes, who reject the appraisal covering their individual property, shall be judicially determined in proceedings instituted for such purpose by the Department of the Army in the United States district court for the district in which the lands are situated;

(d) provide a schedule of dates for the orderly removal of the Indians and their personal property situated within the taking area of the Oahe Reservoir within the respective reservations: *Provided*, That the Chief of Engineers shall have primary and final responsibility in negotiating concerning the matters set out in the foregoing paragraphs (a) and (b) hereof;

(e) provide for the final and complete settlement of all claims by the Indians and tribes described in section 1 of this act against the United States arising because of construction of the Oahe project.

SEC. 3. To assist the negotiators in arriving at the amount of just compensation as provided herein in section 2 (b) (1), the Secretary of the Interior or his duly authorized representative and the Chief of Engineers, Department of the Army, or his duly authorized representative shall cause to be prepared an appraisal schedule on an individual tract basis of the tribal, allotted, and assigned lands, including heirship interests therein, located within the taking areas of the respective reservations. In the preparation thereof, they shall determine the fair market value of the lands, giving full and proper weight to the following elements of appraisal: Improvements, severance damage, standing timber, mineral rights, and the uses to which the lands are reasonably adapted. They shall transmit the schedules to the representatives of the tribes appointed to negotiate a contract, which schedules shall be used as a basis for determining the amount of just compensation to be included in the contracts for the elements of damages set out in section 2 hereof.

SEC. 4. The specification in sections 2 and 3 hereof of certain provisions to be included in each contract shall not operate to preclude the inclusion in such contracts of other provisions beneficial to the Indians who are parties to such contracts.

SEC. 5. (a) The contracts negotiated and approved pursuant to this act shall be submitted to the Congress within 18 months from and after the date of enactment of this act.

(b) No such contract shall take effect until it shall have been ratified by act of Congress.

SEC. 6. Nothing in this act shall be construed to restrict the orderly prosecution of the construction, or delay the completion of the Oahe Dam to provide protection from floods on the Missouri River.

SEC. 7. When electric power is available from Oahe Dam project, the said tribes and the members thereof shall have equal rights and privileges on an equal basis which are accorded the persons, cooperative associations, and others by the Rural Electrification Act of 1936 and all acts amendatory thereof or supplemental thereto as fully, as if said tribes and members thereof were named in said Rural Electrification Act of 1936.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. DOUGLAS subsequently said: I ask unanimous consent that the Senate return to the consideration of Calendar No. 1744, House bill 5372.

The PRESIDING OFFICER. That bill has previously been passed.

Mr. BRICKER. Mr. President, what is the bill, please?

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 5372), Calendar No. 1774, to authorize the negotiation and ratification of separate settlement contracts with the Sioux Indians of Cheyenne River Reservation in South Dakota and of Standing Rock Reservation in South Dakota and North Dakota for Indian lands and rights acquired by the United States for the Oahe Dam and Reservoir, Missouri River development, and for other related purposes.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the Senate reconsider the vote by which that bill was passed.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. Mr. President, personally I have no objection; but it seems to me the matter should be brought up when the author of the bill, the Senator from Arizona [Mr. MCFARLAND], is present.

The PRESIDING OFFICER. Objection is heard.

Mr. DOUGLAS. Mr. President, I think the Senator from Arizona is about to come to the floor. I believe he is in the cloakroom at the moment.

I see that the Senator from Arizona is now returning to the floor.

Mr. President, in view of the fact that I was called out of the Chamber at the time when this bill was passed, I wish to ask unanimous consent to have action on the bill held up until the next call of the calendar, until some of us have time to go into the terms of the proposed agreement.

I am informed that the terms of the proposed agreement are substantially less favorable to the Standing Rock Indians, with relation to the Oahe Dam, than were the terms given to the Fort Berthold Indians with relation to the Garrison Dam. Yet the two situations are very similar.

I wonder whether the Senator from Arizona would be willing to have this matter held in abeyance.

The PRESIDING OFFICER. The Chair would remind the Senator from Illinois that he can make a motion to have the Senate reconsider the vote by which the bill was passed.

Mr. DOUGLAS. Mr. President, I shall so move if necessary.

The PRESIDING OFFICER. The Chair was not suggesting that such a motion be made.

Mr. MCFARLAND. Mr. President, I certainly would not want to prevent any Senator from having an opportunity to consider the bill. So I would agree to the unanimous-consent request.

However, I wish to state that those who are affected are very much concerned about the bill and are anxious to have it passed. The terms of the bill are not less favorable, may I say to the Senator.

The only objection made was that some persons would like to have more favorable terms in regard to power. However, the committee did not think they should be more favorable, but felt that the proposed agreement should be made on the same conditions as previous agreements.

However, Mr. President, if the Senator from Illinois wishes to have the bill go over at this time, I certainly would have no objection to having his request agreed to in order that he may have more time to consider the bill.

I believe that when he does consider the bill further, he will not wish to delay its passage, because it is important that negotiations commence. I point out that there are merely to be negotiations. The Indians will have the right to refuse to accept the terms. However, if the matter were to go to condemnation, it is thought that the Indians then would get much less. For that reason we wish to

have them able to negotiate rather than to have to resort to some other means.

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request of the Senator from Illinois that the Senate reconsider the vote by which House bill 5372 was passed.

Is there objection?

Without objection, the vote by which the bill was passed is reconsidered, and the bill is before the Senate.

Mr. DOUGLAS. Mr. President, I suggest that the consideration of this bill be postponed until the next call of the calendar.

The PRESIDING OFFICER. Does the Senator from Illinois object to the further consideration of the bill?

Mr. DOUGLAS. At this time I object.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

CARE OF CHILDREN COMMITTED TO BOARD OF PUBLIC WELFARE

The bill (S. 927) to provide that children be committed to the Board of Public Welfare in lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare; and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That no girl shall be committed to the National Training School for Girls after the enactment of this act. Any girl who, but for the provisions of this act, would be subject to commitment to such school shall be subject to commitment to the Board of Public Welfare (hereinafter called the "Board"). Girls committed to such school prior to the enactment of this act shall remain subject to the supervision and care of the Board for the periods of their commitments, but may be removed by it to any other place of detention available to it. The Board is authorized to parole or discharge any girl committed to it or subject to its supervision as provided in this section. In the supervision and care of any such girl the Board is authorized, in its discretion, to use any public or private agency or institution, or private family home, either without expense or at a fixed rate of board.

SEC. 2. The buildings, grounds, and equipment of the National Training School for Girls shall be available for the care and training of children committed to the Board or received and accepted by it for care under the authority of this or any other act. Appropriations heretofore or hereafter made for the National Training School for Girls shall be available for the care and training of such children.

SEC. 3. Section 8 of the act entitled "An act revising and amending the various acts establishing and relating to the Reform School of the District of Columbia," approved May 3, 1876, as applicable to the Reform School for Girls of the District of Columbia (subsequently designated the National Training School for Girls) (31 Stat. 809; D. C. Code, sec. 32-908), as amended—

(1) by striking out "Reform School for Girls", wherever appearing therein, and inserting in lieu thereof "Board of Public Welfare";

(2) by striking out "to remain until she arrives at the age of 21 years unless sooner discharged by the board of trustees"; and

(3) by adding at the end thereof the following: "Girls committed to the Board of Public Welfare may be committed for such periods as the courts may deem proper, subject to earlier discharge by the Board of Public Welfare, but no girl shall be so committed for a period extending beyond her twenty-first birthday."

SEC. 4. Clause (2) of section 14 of the act entitled "An act to create a juvenile court in and for the District of Columbia," approved March 19, 1906, is amended—

(1) by striking out the words "National Training School for Girls or the"; and

(2) by striking out the word "schools" and inserting in lieu thereof the word "school."

EXTENSION OF BOUNDARIES OF TOIYABE NATIONAL FOREST, NEV.

The bill (H. R. 5872) to extend the boundaries of the Toiyabe National Forest in the State of Nevada was announced as next in order.

Mr. McCARRAN. Mr. President, in regard to this bill, it provides for extension of the boundaries of the Toiyabe National Forest in Nevada. About 74,000 acres of land is involved. The extension has been recommended by the Reno Chamber of Commerce, the Washoe County Horseman's Association, the Nevada State Federation of Labor, the Washoe County Federation of Labor, the State Federation of Women's Clubs, and the Washoe County commissioners.

Mr. President, I ask unanimous consent that the report of the committee presented by the Senator from Wyoming [Mr. O'MAHONEY], the able chairman of the Committee on Interior and Insular Affairs, may be inserted in the RECORD.

There being no objection, the report (No. 1741) was ordered to be printed in the RECORD, as follows:

The Senate Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 5872) to extend the boundaries of the Toiyabe National Forest in the State of Nevada, having considered the same, report favorably thereon without amendment and with the recommendation that the bill do pass.

This bill would extend the boundaries of the Toiyabe National Forest in Nevada to include an additional 74,000 acres of land. Inasmuch as any purchases of privately owned lands in the area will be made from receipts of the Toiyabe and Nevada National Forests, no appropriation of funds is required. Such purchases were authorized in the Toiyabe National Forest Receipts Act (52 Stat. 1205). Necessary reforestation expenses will be financed largely through regular appropriations of the Department of Agriculture.

The proposed boundary extension would embrace rugged mountainous land, most of which is former timberland and unused for agricultural purposes. Only 2 percent is suitable for grazing.

The most valuable use of the area is for producing the maximum amount of water usable for domestic and irrigation purposes by local and nearby residents. Soil erosion and gullying has resulted in a dropping of the water table, thereby endangering the quality of the water.

Increased fire protection and improved cover and watershed conditions are badly needed in this area. The Nevada State Planning Board made a thorough investigation of this project in 1947, and recommended that this proposed boundary extension be made in the public interest.

The extension of these boundaries has also been recommended by the Reno Chamber of Commerce, the Washoe County Horseman's Association, the Nevada State Federation of Labor, the Washoe County Federation of Labor, the State Federation of Women's Clubs, and the Washoe County commissioners.

The favorable report of the Department of Agriculture to the chairman of the House Committee on Public Lands is hereinbelow set forth in full and made a part of this report.

DEPARTMENT OF AGRICULTURE,
Washington, September 15, 1949.

Hon. J. HARDIN PETERSON,
Chairman, Committee on Public Lands,
House of Representatives.

DEAR MR. PETERSON: Reference is made to your letter of August 12 requesting the opinion of this Department on H. R. 5872, a bill to extend the boundaries of the Toiyabe National Forest in the State of Nevada.

H. R. 5872 extends the boundaries of the Toiyabe National Forest within Washoe County from the Nevada-California State line eastward to include an area approximately 30 miles long and averaging 3 to 4 miles wide, with an estimated 74,000 acres. It is composed primarily of rough, mountainous country with an elevation of 10,000 feet at the State line or western boundary, dropping to approximately 4,000 feet at the eastern boundary. The eastern boundary is located primarily along the former timber-growing line, although this line is straightened in places to effect a more logical fire-protection boundary.

Present ownership of the land is indicated to be as follows:

	Acres	Percent
Private	69,000	93
County	600	1
Bureau of Land Management (Interior)	4,400	[1]
Total	74,000	100

[1] Data indicate that 3,000 acres are subject to pending sale or exchange, leaving only 1,400 acres (less than 2 percent) scattered throughout the tract under Bureau of Land Management administration and not subject to sale or exchange negotiations.

Cover types are indicated to be:

	Acres	Percent
Old growth	6,800	9
Cut-over and burned restocking	23,400	32
Cut-over and burned not restocking	12,700	17
Brush	28,500	39
Grazing	1,500	2
Other	1,100	1
Total	74,000	100

Reports of past conditions indicate the area under consideration was once covered with an excellent stand of timber; the streams were clear and provided good fishing, and many deer frequented the area. Present cover conditions show the result of heavy clear-cutting followed by repeated fires, plus excessive grazing on some parts of the area. There is much erosion on portions of the area with some gullies and resultant dropping of the water table. About 500 cattle and approximately 6,000 sheep graze on the area for a few months each year. One of the forest fires reported in local papers during the last month reburned a portion of the area under consideration, and gives evidence of the current need for increased fire protection.

The most valuable use of the area is for producing the maximum amount of water usable for domestic and irrigation purposes by local and nearby residents and communities of Nevada. Extension of the boundaries as proposed by H. R. 5872 will not

necessitate public acquisition of all the private land within the extended boundaries. It is estimated that not more than 60 percent of the private land may need to be purchased and its acquisition will be extended over several years. Most in need of public acquisition are the steep and often badly eroding lands, usually at the higher elevations.

The greatest need of the area is increased fire protection and improved cover and watershed conditions. Seeding or planting should be done on some areas to restore adequate cover conditions, and water spreading and gully plugging are needed on portions of the area. Much of this work is too expensive for private owners to finance and must be undertaken by public agencies.

The need for the proposed boundary extension and public acquisition was investigated by the Nevada State Planning Board in 1947. Following a public meeting, which all interested residents and agencies were invited to attend, the Nevada State Planning Board recommended the proposed extension and requested the Secretary of Agriculture to investigate the proposal on the ground. A survey made by the Forest Service indicated the action recommended by the board would be highly beneficial from a public-interest standpoint. After a separate investigation, a committee of the Reno Chamber of Commerce came to the same conclusion, and the Washoe County Horseman's Association stated the proposed boundary extension would be very beneficial to both the communities and area affected.

The proposed extension has been recommended also by the Nevada State Federation of Labor, the Washoe County Federation of Labor, and the State federation of women's clubs. The Washoe County commissioners not only recommended the proposed boundary by letter, but one of the commissioners publicly stated at an open hearing that the Washoe County commissioners were very desirous of having the Forest Service purchase and manage the watershed and timberland west of Reno to the California State line. The county land use planning commission has designated the area to be within a forestry and conservation zone. No objection has been received by this Department to the proposed action in Washoe County. The report of the Nevada State Planning Board, following its public meeting on April 12, 1948, included a statement that most all those present appeared to be in full accord with the proposed boundary extension, and that no formal protests had been received.

Land will be acquired by the Forest Service gradually, with most of it being purchased with funds appropriated under authority of the Toiyabe National Forest Receipts Act (52 Stat. 1205), as amended. This land can be administered by the present district ranger. The act authorizes the appropriation of not to exceed $10,000 per year of the receipts of the Toiyabe and Nevada National Forests for the purchase of additional forest land within the boundaries of these forests. The needed seeding, planting, water spreading, and gully plugging work on acquired national forest land will be financed largely through regular appropriations of this Department.

Enactment of H. R. 5872 is recommended by this Department.

In view of the time limitation we have not obtained advice from the Bureau of the Budget as to the relationship of this bill to the program of the President.

Sincerely,

CHARLES F. BRANNAN,
Secretary.

Since 4,400 acres of the land involved comes within the jurisdiction of the Department of the Interior the views of this Department were requested. The favorable report received by the chairman of the House Committee on Public Lands is also hereinbelow set forth in full and made a part of this report:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., September 19, 1949.

Hon. J. HARDIN PETERSON,
Chairman, Committee on Public Lands, House of Representatives.

MY DEAR MR. PETERSON: Reference is made to your request for a report on H. R. 5872, a bill to extend the boundaries of the Toiyabe National Forest in the State of Nevada.

I have no objection to the enactment of this bill.

H. R. 5872 would extend the boundaries of the Toiyabe National Forest to include certain lands in Washoe County, Nev., subject to valid and existing claims. It appears that, comparatively speaking, very little public land would be affected by H. R. 5872. This Department has no important public-land program contemplated for the administration of the scattered public-land tracts in this area.

Since I understand that your committee is taking immediate action on the bill, this report has not been submitted to the Bureau of the Budget. I am, therefore, unable to advise you concerning its relationship to the program of the President.

Sincerely yours,

MASTIN G. WHITE,
Acting Secretary of the Interior.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF PROPERTY TO ESTATE OF JAMES D. MEADORS

The bill (H. R. 7255) to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors was considered, ordered to a third reading, read the third time, and passed.

PRESUMPTION OF SERVICE CONNECTION FOR ACTIVE PULMONARY TUBERCULOSIS

The bill (H. R. 7440) to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for active pulmonary tuberculosis was announced as next in order.

Mr. HENDRICKSON. Mr. President, may I ask the distinguished Senator from Georgia if the bill has the approval of the Veterans' Administration?

Mr. GEORGE. I could not say it has the approval of the Veterans' Administration. The matter has been often considered by the Veterans' Administration, but they are not now following the practice of approving or disapproving. I think, however, it would be fair to say that they do not think the bill should pass at this time.

Let me say to the Senator that the bill simply gives to the veterans of World War II who developed tuberculosis in a compensable degree within 3 years after discharge, a rebuttable presumption of service connection. Veterans of World War I have a 7-year period. There simply is no possible argument that could be made against giving the veterans of World War II a 3-year presumption. The presumption is rebuttable. It will not cost a great deal to the Veterans' Administration. While they do not follow the practice of approving, they have not positively said they were disapproving this bill.

I think it is a bill that ought to pass. Very great strides, of course, have been made in the treatment and diagnosis of tubercular cases since World War I, and yet there are a great many men and women who served in World War II who have within 3 years after discharge developed tuberculosis in a compensable degree, and the bill simply gives them the presumption, rebuttable as it is, of service connection.

I may say also that under the Veterans Regulations themselves more than a 2-year period is provided at this time. But the bill would make a statutory declaration of 3 years. The bill passed the House practically unanimously. It was unanimously reported from the Finance Committee. I hope, therefore, there will be no objection to it.

Mr. HENDRICKSON. Mr. President, I thank the Senator for the very thorough explanation.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7440) to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for active pulmonary tuberculosis was considered, ordered to a third reading, read the third time, and passed.

ADMINISTRATION OF CERTAIN TRUST FUNDS BY VETERANS' ADMINISTRATION

The bill (S. 3582) to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration was announced as next in order.

Mr. GEORGE. Mr. President, the purpose of this bill is to expedite the administration of trust funds, the personal effects of veterans, and, in the case of incompetent veterans, the portion of the compensation which is withheld. The bill is offered so that settlements can be made with veterans without transmitting deposits to Washington. The intent of the bill is to facilitate transactions. It does not, of course, add anything to cost.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3582) to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That all cash balances in the personal funds of patients and the funds due incompetent beneficiaries' trust funds administered by the Veterans' Administration, and all moneys hereafter received which are properly for deposit into these funds, may be deposited, respectively, into special deposit accounts with the Treasurer

of the United States for credit to the several disbursing officers of the Division of Disbursement, Treasury Department, and such balances and deposits shall thereupon be available for disbursement for properly authorized purposes without covering into the Treasury of the United States and withdrawal on money requisitions: *Provided*, That when any balances have been on deposit with the Treasurer of the United States for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, they shall be transferred and disposed of as directed in the last proviso to subsection (a) of section 20 of the Permanent Appropriation Repeal Act of 1934, as amended (31 U. S. C. 725s).

EXEMPTION FROM DUTY OF CERTAIN SOUND RECORDINGS

The Senate proceeded to consider the bill (S. 3545) to amend the Tariff Act of 1930 to provide for exemption from duty of certain sound recordings imported by the Department of State and for other purposes, which had been reported from the Committee on Finance with amendments, in line 4, after the word 'amended', to insert "by inserting '(a)' after 'Par. 1628' and"; and in line 5, after the word "adding", to insert "at end of paragraph", so as to make the bill read:

Be it enacted, etc., That paragraph 1628 of the Tariff Act of 1930 is hereby amended by inserting "(a)" after "Par. 1628" and by adding at end of paragraph a new subparagraph as follows:

"(b) Sound recordings imported by the Department of State for use in the program authorized by the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.)."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF IMPROVED TRANSPORT AIRCRAFT—BILL PASSED OVER

The bill (S. 3504) to promote the development of improved transport aircraft by providing for the operation, testing, and modification thereof, was announced as next in order.

Mr. JOHNSON of Colorado. Mr. President, on behalf of the senior Senator from New York [Mr. LEHMAN], I will have to ask to have the bill go over. It is a very great disappointment to me, because I am wholeheartedly in support and in favor of passage of the bill. But the Senator from New York had to go away this afternoon, and he sent word asking that the bill go over. So on behalf of the Senator from New York I ask that the bill be passed over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

PROHIBITION OF TRANSMISSION OF CERTAIN GAMBLING INFORMATON

The Senate proceeded to consider the bill (S. 3358) to prohibit transmission of certain gambling information in interstate and foreign commerce by communications facilities, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment to strike out all after the enacting clause and insert:

That the purposes of this act are to assist the various States, Territories, and possessions of the United States, and the District of Columbia in the enforcement of their laws pertaining to gambling, bookmaking, and like offenses, and to aid in the suppression of organized gambling activities.

SEC. 2. As used in this act, the term—

(a) "Communication facility" means any and all instrumentalities, apparatus, personnel, and services (among other things, the receipt, forwarding, and delivery of communications) used or useful in the transmission of writing, signs, signals, pictures, and sounds of all kinds by wire or radio or other like connection between points of origin and reception of such transmission.

(b) "Gambling information" is information pertaining to any horse or dog racing event or contest and (1) means bets or wagers, the scratches, jockey changes, weights, probable winners, betting odds, or changes in the betting odds, in such event or contest, and (2) is transmitted prior to the transmission of a truthful announcement that such event or contest has actually started.

(c) "Transmission or reception in interstate or foreign commerce" means transmission or reception directly or indirectly from or to any place in any State to or from any place outside such State, including a ship at sea or in the air.

(d) "State" means any of the several States of the United States, the Territories or possessions of the United States, and the District of Columbia.

(e) "Person" includes an individual, partnership, association, trust, or corporation.

SEC. 3. (a) It shall be unlawful for any person to lease, furnish, or maintain any communication facility, other than a radio broadcasting facility, if such facility is used to transmit or receive gambling information in interstate or foreign commerce.

(b) It shall be unlawful for any person, by means of a communication facility, other than a radio broadcasting facility, to transmit or receive gambling information in interstate or foreign commerce.

(c) No person shall broadcast any gambling information by means of any radio station for which a license is required by any law of the United States, and no person operating any such station shall knowingly permit the broadcasting of any gambling information.

(d) Any person who shall knowingly violate any of the provisions of this section shall be fined not more than $1,000, or imprisoned not more than 1 year, or both.

SEC. 4. (a) Any person or persons who shall lease or otherwise obtain from a common carrier or other supplier a communication facility to be operated for or in connection with the transmission or reception in interstate or foreign commerce of news or other information pertaining to sporting events or contests shall file with such carrier or other supplier an affidavit that the communication facility so obtained is used for such purpose. The affidavit on file with the carriers or other suppliers shall be open to inspection by appropriate local, State, and Federal law-enforcement agencies.

(b) Each common carrier or other supplier shall maintain a list of the terminal points and drops (receiving and sending) on any communication facility leased or otherwise furnished for the transmission in interstate or foreign commerce of news or other information pertaining to sporting events or contests, including the address of each such terminal point and drop, and such list shall be open to inspection by appropriate, local, State, and Federal law-enforcement agencies.

SEC. 5. (a) The Federal Communications Commission shall require all common carriers subject to its jurisdiction to file appropriate tariff practices and regulations to give effect to the provisions of this act, and the Commission shall, in accordance with its existing authority, take such steps as may be necessary to insure enforcement of such tariffs.

(b) Nothing in this act shall create an immunity in respect of any criminal prosecution, or other proceeding, under the laws of any State.

(c) Any remedies afforded by this act are in addition to remedies now existing under State or Federal law, including laws applicable within the Territories and possessions of the United States and the District of Columbia.

SEC. 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

APPOINTMENT OF JOSEPH F. CARROLL AND BERNT BALCHEN AS PERMANENT COLONELS—BILL PASSED OVER

The bill (S. 3314) to authorize the appointment of Joseph F. Carroll and Bernt Balchen as permanent colonels in the Regular Air Force was announced as next in order.

Mr. KNOWLAND. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

EKLUTNA PROJECT, ANCHORAGE, ALASKA—BILL PASSED OVER

The bill (H. R. 940) to authorize construction of the Eklutna project, hydroelectric generating plant and transmission facilities in connection therewith, and for other purposes, was announced as next in order.

Mr. McCLELLAN. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. O'MAHONEY. Mr. President, will the Senator from Arkansas withhold his objection?

Mr. McCLELLAN. Yes.

Mr. O'MAHONEY. The bill is one of very great importance to the development of the Territory of Alaska, and particularly with respect to the conditions which now exist at Anchorage, Alaska. I think it is highly essential that the bill should be passed, and I desire to ask the Senator whether his objections go to the language of the bill or to the substance of the proposal.

Mr. McCLELLAN. Mr. President, I observe that the bill was reported only a few days ago. It contains matters, certain aspects of which I want to look into. I want to satisfy myself thoroughly with respect to them. I appreciate that possibly there should be a considerable program of development in Alaska, possibly with respect to electric power. But this is not a project for reclamation. It has been handled on that basis. Therefore, I should like to have the bill go over until I have an opportunity to study the bill.

The PRESIDING OFFICER. The bill will be passed over.

Mr. O'MAHONEY. Mr. President, I desire to add another comment, perhaps

in hope that my friend from Arkansas may be persuaded to allow the bill to be considered. The bill which passed the House covered a much greater field than the measure in its present form. The Committee on Interior and Insular Affairs was convinced that in the circumstances, with respect to the authorization for the Corps of Engineers to do some work in Alaska, the bill should be pared down to one single project, namely, Eklutna project. The provisions of the bill which granted the Department of the Interior broader authority have been eliminated. The measure was carefully considered by a subcommittee consisting of the Senator from Oregon [Mr. CORDON] and the Senator from Wyoming. We endeavored to reduce the measure to its lowest effective position. I am sure that the passage of the bill will not in any way create a precedent with respect to the final determination that may be made as to power development throughout Alaska.

Mr. McCLELLAN. Mr. President, I do not like to obstruct legislation which may be needed, but there cannot be such an emergency associated with this particular bill that it cannot go over for a couple of weeks, until the next call of the calendar, to give some of us the opportunity to look into all aspects of it. I certainly do not want to delay any necessary development, but, Mr. President, as I gather from the report of the committee, both the Corps of Engineers of the Army and also the Interior Department have been authorized to make surveys and to report to the Congress. The Bureau of Reclamation of the Interior Department comes forward with a report on one project only, and then we hurriedly try to pass a bill providing for it. I think we ought to look into it and determine whether there is such an emergency or so much urgency of need that we should act hastily in regard to a single project, or whether we should wait until we have before us something more comprehensive, so that we can determine what kind of policy we should adopt with reference to the resources of Alaska.

Mr. O'MAHONEY. Mr. President, of course, I realize that the Senator is entitled to take a little more time and to give further attention to the bill. So I shall not pursue the matter further at this time.

I should like to have the RECORD show that the authority under which the Bureau of Reclamation made the survey of this particular project was granted prior to the present Congress; it was granted in one of the Interior Department appropriation bills.

I feel that there is really a very urgent necessity that this project should be initiated at the earliest possible time, and I shall be very glad to ask that consideration be given to this measure at a future time.

Mr. McCLELLAN. Mr. President, I wish to assure the Senator from Wyoming that I have made no definite decision about the matter. I am not at all fixed in a determination to oppose the bill. I simply wish more time to look into it.

Mr. O'MAHONEY. That is the inference I drew from what the Senator said.

Mr. McCLELLAN. That is correct.

The PRESIDING OFFICER. Objection being heard, the bill will be passed over.

CREDIT FOR TOMATOES AND SAUERKRAUT SERVED IN SENATE RESTAURANT TODAY—OHIO CANNERS' ASSOCIATION

Mr. BRICKER. Mr. President, there has just been called to my attention a very grievous error which was committed during the day. When I went to the Senate Restaurant at noon I found attached to the menu a card in regard to some very fine products sent from my State. The press has carefully scanned that card, which reads as follows:

> The tomatoes and sauerkraut from Ohio are served today with compliments of Senator BRICKER.

In comparing that statement with the statement appearing on the card attached to the menu used today in the House of Representatives Restaurant, where the card gave proper credit, I am compelled to make a correction in regard to the card attached to the Senate Restaurant menu. I do not know who prepared the card; I never saw it until I went to the Senate Restaurant today. I wish everyone to understand that I did not grow the tomatoes, neither did I make the sauerkraut, although in the past I have grown a great many tomatoes and have made a great deal of sauerkraut.

I wish proper credit given to the Ohio Canners' Association, which was kind enough to send the products which we enjoyed today at the luncheon table.

Mr. President, in this connection, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement giving the statistics as to the production by the canners in Ohio.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

> Today, June 8, the menu of the United States Senate Restaurant included two of the many fine products of the farms of Ohio. Through the courtesy of the Ohio Canners' Association, Senators will have the privilege of enjoying the fine flavor of tomatoes and sauerkraut produced on Ohio farms and packed in Ohio canneries.
>
> More than 100 canning plants are operated in Ohio, and upward of 50 different canned vegetable, fruit, and specialty products, from applesauce to turtle soup, are produced by these canneries with an annual pack close to 5,000,000 cases valued at over $15,000,000.
>
> Ohio's canning plants have sometimes been described as large community kitchens, where growers of perishable crops find a ready cash market for their crops, and local housewives and other workers find seasonal employment. Ohio farmers produce for processing almost a half million tons of vegetables and fruits from over 75,000 acres, and for which the canners pay about $8,000,000 annually. And some 15,000 in-plant workers and 10,000 field workers are paid wages of from five to six million dollars each year by the canners of Ohio.
>
> Not only does Ohio produce a large quantity of canned foods, but the quality, too, is outstanding. Ohio's tomatoes and tomato products are among the very best, as is its sweet corn, its sauerkraut, and its pickles. Proof of the exceptional quality to be found in Ohio is that many of the world's leading food-processing companies maintain large processing plants there.
>
> The Ohio Canners Association, through whose generosity Members of the Senate will have the opportunity to sample Ohio's products, was organized 43 years ago in Columbus, Ohio, by Frank E. Gorrell, then the secretary of the National Canners Association. During the intervening years, the association has grown from very modest beginnings into an organization of more than 70 members, large and small, including all but a very few of the canning establishments located in the State.
>
> Several Ohio canners will be in Washington tomorrow to witness and take part in the dedication ceremonies of the new $1,000,000 research and administration building of the National Canners Association. This building is the culmination of many years of planning and study by the canners of the Nation, and was built to fulfill the needs of this industry for continued research to better supply the people of this country with wholesome, nutritious, economical foods, conveniently packaged and readily available.
>
> The canners of Ohio have asked me to convey to the Senate their pleasure in being afforded the privilege of giving Senators from all the United States the opportunity to enjoy the fine quality of Ohio's canned foods.

EXPANSION OF DEFINITION OF "CONTRABAND ARTICLE"

The Senate proceeded to consider the bill (S. 3380) to amend the act of August 9, 1939, to redefine the term "contraband article" with respect to narcotic drugs and for other purposes, which had been reported from the Committee on Finance with an amendment on page 1, line 10, after the word "for", to strike out "sale" and insert "sale,", so as to make the bill read:

Be it enacted, etc., That section 1 (b) (1) of the act of August 9, 1939 (53 Stat. 1291; U. S. C., 1946 ed., title 49, sec. 781 (b) (1)), is amended to read as follows:

"(1) Any narcotic drug which has been or is possessed with intent to sell or offer for sale in violation of any laws or regulations of the United States dealing therewith; or which has been acquired or is possessed, sold, transferred, or offered for sale, in violation of any laws of the United States dealing therewith; or which has been acquired by theft, robbery, or burglary and carried or transported within any Territory, possession, or the District of Columbia, or from any State, Territory, possession, the District of Columbia, or the Canal Zone, to another State, Territory, possession, the District of Columbia, or the Canal Zone; or which does not bear appropriate tax-paid internal-revenue stamps as required by law or regulations;".

The amendment was agreed to.

Mr. HENDRICKSON. Mr. President, may we have a brief explanation?

Mr. GEORGE. Mr. President, this is a bill to amend the act of August 9, 1939, in particular the portion of the act defining contraband narcotics. The entire purpose of the bill is to enable enforcement officers to confiscate vehicles, whether planes, cars, or what-nots, used in the transportation of narcotics.

There is one particular respect in which the act will be amended by this measure.

The proposed legislation would expand the present definition of "contraband

article," provided by the act of August 9, 1939, to include any narcotic drug which has been acquired or is possessed or transferred in violation of any laws of the United States dealing therewith; and any narcotic drug which has been acquired by theft, robbery, or burglary and carried or transported in interstate commerce or within areas subject to Federal jurisdiction.

The bill would also permit of the confiscation of vehicles used for the transportation of stolen drugs. In late years many narcotics have been taken from the offices of doctors or from stores which are authorized to sell such narcotics; in numerous cases such narcotics have been taken from such places by theft, robbery, or burglary, and have been transported into the District of Columbia or into some State, Territory, or possession of the United States.

The purpose of the bill is to expand the present definition of "contraband article," as that definition relates to narcotic drugs, so as to include the transportation, possession, and sale of contraband narcotic drugs which are stolen or are possessed by some other unlawful means, such as robbery or burglary.

The bill does not change the basic law in this respect, that is to say, any innocent person's car, plane, or vehicle can escape confiscation; the interest of any innocent person in any article of commerce, such as a car or a plane, is protected against forfeiture. The forfeiture provision relates only to an owner who is engaged in an unlawful enterprise. The primary purpose, so the committee was advised, was to make it possible to confiscate vehicles which were engaged in the transportation of the drug marijuana, principally.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MIRIAM BARKLE

The bill (H. R. 1103) for the relief of Miriam Barkle was considered, ordered to a third reading, read the third time, and passed.

FRANCES L. MARSHALL

The bill (H. R. 1482) for the relief of Frances L. Marshall was considered, ordered to a third reading, read the third time, and passed.

STAVROS MATHEOS

The bill (H. R. 4011) for the relief of Stavros Matheos (also known as Steve Matheos or Matheou) was considered, ordered to a third reading, read the third time, and passed.

IRA D. DOYAL AND CLYDE DOYAL

The bill (H. R. 5150) for the relief of Ira D. Doyal and Clyde Doyal was considered, ordered to a third reading, read the third time, and passed.

C. R. SPRINGMAN

The bill (H. R. 5295) for the relief of C. R. Springman was considered, ordered to a third reading, read the third time, and passed.

IVAN E. TOWNSEND

The bill (H. R. 5639) for the relief of Ivan E. Townsend was considered, ordered to a third reading, read the third time, and passed.

YOSHIKO MATSUMURA

The bill (H. R. 6364) for the relief of Yoshiko Matsumura was considered, ordered to a third reading, read the third time, and passed.

JODEENE LEHRMAN

The bill (H. R. 6485) for the relief of Jodeene Lehrman was considered, ordered to a third reading, read the third time, and passed.

MRS. ISAMU TARASAWA

The bill (H. R. 7082) for the relief of Mrs. Isamu Tarasawa was considered, ordered to a third reading, read the third time, and passed.

MRS. JACK B. MEYER

The bill (H. R. 7283) for the relief of Mrs. Jack B. Meyer was considered, ordered to a third reading, read the third time, and passed.

MRS. MARIA MARGARITE NOE

The bill (H. R. 7485) for the relief of Mrs. Maria Margarite Noe was considered, ordered to a third reading, read the third time, and passed.

FRANCO-ITALIAN PACKING CO.

The Senate proceeded to consider the bill (H. R. 1293) for the relief of Franco-Italian Packing Co., which had been reported from the Committee on the Judiciary with an amendment on page 2, line 3, after "United States", to insert a colon and the following additional proviso:

And provided further, That any action instituted hereunder shall be filed within one year after the date of approval of this act.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

MRS. MARIA SALOME HOLLAND

The Senate proceeded to consider the bill (H. R. 7096) for the relief of Mrs. Maria Salome Holland, which had been reported from the Committee on the Judiciary with an amendment on page 1, line 9, after the word "stay", to insert "upon payment of the required visa fee and head tax."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ERIO LOUIS TOMITA AND FUMIKO TOMITA

The Senate proceeded to consider the bill (H. R. 7292) for the relief of Erio Louis Tomita and Fumiko Tomita, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That the provisions of the immigration laws relating the exclusion of aliens inadmissible because of race shall not hereafter apply to Fumiko Tomita, the Japanese fiancée of Louis W. Ward, a citizen of the United States and an honorably discharged veteran of World War II, and her child, Erio Louis Tomita, and that said Fumiko Tomita and her above-named child may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Fumiko Tomita is coming to the United States with a bona fide intention of being married to said Louis W. Ward, and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of Fumiko Tomita and her child, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of Fumiko Tomita and her child, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of their entry into the United States, upon the payment by them of the required visa fees and head taxes.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SUZUKO YAGI AND ANNE YAGI

The Senate proceeded to consider the bill (H. R. 7363) for the relief of Suzuko Yagi and Anne Yagi, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That the provisions of the immigration laws relating to the exclusion of aliens inadmissible because of race shall not hereafter apply to Suzuko Yagi, the Japanese fiancée of Andrew Bacnik, a citizen of the United States and an honorably discharged veteran of World War II, and her daughter, Anne Yagi, and that said Suzuko Yagi and her above-named daughter may be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Suzuko Yagi is coming to the United States with a bona fide intention of being married to said Andrew Bacnik, and that they are found otherwise admissible under the immigration laws. In the event the marriage between the above-named parties does not occur within 3 months after the entry of said Suzuko Yagi and her daughter, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 19 and 20 of the Immigration Act of February 5, 1917 (U. S. C., title 8, secs. 155 and 156). In the event the marriage between the above-named parties shall occur within 3 months after the entry of Suzuko Yagi and her daughter, the Attorney General is authorized and directed to record the lawful admission for permanent residence of them as of the date of their payment by them of the required visa fees and head taxes.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SHIRO TAKEMURA

The Senate proceeded to consider the bill (H. R. 4371) for the relief of Shiro

Takemura, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 8, after the word "law", to insert "of Paul Toshio Takemura", and in line 9, after the amendment just above stated, to strike out "payable to the said" and insert "such payment to be made to."

The amendments were agreed to.

Mr. HENDRICKSON. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 5, it is proposed to strike out all after the word "appropriated", down through the word "family", on page 1, line 10, and insert in lieu thereof the following: ", to the estate of Paul Toshio Takemura, deceased son of Shiro Takemura, of the county of Los Angeles, city of Los Angeles, State of California, the sum of $5,000, in full settlement of all claims against the United States."

And on page 1, line 11, before the word "Paul" insert "the said."

The PRESIDING OFFICER. The question is on the amendments offered by the Senator from New Jersey.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PITTSBURGH DuBOIS CO.—BILL PASSED OVER

The bill (H. R. 1095) for the relief of Pittsburgh DuBois Co. was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

SAMUEL W. POORVU—BILL PASSED OVER

The bill (H. R. 697) for the relief of Samuel W. Poorvu was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. I also ask that this bill go over.

Mr. SALTONSTALL. Mr. President, will the Senator kindly listen to an explanation of the bill, or is he under orders to object to its consideration?

Mr. HENDRICKSON. I shall be glad to listen to the explanation.

The PRESIDING OFFICER. The Senator from New Jersey withholds his objection, and the Senator from Massachusetts is recognized.

Mr. SALTONSTALL. This Poorvu case is a very difficult one. I believe this is a very fair bill. It is a matter about which I personally know a good deal. The situation is that Poorvu entered into a contract with the Post Office Department for the construction of a building in Wellesley, Mass., and to lease it for 10 years to the Post Office Department. He signed the contract. The Post Office Department approved the location.

Then the citizens of Wellesley objected very strenuously to the building of a post office on the site selected. The town authorities refused to issue a building permit. Mr. Poorvu several times came to Washington to discuss the situation with the Post Office Department. On two separate occasions I went with him to see the Third Assistant Postmaster General. In my presence he was finally persuaded by the Post Office Department that it would probably be wiser not to proceed under the contract. The Post Office Department released him from his obligation.

In the meantime, Mr. Poorvu had incurred out-of-pocket expenses, I think, in an amount a little more than that which is provided in the bill. The bill provides for the payment of $8,288.45. This claim is based upon out-of-pocket expenses. There is no legal obligation on the part of the Government to pay the bill, but I feel—and have felt for the past 3 years—that there is a very strong moral obligation on the part of the Government to pay the bill. There is no legal liability against the town of Wellesley.

This man went ahead in good faith, proceeding under a contract with the Post Office Department, and incurred these expenses. He then voluntarily released the Post Office Department. There is a letter which is included in the report of the committee, signed by the Post Office Department, in which the statement is made that there is, in its opinion, a moral obligation on the part of the Government to pay these out-of-pocket expenses. It is for that reason that I introduced the bill in the last Congress, and again in the present Congress. It passed the House the last Congress and again in the present Congress. I hope it will be passed at this time.

Mr. HENDRICKSON. Mr. President, I am grateful to the Senator for the explanation, but I still feel that the bill should go over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

AMENDMENT OF ACT TO SUPPLEMENT THE LAWS AGAINST UNLAWFUL RESTRAINTS AND MONOPOLY

The bill (H. R. 2734) to amend an act entitled "An act to supplement existing laws against unlawful restraints and monopoly, and for other purposes," approved October 15, 1914 (38 Stat. 730), as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection?

Mr. HENDRICKSON. Over.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

ORGANIZATION OF THE ARMY AND THE DEPARTMENT OF THE ARMY

The Senate proceeded to consider the bill (S. 3691) to provide for the organization of the Army and the Department of the Army, and for other purposes.

The PRESIDING OFFICER. The Chair calls attention to the fact that there is a House bill on the same subject matter, House bill 8198, which is not yet on the Senate Calendar. It is reflected in Calendar No. 1778, Senate bill 3691.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the House bill (H. R. 8198) be substituted for Senate bill 3691, and that the House bill be amended by striking out all after the enacting clause and substituting therefor the language of Senate bill 3691.

This bill comes from the Armed Services Committee, and involves the composition of the Army. It is necessary at this time to give it statutory composition.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

Mr. McCARRAN. Mr. President, I must apologize, but I do not have the calendar number.

The PRESIDING OFFICER. It is order No. 1778, Senate bill 3691.

Mr. McCARRAN. Some Senator should know enough about the bill to explain it.

The PRESIDING OFFICER. Will the Senator from Massachusetts make an explanation of the bill?

Mr. SALTONSTALL. Mr. President, this bill was considered very carefully by the Armed Services Committee. As I understand, the Army is still working on a wartime basis. This bill provides a new basis for the composition of the Army. It makes no substantial changes. It is entirely a technical bill in every way. It is to permit the Army to work in peacetime on a modern organization basis.

The PRESIDING OFFICER. Is it the purpose of the Senator from Massachusetts to have action on the same bill, in substance, as the Senate bill?

Mr. SALTONSTALL. That is correct.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. I understood that the bill which came over from the House today is a little different from the bill reported to the Senate. The purpose of my motion was to substitute the language of the Senate bill for the language of the House bill.

The PRESIDING OFFICER. That is equivalent to striking out all after the enacting clause of the House bill and substituting the language of the Senate bill. Is there objection to the consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes.

Mr. SALTONSTALL. I offer an amendment to strike out all after the enacting clause of the House bill and to insert provisions of Senate bill 3691.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Masachusetts.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3691 is indefinitely postponed.

EXTENSION OF TIME FOR ANNUAL ASSESSMENT WORK ON MINING CLAIMS

The bill (S. 3639) providing for an extension of time during which annual assessment work on mining claims held by location in the United States may be made was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the time during which labor may be performed or improvements made, under the provisions of section 2324 of the Revised Statutes of the United States, on any unpatented mining claim in the United States for the period commencing July 1, 1949, is hereby extended until the hour of 12 o'clock meridian on the 1st day of October 1950, if the claimant of such mining claim shall file, or cause to be filed, in the office wherein the location notice or certificate is recorded, on or before 12 o'clock meridian on the 1st day of July 1950, a notice of his desire to hold such mining claim under this act.

BENEFITS FOR ANNUITANTS RETIRING UNDER CIVIL SERVICE RETIREMENT ACT

The Senate proceeded to consider the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948.

Mr. WILLIAMS. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of section 1 (b) (1), it is proposed to insert the following:

The provisions of this paragraph shall not apply in the case of any officer or employer whose present annuity exceeds the amount of the annuity which would be payable in his case if the provisions of this act as now in effect had been in effect on the date of his retirement unless he elects to have his annuity reduced to such amount.

At the end of section 1 (b) (2) insert the following:

No increase under this paragraph shall exceed an amount which, when added to his present annuity, will be equal to the amount of annuity to which he would be entitled if the provisions of this act as now in effect had been in effect on the date of his retirement.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill 878 is indefinitely postponed.

BILL PASSED OVER

The bill (H. R. 4895) to permit the prospecting, development, mining, removal, and utilization of the mineral resources within the Superior National Forest, Minn., and for other purposes, was announced as next in order.

Mr. HENDRICKSON. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

ORGANIZATION OF CONSTITUTIONAL GOVERNMENT BY THE PEOPLE OF PUERTO RICO

The bill (S. 3336) to provide for the organization of a constitutional government by the people of Puerto Rico was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill? I have received objections from other Senators, and I think the RECORD should clearly show what is proposed to be done by the bill.

Mr. O'MAHONEY. Mr. President, the bill provides that the people of Puerto Rico, if they so decide through a referendum, may call a constitutional convention at which they may adopt what amounts to a constitution for the island to be a substitute for the organic act. The provisions which they adopt, however, must be submitted to the Congress for its approval.

This bill was introduced by the senior Senator from Nebraska [Mr. BUTLER], who is the ranking minority member of the committee, and by the chairman of the committee. The committee has held hearings upon it and feels that it is in line with the policy of the Government to provide the largest possible measure of local self-government for people who are under the flag of the United States.

Mr. HENDRICKSON. I take it the committee was unanimous in its report; is that correct?

Mr. O'MAHONEY. The committee was unanimous.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3336), which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 2, after line 2, to strike out:

SEC. 2. Upon acceptance of this act by the people of Puerto Rico, they are hereby authorized to call a constitutional convention to form a constitution in accordance with procedures prescribed by the laws of Puerto Rico. The constitution shall create a government republican in form and shall include a bill of rights.

SEC. 3. Upon adoption of the constitution by the people of Puerto Rico, the President of the United States is authorized to transmit such constitution to the Congress of the United States if he finds that such constitution conforms with the applicable provisions of this act and of the Constitution of the United States.

Upon approval of such constitution by the Congress, or upon the expiration of the congressional session during which the constitution is transmitted, provided transmittal occurs not later than 90 days before adjournment, if the Congress has not disapproved such constitution, the constitution shall be deemed approved and shall become effective in accordance with its terms.

SEC. 4. Except as provided in section 5 of this act, the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes," approved March 2, 1917, as amended, is hereby continued in force and effect and it shall hereafter be referred to as the "Puerto Rican Federal Relations Act."

SEC. 5. The President of the United States, when requested by legislative enactment of the government of Puerto Rico, may except Puerto Rico from the application of any Federal law, not specifically made applicable to Puerto Rico by Congress, which he deems inapplicable by reason of local conditions.

SEC. 6. At such time as the constitution of Puerto Rico becomes effective, the following provisions of such act of March 2, 1917, as amended, shall be deemed repealed:

(1) Section 2, except the paragraph added thereto by Public Law 362, Eightieth Congress, first session, approved August 5, 1947.

(2) Sections 4, 12, 12a, 13, 14, 15, 16, 17, 18, 18a, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 39, 40, 49, 49b, 50, 51, 52, 53, 55, 56, and 57.

(3) The last paragraph in section 37.

(4) Section 38 except the second paragraph thereof which begins with the words "The Interstate Commerce Act" and ends with the words "shall not apply in Puerto Rico."

SEC. 7. All laws or parts of laws inconsistent with this act are hereby repealed.

And in lieu thereof to insert:

SEC. 2. This act shall be submitted to the qualified voters of Puerto Rico for acceptance or rejection through an island-wide referendum to be held in accordance with the laws of Puerto Rico. Upon the approval of this act, by a majority of the voters participating in such referendum, the Legislature of Puerto Rico is authorized to call a constitutional convention to draft a constitution for the said island of Puerto Rico. The said constitution shall provide a republican form of government and shall include a bill of rights.

SEC. 3. Upon adoption of the constitution by the people of Puerto Rico, the President of the United States is authorized to transmit such constitution to the Congress of the United States if he finds that such constitution conforms with the applicable provisions of this act and of the Constitution of the United States.

Upon approval by the Congress the constitution shall become effective in accordance with its terms.

SEC. 4. Except as provided in section 5 of this act, the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes," approved March 2, 1917, as amended, is hereby continued in force and effect and may hereafter be cited as the "Puerto Rican Federal Relations Act."

SEC. 5. At such time as the constitution of Puerto Rico becomes effective, the following provisions of such act of March 2, 1917, as amended, shall be deemed repealed:

(1) Section 2, except the paragraph added thereto by Public Law 362, Eightieth Congress, first session, approved August 5, 1947.

(2) Sections 4, 12, 12a, 13, 14, 15, 16, 17, 18, 18a, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 39, 40, 49, 49b, 50, 51, 52, 53, 56, and 57.

(3) The last paragraph in section 37.

(4) Section 38, except the second paragraph thereof which begins with the words "The Interstate Commerce Act" and ends with the words "shall not apply in Puerto Rico."

SEC. 6. All laws or parts of laws inconsistent with this act are hereby repealed.

So as to make the bill read:

Be it enacted, etc., That, fully recognizing the principle of government by consent, this act is now adopted in the nature of a compact so that the people of Puerto Rico may organize a government pursuant to a constitution of their own adoption.

SEC. 2. This act shall be submitted to the qualified voters of Puerto Rico for acceptance or rejection through an island-wide referendum to be held in accordance with the laws of Puerto Rico. Upon the approval

of this act, by a majority of the voters participating in such referendum, the Legislature of Puerto Rico is authorized to call a constitutional convention to draft a constitution for the said island of Puerto Rico. The said constitution shall provide a republican form of government and shall include a bill of rights.

SEC. 3. Upon adoption of the constitution by the people of Puerto Rico, the President of the United States is authorized to transmit such constitution to the Congress of the United States if he finds that such constitution conforms with the applicable provisions of this act and of the Constitution of the United States.

Upon approval by the Congress the constitution shall become effective in accordance with its terms.

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SEC. 5. At such time as the constitution of Puerto Rico becomes effective, the following provisions of such act of March 2, 1917, as amended, shall be deemed repealed:

(1) Section 2, except the paragraph added thereto by Public Law 362, Eightieth Congress, first session, approved August 5, 1947.

(2) Sections 4, 12, 12a, 13, 14, 15, 16, 17, 18, 18a, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 39, 40, 49, 49b, 50, 51, 52, 53, 56, and 57.

(3) The last paragraph in section 37.

(4) Section 38, except the second paragraph thereof which begins with the words "The Interstate Commerce Act" and ends with the words "shall not apply in Puerto Rico."

SEC. 6. All laws or parts of laws inconsistent with this act are hereby repealed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. O'MAHONEY. Mr. President, referring to the bill just passed, in order to supplement the brief explanation which I have made, I ask unanimous consent that there may be printed in the body of the RECORD at this point several pages from the committee report.

There being no objection, the excerpts from the report (No. 1779) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

This bill authorizes the people of Puerto Rico to organize their own government by holding a constitutional convention and adopting a constitution to be submitted to the Congress for approval. The measure is in the nature of a compact, with specific provision made for an island-wide referendum in which the Puerto Ricans will be free to express their will for acceptance or rejection of the proposal.

At present, the government of the island is provided by the Organic Act of Puerto Rico, enacted March 2, 1917 (39 Stat. 951). This act, as amended, is an enlightened, progressive, and efficient charter, insuring to the island's people civil liberties and almost complete local political and economic autonomy. Yet it is an act of the Congress of the United States, in the enactment of which the people of Puerto Rico had no part. As such, it is not a creation of, nor an expression of, the will of the people of Puerto Rico.

This measure is designed to complete the full measure of local self-government in the island by enabling the 2¼ million American citizens there to express their will and to create their own territorial government. The traditional safeguards are set up in the bill: Section 2 provides that the constitution to be adopted "shall provide a republican form of government and shall include a bill of rights." Both the President and the Congress are to be the judges of whether the people's rights are fully protected.

Thus, in the only Latin-American area under the American flag, which is a focal point of inter-American relations, the present measure would give further concrete expression to our fundamental principles of government of, by, and for the people. It is a logical step in the process of political freedom and economic development that was begun even in the days of our military occupation of the island at the end of the last century.

The most recent development in this progression up to the present legislation was the elective-Governor bill (61 Stat. 770). By this amendment to the organic act, Congress provided for the election of the Governor of Puerto Rico by popular vote every 4 years, and empowered him to appoint all of his executive department heads with the advice and consent of the Senate of Puerto Rico.

Personal inspections by members of the committee and reports of other government officials and private experts all show that the right to elect their own chief executive of the island has had a most dynamic effect on the people of Puerto Rico, and that the Governor, the Honorable Luis Muñoz-Marín, has the support of the great majority of the people in his far-reaching program for industrialization and economic development.

As expressed by the Assistant Secretary of State for Inter-American Affairs, Edward G. Miller, in his testimony endorsing S. 3336 on behalf of the Department of State:

"I have also visited Puerto Rico twice this year in connection with my program of visits to all the countries in Latin America. I have seen what is being done in Puerto Rico, in the way of economic and political progress, and I think that the very great progress that has been made in both fields in the direction of self-reliance has been made in direct proportion with the increasing autonomy that Puerto Rico has had in self-government.

"* * * Puerto Rico is an area of the United States, a community that has a particular interest in Latin America. * * * I think it will help our prestige and our program throughout Latin America if we give this added recognition of self-government to Puerto Rico."

INTERNATIONAL ASPECTS

Puerto Rico was formally ceded to the United States by the Treaty of Paris which terminated the Spanish-American War. The second paragraph of article IX of this treaty, which was ratified by Congress on February 6, 1899 (30 Stat. 1754), provided that the Congress should determine "the civil rights and political status of the native inhabitants" of the areas ceded.

More recently, the United States undertook new treaty obligations which bear upon Puerto Rico. The United Nations Charter (ratified by the U. S. Senate on June 26, 1945; 59 Stat. 1031) provides in article 73 of chapter XI:

"Members of the United Nations which have or assume responsibilities for the administration of territories whose people have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of the territories are paramount, and accept as a sacred trust the obligation to promote to the utmost * * * the well-being of the inhabitants of these territories, and, to this end:

* * * * * *

"(b) To develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions * * * (59 Stat. at p. 1048)."

The history of the relationship between Puerto Rico and the United States bears eloquent witness to the fact that we have indeed insured political advancement and developed self-government in the island. It is a record of which every American should be proud. It is not suggested that a measure such as S. 336 is needed to fulfill our obligation to Puerto Rico under the United Nations Charter. Those obligations already have been fulfilled to an extent that is almost without parallel. The provision is quoted as showing that a constitution for Puerto Rico of, by, and for the Puerto Ricans would be a still further development of the policy to which we have committed ourselves in the United Nations Charter.

The favorable report on S. 3336 from the Department of State, quoted in full at the end of this report, points out this fact.

RELATIONS WITH FEDERAL GOVERNMENT UNCHANGED

The measure would not change Puerto Rico's fundamental political, social, and economic relationship to the United States. Those sections of the Organic Act of Puerto Rico concerning such matters as the applicability of United States laws, customs, internal revenue, Federal judicial jurisdiction in Puerto Rico, representation in the Congress of the United States by a Resident Commissioner, et cetera, would remain in force and effect. Upon enactment of S. 3336, these remaining sections of the organic act would be referred to as the Puerto Rican Federal Relations Act.

The sections of the organic act which section 5 of this bill would repeal are concerned primarily with the organization of the insular, executive, legislative, and judicial branches of the government of Puerto Rico and other matters of purely local concern. These aspects of local self-government would be provided for in any constitution adopted and any government organized by the people of Puerto Rico. A brief analysis indicating the nature of the sections of the organic act which would be repealed and those which would remain in effect as a result of enactment of S. 3336 is attached to the favorable report of the Secretary of the Interior, set forth in full below.

NO COMMITMENT AS TO STATEHOOD

Because the issues have been raised, it should be stated clearly and unequivocally that S. 3336 is not a statehood bill. Nor is it an independence bill. It does not commit the Congress, either expressly or by implication, to take any action whatever with respect to either. It in no way precludes future determination by future Congresses of the political status of Puerto Rico.

WILL OF PEOPLE OF PUERTO RICO

The committee has given most careful attention to determining whether the 2,200,000 Puerto Ricans want passage of a measure such as S. 3336. The committee heard, at length, both elective officials and representatives of those appointed by the President. It gave full and careful consideration to all communications received regarding the bill.

In view of all the evidence presented to the committee, it is the committee's considered opinion that a majority, a very substantial majority, of the people of Puerto Rico do wish the authority to draw up their own constitution and to organize their own insular government under it within the safeguards of the Federal Constitution.

The elected Governor, Luis Muñoz-Marín, eloquently advocated such a measure, as did the Puerto Rican Commissioner and Delegate in Congress, Hon. ANTONIO FERNÓS-ISERN. The Secretary of the Interior, who is the Cabinet officer charged with responsibility for administration of Puerto Rico,

likewise appeared before the committee and stated his belief that such legislation was the will of the people.

The floor leader in the insular senate, Hon. Victor Gutierrez, presented to the committee a resolution of the popularly elected legislature endorsing the principles of the bill. Hon. Cecil Snyder, an associate justice of the island's supreme court, appointed by the President, submitted a letter signed by all the insular supreme court judges advocating the measure.

The Chamber of Commerce of Puerto Rico has endorsed the bill, as have the Free Federation of Labor (A. F. of L.), the General Confederation of Workers (CIO), 76 out of 77 mayors of the island, and the municipal assemblies of 76 out of 77 municipalities in the island.

The committee also regards the results of the 1948 election in Puerto Rico as indicative of the sentiment of the people of the island. Three major political groups contested the election. One had as a major plank in its platform advocacy of a constitution for Puerto Rico. Another had a major plank calling for statehood. A third advocated outright independence.

The party endorsing the program made effective this bill received 393,033 votes in the contest for Resident Commissioner in Congress, or approximately 62 percent of all the ballots cast. The candidate of the statehood group polled 180,513 votes. The independence group mustered 66,141 votes for its candidate.

With only a small Puerto Rican minority opposed, the committee feels that Congress would be fulfilling the will of the people of Puerto Rico in adopting the bill. In accordance with the terms of S. 3336, once it became law, the people of Puerto Rico would be free to accept or reject it. They would not be forced to accept. The measure constitutes an authorization, not an imposition, as was the organic act, legally speaking.

The favorable reports of the Department of the Interior, the Department of State, and the Bureau of the Budget are set forth in full.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington 25, D. C., May 19, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: This is in reply to your request for the views of this Department on S. 3336, a bill to provide for the organization of a constitutional government by the people of Puerto Rico.

I strongly urge the enactment of S. 3336, with the amendment suggested.

It is important at the outset to avoid any misunderstanding as to the nature and general scope of the proposed legislation. Let me say that enactment of S. 3336 will in no way commit the Congress to the enactment of statehood legislation for Puerto Rico in the future. Nor will it in any way preclude a future determination by the Congress of Puerto Rico's ultimate political status. The bill merely authorizes the people of Puerto Rico to adopt their own constitution and to organize a local government which, under the terms of S. 3336, would be required to be republican in form and contain the fundamental civil guaranties of a bill of rights.

The framework of Puerto Rico's government has been prescribed by the Congress, by the enactment in 1917 of the Organic Act of Puerto Rico. This organic act established a popularly elected legislature with broad powers in local legislative matters, and provided for an executive branch and a judicial branch of the government. It authorized the people of Puerto Rico to elect a representative to the Congress, accredited to the House of Representatives, with power to serve on committees, to introduce legislation, and to be heard on the floor of the House, but with no power to vote. Under the organic act the people of Puerto Rico were made citizens of the United States, and had their civil rights guaranteed by a section of the act which closely paralleled the language of the Bill of Rights of the Constitution.

Since the enactment of the organic act, the most notable step taken by the Congress toward granting Puerto Rico an increased measure of local self-government was in 1947, when it permitted the people of Puerto Rico to elect their Governor and permitted the Governor to select the members of his cabinet, except for the auditor of Puerto Rico, who remains a Presidential appointee.

S. 3336 would be a further implementation of the self-government principle adopted by the Congress. It would permit the substitution, by action of the people of Puerto Rico, of a constitution of their own choosing for the present "constitution," the organic act, which was handed to them by the Congress.

The bill under consideration would not change Puerto Rico's political, social, and economic relationship to the United States. Those sections of the Organic Act of Puerto Rico pertaining to the political, social, and economic relationship of the United States and Puerto Rico concerning such matters as the applicability of United States laws, customs, internal revenue, Federal judicial jurisdiction in Puerto Rico, Puerto Rican representation in the Congress by a Resident Commissioner, etc., would remain in force and effect, and upon enactment of S. 3336 would be referred to as the Puerto Rican Federal Relations Act. The sections of the organic act which section 5 of the bill would repeal are the provisions of the act concerned primarily with the organization of the local executive, legislative, and judicial branches of the government of Puerto Rico and other matters of purely local concern. These matters would be provided for in any constitution adopted and any local government organized by the people of Puerto Rico.

For your convenience, I enclose a brief analysis indicating the general nature of the sections of the organic act which would, and those which would not be repealed by S. 3336. It is suggested that the bill be amended by striking out the number "55" appearing on page 3, line 15. No repeal of section 55 of the Organic Act of Puerto Rico would be required since that section has already been repealed by section 39 of title 28 of the United States Code (62 Stat. 992).

The eloquent testimony of Gov. Luis Muñoz-Marín before the Senate Interior and Insular Affairs Committee in behalf of this legislation is a reflection of the very strong sentiment which exists in Puerto Rico for a greater measure of local autonomy. The people of Puerto Rico have demonstrated by their high degree of political consciousness, by their extensive use of the franchise, and by their succesful and intelligent administration of local governmental activities, that they are eminently qualified to assume greater responsibility of self-government.

The time has come to permit the people of Puerto Rico to adopt their own constitution. Enactment of S. 3336 would be a reffirmation by the Congress of the self-government principle which has been the cornerstone of United States policy toward its Territories. Such action by the Congress would be a clear expression of our esteem for the people of Puerto Rico. It would also be a concrete demonstration to the nations of the world, and especially the people of Puerto Rico, at a time when Territorial administration is a matter of constant discussion in the United Nations, that the United States translates its principles of democracy and self-determination into action.

The Bureau of the Budget has advised that enactment of this legislation would be fully in accord with the program of the President.

Sincerely yours,

OSCAR L. CHAPMAN,
Secretary of the Interior.

GENERAL NATURE OF SECTIONS OR PARTS OF SECTIONS OF THE ORGANIC ACT WHICH WOULD REMAIN IN FORCE AND EFFECT AND UPON ENACTMENT OF S. 3336 WOULD BE KNOWN AS THE PUERTO RICAN FEDERAL RELATIONS ACT

Section 1: Provides that the organic act shall apply to the island of Puerto Rico and adjacent islands.

Section 2: Comity clause.

Section 3: Prohibits export duties; permits imposition by the insular government of internal revenue and other taxes; permits the issuance of bonds, but limits indebtedness; provides for the exemption of bonds issued pursuant to this section from taxation.

Section 5 (a) (b) (c): Contains United States citizenship provisions for Puerto Ricans.

Section 6: Provides that the expenses of the insular government shall, except for United States public works, be paid out of the insular treasury.

Section 7: Provides for the transfer of property to Puerto Rico ceded by Spain to the United States; also provides for the mutual transfer of property between the United States and Puerto Rico.

Section 8: Contains provisions relating to the jurisdiction of the United States and Puerto Rico with respect to harbor areas, navigable streams, bodies of water, and submerged lands in and around Puerto Rico.

Section 9: Provides that United States laws, except the internal revenue laws, are applicable to Puerto Rico, except where locally inapplicable; also contains proviso returning the internal revenue taxes to Puerto Rico.

Section 10: Provides that all judicial process in Puerto Rico shall run in the name of the United States or the people of Puerto Rico; also provides for an oath of allegiance.

Section 11: Provides that reports by the Governor and insular departments are to be made to the Federal agency designated by the President to have administrative jurisdiction over Puerto Rico.

Section 36: Contains provisions relating to the election, eligibility, salary, allowances, etc., of the Resident Commissioner.

Section 37 (part): Defines the extent of the legislative authority of the Legislature of Puerto Rico.

Section 38 (part): Declares the Interstate Commerce Act and certain other Federal acts inapplicable in Puerto Rico.

Section 41: Contains provisions relating to the United States District Court for the District of Puerto Rico and the judge and officials of that court.

Section 42: Provides that the laws of the United States relating to appeals, certiorari, removal of causes, and other matters or proceedings as between the courts of the United States and the courts of the several States shall govern such matters and proceedings as between the United States District Court for the District of Puerto Rico and the courts of Puerto Rico. It also provides that all pleadings and proceedings in the United States District Court for the District of Puerto Rico shall be conducted in the English language.

Section 44: Prescribes qualifications for jurors selected to serve in the United States District Court for the District of Puerto Rico.

Section 45: Provides for disposal of fees, fines, etc., collected in the United States District Court for the District of Puerto Rico.

Section 48: Provisions relating to writs of habeas corpus to be issued by the Supreme Court of Puerto Rico and the United States District Court for the District of Puerto Rico; and writs of mandamus to be issued by the United States District Court for the District

of Puerto Rico; declares that suits restraining assessment or collection of taxes imposed by the laws of Puerto Rico are outside the jurisdiction of the United States District Court for the District of Puerto Rico.

Section 54: Provides for the acknowledgment of deeds and other instruments affecting land situated in the District of Columbia or any other Territory or possession of the United States.

Section 58: Provides for the continuation of United States laws applicable to Puerto Rico which are not inconsistent with the organic act; also repeals all United States laws which are applicable to Puerto Rico but inconsistent with the organic act.

GENERAL NATURE OF SECTIONS OR PARTS OF SECTIONS OF THE ORGANIC ACT TO BE REPEALED BY S. 3336

Section 2: Contains a bill of rights and other provisions of a protective nature.

Section 4: Provides that the capital of Puerto Rico shall be at the city of San Juan.

PROVISIONS RELATING TO EXECUTIVE BRANCH OF GOVERNMENT OF PUERTO RICO

Section 12: Contains provisions relating to the election, tenure, qualifications, and powers of the Governor of Puerto Rico.

Section 12a: Prescribes procedure for impeachment of the Governor of Puerto Rico.

Section 13: Creates the executive departments of the government of Puerto Rico.

Section 14: Prescribes the duties and authority of the attorney general.

Section 15: Prescribes the duties and authority of the treasurer of Puerto Rico.

Section 16: Prescribes the duties and authority of the commissioner of interior.

Section 17: Prescribes the duties and authority of the commissioner of education.

Section 18: Prescribes the duties and authority of the commissioner of agriculture and commerce.

Section 18a: Prescribes the duties and authority of the commissioner of labor.

Section 19: Prescribes the duties and authority of the commissioner of health.

Section 20: Prescribes the duties and authority of the auditor.

Section 21: Provides for appeal to the Governor from decisions of the auditor.

Section 22: Provides for appointment of the executive secretary to the Governor, and prescribes his duties and authority.

Section 23: Provides for the transmission to the Congress of laws enacted by the Legislature of Puerto Rico.

Section 24: Provides for succession to the office of Governor in the event of a vacancy in that office.

PROVISIONS RELATING TO THE LEGISLATIVE BRANCH

Section 25: Vests local legislative powers in a bicameral legislature consisting of a senate and house of representatives designated as "The Legislature of Puerto Rico."

Section 26: Contains provisions relating to the election, number, qualifications, and term of office of members of the Senate of Puerto Rico and prescribes the powers of the senate.

Section 27: Contains provisions relating to the election, number, qualifications, and term of office of members of the House of Representatives of Puerto Rico, and prescribes the powers of the house of representatives.

Section 28: Provides for the division of Puerto Rico into representative and senatorial districts.

Section 29: Provides for quadrennial elections.

Section 30: Provides a 4-year term of office for senators and representatives, and prescribes the method of filling vacancies.

Section 31: Provides a per diem and mileage allowance for senators and representatives.

Section 32: Provides that the senate and house of representatives, respectively, shall be the sole judges of the elections, returns, and qualifications of their members.

Section 33: Provides for regular and special sessions of the Legislature of Puerto Rico.

Section 34: Contains provisions relating to the legislative procedures to be followed in the Legislature of Puerto Rico, also contains provisions with respect to the approval or veto of legislation by the Governor of Puerto Rico, and approval or disapproval by the President of the United States of enactments of the Legislature of Puerto Rico.

Section 35: Prescribes the qualifications of voters.

Section 37: The portion of this section to be repealed prohibits the creation of additional executive departments by the Legislature of Puerto Rico, but permits the consolidation or abolition of departments with the consent of the President of the United States.

Section 38: Contains provisions relating to the organization and functions of the Public Service Commission of Puerto Rico.

Section 39: Contains provisions relating to the issuance of franchises and privileges and other miscellaneous matters.

Section 40: Contains provisions relating to local courts of Puerto Rico.

Section 49: Provides for the appointment by the Governor of Puerto Rico of certain court officers not subject to Presidential appointment.

Section 49 (b): Contains provisions relating to the position of coordinator of Federal agencies in Puerto Rico.

Section 50: Contains provisions relating to the payment of salaries of officials of Puerto Rico.

Section 51: Contains provisions relating to the payment of salaries of municipal officials of Puerto Rico.

Section 52: Contains provisions relating to the continuation of incumbents of offices at the time the Organic Act of 1917 was passed.

Section 53: Permits the Governor of Puerto Rico to reorganize bureaus within various departments.

Section 56: Contains provisions relating to the continuance of the legislative and executive functions of the government of Puerto Rico until the Organic Act of 1917 becomes effective.

Section 57: Provides for the continuance of the laws and ordinances of Puerto Rico in force and effect at the time the organic act became effective until such time as they are altered, amended, or repealed pursuant to the legislative authority conferred upon the Legislature of Puerto Rico by the organic act.

DEPARTMENT OF STATE,
Washington, April 24, 1950.

Hon. JOSEPH C. O'MAHONEY,
Chairman, Committee on Interior and Insular Affairs,
United States Senate.

MY DEAR SENATOR O'MAHONEY: This is in further reply to your letter of April 1, 1950, which was acknowledged April 4, 1950, transmitting for the comment of the Department of State a copy of S. 3336, to provide for the organization of a constitutional government by the people of Puerto Rico.

The Department of State believes it to be of the greatest importance that the Puerto Rican people be authorized to frame their own constitution as provided for in S. 3336, in order that formal consent of the Puerto Ricans may be given to their present relationship to the United States.

It is believed that, with their own constitution, the high degree of internal self-government which the Puerto Ricans today enjoy in their voluntary association with the United States, will assume for them an added significance. Moreover, such action by our Government would be in keeping with the democratic principles of the United States and with our obligations under the Charter of the United Nations to take due account of the political aspirations of the people in our Territories and to develop self-government in them.

In view of the importance of colonialism and imperialism in anti-American propaganda, the Department of State feels that S. 3336 would have great value as a symbol of the basic freedom enjoyed by Puerto Rico, within the larger framework of the United States of America.

The Department has been informed by the Bureau of the Budget that bills providing for the drawing up and adoption of a constitution by the people of Puerto Rico (S. 3336 and H. R. 7674) would be fully in accord with the program of the President.

Sincerely yours,

JACK K. MCFALL,
Assistant Secretary
(For the Secretary of State).

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., April 18, 1950.

Hon. JOSEPH C. O'MAHONEY,
United States Senate,
Washington, D. C.

MY DEAR SENATOR O'MAHONEY: This is in reply to your request of April 1, 1950, for a report on S. 3336, a bill to provide for the organization of a constitutional government for the people of Puerto Rico.

This bill, and the almost identical House bill, H. R. 7674, would permit people of Puerto Rico to draw up their own constitution within the existing relationship of Puerto Rico to the Federal Government. The people of Puerto Rico have exercised progressively greater powers of self-government, and enactment of legislation permitting them to adopt their own constitution would mark another significant step in the political progress of this island as a part of America. In view of these objectives, enactment of S. 3336 would be fully in accord with the program of the President.

Sincerely yours,

F. J. LAWTON, *Director.*

BILL PASSED OVER

The bill (H. R. 483) to extend the time within which certain suits in admiralty may be brought against the United States was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that that bill go over for the purpose of further study.

The PRESIDING OFFICER. The bill will be passed over.

SAMUEL W. POORVU

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the Senate return to Calendar 1776, House bill 697, consideration of which was objected to by the distinguished Senator from New Jersey.

Mr. HENDRICKSON. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. Is there present consideration of the bill?

There being no objection, the bill (H. R. 697) for the relief of Samuel W. Poorvu was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN MINERAL INTERESTS

Mr. ELLENDER. Mr. President, I ask unanimous consent that the Senate return to Calendar 1333, House bill 4800.

Mr. WILLIAMS. I object.

Mr. ELLENDER. May I have the assurance of the Senator from Delaware that he will be willing to have the bill considered at the next call of the calendar?

Mr. WILLIAMS. I can assure the Senator from Louisiana that I shall give the bill very careful study, because I have considerable interest in the matter.

C. M. SMART

The bill (H. R. 589) for the relief of C. M. Smart was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. That completes the call of the calendar.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. Under the unanimous-consent agreement entered into, the Senator from Washington [Mr. CAIN] is entitled to the floor.

Mr. LUCAS. Mr. President, I do not desire to keep the Senate any longer this afternoon. Senators have been studiously in attendance on the work of the Senate all afternoon and most of them are a little tired. The Senator from Illinois will shortly ask that the Senate take a recess until tomorrow. However, first, I should like to make an announcement. At the meeting of the Democratic policy committee the other day, as well as at the Democratic conference following the meeting of the Democratic policy committee, it was the desire of practically every member of the committee that we try to finish with the business of the Senate so that we may adjourn around July 31. I have submitted to the leadership on the Republican side of the aisle certain bills which we thought should be passed. I think we are very much in accord with respect to the measures that should be taken up.

I should like to make a statement with reference to the unfinished business. Sooner or later we shall have to vote on a rent control bill. That is as certain as that I am standing here. It is as certain as that I am standing here that the House of Representatives will not take up a rent control bill until the Senate makes some disposition of such a bill. I have that assurance from the leadership of the House of Representatives. It would be illogical, absurd, and ridiculous for both Houses to be considering a bill on the same subject at the same time. Legislation is not handled in that way. I shall ask that the Senate take a recess until 11 o'clock tomorrow, and when it reconvenes tomorrow the debate on the rent control bill will be continued. I certainly hope that at that time we shall be able to get a unanimous-consent agreement to vote on the rent control bill and all amendments thereto at a definite time. I would not object to voting on it on Monday or Tuesday, if we can get an agreement to vote. If we can get an agreement to vote on it we can take up another measure, if no one desires to debate the rent control bill any further.

The Senator from Georgia [Mr. GEORGE], the chairman of the Finance Committee, is more than anxious to take up House bill 6000, which is an extremely important measure. Debate on it may take a week, and perhaps longer. I hope it will not take that long. However, if we cannot get a unanimous-consent agreement to vote on the rent control bill at a certain time, it will be necessary to hold a night session tomorrow night and it may be necessary to hold a session on Saturday so that the Congress may be able to get away by July 31.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. SALTONSTALL. Sitting in the minority leader's chair for the time being, I should like to say that I have talked with several Members of the Senate on this side of the aisle who are interested in rent-control legislation. I believe there are four or five Senators who would like to express their views on the subject. I will say to the majority leader that in due course I feel a unanimous-consent agreement can be worked out. However, there are a number of Senators on this side of the aisle who wish very sincerely to express their views on the subject. I hope it will not be necessary to hold either a night session tomorrow night or a session on Saturday, unless the majority sees fit to do so. I hope a unanimous-consent agreement can be worked out.

Mr. LUCAS. I am very thankful for the remarks of the Senator from Massachusetts. I am sure with his persuasive powers we can get a unanimous-consent agreement. I think I am safe in saying that practically every Member of the Senate on this side of the aisle has said everything that is to be said on rent control. The Senator from Pennsylvania [Mr. MYERS] may say a few words, and perhaps I shall make a short statement. However, I do not think that we shall take more than 25 or 30 minutes to do so. If we can start at 11 o'clock tomorrow and sit until 7 or 8 o'clock in the evening, we should have sufficient time for two or three good speakers on the other side of the aisle to express their views very forcibly on this issue. Seven or eight hours should be a sufficient length of time in which to do it. I say this only in the spirit of trying to finish the business of the Senate.

I should like to say to the Senate—and I think everyone will agree with me—that during this session I have been rather liberal and pretty fair so far as the sessions of the Senate are concerned. Last year I was called a Simon Legree. I have not heard that term applied to me during this session. I do not like to hold night sessions. However, there is a certain amount of work for us to do. Some Senators would like to get away as soon as possible, including the Senator from Illinois. Some Senators may like to stay here as long as they can. I notice that the Senator from Oregon [Mr. MORSE] is smiling. It looks as though I have struck an appropriate note. I hope we can conclude consideration of the rent control bill by Monday.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 65) favoring the suspension of deportation of certain aliens, which were, on page 2, after line 3, insert:

[redacted], Barth, George, or Gabriel Bart.

On page 2, after line 16, insert:

[redacted], Corkidhi, Amnon Shemaya (alias Barness).

On page 2, after line 19, insert:

[redacted], David, Tuma, or Tuma Nasser David or Tom David.

On page 3, strike out lines 17, 18, and 19.

On page 3, after line 20, insert:

[redacted], Franks, William Franklin, Jr., or William Franklin Flynn.

On page 4, after line 8, insert:

[redacted], Iacono, Biagio Dello, or Biagio Delloiacono.

On page 6, after line 18, insert:

[redacted] Sol, Alex, or Szyja Tuller.

On page 6, after line 19, insert:

[redacted], Strassman, Karl, or Karl Isidor Strassman or Charles I. Strassman or Emanuel or Emmanuel Spiegen.

[redacted] Strassman, Frances (nee Sprincze Lea Stein or Sabina Stein).

On page 7, after line 1, insert:

[redacted], Tuller, Sarah, or Sura (nee Feldzamen).

Mr. MCCARRAN. The House has added nine names and deleted one. These cases have been checked by the Subcommittee on Immigration and Naturalization, and I move that the Senate concur in the House amendments.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MCCARRAN. Yes.

Mr. SALTONSTALL. Is this a question of immigration for special purposes, and has the distinguished Senator from Nevada gone over these names?

Mr. MCCARRAN. Yes.

Mr. SALTONSTALL. The Senator is satisfied that they are correct?

Mr. MCCARRAN. I have had my staff go over them and screen them.

The PRESIDING OFFICER. The question is on the motion of the Senator from Nevada.

The motion was agreed to.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 76) favoring the suspension of deportation of certain aliens, which were, on page 1, after line 5, insert:

[redacted], Aroff, Todor Doneff Papalaz or Tony Popovich.

On page 1, after line 6, insert:

[redacted], Blanca, Angel Agusto or Angel A. Blanco-Cantaloppe.

On page 1, after line 11, insert:

[redacted], Correale, Alfredo.

On page 1, after line 13, insert:

[redacted], Ferranti, Guiseppe.

On page 2, after line 22, insert:

[redacted], Tobiassen, Karl Torner.
[redacted], Walker, Alice (nee Anderson).
[redacted], Yavitz, Shimon, or Simon Yavitz.

Mr. McCARRAN. Mr. President, the House has added four names. These cases have been checked by the Subcommittee on Immigration and Naturalization, and I move that the Senate concur in the House amendments.

The motion was agreed to.

STEBBINS CONSTRUCTION CO.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1769) to reimburse the Stebbins Construction Co., which was, on page 1, line 4, strike out "(Court of Claims)" and insert "District Court for the Northern District of Oklahoma."

Mr. McCARRAN. Mr. President, this is a private relief bill, granting the claimant the right to go into court for a judicial determination of the merit of his claim. The House amendment simply changes the forum from the Court of Claims to the District Court for the Northern District of Oklahoma. I am advised that this is satisfactory to the Senator from Oklahoma [Mr. THOMAS], who sponsored the bill, and I therefore move that the Senate concur in the House amendment.

The motion was agreed to.

MRS. EVELYN M. HRYNIAK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2655) for the relief of Mrs. Evelyn M. Hryniak, which was, on page 1, line 5, to strike out "$7,500" and insert "$5,000."

Mr. McCARRAN. Mr. President, this is a bill sponsored by the Senator from Ohio [Mr. TAFT]. I am advised that the Senator from Ohio is not satisfied with the House amendment. Accordingly, I move that the Senate disagree to the House amendment, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KILGORE, Mr. MAGNUSON, and Mr. WILEY conferees on the part of the Senate.

BURIAL IN ARLINGTON NATIONAL CEMETERY OF LAST SURVIVING MEMBER OF THE GRAND ARMY OF THE REPUBLIC, AND OF LAST SURVIVING MEMBER OF THE UNITED CONFEDERATE VETERANS

Mr. O'MAHONEY. Mr. President, there has been received from the House of Representatives a message showing that the House has amended Senate Concurrent Resolution 64, which resolution was unanimously reported by the Senate Committee on Interior and Insular Affairs, and which provided that upon the death of the last surviving member of the Grand Army of the Republic the Secretary of the Army, with the consent of his nearest living next of kin, should make arrangements for interment in Arlington National Cemetery. The House amendment to the concurrent resolution consists of the addition of a second section, which reads as follows:

Upon the death of the last surviving member of the United Confederate Veterans, and with the consent of his nearest living next of kin, the Secretary of the Army is requested to make arrangements for his burial with fitting and appropriate ceremonies, in Arlington National Cemetery.

I have consulted the members of the Committee on Interior and Insular Affairs, and I act with their consent when I now move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the concurrent resolution (S. Con. Res. 64) requesting burial in Arlington National Cemetery of the last surviving member of the Grand Army of the Republic upon his death, which were, after line 6, to insert:

SEC. 2. Upon the death of the last surviving member of the United Confederate Veterans, and with the consent of his nearest living next of kin, the Secretary of the Army is requested to make arrangements for his burial, with fitting and appropriate ceremonies, in Arlington National Cemetery.

And to amend the title so as to read: "Concurrent resolution requesting burial in Arlington National Cemetery of the last surviving member of the Grand Army of the Republic upon his death and of the last surviving member of the United Confederate Veterans upon his death."

Mr. SALTONSTALL. Mr. President, my attention was engaged. Is this a resolution with relation to burial in Arlington National Cemetery?

Mr. O'MAHONEY. The Senate adopted a concurrent resolution providing for the burial of the last surviving member of the Grand Army of the Republic in Arlington National Cemetery. The House had added a similar provision for the burial of the last surviving member of the United Confederate Veterans in Arlington Cemetery.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming that the Senate concur in the amendments of the House.

The motion was agreed to.

THE UNITED NATIONS AND TRYGVE LIE

Mr. KNOWLAND. Mr. President, the New York Herald Tribune of this morning carried an excellent editorial relative to Mr. Trygve Lie's proposal concerning the admission of a Communist agent into the United Nations, and I should like to read it at this time. It is as follows:

MR. LIE'S MISSION

Mr. Trygve Lie's report to the 59 nations on his peace efforts can only come as a profound disappointment. Here was the one man in a position really to explore the possibilities of a settlement. He has made his rounds; and he returns with a catalog of platitudes, unexceptionable in themselves, but almost wholly irrelevant to the real issues before us. He has done rather worse, even, than that. His statement that no significant progress can be made while the United Nations remain divided on the question of the representation of China must inevitably—even if quite unintentionally—convey the impression that the Soviet Union has now made a western surrender over China its latest price of peace. The chances that any western public will yield to an apparent piece of blackmail like that are obviously nil.

In falling into this trap, Mr. Lie has simply revealed his own misunderstanding of his problem. His 10-point program would be admirable on the assumption that the basic east-west conflict had been settled; until it is settled, the 10 points are not merely unworkable, they are meaningless. The matter of Chinese recognition represents one issue in which the basic conflict rises through all the platitudes to the surface. If Mr. Lie thinks that it is simply, as it may seem, a matter of procedure to be settled by any convenient formula, then he is without understanding. If he thinks that, while a basic issue, it is one only to be settled by a western appeasement of Russia, then he is disqualified as the neutral mediator which he set out to be.

Mr. Lie has revealed himself as an advocate, not so much of peace, as of the UN. There is, of course, nothing wrong with that; but in a situation in which, to save the power and prestige of UN it is first necessary to make peace, his efforts are somewhat misdirected. The resort to UN mechanisms can, he says, "secure eventual peace if we accept, believe and act upon the possibility of peaceful coexistence among all the great powers." This is true; but it is the Soviet Union which has so far been most reluctant, among all the great powers, to give any pledge or even indication that it believes peaceful coexistence to be possible. Until it does, a peace mission which returns with only another intimation that another western surrender is the price of peace cannot have any great effect upon the underlying tides of world history.

Mr. President, yesterday afternoon, June 7, I placed in the RECORD a dispatch which appears on page 8246 of the RECORD, quoting the Secretary of State of the United States in regard to the matter of yielding to Russian pressure. I also placed in the RECORD at that time a letter which Mr. Trygve Lie had sent to members of the United Nations. I placed in the RECORD also a statement by the able Senator from Maryland [Mr. O'CONOR] pointing out that this move by Mr. Lie to ask for a western surrender on the question of the seating of the representative of the Communist regime was certainly following the Communist line. I also placed in the RECORD an article which had appeared in Plain Talk magazine for October 1947, which raised the issue relative to whether or not Trygve Lie was Stalin's tool in the United Nations.

Mr. President, I do not know whether the intimations of the article are correct or not. They appear to be documented so far as they go, but I wish to say that I do not know whether, if Mr. Trygve Lie were the tool of Stalin, as charged in the article, he could better serve the Soviet Union than he has been serving it by making this proposal which requires, before there can be any discussion whatever, the complete surrender of all the western powers to the Soviet unilateral demand that we yield to them before they will even discuss any of the points at issue.

Mr. President, I have pointed out before that I believe this Munich type of appeasement is going ultimately to be destructive of the United Nations, which we have all supported on both sides of

the aisle. I do not think it serves the cause of peace if Mr. Trygve Lie, presumably an impartial secretary of the United Nations, goes before the United Nations and says, in effect, "We cannot proceed under the Charter of the United Nations unless all the western nations and all the other member states yield to the Soviet Union in regard to China's membership."

Mr. President, if the Western Powers and the other members of the United Nations yield in this regard, there is no guarantee, that the Soviet Government will stop its unilateral walking out whenever they do not agree with a decision. I happened to have been in Berlin and attended a meeting of the Allied Commandatura in that city during the time of its existence. The Soviet Union was following precisely the same policy there. Whenever they did not get their way they walked out. They have done it in the United Nations, they have done it in the Security Council, they have done it in every agency of the United Nations. They have done it in Tokyo. It is a Communist technique. If we are to yield to that type of pressure in regard to the membership of China in the United Nations, I say, Mr. President, we will have established a precedent whereby they can use the same walkout technique on the question of atomic energy, on the question of every issue which may come before the United Nations.

I want to ask, on behalf of the Members of the Congress, and of the American people, whether this same Mr. Trygve Lie is going to appear again and again before the United Nations and suggest that in order to get the Russians to come back and fulfill their responsibilities, all the other nations must bow to their will in the organization? I say if that is a proposal that this presumably impartial man is to ask the other members to follow, it is highly destructive of the ultimate ability of the United Nations to survive. And I say reluctantly, Mr. President, that I believe that Mr. Trygve Lie has destroyed his usefulness as an impartial umpire in the United Nations by his proposals which definitely are proposals of a type which would follow the Soviet Union's desires in this matter.

COMMENDATION FOR SERVICE PERFORMED AT THE DESK

The PRESIDING OFFICER (Mr. STENNIS in the chair). The Chair wishes to make a brief statement at this time by way of observation and to call to the attention of the Senate the remarkable feat performed here this afternoon by those who serve us at the desk. They have disposed of 241 bills affirmatively. They have handled 23 other bills which went over for one cause or another. As I have presided over the Senate this afternoon I have observed the remarkable ability with which they have performed their work, and have become aware of the thoroughness with which they have made preparation beforehand for the work done today. I have observed the able manner in which they have handled today's business through its various processes and stages. I repeat, it has been a remarkable feat, and I want to commend them for the ability they have shown in handling the heavy load placed upon them, and for their assistance. [Applause.]

I also wish to commend their assistants who have helped in the preparation for today's work, and for the work they have done in the outer rooms. I think a great deal of the credit should go to them.

Mr. SALTONSTALL. Mr. President, as a Member of the Senate who has sat here for a considerable part of the time this afternoon, I may say that those whom the Senator has so justly commended were ably assisted by the distinguished Senator who has occupied the Chair for the greater part of the afternoon.

The PRESIDING OFFICER. The Chair thanks the Senator from Massachusetts.

Mr. O'MAHONEY. Mr. President, I think I ought to say that many of us who have served in this Chamber longer than the present occupant of the chair must feel, as I do, a little bit ashamed that we have not, long prior to his taking the initiative, made the remarks which the Chair has made. We have accepted the diligent labors of these gentlemen as a matter of course, but we do join enthusiastically in the deserved compliment which the Presiding Officer has paid them.

The PRESIDING OFFICER. The gentlemen who have been complimented by the Chair and by other Senators are precluded, by the rules of the Senate, from responding, so the Chair should like on their behalf to express their hearty appreciation for the compliments paid them by Members of the Senate.

EXECUTIVE SESSION

Mr. O'MAHONEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. STENNIS in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. TYDINGS, from the Committee on Armed Services:

Roscoe Bonham, and sundry other persons for appointment in the Regular Army of the United States;

Maj. Gen. William Ellsworth Kepner, [redacted] (major general, U. S. Air Forces), Air Force of the United States, to be commander in chief, Alaskan Command, with the rank of lieutenant general;

Albert Leo Cutress, and sundry other officers for promotion in the United States Air Force;

Capt. Daniel W. Ryan, Dental Corps, United States Navy, for temporary appointment to the grade of rear admiral in the Dental Corps of the United States Navy;

Richard A. Frohreich, and sundry other persons for appointment in the Navy; and

Robert D. Shaffer, and sundry other officers and persons for appointment in the Marine Corps.

MOTOR CARRIER CLAIMS COMMISSION

The PRESIDING OFFICER. There is only one nomination on the calendar, that of Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission.

Mr. O'MAHONEY. Mr. President, I ask that that nomination be passed over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over. There are no further nominations on the calendar. What is the further pleasure of the Senate?

RECESS

Mr. O'MAHONEY. I move that the Senate recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 26 minutes p. m.) the Senate took a recess until tomorrow, Friday, June 9, 1950, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 8 (legislative day of June 7), 1950:

UNITED STATES MARSHALS

Maurice T. Smith, of Colorado, to be United States marshal for the district of Colorado. He is now serving in this office under an appointment which expired June 4, 1950.

Benjamin B. Mozee, of Alaska, to be United States marshal, division No. 2, district of Alaska. He is now serving in this office under an appointment which expired May 13, 1950.

IN THE AIR FORCE

The following-named persons for appointment in the United States Air Force, in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force under the provisions of section 506, Public Law 381, Eighteenth Congress (Officer Personnel Act of 1947), and title II, Public Law 365, Eighteenth Congress (Army-Navy-Public Health Service Medical Officer Procurement Act of 1947):

To be major, USAF (Medical)

Earl L. Laird, [redacted].

To be captains, USAF (Medical)

Billy J. Carter, [redacted].
James F. Olley, [redacted].
Henry C. Smith, [redacted].

To be captains, USAF (Dental)

Lyndon S. Krause, [redacted].
Albert C. McCully, [redacted].
Frank D. Reid, [redacted].
Robert L. Thompson, Jr., [redacted].

To be first lieutenants, USAF (Medical)

David Auld, [redacted].
George S. Banning, Jr., [redacted].
James A. Bulen, [redacted].
Sumner A. Cheeseman, [redacted].
George R. Cocks, [redacted].
Ferris E. Cook, Jr., [redacted].
William M. Dixon, [redacted].
Arthur V. Dudley, Jr., [redacted].
Paul F. Eggertsen, [redacted].
Roger W. Hedin, [redacted].
James A. Jernigan, [redacted].
Billy D. King, [redacted].
Harold J. Louis, [redacted].
Irving R. Majors, [redacted].
John P. McCann, [redacted].
Robert A. Mendelsohn, [redacted].

Robert W. Minnihan, [redacted].
Robert F. Morgan, [redacted].
Ralph A. Muhich, [redacted].
John A. Rogness, [redacted].
Carl M. Russell, [redacted].
Dasil C. Smith, [redacted].
Paul H. Stavig, [redacted].
John F. Tracey, [redacted].

To be first lieutenants, USAF (Dental)

Ashur G. Chavoor, [redacted].
John W. Cofer, [redacted].
Robert K. Davis, [redacted].
Charles Jaslow, [redacted].
Vernon J. Sture, [redacted].

The following-named person for appointment in the United States Air Force, in the grade indicated, with date of rank to be determined by the Secretary of the Air Force under the provisions of section 102, Public Law 36, Eightieth Congress (Army-Navy Nurses Act of 1947):

To be second lieutenant, USAF (Women's Medical Specialist)

Barbara L. Northrup, [redacted]

The following-named distinguished aviation cadets for appointment in the United States Air Force in the grade indicated with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Arthur C. Balke, Jr.	Wallace A. Scannell
William J. Baugh	Carl L. Stoneking
William C. Becker	Francis A. Swartz
Richard E. Cronan, Jr.	Lloyd D. Taylor
Russel E. Hain	Frederick S. Thatcher
Thomas J. McKernan	Lloyd J. Thompson
William A. Rowland	Donald J. Torres

Subject to physical qualification and subject to designation as distinguished military graduates, the following-named distinguished military students of the Senior Division, Reserve Officers' Training Corps, for appointment in the United States Air Force in the grade of second lieutenant, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

Christoffer P. Bolvig
Luther T. Brantley, Jr.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 8, 1950

The House met at 12 o'clock noon.

Dr. Wilbert E. Benson, Emmanuel Lutheran Church, Rockford, Ill., offered the following prayer:

O God, most holy, open Thou the channels of wisdom that this day's decision may permit Thy will to be done among the nations of this earth, and more particularly in our beloved America.

Bless each Member of this House and the constituency he represents. Keep us ever mindful of the fact that we are responsible directly unto Thee. Endow us with Thy heavenly grace and the higher patriotism which will enable our Nation to remain ever pleasing in Thy sight.

In the name of Christ we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5943. An act to provide for the erection of a monument at the grave of Constantino Brumidi.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S. J. Res. 170. Joint resolution to provide for the transfer of the paintings The Grand Canyon of the Yellowstone and The Chasm of the Colorado from the United States Capitol to the Department of the Interior; and

S. J. Res. 171. Joint resolution transferring the plaster cast of the statue of George Washington from the United States Capitol to the Smithsonian Institution.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4567) entitled "An act to amend the Displaced Persons Act of 1948."

THE MAN WHO DIED

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, there are times when all of us in this Chamber find life difficult to cope with. But I want to call to the attention of the membership of this body a Montanan, a man I do not know, but about whom I heard just last week. He is known as The Man Who Died and his name is Donald Clark. He lives in Billings, Mont. He was on the U. S. S. *Hornet*, and during the war he was one of those casualties who was not even treated, for the time being, because the ship's doctor, Dr. Frederick B. Hartman, his friend, felt there was no use.

Quoting Dr. Hartman, the following statement is made:

> As far as we were concerned, he had died. I started operating on those I thought had some chance to live.

Later they found this man, Clark, still breathing, gave him 14 transfusions in 2 hours, and brought him back to life with the loss of his two legs. The men of the *Hornet* met in Washington last week, and here is what Dr. Hartman, the man who saved Donald Clark's life, had to say:

> Every man left aboard a little bit of his life, blood, sweat, tears, heartaches, which amalgamated, become a ship's soul.

Bill Brinkley, the reporter of the Washington Post who wrote the story of Donald Clark, summed up the feelings of all of us when he said:

> Clark left quite a bit. He brought back more.

I want to pay my deepest respects to Donald Clark and his family—the very best in the years ahead. They have earned this.

The story from the Washington Post of June 4, 1950, follows:

THE MAN WHO DIED JOINS HORNET MATES

(By Bill Brinkley)

The man who "died" was at the Shoreham yesterday, looking as shipshape as you can imagine despite having no legs.

Donald Clark, 26, had come with his wife Barbara, all the way from Billings, Mont., for the reunion of ship's company of the U. S. S. *Hornet*, CV12.

For the first time since May 1, 1944, the former aviation machinist's mate met the Navy doctor who snatched him back after the doctor thought death had taken him.

Quite a day, that bloody May Day. Dr. Frederick B. Hartman, of New London, Conn., told the story of it:

A plane landed on the *Hornet's* flight deck after a South Pacific strike. The pilot, thinking he had dropped all his bombs, started to taxi forward and opened his bomb bay. A 100 pounder dropped out.

They carried the 40 casualties to sick bay. Among them was Clark, who had been virtually blown apart.

Hartman saw Clark in the emergency treatment room—mangled, unconscious, white, like a corpse.

"As far as we were concerned he had died. I started operating on those I thought had some chance to live," the doctor said.

Back from the operating room, the surgeon walked over to the corpse, found Clark breathing.

Clark was taken into the operating room, where Hartman did the only thing that might save him—amputated both legs.

"We gave him 14 transfusions in 2 hours * * *. It was a kind of record."

By the time the ship put into Kwajalein a few days later, Clark was on his way back to health. The men of the *Hornet* raised $8,700 and left it with the aviation machinist's mate to start life over again.

The first year and a half Clark spent in hospitals.

Then he went back to Billings, Mont., with the money the crew had collected.

He married his childhood sweetheart. Today they have two children, Jackie Lee, age 4, and Donna Lynn, 2 months.

He got a job winding electric motors and does it full time today. You don't need legs for that. He drives his own car, too.

There probably wasn't a happier man in Washington than Dr. Hartman.

The *Hornet* outfit had a banquet last night. In the afternoon they had a session and the doctor, who was also the ship's historian, traced the story of the *Hornet*.

Clark was asked to stand. As he came to his feet on his crutches the west ballroom of the Shoreham shook with applause.

The doc said of the *Hornet:*

"Every man left aboard a little bit of his life, blood, sweat, tears, heartaches, which amalgamated, become a ship's soul."

Clark left quite a bit. He brought back more.

TAX RELIEF

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS. Mr. Speaker, it cannot be said that the majority party is not in favor of tax relief for some people. As soon as the Eighty-first Congress assembled two actions for tax relief were set in motion.

The first action was the attempted passage of a bill which waived the admission tax on the inaugural festivities

so that the patronage boys and the economic royalists who filled their war chests would have entertainment tax-free while the rest of the country pays.

The other relief measure was the holding of the Jackson Day dinner without the usual tax imposed where entertainment is furnished when food is served. This again was tax relief for the favored few.

The high Fair Deal brass still resists tax reduction for the rank and file of the people. The measure passed in the Eightieth Congress which took 7,000,000 low-income people off the income-tax rolls had to be passed over President Truman's veto. Although excise tax relief was promised the country, the high Fair Deal leadership is opposing it. To the working men and women who must have a telephone in order to pick up their day-to-day employment and are required to pay a high wartime tax on their telephone bill, the Fair Dealers answer, "The budget cannot be trimmed." They do this while they give tax relief to the political bigwigs and take the taxpayers' money to rebuild the gambling casinos of France.

We have our highest peacetime taxes. Everything and everybody is taxed. Yet, in spite of all those tax receipts, the Fair Deal is running an annual deficit of over $5,000,000,000 which is more than equal to the total cost of the Government when they took over in the early thirties.

SHOOTING DOWN OF NAVY PLANE BY RUSSIAN AIRMEN

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, Mr. Acheson's recent speech made no reference to the shooting down of our Navy plane by Russian airmen—for which they were decorated by their Government—with the loss of 10 American crewmen.

The loss of the plane is not great; it can be replaced. The loss of the lives of the crewmen is irreparable. I feel it more keenly than other Members of Congress, perhaps, because one of those crew members was Ensign Tommy Burgess, of Osawatomie, Kans. Tommy was more than a constituent. He was a friend, the son of friends. As a matter of fact, only yesterday I accompanied Tommy's mother to the Pentagon Building for a visit with Admiral Sherman, who was most cordial, courteous, and sympathetic.

While many have lauded what they call Mr. Acheson's firm policy toward Russia, the attitude of the State Department in this Navy plane incident is far from firm. It is timid; it is weasly; it is spineless.

True, Mr. Kirk, our Ambassador, acting on State Department instructions, has written a note to Russia denying their spurious, fake charges that this plane was armed and over Russian-controlled waters. That is all. That is not firmness. It is pussyfooting.

If the United Nations is worth its salt, here is a flagrant case of armed aggression which it should investigate and punish. But until our State Department requests such action, of course, the United Nations will not act. They will not even debate it. The United Nations may not be able to get results because of Russia's obstinate, noncooperative attitude, but that should not stop us from trying to get something done.

Mr. Speaker, as I have demanded in writing—in letters to the Secretary of State—I now publicly demand that the State Department urgently request, yes, demand, a full investigation of this ruthless murder of 10 Americans; and that our representative on the United Nations follow this action through to its final and ultimate conclusion, urging the imposition of all punishment possible under the Charter of the United Nations against this aggressor, Soviet Russia.

Any move short of this will be simply an open invitation to a repetition on a greater and a more devastating scale. To drop this incident now, to call it closed, is not firmness. It is cringing, weakness, and will be so recognized by Russia. Unless we try to get action, Russia wins again by default. Russia will figuratively and actually be getting by with murder.

In view of this hesitancy on the part of the State Department I am today introducing the following resolution:

Resolved, That the Secretary of State be, and he is hereby, directed to call upon the United Nations to make a full investigation of the shooting down of an American Navy plane by Russian airmen on April 8, 1950, and to request and urge that the United Nations impose such punishment as is provided under the Charter of the United Nations for this unwarranted attack and this violation of the rights of the United States.

EXPANDING ACTIVITIES WITHIN FOREIGN-TRADE ZONES

Mr. BOGGS of Louisiana. Mr. Speaker, I call up the conference report on the bill (H. R. 5332) to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1437)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5332) entitled "An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment, of the Senate numbered 1 and agree to the same.

R. L. DOUGHTON,
JERE COOPER,
HALE BOGGS,
Managers on the Part of the House.

WALTER F. GEORGE,
TOM CONNALLY,
HARRY F. BYRD,
Manager on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5332) entitled "An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones", submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The Senate amendment added a new section to the bill amending paragraph 1803 of the Tariff Act of 1930 to provide for the importation free of duty of evergreen Christmas trees. The amendment would be effective as to articles entered for consumption or withdrawn from warehouse for consumption on or after the first day of the first month which begins more than ten days after the date of enactment of the act. The House recedes.

Amendment No. 2: The Senate amendment added a new section to the bill amending paragraph 1519 of the Tariff Act of 1930, as amended, to require the President to promulgate regulations on the importation of furs and fur articles to the extent determined necessary by the Tariff Commission to prevent serious injury to the domestic fur-producing industry. Such a requirement would appear to duplicate to a large extent existing procedures which have been established to protect domestic industries against possible serious injury as a result of increased imports resulting from concessions made in trade agreements. The Senate recedes.

R. L. DOUGHTON,
JERE COOPER,
HALE BOGGS,
Managers on the Part of the House.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Louisiana. I yield.

Mr. REED of New York. Will the gentleman make just a brief explanation of the conference report?

Mr. BOGGS of Louisiana. Yes; I shall be very glad to.

The Senate added two amendments to the House bill and under the conference agreement the House would recede on one amendment and the Senate would recede on the other.

The first amendment would amend the Tariff Act of 1930 to provide for the duty-free importation of evergreen Christmas trees, which are now subject to a rate of 5 percent ad valorem. This bill is identical with a bill reported by the Committee on Ways and Means in the Eightieth Congress. On this legislation, the Treasury Department favorably reported as follows:

Serious administrative difficulties which have been encountered in determining the dutiable values of evergreen Christmas trees in their natural state will be eliminated if the proposed legislation is enacted.

Under the conference agreement the House recedes.

The second amendment would amend the Tariff Act of 1930 to require the President to establish "such regulations on the transportation of furs and fur articles as are determined necessary by the Tariff Commission to prevent serious injury to the domestic fur industry." This provision would seem to be unnecessary since it would duplicate to a large extent the existing procedures established to protect domestic industry against possible serious injury from increased imports resulting from concessions made in trade agreements.

With but minor exceptions, the binding of undressed furs on the free list is subject to an escape clause. The escape clause provides that tariff concessions may be modified or withdrawn, and other obligations may be suspended, as a result of unforeseen developments and of the concession or other obligation in the trade agreement when any article is being imported in such increased quantities and under such conditions as to cause or threaten serious injury to domestic industries.

Under an Executive order procedures are established for the Tariff Commission to investigate, determine, and recommend to the President for his consideration whether the escape clause should be invoked with regard to any particular concession on any article.

The Secretary of State in a letter dated September 30, 1949, addressed to the chairman of the Committee on Ways and Means expressed objection to the amendment as follows:

SEPTEMBER 30, 1949.

The Honorable ROBERT L. DOUGHTON,
Chairman, Committee on Ways and Means, House of Representatives.

MY DEAR MR. DOUGHTON: I note that an amendment has been proposed to H. H. 5332 requiring the President to establish such regulations on the importation of furs and fur articles as are determined necessary by the Tariff Commission to prevent serious injury to the domestic fur-producing industry.

The position of the Department is that this amendment is subject to the following five major objections:

1. Its provisions are not necessary because they duplicate, to a large extent, existing procedures which have been established to protect domestic industries against serious injury as a result of increased imports resulting from concessions made in trade agreements. The rates on most undressed furs were bound in the general agreement on tariffs and trade which contains an escape clause which may be invoked by the President upon the recommendation of the Tariff Commission after a determination of actual or threatened injury.

2. Limitation of imports of furs would not be effective in solving the problems of the domestic fur-producer's industry. These problems are chiefly caused by changes in fashion which have affected a certain segment of the industry severely and resulted in liquidation of stocks, and by the luxury tax which has tended to keep prices at a higher level than consumers are willing to pay. Although imports in a few categories of undressed furs are somewhat larger than prewar on a volume basis, generally there has been little increase and in some categories imports are less.

3. If special treatment were to be accorded furs as a result of the adoption of the proposed amendment, a precedent would be established for the same type of special treatment for many other products, the producers of which will undoubtedly claim that they are also threatened by imports. In effect such a precedent might be a crippling blow to the entire trade agreement program.

4. The use of absolute quotas on imports has been generally avoided under the United States Government's established economic foreign policy and the United States has consistently condemned their use by other countries on the grounds that they are uneconomic, rigidly restrictive, and easily applied in a discriminatory manner.

5. The substance of the amendment is not germane to the purpose of H. R. 5332.

Because of the urgency of this matter this report has not been cleared with the Bureau of the Budget to which copies are being sent.

Sincerely yours,

ERNEST A. GROSS,
Assistant Secretary
(For the Secretary of State).

Under the conference agreement the Senate recedes.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to inquire of my friend, the majority leader, as to the program for next week.

Mr. McCORMACK. On Monday business in order under the 21-day discharge rule will be considered.

House Resolution 350, which is unfinished business, provides for the consideration of House Joint Resolution 334 to amend certain laws providing for membership and participation by the United States in certain international organizations. There are 9 minutes debate remaining for debate on the rule. It is the intention of the gentleman from West Virginia [Mr. KEE] on Monday to call that up and to come to a vote on the adoption of the rule. However, if the rule is adopted, it is not the intention to proceed with the consideration of House Joint Resolution 334 in Committee of the Whole as provided by the rule. Of course, I will give the leadership on the other side, my good friend from Massachusetts, adequate notice as to when it is proposed to consider the resolution in Committee of the Whole and of course the House generally will have adequate notice. Therefore, the intention is on Monday to pass on the question of whether or not the rule is to be adopted.

No District bills will be called up on Monday, but later on in the week some bills may be taken up from the Committee on the District of Columbia which can be passed by unanimous consent only. That is a matter which I will discuss later. Of course, only those bills which can be brought up and passed by unanimous consent will be called up.

I understand there are two bills, and possibly three of that nature.

The Senate is now considering the rent-control bill. It was my intention to program the extension of the rent-control legislation for next Tuesday, but at the time I had formed my intention I was not aware that the Senate would proceed to the consideration of the bill before that time. The Senate is now considering the bill. Naturally, it would be unwise to have the same bill being considered by both branches of the Congress at the same time. If the Senate should act upon the bill before next Tuesday, then the bill will be programed for next Tuesday. If the Senate does not finally act on that bill by next Tuesday, it will not come up in the House. I prefer not to make any statement now, except that I will confer with the chairman of the committee, and naturally I will confer with the gentleman from Massachusetts in connection with another day, if it is necessary to bring the bill up next week. Of course, the time is getting short. The termination date is June 30. That is a pressing matter which cannot be overlooked. But it is programed for next Tuesday, if the Senate acts upon it before that time. If not, it will not be taken up next Tuesday.

Mr. MARTIN of Massachusetts. It happens that I have a Flag Day speech engagement, scheduled several months ago, and I would appreciate it if the gentleman would put that down for sometime after Wednesday.

Mr. McCORMACK. That is a very frank observation, and I appreciate it. If the Senate does not pass the bill by Tuesday, it will come up Wednesday. I will give that promise now. I may have to bring it up on Thursday, but I am not commiting myself on any contingency now, except that if it does not come up on Tuesday I can arrange so that it will not come up on Wednesday.

Mr. MARTIN of Massachusetts. How much time is allowed under the rule?

Mr. McCORMACK. I think it is 3 hours.

Mr. MARTIN of Massachusetts. Is it expected that it can be passed in a single day?

Mr. McCORMACK. No. As far as I am concerned, if the sentiment is to pass it in a day, I would cooperate in every way possible. If it comes up on Tuesday, in the light of commitments of Members, I hope it may be passed on Tuesday, although as far as I am concerned it would not be necessary. But we will know on Monday whether it will be taken up Tuesday or not. Then, if necessary, we can agree to meet at 11 o'clock, if that is the desire of the gentleman from Massachusetts.

Aside from that there is one resolution from the Rules Committee. I may take it up next week, but I do not want to program it now. That is a resolution creating a select committee to study food products. It is my intention to bring it up promptly, but I am not prepared to state now when I shall program it.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. RICH. I would like to ask if it would not be a wise thing for the House to know at least 1 day ahead, if possible, about these bills that are going to be taken up by unanimous consent. I think it would be fair to the House if that could be arranged. I hope the majority leader will give us as much time on these matters as possible because sometimes people differ in their opinions.

Mr. McCORMACK. May I state to my friend that the request is a very reasonable one, but in practical operation it is a difficult one.

Mr. RICH. I appreciate that.

Mr. McCORMACK. Take, for example, this conference report just adopted. I knew nothing about it until it came on the floor today. Everyone was in agreement. But I may say to my friend that all these unanimous-consent-request matters are very carefully screened, and while I cannot disagree to the fairness of the request, yet in practical operation it might be very difficult.

Mr. MARTIN of Massachusetts. I might add that the practice has never been to bring anything very controversial up under a consent request.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. NICHOLSON. I would like to ask if there are any plans as to when we can dispose of business and go home to get reelected, if possible?

Mr. McCORMACK. From the sidelines comes the observation: "That is a good question." Certainly, it is a question I wish I were capable of answering, but I am not at the present time. I can assure the gentleman that I am very anxious to have Congress adjourn as quickly as possible. If the gentleman were to confer with the leadership on the other side, which I shall have to do, the gentleman might be in a better position to get the same information that I will have to get myself to form a good opinion.

Mr. NICHOLSON. Well, I will say to the gentleman from Massachusetts that I trust him to take care of these things expeditiously and let us go home.

Mr. McCORMACK. I thank the gentleman for that, but I am sure the gentleman would also trust me outside of that; would he not?

Mr. NICHOLSON. Yes, indeed.

TO LOWER TAXES AND BALANCE THE BUDGET OUR JOB

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I wonder whether it is not about time that the Congress stop putting about a dozen hands in the pocket of everybody in the United States and taking almost everything they find in it, leaving just enough for a bare living. Let us get the taxing hand of the Government out of the pockets of the people of this country. Let us do it now. First let us cut down on our spending; second, cut down on taxation; third, get a little more efficiency into government. If we will do that and balance the budget and run this Government on a good sound business basis so that our children do not have to pay for your folly, then we will do this country the greatest possible good. If we are going to put the payment of this debt and the cost of this squandering administration onto our children and our children's children we are going to wreck them; and when we wreck our children and our children's children, we wreck this Nation. Let us not wreck the Nation, let us make up our minds as Members of Congress that we are going to cut down on this spending and that we will balance the budget. It can be done, it should be done, and it must be done. Will you Congressmen all help do it?

Be nifty and thrifty in fifty.

EXTENSION OF REMARKS

Mr. LUCAS asked and was given permission to extend his remarks.

Mr. MORRISON asked and was given permission to extend his remarks and include a letter from Mr. Hoover.

Mr. BURDICK asked and was given permission to extend his remarks and include a speech the late Honorable William Lemke had intended to deliver.

Mr. KEATING asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. GATHINGS asked and was given permission to extend his remarks in two instances and include in each an article.

Mr. McGUIRE asked and was given permission to extend his remarks and include an editorial which appeared in the Meriden (Conn.) Record.

Mr. HAND asked and was given permission to extend his remarks and include an editorial.

Mr. PATMAN asked and was given permission to extend his remarks in two instances, in one to include an address by Hon. LYNDON JOHNSON, at the Jefferson-Jackson Day dinner in Austin, Tex., on May 27, and in the other an article by Leon Keyserling, Chairman of the Council of Economic Advisers.

Mr. McCORMACK asked and was given permission to extend his own remarks.

Mr. RAMSAY asked and was given permission to extend his remarks and include an article by Mr. A. E. Eisenmenger on the value of r eat inspection to the people of America.

Mrs. ST. GEORGE (at the request of Mr. SADLAK) was given permission to extend her remarks and include an editorial.

Mr. SADLAK asked and was given permission to extend his remarks and include an editorial.

Mr. VAN ZANDT asked and was given permission to extend his remarks on three different occasions and include extraneous matter.

Mr. JENSEN asked and was given permission to extend his remarks and include an article.

Mr. SHORT asked and was given permission to extend in the Appendix of the RECORD an article on undersea warfare by Rear Adm. C. B. Momsen, notwithstanding the fact that it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $184.50; and was likewise given permission to extend in the Appendix of the RECORD the annual report of the national commander of the Civil Air Patrol to the Congress, notwithstanding the fact that it will exceed two pages and is estimated by the Public Printer to cost $184.50.

Mr. CELLER asked and was given permission to extend his remarks in two instances.

PERSONAL PRIVILEGE

Mr. HOFFMAN of Michigan. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his grounds.

Mr. HOFFMAN of Michigan. Mr. Speaker, in the Journal-Gazette of Fort Wayne, Ind., on April 23, 1950, there appeared under the caption, "Interference in trade-unionism," a statement by executive board of UE local 901, Lester Green, president, which contained the following statement:

> Another member of the Hartley committee which KRUSE now uses is the notorious CLARE E. HOFFMAN, who stooped to using outright forgery in a strike-breaking attempt against the UE in Dayton, Ohio, in 1948. This same Hartley committee which KRUSE uses, blacklisted and fired union men in Evansville, Ind., that same year.

This statement, published in the Journal-Gazette of Fort Wayne, Ind., reflects upon the integrity, in his official capacity, as Representative of the Fourth Congressional District of Michigan.

The SPEAKER. The Chair thinks the gentleman has stated sufficient grounds to constitute a question of personal privilege.

Mr. HOFFMAN of Michigan. Mr. Speaker, happy days are here again. That is, happy days for the Communists, the Reds, the fellow travelers, the leftists, all those who do not believe in our form of government, and for some of those who honestly and sincerely think that certain members of the Republican Party are perhaps tinged with disloyalty and lack of patriotism when they fail to go along wholeheartedly all the way with the New Deal program. Some Republicans think the New Deal program has a Red tinge.

Someone recently said:

> The Nation sorely needs a Republican victory. But I do not want to see the Republican Party ride to political victory on the four horsemen of calumny—fear, ignorance, bigotry, and smear.

Unjustifiable fear instilled by the New Deal—fear of the necessity of working if one would survive, of fighting for one's principles because of denunciation of one's motives; ignorance of realities, of the policies proposed; bigotry or intolerance of any opposition and smear of all those who opposed the New Deal or any of its policies, did give the New Deal political victory.

Lack of courage to fight for principle, to combat policies which we knew to be ruinous to constitutional government, have overlong prevented the Republican Party from winning a major political victory.

As was recently said, some who "shout the loudest about Americanism in making character assassinations are all too often frequently those who," by their own words and acts, "ignore some of the basic principles of Americanism—the right to criticize, the right to hold unpopular beliefs, the right to protest, the right of independent thought."

Truthfully, it has been said that—

The exercise of these rights should not cost one single American citizen his reputation or his right to a livelihood nor should he be in danger of losing his reputation or livelihood merely because he happens to know some one who holds unpopular beliefs. Who of us does not?

Now, I have no "declaration of conscience." I have a declaration of war—a declaration that I—and I speak for no others—intend to continue my efforts to restore constitutional government to these United States.

No one, if I know it will, unrebuked by me, falsely charge that I am disloyal or unpatriotic.

Any and all efforts to intimidate me, to prevent criticism of the New Deal, whether they come from "me-too" Republicans, from internationalists, or from Communists, will be challenged.

There is no section of this country, there is no faction in the Republican Party, which can, unchallenged, question my motives, my patriotism, my Republicanism.

There are some folks who apparently follow the thought line of a few columnists and commentators who conceive themselves to be anointed, as was Saul of old, to dictate to the rest of us what we should think, say, and how we should act.

I need no "declaration of conscience." My conscience is clear. I need no instructions from the so-called statesmen of other nations, from those who in this country, because of the section in which they live, ape these foreign statesmen in thinking and in declarations of policy.

Statements, presumably made to guide the policy of the Republican Party into the fold of the New Dealers and the internationalists, fall, so far as I am concerned, on deaf ears.

I need no trips abroad; I need no entertainment, no wining, no dining, to convince me that my duty as a Congressman is to first listen to the call of my people; to protect them, the country in which we live, the form of government which has made us as a Nation what we are.

In making that declaration, I am fully aware of the fact that I shall again subject myself to a campaign of abuse, vilification, and misrepresentation.

Bitter experience has demonstrated to me that whenever one opposes the New Deal, the Fair Deal, or any of its politically powerful allies or supporters, he immediately becomes the recipient of all sorts of misrepresentation.

He is not only charged with being ignorant and stupid, but with being the tool of the princes of privilege, the reactionaries—in brief, all of those who have the hardihood, when they believe in the principles of our Constitution, in our form of Government, to publicly vigorously express their views.

He is also accused of a lack of loyalty, of a lack of patriotism.

If one exercises his constitutional "right to criticize," "right to hold unpopular beliefs," "right to protest," "right of independent thought," he is by the administration—yes, by the President himself—and many of its supporters immediately set apart in a category reserved for the enemies of our country.

This statement in the Fort Wayne paper caused me to take this time in order that I may carry the fight to the smear artists, who, this being a campaign year, are whetting their knives, shoving their blackjacks under the tail of their coats.

This statement in the Fort Wayne paper is obviously untrue in at least two respects. For example, the first statement is that the Representative from that district, the gentleman from Indiana [Mr. KRUSE], a fine young man, was using me in his campaign.

Of course, the only way he could use me, I assume, would be to try to get the labor vote and to say that I was against everything the union was for, and that he disapproved of my views.

By the way, the charges made against him were false and he was elected.

Then, here is a further statement:

This same Hartley committee which KRUSE uses blacklisted and fired union men in Evansville, Ind., that same year.

That, on the face of it, is an absurd statement because the Hartley committee could not have anything to do with the hiring or firing of any employees.

My point is that today, again, as back in the early forties, a campaign of intimidation is being practiced against Members of Congress, not only by this union, the UE you will notice in this case, but by others, including reds, pinks, gangsters, and blind partisans as well.

All through the years at times I have charged on the floor, from the platform in public meetings, and also in the press, that the UE had in it Communists who were influencing and dominating its actions. For that I was branded as antilabor when my purpose was to force the CIO to clean house.

That those charges were true have been demonstrated beyond any argument by the fact that after hearings held by the CIO it was forced to expel and did expel a number of those unions, including the CIO-UEW. At last Phil Murray saw the light I had been attempting to show him.

As to the statement that forged documents were used, the situation is this: In those hearings which were held at Dayton, Ohio, a company had been struck. There was so much disorder, so much lawlessness, so much violation of court orders, that the governor of the State called out and had in the city, I think it was, some 3,000 members of the State troops in order to end violence and restore order.

Now, during the hearings some witness—and I do not at the moment recall his name—came in with a copy of a letter which had been sent out, it was alleged, by a union from another city. The union official, or some official of that union, had an office in connection with certain individuals who were charged with being, or alleged to be, Communists. This particular document was one which gave a diagram or a description of the lay-out in the plant.

There was a perfectly obvious and reasonable ground for the issuing of such a document. For example, as the union is engaged in collective bargaining, and as a question as to the conditions of the safety of the employees arise in connection with those hearings, there was nothing wrong in the union, if it desired, sending out a description of a plant, by it locating the various machines and describing those machines so that any desired safety appliances might be attached to them.

But, instead of accepting that, the union denied that it ever sent out that document, because the witness claimed that the document was put out so that in the event of a strike the strikers could sabotage the activities in the plant.

There were two possible reasons for the putting out of such a document, but instead of accepting the logical one, the lawful one, one which nobody would have any objection to, they chose to take the other view, and then later claimed the letter was a forgery. The committee merely accepted the document when offered as evidence. So much for that.

The point, however, is this, and I am going back to former years. We have now the beginning of a campaign to frighten individual Members of this Congress who desire to exercise their constitutional right to send out material to their constituents, to make speeches from the floor of the House.

Recently, on June 5, the gentleman from Wisconsin [Mr. BIEMILLER] and the gentleman from Texas [Mr. PATMAN]—and let me say here and now and in all sincerity, in no way are the motives of those gentlemen, or their right to express their opinions challenged—made speeches on the floor of this House in which the gentleman from Wisconsin—and he is here on the floor—criticized two organizations, the Constitutional Educational League and the League for Constitutional Government, because of views which had been expressed by them.

The gentleman from Wisconsin [Mr. BIEMILLER] criticized the statements sent out by Mr. Pettengill, who for years represented in this House an Indiana district; he was a Democratic Member of the House, and as I recall, and to my knowledge, he had the respect of every Member on both sides of the aisle. His integrity, his patriotism, and his ability never were questioned. Until he began to denounce Communists and the New Deal, he was not criticized.

The gentleman from Wisconsin, of course, is strictly within his rights, and there is no criticism of any expression of opinion by him; that is his right.

Never since I have been here, never since I came here in 1935, have I criticized, knowingly, at least, either the ability, or questioned the ability, the sincerity, or the patriotism of any Member of the House, and I do not now, and I hope the gentlemen so understand me.

As I said here yesterday on the floor, the gentleman has a pleasing personality, a fine gentleman, I admire him for those things, but I do not agree, so far as I know, with any idea he ever ex-

pressed from the floor of the House. That is a difference of opinion, and thank God that under our system of government we each have that right.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. RICH. In speaking of Sam Pettengill from Indiana, I served with Sam Pettengill here in the House and I do not know of anybody that I ever had greater respect for. I do not know anybody that worked harder than Sam Pettengill, and I always considered him one of the finest, most honest, most honorable Members of Congress that I have ever seen. And, he was a Democrat. Men might differ with Sam Pettengill, but when you question his integrity or his ability, I think that some people should make an examination of their own personal character and attitude when they do that, because Sam Pettengill is certainly one of the finest men I ever knew.

Mr. HOFFMAN of Michigan. I thank the gentleman for his contribution.

Mr. CROOK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Indiana.

Mr. CROOK. I should like to make just a brief comment with regard to this statement made by my good friend from Pennsylvania. I wish to say that Samuel Pettengill rode into this Congress on the coattails of Franklin D. Roosevelt, and pretty soon he was connected with the big utility companies and turned the tables and went Republican.

Mr. HOFFMAN of Michigan. I refuse to yield any further.

The views just expressed are not the views of the Members of the House who served with Mr. Pettengill.

Mr. COX. Mr. Speaker, will the gentleman yield to me?

Mr. HOFFMAN of Michigan. I cannot yield at this time. I want to make a statement today because I think it is something the people, at least my constituents, should know. I will not yield for a denunciation of any former Member of the House. Certainly not for condemnation of Mr. Pettengill. I was here, served with him, and will not yield time for unjustified statements which reflect upon him.

I yield to the gentleman from Georgia.

Mr. COX. I simply wanted to denounce the statement of the gentleman from Indiana if he meant to imply anything unfavorable to Sam Pettengill. That is all I meant to say.

Mr. HOFFMAN of Michigan. I just do not want to get into that end of it. I have expressed my opinion of Mr. Pettengill. We all have a right to our opinions. I know of no Member of the House who served with Sam Pettengill who ever questioned his integrity.

Mr. COX. I have noticed for a long time that every time any individual or any group of individuals raise their voices in the defense of this country as we know it, understand it, and love it, he or they make themselves a target for the gentlemen of the left who wish to break them down by smear and slander.

Mr. HOFFMAN of Michigan. Mr. Speaker, with all due respect, I want to say to the gentleman from Georgia that he is no more aware of that situation than am I. I agree with his statement.

I remember very, very well in 1942, when I entered the well of this House and made two talks. I think it was on January 27 and 30. They were afterward consolidated and appeared under the title "Don't Haul Down the Stars and Stripes," because at that particular time I was opposing this one-world movement. I had to undergo the same sort of persecution that the newer Members of the House, the Members who came here the last couple of years, will have to take if, as the gentleman from Georgia said, they raise their voices in defense of constitutional government.

Raise your voices against corruption, dirtiness, or nastiness in the administration and you will be criticized. Challenge the Reds and brickbats begin to come your way. There is no question about that.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Very briefly.

Mr. NICHOLSON. I want to ask the gentleman if there is something wrong about somebody's being for public utilities in the United States.

Mr. HOFFMAN of Michigan. Of course not—except in the minds of the Socialists and Communists. Mr. Speaker, I ask unanimous consent to extend my remarks by including the talk I made at that particular time under that title. I include that so that you may know, if you care to read, for what a Member of this House can be criticized and vilified.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. That talk was as follows:

DON'T HAUL DOWN THE STARS AND STRIPES

(Remarks of CLARE E. HOFFMAN of Michigan in the House of Representatives January 27 and 30, 1942)

[January 27, 1942]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to revise, to delete from, to extend, and to combine, for the purpose of reprinting and distribution, the remarks I made on the floor of the House on January 27 and on January 30, 1942, so that the two, as rewritten, may be printed and distributed together.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

A JUDAS

Mr. HOFFMAN. Mr. Chairman, on the assumption that, following the Declaration of Independence, guided by the principles enunciated in the Constitution, our people have established here a Nation where the average man enjoys a greater degree of material prosperity, intellectual advancement, and religious freedom than in any other part of the world, the people of these United States of America are fighting a war, so it is said, to carry those blessings to all other people.

That war, the cost of which no man can estimate and which, if carried on according to present plans, will take the lives of millions of American men, the President and his supporters tell us is being fought to bring to other peoples the same right of independence and self-government which we have enjoyed.

The hypocrisy of those who claim that to be the purpose of our present involvement in this war is clearly demonstrated when we receive from them a petition to repudiate our own independence, surrender our existence as an independent Nation, and become a part of a United States of the World.

It is quite true that, under our Constitution, men have the right of a free press and free speech; that, under the provisions of that Constitution and the security granted by it, they may advocate its repudiation. Therefore, the man Streit and all those who join with him in asking us to surrender our independence and become a part of a world nation are within their legal rights.

However, Hitler, Mussolini, Hirohito are, it is said, also seeking to destroy our independence and make us a part of a world group. Streit and his associates seek to accomplish the same end—the destruction of our independence—by a more subtle and a peaceful method, and they say for a different purpose.

Our Constitution was adopted in order that there might be formed a more perfect Union of the States. Streit and his adherents would destroy that Union. This Nation of ours is a Union of 48 States. The Civil War was fought to preserve the Union. Most of us many times have said:

"I pledge allegiance to the flag of the United States and to the Republic for which it stands, one Nation indivisible, with liberty and justice for all."

THEY WOULD BETRAY US

Streit and his associates now repudiate that pledge of allegiance to the Republic, one Nation indivisible, and would make it a part—and only a part—of a world nation.

Misapplied ambition is a ruinous thing. Unchecked, it destroys everything it touches, tearing down the good with the evil it seeks to end.

"To reign is worth ambition, although in hell. Better reign in hell than serve in heaven."

This country of ours, for more than 150 years, has not only been the haven but the heaven of those who in other lands were oppressed, enslaved, and denied opportunity. Yet Streit and Ickes and their associates, however, distinguished they may be, would rather form and reign in a hell made up of all the nations of the world, of all the people of the world, than serve under the Constitution to which they have pledged allegiance, in a land where all have equal opportunity.

Ever since the President had his conference with Churchill on the high seas, we have been hearing from editorial writers, radio commentators, and New Deal spokesmen of the United Nations. Now comes a member of the President's Cabinet, Ickes; a member of the United States Supreme Court, Roberts; both of whom have sworn to uphold and defend the Constitution, and add their endorsement to the Judaslike betrayal of our people into and as one of a United States of the World.

While Germany, Italy, and Japan seek by force of arms to overthrow us as a Nation, to make us subservient to a group of world powers headed by themselves. Streit and his associates seek, through propaganda, to accomplish the same thing and make us a part of a United States of the World, dominated by England, Russia, China, and whatever other nations may seek to participate in a world redistribution of the wealth of the United States and its people.

Alexander the Great wept because there were no other worlds to conquer. Is not Franklin Delano Roosevelt satisfied with being a third-time President of the United States, an honor which the patriotism of

Washington forbade him to accept? Is he not satisfied with his opportunity of conquering the whole world, far greater than in Alexander's day? Are his spokesmen behind this move to surrender our independence, our national existence; become a part of a United States of the World, and make Franklin Delano Roosevelt the president of that world nation?

Yes; ambition is a cancerous growth and often in the past, as history discloses, has destroyed the one who harbored it. Alexander was ambitious. Caesar was ambitious. Napoleon was ambitious. Hitler was ambitious. But the people who were the playthings of their ambition suffered and died. So, too, if this move to make us a part of a world nation—and a subservient part at that—goes through, will our people suffer, our independence, our Nation die.

It is said that we are the richest Nation in the world. It is undenied that the average citizen of these United States of America enjoys more of everything that goes to make man contented and happy than the people of any other land or nation. And yet these men, like Judas, who betrayed his Master, would, before we are fairly in this war, betray our people; surrender our independence; connive to destroy our liberty and our freedom. They would surrender that for which the war is being fought—our national existence—before the war is fairly begun.

Let them be stripped of their hypocrisy. Let us expose them for what they are—enemies of the Republic, boring from within. They seek to take advantage of our involvement in this war and while the attention of the people is directed to the winning of the war. They would do what the armies of the Confederacy could not accomplish—destroy us as a nation, one and indivisible; make us a part of a United States of the World, where the communistic Russian, who denies the existence of God, where the Chinese, the Hottentot, and the people of India would have equal voice in curtailing the liberties, spending the tax money, of American workers, farmers, and businessmen—a United States of the World where all the peoples of the world would be glorified participants in a WPA, a PWA, a Federal housing program, the triple A—a program to rebuild after the war all the cities, towns, and villages which may be destroyed in that war—and all at the expense of the American taxpayer.

Oh, that Streit and all his associates who are dissatisfied with our Declaration of Independence, with the working of our Constitution, with our country, would only go and take up permanently their residence in some one of the many countries whose system of government they evidently so greatly admire.

Let Streit go and live with the Chinese. Let Ickes go to Russia and live with the Communists, who tell us that religion is a fraud. Let Justice Roberts sojourn a while in India with Gandhi, who is demanding that Britain grant freedom to millions of the oppressed in his native land.

If the administration wants to win this war, let it put aside the ambition of the President's advisers to make him or one of themselves a president of the world. Let this administration get rid of the more than a thousand Communists on the Federal payroll—bloodsuckers seeking to destroy our national existence.

Let the ambitious politicians remember that the first thing, the important thing, is the winning of the war, and that the American people will only devote themselves enthusiastically and wholeheartedly to that purpose as they believe in our own Government, the maintenance of our own freedom and independence.

[January 30, 1942]

A BIRTHDAY GIFT

Mr. HOFFMAN. Mr. Speaker, inasmuch as it is the President's birthday, it may not be out of place to call attention to the fact that a birthday gift has been requested of Congress for the Chief Executive.

The 4th day of July 1776 was the day when our Declaration of Independence was adopted. Here is an organization which undoubtedly has expended considerable sums, which now proposes to celebrate the President's birthday by having Congress adopt a resolution doing away with the Declaration of Independence. I do not know; I have not been able to learn, whether any Member of the House has introduced such a resolution.

I have introduced a resolution—it was introduced yesterday—House Resolution 425—asking for the appointment of a committee to investigate the purpose and ascertain who are the members of these two or three organizations which advocate the surrender of our independence and the sources from which they derive the funds which they are spending.

This movement to surrender our independence and become a part of a world supergovernment has the support of Cabinet Member Ickes, Justice Roberts of the Supreme Court, Federal Union, Inc., Red Christian Fronters, and Communists.

While we are celebrating today the President's birthday we should have this other movement in mind. There are many of us who in the past have bitterly opposed some of the President's political policies. There are some of us who will continue to oppose those domestic policies while giving him support in the effort to win the war. There is none, however, who should in my judgment at least not be able and willing to join in the hope that God will grant him many happier returns of the day. We can all join in the request that God give him wisdom, and strength, and courage to frown upon such efforts as the one which is here suggested.

THE DAY FIXED FOR OUR BETRAYAL

The people will now back this administration in this war effort, they will give wholehearted support to the Army, the Navy, and the Air Force; but how about the future when the people learn that their is in administration circles, or at least entertained by one member of the Cabinet, the purpose to destroy our independence?

The answer to that question depends upon whether they consider the war a just war; a worth-while war; a war to preserve our independence; a war to perpetuate our Nation; a war to protect our freedom and our liberty.

At the present time, our people believe that this war must be won. They are willing, even though it cost billions of dollars, millions of lives; even though it means the lowering of the standard of living for many generations to come in order to meet the tax bills which will follow this war, to make whatever sacrifices may be necessary to win.

But let our people once discover or arrive at the conclusion, sound or unsound, that they are being betrayed; that their sacrifices are in vain; that at the end of the war they will have lost their independence, our constitutional form of government, our existence as a free and independent nation destroyed, and no longer will this administration have their support.

Of our more than 130,000,000 people, those who think believe in some vague way that we today, as our forefathers in the Revolutionary War, as in the days of the Civil War, are not only fighting for the preservation of our Nation, but that, when we win, the freedom of the individual, the independence of the Nation, will be rendered more secure and its permanency insured.

We know that Hitler, Mussolini, and Hirohito, at the heads of their respective nations, are our enemies. They would destroy our national existence. They, according to this administration, would enslave us, destroy what has been described as the American way of life. There are other enemies who would accomplish the same purpose. These others are a greater menace than are Hitler, Mussolini, and Hirohito, for they carry on their battle to destroy us, not directly, not openly, with announced purposes, but in an underhand, treacherous, traitorous way, pretending they would make secure the freedoms and liberties, the national existence, which they seek to destroy.

Using the false plea that we can win the war and after it is over establish permanent peace throughout the world—a desirable objective—Federal Union, Inc., headed by Clarence K. Streit, by the expenditure of thousands of dollars, is carrying on a campaign of propaganda, the purpose of which is, while our attention is distracted by the war, to cause us to surrender our independence and our national existence and become the economic slaves of other world powers.

That organization would inveigle our citizens into a united states of the world where their property, their incomes, would be at the mercy of Old World politicians.

* * * * *

Federal Union, Inc., and World Fellowship, Inc., which has a similar objective, would make the American taxpayer the Santa Claus of the world; the peoples of Europe, Asia, and Africa glorified members of a world WPA. We Americans—workers, farmers, merchants, industrialists, professional men and women, all of us—would furnish the money for the boondoggling and the warring of princes, dukes, kings, and dictators.

We would, in addition, furnish the cannon fodder for the war games which they might play when they grew tired of boondoggling.

Is the foregoing but a creature of the imagination? In full-page ads in newspapers of the East the campaign to do the things just mentioned is being carried on.

Yesterday, January 29, to me, as a Congressman, and no doubt to every other Congressman and to every Senator, from World Fellowship, Inc., came propaganda asking that, as a Member of the House of Representatives, I support a joint resolution which this organization asks be passed on the President's birthday, January 30, 1942, as, I quote, "a present to him, to us, to the world." The word "him" is capitalized. A proposal for a birthday gift which the President should lose no time in condemning.

That resolution proposes, as step 1, among other things:

"That the Congress of the United States of America does hereby solemnly declare that all peoples of the earth should now be united in a commonwealth of nations to be known as the United Nations of the World, and to that end it hereby gives to the President of the United States of America all the needed authority and powers of every kind and description without limitations of any kind that are necessary in his sole and absolute discretion to set up and create the Federation of the World, a world peace government under the title of the United Nations of the World, including its constitution and personnel and all other matters needed or appertaining thereto to the end that all nations of the world may by voluntary action become a part thereof under the same terms and conditions."

If you are an American citizen, willing to make the needed sacrifices to win this war, if you believe in the independence of our Nation, what do you think of this proposed grant of authority to the President of the United States to set up a United Nations of the World? Why should Congress grant to the President of the United States power to create a new world government, United Nations of the World, of which we would be a part?

By what stretch of the imagination can it be assumed that we, the people of the United States, have the right, or, for that matter, the power to set up a world government entitled "United Nations of the World," and to write

and prescribe a constitution and to pick the officers of such a government?

If the President of the United States is not satisfied with the office which he holds, if he and his advisers and supporters or any of the rest of us are not content to live under the Constitution which we have sworn to maintain and uphold, then why does not he, his wife Eleanor, Ickes, Perkins, and the horde of Reds which surround him, and those of us who are not satisfied, emigrate to Russia, or to Germany for that matter—for Hitler has the same idea of uniting all the peoples of the world under his rule—and there establish the world government?

This proposed joint resolution contains this further provision:

"There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of $100,000,000 or so much thereof as may be necessary to be expended by the President in his sole and absolute discretion to effectuate the purposes of this joint resolution."

Consider this language. This organization asks, in this time of war, when every dollar is needed to support the Army, the Navy, and the Air Force, for an appropriation of $100,000,000 to be expended by the President of the United States, without accounting to anyone in any manner, for the purpose of establishing a United Nations of the World.

The resolution contains this further language, immediately following the foregoing:

"And in addition, the sum of $1,000,000,000 for the immediate use of the United Nations of the World under its constitution as set up and created by the President of the United States of America as provided in this joint resolution."

While MacArthur is fighting in the Philippines; while American soldiers and sailors are dying there and in many, many places throughout the world in the belief that they are fighting for the preservation of our Government; for the safety and the independence of the folks at home; for their parents, their brothers, and their sisters, here at home, in America, through the mails of the United States Government comes this propaganda, which would destroy all that these boys have fought and died to save.

The Treasury of the United States is not only empty of funds, but in it are stored obligations which call upon future generations for the payment of billions of dollars in taxes. Yet this organization, these men and women who sponsor it, whose purpose is the surrender of our independence, the destruction of our constitutional form of government, destroy the morale of our fighting men. They sap the courage of our citizens. They create the feeling that this administration, by permitting their efforts to go unrebuked, may be charged with not carrying on a war to preserve the American way of life, to protect our people, to render our Government secure and permanent, but, driven by ambition, seeks to make us a part of a world power.

Let this administration—let the President of the United States—without delay, assure the American people that he wants no part in the creation of a United States of the World—in the formation of a United Nations of the World.

Let him assure us that when this war is won—that when this war is over—our independence as a nation will be sacredly preserved and that we will not become a part of any world political union.

I append hereto, as exhibit A, excerpts from the full-page ad of Federal Union, Inc.; also appended, as exhibit B, are excerpts from World Fellowship, Inc.

Yesterday I introduced a resolution—House Resolution 425—calling for an investigation of this movement. I ask that a copy of that resolution be printed herewith as exhibit C.

Here we are—a nation billions of dollars in debt, needing every resource at our command, not only to carry on a war, as the President said, on every continent and in every sea, but to prepare for our own national defense here at home; and yet come these men and ask that we appropriate $100,000,000 to aid in forming a United Nations of the World, and an added $1,000,000,000 to be expended by that organization when formed.

They ask that we surrender our independence, appropriate $1,100,000,000, and offer it to the President of the United States, Franklin Delano Roosevelt, as his birthday gift on January 30, 1942.

Yes; I wish the President many returns of this birthday of his. I hope that each of those days will bring less for him to worry about; that the morning sun of each of those days will rise upon a world at peace—upon a United States of America still independent—indivisible.

God grant that each of those birthdays of our President and the dawn of many succeeding centuries will see us as a people free, independent, our liberties secure; our National Government, the United States of America, a republic, still the refuge, still the hope of the oppressed throughout the world.

Oh, I ask you, I appeal to the leaders of the House, to the dean of the House as he sits here, because he said he believes in the independence of our country, our institutions, and our form of government, are we going to let pass unchallenged such appeals as these, which have been sent to every Member of the House, undoubtedly, and to every Senator? This same proposition is being advocated by full-page advertising in the great daily newspapers. I ask you, Mr. SABATH, chairman of the Committee on Rules, to give us a rule in support of the resolution which I have introduced, and let us learn who is back of this movement and who is paying for it.

EXHIBIT A

[From the Washington Evening Star of January 5, 1942]

"IN UNION NOW LIES POWER TO WIN THE WAR AND THE PEACE—A PETITION

"That the President of the United States submit to Congress a program for forming a powerful union of free peoples to win the war, the peace, the future;

"That this program unite our people, on the broad lines of our Constitution, with the people of Canada, the United Kingdom, Eire, Australia, New Zealand, and the Union of South Africa, together with such other free peoples, both in the Old World and the New, as may be found ready and able to unite on this Federal basis;

"We welcome President Roosevelt's conferences with Prime Minister Churchill and the 'declaration of united nations.'"

(Churchill is the man who said, "Give us the tools, and we will finish the job," and who, since these remarks were made on the floor of the House and after the fall of Singapore, said, referring to the entry of the United States into the war: "That is what I have dreamed of, aimed at, and worked for, and now it has come to pass.")

Referring to this proposed supergovernment, the advertisement continues:

"Now the responsibility is ours either to create or defer too long that 'common community or state' whose importance Mr. Churchill stressed in the Senate December 26

"Organizing the democracies effectively in a union need take no longer than organizing them in an ineffective alliance or supreme war council, and will safeguard their national rights far more securely and equally. There already exist carefully studied concrete plans for just the kind of emergency union that we need. These plans provide for representation responsible to the people and in proportion to self-governing population. They work out the details and assure the American people a majority in the union congress at the start."

THE SOVIET STATES HAVE A COMMON GOVERNMENT

(Note those who would pull down our flag and run up in its place the symbol of Union. Now graciously tell us that, at the beginning, we are to have a majority vote in this new supergovernment. They fail to tell us that, shortly, outvoted by the more numerous peoples of Russia, the British Empire, and others, we would become but a vassal state.)

"We gain from the fact that all the Soviet republics are already united in one government, as are also all the Chinese-speaking people, once so divided. Surely we and they must agree that union now of the democracies wherever possible is equally to the general advantage."

(Yes, Union Now advocates suggest—in fact, they insist—that we now accept, as full partners and as participants, not only in the carrying on of the war but in our domestic affairs, in our daily lives, Communists of Russia and the people of China.)

"Let us begin now a World United States.

"THIRTY MILLION AMERICANS FAVOR UNION

"Thirty million American adults, according to the December Fortune survey, already believe the United States, 'after the war,' should 'join a union of democracies in all parts of the world to keep order.'

"The surest way to shorten and to win this war is also the surest way to guarantee to ourselves, and our friends and foes, that this war will end in a union of the free. The surest way to do all this is for us to start that union now."

(In other words, surrender our independence; burn the Declaration of Independence and substitute in its place a declaration of interdependence. Pull down the Stars and Stripes and run up the flag of Union Now. That is the plea these men are making.)

The advertisement continues:

"As citizens to our fellow citizens, we recommend this proposal to your serious consideration.

"Robert Woods Bliss, Grenville Clark, Gardner Cowles, Jr., Russell W. Davenport, Harold L. Ickes, Owen J. Roberts, Daniel Calhoun Roper, William Jay Schieffelin, John Foster Dulles.

"Inviting you to help create now a living, growing World United States.

"FEDERAL UNION, INC.,
"10 East Fortieth Street, New York, N. Y.

"(A nonprofit membership association)

"Please put me, an American citizen, on record as favoring your petition for union—now, as explained in your advertisement in the Evening Star, Washington, D. C., January 5, 1942.

"_____ 1942.

"Name_____

"Street_____ City_____

"Check here for an enrollment card , literature , reprints of this advertisement .

"We need funds to carry on this campaign quickly. If everyone who believes in a World United States will give now what he can to help create it, we shall have it soon. Please insert here _____ the amount of any gift you enclose.

"Federal Union, Inc.: A. J. G. Priest, chairman; Clarence K. Streit, president; E. W. Balduf, director; P. F. Brundage, secretary; John Howard Ford, treasurer; Patrick Welch, acting director.

"Philadelphia, Architects Building, Washington, D. C., 726 Jackson Place, Republic 2425. Chicago, 135 La Salle Street. St. Louis,

Arcade Building. San Francisco, Russ Building. Los Angeles, 1717 North Vine Street, Hollywood.

"National headquarters, 10 East Fortieth Street, New York City."

EXHIBIT B

"IN TIME OF WAR PREPARE FOR PEACE—WORLD FELLOWSHIP, INC.

"(Started in 1918—the armistice year)

"To Members of the Senate and the House of Representatives of the United States of America:

"We ask the Members of the Senate and House to take the three steps presented here for your consideration.

"We hope these two joint resolutions will be introduced and passed by Congress on the President's birthday, January 30, 1942. A present to him, to us, to the world.

"STEP I

"To be enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

"Joint resolution authorizing the President of the United States of America to set up and create a Federation of the World, a World Peace Government, under the title of the 'United Nations of the World'

"Now, therefore, be it

"Resolved, etc., That the Congress of the United States of America does hereby solemnly declare that all peoples of the earth should now be united in a commonwealth of nations to be known as the United Nations of the World, and to that end it hereby gives to the President of the United States of America all the needed authority and powers of every kind and description, without limitations of any kind, that are necessary in his sole and absolute discretion to set up and create the Federation of the World, a world peace government under the title of the 'United Nations of the World,' including its constitution and personnel and all other matters needed or appertaining thereto to the end that all nations of the world may by voluntary action become a part thereof under the same terms and conditions.

"There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000, or so much thereof as may be necessary, to be expended by the President, in his sole and absolute discretion, to effectuate the purposes of this joint resolution, and in addition the sum of $1,000,000,000 for the immediate use of the United Nations of the World under its constitution as set up and created by the President of the United States of America as provided in this joint resolution.

"The President may appoint such committees and summon such advisers, from any part of the world, as he may deem necessary to effectuate the foregoing purposes with all convenient speed."

EXHIBIT C

"[H. Res. 425, 77th Cong., 2d sess.]

"Whereas, through full-page advertisements published in many great dailies, Federal Union, Inc., Clarence K. Streit, president, is now advocating the surrender of our national independence and our entrance into a United States of the World; and

"Whereas World Fellowship, Inc., is now propagandizing Congress to appropriate $1,100,000,000 for the purpose of forming a United Nations of the World, which would involve the surrendering of our national independence; and

"Whereas such activities tend to undermine the morale of our people and to raise in their minds a suspicion that there is on foot a powerful movement which, notwithstanding the winning of the war, would, if successful, result in the surrendering of our national independence, the destruction of the liberty of the citizen: Now, therefore, be it

"Resolved, That the Speaker of the House of Representatives be, and he is hereby, authorized to appoint a special committee to be composed of five members for the purpose of conducting an investigation to ascertain—

"(1) The extent, character, and objectives of Federal Union, Inc.; of World Fellowship, Inc.; and of any and all similar organizations, and the members of such organizations in the United States;

"(2) The sources from which such organizations and individuals receive the funds which enable them to carry on their activities; the amount and the date of contributions made for that purpose; and the names, places of residence, and occupation of the persons contributing; and

"(3) All other questions in relation thereto that would aid Congress in any advisable remedial legislation.

"That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony, as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192).

"SEC. 2. The committee shall file its report to the House on October 31, 1942, or may file same earlier in the event the House is not in session, with the Speaker of the House for printing as a public document."

Mr. HOFFMAN of Michigan. Because that talk—those two talks—were made on the floor of the House, through the influence of the Washington Post and others, I was haled down before the grand jury four times, and what did they want to know? I cite that because although you may not think that situation relevant—the things that happened at that time—they are relevant for the reason that at the present time a committee of this House is following a course, unwittingly—now, note that, I believe unwittingly, not realizing what is happening—is following a course where it is being used by Communists or those favorable to and sympathetic with Communists, being used to smear Members of this House. Just as the Post, some New Dealers, caused some to be smeared then. That I will come to and substantiate in a few moments.

I was called down before this grand jury. The attorney in charge of it was afterward convicted of disorderly conduct in the streets of Washington and the Supreme Court in one case and the lower Federal Court in two cases condemned him for his unethical procedure in other cases. I asked, "What is wrong in the talks I made?" There was no criticism of the talks. That is, there was nothing illegal and nothing improper about them. They were justifiable criticisms from my standpoint. The answer was, "We are not objecting to what you said, we are objecting to your receiving money or the Public Printer receiving money in payment for printing these speeches and letting them be sent out."

I waived any congressional immunity that I had. I was not required to talk to them or tell them anything, but I went down every time I was asked, as did my secretary, and she went six times, and I gave them a list of the people who had asked for these speeches and I gave them a statement of every dollar that had ever been paid—not to me but to the Public Printer for reprinting these speeches—and I told them how many were sent out, to whom sent, and gave them the whole history of the thing.

And yet I was branded as being unpatriotic and as being disloyal. A statement was so published in a Detroit paper, and I was forced to sue that paper for libel and make them publicly retract that statement, which they did just before my reelection came up. I was grateful for the timing that they gave that.

That is the same kind of thing that is happening now. Why do I say that? I say that for this reason. The gentleman from Wisconsin [Mr. BIEMILLER]—I do not recall whether the gentleman from Texas [Mr. PATMAN] repeated the statement—criticized the Constitutional Educational League and the other—the Committee for Constitutional Government—because of their views. That was justifiable from his standpoint.

But, in my humble judgment, he is completely mistaken in opposing the views of those organizations, unless it be that he does not believe in our form of government, and that alternative I just cannot accept.

But what I am asking the Members of the House is this: Just why—just why should every Member who disagrees with the gentleman from Wisconsin in his political philosophy be criticized because he inserts in the RECORD something that one of these organizations has printed or put out and then permits that organization or anyone else to contribute to the payment of the bill of the Public Printer? Has he ever complained about what the CIO—the PAC sent out or induced Congressmen to send out?

What is this Committee on Lobbying doing? Their representative went down to the folding room. Two Democratic Members of the House and three Republicans called me yesterday and said, "Do you know what they are trying to do to you?" I said, "No." Then I said, "What are they doing?" and I was told that a staff member of this committee was inquiring as to what speeches I had sent out, how many had been sent out and who paid for the printing of the speeches.

If I did something wrong, I want to say to the Members of the House, the chances are, although there may be a mistake sometime, but the chances are I know what I am doing and I will have to take the consequences.

I am saying here and now that, in sending out speeches, I have violated neither the spirit nor the letter of the law as to the use of the frank. Nor do I propose to remain silent just because some

New Dealer, some Red or Pink or Communist, does not agree with my political philosophy.

Now this gentleman went down to the folding room and inquired as to what the gentleman from Illinois [Mr. MASON]—and I see some of them before me—had been sending out. They inquired what the gentleman from New York [Mr. GWINN] had been sending out; and they inquired what the gentleman from Pennsylvania [Mr. RICH] had been sending out.

Mr. RICH. Who? Me?

Mr. HOFFMAN of Michigan. Oh, that is not an invitation, Bob; but all right, go ahead.

Mr. RICH. Well, I am like you are. I do not care what they say about me. That is like pouring water on a duck's back.

Mr. HOFFMAN of Michigan. That I well know you are a gentleman of courage as well as of convictions. They wanted to know what the gentleman from California [Mr. JACKSON] had sent out.

Now, do you see what they did? They picked on Members of the House who they thought were easily intimidated and could easily be frightened. That is what they did.

Of course, I cannot speak for the other gentlemen, but here is what happened in my own case. That fellow did not need to go down to the folding room. I wish the Committee on Lobbying would tell us his background, his true name and whether he is traveling under an alias.

If he had wanted to learn what I sent out and what it cost and where it went, I would have told him.

I made a talk on the floor, Frame-up in Steel, expressing my views of the Presidential Fact-Finding Board. That speech was reprinted. Three reprints of that, one with illustrations and two without, were made. One was by one of these constitutional organizations. They asked my permission, and being a sort of a shrinking violet and not caring too much for publicity, I told them, "Yes, you can print some of them if you want, but not too many." They did.

I think the speech was a good one. I made it. I am proud of it. The reprint was a good job and I received many complimentary letters.

It was a speech which demonstrated—at least I think so—the futility of getting justice through a partisan so-called fact-finding board.

They printed them. They paid for them. They sent them out and they paid the postage on them. What of it? Whose business is it but mine and theirs and the fellows who contributed the money to that organization?

Then, the other organization had them printed in two forms and they sent them out. Some of them I sent out under my frank. Sure. What is wrong about that? It is just like it was in that old case against the seditionists. As I said to the attorney, William Power Maloney, "It is none of your business what I send out, if there is nothing improper in that particular talk or essay, whichever you may call it." Just so I obey the law, and I did, and I do, and I expect to continue to do so. So, in these recent instances, I do not see that there is anything wrong.

Now, what happened? This organization sent down here—I have forgotten how much it was, I think it was $400 to pay for one of these reprints, but they did not send enough by $114. I paid that $114.

I want to say right now, if there is anybody in America who wants to send me a dollar, some Methodist Church—and some Methodist Churches did pay for Don't Haul Down the Stars and Stripes—and some school boards—if there is anyone or any other religious group who wants to send me a dollar or ten dollars or a hundred dollars or five thousand dollars or even ten thousand dollars, I will be very happy to use it to send out documents which I think will induce our people to repudiate the Fair Deal and the New Deal and elect a President and Congressmen—I do not refer to all the Members of the House; I would not want them all defeated, by any means, because there are a lot of good Americans here—to send to Congress individuals who will uphold our Government and get back on a sound basis, if that is possible.

I have just as much right to speak for and send out speeches in favor of the maintenance of our independence, the retention of our sovereignty, objections to joining an international organization, as have those who have contributed millions of dollars to involve us in entanglements with foreign nations.

Another argument was put out by the league—I think two of them, in fact—and I asked permission to put them in the RECORD, and they paid to send them out. Now, what is wrong about that?

Oh, it is all right so they say for Mr. Ewing, with Government money, in violation of a statute—and I heard him testify that it was his duty as well as his right—to go out and lecture and propagandize for policies and plans which he advocated, although there is a statute on that; there is no reason on earth, legal or ethical, or moral, why a Congressman should not—in fact it is his duty to send out material which he believes will lead the people to a better government, to national security, and to the avoidance of war.

These departments draw no line. They send out tons and tons of propaganda material. I think some of the members of the Committee on Lobbying would be interested—I see the gentleman from Georgia [Mr. LANHAM] and I see the gentleman from Oklahoma [Mr. ALBERT]—I think they will be interested in knowing that if they uphold the activities of those individuals who are inquiring about Congressmen sending out this material, they will be surprised to know that one of their investigators campaigned all through the last election in Pennsylvania in favor of FEPC. Apparently he is receiving the support of the members of the committee.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. COX. If the group to which the gentleman refers pursues the campaign of snooping on its fellow-members that it has actually initiated, I shall ask the privilege of taking the floor of this House and denouncing the activity and the group in such terms as will admit of no doubt as to the scorn and contempt that I have for such activity.

Mr. HOFFMAN of Michigan. Mr. Speaker, at this point I ask permission to insert, following the remarks of the gentleman from Georgia, an article from National Affairs, page 11, under date of June 10, which purports to be a statement made by the gentleman from Georgia.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HOFFMAN of Michigan. That statement is as follows:

IGNORE LOBBYING QUIZ, COX URGES

Officials of 166 corporations have been urged by Representative COX, Democrat, of Georgia, to ignore a request by Chairman BUCHANAN, of the House Select Committee on Lobbying, for a wide variety of information regarding their activities since January 1, 1947.

Here is the full text of a statement Representative COX released to the press on June 2:

"If the demand made upon 166 leading business concerns of the country June 1 by the chairman of the House Select Committee on Lobbying Activities and his staff is not immediately withdrawn, I shall offer a resolution to abolish the committee and insist upon its adoption.

"People upon whom this demand has been served should ignore it in its entirety, as it is but an outrageous and scandalous assumption of power which the committee has no right to exercise. It is not only an abuse of legislative power but is a serious reflection upon the House. If the order had been made by Earl Browder it could not have been a meaner attack upon business and our whole system of private enterprise."

Much confusion has resulted from the three-page letter-questionnaire which Mr. BUCHANAN sent out. It requested that the information be returned to the committee not later than June 15.

The House Select Committee on Lobbying was authorized and directed to conduct a study and investigation of "(1) all lobbying activities intended to influence, encourage, promote, or retard legislation; (2) all activities of agencies of the Federal Government intended to influence, encourage, promote, or retard legislation."

Notwithstanding this rather specific and, to some extent, limited area of investigation, the committee questionnaire seeks information which, for the most part, is unrelated to the purpose for which the committee was established.

For example, the committee seeks complete and detailed information with regard to every trip to or from Washington for which the listed companies have paid expenses, whether or not such trip was related in any way to legislative matters.

The committee also requests detailed information with regard to the maintenance of Washington offices, even though it is recognized that such offices, more frequently than not, serve functions of a nonlegislative character such as sales and service establishments, obtaining and giving information with regard to Government business, etc.

Expenditures for printed or duplicated matter, together with copies of such material, are requested as well as expenditures for advertising services. The committee in addition would like to know about expenditures, if any, in connection with a list of eight specified organizations.

Also included is a request for information about contributions made to organizations

exempt from taxation under section 101 of the Internal Revenue Code, and with respect to amounts deducted from gross income as having been paid to charitable organizations or business leagues as a trade or business expense.

The committee did not send the questionnaire to labor unions also, and thus far has made no pretense of investigating lobbying activities on the part of employees in various agencies of the Federal Government. The latter, in particular, has been the subject of general condemnation in both Chambers of Congress whenever the subject of lobbying has been discussed.

As of the present time, there is no indication that the committee will try to enforce replies to this questionnaire with the use of its subpena power or even that it would be successful in the event it should try. Any subpena which might be issued would have to be directed more specifically to the precise information sought.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield for an inquiry from either the gentleman from Michigan or the gentleman from Georgia?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. If I correctly understand the allusions, I think certain references are being made to the Special House Committee on the Investigation of Lobbying Activities. Am I correct in that assumption?

Mr. HOFFMAN of Michigan. I have been referring to that committee created under House Resolution 298.

Mr. BROWN of Ohio. I would, then, like for the gentleman to give me one moment to make this statement? I am a minority member of that committee. The minority members of the committee have not been informed as to the activities of the committee. We have not been advised, and as of the moment I do not know, who the members of the staff of the committee are. We were not advised that certain subpenas were issued. We had protested, and I personally protested, against the carrying of blank subpenas around over the country and going into the various organizations without the knowledge and consent of the committee.

I want to assure the gentleman and the House that as far as I am concerned I have never been a party to such tactics. In the hearings last week I had to demand, and demand, and demand the right as a minority member of that committee even to see copies of the subpenas that had been issued in the name of the committee, in my opinion, without any right under the law; and I had quite a great deal of difficulty even to maintain the right of the minority to ask a question in that committee. I have protested against it and I make the statement—it is a matter of public record and I want to make it a matter of public record again here that I was amazed and ashamed at the tactics that had been followed by that committee and by men to my knowledge who are not employees of the Federal Government who are out representing the committee. So I want to absolve myself of any responsibility for that which has gone on and to advise the gentleman and the House that I have protested, and that if such tactics continue I expect to make a speech on the floor of the House covering the entire matter.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. COX. I should like to make this observation for the benefit of the 166 reputable business concerns throughout the country who received a subpena issued by the committee in question requiring them to furnish information wholly irrelevant to the investigation authorized to be made, and I want to confirm what the gentleman has already said, that the proceedings before this committee where reputable citizens of this country were subjected to the third degree and a hijacking operation under subpenas that were wholly invalid, that had been issued by the chairman of the committee without any authorization whatever having been given him by the committee were outrageous. And I make this dare, I challenge this committee to cite any one of the gentlemen who appeared before them, and who failed to give completely responsive answers to the questions propounded to them. I challenge them to cite any one of them for contempt.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. Just a minute; I want to reply to the gentleman from Georgia.

Mr. COX. It was an outrageous operation.

The SPEAKER. Does the gentleman from Michigan yield to a member of the committee? The Chair is going to be forced to interrupt; the Chair is going to cut this kind of debate off under a question of personal privilege.

Mr. HOFFMAN of Michigan. Under that ruling I will have to yield to the gentleman from Georgia. I believe, however, I am discussing this question of personal privilege in a proper manner.

The SPEAKER. The gentleman is exceeding the discussion of the question of personal privilege.

Mr. HOFFMAN of Michigan. With that statement I do not agree. Under the circumstances I am forced to yield now. Not later as I intended.

Mr. LANHAM. I just wanted to correct the gentleman from Georgia [Mr. COX], whom I esteem very highly. He made a misstatement which I am sure he did not intend when he said that 166 businessmen were sent subpenas. I am sure he did not mean to indicate that. They were sent a letter asking for certain information; it was not a subpena.

Mr. COX. Such subpenas were issued to certain individuals calling for like information; and the individuals were subjected to the most awful abuse and mistreatment I have ever seen accorded any citizen in any court of law or before any committee of this Congress. The record will support what I have said. When I saw the subpena or questionnaires it aroused suspicions in my mind and I went over to the committee room on Tuesday to observe what was going on. I came away with a feeling of justification for the suspicions that I had.

Mr. LANHAM. Mr. Speaker, will the gentleman yield further?

Mr. HOFFMAN of Michigan. May I say to the gentleman from Georgia [Mr. LANHAM], to correct any misunderstanding, that I will ask unanimous consent at this time to insert the letter which went out, together with the paper which is attached, calling upon the corporations and the answer made by one corporation.

Mr. COX. I want to make one further observation.

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, if the gentleman inserts in the RECORD this particular document, I wish he would also include a list of the corporations covered so that we may see the ones included and the ones that have been left out.

Mr. HOFFMAN of Michigan. That is part of my exhibit.

Mr. COX. The gentleman might also include a statement showing who the counsel of this committee happens to be and give something of his background.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. The press release, the letter from the chairman of the committee, the gentleman from Pennsylvania [Mr. BUCHANAN], together with the list of the corporations to whom the letter was sent, are as follows:

[Press release of the House Select Committee on Lobbying Activities]

Chairman FRANK BUCHANAN, Democrat, Pennsylvania, of the House Select Committee on Lobbying Activities, announced today that 166 business corporations have been asked to provide itemized accounts of expenditures since January 1, 1947, designed to influence policy or public opinion on national issues.

In a letter sent yesterday to the president of each of the firms, BUCHANAN requested detailed breakdowns on such items as the cost of maintaining Washington offices, travel to and from Washington, printed material and advertising dealing with public issues which might be the subject of Federal legislative action, contributions to organizations which may promote national legislative objectives, and any other payments for attempts to influence, directly or indirectly, passage or defeat of legislation by Congress.

BUCHANAN'S committee has been ordered to investigate all lobbying activities intended to influence, encourage, promote, or retard legislation.

The chairman said the questionnaire to business firms should provide reliable information as a guide to us in determining whether the Federal Regulation of Lobbying Act needs improvement.

JUNE 5, 1950.

Hon. FRANK BUCHANAN,
Member of Congress,
House Office Building,
Washington, D. C.:

In an obvious attempt to use intimidation in limiting the exercise of the right of free speech by millions of citizens in opposing or supporting proposed legislation, you have demanded an entirely unreasonable volume of information to be furnished to you within a 10-day period. This telegram is to express deepest resentment and indignation at this brazen attempt at thought-control and freedom of expression on behalf of the citizens of whom you are the servant and not the master. The savings of millions of citizens

are invested in institutions whose properties are devoted to furnishing products and services vitally important in the daily lives of the people, from one end of the country to the other. The gravest and most serious threat to these vital service institutions today arises from actions and proposed actions by Government. The dangerous and destructive instruments of governmental power represented by abuse of money and public credit, taxation, and other controls which affect all the economic activities of all the citizens, can only be curbed through the power of public opinion operating through democratic processes. Those who seek to extend power of Government try to close the mouths of citizens who dare to oppose or to inform public opinion on the dangers involved, and one of the most effective means of accomplishing this subversive objective is to intimidate, through harassing investigations and smearing innuendos, the efforts of citizens to defend themselves. Your inquisitorial and extremely burdensome demand for information which you have no moral right to demand is a most alarming example of the use of this means of intimidation.

We cannot now say definitely whether it is humanly possible to furnish, within the time limit, the extremely detailed information as to all printed material, advertising, public statements, talks and conversations, business trips, expenditures or expenses which might have had some direct or indirect effect upon the world-wide field covered by the Federal legislation of today. But we can at once give you our reaction to the enormity of the tyranny implied in your demand, and this wire is sent for that purpose. We are sending copies to others interested, including our 90,000 stockholders, for the purpose of informing them of how public servants are now becoming masters, and in the hope that the indignation which we feel, and have attempted inadequately herein to express, will be aroused in others who will likewise feel disposed to let you hear from them.

Finally, it is suggested that those responsible for this bold attempt to suppress freedom of speech and of the press should review their early American history and learn therefrom what caused the revolt in which this Nation was born.

Respectfully,

W. C. MULLENDORE,
President, Southern California Edison Co.

CONGRESS OF THE UNITED STATES,
HOUSE SELECT COMMITTEE
ON LOBBYING ACTIVITIES,
May 31, 1950.

GENTLEMEN: You are requested to furnish this committee with the following information for the period from January 1, 1947, to date, in order to assist the committee in its investigation being carried out pursuant to House Resolution 298, Eighty-first Congress.

(a) Travel expenses: As to each trip to or from Washington, D. C., which your organization has paid for any person, please supply details in tabulated form under the headings: Date of trip, total expenses paid by your organization, name of person making trip, title of office of person making trip, purpose of trip.

(b) Maintenance of Washington office: Please supply details in tabulated form under the headings: Year, total cost, purpose of office.

Total cost should include salaries paid, rent, telephone and telegraph, office supplies, etc. It is realized, of course, that such offices sometimes serve functions of a nonlegislative nature.

(c) Expenditures for printed or duplicated matter: As to each expenditure by your organization for printed or duplicated matter dealing with public issues which might be the subject of Federal legislative action, please supply details in tabulated form under the headings: Date, cost of such printed or duplicated matter, cost of distribution, title of printed or duplicated matter, process used (mimeographed, multigraphed, printed, etc.), brief description, number of copies issued, source of printed or duplicated matter, disposition of such copies.

Forward copies of such matter where available.

The committee specifically desires you to include all expenditures in connection with the following organizations:

1. American Enterprise Association.
2. America's Future, Inc.
3. Committee for Constitutional Government, Inc.
4. Constitutional Educational League.
5. Constitution and Free Enterprise Foundation.
6. Economists National Committee for Monetary Policy.
7. Foundation for Economic Education.
8. Public Affairs Institute.

(d) Expenditures for advertising services: As to each newspaper or other periodical advertisement (dealing with public issues which might be the subject of Federal legislative action) paid for or whose insertion was arranged by your organization, please supply details in tabulated form under the headings: Date, cost of insertion, brief description of matter, where published.

Forward copies of such advertisements where available.

(e) Contributions: As to each contribution made by your organization: (i) To any organization which, to your knowledge, was exempt from taxation under subdivisions (6) or (7) of section 101 of the Internal Revenue Code; or (ii) Which was deducted by your organization from gross income under section 23 (q) of the Internal Revenue Code (charitable or other contributions by corporations); or (iii) Which was deducted by your organization from gross income under section 23 (a) of the Internal Revenue Code (trade and business expenses), and was made to an organization which prepares and/or distributes books, pamphlets, or other printed or duplicated matter dealing with public issues, please supply details in tabulated form under the headings: Date, amount, recipient (give name and address—address need not be listed more than once), category (add the code description (i), (ii), or (iii), or the applicable combination, depending on which of the above-listed categories encompasses the contribution).

(f) Expenditures in connection with legislative interests: As to each expenditure by your organization relating to any attempt to influence, directly or indirectly, the passage or defeat of any Federal legislation (and not elsewhere listed in this reply), please list details in tabulated form under the heading: Date or dates, amount, name and address of recipient, purpose. Expenditures in connection with testimony before congressional committees should be included here.

It is requested that the reply to each subdivision of this letter be started on a separate sheet of paper. The response to each subdivision should be submitted as completed, rather than waiting until the entire reply is prepared. It is requested that this information be submitted to the committee not later than June 15, 1950. Each reply letter should identify the person responsible for the accuracy of the statements contained therein. Immediate acknowledgment of receipt of this letter is requested.

Very truly yours,

FRANK BUCHANAN,
Chairman.

CORPORATIONS RECEIVING THE ATTACHED LETTER

Allied Chemical & Dye Corp, New York, N. Y.; Allis-Chalmers Manufacturing Co., Milwaukee, Wis.; Aluminum Co. of America, Pittsburgh, Pa.; American Automobile Insurance Co., St. Louis, Mo.; American Can Co., New York, N. Y.; American & Foreign Power Co., Inc., New York, N. Y.; American Gas & Electric Corp., New York, N. Y.; American Power & Light Co., New York, N. Y.; American Telephone & Telegraph Co., New York, N. Y.; American Tobacco Co., New York, N. Y.; American Viscose Corp., Philadelphia, Pa.; Anaconda Copper Mining Co., New York, N. Y.; Armco Steel Corp., Middletown, Ohio; Armour Co., Chicago, Ill.; Armstrong Cork Co., Lancaster, Pa.; Association of Casualty & Surety Cos., Manhattan, N. Y.; Atchison, Topeka & Santa Fe Railway Co., Chicago, Ill.

Baltimore & Ohio Railroad Co., Baltimore, Md.; Beech Aircraft Corp., Wichita, Kans.; Belden Manufacturing Co., Chicago, Ill.; Bethlehem Steel Corp., New York, N. Y.; Borden Co., New York, N. Y.; Burroughs Adding Machine Co., Detroit, Mich.

Carolina Power & Light Co., North Carolina, Raleigh, N. C.; Celanese Corp. of America, New York, N. Y.; Central Power & Light Co. (Texas), Corpus Christi, Tex.; Champion Spark Plug Co., Toledo, Ohio; Chesapeake & Ohio Railway Co., Cleveland, Ohio; Chrysler Corp., Detroit, Mich.; Cities Service Co., New York, N. Y.; Cleveland Electric Illuminating Co., Cleveland, Ohio; Coca-Cola Co., New York, N. Y.; Columbia Gas & Electric Corp., name change: Columbia Gas System, New York, N. Y.; Columbus & Southern Ohio Electric Co., Columbus, Ohio; Commonwealth Edison Co., Chicago, Ill.; Commonwealth & Southern Corp., Wilmington, Del.; Connecticut Light & Power Co., Hartford, Conn.; Consolidated Edison Co. of New York, Inc., New York, N. Y.; Consumers Power Co. (Michigan), Jackson, Mich.; Continental Can Co., Inc., New York, N. Y.; Curtiss-Wright Corp., Wood-Ridge, N. J.

Deere & Co., Moline, Ill.; Delaware Power & Light Co., Wilmington, Del.; Detroit Edison Co. (Michigan), Detroit, Mich., and New York, N. Y.; Distillers Corp.-Seagrams, Ltd., Montreal, Canada; Dow Chemical Co., Midland, Mich.; E. I. du Pont de Nemours & Co., Wilmington, Del.

Eastman Kodak Co., Rochester, N. Y.; Electric Power & Light Corp., New York, N. Y.; Empire Gas & Fuel Co., Ltd., Wellsville, N. Y.; Empire State, Inc., New York, N. Y.; Erie Railroad Co., Cleveland, Ohio.

Firestone Tire & Rubber Co., Akron, Ohio; Florida Power & Light Co., Miami, Fla.; Ford Motor Co., Dearborn, Mich.; Fruehauf Trailer Co., Detroit, Mich.

General Electric Co., Schenectady, N. Y.; General Motors Corp., Detroit, Mich.; Georgia Power Co., Atlanta, Ga.; B. F. Goodrich Co., Akron, Ohio; Goodyear Tire & Rubber Co., Akron, Ohio; Great Northern Railway Co., St. Paul, Minn.; Gulf Oil Corp., Pittsburgh, Pa.

Harnischfeger Corp., Milwaukee, Wis.; Humble Oil & Refining Co., Houston, Tex.

Illinois Central Railroad Co., Chicago, Ill.; Indianapolis Power & Light Co., Indianapolis, Ind.; Inland Steel Co., Chicago, Ill.; International Elevator Co., New York, N. Y.; International Harvester Co., Chicago, Ill.; International Hydro-Electric System, Boston, Mass.; International Nickel Co., Inc., New York, N. Y.; International Paper Co., New York, N. Y.; International Telephone & Telegraph Co., New York, N. Y.

Jersey Central Power & Light Co., Asbury Park, N. J.; Johns-Manville, New York, N. Y.; Jones & Laughlin Steel Corp., Pittsburgh, Pa.

Kennecott Copper Corp., New York, N. Y.; Kentucky Utilities Co., Inc., Lexington, Ky.; Kohlberg, Alfred, Inc., New York, N. Y.; Kresge, S. H., Detroit, Mich.

Libby-Owens Ford Glass Co., Toledo, Ohio; Liggett & Myers Tobacco Co., St. Louis, Mo.; Eli, Lily & Co., Indianapolis, Ind.; Lone Star Cement Corp., New York, N. Y.; Lone Star Gas Co., Dallas, Tex.

Manufacturers Mutual Fire Insurance Co., Manhattan, New York; Marshall-Wells Co., Duluth, Minn.; Mellon National Bank & Trust Co., Pittsburgh, Pa.; The Middle West Corp., Wilmington, Del.; Monongahela Power Co., Fairmont, W. Va.; Monsanto Chemical Co., St. Louis, Mo.; Montana Power Co.; Butte, Mont.; Montgomery Ward Co., Chicago, Ill.; Mountain States Power Co., Albany, Oreg.

Nash-Kelvinator Corp., Detroit, Mich.; National Dairy Products Corp., New York, N. Y.; National Distillers Products Corp., Richmond, Va.; National Steel Corp., Wilmington, Del.; New York Airbrake Co., New York, N. Y.; National Power & Light Co., New York, N. Y.; New York Central Railroad Co., New York, N. Y.; Niagara Hudson Power Corp., Syracuse, N. Y.; Norfolk & Western Railway Co., Roanoke, Va.; North American Co., New York, N. Y.; Northern Indiana Public Service Co., Hammond, Ind.; Northern Pacific Railway Co., St. Paul, Minn.

Ohio Edison Co., Akron, Ohio; Owens Illinois Glass Co., Toledo, Ohio.

Pacific Gas & Electric Co., San Francisco, Calif.; Pacific Power & Light Co., Portland, Oreg.; Pacific Telephone & Telegraph Co., San Francisco, Calif.; Pennsylvania Electric Co., Johnstown, Pa.; Pennsylvania Power & Light Co., Allentown, Pa.; Pennsylvania Railroad Co., Philadelphia, Pa.; Philadelphia Electric Co., Philadephia, Pa.; Pittsburgh Plate Glass Co., Pittsburgh, Pa.; Potomac Electric Power Co., Washington, D. C.; Proctor & Gamble Co., Cincinnati, Ohio; Public Service Co. of Colorado, Denver, Colo.; Public Service Co. of Indiana, Inc., Indianapolis, Ind.; Public Service Co. of New Hampshire, Manchester, N. H.; Public Service Corp. of New Jersey (Public Service Electric & Gas Co.), Newark, N. J.; Public Service Co. of Oklahoma, Tulsa, Okla.; Public Service Electric & Gas Co., Newark, N. J.; Puget Sound Power & Light Co., Seattle, Wash.; Pullman, Inc., Wilmington, Del.

Radio Corp. of America, New York, N. Y.; The Reading Co., Philadelphia, Pa.; Republic Steel Corp., Cleveland, Ohio; R. J. Reynolds Tobacco Co., Winston-Salem, N. C.; Rochester Gas & Electric Corp., Rochester, N. Y.

San Diego Gas & Electric Co., San Diego, Calif.; Schenley Distillers Corp., New York, N. Y.; Sears, Roebuck & Co., Chicago, Ill.; Shell Oil Corp., New York, N. Y.; Singer Manufacturing Co., Elizabeth, N. J.; Socony-Vacuum Oil Co., Inc., New York, N. Y.; Southern Calif. Edison Co., Ltd., Los Angeles, Calif.; Southern Pacific Co., San Francisco, Calif.; Southern Railway Co., Washington, D. C.; Southwestern Gas & Electric Co., Sheveport, La.; Standard Oil Co. of Calif., San Francisco, Calif.; Standard Oil Co. (Ind.), Chicago, Ill.; Standard Oil Co. (New Jersey), New York, N. Y.; Sun Oil Co., Philadelphia, Pa.; Swift & Co., Chicago, Ill.; Standard Gas & Electric Co., New York, N. Y.

The Texas Co., New York, N. Y.; Texas Electric Service Co., Fort Worth, Tex.

Union Carbide & Carbon Corp., New York, N. Y.; Union Electric Co. of Missouri, St. Louis, Mo.; Union Pacific Railroad Co., New York, N. Y.; United Gas Improvement Co., Philadelphia, Pa.; United States Gypsum Co., Chicago, Ill.; United States Rubber Co., New York, N. Y.; United States Steel Corp., New York, N. Y.; Utah Power & Light Co., Salt Lake City, Utah.

Virginia Electric & Power Co., Richmond, Va.

The Washington Water Power Co., Spokane, Wash.; Western Electric Co., Inc., New York, N. Y.; Western Massachusetts Electric Co., Greenfield, Mass.; Westinghouse Electric Corp., Pittsburgh, Pa.; Wisconsin Electric Power Co., Milwaukee, Wis.; Wisconsin Power & Light Co., Madison, Wis.

Youngstown Sheet & Tube Co., Youngstown, Ohio.

The foregoing is a most remarkable list—remarkable because of the omission of the names of certain individuals, organizations, and corporations which over the years have been carrying on and spending—my estimate would be—millions of dollars—in lobbying, in propagandizing, for New Dealism, socialism, and internationalism.

Yes, a letter of this kind, although it probably would not have been answered, might have been sent to the United Nations or to some of the representatives of communism. One might even have been sent to the Daily Worker, if the committee's staff had been interested.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Georgia.

Mr. LANHAM. I regret very much that this matter has come up in the House when the chairman of the committee, the gentleman from Pennsylvania [Mr. BUCHANAN], is not here. I have the utmost confidence in the gentleman from Pennsylvania [Mr. BUCHANAN], and I am sure if any Member will read the testimony that has been taken in all of these hearings he will find that the chairman has leaned over backward to try to be fair to all groups and to all witnesses who have come before that committee.

Mr. COX. Is that the gentleman's appraisal of the conduct of the chairman before the committee on Tuesday last?

Mr. LANHAM. It is.

Mr. COX. Is that the appraisal of the gentleman of his own conduct?

Mr. LANHAM. Yes, and I have no apology to offer for what I said or did.

Mr. COX. What happened at that time was a reflection upon this House.

Mr. LANHAM. Mr. Speaker, I think I have a right to proceed for a brief time in answer to this tirade that has come upon this committee.

It is pretty difficult to walk down the middle of the road. Whenever you do, you get brickbats from both sides. This committee set out to try to make an objective investigation of lobbying. We have maintained that attitude throughout to the disgust of the newspapers, I am afraid, who expected a lot of headlines.

I want to pay tribute to the members of the minority side of this committee who have gone along with this investigation. There was very little difference of opinion about the way the hearings were being conducted until these three organizations were subpenaed to bring their records before the committee. We made no effort to criticize any one of these gentlemen for their views, but we do believe that a congressional committee has a right to have its subpena duces tecum obeyed. What occurred in the hearing the other day when these three gentlemen were present was entirely in order and if any person will read the hearings I am sure they will agree with me about that.

On this question of snooping on Congressmen, there was testimony before the committee that seven carloads of mail was sent out under the frank of one Member of Congress.

Mr. BROWN of Ohio. Will the gentleman give the source of that testimony?

Mr. LANHAM. Yes. I do not mind giving it. I think it was Mr. Goodman of the CIO. It does not make any difference where it came from. One member of the committee, who is not present today, asked, as I understand, that the staff investigate this matter to see whether or not that statement is true.

I have no criticism of any Member of Congress who exercises his right of the franking privilege and this committee has no criticism of any Member of Congress even if he has mailed out seven carloads of this propaganda under his frank. I do not know whether it is true or not, but this member of the committee, the gentleman from California [Mr. DOYLE], as I understand it, asked the staff to see whether that was true. Now, if the staff has been asked to investigate any other Member of Congress, or the mail that he sends out, I know nothing of it at all.

Mr. HOFFMAN of Michigan. I want to say to the gentleman from Georgia and to every other Member of the House that I am not criticizing the members of this committee. I think some member of its staff has put one over on it for an ulterior purpose of his own.

Mr. LANHAM. I do not know then what criticism is, if this is not criticism of the members of this committee.

Mr. HOFFMAN of Michigan. It is not. I am criticizing whoever was responsible. I have an idea that the gentleman from Georgia [Mr. LANHAM], who is now speaking, does not have the slightest inkling of the background of all the members of the staff.

Mr. LANHAM. That is true.

Mr. HOFFMAN of Michigan. Yes, that is true. There you are. My assertion is, and it is made in all kindness because I have been a victim of some of these things myself, that that committee is being used at the present time for an assault on all those who advocate constitutional government.

Mr. LANHAM. That is not true.

Mr. HOFFMAN of Michigan. Well, that is a matter of opinion. The facts as they come out will settle that issue.

Mr. LANHAM. That is not true, I am sure.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. BROWN of Ohio. I asked the gentleman to yield simply to make it very clear that the minority members of the committee were not consulted in anyway about the questionnaire sent to the 166 business concerns; knew nothing of it until the newspapermen brought it to us. They were not consulted in any way in connection with the so-called investigation of Members of the House as to the use of the franking privilege. We were not consulted or notified or informed as to the various questions that were asked of various organizations over the country as to Members of Congress and individual Members of Congress, and were rather very much surprised and shocked at the slanted, one-sided way in which this entire thing has been handled.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Indiana.

Mr. HALLECK. I think, in fairness, it ought to be pointed out that as far as the questionnaire is concerned, my information is that the majority members as well as the minority members of the committee, other than the chairman, did not know of the fact that the questionnaire was being mailed out. The committee never acted on it.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. MASON. I am one of the Members of this House that was accused before this committee by a CIO representative of having sent out a carload or so of franked mail. Actually, 100,000 speeches were sent out. I appeared before the committee and I made the statement and I make it now, because I want every Member of this House to know it, that no material of any kind has ever been sent out under my frank that was not my own words and my own speeches. I have leaned over backward in the 14 years that I have been a Member of this House not to violate and not to disobey any of the rules of this House. I did make a speech on the floor of this House last January—and I have it in my hands—entitled "The Judicial Usurpation in the Cement Case." And if I do say it myself, it received very wide publicity. I had 5,000 copies of the speech printed to send to the members of the cement-workers union in my district to show them that I was protecting, as much as I could, their interest, and because the speech received wide publicity I was asked by one of these organizations if I would have any opposition to their sending out that speech. I said, "No; you pay for it. I cannot afford it. You pay for it and send it out." And they did. The speech was an analysis of the Supreme Court decision overruling a 50-year custom which affected all heavy industry all over the country, and in view of the fact that two cement mills are located in my own city, of course, I was interested in protecting their interests. I feel that I was justified—legally, morally, and in every other way. My frank has never been misused.

Mr. KRUSE. Mr. Speaker, will the gentleman yield to me for a brief statement about the case?

Mr. HOFFMAN of Michigan. For how long?

Mr. KRUSE. Just a few minutes.

Mr. HOFFMAN of Michigan. Let me finish one thing, then I will gladly yield. I have one other point, and that will conclude my part of this matter.

Something was said by the gentleman from Wisconsin, I think Mr. BIEMILLER, about the conviction of one Joseph Kamp for contempt of Congress. Joe Kamp was convicted because he refused to give the Anderson committee a list of the contributors to his organization. I remember when that hearing was held. Joe was advised by me to give them the information. He said, "To protect the people who gave this and not subject them to harassment or to criticism, I do not intend to give it." I said, "Joe, you will end up by going to jail," because I have always insisted that witnesses should answer a congressional committee even though perhaps the testimony was not relevant to that particular issue. But Joe persisted; he was sentenced, and Friday he is going to jail.

Tomorrow Joe Kamp goes to jail to serve, I think it is, 4 months. He was convicted of contempt because he refused to give a House committee the names of those who contributed to the Constitutional Education League and the amount which each contributed.

Joe was warned by me that jail would follow his refusal. He chose deliberately to suffer the penalty rather than give the committee the information it sought, which he believed, which I believe, would have been used by Communists and organizations supporting Communists to harass and annoy those who had made contributions to an organization which was attempting to maintain constitutional government.

Joe did what the President and members of his Cabinet, McGrath and Acheson, have since done.

The President, you recall, has refused to give to a Senate committee the files which would demonstrate the truth or the falsity of the charges which have recently been made that there are Communists in the executive department.

Joe was attempting to protect those who, in his opinion, were loyal Americans, contributing to the preservation of our Government.

Behind the refusal of the President—the denial of information by McGrath and Acheson—Communists have hidden.

The President and, under his direction, two members of his Cabinet, are defying the whole membership of the United States Senate, which directed its committee to obtain files in the executive department in which there is information bearing upon the issue of whether Communists are directing the foreign policy of our Government.

Kamp, when he refused to testify before the Anderson committee, was, according to his belief, defying the head of the Communist spy ring, John Abt, who was then acting, according to Kamp, as an agent of Sidney Hillman, who, Kamp alleges, had met in secret with the House Committee on Campaign Expenditures and demanded that the committee secure the names of the contributors to the league's campaign against communism.

Mr. ANDERSON, of New Mexico, was chairman of the committee which cited Kamp for contempt. Mr. ANDERSON afterward became Secretary of Agriculture, and refused to honor a Senate subpena which called for the names of speculators in grain trading. This, according to Kamp, was on the ground that to have the names made public would hurt a lot of innocent people.

You may recall that it was at that time disclosed that Brig. Gen. Wallace H. Graham, the President's physician, was one whose name was on the list.

Now, if it be said that Kamp's publications contain untruthful statements, it should be remembered that for many years Kamp has been fighting the Communists, sending out pamphlet after pamphlet, news release after news release; that he has many times offered a reward of $1,000 for proof of any false statement made by him. So far as I know, that reward has never been claimed; nor has Kamp, so far as I know, ever been sued for libel or slander.

Kamp it was, who, 7 months before the spy ring was exposed by Elizabeth Bentley and Whittaker Chambers, printed the charge that Abt was the head of the Communist spy ring.

Joseph Kamp had a statement he wanted to give to the Lobbying Committee when he appeared over there. They would not permit it to go in. I am going to include it right at this point as an extension of my remarks. I have already received unanimous consent to do so. It was an explanation of his attitude. As I read his statement, he does not criticize this committee, he does not criticize the committee which cited him, he insists that they were deceived and misled by very smart, intelligent, well-educated Communists.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Georgia.

Mr. COX. Joe Kamp goes to jail because he had the courage and decency to live up to the high ethics of the newspaper profession. Every newspaperman in the gallery ought to ring a bell for the courage he showed.

Mr. HOFFMAN of Michigan. Many newspapermen have refused to give the source of their information because it was confidential. Joe did nothing more than that.

Mr. COX. That is all.

Mr. HOFFMAN of Michigan. The Kamp statement is as follows:

STATEMENT OF THE CONSTITUTIONAL EDUCATIONAL LEAGUE, INC., BY JOSEPH P. KAMP, EXECUTIVE VICE CHAIRMAN, TO THE SPECIAL HOUSE COMMITTEE INVESTIGATING LOBBYING ACTIVITIES, JUNE 6, 1950

I am at a loss to understand on what ground this committee is interested in the private affairs of the Constitutional Educational League, Inc., which has never engaged in lobbying, and whose efforts have been confined almost solely to fighting communism.

According to the statement of your chairman, as reported in the New York Times, this hearing is not designed to go particularly into the activities of the organizations summoned here. The Times quotes your chairman as saying that the purpose is to give them an opportunity to answer why they refused to give our investigators information concerning their financial angels.

On behalf of the Constitutional Educational League, I shall answer that question and make our position clear.

To begin with, the gentleman representing your committee who called at our offices gave no reason for demanding the information he sought. He acted as though his demand were authority enough.

Without any preliminaries, he said he had come to look at our list of contributors, and that he had a group of his assistants he wanted to put to work going through our files. I told him that he could not see the names of our contributors or look at our files until he could show me that the league came under the authority of your committee and within the scope of the resolution.

I told him that we had never engaged in lobbying. I asked him if he had any evidence that we had done so. He said that he could not tell until he had examined our list of contributors.

I explained that that was putting the cart before the horse. I said that he would have

to establish that we had engaged in lobbying before he could see our records. I asked him who was the counsel to the committee. He said that he was.

I then told him that I would be glad to answer any questions he might have regarding our activities, and that I would be glad to demonstrate to him that our work consisted almost exclusively of fighting communism. He said that he was not interested in asking questions; that, if I did not give him access to the names of our contributors, the committee would have to issue a subpena for them.

It seems to me that the chairman of this committee is under a similar misapprehension regarding the powers and duties of this committee and the prescribed scope of this investigation. Mr. BUCHANAN, according to the United Press, is quoted as saying: "The key thing in the investigation is who their financial backers are."

I respectfully submit that the key thing in any investigation of this nature is for the committee to establish a basis of pertinency before it decides to investigate any group, or anybody. A mere whim, a compelling curiosity, or even "an old grudge against" us on the part of Mr. BUCHANAN (to quote the Christian Science Monitor) is an insufficient ground on which to initiate a congressional investigation.

The congressional power of inquiry is not unrestricted. One obvious limitation upon this particular sort of inquiry is that some reasonable relevancy and justification must appear. In the absence of activities by our organization of a nature reasonably within the purview of the resolution creating this committee—indeed, in the absence of any trace of evidence of such activities—any claim of possible pertinency of our source of income to the purposes of the investigation is manifestly absurd.

I submit that neither this committee, nor any other committee of Congress, has a right to engage in a mere fishing expedition.

A few years ago when Senator ELMER THOMAS, Democrat, of Oklahoma, was appointed to a Senate investigating committee, he made this statement:

"As a member of the committee, I will not be willing to go on any fishing expeditions. Decisions of the Court are strictly against that."

I emphatically deny that this committee could have any evidence in its possession, or that there is any evidence, that the Constitutional Educational League, Inc., ever, in any way, has attempted to influence the enactment of, or the defeat of, any piece of legislation either by lobbying or in any other way.

In its 30 years of activity, no representative of the league ever has appeared before any committee of Congress to testify either in support of, or against any pending bill. The league never has adopted any resolutions denouncing or approving any piece of legislation. No Member of Congress ever has been approached by anyone either connected with, or speaking for, the league, and solicited to vote for, or against, any pending measure. In none of the league's literature have readers ever been requested to communicate with their Congressmen to urge support for, or action against, any legislation on any subject; nor has the league ever issued any statements to the press calling for the support or the defeat of any bill before Congress.

I maintain, therefore, that since the Constitutional Educational League, Inc., never has done anything that even faintly could be construed as lobbying, this committee exceeds its authority when it presumes to inquire into our affairs, and demands the names of our contributors and the purchasers of our literature.

If the committee persists in its demand for the names of our contributors, then the committee, on the basis of adequate evidence, first must come to the conclusion that the league has engaged in lobbying activities which specifically urged, or attempted to influence, either the adoption or rejection of legislation; otherwise the demand is patently illegal.

No congressional committee has a constitutional right to question the validity, scope, or nature of any expression of opinion on current questions, or to inquire into the affairs of persons, or groups of persons, because they were responsible for such expressions of opinion.

I am hopeful that this committee will accept this presentation in the good faith in which it is offered, despite the fact that my position here has been seriously prejudiced as a result of the statement given to the press by your chairman. According to the New York Herald Tribune, Chairman BUCHANAN said that I have a record of refusing to cooperate with congressional committees. He recalled that the Supreme Court recently upheld a lower court conviction of Kamp for contempt of Congress.

I do not doubt that many readers of the newspapers, and perhaps even members of this committee, were led to the opinion that here is a man who has no respect for legal authority, who brazenly defied congressional committees, who should go to jail, and that it is about time that your committee put this brash fellow in his place, and, as your chairman told the press, "Find out the facts that Congress and the people are entitled to know."

I want to make it perfectly clear that I have the greatest respect for the Congress of the United States as an institution. I also have great respect for most Members of Congress. I have great respect for the law, and above all for the Constitution of the United States.

It is because of my profound respect for, and confidence in, American institutions that I feel obliged to present my considered opinion regarding our legal position in respect of my contention that in attempting to inquire into the affairs of the league this committee is going beyond the scope of its authority. In the belief that the members of the committee have an equal respect for American institutions I am confident that my presentation will have this committee's most careful consideration.

The burden of establishing pertinency rests with this committee. If you can establish pertinency by showing that the league ever has engaged in lobbying, then we shall have to submit to your authority or suffer the consequences.

So far, however, no one has even suggested that the league has engaged in lobbying. The final proof that we have not engaged in lobbying is the fact that we are not registered under the Lobbying Act. If the Department of Justice had any evidence, or could have gotten any evidence that we had engaged in lobbying, we would long since have been indicted and prosecuted for not having registered under the act.

According to the statement given to the press by your chairman, I may infer that the league is involved in this investigation in part because Mr. BUCHANAN is displeased with the defeat of Senator PEPPER in Florida.

The New York Herald Tribune story concludes with this paragraph:

"The three organizations were 'very active' in the recent Florida primary election and have been active in North Carolina, where a primary is slated tomorrow, Representative BUCHANAN said."

Just suppose—but without my conceding—that I wrote material used by Congressman SMATHERS in his speeches. Suppose—without my conceding—that I prepared some of his literature. What would that have to do with this committee? This committee is not authorized to inquire into political activity.

While we are on the subject, let me make it clear that the league has no interest in politics, partisan or otherwise. We stand for principles. We fight the enemies of our country.

And that is all that we do.

Since I am quite sure the members of this committee have been given a false picture of the League, let me tell you very briefly about our organization.

The Constitutional Educational League, Inc., was founded in 1919 by veterans of World War I, who returned to their home communities to find the Hisses and the Lattimores of those days on soap boxes openly denouncing the American Government and advocating its overthrow. These veterans of World War I believed that if the American form of government was worth fighting and dying for in France, it worth defending at home.

The League was organized—and I quote from its charter—"to bring about a more complete understanding of the function of our Government and the guaranties and provisions of its basic instrument, the Constitution of the United States; to inculcate patriotism and love of country; to investigate and expose the subversive elements which are seeking to undermine the faith of the American people in their institutions."

Since the day of its inception, 30 years ago, the League has endeavored to live up to these patriotic aims, and it has never gone beyond the scope of its purposes.

The Constitutional Educational League, Inc., is strictly what its name implies—an educational organization which concerns itself with principles, the principles of government which have made this Nation great. It defends those principles in its publications and it combats the enemies of our country who despise those principles and who are determined to destroy the free institutions and the Government which those principles support and maintain.

The first amendment to the Constitution guarantees us the right to carry on this educational work by either the printed or the spoken word, and the Congress can pass no law abridging that right.

It follows, then, that since the Congress cannot legislate in this area of activity, that it has no power to investigate.

The congressional power of inquiry is not unrestricted. There is no basis in authority, policy, or logic for holding that a congressional committee is entitled to a preferred constitutional position. Freedom of speech, freedom of the press, and the other guaranties incorporated in the Bill of Rights do have a preferred constitutional position. The power of investigation, like the power of taxation, stops short of restricting the freedoms protected by the first amendment to the Constitution.

Any congressional action that tends in any manner to restrict expressions of opinion which Congress may not prohibit violates the first amendment. Congressional action in the nature of investigation is no exception. Civil liberties may not be abridged in order to determine whether or not they should be abridged.

Aside from the legal aspect, however, there is one other factor that is of more importance in the circumstances.

Were it not for this other factor I would most certainly not be here. For, had the request for information been made under different circumstances, I would have said to your counsel, "Go right ahead. Go through our files to your heart's content. We have nothing to hide. We are very proud of the good patriotic work that we are doing. You will find that we are supported by the finest people in this country, by good Americans in every walk of life, by people who believe in American institutions and who are trying to do their little part in upholding and defending constitutional government."

And I would have added, "I know you have no legal right to inspect our personal

and confidential records, but if we can be of any assistance to Congress, we are only too happy to cooperate."

I sincerely regret that a situation which seriously involves this committee makes it impossible for me to take such a stand. It is with great reluctance that I feel obliged to assert my constitutional rights, and to insist that this committee observe strict adherence to the letter of the law.

I assure you that my position is not meant to reflect any lack of confidence in the members of this committee. I am sure that you are innocently involved. I am certain that the situation I am about to call to your attention will be an amazing revelation to each and every one of you.

I can best illustrate the seriousness of this situation by referring back to your chairman's reference to my alleged record of refusing to cooperate with congressional committees.

In view of that statement, it is obvious that he is not familiar with the facts. If he had known the truth I am sure he would have been very careful not to bring up the matter.

But since it has been brought up, I think, in all fairness, that this committee should know the exact truth.

I want to say for the record, with all the forcefulness of which I am capable, that I have never refused to cooperate with any congressional committee that was acting on its own initiative and responsibility, and which was honestly and sincerely doing its job in the public interest.

With equal vigor I am proud to say that I have refused to cooperate when Communist agents, without the knowledge of committee members, managed to use congressional committees for their own subversive purposes.

My alleged record of refusing to cooperate dates back to my experience with the so-called Senate Civil Liberties Committee. This was not a congressional committee in any sense of the word. This committee was conceived by the Communists, and was born in the Cosmos Club. The master mind who wrote the resolution and then became counsel to the committee was John Abt, who has since been identified, in sworn testimony before your Committee on Un-American Activities, as the head of the original Communist spy ring. Elizabeth Bentley testified that she met these Communist spies and received stolen Government secrets from them in Abt's New York apartment.

It was Mr. Abt, in the name of the Senate committee, who first subpenaed the names of our contributors.

However, I was never given a chance to refuse to comply. The committee postponed my appearance for months. I wired Vice President John N. Garner demanding the right to be heard. I appeared at a public hearing and the committee refused to hear me. They didn't dare hear me because, in my release to the press, I promised to prove that "the committee's activities were the culmination of a conspiracy entered into between representatives of Communist and other Red organizations and the chairman of the committee." You will find that statement in the CONGRESSIONAL RECORD.

Months later, the subpena was withdrawn.

In 1944, Communist spy-ring leader John Abt sat in a secret session of the House Committee To Investigate Campaign Expenditures and demanded that the committee investigate the source of our funds. Again a subpena was issued calling for the names of our contributors.

I want to make it perfectly clear that no member of this committee had the faintest idea that Abt was a Communist, or that he was the leader of a Red spy ring. He was there representing Sidney Hillman, and because Abt had held important Government jobs—had been an Assistant Attorney General—special courtesies were extended to him.

During the hearings I informed the committee that Abt was the husband of Jessica Smith, "editor of the Moscow-financed Communist propaganda magazine, Soviet Russia Today." I also charged that subversive outsiders were meddling in the affairs of the committee, and I told the committee that I could not cooperate in what I said was an "attempt to use the Congress to further the conspiracy to sovietize America."

It is understandable that the committee could not believe my charges. They sounded too impossible. So I was cited, indicted, and finally convicted and sentenced to jail for contempt of Congress."

But on April 21, 1948, your esteemed late colleague, Representative Ralph Church, in a speech on the floor, not only verified the truth of my charges but added to them. He also introduced a resolution to rescind the citation for contempt voted against me 4 years before, on the ground that the citation was not the legal act of the committee.

In his speech Mr. Church declared that he had introduced the resolution in an attempt "to rectify * * * an injustice which resulted from the fact that outsiders managed somehow to inject themselves into the affairs of the so-called Anderson House Committee on Campaign Expenditures, of which I was a member."

He told how false information had been planted with the committee, how documents had been removed from the files of the committee, how important testimony had been deleted from the printed record without the knowledge of the members of the committee. He named the man who had manipulated the committee, James H. Sheldon, whom he identified as an organizer for the American League Against War and Fascism, "the largest and most active of the Communist movements which was identified as a subversive Communist front by the Department of Justice." He said also that Sheldon was an agent of the "International Labor Defense which was branded as the legal arm of the Communist Party by former Attorney General Biddle."

A few months after Mr. Church made his speech Sheldon served as a delegate to an international conference—a Communist conference—behind the iron curtain.

Representative Church came to this conclusion: "Had the members of the Anderson committee known the identity and communistic background of the men who obviously gave his false information to the committee, had they known of the Red revolutionary activities of the man who purloined the letters and memorandum foisted on the committee, and had they known the subversive and even criminal nature of the organization with which these men were connected, I am certain that there would have been no occasion for any controversy between the committee and Mr. Kamp, and, most certainly, there would have been no citation for contempt."

What Mr. Church did not tell the House was that Sheldon was also the agent of another subversive movement which makes a practice of planting its agents on, or with, congressional committees.

Four of its agents worked with the McCormack-Dickstein committee. Only one was on the payroll of the committee; the others were on the payroll of this private subversive movement while they contributed their services to the committee. The man who was on the committee's payroll called himself Richard Rollins. His real name was Isadore Rothberg. Chairman MCCORMACK introduced one of the volunteers who used the name Frank Prince, as the chief investigator. Actually he was chief of an un-American gestapo. Under his real name of Morris Czech he had a long criminal record. Prince, or Czech, sabotaged the committee's investigation of communism.

When, some years later, the Special House Committee on Un-American Activities was being set up, an attempt was made to plant this same Frank Prince in the top spot on the staff under Chairman Martin Dies, but Dies discovered who Prince was, and the plot fizzled. But shortly thereafter another agent of this subversive un-American underground managed to get himself on the Dies committee payroll. He called himself John Metcalf. His real name was Oberwinder.

Now this movement has an agent on your committee.

He is your chief counsel, Louis Little.

He is a member of B'nai B'rith, which in itself is a reputable fraternal organization to which many good Americans of the Jewish faith belong. But, like the labor unions and the Government, the B'nai B'rith has been infiltrated by Communist agents. They are in control of its committee, the Anti-Defamation League of B'nai B'rith, which does the dirty work for the Communists. Aside from its pro-Communist complexion, the Anti-Defamation League is a vile racket which promotes hate, breeds intolerance and maintains its own sinister gestapo spy network. Respectable Jews are ashamed of it. Alert Americans of the Jewish faith bitterly denounce it.

It is headed by New York Supreme Court Justice Meier Steinbrink, and has other reputable window dressing, but it is made up largely of thieves, spies, racketeers, and character assassins.

Its principal mouthpieces and hatchetmen are Walter Winchell and Drew Pearson.

Already private and confidential information of this committee has found its way into the hands of Winchell and Pearson, and was used by them for smearing purposes.

Two months ago, the B'nai B'rith, of which your chief counsel is a member, was given an editorial dressing down by the Jewish Daily Forward for the procommunism and libels against America which appeared in its monthly magazine.

Three months ago, the Antidefamation League of B'nai B'rith issued its annual report in the form of a smear book which made violent and vicious false attacks against the leading movements fighting communism in the United States.

The book was plugged day after day by Walter Winchell.

The author of the book and the chief director of the Antidefamation League of B'nai B'rith is a man who calls himself Arnold Forster.

If you can get President Truman to let you look at the FBI files, you will discover that Forster's right name is Fastenberg, and that he was a member of the Communist spy ring.

No wonder the names of contributors to the anti-Communist campaigns of the Constitutional Educational League have been subpenaed again.

It is a criminal outrage that we constantly have to fight for the right to combat the enemies of the Constitution of the United States, and that obstacles are unwittingly placed in our way by Members of the Congress, who have taken an oath to uphold and defend the Constitution of the United States.

Why should this committee want the names of our contributors? You would have no earthly use for them. But the subversive forces who are using this committee for their own ulterior purposes do want those names so that they can harass, smear, and intimidate our contributors and the purchasers of our literature. They boast that it is their intention to kill off our sources of financial support.

It is a remarkable coincidence that one unit of this Anti-Defamation League network of Communist aiding snoop-and-smear organizations, the so-called Friends of Democracy, has sent a confidential memorandum to its chief supporters which names as its targets practically the same organizations which this committee wants information about from leading industrialists.

This memorandum was sent out after your investigators had started going through the files of at least two of the organizations named. It is significant to me that these miscalled friends of democracy were able to boast to their supporters that "a list of such contributors (to the organizations named) has been obtained and friends of Democracy is in the midst of a project of approaching these contributors * * *. Letters are being sent to the boards of directors of the corporations. * * * Some of the meetings of the boards of directors of these big corporations have already been attended. * * * When this project is completed, Friends of Democracy is certain that 70 to 75 percent of the support of these subversive groups will be eliminated."

Note that word "subversive," which this outfit is applying to reputable patriotic and business organizations which only endeavor to uphold, defend, and protect the American way of life—organizations such as the Constitutional Educational League, the Freedoms Foundation, the National Industrial Conference Board, the Committee for Constitutional Government, America's Future, Constitution and Free Enterprise Foundation, the Foundation for Economic Education, and the National Association of Manufacturers.

This trick should be understandable when I tell you that Friends of Democracy is headed by Rex Stout, a former editor and part owner of the Communist weekly magazine, New Masses, and when I explain that 17 members of the national committee of Friends of Democracy have a total of 191 Communist-front citations in the files of your House Committee on Un-American Activities, including 54 affiliations with organizations designated by the Department of Justice as Communist and subversive.

May I suggest that the foregoing circumstances, together with the leaks from this committee to Drew Pearson and Walter Winchell, constitute a situation that cries to high heaven for a thorough investigation. The integrity of this committee, in fact the very integrity of Congress itself, demands prompt and thorough action.

It would hardly be fair for this committee to investigate itself. But it would be appropriate for this committee to request the appointment of a special House committee to conduct such an investigation without delay, and to include in such investigation the activities of the Communist-aiding Antidefamation League of B'nai B'rith and its associated movements and organizations, which constitute the most powerful lobby in the United States, with more than $7,000,000 a year to spend. They do put the heat on Congress, on the President, and on everybody else. They really do influence legislation.

Was that one of the reasons why a B'nai B'rith agent was placed on your committee—to make sure that nobody would get inquisitive about the Antidefamation League and the alarming power it wields over the Congress?

This is a situation which demands that Congress must, to use the words of your chairman, "find out the facts that Congress and the people are entitled to know."

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Georgia.

Mr. LANHAM. I believe the gentleman said that the committee refused to accept Mr. Kamp's statement.

Mr. HOFFMAN of Michigan. Am I wrong?

Mr. LANHAM. I think the gentleman is wrong. We refused to accept it until he had responded to the subpena. So long as the witness was in contempt of the committee, we refused to let him use the committee as a sounding board.

Mr. COX. Why not ask the gentleman if, operating under the subpena that was in evidence before them, they had the right to demand anything of Joe Kamp or anybody else?

Mr. LANHAM. That is a question for the court to pass on.

Mr. COX. What is the gentleman's opinion? Does the gentleman believe himself that the subpena was a legal subpena?

Mr. LANHAM. I do not know, frankly, but we had to proceed on the basis that the subpena was properly issued. That is the only way the committee could proceed.

Mr. COX. Did the chairman have the power to issue that subpena?

Mr. LANHAM. I do not know whether the chairman did or not.

Mr. COX. Then the gentleman has no opinion?

Mr. LANHAM. I do not, because I do not know, frankly.

Mr. RICH. Then why send the gentleman to jail?

Mr. LANHAM. We have not attempted to send him to jail. I will be frank and tell you I suggested to the chairman before any action was taken toward citing any witness for contempt that he determine the question from the Parliamentarian as to whether or not the subpena was properly issued.

Mr. HOFFMAN of Michigan. The situation that developed was this, that he was not permitted to make his statement when he came there and appeared and was required to testify. Kamp was not permitted to read or file his statement?

Mr. LANHAM. Not until he had complied with the subpena duces tecum. On that I am sure the committee was right.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. BROWN of Ohio. I should like to point out that you cannot have a subpena duces tecum to bring in any records if the subpena is invalid and illegal. When I brought up the simple question I was ridden down by the committee, including the gentleman from Georgia. You all said, "Oh, no, we have this power. You are going to answer first. You are going to produce everything before you even go into the question."

I asked that the Parliamentarian of the House be called and that even the Speaker of the House be consulted to find out whether we followed legal procedure under the rules of the House and the provisions of the Reorganization Act.

Mr. LANHAM. The Chairman responded that he had consulted the Parliamentarian.

Mr. BROWN of Ohio. And I had consulted him. Let us find out what was going on. I think the gentleman from Georgia [Mr. LANHAM] will admit that I had great difficulty even in seeing copies at that late date of the subpenas that had been issued. I wonder if the gentleman contends that subpenas should be issued and statements be given to the newspaper prejudging cases saying, "We are going to send so-and-so to jail for contempt if they do not answer what we asked them today," before the minority members, at least, of the committee even know the subpenas have been issued or have an opportunity to see them. It is a shame, and it is a blot on democracy. "Democracy in action"—bah!

Mr. HOFFMAN of Michigan. The gentleman from Ohio at that time was asked whether he represented Mr. Kamp, as I recall.

Mr. BROWN of Ohio. Yes; I was asked, as I remember, by one gentleman on the majority whether I was representing the defendant.

Mr. HOFFMAN of Michigan. Yes; and as I remember, the reply was that you were representing the people of your district and the people of the Nation.

Mr. BROWN of Ohio. Yes; that is right, and I was not representing any subversive groups. I might say that I am quite fed up on the whole thing.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. HALLECK. I, too, am a member of the Committee on Lobbying Investigation. Unfortunately I had a long-standing commitment to be in my district on last Tuesday on a matter of considerable consequence to a community in my district. Therefore, I was not privileged to be at the meeting. But I want to say upon my responsibility as a member of the committee that certainly I shall exercise every power at my command to find out what the legal situation is and what the liabilities and responsibilities are under any action that has been taken before I will support any action for contempt. Certainly I think the gentleman from Georgia [Mr. LANHAM] would feel the same way about it.

Mr. LANHAM. And I so advised the chairman.

Mr. HALLECK. I am sure the gentleman from Georgia [Mr. LANHAM], good lawyer as he is, would feel that way about it.

Mr. LANHAM. Yes; and I so advised the chairman.

Mr. HALLECK. And unless it is clearly established that the proper subpena was issued and that the matter was properly a matter into which the committee could inquire, and that there was a real contempt of a legal process of the Congress of the United States, then certainly I would think any member of the committee under his responsibility would not vote for any citation for contempt.

Mr. COX. The gentleman, as a responsible member of the committee, ought to exercise himself in behalf of bringing the committee back within the provisions of the resolution which brought it into existence or else the committee ought to be abolished.

Mr. HALLECK. May I say in response to that that it is always unpleasant to have these controversies about these things, and yet sometimes it seems they must arise. I referred a moment ago to the sending out of the questionnaire which has caused a great deal of consternation in the minds of many people who received it, because clearly on its face as it was drafted it was much broader than I believe we could expect anyone to respond to.

Many of the persons to whom it was addressed have pointed out that under-

taking to comply with the request would in many particulars be most burdensome, impossible of accomplishment within the specified time, highly expensive to them, and in the final analysis would have no bearing at all upon lobbying, or any investigation of lobbying, or with the statute or its application, and I agree with them.

There have been some clarifications of the intendment of that questionnaire. Those clarifications have not gone as far as I had hoped they would go. I still think the matter is in a state of confusion and it ought to be corrected and clarified. I have otherwise indicated that the committee ought to operate as a committee and Members ought to know what is going on—not with respect to every minute detail of operation. Everything need not come before the entire committee, but certainly matters of broad concern and far-reaching implication and potentiality ought to be the subject of committee action so that we will have a chance to exchange ideas and try to make some determination as a committee as to what ought to be done.

Mr. HOFFMAN of Michigan. Mr. Speaker, just a word on this question of answering subpenas. I have always been a firm believer in the idea that the law meant what it says and that we have a statute which requires the appearance and attendance of witnesses in answer to subpenas.

But there seems to be a distinction or rather a difference as to the enforcement of that statute.

It was on March 9, 1948, when a House committee was endeavoring to discover whether Communists were influencing the action of a certain organization here in Washington, that a subpena was issued. Here is the reply which came down in answer to that subpena:

THE WHITE HOUSE,
Washington, March 9, 1948.

Hon. CLARE HOFFMAN,
House of Representatives,
Washington, D. C.

MY DEAR MR. CONGRESSMAN: I am returning to you herewith two subpenas recently issued to me on behalf of your subcommittee. On Saturday March 6, I received a subpena calling for my attendance at a hearing to be held that afternoon. On Monday, March 8, I received another subpena calling for my attendance at a hearing to be held the same day.

As you know, my official duties are to advise and assist the President of the United States. After the receipt of each of these subpenas, I promptly informed the President and in each instance the President directed me, in view of my duties as his assistant, not to appear before your subcommittee.

Sincerely yours,

JOHN R. STEELMAN,
The Assistant to the President.

Now, my point is this: If Mr. Steelman had the privilege of claiming immunity, all right, no fault could be found. But so has the doctor, the lawyer, the preacher, or more accurately the patient, the client, the parishioner a privilege to refuse to testify to certain matters when called by a court or a congressional committee. The President of the United States, like Joe Kamp, defied a congressional committee when it wanted to know whether or not the GSI, through General Fleming, had been told to deal with a communistic-controlled union, the international organization, headed by Abram Flaxer, president, and one Bernstein, secretary-treasurer. That was the situation then.

The committee had been advised that, at a meeting in the White House at which it was said Mr. Fleming, Mr. Clifford, Mr. Steelman, and the President were present, the President had insisted that word be conveyed to the GSI officials that they should deal with the local union, whose officers had failed to take the anti-Communist oath, or else measures would be taken to cancel the GSI contract.

To ascertain whether the President of the United States was attempting to evade the provisions of the Taft-Hartley Act and to force a nonprofit corporation, managed by a board of directors who were in the executive department, to deal with a Communist-controlled union, the subpena hereinbefore referred to was issued and the answer which has been printed was received from Mr. Steelman.

Now we have a statute. It will be found in chapter 6, under the title "Congressional Investigations," and under section 192 of title 2 of the United States Code. That statute provides that—

> Every person who, having been summoned as a witness by the authority of either House of Congress to give testimony * * * who willfully makes default or who, having appeared, refuses to answer, shall be punished by a fine of not more than $1,000 nor less than $100, and imprisonment in a common jail for not less than 1 month nor more than 12 months.

Now, my point is that, while Mr. Steelman might possibly have claimed privilege had he appeared, and might, because of his privilege, like the doctor, the lawyer, the preacher, or the priest, refuse to answer and so been excused, there was no excuse for Mr. Steelman refusing to appear.

Joe Kamp, I repeat, violated the statute. He was punished for contempt. He is going to jail. But the President ordered Mr. Steelman to violate the statute and the House took no notice of that refusal, either by instituting contempt proceedings or otherwise, for it was well known that the then Attorney General would not prosecute such proceedings.

Equal justice under law? Who said it? Who believes it?

Civil rights? For some, for all, or just for those who are in favor with the administration?

Mr. LANHAM. I would like to make this statement, and after I have made this statement I have finished, and I will be glad to yield back the time after I have completed this statement.

Mr. HOFFMAN of Michigan. That is very kind of you, and I appreciate it.

Mr. LANHAM. I am perfectly willing for the record of the committee to stand as it is written. I am sure the gentleman from Indiana [Mr. HALLECK] will confirm what I say when I say that the committee has tried to be altogether objective. We have not sought the headlines. We have tried to investigate both sides of the street. That was what we were attempting to do.

Mr. HOFFMAN of Michigan. Both sides of the street?

Mr. LANHAM. Both sides of the street.

Mr. HOFFMAN of Michigan. Has anybody investigated the PAC?

Mr. LANHAM. Yes. Mr. Goodman, of the CIO, has testified.

Mr. HOFFMAN of Michigan. How much did they contribute?

Mr. LANHAM. They were quizzed extensively, especially by the gentleman from Ohio [Mr. BROWN]. He asked them for identically the same thing that we asked Mr. Rumely.

Mr. BROWN of Ohio. I want to challenge that statement as being incorrect.

Mr. LANHAM. I ask you to read the record. The gentleman inquired of Mr. Goodman how many of the booklets they were distributing or had been distributed and how they had been distributed. Just read the record.

Mr. HOFFMAN of Michigan. Will the gentleman yield to me just a minute?

Mr. LANHAM. Surely.

Mr. HOFFMAN of Michigan. If I am in error, you can correct me, but you have one counsel who has volunteered to serve you without compensation. That is this gentleman from Philadelphia, Mr. Lewis Lettle—what is his name? Is that his name? I have offered to help you out, if you want counsel. I will serve without compensation in asking these CIO boys some questions.

Mr. LANHAM. You are a great help to us today.

Mr. HOFFMAN of Michigan. I could and would help you a lot if you would let me.

Mr. BROWN of Ohio. I suggest the gentleman from Michigan find out who the members of the staff are and advise the minority members.

Mr. HOFFMAN of Michigan. I have a resolution in for that. I am trying to learn who they are. Does the gentleman from Georgia [Mr. LANHAM] join me in yielding to the gentleman from Indiana?

Mr. LANHAM. In just a minute. In the first place, this committee was set up just before we went home last autumn. The resolution gave the chairman the right to select the staff. He told the minority members if they wanted to select members of the staff they would be permitted to do that. I know nothing about the gentleman to whom you refer. This is what I want to say, and I am sure the gentlemen on the minority side will confirm what I say, that the committee has been very careful to protect the names of Congressmen, or Congressmen whose names have been inadvertently brought before the committee. Inevitably, in this testimony witnesses have referred to various Members of Congress. The committee has made every effort to protect Members of Congress.

Mr. HOFFMAN of Michigan. Mr. Speaker, I cannot yield further. If the gentleman is willing—and I want him and every other Member of Congress to understand that I am not criticizing the members of the committee; what I think is that he and his committee have been taken in by some pretty smart fellows.

Mr. LANHAM. I do not think we have been taken in, but we have been taken for a ride this morning. We know what we are doing.

Mr. COX. The gentleman, then, is the only Member of Congress that knows what his committee is doing.

Mr. HOFFMAN of Michigan. I fear the gentleman from Georgia [Mr. LANHAM] and his committee have been taken for a ride by the committee staff.

Mr. Speaker, I yield to the gentleman from Indiana.

Mr. KRUSE. Mr. Speaker, I wish to make a brief statement in regard to this matter, for the incident which started all this occurred in my district.

Several weeks ago some friends asked me relative to whether or not I was of the opinion that the Communists had infiltrated to any extent the electrical industry of this country. After a very thorough investigation of all available information that I could get my hands on I advised my friends that I was convinced that there most certainly was Communist infiltration and control in some respects of the United Electrical Workers in the United States, and I am still of that opinion. My views were published in the Fort Wayne newspapers, and it was a matter of serious consideration at the time in view of the fact that a National Labor Relations Board election was being held to determine the proper bargaining unit as between the United Electrical Workers and the IUE which has been making a very militant and aggressive effort to rid itself of communistic influences.

I was immediately subjected to a slanderous and vicious attack. In the same statement in which I was attacked, the gentleman from Michigan [Mr. HOFFMAN] was also subjected to the same type of slanderous attack.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for a question?

Mr. KRUSE. I yield.

Mr. HOFFMAN of Michigan. Was there any communication between us of any kind?

Mr. KRUSE. I was just going to say that there had been absolutely no communication between myself or any other individual Member of Congress which would have justified the attack which appeared in the Fort Wayne papers and which was initiated by the United Electrical Workers in my district. I am very happy to say that UE was soundly and disastrously defeated by the IUE in my district.

I think that is the point of the matter at issue in this whole thing. Some people seems to be mistaken about the meaning of article I, section 1 of the Constitution that the legislative power resides in the Congress of the United States. I deplore and condemn the tactics of this man, UE, or anyone else in labor, business, or whatever it may be, who attempts to dominate, coerce, or intimidate any Member of Congress, whether or not I happen to agree with his views. That is the danger that faces us today. That, briefly, is what set off the incident here.

I join the gentleman from Michigan in his condemnation of this kind of tactics.

Mr. HOFFMAN of Michigan. Mr. Speaker, one reason for my statement was that I did not want the Members of Congress who came here recently to feel too badly if somebody said something unpleasant about them; it is one of the things that we must all expect if we make a fight for orderly constitutional government. It has been said at times that the fellow who did the most and made the hardest fight got the most abuse. Do not let criticism from subversive organizations worry you.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield back my time.

SIGNING OF ENROLLED BILLS DURING ADJOURNMENT OF HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk be authorized to receive messages from the Senate, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Mississippi [Mr. WILLIAMS] is recognized for 10 minutes.

Mr. WILLIAMS. Mr. Speaker, last Monday, June 5, 1950, will be remembered in the history of our Republic as a day of national disgrace. It was on that day that the Supreme Court of the United States shed its robes of historic dignity, laid aside its conscience, dragged the Constitution in the dirt, and came forth with the four most shameful political decisions ever rendered by that body.

Its rulings in the Sweatt, McLaurin, Henderson, and Tidelands cases strike at the fundamental basis on which American freedom has stood for almost two centuries. Brazenly, and without apparent qualms of conscience, the Supreme Court reversed precedent of a hundred and fifty years' standing, to surrender abjectly to the demands of organized minorities engaged in a war of attrition against our democratic institutions.

Disregarding the constitutional designation of authority to the legislative branch to pass and repeal laws, and in complete contradiction of their limited functions, they have voluntarily committed a crime of usurpation which can be measured only by the yardstick of their own degradation. They are usurping the constitutionally designated functions of the States and the elected Congress to legislate judicially that which the Congress, for a century and a half, has consistently refused to enact.

For years, Congress has been under constant assault from Communists and other organized minorities to outlaw segregation and to amalgamate our people into one mongrel race. To the everlasting credit of the Congress, let it be pointed out that it has consistently repelled their onslaughts, and has resisted their efforts to degrade our civilization.

Yet, in the face of these acknowledged facts, the Supreme Court has taken it upon themselves to outlaw, by judicial fiat, a social custom which has maintained to the advantage of all races for 200 years.

I have long had the opinion that the present Supreme Court, deliberately stacked with party patronage seekers, has ceased to be a court of law to become instead a vehicle by which the alien philosophies of certain machine politicians could be forced upon an otherwise free people.

Never, in the history of our great Nation, has public confidence in that tribunal been so low; and never before has that Court so obviously favored momentary political expediency over historic principle and established precedent.

Let us not be deceived; the motivating force behind this usurpation of legislative power rests in the present administration. It has openly dedicated itself to the destruction of southern and American racial customs and institutions; to a destruction of States' Rights; and to the destruction of moral integrity in the name of material security.

If there are those in the South who still believe that the President is their friend, let them but read the briefs of his Justice Department, and the Court's opinions in these cases.

It was my nauseating experience, in the fall of last year, to read the Justice Department's brief in the so-called Henderson case—asking the Supreme Court to reverse its former decisions permitting "separate and equal" facilities for the races.

In their brief, the Justice Department admitted that they did not seek an interpretation of the law, but demanded that the Court disregard the law as written, and interpret it in the light of the Justice Department's demands. I quote from their brief:

> What we seek is not justice under the law as it is. What we seek is justice to which law in its making should conform.

Where is the authority of any court to interpret the law on the basis of what they think it should be, rather than what it is?

Similar briefs were filed in the Henderson case by the CIO, which hopes to use the Negro as a club with which to beat the white people of the South into submission; the NAACP, a gang of Negro racketeers bent upon creating racial strife and exploiting their own people; the AVC, an alleged veterans' organization, which, from its inception, has caused nothing but trouble for legitimate veterans' groups.

The briefs filed by these organized gangs, including that of the Justice Department, would have insulted the intelligence of any backwoods justice of the peace.

Last fall, in a speech to the House, I listed typical authorities cited in the Henderson case by the Justice Department in support of their contentions, and which, it now appears, became the basis for the Court's decisions.

Some of these are: Native Son, a novel; Caste and Class in a Southern Town, a prejudiced lay attack upon the South; the Bolshevik; the Soviet Representative to the United Nations; and various Soviet publications.

Thomas Jefferson said that—

The germ of dissolution of our Federal Government is in the Constitution of the Federal judiciary.

And—

The States should be watchful to note every material usurpation on their rights; to denounce them as they occur in the most preemptory terms; to protest against them as wrongs * * * not as an acknowledgment of rights, but as a temporary yielding to the lesser evil, until their accumulation shall overweigh that of separation.

In the light of that stated philosophy, I ask you: By what right do the President and his political cohorts—embracing as they do the alien Marxist theories of socialism, and the Hamiltonian ideas of an absolute state—parade under the sacred banner of Thomas Jefferson?

Disraeli distinguished between politicians and statesmen when he pointed out that "politicians work for the next election; statesmen for the next generation."

Never in the turbulent history of our Nation have we needed statesmen more, or have we ever been so devoid of them. The time has come when Americans must awaken to the dangers lurking on the road down which we are being taken, and rise as one to exterminate the weevils that are undermining our constitutional freedoms; if we are to survive as a Nation and as a people, it is incumbent upon both major political parties to return to morality. Only through this, coupled with an application of honest statesmanship by those concerned with Government management, can we preserve the constitutional freedoms which are our heritage.

EXTENSION OF REMARKS

Mr. CHESNEY asked and was given permission to extend his remarks and include an editorial from the Chicago Daily News.

Mr. MANSFIELD asked and was given permission to include with the previous remarks he made a newspaper story.

Mr. DONOHUE (at the request of Mr. MCCORMACK) was given permission to extend his remarks and include a Memorial Day address.

Mr. POAGE (at the request of Mr. LUCAS) was given permission to extend his remarks.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 170. Joint resolution to provide for the transfer of the paintings The Grand Canyon of the Yellowstone and The Chasm of the Colorado from the United States Capitol to the Department of the Interior; to the Committee on House Administration.

S. J. Res. 171. Joint resolution transferring the plaster cast of the statue of George Washington from the United States Capitol to the Smithsonian Institution; to the Committee on House Administration.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolling bills of the Senate of the following titles:

S. 274. An act for the relief of Constantin E. Aramescu;

S. 356. An act for the relief of Hugo Geiger;

S. 404. An act for the relief of Emma L. Jackson;

S. 749. An act for the relief of Ferd H. Gibler;

S. 764. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.;

S. 765. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust;

S. 766. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.;

S. 947. An act for the relief of the Baggett Transportation Co., Inc.;

S. 977. An act for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid;

S. 1146. An act for the relief of Francis W. Dodge;

S. 1423. An act for the relief of Alex Morningstar;

S. 1510. An act for the relief of James I. Bartley;

S. 1693. An act for the relief of Karin Margareta Hellen and Olof Christer Hellen;

S. 1798. An act for the relief of Mrs. Minda Moore;

S. 1856. An act for the relief of Sisters Maria Rita Rossi, Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli;

S. 1863. An act for the relief of Fremont Rider;

S. 1929. An act for the relief of Anna Samudovsky;

S. 2070. An act for the relief of the Clark Funeral Home;

S. 2108. An act for the relief of Italo Vespa de Chellis;

S. 2156. An act for the relief of Sister Edeltrudis Clara Weskamp;

S. 2338. An act for the relief of J. M. Arthur;

S. 2339. An act for the relief of the Davis Grocery Co., of Oneida, Tenn.;

S. 2385. An act for the relief of Edward C. Ritchie;

S. 2611. An act for the relief of Roland Roger Alfred Boccia, also known as Roland Barbera;

S. 2646. An act for the relief of the Articaire Refrigeration Co.; and

S. 3090. An act for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes.

ADJOURNMENT

Mr. BIEMILLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 33 minutes p. m.), under its previous order, the House adjourned until Monday, June 12, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1492. A letter from the Secretary of Commerce, transmitting the Annual Report of the Foreign-Trade Zones Board, for the fiscal year ended June 30, 1949, together with copies of the annual reports of the city of New York, the Board of Commissioners of the Port of New Orleans, and the Board of State Harbor Commissioners for the Port of San Francisco, covering operations for the calendar year 1948 of Foreign-Trade Zones Nos. 1, 2, and 3 at the above respective ports, pursuant to section 16, Public Law 397, Seventy-third Congress, second session; to the Committee on Ways and Means.

1493. A letter from the Postmaster General, transmitting a draft of a proposed bill entitled "A bill to amend title 18 of the United States Code, relating to the mailing of obscene matter"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 2209. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 2210. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. GARMATZ: Joint Committee on the Disposition of Executive Papers. House Report No. 2211. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 118. An act for the relief of Clemente Sabin Dopico; without amendment (Rept. No. 2193). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 330. An act for the relief of George Gabriel Herrmann, Greta (Marketa) Herrmann (wife), and Alice Herrmann (daughter), known also as George Gabriel Herrman, Greta Herman, and Alice Herman; without amendment (Rept. No. 2194). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1452. An act for the relief of Dr. Juan A. Queralt Balleste; without amendment (Rept. No. 2195). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1484. An act for the relief of Augustino Marlia; without amendment (Rept. No. 2196). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1637. An act for the relief of Marie Henriette de Bruyn; without amendment (Rept. No. 2197). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 1672. An act for the relief of Efrosini Abad; with amendment (Rept. No. 2198). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2265. An act for the relief of Marina George Papadopoulos; without amendment (Rept. No. 2199). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2511. An act for the relief of Dr. John R. Portaria; without amendment

(Rept. No. 2200). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2556. An act for the relief of Mrs. Billy J. Knight and Dorothea Knight; without amendment (Rept. No. 2201). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2629. An act for the relief of Marianne Bruchner; without amendment (Rept. No. 2102). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2714. An act for the relief of Thomas Pfeiffer; without amendment (Rept. No. 2203). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7079. A bill for the relief of Mrs. Gin Shibasaki Okafuji; with amendment (Rept. No. 2204). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7820. A bill for the relief of Keiko Uchida and her minor child; with amendment (Rept. No. 2205). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7970. A bill for the relief of Regina Watanabe (Mrs. Regina Anderson); with amendment (Rept. No. 2206). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8440. A bill for the relief of Noae Kawashima; without amendment (Rept. No. 2207). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8451. A bill for the relief of Yoshie Nozawa; without amendment (Rept. No. 2208). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MORRIS:

H. R. 8762. A bill to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Cobb Creek reclamation project, Oklahoma; to the Committee on Public Lands.

By Mr. DENTON:

H. R. 8763. A bill to amend the Clayton Act with respect to the recovery of triple damages under the antitrust laws, and for other purposes; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 8764. A bill to amend and supplement the Federal-Aid Road Act, approved July 11, 1916 (39 Stat. 355), as amended and supplemented, to authorize appropriations for continuing the construction of highways, and for other purposes; to the Committee on Public Works.

By Mr. DONOHUE:

H. R. 8765. A bill to terminate the war tax rates on certain miscellaneous excise taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. UNDERWOOD:

H. R. 8766. A bill to establish rearing ponds and a fish hatchery in the State of Kentucky; to the Committee on Merchant Marine and Fisheries.

By Mr. MURRAY of Tennessee:

H. R. 8767. A bill to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. RODINO:

H. R. 8768. A bill to amend the Immigration Act of 1924, as amended; to the Committee on the Judiciary.

By Mr. LODGE:

H. Con. Res. 220. Concurrent resolution expressing the sense of the Congress that the President should rescind foreign-trade agreements with Communist-controlled countries; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. Res. 635. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives, and for other purposes; to the Committee on Rules.

By Mr. SCRIVNER:

H. Res. 636. Resolution directing the Secretary of State to call upon the United Nations to investigate shooting down of American Navy plane by Russian airmen on April 8, 1950, and to request United Nations to impose punishment as provided in its Charter; to the Committee on Foreign Affairs.

By Mr. CELLER:

H. Res. 637. Resolution to provide funds for the Committee on the Judiciary; to the Committee on House Administration.

By Mr. HOFFMAN of Michigan:

H. Res. 638. Resolution to create a Committee To Investigate the Select Committee on Lobbying Activities; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States not to federalize the practice of medicine; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H. R. 8769. A bill for the relief of Annmarie Stritter and her minor daughter; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 8770. A bill to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon certain claims of William Bergen; to the Committee on the Judiciary.

By Mr. BOGGS of Delaware (by request):

H. R. 8771. A bill for the relief of Maria Sulikowska Forbes; to the Committee on the Judiciary.

By Mr. DENTON:

H. R. 8772. A bill for the relief of Ah-Kim Wong; to the Committee on the Judiciary.

By Mr. DURHAM:

H. R. 8773. A bill for the relief of Chiyako Ozama; to the Committee on the Judiciary.

H. R. 8774. A bill for the relief of Yoshie Murakami; to the Committee on the Judiciary.

By Mr. FULTON:

H. R. 8775. A bill for the relief of Loreto Marino; to the Committee on the Judiciary.

By Mr. GREGORY:

H. R. 8776. A bill for the relief of the Birmingham Ferry Co.; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 8777. A bill to renew patent No. 1,906,593, issued May 2, 1933, relating to sanitation equipment; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER:

H. R. 8778. A bill for the relief of Salvatore Esposito; to the Committee on the Judiciary.

By Mr. PRIEST:

H. R. 8779. A bill for the relief of Mrs. Lula Huggins Wingler; to the Committee on the Judiciary.

By Mr. SAYLOR:

H. R. 8780. A bill for the relief of Leila M. Dodd; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2188. By the SPEAKER: Petition of F. A. Pierson, secretary, Nebraska State Dental Association, Lincoln, Nebr., opposing enactment of any legislation favoring the principle of any form of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

2189. Also, petition of Joseph E. Nesbitt, president, Public Forum of Spokane, Spokane, Wash., relative to the passing of Hon. John Lesinski, of Michigan, and conveying deep sympathy; to the Committee on House Administration.

SENATE

FRIDAY, JUNE 9, 1950

(Legislative day of Wednesday, June 7, 1950)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Dr. Conrad Bergendoff, president, Augustana College, Rock Island, Ill., offered the following prayer:

O Lord who dost guide the course of nations toward Thine own eternal goal:

We pray Thee for the vision of Thy will and for light to take the next step on Thy way.

We thank Thee for the goodly heritage of our beloved land and for our opportunities at this moment of history.

We pray Thee that amid the tumult of the crowded day our minds may be responsive to the promptings of Thy spirit.

So that Thou mayest lead us to hallow Thy name in the earth and to bring to men the kingdom of Thy Son our Lord and Saviour, Jesus Christ.

For Thine is the kingdom and the power and the glory for ever and ever. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 8, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 8, 1950, the President had approved and signed the act (S. 3118) relating to the forwarding and return of second-, third-, and fourth-class mail, the collection of postage due at the time of delivery, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, one of its clerks, announced that the House had passed a bill (H. R. 8575) to provide emergency cotton allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by natural causes, in which it requested the concurrence of the Senate.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. CAPEHART, Mr. MARTIN, Mr. MCCARTHY, and Mr. TOBEY were excused from attendance on the session of the Senate today.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate this afternoon.

On request of Mr. LUCAS, and by unanimous consent, a subcommittee of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Bridges	Hendrickson	McKellar
Butler	Ives	Mundt
Cain	Kerr	O'Mahoney
Douglas	Kilgore	Russell
Dworshak	Knowland	Saltonstall
Ferguson	Lehman	Smith, N. J.
Flanders	Lucas	Thye
George	McClellan	Wherry
Hayden	McFarland	Young

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Louisiana [Mr. LONG], and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official committee business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Indiana [Mr. CAPEHART], the Senator from Missouri [Mr. DONNELL], the Senator from North Dakota [Mr. LANGER], the Senator from Pennsylvania [Mr. MARTIN], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the senior Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy.

The PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of the absent Senators.

The Legislative Clerk called the names of the absent Senators; and Mr. CONNALLY, Mr. CORDON, Mr. ECTON, Mr. GILLETTE, Mr. HOLLAND, Mr. JOHNSON of Colorado, Mr. MAYBANK, Mr. SPARKMAN, and Mr. WILLIAMS answered to their names when called.

The PRESIDENT pro tempore. A quorum is not present.

Mr. LUCAS. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators, so that we may obtain a quorum.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. FREAR, Mr. THOMAS of Utah, Mr. KEFAUVER, Mr. NEELY, Mr. MYERS, Mr. MILLIKIN, Mr. TYDINGS, Mr. BRICKER, Mr. KEM, Mr. STENNIS, Mr. HICKENLOOPER, Mr. WATKINS, Mr. HUMPHREY, Mr. JENNER, Mr. BREWSTER, Mr. BYRD, Mr. CHAPMAN, Mr. ELLENDER, Mr. FULBRIGHT, Mr. GURNEY, Mr. HILL, Mr. HOEY, Mr. JOHNSON of Texas, Mr. LEAHY, Mr. MAGNUSON, Mr. MALONE, Mr. MCCARRAN, Mr. MCMAHON, Mr. MORSE, Mr. PEPPER, and Mr. WITHERS entered the Chamber and answered to their names.

The VICE PRESIDENT. A quorum is present.

ENROLLED BILLS SIGNED

The VICE PRESIDENT announced that on today he affixed his signature to the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

S. 274. An act for the relief of Constantin E. Aramescu;

S. 356. An act for the relief of Hugo Geiger;

S. 404. An act for the relief of Emma L. Jackson;

S. 749. An act for the relief of Ferd H. Gibler;

S. 764. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.;

S. 765. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust;

S. 766. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.;

S. 947. An act for the relief of the Baggett Transportation Co., Inc.;

S. 977. An act for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid;

S. 1146. An act for the relief of Francis W. Dodge;

S. 1423. An act for the relief of Alex Morningstar;

S. 1510. An act for the relief of James I. Bartley;

S. 1693. An act for the relief of Karin Margareta Hellen and Olof Christer Hellen;

S. 1798. An act for the relief of Mrs. Minda Moore;

S. 1856. An act for the relief of Sisters Maria Rita Rossi, Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli;

S. 1863. An act for the relief of Fremont Rider;

S. 1929. An act for the relief of Anna Samudovsky;

S. 2070. An act for the relief of the Clark Funeral Home;

S. 2108. An act for the relief of Italo Vespa de Chellis;

S. 2156. An act for the relief of Sister Edeltrudis Clara Weskamp;

S. 2338. An act for the relief of J. M. Arthur;

S. 2339. An act for the relief of the Davis Grocery Co., of Oneida, Tenn.;

S. 2385. An act for the relief of Edward C. Ritche;

S. 2611. An act for the relief of Roland Roger Alfred Boccia, also known as Roland Barbera;

S. 2646. An act for the relief of the Articaire Refrigeration Co.; and

S. 3090. An act for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF REVISED STATUTES RELATING TO USE OF PETROLEUM AS FUEL ABOARD STEAM VESSELS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend section 4474 of the Revised Statutes, as amended, relating to the use of petroleum as fuel aboard steam vessels (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF UNITED STATES CODE RELATING TO MAILING OF OBSCENE MATTER

A letter from the Postmaster General of the United States, transmitting a draft of proposed legislation to amend title 18 of the United States Code, relating to the mailing of obscene matter (with an accompanying paper); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, copies of orders of the Commissioner of the Immigration and Naturalization Service, suspending deportation as well as a list of the persons involved, together with a detailed statement of the facts and pertinent provisions of law as to each alien and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Acting Attorney General, transmitting, pursuant to law, copies of the orders of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to certain aliens, together with a detailed statement of the facts and pertinent provisions of law and the reasons for granting such status (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO RADU CONSTANTINE FORTUNESCU

A letter from the Acting Attorney General, transmitting, pursuant to law, a copy of the order of the Commissioner of the Immigration and Naturalization Service, granting the status of permanent residence to Radu Constantine Fortunescu, together with a detailed statement of the facts and pertinent provisions of law and the reason for granting such status (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF FOREIGN-TRADE ZONES BOARD

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1949, together with copies of the annual reports of the city of New York, the board of commissioners of the port of New Orleans, and the board of State harbor commissioners for the port of San Francisco, covering operations for the calendar year 1948 of foreign-trade zones Nos. 1, 2, and 3 at the above respective ports (with accompanying papers); to the Committee on Finance.

INTERIM REPORT OF CHIEF OF WEATHER BUREAU

A letter from the Secretary of Commerce, transmitting to law, the second interim report by the Chief of the Weather Bureau of the Department of Commerce on the study of causes and characteristics of thunderstorms (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Senate of the State of Louisiana; to the Committee on Labor and Public Welfare:

"Senate Resolution 10

"Resolution memorializing the Congress of the United States not to federalize the practice of medicine

"Whereas the American people now enjoy the highest level of health, the finest standards of scientific care, and the best quality of medical institutions thus far achieved by any major country in the world; and

"Whereas the great accomplishments of American medicine are the results of a free profession working under a free system unhampered by Government control; and

"Whereas the experience of all countries where government has assumed control of medical care has been a progressive deterioration of the standards and quality of that care to the serious detriment of the sick and the needy: Therefore be it

"Resolved by the Senate of the State of Louisiana, a majority of the members elected agreeing thereto—

"1. The Congress of the United States is hereby memorialized not to enact any proposed legislation the effect of which will be to bring the practice of medicine in this country under Federal direction and control, either through a form of compulsory insurance or any system of medical care designed for national bureaucratic control.

"2. The Senators and Representatives from Louisiana now in the Congress of the United States are hereby respectfully requested to bend their every effort and utilize all facilities at their command to prevent the enactment of such legislation.

"3. Copies of this resolution shall forthwith be transmitted to the President of the United States, to the presiding officer of each branch of the Congress, and to each Senator and Congressman from Louisiana.

"WILLIAM J. DODD,
"Lieutenant Governor and President of the Senate."

A resolution adopted by the Midwest District Council of the Japanese-American Citizens League, at Cincinnati, Ohio, favoring the allocation of $304,800 for administrative expenses to permit the Department of Justice to carry out the provisions of the Evacuation Claims Act; to the Committee on Appropriations.

A resolution adopted by the Montana Stockgrowers Association, at Billings, Mont., endorsing the efforts to balance the Federal budget; to the Committee on Expenditures in the Executive Departments.

A resolution adopted by the Nebraska State Dental Association, Lincoln, Nebr., protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A resolution adopted by the Midwest District Council of the Japanese-American Citizens League, at Cincinnati, Ohio, favoring prompt action by the Senate to pass House Joint Resolution 238, to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence; ordered to lie on the table.

SHIPMENT OF MUNITIONS THROUGH CITY OF SOUTH AMBOY AND MIDDLESEX COUNTY, N. J.

Mr. HENDRICKSON. Mr. President, on behalf of my colleague, the senior Senator from New Jersey [Mr. SMITH] and myself, I present a memorial to the Secretary of Defense and the Attorney General of the United States of America, the Governor of the State of New Jersey, and the United States Senators and Representatives from New Jersey, in protest against the shipment of munitions through the city of South Amboy or any other area of Middlesex County, N. J.

I ask unanimous consent that the memorial may be printed in the RECORD, with the signatures attached, and appropriately referred.

There being no objection, the memorial was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD with the signatures attached, as follows:

MEMORIAL TO THE SECRETARY OF DEFENSE AND THE ATTORNEY GENERAL OF THE UNITED STATES OF AMERICA, THE GOVERNOR OF THE STATE OF NEW JERSEY, AND THE UNITED STATES SENATORS AND REPRESENTATIVES FROM NEW JERSEY IN THE CONGRESS OF THE UNITED STATES OF AMERICA IN PROTEST AGAINST THE SHIPMENT OF MUNITIONS THROUGH THE CITY OF SOUTH AMBOY OR ANY OTHER AREA OF MIDDLESEX COUNTY, N. J.

To the Honorable Louis A. Johnson, the Honorable J. Howard McGrath, the Honorable Alfred E. Driscoll, the Honorable H. Alexander Smith, the Honorable Robert C. Hendrickson, the Honorable Charles A. Wolverton, the Honorable T. Millet Hand, the Honorable James C. Auchincloss, the Honorable Charles R. Howell, the Honorable Charles A. Eaton, the Honorable Clifford P. Case, the Honorable William B. Widnall, the Honorable Gordon Canfield, the Honorable Harry L. Towe, the Honorable Peter W. Rodino, Jr., the Honorable Hugh J. Addonizio, the Honorable Robert W. Kean, the Honorable Mary T. Norton, the Honorable Edward J. Hart.

SIRS: The Middlesex County (N. J.) Mayors Association, a duly organized group of the municipal representatives of the people of the County of Middlesex, N. J., respectfully show unto your honors:

1. On Friday, May 19, 1950, an estimated 427 tons of antitank and antipersonnel mines and other munitions exploded at the port of South Amboy in the course of a transshipment of cargo consigned from Newark, Ohio, and Rurtherford, Pa., and destined for Pakistan. This cargo was shipped by rail to South Amboy's railhead, where it was unloaded into lighters in Raritan Bay for delivery to the Isbrandtsen liner *Flying Clipper*, which was waiting in lower New York Harbor to receive the cargo for foreign shipment.

2. At about 7:28 p. m. of the day aforesaid the cargo already in the lighters at the pier, the cargo being unloaded and that yet in readiness for unloading exploded, bringing death to 33 persons, injuring hundreds of others, and destroying and damaging property to an extent conservatively estimated at $15,000,000.

3. The cause of this havoc has not been officially determined at this time. An investigation is now proceeding under the auspices of the United States Coast Guard. Other inquiries have been promised by officials of our Federal and State governments. Until these and other inquiries have come to an end, we are constrained to refrain from alleging particular criminal or civil liability.

4. We show you, however, that in South Amboy in particular (and these allegations have reference in varying degrees to the cities of Perth Amboy and New Brunswick and the Borough of Sayreville and South River and Raritan Township and the township of Woodbridge and all other sections of our county) our schools, both public and private, have been damaged to such an extent that they may have to be demolished and that present school terms have been abruptly terminated; that our churches have been rendered unusable and that religious services are being held in the open; that our municipal buildings may have to be torn down; that practically every house in South Amboy has been damaged, and many families made homeless; that several factories have had to close and many have been added to the unemployment rolls; that the people of South Amboy are shocked and fearful of a recurrence of this type of disaster.

5. We further show that this latest explosion is only one in a series of such catastrophes that have terrified this neighborhood for years, beginning with the Morgan explo-

sion of 1918 when hundreds were likewise killed and property damage ran into the millions.

6. This association believes that this shocking loss of life and property is entirely unnecessary in the future. At Earle, on lower Raritan Bay, the Government has the finest shipping facilities for explosives that the mind of man has yet been able to devise. We believe that it is to here that all necessary shipments of munitions should be made in the future.

7. We recommend, too, that all shipments of munitions, from the port of South Amboy, be immediately prohibited by law, and this prohibition be extended to the Raritan Arsenal and other similar storage and shipment locations in this county.

8. We further recommend that the Coast Guard inquiry which it is said is limited to ascertaining what happened and how it can be prevented, be extended, or that the inquiry be placed in the hands of other legal or governmental authorities for the purpose of definitely ascertaining and fixing criminal or civil liability for this disaster.

George L. Toms, Piscataway; August F. Greiner, Woodbridge; Thomas H. Lee, South Plainfield; John F. Fitzpatrick, South River; George J. Siegel, Spotswood; Stephen Skiba, Carteret; Wesley W. Perrine, Cranbury; Albert J. Roff, Dunellen; Charles F. Sullivan, East Brunswick Township; William H. Franklin, Helmetta; Alva H. Cole, Highland Park; Michael J. Seminara, Jamesburg; Joseph L. Costa, Metuchen; Louis Stoffelli, Borough of Middlesex.

CURRENT DEVELOPMENTS IN GERMANY—RESOLUTION OF COUNCIL FOR COMMUNITY ACTION, NEW YORK, N. Y.

Mr. LEHMAN. Mr. President, the Council for Community Action, a responsible organization in the city of New York, has adopted a resolution on Germany and has endorsed Senate Resolution 260, which calls for a study and review of current developments in Germany. I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolved, That the Council for Community Action join with CIO, AFL, ADL, ADA, and American Veterans Committee in signing and supporting the following statement on German democracy:

The establishment of a western German state and the end of military government in Germany mark the termination of the first phase of American occupation and require a critical appraisal of our policy in Germany.

In 4 years of military occupation, the formal elements for the creation of a free state have been established: parliamentary institutions, a free press, political parties, and independent labor movement, and a functioning economy. Yet the chief goals of American policy, the democratization of German life, assurance that its economy will not be used for aggression and the integration of Germany into the European democratic community are far from achievement. The extent to which these goals have been lost sight of is indicated by the reemergence of extreme national political groups: The return of many former active Nazis and other extreme nationalists to important administrative and economic positions and the proposals for the creation of a German army. Such a revival of German militarism would recreate the traditional foe of German democracy and would raise well-founded fears of German aggression in the western European community and would create danger of a new alliance between German militarists and the totalitarian communism of the East.

In view of the failures and disappointments of the past and the dangers inherent in the present situation in Germany, what is imperatively needed at this point is a full review by Congress and by a Presidential commission of the execution of American policy in Germany and the adoption of a positive program which will—

1. Strengthen the prodemocratic forces of Germany—the democratic labor movement, the cooperatives, the democratically constituted social welfare agencies, and the municipalities under effective popular control.

2. Eliminate all active supporters of the Nazis program from policy making and other positions of authority or responsibility in the administrative, judicial, and educational systems of the German government and in that connection the High Commission should bring its influence to bear to secure such action by the German Government and should apply this policy in reviewing its own past and future appointments.

3. Democratize the economy and curb the concentration of economic power in cartels and trusts.

4. Maintain such controls of the German economy as may be required to insure that, while Germany will contribute to European recovery and its people will enjoy an adequate standard of living, it shall never again become an aggressor. In that connection the coal, iron, and steel-producing facilities of the Ruhr should be developed in concert with the western European countries under a strict system of democratic controls, which must include full labor participation.

5. Facilitate the reeducation of the German people, especially its youth in a spirit of democratic and peaceful cooperation.

To carry out the purpose of this resolution, the Council for Community Action endorses the Lehman-Ives resolution calling for an investigation of American policy in Germany. We urge that this investigation be conducted by a representative citizen group.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

S. 3571. A bill to continue the authority of the Maritime Commission under the Merchant Ship Sales Act of 1946, and for other purposes; with amendments (Rept. No. 1783).

By Mr. TYDINGS, from the Committee on Armed Services:

H. R. 6826. A bill to provide for the common defense through the registration and classification of certain male persons, and for other purposes; with amendments (Rept. No. 1784).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 9, 1950, he presented to the President of the United States the following enrolled bills:

S. 274. An act for the relief of Constantin E. Aramescu;

S. 356. An act for the relief of Hugo Geiger;

S. 404. An act for the relief of Emma L. Jackson;

S. 749. An act for the relief of Ferd H. Gibler,

S. 764. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Forest Lumber Co.;

S. 765. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Algoma Lumber Co. and its successors in interest, George R. Birkelund and Charles E. Siddall, of Chicago, Ill., and Kenyon T. Fay, of Los Angeles, Calif., trustees of the Algoma Lumber Liquidation Trust;

S. 766. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Lamm Lumber Co.;

S. 947. An act for the relief of the Baggett Transportation Co., Inc.;

S. 977. An act for the relief of Jacques Yedid, Henriette Yedid, and Ethel Danielle Yedid;

S. 146. An act for the relief of Francis W. Dodge;

S. 1423. An act for the relief of Alex Morningstar;

S. 1510. An act for the relief of James I. Bartley;

S. 1693. An act for the relief of Karin Margareta Hellen and Olof Christer Hellen;

S. 1798. An act for the relief of Mrs. Minda Moore;

S. 1856. An act for the relief of Sisters Maria Rita Rossi, Maria Domenica Paone, Rachele Orlando, Assunta Roselli, Rosa Innocenti, and Maria Mancinelli;

S. 1863. An act for the relief of Fremont Rider;

S. 1929. An act for the relief of Anna Samudovsky;

S. 2070. An act for the relief of the Clark Funeral Home;

S. 2108. An act for the relief of Italo Vespa de Chellis;

S. 2156. An act for the relief of Sister Edeltrudis Clara Weskamp;

S. 2338. An act for the relief of J. M. Arthur;

S. 2339. An act for the relief of the Davis Grocery Co. of Oneida, Tenn.;

S. 2385. An act for the relief of Edward C. Ritche;

S. 2611. An act for the relief of Roland Roger Alfred Boccia, also known as Roland Barbera;

S. 2646. An act for the relief of the Articaire Refrigeration Co.; and

S. 3090. An act for the relief of Lt. (jg) Charles W. Ireland, Supply Corps, United States Navy, and for other purposes.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG:

S. 3725. A bill for the relief of James McGillic and Blossom McGillic; and

S. 3726. A bill for the relief of Tibor Wiener; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 3727. A bill to authorize certain construction at Griffiss Air Force Base, and for other purposes; to the Committee on Armed Services.

(Mr. McCLELLAN (by request) introduced Senate bill 3728, to implement Reorganization Plan No. 20 of 1950 by amending title 1 of the United States Code, as regards publication of the United States Statutes at Large, to provide for the publication of treaties and other international agreements between the United States of America and other countries in a separate compilation, to be known as United States Treaties and Other International Agreements, and for other purposes, which was referred to the

Committee on Expenditures in the Executive Departments, and appears under a separate heading.)

By Mr. NEELY:

S. 3729. A bill to provide for the conveyance of Holly River State Park to the State of West Virginia; to the Committee on Agriculture and Forestry.

By Mr. BUTLER:

S. 3730. A bill to authorize the sale of inherited interests in the allotment of Mary Shorty, deceased Winnebago allottee;

S. 3731. A bill to authorize the sale of the allotment of Edward Rave, deceased Winnebago allottee; and

S. 3732. A bill to authorize the sale of inherited interests in the allotment of Mike Shorty, deceased Winnebago allottee; to the Committee on Interior and Insular Affairs.

By Mr. MYERS:

S. 3733. A bill for the relief of Dyonisios Christ Pavlatos; to the Committee on the Judiciary.

By Mr. BRIDGES:

S. J. Res. 186. Joint resolution to authorize the procurement of an oil portrait and a marble bust of the late Chief Justice Harlan F. Stone; to the Committee on Rules and Administration.

REORGANIZATION PLAN NO. 20 OF 1950—AMENDMENT OF UNITED STATES CODE PROVIDING FOR PUBLICATION OF TREATIES AND INTERNATIONAL AGREEMENTS

Mr. McCLELLAN. Mr. President, by request, I introduce for appropriate reference a bill to implement Reorganization Plan No. 20 of 1950, by amending title 1 of the United States Code to provide for the publication of treaties and other international agreements, and I ask unanimous consent that an explanatory statement by me of the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, the explanatory statement presented by the Senator from Arkansas will be printed in the RECORD.

The bill (S. 3728) to implement Reorganization Plan No. 20 of 1950 by amending title 1 of the United States Code, as regards publication of the United States Statutes at Large, to provide for the publication of treaties and other international agreements between the United States of America and other countries in a separate compilation, to be known as United States Treaties and Other International Agreements, and for other purposes, introduced by Mr. McCLELLAN (by request), was read twice by its title, and referred to the Committee on Expenditures in the Executive Departments.

The statement presented by Mr. McCLELLAN is as follows:

STATEMENT OF SENATOR McCLELLAN

Mr. President, I am introducing a bill which has as its purpose the fulfillment of an undertaking begun and substantially accomplished by Reorganization Plan No. 20 of 1950, which became effective on May 24. In reporting out plan No. 20, the Committee on Expenditures in the Executive Departments directed attention to the need for this supplementary legislation and announced its intention to cause introduction of an appropriate bill.

Reorganization Plan No. 20 transferred from the State Department to the General Services Administration all functions related to the preservation, publication, and certification of acts of Congress, amendments to the Constitution of the United States, certificates of appointment and votes of electors of the President and Vice President of the United States and official papers of the Territories. Similar functions related to international agreements of all kinds and related Presidential proclamations were reserved to the Secretary of State.

A number of the many documents involved are accumulated and published as the Statutes at Large and, as a result of plan No. 20, we now have the responsibility for the issuance of the Statutes at Large divided between the General Services Administration, as to domestic matters, and the Department of State, as to international matters. To complicate the situation even further, the usual second volume of the Statutes at Large, as it is customarily compiled, has now become a joint responsibility of the two agencies.

I have been informed that present law requires that treaties and other international agreements and related proclamations be published on the basis of a session of the Congress. This may have been a practical arrangement in the early days of this country when treaties were comparatively simple and required ratification usually by no more than two countries. Now, however, an increasingly large proportion of international agreements are of a multilateral character requiring many signatures and many ratifications, and experience proves that by the time such an agreement or treaty is ready for proclamation it has lost all identity with any particular session of the Congress.

According to information submitted to me, this bill accomplishes three major and closely related objectives. First, it provides for removal of treaties and other international agreements and related proclamations from the Statutes at Large and for their publication under the auspices of the State Department in a separate volume to be entitled "United States Treaties and Other International Agreements." Second, it recognizes the lack of relationship which has come to exist between the proclamation of treaties and other international agreements and a session of the Congress by providing for their publication on the basis of those which have been proclaimed or otherwise formalized during each calendar year. Third, the bill makes the necessary provision for the admissibility as legal evidence of this new volume in the courts of the United States, of the several States, and of the Territories and insular possessions of the United States.

It is my understanding that the bill, by authorizing the new volume, "United States Treaties and Other International Agreements," will permit elimination of any other compilations of documents of an international character which have heretofore been issued by the Government in addition to the Statutes at Large, and effect substantial reductions in printing costs, particularly in regard to the printing of the so-called "Malloy" volumes in which from time to time such international papers have been printed as Senate documents. This new volume will not only replace the present inclusion of such papers in the Statutes at Large, but may be expected to serve also as an individual reference volume free of the intermingling of entirely unrelated documents which is now a characteristic of the Statutes at Large.

I have been advised that the bill I am now introducing is a necessary implementation of the accomplishments of Reorganization Plan No. 20. That plan met with universal approval as a constructive step toward more efficient and more economical administration, and the enactment of this bill should go far toward completing that which the plan has begun.

In conclusion, Mr. President, I wish to say that this bill has been formulated as a cooperative effort with representatives of the State Department, which has endorsed the proposed legislation, and I have been assured it meets with the approval of the Bureau of the Budget, the General Services Administration, and the Public Printer.

MEDICAL SERVICES TO NON-INDIANS IN INDIAN HOSPITALS—AMENDMENT

During the delivery of Mr. CAIN'S speech,

Mr. HUMPHREY. Mr. President, on a number of calendar calls last session I objected to the passage of House bill 4815, to provide for medical services to non-Indians in Indian hospitals, primarily because I believed that the rights of the Indian tribes were not sufficiently protected under the bill. Many Indian Bureau hospitals were built for Indians, frequently with Indian funds and with Indian labor, and frequently in pursuance of treaty obligations. It did not appear wise to me for the Commissioner of Indian Affairs to have discretionary power to transfer those hospitals to local white communities unless the affected Indians are satisfied that the transfer would benefit all parties concerned. That should certainly be the case since the Congress appropriated the funds for the use of the Indians alone.

I am happy to say that after a series of discussions with the Department of the Interior, a satisfactory amendment has been arrived at which I am now pleased to submit. I trust that H. R. 4815 can now be passed quickly by the Senate and enacted into law.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table.

HOUSE BILL REFERRED

The bill (H. R. 8575) to provide emergency cotton allotments to producers of farm commodities whose 1950 crops have been substantially destroyed by natural causes, was read twice by its title, and referred to the Committee on Agriculture and Forestry.

MAGNA CARTA (S. DOC. NO. 180)

During the delivery of Mr. CAIN'S speech,

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have the Magna Carta, with appropriate commentary by Prof. Faith Thompson, associate professor of history at the University of Minnesota, printed as a Senate document. The Magna Carta is one of the cornerstones of our democratic ideology and way of life. It is the foundation of English law and jurisprudence. It is, therefore, fitting and proper that we pay tribute to this significant historical document by printing it as a Senate document.

I am proud to present the commentary by Prof. Faith Thompson, whose scholarship has earned for her the respect and high esteem of American and English historians. Professor Thompson is the author of the First Century of Magna Carta, published in 1925 by the University of Minnesota Press, and of Magna Carta, Its Role in the Making of English Constitution, also published by the University of Minnesota Press in 1948.

I request that my remarks be printed with the document.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAYBANK, from the Committee on Banking and Currency:

J. Alston Adams, of New Jersey, to be a member of the Home Loan Bank Board for a term of 4 years, expiring June 30, 1954 (reappointment); and

Paul R. Rowen, of Massachusetts, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1955 (reappointment).

COMMENCEMENT ADDRESS BY HON. JAMES A. FARLEY AT SEATTLE UNIVERSITY AND INTRODUCTORY REMARKS BY THE VERY REVEREND A. A. LEMIEUX

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD introductory remarks by the Very Reverend A. A. Lemieux, president of Seattle University, and the commencement address delivered by the Honorable James A. Farley, at Seattle University, on June 2, 1950, which appear in the Appendix.]

SENATOR MUNDT CHALLENGES US—EDITORIAL FROM THE SAVANNAH (GA.) MORNING NEWS

[Mr. MUNDT asked and obtained leave to have printed in the RECORD an editorial entitled "Senator MUNDT Challenges Us," published in the Savannah (Ga.) Morning News of June 4, together with a short statement prepared by himself, which appear in the Appendix.]

RURAL NONFARM HOUSING—SPEECH BY REV. THOMAS B. KEEHN AND STATEMENT BY REV. WILLIAM J. GIBBONS

[Mr. SPARKMAN asked and obtained leave to have printed in the RECORD a speech entitled "Public Housing Current Issues—What Has Happened to the Rural Nonfarm Program?" by Rev. Thomas B. Keehn, delivered at the nineteenth annual meeting of the National Housing Conference, in New York City, on April 3, 1950; and a statement entitled "Rural Nonfarm Housing," by Rev. William J. Gibbons, at the National Catholic Rural Life Conference, on April 26, 1950, which appear in the Appendix.]

BRANNAN ROW WITH NEWSMEN OVER EGGS ON A COMIC LEVEL—ARTICLE BY PHILLIP WARDEN

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an article entitled "Brannan Row With Newsmen Over Eggs on a Comic Level," written by Phillip Warden, and published in the Washington Times-Herald of June 8, 1950, which appears in the Appendix.]

MAGIC FORMULA—EDITORIAL FROM THE MOBERLY (MO.) MESSAGE

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "Magic Formula," published in the Moberly (Mo.) Message, which appears in the Appendix.]

THE AMERASIA CASE—EDITORIAL FROM THE WASHINGTON TIMES-HERALD

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial relating to the Amerasia case and Senator FERGUSON'S speech thereon, published in the Washington Times-Herald of Thursday, June 8, 1950, which appears in the Appendix.]

THE PHILIPPINES AND THE COMMUNISTS—EDITORIAL FROM THE NEW HAMPSHIRE MORNING UNION

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an editorial entitled "The Same Chatter We Heard About China," relating to Communist activities in the Philippines, published in the New Hampshire Morning Union of June 6, 1950, which appears in the Appendix.]

REPORT TO THE PEOPLE OF PENNSYLVANIA BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD a report by him to the people of Pennsylvania, dated June 8, 1950, which appears in the Appendix.]

SOCIAL SECURITY—ADDRESS BY SENATOR MYERS

[Mr. MYERS asked and obtained leave to have printed in the RECORD an address by him on social security, No. 28 in a biweekly series of broadcasts over Pennsylvania radio stations, which appears in the Appendix]

LETTER FROM SECRETARY-GENERAL OF THE UNITED NATIONS TO EACH MEMBER NATION

Mr. LEHMAN. Mr. President, I have received from the organization called the Association for the United Nations a copy of a letter addressed by the Secretary-General of the United Nations to each member nation. This letter includes a memorandum containing a 10-point program for achieving peace through the United Nations.

I do not necessarily subscribe to all the observations and proposals made by the distinguished Secretary-General of the United Nations but I consider these proposals to be certainly worthy of study by every Member of the United States Senate and by the American people.

Because of this I ask unanimous consent that the text of this letter and of the attached memorandum be printed in the RECORD at this point.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

LETTER FROM THE SECRETARY-GENERAL TO EACH MEMBER OF THE UNITED NATIONS

SIR: The deterioration of relations between leading members of the United Nations has created a situation of most serious concern for the United Nations and the future peace of the world. In my capacity as Secretary-General, I have felt it my duty to suggest means by which the principles of the Charter and the resources of the United Nations could be employed to moderate the present conflict and to enable a fresh start to be made toward eventual peaceful solutions of outstanding problems.

To this end, I have drawn up a memorandum of points for consideration in the development of a 20-year program for achieving peace through the United Nations, a copy of which is annexed hereto.

I have personally handed this memorandum to the President of the United States of America, Mr. Harry S. Truman, on April 20, to the Prime Minister of the United Kingdom, Mr. Clement Attlee, on April 28; to the Prime Minister of France, Mr. Georges Bidault, on May 3; and to the Prime Minister of the Union of Soviet Socialist Republics, Generalissimo Joseph Stalin, on May 15. I had opportunity to discuss the points of this memorandum with the foregoing heads of governments and with other leaders of their governments including the Secretary of State of the United States of America, Mr. Dean Acheson, the Foreign Secretary of the United Kingdom, Mr. Ernest Bevin; the Foreign Minister of France, Mr. Robert Schuman; the Vice Premier of the Union of Soviet Socialist Republics, Mr. Viacheslav Molotov; and the Foreign Minister of the Union of Soviet Socialist Republics, Mr. Andrei Vishinsky.

While it would not be appropriate for me to state the views of any of the governments on the points of the memorandum, I can say that I have drawn from my conversations a firm conviction that the United Nations remain a primary factor in the foreign policy of each of these Governments and that the reopening of genuine negotiations on certain of the outstanding issues may be possible.

It is evident that no significant progress can be made while the members of the United Nations remain sharply divided on the question of the representation of one of the permanent members of the Security Council—the Republic of China. It is necessary that this question be settled.

Under point 2 of the annexed memorandum I have made a number of suggestions for resumption of negotiations on the problems of atomic energy. Another suggestion was made in the appeal circulated on April 20, 1950, by the International Committee of the Red Cross to the high contracting parties to the Geneva Conventions for the Protection of Victims of War, to do everything in their power to reach agreements on the prohibition of the atomic bomb and blind weapons generally.

In connection with point 7, the conversations of the Executive Secretary of the Economic Commission for Europe, Mr. Gunnar Myrdal, with various European governments have emphasized the necessity for further efforts to liberate international trade from the restrictions and discriminatory practices which now hamper the free flow of goods.

Further in connection with point 7 I call your attention to the statement unanimously adopted in Paris on May 4, 1950, by the Administrative Committee on Coordination (composed of the Secretary-General and the administrative heads of the following specialized agencies: United Nations Educational, Scientific, and Cultural Organization, International Labor Organization, Food and Agriculture Organization, World Health Organization, International Civil Aviation Organization, International Bank for Reconstruction and Development, International Monetary Fund, International Refugee Organization, International Telecommunications Union, International Bureau of the Universal Postal Union, Interim Commission of the International Trade Organization). The statement reads:

"The present division of the world and the increasingly serious conflicts of policy among the great powers have gravely impaired the prospects for world peace and for raising the standards of living of the peoples of the world. It is of particular concern to the administrative heads of the organizations that these conditions threaten the very basis of their work. The United Nations and the specialized agencies are founded upon the principles that lasting world problems—like disease, hunger, ignorance, and poverty, which recognize no frontier—can never be overcome unless all the nations join in universal efforts to these ends. We affirm the validity of this principle of universality.

"The United Nations system makes ample room for diversity within a universal framework. We believe it would be a disaster if efforts to realize the principle of universality in practice were to be abandoned now. We believe that the greatest efforts should, on

the contrary, be directed toward achieving in fact true universality in the membership and programs of the United Nations and of those of the specialized agencies which are founded on that principle. We also believe that it is necessary for all the governments to renew their efforts to conciliate and negotiate the political differences that divide them and obstruct economic and social advancement. Specifically, we believe that it is essential to the future of both the United Nations and the specialized agencies that the present political deadlock in the United Nations be resolved at the earliest possible moment. The peace and well-being of all peoples demand from their governments a great and sustained new effort by the nations of the world to achieve a constructive and durable peace."

I have the honor to request the earnest attention of your Government to the annexed memorandum. I have in contemplation the possibility of its formal submission to the Security Council at an appropriate time, and I reserve the right to place it on the provisional agenda of the forthcoming regular session of the General Assembly.

I have the honor to be, etc.

———— ————,

Secretary-General.

MEMORANDUM OF POINTS FOR CONSIDERATION IN THE DEVELOPMENT OF A 20-YEAR PROGRAM FOR ACHIEVING PEACE THROUGH THE UNITED NATIONS

As Secretary-General, it is my firm belief that a new and great effort must be attempted to end the so-called cold war and to set the world once more on a road that will offer greater hope of lasting peace.

The atmosphere of deepening international mistrust can be dissipated and the threat of the universal disaster of another war averted by employing to the full the resources for conciliation and constructive peace building present in the United Nations Charter. The employment of these resources can secure eventual peace if we accept, believe, and act upon the possibility of peaceful coexistence among all the great powers and the different economic and political systems they represent, and if the great powers evidence a readiness to undertake genuine negotiation—not in a spirit of appeasement—but with enlightened self-interest and common sense on all sides.

Measures for collective self-defense and regional remedies of other kinds are at best interim measures, and cannot alone bring any reliable security from the prospect of war. The one common undertaking and universal instrument of the great majority of the human race is the United Nations. A patient, constructive long-term use of its potentialities can bring a real and secure peace to the world. I am certain that such an effort will have the active interest and support of the smaller member states, who have much to contribute in the conciliation of big-power differences and in the development of constructive and mutually advantageous political and economic cooperation.

I therefore venture to suggest certain points for consideration in the formulation of a 20-year United Nations peace program. Certain of these points call for urgent action. Others are of a long-range nature, requiring continued effort over the next 20 years. I shall not discuss the problems of the peace settlements for Austria, Germany, and Japan—because the founders of the United Nations indicated that the peace settlements should be made separately from the United Nations. But I believe that the progress of a United Nations peace program such as is here suggested will help to bring these settlements far closer to attainment.

1. Inauguration of periodic meetings of the Security Council, attended by Foreign Ministers, or heads or other members of governments, as provided by the United Nations Charter and the rules of procedure, together with further development and use of other United Nations machinery for negotiation, mediation, and conciliation of international disputes.

The periodic meetings of the Security Council provided for in article 28 of the Charter have never been held. Such periodic meetings should be held semiannually, beginning with one in 1950. In my opinion, they should be used for a general review at a high level of outstanding issues in the United Nations, particularly those that divide the great powers. They should not be expected to produce great decisions every time; they should be used for consultation—much of it in private—for efforts to gain ground toward agreement on questions at issue, to clear up misunderstandings, to prepare for new initiatives that may improve the chances for definitive agreement at later meetings. They should be held away from headquarters, as a general rule, in Geneva, the capitals of the permanent members, and in other regions of the world.

Further development of the resources of the United Nations for mediation and conciliation should be undertaken, including reestablishment of the regular practice of private consultations by the representatives of the five great powers, and a renewed effort to secure agreement by all the great powers on limitations on the use of the veto power in the pacific settlement procedures of the Security Council.

2. A new attempt to make progress toward establishing an international control system for atomic energy that will be effective in preventing its use for war and promoting its use for peaceful purposes.

We cannot hope for any quick or easy solution of this most difficult problem of atomic-energy control. The only way to find out what is possible is to resume negotiation in line with the directive of the General Assembly last fall "to explore all possible avenues and examine all concrete suggestions with a view to determining what might lead to an agreement." Various suggestions for finding a basis for a fresh approach have been put forward. One possibility would be for the Security Council to instruct the Secretary-General to call a conference of scientists whose discussions might provide a reservoir of new ideas on the control of weapons of mass destruction and the promotion of peaceful uses of atomic energy that could thereafter be explored in the United Nations Atomic Energy Commission. Or it may be that an interim agreement could be worked out that would at least be some improvement on the present situation of an unlimited atomic-arms race, even though it did not afford full security. There are other possibilities for providing the basis for a new start; every possibility should be explored.

3. A new approach to the problem of bringing the armaments race under control, not only in the field of atomic weapons but in other weapons of mass destruction and in conventional armaments.

Here is another area where it is necessary to reactivate negotiation and to make new efforts at finding some area of common ground. It must be recognized that up to now there has been virtually a complete failure here and that the immediate prospects seem poor indeed. Clearly, disarmament requires an atmosphere of confidence in which political disputes are brought nearer to solution. But it is also true that any progress at all toward agreement on the regulation of armaments of any kind would help to reduce cold-war tensions and thus assist in the adjustment of political disputes. Negotiation on this problem should not be deferred until the other great political problems are solved, but should go hand in hand with any effort to reach political settlements.

4. A renewal of serious efforts to reach agreement on the armed forces to be made available under the Charter to the Security Council for the enforcement of its decisions.

A new approach should be made toward resolving existing differences on the size, location, and composition of the forces to be pledged to the Security Council under article 43 of the Charter. Basic political difficulties which may delay a final solution should not be permitted to stand in the way of some sort of an interim accord for a small force sufficient to prevent or stop localized outbreaks threatening international peace. The mere existence of such a force would greatly enhance the ability of the Security Council to bring about peaceful settlements in most of the cases which are likely to come before it.

5. Acceptance and application of the principle that it is wise and right to proceed as rapidly as possible toward universality of membership.

Fourteen nations are now awaiting admission to the United Nations. In the interests of the people of these countries and of the United Nations, I believe they should all be admitted, as well as other countries which will attain their independence in the future. It should be made clear that Germany and Japan would also be admitted as soon as the peace treaties have been completed.

6. A sound and active program of technical assistance for economic development and encouragement of broad-scale capital investment, using all appropriate private, governmental, and intergovernmental resources.

A technical assistance program is in its beginnings, assisted by the strong support of the President of the United States. Its fundamental purpose is to enable the people of the underdeveloped countries to raise their standard of living peacefully by specific and practicable measures. It should be a continuing and expanding program for the next 20 years and beyond, carried forward with the cooperation of all member governments, largely through the United Nations and the specialized agencies, with mutual beneficial programs planned and executed on a basis of equality rather than on a basis of charity. Through this means the opportunities can be opened up for capital investment on a large and expanding scale. Here lies one of our best hopes for combating the dangers and costs of the cold war.

7. More vigorous use by all member governments of the specialized agencies of the United Nations to promote, in the words of this Charter, "higher standards of living, full employment, and conditions of economic and social progress."

The great potentialities of the specialized agencies to participate in a long-range program aimed at drastically reducing the economic and social causes of war can be realized by more active support from all governments, including the membership of the Soviet Union in some or all of the agencies to which it does not now belong. The expansion of world trade which is vital to any long-range effort for world betterment requires the early ratification of the Charter of the International Trade Organization.

8. Vigorous and continued development of the work of the United Nations for wider observance and respect for human rights and fundamental freedoms throughout the world.

It is becoming evident that the Universal Declaration of Human Rights, adopted by the General Assembly in 1948 without a dissenting vote, is destined to become one of the great documents of history. The United Nations is now engaged on a program that will extend over the next 20 years—and beyond—to secure the extension and wider observance of the political, economic, and social rights there set down. Its success needs the active support of all governments.

9. Use of the United Nations to promote, by peaceful means instead of by force, the advancement of dependent, colonial, or semi-

colonial peoples, toward a place of equality in the world.

The great changes which have been taking place since the end of the war among the peoples of Asia and Africa must be kept within peaceful bounds by using the universal framework of the United Nations. The old relationships will have to be replaced with new ones of equality and fraternity. The United Nations is the instrument capable of bringing such a transition to pass without violent upheavals and with the best prospect of bringing long-run economic and political benefits to all nations of the world.

10. Active and systematic use of all the powers of the Charter and all the machinery of the United Nations to speed up the development of international law toward an eventual enforceable world law for a universal world society.

These three last points deal with programs already under way to carry out important principles of the United Nations Charter. They respond to basic human desires and aspirations and coordinated efforts by all governments to further these programs are indispensable to the eventual peaceful stabilization of international relations. There are many specific steps which need to be taken; for example, under point 10, ratification of the Genocide Convention, greater use of the International Court of Justice, and systematic development and codification of international law. More important is that governments should give high priority in their national policies to the continued support and development of these ideals which are at the foundation of all striving of the peoples for a better world.

What is here suggested is only an outline of preliminary proposals for a program; much more development will be needed. It is self-evident that every step mentioned, every proposal made, will require careful and detailed, even laborious preparation, negotiation, and administration. It is equally self-evident that the necessary measure of agreement will be hard to realize most of the time, and even impossible some of the time. Yet the world can never accept the thesis of despair—the thesis of irrevocable and irreconcilable conflict.

The VICE PRESIDENT. Under order heretofore entered, the Senator from Washington [Mr. CAIN] is recognized.

THE AMERASIA CASE—JAMES FORRESTAL

Mr. KNOWLAND. Mr. President, will the Senator from Washington yield that I may ask unanimous consent to make a statement which will not take more than 1 minute?

Mr. CAIN. I shall be glad to yield to the Senator from California.

Mr. LUCAS. Reserving the right to object, I am not going to object in this instance, but I shall object to any speeches being made in the Senator's time.

The VICE PRESIDENT. Is there objection to the request of the Senator from California that he be allowed to speak for 1 minute in the time of the Senator from Washington, without the Senator from Washington losing his right to the floor?

The Chair hears none, and the Senator from California may proceed.

Mr. KNOWLAND. Mr. President, the name of the late James Forrestal has been brought into the Amerasia case as one who may have suggested a delay in making the arrests. Mr. Forrestal is not here to state his reasons for such action, if, indeed, he ever made such a suggestion. But while he cannot speak for himself, there is a diary in the custody of the White House that can speak for Mr. Forrestal. If he suggested such a delay in prosecution during wartime, he must have believed Soviet espionage was involved, because if such was not the case, certainly no foreign government could have been interested in what a relatively inconsequential American magazine might have been involved in at that time. The diary may show the reason for any action he took and with whom the matter was discussed.

Mr. President, in fairness to Mr. James Forrestal, who had a long record of patriotic devotion to the Government of the United States which included service as both Secretary of the Navy and Secretary of National Defense, I believe the committee which is investigating the Amerasia case at this time should subpena the wartime diary which is now in the custody of the White House.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. The Senator from Washington has the floor.

Mr. LUCAS. Mr. President, will the Senator from Washington yield?

Mr. CAIN. Certainly.

Mr. LUCAS. I shall make a unanimous-consent request with respect to the pending measure in the Senator's time, if he will permit me to do so.

Mr. CAIN. Certainly.

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate vote on the pending measure and all amendments thereto not later than 5 o'clock Monday next, the time on Monday to be controlled by the Senator from Washington [Mr. CAIN] and the Senator from South Carolina [Mr. MAYBANK], with no amendments to be offered which are not germane to the issue.

The VICE PRESIDENT. Is there objection?

Mr. WATKINS. Mr. President, reserving the right to object, may I inquire whether it is the intention of the majority leader to hold a session tomorrow?

Mr. LUCAS. If I can get a unanimous-consent agreement to vote at any time on Monday, Tuesday, or Wednesday, which is agreeable to the Republican side of the aisle, we shall not hold a session tomorrow.

Mr. WATKINS. Mr. President, I would not make any objection if the agreement were made for Wednesday. I shall object if the unanimous-consent request is made for Monday.

Mr. LUCAS. I should be glad to comply with the request of the Senator from Utah, and make it for Wednesday.

The VICE PRESIDENT. The Senator from Illinois asks unanimous consent that at 5 o'clock on Wednesday next, the Senate proceed to vote on the pending bill and all amendments thereto, that the time on Wednesday be equally divided between the proponents and the opponents of the bill, to be controlled by the Senator from Washington and the Senator from South Carolina, and that all amendments be germane to the bill. Is there objection?

Mr. CAIN. Mr. President, reserving the right to object, the junior Senator from Washington would not be inclined to agree to the unanimous-consent request which has been offered by the distinguished majority leader, the Senator from Illinois. However, I would suggest to the majority leader, if he cared to endeavor to secure a unanimous-consent agreement to vote on my intended motion to recommit this bill to the Committee on Banking and Currency on Monday at 5 o'clock, it would be agreeable to the junior Senator from Washington.

The VICE PRESIDENT. Does the Senator from Illinois modify his request to that extent?

Mr. LUCAS. If the Senator from Washington will further yield, may I inquire if he could include a vote on all amendments and the bill itself, in the event the motion to recommit should fail? I should think that we should like to conclude the entire matter at that time, including the motion to recommit, all amendments to the bill, and the bill itself.

Mr. CAIN. The Senator from Washington would be less than frank if he did not say that, along with other Senators of like mind, he would like to cross one hurdle at a time. From the point of view of the junior Senator from Washington at least it is his intention to have a vote on a motion to recommit as of a given time. He has suggested a particular time. One reason I am offering my view on the subject is that the majority leader was quoted in the press this morning, in a very agreeable way, as saying that he was not satisfied that there were a sufficient number who shared his view in support of the proposed legislation to pass it. The Senator from Washington is likewise deeply in doubt as to how the issue will be resolved. He can think of no better way of testing his position than to have a vote to recommit on Monday.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. I yield first to the majority leader.

Mr. LUCAS. Would the Senator be willing to agree to vote on Monday at 5 o'clock on the motion to recommit, and if the motion to recommit should fail that we vote on Tuesday, say, at 3 o'clock on the bill and all amendments thereto?

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. May I first answer the question of the majority leader? There are obviously a good many uncertainties in this situation. The Senate has been told that the House intends to take no action on a bill extending rent control until the Senate has taken action. I am not constrained to take that to be continuing fact. Therefore, it is my position that first we should vote on the question of recommittal, then decide our future action. Consequently, I would not be inclined, sir, as an individual Senator, to agree to any unanimous consent request beyond that of voting on a motion to recommit the bill.

Mr. WHERRY. Mr. President, reserving the right to object, I appreciate very much the compromising spirit of the Senator from Washington to accomplish what I think is virtually a vote on the bill. I feel that a motion to recommit would largely determine what would happen to the bill. I am quite satisfied that if that could be done we would have taken a long step toward getting a final vote on the measure. I want to thank the Senator from Washington for offering to comply with most of the requirements of the majority leader's request. I humbly suggest to the majority leader that if a vote on the motion to recommit were taken there would be no difficulty in determining the final outcome of the bill.

Tuesday is not a very favorable day to vote on the bill in its entirety, if I may so suggest to the majority leader. If the bill should be recommitted, of course there would be no need for a further agreement. If it were not, Tuesday would not be so acceptable as Wednesday so far as this side of the aisle is concerned, although I want to say to the majority leader that there is no disposition on this side of the aisle to delay a vote on the bill longer than is actually necessary to debate it in its entirety. I feel that if a vote were taken on Monday on a motion to recommit, the result would largely decide the outcome of the bill.

I hope the majority leader will accept the proposal. Wednesday is Flag Day, and several Senators have accepted invitations to speak on that day. I am ready to vote on it at any time.

Mr. CAIN. It would be too bad if we could not vote on something on Wednesday, which I understand is a day set aside for dedication to things patriotic. I think the subject before us could adequately be dealt with under such auspices.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. CAIN. Certainly.

Mr. LUCAS. The statement of my friend from Nebraska with respect to my agreeing to the suggestion made by the Senator from Washington is one that I do not believe I could accept. The Senator from Nebraska says that he and those for whom he speaks are not trying to delay a vote on this bill. Certainly, if the Senator from Illinois is willing to agree to a vote on Monday at 5 o'clock on a motion to recommit, if then we cannot get an agreement to vote on the measure on a day certain, it seems to me that someone is trying to delay action on rent-control legislation.

In a conversation I have had with the leaders on the Republican side of the aisle, at which time I gave the Senator from Nebraska, the Senator from Ohio, and other Senators a sort of a chart which we hoped we might be able to agree on, as to how long it would take to dispose of certain vital measures which it is necessary to consider before Congress can adjourn, I suggested that we could dispose of the rent control bill in 3 days. The Senator from Nebraska said we could dispose of it probably in 2 days. I was very happy when he made that suggestion, because I thought perhaps 2 days would be sufficient for the debate.

Mr. President, we have practically concluded the debate on this side of the aisle so far as rent control is concerned, and surely we are going to get a vote upon rent control some time during this session of Congress. I take it that some day, sometime, we are going to get a vote on rent control, and it seems to me that the Senate is pretty well briefed upon the pros and cons of the situation. I plead with the Senators on the other side of the aisle, if they are interested in expediting the business of the Senate, if they are interested in having Congress get away by July 31, to agree to the proposition which has been submitted.

I am willing to vote on Monday, so far as recommittal is concerned, but I am not willing to vote on that question alone, and leave the rent-control bill wide open for another 3 or 4 days of debate. I do not feel I can do that and expect to expedite the business of the Senate, as everyone apparently wants to have done.

Mr. CAIN. Mr. President, the junior Senator from Washington would like to say that he likewise wishes to expedite the business of the Senate insofar as he can help in doing it, and with reference to the particular matter before the Senate, he wants to dispose of it.

It seemed to the junior Senator from Washington that he was doing a reasonable thing in suggesting that, so far as he individually was concerned, he would be pleased to have this matter tested at 5 o'clock Monday afternoon next. But it likewise is his determination to know more about where he stands as a result of that intended vote on Monday afternoon next, and the majority leader is on very sound ground in asking what wishes for the future may be entertained by the junior Senator from Washington or any other Senator on either side of the aisle following that vote.

I was endeavoring to be reasonable in my approach, and if the majority leader thinks my position has not been quite reasonable, I believe he should credit it to the determination and good intentions, sincerely and conscientiously arrived at, of one Member of the United States Senate, who, because he feels so deeply as he does, is simply not inclined to take more than one obstacle at a time.

Mr. WHERRY. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I yield to the Senator from Nebraska.

Mr. WHERRY. Once more I should like to restate the desire of the Republican side of the aisle to cooperate with the majority leader in disposing of legislation. It is true that when the program was submitted by the distinguished majority leader, certain days were set down for various measures which he, in his judgment, felt would afford sufficient time to enable the two sides to agree upon a program to be completed by a certain date, and if that proposal were agreed upon, then the time agreed to would be allotted to the various measures.

I appreciate the fact that I stated that I felt two solid days of debate, if we got that kind of an agreement, might afford sufficient time to handle the rent-control bill. That is only a matter of judgment. That is only the opinion of the Senator from Nebraska, because there has been no agreement yet to consider that program. Once we have agreed upon a program, then there will be no argument.

Of course, the rent-control bill is the measure at present under consideration. Following that will be the social-security bill. My estimate of the time necessary to consider that might differ from that of the majority leader. The debate which will ensue will depend on the importance of the bills taken up. Certainly, if an agreement is made that so many days be allotted, when that agreement is made, it will be kept, but until such an agreement is made, the time that even one Senator thinks is sufficient is a question for him to decide.

I again say to the majority leader that I feel if we could enter into the unanimous-consent agreement as suggested by the Senator from Washington we would clear a big hurdle toward a final vote on the rent-control bill. I really believe that, because certainly if the bill is recommitted, there will be no need for a further vote. If it is not recommitted, then, of course, a question will arise of trying to get another unanimous-consent agreement.

Mr. LUCAS. Mr. President, let me ask the Senator from Nebraska why the Republican side objects to fixing a particular time for a vote. I do not care what date they may fix; they can make it Tuesday, Wednesday, Thursday, or Friday. But let them suggest a date. That is what we would like to have.

Mr. WHERRY. Mr. President——

Mr. CAIN. Just a moment.

Mr. WHERRY. Very well, but the Senator asked me a question.

Mr. CAIN. I would answer it from one point of view, that at least one Member of this body, who happens to sit on this side, is no more willing to agree at this moment to a time when the bill will be voted on, if the intended motion to recommit fails, than a good many Senators on the other side of the aisle were willing to agree to a day and a time and an hour on which to vote on the late FEPC bill. The situation is as clear as it could possibly be, under the definite conviction of one individual Senator.

Mr. DOUGLAS. Mr. President, would the Senator be willing to yield for a moment?

Mr. CAIN. Yes, unless the majority leader desires to speak.

Mr. LUCAS. There is only one other statement I should like to make in the time of the Senator from Washington.

We offered the Republican side of the aisle the privilege of picking any time they desired to vote on a rent-control bill. That is about all we can do. Otherwise, we shall have to continue the debate interminably, until we finally reach a decision.

Mr. WHERRY. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I am pleased to yield.

Mr. WHERRY. I do not care to detain the Senate long, but I desire to make

it clear that the Republican side is not holding up a vote on anything. Any Member of the Senate has a right to object to a unanimous-consent request to vote on any measure. All I have to do is to refer back to the basing-point bill, in connection with which one Senator on the other side of the aisle held up for months and months and months a request for unanimous consent. I could go back through the experience of the Senate for months and years and prove my point.

On this side we have adopted no policy on the rent-control bill. The Senate debated the measure on Wednesday, the calendar was called on Thursday, and now we are starting the debate on Friday, and the majority leader says that if we do not agree to a vote on a certain day the Republican side is to blame.

Let us get the record clear. If the pending measure is so important as the majority leader says it is, the debate should continue until those who are interested complete their arguments. At the moment I know of five Senators who desire to make speeches. Certainly, they have a right to make them, and if, for obvious reasons, some do not want to vote at one time or another they have a right to object to a unanimous-consent request, no matter which side of the aisle it comes from.

Mr. President, I make this statement constructively. I do not want to hurt the program in any way, and if the majority leader will take the advice of the junior Senator from Nebraska—just once—I say that if he will ask for a vote on the motion to recommit on Monday, he will expedite the work of the Senate, because, in my humble opinion, that will be a test vote upon the measure. The debate might be over Monday without any doubt. If it is not, I say to the majority leader that I shall strive, as I always have, to expedite the completion of the proposed legislation after sufficient debate has been had by whatever Senators desire to take part in the debate, no matter on which side of the aisle they may sit.

The VICE PRESIDENT. The Chair inquires, What is the unanimous-consent request now pending?

Mr. CAIN. Mr. President, unless the majority leader has officially offered one, there is not one pending that I know of.

The VICE PRESIDENT. The Senator from Illinois offered a unanimous-consent request originally, to which various modifications have been suggested, but the Chair does not recall that his original request was objected to specifically.

Mr. WATKINS. Mr. President, reserving the right to object, if the majority leader is going to insist on the original unanimous-consent request, I shall be compelled to object.

Mr. LUCAS. I modify the request so as to make the time 5 o'clock on Tuesday of next week for the vote on the bill, the motion to recommit, and all amendments.

The VICE PRESIDENT. Is there objection to that request?

Mr. CAIN. Mr. President, reserving the right to object, insofar as the motion to recommit is concerned, I would be perfectly willing to vote on that question at 5 o'clock on Monday afternoon; but to any other unanimous-consent request I could not agree. I therefore must object.

The VICE PRESIDENT. Objection is heard.

Mr. LUCAS. Mr. President, I modify my request and ask that the Senate vote on Wednesday at 5 o'clock.

The VICE PRESIDENT. The Senator from Illinois has modified his request by asking unanimous consent that at 5 o'clock on Wednesday the Senate proceed to vote on the bill and all amendments, and a motion to recommit. Is there objection?

Mr. CAIN. Mr. President, reserving the right to object, I will advance exactly the same reasons again with respect to that request. I am absolutely of the opinion that we should do one thing at a time. I must object.

Mr. LUCAS. I modify my request, and ask that the vote be taken on Thursday of next week.

The VICE PRESIDENT. Is there objection?

Mr. CAIN. I object.

Mr. LUCAS. I modify my request to make it a week from Monday, Mr. President.

The VICE PRESIDENT. Is there objection to the request that at 5 o'clock on Monday week the Senate proceed to vote on the bill and all amendments germane to the bill, and a motion to recommit.

Mr. CAIN. I object.

The VICE PRESIDENT. Objection is heard.

Mr. LUCAS. Could I get an agreement to vote next Christmas?

Mr. WHERRY. O Mr. President——

Mr. CAIN. Mr. President, indeed the majority leader could. If he wants to make such a request it will be agreed to without exception by the junior Senator from Washington, and supported by many Americans.

The VICE PRESIDENT. All this procedure is by unanimous consent. The Senator from Washington has the floor.

Mr. WHERRY. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to any Senator?

Mr. CAIN. I am pleased to yield, if I may, to either of the Senate leaders. First I yield to the minority leader.

Mr. WHERRY. Mr. President, I regret exceedingly the remark made by the majority leader asking that a unanimous-consent agreement be entered into to vote next Christmas. That is not expediting the work of the United States Senate at all. That is simply prolonging a controversy that is not conducive to bring about a meeting of minds at all. If there is sincerity, and Senators really want to work out a unanimous-consent agreement, the thing for the majority leader to do is to take a step at a time. If he will ask for a vote on the question to recommit on Monday, there is a chance that we can work out a unanimous-consent agreement. But it cannot be done by trying to drive Senators into accepting the majority leader's own terms, without some effort being made to work out a compromise. Certainly the situation will not be helped by suggesting that we agree to vote next Christmas. That will not bring about an agreement on anything.

Mr. LUCAS. I am sure the Senator will not agree, even to voting next Christmas.

The VICE PRESIDENT. The Senator from Washington has the floor.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I yield to my good friend, the chairman of the Committee on Banking and Currency, the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I was about to make the rather facetious remark that we probably could secure unanimous consent to vote after July 1.

Mr. IVES. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New York?

Mr. CAIN. I yield.

Mr. IVES. The Senator from New York would like to be permitted to propound a question to the majority leader, without the Senator from Washington losing the floor thereby.

The VICE PRESIDENT. Is there objection to the request of the Senator from New York? The Chair hears none.

Mr. IVES. I wish to ask the distinguished majority leader if he plans to have a session tomorrow.

Mr. LUCAS. The Senator from New York is correct.

Mr. IVES. Then the Senator from New York asks unanimous consent to be absent from the session of the Senate tomorrow.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LUCAS. I wish to make one further observation in the time of the Senator from Washington. As I understand, there was a press story from Chicago late this morning—I have not seen it—that there would not be any rent-control legislation passed this year, and that I had made a statement to that effect. I serve notice, Mr. President, that we are going to vote upon a rent-control bill in the United States Senate if we have to stay here until next Christmas.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Washington yield for a question?

Mr. CAIN. I yield to the Senator from Nebraska.

Mr. WHERRY. Is it the majority leader's intention now, in view of the statement he just made, that there will be a night session tonight, and that the Senate will meet tomorrow?

Mr. LUCAS. The Senator is absolutely correct. I made that statement yesterday for the RECORD.

Mr. WHERRY. I know the Senator did.

Mr. LUCAS. And the Senator from Illinois proposes to go through with the night session tonight, and with a Saturday session.

Mr. WHERRY. Does the Senator mean that we shall have an all-night session tonight?

Mr. LUCAS. No; I do not mean that we shall have an all-night session, to be perfectly frank. We shall probably stay here until 10 or 11 o'clock. So long as Senators want to talk about rent control the Senator from Illinois will stay with them. If they want to continue to talk into the morning the Senator from Illinois will stay with them.

Mr. WHERRY. And there will be a session on Saturday?

Mr. LUCAS. And there will be a session tomorrow. That is correct.

Mr. CAIN. Mr. President——

The VICE PRESIDENT. The Senator from Washington has the floor.

Mr. CAIN. Perhaps it would be proper, in the face of all this uncertainty, to suggest to the majority leader and other interested Senators—and I am certain they are all interested—that, having failed to agree to set a date and time to vote on an intended motion to recommit the bill, that motion might, under those circumstances, be made by the junior Senator from Washington at any time. Presently he thinks he would not give further consideration to offering such a motion until, let us say, about 5 or 6 o'clock this afternoon. But I do not think it would be proper to overlook the possibility that because the Senator from Washington and other Senators want to expedite this matter and find out more clearly where they stand, such a motion later in the day or early evening would most properly be in order.

Mr. KEM. Mr. President, I ask unanimous consent to be absent from the sessions of the Senate until next Monday.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. CAIN. Mr. President, during the first several years when I was a Member of this very distinguished body. I was more moved on many occasions by the comments and prayers of the late Peter Marshall, then the Chaplain of the United States Senate, than by all the words, put together, of all the others whom I hold in such high regard. As I was listening to and taking part in the brief colloquy which has recently occurred between the majority leader, the minority leader, and other leaders, I was reminded that on my desk I had a book of Peter Marshall's prayers. At the outset, I wish to read one of them, to provide me, individually, with some encouragement and some faith, and because what Peter Marshall said several years ago was of prime interest then to every Senator and every American, and obviously continues to be so.

On a day, almost 3 years ago, in the month of June, Peter Marshall stood beside the President of the Senate and said, in simple language and simple tones, as were always employed by him:

Teach us, our Father, how to look at the things we see, and to look at them without bias or prejudice. We may not know how much of our troubles are caused by refusing to look at the facts or by viewing them so differently.

We are all too familiar with "dirty looks," "scornful looks," "unbelieving looks," "black looks." Give to us discerning and understanding looks. With the truth waiting to be looked at, discovered, and applied, forgive us when we refuse to look at it or to welcome it. If Thou wilt help us to cast the mote of prejudice and pride out of our eyes, then shall we see clearly.

We pray for good sight and good sense, in the name of Jesus Christ. Amen.

Mr. President, when I began to offer my arguments in opposition to Senate bill 3181 on Wednesday of this week, I said, as I recall, that I intended, along with other Senators, to speak at considerable length on this question, but always to speak to the question. When this matter has been resolved, I do not wish to be charged with having tried merely to obstruct or delay the passage of the proposed legislation by talking about things and circumstances not related to the main question.

However, Mr. President, I think there is a legitimate exception to be made to that position, which I established on last Wednesday, if I am not mistaken, and I hope to make such an exception about once an hour, for it will take only 1 or 2 minutes at such periods to do so. At those times I shall probably offer other words, given to us in the United States Senate by a great man, a distinguished American, a very deep thinking churchman, the late and very lamented Peter Marshall.

Mr. President, before offering additional arguments against Senate bill 3181, the Federal rent-control-extension bill, which is the unfinished business, I wish to establish my intentions and to state the several fundamental reasons why I and other Senators, and certainly millions of Americans, believe it will be bad public policy for the Senate of the United States to pass Senate bill 3181.

My intentions for the several days immediately ahead are now somewhat different than they were on Wednesday, 2 days ago, when Senate bill 3181 became the unfinished business. It had been my intention on Wednesday to seek help from other Senators in delaying a vote in the Senate on Senate bill 3181, until the House of Representatives had taken action on a companion measure. The House Rules Committee publicly announced several weeks ago that the House would begin to consider and to take action on its companion Federal rent-control bill on next Monday, June 12. That announcement was made available to the country and to every Member of the Congress, including, obviously, the majority and minority leaders.

On Wednesday, I was of the opinion that it was unnecessary and unwise for the Senate to consider Senate bill 3181, on which the Senate Banking and Currency Committee had held no thorough hearings of any kind—a charge I made on Wednesday, and a charge which has not been successfully refuted by anyone. I held that opinion inasmuch as the House of Representatives was prepared to take action beginning next Monday on a companion bill, which had been thoroughly studied by the House Banking and Currency Committee, and on which thorough and adequate hearings had been held.

In the hearings the appropriate House committee, when the question of whether Federal rent controls should be continued or extended was before it, requested opinions from American citizens. However, the counterpart committee in the United States Senate thought it proper to vote to report a companion bill on which it had not requested advice or counsel or information or facts or data from American citizens, whom all of us sit in this body to represent as best we can.

During the course of the Senate proceedings on Wednesday afternoon, the majority leader announced that he had conferred with the House majority leader and that they had agreed that the House would take no action on a Federal rent-control extension measure until the Senate had taken whatever action it thought proper. With the knowledge of that change of plan by the administration, my original intention on Wednesday became automatically and rapidly outmoded.

I should say, parenthetically, that I learned a great deal about parliamentary procedure in a very great hurry on Wednesday. When I came to the Senate that morning—and, Mr. President, one can get a few chuckles out of life—it was on the assumption that I was prepared to resist the motion to consider the rent-control extension bill. I had not even had a chance to take my seat, it seems, as I now view the matter from hindsight, when not only the motion to consider the bill had been disposed of, but the bill itself was before the Senate.

Mr. FERGUSON. Mr. President, will the Senator from Washington yield, if unanimous consent is given for that purpose, with the understanding that he will not lose the floor, in order that I may request unanimous consent for leave of absence?

Mr. CAIN. Yes, if the acting majority leader does not resist that request. If he does not, I will agree to it.

Mr. McFARLAND. I will not resist a request for that purpose.

Mr. FERGUSON. Then, Mr. President, I ask unanimous consent that I may be absent from the Senate until the beginning of the session of the Senate on Monday.

The VICE PRESIDENT. Without objection, leave is granted.

Mr. CAIN. Mr. President, what I learned on Wednesday about parliamentary procedure I shall not forget. I have no criticism of any person or of any method which was employed to bring Senate bill 3181 before the Senate.

It is the responsibility of every Senator to understand every rule which governs our conduct in the Senate. I am one among the first to admit that I did not know that such a rule as the one which had brought this bill, like a gust of wind, before us, existed. I shall never be unmindful of its existence in the future, for it may turn out to be very helpful to this Senator to employ it at some unforeseen time to come.

The present intention of the junior Senator from Washington can only be that of resisting the passage of S. 3181 for as long as he can. I am not prepared, of course, to state how much time will be consumed, because I do not yet know how many other Senators will speak against S. 3181, nor have I any way of prejudging my own strength and endurance.

The junior Senator from Washington will be guided by two main reasons for opposing any further extension of Federal rent controls.

Mr. President, the Senator from Washington came to this Chamber today in a very good mood. He intends to keep himself in that mood. In order to do that, he will endeavor to introduce certain light spots in the course of the afternoon. But, throughout the afternoon, he will be deadly serious, too; and for the next minute or so, I want to be as serious as I think I possibly could be on any question, at any time, past, present, or future.

The first reason is that any extension of Federal rent controls will completely deny a great hope which was expressed by the President of the United States on a former occasion. The President is my President, by the way; he is our President; and, for so long as he sits in his office on Pennsylvania Avenue, he will be the President of everyone in this country. In a message which he delivered before a joint session of the Congress, and to all the American people, early in 1949, the President expressed a great hope. In that address, he said:

> Every segment of our population and every individual has the right to expect from his Government a fair deal.

Federal rent controls have violated the rights belonging to a segment of our population. Federal controls have abused and often destroyed the rights which belong to American individuals.

When the President made this comment, which was to give rise to a great and understandable hope, I take it that I and every other American who could think and was conscious of the expression of that hope—which means about 150,000,000 of us—applauded what the President said. I applauded the Presidential comment about fairness. That is all he was talking about. I think I understand, as do many of my colleagues, and those who occupy the galleries, what fairness means. The Senator from Washington will continue to fight to make fair play and fairness available to all Americans, not merely to some Americans. With the President's fair-play declaration as my text, I shall continue as best I know how to keep Senate bill 3181, the Federal rent-control extension bill, or anything like it, from becoming the law of the land in this year of 1950.

The second reason which justifies my continuing opposition to S. 3181 is that there no longer prevails a national emergency to justify the continuance of rent controls after June 1950. I trust that everyone who endeavors to be fair in his judgment on the question now before the Senate, including Senators themselves, will always remember the emphasis which is placed on the word "Federal." In my judgment, there no longer prevails a national emergency to justify the continuance of Federal rent controls. While admitting that the time on Wednesday was largely occupied by the junior Senator from Washington, I may say that no other Senator on either side of the aisle rose to try to maintain and prove that there is today a national emergency covering the entire United States, an emergency sufficiently strong to justify the continuance of Federal intervention in the rights of the individual human beings who populate this land.

It is not for me conclusively to maintain as a Member of the Congress that a need for continuing rent controls does not exist in certain areas or communities of America. That is a question which must and ought to be resolved in those places where the problem appears to prevail. City councils and State legislatures are much better qualified at this time to determine the need for doing away with rent controls or extending them, than we of the Congress will ever be. The question before the Senate and before the Congress is whether an emergency, justifying Federal intervention and Federal procedures, still exists. I deny emphatically that any such national emergency prevails today. To my mind, the record is all I need for the support of my conviction.

Since the act was passed in April 1949 large areas throughout the Nation have been removed from Federal rent controls. Nine great and sovereign American States have been eliminated from the system of Federal rent control during the past 15 months.

I suppose any thoughtful person would understand that the word "national" embraces 48 States. When nine of those sovereign States are removed from a national problem, do Senators or other Americans generally believe that there is any longer a national problem, after a large segment has been removed? Americans, and particularly Senators, may very well agree that a problem continues to exist in areas which have not been removed from Federal rent controls, but by no stretch of the imagination can it be maintained that a national problem exists when 9 of the 48 States, as of this moment, are doing business in their own way, and as they wish to do it.

I wonder how many individuals are conscious of the names of these States? I hold them in very high regard. They are nine great areas of this country in which this question of what to do about rent controls was considered, digested, thought about, and action taken. One of the States of which I can think decided there ought to be a continuance of rent control on a local level. I refer to the State of New York. But at least its legislature stood up in the year 1950 to say, "Shame on us if we are unwilling to do for ourselves what certain other States are still continuing to ask a big, power-grasping Federal Government to do for them."

One of these States is Texas. One would expect Texas to want to be relieved of rent control at the earliest convenient moment. Many fine and splendid things may be said about the State of Texas, not the least of which is that every Texan I have ever known is never very anxious to let someone else carry his shoes or do his work for him.

There is a very interesting story about something which actually happened in Texas. I have all the details here somewhere, which I can relate later on, if it shall seem appropriate. But the State legislature decided to pass a decontrol law. Congress gave the American States last year, for the first time since rent control was inaugurated, the right to be free men and women again if the States wanted to assume that glorious privilege. The State Legislature of Texas had a go at the question, and it voted overwhelmingly, I take it, to get rid of Federal rent control, and the Governor had pen poised in hand to sign the bill when what happened?

A very interesting fellow, his only drawback being that he wants all of us, from whatever State we represent, to go on paying his salary in perpetuity, the Housing Expediter, Mr. Tighe Woods, by name, from Washington, D. C., decided that he knew more about what Texans ought to do for Texas than did the Texans themselves. So he trotted off on June 10, approximately a year ago, to Austin, as the United Press story tells us, to have a joust with the Governor of Texas in order to convince the Governor and the State legislature, consisting of good, upright American citizens, that they did not know enough to come in out of the rain. Fortunately, he did not get away with it, but it is an indication of the days and the times in which we live.

Fifteen years ago, if a Federal autocratic bureaucrat went to any American municipality or State to direct its judgment, there would then have been pride enough on the part of the local communities to have thrown him out, and there never would have been passed by Congress such laws as would have resulted in a swarm of locusts throughout the country directing the thinking of society on the lower levels.

The United Press story tells us this, and I think it should be in the RECORD:

> Tighe Woods, National Housing Expediter, today told Governor Jester that he believed Texas' Rent Decontrol Act was illegal and urged that the Governor veto the bill.

Mr. President, I am not concerned with a man whose name is Tighe Woods; I am concerned with the responsibility of the office he holds permitting him to do such a fantastic thing. I read further:

> Woods flew to this capital city from Washington for an unannounced conference with the State's chief executive.

It had to be unannounced, because Mr. Tighe Woods is no dummy; he is a man with some perception. He knew that if he announced his intention to go to the Governor's office, to try to get the Governor to upset an act of the State legislature, his summary removal from that area might have turned out to be violent in its characteristics. So he went unannounced, as a sleuth in the night. I read further:

> Woods conferred with the Governor for about 45 minutes.

There is another compliment which we can pay to Texas. Despite the fact that the Governor knew that this Federal agent should not be there, in the first place, the Governor was a courteous, considerate, and humane man, so he took 45 minutes that belonged to the citizens of the State of Texas and gave it, without any charge, to a bureaucrat, who, from a vacuum in Washington, D. C., thought himself better qualified

to know about Texas than did the Governor and the legislature of that State.

When the conference was over, Mr. Woods said that Jester gave him no definite answer as to his contemplated action. I read further:

"He told me," Woods said, "that he intended to give the matter very careful thought and consideration."

However, Woods added that the Governor seemed very much impressed when the Housing Expediter told him that about 76 percent of applications for rent increases by landlords were being granted.

The rent increases, he said, averaged about 22 percent.

Woods flew to Austin from Washington.

There is one thing that can be said about our friends who represent Federal agencies. They travel first class. They do not go by covered wagon anymore, or by taxi or by jitney, and they seldom bother to go by train unless they are a little bit frightened about the uncertainty of things "upstairs." They go by the finest, fastest means of accommodation; and because of the millions of dollars which we place at the disposal of Federal agencies generally for travel-expense purposes, it would be unnatural to assume that we would not see them in every American community on every possible occasion.

The newspaper article goes on to say:

He said he would return to Washington immediately.

He went to Austin unannounced, and he wanted to leave unannounced. His comments to the press were just on the fly as he was on his way to the airport, I suppose. I have known him a long time. Let us not forget that he is the Housing Expediter, and he wants to go on being the Housing Expediter and continue his travels back and forth across the land. I know him to be at times a very frank man. Sometimes it happens that he is not unfrank; he just does not talk. He was very frank with the press after his visit with the Governor of Texas. After he had told the press the Governor was impressed, he said:

I don't know whether I achieved anything or not.

I wonder what he was trying to get, other than something to which he was not entitled.

In 1949, when the distinguished Senator from Alabama [Mr. SPARKMAN] was chairman of the Subcommittee on Rents and Housing and I was a member of that committee with him, and enjoyed serving on it with him for 3 years in a row, and we both served under the supervision and jurisdiction of the present occupant of the Chair, the distinguished Senator from South Carolina [Mr. MAYBANK], and we were privileged and proud to do so, the committee, almost in its entirety, was determined to recognize that a State in the year 1949 had some rights. It was a member of that committee, a southerner, a Democrat from the State of Arkansas [Mr. FULBRIGHT], who stood on the floor and offered and secured the adoption of an amendment which the Housing Expediter had resisted, to permit a State to decontrol itself by legislative action and by signature of the Governor if the State thought it should do so.

I think almost every Senator voted in support of that very American and very reasonable amendment. It was shocking to think that there had been years in this country following the war when a sovereign State was not permitted to determine how to manage the rights of private property. Yet, in the face of that declaration and purpose to restore some dignity to the men and women and officials of American States, there was the Housing Expediter, to whom, in this instance, I shall not refer by name because there is nothing personal about it at all, going at the taxpayers' expense, riding in an airplane, to tell the Governor of a great State that what his legislature had done should not have been done.

Some persons have the temerity to wonder why Senators speak at length. I think they should be conscious of the fact that there are many questions upon which men and women feel very deeply. If I had the strength, as I have the ambition, if it should take a month to develop this proposition so as to make absolutely and totally impossible a recurrence of such shenanigans as that of the Housing Expediter endeavoring to impose upon the Governor and the free people of the State of Texas, I could keep on talking for that length of time.

The Housing Expediter merely added among other subjects he discussed with the Governor of the State of Texas that he, Mr. Woods, was "particularly worried about the military establishments" in the State. So the Housing Expediter had a nice time in Texas. I have been following him rather carefully, being somewhat of a student of this question. He has been seen in practically every outpost, big city, small city, in fact any city, where an effort was being made to decontrol. Because we want the RECORD to be complete, a little later we shall indicate how many acts of decontrol were initiated by the Office of the Housing Expediter. Several hundred of them have been. The interesting thing to determine is why he decontrolled on his initiative certain areas while bypassing others which were in greater need of consideration.

Mr. President, Texas is only one of nine States which no longer have rent controls imposed upon them. Perhaps the junior Senator from New York, or one or both Senators from Illinois, or perhaps the majority whip, the distinguished Senator from Pennsylvania [Mr. MYERS] will rise later in the debate to suggest to the Senate that chaos and catastrophic mischief resulted from decontrolling rents in the State of Texas. I do not think they will try so to do because they are reasonable men, they are rational men, and they are intelligent. They can read the record on the basis of the results of decontrol as can the junior Senator from Washington, other Senators, and Americans generally. I use the words "chaos" and "catastrophic" because they are generally encountered or included in any press interview which is given, for example, by the Housing Expediter.

Several weeks ago he was in Atlanta, Ga., a city which still has rent control. He wanted to reassure the citizens of that city. He said, "If you are thinking of decontrolling your city, let me warn you that chaos will result." Because he was in the State of Georgia and because the people there did not know whether he was right, he could successfully maintain that chaos had resulted in areas far removed from Georgia. As a matter of fact, Mr. Thomas, of my staff, has just handed me a reference to the last public announcement which the Housing Expediter made in Atlanta, Ga. It goes like this:

Tighe E. Woods predicted that Federal rent control will be extended for another year, because wholesale decontrol at this time would result in a serious strain on the Nation's economy.

That was on the front page of the Atlanta Constitution. That was a statement which I suppose the Housing Expediter thought would reassure the good citizens of Atlanta, Ga. Probably he overlooked the fact that those citizens, so far as I know from history, are frightened by nothing. Their forebears were part and parcel of and fought in the War Between the States. The residents of the State of Georgia, including the citizens of Atlanta, do not frighten very easily. It is a monstrous thing that in 1950 the Housing Expediter should give vent to such a public announcement. The article goes on to say:

Rent controls are scheduled to expire on June 30 unless Congress extends them.

Mr. President, he picks his spots very well, because the Atlanta Journal and the Atlanta Constitution have a wide circulation, and he knows that what he says in Atlanta will be made known to the country. Woods said to the citizens of Atlanta:

Sudden decontrol could cause very chaotic conditions, especially in large cities where there are tight housing conditions. The housing official, in Atlanta on a tour of the country—

He has a right to tour the country. We should not criticize him for that, because each year we pass appropriations to provide him with first-class travel to go anywhere he wants to go. If there is to be any criticism of the Housing Expediter's traveling around the country, the criticism should be directed to the Congress of the United States, which places at his disposal first-class transportation.

The Housing official, in Atlanta on a tour of the country for a first-hand look at the housing situation, said rents rose as much as 150 percent in some cities following decontrol.

I would say parenthetically and not very quietly that any public official who makes any such unsupported statement ought to be impeached, if we have the machinery with which to do it, or ought to be fired on the basis of incompetence, or actually ought to be sent to an American penitentiary for endeavoring to incite Americans to riot and confusion. The highest housing official in the field of Federal rent controls says that chaotic conditions will prevail and exist because

rents in some cities rose as much as 150 percent following decontrol.

Which cities was he referring to? Where are the cities? By way of argument, if the rents rose 150 percent, what were the reasons for their so doing? I do not have the names of the cities immediately at my disposal, but the Housing Expediter was not talking about Knoxville, Tenn. He was not talking about Spokane, Wash. He was not talking about Dallas or Houston or Amarillo, Tex. He was not talking about Phoenix or Tucson, Ariz. He was not speaking of Salt Lake City. These are but a handful of the many cities ranging in population from 100,000 to 900,000 in which rents on the general average have risen from 6 to 16 percent as a result of doing away with Federal rent controls. The Housing Expediter has the unmitigated gall as one American to say to a great many other Americans, "In heaven's name, do not permit your area to be decontrolled, because in some cities unnamed"—and the record shows that he could not name them—"rents have risen as much as 150 percent."

Mr. President, there are other States which have been decontrolled. What about the State of Nebraska? Someone came before the Senate Committee on Banking and Currency, I think it was either the Housing Expediter or a witness testifying in support of continuing rent controls, who said that the State of Nebraska was having a very bad economic time, and tenants were suffering because of the rapid and violent and heavy increases in rents since the State had been decontrolled.

On the basis of the record, I ask—because we are going to be debating this question for some time, and I want my colleagues to read the RECORD—which Senators, if any, out of the 96, have heard bad things, which could be supported, as a result of rents being decontrolled in the State of Nebraska? If we are talking economics, as I hope we are, though I have not had much reason to believe that was what was intended when this bill was brought up, when we say bad things are going to happen, and have happened, we had better prove it.

When I heard that story on the part of some witness I took the trouble to call on the telephone several friends of mine in Nebraska. I conferred with both the Senators from Nebraska, told them what the charge had been, and asked them to get any supporting data they had, because we knew this matter was to be debated in the Senate of the United States. Nothing of any injurious and substantial character has happened to the citizens, free men and women as they ought to be, in the sovereign State of Nebraska, as a result of decontrol. The reverse has been true.

The State of Wisconsin has its own rent-control law, with the nature of which I am not personally thoroughly familiar, but that State was removed from Federal domination. It passed a more liberal or less restrictive law, and all the comments I have received from citizens of Wisconsin concerning the results have been favorable.

The State of Utah has been decontrolled, as has the State of Arizona. I have deeply enjoyed the privilege of being in some of the larger cities of Arizona, such as Phoenix and Tucson, both of which have been decontrolled for some time. Prior to the time when they were decontrolled the Office of the Housing Expediter said, "Chaos can be anticipated. Tenants will be piled 10 deep in the streets of those overcrowded, congested cities." But it did not happen that way, and everything I am saying today is in support of the contention that the good things which have happened in provable instances in, for example, the State of Utah—and I now see present one of its distinguished representatives in the Senate, the junior Senator from Utah [Mr. WATKINS]—can be anticipated and will happen in cities and States yet to be decontrolled.

Oh, we hear talk about liberalism in this enlightened twentieth century, in 1950. I suggested on Wednesday, when this debate, which is important, at least to my mind, began, that the very outstanding and distinguished liberal public figures in the United States Senate who were advancing arguments in order to support the continuance of Federal rent control, were in that instance not being liberal, but were being reactionary, from the top of their heads to the bottom of their feet.

No man alive can call himself a liberal who is frightened of what will happen in the field of economics and natural laws when cities not yet freed of Federal rent control domination are decontrolled in the future. A modern-day liberal who fears the future and its consequences, when he knows that similar situations have brought only good when other cities were decontrolled, obviously is not a liberal. What he or she might be I do not know.

Mr. President, let us take the State of Alabama. I served for 3 years on the Committee on Banking and Currency with a gentleman I like and respect. He is an outstanding Democrat, a man of considerable influence, and, even more, of perception and intelligence. I refer to the junior Senator from Alabama [Mr. SPARKMAN]. He has been for rent control during the time I have been a Member of the Congress. We have had many arguments about it. We argued pleasantly and sincerely. But as a result of the law which the junior Senator from Alabama, among others, supported last year, which permitted States to decontrol themselves, his own sovereign State of Alabama took advantage of the opportunity, and there are no controls in that area.

Birmingham, Ala., is a big place, not so large as some other cities, but it certainly is congested. It is an industrial city. It has all the ingredients within it from which a Housing Expediter can hazard a guess of the catastrophic and chaotic things to come.

The Senator from Alabama has not yet had an opportunity to offer his views on the question before the Senate. The Senator from Washington hopes to have an opportunity to listen to his views, because they will come from a man who thinks carefully about what he wants to say. The Senator from Alabama, now being conscious that the State of Alabama has gotten rid of the yoke of Federal intervention, may think there is something more to be said about permitting other States to do what Alabama, fortunately, to my mind, has done for the good of its citizenry.

The State of Virginia is to be decontrolled in this month of June, and I think the date of decontrol was to be today. The Virginians who serve in the State legislature and the Governor of the State of Virginia, were not frightened of things they had reason to think were not going to come to pass. They looked over their shoulder for a good and adequate reason. They looked backward so that they could determine what had happened under comparable circumstances in other areas of America, so that they could look forward and give some real assurance to their free citizens concerning what the results would be of reestablishing private property under competent procedures. If that is not an American undertaking, again I say, I know not what it is.

The State of New York decided, through legislative action, and because there was a considerable uncertainty over what the Federal Congress was going to do, to pass and activate rent control. They took that action I think on the 1st day of June. Perhaps the junior Senator from Washington thinks it was not a wise thing for the State of New York to have done, but that is beside the question. As a Federal legislator, I say it is none of this Senator's business what the State of New York, through its legislature and Governor, thinks is best for the interests of most of its citizens.

The prime point this afternoon is that the State of New York said, to paraphrase the action taken by the Legislature of the State of New York, "We think the problem involving rent controls is not over. We think that New York City, as well as many of our up-State cities, is going to have to continue under control for quite some time." But the State of New York did what several other States have so far successfully dodged. The State of New York assumed a responsibility. The State of New York, through its Governor and legislature, said, "If seven or eight American States have been decontrolled or have passed their own rent-control laws, that means there is no longer a national question involved in this problem, and if we in New York think rent controls are proper for the future, the first thing we ought to do is to provide for them ourselves." So they passed a rent-control law. They imposed continuing rent controls on their citizens. But when an American citizen resident in New York wants relief, where does he go? He does not call up an agent of the Federal Housing Expediter. He goes to a local representative of a State and local government. I think New York under those circumstances is to be congratulated for having faced up to what every State in the Nation was advised to face up to 15 months ago.

Then lastly among the States that have been decontrolled is the State of Mississippi. I know the Senators from Mississippi rather well. Both of them are very distinguished Democrats. Both

of them are even more distinguished Americans. I have worked on one Senate committee with the junior Senator from Mississippi [Mr. STENNIS] and I see quite a good deal of the senior Senator from Mississippi [Mr. EASTLAND]. I do not remember that either of those Senators said to me, "Senator, we are thinking about decontrolling rents in the State of Mississippi, and we are scared to death. We think the people will be running around in the streets because they cannot find a place to live." JOHN STENNIS and JIM EASTLAND have better sense. They can read the record, as can any other reasonably intelligent American.

Aside from these nine States, Mr. President, that have either been decontrolled entirely or entirely removed from Federal jurisdiction, as I understand, there are three other equally great and sovereign States which have approved standby rent-control laws, which can become operative when the Federal rent law expires on June 30 of this year, if these three States then wish to control rents within their respective boundaries. These States are Connecticut, Maryland, and New Jersey.

I have no idea or any way of knowing what these three States will do if the present Federal rent-control law is permitted to expire on the intended termination date of June 30. But what I do know—and it is good to have a chance to say it, particularly in the presence of the present occupant of the Chair, the distinguished junior Senator from New Jersey [Mr. HENDRICKSON] is that the States of New Jersey, Connecticut, and Maryland are now prepared, by virtue of their own determination and their own acknowledgment of a responsibility and an obligation, to do whatever they think ought to be done when the Federal Government has been eliminated from further imposing upon their rights, restrictions which in peacetime can never be justified, let alone their being justified in this year of 1950, 5 years after a war which was waged, we thought, to do something about preserving and maintaining and stimulating freedom for human beings everywhere.

As I stated so often on Wednesday, the Illinois Legislature will meet—or will it? The Illinois State Legislature is scheduled to meet in special session beginning on June 19 to consider the advisability of adopting a State rent-control law. As of the minute, and without any intention or desire to be disrespectful, the State of Illinois, it seems to me, is dissimilar to the States of Connecticut, Maryland, and New Jersey in this respect; the three States last mentioned got ready in ample time so that they could take care of any situation which arose. The State of Illinois, for reasons unknown to me, took as an assumption—though the Congress officially, to my mind, advised them otherwise 15 months ago, in April of 1949—that the Federal Government would automatically extend Federal rent controls beyond an agreed-upon termination date of June 30, 1950.

It was only a relatively few days ago, or a couple of weeks ago, that the Governor of Illinois became conscious of something. It seemingly occurred to him that maybe the Federal Government would not extend rent controls because maybe a majority of both Democrats and Republicans would agree that there was no longer any justification for the Federal Government managing the private property rights and affairs of free citizens. The Governor of Illinois then, for the reason that he is a rational and reasonable man, called a special session to meet on June 19 to consider the rent-control situation.

I suggested on Wednesday that one of the reasons the pending bill had been brought so rapidly to this floor was the hope that it would be passed immediately—expressions of that character were made—and sent to the House in order that a continuing Federal rent-control law would be approved before June 19, so that the special call of the Illinois State Legislature could be canceled. Personally the Senator from Washington does not want to see that happen. He is doing what little he can to see that that sort of a practice is not indulged in. He wants the State of Illinois and every other American State to do whatever it thinks it wants to do, but not bear in mind that Congress is going to do for any State in 1950 what that State ought, should, and must do for itself.

I do not care to labor this point about the State of Illinois very much, but there are certain characteristics about it which must be redefined from time to time, and never forgotten. The Legislature of the State of Illinois, I think, in its session of 1947, approved a rent stand-by control law. That law was designed and considered to take the place of the Federal rent law if and when the Federal Government ceased to exercise the management of private property. The law, I am told, continued on the books of the State of Illinois for a 2-year period, expiring without argument or without struggle or without consideration on June 30, 1949. That law was permitted to expire after a time when the Congress of the United States had said, through its many Members, or through many Members of both bodies, "It is no longer the intention of the Congress of the United States to extend Federal rent control beyond June 30, 1950." In the face of that, for reasons unknown to me, and it is none of my business as a Senator, the law of Illinois was permitted to expire. And now, because the State of Illinois includes within its splendid confines probably the second largest city in population in the United States, Congress, with that as one of the major reasons, is being asked to continue federalizing property because a sovereign State has in months gone by seen fit, from my point of view, to disregard its own responsibility.

In addition to the fact that the State of Illinois is to have a special session of its legislature on the 19th of this month, we should also bear in mind, when we are thinking about the consequences of the future, that the State Legislatures of Massachusetts, South Carolina, and Louisiana are presently in session; and, obviously, each of those legislative bodies can, if it so wishes, pass rent-control measures, should they think it proper to do so. I am mentioning the States which are going to have special sessions of their legislatures, or those whose legislatures are in session, or those whose legislatures have already taken action on their State rent-control problem, in an effort to indicate that with all those facts before us, I think it is difficult for anyone to maintain rationally that a national problem involving rent control continues to confront the Nation today.

For example, Mr. President, I know quite a great deal about the city of Chicago. It is a big city. I have some figures respecting it, and I wish to submit them for the RECORD later today. It would be my own view, although, admittedly, I do not live in Chicago, that more rental accommodations at reasonable prices would shortly be made available there without rent control than with rent control. However, again that is not the main point.

If we are talking about the need for continuing rent control in the city of Chicago, although I might dissent as to the need for rent control there, and might say that rent control is not necessary there, yet I would not vote on that question. Certain men and women are qualified to do that on their own responsibility, inasmuch as they live in that State. I think the same thing is quite true for any other State or city in the country.

One of the three largest cities in the State of Washington, which I represent, along with my colleague, the senior Senator from Washington, has been decontrolled for some months; and the people are delighted. The tenants and the property owners have restored a feeling of mutual respect for each other. In consequence of decontrol, business is considerably better for more people than it was before. The experience of a typical American community—in that instance, a community of about 150,000 men, women, and children—has been good in all respects. Within 30 days or 6 weeks, I have forgotten just which, after decontrol, 1,200 additional rental units came on the market. Competition set in again. People were better able to find the rental accommodations they wanted at prices they could reasonably afford to pay.

My own home city of Tacoma compares very closely with the city of Spokane. Spokane is the heart and the capital, so to speak, of the Inland Empire, located in the great wheat and grain, apple and fruit section. Tacoma is on the other side of the mountains, and has a population of about 150,000. It is a seaport. It depends for its living on diversified industries of one kind or another. Shipping comes to it or flows from it, or used to, at any rate, to all corners of the world; and we hope that excellence of maritime activities will be restored.

The point is that the city of Tacoma has not decontrolled itself. Those managing its affairs have thought there was some reason to believe that a housing shortage continued to exist and that they would be better off under rent controls, rather than not, despite the fact that their sister city, right across the

mountains, has benefited everyone in and out of that city, and all through the State, by decontrol.

The city of Seattle, the largest city in the State of Washington, has now, I think, a population in excess of 500,000. It continues to be under rent control. Although again, from my point of view, both those cities would be immeasurably better off if they were not under rent control either by a Federal authority or by a State or local authority, yet, with reference to the future, I think the State legislature and the cities, such as Tacoma and Seattle, must make up their own minds, and ought to be given that opportunity.

Mr. FERGUSON. Mr. President, will the Senator yield for a parliamentary inquiry, if it is understood that he may do so without losing the floor? Will the Senator yield for that purpose if I obtain unanimous consent that the Senator will not thereby lose the floor?

Mr. CAIN. I shall be most pleased to do so. I only wish to make clear—I ask the Senator to permit me to make this observation—that I play by the rules of the game. I have no desire to be put in the position of stalling this matter. However, if any time a Senator wishes, for a length of time which may be agreed to by the majority leader, to proceed in the way the Senator from Michigan has indicated, obviously I shall have no objection.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Is there objection to the request of the Senator from Michigan that the Senator from Washington may yield for the purpose stated? The Chair hears none, and it is so ordered.

Mr. FERGUSON. Mr. President, the measure now before the Senate is the rent-control bill, is it not?

The PRESIDING OFFICER. It is.

Mr. FERGUSON. I wish to know whether there has been made, and is at the desk, a motion to recommit the bill.

The PRESIDING OFFICER. No such motion has yet been made.

Mr. FERGUSON. Mr. President, will the Senator from Washington yield to me, for a question?

Mr. CAIN. Certainly.

Mr. FERGUSON. Is it the intention of the Senator from Washington to submit to the Senate a motion to recommit this bill?

Mr. CAIN. It is.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. CAIN. Certainly.

Mr. FERGUSON. At what time does the Senator from Washington anticipate that such a motion will be made and/or voted upon?

Mr. CAIN. Earlier today, this morning, I suggested to the majority leader that I would like to make such a motion, to be voted on at 5 o'clock on Monday afternoon. The majority leader did not agree with that request. So there is presently no time fixed on which to vote on such a motion.

However, I did say about an hour ago, before the majority leader left the Chamber, that before this day is over I might, to test the situation, to find out more clearly what Senators are thinking about in regard to this problem, offer such a motion to recommit the bill, and might do so about 5 or 6 o'clock. However, I have given no serious consideration to a definite time at which to offer such a motion.

Mr. FERGUSON. Would the Senator from Washington expect a vote to be had this afternoon or this evening on his motion to recommit?

Mr. CAIN. I can only say—and I shall try to come to an agreement with the Senator from Michigan—that I had suggested to the majority leader that I merely wanted to tell him that I might feel constrained to offer such a motion later today; and I was of that mind for the reason that the majority leader, who holds one view, and the Senator from Washington, who holds another view, both are in doubt concerning how many Senators feel regarding this question, because the question came before the Senate most summarily and practically spontaneously on Wednesday; and the Senator from Washington, the Senator from South Carolina, and one or two other Senators are the only Senators who have expressed opinions regarding the matter, one way or another.

I was of the opinion, and I think the majority leader was, likewise, that the best way to determine how Senators felt was to offer and to vote on a motion to recommit.

If I could, I would tell the Senator from Michigan exactly when I would offer such a motion. However, at the moment I have given it no serious consideration, and I simply do not know.

Mr. President, I think I understand what the Senator from Michigan wants to know, namely, certain information which is not presently available. But, because the Senator from Washington, as well as nearly every other Senator, hopes to accommodate any reasonable requests which are made by our colleagues, I should be perfectly willing to try again to accomplish what I was most willing to agree to earlier today, and to present a unanimous consent request that the motion to recommit which is intended to be made by the Senator from Washington be voted on, if not at 5 o'clock on Monday, at some other hour of that day.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from Michigan?

Mr. CAIN. I yield.

Mr. FERGUSON. Will the Senator at this time make such a request, to see whether we can fix an hour on Monday for voting upon a motion to recommit?

Mr. CAIN. If I may ask, was the Senator from Michigan present during the colloquy earlier today?

Mr. FERGUSON. I was not. I was in the Appropriations Committee at the time.

Mr. CAIN. I would volunteer this suggestion: Our friend, the minority leader, was here this morning, and, if the Senator from Michigan would like to confer with him, he can ascertain from the Senator from Nebraska exactly what the situation was this morning. Following that, if the Senator from Michigan then thinks it would serve a useful purpose for the Senator from Washington to renew the unanimous consent request, he would be pleased to do so.

Mr. FERGUSON. Mr. President, if the Senator from Michigan should now propose——

Mr. McFARLAND. Mr. President, I demand the regular order.

The PRESIDING OFFICER. The regular order is demanded. The Senator from Washington has the floor.

Mr. CAIN. Mr. President, aside from wanting to advise Senators and others as to the States which have been decontrolled within the past 15 months, as to the States which have passed their own stand-by rent-control laws, and as to the States which presently are either in legislative session or whose legislatures are about to be called into session, I think it well to present certain figures as to the total number of rent-controlled units which have been removed from Federal supervision and domination since April 1949. Rental units which were under Federal control as of April 1949, numbered 14,072,246. Since that date, and until June 30, 1950, a few weeks hence, the number of units under Federal rent control will be approximately 7,070,000. This means that within 15 months more than 50 percent of the units under Federal rent control will have been removed from Federal control and domination. With these facts in mind, I wonder how any individual in his sane mind can contend that today there exists a national emergency which justifies the continuance of Federal rent procedures and controls.

Are not all of us conscious of the fact that when the 1949 rent-control bill was being considered by the Senate Committee on Banking and Currency, and during the debate in the Senate on the recommended bill, it was stated on innumerable occasions by many Senators that they were serving notice on the Nation that Federal rent controls would expire entirely on June 30, 1950? I was among those who urged the States of the Union to prepare, and if they thought it necessary to do so, to design and approve their own State rent-control laws.

To my mind, it is nothing less than utter and complete nonsense for any individual, in or outside the United States Senate, representing any State or community, to say now that he was not given proper and due notice of the intended ending of Federal rent controls on June 30, 1950. On the 10th day of January, for example, the junior Senator from Washington sent a telegram to the Governor of New York, a copy of which was read into the RECORD by me on the same date. That was five long months ago. From that telegram I now quote briefly:

> Those in the Congress who feel as I do want no State or community to say in coming months that they have not been informed that Federal rent controls would expire on the last day of June. The time is long overdue when New York State and every other State in the Union ought to be completely accountable to their citizens for the fundamental and important issues involved in the management of their property rights question. I would urge you and your legislature to do what you think is right for New York State without any further dead-hand

control by the Federal Government. If there are isolated communities in America which can establish a proven need for continuing rent controls, those communities or their parent States must be charged with a full responsibility for managing their own affairs. Those for whom I speak will use every conceivable legitimate means, including whatever time is required, to prevent the Federal Government from any longer mismanaging and interfering with the property rights of American citizens throughout the Nation.

Five months ago a Member of the United States Senate, the junior Senator from Washington, advised the Governor and Legislature of the State of New York of the situation. The junior Senator from Washington is but one of many Senators who, months before that on the floor of the Senate, advised the States of the Union, that if they wanted rent controls in the future they must secure them through action taken by the most responsible body in each State—the legislature.

In June 1950, if we can but get the proponents of this measure to rise and say so publicly, they will contend that the Congress must continue Federal rent controls because States throughout the Union have not had a chance to design and approve measures to take the place of the Federal rent controls, which are scheduled to expire on the 30th of June.

Mr. President, it seems to me that if the junior Senator from Washington needs any defense or excuse for speaking at length on the pending bill, the telegram to which I have just referred is all the justification I need.

In January of this year I said what I meant and meant what I said. It is a good thing, in passing, to use a phrase which a distinguished, but absent and very much missed Member of the Senate, the senior Senator from Michigan [Mr. VANDENBERG] has used with such telling effect on other occasions in the past. Mr. President, if I needed any additional defense or excuse for doing my best to defeat the pending bill, I think I have it. This justification is that the junior Senator from Washington, as a free American citizen, who happens, by the way, to be a tenant, paying a very substantial rent in the Nation's Capital—all I can afford to pay, anyway; I am not a landlord or property owner—will not nor does he dare to be party to a proposal which every totalitarian thinker or ruler has imposed upon citizens from the beginning of history. How, Mr. President, can one vote, for example, for an Atlantic Pact, for military arms shipments to Europe or anywhere else throughout the world, or for a continuing Marshall plan, while at the same time voting for a Federal rent-control bill which violates the rights of some citizens and confiscates the property of other citizens?

Since the war's end we in America have taken a calculated risk with money and property belonging to everyone. We of the Congress do not always stop and ask how we shall spend the money, but what we spend is always the money of the citizens, and not our own. Since the war's end we have taken a calculated risk against bankrupting our great Nation so that we might contain and stop or hinder communism at its source all over the world. We do this in the name of simple freedom and of preserving the human and property rights of men and women all over the world. That is why we do so much in so many quarters of the world. We seek to give to others the kind of freedom we take for granted and which the Constitution of the United States makes inviolate as to all of us. If these things we do for those who live elsewhere, we can do nothing less for those who live and work in the United States of America.

Mr. President, I do not say, for I do not think it is true, that those who support the pending bill are in themselves any part of Communists or Socialists. Among the proponents of this proposed legislation are admittedly several—not many—who believe in a managed economy with tight Federal controls. They believe that to be right and proper, but otherwise they are good and well-intentioned Americans. What I am saying, Mr. President, is that these men who are neither Socialists nor Communists are encouraging the rest of us to impose restrictions on our free citizenry, as would undeniably be done if our Government were being managed by outright Communists and Socialists. The management of private property is absolutely essential to either of these two methods of doing business, by the Socialists on the one hand and the Communists on the other hand.

In my telegram to Governor Dewey last January I used the words "those for whom I speak." I ought to answer someone's intended question by relating who such persons might be. The pending bill came up so rapidly on Wednesday that there was insufficient time within which to determine accurately the names and the number of Senators who would probably vote against Senate bill 3181. We all know, however, that five members of the Senate Banking and Currency Committee voted against reporting the bill and three other members voted conditionally to report it. It is logical to assume that these five negative voters will vote against the pending bill and that some or all of the five may speak against it.

I am particularly hopeful that the Senator from Vermont [Mr. FLANDERS] and the Senator from New Hampshire [Mr. TOBEY] will offer their views on the question. Those two Senators have most sincerely in previous years voted for an extension of Federal rent control. If I am not mistaken, both the Senator from Vermont and the Senator from New Hampshire voted for an extension in 1947, 1948, and 1949, while at the same time the Senator from Washington was voting against an extension in those same years. I know the Senate will appreciate having their views concerning why they now think it is time for an end of Federal management of private property. Both the Senator from New Hampshire and the Senator from Vermont used to say that the sooner we can do it the better. They said, "We know that Federal rent controls are bad for the moral structure of this country; we think they are defensible for economic reasons, and we hope that the reasons for extending the law will very shortly cease to exist." Since it has been thought that the time to get rid of something which is bad has come, the Senator from Washington hopes that those who feel that way will feel constrained to speak to the question.

I look into the RECORD of March 9, 1950, because on that date the Senator from New Hampshire [Mr. TOBEY] had a few brief comments to make on the floor of the Senate with reference to Federal control, which I thought were picturesque and effective, and I offer them for the consideration of the Senate. The Senator from New Hampshire had this to say:

> I fought for rent control as valiantly as I knew how during the war years and postwar years. A year ago on the floor and in committee we served notice on the States in general that the end of rent control was in sight; and some of us were bold enough to say that we would never again vote to continue Federal rent control.

Parenthetically, Mr. President, the Senator from New Hampshire was, therefore, foremost among Members of the Senate who, in April 1949, said to every American citizen, "Look no longer to your Federal Government for an extension of federalized rent controls, because your Congress will resist any attempted extension."

The Senator from New Hampshire said he was one of that number who said they would never again vote for a Federal rent control bill. He went on to say:

> I hope the action of the Senate on Federal rent control will be akin to the advice given by a famous fellow, "Embalm, bury, cremate, and freeze—take no chances."

The Senator from Washington mentioned on Wednesday that on March 9 of this year 28 Senators voted against an amendment which the junior Senator from Washington had offered to provide the Housing Expediter with a deficiency appropriation in the sum of $1,400,000, rather than $3,600,000, which the Housing Expediter had requested. It seems reasonable to assume that some or all of those Senators will speak and vote against S. 3181. Mr. President, both Democrats and Republicans are to be found among these 28 Senators. By name, according to the CONGRESSIONAL RECORD of that day they were: BREWSTER, BRICKER, BRIDGES, BYRD, DONNELL, DWORSHAK, EASTLAND, ECTON, ELLENDER, FERGUSON, FREAR, GEORGE, GURNEY, HICKENLOOPER, KEM, KNOWLAND, MCCLELLAN, MUNDT, O'CONOR, ROBERTSON, STENNIS, THYE, TYDINGS, WATKINS, WHERRY, WILEY, WILLIAMS, YOUNG.

I think there is good reason to assume that a number of Senators whose States have been decontrolled or removed from supervision by the Federal Government will vote and speak against S. 3181. I do not know why a Senator from a State which has been decontrolled should hastily vote to extend Federal controls on some other States. If one knew for certain that all 28 Senators who voted against the deficiency appropriation for the Housing Expediter on March 9, the 5 Senators who voted against S. 3181 in committee, and all the Senators whose States have benefited so greatly from being decontrolled would vote against S. 3181, if and when a vote is taken, we would know for certain that the meas-

ure would be conclusively defeated. I do not know for certain how any Senator intends to vote on S. 3181. The record of past performance and attitude simply indicates to me how a large number of Senators could very well and very easily vote against the pending bill.

I think it is time we should begin to be advised how different Senators intend to vote. Since yesterday, Mr. President, I have been approached by several Senators who inquired concerning the amount of time I intended to take, and what I thought the final result of the debate would be. I provided them with substantially the same information which I just offered to the Senate. One Senator on my side of the aisle asked whether I would agree to a unanimous consent agreement to vote in the near future. I inquired of him why he thought the junior Senator from Washington ought to agree to any such request. He replied by saying that almost every Senator knew how he was going to vote—and I think he is going to vote for the bill—and that we ought to vote soon on the question in order that there might be some possibility of the Congress adjourning in late July. However, the Senator agreed with me that the Senator from Washington was absolutely right in his contention that the Senate leadership should not have brought Senate 3181 to the floor at this time, and that the attempt was being made because of a fear that the House of Representatives might defeat a companion bill, if the House, as had been intended and generally agreed to by both Democrats and Republicans, took action first. In spite of that, the Senator who spoke to me, while agreeing with my contention, thought the Senator from Washington ought to agree to a request to vote soon on the pending bill. I could not disagree more strongly with this attitude. I see no point in dropping a cause worth fighting for merely to be agreeable, if it comes down to that, or because I am as anxious as the next person to have Congress adjourn and go home.

There are few Senators in this body who have so many justifiable reasons for wanting to go home. The weather in the Nation's Capital, Washington, D. C., is extraordinarily dissimilar to the weather and climatic conditions in the State of Washington. The humid atmosphere in which we live is something through which we gladly suffer because of the pleasure derived from our work. However, the weather of this Capital City is avoided by those who come from the Pacific Northwest as quickly as it is convenient to do so. I know very few Senators who can anticipate such a happy, congenial, and pleasant atmosphere to live in as is represented by my home State. Like every other Senator, as soon as the public's business has been disposed of, I want to go back where I came from.

The Senator to whom I have just referred thought that the junior Senator from Washington might alienate the affections of other Senators by continuing to speak at length. I ought to say a little something about such an observation, and say it very plainly. The fight of the junior Senator from Washington in this instance is for fair play and for freedom. In this fight I actually represent, along with others in Congress who share my views, millions of Americans who do not have access to this public forum. Every once in a while we ought to stop and reflect on the fact that there are about 150,000,000 Americans, of whom only 96 have a right to speak from the floor of the United States Senate. It is therefore no light responsibility or burden one assumes in representing millions of others who are not provided with an opportunity to speak for themselves on a question which has so much to do with their right and opportunity for happiness and fair play in the future.

Mr. President, if the choice ever had to be made by the junior Senator from Washington—and I hope the time never comes—between those whom he represents throughout the United States of America and those who would lose their affection for him because he kept them from doing something else in which they might have more interest, the choice would be both clear and ridiculously easy to make. Although the Senator from Washington is known as a conservative in politics—and this is his position by a deliberate and hardheaded choice—he is for the rights of the people of any party and any faith who can neither speak nor defend themselves on the floor of the United States Senate.

In the last couple of days, Mr. President, I have heard from thousands of just such American citizens. Until they have been given an opportunity to speak through the Senator from Washington and through other Senators who want to assist in this undertaking, there will be no possible likelihood of an agreement to a curtailment of debate.

To show other Senators exactly what the Senator from Washington means and how he feels, he will read a handful of telegrams. They are signed by men and women of whom I have never heard and whom I have never seen. These telegrams have been sent to me from different sections of the Nation. They ask for relief and for help. The junior Senator from Washington will help those who sent the telegrams get relief if he can. Every man has his limitations in strength and ability and energy. The Senator from Washington will live up to the potential of what characteristics he has in those directions.

I would draw the attention of those who care to listen—and I hope other Senators will bother to read these telegrams in the RECORD tomorrow—that they have come from the ordinary men and women of America.

From Omaha, Nebr., is one signed by Mr. Paul F. Rapp, 111 South Forty-ninth Avenue. He says:

> The decontrol of rents in Nebraska has not caused hardship and it is felt that we should not pay for the cost of administration elsewhere, where it is also not needed.

Another telegram comes from Omaha, Nebr., signed by Mr. O. J. Harman, 1020 South Thirty-first Street. I am glad the senders put their addresses on these telegrams, because it probably means that they are responsible individuals, and would be glad to have anyone check the authenticity of their residences and of their right to send the telegrams.

A great many of these telegrams—and they have not been hand-picked for that reason—necessarily refer to the Senator from Washington in complimentary terms. This is quite natural, because the senders and I share similar views. Under normal circumstances one never reads telegrams which come to him in his office, but feeling impelled to read these, I wish to thank all those who sent them for their consideration and their best wishes.

Mr. Harman says:

> We need more men like you with courage of their convictions. Nebraska has already settled this question to the satisfaction of most tenants and owners.

I think that is a very reasonable telegram. This man is not looking for the millennium. He says most people have been satisfied as a result of the decontrol of rents. When he suggests that I have the courage of my convictions, that is one item on which I can, I think in a reasonable way, agree.

Another telegram from Nebraska is signed by John Evahn. There are four from Nebraska in a row. Mr. Evahn says:

> Nebraska has experienced no hardship from decontrol. We are opposed to paying cost of control over other States.

Mr. Alfred C. Kennedy wires:

> All power to you in a righteous fight to end rent control. Why should Nebraskans pay cost of control in New York and other large cities? Rental conditions here stabilized without any serious difficulty.

Another advantage of putting these telegrams into the RECORD is that the Office of the Housing Expediter can read them. If the Housing Expediter thinks that serious difficulties have been encountered in Nebraska as a result of rent being decontrolled, let him, through some other Senator, start to say so, beginning, let us say, tomorrow.

Those who send these telegrams live where they live. The Housing Expediter can venture a guess, living thousands of miles from where some of these people actually live, as to what the conditions surrounding such persons actually are.

From Akron, Ohio, comes a very short telegram, from Charlotte Klose. She says:

> Keep fighting. We want freedom.

Here is a telegram from Denver, Colo., a long one, signed by Mr. E. M. Thomas. It reads:

> If Congress insists upon continuing rent controls, why not demand that they provide there is an adequate Government bonus to landlords who cannot make a profit from their present rentals? Thus the tenant who cannot pay a high rental but is established on the landlord's property through an arbitrary Government decree could continue his occupancy at the frozen rental price and the Government would make up the loss to the landlord.

Parenthetically, is that such a bad idea, if we are going to have control, to have the Federal Government in the field of managing private property?

Mr. Thomas proceeds:

This is just as he does for the farmer and other groups. The landlord's taxes help pay the farmer bonuses. He, the property owner, also buys the farmer's products * * *. His tax money is also used to pay Government subsidies to Government housing projects which compete with his frozen rents.

Parenthetically again, it is good once in a while to let Americans offer us some common sense. Up to date in this telegram this man has not missed the boat. He is merely saying to the Federal Government and to the Congress that if it is proper to subsidize one group in order to maintain high prices, it ought also to be proper to subsidize the property owner in order to keep rents low. That is just the ABC, not only of economics, but of fairness.

The telegram continues:

The landlord's expense costs of labor and living have risen the same as have those of his tenants. Low-cost rental housing will never commence until investment therein can yield a profit. Tenants complain their quarters lack repairs. This proves the landlord's need of income. He cannot repair property which does not earn enough money to pay such repairs. If there is to be fair deal for the backward nations out of the landlord's taxes, why not just include in the Marshall plan the property owners of the U. S. A.?

Mr. President, I think that is a pretty good telegram.

Here is one from Clayton E. Feltis; but I shall pass that over for the moment.

Here is a telegram from B. F. Catherwood, of Lafayette, Ind. The telegram reads:

Do all you can. The Midwest is with you. Show how much controls have cost and how many people have been employed and how many property owners have had their values confiscated.

Mr. WHERRY. Mr. President, will the Senator yield in order that I may propound a question?

The PRESIDING OFFICER (Mr. McCLELLAN in the chair). Does the Senator from Washington yield to the Senator from Nebraska?

Mr. CAIN. If I am privileged to answer a question, I shall be pleased to yield. Does the Senator wish to propound a question to me, or to the majority leader?

Mr. WHERRY. In view of the statement of the distinguished Senator from Washington that he contemplated making a motion to recommit, and also in view of the fact that apparently the Senator from Washington desires to hold the floor at all costs, regardless of a quorum call or any other legislative proposal, I ask the distinguished Senator if I may propound a question to the majority leader.

Mr. CAIN. If I am permitted so to do, I shall be pleased to yield.

Mr. WHERRY. In order to get from the distinguished Senator from Washington his desire as to when the motion to recommit may be made, and also with the idea in mind that there may be something worked out between the majority leader and the minority leader as to the vote, I am wondering if the majority leader would consent that the Senator from Washington not lose the floor, and might suggest the absence of a quorum, or make some arrangement for a temporary recess, or whatever he cares to suggest, in order to talk over the situation with the distinguished Senator from Washington, and see what might be worked out.

RECESS

Mr. LUCAS. Mr. President, will the Senator from Washington yield to me without prejudicing his rights thereby?

Mr. CAIN. Certainly.

Mr. LUCAS. Mr. President, I have discussed this question with the able minority leader; and I should like to ask unanimous consent that the Senate take a recess for a period of 15 minutes, without prejudicing the rights of the Senator from Washington, and that at the end of 15 minutes the Senator from Washington resume the same status he occupies now, so far as the parliamentary situation is concerned.

Mr. WHERRY. Mr. President, I thank the distinguished majority leader for offering the opportunity for us to discuss the matter. I appreciate it very much.

The PRESIDING OFFICER (Mr. ECTON in the chair). Is there objection to the request of the Senator from Illinois? The Chair hears none, and, without objection, the Senate will now stand in recess for 15 minutes.

Thereupon (at 2 o'clock and 22 minutes p. m.) the Senate took a recess for 15 minutes.

On the expiration of the recess (at 2 o'clock and 37 minutes p. m.) the Senate reassembled.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3131) to extend for 1 year the Housing and Rent Act of 1947, as amended.

Mr. CAIN. Mr. President, I have often been told that the Senate can do whatever it wishes, whenever it agrees to do so. I have just been off the floor of the Senate for a few minutes, learning something about the trade in which we are engaged. As I now understand, for the time being we simply continue with our business.

Mr. President, when I was interrupted, I was reading some telegrams which have been received by me in the course of the past several days, from ordinary, average, typical American citizens throughout the country, who, not being able to speak for themselves—appear to be appreciative—I think they really are—when some Member of this body is anxious and desirous of speaking for them.

From the city of Seattle, Wash., I have a telegram from a John Jarosek, probably a first-generation American. There are many first-generation Americans in the State of Washington, and they are a great people, too. I shall read the entire telegram and those who read the RECORD will overlook and understand the personal reference. He says:

Admire a fighter. This veteran of two wars believes the small landlord (property owner) should be entrusted with the same rights as belong to other American citizens to make an honest living.

I may say to Mr. Jarosek, 3,000 miles away, "You and the junior Senator from Washington are in complete agreement. I do not know whether this Government of yours is going to permit you, Mr. Jarosek, an honest, decent, fair living in the future, without having your property controlled by the Federal Government, but we will continue to do what we can to help you prevail in your wish."

Here is a telegram from Herbert Pflughaupt, 211 South Lancaster, Dallas, Tex. Texans, I notice, aside from being fighters in their own right, generally send telegrams which are relatively long, apparently believing in paying for whatever they want to do. This gentleman says:

Congratulations for your stand on American freedom versus rent controls. Tyrannic shackling of thrifty property owners forcing poor widows and aged couples to the poorhouse and render their housing improvements impossible. Shame on every conspirator who seeks to continue rent controls and enslave free Americans to black-market operations. Rent decontrol in Dallas shows three and one-half persons per housing unit against three and six-tenths persons in 1940. According to latest census, much better rental housing now than last year and cheaper rates than black market.

HERBERT PFLUGHAUPT.

From my own city of Tacoma, Wash., comes a telegram under date of June 7. The subject of rent control is rather important in that community, where opponents and proponents vigorously present their divergent views. This telegram is signed "Tom Swayze, Forrester Carter Lee, and 10 others." For a good many years, 10 years to be exact, I had a position in Tacoma's city hall, and this gentleman, Tom Swayze, from whom I have heard but once or twice since that time, was the city comptroller. It is good to hear from him now. Because he knows me, he begins, "Nice going, Harry." The telegram continues:

Rent controls have actually long outlived their usefulness in Tacoma. Competition will soon level rents to fair prices if the Government will take controls off.

It is good to know that there are those in Tacoma, a great city which I hold in very high regard, who share the views of one who is privileged beyond measure to speak as a Senator for the State of Washington.

Mr. Paul Santo, of Detroit, Mich., merely telegraphs bluntly:

End rent controls now. Housing shortage is over. Keep filibustering (talking).

That is his view, anyway.

From St. Louis, a Mrs. or Miss—she does not say which—Bessie L. Roberts, of 3500 Hebert Street, says:

DEAR SENATOR CAIN: Please continue fight for the forgotten man, the landlord (property owner). Fight for our right to live as free men and women under our Constitution. We are today minority group being exploited for votes.

BESSIE L. ROBERTS.

I think this lady shares a view which is held by a great many Americans.

Frank Snider, Jr., of 5075 Raymond Street, St. Louis, Mo., merely says this:

There are thousands in St. Louis wishing you good luck in your filibuster against rent control.

I should like a little later to say something about the word "filibuster." There have been some rather notable ones in history, and it was good to indulge in a little research on the subject.

From Philadelphia, Pa., a Mr. Walter Short, of 4618 Cedar Avenue, says:

Keep up the good job against rent control. I wish the Lord would give you more power and strength to talk forever against the control. The war is over and no reason at all for Government to socialize the landlords.

From a small landlord.

WALTER SHORT.

That telegram probably is from a small landlord. One thing I have noticed during my brief service in the Senate is that a majority of those who support and sponsor a continuation of Federal rent control always refer to the landlord as being "a great big octopus." They point him out as being a person who maliciously is desirous of charging, if he can get it, ever more than the market will bear. The facts in the case are that more than 8,000,000 landlords or property owners having rental accommodations for use, own, manage, and control four units or less. The average American landlord, on the basis of the facts, is one of the smallest of small-business individuals in the country.

All that is necessary, Mr. President, in order to prove that fact is to go into the country, to get away from the fever which comes from the Potomac River, and to remember always where, as a Senator, you came from, and where, as an American citizen, when your days in the Senate are over, you are likely to return. If you will remember that, Mr. President, you will be conscious of the fact that most of the people who own rental property have saved in the course of their thrifty lives in order to accumulate sufficient money with which to make a small investment, out of which, as aged persons, they look forward to maintain themselves on the income, received as the result of their own endeavors and of their own thriftiness.

From San Francisco, Calif., across the Nation, comes a telegram from Mrs. Esther Gootherts. Everyone knows of the Golden Gate leading into that great city. You, Mr. President, have seen it. San Francisco is surrounded by a magnificent countryside. The telegram reads:

DEAR SIR: The small owners of rental property are all behind you, praying for your strength to hold out.

The next telegram is from a Mr. T. B. Hall, of Los Angeles, Calif. Ah, that is really a large city. Los Angeles has been a matter of concern to me as a student of the question of property for a long time, because there is a smaller number of rental units in Los Angeles today than there was 10 years ago—a much smaller number. The answer is as clear as the fact that the junior Senator from Montana [Mr. ECTON] now occupies the chair and that the junior Senator from Washington occupies the floor of the Senate.

When the landlords in the city of Los Angeles had their rents frozen and restricted in 1941, 1942, or 1943, while their expenses were rising, many of those landlords being reasonable and intelligent American citizens, did an obvious thing. They converted their faciilties, which the law always permitted, into some other use. They took a rental facility and made out of it a commercial facility. They took a rental facility and made out of it a professional facility. They were able, by one means or another, to have the family occupying the rental space move, and then they placed in the facility, not another family in need of shelter, but a doctor, a dentist, or a lawyer.

Against that obvious recitation of only simple facts, it continues to amaze me that some of my colleagues, and a great many citizens on the outside whom I know, wonder why there are fewer rental accommodations in America today than there were 10 years ago. The answer is contained in three words—Federal rent control.

Mr. T. B. Hall, the gentleman to whom I referred as telegraphing me from Los Angeles, says:

More power to you and your courageous fight to kill rent control.

He goes on to add:

It is a slum maker, a hate maker—

I think we can build a good case for that—

turning one class against another, and breeder of statism. It never has made a place to rent, but has taken thousands off the market.

Mr. President, if Senators think the junior Senator from Washington is wrong in these assertions, let them rise now or at any other time and prove him to be wrong, because if the position which I have taken cannot be proved to be wrong, it would be wholly and morally wrong for us to extend Federal rent control. If, in the face of the facts I shall attempt to establish in the hours to come, as I have already, I think, established some facts, Federal rent control is continued, it will be only because we place political selfishness and desire for political gain over and beyond the rights of the very American citizens whom we took an oath to respect, work for, and protect, when we entered upon our official duties as Senators of the United States.

From Sacramento, Esther Blanton sends this telegram:

Thank God for Senators—

She does not say "Senator," because she knows there are more than one—

Thank God for Senators who fight against rent control. Am old but have to work in order to pay indebtedness on rental property and live. Keep fighting and God bless you.

Where, in heaven's name, could Esther Blanton, however old she may be, have an opportunity to speak for herself on this question if it were not through a Member of the Congress of the United States?

I remember glancing at a telegram which I have here which rather amused me. It is signed by Tyler W. Seeley and comes from Culver City, Calif. I am receiving telegrams from all over the United States. This telegram reads:

United Press, June 7, states you threatening filibuster rent control. Go to it, fellow. You don't know me from Adam's off ox and unfortunately living in California cannot be your constituent. However, I merchandise over $2,000,000 of your constituent farmers' production each year from the lower Yakima Valley. Being employed by John Kelly, publisher of Walla Walla Union Bulletin to supervise sales of his church-grape-juice operation. Incidentally, so far as I know Kelly owns no rental housing and anything stated herein is my own idea and is not fostered, approved, or disapproved in any way by John Kelly.

I ought to say, parenthetically, that Mr. John Kelly is one of the most distinguished citizens who has ever lived or will ever live in the sovereign State of California. He is a man of considerable influence in his area of the State and throughout the State, as well, and it is because of the influence of Mr. John Kelly that the sender of this telegram wants to dissociate himself from Mr. Kelly's known influence, in order that the junior Senator from Washington will not think that Mr. Seeley has been encouraged to telegraph me because of my known friendship, affection, and respect for John Kelly of Walla Walla, Wash.

The telegram continues:

Rent control is confiscation of minority voters' property. Don't think great Democratic statesmen like TOM CONNALLY and SAM RAYBURN go for rent control in view of Texas repudiation of rent control. Thank God for Texas, and other sound people like present Utah governor who have no truck with this stuff.

Such telegrams as I am reading might be referred to as being Americana. Certainly they come from people who have made America what it is. If they wish to use colloquial English, such as "such stuff," I think it is a good tonic for some of us who are sometimes more concerned with Elizabethan or Shakespearian English of centuries gone by than we are with the common or garden variety of English which can be so properly used by every American.

Mr. Seeley is quite honest, too. He says:

Sure I have an ax to grind, being a small-time landlord myself. Like yourself I chucked nearly 4 years of my life down the drain in the military service. When I returned from the war no housing could be rented, so I had to buy it at an inflated price. No price control would help me here. My house had never been rented before and had no ceiling the fall of 1947. So I rented it on a 3-year lease and moved to a GI set-up to salvage some inflation.

He must be a young man. He talks like a young man, and like a man of sense. He had to move to a GI set-up so he could salvage some inflation which we daily are imposing, to the detriment of the future, on the generation of today. We should be ashamed of ourselves for a number of things we do, not the least of which is the extension of rent control. I read further from the telegram:

In the spring of 1949, 4 years after hostilities had ceased, under our police state set-up this property was placed under rent control by law for the first time. Now here is the pay-off. Four years after the close of hostilities, after rent had been paid 27 months under lease at legal rate of over $40 per room per month, the rent-control board knocked the rent to $20 per room per month effective December 13, 1947.

This is an interesting observation.

Four days later, December 17, rent control was eliminated in Los Angeles County on luxury housing which was defined at $40 per room per month or better. No luck for me, because the rent board said I was 4 days too late. How long, Senator, must we be tramped on? Note wise people say if rent control is lifted rent will go up 25 percent.

He tells some more economic truth.

They will, and so what.

This average citizen of Los Angeles, Calif., throws more light on this subject in this telegram than the advocates of this bill have thus far offered to the Senate of the United States. It is not news to anyone who reads the RECORD or was here that the pending bill was presented by the committee in less than 5 minutes through a mere generality. We shall have more to say about that later.

Wages have gone up over 60 percent since 1939. Wage earners are still gainers, and I am a wage earner. I am supremely disappointed that unusually high caliber persons—

In high public office—

place political expediency above fairness in their proposed votes on rent control as reported by the press. If persons of their intellectual integrity truck to what brings the quick vote, then we might as well go Pendergast quickly because the country is headed for rapid political decay like France, Italy, Kansas City, Maragon, and Vaughan. This has been long-winded. But your filibuster may be likewise.

I should like to know Mr. Seeley. Whatever his ability, whatever his faults and virtues, he speaks like an American. He wants to say something, and he says it.

Now, we go to Lake Charles, La. We go from California down to the other extreme. The telegram is signed by a very brief signature. It is "A. John."

As argument for rent decontrol note that Government loses money through undeclared secret bonuses between tenant and landlord possibly in several million cases which escape income taxes. Decontrol would recover these and also save staggering cost of rent-control administration.

That sheds a different light on the subject, but not a bad one. To my mind, one of the really bad things about rent control has been that it has made thousands of citizens who were previously honest very dishonest, indeed. When the Federal Government imposes upon the people a law which can be considered to be unfair and which thousands of people do not want—such as prohibition—that law will be broken by whatever means may be necessary. In tens of thousands of cases landlords and tenants have gotten into the habit of doing business under the table, because the Government, which they were brought up to respect, has not permitted them in a reasonable way to do business on the table.

Walter C. Strommer, of Minneapolis, Minn., wires as follows:

Small rental property owners have been forced to support tenants too long. Patience and finances exhausted. Kill rent control or cut everything to depression level.

Donald B. Miller, Sr., makes an interesting observation which I have never heard of before. He telegraphs from St. Paul, Minn., as follows:

For 30 years I have supported and voted for Democrats.

I wish I had his address, because I should like to make the telegram available to both Senators from Minnesota, one of whom is a Democrat and the other is a Republican. If here is a man who is about to change his political persuasion, it will keep one Senator busy trying to keep the gentleman where he has been for 30 years, and give new hope to the other Senator, who might be led to believe that he can get the gentleman's support in whatever election may lie before him in the future.

If you and Republican colleagues can defeat unfair and stifling rent-control bill, I will hereafter be an ardent Republican. Ten voting members of my family feel the same. Best of luck.

I should like to say to Mr. Miller that the record ought to have told him long before this that the question of Federal rent controls is not today and has not been a party issue in America. Rent controls were continued and extended in 1947, 1948, and 1949 because both Republican and Democrats voted for those extensions. They could not otherwise have been extended. I may say to my new acquaintance, Mr. Donald D. Miller, Sr., that some Democrats and some Republicans have voted against—and without any full measure of success—extending rent controls during the past 3 years. My last word to Mr. Miller is that he had better not think in terms of joining the Republican Party on the question of rent controls, because his depth of disappointment, if he made the change for that reason, would be entirely too keen for me to urge imposing it upon him.

H. F. Mitchell, 4212 Queensbury Road, Hyattsville, Md., wires as follows:

Congratulations for fine talk on dropping public disease—rent control.

Another telegram is from Baltimore, Md. It is sent by Ethel B. McKinney, 114 East Twenty-fifth Street, Baltimore. She telegraphs as follows:

Congratulations on your stand on rent controls. Glad a few Americans left.

I want to say to Miss or Mrs. McKinney that I do not look at it that way. I think the Senate of the United States consists of 96 Americans. Among them are often violent, strong, and vehement differences of opinion. The Senator from Washington is one kind of American. The Senator from Illinois, the majority leader, for example, is quite another kind of American on this question. Both of us are Americans. Let Miss or Mrs. McKinney make up her mind as to which type of Americanism she wishes to give a hand to in the future.

From Nashville, Tenn., comes another wire. Perhaps I or my family in years gone by have known Mrs. Letty Sweeney. I received several years of my limited education not far from Nashville. In fact, I was born in that city. She says:

We thank God for you and pray He will give you and your comrades more strength and power.

I suppose she is interested in freedom.

John P. Burke, of Des Moines, Iowa, wires:

May God bless you. At last a real man has appeared. If rent control dies now we can still call this America. Let freedom ring.

This business of controlling affairs at home by the dead hand of the Federal Government runs awfully deep in some people. I take it to be reasonably so that those who have sent the telegrams which I have just read have considered the Senator from Washington and certain other Senators to be representing their views. Here is a telegram from Cincinnati, Ohio, which comes from a gentleman whom I should like to know but do not know. Certainly he thinks I do not represent him. Again I say that the function of a Member of the United States Senate is to represent all the Nation under one of the two hats he wears, the other representing the sovereignty and the affairs of his State.

Mr. Harry Mason, who unfortunately does not give me an address, wires from Cincinnati, and I daresay he believes this strongly:

You are a stooge for the real-estate lobby. Time magazine was absolutely right when they called you a phony. The State of Washington owes the Nation an apology for your actions to date. Resign at once—

Thus says Mr. Mason. There is no doubt about that in Mr. Mason's mind. He wants this matter resolved immediately, and apparently he does not even want to give me a chance to vote on the bill when it comes up, let us say, next week, to be decided.

He says:

Resign at once before they kick you out, and join the circus.

I may say to Mr. Mason that I was scheduled to go to Cincinnati tomorrow night and accept an invitation to speak before my party for and on behalf of a great American, ROBERT TAFT. I have been looking forward to that opportunity to be in the company of the Senator from Ohio, and to strike a few blows for the kind of politics in which I believe. Now I am discouraged not only to think that perhaps I shall not have a chance to go for the purpose of being with the Senator from Ohio and some of our mutual friends, but I am really disappointed that I shall not have a chance to be there tomorrow night and to track down Mr. Harry Mason through the city directory. I should like to see him. I should like to know who he is, and where he came from. I should like to tell him the kind of government I believe in, in which, if one does not agree with a Member of the Senate, he may send him a wire and have reason to believe that that wire, however antagonistic, will be made available to the readers of the RECORD.

Mr. M. P. Morrow, from Missoula, Mont., sends a quiet wire:

I congratulate you on your courageous opposition to the rent-control bill and urge you to continue your fight until its ultimate defeat.

My mind tells me again that on the 10th day of January, as a Senator in this body, I telegraphed to the Governor of

New York and stated that I hoped that the State of New York would do what I thought it ought to do in the matter of rent controls, because some of us would use every legitimate means at our disposal to take what we think is an unholy law off the statute books, that is to say, that we were working, and so gave notice, of the ultimate defeat of such restrictive legislation in the peacetime year of 1950, when the war in which we all engaged to preserve freedom was concluded, if unsuccessfully and disappointingly, 5 years ago.

From Des Moines, Iowa, Mary Russell, who signs herself as an attorney at 234 KP Building, merely says:

I appreciate your stand on rent control. Des Moines is no longer a defense area, and we should return to our American way of life. We are behind you 100 percent.

I think I am answering rather accurately as to whom I think the junior Senator from Washington and perhaps only a handful of other Senators actually represent when I say we are representing a way of life and a spirit to do what we can to prevent its being diminished, or destroyed, or eliminated from the American scene.

Ed Stroup, of Des Moines, Iowa, 1131 Ninth Street, says:

Just heard of your stand to keep up from having this unjust rent law continued. Congratulations. Keep up the good work.

Here is a telegram that causes one a little more enjoyment. Perhaps I know this gentleman; I do not think I do. It is from Clayton E. Feltis, 1119 East Forty-third Street, in the city of Seattle. His reference to a filibuster is simply this:

A good filibuster is just what the doctor ordered. Here's hoping the coffee and chocolate bars hold out until July 1. Our heartfelt thanks.

The next time I am in Seattle, because Mr. Feltis gave me an address, I am going to see him and ask him if he ever tried any part of a conscientious filibuster. I shall tell him that if he has not had that unusual experience he should not wire me exactly in this vein in the future until he has tried it himself.

Here is a telegram which I like. I do not know exactly what the gentleman means by his sign-off. It is "J. H. Rice et al." I do not know to whom the "et al." refers, but the telegram is from Brighton, Mass. I like to get telegrams from Massachusetts, because the Massachusetts Legislature is now in session, taking a look at what they ought to do for the future, and we in the Congress ought to insist that they do it, and not turn to us as a vassal would turn to his overlord.

Good heavens, Mr. President, many of us worry about the future when the only concern we should have is that too many Americans, for reasons which I cannot personally understand, are forever permitting others to do for them what God charged them with doing for themselves. Mr. Rice says:

You have the sincere respect, admiration, and support of tens of thousands of property owners in your fight against the injustices of rent control.

I think Mr. Rice probably means exactly what he says.

Here is a telegram from Earl F. Rebman, 112 West King Street, Lancaster, Pa. Every time I see an address on a telegram I want to read the telegram into the RECORD, because I think the Senators from the States which are the homes of the gentlemen and ladies who telegraph me will be interested in knowing them as constituents in the future, if they do not at the present time. Mr. Rebman says:

I wish you success in your campaign to strike the shackles off of rental home building. Our Nation operating under the free competitive enterprise system—

This, Mr. President, I think strikes a good note:

Our Nation operating under the free competitive enterprise system that fed and defended and offers to lead the world should not have to justify that system. Put controls on the controliers. Bring an end to this un-American discriminatory law.

From New Bern, N. C., comes a telegram signed by H. Bryan Duffy, W. S. Gaskins, Jr., and Mrs. E. H. Jordan:

Heartiest support and congratulations on your stand against rent control.

Here is one from Kansas City, Kans.:

We heartily endorse your fight against the un-American unfair rent law. Keep it up.

CLIFTON J. GUSTMAN.
VESTA WESTFALL GUSTMAN.

These telegrams do not indicate that the senders are playing both sides against the middle. They think the law ought to be done away with, and they do not care who knows it. In fact, they want everyone to know it. I do not know what their politics are, and I could not care less. But I know I am in agreement with what they are talking about.

Mr. H. B. Bechtold, 3519 Hamilton Street, Philadelphia, Pa., telegraphs feeling but briefly and adds a new note:

You are a God-send to the displaced landlords. Keep up the good work.

Now, my mind tells me that the senior Senator from Pennsylvania [Mr. MYERS], who was famous among the advocates of recently passed displaced-persons law—it is now the law of the land—knows that there must be a considerable amount of talk about displaced persons in Philadelphia and all over Pennsylvania, in fact. And now this very nice Mr. Bechtold reminds me that he is a displaced person. I suppose he has always lived in this country. I suppose he would like to have somebody guide him by the hand to where his rights used to be.

I have a telegram from F. M. Buchanan, of St. Louis, Mo., who says nothing except three very important words:

May freedom win.

I love that word "freedom," Mr. President. I think— and I am not disrespectful—that many of my colleagues have forgotten what freedom really means. Some of my colleagues whom I admire most, and whom I consider very good friends of mine, have, out of a natural curiosity, said, "Why does this question mean so much to you?" My only answer has been that I believe in freedom.

I desire to read soon, Mr. President, something that I saw this morning in one of the newspapers about a meeting which was held in the Westchester apartments, where I live. Apparently a couple of nights ago many of the tenants in the Westchester had some sort of a meeting, a protest gathering, at which they were vehemently in opposition to the intended purpose, or they think it is, of the management, if rent control is eliminated, of turning that magnificent facility into a cooperative. The tenants do not want that to happen. In a word, the distinguished persons who live at the Westchester, on the basis of their meeting the other night, thought they were on sound ground in telling some other American what that other American could do with what belonged to him and not to them. Some member of the press called me up last night at home and asked if I had attended such a meeting, and I laughed out loud. He said, "I understand exactly what you mean." I made a comment to him that I think is fundamental, that if such persons as live in the Westchester apartments in Washington, D. C., the Capital of the United States, are not qualified, prepared, and anxiously determined to stand on their own feet and to take care of themselves 365 days of every year, then any such fight as I and any other Senators think we are waging in the name of simple freedom is a useless futility.

Do Senators know who live in the Westchester? Presumably they attended that meeting of tenants last night—and that is a sign of the times. There are Cabinet members, Members of the Senate and House of Representatives, distinguished business leaders, Supreme Court Justices, and others of the very highest reputation. They are among America's—and I do not want to be misunderstood—upper 10 percent. They are the leadership to whom America looks for guidance. Without having any desire to get into any trouble with my neighbors, whom I enjoy, I merely want in passing to say, "Quit. Respect and assume your own responsibilities and your own rights. But if you believe in freedom for yourselves, permit freedom to be extended to the other person, even though his use of that freedom may impose some need for sacrifice on yourself."

I could laugh at the question asked me the other night, because I had an experience a couple of years ago, when I was fighting against rent controls, I think it was in 1947 or 1948. I was called to a meeting in the District Committee room. When I reached there I found seven or eight of my colleagues. We were all very good friends and we all visited together. It struck me as being very strange that we all lived at the same place, that is at the Westchester. I was late in coming to the meeting, and I said, "Gentlemen, what are we meeting for?" The reply was, "You have heard, have you not, that the manager is trying to raise our rent?" I said, "Yes; I heard about it, but what about it? He can, as I understand, submit his figures and request to the Housing Expediter. If the Expediter agrees that

he is entitled to the increase, he should have it." "Oh no," I was told, "it is not so simple as that. We do not want an increase." "Oh," I said, "that is a different question. What do you propose to do about it?" They said they were going to protest. That there was going to be a public hearing. Being very naive then, and probably being naive today, I said, "I should like to be there and watch you protest." "Oh," they said, "no, no. Do not misunderstand. We are not going to protest ourselves. We are going to do it through an attorney, and we have had this little meeting today to see if we cannot raise some money." "Well," I said, "count me out. I happen to believe in the rights of the other fellow."

We used to jockey with such questions, and it would be said: "All right, HARRY CAIN, if your rent goes up, and you cannot afford to pay it, where will you move?" I have invariably said to people who have asked that question, "That is none of your business."

Mr. President, there may be some persons in this country who are not qualified to take care of themselves, who cannot think for themselves, who do not know where to go when they need help and relief and assistance. But if Members of the United States Senate do not know how to take care of themselves we simply should close up shop and turn all the remaining power, small as it is that is left, over to the executive branch—and that is not being uncritical politically of the administration—and let it go at that.

I have a telegram from Mr. D. J. Zimmerman, of Indianapolis, Ind., who says very simply:

Congratulations for your fight for economic competition. Hope you get help.

Mr. Zimmerman, my reply to you is that I hope I do, too.

Mrs. D. J. Townsend, of 1117 East First Street South, Salt Lake City, Utah, says:

I approve of what you are doing for rent decontrol. Let's keep our country free please.

Sometimes a courteous person can get a great deal of help which that person had not expected. When an American citizen says, "Please do a little something to restore and maintain freedom" it would be an unusual Member of this body, I think, who would disregard the request.

Mrs. T. F. Jackson, of 1455 Bryan Avenue, Salt Lake City, Utah, says:

Congratulations, Senator CAIN, on your stand on rent control. Keep fighting for the freedom of the American people.

I doubt if two persons who sent telegrams from Salt Lake City had any conversation between themselves before they sent those telegrams, although both struck the same keynote.

Here is a telegram from Kansas City, signed by F. A. Gubera, Mrs. Julia Gubera, Mrs. Amy Elders, Charles Elders, Mr. Rudy Gubera, and Mrs. Mary Herman:

As a token of appreciation from some loyal free thinking American citizens for your noble stand alone—

They call it "noble"—

against the injustices of rent control and infringement of property rights. May God give you strength. With a sincere mutual interest in good government.

Barbara C. Schmidt, of St. Louis, Mo., sends me the following telegram:

God help you and give you strength to continue filibuster on rent control.

Mr. President, I ask unanimous consent that I be permitted to yield to the Senator from Delaware [Mr. WILLIAMS], for the purpose of permitting him to make a unanimous-consent request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to be excused for the Senate until Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAIN. Mr. President, in San Francisco, Calif., there is a family by the name of Skidmore; they live at 701 Park Avenue. The telegram they send to me reads as follows:

Thank God we still have men—

Mr. President, they are not saying that to me personally—

with the courage to challenge that which is un-American. More power to you.

Mr. President, I think there are a very great many Americans in the Congress, some of whom it sometimes occurs to me do not work very hard at their trade; at least, that is my view.

Frances R. Lee, of 4165 Druid Lane, Dallas, Tex., says in a telegram to me:

We do not want rent control in Texas, nor do we want our money spent enforcing Federal rent controls in other States.

In other words, Mr. President, other States which have not done what they had a chance to do, when they had a chance to do as Texas has done.

Emma Secker, of 5530 Alton Street, Dallas, Tex., telegraphs me as follows:

DEAR SIR: We do not need rent control in Texas. There are plenty of houses and apartments available. Also we do not want our money spent forcing Federal control on other States.

Mr. President, her message is a slight variation from the message in the telegram I read just previously. In the preceding telegram, which also came from Dallas, Tex., Frances Lee said:

Nor do we want our money spent enforcing Federal rent controls in other States.

In a similar vein, Emma Secker, also of Dallas, telegraphs to me, in all her self-respect:

We * * * in Texas * * * do not want our money spent forcing Federal control on other States.

Here is another telegram from Dallas, Tex.—this one coming from Clara Peebles:

God bless you. Texans don't want their money spent continuing rent controls for others.

Mr. President, I like Texas; I like Texans. No one can know anything about the history of Texas without having a great admiration for the desire of Texans to be themselves, to be free, and to stand on their own feet.

From Grand Rapids, Mich., from a gentleman by the name of I. R. Blandford, I have received the following rather prosaic but forceful telegram:

Congratulations on your stand against rent control. Keep fighting.

Mr. President, I can only say to Mr. Blandford that I am doing the best I can, up to the present time.

Harry A. Hurley, of 1531 Westminster Street, Salt Lake City, Utah, is another gentleman who has sent me a telegram. Incidentally, Mr. President, I have just thought of something; I have noticed that half a dozen telegrams have come to me from residents of Utah. Those telegrams are interspersed throughout the bulk of the telegrams I have received. However, I now realize that I should have segregated the telegrams coming from Utah, and should have presented them in a group, so that the Senators from Utah would have had them clearly brought to their attention.

Mr. Hurley in his telegram says:

DEAR SENATOR CAIN: Heard the good news that was broadcast to all people this morning.

In other words, Mr. President, apparently there is no secret about it.

Mr. Hurley then says:

You have our fullest support in maintaining the freedoms of our Constitution. We, in Utah, desire to support only our State and ask that you keep up the good work.

Mr. President, the next telegram I shall read comes to me from a number of persons, namely, George C. Moulton, Elizabeth C. Babbitt, Sam W. Morgan, Celia M. Lively, William E. Clark, and Bayard M. Wooten. They have sent me a telegram from New Bern, N. C. Personally, I do not know just where that community is located in the great State of North Carolina. Their telegram reads as follows:

Congratulations. Rent-control law unconstitutional, confiscation of property, hard on small people.

Mr. President, I should guess that those who sent me that telegram represent the "small people" they mention in it; and I would imagine that last night, or the night before, all of them were sitting around in someone's parlor or living room, discussing this situation; and, as a group of Americans, they probably said, "The Senator is saying what we think. Let us bother enough to send him some encouragement."

Mr. President, in connection with my position regarding the pending rent-control-extension bill, it may be said that I am an optimist. However, I think that if one cannot be an optimist, he cannot be anything. When we start to fight against something which has been "loaded for bear," when we begin to struggle against something the skids for which were beautifully greased, we necessarily have to be optimists if we are going to get anywhere.

The point is that the skids were designed to put Senate bill 3181 through the Senate of the United States—if not, first, on Wednesday, then on Thursday. However, now it is Friday. Although I can see the machine coming down those greased skids, yet at least a few cinders have been laid along the track, here and there, and the machine is not moving with its intended rapidity.

Mr. President, from Tacoma, Wash., a gentleman whom I know, and whom I like very well, Mr. C. R. Edrington, telegraphs me to say:

May God bless you for your fight for human rights.

I think Mr. Edrington is right. I think all too often we emphasize the materialism of property in connection with this question; but Mr. Edrington goes to the heart of this subject, which is that a human being is possessed of rights which qualify him to hold title to things material; and if we wish to permit him to retain what, in a material way, is his, we must first recognize his fundamental rights as a human being.

Another telegram which I have received from Tacoma, Wash., comes from Kenyon Yauger, whom I do not know personally. He says in his telegram that he is happy over what he thinks is "a valiant fight" and effort to keep a wrong from being done in the peacetime year of 1950.

Mr. President, I should think that if I were to go to Texas and if I said to many of the people there, "If you do something good in Texas, don't you think that ought to be a pattern for the people in the other sections of the country, and other people ought to be able to do the good things that you do?" the answer would be, for the most part, "Well, within reason they ought to be able to do it. We would like to have them try to do it."

I mention that, Mr. President, because a Mr. Jack Pinkston, of Dallas, Tex., who lives at 406 North Windomere Street, in Dallas, has sent me the following telegram:

Rent decontrol highly successful in Texas. We neither need nor want rent control reimposed here, nor do we want our money spent enforcing Federal rent control in other States.

Mr. President, I wish to pose a fundamental, most important question: If decontrol has been good for Dallas, Houston, Amarillo, and goodness knows how many other cities and communities in Texas, why should not the same thing be good for the citizens of Seattle, Wash., and perhaps of Butte, Mont., if it continues under Federal rent controls today, and of Los Angeles and San Francisco and Sacramento and Portland, Oreg., and all the other fine, splendid cities throughout the West and East and the North and the South?

Mr. President, during the years of my own greatest concern over the property-management question, it has generally been stated by many people that we must continue Federal rent control, otherwise we will injure the rights of American veterans.

Mr. Lynn G. Ernst, of North Hollywood, Calif., commander of the ninth district of the Disabled American Veterans, sends me the following telegram:

You are doing swell job, comrade. Keep it up.

Circumstances permitting, before the conclusion of this debate I shall try to prove to the American veterans who care to think about the question, that one of the greatest disservices ever done them was the continuation of Federal rent control in the years 1947, 1948, and 1949. There are tens of thousands of American veterans who, returning from the wars and finding no place in which to live, as the result of continuing Federal rent control, have been imposed upon, through the good intention but wrongly designed procedures of their own Government, and have been required to buy houses at prices which were inflated, and on which they will be trying to pay off the mortgage—in many instances, unsuccessfully—for years to come. I do not know the veteran who sent me this telegram but he must believe in freedom. The chances are he has taken 5 minutes in which to study the economics of this question. If, by way of argument, we said that every American veteran was in favor of continuing Federal rent control, we should have to say that two veterans were opposed to it—one, the junior Senator from Washington, the other, the commander of the ninth district of the Disabled American Veterans.

But the facts are, Mr. President, that many more veterans know that there is a retrogression in terms of rental accommodations under rent control, and they share with me the hope that they will be done away with this year.

Mrs. Fanny Rich, of 700 West College, Coleman, Tex., whom the senior Senator from Texas perhaps knows, sends the following telegram:

We do not want rent control in Texas, nor do we want our money spent enforcing Federal rent controls in other States (other than Texas).

From Salt Lake City, Mr. Gerald P. Werrett, of 2673 Kenwood, sends the following telegram:

DEAR SENATOR CAIN: Congratulations on your efforts (and those of others) toward the (abolition) of rent controls. I, as a citizen, do not wish to continue to pay taxes to support any socialized legislation (of this character).

There are many ways of expressing opposition, but I think in the 4 years I have been a Member of the Senate this is the first time that average people who are prohibited from using the floor of the Senate to speak for themselves, have ever had someone rise to speak and speak for them.

The next telegram is from Baltimore, Md. It is signed by Mr. C. Philip Pitt. He belongs to the Maryland Home Builders Association. I do not know the character of the membership of that association, but I like the name, and I know that in many communities the Home Builders Association is a prideful group of people. They are the ones who fundamentally built 900,000 or more new homes in this country last year. They represent the type of organization which, in this enlightened fifth decade of the twentieth century is often looked upon with suspicion. Some people think evil of them. I think them good American organizations. Mr. Pitt says:

Congratulations on your courageous and forthright stand against extension any longer of Federal rent controls.

I am not concerned about the word "courageous"; that is a totally relative word, which does not move me one way or the other. I like the reference to the word "forthright." That is what I should like to believe I am endeavoring to be, in some reasonably competent fashion. Mr. Pitt continues:

Decency and justice to many millions of thrifty property owners demand termination of this vicious law, which was generally accepted 8 years ago as a necessary wartime evil.

Is there any Senator on the other side of the aisle who will rise to say that even when Federal rent controls were justified, they were not recognized as being what they are—an insidious evil? Of course, we will admit that they are an evil. Our every determination ought to be to get rid of them as soon as we can, and I have criticism for no man or group of men when I deplore the fact that those who sponsor such legislation as that which is now before the Senate will not take the time to defend it but try to make those of us who dissent accept it. The only rational conclusion I can draw is that if the proponents will take as much time in defending it as some of us are willing to take in attacking it, our questions will tear down the ramparts of any defense they attempt to construct in the Senate of the United States for an outmoded and an archaic institution called Federal rent control in the year 1950.

I wish to return pretty soon, probably within a few moments, to a discussion of this question: How can it be that in the Senate of the United States when we are attempting to discuss intelligently a great national problem such as the Federal management of private property, which certainly should be discussed fully, the advocates of the extension of such a law speak in its defense for not more than 5 minutes? At least, when the junior Senator from Washington and his associates have concluded, there will be no reason for any man, woman, or child in the United States to be in doubt as to the reasons why we attack a continuation of this law; but unless the advocates of the proposed law change their minds and start fighting for the adoption of what they scurried here with last Wednesday, there will be few, if any, persons in the United States qualified to say why the law is justified. We have the RECORD so that Senators may make their views known, and if those who are absent at this time, busy with other work, read the RECORD and dissent from anything which the junior Senator from Washington has said, they can on tomorrow, Monday, Tuesday, or whenever it suits their convenience, take exception to his comments.

Mr. President, I have received more than one telegram from Tacoma. Here is one from a Mrs. Creso. I know Mr. and Mrs. Creso. They are landlords. They own an apartment house. They do not sign the telegram as being owners of an apartment house. Perhaps it did not occur to them. It is quite a small apartment house. I do not know how many units it has, but no one would refer to Mr. and Mrs. Creso as being big or wealthy citizens. They are first-class citizens who have certain rights which they wish to have reestablished. They send one sentence, as follows:

We surely appreciate your fight to kill Federal rent control.

Here is another telegram from Salt Lake City, Utah. I am sorry my good friend, the junior Senator from Utah [Mr. WATKINS] is not present, because I am digging up quite a number of telegrams from persons whom he might grow to like very much. The same goes for the senior Senator from Utah [Mr. THOMAS].

Mr. E. A. Weight, of Salt Lake City, says:

DEAR SENATOR CAIN: Hang on. Feel you are right. Why should Utahans pay for rent control for Illinois—

And because he is a conservative, frugal man, he adds a comma and "and so forth." I assume he used Illinois merely as an example. It happens, by the way, to be the most outstanding example in the country.

Here is a telegram which I should refer to the Senators from Pennsylvania. It is signed by J. Howard Cooper, executive vice president, Property Owners' Association of Philadelphia. I suppose that organization includes big property owners, small, medium size, and all the others. The telegram says:

Keep it up. You are doing fine. Five hundred thousand property owners backing you up.

I do not know anything about the political situation in the State of Pennsylvania, and it is not any of my business, but I know that one of my colleagues in the Senate is engaged in a political campaign in that State. He probably finds it a very interesting and difficult campaign. Almost every Senator does who has a campaign. If there are 500,000 property owners there, they could be extraordinarily valuable by way of assistance to any Senator or Representative, be he Republican or Democrat.

Here is a telegram from Modesto, Calif., which is a nice, small, hospitable community. The telegram is from A. B. Pike. It says:

Senator CAIN, keep up your filibuster.

That is what he calls it.

We rental-property owner slaves with you 100 percent. We are entitled to free enterprise the same as the rest of the United States.

I also think so. One of my great criticisms of the bill is that, after having returned all other elements of our economic and social structure to competition, it undertakes to say, in substance, that for so long a time as there are more renters than there are property owners, rent controls shall continue to be imposed throughout the country.

The next is a telegram from Mobile, Ala. I think Alabama has already decontrolled. If not, it will do so soon. This telegram is from Tom Geary, who says:

Congratulations on your efforts to remove the bureaucratic shackles on property owners of this Nation.

It cost him something to send that telegram. From one point of view it is not any of his concern, unless he is a thoughtful person, as he appears to be, whether the Federal Government does something to the State of Washington, for example, or whether it does not. There is no likelihood of the Federal Government's doing anything in the field of rent control insofar as the State of Alabama is concerned, but Mr. Geary is, first, a citizen of the United States and a first-rate American, and, second, he is a citizen of Alabama. In recognizing that as a citizen of Alabama he has rights, he thinks, that citizens of other States have the same rights.

The next telegram is from John and Davis Roberts, Mobile, Ala., saying:

Congratulations on your fight for free enterprise. Let us return to the freedom of property ownership.

The next telegram is from Mrs. Rosa M. Smoot, Los Angeles, Calif. She has a cute phrase at the end of the telegram. She says:

Keep up the fight. Save principles of free enterprise our American way.

She concludes by saying:

Commies will hate you for this.

That would not upset me very much.

Mr. Charles M. Howe, of Salt Lake City, Utah, gets right down to business. He is perfectly willing to leave most of the business to the junior Senator from Washington. He says:

Keep talking. We are 100 percent behind you.

I would call to his attention the fact that they are a couple of thousands of miles behind me. I wish they were here, so they could share a part of the responsibility which I bear, very broadly, in their names and in the names of other persons located throughout the Nation.

From San Jose, Calif., Mr. W. C. Rice sends me a telegram saying:

Please accept our encouragement—

I like that, Mr. President. One needs encouragement in a job like this—

on your marvelous fight on rent-control law. City Council of San Jose voted 5 to 1 for decontrol at meeting last night. Keep up the good work.

I am pleased to know that San Jose has been released from the shackles of a Federal feudalism. I know of no other way in which to properly characterize it.

I have a telegram before me from Harry E. Draa. It is a most unusual spelling for a name. It is D-r-a-a. The telegram comes from Grand Rapids, Mich. Mr. Draa wires as follows:

Congratulations on your fight on rent control. Hope that you are able to make the other Senators realize that our good United States does not need this yoke any longer.

I may say to Mr. Draa that I do not know to what extent I can convince any other Member of the Senate of anything. The very least I am endeavoring to do is to make available to them through the RECORD information and facts which to my mind justify prohibiting the Federal Government from further invading the rights of ordinary and average Americans such as he and I.

Herbert F. White, of Elizabeth, N. J., telegraphs in a complimentary sense:

Congratulations on your heroic stand against rent control.

Again I see nothing heroic about it. It has been on very few occasions indeed that I have heard a story told on the floor of the Senate. Certainly I have never tried to tell one. However, the constant reference to heroism, heroic, or courageous, terms which are relative, reminds me of a story which I hope my good friend, the acting majority leader, the distinguished junior Senator from Alabama [Mr. SPARKMAN], will not resent my telling, or be upset by it. I had a friend who had made a little money. He went to Alaska to invest it. He thought he would buy a barber shop, which he did. He did so even though he was not a barber. Finally an unwary and unsuspecting citizen of Alaska came in and took his seat, and had his face lathered by my friend, who then went about his business. When he was about halfway through, my friend, the purported barber, said to his customer, "How am I doing?"

His customer said, "That is entirely relative. If you are skinning me, all right. If you are shaving me, it hurts like hell."

I was reminded of that story not only because it emphasizes the word "relative," but because it reminded me of the accelerated, atomic, jet propulsion which was used on Wednesday to bring S. 3181 before the Senate as its pending business. I was shocked on that occasion to have the senior Senator from Illinois offer the motion, to have the Vice President, who was then occupying the chair, put the question, and to have the question disposed of with a speed which was far greater than that of light. So that most things are relative.

Mrs. Elizabeth Foley, of St. Louis, Mo., merely says:

Accept deepest gratitude your stand on rent control.

From Elizabeth, N. J., Laforde Latourette sends a telegram. I presume that the name is French in its origin and probably represents the head of a French family of the first or second generation in this country. I notice that he makes reference to "heroic." The French do enjoy coloring their language. He merely says:

Congratulations on your heroic stand against rent control.

From West Orange, N. J., comes a telegram which is no different in substance from any of the others, but it comes from a different location. Mr. and Mrs. W. Douglas Prizer, of 8 Colony Drive East, West Orange, N. J., wire:

Congratulations on your work against rent control.

Mrs. Lucille Ward, of Dallas, Tex., telegraphs:

We don't want rent control in Texas. Housing exceeds demand here. We don't want our tax money spent forcing Federal rent control in other States. Thanks for statesmen like you.

To Mrs. Ward I would say that I am not certain what a statesman is. The Senator from Washington has been in competitive public life for 10 years. It has been a rich, exciting, and generally a very satisfying experience. But it has been a business, Mr. President, like many other businesses. The only difference

between what the Senator from Washington is attempting to do this afternoon and what other men are doing in pursuit of their own business is that I, like every other Senator, does his work in a goldfish bowl. Almost every other American has a right to pursue his enterprises in the privacy of his own accommodations. We in public life must work in the open. That is quite proper. However, I have never had either the time or perhaps the knowledge to determine what a statesman was or is. My only ambition is to be a working Senator, I suppose.

Pearl K. Goldberg, 60 Park Place, Newark, N. J., says a very strange thing to me in her telegram. I have never thought it to be so, and do not think it so now, but it is nice of her to think so, although I am disturbed that she must think so. She says:

The downtrodden taxpayer has finally found a champion in you. My sincere good wishes for your success.

Well, Miss Goldberg, there are a great many other people who are interested in you as a taxpayer, and I am grateful that you count me among the others. The telegram is worded differently. It is rather interesting to note how many different approaches these people take in their telegrams. It is rather indicative, it seems to me, that no one with a rubber stamp has told them what to say.

Here is a telegram from Louis A. Enders, 2319 Montrose, Chicago:

Thanks for your efforts in preserving the backbone of our country.

I take it, Mr. Enders, what you refer to as being the backbone are the home owners and the 8,000,000 little people who own and operate for profit accommodations, having on the average nine units or less. If those are the ones to whom you refer, Mr. Enders in Chicago, I share your view on the subject.

Thomas D. Nind, of Grand Rapids, Mich., telegraphs:

Sincere congratulations for your untiring—

Parenthetically, it has been thus far—

untiring effort against rent-control extension.

I think it ought to be noted in passing—and I have tried to note it each time as it has happened—that the junior Senator from Delaware [Mr. FREAR] now occupies the chair. I think he is about the fourth, fifth, or sixth occupant of the chair since the Senate convened at noon. It seems a little unfair, but really it is not. It would seem that one occupant of the chair in the United States Senate would be enough for any working day, and that some arrangement could be made for a series of Senators to speak on the same subject from the same script.

I notice my friend, Mr. HOMER ANGELL, a Member of the House of Representatives from the great and sovereign and free American State of Oregon, in the rear of the Chamber. Perhaps he is here just as a visitor for a few minutes, because he likewise believes in fighting for things.

The PRESIDING OFFICER (Mr. FREAR in the chair). May the Chair interrupt the distinguished Senator from Washington to propound a question?

Mr. CAIN. My only reluctance at the moment to say "Yes" is that by no means would I wish to embarrass the Chair. If he has established through the Parliamentarian that it is proper for him to do that, the junior Senator from Washington would like to answer any question the Chair has in mind.

The PRESIDING OFFICER. The Chair fears he would have to ask it from the floor.

Mr. CAIN. Ask the question from the floor?

The PRESIDING OFFICER. Yes.

Mr. CAIN. On the basis of what has happened during the afternoon it will not be long before the present occupant of the chair will at least pass to the floor as he leaves the chair on his way somewhere else, and if he has the time then to pause to ask the question, the Senator from Washington would like to answer.

The PRESIDING OFFICER. The Chair was wondering whether the distinguished Senator from Washington was still untired.

Mr. CAIN. I think that is a fair question, and I think the answer, to use a word I referred to in a story a few minutes ago, is that relatively, no, he is not tired. Years and years and decades and decades ago, when our Government was first being formed, as is known by the Senator from Delaware and me and others who are not unmindful of what history taught us, those who struggled and fought so well to build a nation in which free men and women would have a chance to live in the future must have been faced with situations which were of such great concern and concentrated interest to them that they did not stop very often to wonder whether they were tired.

There is no relationship between the capacity of those predecessors of ours and the Senator from Washington. But that is not the point. The point about tiredness is that when one has his mind attuned to a subject which he thinks justifies a considerable and full-scale effort, he becomes much less tired over a long period of time than he would in a very few minutes when he was utterly bored with or uninterested in what he was trying to do, when he had not his heart in it.

Perhaps that ought to be emphasized just a bit. My good friend the senior Senator from South Carolina [Mr. MAYBANK] is not on the floor at the moment. I may say to Mr. McMurray that what I am about to say will not be sufficiently strong to justify him in bringing the Senator back into the Chamber, but on Wednesday when the senior Senator from South Carolina presented the pending bill, in 5 minutes or less, he gave me the impression of being more tired than I feel I am tired after having spoken for some considerable length of time in excess of 5 minutes, because, Mr. President, my heart is in this work, and my support is for those who have been so kind as to send me a word and ask to be heard.

Herbert F. Goldberg, of 60 Park Place, Newark, N. J., telegraphed as follows:

DEAR SENATOR: Congratulations on your determined fight against further rent control. It is time that rents receive the same treatment as any other commodity in this country. Congratulations again. My sincere best wishes.

There is much to be said for that gentleman's position.

Mrs. M. E. Hanson, of Tacoma, Wash., merely says:

Sincere congratulations on your fight to kill the rent-control bill.

Here is a telegram from Yakima, Wash. I had better read this because it comes from two persons who are good citizens of Yakima, and because it uses a pretty strong word which is often used by many people in that area when they are annoyed by something they do not like, or by the presence of something which they think is very unfair or unnecessary. The telegram reads:

Your courageous fight against the lousy rent control is certainly appreciated here. Yakima has been much better off since we got rid of it.

Yakima is a place of about 25,000 or perhaps 40,000 population now, for it has grown rather rapidly, but it is a first-class city. Many dire predictions were made as to what would happen to the fine city of Yakima if rents were decontrolled. But these two citizens, Jim and Hattie Foley, who can be traced down, over their signature have said it was a fine thing to get rid of rent control.

I do not understand the next telegram, but I think I had better read it. It is signed by "B Strong Women's Legislative Council." It reads:

Keep up the good work against rent control.

Mr. President, it has taken some time to read what after all are only a handful of the expressions which have come, I am informed by my office, literally by the thousands in the last 2 days. I asked my office to provide me only with a handful of them, to prove the point as to those whom I thought I was representing. The only question submitted to my office was, "Are these telegrams coming merely from isolated sections in America, or are they coming, as I hope, from practically every city, town, hamlet, community, and State in America" The answer was, "They are coming from everywhere."

I am glad to receive these messages, and I hope I shall receive many more. After reading them into the RECORD on tomorrow, when I know that I shall enjoy these expressions on the part of Americans generally as they speak for themselves in their telegrams, one might suppose that it would be proper to submit more of them, and for the same legitimate American purpose.

Mr. President, for the next few minutes I desire to talk about a situation in the South, and to do so in a very complimentary way. In trying to prepare myself in a constructive way for this debate, I went back and reread all the debate which took place between May 5, when the majority leader failed to invoke cloture, when it was tried, and on May 19. I read every word of it. Having a

great admiration for the ability and the stamina of the Senators from the sovereign States, I wanted to analyze the methods they used in defeating a proposal in which they did not believe.

I wanted to do it for several reasons. I wanted to learn something, and I did. Then I wanted to see why it was that a Senator friend of mine on this side of the aisle said, "Senator, if you speak at length, you are likely to alienate the affections of some of your colleagues." I wanted to read the RECORD and find what it was the southern Senators did in speaking longer, may I suggest, than I hope I may have to, that did not result in their losing the admiration and respect of any Member of the Senate or throughout the country. Many Senators disbelieved in what the southern Senators were attempting to do, but I have never heard any Senator in his right mind criticize a southern Senator for speaking against what he thought should not become a law.

Because of what I learned on Wednesday I was struck by the fact that the majority leader moved to take up the FEPC bill at the beginning of a new legislative day. I knew that something had happened. I was here at my desk when the majority leader moved to bring up this bill. The Vice President said, "Those in favor say "aye." Those opposed say "no." I was the only Senator who said "no." I said, "Mr. President, I seek to speak to the motion," and the Vice President informed me in his genial and invariably courteous but very explicit way, "The motion is not debatable."

It occurred to me that only several weeks ago we had what on the surface appeared to be a comparable situation, and I was curious how it was that the motion in which the Senator from Washington was interested was not debatable while the southern Senators took from the 5th of May to the 19th of May to debate a motion on a bill which has not become the pending business since. If other Senators do not think I have been busy during the last week in terms of trying to find out who was doing what to whom, they are sadly mistaken.

Because of the fact that the motion to take up the FEPC bill was not brought up on a new legislative day but on one which had lasted for some time, the motion was debatable. And a great debate it was. On Wednesday the majority leader moved to take up the Federal rent control bill during the morning hour on a day which followed an adjournment of the Senate, and this fact, I was taught in the school of hard knocks on Wednesday, prohibited the motion from being debatable. My curiosity has been aroused in a very deep way about why the majority leader did not attempt to bring the FEPC bill before the Senate in the same manner in which he so rapidly, oh, and effectively and strategically, brought the Federal rent control bill to our collective and official attention on Wednesday. This story in its entirety, however, belongs to another day, and those who are doing a little further research for me on the question have not yet returned their findings.

There are now present on the floor two Senators from States below the Mason and Dixon' line, and when I find out I will make all the information I receive available to them. I likewise will provide the information to the majority leader, because he has said, I think, that the motion with respect to the FEPC bill would be brought up again during the present session of the Congress. If there is a way for him to have the motion to consider the FEPC bill agreed to without debate, that will be one hurdle which has never been surmounted by the proponents of the FEPC, and will, I think, save the Senate several weeks of laborious, if stimulating, work. I do not know what I am going to be able to prove through the facts brought to me by others; but if I find that there was no reasonable reason why the motion to bring up the FEPC bill should not have been made in the morning hour following an adjournment, so that there would be no possible debate, and the Senate could proceed to debate the bill itself, if other Senators do not think I will call that to the attention of not only the Senate but the Nation, they have another guess coming. I am curious about the 2 weeks' debate on the FEPC bill, and I say so feelingly to my good friend the Senator from Florida [Mr. HOLLAND].

Mr. President, I was among those who voted to impose cloture on the motion to bring up the FEPC bill. This meant that I was opposing what most of the southern Senators thought was the right thing to do. The southern Senators, in holding firm to their deep convictions, successfully defeated the FEPC proposal for the time being, despite the fact that the Senator from Washington and a good many other Senators voted to impose cloture on the motion to consider that bill.

The opposition of the southern Senators consumed many days of precious time. This is why I mention the South. I am fighting not only for fair play for American citizens outside Congress, but I want to establish my right as a Member of the United States Senate to fight for what I believe in as strongly as Senators from the South believed in their opposition to the FEPC. But the southern Senators are not less well thought of merely because they consumed a good deal of time in opposing the wishes of other Senators. Southern Senators believed that the cause they stood for was right, and they acted accordingly. They were fighting for the right of their own States to pursue what their States thought was the right course to pursue. In a way, and in a very real way, too, the junior Senator from Washington is attempting to do the very same thing. He is merely doing all he can to require States to do for themselves, if they think it must be done, what the Federal Government, through this proposed extension of Federal rent controls, proposes to do for some of the States of the Union.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. CAIN. Certainly, sir.

Mr. SPARKMAN. The Senator from Washington does not intend to imply, does he, that any one of the southern Senators to whom he has referred as opposing the taking up of the FEPC bill, would do anything toward imposing cloture on the Senator from Washington in his present debate?

Mr. CAIN. By no means; absolutely no. I was merely, perhaps selfishly, as an individual Senator who does not yet know the strength of the support behind him on the floor of the United States Senate, desiring to make it clear to Senators whom he respects and admires that in this field of endeavor the Senator from Washington is going to try to be as successful, by using the same methods, as were the Senators from the South from May 5 through May 19 in seeing that what they did not want to happen did not come to pass. The Senator from Alabama will know what I mean when I say that my only reference to the South was as deeply complimentary as it conceivably could be. There is something important to any individual insofar as his origin, the place of his birth, is concerned. In having had what to me was the great privilege of being born in the Volunteer State of Tennessee, it is as natural as drinking water to compliment that area whenever a legitimate chance arises.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. CAIN. I am glad to yield to the Senator from South Carolina.

Mr. MAYBANK. The Senator will admit that one southern Senator, the Senator from South Carolina, who was acting majority leader the other night, did everything he could, at that time, as acting majority leader, in cooperation with the Senator from Washington, to make certain that the Senator would have the floor today, and that it would be agreed that when the Senate recessed the Senator would be recognized as having the floor when the Senate reconvened on the day following the call of the calendar?

Mr. CAIN. Will my good friend the Senator from South Carolina let me endorse the conduct to which he has just referred as strongly as I can?

Mr. MAYBANK. It was my belief that the Senator should be so recognized. I acted upon the basis of that belief.

Mr. CAIN. The Senator from Washington was very grateful, among other things, for the extreme consideration given to the rights of this individual Senator as those rights were protected by the chairman of the Banking and Currency Committee, the Senator from South Carolina, on Wednesday.

Mr. MAYBANK. Will the Senator yield for one other question?

Mr. CAIN. I certainly will.

Mr. MAYBANK. I wish to propound a question, in the form of a statement, if I may obtain permission to do so without interfering with the rights of the Senator from Washington.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAYBANK. I simply wish to call the attention of the distinguished Senator from Washington to the fact that during the FEPC debate most of the time was consumed by other Senators on other matters that did not concern the FEPC, during most of the days of the debate. In other words, various other

subjects were discussed during that time by others than southern Senators. The southern Senators did not speak for any considerable length of time, and certainly there was no filibuster indulged in by them. In fact, their discussion was extremely limited. I had to wait until almost the last day before I could talk on the FEPC, and then I had to reduce the remarks I had prepared from about 4 or 5 hours down to about half an hour, because many other Senators took time to talk about foreign aid, the ECA, and various other matters.

Mr. CAIN. Mr. President, I think the senior Senator from South Carolina has as delightful a sense of humor as does any other citizen of South Carolina, whose citizens are noted for their sense of humor.

My point is that regardless of the interruptions, the southern Senators continued to do what they felt they had to do, and did so until their purpose was achieved.

Mr. MAYBANK. The Senator is correct.

Mr. CAIN. Mr. President, it is nice to have the Senator from South Carolina agree with me, because both of us believe in the same thing.

It is only a coincidence that it took 3 weeks to have the attempt to invoke cloture made; but from my observation of the southern Senators in operation, they were willing to continue for as long as they could stand in fighting the things to which they were opposed.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. CAIN. I yield.

Mr. BREWSTER. Will it be agreeable to the Senator from Washington to have me pose a question to the majority leader, with a view to the possibility of having the Senate take a 10-minute recess, during which Senators could discuss the possibility of arriving at an understanding in regard to the present situation?

Mr. CAIN. First, Mr. President, I will agree to permit a colloquy between any two Senators, if such a request is accepted by the majority leader.

The PRESIDING OFFICER. Does the Senator mean that he will permit that to be done if it is understood that he will not thereby lose his rights to the floor?

Mr. CAIN. Yes. Of course, I have no means of knowing what the colloquy will be, but that is not my concern. If I am permitted to yield for that purpose, I wish to do so.

The PRESIDING OFFICER. Is there objection to the request to permit the Senator from Washington to yield for that purpose? Without objection, it is so ordered.

RECESS

Mr. BREWSTER. Mr. President, let me ask the majority leader whether he would be agreeable to having the Senate take a brief recess, during which Senators can determine whether some agreement can be reached.

Mr. LUCAS. Mr. President, in reply to the Senator from Maine, I should like to say that earlier in the day such a recess was taken. The minority leader, the able Senator from Nebraska [Mr. WHERRY], reported that he thought there might be a possibility, at approximately 4:30 or 5 o'clock this afternoon, of working out some agreement.

I now understand that the Senator from Nebraska is unavoidably absent, because of a slight illness.

I have no hesitancy in making such a unanimous-consent request, Mr. President. I now request that the Senate stand in recess for 10 minutes, so as to give the Senator from Washington, the Senator from Maine, and other Senators an opportunity to discuss the possibility of reaching a unanimous-consent agreement. I make that request with the understanding that the Senator from Washington will not thereby lose the floor or have his parliamentary rights prejudiced in any way.

Mr. CAIN. Mr. President, I am grateful for that consideration.

The PRESIDING OFFICER. Is there objection? Hearing none, the Senate will stand in recess for 10 minutes, with the understanding that the Senator from Washington will not lose his rights to the floor.

Thereupon (at 4 o'clock and 33 minutes p. m.) the Senate took a recess for 10 minutes.

On the expiration of the recess (at 4 o'clock and 43 minutes p. m.) the Senate reassembled.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

Mr. CAIN. Mr. President, a few moments ago, as best I knew how, I complimented southern Senators, even though I disagreed with their view, when, some weeks ago, they successfully defeated a motion to consider the FEPC bill. I did that with a very selfish purpose in mind as well as a purpose which was wholly righteous, because I have long admired the courage and stick-to-itiveness of southern Senators. I desire now for a few minutes to take a look at this thing called filibuster. I had a memorandum prepared on the subject, through the courtesy of the Library of Congress. I think I might merely define the term and then comment on it for a few moments, before going to another subject.

Filibustering is apparently defined in two ways. The first is that the word "filibuster" is "an English corruption of the Dutch word "vrijbuiter'," which is translated "freebooter" in this country, "and was first applied to the English buccaneers of the seventeenth century, who gained a livelihood by plundering Spanish ships and settlements in the Carribean."

Another definition applies to a filibuster in the congressional sense. When so used, it "is the term used to describe obstructionist tactics employed by a minority in Congress, the purpose being to prevent a vote and thus to defeat legislation favored by the majority."

I presume, according to this definition, southern Senators in recent weeks were filibustering against the motion to take up the FEPC bill; and, according to that definition, the junior Senator from Washington appears to be filibustering against the passage of Senate bill 3818.

I recently became curious concerning those among our fellows, past and present, who have spoken at considerable length on subjects of supreme importance to them individually, or collectively, if more than one Senator was involved in a filibuster. There are some interesting references in the New York Times of November 19, 1942, on page 1, to a filibuster of that day. A filibuster consumed 7 days of the Senate's time in November 1942. The bill of the Senator from Florida [Mr. PEPPER] to repeal the poll tax was the measure under discussion and was backed by a northern and western coalition, with Senators BARKLEY and Norris leading the fight. It was opposed by a solid block of southern Senators. Among this number were Senators Tom Connally, Wall Doxey, Josiah Bailey, and Kenneth McKellar.

The debate ranged, for the most part, around parliamentary questions, and the southern Senators were able to score consistently, with a minimum of vocal strain, except on the part of Senator Wall Doxey, of Mississippi, who spoke continuously for 5 hours. Senator Bilbo, whose desk overflowed with books, threatened to speak for 30 days, but the filibuster was concluded 23 days short of that time.

By a vote of 41 to 37, the measure to impose cloture on that debate failed, and ended for that Congress further consideration of a measure against which southern Senators had filibustered for more than a week. The vote put the bill aside because of an agreement made with the opponents by Senator BARKLEY, the then majority leader, to shelve it for that Congress if his cloture motion failed.

But, Mr. President, in the history of the Senate there have been filibusters much longer than those which were staged in the 1942 fight. I should like to cite several examples.

There must have been quite a sturdy filibuster in 1879, for on the question concerning the repeal of certain election laws, 11 days were consumed by those who sought to resist intended changes.

In 1890 the Force bill debate and/or filibuster which concerned itself, likewise with certain election laws, consumed 29 days.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. CAIN. Certainly.

Mr. MORSE. Will the Senator permit me to ask him two or three questions with reference to the bill which is before the Senate?

Mr. CAIN. Certainly.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that the record of the hearings on this bill fails to disclose by a preponderance of the evidence any national need, on a Nation-wide basis, for the continuation of rent control?

Mr. CAIN. In my opinion, the hearings to which the Senator from Oregon has referred were conspicuously lacking by failing to prove a continuing need for Federal rent control throughout the Nation.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that to whatever extent

there may be a need for rent control in this country at this time, that need is localized to a few scattered communities, cities, and areas in the Nation?

Mr. CAIN. The Senator from Washington has not, during the course of this debate, maintained that there were not certain communities and areas still in need of rent control, but he has maintained consistently, and from what he conceives to be the lack of substance in the record, that the question is from now on completely and solely a local and State rather than a Federal responsibility.

I may say to my friend from Oregon that since the 1949 rent law was passed by Congress nine States have been entirely removed from Federal supervision; three States, other than the nine, have, through legislative action, passed standby rent-control laws, and three other State legislatures are presently, this week, in session, during which time they can take action on the rent-control problem if they deem it proper. The State of Illinois, which includes within it the most controversial single remaining large city in the United States, namely, the city of Chicago, has called a special session of the State legislature to be convened on June 19 to consider this problem.

I think that will help to support the view of the Senator from Washington that it can hardly be maintained that Congress should pass a Federal rent-control law, when by the time the present law expires, some 16 States will have either been removed or have had a complete opportunity to remove themselves from Federal jurisdiction.

Mr. MORSE. The Senator from Washington is aware, is he not, that in past years, on votes on rent-control legislation, the Senator from Washington and the junior Senator from Oregon have differed in that the Senator from Oregon has voted for a continuation of rent control on the basis of the bill then pending before the Senate, and the Senator from Washington has voted against the continuation of rent control?

Mr. CAIN. The Senator from Oregon is quite correct.

Mr. MORSE. The Senator from Washington is aware, is he not, that the fundamental difference between the Senator from Washington and the junior Senator from Oregon on rent control in the past has been over this question of fact, namely, the existence of a Nation-wide need for rent control based upon allegations as to a then existing shortage of housing facilities?

Mr. CAIN. The Senator from Oregon and the Senator from Washington merely disagreed in that determination of judgment.

Mr. MORSE. On that question of fact?

Mr. CAIN. On that question, it has been the view of the junior Senator from Washington since 1947 that there no longer prevailed a need for a national rent law. It was, if I correctly understood it, and I thought I did, the view of the Senator from Oregon in 1947, 1948, and 1949 that there was a continuing national need justifying a Federal rent-control law.

Mr. MORSE. The Senator is correct in that conclusion. I should like to ask an additional question of the Senator from Washington.

Mr. CAIN. Please do.

Mr. MORSE. Is the Senator from Washington aware of the fact that in the 1949 rent-control debate the junior Senator from Oregon took the position that whenever he became convinced that there was not a national need, based upon a Nation-wide shortage of housing facilities, for a continuation of rent control, he would vote against the continuation of rent control?

Mr. CAIN. I am probably more conscious than is any other Member of the Senate of the declaration which the Senator from Oregon made in 1949. I am conscious of it because at that time the Senator from Washington did his level best to prevail upon his friend from Oregon to agree that the time had come to justify doing away with Federal rent control, and the Senator from Oregon was not impressed sufficiently by my presentation to agree with my view.

Mr. MORSE. Does the Senator from Washington recall that on one occasion during the 1949 debate we had in the cloakroom a very friendly, and, may I say, from the standpoint of the Senator from Oregon, a very helpful discussion of the whole question of rent control?

Mr. CAIN. I do.

Mr. MORSE. The junior Senator from Oregon took the position that he had not become convinced, on the basis of the evidence presented by the Senator from Washington, that there was no longer a Nation-wide need for continuation of rent control.

Mr. CAIN. That is correct. I was very grateful to the Senator from Oregon for wanting to discuss the question revolving around rent control with the Senator from Washington. My distress was extremely deepened because my impression was that the Senator from Oregon was just about to be "sold"; and as evidence of that fact, we sat and discussed the question seriously, and the Senator from Oregon would say, in substance, "There is much to what you say, but I do not think there is enough you can say in this year to support conclusively the position you have taken, which is to eliminate Federal rent control." I am only guessing now, because we have had no conversation in months, in fact, that the nature of these questions would indicate that the Senator's curiosity about the subject is even more alive than it was last year, and I could not be more pleased.

Mr. MORSE. Under the parliamentary situation in which we find ourselves, the junior Senator from Oregon will have to make his position clear by way of questions, if the Senator will permit another question.

Mr. CAIN. I may say that the Senator from Washington will quite normally permit questions from any Senator, but he will be most encouraged if the Senator from Oregon will submit questions which might lead to a further bit of help in answering the question, Who are those likely to be supporting the position maintained by the Senator from Washington?

Mr. MORSE. Does the Senator from Washington recall that in our discussion last year the junior Senator from Oregon took the position that, although the preponderance of evidence in the RECORD of last year indicated that there was still sufficient need for rent control, based upon a Nation-wide shortage, to justify his voting for the then so-called compromise rent-control bill, which permitted of local decontrol, nevertheless, he wished to give notice that in his opinion, if the housing conditions continued to improve as they were then improving, he believed that by the end of the year there would not be any need for any additional Federal legislation for the continuation of rent control?

Mr. CAIN. Although in 1949 I disagreed with the contentions offered to me by the Senator from Oregon, I remember them in almost precisely the language the Senator from Oregon has used.

Mr. MORSE. Does the Senator from Washington recall that in our discussion of the question of the continuation of rent control the junior Senator from Oregon explained his position to the Senator from Washington by saying, "So far as I am concerned, I am going to act upon this issue as I try to act on all issues, namely, in accordance with what I think is a sound Federal principle that should be applied whenever the Federal Government seeks to exercise jurisdiction over any domestic question"?

Mr. CAIN. I do indeed, sir.

Mr. MORSE. Does the Senator from Washington recall that in discussing that Federal principle I took the position that we cannot justify as a matter of governmental philosophy the Federal Government exercising jurisdiction over any question which has become solely or primarily a local question and lost its Federal characteristics.

Mr. CAIN. I am very conscious of that presentation which was made to me and other Senators, as I recall, a little more than a year ago.

Mr. MORSE. Would the Senator from Washington be surprised, then, on the basis of discussions which the junior Senator from Oregon has had with other Members of the Senate, and in the course of the debate itself on rent control, to find the junior Senator from Oregon taking the position this year that, on the basis of the evidence which has been advanced in the hearings of the committee so far and in the debate on the floor so far, as read and heard by the junior Senator from Oregon, he feels the proponents of the pending bill have failed to show by the preponderance of the evidence that there is a Nation-wide need because of a Nation-wide housing shortage for a continuation of rent control insofar as the exercise of Federal jurisdiction is concerned?

Mr. CAIN. Because I highly respect the mental faculties of the junior Senator from Oregon, even though we have often disagreed on questions—and it should be stated also that we have often agreed—I would be completely and conclusively amazed had the Senator from Oregon reached any other conclusion than the one he has just offered to the

Senator from Washington. I do not think it possible that thoughtful or studious men or women who read the record which was written before the Committee on Banking and Currency of the Senate could conclude that the witnesses who appeared there had established a continuing need for Federal rent controls.

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that if it be true, as I believe it to be, that there are some localities, particularly some great cities, where in all probability there still exists a sufficient shortage of housing to justify some consideration of rent control on a local level, it is the duty in those instances of local governmental units, and not the Federal Government, to take care of that specific local problem?

Mr. CAIN. I may say to the Senator from Oregon, because of what he said and because of what a good many other Members of Congress said during the debate on the rent-control question in 1949, every American community and State was given, to my way of thinking, adequate notice that they ought to begin from that time on to analyze their own local needs, because it was the intention of Congress not further to impose Federal rent controls throughout the Nation.

Mr. MORSE. It is true, is it not, that the so-called local decontrol provisions of the so-called compromise bill of 1949 were put into the bill for the purpose, among others, of directing the attention of local governmental units to the need of their giving some local consideration to their own housing problems so that they could get themselves into a position of not looking further for an exercise of Federal control over a purely local matter?

Mr. CAIN. That was one of the basic reasons for those provisions being placed in the law, as advanced by the junior Senator from Arkansas [Mr. FULBRIGHT].

Mr. MORSE. Does the Senator from Washington agree with the junior Senator from Oregon that in an issue such as this we need to be constantly on guard against legislation which seeks to have the Federal Government exercise control over local problems when such local problems have ceased to represent a Nation-wide problem affecting the people of the country as a whole?

Mr. CAIN. I wish, sir, that I had your ability with words. I have worked pretty hard during several days of this debate to convince our colleagues in the Senate that we must not permit ourselves to do for any American State what that American State not only can but must do for itself. I have contended that it was proper for the Congress to establish a Federal rent-control system, provided—and only provided—that a national emergency existed. Because in recent months the national emergency has been dissipated and done away with, the remaining areas which are confronted with a continuing need for rent controls—and it is for them to prove a continuing need for rent controls—must be a local or State concern, as opposed to a Federal concern.

Mr. MORSE. In order that that point of view may be emphasized in the RECORD, will the Senator from Washington permit me to ask him one further question in regard to it?

Mr. CAIN. I am very pleased by the Senator's questions, and I should like to answer as many as he may wish to ask.

Mr. MORSE. Does the Senator agree that among the various questions to which each Senator must try to find the answers in this debate probably the most fundamental question of fact, on the basis of the answer to which he must bottom his whole philosophy in regard to this particular bill, is this: Is there existing today in this country a Nation-wide housing shortage to the degree that it creates a Nation-wide problem calling for national rent control?

Mr. CAIN. In my opinion, sir, that cannot be established to be a fact, for among other reasons there is the reason that on the first day of April 1949, there were fourteen - million - seventy - thousand-four-hundred-and-some-odd rental units under control throughout the country, whereas, as of June 30, 1950, the day on which the 1949 act is expected to be terminated, there will be remaining under control slightly in excess of 7,000,000 units, or less than 50 percent of the number of units under control 15 months ago, when in the opinion of the Senator from Oregon and other Senators—and in fact in the opinion of a majority of the Senators—there still continued a national emergency. However, as of that time most of the Senators said: "The question is very tight in our minds. We are in doubt. Being in doubt, we shall vote to continue the controls for one more extended period." Yet they were slightly in doubt at that time. They certainly must have no doubt concerning the elimination of a national emergency as of this moment, because, in part, of the abbreviated fact I have just offered to my friend, the Senator from Oregon.

Mr. MORSE. Speaking hypothetically for a moment, if it is true that in a given hypothetical case an individual Senator has reached the finding of fact, in answer to the question previously put by the junior Senator from Oregon, that the evidence this year does not show a Nation-wide need or a Nation-wide problem for continuation of rent control on a Nation-wide basis, then does not that Senator find himself faced with the next question: "How or on what theory or principle of government can I then justify a vote for the pending rent-control bill, in view of my individual finding that there is no Nation-wide housing shortage to the extent that justifies the continuation of rent control on a national basis?"

Mr. CAIN. I am literally convinced in my own mind that any objective study will establish the fact of the lack of a present-day national emergency.

Mr. MORSE. Finding that lack to exist, is it not true that then the individual Senator must answer the next question: "On what legal theory or theory of government can I justify a vote for the exercise of a Federal jurisdiction over a problem which the facts show is no longer Federal in nature?"

Mr. CAIN. How any Member of the Senate or of the Congress can vote for or how any citizen can support an extension of the Federal rent-control system if that Senator or Representative or citizen agrees that a national emergency no longer exists, I frankly do not know.

If the primary contention of those of us who are attacking this bill is correct—and I established it 2 minutes after I started this afternoon—that no national emergency continues to exist, then it is my American conviction that we of the Congress would be doing the American people, the States of the Union, the cities of America, and the Federal Government itself, a criminal disservice by permitting the Federal Government to manage those affairs which the establishment of the fact of there being no national emergency literally and conclusively and morally and honestly and politically and every other way forbids, and ought to prohibit the Federal Government from doing.

Mr. MORSE. Is it the understanding of the Senator from Washington that in the court decisions to date upholding the national rent-control legislation, one of the fundamental underlying legal principles, if not the basic legal principle that bottoms all those decisions is that Federal jurisdiction on the part of the Congress to pass rent-control laws springs from the existence of the national emergency growing out of a Nation-wide or national housing shortage?

Mr. CAIN. The Senator from Washington does not possess the great knowledge of the law which is possessed by the Senator from Oregon. I have only been able to study, approach, and finally to attack this problem, on the basis of what I consider to be economic facts.

My casual understanding—and it is no more than that—of what the Senator from Oregon has said, I presume from his knowledge of the law, is not such as to enable me to reflect further on court decisions, because in that field I am a rank amateur.

Mr. MORSE. It is true, however, that during the last several years, when the Senator was taking an active interest in rent-control problems, he has consulted from time to time his lawyer friends in the Senate and the country——

Mr. CAIN. A good many.

Mr. MORSE. In regard to legal justification for the passage by the Federal Government, through the Congress, of rent-control legislation?

Mr. CAIN. My legal friends have advised me that the only justification for a Federal rent-control law is the existence of a national emergency.

Mr. MORSE. Then we come back again, do we not, to the fundamental question, whether or not there exists, as a matter of fact, at the present time a Nation-wide emergency, by way of a Nation-wide housing shortage, which justifies the continuation of rent control?

Mr. CAIN. That is the fundamental question involved in the entire argument. If there is no national emergency, there obviously should be no Federal rent-control law, and those who are of that opinion should fight against its

passage for any time which is required. On the other hand, if it can be established that there is a continuing national emergency, then I believe the question is an entirely different one.

Mr. MORSE. The last part of the Senator's comment leads to the next question which I should like to ask him, if he will do me the kindness of yielding.

Mr. CAIN. I yield.

Mr. MORSE. If an individual Senator reaches the conclusion, as the junior Senator from Oregon has reached it, that the facts and evidence in the record do not show a Nation-wide housing shortage to any degree that justifies a conclusion that there should be a continuation of rent control on the basis of any theory of an existing national emergency, a vote for the pending bill by any such Senator would be a vote on the basis of a theory which he knows cannot be reconciled with the underlying legal theories of the court decisions to date justifying or sustaining rent-control legislation.

Mr. CAIN. Under those circumstances a vote in favor of the pending measure by any Senator would be a complete repudiation of everything for which that Senator stands, and all the responsibilities he assumes when he takes his oath of office.

Mr. MORSE. Would it not be be true, then, that if a Senator reached the conclusion, as the junior Senator from Oregon has reached it, that the facts in this record do not support a finding that there is a Nation-wide housing shortage to any such degree as to justify an opinion that there is a Nation-wide need for rent control, if he then voted for the pending bill he would be voting for a legal theory which is not supported in the court decisions to date sustaining such rent-control legislation as has been passed heretofore by the Congress of the United States?

Mr. CAIN. The Senator from Oregon is quite correct. In addition to that, from my point of view, he would be voting for a legal theory which I have never known to be recognized as being legitimate or valid in these United States. He would be voting for a theory which holds that the Federal Government shall act as a Federal instrument for only a portion of a country, in a particular problem, in the management of private property, and I think that is not a tenable position.

Mr. MORSE. He would be voting, would he not, in the very face of his finding of facts that there was no national need for a Nation-wide rent-control bill based upon any Nation-wide housing shortage, for the exercise of a Federal jurisdiction over what had become a purely local problem?

Mr. CAIN. That is quite correct.

Mr. MORSE. Does the Senator from Washington agree with me that one of the dangers we need to watch out for in this country is that of a constantly expanding of Federal jurisdiction on the part of the Federal Government over purely local problems and local matters, which ought to be handled by local governmental units if we are going to keep strong our Federal system, which is not a system based upon any theory of the destruction of local governmental jurisdiction and responsibility?

Mr. CAIN. It seems to me that the greatest and most positive menace to the future happiness, health, and welfare of America stems from a possible continuing encroachment of the Federal Government on the rights of individuals generally, and on the responsibilities which ought to be assumed by State and local governments. In working this problem, I want to suggest to my very good friend from Oregon that I think we are faced with such a situation that we of the Congress, with reference to particular areas which are requesting assistance, must, because we have already established the lack, I think, of a national emergency, say to them, "This is not a case of whether or not you want to manage your own affairs. It is a case in which we must tell you you must assume that responsibility, for the Federal Government simply cannot do for you what you must do for yourselves if you expect to help in maintaining a healthy balance between our city, State, and Federal governmental structures."

Mr. MORSE. It is true, is it not, that this particular issue presents to the Senate of the United States, at least in the opinion of the Senator from Washington, and I can assure him, in the opinion of the junior Senator from Oregon, the question: When shall we bring to an end the exercise of Federal jurisdiction over a problem that has ceased to be Nation-wide in nature?

Mr. CAIN. In the opinion of the Senator from Washington we of the Congress should always be looking for every possible chance to eliminate the Federal Government from controls imposed upon subordinate levels of government and of Americans as individuals generally, because of a national emergency arising out of the war. We ought not to let those issues come to us; we ought to be looking for them, and every time we have an opportunity we should help everybody by restoring to a State or a community or an individual a right which belonged to it or him before the war.

Mr. MORSE. Mr. President, I now ask my last question, and I want to say by way of preface to it that I appreciate very much the opportunity that the Senator from Washington has given me to make my record clear on this particular bill through this colloquy of questions and answers which I have put to and received from the Senator from Washington.

Under the parliamentary situation in which we find ourselves I was not in a position where I could do it on my own time, but I wanted to do it this afternoon because I may not be here next week, and I wanted to make myself perfectly clear on the record as to why I shall be paired against the pending bill. So I put this final question to the Senator from Washington:

Does he agree with me that if a Senator reaches the conclusions which he and I have reached in connection with the questions I put to him this afternoon, then that Senator simply has no course of action that he can justify following other than a vote against this bill, first, because of his finding of fact that there has not been a showing by the proponents that there is a Nation-wide need for the continuation of rent control based upon a Nation-wide shortage of housing facilities; and, second, because of his firm belief that whenever a problem has ceased to be Federal in nature but has become solely local in nature, and when the jurisdiction as a matter of law of the Federal Government can spring in connection with such problems only from the existence of a Federal need, of a Federal emergency, as the courts have held constantly in connection with rent-control legislation, then there is no course of action——

Mr. LUCAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. FREAR in the chair). The Senator will state it.

Mr. LUCAS. I inquire who has the floor?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. LUCAS. I am going to object now if there are any more speeches made in the Senator's time.

Mr. MORSE. I ask to have the reporter read back my remarks, and let the reporter determine whether or not they are in the form of a question.

Mr. LUCAS. Mr. President, I am going to claim the floor.

Mr. CAIN. Mr. President, I am very grateful to the Senator from Oregon for having asked what I thought were very legitimate questions.

Mr. MORSE. A point of order, Mr. President.

Mr. LUCAS. Mr. President——

Mr. CAIN. Mr. President, I think I have the floor, sir.

The PRESIDING OFFICER. The Senator from Oregon will state his point of order.

Mr. MORSE. Mr. President, the floor had been yielded to me for a question. The question has been raised as to whether I asked a question. I ask to have the Official Reporter determine.

The PRESIDING OFFICER. The Senator from Washington has the floor, and the time is within his control.

Mr. CAIN. The Senator from Washington yielded to the Senator from Oregon for the purpose of his asking or addressing some questions to the Senator from Washington. Now it is the opinion of the Senator from Washington that the Senator from Oregon has at no time done other than ask questions, questions important to a reasonable resolvement of this debate.

I am not an authority on parliamentary procedure, though I am learning more about it each day, but if there is any reason why the Senator from Oregon cannot have his words just offered to the Senator from Washington read aloud to the Senate I should like to know what that reason is, because in those words, which to my mind were in the form of a question, the Senator from Oregon had merely said, after deep study and arriving at a conviction that a national emergency no longer exists—"Could I?"—Does not that sound like a question? Could I, a Member of the United States Senate, do other than vote strongly

against the pending bill? If that is what the Senator from Oregon was attempting to establish through questions, I think the American people will be interested in the position he is now assuming and the reasons for it.

Mr. MORSE. Mr. President, a parliamentary inquiry.

Mr. CAIN. May I yield for the purpose of permitting the Senator from Oregon to submit a parliamentary question?

Mr. LUCAS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MORSE. Mr. President, will the Senator from Washington yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon for a question?

Mr. CAIN. I yield to the Senator from Oregon for a question, which I understand any Senator can do at any time.

Mr. MORSE. Would the Senator from Washington be so kind as to ask the Presiding Officer of the Senate if the junior Senator from Oregon was in order at the time the majority leader objected to his proceeding?

Mr. CAIN. That is a very fair question.

Mr. President, a colleague of ours is in some understandable distress at the minute. He wishes me to ask of you, sir, if the junior Senator from Oregon was in order when recently he was offering some questions to the Senator from Washington.

Mr. LUCAS. Mr. President, I claim the floor under that sort of a question.

The PRESIDING OFFICER. It will be necessary for the Chair to have the assistance of the Parliamentarian. The Senator is propounding a question to the Chair.

Mr. CAIN. Yes; and if a Senator has no right, Mr. President, to address a question to the occupant of the chair, I should like to be so advised, and if he has a right so to do, I should like to be advised as to why the majority leader takes exception to a normal course of procedure.

Mr. LUCAS. Mr. President——

Mr. CAIN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. What, from the point of view of the Chair, is the present immediate situation?

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. CAIN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. Is it possible for the Senator from Washington, who has the floor, to accommodate what he took to be a very legitimate request by an associate of his, the junior Senator from Oregon?

Mr. LUCAS. Mr. President——

Mr. CAIN. Mr. President, I have asked that as a parliamentary inquiry.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the Senator from Washington can yield to any other Senator for a bona fide question.

Mr. CAIN. Mr. President, a parliamentary inquiry, please, sir—and I make it in order that I may be guided properly during the remainder of the evening. My parliamentary question is this, whether it is permissible and completely legitimate for a Senator who holds the floor to yield for a question offered by any of his colleagues. What is the rule which permits, not the majority leader as such, but any other Senator to question the right of a Senator who holds the floor to yield for the purpose of permitting a question to be asked by another Senator?

Mr. MORSE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The Chair will rule that a Senator having the floor has the privilege and right of yielding for a question; but the question must be a bona fide question, and must not be a statement in the guise of a question.

Mr. CAIN. All that the Senator from Oregon seeks to do is to know what the rules of combat are, for it is a two-way street, and now we will establish what is and what is not a bona fide question.

Mr. President, I now yield for the purpose of permitting a question to be asked by my friend, the Senator from Oregon.

The PRESIDING OFFICER. Did the Senator from Oregon request the Senator from Washington to yield for a question?

Mr. CAIN. He did.

Mr. MORSE. I did.

The PRESIDING OFFICER. Does the Senator yield?

Mr. CAIN. I yield for that purpose, sir.

Mr. MORSE. I should like to ask my colleague, the Senator from Washington, this question: Is it the opinion of the Senator from Washington, that if the junior Senator from Oregon reaches the conclusion that on the basis of the facts and evidence presented in the record on this bill, there is insufficient showing of a Nation-wide need for a continuation of rent control because of any Nation-wide shortage of housing facilities, and if he is convinced that as a matter of a principle of law applied to those facts, Federal jurisdiction cannot be justified in the extension of rent control in the absence of a national emergency, then his vote should be a vote against the pending bill?

Mr. CAIN. It is the opinion of the Senator from Washington that any Senator faced with such circumstances as those which have just been related by the Senator from Oregon, could do nothing less than vote enthusiastically in opposition to the pending bill, which is Senate bill 3181, a bill to further extend rent controls throughout the Nation.

Mr. MORSE. Mr. President, will the Senator yield for my last question?

The PRESIDING OFFICER. Does the Senator from Washington yield?

Mr. CAIN. I yield for a question.

Mr. MORSE. Does the Senator agree with me that on the basis of the colloquy which has been carried on between the two of us this afternoon by way of questions by the junior Senator from Oregon and answers by the junior Senator from Washington, we have endeavored to show in this debate that there is no further need, on the basis of fact, for the extension of rent control, by means of this bill, because of any shortage of housing on a Nation-wide basis?

Mr. CAIN. The Senator from Washington is of the opinion that that is precisely what the Senator from Oregon has been attempting to do. The Senator from Washington has been privileged to yield to such questions as have been propounded by the Senator from Oregon, because some time, some day, a number of thoughtful persons are going to read the CONGRESSIONAL RECORD; and if Senate bill 3181 is passed, as it very well might be, as a result of 5 minutes of presentation, which can be construed to be nothing short of a generality, then I think those who read the RECORD are going to have a right to hold their heads, and to say, "What goes on in the greatest deliberative body on the face of the earth, when the information and the facts establish as a fact no national emergency justifying a continuance of Federal rent controls, and yet such a sinister system, so diabolical, when it is not authorized and permitted by a national emergency, is approved by the Senate of the United States?"

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. I should like to be advised, sir, who determines whether a question is a bona fide question. I must ask that question because I expect and hope to yield to any Members on either side of the aisle, but I should not like to lose my right to the floor because I did not know what constituted a bona fide question.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that when a Senator yields to another Senator for a question, when, in the guise of a question, the words spoken constitute a statement, rather than a question, but the words are spoken in lieu of a question, under the privilege of asking a question, the Senator having the floor will jeopardize his right to the floor unless he protests the questions that are asked of him and the manner in which they are asked of him.

Mr. CAIN. Then does the Senator from Washington correctly gather that the Senator who has the floor is the judge of what is and what is not a bona fide question, and he runs a risk of losing the floor if his judgment of what is a bona fide question is not agreed to by the then occupant of the chair?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the risk is run by the Senator who holds the floor; and should objection be raised by any other Member of the Senate, if the Senator holding the floor has not so protected himself as to the manner in which a question was addressed to him, he does run the risk of losing the floor.

Mr. CAIN. Mr. President, I am very thankful to the occupant of the chair for providing me with that information.

The PRESIDING OFFICER. The present occupant of the chair hopes that his answer has been satisfactory to the Senator from Washington.

Mr. CAIN. It has been completely satisfactory, sir; and I think the present occupant of the chair, the distinguished

junior Senator from Delaware, is learning rapidly, as I am, about some of the rules and regulations of the Senate, with which we were not previously familiar.

Mr. President, before the recent colloquy between the junior Senator from Oregon and the junior Senator from Washington, the Senator from Washington was referring to some of the so-called filibusters which have taken place on the floor of the Senate in years gone by. He wishes, in brief in this instance, merely to bring that record up to date.

In 1914 there was a filibuster or extended debate on an antitrust bill which took 21 days. In the same year, it took 31 days to resolve the question of the Panama Canal on coastwise shipping. In the same year, 32 days were consumed by a filibuster on the rivers and harbors bill. Twenty-three days were consumed in 1914 by a filibuster over the ship-purchase bill.

Mr. MORSE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield?

Mr. CAIN. I am pleased to yield.

Mr. MORSE. Is it the understanding of the Senator from Washington, on the basis of the ruling of the Chair, that if in the course of a question-and-answer colloquy between two Senators on the floor of the Senate, a question is raised as to whether the Senator asking the question is in fact asking a question, that Senator does not have the right under the rules of the Senate to call for a reading of the statement by the official reporter for a determination of whether or not he is in order?

Mr. CAIN. The Senator from Washington is unable to answer that question, but he would like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. CAIN. If a doubt should arise concerning the legitimacy of the form of any question directed by any Senator to any other Senator who holds the floor, does either the Senator who holds the floor or the Senator who asks the question have the right to have the question read back to the Senator who propounded it, in order that the Senate, including the two Senators in question, may determine whether it was a bona fide question?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that if a condition exists, such as stated by the Senator from Washington, then the Official Reporter would be asked to read the question or statement, as the case may be.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. CAIN. Did not such a situation arise a few moments ago, when the majority leader questioned the bona fide character of a question directed by the Senator from Oregon to the Senator from Washington, at which time the Senator from Oregon, if I recall correctly, asked that the question be read to him? That question has not been read back to him.

The PRESIDING OFFICER. Is it the desire of the Senator who has the floor that the question referred to in the last statement of the Senator from Washington be read?

Mr. CAIN. Mr. President, if the Senator from Washington is not mistaken, the reporter will determine from his notes that the Senator from Washington made such a request a few moments ago.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. CAIN. I am merely getting an answer to a parliamentary inquiry, immediately following which I shall be pleased to yield.

The PRESIDING OFFICER. The Chair would like to state to the Senator from Washington that, if his memory serves him correctly, at the time the statement was made or the question asked by the Senator from Oregon, either due to a lack of ability on the part of the Chair to consider that question before other matters were taken up before the Senate——

Mr. CAIN. They were coming rapidly.

The PRESIDING OFFICER. The Chair does not believe that the Reporter had time, or was not given time, to read the questions.

Mr. CAIN. The Senator from Washington intended no criticism of either the Presiding Officer or of the Parliamentarian. He was merely asking for information. But, if it is proper at this time, the Senator from Washington would like to ask that the question asked by the Senator from Oregon, which was recently questioned, may at this time be read, so that the RECORD may be made very clear.

Mr. MORSE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Is the Senator from Washington referring to the question asked by the Senator from Oregon perhaps 5 minutes ago, but not just recently?

Mr. CAIN. In terms of time, I think the Presiding Officer has probably located it properly. I am referring to the question to which, as I recall, the Senator from Illinois, the majority leader, intended to take exception. So it was in a sense an unfinished sentence. But I think from the substance of the question asked by the Senator from Oregon, we can determine its legitimacy. The Senator from Washington hopes and feels that he is moving in strict accord with the rules as they have been laid down for generations in the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois?

Mr. CAIN. I yield.

Mr. LUCAS. Does the Senator agree with me that if the question is read and the Parliamentarian holds that it is a speech, or a speech in the guise of a question, the Senator from Washington, on a point of order, would lose the floor?

Mr. CAIN. The Senator from Washington is not prepared, and I think quite properly so, to agree to what the majority leader has just said. In the first place, the Senator from Washington is of opinion that the Senator from Oregon clearly asked him a question. The Senator from Washington would think that because he thought it to be a legitimate question, he ought to have protection by the Chair. The Senator from Washington is in no mood to try to take advantage of anyone or to indulge in any sharp practice. I think in a general way such things were disposed of on Wednesday. So that all the Senator from Washington wants to know is by what rules we are to play, from this time on.

Mr. President, if the Senator from Washington has his wish, the Official Reporter will read the question previously submitted by the Senator from Oregon.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that other debate has taken place since the question under dispute was asked. However, if the Chair may cite his own opinion, he would say that perhaps because of his negligence in acknowledging the request at the time the majority leader addressed the statement to the Chair, he feels that, in all due fairness, the Official Reporter should be permitted to read the question.

Mr. CAIN. The Senator from Washington would be grateful to the Chair for that indulgence, and very largely so, because the Senator from Oregon had asked whether he might have his question read to him. I find myself at the moment, while endeavoring to do the best I can to protect the rights, as I see it any way, of another Senator——

The PRESIDING OFFICER. The Official Reporter will read the question. By that, the Chair does not mean to imply, by the use of the word "question" that it is the interpretation of the Chair that it is a question.

Mr. CAIN. Not at all. I thought it was a question.

(The Official Reporter, Fred A. Carlson, read as follows:)

Mr. MORSE. Mr. President, I now ask my last question, and I want to say by way of preface to it that I appreciate very much the opportunity that the Senator from Washington has given me to make my record clear on this particular bill through this colloquy of questions and answers which I have put to and received from the Senator from Washington.

Under the parliamentary situation in which we find ourselves I was not in a position where I could do it on my own time, but I wanted to do it this afternoon because I may not be here next week, and I wanted to make myself perfectly clear on the record as to why I shall be paired against the pending bill. So I put this final question to the Senator from Washington:

Does he agree with me that if a Senator reaches the conclusions which he and I have reached in connection with the questions I put to him this afternoon, then that Senator simply has no course of action that he can justify following other than a vote against this bill, first, because of his finding of fact that there has not been a showing by the proponents that there is a Nation-wide need for the continuation of rent control based upon a Nation-wide shortage of housing facilities, and, second, because of his firm belief that whenever a problem has ceased to be Federal in nature but has become solely local in nature, and when the jurisdiction as a matter of law of the Federal Government

can spring in connection with such problems only from the existence of a Federal need, of a Federal emergency, as the courts have held constantly in connection with rent-control legislation, then there is no course of action——

Mr. LUCAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. In view of the fact that the Chair has held that the Senator from Washington should be permitted to have the right to have the RECORD read, I make the point of order that it was not a question—it was a speech in the guise of a question if I ever heard one, and I make the point of order that as a result of that, the Senator from Washington should lose the floor.

Mr. CAIN. Mr. President, a parliamentary inquiry.

Mr. RUSSELL. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUSSELL. I desire to be heard on the point of order——

Mr. MORSE. I do, also.

Mr. RUSSELL. I submit the point of order that the matter having transpired some time in the past, the point of order cannot now lie. It would have to be made at the time of the transgression of the rule. I have no interest in the matter except to preserve the rules of the Senate.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that it is a matter of past record. The statement of the Chair would be this: In order to treat with due fairness and respect both the Senator from Washington and the Senator from Oregon, the Chair asked the reporter to read the question. In the opinion of the Chair, before the question was asked a statement was made which the Chair does not think was a bona fide question.

Mr. CAIN A parliamentary inquiry.

Mr. RUSSELL. Mr. President, I make the point of order that the point of order should have been submitted at the time the action took place.

Mr. LUCAS. I raised the point of order myself, and I should like to make this further observation with reference to it. I think the Senator from Georgia is absolutely correct, but the Chair, on his own initiative, took the position that the question should be read. If the Chair took that position and asked the reporter to read his notes, then there is no point in having them read unless a decision is made one way or the other. There is no point in having the remarks read unless we get a decision upon those remarks with respect to the point of order which the Senator from Illinois raised.

I shall not press the point any further. I think the Senator from Georgia is absolutely correct. I think the Chair may have been incorrect in requesting that the remarks be read, but I undertake to say that if the Chair compels remarks to be read I am convinced that I am in a position to make a point of order against those remarks. Otherwise, there is no point in having the remarks read to the Senate.

The PRESIDING OFFICER. When the point of order was made, in order for the Chair to decide the point of order it was necessary, in the opinion of the Chair, to have the question read for the information of the Chair.

Mr. LUCAS. I did not make the point of order at the time. I simply raised the parliamentary inquiry as to who had the floor as the result of the colloquy. That is the way it started.

The PRESIDING OFFICER. The Senator from Washington has the floor, and he can yield only for a bona fide question.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. I noticed in listening to the reporter that the Senator from Oregon, before he propounded the question to the Senator from Washington, prefaced it with an observation. I was conscious of that before he propounded his question. I did not take exception to it, because during the several years I have been a Member of this body almost every Senator is in the habit of prefacing his question with an observation in order more strongly to support whatever thought he has in mind in connection with his question.

My parliamentary inquiry is this: Is it not proper, literally, during a debate in the Senate, for a Senator who wishes to propound a question to preface that question with an observation? I should like to know, because it will make a considerable difference in my conduct from now on. I think every other Senator will want to be advised as to whether in the future he is to be prohibited from doing anything other than asking a question and letting it go at that.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that when a matter becomes technical, the Chair can hold to the strict rules of the Senate and require that a question be a bona fide question.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. How is any Senator to know when we are having a literal debate and when we are having, not a promiscuous, but let me say, a liberal debate? For example, in listening to the Senator from Oregon preface his question with an observation, I was merely taking it to be perfectly valid, because it appears to have been the custom for several years.

The PRESIDING OFFICER. The Chair will serve notice on the Senator from Washington who has the floor that from now on the rule will be rigidly enforced.

Mr. CAIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAIN. Does the Chair mean to say that he will, from now on, advise any Senator who has the floor during this or any other debate that only strict questions with no prefatory remarks of any kind connected with them can be addressed by another Senator to the Senator holding the floor?

The PRESIDING OFFICER. The Chair does not mean to say that any time a Senator has the floor when a quesmay be directed to the Senator that it shall be a question only, but it appears to the Chair that during the last few minutes it might appear that an evasion of a real question was attempted.

Mr. CAIN. May the Senator from Washington inquire by whom?

The PRESIDING OFFICER. By the Senator from Oregon.

Mr. MORSE. Mr. President, I rise as a matter of personal privilege. I want to take exception to those remarks of the Chair because the RECORD speaks for itself.

Mr. LUCAS. A point of order. I make the point of order that the Senator from Washington has lost the floor.

Mr. MORSE. The junior Senator from Oregon never evades anything.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. CAIN. Mr. President, out of consideration for the rights of another Senator, I make this parliamentary inquiry, if I may, particularly so that I may proceed with my work: Is there any way in which the Senator from Washington can be of any service to the Senator from Oregon in respect to his recent rising to a question of personal privilege?

Mr. MORSE. Will the Senator yield for a question?

Mr. CAIN. For a question; for a strict question; for a literal question.

Mr. MORSE. If the Senator from Washington were in the position of the Senator from Oregon, would he not wait until the close of this particular debate and until such time as he can take the floor himself and express himself in no uncertain terms as to what he thinks of the comments of the Chair and the Senator from Illinois in the past few minutes?

Mr. CAIN. The Senator from Oregon is generally certain of what ought to be done with reference to any matter which is pending in the Senate of the United States.

Mr. President, having recently referred to the length of time consumed by Senators who engaged in filibusters in past years to defeat certain legislation in which they did not believe, I think it proper to refer by name and year to some of the individuals who consumed a considerable amount of the Senate's time in pursuance of what they thought was right. I had not previously known until I looked up in the Library of Congress that in 1890, 60 years ago, Senator C. J. Faulkner fought, as he thought proper to do, for 13 hours in opposing the Force bill. In 1893 Senator W. V. Allen spoke for 14 hours on the silver-purchase clause of the Sherman Act. In 1914 Senator T. E. Burton spoke 12 hours and 10 minutes on the rivers and harbors bill. In 1915 Senator Reed Smoot spoke for 11 hours and 25 minutes because he thought the ship-purchase bill was an important piece of legislation. On that same question in the year 1915 Senator Wesley L. Jones spoke for 13 hours and 55 minutes. The first day I came to the Senate of the United States as the junior Senator from

Washington and was sworn in, the desk I occupied on that day was the desk which had previously been assigned to Senator Wesley L. Jones, of the State of Washington. In 1918 Senator Robert La Follette, Sr., spoke for 18 hours and 23 minutes on the National Banking Act. In 1935 Senator Huey P. Long spoke for 15 hours and 35 minutes on the question of extending NRA. In 1938 there was before the Senate of the United States an antilynch bill. Speaking in opposition to that bill for 25 consecutive hours was the senior Senator from Louisiana [Mr. ELLENDER]. During my time in the Senate, and in the year 1949, on the 14th day of March, I sat for most of the time on this side of the aisle and listened to the Senator from Louisiana [Mr. ELLENDER] oppose a proposed change in the Senate rules for, I think, 12 hours and 5 minutes.

This recitation has been offered only to support by own conviction that men who feel strongly are protected in the Senate of the United States, as they ought to be protected, to have their say. As other Senators in this body have fought for what they have believed to be right for considerable periods in the past, so the Senator from Washington is doing precisely the same thing in this month of June in the year 1950.

Mr. President, I read in the local Washington press this morning that the chairman of the Committee on the District of Columbia, the Senator from West Virginia [Mr. NEELY], has announced that he would offer an amendment today to S. 3181 to include the District of Columbia in the national rent-control bill. I find this both interesting and worrysome, because the Committee on the District of Columbia has apparently held no hearings of any kind on the prevailing rental situation in the District of Columbia.

It is known to most of us that the House District Committee has before it a separate District rent-control bill, and public hearings were scheduled to begin yesterday morning at 10 a. m. The session was scheduled for all day, and more than 25 witneses, both for and against extending rent controls in the District of Columbia, were invited to testify at the session. So interesting was that discussion, and so provocative and so inadequate, too, in a way, that I read in the press this morning the hearing was to be continued today. Those witnesses who will appear before the House committee will presumably submit that character of testimony from which a logical and reasonable decision can be reached as to whether rent controls ought to be extended in the District of Columbia.

Mr. President, may I ask, sir, is it the intention of the Senate leadership to withhold judgment on the proposed Neely amendment until the House hearings are available to the Senate of the United States, or is it the intention of that same leadership to proceed in the absence of any real information? As the Senate knows, there is in effect a national rent-control law and a separate rent-control law for the District of Columbia. The proposed Neely amendment, if adopted, would result in having but one law. I think before the proposed Neely amendment is either blindly accepted or rejected, that someone should offer as many facts as he can obtain about the question and the problem. The Senator from Washington is now preparing himself to be able to do this in some rational, reasonable, and intelligent way. Should anyone else care to do it, so much the better. However, I think it must be done by someone. It simply is not proper for us in the Senate to say in 1949 that we expect to discontinue rent controls in 1950, only to endeavor when 1950 comes around to extend controls in the District of Columbia without having bothered to take testimony from a single witness.

Mr. President, I wonder what we are trying to do in the case of the question of rent controls. I raised the question Wednesday as to whether the method by which the rent-control bill had been brought before the Senate had not been born of political expedience. Yet now we have apparently on the desk an amendment to extend controls for the District of Columbia, when no Senator of whom I know is qualified at this minute to render sound judgment as to what ought to be done.

Apparently, Mr. President, no hearings are needed on what the District of Columbia does and does not need. I suppose we can assume the citizens of the District are disfranchised anyway, and they have to be bound by what we do. They cannot take exception to anything we impose upon them. They cannot take exception to our action in taking anything away from them. They are in the position of sitting quietly by and suffering as best they can with what is being done to and for them by others, who for the most part come from hundreds and thousands of miles away.

We have this situation, I suppose, on the basis of the Neely amendment, which would provide that rent control should be extended for 6 months in the District of Columbia. Those of us who oppose extension of rent controls for the Nation likewise oppose the extension of rent controls for the District of Columbia. But in the Senate neither the opponents nor the proponents possess any facts on which to form a real judgment.

The readers of the CONGRESSIONAL RECORD will be surprised to know that the question of what should be done with rent controls in the District of Columbia is raising a considerable amount of interest before a committee of the House of Representatives which is taking testimony on the question. I wonder why they are taking testimony. Why should they bother to take testimony when in the Senate it is proposed that we do something in the District of Columbia without taking testimony from anybody? I think it is an excellent trick if it can be accomplished, and perhaps it can.

In the Washington Post of this morning there is a heading that reads like this:

Cogswell warns of big rent rise if controls are dropped.

The story is written by Thomas Winship, Post reporter. I think it should be read, because at least it will tell my colleagues, whatever their views on the subject of rent controls may be, that there are those in the Congress who would like to be heard before the Senate of the United States does anything to them. I think they are on pretty sound American ground in asking to have their hour in court. That they have had it, no one of the 96 Senators would rise in this body and state.

The article reads:

With possible expiration of District rent controls 21 days away, city officials went before a House District Subcommittee yesterday to plead for another year's extension.

District Rent Control Administrator Robert F. Cogswell carried the ball for the Commissioners, warning that local rents will "geyser" from 15 to 35 percent within the next 6 months if controls are dropped now.

Two real-estate spokesmen, in an effort to persuade Congress not to extend the act beyond its June 30 expiration date, insisted rents on the free market would rise only about 10 or 15 percent.

The emergency is over and today's housing shortage is a "myth," the private spokesman contended.

The conflicting testimony was aired at a standing-room-only hearing before the House District Judiciary Subcommittee, headed by Representative HARRIS, Democrat, of Arkansas.

In parentheses, Mr. President, it becomes clear in reading thus far that many citizens of the District of Columbia have a very deep interest in what is going to be done to them. There is a big room in the House Office Building in which witnesses can be accommodated, but there was not enough room to accommodate all the witnesses, so a number of them had to stand up. At least the newspaper says there was standing room only. But here in the Senate of the United States we must be in a very great hurry, judging by the attempt to adopt an amendment about which even those who offer it know nothing.

I read further:

As the confused rent situation stood last night, District officials have two legislative shots at retaining rent control.

First, they could start through the House District Committee with action on the Klein bill, which was heard yesterday. This measure would continue the District Rent Act for a full year but would decontrol nonhousekeeping furnished rooms on June 30.

Second, by Senate action on an amendment filed late yesterday by Senator NEELY, Democrat, of West Virginia.

The Neely amendment would tie the District Rent Act to the national rent-extension measure, now being debated on the Senate floor.

Under the Neely proposal, local rent control would be extended only 6 months, to December 31, but it would authorize the Commissioners to further continue controls until next June 30, if they believe it to be in the public interest.

Senator MAYBANK, Democrat, of South Carolina, who is in charge of the national rent bill, has predicted his measure with the Neely amendment will clear the Senate Monday.

Parenthesis—I wonder—close parenthesis.

The Neely proposal would give the District the same option on the extra 6 months rent control as is proposed for all other cities.

In either legislative course, the District would operate under the same separate rent act as it has since the war, with minor revisions.

Only difference between the Senate and House approaches would be whether Congress would automatically give the District a full year's rent control, or just 6 months, with the second half year at the discretion of the Commissioners.

Mr. President, it would be a great howdy-do, if the Congress of the United States decided to extend rent controls throughout the Nation for 6 months, while at the same time extending rent controls for a full year in the District of Columbia. If the latter action comes to pass, someone might have a slight suspicion that some of us who occupy public office in the Nation's Capital are renters, and afraid that the property owners will gouge us if we seek to restore rents to competition.

At yesterday's House hearing Cogswell plugged for the full year's extension and Commissioner John Russell Young followed him to the witness stand, backing him to the hilt.

Young said the Commissioners have great confidence in Cogswell, that no one is better qualified to give you the true facts of the situation, and that we are supporting him.

Cogswell conceded there is a large amount of new rental construction underway in the District, but it is to a very large degree the type of housing accommodation for which there is not an acute demand.

He was referring to what he said were 8,245 elevator-type apartments being built in the city for rental at $90 to $155 a month.

He insisted the building boom in the suburbs is not a fair argument for removing controls since the population increase in the outskirts is more than absorbing this new housing supply.

Washington, Cogswell contended, is not being overbuilt, but it is very definitely overpriced.

Mr. President, I should like to know why it should not be overpriced with the continuing presence of rent controls.

There are a number of people I know of in the property-management business who, strangely enough, hope that rent controls will not be taken away. Among them are those who in recent years have, with the help of the Government, built a great many overpriced apartments. The owners of those facilities know one thing for sure, if they know anything—and most of them do—and that is that when the rent controls have been removed and competition restored, rents on units which have in recent years been frozen will rise, as they ought to rise, which will undeniably and insistently and, in fact, automatically, result in rents on these overpriced establishments being required to come down.

Many an owner of rental property, constructed in the past several years, is going to have almost an economic headache when rent controls have been removed. One of my contentions is that the sooner they have an opportunity to take their loss, to wash out some of the water in their overpriced facilities, the better off in the long run they and America's business structure will be.

I continue to read from the newspaper article:

"Barring an emergency, another year's control would see the rental housing situation 'straighten itself out'," he concluded.

An interesting statement, and we ought to watch such statements, coming from anybody who in his official capacity is a housing expediter, whether it be in Washington, D. C., Tacoma, Wash., or anywhere else in the land, or whether it comes from the Housing Expediter. In substance, since 1947 every time they have had an opportunity so to state the proposition this is the way in which they have stated it, "Barring an emergency." That phrase is designed to keep the door open. Sometimes in this country when there is no emergency, an emergency can be manufactured. So if at the beginning of any testimony in support of continuing rent controls a witness begins with "barring an emergency," it always means that you can come back to an emergency if it is necessary to employ it, and even if it is not necessary to employ it. A great many citizens can be sufficiently frightened into thinking that an emergency is just around the corner.

Barring an emergency, another year's control would see the rental housing situation straighten itself out.

The District Rent Control Administrator, Mr. Cogswell, and, with very few exceptions, every advocate of rent control I have ever listened to and heard—and from 1947, with the exception of this year, the Senator from Washington has sat and taken testimony from most of them—have always used the same approach. Given another year, one more year, the housing situation will straighten itself out. At the end of any given year they come back and the situation is just the same. There are a few exceptions to that general rule. The junior Senator from New York offered a bill this year which would impose Federal rent controls for two more years, but that is an exception to the rule. Most advocates of Federal rent control are willing to go by hurdles of 1 year at a time.

The great and significant thing about the hurdle with which we are presently confronted is that it is only half a hurdle. It is a proposal to extend rent controls for 6 months, and then through affirmative action by American communities such controls can be continued for another 6 months. The important thing is that nobody in his or her right mind a few months ago even knew of this idea of a 6 months' extension. The President of the United States did not know anything about it. In January, as Senators know, he recommended that rent control be continued for a full year by the Federal Government after June 30. That was not merely the President of the United States speaking; it was his Council of Economic Advisers, it was Mr. Leon Keyserling, together with a number of others who have spent some time on this question.

In due time the Senator from Illinois [Mr. LUCAS] and the Senator from Pennsylvania [Mr. MYERS] offered a bill to extend Federal rent controls for a year. In the House the same thing was done. Then everyone started getting into trouble. It became very obvious among administration devotees that some among them had no single solitary intention of voting to extend Federal rent controls for another year because they would not dare to come home to the constituents, they would not dare to put their heads into some of the homes where previously they had been made very welcome. So everyone started taking another look at their home front. They decided, "If the Congress, including ourselves, cannot support extensions for a year, let us think up something else." Well, they thought it up all right. They thought: "Well, we can extend rent controls for another 6 months." And everyone began to smile about that, because those who first thought of the idea said, "We have something here that ought to trap members of both political parties; both Republicans and Democrats ought to be excited about this one. We have some important elections coming along in November, and if we can extend Federal rent controls until January 1, why on the stump we can practically be all things to all people." Knowing that most people do not read the CONGRESSIONAL RECORD very carefully, it was felt that no one would know whether any particular Member of Congress was for or against the proposal, and it would be a very happy compromise for everyone.

I think in terms of politics and expediency it is about the best compromise that could have been thought up, and it seems to me some political strategists were extremely astute and intelligent in finding an answer, from their point of view, to what was admittedly an impossible situation, because neither the House nor the Senate, neither Democrats nor Republicans, had any intention of doing what the President of the United States seriously recommended that we do, which was to extend Federal rent controls for a year.

I have always thought I had a sense of humor, but I suppose I have lost it, because I can see nothing humorous about a compromise of the character which is being foisted upon us now.

I continue to read from the article:

Only a few real-estate men testified yesterday, but many more are slated to present their side when hearings resume at 10 a. m. today, in room 445 of the Old House Office Building.

Mr. President, serious persons were being heard by the House committee yesterday on a question important to the residents and citizens of the District of Columbia. Yet we have a proposal concerning the extension of rent control in the District about which we have permitted no single individual from the District to be heard. Mr. President, I am constrained to think that does not make good or American or fair sense.

I continue to read:

Oliver M. Walker, president of the Washington Real Estate Board and chairman of the Joint Committee on Decontrol of District of Columbia Rents, listed some 20 reasons why he believes continuation of controls is unfair and unjust.

"Rent control is unfair," he said, in that it "penalizes one important segment of the country's population and subsidizes some 29,000,000 people who are paying 1941 rents, with 1950 salaries."

Mr. Walker is merely stating a truism. He is saying, among other things, "If you believe in fair play, you cannot believe in the continuance of rent control. If you believe in fair play for the other fellow

as well as for yourself, you must recognize that if you are a tenant living in an accommodation which carries today a 1941 or 1942 or 1943 rent, while you have in your pocket a 1950 income, it is a proper thing for controls to be removed in order that you can buy a 1950 product with a 1950 dollar."

Mr. President, I do not know to what extent the American people still believe in fair play for the other fellow as well as for themselves. If there is even one case in America where one American is being required to subsidize another American as a result of action taken by his Government, I think that Government ought to undo that action.

Mr. President, I now read further from the article in the Washington Post:

In reply to repeated questions on why so many expensively priced elevator-type apartments are being built today, he said high cost of land and restrictive FHA financing are the principal reasons.

I wonder whether we can think of any other reasons. Was not the witness simply stating a fact?

I read further from the article:

Frank J. Luchs, vice president of Shannon & Luchs Real Estate Co., suggested the committee continue the present rent act with provisions for 5 percent monthly rent increases allowable to landlords up to a 25-percent limitation. The plan, he said, would protect the tenant and, at the same time, treat the landlord fairly.

Charles J. Bauer, executive secretary of the Building Owners and Apartment Managers Association of Metropolitan Washington, said rent control has not only fixed ceilings unfairly but has frozen tenure of occupants in controlled dwellings.

"Under present conditions," he said, "the average income family might be forced to go into the suburbs to find rental housing if controls are lifted."

Miss Doris G. Wilkins, consultant to the Landlord and Tenant Court, testified to the fine cooperation given her by the leading real-estate firms here but contended "decontrol now would bring chaos."

About a dozen tenants of the luxurious Westchester Apartments—

Mr. President, I do not think those apartments are luxurious. I happen to live in one of them. I think they are first-rate accommodations, and nothing more—

appeared at the hearing to inform the Congressmen that extension of rent control here was their only chance of staving off management's plan to convert the building into a cooperative.

George C. Vournas, speaking for the protesters, said only 1 percent of the present tenants want to buy their own apartments under the cooperative plan. The rent act requires that at least 65 percent of the occupants must agree before the project can be converted, he explained.

Therefore, Mr. President, for reasons which you and I can understand, he wants the Rent Act extended, so that the management will be prohibited in the future from doing what it wants to do with its property.

I read further from the article:

Senator HARRY P. CAIN, Republican, of Washington, also a Westchester tenant, said last night he would have no part of his neighbors' protest move. He did not attend the mass meeting Wednesday night, because he was "busy working on his campaign to get rid of Federal and District rent controls."

If the cooperative plan goes through, and he does not want to buy an apartment there, he said he would "simply move out."

The Senator from Washington has no desire to personalize his own situation. However, what would you do, Mr. President, if you were in my position and lived in the very splendid facility known as the Westchester Apartments, and were asked either to buy an apartment which you did not want or to pay more, for the apartment in which you happily live now, than you thought you could pay? Do you not think that if you were the Senator from Washington and his family, you would promptly move away from that apartment? If you think, Mr. President, that you would have trouble in getting a roof over your head in Washington, D. C., as of today, the Senator from Washington does not agree with that view. I would think that under continuing rent controls it might be very difficult to get what you wanted, at a price you wanted to pay.

However, that is not the question. In this country we had better begin to recognize that we must made some sacrifices and must pay something for the privilege of living in a land which is or has been and in the future ought to be free. It is not American, according to my view, to have one set of Americans who have no vested stake in someone else's property, tell that someone else how to manage or run or dispose of that property.

Mr. MALONE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator yield for a question?

Mr. CAIN. I am pleased to yield to my friend the Senator from Nevada.

The PRESIDING OFFICER. The Senator yields.

Mr. CAIN. I yield for a literal question. The Senator from Washington is constrained, because of some comments offered by the Chair during a recent absence of the Senator from Nevada from the floor, to say that it is impossible for the Senator from Nevada to ask the Senator who has the floor anything other than a question. The Senator from Nevada must make no prefatory remarks, for otherwise the Senator from Washington would lose the floor. Of course I know that is not the intention of my friend the Senator from Nevada.

Mr. MALONE. Mr. President, with that in mind, is it the intention of the Senate practically to stop free debate on the floor of the Senate?

Mr. CAIN. The Senator from Washington does not share that opinion. He thinks that things were moving rather rapidly here a few moments ago, and the occupant of the chair was trying to restrain the enthusiasm of various Senators, and he thought the best way in which to do so was to make certain that a strict interpretation of the rules of the Senate was lived up to. I know the Senator from Nevada and the Senator from Washington want to obey the rules. That is the only construction I give to the curtailment of latitude.

Mr. MALONE. Mr. President, will the Senator yield for another question?

Mr. CAIN. Certainly, sir.

Mr. MALONE. Then is it the Senator's idea that they do not agree with him; therefore it is a filibuster which the distinguished junior Senator from Washington is conducting, instead of being a profound debate, as it would be if they agreed with him?

Mr. CAIN. I would rejoin by saying that I care not what anyone else calls this debate, which began on Wednesday. My satisfaction in the debate comes from the fact that up until the present time, with the one exception earlier today of reading a prayer offered in the Senate by the late Peter Marshall, my contribution to the debate has adhered strictly to the main question, which is whether or not Federal rent control shall be extended into the future.

Mr. MALONE. Then, Mr. President, will the Senator yield to me for a further question?

The PRESIDING OFFICER. Does the Senator yield?

Mr. CAIN. Certainly, sir.

Mr. MALONE. I should like to inquire of the distinguished Senator from Washington whether it is a fact that under rent control at the moment newly constructed buildings are not under rent control.

Mr. CAIN. Newly constructed buildings have not been under rent control for quite some time, except in this instance: The Senator from Nevada probably knows that if the buildings have been FHA guaranteed, the builders of the structures must agree with the FHA as to the rentals to be charged. Those rentals, the FHA thinks, in order to be fair, shall provide a net return of 6 percent to the builders. Mr. President, how fascinating and provocative it is to know that in the recent past, despite the rent levels that have been permitted by the FHA, it is now permitting those rents to go up because of an increase in the cost of service to the operators of the buildings. It is a completely unholy and unworthy situation in this country when we have unrestricted rents on new construction, but frozen rents on construction built prior to 1941, 1942, and 1943.

Mr. MALONE. Mr. President, will the Senator yield for another question?

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from Nevada?

Mr. CAIN. I yield.

Mr. MALONE. Then, is it the Senator's idea that eventually we shall merely have isolated the capital already invested in housing in the United States of America, as distinguished from new capital going into the housing business?

Mr. CAIN. I think that within the past 3 years we have done a great injustice in regard to housing constructed in America for regular purposes prior to 1941, 1942, and 1943. As the Senator from Nevada well knows, most of that property was constructed, let us say, 10, 15, or 20 years ago. As the result of the imposition of a rent freeze on such property throughout the country, it has depreciated tremendously in value. There are now needed, in the aggregate, literally millions of gallons of paint, calcimine, shellac, and varnish; nails by the ton are needed, new flooring, new roofing, and all the rest. It has always been

a very simple thing for one who owned no property to support rent control. I can thoroughly understand that. But when one has property in which he has invested all his savings, the income from which is regulated by procedures prescribed by the Federal Government in 1941, 1942, and 1943, the situation is different. Expenses are increasing. Tenants are living in those facilities who, on the average, have more money than they had when the housing units were frozen. Everyone likes to personalize about these things, though it does not get him very far. On the average, the American citizen, if he has done anything at all, in whatever his chosen field of endeavor may be, has $2.50 to $3 in his pocket today for every dollar he had as of the time of the freezing of the housing unit in which he lives as a tenant. So, even after rent controls are removed, there will be an appreciable period of time before those facilities in which the American home owner used to take great pride can be refurbished, repainted, recleaned, and revitalized as an American home.

Mr. MALONE. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Washington yield further to the Senator from Nevada?

Mr. CAIN. I yield.

Mr. MALONE. I should like to ask the Senator a question, and, if I were permitted, I should like to have said that perhaps many people had put their entire savings in housing and depended upon a reasonable income from the investment for their livlihood.

Mr. CAIN. Mr. President——

Mr. MALONE. Could I ask the question, then, what effect, or what success throughout the country did the provision in the bill passed last year, have, in assigning authority to the local communities, subject to the approval of the governors of the respective States, to approve rent decontrol?

Mr. CAIN. If the Senator will permit one or two observations, it would take time to relate that story, most of which has already been written into the RECORD. But what a splendid thing it was that we did something worth while in passing the Rent Control Act of 1949. The greatest thing we did was to permit States to decontrol themselves, as the Senator from Nevada knows. We also permitted communities to adopt resolutions of decontrol which, if approved by the governor, would be mandatory on the Housing Expediter. There was a little suffering in that situation, because there were circumstances wherein there would be a city council of one political faith, which would favor decontrol, and which would send a resolution of decontrol to the governor's desk, where so far as I know, it still lies. I think there are such instances—how many, I do not know—for example in the State of Michigan. But, on the whole, it was a tremendously successful amendment.

Is the Senator from Nevada aware of the fact that by reason of that amendment, and only so, the State of Texas, the State of Utah, the State of Arizona, the State of Wisconsin, the States of New York, Alabama, Virginia, and Mississippi and possibly one other State have become decontrolled? Bear in mind that the State of New York has its own rent-control law. But I may say, with great joy, to a fighting representative of the State of Nevada, that if he were to go anywhere within the State of Texas, he would find neither rent controls nor Federal agents administering them. If he were to go into the sovereign State of Virginia, he would find neither rent controls nor Federal agents administering them. The Senator from Nevada can go into nine of the American States and find them free of Federal intervention in this field of private property. I can only conclude, in the absence of testimony to the contrary, that in every State which has been decontrolled the results have been good for the people—not merely for the landlord or for the tenant, but good for all. Has either the Senator from Nevada or the Senator from Idaho [Mr. DWORSHAK] heard of any decontrolled State moving in the direction of recontrol? Of course, he has not. Therefore, why should we assume that what has created so much good for one State would create ill effects for another State? I am very greatly pleased that the Senator from Nevada asked that question.

Mr. MALONE. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Nevada?

Mr. CAIN. I yield.

Mr. MALONE. Will the Senator then go one step further along with the provision in the pending bill? I may say that in the State of Nevada the Governor turned down the request from several communities for decontrol, but will the Senator express his opinion as to the provision leaving the matter entirely in the hands of the communities would be in order at this time, not putting the matter up to the governor of a State at all, but which would allow the matter to be handled by each community, county, or city, whatever the governing body might be, so that it would be decontrolled whenever the proper resolution was adopted by the proper body in such community?

Mr. CAIN. In fact, the bill reported by the committee removes the provision which required a governor's approval before action can be taken by a local community. The pending bill simply provides that Federal rent controls shall be continued for 6 months, from June 30, 1950, to December 31, and that Federal rent controls can be continued for an additional 6 months in those communities which by affirmative action of the proper legislative body requests the additional 6 months' extension. If such a law were passed and a local community wanted to have Federal rent controls from the first of the year until the middle of next year, it would simply adopt a resolution and submit it to the Housing Expediter in Washington and it would bypass that middle step to which the Senator from Nevada has taken some exception.

Will the Senator from Nevada permit me to answer, in part, his previous question, by stating that incorporated cities, towns, and villages have exercised their right to decontrol themselves under the home-rule provision of the 1949 law, in 249 cases involving approximately 990,400 rental units. Actions by six States removed controls from 837,500 rental units.

Mr. MALONE. Then, if the Senator will submit to another question, the junior Senator from Washington does approve, does he not, that part of the bill which would remove any jurisdiction from the governor, or, in fact, anyone having anything to do with passing on decontrol, excepting the community itself?

Mr. CAIN. I am by no means certain that I fully understand the significance of that provision in the proposed law. I do not know whether it would be proper for the Federal Government to bypass the governors of American States in taking action on community problems within those areas. I think that question should be thoughtfully and thoroughly explored during this debate by other Senators who are better qualified to do it than I am. The junior Senator from Washington replies to those who, because they feel that Congress, in April of 1949, served due notice on the American people, the States, counties, communities, and every other subdivision of government, that the Federal Government was going to get out of the field of managing private property, and because all the results from decontrolling States, communities, and areas have been so beneficial to so many people, we insistently are of the opinion that there is no further need or justification for the passage of any extended Federal rent-control system of any kind. The junior Senator from Washington and others of that view are simply against the pending bill, and we think we can support conclusively the reasonableness of our position.

Mr. MALONE. Mr. President, will the Senator further yield?

Mr. CAIN. I yield for a question.

Mr. MALONE. The junior Senator from Nevada understands the position of the junior Senator from Washington, but I have a further question on that particular point. At least, in the opinion of the junior Senator from Washington, the matter should be left entirely in the hands of the local communities, with no authority for the governor or anyone else to nullify their action—if this legislation is to be approved.

Mr. CAIN. Again let me say to my friend from Nevada that I am not certain. I think it is too bad that during the course of the past year some governors have vetoed the intentions, desires, and ambitions of certain local communities. I think that is an unfortunate happening. Whether, however, as a matter of public policy, the Federal Government should establish a system through which it will do business with American communities directly rather than by going through the governors, I am not at the moment qualified to offer an opinion.

Mr. MALONE. I thank the Senator from Washington.

Mr. CAIN. Mr. President, as I now prepare to offer a lot of material and facts in support of my opposition to the

pending measure, I want to define seven added reasons why Federal rent controls should not only be permitted but encouraged to lapse and die on June 30 of this year. Federal rent controls do these things:

They deny the right of free and collective bargaining between citizens. That right is denied those citizens by the continuance of Federal rent controls. A great deal of the argument in favor of continuing Federal rent controls comes from the leaders of organized labor. I do not say that the supporting documents come from the rank and file of organized labor which constitutes merely the American men and women belonging to organized labor, but they come from the leadership and generally are to the effect that if Federal rent controls are removed and rents go up, among other things, there will be another demand for a wage increase, and then perhaps another one for an added wage increase. I would not know about that, Mr. President; but on the basis of what has happened in the eight States which have been decontrolled, no such additional wage requests have resulted from the decontrol of rents. I have not heard of any such wage increases being requested on the basis of decontrolled rents in Texas, in Arizona, in Mississippi, in Utah, or in the other places in which rents have been decontrolled. But what I am always conscious of is the right of free, collective bargaining among Americans. As to many of the leaders of organized labor—and there are many distinguished Americans among them—I merely think them to be wrong in their evaluation of this American problem. It is ironic that among many of the chief proponents of continuing Federal rent controls are those who would give their lives if the right of free, collective bargaining were taken away from them.

Any man who is a member of an organized labor union or the leader of organized labor in this country is devoted to his right to free collective bargaining, and he will strike if he does not get it. On occasion he has been known to create a good deal of physical trouble if he did not have the right to free collective bargaining. If we are serious in America and if we want to lay the truth out on the table, the least we can do is to admit that we will take the right of free collective bargaining away from one segment of our society while moving heaven and earth, as we ought to do, to make it available for other segments of our society. I want some Senator, during the course of the debate, to say that the Senator from Washington is wrong in that assumption, Mr. President. Federal rent controls, to my mind, constitute an indefensible violation of property rights in a well-intentioned but unjustifiable effort to apply human rights. I think both tenants and property owners have rights. I think human rights and property rights are part and parcel of the same overriding right, and cannot be successfully separated.

Third, Federal rent control forces involuntary servitude on millions of small, thrifty, God-fearing property owners, who are the so-called little people of America. I have never actually known an administration in our political history that talked so much about doing things for the little people which on the record in the field of property management has, rather than doing nothing at all, premeditatedly permitted such little people to have their common rights violated and besmirched. Such people seldom have an opportunity to have their case presented by a Member of this body, for example, who as an individual has never had a chance to meet one one-thousandth of 1 percent of those whom he feels he has represented as best he could this afternoon.

Fourth, Federal rent controls, Mr. President, create—and perhaps the Chair will agree with me—an ever-widening, unhealthy breach and antagonism between American property owners and historically fair-minded property users. What is the result? Nothing short of class hatred. In some places the degree of antagonism is not severe. In other places, it is very dangerous. In practically all places it is existent. Rent controls place one class of Americans against another. If we long continue rent controls all of us in America will know them to be a very unhealthy and evil thing in the years to come.

Fifth, Mr. President, Federal rent controls—and this has been stated and restated over and over again, and people state the fact and then run away from it—have caused a constant and continuous shrinkage of American supply of rental housing. There is nothing new about that situation. France first imposed federal rent controls, I think, in 1913, preparatory to going to war. It was a national emergency. It was an economic question, and it was an evil thing, but the French people patriotically said, "We will go along with it through our Government. As soon as the war is over we will get rid of controls." I do not know what war they were referring to. France did not refer to the First World War, because they did not take controls off. They repeatedly got into a political question on it, in the same manner, in my opinion, that the question got on to the floor of the Senate of the United States. France was not talking about the Second World War, because they still have rent control. I personally know that the occupant of the chair and every other Senator hopes that we shall not have a third world war. If we are not going to have a third world war, I wonder how we are going to get rent controls out of France if they continue to be hinged to some war.

We ought to think about that, because France has fewer units of rental housing for its people today than it had practically 39 years ago. Time marches on. Of course these happen to be facts. Yet we have a Housing Expediter who admits they are facts and then says, "So what?" and takes off for the country somewhere. I am concerned with America's inability to provide under continuing rent control sufficient housing to accommodate the needs of our American population. I think there are many economic factors involved in this question that ought to have precedence over the reasons of political expediency, which appear to justify a proposal to continue the law beyond June 1950.

Sixth, Mr. President, I think continuing Federal rent control, as I stated a few minutes ago to the Senator from Nevada, accelerate the physical deterioration of America's rental housing. I suppose the best way to test this characteristic and result would be to go into the rental property owner business. Most of the people who write to me on this question write in long hand. Those are the letters which this Senator likes to get anyway. They are feelingly written. They are generally written in longhand by people who seemingly mean exactly what they say. There are generally fewer frills in a handwritten letter. One knows more about a person who writes a letter by hand. In 4 years I have received such letters by the thousands, and those letters have drawn my attention to what is happening to the detriment of America's rental housing by the continuance of Federal rent controls.

Lastly, Mr. President, in this series of seven reasons, Federal rent controls continue the unholy practice of insisting that one class of American citizens be required to subsidize another class of American citizens. I do not see how a continuance of that practice can be justified by any group of Americans. Even in years gone by, when it was evident that a national emergency existed, justifying Federal rent controls, the junior Senator from Washington was always of the opinion that it was not proper for the Government to foster a system through which one class of American citizens subsidized another class. I had always held to the view that it would have been much more honest and certainly more decent if the Government had offered through an outright Federal subsidy to see that every property owner having rental property for use by others was able to make or to receive a fair return on his investment through a subsidy if a Federal law made that impossible.

Mr. President, my senatorial interest in this problem began in a positive fashion in 1947. Because of that interest I grew to know many fine people throughout the country. I wrote to them, and they wrote to me. We exchanged ideas. Out of that experience I began to think that I understood this problem of the Federal Government's management of private property. It was several years ago that among those people I grew to know, because of our preoccupation with this national rent control problem, two citizens of the State of Illinois, a Mr. John Usher and his son, Richard Usher. I think I first met them when they appeared as witnesses at their own expense before the Rent Subcommittee of the Committee on Banking and Currency. The Ushers, it has since seemed to me, more closely restricted their consideration and study to facts than any other two persons I have ever been acquainted with or associated with in this quest of ours jointly to rid America, if we could, of the shackles of Federal rent control.

Mr. President, I am now going to explore for quite some time some findings which were submitted to me by the Ushers, which I have personally spent sev-

eral years in checking. I have found nothing wrong with the economic facts or statistics or information submitted to me by the Ushers, and I shall take it to be a great favor if any Senator, after studying these observations, can point out to me any instance in which they are incorrect.

If no one can find the information to be in error, it ought to follow the more certainly that no one can continue to find any reason of justification for supporting continuing rent controls in the year 1950.

Mr. President, during recent years we have faced a so-called housing shortage. Nearly every day the radio, magazines, and papers tell us of dire conditions due to this alleged housing shortage. We are given many facts and figures by Government and social workers who tell us what they think must be done about it. We have struggled unsuccessfully for 4 years to correct the situation, but to date we have not found the key to our troubles.

Mr. President, I am talking now about conditions as we found them to be in the year 1947; which was the first year, by the way, during which a serious attempt was made by some of us to eliminate Federal rent controls from America.

This national housing shortage started in 1943, so it might be well for us to find out just why it started at that time. Was there something unusual that happened about that time in our country? Let us find the cause if we can. We know there was no great increase in our population from 1942 to 1943, and we know that no great catastrophe destroyed much of our housing at that time. What could have created this shortage in 1943, when never before in the history of our country have we had a housing shortage? Was it due, as many people believe, to a great increase in family units because of increased marriages at that time? Some of my colleagues think that is so, and I hope they will try to establish it as being a fact tomorrow or the next day. I do not think they can.

Early in 1947 the Joint Congressional Housing Committee faced this housing dilemma, and decided to make a careful analysis of the problem. As I recall, the junior Senator from Washington was a member of that joint committee. After a preliminary study they asked the Bureau of Census to survey the population and housing of 34 metropolitan areas in the United States. I wonder how many Senators have ever bothered to look at the results of that survey made back in 1947. It took until 1950 to get them into the RECORD of the United States Senate as a result of a prevailing controversy.

AN INTELLIGENT APPROACH

This was a most intelligent and scientific approach. Most people know that the Bureau of the Census counts the population each 10 years, but few people know that they also check housing at the same time. The census worker is assisted by the mailman in every district. Each mailman charts every type of housing accommodation on his route, showing the size, type, and all necessary facts. He then lists the people living in these units. It is usually unnecessary for him to make any personal inquiries because he knows the people, whether they are married, single, doubled up, and so forth. These breakdowns are very complete and provide all the needed housing and poulation data. They break the population into white and nonwhite, into male and female, and show the married couples doubled up and single people living alone.

In 1940, the regular 10-year survey gave us an accurate check of the population and housing in every town and city in the United States. In April 1947 this special survey of 34 metropolitan areas was made. The results were printed in August 1947 but were not given to the press or the general public.

In January 1948 a committee of Congress held hearings on the extension of rent controls. I remember that with great clarity. In January 1948 the junior Senator from Washington was a member of the Subcommittee on Rents of the Committee on Banking and Currency, as he was likewise in 1949.

At the time the Housing Expediter's office and other Government agencies greatly impressed our legislators by showing them certain factors in the 1947 Bureau of the Census figures. The Housing Expediter and his office have always been very generous, gratuitously so, with the advice and information and figures they have offered to the Congress. The only trouble I have ever found with the information the Housing Expediter would offer to any committee of which I was a member was that it was always and invariably difficult to understand, and when we asked questions to clear away our uncertainty, the only remaining trouble was we never got any answer. Outside of that there was nothing wrong with the information provided by the office of the Housing Expediter and the staff—aside from the fact that it was not satisfactory.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Washington yield to the Senator from Minnesota?

Mr. CAIN. I understand the Senator from Minnesota desires to ask unanimous consent to insert something in the RECORD, or send something to the desk, and I would be much pleased to yield to him if it would not affect my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

(Mr. HUMPHREY made a statement for the RECORD regarding an amendment to H. R. 4815, to provide for medical services to non-Indians in Indian hospitals, and for other purposes, and asked unanimous consent to have Magna Carta and certain material printed as a Senate document, which matters appear earlier in today's RECORD under the appropriate headings.)

Mr. CAIN. Mr. President, for just a few minutes, and for, I think, the most selfish of reasons, I am going to impose on the Senate by reading something which will give me great pleasure, but which in itself has absolutely nothing to do with the pending business. The Senator from Washington wants to find out how the golf tournament came out or is coming out, which is being held at Ardmore, Pa., and the only way in which he can find out about it is to read it for himself, and if there are any other golfing enthusiasts present, for I claim to be one, to read it for their pleasure. I should like very much to find out how the tournament is going, and it does not seem likely that I shall have very much free time in which to read about it today or tomorrow. Mr. Thomas has kindly handed me a newspaper containing the latest results.

Yesterday Ben Hogan had a 72. I should like to know what his score was today. And, more than that, I should like to know the score of a young fellow named Lee Mackey, who is an unemployed professional, never played in an open golf tournament in his life, went upon a course on which Olin Dutra in 1931 made a score of 293, I think, against a par of 270, and promptly yesterday this young fellow who was sent out in the early morning dew, because he was unknown—nobody had heard of him, he was unemployed, therefore he could not hit a golf ball—proceeded to knock out a 64, 6 under par for the round. That was not much of an achievement, I suppose.

Golfers have been playing in the open golf championship for 50 years. This year they are playing the open in Pennsylvania. Last week I thought that is where I would be this week. How can people be so wrong? That is only to say that on the basis of prior planning I had no idea last week that the rent-control bill was going to be up this week, but this is the public's business, and the golf tournament in Ardmore is good fun—always good fun for the spectators, but a terrible time is had by the contestants. The spectators, like others I know, can watch the contestants suffer and watch them win or watch them lose. Golf is a tremendously fine game from the point of view of competition.

Now what about Mr. Hogan? What about Sam Snead? Do Senators think he is going to win? He has never won the open before. He has probably won more money than any other professional golfer this year, but he has never won the open. Sam thought this course was made to his golf swings, for he hits the golf ball an awful mile, and straight, too. But I will venture a guess that Mr. Snead is not leading at the end of 36 holes. I do not know, as a matter of fact, that this newspaper will give us any reliable information, but it will certainly give me a little relaxation for a minute.

The Evening Star has this to say in a bulletin:

ARDMORE, PA. (Special)—

From Merrell Whittlesey—

Julius Boros, Southern Pines, N. C., went over par on the last three holes of his second round in the National Open Golf Championship today and finished with a 72 for a 2-day total of 140.

And all over par in the last three holes. Seventy-two is extremely good against the tough par 70, but the pressure was getting tighter on him all the time, and his game came apart at the seams, as it can do in that sort of a competition, and he has 72 today. He had 68, I believe, yesterday. That is a total of 140 for 36 holes, and he will never be

in a better position so far as this tournament is concerned, because he has 36 tougher holes to go.

This put him in a three-way tie 72 for a 2-day total of 140. This put him in a two-way tie with Johnny Bulla and Jim Ferrier. Charley Bassler, of Rolling Road, the district open champion, finished with 77 for a total of 151.

I do not want to be disrespectful to Mr. Bassler, who is a fine golfer in his own right, but 77, for a total of 151, is not going to win him any money on Saturday when they count up the final prize winners.

Now as to Ben Hogan:

Ben Hogan missed 5-foot putts for pars on the sixteenth and seventeenth holes this afternoon, blowing a chance to take the lead in the second round of the National Open Championship at the Merion Golf Club. Hogan finished with a 1-under-par 69 for a 2-round total of 141.

Over the last week end the junior Senator from Washington had an opportunity to play in what is known as the Celebrities' Golf Tournament, which is held in Washington each year, and has been held each of the past 3 years. It is a tournament through which moneys are raised to help underprivileged and crippled children. It seeks as contestants persons in public life, in athletics of all kinds, on stage, screen, and radio, and is a tremendously successful operation. Last Saturday and Sunday that tournament was played at the Army and Navy Golf Club in Washington, D. C. The Senator from Washington, by the luck of the draw played only several foursomes behind Mr. Hogan. Hogan was around for 65 on Saturday, as I recall. He played only nine holes the second day. He was simply taking his time, and battered out a 33. He won that tournament without any trouble. That was not important. There were some other pretty good golfers there, Lew Worsham, National Open champion several years ago. Yesterday he had 82 in the first round.

One has trouble in maintaining excellence in whatever field of enterprise one's occupation takes him. Ben Hogan about a year ago was so badly crippled in an automobile accident that all who knew of it and were interested in sports and in Ben Hogan thought he would probably never play again, let alone be a competitor. He is one of the most amazing men in terms of concentration and the ability to overcome trouble, that the athletic world of America has ever known. Physically he is not so very large. I should guess he weighs about 145 pounds. He is rather short, but he can hit every shot in the golf book, and ice water runs in his veins. From the brink of disaster and total cripplement or death, in a little more than a year he has come back to make a most wonderful showing.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CAIN. In a moment, sir. Ben Hogan has come back to finish the end of the second round of the toughest golf tournament in the year's schedule, either at the head of the list of 155 players, or only one shot back.

Of course, I am glad to yield to the Senator from Minnesota.

Mr. HUMPHREY. I want to say to the Senator from Washington that the Presiding Officer, under the rules of the Senate, cannot ask questions or make comments, but I am sure he is interested in how his old friend Henry Picard is making out. Will the Senator from Washington give to the Presiding Officer, who is an old golf partner of Henry Picard, any information he has as to how Picard is making out.

Mr. CAIN. I shall be very glad to do so. I shall not take very much longer in reading the results of the tournament, because I want to get back to my discussion of the pending bill. Let me say to the Senator from South Carolina that for the first time I had the opportunity to meet personally Henry Picard last week at the Army and Navy Club, and he was knocking the ball as though he were going to be a very serious contender this week. I think he had a 71 without any trouble.

I ought to mention in passing that the junior Senator from Washington did not have a 71. I hesitate to say what my score was, when I shot in the first round last week. I suppose I can state what it was, however, because what I shot was identical with what the majority leader shot. Seeing that both of us shot 80, neither one of us will be able to criticize the other insofar as his golf game is concerned.

I continue to read:

With Julius Boros of Southern Pines, N. C., the potential leader, still playing the back nine and Lee Mackey, Jr., the jobless pro from Birmingham who shot 64 yesterday, just leaving the first tee, the par totals of 140—

Which is par—

by Jim Ferrier and Johnny Bulla were the best posted.

PAR BROKEN SIX TIMES

Par of 70 already had been broken 6 times this hot, sunny day, but a number of the big names couldn't go into the act. Sam Snead, who hasn't had a birdie in his last 32 holes, virtually can be counted out as a result of a 75 today and 73 for 148.

I am distressed. I am distressed, because Sam Snead has won many tournaments, the PGA, the Western Open, money tournaments beyond number, but the thing he wants most of all to win, the United States Open, has always eluded him, and seldom as successfully as it has done apparently in the past 2 days. Seventy-five and seventy-three for Sammy Snead over any course in all the world is the same thing as an 80 shooter shooting a 96. So I can fully understand how Sam Snead must feel tonight, and I sympathize with him.

Jimmy Demaret appeared to be slipping too far back with a 13-hole count of four over par, added to an opening 72.

Boros, a pro only 6 months, was one under par for his second round on the fourteenth tee after an opening 68.

He is doing very well. He might slip around with another 68. That would be a very tough score to match.

If he can maintain the par pace on the toughest holes on the course, he will top Ferrier and Bulla by three shots. Al Brosch, who shot 67 yesterday, was one of the last off the tee today.

BEN MISSED SHORT ONES

Hogan, followed by a sun-baked, scrambling gallery of several thousand, was three under through the fifteenth hole.

Yesterday, I noticed, the press said the course was sun baked; today the press says the gallery was sun baked.

He misjudged a 60-foot putt on the sixteenth, however, and missed the follow-up putt of 5 feet to go over par. His tee shot on the seventeenth, a par three hole, missed the green and his chip left him with another 5-footer, which he missed.

Ferrier also lost two strokes on the quarry-guarded finishing holes but finished with 69 for 140. Bulla, a putting and scrambling demon, played the back 9 in 31 for his second day 66, which was 8 shots better than his opening 74.

SNEAD'S PUTTER FAILS HIM

Snead, the pretournament favorite, practically blew himself out of the running with his scrambling five over par 75. Eight strokes over regulation for the first two rounds, there appeared to be little hope for the slugging Virginian who has missed three Open titles by two strokes and less.

Snead went out in 38 and came back in 37. His brass-headed putter again failed him, as he three putted three greens and blew his chances on the 395-yard fifteenth, where he missed his drive, hit a trap on his third blow and took two putts to get down for a two over par six.

Mackey, who set a new record yesterday, did not start out until 2 p. m. today. Harold Williams of Tuscaloosa, Ala., another little known player who drove here with Mackey from Alabama and shot a 69 on his first round, had a 40–35 today for a total of 144.

GEORGE FAZIO HAS 145

Skee Riegel, low amateur in the National Open last year, moved into contention with a 69 for 142. He was tied by Bob Toski, a bantamweight shot maker from Northampton, Mass., who also had a 69 today for 142. Toski was 3 under going into the last 5 holes, but already the finishing 5 have been a graveyard for a number of potentially middle 60 rounds.

That will no longer prove to be the case, I hope—

Woodmont Pro George Fazio—

Woodmont is a course here in Washington, D. C.—

had an odd back nine of three pars, three birdies, and three bogeys to finish with 72 for 145—

He had a 73 yesterday. He is still in a contender's position—

a score that is sure of qualifying for tomorrow's final 36 holes.

Fazio, after a 73 yesterday, was out in two-over par 38, with seven pars and a pair of bogeys. He knocked a second shot close for a birdie on the tenth, missed the green for a bogey on eleven, almost holed a pitch shot on the twelfth for another birdie, then three-putted the thirteenth. He was trapped on the fourteenth for his fifth over-par hole of the round, but rammed home a 10-footer for his third birdie on the fourteenth. George then parred the last three.

Here is a subtitle, I suppose we would call it:

Bassler uses wrong club.

A lot of us have been doing that.

District Open Champion Charley Bassler of Rolling Road, a 74-shooter the first day, played fair golf for eight holes and was two over playing the ninth. He and his caddie couldn't agree on what club to use on the 185-yard par 3, and the six-iron Charley finally

selected proved to be the wrong club. His shot flew over the green and he visited three traps before finally putting out in a 4-over par 7. He played the first four holes of the back nine in one under, but was a doubtful qualifier.

Lew Worsham, 1947 open champion who had an 82 on the first round was six strokes better today with a 76 for 158, far over the qualifying limit.

That is not very good.

Harold Oatman, of Norfolk, also was out of it with 83 added to 78 for 161, while Jack Isaacs, of Langley Field, was on the way out with 42 with his 75 of yesterday.

Mr. Thomas, if and when you run across what Mr. Picard did, I will appreciate very much being able to advise the occupant of the chair.

Mr. President, let me say with all due respect to the occupant of the chair that it has not at any time been the intention of the Senator from Washington to do other than speak to the subject; and I hope I shall be forgiven for a purely normal and natural curiosity about what happened in Pennsylvania.

Mr. President, this is a very serious presentation for the next little while—serious to my mind because it will contain nothing except what I believe to be facts.

EXTENDED RENT CONTROL

In January 1948, Mr. President, Congress held hearings on the extension of rent control. At that time the Housing Expediter's Office and other Government agencies greatly impressed our legislators by showing them certain factors of the 1947 Bureau of Census figures. They specifically emphasized two figures that seemed to prove we had a serious housing shortage. Their testimony omitted any mention of the figures that prove the opposite of their conclusion. They pointed out that Government figures showed that there were few, if any, vacant rental units and that there were a great number of married couples doubled up. These obvious facts could not be refuted.

Mr. President, there were not very many vacancies, and there were many couples doubled up. However, what concerns some of us is why that was so. The Office of the Housing Expediter has never given us any assistance, as yet, in answering the question, "Why?" I think some of us have come up with a reasonable answer, ourselves.

The omission of the other facts was the result of either ignorance or fraud. Mr. President, both those words are strong in character, and they are intended to be. We have here the testimony of the Office of the Housing Expediter, as given at the last three sessions of the Congress. In none of that testimony has the Office of the Housing Expediter provided the information which, if it was not at the disposal of the Housing Expediter, at least should have been, because he was a public official—an agent, in a way, of the body which created his office, the Congress of the United States—and he ought always to have been conscious of his primary responsibility, which was to work himself and the Office of the Housing Expediter out of a job at the earliest possible moment. However, that has not happened.

The agents of the office of the Housing Expediter are probably still in the Senate gallery, watching what is going on here. That is a very unusual proceeding, of course, because the employees of the Office of the Housing Expediter generally subscribe to some sort of a 40-hour week. As a matter of fact, I like one who is sitting in the gallery now—Mr. Henry Van Veen. I hope he does well when he returns to private life. It is always nice to recognize him in a complimentary way, and I hope that may help him get reestablished as a private citizen when that time comes.

However, the main point, Mr. President, is—and I say this without personal prejudice to Henry Van Veen, who is an excellent fellow in his own right—that the Office of the Housing Expediter by its very nature has never recognized the need for getting rid of itself for the best interests and the common good of all Americans.

A complete analysis of all 1940 figures and all 1947 figures shows clearly that there is no housing shortage. Those are my words. Now, I have said something rather serious. I am going to have to prove my own assertion that in 1947 there was actually no housing shortage in America. But there was something, and it was very serious, and it continues to be so—a great maldistribution of housing throughout the country. There is to my mind a tremendous difference between a housing shortage on the one hand and a maldistribution of housing space which is available on the other. The complete figures definitely prove that the critical housing situation was not caused by a shortage of dwellings, an increase in population, or an increase in families. Perhaps if we can really establish those assertions as facts, the majority leader himself will rise and say, "What have I been trying to do in putting through a bill for which there is no possible economic or social justification?" I wish the majority leader would do that. However, as of this time, I am somewhat inclined to disbelieve that he will.

IMPROPER DISTRIBUTION

A comparison of the figures clearly show that from 1940 to 1947 the increase in families in these 34 metropolitan districts was only 2,582,000 whereas the available dwellings to house this increase was 2,642,000. These figures which have been secured from authoritative government sources, have been analyzed, and I should think they ought to be accepted by any reasonable individual. These dwellings were properly proportioned in the various cities to take care of the people, and would have taken care of the American people in 1947, had a free market existed.

Shortly after these early 1948 congressional hearings, a number of people made a complete analysis of these Government surveys and found many previously unrevealed facts and figures. These surveys showed there was no real housing shortage but merely a great maldistribution and hoarding of housing space by 1947 renters that was not prevalent in 1940. I think that observation will prove to make some hard-headed sense—provided that, in connection with this question of what to do about further extending rent control, we have any interest in hard-headed economic sense.

It is a little difficult to dissociate the month of November from the facts which we are trying to analyze. These figures further show that there was more housing per person in 1947 than in 1940, even though in 1940 there were many vacancies in every metropolitan area. Most of the areas with which I was personally familiar and acquainted in 1940 had housing surpluses. I think most people who want to look at the property owners will agree that in the areas of their acquaintance that was true.

We want to bear that in mind, because if we had a housing surplus in 1940, with X amount of housing, and a housing shortage in 1947, with more housing proportionately, something is wrong somewhere. Well, something was wrong. That something which was wrong continues to be wrong in every area remaining under Federal rent control.

One never likes to assume that someone else is lacking in courage, but I think those who have disbelieved many of these figures have been unwilling to face up to, and to try to study and understand, the facts.

Between 1930 and 1940 the United States had more vacancies than had ever previously existed in the history of America. Surely we had a surplus of housing in those years, because housing properties were often sold for half of what it had cost to build them a short time previously.

Many people feel that these figures cannot be true, because they cannot find dwellings for rent. The figures are true, and we can easily understand them when we review what happened to our housing after 1942.

What then was the cause of this mysterious apparent shortage of housing? Strange as it may seem, there can be but one answer. It was brought about by rent control.

Our national housing shortage started in 1943. Why? What actually took place was a spreading out of the people—each family using more space on the average than it had ever used before. This happened because rents were frozen low while incomes increased tremendously. Merely on the basis of that one statement, we could argue the merits of it for 8 hours easily. Any American always wants to better his standard of living. Rent controls permitted the average American whose income was increasing to buy a commodity called shelter, the cost of which was frozen on a level of 1941, 1942, or 1943. It has generally seemed strange to me that the housing shortage, which was created by imposing an artificial law, did not become ever so much more acute than it did. Even here in Washington, D. C., does not everyone in this Chamber tonight who knows anything about the city know of a friend or associate or acquaintance who has an apartment here, and who at the same time has an apartment

or apartments elsewhere? The answer is that, of course, most of us have that knowledge. Admittedly some people have much more money than others, but it follows, as does night the day, and vice versa, that many an American who has been renting, not one but several facilities in recent years, has done so for one reason only. With a 1950, 1948, or 1949 income, he found it possible to afford much more than a 1941 or 1942 price tag. Yet Americans who pretend to be students of this question have denied that the existence of rent controls, in itself, tended to create an artificial housing shortage.

Because of the great number of vacancies which existed between 1930 and 1942, rents, when frozen in 1942, were less than 60 percent of the amount necessary to show a fair profit on a comparable new unit built at that time. All other principal items in our economy were frozen at a price of cost plus a profit. The Senator from Washington has often wondered why he bothers to become so excited about a business in which he has never had any selfish interest. Outside of thinking that all Americans are entitled to approximately the same rights, he does not know why he has bothered so long and has worked so hard to get rid of a vicious law concerning which most people in recent years have not become unduly excited.

Almost simultaneously with this maladjusted rent freeze came a marked increase in the income of most American families. The war brought an increase in the number of workers per household, high wages, price controls, and rationing. What happened? A housing shortage developed very quickly. It ought to have developed, and it did. Have we ever thought that even though millions of Americans went into the Armed Forces there was still a housing shortage? Here we have a confusing paradox. Most advocates of rent control do not talk about it. The paradox was simply this: There was an oversupply of rental housing in 1942 and an extreme shortage of rental housing in 1943. How did that come about? The more persons who left for the war—millions went away, tens of thousands of whom left the country entirely—the better housing became. After 10,000,000 persons had left for the war the housing shortage became a national problem. We got rid of approximately 10,000,000 people occupying rental space of one kind or another, and we created the greatest housing shortage by artificial means this country has ever known.

One reason the Senator from Washington speaks at length on this subject is that he hopes to submit for the record, as he is now trying to do, information which may be of assistance to some future Congress if this country should have another war, in the hope that God may help us to avoid some of the tragic mistakes we made during the last war.

This shortage of housing did not occur merely in one or two places; it occurred in towns and cities all over the Nation. Some cities which actually lost population to the Armed Forces and to war plants in other cities developed housing shortages. In due time I shall be able to establish that fact.

Have we ever stopped to think about it? There was a city of X population, and much of that population went into the armed services or into war plants elsewhere, and we awoke to find there was a housing shortage. Certainly the Housing Expediter told us there was one. Did it ever occur to us how that could happen? It is not hard to achieve, however, by vesting certain authority in what was then the Office of Price Administration.

I can give my own explanation of the paradox. As the war progressed wages skyrocketed. I hope the average citizen was able to save something out of the wage increases which came to him during the war. Certainly he made more in a hurry than had ever previously been the case. But as the war went on and as wages kept getting higher, the people at home in America—everyone could not go to the other side, although many people who stayed at home wanted to go—the people at home had, among other things, more money to stay at home with than they had ever had before. They had surplus money in their pockets. What were they going to do with it? Could they spend it? In a great many directions and for a number of reasons they could not spend it. Because of rationing they found it difficult to buy anything except the bare necessities of life. They were making money faster than they could spend it. That seldom happens in the experience of an American during a normal lifetime, which is not beset by war, but under war restrictions it can be understood. If during the war one went into my part of the country as a steamfitter's helper or as a welder on a flat-top, getting ready to place guns on the flight deck so that more of the enemy could be killed—the only purpose of a war is to kill someone—working as a helper in one of these operations there was not anything in the city of Tacoma to buy. Most things were rationed, so there was more take-home pay than was previously the case. But the average American during the war could and did buy for his or her use and enjoyment, at 60 percent of its normal price, more housing. That happened everywhere. That was one thing which was not rationed even during the war. There was a "fire sale" of rental space every day of the year. We used an inflated income to buy a commodity the price of which was frozen. This resulted in unconscious hoarding of housing by renters, and the so-called housing shortage resulted with great fury in this country.

The American people have a great inborn desire to occupy spacious and ample housing, and they are to be congratulated on that desire. During the late war they found they had surplus money from increased income. The Government, by rationing, restricted their other purchasing, so here was the average American's chance to satisfy his or her desire to have a better place in which to live. Everyone ought to work toward that goal. The only thing wrong with the way in which it operated during the war was that it created, of necessity, a housing shortage which soon resulted in being very unfair to the owners of property. Working girls, bachelors, widows, widowers, and divorced people who shared occupancy and divided rent in years gone by decided to do what? They knew for the first time they could afford to have their own apartment or house under the frozen ceiling at a price of about one-half of the real rental value. Married people without children also spread out into larger apartments.

Rents were held firm but costs of operating properties increased tremendously So owners trying to economize caused a further shortage by insisting on minimum adult occupancy, regardless of the size of unit which became vacated for rent. Call it a mistake if you want to, but it was a pretty good mistake of human nature. What would anyone have done had he been the owner of rental property? If his income were frozen, if his costs were going up, and if he had a chance to replace a family of four with a single occupant who would use less in the way of utilities, who would be less burdensome on the apartment, and who would be less at home, the owner would do the only logical thing he could do, and that is to replace a family of three or four with a single person, and add by that much to an artificial housing shortage which was becoming tighter and tighter.

Millions of renters were forced to move from place to place during the war because of change of employment, or going into the service, and each time a family moved out the owner found that it was more profitable for him or her to rent to the smallest number of people, thus saving services and wear and tear on his property. Each move, as months went by, caused a greater and greater maldistribution, and thus a so-called shortage, which in fact was a very real shortage even though it was caused by artificial means. By the end of 1943, nearly every rental unit was occupied, and so all were frozen in or out regardless of the size of housing units needed.

Since 1943 each month has merely made matters worse. During the past four years—that would be from 1943 to 1947—thousands and thousands of housing units have been built in every large metropolitan area in an endeavor to catch up with this artificial shortage. Very few were built for rent. Nearly all were built for sale. Nevertheless, the spreading out among the renters and the squeezing out of the people by this spreading out still leaves us with a housing shortage. It ought to be clear that it will be impossible for us ever to get proper housing for the American people while we have rent control. The spreading out will take place faster than new housing can be built. We are creating a more and more false foundation for our whole American economy.

I wish I did not think that these facts were true. It would be much easier merely to swim along with the tide. But because, as one individual American and as a Senator from the State of Washington, I feel that rent controls have undeniably created an artificial housing shortage, which has brought great in-

jury and suffering not alone to property owners, but to tenants and those who would be tenants, it naturally follows that the Senator from Washington wishes he could get more Senators to share his point of view.

In 1942 more than half of all the urban housing units, over 15,000,000 of them, were rental units. Usually the larger the city the greater is its percentage of rental units. In New York, for example, more than 70 percent of all units are rental units. Thus the larger cities find the greatest maldistribution and so-called housing shortage. The smaller towns, where ownership of homes is greatest, find the least maldistribution and shortage. I know, because I have been in a great many of the congested metropolitan areas. Most of the people who live there certainly do not believe with me that rent controls have caused the hardship which has faced them. I have not been so much concerned about that, because it is difficult to take for granted that the average citizen, busy with other things, will study the economics involved in the question. However, what is sometimes distressing to me is that I find few in public life representing congested metropolitan areas who will argue the merits of this question. I have had a good many of such people say to me in substance, "Your facts may be all right, but people don't believe them." So there is no point in arguing a case which is soundly conceived if a great many people are not willing to accept one's premise as being true. The Senator from Washington has taken the other position, that once having established a premise as being true, one assumes a responsibility for trying to convince the uninformed of what the facts really are. If the Senator from Washington did not feel strongly in that foundation for his case he certainly would have sat down a long time ago.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. CAIN. Certainly, sir.

Mr. SPARKMAN. I refer to the Senator's statement regarding maladjustments——

Mr. CAIN. Maldistribution is the word I used.

Mr. SPARKMAN. I refer to the Senator's statement with reference to the maldistribution of housing in the big cities. The Senator is aware, is he not, that most of the testimony before our committee regarding the need of rent control related to those cities?

Mr. CAIN. Oh, yes.

Mr. SPARKMAN. The purpose of the optional part of the bill is to permit those cities or the States to institute rent control for themselves during the short time that it is proposed to continue Federal rent control.

Mr. CAIN. Is the Senator from Alabama suggesting to the Senator from Washington that the Committee on Banking and Currency took testimony on the bill which is the pending business?

Mr. SPARKMAN. The Committee on Banking and Currency took considerable testimony on the question of rent control.

Mr. CAIN. Oh, indeed they did.

Mr. SPARKMAN. Then the Senate committee decided on the type of rent control that was desired. The Senator is aware of the fact that the principal argument was as to the need of rent control in the very type of maldistribution areas the Senator has described.

Mr. CAIN. Indeed, I am very conscious of the fact that the major portion of the testimony the committee took in favor of continuing Federal rent controls came from the larger cities.

Mr. SPARKMAN. And the Senator is aware, is he not, that the conference of mayors, representing most of the cities of the United States, I assume, cities of size——

Mr. CAIN. They represent all the cities of over 50,000 population.

Mr. SPARKMAN. Very strongly urged the continuance of rent control, even beyond what the committee was willing to report?

Mr. CAIN. I am fully conscious of that fact, but if they were ever to ask my advice, which I certainly am not suggesting they are compelled to do, I would say, as one who had been a mayor of a self-respecting American community, if in the future their communities thought it was necessary to continue to have rent controls, I would expect their city councils and their mayors, with the help of the governor and the legislature of the State, to do the job that was intended. As a mayor, I would want to think that if the citizens of my city got into trouble as a result of any action of any housing expediter, it would be a local expediter, that it would be a man or a woman who was responsible within the confines of the city, and I would have no situation, as a mayor of an American city, in which, in order to resolve a local problem, I would have to seek recourse to Washington, D. C., 3,000 miles away.

I feel very strongly on the subject, I wish to say to my distinguished friend the Senator from Alabama though I am very conscious of the fact that in the State of Alabama the problem is now academic, I understand through the Senator from Alabama, because Federal rent controls have been removed.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. FREAR. Does the Senator from Washington agree or disagree that while the junior Senator from Delaware was presiding, in the chair, a just and equitable decision was rendered by the occupant of the chair?

Mr. CAIN. Does the Senator mean with reference to the colloquy which resulted from the Senator from Oregon being desirous of having one of his questions read back to him?

Mr. FREAR. Yes.

Mr. CAIN. I am completely satisfied of the fact that the Senator from Delaware, in the period during which he was the occupant of the chair, leaned over backward in his desire to be fair. Whether or not the Senator from Delaware has laid the stage for trouble in the future as between various Senators because of his interpretation, I am not qualified to say, but I would say to the Senator from Delaware, because I respect him and the decision he made when he was in the chair, that so far as I am concerned, the Senator from Washington will literally abide by the interpretation which the Senator from Delaware gave as the occupant of the chair. I do not know how I could be any more complimentary than that.

I think the Senator's decision, if we were all to abide by it over an extended period of time, would save a great deal of time and much trouble, and help the Senate expedite its business somewhat more rapidly. The only weakness with the decision is that I think that as soon as the present debate is over and out of the way, the decision will conveniently be forgotten.

Mr. FREAR. I thank the Senator for his remarks.

Mr. CAIN. Mr. President, I appreciate an opportunity to pay my respects to both the Senator from Alabama and the Senator from Delaware.

I think there is only one question before the Senate; at least the first question is whether conditions throughout the country justify a further extension of Federal rent control. If the Senate agreed that there was no justification for a continuing extension of Federal rent control, it would not necessarily be saying that there was not a need for continuing controls in certain cities or States. What Senators who share my views hold to is that we see no justification for the Congress doing for States what the States and communities can do for themselves. We think that every State in the Union can do as well for itself as did the State of Alabama. We think it is time to return the management of property by a government, if it is to be governed at all, back to the States and municipalities.

Mr. SPARKMAN. Mr. President, will the Senator yield for a question?

Mr. CAIN. Certainly; but I think we should be certain to take the Federal Government out of the management.

Mr. SPARKMAN. Does the Senator realize that the proposed extension does not take away from any State or any city the right which it has today to take decontrol action?

Mr. CAIN. I understand the intended law. But what the intended law does at the outset is to extend Federal controls on the same basis as agreed to, substantially, in the law of 1949, for 6 months, following which, if certain municipalities want to continue rent control, they can do it by affirmative action of their city councils.

Mr. SPARKMAN. Will the Senator yield for another question?

Mr. CAIN. Certainly.

Mr. SPARKMAN. The Senator realizes, I assume, that in order to get the benefit of the extension, cities or States or areas, political subdivisions, would have to take affirmative, positive action during the first 6 months.

Mr. CAIN. I understand that.

Mr. SPARKMAN. In other words, they could not wait until the law expired and then exercise their option.

Mr. CAIN. No; I understand the action would have to be taken between July 1 and December 31, which would mean some time prior to December 31.

Mr. SPARKMAN. And the purpose of extending the law during the 6 months

is to give them that benefit, if they desire to take advantage of it.

Mr. CAIN. Yes. Those of us who hold to a contrary view think that 15 months ago we served due and proper notice on every State in the Union, including the State of Alabama, from which the distinguished Senator from Alabama comes, and certainly the cities of Alabama took seriously what the Senator said on the floor of the Senate 15 months ago; namely, "My counsel to all States is to figure out what they ought to do in the future." Alabama did it. Other States have not done it.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CAIN. Certainly.

Mr. HOLLAND. Does the Senator recognize the fact that in the southern part of the Nation, the crowded cities, the most progressive cities, the fastest growing cities, cities which really have the most serious problem of congestion of population, have almost without exception decontrolled, either by State action or by local action, under the current law—for instance, such cities as Houston and Dallas in Texas; Birmingham and Mobile in Alabama; Columbus and Savannah in Georgia; Norfolk and Arlington in Virginia; and in my own State the cities of Miami, Jacksonville, Tampa, Orlando, and St. Petersburg?

I wonder if the Senator realizes that it is a fact that the cities where the real problem exists, insofar as the Southland is concerned, have, by one means or another permitted by law, actually decontrolled themselves, and are getting along mighty well without any Government control in this field.

Mr. CAIN. I am pleased to say to my friend the junior Senator from Florida that I have been fully aware for quite some time of the fast-growing southern cities which have been decontrolled, and in support of what the Senator has just said I wish to say that I have seen with my own eyes the beneficial results which have come to a good many of those cities for quite a time, and because those of us who oppose this legislation have studied the situation we are absolutely convinced that the good things which have come to Richmond and to Miami and to Jacksonville and Houston and Dallas, Tex., and other places will come to other less concentrated or less fast-growing cities, if they will but decontrol in the months ahead.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

The PRESIDING OFFICER (Mr. McFARLAND in the chair). Does the Senator from Washington yield to the Senator from Florida?

Mr. CAIN. I am glad to yield.

Mr. HOLLAND. I wonder if the Senator has any explanation which he could advance as to why in other parts of this country the same type of fast-growing cities and cities of the same size, have not seen fit to exercise their sovereign power of decision as given by the present Federal law and to decontrol themselves?

Mr. CAIN. I think one could only generalize in answer to such a question. I raised that question not long ago with reference to the city of Seattle in my own State of Washington. The answer I received from those of whom I asked the question was that, "If the Congress does not eliminate rent controls entirely on the 30th day of June, we are promptly prepared to decontrol ourselves. But we have taken the line of least resistance and decided to wait until June of 1950."

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. CAIN. I shall be very pleased to yield.

Mr. HOLLAND. I wonder if, in answer to the question I just asked, it had occurred to the Senator that perhaps the ancient but still respectable doctrine of States' rights and the ancient but still soundly democratic—spelled with a small "d"—doctrine of local government and home rule, appeals in much greater strength to those people who live in the Southland and that they, because of that conviction that local government is best, that State government is soundest, have gone much further than other parts of the Nation in decontrolling their own cities?

Mr. CAIN. I am afraid the junior Senator from Washington would be a prejudiced witness, because of the place of his own birth, which is below the Mason and Dixon's line. By way of compliment it is certainly true, to my way of thinking, that the Southern States, particularly those to which the Senator from Florida has referred, are very conscious of the rights of States. Why certain other States and municipalities have not exercised the authority provided to them under the law of 1949 I am not qualified to say. I think generally it is because the local city council and its mayor—and I can certainly understand this, having been confronted with those pressures myself—were not willing to take up a fight for decontrol. They have thought they would wait and let the Federal Government do it for them, or it must be so that in a good many cases no one has bothered to analyze and determine what the facts really are.

I have said constantly throughout this debate that there may be cities, including the city of Chicago, which need a further extension of rent control. But it seems to me that Chicago ought to be able to figure that question out for itself and do something about it.

I was in Miami shortly after the Housing Expediter was there predicting all the horrible, catastrophic evils that would result from decontrol. But now one can generally get what one wants at a price one can afford to pay. If I may do so, I should like to ask the Senator from Florida how he thinks the nice citizens of Miami are going to feel, after having gone to the trouble of decontrolling themselves, if they are now to be requested to foot the bill for continuing controls in the city of Chicago, Ill.? If I were a citizen of Miami, speaking colloquial English and the question were placed to me, I would say, "Don't be silly. My goodness gracious, do you mean to tell me in Miami that the great city of Chicago cannot do what we did months ago to the betterment of everyone here?"

That is the issue on this question. Get the Federal Government out of private property and let the governments of the cities and the States and the municipalities do what their citizens think ought to be done. Then I think we will be getting somewhere and we will start in the direction of restoring some real authority in the hands of the States and municipalities.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. CAIN. I am pleased to yield.

Mr. HOLLAND. Since I cannot reply to the Senator's question, I should like to ask a question in another field. The Senator has referred to the recent debate on the motion to take up FEPC. I wonder if the Senator knew that during that debate, which lasted some 10 calendar days, as I recall, from Monday to Friday in each of 2 weeks——

Mr. CAIN. I think the Senator is correct.

Mr. HOLLAND. That only eight Senators spoke in opposition to the motion to take up, namely, in order, the junior Senator from Georgia [Mr. RUSSELL], the senior Senator from Alabama [Mr. HILL], the junior Senator from South Carolina [Mr. JOHNSTON], the senior Senator from Georgia [Mr. GEORGE], the junior Senator from Florida [Mr. HOLLAND], the junior Senator from Louisiana [Mr. LONG], the junior Senator from Mississippi [Mr. STENNIS], and the senior Senator from South Carolina [Mr. MAYBANK], making only eight in all? Does the Senator realize that only eight southern Senators spoke during that debate?

Mr. CAIN. No; the Senator from Washington was not aware of that, and is very pleased that the Senator from Florida has put that fact in the RECORD.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. CAIN. I certainly will do so if the Senator will permit me to add another word of compliment, that the news the Senator has just given to me indicates how I and other Senators were completely overwhelmed, let us say, by the strategic effectiveness of the southern Senators, in the debate to which the Senator from Florida has just referred. What the Senator has said is that a small group of southern Senators was able to keep a debate going for 2 weeks by using Senators speaking on unrelated subjects, and I take that to be a masterful job of management, or "leadership" I think is the proper word. The South has always had more than its share of leaders proportionately, I take it, than practically any other area of this country.

I now yield to the Senator from Florida.

Mr. HOLLAND. I should like to ask this question of the distinguished junior Senator from Washington. Does the Senator realize that during the course of that same debate, that is, over those same 10 days of time, there were 12 Senators who spoke in support of the motion to take up the FEPC bill, as follows, in the order in which I shall read their names: The senior Senator from Utah [Mr. THOMAS], the senior Senator from New York [Mr. IVES], the junior Senator from Connecticut [Mr. BENTON], the junior Senator from Michigan [Mr. FERGUSON], the junior Senator from New York [Mr. LEHMAN], the senior Senator from

Massachusetts [Mr. SALTONSTALL], the junior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Illinois [Mr. LUCAS], the junior Senator from New Jersey [Mr. HENDRICKSON], the junior Senator from Missouri [Mr. KEM], the senior Senator from Connecticut [Mr. MCMAHON], and the senior Senator from Pennsylvania [Mr. MYERS], making 12 Senators in all who spoke in support of the motion to take up FEPC? Does the Senator realize that that was the case?

Mr. CAIN. The Senator from Washington did not realize that that had been the case. Again it gives rise to a further comment of admiration by the Senator from Washington for the Southern Senators, who apparently—and actually—achieved so much with so few, in terms of the debate to which the Senator from Florida has referred.

I think that would require some study, by way of analysis, to figure out. In that case there was a campaign, we might say, in which one side was attacking and the other side was defending, but the defenders generally were outnumbered by the attackers. However, the defenders were very skillful. Sometimes they engaged in retrograde movements, and they let the others, whom they considered the enemy, come on for a while; but then they put on a counterattack, from time to time, as they thought was necessary. The Senator and his associates were outnumbered in manpower 50 percent. However, at the end of 2 weeks, during which time the southern Senators used the other side's ammunition and powder, the attempt to invoke cloture was killed; and the attempt has not yet prevailed. Mr. President, I think the record the Senator has just submitted is a most extraordinary one.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. CAIN. I yield.

Mr. HOLLAND. I wonder whether the Senator from Washington realizes that during that time—the 10 days mentioned—no less than 16 Senators spoke, some at considerable length, on matters, some of which were completely extraneous to the pending issue as to whether or not the motion to take up the FEPC bill should be adopted—in other words, some 16 Senators spoke, the subjects upon which they spoke being as follows:

The junior Senator from Michigan [Mr. FERGUSON]——

Mr. CAIN. Mr. President, will my friend the Senator from Florida yield for a moment, to permit me to ask him this question: All of this material is being offered to me in the form of a question against which the Senator from Florida will want a response; is that true?

Mr. HOLLAND. Of course.

Mr. CAIN. I thank the Senator.

Mr. HOLLAND. I am confining myself——

The PRESIDING OFFICER. The Chair would call the attention of the Senator from Washington to the fact that he is not permitted to ask any other Senator a question; that is a violation of the rule.

Mr. CAIN. Then the Senator from Washington wishes to apologize, and is grateful for the information just provided.

Mr. HOLLAND. May I say that I would not take another Senator off his feet, under the rule.

The PRESIDING OFFICER. The Senator from Florida is not permitted to make a statement; he is only permitted to ask a question.

Mr. HOLLAND. Mr. President, observing the rule, which the Senator from Florida regards as sound, the Senator from Florida wishes to conclude his question, which is this: Does the Senator from Washington know that during that same period of 10 days during the pendency of that debate, 16 Senators spoke, some of them at great length, upon subjects entirely extraneous to the pending issue, such 16 Senators and the subjects upon which they spoke being as follows:

The junior Senator from Michigan [Mr. FERGUSON], who spoke on May 9 on various matters relative to the trip of the President of the United States which was then under way.

The Senator from Illinois [Mr. LUCAS], who spoke on the same day, Tuesday, May 9, in reply to the Senator from Michigan.

The Senator from Missouri [Mr. KEM], who spoke on the same day, with reference to various frauds or alleged frauds in Kansas City.

The Senator from West Virginia [Mr. NEELY], who spoke on the following day, May 10, on a critical situation concerning the coal industry as the result of the importation of foreign oil.

The Senator from Nevada [Mr. MALONE], who spoke on various international problems.

The junior Senator from Washington [Mr. CAIN], who spoke at some length on other aspects of the trip of the President then current, having to do largely with the dedication of a great dam—the Coulee Dam, I believe—in the State of Washington.

The Senator from Colorado [Mr. MILLIKIN], who spoke on May 11 on certain aspects, previously unmentioned, of the President's trip to the West.

The Senator from Idaho [Mr. DWORSHAK], who spoke on May 11 on certain aspects of the President's trip, and particularly on the unwisdom of the Columbia Valley Authority legislation, in the opinion of the Senator from Idaho.

The Senator from Missouri [Mr. DONNELL], who spoke on May 12 on the matter of the inadvisability and the impropriety, in the opinion of that Senator, of the procedure followed in connection with the waiver of certain Senate rules in connection with notifying the President of the confirmation of certain nominations to high judicial offices.

The Senator from Indiana [Mr. CAPEHART], who spoke on the same day, with reference to another nomination, that of Mr. Justice Kern, who had just taken his seat upon one of the high-ranking courts.

The Senator from New Mexico [Mr. CHAVEZ], who spoke at some length upon the Budenz situation, which was then of considerable interest.

The Senator from Michigan [Mr. FERGUSON], who spoke on May 15, upon a subject more largely political than directly pertaining to the trip of the President.

The Senator from New Hampshire [Mr. BRIDGES], who spoke at length on May 15, on the subject of economy in government.

The Senator from Missouri [Mr. DONNELL], who spoke on May 16 at some length, upon a continuation of his discussion of the impropriety of certain practices in the Senate having to do with the notification of the President of the confirmation of nominations.

The Senator from Delaware [Mr. WILLIAMS], who spoke on May 18 on certain matters having to do with the Department of Agriculture and the conduct of the Commodity Credit Corporation.

The Senator from Florida [Mr. HOLLAND], who spoke briefly preliminary to the taking up of a Senate resolution under which it was proposed to refuse to approve a reorganization plan, then pending, affecting the Department of Agriculture.

Did the Senator realize—in short—that in that period of time, some 16 speeches, relating to subjects completely extraneous to the debate which was under way, were delivered upon the floor of the Senate?

Mr. CAIN. The Senator from Washington had not been aware of the fact, and thinks the information should be included in the RECORD, and he is very grateful to the Senator from Florida for having offered that informative question.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. CAIN. I am very pleased to yield, sir.

Mr. HOLLAND. Does the Senator realize that during that same period of time, and in addition to all of the matters transpiring which have already been set out in detail, and, I think, correctly, in the questions propounded by the Senator from Florida, five separate proposed plans of reorganization, under the so-called Hoover Commission proposals, were considered, were debated, and were debated at some length, by Senators whose names may or may not have appeared in the list already given, but, if so appearing, would have to be stated again in connection with the debates on the reorganization proposals, five in all; and that those five reorganization proposals were, in each instance, voted down by the Senate, and were rejected, by the considered and deliberate action of the Senate during that same limited period of 10 days?

Mr. CAIN. The Senator from Washington knew that certain reorganization plans had been considered during that period, but did not know that that number had been presented. The Senator from Washington, having now had an opportunity to confer with the Senator from Florida, knows ever so much more about all the facts covering the so-called filibuster by southern Democrats against the motion to take up the FEPC bill than he knew before, and the Senator from Florida has most certainly convinced the Senator from Washington that most of

the time in the 16-day period was actually consumed by other Senators speaking either in support of the motion or upon unrelated subjects.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. CAIN. I am pleased to yield.

Mr. HOLLAND. By way of correction, this question will restate the proper number of days consumed by the debate as 10. The Senator is asked whether he recalls that the five reorganization proposals which were actually voted down during that period of time were the following:

First. The so-called NLRB reorganization, under which a certain part of the Taft-Hartley Act would have been nullified.

Second. The so-called Treasury reorganization, under which, among other things, the Office of the Comptroller of the Currency would have been transferred to and placed under the Secretary of the Treasury.

Third. The Interstate Commerce Commission Reorganization.

Fourth. The Federal Communications Commission Reorganization.

Fifth. The Department of Agriculture Reorganization.

Does the Senator remember that those five reorganization proposals were specifically debated and formally rejected by the Senate of the United States during the 10 days of the debate upon the motion to take up FEPC?

Mr. CAIN. The Senator from Washington did not recall that those five named reorganization plans were before the Senate during that period, but he appreciates the fact that the Senator from Florida says that that was the case. The Senator from Washington therefore takes it to be the case. I think the information which the Senator from Florida is offering to the Senate through a series of questions addressed to the Senator from Washington is both constructive and helpful.

Mr. HOLLAND. Mr. President, will the Senator yield for one further question?

Mr. CAIN. The Senator is pleased to yield to his friend from Florida.

Mr. HOLLAND. I ask whether the Senator recalls any more fruitful 10-day period of debate than the 10 days in which five specific major reorganization proposals were debated and disposed of by refusal of the Senate to approve the proposals, and in which, as a climax of the 10 days, the motion to apply cloture was defeated by the Senate in the afternoon of the tenth day of the debate? In short, I am asking the Senator whether he recalls any more fruitful period of 10 days insofar as actual accomplishment and actual disposal of proposed legislation is concerned, than the 10-day period to which my various questions have alluded?

Mr. CAIN. The Senator from Florida has convinced the Senator from Washington that during the 10-day period in question a very great amount of work was transacted on a very large number of subjects. The Senator from Washington is somewhat amazed that so much could have been done by so few in so short a period of time.

Mr. President, I now want to address myself to the subject of why rent controls failed. Before doing that, however, I suppose this is as good a time as any to read into the record a special article which was published in this morning's New York Times. I have no way of knowing how much, if any, of the allegations made in it are true. I think the record ought to speak for itself, and I think Senators who dissent from statements contained in this column of the New York Times can present contrary views on days to come, if that be their wish. I shall read the article, because it speaks of politics. It has always been my concept that the question of Federal rent controls is an economic, not a political question, and, insofar as possible, I shall concentrate on economic factors. But we have heard from time to time that some people are interested in rent controls largely for political reasons. This article, by its subtitles, pretty well takes in almost every Member of the Senate. The article was written by Clayton Knowles, special correspondent for the New York Times. It is under the Washington date line of June 8. The heading of the article is as follows:

Senate chiefs get necessary votes to pass rent bill—Democrats told measure's fate may decide whether party keeps control of Chamber—elections in North cited—key southern Members said to back extension now—LUCAS seeking early test.

In this article, Mr. Clayton Knowles says:

WASHINGTON, June 8.—The votes needed to get an extension of rent control through the Senate have been obtained, it was learned today, by a sharply administered warning to the Democrats that they might find themselves in the minority next year if the bill failed to pass.

It is understood that administration forces picked up a half dozen or more votes, said to be enough to pass the measure, by adopting this tack at a conference of Democratic Members yesterday. The bill is being debated with the leadership pressing to get agreement on a voting time.

The Members were told that the fate of this bill conceivably could decide whether or not—

And certainly everyone ought to bear in mind that the Senator from Washington did not write this article, but that he is reading it, and finds it interesting—

The Members were told that the fate of this bill conceivably could decide whether or not Senators SCOTT W. LUCAS, of Illinois, the Democratic leader; FRANCIS J. MYERS, of Pennsylvania, Democratic whip; BRIEN MCMAHON and WILLIAM BENTON, of Connecticut; and HERBERT H. LEHMAN, of New York, all up for reelection, would come back to the Senate.

There is then in the middle of the article a subtitle in three words, which is very threateningly phrased:

Southern Members warned.

I do not know who warned the southern Members. Knowing southern Members, I think they would not take very lightly any warnings.

Mr. SPARKMAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Alabama?

Mr. CAIN. I yield.

Mr. SPARKMAN. Did the Senator mean lightly or seriously?

Mr. CAIN. I should be constrained to think neither, if I understand what my friend from Alabama has in mind; that if anyone should warn a southern Senator, the warning would not be taken seriously in the sense that the southern Senator would expect that anything harmful was going to take place; and he would not take it lightly, in the sense that, if the warning is inclined to annoy him, he in no uncertain words would tell the one who warns him to warn himself or someone else, but to get away from the one who was attempted to be intimidated—if in fact that was what was attempted; and as to that I would not know.

The warning was addressed principally to Senators from the South, many of them committee chairmen because of long tenure. They were told that, if they would rather be ranking minority members than chairmen, it would be perfectly all right for them to vote against an extension of regulation.

I do not know whether that is true, but it appeared in the New York Times, and a great many people read the New York Times. I read further from the article:

While controls might have been lifted in their own States and therefore no longer were an issue there, it was stressed, regulation was a red-hot issue in some of the Northern States where Democrats were facing stiff competition for reelection. A number of key southern Democrats immediately said that they would go along with the extension.

Mr. President, I should be less than frank if I did not say that during the course of this day I have been endeavoring to find out what this sentence meant:

A number of key southern Democrats immediately said that they would go along with the extension.

I have not yet received an answer to my curiosity.

I read further:

Senator BURNET R. MAYBANK, of South Carolina, chairman of the Banking and Currency Committee, and Senator JOHN J. SPARKMAN, of Alabama, chairman of the Rents Subcommittee, are handling the control bill, which proposes a straight 6-month extension and an additional 6 months of coverage for communities requesting it.

I think it is a fair thing for me to say, without trying to take advantage of anyone, with reference to this comment that "Senator BURNET R. MAYBANK, of South Carolina, chairman of the Banking and Currency Committee, and Senator JOHN J. SPARKMAN, of Alabama, chairman of the Rents Subcommittee, are handling the control bill," that it is presumably a statement of fact. I know that between the two Senators, speaking in their own time—I do not think I missed a word of the debate—I have heard them offer, collectively, 5 minutes of defense for the measure, which I think is handling the subject, if not in an inadequate manner, certainly in a rather light manner.

I read further:

The pending bill against which Senator HARRY P. CAIN, Republican, of Washington, is threatening a filibuster, is a compromise with the administration's proposal for a straight 1-year extension of regulation.

The next subtitle is "Night Session Threatened." That was a threat, if that is a proper word to use, which actually was imposed. As I understand, we are now in the midst of the night session which the majority leader threatened.

I read further:

Senator LUCAS told the Senate today that he was going to try to obtain a unanimous-consent agreement on a voting time tomorrow. He said that, if he failed, he would arrange for a night session, then bring the Senators back again Saturday. To speed up action further, the Senate will meet tomorrow at 10 a. m.

That is the first known inaccuracy in the story which I have so far seen. The Senate met, if I am not mistaken, at 11 a. m., and not at 10 a. m., as was suggested by the author of the article.

I read further:

"The Senate must get on with its business," Mr. LUCAS said. "Some Senators are anxious to wind up this session and get back among the folks at home."

Debate on the rent bill was put aside today for a call of the calendar on relatively noncontroversial measures, most of them of local character. When the Senate reconvenes tomorrow, Senator CAIN, who started speaking against the bill Wednesday, will have the floor.

Two States are mentioned in this article whose Senators are said to have been threatened with possibly not coming back to the Senate if they vote against the rent-extension bill whose States have been decontrolled, so far as Federal supervision is concerned. The Senator from New York [Mr. LEHMAN] represents a State which has its own control law. I know nothing about the Senator's political opportunities in the State of New York, and that does not happen to be any of my business. But I know that the rent-control issue certainly should have nothing to do, one way or the other, with his reelection.

The two Senators from the State of Connecticut should not be unduly concerned over what happens to the bill, because, if I understand correctly, the State of Connecticut has previously passed a State stand-by control law, which means that when the Federal Government removes itself from managing rents in Connecticut, if the State of Connecticut sees fit so to do it can merely call into instant operation the law which it passed sometime ago to prepare itself as a sovereign State against the day when the Federal Government would get out of the State of Connecticut with reference to rent control.

At any rate, Mr. President, I thought this story, which was called to my attention early in the day, was worthy of note, in passing, and so it has been offered for the RECORD.

I now want to address myself to a subject which is part and parcel of the whole question, and is probably the most important issue of all, because if we can convince persons generally why controls fail, those persons who are so convinced will be disinclined to place reliance on controls. It should be clear to most of us that it will be impossible for America ever to get proper housing for all the people while we have rent control. I believe that. Many people tell me it is not true, but they have not attempted to convince me on the basis of facts that it is not true.

The spreading out under continuing rent controls will take place faster than new housing will be built. We are creating a more and more false foundation for our whole economy. This was true in 1947, which was the first year in which the Senator from Washington was required to study this question. If I have not mentioned it before I should mention now that as a freshman in the United States Senate, in the early part of 1947, I was complimented by the then chairman of the Banking and Currency Committee, the Senator from New Hampshire [Mr. TOBEY] by being made chairman of the Subcommittee on Rents and Housing of that committee. I received that assignment within 10 days of the time I was sworn in as a United States Senator. The Senator from Washington thought that was growing very rapidly. Being from the West, and for that reason, reasonably modest, he thought such a high distinction should go his elders, and he promptly set about finding out why the member on the bottom of the totem pole had been named by the chairman of the committee as chairman of the Subcommittee on Rents and Housing. He found out in a great hurry. The Senator from New Hampshire admitted, without very much prodding, that the Senator from Washington had been offered the chairmanship of the subcommittee, and, in fact, told to accept it, after the chairmanship had been offered to every other ranking member. The reason the other members did not take the job, as I recall, in the words of the Senator from New Hampshire, was that "they are men of greater political wisdom and experience than are you, an uninitiated young Senator just come from the Pacific Northwest." In other words, no other new or old Member of the Senate would think of accepting in the year 1947 the chairmanship of the Subcommittee on Rents and Housing of the Banking and Currency Committee. It was bound to be a controversial and difficult question, and the main idea was to find someone who knew so little about the question that when he was offered a chairmanship in his freshman year he would grab it before he thought.

The junior Senator from Washington lived up to the ambition of those in authority on the Committee on Banking and Currency to find someone to take that job who did not know anything about it. I have often laughed about that since. As a Member of the United States Senate it is interesting to note in passing, although it is not very important, that by deliberate choice as a result of an appointment which the junior Senator from Washington never did seek—and there was not anything else to do about it, as a matter of fact—the junior Senator from Washington is quite willing to hold in jeopardy his entire political future over this one question of the management of private property by the Federal Government.

The only way the junior Senator from Washington got mixed up in this question is that he did a job which in 1947 none of his elders, possessed as they were with what is known as political acumen, would touch with a 10-foot pole. I have often wondered, if I had had a little more political acumen as of the time I came here and had known what the chairman of the committee had in mind, whether I would have turned it down, and if I had turned it down who would have taken it. It is quite likely that there would not have been any subcommittee on rents and housing, because I was the last ranking member of the Committee on Banking and Currency, and the job had already been offered to everyone else.

By way of showing the pride which the Senator from Washington takes in this question, he never has been frightened off. Whether he remains a Senator for but one term or six terms, he shall never be confronted with an important national question from which he will derive half so much real satisfaction as he has from a study of Federal rent controls, which was imposed upon him early in 1947. I think that experience taught me why controls cannot win or succeed. It certainly convinced me that the sooner we rid the country of artificial controls which create in themselves an artificial housing shortage the better off all Americans will certainly be.

Before the majority leader decides to recess the Senate tonight, the junior Senator from Washington would like to put some more telegrams from Joe Doakeses into the RECORD. I do not use the phrase "Joe Doakeses" in any uncomplimentary sense. There are more Joe Doakeses than there are Senators, Congressmen, governors, city councils, or mayors. They are the heart and the blood and the substance of America. Their only weakness on a question such as this is that they find it difficult to get anyone to represent them proudly and openly and awfully bluntly on the floor of the Senate. However, before we find out who is thinking what about this question around the country, let us talk a little bit hardheadedly about why rent controls fail.

In 1942 more than half of all the urban housing units—that was more than 15,000,000—were rental units. Usually the larger the city is, the greater is its percentage of rental units. In New York, for example, over 70 percent are rental units. Thus, the larger cities find the greater maldistribution and so-called housing shortage. The smaller towns, where ownership of homes was always greatest, find the least maldistribution and shortage.

The occupancy cost of owned homes today is at least double the cost of comparable rental units. Did anyone ever stop to think about that? It was true in 1947. It ought to be clear that while these differences in cost continue, everyone will scramble to get their housing in rental units at half the cost, so we shall always have a shortage of frozen rental units. Most people will do so if they have any sense, and most people have sense. Everyone will scramble to get their housing in rental units. Why? Because they can buy what they want. It is like any other commodity. It is like a suit of clothes. It is buying something at

50 cents on the dollar. Why would anyone buy a house on the unregulated market when he can buy rental space at 50 cents on the dollar? I have been arguing this way for a long time. The only improvement in the situation is that in this year of 1950 there are many more people who agree with me. Whether there are enough, I am by no means certain. Because people will scramble as best they can to get into any rental accommodation which they can get for four bits on the dollar, we shall always as long as that situation continues have a shortage of frozen rental units.

Millions of housing units are now occupied by one or two people, whereas formerly they were occupied by larger families. Is that not a safe statement to make? At the end of this presentation of what I and a good many others consider to be facts on the question of rent control, those who read the RECORD will find a certified table of government figures on housing and occupancy in 1940 and 1947. This table substantiates fully the figures which the Senator from Washington has just quoted. In calculating families a most liberal interpretation of the word has been used by figuring any two or more people living in a dwelling as being a family, whether related or not.

In defining a dwelling I have for the purpose of this argument eliminated rooming houses, hotels, dormitories, trailers, light-housekeeping rooms, and so forth. To put the question in another way, the dwelling figures mean dwellings with utilities and facilities for private-family life. Several individual metropolitan areas are broken down and analyzed just preceding this table. These figures do not represent individual movements, but the exact over-all results. It should be borne in mind that these figures were compiled in April 1947. Since that time almost 2,000,000 new dwellings have been added. Since then the maldistribution has become greater and greater, and the spreading out of the people has continued day by day. These are nothing but hard-headed economic facts by which we have refused to be guided in recent years. I cannot get anyone to deny the validity of those figures.

Let us for a few minutes analyze some of these 34 metropolitan areas and see what happened in our larger American cities.

First. There was an increase of 2,582,000 families and there were 2,642,000 dwellings available to house them.

Second. Two million and eighteen thousand families obtained separate dwellings and 564,000 doubled up.

Third. All 2,018,000 extra families that obtained separate dwellings obtained them by purchase.

Fourth. There was an increase of only 105,000 rental dwellings but there was an increase of 188,000 rental units occupied by one person, so 83,000 families were squeezed out of their rental dwellings.

Mr. President, I am curious about something. The Senator from Washington thinks that not all, of course, but some Senators in leadership and authority ought to be on the floor of the Senate more often. The thought has just occurred to the Senator from Washington, though he expects to do nothing about it, at least for some time yet tonight. It ought to be mentioned that beginning tomorrow the Senator from Washington will attempt in a serious way to amend the bill, to offer amendments to it. It is one thing to be against the bill; I think it is proper at the same time to help to improve a bill, so that if it is finally passed, it is even, in the eyes of the critic, the best bill he thinks it could be made to be.

All afternoon I have had on my desk 10 or 12 legitimate amendments, none of which I have offered, because the Senator from Washington considers himself to be a pretty reasonable man. But I am beginning to wonder how many Senators are going to be in Washington tomorrow. As I understand the rules, every time the Senator from Washington or any other Senator sends an amendment to the desk, he can legitimately ask for a quorum. Perhaps tomorrow we will have, let us say, ten quorum calls, so far as the Senator from Washington is concerned. Perhaps there are other Senators who would like to try, on either side of the aisle, to amend the bill.

If the Senator from Washington were not so much interested in what he thinks is one of the biggest questions this Congress could ever decide, because even at this time of night the Senator from Washington retains a reasonable sense of humor, he would try a quorum call and see what would happen. I wonder what the chances would be of getting 49 Senators here. It might be a very healthy thing to try. The Senate has before it an important public question.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. CAIN. The Senator will yield for a question, of course.

Mr. ECTON. Would the Senator be willing to yield so that the Senator from Montana may suggest the absence of a quorum? Then we will see what will happen.

Mr. CAIN. It is very generous of the Senator from Montana to make that offer. The Senator from Washington would resist it, because he wants to conclude what, in our parliamentary procedure, is known as the first speech of the Senator from Washington on the pending question. If the Senator from Montana or the Senator from Washington suggested the absence of a quorum, the Senator from Washington would lose his right to the floor, which does not mean that he would be prohibited from getting it back again; but he would rather continue for a while, in the interest of continuity. However, the Senator from Washington is grateful to the Senator from Montana for sharing his curiosity over what would happen. We are likely to try it a little later, perhaps at 12 o'clock.

The Senator from Washington does not know exactly what is happening to the Senate in recent days, and what happened before this rent control question came up. In the last 10 days or 2 weeks, because of the volume of other responsibilities, more and more Senators have been absent more and more often, perhaps at home, perhaps in committee. I know the Senator from Washington often is. But are the few Senators on the floor now conscious of how long it has taken in recent days to get a quorum once the absence of a quorum has been suggested?

It is not for me to suggest how the majority leader ought to run his business, but somebody is going to get around to suggesting the absence of a quorum pretty soon; and the Senator from Washington is not kidding about that. I wonder where the Senators are to come from?

Mr. President, the fifth consideration involved in our analysis of these 34 metropolitan areas is that evidently most of the extra 564,000 couples who doubled up could not or did not care to buy dwellings because there were still 335,000 unoccupied dwellings—mostly for sale only.

Sixth. Six hundred and eighty-three thousand dwellings that were rented or vacant in 1940 had been sold and were now owner-occupied. In addition to these, 1,506,000 of the new 1,950,000 dwellings have been sold.

Seventh. There was an increase of 2,202,000 owner dwellings.

Eighth. There are 1,205,000 dwellings occupied by 1 person.

We are talking about a housing shortage, and we are going to try to prove how rent control created it through artificial means, approved and supported ever since by our kind of people in the Congress of the United States.

Mr. President, I repeat, there are 1,205,000 dwellings occupied by 1 person. Nine hundred and two thousand of these are rental units. The average number of rooms per rental dwelling is four.

We would not have had a housing shortage in these 34 areas if rent control had not caused the following maldistribution, spreading out and hoarding, with 564,000 American couples doubled up.

This, Mr. President, is rather amazing:

Increase of rental dwellings occupied by only 1 person	188,000
Increase of owner dwellings occupied by only 1 person	101,000
Unoccupied dwellings (mostly for sale only)	335,000
Total dwellings	624,000

From my point of view there is no real housing shortage in America. There has not been one, from my viewpoint, since 1947, because with 1,205,000 dwellings occupied by one person, and another 335,000 unoccupied dwellings, there can be no housing shortage in these 34 metropolitan areas. There are only 564,000 extra couples doubled up. By decontrolling the 902,000 rental units which are occupied by one person, there would obviously be affected, would there not, enough rental units to take care of all the extra couples doubled up if they desire to rent instead of buying any of the 335,000 unoccupied dwellings which are mostly for sale. These single persons could easily obtain private rooms or share small apartments, as they have always done before.

Perhaps the time has come in America when we no longer want to encourage Americans to do what they did before.

But if we once thought that on the average it was healthy in certain circumstances for Americans to share accommodations with other Americans, and if we still think that to be a proper thing to do when those persons so want to do, we can, if we only will, get rid of the artificiality which has been caused by rent control.

Let us now come back for a minute and note the two impressive figures used by the Housing Expediter and the other Government agencies to impress Congress at the 1948 hearings on rent control. Having been a Member of that Congress I can admit that it, the Congress, was impressed. The first figure was that of the 1,210,000 married couples who were doubled up in these 34 metropolitan areas. This is admittedly an impressive figure only when the balance of the figures is not observed. In 1940 there were 646,000 couples doubled up in these areas.

No one claims there was a housing shortage in 1940. Maybe somebody will claim it tonight, or before the debate is over, but no one ever claimed it in any of the rent-control hearings I have ever attended in 4 years as a Member of this body. We can safely conclude, I think, that there was not any housing shortage in 1940. The couples who were doubled up in 1940 were living with others, for many reasons of their own. Many were living with a widow or widower parent of one of the couples. The older people had large dwellings and needed companionship or care. That has always been true, has it not, in large cities throughout the history of America? Surely they were not doubled up in 1940 because of a housing shortage, because at that time there were 693,000 unoccupied dwellings in these 34 metropolitan areas, and nobody even thought of a housing shortage in that period. Housing was so plentiful and so cheap in 1940 that besides these 693,000 unoccupied dwellings in these 34 metropolitan areas there were 714,000 rental units or dwellings occupied by only one person.

When there was a great housing surplus there were 646,000 American couples living doubled up with others, not because they could not get the space to live apart, but because, for reasons of their own, they did not wish to live apart. Yet in the Banking and Currency Committee hearings on this subject of rent control one witness after another would come before that committee and testify that there was an alarming number of doubled-up married couples in America, and left the positive impression that we ought to be so situated that there would be not a single instance of a married couple being doubled up with another married couple.

In my own view that would not even be the millennium if it came true. It would be the result of a planned economy. It would be because of a determination by the American Government to claim to know more about how American couples want to live with and by each other than do those couples themselves. Obviously most married couples want to live by themselves, but I think there are substantial and understandable and good reasons why there are thousands of exceptions to that general rule. In 1940, when anybody who had anything at all could get all the housing he wanted at a price he was willing to pay, there were 646,000 American couples doubled up with others. At least I think an acknowledgment of that fact is important.

The important and serious figure is the increase of 564,000 in couples doubled up between 1940 and 1947. Most of these couples in this increase actually desired, I think, to have separate dwellings, but were forced to double up. All these 564,000 couples would have obtained dwellings if it had not been for the maldistribution of space that took place. The dwellings would have been available for these married couples if rent controls had not created this great maldistribution and frozen them out.

Mr. President, please, sir, encourage any Member of the Senate to disprove these facts if they can at the conclusion of this debate. I think they cannot.

Even if the measure were to prevail and be passed, and I hope it will not be, if there is no disproving of these facts the Senator from Washington could sit back and laugh, and be sad, too, over the passage of a bill which was not justified by the facts.

The second figure used to impress Congress was the low figure of rental vacancies that existed in 1947 in these metropolitan areas, and I think Senators probably will hear more about that tomorrow, or on Monday, or Sunday, if we meet then, from the advocates of the bill. Those advocates, I think, Mr. President, have a great deal of time coming. They took 5 minutes on Wednesday—period.

I think the advocates of the bill ought to try their best, however inadequate, in my opinion, that will turn out to be, to disprove the economies we are putting into the record for, I think, the first time, since Federal rent controls became a national and controversial question in 1947.

I have already endeavored to show why almost no rental units can possibly exist vacant under rent control. But it is interesting to note that in 1947, in those 34 metropolitan areas, there were a total of 335,000 unoccupied dwellings, mostly for rent only. The average person in 1947, if asked to express an opinion about how many unoccupied units there might be or if asked to give his impression about that matter, would have replied, "Absolutely none." However, Mr. President, the Bureau of the Census advises us that there were a total of 335,000 of such unoccupied dwellings.

RENTAL UNITS BECAME OWNER HOMES

Prior to rent control, thousands of residential homes in all large cities were rental units. Every Member of the Senate knows that. When rents on those homes were frozen, it was not long before controls started to create shortages. Why was that, Mr. President? It was because the owners of those homes, after finding that they could not raise the rent, in a day in which everything else was going up, found it more profitable to sell their homes, rather than to rent them. That was only good sense, of course. Individual homes were the one type of rental units that buyers could get possession of, and thus force out the renters. Hundreds of thousands of these rental homes were progressively sold and taken out of the rental market. Occupants renting them were evicted by the new buyer. This same buying by joint ownership of two- or three-unit apartment buildings also took many rental units out of the market. These units nearly always have a large number of rooms. In the past, these were rented to families with children. Mr. President, we remember that those units were largely rented to families with children. There must be a good, if distressing, reason why that practice has passed. Those units are usually located where there are ample yards and grounds, space for children to play and grow up in. The sale of these units is the principal reason why families with children are unable to find rental units today. Rent control has penalized our citizens of tomorrow by freezing out the children of today.

Goodness, Mr. President. In the name of doing something for people, in the name of liberalism, we have actually done them a great disservice. Let someone tell the junior Senator from Washington—and prove it, if he can—that that comment is not true.

We know that thousands of private and Government war rental housing units were built; nevertheless, we find that out of a total net increase of 2,307,000 occupied dwellings in these 34 metropolitan areas, 2,202,000 of them became occupied by purchase, while only 105,000 became occupied by rental.

Mr. President, for years in this country we have been asking ourselves, "Will building ever catch up with the demand?"—whereas behind our backs what we have done has resulted in actually eliminating housing units from the rental market in America faster than they were built, even with all the high-cost residential building that has been authorized and guaranteed by our Federal Government in recent years.

I think these things are true; that is why it takes time to make them available to other Senators. Certainly I never had an opportunity, when I came to grapple with this problem, to have any information like this. In the past we had to learn it; we had to suffer to get it; we had to travel all over the country to see what the situation regarding rent control actually was. None of this 105,000 increase of rental dwellings became occupied by families; in fact, 83,000 families were squeezed out of rental dwellings, because there was an increase of 188,000 rental dwellings occupied by only 1 person. Where did those 83,000 families go, when they were squeezed out as a result of the continuation of rent controls? I do not know where they went; you do not know, either, Mr. President. But they added to the hysteria which, existing in America, is responsible for a housing shortage, when they did not recognize, because they could not be informed about it, the nature of the problem. The mere existence of rent control made it more difficult for them to get places in which to live.

Mr. President, now I wish to say something in which I very definitely believe, but which I have found it more than casually difficult to convince those who, along with myself, are included in this particular category. I now refer to a subject for which I have the subhead—

VETERANS CHIEF SUFFERERS

Mr. President, the American veteran of the last war has turned out, in fact, to be the chief sufferer from Federal rent controls. I should like to speak to that subject for a few minutes. I hope that veterans who may be in the galleries here tonight or veterans who may read about this matter in the CONGRESSIONAL RECORD, if they do not think what I am about to say is so, will send me their views. However, if they will read these few observations, I think they will be very likely to agree that everything was not as it had been told to them—and for these reasons:

Mr. President, our veterans are the ones who suffered the most from Federal rent controls. For the most part, they have been greatly deceived and misled, although I do not say that has occurred intentionally. A good many million veterans of the United States—and I am saying this, Mr. President, as a Senator, and I am saying this to them, in my own full right tonight—actually were deceived and misled by Federal rent controls. While they were away, Mr. President, what happened? What happened was the most natural thing in the world. It could not have been avoided; but it ought to have been anticipated, and we ought to have run away from having that anticipation come true; we should have avoided that as soon as it was humanly possible to do so, after the war was over. I think that situation, Mr. President, is primarily why I became convinced in 1947 that the longer we had rent controls, the faster we went backward in this country, so far as the provision of adequate housing facilities was concerned, and the more we hurt the American veteran, although we in the Congress were telling him that our lives here in the Congress were devoted to the one cause of recognizing the great contributions made by the veterans. I do not think most Members of the Congress in years gone by knew they were misleading the veterans, although they certainly were, by means of the passage of measures extending Federal rent controls.

Mr. President, while the American veterans were away at war, those who stayed at home spread out and took over most of the homes and most of the rental space from which the American veteran had departed, on his way to far places. I think there is nothing wrong with that conclusion. When the veteran returned to this country, he could not have those renal housing units, even though the veterans were anxious to pay higher rents than were paid by the present occupants, who, on the average, have more space than they have ever had before. It is not that the average American should not have more space than he used to have a long time ago. They ought to have, provided they can pay for it, what they want—but on a competitive market, not on the basis of buying with an inflated dollar what they are not entitled to, in terms of additional floor feet of space. But I am talking now to the veterans, of whom I happen to be one.

We have said to the average veteran, "You must buy or build a home at a false; high price." We have not wanted very often to tell him that the price was going to be high or false. We have simply indicated to him, "You will have to buy a home. The Government will assist you in doing it. Obligate yourself for years under a heavy mortgage." That is what we have been telling them all. Meanwhile, those who remained at home from the war are being protected by the Government in excess housing space at low rent. We have never told the veteran that. We should never have had to tell him that. We should have told the other people of America when the war was over that it was time for them in a reasonable way to shake themselves up and move over a little, in order that the veteran, when he returned, might have a place in which to live. We did not do that. No, we monkeyed around with a Government guaranty of mortgages. We jockeyed around with propositions by which we could help convince the veteran that he was probably getting something which did not cost him very much. We worked out arrangements to amortize the mortgage over a long period of time, and convinced many a veteran we were doing him a favor. We did him the greatest disfavor when we required him to do that, whatever the mortgage terms and however liberal, when we had it within our power to ask those Americans who remained at home during the war to be willing to undertake competitive conditions again when the war's end had been achieved, in order that the American veteran might have a right to compete, also, and find for himself a place in which to live.

Today there are great numbers of childless couples, widows, and others who would like to move into smaller units, but who cannot move. In a free market they would move into smaller units and make space for the larger families. Under our present system all are frozen where they are. Ah, we could probe that particular subject for a very long time. Most States did not impose rent controls. Mr. President, if we remove Federal rent controls what do you think would happen in this direction: How many Americans must there be who, if their rent was raised 10, 15, or 20 percent, would then decide to do what they had wanted to do along about 1941 to 1945, namely, build and own their own homes? It seems logical to the Senator from Washington that there would be literally thousands of such cases. How many people, Mr. President, do you know, possessed of adequate means with which to build a comfortable and convenient home, and who have not done so, but have preferred continuing to live in a rented accommodation for which they were paying with a 1950, 1948, or 1949 dollar at the 1941, 1942, or 1943 level?

The surest way by which we could have created a housing shortage was to do exactly what we have done. We have violated all the natural responsibilities of men and women. We have imposed ceilings, while at the same time we have encouraged an ever-increasing family income. We have made squatters and permanent tenants of many Americans who years ago began to think in terms of home ownership. But why, in recent years, should such persons build houses for themselves, when they can secure adequate housing accommodations by having the Government insist, in many cases, that their landlords subsidize them, when such tenants often are possessed of much higher incomes than are the owners?

A few cities have had large increases in nonwhite population. Many of these nonwhite citizens moved from the South to the northern cities and now live in a more crowded condition than do the whites in these cities. The rent-control agencies and the social workers emphasize this particular phase in calling attention to crowded conditions. This increase in nonwhite population in the northern cities should have some explanation, so that the reader may analyze the whole problem fairly. At least we shall do our best to make the explanation clear.

FACTOR OF CONVENIENCE

These nonwhite citizens usually lived in the South in housing that was crowded and without city conveniences. In the North most of these people enjoy central heating, hot and cold water, toilets and plumbing facilities right within the living quarters, which they seldom enjoyed in the South.

Actually, by comparison, their housing is better in the North than it was in the South. These people are not crowded because of a shortage of money. They are making the highest salaries they have ever made and they have the money to have more housing if it were available. Rent control has caused the housing shortage and, therefore, they cannot expand into more housing. If rent controls were removed these people, as well as the white population, would have more space to live in. I believe this.

Removal of rent control will force those hoarding housing to move into the comparative space they can afford in a free market. This will produce a sufficient number of apartments to take care of all the present shortage. In many areas I think we created such a shortage by artificial means and that, when all the housing will have been restored to a free market, many a builder will lose everything he invested, because it is completely impossible to determine what the housing needs of a particular community are, so long as that community continues to bear the burden artificially created.

A free market will also bring forth thousands with ample means to buy or build, who now rent spacious quarters at a loss to the owner and the Nation. These are the people who should buy or build new homes, not the veterans or young newlyweds who definitely want rental housing units.

I happen to come from a section of the country which prides itself because of the high percentage of its citizens who own their own homes. But those home owners in the State of Washington, in years gone by, bought their homes and fought and suffered for them because they wanted to buy them. What a monumental difference there is between that situation and being forced to buy a home because one cannot find any other place in which to live. In recent years the more substantial people in America have not been the purchasers of homes in great quantities. We have forced the young married couple to buy them, and we have forced the veteran to do what he would generally not be in a position to do until he has been at work for 8 or 10 years. To restate it, out of the goodness of our well-intentioned hearts in recent years we have placed a mortgage of more than one kind over the heads and the pocketbooks of millions of youngsters in this country who are just getting started on the road to married life or have just returned from a war overseas to find no place in which to live. So this gracious, liberal Government—indeed, it is liberal with other people's money—talks a young veteran into buying a house with a mortgage of $14,000 on it, saying, "John, don't worry; we will amortize it over a long period of time. Your payments will be just like rent." That is the albatross that will sink John because, when he comes home some night and says to his wife "Listen, Bessie, we have an opportunity to go from Sacramento, Calif., to Birmingham, Ala.—a new job, a new chance, promotion, advancement," she, being a very cautious girl, says, "No, John; we have a mortgage on our home. You better stay here and try to pay it off." So he stays. The years go by, and there is the same age-old story of a man who could have been a success but became a failure. It will be repeated all over again, partly because the Government strangled his opportunity by continuing to impose Federal rent controls on a nation which ought to have had free competition beginning in 1947. At least, that is the view of the junior Senator from Washington.

I shall now pick out a startling case. A striking example of the fallacy and deception of rent control—and I use the word "deception" not in any vicious sense, but rent control, in my opinion, has actually and concretely fooled and deceived the American people, although I think very few of those who sought to impose it on the American people did so because of any vicious or sinister wish—a striking example of the fallacy and deception of rent control is the metropolitan area of the twin cities of Scranton and Wilkes-Barre, Pa. This large metropolitan area actually has lost population during the last 7 years. These twin cities had a number of vacancies in 1940, and even though they lost 15 percent of their population, over 93,000, during the last 7 years, they now have a serious housing shortage.

That is but one such example I could give. I could get pretty close to that mark in Chicago, which, with much building, and in 10 years an increase in population of almost zero, had great surpluses in 1940, but which successfully achieved artificially a magnificent housing shortage in 1950.

Will some Senator stand up and tell me that those figures are cockeyed?

Let us return to the case in Pennsylvania. I have cited it because the Senator from Pennsylvania [Mr. MYERS] will read the RECORD and may take exception to what I have said. What I meant to show, in using this example, was that in Scranton and Wilkes-Barre, Pa., in 1940, there was a housing surplus, and in 1947 the population was reduced by 15 percent, and by the time they got rid of 15 percent of the population they had achieved a first-class housing shortage.

The Senator from Washington is hopeful that some Senator, either on this side of the aisle or on the other side, will explain to him how it is possible to lose 15 percent of the population over a 7-year period and come out with a housing shortage, when we began with a housing surplus.

That happened in the State of Pennsylvania, and I have used that example, because in due time the whip on the other side of the aisle will, I hope, rise and say that the Senator from Washington is wrong, and endeavor to prove it, though I am satisfied he cannot prove it. So he will go on boosting for another year's extension of rent control.

Most persons know that we never before had a housing shortage in the United States. Prior to 1942, as I understand, under free competition, there never was a time that one could not go into any large city and find a choice of houses or apartments for rent for immediate occupancy. Sometimes the price was high, and sometimes it was low, but there was always rental housing available.

Our present shortage is artificially created by rent control. During the last 2 years we have built more individual dwellings and homes in the United States than in any similar period in our history. In nearly every large city in the United States, newspapers carry columns of advertisements offering thousands of homes of all sizes and descriptions for sale.

The Senator from Washington is constrained to believe that by the time he finishes his remarks most people will have concluded that it is the considered opinion of the junior Senator from Washington that our present so-called housing shortage has been artificially created by rent control.

The homes which are advertised are often vacant and ready for occupancy. Yet we have been talking about a housing shortage for years. What we really have is a shortage of rental units. We shall always have a shortage of $5 bills being offered for $3. We shall always have a shortage of 50-cents-on-the-dollar rental housing, which we have had from the minute we imposed Federal rent control. There is no shortage of houses for sale. Nearly all the frozen-out persons who could raise the money have bought houses. They had to buy them or sleep in the street. I have felt just as sorry for their predicament as has any other American citizen. Now each day houses are becoming harder and harder to sell.

This housing shortage created by law is causing untold maladjustments in our whole economy. Producers of building material, contractors, and labor are charging top prices, and profits, based on the seemingly unending demand which many do not know is false. Removal of rent control would slow down this false demand and create competition, thus greatly increasing the efficiency and decreasing the cost. This would greatly aid everyone who wants to build normal improvements or additions. The farmers and small-town people are now paying high prices because of the great demand for labor and material created by rent control.

The next subject in continuity is trying to fix the blame without criticizing the past. What we are trying to do is to get ready to do the best job we can in the future.

Before I take up that aspect of the case, Mr. President, let me say that I am again curious, as is everyone else, about some other activities. Earlier in the evening I had an edition of the Washington Star which told me that Ben Hogan was not doing so well at Ardmore, Pa., in the fiftieth showing of the national open golf championship tournament. Sam Snead had a little trouble. I think he had a 75 this afternoon. I am told that there is a morning newspaper available. I trust that no one will be very unhappy with me if I enjoy myself personally for a few minutes. For the better part of the past several hours I have been working at my trade in a very serious way. Now for a few minutes, and because it is close to a week end which I may not personally have a chance to enjoy, I want to carry myself and those who may be interested to Ardmore, Pa. Oh, I must stop for a minute. There is a story on the right-hand side of the newspaper on the front page which says:

Control foe holds Senate floor hours; LUCAS angry.

That may or may not be an understatement. I do not know. However, I want to go back to golf for a minute. Then we shall return to the subject to which we mostly keep our attention.

I am surprised. My goodness gracious.

An unknown yesterday by the name of Lee Mackey shot a 64. Today he shot 81. That means that from now on he will be unknown. Well, fame is short-lived in many ways. Senators who do not hanker after golf, as they say in the Pacific Northwest, will not know what a 64 on the first day of the national open must have meant to him. He was an unemployed golf pro. He got into the play-off in an elimination held in Birmingham, as I understand—a play-off for the last place. So he went to Ardmore, in Pennsylvania, where he had never been before, and the official committee, recognizing what was what, and so on, sent him out early in the morning. He did so well that no one watched anyone else in the afternoon. But that was yesterday. There are various ways in which one can get chilled off. Yesterday morning Mr. Mackey started at 8 o'clock. Today, because he had become a big shot overnight, they started him at 2:30. He

shot an 81. From 64, that is 17 strokes. It is too bad he did not shoot an 82, to be consistent, which is 18 strokes higher than he shot yesterday. What time they will start him tomorrow, I do not know. The chances are they will not let him play at all. Perhaps the majority leader and I may come to an agreement on this basis—that we both take off immediately to watch the 36 holes they are playing tomorrow.

The average man is becoming stronger and more agile in every way as time goes on. It used to be that when a man was 30 or 35 in practically any competitive activity he was an old man and all washed up. I am not speaking in defense of any Members of the United States Senate, including the Senator from Washington, but I do want to see what the newspaper says about E. J. (Dutch) Harrison. The majority leader probably has watched him play some fine competitive golf.

E. J. (Dutch) Harrison, the 40-year-old "Arkansas traveler," hummed his way—

"Hummed." That means he sang a little bit. I heard him do it—

around Merion Golf Club's 6,694 yards in 67 shots today to grab the lead in the second round of the national open championship with a 2-day total of 139.

My goodness, let us go back to Mackey. Yesterday Mackey led the tournament by three shots. Today he is behind the lead by six shots. In fact, he must have hit a lot of half shots today in Pennsylvania.

With well over half the big field in, the veteran who now plays out of St. Andrews Golf Club at Chicago held a big-looking, one-stroke advantage over the three players who were pushing him hardest.

I think there is a contradiction in that sentence. A one-stroke advantage, with three golfers looking over your shoulders. I would not feel very confident. The three golfers are Johnny Bulla, of Verona, Pa.; Jim Ferrier, of Chicago; and Julius Boros, of Southern Pines, N. C.

Bulla added a sizzling 64—four under par—to his 74 of yesterday, to leap into the thick of the competition as the title event continued under a searing sun. Ferrier's two rounds were 71–69, Boros', 68–72.

Right behind this trio, all by himself at 141, was little Ben Hogan, the accident-scarred gamester who perhaps was the most feared man in the field at this juncture after the cofavorites, Sammy Snead and Jimmy Demaret, virtually had shot themselves out of sight of $4,000 first money.

This is an understatement. For a subtitle it says:

Mackey blows up.

I thought that was adequately covered in the headline. Why kill the man with another punch after he has been taken reasonably good care of at the outset? We had better follow him, human suffering being what it is among people in and out of public life, and see how he got into this catastrophic situation. I use "catastrophic" in its proper sense. Yesterday, when the junior Senator from New York [Mr. LEHMAN] used the word "catastrophic" in colloquy with me, when he referred to what results come from Federal rent control, I said, "Senator, I dissent. I do not think that is a proper use of the word 'catastrophic'." I hope the junior Senator from New York will agree with the junior Senator from Washington that when an unknown by the name of Mackey goes from 64 on one day, when he led 155 of the best players in America, to 81 the next day, when he probably shot himself completely out of the tournament, it certainly is catastrophic so far as Mr. Mackey is concerned. However, let us read this and then get back to work.

Lee Mackey, Jr., the unknown sensation—

Today he is just unknown—

from Birmingham, Ala., who set a tournament and course record yesterday with a 64——

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. CAIN. The Senator would be pleased to yield for a question.

Mr. HENDRICKSON. I wonder if the Senator will tell us what the headline says.

Mr. CAIN. What headline?

Mr. HENDRICKSON. The headline in the newspaper.

Mr. CAIN. I think that would be a little improper. It happens to refer to the Senator from Washington. [Laughter.] I was deeply enjoying myself until my friend raised that question. I was talking about a very normal activity. I am going back to read that quietly when I have a chance. It says, in substance, that there has been no vote on S. 3181 as of this minute. [Laughter.] That is not literally what it says, but that is actually what it means.

The newspaper goes on to say that Mr. Mackey "blew up under the pressure today and carded a 40–41—81 for a total of 145. Young Mackey with most of the 10,000 fans at his heels, could do nothing right today. Yesterday he could not do anything wrong."

I wonder if any one of us has ever been pursued by 10,000 people who were intent on watching us in a very close race. I have the greatest possible sympathy for the unknown Mr. Mackey, from somewhere in Alabama, who went to his first golf tournament and was the leader the first day, and did not have 10 people in his gallery, but when he became good, 10,000 people came out to see him win or die; and he must have died a thousand deaths today.

I think I have taken enough time to satisfy my own personal wishes, but I do not want this newspaper to get far away. There is much more in it, covering tragedy and success. Competitive golf, outside of competitive politics, I think is the most vigorous, exhausting, and demanding game in all the world.

Mr. President, probably the most damaging effect of rent control on our whole country has been the general acceptance by so many American citizens, including many of our top leaders, of the idea that free competitive practices cannot cure this artificial housing shortage. Thus they are willing to accept public housing as a cure.

Have many Senators stopped often to think about the relationship between what is known as public housing and what is known as Federal rent controls? I hope the patience of my colleagues will permit them to listen for a little while to my interpretation, anyway.

Many people do not recognize the terrible curse of public housing in any country. They do not know that it is the Communist's utmost desire. The American people did not even know what public housing meant until after rent control caused the great false housing shortage and the present confusion. Rent control is truly the father of public housing, the fallacies of which are to be given later.

We have shown by actual Government figures and explanation as to how and why the shortage came about and how it can be cured, but we have not dwelt on many other factors of the housing problem. In the following paragraphs we will present other facts and figures on housing and rent control which have seldom had any publicity. Certainly they have not been very much talked about on the floor of the Senate since first I came here in 1947.

Judges, bankers, editors, industrialists, legislators, clergymen, and even owners of rental property themselves, have been greatly fooled by this false housing shortage which has prevailed in America in recent years.

I was reminded of that as being a fact on the occasion a night or two ago when a great many first-class citizens at the Westchester had a meeting of indignation over the wish of the management to turn the facility into a cooperative. That meeting was evidence of the fact that the people who attended, among the finest citizens there are in Washington, D. C., were almost entirely concerned with their own problem of shelter and not with the question of how it comes about that the Westchester is being offered to us as a cooperative by its management. The people who ought to have been studying and understanding this question, from my point of view, have all too seldom done so.

The American people have been educated and raised under the competitive free-enterprise system. They have never had the opportunity to calculate the evils, confusions, and maladjustments caused by a controlled economy. It is likely, however, that they are going to be given a first-rate chance to understand some of these evils in the days to come, if we decide in June 1950, to extend federalized rent control.

The American people have previously drawn their conclusion on shortages from careful observation. In a competitive free-enterprise system, this usually gave them the correct answer, not always, but usually. Under a controlled economy, many things happen that cannot always be calculated until after the effects have taken place. We have seen this in the recent shortage of butter, coffee, sugar, and so forth.

The false housing shortage has come about in much the same manner as the shortages of the other items. However, it has been more confusing and it has taken us a little longer to find out how it happened. There was one group who were not deceived by this false housing shortage. They are our top economists. These men proclaimed that the very things that happened, would happen, and

that the people would not be able to understand and would believe they had a true housing shortage.

PLAIN EVIDENCE ABROAD

These economists did not have to depend entirely on their reasoning power. They had a perfect example in the European housing situation, where rent control began with the First World War. Rent control, as I said several hours ago, has never been taken off in France and in other places abroad. Each year, by normal observation, the people thought that they had a housing shortage. In a very short time, the Socialistic-minded leaders convinced the people it could not be cured by free enterprise. We hear that being prattled about these days times without number.

The only cure, said such leaders, was public housing. That was the answer to the whole problem, they said. This is always a big step toward totalitarian government. It might be said that perhaps in this country we can adopt methods that have been pursued by others without moving in the direction in which others move. I very much doubt that, but we know that public housing, and the way in which it is now coming into being in this country, is no different in direction from what has happened in totalitarian states abroad. One of the principal edicts of the Marx manifesto was that the government should control housing. By controlling housing, it is easy to control the people. How easy that has been in recent years.

There is not a Senator, I suppose, who has not received letters by the hundreds in recent years which include protests from Americans over how they have been mishandled and mismanaged by the Office of the Housing Expediter. And what is that? A Federal agency controlling the lives and the rights of private citizens.

Today a large percentage of our citizens believe the housing shortage is real. They are almost convinced that free and competitive enterprise cannot cure it. So they become that much easier victims for public housing propaganda. These people have not checked the records of public housing. They do not know that it does little it claims to do. They are not aware that public housing contains within it the substance of pure statism or socialism. Public housing almost invariably is the result of housing shortages created by rent control.

Rent control was presented and inaugurated in this country as an emergency war measure. Most people patriotically accepted it as such—a temporary war-emergency measure. It was to keep rent from soaring in war-industry centers where great increases in population took place. Congress quickly passed this law as an emergency war measure, but at that time instructed rental-control directors to freeze rents only when they became speculative and inflationary in character.

I wonder if most Members of the Senate and of the House remember that the OPA was cautioned at the time it was established by an act of Congress not to be too hasty or anxious to exercise its authority to impose controls on rents? How often has it happened in the short time the Senator from Washington has been a Member of this body that the Congress has passed a law the intent of which was one thing and the administration of which became quite another thing? So it was in this field of Federal rent controls; and probably 8 out of 10 Senators, or 9 out of 10, have completely forgotten that the Congress ever cautioned the control experts to take it easy and go slow.

In a very short time the bureaucrats made it almost Nation-wide, regardless of war industries, abnormal increases of rents, or population. Having some authority they exercised all of it. And because the Congress does not have a police force to watch what goes on with respect to the legislation it passes, and because the Congress is constantly plagued by pressing problems, it did not know how its intent was being violated.

Today some people wonder if rent controls were not actually a scheme of leftists in our Government actually to change the economy of the Nation. I have not looked at it in that way myself. The Senator from Washington is of the opinion that once a law has been created which includes within it new powers, those who administer that law like to exercise such power, and one securing the powers they seek to keep them always.

By way of proof of that conviction, without any personal reference to any of these people, the question may be asked, How many agents of the Housing Expediter has any Member of the Senate ever heard say, "I am going soon to be able to close up my job and to return my whole office staff to private life and private competition?" Senators never hear them say it.

This compromise rent-control measure came not from the Congress which represents the people. It came, I am told, and I think I could establish that to be a fact, first from a meeting held in the office of the Housing Expediter, a meeting held out of desperation and fear and with the pretty sound knowledge that the chances were that pretty soon the Housing Expediter and all his satellites would either be returned to private life or taken on by some other Government agency come June 30 of this year.

It is perhaps just as well to recapitulate by saying that the senior Senator from Pennsylvania [Mr. MYERS] who sits on my left, the whip of the Democratic Party, was a cosponsor with the majority leader, the distinguished senior Senator from Illinois [Mr. LUCAS] of what was known as the administration bill. That bill was offered to the committee. It was finally voted down by a score of 9 to 3. It represented a 1-year extension. We are not talking about a 1-year extension now. We are talking about a compromise which was designed to be the sugar to catch the bumblebees on both sides of the aisle. At least that is my view.

No one seems to know who some of the real authors of this Rent-Control Act are. But we do know in a real way they were not elected legislators who drew the bill. If we check some of the top people who directed rent control in Washington, we find that they were persons who believed in a controlled economy. That is all right so far as the Senator from Washington is concerned; every person in this country is entitled to his own view. However, I think a majority of the Members of Congress do not agree with or support or intend to approve a planned economy, of which continuing Federal rent controls would be a strong foundation stone. Some of those who first administered Federal rent controls knew that they would create confusion and misunderstanding that would make the people believe that they had a real housing shortage. Such persons had the records and experience gained in Europe. They did the job so well that they fooled many of our national legislators, and eventually got them very close to accepting public housing as a cure.

PERPETUATE THEIR JOBS

In recent years we find groups of people working for the Government in our rent-control offices. These people are paid by taxpayers for controlling other people's business. They spend large amounts of Government money to issue propaganda booklets and press and radio reports to perpetuate themselves in control. The more housing confusion they create—the longer their jobs last. Mr. President, that is literally so.

I must look to see whether I have a copy of the Tighe Woods radio broadcast. If so, I must get it and use it fairly soon, because I am reminded of the fact that, quite by accident, I ran across a radio script which the Housing Expediter gave over some radio station—I suppose our memorandum has the information as to which radio station. In that radio message or broadcast he used a number of what I suppose are known in the profession as "tear jerkers." I wish to read that broadcast to those who are here, who may be interested in it because their money paid for it. I can take it sentence by sentence; and, if people are concerned, from it they would develop sufficient charges of irresponsibility against the Housing Expediter to keep him busy straightening them out for the rest of his life. I wish to get it, particularly because I went to the trouble of spending a little of the money of the junior Senator from Washington to find out to what extent the Housing Expediter had told the truth. I was distressed that either he or whoever made up that monkey business did not know how to tell the truth, apparently. Nevertheless, the information was passed out over national radio programs, with the intent of intimidating and misleading his listeners. The pity of the thing is that the Housing Expediter, in himself, is a lovable character, a fellow who often wears a yellow vest with black squares on it. It is not often that we find an American who can wear a vest of that character and be accepted freely among all people. Some persons might be thought queer if they wore such a vest—but not the Housing Expediter. People like him when they know him. I have known him for quite a length of time. As a matter of fact, I was recently in

Chicago, the city from which the Housing Expediter came. I went around and talked to a number of those who used to employ him—employ him; he did not employ them. However, there is no point in trying to rib someone unmercifully. We simply ought to know better what we do in this country.

At any rate, I am fond of the Housing Expediter. I suppose the record indicates that I had more to do with getting him his job than did all the other Members of this body put together, because at the time when the Federal Housing Expediter's nomination came up for confirmation, the chairman of the Banking and Currency Committee placed the subject in the hands of the chairman of the Subcommittee on Rents—who happened to be the Senator from Washington. I had a great many conversations with the intended Housing Expediter. He told me what things he hoped to do. I am not even qualified at this late date to say that he has not tried to do his best. What I must say, however, is that his best has not been good enough, for seemingly he has not been able to control and manage the activities of many of his agents.

Mr. President, I think the Federal rent-control law is one of the most deceptive and malignant laws ever perpetrated on the American people. It has already been established by a number of us that we thought it was a proper thing to do—if an unfortunate thing to do—during wartime. In 1947, we lost our willingness to support a law which is evil in itself, basically. To those of us who feel as I do, Federal rent control is practically a delusion, insofar as it will achieve the ambitions its proponents have for it.

To say that a continuing Federal rent-control law is un-American is, to me, an understatement of the truth.

Federal rent control has in part and in particular instances created a police-state atmosphere, insofar as concerns those Americans caught in its web and trap.

Federal rent control is, in fact, as I have said earlier today, communistic in essence, although I am not maintaining that those who support this law have any part of socialism or communism about them. However, we ought to remember that any communistic nation could do no less than we have done in regulating, through Federal channels, the private property rights of our citizens generally.

Federal rent control has frozen veterans out of housing and has robbed them of their savings money.

Federal rent control has turned class against class.

Federal rent control is creating slums throughout our country.

Federal rent control has cheated many of those who want to rent, because it will not provide them with an opportunity to rent.

Federal rent control has robbed the property owner.

Federal rent control has seriously injured free, competitive enterprise.

Federal rent control has increased the inflationary spiral.

Federal rent control has created an army—if a small one—of Federal bureaucrats, and it has killed State rights—or, at least, I think it has.

Federal rent control takes away the liberty and freedom of both renter and owner. Mr. President, most persons who want to get rid of rent control say, "My goodness gracious, you are curtailing the rights of the owners." However, Mr. President, Federal rent control hurts the renters, as well, because it has frozen them in the quarters they now occupy, and in recent years they have had no choice as to where to live.

Federal rent control has driven into our Constitution a dagger which I think we can take out, if we want to do it and if we recognize the sin of what we have done.

Federal rent control has made crooks, thieves, sneaks, and liars out of both owners and renters who formerly had been good American citizens.

Federal rent control has opened up an avenue of graft through bureaucrats who control rents, and it is breaking down the moral fiber of our American citizens. Mr. President, there is no doubt about that. People are doing business all the time under the table. In my office we receive many letters complaining about such matters, and when we track them down, we find them to be true; for instance, a tenant wants to pay more rent because he recognizes that the rent should go up, and that if it does go up he will get some improvements in which he is interested. So, under certain circumstances, he is willing to pay $50 a month more rent. However, that is against the law written by the Congress and administered by the Office of the Housing Expediter.

We have told American citizens they cannot do what we know to be a reasonable thing for them to do; so they do it anyway. And, once having cheated their Government and gotten away with it, they are likely to get into the habit of cheating each other as individuals. In that case, the fat really will be in the fire.

Rent controls have deceived the American people, or misled them—I like that word better—into believing they have a real housing shortage when, as a matter of fact, the American people have more housing relative to population than they have ever had before.

HAS DECEIVED THE NATION

Our citizens act as if they were plagued with opiates. Millions of normally fair-minded honest citizens are asking for something that they would quickly reject if they knew the facts, or at least I so believe. Leaders in all fields are now loudly voicing their opposition to any totalitarian form of government. Yet, the ironic thing is that many of these same men and women who are against anything totalitarian advocate and vote for Federal rent controls. Eight million owners of rental property are to be controlled, but all other Americans are to have their freedom. Other Senators can go along with that conclusion if they want to, but not the Senator from Washington. I know of many other Senators who feel as I do. It is sad to think that many free-enterprise leaders, who benefit from bargain housing under rent controls, are willing to jeopardize our whole free system for a little cheaper rent. If 8,000,000 property owners lose their freedom, others will lose theirs also in the not too far future. Rent control is the real father of public housing, which is actually the fondest dream of those who would like to communize our Nation.

RENT CONTROL IS A DELUSION

We ought to destroy this law before it destroys our free competitive system. The American citizen enjoys almost four times as much housing space as does the English citizen under socialism, and almost ten times as much space as the Russian under communism. Why should this great country, with the finest housing in the world, whatever its faults may be, find itself in a chaotic confusion, caused by a rent-control law? When its perpetrators first proposed this law, they said it would protect people from skyrocketing rents in war industry centers, where they expected great increases in population during the war.

History shows that some of these persons had no such intention but rather a plan for the complete control of all rental housing in the United States. Once the law was passed, bureaucrats immediately started to list and regiment the renters and owners of rental property in every important town and city in the country. The records show that it was the most firmly held control of all. Nearly every other product that was put under control was allowed to rise in price whenever justification of an increased cost could be shown. In the case of rental property, it was held tight and fast, regardless of the increase in cost. Every type of argument was used to hold it firm. Owners were told that injustices and inequities could be expected in time of war and that nothing could be done about it. So far as I know, nearly all Americans went along with that premise.

HOME BUYERS PENALIZED

A large group of renters did save money under rent control, but think of the great increase in cost to all who did not have rent-control protection. The veterans, the newly married couples, and those who were squeezed out were forced to buy houses at an excessive price, although most of such persons wanted to rent. All that was done was to protect some at the expense of others. Today, all are frozen in or out, and we surely are following in this field of Federal rent control the European trend of collectivism.

Rent control is, in a way, a delusion. It has created chaos and confusion. Chaos and confusion do not result from the removal of rent controls. The very existence of the controls itself creates the chaos. A good leftist would know it would be the natural result, anyway. Such persons hope that we in the Congress will blame free and competitive enterprise for the housing shortage, and thus will accept public housing as the cure. Public housing is the cure. I think the Senator from Washington is on sound ground in making that observation.

VETERANS WERE CHEATED

Under rent control veterans have been deceived and ill-treated. When they re-

turned they were told that there were no rental units for them because of the great shortage. Few of them knew anything about housing or economics, or that this purported housing shortage was artificially created. It was, however, very real. They were told to buy new homes. How many veterans do we know who had to buy new homes because they could not find a place for rent? I am merely trying to tell such a man tonight—and I hope he believes me—why he could not find a home for rent, and why some of us who served with him have been voting against an extension of rent controls in order to protect him—the veteran—ever since we came to this body in 1947. And some of us have taken that action despite the fact that some veterans' organizations, professionalized generally, adopt resolutions in favor of the continuance of Federal rent control. There are some veterans among those who serve in the United States Congress, who have studied this question over a long period of time, as sincerely and as thoughtfully as they could, and who are convinced that nothing more injurious was ever done to the rights of free American veterans than to continue the imposition of rent controls on the country after the veterans returned from fighting fronts all over the world, to find that the continuance of such controls froze them out of the accommodations they had willingly left several years before. After the veteran was told to buy a new home, he did so. These homes were sold at extremely high prices and financed with large mortgages, over a long period of years. The veteran now finds himself living in a home that he did not want, usually far away from transportation and convenience. He actually desired to rent one of the units which is occupied by a single person who stayed home from war.

The Government protects these people in spacious rental units, in many instances far larger than they need or ever used before. Veterans, on the average, would much prefer to pay higher rent than the protected people are paying. They would be better off economically today paying more than the frozen rent.

For example, take any large city where a modern apartment is frozen at $50. These apartments have all the conveniences of transportation, stores, schools, churches, and the like.

Thousands of these apartments were taken over by single persons in every large city while the veterans were at war. Today over 2,000,000 rental apartments are now occupied by one person. These single persons are hoarding housing with Government protection, while the veteran is forced to buy. At the rate we have been building, it would take untold years to build 2,000,000 rental apartments. If controls were removed and the rent rose to $75 on these apartments, instead of the present $50, many single people would move into rooms in private homes or share their occupancy with some other person. The veteran would be better off to pay $75 rent for these apartments than to indebt himself on a $10,000 to $12,000 home far from transportation and other conveniences. This unwanted home will cost at least $100 a month to live in. It will use up his small capital or Government loan that he should save for an emergency.

The Senator from Washington takes it for granted that many an American veteran will not believe the logic which I am offering or that which I have offered, but, fortunately, when they have a chance to read it, many an American veteran will read what I have stated and, first, by instinct and then by study, he will determine it to be the truth. From that time on he will not be concerned, I think, with criticizing those who thrust him out of a home and forced him to buy another home he could not afford, through the medium of Federal rent controls, and he will, I think and hope, insist that future Congresses make no such fundamental mistake in the event we shall encounter any emergency in the days ahead.

During the war all of us were very patriotic. I remember the days of the parades, the flags, the bands, and the martial atmosphere. The Senator from Washington spent about half the war in a public office, where he led the cheering section. The other half of the war he spent, by force of circumstances, in the service, five or six thousand miles away from the State of Washington. As a result of that first experience, bond drives, wounded and disabled soldiers returning from overseas, sailors, marines, and Air Corps people, we used to turn out the honor guard. We would take pictures of them; we would put the veterans in Cadillacs and ride them down the main street. We said to them, "Boys, if your Nation has not been grateful in the past, it is certainly going to be grateful in the future. The first thing we want to give you is the key to the city." It turned out that that was the last thing we gave many of them, and the keys we gave them to American cities did not fit any of the doors. They tried them. I can speak tonight as both a public official who used to tell the men things which were not true, and as a man who came home to find they were not true.

That, in part, answers some questions posed to me from time to time as to why I oppose rent controls with such vehemence. I feel that we in America have unintentionally deceived, confused, and robbed a great many veterans under the guise of Federal rent control.

When one of these $50-frozen-rental apartments is vacated, the veteran has practically no chance to get it. The black market raises its ugly head and stops the veteran from moving in.

The daily newspapers carry columns of advertisements offering new cars below list price, and other items with a high retail sales value, to anyone who will furnish one of these rent-frozen apartments. Any owner with a vacancy can stay within the law and gain from $400 to $900 profit by giving his apartment to someone who offers these salable items at low prices. Thus again, the veteran has little chance and is a victim of rent control.

People without wealth or influence are the people who need rental units most. People with wealth or influence can afford to buy. When a rental unit becomes vacant today, those who need it cannot get it because those with wealth or influence can pay the owner twofold for a bargain rent-controlled unit. They can always find a way within the law. Those that need rental units the most will never get them. They will be forced to buy.

Much has been said and written about the Government financing cooperative apartments for the veterans. Here again, we are deceiving and robbing them. Why should veterans join together on new cooperative apartment buildings which will cost them from $2,500 to $3,000 a room when they can buy fine modern apartment buildings already built and well located for $1,200 or $1,500 a room. The answer is—they can buy these buildings but they cannot get possession, ever though every apartment in the building they buy may be occupied by one person. Here the rent-control law says occupancy is ownership, for low rent, regardless of who puts up the money to buy a building.

The veterans must build at double the cost of what they could buy a building because even if they buy a building they cannot obtain possession.

We have done a lot of good things for the American veteran. We have tried to do good things for him even in the field of rent control, but in the field of federalized rent control we have done him a disservice from which he will not be able financially to recover for years, if ever, and we have actually, because we are continuing up to date the Federal rent-control law, bankrupted the financial opportunities of many young men.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. CAIN. I yield for a question.

Mr. WHERRY. I ask the distinguished Senator if he will yield, and I am asking that he yield without prejudicing his rights to the floor in any way, so that I may present an inquiry to him and also to the majority leader.

The PRESIDING OFFICER. Is there objection to the Senator from Washington yielding without losing his rights to the floor? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, I deeply appreciate the Senator's courtesy twice during his discourse in yielding for a brief recess. I am going to ask him again, if it meets with the approval of the majority leader, if he will agree to yield once more in order that we might see if there is a possibility of working out some arrangement whereby a vote might be taken on the bill?

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Illinois under the same conditions?

Mr. CAIN. I yield.

RECESS

Mr. LUCAS. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes in order that the able Senator from Nebraska and other Senators may confer, with the understanding that the Senator from

Washington shall not lose any of his parliamentary rights.

The PRESIDING OFFICER (Mr. KNOWLAND in the chair). Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate (at 11 o'clock p. m.) took a recess for 10 minutes.

On the expiration of the recess, the Senate (at 11 o'clock and 10 minutes p. m.) reassembled.

EXTENSION OF RENT CONTROL—AMENDMENTS

Mr. LEHMAN submitted four amendments intended to be proposed by him to the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, which were ordered to lie on the table and to be printed.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER. The Senator from Washington has the floor. Does he yield to the Senator from Illinois for a question?

Mr. CAIN. The Senator from Illinois had not made such a request, nor has any other Senator, so I assume the Senator from Washington will proceed.

Mr. President, when the brief, and to me unexpected, recess was called, the Senator from Washington was making a few reflections on the subject of the veterans, a subject very close to the heart of the Senator from Washington, and likewise to the heart of the present occupant of the Chair, the distinguished junior Senator from California [Mr. KNOWLAND]. That is not to say that the Senator from Washington and the Senator from California look at this problem of the veteran in the same way, though very well we might, but it goes without saying that each of us will do all he can, in the way he thinks best, to give the veteran all the legitimate help and assistance to which we consider him to be entitled.

If I remember the record—and in dealing with a problem like this, one studies it very carefully—my mind tells me that the junior Senator from California, for example, voted in 1947 and 1948 for the extension of Federal rent controls, while the Senator from Washington was voting no; but I think that the Senator from California and the Senator from Washington joined hands with a few other Senators in 1949 in voting "no."

To return to the subject, Mr. President, few veterans with whom I have had an opportunity to talk, or few veterans before I had a chance to talk with them, had actually understood how they had been deceived, if unintentionally, by those in their Congress and in their Government who insisted on the continuance and extension of Federal rent control.

Many American veterans today think that rent control is good for their own best interests. They do not realize how it has actually cheated and robbed them of opportunities.

Rent control takes away the rights of American citizens to enter freely into contracts between themselves. It injects into their private business a bureaucrat who dictates all the terms of the contract. It takes private property without just compensation. This is one of the prime privileges granted by the Constitution—the right to enjoy one's private property. It tends to make crooks, liars, and thieves out of good American citizens, both owners and tenants, and opens up an avenue of graft among bureaucrats who operate it. It is truly un-American.

CLASS AGAINST CLASS

Never before in this country have owners and renters been propagandized to feel that they are two different classes and enemies of each other. The use of taxpayers' money for propaganda, encouraging renters to demand subsidies from owners, is one of the greatest ills that can befall our Nation. In all history there has seldom been such antagonism as now exists. The true history of relationship between owner and renter shows the owner has usually been the renter's partner. That was true in many and most of the decades in the history of this country's development and progress and building. I hope it becomes true again. I think it has more nearly become true in the past 15 months in the eight American States which have been removed from the supervision of Federal rent controls.

Earlier in the evening the chairman of the Senate Committee on Banking and Currency, the distinguished senior Senator from South Carolina [Mr. MAYBANK], wondered how his friend Henry Picard was getting along in the tournament. Apparently he is still out on the course. At least the newspaper I looked at an hour ago did not have any reference to Mr. Picard.

When the honest renter was in trouble the owner was in trouble with him. There are millions of American owners who have gone along for months without full rent because they knew their honest renter was in trouble.

All of us know how many times that was true in the depression years of the 1930's. All this good feeling between tenants and owners, American citizens all, has been held in serious jeopardy in recent years under the continuance of Federal rent control.

Today many an owner cannot make money on his property and the renter is being constantly urged to protect his rent-control rights. We have moved so far in a strange foreign direction that 2 nights ago it was possible, in our ancient Capital, for a group of Americans, most distinguished citizens, living in the fine place which I call home while I live in Washington, the Westchester, to meet—I have to keep coming back to this amazing situation—for the purpose of protesting the right of the owner of that rental facility to do with it what he liked.

The Senator from Washington, with knowledge of that meeting in the Westchester the other night, and being a fairly rational man, can only conclude that it might be hopeless to try to lead any fight against the further extension of rent controls. The Senator from Washington, if he thought that most of America's upper 10 percent, or leading citizens, as represented by those who live in the Westchester, have arrived at a considered opinion that they, who have no vested interest in private property which belongs to somebody else, still have today a right to tell those whose capital is invested in that property how to use it, then what would be the use of assuming that the bulk of citizens less well informed and less well educated than the so-called leaders of America could be made to understand how the continuance of Federal rent controls would jeopardize, crucify, destroy, and eventually despoil and besmirch their right to freedom?

What could be worse than the class hatred developed under Federal rent control? No longer can the owner and the landlord freely and in a friendly way get together on any discussion of rent or any other important housing problem. Every move must be checked by a Federal bureaucrat. Of course, such bureaucrats can only survive by confusion. They make certain that propaganda keeps turning the renter against the owner. Rent control, Mr. President, puts Government in control of housing.

It is said now, "The Government has no intention of controlling housing in this country. We are only going to extend it for another 6 months." I think most people are serious when they say, "Let us accept this compromise. It is only 6 months more of something we know to be evil, but we can easily put up with another 6 months more of it." That is not the point. Anything which represents tyranny and oppression must not by free men and women be permitted to survive for a single day beyond any opportunity to destroy it, to kill it. At least the Senator from Washington is of that opinion.

Karl Marx's Communist theory was that Government must control housing and thereby control the people. It has frozen owners and tenants so that neither can move. This Nation is far from being Russia, but is not the extension of rent control for reasons which are unjustified a characteristic which we would expect to find in Communist Russia? Those that are frozen out because of rent controls must build or buy new dwellings they do not want. Most of such dwellings must be financed, as they have been financed in recent years, by a Government guaranty. Thus, a Federal Government, however well intentioned—and I am satisfied ours is, though I oppose it for the most part politically—gets closer and closer to a complete control of all housing. This Government of ours, with our help, and we, the Congress—supposed to be the last best hope of mankind—have created a false housing shortage and so deceived the American people that they are ready in great numbers to accept public housing as the cure.

Let us see—and it will not take long—who wants public housing and what it really is and does. The Senator from Washington would be for public housing if he thought it was a real answer to anything. The Senator from Washing-

ton knows it not to be a fundamental answer to anything because a demand for public housing results entirely from an artificial shortage of rental accommodations caused by the continuance of a Federal rent-control law.

As the Senator from Washington has said repeatedly during the course of this day, public housing to his mind is the child—I would say what sort of a child if I thought it was a proper term to be used—of rent control. I think I would approach the word I have in mind by saying that as a child of rent control public housing has no legitimate name. Its forefathers came from Europe. Many good things have come from Europe—many bad things, too. In Europe in less than 35 years public housing has built slums and even demoralized many people. Today a few clever Communists and leftists hope to lead us to that end, in addition to which in the Senate of the United States some, and quite a number of the finest men I know in this body, the finest Americans, by the way, have led themselves into a conviction that public housing is a necessity.

The omnibus public housing bill which was passed some months ago by the Senate was partly sponsored by the senior Senator from Ohio [Mr. TAFT]. No other Senator could think more highly of the Senator from Ohio than do I, or disagree with him more positively in his conviction that public housing, as provided in that omnibus bill, was a necessity for the American people. I would have to say to the senior Senator from Ohio, and to many other Senators, that there is something wrong with that public housing bill. It has not been accepted quite so generously, quite so freely, quite so spontaneously, and automatically by the American people as was the intention of its sponsors and those who voted so overwhelmingly for it.

The Senator from Washington is inclined to remember that only 12 Senators voted against the final passage of the bill. Maybe the 12 of us who dissented were wrong. We do not think we were. I remember that the junior Senator from Ohio [Mr. BRICKER] joined with the Senator from Washington in offering an amendment to that public housing bill which said, in effect, "If we are going to pass it let us provide through an amendment for a referendum in every American city." We thought it proper then, and know it to be so tonight, that before the Federal Congress imposed a new venture known as public housing on the communities of this land the people ought to be so respected that they would be given an opportunity to express their own point of view.

I cannot remember at this time of night how many cities have had referendums on the question, but what I know at any time of day or night is that no cities have held a referendum because the Congress of the United States helped the city or cities to secure it. We took pains, because the amendment was defeated, though 21 Senators voted for it, to make certain that there would be no referendums in those States which by State statute prohibit or do not provide for referendums. I have just been advised by a member of my staff that referendums on the public housing question have been held in 16 American cities in the past year, and in 15 cases, when the people voted, they voted against accepting what the Congress of the United States offered to them as seemingly a gratuitous gift which the hard-headed common sense of normal American citizens knew that somebody would have to pay for, and those cities, having greater wisdom than do we, living as we sometimes think too close to the fever of the Potomac River, knew that moneys to be appropriated for the fostering of public housing throughout the land could be used to better and more beneficial effect in other ways.

Those who hope to have the Federal Government take over all housing eventually are, to my mind, few in number today; but they have spread their doctrine fairly well. They are dangerous because many persons believe that we can have an economy controlled by bureaucrats, a so-called planned economy, planned by bureaucrats, while at the same time we keep our personal freedom. Mr. President, I believe that no such thing can occur in a representative form of government.

Before I forget it, inasmuch as I mentioned it a minute ago, let me say that I am reminded that in a recent referendum vote in the city of Seattle, a very liberal-minded city, 85,000 American citizens went to the polls and voted; and, by a vote of better than 2 to 1, as I recall, they turned down what on the surface looked like a gift for which no one would have to pay. The question was whether the city of Seattle would accept from the Federal Government approximately 2,000 units of Federal housing. The answer was, "No."

Mr. President, it was last week, I believe, that in the city of Portland, Oreg., a referendum was held, resulting from the determination of American citizens to be heard, after the Congress has said, "We shall not let you be heard." I think the question there was in regard to 1,000 or 1,500 units of public housing. The free citizens of Portland, Oreg., voted "No."

Mr. President, I have forgotten the name of the gentleman—but he is closely associated with the so-called housing group in Washington—who went to Portland, Oreg., to watch the developments of that campaign. When the campaign had been waged and the vote had been taken and the public-housing issue had been defeated, that gentleman returned to those with whom he is associated in Washington, D. C.; and he is reported to have said at a meeting on the subject, "You know, our side did everything we could possibly do. Our propaganda was first-rate. Our people worked hard. Yet we lost. How could that be?"

Mr. President, the explanation of how it could be is that there are still a great many American citizens who know, because they were brought up in a school of simple reality, that people do not get something for nothing, and that a Federal Government which promises one community something which costs something must provide that cost by taking it from other American citizens. Yet, Mr. President, we in the Congress, we in the Senate, thought we knew all the answers; and we thought that all we had to do was pass a public housing bill, and the line would form on the right, and every American citizen would rush to the public trough. However, in 15 cases out of 16, the attempt has failed.

I wonder whether most of those people, who are average Americans, such as those who sit in the galleries this morning or this afternoon or tonight, believe that the Congress was right or that those who live in the grass roots were right. I will forever feel privileged to have had a brief opportunity to sit in what is, in fact, the greatest deliberative body in the world; and I shall continue to place my reliance, not on some types of legislation which are conceived in a vacuum, but in the hard-headed, common-sense decisions which are arrived at by the very best American families, who live in the hinterlands all over the Nation.

Mr. President, the few leaders in America who seek to have the Federal Government eventually control housing, because they know the control of housing controls people, are fully conscious of the fact that Federal rent controls, or, in fact, any other kind of rent controls, will continue to accelerate the creation of an artificial housing shortage. They know the people will not understand why competitive enterprise cannot cure it. They feel sure they can fool and can confuse our legislators; and I think generally their assumption is much more often correct than it is wrong. When our legislators became confused over a developing housing shortage because of their belief that something had to be done somehow, they themselves began a clamor for public housing in the United States.

Mr. President, public housing is paid for with the taxpayers' money. It is politically built and politically operated. Party workers often buy the land, let the contracts, fix the rents, and choose the tenants. Does anyone believe that friends or appointees of politicians, spending other people's money, can do this job as cheaply or as efficiently as it can be done by individuals using their own money? The records prove that in the former case the cost is generally much higher.

MEANS LESS HOUSING

Mr. President, for the past several hours, or even longer, I have been discussing the situation as it developed between the years 1940 and 1947. In 1947 the building industry was working at its peak, in what we call—although we do not understand it, in many cases—free or competitive enterprise. Thus any public housing built in that period would presumably reduce private building by at least the same amount. Actually I think we got less building, certainly not more. The Government would have to outbid private builders for both labor and material. Under public housing, we often—and usually—get less housing, but at a greater cost.

I have nothing personally against one who often is referred to as a bureaucrat. Mr. President, a bureaucrat can be very inefficient or he can be very efficient. He can be very smart or he can be very dumb. He is, in a very large majority of cases, an American who has one great weakness; namely, a bureaucrat, by the very nature of his job, does not have to be responsible to himself for whatever waste of property or time or money or energy he may be responsible for. The bureaucrat operates with things which do not belong to him. He is nothing more nor less than a trustee for someone else's assets. It is simply human nature that when one does not have to pay for his mistakes, he does not work so hard as he otherwise would to avoid mistakes. I have a reasonable concern over the growing size of the Federal Government—not because it is managed by a Democratic administration and because the Senator from Washington belongs to a different political party, but because as the Federal Government increases in number of personnel, it merely adds to the number of those who work with, and supposedly take care of, things which do not belong to them. The risk is too great. The inducements to people to do other than a thoroughly competent job while on the payroll of the Federal Government are too numerous. It goes without saying that the smaller the personnel needed to manage the people's business, the better that business will be managed and the greater the care that will be taken of the taxpayer's dollar. Certainly the men and women of America have given, in an amazingly free and patriotic way, to their Government.

How many dwellings shall be built? The bureaucrats refused to recognize that wages are at their highest peak and that unemployment is almost nil. They say that people cannot pay higher rents than they did in 1940, although their incomes are almost double and even more than that.

Mr. President, how do you account for a contradictory statement of that sort? If they were able to pay X for rent in 1940, with B as the income, could they not reasonably well afford to pay X plus something when the income was B plus 2? The junior Senator from Washington makes no claim to having either a retentive memory or to being very sharp, at this hour of the evening, but it tickles him that he actually could make that equation come out right, so that it will look and be correct on paper when it appears in the RECORD.

By 1947, building costs had more than doubled; and people paid more for everything else, did they not? Yet we, in the Congress, and others in the Federal Government, referring particularly to the managers of the Office of the Housing Expediter, said that with $2 or $3 for every $1 the people had in 1940, it would be inhuman to take a little bit more of that additional income for rent. In 1947, I did not think that the attitude of those who held that position was necessarily un-American; I merely thought it did not make sense; but the Senator from Washington has learned a good deal about this question in years gone by.

There are about 8,000,000 units of property under rent control. There are not that many at this time, in fact, because a good many have been released. But whatever the number was, or is, or may be, of owners of property under control, there will always be a larger number of tenants living in those facilities.

In years gone by I have known public officials who convinced me that they thought it was proper—and from their point of view I suppose it was—to vote on public questions purely on the basis of the number of letters received for and against a proposition. They merely counted the letters, which made life very simple. If a larger number of people wrote favoring a subsidy than wrote opposing it, such a legislator as I have in mind would favor the subsidy. It is not for the Senator from Washington to criticize that legislator, but, if he be interested merely in numbers, it necessarily follows that he must always, so long as he lives, vote in favor of rent control, because there will always be more renters than there are of those who make facilities available for others to rent. Thus, with public housing, everyone who pays an income tax will subsidize a public housing tenant. That may be right. The Senator from Washington thinks it is wrong.

Now, let us consider for a moment how many dwellings the bureaucrats will have to build.

AN IMPOSSIBLE GOAL

I was thoroughly familiar with this phase of the problem because I was given a good course of sprouts or of indoctrination when, as an uninitiated Senator, I first became a member of the Committee on Banking and Currency and served as such for a short time in 1947. Witnesses came before the committee who talked like this: "We will build for low-income families. In Chicago it is to be those with annual incomes of $2,150 or less. To be fair to all such families in the country, that would mean only 12,000,000 housing units."

I think the omnibus housing bill included a provision for 810,000. We start these programs in a very modest way, but if the people of America, through their community referendum votes, continue to turn down the offer of the omnibus public-housing bill to provide them with accommodations, I do not know what we are eventually going to do. I understand those who are interested in fostering the public-housing program, if not indignant, are at least very sad and very much worried. Unless they are able to give away everything the bill calls for, in order that they may come back to us and ask for more, it might come to pass in due time that there will not be any need for them to continue working for the Federal Government. That would be a great pity—a very distressing situation for those involved. It is likely to come to that because the American people are again beginning to sit up and take notice. They are rather coming around to the opinion that the war is over, and they are going to act accordingly. If they do not get a Congress that acts accordingly, they are going to start to make their own kind of Congress.

That is a great thing about America. We have an election coming up in November. The Chief Executive—without prejudice of any kind toward him—has recently made a relatively short tour of the country, during which he was encouraging everyone to give him a Congress that would pass laws offering to give more communities more public housing which, according to the record up to date, more communities could reject. As a Republican, I suppose I should say, in order to be fair, I do not see what sort of sense that would make. The 12,000,000 housing units, to accommodate those with incomes of $2,150 or less a year, will only cost in the future—if that is the direction we are going to take—$150,000,000,000 before we get through; and, if we were serious in trying to place all the people with incomes of $2,150 a year or less in public housing, it would take all the labor and material that could be supplied in America for a decade, even if we stopped all other housing construction. Many of these assumptions will not come true, but there is a high degree of truth in everything I have said.

In Baltimore the intention was to start with a limit of $2,950. In the State of New York there are always more important problems, it seems to me, than there are anywhere else; anyway, the problems are always more costly. What we will do for people in Chicago with incomes of $2,150 we will do in New York for people with incomes of $3,000. But I wonder if it would be fair to give people with incomes of $3,000 new, half-free rental housing and bar taxpayers receiving incomes of $3,100 to $3,500. Where does the whole thing end? I think this has a direct relationship to the pending bill, because we all ought to be willing to agree that the less public housing we need the better, and if there is anything to the case being offered by the Senator from Washington that a demand has developed in front of our eyes because of the continuance of rent control, let us get rid of Federal rent control which will lead us in the direction of minimizing the need for additional public housing.

Are the bureaucrats clever enough to set a point where the renter is barred from public housing? At what point does he stop getting partially free rent? Would it not be better for the renter to work less and make less in order to benefit from half-free-rent housing? I think many an American who is not motivated by a strong urge of ambition inculcated in him by his parents or by solid education will, in the direction in which we seem to be moving, that of public housing, continue to decide the question in this way: "The less I work, the better off I shall be, because my Federal Government is placing an inducement before me if I make $2,150 or less, or, in New York, $3,000 or less, or, in Baltimore, $2,500 or less."

If these housing units could be built by private owners they would cost a minimum of $10,000 each. If built by public-housing contractors they would probably cost more.

What shall we say about the millions of farmers, small-town people and city

people who have worked and saved for years to pay for a home far less costly and far less modern than these new public-housing units? Shall we tax these fine American citizens who are proud of the little home they have bought and paid for, in order to give others, who have not sacrificed and saved, better housing at half the proper rent. Why should not all frugal middle-class citizens also have public housing?

The Senator from Washington cannot answer the question. Perhaps the answer to the question is that in due time all middle-class citizens with limited incomes of $3,000 or possibly higher incomes will be accommodated by public housing; but if they are, I wonder what will happen to the thing called incentive, the desire of the average American human being to make of himself or herself a self-reliant, successful American citizen?

In the opinion of the Senator from Washington, public housing ought to be made available to those Americans who, for one reason or another, cannot take care of themselves. I have said in the past what I think and wish shall not come true, that after the 810,000 units of public housing authorized, I think, in the Eightieth Congress or in the first session of the Eighty-first Congress, are completed, very few of the units—and please do not forget that—will be lived in by Americans who cannot take care of themselves.

That question has been raised and argued in the Senate Committee on Banking and Currency, and many very honest legislators and witnesses for the Government have said that of course the welfare case and the relief case will not be taken care of. Being naive, the Senator from Washington would say, "Why not?" The answer would be, "They cannot pay enough rent in order that the bonds can be paid off in due time." I have said, "Who can afford to pay enough rent, even admitting it is subsidized?" The answer invariably was, "Not those to whom you refer, Senator." The Senator from Washington would still probe it a little bit and inquire, "Does that mean that after we have 10,000 units of public housing every community is still confronted with a relief and welfare public-housing problem for those who cannot house themselves?" The answer has been a very blithe "Yes."

That is some of the information we have picked up in the course of 4 years.

We are fortunate, Mr. President, in having records of several public-housing ventures to prove how it works out. All this information was dug up through research in 1947. During the depression in the 1930's we engaged in several public-housing ventures. The people were not told they were public-housing projects; they were told they were being built to make work for unemployed building mechanics. During the war they were called war housing ventures. Later on they were called veterans' housing ventures. Now the bureaucrats are bolder and they call them housing for the lower-middle-income groups. Self-respect is a magnificent thing.

If the lower-middle-income group is going to be required to be taken care of by the Federal Government, the time is not far off when there will be no one left to take care of the Federal Government. Actually it is all socialized housing camouflaged by another name. If we approve of it, let us be bold enough to say so.

Mr. President, public housing has always been accompanied by propaganda for slum clearance. In the first law ever passed by the Congress of the United States in relation to public housing—the Senator from New Hampshire [Mr. BRIDGES] was here at that time—it was insisted that for every new unit of public housing erected one unit of slum housing must be torn down. I am relating history 13 years too late. Everyone was agreed. So the public-housers went into the byways of America, even to Tacoma, Wash., and said, "Mr. Mayor, here is the situation. This is good stuff. We help you and you help yourself. If you want 500 units of public housing we will give it to you. You assume an obligation for tearing down 500 houses in slum clearance."

If the program ever made any sense, it made sense in 1937. I thought the program made a lot of sense, because everyone wants to do away with slums. But the record is beginning to be pretty clear that there is no direct connection between slum clearance and public housing. Public housing has not thus far done away with the slums. It has not taken care of the people living in slums. Not 10 percent of the people living in slums got public housing. Who got public housing? The clever party workers of the middle class, of whom 30 to 40 percent have incomes far above the standards set as the minimum income for public-housing ventures. This was in 1947. The cry then was, "They must not be turned out, because you know we have a housing shortage." They did not pay any more rent in subsidized accommodations. They would rush back to Congress and plead with us and we would think up another amendment real quick, and then they would sit back and enjoy the free ride from then on.

In New York, in 1947, families with incomes of $3,900 were eligible to stay in public housing. In Chicago, in 1947, a large number of public-housing tenants had annual incomes of from $4,000 to $12,000 a year. They got along quite well at someone else's expense. I think anyone who is sincerely and conscientiously interested in the question of Federal rent control and public housing will want to know a little bit more about the development of the assumptions on which public housing was approved. The basic assumption was that it would do away with the slums of America.

A few short months ago the Congress of the United States passed an omnibus public-housing bill. If I remember correctly, it went through the Senate of the United States first, and again two Senators who are called very conservative and sometimes reactionary, the junior Senator from Ohio [Mr. BRICKER] and the junior Senator from Washington, offered an amendment to the bill. Mr. President, do you know what it was? The amendment was to restore in the bill of 1948 or 1949 what had been thought to be a very reasonable provision in the original bill of 1937, which was that when the 810,000 units of public housing authorized in this latest—I would say—monstrosity had been erected America at least would have the satisfaction of knowing that 810,000 units of slum dwellings had been destroyed.

The Senate of the United States—and every Senator has a right to his own vote and conviction and position—said, "Oh, no, that will gum up the works. This is a modern age. We must move rapidly. We will take care of building public housing on the one hand, and we will take care of the problem of tearing down slums on the other." We will be so busy trying to build public housing that we will never again have time, I am afraid, to be very serious about tearing down the slums.

Mr. President, I realize, certainly, that it is becoming rather late. I think generally it may be agreed by all except the prejudiced—and there must always be some of those—that the Senator from Washington has tried at least to do a competent job of sticking to the subject of why the bill before the Senate, S. 3181, should not be approved. I am presently engaged in relating as tightly as I can the subject of Federal rent controls, or any other kind of rent controls, as a matter of fact, as to public housing. There is much more to be said on the subject. The Senator from Washington is constrained to be interested in making some further observations, perhaps real quicklike, on this subject. For the minute, however, he wants to go back to where he began early this morning with a reference to the prayers of the late Peter Marshall, the great Scotsman. My goodness, we all remember the twirl and twang of that man's brogue. Where he sits tonight, I may have embarrassed him a little bit, unintentionally, by taking so very long to say what Peter Marshall could have better said, through his prayer on Tuesday, June 18, 1948:

> O Lord our God, deliver us from the fear of what might happen and give us the grace to enjoy what now is and to keep striving after what ought to be. Through Jesus Christ our Lord. Amen.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (at 12 o'clock and 5 minutes a. m., Saturday, June 10). The absence of a quorum has been suggested. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Brewster	Hayden	McClellan
Bridges	Hoey	McFarland
Cain	Holland	Morse
Douglas	Humphrey	Neely
Dworshak	Johnson, Colo.	Sparkman
Ecton	Kerr	Thomas, Utah
Ellender	Knowland	Wherry
Frear	Lehman	

The VICE PRESIDENT. A quorum is not present. The Secretary will call the names of absent Senators.

The legislative clerk called the names of the absent Senators; and Mr. CHAPMAN, Mr. HENDRICKSON, Mr. KILGORE, Mr. LUCAS, Mr. MAGNUSON, Mr. MAYBANK, Mr. MILLIKIN, Mr. MUNDT, Mr. MYERS, Mr.

RUSSELL, and Mr. THYE answered to their names when called.

The VICE PRESIDENT. A quorum is not present.

Mr. LUCAS. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

Mr. BREWSTER. Mr. President, is the motion debatable?

The VICE PRESIDENT. No; it is not debatable.

Mr. BREWSTER. Is a question in order?

The VICE PRESIDENT. A question is not in order. The Sergeant at Arms has been directed to produce enough Senators to secure a quorum, and nothing is in order until we secure one.

The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. WITHERS, Mr. MCMAHON, Mr. FULBRIGHT, Mr. STENNIS, Mr. PEPPER, Mr. GILLETTE, Mr. KEFAUVER, Mr. HILL, Mr. JOHNSON of Texas, Mr. O'MAHONEY, Mr. MCCARRAN, Mr. CORDON, and Mr. WATKINS entered the Chamber, and answered to their names.

Mr. LUCAS. Mr. President, I inquire what was the last order made?

The VICE PRESIDENT. The last order was that the Sergeant at Arms be instructed to request the attendance of absent Senators.

Mr. LUCAS. We have spent almost 2 hours, Mr. President, getting about 15 Senators. May I inquire how many more we have to get?

The VICE PRESIDENT. Two more are needed.

Mr. NEELY. I move that the Sergeant at Arms be directed to compel the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. MALONE entered the Chamber and answered to his name.

Mr. KNOWLAND. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. KNOWLAND. To make a motion to adjourn. Under rule V——

The VICE PRESIDENT. The Senator need not read the rule. The motion is in order. It is not debatable. The question is on the motion to adjourn. [Putting the question.] The Chair is in doubt.

Mr. KNOWLAND. I ask for a division.

The Senate proceeded to divide.

Mr. KNOWLAND and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], and the Senator from Tennessee [Mr. MCKELLAR] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Rhode Island [Mr. LEAHY], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business as a member of the subcommittee of the Committee on Foreign Relations.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Indiana [Mr. CAPEHART], the Senator from Missouri [Mr. DONNELL], the Senator from North Dakota [Mr. LANGER], the Senator from Pennsylvania [Mr. MARTIN], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the senior Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Washington [Mr. CAIN], the Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Indiana [Mr. JENNER], the Senator from New Jersey [Mr. SMITH], the Senator from Delaware [Mr. WILLIAMS], the Senator from North Dakota [Mr. YOUNG], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New York [Mr. IVES], the Senator from Michigan [Mr. FERGUSON], and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate.

The result was announced—yeas 13, nays 33, as follows:

YEAS—13

Bridges	Knowland	Saltonstall
Cordon	Malone	Thye
Dworshak	Millikin	Watkins
Ecton	Morse	
Hendrickson	Mundt	

NAYS—33

Chapman	Johnson, Colo.	Magnuson
Douglas	Johnson, Tex.	Maybank
Ellender	Kefauver	Myers
Frear	Kerr	Neely
Fulbright	Kilgore	O'Mahoney
Gillette	Lehman	Pepper
Hayden	Lucas	Russell
Hill	McCarran	Sparkman
Hoey	McClellan	Stennis
Holland	McFarland	Thomas, Utah
Humphrey	McMahon	Withers

NOT VOTING—50

Aiken	George	Murray
Anderson	Graham	O'Conor
Benton	Green	Robertson
Brewster	Gurney	Schoeppel
Bricker	Hickenlooper	Smith, Maine
Butler	Hunt	Smith, N. J.
Byrd	Ives	Taft
Cain	Jenner	Taylor
Capehart	Johnston, S. C.	Thomas, Okla.
Chavez	Kem	Tobey
Connally	Langer	Tydings
Darby	Leahy	Vandenberg
Donnell	Lodge	Wherry
Downey	Long	Wiley
Eastland	McCarthy	Williams
Ferguson	McKellar	Young
Flanders	Martin	

So the Senate refused to adjourn.

Mr. LUCAS. Mr. President, it is almost 2 o'clock, and I wish to make an appeal to Senators on both sides of the aisle.

The VICE PRESIDENT. There is still no quorum present. The roll call on the motion to adjourn did not develop a quorum, and one has not been developed on the point of order.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KNOWLAND. What does the roll call show as to the total number of Senators present?

The VICE PRESIDENT. There are 46. No business can be transacted. There was one Senator lacking to make a quorum before the motion to adjourn was made.

Mr. NEELY. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. NEELY. How many Senators have answered the quorum call?

The VICE PRESIDENT. Forty-eight Senators answered. Then a motion to adjourn was made, and 46 Senators answered. The Senate is bound by the last roll call. The Senator from Indiana [Mr. JENNER] has now come in, making 47 Senators.

Mr. NEELY. During a roll call to develop a quorum, after a Senator has answered but fails to answer in the vote on a motion to adjourn——

The VICE PRESIDENT. Three Senators who answered to the roll call for a quorum did not vote on the motion to adjourn. The Chair knows no remedy for that situation. But if two more Senators come in who did not vote on the motion to adjourn their presence will be noted for a quorum.

Mr. KILGORE. Mr. President, what are the names of the Senators who did not answer the quorum call?

The VICE PRESIDENT. The roll call will show. The Chair is not in a position to answer the question.

Mr. LUCAS. Mr. President, I dislike very much to demand the extreme penalty with respect to getting a quorum, but three Senators who responded on the quorum call apparently left for home after they answered to their names. Mr. President, we must do some business before we quit. I dislike to do what I am about to do, but if we cannot get the three Senators back here, or three other Senators, to make a quorum, I shall move that the Sergeant at Arms arrest the Senators who are absent. I shall make another motion that Senators who are absent be compelled to return to the Senate.

The VICE PRESIDENT. That motion has already been adopted, and the Sergeant at Arms is in process of compelling their attendance.

Mr. LUCAS. So that there may be no misunderstanding, let me say that the Senator from Nebraska was recorded as being present on the quorum call.

Mr. KNOWLAND. Mr. President, a point of order. I think it is perfectly proper that a motion be made under the rule to bring in absent Senators, and to bring in all absent Senators, but I make the point of order that it is not proper under these circumstances to concentrate on any one or two or three absent Senators. The Sergeant at Arms must bring in all of them.

Mr. LUCAS. I shall take care of that situation the way I see it, with all due deference and respect to my good friend from California.

Mr. NEELY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. LUCAS. Yes.

The VICE PRESIDENT. The Senator will state it.

Mr. NEELY. The clerk informs me that since the first quorum call began 51 Senators in all have answered to their names. I submit that because 49 Senators were not present when the yeas and nays were called on the motion to adjourn does not nullify the fact that more than a quorum have answered during the quorum call and the yea-and-nay vote, and that a quorum is present within the contemplation of the rule.

The VICE PRESIDENT. The Chair has no way of determining whether on both roll calls 49 Senators answered, but under the rules and precedents the Senate is bound by the roll call on a motion to adjourn. The fact that other Senators voted on a quorum call and then left, in the Chair's opinion, does not make it possible to add their names to the number of those voting on the motion to adjourn.

Mr. LUCAS. Mr. President, I move that the Sergeant at Arms be directed to compel the attendance of the absent Senators; that warrants for the arrest of all Senators not sick or excused be issued under the signature of the Presiding Officer and attested by the Secretary, and that such warrants be executed without delay.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Illinois. [Putting the question.]

Mr. KNOWLAND. I ask for a division.

The Senate proceeded to divide.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Virginia [Mr. ROBERTSON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY] is absent because of illness.

The Senator from Texas [Mr. CONNALLY], the Senators from Georgia [Mr. GEORGE and Mr. RUSSELL], and the Senator from Tennessee [Mr. MCKELLAR] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Wyoming [Mr. HUNT], the Senator from Rhode Island [Mr. LEAHY], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official committee business as a member of the subcommittee of the Committee on Foreign Relations.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Indiana [Mr. CAPEHART], the Senator from Missouri [Mr. DONNELL], the Senator from North Dakota [Mr. LANGER], the Senator from Pennsylvania [Mr. MARTIN], the junior Senator from Wisconsin [Mr. MCCARTHY], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the senior Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate on official committee business.

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO Conference at Florence, Italy.

The Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the Senator from Nebraska [Mr. BUTLER], the Senator from Washington [Mr. CAIN], the Senator from Vermont [Mr. FLANDERS], the Senator from South Dakota [Mr. GURNEY], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from New Jersey [Mr. SMITH], the Senator from Delaware [Mr. WILLIAMS], the Senator from North Dakota [Mr. YOUNG], and the Senator from Nebraska [Mr. WHERRY] are necessarily absent.

The Senator from New York [Mr. IVES], the Senator from Michigan [Mr. FERGUSON], and the Senator from Missouri [Mr. KEM] are absent by leave of the Senate.

The result was announced—yeas 29, nays 15, as follows:

YEAS—29

Chapman	Johnson, Colo.	Magnuson
Douglas	Johnson, Tex.	Maybank
Ellender	Kefauver	Morse
Frear	Kerr	Myers
Fulbright	Kilgore	Neely
Gillette	Lehman	O'Mahoney
Hayden	Lucas	Pepper
Hill	McCarran	Sparkman
Hoey	McFarland	Thomas, Utah
Humphrey	McMahon	

NAYS—15

Bridges	Holland	Mundt
Cordon	Jenner	Saltonstall
Dworshak	Knowland	Stennis
Ecton	Malone	Thye
Hendrickson	Millikin	Watkins

NOT VOTING—51

Aiken	George	O'Conor
Anderson	Graham	Robertson
Benton	Green	Russell
Brewster	Gurney	Schoeppel
Bricker	Hickenlooper	Smith, Maine
Butler	Hunt	Smith, N. J.
Byrd	Ives	Taft
Cain	Johnston, S. C.	Taylor
Capehart	Kem	Thomas, Okla.
Chavez	Langer	Tobey
Connally	Leahy	Tydings
Darby	Lodge	Vandenberg
Donnell	Long	Wherry
Downey	McCarthy	Wiley
Eastland	McKellar	Williams
Ferguson	Martin	Withers
Flanders	Murray	Young

VOTING PRESENT—1

McClellan

So Mr. LUCAS' motion was agreed to.

The VICE PRESIDENT. The motion having been agreed to, the Sergeant at Arms will execute the order of the Senate.

Mr. MAYBANK. Mr President, I desire to make an inquiry. I do not know that it is a parliamentary inquiry; but I should like to know the last time when Senators were arrested, if the RECORD would show.

The VICE PRESIDENT. The Chair thinks it was 1942.

Mr. MAYBANK. It so happens that I was one arrested in 1942, along with the Senator from Alabama [Mr. HILL].

After a little delay, Mr. WITHERS, Mr. CONNALLY, Mr. BREWSTER, and Mr. GEORGE entered the Chamber and answered to their names.

The VICE PRESIDENT (at 2 o'clock and 42 minutes a. m.). A quorum is present.

The Senator from Illinois.

Mr. LUCAS. Mr. President, it is now 15 minutes to 3 o'clock on Saturday

morning. We have been debating since yesterday morning. I regret that. Obviously I regret that we had to issue all the orders we did with respect to obtaining the presence of Senators. It was the last thing I desired to do.

I regret to find that at least two of the Senators on the other side of the aisle who answered the quorum call, the Senator from Nebraska [Mr. WHERRY] and the Senator from Washington [Mr. CAIN], were not here when the vote was taken on the motion to adjourn. They were the two Senators apparently most interested in continuing this debate.

Mr. President, this is an important question. This is an emergency piece of legislation. I have done everything within my power to grant to my friends on the Republican side of the aisle an opportunity to vote upon this measure at any time on which they would agree; it made no difference to me when, if they would but name the date. Senators well know, and the Vice President well knows, that I asked unanimous consent to vote on this bill and the amendments or any other motions, on Monday next, Tuesday, Wednesday, or Thursday, or a week from Monday; and I could not get a unanimous agreement to vote.

There was some question as to whether I said we were going to have a night session, and whether we were going to terminate the session around 11 o'clock. My remarks may be interpreted any way anyone desires; but I have read them, and the record of the remarks definitely shows that the Senator from Illinois said that if any Senator desired to continue the debate, he would stay here for the rest of the night, or words to that effect, if necessary. It is not my desire, Mr. President, to punish any Senator with a view to keeping him up at a late hour, but I believe, and I think that those on this side of the aisle are of the definite opinion, that the proposition we made this afternoon was more than fair and more than reasonable.

I want to say, Mr. President, that if any Senator on this side of the aisle should seek to carry on a one-man filibuster, as the Senator from Washington did this afternoon, he would not have the protection of the majority leader of the United States Senate. He would carry it upon his own responsibility. If he could get other Senators to go along with him, that would be one thing; but he would not have the majority leader agreeing with him on a proposition of that kind and preventing the Senate of the United States from voting upon a vital proposition such as that of rent control.

I know, Mr. President, that practically every Senator on the other side of the aisle with whom I have talked—and I think they were in good faith—wanted to vote upon the rent-control bill. One of those most interested in the rent-control bill is the Senator from Ohio [Mr. BRICKER]. He is on the committee. He is against the bill. I talked with him at least two or three times during the day. He was anxious to vote upon this measure. Other Senators on the other side of the aisle were anxious to vote; but, because one Senator desired not to vote, other Senators saw fit to protect him. That was their right, Mr. President. But I repeat, as majority leader of the United States Senate, under similar circumstances, I shall not protect a Senator on the Democratic side of the aisle.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. LUCAS. I yield to the Senator from California.

Mr. KNOWLAND. As the acting minority leader, I should merely like to say, first, that the minority leader, the Senator from Nebraska [Mr. WHERRY] is now in the Senate Chamber again. He went home earlier with a temperature. He has had a bad cold. He went home at the urging of the Senator from California and other Senators who knew that he was here with a temperature and a bad cold. I wanted to say that, because I think the RECORD should be perfectly clear as to that situation.

I also want to say that I personally had been very hopeful that we might be able to vote on this bill today. But we have rules in the Senate, which can be taken advantage of, quite properly I think, by both sides of the aisle and by individual Senators, without regard to partisanship.

After all, this is an important bill. The present law does not expire until the end of the month. We are not up against the gun of an immediate deadline. The pending bill has only been debated 1 day. It went over a day because on yesterday we took up the calendar and the entire day was spent on the calendar, and there has been a day's debate today on the pending measure. It seems to me that is not unreasonable under the circumstances. The majority leader at any time could have had an agreement that there would be a motion to recommit, to be made on Monday and that a vote would be taken on it as early as 12:30 or 1 o'clock; or perhaps, if we met at 11 on Monday, by 12 o'clock we could at least have gotten that motion out of the way.

While it is true that we cannot this morning—for it is now 12 minutes of 3 a. m.—get an agreement to vote also on the bill, it is my personal opinion—and I only express it as my personal opinion—that if we could get the motion to recommit out of the way, without too much difficulty or too much additional delay we could get some kind of agreement at that time.

I think we must always keep in mind that many unanimous-consent agreements will have to be reached between now and adjournment, and I think, with a little give-and-take and cooperation on both sides of the aisle, we shall facilitate the business of the Senate.

Mr. MAYBANK. Mr. President——

Mr. LUCAS. Just a moment, please.

I do not altogether disagree with the Senator from California. The only thing the Senator from Illinois desires to reiterate is the fact that I offered, with the support of every Senator on this side of the aisle, any kind of terms which would finally bring the Senate to a vote. It does seem to me, Mr. President, that under those circumstances there should have been a meeting of the minds between the majority and the minority.

I know the Senator from Nebraska has been ill, and perhaps I should not have said what I did a moment ago, that he was absent after the quorum call. He has been ill, and probably should not be present at this time, but it seems to me that we have lost something in the United States Senate because of our failure to reach some kind of an agreement to vote upon a question of this kind. I have never before known of an instance, when I had offered the opposition an opportunity to write its own ticket, that we could not reach some kind of an agreement.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. I only want to say that I shall never be one to vote to shut off debate. But with reference to recommitting the bill, let me say that the committee held lengthy hearings and approved the bill by a vote of 8 to 5. The FEPC bill was a bill on which no hearings were held. I hope that my good friend the minority leader will not insist on recommitting the bill, because then we should have to hold hearings all over again. The Committee on Banking and Currency has plenty of work to do in the interest of the American people.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I want to thank the majority leader for this opportunity of at least defending myself. I have not heard all that the majority leader said. I am surprised that anyone would question the cooperation and the loyalty of the junior Senator from Nebraska. In that respect I will put my record up against that of any Senator in the Chamber. The majority leader knows full well that I have been busy all day long trying to get a unanimous-consent agreement. Just before I left—and he knew I was going—I told him that the only thing about which I was concerned was not the fact that we had not been able to reach an agreement at that time, but that early today I asked the majority leader the direct question as to whether there would be an all-night session. Some Senator had told me that the record was "fuzzy" on that question. The majority leader said there would not be an all-night session. That fact was made known to the Senator from Ohio and other Senators, and I wanted to keep faith with those Senators, and they left upon my own recommendation. That recommendation was based on the statement, in answer to the direct question, the majority leader made that there would be no all-night session. Of course, the majority leader did say that he would remain until the early morning hours if any Senator wanted to speak. I suppose he is going to rely upon some of the colloquy in which we engaged, but he knows that I said to the Senators who wanted to leave that they might go. He knew that as well as I did.

Mr. LUCAS. I did not know anything of the kind.

Mr. WHERRY. I did not yield to the Senator.

Mr. LUCAS. But I have the floor.

The VICE PRESIDENT. The Senator from Illinois has the floor.

Mr. LUCAS. I am yielding to the Senator from Nebraska. But I do not know anything about what the Senator told other Senators. The Senator cannot challenge my integrity.

Mr. WHERRY. I am challenging exactly what the majority leader said.

Mr. LUCAS. The record will speak for itself.

Mr. WHERRY. He said there would be no all-night session, and on his word I let Senators go. I am not talking about an early morning session; the Senator said there would be no all-night session. That is why the Senators left. I think I have a perfect right, as the minority leader, to rely upon the statement of the majority leader that there would be no all-night session. Therefore, Senators were permitted to go to keep their respective engagements.

That is all I have to say, Mr. President. The record speaks for itself. I had hoped that the Senate would recess until tomorrow, return tomorrow, and then the Senator from Illinois could announce at that time that he would keep the Senate in continuous session. That would be agreeable to me, and no Senator would cooperate with the majority leader any more than I would to bring the bill to a vote upon those terms and conditions. That is the exact record. That is the colloquy I had with the majority leader. I think I am the last Senator on this side of the aisle about whom he should complain because of being absent on the last two roll calls, in view of the statement I made and the cooperation he has had from me.

Mr. LUCAS. Mr. President, I have a right to complain about the Senator from Nebraska, if I so desire, so long as I do so in accordance with the rules of the Senate. I merely stated that the Senator left the Chamber and he knew we were trying to obtain a quorum. In the meantime, there was a motion to adjourn and the Senator from Nebraska was absent. I understand he has been slightly under the weather, and I do not hold against him the fact that he left under those circumstances.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. LUCAS. In a moment.

The Senator from Nebraska can interpret the statement in any way he desires, but when he tells me that I knew he told a certain Senator certain things, let me say that I do not follow the Senator around listening to conversations he has with other Senators as to whether they should stay or should go. The truth of the matter is that the Senator from Ohio [Mr. TAFT], who is making such a strong plea for a vote, could be here on Monday, Tuesday, Wednesday, Thursday, or Friday, or a week from Monday, under the proposal which I made. Why does not the Senator lay the responsibility at the door of the Senator from Washington [Mr. CAIN], where it belongs, instead of trying to lay it on the doorstep of the Senator from Illinois?

Here is what was stated in the colloquy to which the Senator has referred:

Mr. WHERRY. Does the Senator mean that we shall have an all-night session tonight?

Mr. LUCAS. No; I do not mean that we shall have an all-night session, to be perfectly frank. We shall probably stay here until 10 or 11 o'clock. So long as Senators want to talk about rent control the Senator from Illinois will stay with them. If they want to continue to talk into the morning the Senator from Illinois will stay with them.

I claim that the fair interpretation of that would be that we could stay here all night if we wanted to, or until the wee hours of the morning. If the Senator from Nebraska told other Senators they might leave, I cannot be responsible for that. The point is that those Senators are not here now.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KILGORE. Is it not a fact that during the early part of the debate this afternoon the Senator from Washington [Mr. CAIN] stated to the majority leader that he expected that at about 5 o'clock he would make a motion to recommit?

Mr. LUCAS. That is correct.

Mr. KILGORE. Is it not also a fact that a number of Senators remained, expecting that motion to be made in order that they might vote?

Mr. LUCAS. Certainly. Not only that, but we were told that there was a possibility that we would have a chance to come to an agreement. The Senator from Illinois had not only one, but three, unanimous-consent requests in mind in order that we might reach an agreement. The Senator from Washington himself advised the Senate that there was a possibility that we would vote on a motion to recommit around 5 o'clock in the afternoon. The commitment he made was much stronger than that which the Senator from Illinois made with respect to staying here until 12 o'clock tonight.

Mr. President, I shall make the unanimous-consent request again. I ask that the vote on the bill, all amendments thereto, and all motions at 4 o'clock on Monday, the time on Monday to be controlled by the Senator from Washington [Mr. CAIN] and the Senator from South Carolina [Mr. MAYBANK] and that no amendments be offered to the bill which are not germane.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. WHERRY. Mr. President, reserving the right to object, the junior Senator from Nebraska substitutes his unanimous-consent request as an amendment to one made by the minority leader, that the Senate proceed to vote on the motion to recommit the bill at 4 o'clock on Monday afternoon, the time between 12 and 4 o'clock to be divided between the proponents and the opponents of the bill.

Mr. HILL. Mr. President, did the Senator from Illinois provide that only germane amendments be offered?

Mr. LUCAS. I did.

The VICE PRESIDENT. There is no motion pending to recommit. There would have to be something in the nature of a request that the vote on such a motion, if it is made——

Mr. WHERRY. I would include in the substitute that the motion to be made will be made, and upon that condition the vote be had on Monday afternoon at 4 o'clock.

Mr. LUCAS. Mr. President, we get right back to where we were. That motion is debatable, is it not?

The VICE PRESIDENT. It is a unanimous-consent request. The first request was made by the Senator from Illinois, and it was to vote on Monday at 4 o'clock, and the request included a vote on the bill, and all amendments and motions. The Chair must put that request first.

Mr. WHERRY. May I amend by striking out a part of it?

The VICE PRESIDENT. A unanimous-consent request is not subject to amendment.

Mr. WHERRY. Do I understand that all unanimous-consent requests are not subject to amendment?

The VICE PRESIDENT. They are not subject to amendment.

Mr. WHERRY. Are they subject to negotiation?

The VICE PRESIDENT. If the Senator who makes a unanimous-consent request accepts a modification suggested by another Senator, it may be put in that form.

Mr. WHERRY. I must have used the wrong word. Reserving the right to object, I now ask to modify the unanimous-consent request made by the Senator from Illinois by providing that a motion be made to recommit, and that the motion to recommit be set for a vote at 4 o'clock on Monday afternoon, the time to be divided as I have already suggested.

Mr. LUCAS. Mr. President, I do not accept that modification.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Just a moment. The Senator from Nebraska may ask the Senator from Illinois if he will modify his original request. The original request, if he does not modify it, must be put. It is subject to objection, of course.

Mr. WHERRY. Mr. President, reserving the right to object, the majority leader well knows that if I am to keep faith with Senators who are interested in the pending legislation it is impossible for me to agree to the unanimous-consent request at this time. He knows that. Regardless of what he says about the junior Senator from Nebraska, I shall protect Senators who are interested. Of course, the Senator from Ohio can come back and vote next Monday. That is not the problem. In the absence of a unanimous-consent agreement the majority leader is attempting to force the Senate to vote upon a measure which has been debated for only 2 days. There is not a Senator who will not agree with me that vote should not be forced upon those who have a right to be heard, that debate should not be cut off, and that those who want to vote should be given an opportunity to vote.

I have been waiting patiently for practically all this session of Congress to get a vote on basing-point legislation. I have cooperated with the distinguished majority leader in helping to get a vote on FEPC legislation about which he has been talking from time to time. I have been as tolerant as anyone could be.

I ask all Senators if they do not think that granting only 2 days' debate on this measure and forcing us to vote tonight, if we do not agree to the unanimous-consent request, is absolutely cutting off debate. I do not think the majority leader wants to do that, but that is what it results in. If we do not agree to a unanimous-consent request, he wants to stay here all night and vote on this measure, when the Senator from Ohio [Mr. TAFT] is in Ohio and the Senator from Iowa [Mr. HICKENLOOPER] has gone to see his daughter. Other Senators who want to vote on the bill have left on the word of the majority leader that there would be no all-night session. I think the only fair thing to do is to recess until tomorrow. Then we shall do our level best to get a unanimous-consent request to vote on this bill. I ask what could be fairer than that.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. WHERRY. I have already said that I would be forced to object.

The VICE PRESIDENT. The Senator from Nebraska objects.

Mr. LUCAS. I modify my request to make it Tuesday next.

Mr. WHERRY. Mr. President, if the Senator makes it Tuesday and then Wednesday and then Christmas again, I shall object.

The VICE PRESIDENT. Will the Senator from Illinois state his unanimous-consent request? Does he make his unanimous-consent request for Tuesday under the same conditions?

Mr. LUCAS. Yes.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. I object.

The VICE PRESIDENT. The Senator from Nebraska objects.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. LUCAS. Yes.

Mr. GEORGE. My colleague [Mr. RUSSELL], who has been in the Chamber most of Friday, Friday night, and to this early hour of Saturday morning, wishes unanimous consent to be absent from the Senate until Monday morning next.

The VICE PRESIDENT. Without objection, it is so ordered.

DRAFT-EXTENSION BILL

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MORSE. Mr. President, I ask unanimous consent to have published in the body of the RECORD a brief statement which I have prepared on an amendment to House bill 6826.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MORSE CONCERNING THE RUSSELL AMENDMENT TO H. R. 6826, THE DRAFT-EXTENSION BILL

I wish to make it clear that I was not present at the meeting of the Senate Armed Services Committee Thursday when the committee voted to report the draft-extension bill with the Russell amendment. Unfortunately, I was at that time attending a meeting of the Senate Committee on Labor and Public Welfare.

Had I been present at the Armed Services Committee meeting, I would have opposed the Russell amendment, which has the effect of destroying progress made in the direction of eliminating segregation and discrimination in the armed services.

In my judgment, the Russell amendment is in direct conflict with the stated policy of the administration, as well as contrary to sound Republican principles. It would seriously hamper the military in making full and efficient use of manpower and would be a long step backward to the undemocratic racial policies which have caused so much criticism of our military organization.

It is my earnest hope that the Senate will reject the Russell amendment.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. A quorum having been developed, does the Senator from Illinois wish that the order heretofore issued be rescinded?

Mr. LUCAS. I ask that the order heretofore issued be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. LUCAS. I hope the country will understand the situation and realize that we cannot get a unanimous-consent agreement to vote on this bill at any time within the next week or, as the Senator from Nebraska has said, between now and Christmas.

Mr. WHERRY. O Mr. President, will the Senator yield?

Mr. LUCAS. Yes.

Mr. WHERRY. Let us keep the record straight. The Senator from Illinois made a unanimous-consent request for Tuesday, then for Wednesday, and then he asked, "Will you give a unanimous consent for a vote next Christmas?"

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. The Senator from Illinois has yielded to the Senator from Nebraska.

Mr. WHERRY. I did not say that we would not consent to a unanimous-consent agreement. I said we would come here tomorrow to do our level best to work out a unanimous-consent agreement. If the Senator from Illinois asks for such an agreement any time tonight, even though the vote is set for Christmas, I shall have to object.

Mr. LUCAS. There is no disagreement at all on that. I am glad the Senator made that statement, because we are in total agreement on exactly what was said about Christmas.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. MAYBANK. I want to say that I am in thorough accord with the senior Senator from Illinois about Congress adjourning on July 31. I hope when we meet later today we can agree upon a time to vote on the rent-control bill. I say that because I gave my time to it on the committee. We had hearings on it. This was no FEPC bill, on which we did not have any hearings. I hope that later in the morning, if the Senator from Illinois thinks the Senate should now take a recess, we can agree to vote on the bill at a reasonable time. I have no quarrel about the bill one way or the other. I hope we can get along with the business of the Senate and the business of the people.

Mr. WHERRY. Mr. President, I wish to say that I appreciate the suggestion of the distinguished Senator from South Carolina. I have already told the majority leader that the minority will cooperate with him in working out a program designed to bring about the adjournment of Congress on July 31.

It is now 3 o'clock in the morning, and I suppose Senators are somewhat fatigued, but if we are to do what the majority leader desires, there will have to be cooperation, and I certainly think the junior Senator from Nebraska is not unfair when I say that after just 2 days' debate the only sensible thing to do is to recess until tomorrow and then try to work out a unanimous-consent agreement.

The VICE PRESIDENT. Tomorrow will be Sunday.

Mr. WHERRY. Very well; then I suggest Saturday, today. Or let the Senate go over until Monday, and work it out on Monday.

The VICE PRESIDENT. There is nothing now pending before the Senate.

DEATH OF MRS. ARTHUR H. VANDENBERG

Mr. NEELY. Mr. President, I ask unanimous consent for the immediate consideration of the following resolution:

Resolved, That the Senate has learned with profound sorrow of the death of Mrs. Arthur H. Vandenberg and extends its sincere sympathy to her bereaved husband, the illustrious senior Senator from Michigan.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution read by the Senator from West Virginia?

There being no objection, the resolution (S. Res. 294) was considered and unanimously agreed to.

Mr. WHERRY. I wish to join with other Senators in extending to the distinguished senior Senator from Michigan and to his family sincere condolences on the death of Mrs. Vandenberg. I did not know until I came on the floor and heard the resolution offered by the distinguished Senator from West Virginia [Mr. NEELY] that Mrs. Vandenberg had passed on. I am sure I speak the sentiments of every Senator on the floor when I say that we deeply regret the death of Mrs. Vandenberg, and that we extend to the senior Senator from

Michigan, as well as to his family, our deepest sympathy and condolences.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

Mr. JOHNSON of Colorado. Mr. President, I should like to propound a question to the majority leader, if he is willing to answer a question.

Mr. LUCAS. I will answer if I can. I am slightly fatigued.

Mr. JOHNSON of Colorado. I am sure the Senator can answer the question. I am wondering why the majority leader opposes a vote on a motion to recommit the bill. I have noticed that when we reach the point of voting on motions affecting a bill, usually we dispose of it. If there is a motion to recommit the bill, and a time is set for a vote on the motion, it seems to me that we are making progress, and it should be a very wise thing to do, because certainly we will be faced with such a motion, if there is any Senator who desires to make it. I have seen bills handled before, and whenever we start voting everything begins to dissolve, and we finally reach a conclusion.

Mr. KILGORE. Mr. President, will the Senator from Illinois yield?

Mr. LUCAS. Mr. President, I was about to make a statement along the lines of the suggestion of the Senator from Colorado. I was going to say, when I was interrupted by my eloquent friend the Senator from Nebraska, that we have tried in every way possible to get a unanimous-consent agreement to vote on the bill. I have given the Republicans the green light today to do whatever they wanted to do about a vote on the bill. I have not been able to get any sort of an agreement. Now, it is late in the morning and I should like to make another suggestion. I do not know whether I can get this kind of an agreement or not.

The Senator from Washington said this afternoon that he would probably make a motion along about 5 o'clock to recommit the bill. I should like to ask unanimous consent that the Senate vote today, at 4 o'clock p. m., on the motion to recommit the bill to the Committee on Banking and Currency.

Mr. WHERRY. If the distinguished majority leader will modify his request so that the vote would come on Monday at 4 o'clock, I should be glad even to make the motion, in the absence of the Senator from Washington, to carry out that part of the agreement. I will make it now if it is necessary to make the motion if the majority leader will modify the request so that the vote will come on Monday at any time the majority leader desires. We may vote 1 hour after the convening of the Senate if necessary. We will cooperate in every way.

I deeply appreciate the statement made by the Senator from Colorado. What he urged was the argument I used this morning in attempting to get a unanimous-consent agreement.

I suggest to the majority leader, in all friendliness, that he modify his request so as to make the vote come on Monday, and fix the hour at any time he desires after the convening of the Senate. I will make the motion now to recommit, in order to get the matter settled, and will completely cooperate to get the unanimous-consent agreement entered into.

Mr. President, may I make a motion to recommit at this time?

The VICE PRESIDENT. A motion to recommit is in order at any time.

SEVERAL SENATORS. Vote! Vote!

The VICE PRESIDENT. Senators will be in order. There is not anything before the Senate to vote on except the bill.

Does the Senator from Nebraska wish to make the motion?

Mr. WHERRY. Yes, I should be glad to, if the Senator from Illinois will modify the request.

Mr. LUCAS. I would suggest that the Senator make the hour 1 o'clock Monday.

Mr. WHERRY. I will do that. I will make the hour 1 o'clock, the time to be equally divided between 12 and 1 o'clock, if that is agreeable to the majority leader.

The VICE PRESIDENT. Does the Senator from Illinois modify his request?

Mr. LUCAS. I should like to have the motion to recommit come from the other side.

The VICE PRESIDENT. The Senator from Nebraska moves that the bill be recommitted to the Committee on Banking and Currency. Now the Senator from Illinois asks unanimous consent that at 1 o'clock on Monday next the Senate proceed to vote on the motion to recommit, and that from 12 o'clock until 1 o'clock the time be equally divided, to be controlled, respectively, by the Senator from Washington [Mr. CAIN] and the Senator from South Carolina [Mr. MAYBANK]. Is there objection?

Mr. MAGNUSON. Mr. President, reserving the right to object, I cannot substitute another unanimous-consent request, under the ruling of the Chair, but I wish to make a statement.

There is no reason why the United States Senate tonight, since we have a quorum present, cannot vote on the bill or the motion to recommit. There is no reason why we should "kid" the American people any longer. There are certain Members of the Senate who are honestly against the extension of rent controls. There are others who believe that rent controls should be extended even longer than the bill calls for.

I believe it to be a travesty on the United States Senate and democratic processes for us to fool around here about unanimous-consent agreements. All that has happened today on the other side of the aisle has been nothing but a stall. Every Member of the Senate tonight knows how he is going to vote on the bill and on the motion to recommit. There is a quorum present. We can vote on it now. We have much business to do in the Senate.

Mr. BREWSTER. Mr. President——

Mr. MAGNUSON. Just a moment. I have the floor.

The VICE PRESIDENT. The Senator is reserving the right to object.

Mr. MAGNUSON. I have only 5 minutes. I do not see any reason at all why the Senate should not vote on this proposition now, or later today, and get it over with. We have all kinds of important legislation to be considered. The pending bill is not one that is new to the Senate. We have had it here now for almost 6 or 7 years. The same propositions are involved, the same testimony is involved, and I should like, if someone objects to the unanimous-consent request of the Senator from Illinois to propose another unanimous-consent request that we vote on the motion today, Saturday, at 1 or 2 o'clock, or 3 o'clock p. m.

The VICE PRESIDENT. The question is, Is there objection to the request made by the Senator from Illinois?

Mr. LEHMAN. Mr. President, reserving the right to object, I wish to point out that it is unreasonable, in my opinion, to ask for a vote on the recommittal of the bill without simultaneously setting a date and an hour when the bill itself can be voted on. If we vote on a motion to recommit, whether it be later today or Monday, without having a unanimous-consent agreement with regard to the time when we vote on the bill, we are going to be in exactly the same situation in which we are now. This is, frankly and honestly stated, a filibuster. There can be no doubt about that. It is my opinion at least that the intention is to delay action on the bill until it cannot be passed in time to continue in effect the present law, which expires on June 30.

There is no doubt that the bill has to be passed by the United States Senate, and later it must be passed by the House of Representatives. Then there must be a conference. Then the bill must go to the President. We have very little time to lose in this matter. I think any proposal for agreement to vote on a motion to recommit should be accompanied by a unanimous-consent request to vote on the bill within a reasonable time after the disposal of the motion to recommit.

The VICE PRESIDENT. Is there objection to the unanimous-consent request?

Mr. MAGNUSON. Mr. President, I object to the unanimous-consent request, and I wish to propound another unanimous-consent request.

The VICE PRESIDENT. The Senator from Washington objects to the request of the Senator from Illinois.

Mr. MAGNUSON. Mr. President, I propose a unanimous-consent request that the Senate vote on the motion to recommit the bill, the bill itself, and all amendments thereto, at 3 o'clock on Monday.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. I shall have to object to that.

The VICE PRESIDENT. The Senator from Nebraska objects.

The question now is on the motion to recommit.

Mr. HUMPHREY and other Senators asked for the yeas and nays.

Mr. MAYBANK. Mr. President, when I addressed the Chair a while ago and asked to receive recognition, my only purpose was to find out how the time was proposed to be divided, because certain Senators had asked me what time they could speak on Monday. I wanted the RECORD to show that.

Mr. BRIDGES obtained the floor.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MCCLELLAN. How long does the Senator expect to speak?

Mr. BRIDGES. I would say for 1 to 2 hours.

The VICE PRESIDENT. The Senator from New Hampshire is recognized.

POLITICAL PARTIES AND PERSONAL RESPONSIBILITY

Mr. BRIDGES. Mr. President, the Senator from New Hampshire proposes to address the Senate. This morning I want to discuss the differences between the various kinds of government in the world today.

Broadly speaking, there are three kinds of government in our world. There is the dictatorship—a one-party system of government. Under this plan a minority or dissenting opinion is extremely dangerous; it results in liquidation.

Then there is government by coalition—a multiparty system of government. In France, for example, there have been as many as 22 parties represented in the Chamber of Deputies. None of these parties has enough strength to operate the government. So several parties form a coalition in order to have a government. The cabinet lasts as long as the coalition lasts—falls when a minority party withdraws its support. Even the Communists get in on this coalition. They blackmail the other parties by threatening to withdraw support unless concessions are granted.

Then there is the two-party system of government. This is our system. It is far superior to the other two. Under it, our Nation has furnished mankind's finest example of political, social, and economic advance. We should cherish and protect our two-party system.

Now, all Americans are not automatically members of one of our parties. Not all Americans are either lily white liberal or black conservative. There are shades of opinion. We have minorities in America. And we have a place for minorities in our two-party system.

There are two important facts here. First, our traditional American strength has been found in vertical differences of opinion. What is a vertical difference? We draw our lines from top to bottom. We have rich and poor; good and bad; laborers and managers; Jews and gentiles; Catholics and Protestants; farmers and consumers; representatives of all classes and all creeds and all colors in each of our parties.

A second fact is that each party, in essence, represents a coalition. But the important difference is this: our coalitions are formed before our elections. And our coalitions agree, in advance, to be responsible for our Government for a specified period of time. The voters can realine the coalition every 2 years by changing the political power of Congress.

Now, there is an inherent danger in our system—an eventuality we must guard against. We support the idea of a vertical separation of opinion, cutting our population from top to bottom. But the danger is that our two parties will become so much alike in what they represent as to offer our voters no clear-cut choice.

The Democrats—through their press and radio—have attempted to sell this idea—the idea that our voters have no clear choice. The Democrats say, "We have a clear-cut program." They claim that the Republicans say, "Me, too" and "Yes, but."

I say the voters have a very clear choice. I say it is our duty to present the issue so clearly that the voters can make no mistake.

The Democrats represent big government, committed to the theory of the welfare state. I like a switch on that word. I like to call it the farewell state, the end of America as we know it. But the best descriptive term probably is the "hand-out state." This is a theory of government which presumes that individuals cannot help themselves at any political level below the stage of Federal planning.

The Republicans represent the idea of individual freedom of choice which we call the opportunity state. This theory of the Republicans holds that men can solve most of their problems by their own initiative—and more of their problems on a local, county, or State level than on the Federal level.

There are two compelling reasons why America needs the Republican Party: First, the idea of the hand-out state is unsound. Although this point is widely debated, I feel that our ideal of the opportunity state is clearly more thoroughly in accord with our democratic traditions.

The second reason why America needs the Republican Party is that the Democratic coalition no longer is capable of furnishing responsible government. Why? In the first place, the coalition assumes too much of a horizontal cleavage to represent American thinking. In the second place, the members of the coalition actually do not support the program for the hand-out state.

Let us examine this Democratic coalition. In reality, it is a monstrosity, conceived in political expediency, and dedicated to maintaining itself. What are its components? It is presently ruled by the offspring of a big city political machine, a child of boss rule. In our largest cities, for the last seven or eight decades, we have periodically suffered the misrule of political machines—controlled by bosses who sometimes derive their financial support from the pay-off of organized crime.

Another part of the Democratic coalition is found in the support afforded by the illogical leftists, those who have prostituted the meaning of a word by calling themselves liberals. Who are they? The American Labor Party in New York; the Americans for Democratic Action; the Socialists, who supported Norman Thomas as a presidential candidate seven times, but whose swing to the Democrats has prompted Mr. Thomas to retire from the presidential lists; and the Communists.

Who else are Democrats? The big union bosses. From their tremendous treasuries, built from the tribute of the workingmen who pay union dues, these bosses, many of them living like feudal lords, dispense campaign funds in expectation of political reward.

Who else are Democrats? A group I call the blind followers, the solid South. Here are people who were wounded deeply in a great Civil War. They fought that war to protect their economic system. They lost the war. They turned to the Democratic Party as a measure of opposition against the Republican administration which happened to be a war party. They have been blind followers ever since.

Why cannot the Democrats furnish the Nation with responsible government? I think I can show you, Mr. President, with a very simple example.

During the 1948 presidential campaign, as will be recalled, President Truman ran against the Eightieth Congress. He did not run against Thomas Dewey; he took on Congress. At that time he listed 29 bills which he said the Eightieth Congress could have passed in 15 days. The Congress, he said, would thereby have disposed of all the Nation's problems. His 29 bills were, in effect, his platform for reelection.

Harry Truman was elected. The Eighty-first Congress was controlled completely by his party. The Democratic Party claimed it had a mandate from the people. The Eighty-first Congress is nearing the end of its second session. It expects to adjourn in July. What has it done with this so-called mandate? What has Mr. Truman accomplished? How effective has the coalition been?

Well, Mr. President, of the 29 bills President Truman mentioned, parts of 7 have been passed by the Congress his party controls. Remember that he said the Republican Eightieth Congress could have passed all of his 29 bills in 15 days. The Democratic Eighty-first Congress has been in session over 400 days. It has passed parts of seven of his bills.

Do you know what the seven were? First, a loan for construction of the United Nations' headquarters; second an authorization of a National Science Foundation; third, an amendment of the displaced-persons law; fourth, extension of reciprocal trade agreements; fifth, an increase in the minimum wage to 75 cents an hour; sixth, the Taft housing bill; and, seventh, a revision of Federal pay schedule—upward, of course. The point is clear. The Democratic coalition does not believe in the Fair Deal or the hand-out state. If a party does not produce when it is in control, it is not furnishing competent or responsible government.

Mr. WHERRY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. BRIDGES. I yield for a question.

Mr. WHERRY. Mr. President, a few moments ago I moved to recommit the bill to the Committee on Banking and Currency. I now withdraw that motion.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. BRIDGES. Mr. President, I believe the failure of the Democrats to enact their program for the hand-out state proves, indirectly perhaps, but nonetheless proves, that the voters really want the opportunity state.

I have a 14-word platform as a basis for building the opportunity state. But before I discuss my suggestions, let me give you a brief résumé of some of my experience as one of 96 Members of the United States Senate since January 1, 1937.

There have been two great fights raging in Congress during the last decade and a half. The third has been the battle to balance the budget. A Democratic Congress has never given this Nation a balanced budget since 1916. A Republican Congress has not failed to balance the budget during the same period.

Mr. WHERRY. Mr. President, will the Senator yield, with the understanding that by doing so he will not lose the floor?

Mr. BRIDGES. I yield for a question.

Mr. WHERRY. I ask that the Senator yield, with the understanding that by doing so he will not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, a moment ago I asked to withdraw my previous motion. I made the request because I felt it would be in the interest of the unanimous-consent request.

I shall be glad to make the motion again if the majority leader feels that there is an opportunity to obtain a unanimous-consent agreement to vote on the motion; in that event, I shall be glad to renew the motion and to cooperate in any way.

Mr. President, I now ask whether the majority leader has anything of that sort in mind. If so, I shall be glad to cooperate.

Mr. LUCAS. Mr. President, I shall make the same unanimous-consent request if the Senator from Nebraska will renew the motion to recommit.

Mr. WHERRY. Mr. President, in view of that statement by the majority leader, I again move that the bill be recommitted to the Committee on Banking and Currency.

Mr. LUCAS. Mr. President, in connection with that motion, I ask unanimous consent that the vote on the motion made by the Senator from Nebraska be taken at 1 o'clock on Monday next.

The PRESIDING OFFICER. The Senator from Nebraska has moved that the bill be recommitted to the Committee on Banking and Currency; and the Senator from Illinois has asked unanimous consent that the vote upon the motion be taken on Monday next at 1 o'clock p. m. Is there objection?

Mr. MAYBANK. Mr. President, reserving the right to object——

Mr. WHERRY. Mr. President, let me ask whether it is the intention of the Senator from Illinois to include in his request a provision as to the division of the time prior to 1 o'clock on Monday.

Mr. LUCAS. Mr. President, I include in my request a further request that on Monday the time between 12 o'clock noon and 1 o'clock p. m. be equally divided between the proponents and the opponents, and to be controlled, respectively, by the Senator from Washington [Mr. CAIN] and the Senator from South Carolina [Mr. MAYBANK].

The PRESIDING OFFICER. Without objection——

Mr. MAYBANK. Mr. President, I wonder why the time should be set at 1 o'clock. Would the Senators be equally agreeable to having the time set at 4 o'clock?

Mr. WHERRY. Anything will suit me.

Mr. LUCAS. The only point is that if the time for voting is made 1 o'clock, it will then be possible, as the Senator from Nebraska has suggested, that we might finish action on the bill that afternoon.

Mr. WHERRY. Yes.

Mr. LUCAS. If the time for voting were set at 4 o'clock, that would make it practically impossible for final action to be taken on the bill on that day.

However, if there is a unanimous-consent agreement that the vote be taken at 1 o'clock on Monday, then there will be the possibility that following the vote at 1 o'clock on the motion to recommit, if the motion to recommit is not agreed to, we might possibly be able to conclude action on the bill that afternoon.

Mr. WHERRY. That is correct. We would cooperate in every way.

The PRESIDING OFFICER. The Chair understands that the motion to recommit the bill has been made, and that the unanimous consent request is, as has been stated, that the vote on the motion to recommit be had on Monday, next, at 1 o'clock, with the time between 12 o'clock noon and 1 o'clock p. m. to be equally divided between the proponents and the opponents, and to be controlled by the Senator from Washington [Mr. CAIN] and the Senator from South Carolina [Mr. MAYBANK], respectively.

Mr. WHERRY. That is correct.

Mr. MAYBANK. Mr. President, I simply wish to make certain that sufficient time will be allowed. Several Senators have asked me to see that they have 5 minutes, in one case, or 5 minutes, in another case.

The PRESIDING OFFICER. The Chair understands that the request is that the vote be had at 1 o'clock on Monday, as stated.

Without objection, the unanimous-consent request is agreed to.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Illinois?

Mr. BRIDGES. I yield, if I may do so without losing the floor.

Mr. LUCAS. The Senator is going to lose it, if I make this motion. It is a very unusual one.

I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the calendar.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

THE AIR FORCE OF THE UNITED STATES

The legislative clerk proceeded to read sundry nominations in the Air Force of the United States.

The PRESIDING OFFICER. Without objection, the nominations in the Air Force of the United States are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

MOTOR CARRIER CLAIMS COMMISSION—NOMINATION REPORTED ADVERSELY

Mr. WHERRY. Mr. President, when we come to the name of Frank E. Hook——

Mr. LUCAS. That is passed over.

Mr. WHERRY. I thank the Senator.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

Mr. LUCAS. Mr. President, we have had a long session. I sincerely hope that under the unanimous-consent agreement which has been made we may be able to finish this bill on Monday afternoon. Obviously I do not want to cut anyone off from legitimate debate. I am satisfied the Senator from New Hampshire is not going to make a speech Monday afternoon of the kind which he started a few moments ago. I am very anxious to hear the Senator at some time. I should like to hear him in private at some time on the very important question he was discussing.

But I express a very sincere hope that we may be able to conclude the vote on the pending bill some time Monday. I will not say now, but there is a possibility, perhaps a probability—and I do not want any doubt about this—that we may have a Monday night session.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I want to thank the majority leader for his cooperation. I will say now that, after the vote on the motion to recommit, we will do our level best to expedite the debate and, either by unanimous consent or otherwise, to vote as quickly as possible on the whole measure. I assure the majority leader that, whatever is considered the best time that that can be done, we shall do our best to cooperate.

HOW WE CAN AVOID AN ATOMIC WAR WITH RUSSIA—REPORT BY STUDENTS AT MODESTO HIGH SCHOOL

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. KNOWLAND. I ask unanimous consent to have printed in the body of the RECORD a letter on the subject, How We Can Avoid an Atomic War With Russia, reporting conclusions reached by Mr. Robert M. Gordon's sixth period American history class of Modesto High School, Modesto, Calif. The class has been studying this problem, and I believe their conclusions expressed in the letter will be found of much interest to Senators. The letter is signed by Mr. Robert M. Gordon, teacher, and 29 members of the class.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MODESTO HIGH SCHOOL,
Modesto, Calif., May 19, 1950.

WILLIAM F. KNOWLAND,
United States Senator,
Washington, D. C.

MY DEAR MR. SENATOR: We, the students of Mr. Robert Gordon's sixth period American history class, have been studying the problems of how we can avoid an atomic war with Russia. After investigating the material made available to us we have reached the following conclusion:

1. We should stop the spread of communism.

(a) To investigate all high Government officials who are suspicious.

(b) To outlaw all political parties who are working for the overthrow of the American way of life.

(c) To keep up employment and to do away with race discrimination.

(d) Support the democratic nations.

2. Be aware of the dangers leading to war and avoid them.

(a) Economic and political.

(b) Hatred, violence, fear, ignorance, and propaganda among the people in the United States and other countries.

3. A plan in distributing munitions and excess food to nations fighting communism.

(a) Vigorous extension of the Marshall plan.

4. Avoid isolation and armed neutrality.

5. Protect the interests of the United States and other democratic nations by stopping imperialism.

6. Remove these weaknesses in the United States:

(a) Economic (depressions, labor-management disputes).

(b) Social (race discrimination).

(c) Political (subversive groups).

(d) Moral (strengthening the American as an individual).

7. We should better our future foreign policy by a more careful study of our past mistakes.

We sincerely hope this material will assist you in formulating the future foreign policy and in keeping America safe and strong.

Sincerely.

RECESS

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 3 o'clock and 43 minutes a. m. Saturday, June 10) the Senate took a recess until Monday, June 12, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 9 (legislative day of June 7), 1950:

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) have been examined for physical fitness and found physically qualified for promotion. All others are subject to physical examination required by law.

To be colonels

×Lawrence Wendall Adams, [redacted].
Henry Carlton Ahalt, [redacted].
Willet John Baird, [redacted].
×Arthur Hodgkins Bender, [redacted].
×Robert Ernest Benjamin, [redacted].
Paul John Black, [redacted].
×Brookner West Brady, [redacted].
William Crawford Denniston Bridges, [redacted].
×James Trimble Brown, [redacted].
Rothwell Hutton Brown, [redacted].
×William Hans Brunke, [redacted].
×John Robert Burns, [redacted].
×Tyler Calhoun, Jr., [redacted].
×George Emmett Campbell, [redacted].
Clifton Coleman Carter, [redacted].
×James Byron Colson, [redacted].
×Robert Thomas Connor, [redacted].
×John Albert Dabney, [redacted].
×James Robert Davidson, [redacted].
×Thomas Edward de Shazo, [redacted].
×Camille Henry Du Val, [redacted].
×John Francis Fiske, [redacted].
Albert Gallatin Franklin, Jr., [redacted].
×Thomas Lee Gaines, [redacted].
×William Preston Grace, Jr., [redacted].
×John Norvell Green, [redacted].
Richard Hanson Grinder, [redacted].
×Harry McNeill Grizzard, [redacted].
×Noble Theodore Haakensen, [redacted].
×Thomas Marshall Hahn, [redacted].
×Donald Herbert Hale, [redacted].
×Paul Hamilton, [redacted].
×Frank Ervine Hankinson, Jr., [redacted].
×Malcolm Hobson Harwell, [redacted].
×William Benjamin Hawthorne, [redacted].
×Roy Jacob Herte, [redacted].
×Frank Coffin Holbrook, [redacted].
×Donald Melville Jacques, [redacted].
×Thomas Howard James, [redacted].
×Theodore Trower King, [redacted].
×Walter Byron Larew, [redacted].
×Frank Neuman Leakey, [redacted].
×Robert Vernon Lee, [redacted].
×George Olaf Norman Lodoen, [redacted].
×Jay B. Loviess, [redacted].
×Mason Harley Lucas, [redacted].
×Henry Louis Luongo, [redacted].
×John Marion Lydick, [redacted].
×John Joseph Madigan, Jr., [redacted].
Charles Weller McCarthy, [redacted].
Edward Harold McDaniel, [redacted].
John Anthony McFarland, [redacted].
×Robert Lee Miller, [redacted].
Frank Freeman Miter, [redacted].
×Frederick Prall Nunson, [redacted].
×Paul Burnham Nelson, [redacted].
×Robert Sylvester Nourse, [redacted].
×Frank Crawford Paul, [redacted].
Herbert Butler Powell, [redacted].
×John Sieba Roosma, [redacted].
Robert Charles Ross, [redacted].
×Henry McKie Salley, [redacted].
×Alexander Randolph Sewall, [redacted].
×Henry Lee Shafer, [redacted].
Charles Albert Sheldon, [redacted].
×Cleo Zachariah Shugart, [redacted].
×Roy Silverman, [redacted].
Charles Clifford Sloane, Jr., [redacted].
×Mark Alexander Herbert Smith, [redacted].
Harry Purnell Storke, [redacted].
×Benjamin Branche Talley, [redacted].
John Osman Taylor, [redacted].
×Alfred Garvin Texley, [redacted].
Albert Jerome Thackston, Jr., [redacted].
×Oliver Wolcott van den Berg, [redacted].
×John Gibson Van Houten, [redacted].
×James Oka Wade, [redacted].
×John Emmett Walker, [redacted].
×Edgar Richard Curtis Ward, [redacted].
Harry Joseph Wheaton, [redacted].
×James Russell Wheaton, [redacted].
×Norman Mahlon Winn, [redacted].
×Layton Allen Zimmer, [redacted].
George John Zimmerman, [redacted].

To be colonels, Medical Corps

Roger Hubbard Allbee, [redacted].
×Joe Alexander Bain, [redacted].
×Clifford Gordon Blitch, [redacted].
×Ralph Llewellyn Cox, [redacted].
×John Lemoin Crawford, [redacted].
×Jackson Bernard Dismukes, [redacted].
×Claude Cordray Dodson, [redacted].
×Vernon James Erkenbeck, [redacted].
×John Bernard Herman, [redacted].
Paul Aloysius Keeney, [redacted].
×Urho Robert Merikangas, [redacted].
×Henry Schuldt Murphey, [redacted].
×George Merle Powell, [redacted].
×George Prazak, [redacted].
×Robert Purcell Rea, [redacted].
×Joseph Pease Russell, [redacted].
×Joseph Robert Shaeffer, [redacted].
×Emmett Montgomery Smith, [redacted].
×Walter Herbert Stevenson, [redacted].
×Arthur Eugene White, [redacted].
×William Darrell Willis, [redacted].
×Leonard Frank Wilson, [redacted].

To be colonels, Dental Corps

×Charles William Buttermore, [redacted].
×H. Beecher Dierdorff, [redacted].
×Lynn Clifford Dirksen, [redacted].
×Joseph Fryer Houck, [redacted].
×William Thomas Williams, [redacted].

To be colonels, Medical Service Corps

×Robert Lee Black, [redacted].
×Robert Edward Selwyn, [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

To be lieutenant colonels

James Francis Adams, [redacted].
John Joseph Agoa, [redacted].
Delmer Pearl Anderson, [redacted].
Charles Parmelee Babcock, [redacted].
Paul Levern Bates, [redacted].
James Knox Bell, [redacted].
Earl Stewart Bessmer, [redacted].
Harold Edwin Bisbort, [redacted].
James Glen Black, [redacted].
Weston Locke Blanchard, [redacted].
William Stephen Bodner, [redacted].
John Albertson Bradley, [redacted].
Harry Cockrell Brindle, [redacted].
Harley Derrell Brown, [redacted].
Kirk Buchak, [redacted].
Robert Scott Cain, [redacted].
Harold Andrew Cas[redacted], [redacted].
Raymond Timothy Chapman, [redacted].
Orman Goodyear Charles, [redacted].
Walter Lee Coleman, [redacted].
Robert Henry Conk, [redacted].
Arthur Edward Conn, [redacted].
Malcolm Wesley Courser, [redacted].

×Robert Roland Creighton, xxxxxx.
Mattison Albert Darragh, xxxxxx.
Jay Alexander Dasche, xxxxxx.
Alfred Harry Davidson, Jr., xxxxxx.
Homer Littlefield Davis, Jr., xxxxxx.
Robert Gibson Davis, xxxxxx.
Roland Haddaway del Mar, xxxxxx.
Ralph Anthony Devine, xxxxxx.
Silas Benjamin Dishan, xxxxxx.
Edwin Hart Druley, xxxxxx.
John Richard Dwyer, xxxxxx.
Alexander George Eagle, xxxxxx.
William Thomas Evans, xxxxxx.
Russell Decatur Fagin, xxxxxx.
Wesley Earl Farmer, xxxxxx.
×Harry Otto Fischer, xxxxxx.
Maxwell Birge Fogarty, xxxxxx.
Victor B Fox, xxxxxx.
Sidney Dilg Frampton, xxxxxx.
Ralph Bonner Garretson, xxxxxx.
Cecil Gordon Gealta, xxxxxx.
John Hamilton Gibson, xxxxxx.
×Roy Edward Goode, xxxxxx.
Fred Joe Gosiger, xxxxxx.
×Edward Jackson Grant, xxxxxx.
Fred Wilbur Greene, xxxxxx.
×Arthur Wilfred Gustafson, xxxxxx.
Dwight Thornton Hamersley, xxxxxx.
Albert Joseph Hannon, xxxxxx.
George Samuel Haviland, xxxxxx.
William Robinson Heard, xxxxxx.
Sherburne Jackson Heliker, xxxxxx.
×William Edward Heltzel, xxxxxx.
Blair Eliot Henderson, xxxxxx.
Conrad Hildebrant, xxxxxx.
Jacy Farnell Hudson, xxxxxx.
Earl Leroy Icke, xxxxxx.
Frank Strother Ison, xxxxxx.
Albert Havens Jackman, xxxxxx.
Hans Godfrey Jepson, xxxxxx.
George Victor Johnson, xxxxxx.
John Elvin Johnson, xxxxxx.
Slaftcho Katsersky, xxxxxx.
Evander Francis Kelly, Jr., xxxxxx.
William Leonard Kerr, xxxxxx.
Arthur Gustav Kiel, xxxxxx.
Eldon Alfred Koerner, xxxxxx.
Jean Paul LaCour, xxxxxx.
William Francis LaFarge, Jr., xxxxxx.
Silas Rosswell Langlois, xxxxxx.
John Henry Lattin, xxxxxx.
Charles Allen Leavitt, xxxxxx.
John Eugene Londahl, xxxxxx.
Frederick Howard Loomis, xxxxxx.
William Arthur Luther, xxxxxx.
Herbert Gregory Lux, xxxxxx.
Cecil Malcolm MacGregor, xxxxxx.
John Albert Martin, xxxxxx.
William Arthur McAleer, xxxxxx.
John Patrick McKenna, xxxxxx.
Charles Heron McNary, xxxxxx.
Chester Harold Meek, xxxxxx.
Marion Claude Miller, xxxxxx.
James Alden Norell, xxxxxx.
Walter Lawrence Norfray, xxxxxx.
John Dudley Peterman, xxxxxx.
Robert Otto Peterson, xxxxxx.
Fred Lewis Plahte, xxxxxx.
Seymour Austin Potter, Jr., xxxxxx.
Frank Henry Preston, Jr., xxxxxx.
James Willard Pumpelly, xxxxxx.
Paul Howard Raftery, xxxxxx.
Charles Beecher Reed, xxxxxx.
Prentiss Bishop Reed, Jr., xxxxxx.
Lloyd Milton Reiser, xxxxxx.
Angelo Michael Ricciardelli, xxxxxx.
James Abner Richardson 3d, xxxxxx.
Robinson Baird Rider, xxxxxx.
Charles Lacy Ringgold, xxxxxx.
Ernest LeeRoy Ritchie, xxxxxx.
Frank Wright Roberts, xxxxxx.
William Maxwell Rodgers, xxxxxx.
Frazer Woodruff Rodman, xxxxxx.
Franz Heiberger Ross, xxxxxx.
Wenzel David Roth, xxxxxx.
Charles Edwin Rust, xxxxxx.
Teddy Hollis Sanford, xxxxxx.
Orlando Adam Scott, xxxxxx.
Paul Anthony Shaw, xxxxxx.
Edwin Courtney Shewbridge, Jr., xxxxxx.
Byron Martin Shipley, xxxxxx.
George Harvey Sibbald, xxxxxx.
Herman Richard Siemers, xxxxxx.
Tom Watson Sills, xxxxxx.
Kermit James Silverwood, xxxxxx.
Robert Newell Skaggs, xxxxxx.
Braxton Eugene Small, xxxxxx.
Albert Mark Smith 2d, xxxxxx.
Frederick Gustin Hall Smith, xxxxxx.
Dane Oatman Sprankle, xxxxxx.
×Alfred Earl Stevens, xxxxxx.
Robert Beverly Taylor, xxxxxx.
Thomas Harwood Taylor, xxxxxx.
Douglas Osborne Toft, xxxxxx.
Robert Humphrey Tomlinson, Jr., xxxxxx.
Joseph Rupel Walton, xxxxxx.
Arthur James Watson, xxxxxx.
Robert Weir-Mitchell Weir, xxxxxx.
Clayton Wallace Wells, xxxxxx.
Charles Peter West, xxxxxx.
William James Whitehead, xxxxxx.
Rudolph George Winckler, xxxxxx.
Edwin Samuel Winsper, xxxxxx.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. All officers are subject to physical examination required by law.

To be first lieutenants

James Chadwick Bales, xxxxxx.
Clarence Grady Collins, Jr., xxxxxx.
Bruce Utiger Crozier, xxxxxx.
John Raymond Fitzpatrick, Jr., xxxxxx.
William Milton Glasgow, Jr., xxxxxx.
Ray Roselle Hoke, xxxxxx.
James Lunsford Morrison, Jr., xxxxxx.
Allan Thorndyke Sylvester 2d, xxxxxx.
Planter Madden Wilson, xxxxxx.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947. All officers are subject to physical examination required by law.

To be first lieutenants, Women's Medical Specialist Corps

Barbara May Knickerbocker, xxxx
Barbara Dean Viets, xxxx
Jacquelin Latham Wright, xxxx

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947, as amended. All officers are subject to physical examination required by law.

To be majors, Women's Army Corps

Harriet Cecelia Bendfelt, xxxx
Ruth Mary Briggs, xxxx
Hazel Buttrick Bundy, xxxx
Margaret Wolfenden Condon, xxxx
Isabella Martin Henry, xxxx
Lois Ellen Hudson, xxxx
Erma Doris Keener, xxxx
Mary Josephine Kunz, xxxx
Cecile Maldevan Lane, xxxx
Margaret Nettie Lassetter, xxxx
Julia Josephine Mulcahy, xxxx
Helen Marie Roy, xxxx
Ruth Nevil Simerly, xxxx
Lois Marie Sproull, xxxx
Ruth Snyder Westbrook, xxxx
Adeline Grace Wheatley, xxxx

To be captains, Women's Army Corps

Carolyn Maude Anthony, xxxx
Imogen Elaine Averett, xxxx
Doris LaVerne Ayers, xxxx
Mildred Caroon Bailey, xxxx
Maxene Monetta Baker, xxxx
Susan Ellen Bastion, xxxx
Evelyn Catherine Brown, xxxx
Lane Carlson, xxxx
Alice Lorraine Dahnke, xxxx
Virginia Ruth Deady, xxxx
Jimmie Burdine Dollahite, xxxx
Evelyn Brent Fraser, xxxx
Margaret Marion Gentle, xxxx
Neva Gertrude Gillis, xxxx
Clara Goldman, xxxx
Dorothy Gray, xxxx
Mary Julia Guyette, xxxx
Marcelette Lucille Kerr Hall, xxxx
Dorothy Alice King, xxxx
Marie Sylvia Knasiak, xxxx
Constance Dena Kolokotrones, xxxx
Martha Louise Mills, xxxx
Betty Lorraine Parker, xxxx
Dorothy Whitcomb Parks, xxxx
Minnie Pearl Patterson, xxxx
Delia Durline Robinson, xxxx
Iona Bond Sherman, xxxx
Margaret Elizabeth Sinclair, xxxx
Mary Emily Stanton, xxxx
Katherine Louise Sutherland, xxxx
Eileen Roberta Ware, xxxx
Avis Merle Watkins, xxxx
Carol Mae Williams, xxxx

POSTMASTERS

The following-named persons to be postmasters:

CONNECTICUT

William J. Higgins, New Haven, Conn., in place of P. J. Goode, retired.

ILLINOIS

Virgil F. Reither, Beardstown, Ill., in place of L. G. Schaeffer, resigned.

Lester V. McCandless, Brookport, Ill., in place of Leslie Lynn, transferred.

Evert L. Giesler, Cisco, Ill., in place of J. A. Giesler, transferred.

Richard E. Ellison, Decatur, Ill., in place of J. M. Allen, retired.

Chester L. Kampert, Fox River Grove, Ill., in place of W. W. Hynous, transferred.

Oscar R. Poorman, Humboldt, Ill., in place of G. M. Poorman, deceased.

Paul J. Giblin, Ivesdale, Ill., in place of C. V. Manny, transferred.

Robert J. Horn, Mount Pulaski, Ill., in place of C. H. Anderson, transferred.

Claude Wilbur Frank, Piano, Ill., in place of W. D. Steward, retired.

Mary C. Morrissey, Utica, Ill., in place of J. J. Morrissey, deceased.

KANSAS

Joseph F. Coyle, Kansas City, Kans., in place of A. H. Gillis, retired.

KENTUCKY

Benson G. Leichhardt, Bowling Green, Ky., in place of H. W. Sublett, resigned.

MASSACHUSETTS

Daniel F. Cahill, Lawrence, Mass., in place of C. A. Cronin, deceased.

MICHIGAN

Robert J. Gitersonke, Bridgman, Mich., in place of G. H. Knaak, Jr., resigned.

Gust C. Burandt, Coldwater, Mich., in place of M. W. Olds, retired.

MINNESOTA

Ray F. Schisler, Worthington, Minn., in place of L. M. Harper, deceased.

NEBRASKA

Harry B. Burton, North Platte, Nebr., in place of H. A. Langford, transferred.

NORTH CAROLINA

Henry A. Miller, Bayboro, N. C., in place of Bethany Campen, retired.

Hope R. Heath, Cove City, N. C., in place of C. R. Heath, resigned.

Leslie P. Gardner, Goldsboro, N. C., in place of J. H. Hawley, deceased.

OHIO

Paul E. Puhl, Maumee, Ohio, in place of C. H. Love, retired.

James E. Mattox, Westerville, Ohio, in place of Robert Wilson, retired.

PENNSYLVANIA

James A. Barkley, Latrobe, Pa., in place of J. P. Doherty, deceased.

WASHINGTON

Kenneth W. McNeilly, Colfax, Wash., in place of H. O. Thompson, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 9 (legislative day of June 7), 1950:

IN THE ARMY

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The nominations of Roscoe Bonham, [redacted] et al., for appointment in the Regular Army of the United States, which were confirmed today, were received by the Senate on May 31, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Roscoe Bonham, which appears on page 7871, and ending with the name of William T. Whithers, which appears on the same page.

AIR FORCE OF THE UNITED STATES

To be lieutenant general

Maj. Gen. William Ellsworth Kepner, [redacted] (major general, U. S. Air Force), Air Force of the United States, to be commander in chief, Alaskan command, with rank of lieutenant general with date of rank from date of appointment.

UNITED STATES AIR FORCE

The nominations of Albert Leo Cutress, [redacted] et al., for promotion in the United States Air Force, which were confirmed today, were received by the Senate on June 1, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Albert Leo Cutress, which appears on page 7920, and ending with the name of Veleska Barbara Staudt, which appears on page 7922.

IN THE NAVY

TEMPORARY APPOINTMENT

Capt. Daniel W. Ryan, Dental Corps, United States Navy, for temporary appointment to the grade of rear admiral in the Dental Corps of the United States Navy.

The nominations of Richard A. Frohreich et al., for appointment in the Navy, which were confirmed today, were received by the Senate on May 31, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Richard A. Frohreich, which appears on page 7871, and ending with the name of George E. Sherman, which appears on page 7872.

IN THE MARINE CORPS

The nominations of Robert D. Shaffer et al., for appointment in the Marine Corps, which were confirmed today, were received by the Senate on May 31, 1950, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Robert D. Shaffer, which appears on page 7872, and ending with the name of George W. Yates, which appears on the same page.

SENATE

MONDAY, JUNE 12, 1950

(Legislative day of Wednesday, June 7, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, at this white altar of prayer and of peace where all the opinions and convictions which divide us grow dim and are forgotten, in the solemn spiritual verities that bind us together, we bow in reverence and humility praying for the enthronement of brotherhood in all the earth. May the institutions of justice, understanding, and cooperative endeavor never be sabotaged by bad faith; but, rather, become the instrument of Thy providence in bringing at last the fulfillment of the prophet's dream: "Violence shall be no more heard in thy lands, wastage nor destruction within thy borders."

Through the lips that speak in this forum of freedom may there be heard by a listening world the solemn summons to men of good will, of all kindreds and tongues, to a new commonwealth of all peoples, in which power shall be administered as a sacred trust dedicated to the common good. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 9, 1950, and Saturday, June 10, 1950, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

LEAVES OF ABSENCE

On request of Mr. WHERRY, and by unanimous consent, Mr. SCHOEPPEL, Mr. DARBY, and Mr. LODGE were excused from attendance on the session of the Senate today.

On request of Mr. WHERRY, and by unanimous consent, Mr. MORSE was excused from attendance on the sessions of the Senate through June 21.

On request of Mr. WHERRY, and by unanimous consent, Mr. WILEY was excused from attendance on the sessions of the Senate this week.

On request of Mr. WHERRY, and by unanimous consent, Mr. IVES was excused from attendance on the session of the Senate tomorrow.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. LUCAS, in behalf of Mr. FREAR, and by unanimous consent, the Subcommittee on Public Utilities of the Committee on the District of Columbia was authorized to meet during the session of the Senate today.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

The VICE PRESIDENT. Under the unanimous-consent agreement entered into on Saturday, the time from now until 1 o'clock is equally divided between those favoring and those opposing the motion to recommit to the Committee on Banking and Currency the bill S. 3181, to be controlled, respectively, by the Senator from Washington [Mr. CAIN], and the Senator from South Carolina [Mr. MAYBANK].

Mr. LUCAS. Mr. President, I should like to inquire from both Senators whether they would like to have a quorum call, the time consumed thereby to be divided equally between them.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield to the Senator from Washington.

Mr. CAIN. In response to the question of the Senator from Illinois, the junior Senator from Washington thinks it would be extremely proper that time be allotted jointly by the Senator from South Carolina and myself for the purpose of securing a quorum.

Mr. LUCAS. Is that satisfactory to the Senator from South Carolina?

Mr. MAYBANK. Mr. President, reserving the right to object, I should like to suggest that, if possible, a time limit be set on the quorum call, and that if a quorum is not developed promptly we should proceed, because some Senators wish to speak for a few minutes, and we have to vote at 1 o'clock.

The VICE PRESIDENT. Under the unanimous-consent agreement, the vote at 1 o'clock will be on the motion to recommit the bill. There is no way of fixing a time limit on a quorum call. If an announcement of no quorum is made, the quorum call must be concluded. If before the first call is concluded no announcement of the absence of a quorum is made, the request for a quorum call may be withdrawn.

Mr. MAYBANK. I made the suggestion because several Senators would like to speak on the pending question.

Mr. CAIN. Would the Senator from South Carolina permit the sugggestion that we have a quorum and see where we stand in terms of those present in, say, 15 minutes?

Mr. MAYBANK. The Vice President stated that we cannot stop a quorum call once it is undertaken.

The VICE PRESIDENT. No; if before the first call is concluded no announcement of the absence of a quorum is made, the request may be withdrawn.

Mr. MAYBANK. Under those circumstances I suggest the absence of a quorum, if that is agreeable to the majority and the Senator from Washington.

The VICE PRESIDENT. The Senator from South Carolina suggests the absence of a quorum.

Mr. WHERRY. Mr. President, I am in complete accord with the suggestion of an absence of a quorum. However, if a Senator objects to the withdrawal of the order for a quorum call, we shall be bound to proceed with it, regardless of the unanimous-consent agreement.

Mr. MAYBANK. We shall have to take that chance.

Mr. WHERRY. Yes; we shall have to take that chance.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the order for a call of the roll be rescinded.

The VICE PRESIDENT. Without objection, the order for a quorum call is rescinded, and further proceedings under the order will be suspended.

Mr. MAYBANK. Mr. President, I desire to make only a very brief state-

ment, urging that Senators consider what the Committee on Banking and Currency has done.

The Senate Committee on Banking and Currency has held 117 days of hearings, has made 46 reports on bills and resolutions, and has considered and reported 15 nominations. In addition, the committee has held 67 executive sessions, and has spent many days in free conferences.

Mr. President, our committee has had so much work to do that I believe it would be unfair to members of the committee on both sides of the aisle to recommit the pending bill, because all it would mean would be that we would have a meeting and report the bill again. It would merely mean taking up time we need for other matters. The committee reported the bill by a vote of 8 to 5 after lengthy hearings.

Mr. President, I ask unanimous consent that a list of the bills, joint resolutions, concurrent resolutions, and simple resolutions which have been reported by the Committee on Banking and Currency be printed at this point in the RECORD as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SENATE BILLS REPORTED BY BANKING AND CURRENCY COMMITTEE, EIGHTY-FIRST CONGRESS

S. 525, to remove restrictions upon loans by Federal agencies to finance the construction of certain public works.

S. 547, to continue through September 30, 1949, certain authority conferred on the President by section 2 of Public Law 395, Eightieth Congress, regarding voluntary agreements and plans.

S. 548, to provide for continuation of authority for the regulation of exports, and for other purposes.

S. 803, to provide for the conveyance of a tract of land in Prince Georges County, Md., to the State of Maryland for use as a site for a National Guard armory.

S. 851, to promote the settlement and development of the public domain in the Territory of Alaska by facilitating the construction of necessary housing therein, and for other purposes.

S. 1069, to amend section 3552 of the Revised Statutes relating to the coverings into the Treasury of all moneys arising from charges and deductions.

S. 1070, National Housing Act of 1949. Provides Federal aid to assist slum-clearance projects, low-rent public housing projects, and farm housing.

S. 1175, to amend the Home Owners' Loan Act of 1933 with respect to mutual savings banks.

S. 1184, to encourage construction of rental housing at or in areas adjacent to military and naval installations.

S. 1433, amending Public Law 125, Eightieth Congress, approved June 28, 1947.

S. 1535, to amend the Housing and Rent Act of 1947, as amended, with respect to housing accommodations in hotels.

S. 1559, for the establishment of the National Monetary Commission.

S. 1664, to amend the National Bank Act and the Bretton Woods Agreements Act, and for other purposes.

S. 1871, to amend the RFC Act to prohibit the employment of certain personnel of the Corporation by organizations receiving loans or other financial assistance therefrom.

S. 2006, to amend the Home Owners' Loan Act of 1933, with respect to Federal savings and loan associations.

S. 2085, to amend the Employment Act of 1946 with respect to the Joint Committee on the Economic Report.

S. 2197, to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad.

S. 2246, to amend the National Housing Act, as amended, and for other purposes.

S. 2491, providing for the conveying of land and buildings at Fort Philip Kearney Military Reservation to the State of Rhode Island.

S. 2560, to amend the Federal Credit Union Act.

S. 2590, to amend section 3526 of the Revised Statutes relating to coinage of subsidiary silver coins.

S. 2J22, to amend the Federal Deposit Insurance Act (U. S. C., title 12, sec. 264).

S. 2943, to liberalize the lending policies of the RFC and the Federal Reserve Banking System, etc., and for other purposes.

S. 3105, to amend section 10 of the Federal Reserve Act, and for other purposes.

S. 3527, to amend section 14 (b) of the Federal Reserve Act, as amended.

S. 3550, to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products.

S. 3635, to enable the governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, etc., and to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes.

SENATE RESOLUTIONS REPORTED BY BANKING AND CURRENCY COMMITTEE, EIGHTY-FIRST CONGRESS

Senate Resolution 29, authorizing the appointment of a Special Committee To Study the Problems of American Small Business Enterprises. Unfavorably.

Senate Resolution 31, to investigate prices of agricultural and other commodities.

Senate Resolution 33, authorizing the Committee on Banking and Currency to make certain expenditures and employ temporary assistants and providing for the transfer of certain records.

Senate Resolution 101, authorizing the Committee on Banking and Currency to employ temporary assistants and make additional expenditures.

Senate Resolution 208, further increasing the limit of expenditures for hearing before the Committee on Banking and Currency.

Senate Resolution 218, continuing the authority for investigation of banking and credit legislation, small business, and economic stabilization.

Senate Resolution 219, to investigate the operations of the RFC and its subsidiaries.

Senate Resolution 252, calling on the Administrator of the Housing and Home Finance Agency for a codification of Federal laws relating to housing.

SENATE JOINT RESOLUTIONS REPORTED BY BANKING AND CURRENCY COMMITTEE, EIGHTY-FIRST CONGRESS

Senate Joint Resolution 109, to amend the National Housing Act, as amended.

Senate Joint Resolution 114, to provide an increase in the authorization for the Federal National Mortgage Association.

SENATE CONCURRENT RESOLUTIONS REPORTED BY BANKING AND CURRENCY COMMITTEE, EIGHTY-FIRST CONGRESS

Senate Concurrent Resolution 26, to investigate certain economic problems.

HOUSE BILLS REPORTED BY BANKING AND CURRENCY COMMITTEE, EIGHTY-FIRST CONGRESS

H. R. 1161, to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes.

H. R. 1731, to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes.

H. R. 2282, to make certain Government-owned facilities available for international broadcasting in the furtherance of authorized programs of the Department of State, and for other purposes.

H. R. 2440, to authorize the Public Housing Commissioner to sell the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio, without regard to provisions of law requiring competitive bidding or public advertising.

I. R. 5044, to continue for a temporary period certain powers, authority, and discretion in respect to tin and tin products conferred upon the President by the Second Decontrol Act of 1947, and for other purposes.

H. R. 5240, to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter) and rice and rice products.

H. R. 6743, to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes.

H. R. 7846, to amend title VIII of the National Housing Act, as amended, to encourage construction of rental housing on or in areas adjacent to Army, Navy, Marine Corps, and Air Force installations, and for other purposes.

HOUSE JOINT RESOLUTION REPORTED BY SENATE COMMITTEE ON BANKING AND CURRENCY, EIGHTY-FIRST CONGRESS

House Joint Resolution 188, to provide for the coinage of a medal in recognition of the distinguished services of Vice President ALBEN W. BARKLEY.

Mr. MAYBANK. I yield 1 minute to the Senator from Georgia.

The VICE PRESIDENT. The Senator from Georgia is recognized for 1 minute.

Mr. GEORGE. Mr. President, I merely wish to explain that I shall vote against the motion to recommit the bill, in the interest of orderly procedure, and out of regard for a very hard working and able and capable chairman of one of the important committees of the Senate.

While I shall vote against recommittal, I expect to vote against the bill itself, because in my judgment, there is no Nation-wide shortage of housing in the United States at this time, and I cannot justify a vote for legislation to meet only local situations and conditions, however distressing they may be. They should be met at the local level, at the State level, in my judgment.

For these reasons, Mr. President, I am merely explaining that while I shall vote against the motion to recommit, I do not wish to have my vote understood as indicating that I favor the bill itself.

Mr. MAYBANK. Mr. President, I yield 4 minutes to the Senator from New York [Mr. LEHMAN].

The VICE PRESIDENT. The Senator from New York is recognized for 4 minutes.

Mr. LEHMAN. Mr. President, I trust and hope that the Senate will reject the motion to recommit the pending bill. A motion to recommit at this point, and in the parliamentary situation which we confront, is merely a motion to delay.

I am not wholly satisfied with the pending measure. I may have more to

say about that at a later time. But I think that the Banking and Currency Committee gave to everyone who was interested an ample opportunity to appear and present his viewpoint. The hearings are voluminous. To buttress these hearings there are volumes of hearings on rent-control legislation held last year and the year before. The situation today has changed only in degree from that of a year ago.

The bill now pending is a very simple bill of four pages. It is not complicated. It is not involved. It provides for a simple extension of the present law for 6 months, and provides for a further possibility of extension of the law in areas of concentrated population. That is all there is to it. Amendments can be very easily offered from the floor. There were only two bills before the committee—a bill introduced by the Senator from Illinois [Mr. LUCAS] and the Senator from Pennsylvania Mr. MYERS] and a bill I introduced.

From these bills the committee drafted and reported the pending measure. As I have said, I believe my bill to be preferable, but I would see no purpose in recommitting the pending bill.

Mr. President, we are in the midst of a filibuster, a perfectly frank and open filibuster. The supporters of the pending motion know full well that they are trying merely to delay the time of the vote on the bill and amendments in the hope that they may in that way kill rent control.

I urge strongly that the Senate proceed to reject this motion and to bring the issue, itself, to an immediate vote. Inflation threatens us again. Commodity prices are rising again. Is this the time to take off rent controls and give inflation that explosive momentum which may mean disaster for us all? I say that would be catastrophe.

In Wisconsin the State government is marking time waiting to see what the Federal Government is going to do on rent control. In Illinois the State government is likewise confused by the uncertain prospects here. In my own State, the New York Court of Appeals is weighing the constitutionality of the New York rent-control law.

Tenants in those States and in many others—and landlords, too—are in doubt and perplexity. Uncertainty can, itself, lead to disaster. This bill affects between thirty and forty million people who if it is defeated will be left without protection. We must not permit that to happen.

I again urge the Senate to defeat the motion and to proceed to final consideration and vote on the rent-control bill.

Mr. MAYBANK. Mr. President, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I shall take only half a minute. I shall not vote for the motion to recommit because I think it would actually amount to an imposition on the Committee on Banking and Currency, which has worked so hard and faithfully in an endeavor to report a bill in the hope that it might be passed. But I cannot favor the bill. I am opposed to the continuation of rent control, and I shall vote against the bill on final passage. However, I can see nothing to be gained by recommitting the bill, and having the committee immediately report it again, in which case we could be back where we are now. I think we should proceed to a final conclusion, and dispose of the bill by a vote on its final passage.

Mr. MAYBANK. Mr. President, the senior and junior Senators from Illinois [Mr. LUCAS and Mr. DOUGLAS] desire to speak for 5 minutes each, but I understood the Senator from Washington would now speak, and they will close the debate.

Mr. CAIN. Mr. President, the real issue before the Senate of the United States today is whether the Federal Government should or should not impose Federal rent controls upon the American Nation after June 30 of this year. Any Senator or any American citizen who maintains that Federal rent controls should be extended must also maintain and assume the full responsibility of proving that a national emergency exists at this time.

The Senator from Washington believes deep down inside that in the absence of a national emergency no man or woman who lives can justify a further extension of Federal rent controls.

During the course of the Senate debate, no single Senator, to my knowledge, has attempted to establish as being a fact that America is confronted with a national emergency. Senators who are supporting the proposed extension of Federal rent controls have maintained that an emergency does exist in certain areas and in given cities which justifies the continuonce of rent control. What a basically different thing this is from proving the presence of a national emergency.

If there were a national emergency justifying Federal rent controls in April of 1949, when the present Federal rent-control law was passed, that national emergency does not exist today. In the past 15 months, nine States, sovereigns as they are, have removed themselves from the Federal rent-control system. Three States, by action of their legislatures, have established stand-by State rent-control acts. The legislatures of three other States are presently in session and have the question of the desirability of State rent-control measures before them, and one State has called a special session of its legislature to convene on June 19 of this year to consider the rent-control problem.

In the last 15 months approximately 50 percent or 7,000,000 units of rental property have been removed from Federal control out of the approximately 14,000,000 units of rental property which were under control in April of 1949.

Mr. President, to my mind any Senator can safely maintain that it would be more convenient for the Federal Government to continue its control of rents, that States and municipalities would be relieved of a burden of cost and administration if the Federal Government continues its control of rents, and that they as Senators would have less to explain to their constituents if the Federal Government continued its control of rents. But, to my mind, no Senator can prove the presence of a national emergency.

The Senator from Washington, Mr. President, dares not permit his Government to interfere with and to manage the rights of free American citizens in the absence of a national emergency.

The right of an American citizen, Mr. President, to own and manage property and to work for an accumulation of property is a vital and precious thing. Man lives with an inborn desire to do his level best to build and construct and earn an estate because of his hope always to improve his standard of living and that of his family. As a man he seeks to add to that which he owns in order that he may be self-reliant, and strong within himself, and able to provide for himself and his family out of his sweat and toil and enterprise.

This capacity for self-development and this desire to accumulate and leave something for the future has been the strength of America since the days of its beginning. In the years of our past our Government has stimulated that virtue called incentive. In days gone by the people and their Government have worked hand in hand to provide through the present an even greater opportunity for those who are to come in the future. If as a people and as a Nation we wish to live and move forward, we in the Congress must see that every American citizen is protected in his right to accumulate and manage that property which belongs to him or to her. The strength of a nation flows upward from its people and not downward from its Federal Government. Any unnecessary restriction by a Federal Government on the rights and activities of municipalities and States and the men and women and children who live within the confines of these subdivisions of government only dissipates and violates and saps the stamina and incentive and vitality and responsibility of all the people.

During the late war the average American freely abdicated some of his rights in wishing to work collectively to save his nation, which was imperiled because of an emergency which confronted every American citizen. Our Nation's recovery from that national emergency has been rapid and noteworthy. We seek now completely to restore the rights which Americans gave up willingly and freely because of a common cause in order that as a nation we may be prepared and able to conquer in total fashion any national emergency which may arise in the future.

The junior Senator from Washington urges all Senators to vote for the pending motion to recommit S. 3181 because of his determination and prayer that our Federal Government shall never be either encouraged or allowed to do for any subordinate level of government what it can do properly and better for itself.

The Senator from Washington can assure all Senators on both sides of the aisle of one outstanding fact. The prophets of doom and of chaos and of the catastrophic evils which would flow from the decontrol of rents throughout the land have been proven wrong in their public pronouncements of fear and moral cowardice. During these last 15

months when property rights have been restored to American citizens in decontrolled States and in scores of American communities of almost every size nothing but things which were good and things which were free and things which were American have resulted. If such benefits have been the undeniable result when a Federal Government, unshackled and unleashed the rights which belong to some of its citizens, why should any of us think and fear that bad results will come from doing more of the same thing for more people in more places in the future. What has been good will be good. If we trust our people and respect their rights we shall vote against giving further consideration to a measure which in itself symbolizes an unwillingness on the part of Congress and the Government to believe that people generally will act in the common good.

Those of us who have fought so hard and are willing to wage war yet again against the pending measure believe in freedom for all Americans and we are motivated sincerely and deeply out of our hearts and intellects to protect a right which belongs to other Americans as we would literally die to preserve the rights which belong to each of us individually as Senators of the United States. [Manifestations of applause in the galleries.]

The VICE PRESIDENT. The occupants of the galleries will please be in order. It is against the rules of the Senate for our friends there to express disapproval or approval of the proceedings here. The Chair hopes that those in attendance in the galleries will observe that rule. They probably were not aware of it, but it is in existence.

Mr. CAIN. Mr. President, permit me to say that the proponents of the motion now before the Senate have concluded their case. It is the understanding of the Senator from Washington that the senior Senator from South Carolina either in his own right will speak, or that some other Senator will have something to say on behalf of the opponents of the motion.

Mr. MAYBANK. Mr. President, I yield a minute to the senior Senator from Oregon [Mr. CORDON], in order that he may place a statement in the RECORD.

Mr. CORDON. Mr. President, my colleague the junior Senator from Oregon [Mr. MORSE] is unavoidably detained from the Senate and will not have an opportunity to be present to vote on the motion to recommit. He has prepared a statement of his views with reference to that matter and to the major question which is before the Senate. I ask unanimous consent that the statement may be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, Mr. MORSE'S statement was ordered to be printed in the RECORD, as follows:

Mr. MORSE. Mr. President, supplementing the reasons for opposing the pending rent-control bill, which I set forth in a colloquy with the junior Senator from Washington on the floor of the Senate on Friday, June 9, I wish to add to my record on this issue the following statement.

In view of the fact that I will be absent from the Senate during the week of June 12 through June 17, I am asking my colleague the senior Senator from Oregon to ask unanimous consent in my behalf to have this statement printed in the body of the RECORD.

When the vote on the pending bill is taken, I will be paired against the continuation of Federal rent control this year. I recognize that there are good arguments for, as well as against, an extension of Federal rent control this year. However, I think the arguments against its extension far outweigh the arguments in support of its continuation.

ARGUMENTS FOR AND AGAINST AN EXTENSION OF FEDERAL RENT CONTROLS

On the positive side, the most important fact is that many governors and mayors feel that rent control is still necessary in their particular jurisdictions. Among those who have so expressed themselves are the following:

City Council of Chicago, Ill. (96 CONGRESSIONAL RECORD, pp. 7830–7831).

Governor of West Virginia (96 CONGRESSIONAL RECORD, Appendix, p. A4189).

United States Conference of Mayors (96 CONGRESSIONAL RECORD, p. 8020).

Gov. G. Mennen Williams, of Michigan (House hearings).

Mayor Lester Halloway, Muncie, Ind. (House hearings).

Gov. Luther Youngdahl, of Minnesota (House hearings).

Mayor James A. Hedrick, Decatur, Ill. (House hearings).

Mayor Eugene H. Swartz, Gary, Ind. (House hearings).

Gov. John O. Pastore, Rhode Island (House hearings).

Mayor Joseph M. Darst, St. Louis, Mo. (House hearings).

Mayor Cunningham, Omaha, Nebr. (Appendix 96 CONGRESSIONAL RECORD, p. A3398).

Duluth-Superior Rent Advisory Board (96 CONGRESSIONAL RECORD, p. 5856).

City Council of Virginia, Minn. (96 CONGRESSIONAL RECORD, p. 5856).

General Court of Massachusetts (96 CONGRESSIONAL RECORD, p. 4892).

Mayor George A. Schock, South Bend, Ind. (Senate hearings).

Gov. Chester Bowles, Connecticut (Senate hearings).

Mayor Dennis J. Roberts, Providence, R. I. (Senate hearings).

Mayor George E. Brenner, Camden, N. J., representing mayors of Newark, Jersey City, Camden, Elizabeth, Trenton, Paterson, and Perth Amboy (Senate hearings).

Mayor A. B. Chambers, Des Moines, Iowa (Senate hearings).

Herbert E. Harpster, chief burgess, Burnham, Pa. (Senate hearings).

Mayor John Mullen, Clairton, Pa. (Senate hearings).

Gov. Adlai E. Stevenson, Illinois (Senate hearings).

Mayor Ralph A. Villani, Newark, N. J. (Senate hearings).

If these statements may be taken to represent official sentiment in their respective jurisdictions, they would indicate that in these places some form of rent control is regarded as necessary and that Federal rent control is serving that purpose satisfactorily. They do not answer the questions whether after another year or 6 months of controls the housing supply will be substantially more plentiful than it is today, and whether the time has not come for the substitution of local controls. However, these localities want controls and they have been relying upon a further extension of Federal controls rather than adopting local controls. Since Congress has postponed action on rent control until the date of expiration of present controls, that fact also supports the argument for another short period of Federal controls may be necessary to afford opportunity for orderly tansition to local controls.

Arguments against a further extension of Federal rent controls are both extensive and weighty.

1. Basic statutory inequities: The Federal rent-control statute has been reenacted from year to year on a strictly temporary basis so that many inequities, originally excused as being of temporary duration, can no longer be lightly dismissed. Thus, accommodations created by new construction or conversions on or after February 7, 1947, have been exempt from rent control since July 1, 1947. This exemption was originally provided as an incentive to new construction, and may have been justified on this ground when controls were limited in duration. However, because of the successive annual extensions of rent controls, this exemption has led to a situation where two classes of accommodations exist side by side, identical in all respects except as to time of construction, the one subject to controls and the other free to charge all the market will bear. Similarly, those who were able to obtain 15 percent lease increases during the period when such increases were permitted have been able to maintain their increased rents, while other landlords not so fortunate were required to continue at the lower rents. The only difference between the landlords who could and those who could not obtain such 15-percent increases was generally the fortuitous circumstance of the varying degree of the timidity of their particular tenants. If rent controls were to become a permanent part of our economic structure, it would be necessary to correct these inequities. However, since no one desires a structure of permanent rent controls, the only way to eliminate these inequities is to abandon Federal rent controls and allow each locality to devise needed controls according to its own inclinations and necessities.

2. Lack of information as to necessity for continued controls: The Housing Expediter's case for continued rent controls, as presented in his statements before the subcommittee of the Senate Banking and Currency Committee and the Banking and Currency Committee of the House of Representatives, is based on a recital of vague generalities and isolated instances. It is but a repetition of his request for an annual extension of rent control made to prior sessions of Congress—that the vacancy rate is low, that despite a heavy volume of new construction the demand for housing is still in excess of the supply, and he has presented certain evidence concerning extensive rent increases in decontrolled areas. Although 14 decontrolled cities are stated to have been surveyed, and the average percentage increase in rents is given, the report is completely silent as to the number of units surveyed and the method used in making the survey. Nor can it be safely assumed that sound statistical methods were followed, since this is the same agency which for a period of approximately 2 years utilized data supplied on a volunteer basis to support the granting of general area-wide rent increases. That is, if 100 questionnaires were sent out and 50 voluntarily returned, the information contained in the 50 questionnaires submitted would be accepted as representative of the operating experience of landlords in the area. As Professor Hauser pointed out in his testimony in the Chicago Rent Advisory Board hearings, this sampling method is subject to statistical bias since landlords in the worst position would be most likely to reply to the questionnaire. None of the data generally submitted even suggest answers to the questions of most pressing interest if the Congress is to appraise intelligently the need for further Federal rent controls: (1) What is the true picture concerning housing supply available in the different rental brackets; (2) is the shortage merely one of rentals at artificially low levels considering the general price structure which will not be alleviated

so long as building costs are maintained at present high levels; (3) how will the situation be improved if another 6 months or year of Federal controls is provided; (4) are such shortage conditions as may exist truly national in character, or are they limited to large cities and areas of greatest wartime and postwar growth. The Housing and Rent Act of 1949 restored to the Housing Expediter the subpena power so that he could obtain information so badly needed for informed legislative and administrative action on the subject of rent controls. Instead of securing such information the Housing Expediter has been content to repeat the glib and superficial generalizations which have characterized his annual testimony requesting extensions of rent controls.

3. Disregard of fundamental principles of the American form of government in the administration of rent control:

(a) The rent-control staff: In order to preserve public confidence in the processes of government, it is essential that Federal programs be administered by conscientious public servants who so conduct themselves as to be free of any possible charge of bias or improper influence. Undoubtedly there are many conscientious and able public servants in the rent-control agency who are remaining with that program at great personal sacrifice. However, the great insecurity which has characterized the tenure of employees in that agency has both led to the departure of many of the more able employees and thoroughly demoralized those remaining. This process of demoralization has progressed to the point where conduct little short of shocking in any other context is accepted as commonplace. Thus, the Rent Administrator and the general manager of the rent-control agency are presently engaged in a private house-building enterprise. Other lesser employees of the agency are engaged in similar enterprises, feeling undoubtedly that they must have a source of income available when their rent-control jobs end. Their participating on a private-profit basis in an industry, one segment of which they are charged with regulating, would appear to present so many possibilities for undue influence and conflict of interest that the persons so engaged can hardly have that degree of moral sensibility essential in public servants. It may also be noted that the chief area rent attorney for the lower Manhattan area rent office—at that time the largest area rent office in the country—was indicted by a Federal grand jury last spring for accepting bribes—that is, "selling" favorable official action on a widespread scale. Although it would be unfair to imply that this conduct is typical of area rent-office operations, and there is no evidence that this is the case, nevertheless, the fact that one of the more important officials—an employee of long standing—was callously and openly selling official action would suggest a high degree of staff demoralization.

(b) Failure of rent regulations to comply with the statute: In its successive annual extensions of Federal rent controls, the Congress has from time to time made various amendments in the statute designed to create a more equitable situation. Perhaps the most important added provision in the Housing and Rent Act of 1949 was the one which provided a new standard for individual and general rental adjustments, fair net operating income, and various factors were enumerated which should be taken into consideration in determining whether the maximum rent for housing accommodations yielded a fair net operating income. In a statement of economic data issued by the Housing Expediter in the matter of 1130 Park Avenue Corp., Docket No. ELRI–1, he made the following statement concerning this adjustment provision:

"The Housing Expediter then proceeded to provide a regulatory structure based upon the proposition that the net operating income yielded by a property is 'fair' if its ratio to the total income of the property is at least as great as the ratio yielded by rental properties generally over a considerable period of years—both prewar and wartime. It is 'unfair' if it is less than the ratio generally yielded during such a period."

In his Opinion and Order entered in the same proceeding, the Housing Expediter stated that—

"It was felt by Congress that having passed the most stringent phase of the wartime period the freeze technique of rent control with limited adjustments should be revised to permit all landlords to earn some fixed increment of profit over their operating costs."

This, then, was the structure of the fair net operating income rental adjustment as provided by Congress and interpreted by the Housing Expediter. The Housing Expediter, however, completely ignored this statutory mandate in at least three important respects.

First, as to individual rental adjustments the Housing Expediter adopted section 5 (a) (11) (ii) of the rent regulations which provides for individual rental adjustments based solely on increased costs of operation and maintenance. Not only is this adjustment provision inconsistent with the fair net operating income standard but it has been administered in a haphazard fashion with the end in view of hasty processing rather than careful application of uniform standards. Thus, in Housing and Rent Act of 1949, memorandum No. 14, issued on July 29, 1949, and addressed to all area and regional rent offices, it was stated that the amount of such cost increase adjustments might be ascertained by contacting local dealers and finding out the approximate percentage of increase in various expense items. As a matter of practice many area offices simply provided a 5-percent, 10-percent, or 15-percent rental adjustment whenever a petition was filed under section 5 (a) (11) (ii).

In administering the fair net operating income adjustment provision the Housing Expediter adopted section 5 (a) (18) of the rent regulations which provided, as to structures containing four or less units, that landlords whose net operating income was less than 25 percent of their gross income should be granted a rental adjustment which would bring their net operating income up to 30 percent of their gross income and landlords of larger structures whose net operating income was less than 20 percent of gross income should be increased 25 percent. These percentages were derived by a study of data concerning rental structures operating experience both prior to and during the war. From this study he had determined that 25 to 30 percent was the normal net operating income derived by landlords of small structures and 20 to 25 percent was normally earned by large structures. However, either because the original conclusions were unsound or because landlords had suffered the effect of cost increases more than had originally been supposed, the Housing Expediter found himself being required to grant many embarrassingly large rent increases. Instead of gathering new survey data or revising his regulations, on April 13, 1950, the Housing Expediter issued supplement No. 4 to Interim Manual Release 2–25 which stated, in effect, that if application of the formula outlined above resulted in a large rent increase, the increase would be scaled down to coincide with the particular building's rental income history. This procedure represented a partial return to the comparative net operating income standard in effect prior to the 1949 act which was expressly rejected by Congress.

In the field of general rental adjustments the Housing Expediter also acted in disregard of the statutory mandate. On April 1, 1949, the Housing and Rent Act of 1949 went into effect substituting the fair net operating income adjustment standard for the comparative net operating income standard previously in effect. Nevertheless, on June 27, 1949, after the new standard had already been in effect for approximately 3 months the Housing Expediter issued memorandum for rent advisory boards No. 15 in which he stated that in any area where a survey had been commenced by a local rent advisory board prior to this date, the question whether a general rent increase should be granted would be decided by application of the comparative net operating income standard. Since the making of surveys, the holding of hearings and proceedings before the local board and Housing Expediter consumed a considerable period of time, the result of this ruling was that as late as March 1950—when the Emergency Court of Appeals issued its decision in the Chicago general rent increase case (*Watkins* v. *Woods*)—the eligibility of a defense-rental area to receive a general rental increase was determined by application of the comparative net operating income standard which had been superseded on April 1, 1949.

4. Failure to follow provisions of the rent regulations: In addition to his failure to apply the provisions of the statute in a conscientious fashion, the Housing Expediter has often disregarded the provisions of his own regulations when he deemed it expedient to do so. His refusal to apply the standards of the regulation when such application resulted in a large rental increase under section 5 (a) (18) of the rent regulations was mentioned above.

Since the inception of the rent-control program, landlords of controlled accommodations first rented after the maximum rent date have been permitted to establish their own maximum rents. Such rentals are, however, subject to reduction by the area rent directors to the level of rents generally prevailing in the defense-rental area on the maximum rent date for comparable housing accommodations. When a registration statement was filed for a first-rent unit, the registration was promptly reviewed by the rent director to ascertain whether a decrease proceeding should be instituted. However, on December 22, 1949, the Deputy Housing Expediter issued instructions to area rent offices (Housing and Rent Act of 1949—18) directing them not to institute proceedings to decrease first rents unless the tenant's application for a decrease had been filed or special embarrassment resulted because of some other action pending. It is also interesting to note the statement in the memorandum that verbal instructions to the same effect had previously been given but the memorandum was found necessary because some area rent directors did not catch the significance of our talks. The ethics of determining to apply or not to apply a requirement of a regulation in such a fashion seems highly questionable.

5. Area discretion and the appeals procedure: It is natural that some differences in administrative application of the provisions of the regulation in different parts of the country should arise. To some extent this is desirable, since some latitude must be afforded for flexible treatment of special local situations. However, more fundamental is the proposition that equal treatment must be afforded all persons in similar or identical situations. Under a system of Federal controls where all areas (with minor exceptions) are subject to the same regulatory provisions, all landlords subject to the controls must be afforded essentially similar treatment. This has not been done under

the recent administration of Federal rent controls where area rent directors have been vested with almost unbridled discretion. Thus, in some areas a landlord may be subject to a 10-percent rental decrease for failure to provide window screens, whereas in others extensive rent increases with small justification are the order of the day. The cost-increase adjustment previously discussed also lends itself to lack of standards and lack of uniformity of treatment.

Until recently the appeals procedure afforded a means whereby landlords and tenants who felt aggrieved by the action of an area rent director could obtain consideration of their grievances by the national office. This meant that the application of uniform standards at the national level could largely ameliorate unfortunate local deviations. However, despite the fact that the Housing Expediter still operates under Procedural Regulation 2 which purports to afford full and complete review at the national level, the appeals procedure has become a mockery of administrative review. Many appeals cases have been decided from a reading of the appeal, without benefit of the area rent office files. And instead of receiving a careful and reasoned answer as to why the relief requested cannot be granted, an aggrieved landlord or tenant is notified that the appeal has been denied by a mimeographed order into which the names of the parties, docket numbers, and address of the parties have been typed. Some of the form orders recite the section of the regulation under which the rent director's order was entered and that "upon independent examination of the pertinent evidence in the record, and evidence advanced by the landlord—appellant, the Housing Expediter finds that the action of the rent director is fully substantiated and in accordance with the provisions of the rent regulation. It was also considered necessary to devise a form (D–710) for us when the section of the regulation involved is not known, or for other situations when it is desired to be completely vague. Since no reasons for action need be given, it is obvious that less care in reaching the result is required. The only guaranty of accuracy is the conscientiousness and accuracy of the processing employee, since the general nature of the form orders prevents any sort of supervisory review. Furthermore, the general rule in processing appeals has been that the area rent office order must be affirmed except for most unusual cases. The fraud upon the public, of which many landlords and tenants have become aware, arising out of the so-called appeal proceeding, can only create contempt for the integrity of the administrative process.

6. Attitude toward local controls: Whether or not a further extension of Federal rent controls is provided, it is undoubtedly the desire of every Member of Congress that these controls revert to local hands at the earliest possible date. The Housing Expediter, at least in one important instance, sought to defeat this objective. Prior to the enactment of the New York State rent-control law New York City, being dissatisfied with the laxity of Federal controls, attempted to adopt its own rent controls. The validity of this local ordinance was tested before the New York Court of Appeals in the case of *F. T. B. Corporation* v. *Louis Goodman*. In that case the Housing Expediter filed a brief as amicus curiae in which he contended that in enacting the Housing and Rent Act of 1949 Congress preempted the field of rent control; that the local ordinance conflicted with the Federal law and was therefore invalid. Aside from inconsistency with the objective of obtaining a maximum degree of local controls, the Housing Expediter's position was legally unsound since the Federal law merely provided a rent maximum. Therefore there could not be basic conflict between the Federal maximum rent and the local law which provided for still lower rents.

EXTENSION OF RENT CONTROL IS NOT NEEDED

As I pointed out in my colloquy with Senator CAIN last Friday, it seems to me that a Member of the Senate cannot justify a vote for the pending bill unless he is convinced that as a matter of fact there is a Nation-wide need for rent control due to a Nation-wide shortage of housing facilities.

I have examined the committee hearings on this bill and I am satisfied that the proponents of it failed to show that there is any longer a Nation-wide housing shortage to a degree which will support a conclusion that a national emergency exists in the field of housing. In other words, I am satisfied that such housing shortages as exist in this country at the present time are confined to a relatively few communities throughout our Nation, and therefore represent a strictly local problem rather than a widespread national housing need of emergency proportions.

The determination of this question of fact I consider to be basic in determining the question as to how one should vote on this bill. I have no hesitancy in saying that, if I honestly believed that the facts support a finding that there exists today, as there did during the war and up to 1949, a Nation-wide national housing shortage emergency, I wouldn't hesitate to vote for the continuation of rent control at this time. However, I have become convinced, on the basis of my analysis of the evidence presented to the committee in connection with this bill, that the preponderance of the evidence in the record fails to show a Nation-wide need for the continuation of rent control; but to the contrary, the evidence shows that housing construction since the war has reached a point so that it no longer can be said that a real national emergency exists in the field of housing.

Believing that to be the case, I cannot justify a vote for the further extension of Federal jurisdiction by way of rent control when I am convinced that to whatever extent a rent-control problem exists in this country it has become strictly a local problem, limited to a relatively few communities in the country.

I appreciate the fact that there are those local officials who would like to pass the responsibility to the Federal Government for the solution of their local housing problems but I do not think they should be supported in their "pass the buck to the Federal Government" tactics. Our democracy will remain strong only so long as it is strong at the local governmental level. Self-government in America will remain effective only so long as our people face up to their local self-government problems.

I think the record in this case shows that there is some need for housing controls in some communities; but I think we have the right to expect the citizens in those communities to exercise their duties of local self-government by handling this problem for themselves through local government regulations rather than pass the buck to the Federal Government.

Having reached the conclusion that as a matter of fact there no longer exists a Nation-wide rent-control need, I am then confronted in my analysis of this problem with a very important question of law. It is very clear, from a long line of court decisions on the rent-control issue, that Federal rent-control legislation can be justified as a matter of law only on the theory of the power and jurisdiction of the Congress to pass national legislation in such a field as rent control if it can be found by the courts that a national emergency exists.

I think that statement boils down in its essence the legal theory on which our courts have sustained the constitutionality and legality of Federal rent-control legislation. However, I do not think that a court, as a matter of law, would be justified in sustaining the proposed extension of rent control if it is true that as a matter of fact a national emergency does not exist at the present time in the field of housing. Therefore, both as a matter of fact and as a matter of law I find myself in opposition to the pending rent-control bill.

In conclusion I also wish to point out that under our Federal system, we the Congress should be on guard against any trend which seeks to have the Federal Government assume jurisdiction and control over matters and problems which can be solved satisfactorily on a local governmental level, if the people and the officials in the local governmental units will only assume their responsibilities of local self-government.

I see a great danger in this country of the formation of a very bad habit on the part of our people of shuffling off of the shoulders of local self-government the responsibilities of solving problems at the local government level which can and should be solved there. This growing habit of passing the buck to the Congress, and to the Federal Government generally, is the product, I fear, of an overdosage of the political drug of Federal paternalism. It is a dangerous opiate and I think that the good health of our body politic calls upon Congress to start tapering off and reducing the dosage of Federal paternalism which it has been injecting into the blood stream of American politics now for too long a time.

Political drug addicts of Federal paternalism are a menace to the good health and safety of our democratic processes as written into our Constitution. I think one of the tests of constitutional liberalism is to check the growing overexpansion of jurisdiction and controls by the Federal Government with the resulting weakening of Government by the people in their home communities. This rent-control bill, I think, is a good example of Federal jurisdiction in respect to a local problem. I think constitutional liberals should oppose it because I do not believe that it can be reconciled with sound political liberalism.

Therefore, Mr. President, for the reasons set forth in this speech today, and in my colloquy on the floor of the Senate last Friday with the junior Senator from Washington, I will be paired on the vote in favor of recommitting this bill to committee; and, if that motion fails, I will be paired in my vote in opposition to this bill.

Mr. MAYBANK. Mr. President, I now yield 10 minutes to the junior Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, the overcrowding which now exists in hundreds of communities throughout the country is not merely a local issue; it is rather a national issue which in large part has been nationally created. It is a national and not merely a local problem.

What we do not realize is the rapidity of the growth of population in the United States. During the past 10 years we have had a population increase of more than 19,000,000—from one hundred and thirty-two to one hundred and fifty-one million. This is the most rapid population increase in the history of the United States. At the same time we have had a tendency on the part of the young people to marry at a much earlier age than was the case 15 or 20 years ago.

The result is that the number of new marriages has been very high; and from the computations I have made, it seems that the number of new marriages in excess of deaths and in excess of the number of families which have been broken up is running at the rate of approximately 900,000 a year. That is to say, each year finds 900,000 more families in existence than the number which were in existence the previous year. As a result of all this, there is a tremendous demand for living quarters.

On the supply side, moreover, we must face the fact that during the early thirties there was a virtual suspension of all building, including the building of homes. There was a slight pick-up in the latter part of the thirties, but that was stopped by the war. During the war there was construction only in the war centers, and the volume of housing construction fell very far behind the normal rate.

So in 1945 we came out of the war with a tremendous housing shortage. Although the building industry has been doing very well since then, it needs, as I have pointed out, 900,000 new units each year merely to take care of the 900,000 new families which are coming into being each year. In addition some housing is needed to provide for the depreciation of existing housing. In other words, we have to have more than 900,000 units constructed each year in order to reduce the backlog which had accumulated by 1945. As a matter of fact, we have thus far reduced that backlog by probably only about 150,000 units. We can see the truth of all this if we examine figures collected from all over the country.

An attempt has been made to say that this problem is only a local one, confined to a few cities; and one or two Senators have even gone so far as to say that it is a problem which is confined to my own city of Chicago. It is true that it is a very grave problem in my city, because a survey by the Bureau of Labor Statistics showed that in the winter of this year, only four-tenths of 1 percent of all habitable dwellings in Chicago were vacant, and about 9 to 10 percent of our families were living doubled up. It is a very real problem in my city, and I would be false to the people of my community whom I in part represent if I did not present their plight to the Senate and to the country.

However, Mr. President, this problem is not confined to Chicago. It exists all over the United States. I have before me a list of 25 cities in which the Bureau of Labor Statistics collected figures for the vacancy rate of habitable dwellings. I find that in only three cases was the vacancy rate above 1 percent. In 22 cases the vacancy rate was less than 1 percent, as compared with the vacancy rate which we would expect in normal times, of 4, 5, or 6 percent. According to my estimates, there are probably over 2,000,000 families now living doubled up, and there are not adequate facilities for them. The result is that if rent controls were to be immediately removed, there is no doubt at all that in many places rents would skyrocket.

Mr. President, the localities which I have mentioned are not confined to the cities of Illinois. For example, in Minneapolis and St. Paul, in the great State of Minnesota, only one-tenth of 1 percent of the habitable dwellings are vacant; in Richmond, Va., three-tenths of 1 percent; in Kansas City, one-tenth of 1 percent; in Denver, Colo., two-tenths of 1 percent; in Atlanta, Ga., four-tenths of 1 percent; and so on.

So, with the pressure of families needing accommodations and with a great number of families still restricted to inadequate accommodations, to remove all rent controls at this time would mean a tremendous increase in rents. A group of real-estate owners in my city who filed a petition for a rent increase declared that if rent controls were removed, they believed the market level would show an increase of approximately 71 percent. They may have been incorrect, but certainly they looked forward to a tremendous increase in rentals. That increase, falling primarily upon persons of low incomes, would cause grievous hardship.

Mr. President, the problem has not been created by the localities. The problem has been created by the great increase in population and by the large increase in the number of marriages, because of which many localities find themselves in the midst of a nationally created problem for which they cannot take adequate local action, since we are now in an even-numbered year, and in 37 cases the State legislatures do not meet in regular session this year. In many instances the State legislatures would find it extremely difficult to meet in special session this year; but if they were to meet in special session, they would find that the great metropolitan cities tend to be underrepresented in the State legislatures.

For example, in the State of California, the county of Los Angeles has but 1 State senator out of 40. The county in which San Francisco is located also has but 1 State senator out of 40. Only 5 percent of the members of the upper house of the California legislature come from those two great centers, although they include about 48 percent of the population of that State.

So it is in other States, such as Rhode Island, New Jersey, Connecticut, and Minnesota. In a large number of States the cities are underrepresented, and it is difficult for them to make their plight known to and appreciated by the various State legislatures.

So, Mr. President, the 3,400 communities which have chosen to remain under rent control, with 8,000,000 housing units still controlled, are appealing in the main to the Congress of the United States to help them deal on a national scale with a problem which was nationally created, and with which they, as localities, are largely unable to deal.

We are asking that the present system be continued for only 6 months; and during that time the localities, even without the approval of the governor, can decontrol if they wish to do so; and after that time it will be necessary for the localities by affirmative action to ask that control be continued for them, in order to have such Federal control continue.

We do not want rent control for its own sake; but we say that the war emergency is not yet over, although of course the war itself is over. Nevertheless, the war emergency still continues. In the interests of 30,000,000 people we ask for some protection. How many people, may I ask, must be affected before a problem becomes national in scope? We have passed legislation in this Congress for small groups of people here and there, for agricultural groups, for commercial groups; and all this was probably justified in the national interest. Are not 3,400 communities, scattered throughout the country, comprising nearly half the population of the country, with 8,000,000 housing units, in which 30,000,000 people dwell, sufficient to be considered as being a part of the United States of America?

We ask, Mr. President, that the present motion to recommit be rejected and that this very moderate bill be passed.

Mr. President, I ask unanimous consent to have inserted in the body of the RECORD at this point three tabulations showing facts that support the foregoing argument: The first showing the vacancy rates in 25 areas; the second showing increases in rents free to rise after termination of Federal rent control in 14 cities; and the third showing examples of underrepresentation of urban areas and large cities in State legislatures.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Vacancy rates in 25 areas

Area	Overall vacancy rate	Habitable rental vacancy rate	Date of survey
Atlanta, Ga.	1.1	0.4	February 1950.
Baltimore, Md.	2.0	.9	December 1949.
Birmingham, Ala.[1]	1.5	1.0	Do.
Boston, Mass.	1.1	.4	Do.
Buffalo, N. Y.[2]	1.2	.5	January 1950.
Cincinnati, Ohio-Ky.	1.6	.7	December 1949.
Chicago, Ill.	.8	.4	January 1950.
Denver, Colo.	1.5	.2	Do.
Detroit, Mich.	1.6	.5	December 1949.
Indianapolis, Ind.	1.1	.4	January 1950.
Jacksonville, Fla.	1.3	.7	December 1949.
Kansas City, Mo.-Kans.	.8	.1	January 1950.
Los Angeles, Calif.	1.8	.9	February 1950.
Memphis, Tenn.	2.3	.6	December 1949.
Minneapolis-St. Paul, Minn.	1.0	.1	Do.
Mobile, Ala.[1]	3.8	2.0	Do.
Nashville, Tenn.	1.5	.8	February 1950.
New Orleans, La.	2.5	.8	January 1950.
New York, N. Y.[2]	.8	.4	Do.
Pittsburgh, Pa.	.9	.4	Do.
Portland, Maine	2.1	.6	December 1949.
Portland, Oreg.-Vancouver, Wash.	2.1	.7	January 1950.
Richmond, Va.[3]	1.1	.3	Do.
Savannah, Ga.[4]	3.9	2.7	Do.
St. Louis, Mo.-Ill.	1.3	.4	December 1949.

[1] Decontrol by State action becomes effective on May 25, 1950.
[2] State rent control was substituted for Federal rent control on May 1, 1950.
[3] Decontrol by State action becomes effective on June 10, 1950.
[4] Decontrolled by local option on Mar. 6, 1950.

Sources: Surveys by the U. S. Bureau of Labor Statistics except for Nashville, Tenn., which was surveyed by the U. S. Bureau of the Census.

Increases in rents free to rise after termination of Federal rent control in 14 cities (excludes units having continuous leases and units individually decontrolled before area-wide decontrol)

City	All rent ranges			Under $30 per month			Survey period	Date of decontrol	Method by which Federal control terminated
	Percent of all units having increases	Average percentage increase		Percent of all units having increases	Average percentage increase				
		For units which had rent increases	For all units, including those which did not have rent increases		For units which had rent increases	For all units, including those which did not have rent increases			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Houston, Tex	31	41.3	10.7	44	46.4	20.2	Aug. 15, 1949, to Nov. 15, 1949	Oct. 19, 1949	State action.
Beverly Hills, Calif	74	41.0	26.7	[1] 91	[1] 42.7	[1] 38.9	Oct. 15, 1949, to Mar. 1, 1950	Dec. 7, 1949	Local option.
Dallas, Tex	67	35.4	20.5	75	55.8	41.6	Apr. 15, 1949, to Nov. 15, 1949	June 23, 1949	Do.
Topeka, Kans	40	30.3	10.5	50	37.7	19.7	July 15, 1949, to Nov. 15, 1949	Sept. 14, 1949	Do.
Eugene, Oreg	38	30.3	9.4	57	34.6	19.7	June 15, 1949, to Feb. 15, 1950	Aug. 18, 1949	Do.
Knoxville, Tenn	61	26.8	15.8	63	36.1	21.9	May 15, 1949, to Nov. 15, 1949	June 14, 1949	Do.
Jacksonville, Fla	56	26.2	12.3	[2]	[2]	[2]	June 15, 1949, to Nov. 15, 1949	Aug. 5, 1949	Do.
Oklahoma City, Okla.[3]	17	26.2	2.9	31	39.8	11.5	Sept. 15, 1949, to Jan. 15, 1950	Nov. 23, 1949	Do.
Omaha, Nebr	62	21.9	14.2	46	29.3	13.5	do	Nov. 2, 1949	State action.
Milwaukee, Wis.[4]	60	20.2	12.2	59	27.0	15.9	May 15, 1949, to Feb. 15, 1950	Aug. 5, 1949	State control substituted.
Spokane, Wash	46	18.6	8.2	43	28.3	11.8	May 15, 1949, to Nov. 15, 1949	July 25, 1949	Housing Expediter initiative.[5]
Wichita, Kans	35	18.2	6.4	34	52.1	16.6	Oct. 15, 1949, to Mar. 1, 1950	Dec. 29, 1949	Local option.
Salt Lake City, Utah	46	16.2	7.1	48	26.3	12.6	June 15, 1949, to Nov. 15, 1949	Aug. 5, 1949	Do.
Madison, Wis	51	12.3	5.9	[1] 55	[1] 14.1	[1] 7.9	June 15, 1949, to Feb. 15, 1950	do	State control substituted.

[1] Under $50 per month.
[2] Not available.
[3] General rent increase of 20 percent granted prior to decontrol.
[4] Includes all units—data on rents free to rise not available.
[5] Based on informal recommendation of local rent advisory board.

Source: Surveys by the U. S. Bureau of Labor Statistics.

UNDERREPRESENTATION OF URBAN AREAS AND LARGE CITIES IN STATE LEGISLATURES IN THE UNITED STATES

In these tabulations prewar statistics and 1940 census figures are used. Therefore, the underrepresentation of urban areas is today even more exaggerated than the following figures indicate, since during World War II large numbers of people were drawn into the cities from rural areas.

Rhode Island: Providence has 36 percent of the population in the State but elects only 6 out of 44, or 14 percent, of the State senators and only 25 percent of the lower house.

Connecticut: The five largest cities have 38 percent of the population of the State but elect only 10 out of 272, or 4 percent, of the members of the lower house.

Georgia: Atlanta, with 10 percent of the population of Georgia, has exactly 4 members in a legislature numbering 259.

Pennsylvania: Thirty-six rural counties, with a population of only 1,200,000, have 36 representatives at Harrisburg compared with 27 sent by Allegheny County, which has a population of more than 1,400,000. The city of Erie has 2 State representatives, representing 60,000 persons each, while the rest of the county has 2 representatives speaking for only 25,000 persons each.

California: Los Angeles County, with approximately 39 percent of its State population has only 1 State senator of the 40 who comprise California's Senate. Los Angeles and San Francisco together, with 48.4 percent of the population of the State, have exactly 5 percent of the representatives in its upper house.

Illinois: Cook County has more than half the people of Illinois within its boundaries. Yet Cook County, in which Chicago is located, has only 57 out of the 153 in the lower house and 19 senators out of 51.

Missouri: St. Louis is the home of 22 percent of the people of Missouri. But St. Louis has only 19 representatives of 150 and 6 senators of 34.

Ohio: Cleveland has roughly 900,000 people, 16 percent of the entire State of Ohio. But Cleveland has only 6.6 percent of the members of the Ohio House of Representatives. Sixty-four rural counties have 1 representative for each 27,800 population while 11 urban counties have only 1 representative for every 102,600 population.

Maryland: Baltimore, with more than half the population of Maryland, has only 36 members out of 120 in the lower house and 6 out of 29 in the State senate.

New York: New York City, with 60 percent of the population of the State, is allowed only 62 out of 150 assembly members and 23 out of 51 State senators.

Michigan: Detroit has roughly one-third of the population of Michigan and yet has but 17 members of the 100 in the assembly and the whole of Wayne County has only 7 out of 32 State senators.

Oregon: The number of people served by a single State representative varies from 5,272 to 22,202 and by a single State senator from 9,072 to 55,406.

Wisconsin: The largest assembly district contains a population of 67,447, the smallest only 15,827; 17 assembly districts have a population of more than 40,000 and 12 districts have a population of under 20,000.

Minnesota: Minneapolis is represented by 1 house member per 20,516 population while 81 rural counties have 1 for each 12,133 of population.

Delaware: Newcastle County (Wilmington) has 67 percent of the State's population but only 42 percent of the representation in the legislature.

New Jersey: Eight urban counties with 80 percent of the population have only 8 senators while 13 rural counties with only 20 percent of the population have 13 senators.

Oklahoma: Oklahoma City, with a population of 244,000 has only 7 representatives while 7 rural counties with a population of only 57,000 have 7 representatives.

The VICE PRESIDENT. The time of the Senator from Illinois has expired. The Senator from South Carolina has 6 minutes remaining.

Mr. MAYBANK. Mr. President, I understood that some of the time I yielded was yielded at the request of proponents. If I understood correctly, the Senator from Washington said that all he would want would be 2 minutes more. In that case, I presume I could use the remainder of the time.

Mr. CAIN. I think that at least 4 minutes of the time which has been consumed by opponents of the motion were yielded at the request of the Senator from Washington. I should appreciate having the 4 minutes added to the time yet remaining to the senior Senator from South Carolina—more, if the Senator wishes it.

Mr. MAYBANK. That is satisfactory. The additional 4 minutes would make a total of 10 minutes.

The VICE PRESIDENT. Ten minutes.

Mr. MAYBANK. Then I yield to the Senator from Washington.

The VICE PRESIDENT. The Senator yields 4 minutes, does he?

Mr. CAIN. Mr. President, does the Senator from Washington have 10 minutes remaining?

The VICE PRESIDENT. That is correct.

Mr. CAIN. The Senator from Washington thinks that for the purpose of the motion he has expressed the attitude of those whom he represents, as best he can, and he therefore relinquishes the 2 minutes yet remaining.

Mr. MAYBANK. Mr. President, I yield the remainder of the time to the senior Senator from Illinois.

The VICE PRESIDENT. The Senator from Illinois is recognized for 9 minutes, if he wishes it.

Mr. LUCAS. Mr. President, I do not desire to take the 9 minutes to discuss the motion now pending before the Senate. The motion to recommit the bill is one which obviously can be made under the rules of the Senate. It seems to me, in view of the situation now existing, that even if the motion to recommit were agreed to, it would be more or less a futile gesture.

I say that in view of what the distinguished chairman of the Committee on Banking and Currency said in his brief statement before the Senate a few moments ago. In other words, if the motion to recommit prevails, the Senator from South Carolina, the distinguished chairman of the Committee on Banking and Currency, has advised the Senate that he will immediately call his committee together. Members of the committee would undoubtedly vote as they did before, which was on the basis of eight in favor of reporting the bill, five against reporting it. The measure would then be before the Senate again. Under the rules of the Senate, it would lie over for 1 day. We would then be in a position to consider it again.

It seems to me that under the circumstances the motion to recommit should be defeated and that we should proceed within a reasonable length of time thereafter to vote upon the bill and all amendments thereto.

Mr. President, it is not proper at this time, it seems to me, to discuss the merits of the bill. The subject has been discussed rather fully heretofore by Members of the Senate. The sole question before the Senate is whether it is desired to continue debate upon the bill, to close the colloquies between Senators, to conclude the debate within a reasonable length of time, and allow the orderly processes of parliamentary procedure to operate; and this, regardless of whether it is desired to send the bill back to the committee and then have it returned to the floor immediately.

I appeal to Senators on both sides of the aisle to vote against the motion to recommit. I hope the motion will be defeated, and that we may be able thereafter to proceed to obtain within a reasonable length of time, after Senators have had an opportunity to debate further the merits or demerits of the bill, a vote upon all amendments and upon the bill itself. I sincerely hope we may do that, in view of the fact that other important pieces of legislation are on the calendar of the Senate awaiting consideration.

The House of Representatives in its consideration of the legislation which the Congress must consider at this session is far in advance of the Senate. The Senate, of course, desires, as does the House of Representatives, to conclude the consideration of business before the Congress as soon as possible and take an adjournment. But so long as there are important measures of this kind pending, we must make disposition of them one way or the other. Some day we must vote upon the rent-control bill. Certainly it is the hope of the Senator from Illinois and the hope of all other Members, at least those on the Democratic side of the aisle that we may be able to do so with as much expedition as possible, yet with full appreciation of the fact that those who desire legitimately to debate the merits of the bill should have a right to continue the debate. That is all I care to say at this time. Whatever time remains of the time allotted me, I return. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Brewster	Hendrickson	Malone
Bricker	Hickenlooper	Martin
Bridges	Hill	Maybank
Butler	Hoey	Millikin
Byrd	Holland	Mundt
Cain	Humphrey	Murray
Capehart	Hunt	Myers
Chapman	Jenner	Neely
Connally	Johnson, Colo.	O'Mahoney
Cordon	Kefauver	Pepper
Donnell	Kem	Robertson
Douglas	Kilgore	Russell
Dworshak	Knowland	Saltonstall
Ecton	Langer	Smith, N. J.
Ellender	Lehman	Sparkman
Ferguson	Lucas	Stennis
Frear	McCarran	Taft
Fulbright	McCarthy	Thomas, Utah
George	McClellan	Thye
Gillette	McFarland	Watkins
Green	McKellar	Wherry
Gurney	McMahon	Williams
Hayden	Magnuson	Withers

The VICE PRESIDENT. A quorum is present. The hour of 1 o'clock having arrived, under the unanimous-consent agreement the question is on agreeing to the motion to recommit the bill.

Mr. LANGER and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SALTONSTALL (when Mr. LODGE's name was called). I announce that my colleague, the junior Senator from Massachusetts [Mr. LODGE] is absent by leave of the Senate. He is paired with the Senator from New Hampshire [Mr. TOBEY], who is also absent by leave of the Senate. If the junior Senator from Massachusetts [Mr. LODGE] were present he would vote "nay." If the Senator from New Hampshire were present he would vote "yea."

The roll call was concluded.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from California [Mr. DOWNEY], and the Senator from Texas [Mr. JOHNSON] are absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Oklahoma [Mr. KERR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Louisiana [Mr. LONG] are absent on public business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Connecticut [Mr. BENTON] is paired on this vote with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Oregon would vote "yea."

The Senator from Maryland [Mr. TYDINGS] is paired on this vote with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Kansas would vote "yea."

I announce further that if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from California [Mr. DOWNEY], the Senator from Mississippi [Mr. EASTLAND], the Senator from Oklahoma [Mr. KERR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Idaho [Mr. TAYLOR] would vote "nay."

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN] is detained on official business.

The Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Vermont [Mr. FLANDERS] who is absent by leave of the Senate is paired with the Senator from New York [Mr. IVES] who is also absent by leave of the Senate. If present and voting the Senator from Vermont would vote "yea," and the Senator from New York "nay."

The Senator from Oregon [Mr. MORSE] who is absent by leave of the Senate is paired with the Senator from Connecticut [Mr. BENTON]. If present and voting the Senator from Oregon would vote "yea," and the Senator from Connecticut would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] who is absent by leave of the Senate is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Maryland would vote "nay."

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO conference in Florence, Italy.

The Senator from Michigan [Mr. VANDENBERG], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The result was announced—yeas 25, nays 44, as follows:

YEAS—25

Brewster	Ferguson	Mundt
Bricker	Gurney	Smith, N. J.
Bridges	Hickenlooper	Taft
Butler	Jenner	Thye
Cain	Kem	Watkins
Capehart	Knowland	Wherry
Cordon	McCarthy	Williams
Dworshak	Malone	
Ecton	Martin	

NAYS—44

Byrd	Holland	Maybank
Chapman	Humphrey	Millikin
Connally	Hunt	Murray
Donnell	Johnson, Colo.	Myers
Douglas	Kefauver	Neely
Ellender	Kilgore	O'Mahoney
Frear	Langer	Pepper
Fulbright	Lehman	Robertson
George	Lucas	Russell
Gillette	McCarran	Saltonstall
Green	McClellan	Sparkman
Hayden	McFarland	Stennis
Hendrickson	McKellar	Thomas, Utah
Hill	McMahon	Withers
Hoey	Magnuson	

NOT VOTING—27

Aiken	Ives	Schoeppel
Anderson	Johnson, Tex.	Smith, Maine
Benton	Johnston, S. C.	Taylor
Chavez	Kerr	Thomas, Okla.
Darby	Leahy	Tobey
Downey	Lodge	Tydings
Eastland	Long	Vandenberg
Flanders	Morse	Wiley
Graham	O'Conor	Young

So the motion to recommit was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY of Tennessee, Mr. THORNBERRY, and Mr. REES were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. BROOKS, Mr. KILDAY, Mr. SHORT, and Mr. ARENDS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ALBERT, Mr. GARMATZ, and Mr. BISHOP were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills:

H. R. 87. An act relating to the promotion of veterans of World War II in the field service of the Post Office Department;

H. R. 589. An act for the relief of C. M. Smart;

H. R. 697. An act for the relief of Samuel W. Poorvu;

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling indebtedness of the association, and for other purposes;

H. R. 1047. An act for the relief of the Aero-Bocker Knitting Mills, Inc.;

H. R. 1103. An act for the relief of Miriam Barkle;

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1170. An act for the relief of Mrs. John Kaudy (formerly Stella Cappler);

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1275. An act for the relief of Anna Helman;

H. R. 1482. An act for the relief of Frances L. Marshall;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1602. An act for the relief of Ben Grunstein;

H. R. 1627. An act for the relief of Filip Nicola Lazarevich;

H. R. 1866. An act for the relief of Honorio Canciller and Nancy Ting Evangelista;

H. R. 2224. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.;

H. R. 2386. An act to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.;

H. R. 3480. An act to authorize the Commonwealth of Kentucky to use for certain education purposes lands granted by the United States to such Commonwealth for State park purposes exclusively;

H. R. 3527. An act for the relief of Gifford E. Moak;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 3675. An act for the relief of Erik H. Lindman;

H. R. 3896. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4011. An act for the relief of Stavros Matheos (also known as Steve Matheos or Matheou);

H. R. 4015. An act for the relief of Kate Laursen;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4567. An act to amend the Displaced Persons Act of 1948;

H. R. 4641. An act to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county;

H. R. 4747. An act for the relief of Louise Ahting;

H. R. 4781: An act for the relief of Veronica Jolly;

H. R. 4892. An act to provide for the admission of pay patients to the Home for the Aged and Infirm;

H. R. 4969. An act to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands;

H. R. 4996. An act for the relief of Lonnie M. Abernathy;

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5103. An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 5126. An act for the relief of Mrs. Nathalie E. Cobb;

H. R. 5150. An act for the relief of Ira D. Doyal and Clyde Doyal;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5295. An act for the relief of C. R. Springman;

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones;

H. R. 5511. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 5639. An act for the relief of Ivan E. Townsend;

H. R. 5709. An act for the relief of Patrick Cronin;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 5913. An act to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within Symmes Creek Purchase Unit in Lawrence County, Ohio, and for other purposes;

H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;

H. R. 6271. An act for the relief of Mrs. Harry Schneider;

H. R. 6344. An act for the relief of Mrs. William Y. Imanaka;

H. R. 6364. An act for the relief of Yoshiko Matsumura;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6385. An act for the relief of Louise M. Koch;

H. R. 6414. An act for the relief of Mrs. Chikako Mary Ohori Hori;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6485. An act for the relief of Jodeene Lehrman;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 6521. An act to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6577. An act for the relief of Haruko Teramoto;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to

establish and continue offices in the Republic of the Philippines;

H. R. 6689. An act for the relief of Mitsuko Uemura;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 6991. An act for the relief of E. G. Morris;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions;

H. R. 7082. An act for the relief of Mrs. Isamu Tarasawa;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7092. An act for the relief of Mrs. Karry Wakefield;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia;

H. R. 7173. An act for the relief of Toshiko Ono;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7256. An act for the relief of Mieko Nishitsuru;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7283. An act for the relief of Mrs. Jack B. Meyer;

H. R. 7313. An act for the relief of Lucy Teresa Morris;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman;

H. R. 7440. An act to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for active pulmonary tuberculosis;

H. R. 7485. An act for the relief of Mrs. Maria Margarite Noe;

H. R. 7560. An act for the relief of Mary Frances Yoshinaga;

H. R. 7609. An act to grant a renewal of patent No. 59560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 7700. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 7708. An act to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.;

H. R. 7778. An act for the relief of Miyoko Oishi;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump sum death payments, and for other purposes;

H. R. 7888. An act to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal;

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," and approved March 28, 1806;

H. R. 7984. An act to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes; and

H. R. 8422. An act for the relief of Carmencita von Plettenberg.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communications, which were referred to the Committee on Appropriations:

DEFICIENCY ESTIMATE, LEGISLATIVE BRANCH (S. Doc. No. 182)

A communication from the President of the United States, transmitting a deficiency estimate of appropriation, in the amount of $127,000, for the legislative branch, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

DEFICIENCY ESTIMATE, DISTRICT OF COLUMBIA (S. Doc. No. 183)

A communication from the President of the United States, transmitting a deficiency estimate of appropriation, in the amount of $160,000, for the District of Columbia, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE, OFFICE OF ADMINISTRATOR, HOUSING AND HOME FINANCE AGENCY (S. Doc. No. 181)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, in the amount of $590,000, for the Office of the Administrator, Housing and Home Finance Agency, fiscal year 1951, in the form of an amendment to the budget (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

PETITIONS

Petitions were presented, and referred as indicated:

By Mr. SALTONSTALL (for himself and Mr. LODGE):

Two resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Post Office and Civil Service:

"Resolutions memorializing the President of the United States to reinstate certain amputee veterans as permanent postal employees

"Whereas, due to recently effected service curtailments and appropriation reductions of the Boston postal district, the only five World War II amputee veterans employed as substitutes in the Boston postal district were summarily discharged: Therefore be it

"*Resolved*, That the Massachusetts General Court record itself in favor of requesting President Harry S. Truman to issue a Presidential order reinstating the said five amputee veterans as permanent postal employees; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, May 25, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, June 2, 1950.

"IRVING N. HAYDEN,
"Clerk."

"Resolutions memorializing Congress to enact legislation exempting tuna, bass, and other fishing tournaments at which prizes are offered from the provisions of the Federal postal lottery law

"*Resolved*, That the General Court of Massachusetts urges the Congress of the United States to enact legislation whereby tuna, bass, and other fishing tournaments conducted by public agencies or by chambers of commerce, boards of trade, or sporting organizations and at which prizes are offered shall be exempted from the provisions of the Federal postal lottery law; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from this Commonwealth.

"In house of representatives, adopted, May 25, 1950.

"LAWRENCE R. GROVE,
"Clerk.

"In senate, adopted, in concurrence, June 2, 1950.

"IRVING N. HAYDEN,
"Clerk."

CONTINUATION OF RENT CONTROL—PETITIONS

Mr. MYERS. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD letters in the nature of petitions from the National Federation of Insurance Agents, Philadelphia; International Hod Carriers' Building and Common Laborers' Union of America, York; Local Union No. 26, United Cement, Lime, and Gypsum Workers International Union, Northampton; Journeymen Barbers, Hairdressers, Cosmetologists, and Proprietors International Union of America, Spangler; Textile Workers Union of America, Local No. 6, Lewistown; United Brotherhood of Carpenters and Joiners, Local No. 129, Hazleton; Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, Division 164, Wilkes-Barre; and the Building and Construction Trades Council, Philadelphia, all in the State of Pennsylvania, praying for the enactment of legislation to continue rent control.

There being no objection, the petitions were ordered to lie on the table and to be printed in the RECORD, as follows:

NATIONAL FEDERATION OF INSURANCE AGENTS,
Philadelphia, Pa., June 5, 1950.

Senator FRANCIS MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: As you know, the Federal rent-control law is due to expire on June 30, 1950.

We are writing this letter on behalf of the membership of our local urging you to vote for the extension of rent control beyond June 30, 1950.

Unless rent-control legislation is renewed, we can expect drastic rent increases hitting hardest in the middle- and low-income brackets. This is particularly true in areas where there is no city or State rent law and has been the experience of those areas in the country where decontrol took place. Many hardships will result unless this act is renewed.

Again we urge you to insist upon and vote for Federal rent-control extension beyond June 30, 1950.

Sincerely yours,

CHARLES E. MORRIS,
Chairman, Legislative Committee.

INTERNATIONAL HOD CARRIERS' BUILDING AND COMMON LABORERS' UNION OF AMERICA,
York, Pa., May 25, 1950.

Hon. FRANCIS MYERS,
Senate Building, Washington, D. C.

DEAR SIR: In behalf of my local union and for the good of all concerned may I urge you to vote for the continuance of rent controls until at least June 30, 1951.

Yours truly,
ALVIN W. ESHELMAN,
Financial Secretary,
Business Representative.

LOCAL UNION NO. 26,
UNITED CEMENT, LIME, AND GYPSUM WORKERS INTERNATIONAL UNION,
Northampton, Pa., June 1, 1950.

Hon. FRANCIS J. MYERS,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SIR: Local Union No. 26 went on record, informing me to send you a letter requesting you to vote to continue the Rent Control Act to June 30, 1951.

I also want to thank you in behalf of our local, for sending us the copies of the Washington News Letters; we find them very interesting.

Very truly yours,
GRANVILLE KOEHLER,
Recording Secretary.

THE JOURNEYMEN BARBERS, HAIRDRESSERS, COSMETOLOGISTS, AND PROPRIETORS INTERNATIONAL UNION OF AMERICA,
Spangler, Pa., June 1, 1950.

Hon. FRANCIS J. MYERS,
United States Senator,
Washington, D. C.

DEAR MR. SENATOR: This organization urges you to vote for continuance of rent control. The abolition of this measure would force a severe hardship on many of our people.

Thanking you in return, I am,

Respectfully yours,
A. J. DOMINIC,
Secretary and Treasurer.

LOCAL NO. 6,
TEXTILE WORKERS UNION OF AMERICA,
Lewistown, Pa., May 31, 1950.

Hon. FRANCIS J. MYERS,
United States Senate, Washington, D. C.

DEAR SIR: Please be advised of our request soliciting your utmost support on the worthy subject of rent extension beyond the June 30, 1950, expiration date. Our organization has been in the leadership in our community to do everything possible that we can to obtain the important rent control issue, as the citizens of each community have already been assaulted with the expected rent increases, evictions, etc., due to controls being eliminated.

Thanking you in advance as I know as in the past we can look forward to your fine cooperation on this important subject. So, in behalf of our officers and members of the Textile Workers Union of America, Local No. 6, Lewistown, Pa., I remain,

Very truly yours,
DOLLIE DE ARMENT,
Business Manager.

LOCAL UNION NO. 129,
UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
Hazleton, Pa., May 31, 1950.

Senator FRANCIS MYERS,
United States Senate,
Washington, D. C.

DEAR MR. MYERS: The members of Local No. 129, United Brotherhood of Carpenters and Joiners of America, urge you most heartily at this time to vote for the continuance of rent control until at least June 30, 1951.

Sincerely yours,
WILLIAM OPHER,
President.
ROBERT T. COBURN,
Recording Secretary.
HOWARD STINNETT.

AMALGAMATED ASSOCIATION OF STREET ELECTRIC RAILWAY AND MOTOR COACH EMPLOYEES OF AMERICA,
Wilkes-Barre, Pa., June 2, 1950.

Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.

DEAR SIR: We, the members of division No. 164, Wilkes-Barre, Pa., request of you to vote for the continuance of rent control until at least June 30, 1951. As this will bring to many thousands of families happy and contented lives and not severe hardships.

Thank you.

Very truly yours,
JOHN B. SCHULTZ,
Financial Secretary-Treasurer.

BUILDING AND CONSTRUCTION TRADES COUNCIL,
Philadelphia, Pa., June 1, 1950.

Hon. FRANCIS J. MYERS,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MYERS: The officers and members of our Building and Construction Trades Council have instructed me to communicate with you for the purpose of enlisting your cooperation on behalf of the Rent Control Act.

We would appreciate your support in voting for the continuance of rent controls until at least June 30, 1951.

With best wishes, I am,

Sincerely yours,
NORMAN BLUMBERG,
Secretary-Treasurer.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD, from the Committee on Armed Services:

S. 960. A bill to provide for the construction, rehabilitation, expansion, conversion, and joint utilization of buildings, structures, utilities, and other facilities, including the acquisition of land, for the reserve components of the National Military Establishment of the United States, and for other purposes; with amendments (Rept. No. 1785).

By Mr. CHAPMAN (for Mr. JOHNSON of Texas), from the Committee on Armed Services:

H. R. 7579. A bill to extend the Rubber Act of 1948 (Public Law 469, 80th Cong.), and for other purposes; with amendments (Rept. No. 1786).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 382. A bill for the relief of Wong Suey Wing; with an amendment (Rept. No. 1787);

S. 841. A bill for the relief of Michele Bartolomeo Marchisio; without amendment (Rept. No. 1788);

S. 1208. A bill for the relief of Pasch Bros.; with an amendment (Rept. No. 1789);

S. 1260. A bill for the relief of Stefanos Stefanou; without amendment (Rept. No. 1790);

S. 1304. A bill for the relief of Nicolae G. Caranfil and his family; without amendment (Rept. No. 1791);

S. 1320. A bill for the relief of Mrs. Barbarita Romero; without amendment (Rept. No. 1792);

S. 1779. A bill for the relief of Phil Meyers, also known as Gil Meyers; without amendment (Rept. No. 1793);

S. 1800. A bill for the relief of J. Don Alexander; without amendment (Rept. No. 1794);

S. 1884. A bill for the relief of Reverend Lambros Economakos; without amendment (Rept. No. 1795);

S. 2016. A bill for the relief of Mr. and Mrs. Charles R. Proctor; with an amendment (Rept. No. 1796);

S. 2077. A bill for the relief of Francisco Gonzalez Perez; with an amendment (Rept. No. 1797);

S. 2095. A bill for the relief of Frederick L. Groggans; without amendment (Rept. No. 1798),

S. 2264. A bill for the relief of Juliana Sosa de Solis; with an amendment (Rept. No. 1799);

S. 2346. A bill for the relief of Kuo Chin Lu; with an amendment (Rept. No. 1800);

S. 2403. A bill for the relief of Curt Edward Friese; without amendment (Rept. N. 1801);

S. 2608. A bill for the relief of Dr. Kun Ken Hu; with an amendment (Rept. No. 1802);

S. 2991. A bill for the relief of the Chicago, Rock Island & Pacific Railroad Co.; without amendment (Rept. No. 1803);

H. R. 1606. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claim of Auf der Heide-Aragona, Inc., and certain of its subcontractors against the United States; with an amendment (Rept. No. 1804);

H. R. 1697. A bill for the relief of Mildred Smith Butler; without amendment (Rept. No. 1805);

H. R. 2365. A bill for the relief of the city of Chester, Ill.; with an amendment (Rept. No. 1806);

H. R. 3498. A bill for the relief of the Gluckin Corp.; without amendment (Rept. No. 1807);

H. R. 3506. A bill for the relief of Louis P. Murphy, United States immigrant inspector, El Paso, Tex.; with an amendment (Rept. No. 1808);

H. R. 4100. A bill for the relief of Calvin E. Cranford; without amendment (Rept. No. 1809);

H. R. 4163. A bill for the relief of Mr. and Mrs. C. S. Walker; without amendment (Rept. No. 1810);

H. R. 4960. A bill for the relief of Mrs. Elizabeth H. Whitney; without amendment (Rept. No. 1811);

H. R. 5979. A bill for the relief of John Tweit; without amendment (Rept. No. 1812);

H. R. 6652. A bill for the relief of Mrs. Fujiko Chichie Imbert, wife, and Robert Imbert, Jr., son of an American soldier; without amendment (Rept. No. 1813);

H. R. 6691. A bill for the relief of Paul D. Banning, chief disbursing officer, Treasury Department, and for other purposes; with amendments (Rept. No. 1814);

H. R. 7050. A bill for the relief of Louie Gam Yean; without amendment (Rept. No. 1815);

H. R. 7065. A bill for the relief of Kazuko Miyama Akana and Chang King Akana; without amendment (Rept. No. 1816);

H. R. 7066. A bill for the relief of Setsuko Amano; without amendment (Rept. No. 1817);

H. R. 7073. A bill for the relief of Koto Kogami Kitsu and Jeannette Akemi Kitsu; without amendment (Rept. No. 1818);

H. R. 7199. A bill for the relief of Nobuko Maeda; without amendment (Rept. No. 1819);

H. R. 7254. A bill for the relief of Mrs. Bernard Smith; without amendment (Rept. No. 1820);

H. R. 7362. A bill for the relief of Mrs. Willard Thulin (formerly Jutta Kono); without amendment (Rept. No. 1821);

H. R. 7416. A bill for the relief of Suzuko Takanashi; without amendment (Rept. No. 1822);

H. R. 7656. A bill for the relief of David George Callaway; without amendment (Rept. No. 1823);

H. R. 7658. A bill for the relief of Mitsuko Ito; without amendment (Rept. No. 1824); and

H. R. 7682. A bill for the relief of Mrs. Akiko Osada Gustafson; without amendment (Rept. No. 1825).

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. McCARRAN. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution favoring the suspension of deportation of certain aliens, and I submit a report (No. 1826) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 95) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months.

[redacted], Abbos, Shaiki or Shake alias Shake Shassen.
[redacted], Ackland, Robert McLuckie.
[redacted], Acosta, Rudolfo Ruiz.
[redacted], Adler, Barbara.
[redacted], Afonso, Antonio Joaquim.
[redacted], Aftosmes, Demetrios or James Aftosmes.
[redacted], Aguilera, Guillermo.
[redacted], Aguillera-Flores, Antonia or Tony Aguilera-Flores.
[redacted], Aidecon-Lezamiez, Juan.
[redacted], Alonso, Orestes or Orestes Esteban Alonso y Arencibia, or Rafael Fuentes.
[redacted], Arens, Hermanus Josephus Aloysius Cecilia or Hermanus J. A. C. Arens.
[redacted], Alvarez, Lucy Amaya or Maria De La Luz Alvarez.
[redacted], Amador-Flores, Dimas.
[redacted], Andreason, Genoveva (nee Nasura).
[redacted], Andronoff, Stephan.
[redacted], Angelcovich, Spas Risto or Spasa Risto Angelcovich.
[redacted], Anglin, Loretta (nee Nairne) or Loretta Agatha Anglin.
[redacted], Apodaca, Inocente.
[redacted], Armstrong, Angelina or Angelina Misa.
[redacted], Arrien, Ignacio or Ignacio Ulacia or Ignacio Ulacia Arrien.
[redacted], Arriola, Pedro or Rosales.
[redacted], Arslanian George or Nazaret Arslanian.
[redacted], Artimovski, Pavel or Pavel Artimovsky or Paul Duricka or Pavor Artimoszke or Pavel Artimosky.
[redacted], Athanasiou, Ioannis Vasilios or John Athanasiou or Athanassiou.
[redacted], Atkinson, Margaret (nee Maggie Clarke).
[redacted], Attis, Rupert Ernest.
[redacted], Aubain, Joseph Jules Firmin.
[redacted], Augoustis, John Deamatis.
[redacted], Avedesian, George Krikor.
[redacted], Avedesian, Hyganoosh.
[redacted], Bakke, Aina Eugenia or Aine Eugenia Broo (maiden name).
[redacted], Balbi, Aniello.
[redacted], Ballas, John, formerly Janos Balazs.
[redacted], Bangos, Jim John or Demetrios John Bangos.
[redacted], Bangos, John Jim.
[redacted], Barlow, Leslie Denise.
[redacted], Barnes, Percy Stuart Joseph.
[redacted], Bartelt, John Detlef.
[redacted], Bassonetti, Achille.
[redacted], Batista, Alfredo Jose.
[redacted], Bottaro, Carlo or Carlo Delan Gralio or Carlo Battaro.
[redacted], Baltazar-Lozano, Alberto.
[redacted], Bauer, Hagen Herbert.
[redacted], Becker, Monica Inge.
[redacted], Bilbao, Justo Echevarria or Justo Bilbao.
[redacted], Berghe, Joseph Alfert Van Den or Joseph Alfred Van Den Berghe.
[redacted], Berr, Lena (nee Tzadikoff).
[redacted], Betcher, Edward or Eduards Betchers.
[redacted], Bisceglie, Michele.
[redacted], Bishop, Joyce Evelyn.
[redacted], Blackette, Beresford Hugh.
[redacted], Blanshard, Florence.
[redacted], Bley Anna Friederike (nee Hochbach).
[redacted], Bleziotes, Haralambos or Harry Bleziotes.
[redacted], Bocca, Stefano or Stephen.
[redacted], Boeckmann, Emmy or Bockmann or Bockman (nee Doerner).
[redacted], Boen, Joen Fong or Boen Joen Fong or Stephen Boon.
[redacted], Bonivy, Doris Bowles (nee Pinder).
[redacted], Borges, Eduardo Ferreira.
[redacted] Borgias, Constantinos Nicholas.
[redacted], Brennan, Joseph Francis.
[redacted], Brizich, Pete or Pedro or Petar Brizic.
[redacted], Brodowicz, Adela or Adela Borosieqicz or Adell Boreseviecaite.
[redacted], Brooke, Cheryl Louise.
[redacted], Brooker, Barry Charles.
[redacted], Brown, Louis Withington.
[redacted], Brown, Shizu Ozasa.
[redacted], Brull, Maria Victoria Puig.
[redacted], Brull, Mercedes Puig.
[redacted], Brull, Pedro Eduardo Puig.
[redacted], Brunner, Julius.
[redacted], Buchanan, Peter Francis.
[redacted], Bustamante, Lauro or Lauro Bustamantes or Laurito Bustamante.
[redacted], Cabano, Alfonso Davide.
[redacted], Cafiero, Federico or Frederico or Ferderick Cafiero.
[redacted], Caretti, Giovanni Angelo or John Caretti.
[redacted], Cassella, Marjorie formerly McDonald (nee Eldred).
[redacted], Cathelin, Rose or Rose Varga or Sandorne Istvan.
[redacted], Centore, Gaetano.
[redacted], Chakalis, Spiros or Sam Chakalis.
[redacted], Chalom, Haim or Haim Cholom.
[redacted], Chan, Chin Yi.
[redacted], Charles, Hilda.
[redacted], Chavez, Isabel Tapia.
[redacted], Chen, Helen Kuang-Ih or Kuang-Ih Chen.
[redacted], Chen, Eugene Yu Ming or Yu-Ming Chen.
[redacted], Cherubino, Giuseppe or Joseph Carabino or Joseph Calluchio.
[redacted], Childress, Betty Christine or Betty Christine Bradley.
[redacted], Chu, Phyllis Lai or Lai Pui Jen.
[redacted], Clarke, Alva John.
[redacted], Clarke, Geraldine Rae.
[redacted], Clarke, Jazell.
[redacted], Clarke, John Alva.
[redacted], Clarke, Marguerite or Margaret Clarke.
[redacted], Clarke, Margaret Helen (nee Macleod).
[redacted], Clarke, Sybil Rae.
[redacted], Codreanu, Gregoire Georges or George Codreanu.
[redacted], Colasante, Josephine (Giuseppina) formerly Moggio.
[redacted], Considine, John William.
[redacted], Coombs, Catherine Maude or Catherine Maude Brown.
[redacted], Cornelos, Stefanos Michael or Steve M. Cornellos or Stefanos Michael Cornellos or Stefanos Kornelos.
[redacted], Cornier, Candida Rosa (nee Leger) alias Angelanda.
[redacted], Cosgrove, Ernest Howard.
[redacted], Coughlin, Joseph Michael.
[redacted], Coultas, Bramwell Gerald.
[redacted], Courtney, Marilyn Patricia.
[redacted], Crough, Yvonne Lapierre.
[redacted], Cummins, Sylvia Millicent (nee Ruwald).
[redacted], D'Addario, Eva Johanna or Eva Johanna Deyhle or Deyle.
[redacted], Dale, Percy Oliver.
[redacted], Dale, Annie Elizabeth.
[redacted], Dalsass, Angelo Pietro or Joe Dalsass or Joe Dansass or Joseph Dansass.
[redacted], Davidson, Margaret Campbell.
[redacted] Davidson, Alice Campbell.
[redacted], Davis, Helen Augustine or Helen Augustine Romney.
[redacted], De Alcuaz, Luis Gregorio.
[redacted], De Browne, Maria De La Paz Romero Hernandez or Maria S. Brown.
[redacted], Da Cunha, Diogo.
[redacted], De Cantu, Francisca Castaneda or Francisco Castaneda Vda De Flores.
[redacted], De Esquivel, Teresa Sanchez Vda, or Teresa Sanchez De Esquivel or Teresa Sanchez or Maria Teresa Esquivel.
[redacted], De Jesus, Pastor.
[redacted], De Montoya, Maria De Los Angeles-Delgado or Angela Delgado or Jeannie Barragan.
[redacted] De Martinez, Emma Scarbrough.
[redacted], De Martinez, Herminia Samano or Herminia Samano de Loza or Herminia Loza or Erminia Samano or Erminia Samano De Martinez.
[redacted], De Martinez, Maria Briseno or Maria B. Martinez.
[redacted], De Sanchez, Constancia Gonzalez.
[redacted], De Siebert, Emily or Emily De Bois or Aranka Emily De Bois.
[redacted], Demiris, Vasilios Georgiou or William John Demeris.
[redacted], Desantis, Gaetano.
[redacted], Deyl, Cornelius Mariuns or Charlie Deyl.
[redacted], Diaz, Rafael or Rafael Dias.
[redacted], Diegele, Babette (nee Paul).
[redacted], Dietrich, Stefan or Dietich.
[redacted], Digenis, Ioannis Spyros or John Spyros Digenis.
[redacted], Dinwiddie, Gilbert Meade.
[redacted], Domingo, Herbert Oscar.
[redacted], Dominguez, Domingo Yanez or Domingo Yanes.
[redacted], Doss, Kathryn (nee Burtchael).
[redacted], Dorsch, Constancia Lumpan (nee Catubig).
[redacted], Dorsch, John Armand.
[redacted], Dos Santos Da Silva, Joao or John Silva Santos.
[redacted], Drexler, Jean Fay (nee Jean Fay Goldfarb).
[redacted], Doval, Antonio Jose.
[redacted], Edwards, Pradisth Cheosakul.
[redacted], Edwards, Samuel Octavius.
[redacted], Eiden, Amy Delores (nee Watt), formerly Barry.
[redacted], Eisler, Mikulas.
[redacted], Eisler, Ester (nee Kalisch).
[redacted], Ekeseth, Trygbe Lorentz or Theodore or Teddy Lorentz Ekeseth.
[redacted], Elizondo-Santchez, Mauricia or Maria Mauricia Elizondo.
[redacted], Elizondo-Sanchez, Alicia or Anita Alicia Elizondo.
[redacted], Elton, Henry John.
[redacted], Elton, Claire Harriet.
[redacted], Emmers, John.
[redacted], Emmers, Erna or Janis May Emmers or Hermsen or Erna Bardul or Marija Matilde Erna Emmer or Hermsen.
[redacted], Espanza-Orosco, Guadalupe.

[redacted], Espinosa-Arroyo, Jose or Jose Espinosa.
[redacted], Evans, Kenneth Joseph.
[redacted], Ezra, Regina (nee Schayek).
[redacted], Ezra, Rosemary Ann.
[redacted], Ezra, Diana Louise.
[redacted] Falck, Alfred Maximilian or Alfred Falk.
[redacted], Faoro, Anna Maria.
[redacted], Fattorusso, Gennaro Antonio.
[redacted], Faudoa, Marcelina or Marcelina Faudoa De Jaralera.
[redacted], Feher, Lester or Ladislaus or Laudislaus or Laszio Feher or Feher Laszlo.
[redacted], Ferguson, John Munro.
[redacted], Fernandez, Francisco Ramos y or Francisco Ramos or Frank Ramos.
[redacted] Ferola, Gabriel Emanuel.
[redacted], Ferreiro, Rosenda or Rosenda Sanchez Perez.
[redacted] Ferro, Antonio or Anthony Venturi.
[redacted], Filippi, Angelina or Angelina Lemmi.
[redacted], Fisko, Stefanie, or Stephanie Bazert Patch or Stella Stephanie Patch or Stella Patch or Stephanie Stella Bazert or Bieser or Stefania Danis or Dennis (nee Bieser) or Stefania PYC or Petch.
[redacted], Flynn, Lillian (nee Hoffenreich) formerly Neubauer and Fritz.
[redacted], Foo, Chu Chung or Chung Fu Chee or Chung Fee Chee.
[redacted], Ford, John Goodfellow or Jack Ford.
[redacted], Forder, William John.
[redacted], Forder, Elizabeth (nee Lloyd).
[redacted] Forneas, Palmira Alvarez or Palmira Alverez Vidal (maiden name).
[redacted], Freiberg, Anna Marie (nee Anna Marie Hansen).
[redacted] Frenkel, Irma or Irma Mary Frenkel.
[redacted], Frett, Iris Emelita (nee Creque).
[redacted] Freudenthal, Agustina Velaryy or Augustina Gomez.
[redacted], Friars, Ernest Alfred.
[redacted], Friedemann, Ingrid Elizabeth or Sheldon.
[redacted], Garzo-Hernandez, Antonio.
[redacted], Gaskell, Wilhelmina Trindad or Mina Gaskell.
[redacted], Gaskell, Leonardo or Dan Gaskell.
[redacted], Gavaletz, Joseph Machael.
[redacted], Georgatos, Philimon or George Poulos.
[redacted], Giannantoni, Ester or Esterina Maria Giuseppa Giannantoni or Sister Ester Giannantoni.
[redacted], Georgiadis, Dimitrios George or James George or Jimmy Georgiadis.
[redacted], Geyer, Muriel Kathleen or Muriel Kathleen Hovey (nee Brooks).
[redacted], Giannos, George Konstantine.
[redacted], Gifford, Peter Ernest.
[redacted], Godinez-Anguiano, Jesus or Jesus Godinez Angiuano or Jose Godinez-Anguiano.
[redacted], Goldberg, Machael Alexander or Michael Alexander Rinnhofer.
[redacted], Gonzalez-Rodriguez, Francisco or Francisco Rodiguez.
[redacted], Goodson, James Henry.
[redacted], Goodwin, Lida or Lida Nitov (nee Lida Gochman).
[redacted], Grant, Anna Catherine (nee Carantonis).
[redacted], Graziotto, Pietro.
[redacted], Green, Halcha Mary (nee Alcock).
[redacted], Green, Harry.
[redacted], Grindheim, Oskar Johan Ingvaldson.
[redacted], Groleau, Joseph Leo.
[redacted], Grossman, Konrad.
[redacted], Gruios, Kosta or Kosta Gruioff.
[redacted], Guvesch, Michael or Mike Gubesch.
[redacted], Guerrero, Manuel or Manuel Guerrero-Rodriguez.
[redacted], Guiffre, Andrea or Clavaro Sicoliani.
[redacted], Gulab, Jam Dad or Jan Dad Gulab.
[redacted], Gutierrez, Ricardo Cruz.
[redacted], Gutman, Henry or Indric Gutman.
[redacted], Guzman-Marin, Baldomero.
[redacted], Halmenlahti, Rauno Uolevi.
[redacted], Halsbenning, Anton Gustav.
[redacted], Halyrewicz, Pauline or Pauline Burbulak.
[redacted], Hansen, Benny Byrsting.
[redacted], Harris, Charles John alias John Doran.
[redacted], Harrison, Andrew Robinson.
[redacted], Hawnsley, Benjamin Eric.
[redacted], Heidel, Baerbel Maria.
[redacted], Heidel, Christel Elisabeth.
[redacted], Henderson, Adam John.
[redacted], Henderson, Rose Margaret formerly Blood (nee Ogenski).
[redacted], Hennings, Antje.
[redacted], Henriksen, Harry Hilbert.
[redacted], Hermosillo, Maria Guadalupe Carvajal or Maria Guadalupe Hermosillo.
[redacted], Hernandez, Domingo or Domingo Hernandez Saucedo.
[redacted], Hernandez-Jimenez, Francisco.
[redacted], Hernandez-Jimenez, Crecencio.
[redacted], Hernandez, Leocardia Mella Vda.
[redacted], Hernandez, Ramon.
[redacted], Herrera, Andres or Andres Martinez Herrera .
[redacted], Heumann, Gad Yosef.
[redacted], Hieronymus, Margaret Helen.
[redacted], Hinttala, Aimo Johannes.
[redacted], Hoffer, Beatrice.
[redacted], Hoffmann, Else Anna.
[redacted], Hoestlandt, Jacqueline Marthe (Hoag).
[redacted], Hovaler, Franz or Frank Hovaler or Frank Hoval.
[redacted], Hudepohl, Rose Catherine Louise or Rose Hudepohl or Rose Rodriguez or Rose Ricciardi.
[redacted], Hutton, Leyan Angelica or Leyan Angelica Kuntz or Leyton Angelica Kuntz.
[redacted], Ingraffia, Orlando or Tony.
[redacted], Irsius, Albertus or Albertas Irsius or Albertus Irsuis or Albert Hirsch or Albertas Girsch.
[redacted], Jaramillo, Nancy Isabel or Nancy Isabel Benton or Nancy J. Benton.
[redacted], Jarvi, Suoma Aleksandra or Suoma Aleksandra Uotila or Sally Udd.
[redacted], Joeschke, Monica.
[redacted], Johansen, Hans.
[redacted] Jorgenson, Florence Marie (nee Patterson) formerly Bienieck, alias Marie Bienieck.
[redacted], Kalagias, Markos Peter.
[redacted], Kara, John Said or Hanna Said Kara.
[redacted] Karras, Ourania (nee Dede or Dege).
[redacted], Katchadoorian, Zaroohe (nee Kolian) formerly Havaginian.
[redacted], Kates, Frederick William (nee Kaatz).
[redacted], Kedziora, Joseph Harold or Joseph Kedziora or Joseph Francis Kedor or Joseph Kedar.
[redacted], Kelly, Sieglinde or Linda Kelly.
[redacted], Kepich, John.
[redacted], Kiel, Rubin or Robert Cohen.
[redacted], Klein, Arthur August or Arthur Klein or Arthur A. Klein.
[redacted], Kloss, Johanna M.
[redacted], Kloss, Karl Reinhold.
[redacted], Knight, Ruby Walls (nee Ruby Weir Walls).
[redacted], Knott, Jean (nee Larose).
[redacted], Koelner, Raphael.
[redacted], Kohl, Gunter Georg or Gunter Kohl or Guenter Kohl.
[redacted], Kolodrubski, Ivan or John Kolodurbski;
[redacted], Konishi, Shigeki.
[redacted], Koo, Jam Cheong.
[redacted], Korsnak, Peter or Joseph Kopchak.
[redacted], Koschak, Jane Camilla or Jane Camilla Berner.
[redacted], Koupal, Peter Michael or Peter Michael Lumsden.
[redacted], Kriwcek, George Viktor.
[redacted], Krumins, Aro.
[redacted], Krumins, Astra.
[redacted], Kundrak, Michael.
[redacted], Kurek, Paul Ignatz or Hans Kroll or Kurney.
[redacted], Kwassman, Rifka (nee Rifka Garten).
[redacted], Lachowicz, Dorthy (nee Kuzma).
[redacted], Ladow, Irene Andreevna (nee Dmitrieva).
[redacted], Lagana, Giovanni or Giovanni Lagano.
[redacted], Lamarca, Gaetano.
[redacted], Lamoretti, Giovanni or John Lamoretti.
[redacted], Lau, Ching Sut.
[redacted], Lau, Lee Sook.
[redacted], Lara-Sotelo, Esquipula.
[redacted], Lara-Amarillas, Maria Elena.
[redacted] Lardaro, Francesco or Frank Lardaro.
[redacted], Latsis, Stamatios John.
[redacted], Latvel, Helen or Helen Latwel (nee Helene Alexandravitch).
[redacted], Lazarus, Isidor or Lee Lane or L. Lorner or L. Hiliman.
[redacted], Leduc, Francoise (Frances).
[redacted], Lee, Phyllis Pui Yan.
[redacted], Li, Annie Sheng (Hwai Lu) or Annie Sheng (Hwai Lu).
[redacted], Licari, Maria Angela.
[redacted], Lim, Harry Leonard.
[redacted], Lindquist, Birger Otto or Bob Lindquist.
[redacted], Lipp, Gerhard or Gerhard Kelton or Gary Kelton.
[redacted], Lisker, Sally or Sally Fischler, or Sally Winter or Sara.
[redacted] Liu, Pei-Chang or Florence M. Liu or Buoi Ciong Lau.
[redacted], Lombardi, Luigi.
[redacted], Lombardi, Anna.
[redacted], Lopez, Antonio Santamaria or Antonio Santamaria.
[redacted], Lopez, Juan Francisco or Juan Francisco Lopez-Manriquez.
[redacted], Lorenzo, Dolores Rego.
[redacted], Loriga, Salvatore.
[redacted] Louis, Sing Hon also David Louie.
[redacted], Louie, Wigney Shee.
[redacted], Lovejoy, Kathleen (nee Toner).
[redacted], Luczak, Michele Cecile.
[redacted], Ludicke, Karl or Karl Luedicke.
[redacted], Luna-Garcia, Cleofas.
[redacted], Lung, Evelyn or Eng Gick Ling.
[redacted], Maennik, Kai.
[redacted], Maennik, Reet.
[redacted], Malmberg, Walter August Paul.
[redacted], Makrides, Efstratios.
[redacted], Malenfant, Gerard now Gerard Andre Goodbold.
[redacted], Mandujan, Emilia or Emilia Rodriguez.
[redacted], Maralotto, Pietro Giobatta.
[redacted], Markelos, Raftopoulos, or Mike Raft.
[redacted], Marralle, Gerlando or John Marrale or John Morrale.
[redacted], Martens, Mildred Ludmilla (Ludmilla Surjenko, maiden name), formerly Mildren Ryan.
[redacted], Mattei, Noel.
[redacted], Mayer-Ziotti, Gabriella Gemma or Gabriella Snowden.
[redacted], Meaurio, Josefina or Josephine Rice, Jr., or Josephine Meaurio or Mrs. Joseph Rice, Jr., or Josephine Coennen.
[redacted] Mendolia, Luigi.
[redacted], Mendrinos, John Ioannis.
[redacted], Menges, Ingrid Hilde.
[redacted], Mering, Esther (nee Stern).
[redacted], Mers, Henriette Marie.
[redacted], Marzano, Tommaso.

[redacted], Mescheriakoff, Mary Vladamir.
[redacted], Mescheriakoff, Militsa.
[redacted], Mescheriakoff, Tomislav Nicholas.
[redacted], Mihaliodis, Christos alias Christ Mihaliodis alias Christ Mihallioupi alias Christos Michalioudis alias Christos Michaliodis alias Christos Michalidis alias Christos Miraliodis.
[redacted], Miofas, Costas.
[redacted], Misfeld, Daniel Friedrich or Freidrich Mihsfeld.
[redacted], Molina, Augustine, Jr., or Augustin Molina.
[redacted], Mongiat, Domenico.
[redacted], Monje, Marie De Jesus.
[redacted], Monroy, Oscar Juarez.
[redacted], Montgomery, Gelerina del Rosario.
[redacted], Moragues, Gabriel Alemany or Gabriel Alemany.
[redacted], Moran, Ernesto Perez.
[redacted], Moriaty, Sharon Vicki Ann or Sharon Vicki Ann Rutherford.
[redacted], Morrison, Lawson Alexander.
[redacted], Moulton, Peter William alias Rowe.
[redacted], Moustakas, Pericles or Peter Moustakas.
[redacted], Mukai, Isao or Sam Mukai.
[redacted], Munoz-Silva, Pedro alias Francisco Flores.
[redacted], Murakami, Fumiye (nee Koyama) or Fumie Koyama or Humie Koyama.
[redacted], Muskopf, John or Johan Muskopf.
[redacted], Muskopf, Magdalena.
[redacted], Muskopf, Rose or Rosalia Muskopf.
[redacted], Myhre, Ragnvald Johannes.
[redacted], McCoubrey, Evelyn Beryl nee Allsop.
[redacted], McIlvaine, Sixta Bernil.
[redacted], McWilliam, Doris Bertha or Doris Bertha Nixon.
[redacted], Nagly, Gersohn Joseph.
[redacted], Nahan, Gilberto Micheline Jeannine.
[redacted], Nargiz, Rico George or Krikor Badarjikian and Krikor.
[redacted], Nava-Luna, Andres or Andres Nava.
[redacted], Nelly, Lydia Estrella or Lydia Atienza Estrella.
[redacted], Newman, Sigma E. alias Hanna Aaltonen.
[redacted], Nilsen, Nils or Nilsan or Nilson or Nielsen.
[redacted], Nina, Jose Dos Santos.
[redacted], Niva, Eleanor Mary (nee Eleanor Mary Miller).
[redacted], Nocera, Giovanna Maria (nee Parasporo).
[redacted], Nunez, Ramon or Raymond Nunez.
[redacted], Oerlemans, Alesandra Eleanora or Alesandra Elenora Laniewska (Laniauskaite).
[redacted], Okumura, Shotaro.
[redacted], Oliveira, Gwendolyn.
[redacted], O'Neal, Marie Cleopatra or Marie C. O'Neal or Marie C. O. O'Neal.
[redacted], Ong, Arnold Kwok or Ong, Kwok On or Arnold K. Ong.
[redacted], O'Rourke, Sarah or Smyth or Smith or Sarah Burke.
[redacted], Ortega, Miguel or Miguel Porras Ortega.
[redacted], Osoling, Olaf.
[redacted], Osorio, Alfonso Ramos.
[redacted], Palios, Markos.
[redacted], Palios, Lanbros Marcou or Lambros Marcou Paliou.
[redacted], Panagis, Eudokia (nee Reizi).
[redacted], Paneth, Eli.
[redacted], Paneth, Hanna.
[redacted], Paoletti, Loredana.
[redacted], Pappadopoulos, Haralambos John or Harry John Pappas.
[redacted], Pappas, Charicles alias Charicles L. Papanaoum alias Charicles Papa (nee Marinos).
[redacted], Pappas, Helene Marcos or Pappaionnis (nee Helen or Eleni Gregorios Komnis).
[redacted] Paravalos, Antonios or Anthony Valos.
[redacted], Pardo-Loredo, Ramon.
[redacted], Paser, Latip John.
[redacted], Paves, Fanny (nee Davidson).
[redacted], Pefanis, Gerasimos Demetrios.
[redacted], Perez, Isidro Remijio or Isidro Remijio or Isidro Remigio or Isidro Remigio Perez.
[redacted], Remijio, Eulegio or Eulejio Remijio or Eulegio Remijio-Gonzalez.
[redacted], Remijio, Hipolito.
[redacted], Perez, Juan Martinez.
[redacted], Perrone, Angelo.
[redacted], Perz, Anna or Anna Stiene.
[redacted], Petagara, Ernesto Fronteras.
[redacted], Petsas, Nicolaos (or Nicholas) or Nick Petsas.
[redacted], Pickles, Engelia Theresa.
[redacted], Pilot, Pietro or Ermengildo Pilor or Ermengildo Pillot or Peter Pilot or Pete Pilot.
[redacted], Ping, Ho or Benny Hall.
[redacted], Pitirri, Calogera (nee Curto).
[redacted], Pole, Daniel Arnold.
[redacted], Postorino, Giancarlo.
[redacted], Prager, Beatriz Elizabeth Gonzalez or (Betty) Beatriz Llaneza Prager.
[redacted], Presas, Gerardo Bruguera.
[redacted], Prumm-Cornelius, Peter or Peter Clark.
[redacted] Pscheck, Elisabeth, Maria Von or Elizabeth Maria Von P. Scheck or Elizabeth M. Koepper.
[redacted], Punt, Gunter.
[redacted], Pyfrom, Graciela Ysabel or Garciela Isabel de Jesus Reno y Delgado de Pyfrom.
[redacted], Raag, Merika.
[redacted] Rabenou, Khalil.
[redacted], Ramirez-Guaracha, Basilio.
[redacted], Ramirez-Maldonado, Nicolas.
[redacted], Ramos, Orlando Maria.
[redacted], Rankin, Margaret Geddes.
[redacted], Renfrew, Gladys Lavinia Ann Dorus (nee Brito-Paulickpulle or Sita Renfrew).
[redacted], Reno, Loretta (nee Hubbert).
[redacted], Rezou, Harry Demetrios.
[redacted], Richardson, Idalia or Idalia Parson.
[redacted], Rieger, Ulf.
[redacted], Rikuris, Edite.
[redacted], Rocco, Francesco or Frank Rocco.
[redacted], Rocha, Jose Castelo.
[redacted], Rodriguez, Feliciano Fontan or Feliciano Fontan.
[redacted], Rodriguez-Grenfell, Horacio or Horacio Rodriguez.
[redacted], Rodriguez-Zavala, Jose.
[redacted], Roensch, Gustav.
[redacted], Roensch, Richard Albert.
[redacted], Roensch, George Alfred.
[redacted], Roensch, Mary Agnes.
[redacted], Rojas-Terrazas, Rodolfo or Alberto C. Terrazas.
[redacted], Rooney, Anna Marie or Rea Rooney (nickname).
[redacted], Royce, Dorothy Beryl (nee Fleming).
[redacted] Roy-Munro, Royston or Roy Munro.
[redacted], Rubio, Luciano or Luciano Rubio Chavez.
[redacted], Rudyk, John or Jan Rudyk.
[redacted], Rueda, Petra Aguiar or Petra Aguiar.
[redacted], Rugnone, Peter or Pietro.
[redacted], Ruhl, Ida Franziska or Ida Franziska Hermes.
[redacted], Ruiz, Pascual Vidal.
[redacted], Rumpel, Ludwina Catherin or Rumpell or Kwasnicki.
[redacted], Russell, Charlotte (nee Stewart).
[redacted], Ruta, Nunzio Giovanni Francesco or Nunzio Ruta.
[redacted], Saigado, Jose Manuel.
[redacted], Saloumis, Stelios or Steve Saloumis.
[redacted], Samson, James Patrick or James Patrick Painting.
[redacted], Sanchez, Manuel Carrasco.
[redacted] Sander, Johanne Anne.
[redacted], Sarhan, Ahmet Huldi or Huldi Fevzi Sarhan.
[redacted], Savala, Nello.
[redacted] Savka, Juro or George Savka.
[redacted], Schertler, Perta or Romana Strasser.
[redacted], Schneck, Yvette.
[redacted], Schrank, Waltraud.
[redacted], Schultz, Hugo Emil Karl.
[redacted], Schultzer, Alfred or Fred Peterson.
[redacted], Sederlund, Carl Gustav Alfred.
[redacted], Seiberl, Anna (nee Hinterholzl).
[redacted], Simoutre, Mireille Cecile Jeanne.
[redacted], Serelis, Theodore Vassiliou.
[redacted], Serna-Garza, Aurelio or Aurelio Cerna.
[redacted], Serna-Garza, Carmen or Carmen Cerna.
[redacted], Serna-Garza, Leopolda.
[redacted], Serna-Garza, Pedro or Pedro Cerna.
[redacted], Serna-Garza, Reynaldo.
[redacted], Sewell, Lillian Maude or Lillian Maude Grossin or McCressin.
[redacted], Shamanduroff, Visha Rokas (nee Visha Dimitroff Rokoff).
[redacted], Shiray, Rachib Kalille or Robert Shriay or Joseph Habieb Abraham or Bob Mahool.
[redacted], Short, Kate (nee Goldenberg).
[redacted], Shu, John K. or Shu Ser Kong.
[redacted], Sideris, Basilios.
[redacted], Simpson, Michael Richard.
[redacted], Sing, Tse Foo or Francis Tse.
[redacted], Sittinger, John Evangelist.
[redacted], Sivaslian, Vertayim.
[redacted], Small, Oliver or Sydney Bailey.
[redacted], Smith, Filio Sussie (nee Solomon).
[redacted], Smith, Olga Fausta Riesco.
[redacted], Socha, Josephine or Marczak Katazyna.
[redacted], Sock, Chin or Chin Leong Goot.
[redacted], Solano, Eva.
[redacted], Solans, Emilio or Emilio Solans Pastor.
[redacted], Solarek, Marta (nee Marta (Martha) Staniszewska).
[redacted], Sommer, Joseph George or Joseph Sommers or Joseph Fink.
[redacted], Sosa, Julio.
[redacted], Souto, Rosendo Gonzalez.
[redacted], Spetrino, Joseph or Joe or Guiseppe Anthony Spetrino.
[redacted], Staico, Antonio.
[redacted], Statheros, Stamatios Evangelos or Steve Statheros.
[redacted], Stavroulias, Basil B. or Fill Starr.
[redacted], Stefanopoulos, Nicholas George.
[redacted], Steinhauser, Edith Elizabeth or Sprague.
[redacted], Stirbl, Ludwig.
[redacted], Stoddard, Marion Burns or Marion Burns Stoddard Flanagan.
[redacted], Stoyonoff, Spiro or Spiro Stoyon.
[redacted], Strejc, Iona Clark nee Clark.
[redacted], Strelniek, Helen (nee Yedwiga Jakstat) or Helen Strelnick or Toschki Hadi.
[redacted], Stuifbergen, Veronica Emily.
[redacted], Subhra, Raja Krishan or R. K. Subhra and Jimmy Subhra.
[redacted], Supicich, Joseph or Josip Kazimir Supicic or Joseph Supicic.
[redacted], Tamayo-Quintero, Jesus.
[redacted], Tanca, Gonul.
[redacted], Tauchnitz, Hans Georg.
[redacted], Tentes, John, or Ioanni:, Tendis.
[redacted], Tercero, Teresa, or Teresa Tersero.
[redacted], Theofilos, Constantinos P.
[redacted], Torres, Juan Rios, or John Rios Torres.

[redacted], Townsend, Emma Mona (nee Emma Mona MacFarland).
[redacted], Trevino-Morales, Miguel.
[redacted], Tsang, Shui Wing, or Mickey Tsang.
[redacted], Turke, Henry Leonard, or Henry Turk or Enrique Lautero Turke Thierback.
[redacted], Turkovich, Frances Magdalene (nee Curnell), or Josephine Soroka.
[redacted], Udiman, Viviane Berthe Madeleine.
[redacted], Urizar, Daniel.
[redacted], Urmston, Lucy Matilda.
[redacted], Valente, Pasquale.
[redacted], Vallone, Pietro.
[redacted], Van Eepoel, Laura Catherine.
[redacted], Van Heemstra, Franz Julius Johan.
[redacted], Van Heemstra, Maria Ingenata (nee Visser).
[redacted], Varga, Joseph or Josef.
[redacted], Varvarigos, Nicholas John or Nicholas Ioannou Varvarigos.
[redacted], Vattuone, Giuseppe Emanuele.
[redacted], Vega, Maria De Los Angeles Palacin De La.
[redacted], Verfaillie, Julius.
[redacted], Verfaillie, Marie Elodia (nee Decock).
[redacted], Vikingstad, Ole Kornelius or Ole Corneleus Vikingstad or Ole C. Vikingstad or Ole Vikingstad.
[redacted], Villalpando-Rangel, Jose De Jesus.
[redacted], Visser, Jeanne Emmen Riedel (nee Emmen Riedel).
[redacted], Vitali, Julio or Giulio Vitali.
[redacted], Vourazerios, Ioannis or John Nick Vourazeris.
[redacted], Wakim, Marie, Maria Wakim, Marie Beatrice Wakim, Mary S. M. Wakim, Mary Wakim, Mary Petros, Maria De Wakim (nee Saleem-Moawad) or Salum-Moauad.
[redacted], Ward, Anthony David Llewellyn.
[redacted], Wechter, Marcia (or Margaret or Margot).
[redacted], Wechter, Sophie R.
[redacted], Weissbach, Anna Marie (nee Winkler).
[redacted], Weisshuh, Ferdinand F.
[redacted], Weisz, Marcel.
[redacted], Whalen, Malka Regina (nee Koliadicky) or Julviansky or Kulviasky or Malka Kolitz or Malka Blau or Blay.
[redacted], White, Arthur Emanuel or Arthur Raymond Wynter White.
[redacted], Why, Cher or Caher Why.
[redacted], Wing, Chew Him or Wong Shew Wing or Him Wing Chew or Him Chew Wing or Jack Wing.
[redacted], Wirchianski, Anna.
[redacted], Wisser, Josephin or Josephine Kline or Josephine Wolff.
[redacted], Witting, George Karl or Georg Witting.
[redacted], Wo, Chung or Chin Wo or Chung Ho or Chang Wo or Chin Woo.
[redacted], Woegerer, Ferdinand or Maximillian Ferdinand Waldeck.
[redacted], Wolf, Edith.
[redacted], Wolf, Brigitta.
[redacted], Wrin, Lulu Maude (nee Ferguson).
[redacted], Wylupek, Wojciech.
[redacted], Rodriguez, y Juan Francisco Restituto or Rodriguez or Jose Santiago.
[redacted], Yambouranis, Eryfile or Eryfile Constantine Psiropoulos.
[redacted], Yanakis, Peter John or Panagiotis Ioannis Gianatsis or Peter John Pappas.
[redacted], Yanakis, Evangelia or Evangeline or Evangelia Gianatsis (nee Papageorganti) or Evangelia Pappas.
[redacted], Yanatsis, Emanuel Antonio.
[redacted], Yee, John Hwa or John Yee.
[redacted], Ylikyla, Ruth Emilia or Rauha Emilia Ylikyla.
[redacted], Yoda, Kunio.
[redacted], Yoda, Yukii.
[redacted], Young, Helen Lewin or Helen Westman.
[redacted], Young, Maris De La Paz or Maria De La Paz (Pacita) or San Luis Young.
[redacted] Yu, Wei Fang, or Alice Wei Fang Yu.
[redacted], Yuen, Andrew Sik Hop.
[redacted], Yuen, Evenlye Chan Sheung.
[redacted], Yun, Low or Lou Yun.
[redacted], Zavala, Andrea Reyes.
[redacted], Zeitz, Shirley Gloria Vallejo.
[redacted], Zervas, Athanasios or Athanasios Demetrios Zervas.
[redacted], Aghnides, Elie Prodromos or Elie P. Aghnides or Elie Aghnides.
[redacted], Lin, Margaret Hie Ding or Lin Wei Tseng.
[redacted], Sandler, Adolf.
[redacted], Lidosikis, Marie Veniselos.
[redacted], Veniselos, Hariclis, Kyriacos.
[redacted], Veniselos, Nikatas K.

MARITIME HIRING HALLS—REPORT OF A COMMITTEE

Mr. MURRAY. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with an amendment, the bill (S. 2196) to legalize maritime hiring halls, and I submit a report (No. 1827) thereon.

The report is based on extensive hearings conducted by the Subcommittee on Labor-Management Relations, which has undertaken a complete study of the maritime hiring-hall problem, and on subsequent study and discussion by the full committee of the data so obtained. I present also the committee amendment in the nature of a substitute to Senate bill 2196.

This bill was originally introduced by Senator MAGNUSON to remedy an extremely serious situation directly caused by the Taft-Hartley Act. That law had made illegal the hiring practices which have been built up over years of democratic collective bargaining in the maritime industry. This arbitrary prohibition of practices which have proved beneficial to employer and employee alike, and which have brought a substantial measure of labor peace to an industry in which bitter labor conflict has long been familiar, now threatens the complete disruption of all that has been accomplished to remedy the evils of the past.

Mr. President, I feel very strongly that we can ill afford, at this time, to risk any such disruption. There have been few times in our history when damage to our internal economy and to our foreign affairs presented greater dangers. Yet, such damage is certain to follow if the present law is permitted to destroy the working basis of good relations between our seamen and longshoremen and their employers.

For this reason, I am glad of the opportunity to present this report of the full committee approving the purposes of the Magnuson bill and recommending its passage with certain amendments which affect, primarily, its form and not its substance. I sincerely hope that this legislation will receive the early attention of the Senate and will be passed during this session of Congress in time to remove the danger of a major upheaval in the essential maritime industry.

Appended to the report are the individual views of the Senator from Ohio [Mr. TAFT], the Senator from New Jersey [Mr. SMITH], and the Senator from Missouri [Mr. DONNELL]. I request that the report be printed, including the individual views of those Senators.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar, and, without objection, the report will be printed, as requested by the Senator from Montana.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SALTONSTALL (by request):

S. 3734. A bill to amend Veterans' Preference Act of 1944, as amended, to provide for designated representatives thereunder of certain veterans' organizations; to the Committee on Post Office and Civil Service.

S. 3735. A bill to amend section 207, title II, part I, Public Law 601, Seventy-ninth Congress, approved August 2, 1946; to the Committee on Armed Services.

By Mr. McMAHON:

S. 3736. A bill for the relief of Cecelia Kiyoe Miura and her adopted son, Koichi Miura; and

S. 3737 (by request). A bill for the relief of William Greville Birkett; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 3738. A bill for the relief of Amy Agnes Miyaki and her son, Michael Wayne Miyaki;

S. 3739. A bill for the relief of Sarkis Terzian and his family; and

S. 3740. A bill for the relief of Mrs. Tomoye Hara Toshi; to the Committee on the Judiciary.

By Mr. MYERS:

S. 3741. A bill to provide for retroactive adjustments in compensation in certain reclassification cases; to the Committee on Post Office and Civil Service.

By Mr. MURRAY:

S. 3742. A bill to provide a lump-sum death payment to beneficiaries of employees of the Forest Service killed while combating forest fires; to the Committee on Post Office and Civil Service.

EXTENSION OF SELECTIVE SERVICE ACT—AMENDMENT

Mr. SALTONSTALL (for himself and Mr. KNOWLAND) submitted an amendment intended to be proposed by them, jointly, to the bill (H. R. 6826) to provide for the common defense through the registration and classification of certain male persons, and for other purposes, which was ordered to lie on the table and to be printed.

EXTENSION OF RENT CONTROL—AMENDMENT

Mr. NEELY submitted an amendment intended to be proposed by him to the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended, which was ordered to lie on the table and to be printed.

GENERAL APPROPRIATIONS—AMENDMENT

Mr. MAGNUSON. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to the bill (H. R. 7786) making appropriations for the support of the Government for the fiscal year ending June 30, 1951, and for other purposes, and I ask unanimous consent that the amendment, together with an editorial from the Seattle (Wash.) Times, of May 29, 1950, dealing with the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Appropriations, and, without objection, the amendment and editorial will be printed in the RECORD. The Chair hears no objection.

The amendment submitted by Mr. MAGNUSON is as follows:

On page 430, commencing with line 8, strike out through line 10 on page 431.

The editorial presented by Mr. MAGNUSON is as follows:

SUCH PAYROLL SAVINGS MIGHT PROVE COSTLY

Republican Congressmen from this State voted with a large majority in the House of Representatives for an amendment to the omnibus appropriations bill designed to reduce the number of Federal employees. The State's two Democratic Representatives, JACKSON and MITCHELL, voted against it.

The amendment, as it is understood here, would prohibit the filling of more than 10 percent of the vacancies occurring in a given Federal department during the 1950–51 fiscal year. In other words, if 50 employees were dismissed by a department, not more than 5 of the vacancies created thus could be filled during the year. The provision was proposed by Representative JENSEN (Republican), of Iowa.

Congressmen who opposed the Jensen amendment, chiefly Democrats, pointed out that it might have the effect of discouraging dismissal of inefficient employees. A department executive would hesitate, they contended, to dismiss, say, 10 less desirable employees, because these could not be replaced by more than 1 with better qualifications.

At that time, it was not foreseen that this provision might have an adverse effect on certain types of Federal agencies, such as some in the Seattle area. At the Bremerton Naval Shipyard, for example, it is not unusual for large groups of workmen to complete their part of a construction or repair project, and be replaced by others of a different trade. If, as an instance, 500 shipfitters were to be laid off after finishing their work on 1 ship, it would be possible to hire back only 50 of them when all 500 might subsequently be needed for another job.

It would be necessary to keep all 500 on the payroll, though they might be idle, so that they would be available when needed. The purpose of the provision—to economize by reducing the number of Federal employees—would thus be defeated.

That, of course, is a hypothetical case, but it is illustrative of how the amendment might conceivably operate. It suggests that this State's delegation in Congress might be well advised to reconsider the Jensen amendment in this light, particularly with a view to determining its possible effect on Federal payrolls in this area. If it would in fact have a disadvantageous effect on such Federal establishments as the Bremerton yard, the defect should be corrected before the omnibus appropriations bill and its amendments are passed by the Senate.

OUR MORAL POSITION IN WORLD AFFAIRS—ADDRESS BY SENATOR McMAHON

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an address entitled "Our Moral Position in World Affairs," delivered by him before the World Affairs Council of Philadelphia on June 7, 1950, which appears in the Appendix.]

THE COLD WAR AND THE VOCATION OF SCHOLARSHIP—ADDRESS BY SENATOR McMAHON

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an address entitled "The Cold War and the Vocation of Scholarship," delivered by him at the commencement exercises of the University of Bridgeport on May 31, 1950, which appears in the Appendix.]

THE McMAHON RESOLUTION—EDITORIAL FROM THE NEW HAVEN JOURNAL-COURIER

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "The McMahon Resolution," published in the New Haven Journal-Courier, of June 10, 1950, which appears in the Appendix.]

HIRAM R. GALE, LAST SURVIVING MEMBER OF THE GRAND ARMY OF THE REPUBLIC IN THE STATE OF WASHINGTON

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD a letter from Fred M. Fuecker, adjutant, Department of Washington, the American Legion, together with information relating to Hiram R. Gale, and program of the Hiram R. Gale Memorial at Seattle, Wash., on May 30, 1940, which appear in the Appendix.]

EDUCATION UNDER THE GI BILL—LETTER FROM RALPH A. DUNGAN, JR.

[Mr. MYERS asked and obtained leave to have printed in the RECORD a letter from Ralph A. Dungan, Jr., expressing gratitude for his education under the GI bill of rights, which appears in the Appendix.]

ENROLLED BILL SIGNED

The PRESIDENT pro tempore announced that he had affixed his signature to the enrolled bill (H. R. 4567) to amend the Displaced Persons Act of 1948, which had previously been signed by the Speaker of the House of Representatives.

TRIBUTES TO MRS. ARTHUR H. VANDENBERG

Mr. SMITH of New Jersey. Mr. President, I should like to say a few words in tribute to a great soul. It was my high privilege, as it was that of my wife, during the years we have been in Washington, to become intimately acquainted with Mrs. Hazel Vandenberg, the beloved wife of our distinguished colleague, the Senator from Michigan. As we know, Mrs. Vandenberg passed away on Saturday morning. She was a great personality, who had not only given of herself to many worthy causes, but who had endeared herself to those whom she had come to know.

While in a sense my operation last year was a misfortune, in a sense it was also a piece of good fortune for me, because through the sympathetic understanding of Mrs. Vandenberg there was brought to me courage, cheer, and inspiration at a time when she was suffering distressingly herself and when she knew what lay ahead.

Mr. President, in my experience in life the greatest courage is shown by those who still carry on and inspire those about them when they themselves know that they are facing the inevitable within a short time. That was the message I had from this great lady who has just left us, and I could not refrain from taking this opportunity to express my deep appreciation of what she meant to my wife and to me and to extend our deep sympathy to those she left behind—our distinguished colleague, the Senator from Michigan and all their family.

Mr. TAFT. Mr. President, I join with the Senator from New Jersey in expressing my deep and sincere sympathy for the Senator from Michigan and my own great sorrow at the death of Mrs. Vandenberg. Mrs. Taft and I stayed at the house of the Senator from Michigan and his wife in Grand Rapids when our son was married there. We have been intimate friends.

Mrs. Vandenberg was the finest wife any man could have had, a woman of the greatest good sense, a woman of sterling character. Certainly the tragedy of her long illness, made even greater by the illness of the Senator himself, has aroused the greatest sorrow on the part of us all.

Mr. FERGUSON. Mr. President, I desire to join the Senator from New Jersey and the Senator from Ohio in paying tribute to the great soul that has just departed, the wife of the senior Senator from Michigan [Mr. VANDENBERG].

The junior Senator from Michigan and his wife became close friends of the wife of my distinguished colleague. My heart is exceedingly heavy in her passing. She was a woman of great talent and fine ability. During the war years she served long and faithfully with the ladies of the Senate in the Red Cross unit. She was greatly interested in assisting those who were afflicted or wounded in the great war. Her wartime activities were typical of the sincerity and the generosity of her nature.

I know that Hazel Vandenberg has been a great inspiration to her husband, the senior Senator from Michigan. This Nation, and the world, are indebted to her inspiration of his leadership. She has suffered for a number of years, without complaint but to her great distress because she realized that she was unable to carry on and be the helpmate of the senior Senator in the way she would have liked to be.

All the ladies of the Senate will greatly miss Hazel Vandenberg, but they will always carry her memory in their hearts, and will be inspired by the knowledge of the great work she has done. Likewise I know the recollection of her life will be an inspiration to all Senators and Representatives, and their wives, and to all the public officials of this great Nation who knew her, and benefited from the nobility of her spirit.

Mr. CONNALLY. Mr. President, I take this opportunity to say that Mrs. Connally and myself are particularly grieved at the death of Mrs. Hazel Vandenberg. It was our good fortune to be closely associated with the Senator and Mrs. Vandenberg on a number of international conferences, in Paris, London, and elsewhere, and our contacts of course were intimate. We came to have a very high regard for the splendid womanly qualities of Mrs. Vandenberg. She was gracious, she was well informed, she took interest in the matters with which we were dealing, and we shall always treasure in our memories the many splendid qualities possessed by her which we came to know so well.

While Mrs. Vandenberg was suffering very greatly, it never darkened her spirit, never lessened her regard for her friends,

never made less her interest in public as well as private activities.

We grieve at the passing of Mrs. Vandenberg. We lay upon her tomb flowers expressive of our tender regard. We pay tribute to the womanly devotion and the fine qualities and outstanding character of this lovely woman who has passed on.

Mr. MILLIKIN. Mr. President, on behalf of the Republican conference I wish to identify myself and the other members of the conference with everything that has been said this morning with respect to Mrs. Vandenberg.

Mrs. Millikin and I had the pleasure of a long and happy acquaintanceship with Mrs. Vandenberg. She was a gracious and charming lady. Mrs. Vandenberg had time to be a superb mother, a devoted wife, a leader in public affairs, in the work of the ladies of the Senate, and was always an inspiration to all who knew her. She was untiring in her helpfulness to others.

As the Senator from Texas [Mr. CONNALLY] has said, Mrs. Vandenberg accompanied Senator Vandenberg on the trips he took in the interest of this Nation. She was always a great helpmate to him; she afforded inspiration to him, watched over his comfort, and gave him help. Our hearts go out in deep sympathy to the husband and family of this great lady whose absence will continue to sadden us.

All of us, Mr. President, grieve at her departure. All of us are praying that the Lord will strengthen Senator VANDENBERG for carrying this heavy burden which has been placed upon him.

Mr. GEORGE. Mr. President, Senator VANDENBERG came into the Senate a short while after I entered this body as a Member, and Mrs. George and I were privileged to know Senator and Mrs. Vandenberg from the time of their arrival in Washington. For quite a number of years our associations were close, and always pleasant, helpful, and inspiring.

Senator VANDENBERG was himself a member of two committees on which I have served for many years, the Committee on Finance and the Committee on Foreign Relations, until he resigned from membership on the Committee on Finance to give his entire time to the duties of the Committee on Foreign Relations.

Mrs. Vandenberg was a woman of great friendliness and was possessed of capacity for real friendship. In her own right she was a woman of influence in the affairs in which she was interested and concerned. She was a fine helpmeet to Senator VANDENBERG in his public career and long before he came to the Senate as a Member.

Universally popular and beloved by the women of Washington and of official life who had the privilege of coming within the circle of the friendship of Mrs. Vandenberg, she will of course be sorely missed. Her passing will be greatly regretted.

She was of great assistance to her distinguished husband, and her loss will fall more heavily upon him, but, in this hour of his sorrow and bereavement, he will have the sympathy of all who have served with him, and all who have known him since he entered public life, and sweetest memories of his good wife will abide with all who had the privilege of knowing her.

Mr. McFARLAND. Mr. President, I wish to join in the tributes paid to Mrs. Vandenberg. Mere words, of course, are inadequate to describe her beautiful life. She lived a life of unselfishness, of usefulness, and of helpfullness to those who had the privilege of associating with her. Mrs. McFarland had the privilege of working with Mrs. Vandenberg in the Red Cross organization of the Ladies of the United States Senate, and she, as I, treasure her memory. Her distinguished husband has our profound sympathy.

Mr. LUCAS. Mr. President, I rise at this moment to pay a very humble tribute to a gallant soul that has passed into the great beyond. It has been the good fortune of Mrs. Lucas and myself to know Senator and Mrs. Vandenberg for a number of years, having lived in the Wardman Annex of the Wardman Park nearby. I shall never forget seeing Mrs. Vandenberg when she was so vitally interested and concerned in the Red Cross work during the last World War. Many were the times that I met her at the hotel either coming from or going to her work. She was always in happy spirits. She was one of the most cheerful souls I have ever known. She was also very well informed about the affairs of the Nation and the world.

Not only will those who knew her intimately miss her, but many persons in Washington are aware of the great loss resulting from her death. That is particularly true of the Ladies of the Senate, in whose activities she was prominently engaged and who will sorely and grievously miss her.

In common with other Senators, I send to her distinguished husband and her family and her friends expressions of deepest sorrow and sympathy in this hour of their great bereavement.

EXTENSION OF RENT CONTROL

The Senate resumed the consideration of the bill (S. 3181) to extend for 1 year the Housing and Rent Act of 1947, as amended.

The PRESIDING OFFICER (Mr. HOEY in the chair). The question now pending before the Senate is on the adoption of the amendment of the Committee on Banking and Currency to the pending bill.

Mr. BRICKER. Mr. President, I rise to speak on the bill now pending before the Senate. Two years ago, while at a luncheon table in my home town, my old professor of constitutional law came to the table. I said to him, "Professor, are you still teaching constitutional law at the university?" He said, "Oh my, no. We have moved that over into the department of ancient history."

There are in our midst, and I think there may be even in the Congress of the United States, those who feel that the Constitution of the United States is an outmoded instrument. Yet it is possibly the last bulwark of free people in the world today. It is the last protective defense to the individual of certain sacred rights which have been indelibly written into that instrument. It is a bulwark of defense against the aggressive power of the concentration of wealth, of minorities, of majorities, or of the power of the Government itself. By the pending bill the power of the Government is proposed to be used to take the property of a group of citizens for the benefit of another group, possibly a more numerous group. But if this right of the free use of property owned by individual citizens can be taken away from them in time of peace, likewise other precious liberties and rights of citizens can be taken from them for the benefit of a greater number. So the rights given to American citizens under the Constitution are involved in this debate.

I wish we might revitalize and bring down to the present time with all its virility, the Constitution of the United States, in its full force and meaning. I wish to read in beginning this discussion a part of the fifth amendment, in the Bill of Rights to the Constitution of the United States, dealing with individuals:

> Nor shall (he)—
>
> An individual citizen, of course—
>
> be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty or property, without due process of law; nor shall private property be taken for public use, without just compensation.

By the fourteenth amendment, Mr. President, the States of the Union are forbidden to do anything of this nature in the control of rents or the taking of property of individual citizens or group of citizens unless they premise that power upon what has come to be known through the interpretations of courts as the police power, a power solely resting in the State and local governments, and that power must be used only when the public peace, health, and safety of the citizens of the community or State are imperiled.

The Federal Government has no such police power. It has no ungranted powers. Although the Supreme Court of the United States has slanted toward the grant of certain power, nevertheless there is no grant of power to the Federal Government comparable to what the States have under the police power.

The rent-control bill in the beginning was based upon the war power of the Federal Government, a paramount constitutional power in the hands of the Federal Government exercised by the Congress. Nobody would discuss for a moment the right of the Federal Government to exercise such power in time of war. But the question arises in my mind now, 5 years after the end of war, whether this power is being exercised in the name of the last war, or the war to come which we hear constantly discussed in Congress and everywhere throughout the country.

Mr. President, and my colleagues of the Senate, I am glad that at this time it is apparent in the arguments, in the presentation before the committee, and on the floor, that those of us who have opposed throughout the past couple of years the extension of Federal rent control have been joined by the proponents of the pending bill so far as the principles involved are concerned.

In the past, arguments for and against extension of rent control have been

centered on three issues. First, there has been an undeniable shortage of rental housing which advocates of rent control have used as a reason for its continuance. Nobody denies that there has been a shortage. Nobody denies that during the time of war there was a lack of materials with which to build homes. Nobody denies that the full effort of the country, so far as individual effort is concerned and the use of materials and supplies is concerned, was devoted to the winning of the war. Some of us have opposed the extension of rent control and have argued that the rent-control law itself drove rental property off the market, and I am confident that the statistics and the record of the hearings before the committee prove this to be true. Our arguments appear today to be vindicated, because nothing in the next 6 months is going to alleviate the shortage if rent control is continued for that period.

Secondly, advocates of rent control have predicted exorbitant rent increases, mass evictions, and even riots if rent controls were lifted. Opponents of rent control have denied any such dire consequences as a result of removing controls, and their contentions have been confirmed in areas decontrolled in recent months. In any event, the disaster foreseen by the advocates of rent control will not be less likely to occur on December 30, 1950, than on June 30, 1950. Six months is not going to make any difference in the consequences and the results of a change of the rent-control law or expiration of the rent-control law.

Finally, the advocates of rent-control extension have argued that the health of the national economy would suffer if tenants were required to devote a larger share of their income to rent. Those of us who have fought the extension of rent control have pointed out that not one dime of purchasing power would be lost, and furthermore, that confiscation of property of a single class for the benefit of another class is utterly repugnant to basic principles of freedom in our country. It is obvious, Mr. President, that if the elimination of controls on December 30, 1950, represents no economic danger, no such danger exists now.

In short, Mr. President, if the arguments for rent control are valid, they justify a permanent rent-control law. However, with few exceptions, the proponents of rent control have abandoned their constant plea of just 1 year more. The committee's bill recognizes that rent control ceases to be a national emergency problem on December 30, 1950. This date seems to have been fixed merely on the political calculation that elections come in November and that there are more tenants than landlords.

Mr. President, I do not want to see the Congress of the United States put its stamp of approval upon a political measure simply to save the political fate of some who may be candidates in the coming election. Unquestionably, the pending bill is an attractive piece of political bait. It gives a Senator the right to vote to subsidize a certain class of tenants through the next election, but at the same time to oppose the argument of the President for an outright 1-year extension. Mr. President, if we cannot be right, let us at least be honest with ourselves. Let us frankly come to grips with the real issue. If rent control is a problem of national emergency proportions, it should be extended for at least a full year. If no true emergency exists, we should allow rent-control authority to expire on June 30th of this year, just as the Congress of the United States assured the people of the country, 1 year ago, that rent control would end. It has been stated on the floor of the Senate and on the floor of the House, and it was stated in the committee meetings, at the recent hearings, that assurance was given to the people of the United States that rent control would end at the end of the present fiscal year, namely, on June 30, 1950. The States were put on notice, the local communities were advised; the owners of property, and the tenants likewise, had the definite understanding that after June 30 the war power would no longer be used to take the property of one class for the benefit of another.

In my opinion, it is actually cowardly to accept a 6-month extension as a political face-saving device, or after December 30, 1950, to apply a local-option provision of doubtful constitutionality, merely to prolong the authority of a Federal agency over matters which the bill itself recognizes as purely local.

The fact is that most of the agitation for this bill has been carried on by the Rent Expediter and by the agency under him, back in the local communities and among the Members of the Congress. They were the ones who first appeared and presented the case to the committee. They were the ones who brought in the mayors of various cities and the governors of various States to ask that the Federal Government do a job which is purely a local responsibility.

Time and time again at the hearings I asked the mayors who appeared before the committee, "How many units in your city are available for rent today?" Time and time again there was an absolute lack of knowledge on the part of those who were testifying as to what the conditions were. One man even testified that in the last 5 years there had been a 10-percent increase in wages in the community and that there likewise had been about the same increase in rental costs in the same community—showing an absolute lack of knowledge, as there was an absolute lack of knowledge on the part of many of the other witnesses as to what are the facts at the present time upon which they predicated their demand that there should be a continuance of rent control. That development before the committee confirms what many of us have long known, namely, that this is a political approach to an economic problem, an approach which violates the spirit, if not the actual letter and word of the Constitution of the United States.

I. EFFECT OF RENT CONTROL

Mr. President, I wish briefly to review the case for the continuation of rent control, particularly in the light of developments of the past year. In the first place, let us consider the decrease in the supply of rental housing. Rent control has produced two separate and distinct rental markets. First, there is the free market consisting of decontrolled units constructed after February 1, 1947. These new units were decontrolled for the express purpose of encouraging building. It is hard to imagine a more positive admission on the part of the administration that rent controls discourage building. The records generally, and even the statistics presented by the proponents of this bill, conclusively prove that rent control in this country has inhibited and restricted building, rather than promoted it. That, likewise, is confirmed by the experience of England and of France, even during the period since the First World War.

The decontrol of new units encouraged building. Construction rose from 850,000 unts in 1947 to more than 1,000,000 units in 1949. Most of this construction consisted of new homes for sale. However, the new rental housing brought a price from 50 to 100 percent above the rent-control level. The natural result of concentrating all demand toward new and converted units was the dangerous inflation of all building costs—an inflation which we are experiencing at the present time. Mr. President, it is no great favor to those who today are encouraged to buy homes or who because of the lack of adequate rental accommodations are forced to buy homes, to find that they must buy them at prices which are so exorbitantly high that perhaps they will never be able to pay for the homes they are purchasing, or at least in many cases it will take them most of their lives to pay for them.

Now let us consider what was happening in the controlled rental market. Many landlords became disgusted with inadequate returns and undesirable tenants who could not be evicted. Senators will remember that a year ago the Congress replaced in the rent law a provision that the evictions must have the approval of the Expediter or of his office before action could be brought in court—in other words, a provision resulting in the direct deprivation of the owners of property of the free use of their property as guaranteed by the Constitution of the United States. As a result, many of them sold to owner-occupants at inflated prices in the uncontrolled segment of the housing market. In addition, many landlords found it profitable to convert their property to uncontrolled business uses. Prospective landlords simply refused to make property available for rent. An unknown number of rental units has been withdrawn from the market in preference to the inconvenience of letting it at uneconomic rents. Some tenants of controlled units whose income had doubled or tripled acquired more space than they would have taken if rents had been free to rise. The net effect of all these circumstances has been to reduce the amount of rental housing available. In 1940, for example, Los Angeles had 326,993 housing units in the rental market, whereas today there are only 322,704—statement of Douglas Dorn, president, California State Apartment Conference,

hearings, page 419. This statement, taken from the testimony before the Senate committee, confirms the fact that those who are submitting to rent control, or who are being subjected to rent control by the Congress, are getting rid of their units. They are not letting them out for rent, but are converting them to different uses.

The paradox of rent control is that in seeking to protect the public against the consequences of a shortage it aggravates the shortage to which it is directed. Such a result should not have been unexpected in view of the experience in England and France, to which I referred a moment ago.

Rent control in England has been in existence ever since 1915. Rent control was initiated there, as here, simply as an emergency war measure. However, rent control itself prevented an adequate supply of rental housing from becoming available in the period between the wars. A report of the Interdepartmental Committee on Rent Control, Health Ministry, London, April 1945, carries this significant statement:

> 15. Another factor to which we think it necessary to drew attention is the classification of houses in the country in relation to rent control. At the end of the last war the great majority of occupiers of houses were tenants of privately owned houses, paying rents settled at some time before 1914 when there was no special scarcity. Between the two wars some 4½ million houses have been provided, the bulk of which fall into quite different categories—they were mostly houses either built for sale and owner-occupied or were subsidized houses built by local authorities under the housing acts (p. 8).

That almost exactly parallels the experience of our country since the end of World War II. If we do not get rid of unsound Government policies in the field of economics, in the field of social relationships; if we do not cease taking the property of one group for another group, socialistic measures which have brought England to her knees, this country likewise will follow down the same road and ultimately will become a suppliant somewhere; and there is nowhere to go for help in this great land of ours.

The history of rent control both here and abroad proves that a fair rent can be determined only by the nonpolitical forces of a free market. Whenever the Government seeks to fix a fair rent, it naturally seeks to satisfy the more numerous group, that is, the tenants. Since private capital is unconcerned with political considerations, a shrinkage in the amount of rental housing available is almost inevitable.

I shall never forget that in the debates which were carried on a year ago in regard to the extension of rent control, and especially in the committee hearings and in the conference which was subsequently held the Expediter sent his agents even into the conference committee to ask if they had the power of entry into the houses which were controlled, and even into those which were not controlled, in order to determine whether the property was being properly kept, whether an adequate rent was being received, or whether the tenants were being overcharged. Such entry into the homes of citizens would be a clear violation of the Constitution and of the common law upon which rights of property are established in this country. Heretofore, in England and in this country, a man's home has been considered as his castle, which could not be trespassed upon even by the power of the Government, so long as the citizen had committed no crime. It simply impresses upon us the extent of the greed for power on the part of the agencies of the Federal Government whose jobs depend upon the exercise of that power.

B. INFLATION OF BUILDING COSTS

In the second place, I want to discuss the inflation of building costs which has resulted from the unsound action of the Congress of the United States. Rent control has made a material contribution to the inflated prices which exist in the uncontrolled housing market. It must be obvious to everyone that in a free market there would not be such a wide gap between the rents of new units and the ceiling rents on controlled units. If rent controls are permitted to expire, rents on controlled units will tend to rise, it is true. However, it has been proved by decontrol actions in recent months that controlled rents will not reach the level which now exists in the uncontrolled market. Opening up a vast new rental market will dampen the inflation which is now raging in the limited uncontrolled market.

The new families formed in the last few years have been almost completely frozen out of the controlled rental market. Yet much of the argument before the committee was in behalf of those who had formed new families and who had not secured the benefits of the rent-control law for several years. The Government has forced these families to compete for new rental units. This new housing is described in the committee's report as "out of reach of the average middle-income family." The committee report also at page 4 states:

> Most of these rental units are renting for more than $80 a month while 9 out of 10 of them have two bedrooms or less and about 50 percent of them consist of one-bedroom or efficiency units.

In other words, most of these rental units are not at all available for those whom we are trying to help.

If rent control expires, it will be possible for new families to compete for comparable rental quarters, now controlled, at rentals in the neighborhood of $60 to $70 a month. With an increase in the number of rental units available some of the pressure will be taken off the demand for new housing, and thereby act as a curb upon the inflationary trend which we find in real estate at the present time, and which has reached a threatening point generally throughout the country.

II. EFFECT OF DECONTROL ON RENTS

The President said in his special message on rent control that "a sudden and simultaneous removal of rent controls on a national scale would precipitate a wave of exorbitant rent increases." Nothing of the sort has occurred in the large cities decontrolled in the past year.

What standard should be used in measuring the reasonableness of rent increases? It would be difficult to prove by any test that rent increases were exorbitant if they did not exceed increases in the cost of food, clothing, building materials, and construction labor. The Department of Labor's price index showed at the end of 1949: Food, 200 percent of the 1935–39 average; construction labor, over 200 percent of the 1935–39 average; building materials, 200 percent of the 1935–39 average; clothing, 187 percent of the 1935–39 average; rents, 122 percent of the 1935–39 average.

While the cost of living has increased 70 percent since 1939, rents have increased only 17 percent.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. WATKINS. Does the Senator have any statistics or any figures showing how much increase there has been in labor income during that time?

Mr. BRICKER. During the 5-year period?

Mr. WATKINS. Yes, during the 5-year period.

Mr. BRICKER. Since 1939 the cost of living has increased 70 percent. I shall have the labor statistics a little later.

Mr. WATKINS. I hope the Senator will present them, because I am interested in the increase in income of those who rent their homes.

Mr. BRICKER. I shall have those figures a little later.

As a result of the increases in costs, the landlords constitute virtually the only group which has not shared in any of the postwar prosperity. They have been singled out as a group and have been deprived of any increase in rents or any higher income as a result of the inflation which we have experienced. They have not participated. They constitute the only group which has been set aside and deprived of the increasing income of the country; and when we realize that 32 percent of the rental units are owned by persons who own four rentals units or less, it is seen that we are striking at those persons who have saved money and bought or built rental units against the day of their need. In other words, they are trying to provide or have been trying to provide for their own security, and their own Government has deprived them of the opportunity of attaining security for themselves against the days of their old age and need.

[Manifestations of applause in the galleries.]

The PRESIDING OFFICER. There must be order in the galleries. The rules of the Senate do not permit applause by occupants of the galleries.

COMMUNITIES MAY DECONTROL RENTS WITHOUT REFERENCE TO GOVERNOR OR ANYONE

Mr. MALONE. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. MALONE. I should like to ask the Senator from Ohio what the provision of the 1949 extension of the rent-control legislation included. Was it not provided that local communities could through their county commissioners or

city councils, vote to decontrol, with the approval of the Governor?

Mr. BRICKER. The provision in the law a year ago was that local communities could vote to decontrol, but the Governor had veto power over such action. I argued at that time that it would mean a constant political turmoil, and that is exactly what has resulted in many communities. There are two communities in my home State which are of considerable size. They voted to decontrol, through their councils, and yet the Governor, for technical reasons or otherwise, has seen fit to veto the action.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. MALONE. That is exactly the situation in my own State. Do I correctly understand that the pending bill provides for the legislative body of the community, county commissioners, city council, or what not, to request decontrol and get it, and that the Governor would have nothing to do with it?

Mr. BRICKER. The bill provides that at the end of 6 months the Federal Government will go out of the rent-control business, unless a local community asks that it continue with reference to that community. Then, under the terms of the law, of doubtful constitutionality, the Federal Government would continue to exercise rent control in those communities which positively ask for it. That is an open invitation for local communities to avoid their responsibility and to dump the problem in the lap of the Federal Government. Likewise, it is a very skillful way of maintaining another bureau in Washington which we shall possibly never be able to get rid of if we do not get rid of it at this time.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. MALONE. As the junior Senator from Nevada understood the situation, rent decontrol through communities was provided so that the pressure of control could be let off gradually, as in the situation of a dam behind which the water was backed up for 10 or 15 miles; instead of blowing up the dam and washing the ranches out with it, the situation was put up to the communities to let the voter out as they judged would not injure the community.

GOVERNOR IN CONTROL IN 1949 LEGISLATION

The only catch was that the governor must approve the action of the community, and in my State he failed to approve it as to several communities.

Mr. BRICKER. There are bound to be such situations.

Mr. MALONE. I agree with the distinguished Senator. With reference to the point of my first question, does this bill also provide that if a community wants decontrol, then almost immediately the proper legislative body could take such action as it saw fit to decontrol rents, without further reference to the governor, at any time within the 6 months' period.

Mr. BRICKER. No; the bill does not contain that provision. In the case of action of the governing body it would not be necessary for the governor of the State to approve the legislation.

Mr. MALONE. Then it would be possible, immediately after the passage of this bill, for the city of Reno, the city of Las Vegas to decontrol through the simple request of the proper legislative body in the community, the county commissioners, the city council, or the proper body.

Mr. BRICKER. Or the city of Akron, Ohio——

Mr. MALONE. To decontrol without reference to the governor or anyone else?

Mr. BRICKER. Yes.

Mr. MALONE. And to do it almost immediately?

Mr. BRICKER. Yes.

Mr. MALONE. I thank the Senator.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. BRICKER. I yield.

Mr. SMITH of New Jersey. Realizing the long study which the distinguished Senator from Ohio has made of this subject, can he give me any sound reason why it is not possible for communities to take over their local responsibilities and deal with the problems in their own areas, and not leave the burden on the Federal Government, whose hands are reaching out all over the country? I cannot see the argument for continuing Federal control at a time when the States have been warned and should have taken over the problem themselves.

Mr. BRICKER. The Senator is exactly correct. Communities were notified a year ago. New York has passed a law, which is now in the courts. If it is not a constitutional law, which has been suggested by some Senators on the floor, let the State pass a constitutional law, if it can. A State law must be foundationed upon the police power, which involves the public peace, health, and safety. The individual citizen has recourse to the courts. It is a dangerous thing to take away from an American citizen such a right. That is exactly what the Federal law has done, and yet it is sought to continue it.

[Manifestations of applause in the galleries.]

The PRESIDING OFFICER. If the occupants of the galleries continue such demonstrations, the galleries will have to be cleared. This is the second instance, and the next time the galleries will have to be cleared.

Mr. BRICKER. Mr. President, the Governor of Illinois appeared before the committee and asked for the continuance of rent control. His argument was based upon what the junior Senator from Illinois said was an imbalance in the legislature, that the legislature could not enact a local rent-control law. The Congress of the United States should not be called upon to correct constitutional deficiencies, if any there be, in the State of Illinois. The Governor has recently said that if this bill be not passed, he will call the State legislature into session and present the question to it. That is the way it should be done. I doubt that there are any statistics which would prove to the Congress that there is any situation of serious consequence in any other community in the United States.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. SMITH of New Jersey. I come from a State the Governor of which has taken the initiative and has seen to it that the legislature this year at least shall make an attempt to enact legislation to take care of our problem in the event the Federal law should come to an end. I feel very strongly that this is the time to do away with war-emergency controls, with which we all agreed at the time. We must undertake to make the States realize that a problem of this kind is their responsibility. That is why, it seems to me, it is so important we should face this problem locally and see to it that Federal control stops. The States have had warning from the Congress. If they wish to do so, they can call special sessions of their legislatures to deal with the problem.

Mr. BRICKER. In other words, the New Jersey State Legislature took Congress at its word and believed us when we said we would end rent control at the end of the year. They took the responsibility for the local situation as it existed at that time and passed a rent-control law, much to their commendation.

Mr. SMITH of New Jersey. I thank the Senator from Ohio. I asked that question of the Senator from Ohio because of his long experience and study of the subject. I wanted to be certain that I was on the right track, and that we were justified in saying to States: "It is your responsibility now. Your people, locally, can work out this problem themselves."

Mr. BRICKER. Not only are we justified in doing so, but it is our constitutional duty to do so, because the time has long since passed when an emergency or war power should be applied to a single segment of our society and thus deprive them of their proper place in the economic development of the present time.

By its own farm-price-support policy the present administration recognizes that the general level of food prices is fair. Those are the prices which I said had increased some 200 percent. However, if rents should rise to a corresponding level, which seems unlikely under current market conditions, the administration would no doubt call the increase exorbitant. I have even heard it called catastrophic during the course of the debate on the floor of the Senate. It seems to me most inconsistent for the Senate to undertake to pass this bill and to act as it did last Thursday when it said that fats and oils should not be brought into this country because to do so would depress the price of fats and oils. On the one hand we are saying that we would hold up the prices of those commodities and the price of farm products; indeed, we have just authorized an appropriation of $2,000,000,000 more to hold up the prices of all kinds of farm commodities, which include the greater part of the living costs, and, on the other hand, we are saying to this group that we will hold

down rents. The argument has constantly been made in the committee that if rents go up we shall have another round of wage increases, or if rents go up not so much money would be spent for food and clothing, the prices on which are being held up by positive action on the part of the Congress of the United States and by the administration in requesting supports.

The administration's attitude cannot be explained on the ground of hostility toward big business or anonymous special interests. Approximately 83 percent of all rental units are owned by small-business men or pensioners who own four units or less and depend for their livelihood upon the income from these rental properties, and who likewise must pay as a part of their living costs the excess prices which the administration is holding up, as authorized by Congress, as well as denying the benefit of lower prices by prohibiting imports. Let me say in passing that the prohibition of imports in the field of fats and oils was brought about by a mistaken policy on the part of the Commodity Credit Corporation in fixing the price several years ago.

Administration spokesmen in connection with the so-called middle-income housing bill argued that 20 percent of income was a fair amount to pay for rent. However, the average rent of American families is now only 13 percent of income. By that test a substantial rent increase could hardly be called exorbitant.

We have learned from actual experience in the past year that decontrol in large cities has not resulted in exorbitant increases or mass evictions. In 14 cities where Federal rent controls expired last year, the median of the average percentage increases was only 10.5 percent.

Mr. President, I have before me a chart, which I ask unanimous consent to have made a part of the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Increases in rents free to rise after termination of Federal rent control in 14 cities (excludes units having continuous leases and units individually decontrolled before area-wide decontrol)

City	All rent range			Under $30 per month		Survey period	Date of decontrol	Method by which Federal control terminated
	Percent of all units having increases	Their average percentage increase	Average percentage increase in general rent level (includes rents which did not increase) [1]	Percent of units having increases	Their average percentage increase			
Houston, Tex.	31	41.3	10.7	44	46.4	Aug. 15, to Nov. 15, 1949	Oct. 19, 1949	State action.
Beverly Hills, Calif.	74	41.0	26.7	[2] 91	[2] 42.7	Oct. 15, 1949, to Mar. 1, 1950	Dec. 7, 1949	Local option.
Dallas, Tex.	67	35.4	20.5	75	55.8	Apr. 15, to Nov. 15, 1949	June 23, 1949	Do.
Topeka, Kans.	40	30.3	10.5	50	37.7	July 15 to Nov. 15, 1949	Sept. 14, 1949	Do.
Eugene, Oreg.	38	30.3	9.4	57	34.6	June 15, 1949 to Feb. 15, 1950	Aug. 18, 1949	Do.
Knoxville, Tenn.	61	26.8	15.8	63	36.1	May 15 to Nov. 15, 1949	June 14, 1949	Do.
Jacksonville, Fla.	56	26.2	12.3	[3]	[3]	June 15 to Nov. 15, 1949	Aug. 5, 1949	Do.
Oklahoma City, Okla.[4]	17	26.2	2.9	31	39.8	Sept. 15, 1949 to Jan. 15, 1950	Nov. 23, 1949	Do.
Omaha, Nebr.	62	21.9	14.2	46	29.3	do	Nov. 2, 1949	State action.
Milwaukee, Wis.[5]	60	20.2	12.2	59	27.0	May 15, 1949 to Feb. 15, 1950	Aug. 5, 1949	State control substituted.
Spokane, Wash.[6]	46	18.6	8.2	43	28.3	May 15 to Nov. 15, 1949	July 25, 1949	Housing Expediter initiative.
Wichita, Kans.	35	18.2	6.4	34	52.1	Oct. 15, 1949 to Mar. 1, 1950	Dec. 29, 1949	Local option.
Salt Lake City, Utah	46	16.2	7.1	48	26.3	June 15 to Nov. 15, 1949	Aug. 5, 1949	Do.
Madison, Wis.	51	12.3	5.9	[2] 55	[2] 14.1	June 15, 1949 to Feb. 15, 1950	do	State control substituted.

[1] Median, 10.5.
[2] Under $50 per month.
[3] Not available.
[4] General rent increase of 20 percent granted prior to decontrol.
[5] Includes all units—data on rents free to rise not available.
[6] Based on informal recommendation of local rent advisory board.

Mr. BRICKER. The statements attached show the experience following removal of rent controls in the following cities:

First. Dallas, Tex.: Statement of Mayor Wallace S. Savage before the House Banking and Currency Committee.

Second. Spokane, Wash.: Letter of A. L. Spooner, chairman, Spokane Property and Home Owners' Association.

Third. Milwaukee, Wis.: Article by Nolan Kenney, president, Milwaukee Board of Realtors, January 28, 1950.

Fourth. Chattanooga, Tenn.: Statement of Mayor Hugh Wasson before the House Banking and Currency Committee.

In not one instance were the statements and statistics submitted by these witnesses controverted either by the witnesses who appeared on behalf of the Expediter's office or by any other authority.

III. EFFECT OF RENT CONTROL ON THE NATIONAL ECONOMY

In his special message on rent control, President Truman said that rent increases "would seriously reduce the purchasing power of millions of families." He also said:

A sudden and rapid increase in rents would affect adversely sales and employment in many industries and trades. In addition, public assistance costs would rise, increasing Federal, State, and local budgets. Public and private pensions for the aged would become more inadequate.

If the President must resort to such an absurd argument, it may be assumed that the case for rent control rests on an extremely shaky foundation. A 10-year-old child would appreciate that rent increases would not reduce national income by one single penny. Money paid to the landlord does not vanish into thin air. Much of any increase would be spent for redecoration and repairs which have been deferred during the years of rent control.

Advocates of rent control magnify the significance of rent in the family budget and ignore the fact that the demand for rental housing is very elastic. Almost everyone, including those earning $10,000 a year or more, dislike having to pay more rent. However, rent is not the most important item in the budget of the average American family.

Mr. President, I should like to submit some statistics which show those increases, and ask unanimous consent that they may be included in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Selected consumer expenditures for the year 1948

1. Rent payments	$7,000,000,000
2. Mortgage payments	4,500,000,000
3. Payments for new and used automobiles	11,500,000,000
4. Expenditures for alcoholic beverages	8,100,000,000
5. Expenditures for recreation	10,000,000,000
6. Expenditures for radio and television sets	1,300,000,000
Total, items 3–6	30,900,000,000

Sources: 1–3, Federal Reserve Board, Consumer Finances, 1949; 4–5, Survey of Current Business, Department of Commerce, July 1949; 6, Mr. Seacrest, Radio Manufacturers' Association.

Mr. BRICKER. Furthermore, when rental housing is underpriced, people will rush to get additional space even though it may not be essential. For example, Los Angeles had an average of 0.73 persons per room in 1940, but has only 0.66 persons per room today. This means that with the same room occupancy factor in 1950 as in 1940, accommodations would have been available for

an additional 188,000 persons in the same units, which would be equivalent to adding 61,000 new units to the market—statement of Douglas Dorn and Burton E. Edwards, California State Apartment Conference, hearings, page 420. Elimination of rent control by discouraging overoccupancy will make more rental housing available to the public. While everyone should have the right to as much space as he desires, he should not obtain that space at the expense of his landlord.

Mr. President, I wish now to discuss the constitutionality of the pending bill. As the Presiding Officer well remembers, the question of the constitutionality of the decontrol aspect of the law came before the committee a year ago. At that time I suggested—and I think it has since been sustained by the courts—that justification existed for concluding that there would be a finding of constitutionality on that aspect of the law. However, we are now facing a somewhat different situation.

IV. CONSTITUTIONALITY OF LOCAL-OPTION PROVISION

In addition to the economic arguments against continuation of Federal rent control, there is considerable doubt concerning the constitutionality of the pending bill. Unfortunately, the bill as now written was never considered during the hearings held by the Senate Banking and Currency Committee. However, three of the eight committee members who voted to report the bill favorably have been reported as having some doubt about the constitutionality of the new local self-determination feature.

The present law provides for two methods of decontrol based on local self-determination. Those methods are:

First. By the governing body of any incorporated city, town, or village which finds control no longer necessary and which transmits a decontrol resolution, after approval by the Governor, to the Housing Expediter.

Second. By any State terminating controls throughout the State or in any part thereof.

The constitutionality of these local-option provisions was the issue in *Woods* v. *Shoreline Cooperative Apartments* (84 F. Supp. 660 (N. D. Ill. 1949)). It was held that these local-option provisions were unconstitutional because Congress had attempted to delegate its war powers to States and municipalities without fixing a definite standard for their guidance. This judgment was reversed by the Supreme Court, per curiam, and without discussion of the constitutionality of the local-option provisions. The Supreme Court merely cited *Woods* v. *Miller* (333 U. S. 138), which upheld the Housing Act of 1947 against an attack based upon lawful delegation of the powers of Congress.

It seems clear, therefore, that the local-option provisions of the present law meet the constitutional test. The local-option provision which is added by the pending bill to those already existing provides that Federal rent control shall cease on December 30, 1950, except in any incorporated city, town, or village which has made a prior declaration "that a shortage of rental housing accommodations exists which requires the continuance of rent control."

It is impossible for Congress, as the Supreme Court said in Woods against Miller, supra, at page 144, to convey "a grant of unbridled administrative discretion." The standards approved by the Supreme Court in Woods against Miller were not too definite. However, the Supreme Court approved the authority given to the Housing Expediter to remove rent controls in any defense-rental area:

> If in his judgment the need for continuing maximum rents in such area no longer exists due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met (50 U. S. C. App. sec. 1894 (c)).

The delegation of power by Congress to local governing bodies in the pending bill is somewhat broader, but I am satisfied, Mr. President, that the delegation is not unlawful in the light of the Supreme Court decisions to which I have referred. I reach that conclusion in regard to the local-option provisions only.

However, rent-control legislation must meet another constitutional condition. Even though the delegation of authority is not defective because of the absence of appropriate standards, authority to control rents must also be justified under the war powers of the Congress.

As I said in the beginning, there is some question about whether these powers are exercised in connection with the war that has been, or the war which everybody is talking about being.

Two years ago, in his concurring opinion in Woods against Miller, Mr. Justice Jackson indicated that war powers cannot be stretched indefinitely to justify what would otherwise be beyond the power of Congress. I desire to quote from the opinion of Mr. Justice Jackson because of its lucid explanation of the war powers, and the danger of carrying them beyond the period when the direct effects of the war are apparent. He said, referring to the war power:

> No one will question that this (war) power is the most dangerous one to free government in the whole catalog of powers. It usually is invoked in haste and excitement when calm legislative consideration of constitutional limitation is difficult. It is executed in a time of patriotic fervor that makes moderation unpopular. And, worst of all, it is interpreted by judges under the influence of the same passions and pressures. * * *
>
> Particularly when the war power is invoked to do things to the liberties of people, or to their property or economy that only indirectly affect conduct of the war and do not relate to the management of the war itself, the constitutional basis should be scrutinized with care. * * *
>
> I cannot accept the argument that war powers last as long as the effects and consequences of war for if so they are permanent—as permanent as the war debts.

Mr. President, we are facing the consideration at the present time of the very issues discussed by Mr. Justice Jackson, that the war power is the most dangerous power to the liberties of people in their lives and in their property of any of the powers given to the Federal Government by the Constitution, and it is the duty of the Congress today to scrutinize most carefully the premise upon which the law is based, and upon which we are asked to continue to deprive a great group of citizens of the free use of their property, oftentimes paid for by hard-earned money and human labor.

So long as Congress has a reasonable basis for concluding that the shortage of rental housing is a national problem related to the war, I have no doubt that rent control is a constitutional exercise of war powers. It is not necessary, of course, for Congress to control all rents or none. Congress may allow States and municipalities to find that the national emergency problem is not applicable to them. In the pending bill, however, it is recognized that rent control, after December 30, 1950, is no longer a national problem. The Federal law is not operative except insofar as isolated communities declare that they still have a local problem with respect to rental housing—a local problem only, and not a national problem.

It is entirely possible, Mr. President, that after June 30, 1950, only a small number of the larger cities will be subject to the Federal rent-control law. How can this bill possibly be justified as a proper exercise of national emergency powers when we have no idea, and have made no effort to find out, how many communities would be affected by it? I cannot believe, Mr. President, that the Supreme Court would allow the Congress to apply war powers justified only by a national emergency to local problems of uncertain extent.

Regardless of what the Supreme Court might do, Senators have an equally strong duty to support the Constitution. If we can employ vague and undefined war powers 5 years after the war to solve local problems, there is no limit to Federal power, and, I might say, Federal police power. It would be an unhealthy precedent if we employed the most dangerous power we possess to solve a problem which we admit not to be national in scope 6 months from the date when we are discussing the pending bill.

Mr. President, there has been a great deal of discussion on the floor of the Senate about what will happen when rent control is removed. There has been some testimony submitted by people who know, uncontroverted testimony before the various committees of the Congress, in this regard.

I call attention particularly to the statement of Mr. Wallace S. Savage, mayor of the city of Dallas, Tex., before the House Committee on Banking and Currency, during the consideration of House bill 8276, on Monday, May 15, 1950.

I stated a moment ago that the Senate committee had never considered the particular bill now pending. We did take testimony concerning other rent control bills, but none of the aspects and provisions of the particular bill we are now being asked to pass.

Mr. Savage, the mayor of Dallas, said:

> Mr. SAVAGE. I am very happy to hear that, Mr. Chairman.

Mr. Savage was here discussing the matter the Senator from Nevada asked me about a moment ago; as to whether

or not there is a provision in the bill for recontrol by the Expediter. The mayor said:

I am very happy to hear that, Mr. Chairman.

That is, that there is no such provision in the bill.

As a matter of fact, before the conference of mayors, I offered a resolution asking that no Federal authority be given such power, because frankly we in Dallas were afraid that, since our city has been cited as a horrible example of what happens under decontrol, that almost as a matter of face saving—

Mr. President, there has been a great amount of face saving around Washington on the part of the Expediter and a great deal of propaganda to continue his power. I continue to read—

that almost as a matter of face saving, the Housing Expediter would have to recontrol us, and we don't agree with those views and would not want it to happen to us.

That comes from the elected mayor of the city of Dallas. Then he discussed a little further along the matter of evictions, of which we have heard a great deal during this discussion. He said:

First, as to the question of whether there were mass evictions, Mr. Chairman and members: there were not.

We have four justice of the peace courts which handle evictions in Dallas, and I checked them all personally, and the newspapers kept a close check.

In three, there was no variance from the normal. In the fourth, there was a very, very minor increase, for a short period of time.

There has not been any such thing as mass evictions.

Then he continued further:

Now as to the percentage of increases: yes, there have been increases in rents. That was our purpose in decontrolling, so that rents could move up along with other increases in wages and prices of consumer goods.

Here is a man representing a great community, in a great sovereign State, who says, "We intend to treat all groups and all classes of our people in the same way. And the people who own property for rent are entitled to see their rents go up. That was the purpose of the decontrol provision, just as the wages and prices for consumer goods have been going up, and held up and forced up by the action of the Federal Government itself."

Then he said further:

I appointed, at the time we decontrolled, a committee under an old anti-profiteering ordinance that we have, which dates back to the First World War. That committee recently asked to be relieved of further duty because it had had such negligible complaints.

That, Mr. President, in the city of Dallas.

I might say that a mayor can perhaps report the feeling of the people, the tone of the thing, perhaps, better than anyone, because I am as close as my telephone to all of the people in Dallas, and I can say to you, as a result of that, that our people would not want rent control, and that we are very happy with the experiment.

Mr. President, that is the city which has been held up to us in committee hearings, and by the Expediter, as a horrible example of what might happen. I am skipping through this testimony of Mr. Savage, but there is nothing in it that would even in any way limit the positiveness of his statements which I am reading. Mr. Savage, in answer to a question from Mr. Nicholson:

Mr. NICHOLSON. Well, generally, has it been the experience in Texas that this decontrol has not hurt or has hurt?

Mr. SAVAGE. It has not hurt. As a matter of fact you can read the advertisements for rental units offered to the public, and my committee also gave me this report—and they far exceed, today, the amount of classified advertising for available units that was offered prior to decontrol.

Mr. President, there are others I could cite. I ask unanimous consent to have placed in the RECORD the statement of Wallace S. Savage, mayor of the city of Dallas, Tex.; the statement of Hugh Wasson, mayor of the city of Chattanooga, Tenn.; a letter from James P. Dillard, chairman, Rental Advisory Board, Spokane, Wash., to Mr. Tighe Woods, dated December 14, 1949; and an article entitled "Rent Decontrol Proves Itself in Milwaukee; Stimulates Sales and Construction," written by Nolan Kenney, president, Milwaukee Board of Realtors, and published in the January 28, 1950, issue of Realty and Building.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, the matters referred to will be printed in the RECORD.

The matters are as follows:

STATEMENT OF WALLACE S. SAVAGE, MAYOR OF THE CITY OF DALLAS, TEX., BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE, IN CONSIDERATION OF H. R. 8276, MONDAY, MAY 15, 1950

Mr. SAVAGE. Mr. Chairman, I do appreciate the opportunity of being permitted to come here to speak to you about decontrol.

I was in New York, attending the conference of mayors, when I heard that there was at least one suggested bill which would give authority to Housing Expediter to recontrol areas.

The CHAIRMAN. That is not in the bill as introduced.

Mr. SAVAGE. All right, sir, then I misunderstood that. That was the background of my particular interest in appearing before you this morning.

Also, I understand that because Dallas is one of the major cities to have been decontrolled, that the experiment there has been one in which the committee was interested, and I thought perhaps that, as the chief elective representative of the city, I might be able to give you a more direct report than almost anyone else could, as to how the Dallas experiment has worked out.

I should like to say at the outset——

Mr. PATMAN. I would like to know about that, Mr. Mayor, being from Texas, and being interested in it.

The CHAIRMAN. Well, you may proceed. There is no provision in the bill for recontrol, however.

Mr. SAVAGE. I am very happy to hear that, Mr. Chairman. As a matter of fact, before the conference of mayors, I offered a resolution asking that no Federal authority be given such power, because frankly we in Dallas were afraid that, since our city has been cited as a horrible example of what happens under decontrol, that almost as a matter of face-saving the Housing Expediter would have to recontrol us, and we don't agree with those views and would not want it to happen to us.

I am here en route to Dallas, and am not appearing under the auspices of anyone else except myself, and my city.

We did take advantage of the opportunity which Congress offered to us to decontrol, almost immediately.

Our council took office May 1, and I think it was in the month of June that we decontrolled. So it has been almost a year now since the city of Dallas has had no rent control.

Our population is approximately 500,000 in the metropolitan area. Inside of our corporate limits, only about 480,000.

But we wholly enclose two other separately incorporated communities which have followed our lead in matters of rent control, so for all practical purposes we are tlaking of a city of about 500,000 population.

When we decontrolled we were, of course, pretty worried. We had an extensive hearing on the matter, and we didn't know how serious the ramifications might be.

There were predictions that there would be all sorts of disaster, tremendous raises, and we were worried.

As a matter of fact, we were so concerned about the step we were about to take that we asked our city manager to get in touch with the Housing Expediter on a sort of informal basis and see if that office would consider decontrolling since we knew he could put the controls back in, which we couldn't do if we made the experiment and failed.

However, Mr. Woods didn't think we were ready for decontrol so we went ahead on our own, and did it.

Now, that experiment, in a word, has been successful. We are very pleased with it.

We were, perhaps, naive in thinking that the successful experiment would be generally reported and might give some impetus in the direction of decontrol, but, unfortunately, there have been, instead, a number of national reports, which I have tried by individual letter to individual mayors in other cities to counteract the impression that we have had mass evictions and tremendous rent raises.

First, as to the question of whether there were mass evictions, Mr. Chairman and members: there were not.

We have four justice of the peace courts which handle evictions in Dallas, and I checked them all personally, and the newspapers kept a close check.

In three, there was no variance from the normal. In the fourth, there was a very, very minor increase, for a short period of time.

There has not been any such thing as mass evictions.

Now as to the percentage of increases: yes, there have been increases in rents. That was our purpose in decontrolling, so that rents could move up along with other increases in wages and prices of consumer goods.

I do not feel that I can present to this committee any report on rent increases except one, and that is the one which my own committee made to me.

I appointed, at the time we decontrolled, a committee under an old antiprofiteering ordinance that we have, which dates back to the First World War. That committee recently asked to be relieved of further duty because it had had such negligible complaints.

There have been some reports that actually there was a net decrease in rents in Dallas. There have been other reports that the increases ranged to 158 percent.

The report upon which I think this committee can rely is that one which was made by an official committee of the mayor of the city of Dallas to the mayor at the time that they asked to be relieved of their duty.

That report was a sampling of in excess of 3,000 rental units, and the sampling was made through reputable realtors who handled these particular units, and they were asked to give their rents, both prior to decontrol and at the present date, on identical units.

The average was in excess of 18 percent, and under 19 percent, 18 point something. And I didn't know that I was going to appear before this committee and I don't have as many statistics as I should like.

I might say that a mayor can perhaps report the feeling of the people, the tone of the thing, perhaps, better than anyone because I am as close as my telephone to all of the people in Dallas, and I can say to you, as a result of that, that our people would not want recontrol, and that we are very happy with the experiment.

Mr. Chairman, I will be glad to answer any questions.

The CHAIRMAN. You were decontrolled by action of the governing body, with the approval of the Governor.

Mr. SAVAGE. By action of the city council.

The CHAIRMAN. Yes. This bill gives to all other cities that same privilege.

Mr. SAVAGE. Yes, sir.

The CHAIRMAN. And there is no provision in it for recontrol where the people have decided they want decontrol.

Mr. SAVAGE. I am very relieved, Mr. Chairman, to hear that.

Mr. PATMAN. Mr. Mayor, I notice the report we have, exhibit B, from Mr. Woods' office, discloses that 75 percent of the rents under $30 were increased after decontrol, and the average percentage increase was 55.8 percent.

Does that information conform with your information?

Mr. SAVAGE. I don't have the report of my committee with me because I didn't expect to be present here, but I can only say this: that a number of complaints were solicited by advertisement, by one of the labor organizations—I believe the CIO advertised in the newspapers and asked for complaints. They forwarded to me a list of those complaints.

There was a very small number, considering the size of our city. About a hundred. I sent them to my committee and they sent me back a detailed analysis of that entire list of complaints, and I would say that there weren't over a half dozen unreasonable raises in that list, and those were probably based upon a desire to evict the tenant in a way which was getting rid of him instead of actually going through an eviction suit.

It may be that there have been some raises there, but we found that they were wholly in line with what things should be going for on the market.

Mr. PATMAN. That seems to be a little high, though, doesn't it? If the information is correct? Seventy-five percent of the $30 rents increased 55.8 percent? Doesn't that seem a little high to you?

Mr. SAVAGE. If it is high then it doesn't jibe with my report, because I went over our report very carefully and didn't find it unreasonable.

Mr. PATMAN. Of course, I don't know about any individual cases, but I want to inquire as to where this information came from, Mr. Dupree.

Mr. DUPREE. That is the Bureau of Labor Statistics survey.

Mr. SAVAGE. There have been some rent decreases also, Mr. PATMAN.

Mr. PATMAN. Yes. I am not saying they are right or wrong. I don't know about the individual cases. I am just pointing out the information we have before us.

Mr. SAVAGE. I can tell you——

Mr. PATMAN. May I finish just a moment?

Mr. SAVAGE. Sorry.

Mr. PATMAN. The information further discloses that of all rents, 67 percent of them were increased, and the over-all increase, percentagewise, was 35.4 percent.

Mr. SAVAGE. I think the statistics that I have are the most reliable that can be had.

I wouldn't say that 67 percent of the rents haven't been raised because I think that is entirely possible. I wouldn't quarrel with the figure if they said all rents had gone up some.

Mr. PATMAN. You think 35.4 would probably be in line with what was justified?

Mr. SAVAGE. I don't think that is true. I think the rents which have been raised have averaged a raise of between 18 and 19 percent.

Mr. PATMAN. This says 35.4 average.

Mr. SAVAGE. We are talking about two things. One is the number of total rental units which have had any increase. I don't quarrel with that figure. I think most of them should have been increased, perhaps.

Mr. PATMAN. Here is a figure that corroborates yours. The average percentage increase in the general rent level includes rents which did not increase, and makes the over-all average 25.5 percent.

I think the accurate figure would be about 18-point-something.

Mr. SAVAGE. I don't know what report you are looking at, and if it is dated this year, it is probably a later report, and if it is from the Bureau of Labor Statistics——

Mr. PATMAN. Survey period, April 15, 1949, to November 15, 1949.

Mr. SAVAGE. There was one report released last year, which, because I found had a local origin, was hopelessly inaccurate. And that is the one which got on a national wire service and which I had so much trouble correcting.

But the local newspaper called the local office of the Housing Expediter and found out about it—it is a matter of public record—and they took all the complaints that came in from the CIO, all the telephone complaints, and put those together, and in answer to the specific question as to whether there were any duplications they said they had had no way of eliminating the duplications, so that first release would not be an accurate report.

Mr. PATMAN. May I ask you to take this testimony of Mr. Woods, and also this exhibit which discloses the information that I have mentioned here, and if you have any statement to make concerning it, you may file it for the record.

I ask unanimous consent that Mayor Savage do that if he desires, Mr. Chairman.

The CHAIRMAN. He may do that if he desires.

Are there any further questions?

Mr NICHOLSON. Isn't the whole State of Texas decontrolled now, Mr. Mayor?

Mr. SAVAGE. Now? Yes, it is. We decontrolled in June. The entire State decontrolled later that year.

But we led the State by some 3 or 4 months.

Mr. NICHOLSON. This bill, then, would give you the opportunity to go against the law of Texas and have the Federal Government take care of the city of Dallas, instead of under the laws of the State of Texas?

Mr. SAVAGE. I am not familiar with the bill before you.

Mr. PATMAN. I think you are mistaken, Mr. NICHOLSON.

All of Texas is decontrolled, including Dallas.

The CHAIRMAN. It is decontrolled by State action.

Mr. PATMAN. Yes. Of course, Dallas decontrolled through local action first, before the State did.

Mr. NICHOLSON. Yes.

The CHAIRMAN. This bill wouldn't have any effect on the State of Texas.

Mr. NICHOLSON. Dallas was decontrolled 4 months before the State was decontrolled?

Mr. SAVAGE. That is correct.

Mr. NICHOLSON. And when it was decontrolled, conditions weren't as they have been pictured to this committee and the Senate committee for years?

Mr. SAVAGE. Mr. Nicholson, if the conditions in Dallas were so bad, the State of Texas would not have decontrolled the entire State, which it did after we had had our decontrol experiment.

Mr. NICHOLSON. Well, generally, has it been the experience in Texas that this decontrol has not hurt or has hurt?

Mr. SAVAGE. It has not hurt. As a matter of fact you can read the advertisements for rental units offered to the public, and my committee also gave me this report—and they far exceed, today, the amount of classified advertising for available units that was offered prior to decontrol.

Mr. NICHOLSON. That is all.

The CHAIRMAN. Mr. Mayor, you wouldn't object to cities that feel they have a necessity for the continuation of rent control exercising that power, would you?

Mr. SAVAGE. Mr. Chairman, I would be presumptuous if I came before this committee and offered anything except a report on what conditions in Dallas are and told you what Dallas wants. I am not getting out of my jurisdiction, sir.

The CHAIRMAN. Very well. You may stand aside, Mr. Mayor. We are very glad to have your views.

You may make such comment for the record as you desire concerning the question raised by Mr. PATMAN, and it will be inserted in the record.

STATEMENT OF HUGH WASSON, MAYOR OF THE CITY OF CHATTANOOGA, TENN., BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE, MONDAY, MAY 15, 1950

Mr. WASSON. Mr. Chairman, I attended the conference of mayors in New York and was coming through here and I heard of this committee being in session. I thought I would like to come here and just express our satisfaction with decontrol in Chattanooga, Tenn., by the action of the city commission.

We decontrolled Chattanooga last July 26—practically 10 months ago—very satisfactorily in every way. I have only had five public complaints myself since that time, three of which had no basis for objection at all, because they were so far under what should have been a normal rent to begin with.

Chattanooga has a population of about 150,000.

We had a public hearing, and gave about 3½ hours to each side for and against decontrol. There were a good many predictions as to what was going to happen, as to mass evictions, and many other dire things.

I never heard of an eviction at all, not a single one. We made no threats to our real-estate people, or to the members of our real-estate board, or the property owners.

Our commission had faith in their statement, and after having the situation as to available houses looked into and getting a report from the Atlanta regional office for the Housing Expediter, we took their report and held these public hearings.

We also checked back through our newspapers and found that for several months we had had more paid advertising space, in both our daily papers, offering rental units, both furnished and unfurnished, than had been the case prior to 1942, and on the basis of the advertising space and the report of the regional office in Atlanta with reference to Chattanooga's situation, the city commission took up the matter and held these public hearings.

We are very happy that we decontrolled rents, everything has been very satisfactory, and we have had no complaint at all.

I checked up again on about the 1st of March, with various rental agencies, and found that our rent increases averaged from about 8½ percent to 15 percent, making a city-wide average of about 11½ percent.

Of course, there were some individual cases where the rent had gone up as much as 100 percent, in cases where people had rented an apartment or a house during the depres-

sion, and had continued to live there without any rent increase, and where the owner had been caught in the rent freeze, and until decontrol took effect they had had no opportunity to raise the rent.

The CHAIRMAN. You know that this bill has no provision for recontrol, do you not?

Mr. WASSON. I am not familiar with the bill; no.

The CHAIRMAN. Well, it has no provision for recontrol, and tends to give other cities the same authority you have exercised.

Mr. WASSON. I see.

The CHAIRMAN. You would not object to some cities, which may think they need rent control, exercising the same authority your city has exercised in decontrolling, would you?

Mr. WASSON. I should think they should have the same privilege that we had to exercise their judgment.

SPOKANE, WASH., *December 14, 1949.*

Mr. TIGHE WOODS,
National Housing Expediter,
Washington, D. C.

DEAR MR. WOODS: Four and one-half months have elapsed since Federal rent controls were lifted from Spokane by your order. This report, showing the results of decontrol in Spokane, has been compiled by the rental advisory board for your information.

In summary, the records indicate the following developments:

1. Rents in Spokane are leveling off at rates about 14.3 percent above the controlled schedules. At the time of decontrol, the rent average in Spokane was $28.50 a month. The average monthly increase is $5.25.

2. Rents are being held at this level by the pressure of an expanding supply of rental accommodations and a progressively mounting ratio of vacancies.

3. New home construction has increased 84 percent over the same period in 1948 when controls were in force.

4. The Washington State Department of Health in its allocation of State funds credits Spokane with an increase in 12 months of 19,000 people, which is substantially higher than any other city in the State. Neither local pride nor local wishes enter into this calculation—it is a cooly analytical estimate for the disbursement of State funds. The population estimate of Spokane city, as of July 1, 1949, is 170,000.

Data supporting these and other important conclusions follows an explanation of the board's activities.

During this period of a free rental economy in Spokane, the rental advisory board has been compiling data on rent trends, availability of rental housing, new construction, and other related statistics. To implement its purpose the board established an office through which data could be channeled for proper recording. The press and radio have given substantial publicity to the request that rent changes be reported to the board in person, in writing, or by telephone, with particular accent on rent increases which tenants felt were unreasonable. This has been a continuous program since the date of decontrol, July 26, 1949. A digest of the board's records follows:

A. THE EFFECT OF DECONTROL ON RENTS

1. Tenant complaints. One hundred and fifty-one tenants, out of a total of 21,000 tenant-occupied units, have registered complaints of unreasonable rent increases. The average OPA ceiling of the cases reported by the complainants was $35.40 a month. The average of their increases is $13.02 a month, being a percentage increase of 37.1.

2. Report of property rental agencies surveyed by the board. Five leading rental agencies reported an average increase of 21.6 percent on the 699 units under their management. The average OPA ceiling of this group was estimated to be about $40 a month, and their average increase about $8 a month.

3. Owner-operated units. Ninety-five percent of all rental units in Spokane are privately managed by owners, or lessors. Individually their operations are small, averaging less than three units each. Their sum total, however, comprises about 20,000 units. The surveys in this group covered 1,059 units. The average of the OPA ceilings reported was $35.70. Their increases average $4.18 a month, or 14.7 percent.

From these surveys, which were unusually comprehensive, the board feels justified in concluding that the over-all average of rent increases since decontrol is approximately $5.25 over the controlled rates, or 14.3 percent.

B. AVAILABILITY OF RENTAL HOUSING

1. A tabulation of classified rental ads taken from newspapers shows a progressive increase since decontrol, with listings now exceeding those of March 1939, which was the last normal rent year in Spokane prior to rent controls. Counts were made from the last Sunday edition of each month shown:

For rent

	Apartments	*Houses*
July 25, 1948	37	13
July 31, 1949 (decontrol)	45	10
Aug. 23, 1949	55	20
Sept. 25, 1949	53	22
Oct. 30, 1949	79	35
Nov. 30, 1949	85	29
Dec. 4, 1949	81	41
Dec. 10, 1949	91	48

A count of the classified ads in the for rent columns of a Sunday edition gives you approximately 10 percent of the total units available. This is proved by comparing the annual vacancy surveys with a count of the Sunday edition ads for any number of years. They run fairly true to this pattern. There are probably 1,200 to 1,500 vacant units in Spokane at this time.

2. Sources of this expanding supply of rental units.

(a) Return to the market of hundreds of locked-up units following the removal of rent controls. (The existence of 1,200 of these was established by a survey conducted by the board when it made its recommendation to you that the area be decontrolled.)

(b) Return to the rental market of homes previously held for sale only, by owners who refused to rent them while rent controls were in force. (Some had been rented and vacated and were thus still under control. Others feared the inclusion of their property by legislative action.)

(c) Release of rental units by tenants who have purchased new homes.

C. EFFECT OF DECONTROL ON THE CONSTRUCTION OF NEW RESIDENCES

1. New residence building permits—

Under rent control in 1948:	
August	156
September	99
October	87
November	100
Total	432
After decontrol (July 26, 1949):	
August	156
September	229
October	165
November	247
Total	797

This tabulation shows that building permits issued during the 4 months following decontrol of this year jumped 84.4 percent over those of the corresponding period of 1948. The Spokane Home Builders Association reports that the stimulus to new construction followed immediately the announcement of decontrol and came at a time when building activity was lagging severely. Tenants in numbers who would normally have purchased their own homes elected to remain in frozen rental quarters as long as possible. When decontrol was announced, they placed their orders. This activity is undiminished.

2. The sale of existing homes. Realtors report an increase in the sale of houses which parallels the record of new construction. They report a scarcity of listings. This record is confirmed by—

Mortgages filed:	*1948*	*1949*
August	458	621
September	257	570
October	445	688
Total	1,260	1,879

This is an increase of 48.2 percent, which reflects the improved position of the home sales market following decontrol.

D. GENERAL CONCLUSIONS

1. The removal of Government rent controls has set in motion all of those factors which tend naturally to keep rents under automatic control.

2. Better and cleaner accommodations are being offered. Owners are beginning to find it necessary to clean up and dress up their units in order to hold and attract tenants. This has opened up a long neglected business field to the finishing tradesmen and to those who supply them with materials.

3. There is a better relationship between tenants and landlords. The return of competitive conditions in the rental market is compelling owners to make their premises attractive to tenants, and tenants now realize that if they become undesirable residents they cannot retain possession of properties against their owners' wishes. Consequently each is anxious to retain the good will of the other.

4. Decontrol is ending the distortions and inequalities in rent values which resulted from years of changing regulations. According to the realtors and home builders, the natural leveling of these maladjustments is putting the whole housing industry here on a sounder foundation.

E. FOOTNOTE COMMENTARIES

Board members James P. Dillard and Wayne Durham personally investigated more than a score of the facilities where tenants had complained of unreasonable increases. In some instances they were able to effect a moderation of the proposed new rates. They found that most of the complaints came from tenants who had been the beneficiaries of abnormally low rents—such as two- and three-bedroom apartments having floor footages running up to 1,200 square feet or more, at rents frozen at $35 to $50 a month. Many were even less. The highest ratio of increases came from this type of accommodation.

The unusually low-rent schedules which prevail in this community are the result of rents being frozen at a time when thousands of its citizens had moved to the coastal regions, where prewar preparedness activities were centered.

With the competitive factor already holding rents to a level only slightly above the OPA average, owners appear to be facing a permanent loss in income position in the national economy, as compared with that of the prewar years.

Word has just been received that Western Builders, Inc., the largest home construction and rental company in Spokane, announced that effective today there will be a $10 decrease in all vacant units under their control.

This report is sent to you in compliance with your request that boards continue to function and operate even in areas that are decontrolled. We would appreciate your comments. Any correspondence should be addressed to the board in Mr. Dillard's office, 202 Hyde Building, Spokane, Wash.

Very truly yours,

JAMES P. DILLARD,
Chairman, Rental Advisory Board.

[From Realty and Building for January 28, 1950]

RENT DECONTROL PROVES ITSELF IN MILWAUKEE—STIMULATES SALES AND CONSTRUCTION

(By Nolan Kenney, president, Milwaukee Board of Realtors)

Contrary to the hysterical cry of the labor unions, the Fair Dealers, and other "do-gooders," passage by the Wisconsin State Legislature of a rent control act to substitute for Federal controls, resulted in only minor rental increases.

Wisconsin's Legislature passed its Rent Decontrol Act in regular session last summer. It became effective Thursday, August 4, 1949, and expires on June 1, 1950.

At public hearings prior to the passage of the law, property owners, realtors, and other groups sympathetic to private ownership of property supported the bill by pointing out that housing conditions in Wisconsin could be best dealt with by State regulations instead of Federal laws. It was recommended that all controls of rentals and evictions be terminated at the earliest possible date which would not jeopardize the public health, safety, and welfare of the people. Some of these groups admitted that in certain areas the housing emergency still existed in part.

Opponents of the proposed rent decontrol act cried that landlords would boost rents to the hilt pushing up the cost of living to prohibitive heights.

Just how wrong they were is dramatically demonstrated in an act by the Milwaukee Common Council providing a special bonus to 10,000 city employees. Here is the story as reported by the Milwaukee Journal in an issue of Wednesday, December 28:

"More than 10,000 city employees will draw premium pay of about $8.70 a month during 1950, because the common council guessed wrong in November about the effect of rent increases on living costs in Milwaukee.

"The special bonus was predicated upon a belief that rents had increased living costs here to about those of the August 1948 level.

"Labor leaders and city employees generally had argued that the August 15 index was not reliable in that it did not reflect the boost in rents which came September 1. (Editor's note: Because of Federal decontrol in Wisconsin.) The labor leaders argued that the rentals of their members went up 30 percent and more, that the council would have to take that fact into account."

The story continues, quoting the December 15 report of Adolph O. Berger of Chicago, north central regional director of the Bureau of Labor Statistics, who said that on October 15 rents had actually risen 10.7 percent, not 30 percent, since Federal rent controls in Wisconsin were removed. The story pointed out that Milwaukee's city budget supervisor estimated the cost to the city of this special bonus would be $1,100,000 to $1,200,000.

Thus it is seen that many landlords did not take full advantage of the Wisconsin Rent Decontrol Act which provided for an increase amounting to 30 percent in rentals for those who had not increased rents while the Federal law was in effect. The Wisconsin law provides that landlords who took advantage of the Housing and Rent Acts of 1947 and 1948 and who did increase rentals 15 percent are permitted under Wisconsin law to increase rentals an additional 15 percent plus any hardship increases permitted by the Housing and Rent Acts of 1947 and 1948. If a landlord chooses to increase rents under the Wisconsin law, he is required to offer the tenant a lease terminating December 31, 1950. The tenant has 10 days to consider whether he wishes to sign the lease. If he does not choose to sign the lease, the landlord is permitted to increase the rent anyway on a month-to-month basis without lease, and may evict the tenant on or after June 1, 1950. Also, under the Wisconsin law, landlords are permitted to increase rents beyond 30 percent provided it is mutually agreeable with the tenant and providing further that the tenant is offered a lease to June 30, 1951.

So great had been the public clamor by opponents of the bill during its discussion that officers of Milwaukee's municipal government anticipated chaos among tenants and landlords when it became effective. The mayor's office set up a rent advisory board for the purpose of advising tenants and landlords of their respective rights. The city fathers expected thousands of Milwaukee citizens to march on the city hall in protest.

The chaos never materialized. As a matter of fact, the effect was quite the opposite. The rent control board existed for about a month and less than 1,000 people were interviewed, most of their questions being legal ones. It soon became apparent that many landlords not only did not jump at the opportunity to raise rents but rather made no changes except in cases where no increases had been made for many years.

The Wisconsin Rent Control Act turned out to be a decided stimulant in real estate sales in Milwaukee, and sparked a continued demand for new construction. One builder reported two families moving into duplex flats he built for them shortly after the act was passed. One of these families had been paying $35 a month and the other $40 per month rent. Both of them paid 50 percent cash for their buildings which were valued at approximately $20,000 cash.

Thousands of other tenants who were living in apartments and flats at frozen rents under Federal law immediately vacated these quarters and purchased homes at prices they could well afford to pay. In this way the Wisconsin Rent Control Act was responsible for doing much to alleviate the housing shortage in Milwaukee. Hundreds of rental units were made available immediately to those unable to buy homes of their own.

This fact was brought out and is still being felt in Milwaukee by the shortage of moving vans. Prior to the time this law was passed, the moving van business was considered dull. Now it is common to wait 3 or 4 days for a moving crew, especially near the first of the month.

This vast increase in activity has been felt in all branches of the real estate industry. Now that they are released from Federal controls, many buildings badly in need of repair now are being altered, brought up to date, divided, or renovated from ceiling to floor. This construction is being done by new owners who were formerly renters taking advantage of the Federal controls, or, the work is being done by an owner anticipating rental of the property at a fair and adequate figure.

A story in a recent issue of the Milwaukee Sentinel points out another effect of Wisconsin's rent control act:

"Permits currently being issued for duplexes, apartments and other income type property indicates a renewed interest in this type of building. With the prospect of complete removal of rent controls, many realtors believe that the building rate of income property will continue to increase."

This writer thus senses the next step in rent legislation in Wisconsin: that of complete removal of all restrictions. At the present time there seems to be no discernible agitation for the continuation of Wisconsin's rent control act after June 1, 1950. Lifting of all controls in the State of Wisconsin would of course be a severe blow to the public housers who are still leaning on the shortage boogeyman to advance their requests for more taxpayers' funds to construct new public housing. They know they are on thin ice, however, as is indicated in the trend of their arguments in support of public housing for the forgotten man in the middle income bracket.

We in Wisconsin are convinced that housing is a matter which should be controlled at State level, if controls are needed at all, and that if other States would take steps to regulate rent and eviction, Federal rent controls and public housing projects could soon be reduced to a minimum or eliminated altogether.

Mr. BRICKER. Mr. President, these reports from the decontrolled areas confirm exactly what I have been presenting to the Senate. In the first place, the time has come, and long since has passed in my judgment, when the Federal Government should cease to operate under these most dangerous powers, the war powers, to deal with a problem, which, if it exists, is a local problem, and if there is real reason for dealing with it by law, the necessary law can be provided by local authorities. They must, however, premise their action upon the inherent police powers of the sovereign States of the Union. In the exercise of that power the citizens of the United States have a right to go into court to determine whether or not the exercise of the power is reasonable, and is based upon a need, when the public peace and life and safety are considered.

The proponents are here attempting to pass a law which not only would deprive property owners of the free use of their property, but also deny them the right to appeal to a court to determine what their rights are. If ever there were a vicious use of the war power over the free citizens of the United States, if ever there were a vicious use of the war power to compel one class and group of citizens to carry a greater burden of reconstruction than another group, we find it in the rent-control law.

The time has now come for the Congress of the United States to say that the war is long over. This is peacetime. We are building for the future, and, pray God, it may be a peaceful future, when an American citizen can again lift his head and say, "I am free under the Constitution. The fifth amendment gives me the right to use my property as I see fit so long as I do not use it to the detriment of others." The time has come to end the classification and gradation of citizens of this country into controlled and uncontrolled groups, and again make them all free, proud citizens of the Republic. I am for constitutional protection under equal justice.

Mr. SMITH of New Jersey. Mr. President, I should like to state briefly the reasons for the conclusion I have come to on this important piece of legislation. I have been a consistent supporter of rent control during the war and postwar periods. I recognize that there is still a shortage of adequate, reasonable rental housing in some areas and that rent control is still necessary in those areas.

In my judgment, however, the scope of the rent-control problem has now been clearly reduced to the point where it can and should be handled exclusively by the States and local communities. The problem varies according to locality. Certainly the State and local governments are in the best position to know which areas require continued controls and the types of controls that are best adapted to meet the specific situations.

I see no conceivable reason why the Federal Government should any longer assume a responsibility that can now be better handled by alert and efficient State governments. Let me emphasize that I feel we have come to the place where the States must be challenged to assume their responsibility for problems on the local level.

The decision of Congress to continue rent controls for the past year was very clearly predicated on the assumption that Federal control would end on June 30, 1950, and that those States that considered further continuation of controls necessary would take appropriate action. Some States have demonstrated their recognition of the rent-control problem and have heeded the warning clearly given by Congress last year. I do not see why we have to give this warning over and over again.

I have discussed this problem on numerous occasions with Governor Driscoll of my State of New Jersey, and am gratified that the State of New Jersey has enacted an adequate stand-by rent-control law that will become effective if Federal controls are not continued. We have tried to protect our people by local, State action.

This issue offers an opportunity for Congress to take a step to combat the dangerous trend toward overcentralization of power in the Federal Government. A vote for continuation of Federal rent controls will, in my judgment, be a vote for the continued dilution of efficient and responsible State and local government. The States that have not heeded the warning given by Congress last year, are now clamoring for help from Washington. I believe in promoting the self-reliance and responsibility of State governments, and I feel strongly that this rent-control problem must now be handled by the 48 States.

Mr. WHERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Martin
Brewster	Hickenlooper	Maybank
Bricker	Hill	Millikin
Bridges	Hoey	Mundt
Butler	Holland	Murray
Byrd	Humphrey	Myers
Cain	Hunt	Neely
Capehart	Jenner	O'Mahoney
Chapman	Johnson, Colo.	Pepper
Connally	Kefauver	Robertson
Cordon	Kem	Russell
Donnell	Kilgore	Saltonstall
Douglas	Knowland	Smith, N. J.
Dworshak	Langer	Sparkman
Ecton	Lehman	Stennis
Ellender	Lucas	Taft
Ferguson	McCarran	Thomas, Utah
Frear	McCarthy	Thye
Fulbright	McClellan	Watkins
George	McFarland	Wherry
Gillette	McKellar	Williams
Green	McMahon	Withers
Gurney	Magnuson	
Hayden	Malone	

The PRESIDING OFFICER (Mr. MAYBANK in the chair). A quorum is present.

Mr. WHERRY. Mr. President, in the consideration of the pending bill last Friday, an able speech was made by the junior Senator from Washington [Mr. CAIN]. Early Saturday morning the question of a possible unanimous-consent agreement came up, and it was my feeling that, since no unanimous-consent agreement had been made fixing a time for a vote, some Senators, relying upon the fact that there would not be an all-night session—and I apparently had said, a vote—had gone home, or at least were absent. I therefore felt that the minority leader should protect their rights until they could return today. Those Senators are now present. Their rights have been protected. We have voted upon a motion to recommit the bill, which motion was not agreed to.

The minority has always wanted to cooperate to the end of getting a vote on the pending measure as early as possible. I feel quite sure that is the attitude of the distinguished Senator from Ohio, who has now concluded his speech against the bill. He has had his opportunity to express his views. I have conferred with the junior Senator from Washington, who, because of certain additional information he desired to present, was very desirous of continuing his remarks. He is, however, subordinating his desires to the will of the minority leader, in order that we may, if possible, get a vote on the pending measure promptly, and that we may get it now. I thank him for his willingness to cooperate. I desire also to thank the distinguished Senator from Ohio for having condensed his speech and thus shortened the time required for its delivery. Although it is impossible to speak for all Members of the Senate, yet in view of the situation as I have stated it, I believe we may proceed to a vote, if it is agreeable to Members of the Senate. Before doing so, I merely wanted to review briefly what had happened, in order that the Senators who were absent Friday night and early Saturday morning might know that their interests were protected. The Senators are present today, and may vote according to their convictions. I should like to add that the junior Senator from Washington has with great reluctance consented to my making this statement. I hope the Senate will now proceed to vote on the bill without further debate.

Mr. LUCAS. Mr. President, I am indeed very grateful to Senators on the opposite side of the aisle for having reached the conclusion that an early vote may be had upon the pending bill and any amendments which may be offered. The Senator from Pennsylvania [Mr. MYERS] is not in the Chamber at the moment. I was under the impression that he had certain remarks he wanted to make, which would be very brief. I also understood that the Senator from West Virginia [Mr. NEELY] intended to offer an amendment, which I imagine could be disposed of in short order.

The PRESIDING OFFICER. The Chair will state that, as the Senator from Illinois knows, the committee amendment is open to amendment. Before the vote is had, if it is desired to offer any amendments, that may be done.

Mr. LUCAS. Mr. President, I note that the Senator from Pennsylvania has now returned to the Senate Chamber. May I inquire whether he desires to speak on the bill?

Mr. MYERS. Mr. President, I may say to the Senator from Illinois that I had desired to make a speech on the bill. However, I shall merely incorporate the material in the RECORD in the interest of getting an early vote, and will withhold the remarks I had intended to make.

Mr. LUCAS. Mr. President, does the Senator from West Virginia desire to offer an amendment to the bill? I was under the impression that he did.

Mr. NEELY. Mr. President, I offer an amendment and ask that it be read by the clerk.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from West Virginia.

The LEGISLATIVE CLERK. In the committee amendment on page 5, after line 2, it is proposed to insert the following new section:

SEC. 9. (a) Section 1 (b) of the District of Columbia Emergency Rent Act, as amended (D. C. Code, 1940 edition, sec. 45–1601), is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "December 31, 1950; or at the close of June 30, 1951, if the Board of Commissioners of the District of Columbia, prior to December 31, 1950, declares by resolution that a shortage of rental housing accommodations exists which requires the continuance of rent control in the District of Columbia."

(b) Section 2 of such act, as amended (D. C. Code, 1940 edition, sec. 45–1602), is amended by adding at the end thereof the following new subsection:

"(5) After June 30, 1950, the provisions of this act shall not apply to, and no maximum rent ceilings or minimum service standards shall be prescribed for, any furnished non-housekeeping housing accommodations which are rented as rooms without kitchen privileges or facilities for cooking (but not in a suite of two or more rooms."

(c) Section 8 of such act, as amended (D. C. Code, 1940 edition, sec. 45–1608), is amended by adding at the end thereof the following:

"(d) In any proceeding under section 4 for an adjustment, a landlord shall be entitled to produce the best evidence available to establish the existence or nonexistence of a fact or condition between January 1, 1941, and July 1, 1945."

On page 5, line 3, strike out "Sec. 9" and insert in lieu thereof "Sec. 10."

Amend the title so as to read: "A bill to extend the Housing and Rent Act of 1947, as amended, to extend the District of Columbia Emergency Rent Act, as amended, and for other purposes."

Mr. NEELY. Mr. President, I ask unanimous consent to substitute that amendment for the one previously offered on the same subject.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the amendment offered by the Senator from West Virginia to the committee amendment.

Mr. GEORGE. Mr. President, the adoption of this amendment would place some of us in an awkward position. I am against, and have so announced, a rent-control bill for the United States as a whole because the problem is not a Federal problem, and everyone knows that it is not a Federal problem. It is

a problem which is localized within certain cities in certain areas. I would vote for the continuance of rent control in the District of Columbia, because Congress is the legislative body which has jurisdiction over that subject.

So, Mr. President, I should like to inquire if the Senator from West Virginia wishes to insist on his amendment. It makes quite a difference to me. I do not know how long the debate may last. This matter should be brought up separately and should not be confused with the general bill for the extension of rent control all over the United States.

Mr. NEELY. Mr. President, the sole purpose of the amendment is to provide the people of the District of Columbia the identical relief which the bill proposes for the people of the rest of the Nation. It is my hope that the amendment will be adopted.

Mr. GEORGE. Mr. President, that leads me to make this statement: The pending bill proposes to continue rent control until the 31st of December 1950. I have no hesitancy in saying that the primary driving force back of it is political. Rent control should not be done on a national basis. Are we to resolve ourselves into a mere municipal council and become the helpless prey of every political pressure group in the Nation, or are we to legislate for the entire country?

As I understand the bill, by action of a municipality or some political subdivision of a State, rent control may be extended for 6 months after December 31, 1950. I undertake to say that that provision will not stand in any court which has a proper regard for the laws and the Constitution of the United States.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. GEORGE. I shall yield in a moment.

It is one thing to terminate an act passed by the Congress within its constitutional competency and power upon the happening of an event. It is quite another thing to leave it to a town council to extend a Federal law in a municipality for a period of 6 months. If the Supreme Court of the United States should uphold this bill, so far as the extension for an additional 6 months' period is concerned, I undertake to say that no person would have any great respect for the decision of that Court. I feel profoundly that it is unconstitutional, so far as that provision is concerned. Here is the Senate of the United States, the greatest deliberative body in the world, in the greatest capital on earth, in which great policies for the world are being formulated and shaped, lending itself to pressure groups to extend, in local communities, where perhaps some need exists, a Federal law, without placing the responsibility where it actually should rest, on the local communities and those in authority in the cities and in the States.

No greater disservice was ever done to the American system of government than is now being asked to be done under this provision of the bill. No greater challenge was ever made, going to the very roots of our dual system of government in America, than when the Congress is asked to enact pure police regulations and leave it to a town council to put them in force for some period in the future after the law expires.

I know very well that the Supreme Court sustained the act which Congress passed a year ago on the express statement that that was the last extension of rent control, and on the implied statement of the administration itself that it was the last extension of Nation-wide rent control. Possibly it had not heard the returns from the outlying precincts. Maybe it did not have the votes of pressure groups. But that is a fact, nevertheless, Mr. President. That was not the first indication that we were approaching the end of the program inaugurated during the war when this great sovereign Nation was moving its people from one place to another, when housing became actually short, and when there was a national problem to meet. There is now no national problem of that kind. There is a political problem, to make an appeal to the American people.

I say that it does not in fact make an appeal to the American people. It appeals to minority groups. It does not appeal to the great masses of men and women in America, because they love liberty and freedom. They know that one of the primary civil rights is the right of every man to sell his own labor without any interference by any external power or authority.

The second great civil right is the right to possess, enjoy, and control personal property and real estate. The American people will one day wake up and say, "If this is the kind of legislation the Democratic Party gives the Nation, we are through with the Democratic Party." Make no mistake about that, gentlemen. The American people know that this question is one of simple fairness and justice to the men and women who through life-long toil, frugality, and saving have invested in one or two pieces of property which they now wish to rent. With all other price controls lifted, with no other prices under control, five long years after the war it is proposed to say that we shall continue to control the property of poor men and poor women.

There are no great real-estate concerns involved. We know that is not the case. It involves the little man and the little woman whose husband through his toil and frugality was enabled to save and own one or two little pieces of rental property. Now that property is to be controlled. Perhaps, it would be better to confiscate it, because in effect control means that we are not going to let it bring on the market what it is worth. Wages have reached a level which they had never reached before, a level never before enjoyed by the men and women who work in this or in any other land. That has been brought about by law and by administration. We have advanced Federal salaries to a level never before reached. Yet, we would say to the little woman whose bread-earning member of the family is gone, "Oh, yes; you have a right to rent your property, but we are going to say how much you can get for it. We are going to fix the rent for you." Why? Why, gentlemen? The American people will know why. They will know it is because pressure groups—pressure groups, gentlemen—demanded such action of a party, and that party had not the stamina to stand up and say, "We will not yield to your pressure." These are hard words. They are intentionally hard. This country has something that men have died for. We in the legislative branch of the Government can lay down our own political lives, if it becomes necessary, to maintain the principles for which this Government has stood.

I concede that there may be local conditions in some city, A, B, C, or D, where a continuation of rent control is justified. However, if in the proof of the case for the continuation of rent controls, one is obliged to resort, not to the general picture, but to the few exceptional instances throughout America, he has disproved his right to have legislation passed by this body. There does not exist—and on the facts no man can prove there exists—any Nation-wide shortage of housing. If a Nation-wide shortage does not exist, or if it cannot be established on the basis of population, the shortage has been localized. If the dual system of government means anything, local governments become responsible for legislation in that field.

Mr. President, perhaps the amendment offered by my distinguished friend from West Virginia [Mr. NEELY] may not be any worse than the whole bill. It may be on a par with it. On the one hand, I may be able to determine that reason exists for the continuation of rent controls within the District of Columbia, because I have lived here quite long enough to know something of the conditions. On the other hand, whole States have decontrolled. Numerous cities throughout the United States have decontrolled under the existing law, therefore no national emergency exists which would justify our continuing the Rent Control Act.

Mr. President, if we are to continue as the great leading power of the earth, we must be worthy of that responsibility. We cannot yield to pure pressure groups, and hope to guide the world back to a condition of sanity and stability, and even of free government. Are we to sacrifice everything for votes? Are we willing to pay such a price for seats in this body? Are we? My colleagues, all of whom I take to be honorable, may answer that question as they will, and as on their consciences they must. As for myself, I would not pay that price for a seat in the Senate, at any age, or at any time. If we continue to pay such prices, the time will come when a place in the Senate will not be worth what one is asked to pay for it, and indeed may become even worthless.

I have the profound conviction that the American people are at heart honest, and that they do not want to confiscate the property of the little woman, the little man, the big man, or even the company, by placing rent controls on their property which in the market place would be wholly out of line with the value of the property.

There is always a reason for tyranny. Please mark my words, the great, motivating and driving force in this world that results in tyranny is personal gov-

ernment. Personal government begins with favoritism at the hands of those who are in command of the government. It begins with favoritism. It passes through the stage of outright corruption, and finally into tyranny. Those are the three stages.

Why is this power over rents sought? Is it entirely dissociated from political ends and purposes? To ask the question of an intelligent populace and citizenry in these United States would almost subject one to ridicule and to laughter.

Someone may say, "In my city there is a great need for rent control." In reply, I say, "Then let your city act. If you have the facts on your side and they are properly stated, have you not confidence enough in your own people, have you not confidence enough in your council, in your own State government, to know that they will recognize the need within the State?"

The extraordinary police power under which can be established rent controls on real property is essentially a power within the hands of the State. It becomes a power which the Federal Government can rightly exercise only in case of a great emergency, when, because of war, or other comparable conditions, such as those that spring out of war, the Federal Government may exercise that extraordinary police power as an incident to the broader powers which it must exercise in order to secure the national health and national safety, and to preserve the Nation.

But that condition does not exist, Mr. President, and please believe me, for every vote we now gain by this kind of legislation, in November there will be on the other side of the issue 10,000 votes of free Americans in all the States, States which have already decontrolled, or which may subsequently decontrol.

In America we must relinquish these extraordinary police powers, which rightfully belong to the States, and can belong to the Federal Government only as an incident to the effective carrying out of broader powers—we must relinquish this extraordinary manifestation of the war power, or we should go back and put on price controls across the board. If there is any great emergency, we have just as much right to do it as we had formerly.

Mr. President, I am not discussing this question on the basis of whether or not what is proposed is a wise policy. I am sure it is not a wise policy. I am certain that every reasonable Member of this body knows that there would be more houses for rent, more rooms for rent, and greater willingness on the part of property owners to rent them, if we did not have this restriction. I am absolutely sure that, with minor exceptions here and there in the Nation, more people would be willing to put their money into houses, into homes.

Mr. President, this is an odd land in which we live, it is a very odd country, ours is a very odd government. The Government has built houses all over the land; it has built them for the purpose of affording ample housing and cheap rents. The Government has not only built houses, but the Government has advanced money, made loans, made guaranties to individuals, to induce them to build houses. The housing program has expanded, and is constantly yet expanding.

I do not say that we are getting cheaper houses.

Of course we are not. Other conditions may lower rent here and there, or the costs of construction, but we are not getting cheaper houses. We never will, so long as the Government is looked to as the sole builder of houses, so long as the Government keeps its heavy hand of tyranny on the property owner, and says, "You have to rent this house for so much per square foot or so much per unit."

Of course, what has been done in the building field has been bringing about inflation, and continuing inflation, in the cost of construction. Houses have been built and sold to the GI veterans which, after a few rains and a few heavy frosts, will become easily second-rate property on the market.

The prices have not been lowered. What has been done has been merely to add fuel to the flame. When building costs were dropping, when material costs were seeking a reasonable level, the Government, through its housing programs, through its guaranties, sent the prices back in the other direction. Everyone knows that to be so, or everyone can easily find it out.

Now a word as to the few who have had the courage to build houses. I have great respect for the man or for the woman who, through toil and sweat, who through his own or her own sacrifices, has been able to build a little house somewhere, and lift it into the pride and dignity of a home. But that kind of home is not built by the Government under a high-cost level which insures the relative worthlessness of the property when it has been constructed and sold to a GI or to some other citizen.

Why is there a desire to continue this course, Mr. President? My party may continue it, but it will not continue it long, because the American people can read clearly the motive and purpose, outside the big cities with their peculiar problems, outside localities and communities with their peculiar problems, which fall, again, into the category of proper consideration and relief by the local government having jurisdiction over the city or the locality or the community. Aside from those instances, the motivating force here is so political, so definitely political, as to leave the bill at this stage, at this time, without approval and commendation and support among the great masses of men and women in America who are disposed to be fair and who want to be just, and, above all, who do not want a government so all powerful that they will have no redress for their injuries and their grievances.

Mr. President, we spend money to build houses, we spend money to administer the rent-control law, but we spend infinitely more money to build up bureaucracies that will tell the American people what "you shall get for the property you own." If we spent less money on the bureaucrats and more in an honest effort to turn loose the creative power of the American people, we would be much better off.

Mr. President, I have said that so far as the District of Columbia is concerned I would be willing to extend the rent control for a reasonable period. If I lived in New York, in Chicago, in Philadelphia, in Pittsburgh, or in any of the great cities, I would probably be able to arrive at that conclusion with respect to those cities and those communities. But I cannot do it insofar as the Nation as a whole is concerned. Therefore, I shall be obliged to vote against the bill even if the amendment which has been offered becomes a part of the bill.

COMMUNITY RENT DECONTROL VERSUS FEDERAL CONTROL

The PRESIDING OFFICER. The Senator from Nevada [Mr. MALONE] was asking the Senator from Georgia a question, as I understand.

Mr. MALONE. I did ask the Senator to yield, but now want the floor in my own right.

The senior Senator from Georgia has just made a powerful morning address, and I agree with every word he has said. It is an indication, Mr. President, a late indication from the majority side of the aisle, of the kind of a body of men the junior Senator from Nevada thought he was joining when he came here in 1947—although for rent control it is about 4 years late.

But let me say, Mr. President, that we cannot take this trick legislation which the administration is continually proposing, one bill after the other, each as an emergency, and consider them separately and make any sense at all out of them.

The pattern must be considered. Rent control extended beyond the first year after the war was a senseless thing. Of course, during the war it probably was necessary in certain areas to have rent control for the reason the senior Senator from Georgia has so ably indicated, that we were moving great groups of men from one place to another. But instead of allowing Federal rent control to be decontrolled by the communities, as this legislation does, Mr. President, we have waited 5 years to put an amendment in the bill providing that a community may decontrol without referring the request to the governor or some other authority, who may have and often does have a political reason for determining whether or not there shall be rent control.

Last year we attached an amendment to the bill which provided that the communities could decontrol by action of the county commissioners or the city council or the controlling legislative body. But the matter was referred for final action to the governor of the State, who often had political reasons for not permitting rent decontrol. That, Mr. President, happened in my State of Nevada.

Mr. President, we cannot intelligently discuss this senseless control continued 5 years following the war, and ignore the other economic controls of this country. I wish to say that the economic controls are ruining the economic structure of this country. They are coming to expect the Congress to control the communities through all such legislation.

Mr. President, I admire the senior Senator from Georgia. There is no one on the Senate floor whom I would follow farther than the senior Senator from Georgia when he really puts his mind to a subject. But his address is 4 years late. These economic controls are setting this country up like a sitting duck for the rest of the world. This program was not started yesterday, it was not started last year, it was not started 5 years ago. Mr. President it was started in 1934 when Congress passed the 1934 Trade Agreements Act and put into the hands of an industrially inexperienced State Department the right to say what industries in the United States of America were to survive and what industries were to be sacrificed on the altar of "One Economic World."

That piece of legislation put the sweatshop labor of Europe and Asia in direct competition with our own workers.

Mr. President, we have continued that course. Every 3 years the Senate of the United States, this very deliberative body, goes on record for keeping in the hands of an inexperienced State Department the right to kill any job in America and any industry in America. How? By lowering the tariffs up to 75 percent. They are killing the coal industry in the State of my friend, the junior Senator from West Virginia. He has just realized that that is the objective.

DIVIDE THE MARKETS

We established the ECA—to do what? To make up the trade-balance deficits of countries in Europe until such time as we could divide the markets of the United States of America with those countries so that theoretically there would be no trade-balance deficit.

THE INTERNATIONAL TRADE ORGANIZATION

Then what do we get after that? Mr. President, every one of these proposals is on the President's "must" list of legislation at one time or another in order to keep just such controls in effect.

The International Trade Organization, Mr. President, is on the President's "must" list for this year. He has said this legislation must be passed. What is the International Trade Organization, which takes over right after the ECA and the 1934 Trade Agreements Act have divided the markets?

FOREIGN CONTROL OF OUR ECONOMIC SYSTEM

It is composed of 58 nations with 58 votes. The United States has 1 vote, the same as Siam. To that organization we assign the right to fix the tariffs of this country and also to fix the quotas of production, if you please. It is complete foreign control of our economic system. If we are producing too much, if we have too many shoes, too much steel or too much minerals, these 58 smart representatives—and, remember, the United States has only 1 vote among them—can assign that production to other countries.

POINT 4—GUARANTEE OUR OWN INVESTMENTS

What is the next thing to take over? Point 4—that senseless thing that carries on after the ECA, whereby we guarantee the integrity of the money our people invest in other nations. We guarantee the integrity of the investments. Somehow or other we have the people of this country punch-drunk. No one ever heard of the guarantor of a loan guaranteeing the integrity of that loan. So we start the precedent right here on the Senate floor, in the greatest deliberative body in the world.

SECURITIES EXCHANGE COMMISSION CONTROL

What do we get after that? Built up simultaneously with all the rest of this economic control is the Securities and Exchange Commission. Any business in the United States of America the first three do not crush, the SEC will get. Why? With their mediocre engineers and economists they insist upon passing upon the economic feasibility of an industry before they will allow securities to be sold.

Mr. President, when the Republicans controlled the Senate, the junior Senator from Nevada was chairman of an economic committee which held hearings on SEC. Numerous engineers came before our committee. At that time I said to some of them, "If you can tell, in the case of a mining property, whether a stringer of ore is going to widen out and enrich at 10 feet or at 1,000 feet, or whether it is going to pinch out and get leaner, you are wasting your time with this committee; I will get you a job where you can make some real money."

However, Mr. President, that is what the Securities and Exchange Commission attempt to do before securities could be sold in such cases with their consent.

GOVERNMENT MUST FURNISH EMPLOYMENT

Mr. President, what did the Government do, in addition to the SEC? Let us review their actions in that connection. For the last 10 or 15 years we have been sold a bill of goods by the great Government propaganda machine we have built up in the United States of America, much of it coming out of the State Department, the greatest propaganda that has ever been known in the history of the world. In the last 10 or 15 years we have sold a bill of goods to the citizens of the United States that if private business could not maintain full employment, then the Government must do so. No one opposed that idea even on the Senate floor, so we sold that idea to the American people.

VENTURE CAPITAL STOPPED

Mr. President, with the 1934 Trade Agreements Act, which puts every business in the United States in jeopardy; with the SEC, which denies the right to sell securities for new capital; with the basic tax structure such that if anyone makes a dime on the investment of venture capital Uncle Sam takes it away from him, but if a businessman sustains a loss in connection with the investment of venture capital, he must sustain all the loss himself; then of course venture capital is frozen out, with the result that very little venture capital has become available for business—largely as a result of the three factors I have mentioned, namely, the 1934 Trade Agreements Act, the tax structure which took away from business any profits they made on venture capital, and the SEC's prevention of the sale of new securities. Those acts were passed by the Congress—by this Senate—the greatest deliberative body in the world.

THE NEW RFC PROPOSAL

Mr. President, after preventing venture capital from going into businesses, suddenly in the last 3 or 4 months we realized that we were being sold another bill of goods which said in effect, in view of the increase in population, the economic development of the country has not kept pace with the population increase. We have a million additional persons coming into the job market, coming out of school, and we realize that we must do something about that situation.

What was the proposal, Mr. President? The President made his great proposal for the reorganization of the RFC—which, under the terms of his proposal, would loan up to $25,000 to people or to businesses in this country to take the place of the venture capital which we ourselves have run out of the market by our action on this Senate floor.

WHAT IS THE ANSWER TO 5-YEAR RENT CONTROL?

Mr. President, all of these things are wrong and must be adjusted if we are to again realize the State control so ably outlined by the senior Senator from Georgia [Mr. GEORGE]. However, I come now to my closing point at this time. We have held this tight control for 5 years. What are we going to do now? Are we going to break the dam and wash out the ranch below the dam, or are we going to make arrangements so that the dam can be broken in communities, by those communities, without reference to the governor of the State, or to anyone else?

Mr. President, in due course of time all these other subjects will be discussed by the junior Senator from Nevada at some length; but at this time I say to you that all of them constitute one plan to control venture capital in this country, to make it impossible to do business, and thus to lead to demands that the Senate and the House of Representatives pass legislation making it possible for the Government to go into business with full Government control, which will be the end of the American competitive economic system as we know it.

This bill provides for the communities to end rent control at their option—its fault is that it is 4 years late.

Mr. KNOWLAND. Mr. President, I move that the amendment of the Senator from West Virginia be laid upon the table.

Mr. LUCAS. Mr. President, will the Senator withhold his motion temporarily?

Mr. KNOWLAND. I withhold it temporarily.

Mr. LUCAS. I think the Senator from West Virginia [Mr. NEELY] probably is going to withdraw his amendment, if the Senator will wait a little while.

Mr. KNOWLAND. Then, Mr. President, I withhold the motion.

Mr. NEELY. Mr. President, during my 28 years in Congress I have never before witnessed an oratorical tempest in a teapot of such magnificence as the one which the Senator from Georgia [Mr. GEORGE] has unleashed in the Senate this afternoon. The Senator

was apparently spurred to his dizzy heights of eloquence by my proposed simple amendment to make applicable to the District of Columbia the rent-control provisions of the pending bill. In my opinion, the Senator's oratorical fireworks have been much more dazzling than convincing.

Demosthenes, when he delivered his memorable oration, had nothing but the rivalry between himself and Aeschines for his motive. If he had only had for his subject matter a momentous question such as 6 months' rent control for the city of the Violet Crown, think of the undreamed-of additional fame this incomparable Athenian would have won from a fascinated, dumbfounded, hysterical world. It is fortunate for Demosthenes and his enviable reputation for unequaled eloquence that his most famous address was not followed by the breath-taking speech of the Senator from Georgia on the question, "Shall there be rent control for 6 months in the city of Washington?"

Where would Cicero's oratorical reputation be if his hitherto unparalleled denunciation of Catiline had been rudely rushed into competition with the stirring words on rent control which, like oral, priceless pearls, fell from the enchanting lips of the Senator from Georgia?

As I understand it, this matchless and inimitable oratorical outpouring by the Senator from Georgia is the result of my feeble attempt to provide the people of the District of Columbia rent-control protection similar to that which the bill proposes for the people of the Nation.

Mr. President, if the words of the Senator from Georgia are taken seriously, some of those who heard him will probably believe that my amendment embodies the very first attempt ever made by the Congress to delegate important authority to the District Commissioners. As a matter of fact, the amendment contains no unusual provision relative to the delegation of power.

During the Senator's official service here the Congress has many times clothed the Commissioners with authority as great as that proposed by my amendment. For examples, the Commissioners have been vested with control of zoning, slum clearance, safety regulation of buildings, sanitary improvements, drainage, smoke prevention, city planning and condemnation proceedings. These are enumerated on the spur of the moment. There are doubtless many more.

The Senator from Georgia, looking my way, although he may not have intended to honor me by addressing me, shouted in words or effect, "You are appealing to pressure groups for votes." Angels and ministers of grace defend us. The last place in the world in which a public official would make a bid for votes would manifestly be in the voiceless, voteless District of Columbia. So far as I know, there is not a single permanent resident of the District who ever turned a political hand for or against any political candidate, or any political party in West Virginia. It is certainly sheer nonsense to charge or intimate that my action in submitting my amendment for the protection of the people of the District is attributable to political motives. As chairman of the Senate Committee on the District of Columbia, I conceived it to be my duty to do what I have done. For that action, I neither owe nor offer a syllable or letter of apology to any man, woman, or child.

The Senator from Georgia has warned us that if we persist in rendering services such as are proposed by the pending measure, the Democratic Party will be displaced. It would not be anything new for some of those in the Senator's section of the country to join in the Republican battle cry, "Down with the Democratic Truman administration." I make no charge against the Senator personally, but only from the Southland have I heard threats of rebellion against the Democratic Party.

Most happily, the recent returns from Alabama impressively indicate that the pendulum is swinging as it should, and that the Cotton State is as Democratic as it was in the days when it won the plaudits of the Nation by its unyielding, loyal support of its beloved son, Oscar Underwood, for President of the United States.

This side of the aisle will not be frightened by the bugaboo that if we pass a rent-control bill, the Dixiecrats will wreck the Democratic Party. They cannot do it, no matter how much aid and comfort they receive from their stanch Republican friends.

Is it not more than a coincidence that subject to a single exception the stream of congratulators that extended sincere, approving hands to the Senator from Georgia at the conclusion of his address came from the Republican side of the Chamber? The distinguished senior Senator from Virginia [Mr. BYRD] provided the exception. According to the newspapers, he has a great deal to do with the shaping of combination Dixiecrat-Republican policies.

The able Senator from Nevada [Mr. MALONE], who is a Republican of Republicans, delivered a fervent eulogy on the Senator from Georgia and an equally fervent commendation of the Senator's speech. The Senator from Georgia is one of the outstanding statesmen of the Nation. Today, to my unfeigned regret, he vigorously exercised his great forensic talent to the limit to prevent an extension of rent control—an objective which, in my opinion, the Senate will decisively defeat and the people of the District of Columbia and the Nation overwhelmingly disapprove.

Mr. President, it is of no importance to me whether the purpose of my amendment is achieved in the manner proposed, or by means of a bill. If the Senator from Georgia, before he addressed the Senate, had informed me of his objections to my amendment procedure, I should have immediately done my best to accommodate myself to his suggestion.

Mr. President, I now venture to ask the Senator from Georgia this question: If that part of my amendment which is designed to empower the Commissioners to grant an additional extension of rent control for 6 months after the first 6 months' extension has expired should be stricken out, would that elimination satisfy the Senator's objection?

Mr. GEORGE. Mr. President, I very much regret that the distinguished Senator from West Virginia has misinterpreted, misapplied, and, I must assume, misunderstood my whole argument. I distinctly objected to this amendment, but I said that as a Senator I would vote for the extension of rent controls in the District of Columbia, because we are the legislative body for this local community. I do not know whether the particular extension for 6 months afterward would be held to be good in the District of Columbia bill, if placed in a bill relating to rents in the District of Columbia. If it does not fall under the condemnation of the improper delegation of legislative authority without sufficient safeguards and guides, it may be valid. I may say to the distinguished Senator it is possible to draft an act, and have it passed by this Congress, which would give to the Commissioners of the District of Columbia the power to impose and remove, and to reimpose and remove, and to continue to impose rent controls in this District. Here, the Congress is the legislative body, the only legislative body that has any jurisdiction. It exercises precisely the comparable power of a State legislature or a State government in any one of the States. The pertinent question is whether sufficient safeguards and standards are set up in the act authorizing the Commissioners to control rents.

I have never objected to the Senator's amendment as such. My regret was that I was compelled to state my reasons why I had to vote against the bill even though his amendment was in it, although I did not want to be put into the position of voting against rent controls in the District of Columbia. I have not examined the amendment, but if it is not an improper delegation of legislative power, so far as the District Commissioners are concerned, the amendment is probably valid as to the District. But what I said and meant to say, and I retract not a word of it, was that with respect to general legislation for all of the States, and all cities within the States, this provision, in my opinion, was clearly invalid, and on that point I have no reasonable doubt. So I felt that I should not be put in the embarrassing position of having to vote against the bill which had in it an amendment which I thought was meritorious and one as to which we have proper jurisdiction.

Mr. NEELY. Mr. President, the Senator's statement is fully appreciated. He began his remarkable speech with a discussion of my amendment. It was impossible for me to determine whether his bitter condemnation was aimed at my amendment or at the basic philosophy of rent-control legislation.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. NEELY. I yield.

Mr. LUCAS. In view of the fact that the Senator from Georgia has advised the Senator from West Virginia as to his position, and I know other Senators feel the same way about it, I hope that the Senator from West Virginia will withdraw his amendment in its entirety.

I can assure him that rent control for the District of Columbia will be provided for, because I am as vitally interested in it as is the Senator from West Virginia, but I think we can make progress if the Senator will withdraw his amendment.

Mr. NEELY. Mr. President, let me ask the distinguished Senator from Washington [Mr. CAIN] whether he would oppose a separate bill proposing an extension of rent control in the District of Columbia with the same vigor and persistence with which he has opposed all previous rent-control measures. If so, I seriously doubt whether it would be possible, at this late date, to pass such a bill before the present law expires. If the Senator from Washington can give me an encouraging assurance on this point, I shall withdraw my amendment.

Mr. CAIN. Mr. President, the Senator from Washington thinks that the question posed by the Senator from West Virginia is a very fair one, and the Senator from Washington is pleased to answer it. If and when any measure advocating the extension of rent controls for the District of Columbia comes before the Senate, I shall state my own individual position in opposition to it and shall vote against it, but I would have no intention whatsoever, if the question of extending rent controls for the District of Columbia should come before the Senate as a separate measure, of speaking at any length beyond that which any individual Senator should use in speaking in an effort to defeat a measure, as I have most sincerely tried to do with reference to the national rent-control bill which is before the Senate.

Will the Senator from West Virginia permit me to say to him and to other Senators, because I think it is important, that during the course of last week an appropriate committee of the House of Representatives had before it the question of whether rent controls should be continued or extended beyond June 30 for the District of Columbia. I am told that the hearings before the committee consumed all of 2 days and that the committee which took the testimony has not as yet made a recommendation concerning the nature of the controls to be recommended within the District beyond June 30.

I have likewise been told that the committee is going to make a recommendation of some kind for an extended rent-control bill for the District applying beyond June 30. That seems to indicate to me, may I say to my very good friend from West Virginia, that the matter, in an orderly procedural way, will be before the Senate in the very near future, and that the Senator may rest assured of one thing, namely, that when the recommendation comes to the Senate from the House it will have come from a body which has found it convenient, in terms of time, to take testimony on the question, which is something which the District Committee of the Senate, because of other important matters before it, has not had an opportunity to do.

Does the Senator from West Virginia feel that the Senator from Washington has adequately answered the question which was posed?

Mr. NEELY. The Senator from West Virginia does think so, and he is very much obliged to the Senator from Washington. If action by the House should be unexpectedly delayed, I assume that what the Senator has said concerning his attitude toward a House bill would also be applicable to a similar measure originating in the Senate.

Mr. CAIN. I think the best way in which I could answer that question, because I want the Senator from West Virginia and other Senators to know exactly where the Senator from Washington stands, would be to say that I would make certain, within the limits of 30 minutes, to state for the consideration of other Senators why the junior Senator from Washington does not think rent controls ought to be continued in the District of Columbia beyond June 30, 1950.

Mr. NEELY. Mr. President, with that information, I withdraw my amendment.

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). The amendment offered by the Senator from West Virginia is withdrawn.

Mr. MYERS. Mr. President, as I stated before, I do not intend to take up the time of the Senate with a discussion of the bill, because the Senate is about ready to vote. So I ask unanimous consent to have printed in the body of the RECORD a statement which I had intended to make, together with several letters and telegrams, and an editorial on the subject from the Philadelphia Inquirer.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MYERS

One of the earliest—and toughest—lessons a Senator learns is that the congressional issues will be few and far between when his vote on any particular bit of legislation will not seem unjust to many decent, deserving people.

And the present controversy over extending some form of Federal rent controls for another year when the present law expires June 30 is most certainly no exception.

I have heard from close, loyal friends bitterly protesting any further rent control action by Congress. I have received letters from individual landlords who have set forth figures which certainly seem to indicate the present controls are indeed working a real hardship on them. And my office has been virtually flooded with antirent control material from various real estate groups.

Despite this bombardment, however, and despite the fact that I had hoped last year's rent bill would have finished the job, I am now doing everything I possibly can to see that Congress takes action to extend rent controls for another year. I am taking this position because I honestly am convinced that such legislation is a "must" unless we are willing to run the risk of further inflationary moves which can seriously disrupt the country's economy.

I do not intend to defend every action of the Office of Housing Expediter. I do not intend to deny that there exists instances of some unfairness in treatment of individual landlords. I do not claim that the present set-up, with some units under controls and other units decontrolled, has not caused some confusion, though I would like to say, on this point, that if Congress had not been in such a hurry to remove controls of certain types of construction, this last problem would not exist.

But by and large, we are now getting an administration of rent controls which gives the landlord a fair return on his investment without permitting him to capitalize on the helpless position in which most tenants now find themselves. And the present decontrolling machinery does in fact permit the gradual lifting of all rental ceilings where the need for controls no longer exists while at the same time still maintaining some brake on sudden jumps in rent.

We all hear a great deal of talk about the great unfairness of the present rent-control law. Some opponents of rent controls have attempted to create the impression that a tight law—a law like the one in effect during the war years—still exists today.

But this simply is not true. Today new construction is not under controls. Today converted structures are not under control. And today many situations represent valid grounds for obtaining rent increases from the Housing Expediter.

Here are a few examples. If a tenant rents out part of a dwelling, his landlord can get an increase for additional expenses and extra wear and tear on his property. If a landlord's coal bill, or oil, or gas bill goes up, he can get an increase in rent to make up for his higher operating costs—whether the higher costs are due to fuel, or taxes, or utilities, or even repairs.

And what about the landlord who wants to make some improvements in the kitchen? Does he get any break? He certainly does. He's entitled to an increase amounting to the rental value of any major improvement, plus an extra allowance for increased costs. And furthermore, before he starts, he can find out exactly how much of an increase he will get.

Don't think for a minute, either, that the landlords have not taken advantage of these liberal provisions for rental increases—though I am not saying this in any critical sense—they certainly are justified in getting the maximum possible return under the law.

Altogether, increases in the past year were granted for almost 1,000,000 units. The Housing Expediter approved 76 percent of requests for increases, and the fact that these increases have averaged 17.8 percent certainly does not indicate a strictly antilandlord policy on the part of control officials.

The important thing that must be emphasized with reference to rent control—and any extension of it—is that the housing shortage in most sectors of the country is still critical. With a few major exceptions, there are very few localities in this country where a tenant—particularly a tenant paying less than $50 to $60 a month—can, if the landlord increases the rent to any real degree, move out to other quarters.

Our country has seen a tremendous housing boom since the end of the war. All over we see now communities—homes, places of business, schools, everything—appearing. And the low-rent Public Housing Act passed by Congress last year will go at least part of the way in relieving the housing problems of many cities.

But the fact remains that despite all the private construction, and despite the efforts now being made under public housing acts, the housing shortage is still acute and is most certainly not just a propaganda scheme dreamed up by rent-control advocates. Those depression years of the thirties, when there was little building; and those war years of the forties, when there was even less; and the tremendous increase in the number of family units in this country due to wartime marriages—all these factors, and others, have created such a terrific backlog in the Nation's housing supply that the shortage simply cannot be licked in a few busy years.

The Bureau of Labor Statistics did an extremely valuable study a few months ago on over-all vacancy rates and habitable vacancy rates in many of the most important cities in the United States. The study revealed that the average habitable vacancy rates in these cities was less than 1 percent. Pittsburgh, for example, had an 0.4 percent vacancy rate; Chicago the same vacancy rate; Jacksonville, 0.7 percent; Minneapolis, 0.1 percent.

Attempts have been made by a few unscrupulous land owners to falsify the picture as to the housing shortage. I sincerely hope these tactics are not widespread. And I do not think many people have been fooled by the so-called impartial housing surveys undertaken by those opposing controls—surveys which proved, at least to the surveyor's satisfaction, that all was well with the world.

Perhaps you've read of the testimony given by the mayor of St. Louis before the House Banking and Currency Committee in support of extension of Federal rent controls. Himself a real estate man, Mayor Darst told the committee that housing was still the number one problem of the Missouri city. He went on to reveal that many of the landlords in his city advertised dwellings which were not for rent at all. Each of the city's 28 aldermen, according to the mayor, made an investigation in his own district, and discovered that many of those "for rent" ads filling the daily papers' classified sections were pure fakes.

The purpose of these phony ads? Obviously, explained the mayor, it was an attempt to make it appear there was plenty of vacant housing in St. Louis and thus create pressure for lifting the rent lid.

I am not, of course, saying that many real estate people have resorted to such tactics. As a matter of fact, by and large, property owners can be counted on to conduct their affairs in a completely legitimate, honest manner.

I do, however, want to make it clear that there is little validity in the claim that landlords alone are the only group which isn't allowed to charge, under our system of free enterprise, whatever the traffic will bear. An essential of free enterprise is free bargaining rights, and free bargaining rights cannot exist unless the parties involved possess the ability to either accept or reject each other's offers. And in view of the housing shortage, these free bargaining rights do not exist today in the relationships between landlords and tenants.

The bill I introduced back in March called for a simple extension of the present act for another year, until June 30, 1951. It was my feeling that this should be done but it now appears that a 6 months' extension is as far as the Senate is willing to go. I will therefore support the committee bill.

PITTSBURGH, PA., *June 10, 1950.*
Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.:

Rent control should not be taken off during the present housing shortage. It will be some time before the American system of supply and demand can take care of the situation.

FLORENCE N. SMITH,
Chairman, Social Progress Committee, First Baptist Church.

PITTSBURGH, PA., *June 12, 1950.*
Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.:

Urge continued rent control; low income rental units not yet sufficiently available to protect those least able to pay.

Mrs. KATHERYN W. MOSELEY,
Public Affairs, Metropolitan YWCA.

PHILADELPHIA, PA., *June 12, 1950.*
Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.:

Local union 122 with membership of 900 urges that rent controls be extended to June 30, 1951.

FRANK G. GRAVENER,
Recording Secretary, Local Union 122, U. B. of C. and J. of America.

READING, PA., *June 9, 1950.*
Hon. Senator MYERS,
Senate Office Building,
Washington, D. C.:

We the members of ILGWU, local 93, vote for continuation of rent control very strongly.

International Ladies Garment Workers Union, Local 93.

JEANNETTE, PA., *June 12, 1950.*
Senator FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.:

Local 2380, United Steel Workers of America, CIO, unanimously urge your support for full extension of Federal rent control with no compromise.

S. W. WELLS,
Secretary, Local 2380, United Steel Workers of America.

PHILADELPHIA, PA., *June 12, 1950.*
Hon. FRANCIS J. MYERS,
Senate Office Building,
Washington, D. C.:

Pennsylvania State Electrical Workers Assn. requests your support on extension rent control bill.

JAMES T. ROGAN,
Secretary-Treasurer.

READING, PA., *June 12, 1950.*
Senator FRANCIS MYERS,
Senate Office Building:

Please vote extension rent controls.

F. GOELZ,
Chairman, Legislative Committee, Reading Typographical Union, No. 86.

WILKES-BARRE, PA., *June 9, 1950.*
Senator FRANCIS MYERS,
Senate Office Building:

As valuable contribution to avert real crisis you are urged to insure continuance of rent control. All branches of our economy will suffer if control is lifted.

WILKES-BARRE AREA CIO COUNCIL,
PATRICK W. SHOVLIN, *Chairman.*

RANKIN, PA., *June 11, 1950.*
Senator FRANCIS MYERS,
Washington, D. C.:

The members of the United Steel Workers of America, Local 2671, favor extension of the present rent control law for a full year.

RECORDING SECRETARY.

LOCAL NO. 682,
MOVING PICTURE PROJECTIONISTS' UNION,
Lancaster, Pa., June 8, 1950.
Senator FRANCIS J. MYERS,
United States Senate,
Washington, D. C.

HONORABLE SIR: As the decontrol of rents would most certainly work a severe hardship on thousands of working men and their families through increase in their rents (20 to 50 percent in areas where decontrols have been exercised) we the members of Lancaster Projectionists' Local No. 682 request that you use your power and influence in having the Rent Control Act continued to June 30, 1951.

Thanking you for the favorable manner in which you have received our requests in the past, and with best wishes I am,

Very truly yours,

CECIL PATTERSON,
Secretary.

McKEESPORT TYPOGRAPHICAL
UNION NO. 225,
June 10, 1950.
Senator FRANCIS MYERS,
Washington, D. C.

DEAR SIR: The officers and members of McKeesport Typographical Union No. 225 are urging you to vote for the continuance of rent control until at least June 30, 1951.

Sincerely yours,

STEPHEN E. KOROLY,
Secretary-Treasurer.

McKEESPORT TYPOGRAPHICAL UNION NO. 225 HEARTILY ENDORSES RESOLUTION NO. 43 ADOPTED BY THE PENNSYLVANIA FEDERATION OF LABOR

Whereas there is presently a concerted drive being conducted by the real-estate lobby to bring about the decontrol of rents throughout the United States; and

Whereas there is still a very acute shortage of homes available for sale as well as an even greater shortage of rental units; and

Whereas the decontrol of rents would work a severe hardship of thousands of working men and their families through increases in rents that will range from 20 to 50 percent thus actually bringing about a reduction in pay income of from 6 to 8 percent as indicated in areas where decontrols have been exercised: Therefore be it

Resolved, That this federation call upon Congress to continue the Rent Control Act to June 30, 1951; and be it further

Resolved, That all affiliated unions write or wire their Congressmen and Senators MYERS and MARTIN requesting them to vote to continue rent control to the above stated period.

James L. McDevitt, Earl C. Bohr, James Acri, Norman Blumberg, Eugene A. Burke, John M. Casler, Joseph L. Downes, David E. Glavin, Matt Gorman, Fred B. Hughes, Alfred J. Mascaro, Edward F. Netzler, Samuel Otto, Benjamin Weigand, Sidney G. Willar, Executive Council.

[From the Philadelphia Inquirer of June 12, 1950]

FEDERAL RENT CONTROL BILL IS IN DANGER—SAVE IT

As the Senate approaches a crucial vote tomorrow on the question of extending Federal rent controls beyond the June 30 expiration date it is apparent that there is a real danger that the protection now afforded occupants of some 8,000,000 dwelling units throughout the country will be swept away.

Such an outcome would spell disaster for some and hardship for many.

It is a crisis brought about by a sorry mishandling of the rent-control issue by leaders of both Houses of Congress and can only be overcome by a stiffening of determination on the part of those who realize that in many communities the shortage of rental units is still one of the foremost social problems.

There is absolutely no justification for the actions of Senator HARRY P. CAIN (Republican, Washington), in attempting to filibuster the measure to death. But the great threat to the enactment of a bill stems less from Mr. CAIN's flagrant abuse of the Senate rule of unlimited debate than from the irresolute leadership of the proponents of the bill.

Mr. CAIN, it is apparent, is not alone in his fight. Some of his support is openly avowed, but more of it is hidden. Nevertheless, there

is little doubt that his filibuster could have been broken at the session that was adjourned at 3:43 a. m. Saturday had the Democratic leadership been willing to carry out its threat to continue the fight around the clock. Instead, believers in rent controls capitulated to the extent of agreeing to a vote today on a recommittal motion, to be followed in all probability by a renewal of the filibuster.

The record of the House leadership is scarcely better. In spite of an agreement to take up a similar rent-control bill last Monday, a last-minute decision was made to defer consideration until after the Senate has voted. Here again is a display of half-hearted support which plays into the hands of those who, with greater determination than wisdom, are out to kill rent ceilings.

With the June 30 deadline only 18 days away, it is apparent that any further fumbling in either House could be fatal to the legislation. No filibuster and no tactics of delay can be tolerated if rent controls are to be extended in those areas where they still are vitally needed.

Mr. LEHMAN. Mr. President, I do not wish to take up the time of the Senate in discussing the bill, but I ask unanimous consent to have printed in the body of the RECORD a statement with regard to the proposed legislation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

Mr. President, I urge approval of the pending measure, the bill to extend Federal rent control. In taking this position I am supporting a bill which I consider inadequate. I have introduced a series of amendments designed to strengthen this measure. It is certainly my view that we should enact the strongest and the most effective rent control measure that can possible be enacted by this body. When I say "strong," I mean not only firm but flexible—to provide for decontrol as soon as controls are no longer needed.

Nevertheless we must recognize realities. I am aware that the bill reported out by the Senate Banking and Currency Committee is much, much better than no bill at all. I am aware that the climate of opinion in this body is such that a stronger measure than the pending one could not be approved. I am, therefore, inclined to refrain from calling up my amendments. Whether I do so or not and whether my amendments are adopted or not, I shall certainly vote for and support S. 3181.

I take this stand because I believe it would be the greatest calamity imaginable to have rent controls expire on June 30 this year. It would mean a 10-, 15-, or 20-percent increase in the cost of living of hundreds of thousands of working people—of those who are least able to afford such an increase. It would mean tremendous pressure for higher wages to offset this increase in rents. It would upset the delicate balance wheel of our economy and result in consequences of major proportion—in unfortunate and perhaps even tragic consequences.

On April 26, 1950, I introduced S. 3492, a bill to continue and strengthen Federal rent controls. Some of the advantages of my bill over the present law are:

1. Present law provides for no percentage limit for rental increases; such increases must be approved by the Housing Expediter, but rents can still be raised excessively. S. 3492 provided a 15-percent ceiling above March 1, 1949, rent levels except in unusual cases.

2. In S. 3492 eviction of tenants for conversion of a unit to commercial use is prohibited, except where such conversion would not unduly aggravate the housing shortage. Present law permits such evictions at the discretion of the Housing Expediter.

3. S. 3492 prohibits decontrol of cities of over 500,000 population without the consent of such city.

4. S. 3492 gives the people of a community and/or the governing body of that community an opportunity to request recontrol and directs the Housing Expediter to recontrol upon receipt of such a request. Present law has no such provision.

5. S. 3492 provides that no applicant may be denied rental of a housing unit on the grounds that he has children.

These were some of the advantages of my bill over the present law. S. 3181 as reported out by the Senate Banking and Currency Committee, while incorporating some of the principles of my bill, does not include the major strengthening provisions I have just cited. Nevertheless, S. 3181 does provide the framework for a continuation of rent control. That framework is absolutely essential for the security of this Nation. If that framework is all that we can get, we should accept it.

My own State has enacted rent-control legislation which is much stronger than the bill now before us. Yet there is a real danger that the rent-control legislation in my State may be found unconstitutional by the State courts. In such an event it would be vitally important to have Federal rent control in effect to prevent the catastrophe of no control at all in New York.

One of the reasons that Federal rent control lacks the support that it should have is the belief held in some quarters that there is no real need for continuation of rent control. The facts and the figures completely disprove such a belief.

On June 30, 1950, even after the withdrawal of New York, Alabama, and Virginia from Federal rent control, Federal controls will still affect 8,375,000 units and protect some 29,000,000 people. Certainly by reason of magnitude alone this control can qualify as an urgent Federal responsibility which calls for Federal legislation and action.

For the past year any city, town, or village, any State or any local rent advisory board could initiate action to eliminate rent controls. During this period, 3,213,800 units, or almost a quarter of the total 16,000,000 units which were originally under control, were decontrolled. Certainly this proves that the process of decontrol is progressing at a satisfactory rate. But as of June 30, 1950, there will still remain the major problem of rent control in 63 cities with a population of 100,000 or more.

I should like to quote some pertinent facts from the testimony given by the Housing Expediter before the Senate Banking and Currency Committee. Mr. Woods said:

"In 12 cities where it was thought that the housing shortage had eased enough to permit the removal of rent control and in two cities where State control was substituted for Federal control, recent surveys of rents were made by the Bureau of Labor Statistics.

"The most significant figures in these surveys are those which show (1) how widespread the rent increases were after decontrol for the units whose rents were free to rise, that is, excluding units having continuous leases since decontrol and units individually decontrolled before area-wide decontrol and (2) the average percentage increase for the units whose rents were raised. The surveys show that many cities had experienced widespread and large increases in rents within a few months after decontrol. In 7 of the 14 cities surveyed, rents were raised for more than 50 percent of the dwelling units whose rents were free to rise. For example, in Dallas, rents were raised for 67 percent of these units; in Knoxville for 61 percent; in Beverly Hills, Calif., for 74 percent; and in Omaha for 62 percent. The figures I have quoted represent the percentage of tenants who had to pay increases. Of equal importance is the amount of increase these tenants had to pay.

"In eight of the cities the tenants whose rents were raised paid average increases of 26 to 41 percent. These increases averaged 41 percent in Houston and Beverly Hills; 35 percent in Dallas; 30 percent in Topeka and Eugene, Oreg.; and 26 percent in Knoxville, Jacksonville, and Oklahoma City. Average percentage increases in the general rent level for all units whose rents were free to rise are obtained by combining the rents which had not increased with those which had. These average increases were 20.5 percent in Dallas; 26.7 percent in Beverly Hills; 15.8 percent in Knoxville; and 14.2 percent in Omaha. The inclusion of units whose rents had not been increased in obtaining such general averages conceals the real hardship imposed by decontrol on tenants whose rents have been raised."

The able junior Senator from Washington has made much of certain alleged discrepancies in the figures I have just cited. I have also received in the mail from an organization known as the Apartment Operators' Association a very elaborately prepared brochure describing some of these alleged discrepancies. As far as I can determine from my own inspection of the figures, the discrepancies cited are immaterial to the general conclusions. Even if all the discrepancies were supported by fact, the difference in percentage of increase in rent in areas which have been decontrolled would not be significantly affected.

I have also received a statement from the same organization I have just described quoting the mayors of various cities as saying that no major rent increases occurred in their cities after they had been decontrolled.

It is to be noted, however, that all these statements came from mayors of small towns and cities where the decontrol action was undoubtedly justified due to the absence of housing shortages.

It is unfortunate that the opponents of the pending legislation seek to represent the proponents of rent control as being committed to the retention of rent control everywhere. The fact is quite the contrary. I personally am in favor of the orderly decontrol of rents in every area where no shortage in adequate rental units exists. The fact that these small towns and cities where rents were decontrolled showed no significant increases in rent is in itself a proof that the rent-decontrol machinery contained in the present legislation is effective and is being properly administered.

The places where decontrol action was taken and extravagant rent increases occurred reflect, on the other hand, an improper decision by those responsible for the decontrol.

I have at hand a newspaper article from the New York Herald Tribune, issue of June 8. That article quotes the administrator of the New York State rent-control law, Mr. Joseph D. McGoldrick, as saying that a survey conducted in Saratoga County, which the Federal Housing Expediter decontrolled last December, showed rent increases averaging 37.6 percent.

This survey showed that 73.8 percent of the housing units sampled had experienced rent increases. Of these the highest increases were in the lower priced rental units. Those increases averaged 45.9 percent. There were several instances where rents soared from 100 to 250 percent. I ask the unanimous consent of the Senate to insert this entire article in the RECORD at this point.

The point I have sought to make is that where no housing shortage exists, rents obviously do not increase; where housing shortages do exist, decontrol results in precipitate and utterly unreasonable increases. Obviously in every case of decontrol thus

far, the responsible officials, whether Federal or local, have moved to decontrol on the basis of their belief that there was no great housing shortage in that particular area. The fact that in some of these areas there have been unreasonable and exorbitant increases is truly significant. The fact that in some of these cities and counties, especially the small ones, no great rent increases took place, is of no significance whatsoever. The latter instances are significant only in that they show that rent control is flexible and that the way is open for decontrol where desirable.

I ask unanimous consent to insert this article from the New York Herald Tribune into the RECORD at this point.

"[From the New York Herald Tribune of June 8, 1950]

"HEARING IS CALLED ON SARATOGA RENTS—AVERAGE RISE 37 PERCENT; STATE TO STUDY RECONTROL

"Joseph D. McGoldrick, State rent administrator, said yesterday that in 2 weeks he will hold a hearing to determine if rent controls should be reestablished in Saratoga County, where, he said, a recent survey by his office revealed that residential rent increases have averaged 37.6 percent since Federal controls were removed last December.

"In announcing the results of his survey, Mr. McGoldrick criticized Tighe Woods, Federal Housing Expediter, who he said conducted a similar survey last March but refused to act "on the ground that the State was taking over control from the Federal Government and should make the decision."

"Mr. McGoldrick said his information showed that 73.8 percent of the housing units sampled indicated an increase in rents. Of these the highest increase was in the lower-priced rentals which averaged 45.9 percent. Increases for medium-priced housing was 26.4 percent.

"Implying that some of the increases were out of line, Mr. McGoldrick cited several instances where rents soared anywhere from 100 to 250 percent.

"In a speech yesterday before the Realty Luncheon Club at the Brass Rail, Fifth Avenue and Forty-third Street, Mr. McGoldrick said he was conducting a survey of the entire State, as he is required to do by law, so that by December 1 he may promulgate revised rent control and eviction regulations.

"Until that time, he said, he will maintain the view he made public on taking office May 1—that controls should be kept only so long as they are necessary."

Mr. President, it seems completely evident to me that in areas where housing shortages persist, rent control must be maintained to forestall what I have called and again must call catastrophic repercussions on the standard of living of persons of middle and low income.

Again I say that the entire purpose of this legislation is to provide for orderly decontrol of rents in areas where decontrol is justified. Nor can anyone successfully maintain that the continuance of rent control discourages new construction. In Washington, D. C., where rent control is as strict as in any other city in the country, new housing, and especially rental housing, is springing up at mushroom speed. I believe that the time when rent control can safely be removed from Washington will arrive, but it has not arrived as yet. Until that time arrives, rent control must be maintained here, as in all other centers of population where housing shortages exit. Until shortages are adequately alleviated, we would be false to our responsibilities if we did not continue the authority granted in the pending legislation.

It should not be forgotten that the pending legislation provides ample authority for rent increases in individual instances where the present rental is unreasonably low. My own opinion is that the authority granted is too great and that some of the increases which have been permitted are excessive. By the same token, I am sure that there are some instances of injustice to individual landlords. There are ways and means of adjusting these through administrative action. If we provided the Office of the Housing Expediter with sufficient funds properly to administer the law, there would be fewer and fewer of these injustices, either in the direction of excessive increases or unreasonably low rentals.

In order to describe further the need of rent control, especially as felt by the tenants who must avail themselves of rental properties and pay rent, I am taking the liberty of quoting excerpts from certain letters received fairly recently in my office on the subject of rent control. These letters tell more elcquently that all my arguments why rent control should be continued. The letters are as follows:

"DEAR SENATOR LEHMAN: I commend you on your stand for the continuance of the present Federal rent control.

"This legislation is absolutely necessary to prevent certain class of landlords from bleeding the white-collar and middle-class tenants, of which I am one of the former class.

"Necessary repairs for the general upkeep of the building, housing 16 tenants, is something out of the question. I have been a tenant for 8 years; when we moved in the window frames and sills were in need of paint, which has not been forthcoming. Putty in most of the windows are half gone to such extent of the glass going out in a strong wind. Pays no attention to the complaint.

"Decontrolled apartment rents, since 1948 have been increased considerably. On hearsay, I understand the landlord is just waiting for rent control to be lifted, so he may increase the rents. If he receives this privilege I fear the consequence. This above statement I understand was made to a tenant of about 3 months' standing.

"J. A. VAN HORN.

"MONTCLAIR, N. J., *May 7, 1950.*"

"DEAR SIR: Please allow me to congratulate you on your stand in regard to rent control. I am more that thankful that there is someone in our Congress who gives some thought to the many widows and others in the low-income group.

"My landlord informed me that if and when the rent control goes off that my rent would be just $5 less than double what I am now paying. This in spite of the fact that I have taken care of all major repairs, such as papering, electric light fixtures, worn-out window blinds, and enlarging the garage, and so forth.

"MINNIE RICHARDS WOLFINGER.

"HAGERSTOWN, MD., *May 7, 1950.*"

"DEAR SIR: It seemed to me that two very important considerations were left entirely unmentioned in this discussion.

"The first is that the Government has the responsibility to keep rents within reasonable limits, because the Government itself by war necessity was responsible for the shortage of rental units. Practically all such building was stopped during the five war years by Government orders and because of this stoppage the demand for rents is greater than the supply. Hence there is no competition from vacancies to hold rentals in line.

"The second point is that no one group has profited more generously from the inflation than the owners of residential properties. The house which cost $8,000 in 1940 sells for close to $20,000 today, a two-and-a-half-fold increase in its value. The actual increase to the owner is much more than this for usually there was a $5,000 mortgage against that $8,000 house, with only a $3,000 equity. At $20,000 there is a $15,000 equity, for a fivefold increase in the owner's cash investment. In general, the same situation holds also on big properties such as apartment blocks. If a man owned a hundred shares of A. T. & T. at 150 and it went to 300, he would not get much sympathy if he was crying because the dividend had not also doubled. Add the fact that 50 percent of the profit from the sale of real estate property held over 6 months is completely exempt from income tax and the plight of the poor landlord does not seem so bad. He has had an average of 10 percent a year capital value increase, an amount about equal to his gross annual income from his rentals. What more does he want?

"When the rent-control legislation is brought up in Congress, it would seem that these two points should be brought up."

"DEAR SIR: Heard you talk Sunday on rent control and was glad to hear you say you are in favor to continue it for another year.

"I make $40 a week and pay $40 a month rent, and I know if rent controls go off he will raise me sky high, and I, like many others, will be out on the street.

"Also 10 or 15 years ago you could go out for a walk and see 'For Rent' signs, but not anymore. Also today all they are building is for those who can pay $50 and $60 a room, which is no interest to the middle class.

"As of today our State rent-control bill is in the courts and will leave us out on a limb if the courts say it is unconstitutional. That is one of the reasons we need Federal control.

"ANA VAN BLARCOM.

"BROOKLYN, N. Y."

"SENATOR LEHMAN: If rent control goes off here I'm afraid a sort of civil war shall have to be started. We cannot stand another penny more of an increase. Thirty-five percent of our income goes for rent now, and I know, I am sure, that our landlord shall raise the rent. My husband is trying to finish here at the university and I am out of a job—he is not on GI any longer. What a sordid picture to draw for you.

"I had not planned this letter: Forgive its hastiness. I am trying to point out to you one example of a student family in Minneapolis. I can with fact write that there is no rent control in this city that is worthwhile.

"I am pessimistic: Let rent control go off. Who has it helped in this city but a sparse few? The few that have lived in an apartment for 5 years or more are helped (good for them), but not the mass of the people. People were scattered all over the country during the war: They weren't hanging on to an apartment so that 5 years hence they wouldn't have to pay double to live. We were told there was a war to win.

"Again, let it go. When it really strikes home people will finally fight back. Only you know, but probably won't admit it, that the children who fought in New York for an increase in teachers' salaries were called Communist-inspired. When we fight back we shall be considered thus.

"I write once more: just let it get bad enough, people some day will wake up.

"DELLA BAUER BASKIN.

"MINNEAPOLIS, MINN."

Mr. President, these letters are only samples of hundreds I have received. My mail has reflected an overwhelming preponderance favoring continuation of Federal rent control, despite the fact that my own State of New York has, as the Senate knows, enacted its own rent-control legislation. But the people of my State know of the probability that the New York State law may be declared unconstitutional.

Moreover, the people of my State recognize that the rest of the country needs rent control. We are aware that there are States which cannot afford the expense of rent-control machinery. Surely it would be a waste of money to have a duplication in every State of the rent-control machinery now centralized in Washington.

Those States which can afford it are certainly free to do so. In fact they are almost invited to do so. I would certainly recommend that they enact legislation stronger than that provided by the Federal Government if they can finance it and require it.

But for the rest of the country Federal rent-control legislation is a necessity. It is also required to provide the flexibility necessary for orderly decontrol.

The magnitude of the problem is sufficient to make it a Federal problem.

I was pleased to note that the pending bill does contain a provision which adopts in principle one of the provisions in the bill I submitted to the Congress more than a month ago. That principle is the one which permits cities, towns, and villages to indicate their desire for the continuation of rent control upon the expiration of the date of the pending bill.

In my opinion this expiration date should not be December 31 in any event. The minimum extension of rent control should be for a year. I have advocated the extension of this machinery for 2 years. I am inclined, however, to accept the pending measure if that is all we can get. I certainly do not think that it should be weakened in any way. Should it be so weakened, I would do all in my power to attempt to reinsert provisions even stronger than those in the pending bill.

I hope that the Senate will speedily dispose of this legislation and approve it and proceed to other pressing business. I further hope that the Appropriations Committee will provide ample funds for the Office of the Housing Expediter so that all the responsibilities that are given to that organization in this legislation can be properly discharged.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KNOWLAND and other Senators requested the yeas and nays.

Mr. WATKINS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WATKINS. What particular amendment is before the Senate at this time?

The PRESIDING OFFICER. It is the only committee amendment there is, which is a complete substitute for the bill.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I asked for the yeas and nays. I thought the committee amendment had been adopted. I withdraw the request as to the amendment.

The PRESIDING OFFICER. The request for the yeas and nays on the amendment has been withdrawn by the Senator from California. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. KNOWLAND and other Senators requested the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. ELLENDER (when his name was called). On this vote, I have a pair with the junior Senator from Connecticut [Mr. BENTON]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. HENDRICKSON (when his name was called). On this vote I have a pair with the junior Senator from Oregon [Mr. MORSE]. If present and voting the Senator from Oregon would vote "nay." If I were permitted to vote I would vote "yea." I withhold my vote.

Mr. SALTONSTALL (when Mr. LODGE's name was called). On this vote the junior Senator from Massachusetts [Mr. LODGE], who is absent by leave of the Senate, is paired with the Senator from New Hampshire [Mr. TOBEY], who is also absent by leave of the Senate. If the Senator from Massachusetts [Mr. LODGE] were present he would vote "yea." If the Senator from New Hampshire [Mr. TOBEY] were present he would vote "nay."

Mr. ROBERTSON (when his name was called). On this vote I have a pair with the junior Senator from Rhode Island [Mr. LEAHY]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I therefore withhold my vote.

Mr. RUSSELL (when his name was called). On this vote I have a pair with the senior Senator from Mississippi [Mr. EASTLAND]. If he were present and voting he would vote "yea." If I were permitted to vote I would vote "nay." I withhold my vote.

Mr. MYERS. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from Texas [Mr. CONNALLY] is absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from Texas [Mr. JOHNSON] are absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], the Senator from Oklahoma [Mr. KERR], the Senator from Rhode Island [Mr. LEAHY], and the Senator from Louisiana [Mr. LONG] are absent on public business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business, attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

The Senator from Maryland [Mr. TYDINGS] is necessarily absent.

The Senator from Rhode Island [Mr. GREEN] is absent on official business as a member of a subcommittee of the Committee on Foreign Relations, conducting hearings in connection with its investigation of charges relative to personnel of the Department of State.

The Senator from Maryland [Mr. TYDINGS] is paired on this vote with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Kansas would vote "nay."

I announce further that if present and voting the Senator from New Mexico [Mr. ANDERSON], the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. GREEN], the Senator from Oklahoma [Mr. KERR], and the Senator from Idaho [Mr. TAYLOR] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Kansas [Mr. DARBY] is absent by leave of the Senate on official business.

The Senator from Vermont [Mr. FLANDERS], who is absent by leave of the Senate, is paired with the Senator from New York [Mr. IVES], who is also absent by leave of the Senate. If present and voting, the Senator from Vermont would vote "nay" and the Senator from New York would vote "yea."

The Senator from Oregon [Mr. MORSE] is absent by leave of the Senate, and his pair has been announced previously by the Senator from New Jersey [Mr. HENDRICKSON].

The Senator from Kansas [Mr. SCHOEPPEL], who is absent by leave of the Senate, is paired with the Senator from Maryland [Mr. TYDINGS]. If present and voting, the Senator from Kansas would vote "nay" and the Senator from Maryland would vote "yea."

The Senator from Maine [Mrs. SMITH] is absent by leave of the Senate for the purpose of attending the UNESCO conference at Florence, Italy.

The Senator from Michigan [Mr. VANDENBERG], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] are absent by leave of the Senate.

The Senator from Missouri [Mr. KEM] is detained on official business. If present and voting, the Senator from Missouri would vote "nay."

The result was announced—yeas 36, nays 28, as follows:

YEAS—36

Aiken	Johnston, S. C.	Maybank
Chapman	Kefauver	Murray
Donnell	Kilgore	Myers
Douglas	Langer	Neely
Frear	Lehman	O'Mahoney
Fulbright	Lucas	Pepper
Gillette	McCarran	Saltonstall
Hayden	McFarland	Sparkman
Hill	McKellar	Stennis
Humphrey	McMahon	Thomas, Utah
Hunt	Magnuson	Thye
Johnson, Colo.	Malone	Withers

NAYS—28

Brewster	Byrd	Dworshak
Bricker	Cain	Ecton
Bridges	Capehart	Ferguson
Butler	Cordon	George

Gurney	McCarthy	Taft
Hickenlooper	McClellan	Watkins
Hoey	Martin	Wherry
Holland	Millikin	Williams
Jenner	Mundt	
Knowland	Smith, N. J.	

NOT VOTING—32

Anderson	Hendrickson	Russell
Benton	Ives	Schoeppel
Chavez	Johnson, Tex.	Smith, Maine
Connally	Kem	Taylor
Darby	Kerr	Thomas, Okla.
Downey	Leahy	Tobey
Eastland	Lodge	Tydings
Ellender	Long	Vandenberg
Flanders	Morse	Wiley
Graham	O'Conor	Young
Green	Robertson	

So the bill (S. 3181) was passed.

The title was amended so as to read: "A bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes."

SOCIAL SECURITY ACT AMENDMENTS OF 1950

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of House bill 6000, to amend the Social Security Act.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 6000) to extend and improve the Federal old-age and survivors' insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment, to strike all out after the enacting clause and to insert an amendment in the nature of a substitute.

Mr. WHERRY. Mr. President, I inquire of the distinguished Senator from Georgia whether he intends to start speaking and to explain the bill this evening.

Mr. GEORGE. Mr. President, in view of the hour, and the fact that I have engaged in debate into which I unexpectedly fell, I would rather wait until tomorrow. I know also that several other Senators wish to attend the funeral of Mrs. Vandenberg.

Mr. WHERRY. Mr. President, I wonder if I may have unanimous consent to address an inquiry to the majority leader.

Mr. GEORGE. I have no objection to laying the bill aside temporarily in order that the Senate may proceed to something else. I know that if possible members of the Committee on Finance would like to be excused from the Senate until tomorrow morning.

Mr. WHERRY. In view of the statement made by the distinguished Senator from Georgia, and also because there are several Senators who would like very much to attend the funeral services of Mrs. Vandenberg, I ask the majority leader whether it would not be possible to recess until tomorrow at noon.

EXECUTIVE SESSION

Mr. LUCAS. Mr. President, in view of the fact that we have made disposition of the rent-control bill this afternoon, and I am sure all Senators would like to pay their respects by attending the funeral of Mrs. Vandenberg, under the circumstances, the request is a reasonable one; but, first, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. KEFAUVER in the chair), laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

Mr. MAGNUSON. Mr. President, if I may address an inquiry to the majority leader, we have passed over the treaties on the calendar at two or three executive sessions, and I wonder if we could not dispose of one of them, which involves halibut fishing in the North Pacific. The season is about to begin, and the treaty is very important to the halibut fishermen.

Mr. LUCAS. I think the Senator had better discuss that with the chairman of the Committee on Foreign Relations. Some day soon we will consider and make disposition of all the treaties now on the Executive Calendar. I doubt if there will be any controversy about any of them.

The PRESIDING OFFICER. Reports of committees are in order. If there be none, the clerk will state the nominations on the Executive Calendar.

HOME LOAN BANK BOARD

The legislative clerk read the nomination of J. Alston Adams to be a member of the Home Loan Bank Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

SECURITIES AND EXCHANGE COMMISSION

The legislative clerk read the nomination of Paul R. Rowen to be a member of the Securities and Exchange Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed. That completes the Executive Calendar.

RECESS

Mr. LUCAS. Mr. President, as in legislative session, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 17 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 13, 1950, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 12 (legislative day of June 7), 1950:

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the Public Health Service:

To be senior surgeons (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Thomas H. Ainsworth
Horace De Lien

To be surgeons (equivalent to the Army rank of major), effective date of acceptance:

Eli M. Lippman
Leslie H. Thomasson

To be senior assistant surgeons (equivalent to the Army rank of captain), effective date of acceptance:

Walter F. Edmundson	Audrey W. Talley
Ernest Cotlove	William C. Knox
Lester R. Nagel	Chester S. Murata
Freeman L. Rawson, Jr.	Miriam D. Manning
	Roland B. Ormsbee
Edmund C. Peirce II	William B. Crawford, Jr.
Leslie T. McClinton	
Daniel J. Tenenberg	Harold S. Feldman
Harry Goldman	Warren A. Rasmussen
George H. L. Dillard	Douglas H. Crockett
Ruth M. Moldenhauer	Tracy Levy
Richard E. Lee	Elmore P. Kalbaugh, Jr.
Delbert L. Warwick	
Sarah E. Stewart	Robert W. Hartley

To be assistant surgeons (equivalent to the Army rank of first lieutenant), effective date of acceptance:

George W. Metcalf	George E. Spalding
Major W. Rhodes, Jr.	Nicholas J. Galluzzi
William H. Anderson	Charles M. Clark
Maurice L. Sievers	Marvin F. Miller
James L. Deadwyler	Thomas R. Reid, Jr.
Robert H. Robertson	Clermont S. Powell
John L. Eicholz, Jr.	Robert E. DeLashmutt
Benjamin Schwimmer	LeRoy K. Mills

To be senior assistant sanitarians (equivalent to the Army rank of captain), effective date of acceptance:

Noah H. Norman
Harold J. Fournelle

To be senior scientists (equivalent to the Army rank of lieutenant colonel), effective date of acceptance:

Harold M. Skeels
John T. Tripp

To be assistant scientist (equivalent to the Army rank of first lieutenant), effective date of acceptance:

John H. Weisburger

IN THE AIR FORCE

APPOINTMENTS IN THE UNITED STATES AIR FORCE

The following-named persons for appointment in the United States Air Force in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

James K. Adcock, [redacted]
Carl H. Albright, [redacted]
Charles K. Anderson, [redacted]
DeLane E. Anderson, [redacted]
George L. Arnold, [redacted]
Abner M. Aust, Jr., [redacted]
Jay G. Bachman, [redacted]
Marshall E. Baker, [redacted]
William F. Barns, [redacted]
Louis A. Barre III, [redacted]
Russell J. Barry, [redacted]
Robert A. Bass, [redacted]
Aubrey M. Bobbitt, [redacted]
Richard Bodycombe, [redacted]
Albert W. Boyette, [redacted]
Jack R. Brown, [redacted]
Richard A. Brown, [redacted]
Paul W. Brownfield, [redacted]
Albert H. Burleigh, [redacted]
Elvin E. Burnett, [redacted]
Frederick E. Bush, [redacted]
George F. Busha, [redacted]
Douglas S. Canning, [redacted]
Allan B. Chealander, [redacted]
Earl O. Clark, Jr., [redacted]
Leecroy Clifton, [redacted]
Frederick Collington, [redacted]
Jack B. Cooney, [redacted]
Clifford C. Cottam, [redacted]
Robert P. Craig, [redacted]
Samuel E. Crosby, Jr., [redacted]

Lloyd A. Crumpton,
Frank B. Culver III,
James D. Cummins, Jr.,
Joseph A. D'Allura,
Carlo N. DeGennaro,
Charles E. Dobbs,
Claude J. Doiron, Jr.,
Herbert F. Dotson, Jr.,
David H. Doughty,
William F. Dufault,
John V. Dunlap,
Kenneth L. Dyer, Jr.,
Eugene Ecklund,
Donald A. Elliott,
William J. Ernst,
John W. Farr,
Oscar F. Fowler,
Paul V. Fraser,
Adolph Gaertner, Jr.,
Rial F. Gallagher,
Robert F. Gentzler,
William W. Gilbert,
Carroll V. Glines, Jr.,
Jerry C. Glover,
John M. Gooch,
John L. Gornall,
Alexander W. J. Grant,
Sidney Greene,
Richard L. Gribling,
Kenneth W. Gruber,
Joseph B. Guynes,
Russell J. Hadley,
Harvey P. Hall,
Robert E. Hamel,
Robert B. Hardy,
Curtiss C. Hataway,
Clarence G. Haynes,
Matthew J. Hegerle,
David W. Henry, Jr.,
Mervin L. Henry,
Alfred C. Herrera,
James E. Hill,
Marcus L. Hill, Jr.,
John R. Hinton, Jr.,
Charles F. Hobart,
Robert C. Hock,
John D. Hollowell,
Garland E. Holt,
Malcolm P. Hooker,
Raymond E. Horne, Jr.,
Lloyd E. Hoxie,
Maxwell J. Ihrig,
Richard K. Jacobson,
Lloyd K. Jensen,
Sigurd L. Jensen, Jr.,
Malcolm E. Jewell,
George A. Johnson,
William M. Jones,
Albert R. Kilpatrick,
Edwin V. King,
Elwood N. Kohrman,
Roy A. Lange,
Francis R. Lawson,
Theodore P. Littlewood,
George A. Lockhart, Jr.,
William T. Loman, Jr.,
Paul H. Long,
Austin E. Lunos,
Stephen J. MacPherson,
Francis W. Magill,
Thomas J. Maher,
William J. Mandros,
Marion A. Marvin, Jr.,
Joseph Z. Matte,
Paul E. McAnally,
Clyde D. McBride,
Howard E. McCormick,
Kenneth L. McFadden,
Donald K. McGaughey,
Samuel B. McGowan,
Allen F. McKay,
James O. McKee,
Charles E. Melchar,
Paul J. Melucas,
Edgar C. Miller,
Anthony W. Monaco, Jr.,
Joe S. Montgomery,
James C. Moore, Jr.,
Elwyn A. Moseley,
Ralph E. Nelson,
Noel N. Newell,
George J. Newgarden III,
Joseph C. Nichols, Jr.,
Julian M. Niemczyk,
Jack D. Nole,
William J. O'Donnell,
Arthur J. Orillion, Jr.,
James R. Ourand,
Arlo H. Pasenhofer,
Stanley C. Pedersen,
Denning M. Perdew,
James W. Perry,
Earl W. Peters,
Spiros N. Pissanos,
Douglas R. Plowden, Jr.,
Phillip W. Pope,
Arthur Prager,
John W. Prager,
Robert H. Price,
John B. Radcliffe, Jr.,
Leland J. Rath,
Bernard J. Regan,
Milton M. Reid,
Ned W. Renick,
Robert S. Rippey, Jr.,
Dan T. Rogers,
Kenneth L. Sandvig,
Warren D. Saylor,
William J. Scarpero,
Gordon W. Schmal,
James E. Sever,
Stuart M. Sharp,
Zac G. Shawhan,
Olen D. Sheperd,
Lucien B. Shuler,
Ted E. Simon,
Solomon E. Singer,
William A. Slade,
Gayle L. Smith,
Harry B. Smith, Jr.,
J. B. Smith,
Larry R. Smith,
Jack Spencer,
Bernard Spiro,
William C. Sprinkle,
Eugene C. St. Clair,
Frederick N. Stahl,
Ray C. Staley,
Johnston R. Staples,
Leonard H. Steele,
Jack D. Stevens,
Walter C. Stewart, Jr.,
Michael J. Stroff, Jr.,
Rudolph C. Strouhal,
Wilmer R. Sturm,
James Suttie,
Ellery E. Swank,
Leon M. Tannenbaum,
Jay J. Taylor,
Joseph T. Taylor,
Robert L. Taylor,
Roger S. Teachout,
William D. Thompson,
Leo J. Tighe,
Byron R. Toothman,
Jesse F. Townshend, Jr.,
Lee M. Trowbridge,
Huey L. Turner, Jr.,
Charles T. Urquhart, Jr.,
Robert W. Vincent,
Alfred F. Vogler,
Walter E. Warner,
Jones F. Webb,
Stephen J. Welsh,
Willard A. Wendt,
Boyd B. White,
Wilson B. Williams,
Simpson M. Woolf,
John J. Yusievicz,

IN THE NAVY

Capt. Charles D. Wheelock for temporary appointment to the grade of rear admiral in the United States Navy.

The following-named officers of the Navy for permanent appointment to the commissioned warrant officer grade indicated, subject to qualification therefor as provided by law:

CHIEF BOATSWAIN

Alvin A. Annis	Walter J. Bondoro-
Melbert V. Belcoe	wicz
Millard L. Boyer	John R. Mayo
Marvin A. Ennis	James P. McGinley,
Stanley J. Fisher	Jr.
Duane C. Freshwater	Amos C. Miksch
Walter E. Frumerie	Blair D. Mulkins
Jimmie C. Hall	Charles E. Potoky, Jr.
Charles O. Hill	Ewart G. Ray
Frank J. Hubbard	Roscoe R. Reed
Harrel D. Hughes	Frank L. Ripley
Raymond W. Isert	Luther W. Satterfield
Frank X. Jozwick, Jr.	Robert N. Smalley
Edward G. Kasprzak	John E. Summers
Walter C. Kurz	Chester L. Waits
David R. Maltby	Leroy Young
Harold M. Mangels	

CHIEF GUNNER

Ramon P. Castelli	Arthur T. Kasehagen
Mike Gomez	Paul Long
Ivan T. Hamblin	James J. McGuire
Robert S. Harris	Arthur M. Youtz
Richard S. Hutchings	John F. Zatorski

CHIEF TORPEDOMAN

Raymon N. Giunta

CHIEF ELECTRICIAN

William T. Clooney	"G" "C" Mitchell
James M. Croker	Lloyd L. Phelps, Jr.
Robert F. Donnelly	William M. Saunders
Clifford D. Hunter	Aldon A. Shepherd
Edward C. Irvin, Jr.	Horace W. Tiffin
John W. Lynch	Howard C. Young
Donald B. Martz	

CHIEF RADIO ELECTRICIAN

William R. Gamble, Jr.	Earnest A. Lockwood
	Robert W. McKamey
Donald R. Hammond	Jack C. Norris
Curtis M. Lee	John K. Pegues, Jr.

CHIEF MACHINIST

Brady L. Bryan	Harley C. Hanson
Chester F. Bushak	Albert L. Hewitt
Raymond R. Byrd	Herbert M. Holmes
James W. Collins, Jr.	John C. Locker
Kenneth L. Crouch	Edwin J. MacDowall
James J. Devlin	William L. Mauldin
Leonard W. Dooren	Lloyd K. Mumford
Thomas G. Fagan	Philip G. Okeneske
Orlon "C" Foster	John E. Thompson
Russell W. Golding	August P. Tuma
Adolph Good	Litton E. Tye

CHIEF CARPENTER

Robert E. Bond	Harold F. Osborn
Waring B. Haselton, Jr.	Eldridge G. Tinnell
	Mike W. Turnipseed
Robert P. O'Leary	Fred "D" Willis

CHIEF SHIPS CLERK

George M. Bates	Gilbert M. Smith
Jack D. Dunn	Paul J. Smith
Jack C. Gifford	George C. Tompkins
Charles W. Gorton	

CHIEF AEROGRAPHERS

Robert D. Darden
Virgil A. Starr

CHIEF PHOTOGRAPHER

Larkin G. Hardin

COMMISSIONED WARRANT OFFICER, HOSPITAL CORPS

Silas R. Alexander	Norton J. McCurdy
Belton E. Jennings	Richard C. Meyers, Jr.
Laurence C. Keelan	Louis P. Villano
William H. MacInnes	

CHIEF PAY CLERK

Donald E. Brannan	Calvin L. Griffith
John R. Covington	Robert S. Joyce
George J. Dunnigan	Bernard G. Nichols
William A. Fariss	Gordon D. O'Quinn

The following-named officers of the Naval Reserve on active duty for permanent appointment to the grade and corps indicated, subject to qualification therefor as provided by law:

LIEUTENANT (JUNIOR GRADE), LINE

Richard S. Thompson

LIEUTENANT (JUNIOR GRADE), NURSE CORPS

Wilma E. Roberts

The following-named officers of the Navy for permanent or temporary appointment to the grades and corps indicated, subject to qualification therefor as provided by law and to correct previous nomination and confirmation.

For temporary appointment in the Navy:

COMMANDER, LINE

Laurence B. Williamson

LIEUTENANT COMMANDER, LINE

Ishmael W. Matthews

For permanent appointment in the Navy:

LIEUTENANT (JUNIOR GRADE), LINE

Wayne H. Crawford, Jr.
Martin D. Marder
Don M. Martin

LIEUTENANT (JUNIOR GRADE), SUPPLY CORPS

George A. Herbert

LIEUTENANT (JUNIOR GRADE), CIVIL ENGINEER CORPS

Robertson W. Buck

Glenn L. Wegener, midshipman (aviation), to be an ensign in the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy, as previously nominated, to correct name.

Gordon A. Reed (Naval ROTC) to be an ensign in the Navy, from the 2d day of June 1950, in lieu of ensign in the Navy, as previously nominated and confirmed, to correct name.

The following-named (Naval ROTC) to be ensigns in the Medical Service Corps of the Navy, from the 2d day of June 1950, in lieu of ensigns in the Navy, as previously nominated:

Roderick E. Jensen
Peter R. Kuhl

The following-named women (civilian college graduates) to be ensigns in the Navy:

Elizabeth A. Agger	Barbara J. Giddens
Barbara L. Anderson	Barbara D. Harris
Mariella Barron	Mary L. Harrison
Celia L. Barteau	Jacqueline Helleberg
Joan J. Cady	Sallie L. Holderness
Glenna B. Campbell	Alice O. Jennings
Joan K. Cassidy	Dorothy E. Lenihan
Elizabeth H. Church	Rebecca A. Lloyd
Helen R. Coplen	Rhoda N. Luddeke
Sarah E. Cornew	Genevieve K. Maimone
Mary E. D'Amelio	Barbara A. O'Brien
Doris I. Davis	Mary L. Ross
Mary E. Doyle	Patricia J. Schantz
Mildred J. Fenwick	Martha R. Taft
Mary C. Fisher	Ann P. Wilson

The following-named (civilian college graduates) to the grades indicated in the Dental Corps of the Navy:

LIEUTENANT

John H. Manhold, Jr.

LIEUTENANTS (JUNIOR GRADE)

Edward H. Brown	William H. Mann
Paul W. Horne	Robert J. Rantz
"C" P. Johnson, Jr.	

The following-named to be ensigns in the Nurse Corps of the Navy:

June L. Anderson	Jean E. Robinson
Rita M. Beech	Mary E. Taylor
Sylvia P. Reed	

CONFIRMATIONS

Executive nominations confirmed by the Senate June 12 (legislative day of June 7), 1950:

HOME LOAN BANK BOARD

J. Alston Adams to be a member of the Home Loan Bank Board for a term of 4 years, expiring June 30, 1954.

SECURITIES AND EXCHANGE COMMISSION

Paul R. Rowen to be a member of the Securities and Exchange Commission for the term expiring June 5, 1955.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 12, 1950

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God, our heavenly Father, we are again coming unto Thee in this sacred moment of spiritual fellowship beseeching Thee that our minds may be clarified and our hearts may be cleansed as we meet the duties and responsibilities of this new day.

Grant that in all our plans and proposals for the welfare of our beloved country we may be more deeply concerned about cultivating and developing its religious life and its spiritual resources.

We know that our Nation was not founded by pagans, atheists, and infidels but by God-fearing men and women at the center of whose life there was the altar of faith and prayer, which inspired them with the lofty ideals and principles of righteousness, justice, liberty, and fraternity.

We humbly confess that there are times when paganism and materialism, as a habit and way of life, seem to have a greater hold upon many of our citizens than ever before. May Thy spirit create within us a new sense of true religion and may we be ready to accept its commitments as well as its consolations, its demands and discipline as well as the blessings and delights.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of Thursday, June 8, 1950, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 87. An act relating to the promotion of veterans of World War II in the field service of the Post Office Department;

H. R. 589. An act for the relief of C. M. Smart;

H. R. 697. An act for the relief of Samuel W. Poorvu;

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farm Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes;

H. R. 1047. An act for the relief of the Aero-Bocker Knitting Mills, Inc.;

H. R. 1103. An act for the relief of Miriam Barkle;

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1170. An act for the relief of Mrs. John Kaudy (formerly Stella Cappler);

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1275. An act for the relief of Anna Helman;

H. R. 1482. An act for the relief of Frances L. Marshall;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1602. An act for the relief of Ben Grunstein;

H. R. 1627. An act for the relief of Filip Nicola Lazarevich;

H. R. 1866. An act for the relief of Honorio Canciller and Nancy Ting Evangelista;

H. R. 2224. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.;

H. R. 2386. An act to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.;

H. R. 3480. An act to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively;

H. R. 3527. An act for the relief of Gifford E. Moak;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 3675. An act for the relief of Erik H. Lindman;

H. R. 3986. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4011. An act for the relief of Stavros Matheos (also known as Steve Matheos or Matheou);

H. R. 4015. An act for the relief of Kate Laursen;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4641. An act to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county;

H. R. 4747. An act for the relief of Louise Ahting;

H. R. 4781. An act for the relief of Veronica Jolly;

H. R. 4892. An act to provide for the admission of pay patients to the Home for the Aged and Infirm;

H. R. 4969. An act to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands;

H. R. 4996. An act for the relief of Lonnie M. Abernathy;

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5103. An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 5126. An act for the relief of Mrs. Nathalie E. Cobb;

H. R. 5150. An act for the relief of Ira D. Doyal and Clyde Doyal;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5295. An act for the relief of C. R. Springman;

H. R. 5511. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 5639. An act for the relief of Ivan E. Townsend;

H. R. 5709. An act for the relief of Patrick Cronin;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 5913. An act to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within the Symmes Creek Purchase Unit

in Lawrence County, Ohio, and for other purposes;

H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;

H. R. 6271. An act for the relief of Mrs. Harry Schneider;

H. R. 6344. An act for the relief of Mrs. William Y. Imanaka;

H. R. 6364. An act for the relief of Yoshiko Matsumura;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6385. An act for the relief of Louise M. Koch;

H. R. 6414. An act for the relief of Mrs. Chikako Mary Ohori Hori;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6485. An act for the relief of Jodeene Lehrman;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 6521. An act to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6577. An act for the relief of Haruko Teramoto;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 6689. An act for the relief of Mitsuko Uemura;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 6991. An act for the relief of E. G. Morris;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions;

H. R. 7082. An act for the relief of Mrs. Isamu Tarasawa;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7092. An act for the relief of Mrs. Karry Wakefield;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia;

H. R. 7173. An act for the relief of Toshiko Ono;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7256. An act for the relief of Mieko Nishitsuru;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7283. An act for the relief of Mrs. Jack B. Meyer;

H. R. 7313. An act for the relief of Lucy Teresa Morris;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman;

H. R. 7440. An act to amend Veterans Regulations to establish for persons who served in the armed forces during World War II a further presumption of service-connection for active pulmonary tuberculosis;

H. R. 7485. An act for the relief of Mrs. Maria Margarite Noe;

H. R. 7560. An act for the relief of Mary Frances Yoshinaga;

H. R. 7609. An act to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 7700. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 7708. An act to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.;

H. R. 7778. An act for the relief of Miyoko Oishi;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump sum death payments, and for other purposes;

H. R. 7888. An act to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal;

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806;

H. R. 7984, an act to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes; and

H. R. 8422. An act for the relief of Carmencita van Plettenberg.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and joint resolutions of the House of the following titles:

H. R. 714. An act for the relief of Pieter Cornelis ten Wolde and family;

H. R. 1038. An act for the relief of William Richard Geoffrey Malpas;

H. R. 1082. An act conferring jurisdiction upon the United States District Court for the Southern District of New York to hear, determine, and render judgment upon any claim arising out of personal injuries sustained by the Bunker Hill Development Corporation;

H. R. 1293. An act for the relief of the Franco-Italian Packing Co.;

H. R. 1609. An act for the relief of Arne Gordon Westly;

H. R. 1817. An act for the relief of Mrs. Rose A. Mongrain;

H. R. 2226. An act for the relief of Victor C. Kaminski (also known as Victor Kaminski);

H. R. 2230. An act to reimburse Arthur S. Horner, Leah B. Horner, and Maude Brewer, partners composing a firm doing business as A. S. Horner Construction Co.;

H. R. 2705. An act for the relief of Martin Kenneth Ikeda;

H. R. 2803. An act for the relief of Albert J. Peterson;

H. R. 3009. An act for the relief of Dr. Ali Reza Bassir;

H. R. 3018. An act for the relief of Camilla Fabris;

H. R. 3254. An act for the relief of Iva Gavin;

H. R. 3436. An act to amend section 3 of the Lucas Act with respect to redefinition of request for relief;

H. R. 3532. An act for the relief of Mrs. Sirvart Arsenian;

H. R. 3783. An act authorizing the transfer of part of Camp Joseph T. Robinson to the State of Arkansas;

H. R. 4295. An act to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948;

H. R. 4371. An act for the relief of Shiro Takemura;

H. R. 4532. An act for the relief of Dr. Ta Fu Wu;

H. R. 4903. An act for the relief of Krikor G. Guiragossian;

H. R. 5019. An act for the relief of Fella H. Holbrook;

H. R. 5355. An act for the relief of Mindel Malek;

H. R. 5368. An act to authorize the Departments of the Army, Navy, and Air Force to participate in the transfer of certain real property or interests therein, and for other purposes;

H. R. 5541. An act to amend Private Law No. 463, Seventy-sixth Congress;

H. R. 5682. An act for the relief of William T. Orton;

H. R. 5846. An act for the relief of Mrs. Lillian Coolidge;

H. R. 5866. An act to adjust and define the boundary between Great Smoky Mountains National Park and the Cherokee-Pisgah-Nantahala National Forests, and for other purposes;

H. R. 5920. An act to provide for payment of amounts due mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service;

H. R. 6104. An act to authorize the establishment of an educational agency for surplus property within the government of the District of Columbia, and for other purposes;

H. R. 6278. An act to make cancer and all malignant neoplastic diseases reportable to the Health Officer of the District of Columbia;

H. R. 6480. An act to revise title 18, United States Code, entitled "Crimes and Criminal Procedure";

H. R. 6589. An act for the relief of Mitsue Miyamoto;

H. R. 6743. An act to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes;

H. R. 6747. An act for the relief of Helga Holleb;

H. R. 6756. An act for the relief of Arthur Chen Shu Jee;

H. R. 6787. An act for the relief of Mrs. Kyoko Nakamura Kornhauser;

H. R. 6880. An act for the relief of Mrs. Kiyo Narumi Murakami and Keiko Narumi;

H. R. 6894. An act for the relief of Mrs. Nobuko Eto Heard;

H. R. 6934. An act for the relief of E. H. Corrigan;

H. R. 7035. An act for the relief of Hisako Sakata Ikezawa;

H. R. 7047. An act for the relief of Mrs. Tomo Nonque Rosevear III;

H. R. 7096. An act for the relief of Mrs. Maria Salome Holland;

H. R. 7292. An act for the relief of Erio Louis Tomita and Fumiko Tomita;

H. R. 7315. An act for the relief of Daijiro Yoshida;

H. R. 7363. An act for the relief of Suzuko Yagi and Anne Yagi;

H. R. 7889. An act to postpone the application of the Classification Act of 1949 to certain employees of the Selective Service System;

H. R. 8198. An act to provide for the organization of the Army and the Department of the Army, and for other purposes;

H. J. Res. 21. Joint resolution to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation; and

H. J. Res. 238. Joint resolution to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence.

The message also announced that the Senate had passed bills and concurrent

resolutions of the following titles, in which the concurrence of the House is requested:

S. 648. An act to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes;

S. 819. An act for the relief of Herman L. Weiner;

S. 846. An act for the relief of Sotirios Christos Roumanis;

S. 848. An Act for the relief of Lorenzo Buira Sarrate;

S. 920. An act for the relief of Ellen Rodriguez Moreno;

S. 927. An act to provide that children be committed to the Board of Public Welfare in lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare; and for other purposes;

S.1049. An act for the relief of Amy Alexandrovna Taylor and Myrna Taylor;

S. 1086. An act for the relief of Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.;

S. 1165. An act to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders;

S. 1259. An act for the relief of Mr. and Mrs. Lucillo Grassi;

S. 1276. An act for the relief of Marta Faugno;

S. 1347. An act for the relief of Jose Da Silva;

S. 1357. An act for the relief of Gregory Pirro and Nellie Pirro;

S. 1529. An act for the relief of Amy L. Hefington;

S. 1654. An act for the relief of Kyra Kite Riddle;

S. 1777. An act to amend the act entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1938;

S. 1792. An act for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades;

S. 1862. An act to provide refunds of certain deposits made for the purpose of obtaining credit under the Civil Service Retirement Act of May 29, 1930, as amended, for service in the Army, Navy, Marine Corps, or Coast Guard;

S. 1900. An act for the relief of Mary Di Rezza;

S. 1925. An act for the relief of Pejsach Lederman and his wife and stepdaughter;

S. 1942. An act for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen, Fernandez Matesaenz, Maria Santos Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez, Teresa Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde;

S. 1963. An act for the relief of Augusto Segre;

S. 1996. An act for the relief of Eugene Frohlinger;

S. 2021. An act to provide for the issuance of medals for meritorious service to Federal employees engaged in the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States;

S. 2035. An act for the relief of John David Logan;

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito;

S. 2092. An act for the relief of Rosa Ottaviani;

S. 2155. An act to authorize the cancellation or settlement of claims of the District of Columbia against the estates of recipients of old-age assistance;

S. 2183. An act for the relief of Nicholas J. Chicouras;

S. 2231. An act for the relief of Marco Murolo and his wife, Romana Pellis Murolo;

S. 2242. An act for the relief of John E. Dwyer;

S. 2296. An act for the relief of Maria Cicerelli;

S. 2297. An act for the relief of the estate of Lee Jones Cardy;

S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing official papers relating to the Territories of the United States;

S. 2349. An act for the relief of Ho Paak-Sui;

S. 2357. An act to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel;

S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen;

S. 2442. An act for the relief of Yone T. Park;

S. 2462. An act for the relief of Ruzina Skalova;

S. 2492. An act for the relief of Maria, Magdalena, Margit, and Martha Mattha;

S. 2496. An act to authorize contributions to Cooperative for American Remittances to Europe, Inc.;

S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands;

S. 2526. An act for the relief of Vera Stein;

S. 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.;

S. 2565. An act for the relief of Edward E. Duff;

S. 2575. An act for the relief of Yayoko Kobayashi and June Kobayashi, and for other purposes;

S. 2604. An act to amend section 5 of the act entitled "An act to authorize the apprehension and detention of insane persons in the District of Columbia, and providing for their temporary commitment in the Government Hospital for the Insane, and for other purposes," approved April 27, 1904, as amended;

S. 2609. An act to provide a system for the treatment and rehabilitation of youth offenders, to improve the administration of criminal justice, and for other purposes;

S. 2620. An act for the relief of Chyon Yong Yun;

S. 2662. An act for the relief of Evzen Syrovatka and his wife;

S. 2676. An act for the relief of Kimie Yamada Ina and her daughter, Ritsuko Ina;

S. 2682. An act for the relief of Naum Ionescu and his wife;

S. 2723. An act for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni;

S. 2735. An act for the relief of Mrs. Vernon B. Rasmussen;

S. 2741. An act for the relief of Stephania Ziegler, Anna Hagl, and Theresia Tuppinger;

S. 2745. An act for the relief of Marie De Champourcin;

S. 2774. An act to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions;

S. 2795. An act for the relief of Fortunato Giulio Torre;

S. 2857. An act to amend section 12 of the Missing Persons Act, as amended, relating to travel by dependents and transportation of household and personal effects;

S. 2866. An act for the relief of Egbert G. Gesell;

S. 2875. An act to extend for a period of 5 years the time for appropriating and expending funds to carry out the Federal Airport Act;

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware;

S. 2949. An act to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.;

S. 2968. An act for the relief of Chen Hua Huang;

S. 2980. An act to amend the Agricultural Adjustment Act of 1938 with respect to cigar-wrapper type 61 tobacco and cigar-wrapper type 62 tobacco;

S. 2996. An act to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation;

S. 3007. An act for the relief of Stefanie Pfister and Hildegarde Weber;

S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott;

S. 3068. An act for the relief of Jimmie Franklin Burnett;

S. 3099. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania;

S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.;

S. 3173. An act to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Chatham Field at Savannah, Ga., during the fiscal year 1950;

S. 3253. An act for the relief of Lyon F. Hibberd and the estate of George T. Erb;

S. 3336. An act to provide for the organization of a constitutional government by the people of Puerto Rico;

S. 3380. An act to amend the act of August 9, 1930, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes;

S. 3510. An act to amend Public Law 74, Seventy-seventh Congress, as amended, relating to the rate of penalty on the farm marketing excess of corn and wheat;

S. 3527. An act to amend section 14 (b) of the Federal Reserve Act, as amended;

S. 3545. An act to amend the Tariff Act of 1930 to provide for exemption from duty of certain sound recordings imported by the Department of State, and for other purposes;

S. 3550. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products;

S. 3582. An act to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration;

S. 3635. An act to enable the Governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes;

S. 3639. An act providing for an extension of the time during which annual assessment

work on mining claims held by location in the United States may be made;

S. Con. Res. 90. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 91. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6073. An act to amend section 501 (b) (6) of the Internal Revenue Code.

The message also announced that the Senate insists upon its amendment to the foregoing bill; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GEORGE, Mr. BYRD, Mr. JOHNSON of Colorado, Mr. MILLIKIN, and Mr. TAFT to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2655) entitled "An act for the relief of Mrs. Evelyn M. Hryniak," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KILGORE, Mr. MAGNUSON, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill and concurrent resolutions of the Senate of the following titles:

S. 1769. An act to reimburse the Stebbins Construction Co.;

S. Con. Res. 64. Concurrent resolution requesting burial in Arlington National Cemetery of the last surviving member of the Grand Army of the Republic upon his death;

S. Con. Res. 65. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 76. Concurrent resolution favoring the suspension of deportation of certain aliens.

ARMY ORGANIZATION ACT OF 1950

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8198) to provide for the organization of the Army and the Department of the Army, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. VINSON, BROOKS, KILDAY, SHORT, and ARENDS.

PERMISSION TO ADDRESS THE HOUSE

Mr. WINSTEAD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. WINSTEAD addressed the House. His remarks appear in the Appendix.]

COMMITTEE TO AID STATE DEPARTMENT IN CONDUCT OF OUR FOREIGN POLICY

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I am today introducing a resolution for the appointment by the President of a committee of 100, to be selected from among leading American citizens in all walks of life, to aid the State Department in the conduct of our foreign policy.

This country suffers from the lack of a positive, direct, forceful foreign policy. We have had diplomacy by cash, diplomacy by indirection, diplomacy of the moment. We have also had the benefit of brilliant, hard, effective work on the part of some individuals in the State Department to hearten and inspire the people of the United States. We need more of the latter.

I believe the State Department would benefit most materially from a wholesale inclusion of new blood from among the recognized leaders of the Nation. Their ideas would be typical of the ideas which make for success by the best American standards. They would reflect the spirit of American achievement. I am confident the real portrayal of that spirit to the world would give tremendous impetus to the spread of American ideals in the struggle for peace. I am equally confident these people would gladly serve if they had an opportunity to do so.

My proposal for a committee of 100 is one way to obtain their services, one way to secure real bipartisanship in the conduct of the most vital matter of the moment, one way to insure that we can sell Americanism abroad the way we sell it at home.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield.

Mr. RANKIN. Do you mean you are going to appoint just 100 members to try to teach the State Department Americanism? Is that the object?

Mr. SIKES. My object is to try to sell Americanism abroad as we sell it at home. I believe it can be done, but I do not think we are doing it now.

Mr. RANKIN. Had not we better sell it at home first?

Mr. SIKES. We are selling it at home.

Mr. RANKIN. I think we are being sold out at home.

Mr. SIKES. I do not agree with the gentleman in that respect.

Mr. Speaker, I think we have a job to do abroad which we are not doing and I believe that with the infusion of new blood from among business and professional leaders in this country we can do the job.

EXTENSION OF HOUSING AND RENT ACT OF 1947

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 639, Rept. No. 2213), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8276) to extend the Housing and Rent Act of 1947, as amended, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

INVESTIGATION OF USE OF CHEMICALS AND INSECTICIDES IN PRODUCTION OF FOOD

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 323, Rept. No. 2214), which was referred to the House Calendar and ordered to be printed:

Whereas the people of the United States are vitally interested in wholesome food; and since many individuals and firms have been placing adulterated dairy and meat products and other foods on the market and have by chemical processes together with pure adulteration reduced their nutritional value, specifically in various cheeses and meat products; and

Whereas an increasing proportion of the Nation's food supply is being industrially processed and the industrial techniques of processing food have a direct bearing on the quality of the national diet and the standards of public health; and

Whereas chemicals, compounds, and synthetics on an increasing scale are being introduced and used in the production, processing, preparation, and packaging of food products; and

Whereas under existing law there is no requirement that the chemicals, compounds, and synthetics be demonstrated to be nontoxic before being so used in the production, processing, preparation, and packaging of food products; and

Whereas chemicals, compounds, and synthetics are being used to reduce or displace in foods important nutritive ingredients; and

Whereas the trend represented by the use of these chemicals, compounds, and synthetics presents a serious problem not only to the health and welfare of people but also to the future stability and well-being of our entire agricultural economy; and

Whereas many pesticides and insecticides of known toxicity are being exposed for use in connection with the growing of fruit, vegetable, and forage crops and for the eradication of insect pests, the uncontrolled use of which threatens contamination of the food supplies of the Nation with resulting ill effects upon the health of the people; and

Whereas the use of commercial fertilizer containing excessive quantities of inorganic chemicals is definitely involved in the matter of plant, animal, and human nutrition and health: Now, therefore, be it

Resolved, That there be, and hereby is, created a select committee to be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the same manner in which the original appointment was made.

The committee is authorized and directed to conduct a full and complete investigation and study of—

(1) the nature, extent, and effect of the use of chemicals, compounds, and synthetics in the production, processing, preparation, and packaging of food products to determine the effect of the use of such chemicals, compounds, and synthetics (A) upon the health and welfare of the Nation and (B) upon the stability and well-being of our agricultural economy;

(2) the nature, extent, and effect of the use of pesticides and insecticides with respect to food and food products, particularly the effect of such use of pesticides and insecticides upon the health and welfare of the consumer by reason of toxic residues remaining on such food and food products as a result of such use; and

(3) the nature, effect, and extent of the use of chemicals, compounds, and synthetics in the manufacture of fertilizer, particularly the effect of such use of chemicals, compounds, and synthetics upon (A) the condition of the soil as a result of the use of such fertilizer, (B) the quantity and quality of the vegetation growing from such soil, (C) the health of animals consuming such vegetation, and (D) the quantity and quality of food produced from such soil, and (E) the public health and welfare generally.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations for legislation as it may deem advisable.

For the purpose of carrying out this resolution the committee, or any subcommittee thereof authorized by the committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary, to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable, to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

SPECIAL ORDER GRANTED

Mr. RICHARDS asked and was given permission to address the House on tomorrow for 1 hour, following the legislative business of the day and any other special orders heretofore entered.

BENEFITS FOR ANNUITANTS RETIRED UNDER THE CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4295) to provide certain benefits for annuitants who retired under the Civil Service Retirement Act of May 29, 1930, prior to April 1, 1948, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. MURRAY of Tennessee, Mr. THORNBERRY, and Mr. REES.

UTILIZATION OF PART OF UNFINISHED PORTION OF ROTUNDA OF THE CAPITOL

Mr. REGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 21) to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. ALBERT, Mr. GARMATZ, and Mr. BISHOP.

THE MILK STRIKE

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, the action of the milk drivers' union in closing off the milk supply for Washington and Pittsburgh dairies cannot be condoned. It has been the well-established policy that strikes should not be permitted which affect our public safety, our police force, and our fire department. We can well add to that policy one which condemns the strike weapon when it affects the food supply of the people of our Nation, especially milk for the children.

The SPEAKER. The time of the gentleman from Minnesota has expired.

OBSERVANCE OF NATIONAL HOLIDAYS ON THE NEAREST MONDAY

Mr. POTTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. POTTER. Mr. Speaker, I am today introducing a bill which will authorize the observance of our national holidays on the nearest Monday. This will be of great convenience to the men who work in our shops, and to our businessmen.

As you will recall, last Memorial Day was celebrated on Tuesday. Many of the men could not leave the cities on the preceding week end to go to our great vacation areas, such as we have in northern Michigan, because they had to work on Monday. By the enactment of this bill, I am sure that both our laboring men and businessmen will benefit by a longer week end for rest and relaxation.

The SPEAKER. The time of the gentleman from Michigan has expired.

THE WORKINGMAN'S TAX LOAD

Mr. MASON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, since my recent speech, A Primer on Taxes, I have been asked by newspapermen how I arrived at a tax load of $31.60 per week for the average American family. The answer to that question is so simple that any sixth-grade pupil should be able to understand it.

In 1948 the Federal Government took from the American taxpayers $42,000,000,000; the State governments about $9,000,000,000; and the local governments—county, township, city, school district, and so forth—about $9,000,000,000. This makes a grand total tax load upon the American people of $60,000,000,000.

The Census Bureau tells us we have a population of 150,000,000 people. If we divide the total tax load, $60,000,000,000, by the total number of people, 150,000,000, we get a yearly tax load of $400 upon every man, woman, and child in America. Since the average American family is a family of four, that means a tax load upon the average family of $1,600 per year.

If we want to reduce the yearly tax load to a weekly tax load, we simply divide $1,600 by 50, the number of working weeks in a year, and we get $32 as the average weekly tax load per family.

To break the weekly tax load down to an hourly basis, taking 40 hours per week as the standard, the bread winner of the family must hand over in taxes 80 cents per hour out of his hard-earned wages. No wonder the American worker feels he must strike for higher hourly wages when almost half his pay goes for taxes—mostly hidden taxes.

Mr. Speaker, a real reduction in taxes would give every worker a real boost in pay and it does not require a long costly strike to win such a boost. It requires only proper use of the worker's franchise. Since the women of America represent 52 percent of the total vote in America and control 95 percent of the family pocketbooks of America, they can by the proper use of their ballots secure a real increase in the family allowance without any strike or labor trouble. Our tax load today is greater than our total American family meat and grocery bill.

SUBPENA POWERS OF COMMITTEE ON LOBBYING

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, last week the House Select Committee on Lobbying had before it certain witnesses brought there in response to a subpena issued by the chairman of the committee. At that time there was considerable controversy as to the legality of the subpena; following that there was some discussion on the floor regarding the procedure and the legality of the subpena.

At that time I announced in the course of the discussion here that certainly as a responsible member of the committee I would not support any action seeking to bring about a contempt citation unless it should clearly appear that the basis for such action was properly laid, having to do with the legality of the subpena, the scope of the inquiry that properly might be followed by the committee, and anything else that might be pertinent.

Assuming that shortly the committee will be called upon to deal with the matter further, and as a contribution to some thinking preliminary to what might be done by the committee, and since it has appeared that the legality of the subpena is predicated upon the words of the resolution itself which created the committee, I want to give my opinion for whatever it may be worth as to that alleged legality.

First of all, may I say that an examination of the records of the committee discloses that no general authority was given to the chairman of the committee to issue subpenas. The resolution itself states:

> For the purpose of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary.

In other words, Mr. Speaker, it seems clear to me that it is the committee or the subcommittee that is authorized to require the attendance of witnesses and the production of books and records. There has been no designation of any subcommittee, so that is ruled out; and it would be a question of what the committee has done as a committee. The record discloses that the committee has taken no action. The resolution contains this further language:

> Subpenas may be issued under the signature of the chairman of the committee or any member designated by him, and may be served by any person designated by such chairman or member.

In my opinion that clearly sets up the mechanics to be followed in respect to the signature of the subpena and its issuance after the committee has acted affirmatively either in specific authorization or in general authorization to the chairman to issue the subpena. Without any regard, therefore, to the merits of the question sought to be presented there; and without going into that at this time, it is my firm conviction that the subpenas under which the committee was seeking to operate at the time are not legal and hence would not be effective.

THE LATE HONORABLE ISRAEL M. FOSTER

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, I am sorry to advise the membership of the House of the death of Hon. Israel M. Foster. Mr. Foster served as a Member of Congress three terms. He served in the Sixty-sixth, Sixty-seventh, and Sixty-eighth Congresses. Before coming to Congress Mr. Foster was a prominent lawyer in his home town. His service in Congress was of a high order.

Soon after his retirement from Congress, he was appointed commissioner of the United States Court of Claims here in Washington. He served in that capacity until 1942, when he retired because of ill health. He passed away at his home in Washington on June 10 and his funeral was held today at the Pumphrey Funeral Home in Bethesda at 12 o'clock.

Mr. Foster was prominently identified with the Ohio University which is located at Athens, Ohio. He was a member of the board of trustees of that university and participated prominently in many of the college and civil activities of that community. He leaves a wife and two daughters, one of whom is Mrs. John M. Littlepage and the other is Mrs. Bruce M. Buckmaster, all of whom now reside in Washington.

There are only four Members in Congress on the Republican side now who served with Mr. Foster. These are Mr. REED of New York, Mr. WOODRUFF of Michigan, Mr. TABER of New York, and Mr. MICHENER of Michigan.

The Athens Messenger, which is the leading newspaper in the home city of Mr. Foster, carried an article about him which is as follows:

EX-CONGRESSMAN FOSTER, 77, DIES IN WASHINGTON

Israel M. Foster, former Congressman from the Tenth District, died Saturday in Washington, D. C., where he made his home. A native of Athens, he had been ill for several years.

Mr. Foster, 77, who retired in 1942 after 17 years as Commissioner of the United States Court of Claims, had previously served three terms in Congress. Prior to that, he practiced law in Athens and, for 8 years, was the county's prosecuting attorney.

A member of the Ohio University board of trustees from 1900 to 1925, his memory is to be honored in a memorial statement which the board authorized when informed of his death while it was in session here Saturday.

The statement is to be written by Arthur C. Johnson, board member who is editor of the Columbus Dispatch and who was Mr. Foster's fraternity brother in Phi Delta Theta while in school here.

Mr. Foster, who also attended Harvard University and was graduated from Ohio State University law school in 1903, received his bachelor of arts degree at O. U. in 1895.

Considered one of the university's most loyal alumni, he helped organize the Washington, D. C., alumni club and, when the O. U. football team went to Annapolis in 1932 to play Navy, Mr. Foster was their host in the National Capital.

Always a sports enthusiast, he served while a student as president of the Athletic League of Ohio Colleges, which later became the Ohio Conference. Foster was O. U. baseball manager as a senior.

While in Congress, Mr. Foster authored the first child-labor-law amendment and served as a Member of the House of Representatives Judicial Committee. He was also author of acts creating a boys' reformatory in Ohio and a women's reformatory in West Virginia.

During 17 years as Commissioner of the Court of Claims, he tried 680 cases in which plaintiffs sought judgments against the United States in sums which aggregated more than $10,000,000.

Mr. Foster was a direct descendant of Ebenezer Foster, one of the minutemen who fought the Battle of Concord Bridge during the Revolutionary War.

His great-grandmother, Sallie Foster, was a charter member of the First Presbyterian Church in Athens in 1809 and Mr. Foster later became a member of the church board.

Mr. Foster was one of eight children of Franklin Foster, whose father, Hull, came here in 1805 from Massachusetts. Franklin Foster was in business on Court Street for a number of years. His daughter, Mrs. O. F. Peoples, 19 South Congress Street, and a son, Eli, of Long Beach, Calif., are the only surviving children.

Besides his widow, with whom Mr. Foster had maintained his home at 3717 Ingomar Street NW., in Washington for a number of years, the ex-Congressman is survived by two daughters, Mrs. Frances Buckmaster and Mrs. Ruth Littlepage, also of Washington.

Funeral arrangements are incomplete.

(Mr. JENKINS asked and was given permission to revise and extend his remarks and include a newspaper clipping, and also that any other Members who wish to do so may have permission to extend their remarks in reference to Mr. Foster.)

Mr. RANKIN. Mr. Speaker, I am one of the Members who served with Mr. Foster in the Sixty-seventh and Sixty-eighth Congresses. I remember him very well and most pleasantly. He was one of the finest Americans I ever met. The other Members on our side of the House who served with Mr. Foster join in lamenting his passing away, and extend our heartfelt sympathies to his bereaved family.

Mr. JENKINS. I thank the distinguished gentleman from Mississippi.

Mr. HALLECK. Mr. Speaker, of course, I was not here at the time Mr. Foster was a Member of this body from 1919 to 1925. His daughter, however, is married to a very good personal friend of mine from Indiana, who lives here in Washington and whom the gentleman knows. By reason of this fact I became acquainted with Mr. Foster and I found him to be one of the most lovable and one of the finest persons I have ever known. I join with the gentleman from Ohio in paying tribute to his memory and in expressing deepest sympathy to his family.

Mr. JENKINS. I thank the gentleman from Indiana. I, too, know Mr. John Littlepage, to whom the gentleman refers.

Mr. REED of New York. Mr. Speaker, I recall Representative Israel M. Foster very pleasantly. He was a fine American, an able Representative. As my colleagues with whom I have served many years pass away, I am reminded a little bit of history that tells us that the workmen who toiled with infinite patience and skill cutting, polishing, and perfecting the marble blocks used in the construction of the Parthenon were so blinded by the dust from their own chiseling that they never saw, even in dim outline, the beauty, majesty, and perfection of the completed structure. There it stands today as it has stood for more than 2,000 years—a perpetual challenge to those who aspire to perfection in the realm of art.

And so it is with the legislators who come here to this hall. They carry on their legislative labors amid all the confusion and partisanship and excitement that exists in this forum without realizing what they have contributed means to the perfection of this great and glorious Government of ours. Representative Foster made his contribution as a laborer here, building up the strength, not only of the material affairs of the Government, but of the spiritual principles that make for national character. I deplore the death of my good friend Representative Foster. I extend my deep sympathy to his bereaved family.

Mr. WOODRUFF. Mr. Speaker, I remember Mr. Foster very well indeed. I recognized then and I still recognize the fine qualities that the gentleman possessed. Among those most outstanding was his loyalty to his friends. I extend to the family of the deceased my sincere sympathies with the hope that time will assuage their grief.

PERMISSION TO ADDRESS THE HOUSE

Mr. REES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[Mr. REES addressed the House. His remarks appear in the Appendix.]

THE MILK STRIKE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, just coming back from the land of milk and honey, because of a strike I find myself unable to buy a bottle of milk in the District of Columbia.

I find that the people all over the United States hold the Congress peremptorily responsible for the fact that no regulations have been made by the Congress or by its committees which would undertake to control the disposition of milk within the District of Columbia. I do not know as there is anything that I, at this late date, can do about it. Probably the less I say about it, the better. However, it is a deplorable and a despicable situation in which we find the Congress of the United States responsible for the affairs of this District as to supplying milk for babies and yet permitting such a strike as is in progress here at this time which deprives the babies and the mothers and the families of milk. That is the situation which should make Congress ashamed, for the people rightfully hold Congress responsible for the situation which obtains. Why not either "go to town" to prevent such a situation or to relieve that existing. It is not funny when life and death of infants is involved.

RESOLUTION FOR SELECT COMMITTEE ON VOTING PARTICIPATION

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I am today introducing a resolution seeking the appointment of a select committee to investigate the adequacy of participation by citizens in public affairs through voting in elections for Federal offices, and what may be done to increase such participation. The falling off in voting participation by eligible Americans in the last 10 years is so drastic that it must become a matter of concern to the whole Nation; especially is this true at a time when the productive power and resources of our Nation give us world leadership.

In the 1948 Presidential election 51.6 percent of the eligible voters participated, the lowest percentage since 1936, and in the 1946 congressional elections only 37.5 percent of the eligible voters participated. Mr. Speaker, we all recognize the thundering voice with which democracy and freedom must speak if our answer is to be adequate to the spurious siren call of the Communists to people who are in despair. We do this by vast programs to raise standards of living, by a shield of military power to protect the world against aggression, but we must also do it by an unparalleled demonstration of the power of democracy in action. By undertaking such a great program as this resolution seeks we will show to the world that we have faith in people while the monolithic and faceless Soviet state treats people only as numbers.

It is, of course, a fact that more widespread voting will not necessarily mean more informed voting, but it is certainly a first step in order to get the citizen to think about the issues to endeavor to have him assume the responsibility personally for deciding them. In a democracy more widespread participation in government is a necessary prerequisite to more informed participation in it.

The following is a table of the percentage of the adult population who have voted in the Presidential and congressional elections since 1936:

Election	Year	Adult population	Number of votes cast	Percentage of adults voting
Presidential	1936	80,442,000	45,647,117	56.7
Do	1940	84,290,000	49,815,312	59.0
Congressional	1942	86,723,000	28,074,364	32.3
Presidential	1944	89,205,000	48,025,684	53.8
Congressional	1946	91,675,000	34,410,009	37.5
Presidential	1948	94,641,000	48,833,680	51.6

These figures are to be contrasted with the election of 1948 in Italy, which broke the back of the Communist movement there when 89 percent of the eligible voters voted.

Voting is required in Australia, Belgium, and Holland under varying penalties, generally of a fine, and it has resulted in bringing out the vote. For example, in Australia the percentage of eligible voters actually voting in 1925 was less than 50 percent; after compulsory voting was instituted it has averaged between 95 and 99 percent since. I do not necessarily advocate compulsory voting but only point out that this is one of the matters to be considered in the inquiry which my resolution seeks.

Any effort to read into more widespread voting an implication of advantage or disadvantage to either of the major parties is unwarranted in view of the fact that in the 1948 election, when it was confidently expected that a Republican would be elected to the Presidency, the Democratic candidate was elected though only 51.6 percent of the eligible voters went to the polls, the lowest percentage in any Presidential election since 1932.

An illustration of what can be accomplished in a community to increase voting participation by citizens is evidenced by the situation in Portland, Maine, where, following a survey with the full cooperation of the municipal government and the leading citizens of Portland, voting participation was increased in 1 year by about one-third from the level of about 20 percent of the registered voters who normally voted in local elections.

RUSSIAN CRAB

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, for 9 weeks I have been endeavoring to get the appointed officials of the administration, the Secretary of the Treasury, the Secretary of State, and the cooperation of the Secretaries of Commerce and Labor, to stop the importation into the United States of products of slave and forced labor from Communist Russia and her satellite countries.

Russia, alone, last year shipped more than $42,000,000 of Russian goods into the United States and bought only $6,000,000 of goods from the United States. By these transactions she secured $35,000,000 of American dollars and credit with which to buy from other nations goods that would strengthen her economy and her war potential, or which could be used for Russian propaganda purposes in this country.

The Tariff Act of 1930 gives the Secretary of the Treasury authority to stop imports of goods that are produced, in whole or in part, by slave or forced labor. The Assistant Secretary of State, Willard Thorp, in a speech said that there is mounting evidence that Russian goods are produced by slave labor.

Yet, despite Mr. Thorp's statement and our efforts, and those of western fishermen, to ban further imports of

Russian canned crab, the Treasury Department, after 9 weeks, has arrived at no decision as to what it will do. Why?

Who wants this Russian canned crab to come into the United States? Just two groups, as far as I can learn, the Russians and the Communist Party of the United States of America.

Recently a handbill entitled "Foreign Fish and Red Herring" was issued and distributed in my home county of Grays Harbor, which bore the signature of the Grays Harbor section of the Communist Party.

This handbill viciously attacked me personally for my fight to ban Russian crab meat imports. This handbill was a clear indication that the Communist Party of the United States of America has joined forces with the Soviets of Russia to propagandize for the continued importation of Russian goods. This handbill, issued by the Communist Party, urged fishermen to—

Demand trade with China, eastern Europe, and Soviet Union.
Outlaw the A-bomb and the H-bomb.
Demand peace pact with the Soviet Union.
Defeat the Mundt-Ferguson bill.

Is the Treasury Department going to continue delaying a decision on Russian crab meat imports while each month sees additional shipments of the product produced by Russian slave labor arriving in the United States and killing the American fishing industry?

Is the Treasury Department and other executive agencies going to listen to the clamor of Soviet Russia and the Communist Party of the United States of America that Russian goods be permitted to enter the United States, or is it going to accept the statement of the Assistant Secretary of State that Russian goods are produced by slave labor and therefore ban their further importation?

If it decides to continue to permit Russian goods to flow into the United States Russia will be further strengthened by gaining additional dollars while our own American fishing industry will be irreparably injured and our American economy weakened.

STEEL SCRAP

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, last week on the Floor I drew attention to the spiraling price of steel scrap over the past few weeks and pointed out that the $20 increase would likely reflect itself in the price of finished steel. This week I find the Sharon Steel Corp., of Pennsylvania, and the Follansbee Steel Co., of Pittsburgh, advancing their prices $5 a ton on certain types of steel.

It would seem imperative that the Office of International Trade should forthwith curtail, if not eliminate, license to export this superimportant steel ingredient, rather than expand export quotas as they have been doing. I am advised that we in this country are worse off for heavy-melting scrap than just preceding the last war.

I have never been able to understand the wisdom of leaving in western Germany a huge stockpile of just the kind of steel scrap we particularly need. Common sense should have dictated a greater use of homecoming empty bottoms resulting from carrying relief to western Europe for transferring this stockpile from a highly exposed position to a more protected and much more advantageously useful one in the United States of America.

It will be remembered that Great Britain was forehanded in this matter of steel scrap by simply taking out of western Germany nearly a million tons without any payment so far as I know. Only Italy, in addition to Great Britain, requires the importation of this commodity in their steel-making operations and what they need is only moderate in comparison with the supply available.

I pointed this out to the previous Chairman of the War Resources Board, and I would again advocate that the new Chairman now take this suggestion into consideration. While it is usual to lock the barn door after the horse has been stolen, nevertheless, it might not be inappropriate to remark that the time to have purchased this steel scrap was when the price was half what it is now earlier this year. This would certainly have had a stabilizing effect.

MILK SHORTAGE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I am concerned about the milk strike the gentleman from Vermont mentioned. I have one panacea and one recommendation to make, and that is for each Member of Congress to keep his own cow. I have my own cow. The farm-labor shortage is well taken care of on my place, because four out of my six children know how to milk. For that reason, it gets us out of a lot of difficulty. We are really being compensated at the present time, because there is no milk shortage in our house. The 20 quarts a day that we get from the cow are coming in very handy, both for drinking milk and for making butter.

Perhaps a cow for every garage in the District of Columbia might be the answer. At any rate, I hope whoever is running this strike looks after the welfare of our children and ailing people who must have milk and dairy products for health.

Let us hope this trouble ends soon for the good of all concerned.

SPECIAL ORDER GRANTED

Mr. RICH asked and was given permission to address the House for 10 minutes today following the legislative program and any special orders heretofore entered, on the subject of Federal grants-in-aid: stupidity or a sell-out?

SELECT COMMITTEE ON LOBBYING ACTIVITIES

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD and include an official verbatim transcript of the hearings before the Select Committee on Lobbying Activities of the House of Representatives last Tuesday. This is a full and accurate transcript of the hearings.

Mr. HOFFMAN of Michigan. Mr. Speaker, I reserve the right to object to that until I can see the transcript, because another stenographer was there, and I should like to check with the official reporter on that. I will do it this morning.

SELECT COMMITTEE TO INVESTIGATE LOBBYING ACTIVITIES

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, quite a number of statements were made on the floor of the House during my absence last Thursday. I am awaiting the return of the gentleman from California [Mr. DOYLE], who is due at his office today, and I understand the gentleman from Ohio [Mr. BROWN], also a member of the Select Committee on Lobbying Activities is also absent from the city.

I intend to call an executive session of the committee to go over some of these items. The request I made was merely to extend in the Appendix of the RECORD, which request was objected to by the gentleman from Michigan [Mr. HOFFMAN], the verbatim transcript of last Tuesday's hearings. I believe there have been a lot of misconceptions and misstatements made. I believe the official transcript, as reported by the official stenographer, will give a fairly accurate picture of what took place at the hearings before the House Select Committee on Lobbying Activities last Tuesday June 6.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, may I say to the gentleman from Pennsylvania [Mr. BUCHANAN] that I do not intend to object to the insertion of these proceedings as reported by the official stenographer, but before they go in the RECORD, I do want an opportunity to check the proceedings with the transcript of another stenographer who was present. I am not saying that as offered by the gentleman from Pennsylvania they are not accurate—presumably they are. But just as a matter of precaution, if the gentleman will permit me to look over the record this morning—I was present at the hearing and have a fair

recollection of what was said—I have no doubt that we can agree on it, and I will withdraw my reservation of objection in ample time to include the transcript in today's RECORD.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I have the greatest respect for the opinion of my friend, the gentleman from Indiana [Mr. HALLECK]. After he made the statement this morning that in his opinion the subpenas issued by the chairman of the Select Committee on Lobbying were not in conformance with the law, or were illegal, I sent for a copy of the resolution adopted by the House, House Resolution 298, as a result of which the Select Committee was established. After providing for the establishment of the committee, its number and so forth, and its duties, the resolution says:

> Subpenas may be issued under the signature of the chairman of the committee—

That is pretty plain language—

> or any member designated by him and may be served by any person designated by such chairman or member.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. I am glad the gentleman has taken the matter up, because the committee will have to decide whether the subpena is legal. The point I make is that the language making reference to the power of the chairman to issue a subpena under his signature must be read in conjunction with the preceding sentence, which specifically authorizes the committee, or a subcommittee, and no one else to authorize the subpena.

Mr. McCORMACK. This language is very plain and clear. It is a sentence by itself. If the power were not given to the chairman of a special, or select, committee to issue subpenas, then a majority of the committee might prevent it. The House, in its wisdom, always gives that power to the chairman of a special committee or a select committee to issue subpenas because what would there be to stop a majority of five members—I cannot imagine it happening, I will be frank, but still it could happen—getting together and saying, "We will not vote to give the chairman the power to subpena witnesses." Under those circumstances, the will of the House would be defeated by a majority of the committee refusing to give the chairman that power. The language, in my opinion, speaking purely from the legal standpoint without getting into any argument as to other issues invloved, is very clear and specific.

The House gave to the chairman the power to issue subpenas or to designate any other member to do so. I respect the opinion of my friend—I thoroughly respect his opinion, but in this case in all frankness I must disagree because on resolutions of this kind, if the chairman did not have the power to do so, a majority of the committee could prevent it being done by the chairman or anyone else, and thereby defeat the very will of the House in creating a select or special committee.

Mr. HALLECK. Will the gentleman yield further?

Mr. McCORMACK. If I have the time, I will yield.

Mr. HALLECK. May I say about that only this: First of all, the construction of the language of the resolution is a legal proposition. I insist again that the power of the chairman simply has to do with the mechanics of issuing the subpena, once it has been authorized by the committee.

Mr. McCORMACK. Will the gentleman admit that the language is plain that subpenas may be issued under the signature of the chairman of the committee?

Mr. HALLECK. If you take out the words "under the signature of the chairman," it will read, "Subpenas may be issued by the chairman"; that would be a horse of a different color.

Mr. McCORMACK. Well, he has to sign. So, under the signature of the chairman, it means by the chairman.

Mr. HALLECK. No. The authority is in the committee. The process of getting out the subpena is in the chairman.

Mr. McCORMACK. Will the gentleman admit this: That under this resolution if five members of the select committee met, and a motion was made to give the chairman power to issue subpenas, and three of them voted "No"—who then would have the power to issue the subpena?

Mr. HALLECK. There are seven members of the committee, I understand.

Mr. McCORMACK. Then if there are seven members of the committee.

Mr. HALLECK. I assume the committee could issue blanket authority to the chairman to issue subpenas. But beyond that, if the committee said, "We do not want to issue a given subpena," or would say, "We do not want to give that authority to the chairman," to my mind the committee ought to govern, and not the chairman.

Mr. McCORMACK. But the committee is only the servant of the House. The House is the principal. The House is the master in the case of the law of master and servant, and the committee is the servant. Certainly it cannot possess greater powers than the House has conferred upon it by the resolution itself.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. BUCHANAN. Mr. Speaker, I renew my request to extend my remarks in the Appendix and include the official verbatim transcript of the committee hearing. I understand the gentleman from Michigan [Mr. HOFFMAN] has withdrawn his reservation of objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I have no objection. I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

RECIPROCAL TRADE AGREEMENTS

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, there is a growing and justified concern on the part of a great number of the Members of this House about the threat to American industry from the flood of foreign imports that are pouring into this country under the terms of the reciprocal trade agreements.

At present five of the greater industries in my State of West Virginia and in my district are affected, and I am advised from reliable sources that more than 20 of the Nation's industries are being vitally endangered. Now we are told that in some unheard-of place in England there is to be convened within 30 days a further conference at which they propose to add 2,500 additional American products to the reciprocal list. I insist, Mr. Speaker, that to attempt to make findings affecting a hundred items under the tariff in a matter of 2 months is just a measure of the contempt in which the domestic producers of this country are being held by the Administration.

Mr. Speaker, I would like to ask unanimous consent to have included in the Appendix of the RECORD a transcript of the testimony of Mr. C. R. Strackbein, chairman, the National Labor-Management Council on Foreign Trade Policy, before the Committee on Reciprocity Information.

The SPEAKER. Is there objection? There was no objection.

SPECIAL ORDERS GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes today, following the legislative program and any special orders heretofore entered.

Mr. AUGUST H. ANDRESEN asked and was given permission to address the House for 30 minutes on tomorrow, June 13, 1950, following the legislative program and any special orders heretofore entered.

FOREIGN SHOE COMPETITION

Mr. VURSELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VURSELL. Mr. Speaker, I was interested in the remarks of our Democratic colleague from West Virginia [Mr. BAILEY], that the flood of imports into this country under the low tariffs of the reciprocal-trade agreements is threatening the destruction of 20 industries in his State.

I should like to point out that I am receiving many letters from shoe-factory workers in my district asking me if I cannot do something to stop the flood of

imported shoes that is taking their jobs away from them.

I got Government statistics the other day, and I found that 6,000,000 pairs of imported shoes will come into this country from foreign countries this year, about half a million from behind-the-iron-curtain country of Czechoslovakia.

Mr. Speaker, I remember back in 1937 and 1938 when shoe-factory workers at Salem and in my district were thrown out of work because of the flood of imported shoes. I am sure that this condition is going to repeat itself in this instance as far as the shoe-factory workers are concerned, and I am at a loss to understand how I can protect the shoe-workers as long as the administration insists on continuing this flood of imported shoes.

Fortunately in my home city of Salem, where the Brown Shoe Co. employs about 700 men and women, making the very high grade Air Step shoe, foreign competition has not yet affected the workers to any appreciable extent. But it will next year or the next as the imports of 6,000,000 pairs of shoes from low-wage countries is only the beginning compared with the flood that will follow as the European countries expand their factories and production with the billions of dollars given them from the taxpayers of our Nation, many of them shoe workers.

Mark what I say today. Millions of laboring men and women who will lose their jobs this year and in the coming 2 years will rue the day this free-trade policy was adopted, and will turn against the party in power that has caused them to lose their jobs, through a flood of imports from foreign countries.

Mr. Speaker, I have opposed the lowering of import duties or tariffs on imported goods, and will continue to oppose further reductions. I believe that the American workers in the shoe factories and the foundries of this country who average a dollar an hour and up in the manufacture of American-made goods should have their jobs protected by the Government charging an import or entry duty, or tariff, which would somewhere near meet the difference in the cost of production here and in low-wage countries.

For instance: Shoe workers in Czechoslovakia receive about 40 cents an hour, and other shoe workers in Europe and England range from 50 cents to 70 cents. They can ship shoes to this country with practically no tariff protection, and sell the finished product in the American market today at a lower price than the shoes can be produced under our American wage standards.

Mr. Speaker, we cannot protect the jobs of the American shoe workers and American workers in many other lines, so long as the administration takes the position that our tariff duties should be further reduced and says that if it drives an industry out of business, the sacrifice must be made for the good of the world at large.

The CIO officials, from Phil Murray down, will not help the shoe workers they are supposed to represent, because they take the same position that President Truman takes—that is to continue to lower tariff duties regardless of its effect on American industry and the American working people.

Mr. Speaker, in 1948 and in 1949, high officials of the CIO endorsed the passage of the Trade Treaties Act in both years, and endorsed and supported the reduction of tariffs. In fact, a few days ago I called the Washington office of the CIO and explained that I was getting a number of letters from shoe workers and other laboring men in industrial lines, urging an increase in tariff duties to protect them from losing their jobs. I asked them if their position had changed, and if they still approved these treaties, or tariff agreements, and they said they did.

Mr. Speaker, I find myself now in the position where shoe-factory workers and other workers are writing and telling me they are losing their jobs because of the flood of imports under these trade treaties, and asking me if I can be helpful in stopping these imports that are costing them their jobs.

On the other hand, the officials of the CIO, in their report on my voting record in the last session of Congress, are asking the shoe workers in my own town and district to defeat me because I voted against the lowering of these tariffs and wanted to make the tariffs higher to protect the wage levels and the jobs of the American shoe workers, and the American oil workers as well, of which thousands of them have lost their jobs because of the reduction of oil-import duties that allow 700,000 barrels a day of foreign oil to come into this country.

The CIO officials mark my vote as wrong when I vote to protect the shoe workers and oil workers, when I vote to make it possible for them to hold their jobs at present American wage levels.

Mr. Speaker, last week in my home town of Salem, various CIO officials from adjoining counties and States met in my town and invited in local labor officials and asked them to help plan a campaign to bring about my defeat, falsely stating that every vote I had made in the Eighty-first Congress was against their program and the interest of the laboring men and women.

NOT TRUE

Mr. Speaker, the facts are: They misrepresented my record because there was not a vote that I cast that was intended to, or did, do an injustice to any laboring man in Illinois, or the Nation. I have proved that they have misrepresented my record to the shoe workers in the remarks I have just made, because in the Eighty-first Congress one of my votes they list as being wrong was against the continuance of the trade treaties, which has reduced import tariffs to the point where it is throwing thousands of shoe workers out of their jobs, and will throw millions more out of work as the volume of imports increases from the European countries flooding into the American market.

I have received many letters from shoe workers in my district asking me to please do something to stop this flood of imports that is costing them their jobs in that locality.

Mr. Speaker, I will quote from a letter from one of them. This is only one of many letters making the same request.

JUNE 7, 1950.

CHARLES W. VURSELL,
Washington, D. C.

KIND SIR: I am a shoe worker employed at Monogram Shoe Co. in Trenton, Ill. I have been told that some of our factories had to close down because of foreign shoes imported into this country from England, Italy, and Czechoslovakia.

Our work is slack and we lost our shoe factory here in Highland. Now I am fortunate to have this job in Trenton. I want to keep it.

I have to work as I want to send my daughter, who has just graduated from high school, to a nurses' training school in the fall. That will require extra money for the next 3 years.

I am glad I can work and earn the money to further her education. Please see what you can do for us shoe workers so I can keep a steady job.

I would like a reply.

Sincerely yours,

MRS. MARY TRENTZ.

HIGHLAND, ILL.

Mr. Speaker, over a year ago I spoke against the policy of this administration of constantly reducing import duties and said that it would result in much greater unemployment when the European countries got back into production and began flooding this country with European-made goods.

It has just started, and will continue to get worse. Yet the big labor bosses, who have joined with this administration politically, show no inclination to repudiate such a policy which would give the proper protection needed, not only for the working people, but which would enable business houses to operate at a reasonable profit and to continue to provide jobs for the laboring men and women.

I said a year ago that the labor bosses who were making so much noise in their opposition to the Taft-Hartley law were in fact using it as a smoke screen while the administration, by lowering tariffs, which they endorsed, was pulling the rug out from under labor through the enactment and continuance of the trade treaties.

That is exactly what has been happening, and these conditions will result in so many laboring men losing their jobs by 1952 that you will find the rank and file of labor will again turn to the Republican Party, which has always believed that a tariff should be levied on imported goods high enough to meet the difference between low-cost production abroad and high-cost production here in America.

MILK SHORTAGE IN THE DISTRICT OF COLUMBIA AND SURPLUS IN THE MIDWEST

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I am not familiar with the merits of the present milk strike in the District of Columbia and also in Pittsburgh, but I do know that whatever is done will undoubtedly raise the price of milk to the consumers in both these areas. I understood the gentleman from New York [Mr. EDWIN ARTHUR HALL], my distinguished colleage on the Committee on Agriculture, to say that he has a cow and that he gets 10 gallons of milk a day. I do not know whether he has recommended that we pass——

Mr. EDWIN ARTHUR HALL. I meant 10 quarts.

Mr. AUGUST H. ANDRESEN. Ten quarts; very well. I thought it was some milk cow when the gentleman said 10 gallons. I do not know whether he is recommending that we pass legislation here permitting every resident of the District of Columbia to have a milk cow, but——

Mr. HOFFMAN of Michigan. Yes; but who is going to milk her?

Mr. AUGUST H. ANDRESEN. But out through the Midwest in States like Minnesota, Iowa, Michigan, and Wisconsin, we have a great surplus of milk and the farmers are getting less than 6 cents a quart for it. We can start a trainload of milk to Washington every day from this Midwest surplus milk production and deliver it in the District of Columbia at a much lower cost than they are paying at the present time. The Washington and Pittsburgh milk strikes are actually strikes against the consumers instead of the milk dealers.

FOREIGN IMPORTATIONS

Mr. NICHOLSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. NICHOLSON. Mr. Speaker, I was very glad to hear the gentleman from West Virginia stand up here and talk as I have and as my family has ever since we were born. It seems he and I both are in favor of taking care of the industries of this country so that the men of our Nation can get a job.

I want to congratulate him for getting up here and saying so.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix.]

AUTHORIZING CERTAIN CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS

Mr. VINSON. Mr. Speaker, I call up the conference report on the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. No. 2212)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"TITLE I

"SEC. 101. The Secretary of the Army, under the direction of the Secretary of Defense, is hereby authorized to establish or develop military installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

"CONTINENTAL UNITED STATES

"Aberdeen Proving Ground, Maryland: Climatic testing facilities, air to ground rocket firing research facilities, high explosives loading and disassembly facilities, and compressor building for supersonic wind tunnel, $2,930,000.

"Arlington Hall, Virginia: Extension between wings 1 and 2, building numbered 450, extension of wing numbered 1, building numbered 450, $94,000.

"Army Medical Center, District of Columbia: Reconstruction of heating plant, $350,000.

"Army-Navy General Hospital, Arkansas: Ground storage water reservoir, $65,000.

"Army chemical center, Maryland: Process laboratory, radiological 'cold' laboratory, low temperature test chambers, experimental loading and filling building, test chamber for aerosols, radiological 'hot' laboratory, protective equipment laboratory, explosion test chamber, collective protector and air filter laboratory, facilities for assembly of clusters and fire bombs, high pressure laboratory, storage building for radiological equipment laboratory for radiological defense school, $2,861,000.

"Army receiving station, La Plata, Maryland: Barracks, receiving building, powerhouse, and garage, $535,500.

"Army transmitting station, District of Columbia area: Improve roads, land acquisition, power facilities, powerhouse and garage, telephone facilities, transmitter building, barracks, and utilities, $1,186,500.

"Fort Belvoir, Virginia: Communications building, $118,000.

"Benicia Arsenal, California: Improvements to water system, $243,800.

"Fort Benning, Georgia: Repair shops, magazines, storage facilities, administration building, gasoline station and pump house, central heating plant, lavatory building, target house, $210,000.

"Black Hills Ordnance Depot, South Dakota: Improvements to water system, $150,000.

"Brooklyn Army Base, New York: Fire protection of piers, $150,000.

"California Institute of Technology, California: Test cells, hazardous propellant storage, construction, modification, and relocation of facilities, $685,000.

"Deseret Chemical Depot, Utah: Barracks, $266,700.

"Camp Detrick, Maryland: Civilian dormitory, decontamination facilities, munitions building, aerobiological building, basic science building, meteorological building, pilot plant for crop studies, surveillance building, storage facilities, maintenance shops, research and development laboratory, central boiler plant, plant science building, bacteriological development laboratory, agent control laboratory, animal breeding facilities, animal barn and corral, medical-veterinary laboratory, soils preparation building, $5,822,500.

"Dugway Proving Ground, Utah: Technical, administrative, and community facilities, bachelor officers' quarters, barracks, and utilities, $8,695,300.

"Sault Sainte Marie, Michigan: Housing, administrative, operational and community facilities and utilities, $1,000,000.

"Camp Hood, Texas: Battalion motor park, highway bridge, improvements to water system, $718,000.

"Fort Lewis, Washington: Removal of structures and relocation of post office and finance building, telephone exchange building, $272,000.

"Lima Ordnance Depot, Ohio: Connection with city water supply and utilities, $90,000.

"Malta Test Station, New York: Additional garage space, additions to electrical distribution system; Quonset huts and platforms; fencing, drainage, roads, fire lanes and clearings, vehicle storage sheds, well, pump and water distributing system, addition to test structure numbered 6, chemical test structure and test cells, oxygen pump and turbine test buildings, extension of nitrogen and oxygen gas lines to pits 1 and 2 and chemical pit, fire-alarm system, increase storage for new type fuels, stockroom addition, extension engineering and laboratory building, water pipe wall for pits 3 and 4, addition to ram jet structure, $840,000.

"Marion Engineer Depot, Ohio: Sprinkler system, special storage facilities, $533,000.

"Middletown, California: Receiver, relay center, and utility buildings, access roads, clearing and grading, fencing, utilities and land acquisition, $760,000.

"Midwest Chemical Depot, Arkansas: Storage sheds, $551,000.

"Muroc Air Force Base, California: Improvement to range bombing facilities, $144,000.

"Navajo Ordnance Depot, Arizona: Utilities for Navajo Village, $255,000.

"Picatinny Arsenal, New Jersey: Construction of facilities for rocket development and test purposes and utilities (Loki project), $260,000.

"Redstone Arsenal (Huntsville), Alabama: Chemical laboratory and administration-engineer buildings and rocket motor test stand; engineer building administration building, laboratory buildings; four rocket motor test stands; storage facilities; flight test range; nitroglycerin plant; two temperature conditioning buildings; modification of eight buildings; modification of one building for machine shop; expansion and modification of utilities, roads, and fences; $4,250,000.

"Fort Riley, Kansas: Underground magazines, $44,000.

"Rossford Ordnance Depot, Ohio: Fireproofing of warehouses, $500,000.

"Saint Louis Medical Depot, Missouri: Modification of medical laboratory building, $125,000.

"Schenectady General Depot, New York: Base maintenance shop building facilities and utilities, $749,000.

"Sharpe General Depot, California: Equipment processing building, $184,900.

"Hanford, Washington: Barracks, administrative, supply, community, operational and tactical facilities, site development, and utilities, $6,551,343.

"Fort Sheridan, Illinois: Beach-erosion protection, $150,000.

"Fort Sill, Oklahoma: Control tower, $33,000.

"White Sands Proving Ground, New Mexico: Barracks, extension of field instrumentation, automotive maintenance shops, fuel stations, improvements to airfield facilities, meteorological station, refrigeration and ice plant, utilities shops, storage facilities, extension of water supply system and electric power system and bachelor officers' quarters, $2,460,400.

"SPECIAL WEAPONS PROJECT

"Construction at classified installations, $2,258,800.

"OUTSIDE CONTINENTAL UNITED STATES

"Alaska: Communications station, including housing, technical, administrative, operational, supply and community facilities, site development, and utilities, $7,873,700.

"Eielson Air Force Base, Alaska: Petroleum terminal storage, clearing and site preparation, outside utilities, barracks, organizational maintenance shop, special maintenance shop, ordnance shop, roads, streets and walks, gasoline dispensing station, warehouse, parking areas, oil and grease storage, family quarters, ammunition storage, fire reporting telephone system, battalion headquarters and storage building, $13,746,000.

"Ladd Air Force Base, Alaska: Clearing and site preparation, outside utilities, roads, streets and walks, barracks including mess facilities, organizational maintenance shops, post exchange, gasoline dispensing facility, service club, battalion headquarters and supply building, infirmary, $12,590,200.

"Fort Richardson, Alaska: Petroleum terminal storage and dock, water supply warehouses, heat and power plant, bachelor officers' quarters, family housing and utilities, outside utilities, organizational maintenance shops, barracks, engineer shops, roads, streets and walks, officers' mess, $36,882,845.

"Whittier, Alaska: Central heat and power plant, composite bachelor housing, service and recreation building, $3,131,000.

"Okinawa: General depot facilities, laundry, barracks, bachelor officers' quarters, family quarters and utilities, operations building, emergency power building and direction finder building, $13,071,480.

"Helemano, Oahu, Hawaii: Land acquisition, $6,000.

"TITLE II

"The Secretary of the Navy, under the direction of the Secretary of Defense, is hereby authorized to establish or develop naval installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities as follows:

"CONTINENTAL UNITED STATES

"Naval air station, Alameda, California: Jet overhaul building and accessories, $950,000.

"Naval Research Laboratory, Anacostia, District of Columbia: Research laboratory building and accessories, correction of deficiencies to existing facilities, $1,570,000.

"Naval engineering experiment station, Annapolis, Maryland: Submarine propulsion test facility, $2,000,000.

"Naval ammunition depot, Bangor, Washington: Mine assembly facilities, including buildings and accessory construction, $1,000,000.

"Naval Command Operations Center, Training Center, First Naval District: Alterations for command operations center equipment, $151,000.

"Naval training schools, Massachusetts, Institute of Technology, Cambridge, Massachusetts: Combustion test and development facility, $682,000.

"David Taylor Model Basin, Carderock, Maryland: Alter twenty-four-inch variable pressure water tunnel, wind tunnel and associated facilities, completion of three-meter wind tunnel, free surface test facility, $2,344,000.

"Naval Observatory, Charlottesville, Virginia: Relocation of Naval Observatory from Washington, District of Columbia, including buildings, collateral equipment, accessory construction, acquisition of land, and the relocation of instruments and accessory equipment to sites to be determined, $7,000,000.

"Naval Aviation Ordnance Test Station, Chincoteague, Virginia: Guided missile range and facilities, $1,165,000.

"Naval proving ground, Dahlgren, Virginia: Interior ballistics measurements building, $410,000.

"Marine Corps depot of supplies, eastern United States: Depot facilities at a location to be determined, $20,000,000.

"Naval Ordnance Aerophysics Laboratory, Daingerfield, Texas: Addition to test chamber to increase capacity of wind tunnel and additional laboratory facilities, $864,500.

"Fleet Air Defense Training Center, Dam Neck, Virginia: Expansion of present facilities, including roads, walks, generators, transformers, utilities, collateral equipment, auxiliary construction and facilities for administration, command operations center and radar, command operations center instruction, dispensary, barracks, galley and mess hall, bachelor officers' quarters, storage, public works operations, garage, laundry, incinerator, sewage disposal, recreation, chapel, fire house and community services, $18,542,000.

"Naval ammunition depot, Earle, New Jersey: Mine assembly facilities, including buildings and accessory construction, $1,100,000.

"Naval training center, Great Lakes, Illinois: Addition to main power plant, including boilers and accessory construction, $650,000.

"Naval ammunition depot, Hawthorne, Nevada: Additional water storage facilities, $320,000.

"Naval ordnance test station, Inyokern, California: Morris Dam under-water test facilities, static firing facilities for liquid fuels, aerodynamics ballistic track range, ballistic ground ranges and additional instrumentation for and modification of guided missile range, ballistics range facilities, $9,160,000.

"Naval air station, Jacksonville, Florida: Aircraft carrier berthing, turning basin and approach channel, Mayport, Florida, $4,920,000.

"Naval fuel storage facility, Jacksonville, Florida: Acquisition and expansion of residual terminal facility, including tankage, pipe lines, and accessory construction, $3,175,000.

"Naval air development station, Johnsville, Pennsylvania: Extension of runways for jet operations, acquisition of avigation easements in runway approach zone, development and test facilities, $5,253,500.

"Naval station, Key West, Florida: Dredging at submarine basin, $739,000.

"Naval aeronautical rocket laboratory, Lake Denmark, New Jersey: Rocket test and development facilities, $7,500,000.

"Camp Lejeune, North Carolina: Construction of railroad spur from Camp Lejeune to Cherry Point, North Carolina, $3,000,000.

"Naval auxiliary air station, Miramar, California: Aircraft maintenance hangar, parking, utilities, services, and gasoline storage, $2,230,000.

"Naval submarine base, New London, Connecticut: Hydrogen peroxide storage facilities, $60,000.

"Naval base, Newport, Rhode Island: Acquisition of land on Conanicut Island for small boat landings, $9,000.

"Naval base, Newport, Rhode Island: Sewage facilities, $1,243,000.

"Naval air station, Norfolk, Virginia: Test cells for turbine engines, $485,000.

"Headquarters, Commander in Chief, Atlantic Fleet, Norfolk, Virginia: Combined antisubmarine warfare plot and administration building, $650,000.

"Naval communication station, Norfolk, Virginia: Communication facilities for Headquarters, Commander in Chief, Atlantic Fleet, $11,650,000.

"Naval air test center, Patuxent River, Maryland: Installation of slotted cylinder catapult and arresting gear, $1,110,000.

"Naval air station, Pensacola, Florida: Improvement of power plant and electrical distribution system, $3,960,000.

"Naval electronics laboratory, Point Loma, California: Laboratory supply and utility buildings, including services and accessories, $3,450,000.

"Naval civil engineering and evaluation laboratory, naval construction battalion center, Port Hueneme, California: Laboratory building and associated facilities, $450,000.

"Naval air station, Quonset Point, Rhode Island: Completion of two engine test cells, $300,000.

"Naval air station, San Diego, California: Turbo prop engine test cells, $530,000.

"Special devices center, Sands Point, Long Island, New York: Acquisition of land and buildings, $350,000.

"Naval shipyard, San Francisco, California: Conversion of building numbered 351 for radiological laboratory, $1,000,000.

"Thirteenth Naval District: Radio direction finder facilities for supplementary communication requirements, $211,000.

"Twelfth Naval District: Vacuum system housing at naval ordnance activity, $85,000.

"Naval air station, Whidbey Island, Washington: Acquisition of rocket target range (three hundred and fourteen and sixty-two one-hundredths acres), $35,800.

"Naval ordnance laboratory, White Oak, Maryland: Model test tank, ballistics laboratory, $1,540,000.

"Navy communication station, Winter Harbor, Maine: Addition to radio operating building, permanent remote control high frequency direction-finder facilities, $410,000.

"Fort Lauderdale, Florida: Advanced undersea warfare school, $275,000.

"Various locations: Additional aviation fuel storage to support jet operations, $5,000,000. Extension of runways for jet operations at naval air station, Alameda, California; Marine Corps air station, Cherry Point, North Carolina; Marine Corps air station, El Toro, California; naval air station, Norfolk, Virginia; naval auxiliary air station, Oceana, Virginia, and/or at such stations as changes in strategic dispositions indicate, $8,190,000.

"OUTSIDE CONTINENTAL UNITED STATES

"Fourteenth Naval District: Communication control links, including equipment and land, $527,000.

"Navy communication supplementary activity, Guam: Permanent facilities for communication supplementary activities, interim operating building and accessory construction, $8,870,000.

"Naval supply center, Guam: Additional petroleum storage facilities, $14,200,000.

"Agana Naval Air Station, Guam: Water, electric, and sanitary systems, $1,850,000.

"Naval operating base, Guam: Extension of power generation, transmission and distribution system; water supply and distribution system; family housing and completion of civil-service bachelor quarters, $21,936,000.

"Oahu, Hawaii: Acquisition of part of Oahu Railroad, $1.

"Naval operating base, Kwajalein: Water supply and distribution, power plant and water distillation, refrigerated storage, sewage-disposal system, barracks, mess and galley, $5,958,000.

"Argentia, Newfoundland: Permanent communication facility, family quarters and utilities (conversion), $3,193,000.

"Pacific: Naval government facilities in Trust Territories, $1,000,000.

"Roosevelt Roads, Puerto Rico: Acquisition of land (four thousand one hundred and seventy acres), $330,000.

"Naval station, Tutuila Island, Samoa: Acquisition of land (eleven acres), $3,500.

"Construction at classified installations, $23,316,000.

"Various: Additional communications facilities, $1,000,000. Aviation gas storage (one hundred ninety thousand barrels), $3,350,000.

"TITLE III

"The Secretary of the Air Force, under the direction of the Secretary of Defense, is hereby authorized to establish or develop installations and facilities by the construction, installation, or equipment of temporary or permanent public works, including buildings, facilities, appurtenances, and utilities, as follows:

"CONTINENTAL UNITED STATES

"Bakersfield, California: Purchase and rehabilitation of Mohawk Oil Company plant, including land, $141,000.

"Barksdale Air Force Base, Shreveport, Louisiana: Jet fuel storage and dispensing facilities, $1,500,000.

"Biggs Air Force Base, El Paso, Texas: Additional aviation fuel storage and airfield pavements, and water wells, $3,203,000.

"Campbell Air Force Base, Hopkinsville, Kentucky: Control tower and security fence, $100,000.

"Castle Air Force Base, Merced, California: Airfield pavements, land for runway extension and aviation fuel storage facilities, $4,587,000.

"Air Force Base, Savannah, Georgia: Facilities, barracks, quarters and utilities, pavements and storage, $1,275,000.

"Eglin Air Force Base, Florida: Construction of armament center and related facilities including engineering building, hangar, warehouse, armament facilities, ramps, roads and taxiways, modification and improvements of range and ammunition area, ammunition and inspection plant, and addition to measurement and analysis building, and railroad, $9,399,250.

"Ellington Air Force Base, Houston, Texas: Celestial navigation training buildings, $57,000.

"Fairfield-Suisun Air Force Base, California: Airfield pavements, $1,796,800.

"Great Falls Air Force Base, Great Falls, Montana: Aviation fuel storage facility, airfield pavements and barracks, $4,361,000.

"Hamilton Air Force Base, San Rafael, California: Aviation fuel storage facilities, $1,000,000.

"Holloman Air Force Base, Alamogordo, New Mexico: Instrumentation building, telephone circuits to instrumentation sites, utilities, conversion of electrical distribution system, water supply and storage facilities, missile assembly buildings, photo laboratory, commissary, sales store and warehouse, tracking device (telemetering and radar), access trails in range area, technical building, upper atmosphere research station, $3,719,725.

"Hood Air Force Base, Temple, Texas: Operation building, control tower and fire crash station, night lighting, transformer building, fuel storage, oil storage, electrical distribution system, gas mains, water mains, sewage-disposal facilities, grading and seeding, roads and parking areas, gate house, obstruction lighting, airfield pavement, $1,913,467.

"Kelly Air Force Base, San Antonio, Texas: Addition to sewage disposal plant, $255,170.

"Kirtland Air Force Base, Albuquerque, New Mexico: Utilities and barracks, $1,270,000.

"Lackland Air Force Base, San Antonio, Texas: Water well, $77,000.

"Langley Air Force Base, Hampton, Virginia: Jet fuel storage and dispensing facilities, $486,000.

"Limestone Air Force Base, Limestone, Maine: Barracks, aviation fuel storage facilities, heating plant and extension to existing heating facilities, warehouses, maintenance shops, fire and crash station, bomb handling and storage facilities, airfield pavements, oil storage facilities, commissary, nose hangars, training school building, utilities, roads and parking areas, administrative telephone system, communications and electronic facilities, railroad, refrigeration plant, recreation facility, school, motor pool, $24,631,200.

"MacDill Air Force Base, Tampa, Florida: Aviation fuel storage facilities and airfield pavements, $2,828,000.

"McChord Air Force Base, Tacoma, Washington: Jet fuel storage and dispensing facilities, runway extension and taxiway, $573,337.

"McGuire Air Force Base, Trenton, New Jersey: Jet fuel storage and dispensing facilities, $300,000.

"Moses Lake Air Force Base, Moses Lake, Washington: Barracks, hospital, bachelor officers' quarters, operations building and control tower, crash fire station, $4,195,000.

"Mount Washington Weather Station, New Hampshire: Climatic projects laboratory, $363,600.

"Muroc Air Force Base, California: Quartermaster warehouse, electrical system, land for base expansion, unconventional fuel storage, water system, radar and telemetering station, hangars, pavements, runway and taxiway, warehouses and railroad spur, hangar shop and warehouse, rocket static test facilities, barracks, $26,654,280.

"Norwalk, California: Rehabilitation and provision of additional operating facilities, purchase of Wilshire and Sunset Oil Company plants, $767,000.

"Offutt Air Force Base, Omaha, Nebraska: Reconstruction of barracks for troop housing, $300,000.

"Otis Air Force Base, Falmouth, Massachusetts: Aviation fuel storage facilities and hangar, $1,150,000.

"Panama City, Florida: Purchase and rehabilitation of Panama City Oil Company plant, $537,339.

"Rapid City Air Force Base, Rapid City, South Dakota: High speed refueling system, airfield night lighting and hazard removal, $1,576,100.

"Selfridge Air Force Base, Mount Clemens, Michigan: Aviation fuel storage facilities and airfield pavements, $600,000.

"Spokane Air Force Base, Spokane, Washington: Purchase of land, airfield pavements, aviation fuel storage facilities, and barracks, $6,645,000.

"Saint Louis, Missouri: Renovation of building for aeronautical chart service and moving of equipment, $1,500,000.

"Tacoma, Washington: Purchase and rehabilitation of General Petroleum Corporation terminal numbered 2 facilities, $200,000.

"Walker Air Force Base, Roswell, New Mexico: Aviation fuel storage facilities, airfield pavements, $3,504,000.

"Wright-Patterson Air Force Base, Dayton, Ohio: Structure branch storage, addition to electrical distribution system for engineering laboratory building, modification to shop and office (wind tunnel building 24C), addition to film storage building, compass test building, modification of wind tunnel (building 24B), addition to radar test building, high-powered electric whirlrig, extension to electric system, coal-handling facilities (area C), extension to engineer shops, vibration test building, $3,040,010.

"Location to be determined: Additional strategic bulk petroleum storage facilities, $14,200,000; facilities for storage and repair of rocket motors, including storage facilities for unconventional fuels, $1,000,000; facilities for Air Force Security Service, $5,802,900; classified facilities, $580,000.

"Various locations: Conversion of engine overhaul and test facilities, $7,990,000; airways navigational aids and communications facilities, $11,627,415; repair and replacement of airfield lighting, $1,000,000; facilities for storage and dispensing of unconventional fuels, $2,000,000.

"OUTSIDE CONTINENTAL UNITED STATES

"Alaska: Warm-up shelters for aircraft, $700,000.

"Elelson Air Force Base, Alaska: Utilities, utilidor and tie-in to new power plant, power and steam plant, family quarters and utilities, aviation gasoline storage and dispensing facilities, airfield pavements, $11,213,320.

"Elmendorf Air Force Base, Fort Richardson, Alaska: Outside utilities, warm storage for vehicles, $1,191,746.

"Ladd Air Force Base, Fairbanks, Alaska: Family quarters and utilities, barracks and outside utilities, $11,283,000.

"Lagens Field, Azores: Fuel unloading facilities, water supply and distribution facilities, $2,332,000.

"Kindley Air Force Base, Bermuda: Completion of bridge, $600,000.

"Johnston Island Air Force Base: Petroleum storage facilities, salt water flushing system, fresh water supply system, airfield lighting, dock repair and replacement, electrical distribution system, electric power plant, communications facilities, $2,031,000.

"Goose Bay Airport, Labrador: Aviation gasoline storage and dispensing facilities, high speed refueling facilities, $3,050,000.

"Wheelus Field, Libya: Water supply and distribution facilities, $325,000.

"Dhahran Air Transport Station, Saudi Arabia: Additional facilities, $4,500,000.

"Various locations: Weather broadcast and point-to-point communications facilities, $1,701,613; northeast Loran chain, $2,850,000; ground-control-approach facilities, $433,760; air/ground radio stations, $2,076,592; three multichannel single-side-band stations, $4,180,131; radar set facilities, $381,000; demountable or low-cost family housing, $4,800,000; instrument landing system, $150,000; facilities for Air Force Security Service, $1,670,000; classified facilities, $1,000,000.

"TITLE IV

"GENERAL PROVISIONS

"SEC. 401. To accomplish the above-authorized construction the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force, under the direction of the Secretary of Defense, are authorized to acquire lands and rights pertaining thereto, or other interests therein, including the temporary use thereof, by donation, purchase, exchange of Government-owned lands, or otherwise, without regard to section 3648, Revised Statutes, as amended. When necessary, the Secretary of the Army, under the direction of the Secretary of Defense, is authorized to commence construction authorized in title I hereof for a single special weapons project prior to approval of title to such lands by the Attorney General as required by section 355, Revised Statutes, as amended.

"SEC. 402. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums of money as may be necessary for the purposes of this Act, but not to exceed:

"(1) For public works authorized by title I: Inside continental United States, $44,803,943; outside continental United States, $87,301,225; special weapons project, $2,258,800.

"(2) For public works authorized by title II: Inside continental United States, $135,719,800; outside continental United States, $85,533,501.

"(3) For public works authorized by title III: Inside continental United States, $159,006,593; outside continental United States, $56,469,162.

"(4) For such emergency construction projects within and without the continental United States as may be authorized, under the direction of the Secretary of Defense, by the Secretary of the Army, $9,000,000; by the Secretary of the Navy, $6,000,000; and by the Secretary of the Air Force, $10,000,000.

"SEC. 403. The approximate cost of each project enumerated and authorized by titles I, II, and III of this Act may, in the discretion of the Secretary concerned, be varied upward 5 per centum, but the total cost of work for each title as authorized in section 402 shall not be exceeded.

"SEC. 404. (a) Nothing contained in this Act shall be construed to authorize the construction of family quarters or the conversion of existing structures to family quarters at any of the localities mentioned in Titles I, II, and III of this Act under the heading 'Continental United States'.

"(b) No family quarters shall be constructed under the authority of this Act outside continental United States which are in excess of a net floor area of 1,080 square feet per unit.

"SEC. 405. When family quarters are constructed outside continental United States, or in Alaska, unit cost and average cost thereof for construction, including kitchen range, refrigerator, telephone, site development and outside utilities, architectural and engineering services, and all contingencies shall be limited to $33,000 and $29,500, respectively.

"SEC. 406. Appropriations made to carry out the purposes of this Act shall be available for expenses incident to construction, including administration, overhead planning and surveys, and shall be available until expended when specifically provided in the appropriation Act.

"SEC. 407. Any projects authorized herein may be prosecuted under direct appropriations, or authority to enter into contracts in lieu of such appropriations.

"SEC. 408. (a) There is hereby rescinded, as of December 31, 1949, any authority conferred by any Act of Congress enacted prior to the beginning of the Eightieth Congress to proceed with any project or projects for the establishment or development of military, naval, or air-force installations and facilities by the construction, installation, or equipment of temporary or permanent public works, unless funds to be used for the exercise of such authority have been appropriated on or before December 31, 1949.

"(b) The Secretary of Defense is authorized and directed to make a report to the Congress at the beginning of the first session of the Eighty-second Congress, and at the beginning of the first session of each succeeding Congress, listing all projects for the establishment or development of military, naval, or air-force installations and facilities by the construction, installation, or equipment of temporary or permanent public works which have been authorized by the Congress subsequent to the beginning of the Eightieth Congress and for which adequate funds for the completion thereof have not been appropriated. The report shall include any recommendations which the Secretary of Defense deems appropriate with respect to the rescission of all, or any portion, of the authority to proceed with any such project.

"(c) Nothing in subsections (a) and (b) of this section shall be deemed to relate to any project authorized to be prosecuted by the Department of the Army in the exercise of the civilian functions of the Corps of Engineers."

And the House agree to the same.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
Managers on the Part of the House.

MILLARD E. TYDINGS,
RICHARD B. RUSSELL,
HARRY FLOOD BYRD,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

LEGISLATION IN CONFERENCE

The Senate passed S. 2440, a military and naval construction bill, on February 9, 1950, which bill was then referred to the House Committee on Armed Services and substituted for H. R. 7008, a companion bill then under consideration by the House Committee on Armed Services. Subsequent to the referral of the Senate bill to the House committee, it was learned that the Department of Defense was preparing a second public works bill for submission to the second session of the Eighty-first Congress. Upon receipt of this information, the chairman of the House committee requested the Department of Defense to submit those items of the highest priority which were to be included in the second bill for the committee's consideration and, if deemed advisable by the committee, inclusion in S. 2440 by committee amendment. In accordance with this request the Secretary of Defense submitted 43 additional items totaling $189,000,000, which items were added to the Senate bill by the House committee by committee amendment. These amendments were agreeable to the Senate conferees. The Senate recedes.

By committee amendment the House committee deleted all authorizations for family housing and utilities within the continental limits of the United States. This amendment resulted in a reduction in the total authorization of the bill of $105,000,000. The Senate recedes.

The House committee, by committee amendment, deleted an item authorizing the relocation of the Naval Observatory at Washington, D. C., to Charlottesville, Va. This item would appear on page 8, following line 23, of the engrossed copy of the bill as passed by the House. The item authorized $8,500,000 for this relocation. After agreeing to reduce the authorization from eight and one-half to seven million dollars, the item was reinserted in the bill. The House recedes.

The House committee deleted an item relating to the Naval Ordnance Test Station at Chincoteague, Va., in the amount of $1,511,000. The conferees were advised that this item was still under consideration by the Management Committee in the Department of Defense. Pending the decision of the Management Committee, it was agreed to reinstate this item in the bill except for that portion of the item covering family quarters and utilities. This item was reinserted at the lesser authorization of $1,165,000. The House recedes.

The House committee had added, and the House had approved, an item authorizing construction of a Marine Corps supply depot in eastern United States in the amount of $25,000,000. The authorization of this item was reduced from $25,000,000 to $20,000,000. The Senate recedes.

The House committee had added, by committee amendment, an authorization of $11,000,000 for additional construction at the Naval Postgraduate School, Monterey, Calif. This item was not agreeable to the conferees and was stricken from the bill. The House recedes.

The House committee deleted an item relating to construction in the amount of $3,114,500 at the Griffiss Air Force Base, Rome, N. Y., the purpose of which was to accommodate the removal of the Watson Electronic Laboratories of the Air Force from Eatontown, N. J., to Griffiss Air Force Base. It was agreed by the conferees that this item would not be reinserted in the bill. However, this decision was predicated on the further agreement of the conferees that the chairman of the Senate Armed Services Committee and the chairman of the House Armed Services Committee would introduce, as expeditiously as possible, a separate bill covering this one specific item and that the respective committees would conduct hearings on said bill upon receipt of report from the Secretary of the Air Force relative to this and other electronic activities of the Air Force. The Senate recedes.

The Senate had included in section 402 an item "for such emergency construction projects within and without the continental limits of the United States as may be authorized, under the direction of the Secretary of Defense, by the Secretary of the Army, $9,000,000; by the Secretary of the Navy, $6,000,000; and by the Secretary of the Air Force, $10,000,000." It is recognized that emergency situations of the highest priority may arise and that undue delays may occur unless a general authorization of this nature is included in the bill. The House recedes.

A number of clarifying amendments were required in order to correct typographical mistakes and inadvertent deletions in the House bill. None of these amendments have any substantive effect on the bill.

The total of all authorizations in the bill, as approved by the conferees, is $596,033,024.

CARL VINSON,
OVERTON BROOKS,
PAUL J. KILDAY,
DEWEY SHORT,
LESLIE C. ARENDS,
Managers on the Part of the House.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read the statement.

Mr. VINSON. Mr. Speaker, the statement as just read explains the issue between the House conferees and the Senate conferees. I may say that the Senate receded and adhered to the House viewpoint in reference to the elimination of all family quarters in continental United States.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Is this a unanimous report?

Mr. VINSON. Yes.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Missouri.

Mr. SHORT. Mr. Speaker, this is a unanimous report. I might say that the Senate yielded to most of the House requests and demands, and I do not know of anyone on this side who cares to speak on it. It was thoroughly debated in the House when we passed it. Every item was gone over in our committee and justified.

Mr. VINSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

PROGRAM FOR THE WEEK

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I would like to inquire of the majority leader as to the progam for today. I understand there has been some change in the weekly program as well.

Mr. McCORMACK. If the rule to follow is adopted, we do not intend to bring up the bill today, and it is not programed. Of course, I shall not program it without giving the leadership adequate advance notice, and it will not be programed this week.

Mr. MARTIN of Massachusetts. All we will do then is to adopt the rule today?

Mr. McCORMACK. Exactly.

Mr. MARTIN of Massachusetts. Is there anything else to follow this rule today?

Mr. McCORMACK. No. There is no further business after action on the rule.

Mr. MARTIN of Massachusetts. What about the rent-control bill? Is the gentleman ready to tell the House about that yet?

Mr. McCORMACK. If the Senate should pass the bill today, which appears to be uncertain based upon information that the gentleman from Massachusetts and I both received, then it would come up tomorrow. If not, and it should pass tomorrow, or Wednesday, it will come up Thursday.

Mr. MARTIN of Massachusetts. Someone wishes to know about the following week, if the gentleman has any information as to the program.

Mr. McCORMACK. I wish I could advise, but I cannot, I am sorry.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. What about the rest of this week?

Mr. MARTIN of Massachusetts. The gentleman just said rent control.

Mr. HOFFMAN of Michigan. All week?

Mr. McCORMACK. Well, that is about the only thing I have in mind now. The Committee on Rules is meeting this afternoon. I said last Thursday that as to any additional program, I would advise the leadership and the House in adequate time.

Mr. HOFFMAN of Michigan. Then it would be in order to ask for special orders all the rest of this week?

Mr. McCORMACK. It is always in order to ask for special orders any time a Member wants to. I know of nothing now, but I cannot commit myself. That is dependent on what the Committee on Rules does today.

PROVIDING FOR PARTICIPATION BY THE UNITED STATES IN CERTAIN INTERNATIONAL ORGANIZATIONS

The SPEAKER. When the House last considered House Resolution 350, there were 9 minutes of debate remaining. The gentleman from West Virginia [Mr. KEE] has 7 minutes, and the gentleman from Minnesota [Mr. JUDD] has 2 minutes.

Mr. KEE. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. JUDD] and I yield myself 4 minutes.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. KEE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Speaker, I have in my hand a copy of a cable sent to me by the gentleman from Pennsylvania [Mr. KELLEY], who is in Europe on official business. The cable reads as follows:

> Strongly urge you fully support legislation to raise ceiling on contributions to certain specialized agencies including ILO. I note from reactions here in Geneva that this is a matter of urgent importance to objectives of United States foreign policy. Failure to pass would seriously weaken our influence and position.

Mr. KEE. Mr. Speaker, the resolution now up for consideration will, if adopted, bring to the floor House Joint Resolution 334, a joint resolution to amend various statutes providing for membership and participation of the United States in certain international organizations.

The organizations included in the provisions of this measure as as follows:

First. The Food and Agriculture Organization, usually designated FAO.

Second. The South Pacific Commission.

Third. The American International Institute for the Protection of Childhood.

Fourth. World Health Organization, usually referred to as the WHO.

Fifth. The International Labor Organization, commonly known as ILO. I shall discuss, for a few moments, the organizations in the order in which they are named in the resolution that the rule will bring before the House for consideration.

First, the American International Institute for the Protection of Childhood, is an organization initiated and operating in countries of the Western Hemisphere only. The movement that finally led to the formation of the organization had its beginning at the Second Pan American Child Conference at Montevideo, Uruguay, in the year 1919. The organization was effected 8 years later, to wit, in the year 1927, at the city of Montevideo, where the movement started.

This is said to be one of the most popular of the many specialized organizations having to do with inter-American affairs. Uruguay took the leadership in establishing the organization, and as early as 1925 made legal provision for the payment by that nation of annual dues for its support. In 1928, Uruguay provided a sum equal to 30,000 American dollars to defray the expense of installing the organization which it had aided in launching in 1927.

Today, all of the American Republics are members of the Institute and contribute to its support. In 1946, the council of the Institute revised the contribution scale; and the assessment of the United States was raised from $2,000 to $10,000 per annum. The percentage of the United States contribution is 37½ percent of the total cost of operation. The percentage of Brazil's assessment, that country being the next largest contributor, is 18 percent.

The appropriation to be authorized by House Joint Resolution 334 is $24,000. This amount is necessary to pay the current dues of the United States and its arrears since 1946, to wit: for 4 years, during all of which our dues have remained unpaid.

Second, the Food and Agriculture Organization—FAO. This organization was the product of a great meeting of delegates from practically all nations in the world who assembled at Hot Springs, Va., in 1945. It will be recalled that our former colleague in the House, Hon. Marvin Jones, was chairman of that meeting at which the FAO, was planned and its organization practically effected. It has been functioning most efficiently ever since its establishment. Evidence before the Foreign Affairs Committee was highly commendatory of the accomplishments of the organization over the years of its existence. I commend to you a reading of the committee report accompanying the resolution to the floor of the House. Its revelation of accomplishment is not only surprising, but is indeed gratifying.

The resolution to be considered if the rule is adopted will authorize an increase of $750,000 in the contribution of the United States to the FAO.

For the past 4 years the Food and Agriculture Organization has had an annual budget of $5,000,000, of which the United States contribution has been at the rate of 25 percent of $1,250,000 per year. Because some governments, incuding the Soviet Union, whom it was anticipated would join the organization, have failed to do so, the organization has faced a deficiency in contributions of more than 7 percent, and has been compelled to operate on a budget much less than the $5,000,000 voted. Member governments have generally agreed on the necessity of a $5,000,000 budget. It is therefore necessary to distribute the 7 percent over the present membership. This will probably raise the United States contribution from 25 percent to approximately 27.7 percent. The committee in its report says that, in its judgment, the United States should be prepared to accept its fair share in the distribution.

Third, the South Pacific Commission, is an organization in which but six governments are participants. These governments are Australia, France, The Netherlands, New Zealand, United Kingdom and the United States. All of these

are governments possessing non-self-governing territories in the South Pacific. In this region there are 15 of such territories. Of these, the United States has possession of territory in Samoa, with the harbor of Pago-Pago and islands at and near 171° west latitude; also of certain other islands in the same general region.

The purpose of the Commission is to provide means through which governments administering non-self-governing territories in the South Pacific may cooperate in promoting the economic and social advancement of the peoples of such territories. The Commission was created by an act of the Eightieth Congress—Public Law 403—and the initial contribution of the United States was fixed at $20,000, which represented this Government's share of the $160,000 budget established for the first stage of the Commission's activities.

To support its activities for the forthcoming year, the Commission adopted a budget of $333,089; but a carry-over balance of $74,000 reduces the budget to approximately $250,000. Of this amount the United States is scheduled to contribute 12½ percent, France 12½ percent, The Netherlands 15 percent, New Zealand 15 percent, United Kingdom 15 percent and Australia 30 percent.

The committee in its report accompanying the bill says, that although the share of the United States amounts to but $32,575, a very moderate figure, yet in view of a probable increase in the Commission's budget, though not likely to ever exceed $500,000, the committee deemed it to be the part of wisdom to fix a ceiling of $75,000.

This—

Says the committee—

should be ample to cover the United States share of the work of the Commission and to avoid the recurrence of the situation in which the Nation's representatives might feel forced to abstain from the discussion of budgetary considerations.

Pending, however, any increase in the budget, the appropriation to be requested under the authorization in House Joint Resolution 334 is not expected to exceed $32,575.

Fourth. The World Health Organization, commonly known as WHO, is one of the special agencies of the United Nations. It came into being on September 1, 1948, succeeding its interim commission which had been established in July 1946. In the short period of its existence the organization has made a commendable record of progress upon the long-term program for which it was established. Considering the character and extent of its operations, the World Health Organization is probably the most important of all the international agencies. It may be that it was because of this importance and because of the character of this agency's work among the peoples of the world, that the Soviet Government and some of its closest associates walked out of the organization last year refusing to further contribute to its support. The deserting members were the Soviet Union, the Byelorussian Soviet Republic, and the Ukrainian Soviet Republic. This walk-out, of course, contributed to the organization's need for additional revenues.

The resolution to be brought to the floor under the pending rule provides authorization for a one-time appropriation of $500,000 for a contribution to the working capital fund of the WHO and to raise the ceiling on the United States annual contribution to the organization from $1,920,000 to $3,000,000.

The chief reason for extra appropriation and for the lifting of the ceiling on our annual contribution is the establishment by the agency of a much larger budget than the $5,000,000 provided for during the organization period. The budget increase was from $5,000,000 to $7,000,000. As heretofore stated, the $500,000 one-time appropriation requested is for a working capital fund, to which all member nations are expected to contribute. It is expected that this working capital or stabilization fund will be established at $4,000,000.

To sum up: The increased contribution of the United States was made necessary, first, by defection from the WHO of the three Soviet Governments; second, by a budget greatly increased over that of the organization period; and third, by the necessity of increasing the capital fund.

At present the United States contributes 38.54 percent of the total operating cost of WHO, but this will be reduced next year to 36 percent and gradually thereafter to 33 percent.

Fifth. The International Labor Organization.

Paragraph (e) of the resolution made in order by the rule refers to the ILO—the International Labor Organization. It is proposed to raise the ceiling on the United States contribution to this organization from $1,091,739 to $1,700,000, and to eliminate a limitation of $95,000, on the expenses annually incurred in connection with the participation of the United States.

The International Labor Organization is the facility through which 60 member countries consult together and work out international standards to improve conditions of labor and employment. Its operations are, of course, world-wide, and it deals also with such problems as regional unemployment, training, manpower, and migration of workers.

The organization, established in 1919 as an independent agency of the League of Nations, acquired in 1940 the status of a specialized agency of the United Nations.

The subcommittee of the Committee on Foreign Affairs, to which House Joint Resolution 334 was referred, investigated rather extensively the operations of the ILO and stamped it with approval. A major part of the subcommittee's favorable report is included in the report of the full committee on the resolution, a perusal of which I earnestly recommend.

The contribution of the United States to the ILO for the present year, even with the increase in amount made necessary by an increase in the organization's budget will be 22 percent of the total. This indeed compares most favorably with our contributions to other international organizations.

I most earnestly recommend to the Members of the House the adoption of the pending rule.

Mr. Speaker, at this point and in connection with my remarks, I include the following letter addressed to me by the president of the League of Women Voters of the United States:

LEAGUE OF WOMEN VOTERS
OF THE UNITED STATES,
Washington, D. C., June 8, 1950.

The Honorable JOHN KEE,
Chairman, House Committee on
Foreign Affairs, Washington, D. C.

MY DEAR JUDGE KEE: The League of Women Voters is most anxious to see House action in the near future on House Joint Resolution 334, authorizing an increase in the ceilings on United States contributions to three of the specialized agencies of the United Nations.

We in the league have been much concerned over the delay in acting on this bill. The request for the higher ceilings appears well justified by the increased services which these agencies are being asked to perform today. Raising the ceilings does not commit our Government to giving a blank check, for the actual appropriations must be passed on by the United States representatives in the organizations as well as by the Congress. The records to date of the Food and Agriculture Organization, the World Health Organization, and the International Labor Organization, in our opinion, well justify the modest increases in budgets requested.

The specialized agencies of the United Nations are already making an important contribution toward keeping the peace of the world, and the League of Women Voters urges greater use of the United Nations in finding solutions to pressing economic and social problems. Failure to solve these problems will threaten the security and well being of the American people, as well as peoples throughout the world.

While the amounts of money involved are relatively small in the total budget picture—some $2,500,000—the principle involved is of first importance: Are we, the American people, willing to back up the United Nations not merely with lip service but also with the necessary tangible support? The league believes that we are, and that passage of House Joint Resolution 334 is an excellent way to show our support.

The league appreciates your efforts on behalf of this bill in the past, and hopes that you will do your utmost to press for speedy House action.

Sincerely yours,

PERCY MAXIM LEE,
Mrs. John G. Lee,
President.

Mr. JUDD. Mr. Speaker, I yield myself the remainder of the time.

Mr. Speaker, this resolution, as the distinguished chairman of the Committee on Foreign Affairs has said, makes in order House Joint Resolution 334, which increases from approximately $4,300,000 to $6,800,000, a maximum total of about $2,500,000, the existing ceilings on our United States appropriations to the budgets of the five international organizations mentioned. These five are all doing what I believe to be good jobs in working constructively to build good health and better economic, agricultural, and social conditions throughout the world.

Personally, I have been particularly interested in two of them, the Food and Agricultural Organization and the World Health Organization. It is perfectly clear that health, like peace, is indivisi-

ble and that in the long run we cannot protect our own health or our peace unless reasonably decent conditions exist in other parts of the world. Some of our problems can be solved only by international action on a world-wide scale.

There is neither time nor need today to discuss the merits of these particular organizations. This is merely a rule to give us a chance to discuss them one by one and let the House then work its will. If the majority of the Members should desire some changes with respect to the ceilings on appropriations to individual organizations, it can make them.

Mr. SMITH of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to my colleague and friend from Wisconsin.

Mr. SMITH of Wisconsin. While I have some serious misgivings about some of these organizations, I agree with the gentleman from Minnesota we can well afford to debate the matter and I hope the rule will be passed without objection.

Mr. JUDD. I thank the gentleman.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. JUDD. Gladly.

Mr. VORYS. Is this not another example of a package bill to put together five problems which ought to be considered together?

Mr. JUDD. That is right.

Mr. VORYS. Each of them is different, but as to all, except about $60,000, they are United Nations subsidiary organizations; is that not true?

Mr. JUDD. That is true.

Mr. VORYS. If we want to support the United Nations we have to support the United Nations organizations, is that not correct?

Mr. JUDD. That is clearly the case.

Mr. VORYS. The others have to do with inter-American activities and with our responsibilities in the South Pacific; therefore I can see no objection to adopting this rule.

Mr. JUDD. I thank the gentleman from Ohio.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield.

Mr. JAVITS. Mr. Speaker, I hope the House will adopt this rule. I think it is a measure of elementary justice with respect to our participation in these great international organizations which the gentleman is describing.

Mr. JUDD. I am grateful for the gentleman's support.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. JUDD. I yield to my senior colleague on the Committee on Foreign Affairs, the gentleman from Illinois.

Mr. CHIPERFIELD. Mr. Speaker, I favor the passage of this resolution.

Mr. JUDD. Thank you. Mr. Speaker, our committee reported this joint resolution unanimously, as indicated by the statements of other members of the committee. It does not increase the United States share of the budgets of these organizations. Our percentage ranges from 37.9 percent down to 12.5 percent and in some it is less now than formerly. In the case of the World Health Organization, for example, at its meeting last year in Rome, it voluntarily reduced the share of the United States from 39 percent to 36 percent of its budget. That was a year ago. At its last meeting, a few weeks ago in Geneva, it reduced it by another 1 percent to 35 percent, and has officially adopted a policy of reducing it further to not more than one-third. The organizations themselves generally recognize, as well as we, that it is bad for any international organization to get more than a third of its budget from any one country. It loses its genuine international character and independence and becomes too much of an appendage of that one country which is certainly not good either for the organization or for the country which provides so large a share of the budget of the organization.

These organizations have passed their experimental stage. We properly wanted rather low ceilings on our appropriations to them in the beginning because we were afraid, particularly in the cases of the World Health Organization and the Food and Agriculture Organization, that they might get into large, extensive commodity programs, supplying food and drugs to needy countries. That idea has been successfully resisted. The organizations have been fairly well shaken down and are carrying on their proper function of relatively inexpensive training and technical programs—not expensive supply programs.

The other member nations realize the merits of these organizations to the point where they are willing to increase their contributions. This resolution, once it is brought up, will allow the United States to increase its contributions proportionately to the increases made by other governments. The amount involved is relatively insignificant compared to what we are spending for other purposes. For instance, if the increases authorized should be fully taken up by matching contributions from other countries, it would amount to only one twenty-fifth of 1 percent of what we are spending for our total foreign assistance program this year. It amounts to less than one five-thousandths of what we are spending this year for our defense budget. I support our military defense program, but I recognize that is essentially negative. Just to be prepared against enemies is not enough. The United States has to have positive programs also along with the other peoples of the world, to build better conditions which, in the long run, is the only way we can overcome the lying propaganda of the Communists which promises people who are in despair all sorts of remedies. We know they are phony remedies, but they will continue to make headway unless we can provide leadership and assistance in helping people work out genuine cures.

So I believe there should be no objection to this rule so that we can bring up the joint resolution for consideration and action.

The SPEAKER. The time of the gentleman has expired.

All time has expired.

The question is on the resolution.

The resolution was agreed to.

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

COMMITTEE ON LOBBYING ACTIVITIES

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that on Thursday next, at the conclusion of the legislative business of the day and any other special orders heretofore entered, I may proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, the gentleman from Pennsylvania [Mr. BUCHANAN], chairman of the House Committee on Lobbying, earlier in the day stated there would be an executive session of the committee today, at which time it would be determined what further proceedings, if any, that committee would take.

I notice on the floor of the House the gentleman from Oklahoma [Mr. ALBERT]. I hope he will take to that executive session meeting my request, and the request of several others, that when that executive session is held he ascertain and report back to the House, if you think the House is entitled to it—and I think we are, because we voted the money for the committee—the names of those who are doing the investigating; also the compensation each receives, and from whom, and give us in that same connection, if you will, the background of each of these investigators.

The State Department has been giving us of late the background of some of its people. As long as these investigators on this particuluar committee are making it their business to inquire of the folding room as to the documents sent out by Members of the House, it is only fair to let us know where those investigators come from and their purpose in inquiring what Congressmen say and what they send to their constituents. It has been charged in stories published in the press that the investigators are attempting to suppress the distribution of material contained in speeches made on the floor by Members of Congress and carried in reprints of those speeches. I would like to know, for example, whether Mr. Lewis Little is the right name of that investigator; whether that is the name under which he has always traveled. If not, what alias has he used and why, and who has he represented in the past.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. ALBERT. All I can say about that is that that is the only name I have ever heard used, but I am sure the chairman will be happy to furnish the names of the investigators. That information was furnished to all members of the committee at either the first or second session of the committee, when we organized, before we adjourned the first session of the Congress.

Mr. HOFFMAN of Michigan. I have no doubt of the accuracy of the statement of the gentleman from Oklahoma [Mr. ALBERT] that as he understands

it but unfortunately some minority members do not seem to have that information, and they insist that they did not know anything about it.

Mr. ALBERT. I believe the record will show that every member of the committee was given a folder, and that that material was put in the folder for him to use whenever he wanted to, including a summary of the background and experience of those employees.

Mr. HOFFMAN of Michigan. Then, can the gentleman tell me, is Mr. Lewis Little's right name Klein?

Mr. ALBERT. I am sorry I cannot answer that.

Mr. HOFFMAN of Michigan. If you have got a complete record, it surely is there if that ever was his name? The gentleman, who is a very active member of the committee, and a very conscientious worker, I would think would have that information.

Mr. ALBERT. I am sure I have it in my file, if he ever had such a name, but I do not recall seeing it.

Mr. HOFFMAN of Michigan. I wonder if I may give you a phone call after the session, and may I have that information?

Mr. ALBERT. I will see if it is in my files.

Mr. HOFFMAN of Michigan. May I have the information that you have as to the background of those gentlemen?

Mr. ALBERT. Yes.

Mr. HOFFMAN of Michigan. And also on Mr. Hilmer. It seems there are 166 corporations on the list. I looked over that list. I did not find that the committee sought any information—although I did understand from something that was said on the floor the other day that some of the unions had been questioned as to the amount they had spent from any labor or New Deal or subversive organization. We know very well that the PAC—I remember when one of the unions at their national convention at Jersey City said they would spend as much as $4,000,000 in the next campaign to defeat certain Congressmen who were named. It is a matter of common knowledge—they do not dispute it, in fact they admit it—is the fact that they are going to try to get rid of Members of Congress who favor certain things to which they are opposed; and they have that right. But if we are to investigate lobbying, if we are to investigate the effect of what all these organizations that are putting out speeches in favor of constitutional government are doing, then certainly we are entitled to the same information from those groups which advocate the opposite.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. RABAUT. I merely wish to ask the gentleman one simple question: Is it not a fact that there is quite a difference between a group of people each of whom make a small contribution say, for instance, anywhere from $1 to $5—and that creates a considerable sum of money—is there not quite a difference between a large group of individuals and a very small group contributing a similar sum of money?

Mr. HOFFMAN of Michigan. The only difference would be that there would be more individuals interested. But I want to say to the gentleman, for example, in our own State, in your own city here in the last Chrysler strike, according to the press—and I know there is some truth in it because some of my constituents who are members of the union wrote to me and objected to contributing a dollar a week for 12 weeks, which it was said was to be used to pay strike benefits, and then to find that the money was not being used for the benefit of the strikers. The press stated this, that there was some $7,000,000 collected; that $2,000,000 was spent for legitimate strike relief, and that $5,000,000—and I suppose those figures are merely an approximation—was put away in the kitty for political purposes. I have no personal knowledge only what was written me and from the press which is usually accurate.

To go further, in the last campaign the CIO contributed $500, according to their sworn statement, to a Member of Congress for his re-election; but the Member of Congress did not put it in his statement; it is not in there at all. You can get the facts from the records of the Clerk of the House. Now, if these other organizations—and I say they might just as well ask the Catholic Church, of which the gentleman is a member, or the Lutheran Church, of which I am a member, might just as well ask our churches to tell who contributed to our national publications; and I do not think that should be done unless these churches are engaged in lobbying—which they are not.

The PAC claims to be educational. As a matter of fact, we all know that it is political. It spends thousands of dollars in lobbying.

Mr. RABAUT. Mr. Speaker, will the gentleman yield further?

Mr. HOFFMAN of Michigan. I yield.

Mr. RABAUT. I am coming back to the same question, that there is a real difference between a group of people contributing a very small amount of money for a purpose and two or three people, or one person, contributing a tremendous sum of money; because with that there is something to be expected. Now, with the whole group contributing there is something to be expected but the thing to be expected goes over a whole segment of your people.

Mr. HOFFMAN of Michigan. That is right.

Mr. RABAUT. Who are entitled probably to some situation rather than one person's saying: "Because of my monied power I ask for this and make this contribution." There is quite a difference in that little situation.

Mr. HOFFMAN of Michigan. Oh, well, the big money has been going in $1,000 chunks to the New Deal party. Certainly there is, as to where the benefit goes, of course. For example, General Motors might contribute $10,000 to the Republican or the Democratic campaign, thinking it was going to get something back for General Motors. To carry the gentleman's argument to its logical conclusion, however, we must think of the stockholders of General Motors and whether these stockholders of General Motors expect anything for their contribution which came about as a reduction of their dividends, and think of the individual member of the CIO who wants to have the Taft-Hartley Act repealed.

Mr. RABAUT. If the gentleman will yield further, when we talk about the stockholders they act through the leadership of these big corporations, and I am not trying to say anything against great corporations; I have no quarrel with the corporations, I am just talking about the method of operation. The gentleman talks of an appeal coming up from the stockholders; the stockholders work through the executive committee and board of directors. The stockholders are not asked to make a contribution toward some political objective.

Mr. HOFFMAN of Michigan. No, but the corporation makes its position known through page advertisements. Never having been a large stockholder, of course, I would not know just how they operate.

Mr. RABAUT. I know enough about corporations to know that they work through boards of directors.

Mr. HOFFMAN of Michigan. I am sure the gentleman from Michigan has had much more experience with stockholders and boards of directors, living in the motor capital of the United States, the great city which is the home of the motor industry.

Mr. RABAUT. The gentleman is absolutely wrong.

Mr. HOFFMAN of Michigan. Where millions are paid out every year by corporations to give the citizens who vote for him jobs at good wages and to give them pensions and all those things, all under the Taft-Hartley Act. The recent settlement up there in Detroit between CIO, UAW, and General Motors demonstrates the efficiency of the Taft-Hartley Act. It has proven what a good law the Eightieth Congress enacted. How wrong Mr. Truman can be—in this case was and is.

Mr. RABAUT. I have only nine stockholders who sit around my dining-room table and they are the only ones I have.

Mr. HOFFMAN of Michigan. Nine stockholders? I want to congratulate the gentleman. I have not one. All I have is a farmer or two and a few men who work.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I would like for the RECORD to show that our Committee on Lobbying is not investigating political activities or political contributions.

Mr. HOFFMAN of Michigan. Just lobbying. That was the purpose for which it was created, but its investigators have traveled far afield.

Mr. ALBERT. We are investigating lobbying. We had before us, every member of the committee on both sides of the aisle, the opportunity, and all the opportunity they wanted, too, to question the CIO housing committee. Housing was the first issue studied.

The SPEAKER pro tempore (Mr. COOLEY). The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALBERT. We took up housing as the first subject fairly, and I think the Republican members agreed to study it from the angle of both sides of the street, so to speak.

Mr. HOFFMAN of Michigan. None of the Republican members of the committee are here on the floor. May I ask the gentleman a question?

Mr. ALBERT. Yes.

Mr. HOFFMAN of Michigan. Did the gentleman send questionnaires like he sent to the 136 corporations to any of the labor organizations?

Mr. ALBERT. We did not need to because they furnished everything we asked for; so did the real-estate lobby supply everything we requested.

Mr. HOFFMAN of Michigan. Is that because the staff of the committee had in mind to meet and do a little snooping, write a report, then cease activities? Is not one of those fellows an attorney for an organization that has been putting out stuff against Congressmen right along?

Mr. ALBERT. All I know about the gentleman is his activity on the committee.

Mr. HOFFMAN of Michigan. Did he not go down and ask what individual Congressmen had sent out for copies of the speeches, the number, and who paid for them?

Mr. ALBERT. That was obtained from sources outside the Congress. The testimony was put before the committee, I think, by a representative of the CIO.

Mr. HOFFMAN of Michigan. Sure.

Mr. ALBERT. The gentleman from Illinois [Mr. MASON] came in and made his statement as to the use of the frank and, as far as I am concerned, it was accepted.

Mr. HOFFMAN of Michigan. One of the investigators is the same fellow who was out campaigning all through Pennsylvania for the FEPC, is he not?

Mr. ALBERT. I do not know.

Mr. HOFFMAN of Michigan. I am not accusing the committee or any member of the committee directly, indirectly, or by innuendo of doing these things I am talking about. The worst thing I am saying about the committee is that it has had one put over on it, somebody has sneaked in and is doing a dirty job.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think most of the things the gentleman has been talking about in the colloquy with the gentleman from Michigan [Mr. RABAUT], instead of coming under the jurisdiction of the Lobby Investigating Committee would come under the Campaign Expenditures Committee.

Mr. HOFFMAN of Michigan. Maybe so. For myself, I will have to plead guilty to wandering a little bit, but I admire the gentleman from Michigan [Mr. RABAUT] so much that I cannot refuse to be instructed by him on the subject we were discussing.

Mr. McCORMACK. I may say the gentleman has such a penetrating mind——

Mr. HOFFMAN of Michigan. The gentleman does not mean snooping, does he?

Mr. McCORMACK. I said "penetrating mind." I hope he will not put anything but a most favorable construction on it as intended by me.

Mr. HOFFMAN of Michigan. The gentleman knows how I admire his ability. I regret it is just directed in the wrong direction.

Mr. McCORMACK. We will not go into that because then the admiration might cease.

I simply say that I want the RECORD to show the gentleman has such a penetrating mind——

Mr. HOFFMAN of Michigan. That I will use in my campaign.

Mr. McCORMACK. People might construe it erroneously if the gentleman uses it.

Mr. HOFFMAN of Michigan. Oh, no.

Mr. McCORMACK. You will not misinterpret me when I say that.

Mr. HOFFMAN of Michigan. I will interpret it in a way that is favorable to me.

Mr. McCORMACK. I repeat, the gentleman has a penetrating mind and I do not want to have the Lobby Investigating Committee undertake to take jurisdiction over something that would come under the jurisdiction of the Campaign Expenditures Committee.

Mr. HOFFMAN of Michigan. No. In my judgment their staff is exercising a wide jurisdiction at the present time.

Mr. McCORMACK. Apparently from the holler that has gone up, the source the holler comes from——

Mr. HOFFMAN of Michigan. Holler?

Mr. McCORMACK. Yes, holler, h-o-l-l-e-r, the yell, the screech for mercy, apparently they have dug good pay dirt.

Mr. HOFFMAN of Michigan. Oh, no. They just tried to suppress free speech and a free press, that is all. They just allowed these left-wingers to go in there and swing a lot of mud, and it does not stick.

Mr. VURSELL. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Illinois.

Mr. VURSELL. I notice that the Committee for Constitutional Government is being investigated by the House committee. I would not think, reverting to the question raised by our splendid colleague from Michigan [Mr. RABAUT], that they expected any particular thing. I have been reading their weekly or monthly circulars, and it seems to me that they are only trying to promote the thinking that is worth while to operate this Government under the Constitution and I have been fearful that there is a move on foot to try to give everyone in the labor crowd, for instance, the labor bosses, a great opportunity for lobbying that they could make use of 365 days of the year and at the same time shut off the right to petition the Congress under the Constitution by the great general public organizations that are patriotic enough to make a fight for constitutional government.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

SPECIAL ORDER GRANTED

Mr. McCORMACK asked and was given permission to address the House today for 10 minutes following any special orders heretofore entered.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. RICH] is recognized for 10 minutes.

FEDERAL GRANTS-IN-AID: STUPIDITY OR A SELL-OUT

Mr. RICH. Mr. Speaker, my career in the House of Representatives has correctly been identified with the analysis of and the opposition to reckless, needless Federal spending.

The cumulative evidence of my years of observation has led me to three significant general conclusions.

Conclusion No. 1—and the most charitable of the three: Reckless Federal spending, under the many-named "Deal" administrations, is without rhyme or reason. Stupid spending.

Conclusion No. 2: Reckless Federal spending, under the many-named "Deal" administrations, fits a political pattern established by the late Assistant President Hopkins—Tax! Tax! Tax! Spend! Spend! Spend! Elect! Elect! Elect!

Conclusion No. 3: Reckless Federal spending, under the many-named "Deal" administrations, has been deliberately designed to bleed this Nation white to make us an easy prey for Communists to plow under our Constitution and to destroy our Republic.

Should any one of these conclusions stand up under the fire of evidence and logic, the many-named "Deal" administrations—including the present "Deal" administration—cannot avoid being revealed to American people naked of honor, decency, and integrity.

Let us take up these conclusions—one by one.

Has Federal spending, under the many named "Deal" administrations, been just plain stupid spending?

The "Deal" Cabinet of 1933 had its quota of spenders—unequipped by experience or background for the high responsibility of handling the tax money of their fellow citizens. Spending to them meant personal power, not civic responsibility. Their greed for personal power led them to spend your money and mine to kill little pigs and plow under corn; to foster the shovel-leaning, leaf-cleaning WPA; to support the Fascist blue-eagle of the NRA; to put into operation the Communist work camps of the Civilian Conservation Corps; to clutter up our schools and colleges with the made workers of the National Youth Administration.

Perhaps one or two of this pioneer politburo had operated a successful business, declared dividends, met payrolls. By far the greater number among them

had no such record of solvency behind them. Those who did have such a private record had been responsible to company auditors and to a board of directors. They had these checks and balances when they were spending stockholders' money. These checks and balances were effectively removed when they were given Federal places of power and entrusted with the spending of billions of taxpayer dollars.

The pioneer politburo is gone, you say?

No. Not gone. Merely replaced.

True. There is no longer an Ickes, a Hopkins, a Hugh Johnson, a Perkins, a Wallace in public life. But there is an Altmeyer, a Brannan, a Chapman, a Foley, a Ewing among our latter-day taints. The pupils have exceeded their masters in spending. They have had more money to spend. They have spent it even more recklessly. They have been even more avid in their insatiable greed for power based upon their opportunity to spend other people's money.

How about planned spending to insure political permanence?

This is the point at which Federal grants in aid to States enters the spending picture.

Eighteen years ago, the main Federal grant in aid to States was the long-established aid to Federal land-grant colleges and the dollar-for-dollar matching Federal-State contribution for road building.

Today, there are approximately 50 separate and distinct categories of Federal grants in aid to States—the greater part of this money being distributed through the Federal Security Agency, the Housing and Home Finance Agency, and the Department of Agriculture.

These grants in aid are of two kinds: First, project grants to be administered through State, county, and community governing boards; and second, grants to individuals to be administered directly by the Federal Government to individual persons.

The wide, general effect of giving these grants in aid has been to wean away reliance on local government and to instill a greater dependence upon Federal Government. In addition, thousands of employees engaged on project grants in aid are made to feel that they should be loyal to the administration which gives them their jobs. In addition, the local boards which administer these grants in aid become Federal boards in ideology, with each individual member of the board considering himself to be a half-pint Brannan, Foley, or Ewing. In addition, the widow or the physically handicapped person suddenly finds himself or herself on a "Deal" propaganda sucker list.

Has this means of spending been used politically?

Ask the people of the South.

Has Federal money—through grants in aid—been poured into your State to beat down any deviations from the party line?

Has there been any threat, implied or otherwise, that such funds would be withdrawn or withheld if your State voted its conscience rather than dictated administration policy?

How many of the individual recipients of Federal grants in aid get Deal literature because the mailing lists of the Deal agencies and the Deal Party are interchangeable?

Have you seen States'-rights States punished and administration States financially rewarded?

Ask the people of the South. They know what is going on. They will tell you the answer.

Now we come to a question which is as much a part of me as Cato's "Carthage must be destroyed" was a part of him. Where is the Federal Government getting the money for this national giveaway Stop the Music program?

I know the answer. So do you. It is getting it from taxation—your taxes and mine.

In the fiscal year ended June 30, 1949, total internal revenue collections amounted to $40,463,125,018. In that same period, the Federal aid payments with States amounted to $2,190,227,734. Pennsylvania contributed $3,213,432,048. Pennsylvania got back $105,394,295. In other words, my State contributed $100 and got back around $3. In other words, only 3 cents out of every tax dollar taken from Pennsylvania was returned to my State in any form.

Where did that 97 cents go?

All too much of it went into political activity. Party-line States had to be rewarded. The doubt had to be taken off doubtful States. Rebel States had to be brought back to the fold.

Some of our tax money had to be used for the payment of interest on our top-heavy national debt. Some had to be used for our cold-war defenses. Some had to be used for the normal, constitutional expenses of the Federal Government.

But—in addition to these expenditures—our tax money went for old-age pensions, for unemployment insurance, to support the price of eggs, to support inefficient producers, and to help foreign countries who were unwilling to help themselves. And part of our tax money went to pay for the cost of collecting our tax money.

I have told you the source of the New Deal administration's party political pool. That is where it comes from. Now, how do they pry these taxes loose from you?

Direct taxes are only a part of the Federal Government's take.

James D. Mooney, formerly president of Willys-Overland, said:

> In the end, all taxes must come out of the pocket of the consumer. When the Government slaps a heavy tax on a corporation, it is really taxing the man who buys the corporation's product.
>
> This is because of the simple economic fact of life that all costs that enter into the manufacture of a product must be covered by its selling price.

The new jeep in the $1,500–$2,000 class includes about $450 in taxes. Three hundred and fifty-five dollars of your new Plymouth's price is taxes.

When your wife buys a hat she not only pays for a hat. She also pays 150 different taxes involved in making that hat.

Whenever you buy a package of cigarettes you pay about 11½ cents in taxes.

It has been estimated that vacationists this summer will pay in excess of $200,000,000 in gasoline taxes alone.

There are 116 taxes tailored into your new suit.

So your friend, John Smith, is making twice as much per day at the plant as he made in 1930. John's wife does not have as much left over from her weekly budget as she did in those days when he was not making so much. She has to pay 151 taxes on a loaf of bread, 100 taxes for every egg she buys.

Do not think the American people are not burning up inside about these taxes. They are. They do not like unreasonable taxes and they detest taxes employed for political purposes. Back in 1775 some folks in Boston took some direct action against a tax on tea which King George slapped onto them as a political measure. The Americans of 1950 are not any different under the skin than these patriots of 175 years ago.

Now, for my final conclusion: Reckless Federal spending, under the many-named "Deal" administrations, has been deliberately designed to bleed this Nation white to make us an easy prey for Communists to plow under our Constitution and to destroy our Republic.

Joe Stalin must be watching how we are sapping off the financial lifeblood of our economy and he must be wondering what is holding us up.

Gen. Dwight D. Eisenhower, speaking on June 8, 1950, at the one hundred and ninety-sixth commencement exercises of Columbia University said "huge military expenditures are necessary but if unwatched, may dangerously bleed the economy and even destroy what we seek to protect."

He listed among the problems which the graduates must face:

> The growing and apparently voluntary dependence of many groups upon governmental subsidies;
>
> The economic and human deterioration incident to industrial strife;
>
> The effect of huge and mounting taxes upon competitive enterprise;
>
> An unbalanced national budget that is begotten out of group pressures, logrolling and political compromise;
>
> Inflation, born of the unbalanced budget, that nullifies every economic gain of worker and farmer and reduces to the vanishing point his slowly accumulated savings.

General Eisenhower further stated that unless constant progress is made toward the solution of these problems that—

> The whole order of things as we know it will pass; and those who come after you will live in a world we of today would never recognize—or accept.

A Communist conspirator of the State Department convicted of perjury.

Two employees of the Commerce Department fighting dismissal or actually accepting dismissal: One indicted by a Federal grand jury.

Testimony before the House Committee on Un-American Activities that, in western Pennsylvania, an undercover agent of the FBI associated with Federal employees who headed Communist cells.

Hired and voluntary employees of a committee of the House of Representatives who are members of organizations which were listed as having Communist sympathies and contacts by a former Attorney General. Of course, this Attorney General says there are no Communists in Government. However, a few days after his statement, J. Edgar Hoover, of the FBI, told another Senate committee that there were more Communists than ever before, more people willing to aid them.

In the face of these facts, it is no wonder that General Eisenhower has his doubts as to whether or not there is a carefully planned campaign under way to bleed this Nation white through taxes, thus making it an easy set-up for the Kremlin. I have fewer doubts on that subject than the General has.

It is not too late to halt disaster, whether that disaster is threatened by sheer stupidity, felonious vote buying, or by planned treachery that would make a piker out of Benedict Arnold. I have a positive program which, if accepted, would avert the present peril.

My program is:

First. Balance the budget.

Second. Cut out all grants-in-aid to States, other than those which are matched dollar for dollar by the State contribution.

Third. Reduce taxes to individuals and to corporations.

Fourth. Enact the sternest of measures toward proven Communists in the executive branch, employed by the legislative branch, or who work for the judiciary.

Under this program real prosperity could be attained in place of paper prosperity. Under this program we would operate within the Constitution, not outside the Constitution. Under this program rights which never belonged to the Federal Government in the first place would be restored to the States where those rights justly belong. Under this program the Government would be the servant of the people, rather than—as it is now—the people the captives of the Government.

No palace favorite would get an $18,000 job under this program. No one section of this Republic would be exalted over any other section. It would not be popular with any class or pressure group.

But, 150,000,000 Americans need this program. We will, we must, have this program—I care not in what form it comes—if this Republic, under God, is destined to survive.

SPECIAL ORDER

The SPEAKER pro tempore (Mr. COOLEY). Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

(Mr. PATMAN asked and was given permission to revise and extend his remarks and include certain statements, charts, and excerpts.)

BALANCED BUDGET DESIRED

Mr. PATMAN. Mr. Speaker, I was very much interested in the remarks made by the distinguished gentleman from Pennsylvania [Mr. RICH]. I notice he said at the last that he would like to see the budget balanced. I would also like to see the budget balanced. I do not believe that our Government should operate on an unbalanced budget or on a deficit. However, the gentleman from Pennsylvania [Mr. RICH] and his party are responsible for the deficit this year. Had it not been for the actions of the Eightieth Congress, we would have a balanced budget now. When the Eightieth Congress came in, the first thing that was done was to make excise taxes permanent.

Under the law that was passed by the Congress in 1943 when wartime excise taxes were imposed principally for the purpose of drawing off or pulling off or siphoning off excess buying power for the purpose of preventing inflation, it was written into that law that these taxes would expire automatically 6 months after the official end of the war as declared by the President of the United States. The President, Mr. Truman, at the end of 1946, the last day, declared the end of the war for that purpose. Therefore the excise taxes automatically would have expired on June 30, 1947; but during the Eightieth Congress, which met January 3, 1947, and in January, very soon after the Congress met, to be exact, on January 16, a bill was introduced to make the excise taxes permanent; in other words, to take out that limitation that they should expire on June 30, 1947, and make them permanent. That bill was rushed through the Eightieth Congress and the President had asked to continue excise taxes for 1 year anyway to survey, investigate, and determine those that should be taken off entirely, those that should be reduced, and those that should be retained. He had nothing else to do except to approve the bill. Those of us here who did not want the excise taxes could not offer any amendment to the bill because it came to the floor under a gag rule; no amendments could be offered. Therefore the excise taxes were frozen on the people first, then a bill was passed to have tax reduction for the rich of $5,000,000,000 a year, and that bill was finally passed two or three times after being vetoed, and finally the veto was overridden. That causes the deficit today; had it not been for that tax-reduction bill we would have been in the black last year and would be in the black this year and next year. So it is by reason of this tax-reduction bill which, if I am not mistaken, the gentleman from Pennsylvania [Mr. RICH] voted for. I do not understand how he can get up here and criticize an unbalanced budget when he voted for the very tax bill that caused the deficit and the unbalanced budget.

HISTORY OF EXCISE TAXES BEING MADE PERMANENT

H. R. 1030, to continue in effect certain war excise taxes, was introduced January 16, 1947, by the gentleman from Indiana, Mr. Grant, a Republican member of the Ways and Means Committee. It was reported from the Ways and Means Committee, January 20, 1947, Report No. 6, Union Calender. It passed the House January 29, 1947, under a gag rule that would not permit an amendment. It was reported in the Senate, February 7, 1947, by the Finance Committee, Report No. 21. It passed the Senate February 17, 1947, with an amendment. Senate asked for a conference February 17, 1947, and the House agreed to the conference the following day. The House agreed to the conference report March 6, 1947, and the Senate agreed to the report the next day, March 7. It was approved March 11, 1947, and became Public Law 17.

THE TAX BILL THAT CAUSED THE CONTINUATION OF DEFICIT FINANCING

Immediately after the excise taxes were made permanent, a strong effort was made to pass a $5,000,000,000 yearly tax-reduction bill. H. R. 3950, was introduced June 24, 1947, by the Republican chairman of the committee from Minnesota, Mr. Knutson. The rule was presented July 8, 1947, and the bill passed the House July 8, 1947, and the Senate July 14, 1947. It was vetoed by the President on July 18, 1947. With a vote of 299 yeas and 108 nays, on July 18, 1947, the House passed the bill over the veto. On the same day, July 18, 1947, it failed to pass over the veto in the Senate, and the vote was 57 yeas, and 36 nays.

This effort having failed during the first session of the Eightieth Congress, another effort was commenced during the second session of the Eightieth Congress as follows:

H. R. 4790, was introduced by the Republican gentleman from Minnesota, Mr. Knutson, on December 18, 1947. It passed the House February 2, 1948, and the Senate March 22, 1948. It was vetoed by the President on April 2, 1948. It was passed over the veto in the House on April 2, 1948, with a vote of 311 yeas and 88 nays; and it was passed over the veto in the Senate on April 2, 1948 with a vote of 77 yeas and 10 nays, and became Public Law 471.

PRESIDENT'S VETO MESSAGE

I am inserting herewith a copy of President Truman's veto message. Had it not been for this bill being forced through over the President's veto, we would not have an unbalanced budget today. At the same time we would not have the wartime excise taxes if consideration had been given to this subject by the Eightieth Congress after the taxes had been made permanent. It would have been possible to reduce these taxes a billion dollars and still have a balanced budget if the $5,000,000,000-a-year tax-reduction bill had not been passed over the President's veto.

REVENUE ACT OF 1948—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES RETURNING WITHOUT APPROVAL THE BILL (H. R. 4790) ENTITLED "AN ACT TO REDUCE INDIVIDUAL INCOME TAX PAYMENTS, AND FOR OTHER PURPOSES"

To the House of Representatives:

I return herewith, without my approval, H. R. 4790, entitled "An act to reduce individual income tax payments, and for other purposes."

It is a matter of deep regret to me that I am compelled to take this action. If I could conscientiously approve tax reductions, I would gladly do so. But I am convinced that to reduce the income of the Government by $5,000,000,000 at this time would exhibit a reckless disregard for the soundness of our economy and the finances of our Government.

All of us are aware that the world situation is one of uncertainty and indeed, of danger. The United States, in common with other free nations, is taking positive action on many fronts to preserve conditions of peace with justice against the forces of dissension and chaos. In this endeavor, as I stated in my address to the Congress on March 17, 1948, "the United States has a tremendous responsibility to act according to the measure of our power for good in the world."

Under these conditions, the primary test which I must apply in considering this bill is whether or not it would contribute to the strength of the United States. My fundamental objection to the bill is that it would not strengthen, but instead would weaken, the United States.

This is true for two reasons.

First, the bill would reduce Government revenues to such an extent as to make likely a deficit in Government finances, at a time when responsible conduct of the financial affairs of this Nation requires a substantial surplus in order to reduce our large public debt and to be reasonably prepared against contingencies.

Second, the bill would greatly increase the danger of further inflation, by adding billions of dollars of purchasing power at a time when demand already exceeds supply at many strategic points in the economy, and when Government expenditures are necessarily rising.

The estimates of Government expenditures for the fiscal year 1949 which I submitted to the Congress in January totaled 39.7 billion dollars. Receipts were estimated at 44.5 billion dollars, leaving a surplus of 4.8 billion dollars for debt retirement and contingencies.

It has since become apparent that despite the most stringent efforts toward economy, there will be several important increases in expenditures above the January estimates. Legislation has been enacted increasing payments to veterans. Larger amounts will be required for assistance to certain foreign countries. Legislation to increase the salaries of Federal employees is being considered. It has been necessary to recommend substantial additional appropriations to the Congress to bring our armed forces to a proper strength.

Altogether these increases, after taking due account of appropriation actions by the Congress to date and of the additional tax refunds which would occur under this bill, involve additional expenditures for the fiscal year 1949 of at least 3.5 billion dollars above the January estimates. In the fiscal year 1950 these additional programs would increase expenditures by another 2 billion dollars, or by a total of 5.5 billion dollars. It is clear that, if this bill which reduces taxes by 5 billion dollars were to become law, there would in fact be a deficit in the fiscal year 1949 even under the more optimistic estimates of revenue used by the congressional committees.

The Congress proposes to extricate itself from this situation by charging $3,000,000,000 of 1949 expenditures under the European recovery program against the 1948 revenues. This might avoid a deficit in 1949. But the facts cannot be obscured by the fiscal sleight-of-hand by which a prospective deficit in 1949 is made to appear as a surplus. Actually the surplus available for debt retirement for the 2 years 1948 and 1949 would not be affected in the slightest by such a shift in accounting.

The public debt is $253,000,000,000. I repeat what I have so often said before—if we do not reduce the public debt by substantial amounts during a prosperous period such as the present, there is little prospect that it will ever be materially reduced.

I am aware that some hold the view that it would be proper to reduce taxes now, and that it will be time enough to restore adequate Federal revenues when the full extent and cost of our commitments are more definitely determined. I cannot subscribe to such an erratic and vacillating tax policy. We already know enough about the Government's financial outlook to demonstrate the serious effects of reducing revenues now by $5,000,000,000. The additional expenditures which are in prospect, although not exactly determined as to amount, are of sufficient size to make clear the shortsightedness of cutting taxes at the very time our obligations are increasing. If I endorsed tax reduction now, knowing that to do so would in all likelihood mean increased taxes next year, I would not be dealing fairly with the American people.

This bill would undermine the soundness of our Government finances at a time when world peace depends upon the strength of the United States.

It would also gamble with the dangers of further inflation. I have urged on many occasions that steps be taken to relieve the distressing effects of high prices. Since these steps have not been taken, the most important force restraining inflation has been the Government surplus and the use of this surplus to reduce the public debt. This bill would reduce or eliminate this important weapon against inflation.

It has been argued that tax reduction now would furnish incentives for more active investment and business enterprise and, consequently, more production. The plain facts show that neither funds nor profit incentives are lacking for investment and business enterprise at present tax rates.

Industrial expenditures for new plant and equipment reached the record level of more than $16,000,000,000 in 1947, contrasted with $12,000,000,000 in 1946 and $8,000,000,000 in 1941. Preliminary estimates indicate that industrial expenditures for new plant and equipment during the first quarter of 1948 ran much higher than the average for 1947.

Corporate profits were at extraordinary levels during 1947, reaching 17.3 billion dollars after taxes, contrasted with a previous peak of 12.5 billion dollars in 1946. Preliminary estimates indicate that corporate profits during the first quarter of 1948 have substantially maintained the very high level of 1947.

The national income is at a record level. Employment is at a record level. Production is at a record peacetime level. The resources and labor force of this country are fully employed. Under these circumstances, tax reduction could only result in higher prices—not in higher production.

From the viewpoint of the average family, which spends most of its income to buy the necessities of life, the kind of tax reduction which this bill provides would be an evil in disguise. Inflation is still here and the cost of living has not descended to reasonable levels. The consumer's price index, which was 159 for 1947 as a whole, was 167.5 in February 1948, and preliminary figures indicate that it was even higher in March. A large tax reduction at this time would help to drive the cost of living still higher.

With wise and careful planning the American tax system can make an important contribution to economic progress. But if we dissipate the strength of our revenue system by ill-timed tax reduction, we shall sacrifice for many years our opportunities to lay a solid foundation for a more effective tax system. Major reforms are needed in all important areas of the Federal tax system—excise taxes, corporate taxes, individual income taxes, and estate and gift taxes. The enactment of H. R. 4790 would, by prematurely weakening the tax system, not only aggravate our immediate problems but also constitute a serious obstacle in the path of realizing many urgently needed fundamental tax reforms.

The tax reduction provided by this bill is inequitable as well as untimely.

In the case of the income tax, nearly 40 percent of the reduction would go to individuals with net incomes in excess of $5,000 who constitute less than 5 percent of all taxpayers.

In the case of the estate and gift taxes, nearly all of the $250,000,000 annual reduction would go to only about 12,000 of the most wealthy families. The discovery that it is possible to make very substantial savings in the gift and estate taxes by dividing a family's wealth between husband and wife has brought forth much ingenious argument to the effect that the provisions in this bill are needed to equalize the application of these taxes in community-property and common-law States. In fact, this equalization was in all essential respects achieved by legislation enacted by the Congress of 1942.

For the reasons I have set forth, H. R. 4790 is not compatible with the requirements of the critical international situation. It is not compatible with sound domestic economic and debt management policies. If enacted, it would materially weaken this Nation's efforts to maintain peace abroad and prosperity at home.

It is bad policy to reduce taxes in a manner which would encourage inflation and bring greater hardship, not relief, to our people. It is bad policy to endanger the soundness of our national finances at a time when our responsibilities are great in an unsettled world.

I am confident that the men and women of our country prefer the maintenance of our national strength to a reduction in taxes under the present circumstances.

I consider it my clear duty, therefore, to return H. R. 4790 without my approval.

HARRY S. TRUMAN.

THE WHITE HOUSE, *April 1, 1948.*

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman gladly.

Mr. RICH. I am surprised at the gentleman; just more than surprised.

Mr. PATMAN. Mr. Speaker, I do not yield further. I yielded to the gentleman to ask a question, not to make a speech. I listened to the gentleman patiently while he made his remarks.

Mr. RICH. We passed a tax bill and thousands and thousands of people in this country were eliminated from paying taxes. Is not the gentleman from Texas and his party willing to afford some relief to the people of this country by cutting down the expenses of government?

Mr. PATMAN. Certainly; I have been in favor of it, and I voted against your tax bill; I did not vote for it.

Mr. RICH. Oh, gracious! We were just giving the people an opportunity to exist, and you ought to give the people an opportunity to exist by cutting down on Government expenditures.

Mr. PATMAN. But if we keep reducing taxes further and further instead of giving economic and other relief where it is needed and where it gets into the hands of the people, if the gentleman pursued his course we would find ourselves back to the condition of the Hoover days of 1932. The gentleman certainly would not want to go back to 1932. We have more prosperity today than we have ever had in this country. More people have jobs, more people own homes, more people own property, more people have title to something than ever before in the history of our country. We have prosperity today;

we are getting away from socialism. 1932 was the communistic-socialistic period. Then the Communists were going to take our country over; but we have gotten away from that. Then the people had little to divide and it would have been a fertile field for communism or socialism.

The people have more to show for their prosperity today than ever before. More people own their own homes, their farms, their automobiles, the furniture in their homes, the comforts and conveniences of life, than ever before in our history.

Is that in the direction of socialism? No. That is in the opposite direction.

As long as the people own something that they will be called upon to divide they are not going to become Socialists or Communists. It is only when they have nothing to divide, like back in 1932, would they think of becoming a Communist or Socialist.

MAN-MADE DEPRESSION

So we want this country to continue on that high level of prosperity, the full employment that they have had in the recent past. There is no reason why we should have a man-made depression, and we would have had one after the last war had we listened to a lot of people or if they had had the power and influence to cause a depression. But by the laws the Congress passed at the suggestion of President Roosevelt and President Truman we bypassed that anticipated big depression and panic after the last war. Our experts studied the fact that after every war we have always had a panic, we have always had a depression, so we are bound to have one after World War II, and we would have had one had it not been for the good laws passed under the administrations of President Roosevelt and President Truman who pointed out the things that should be done in order to bypass a depression. By reason of those wholesome, constructive laws we did not have that depression which the experts said must come after every war. They said it has always come after every war and it will have to come after World War II. But that did not happen.

BRANNAN PLAN

Mr. Speaker, I really asked for this time to talk about the Brannan plan. There are a lot of people in the country who are excited about the Government being in business. I share the views of those who want to get the Government out of every business that private enterprise can conduct in the interest of the people. I am not generally in favor of Government ownership or Government-operated businesses. I am opposed to that. But now we have a plan known as the Brannan plan that will get the Government out of business aggregating from $200,000,000 to $400,000,000 a year.

What is that business? It is the business of acquiring, transporting, storing, repackaging, and selling perishable products, like Irish potatoes, eggs, butter, cheese, dried-milk products, and dried fruit, aggregating from $200,000,000 to $400,000,000 a year.

Mr. Brannan has suggested a plan that will get the Government out of that business entirely. The Government will not touch it. The Government will not buy, the Government will not transport, the Government will not store, and the Government will have nothing to do with the disposition of these perishable products. So that is getting the Government out of business.

A lot of people would ordinarily say, "Let us do that. It will not cost as much as the present plan." We know that because a large part of the cost of the present plan is because of the services I have just told you that the Government must render when it takes title to these products, for instance perishables. That will be eliminated. It will not cost nearly as much. So let us get the Government out of that business.

TABLE OF PERISHABLES

I am inserting herewith a table that shows the expenditures of Commodity Credit Corporation on perishable commodities by item of expenditure for difference in loss and gain for each of the last three fiscal years. The figures represent the actual outlays in connection with the price supporting purchase programs of several past years, a considerable part of which was recovered by the subsequent sale of these commodities by the Government.

Commodity Credit Corporation expenditures on perishable commodities under price support, fiscal years 1948, 1949, and 1950 through Apr. 30, 1950

	Irish potatoes	Eggs	Butter	Cheese	Dried milk	Turkeys	Dried fruit	Total for perishable commodities
Fiscal year 1948:								
Loans made	$10,209,916.39							$10,209,916.39
Purchases	62,220,448.06	$27,566,278.75			$8,332,298.15		$33,962,059.22	132,081,084.18
Carrying charges [1]	10,353,036.65	2,568,875.19			901,653.38	$16,864.38	173,608.06	14,014,037.66
Total expenditures	82,783,401.10	30,135,153.94			9,233,951.53	16,864.38	34,135,667.28	156,305,038.23
Total realized loss	47,405,542.00	25,879,017.00			[2] 415,987.00	3,708.00	15,563,385.00	88,435,665.00
Fiscal year 1949:								
Loans made	29,529,906.68							29,529,906.68
Purchases	188,938,429.11	85,628,753.74	$3,729,560.87		10,629,470.29		24,117,225.86	313,043,439.87
Carrying charges [1]	35,358,670.97	1,906,781.56	37,142.78		559,712.02	494.94	774,653.37	38,637,455.64
Total expenditures	253,827,006.76	87,535,535.30	3,766,703.65		11,189,182.31	494.94	24,891,879.23	381,210,802.19
Total realized loss	203,886,603.00	773,476.00			[2] 149,335.00	494.94	[2] 445,757.00	204,065,481.94
Fiscal year 1950 through Apr. 30, 1950:								
Loans made	8,586,689.57							8,586,689.57
Purchase	49,709,982.02	46,661,405.27	73,815,215.20	$8,802,223.64	40,631,271.32	3,460,447.75	8,299,037.17	231,379,582.37
Carrying charges [1]	3,538,228.19	1,888,548.91	1,474,284.30	311,653.44	2,998,555.85	34,725.49	1,874,547.94	12,120,544.12
Total expenditures	61,834,899.78	48,549,954.18	75,289,499.50	9,113,877.08	43,629,827.17	3,495,173.24	10,173,585.11	252,086,816.06
Total realized loss	43,782,090.00	4,183,081.00	[2] 2,883.00	[2] 348.00	5,787,489.00	[2] 562.00	229,796.00	53,519,071.00

[1] Includes storage, transportation, repackaging, checkloading, etc.
[2] Gain.

Source: PMA, Fiscal Branch, Financial Analysis Division.

FAMILY-SIZE FARM

We can do it with the passage of the Brannan plan. But there is one little part of the Brannan plan a lot of people do not like, and because they do not like that part of it they are against getting the Government out of this business. They are willing to keep it as it is. The little part of the Brannan plan they do not like is the part that encourages the family-size farm and discourages the factory-type farm. That is the part which meets with the condemnation of those who are always talking about getting the Government out of business but are not willing to get the Government out of business because it would encourage the family-type farm.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I was interested in the gentleman's statement as to the depression. Will he say that they did not have a depression in every country except this one after the war?

Mr. PATMAN. We can account only for our own; we have nothing to do with other countries; the gentleman realizes that, I know. We cannot be blamed for a depression in any other country. We did not have one in this country. Our laws do not control other countries. Our policies and practices do not apply to any other country except the United States. But we did take care of our own country.

Mr. NICHOLSON. The perishable goods of the State of Massachusetts have never been protected by the Government in any way whatsoever, still somehow or other we seem to get along.

Mr. PATMAN. Yes; New England always gets along. There will always be a New England.

Mr. FOGARTY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Rhode Island.

Mr. FOGARTY. I was very much interested in the point the gentleman made in the opening of his statement where he said that if it had not been for the action of the Republican-controlled Congress in the early days of the Eightieth Congress we would not have any excise taxes today because they, by their actions, made these excise taxes permanent in order to give a reduction in some other form of taxes.

Mr. PATMAN. That is right.

Mr. FOGARTY. But at the same time we find the Republican Party now, above everyone else, wailing about the lack of interest of the Committee on Ways and Means about getting out a tax bill to relieve the various industries of these excise taxes. But it was by their own action 3 years ago, nearly 4 years ago now, that they saddled these excise taxes onto industry as a permanent law at that time.

Mr. PATMAN. They made them permanent. They made the excise taxes permanent before they attempted to push through that bill for a $5,000,000,000 reduction annually to income-tax payers and to corporations.

So, I suggest that this Brannan plan be restudied by our great Committee on Agriculture. I want to ask the Committee on Agriculture to give reconsideration to the Brannan plan and see if they cannot see their way clear to bring it in here in the form of a bill in this session of Congress, and if they do I believe it will have a good chance to pass—that is, the whole Brannan plan. I am not talking about piecemeal; I am talking about the whole hog. I believe it will save the taxpayers money and it will get the Government out of business. It will save hundreds of millions of dollars a year, and it will encourage the family-type farm and be worth a lot to this country.

Mr. FOGARTY. As the gentleman knows, New England is a very great industrial section. How will the Brannan plan affect the northeastern section of our country?

Mr. PATMAN. I would not be in a position to discuss the Brannan plan as to any particular section of the country. But, the present law applies to perishable products. I know of some perishable products that are grown in the gentleman's section of the country and the Brannan plan will get the Government out of that business. Like it is now, the Government takes the perishable products, it transports them, it stores them, it pays for all these services, and then finally disposes of them, either because the perishable products are no longer of any value, or to different programs, like the school-lunch program and for other purposes. But, the point is that the Government is now in the business, and if you pass the Brannan plan you are getting the Government out of that business. So, I suggest that the Brannan plan should receive more consideration, and especially during this session of Congress.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. McCORMACK] is recognized for 10 minutes.

CONGRESSIONAL CHARTER TO THE ARMY AND NAVY LEGION OF VALOR OF THE UNITED STATES OF AMERCIA

Mr. McCORMACK. Mr. Speaker, I have introduced this bill to grant a congressional charter to the Army and Navy Legion of Valor of the United States of America because I feel strongly it should be enacted into law. It is with a great deal of pride that I present this bill for the consideration of this House, for it is because of the past actions of the Congress that this organization came into being, and eligibility for membership in this legion is dependent solely upon the applicant qualifying under those acts of the Congress. In that sense, therefore, the Congress has nominated each and every member of the Legion of Valor. Membership is determined not by birth, wealth, position, or influence, but by the personal heroism on the battlefields throughout the world. Each and every member has been cited by the Department of Defense and awarded the Congressional Medal of Honor, Distinguished Service Cross, or the Navy Cross for acts of extraordinary heroism above and beyond the call of duty with an armed enemy of our country.

The awarding of medals in this country dates back to the American Revolution. Upon the recommendation of General Washington, our first medals were authorized by Congress and conferred on John Paulding, David Williams, and Jacob Van Wart, captors of Major André, British spy. It was not until December 21, 1861, however, that Congress authorized the first official medal decoration, the Medal of Honor.

The first Medal of Honor was struck for the Navy and was known as the Medal of Honor, United States Navy. On July 12, 1862, Congress authorized the Medal of Honor, United States Army. These medals are America's highest award for valor, and the citations for these medals usually contain the words "for valor above and beyond the call of duty."

World War I brought about the issuance of the Distinguished Service Cross and the Navy Cross. In the Army Appropriation Act of July 9, 1918, the President of the United States was authorized to present the Distinguished Service Cross to any person, serving in the Army of the United States since April 6, 1917, who should distinguish himself or herself by extraordinary heroism in connection with military operations against an armed enemy of the country, and by section 3 of Public Act No. 253 of the Sixty-fifth Congress enacted February 4, 1919, the President of the United States was authorized to present the Navy Cross to any person distinguishing himself or herself by extraordinary heroism or distinguished service in the line of his or her profession, such heroism or service not being sufficient to justify the award of a Medal of Honor or Distinguished Service Medal.

These three medals are the only awards for valor made by the Government of the United States of America.

The Army and Navy Legion of Valor of the United States of America was organized in Washington, D. C., April 23, 1890, as the Medal of Honor Legion by Civil War veterans and men who had been awarded the Congressional Medal of Honor during the Indian campaigns. On November 25, 1918, the name of the organization was changed to its present name, and its constitution amended to render eligible for membership, soldiers on active duty and veterans of the Army of the United States, to whom had been awarded the Distinguished Service Cross. On September 13, 1933, the constitution was again so altered by amendment as to render eligible for membership, naval personnel or veterans of the naval forces of the United States, to whom had been awarded the Navy Cross for an individual act of extraordinary heroism, in connection with military or naval operations. Later and on March 5, 1943, the organization was incorporated as a membership corporation under the laws of the State of New York.

This organization is one of the oldest of its kind in the United States and certainly theirs is a very proud and glorious background. It is an organization that should be preserved down through the ages and be a pinnacle to the rising generation of our country. Therefore, I feel that in introducing this bill, we are helping to perpetuate these acts of valor.

The objectives of this organization are worthy of consideration:

To maintain the dignity of these awards by their continued devotion to this great country, for which so many brilliant Americans fought and died.

To maintain an adequate national defense.

To extend relief and assistance to their needy companions, their widows, and children.

To assist in obtaining and retaining employment for all holders of the valor medals.

To stimulate patriotism in the youth.

To provide equipment and materials for occupational therapy to the thousands of veterans who spend lonely hours in hospitals.

To combat the inroads of foreign ideologies.

To encourage the teaching of American history in our schools and in our homes and they have dedicated their principal efforts in the coming years to this particular factor. They are presently engaged in a broad plan nationally, which will bring the glorious story of our country into every home in our land.

It would seem to me that here is an organization that we should all feel proud to support. It deserves and should receive the full support of this Government in their activities.

Incorporation of this unique organization will add to the prestige and dignity of this group and will act to inspire a greater patriotic fervor among our people. Nothing is more important in time of war and in the times of preparation for war than the honoring of those

who have done well for their country. By thus honoring them honor is done to the Armed Forces, of which they represent the cream of the combat soldier. Their mission is to inspire patriotism by their example and we should aid them to be a focus of patriotism. Let this act be a reminder of the Nation's enduring gratitude for the heroic deeds which have enshrined them forever among the valiant defenders of our country. Let, "Beyond the call of duty" be an accolade to be cherished as long as life and memory shall endure.

EXTENSION OF REMARKS

Mr. PICKETT asked and was given permission to extend his remarks.

Mr. LARCADE asked and was given permission to extend his remarks in three instances, and in each to include extraneous matter.

Mr. ASPINALL asked and was given permission to extend his remarks and include extraneous material.

Mr. BRYSON asked and was given permission to extend his remarks and include an address given by J. Edgar Hoover.

Mr. WILSON of Texas asked and was given permission to extend his remarks and include an editorial.

Mr. BENTSEN asked and was given permission to extend his remarks.

Mr. CARNAHAN asked and was given permission to extend his remarks and include extraneous material.

Mr. CROOK asked and was given permission to extend his remarks and include an article from the Wall Street Journal of June 9, 1950.

Mr. LIND asked and was given permission to extend his remarks and include an address by Hon. Louis Johnson, Secretary of Defense.

Mr. MARSHALL asked and was given permission to extend his remarks and include a news article.

Mr. LANE asked and was given permission to extend his remarks in four instances and to include two speeches and two articles.

Mr. HARRISON asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. THOMAS asked and was given permission to extend his remarks in two instances.

Mr. O'BRIEN of Michigan asked and was given permission to extend his remarks in two instances and in one to include an article from the United States News.

Mr. McGUIRE asked and was given permission to extend his remarks and include an article that appeared in the Washintgon Daily News on Saturday, June 10, with respect to Alaskan and Hawaiian statehood.

Mr. WILLIAMS asked and was given permission to extend his remarks in two instances and include editorials.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks and include an article.

Mr. ALLEN of Illinois asked and was given permission to extend his remarks and include a theme written by a young man 14 years of age.

Mr. WOODRUFF asked and was given permission to extend his remarks and include a newspaper article.

Mr. KEARNEY asked and was given permission to extend his remarks.

Mr. DONDERO (at the request of Mr. HALLECK) was given permission to extend his remarks.

Mr. PLUMLEY asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. JUDD asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mr. DOLLIVER asked and was given permission to extend his remarks and include an editorial appearing in the Cherokee (Iowa) Daily Times.

Mr. JAVITS asked and was given permission to extend his remarks in three instances and include extraneous matter.

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent to extend my remarks in five instances and include in one a column of a former very distinguished Member of this House, Hon. Bruce Barton.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. KEATING. Mr. Speaker, on Thursday last I obtained permission to extend my remarks and include extraneous matter. I am now advised by the Public Printer that this material, relating to laws affecting veterans, will exceed two pages of the RECORD and will cost $225.50. I ask unanimous consent that it be printed in the RECORD notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

Mr. HAGEN asked and was given permission to extend his remarks in two instances and include in one an article about the national school-lunch program and in the other a tribute to the late William Lemke by his secretary, William Skeels.

Mr. RAINS (at the request of Mr. PRIEST) was given permission to extend his remarks and include a statement made before a subcommittee.

Mr. BROOKS asked and was given permission to extend his remarks in three instances and include extraneous material.

Mr. ELLIOTT asked and was given permission to extend his remarks in three separate instances and include extraneous matter.

Mr. MADDEN asked and was given permission to extend his remarks and include an editorial.

Mr. MARSALIS asked and was given permission to extend his remarks.

Mr. PATMAN asked and was given permission to extend his remarks and include an address by the President of the United States before a dinner of the Better Business Bureau in Washington on June 6.

Mr. McCORMACK asked and was given permission to extend his remarks and include a very able, powerful, and effective address made on June 10 by President Truman at St. Louis, Mo.

Mr. McCORMACK asked and was given permission to extend his remarks and include editorial comment on a very able speech made by Mr. LANE, of Massachusetts, which appeared in the Boston Post.

Mr. KEE asked and was given permission to revise and extend the remarks he made on House Resolution 350 and include a letter from the League of Women Voters of the United States.

Mr. HORAN asked and was given permission to extend his remarks and include two articles.

Mr. ARENDS (at the request of Mr. MASON) was given permission to extend his remarks and include an editorial.

Mrs. KELLY of New York (at the request of Mr. GORSKI) was given permission to extend her remarks and include an address she delivered on the postal service.

ENROLLED BILLS SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 87. An act relating to the promotion of veterans of World War II in the field service of the Post Office Department;

H. R. 589. An act for the relief of C. M. Smart;

H. R. 697. An act for the relief of Samuel W. Poorvu;

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling indebtedness of the association, and for other purposes;

H. R. 1047. An act for the relief of the Aero-Bocker Knitting Mills, Inc.;

H. R. 1103. An act for the relief of Miriam Barkle;

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1170. An act for the relief of Mrs. John Kaudy (formerly Stella Cappler);

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1275. An act for the relief of Anna Helman;

H. R. 1482. An act for the relief of Frances L. Marshall;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1602. An act for the relief of Ben Grunstein;

H. R. 1627. An act for the relief of Filip Nicola Lazarevich;

H. R. 1866. An act for the relief of Honorio Canciller and Nancy Ting Evangelista;

H. R. 2224. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.;

H. R. 2386. An act to provide for the establishment and operation of a rare and precious metals experiments station at Reno, Nev.;

H. R. 3480. An act to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively;

H. R. 3527. An act for the relief of Gifford E. Moak;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 3675. An act for the relief of Erik H. Lindman;

H. R. 3996. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4011. An act for the relief of Stavros Matheos (also known as Steve Matheos or Matheou);

H. R. 4015. An act for the relief of Kate Laursen;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4567. An act to amend the Displaced Persons Act of 1948;

H. R. 4641. An act to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county;

H. R. 4747. An act for the relief of Louise Ahting;

H. R. 4781. An act for the relief of Veronica Jolly;

H. R. 4892. An act to provide for the admission of pay patients to the Home for the Aged and Infirm;

H. R. 4969. An act to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands;

H. R. 4996. An act for the relief of Lonnie M. Abernathy;

H. R. 5017 An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5103. An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 5126. An act for the relief of Mrs. Nathalie E. Cobb;

H. R. 5150. An act for the relief of Ira D. Doyal and Clyde Doyal;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5295. An act for the relief of C. R. Springman;

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones;

H. R. 5511. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities;

H R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 5639. An act for the relief of Ivan E. Townsend;

H. R. 5709. An act for the relief of Patrick Cronin;

H. R. 5913. An act to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within Symmes Creek purchase unit in Lawrence County, Ohio, and for other purposes;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;

H. R. 6271. An act for the relief of Mrs. Harry Schneider;

H. R. 6344. An act for the relief of Mrs. William Y. Imanaka;

H. R. 6364. An act for the relief of Yoshiko Matsumura;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6385. An act for the relief of Louise M. Koch;

H. R. 6414. An act for the relief of Mrs. Chikako Mary Ohori Hori;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6485. An act for the relief of Jodeene Lehrman;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 6521. An act to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6577. An act for the relief of Haruko Teramoto;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 6689. An act for the relief of Mitsuko Uemura;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 6991. An act for the relief of E. G. Morris;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions;

H. R. 7082. An act for the relief of Mrs. Isamu Tarasawa;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7092. An act for the relief of Mrs. Karry Wakefield;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia;

H. R. 7173. An act for the relief of Toshiko Ono;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7256. An act for the relief of Mieko Nishitsuru;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7283. An act for the relief of Mrs. Jack B. Meyer;

H. R. 7313. An act for the relief of Lucy Teresa Morris;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman;

H. R. 7440. An act to amend veterans' regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service-connection for active pulmonary tuberculosis;

H. R. 7485. An act for the relief of Mrs. Maria Margarite Noe;

H. R. 7560. An act for the relief of Mary Frances Yoshinaga;

H. R. 7609. An act to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 7700. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 7708. An act to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.;

H. R. 7778. An act for the relief of Miyoko Oishi;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provided an order of precedence for lump-sum death payments, and for other purposes;

H. R. 7888. An act to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal;

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," and approved March 28, 1806;

H. R. 7984. An act to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes; and

H. R. 8422. An act for the relief of Carmencita von Plettenberg.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock p. m.) the House adjourned until tomorrow, Tuesday, June 13, 1950, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1494. A letter from the Assistant to the Attorney General, transmitting a draft of a proposed bill entitled "A bill to amend the Immigration Act of February 5, 1917, to prescribe certain methods of judicial review of cases arising under the immigration and related laws, and for other purposes"; to the Committee on the Judiciary.

1495. A letter from the Acting Attorney General, transmitting a copy of the order of the Commissioner of the Immigration and Naturalization Service granting the status of permanent residence to the subject of such order, pursuant to section 4 of the act of Congress approved June 25, 1948 (Public Law 774); to the Committee on the Judiciary.

1496. A letter from the clerk, United States Court of Claims, transmitting information relative to the bill H. R. 5974, entitled "A bill for the relief of O'Connell & Sweeney, Inc.," pursuant to House Resolution 644, dated June 5, 1948; to the Committee on the Judiciary.

1497. A letter from the Secretary of Commerce, transmitting the second interim report by the Chief of the Weather Bureau of the Department of Commerce on the study of causes and characteristics of thunderstorms; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee of conference. S. 2440. An act to authorize certain construction at military and naval installations, and for other purposes (Rept. No. 2212). Ordered to be printed.

Mr. SABATH: Committee on Rules. House Resolution 639. Resolution for consideration of H. R. 8276, a bill to extend the Housing and Rent Act of 1947, as amended, and for other purposes; without amendment (Rept. No. 2213). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 323. Resolution creating a select committee to conduct an investiga-

tion and study of the use of chemicals, pesticides, and insecticides in and with respect to food products, and for other purposes; without amendment (Rept. No. 2214). Referred to the House Calendar.

Mr. PETERSON: Committee on Public Lands. H. R. 6013. A bill to amend an act fixing the price of copies of records furnished by the Department of the Interior; without amendment (Rept. No. 2215). Referred to the Committee of the Whole House on the State of the Union.

Mr. MARSHALL: Committee on Public Lands. H. R. 7431. A bill for expenditure of funds for cooperating with the public school board at Walker, Minn., for the extension of public-school facilities to be available to all Indian children in the district, and for other purposes; with amendment (Rept. No. 2216). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 8610. A bill relating to the activities of temporary and certain other employees of the Bureau of Land Management; without amendment (Rept. No. 2217). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 7268. A bill to amend the Bankhead-Jones Farm Tenant Act so as to provide a more effective distribution of mortgage loans insured under title I, to give holders of such mortgage loans preference in the refinancing of loans on a noninsured basis, to adjust the loan limitations governing title II loans so as to provide more effective assistance to production and subsistence loan borrowers, and for other purposes; without amendment (Rept. No. 2218). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTINGTON: Committee on Public Works. H. R. 7873. A bill to authorize construction of buildings for the Bureau of Old-Age and Survivors Insurance, and for other purposes; with amendment (Rept. No. 2219). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. H. R. 5110. A bill for the relief of Janos (John) Treber and Mrs. Katalin (Katherine) Treber, with amendment (Rept. No. 2220). Referred to the Committee of the Whole House.

Mr GOSSETT: Committee on the Judiciary. H. R. 5782. A bill for the relief of Mrs. Vera Raupe; with amendment (Rept. No. 2221). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 6287. A bill for the relief of Dr. George Alexandros Chronakis; without amendment (Rept. No. 2222). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7204. A bill for the relief of Maria Cristina D'Angelo; with amendment (Rept. No. 2223). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 7228. A bill for the relief of Kazuko Kamada; with amendment (Rept. No. 2224). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7414. A bill for the relief of Teresa Gentile and Galliano Gentile; with amendment (Rept. No. 2225). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 8183. A bill for the relief of Asako Tsuchida; without amendment (Rept. No. 2226). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8361. A bill for the relief of Toshiko Murai; without amendment (Rept. No. 2227). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8381. A bill for the relief of Mrs. Joseph C. Grant; without amendment (Rept. No. 2228). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8500. A bill for the relief of Hatsuko Torikai; without amendment (Rept. No. 2229). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8581. A bill for the relief of Yasuko Higuchi; with amendment (Rept. No. 2230). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 8583. A bill for the relief of Hisako Shimizu; without amendment (Rept. No. 2231). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 8600. A bill for the relief of Yuriko Aoyama; without amendment (Rept. No. 2232). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8655. A bill for the relief of Toshiko Kikyo and Francis Kikyo; with amendment (Rept. No. 2233). Referred to the Committee of the Whole House.

Mr. GOSSETT: Committee on the Judiciary. H. R. 8722. A bill for the relief of Jun Hin Lum; without amendment (Rept. No. 2234). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT of Wyoming:

H. R. 8781. A bill to grant certain interests in mineral rights, including oil and gas rights, to persons who have acquired or hereafter acquire land pursuant to homestead entry; to the Committee on Public Lands.

By Mr. GRANGER:

H. R. 8782. A bill to continue a system of nurseries and nursery schools for the day care of school-age and under-school-age children in the District of Columbia through June 30, 1951; to the Committee on the District of Columbia.

By Mr. O'KONSKI:

H. R. 8783. A bill to promote the rehabilitation of the Chippewa, Potawatomi, Oneida, Winnebago, Stockbridge-Munsee, and other Indians of Wisconsin, and for other purposes; to the Committee on Public Lands.

By Mr. POTTER:

H. R. 8784. A bill to provide for observing certain legal public holidays on Monday; to the Committee on the Judiciary.

By Mr. RIBICOFF:

H. R. 8785. A bill to provide for the issuance of a special postage stamp in commemoration of the one hundredth anniversary of the establishment of New Britain, Conn.; to the Committee on Post Office and Civil Service.

By Mr. SIKES:

H. R. 8786. A bill to authorize the President to appoint a committee on 100 to aid the State Department in the conduct of American foreign policy; to the Committee on Foreign Affairs.

H. R. 8787. A bill to provide for the conveyance of a portion of Santa Rosa Island to Okaloosa County, State of Florida; to the Committee on Armed Services.

By Mr. VINSON:

H. R. 8788. A bill to authorize certain construction at Griffiss Air Force Base, and for other purposes; to the Committee on Armed Services.

By Mr. MORRISON:

H. R. 8789. A bill to provide that, for the purpose of part III of Veterans Regulation No. 1 (a), certain travel time after separation shall be counted as active service; to the Committee on Veterans' Affairs.

By Mr. STOCKMAN:

H. R. 8790. A bill providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made; to the Committee on Public Lands.

By Mr. WINSTEAD:

H. R. 8791. A bill to repeal the Contract Settlement Act of 1944; to the Committee on the Judiciary.

By Mr. BRYSON:

H. R. 8792. A bill to amend the statute relating to certificates of trade-mark registrations; to the Committee on the Judiciary.

By Mr. MARSALIS:

H. R. 8793. A bill to promote interstate commerce in coal, to provide for the conservation of the coal resources of the Nation, to assure an adequate supply of coal, and for other purposes; to the Committee on Public Lands.

By Mr. SAYLOR:

H. J. Res. 486. Joint resolution to provide that for the purpose of the seventeenth decennial census that various boroughs and townships adjacent to the city of Johnstown, Pa., shall be treated as part of Johnstown, Pa.; to the Committee on Post Office and Civil Service.

By Mr. WALTER:

H. Res. 640. Resolution for the relief of James S. Orr; to the Committee on House Administration.

By Mr. JAVITS:

H. Res. 641. Resolution to appoint a select committee to investigate the adequacy of participation by citizens in public affairs through voting in elections for Federal offices; to the Committee on Rules.

By Mr. MURPHY:

H. Res. 642. Resolution for the relief of Mrs. Dorothy W. Upton; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DONDERO:

H. R. 8794. A bill for the relief of Mrs. Eiko Yoshizawa Lendrum and Charles Robert Lendrum, Jr.; to the Committee on the Judiciary.

By Mr. GOSSETT:

H. R. 8795. A bill for the relief of Benjamin Paglinaman; to the Committee on the Judiciary.

By Mr. HELLER:

H. R. 8796. A bill for the relief of Oscar Neumann, Mrs. Magdalena Neumann, and Judith Gabrielle Neumann; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina (by request):

H. R. 8797. A bill to exempt property of the Young Men's Christian Association of the city of Washington (incorporated under the act of Congress of June 28, 1864, 13 Stats. at L. 411) from taxation; to the Committee on the District of Columbia.

By Mr. MORRISON:

H. R. 8798. A bill for the relief of Charles de Than; to the Committee on the Judiciary.

By Mr. O'SULLIVAN:

H. R. 8799. A bill for the relief of Leonard T. Fleetwood; to the Committee on the Judiciary.

By Mr. QUINN:

H. R. 8800. A bill for the relief of Ark Ping Jee Nong (Ngon); to the Committee on the Judiciary.

H. R. 8801. A bill for the relief of Malke Kresel Mohrer; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 8802. A bill for the relief of Lum Ying; to the Committee on the Judiciary.

By Mr. WINSTEAD:

H. R. 8803. A bill for the relief of Ollie O. Evans, Jr.; to the Committee on the Judiciary.

By Mr. BLACKNEY:

H. R. 8804. A bill for the relief of Frances Mary Maitland; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 8805. A bill for the relief of certain disbursing officers and former disbursing officers of the naval service, and for other purposes; to the Committee on the Judiciary.

By Mr. DONOHUE:

H. R. 8806. A bill for the relief of Sylvio Latino; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2190. By Mr. HESELTON: Resolutions of the General Court of Massachusetts, memorializing the President of the United States to reinstate certain amputee veterans as permanent postal employees; to the Committee on Post Office and Civil Service.

2191. Also, resolutions of the General Court of Massachusetts, memorializing Congress to enact legislation exempting tuna, bass, and other fishing tournaments at which prizes are offered from the provisions of the Federal postal lottery law; to the Committee on Post Office and Civil Service.

2192. By Mr. KEARNEY: Resolution adopted May 16, 1950, by the Common Council of the City of Amsterdam, N. Y., protesting the order of the Postmaster General which curtails the delivery of mail; to the Committee on Post Office and Civil Service.

2193. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, requesting the President to reinstate certain amputee veterans as permanent postal employees; to the Committee on Post Office and Civil Service.

2194. Also, memorial of the General Court of Massachusetts urging exemption of tuna, bass, and other fishing tournaments at which prizes are offered from provisions of the Federal postal lottery law; to the Committee on Post Office and Civil Service.

SENATE

TUESDAY, JUNE 13, 1950

(Legislative day of Wednesday, June 7, 1950)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O thou Father of our spirits, who hearest prayer and to whom all flesh shall come, breathe upon us now, in this quiet moment, we beseech Thee, the benediction of Thy holy calm. Lift the burdens of drab duty from our jaded hearts, restoring our souls and changing stern statutes into glad songs. Kindle on the altar of our hearts a flame of devotion to freedom's cause in all the world that shall consume in its white heat every grosser passion and unworthy ambition. Strengthen our faith in each other. Heal the divisions which shorten the arm of our national might in this decisive hour. Guard our lips from chilling criticism which may wound some comrade plodding bravely by our side. Bring all our thoughts and actions into captivity, to that which is high and holy and of good report. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. GEORGE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 12, 1950, was dispensed with.

LEAVE OF ABSENCE

On request of Mr. GEORGE, and by unanimous consent, Mr. LONG was excused from attendance upon the sessions of the Senate for an indefinite period.

CALL OF THE ROLL

Mr. GEORGE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hickenlooper	Martin
Brewster	Hill	Maybank
Bricker	Hoey	Millikin
Bridges	Holland	Mundt
Butler	Humphrey	Murray
Byrd	Hunt	Neely
Cain	Jenner	O'Mahoney
Capehart	Johnson, Colo.	Pepper
Chapman	Johnston, S. C.	Robertson
Chavez	Kefauver	Russell
Cordon	Kem	Saltonstall
Darby	Kerr	Schoeppel
Donnell	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dworshak	Langer	Sparkman
Ecton	Leahy	Stennis
Ellender	Lehman	Taft
Ferguson	Lodge	Thomas, Utah
Flanders	Lucas	Thye
Frear	McCarran	Tydings
Fulbright	McCarthy	Watkins
George	McClellan	Wherry
Gillette	McFarland	Williams
Green	McKellar	Withers
Gurney	McMahon	Young
Hayden	Magnuson	
Hendrickson	Malone	

Mr. LUCAS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. LONG], the Senator from Idaho [Mr. TAYLOR], and the Senator from Oklahoma [Mr. THOMAS] are absent by leave of the Senate.

The Senator from Connecticut [Mr. BENTON] is absent by leave of the Senate on official business, having been appointed by the President as a congressional adviser to the United States delegation at the fifth session of the general conference of the United Nations Educational, Scientific, and Cultural Organization now being held in Florence, Italy.

The Senator from Texas [Mr. CONNALLY] is absent on official business.

The Senator from California [Mr. DOWNEY] and the Senator from Texas [Mr. JOHNSON] are absent because of illness.

The Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. GRAHAM], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Maryland [Mr. O'CONOR] is absent by leave of the Senate on official business attending the sessions of the International Labor Organization at Geneva, Switzerland, as a delegate representing the United States.

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. IVES], the Senator from Oregon [Mr. MORSE], the Senator from New Hampshire [Mr. TOBEY], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Wisconsin [Mr. WILEY] are absent by leave of the Senate.

The PRESIDENT pro tempore. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Senators be permitted to introduce bills and joint resolutions, present petitions and memorials, and submit routine matters for the RECORD and matters to be printed in the Appendix of the RECORD, without debate, and without speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAFT:

S. 3743. A bill for the relief of Haruko Katie Kaneko; and

S. 3744. A bill for the relief of Louise Kim Hang Ja; to the Committee on the Judiciary.

S. 3745. A bill to pay an annuity to Richard W. Goodhart; to the Committee on Post Office and Civil Service.

(Mr. MAYBANK introduced Senate bill 3746, to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages, which was referred to the Committee on Banking and Currency and appears under a separate heading.)

By Mr. MARTIN:

S. 3747. A bill for the relief of Dr. Szu'tai Tsou; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 3748. A bill for the relief of Miss Jean Hobart; and

S. 3749. A bill for the relief of Carroll L. Vickers, authorized certifying officer, Federal Works Agency; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 3750. A bill to authorize the exclusion from the mails of all obscene, lewd, lascivious, indecent, filthy, or vile articles, matters, things, devices, or substances, and for other purposes;

S. 3751. A bill relating to the classification of registration officers in the Veterans' Administration;

S. 3752. A bill to declare the termination of the present war for the purposes of the Veterans' Preference Act of 1944;

S. 3753. A bill to readjust the pay of certain postmasters, officers, and employees of the postal field service in the Territory of Hawaii, for the period July 1, 1943, to June 30, 1948; and

S. 3754. A bill to provide for the carrying of mail on star routes, including screen vehicle service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LANGER:

S. 3755. A bill for the relief of Mahammed Tahid Ali and certain other aliens; and

S. 3756. A bill for the relief of Nicholas Diamantis; to the Committee on the Judiciary.

By Mr. McFARLAND:

S. 3757. A bill for the relief of Charles Cooper; to the Committee on the Judiciary.

SECONDARY MORTGAGE CREDIT ACT

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages, and I ask unanimous consent to have printed in the RECORD a letter from Raymond M. Foley, Administrator of the Housing and Home Finance Agency, Washington, D. C., addressed to me as chairman of the Committee on Banking and Currency, dated June 9, 1950, and a summary of the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the letter and summary presented by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 3746) to authorize the creation of private mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages, introduced by Mr. MAYBANK, was read twice by its title, and referred to the Committee on Banking and Currency.

The letter and summary are as follows:

HOUSING AND HOME FINANCE AGENCY,
Washington, D. C., June 9, 1950.

Hon. BURNET R. MAYBANK,
Chairman, Senate Banking and Currency Committee,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: Transmitted herewith is a draft of a proposed bill to authorize the creation of private-mortgage corporations and to modify the Government's secondary market for FHA-insured and VA-guaranteed residential mortgages.

The principal purpose of this proposed bill is to assist in returning FNMA operations to a stand-by secondary market for private holders of Government-insured or guaranteed mortgages and thus reduce the volume of mortgage purchases by the Government. The bill would also provide additional authorizations needed for Government purchases of such mortgages and for Government financial assistance to the production and distribution of factory-built houses and housing components. A brief summary of the provisions of the proposed legislation is enclosed.

I have been authorized by the Director of the Bureau of the Budget to advise that the enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,
RAYMOND M. FOLEY,
Administrator.

BRIEF SUMMARY OF PROPOSED SECONDARY MORTGAGE CREDIT ACT

PURPOSE

The purpose of this proposed act is (1) to assist in returning the secondary credit operations of the Government, with respect to FHA-insured and VA-guaranteed home mortgages, to a stand-by source of liquidity for private holders of such mortgages and thus to reduce the impact on the budget of the United States caused by Government purchases; and (2) to provide additional authorizations for Government purchases of such mortgages and for Government financial assistance to the production and distribution of factory-built houses and housing components.

TITLE I—PRIVATE NATIONAL MORTGAGE CORPORATIONS

1. To assist in providing a market for FHA-insured or VA-guaranteed mortgages, the Housing and Home Finance Administrator would be authorized to provide for the chartering of private national mortgage corporations with authority, subject to his rules and regulations, to purchase, service, and sell such mortgages and to borrow money for these purposes (p. 1, sec. 101 (a)).

2. Each such corporation would have capital stock of a par value of not less than $1,000,000 and could not commence operations until such stock has been subscribed for, at not less than par, and at least 25 percent thereof has been paid in (in cash, Government securities, or insured or guaranteed home mortgages). The remainder of the stock subscribed would be payable in the same manner and at such time as the Housing Administrator approves, and the corporation could not issue obligations until such time as all subscriptions are paid in (p. 3, sec. 101 (d)).

3. Each corporation would be authorized to issue and have outstanding at any time obligations in an amount not to exceed (i) 25 times the par value of its outstanding capital stock and surplus, or such higher amount, not exceeding 40 times such value, as the Housing Administrator may determine to be necessary or desirable on the basis of the current loan market and other economic and fiscal considerations; and in no event to exceed (ii) the unpaid principal amount of the insured and guaranteed home mortgages held by the corporation, plus the value of its property, cash, and investments. The corporation could not borrow money or issue obligations except upon the written approval of the Administrator (pp. 3 and 4, sec. 102).

4. Moneys of such a corporation not invested in insured or guaranteed mortgages or operating facilities would have to be kept in cash or on deposit, or invested in obligations of, or guaranteed by, the United States. The Administrator would have the power to make periodic examination of the affairs of each corporation and to provide by regulation for the reorganization, merger, or liquidation of the corporations (pp. 4 and 5, secs. 103 and 104).

5. Such corporations would have no tax exemption (p. 5, sec. 105).

TITLE II—GOVERNMENT SECONDARY MORTGAGE CREDIT

1. The powers of FNMA to purchase FHA-insured and VA-guaranteed mortgages would be changed in the following respects:

(a) Although FNMA would continue to be authorized to purchase mortgages at amounts not exceeding par plus accrued interest, the law would expressly authorize the purchase price for such mortgages to be restricted to such lesser amounts as may be prescribed by FNMA regulation after taking into consideration the effect upon private financing, the building industry, and the national economy (p. 5, par. (C)).

(b) The present requirement that FNMA purchase mortgages only from original lenders would be eliminated.

(c) A new restriction would be substituted for the present 50 percent portfolio restriction (which applies only to FHA-insured mortgages, other than on military housing; to section 501 VA mortgages guaranteed on or before October 25, 1949; and to section 502 VA mortgages guaranteed before April 20, 1950). Under the new proposed restriction, the FHA-insured mortgages sold to FNMA by one mortgagee during any 6 months' period beginning on July 1 or January 1 could not exceed 35 percent of the original principal amount of all such mortgages originated or acquired by the mortgagee during the preceding 6 month' period. The VA-guaranteed mortgages sold to FNMA by one mortgagee during any such 6 months' period could not exceed 75 percent of the original principal amount of all such mortgages originated or acquired by the mortgagee during the preceding 6 months (p. 6, par. (2)).

(d) A new restriction would provide that not more than ⅓ of the funds hereafter available to FNMA could be used for the purchase of FHA-insured mortgages (p. 6, par. (4)).

(e) The FNMA would be expressly authorized to require that mortgages eligible for purchase must have been outstanding for a prescribed period (p. 6, sec. 202).

2. The total amount of authorized FNMA investments, loans, purchases, and commitments would be increased by $250,000,000 to $3,000,000,000. However, the bill would provide that FNMA, in preference to issuing notes or other obligations to secure necessary funds, shall as far as practical and in the public interest, giving consideration to the general fiscal and economic policies of the Government, sell its mortgage holdings and utilize the proceeds from such sales (p. 7, sec. 203).

3. The present method of appointing the Board of Directors of FNMA would be changed so that one of the directors would be appointed by the Administrator of Veterans' Affairs from among the officers or employees of the Veterans' Administration (p. 7, sec. 205).

TITLE III—MISCELLANEOUS

1. The Reconstruction Finance Corporation's authority to lend up to $50,000,000 to finance the production of prefabricated housing and large-scale modernized site construction would be increased by $50,000,000, and this authority would be extended to loans for the purpose of providing financial assistance for the distribution, as well as the production, of prefabricated housing and for related purposes (p. 7, sec. 301).

2. Federal home-loan banks would be authorized to make advances to national mortgage corporations established under title I of the bill (pp. 7 and 8, sec. 302).

SOCIAL SECURITY ACT AMENDMENTS OF 1950

Mr. KNOWLAND submitted an amendment intended to be proposed by him to the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. BUTLER submitted an amendment in the nature of a substitute intended to be proposed by him to House bill 6000, supra, which was ordered to lie on the table and to be printed.

DEFICIENCY APPROPRIATIONS, 1950—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (H. R. 8567) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1950, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON S. 1832, TO AMEND IMMIGRATION ACT

Mr. McCARRAN submitted the following concurrent resolution (S. Con. Res. 96), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be

printed 5,000 additional copies of the hearings conducted before a subcommittee of the Senate Committee on the Judiciary on S. 1832, Eighty-first Congress, first session, to amend the Immigration Act of October 16, 1918, as amended. Such additional copies shall be for the use of the Senate Committee on the Judiciary.

INVESTIGATION OF HANDLING OF AMERASIA CASE BY JUSTICE DEPARTMENT

Mr. CAPEHART. Mr. President, on behalf of myself, the Senator from Michigan [Mr. FERGUSON], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the senior Senator from North Dakota [Mr. LANGER], the Senator from Indiana [Mr. JENNER], the Senator from South Dakota [Mr. MUNDT], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Washington [Mr. CAIN], the Senator from Utah [Mr. WATKINS], the Senator from Idaho [Mr. DWORSHAK], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the senior Senator from Nebraska [Mr. BUTLER], the junior Senator from Nebraska [Mr. WHERRY], the Senator from Montana [Mr. ECTON], the junior Senator from North Dakota [Mr. YOUNG], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Missouri [Mr. KEM], and the Senator from New Jersey [Mr. HENDRICKSON], I submit a resolution, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the resolution (S. Res. 295) was ordered to be printed in the RECORD at this point, as follows:

Resolved, That the Senate Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation with respect to the conduct by the Department of Justice of the investigation of, and prosecution of the defendants in, the so-called Amerasia case, involving the possession of classified Government documents by Amerasia magazine or officers or employees of such magazine. The committee shall report to the Senate at the earliest practicable date the results of its investigation together with such recommendations as it may deem desirable, and if said recommendations are to include formal charges against any individual then the committee, before making said recommendations, shall give said individual open hearings for the purposes of taking evidence or testimony on said charges. In the conduct of this study and investigation, the committee is directed to procure, by subpena, and examine the complete files and records of the Department of Justice and other Government departments and agencies which may have application to the Amerasia case.

Mr. CAPEHART. Now, Mr. President, it is on behalf of more than 10,000,000 men and women who offered their lives, thousands of whom actually gave their lives to protect their country in the last Great War, that we offer this resolution for a full and complete investigation of the conduct of the Department of Justice in the prosecution of the Amerasia case.

I say that it is on behalf of those who served in the Armed Forces because I am certain they would like to know:

First, why were those who admitted the guilt of illegal possession of 1,700 restricted, secret, and confidential Government documents in wartime accommodated with a private, pressless hearing in a Saturday morning court session, when the irregular possession of a single document by those in the armed services would call for a full court martial?

Second, why did the man who revealed the content of restricted documents escape without a jail sentence and a meager $2,500 fine, when a doughboy would have been shot, or, at least, imprisoned for revealing to the enemy so much as a one-man fox hole?

Third, why did another who admitted a part in revealing those restricted and secret documents escape with a $500 fine, when, at that very time, prison and death were the penalties facing our fighters who might even reveal a single secret inadvertently?

Fourth, why did one who was indicted go scot free and three others escape indictment, when the slightest question of loyalty in our Armed Forces was so vital to our cause?

Why?

Why, Mr. President?

Those who offered their lives for their country want to know the answers; those who gave their lives will never know the answers.

Mr. FERGUSON. Mr. President, I am happy to join with the Senator from Indiana [Mr. CAPEHART] in his sponsorship of a resolution calling upon the Judiciary Committee to conduct an investigation into whether or not there was "malfeasance, misfeasance, neglect, or incompetency" in the Justice Department's prosecution of the persons arrested for complicity in the so-called Amerasia case of 1946.

I do so because the resolution is consistent with the views which I have previously expressed as a member of the Judiciary Committee in a letter to the chairman of the committee, dated May 8.

In my letter to the chairman of the committee I pointed out that the Amerasia case divided itself into two quite distinct phases. The first phase relates to the identity and motives of the persons who were implicated in the removal of Government documents which apparently included papers of considerable importance to the national security. The second phase relates to the manner in which the case was handled after its reference to the Department of Justice.

The first phase clearly involves questions of loyalty on the part of Government personnel, which is the province of the investigation authorized by the Senate to be conducted by the Foreign Relations Committee. The second phase just as clearly involves matters which are beyond the scope of the Foreign Relations Committee. The terms of the resolution under which it functions limits that committee to questions of loyalty. It is powerless to make recommendations with respect to any findings related to the handling of the Amerasia case by the Department of Justice.

It is my understanding, from reading the daily press, that the Foreign Relations Subcommittee is presently engaged in a rather comprehensive inquiry into the Amerasia case. I do not know the scope of that inquiry. I could find nothing inappropriate in any excursions of that subcommittee into the case, where they would contribute to findings in what I have outlined as its first phase.

Let me make clear, there would be nothing inappropriate in its inquiring into what I have called the second phase of the case, if such inquiry related to the first phase and assisted in any way in its exposition. However, such inquiry would have to be related to the first phase because the committee, as has been pointed out, is powerless to make any recommendations concerning the question of the administration of justice which is involved in the Amerasia case.

The Senate committee which has exclusive jurisdiction over matters concerning the administration of justice is the Committee on the Judiciary. I therefore feel that it should be empowered to proceed with an inquiry into those phases of the Amerasia case that relate to the administration of justice, notwithstanding any concurrent efforts on the part of the Foreign Relations Committee and most certainly with no desire to deprive that committee of any interest which it may rightfully hold in certain aspects of the case.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD as a part of my remarks a copy of the letter of May 8, 1950, and a reply from the distinguished Senator from Nevada [Mr. MCCARRAN], the chairman of the committee, under date of May 17, 1950.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 8, 1950.

Hon. PAT MCCARRAN,
Chairman, Committee on the Judiciary, United States Senate.

DEAR SENATOR: You are no doubt familiar with the renewed public interest in the Amerasia case of 1945, precipitated by the investigation into the loyalty of past and present employees of the State Department and by a revealing series of articles by Frederick Woltman in the Scripps-Howard newspapers.

The questions that arise from that case divide themselves into two categories. First are those questions relating to the nature of the apparent espionage activities in the case; by whom were the papers removed, to whom were they delivered, to what use were they made, what were the motives of the principals, and what bearing did these activities have upon the loyalty of Government personnel.

These are questions which I think are quite properly in the province of the subcommittee of the Foreign Relations Committee under the chairmanship of Senator TYDINGS, and I am confident that his statement on the Senate floor May 3 that "all matters pertinent to the investigation will be investigated" means that his subcommittee will concern itself with these phases of the Amerasia case.

The second category of questions relating to the Amerasia case are in a different sphere, beyond the jurisdiction of the Foreign Relations Committee. The questions in this category go to the manner in which the Amerasia case was handled by the Department of Justice. These questions relate to the manner in which indictments were sought against the six persons arrested, circumstances surrounding the failure to bring indictments against three of the persons arrested, the manner in which charges against

others were reduced, and the peculiar circumstances of the trial of those who were brought to court, as it since has been reported.

These, I am sure you will agree, are serious questions which, with the questions of loyalty, demand fullest investigation and ventilation. Because they are questions coming within the province of your committee, I respectfully request that a thorough investigation into the manner in which the Amerasia case was handled by the Department of Justice be initiated at once by the Senate Committee on the Judiciary.

I make my request in this form, rather than by introduction of a resolution, because I think the jurisdiction of the committee is so clear no special authorization is required. Further, I believe an investigation can be initiated without benefit of special funds or counsel, by utilizing the existing resources of the committee and its professional staff.

With best wishes, I am,

Yours sincerely,

HOMER FERGUSON,
United States Senator.

UNITED STATES SENATE,
COMMITTEE ON THE JUDICIARY,
May 17, 1950.

Hon. HOMER FERGUSON,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: Your letter under date of May 8 with regard to the Amerasia case reached me at noon yesterday. You will recall you caused the letter to be delivered to Mr. Sourwine, counsel of the Judiciary Committee, with the request that it be held for my personal attention; and, as you know, I did not return to Washington until Monday of this week.

This is a matter which has been already investigated by one congressional committee, and which appears to be presently under investigation by another. I enclose, for your information, a copy of House Report No. 2732 of the Seventy-ninth Congress, concerning the investigation conducted by the House Committee on the Judiciary. The investigation presently going on is, as you know, being conducted by the Tydings subcommittee of the Senate Committee on Foreign Relations.

It seems to me that there can be no point in multiplying congressional investigations of a single subject matter; and I cannot feel it would be proper to chisel at the jurisdiction of the Senate Committee on Foreign Relations, or seek in any way to hamper that committee in the investigation now under way.

Any question with respect to residual jurisdiction of matters not covered by the Foreign Relations Committee's investigation should properly await conclusion of that investigation, since it appears impossible to determine earlier whether there is or will be any phase of the matter not touched upon by the Tydings subcommittee.

In view of these considerations, I do not believe there would be any worth-while purpose accomplished by initiating a separate investigation by the Senate Committee on the Judiciary at this time.

Kindest personal regards.

Sincerely,

PAT MCCARRAN,
Chairman.

Mr. FERGUSON. Mr. President, I wish to say a few words in conclusion. Enough is known to the public in connection with this matter to indicate that the conduct of the Department of Justice in the handling of the Amerasia case should have the special and separate attention of the Judiciary Committee. In 1948 the Congress had an opportunity to investigate the Department of Justice in connection with the handling of the Kansas City vote fraud case. The Congress was not able to do that; but I think the time now has come for the Congress to investigate the conduct of the Department of Justice. All indications are that if the administration of justice is to be impartial and in keeping with the high standard that is required by a republic such as ours, in order that we may have equal justice under law, a thorough investigation of the conduct of that Department is necessary. Of course, it comes solely under the jurisdiction of the Judiciary Committee of the United States Senate, under the chairmanship of the distinguished Senator from Nevada [Mr. MCCARRAN].

Mr. TYDINGS subsequently said: Mr. President, the Senator from Indiana [Mr. CAPEHART] and other Senators have submitted today a resolution directing the Committee on the Judiciary or any subcommittee thereof to investigate the Amerasia matter, and directing that the committee report to the Senate at the earliest practicable date the results of its investigation, and so forth.

The Foreign Relations Committee's subcommittee of which I happen to be chairman is already investigating the Amerasia case, Mr. President. Although we are not making daily reports, we have asked all manner of questions involving the possession of classified Government documents: who was derelict, what the FBI knows about the matter, what the men in charge of the surveillance and arrests, and so on, and the whole prosecution of the case know about it, what the head men in the FBI know about it, what the head men in the Department of Justice know about it, what the lawyer who prosecuted the case knows about it, the grand jury minutes, the House proceedings, and all other phases of the matter. If the Senate will just be patient and will let us complete our investigation, I think we can bring in a comprehensive report.

In the meantime I ask that this resolution not be referred, but lie on the table.

Mr. President, while I have the floor, I should like to say to the eminent Senator from California [Mr. KNOWLAND], who the other day addressed a series of interrogations, and wanted Mr. Hoover to come before the Congress and make certain reports, that the same questions had been directed by the chairman of the subcommittee to the FBI a week or 10 days before the Senator from California spoke; and answers to every one of those questions have been obtained.

Mr. KNOWLAND. Mr. President, will the Senator yield at this point?

Mr. TYDINGS. I yield.

Mr. KNOWLAND. Do I correctly understand from the statement which has just been made by the able chairman of the subcommittee that he addressed a series of questions, substantially along the lines of my questions, and that he has received replies to the questions, in writing, from Mr. Hoover; and that the replies are now a part of the official records of the subcommittee?

Mr. TYDINGS. That is true. The questions the Senator from California suggested and many questions which he did not suggest have all been made matters of record; and that was done a week before the Senator made his speech on the floor of the Senate.

If Senators will be patient until we conclude our investigation, all those questions and all the matters to which the Senator from Indiana has addressed himself will be brought before the Senate.

Mr. KNOWLAND. Mr. President, will the Senator yield for a further question?

Mr. GEORGE. Mr. President, I would have to interpose, because the unanimous-consent agreement was for the introduction of routine matters, without debate. I am willing to indulge Senators a while.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. I should like to ask the present occupant of the chair what will be the effect of objection to continued debate on the resolution. The Senator from Georgia now has asked for the regular order, and of course it is proper for him to do so. Unanimous consent will be required, will it not, in order to have the resolution lie on the table and not be referred?

The PRESIDENT pro tempore. Yes, in this particular case.

Mr. WHERRY. If unanimous consent is not given, the resolution will be referred to the proper committee. Is that correct?

The PRESIDENT pro tempore. That is correct.

Mr. CAPEHART. Mr. President, I object to having the resolution lie on the table.

The PRESIDENT pro tempore. Objection is heard. The question of the reference of the resolution will be determined later.

TAX DEDUCTION FOR SCHOOL TEACHERS—DECISION OF UNITED STATES COURT OF APPEALS

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD a statement prepared by him relative to the case of *Nora Payne Hill* v. *Commissioner of Internal Revenue*, and the decision of the United States Court of Appeals for the Fourth Circuit, which appear in the Appendix.]

THE ECONOMIC COOPERATION ADMINISTRATION—ADDRESS BY HOWARD BRUCE

[Mr. SMITH of New Jersey asked and obtained leave to have printed in the RECORD an address on the subject of the Economic Cooperation Administration, delivered by Mr. Howard Bruce before the Maryland Historical Society, on June 6, 1950, which appears in the Appendix.]

ELECTRICITY—PUBLIC OR PRIVATE?

[Mr HOEY asked and obtained leave to have printed in the RECORD a discussion of the subject, Electricity—Public or Private? published in the June Monthly Letter on Economic Conditions and Government Finance, issued by the National City Bank of New York for June 1950, which appears in the Appendix.]

THE MARSHALL PLAN AND THE HENRY A. WALLACE PLAN

[Mr. YOUNG asked and obtained leave to have printed in the RECORD a report prepared for him by the Library of Congress relating to the Marshall plan and the Henry

A. Wallace plan, together with the vote in the Senate on the Wallace plan, as carried in the Taylor substitute, which appear in the Appendix.]

BIPARTISAN FOREIGN POLICY IN PARTISAN POLITICS—ARTICLE BY GEORGE H. E. SMITH

[Mr. WATKINS asked and obtained leave to have printed in the RECORD an article entitled "Bipartisan Foreign Policy in Partisan Politics," written by George H. E. Smith, and published in the magazine American Perspective, which appears in the Appendix.]

THE DESIRE FOR SECURITY—VALEDICTORY ADDRESS BY EUGENE F. McGARVEY

[Mr. WATKINS asked and obtained leave to have printed in the RECORD a valedictory address delivered by Eugene F. McGarvey at the Stevens Institute of Technology, at Hoboken, N. J., which appears in the Appendix.]

THE GREAT MORAL CRUSADE FOR PEACE AND FREEDOM IN THE WORLD—EXCERPT FROM ADDRESS BY ERIC SEVAREID

[Mr. LEHMAN asked and obtained leave to have printed in the RECORD excerpts from a radio address delivered on June 7, 1950, by Mr. Eric Sevareid, analyzing the great moral crusade for peace and freedom in the world, which appear in the Appendix.]

BRIGHAM YOUNG—A FITTING TRIBUTE—EDITORIAL FROM THE SALT LAKE TIMES

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an editorial entitled "A Fitting Tribute," published in the Salt Lake Times, Friday, June 2, 1950, which appears in the Appendix.]

UNITED NATIONS SURVIVAL—EDITORIAL FROM THE NEW YORK TIMES

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point an editorial entitled "United Nations Survival," published in the New York Times of yesterday. It deals with the question of yielding by other nations to unilateral pressure to seat the Communist Chinese regime in the United Nations, as advocated by Trygve Lie.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UNITED NATIONS SURVIVAL

The statement of the chief of the French mission to the United Nations, Jean Chauvel, on the deadlock over the admission of representatives of Communist China was so carefully guarded that it did not indicate any definite change in the French position. M. Chauvel merely declared that the China issue would have to be settled shortly if the United Nations were to survive. A favorable vote by France and by either Ecuador or Egypt would presumably provide the necessary seven ballots to admit the Chinese Communists to a place on the Security Council.

This, obviously, is a matter that France has to decide for herself. The United States has declared repeatedly that this country will abide by majority rule, and that if the seven votes are forthcoming there will be no American veto. We have made it plain that we do not, intend, at this time, to recognize the Peiping regime, but we will not make our nonrecognition the basis for impeding any majority decision in the United Nations.

If France is prepared to make any sort of shift at Lake Success, a corresponding attempt at a divorce between the issues of recognition and United Nations representation will probably be necessary. It is unlikely that France will recognize the Peiping regime after the Chinese Communists have extended their sympathetic recognition to the Communist-directed Vietminh revolt in Indochina. France may therefore be placed in the position of supporting the admission to the United Nations of a regime that France does not recognize. The United States will not support such a move, but will accede to it if the majority so decides.

While it is highly desirable to get the United Nations back on the rails, it is questionable if M. Chauvel has posed a true alternative. The implication of his statement is that the world must either yield to Soviet dictation in this case or see the International Organization go on the rocks. Something of the same purport has been conveyed by statements of the Secretary General, Mr. Lie. There is, unhappily, no assurance that surrender to Soviet blackmail and boycott at this point will make the United Nations any sounder or stronger or will enable it to get on with its essential tasks.

It is hard to see how the mere presence of another Soviet satellite in a limited number of United Nations agencies will further the cause of making and keeping peace and of rebuilding a better world. The United Nations has functioned thus far, not because of Soviet participation, but in spite of it. The Organization has been used as a sounding board for Communist propaganda, but there has been little constructive work done by the Russians or their agents. The walk-outs on the Chinese question have been spectacular, but they have been no more significant in the long run than the persistent Soviet stay-out as far as all the constructive activities of the United Nations are concerned.

The admission of the Chinese Communists to the Security Council will certainly not change the Russian position on the international control of atomic weapons. It will not modify Russian obstruction to setting up an international police force under the United Nations. It will certainly not ease the deadlock on the peace treaties, nor will it contribute to a settlement of the woeful case of partitioned Korea.

Perhaps the technical survival of the United Nations in its present form might be at issue in the Chinese case. The real living growth of the organization will not be affected one way or the other. No one can be so bemused as to believe that genuine progress toward better world understanding will have been achieved when the present Chinese representatives are replaced by faithful Soviet stooges.

There is, moreover, no reason to believe that surrender to Soviet coercion at this point would be the last surrender. On the contrary, it is logical to assume that the Kremlin, having abundant assurance that its obduracy will pay dividends, would make its next demands even steeper. If the issue, therefore, is United Nations survival, it is also the issue of whether the United Nations is to survive under the whims of Soviet dictation.

THE DESERTION OF FORMOSA

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD two articles written by Richard Stokes, one entitled "Correspondents Shocked To Find United States Carries Fight on Chiang to Formosa," and the other entitled "America's Desertion of Friendly Formosa Is Adjudged Act of National Dishonor."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CORRESPONDENTS SHOCKED TO FIND UNITED STATES CARRIES FIGHT ON CHIANG TO FORMOSA

(By Richard Stokes)

Let us suppose a party of correspondents representing Pravda, Izvestia, Trud, Novoje Vremija, the Vchitelskaya Gazette, and Krokodil had traveled from Moscow to investigate conditions in Hungary.

Imagine further that staff members of the Soviet Embassy in Budapest led them into corners by the buttonhole and whispered the following into their ears:

"We have to admit that the situation in Hungary is better than could be expected. But the regime will never be a true people's democracy until non-Marxist parties are admitted into the government on equal terms with Communists.

"Hungary can be saved, but only if it rids itself of Comrade Rakosi, falsely known as the Magyar Stalin. As his successor, an admirable choice would be Cardinal Mindszenty."

Readers will murmur: "How utterly mad." But the fantasy is only slightly more incredible than the atmosphere which shocked recent American visitors to the United States Embassy in Taipeh, capital of Formosa.

The spectacle of a gay and valiant people fighting a battle of life and death with their backs to the last wall commonly wins respect even from their enemies.

When the heroic nation, in addition, embodies the most ardent pro-American shrine on earth and is waging America's war singlehanded against communism, the least to be expected would be sympathy or, at worst, neutrality.

American correspondents were horrified to discover that the American Embassy in Taipeh is engaged in mercilessly driving the final nail into the bier of this country's only stanch ally in the Far East.

At the head of the American Embassy in Taipeh they found not an ambassador but a chargé d'affaires, in the person of Robert Campbell Strong, 34, a plump and supercilious career man from Wisconsin, who had formerly been a mere consul in Tsingtao. One correspondent muttered:

"The State Department has put an office boy on the job at one of the hottest diplomatic spots in the world. What Taipeh needs is a full ambassador of the highest caliber."

In the opinion of his compatriots on Formosa, Strong is a "rabid Stilwellite," that is, a devoted adherent to the party line as redrawn for China by Joseph Stalin in 1943, following the victory at Stalingrad.

Strong defined himself as "a loyal servant of the State Department."

The fundamentals of the new Soviet policy drafted 7 years ago were that Chiang Kai-shek must be eliminated and that the Chinese Reds should gain admission to the government with the purpose of becoming its political and military masters.

The Embassy at present is striving to bring about the downfall of Chiang Kai-shek, though he stood for 20 years as the Orient's great pillar of flame against communism.

An endeavor is also being made to force a wedge between the Generalissimo and his armed forces by cultivating dissension with his brilliant commander in chief of ground troops, Lt. Gen. Sun Li-jen.

General Sun is a graduate of the Virginia Military Institute. In his compound are two elephants which he brought to Formosa from Burma as souvenirs of the victory in which the Chinese armies, under his command, smashed for the first time the legend of Japan's military invincibility.

The spiritual climate of Formosa is patriotic, idealistic and intensely pro-American. The contrast upon entering the United States Embassy was that of setting foot on alien and enemy soil, which was not only anti-Chinese but anti-American and pro-Soviet.

Immediately after our arrival, Strong held a press conference. His condescending air of sophistication and evasion of major questions led the spokesman of the newspaper group to suggest, to Strong's face, that we should walk out of the room. The proposal was rejected,

and we heard members of the Embassy staff make some important admissions.

The point was stressed that the currency has remained surprisingly stable, thanks to wise fiscal measures, in spite of enormous pressure placed on the island's economy by a flood of refugees from the mainland and by the government's administrative and military costs. The expected "runaway inflation" did not occur.

Peasants had been relieved by a reduction of rents from 55 to 37½ percent of their produce. Labor on Formosa, what with wages and bonuses, was the best paid in the Orient. Exports of sugar, coal, and other commodities averaged $200,000,000 a year. Some 90,000 Formosans were benefiting from unemployment and disability insurance.

Nevertheless, more than half of the correspondents boycotted a reception given for them by the Embassy just before their departure. The purpose proved to be that of undermining any favorable impressions we might have gathered on the trip.

We had met the Nationalist chieftains of army, navy, and air force, and found them without exception to be not only tough and hardbitten but dedicated men.

But a member of the Embassy staff took me by the arm, led me apart to a sofa in a corner and spoke softly as follows:

"This is the best government we have ever known in China. In fact, we could still save Formosa—if we could just get rid of Chiang Kai-shek. The trouble is that the Generalissimo thinks himself a great strategist. Well, he isn't. He is wildly jealous of General Sun and hampers him in every possible way."

It happened that some weeks earlier Chiang Kai-shek had issued an edict giving complete freedom of action to General Sun. One recalled the Generalissimo's brilliant campaign against the war lords, the Chinese Communist armies, and then the Japanese.

"If we could just get rid of Chiang Kai-shek."

It was depressing, to put it mildly, to hear a State Department career man, on Formosa, in May 1950, still parroting the ukase uttered by Stalin in 1943 at Moscow:

"Chiang Kai-shek must go."

AMERICA'S DESERTION OF FRIENDLY FORMOSA IS ADJUDGED ACT OF NATIONAL DISHONOR

(By Richard Stokes)

As if from an altar, the brightest and purest flame of liberty in the world today glows upon that unhappy island which Portuguese navigators christened Formosa, on account of its beauty, and which the Chinese call Taiwan, or "Bay of Terraces."

The thrilling impression made upon a visitor to Taiwan is a profound sense of spiritual rebirth.

Here, behind its last rampart and in utmost adversity, the soul of China has found an awakening of valor, rectitude, and consecration.

Taiwan is probably the only spot on the globe which is 100 percent anti-Communist. Even Spain has its Soviet fifth column.

Since the island regime is at war with Red China, Communists are promptly seized and punished as spies. Unlike Hainan, Formosa is totally free from Mao Tse-tung's guerrillas.

It is also the world's most fervent hearth of Americanism. It is more pro-American than the United States itself.

With the Chinese, friendship is a religion. Despite betrayal after betrayal, despite Yalta, the Marshall mission, and the State Department's white paper, they cling with sublime and tragic loyalty to their faith in the United States.

During 5 days one met with no hint of reproach. But there was often a wistful question:

"Are the people of America beginning to understand?"

For the Taiwanese, certain truths are so crystal clear that they cannot believe the American people will fail to comprehend. These truths are as follows:

The island is the easternmost bastion of the American cause.

Its sacred mission is to preserve the last spark of freedom and religion in the Orient, which will be trampled out if Formosa is lost.

The Nationalist regime is fighting America's battle, not in a cold but a shooting war, against its deadly foe, the Communist world crusade.

The visitor's impression of moral exhiliration is accompanied by a sense of overhanging doom. For this idyllic island and its 8,000,000 people—so warm-hearted, so gay, brave, and true—have been sentenced to death by a hideous alliance of the Soviet Union, the Red Chinese tyranny, and the Government of the United States.

Hewing implacably to the party line drawn 7 years ago by Joseph Stalin, Washington refuses to grant its faithful champions on Taiwan as much as a single cartridge.

But in the vicinity of Shanghai the Russians are feverishly building a giant Chinese invasion force of planes, warships, submarines, and landing craft for the conquest of Formosa, probably before the middle of September, when the typhoon season reaches its height.

At present the forces of attack and defense seem no nearly balanced that the scale could be tilted by a single kind word from the President of the United States.

It is estimated that America could save Formosa by the prompt dispatch of $15,000,000 of military supplies—a bagatelle compared with the first year's grant of $275,000,000 of military aid to Greece and Turkey.

With such help denied by Secretary of State Dean Acheson and with Russia pouring equipment into Shanghai, the fate of Taiwan appears sealed by dint of logistical mathematics. It is an exorbitant price to pay for the vindication of a thesis of Dr. Owen Lattimore.

That thesis, as any traveler to Manila and Tokyo is bound to discover, is founded upon a lie, namely, that Formosa is totally lacking in strategic value.

The State Department, through its enslavement of President Truman, succeeded in silencing the military voice in Washington.

But that voice is audible and eloquent throughout the domain ruled by Gen. Douglas MacArthur, outside the State Department's jurisdiction. A summary of the military view follows:

The State Department's falsehood that Formosa is expendable is disposed of by the fact that Japan used this island as its keystone base for the conquest of the Philippines, southeast Asia, and Indonesia.

Two armed forces are available to resist communism in the Far East. One is the French Colonial Army of 140,000 men in Indochina and the other is the Nationalist army on Formosa, which is considerably larger but is in sore need of war planes, ships, rifles, machine guns, ammunition, radar, and antiaircraft artillery.

These forces represent the two blades of a pair of pincers which, if plied with skill and energy, could be made to keep the Chinese Reds so busy that they would have little time for adventures outside their own borders.

The State Department, under pressure from France, has agreed wisely to support the Indochina Army with money and military aid.

It is sheer madness to withhold similar help from Formosa. Protected by 100 miles of water, the island is a far less risky gamble than Indochina, which is riddled with communism and is directly vulnerable by land to attack by Chinese Red armies reckoned at 5,000,000 men.

The thick coating of pretexts has now been stripped from the administration's announcement that Formosa will be abandoned to its fate. Standing thus in its stark reality, the decision is easily seen as founded on the State Department's ruthless vendetta against Generalissimo Chiang Kai-shek.

Rather than admit that this prejudice was mistaken, Secretary Acheson prefers to deliver over to destruction the most faithful pro-American movement on the globe.

CONSTRUCTION OF STEAM PLANT AT NEW JOHNSONVILLE, TENN.

The PRESIDENT pro tempore. Will the Senator from Georgia yield to the Chair for a moment, for a brief statement of facts for the RECORD in his capacity as a Senator from Tennessee.

Mr. GEORGE. I should be pleased to yield.

The PRESIDENT pro tempore. Certain misinformation has gone to Tennessee in reference to the New Johnsonville steam plant of the TVA. The Chair has had Mr. Thomas Scott, of his staff, examine the facts. The Chair asks unanimous consent that these facts be placed in the RECORD.

On January 5, 1949, as a Senator from Tennessee the present occupant of the chair introduced Senate Joint Resolution 1 authorizing the Tennessee Valley Authority to build a steam power plant at New Johnsonville, Tenn. The joint resolution was as follows:

Joint resolution to authorize the Tennessee Valley Authority to build a steam power plant at New Johnsonville, Tenn.

Resolved, etc., That the Tennessee Valley Authority is hereby authorized and empowered (1) to use any funds appropriated to it for any other purpose (except appropriations specifically for work on or the building of South Holston and Watauga Dams) for the purpose of building a steam power plant at New Johnsonville, Tenn., or (2) to use any of its funds collected from the sale of light, power, or byproducts for the purpose of building such steam power plant.

This joint resolution did not pass; so later on the present occupant of the chair put a provision in the then current appropriation bill and the proceedings from there on are as follows:

I am doing this merely to keep the record straight, because there has been so much misrepresentation about who did what for the Tennessee Valley Authority that I think it is important that the people of Tennessee should know the facts.

There being no objection, the statement of facts was ordered to be printed in the RECORD, as follows:

STEAM PLANT, NEW JOHNSONVILLE, TENN., TENNESSEE VALLEY AUTHORITY

The budget of the TVA for the fiscal year 1949 which was considered by the Eightieth Congress, second session, contained a request for $4,000,000 to start construction of a steam plant at New Johnsonville, Tenn.

The House refused the request for these funds.

On the motion of Senator MCKELLAR, the subcommittee handling the Government corporations appropriation bill for 1949, included the $4,000,000 in the bill as well as language pertaining to the steam plant.

The first three subcommittee amendments to the bill were in reference to the steam plant. At a full committee meeting on Saturday, June 12, 1948, a vote was taken on the three amendments and the three amendments were approved on the following roll call vote—12 to 8:

Yeas: Wherry, Cordon, Young, Knowland, McKellar, Hayden, Thomas, Tydings (proxy), Russell, McCarran (proxy), O'Mahoney, Green.

Nays: Bridges, Gurney, Brooks, Reed (proxy), Ball, Ferguson, Saltonstall, Dworshak.

The bill in question, H. R. 6481, was reported to the Senate on June 12, 1948. The bill was considered on the floor of the Senate on June 15, 1948, CONGRESSIONAL RECORD, pages 8250–8283. The three amendments providing for the steam plant were approved by the Senate on a roll-call vote, 45 to 37 (p. 8282, CONGRESSIONAL RECORD). The Presiding Officer appointed the following Senators as conferees on the part of the Senate: Senator Ferguson, Senator Reed, Senator Wherry, Senator McKellar, Senator Russell.

The conferees on the part of the House were Messrs. W. C. Ploeser, Ben F. Jensen, F. R. Coudert, Jr., Cliff Clevenger, George Mahon, Jamie L. Whitten, and Albert Gore.

On the Senate floor on June 19, 1948, Senator WHERRY requested permission to be excused from further service as a conferee on the bill containing funds for the TVA steam plant. Senator WHERRY said it was physically impossible for him to attend any further meetings of the conference committee. The request was granted and the Presiding Officer appointed Senator SALTONSTALL to replace Senator WHERRY.

On the same day, June 19, 1948, Senator FERGUSON, on the floor of the Senate, moved that the Senate recede from its position with respect to the steam plant, thereby agreeing with the House to omit the funds and language for the steam plant from the bill. There was considerable debate on this motion (CONGRESSIONAL RECORD, pp. 9015–9017). With respect to the motion, Senator MCKELLAR made the following comments:

"Mr. MCKELLAR. Mr. President, I have been attending conferences for more than 32 years, but I have never seen a conference before that was conducted in the way in which this conference was conducted. I want to say that the Senate Members, even those who differed with me, were exceedingly considerate all the time. The House Members declined to consider the question of the steam plant of the Tennessee Valley Authority at all. They said they had made up their minds on the steam plant—that they were not going to recede. They took part in the discussion, but they did not yield or discuss any method of getting together. I have never seen a conference of that kind. They laid the law down to us, put a pistol to our heads, so to speak, at it were, and said, "We will not consider what you may think about it." That was the situation. Under the circumstances the chairman of the committee, Senator FERGUSON, acted very courteously and politely and suggested that the Senate conferees would come back to the Senate for instructions, and here we are."

It seems to me that the Senate owes it to itself to stand by the position it previously took by a vote of 45 to 37. By that vote the Senate decided that the steam plant should be constructed. The House Members claimed that this question was involved in some motion to recommit made in the House, but that was not a vote upon the question in the House as we voted upon it in the Senate. We voted on the direct question of building this particular steam plant. The House voted on a general motion to recommit. I hope the Senate will vote as it previously voted and vote for the steam plant."

The motion for the Senate to recede from its position on the steam plant was defeated on a roll-call vote, 47 to 37 (CONGRESSIONAL RECORD, p. 9018).

The same day in the House, Subcommittee Chairman Ploeser moved that the House insist on its disagreement to the Senate amendments pertaining to the steam plant. Mr. GORE offered a preferential motion that the House recede and concur with the Senate amendments on the steam plant. A roll-call vote was taken in the House on the motion by Mr. GORE and it was defeated, 201 to 186 (CONGRESSIONAL RECORD, p. 9245).[1]

Subsequent to the foregoing action by the House, Senator FERGUSON moved that the Senate recede from its amendments on the steam plant, and Senator FERGUSON's motion was agreed to, thereby deleting the funds and language for the steam plant from the bill (CONGRESSIONAL RECORD, p. 9091).

On January 24, 1949, the President transmitted to Congress a supplemental estimate (H. Doc. 44) in the amount of $3,450,000 for the Tennessee Valley Authority. The President recommended $3,000,000 for the commencement of construction of a steam plant at New Johnsonville, Tenn., and $450,000 to commence the construction of two additional hydro-generating units, one for the Guntersville Dam, Ala., and one for Chickamauga Dam in Tennessee.

The House Committee on Appropriations reported H. R. 2632, the First Deficiency Appropriation Act, 1949, to the floor of the House on February 14, 1949. This bill carried an appropriation of $2,500,000 for the New Johnsonville steam plant. The committee in its report stated that the budget estimate was being reduced from $3,000,000 to $2,500,000 for the steam plant because the committee was not convinced that construction could be undertaken in time to utilize the full amount during the remainder of fiscal year 1949.

On the floor of the House on February 16, 1949, Congressman TABER moved to strike out the funds for the steam plant and to insert language in the bill prohibiting the use of any of the funds in the bill for the construction of a steam power plant (CONGRESSIONAL RECORD, p. 1246). There was considerable debate in the House with respect to the appropriation. On a tellers vote in the House the TABER amendment to strike out the funds for the steam plant was defeated 105 to 192 (CONGRESSIONAL RECORD, p. 1260). The bill passed the House the same day, February 16, 1949.

The Subcommittee on Deficiencies of the Senate Appropriations Committee had a detailed hearing with respect to the funds for the steam plant. The subcommittee agreed to recommend an appropriation of $2,500,000 for the steam plant. During the full committee meetings on this bill in March 1949 Senator FERGUSON moved that language be included in the bill which would permit a suit to be filed to test the constitutionality of the construction of the steam plant. Senator FERGUSON'S motion in committee was lost 11 to 10 on the following roll-call vote:

Yeas: McCarran, Kilgore, Robertson, Bridges, Gurney, Reed, Ferguson, Wherry, Cordon, Saltonstall (proxy).

Nays: McKellar, Hayden, Thomas, Russell (proxy), O'Mahoney, Chavez, Maybank, Ellender, Hill, McClellan (proxy), Young.

Senator BRIDGES thereupon moved that $2,500,000 be deducted from the amount allowed for the TVA, such amount having been earmarked for the beginning of construction of the steam plant. Senator BRIDGES' motion was disagreed to, 13 to 8, on the following roll-call vote:

Yeas: McCarran, Kilgore, Robertson, Bridges, Gurney, Reed, Ferguson, Saltonstall.

Nays: McKellar, Hayden, Thomas, Russell (proxy), O'Mahoney, Chavez, Maybank, Ellender, Hill, McClellan (proxy), Wherry (proxy), Cordon, Young.

The bill was reported to the Senate on March 22, 1949, containing $2,500,000 for the steam plant. On April 11, 1949, during consideration of the bill, Senator BRIDGES proposed an amendment to strike out all of the funds for the steam plant (CONGRESSIONAL RECORD, p. 4291). The amendment of Senator BRIDGES was debated starting on page 4356 of the RECORD. Senator BRIDGES' amendment was rejected on a roll-call vote, 30 to 55 (p. 4482 of the CONGRESSIONAL RECORD). Senator FERGUSON'S amendment authorizing a suit in court to determine whether there was constitutional authority to construct a steam plant was debated starting on page 4482 of the RECORD. On page 4485 of the RECORD, Senator HILL made a point of order against the amendment of Senator FERGUSON on the ground it was legislation on an appropriation bill. Senator HILL'S point of order was sustained by the Chair and thereupon Senator FERGUSON moved that the rules be suspended. Senator FERGUSON'S motion to suspend the rules was disagreed to on a roll-call vote of 38 to 45, page 4488 of the CONGRESSIONAL RECORD. The bill was passed by the Senate on April 13, 1949. Since funds for the TVA steam plant had been put into the bill by the House and agreed to by the Senate, the funds were not a subject for conference with the House. H. R. 2632 was signed by the President on May 24, 1949, and became Public Law 71, Eighty-first Congress, first session, carrying an appropriation of $2,500,000 for the New Johnsonville steam plant.

The Independent Offices Appropriation Act, 1950, signed August 24, 1949, provided additional funds for the steam plant in the amount of $16,065,000. The budget estimate for fiscal year 1950 was in the amount of $16,500,000 and the House effected a reduction in all construction items on the theory that construction costs would decline.

The Urgent Deficiency Act, 1950, Public Law 771, of March 27, 1950, also carried an appropriation of $1,500,000 for the steam plant. This was the amount of the budget estimate, the House having granted the full estimate, and the Senate concurred therein.

The general appropriation bill for 1951, H. R. 7786, carries funds for the steam plant. The budget estimate for 1951 is in the amount of $4,300,000 and this figure is included in approximately a $100,000,000 program for the TVA. The House cut the total about 5 percent. The bill is now pending before the Senate Appropriations Committee.

[1] All 10 of the Tennessee Congressmen voted in the affirmative.

SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public-assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. GEORGE. Mr. President, I ask unanimous consent that Mr. Robert J. Myers, chief actuary of the Federal Security Agency, be allowed to occupy a seat in the Senate Chamber during the discussion of the pending bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. Fedele F. Fauri, seated beside me, is a regular member of the professional staff, assigned to social-security matters.

Mr. President, I ask unanimous consent that the committee amendment be first considered and perfected.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. I take it that the effect of such unanimous consent would be to place the committee amendment in the position of the original bill, so that it would be open to amendment in the first degree; is that correct?

Mr. GEORGE. Yes; that is true.

The PRESIDENT pro tempore. The statement of the Senator from Ohio is correct under the rule. Without objection, the request of the Senator from Georgia is granted.

The question is on agreeing to the committee amendment.

Mr. GEORGE. Mr. President, H. R. 6000, as amended by the Committee on Finance, is designed to make the contributory social-insurance system the major method of providing protection against the economic hazards resulting from old-age and premature death. Fifteen years have elapsed since the enactment of the Social Security Act, and public assistance still is the primary program, instead of being reduced to the secondary position that was anticipated with the passage of the act. Today four and one-half million individuals—2,800,000 of whom are over 65 years of age—are dependent upon the State-Federal public-assistance programs for their support. Only 2,900,000 individuals—of whom 2,100,000 are aged—receive benefits under old-age and survivors insurance. Expenditures by the Federal, State, and local governments for the three public-assistance programs totaled $2,000,000,000 in 1949, as contrasted with $700,000,000 for the insurance program.

In recommending the adoption of H. R. 6000, as revised, the objective of your committee is to reverse the trend, started in 1936, which has resulted in constantly increasing expenditures from general revenues to provide some security for the aged and dependent children of the Nation through public assistance. We have concluded, after careful review of the existing programs that the assistance method based on a need test, which in some instances at least means the taking of a pauper's oath, has serious disadvantages as a long-range approach to the problem of providing security for the aged and for orphan children. Accordingly, your committee recommends action so as to immediately strengthen and expand old-age and survivors insurance by extending coverage, increasing benefit amounts, liberalizing eligibility requirements, and otherwise improving the system.

In urging the adoption of this bill, your committee is mindful of the fact that it does not do the whole job. Public assistance can be reduced to a minimum only if those already old, and who have not been afforded the opportunity to participate in the contributory system, have their needs met through a method other than assistance. There has not been sufficient time to arrive at definite conclusions on how the present aged who are not a part of the labor force should be protected from want. Your committee has recommended therefore, that further study be given to this and other problems not resolved by the bill so that within the next year or two a sound social security system, which affords equitable protection for all citizens of the United States, can be put into full operation. In the meantime the adoption of H. R. 6000, as revised with its higher insurance benefit level and liberalized eligibility requirements will lessen the immediate demand for public-assistance payments in the States. Thus the States will be enabled to provide more adequate assistance to needy individuals who do not qualify for insurance benefits.

I believe that enactment of this bill with its major emphasis on the expansion and improvement of the insurance system will provide for reasonable security for those covered by it without sacrificing the principles of liberty so important to all Americans. Under social insurance the rights accruing to those who become entitled to benefits are clearly defined. Payments are related to the contributions of the worker to some extent at least. Each individual insured under the system can ascertain the amount he is to receive upon meeting the prescribed statutory requirements. The law specifies unequivocally what he is eligible to receive. He is not dependent upon the findings of an investigator who may be well-meaning but whose job it is to inquire into the personal life of the applicant, and to determine what assets he may have or might have had in the past as is the usual pattern in public assistance. Moreover, under the insurance system the amount of an individual's payment is not dependent upon the fiscal ability of the locality or the State in which he happens to live, as is too often the case under public assistance. The average old-age assistance payment now ranges from $19 in the lowest State to $71 in the highest. Wide disparity also exists among the States in the proportion of the aged population found eligible for old-age assistance. One State provides aid to more than 80 percent of its aged residents while others limit their payments to less than 10 percent. These contrasts cannot be justified on the basis of varying economic conditions.

This inequitable treatment of our aged citizens is becoming more and more pronounced each year. The adoption of House bill 6000, as revised, will reverse this trend and provide reasonable social security through contributory social insurance to additional millions without subjecting them to the humiliation of a need test or having the amount of their payments depend upon the State or community in which they may reside.

I shall try to summarize very briefly some of the principal features of the bill. First, however, I want to state that this bill is the result of many months of study. Last year the Ways and Means Committee of the House of Representatives spent almost 6 months in developing the bill that passed that body in October. This year the Committee on Finance has been engaged almost exclusively with this legislation over a 4-month period. In addition to the 2,400 pages of testimony that were received from witnesses, the committee had available the findings of its outstanding advisory council appointed in 1947, of which the late Edward J. Stettinius was chairman, and Dr. Sumner Slichter, the associate chairman.

I. OLD-AGE AND SURVIVORS INSURANCE

EXTENSION OF COVERAGE

The system now affords coverage to about 35,000,000 persons in an average week. The bill would add approximately 10,000,000 more, making a total of 45,000,000 jobs covered. The particular groups added are:

First. Self-employed: About 5,000,000 self-employed persons other than farmers, members of certain professions, and those with only normal earnings from self-employment, less than $400 per year, are covered. Thus, the small-business man would for the first time be provided with social-security protection for himself and his dependents. The committee continued the exclusion of farmers and certain professional groups because there has been little indication that they desire coverage at this time. It is probable that in the future, as the program becomes more effective, these professional groups and farmers may desire to be brought under the system. The inclusion of a large number of people who do not request coverage may create administrative difficulties. The committee is of the opinion that extension of coverage beyond that contained in the bill, especially as to farmers, should await the findings of the proposed study.

Second. Agricultural workers: Workers on farms who are employed by one employer at least 60 days and earn $50 or more in a calendar quarter are covered, and in addition, borderline agricultural workers, such as those engaged in processing and packing of agricultural and horticultural commodities off the farm, are brought under the system. These groups total about 1,000,000 persons. The committee gave careful study to the extension of coverage to workers on farms. It proposes this limited extension of coverage at this time in order to assure simplicity of administration for the farmer. There is no question but that workers on farms, including migratory workers and sharecroppers, need social-security protection. The public-assistance loads in the agricultural States reflect this need. To go beyond the coverage that is proposed in the bill, however, without further study of the administrative problems that would arise, would be impracticable. I regret that I am compelled to advocate delaying the extension of coverage to agricultural workers not covered by the bill until a thorough study of the feasibility of such coverage has been made.

Third. Household workers: Approximately 1,000,000 domestic servants in private homes, other than in homes on farms operated for profit, who work for one employer at least 24 days and earn $50 or more in a calendar quarter are covered. Domestic servants in farm homes are covered as agricultural labor, and so must work for one employer 60 days in a calendar quarter in order to be covered. Again, as with farm workers, coverage would be extended to domestics in private homes only as to those who can be brought under the system without creating complex administrative problems. The household workers who are not regularly employed by one employer need social-security protection, but the committee believes that administrative experience gained through coverage of the limited group should first be obtained in order to assure successful operation of the system in this new area.

Fourth. Governmental employees: Certain employees of the Federal, State, and local governments who are not under

a retirement system are afforded coverage under the bill. Federal civilian employees, numbering about 200,000, are covered on a compulsory basis. State and local employees, numbering about one and one-half million, are eligible to be covered through State-Federal agreements. Coverage of State and local employees who are under a retirement system has been excluded because of the overwhelming weight of testimony heard by your committee favoring such exclusion.

Fifth. Nonprofit and religious institutions: About 600,000 employees of nonprofit and religious institutions are afforded coverage. Those employed by nonprofit organizations not owned or operated by a religious denomination are covered on a compulsory basis in the same manner as are workers in industry. As to employees of religious denominations and of organizations owned and operated by a religious denomination, the committee believes they should be excluded from compulsory coverage so as to avoid raising administrative problems. Therefore, such employees would be brought under coverage only if their employer exercised the option granted by the bill for voluntary coverage. In all cases, however, ministers and members of religious orders would continue to be excluded from coverage.

Sixth. Miscellaneous groups: About three-quarters million additional persons are brought under coverage by the bill. These are principally (a) American citizens employed outside the United States by American employers, (b) employees in Puerto Rico and the Virgin Islands who are covered in the same manner as if they were employed in the continental United States, and (c) full-time life-insurance salesmen and certain agents or commission drivers who are covered as employees under the broadened definition of "employee." With reference to this definition, concerning which there has been much comment and the hurling of charges and counter-charges, the committee limited the expansion of coverage through modification of the usual common-law rules to the categories mentioned as they can be described clearly and can be easily understood by everyone concerned. The adoption of the so-called economic reality test, based on seven indefinite factors, as contained in the House-passed bill, would, in the opinion of the committee, create useless confusion and vest far too broad discretionary powers in the administrative agencies and threaten the independence of many of the small-business enterprises of America.

Moreover, the persons covered as employees under the definition in the House-passed bill and who are not covered as employees under the bill as revised, are covered, in general, as self-employed under the action taken by the committee. Thus, there would be no limitation on the extent of coverage, but only the manner of coverage would be affected.

LIBERALIZATION OF BENEFITS

Although broad extension of coverage is necessary to the development of a sound social-security system, of equal importance is provision for adequate benefits to eligible individuals. A rise in the insurance system's benefit level has long been overdue. The average insurance benefit payment for a retired worker is $26 a month as contrasted with a $45 average for old-age assistance. The Congress has adjusted upward the Federal financial participation in the latter program in 1946, and again in 1948. The insurance system on the other hand is operating under a benefit formula which has been unchanged since 1939 despite the sharp increase in prices and wage levels that have occurred since that time. H. R. 6000, as revised, brings the benefit payments in line with present-day conditions.

The 2,900,000 beneficiaries currently receiving old-age and survivors insurance benefits would have their monthly payments increased about 85 to 90 percent on the average. The average payment for retired workers would rise from $26 to more than $48.

Those claiming benefits in the future would have their payments computed under a new formula, or in the same manner as for present beneficiaries, depending upon which method produces the more favorable result. The monthly primary payment under the new benefit formula is 50 percent of the first $100 of the average monthly wage plus 15 percent of the next $150. The average payment for workers becoming entitled to benefits after the enactment of the bill would be somewhat in excess of $50 per month. The minimum payment of $10 under present law would be increased to $25, except for those workers with a monthly average wage of less than $34 per month, for whom a $20 minimum would be applicable.

Mr. President, I should like permission to have inserted in the RECORD, tables 2, 3, 4, and 5, which appear on pages 21, 25, 26, and 27 of the committee report accompanying the bill.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 2.—*Summary of conversion table for computing monthly benefits for those now on the roll (or retiring in the future)*[1]

[All figures rounded to nearest dollar]

Primary benefit computed under present law	New primary insurance amount		Maximum family benefits payable[2]
	House-approved bill	Committee-approved bill	
$10	$25	$20	$40
$15	31	31	50
$20	36	37	59
$25	44	48	78
$30	51	56	113
$35	55	62	145
$40	60	68	150
$45	64	72	150

Examples:

(*a*) Retired worker now receiving $30 per month will receive $56 after effective date under committee-approved bill as against $51 under House-approved bill. Amount he receives plus supplementary benefits for his eligible dependents or amount for his survivors cannot exceed $113 per month.

(*b*) Widow age 65 or over now receiving $30 per month (based on three-fourths of deceased husband's primary benefit of $40) will receive $51 after effective date under committee-approved bill (¾ of $68) as against $45 under the House-approved bill.

[1] For those retiring in the future, this table is used either if they do not have sufficient quarters of coverage to qualify for the "new start" average wage or if the table produces a more favorable result.

[2] Same for both House-approved bill and committee-approved bill.

TABLE 3.—*Illustrative monthly old-age insurance benefits for retired workers*

[All figures rounded to nearest dollar]

COVERED IN ALL POSSIBLE YEARS

Monthly wage while working	5 possible years of coverage			40 possible years of coverage		
	Present law	House-approved bill	Committee-approved bill	Present law	House-approved bill	Committee-approved bill
$50	$21	$26	$25	$28	$30	$25
$100	26	51	50	35	60	50
$150	32	56	58	42	66	58
$200	37	62	65	49	72	65
$250	42	67	72	56	78	72
$300	(1)	72	(1)	(1)	84	(1)

COVERED IN HALF OF POSSIBLE YEARS

$50	$10	[2] $25	$20	$12	[2] $25	$20
$100	21	26	25	24	30	25
$150	23	28	38	27	33	38
$200	26	31	50	30	36	50
$250	28	34	54	33	39	54
$300	(1)	36	(1)	(1)	42	(1)

[1] Present law and committee-approved bill include wages only up to $250 per month as creditable and taxable.

[2] Under conditions assumed, individual might not be able to qualify at all, depending on actual incidence of his covered employment.

NOTE.—These figures are based on the assumption that the insured worker was in covered employment after 1950 as indicated.

TABLE 4.—*Illustrative monthly benefits for retired workers covered for 5 years*

[All figures rounded to nearest dollar]

Average monthly wage	Present law		House-approved bill		Committee-approved bill	
	Single	Married[1]	Single	Married[1]	Single	Married[1]
$50	$21	$32	$26	$38	$25	$38
$100	26	39	51	77	50	75
$150	32	47	56	85	58	86
$200	37	55	62	92	65	98
$250	42	63	67	100	72	109
$300	[2]	[2]	72	108	[2]	[2]

[1] With wife age 65 or over.

[2] Present law and committee-approved bill include wages only up to $250 per month as creditable and taxable.

NOTE.—These figures are based on the assumption that the insured worker is in covered employment steadily each year after 1950.

TABLE 5.—*Illustrative monthly benefits for survivors of insured workers covered for 5 years*

[All figures rounded to nearest dollar]

Average monthly wage	Present law	House-approved bill	Committee-approved bill	Present law	House-approved bill	Committee-approved bill	Present law	House-approved bill	Committee-approved bill
	Widow and 1 child			Widow and 2 children			Widow and 3 children		
$50	$26	$38	$38	$37	$40	$40	$40	$40	$40
$100	33	77	75	46	80	80	52	80	80
$150	39	85	86	55	113	115	63	120	120
$200	46	92	98	64	123	130	74	150	150
$250	52	100	109	74	133	145	84	150	150
$300	(1)	108	(1)	(1)	144	(1)	(1)	150	(1)
	1 child alone			2 children alone			Aged widow[2]		
$50	$10	$19	$19	$21	$32	$31	$16	$19	$19
$100	13	38	38	26	64	62	20	38	38
$150	16	42	43	32	70	72	24	42	43
$200	18	46	49	37	77	81	28	46	49
$250	21	50	54	42	83	91	32	50	54
$300	(1)	54	(1)	(1)	90	(1)	(1)	54	(1)

[1] Present law and committee-approved bill include wages only up to $250 per month as creditable and taxable.

[2] Age 65 or over.

NOTE.—These figures are based on the assumption that the insured worker is in covered employment steadily each year after 1950.

Mr. GEORGE Mr. President, these tables show the increase in benefits and the amounts payable at various wage levels to retired workers and their dependents under the bill as reported by the committee, and also in the form the bill was passed by the House of Representatives. These tables indicate not only that benefit payments would be much more adequate than under present law, but also that on the whole the bill as revised by the Committee on Finance affords beneficiaries more favorable treatment than they would receive under the bill as passed by the House.

Other benefit liberalizations are also contained in the bill. Benefits are provided for dependent husbands of women workers, and more liberal treatment is accorded children of women workers who have been in covered employment. Thus, women who are a part of the labor force will receive more ample protection for their dependents than is now the case. Moreover, the percentage of the primary benefit available to surviving children of all insured workers has been increased. Instead of one-half of the primary benefit being payable to each surviving child as under present law, child benefit payments are made on the basis of three-fourths of the primary amount for the first child and one-half for each additional child in the family.

Another liberalization over present law is the provision in the bill relating to the limitation on earnings in covered employment by beneficiaries which is now $14.99 per month. This limitation is increased to $50 per month for those between 65 and 75 years of age, which will enable beneficiaries to supplement their benefits by part-time employment to a greater extent than has been possible in the past. For insured persons over 75 years of age there is no limitation on the amount of earnings. This latter provision has particular significance for self-employed persons and others engaged in occupations in which retirement is customarily deferred to an advanced age. It is hoped that through these changes experience may be gained that will assist in developing plans, for enactment at a later date, which would encourage employers to utilize the services of aged workers to the fullest extent practicable, so that those willing and able to work may continue to be productive members of society.

ELIGIBILITY FOR BENEFITS

The bill, as revised, greatly liberalizes the present eligibility requirements so that an older worker can qualify for benefits with the same number of quarters of coverage that were required of an older worker when the system began operation. Under present law a worker who attains the age of 65 years in July of this year must have 27 quarters of coverage to be eligible for benefits. A worker who was 65 years of age in 1940, when the first payments were made, was eligible if he had only 6 quarters of coverage. Eligibility requirements for older workers as difficult to meet as those of the present law cause an unwarranted postponement of the effectiveness of the insurance system in furnishing protection for the aged. Therefore, the bill would provide a new start in eligibility requirements under which a worker could qualify for benefits if he had coverage in only one-half the number of quarters elapsing after 1950, and before attainment of age 65 but in no case less than 6 quarters. Quarters of coverage would include those earned in 1950 and prior years as well as those earned subsequently. Thus, any person aged 62 or over on the effective date of the bill would be fully insured for benefits at age 65 if he had 6 quarters of coverage; those aged 61 would need 8 quarters; those aged 60, 10 quarters, and so forth. The maximum requirement for fully insured status would never exceed 40 quarters of coverage which is the case in present law.

I believe this new start provision is one of the most important in the bill. It is estimated that 700,000 additional beneficiaries will be added to the rolls in 1951 through its enactment. Many of these are now out of the labor force but are unable to qualify under the stringent requirements of present law, yet they and their employers have made contributions to the system in past years.

I am certain that all members have had inquiries from aged citizens calling attention to the apparent injustice of the present system under which social security taxes have been paid by the worker and his employer for 4, 5, or 6 years or more, but because the worker is a few quarters short of the required number he is ineligible for any benefits or a refund of taxes paid. If such person is unable to work and is in need he must turn to public assistance. The new start provision is designed to correct such inequitable results and to immediately shift part of the public-assistance burden to the insurance system.

VETERANS

As a result of being removed from the civilian labor force, World War II servicemen were deprived of the opportunity for coverage under old-age and survivors insurance. The committee believes that these servicemen who answered the call of their country in time of war should have the same status under old-age and survivors insurance as they might have had if military service had not interfered with their employment. Accordingly, the bill would give servicemen wage credits of $160 for each month of military or naval service performed during the World War II period.

FINANCING

It is essential to sound social insurance that there be adequate financing, and that those who accrue benefit rights shall also assume contribution obligations. The committee is of the opinion that the system should be financed solely from contributions made by employers, employees, and the self-employed. Accordingly, the bill would repeal the provision in present law authorizing appropriations to the trust fund from general revenues.

The tax schedule in the bill would retain the present rates of 1½ percent on employers and 1½ percent on employees through 1955. The rate for the self-employed is 1½ times the employee rate, or 2¼ percent for this period. It is estimated that these rates will produce sufficient revenue to meet all benefit obligations for the next 5 years. Beginning in 1956 successive increases in the rates are provided with 2 percent being scheduled for 1956 through 1959, 2½ percent for the period 1960 through 1964, 3 percent for the period 1965 through 1969, and 3¼ percent thereafter.

There are many different tax schedules that could be adopted. The schedule in the bill is not being offered as one that will under all circumstances prove to be satisfactory as the system matures. I do believe, however, that it is as sound a schedule as can be formulated at this time on the basis of past experience.

II. PUBLIC ASSISTANCE

As I have already indicated, the bill, as revised, is designed to have the contributory insurance system become the primary program for affording protection against the economic hazards of old age and premature death so as to reduce the need for public-assistance expenditures. Accordingly, few changes in the public-assistance program are contained in the bill. However, as a number of these are of major importance, I shall discuss them briefly.

AID TO DEPENDENT CHILDREN

Under present law the Federal Government does not share in that part of any monthly aid to dependent children payment which exceeds $27 for the first child and $18 for each additional child in a family. The bill would raise these matching maximums to $30 and $20, respectively, with the result that the maximum Federal funds available to the States would be increased from $16.50 to $18 per month for the first child and from $12 to $13 for each additional child. Thus the States would be enabled to provide somewhat higher payments for their dependent children.

AID TO THE BLIND

The States are now required to take into consideration all income and resources of claimants of aid to the blind. Under the bill, as revised, the States with federally approved aid-to-the-blind plans would be required to disregard earned income up to $50 per month of claimants of aid to the blind. Because of the necessity of allowing the States to modify their aid-to-the-blind laws, this requirement is not effective until July 1952, but in the meantime the States would be permitted to disregard earnings up to $50 per month on a discretionary basis. It is the opinion of the committee that such exemption of earnings will encourage blind individuals to become self-supporting and to be productive members of society.

OLD-AGE ASSISTANCE

The bill, as revised, would make a beginning in reducing the Federal participation in supplementary old-age assistance payments made to beneficiaries of old-age benefit payments under the insurance program. Old-age assistance payments made to retired workers who become entitled to insurance benefits for

the first time after enactment of the bill, would be shared in by the Federal Government on a 50–50 basis instead of under the regular grant-in-aid formula applicable to other cases. Thus, the Federal share of old-age assistance payments for these supplementary assistance payments would be limited to a monthly maximum of $25 instead of $30 as in present law.

MEDICAL CARE

Under the bill, as revised, the States would be authorized to make direct payments to doctors or others furnishing medical or remedial care to recipients of State-Federal public assistance. Under present law the Federal Government does not participate in the cost of medical care for recipients unless payment is made directly to the recipient. Under another change in the bill, the Federal Government would share in the costs incurred by the States and localities in furnishing assistance to the needy aged and needy blind residing in public medical institutions—other than those for mental diseases and tuberculosis—instead of limiting Federal participation to costs incurred for recipients residing in private institutions as provided in present law. It is the belief of the committee that this latter provision will assist communities to develop additional facilities for chronically ill persons and thereby assist in meeting the increasing need for such facilities.

III. CHILD HEALTH AND WELFARE SERVICES

Under present law Federal grants-in-aid to the States are authorized for three service programs designed to promote the health and welfare of children in rural areas and areas of special need. The committee believes that the authorization for appropriatior for these programs—maternal- and child-health services, crippled-children services, and child-welfare services—should be increased so as to assist the States to meet the health and welfare needs of a greater number of children. Accordingly, the bill would increase the annual authorization from $11,000,000 to $20,000,000 for maternal- and child-health services, from $7,500,000 to $15,000,000 for services for crippled children, and from $3,500,000 to $12,000,000 for child-welfare services.

IV. UNEMPLOYMENT INSURANCE

The provisions in present law allowing advances to the accounts of States in the unemployment trust fund, expired January 1, 1950. There has not been sufficient time for the committee to give consideration to the many changes that have been proposed in the unemployment-insurance program and to report H. R. 6000 for action at this session of Congress. Therefore, in order to assure the solvency of State unemployment insurance accounts, the bill would reenact the provisions in present law and permit advances by the Federal Government to the accounts of States until December 31, 1951.

CONCLUSION

Mr. President, I have described very briefly the major provision of the bill. The committee report contains a detailed explanation of all provisions. Moreover, a Committee print is before the Senate which compares the major differences in present law, H. R. 6000 as passed by the House of Representatives and H. R. 6000 as reported by the Senate committee. Reference is made to the blue sheet on the desk of each Senator. I mention these two documents because I believe they will enable any Member to ascertain the contents of the bill and to satisfy himself as to the committee's objectives in revising the bill in the form in which it has been reported to the Senate.

As I indicated earlier, the bill does not provide social-security protection for all citizens of the Nation. Some groups, such as share croppers, migrant agricultural labor, and part-time domestic servants, who are not brought under insurance coverage, need protection. I regret that further extension of coverage must await more detailed study of the problems inherent in bringing additional persons within the system. It is my opinion, however, that the committee has reported a sound bill which can be supported by Members on both sides of the aisle. The adoption of this legislation does not mean the enactment of new principles or of untried innovations. The committee has merely proposed that we improve and strengthen and make available to additional millions the protection afforded by the contributory social-security insurance program inaugurated by the Congress in 1935.

By the adoption of H. R. 6000, we can assist the wage earners and the small-business men of the country to obtain protection against want in their old age. By continuing the social-insurance principles and relating benefits to contributions or earnings, we shall preserve individual thrift and incentive; by granting benefits as a matter of legal right, we shall preserve the individual dignity of our citizens. The committee is not unconcerned with the eventual liability which this revision of the social-security program will place upon the Government and upon employers and employees alike, but we have proceeded with faith in America to meet the problem.

Mr. President, at this time I ask unanimous consent to have certain technical amendments adopted. These amendments, which are all technical, have been approved by the legislative counsel, by the staff of the committee, and have been carefully scrutinized. They do not change in any respect any substantive provision of the law.

The PRESIDING OFFICER (Mr. LEHMAN in the chair). May the Chair inquire whether the Senator from Georgia wishes the amendments to be acted on en bloc or separately?

Mr. LUCAS. Mr. President, because they make substantially technical changes, I make the request that they be acted on en bloc.

Mr. SCHOEPPEL. Mr. President, may I ask the distinguished Senator from Georgia a question?

Mr. GEORGE. I yield.

Mr. SCHOEPPEL. All members of the committee have agreed to them, have they not?

Mr. GEORGE. The committee members authorized the making of these technical changes, and they have been made in accordance with the authorization.

The PRESIDING OFFICER. The question is on agreeing en bloc to the amendments offered by the Senator from Georgia.

The amendments were agreed to, as follows:

On page 240, line 24, strike out "paragraph" and insert in lieu thereof "subparagraph."

On page 242, line 4, strike out "if."

On page 243, line 11, after the word "owned", insert "by the United States."

On page 253, line 5, after the word "waterways", insert a comma.

On page 257, line 17, after "thereof)", insert a comma.

On page 263, line 5, strike out "means" and insert in lieu thereof "mean."

On page 268, line 10, strike out "twenty-one" and insert in lieu thereof "twenty-two."

On page 268, line 13, after the word "or", insert a comma and "if later,".

On page 292, line 18, strike out "Payment" and insert in lieu thereof "Payments."

On page 315, strike out line 4 and insert in lieu thereof "1426 (a) (1), and he shall not be required to obtain a."

On page 316, line 13, after the word "shall", insert "not."

On page 322, line 13, strike out "terms" and insert in lieu thereof "term."

On page 322, line 21, strike out "paragraph" and insert in lieu thereof "subparagraph."

On page 328, line 17, strike out "Services" and insert in lieu thereof "Service."

On page 331, line 3, after "tivating", insert a comma.

On page 332, line 6, after the period, insert quotation marks.

On page 335, line 9, at the beginning of the line, insert quotation marks.

On page 341, line 8, strike out "purpose of this section" and insert in lieu thereof "purposes of this subsection."

On page 355, line 11, strike out the word "the" where it first appears.

On page 356, line 9, after "thereof)", insert a comma.

On page 362, line 11, strike out the quotation marks.

On page 372, line 6, strike out "(b)" and insert in lieu thereof "B)."

On page 374, line 15, after "promptness", insert a semicolon.

On page 381, line 3, after the period, insert quotation marks.

On page 381, line 19, strike out the word "and" where it first appears and insert in lieu thereof "any."

On page 382, line 10, strike out "1953" and insert in lieu thereof "1951."

On page 383, line 16, after the dash, insert quotation marks.

On page 384, strike out lines 9 and 10 and insert in lieu thereof:

"(b) The amendment made by subsection (a) shall take effect October 1, 1950, except that the exclusion of money payments to needy individuals described in clause (a) or (b) of section 1006 of the Social Security Act as so amended shall, in the case of any of such individuals who are not patients in a public institution, be effective July 1, 1952."

On page 385, line 19, after "404;", insert "702; 703;."

On page 386, line 2, after "404;", insert "702; 703;."

On page 386, line 3, strike out "(other than subparagraph (1) thereof)."

On page 386, after line 9 and before line 10, insert:

(f) The heading of title VII of the Social Security Act is amended to read "Administration."

On page 391, between lines 14 and 15, insert the following:

(b) (1) Clause (2) of the second sentence of section 904 (h) of the Social Security Act is amended to read: "(2) the excess of the taxes collected in each fiscal year beginning after June 30, 1946, and ending prior to July 1, 1951, under the Federal Unemployment Tax Act, over the unemployment administrative expenditures made in such year, and the excess of such taxes collected during the period beginning on July 1, 1951, and ending on December 31, 1951, over the unemployment administrative expenditures made during such period."

(2) The third sentence of section 904 (h) of the Social Security Act is amended by striking out "April 1, 1950" and inserting in lieu thereof "April 1, 1952."

On page 391, line 15, strike out "(b)" and insert in lieu thereof "(c)."

On page 391, line 15, strike out "subsection (a)" and insert in lieu thereof "subsections (a) and (b)."

Mr. GEORGE. Mr. President, I now offer as committee amendments, amendments which have not been submitted to the committee as a whole, but I shall be pleased to explain them. They are amendments which have the approval of the Secretary of the Treasury and of the Federal Security Agency. The amendments provide simply that with respect to the payments by the domestic servants who are brought under the bill acceptance of payment would be authorized upon the basis of the nearest dollar, so that in case the housewife was indebted to the domestic servant $9.50 or more, $10 would be returned. If the housewife were indebted to the domestic servant for $9.20 or $9.30, or less than $9.50, $9 would be returned. In other words, the purpose of the amendments is to round the return to the nearest whole dollar. That is the entire effect of the amendments. If there is no objection, I should like to have those amendments also approved, so they may appear in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none, and, without objection, the amendments are agreed to en bloc.

The amendments are as follows:

Amendment to section 104 (a) of H. R. 6000, as reported by the Committee on Finance: Insert a new unlettered paragraph on page 239 between lines 21 and 22, reading as follows:

"For purposes of this title, in the case of service not in the course of the employer's trade or business within the meaning of section 210 (a) (3), if such service is performed by an employee who is regularly employed during the calendar quarter within the meaning of such section, any payment of cash remuneration which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulation made under this title, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to $1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute—

"(1) the amount of remuneration for purposes of section 210 (a) (3); and

"(2) the amount of wages for purposes of this title, if such payment constitutes remuneration for employment, but only to the extent not excepted by any of the other paragraphs of this section."

Amendment to section 204 (e) of H. R. 6000, as reported by the Committee on Finance. Insert a subsection (j) on page 335, between lines 24 and 25, reading as follows:

"(j) Computation of wages in certain cases: For purposes of this subchapter, in the case of service not in the course of the employer's trade or business within the meaning of subsection (b) (3), if such service is performed by an employee who is regularly employed during the calendar quarter within the meaning of such subsection, any payment of cash remuneration which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this subchapter, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to one dollar. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute—

"(1) the amount of remuneration for purposes of subsection (b) (3), and

"(2) the amount of wages for purposes of this subchapter, if such payment constitutes remuneration for employment, but only to the extent not excepted by any of the numbered paragraphs of subsection (a)."

Mr. GEORGE. Mr. President, I also ask to have printed in the RECORD at this point an explanation of the amendments just adopted.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF AMENDMENTS TO H. R. 6000 TO PROVIDE FOR THE ROUNDING OF WAGE PAYMENTS TO THE NEAREST WHOLE DOLLAR IN THE CASE OF SERVICE NOT IN THE COURSE OF THE EMPLOYER'S TRADE OR BUSINESS

A new section 1426 (j) of the Internal Revenue Code, recommended by the Treasury Department, and a corresponding new paragraph in section 209 of the Social Security Act, recommended by the Federal Security Agency, are designed to make easier the computation of the tax on the wages of domestic servants. The provisions would authorize the issuance of regulations in appropriate cases, permitting householders to take into account wage payments rounded to the nearest whole dollar for social-security purposes. For example, if a household employee receives a cash remuneration payment of $9.50, or $10.49, or any amount in between, the payment would be considered to be $10 for social-security purposes. The rounding of cash wage payments to the nearest whole dollar will ease the householder's part in the social-security program for purposes of applying the tax rate to the wage payment, for purposes of any required record keeping, and for purposes of determining whether $50 or more has been paid to the employee for services performed in any calendar quarter.

Mr. GEORGE. Mr. President, as I have stated, the first amendments I offered, are purely technical in nature. The second amendments I offered have the single effect of rounding the return for the domestic servant to the nearest whole dollar.

Mr. President, that is all I wish to say at this time. I earnestly hope we may make such progress with the bill as is consistent with proper consideration of legislation of this magnitude.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

Mr. SCHOEPPEL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be suspended.

The PRESIDING OFFICER (Mr. HOEY in the chair). Without objection, it is so ordered.

Mr. MILLIKIN. Mr. President, in acting on the bill which is now before the Senate we necessarily must reach at least rough definitions as to what, if anything, shall be the role of the Federal Government in meeting our social-security problems. We cannot do this on the assumption that we can make an original exploration of our duty.

We have a system of so-called social security which originated in the Social Security Act of 1935, and which has been continued and expanded by the 1939 Revision Act, by miscellaneous legislation enacted during 1940 and 1945, and by amendments of 1936 and 1947 and 1948. The field covers benefits from contributions, public assistance from general revenues, aid to the blind, to dependent children, and to the permanently and totally disabled, and maternal and child health and welfare services including within their scope aid to crippled children.

The magnitude of commitments already made is illustrated by some of the facts relating to our old-age and survivors insurance system. During 1949, 35,000,000 persons were covered during an average week. There are 80,400,000 living persons with wage credits, 40,000,000 fully insured persons, and 5,700,000 persons who are currently but are not fully insured. As of December 31, 1949, 2,743,000 persons were receiving benefits from this part of the system, including widowed-mother and child beneficiaries. Seventeen percent of the total aged population, 65 years of age or older, were receiving such benefits. The benefits under the old-age and survivors system rose from $35,000,000 in 1940 to $667,000,000 in 1949. The average benefits as of December 31, 1949, were $25.30 per month for a single retired worker; $41.40 for the retired worker and aged wife; $50.60 for the widowed mother and two children; and $20.80 for the aged widow.

By the end of 1949 the so-called trust fund had accumulated a total of $11,816,000,000.

On the public-assistance side, Mr. President, which it will be remembered is a sharing program with the States and the Federal share of which is paid out of general revenues, there were 2,736,000 beneficiaries receiving old-age assistance, 1,521,000 dependent children receiving aid, and 93,000 blind who were being assisted. These payments during the calendar year 1949 totaled $1,893,000,000.

Attention to these facts alone makes it apparent that it would be grossly irresponsible and brutal to end the present system without immediately ushering in an alternative.

If it was a mistake to enter into the system in 1935, it would be a greater mistake now to abandon it without an instantly ready and acceptable alternative.

Those who believe that the Federal Government has no proper role in these matters and that it was a mistake to enter the field have a special reason to reflect on the fact that any innovation in our Federal Government providing benefits for the people immediately sets up a new cycle of vested interests which cannot be lightly stricken down. People shape their lives and have a right to do so on the promises of the Government. And so it happens that to end many things in the Government which many feel are wrong would set in motion new evils offsetting or perhaps increasing the size of those to be ended. The moral for caution in what we do here is obvious, and it is not my intention to engage in abstract preachments as to sound procedures in the conduct of the Government.

The statistics which I have given concern the bread and butter and shelter and health of the beneficiaries. We cannot blithely unshackle ourselves and trip away from the duties which have been assumed and which are suggested by the facts which have been pointed out.

But if we were approaching the matter originally, if we were not required to deal with a system in being, which involves so many exigently important claims of millions of our citizens, we would have to give heavy thought to facts which I respectfully suggest would move us into some kind of program to cover a part of the security problems of our people.

History shows that as a nation becomes predominantly industrial, less and less security for more and more people is to be found in the cellar. The close ties of most people in less complicated agrarian economies with the protection and sustaining power of the land are severed and security must be found in the pay envelope, in the ability of the worker to buy his security from that which is in his pay envelope, and which by the nature of his employment in industrial areas cannot be found in the cellar.

Perfectionist theories for preserving individual security are shattered as to millions of people away from the land, due to the preventable and unpreventable disasters to payrolls caused by cyclical swings and numerous types of maladjustment in the economy, and often due to plain human frailty or catastrophic personal tragedies—all beyond the cure of lectures and stern admonitions by our Spartanists. The wide-scale junking of workers in mass-production industries even before middle age has been reached may prove too much even for the most rugged of the rugged individualists.

We might well wish—I certainly do—that these blank spots in individual security would be filled without Federal intervention, but with individual savings, with other forms of self-attained security, or with family help, and that, these failing, public obligations might be met at the community and State level. But that, I say to my colleagues, is theory which so far has failed under test. There may not be any savings or they may become exhausted, families will not or cannot help, communities or States will not or cannot help; and as the Federal Government takes more and more of the citizen's money for Federal taxes, he and his family and his community and his State find themselves with less and less money for the assumption of these security problems, and, I may add, less and less for doing the job individually and at home.

I wish it were otherwise. Maybe we can reverse the hoggish gluttony of the Federal Government and leave more money at home for individual, community, and State solutions of our problem. But I would not allow people to starve while we are waiting to do it.

It has been apparent for a long time that our social-security system reeked with inadequacy and other faults—inadequacy of coverage, inadequacy of benefits, excessive taxation to sustain the current load of benefits, faults and inconsistencies in conception and administration, such as those surrounding the so-called reserve-trust fund.

On July 23, 1947, during the Eightieth Congress, the United States Senate adopted a resolution, sponsored jointly by the distinguished senior Senator from Georgia [Mr. GEORGE], and by the junior Senator from Colorado who was then the chairman of the Senate Finance Committee, directing the Senate Finance Committee "to make a full and complete investigation of old-age and survivors insurance and all other aspects of the existing social-security system, particularly in respect to coverage, benefits, and taxes relative thereof."

During the summer recess of 1947, following the adoption of this resolution, a special Advisory Council was organized to give the Committee on Finance the benefit of its recommendations. Great care was taken to secure widespread geographical representation, to secure as members men and women of high standing, broad experience, and especially qualified to protect the interests of the worker, employer, and the public. The members of the Council were:

Frank Bane, executive director, Council of State Governments, 1313 East Sixtieth Street, Chicago, Ill.; executive director, Social Security Board, 1935–38; commissioner of public welfare for the States of Virginia and Tennessee, 1923–32; first director of American Publice Welfare Association, 1932–35.

I will say to the distinguished Senator from Washington [Mr. CAIN] that I am glad he is here, and I hope he will give close attention to what I am about to say, as I know he will.

J. Douglas Brown, dean of the faculty, Princeton University, Princeton, N. J.; director, industrial relations section, department of economics and social institutions, Princeton University, since 1926; consultant to the Social Security Board since 1936; chairman, Advisory Council on Social Security, 1937–38.

As I read through this list of names, I urge Senators to note the special qualifications for the job at hand.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. DONNELL. The Senator mentioned Mr. Frank Bane. Is it not also true that he occupies the position of leading administrative director in the National Conference of Governors?

Mr. MILLIKIN. He is executive director of the National Conference of Governors, and had, before he became executive director, personal experience in administering welfare measures in Virginia and Tennessee.

I now come to Malcolm H. Bryan, vice chairman of board, Trust Co. of Georgia, 36 Edgewood Avenue, Atlanta, Ga.; first vice president, Federal Reserve Bank of Atlanta, 1938–41; economist, Board of Governors of the Federal Reserve System, 1936–38; professor of economics, University of Georgia 1925-36; member, American technical staff, Bretton Woods Monetary and Financial Conference, 1944.

Nelson H. Cruikshank, director of social insurance activities, American Federation of Labor, Washington, D. C.

Mary H. Donlon, chairman, New York State Workmen's Compensation Board, New York, N. Y.; past chairman, New York State Industrial Board.

Adrien J. Falk, president, S. & W. Fine Foods, Inc., San Francisco, Calif.; member, advisory council, California State Employment Stabilization Commission; vice president, California State Chamber of Commerce; president, San Francisco Board of Education.

Marion B. Folsom, treasurer, Eastman Kodak Co., Rochester, N. Y.; staff director, House of Representatives Special Committee on Postwar Economic Policy and Planning, 1944–47; vice chairman, Committee for Economic Development; member, New York State Advisory Council on Unemployment Insurance; member, Advisory Council on Social Security, 1937–38.

M. Albert Linton, president, Provident Mutual Life Insurance Co., Forty-sixth and Market Streets, Philadelphia, Pa.; past president, Actuarial Society of America; fellow of American Institute of Actuaries; fellow of the Institute of Actuaries, London; past chairman, Institute of Life Insurance; member, Advisory Council on Social Security, 1937–38.

John Miller, assistant director, National Planning Association, Washing-

ton, D. C.; National Resources Planning Board, 1939–43; Institute of Public Administration, 1937–38.

William I. Meyers, dean, New York State College of Agriculture, Cornell University, Ithaca, N. Y.; member, President's Committee on Foreign Aid; governor, Farm Credit Administration, 1933–38; president, Farm Mortgage Corporation, 1934–38; trustee, Rockefeller Foundation, General Education Board.

Emil Rieve, president, Textile Workers' Union, and vice president, Congress of Industrial Organizations, New York, N. Y.; member, board of directors, American Arbitration Association; United States delegate to American Conference on Social Security, Chile, 1942.

Florence R. Sabin, scientist, Denver, Colo.; professor of histology, Johns Hopkins University, 1905–25; member of Rockefeller Institute for Medical Research, 1925–38, member emeritus since; president of the board, Finney Howell Research Foundation; member and past officer of the American Association of Anatomists, the American Association of Physiologists, and Society of Experimental Biology and Medicine; member of the National Academy of Scientists.

Sumner H. Slichter, Lamont University professor, Harvard University, Cambridge, Mass.; chairman, Research Advisory Board, Committee for Economic Development; professor of business economics, Harvard University, 1930–40; previously on faculties of Cornell and Princeton Universities.

I think that if anyone were to compile a list of the 10 greatest economists in the United States this gentleman would have to be included as one of them, and many would place him at the very top.

S. Abbot Smith, president, Thomas Strahan Co., Chelsea, Mass; president and director, Smaller Business Association of New England, Inc.; trustee, Committee for Economic Development; member of Subcommittee on Special Problems of Smaller Business; Director, Smaller War Plants Corporation, 1942–45.

I ask Senators again to note the diversity of interests of the members of the council.

There was the late Edward R. Stettinius, Jr., rector, University of Virginia, Charlottesville, Va.; Secretary of State, United States, 1944–45; Under Secretary, 1943–44; member, Advisory Council on Social Security, 1937–38.

Delos Walker, vice president, R. H. Macy & Co., New York, N. Y.; vice president and member of the board, Regional Planning Association of New York; trustee, Institute of Public Administration; former chairman of the board, American Retail Federation.

Ernest C. Young, dean of the graduate school, Purdue University, West Lafayette, Ind.; member, International Conference of Agricultural Economists; member, American Association of Farm Managers and Rural Appraisers; past president, American Farm Economic Association.

The chairman of the Council was the late Hon. Edward R. Stettinius, Jr., and the cochairman was Dr. Sumner H. Slichter.

Four of the members, Messrs. Stettinius, Brown, Folsom, and Linton served on an earlier Advisory Council on Social Security likewise set up by the Senate Finance Committee.

A preparatory committee of the Council met in October 1947, and again in November, to make the necessary preparations for the organization of a technical staff and for the first full meeting of the Council. The first Council meeting took place on December 4 and 5, 1947.

The Council, its members assembling from all parts of the country, met for two full days each month from December of 1947 through May of 1948, and its steering committee, designated by the Council at its first meeting, met for one full day between each of the Council meetings.

Average attendance at Council meetings—and remember the geographical distribution of the members—was 15 of the 17 members. Between meetings members analyzed and studied background and research material prepared by the Council's professional research staff under the direction of the steering committee.

The full report of the Council was presented to the Senate Finance Committee on December 31, 1948.

It was possible for this widely representative group to make unanimous recommendations on most of the important points they considered, and to make nearly unanimous recommendations on the remainder. Their report has been of great assistance to the Senate Finance Committee and to the Congress. It was widely distributed and studied, it focused attention on the issues, and it promoted full presentation of all viewpoints at the committee hearings on H. R. 6000.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. WHERRY. The Senator made the observation that this committee made its recommendation in December of 1948. Are we acting upon these recommendations now in consideration of this proposed legislation, or is this committee still functioning?

Mr. MILLIKIN. The Advisory Council went out of existence at the end of 1948, when it had completed its report. That report came before the Committee on Finance and was used in connection with the hearings on H. R. 6000.

I have before me about 100 of the questions which the Advisory Council considered. They give an idea of the analysis which was made of the problem, and which formed the agenda for the Council's work. I ask unanimous consent to have these questions printed at this point in the RECORD.

There being no objection, the questions were ordered to be printed in the RECORD, as follows:

What is the proper role of social-insurance and public-assistance programs in a social-security system?

Should a means-test system be substituted for the present insurance system?

Should a pension system paying flat benefits from the general treasury be substituted for social insurance?

Should benefits under social insurance be geared to wages or should they be the same for all?

To what extent should persons under the insurance program pay their own way?

Should the Government eventually pay part of the costs of the system out of general taxation?

Is it feasible and desirable to extend coverage to self-employed persons such as business and professional people and farm operators?

How can earnings reports best be secured from the self-employed?

Is it feasible to secure income reports from all 11,000,000 persons with some self-employment during the year?

Should the self-employed be charged the single employee rate, the combined employer-employee rate, or something in between?

Is it desirable to extend coverage to employees of nonprofit organizations?

Should the Government compel coverage in this traditionally tax-exempt area?

Should all employees of nonprofit organizations be covered, including clergymen and members of religious orders?

Is it feasible and desirable to extend coverage to agricultural and domestic workers?

Is it feasible to get wage reports for these groups? Through a stamp system or list reporting?

Can the value of wages-in-kind for this group be evaluated?

Is it desirable to extend coverage to Federal employees?

Are short-term workers who leave Government after a few years and return to employment covered by old-age and survivors insurance adequately protected by the existing combination of civil-service retirement and old-age and survivors insurance?

If coverage under old-age and survivors insurance were extended to Federal workers, should the civil-service system be modified; and if so, how?

Is it desirable to extend coverage to railroad workers?

Are workers who move between railroad employment and employment now covered under old-age and survivors insurance adequately protected under present arrangements?

Should old-age and survivors insurance coverage be extended to the armed services?

What should be considered the serviceman's wage?

Should the serviceman contribute directly to the program?

Is it desirable to cover employees of State and local governments?

If so, how can it be done in the light of constitutional barriers against Federal taxation of other governmental units?

Should employees of proprietary units of State and local governments be covered on a compulsory basis?

How can voluntary provisions be designed to guard against adverse selection?

What should be the relation of old-age and survivors insurance to other plans for retirement, private or governmental?

Should tips and gratuities be counted as wages?

How should the rights of World War II veterans be protected under the program?

If presently excluded groups are brought into the system, how should the eligibility requirements be modified so that the new groups are not unduly handicapped in getting benefits?

Are the present eligibility requirements the best possible ones for the presently covered groups?

In light of the fact that they cannot contribute for long periods of time, should older workers get benefits higher in amount than what they and their employers pay for?

How should such benefits be financed? By an eventual contribution from general taxation? By payroll contributions made by younger workers and their employers?

What should the level of benefits be? How should the individual benefits be determined?

Up to what level of wages should contributions be assessed?

Should the program pay the full rate of benefits now or should the amount of benefits automatically increase over the years?

Should regular contributors receive higher benefits than intermittent contributors?

How should the benefit provisions be modified to overcome the handicap under which newly covered workers would otherwise find themselves?

Are the types of monthly benefits now provided the correct ones and should any new beneficiaries be added?

Are the age conditions and other eligibility conditions correct?

Are the present minimum and maximum provisions satisfactory or should they be changed?

Should benefits be paid to workers over 65 who have not retired?

What is a reasonable test of retirement?

Is the funeral benefit properly designed?

What is the cost of the various possible recommendations, now and in the future?

What should the contribution rate be?

What should the contribution schedule be?

Should the system be financed on a full reserve basis?

What is the meaning of the reserve?

Should the risk of permanent and total disability be added to the Federal system of old-age and survivors insurance or should loss of income from this cause be handled entirely under public assistance?

If the latter, should a new special State-Federal assistance category be set up?

If the former, how can the protection be provided without undue risk to the solvency of the fund?

What eligibility requirements should be established to prevent persons from qualifying who have not really suffered a wage loss?

What should be the definition of permanently and totally disabled?

Should the definition cover all such disability or only those which result in economic incapacity?

Should the economic incapacity be for the person's usual occupation or for all gainful activity?

Should the definition cover only medically demonstrable disability?

Should the definition include a prognosis of long-continued and indefinite duration or should it cover all total disabilities that have lasted for some fixed period of time, such as 6 months?

What level of benefits may be safely paid without interfering with incentives to return to work when able?

What provisions should be set up for the rehabilitation of beneficiaries?

How should this rehabilitation be financed?

How should such a new program be administered? As a separate system or as part of old-age and survivors insurance?

How much would such a program cost?

How should such a program be integrated with workmen's compensation and Federal disability insurance systems?

Should categories such as old-age assistance, aid to dependent children, and aid to the blind be retained in the State-Federal assistance program?

Should all income continue to be counted in determining need or should exemptions be allowed?

Up to what level of State payments should the Federal Government be willing to match?

What should be the method of Federal financial participation?

Should the rate of Federal participation vary with the per capita income of the State or with the level of benefits paid?

Should the Federal Government participate in the program for children to the same extent as it does for the aged and the blind?

Should the Federal Government participate in general assistance?

Should the Federal Government participate in medical-care payments made on behalf of assistance recipients?

Should the Federal Government participate in assistance to aged persons residing in medical institutions?

Are the Federal standards which the States must now meet to get Federal financial help the correct ones?

What should residence requirements be, if any?

What is the cost of the present system and of various proposals?

Can, and will, the costs be reduced by the social-insurance program?

What has been the relation of social insurance and public assistance in the past, and what should it be in the future?

How far should coverage in unemployment insurance be extended?

Is it practical to include farm laborers, household workers, and self-employed individuals under unemployment insurance?

How should individuals who move from State to State, or from railroad to nonrailroad employment, be handled under unemployment insurance?

What should be done about veterans' benefits and those of men who will be drafted?

Should the Federal Government establish a separate unemployment system for its own employees or utilize the various State plans?

What provisions under unemployment insurance should be made for workers who exhaust insurance rights in time of severe depressions?

Should temporary disability payments be incorporated with all unemployment-insurance laws?

What would be the advantages of workers' contributions to unemployment insurance?

What are the advantages and limitations of the present methods of experience rating?

What, if any, Federal standards are needed for eligibility, benefits, or disqualification rules?

How high should benefits be in relation to wage loss and need?

How might benefits be related to increasing cost of living?

Should the size of benefits vary with the family status, as is done in old-age and survivors insurance?

How far should the Federal Government go in continuing to supervise administrative expenditures?

Should all funds collected for unemployment insurance be set aside for such purposes only?

What provisions should be established for reinsurance or Federal loans to States, in case the State reserves are exhausted?

What sort of a tax program could be devised to minimize rather than accentuate cyclical unemployment?

Mr. MILLIKIN. Mr. President, I have gone into this detail regarding the Advisory Council because there has been some criticism to the effect that it consisted of eminent men who because of antecedent demands upon their time were able to give only a day or so every couple of months to the questions of social-security revision; that the real shaping of policy and the making of fundamental decisions should not be left to subordinate staffs; that those undertaking such a job should be independent, competent people of standing, who are prepared to give their full time to the work and who shall receive the compensation due to persons of their experience and prestige.

I have read the names and some of the history of the members of the Advisory Council in the belief that by merely doing so there would be a complete refutation that those men and women would serve as stuffed-shirt stooges for a technical staff. There must always be a technical staff in such a highly technical subject. And in my opinion, the technical staff to that Council was expert, and a better group than the Council which I have described could not have been assembled to pass on the technical labors of the staff and to evolve policies from them.

Would, for example, Mary Donlon, chairman of the New York State Workmen's Compensation Board, and past chairman of the New York State Industrial Board, be fooled by technicians operating within the field of her experience?

Would Emil Rieve, president of the Textile Workers Union, vice president of the Congress of Industrial Organizations, expert on social-security questions, be fooled by the work of the staff?

Would Nelson H. Cruikshank, director of social-insurance activities of the American Federation of Labor, an outstanding authority in this field, be fooled?

Would Albert Linton, president of the Providence Life Insurance Co., past president of the Actuarial Society of America, fellow of American Institute of Actuaries, and of the Institute of Actuaries of London, be fooled in that way?

Would Marion B. Folsom, treasurer, Eastman Kodak Co., staff director of the House of Representatives Special Committee on Postwar Economic Policy and Planning, vice chairman of the Committee for Economic Development, and member of the New York State Advisory Council on Unemployment Insurance, be taken in by staff experts?

Would Dr. Sumner Slichter, who spends his lifetime in the analysis of basic data, be fooled in that way?

And so on down through the list.

No, these people would not be fooled by a technical staff. We were fortunate to have their services. There was not the slightest evidence that the technical staff was trying to put over anything. Among the staff members was Mr. Fauri, the technical adviser to the Senate Finance Committee in its consideration of the pending bill. He has the complete confidence of all of the members of the Senate Finance Committee.

Several members of the staff were on loan from the Social Security Administration. They did a fine job, and earned the confidence of all the members of the Council.

I am not a champion of the Social Security Agency. I spent the greater part of the summer in 1947 with the assistance and cooperation of the Senator from Georgia [Mr. GEORGE] in organizing the Council. I started out on the theory that its staff could be built up of persons without roots into the Social

Security Agency. I thought that such a staff could be recruited from insurance companies, for example, but quickly learned that the insurance experts work in narrow specialties and that in the last analysis they would have to get their fundamental data from the Social Security Agency for the simple reason that that is the only place where it may be found.

I should add that the clerk of the Senate Finance Committee, the late Sherwood B. Stanley, himself especially qualified in social-security matters, by having handled them in private business, was in constant liaison with the operations of the staff and of the Council.

His services were highly praised. He was a loyal, indefatigable, most able clerk of the Senate Finance Committee, and as such kept me well informed as to what was going on.

The pending bill, in my judgment, rectifies a considerable number of the faults of the present system and leaves others untouched. Because H. R. 6000 is an improvement over what we now have, I give it my support. But personally, I feel that the present system, improved as it is by H. R. 6000, cannot be considered as others than one in transition. We have not abolished the problems of old-age assistance. As I see it, there will have to be wider coverage leading perhaps to universal coverage.

We will have to come, as I see it, to a truly pay-as-we-go system. There are many forces operating in these directions.

We will have to get rid of the misleading anomaly which we call the insurance reserve trust fund.

We now have 11.3 million people age 65 and over. In 20 years from now it is estimated we shall have from 16 to 18 million of our population in that age bracket. Twenty years ago, 4.1 percent of our population was age 65 and over; today it is about 7.5 percent and 20 years from now it will be 9 to 11 percent. Life expectancy at age 65 is constantly lengthening. Only about 25 percent of persons aged 65 and over are working at the present time. It is easy to see that the problem of security for the aged will rapidly intensify rather than diminish.

The excess of collections over disbursements and administrative expenses in the old-age and survivors insurance system is spent for the general expenditure programs of the Federal Government, not to build up the strength of the so-called insurance system. The trust fund receives bonds covering these expenditures, which means that the taxpayer will ultimately have to pay the bill. As we widen coverage, the insured and the taxpayer come closer together in identity, and thus many of our insured and employer contributors will have to pay twice for that which they thought had already been paid for.

This easy and deceptive method of raising money for general expenditures tempts extravagance. It argues for a pay-as-you-go system. Widened coverage only intensifies the discriminations against the dispossessed who are not covered, and this fact will exert its pressures for universal coverage.

Mr. CAIN. Mr. President, will the Senator permit me to ask one question at this point?

Mr. MILLIKIN. Certainly.

Mr. CAIN. In his admirable address on the subject of social security it seems to me the distinguished Senator from Colorado is recommending that the Congress extend and liberalize a system at this time which at some future time must be replaced with an entirely different system of social security. I ask whether or not my understanding of what the Senator is presently proposing is approximately correct, or in what particular it is incorrect.

Mr. MILLIKIN. It is my personal opinion that this is not a static subject. It is my personal opinion that after we have made the improvements to the present system, there will still be many things remaining to be done to meet the problems involved. In my opinion we are coming to a pay-as-you-go system. In my opinion we will constantly be coming closer to a universal coverage system. That involves methods of raising money, it involves methods of provisions necessary to make the changes. That is a very difficult problem. We could not resolve it at this session. The committee recommends that there be created a study committee, to consider the problems which have not been resolved in the pending bill.

Mr. CAIN. Mr. President, if the Senator will yield for another question, a social-security system which involves pay-as-you-go and universal coverage would be a system entirely different, would it not, from the social-security system which presently the Senator is recommending that we should extend and liberalize?

Mr. MILLIKIN. I say we should extend it and liberalize it because it would be an outrage, to those who have benefits under the present system, to deprive them, for example, of greater benefits, considering the significant loss in the purchasing value of the dollar. I say we must continue the present system because no other system could be made available without a very punishing lag of time to those who have a right to depend on the present system. I am stating it as my personal opinion that we shall have wide departures from the present system before we finish.

Mr. CAIN. The Senator from Colorado is hopeful, is he not, that some day in America we shall probably have a social-security system involving a pay-as-you-go business base and universal coverage, probably with age as the only requirement?

Mr. MILLIKIN. I think it is inevitable. That is my personal opinion. I should say that under the enlarged scale of benefits provided in H. R. 6000 we will approach rather rapidly a pay-as-you-go program, so far as that particular part of the system is concerned, and the effect of that will be to hold steady, if it does not diminish, the phony reserve into which we have been putting credits which are in fact debits.

Mr. CAIN. The Senator from Washington is very grateful for the observations just offered by the Senator.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Ohio.

Mr. BRICKER. The Senator from Colorado practically answered a part of the question I had in mind, when he said it would be impossible to make the complete transition during this session of the Congress. Does the Senator likewise feel that if such a transition were possible the shock would be so great on the present system that there would be a handicap and a hardship in the interim as we approach what many of us do desire?

Mr. MILLIKIN. I do feel that way. That was why I emphasized at the beginning of my remarks how many people there now are who have a vested interest in the present system, and that it would be a brutal and unconscionable thing, even if someone did not like the system, to say that it must stop and come to an end. I cannot think of anything which would be more devastating to the well-being of millions of our people. We cannot do that, and when we move into something else, if we do, there must be an adjustment between the present system and what we move into, so that none of the beneficiaries who are entitled to benefits under the present system will be injured, and with the hope that we will have, as a result of such a change, a more equitable system applying.

Mr. BRICKER. To do otherwise would be to deny the benefits of social security to those who already have been attached to the system, would it not?

Mr. MILLIKIN. Yes; and who have made contributions toward it.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Maryland.

Mr. TYDINGS. I do not wish to interrupt the able Senator from Colorado, but I have a conference report on the table, about which there will be some discussion. I am not going to try to bring it up while the Senator is speaking, but inasmuch as several Senators have asked me to notify them when it will come up, may I inquire when, in the opinion of the Senator from Colorado, he feels he will conclude his able address?

Mr. MILLIKIN. I will finish my remarks, I am quite sure, within 10 or 15 minutes.

Mr. TYDINGS. I thank the Senator.

Mr. McFARLAND. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Arizona.

Mr. McFARLAND. I should like to have the Senator's opinion on two matters. If a pay-as-you-go system were installed, with universal coverage, would it entail more bookkeeping on the part of the employers, or would it mean a saving to the employers? And would it mean less overhead expense to the Government, or would it cost more? What is the Senator's opinion?

Mr. MILLIKIN. I believe, under the facts which have been presented to the committee, that under any kind of a system of that kind which can be imagined, the administrative costs would be less, both to the Government and to the employers.

Mr. McFARLAND. If the Senator will further yield, that would mean a great deal to the employer, especially to one who employs small numbers.

Mr. MILLIKIN. Yes.

Mr. McFARLAND. The present system is quite cumbersome in the matter of keeping books. An improvement of course would mean quite a saving to the Government in the way of overhead expense, I should think. I agree with the Senator about that. Has the Senator any estimate of what the saving would be?

Mr. MILLIKIN. No; I have not been able to obtain a dependable estimate.

Mr. McFARLAND. I think it would be interesting to have it.

Mr. MILLIKIN. I think that if we cast the improvement to the system in a simple mold, when we contrast most any imaginable improvement of the kind we have been speaking about—it will involve less bookkeeping, infinitely less bookkeeping, both by the Government and by the private employer.

Mr. McFARLAND. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. McFARLAND. Does the record show what percentage of the money collected is used for administrative expense?

Mr. MILLIKIN. About 3½ percent is used for administrative expense.

Mr. McFARLAND. Does that include the money expended by the States, or merely money expended by the Federal Government?

Mr. MILLIKIN. That is the cost of conducting the Federal Security Agency.

Mr. McFARLAND. I thank the Senator.

Mr. MILLIKIN. I now wish to deal with some of the problems which are ahead of us. We have not yet related the Federal system to private pension plans. More than 7,000,000 workers are covered by such plans. I venture to say that most of the private pension plans will crash under real adversity. There are some 13,000 private pension plans. Most of the business of the country is, as Senators know, done by so-called small establishments. These small businesses do not have large reserves. They do not operate on anything resembling an assurance of profit over any substantial period of time. The casualty rate is shockingly high. Private plans do not provide for transferability of benefits in the case of workers moving from one employer to another. Some idea of the scope of this movement in the labor force may be realized when it is recalled that 31 percent of the workers in covered employment worked for more than one employer in 1948; that in 1947 in the automobile industry 40 percent of the workers worked for more than one employer, and in the steel industry in 1947, 38 percent of the workers worked for more than one employer.

The pension benefits in big industry about which we have been reading lately do not follow the worker if he changes employers. And the small plans do not have that kind of provision either. Obviously worth-while pension plans under present patterns have a tendency to immobilize the workers, and this may well be considered as unwholesome.

The superior benefits of the pension plans of big and profitable industries will tend to give them the pick of the workers of the Nation. This will be resented, I suggest, by the smaller payroll makers who cannot meet the competition. The resulting pressures for wider and higher coverage are obvious.

Discussing now another feature of the present insurance aspect of the system, we are saying to a young man entering the labor force, let us say at the age of 20, "When you get to be 65 years of age, 45 years from now, we are going to give you so much money." Well, maybe we can give him that much money, but what is the relation of the money that he gets then to the money he puts in as he goes along in terms of purchasing power? We are now revising our social security system because the value of the dollar since its inception has been cut in half. Unless we stop the process which has cut the 100-cent dollar to 50 cents it will go to nothing by the same token. How can we sit here as realists and say to a young man, "Forty-five years from now we are going to give you security by giving you so many dollars"? It is utter fakery to undertake to give such an assurance. That is another pressure leading to a pay-as-you-go system. If we are to be realistic the current working force or the current economy must carry the current problems of the aged and the others benefiting from a security system. That is the only honest way it can be done.

Mr. President, I wish to digress long enough to say that for the reasons just stated those who are interested in pensions, in annuities, and in the social security system, should give an equal amount of attention to preserving the solvency of the Federal Government, which means keeping the national budget in balance. We can put the utmost concentration on the benefits, yet we will gut their values just as surely as we are here today if we do not bring to the Government a responsible management of its fiscal affairs.

I commence to see a growing realization of that fact by people who live on rentals, by people who live on insurance, by people who live on interest, by people who live on pensions, annuities, and public assistance. So it is high time that coupled with an interest in these benefits, there should be an equal interest in the fiscal responsibility and soundness of the Government, for otherwise the persons in those categories are wasting time, they are deluding themselves. Security cannot ride with insolvency.

Despite this improved legislation, with its many corrections of inadequacies of the present system, with its fairer treatment of a larger number of workers, with its wider coverage, with its other good points which have been outlined by the distinguished chairman of the Senate Finance Committee—despite all those things I cannot consider this as a static subject. I think we will have other revisions long before another 10-year period passes.

A large number of problems, which have been pointed out by the distinguished chairman of the committee, require further study. We must deal with the question of coverage for agricultural employers and agricultural workers more thoroughly than we have so far. I believe, and I think the other members of the committee believe, that there should be a most careful poll as to the real sentiment of the farm employer and worker in this field. We should give more study of methods for maintaining employment opportunity for the aged who are willing and able to work.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. CAIN. It seems rather obvious that when we replace the system we now have with a system providing for universal coverage, then any future finance committee of the Senate or similar committee of the House will be concerned with what various groups of Americans think, because all will be covered in terms of each other.

Mr. MILLIKIN. If, of course, we reach this point where everyone is covered then we have universal coverage and a part of the present problem will have disappeared. Now, under the pending bill we are covering only a small proportion of the farm workers. The administrative difficulties of trying to keep track of migrant workers, of getting and keeping them covered, the administrative difficulties of keeping under a proper system of records the farm employer who also works as employee for others seem at times to be almost insurmountable. Yet I am hopeful that further study will result in clarifications which will lead us to the conclusion either to include all of those not included or that it is impracticable to do so.

Mr. CAIN. I would gather that the Senator from Colorado shares a very deep hope with, for example, the junior Senator from Washington that eventually we shall have a system which will cover all our aged, so that we shall not be confronted with preferential treatment to one group as contrasted to another group.

Mr. MILLIKIN. It is my opinion that preferential treatment of the nature I have described will eventually bring us to universal coverage. I do not think it can be avoided.

INTERPRETATION OF EMPLOYEES

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Colorado whether under the law as it now exists, which gives more or less of an over-all definition to the term "employee," it is his opinion that even the lessees of a mining claim, leasing the claim from the owners, or in fact leasing under any system, might be considered employees under the provisions of this bill, with the

result that a dislocation would be caused in the case of the usual leasing system of mining in the mining sections of the country.

Mr. MILLIKIN. I may say to the distinguished Senator from Nevada that we had probably as good a hearing coverage on that point as on any point which came before the committee. I am thoroughly convinced that the type of mining lessee the Senator speaks of is not covered by the pending bill. He would have been covered by the bill which came to us from the House of Representatives.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I am glad to yield.

FURTHER STUDY OF THE SYSTEM

Mr. MALONE. In view of the additional coverage provided by this bill, there are many of its provisions which are not thoroughly understood. Would the distinguished Senator from Colorado believe that a further study until, let us say, the first of the year would uncover the remainder of such weaknesses in the bill and perhaps would afford a chance to overcome the weaknesses, and perhaps would be desirable for the additional reason that we are not at all sure that the economic system is ready to stand such an expansion of coverage at this time?

Mr. MILLIKIN. I shall give the Senator a double-barreled answer to his question.

No. 1: Regardless of whether the junior Senator from Colorado thought such a result could be obtained, there would not be for such a proposal a sufficient number of votes in either the Senate or the House. The Congress is determined to have a social-security bill, in my opinion, during the present session.

No. 2: When we consider the magnitude of what remains before us under study, I am not so sure that we could do the job by the end of this year. I am not so sure that we could do it by the end of next year. Personally, I would not want to delay, because millions of persons are living under this system, and are living on 50-cent dollars, and they cannot begin to commence to reach a decent standard of subsistence under the existing system. Therefore, so far as my vote is concerned, I wish to give them relief, and I wish to give it to them quickly.

SOCIAL SECURITY AND THE ECONOMIC SYSTEM

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. MALONE. I agree thoroughly with what the Senator from Colorado has just said. I am in favor of social-security legislation based on a determination, arrived at by means of investigations by the appropriate and proper committee, that the economic system can support the proposed system. At this moment I am not entirely convinced that the economic system, as it now exists, would support the shock of the additional coverage at this time without considerable danger of dislocation. What is the opinion of the Senator from Colorado on that point?

Mr. MILLIKIN. I may say to the distinguished Senator that the present rate of tax—1½ percent on the employee and 1½ percent on the employer—will be adequate, under conservative estimates, to carry the coverage of the proposed bill for 3, 4, or 5 years to come. So there is no shock of the type mentioned by the Senator from Nevada.

Mr. CAIN. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. CAIN. The Senator from Colorado has said that millions of persons are presently covered by our social-security system, and he has said that, because they are presently living on a 50-cent dollar, the recommendation is being offered that the benefits be increased in order to make it possible for them to maintain their standard of living.

I think the Senator previously said there are approximately 2,500,000 beneficiaries under the present security system.

Mr. MILLIKIN. There are a slightly smaller number on the insurance side, and then there are more on the public-assistance side.

Mr. CAIN. I wish to call attention to the fact that approximately 9,000,000 aged persons are not covered by social security, although several millions of them are covered by assistance programs of the States. I wonder whether the Senator from Colorado will give us his opinion as to how we are going to provide some assistance, particularly to the several millions who are not now covered by any system, Federal or State, even though they are over the age of 65.

Mr. MILLIKIN. So far as the Federal Government is concerned, a measure of help is received through the insurance part of the system, if the aged person is covered. The theory, then, is that if he is not covered and if he shows need—a test for which I have no appetite—he then can come under the public-assistance part. The opinion has been voiced by wiser men than I that what we are doing in this improved bill will reduce the public-assistance side of this program. Personally, I am somewhat skeptical about that. There are so many persons who are not covered by the insurance feature, but who must have help of some kind, that I cannot see a radical, rapid decrease in the amount of our public-assistance appropriations.

Mr. MALONE and Mr. TAFT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Colorado yield; and if so, to whom?

Mr. MILLIKIN. I yield first to the Senator from Nevada, to whom I promised to yield.

GOVERNMENT TAKING OVER INDUSTRIAL PENSIONS

Mr. MALONE. Mr. President, I should like to ask the distinguished Senator from Colorado, if we should pass this bill and the system of pensions should go into effect, what would happen to the pensions which have been granted by the steel companies and other companies. Is their arrangement with the employees such that their payments to the employees will be decreased by the amount of Government pensions, or will they be in any way affected?

Mr. MILLIKIN. Some of the systems make a provision of that kind and some do not.

It is my understanding that the United Mine Workers' system puts its pension on top of whatever may be received from the Government, no matter what the amount may be. It is my understanding that the recent General Motors' pension system makes deduction of the amount of benefits which may be obtained from the Government.

Mr. MALONE. How about the pensions paid by the steel companies? Is the Senator from Colorado familiar with the arrangements for the payment of $100 pensions by the steel companies?

Mr. MILLIKIN. I feel rather certain that the steel company pensions also provide for giving credit for the amount received by the worker from the Government.

Mr. GEORGE. Mr. President, let me say to the Senator from Colorado that his statement is correct. In other words, the steel companies combine the two.

Mr. MILLIKIN. Yes; that is a good way to put it.

COST BORNE BY EMPLOYEES AND EMPLOYERS

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. MILLIKIN. I yield.

Mr. MALONE. The distinguished Senator from Colorado estimated that the 1½-percent tax imposed on the workers and the 1½-percent tax imposed on the employers would yield sufficient returns for the first 2 or 3 years or so. Have any estimates been made as to what the percentage ultimately would reach, under the provisions of this bill?

Mr. MILLIKIN. Yes; I think the percentage ultimately on the part of both employer and the employee will reach a total of 6 or 7 percent.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MILLIKIN. I am glad to yield.

Mr. TAFT. As a basis for determining the number of persons covered by the bill if it is put into effect, without reflecting on either the adequacy or the inadequacy of the bill, let me say that today this system covers, as I remember, approximately 2,000,000 persons over 65 years of age; that is to say, they are drawing pensions. I heard the figure 1,900,000 given; and I think the Senator from Colorado said it is 2,100,000; I refer to persons over 65 years of age. There are in the United States today 11,500,000 people over 65 years of age. In addition to the 2,000,000 who are drawing benefits under this system, there are about 2,800,000 who are drawing old-age assistance through the Federal and State systems.

Mr. MILLIKIN. That is correct.

Mr. TAFT. Subtracting the 4,800,000, that would leave approximately 6,500,000 or more people over 65 years of age who are not drawing anything.

Mr. MILLIKIN. That is correct.

Mr. TAFT. I think it might be pointed out in respect to the inadequacy of this bill that there is not one of those 6,500,000 people who is going to get a cent under this bill, as I see it. Possibly some of them who are still working and who will continue to work for a year, 2 years, or

2½ years, who will be included. So that we are not today actually helping old people, who are not getting anything. We are going to double practically what the old people who are getting something are now getting.

Mr. MILLIKIN. Under the present insurance system, 17 percent of the aged beneficiaries 65 years of age or older are under the insurance system.

Mr. TAFT. That is the only point I wanted to make.

Mr. MILLIKIN. That percentage will be somewhat enlarged under the pending bill.

Mr. TAFT. This is by no means a universal old-age security system.

Mr. MILLIKIN. No.

Mr. TAFT. Of course, as a result of the coverage now being provided a larger and larger percentage of the people over 65 will have assistance. As the Senator pointed out, he and I, I think, voted for the increased coverage because we believe we are going in the direction where ultimately under this system, or otherwise, there will be universal coverage of everyone over 65 years of age.

I may say to the Senator from Washington, the big problem, if we ever get to it, is if there shall be a flat pension, as in England, or as it is under the proposed Townsend plan, or whether there shall be a pension graduated as the present pension is, with a minimum for those who have paid in nothing, plus additions with relation to what they have paid in. I mean the carrying on of the present system, with the addition of a minimum sum for those who have not paid in under the present system.

We have the problem also, if we ever get to that, as to how the tax shall be levied. Shall it be a payroll tax, or shall it be some other form of tax? How should people who are self-employed be taxed? All those problems are going to be raised.

I think the Senator pointed out that we decided we could not develop such a system in less than 6 months, at best, and, even then, probably the House would not have considered it. So it seems to us absolutely impossible to make any such extensive change of this system.

I should like to point out finally, that what we have done, as I see it, is entirely in the right direction, and I see no reason why it should not be done at once. I think the subject has been considered carefully. The House committee has studied the matter for 5 years, and the Senate committee has studied it for 3. I see no reason why the bill now proposed should be postponed; but I think also we should look forward to a substantial further change in the nature of the assistance.

Mr. MILLIKIN. I thank the Senator.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. MALONE. With further reference to the question as to what subcontractors or lessors will be considered as employees, I should like to ask the distinguished Senator from Colorado if that question is not left largely to the administrative agency, under a proper definition?

Mr. MILLIKIN. It is not left so much to discretion as the distinguished Senator might think from reading the House bill. We restored the common law test. Under the common law test it is impossible to bring in as employees independent contractors of the type the Senator has mentioned.

Mr. MALONE. Mr. President, if the Senator will yield further, I note that paragraphs 4 of sections 104 (a) and 206 (a) of the pending bill, which may have been changed since the junior Senator from Nevada read the bill, define the terms, and that the social-security tax and "benefit purposes" are subject to interpretation by the administrative agency; of course, if these provisions were retained the combined effect of such broad factors interpreted by an administrative agency might change the coverage intended by the Senate bill.

Mr. MILLIKIN. I may say to the Senator, that nonsense is all out of the bill. It would be impossible to have such a provision passed by the Senate.

Mr. MALONE. I hoped it would be impossible.

Mr. MILLIKIN. We knocked it out in the Senate, over a veto by the President of the United States, about 2 years ago.

Mr. MALONE. That is very good. There is still considerable nervousness on the part of the employers who follow the methods outlined with reference to who might be declared employees, and it would upset the established basis of the act.

Mr. MILLIKIN. I may say to the Senator, I believe that if those in the category the Senator mentions as nervous will read the pending bill, unless their situation is extremely cloudy, I do not believe they have anything about which to be apprehensive. I may say many were particularly anxious about two years ago when this same question was before the Senate. We had a good briefing then, and we have had a superb briefing this time on what those problems are. We rejected the House theory of how to determine an employer and an employee, and I think we have provided the only reliable test that can be followed, with the exceptions noted therein of what is an employee, and that is the test of the common law rule, realistically applied.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. WHERRY. I should like to ask a question, in view of the statement made by the distinguished Senator from Colorado relative to the fund which is now invested in bonds. I understood the Senator to say it amounted to approximately $12,000,000,000. Is that correct?

Mr. MILLIKIN. It is about $12,000,000,000 now.

Mr. WHERRY. I wanted to ask this question, because of the interest I have in preserving the stability of the dollar, and so forth: Is there sufficient money in the fund today to take care of the actuarial liabilities which could be assessed against the fund in the event there should be a liquidation?

Mr. MILLIKIN. The answer is "No." We started on the theory of a fully funded reserve system, and, by one of the amendments to the system, that was changed. What we now have is at best only a partial reserve.

Mr. WHERRY. Will the Senator indicate what part that is of the total liabilities which would have to be assumed if the liabilities were liquidated?

Mr. MILLIKIN. I do not want to give an off-the-cuff figure, but it would be several times larger than the present amount, which theoretically is in the reserve.

Mr. WHERRY. That is correct.

Mr. MILLIKIN. There is nothing in the reserve until a taxpayer is taxed to pay it off. As I said a while ago, the taxpayer, under wider coverage, becomes the same person as the insured man, and he therefore pays twice.

Mr. WHERRY. Does that not also strengthen the argument that the so-called "pay out as you take in" principle becomes almost mandatory?

Mr. MILLIKIN. It makes it so at least from a moral standpoint. If we do not want to be deceiving the people, it makes it mandatory. There will always be, I assume, what might be called a "till fund" or small reserve, to prevent having to come to Congress every year to keep the outgo adjusted to the income. That kind of reserve fund, if we care to call it that, would be necessary, I think, under almost any kind of system that we might have. But the present thing is a fake.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. CAIN. If 17 percent of America's aged population are now receiving benefits from our social-security system——

Mr. MILLIKIN. From the insured part of that system.

Mr. CAIN. And less than 2,000,000 from public assistance, what would be the maximum percentage intended through the recommended amendments which are now before the Senate?

Mr. MILLIKIN. The ultimate tax rate is 6½ percent, shared equally by the worker and the employer, except in those cases in which we insure the self-employed at a rate which is somewhat less than that, because the self-employed person pays the whole thing and pays only three-fourths of the amount which is now paid by the employer and the employee.

Mr. CAIN. What the Senator from Washington more nearly wishes to be able to understand is the percentage of America's aged persons eventually to be taken care of by the proposed extended and liberalized social-security system.

Mr. MILLIKIN. As of 1949, there were 11,300,000 persons aged 65 and over. By 1970 we shall have from 16,000,000 to 18,000,000 in the aged category, and in the year 2000, 50 years from now, it is estimated that we shall have from 19,000,000 to 28,000,000 such persons.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. MILLIKIN. I yield.

Mr. WHERRY. Is it intended that further studies shall be made by the committee?

Mr. MILLIKIN. That leads me to my conclusion, which is that the committee has decided that it will support a resolution offered during the course of the proceedings for doing the necessary things, to establish a special study committee, expertly staffed, to continue the study of various problems of the type which have been discussed there today.

That, Mr. President, is all I care to say at the present time.

CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS—CONFERENCE REPORT

Mr. TYDINGS. Mr. President, I submit a conference report on Senate bill 2440, to authorize certain construction at military and naval installations, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings of June 12, 1950, pp. 8467-8470.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WHERRY. I should like to ask the Senator from Maryland if he will give us a short explanation of what was done by the conferees.

Mr. TYDINGS. The Senate passed a military-public works bill earlier in the session. The Senator will recall that it contained, among other things, a provision for housing for officers and enlisted men. There was considerable debate on the floor of the Senate. The House deleted that provision, and, therefore, the appropriation necessary for it was stricken from the bill, which reduced it, as I recall, approximately $100,000,000.

The House served notice, after conferring with the Senate Armed Services Committee, that next year it would look with disfavor upon another military public-works bill unless it should be of such transcendental importance and urgency that another bill could not be avoided. Whereupon the Army, Navy, and Air Force again screened items they had in the offing and were likely to have in the offing, in the way of research and development projects of what might be called a must nature, in order to keep our weapons and munitions up to par. Representatives of the military authorities then went before the House committee and said, "Here are 49 additional projects. These are the things we would have to ask for next year." Then the House committee said, "If you are going to ask for those things next year anyway, let us put them in this authorization bill now, because we do not want any military public-works bill next year. So if these things have to come anyway, in order to keep our military in the forefront of development, give them to us now."

I may say that some of those projects are of a very highly classified nature. One of them is so highly classified that we did not even specify directly in the bill its nature.

The House approved those items, and we asked for a conference. When the members of the Senate Armed Services Committee were acquainted with the fact that all the housing had been taken out, which reduced the amount of the bill, and these 49 projects had been put into the bill because of their high priority nature, we thereafter agreed, with only minor amendments thereto.

Mr. President, that is a pretty accurate summary of what took place on the military construction bill which passed the Senate approximately a month or 6 weeks ago.

Mr. WHERRY. I thank the Senator for his explanation. I should like to ask him, further, however, what is now in dispute. What is it that the conferees have agreed upon or disagreed upon which might be of interest to the Senate?

Mr. TYDINGS. There is now nothing in dispute. I am moving the adoption of the report. The conferees have agreed unanimously, so that there is nothing in disagreement. What we have agreed to is substantially what I have told the Senate.

Mr. WHERRY. Are there any installations located in any particular State, which have been taken out of the bill and which may come up under special legislation?

Mr. TYDINGS. Yes. That is a point as to which the Senator from New York will perhaps interrogate me, and I may as well anticipate that by giving a brief history of it.

In the bill as it passed the Senate there was a provision to transfer a facility from New Jersey to New York because of reasons of secrecy, because of reasons of duplication of certain parts of the industry, and because of reasons of security and economy. When the measure went to the House, the subcommittee of the House Armed Services Committee agreed with the position of the Senate. However, when the subcommittee reported to the full Armed Services Committee of the House a vote was taken, and by a vote of 12 to 11 the full committee reversed the subcommittee and thereby took issue with the position of the Senate. So the matter then went to conference. It had, as I recall, passed the Senate unanimously and had passed the Senate Armed Services Committee unanimously, and it had failed by only one vote in the House Armed Services Committee.

When the matter went to conference the conferees of both the House and the Senate realized that perhaps a long debate would occur regarding this particular item; whereupon, the Senator from Maryland who is now speaking advised the conferees that I thought it would serve the interest of fairness and would expedite the passage of the bill if the chairman of the House committee and the chairman of the Senate committee would introduce a bill dealing with this particular item only, in which event I would give my promise, as would the House committee chairman, that it would be considered immediately after introduction and that, therefore, we would remove the issue from this bill, which otherwise would delay it, and we would give it consideration at this session of the Congress, nevertheless.

Acting upon that suggestion, the conferees of the House and Senate agreed unanimously. I have introduced the bill in the Senate and have appointed a subcommittee to deal with it, consisting of the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oregon [Mr. MORSE].

Mr. WHERRY. Mr. President, I thank the distinguished Senator for his explanation. In view of the fact that the distinguished Senator has given assurance to the Members of the Senate that he will attempt to expedite the passage of the bill which will take care of the matter which has been deleted from the conference report, I should like to say in behalf of the senior Senator from New York [Mr. IVES], who is absent, that upon that assurance I feel that the Senate should adopt the report. We are relying upon the distinguished Senator from Maryland to see that the bill is considered as expeditiously as possible.

Mr. TYDINGS. I can give the Senator that assurance; and I repeat that I have already introduced the bill and have appointed a subcommittee with instructions to act upon it as soon as may be possible.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. LEHMAN. Mr. President, I should like to make an observation with regard to the pending conference report.

As I recall, Senate bill 2440 was passed by the Senate on February 9, 1950. Included in the bill was an item in the amount of approximately $3,400,000, to provide for the transfer of the facilities of the Air Force at the Watson Laboratories in New Jersey to Griffiss Air Base, near Rome, N. Y. It was my understanding that the item was included in the bill on the recommendation of the Air Force, and was based on considerations of national defense, security, and economy. The Air Force, in recommending this item, definitely stated, over the signature of the Secretary, that the move was in the interest of security and national defense. Therefore I shall not go into those matters at this moment.

The Secretary also demonstrated that it was in the interest of economy. He said that the cost of the transfer would amount to about $3,400,000, but that the cost of placing the Watson Laboratories in New Jersey in such condition that they could be permanently useful to the Air Force would cost approximately $17,800,000. Therefore there was a clear saving of more than $14,000,000 in the proposed transfer. In addition to that it was demonstrated—and I have it again in a letter from the Secretary—that there would be an annual saving of nearly $1,000,000.

When the bill was considered, some question was raised on the floor of the Senate with regard to the inclusion of that item, and I stated—and a similar statement was made by the senior Senator from New York [Mr. IVES]—that we would be willing to accept the judgment of the military authorities based on considerations of national defense and economy. I believe the distinguished chairman of the committee agreed that should be the main and exclusive consideration.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. TYDINGS. At that time the Senator will recall I showed him a highly confidential letter dealing with the subject which substantiated his point of view.

Mr. LEHMAN. I thank the Senator very much. Since then we have had a further letter, which was sent to the Armed Services Committee, dated March 22, which confirmed that statement. After the passage of the bill by the Senate a subcommittee of the Committee on Armed Services of the House proceeded to investigate further the entire situtation, and the subcommittee reported to the whole committee that the proposed move was in the interest of security and economy.

When this item was deleted by the House and the conferees did not agree to restore it, it came as both a very great surprise and as a bitter disappointment. I took the liberty of addressing the distinguished chairman of the Committee on Armed Services of the Senate and made known my disappointment and my hope that something could be done promptly to rectify it. I am very glad, indeed, Mr. President, to say that I have received from the distinguished and able chairman of the Committee on Armed Services of the Senate a letter in response to one of mine giving me assurance, which he has now repeated on the floor of the Senate, that hearings would be held on the bill which he has introduced, to authorize the removal of the laboratory from Eatontown, N. J., to Rome, N. Y. I should like to read that letter, with the permission of the distinguished chairman of the committee. I should like to read it into the CONGRESSIONAL RECORD at this point, because it explains to me and to many thousands of my constituents who have been dismayed by the action of the conference committee how this item happened to be deleted despite the action of the Senate and the recommendation of the Air Force. The letter reads as follows:

JUNE 10, 1950.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

MY DEAR SENATOR LEHMAN: This is to acknowledge your letter of June 8, relative to action of the conference committee on S. 2440 in deleting the authorization for the Griffiss Air Force Base at Rome, N. Y.

The Senate Armed Services Committee held hearings on this bill nearly 1 year ago and at that time there was no objection to the inclusion of the authorization in the bill for the Griffiss Air Force Base for facilities to accommodate the Watson Laboratories. However, shortly before the bill came up for Senate debate considerable opposition developed from persons employed by the Watson Laboratories in New Jersey. You will recall that during the debate on this bill both New Jersey Senators requested that this item be deleted and that you and Senator IVES insisted on its retention. At that time I stated that a subcommittee of the House Armed Services Committee was then in the process of making a thorough study of all aspects of the proposed move, and that I would be inclined to agree with the House committee's recommendation with respect to this item. I, therefore, requested that the authorization be left in S. 2440 for further consideration after House action. I am aware that the House subcommittee strongly urged that the authorization for the Griffiss Air Force Base remain in S. 2440 in order that the Air Force might construct facilities at that station to accommodate the Watson Laboratories, but that when the matter was reported to the full committee the decision was reversed by a 12-to-11 vote.

The House conferees strongly insisted that this item be eliminated from the bill, and since some of the Senate conferees were not familiar with all the details it appeared that the most feasible manner of considering this project would be the introduction of authorizing legislation for consideration by the committee. I introduced such a bill yesterday and will see that hearings will be held at an early date. Furthermore, if the committee favorably reports the bill, I shall make every effort to see that it is considered at this session of the Congress. While I cannot speak for Chairman VINSON, it is my understanding that he proposes similar action.

I can well understand your interest in the matter and I hope the above action will be satisfactory to you.

With cordial good wishes,
Sincerely yours,
M. E. TYDINGS, *Chairman.*

Mr. President, I should also like unanimous consent to insert in the RECORD at this point the letter I addressed to the Senator from Maryland, which he was so good as to answer as satisfactorily as it was possible under the circumstances. I thank the Senator for his prompt action in implementing this proposal.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 8, 1950.

Hon. MILLARD E. TYDINGS,
Chairman, Senate Armed Services Committee, United States Senate, Washington, D. C.

MY DEAR SENATOR TYDINGS: I have been informally advised of the action taken by the conference committee on S. 2440.

I am sure you will understand that I am deeply disappointed in the decision arrived at. I understand that on every other item in this bill the conferees followed the recommendations of the Armed Services Committee. I cannot understand why this practice was not adhered to in reference to the Griffiss Air Base item.

I am aware of the authorization given by the committee to you and to Chairman VINSON to introduce bills in the Senate and House, respectively, authorizing the transfer, pending the completion of a new study of this subject by the Air Force.

I should like you to be advised that I am inclined to oppose consideration and approval of the conference report unless adequate assurances are given that this Air Force study will be completed at an early date and that hearings will be held on your bill and on Congressman VINSON's bill at this session and, further, that an opportunity will be given to the respective committees to vote on this bill so that, if the committees vote favorably, action may yet be had at this session of Congress.

I know you will understand my motive in this matter. In the absence of any sound justification for the deletion of this item from the bill other than the protest of local interests in New Jersey, I would not be true to my own constituents if I did not undertake to seek with all my efforts to obtain a firm commitment that this matter will be settled at this session of Congress, with all due consideration for the merits of the case.

With kind personal regards.

Very sincerely yours,
HERBERT H. LEHMAN.

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from the Secretary of the Air Force, Mr. Thomas K. Finletter, giving some additional compelling reasons for the transfer, principally the reasons of national economy and security.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, June 5, 1950.

Hon. HERBERT H. LEHMAN,
United States Senate.

MY DEAR SENATOR LEHMAN: I refer to our recent telephone conversation concerning the Watson Laboratories, Eatontown, N. J.

As early as September 1945, the Air Force initiated studies to evolve a plan for the concentration of electronic research in one location. These studies have been continuous and all of them have involved the eventual transfer of the Watson Laboratories from their present location to some central location of a permanent nature. In May 1947, the conclusion was reached that the best solution of the relocation problem would be the establishment of an electronics center at Griffiss Air Force Base, Rome, N. Y., where there would be assembled in one center the various electronic activities of the Air Force to provide more economical and more efficient administration. During the intervening period, various activities were conducted by the Air Force aimed at perfecting the move which resulted, in November 1949, in a directive to effect the physical transfer of the Watson Laboratories and related personnel to Rome, N. Y.

In January 1950, prior to the actual physical transfer of Watson Laboratories, the House Armed Services Committee created a special subcommittee to investigate the move of Watson Laboratories. Public hearings were held in Washington, D. C., and the subcommittee visited both the present location of Watson Laboratories at Eatontown, N. J., and Griffiss Air Force Base, Rome, N. Y. During the hearings which commenced on February 8, 1950, the testimony presented by the Air Force witnesses, which was supported by written statistical data, clearly showed that in order to continue our operations at the Watson Laboratory it will be necessary to expend approximately $17,888,000 in order to provide certain air field and ground approach test facilities and to erect buildings of permanent-type construction at this base. The testimony also showed that if the move to Griffiss Air Force Base were accomplished, the additional facilities which would be required at that base would cost $3,447,500, resulting in a saving of $14,440,500 in the capital investment required. It was also pointed out that the transfer of the activity from Eatontown, N. J., would eliminate maintenance and utility expenses which now amount to $300,000 per annum. These expenses arise solely from the requirement for continual rehabilitation of the tempo-

rary-type buildings now in use at that site. Additionally, the move to Griffiss Air Force Base would provide a saving in operating personnel costs of $649,440 per year. This economy, accomplished through the consolidation of overhead personnel coupled with that afforded by the elimination of the $300,000 maintenance and utility cost, would result in a total saving of $949,440 per annum. This amount would amortize the $3,447,500 of additional construction funds required at Griffiss Air Force Base in less than 4 years.

On March 21, 1950, the subcommittee submitted its report to the House Armed Services Committee. The report, in effect, approved the action of the Department of the Air Force in transferring the Watson Laboratories. A minority adverse report was submitted by Congressman HARRY L. TOWE, a member of the subcommittee. No formal action on the two reports was taken by the House Armed Services Committee at this time. For your convenience, a copy of House Armed Services Committee Report No. 179, dated March 21, 1950, containing the abovementioned reports and related correspondence, is inclosed. Your particular attention is invited to page 5626 of this report, wherein is set forth a copy of a letter dated March 22, 1950, from Secretary Symington to the Honorable CARL VINSON. This letter comments on both the majority and minority subcommittee reports and outlines in succinct form the views of the Department of the Air Force concerning the need for establishing at Graffiss Air Force Base, Rome, N. Y., a consolidated electronics center.

On March 24, 1950, the House Armed Services Committee considered S. 2440, "An Act to authorize certain construction at military and naval installations, and for other purposes," which contained a provision authorizing funds for the modification of buildings involved in the move of Watson Laboratories to Griffiss Air Force Base. In the discussion of this section of the bill, the committee by a vote of 12 to 11 defeated the motion of the chairman to retain the item in the bill with an authorization of $2,781,500. In his letter of March 24, 1950, to Secretary Symington, the chairman of the House Armed Services Committee advised that while he regretted the action of his committee on this matter, he felt it was appropriate for him to formally advise this Department that the committee vote was an expression of the committee's sentiment that the Watson Laboratories should not be moved from its present location.

As you know, the House, on May 23, 1950, passed S. 2440 deleting the Senate approved authorization for improvements at Griffiss Air Force Base. In view of the disparity between the Senate and House versions of the bill, a conference committee has been appointed to consider the differences.

I trust that the above-related facts will enable you to obtain a clear appreciation of the Department of the Air Force position in this case.

With kind personal regards, I am

Sincerely yours,

THOMAS K. FINLETTER.

Mr. LEHMAN. Mr. President, this letter explains why the Air Force has insisted and continues to insist on this transfer.

I am satisfied with the explanation given by the able and respected chairman of the Committee on Armed Services. I know that he has done the best he could under the circumstances. I hope the hearings will be held at an early date and that the facts may again be presented, for I know that there is no valid reason for delaying this move which has been pending so long. It is for that reason, I may assure my colleagues, that I have taken such an active interest in this matter.

To block this move permanently would be unjust, unfair, and entirely improper. It would be a waste of Government money. It would work a terrible and unexplainable hardship upon the people of Rome who have been the unwilling victims of a situation not of their own choosing. It would strike a blow at the principle that in matters of national defense, in technical matters such as this, the views of the responsible officials of the armed services should be followed, unless there is some overriding reason for not doing so.

Mr. President, I withdraw my objection, and I thank the chairman of the committee, the distinguished Senator from Maryland, for his indulgence and cooperation. I look forward to appearing before the committee at a very early date.

Mr. HENDRICKSON. Mr. President, did I understand the distinguished Senator from New York to say that the last letter was written by him?

Mr. LEHMAN. I am afraid the Senator from New York did not hear the question.

Mr. HENDRICKSON. Did I understand that the letter which was just read was a letter written by the distinguished Senator from New York?

Mr. LEHMAN. I put into the RECORD a letter which I had written to the distinguished chairman of the Committee on Armed Services, and a letter which he wrote to me in reply to my communication. Finally, I put into the RECORD a letter which I had received from the Secretary of the Air Force, pointing out certain matters which I think are of interest to this body and to the committee.

Mr. HENDRICKSON. I thank the distinguished Senator from New York, and I wish to say that I know if the distinguished senior Senator from New Jersey [Mr. SMITH] were present he would join me in wholly, entirely, and totally disagreeing with the basis upon which the statement of the Senator from New York was made.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. TYDINGS. Mr. President, I should like to make a statement while the Senator from New York and the Senator from New Jersey are on the floor.

In carrying out the agreement, the Senator from Maryland has appointed a subcommittee consisting of the Senator from Wyoming [Mr. HUNT], as chairman, the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Oregon [Mr. MORSE]. I hope that the Senators from New York and New Jersey will immediately contact the chairman of the subcommittee and have the hearing get under way, in accordance with the gentleman's agreement, at the earliest possible date, so that good faith may be kept with all concerned.

Mr. HOLLAND. Mr. President, will the Senator from Maryland yield for a question?

Mr. TYDINGS. I yield.

Mr. HOLLAND. I note with some concern that all the items covering family housing and utilities which were contained in the Senate bill, amounting to about $105,000,000, have apparently been eliminated from the conference report.

Mr. TYDINGS. I do not believe the Senator was on the floor at the precise moment when I addressed myself to that feature. What happened was that the House struck out all the housing items for officers and enlisted men, so that there would be no direct appropriation for those particular items, but immediately it was announced that, unofficially and without legislation, the building will be erected under the Wherry-Tydings Act, under which they can be financed by the Government on a self-paying basis. So that the net result is obtained without a Government appropriation. Do I make the point clear to the able Senator from Florida? There is no disposition not to build the houses, but the method and plan for building them have been changed.

Mr. HOLLAND. I thank the Senator. Are we to understand that in the case of any base within our own States, as in the case of Florida, at Eglin Field, where a certain housing unit construction project for enlisted men was included in the Senate bill, that project will be continued, but under the Wherry Act, rather than under the terms of the bill we are considering?

Mr. TYDINGS. My understanding is that each of these projects, and particularly the one to which the Senator refers, because that was in the high-priority class, will now be constructed without a direct appropriation, by use of the act which permits of the self-financing feature to which the Senator has just referred, so that the project will go ahead just the same as if the appropriation had remained in the bill, so far as I am advised.

Mr. HOLLAND. I thank the Senator.

Mr. HENDRICKSON. Mr. President, I desire to assure the Senator from Maryland that the able subcommittee which has been appointed will have the complete and full cooperation of the New Jersey Senators.

Mr. LEHMAN. Mr. President, the junior Senator from New York would like to suggest to the junior Senator from New Jersey that he very much hopes that prior to the hearings of the committee, the junior Senator from New Jersey will carefully read the colloquy in the RECORD of February 9, on pages 1708 and 1709.

Mr. HENDRICKSON. To save the time of the Senate, I can assure the Senator from New York that the Senator from New Jersey has read that colloquy again and again and again.

Mr. LEHMAN. If the junior Senator from New York may finish his statement without interruption, he wishes to point out—and I think the junior Senator from New Jersey will agree that he is right—that at the time of that colloquy the junior and senior Senators from New Jersey joined the junior and senior Senators from New York in a declaration that they were unwilling to have politics enter into this matter at all, and

that the only consideration which should be controlling was the question of national defense and security and economy. That is set forth on the pages I have cited, and that is the ground on which the senior Senator from New York and the junior Senator from New York are taking their definite stand in this matter.

Mr. HENDRICKSON. Mr. President, with respect to that phase of the colloquy, the junior Senator from New York is entirely correct, and he can be assured that the two Senators from New Jersey will stand by that particular phase of our utterances on the day in question, that national defense will be our first objective.

SOCIAL SECURITY ACT AMENDMENTS OF 1950

The Senate resumed the consideration of the bill (H. R. 6000) to extend and improve the Federal old-age and survivors insurance system, to amend the public assistance and child-welfare provisions of the Social Security Act, and for other purposes.

Mr. BUTLER. Mr. President, before entering on my formal statement on House bill 6000, I wish to say that any remarks contained in the statement which I may make are not intended to be other than constructive. I have the greatest respect, as do all the other Members of the Senate, for the loyalty and the ability of the distinguished chairman of the Committee on Finance, the senior Senator from Georgia [Mr. GEORGE], who, as I think most of the Senators know, has held meetings almost daily, beginning in about mid-January, until recently, considering House bill 6000. He has been most faithful in the discharge of the very arduous task assigned to him in that connection. I may say the same with reference to the junior Senator from Colorado [Mr. MILLIKIN], who has also spoken on the bill. The meetings were always attended by those members of the committee, and as frequently as possible by other members.

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Mr. President, if the Senate passes the pending bill, H. R. 6000, we will be perpetuating a system which does grave injustice to millions of Americans—most of the present aged, and millions more who will some day reach the age of 65 without ever gaining coverage under OASI. I intend to cast a vote against it as a vote against such injustice.

My position does not mean that I am against social security. On the contrary, one reason I am opposing this bill is because it does not provide security for our elder citizens. That point I expect to deal with in some detail later on in my remarks.

In this bill are certain provisions dealing with aid to the blind and to dependent children. I shall not deal with these provisions in my remarks at this time. That is not because I have not given them consideration. It is because right now the provisions dealing with the old people are of an over-riding importance. The sums involved and the number of persons concerned are far greater; the national commitments are more far-reaching; and the questions raised are far more pressing, both as they affect the plight of our old people and as they affect the very life and vitality of the American economy.

Mr. President, this bill represents a further extension of the deferred benefit concept of social security which the Social Security Administrator tirelessly urges, defends, and promotes. It is a mistake to suppose that that concept is the only one on which a social-security system can be based. We have had that kind of a system for 15 years. Under that system, we have seen less than one-fifth of our present old people receive any insurance benefits. We have seen millions of other aged, equally deserving, excluded from the benefits of the system. In fact, millions of those who draw no benefits have paid in payroll contributions, and, under the present concept, they receive nothing, not even their own money back. That is the kind of system that we have today.

What is this theory upon which our present old-age and survivors insurance system is based? Briefly, it is a system whereby certain selected groups of employed persons—and their employers—are taxed to provide a trust fund. Out of this trust fund, supposedly, a series of graduated benefits—depending in part, but only superficially in part, on what the beneficiary has earned in the past—are paid to those persons who are safely within the fold. In the course of time, the number of groups who are subject to these taxes has been increased and in H. R. 6000 it is still further increased. It is the contention of the Truman administration that the system can be improved and made perfect by adding additional groups.

I disagree with that conclusion. I believe that the law as it now stands, and as it still will be if the bill passes, is capricious, in many instances extravagant, in other instances cruel and unjust. The bill simply patches up a system that is working badly. Furthermore, I say that the system tends to concentrate more and more power in the executive branch and simultaneously to dissipate the resources and sense of responsibility of our local communities. But above all, I believe the operations of the law constitute a mean and miserable cheat both on millions of our old people and upon many more millions of those who, still in their youth and in the first years of their working lives, are paying taxes for future benefits which they may never receive.

The Social Security Administration has always set great store on the wage records of those covered. In a special division in Baltimore there are assembled over 80,000,000 [1] wage records handled by machinery devised by the International Business Machines Corp., machinery on which the Government is said to be paying a rental of more than a million dollars a year. Now, despite the fact that 80,000,000 wage records are on file, Commissioner Altmeyer estimates [1] that at any one time only 35,000,000 persons are working in "covered occupations." This phrase "covered occupations" does not mean that 35,000,000 are certain of old-age benefits. It only means that 35,000,000 are currently paying social-security taxes and that if they continue to pay these taxes long enough, the happy day for some of them may arrive when they may be safe and sure of old-age benefits.

Mr. President, this is a strange spectacle. Our social-security system is 15 years old. We have 80,000,000 wage records. But out of the 80,000,000 only 35,000,000 are "currently" insured and a much smaller number are in a position to be positive that they will ever receive old-age benefits.

Back in 1935, when the Social Security Act was first passed, it was obvious that numerous old people at the time were past their working years and never could qualify under the system. The problem, so people said, was to make some special arrangement so that destitute old people could be provided for until the system, that is, old-age and survivors insurance, came into full operation. The present needs of these old people could be looked after by another arrangement entirely called old-age assistance. This worked as follows: Out of general revenues the Federal Government annually appropriated large sums. A matching formula was devised by which the States would put up so much and the Federal Government so much and out of the combined sums the currently aged and destitute could be provided for. It is called "assistance," but, baldly put, assistance is nothing but relief and is generally granted through a means test.

As I say, it was supposed back in 1935 that very speedily the money required for this purpose would begin to shrink as more and more persons were covered by old-age and survivors insurance.

But strange and wonderful to relate, this shrinkage has never occurred. Instead, the opposite has happened. The expenditures for old-age relief began to mount and they have never stopped rising. Every year the Federal subsidies grow bigger. In 1936 the Federal Government spent only seventeen million for old-age assistance. By 1949 the Federal portion of the subsidy had climbed to $726,700,000. Including what the States spent, a total of one and one-third billion dollars—$1,326,047,000—was spent in 1949 for old-age assistance relief alone.[2]

The so-called old-age pensions paid by most of the States have come to depend, in very considerable degree, on these Federal subsidies. The pensions vary from State to State, they are not uniform, and of course they are political footballs.

Many a State political campaign has been fought with promises to jack up the pensions of the old folks. Fundamentally it is cruel to the old people for they are constantly being harangued and excited by further promises which inescapably depend on subsidy and political chance. They never know whether or not their

[1] Senate Finance Committee hearings, p. 29.

[2] Source of all three figures—Bureau of Public Assistance, Social Security Administration, May 8, 1950.

hopes may be dashed; furthermore, they are often so dazzled by spellbinding promises that they acquire fantastic notions of what it is possible to pay.

No one ever tells the old people the obvious truth which is this: It is the working force of this country who must provide the help for the old people.

There is just so much margin out of the pay envelope that can go to the old and when that limit is reached no promises in the world can do any good. What old people have a right to is the knowledge that definite provision has been made for them in some simple and understandable plan. The old people have no such knowledge now nor will they have it if this proposed bill is passed.

By the first of January 1950, 15 years after the passage of the Social Security Act, our double-barreled social-security system has reached this point: Out of 11,500,000 persons in the country 65 years and over, 2,000,000 aged persons are receiving old-age and survivors benefits under the social security tax system, and 2,700,000 old people are getting assistance, or rather relief, under the State-Federal matching subsidy system. In other words, after 15 years the old-age assistance, that was supposed to dwindle away, is actually far ahead of old-age and survivors insurance when the number of recipients is compared.

When we look at the sums paid out the comparison is even more startling. During the year ending June 30, 1949, the OASI so-called insurance paid out to aged beneficiaries $442,000,000.[3] But during the same year the Federal Government alone paid out in subsidies for old-age assistance more than $700,000,000.[4] As already stated, the Government and the States together spent during that year one and a third billion dollars for old-age relief.

II

Every time embarrassing facts like these are raised, it is customary for the defenders of the system to argue that all of this difficulty will be solved if only old-age and survivors insurance is expanded further so that all will be covered.

This puts the administration in the curious position of simultaneously defending its own creation and denouncing it. President Truman in his state of the Union message of January 7, 1948, said:

> Over the past 12 years we have erected a sound framework of social-security legislation.

Two years later, in January 1950, he said in his economic report to the Congress:[5]

> The current inadequacy of the social insurance program is sharply reflected in the disproportionate load now being borne by public-assistance programs. Increasing numbers of the aged, the disabled, and the unemployed have been forced to resort to public assistance.

You cannot have it both ways. If a sound framework of social-security legislation had been erected we would not now have the pressure for public assistance. And the reason we do not have a sound framework for social security is that the Administration has fought tooth and nail in defense of the present system and the present concept.

Repeatedly, over the years, many Members of both the House and Senate have felt uneasy and sometimes alarmed. They have urged and pressed for a thorough house cleaning in the Social Security Administration. But so great is the complexity of the subject, so full of fancy footnotes, its, ands, and buts, that in the end the effort has been fruitless and the system grows in power and strength. Somehow or other, every time we have an advisory council, experts from the Social Security Administration take over the research job and persuade the council to endorse the system and ask for an expansion of it. The possibility of a completely different system never gets any consideration at all.

A year ago, when this legislation came before the House, Chairman DOUGHTON, of the Ways and Means Committee, wrote to former President Hoover and asked his views on social-security revision. Mr. Hoover has had a close acquaintance with this subject for many years, and he replied to Chairman DOUGHTON in great detail. Said he:[6]

> The real and urgent problem is the need group. It is not solved now, nor can it be solved for many years, by the Federal insurance system, even if that system can be made to work efficiently.

And again, Mr. Hoover said:

> The [Ways and Means] Committee should undertake to establish an independent research body to provide analyses of other possible systems. It should be given a year for study. * * * On the organization side, both the State systems and the Federal insurance system maintain expensive administrations of the same general problem. The administrative cost of the Federal insurance system is likely under this bill to rise eventually to over $100,000,000 per annum.

Although Mr. Hoover was referring to the original 1949 House bill, and not H. R. 6000, the concept of both bills is identical, and the criticism holds.

Finally, Mr. Hoover said:

> A careful inquiry might disclose an entirely different system which would avoid the huge costs of administration and the duplication, which would substitute some other form of taxation, more simple and more direct for its support, and which would give more positive security to the aged than this complicated system.

I ask the Senate particularly to note this phrase of Mr. Hoover's: "more positive security to the aged than this complicated system." Unfortunately, Mr. Hoover's sound advice was not heeded.

Instead there comes before us the current bill, H. R. 6000. Where does it carry the system from the point where we are at the moment? I shall try to show where we are going. I said I shall try, because the system is so complex that it almost baffles description.

I may say at this point that this complexity is one of the phases of this problem that baffles Congress. In my business life, I never yet sat down to discuss an insurance problem with an insurance man without having the two of us understand perfectly within an hour or so, at least, what both of us were driving at.

Such is not the case with social insurance, so-called. Get a social-security official talking, and he will have you dizzy in no time.

There is a mass of official reference material. This material is blurred; the statistics are jumbled; the writing is involved. Just to compute the benefits for any given individual requires three or four different steps—three or four computations.

It ought to be plain enough to the Senate that a staff of bureaucrats, running a system which few Congressmen can understand, are in an ideal position to bewilder and confuse the Legislature. I am afraid that is exactly what the Social Security Administration has been able to do.

What does H. R. 6000 do, Mr. President?

First. It expands the compulsory coverage of old-age and survivors insurance to additional categories, including some domestic workers, sundry types of self-employed, and various smaller groups. It also provides voluntary coverage for some 1,500,000 State and local government employees who do now have retirement plans of their own. New and compulsory coverage will add 8,300,000 persons to the system, so that, all told, both compulsory and voluntary, we may possibly get 10,000,000 new persons on the rolls.

Second. By a process of liberalization, those approaching retirement age in the newly covered groups,[7] are able to quickly qualify for benefits. Under this phase of liberalization it is estimated that about 500,000 additional persons would be paid benefits during the first year of operation after this bill is passed. By making these 500,000 aging persons more quickly eligible, it is contended that the need for old-age-assistance relief will be reduced to that extent.

Third. Again, the scale of benefits is liberalized for all those currently receiving old-age and survivors insurance benefits by an average of some 90 percent.

Fourth. Old-age assistance: This is the relief item which I said had been climbing so rapidly, and which now runs at $1,300,000,000 a year. Note this, please: The contention is made that the cost to the Federal Government for public assistance "should not be increased further by modifying the existing matching formulas."[8] What this means is that the existing matching formulas will be left as they are. Even so, it is very probable

[3] 1950 Report on the OASI Trust Fund, p. 7.
[4] Social Security Administration, May 8, 1950.
[5] Economic Report of the President, January, 1950, p. 14.
[6] House Ways and Means Committee hearings on social-security amendments of 1949, pp. 2278–2279. Hoover letter is dated April 25, 1949.
[7] Second Finance Committee release, p. 4.
[8] Finance Committee release, May 5, 1950, p. 3.

that the costs of old-age assistance will continue to rise—merely by allowing the formulas to stand as they are today.

Fifth. Finally—and I am compressing the gist of the bill into the shortest compass I can—the cost of the so-called insurance plan will be met by a swiftly rising payroll tax. At the moment the tax is 3 percent on the first $3,000 a covered person earns, the tax being split 50–50 between employer and employee. In 1956 this rises to 4 percent, in 1960 to 5 percent, in 1965 to 6 percent, and, finally, in 1970—20 years hence—to 6.5 percent.

III

At least, that is what the sponsors of the legislation contemplate, and that is what this proposed bill will provide—if it is not changed before 1970.

In practice, none of us know what tax rates will actually be levied when 1970 rolls around. Most of us probably recall that when the original Social Security Act was passed, a rising scale of tax rates was written into the law. As the time came for those increased rates to go into effect, however, the Congress felt it advisable to defer again and again the increases in the rates—and for good and sufficient reasons. If those increases had not beeen deferred, we would have had a really mammoth trust fund by now, far, far bigger than the approximately $12,000,000,000 fund that we now have. The Congress felt there was no real necessity for creating such a monster fund.

No doubt, the same thing will happen again, each time we approach the date at which increased tax rates are supposed to go into effect. For that reason, I say that we do not really know what rate of tax will be levied under this system in 1960 or in 1970. The really rigid part of this bill, the part which it may be politically impossible ever to reduce in years to come, is the level of benefits promised.

Under this system, the total cost of these benefits becomes larger and larger as the years go by. We do not know exactly how heavy that cost may become. Consider, for example, what the burden may be in the year 1990, when the present young men of twenty-five first become eligible for pensions under the promises contained in this bill. Our committee report presents us with a wide range of estimates as to the cost. According to the low cost estimate, benefits in 1990 will amount to $7,800,000,000. According to the high cost estimate, they will be practically 50 percent greater, or $11,700,000,000. In short, we are asked to enact legislation on a matter where our estimates of cost vary as widely as 50 percent.

These cost items are not something that we can easily control. They represent the total of the promises, made by this bill, to millions of people who today must contribute out of their earnings toward a guaranty of security in their old age. If those costs run higher than expected, the Nation will still feel obligated to pay them.

These are the costs which, according to the committee estimates, probably can be taken care of by the rising scale of taxes provided in this bill. The difficulty is that since we do not know what the costs will be, we do not know what level of taxes will be necessary to meet those costs. The distinguished chairman [Mr. GEORGE] undoubtedly believes in all sincerity that this bill provides a scale of tax rates which will be substantially self-financing. I say that on the basis of these widely varying estimates he does not know, and none of us know whether the tax rates provided in the bill will come anywhere near providing the revenue needed to pay the costs. Under the table entitled "High Cost Estimate," on page 39 of the report, the cost could easily run 9 percent of payroll in 1990 and in excess of 10 percent of payroll in the year 2000. That is the level of taxes we might have to levy at that time if the promises made by this bill are to be kept.

What is the possible sense of making promises covering a period 40 or 50 years hence, which may have to be fulfilled with such crushing tax levies? How do we know that private business in 1990 or 2000 will be able to bear such a burden? In fact, how do we know that private business will be able to bear a payroll tax of 6½ percent at that time?

If we are so sure that we can afford a tax levy of that magnitude, why do we not levy it today and take care of the present aged in a decent way? The fact is that we do not know, and we have not tried to find out, how much of an additional tax present income earners can carry for the support of the aged. We have been content to defer the whole problem to the distant future, but at the same time we have made big promises that some future generation may have to carry out.

IV

Now, if this bill passes, what is going to happen?

With these taxes the income of the trust fund will be so great that the payment of increased benefits for the next few years will be easy. Smooth sailing is the word. The tide of tax money flows in. A much smaller ebb of payment checks flows out. All looks rosy. For a while. For just a while.

But do not forget that hundreds of millions of dollars of this tax income are coming from young men and women 25, 30, and 35 years old. They are paying for benefits that supposedly will be due them anywhere up to 45 years hence.

Meantime, what about the number of old people? The census tells us of the steady increase in the number of aged in this country. Oscar Ewing may claim that our methods of medical care are terrible, but the truth is that we have cut infant mortality to the bone, and that is the chief fact that guarantees us lots of old people in the future. The proportion of old people in the United States is expanding. Under H. R. 6000's liberalized benefits, which some may get and many will not, and with the number of qualifying beneficiaries rising, the outgo of benefit payments swells. Then begins the race between the tax income and the benefit outgo.

Never forget that many receive benefits far greater than anything they have ever paid in and that money must come from somewhere. In fact, every beneficiary on the rolls today is receiving far more than the actuarial value of the contributions he has made.

Listen to this [9] from the annual report of the trustees of the Old-Age and Survivors Insurance Trust Fund, a report dated January 2, 1950:

> The trend of such payments will be upward throughout the present century. By 1970 (20 years from now) benefit disbursements are expected to increase to three to five times their current level.

That means that sooner or later in this race between tax income and benefit outgo, the outgo catches up with income and the two are running neck and neck. Then income begins to fall behind outgo and there remains the sacred trust fund to fall back upon.

As of June 30, 1949, there was in this trust fund [10] a little over $11,300,000,000. This amount in the trust fund will handle the excess of benefit payments over tax income for X years more. That is to say, within X years the trust fund is exhausted, the tax income is insufficient for outgo, and the zero hour for old folks is at hand.

I say X years because neither I nor anyone in the Senate nor anyone in the Social Security Administration nor any actuary in the world can accurately project figures set up as this system is. Benefits have been boosted before with no regard for the source of the money and it can be done again.

But wait. The amount in the trust fund is not in dollars. The Government has long since spent that money, replacing it with bonds. To make good the bonds, presently needed for benefit payments, either the Government must tax further or borrow more. Even when this is done, a few years sees the end in sight.

Now I ask, Mr. President, just exactly what is the Congress going to say then to the younger men and women who have been paying, paying, paying for a promise? What is the Congress going to say to these people when they learn that the fund is exhausted and their money gone with it? As my Nebraska colleague in the House, Representative CARL CURTIS, put it in his minority views on H. R. 6000:

> We bind on coming generations to pay untold billions of dollars not only 50 years from now, or 100 years from now, but so long as the Government of the United States stands. It is totally unmoral.

And, I might add, totally insane.

V

I have said that I dislike the capricious character of the existing law. I want to illustrate this in the case of Nebraska.

The figures I shall use are worked out in the rough and may not be precise to the last digit. Total national employment figures are common but are not customarily broken down by States. The

[9] Report of the Trustees of OASI Trust Fund, S. Doc. 151, 81st Cong., 2d sess., Jan. 2, 1950, p. 31.

[10] Ibid., p. 8.

figure for employed persons over 65 in Nebraska is prorated from national figures. I believe, however, that the figures are substantially correct, giving a picture of the situation in my State as it is now.

There are in Nebraska about 126,000 persons 65 and over. Some 14,500 now receive OASI benefits and perhaps 24,000 get old-age assistance. If we subtract overlaps and add some 2,200 who are getting federally subsidized institutional care of one sort or another, we find that about 39,000 persons 65 and over are getting old-age benefits or old-age assistance. This leaves about 87,000 Nebraskans 65 years of age out somewhere in the fog. What has happened to them?

Well, about 37,000 of them are working more or less, and the estimates indicate that there are around 6,000 wives 65 years and over married to the persons 65 and over who are still working. This gives 43,000 old Nebraskans working, some with aged wives. A few, perhaps 3,000, earn so little that they get some benefit or some assistance. We end up with 40,000 elderly working Nebraskans and elderly wives, of a total of 126,000 in the State, who are right now getting no benefit and no assistance.

In addition, there are perhaps 47,000 Nebraskans 65 and over who neither work nor receive benefit, aid, relief or assistance of any kind.

That is to say, 87,000 old folks in Nebraska get nothing, whether they are working or not.

Some of these 87,000 Nebraskans have in one way or another made provision for themselves. We do not need to worry about them.

Some are living with their children and are supported by them, which is no disgrace in my book.

Some—and nobody can tell how many without access to the wage records in Baltimore—have paid social-security taxes, but not long enough to qualify and for most of these the day is forever past when they can qualify. If they are in need, they must look to relief—that is, to old-age assistance.

It is unfair to whipsaw the old people in such a manner. Why give a man the impression that through taxation he and his employer have bought an annuity when he gets more than what the taxes would really buy? Sometimes he gets more; sometimes less. And why, having given a man this impression, and having taken his taxes, do we leave him stranded outside OASI and move him over into relief, or throw him out altogether? Would H. R. 6000 help any of them? A few, possibly, but only a few.

Let me give a couple of examples of the capriciousness of the law, taken from letters in my own files:

First. Here is a man who ends up with 15 quarters of coverage when he had to have 22 quarters to qualify. We look into his case. We find that he would have qualified under the original act but that subsequent amendments have the effect of freezing him out. He has paid taxes and thinks he deserves consideration. What true justice would do in this case is obscured by the complexities and shifts in the law. All we know is that he paid in something, he gets no benefit, and that he is sore.[11]

Second. Case No. 2 gives a man who misses out with only 11 quarters of coverage. He put in claims, was informed that the claims were disallowed and that he could, if he wished, go to court and that if he did so, Oscar Ewing was the person he should sue. All of this is quite legal, no doubt, but it leaves us about where we were. "I have battled this case since you took it up about 2 years ago," says this claimant. "I was 65 in 1948. These guys pass the buck and ask me to go to court. They know we do not have the money to fight this case as I told the judge personally in the first denial." [12]

We can amend and manipulate the present social-security law all we want, but under a deferred and graduated benefit system please tell me how we are going to avoid cases like these?

Many of those who have qualified and are receiving benefits are in what to honest people is a disagreeable position. They are told that what they are getting is an insurance benefit. But they know better.

They know that many are getting back far more than they paid in. They know of neighbors who are getting less. They know of other neighbors who missed the boat at retirement because they could not quite qualify. Furthermore, they know that still others are getting more on old-age-assistance relief than they, who paid taxes, are getting in so-called old-age insurance.

If Nebraska old folks could read about this bill, they would know that out of the 500,000 additional old people still working who will come on the insurance rolls some will be Nebraskans.

If they are smart, the present recipients will understand that Nebraska's share of this 500,000 will in some degree be given a free ride.

Could anyone figure out a more complicated picture than this? No wonder old people get sore—sore when the benefit is small and assistance bigger, sore at the size of the benefit and the way their benefit was figured out.

Furthermore, the complexities present a never-ending temptation to exploit the system. Honest people will not do it. Dishonest people will.

Let me give the Senate an example taken from old-age assistance. Old-age-assistance payments in Colorado are higher than those in Nebraska. In October 1949 the average monthly payment in Colorado was $75, compared with $43.52 in Nebraska.[13] The recent Senate hearings [14] turned up the case of a man whose farm was astride the Colorado-Nebraska line. He had moved his house to the Colorado side of his farm in order to claim the higher Colorado pension.

We can find people who think this a comical story and others who say that it simply proves that Nebraska's assistance is niggardly compared to Colorado's.

I have no patience with either explanation. I say it simply shows what a crazy maze our system is and ask why should I vote for House bill 6000 to make the maze even crazier.

I am firmly in favor of the social-security principle. No aged person in Nebraska or any other State shall be left in destitute misery as far as I can help it.

But I want a system and a benefit that they can understand and I can understand.

I am tired of the legislated lunacy that we now have.

I want a system and a benefit that we can honestly pay for as we go, closing out each year's accounts when the year is over and beginning again when the new year starts.

VI

As we know, farmers and almost all agricultural labor are excluded from this bill. Why?

Well, opinion is mixed. Among the farm organizations the Farmers Union endorses coverage.

The National Grange is interested but somewhat uncertain. For example, their 1949 resolution contained this clause:

> That the executive committee be authorized to advocate the Grange stand favoring general coverage of farm people if it is satisfied that the plan proposed is workable.[15]

That is a big "if."

The Farm Bureau is also interested in coverage and the resolution adopted at the December 1949 convention at Chicago showed their interest and concern. Still, the resolution was qualified to this extent, and I now quote: [16]

> If the extension is provided by law to include self-employed other than farmers, and is proved feasible and administratively practical, then careful consideration should be given by State and county farm bureaus to the coverage of farm operators under the old-age and survivors insurance program.

That is another big "if."

As far as individual farmers are concerned, I get little mail from them or from agricultural labor, either, on any side of the question. Various explanations are offered to explain this, but the fact remains.

I have just as much concern about the indigent aged on Nebraska farms as I have about the indigent aged in Omaha, Lincoln, Hastings, Grand Island, or Scottsbluff.

But if I am persuaded that the present system is not administratively practical, that it is capricious and in many instances unjust, and that, about all, the system as it is now organized is on the way to bankruptcy or chaos, I would be without a conscience if I tried to vote farmers and farm labor into such a trap.

I am persuaded that if the present law is expanded as it is in H. R. 6000, we are on the way ultimately to bankruptcy and economical chaos.

[11] Becker correspondence, Butler files.

[12] Trabold correspondence, Butler files.

[13] Table No. 1, December 21, 1949, FSA, Social Security Administration, Bureau of Public Assistance.

[14] Senate Finance Committee, hearings, p. 325.

[15] Hearings for the complete 1949 resolution of the National Grange, p. 776.

[16] American Farm Bureau Federation Official News Letter, December 19–26, 1949, p. 8.

Some reports in the press have made that this bill is a pay-as-you-go bill. It is not pay-as-you-go in my language. To me a pay-as-you-go system is one in which the cost is paid in full in any given year and that when the year closes, nothing is owed and nothing is promised.

VII

I shall vote against House bill 6000 because it is unjust, uneconomic, and undemocratic.

My position is not merely negative, however. I have a new, specific, constructive alternative to offer. A little later in the course of this debate, I plan to present this proposal to the Senate in some detail.

RECENT EXPLOSION AT SOUTH AMBOY, N. J.

Mr. SMITH of New Jersey. Mr. President, I desire a moment to discuss a resolution which I am offering together with my distinguished colleague, the junior Senator from New Jersey [Mr. HENDRICKSON].

On May 19, as my colleagues know, there occurred in the State of New Jersey one of the most disastrous catastrophes in our entire history. It was an explosion of vast proportions, killing a number of persons and destroying property of great value. Ever since, with the cooperation of the Governor of the State and with Members of Congress, we have been diligently endeavoring to ascertain the cause of the explosion and where the responsibility lies, and also to find out what can be done in the way of legislation in the future to prevent the recurrence of such a terrible tragedy. So the junior Senator from New Jersey and I are submitting a resolution, which reads as follows:

Resolved, That the Senate Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed (1) to conduct a full and complete investigation to determine the cause or causes of the disastrous explosion which occurred at South Amboy, N. J., on May 19, 1950, and to determine whether negligence was involved on the part of the United States Coast Guard—

I may say in that connection that it has been suggested to me that some regulations of the Coast Guard were violated—

and (2) on the basis of such investigation, to make such recommendations as it deems advisable for promoting greater safety in the transportation and shipment of high explosives and for preventing similar disasters in the future.

SEC. 2. The committee shall report to the Senate at the earliest practicable date, but not later than December 31, 1950, the results of its investigation, together with its recommendations.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $ shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

I send the resolution to the desk and ask that it be appropriately referred.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 296) was referred to the Committee on Interstate and Foreign Commerce as follows:

Resolved, That the Senate Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed (1) to conduct a full and complete investigation to determine the cause or causes of the disastrous explosion which occurred at South Amboy, N. J., on May 19, 1950, and to determine whether negligence was involved on the part of the United States Coast Guard, and (2) on the basis of such investigation, to make such recommendations as it deems advisable for promoting greater safety in the transportation and shipment of high explosives and for preventing similar disasters in the future.

SEC. 2. The committee shall report to the Senate at the earliest practicable date, but not later than December 31, 1950, the results of its investigation, together with its recommendations.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $ shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. HENDRICKSON. Mr. President, in associating myself with my distinguished colleague in respect to the resolution just introduced, I would like to say that from the moment the tragedy at South Amboy occurred, both of the Senators from New Jersey as well as the members of the New Jersey delegation in the House have been constantly in touch with appropriate agencies of Government here in Washington, in New Jersey, and at the local levels of Government concerning the needs, not only of the people of South Amboy but also the needs of the people of the entire State and the Nation in respect to all aspects of the matter, including security for the future.

We have watched with great interest and patience, all current and pending investigations, including the inquiry which is being conducted by the United States Coast Guard.

In introducing this resolution, we are not in any sense, casting doubt upon the integrity of any current investigation but it has become increasingly clear to us that all pending and current investigations do need implementation. In this connection, Mr. President, I would like to again pay great tribute to State and local activities in respect to all phases of this shocking disaster. They have left no stone unturned—almost daily, Governor Driscoll has been in communication with his congressional representatives and at this very moment he is in progress of marshalling new forces in New Jersey, not only to bring support to the passage of this resolution and the attainment of its objectives, but also to find some sure way by which any recurrence of this devastating blast may be avoided both in his own State and throughout the Nation.

I am authorized by Governor Driscoll to personally associate him in this effort as the spearhead in New Jersey for the complete correction of the faults which permitted this tragedy to occur.

Mr. President, I hope that the urgency of this situation and the crying need for preventative measures for the future, will cause this Congress to act with all due speed on this important measure.

REDEDICATION MONTH

Mr. STENNIS. Mr. President, I feel that the entire membership of the Congress and the people of the entire Nation owe a special debt of gratitude to the 5,300 country editors, who, through their organization, the National Editorial Association, are sponsoring Rededication Month, which is now being observed in our great Nation. This timely movement came from a recent convention of the editors, when they reflected their strong, patriotic, and challenging sentiments in the following resolution:

Whereas the imprint of war distress upon the world leaves people everywhere disturbed and unsure of spiirtual and moral values; and

Whereas a condition of poverty in many lands slowly grinds freedom under the creeping paralysis of socialism; and

Whereas theories foreign to the American way of life cast false light upon the virtue of character based upon self-respect earned by honest toil; and

Whereas those theories threaten to deaden our appreciation of merit in strong character, thrift, hard work, unselfish devotion to public welfare and fear of God; and

Whereas these American traits were the foundation stones upon which our great country was builded: Now, therefore, be it

Resolved, That the National Editorial Association, in convention assembled this 13th day of November, at Chicago, does hereby respectfully urge its members in this Thanksgiving month, to rededicate themselves to the principles of freedom we inherited from our founding fathers; and hereby be it further

Resolved, That the National Editorial Association shall make a pilgrimage to Plymouth Rock during its annual meeting in June 1950, for the purpose of reliving those inspiring events which played an important part in the early life of our country, and reaffirming our faith in the ideals of liberty and justice upon which this Nation was founded.

What group, Mr. President, are more qualified by training, experience, and patriotic impulses to summon the American people back to the fundamentals of sound government, based on the twin ideals of liberty and justice, than are the country editors of America? I am proud of the fact that the idea for this rededication came from an editor in my own State of Mississippi, Mr. Lester Williams, of Columbia, Miss. I am also impressed with the thought that a midwesterner, Mr. Allen C. McIntosh, of Luverne, Minn., is to be the principal speaker, and that New England will be the scene of the climax to this observance.

Mr. President, my appreciation for the principle of a free press and a realization of its tremendous responsibilities have increased greatly since I came to the United States Senate. Without this principle, and without patriotic men and women directing our news mediums, our form of government could not survive for more than 12 months. The small rural newspapers of America, edited by the men and women who have dedicated themselves to this high purpose, have

been well described as the people's press. The high-minded men and women who operate our rural press have more direct personal influence than any other comparable group in America. They are independent individualists who usually carry high the banner of their own honor, as well as the high calling of their great profession. They labor on the battle line of life where life is real and earnest. They are a part of and help make the heart throb and the soul of American democracy. They are the voice of rural America, and, Mr. President, rural America wrote the Constitution of the United States.

If one would know America and her people, go to the country editor and his paper. A noted writer once said that the country paper is "an encyclopedia, a timetable, a poem, a history, a guide to politics, and a grand plan to a newly civilized world. It is a sermon, a song, a circus, an obituary, a shipwreck, a symphony in solid measure, a medley of man's glory and his shame. It is, in short, a bird's-eye view of all the magnanimity and meanness, the joys and sorrows, the births and deaths, the pride and poverty of the world, all for a few cents."

With this background, Mr. President, what group could more fittingly assemble at Plymouth Rock Sunday, June 25, to lead the Nation in an act of homage to the ideals of liberty and justice, on which this Nation was founded? This plan, their plan of rededication to the basic principles, has captured the imagination of the governors of nearly all the States, and proclamations have been issued, declaring the month of June as rededication month. The mayors of hundreds of small communities have urged participation in this rededication. All the people are called upon to join the editors, at least in spirit, at Plymouth Rock. It was upon simple and bedrock personal virtues that a Nation was born at Plymouth Rock, Jamestown, and other early American settlements.

From the standpoint of personal freedom and individual responsibility, these spots are politically hallowed ground.

Let the political heart and soul of America march with these country editors to Plymouth Rock, as they rededicate their time and their talents to the fundamentals of American liberty and justice. Let us listen while their deeds and words furnish the light and the leadership that all Americans may have a renewed appreciation for our glorious heritage, and a renewed determination to maintain its principles. Let every red-blooded American citizen join these worthy editors in their splendid example of devoted loyalty to our Republic and with them let us all actively rededicate ourselves to the basic American principles.

The very sincerity of these editors, their position of leadership with the American people, and the simplicity of their plan, insures its tremendous success.

From simple, sincere beginnings, based on love of liberty and freedom and spiritual values, our Nation has grown big and strong and powerful. Government is now large and growing larger. Business is large and growing larger. Labor is large and growing larger. I do not say that bigness is without virtue. Certainly not. But we must be certain that bigness does not deaden individual responsibility, and such a threat definitely accompanies bigness, whether in business, in Government, or in labor.

Individual opportunity, individual responsibility, and individual rewards are three basic fundamentals of our free Government. All are essential and there is no substitute for any one of them. They have not only given us personal freedom, but they have enabled us to develop rapidly from an unknown and relatively obscure Nation within a short period of 150 years, to the point where we are now the most powerful Nation of the entire world, and undergoing new tests of leadership. Shall we now surrender the very virtues that made us great?

The National Association of Editors answers with an emphatic "No"—and more, they lead us affirmatively in rededicating ourselves to the basic and fundamental principles of American liberty and freedom.

EXTENSION OF RENT CONTROL

Mr. CAIN. Mr. President, during the next few minutes the junior Senator from Washington wishes to pay his compliments to some Americans.

Yesterday in the United States Senate was a day of big disappointment for the junior Senator from Washington and for tens of thousands throughout the land who share his views on the Federal rent-control question, which was before the Senate and the country. It was on yesterday that the Senate voted 36 to 28 to continue Federal rent controls for six more months, or through December 31, 1950. But that was yesterday. Today is a day when the Senator from Washington wishes to and must express his deep gratefulness to those thousands of Americans whose encouragement and offers of assistance made it easily possible for the Senator from Washington to work and struggle as best he knew how against the administration's proposal to extend Federal rent controls beyond June 30 of this year.

I want to say, Mr. President, that I love and am devoted to the many who have submitted their views to me. With a score of exceptions I have never seen and shall probably never see any of those who wrote, or telegraphed, or telephoned. Their only claim to fame is that they are Americans. The outstanding privilege given to all of us in the Senate of the United States is that we are provided with an opportunity now and again to work for and represent people who are honest, frugal, hardworking, and sincere. Of course, the Senator from Washington loves such people, and always will.

There is no way in which I can properly and effectively acknowledge the help and stimulus and answer the communications I received from others except on the floor of the United States Senate. My staff, able though it be, has neither the time nor the equipment to answer individually the flood of telegrams and letters which have been received in recent days. On last Friday the junior Senator from Washington offered a handful of these communications for the CONGRESSIONAL RECORD during a speech of considerable length. He wishes that it might have been possible to offer every individual's expression for the RECORD. Because this was not done, and could not be done, he takes this means and opportunity to thank publicly all those who were so strongly motivated as to urge the doing of what they thought was right.

The junior Senator from Washington feels no bitterness toward those who managed the administration's proposal. Instead he has a full measure of respect for the way in which they achieved their purpose. The administration is a powerful instrument, and those who represent it in the Senate know well how to exercise power. Their strategy is above reproach; their tactics are sharply conceived and legitimate. Though the junior Senator from Washington and others of like mind in the Senate resisted the administration yesterday in every way we could think of, there is no disposition on my part to accuse the administration of unfairness, or to grieve unduly over a painful defeat.

There is but one question the Senator from Washington wishes to answer and that question was answered in part yesterday when the Senator from Nebraska [Mr. WHERRY], the minority leader, said, in his effort to bring the then pending bill to a vote:

> I have conferred with the junior Senator from Washington who, because of certain additional information he desired to present was very desirous of continuing his remarks. He is, however, subordinating his desires to the will of the minority leader in order that we may if possible get a vote on the pending measure promptly, and that we may get it now. I should like to add that the junior Senator from Washington has with great reluctance consented to my making this statement.

Mr. President, the Senator from Nebraska was quite correct when he said that the Senator from Washington had been most reluctant to give up the fight yesterday. A few persons have inquired since yesterday concerning why I was willing to break off the engagement. The Senator from Nebraska has stated in part that I gave up the fight to please him. That is right. But the Senator from Nebraska was but one of a good many Senators on this side of the aisle who thought the fight had served its purpose, and that it should not be continued. Had the decision been left entirely to the junior Senator from Washington, he would have endeavored to carry on for days to come. Behind that determination was a case which had been in the making for several years. As an individual and as a single Senator I would have preferred to proceed until I could go no further. But the junior Senator

from Washington is a member of a political party in the Senate. He thinks it proper to consider and accommodate, whenever that is possible, the wishes and views of other Senators. After the vote to recommit the bill had been taken the junior Senator from Washington conferred with other Senators, during the next several hours. With the exception of himself, every Senator thought the issue ought to be brought to a conclusion. The Senator from Washington agreed to follow this course of action.

Until the Senator from Georgia [Mr. GEORGE] had spoken the Senator from Washington was unhappy over the agreement he had willingly entered into with other Senators. When the Senator from Georgia had spoken the Senator from Washington was not desirous of saying anything more. The Senator from Georgia had said in a magnificent fashion everything there was to be said on the question. When he had concluded no Senator could possibly be in doubt about the question; every Senator was in possession of all the facts and all the principle involved. After the Senator from Georgia had finished, anything to follow would have been either repetitious or unnecessary. As for myself, I shall consider the foundation of the remarks offered by the Senator from Georgia as being a text by which the Senator from Washington wishes to guide himself for as long as he lives.

Mr. President, to my mind yesterday was the continuation of a fight to the finish, not between Republicans and Democrats, but between those who advocate an all-powerful Federal Government and those who believe that such a government will destroy itself, and dissipate the opportunities which belong to the people of our fair land, if our all-powerful Government is long permitted to assume and manage the rights which belong to States and municipalities and to citizens as individuals.

The issue of yesterday was as clearly defined as any issue will ever be. On the one side were those who successfully created an artificial national emergency in peacetime to serve their ambitions. On the other side were those who will always maintain that a national emergency, justifying Federal intervention in the lives of its citizens, can only come from war or a comparable domestic catastrophe.

On yesterday the advocates of Federal rent controls maintained that a federal government can manufacture freedom for its citizens. The opposition, among whom I proudly stood, have denied this premise, and will always hold it to be completely untenable.

Woodrow Wilson once stated publicly:

> Liberty has never come from the government. Liberty has always come from the subjects of it. The history of liberty is a history of resistance. The history of liberty is a history of limitation of governmental power, not the increase of it.

Mr. President, a war consists of many battles. A good fight was waged in the Senate yesterday and a battle was lost by the junior Senator from Washington and his kind. In part, that battle was designed, by those who lost it, as a delaying action. From the outset there had been the likelihood that the battle would be lost. But the fight lasted long enough for new battle lines to be drawn in the House of Representatitves. Who can say what the decision there is to be? The troops are fresh and the powder is dry on both sides. I would urge those in the House of Representatives who dissent from extending Federal rent controls in the future to stand firm and to use as their greatest weapon the collective voice of our people. I totally agreed with the senior Senator from Georgia, who said yesterday, in speaking against the rent-control bill:

> I say that it does not in fact make an appeal to the American people. It appeals to minority groups. It does not appeal to the great masses of people in America, because they love liberty and freedom.

Yesterday, with all its tears and jubilation, with both its victory and defeat, is over and done with. Today is before us and the House of Representatives to do with as we will. As the junior Senator from Washington is now required to stand on the side lines of a pending great battle in the House of Representatives he thinks of what James Otis once said:

> There can be no prescription old enough to supersede the law of nature and the grant of God Almighty who has given to all men the natural right to be free, and they have it in their power to make it so, if they please.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5920) to provide for payment of amounts due mentally incompetent personnel of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6743) to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes.

ENROLLED BILLS SIGNED

The VICE PRESIDENT announced that on today, June 13, 1950, he had affixed his signature to the following enrolled bills, which had previously been signed by the Speaker of the House of Representatives:

H. R. 87. An act relating to the promotion of veterans of World War II in the field of service of the Post Office Department;

H. R. 589. An act for the relief of C. M. Smart;

H. R. 697. An act for the relief of Samuel W. Poorvu;

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farms Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling indebtedness of the association, and for other purposes;

H. R. 1047. An act for the relief of the Aero-Bocker Knitting Mills, Inc.;

H. R. 1103. An act for the relief of Miriam Barkle;

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1170. An act for the relief of Mrs. John Kaudy (formerly Stella Cappler);

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1275. An act for the relief of Anna Helman;

H. R. 1482. An act for the relief of Frances L. Marshall;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1602. An act for the relief of Ben Grunstein;

H. R. 1627. An act for the relief of Filip Nicola Lazarevich;

H. R. 1866. An act for the relief of Honorio Cancilier and Nancy Ting Evangelista;

H. R. 2224. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.;

H. R. 2386. An act to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.;

H. R. 3480. An act to authorize the Commonwealth of Kentucky to use for certain education purposes lands granted by the United States to such Commonwealth for State park purposes exclusively;

H. R. 3527. An act for the relief of Gifford E. Moak;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 3675. An act for the relief of Erik H. Lindman;

H. R. 3996. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4011. An act for the relief of Stavros Matheos (also known as Steve Matheos or Matheou);

H. R. 4015. An act for the relief of Kate Laursen;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4641. An act to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county;

H. R. 4747. An act for the relief of Louise Ahting;

H. R. 4781. An act for the relief of Veronica Jolly;

H. R. 4892. An act to provide for the admission of pay patients to the Home for the Aged and Infirm;

H. R. 4969. An act to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands;

H. R. 4996. An act for the relief of Lonnie M. Abernathy;

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5103. An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 5126. An act for the relief of Mrs. Nathalie E. Cobb;

H. R. 5150. An act for the relief of Ira D. Doyal and Clyde Doyal;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5295. An act for the relief of C. R. Springman;

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones;

H. R. 5511. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 5639. An act for the relief of Ivan E. Townsend;

H. R. 5709. An act for the relief of Patrick Cronin;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 5913. An act to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within Symmes Creek Purchase Unit in Lawrence County, Ohio, and for other purposes;

H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;

H. R. 6271. An act for the relief of Mrs. Harry Schneider;

H. R. 6344. An act for the relief of Mrs. William Y. Imanaka;

H. R. 6364. An act for the relief of Yoshiko Matsumura;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6385. An act for the relief of Louise M. Koch;

H. R. 6414. An act for the relief of Mrs. Chikako Mary Ohori Hori;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6485. An act for the relief of Jodeene Lehrman;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 6521. An act to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6577. An act for the relief of Haruko Teramoto;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 6689. An act for the relief of Mitsuko Uemura;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 6991. An act for the relief of E. G. Morris;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions;

H. R. 7082. An act for the relief of Mrs. Isamu Tarasawa;

H. R. 7084. An act for the relief of Yoshiko Ishii Teves;

H. R. 7092. An act for the relief of Mrs. Karry Wakefield;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia;

H. R. 7173. An act for the relief of Toshiko Ono;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7256. An act for the relief of Mieko Nishitsuru;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7283. An act for the relief of Mrs. Jack B. Meyer;

H. R. 7313. An act for the relief of Lucy Teresa Morris;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman;

H. R. 7440. An act to amend Veterans Regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for active pulmonary tuberculosis;

H. R. 7485. An act for the relief of Mrs. Maria Margarite Noe;

H. R. 7560. An act for the relief of Mary Frances Yoshinaga;

H. R. 7609. An act to grant a renewal of patent No. 59560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 7700. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 7708. An act to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co. certain easements and rights-of-way within the United States Naval Ammunition Depot, Earle, N. J.;

H. R. 7778. An act for the relief of Miyoko Oishi;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes;

H. R. 7888. An act to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal;

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," and approved March 20, 1806;

H. R. 7984. An act to authorize the conveyance to the city of Miles City, State of Montana, certain lands in Custer County, Mont., and for other purposes; and

H. R. 8422. An act for the relief of Carmencita von Plettenberg.

EXECUTIVE SESSION

Mr. HOLLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

One hundred and eighty-four postmasters.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nomination on the calendar.

MOTOR CARRIER CLAIMS COMMISSION—NOMINATION PASSED OVER

The legislative clerk read the nomination of Frank E. Hook, of Michigan, to be a member of the Motor Carrier Claims Commission.

Mr. HOLLAND. Mr. President, I understand there has been objection to the consideration of that particular nomination at this time.

The VICE PRESIDENT. Let the nomination be passed over.

There are no further nominations on the Executive Calendar.

RECESS

Mr. HOLLAND. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 21 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 14, 1950, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 13, 1950

The House met at 12 o'clock noon.

Rev. H. Frank Ledford, minister, West Woodlawn Methodist Church, Birmingham, Ala., offered the following prayer:

O God, our Father in Heaven, as we stand in Thy holy presence we pray Thee that Thy spirit shall guide us in all that we undertake. Bless Thou all the deliberations of this body. May they be for the building of Thy kingdom round the world. Forgive us when we err. Use even our faults, O God, for the glory of Thy kingdom. Help us, our Father, that wisdom and strength shall be ours, because Thou dost accompany us. Bless Thou the Presiding Officer and all the Members of this body, and rest Thou mightily upon all those activities of our Nation for the building of Thy kingdom; for we pray in the name of Jesus Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3181. An act to extend the Housing and Rent Act of 1947, as amended, and for other purposes.

PROVIDING PAYMENTS TO CERTAIN PERSONNEL OF THE ARMED FORCES

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5920) to provide for the payment of amounts due mentally incompetent personnel of the Army, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert "That the term 'member of the uniformed services,' as used in this act means any person on the active or retired list of the Army, Navy, Marine Corps, Air Force, Coast Guard, Coast and Geodetic Survey, or Public Health Service, including transferred

members of the Fleet Reserve and of the Fleet Marine Corps Reserve, and members of the Reserve components of the respective services entitled to Federal pay either on the active or any retired list of said services.

"SEC. 2. Any active-duty pay and allowances, or any amounts due for accumulated or accrued leave, or any retired or retainer pay, otherwise payable to any member of the uniformed services who, in the opinion of competent medical authority, is mentally incapable of managing his own affairs, is authorized to be paid, for the use and benefit of such incompetent member, to such person or persons who may be designated by the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of the Treasury, the Secretary of Commerce, the Federal Security Administrator, or such other officer or officers as the respective Secretaries or Administrator may designate for such purposes, without the necessity for appointment in judicial proceedings of a committee, guardian, or other legal representative, and any payments to the person or persons so appointed as provided herein shall constitute a complete discharge of the obligation of the United States as to the amounts so paid: *Provided,* That no person serving in a legal, medical, or fiduciary capacity, or in any other capacity, shall demand or accept any fee, commission, or charge for any services rendered under the authority of, or in connection with, the provisions of this act: *Provided further,* That the provisions of this section shall not apply where a legal committee, guardian, or other representative has been appointed by a court of competent jurisdiction, except as to any payments made hereunder prior to the receipt in the paying agency of the department or agency concerned of notice of such appointment: *And provided further,* That competent medical authority shall consist of a board of not less than three qualified medical officers one of whom shall be specially qualified in the treatment of mental disorders, appointed by the secretary of the department concerned or the Federal Security Administrator from available medical officers.

"SEC. 3. The secretary of the department concerned and the Federal Security Administrator shall prescribe such regulations as may be necessary to carry out effectively the provisions of this act, including a requirement that such person or persons designated to receive payments as provided in section 2 above shall furnish satisfactory assurances that amounts received have been and will be applied to the use and benefit of the incompetent and, in cases wherein the payments may be reasonably expected to exceed $1,000, that a suitable bond shall be provided by such person or persons which may be paid for out of sums due the incompetent.

"SEC. 4. The determination of the person or persons authorized to receive payments as provided in section 2 above, made by the respective secretaries or by the Federal Security Administrator, or by their duly designated subordinates pursuant to this act, shall be final and conclusive and not subject to review by any court or Government official."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDMENT OF FEDERAL HOME LOAN BANK ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6743) to amend the Federal Home Loan Bank Act, as amended, and title IV of the National Housing Act, as amended, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 20, strike out "amendment" and insert "subsection."

Page 3, line 3, strike out "amendment" and insert "subsection."

Page 3, line 9, strike out "amendment" and insert "subsection."

Page 6, line 13, after "stock", insert "of $100,000,000."

Page 6, line 16, strike out "all of which dividends are hereby waived."

Page 6, line 18, strike out "year (beginning" and insert "year, beginning."

Page 6, line 18, strike out "first."

Page 6, lines 19 and 20, strike out "which begins after the date of enactment of this subsection," and insert "1951."

Page 6, line 25, after "year", insert ", and the Corporation shall also pay to the Secretary of the Treasury an amount equal to 2 percent simple interest per annum on its capital stock of $100,000,000 from June 27, 1934, to June 30, 1950, less any amount heretofore paid by the Corporation as dividends on such capital stock."

Page 8, strike out lines 15 and 16.

Page 8, line 17, strike out "9" and insert "8."

Page 8, line 18, strike out "redesignated subsection (b) and."

Page 8, line 20, strike out "(b)" and insert "(c)."

Page 8, line 20, after "premium", insert "(other than any premium which may be assessed under subsection (b) of this section)."

Page 9, after line 4, insert:

"SEC. 9. Subsection (a) of section 405 of the National Housing Act, as amended, is amended by striking out '$5,000' and inserting in lieu thereof '$10,000': *Provided, however,* That this amendment shall become effective only in the event of, and at the same time as, an increase to $10,000 in the maximum deposit insured by the Federal Deposit Insurance Corporation."

Page 9, after line 4, insert:

"SEC. 10. The first sentence of section 20 of the Federal Home Loan Bank Act, as amended, is amended by striking out the word 'twice'."

Page 9, after line 4, insert:

"SEC. 11. Section 407 of the National Housing Act, as amended, is amended to read as follows:

" 'SEC. 407. Any insured institution other than a Federal savings and loan association may terminate its status as an insured institution by written notice to the Corporation, and the Corporation, for violation by an insured institution of its duty as such may, after written notice of any such alleged violation of duty and after reasonable opportunity to be heard, by written notice to such insured institution, terminate such status. In the event of the termination of such status, insurance of its accounts to the extent that they were insured on the date of such notice, less any amounts thereafter withdrawn, repurchased, or redeemed which reduce the insured accounts of an insured member below the amount insured on the date of such notice, shall continue for a period of 2 years, but no investments or deposits made after the date of the notice of termination shall be insured. The Corporation shall have the right to examine such institution from time to time during the 2-year period aforesaid. Such insured institution shall be obligated to pay, within 30 days after any such notice of termination, as a final insurance premium, a sum equivalent to twice the last annual insurance premium paid by it. In the event of the termination of insurance of accounts as herein provided the institution which was the insured institution shall give prompt and reasonable notice to all of its insured members that it has ceased to be an insured institution and it may include in such notice the fact that insured accounts, to the extent not withdrawn, repurchased, or redeemed, remain insured for 2 years from the date of such termination, but it shall not further represent itself in any manner as an insured institution. In the event of failure to give the notice to insured members as herein provided the Corporation is authorized to give reasonable notice.' "

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a report on the bill H. R. 8737.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

OUR ALLIES: AN INTERNATIONAL BALANCE SHEET

Mr. RICH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include two excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker—

Credit: During the war and in the postwar period we have given France, in the form of credits and outright grants $6,221,000,000 in American taxpayers' dollars. On D-day and after we sent a vast liberating force of American boys to the rescue of France. Hundreds of thousands of these boys died in bringing about the liberation of France.

Debit: June 12, 1950, front page item Washington (D. C.) Times-Herald:

France, which is about 25 percent Communist, has flatly refused to provide the large mass army required to meet an attack on western Europe by Russia's overwhelming land forces.

Credit: During the war and in the postwar period we have given England $36,872,000,000 in the form of credits and outright grants, of American taxpayers' dollars. We broke the Nazi blitz. We saved Britain from financial floundering and political anarchy.

Debit: June 13, 1950, front page item Washington (D. C.) Times-Herald:

The British Labor Party tonight rejected any supergovernment to manage a pool of Europe's coal and steel.

Credit: During the war and in the postwar period we have given the Soviet Union, in the form of credits and out-

right grants, $11,249,000,000 in American taxpayers' dollars. Our financial assistance was as great—or of greater importance—than Stalingrad in throwing back Hitler's invasion.

Debit: Soviet airmen have been decorated for shooting down an American plane. Stalin has violated every treaty made with him by this country abroad. The minions of the Kremlin strike at us in the United Nations and through the United Nations. On orders from Moscow, Communists in this Republic seek to overthrow our Constitution and to destroy the American way of life.

Credit: Nationalist China stood alone against the Japanese war lords while this nation focused its attention on Europe. Millions of Chinese died before Pearl Harbor for the defense of our liberties even as other millions of Chinese died after Pearl Harbor.

Debit: Secretary Acheson said that this Nation would not use its right to the veto to oppose the expulsion of Nationalist China from the United Nations; nor would this veto be used to oppose the entrance of the Chinese Communists into the United Nations.

Secretary Acheson would not turn his back on convicted Communist-perjurer Alger Hiss.

This Nation—through Secretary Acheson—proposes to turn its back on Nationalist China.

Source of above figures: Pages A–8 and A–10, foreign transactions of the United States Government, Department of Commerce, March 1950.

SPECIAL ORDER GRANTED

Mr. HOEVEN asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

STORAGE OF DRIED MILK

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, on June 30, 1949, the Federal Government had in storage 83,410,414 pounds of dried milk. From that date through April 30, 1950, it purchased 337,974,662 pounds. It managed to dispose of only 3,319,650 pounds under section 416 of Public Law 439 and had on hand on April 30, 1950, 315,913,638 pounds. It cost the Government during this period $2,998,555.85 for carrying charges on this item alone. I am also advised that as of April 30 there were contracts to purchase an additional 27,656,941 pounds. The net increase is 242 percent.

This gigantic hoarding of a wholesome food commodity presents a problem of major concern to the American people. At the comparative rate of purchases and dispositions, unless immediate constructive action is taken by Congress, the obvious result must be either the destruction or spoilage of tremendous quantities of this commodity.

LONG-RANGE AGRICULTURAL PROGRAM

Mr. LOVRE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. LOVRE. Mr. Speaker, debate during the consideration of the additional $2,000,000,000 for the Commodity Credit Corporation shows that many people feel that the present farm program is obnoxious.

Mr. Speaker, I know we all want to save money and reduce taxes if we can. The long-range agricultural program which I have offered will accomplish this. It will not only save American taxpayers the $4,000,000,000 they now have invested in farm surpluses through diverting this excess into nonfood commercial uses, into world trade or through a food-stamp plan, but it will save $25,000 per hour which it is now costing this country to store this excess.

Mr. Speaker, adoption of this farm plan would mean the elimination of the need for future appropriations for the farm-support program. This saving would balance the budget and lead the way toward eventual tax reduction.

Mr. Speaker, it costs the Government between $500,000 and $600,000 per day for the storage on this 627,000,000 bushels of corn and 475,000,000 of wheat and the piles of potatoes, dried milk, eggs, butter, and a host of other commodities.

Mr. Speaker, the plan I have offered is self-financing and would dispose of surpluses by diverting them into nonfood commercial uses, into world trade or into a food-stamp program for needy people.

In thinking of the self-financing angle we should remember that there is every good reason to give agriculture a chance to stand on its own feet. The self-financing feature would mean that the money now tied up by the Department of Agriculture would make up the contemplated deficit. Furthermore, billions would be saved each year in the future.

Mr. Speaker, the only way to bring order out of the chaos of our financial situation is to find some way of bringing receipts into line with expenditures. I believe I have that method.

My farm plan would provide the farmer with the full parity necessary to assure a prosperous America and it would be managed from the bottom up rather than from the top down by farmer-elected committees and boards. Moreover, utilizing a two-price system would mean orderly marketing of farm crops and the elimination of a tax burden upon the taxpayer.

EXTENSION OF REMARKS

Mr. WALSH asked and was given permission to extend his remarks in three instances and in one to include an editorial.

Mr. BRYSON asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. FLOOD asked and was given permission to extend his remarks in two instances.

Mr. LANE asked and was given permission to extend his remarks and include extraneous matter.

Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend the remarks he expects to make today and include certain extraneous matter.

Mr. SANBORN asked and was given permission to extend his remarks and include a statement made by him before the Tariff Committee.

Mr. ARENDS asked and was given permission to extend his remarks and include a copy of a telegram.

Mrs. ST. GEORGE asked and was given permission to extend her remarks and include the final article by Mr. Frank C. Waldrop on the Biggest Story.

Mr. SMITH of Kansas asked and was given permission to extend his remarks and include an editorial.

Mr. BREHM asked and was given permission to extend his remarks.

Mr. MACY asked and was given permission to extend his remarks and include an article on water, notwithstanding the fact that it may exceed the limits set by the Joint Committee on Printing.

Mr. DONOHUE asked and was given permission to extend his remarks and include an editorial.

Mr. DOYLE asked and was given permission to extend his remarks in two instances, in each instance to accompany the same with appropriate printed matter.

Mr. TAURIELLO asked and was given permission to extend his remarks.

Mr. TABER asked and was given permission to extend his remarks and include a radio address.

Mr. O'KONSKI asked and was given permission to extend his remarks.

HOUSING AND RENT ACT OF 1950

Mr. SABATH. Mr. Speaker, I call up House Resolution 639 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8276) to extend the Housing and Rent Act of 1947, as amended, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SABATH. Mr. Speaker, I hope it will not be necessary to take up all the time on this rule.

The rule makes in order H. R. 8276 providing for the extension of rent control. The rule provides for 3 hours' general debate, after which the bill will be taken up under the 5-minute rule.

It does not make in order the bill that I introduced. My bill provided for an extension of one year. This bill only provides for an extension for 6 months, and then, of course, it gives the municipalities the right, if they so express themselves, to have an extension for another 6 months, if by majority vote they so decide.

I am satisfied if the Members were as familiar with existing conditions and the need for this legislation as I am, they would all vote for the bill. It has been stated that this bill is here for political reasons. This I deny. This bill is here because of the need of hundreds of thousands of tenants who would face eviction if this bill were not passed. It is not a political bill. It is a humanitarian bill. It is in the interest of the most deserving and the lowest-income group in the United States.

Mr. Speaker, if you were as familiar as I am with the people who are opposing this legislation and have opposed it ever since they came into possession of a majority of the apartment buildings of the United States for a song, you would not give any credence to what they say; they are the most unscrupulous men I have ever met, and I know many of them personally; they are even members of a club of which I am a member. The men who are opposing this legislation are men who came into possession of these properties after the crash at 15, 20, and 25 cents on the dollar. These cliques, combinations, and syndicates own most of the hotels in the United States, as well as most of the apartment buildings. They became rich at the expense of thousands of bondholders who purchased these so-called gold bonds in 1927, 1928, and 1929. I say to you again that if you knew the power behind this lobby and the men who furnished the money for the campaign against housing and against rent control, you would disregard anything they say, and would vote for the bill, because it is needed legislation in the interest of the American white-collar worker, veterans, and laboring people who today are obliged to live in quarters that are not fit for human habitation. Still, these landlords feel they are obliged to have these outrageously high rents. Meanwhile, these people who are opposing this legislation are living in fancy mansions, valued at $100,000, a half-million, and a million dollars; most of them have made that wealth and money from the very men who in good faith invested their earnings in these gold bonds that came into their possession not directly but indirectly, men who became the so-called bondholders' protective committees which, however, instead of being bondholders' protective committees were charlatans; they were the thieving committees as to the twenty-two to twenty-four billion dollars' worth of these bonds.

These people who are against this legislation are the men who, as I said, secured these properties at 15, 20, and 25 cents on the dollar. It is true that some of this property had been resold; sure, they had been resold two or three times, perhaps; but as a rule they were resold to their friends and people working in conjunction with them and having no interest with the original bondholders' committees, the receivers, and the trustees, with the lawyers that robbed the bondholders.

These landlords are not suffering. Wherever they could show added costs of operation the Housing Expediter has granted rent increases to take care of these additional costs. Over two million such applications have been approved, representing 65 percent of the applications for increases processed.

No, gentlemen, the real sufferers have been the tenants in the low-income group. They are desperate. If rent controls are removed they will be in a serious plight. Their very limited budgets are strained to the limit now to meet the one fixed charge in their cost of existence—rent. They can adjust themselves to other items, such as food and clothing, but the rent item is the one that must be met—or else.

I say it would be manifestly unfair, unwarranted, and unjustifiable not to vote for this bill in the interest of the most deserving group in the United States.

I notice in many of the circulars this lobby has disseminated the statement that this bill deprives the landlords of their rights and that they have suffered great losses. Mr. Speaker, so far they have not been able to show a single case where this has occurred. Oh, they point to the fact that coal and taxes are higher. Yes, in some instances the taxes are higher and even coal is a little costlier. But they do not tell you that they have for the last 8 or 9 years been receiving rents on their property at full occupancy, 12 months a year instead of 10; they have not lost a single month—a single day. In addition to that they were granted a 15 percent increase 2 years ago. So I say that apart from these lobbies for this unscrupulous gang, the people of the country still want rent control. This gang does not state the truth; to them, I believe, the truth is unknown.

How about the veteran? Where does he find himself after returning to the land for which he fought and gave his all in its hour of need? Hundreds of thousands of them returned to go through with their marriage plans delayed because of their service, only to find themselves doubled up with parents and in-laws, living in Quonset huts and any other shelter they could find, waiting for their Government to provide them with rental housing they could afford to pay. Hundreds of thousands of them are still living in fear of the removal of controls which will dig far deeper into their take-home pay, depriving them of other necessities for themselves and the children that have come along.

I am satisfied, as I said before, if the Members knew the conditions as I know them, not only in Chicago but in most of the cities of the United States, they would not hesitate a minute to vote for this bill. It is a bill that will relieve a serious condition. I am afraid if rent control is not extended we will have the same trouble, and more so, that we had after the First World War.

Much has been said of the lack of danger of greatly increased rents if rent controls terminate on June 30. Figures have been presented to show what happened in various cities and towns, such as Dallas, Knoxville, Jacksonville, Houston, Topeka, and Spokane. One set of figures prepared by the real-estate lobby would have you believe that rents went up but 6.6 percent with decontrol. Another set of figures prepared by responsible Government agencies show that rents increased in these same cities by from 19 percent to 40 percent during the same period.

An objective comparison of the two sets of figures by the Chicago Sun-Times to bring out the real facts is very illuminating, in that it shows just exactly what happened. The fact is, as pointed out in the Sun-Times editorial, that three out of ten tenants whose rents could have risen had received no increase at all 5 months after controls ended. But the other seven received boosts averaging more than 35 percent. And a careful check of these seven would definitely develop the fact that they were least able to bear any increase. It is the struggling, hard-working laboring man and his family that is hit hardest by this greed and lust of the unscrupulous landlord.

This average man and his family wants to know two things. If rent control ends will it mean an increase in his rent? If so, how much?

The figures prepared by the Government agency give him a much clearer answer than those prepared by the real-estate lobby. There is real danger in this sudden releasing of controls to millions of honest, hard-working citizens and their families—a danger that should and must be averted by the practical and sensible program embodied in this legislation.

I can speak very definitely on the effect of rent-control termination at this time in my city of Chicago.

The report of the Chicago Housing Authority shows there were virtually no vacancies in 1949, although the number of dwellings has increased by 118,000, or 12 percent, since 1940. Of these 118,000 units only 55,000 were new dwellings, the remaining 63,000 representing conversions, doubling up, and by making multiple-family dwellings of what were formerly individual homes. This situation has created serious health hazards, family problems, divorces, and broken homes.

At present the report shows a total of 97,000 families living doubled up with other families. It is an undeniable fact that low-income families have no place to go except to the meager existing supply of substandard housing.

This legislation that the rule makes in order, I repeat, deserves the vote of every honest, sincere, and well-meaning Member and I hope that they will disregard the falsehoods and the lies that have been sent out by this gang that has been opposed to it and that has spent hundreds of thousands of dollars in trying to defeat this measure for their own benefit so that they may continue to gouge tenants and these most deserving people in our land.

Mr. Speaker, feeling that there will be no opposition to the rule, I conclude and reserve the balance of my time, and I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, after listening to my good friend, the gentleman from Illinois, chairman of the Committee on Rules, I am not going to oppose this rule although I am violently opposed to the bill. After hearing the gentleman from Illinois speak I am convinced that if the Members will pay strict attention to those who are opposed to the bill on final passage it will be voted down.

Back in 1946, 4 years ago, the Congress went on record and declared it to be the policy of the Congress to do away with rent control as rapidly as possible. Year after year since 1946 we come in here, or certain individuals come in here, like the gentleman from Illinois, and continue to say that the Nation is in another emergency. Ever since I was in high school back in 1917 all I have heard certain individuals say is "emergency, emergency," day after day, week after week, and month after month.

We had World War I in 1917. That was an emergency. After World War I, we came to the 1929 crash, another emergency; then the depression, then World War II. We talked about an emergency at that time. Now we are running into the cold war with Russia. No one knows what is happening there. We do not know when we will be plunged into world war III. But we do know we will always hear "emergency, emergency."

As far as I am individually concerned, Mr. Speaker, I consider this emergency statement as nothing but a political, demagogic appeal to people who should know better. There should be little debate required on this rule. The questions resolve themselves around two things: Whether or not we want more controls and whether we want bureaucrats to keep running around this country interfering with the daily lives of our people telling them what to eat, what to wear, and where and how they should rent certain units. The other is the expense involved in regard to this bill. I made a statement before the Committee on Rules that I understood that it cost $80,000,000 per year for a great number of bureaucrats to run around this country, telling the people of Texas, telling the people of the good State of Massachusetts, the home State of the majority leader, about an emergency, and what they should do. My understanding is that the people of this Nation are entitled to the kind and the amount of government that they need at a price they can afford to pay.

Today there are many taxpayers who are paying more in taxes than they are paying for their rent, for the food they buy, and the clothes they wear. I say to you, Mr. Speaker, that the unnecessary functions of government, functions that do not serve the needs of the people, should be eliminated, and the best way to eliminate them is to eliminate a few hundred thousand of these bureaucrats who are in big, high-salaried jobs, with nothing more to do than to run around the country telling my people back in Illinois just what they should do each day.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Illinois.

Mr. SABATH. I know that my colleague does not wish to make a deliberate misstatement, but I think he is misinformed. The entire cost has been, instead of $80,000,000, only $17,000,000, and that is being reduced right along.

Mr. ALLEN of Illinois. In reply to that I will say that I asked that question before the Committee on Rules, and no one denied it.

Now, I say, Mr. Speaker, that it is obvious, I think, to many people, that they are now having so much taken away from them in taxes that they are unable to save anything, and as a result it will be necessary for them in their old age to become wards of the Government. I know there are many people in high governmental places that would like nothing better than to have millions of people, instead of being able to take care of themselves in their old age, become wards of the Government. They can accomplish this by confiscatory taxes during their productive years.

Mr. Speaker, I have nothing in common with apartment owners. I do not know, for sure, whether I know one or not; but I know they are entitled to a reasonable profit.

I know that during the past few years it would have been impossible for anyone owning an apartment building not to raise the rent, naturally, when the wages of the painters, the plumbers, the bricklayers, the plasterers, the switchboard operators, and the cleaners have been increased. I know that is a truth which none can deny.

Before the Committee on Rules it was said, although there was a little dispute about it, that the average increase in rents since 1940 was between 10 and 16 percent. We all know that food and clothes and every other thing have risen considerably more than 10 to 16 percent.

Why are not some of my good southern friends here, who talk about States' rights, up here fighting for States' rights today? This is strictly a proposition whether we want the local people back home through their State legislatures to determine the policies on the things necessary for their people, instead of this ever-growing big bureaucratic Federal Government of ours. It might be that the bureaucrats here in Washington would be better satisfied if conditions come about where the Government will take over the homes. They favor every other socialistic scheme.

In conclusion, may I say that I am not going to ask for a roll call on this rule. I feel that after you hear the debate there will be no question that you will turn down this bill overwhelmingly.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, we who seek rent control should realize that we are not voting for rent control by voting for this bill. We are voting for a bill which provides for the liquidation of rent control in 6 months. However, we who seek genuine rent control will have no other choice but to vote for this bill because it gives the Nation six more months of the present rent law which, bad as it is, is better than nothing.

Unfortunately, the country is still in a housing emergency. There is still a shortage. That shortage has not been relieved. Rent emergencies exist everywhere. Consequently, real rent control is just as needed today as it was when it was first enacted.

The opponents of this bill differ with those who propose it only in one respect, that the bill provides for a liquidation in 6 months while the opponents of this bill would have a liquidation of the present rent-control law at the end of June.

This bill, in its present form, is of no use to New York City. I say we should have legislation here which would impose rigid rent control all over the country including the State of New York. The Republican legislature in consort with the Democrats in Albany finally put over what is known as the New York State Rent Control Act. That act has so many loopholes in it that when it finally starts operating, just after election, incidentally, on December 1, we will witness throughout the city of New York wholesale rent increases. Therefore, the New York State rent law should not be set up here as a barrier to the enactment by the Congress of genuine rent-control and to the bringing of New York State's tenants under the protection of such a Federal law. Not to do so is to sell the tenants of New York down the river. To set up the New York State law as an argument against the enactment of real rent protection for the Nation, including New York, is a stab in the back of the whole concept of protecting rent payers. To use the existence of the New York State law to block real Federal rent control for the country and for New York as well, is in my opinion doing a dirty job for the Real Estate Trust in New York City. To use this New York State law here is to spread confusion in order to defeat any attempt made here for real rent-control legislation, so sorely needed in New York State.

Mr. DOLLINGER. Mr. Speaker, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from New York.

Mr. DOLLINGER. Is it not true that the present New York State Rent Control Act was voted against by the Democrats, and it was passed by Republican votes only?

Mr. MARCANTONIO. That is only partly true because it was the vote of a Democrat that gave the bill the majority, but at the same time there is opposition and "opposition". The "opposition" of the Democratic minority was truly a formalistic opposition. There was no real, genuine opposition to that rent-control bill, which has a Republican name on it. In fact that bill became law only as a result of Dewey's deal with the O'Connell Democratic machine in Albany.

Getting back to the situation after December 1 in New York City, the rent increases are going to be enormous and they are going to be widespread. By the enactment of this bill in its present form we provide no protection for the rent payers in the city of New York.

The history of rent control in New York City is a rather sordid one. In the last days of Federal rent control the Federal Housing Expediter's Office allowed rent increases that were not only unreasonable but, in my considered judgment, and based on some information I have received, were crooked, and they were fixed.

These rent increases were allowed during the last days of Federal rent control in New York City so that when State control came into effect as a result of some of the provisions of the State rent-control law these increases could be imposed upon the tenants of New York City—that is, the increases granted during the last days of Federal rent control.

I am reliably informed that those increases were ordered from right here, from Mr. Tighe Woods' office. I think it is incumbent upon this committee to conduct an investigation of its own on the last-minute increases which were granted; why they were granted; how they were granted. I am ready to help the committee and cooperate with it in uncovering what is a dirty piece of business—a very dirty piece of business at the expense of the tenants of the city of New York.

That dirty piece of business, the responsibility for it, rests on the Federal Housing Expediter's office, which had become an annex of the real-estate crowd in the city of New York. I do hope the committee will look into this matter and will call upon me for any assistance they want along these lines.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from New York.

Mr. MARCANTONIO. I thank the gentleman.

Mr. Speaker, Mr. Tighe Woods has a lot to explain with respect to these increases which were granted during the last days of Federal rent control in New York City. I would like to present to this Committee on Banking and Currency a list of 10 questions which I would like to have it put to Mr. Woods. We have now in New York City a situation where I charge that crooked increases were granted and the tenants of the city of New York will have to pay for those increases under the provisions of the New York State law. It was a conspiracy, a conspiracy to rob the tenants of New York City.

As for this bill itself, we have no other choice but to vote for it. I shall vote for all amendments to convert it into a genuine rent-control bill. The history of rent control from the Republican Eightieth Congress to this day of the Eighty-first Democratic Congress is a tragic story of decontrol down to complete liquidation.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. MADDEN] a member of the Committee on Rules.

Mr. MADDEN. Mr. Speaker, first I want to congratulate the gentleman from Kentucky [Mr. SPENCE] and all the other members of the Committee on Banking and Currency for the hard and arduous work and long hours which they have spent in trying to bring out an effective rent-control bill. The emergency on housing in industrial areas and especially in my area which is the Calumet industrial region in Indiana has not improved a great deal in the last few years.

We must bear in mind that from December 7, 1941, the day of Pearl Harbor, up until the Japs surrendered, house building, was practically at a standstill, on account of the scarcity of building materials. The fact that for a period of 5 years practically no housing was constructed in the industrial areas of this country is the reason why today, after several years since the shooting war ceased, we still have a serious housing problem.

At a meeting of the Rules Committee my good friend from Massachusetts [Mr. NICHOLSON] testified against this bill. I can readily see where probably in districts like Mr. NICHOLSON's the housing crisis is not as critical as in the Calumet region in Indiana. There are thousands of families living in slums and trailer camps in the area surrounding Gary, East Chicago, Whiting, and Hammond, Ind. I could include Chicago, Pittsburgh, New York, San Francisco, Los Angeles and every other metropolitan city in America in the same category, where there are thousands of veterans today living in trailer camps because they cannot buy houses that are selling for twelve and fifteen thousand dollars. There is a critical scarcity of houses in the moderate- or low-price range within the reach of millions of veterans and workers in this country today, the same as there was 3 or 4 years ago.

My friend, the gentleman from Illinois [Mr. ALLEN], talked about bureaucrats. We have been listening to ridicule of bureaucrats for so long. Here is a statement by just a minor bureaucrat, Thomas M. Kitchen, who has charge of the local rent-control office in my area. He stated that there are no hardships today on landlords who have a legitimate reason to come in and ask for increases, where, on account of increased repairs or construction in their homes, they come to the Housing Expediter for increased rentals. He stated that in the last month he gave 210 increases to owners and landlords for dwelling units. Then he sets out here six provisions of the present law whereby any landlord can come into his office and if a hardship is being worked upon him and there are not sufficient returns coming in on his investment, he can get a reasonable rent increase. This same situation applies to every local rent office in the country.

This rent law is to control the great number of unreasonable landlords who will take advantage of this critical housing situation and gouge veterans and working families with moderate incomes, and demand extraordinary and unreasonable rents.

Mr. Kitchen stated in his report:

When a landlord has not been compensated for a substantial increase in the cost of operating and maintaining the housing accommodations, he can come in and show cause to get an increase.

Landlords may get adjustments covering increased taxes, insurance, fuel, and other operating costs.

Second. When his maximum rent is below the rent generally prevailing for comparable dwelling units in the area on the maximum rent date.

Third. When he is not getting a fair net operating income from his rental property—

He can get an increase from these so-called bureaucrats, and Mr. Kitchen is merely a minor bureaucrat. But I know Mr. Kitchen works from 14 to 16 hours a day in this bureaucratic job that he has out there at a very moderate salary, in trying to aid tenants and trying to aid landlords in getting over this housing crisis.

The SPEAKER. The time of the gentleman from Indiana [Mr. MADDEN] has expired.

Mr. SABATH. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. MADDEN. Mr. Kitchen says further:

Fourth. When he makes a major capital improvement to his property, such as the addition of a bathroom, porch, and so forth.

Fifth. When he provides additional services or equipment for his tenant, such as a garage, improved heating, venetian blinds, or even a larger refrigerator than previously supplied.

Sixth. When an increase is justified, under the regulations, because of a substantial increase in the number of people occupying the dwelling unit.

This, I believe, is one of the most necessary pieces of legislation that is before the Congress this session. I do hope that the Members from the areas where rent control is not so necessary as in areas like the First Congressional District of Indiana, and other similar districts throughout America. I hope the Congress will grant us at least an extension that is set up in this bill to continue rent control.

The SPEAKER. The time of the gentleman from Indiana has again expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, I hold in my hand here what I think is perhaps the latest edition of Mr. Earl

Browder's philosophy, State Capitalism and Progress, by Earl Browder; copyrighted 1950 by Earl Browder, 7 Highland Place, Yonkers, N. Y. In this he brings some of his philosophies down to date. I wish to read just a few lines from page 26 of this book:

> Price controls occupy the central place in every progressive economic program in every country in one or another form. Under capitalism it is a protection of the masses from some of the most extreme forms of exploitation, and by advancing state capitalism is also part of the preparations for eventual socialism. Where socialism is being built it remains thereto an essential element of planned economy.

Mr. Speaker, for several years I served on the Banking and Currency Committee of this House. I happen to be one of those who feel that rent control should have been liquidated upon the immediate cessation of major military hostilities back in 1945. I think the main proponents of rent control move directly in the path and in the same channel with Mr. Earl Browder and those who promote his philosophy. I am talking about those who promote rent control as a fixed element in our economy, as a fixed policy of the United States Government.

Under the labor laws which the Congress of the United States has approved, organized labor was given substantially monopolistic powers which they are using almost 100 percent. Those laws brought into operation and backed up the collective-bargaining agreement which as in the case of the General Motors agreement made only a few days ago reflects itself in the selling price of goods which the consumers purchase, whether manufactured goods used in industry or used in the homes, or manufactured goods to be used by the farmer. The benefits of those labor laws and collective-bargaining agreements are hidden and absorbed; the consumer does not know anything about what is taking place unless he goes into a detailed analysis. In connection with the production of foodstuffs and agricultural products the benefits are not hidden in the price level; they come out in the form of so-called subsidies to farmers and in a manner which stigmatizes a man who lives on the farm, stigmatizes the agricultural industry of this country and causes the city man to rise up with great bitter protest against the man who works on the soil and who draws just a fairly simple wage as compared to the wage drawn by the person who works in industry under collective-bargaining agreements.

Then we come around to the man and woman who have lived very simply, exercised thrift, put away a few dollars and put up a little housing in excess of what they actually use themselves to be rented to a tenant. Then the great Congress of the United States comes along and imposes economic guillotining on those little people who own these little homes. In my home town on a Sunday past a very ordinary fellow insofar as means are concerned told me about his case—as a matter of fact it is now happening. He said: "I wanted a little plumbing done; I went to a plumber and got an estimate of $200 for the work." He says that the job is now being completed this coming week and will cost $800. You who own a little house that you rent to somebody, just try and get it papered, just try and get it painted, just try and get the plumbing repaired and see how many months' gross receipts of rent it will take to pay for it.

We have a situation in this country where since 1940 your food has gone up 96 percent compared with an index of 100 in 1940, your wearing apparel 85 percent, house furnishings 85 percent, fuel and electricity 40 percent, miscellaneous items 55 percent, your rent 22.9 percent. By rent control and the way it is being administered these little people who rent property to those who have not been willing to invest in property are being very delicately deprived of their property rights. A little bit at a time is being pinched off and taken away from the man who owns the building or the woman who owns the building and given to the fellow who occupies the building as a tenant.

We have many cases where houses rent for $30 a month and where those who live in the houses rent rooms and collect as much as $80 a month and have their living quarters in addition, yet the owner of that place cannot get any relief. Our friend from Indiana has spoken about the various channels of relief. But you can go before the rent administrator, you can show your justification, but for each relief you get you can find 500 that are denied any relief at all.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Illinois.

Mr. SABATH. In view of the gentleman's statement, has he found any landlord or any property owner, any little fellow who owns a house, whose house has been foreclosed in the last 8 years or that he has lost it because he did not receive sufficient rent to make his improvements and take care of the building?

Mr. CRAWFORD. As a general rule, Mr. Speaker, if a person is sufficiently thrifty to save enough money to pay for his own home and to pay for some property that he rents, he has a few dollars back in the till someplace so that he can pay costs and prevent the property being taken away from him. I do not think the chairman's argument applies to this case at all.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, I am sorry that the gentleman from New York [Mr. MARCANTONIO], by his unwarranted and gratuitous attack on the rent-control law of the State of New York, should give voice to statements here on the floor which may confuse and alarm the people of the State of New York who have no real reason for confusion or alarm, for the New York State rent-control law is a much tighter law than the people of the State of New York could realistically hope to get in the Federal establishment. The New York State rent-control law is distinguished from the Federal rent-control law in not having the fair net operating provision, permitting substantial rent increases, in it. The New York State law has no such provision in it, such as has resulted in the major increases under the Federal law.

I hope, too, that the specialized point of view that the gentleman from New York [Mr. MARCANTONIO] represents, does not alarm anybody. I might say he has accused a very high officer of our Government on a previous occasion of trying to keep an issue alive just because it would be a good campaign issue. I do not think that what he states ought to confuse the Members of the House who represent the great middle position and are trying to do what is necessary for the country.

I think the Members of the House from every big city must realize that an effective rent-control law must be enacted, must be continued, at this session or there will be chaos in many cities of the country.

I would like to emphasize one fact in the short time I have. We in New York are very much interested in a Federal rent-control law because we do the biggest business of any State in the country.

We look with great alarm at what may happen to the economy of the United States if rent control fails of passage. The people of the State of New York have a share in the national income, which is about 10 percent. What would happen to the economy of the United States if Federal rent controls are lifted now, and we have a repetition of the situation in 1946 when rent control suddenly was suspended is what interests the people of my State.

I conclude, Mr. Speaker, by saying that New York should be proud to have had a legislature and an administration—regardless of what anybody's opinions may be about any other laws that have been passed—which was forehanded enough to pass an effective State rent-control law, among the first in the country to do so.

Mr. MARCANTONIO. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. MARCANTONIO. In view of the gentleman's statement, which amounts to opposition to enacting a strict rent-control law applicable to all cities——

Mr. JAVITS. It amounts to no such opposition, and the gentleman cannot put any such words in my mouth to suit his purpose.

Mr. MARCANTONIO. Well, any honest interpretation of the gentleman's position should lead to that conclusion. After your State law goes into effect, after December 1, from the standpoint of increases, the gentleman will have to share the responsibility for the increases that are going to take place generally throughout the city of New York.

Mr. JAVITS. I have already made it clear that the New York law is better than the Federal law and again the gentleman from New York [Mr. MARCANTONIO] can no more wish responsibilities on me than put words in my mouth.

Also, apparently, this gentleman wants to share the responsibility for no rent-control law and throw the people into alarm and confusion; that could hardly suit the purpose of our people best.

Mr. MARCANTONIO. This rent-control position that the gentleman takes regarding the State of New York——

Mr. JAVITS. Let me say that my record regarding rent control is as good, if not better than that of the gentleman from New York.

Mr. MARCANTONIO. The people of the city of New York will decide to the contrary.

Mr. JAVITS. The people certainly will decide and I look forward to their decision with a clear heart and conscience, and with confidence in my work for them.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SABATH. Mr. Speaker, I yield the balance of my time to the majority leader, my friend and everybody else's friend, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, the first duty of government—and I suggest that some of my good friends who oppose everything might read the preamble of the Constitution again, a very interesting document—is to bring justice to our people. In order to bring justice to our people from time to time, and particularly in emergencies, somebody must suffer. That, unfortunately, is inevitable. But, the necessities and the needs of the great majority of the people have got to be considered by a legislative body and the members thereof in meeting the test that is imposed upon us by the framers of the Constitution to bring justice to the people of our country.

Now, confining that to the particular bill before the House, it seems to me that in order to insure justice to a very substantial element of our country, and a continuance of justice, it is necessary that this body, like the other branch, pass the bill that is now before us. There is no question but what there is need for further rent control. Frankly, I am not completely satisfied with this bill because it does not go as far as I think the conditions warrant in bringing justice to a substantial percentage of our people. But, in any event, it is the best bill we can get, and I am supporting the bill because it, at least, if passed and enacted into law will bring about minimum results in the direction of justice to a substantial element of our people during the next 6 months in many communities and cities, and in those cities and towns where rent control now exists and the local authorities vote to continue it for an additional 6 months until June 30, 1951.

There is no reason why any Member who is not possessed of a mind of blind opposition cannot vote for the passage of this bill. There is no reason why any Member who might in principle or policy have opposed rent control to the extent that it existed during the war and immediately after the war cannot vote for this bill. This bill leaves it entirely to the local community to decide.

Whether one believes in rent control as it existed during the war or subsequent to the war until last year, a Member, no matter what his views were in the past, can vote for this bill, because this bill simply extends until December 31 rent control in those communities in the United States where it exists now, no more. Those communities can vote for decontrol if they want to. Unless on a referendum in a city or community where control exists now, or unless those elected by the people to represent them in a city or town vote to extend the rent controls existing under this law for another 6 months, until June 30, 1951, rent control goes off in any of those communities in which it now exists.

This bill seems to me to be a complete recognition of local self-government, local action, and local responsibility. This applies only in any community where the control now exists. Under it, control must go off on December 31, 1950, unless the people locally on a referendum vote to extend it for 6 months, or unless those elected by the people in a city or town vote to extend it 6 months.

I would agree with the thought in the mind of any Member that the probabilities are that where rent control now exists in a community, whether a city or town, those elected by the people will probably pass upon the question rather than subject the people to the expense of a referendum. On the other hand, that rests in the control of the duly elected officials of a city or town. We leave it completely with them. They can determine whether or not decontrol will come about on December 31, 1950, by their taking no action locally. Automatically it goes off, or by affirmative action as contained in the provisions of this bill they can vote to extend controls for 6 months, but not longer than June 30, 1951.

Those who have supported this legislation in the past can support this bill. I do so somewhat reluctantly. Those who have opposed it in the past, unless they are completely opposed, can also justify a vote for the passage of this bill.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8276) to extend the Housing and Rent Act of 1947, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8276, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, only 39 percent of the area of the United States has ever been under Federal rent control. This bill is of vital interest to the people in the urban centers and those of us who represent the men and women who live in the large cities are asking of our colleagues who come from the smaller communities a sympathetic listening to our presentment of a very serious problem.

Of the vast territory of the United States only a wee portion is occupied by the large numbers of our American population who live in cities. We work hard manufacturing and distributing the many articles that bring security and comfort and contentment into the lives of our countrymen and countrywomen even in the remote areas. Most of the Federal money that is spent in the improvement and to the benefit of agriculture, and in the public works development of the South and the West, we in the cities, which constitute such a wee speck of America territorially, contribute. Our vision is national in scope; we know that what benefits you in the sparcely settled areas benefits us; we never contribute grudgingly to that which more directly benefits you and broadens the horizons of your lives.

But because we do live in congested surroundings—it could not be otherwise if we were to do the job that is ours in this America of all of us—we have problems that are peculiarly our problems. All we ask is that you try earnestly to understand our problems. It is not that we would not wish to live the daily routine of our lives in the open spaces, with the heavens of blue above us and the green of the fields to velvet our strolling. It is only that our place on the great team that is working out the American destiny of advancing human welfare and contentment is in the congested areas—a wee, wee speck in America territorially—that is occupied by the cities, wherein are located the great industries and giant manufactories.

Housing is a problem with us, a more intense and baffling problem than perhaps you have realized. We never get really to know things until we have lived among them. To begin with, there is not much land in a large city, measured by the land available for building in smaller places, and the land is costly. Building costs are high, especially so in my city of Chicago, because labor costs are high and there are rigid code requirements. Why these rigid code requirements? You ask. The answer is simple. When you build in a congested area, health and fire and similar hazards must be protected against in unusual degree else that which in a more remote surrounding would mean only a single and individual loss would in a large city become a colossal calamity affecting an entire community.

The result of all of this is that while private industry has broken all previous records in construction, it has been unable to produce new housing within the means of a majority of the families in our urban centers either to buy or to rent. I am finding fault with no one. This is not the time or the place to indulge in lecturing. I merely am stating the fact of an existing situation. That

fact is not anywhere denied. The fact, which we in this body must accept because it is borne out by all of the evidence and is not denied, is that new housing is not within the rental means of a great segment of our urban families. These families are not financially able to pay higher rents. Their means have already been stretched to the point where to meet the rents now being paid there is sacrifice of clothing and of food. Do not take my word for it. Take, if you please, the figures of the last economic survey of the Federal Reserve System, showing that American urban families with less than $2,000 annual income are now paying 23 percent of their total earnings for rent.

I am not an alarmist. I have sought always to be a realist and to keep away from that which shatters logic and reason. I am sure that the Governor of Illinois, the great grandson of a great Vice President of the United States, is esteemed by all who know him as a man of sound, common sense. The Governor of Illinois came to Washington to say that if rent controls on the 30th day of June of this year ended abruptly there would be a condition of chaos in the city of Chicago and the other cities of Illinois which he did not wish to contemplate.

From my colleagues I would appreciate a listening to what I have to say because I am speaking in all sincerity.

From Michigan came the great Governor of that State to say that in the city of Detroit and in the other urban centers in Michigan if rent controls ended on the 30th day of June 1950, there would be chaos that the Governor of Michigan did not wish to contemplate.

From the city of St. Louis came the mayor of that town to say that if rent control ended on June 30, 1950, in St. Louis would be suffering and would be chaos. From the smaller city of Decatur in my own State of Illinois came its mayor to say that if rent control ended on June 30 of this year in the city of Decatur 210 families of veterans might be thrown out onto the street with no place to go.

Now, frankly, this is a compromise bill. Personally, I would like a stronger bill, but I appreciate that the sentiment in this House is such that a stronger bill would stand no chance of passage at all. So I am accepting this bill because at least it will prevent in my own city of Chicago in early July the spectacle of thousands of families—men, women, and little children—being thrown onto the streets. I do not wish that kind of a tragedy to mark this year's celebration of the national Independence Day. I am sure that the patriots in Washington's army did not suffer at Valley Forge to build a land where any anniversary of the glorious Fourth of July would be celebrated by filling the streets of American cities with evicted and homeless American families, including those of men who had but recently returned from fox holes and submarine-infested seas.

This bill will prevent such a tragedy. I have said frankly it is a compromise bill. It is not all that I would have it. To me, all American families are entitled to decent roofs. There cannot be a contented America—a safe and wholesome America—if we fall any short of just that. A decent roof over every American family, even the poorest in this world's goods. So I would strengthen rent controls and maintain them until the housing shortage has permitted a return to normalcy. But the crisis faced by too many thousands of families in the low-income group in my city of Chicago is altogether too serious and tragedy is too perilously near to permit me to indulge in the role of a hero fighting for all that I would have for the little men and women of American and knowing that in so fighting everything would be lost. The tragedy of thousands of evicted families filling the streets of American cities come this July is too high a price to pay for a halo.

My colleagues, since April 1949 the incorporated cities of the United States have had an opportunity to decontrol themselves. Despite the fact that they have had that opportunity, public sentiment in those communities has been so supportive of rent control as something necessary that 3,000 of those cities have not elected to come out from rent control. Since April of 1949 a total of 239 have voted to come out from control. This bill makes it compulsory for the local governing body of any community that desires to retain rent control after the first of the year to take affirmative action by the passage of a resolution by the local governing body, or through a local referendum. Certainly that provides for home rule, for the determination of local problems by the people in the localities affected. Certainly all who believe in State rights, all who believe in the justice of home rule, can give support to that. In the meantime it gives us an opportunity, in such cities as Chicago, St. Louis, Detroit, Gary, Ind., and Decatur, Ill., and other cities where we have no way of providing relief for the situation we know will come, at least 6 months in which to get adjusted and a further 6 months if, and if only, such is the determination by the people in the respective communities. If during that 6 months the people in any community think that the control should be continued another 6 months, that will be done through the desire for continued control being expressed by affirmative action on the part of the local governing body.

Mr. Chairman, the small landlords have not any better friend in all the world than I. In committee and on the floor of this Chamber I have fought for the principle that he is entitled from his rentals sufficient to meet the cost of maintenance and repairs, to allow for depreciation, to return a reasonable yield on his investment. This we wrote into the rent-control law of 1949.

I was a champion of the small bondholders, those fine men and women who put $11,000,000,000 into real-estate bonds that went sour. It was their $11,000,000,000 that built these hotels, these apartment buildings, these monuments of the finest and costliest of construction that private industry points to with pride. The money that built those magnificent structures came from the savings of those bondholders. They were frozen out; the bankers that took their money for the bonds that went sour, and used that money to build the buildings, in the end got the properties for a few cents on the dollar. It was my privilege to come down here to Washington with a petition, with three-quarters of a million signatures, petitioning the Congress to do something. And the Congress did something.

It created a select committee of which our great dean, Congressman SABATH, was the chairman. And let me say to those on the other side of the aisle that there was a then freshman Congressman, a Republican, who was on that committee and worked with Congressman SABATH in an investigation that startled the Nation and showed that it was not the bankers, it was not the real-estate brokers and the men of the real-estate lobby who put their own money in and built these residential properties, but the money came from the little people; and in the end the money of the little people that built these structures is gone and the structures are in the hands of the exploiters.

Who is opposing this bill? The real-estate boards, of course. And who, pray tell me, is entitled to membership on a real-estate board? Let me tell you: A real-estate board is like a bar association. To join a bar association you have to be a lawyer; you have to be, not an owner of real estate, but a broker in real estate to be eligible for membership on a real-estate board. And so these men who are organizing the opposition to this good bill, this necessary bill, are brokers, and they make their money through the sale of rental properties. The value of rental properties is fixed by the gross rentals received; boost the rentals and the value increases. They multiply the amount of the total gross rent by five, six or seven, and that is the way and the only way sales value is determined. Is it not perfectly plain why they wish to have the opportunity of unlimited boosts in rents while the housing shortage still prevails? Of course, in the end the good people who buy the properties will be exactly where the bondholders were left penniless and stranded two decades ago. No, Mr. Chairman, the real-estate lobby is not the guardian angel of the small-property owners. If the small landlord thinks otherwise his day of disillusionment will come exactly as it did to the buyers of "gold" real-estate bonds. I have no quarrel with the business of brokerage. There are many fine, honest men who are real-estate brokers. It is a legitimate and a necessary business. All I want is that they should travel in the right light. They are brokers, and their interest is not in building homes but in trading in homes that other people's money has built.

Naturally they wish to get for their clients the highest prices obtainable, and if they were buying for another client they wish to present him the best possible showing of prospective profits. An increase in rents, made possible by the housing shortage, makes this possible.

Unfortunately, however, the renters cannot continue indefinitely to pay rents boosted beyond their means. The properties sold by the brokers in the expectation of such rents continuing will decline in value, and it will all end as it did in the late twenties and early thirties with the small-property owners holding the bag. Ask any of the old bondholders. I hope that some day the housing of American families will be built on a firmer foundation than that of frenzied financing with other people's money.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman from Illinois five additional minutes.

Mr. O'HARA of Illinois. That is the reason for the opposition to this bill. It is plain that these men who are opposing a very necessary extension of rent control have membership in the real-estate boards; they are brokers who make their money as bankers selling properties, and these properties, these rental properties, can be sold and sold immediately at a much larger figure if rents are increased.

Mr. Chairman, I am frank in saying that this bill does mean a great deal to the people of Chicago. We have thoussands of families in the low-income group who would be unable to meet higher rents. It is human nature that if this bill does not pass and rent controls end, that many landlords—fine, decent people most of them; like all other human beings naturally fine people—but it is just human nature to believe that they would increase their rents, some of them exorbitantly, and these people in the low-income group could not meet the increases; they would be thrown out on the street, they would be evicted. What would they do?

Let us not fool ourselves; we are in a critical time. In the first session we did not vote sixteen or seventeen billions for defense without a sober realization that that money was being spent to prepare us as best we could to meet a military situation that we prayed not, but that might come to pass. We cannot in this cold war make contribution to the fire of communism—it would destroy us—by giving cause for scenes of riot and even of bloodshed in our large urban centers when people are thrown on the street because they have not money to buy the roof over their heads. I am not an alarmist, but I want you to believe me because it is the truth. I am telling you what the Governor of Michigan came down here to tell you, what the Governor of Illinois, and the mayor of St. Louis as well as many others have told you, that if rent control ends abruptly on the 30th day of June this chaos may reach a condition of bloodshed that will have violent repercussions on the cold war we are now engaged in. The Army, Navy, and Air Force have joined in a statement that the continuance of rent control is absolutely necessary as a defense measure.

I know. I want you to believe me. May I ask my colleagues on this side of the aisle who come from the land of Dixie: Give us your full support. This is the time when we from the North, when the people of Chicago and of other large urban centers are desirous of your understanding of our human problems. Give heed. Give attention. We need help now. Our brothers from the South, come and give that help to us.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I appreciate that the legislation now before the House is highly controversial. In the few moments that have been allotted me to address the House I am not going to cast any aspersions on the landlords nor am I going to indulge in laudatory remarks about all of the tenants. The question is, How are we going to meet the emergency that confronts the people in my particular area at the present time?

This is a geographic condition so far as Chicago is concerned. Practically every other area in the United States has been decontrolled with the exception of a few spots here and there. My district comprises a territory where the greater portion of the people are tenants. The authorities in the city of Chicago have neglected their duty. We have this rent bill to contend with here in Congress today because the city council tried to carry water on both shoulders on this question, and so did the State legislature.

Let me read to you a resolution that was passed by the City Council of the City of Chicago and see if I am not right. A resolution was passed recently by that body and it embodied a telegram sent to the committee of Congress here having charge of this legislation. The telegram was signed by the mayor. Here is the language of part of this resolution:

> It is obvious and certainly should need little argument that the removal of rent controls at this time and in such a market, would result in severe hardship to a large segment of this community.

In the telegram which the mayor sent prefacing this he said:

> In Chicago at present there is less than one-half of 1 percent vacancy in housing units except those renting for $100 a month or more. This affects more than 95 percent of Chicago's rental families.

I am taking these statements for granted. I am taking them at their face value. I have a high respect for the mayor of Chicago. He is not accustomed to making statements at random or statements that are not predicated on facts. Here is what the city council said in the resolution:

> It would be less than fair if I did not at the same time point out to you the financial difficulties under which many small property owners have been operating during the past few years. Statistics show that many thousands of small property owners have not been able to secure equitable adjustments in the rentals of their housing units. This should be corrected.

He goes on to say:

> Large property owners, through their accountants and lawyers, have obtained the adjustments to which they were entitled by law. But the small property owners in the two- and three-apartment building class, many are still receiving the same rental which they received in 1942.

So, in urging the continuation of Federal rent control, I would also like to urge that the legislation adopted and its administration as well, should take into consideration the equities on both sides of the question.

And that is just the difficulty with this whole rent-control question. We finally come down to the situation where some people are trying to carry water on both shoulders.

Now, there is nothing you can do in my district except to determine whether it is necessary to have rent control or not. There are literally thousands and thousands of people in that district who are not paying $100 and cannot pay $100 a month. It is not a question of politics or political expediency with me; it is a question of where the preponderance of the facts are and what is the decent thing to do under conditions and circumstances for which these people are not to blame. Part of the blame should be placed in the lap of the Legislature of the State of Illinois, and part of the blame should be placed in the lap of the city council. They have had sufficient time to pass on this very vital question, which has not been done. We have had buildings spring up and constructed in my area by the score; all great, wonderful, marvelous buildings. The cheapest rent in any of them is about $100 a month.

So, with that condition in mind, I will have to support some kind of rent-control legislation, and if this is the only bill we can get we will have to carry on even though reluctantly until the people of the city of Chicago, by referendum vote, decide otherwise.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, the Committee on Banking and Currency has conducted rather comprehensive hearings on this legislation, and after very careful deliberation, we were faced with sort of a dilemma or paradox. In reaching some agreement on the legislation, we present this bill for your consideration today. We heard appeals, of course, from governors and mayors, labor groups, social-welfare groups, and veterans' organizations who expressed, from their particular areas of the Nation, the reason for the need for some further control until a complete easing of the situation was attained.

I might just point out here for the benefit of the membership that some eight States have already taken steps to decontrol. Four States, Texas, Nebraska, Alabama, and Virginia, have taken action to remove Federal rent control without subsidizing any State or local rent control. Two States, Wisconsin and New York, have substituted State control laws for Federal rent control. Two other States, Arizona and Utah, have been decontrolled by a combination of local option or local self-determination and housing administrator decontrol action. There are portions of Florida where decontrol has been authorized by the State legislature. Mississippi has enacted legislation effective July 1 to decontrol all areas except those with military installations. There you have an orderly tran-

sition throughout the Nation on the part of the States themselves to ease out of a situation.

No effort is made here by the committee in recommending this legislation to make rent controls a permanent institution in this Nation. We felt that in asking for a mere 6 months' extension that we would give the building industry of this Nation an opportunity to catch up on construction. The building industry over the past few years has been establishing a remarkable record insofar as new housing completions and housing starts are concerned. This year, 1950, possibly will see all records broken as far as new housing starts are concerned. So, mindful of the conditions, as we move from a period when we had very tight and acute problems, a situation where a few years ago possibly in many areas it was much more complicated than it is today, we have reached a fair compromise.

This measure provides for an end to all controls as of December 31, 1950, unless affirmative action is taken by local referendum or by the action of the local governing authorities. There you have carried out to the ultimate the phase of local option, of local self-determination. If affirmative action is taken, then the controls in those particular areas may continue only until June 30, 1951.

Most certainly this is a very fair and reasonable approach to a problem that over the years has been a very complex issue before the Congress. It is my personal hope that this is the end, the last mile, and that I as well as other members of this committee will never again have to consider this problem.

I know that will not be the end for a good many people, who will find housing quarters very difficult to find, at rents they are unable to pay. That is another situation that will come up, of course, as far as their local individual problems are concerned. But in trying to reach a fair compromise, in trying to bring about an orderly transition, the committee felt that this was a reasonable approach, a reasonable compromise upon which the House could agree, to continue until the end of this building year a situation that, if we were to drop it off here in the middle of the year, might bring a wave of economic repercussions in the form of wage demands that might disrupt the orderly economic period in which we are living today.

There are evidences of weakness in our economic picture. Most certainly we do not want to do anything abruptly, so to speak, that will create disorder or bring about some internal economic imbalance that would upset the picture.

I think this is a reasonable, fair approach to a really difficult problem. I do not see why the House should not accept this version of the bill. I hope the House will extend rent control for this period of 6 months by an affirmative vote on this measure.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, the newspapers have been making estimates as to what it is going to take to pass this bill in the House and they have pretty much come to the conclusion, with which many agree, that one thing is clear—this bill has to be voted on a bipartisan basis on both sides of the aisle if it is going to pass the House today or tomorrow. And the problem is just of such a nature as should commend itself to Members, regardless of party and regardless of doctrine which may underlie party affiliation. The problem is one which affects big cities and there are representatives of big cities on the Republican side just as there are on the Democratic side. Seventy-five out of about 90 cities in the United States which have populations of over 100,000 have rent control in effect now and urgently need it. The problem divides itself briefly into three parts: first, the fact that the housing shortage still continues on an emergency basis. The figures on that are very simple. In 1948 the Joint Committee on Housing, which, incidentally, was a committee of the Eightieth Congress, so it could not be said to be weighted in favor of the administration, found 1,287,000 new housing units per year were needed until 1960 in order to cover housing needs of the country.

So far from 1945 to 1949 there have been constructed 3,471,000 units, an average of 868,000 a year. Even if we are constructing housing units at the rate of a million a year, which is the present estimate, the supply is still lagging very seriously behind the need and that is evidenced by the fact, and I think most Members from the big cities can confirm that from their own experience—that only about one-third of the veterans from my own district, who I estimate to be about 25,000, who are living doubled up with their friends and relatives have been resettled into apartments of their own. So that two-thirds of that problem of war veterans, probably the most trying in this housing emergency in human terms, still persists.

Second, I think it is also clear, though there has been a great deal of discussion about it, that the basic fact remains that rents have gone up very materially where rent controls have been taken off. The estimate is that they have gone up in most of these decontrolled areas from 20 to 30 percent in apartments of under $50 a month of rental, and from 30 to 40 percent in apartments above $50 per month in rental.

Finally, and very important in respect of the consideration on this bill, orderly decontrol requires local action and the present bill only provides that that action may be taken by a State or by the approval of the governor of the State and a municipality cannot avail itself of the privilege of controlling or decontrolling as it may choose, as is provided by the bill presently before the House.

In some States the State legislature may be heavily against rent control. For example in the State of Connecticut the cities are estimated to have 40 percent of the State's population, yet I understand that only some 10 Members out of 246 in the Connecticut lower house, come from the heavily-populated city areas. Somewhat the same situation is true in Illinois where I understand 37 percent of the members of the lower house of the State legislature come out of the Cook County area which has over 50 percent of the pupulation.

So it is essential in order to give the local communities a local option as to whether or not they will continue their controls, and most of them urgently need it, that this particular provision of the present bill be enacted.

Finally, this question of rent control concerns every American. It concerns the people of the State of New York, though they now have their own State rent-control law; and it concerns the people of every other community, whether they have rent control or not, because if you do have a drastic increase in rentals, which is foretold by our experience in 1946 when national rent control came off very suddenly without local provisions to replace it, and which is foretold by the actual housing shortage to which every Member can attest from his own experience, if you have a drastic increase in the budget of the normal family for rent, they are going to buy just that much less of shoes and refrigerators and transportation and communications and entertainment and everything else which goes to sustain the level of American prosperity.

Therefore, let no Member assume that because his particular community might be under rent control and New York has its own, or because they have no rent control that he has no interest in this issue. This is the most potent immediate issue economically which the American city family has to face today. Therefore, I am very much convinced that at least this extension legislation should pass.

Mr. BROWN of Georgia. Mr. Chairman, I yield 6 minutes to the gentleman from Michigan [Mr. O'BRIEN].

Mr. O'BRIEN of Michigan. Mr. Chairman, the opponents of Federal rent control say that there is no housing shortage in this country and that therefore there is no further need for Federal rent control. Let us examine the facts. In the great industrial city of Detroit, which I have the honor to represent, the over-all vacancy rate is 1.6 percent, but what is more important is that the habitable rental vacancy rate is only one-half of 1 percent.

Governor Williams, of Michigan, when he appeared before our committee, stated:

> Michigan still needs Federal rent control. The housing problem continues to be very severe in some parts of the State. In Detroit, for example, the construction of new homes has lagged behind the increase in number of families by some 70,000 units. Much of the housing that has been built is rented at prices beyond the reach of most people. Leaders of veterans' organizations testify that housing is still the No. 1 veterans' problem. Labor leaders say that wage earners cannot find homes at rents they can afford, even under present circumstances.

The testimony given at the hearings before the Banking and Currency Committee on the extension of rent control

established conclusively that there is still an acute housing shortage in many areas throughout this country. Although in 1949 all previous records were broken for the construction of nonfarm dwellings, and the 1950 record is still more impressive, the supply has not caught up with the shortage. The Housing Expediter testified before the Banking and Currency Committee that vacancy rates for habitable dwellings for rent are generally less than 1 percent and, in many instances, less than one-half of 1 percent.

Recent official surveys of vacancies made by the Bureau of Labor Statistics and the Bureau of the Census in 25 areas throughout the country, from coast to coast, support the Expediter's conclusion. According to these surveys, the habitable rental vacancy rates are between five-tenths and nine-tenths percent in Buffalo, Portland, Maine; Memphis, Jacksonville, Cincinnati, Portland-Vancouver, New Orleans, and Los Angeles; four-tenths percent in Atlanta, Boston, Chicago, Indianapolis, Pittsburgh, New York City, and St. Louis; and one-tenth percent in Kansas City, Minneapolis-St. Paul.

These vacancy figures tend to prove that there is a serious shortage of rental housing throughout the United States and, that extension of Federal rent control is essential because in such tight housing markets free bargaining between landlords and tenants would not be possible.

Although we have made considerable progress in the construction of new housing units we have completely failed to build new dwelling units for tenants in the middle-income group. In my own city of Detroit, and I believe this is generally true throughout the country, about 50 percent of the new rental units constructed within the past few years have been offered at rents from $75 to $100 per month, and the balance at over $100—rents much higher than the average worker can afford to pay.

No proof is needed that, where vacancy rates are less than 1 percent, the lifting of controls would result in enormous increases in rent and a substantial number of evictions. Such premature decontrol would undoubtedly result in demands for a new round of wage increases and lead this country into another inflationary spiral.

The contention has been made that rent control is no longer a national problem. This statement does not bear scrutiny. When the present law expires there will still be over 8,000,000 rental units under Federal rent control in 40 States, housing approximately 30,000,000 people, notwithstanding the fact that this Congress, in enacting the Housing and Rent Act of 1949, gave individual States and incorporated municipalities authority to decontrol themselves. Although the law has been in effect for almost 15 months, only 8 States have taken advantage of this local-option provision. In four of these States the legislatures decontrolled the entire State, in two States part of the States were decontrolled by State actions and in two others, namely New York and Wisconsin, State rent control was substituted for Federal control.

Another indication that rent control is still a national problem stems from the fact that over 3,000 municipalities throughout the Nation are still under Federal rent control although they had an opportunity under the present law to decontrol themselves. In the State of Michigan, for example, 208 municipalities were given authority on April 1, 1949, by act of Congress to decontrol themselves, but not a single one has exercised that option.

I have been greatly impressed by the representative character of the witnesses appearing before the Senate and House committees in support of rent-control extension. All of the major veterans' organizations, the two major labor organizations, several State governors, testified in favor of extension of rent control and, in general, predicted serious consequences in the event Federal rent control was terminated in large metropolitan areas. Mayors of cities throughout the United States testified in favor of the extension of rent control and the national conference of mayors recently adopted a resolution in favor of rent-control extension.

The present law, which will be extended for another year, with one important amendment, by the bill under consideration, provides for an easy transition from control to decontrol. The present law permits States and local municipalities to decontrol themselves, and authorizes the Housing Expediter to decontrol on recommendations of the local rent advisory board or on his own initiative. Under these various decontrol provisions, over 5,750,000 rental units have been decontrolled since April 1, 1949. These same provisions will continue under the present bill, except that local municipalities may decontrol themselves without getting the approval of the governor. Rent control under this bill will continue until December 31, 1950, except in those municipalities which, by action of their local governing body or by referendum, declare that they wish Federal rent control to continue for another 6 months. Under such a law we can be assured that Federal rent control will be continued only where it is needed, and that local municipalities will be decontrolled when the housing shortages have been met in their respective areas.

Mr. WOLCOTT. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the subject of Federal rent control has been in controversy here before the Congress now since 1942. During the war years and the years immediately following the cessation of hostilities we generally went along with it because it was an emergency measure. We went along with it for the reason that it was an economic question; we went along with it for the same reason that we went along with price control, because price control presented an economic question; and we went along with rent control while it was an economic problem. It was concluded in 1946 that price controls no longer constituted an economic problem but was indicative of a trend in America which if continued would create such havoc and chaos in our economy as would give encouragement to the enemies of the American system and eventually possibly communism, socialism, collectivism, or some other kind of ism contrary to Americanism. Rent control is no longer an economic question. Up to last year I supported rent control. Last year it was very apparent that the question of rent control had gotten into the same category of issues that OPA did in 1946 when the President, by Executive order, removed price controls, nothing to the contrary withstanding, because it was creating, in the fall of 1946, economic uncertainty that would have resulted in economic havoc had it been continued.

Nobody blamed the President for removing price controls in 1946. We still have rent controls with us. But in 1946 the same Congress which made it possible for the President to remove price controls established a policy in respect to rents which we perhaps have lost sight of in the intervening years for the reason that since then the question of rent control has become purely and simply a more or less local political issue and is no longer a broad economic problem for the Congress of the United States to deal with.

In 1946, during the Seventy-ninth Congress, we enacted a policy which is as follows, and I read from section 201 of the Housing and Rent Act of 1947, as amended:

> The Congress hereby reaffirms the declaration in the Price Control Extension Act of 1946—

This was in 1947—

> that unnecessary or unduly prolonged controls over rent would be inconsistent with the return to a peacetime economy and would tend to prevent the attainment of the goals therein declared.
>
> The Congress, therefore, declares that it is its purpose to terminate at the earliest practical time all Federal restrictions on rents on housing accommodations.

The act went on to say that the Congress recognized at that time that the emergency was not over. We continued it for a year. But under that declaration of policy which prevails in the law to this moment we have declared and have given notice to the people of this country that we must get rid of rent controls just as rapidly as we practically can.

The Congress in 1948 continued it for another year and the Congress in 1949 did likewise, always having in mind the declaration of policy that it would be only for this year—this year—just one more year and we will be rid of it. Now the gentleman from Illinois and others take the stand and say: "Just this one more year, once more, and we will be rid of this very, very bad law."

They all agree it is bad, they all agree now that it is applied only to spotty cases throughout the United States, that it is a local political problem instead of a national economic problem and were it not for the fact it is a local political problem they could with certainty come to the conclusion that if it is continued then economic uncertainty will continue to prevail, there will continue to be houses by the hundreds of thousands kept off the rental market with its influence upon our economy.

At this time there is more floor space per capita of shelter in the United States

than we or any other people in the world have ever enjoyed. Let me repeat that and emphasize it, that although there seemingly is a shortage of shelter there is more floor space per capita of shelter in the United States today than we in America or any other people ever in the history of the world have enjoyed.

What, therefore, causes this seeming shortage? The same thing, of course, which creates a demand for all consumer goods and services, the thing, of course, which creates a demand for more luxurious quarters and more commodious quarters, is the high income in dollars. We cannot blame anybody who can afford it to demand more commodious quarters or luxurious quarters. The stenographer who used to get $100 a month in 1940 and either lived at home or shared an apartment or a room with some other girl now is getting $300 a month, and she is justified in her desire for an apartment of her own. So, the high income that we are enjoying has created this demand for rental properties and properties to buy.

Now we are catching up. According to the Bureau of Labor Statistics, although in 1946, when all housing construction was under the absolute control of the Federal Government, when you could not buy a nail or a foot of lath or a shingle without permission of the Federal Government, only 640-and-some-odd-thousand units were built. In 1947, when we removed these controls, private enterprise built 849,000 units. In 1948 they built 931,300 units. In 1949 they built 1,025,100 units. The percentage of rental units is increasing all the time. The first 3 months of this year we have built, under free enterprise here in America, so many more units as compared with the first 3 months of last year, that we know in 1950 we are going to build more than 1,250,000 units.

Just by way of comparison, in January 1949 we built 50,000 units and in January 1950 we produced 80,000 units. In February 1949 we produced 50,400 units. In February 1950 we produced 80,000 units. In March 1949 we produced 69,400 units and in March 1950 we produced 110,000 units. We see this increase in building wherever we go.

Of course, so long as there are bargain rental units there is going to be an unusual demand for those bargains.

May I use by way of example two grocery stores, one on either side of the street. One is selling sugar at 5 cents a pound. The other is selling sugar at 25 cents a pound. Of course, no one would buy from the grocer selling his sugar at 25 cents a pound so long as the grocer selling his sugar at 5 cents a pound had any sugar left. He would be foolish to do so.

So of course there are no vacancies in controlled rental properties today. They are picked up as quickly as they can be vacated. However, there are vacancies in the uncontrolled properties, and the vacancies in the uncontrolled properties have a direct influence upon the increases in the controlled properties when the controlled properties are taken out from under control.

During these debates you probably will hear a great deal about the increase in rents when properties are decontrolled. Let me say to you that the survey shows that the median increase is only 10 and a fraction percent. In order to determine the real increase you must take into consideration in any locality, any area, the decreases in uncontrolled rents as well as the increases in controlled rents.

When we establish here in Government a cost-of-living index we take into consideration about 750 commodities. The increases in some are offset by the decreases in others. In that manner we arrive at a cost-of-living index. So in order to be honest with ourselves and the people whom we represent, in order to find the rental index, we must likewise take into consideration the decreases in uncontrolled rents when controlled rents come out from under control; and that invariably happens. Every community that has been decontrolled has had to go through an adjustment period wherein these bargain rents undoubtedly have increased, but on the average, as I have said, about 10 percent, and the uncontrolled rents now in competition with the formerly controlled rents have decreased. There is an adjustment which causes the uncontrolled rents to come down and the controlled rents to go up slightly.

That is all found in the document which I assume you all get and which I wish you would read, called Economic Indicators. The June issue will be out in a very few days. This happens to be the May issue. By way of comparison, let us see what has happened to rents in comparison to what has happened to other things. I am quoting now official records, all of which have been authenticated.

On the basis of the 1935–39 base of 100—and these are in points, not percentages—all items have increased through March 15 of 1950 from 1940, by 67 points. Food has increased 100 points, apparel has increased 85 points, and fuel, electricity, and refrigeration have increased 45 points.

House furnishings have increased 85 points; rent has increased 18 points. Let me recapitulate. All items have increased 67 points. Food, 96 to 100 points; apparel 85 points; fuel, electricity and so forth, 45 points; and house furnishings, 85 points; and rent between 17 and 18 points.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. FULTON. Would not that seem to show, if rent has only gone up 18 points, that rent control has proved effective?

Mr. WOLCOTT. No; because we have built or converted in the last 3 years over 3,000,000 rental units in this country and you only have 5,000,000 rental units under control now. During this period from 1946 to date, about 8,000,000 units have been decontrolled. Let us analyze that situation. There are 26 States which are almost all decontrolled. Ten States are completely decontrolled. Those States are Mississippi, Texas, Alabama, Virginia, Nebraska, Wisconsin, Utah, New York, Arizona, and Maryland.

Mr. MULTER. Mr. Chairman, if the gentleman will yield, may I point out that New York is not decontrolled. New York has local control.

Mr. WOLCOTT. Of course we are talking about Federal decontrol. The gentleman has heard me make that statement so often that he could substitute that for his own very easily. We are talking about Federal decontrol.

There are 26 States, and it will be brought out here later on, where control is very spotty. For example, in Oklahoma there is only one city under control, and in Kansas only two cities, one large and one small. There are 26 States where there are only one or two spots in the State under control. There are 10 States which have been decontrolled under Federal law, and, as the gentleman from New York suggests, New York has, of course, its own control law. So what we will be doing here if we continue rent control is to maintain this Federal establishment which is rather extensive for the purpose of controlling the rents in about 12 of the States. But under this bill we do not know how many cities and States will be under control a month from now, if the bill is passed. I defy anyone on the Committee on Appropriations or in the Bureau of the Budget to budget the expenses of the Housing Expediter after this bill is passed, because he will not know from one day to the next whether he is going to have 500 municipalities or 5 municipalities under control.

From day to day he will have no way of telling how many municipalities he will have under control the next day.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I know that the gentleman has a problem and I sympathize with him in this problem. I do not blame the gentleman at all for being in favor of rent control, but I hope I will not be called upon to reiterate that it is no longer an economic problem.

Mr. FULTON. Will the gentleman permit me to continue with what I had in mind at this time because it is more appropriate at this point when you are talking of decontrol locally.

Mr. WOLCOTT. Yes.

Mr. FULTON. What is wrong under good Republican principles with an orderly termination of rent control with the authority for that decontrol placed in local bodies and local authorities?

Mr. WOLCOTT. We have done that already. We did that last year.

Mr. FULTON. Why do we not extend this law with the local authorities having the power to decontrol and the responsibility for it? One of the Republican principles, and chief complaints, is that we are putting all the power of the decision in the Federal Government, and abandoning local responsibility. If we decide here on the Federal level to decontrol, we are not letting our local authorities have any say at all, which they might want. I favor orderly rent decontrol as soon as it can be accomplished.

Mr. WOLCOTT. The gentleman perhaps did not understand the statement I made with respect to the economic uncertainty and chaos that might result from the passage of this bill. Last year we argued, and justly so, and they told us the same thing last year, that this

would be the last time. Continue it until June 30, 1950, and there will not be too much uncertainty in the meantime; turn this back and let the States do it. The argument against turning it back to the States was that you might set up 48 competing economies, all to the prejudice of the stability of the national economy. Now, Mr. Chairman, you propose to set up perhaps 500 or 1,000 little economies, all competing with one another, to the prejudice of the stability of the national economy. Now it is in bad enough shape today without aggravating that situation.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. In just a moment.

Where does the pressure come for the continuance of rent control? The pressure comes primarily from those leftists who surely have not contributed to the safeguards which have been thrown up around the American Government in the last 5 years. The pressure comes, perhaps not primarily, but pressures do come from those people who would like to see economic havoc in America. To their credit, many of them are not joining with their leaders in these respects. Not every CIO member goes along with the CIO leadership, who wanted 1 year extension, and would have taken 2 years. They want control for control's sake.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

I have here, as evidence of the fact that all of the CIO people do not go along with the leadership, a very interesting telegram. It is addressed to me, under date of June 12. It came to my office yesterday morning. It is as follows:

We, the property owners committee of the CIO—

Let me reiterate this telegram is from the property owners committee of the CIO:

We, the property owners committee of the CIO, urge you to completely discontinue rent control now.

May I repeat that?

We, the property owners committee of the CIO, urge you to completely discontinue rent control now.

The telegram goes on:

Over 54 percent of the CIO members are property owners, and disagree with the radical leaders on this issue of extending rent control.

That is signed by the secretary of that committee, Mr. John Krausman.

Mr. DONDERO. Where did that telegram come from?

Mr. WOLCOTT. From Detroit, Mich.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Not now. You will have plenty of time on your own side.

There is still the emotional appeal, there is still the political appeal, there should be no longer any economic appeal in respect to rent control. I was particularly interested in what the gentleman from Illinois [Mr. O'HARA] had to say about this. He used the words "bloodshed, chaos, rioting," if we discontinued rent control, "mass evictions."

Now let us think about that for a while.

Mass evictions. When would the evictions come about if you pass this bill? December 31, 1950. What about the weather conditions at the end of December 1950, as compared with the weather conditions at the end of June 1950? I do not want this bloodshed on my hands; I do not want to turn out millions of people into the snow on December 31. If they are going to be turned out I would rather have them turned out on June 30, in the middle of the summer. They could put down a blanket if they had to and sleep on the grass in the middle of summer, but I understand it is rather uncomfortable sleeping on a snowbank in January.

Why do they want this effective until December 31? Let me tell you why it should not be effective beyond June 30. If there is this bloodshed, this chaos, and these mass evictions they will not only come in the middle of summer, but they will also come when the Congress is in session, and we can reactivate rent control if necessary before we adjourn. I think it is heartless, cowardly, to hide behind this bill politically. I do not think there is a strong-minded man or woman in this Congress who has not got the political fortitude to say that economically this bill is unsound. Sometime, whether this year, next year, or 10 years from now we have got to go through an adjustment period, and the adjustment period might better be in the middle of summer than in the middle of winter. There is not one here worthy of his seat who, analyzing this bill from that standpoint and realizing that the economy of the United States may be at stake, should not have the political courage to say: "I am not going to vote for this to get beyond the November elections so that it will not interfere with my reelection," as has been said by some Members on the floor. If any one of you who has the courage that should go along with membership in this House, realizing these potential reactions, every one of you who is here should have the strength to say at least to yourself: "I am going to save my country regardless of what happens to me as an individual."

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from New York, [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I for one believe that American blood is just as precious in June as it is in December, and that the fact you might hide it under a blanket in June is no reason why you should refuse to pass legislation that may prevent chaos, riots, and civil commotion in this country of ours or in any part of it.

I can stand here and argue for this bill regardless of the politics that may be involved because in my city and in my State we have local rent control; we have it given to us by the State of New York. It is not as good a bill as I would like to see in the State, but we have it.

It will protect the tenants of the State of New York. It is not a political issue in my city and State. I do not think it is in any other city or in any other State.

You have heard some facts and figures given to you, no doubt in the best of good faith, but they do not reflect the tone picture and in some instances they are an incorrect statement of the figures. We have rent control today in 42 of the 48 States and this bill if passed, and I urge you to pass it, will continue it in those States or parts of those States where it is still needed.

At the height of rent control we had 15,000,000 units under control. Those 15,000,000 units housed approximately 60,000,000 people. Today there are 8,000,000 units still under control, and I include the State of New York, which has local control. Those 8,000,000 units house 32,000,000 people approximately, and those 32,000,000 people still need the protection of this Congress.

You have been told about rent increases that have not been too high. You have been told about the increase in food and clothing in comparison with the increases in rents and the general increase in the cost of living. No matter what the comparison may show with other commodities, the question is, Do we still need this rent control for the protection of some 32,000,000 people?

When you talk about how much the rent increases were in those areas that were decontrolled, bear in mind you are being told that the increase is 10, 12, or 13 percent in those areas following local increases that had been granted under rent control, in some cases as high as 40 and 50 percent. Taking the overall picture you will find that the rent increases in some of those areas have gone up as high as 60 to 70 percent.

The principal reason there have not been extortionate rent increases in areas that have been decontrolled is because of the provision we have in the existing legislation that where the situation gets out of hand in any area that has been decontrolled by the Expediter he may go back in and recontrol it. Under that provision, it was necessary for him to recontrol only seven areas of all those which he had decontrolled.

Let me call your attention to the fact that by extending this law for 6 months and giving the local communities another 6 months, if they so desire and take affirmative action before the end of the year, you are not changing any controls, nor are you putting back any controls in any area which has voluntarily decontrolled up to now or which has been decontrolled by any court. The Expediter will never again have jurisdiction in any of those areas. Any area that is decontrolled by local option or by State action is forever out of control. Those areas that have been decontrolled by court action are forever out of control. None of them can be brought back under control and this bill does not try to bring any of them back. This bill will continue controls only where they now exist, with the one exception that the Expediter still has the right to say, if a situation gets out of hand in any particular area, that he will then reinstate rent controls. Even then the local community by local option can permanently decontrol, or the court can decontrol.

Who wants this continuance of rent control? Is it, as you have been told by some of the opponents of the bill, only the left wing or the Communists or those who think along the same lines as the leftists and the Communists?

Six of the largest and most influential national veterans' organizations of this country came before our committee and asked that these controls be continued. The CIO and the A. F. of L. asked that these controls be continued.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Georgia.

Mr. LANHAM. Does the gentleman say that under this bill the Expediter can recontrol those areas that have been decontrolled?

Mr. MULTER. Only those areas which he has decontrolled. That is the way the law is written at the present time and we are not changing that. He cannot recontrol any area that has been decontrolled by local legislation or by State legislation, nor can he recontrol any area that has been decontrolled by any court action.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. KEATING. The statement was made by the gentleman from New York, [Mr. MARCANTONIO] earlier in the debate, I believe in the debate on the rule, which I feel might have caused some misapprehension on the part of some of the Members, particularly those from New York. I understood him to say that the New York State law did not take effect until December 1. Am I not correct that the New York State law is already in effect; that the Federal offices in New York have been closed and that the New York State rent-control offices have been opened? Is that not correct?

Mr. MULTER. The gentleman is correct. As of May 1, 1950, New York State went under State control as distinguished from Federal control. The law is in operation there today, although it is being tested in the courts. If the courts should hold it unconstitutional, within 24 hours we can get our legislature back in session and get a good bill. At the present time our tenants in New York State are protected by the State rent-control law.

Mr. KEATING. It is a fact, whatever the gentleman's views or mine or any other Member from New York may be regarding other parts of the country, that whatever we do here in Congress today has no effect on the tenants or landlords of New York; am I correct?

Mr. MULTER. It does not reimpose Federal control on the State of New York or on any other State which has set up its own rent controls, or on any community which has set up its own rent control. This does not substitute or try to reimpose Federal control in the place of local control.

Mr. KEATING. And does not affect the New York State residents, either landlords or tenants, in any way.

Mr. MULTER. No; it does not.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman will agree, however, that we in New York are vitally interested in what happens to rents throughout the country.

Mr. MULTER. There is no doubt about that and that is why I urged the continuance of rent control. I have letters and telegrams from all over the country urging the continuance of rent control. We are not standing here saying that we need this in our own district; we are saying that the country needs it.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. MARCANTONIO. The fact of the matter is that New York is affected, and if the gentleman will bear with me for just a short moment I would like to explain it. New York is affected in this manner. After December 1, I think the gentleman will agree with me, under our State law it is going to be open sesame as far as rent increases are concerned under the State law. We are affected because we are not legislating here to bring New York back under Federal control by means of a genuine rent-control act, and that is the point I have been trying to make. That is the point I tried to make this morning in the colloquy with the gentleman from New York [Mr. JAVITS]. We are losing sight of the emergency that is facing the rent payers all over the country, and in the city of New York. To stand up here and say that the people of the city of New York are all right, they are well off, that we have a State law protecting them, is ignoring the fact that the State law gives very little protection to the city of New York after December 1. It is using the State law to prevent the enacting here of Government rent control.

Mr. KEATING. Mr. Chairman, will the gentleman yield further?

Mr. MULTER. I yield.

Mr. KEATING. Is it not a fact that the New York State rent-control law is in many respects tighter than the Federal rent-control law in that under the New York State rent-control law a landlord, in order to get an increase, must show a hardship case, which is a greater burden of proof upon him than exists under the Federal law?

Mr. MULTER. I think the gentleman is trying to point out that under the New York State law there is no fair-return provision.

Mr. KEATING. That is my understanding of it.

Mr. MULTER. That is right.

I would like to conclude with this and set at rest, once and for all, the argument that it is the Communists and left-wingers that want this legislation.

The Department of Defense sent to our committee its Deputy Assistant Secretary of the Air Force who was authorized to and did speak for the entire Defense Establishment. He urged upon us for his Department, regardless of politics, that this bill be enacted, because rent control must be extended if the Department of Defense is to continue to function properly and effectively. The United States Conference of Mayors urges you, as it did our committee, to extend rent control.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that what the gentleman from New York [Mr. MARCANTONIO] was talking about when he referred a moment ago to the law of the State of New York was some hypothetical, stronger, strict, absolutely-against-increases rent law which has never been passed in the Federal establishment, and that, therefore, it is clear that what I contended before is a fact, that the State of New York has a better rent-control law than it has gotten or could hope to get under the Federal law, but that, nevertheless and despite that, we who do 10 percent of the business of the country and realize 10 percent of the country's income are critically interested in the fact that rents should not run away?

I do not want the situation confused and alarm spread about in New York by gratuitous assertions here about the New York law which are not founded in fact and which are founded purely on hypothesis and what might be, but which never has been, as far as the Federal law is concerned.

Mr. MULTER. Let us stick to the problem before us. We ought not to confuse the issue here with whether or not New York has a good or a bad law. If experience or the courts determine that it needs correction, New York State will correct it. Let us pass this bill now to protect the rest of the country, the other 32,000,000 people that need this protection.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, I voted for rent control until last year. I feel that in times of war emergencies we must yield our traditional way of life to controls with which many of us are not in favor. But I think that now in a peacetime economy it is time for us to stop, look, and investigate.

A great deal of testimony was presented to our committee in favor of the continuation of rent control. That testimony, however, if analyzed will disclose an amazing lack of evidence to support recontrol and the continuation of rent control.

First, Mr. Chairman, may I point out four or five of the outstanding statements which were made as evidence of the necessity for continuing rent control. It was stated, first, that there is now a housing shortage, secondly, that if rents are decontrolled, they will skyrocket, and third, that if rents are decontrolled there will be few living quarters available for people of low incomes, and then there will be, if rents are decontrolled, unwarranted evictions and chaos, and that it is still a national problem.

Mr. Chairman, I want very briefly to examine the evidence in support of those statements tending to prove that we need rent control. First, does a shortage exist? One of the witnesses testified that a survey had been made of 25 areas—think of it, 25 areas in the United States—and the survey showed that the ratio of vacancy within those areas was from 1 to 2 percent.

Then they said that the normal vacancy ratio in the United States was 5, 6, and 7 percent. That we would not have a normal situation until we had arrived at a rental situation of a ratio of 5 percent of vacancies.

Mr. Chairman, I want to point out that the Federal Housing Administration, Division of Economics and Statistics, made a survey of residential vacancies in 1930 to 1934 and I quote from the report as follows—page 340 of the hearings:

The high point in residential vacancies during the past 5 years (1930–35) was reached in 1933 with a marked decrease in 1934, according to local surveys made in all sections of the country from 1930 to 1934.

On page 341 of the hearings is found this language:

The mode—the mode is the most frequently occurring item in a series of figures—in all types of dwellings in 1930 was 4.7 percent; in 1933 this figure was 7.2 percent; and in 1934, 3.9 percent.

Mr. Chairman, if we have a vacancy ratio of 3 to 4 to 7 percent, we will be in a depression.

The question has arisen whether or not rents will skyrocket in all of the thousands of areas in this country which have been under control and are now decontrolled. Of all of the thousands of areas, only 14 areas were surveyed by the Bureau of Labor Statistics, and of those 14 areas, it was disclosed that when rents were decontrolled the median rise of all rents within those areas was only 10 percent. Now, is that a figure which would cause people to believe that chaos would result in the event of decontrol?

I want to discuss whether or not this is a national problem. You see before you a map which discloses the condition as of May 10, 1950, with respect to rent control. A glance at the map will disclose those areas in red are the areas which have been decontrolled and are not now under control.

The areas in green are not controlled and never have been controlled. The areas in white are controlled areas. That map is found in the hearings, in case you want to look at it.

One look at that map will disclose to you that this is not a national problem. Only scattered areas are involved.

Since the war there have been 809 areas in the United States which have been decontrolled. There were 5,500,000 rental units included therein.

Mr. Chairman, after the decontrol of those areas, not a single complaint was made to the office of the Housing Expediter, not a single complaint was made to our committee, and I will guarantee to you that very few, if any, complaints were made to any Members of the House of Representatives by people in these decontrolled areas. After decontrol of these areas the only thing that happened was decontrol.

At the beginning of the hearings, as a matter of fact on the very first day of the hearings, I said to one of the witnesses, "It is my judgment that not a single municipality, and not a single State which has been decontrolled under this law and which now remains decontrolled will come before this committee or will come before the Congress and ask that it be recontrolled." That was the situation. I threw out the challenge and, Mr. Chairman, not a single State, not a single municipality, not one came before our committee and said, "There has been chaos. There has been blood running in the streets. There has been great disaster, rents skyrocketing by reason of decontrol, and therefore we want to be recontrolled."

Mr. Chairman, that is a full and complete answer to those statements by people who are the proponents of this bill, who say that if we have decontrol, there will be great chaos in the country.

I want to read to you a statement made by a mayor of a large city after decontrol. This city had under consideration the question of whether or not they should decontrol this area.

The city is Dallas, Tex. I believe it is a city of about 500,000 population. During the hearings people appeared before the mayor and the commission and said to them:

If you decontrol, people will be evicted. If you decontrol, rents will skyrocket. If you decontrol, there will be chaos.

I submit to this committee that if those statements were made to you as mayor and city commissioner, you would be a little reluctant to cause decontrol. But the mayor and the commission of Dallas, Tex., went ahead and decontrolled. So here is his statement, found on pages 267 and 268 of the hearings:

What happens after decontrol? Does blood run in the street? Is there chaos?

The mayor of Dallas said:

Our council took office May 1, and I think it was in the month of June that we decontrolled. So it has been almost a year now, since the city of Dallas has had no rent control.

Our population is approximately half a million in the metropolitan area. Inside of our corporate limits, only about 480,000.

But we wholly enclose two other separately incorporated communities which have followed our lead in matters of rent control, so for all practical purposes we are talking of a city of about half a million population.

When we decontrolled we were, of course, pretty worried. We had an extensive hearing on the matter, and we didn't know how serious the ramifications might be.

There were predictions that there would be all sorts of disaster, tremendous raises, and we were worried.

As a matter of fact, we were so concerned about the step we were about to take that we asked our city manager to get in touch with the Housing Expediter on a sort of informal basis and see if that Office would consider decontrolling since we knew he could put the controls back in, which we couldn't do if we made the experiment and failed.

However, Mr. Woods didn't think we were ready for decontrol so we went ahead on our own, and did it.

Now, that experiment, in a word, has been successful. We are very pleased with it.

We were, perhaps, naive in thinking that the successful experiment would be generally reported and might give some impetus in the direction of decontrol, but unfortunately, there have been instead, a number of national reports, which I have tried by individual letter to individual mayors in other cities to counteract the impression that we have had mass evictions and tremendous rent raises.

First, as to the question of whether there were mass evictions, Mr. Chairman and members: There were not.

We have four justice of the peace courts which handle evictions in Dallas, and I checked them all personally, and the newspapers kept a close check.

In three, there was no variance from the normal. In the fourth, there was a very, very minor increase, for a short period of time.

There has not been any such thing as mass evictions.

Now as to the percentage of increases, yes, there have been increases in rents. That was our purpose in decontrolling, so that rents could move up along with other increases in wages and prices of consumer goods.

I do not feel that I can present to this committee any report on rent increases except one, and that is the one which my own committee made to me.

I appointed, at the time we decontrolled, a committee under an old antiprofiteering ordinance that we have, which dates back to the First World War. That committee recently asked to be relieved of further duty because it had such negligible complaints.

There have been some reports that actually there was a net decrease in rents in Dallas. There have been other reports that the increases ranged to 158 percent.

The report upon which I think this committee can rely is that one which was made by an official committee of the mayor of the city of Dallas to the mayor at the time that they asked to be relieved of their duty.

That report was a sampling of in excess of 3,000 rental units, and the sampling was made through reputable realtors who handled these particular units, and they were asked to give their rents both prior to decontrol and at the present date, on identical units.

The average was in excess of 18 percent, and under 19 percent, eighteen-point-something. And I didn't know that I was going to appear before this committee and I don't have as many statistics as I should like.

I might say that a mayor can perhaps report the feeling of the people, the tone of the thing, perhaps, better than anyone because I am close as my telephone to all of the people in Dallas, and I can say to you, as a result of that, that our people would not want recontrol, and that we are happy with the experiment.

Now, Mr. Chairman, I think that is an absolute and positive answer to those people who contend that there will be chaos in the event of decontrol. This is typical of statements made by other mayors of other decontrol cities.

Mr. Chairman, rent control provides a discrimination between people living in exactly the same situation and the same circumstances. It discriminates against a person who is living upon his wages. That renter has the opportunity to live in a house under rent control while another man working beside him in the same job with the same income is not entitled to live in a controlled house, and must pay a higher rent for the

same type accommodation. So discrimination arises by reason of rent control.

I was much interested in a statement made by our great majority leader this morning, in which he said that of course there must be some who suffer in providing justice for the people of America. I recently read a book by George Orwell, called "1984." In 1984, he said, there were only three great nations in the world, and all three of them were controlled by great totalitarian governments. Those totalitarian governments had three slogans, "War is peace." "Slavery is freedom." "Ignorance is strength." So, with the same regard for clarity, we are now being told that rent control must be continued and extended to provide justice to the people of America.

A little while ago, the proponents of rent control pointed out that those who were against it were the great monopolistic interests, bankers, brokers, and those people who are gouging the poor people of this great country. Mr. Chairman, it is my judgment that the people who have been dealt with in an unjust and unfair manner are the small people of this country, people with small incomes, people who have saved year after year in order that they might buy a small property and thus have an income in the declining years of their lives. Those are the people who have been dealt with unjustly. Those are the people, Mr. Chairman, who are suffering under rent control. They are the people whom we must help and assist now in decontrolling rents immediately. They are the people to whom we must render justice. I yield back the remainder of my time.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I could very easily vote against this bill because as I study my own congressional district I do not think there is a single area under control unless it be one small community. However, I think that this afternoon, as we consider this measure and as we vote, we should ask ourselves this question: Is it in the best interests of the general public of this country? And I am not speaking this afternoon in behalf of my district since rent control is no problem. As representatives, we must try to think in terms of our entire country. At home they call us Congressmen, but, actually, Mr. Chairman, we are representatives—representatives in the sense that we must ever have in mind the economic needs of the people of the cities of New York, Pittsburgh, Chicago, St. Louis, Jacksonville, and every other area of this country that may be confronted with an economic problem. Certainly this matter of rent control is economic.

Those gentlemen this afternoon who speak against rent control are being regular in their opposition; they were regular in the committee; and they were regular last year in opposing it. I am not criticizing their position this afternoon, but I do feel, Mr. Chairman, as we think about this legislation that we must keep in mind the interest of all the people of this country. That is the position I am taking this afternoon in supporting this particular legislation.

I do not believe that our esteemed friend the gentleman from Michigan [Mr. WOLCOTT] intended to say that the leftists of this country are the individuals who are primarily supporting this legislation. If you will read the hearings containing approximately 575 pages, you will find that distinguished governors and mayors, representatives of this body, representatives of national defense, prominent officials of various veterans' organizations, and others appeared before this committee and very courageously took a stand in behalf of their people.

I was particularly impressed, as I feel you would be if you will refer to page 21 of the hearings and read the statement made by the mayor of St. Louis, Joseph M. Darst. It was interesting to note that Mr. Darst before he assumed office in April of 1949 was an outstanding real-estate operator in that great city. He pointed out in his statement that a signed petition was presented to him by a large number of people asking for decontrol. I read to you from his testimony:

> In January of this year, on petition of a group of property owners, the St. Louis Board of Aldermen entertained a resolution calling for the termination of Federal rent control in our city, as provided for by the present act. The property owners maintained there were 3,208 vacancies in the city.
>
> A public hearing was called and attracted an overflow crowd. Presentations were made both for and against the proposal. Following this, the aldermen checked their own respective wards. Their findings showed that most of the alleged vacancies were either off the rental market or were uninhabitable. The few that were available were generally in the high-rent brackets and most were barred to families with children.
>
> As a result, the aldermen came to the inescapable conclusion that the time was not propitious for decontrol and voted unanimously against it.

I should like to point out also, Mr. Chairman, on the subject of vacancies—habitable vacancies—that you would be interested in the following statistics compiled by the Bureau of Labor Statistics just a few months ago: The study revealed that the average habitable vacancy rates in these cities was less than 1 percent. Pittsburgh, for example, had 0.4 percent vacancy rate; Chicago had the same vacancy rate; Jacksonville had 0.7 percent; Minneapolis had 0.1 percent.

The gentleman from Kansas [Mr. COLE], who preceded me, discussed Dallas, Tex., and the percent increase in rents where decontrol has taken place. I do not wish to take any particular city and discuss it, but I hold in my hand here a statement prepared by the Bureau of Labor Statistics pointing out that in Dallas for all units, including those which did not have rent increases, the percentage increase was 41.6 percent.

If you go along and study other areas of the country, I am quite sure you will find that the average increase is more than that indicated by the gentleman, which he stated was only 10 percent.

Mr. Chairman, the bulk of the population lives in a relatively small portion of the geographic area of the country. For example, almost half of the entire population of the United States live in 1½ percent of the geographic area. According to the 1940 census, 140 metropolitan districts had a population of almost 63,000,000 or 47.8 percent of the entire population of the United States. These same districts contain 44,626 square miles or 1.47 percent of the total area of the United States.

In closing, Mr. Chairman, I feel that regardless of the section from which we may come we should keep in mind, as I have indicated in the beginning, the best interest of all the people of this country as we vote on this legislation. I have had very dear friends ask me to vote against this particular bill. I realize they are honest and sincere, but I am of the opinion that if they had studied the entire hearings they could not help but come to one conclusion. That conclusion being that in certain areas of the country we still find a critical housing shortage, and the urgent need for the passage of this bill. In following the action of the other body I am sure we will be acting in the best interests of this great country of ours. We will promptly enact this legislation.

Mr. GAMBLE. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, we have sat on this bill for several years now. We heard this year the same witnesses we heard 3 years ago. There comes a time when we have to do something about everything or anything. It is about time we get rid of this overdue piece of legislation. We will have the same arguments next year and the year after and a hundred years from now that there are poor people who cannot afford to pay their rent. Well, we had those in the days of our Saviour. It has not changed a single bit since He was born.

Mr. Chairman, some of us were elected on a platform to do away with bureaucracies and to send this Government back to the people and the States that they represent. For many years now the Federal Government has gradually encroached on the rights of every State in the Union. When we have an opportunity to do away with one little piece of it that has cost us $25,000,000 a year for the last 10 years, a total of about $250,000,000, it is a good time to get rid of it.

If we have troubles in my State we will take care of them. We took care of them, Mr. Chairman, long before we were a member of the Federal Government.

Maybe some of you will remember that it was at Bunker Hill and Concord and Lexington and a few more places, the names of which you are familiar with, that we, in Massachusetts, fought to make this the Nation that it is today. When we came into the Union we brought our Constitution with us. Consequently we can take care of our own affairs today just as well as we could before. Somebody from the State of

New York or North Carolina or some other State said that they wanted to take care of Massachusetts. If that is the reason that you are advocating this bill, for pity's sake do not do it, because we will take care of ourselves in Massachusetts. As a matter of fact, if this rent-control bill should be enacted it cannot become a law in Massachusetts anyway, because it is unconstitutional. When this case was brought to the Supreme Court of the United States they said it was unconstitutional if we were not at war. Well, I thought the war was over 4 or 5 years ago, but there are people in this country who care little about freedom when they allow some bureaucrat to come in and take over the functions of the State government. You talk about these rich landlords, real-estate owners, and everything else. Well, in the district that I represent there is one city and a ward in another city. The rest of it is all more or less rural area, and by and large, the people own their own property. Ninety percent of them own property, and some rent it, and it is the only source of income that they have. Yet, they established these rents at the 1939 level when you could not give a house away and when they were getting less than nothing in the way of rent. Of course, these rich landlords and apartment-house owners can hire a lawyer to plead their case, but the ordinary citizen cannot do that. He has to look to you and me, so we have to stand up for him in the Halls of Congress or wherever we are to look after his interest, because he cannot afford to hire lawyers to do that. So they are getting the same rent today that they were getting in 1939, and that is wrong, and everybody here knows that it is wrong.

I called your attention here a few weeks ago to the fact that a Pontiac automobile cost you practically $2,500 today, the same automobile that you could buy for $950 in 1939, or 150 percent increase. Meat and clothes and everything we buy has gone up from 40 to 150 percent from 1939, and yet they take that year as a base. Well, I was in the Massachusetts Legislature a long time and I took the oath of office a great many times and I swore to uphold and defend the Constitution of Massachusetts and the Constitution and laws of the United States. I am not going to break that resolution, because I say when the Government steps in and takes my house and your house without due process of law and without adequate compensation that it is confiscating my property.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. BARRETT].

Mr. BARRETT of Pennsylvania. Mr. Chairman, there are two facts which seem to escape the real-estate lobby in its fight against continued rent controls. One is that hundreds of communities are still suffering from an acute housing shortage and the other is that the Nation's landlords can increase rentals if they make major improvements in their dwellings or if operating costs have gone up.

The forces which are opposing extension of the Rent Control Act do not appear to be aware that thousands of Americans are still forced to live in attics, shacks, Quonset huts, and other makeshift accommodations, or to double up with their relatives.

Despite the volume of new construction in recent years, we are still confronted by a serious shortage in the housing supply and rent controls cannot be relaxed until additional units which are now underway have been completed.

In considering extension of the present Rent Control Act it is of primary importance to be guided by the statistics on vacancies rather than by partisan interest or emotional influences. A recent survey conducted by the Bureau of Labor Statistics in 25 areas located in all regions of the country shows that overall vacancy rates are generally between 1 and 2 percent as compared with normal rates of 5 to 6 percent. Vacancy rates for habitable rental dwellings are generally less than 1 percent and many of them are less than one-half of 1 percent.

Additional evidence which throws light upon the tight housing situation is the rise of rentals in localities where rent controls have been removed. Surveys in 14 cities recently conducted by the Bureau of Labor Statistics indicate what happens to rentals in some of the cities which have been decontrolled. In 7 of the 14 cities surveyed rents were raised for more than 50 percent of the dwelling units whose rents were free to rise and the increases average from 26 to 41 percent.

From time to time during the past year thousands of my constituents have appealed to me to intercede because they received notices of exorbitant rent increases. In one particular case which affected 485 families, the landlords obtained approval for an average 32 percent rental increase in 1947 and in 1950 succeeded in obtaining local approval for rent increases averaging 25 percent, resulting in a total average of 57 percent in a 3-year period. However, upon investigation by the Office of the Housing Expediter it was learned that no improvements had been made on the dwellings since before the war and that a large number of the tenants were living on fixed incomes which had not increased even 10 percent in the last 10 years. This is but one example of the many similar occurrences throughout the country which have come to my attention. Not only is there no justification for such unfairness to the tenants but we must consider the consequent curtailment of the purchasing power of the families involved and the resultant effect upon the economy of our country.

The housing shortage is also reflected in attempts at unwarranted evictions and collections of illegal rents. During the past year the Housing Expediter was able to prevent about 75,000 illegal evictions. Moreover, in 73,500 cases where essential services had been reduced, landlords were required to restore the services or have their rents reduced.

If rent control has prevented hardships to tenants it has also permitted landlords to secure justifiable rent increases. During the past year, three out of every four landlords who petitioned area rent offices for a rent increase obtained it. The increase averaged 17.8 percent. The present Rent Control Act contains adequate safeguards to prevent the continuation of rent control in any locality where it is no longer needed. That most communities and most States have not chosen to lift rent controls though the law has made it readily possible for them to do so is indicative of the fact that the housing shortage is felt to be acute.

In order to avoid family hardships and economic dislocations which would result from premature termination of rent control, it is highly desirable that the Rent Act be continued for another year.

Mr. SPENCE. Mr. Chairman, I yield 7 minutes to the gentleman from Washington [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, it is difficult for me to understand why the opponents of rent control arise at this time and say we do not now have a national emergency. They now say it is a local problem, after having voted several times, as somebody has said here today, for rent control on the basis of its being a national emergency. Certainly the incidence of rising rents falls with special weight on the locality. But the danger of soaring rents upon decontrol comes from the existence of the national housing emergency created by the war and the probable economic danger is national.

That is very well shown by the map the gentleman from Kansas [Mr. COLE] exhibited here just a little while ago. As to my State of Washington, for instance, it showed that those controlled areas existing today are the areas where there has been the greatest increase in population. That increase in population was caused by the demand of the Nation that those areas produce for war. Certainly it was the war emergency and the drive for war production which caused the great population relocation and with it an area housing shortage. It caused a greater housing pinch in some areas than in others. Certainly my area in the State of Washington is one of those areas which has been greatly affected. I wish to point out that we are still using 3,000 war-temporary housing units in Seattle and nearly 5,000 in the State of Washington.

The present law was proposed to allow individual communities to determine when the national emergency had ended as far as they were concerned. The bill we are discussing now continues to allow those local communities to reach a conclusion as to when this national emergency has ended as far as they are concerned. The conditions in a great many places are little different actually than they were a year ago. Even though we in Seattle have built a great many hous-

ing units, we have by a long ways not reached that happy balance between housing and demand where the individual can find a rental unit or a unit to buy at a price which he can afford. Because of this fact alone, I can see no greater reason for considering this legislation than that it must be retained due to the continuing national emergency. We cannot, with justification, say today that that national emergency is over.

We have overwhelming proof of the need for continuing Federal rent control. When this Congress passed the Housing and Rent Act of 1949, which became effective on April 1 of last year, it gave States and municipalities the authority to decontrol themselves. Almost 15 months have gone by, but only four States have completely decontrolled themselves; two others have decontrolled portions of their States and two more, New York and Wisconsin, have substituted State rent control for Federal control. On April 1, 1949, over 3,500 cities, towns, and villages became eligible to take decontrol actions but less than 300 have exercised this right. Over 3,000 in 40 States have elected to continue under rent control. There are 62 major cities, each with a population of more than 100,000, which will be under Federal rent control on June 30, 1950; 8 more in New York and Wisconsin are under State rent control, and the District of Columbia has a separate rent-control law.

The gentleman from Kansas [Mr. COLE] referred back to the 1934 survey for figures on the average vacancy rates. I should like to refer him to the report of the committee this year in which we refer to the 1940 census on housing. This survey, conducted by the Bureau of the Census, shows that in 1940, 5 percent of all dwelling units in the United States were tabulated as vacant, for sale, or for rent. Let us contrast this 1940 5-percent vacancy rate with the situation today. If further proof were needed to demonstrate the need for continuing Federal rent control the current figures, in contrast to 1940, prove the case.

Let me cite just a few examples which are included in the Banking and Currency Committee report on this bill. According to these surveys, the habitable rental vacancy rate in Los Angeles is 0.9 percent; in the Portland, Oreg.-Vancouver, Wash. area, 0.7 percent; in Denver, 0.2 percent; in Indianapolis, 0.4 percent; in the Minneapolis-St. Paul area, 0.1 percent; in Portland, Maine, 0.6 percent; in Chicago, 0.4 percent; in Atlanta, 0.4 percent. In my own city of Seattle, the Seattle Real Estate Research Committee made a survey in September of 1949 and found that only 0.7 percent of all units were vacant in single-family dwellings.

With such low vacancy rates there can be no free bargaining between landlords and tenants. If controls were ended, tenants would have to pay whatever increases were demanded.

The chaos which would follow decontrol today would not be the chaos of civil disobedience but would be the tragic chaos of the family budget. It is this family budget which we must consider here today.

To determine what would likely happen to the family budget, I just recently conducted a survey of Seattle tenants. The tenants answered my query by the thousands. I cannot read them all here, but let me read just a few samples:

A housewife wrote:

> If rent control ends, according to the way our landlord has talked for the past 2 years, we expect a little over 60-percent raise.
>
> We cannot afford an increase; one-fifth of our income now goes for rent, plus cost of painting, etc.
>
> We could only meet this increased rent cost by reducing all expenditures—food, clothing, household equipment, insurance, recreation.

Another family writes it now expends 33⅓ percent of its income for rent and with decontrol expects a 65- to 70-percent increase.

And in answer to my request for information as to how the rent increase would be met, this family wrote:

> Expenditures now are practically all for necessities, hence we cannot figure how to reduce. We would just have to do without necessities.

Another lady who fears a 50-percent rent increase wrote:

> I am entirely alone, an older woman, with no income at all, living on limited savings, which, at present prices, may last 5 or 6 years more.

These are the people of whom we should be thinking in this time of housing shortage. It is they who provide the purchasing power upon which a healthy economy is based. Yet capable statisticians have estimated that an end to rent control would result in a drain of from $1,000,000,000 to $1,200,000,000 from family purchasing power and would divert it to a higher-income group which adds it to savings. The effect of this at a time when increased consumption is needed to bring about full employment would likely do great harm to our national economy.

The contention is being made that the increased tempo of residential construction is easing the housing shortage and therefore Federal rent control is no longer necessary. Certainly new construction, if continued, will gradually end the housing shortage, but it will be some time before new construction will catch up with the demand for housing by people in the middle-income brackets. In my own city of Seattle, for example, workers in all industry and trade received an average monthly wage of $269.53 in the second quarter of 1949, according to data prepared by the State of Washington Employment Compensation Service. Newly constructed units are renting at $70 to $110 a month, which is clearly beyond the means of these average industrial and trade workers.

Those arguing for an end to Federal rent control also contend that Federal rent control retards the construction of new residential units. First of all, let me point out that in 1949 all records were broken for the construction of nonfarm residential housing and this record-breaking pace is continuing in 1950. These figures clearly indicate that Federal rent control is not retarding new construction. Moreover, there has been no Federal rent control for newly constructed units since July 1, 1947.

Opponents of rent control claim also that in areas which have been decontrolled the increase in residential construction is greater than in areas which remain under control. This is not borne out by the facts. In Spokane, Wash., in the 5 months following the decontrol of that city—August through December 1949—there was an increase of 72 percent in the number of new dwellings authorized over the corresponding months in 1948. However, in my home city of Seattle, which is still under rent control, there was an increase of 75 percent between the same periods. Let me cite another example. In Knoxville, Tenn., in the 7 months following decontrol, there was an increase of only 9 percent in the number of new dwellings authorized over the corresponding months in the previous year, but in Nashville, Tenn., which is still under rent control, the increase was 198 percent between the same periods.

Let us for a moment examine the effect of decontrol. Surveys made by the United States Bureau of Labor Statistics are summarized in the report of your Banking and Currency Committee. These surveys show the effect of decontrol in rents in 14 cities. The communities were decontrolled either by action of State legislatures or local municipalities, or by the Housing Expediter on his own initiative.

The interesting thing about these surveys is that in 12 of the 14 cities surveyed no local controls were substituted for Federal rent control. It is fair to assume, therefore, that these municipalities were decontrolled because it was believed in general that rent control was no longer necessary and yet, what happened? In Beverly Hills, Calif., for example, 74 percent of the units whose rents were free to rise had rent increases averaging 41 percent; in Knoxville, Tenn., 61 percent had rent increases averaging 26.8 percent; in Dallas, Tex., 67 percent had rent increases averaging 35.4 percent. When rent increases after decontrol are so great and widespread in communities which were apparently ready for decontrol, the increases in cities which have practically no rental housing available for rent would be absolutely intolerable. For example, in Chicago, where the over-all vacancy rate is less than 1 percent, and the habitable rental vacancy rate is less than one-half of 1 percent, organized landlords have claimed before the United States Emergency Court of Appeals that

they were entitled to a 71.5 percent increase in rents and requested that the court order an immediate increase of 45 percent with the statement that the balance should come through the operation of economic laws at the end of rent control.

The bill reported by your committee should be passed by this House. It will extend rent control for another 6 months and give local municipalities authority to determine whether it should be continued for an additional 6 months within their jurisdiction. We owe it to the American people to pass this bill.

Mr. GAMBLE. Mr. Chairman, I yield such time as she may desire to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON of Ohio. Mr. Chairman, ever since the termination of World War II I have actively supported the elimination of those Government restrictions and limitations imposed upon the individual freedom of our people in order to insure early victory in the war.

Some progress has been made in the attainment of that objective. One of the last hurdles to surmount is that of rent control. My opposition in principle to these controls today has not diminished in the slightest respect but as I examine the provisions of H. R. 8276 I cannot but recognize that here at last is a language which allows no other interpretation than that of absolute termination at the end of the current year, except where a municipality itself takes the initiative for one additional 6 months' extension which after all is in itself an act of decentralization. We have local option now and only a formal petition initiated by a municipality or taxing subdivision could carry on after December 31.

In my district there still exists a shortage of certain housing facilities. In addition, neither the major municipalities nor the State of Ohio have prepared themselves to ease the transition from controls of rental units. Therefore, after careful analysis of the arguments presented on the floor, I have arrived at the conclusion that H. R. 8276 offers the most certain assurance of ending Federal controls during the current year of any approach thus far and at the same time affords an opportunity to local municipalities to ready themselves to assume responsibility for meeting whatever local needs may exist. I shall support the measure.

Mr. BROWN of Georgia. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY of New York. Mr. Chairman, although my senior colleague from Illinois has given us a masterly presentation for the extension of rent control, I would be remiss in my duty not to attempt to add my opinion. I felt the need for rent control to be so vital that I introduced a bill for the extension of rent control at the Federal level. I do not feel that the bill reported by the committee went far enough, but I am satisfied that a bill was reported.

At the present, I feel rent control is still a national problem because confusion in domestic issues must be prevented at this time of unsettled world conditions. If the Housing and Rent Act of 1947, as amended, is allowed to expire on June 30, 1950, almost all States will be unable to cope with this problem since few legislatures will be in session on June 30 to enact State rent-control laws. In many areas, no form of local control is possible and a sudden decontrol in these sections would disrupt the national economy.

I prefer the healthy bargaining of landlord and tenant under the system of free enterprise for which our country is famous. I look forward to the return of this system in America. When, however, conditions beyond our control exist, when a demand is greater than a supply, then it is necessary to protect those Americans and our national economy to the best of our ability. What we are trying to get for the people of America are homes. At present, the demand is greater than the supply and there is still need for protecting a great segment of the American people by continuing rent control.

In crowded city areas, the housing situation is almost as desperate now as it was 3 and 4 years ago. I shudder at the chaos which would follow immediately if we were to remove rent controls now or at any time within the coming year—until the need for housing is met—particularly for the middle-income families. They cannot support an increase in rent.

Out of 90 cities having a 1940 population of more than 100,000 which were under Federal control on April 1, 1949, only 8 exercised the right of decontrol. But, in these decontrolled cities, rent increases ranged from 16 to 41 percent. Rent controls are still needed in the majority of our large cities where the critical housing shortage exists. A major portion of the 11,000,000 dwelling units subject to control are in the metropolitan areas of 74 cities having more than 100,000 population.

Even if it were possible to remove controls in all the smaller communities, the need for housing in these large metropolitan areas alone clearly indicates that the problem is still a national one. If the tenants in our large cities have to pay rent increases of up to 45 percent or possibly even higher, the great reduction in their purchases of other necessities will spread to small industrial communities and food-producing areas throughout the Nation. At the same time, it would undoubtedly force organized labor to ask compensating wage increases with further disruption to our national economy.

Colleagues, there is still time to prevent the whole rent structure from collapsing by voting for the extension of rent control, and I urge you to vote for this bill, H. R. 8276.

Mr. BROWN of Georgia. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. DOLLINGER].

Mr. DOLLINGER. Mr. Chairman, this is not the kind of bill I can get excited about. Rent control is still a "must"—but this bill is not my idea of real rent control.

Federal rent control must be extended in order to protect the millions of tenants who would be penalized by rental increases if we permitted controls to end. Until we have enough housing units to meet the demand and at a price that they can afford to pay, we must have rent control. Otherwise, exorbitant increases in rents will result, and families who cannot afford to pay such increases will suffer great hardship. Reports show that there is still a severe housing shortage, particularly of units renting at levels that low- and middle-income families can afford. According to the Office of the Housing Expediter, this category of tenants has been hardest hit by increases in rents, where controls have been removed. His survey shows that the average increase for 747 areas decontrolled since April 1 was 19 percent; also, that the lower the original rental, the higher the percentage increase. For the lowest groups of all, the increases are around 50 percent. The Joint Economic Report after a study of the plight of some 10,000,000 families living on $2,000 a year or less showed that they have to pay too much for terrible shelter.

Landlords and the real-estate lobby have put forth their arguments against rent control—but they must be discarded when the proofs show that rents will soar if controls are lifted, and that properties renting at from $20 to $60 a month are the ones that will take the biggest increase. It follows that families on this level would have to go without necessary food, medical care, and other living needs in order to meet the increases demanded for their shelter. These people look to Congress to protect them, and it is our duty to save them from exploitation in this critical period.

I am urging the extension of Federal rent control but not because New York would be left without controls, as New York State has its own rent-control law. While that law is not adequate, it is just a little better than what is provided in the bill before us. I feel that rent control is necessary, not only for a particular area, but on a Nation-wide basis. Areas should be decontrolled only when it is proved that rent control is no longer necessary in a particular area.

I have received thousands of cards from individuals, all following the same pattern, which clearly indicate that a strong lobby is at work attempting to lift controls. By claiming further extension of rent control is communistic, they hope to scare us into failing to renew controls. This same group has called other legislation communistic, only because its provisions were for the best interests of the people.

I am not satisfied with the bill under consideration. I think it should have safeguards to protect the people during this emergency period and until such time as there is sufficient housing to care for the needs.

In my opinion, the law should eliminate the fair net operating return which

was added to the bill last year and which has caused such hardship to many tenants. In my remarks at that time, I showed that the provision would pave the way for inequities and the exploitation of tenants. I do not like to say "I told you so" but we know that thousands of increases were granted, and that such increases were not warranted.

There is another point I wish to discuss at this time concerning rent increases. Thousands of applications for increases were pending in New York for a long time—some for a year or more, but nothing was done about them until the State of New York passed its present rent-control bill—and then wholesale increases were granted by the Expediter. I do not care to characterize those increases in terms I think would apply—because no purpose would be served thereby, but they certainly could not have been granted in good faith. I think they should be eliminated completely.

I feel that an important amendment to the present bill which might make it more acceptable, would be to give the Expediter the right to recontrol areas that were decontrolled in one form or another, and make the Expediter the sole judge of whether an area that had been decontrolled should be recontrolled. I plan to offer such an amendment. I shall also offer an amendment striking out the fair net operating return provisions; also one to wipe out the wholesale increases granted—particularly in the State of New York.

I do not want to repeat what I said last year about the rent-control bill of 1949—but at that time I indicated that the bill was not satisfactory to me. The bill before us now is even weaker than the 1949 law.

It is rumored that this bill which is innocuous, will have tough sledding ahead before it gets by—if it does get by—but that it is the best bill that Congress will consider. I disagree with that kind of brain-trusting, since I am as anxious to eliminate controls as any other Member of the House, but at the proper time, and this is not the proper time, as I have indicated.

I am going to support this bill very reluctantly—only because I think the country needs a continuation of Federal rent control, and even this spineless bill is better than no rent controls at all. However, I am going to fight for and make every effort to obtain the necessary amendments in order that this bill will have some teeth and provide real, effective rent control.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I am in favor of this bill. I would have preferred a bill to extend rent controls for a full year because I believe such extension is vitally necessary, but in view of the prevailing opposition to such a proposal I shall support the present bill.

I believe that all of us are opposed to controls of this kind as a matter of broad abstract principle and we will welcome the day when the conditions which make necessary the retention of such controls are alleviated. At this time, however, the reasons that made necessary the imposition of such controls during the war, that is, the tremendous influx of industrial workers of the metropolitan areas in order to turn out the tools of war, are still present, in great measure, in cities like my home city of Chicago and if the reasons for rent control were valid at that time—and I believe they were—those reasons are still existent today and justify the extension of rent controls. The war is over, but the emergency in housing created by it still exists. The shortage of housing units is still a present fact and must be so recognized. There are now 8,000,000 rental units under Federal rent control under an act which permits the local communities to decontrol themselves if they so desire. There are 40 States under Federal controls, including 3,400 incorporated cities, towns and villages, and 62 cities having a population of more than 100,000 people. If it be true, as the opponents of rent control contend, that there is no further need for control, certainly these cities and States would have exercised their option to withdraw from Federal rent control. The fact that they have not withdrawn themselves indicates that they still consider the shortage of housing a very real problem, a national problem meriting the consideration of this Congress.

This is borne out by the fact that the National Conference of Mayors in their convention on May 13, 1950, adopted a resolution calling for the continuation of rent controls. We in this Congress have professed our concern with providing homes for veterans. The concern of the veteran for extension of rent controls is obvious, for every veterans' group has endorsed this bill, including the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, the AMVETS, the American Veterans' Committee, and the Jewish War Veterans.

I should like to point out further that the Department of Defense, in a statement representing the coordinated views of the Departments of the Army, the Navy, and the Air Force, and the hearings so indicate, recommended the continuation of rent controls because uncontrolled rents during this period of shortage would interfere with the defense program.

The Bureau of Labor Statistics in its recent survey makes very clear the knowledge that the housing shortage is a present fact. In its review of the vacancy factor of 25 major cities in this Nation, it was shown that the over-all vacancy ratio was between 1 and 2 percent. In a normal housing market this factor is between 5 and 6 percent. What is more important is that the habitable rental vacancy rate is less than 1 percent. In my home city of Chicago, this factor is four-tenths of 1 percent. But let me point out here that Chicago is not unique in this respect for the habitable rental vacancy rate for Atlanta, Ga., is only four-tenths of 1 percent; for Baltimore, Md., it is nine-tenths of 1 percent; for Birmingham, Ala., 1 percent; for Boston, Mass., four-tenths of 1 percent; for Buffalo, N. Y., five-tenths of 1 percent; for Cincinnati, Ohio-Ky., seven-tenths of 1 percent; for Denver, Colo., two-tenths of 1 percent; for Detroit, Mich., five-tenths of 1 percent; for Indianapolis, Ind., four-tenths of 1 percent; for Jacksonville, Fla., seven-tenths of 1 percent; for Kansas City, Mo.-Kans., one-tenth of 1 percent; for Los Angeles, Calif., nine-tenths of 1 percent; for Memphis, Tenn., six-tenths of 1 percent; for Minneapolis-St. Paul, Minn., one-tenth of 1 percent; for Mobile, Ala., 2 percent; for Nashville, Tenn. eight-tenths of 1 percent; for New Orleans, La., eight-tenths of 1 percent; for New York, N. Y., four-tenths of 1 percent; for Pittsburgh, Pa., four-tenths of 1 percent; for Portland, Maine, six-tenths of 1 percent; for Portland, Oreg.-Vancouver, Wash., seven-tenths of 1 percent; for Richmond, Va., three-tenths of 1 percent; for Savannah, Ga., 2.7 percent, and for St. Louis, Mo.-Ill., four-tenths of 1 percent.

Our metropolitan communities are still growing but more important than the fact of mere increase in numbers is the growth in families. For example, in the city of Chicago in the 9 years between 1940 and 1949, the population of the city increased from 3,396,808 to 3,632,532, an increase of 7 percent. But in the same period, the number of families in Chicago increased from 953,000 in 1940 to 1,093,000 in 1949, an increase of 15 percent. The Metropolitan Housing and Planning Council of the City of Chicago is a nonpartisan citizens' organization. Many of its officers and members of its board of governors are executives in large real estate and mortgage firms in the city of Chicago. Its president, Mr. Ferd Kramer, is the head of one of Chicago's largest real-estate firms. Recently, when the Congress had before it the cooperative housing bill, the metropolitan housing and planning council sent a resolution to the Members of Congress from Illinois stating its opposition to the cooperative housing bill. Yet I should like to point out that this same agency has just adopted a resolution urging the Congress to extend the Federal Rent Control Act for 1 year from June 1, 1950. It cannot be said that this group is tenant-minded exclusively, and certainly with its background it would be opposed to the continuation of rent controls if no vital need existed for the legislation.

Much has been made of the current housing boom and I would not seek to minimize its effect, yet I would point out that for the most part such housing as has been constructed since the war in the city of Chicago, at least, has done little to dent the tremendous need for housing. The rental housing that has been constructed since the war, for the most part, has been done under title 608 of the National Housing Act. I have here a complete list of the title 608 construction that has taken place in the Chicago metropolitan area, and I shall include such list as a part of my remarks:

Sec. 608 VEH completed projects in Chicago metropolitan counties[1] as of Mar. 31, 1950

Project No.	Project location	Number of units	Type of structure[2]	Range of rents	Dwelling unit sizes
071-40071	Broadview, Ill.	28	W. U.	$67.50–$72.50	3, 3½.
071-40001	Chicago, Ill.	21	W. U.	[3] 85.00–150.00	5.
071-40007	do	36	W. U.	[3] 60.00– 70.00	4, 5.
071-40008	do	28	W. U.	87.50	5.
071-40009	do	28	W. U.	65.00– 95.00	4, 5.
071-40010	do	92	W. U.	[3] 105.00–120.00	4, 5.
071-40023	do	18	W. U.	Sold, co-op	4½, 5.
071-40029	do	11	W. U.	65.00–105.00	3, 4, 5.
071-40032	do	12	W. U.	[3] 125.00	4.
071-40033	do	22	W. U.	[3] 80.00–130.00	2, 3, 4.
071-40034	do	16	W. U.	[3] 90.00–140.00	3, 4.
071-40041	do	10	W. U.	[3] 150.00–180.00	5, 6.
071-40042	do	12	W. U.	80.00	4.
071-40046	do	20	W. U.	85.00–110.00	5.
071-40047	do	9	W. U.	[4] 105.00	5.
071-40048	do	10	W. U.	[4] 100.00–175.00	5.
071-40052	do	12	W. U.	[3] Co-op	4½.
071-40054	do	10	W. U.	[4] 100.00	5½.
071-40056	do	24	W. U.	[3] 120.00–150.00	4, 5.
071-40059	do	21	W. U.	[3] 85.00–150.00	5.
071-40062	do	12	W. U.	[3] 125.00	3½, 4.
071-40063	do	10	W. U.	107.50	6.
071-40064	do	10	W. U.	[4] 107.50	6.
071-40065	do	10	W. U.	107.50	6.
071-40066	do	10	W. U.	[4] 107.50	6.
071-40084	do	8	W. U.	[3] Co-op	5.
071-40085	do	18	W. U.	[4] 87.50	5.
071-40086	do	18	W. U.	[4] 87.50	5.
071-40087	do	12	W. U.	95.00	5.
071-40088	do	14	W. U.	[3] 125.00–155.00	4½, 5.
071-40089	do	8	W. U.	[3] 112.50	4½.
071-40091	do	8	W. U.	87.50	4½.
071-40093	do	10	W. U.	[3] 75.00–135.00	4.
071-40106	do	20	W. U.	[3] 117.00–165.00	4½.
071-40109	do	8	W. U.	[3] 70.00–160.00	3, 4, 5, 6.
071-40110	do	10	W. U.	[3] Co-op	5.
071-40112	do	15	W. U.	[3] 110.00–140.00	4, 4½.
071-40115	do	24	W. U.	[3] Co-op	4, 5.
071-40116	do	8	W. U.	[3] Co-op	5.
071-40117	do	8	W. U.	[3] Co-op	5.
071-40120	do	21	W. U.	[3] 100.00–150.00	5.
071-40121	do	21	W. U.	[3] 100.00–150.00	5.
071-40122	do	18	W. U.	[3] Co-op	4½, 5.
071-40123	do	18	W. U.	[3] Co-op	4½, 5.
071-40124	do	18	W. U.	[3] Co-op	4½, 5.
071-40127	do	12	W. U.	[3] 115.00–167.50	4½, 5, 8.
071-40128	do	8	W. U.	[3] 125.00	5.
071-40129	do	8	W. U.	[3] Co-op	5.
071-42014	do	20	W. U.	85.00–110.00	5.
071-42015	do	20	W. U.	85.00–110.00	5.
071-42016	do	20	W. U.	85.00–110.00	5.
071-42017	do	20	W. U.	85.00–110.00	5.
071-42018	Chicago, Ill.	20	W. U.	$85.00–$110.00	5.
071-42019	do	20	W. U.	85.00–110.00	5.
071-42020	do	20	W. U.	85.00–110.00	5.
071-42021	do	20	W. U.	85.00–110.00	5.
071-42022	do	20	W. U.	85.00–110.00	5.
071-42023	do	20	W. U.	85.00–110.00	5.
071-42024	do	26	W. U.	85.00–110.00	5.
071-40094	Elmhurst, Ill.	8	R. H.	[3] Co-op	5, 6.
071-40095	do	8	R. H.	[3] Co-op	5, 6.
071-40096	do	8	R. H.	[3] 100.00–125.00	5, 6.
071-40097	do	8	R. H.	[3] Co-op	5, 6.
071-40098	do	8	R. H.	[3] Co-op	5, 6.
071-40099	do	8	R. H.	[3] Co-op	5, 6.
071-40100	do	8	R. H.	[3] Co-op	5, 6.
071-40101	do	314	W. U.	[3] 60.00–115.00	2, 3½, 4½.
071-40002	Evanston, Ill.	24	W. U.	[3] Co-op	4½, 5.
071-40003	do	36	W. U.	[4] 83.50	4½.
071-40015	do	18	W. U.	[3] Co-op	4, 5.
071-40028	do	21	W. U.	[3] 97.50–172.50	4, 5.
071-40036	do	30	W. U.	[3] 140.00	5.
071-40053	do	18	W. U.	[3] 110.00–135.00	4, 5.
071-40082	do	18	W. U.	[4] 90.00	5.
071-40083	do	18	W. U.	[4] 90.00	5.
071-40125	do	18	W. U.	[4] 100.00	5.
071-40131	do	18	W. U.	100.00	5.
071-40132	do	19	W. U.	[3] 110.00–150.00	4½, 5.
071-42004	do	18	W. U.	[3] 134.00	5.
071-42010	do	18	W. U.	[3] 107.50–130.00	4, 5.
071-42036	do	19	W. U.	[3] 110.00–150.00	4½, 5.
071-40044	Glencoe, Ill.	11	W. U.	100.00	5.
071-40024	Highland Park, Ill.	12	W. U.	[3] 115.00–125.00	5.
071-40025	do	16	W. U.	[4] 87.50	5.
071-40045	do	8	R. H.	[3] Co-op	5, 6.
071-40067	Park Ridge, Ill.	12	W. U.	[3] Co-op	5.
071-40039	Waukegan, Ill.	12	W. U.	[3] 110.00	4.
071-40016	Wilmette, Ill.	24	W. U.	[3] Co-op	4, 5.
073-40008RC	Gary, Ind.	8	W. U.	[3] 110.00	4½.
073-40009RC	do	8	W. U.	[3] 110.00	4½.
073-40022	do	92	R. H.	[3] 67.50– 72.50	4½.
073-40023	do	23	W. U.	[3] 72.00– 87.50	3½, 4½.
073-40034	do	8	R. H.	[3] 82.50– 87.50	5.
073-40048	do	26	R. H.	[3] 87.50– 94.00	4½.
073-42003	do	24	R. H.	87.50– 92.50	5.
073-42006	do	40	S. Det.	[3] 87.00–125.00	4, 4½, 6.
073-42008	do	10	R. H.	[3] 100.00–110.00	5.
073-40003	Hammond, Ind.	11	R. H.	[3] 82.50– 87.50	4, 4½.
073-40004	do	15	R. H.	[3] 82.50– 87.50	4.
073-40007RC	do	16	W. U.	[3] 79.00	5.
073-40024RC	do	24	R. H.	[3] 84.00	5.
Total for 101 projects.		2,094			

[1] Cook, Du Page, Kane, Lake, and Will Counties in Illinois; Lake County in Indiana.
[2] Type of structure symbols: W. U.—walk-up structures; R. H.—row-house structures; S. D.—semidetached (2-family) structures; Elev.—elevator structures.
[3] Source of rental information: FHA Rental Housing Occupancy Report.
[4] Source of rental information: Completed insured mortgage cards.

NOTE.—For all other projects, rental data comes from FHA project analysis form prepared just prior to commitment.
Source: Federal Housing Administration, Division of Research and Statistics, Operating Statistics Section.

Section 608 VEH projects under construction in Chicago metropolitan counties[1] as of Mar. 31, 1950

Project No.	Project location	Number of units	Type of structure[2]	Range of rents	Dwelling unit sizes
071-42077	Calumet City, Ill.	8	R. H.	$90.00–$92.50	5.
071-42078	do	8	R. H.	90.00– 92.50	5.
071-42079	do	8	R. H.	90.00– 92.50	5.
071-42035	Chicago, Ill.	16	W. U.	[3] 110.00–130.00	4, 5.
071-42044	do	20	W. U.	106.00–137.50	4, 5.
071-42047	do	49	Elev.	65.00–145.00	2, 3, 4.
071-42053	do	59	Elev.	87.50–120.00	2½, 3, 3½, 4.
071-42048	do	24	W. U.	120.00–132.50	4, 4½.
071-42049	do	10	W. U.	95.00–142.00	4, 5.
071-42052	do	40	W. U.	92.50	3.
071-42057	do	14	W. U.	100.00–150.00	4½, 5.
071-42059	do	346	Elev.	75.00–115.00	2, 3.
071-42060	do	28	W. U.	90.00	3.
071-42062	do	59	Elev.	85.00–117.50	2½, 3, 3½.
071-42063	do	59	Elev.	85.00–117.50	2½, 3, 3½.
071-42066	do	38	W. U.	60.00–105.00	3½.
071-42068	do	59	Elev.	85.00–117.50	2½, 3, 3½.
071-42069	do	69	Elev.	69.00–111.00	2, 3, 3½.
071-42070	do	13	W. U.	107.00–227.00	3½, 4, 7.
071-42075	do	46	Elev.	70.00–125.00	2, 2½, 3½, 4.
071-42076	do	46	Elev.	70.00–125.00	2, 2½, 3½, 4.
071-42083	do	46	Elev.	80.00–120.00	2, 3, 3½, 4.
071-42086	do	40	W. U.	106.00	3½.
071-42087	do	40	W. U.	106.00	3½.
071-42091	do	89	Elev.	87.50–137.50	2, 3, 3½, 4.
071-42095	do	19	W. U.	105.00–140.00	3½, 4½.
071-42096	do	59	Elev.	85.00–115.00	2½, 3, 3½.
071-42088	do	129	Elev.	60.00–115.00	2, 3, 3½, 4.
071-42094	do	29	W. U.	75.00–150.00	2, 3, 4, 5.
071-42108	do	87	Elev.	105.00–132.50	3, 3½.
071-40090	do	8	W. U.	86.00	4½.
071-40092	do	12	W. U.	90.00	4½.
071-40073	Chicago Heights, Ill.	290	W. U. & R. H.	81.00– 88.00	5, 6.
071-40074	do	370	W. U. & R. H.	[3] 83.50– 95.00	5, 6.
071-40075	Chicago Heights, Ill.	260	W. U. & R. H.	$65.00–$88.00	3½, 5, 6.
071-40076	do	384	W. U. & R. H.	81.00– 90.00	5, 6.
071-40077	do	404	W. U. & R. H.	[3] 83.50– 95.00	5, 6.
071-40078	do	220	W. U. & R. H.	[3] 72.00– 91.00	3½, 5, 6.
071-40079	do	190	W. U. & R. H.	65.00– 88.00	3½, 5, 6.
071-40080	do	502	W. U. & R. H.	65.00– 90.00	3½, 5, 6.
071-40081	do	390	W. U. & R. H.	81.00– 88.00	5, 6.
071-42045	Evanston, Ill.	26	W. U.	105.00–132.50	4, 5.
071-42089	do	15	W. U.	96.00–132.00	3½, 4½.
071-42100	Hollywood, Ill.	40	W. U.	90.00	4.
071-40022	La Grange Park, Ill.	366	W. U.	75.00–105.00	4, 5.
071-42013	River Forest, Ill.	8	W. U.	100.00–130.00	4½, 5, 6.
071-42037	Sterling, Ill.	24	W. U.	54.00– 85.00	3, 4, 5.
071-42040	Chicago, Ill.	124	Elev.	65.00–175.00	2, 3, 3½, 4½, 5.
071-42097	do	369	Elev.	70.00–240.00	2, 2½, 3½, 5.
071-42098	do	369	Elev.	70.00–240.00	2, 2½, 3½, 5.
073-42007	Gary, Ind.	14	W. U.	90.00–105.00	3½, 5.
073-42014	do	164	R. H.	52.50	4.
073-42036	do	152	R. H.	60.00–972.50	4, 4½.
073-42046	do	53	R. H.	80.00	4½.
073-42015	Hammond, Ind.	30	W. U.	100.00	5.
073-42037	do	58	R. H.	82.50	4½.
073-42038	do	60	R. H.	82.50	4½.
073-42022	Munster, Ind.	25	W. U.	87.50–110.00	3½, 4, 5.
073-42041	Whiting, Ind.	16	W. U.	65.00– 92.50	3, 4.
Total for 59 projects.		6,500			

[1] Cook, Du Page, Kane, Lake, and Will Counties in Illinois; Lake County in Indiana.
[2] Type of structure symbols: W. U.—walk-up structures; R. H.—row-house structures; S. D.—semidetached (2-family) structures; Elev.—elevator structures.
[3] Source of rental information: FHA Rental Housing Occupancy Report.

NOTE.—For all other projects, rental data come from FHA project analysis form prepared just prior to commitment.
Source: Federal Housing Administration, Division of Research and Statistics, Operating Statistics Section.

This includes such projects as have been completed as of March 31, 1950, as well as all those that were in process of construction as of the same date.

It is interesting to note that for the several hundred projects, in only three instances were their rentals for apartments $60. In the remainder of the projects, the rentals varied for two-room to five-room apartments from $67.50 all the way up to $225 per month. Obviously this housing is beyond the means of the average family which would be required to seek new accommodations if their rentals were increased beyond their means.

What of the construction of individual homes? Recent studies made by the Federal Housing Administration and the Real Estate Research Corp., a private statistical agency recognized and utilized by the real estate industry throughout the country, indicate that most of the homes being constructed in the Chicago area are being offered for sale at prices beyond the means of the average family. The median purchase price of all new homes ranged between $12,400 and $12,800 and of existing houses between $11,000 and $11,800. The down payment for such homes, a very real factor, is in excess of $3,000. The median income for Chicago families in 1949 was $3,860 and 31.8 percent of the families had an income below $3,000. The average weekly earnings of an industrial worker in Illinois is $60. It is difficult to see how families with monthly incomes of $250 to $300 can pay $100 to $125 per month for rent or for the purchase of a house.

The survey concluded that, first, a negligible quantity of standard housing is available under $8,000 and that very little new housing is being built for less than $10,000; second, nearly two-thirds of all the new housing being constructed under $12,000 are four-room units which are unsuitable for a growing family.

The city of Chicago has already had a warning of the increases which may be expected if controls are prematurely lifted. On request of the Cook County fair-rent committee, hearings were held by the Chicago Rent Advisory Board on their request for an over-all increase in rents of 45 percent. This request was turned down by the advisory board, and the fair-rent committee appealed to the emergency court of appeals. The court denied the appeal and sustained the rent advisory board, but it is interesting to note that in their brief and argument before the court of appeals, the fair-rent committee contended that the evidence justified a 71-percent over-all increase in rents. They felt, however, that an over-all increase of 45 percent should be granted at that time and that economic factors and general conditions would probably permit the increase to which they felt they were entitled, to go into effect.

Yes, Mr. Chairman, the housing shortage is still a present fact. The welfare council of metropolitan Chicago, in its recent annual report on unmet needs submitted to the community fund of the city, showed that 95,000 families in the city of Chicago were still living doubled up with other families and that 144,000 families were living in housing unfit for human beings to live in. The charge has been made that this is exclusively a city problem. Yes, I suppose that fundamentally it is a city problem; yet in the cities having a population in excess of 100,000, we find 64,715,000 people. Almost half the people in our Nation. These are sufficient numbers of people to warrant our attention on a national basis. It is a city problem, true, but it is certainly, nevertheless, a national problem. In addition, of course, it should be remembered that there are 3,400 incorporated cities, towns, and villages today voluntarily under rent control.

Mr. Chairman, passage of this legislation is essential at this time, and I certainly hope that the House will speedily enact it.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. SABATH. I do not know whether the gentleman is informed or has knowledge of the fact, but last Sunday in the city of Chicago there was a great meeting called by nearly all the civic organizations in favor of the rent-control extension bill.

Mr. YATES. I know of the tremendous activities in the city of Chicago for extension of rent control, because it is very vitally needed, and I thank the gentleman for his contribution.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I cannot understand why there are positions taken on the floor, that some of the Representatives can vote to control the price of food and keep the price up, but in many instances those same Representatives, when they talk about keeping the rents down for the city people, call that socialism, liberalism, and leftism.

Mr. YATES. I agree with the gentleman. And, interestingly enough, I would like to call the attention of the gentleman to the fact that while this is a city bill, there are tremendous numbers of people that are affected. As I stated before, the Bureau of the Census statistics for 1 year, 1947, show that 64,750,000 people live in cities having a population in excess of 100,000, 85,615,215 people live in cities having populations in excess of 5,000. This is a tremendous segment of our population, with special problems which require special national consideration. These people are entitled to protection in the present housing emergency.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, it is with mixed feelings that I urge the House to adopt the rent control extension bill which is before us. My feelings are mixed because I honestly do not believe that this bill goes as far toward the maintenance of effective rent control as it ought to; yet it is clearly the only bill that can achieve a congressional majority. I had intended to offer several amendments to the measure so that it might have offered additional protections to harassed tenants. I am particularly concerned with those communities already suffering from the effects of hysterical landlord demands for decontrol.

In Saratoga County, N. Y., for example, rents were decontrolled last December. In just 6 months, there have been skyrocketing raises in three out of every four housing units. Right across the board rent increases averaged 37.6 percent. And the very highest rent raises were in the lower-priced rental units, where they averaged increases of 45.9 percent. These are averages; some rapacious landlords have taken advantage of the housing shortage to gouge increases out of tenants amounting to 100 or even 200 percent. My authority for these statistics is the New York Herald Tribune, which attributes them to Mr. Joseph D. McGoldrick, State rent administrator.

This is hardly the orderly decontrol of rents to which American families are entitled. I am in favor of the continuation of rent control for the following reasons: first, the housing shortage is still severe enough across the country to require rent control; second, the present private building boom is adequate refutation of the phony argument that rent control discourages new building; third, new construction is heavily concentrated in the small unit, high-priced range which is of absolutely no help to the young, low- and middle-income family which needs it most; fourth, the kind of rent raises which have followed premature decontrol will have a disastrous effect on our consumer purchasing power, on our whole economy, and on our industrial peace; fifth, the record of the OHE in administering rent control shows that it has bent over backward—and I frankly think it has bent too far over—to see that landlords with just claims for increases, get them.

In New York City, which is hardly the exceptional case it is made out to be by the landlord lobby, the OHE has certainly been generous enough with its increases. The following tables prepared by OHE at my request show that clearly. How anyone can honestly claim that landlords are generally mistreated by rent control after studying these figures, I do not understand.

TABLE I.—*Landlords' petitions for increases in rent April 1949–April 1950, New York City*

Number filed	79,012
Number processed	85,635
Number denied	29,830
Number granted	55,805
Percent granted [1]	65.2
Number of units in grants	158,994
Average monthly increase in rent [2]	$5.20
Average percent increase in rent [3]	10.2

[1] National average, 71.3.
[2] National average, $7.04.
[3] National average, 19.0.

TABLE 2.—*Landlords' petitions for increases in rent under fair net operating income provision, New York City, May 1949 to April 1950*

	Large structures	Small structures
Number filed	6,023	9,566
Number processed	6,101	9,544
Number denied	4,455	6,619
Number granted	1,646	2,925
Percent granted	27.0	30.6
Number of units in grants	38,116	6,551
Average monthly increase in rents	$9.47	$5.60
Average percent increase in rent	12.3	13.6

TABLE 3.—*New York City percentage distribution of units by monthly rents in fair net operating income petitions granted May 1949 to February 1950*

Monthly rent range	Percent of units		
	Small structures	Large structures	Small and large structures
Under $10	0	0.2	0.1
$10 to $19.99	.2	10.9	8.8
$20 to $29.99	3.2	13.9	11.8
$30 to $39.99	17.7	20.8	20.2
$40 to $49.99	28.6	15.5	18.0
$50 to $59.99	19.7	5.2	8.0
$60 to $74.99	13.3	6.2	7.7
$75 to $99.99	9.1	6.0	6.6
$100 and over	8.2	21.3	18.8

TABLE 4.—*New York City percentage distribution of increases under 5 (a) (18), May 1949–February 1950*

LARGE STRUCTURES

Thirty-six and one-half percent of the increases were under 10 percent.

Forty-two percent of the increases were between 10 and 15 percent.

Thirteen and one-half percent of the increases were between 15 and 20 percent.

Three and one-half percent of the increases were between 20 and 25 percent.

One and one-half percent of the increases were between 25 and 30 percent.

Two percent of the increases were between 30 and 40 percent.

One-half of 1 percent of the increases were between 40 and 50 percent.

One-half of 1 percent of the increases were between 50 and 100 percent.

TABLE 5.—*New York City percentage distribution of increases under 5 (a) (18), May 1949–February 1950*

SMALL STRUCTURES

Twenty-two and one-half percent of the increases were under 10 percent.

Forty-six and one-half percent of the increases were between 10 and 15 percent.

Eighteen and one-half percent of the increases were between 15 and 20 percent.

Six percent of the increases were between 20 and 25 percent.

Two percent of the increases were between 25 and 30 percent.

Two and one-half percent of the increases were between 30 and 40 percent.

One percent of the increases were between 40 and 50 percent.

One percent of the increases were between 50 and 100 percent.

It must be kept in mind that these increases were granted in New York City against a background of a strangling shortage in housing. The borough president of Manhattan, the Honorable Robert F. Wagner, Jr., told the House Committee on Banking and Currency just how serious this shortage is. Surveys show that an absolute minimum of 200,000 New York families are living doubled up, and another 250,000 are living in slums. Not all of these people owe their plights to the war-created end of housing, but at the end of the war, an absolute minimum of 250,000 new homes were needed in New York City. Between 1946 and 1949, new construction equaled 75,172 units; hardly enough to meet the need. And the minimum rents in these new buildings averages $22 a room, which 5 to 6 percent of the city's families can afford to pay.

Some months ago, some 3,000 dwelling units became available in a new development of our housing authority. More than 40,000 applications were filed for them.

Our State rent-control law is a pretty weak reed on which our tenants can rely. At the moment it is under attack in the courts, and it may well be struck down. Even if it is not, our State's rentpayers do not have a very pleasant prospect; there is at least a good chance that if the law survives court attack it will be scrapped when it has done its election job for the present State administration. Its loopholes have been of the most serious concern to tenant and consumer groups, as is shown in the hearings on this bill before the House and Senate Committees on Banking and Currency.

It is not only the plight of the tenants in New York City and of the rest of New York State that is responsible for the widespread support the extension of rent control has had there. New Yorkers know that the end of rent control would have a disastrous effect on some 30,000,000 family budgets. As a great center of consumer goods production and distribution, our State would suffer terribly from such a wholesale withdrawal of purchasing power from the consumer goods markets. It is abundantly clear, moreover, that such a widespread increase in the cost of living for so many city dwellers would be immediately reflected in industrial relations. Obviously, the organized workers of America—already squeezed by steadily rising prices—will try to maintain their level of real income. That means that they will seek wage increases in rent. And we will be off on another inflationary spiral.

For all of these reasons, Mr. Chairman, it seems to me that the welfare of the Nation's tenants, consumers—yes, and of its business community, too—demand the extension of rent control as provided in this bill. I urge every Member to vote for it.

Mr. SPENCE. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I think it is impossible to discuss anything in this body without bringing in this Communist question. I do not think the Communists have anything to do with this matter.

I want to say to the people of Chicago who came to my office to persuade me to vote against rent control that it would not make any difference to them whether we continue this rent control or whether we put it under the entire rule of Illinois and the city of Chicago, because you now have that authority. This Congress turned back the authority to the municipalities and States to handle this rent matter just as they saw fit. That is true in Chicago and in Illinois. I do not see why you come back here to Congress and complain when your own State and your own cities have had complete control of this matter ever since the law was passed. If you had no rent control you would still be under the laws of Illinois and Chicago, and you would have the same complaint then that you have now.

I thought last year when we passed this bill giving the various localities complete local control that we had settled this matter, and I think we have.

I was interested to hear the gentleman from Massachusetts say that the war is over. I might inform him that the war is not over. No war is over until peace is signed. You cannot turn 15,000,000 soldiers and 30,000,000 war workers loose in this country all at once, and move them to the scene of their activities and move them into battle, without having some national control of rents. That is exactly why Congress did that. That same condition prevails today.

In my State of North Dakota the cities that are now under control can regulate rents just as they see fit. They are not coming back here to Congress to ask you to do this or that, because they have the authority to end it under their local control today. This extension for 6 months leaves local control just where it is today.

I thought you were trying to bring back local control to the people, but in the case of Illinois and Chicago they say they are not getting protection under their State laws and under their municipal laws. That is a thing for them to settle, not come back here and condemn Congressmen, Members of this House and the Senate, when we have given them complete control of their own concerns.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Chairman, in my opinion every Member present knows how he is going to vote on this bill. No argument or debate is going to change any votes. This same matter has been discussed and debated in each Congress since rent control was invoked as a war-emergency measure. I certainly know I am going to vote against this bill.

The last time I addressed the House on rent control was on March 10, 1949, when the continuance of these controls was being debated. As reported in the CONGRESSIONAL RECORD of that date, I said in part:

Mr. Chairman, I voted for rent control, price fixing, and rationing during the war. We all realized when these laws were passed that they were discriminatory, but all war is discriminatory and exact equity cannot be accorded to all individuals and industries in a war emergency. Our people realized this and accepted the inevitable; however, the war which necessitated the imposition of

these controls has been over for approximately 4 years, and still the property owners affected by rent control are required to accept approximately the same rental received in 1940 and 1941, notwithstanding the fact that wages, prices, and taxes have increased manyfold. I have in mind one widow who rents apartments in her own home. Utility costs have doubled. Her taxes have gone up 57 percent, and upkeep likewise, yet this woman has been unable to get any appreciable rent for her property. My colleagues, this is wrong, dead wrong. What are we going to do about it?

* * * All those participating in this debate have admitted that rent control should not be continued permanently. Every speech supporting the pending bill is in the form of an apology accompanied by the assurance that eventually these long-suffering property owners will be released from the grip of their own Government and permitted to take their places in our economy on an equal footing with other owners of property, tangible and intangible.

Labor has been given a fair deal: Through unions, protected by the Government, labor can bargain and secure a fair price for its product.

Farmers have been given a fair deal: Parity prices; Government buying of butter, wheat, corn, potatoes, and other products; sometimes giving them away; sometimes burning them to keep prices up—and to hold up the income of the farmer.

The manufacturer is given a fair deal: Through the tariff, control of production and other practices legalized by the Government, he is allowed a fair profit.

The rental property owner has been given a raw deal: Although his expenses have greatly increased, his gross income, through rent control enforced by Uncle Sam, is held down to approximately the same sum he received in 1941. His net dollars are much fewer than in 1941. The dollars he has left, if any, will buy about one-half as much meat, bread, milk, potatoes, clothes, and other necessities of life, as in 1941. Landlords are forced to subsidize their tenants, even though the tenant is rich and owner poor. Do shoe manufacturers supply the poor with shoes at half price? Do meat packers sell meat to the poor at less than cost? If the poor tenant needs help, why not let all the people help him?

Those remarks are just as pertinent today as they were in 1949.

Mr. Chairman, is it fair, right or just that the rental property owners should be singled out in prosperous peacetimes and given different treatment than the butcher, the baker, the candlestick maker or any other group of our citizens? The continuance of rent control does just that thing. Under rent control, houses are built for sale but few indeed are built for rental. This condition will continue as long as rent control endures. People will not, and should not, be expected to invest their money and savings in rental property so long as the threat of rent control hangs over their heads. Is there a single Member of Congress who would build a house or an apartment to rent if he knew a bureaucrat in Washington was to have the power of fixing the income on his investment? Of course not. Rent control deals with the effect and not with the cause. At the expiration of every continuation of this control, there is apparently less rental housing on the market and the Congress should face the situation realistically and embark upon a course that will produce more rental housing. It is plain to all of us that if there is no adequate security to warrant the private investor to provide rental housing, then the demand can only be met by the Government out of the taxpayers' money furnishing housing; that is, rental housing must come from one of two sources—either because the property owners can furnish rental housing at a profit and not at a loss, or the Government must enter the housing field and furnish homes for our people at the expense of all of the taxpayers, including of course those taxpayers who have by thrift, savings, and hard work provided homes for themselves without any subsidy on the part of the Government. This question must not be decided on emotion. There is only one decision if the American way is to prevail.

Five years after the war has been adequate time for the Government to make an orderly retreat from the rent-control field; however, again let us be realistic and remember that this is election year, that there are more tenants than there are landlords, and that partisan political considerations are apt to outweigh sound economic and fundamental American principles. This bill will probably pass the Congress, but mark my word when the new law expires by limitation of time, those who believe in permanent rent control will be back here asking for "just once more." Rent control should be discontinued now to the end that those long-suffering rental property owners shall be given their just dues under our Constitution, and more houses provided by risk capital rather than socialized housing provided by the Government.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I am a little discouraged after the gentleman from Michigan says that not a single vote will be changed by anything which might be said. Under the 5-minute rule all of us have pent up within our souls undelivered speeches. Maybe it would do us all good, even though we may not change a vote, to rid ourselves of some of those pent-up speeches. Rent control, to me, is simply one manifestation of the destruction of the rights of the individual citizen, the destruction of personal responsibility, the destruction of contracts, the destruction of the right to dispose of one's production as he sees fit. To have an expediter tell me what rent I should have would be like having an expediter fix the value of a watch which I might buy or sell, or fix the value of anything else. The immoral exploitation of one group in favor of another can be justified only on the ground that the emergency has not cured itself and that there is a shortage. Of course that does not justify exploitation, but that is the excuse for the exercise of immoral conduct on the part of the forces of government.

When will the emergency cease? By what device will we cure the housing shortage, assuming that there is one? If you appropriate my funds, I cease to produce any more funds. If you misappropriate my house, I quit building houses. To the gentlemen from Chicago and New York, and those who are especially solicitous for them, I say how will they get houses and apartments? Not a soul, unless he be a fool, will put his life savings into a rental-housing project which is controlled by one hand of government and then build houses for half rent with the other hand. Who will cure the housing shortage? There is only one source, only one source in existence today for the building of houses for rent, and to that source we hold out our hands and say, "Oh, Merciful Government situate in Washington—or Paris, or London, or Moscow—it might be the same thing—build us houses because we have absolutely destroyed the willingness, the incentive, and the free enterprise by which we may get new houses built by free men for each other."

Nobody will build a house for rent unless we restore the integrity of government.

Mr. O'BRIEN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield.

Mr. O'BRIEN of Michigan. Is it not a fact there is no control over new construction of housing for rent and that there has not been control for the last 3 years?

Mr. GWINN. When I look at my Government, that takes my property which I have accumulated up to 65, and in order to deceive me and fool me about its control of my property, says to me, "We will not take and misappropriate any new property that you may create." I say to that Government, "When you restore your honesty and your integrity as a whole and I can depend on the fundamental principle by which the government acts, then I will build new houses. I will believe that my old houses are also safe." You cannot have a half Robin Hood government and half free. That is what we are attempting to do today. The answer to your question is that there is no building of houses for rent in America today out of private funds. Unless the Government be the source of insurance or security or mortgages or direct appropriation, unless it socializes the whole business of housing, there is none. There can be none and there will be none until we restore the confidence of the American citizen that property rights are sacred. The Constitution must provide that what I create I can dispose of as I see fit, and everybody else can.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield.

Mr. FULTON. I would like to ask my good friend as to his basic principle. If anyone interferes with the value of rent, I believe the gentleman claims that is socialism. Then, is it not true, on the same principle, that if anyone interferes with the prices of food, so that the price of food does not operate by the economic law of supply and demand, that, too, is socialism?

Mr. GWINN. I am glad the gentleman's conscience bothers him about

socialism. I had not mentioned the item before. I noticed the gentleman from Kentucky [Mr. SPENCE] 2 years ago on this subject was bothered about socialism. Why bother about the term? If housing is socialized, if there is no source of housing but the Central Government, and private industry is dead in the field of housing for rent, you can call it whatever you please. Norman Thomas calls it socialism. Earl Browder calls it communism. The gentleman from Pennsylvania can call it anything he likes. The effect on housing is the same.

Mr. FULTON. May I say I have read the gentleman's speeches and pamphlets which quoted the gentleman's position that Government control and operation is socialism.

Mr. GWINN. May I answer your other question? When the Government becomes the sole owner of the surplus corn of the Nation and there is no free market in corn, that completely socializes that area of our country which includes corn and beef and pork and milk and butter.

Mr. FULTON. Then, I take it the gentleman voted against the farm price support program because that was interfering with the law of supply and demand.

Mr. GWINN. I voted against all these subsidies, except last year, under a special condition, which was not carried out, and that taught me not to depend on any controls. I shall vote this year against them as I voted against them up until last year, always against control or management of the economy from the Central Government of the Nation.

Mr. FULTON. But the gentleman, as lately as last year, had his own special pet control that he voted for because he thought that was for the good of the country?

Mr. GWINN. Which one was that?

Mr. FULTON. I thought you had just spoken of one, a subsidy or control that interfered with the operation of the law of supply and demand.

Mr. GWINN. Well, you read my record especially carefully. I thank the gentleman very much. Do you know of any other case where I have supported socialism?

Mr. FULTON. Because we like the gentleman very much, we will forgive him that one little sin.

Mr. GWINN. I will answer the gentleman on that farm subsidy sometime privately.

The CHAIRMAN. The time of the gentleman from New York [Mr. GWINN] has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman from New York five additional minutes.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. GWINN. I yield.

Mr. MULTER. If this rent control that we want to extend under this bill has had the terribly depressing effect upon the country that would prevent the building of new dwellings, can the gentleman tell us why the private building industry of this country rightfully boasts that last year they built more dwellings in this country than in all the entire previous history of the country, and why they expect this year to exceed last year's record? That is private industry building private dwellings.

Mr. GWINN. My dear sir, the building industry does not make such a boast. It says that with the Federal Government in the greatest years of prosperity that this country has ever seen, aiding by mortgages, by insurance, and by other devices so that the individual no longer takes any risks in private building we have built these houses. But remember we ordinarily build 45 percent of all of our dwelling units for rent; last year we built only 19 percent of our dwelling units for rent. We are talking about rent control and its evils. Let me answer the gentleman further.

Mr. MULTER. Just at that point, if the gentleman will permit, if instead of 45 percent for rent they built only 19 percent, the other 81 percent was for family use, thereby creating that many more homes. Is not that a good thing for the country?

Mr. GWINN. It is a good thing for the country, but we are not reaching the evil caused by rent control; we are not building houses for tenants. That is the only debate we have here today.

Mr. MULTER. Does not the gentleman think that if rent control brings about such a tremendous increase of home owners that it is a good thing for the country?

Mr. GWINN. I think it is a very good thing for people to own houses, but half our people want to rent houses. They do not want to be forced to buy. That is the evil of rent control that we are talking about.

Mr. MULTER. Is it not a fact that last year private industry built more dwellings than in any one of the previous 10 years?

Mr. GWINN. I think that is true.

Mr. MULTER. And do they not expect to build more this year than they did last year?

Mr. GWINN. We are going ahead the way we have been with the Government building the houses with your money and the taxpayers' money generally.

Mr. MULTER. We are talking now about private industry doing the job.

Mr. GWINN. But that is not building houses for rent. Let me answer the gentleman's previous question.

Mr. MULTER. Would the gentleman rather have more rental houses than an increased number of home owners?

Mr. GWINN. Let me answer your question, please.

Mr. MULTER. Certainly.

Mr. GWINN. The evil of artificial controls causes the maldistribution of housing that we have. We may have plenty of houses for sale; the columns of the newspapers are filled with house-for-sale ads, and even right through this period of shortage they have been. The evil is that we have no houses for rent, and here is the way it works when you artificially control the houses we have. In normal times, that is, prior to the 10 years' period the gentleman speaks of we had 3.5 persons in each dwelling unit. With rent control, with maladjustments, with no moving on October 1, that dropped down so that we had only 3.2 persons per dwelling unit. When 1949 came we had only 2.9 persons on the average per dwelling unit. This has to do with the record of Dallas and that is quite true of the country generally.

Our rent controls, therefore, not only destroy the property that we have for rent and makes a maladjustment in that field which causes scarcity. It likewise stops the building of new houses, and that is the shortage we are talking about. Let us cure this business for the tenants. Let us restore a free economy so tenants can make their adjustments according to their means and their need. Then we will have America and the freemen in America willing to risk their money in building houses for rent. Let us rid ourselves of the compulsions, of the mismanagement, of the controls which you can name any name you please. Let us fiercely resist all this sort of legislation and restore free economy as the cure.

Mr. SPENCE. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, I realize the futility of speaking on this subject because I know that the Members of the House have made up their minds how they are going to vote on this matter.

Statements have been made that rent control is socialistic, that rent control is communistic. In our free Government the Government is made by the people and for the people. In totalitarian governments the citizen subject is a pawn of the government.

Why are we asking for rent control? Because there is an insistent demand in many sections of the country that it should continue and, responsive to that, the will of the people, this bill has been introduced.

Is it unconstitutional? We have seen gentleman rise here and say that to vote for this bill is a violation of your constitutional oath. What was the Constitution adopted for? It was adopted to serve the people. It was made by the people.

Mr. Chairman, two of the great purposes of the Constitution were to insure domestic tranquillity and provide for the general welfare. I know of nothing that will insure domestic tranquillity more than to see that the people of America have decent homes in which to live. How can a man pursue his happiness in this free country of ours unless he has a home? It is the effort of the Government to secure for the people homes which otherwise they might not be able to obtain.

What is the genesis of this whole thing? Fifteen million of our men and women were away from their homes fighting a battle to preserve the institutions which we have sworn here we will preserve. They came back to the United States. The people who were here were housed. Our soldiers and sailors had no opportunity to protect themselves. An emergency existed. We passed a rent-control bill so that in this time of need the American citizen would not be

gouged with respect to a necessity that was imperative.

Men may be hungry today and obtain food tomorrow. They may be ill-clothed today and they may obtain sufficient clothing tomorrow. But housing is a necessity that it takes time to construct. It is a necessity that cannot be produced in a day. Therefore, the Government felt that it was its duty to help these people obtain housing under reasonable terms and to prevent them from being the subjects of imposition. Is there anything unconstitutional in that? I think not.

Now, I realize that this is a transition period when rent control is about to go out of the window; yet if we cut it off today or tomorrow the impact will be so tremendous it will bring disaster and suffering to a great number of our people.

I realize that in many sections of the country we do not need rent control, but in the congested areas the necessity for rent control is as great now as it has been, and that is the reason that so many of our Members speak with such impassioned voices when they attempt to urge you to vote for this bill, because they know how much it means to them and to their people. Are we going to legislate merely for our own districts? I know we have a peculiar fealty and a peculiar affection for the people who send us here; I know we have a personal interest in them and we want to serve their interests, but ought we not look at this matter from a national viewpoint and ought we not look at it for benefit, not of those people to whom we are indebted, but to all of the people of the United States? If we do that I am sure that we will pass this bill that will give to those people that need rent control the opportunity to come under it until such time as it may be gradually taken away and they can obtain suitable accommodations.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Might I say that a Member could vote for this bill and have the national interest in mind, and at the same time have the interest of the community of his own district in mind, because in those districts where decontrol exists now this bill does not change that situation. It gives to the local government, whether city or town, where control exists now, complete control over it, so that a Member can vote for it in the situation that requires it in his own district and at the same time, in voting for this bill, vote for the national interest in the light of the present circumstances.

Mr. SPENCE. Have we not got a greater interest in the welfare of the Nation? Is not that the interest of our own people? How can part of this Government be happy and content and the other part of it be discontented? If we consider the welfare of the citizens of our own districts, we must consider the welfare of all the people, and as to those people that ask us now to help them, should we not do it in view of the fact that it may not be long before we seek their help to assist us? I do not feel, because rent control may not be greatly needed in my district, that there is no obligation upon me to give the people that need rent control the opportunity to have it.

Now, there has been great talk about the centralization of government and the centralization of power here in Washington. We send rent control back to the people. The Constitution provides that all powers not delegated to the United States by the Constitution or prohibited by it to the States are reserved to the States, respectively, or to the people. There is a great reservoir of power. The people are the reservoir; and the local governments are the proper governments to handle this matter. We say to the local governments that you can discontinue rent control as soon as this bill is passed; you have the opportunity to discontinue it at any time before the 31st of December, and if you want it continued you will have to take affirmative action to continue it. What could be a more democratic bill than this? It is democratic down to the grass roots. It gives the people the right to say what they want. It is in conformity with every principle of the Constitution. And, when you take away this right from them, you take away their right of self-government.

I have heard a lot of talk about the arrogance and the impudence of the bureaucrats here, but no Expediter, no agency here, will have any right under this bill to deny the will of the people. If they say they want it continued, it is continued. If they say they want it discontinued, it is discontinued; and the Expediter must act upon the advice of the local governing body.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Kentucky.

Mr. CHELF. Is there any limitation on the size of the city involved? For instance, could a small town in my congressional district of, say, 500 or 1,000, through its local city council, be permitted to decontrol it?

Mr. SPENCE. Any incorporated town that has a governing body can immediately take action and decontrol if it desires to do so.

Mr. CHELF. I thank the gentleman.

Mr. SPENCE. The decontrol provisions of this bill bypass the governor. The governor heretofore has had to approve local decontrol actions. The governor does not have to approve such actions under this bill. When the local action is certified to the Expediter, he must decontrol, and if it is decontrolled it can never be recontrolled.

To say that you will not vote for this bill is merely to say that you will not give those sections of the country that need rent control the right to say whether or not they want it.

As far as those specious arguments about communism and socialism are concerned, I treat them with the contempt they deserve, because that is the cry every time we have a measure that is for the benefit of the plain people. Then you hear the cry of socialism or communism.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Illinois.

Mr. VURSELL. Assuming that some people in Chicago wanted to get a vote to do away with rent control, if they did not want to continue it until December 31, how would they go about it?

Mr. SPENCE. The governing body could pass a resolution.

Mr. VURSELL. Who would?

Mr. SPENCE. The governing body of the city, or the council. If they wanted a referendum and had the authority to call a referendum, they could submit it to the people.

Mr. VURSELL. How do you get a referendum if the council will not recommend it?

Mr. SPENCE. That is like saying to the people back home, "How will you get an act of Congress if Congress will not act?"

Mr. VURSELL. I am asking for information.

Mr. SPENCE. The governing body are the people whom the citizens elect to serve them. If they said they would not do the bidding of the people, if they did not do their bidding, they certainly would subject themselves to being put out of office at the next election.

Mr. VURSELL. To clear up my thinking, and I am asking for information, is there any other way except by a favorable vote of the board of aldermen of Chicago that those who want to decontrol between now and December 31 can approach the problem?

Mr. SPENCE. No; the problem is handled by the governing body of the city of Chicago, whom the people have selected to serve them. We can assume they will do the will of the majority of the people of Chicago. I realize in many cities there is no provision for a referendum, but if there is provision for a referendum, and there is in some cities, they can submit it to the people. In either way the decision is final. If they vote to decontrol they are decontrolled, and no agency of the Federal Government or no administrator has any power to recontrol them.

Mr. VURSELL. Has the gentleman any idea that the board of aldermen of a big city like Chicago will have political courage enough to give the people an opportunity to get out from under it if they want to?

Mr. SPENCE. If they will not do the will of the people the people ought to elect another board of aldermen. We are not responsible for that.

Mr. VURSELL. The trouble is, there are too many Democrats in Chicago.

The CHAIRMAN. All time for general debate having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Housing and Rent Act of 1950."

SEC. 2. Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951."

SEC. 3. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951."

SEC. 4. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"(f) (1) The provisions of this title, except section 204 (a), shall cease to be in effect at the close of December 31, 1950, except that they shall cease to be in effect at the close of June 30, 1951—

"(A) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to December 31, 1950, declares (by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such city, town, or village; and

"(B) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (A).

"(2) Any incorporated city, town, or village which makes the declaration specified in paragraph (1) (A) of this subsection shall notify the Housing Expediter in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

With the following committee amendment:

On page 2, line 19, insert immediately before the period the following: "at a time when maximum rents under this title were in effect in such unincorporated locality."

The committee amendment was agreed to.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER:

Page 2, strike out lines 1 to 25.

Page 3, strike out lines 1 to 15 and insert the following new section:

"SEC. 4. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"'(f) The provisions of this title shall cease to be in effect at the close of June 30, 1951, or upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier; except that as to rights or liabilities incurred prior to such termination date, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any such right or liability.'"

Mr. DOLLINGER. Mr. Chairman, I do not believe I need to take 5 minutes of your time to explain the purpose of this amendment. This amendment is in line with the recommendation of the President that we have an outright extension of 1 year of the present rent-control law which expires on June 30 of this year. It is a straight 1-year extension which will permit the people of this country to know when December 31, 1950, goes by that they will not be concerned with the actions of their local legislators, whether they will or will not want rent control extended. They will be assured that if the need is still there that they will be able to come to the Congress of the United States and ask for an extension or if the emergency is over, permit the discontinuance of rent controls.

But I think in fairness to these people we should not put them in a position where they will be fearful of a situation which may arise where local legislative bodies—yes, for political reasons—will decide not to continue rent control for another 6 months and they will find themselves out in the street on January 1, 1951.

So I say to you, Mr. Chairman, I ask for the acceptance of this amendment because I think if there is a need for the extension of rent controls until December 31, 1950, we should go beyond that period to June 30, 1951, and let the Congress of the United States at the next session then and there declare whether an emergency still is in existence, and if it is to continue it or if it is not to discontinue it at that time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DOLLINGER].

The amendment was rejected.

Mr. SPENCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE:

On page 2, line 21, strike out the period and insert in lieu thereof a semicolon and the word "and."

On page 2, after line 21, insert the following new paragraph:

"(C) in any unincorporated locality in any county in which the unincorporated localities constitute a major portion of the county; *Provided*, That the county, at a time when maximum rents under this title are in effect in such locality, and prior to December 31, 1950, declares (by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such locality."

On page 2, line 22, after the word "village", insert "or any county."

On page 2, line 23, after "(1) (A)", insert "or (1) (C)."

Mr. SPENCE. Mr. Chairman, that amendment merely extends the principle of home rule to county governments where there is no incorporated territory in the county. In other words, the county commissioners or the governing body of the county, where there is no incorporated territory, can extend rent control if such controls are in existence.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. WOLCOTT. Do I understand the gentleman's amendment would authorize counties to take affirmative action to continue rent control in the areas outside of incorporated cities, towns, or villages?

Mr. SPENCE. It only applies to unincorporated areas. It does not apply to the incorporated towns or cities.

Mr. WOLCOTT. Perhaps the gentleman did not understand my question. Does this authorize the county governments to take affirmative action to continue rent control in the county areas outside of incorporated villages, towns, or cities within the county?

Mr. SPENCE. Yes. I think it would, if control was in effect. There is another amendment that will be presented, that we will accept, that will authorize them to decontrol.

Mr. WOLCOTT. Authorize the counties to decontrol?

Mr. SPENCE. Yes, authorize counties to decontrol unincorporated territories.

Mr. DAVIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. DAVIS of Georgia. I would like to say to the gentleman from Michigan that I have an amendment at the desk to section 5, on page 3, which will provide that counties may decontrol on the same basis that cities, towns, and villages may decontrol.

Mr. WOLCOTT. I understood that the gentleman from Georgia was going to offer such an amendment, but, frankly, the amendment which the gentleman from Kentucky has offered comes as a surprise.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. SPENCE. Silver Spring is the only territory to which this amendment applies. It is not incorporated. It is an unincorporated community. This applies to Silver Spring, and I think it is the only territory in the United States to which it applies.

Mr. WOLCOTT. Let me ask the gentleman if his understanding is that the townships in the Midwest are incorporated or unincorporated? Frankly, I have never known. It seems to me that they are incorporated as constitutional entities. If they are, then they operate separately under this act. If the gentleman's amendment is adopted, it would throw utter confusion into that situation. I have in my district a situation which, I think, under the gentleman's explanation, is similar to Silver Spring. Warren Township has a population of about 50,000 or 55,000; it has never been incorporated other than a township is incorporated under the constitution of the State. When the bill was up in the committee, I called the committee's attention to the fact that we had no definition of the word "town" in here. It seems to me that if you adopt the amendment which the gentleman has offered and the amendment offered by the gentleman from Georgia—if you will adopt

both, you are going to throw this thing into utter confusion.

Mr. SPENCE. This amendment was prepared for the purpose of applying only to Silver Spring.

Mr. WOLCOTT. It would also apply to many of the unincorporated townships in Michigan, Ohio, and everywhere else, as I understand.

Mr. SPENCE. It applies only to unincorporated areas.

Mr. WOLCOTT. That is the point. The point simply is that according to my understanding a township in the Midwest is incorporated under the Constitution.

Mr. SPENCE. Then it does not apply.

Mr. WOLCOTT. They have a constitutional status. The word "town" in here does not apply to county organizations, as I understand it. Under your amendment it would apply to all these townships in Michigan and would allow the county governing body to continue the controls in these townships notwithstanding the fact that the townships did not want further control.

Mr. SPENCE. I do not think it would have that effect at all. It applies only to unincorporated areas.

Mr. WOLCOTT. I am asking this question as to whether or not all the townships in the Midwest are incorporated or not incorporated? I think they are incorporated, but I do not know.

Mr. SPENCE. If there is any contrariety of opinion about it I will withdraw the amendment, because I was informed that it applies only to places that were not incorporated.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. JUDD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JUDD: On page 2, lines 4 and 5, strike out "December 31, 1950" and insert "January 31, 1951"; and in line 9, make the same change.

Mr. JUDD. Mr. Chairman, this amendment is offered because of the fact that in most States the legislatures convene in regular session in January and the bill as written would force a State if it wanted to continue rent control, either to call the legislature into special session at considerable expense and trouble; or it would produce a hiatus between the end of Federal control on December 31 and the beginning of any State program that might be enacted when the legislature came in for the regular session in January. The result would be confusion and dislocation to tenants and landlords and to the administration of the State program.

I can see no objection to this amendment if we really believe in decentralization and local control, as we say. It would allow each State to make its own decision in terms of its own situation. That is genuine freedom and democracy. And it would allow the State to exercise full control without any confusion or hardship, or any gap, or any extra expense. It would change the two periods in the bill from 6 months extension of the present law and 6 months more under the optional provision, to 7 months and 5 months, respectively. The whole act would expire next June 30 just as it does in the present bill.

My amendment would merely avoid ending of controls on December 31 just before the State legislatures meet. If the legislatures do not want to do anything about rent control when they meet, that is all right; but if they do want to enact a State program of rent control they can do so without any interval or confusion or the extra expense of a special session. It seems to me that in passing an extension act we ought to pass it in the form that is most easily operable and that permits the most convenient carrying out of the principle about which so much has been said here, the principle of decentralization of government, of local control.

Mr. O'BRIEN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Michigan.

Mr. O'BRIEN of Michigan. I am in favor of the gentleman's amendment. Is this not another reason: It will let the first period expire when Congress is in session, hence we could not rightfully be accused of dodging our responsibility as we might be if we let it expire when Congress is not going to be in session on next New Year's Eve?

Mr. JUDD. That is correct.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Is it not a fact that if the gentleman's amendment is adopted, notices would not have to be sent out until December 1, 60 days prior to the terminating date rather than as of November 1?

Mr. JUDD. That is my understanding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. JUDD].

The amendment was agreed to.

The Clerk read as follows:

SEC. 5. Section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out the first proviso, and by striking out *"And provided further"* and inserting in lieu thereof *"Provided."*

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 3, line 16, after section 5 insert "(a) Section 204 (j) (1) of the Housing and Rent Act of 1947, as amended, is hereby amended by inserting the following proviso at the end of the second sentence thereof: *'Provided, however,* That in making rent adjustments or issuing orders or regulations applicable to rent control in such State after receipt of such notice the Housing Expediter shall observe the principle, so far as is practicable, of not taking any action inconsistent with the said State rent control law'"; and insert also "(b)".

Mr. JAVITS. Mr. Chairman, my amendment applies to a situation where a State like New York has adopted its own State rent-control law. It gives notice to the Housing Administrator that its rent-control law will become effective on a certain date. In New York State it was May 1. It may give that notice, let us say, on April 10 or April 15. The question is, What will the Housing Expediter do with rent control in that particular State in the intervening period between the day he gets the notice and the day the State law is effective?

In New York State a very considerable number of increases were authorized by the Housing Expediter during that interval. I understand there were some 4,000 rent increases averaging 15 percent—I protested them myself—involving a million dollars worth of rent a year. That may result in considerable litigation on the question of whether or not the Expediter's order will have any effect. It seems to me a shame when a State has decided to take over its own rent control that this situation should exist. The language of my amendment would make it necessary for the Housing Expediter to observe the principle "so far as is practical, of not taking any action inconsistent with the State rent-control law" as soon as he gets the notice.

If we want the State laws to have the dignity and the weight to which they are entitled, then demonstrably from our experience in New York, we need this kind of an amendment. I point out that when I made my protest to the Housing Expediter he said that he is bound by the Federal law, he has to complete all of the work in his office regardless of the fact that it may be of no effect or cause mischief under the State law; therefore he had to go ahead in the State of New York and make what I charged were orders affecting 4,000 units which may very well be invalid orders or be the basis of a great deal of litigation.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman's amendment provides that where a State law has been passed, before it becomes effective the Housing Expediter administers Federal rent control pursuant to the provisions of the State law?

Mr. JAVITS. Consistently with and in principle.

Mr. SPENCE. I do not understand how that could be done or how we could constitutionally do it. The national law would be entirely dependent on the action of the State legislature. That would certainly be a delegation of power that could not be upheld, it seems to me.

Mr. JAVITS. May I say to the gentleman that all I say in the amendment is insofar as practicable, and insofar as following the principle of the State law is concerned, he will not negate the State law by his action.

Mr. SPENCE. I do not see how we could delegate our power to the State legislature. I think that would be a delegation of power that would be unconstitutional, and I do not think it would be practical at all.

Mr. JAVITS. May I point out to the gentleman that we do not delegate any power. The language I have used is exactly the language used with respect to the fair net operating income provision which says that the Housing Expediter shall, as far as practicable, follow the

principle of, and then spells it out. We give the Expediter a direction that insofar as practicable he observe the principles that are set forth in the State law in the intervening period.

Mr. SPENCE. Under your amendment we are legislating on a subject over which we have no control and over which we have no means of knowing what the provision of the law will be.

Mr. JAVITS. But we are showing intention by the law that we have that we want the State to have its own rent control, and I think the least we can do is to help the State have it and keep it an integral whole and respect it.

Mr. DOLLINGER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. DOLLINGER. I might say that I had an amendment similar to the gentleman's amendment which would nullify those 4,000 and some wholesale rent increases. I am in accord with the gentleman's views and shall support his amendment.

Mr. JAVITS. I thank the gentleman.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. MULTER. The point our distinguished Chairman has been trying to make is that it is illegal for us to delegate this authority to the State. The gentleman says his amendment reads that as far as practical, it may be done. Well, if the chairman is right, and I think he is, that it would be illegal for us to try to do this, then the gentleman's amendment is absolutely worthless.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. May I point out to the gentleman that I ask for no legislation which binds the State and that I only ask for legislation which gives the congressional intent to the Federal Housing Expediter, which we have full power to do. This is entirely consistent with the provision now in the law with respect to the State passing its own rent-control law, giving notice to the Federal Housing Expediter, and then coming under that State rent-control law and not under the Federal law. It delegates no power whatever, and it does nothing to confuse the issue.

I point out that we had a practical situation in New York which shows how the present law works, and that this amendment is essential and necessary to any States passing their own rent-control laws. There is no question of delegation of constitutional power, of giving the Housing Expediter any power which he does not have, or giving the State legislature any power which they do not already have. It is showing full faith in the policy and practice of a State law that has already passed.

The CHAIRMAN. The time of the gentleman from New York has again expired.

The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. COLE of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we have been treated this afternoon by an amazing spectacle of part of a delegation of a great State taking the major part in the argument in the consideration of a bill in which they are not interested. I can well understand why the Members in this House from Chicago and I can well understand why the Members in this House from the great State of Pennsylvania have a tremendous interest in the outcome of this legislation. I cannot understand, however, the great interest displayed upon this floor, particularly in general debate, by those Members from the metropolitan area of New York who are not interested in the result of this bill. Cheap politics, the buying of votes, may or may not be the reason, but I would like to know why the people from the metropolitan area of New York want to wag this dog's tail today.

Mr. Chairman, we have talked on the floor of the House and in the committee about the question of permanent rent control. Not one country in history that has placed rent control upon their people has ever terminated it. In 1915 the great nation of Ireland enacted temporary statutes for rent control, and year after year they have continued that temporary control. The same thing occurred in England, and the same in France, where a man now may pay for his rent less than he pays for his tobacco.

Mr. Chairman, rent control fastens itself on the people of a nation in such a manner that they are not able under any circumstances ever to rid themselves of it.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield to the gentleman from New York.

Mr. JAVITS. The gentleman asked a question of a Representative from the metropolitan area of New York. I am one of the Representatives over here from the metropolitan area who is for this bill, and I should like to tell the gentleman why.

In the first place, it is not an appeal for votes, as the gentleman wants us to believe, because we have rent control in New York. We are for it and for it very determinedly because New York, the greatest city in the world and the greatest city in this country, does the most business with the people of the United States. We feel that the economic situation of the whole country requires the continuance of rent control. Therefore, it is very much a question of primary interest to the people of the city of New York and the people of the State of New York.

Mr. COLE of Kansas. We are deeply moved by the great sympathy of the people of the city of New York.

Mr. Chairman, these are the reasons why constitutional guaranties of freedom should be restored to rental property:

Artificial and unfair bargains in cheap prewar rents freeze well-to-do in most desirable rental homes and force veterans and other newer families to pay the new higher rents in suburbs and buy on thin equities, sometimes even when they are not settled in the community.

Home owning must be kept a better bargain than renting else the drive for home ownership will slacken.

Cheap rent payments make rents on new construction and monthly purchase payments on new homes look too high, but the yardstick is rigged and phony.

Increased earnings for owners and competition between owners for tenants would bring about progress in cleaning up deferred maintenance and modernization held back (a) by the depression, (b) by the war, and (c) by decreased purchasing power of owners under rent restrictions.

Present serious spread of deterioration in rental housing supply would be checked and neighborhood values protected.

Properties now withheld from rental market would be made available to tenants.

Restoration of constitutional freedom to owners and tenants to bargain freely would free our rental market. Large families now frozen in small space could find larger quarters. Small families and single people now frozen in large dwellings could find smaller more suitable space. The transportation problem would be eased. Example in case of Washington—people working in Arlington and living in Hyattsville could move to Arlington. People working in Silver Spring and living in Arlington could move to Silver Spring.

Tenants would get better housing and better service.

Agitation of owner and tenant by third parties such as politicians and professional troublemakers would die out.

Federal intrusion at the expense of the people would be withdrawn from local police power functions.

Mr. Chairman, those people who believe that government can plan better for the people than the people themselves will never understand that the millions of decisions made by the millions of tenants and the millions of landlords will create a freer situation for all the people of America. Freedom can and will, if given an opportunity, provide for the people of America more housing at a lower cost.

Mr. DAVIS of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Georgia: Page 3, line 16, strike out all of section 5 and insert in lieu thereof the following:

"SEC. 5. Section 204 (j) (3) of the Housing and Rent Act of 1947 as amended is hereby amended to read as follows:

"'(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, village, or in the unincorporated area of any county upon re-

ceipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after 10 days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town, village, or unincorporated area in such county: *Provided*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area.'"

Mr. DAVIS of Georgia. Mr. Chairman, this will amend section 204 (j) (3) in one simple respect, and one only. It gives authority to the governing bodies of counties to decontrol unincorporated areas within the county upon the same basis that city governments may decontrol the territory within the city limits.

In my home county of De Kalb, the county seat, which is Decatur, Ga., has already taken the necessary steps to decontrol rent within the city limits of Decatur. Pine Lake, which is an incorporated town, has also decontrolled the territory within its city limits, but under the present law, and under this bill as it now is without any amendment, the unincorporated territory in De Kalb County cannot be decontrolled by the county commissioner who is the governing authority in the county. The law in that respect is discriminatory and this amendment will relieve that discrimination. I trust the amendment will be adopted.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. SPENCE. While I cannot speak for the committee, I personally think the amendment offered by the gentleman from Georgia is a meritorious one and I accept the amendment.

Mr. DAVIS of Georgia. I thank the gentleman.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Georgia. I yield.

Mr. WOLCOTT. Mr. Chairman, the gentleman from Georgia extended me the courtesy of allowing me to read the amendment he has just offered. I can see no particular objection to it. I do not know whether others might have objection to it, but personally I have no objection.

Mr. DAVIS of Georgia. I thank the gentleman.

Mr. KENNEDY. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KENNEDY. Mr. Chairman, in studying the question of rent control, there are, it seems to me, certain basic factors that must be considered.

The first is that our population has increased tremendously, particularly in the last decade in which we have seen a population increase of almost nineteen million.

The second factor is that our supply of housing has not kept up with our population increase, particularly in our larger cities.

In addition much of the housing recorded as being in existence inevitably must dwindle through obsolescence.

The supply of housing and the demand for that housing is so out of proportion that if rent control were to be lifted or lessened in its effect, the people in many areas of this country would be hurt by a whirlwind of rising rents.

I urge this House continue the present rent law until June of 1951.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Chairman, I rise in support of the amendment of the gentleman from Georgia [Mr. DAVIS]. This amendment would place upon the governing bodies of unincorporated areas the responsibility for the elimination of rent control. In my opinion local city councilmen, county supervisors, and State officials should discharge their responsibility of determining whether emergency rental conditions exist in their respective areas. For several years the Congress has borne this responsibility and it is time for local officials to bear this burden.

I understand that the gentleman from Indiana [Mr. JACOBS] has an amendment at the Clerk's desk which will give local courts the right to review unfair rental rates, which have been set by the area rent administrator. In my opinion rental rates should return to the small-home owners of the Nation a fair return, above expenses, for their investment. I intend to support the amendment of the gentleman from Indiana as I believe that rental rates, evictions, and other arbitrary determinations of the rent administrator should be subject to judicial review.

I shall vote against the amendment to extend rent control for 1 year and shall vote for the Judd amendment, which I believe is in the national interest because of certain emergency conditions which still exist in areas where defense industries caused abnormal concentrations of population during and following World War II.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. DAVIS].

The amendment was agreed to.

Mr. DOLLINGER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER: Page 3, after line 15, insert the following new section:

"SEC. 6. (a) The Housing Expediter, whenever in his judgment such action is necessary or proper in order to effectuate the purposes of title II of the Housing and Rent Act of 1947, as amended, may by regulation or order reestablish maximum rents for any or all controlled housing accommodations, in any defense-rental area, with respect to which no maximum rents are in effect under such act or under any State or local law, and thereupon the provisions of title II of such Act shall apply, and the maximum rents so reestablished shall be in effect, with respect to such housing accommodations, notwithstanding any provision of section 204 (f) (I) or section 204 (1) of such Act.

"(b) For the purposes of section 204 (1) (5) of such act, maximum rents reestablished pursuant to this section shall be considered to have been reestablished pursuant to section 204 (1) of such act.

"(c) Any term defined in title II of such act shall have the same meaning when used in this sction.

"(d) This section shall cease to be in effect at the close of June 30, 1951."

Mr. DOLLINGER. Mr. Chairman, I do not think this amendment needs any explanation. I simply intend by this amendment to give the Housing Expediter the right under any circumstances to recontrol any area which had been decontrolled. I am afraid the present feeling of the House is such that the House will not go along with such an amendment, but I do want to point out to you that if you are going to extend rent control then you must give the Housing Expediter power to administer the act. If you want to make the administration of this act nonpolitical, then the Expediter must be given the right to determine and ascertain whether a particular area which had been decontrolled needs to be recontrolled to protect the people and their best interests.

I think under the circumstances we should give him that power.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield.

Mr. BROWN of Georgia. I can tell the gentleman now that if his amendment is adopted you will not have any rent control law.

Mr. DOLLINGER. I can tell the gentleman that is a matter of opinion.

Mr. BROWN of Georgia. It is not a matter of opinion. I thought the gentleman wanted to extend the rent control law. You will not extend it by this amendment.

Mr. DOLLINGER. I certainly do want to have rent control which means rent control. I think what we are trying to pass this afternoon is not real, effective rent control.

The CHAIRMAN. The question is or the amendment offered by the gentleman from New York [Mr. DOLLINGER].

The amendment was rejected.

Mr. DOLLINGER. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. DOLLINGER: Page 3, after line 15, insert the following new section:

"SEC. 6. (a) Subsection (b) of Section 204 of the Housing and Rent Act of 1947, as amended, is hereby amended—

"(1) by striking out the last two sentences of paragraph (1) (relating to adjustments in maximum rents so as to yield to landlords a fair net operating income from controlled housing accommodations), and

"(2) by adding at the end of the subsection the following new paragraph:

"'(6) In any case in which the maximum rent for a housing accommodation was adjusted in accordance with the last two sentences of paragraph (1) of this subsection, as

in effect before the enactment of the Housing and Rent Act of 1950, the maximum rent for the housing accommodation shall be the maximum rent in effect before the adjustment, plus or minus any other adjustments made under this act.'

"(b) This section shall take effect on the first day of the second month which begins after the month in which this act is enacted."

Mr. DOLLINGER. Mr. Chairman, I am afraid that the same consideration that was given my last amendment may be given to this amendment.

I am realistic about the thing, but I would like to point out to my friends on the left side of the aisle that the great State of New York passed rent control legislation this past year. It is a Republican-controlled State. In their judgment and wisdom they eliminated what I am trying to eliminate by this amendment. That is the provision that we enacted last year with regard to the fair net operating return. I made the prediction then that that provision was nothing more than an opportunity to take money from people who no longer could nor should pay an additional increase; that every conceivable application for an increase had been made under existing law with respect to rent control, and that there were no further grounds to impose upon the people for further increases in rent. But by some means we enacted this provision last year, which gave the landlords an additional increase.

I think the State of New York tried to protect the landlords as much as possible, but they at least attempted to be fair. Since they removed the fair net operating return from the bill that the State of New York enacted, I think the time has come for us, in this rent control extension, to eliminate the very same provision.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. DOLLINGER. I yield.

Mr. JAVITS. I am glad to see that the gentleman has been fair about the New York State rent law. I compliment the gentleman on his fairness in saying that this provision, which has caused most of the increases in the last year, is not in the New York State law.

Mr. DOLLINGER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York [Mr. DOLLINGER] has expired.

Mr. SHORT. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. SHORT]?

Mr. SPENCE. I am going to object to any additional time in the future.

There was no objection.

Mr. SHORT. Mr. Chairman, on March 16, 1948, just a little over 2 years ago, you will find on page 2974 of the CONGRESSIONAL RECORD these remarks, and I think they are just as appropriate and as timely at this hour, if not more so, than they were then.

Mr. Chairman, America has grown great, rich, and powerful because ours is a free country and a free people. Freemen always work harder, produce more, and outfight slaves.

Listening to the arguments of some Members presented here yesterday and today I marvel and wonder how this Nation ever became supreme among the sovereign nations of this world. I am sure that we have achieved our greatness not because of governmental controls, rules, and regulations, from a centralized Federal bureaucracy in days gone by, but because we have lived under a competitive system of free, individual, economic enterprise. No floor has held us up; no ceiling has held us down; we could rise or fall on our own individual efforts and worth. The truth of the matter is that under our rent-control laws the tenant has exercised greater authority and control over the property in which he lives than has the actual owner himself. You get some scalawag in an establishment who even makes money himself in spite of the meager rent that he is paying, it is next to impossible to get him out.

Be honest; it is fair for the tenant to make a profit while the landlord suffers a loss? That is the reason that we have dried up private capital and it is the reason why 3 years after the shooting has stopped—this was 2 years ago, it is now 5 years. Oh, yes, you extend, and extend, and extend; we still find ourselves in such a muddled state of confusion and bewilderment in this country that no sensible person will venture to build when he knows he will suffer a loss.

Mr. SABATH. Mr. Chairman, will the gentleman yield there?

Mr. SHORT. No. I am sure we all recognize—I will have to. My dean? I have got to do that because I love him, and I respect age; I hope you will let me finish. I know this is painful to the gentleman from Illinois; I am putting the needle where it hurts, and I believe in pouring oil where the squeak is.

Now, I am sure we all recognize that in large populous centers such as Chicago there may be some excuse—this was 2 years ago—there may be some excuse for the continuation of some kind of rent control; but there is no excuse at all in many of the smaller places all over this land of ours on a national scale. It would seem that many of the ardent adherents and proponents of rent control are imbued with the economic and political philosophy of the late but not lamented Harry Hopkins who believed in taking from the haves and giving to the have nots. Of course, it is popular to sponsor such legislation, because there are more tenants than there are landlords. But I submit to you that the gentleman from California, Mr. Fletcher, whom you retired on this issue, is correct when he said we should not consider whether it is popular, but whether it is right and just.

Now, in these trying times and desperate days when dastardly demagogs are striving mightily to lift the one-third rabble up by pulling the other two-thirds of our decent citizenry down we need to hear the advice of Abraham Lincoln.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I do not yield. Protect me, Mr. Chairman; I cannot.

The CHAIRMAN. The gentleman from Missouri declines to yield.

Mr. SHORT. Listen to Lincoln. This is not me. Lincoln said—and he is from Illinois:

> Property is the fruit of labor; property is desirable; it is a positive good in the world; that some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let him not who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built.

Gentlemen, I do not know how much longer this Nation that has been a free country and a free people can continue to exist if we continue for much longer these wartime controls. If we take the shackles off business, if we free private capital to invest in new enterprises, if we give industry the green light, I think that we would not be suffering such a serious shortage of housing. For 3 years under Government controls, at enormous public expense, we have failed to get adequate housing.

You know and I know people not only in small towns but in large cities, people of wealth, who rent flats, apartments, and houses, suites in hotels—6 to 12 rooms—at a low, fixed-rental basis. They spend perhaps 2 or 3 months out of the year in that establishment. Their summers are spent in Canada, their winters in Florida, at which time the flat, the apartment, or the house goes vacant.

If you had no controls and could divide the establishment into smaller units, it would accommodate many more people. This practice is going on all over this country. It is the thing that has retarded recovery, and what I am saying now might not be popular with some of my constituents, but I believe that what I am saying is the truth and is right, and that is all that matters.

Mr. Chairman, it was once honorable and worthy to own property in this country. The American home owner always has been the backbone of this Nation. Only under the New Deal was an honest, industrious, and frugal American citizen who worked hard and saved for a rainy day considered a prince of privilege or an economic royalist.

In recent years, however, it seems to be a crime for anyone to own property. Much stress has been laid by New Dealers, Communists, and left-wingers upon the difference between human rights and property rights. Sir, I know of no greater human right than the right to own property—to work hard and enjoy the fruits of one's own labors.

Of course, the radicals in our country would set up a Socialist state, take away all profits, place a penalty upon thrift and industry, only to reward idleness and indolence in order to get the support at election time of the lunatic fringe and of the common rabble.

In closing, I want it thoroughly understood that I do not receive one single dollar of rent from any person for any property that I own, but I do believe that every honest investor in any legitimate enterprise is entitled to a fair and reasonable profit on his investment. When that ceases to be we no longer have an America.

Mr. Chairman, that applies to Democrats and Republicans alike.

The following telegram from St. Louis, a big city, is significant:

ST. LOUIS, MO., *June 9, 1950.*

HON. DEWEY SHORT,
House Office Building,
Washington, D. C:

Today's news in all our daily newspapers shows Census Bureau indicates an increase in population for St. Louis of only 14,000. This indicates that testimony of Mayor Darst before House and Senate Banking Committee was false and intended to mislead. This increase is less than the babies born in this city during a 10-year period and shows no increase in number of families, whereas the population of St. Louis County has increased by 116,000, which would show that many former St. Louis families have moved to the county and of these over 95 percent have purchased new homes which proves no economic need for rent control. St. Louis has built more than 14,000 housing units during the past 10 years so that each individual increase in population has been provided with one new housing unit to say nothing of the thousands of new units created by conversion of former large homes and apartments into smaller units. There is no acute housing shortage in St. Louis and every statement to the contrary has been refuted by Federal Government agency figures; refer Bureau of Labor and the Census Bureau both of which show vacancies and houses to rent

REAL PROPERTY OWNERS,
STEPHEN THOMAS, *President.*

Mr. SABATH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my colleague from Missouri has been true to his name; he has been short on facts. As he stated, 2 years ago he made the same speech that he repeated here today, and since that time I wonder how many landlords—property owners—have lost their property. Sure, some of the people have lost their property; even the farmers in this country in the years gone by lost theirs due to the Hoover crash, but not since the New Deal came into being. We saved them through the New Deal. We saved thousands upon thousands of farmers who do not need this law. They have their own homes—their own places to live in—but the people in the cities—the poor tenants—and most of them are poor—do not; if they were rich, they would have their own homes. So I say to you that the landlords have not suffered. None of them has lost anything due to rent control. As to business, only this morning I read an article in the press that we had 56 corporations who controlled over a billion dollars each; combined, they controlled $135,000,000,000 of assets. Here is the article:

BILLION-DOLLAR CLUB'S ASSETS AT RECORD HIGH

NEW YORK.—Membership in the exclusive billion-dollar club of American enterprises continued at 56 this year, but the club's assets increased to an all-time peak of more than $135,000,000,000, the annual survey of United Press revealed Monday.

Dissolution of Commonwealth & Southern removed that corporation from the list of companies whose assets exceed $1,000,000,000. Its place was taken by New England Mutual Life Insurance Co.

Another fatality of the Public Utility Holding Company Act, American Power & Light still was in the billion-dollar class at the close of 1949, deadline for the compilation.

Its dissolution plan went into effect early this year.

Total holdings of this country's largest enterprises increased 5 percent in 1949, to $135,014,765,284 from $128,557,169,041, a growth which has worried many of these corporations' executives. They fear their size alone will invite Government attack.

The Bell System widened its lead over Metropolitan Life Insurance to more than $1,000,000,000 to maintain its position as the Nation's largest business enterprise for the third consecutive year. Its assets increased $775,000,000 to $10,775,234,113.

In the only change in standing of the top 10, Equitable Life moved into fifth place from sixth, exchanging places with National City Bank of New York.

New York Central had the largest increase in its group. It added $662,000,000 to its assets to move into the $2,000,000,000 class, of which there now are 20, two more than last year. The other was Mutual Life.

Standard Oil Co. (New Jersey) maintained its position as the Nation's largest industrial corporation, with General Motors, top money maker, in second place.

The club's membership comprises 20 banks, 18 industrial corporations, 13 insurance companies, and 5 utilities.

Billion-dollar companies, with their 1949 assets, compared with 1948, follow

	Dec. 31, 1949	Dec. 31, 1948
Bell System	$10,775,234,113	$10,000,683,026
Metropolitan Life	9,707,947,683	9,125,145,007
Prudential Life	8,325,414,772	7,846,101,629
Bank of America	6,250,402,352	6,072,913,871
Equitable Life	5,269,289,000	4,879,289,000
National City Bank, N.Y.	5,051,988,339	5,004,737,618
Chase National, N. Y.	4,779,689,820	4,631,471,581
New York Life	4,674,990,644	4,448,369,759
Standard Oil (New Jersey)	3,816,044,661	3,526,043,348
General Motors	2,824,074,217	2,621,871,907
Guaranty Trust, N. Y.	2,730,574,964	2,784,677,095
John Hancock Mutual	2,696,506,366	2,464,641,101
United States Steel Corp.	2,556,365,712	2,534,971,836
Continental Illinois National	2,553,106,391	2,356,427,996
First National, Chicago	2,461,469,710	2,245,379,628
Manufacturers Trust	2,451,996,774	2,468,436,353
Northwestern Mutual	2,442,654,354	2,291,225,105
New York Central R. R.	2,416,100,314	1,754,249,070
Pennsylvania R. R.	2,279,572,398	2,305,578,953
Mutual Life, N. Y.	2,074,712,400	1,997,142,194
Travelers Insurance Co.	1,879,400,380	1,775,026,769
Southern Pacific Co.	1,760,288,750	1,736,499,055
E. I. du Pont de Nemours	1,748,679,573	1,585,346,016
Security First National, Los Angeles	1,712,610,668	1,726,351,836
Aetna Life Insurance	1,642,774,555	1,499,817,024
Bankers Trust, N. Y.	1,624,145,647	1,524,962,756
Chemical Bank & Trust, N. Y.	1,593,278,135	1,583,724,456
Central Hanover Bank, N. Y.	1,592,385,471	1,543,948,522
Standard Oil (Indiana)	1,550,898,031	1,500,049,488
First National Bank, Boston	1,527,894,718	1,518,635,619
Consolidated Edison, N. Y.	1,502,249,239	1,448,676,689
Socony-Vacuum Oil, Inc.	1,472,342,669	1,443,034,000
Mellon National Bank and Trust	1,423,622,739	1,401,980,216
Texas Co.	1,368,132,586	1,277,093,761
National Bank of Detroit	1,365,599,807	1,276,482,959
Northwest Bancorp	1,351,987,818	1,332,369,776
Pacific Gas & Electric	1,322,420,585	1,209,736,629
Massachusetts Mutual Life	1,312,915,311	1,234,396,623
Santa Fe Railway	1,294,876,489	1,293,415,353
Penn Mutual Life	1,240,665,264	1,180,836,775
Mutual Benefit Life	1,238,351,336	1,179,550,904
Bank of the Manhattan	1,232,332,464	1,266,915,928
Baltimore & Ohio R. R.	1,220,092,569	1,234,236,912
Gulf Oil Corp.	$1,215,890,766	$1,191,004,087
Marine Midland Corp.	1,198,883,891	1,137,484,370
Irving Trust Co.	1,187,464,523	1,243,828,631
Union Pacific R. R.	1,177,095,175	1,187,405,051
General Electric Co.	1,171,278,920	1,177,391,456
First Bank Stock Corp.	1,168,043,533	1,211,202,541
Standard Oil of California	1,157,703,362	1,074,525,652
Bethlehem Steel Corp.	1,155,467,610	1,029,000,017
Ford Motor Co.[1]	1,149,241,000	1,025,733,000
Cleveland Trust Co.	1,120,007,277	1,100,154,477
Commonwealth Edison	1,114,791,092	1,042,714,753
New England Mutual Life	1,082,818,347	997,832,352
American Power & Light[2]	1,000,000,000	1,006,447,510
Total	135,014,765,284	128,557,169,041

[1] Figures are for Dec. 31, 1948, and Dec. 31, 1947.
[2] Approximate.

Below these "fat cats" there are about a thousand corporations that control between $500,000,000 and $1,000,000,000 of assets, with thousands of others in the bracket between $100,000,000 and $500,000,000 of assets.

Does this indicate that industry or capital has suffered as the gentleman charges? No, gentlemen, this tremendous progress has been made in a democratic nation, under a Democratic administration—since the great crash of the nineteen-thirties. And if the Democratic Party continues in power the country will continue to prosper—its people will be prosperous, and I am sure they will be happy and contented.

The New Deal was a blessing to all. I am amazed at statements made on the floor of this House, and especially when they come from my dear friend, the gentleman from Missouri, that it is socialistic to make the country prosperous and to provide for all the blessings of a free democracy. If this is socialism we ought to have more of it.

The gentleman from Missouri has charged that the New Deal tends toward socialism and that industry has suffered. Surely the figures that I have submitted belie this statement. He also charges that the building industry has suffered. We are, and have been, building more homes than ever before, but these homes built by private industry are out of reach of the young men who served our Nation during the war—out of reach of the average white-collar worker and the laboring man with an income of $3,000 a year and less, because they are priced at from $12,500 to $25,000. These people cannot and should not, for their own protection, take the risk of buying these homes.

Sure, there have been some cheaper homes built out in the sticks, with no sewer, water, or transportation facilities, but even these homes priced at $9,000 to $10,000 are out of reach to a vast majority of tenants.

It is amazing and beyond my comprehension that people from the rural sections, having their own homes and farms, should be opposed to the wage earners in the large centers having decent places in which to live. If this bill should fail to pass these poor, unfortunate landlords who have increased rents from 25 to 69 percent in areas where decontrol has become effective, such as Dallas, Knoxville, Jacksonville, Houston, Topeka,

and Spokane, would imitate with glee the actions of their fellow gougers in those cities by increasing rents the same percentages, or even by greater amounts. The copious tears that are being shed for these landlords is for effect, and effect only.

As I stated before, no landlord has lost a home or apartment since the New Deal went into effect. All are better off than ever before, becausee wherever they were able to show their costs of operation have increased, in 84 percent of the cases they have been granted increases.

I concede, as has been charged, that in many instances unwarranted increases obtained by landlords with large holdings were due to clever representations made by high-paid lawyers representing these big landlords. If there should be any sympathy and regard expressed it should be for the tenants obliged to live in flats and apartments that the landlords have failed to keep in repair, and that are unsanitary and hazards to health.

Mr. Chairman, unfortunately if many of the Members residing in the rural sections and representing farming districts had not been misled by the propaganda that has been fed them from day to day, I am sure they would join us in helping to obtain the passage of this legislation to save the eviction of thousands upon thousands of tenants. However, I hope a majority of Members here have finally come to a realization of the fact that they have been imposed upon and lied to by these unscrupulous groups and owners that are ready like hungry wolves to leap upon their defenseless prey.

Only this morning I observed a large advertisement appearing in one of the newspapers signed by the National Home and Property Foundation and bearing the name of one Homer A. Snodgrass, as president, appealing for contributions to help defeat this legislation. It is amazing to see the lengths to which these groups of money-hungry landlords will go to gouge the tenants, but I venture to say this advertisement gained at least 15 votes for the passage of this bill. I have in my files hundreds of these advertisements, voluminous and expensive booklets, pamphlets, mimeographed material, expensively prepared appeals to end rent controls put out by these organizations with fake names, at tremendous cost, paid for by the gigantic real-estate lobby that has fought housing and rent control since the end of the war.

I want to say right here that members of my family own several small apartment buildings. They, too, would like to have rents decontrolled, but I feel it is my duty to disregard the benefits that would accrue to the few as against the interests of the many.

Let me again call to the attention of you Members on the Republican side your oft-repeated charge that this is a socialistic policy. To that charge I say that farmers have more money in banks, have better homes, and instead of having mortgages burdening their lands with 6 to 8 percent interest charges, their farms are now virtually free of these mortgages, and in addition they have the best farm equipment, automobiles—yes, and even airplanes—that money can buy. Do not you who represent the farming sections of our country realize that in opposing this legislation you are acting against the best interests of your farmers? This is as true as day follows night because when tenants in the cities are obliged to pay higher rents they must necessarily reduce their food consumption, and with surpluses accumulating the farmer is forced to take a lower price for his products.

Yes, you gentlemen on the opposite side of the aisle are short-sighted and your party is short-sighted and will never learn. You seem to imitate the Hitler policy of starting a lie and repeating it so often that in time it may be believed by some people. It should be apparent to you that the people still want more of the Truman-Roosevelt doctrines that have kept this country prosperous for the past 18 years.

In spite of the vast sums spent by the real estate lobby and the influence it seems to wield with some of my Republican colleagues, I feel, Mr. Chairman, that this bill will receive the substantial majority it merits when the final vote is taken.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DOLLINGER].

The amendment was rejected.

Mr. JACOBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JACOBS: Page 3, line 19, add a new section 5 (a) following the language at the conclusion of section 204 (b) (1): "*Provided*, That any person affected by such a decision may file an action in any court of record having jurisdiction over the area where such housing accommodations are situated, alleging that such maximum rents so fixed, are confiscatory, and do not yield a fair net operating return, and upon truth of such allegation the court may make an appropriate decree requiring the area rent director to adjust such maximum rents to an amount sufficient to yield a fair net operating return."

Mr. JACOBS. Mr. Chairman, this amendment would deprive the area rent director of the final word upon what the maximum rent should be for any housing facility, in that it would give a judicial review upon the question of whether or not the maximum rent fixed was confiscatory.

That is a fair thing to do. It answers some of the criticism that has been directed at some area rent directors. If the owner of property can show that his fixed expenses are so high that he is not getting a fair net operating income—which is the language of the act as it is written today—the court may enter a decree and direct the rent director to increase the maximum rent in such amount as will yield a reasonable rate of return.

There is precedent for this type of provision. A utility that has its rates fixed by public authority may go into court and procure an increase in the rates on the ground that the rates are confiscatory.

Real estate is more widely diffused in ownership than any other type of property. The little fellow ought to be able to go into his local court and get an adjustment in those areas that are still under control, as well as a utility can.

I made a survey of what has occurred under rent control, and I was somewhat disappointed to find that the big operator, the man who owns many pieces of property or apartment buildings with a great many units, has been able to take advantage of most of the increases allowed in the law. I find that the little fellow that owns a couple of doubles or so has always been afraid to go up to the area rent control director or been unable properly to process his case and get the increases he should be entitled to. I believe this will open an avenue to protect that fellow in the case this bill is passed.

I believe this is a meritorious amendment. It recognizes the dignity of property, the right of the owner to receive a return upon it. I think it is in keeping with the best traditions of America that we put this additional safeguard in the bill.

In the last analysis, a hearing in a room some place before an officer is not the type of hearing you can have in open court. It is not as effective. A hearing in open court is the traditional way in America.

I hope you will give this amendment your serious consideration and adopt it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Illinois.

Mr. YATES. I think I am in agreement in principle with the position of the gentleman giving the right of appeal from the order of the Expediter, but does he not believe that as well the tenant should be given the right to appeal from an order he considers to give in excess of a fair operating income?

Mr. JACOBS. Does not the amendment read "any person aggrieved"?

Mr. YATES. Does it cover both parties?

Mr. JACOBS. I think it says "the person aggrieved."

Mr. YATES. I think that covers it, then.

Mr. MORTON. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Kentucky.

Mr. MORTON. I want to commend the gentleman on his amendment. I hope it is adopted. I think it is excellent. I found exactly the same things the gentleman has indicated, that the large owner, because he can hire counsel, and so forth, is able to have an advantage under the law. It is the small-property owner that is not able to get a fair operating return.

Mr. JACOBS. I thank my colleague for his contribution.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Indiana be again read for the information of the Members.

There being no objection, the Clerk again read the Jacobs amendment.

Mr. SPENCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment attempts at the last minute to introduce complicated legal machinery to carry out the provisions of the act. I do not think you can say this amendment will afford protection either to the owner of property or the tenant. It merely throws into the local courts that have had no experience with these cases a great multitude of cases. There will be the law's delay in the administration of this provision. I think it will only hold out a false hope to the people to lead them to believe they will get a speedy administration of justice in these cases.

This amendment was never submitted to the committee and the committee never had any opportunity to consider it. If we want rent control, I think we had better leave the machinery of the rent control law as it is now constituted and try to pass a bill which I think will give relief to the sections of the country that need it.

Mr. Chairman, I ask that this amendment be voted down.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of this amendment for the following reasons. In my home district I believe 80 percent of the homes are small two- and three-bedroom homes which are rented. I do not happen to have any of the skyscraper apartments which I know the city of Chicago and other cities have.

When I was home recently I went down to the rent-control office and listened to some of the complaints which were put in there by these small home-owners who rent one or two buildings on their lot. I can say to you as a matter of personal observation I know it is impossible for small-home owners to get any kind of decent adjustment from the rent-area manager. On the other hand I have one large housing tract which is owned by a private interest in my district having 1,100 units to rent in small individual duplexes and four-plexes and these people, through their lawyers, have been able to go down and get three or four adjustments of the rent upwards. Now something is wrong with the administration of this act when the small home owner and the small renter of one or two houses, individuals who have worked all of their lives with these houses as their only source of income, cannot get these adjustments.

I tried to get the Rent Control Administrator and his aides to give some consideration to these small home owners who are renting one or two homes to tenants, and I could not get that. I do not know of any other way that they can get justice unless you make this determination of the rent area administrator appealable to the local courts. I think that is what the amendment offered by the gentleman from Indiana [Mr. JABOBS] attempts to do, to make those particular people able to go into court and get the same treatment that the big owners with their attorneys can get. Is that right?

Mr. JACOBS. Yes, it is. Mr. Chairman, there is a technical aspect to this amendment that I do not have time to explain at this point. Complaint has been made that it does not apply to the tenant. Of course, it is not applicable to the tenant in the same way it is to the landlord because of the very nature of the circumstances. The Housing Expediter, the area rent control director, protects the tenant, but there have been these complaints where there have been confiscatory maximum rents set. Technically, this is not an appeal, because you cannot have an appeal from an administrative body to a court. The lawyers in this House know what I am talking about when I say that.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JACOBS. In just a moment. But you can have an action in court to strike down a maximum rent rate that has been fixed, just like you can have such an action against a utility rate.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HALLECK. Of course, most of the statutes that have set up administrative agencies with provisions for determination contain provisions for judicial review, but the gentleman's provision for judicial review goes clear beyond any that I know of, because it tries the whole fact de novo. The original issue of fact could be tried in the courts. We can surmise a situation under which the courts would be completely swamped by appeals for review that might be filed.

You talk about trying to do something for the little fellow. He would have to hire a lawyer and incur court costs and go through expensive litigation. As far as I am concerned, I am going to vote against the extension of rent control. The gentleman's amendment appears to me to indicate that he is trying to get in the clear with some of the property owners back home, but I do not believe that is the way to do it.

Mr. JACOBS. Well, the gentleman yielded, and the gentleman made a political speech. He is from my State, and he is a good political speech maker. But the fact remains that the amendment will give access to the courts where confiscatory maximum rents are fixed. It may well be that the gentleman from Indiana himself is trying to get in the clear with tenants; but that is his business. I suppose quite a few folks in Congress do sometimes try to get off some hook. I imagine he is no exception, since he seems to have it so promptly in his mind.

The CHAIRMAN. The time of the gentleman from California [Mr. HOLIFIELD] has expired.

Mr. SPENCE. Mr. Chairman, I ask for a vote on the amendment.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, my thoughts run along the line, outside of the political observations, of the gentleman from Indiana [Mr. HALLECK]. There is no question that the gentleman from Indiana [Mr. JACOBS] has offered his amendment in good faith, because if there is one man in the House who, to me, seems to disregard political considerations, it is the gentleman from Indiana [Mr. JACOBS]. He has outstanding courage that we are all acquainted with. He certainly has no hesitancy in expressing his views, no matter how we might feel. I thoroughly respect him for his courage and his ability. However, outside of that, my thoughts—and I am speaking personally, as an individual Member of the House, expressing my own views—are outside of the political observations he made, along the lines of the gentleman from Indiana [Mr. HALLECK]. I think the gentleman from Indiana [Mr. JACOBS] has not quite completely thought out the results of his amendment, if it should be adopted. What court? United States court, or the State courts? This means a State court. All right. Assuming that Congress has the constitutional power to do that—and I am not raising that question in my few remarks on this occasion—what about the State courts that are already overcrowded? One of the great problems we have is the overcrowded dockets of our courts. As the gentleman from Indiana said, any case brought into the State court, assuming that it had jurisdiction, would be tried on its merits. In other words, anyone who went to a State court would have not a review of the law, not a review of whether the findings of the administrator of the Housing Expediter were unreasonable or unfair or capricious, but would go into a court having original jurisdiction, having complete jurisdiction over all the facts and the law. I doubt very much if we want to place that responsibility upon a United States district court, never mind, place it upon a State court where the taxpayers of the State have to pay the expenses and where the State courts are already overcrowded with cases that are pending at the present time.

Mr. WERDEL. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. WERDEL. Is it not true that if this amendment were adopted the situation would be that we have a rent-control law under which if the Expediter finds the rent to be unreasonable that both the tenant and landlord are prevented from agreeing upon something that is reasonable, but must go into an expensive law suit to settle it?

Mr. McCORMACK. There is no question but what the statement made by the gentleman is a reasonable probability which could occur if this amendment were adopted.

Mr. JACOBS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. JACOBS. Then if I understand the position of those who are opposing the amendment it is that they feel that because there is some expense to procuring justice that we just should not provide the machinery by which a man can go into court and get a review in open court as to his rights.

Mr. McCORMACK. No; that is not so.

Mr. JACOBS. That is what it amounts to.

Mr. McCORMACK. The gentleman from Indiana is certainly not expressing the thoughts of the gentleman from Massachusetts. The gentleman from Massachusetts has expressed his thoughts, and the gentleman from Indiana [Mr. HALLECK] has likewise, and I am in agreement with the gentleman to the extent I have stated. This amendment would impose additional jurisdiction, if we have that power, upon the State courts. The State courts are already overcrowded. This law is only going to last for 6 months in many communities and not longer than a year in others. Even if I thought we had the authority to do so it would still be unreasonable and improper for Congress to impose additional burdens upon the courts of the several States of the union.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MARCANTONIO. The gentleman from Indiana, the author of this amendment, conveys the idea that a tenant, if aggrieved, could go into this court. A reading of the amendment shows that the person who is aggrieved can go into court only if the decision is confiscatory in nature. What decision could possibly be confiscatory? Only one denying an increase to the landlord or one in which the landlord thinks the increase is not sufficient. Certainly if the tenant has to pay the increase the tenant cannot go into the court. There is no question of confiscation under which the tenant can go into court.

Mr. McCORMACK. It does not give any privilege at all to the tenant. My objection is even more fundamental: Here we are, if we have the authority in an emergency law, not permanent law, trying to impose additional burdens upon the courts of the several States whose dockets are already overcrowded. Every one of us, no matter from which State he comes, knows the situation existing in our State. In the Superior Court of Massachusetts one has to wait anywhere from 3 to 5 years to get a case tried. It would be unreasonable to impose this burden upon our State courts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. JACOBS].

The amendment was rejected.

The Clerk read as follows:

SEC. 6. Nothing in this act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

SEC. 7. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 8. This act shall become effective on the first day of the first calendar month following the month in which it is enacted.

Mr. YOUNG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. YOUNG. Mr. Chairman, committees of Congress have investigated and reported the severe scarcity that exists in housing accommodations below the luxury level. Adequate habitable places for rent at rents which ordinary families can pay are not to be had. Families with children are particularly up against it.

Low-income and middle-income families, especially families with children, will be the chief victims if Congress fails to act. This has been proven by experience in those cities which removed rent control prematurely.

The 3,400 cities, towns, and villages now under Federal rent control have already demonstrated their wish to retain rent control by not having exercised their option to end it.

There is an acute shortage of housing units to rent from $30 to $60 per month. Were we to refuse to pass this legislative proposal it is a fact that rents would geyser in many communities. Genuine hardship would result in every section of our country. Too many families would be pushed around.

Extension of Federal rent control legislation becomes doubly important to the economic stability of the Nation now that it has become clear that most States would be unable to pass emergency legislation to prevent rent gouging if Federal protection for tenants in areas of acute housing shortage were ended on June 30.

Only a few legislatures are now in session and there is not time to call special sessions and pass State rent control laws by June 30. Only two States now have State rent control: New York and Wisconsin. Governors of many other States have urged the Congress to extend Federal rent control.

The eagerness with which some landlords await decontrol is vividly illustrated by what happened in Birmingham, Ala., even before a State decontrol action went into effect. On May 18—a week before the scheduled decontrol of the State of Alabama on May 25—the Birmingham News reported that more than half of the county's 12,700 relief clients had been notified of rent increases on June 1, the amount of the increase averaging between 60 and 70 percent.

It is important to remember that even in areas where the housing shortage is not acute, the end of Federal rent controls would still cause economic difficulty. Those whose rents were raised exorbitantly in shortage areas would have to curtail sharply their expenditures for food and manufactured goods and the resultant drop in purchasing power would cause some reduction in farm income and some increase in unemployment on a national scale.

Mr. DONDERO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to this bill and shall vote against it on final passage.

Mr. ADDONIZIO. Mr. Chairman, this Congress is being called upon again to decide whether rent control should be extended. The important question for this body to decide is whether the supply of rental housing is sufficiently approaching the demand, so that controls over rents may be released.

In attempting to find an answer to this question let me for a moment discuss the situation in my home State—New Jersey. Most of the State of New Jersey has been under Federal rent control since 1942 because it is highly industrialized and rather densely populated. In the 1949 act this Congress gave the 48 States and all incorporated municipalities authority to decontrol themselves. This has been the law since April 1, 1949. What has happened in New Jersey under this law? Not a single municipality exercised its right to decontrol itself. Neither did the State legislature take any decontrol action. What happened in neighboring New York? The New York Legislature enacted a State rent-control law which is much stricter than the Federal law. These facts decisively answer the question as to whether there is a shortage of rental housing in my section of the country.

In my own city of Newark, we are faced with a continuing serious shortage of rental housing, particularly in units renting for $60 a month or less. New construction has done very little to alleviate this problem. Between 1940 and 1949, only 3,659 family accommodations were built while during the same period there were over 60,000 marriages.

The situation in my home State is typical of every industrial State in the Union. Witness after witness appeared before the House and Senate Banking and Currency Committees and told the Congress that this country is still faced with a serious shortage of rental housing and that the lifting of controls on June 30 next would be fraught with grave dangers to our entire economy. Governors from the States of Illinois, Michigan, Connecticut, and Rhode Island; mayors from cities, large and small, all over the United States; great labor leaders, representatives from all our leading veterans' organizations, all had the same story to tell—that there still is an acute shortage of rental housing in the United States. They all had the same plea to make, "Do not end Federal rent control now."

The Bureau of Labor Statistics and the Census Bureau recently completed surveys in 25 areas throughout this country which indicate that the habitable rental vacancy rate is generally less than 1 percent. Decontrol in such areas would be disastrous. There would be no question of a tenant bargaining with a landlord. He would either pay what was demanded of him or be faced with eviction—not a very happy choice.

We do not have to speculate as to what would happen to rents if Federal rent control died on June 30. We saw what happened in Dallas, in Topeka, in Jacksonville when rents were decontrolled. In Dallas 67 percent of the units whose rents were free to rise had rent increases averaging 35 percent—in Topeka 40 per-

cent had rent increases averaging 30 percent and in Jacksonville 56 percent had rent increases averaging 26 percent. These are not my figures they are figures compiled by the United States Bureau of Labor Statistics. The significant thing, however, is that these are the rent-increase figures for cities which were apparently ready for decontrol—one shudders to think what would happen in Chicago and Boston, for example, where the habitable rental vacancy rate is four-tenths percent or in Kansas City where it is one-tenth percent or in Denver where it is two-tenths percent.

The death of Federal rent control on June 30 would affect our entire economy—let me quote from the President. In his special message on rent control to this Congress he warned us that premature decontrol will have a grave effect on our economy. He said:

> A sudden and simultaneous removal of rent controls on a national scale would precipitate a wave of exorbitant rent increases. Such increases would seriously reduce the purchasing power of millions of families. Since there are very few livable housing quarters available for rent within the means of low- and middle-income families, they would have no choice but to pay the rent increases demanded. These families are already living on tight budgets. The money to pay high rents would have to come out of their purchases of food, clothing, and other necessities. The burden would be most serious for the one-fourth of our families with incomes of less than $40 a week.
>
> A sudden and rapid increase in rents would affect adversely sales and employment in many industries and trades. In addition, public assistance costs would rise, increasing Federal, State, and local budgets. Public and private pensions for the aged would become more inadequate.

Let us not try to shun our responsibility by saying that this is no longer a national problem but a State problem. The problem is still national in scope—40 States will still be under Federal rent control on June 30—the question whether the various State governments should have acted to substitute State rent control for Federal controls is purely academic. The fact is that except in a few instances, they have not acted and it is too late for most of the States to act now to meet the emergency which would arise a few weeks from now if we do not pass this bill.

Mr. Chairman, the American people will not be fooled—they look to the Congress of the United States to act and to act now.

Mr. HELLER. Mr. Chairman, the plight of millions of families in the United States with respect to the homes they are compelled to live in is one of the less attractive aspects of American life today. In our larger cities we have a heritage of miles of dilapidated tenements and flats which crowd one another permitting little light and air to their occupants as well as creating the conditions of congestion that characterize slum and blighted areas. During the 1920's considerable progress was made in emptying these buildings of tenants. This was the result of the greatly expanded construction and the declining rate of growth in population. However, the exodus of the 1920's was followed by the trek back to the vacant slum properties in the 1940's. The principal factors responsible for this change were the sharply curtailed residential building during the great depression of the 1930's and during the war, together with the marked increase in the rate of family formation and the birthrate especially after the war.

In connection with changes in the housing situation let me cite the experience of the city which I know best—the great metropolis of New York. In 1927 the over-all vacancy rate was 6.1 percent in multi-family dwellings; in 1933 the rate was 14.4 percent with the highest rate of vacancy in the neighborhoods having the poorest housing. Today the over-all vacancy rate for the city of New York is eight-tenths of 1 percent. It is not strange that we have such an acute housing problem in New York when only 70,000 dwelling units were built during the whole of the 4 years 1946–1949. Contrast this with the achievement of the building industry in 1927 when over 100,000 dwelling units were constructed in New York City in a single year.

The gap between the housing supply and demand may be illustrated in another way. In the decade of 1920–29 there was a 56-dwelling-unit increase for every 100 increase in population. In the next decade there occurred an increase of 40 dwelling units for every 100 increase in population. In the decade of the 1940's only 23 dwelling units were increased for every 100 increase in population.

Most new privately constructed dwellings for rent are still being offered for $30 to $40 per room per month. The New Yorker has long given up scanning the advertising columns of the daily newspaper for apartments for rent. In the Borough of Brooklyn, where I have resided for many years, a check was made of the Brooklyn Daily Eagle to ascertain the type of apartments offered for rent. Here is what was found on the day the check was made early this year: Fifty-eight ads appeared for unfurnished apartments. This is in a community where there are about 600,000 rental units. Only three ads were for apartments for less than $50. One was a basement apartment for a business couple, another was an apartment for a business lady, and a third for a business couple. Twenty-three ads appeared for rentals ranging between $51 and $75. Three of these were for basement apartments, 11 were for adults or business couples, one was an attic apartment, one required the sharing of bathroom facilities, and one required the payment of security. In fifteen instances the rents being asked were not shown.

In view of these conditions it is not surprising that there are over 200,000 families doubled up in New York City. Moreover, the New York City Housing Authority reports that for the year 1949 almost a quarter of a million applicants have been received for 17,416 apartments.

New York City is not the only community where the housing supply falls far short of the demand. Hundreds of other communities of varying size are also suffering from an acute housing shortage. Surveys recently conducted by the Bureau of Labor Statistics in 25 areas located in all regions of the country indicate that the over-all vacancy rates are generally between 1 and 2 percent as compared with normal rates of 5 to 6 percent. The habitable vacancy rates were between five-tenths and nine-tenths percent in Buffalo, Detroit, Portland, Maine, Memphis, Jacksonville, Cincinnati, Portland-Vancouver, Nashville, New Orleans, Baltimore, and Los Angeles. The rate was four-tenths percent in Atlanta, Boston, Chicago, Indianapolis, Pittsburgh, New York City, and St. Louis. And it was one-tenth percent in Kansas City and Minneapolis-St. Paul. No single fact is more conclusive for the continuation of Federal rent control than the abnormally low level of vacancies. All the ingenious arguments propounded by the real-estate lobby cannot destroy the validity of the objective vacancy investigations of the United States Department of Labor.

The lifting of rent controls will only result in widespread and exorbitant rise of rentals. This is confirmed by the experience of cities which have been decontrolled. In recent surveys of 14 cities where rent controls were removed, the Bureau of Labor Statistics found that in 7 of the cities rents were raised for more than 50 percent of the dwelling units whose rents were free to rise. In eight of the cities, the tenants whose rents were raised paid average increases of 26 to 41 percent. The heaviest burden was imposed on tenants occupying units renting for less than $30 a month. These are also facts which all the statistical ingenuity of the real-estate lobby cannot reduce to insignificance because they are confirmed by the all-too-painful experience of great numbers of people.

Lift Federal rent control, and you will have wholesale evictions of tenants who refuse to pay the greatly hiked rentals of a tight market situation that is governed by the principle of charging what the traffic will bear. We must not barter human welfare for the fetish of a competitive principle operating in a situation where the tenant has no opportunity for freedom of action. Precipitate removal of rent control is the road to chaos. Those who adhere to the dogma of removing necessary Government controls no matter what the cost in human suffering are blind worshipers of false abstractions. Americans have too healthy a respect for fact to tolerate such an attitude toward a serious national problem.

A wave of substantial rent increase can only result in fanning the fires of inflation. Signs have been multiplying that the forces of inflation are beginning to raise their head once more. If we want to have another wage-price spiral, then the best way to insure such a development is to raise the workingman's rent. The rent increases that have taken place in cities which have recently been decontrolled have the same

effect as wage cuts of 5 to 10 percent. This the wage earner is not going to tolerate. In the interest of economic stability we must retain Federal rent control for another year.

During the past year most communities and most States have not chosen to lift rent controls, although the Rent Control Act has made it readily possible for them to do so. This is indicative of the fact that the housing shortage is still acute in hundreds of communities throughout the country. By June 30, 1950, there will still be more than 8,000,000 rental units occupied by 29,000,000 people under Federal rent control. Some 3,400 incorporated cities, towns, and villages in 40 States will still be in areas under Federal rent control. About two-thirds of the 92 cities with a 1940 population of more than 100,000 will also be under Federal rent control by June 30, 1950.

Mr. Chairman, sound public policy calls for the continuation of rent control for another year. Undue haste in terminating Federal controls can only produce economic dislocations and hardships which are incompatible with the welfare of the family and the health of the economy.

Mr. RODINO. Mr. Chairman, this bill H. R. 8276 would in effect extend Federal rent control until December 31, 1950, and leave it up to each individual city, town, or village to determine by popular referendum or by resolution of the local governing body whether Federal rent control would extend until June 30, 1951.

All of us are undoubtedly agreed that a free rental market is the prime objective. But this must be arrived at in an orderly manner and without resultant hardship to either tenants or landlords.

The issue presented in this bill is whether we are to provide ourselves with an instrument of orderly decontrol or whether we will permit confusion, chaos, and skyrocketing rents as a result of a lapse of controls while a housing shortage still exists.

In my opinion the more compelling reasons which one can cite for the continuation of rent controls are the following:

First. Over-all vacancy rates are now between 1 percent and 2 percent according to recent surveys of 25 areas, as compared with normal rates of 5 to 6 percent. In the 1940 Census of Housing, 5 percent of all dwelling units were found to be vacant and for sale or rent.

Second. Vacancy rates for habitable dwellings offered for rent are less than 1 percent in controlled areas, according to recent surveys.

Third. New construction has not kept up with the increase in families. During the 1940's the increase in the number of nonfarm households exceeded the number of new dwelling units started by about 1,500,000. Our accumulated housing needs are far too great to be wiped out by a year or two of high construction rates.

Fourth. More than 3,000 incorporated cities, towns, and villages have chosen to remain under rent control even though they have had the right to decontrol themselves since April 1, 1949. Only 273 incorporated places thought the shortage had eased enough to end rent control by local action.

Fifth. The 1950 United States conference of mayors adopted a resolution petitioning the Congress to continue rent control because of the housing shortage in many areas.

Sixth. The Department of Defense, in a statement representing the coordinated views of the Departments of the Army, the Navy, and the Air Force, recommended the continuation of rent control because uncontrolled rents during this period of shortage would interfere with the defense program.

Seventh. State governors, veterans' organizations, and labor organizations have strongly urged the continuation of rent control because of the acute housing shortage.

VACANCIES

Recent official surveys of vacancies made by the Bureau of Labor Statistics and the Bureau of the Census in 25 areas located in all parts of the country show that over-all vacancy rates are now between 1 and 2 percent as compared with normal rates of 5 to 6 percent. In the 1940 Census of Housing, 5 percent of all dwelling units were found to be vacant and for sale or rent—Bureau of the Census, Sixteenth Census of the United States: 1940, Housing, volume II, General Characteristics, part I: United States Summary, page 8, table 2a.

Vacancy rates for habitable dwellings offered for rent are less than 1 percent in controlled areas.

The habitable rental vacancy rate was:

One-tenth of 1 percent in Kansas City and Minneapolis-St. Paul;

Two-tenths of 1 percent in Denver;

Four-tenths of 1 percent in Atlanta, Boston, Chicago, Indianapolis, New York, Pittsburgh, and St. Louis;

Five-tenths of 1 percent in Buffalo and Detroit;

Six-tenths of 1 percent in Memphis and Portland, Maine;

Seven-tenths of 1 percent in Cincinnati, Jacksonville, and Portland-Vancouver;

Eight-tenths of 1 percent in Nashville and New Orleans; and

Nine-tenths of 1 percent in Baltimore and Los Angeles.

These vacancy rates are so low as to preclude any possibility of free bargaining between landlord and tenant. Free bargaining can only exist when each party has a real choice of accepting or rejecting the other's proposal. Tenants have no such choice in today's tight rental market. If rent control were terminated they would have to pay whatever higher rent was demanded since practically no other rental housing is available.

MORE NEW HOUSEHOLDS THAN NEW CONSTRUCTION

During the 1930's the increase in the number of households exceeded the volume of new housing by 1,840,000.

By 1941 we had made a start on working off the backlog when Pearl Harbor diverted both materials and manpower to the war effort. As a result the number of new dwelling units started averaged less than 230,000 per year during the 4 years of active warfare as compared with about 650,000 units per year during 1940 and 1941. Table showing new construction is attached. At the same time that new construction was restricted, the war boom in marriages and new families added a greater and greater strain to the already inadequate supply of housing.

Despite the high levels of new construction in the past few years the increase in the number of nonfarm households during the 1940's exceeded the number of new dwelling units started by about one and one-half millions, according to a recent statement by the Commissioner of the Bureau of Labor Statistics. This statement was made on March 17, 1950, in a release entitled "Housing Activity in the Nation and in 15 Metropolitan Areas," with the subtitle "Statement by Ewan Clague, Commissioner, Bureau of Labor Statistics."

WIDESPREAD RECOGNITION OF HOUSING SHORTAGE AND NEED FOR RENT CONTROL

The United States Conference of Mayors adopted the following resolution on May 13, 1950:

Resolved, That since there still exists a critical shortage of low and moderately priced rental housing in many areas of the country, and since municipal officials from the affected cities have reported that the lifting of Federal rent controls at this time in their areas would result in undue hardships to many thousands of our cities.

The 1950 annual conference of the United States Conference of Mayors petitions the Congress to continue Federal rent control in cities and areas where such action is formally requested by the local authorities.

On April 24, 1950, the Deputy Assistant Secretary of the Air Force appeared before the Senate Banking and Currency Committee to present the coordinated views of the Departments of the Army, the Navy, and the Air Force—Senate committee hearings, pages 57–65. He stated that—

The Department of Defense feels that rent controls, particularly in those areas where military installations are located, should be continued. The necessity for the continuation of reasonable rentals is illustrated by the fact that the average monthly commutation allowance of all officers and enlisted personnel entitled to public quarters amounts to approximately $76, ranging from the airmen's allowance of $67.50 upward.

* * * Only the top three grades of enlisted personnel and those in the fourth grade with more than 7 years' service are entitled to receive such quarters allowances. Furthermore, civilian personnel employed by the Department of Defense must seek quarters near or adjacent to the base. Any appreciable rental increase would make these areas unattractive to civilian employees and would have its effect on securing and retaining required trained personnel.

We also have an interest in the continuance of rent controls in certain industrial areas. Mobilization, or a change in production requirements, might very well hamper industrial activities unless rental housing is available on a reasonable basis. * * *

Surveys on reenlistment figures definitely prove to us that the biggest factor in low rates is inadequate living conditions, housing, either a shortage of actual accommoda-

tions or inadequate accommodations at excessive rentals.

* * * As long as the number of personnel exceeds the number of available housing units—and it does greatly today—by the law of supply and demand alone, uncontrolled rentals are bound to rise. This we cannot afford.

Continuation of rent control has been urged by the Governors of Illinois, Connecticut, Rhode Island, Minnesota, West Virginia, and Michigan.

Continuation of rent control has been urged by the following veterans' organizations: The American Legion, Veterans of Foreign Wars, Amvets, American Veterans' Committee, Jewish War Veterans, Disabled American Veterans.

Continuation of rent control has been urged by the following labor organizations: The American Federation of Labor, the Congress of Industrial Organizations, International Association of Machinists.

Thus, it would seem to me that, regardless of one's personal opinion in the matter at issue, one is constrained to vote for passage of this legislation.

Mr. KEATING. Mr. Chairman, the Federal rent-control law no longer applies to the State of New York. Under its provisions, our State, by action of the legislature and governor, has already elected to take over the administration of rent control pursuant to a State law. The Federal rent-control offices were closed throughout the State of New York on May 1. State rent-control offices have been opened and are now functioning. That situation will in no way be changed, whatever we may do here today. Therefore, as the members of the committee handling this measure have conceded in the debate, the passage or nonpassage of the bill can have no effect on any tenant or landlord in our State.

It cost a lot of money to administer this law and it follows from what I have said that no Representative from the State of New York can justify saddling a large part of this cost on the wage earners and taxpayers of our State who can derive no possible benefit from the law, unless he is convinced that the Nation-wide need for the continuance of the law, outside the State of New York, is so great that it should outweigh the burden which will be cast on New York residents by the enactment of the legislation.

The only basis upon which a Federal rent-control law has ever rested, either in fact or under the Constitution as a matter of law, is the existence of a national, as opposed to a local, emergency arising from lack of building operations during the war and consequent housing shortage throughout the country. There can be no question that such an emergency did exist during the period of active hostilities and for a long period thereafter. I have supported extension of rent-control legislation for the last 3 years, not alone because the law furnished a measure of protection to tenants and landlords in my own State, but also because I was convinced of a Nation-wide condition which required the continuation of this final remnant of wartime controls. One will search the record of the hearings this year, however, in vain for any proof to substantiate the proposition that this Nation-wide condition still pertains.

There are, it is true, substantial areas spotted around the country where the need for some measure of control still exists. New York State has already decided that this need exists throughout our State. Other States and localities, as evidenced by representations made to the committee by various governors and mayors, have made a similar determination. But it seems to me the time has come when each community or at least each State should assume the responsibility of determining this question for itself. They should no longer look to the Federal Government to handle what is essentially a local problem.

This virus of dependence upon Washington to solve all the problems and cure all the ills affecting the economic life of every family in the land represents a dangerous trend. Unless checked, it can deal a fatal blow to the principle of home rule and local self-determination. If we continue to permit Washington bureaucracy to inject itself into purely local problems, existent only at scattered points throughout the country, we not only do violence to constitutional processes, but also we perform a disservice to the very people whom we may be trying to help. No one sitting at the seat of government can possibly approach the ability of an official on the ground in a particular locality to determine accurately the merits of a purely local question.

Finally, even if I were convinced that the necessity for rent-control legislation is still Nation-wide in scope and that some Federal law is still needed, despite the exemptions from its benefits of my own State and the assessment on New York citizens of a large share of the cost of a law which does not in any way affect them, I would still be doubtful whether I could support the particular bill before us. It is neither fish nor fowl, unless it could be called red herring. If it involved another year's straight extension of the present rent-control law, a very different question would be before us. But this bill simply proposes to extend the law for 6 months, substituting next January instead of July as the time when Federal controls shall be terminated. It then provides that any municipality which wants to continue controls another 6 months must take affirmative action through its city council. Otherwise, all controls are off. In other words, it is neither a control nor a decontrol measure, but an inexcusable political effort to straddle the fence on the issue and try to please both sides. I cannot be a party to such subterfuge.

Whether one agrees or disagrees with the further need for regulation of rents, at least it can be said for the New York State Legislature that it met the issue squarely and decided it, instead of trying to play both sides of the street as we are asked to do in this legislation. Whether both tenants and landlords may like it or not is another question. But at least it can be said both groups know where they stand for another year under the New York State law, which is more than can be said for this Federal measure before us today.

Mr. VURSELL. Mr. Chairman, I am opposed to the extension of rent control. It has been 5 years since the close of the war. Due to the shortage of buildings, homes, and apartments at that time there was some justification for passing a Federal rent-control law to protect the renters of the country. Since then millions of houses and apartments have been built.

During 1948 and 1949 there were built approximately 1,000,000 houses a year, and during 1950 it appears there will be built 1,250,000 housing units provided by apartments and houses.

Most of the country has been decontrolled under the law we wrote last year, but there still remains several exceptions like the cities of Chicago, St. Louis, Pittsburgh, and others.

If we defeat this bill and rent control ends July 1, many people who are renting apartments much larger than they need in the cities, will move into smaller quarters as the rents increase, and more families will be housed without the continuing of the law.

If we continue this law, it will prevent the building of apartments for rent in all of the big cities. We will never get full production of apartment buildings in the cities so long as rents are held at the 1940 levels so low that no one would build a building in the hope of getting a sufficient rental to make it a profitable investment.

Mr. Chairman, if the campaign were not coming up this November, this bill would not have a chance to pass and continue rent control. This bill is before us because of the political advantage it will give to Senators and to Congressmen in some of the big cities. They realize there are more tenants than there are apartment owners. Many of them are supporting this bill in the hope of getting the big city vote.

Rentals were frozen in 1940, and a great majority of property owners have been denied any increase in rents since that time. Since then, taxes alone on rental property have increased 280 percent. And everything the landlord must buy, including the price of labor for decorating, and for janitors who tend their buildings, has increased about 100 percent.

Wages have almost doubled, yet those tenants are paying about the same rent they paid in 1940.

If this bill is passed, we say to the men and women who have struggled and saved to build an apartment in the city from which they hope to have an income to support them in their old age, "Your Government has picked you out as one class of citizens who are denied an increase in rentals equal to the increase in wages received by your renters, or equal to the increase in the sale price of building material enjoyed by the business firms from which you must buy to keep your apartments in rental condition."

You are violating the Constitution that provides equal justice for all of our

people, and are saying to those who had the wisdom to save, and the desire to work, and who have builded these apartments, "You must continue to suffer a loss for the benefit of the tenants who have more votes than you have which can be delivered on election day in November."

It is so dishonest and so unfair that I am compelled to vote against the passage of this bill, and I urge the Members of Congress, by a majority, to do likewise.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8276) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, pursuant to House Resolution 639, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill H. R. 8276 to the Committee on Banking and Currency.

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 113, noes 165.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 143, nays 227, answered "present" 2, not voting 58, as follows:

[Roll No. 176]

YEAS—143

Abernethy	Bishop	Cotton
Allen, Calif.	Blackney	Crawford
Allen, Ill.	Boggs, Del.	Cunningham
Andersen, H. Carl	Bolton, Md.	Dague
Anderson, Calif.	Boykin	Davis, Ga.
Andresen, August H.	Bramblett	Davis, Wis.
Angell	Brehm	D'Ewart
Arends	Brown, Ohio	Dolliver
Auchincloss	Bryson	Dondero
Barden	Burleson	Ellsworth
Barrett, Wyo.	Byrnes, Wis.	Elston
Bates, Mass.	Chiperfield	Fenton
Beall	Clevenger	Fisher
Bennett, Mich.	Cole, Kans.	Ford
	Cole, N. Y.	Gamble
	Cooley	Gathings
Gavin	LeFevre	Rich
Gillette	Lichtenwalter	Riehlman
Golden	Lovre	Rivers
Goodwin	Lucas	Rogers, Fla.
Gossett	McCulloch	St. George
Graham	McGregor	Sanborn
Guill	McMillen, Ill.	Scrivner
Gwinn	Macy	Scudder
Hagen	Martin, Iowa	Shafer
Hale	Martin, Mass.	Short
Hall, Leonard W.	Mason	Simpson, Ill.
	Merrow	Simpson, Pa.
Halleck	Meyer	Smathers
Harden	Michener	Smith, Kans.
Harvey	Miller, Md.	Smith, Va.
Herter	Morton	Smith, Wis.
Hill	Murray, Tenn.	Stockman
Hinshaw	Nicholson	Taber
Hoeven	Norblad	Talle
Hoffman, Ill.	O'Hara, Minn.	Towe
Hoffman, Mich.	Passman	Velde
Holmes	Pfeiffer, William L.	Vorys
Hope		Vursell
Horan	Phillips, Calif.	Wadsworth
James	Pickett	Weichel
Jenison	Plumley	Werdel
Jenkins	Poage	Whitten
Jensen	Potter	Widnall
Johnson	Poulson	Willis
Keating	Rankin	Wilson, Ind.
Kilburn	Reed, Ill.	Winstead
Kunkel	Reed, N. Y.	Wolcott
LeCompte	Rees	Woodruff

NAYS—227

Abbitt	Fernandez	McKinnon
Addonizio	Flood	McMillan, S. C.
Albert	Fogarty	McSweeney
Allen, La.	Forand	Mack, Ill.
Andrews	Frazier	Mack, Wash.
Aspinall	Fugate	Madden
Baring	Fulton	Magee
Barrett, Pa.	Furcolo	Mahon
Bates, Ky.	Garmatz	Mansfield
Battle	Gordon	Marcantonio
Beckworth	Gore	Marsalis
Bennett, Fla.	Gorski	Marshall
Bentsen	Granahan	Mills
Biemiller	Granger	Mitchell
Blatnik	Grant	Morrison
Boggs, La.	Green	Moulder
Bolling	Gregory	Multer
Bolton, Ohio	Gross	Murdock
Bonner	Hall, Edwin Arthur	Murphy
Bosone		Nelson
Breen	Hand	Noland
Brooks	Hardy	Norrell
Brown, Ga.	Hart	Norton
Buchanan	Havenner	O'Brien, Ill.
Buckley, Ill.	Hays, Ark.	O'Brien, Mich.
Buckley, N. Y.	Hays, Ohio	O'Hara, Ill.
Burdick	Hébert	O'Konski
Burke	Hedrick	O'Neill
Burnside	Heffernan	O'Toole
Burton	Heller	Pace
Byrne, N. Y.	Heselton	Patman
Camp	Hobbs	Patten
Canfield	Holifield	Patterson
Cannon	Howell	Perkins
Carlyle	Huber	Peterson
Carnahan	Hull	Pfeifer, Joseph L.
Carroll	Irving	
Case, N. J.	Jackson, Wash.	Philbin
Cavalcante	Jacobs	Polk
Celler	Javits	Preston
Chatham	Jonas	Price
Chelf	Jones, Ala.	Priest
Chesney	Jones, Mo.	Rabaut
Christopher	Jones, N. C.	Rains
Chudoff	Judd	Ramsay
Clemente	Karst	Redden
Colmer	Karsten	Rhodes
Combs	Kean	Ribicoff
Cooper	Kearns	Richards
Coudert	Kee	Robeson
Cox	Kelly, N. Y.	Rodino
Crook	Kennedy	Rogers, Mass.
Crosser	Keogh	Rooney
Davenport	Kilday	Roosevelt
Davis, Tenn.	King	Sabath
Dawson	Klein	Sasscer
Deane	Kruse	Saylor
DeGraffenried	Lane	Scott, Hardie
Delaney	Lanham	Scott, Hugh D. Jr.
Dollinger	Larcade	
Donohue	Latham	Secrest
Doughton	Lind	Sikes
Douglas	Linehan	Sims
Doyle	Lyle	Spence
Eberharter	Lynch	Staggers
Engle, Calif.	McCarthy	Steed
Evins	McCormack	Stigler
Fallon	McGrath	Sullivan
Feighan	McGuire	Tauriello
Taylor	Van Zandt	Williams
Teague	Vinson	Wilson, Okla.
Thomas	Wagner	Withrow
Thompson	Walsh	Woodhouse
Thornberry	Walter	Yates
Tollefson	Whitaker	Young
Trimble	Wier	Zablocki
Underwood	Wigglesworth	

ANSWERED "PRESENT"—2

Harrison Jackson, Calif.

NOT VOTING—58

Bailey	Keefe	Sadlak
Bulwinkle	Kelley, Pa.	Sadowski
Case, S. Dak.	Kerr	Shelley
Corbett	Kirwan	Sheppard
Curtis	Lodge	Smith, Ohio
Davies, N. Y.	McConnell	Stanley
Denton	McDonough	Stefan
Dingell	Miles	Sutton
Durham	Miller, Calif.	Tackett
Eaton	Miller, Nebr.	Welch
Elliott	Monroney	Wheeler
Engel, Mich.	Morgan	White, Calif.
Fellows	Morris	White, Idaho
Gary	Murray, Wis.	Whittington
Gilmer	Nixon	Wickersham
Hare	O'Sullivan	Wilson, Tex.
Harris	Phillips, Tenn.	Wolverton
Herlong	Powell	Wood
Jennings	Quinn	
Kearney	Regan	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Harrison for, with Mr. Harris against.

Mr. Miller of Nebraska for, with Mr. Lodge against.

Mr. Fellows for, with Mr. Wolverton against.

Mr. Jennings for, with Mr. Corbett against.

Mr. Curtis for, with Mr. Engel of Michigan against.

Mr. Gilmer for, with Mr. Dingell against.

Mr. Stanley for, with Mr. Denton against.

Mr. Durham for, with Mr. Morgan against.

Mr. Wilson of Texas for, with Mr. Kerr against.

Mr. Jackson of California for, with Mr. Miller of California against.

Mr. Smith of Ohio for, with Mr. Davies of New York against.

Mr. Sadlak for, with Mr. Sutton against.

Until further notice.

Mr. Herlong with Mr. Case of South Dakota.

Mr. O'Sullivan with Mr. Eaton.

Mr. Bailey with Mr. Stefan.

Mr. Regan with Mr. Phillips of Tennessee.

Mr. Quinn with Mr. Nixon.

Mr. Welch with Mr. Murray of Wisconsin.

Mr. Kelley of Pennsylvania with Mr. McDonough.

Mr. Sadowski with Mr. McConnell.

Mr. Wheeler with Mr. Keefe.

Mr. Wickersham with Mr. Kearney.

Mr. DAVIS of Georgia changed his vote from "nay" to "yea."

Mr. JACKSON of California. Mr. Speaker, on this vote I have a live pair with the gentleman from California, Mr. MILLER, who, if present, would have voted "nay." I therefore withdraw my vote of "yea" and vote "present."

Mr. HARRISON. Mr. Speaker, on this vote I have a live pair with the gentleman from Arkansas, Mr. HARRIS, who, if present, would have voted "nay." I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. WOLCOTT. Mr. Speaker, on this I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 202, nays 163, answering "present" 5, not voting 60, as follows:

[Roll No. 177]

YEAS—202

Addonizio	Gordon	Morrison
Allen, La.	Gore	Moulder
Aspinall	Gorski	Multer
Baring	Granahan	Murdock
Barrett, Pa.	Granger	Murphy
Bates, Ky.	Green	Nelson
Battle	Gregory	Noland
Bennett, Fla.	Gross	Norrell
Bentsen	Hall,	Norton
Biemiller	Edwin Arthur	O'Brien, Ill.
Blatnik	Hand	O'Brien, Mich.
Boggs, La.	Hardy	O'Hara, Ill.
Bolling	Hart	O'Konski
Bolton, Ohio	Havenner	O'Neill
Bonner	Hays, Ark.	O'Toole
Bosone	Hays, Ohio	Patman
Breen	Hébert	Patterson
Brooks	Hedrick	Perkins
Brown, Ga.	Heffernan	Peterson
Buchanan	Heller	Pfeifer,
Buckley, Ill.	Herlong	Joseph L.
Buckley, N. Y.	Hobbs	Philbin
Burdick	Holifield	Polk
Burke	Howell	Price
Burnside	Huber	Priest
Burton	Hull	Rabaut
Byrne, N. Y.	Irving	Rains
Camp	Jackson, Wash.	Ramsay
Canfield	Jacobs	Rhodes
Cannon	Javits	Ribicoff
Carnahan	Jonas	Richards
Carroll	Jones, Ala.	Rodino
Case, N. J.	Jones, Mo.	Rogers, Mass.
Cavalcante	Judd	Rooney
Celler	Karst	Roosevelt
Chelf	Karsten	Sabath
Chesney	Kean	Sasscer
Christopher	Kearns	Saylor
Chudoff	Kelly, N. Y.	Scott, Hardie
Clemente	Kennedy	Scott,
Colmer	Keogh	Hugh D., Jr.
Combs	King	Secrest
Cooper	Klein	Sikes
Coudert	Lane	Sims
Crook	Lanham	Spence
Crosser	Larcade	Staggers
Davenport	Latham	Stigler
Davis, Tenn.	Lichtenwalter	Sullivan
Dawson	Lind	Tauriello
Deane	Linehan	Taylor
DeGraffenried	Lyle	Thornberry
Delaney	Lynch	Trimble
Dollinger	McCarthy	Underwood
Donohue	McCormack	Van Zandt
Douglas	McGrath	Vinson
Doyle	McGuire	Wagner
Eberharter	McKinnon	Walsh
Engle, Calif.	McMillan, S. C.	Walter
Evins	McSweeney	Whitaker
Fallon	Mack, Ill.	Wier
Feighan	Mack, Wash.	Wigglesworth
Flood	Madden	Williams
Fogarty	Magee	Withrow
Forand	Mansfield	Woodhouse
Frazier	Marcantonio	Yates
Fugate	Marsalis	Young
Fulton	Marshall	Zablocki
Furcolo	Mills	
Garmatz	Mitchell	

NAYS—163

Abbitt	Brehm	Fernandez
Abernethy	Brown, Ohio	Fisher
Albert	Bryson	Ford
Allen, Calif.	Burleson	Gamble
Allen, Ill.	Byrnes, Wis.	Gathings
Andersen,	Carlyle	Gavin
H. Carl	Chatham	Gillette
Anderson, Calif.	Chiperfield	Golden
Andresen,	Clevenger	Goodwin
August H.	Cole, Kans.	Gossett
Andrews	Cole, N. Y.	Graham
Angell	Cooley	Grant
Arends	Cotton	Guill
Auchincloss	Cox	Gwinn
Barden	Crawford	Hagen
Barrett, Wyo.	Cunningham	Hale
Bates, Mass.	Dague	Hall,
Beall	Davis, Ga.	Leonard W.
Beckworth	Davis, Wis.	Halleck
Bennett, Mich.	D'Ewart	Harden
Bishop	Dolliver	Harvey
Blackney	Dondero	Herter
Boggs, Del.	Doughton	Hill
Bolton, Md.	Ellsworth	Hinshaw
Boykin	Elston	Hoeven
Bramblett	Fenton	Hoffman, Ill.
Hoffman, Mich.	Miller, Md.	Scudder
Holmes	Morton	Shafer
Hope	Murray, Tenn.	Short
Horan	Nicholson	Simpson, Ill.
James	Norblad	Simpson, Pa.
Jenison	O'Hara, Minn.	Smathers
Jenkins	Passman	Smith, Kans.
Jensen	Patten	Smith, Wis.
Johnson	Pfeiffer	Steed
Jones, N. C.	William L.	Stockman
Keating	Phillips, Calif.	Taber
Kilburn	Pickett	Talle
Kilday	Plumley	Thomas
Kruse	Poage	Towe
Kunkel	Potter	Velde
LeCompte	Poulson	Vorys
LeFevre	Preston	Vursell
Lovre	Rankin	Wadsworth
Lucas	Redden	Weichel
McCulloch	Reed, Ill.	Werdel
McGregor	Reed, N. Y.	White, Idaho
McMillen, Ill.	Rees	Whitten
Macy	Rich	Widnall
Mahon	Riehlman	Willis
Martin, Iowa	Rivers	Wilson, Ind.
Martin, Mass.	Robeson	Wilson, Okla.
Mason	Rogers, Fla.	Winstead
Merrow	St. George	Wolcott
Meyer	Sanborn	Woodruff
Michener	Scrivner	

ANSWERING "PRESENT"—5

Harrison	Pace	Thompson
Jackson, Calif.	Teague	

NOT VOTING—60

Bailey	Kee	Regan
Bulwinkle	Keefe	Sadlak
Case, S. Dak.	Kelley, Pa.	Sadowski
Corbett	Kerr	Shelley
Curtis	Kirwan	Sheppard
Davies, N. Y.	Lodge	Smith, Ohio
Denton	McConnell	Smith, Va.
Dingell	McDonough	Stanley
Durham	Miles	Stefan
Eaton	Miller, Calif.	Sutton
Elliott	Miller, Nebr.	Tackett
Engel, Mich.	Monroney	Tollefson
Fellows	Morgan	Welch
Gary	Morris	Wheeler
Gilmer	Murray, Wis.	White, Calif.
Hare	Nixon	Whittington
Harris	O'Sullivan	Wickersham
Herlong	Phillips, Tenn.	Wilson, Tex.
Jennings	Powell	Wolverton
Kearney	Quinn	Wood

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Harris for, with Mr. Harrison against.

Mr. Herlong for, with Mr. Pace against.

Mr. Sadowski for, with Mr. Thompson against.

Mr. Miller of California for, with Mr. Jackson of California against.

Mr. Kerr for, with Mr. Teague against.

Mr. Kelley of Pennsylvania for, with Mr. Durham against.

Mr. Lodge for, with Mr. Miller of Nebraska against.

Mr. Wolverton for, with Mr. Fellows against.

Mr. Corbett for, with Mr. Jennings against.

Mr. Engel of Michigan for, with Mr. Curtis against.

Mr Welch for, with Mr. Stanley against.

Mr. Quinn for, with Mr. Wilson of Texas against.

Mr. Shelley for, with Mr. Wood against.

Mr. Powell for, with Mr. Gilmer against.

Mr. Morgan for, with Mr. Smith of Virginia against.

Mr. Kirwan for, with Mr. Smith of Ohio against.

Mr. Denton for, with Mr. Sadlak against.

Until further notice:

Mr. Sutton with Mr. Nixon.

Mr. Dingell with Mr. Stefan.

Mr. Gary with Mr. Tollefson.

Mr. Bailey with Mr. Eaton.

Mr. Kee with Mr. Case of South Dakota.

Mr. Wheeler with Mr. Keefe.

Mr. Wickersham with Mr. McConnell.

Mr. Davies of New York with Mr. McDonough.

Mr. Regan with Mr. Kearney.

Mr. Whittington with Mr. Phillips of Tennessee.

Mr. MCGRATH changed his vote from "nay" to "yea."

Mr. JACKSON of California. Mr. Speaker, on the vote on the motion to recommit and on this vote, I have a live pair with the gentleman from California, Mr. MILLER. If he were present he would have voted "nay" on the motion to recommit and would have voted "yea" on the passage of the bill. I voted "yea" on the motion to recommit and "nay" on the passage of the bill. On both I withdraw my votes and answer "present."

Mr. HARRISON. Mr. Speaker, on this vote I have a live pair with the gentleman from Arkansas, Mr. HARRIS, who is necessarily absent. Were he present, he would have voted "yea." I voted "nay." I therefore withdraw my vote and answer "present."

Mr. THOMPSON. Mr. Speaker, on this vote I have a live pair with the gentleman from Michigan, Mr. SADOWSKI. Had he been present he would have voted "yea." I voted "nay." I therefore withdraw my vote and answer "present."

Mr. TEAGUE. Mr. Speaker, on this vote I have a live pair with the gentleman from North Carolina, Mr. KERR. If he were present he would have voted "yea." I voted "nay." I therefore withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 3181) to extend the Housing and Rent Act of 1947, as amended, and for other purposes, strike out all after the enacting clause, and insert in lieu thereof the provisions of the engrossed copy of H. R. 8276.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That this act may be cited as the "Housing and Rent Act of 1950".

SEC. 2. Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951".

SEC. 3. Section 202 (c) (1) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"(1) those housing accommodations in any establishment which is commonly known as a hotel in the community in which it is located and which is occupied by an appreciable number of persons who are provided customary hotel services such as maid service, furnishing and laundering of linen, telephone and secretarial or desk service, use and upkeep of furniture and fixtures, and bellboy service: *Provided, however,* That nothing herein shall be construed to have the effect of controlling any housing accommodations which were exempt from control

under this section or decontrolled by administrative action prior to the date of enactment of the Housing and Rent Act of 1950; or".

SEC. 4. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out "June 30, 1950" and inserting in lieu thereof "June 30, 1951".

SEC. 5. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"(f) (1) The provisions of this title, except section 204 (a), shall cease to be in effect at the close of December 31, 1950, except that they shall cease to be in effect at the close of June 30, 1951—

"(A) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to December 31, 1950, declares (by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such city, town, or village; and

"(B) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (A) at a time when maximum rents under this title were in effect in such unincorporated locality.

"(2) Any incorporated city, town, or village which makes the declaration specified in paragraph (1) (A) of this subsection shall notify the Housing Expediter in writing of such action promptly after it has been taken.

"(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph."

SEC. 6. Section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out the first proviso, and by striking out *"And provided further"* and inserting in lieu thereof *"Provided"*.

SEC. 7. Nothing in this act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

SEC. 8. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 9. This act shall become effective on the first day of the first calendar month following the month in which it is enacted.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Strike out all after the enacting clause of the Senate bill and insert in lieu thereof the provisions of the bill H. R. 8276, as amended, as follows: "That this act may be cited as the 'Housing and Rent Act of 1950'.

"SEC. 2. Section 4 (e) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out 'June 30, 1950' and inserting in lieu thereof 'June 30, 1951'.

"SEC. 3. Section 204 (a) of the Housing and Rent Act of 1947, as amended, is hereby amended by striking out 'June 30, 1950' and inserting in lieu thereof 'June 30, 1951'.

"SEC. 4. Section 204 (f) of the Housing and Rent Act of 1947, as amended, is hereby amended to read as follows:

"'(f) (1) The provisions of this title, except section 204 (a), shall cease to be in effect at the close of January 31, 1951, except that they shall cease to be in effect at the close of June 30, 1951—

"'(A) in any incorporated city, town, or village which, at a time when maximum rents under this title are in effect therein, and prior to January 31, 1951, declares (by resolution of its governing body adopted for that purpose, or by popular referendum, in accordance with local law) that a shortage of rental housing accommodations exists which requires the continuance of rent control in such city, town, or village; and

"'(B) in any unincorporated locality in a defense-rental area in which one or more incorporated cities, towns, or villages constituting the major portion of the defense-rental area have made the declaration specified in subparagraph (A) at a time when maximum rents under this title were in effect in such unincorporated locality.

"'(2) Any incorporated city, town, or village which makes the declaration specified in paragraph (1) (A) of this subsection shall notify the Housing Expediter in writing of such action promptly after it has been taken.

"'(3) Notwithstanding any provision of paragraph (1) of this subsection, the provisions of this title shall cease to be in effect upon the date of a proclamation by the President or upon the date specified in a concurrent resolution by the two Houses of the Congress, declaring that the further continuance of the authority granted by this title is not necessary because of the existence of an emergency, whichever date is the earlier.

"'(4) Notwithstanding any provision of paragraph (1) or (3) of this subsection, the provisions of this title and regulations, orders, and requirements thereunder shall be treated as still remaining in force for the purpose of sustaining any proper suit or action with respect to any right or liability incurred prior to the termination date specified in such paragraph.'

"SEC. 5. Section 204 (j) (3) of the Housing and Rent Act of 1947 as amended is hereby amended to read as follows:

"'(3) The Housing Expediter shall terminate the provisions of this title in any incorporated city, town, village, or in the unincorporated area of any county upon receipt of a resolution of its governing body adopted for that purpose in accordance with applicable local law and based upon a finding by such governing body reached as the result of a public hearing held after 10 days' notice, that there no longer exists such a shortage in rental housing accommodations as to require rent control in such city, town, village, or unincorporated area in such county: *Provided*, That where the major portion of a defense-rental area has been decontrolled pursuant to this paragraph (3), the Housing Expediter shall decontrol any unincorporated locality in the remainder of such area.'

"SEC. 6. Nothing in this act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 7. If any provision of this act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 8. This act shall become effective on the first day of the first calendar month following the month in which it is enacted."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the bill H. R. 8276 was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members who so desire may extend their remarks in the RECORD before the the final vote, and that all Members may have five legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

ADJOURNMENT OVER TOMORROW AND FROM THURSDAY TO MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Thursday next, and that when the House adjourns on Thursday next it adjourn to meet on Monday, June 19.

The SPEAKER. Is there objection to the request of the gentelman from Massachusetts?

There was no objection.

PROGRAM

Mr. McCORMACK. Mr. Speaker, may I make a brief observation? There will be no legislative business the remainder of the week except what comes up by unanimous consent. That means that there is no legislative business, and unanimous-consent matters, as the Members know, are very carefully screened.

EXPORT-IMPORT BANK

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 650, Rept. No. 2240), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8083) to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad. That after general debate which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE TO INVESTIGATE CAMPAIGN EXPENDITURES

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 635, Rept. No. 2238), which was referred to the House Calendar and ordered to be printed:

Resolved, That a special committee of five Members be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than January 3, 1951, with respect to the following matters:

1. The extent and nature of expenditures made by all candidates for the House of Representatives in connection with their campaign for nomination and election to such office.

2. The amounts subscribed, contributed, or expended, and the value of services rendered, and facilities made available (including personal services, use of advertising space, radio and television time, office space, moving-picture films, and automobile and other transportation facilities) by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, to or on behalf of each such candidate in connection with any such campaign or for the purpose of influencing the votes cast or to be cast at any convention or election held in 1950 to which a candidate for the House of Representatives is to be nominated or elected.

3. The use of any other means or influence (including the promise or use of patronage) for the purpose of aiding or influencing the nomination or election of any such candidates.

4. The amounts, if any, raised, contributed, and expended by any individual, individuals, or group of individuals, committee, partnership, corporation, or labor union, including any political committee thereof, in connection with any such election, and the amounts received by any political committee from any corporation, labor union, individual, individuals, or group of individuals, committee, or partnership.

5. The violations, if any, of the following statutes of the United States:

(a) The Federal Corrupt Practices Act.

(b) The act of August 2, 1939, as amended, relating to pernicious political activities, commonly referred to as the Hatch Act.

(c) The provisions of section 304, Public Law 101, Eightieth Congress, chapter 120, first session, referred to as the Labor Management Relations Act, 1947.

(d) Any statute or legislative act of the United States, or of the State within which a candidate is seeking nomination or reelection to the House of Representatives, the violation of which Federal or State statute, or statutes, would affect the qualification of a Member of the House of Representatives within the meaning of article I, section 5, of the Constitution of the United States.

6. Such other matters relating to the election of Members of the House of Representatives in 1950, and the campaigns of candidates in connection therewith, as the committee deems to be of public interest, and which in its opinion will aid the House of Representatives in enacting remedial legislation, or in deciding any contests that may be instituted involving the right to a seat in the House of Representatives.

7. The committee is authorized to act upon its own motion and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made to the committee under oath, by any person, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in such complaint are immaterial or untrue. All hearings before the committee, and before any duly authorized subcommittee thereof shall be public, and all orders and decisions of the committee, and of any such subcommittee shall be public.

For the purpose of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such public hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-first Congress, to employ such attorneys, experts, clerical, and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, and to take such testimony, as it deems advisable. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by such chairman, and may be served by any person designated by any such chairman or member.

8. The committee is authorized and directed to report promptly any and all violations of any Federal or State statutes in connection with the matters and things mentioned herein to the Attorney General of the United States in order that he may take such official action as may be proper.

9. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties prescribed by law.

That said committee is authorized and directed to file interim reports whenever in the judgment of the majority of the committee, or of a subcommittee conducting portions of said investigation, the public interest will be best served by the filing of said interim reports, and in no event shall the final report of said committee be filed later than January 3, 1951, as hereinabove provided.

ENLISTMENT OF ALIENS IN THE REGULAR ARMY

Mr. SABATH, from the Committee on Rules, reported the following privileged resolution (H. Res. 649, Rept. No. 2239), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2269) to provide for the enlistment of aliens in the Regular Army. That after general debate which shall be confirmed to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONVEYANCE TO THE TOWN OF NAHANT, MASS., OF FORT RUCKMAN MILITARY RESERVATION

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7477) providing for the conveyance to the town of Nahant, Mass., of the Fort Ruckman Military Reservation, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAWSON, BONNER, and RICH.

SPECIAL ORDERS GRANTED

Mr. PATMAN. Mr. Speaker, on June 19, which is the fourteenth anniversary of the Robinson-Patman Act, I ask unanimous consent to address the House for 1 hour following the legislative program and any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN asked and was given permission to address the House for 1 hour on Thursday next, following the legislative program and any special orders heretofore entered.

Mr. HOEVEN asked and was given permission to address the House for 5 minutes on Thursday next, following the legislative program and any special orders heretofore entered.

AN OPEN LETTER TO THE BLINDED VETERANS OF EVERY NATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I received the following letter from Mr. Robert E. Lackey, who is connected with the New York regional group, the Blinded Veterans Association of the United States:

JUNE 1, 1950.

Congresswoman EDITH N. ROGERS,
Veterans' Affairs Committee, House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: On Monday, May 29, 1950, I spoke at the United Nations and the speech was broadcast over the entire world. It received wonderful news coverage here in New York and the enclosed letter which I wrote was part of the broadcast. Delegates of all 59 countries received copies of it.

Thanking you for the many kindnesses shown to me and the organization, I am,

Respectfully yours,

ROBERT E. LACKEY.

Mr. Speaker, I also hold in my hand an open letter to the blinded veterans of every nation in care of their representatives to the United Nations, which was broadcast by Robert E. Lackey of New York. This letter is from the New York Regional Group of the Blinded Veterans Association of the United States and reads as follows:

THE BVA BEACON,
BLINDED VETERANS ASSOCIATION,
NEW YORK REGIONAL GROUP,
Levittown, Long Island, N. Y., May 30, 1950.

AN OPEN LETTER TO THE BLINDED VETERANS OF EVERY NATION IN CARE OF THEIR REPRESENTATIVES TO THE UNITED NATIONS

This letter is from the New York Regional Group of the Blinded Veterans Association of the United States to the blinded veterans of every nation. We who are sightless can see

the ravages of war. And we can see war ahead again. We see heedless, needless war, waiting for a new generation as the last war waited for us.

But we see something else. We see hope. A blind man is proud, but not so proud that he is unwilling to accept help. A blind man can know where he is going, because he trusts those who lead him. A blind man knows that he has fought his war and will not fight another.

Ask the blinded veterans to choose between peace and war. Ask them for some of the lessons they have learned the hard way—like swallowing some excess pride, helping each other, making concessions without surrender.

This is the plea of the New York regional group of the Blinded Veterans Association of the United States. Do not add to our ranks. Do not visit on another generation the senseless follies of the last. Do not blind yourselves to the need for all nations to live peacefully together.

We who are blind have found that any dispute which can be settled by force of arms can be settled in peace. We have found that force of arms rarely settles disputes—it merely prolongs them. Is there peace anywhere in the world today?

A cold war is like a cold flame. It consumes just as much.

We ask you to learn a lesson, a lesson that we have learned in a much harder way. We ask you to devote as much effort to making peace as to preparing for war.

We ask this because nobody wins a war, and everybody wins a peace. We ask this because we know how much can be lost in a war. We ask this because it is the most important thing to ask.

Perhaps, if the blinded veterans of the world can meet in peace, the leaders of the world's governments will learn how it is done.

NEW YORK REGIONAL GROUP, THE BLINDED VETERANS ASSOCIATION OF THE UNITED STATES.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from South Carolina [Mr. RICHARDS] is recognized for 1 hour.

FOREIGN POLICY

Mr. RICHARDS. Mr. Speaker, more than 15 years' service on the House Committee on Foreign Affairs has very naturally impressed me with the tremendous importance of a definite and sound policy governing our relations with the nations of the world.

Throughout our national existence this country has been blessed with a galaxy of able Secretaries of State, under the President the enunciators of our foreign policy. The present Secretary, Mr. Acheson, is no exception to the rule. He is, in my opinion, one of the ablest of the group from the standpoint of perception and intellect. His good purpose cannot be seriously questioned, although, like all humans, his judgment is not infallible.

The job of the Secretary of State of the United States was comparatively a pink tea prior to the early twentieth century period. Those were the years when we were permitted to, and content to, live alone as a Nation.

From 1914 until World War II, the period of our growth to manhood in world responsibility, the eyes of the world became focused upon us as the new giant among nations. Our people learned, too, that it is tragic to have a giant's strength and not use it in the right direction. During the period mentioned the virility of our foreign policy became increasingly important in the eyes of the world and our own people.

Since World War II, our country is recognized everywhere as the most powerful in the world. This Nation is the accepted leader in the conflict of ideologies brought upon us by the forces of communism. It follows that our foreign policy today carries on its shoulders the fate of the world. It follows, too, that those who shape our foreign policy or policies today carry a burden 1,000 times as great as those who came before.

It is a recognized axiom among nations that a nation's foreign policy is primarily selfish. In other words, it would be foolish for any President or Secretary of State to follow any policy in international relations not calculated in the long run to benefit our own country.

Among the great achievements first sponsored by the framers of our foreign policy during these postwar years were the United Nations, the Marshall plan for European economic recovery, and the Atlantic Pact. All of these organizations came into being and were founded on the concept that what is good for the rest of the democratic world will promote the best interests of our own country. I am sure that all of us here today agree that the avowed objective of these groups, world peace through world unity and economic security, is the ultimate goal of our foreign policy.

Such basic principles have been and must continue to be unchangeable objectives of our foreign policy. But in our national moves to reach these objectives, it may be necessary for this country to change its policies in regard to individual countries. General foreign policy may be fixed, but the steps to achieve super-objectives cannot be poured into a mold. It must necessarily be a fluid thing—its course directed from day to day by changing scenes and conditions in the panorama of the world.

I have never subscribed to the views, nor have I joined the attacks of those who have questioned the wisdom or impugned the motives of those who represented our Government at Tehran, Cairo, Yalta, Potsdam and other conferences with representatives of the Big Four. I am confident that decisions made there, although sometimes in the light of subsequent events proved unwise, were all honestly thought then to be for our country's best interest. Most of us hoped then, along with the framers of our foreign policy, that we would be able to work with Stalin as we had fought with him against Hitler. We have learned since that Machiavellian diplomacy is not dead and that Stalin is the present day exponent of that art.

I have never condemned, as many have, our foreign policy in the Pacific and Asiatic area. It is true that communism is on the march in Asia, but I doubt that the trend there could have been permanently checked by any other course of action short of actual war. Certainly not by simply pouring out additional hundreds of millions of the taxpayers' dollars in support of the Chiang Kai-shek government which had rightly or wrongly lost the faith and support of the Chinese people.

In Europe the general policy of the administration is directed toward the containment of communism. There are few now to deny that had it not been for the Marshall plan, bolstered by the Atlantic Pact, the weakened governments and hungry people of western Europe would have been submerged by the Russian tide. The Marshall plan and the Atlantic Pact, first sponsored by America, will, I believe, prove to be outstanding foreign-policy milestones. It took courage, wisdom and foresight for this Nation to sponsor such daring international moves. At no time in the history of any other government has greater vision or initiative been shown.

There is, however, to my mind, at least one glaring weakness and inconsistency in the foreign policy of the United States as related to Europe. I refer to our attitude toward Spain.

Here is a great country, for centuries a great world power, a proud, virile, courteous, and courageous people of 28,000,000, situated near the heart of western Europe with a stable government which has been in power over a decade, and we injure her natural pride and discourage friendly relationship by not having a representative of our Government of ambassadorial rank in Madrid—an unheard-of situation in former years.

It seems that our Government is basing its policy of nonrecognition of the Spanish Government on the declaration at San Francisco in 1945, the Potsdam declaration, and the resolution of the United Nations of December 12, 1946. These declarations, calculated to placate certain other European governments, all frowned upon General Franco's so-called dictatorial government, played right into Russia's hands. In justice, it must be said that the United States abstained from voting on the last-named United Nations resolution aimed at nonrecognition of the Franco government. I may add that abstention from voting on so important a question is not calculated to increase the stature of the United States in the international field or to strengthen her hand in the performance of her role in the world as a great power. In every other move for world solidarity the United States has proudly led. She has not supinely followed, nor has she remained silent on great issues of the day.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. I remained here to listen to the gentleman with the expectation that I would find myself in accord with the views to which he might give expression, but the statement he makes with reference to our policy as regards China surprises me. But I will not take the time to develop that now.

Mr. RICHARDS. Well, I have great respect for the opinion of the very able gentleman from Georgia, but he and I just simply do not agree on that question. I have often heard him express his views on the subject.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Texas.

Mr. POAGE. May I ask the gentleman, as a member of the Committee on Foreign Affairs, if he does not feel that it is certainly a reflection on the United States that we put Haiti and El Salvador and all the other smaller countries of the world out in front and ask them to make the decisions, and say, "The United States cannot make up its mind as to what it wants to do"? Is it not our policy in connection with this United Nations resolution that we say, "We just cannot make up our minds what we ought to do, but you folks go on and make the decisions for the world and we will follow?"

Mr. RICHARDS. It is a shameful policy.

Mr. POAGE. I think so, too.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. I know of my own knowledge that the gentleman as a member of the Committee on Foreign Affairs has been a very careful student of the policy connected with our foreign affairs. There are many phases of our foreign policy concerning which there is room for honest difference of opinion, but insofar as Spain is concerned, I can see no possible ground for differences between men who are earnest in their endeavor and in their desire to forward the cause of the world.

If the gentleman will permit, I want to make this observation: In what we do in regard to Spain, we apply the test to the good faith of the whole, total diplomacy policy of the State Department. I believe there has been a change of attitude on the State Department, but I shall not be satisfied, I shall not give my complete confidence until there is something done by the State Department that gives recognition to the importance of Spain in the picture.

Mr. RICHARDS. I thank the gentleman for his very important contribution.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Mississippi.

Mr. COLMER. As the gentleman knows, there are few men, if any, in this House for whom I have a higher regard than the gentleman from South Carolina.

The gentleman knows further that I have a very high regard for his astuteness and his studiousness in the study of world affairs. I want to congratulate the gentleman on the statement he is making and for the stand that he is taking. To my mind there is no reason, rhyme, or justification for not recognizing the Spanish Government and giving them the recognition that they are entitled to. We all know, as a matter of common knowledge, that Spain is a Catholic nation. We also know as a matter of common knowledge that there is no religious sect which is more strongly opposed to communism. You and I have found that out in Europe. We have seen it elsewhere. Therefore, while we are fighting communism on all fronts, why do we neglect this opportunity to give recognition to a nation which is so uniformly against communism?

I may not like the form of government that they have there as compared with our form of government, but we do know they are making a great contribution and that they occupy a strategic position in world affairs which would be of great benefit to this country and to our allies in the fight against communism.

Mr. RICHARDS. I thank the gentleman very much for his contribution. In line with what the gentleman just said, it may be that the architects of our foreign policy do not approve of the present Spanish Government, but since when did this country or any other enlightened nation adopt a policy of nonrecognition of a government because we do not approve of its leaders or laws? Would American ambassadors be in Russia, Yugoslavia, and even some countries in the Western Hemisphere today if their being there depended on our approval of their customs, laws, and forms of government? I dare say not.

Mr. O'KONSKI. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. O'KONSKI. There is no man in the country I have a higher personal regard for than the gentleman who is now addressing the House. Regarding Spain, I wish to say he is expressing the opinions of the vast majority of the House.

I introduced an amendment 2 years ago to include Spain in the Marshall-plan aid which carried in the House by an overwhelming majority of 2 to 1. Every minute, every hour and every week that we fail to recognize Spain as a country and as a government we are playing into the hands of the Communists because there is nothing that the Communists would hate more than to see Spain recognized as a member of the family of nations.

Spain was charted to be the first country to be taken over by the Communists. They suffered their first overwhelming defeat in Spain. Every minute and every day that we hesitate to recognize Spain we are merely playing into the hands of the Communists over the world.

Mr. RICHARDS. I thank the gentleman. I well remember when he began this fight some years ago and when he sought to include a provision to give proper recognition to Spain in giving aid to Europe.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. POAGE. I notice two of the Members have made the suggestion that we are not recognizing Spain. I think it would be well to call attention to the fact that our Government does recognize the existence of the government in Spain, which everybody has to recognize, but we simply do not accord them the full diplomatic recognition which normally exists between friendly nations in the world, and the only excuse I can see for it is that we are deliberately seeking to insult a people who have not been injuring us in any way. We do recognize Spain, but we do not send them an ambassador.

Mr. RICHARDS. The gentleman has stated the case correctly.

Mr. O'KONSKI. Some time ago the gentleman from New York [Mr. MULTER] who had been in Spain gave one of the finest speeches on the floor of the House that I had ever heard, dispelling all this Communist propaganda against the Spanish people. I recommend to every Member of the House to read that speech which was made on the basis of personal observation and many of their questions will be answered.

Mr. RICHARDS. There are many reasons why this country should take the leadership in revoking the anti-Spain edict of the Assembly of December 1946. In the meantime, there are impelling reasons, some selfish, if you please, why this country should independently hold out the hand of friendship to the Spanish Government and the Spanish people.

Mr. CHATHAM. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. CHATHAM. I have been privileged to serve as a junior member of the Foreign Affairs Committee under the distinguished gentleman from South Carolina [Mr. RICHARDS]. I have seen him work constantly for peace on that committee. I am strongly in favor of hemispheric defense, as vital to the safety of this country and to the democracies of the world. It is my considered belief that it is highly necessary that Spain be brought into close association with us, as close as possible. Spain's strategic position is recognized as most important to us in case of armed conflict. If we continue to strengthen our defensive position, the chances of peace will be increased; and, of course, all of our efforts must be for peace. I am heartily in agreement with the gentleman's wise advice.

Mr. RICHARDS. I thank the gentleman.

Mr. GREEN. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. GREEN. I rise at this time to congratulate my distinguished colleague from South Carolina, for whom I have great love and respect, and to bring to the attention of the House some of the things that should be recalled regarding our association with Spain.

I think that Spain granted us more favors than did any other neutral country during the past war, including Sweden, Turkey, Switzerland, and Portugal. Not only did the Spanish Government pledge itself not to interfere in any way with our fateful landings in the campaign in north Africa, not only did it assure us, as early as February 1943, that it would join us in war if the Axis should attempt an invasion of Spain; not only did it permit us to use Spain as a base for actual espionage of Axis activities in Spain and the Mediterranean, it also accorded us important favors and allowed us to get over 1,200 airmen safely across the peninsula without any internment. It permitted transit exit of over

25,000 members of the French resistance movement as reinforcements for the Allied armies in north Africa. It choked off the export of materials to Germany before any other neutral country did so. Spain, too, was the first country to conclude a permanent air agreement with us, whereby we were able to obtain landing rights for military as well as civilian planes.

In the light of all these facts, it is hypocritical to countenance information that Spain has been hostile to us and should therefore be treated as an outcast among nations. It belies the solemn assurance which President Roosevelt gave the Spanish people in 1942. Spain is vital to us. The late war has abundantly demonstrated the great strategic importance of the Iberian Peninsula for any emergency in which the United States might unhappily henceforth be involved. Nor can the United States have proper understanding with Spanish America without a proper understanding with Spain.

In my recent trip to Europe I had a chance to visit Spain. Most of the time I was there I happened to be under the doctor's care, as my distinguished colleague knows, and I had to leave Spain and come home and spend some time in the hospital. But America has always had friendly relations with the Spanish people and the Spanish Government. We found the people in Spain to be pro-American. It is a matter of record that if they are anything they are anticommunistic. I have a hatred for fascism, nazism, and communism. Although we may not agree with the kind of government there is in Spain, it seems stupid to me for America not to recognize the Spanish Government and have full diplomatic relations.

Mr. RICHARDS. I thank the gentleman very much.

We must not lose sight of the fact that Spain and the Spanish people have a historical, sentimental and traditional relationship with the people of North and South America that we cannot overlook. We are always ready to point out that the United States is living in peace and amity in the Western Hemisphere with the daughter nations of Spain to the south of us, yet our Government sits idly by and allows our national relations with the mother country to deteriorate.

There is another aspect of this situation, from a selfish standpoint. We have helped to organize the nations of western Europe into the Atlantic pact—all for one and one for all against communism—and here in Spain strategically situated on the Iberian Peninsula, hard by the Strait of Gibraltar, with her shoulders touching both the Mediterranean and the Atlantic Ocean, with 28,000,000 sturdy people who have fought and will fight for principles they believe in, and merely because two or three other nations in Europe do not like the existing Spanish Government, we refuse to admit Spain to the ranks of the Atlantic Pact. The whole world knows that the chief antagonist of the United States and the democratic ideal today is communistic Russia. The world also knows that of all the nations of Europe the Spanish Government and the Spanish people are strongest in their opposition to communism. Is it because we are so sure of this that our Government makes no real effort to bring about better relations with Spain, while at the same time making overtures to less worthy governments and peoples? If so, the position is unworthy of us and we may rue the day of our short-sightedness.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. BUCHANAN. I have a great deal of respect for the gentleman from South Carolina, the ranking majority member of the Committee on Foreign Affairs. I know that in the committee of which I am a member, the Committee on Banking and Currency, we have to review, of course, the problems that come before the Export-Import Bank. As I understand, there is now pending before the bank an application for financial and economic assistance to Spain. I have looked into this problem and I feel the gentleman will agree with me that if we are to extend our assistance to the nations of the world who are in common with the ideals we wish to promote that we look with favorable aspect upon the application.

Likewise, I know that the gentleman is quite an expert and I wonder if he would care to comment upon the recent statement of the bishop in regard to the Zionists in this particular area which he is discussing at this time?

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield.

Mr. MULTER. Did I understand the gentleman correctly, that he asked for some comment upon the statement that was recently attributed to the bishop of Tereul with reference to Zionists?

Mr. BUCHANAN. That is right.

Mr. MULTER. If the gentleman will yield to me, I would like to make a very brief answer to that. I have always been very fearful of doing business with dictators in either hemisphere, but in every instance I bow to those in charge of the national security of this country in the hope that they know better than I what they are doing, and that when a decision is made either by those in charge of our national security or our State Department that it will be a wise one.

I was very much disturbed to read of the statement by the Bishop of Tereul just referred to by the distinguished gentleman from Pennsylvania in which the Bishop said something to the effect that the Zionists and Jews and Communists were detrimental to Spain and ought to be driven out of Spain. I know that in Spain the Catholic church is divided in its support for the Franco government. There is the Bishop of Malaga who is opposed to Franco and he represents a considerable element of the church when he preaches social justice as he believes it to be the function of government. The Bishop of Malaga does not talk for the Franco government. Similarly the Bishop of Tereul does not talk for the Franco government in condemning Jews and Zionists. I join with him, despite the fact I do not like anything he said about the Jews and the Zionists, in his condemnation of communism and Communists. But he makes the same mistake many people do the world over in lumping together Jews, Communists, and Zionists; it is a serious mistake.

I was quite distraught about his vicious, unwarranted and false accusation against Jews and Zionists.

I contacted the Spanish Ambassador in Washington, the Spanish Ambassador at Large, and asked him to tell me whether or not what the Bishop of Tereul said in condemning Zionists and Jews was Spanish policy. I know from what I saw myself when I was in Spain that the Jews live there with all the privileges of all Spaniards. There was no Jewish persecution. I was very much disturbed to read that item as published in the Spanish press attributed to this bishop.

After cabling to his government at home, the Ambassador at Large here in Washington wrote to me that he was authorized by the Spanish Government to say to the American Jewish community that the Bishop of Tereul was not speaking for Spain and was not enunciating Spanish policy and that the friendliness of the Government of Spain toward Jews and Zionists was the same as when I was over there last October and for a long time prior thereto. Just as we condemn various clergymen in this country when they say things they should not say, so, too, you will find the world over men who happen to be members of the clergy saying things that their church is very much ashamed of.

Mr. RICHARDS. I thank both the gentleman from Pennsylvania and the gentleman from New York for throwing light on this subject.

The gentleman from Pennsylvania said something about a credit proposition down here at the Export-Import Bank. Reference has been made in the press about the refusal of credit on the part of the United States to Spain. Now, Spain has not asked to become a beneficiary of the Marshall plan, but she has applied to this country for a loan through the Export-Import Bank.

A modest application is now on file, I am informed, for dollars with which to build a commercial fertilizer plant, which is a crying need in Spain at the present time. The Spanish people are actually suffering from the decline in the productivity of the soil. The soil of Spain, none too rich to begin with, has become, because of lack of commercial fertilizer during the war and postwar years, depleted more and more. I am glad to hear that the Export-Import Bank is now considering the application and has promised to consider it on its merits, free of any political objections.

All of the foregoing points up the fact that our not having normal diplomatic relations with Spain definitely and materially affects our trade with that country which for so many years has been a traditional customer for our products of field and factory.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Texas.

Mr. POAGE. In connection with the situation of trade between the United

States and Spain, I would like to call attention to the fact that in normal times Spain takes about 300,000 bales per year of American cotton. There is no reason why Spain should not take 300,000 bales of American cotton now except for the unfortunate political situation which has, of course, created an unfortunate financial situation. The Spanish people need the cotton. They are not getting it from any other source. The United States is the logical place from which they could get that cotton and spin it to their good and to ours.

I can see no reason why we should not give perfectly normal consideration to whether Spain needs export-import credit. If they can use it to mutual advantage, and there is the prospect it can pay back the loan, and there is, it would be advantageous to the American shipper as well as to the Spanish manufacturer and to the people of both nations. They could carry on that trade to advantage. That is what the Export-Import Bank was created for and not to pass judgment upon the political or the religious implications of any government. It was created to pass judgment upon whether or not we could carry on trade with advantage to both sides. It seems to me that we are clearly in a place where we can carry on a trade to mutual advantage with Spain. Of course, the gentleman from South Carolina knows I feel that it would be very helpful if the Spanish Government would remove some of its restrictions on exchange and would allow the liens of the shipper to follow that cotton until it is finally disposed of and paid for, because it is not a one-way street. I want the United States to walk down that street and I want the Spanish Government to walk halfway down the street and meet us.

Until the Spanish Government is willing to accord to our shippers the same protection of their debts that any other government in the world accords, they cannot expect us to ship them goods. I understand they are coming now to the Export-Import Bank and offering to give those guaranties, and I hope that they may be judged solely on the commercial basis. If they are good, let us make the loan, and if not, let us turn it down.

Mr. RICHARDS. I have no quarrel with the gentleman from Texas in his position, because I think it is correct.

The question I want to ask is this: Is the United States, a country which in the coming years must be on good trade terms with nations such as Spain in order that we may dispose of our surplus industrial and farm output, to sit supinely by while France and Great Britain, nations which are the beneficiaries of our largess, tie up future Spanish trade by long-term bilateral agreements? Let us take stock of that situation.

In 1949, Spain exported to the United States only $25,000,000 worth of goods and products, imported from us $50,000,000. While the handicaps that obtain have not prevented a small recent increase in Spanish exports to the United States volume—the first 3 months of 1950 saw exports increase to eleven plus million, an annual volume of forty-five million—that increase has been little compared with Spain's trade with Great Britain and France—which countries have admittedly sought to influence our relations with Spain—and even with western Germany. In 1949 the dollar volume of Spain's trade with France approached $53,000,000; with Great Britain, one hundred and eighty million; and with western Germany, ninety-seven million. It is unnecessary to note that Spain has no trade with iron curtain countries. But more significant than these trade figures is the fact that the economic relationships of the countries involved have been reduced to formal and binding bilateral agreements. With Great Britain, financial and commercial agreements were effectuated in June 1948 and have continued since. The basic agreement calls for an approximate exchange of $200,000,000 per year. Spain receives coal, cotton, petroleum products, rubber, industrial fibers, cars, trucks, machinery, and so forth, and ships potash, iron ore, pyrites, cork, resins, wines, oranges, tomatoes, bananas, and a variety of Spanish raw materials and manufactured goods. The financial agreement excludes the convertibility of sterling to dollars, but permits use of the sterling funds within the sterling area. This is most significant, since the balance in favor of Spain is very high—1947, 14,196,725 pounds sterling; 1948, 17,053,673; 1949, 14,000,000. It is lately reported that trade relations between the two are growing closer and on longer range. For example, the Spanish railway system has ordered electric locomotives over a 5-year program; the largest dam in Spain—San Esteban Dam—ordered machinery from Vickers; Barcelona shipyards have ordered many motors of British make.

With France, Spain's trade agreement goes back to September 1945. Under it, Spain sends ores, quicksilver, lead, fruits, cork, textiles and other raw and manufactured products necessary to France's economy and receives, in return, phosphates, bauxite, electrical and railway equipment, machinery, and so forth. The last meeting of the joint committee—March 1950—increased exchange by supplementary quotas of, inter alia, sewing machine heads, fruits, vegetables, almonds, cereals, cars, horses, mules, pharmaceutical products, and so forth. But, in all, Spain has a favorable balance of trade, which in 1949 amounted to 5,446,000,000 French francs.

The spurious bases for our policy in regard to Spain have been stated and restated many times and become increasingly inconvincing: Her internal form of government—there are other countries recognized by us whose internal forms of government we do not approve. Her labor laws and conditions—we do not set up that standard for other countries. Her currency instability—we assist other countries to overcome that. Her position during the last war—we are, on the other hand, affirmatively aiding those who actively resisted us during the last war. Her treatment of religious minorities—we have leaned over backward to get along with Russia where it is not a question of forms of religion, but rather whether there is any God at all.

In this connection I have heard much criticism of the present Spanish Government's treatment of the Protestant minority there and no doubt this criticism has had its effect on our Department of State. For that reason I must deal more or less exhaustively with the religious situation in Spain as I have observed it.

It was my pleasure to visit Spain last fall and, as a Protestant—Presbyterian—I welcomed the opportunity to talk with representatives of various Protestant groups. I also visited several places of worship, including chapels of the Baptist and Presbyterian faiths.

I came to the following definite conclusion that the situation in regard to freedom of religious worship in Spain is not as good as I would like to see it. On the other hand, the situation is not so bad as many Protestants in this country picture it to be. The truth is somewhere in between. The members of the Protestant churches with whom I talked overwhelmingly testified that their religious worship was not interfered with. On the other hand, there is no doubt that they resent the fact that their chapels must be private places of worship and that no outward evidence of the name of their church nor the denomination of their faith is permitted. From the American viewpoint this is not real freedom of religious worship. From the Spanish viewpoint it is all the freedom that anyone could expect, particularly in view of the fact that the Catholic church in Spain does not itself pursue the custom of outside publicity in regard to their places of worship. To understand the situation of the Spanish religious minority group, we must in all fairness consider the religious background of the Spanish people through the centuries.

It must not be overlooked that the most favorable estimate of the number of Protestants in Spain is placed at 30,000—in a country of 28,000,000—a country that for many generations has dealt with only small minority groups. In the CONGRESSIONAL RECORD of January 24, 1950, our colleague, the gentleman from New York [Mr. MULTER] addressed himself to the Jews in Spain. On March 10, 1950, Senator OWEN BREWSTER similarly addressed himself on the subject of minority groups in Spain. Today, I should like to give to my colleagues dispassionately my own impressions as to the situation and background of minority groups in Spain, with particular reference to the Protestant minority:

RELIGIOUS TOLERATION IN SPAIN

Outside the Catholic religion which the greater majority of Spaniards profess, there are three other persuasions that because of the numerical importance of their adherents, need be taken into prime consideration, when the question of religious toleration in Spain is discussed. These are the Protestant, the Jewish, and the Moslem denominations.

The legal status of each of these three religious bodies, and of any others, is established and appear to be recognized by exactly the same laws and identical principles.

THE JEWS IN SPAIN

The Jews in Spain, as also those who live in Spanish Morocco, are seemingly satisfied with the obtaining conditions, and after a minute and personal study of the circumstances conducted this summer by Representative ABRAHAM MULTER, of New York, the detailed account of which he related in a speech delivered on the floor of the House of Representatives in the CONGESSIONAL RECORD of January 24, 1950, it may be said that any mistaken or tendentious concepts that may have existed heretofore, have been completely dispelled.

THE MOSLEMS IN SPAIN

Those Moslems who live in Spain also appear to be fully satisfied. The son of the Jalifa, the Sultan's personal representative in the Spanish Protectorate of Morocco, is being educated in Madrid, at a special school in the company of the sons of other Moroccan notables. Their religious welfare is specially cared for, as is that of the head of the State's Moorish bodyguard, whose commission of trust necessarily requires an atmosphere of complete mutual understanding on all scores. There are a number of Moorish officers of Moslem faith in the Spanish Army, the most famous of whom is Maj. Gen. Mohammed Ben Mizian Bel Kasem. Apart from Moslems who live in Spain, it must also be remembered that there are many Moorish regiments in the Spanish Army. The Moslem religion is a complicated one and there have been few complaints of any kind so far as I could learn by those who profess it. Further, in Spain's Moroccan Protectorate where the latent religious divergences between Christians, Jews, and Moslems could at any time cause very difficult situations, such as arise elsewhere; this problem has been solved to the satisfaction of all parties by the Spanish state.

THE LEGAL STATUS OF NON-CATHOLICS IN SPAIN

Historically the feeling of the Spanish people in regard to this question can be easily traced through the different constitutions or constitutional projects, which at given times were introduced or were prepared to be put into practice.

The 1808 constitution forbade the practice of any religion but the Catholic one. It must be remembered that at the time Joseph Bonaparte, brother of Napoleon, was King of Spain. Although the Catholic orthodoxy of this family can be questioned, King Joseph respected the tradition of the Spanish people in this respect.

The 1812 constitution was exactly similar.

The 1837 Constitution did not admit the fact that Spaniards were anything but Catholics. It must be remembered that at this time the Catholic Church in Spain was being severely persecuted by the obtaining Government to the extent that the church was disestablished and its source of wealth confiscated.

The 1845 constitution did not mention any religions other than the Catholic faith.

The 1856 constitutional project strikes a new line: it says "No Spaniards nor foreigners shall be molested for their religious beliefs or opinions as long as they do not manifest them by public acts contrary to the religion"—that is, the Catholic faith.

The 1869 constitution guarantees the right of all foreigners who live within Spain to profess their religion. It adds "If there be any Spaniards who profess any other religion than the Catholic one, they also will not be molested in their acts of worship."

The 1873 constitutional project, revolutionary and extreme, separated the Catholic Church from the state and does not mention any other denominations. The constitution appears to be more intent on persecuting the Catholic Church than in giving liberties to other denominations.

The 1876 constitution, which obtained until the fall of the monarchy in 1931, that is, for 55 years, laid down the following:

The Roman Catholic apostolic religion is the religion of the state. The nation imposes upon itself the duty of sustaining the cult and its ministers.

No one shall be molested within the Spanish Territory for their religious opinions, nor for the practice of their respective cults, except insofar as Christian morality is not denied. Notwithstanding, no other ceremonies nor public manifestations than those of the official religion of the state will be permitted.

As long as this constitution lasted, no protests were formulated against it.

The 1931 constitution, republican and revolutionary, again separated the Catholic Church from the state, and put all denominations on an equal basis, proclaiming notwithstandingly that all denominations would be permitted to practice their worship in private.

The present status of non-Catholics in Spain is regulated by article 6 of the Fuero de los Españoles—bill of rights. It reads as follows:

The profession and the practice of the Catholic religion, which is that of the Spanish state, shall enjoy official protection. None shall be molested for their beliefs or their private practice. No other ceremonies or external demonstrations than those of the Catholic religion shall be permitted.

FURTHER EXISTING LEGISLATION ON THE SUBJECT

The sixth article of the bill of rights was implemented by a ministerial decree of November 12, 1945, which reads as follows:

1. Non-Catholic religious groups may worship freely anywhere in Spanish territory, provided this worship is conducted inside their respective churches, with no public manifestation. The directors of these denominations or the persons in charge of the worship are free to organize religious ceremonies on condition that any ulterior purpose or end is avoided; that is, political relations with illegal groups or anything that is not purely pious or liturgical.

2. Authorization to open such a church should be made in each individual case to the provincial governor, such authorization to be accorded on the basis of the present provisions. The governor in turn will inform this Ministry. The authorization will be communicated to the person requesting it.

3. The provincial governors shall protect the worship thus authorized and shall not interfere in the work of the churches nor in their private ceremonies.

4. The provincial governors shall inform this Ministry of any abuses or violations of the law in this regard.

From the information I was able to obtain while in Spain, the real trouble in this field came from the diversity of manner in which the several provincial governors, particularly those in remote provinces, observed and administered this decree. I found that while many provincial governors were liberal in their attitudes toward private practice of faiths, other than that of the Catholic church, others were harsh, narrow, and intolerant, and on occasion refused to report to the Ministry abuses and violations of the law.

In this short comparative study over 150 years we see that in most of these constitutions or constitutional projects there runs a common trend. The private practice of other than the Catholic religion is established in nearly all of them. It is the expression of the will of Spaniards for more than a century expressed and obtained by full democratic means. Further, if we compare the constitution of 1876 which was in vigor for 55 years, as has been stated, with the obtaining sixth article of the bill of rights, we see that the two texts do not depart in any notable degree from each other. It is no exaggeration to state therefore, that the present status of non-Catholics in Spain, is likewise derived from the will of the majority of the people expressed many times before, through purely democratic channels.

It may be deemed necessary to examine shortly the idea behind the principle that only a private practice of religions other than the Catholic one is permitted in Spain. Whether we like this restriction or not, to be fair we must consider it as based on historical Spanish reasoning. The principle is no Franco government innovations. It is contended by the present Spanish Government that, in a country where some 98 percent of the people are Catholic, acts which although in themselves may be perfectly innocent but which are likely to be interpreted as provocations must be forestalled by wise legislation. So far as I personally am concerned, enforcement of the principle that only private practice of any religion be allowed by a government is obnoxious and contrary to the freedom of religious worship principle of the United States Government; but we are dealing here only with Spain and her religious background of many centuries. It seems that Spanish reasoning and custom dictate that the private practice of a faith means that no manifestations of any kind are permitted except with the walls of the home or of churches or chapels.

THE SO-CALLED PROTESTANT PROBLEM

In the past 18 months a great deal of heat and discussion has arisen with reference to the Protestants in Spain. It has been said that they are classified as second-class citizens, that they are persecuted. Further, their position was defined by Fifth Avenue Dr. Bonnell, in the following words:

It is easier to be a Protestant behind the iron curtain than in Spain.

We have seen that the existing legislation on the subject is exactly the same for all non-Catholic denominations. There is no special legislation for Prot-

estants. More concrete charges than the above also have been made: that Bibles are not permitted to be sold in Spain; that there are no Protestant schools; that non-Catholics are denied access to official positions; and that there are difficulties as regards marriages between Protestants and also with reference to burials.

PROTESTANT NUMERICAL STATISTICS

In order to obtain an objective view of these charges it is necessary to analyze the number of people involved. How many Protestants are there in Spain? The Protestant writers C. Araujo Garcia and Kenneth G. Grubb in their work, Religion in the Republic of Spain—World Dominion Press, 1933—estimated the Christian community in Spain, that is, the over-all figure for foreign and Spanish Protestants, at 21,900 of whom 6,259 at that time were communicants. The exact number of Spanish Protestants has never been given but an extreme figure of 5,000 can be granted. If we take the estimated census of the year 1947, out of a population of 27,400,000 inhabitants the percentage of the Protestant community is 0.08 percent and that of communicants 0.023 percent.

PROTESTANT CHAPELS AND CHURCHES IN SPAIN

There are at present 177 Protestant chapels and churches open for worship in Spain. Strange as it may sound, there is more church space per capita available for Protestants than for Catholics in Spain.

THE SALE OF PROTESTANT BIBLES IN SPAIN

A distinction must of necessity be made between Protestant editions of the Bible and Catholic editions. As is well known, the Catholic Church everywhere forbids the use of Protestant editions of the Bible by Catholics. The special Catholic editions of the Bible in Spain are edited under the auspices of the Catholic Church authorities, and many thousands of copies are sold every year through the ordinary booksellers. The sale of Protestant Bibles in a Catholic country is in direct opposition to the teaching of the Catholic Church.

The following figures of the sale of Protestant Bibles in Spain are taken from the Dutch periodical De Linie for October 31, 1947:

1944:	
Bibles	984
The New Testament	991
Parts of the Bible	4,050
Total	6,025
1945:	
Bibles	1,488
New Testament	1,807
Parts of the Bible	4,286
Total	7,581
1946:	
Bibles	773
New Testament	2,668
Parts of the Bible	3,710
Total	7,151

The over-all quantity of these Protestant Biblical publications over those 3 years reaches the figure of 20,757. This would lead one to suspect that these publications were not merely distributed to non-Catholics.

SCHOOLS FOR PROTESTANT CHILDREN

The Spanish state does not maintain schools for Protestant children. States do not usually cater for infinitesimal minorities anywhere. Spanish Protestants are so few and far between that it would not be possible for special arrangements to be made for them. The confessional education of children of non-Catholic foreign parents is fully provided for in article 27 of the Law of Elementary Education of July 17, 1945. In those places where the Protestant community is sufficiently large to maintain its own schools they do so privately. Within the home, of course, this problem does not arise.

THE DENIAL OF ACCESS TO OFFICIAL POSITIONS

Another of the charges laid down to the administration is that official proof of catholicity is demanded for access to official or to Government posts. This statement is completely misleading and it is baseless. The name of a Moslem major general has been mentioned. The gentleman from New York, Representative MULTER, met a certain number of Jews prominent in business and law circles. A Spanish Protestant, Señor Araujo Garcia is professor of Zaragoza University. Spaniards are never asked if they are Catholic or not. In Government forms there is never a special dotted line reserved for expression of creed or of color, because these problems have never arisen in Spain. One of the reasons why Spanish Protestants have not reached prominent posts is that evangelican work has been carried out among the lesser favored classes who usually have not had the means nor the opportunities of bettering their condition. In a very recent case the Ministry of Education has accepted a Protestant certificate of baptism in lieu of a birth certificate, when the person was not able to produce the latter.

MARRIAGE IN SPAIN

The civil code of Spain which dates from 1886 and which is still in vigor, extracted the principles which it incorporated into its ruling on questions of marriage from the canon law of the Catholic Church. Further, as Spain is a Catholic country, and the majority of Spaniards are Catholics, the Catholic Church is charged with all matters pertaining to this phase of family life. Notwithstandingly, a civil form of marriage is authorized by the state for any party to a marriage who can prove that he was not baptized according to the requirements of the Catholic Church, or who can prove by documentary evidence that he is not a Catholic.

MARRIAGE BETWEEN PROTESTANTS

No problem arises as regards marriage between Protestants. They undergo a civil form of marriage and then can be married subsequently in their own church.

Complications may arise notwithstandingly in the case of lapsed Catholics, in accordance with the ruling of the Catholic Church.

BURIAL

There are no difficulties at all with reference to burials. In accordance with the civil regulations of Spain and canon law also, at the side of the consecrated and Catholic cemetery, there is another one reserved for people who do not profess the Catholic faith.

PROTESTANTS IN SPAIN

The questions that arise between Catholics and Protestants in Spain are steeped in historical background, as they are in all European countries. In Spain the two clashing schools of thought are still fighting the wars of Charles V, those between Philip II and Elizabeth of England: they think in terms of the Spanish Armada, of the Inquisition, and of the religious collisions in the Netherlands. Both factions have carried on this bitter struggle for 500 years, and the Catholic Spaniard, because of it, has acquired a peculiar sense of mission in the defense of his faith and creed. He considers Protestantism also, to use the words of the great Spanish atheist, Don Emilio Castelar, to be "the constant enemy of the country and the race." That is why fundamentally protestantism has only found the slightest acceptance amongst the Spanish people. The distinguished Spanish scholar, a Protestant and an Englishman, Mr. Allison Peers, in his book Spain, the Church and the Orders says:

> There seems to be in the Spaniard an instinctive aversion from it.

Richard Ford, another English Protestant, over a hundred years ago, in his Handbook to Spain, remarks:

> The whole nation is divided into two classes: bigoted Romanists or infidels: there is no via media.

A more recent writer and one who is not particularly sympathetic to the Catholic church writes in his Christianity and Spain:

> The Spanish people are naturally religious and Roman Catholicism is the form of religion best suited to the people.

It is in this extreme Catholic atmosphere that Protestants attempt to carry out their work. They themselves acknowledge that there is a strong element of anti-Catholicism in their activities. Pastor Brutsch in his l'Evangile du Christ: l'Espagne Meurtrie et Nous, published in Geneva in 1937, states quite frankly that—

> One of the characteristics of Spanish Protestantism is that it is anti-Catholic.

The Bulletin of Spanish Evangelicals published in Spain in 1946 puts out the following statement:

> That protestantism constitutes a threat to Roman peace we are the first to admit as a solid fact and an honor for the Evangelical churches.

It can scarcely be considered a wise nor a Christian move on the part of Spanish protestantism to publish within Spain and in the October 1947 issue of the Escudriñador Biblico, such statements as the following:

First. The indulgences sold by the priests to the people are simply a trick of the Devil.

Second. God never sent saints in order that people adore them.

Third. The practice of clerical celibacy is spoken of as a satanical institution and perversion.

Fourth. Bishops and priests should be free to marry like anyone else.

Fifth. The Bible is full of this apostasy and that God insists that men to be saved abandon catholicism.

The peaceful modus vivendi of long standing between Anglicans and Lutherans on the one side and Catholics on the other in Spain, has been altered by the methods employed by the more aggressive Evangelical sects. A Protestant minister writing on this score says:

> One cannot, to be sure, deny to these sects the benefit of Christian liberty, but we do not want to be confused with them. They are brethren to be converted. It is often more difficult to come to an understanding with them than with Catholics. Their activity is responsible for much of the confusion.

Another Protestant pastor in Spain writes:

> The Adventists—who do not claim to be Evangelicals and whom we do not recognize as such—although few in number are extremely aggressive. They distribute their literature in profusion, thanks to funds received from America, including tracts and pamphlets.

It is not surprising that there have been reactions to the work of the Evangelical denominations when the full facts are taken into consideration. These reactions have been of two kinds: undefendable hooliganism and warning to Catholics from the Catholic hierarchy. Hooliganism and desecration of Evangelical chapels seem to have arisen on about six occasions in the year 1947 at different places. Lamentable though these cases may have been, as is well known, they also on occasion break out in other countries. As soon as the Government became aware of what had taken place, adequate police protection was assigned to the Evangelical chapels. But it is difficult to please everyone: Mr. Homer Bigart, the well-known newspaperman, in his articles in the Herald Tribune in February 1949, said that it was much worse that the Government should have sent protection to the chapels because it made them much more conspicuous.

The warnings of danger issued by the Catholic bishops have by certain people been taken to be incentive and firebrand speeches for Catholics to react violently against the Protestants in Spain, whether they were so intended or not.

That at given times the Protestant community as such have taken an active part in politics is a well-established fact. On the eve of the decisive elections of 1936 from which the Civil War arose, the president of the Alliance of the Evangelical Churches of Spain, in the official publication of that ground, España Evangélica (January 30, 1936), recommended that Spanish Protestants vote for the left, because "from a temporal point of view, this is our only hope for freedom to proselytize." The fact that many Protestant bodies in Spain did support the left so solidly led to the melancholy reflection contained in the Carta Circular a los Evangélicos Españoles in 1945 that "many of the churches and many of our brethren have had to pay dearly and continue to pay for this close association with leftist elements who could not fail, in the long run, to do injury to our cause."

CATHOLICS ELSEWHERE IN THE WORLD

The great principles of religious tolerance as incorporated in the American Constitution by peoples whose ancestors braved the perils of the sea to be able to worship in peace, are not upheld in European countries in general, and I believe that the restrictions imposed on Catholics, especially in the Scandinavian countries, are just as stringent as those which have been laid to the Spanish door. In Great Britain, as is well known, a Catholic cannot be King, and there is an unwritten law whereby the Prime Minister cannot either profess the Catholic faith. In other countries Catholics cannot become heads of the state nor hold outstanding ranks in the army nor the navy. Let us examine the status of Catholics in the Scandinavian countries:

Norway—Catholics 0.1 percent: The law of primary education calls for "a good knowledge of the main part of biblical history, of the important events of church history, and of the Christian catechism according to the Episcopal Lutheran denomination is required as the aim of instruction in Christian religion."

Sweden—Catholics 0.077 percent: Religion is obligatory in the elementary schools. In the sixth grade the law requires "reading of Luther's Short Catechism as a historical document of Luther's interpretation of the principal tenets of Christianity." Even private school teachers have to be Lutheran:

> Persons wishing to establish private schools for children of school age must obtain permission from the local board. This will be granted on condition that the head of the school is a member of the Swedish Lutheran State Chuch. No teacher may be appointed who is not a member of the state church.

Catholics and other minorities not belonging to Lutheran groups "are not permitted to establish their own schools for children."

In Sweden the King and the Cabinet Ministers must of necessity profess the Lutheran faith.

In Switzerland also there are certain limitations for Catholics, as there were in Germany before World War II. In the Swiss Federal Constitution of 1874, in article 50, it states that no diocese shall be constituted without the consent of the State. Article 51 forbids completely the establishment of the Society of Jesus. Article 52 forbids the establishment of new communities or convents or the re-establishment of those formerly existing.

May I say in closing that, though I subscribe to the Protestant Presbyterian faith, who am I to say that there is only one true faith and one road to God.

I am proud that our forefathers guaranteed religious freedom on the virgin soil of America, but I am not blind to the fact that centuries of religious intolerance in Europe cannot be cured overnight.

Sufficeth to say, that, granting there is still need for correction of religious intolerance against Protestants in Spain, the present policy of our Government is not conducive to improvement of the situation, and never will as long as we continue to injure the pride of a great people and a government worthy of respect by refusing full diplomatic recognition and not according to them in many other ways the same measure of credit and respect enjoyed by their neighbors.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Georgia.

Mr. COX. Mr. Speaker, I simply rise to exercise the privilege of applauding the gentleman for his magnificent statement on a very important subject.

Mr. RICHARDS. I thank the gentleman.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 30 minutes.

THE TRUMAN ADMINISTRATION'S FARM PROGRAM—WHAT'S IN IT FOR YOU?

Mr. AUGUST H. ANDRESEN. Mr. Speaker, stretching the truth and putting out exaggerated and false information in regard to the beneficient proposals made in the Brannan Farm plan, appears to be the order of the day for the Pendergast-dominated National Democratic Committee and the Truman Administration.

The hand-outs and comic supplements prepared by the Secretary of Agriculture, the National Democratic Committee and the CIO-PAC will prove a boomerang when the Nation's farmers learn the truth about the scheme which will sell them into slavery and bankruptcy.

On April 10th, I received a letter from a Minnesota farmer asking questions about a circular which he enclosed entitled "The Administration's Farm Program—What's in It for You?" The circular did not give the source of the information, and it was apparently passed out by certain New Deal administration enthusiasts of the Brannan plan. I want you to read the circular, because it deals with a typical Minnesota farmer, according to Secretary Brannan and the Democratic Committee, the admitted authors of the hand-out. Similar hand-outs have been prepared by Secretary Brannan and the Democratic National Committee for distribution in each of the 48 States—taking a typical farm in each State. I am sure that the Secretary or the committee will be glad to supply any Member with the hand-out for his State.

The circular follows:

THE ADMINISTRATION FARM PROGRAM—WHAT'S IN IT FOR YOU?

If you are a farmer the administration farm program could keep your income from dropping. New products would come under

the support program. No perishables would be wasted because all would be sold at the open market. You farmers would get production payments on perishables to make up the difference between the average market price and support levels.

If you are a city housewife, if crops are good, prices of meats and fresh fruits and vegetables would drop.

HERE IS HOW IT WORKS

This could be your farm: This real farm actually is located 35 miles south of St. Paul in Dakota County, Minn. It has 376 acres, of which 60 are in corn for grain, 10 in corn for silage, 72 in alfalfa, 24 in soybeans, 48 in oats, 16 in barley, 9 in flaxseed, 30 in clover, and 82 in pastures, woods, and roads. The farmer has 20 beef cows, 29 calves, 39 hogs, 20 dairy cows, 350 chickens, and 270 laying hens. The farm is owned and operated by two brothers who live there with their wives and use part-time hired help. There are 16 acres planted in winter wheat.

Expenses: At current prices, it costs the farmer $11,440 per year for feed, grist labor, fertilizer, repairs, gas and oil, taxes, interest and principal on the mortgage.

Income after expenses

1948 (Republican 80th Cong.)[1]	$12,170
1949 (Democratic 81st Cong.)[1]	7,875
Hope-Aiken law[2]	5,814
1949 Agriculture Act (Democratic 81st Cong.)[1]	6,515
Brannan program (proposed Apr. 7, 1949)[1]	7,488

[1] Inserts made by Representative AUGUST H. ANDRESEN, of Minnesota.

[2] The Hope law enacted by the Republican 80th Cong., continuing the 90-percent support, as provided in the Steagall amendment, except on potatoes, was the support program in operation for the 1949 crop year. The Aiken law was repealed before its effective date, and the support program for the 1950 crop year was written by the Democratic majority in the Democratic 81st Congress and signed by President Harry S. Truman.

MINNESOTA WOULD BENEFIT

Minnesota farmers received $1,332,000,000 from the sale of their products in 1948 according to the United States Department of Agriculture. The most important commodities were: Hogs, milk, cattle, eggs, corn, and wheat. The value of these commodities at support prices would be higher under the Brannan plan than the highest the 1949 Agriculture Act could provide.

The present law does not require support prices for hogs, cattle, or eggs. The Brannan plan would require price supports for all of these products at the full support standard.

Mr. Speaker, the circular or hand-out shows a typical Minnesota farmer, according to Secretary Brannan, in Dakota County, as to what his income would be under the Brannan plan as compared with the Democratic Agricultural Act of 1949 and the Farm Act in effect in 1948 when the Republicans had control of the Eightieth Congress. The hand-out claims that this Minnesota farmer would have received $7,488 under the Brannan program as compared with $6,515 under the Democratic Agricultural Act of 1949. It also discloses that this typical farmer received a net income of $12,170 in 1948, but it inadvertently omits that the Republican Eightieth Congress was in control of the Eightieth Congress during 1947 and 1948. I would like to know, if Secretary Brannan and the Democratic Committee are purposely trying to conceal that the Republicans were in control of Congress when the Nation's farmers enjoyed their best returns for farm products.

The administration's farm plan hand-out deals with income after expenses, with one exception. In the last part of the hand-out it shows that Minnesota farmers received $1,332,000,000 for the sale of their products in 1948. For 1949 the gross income of Minnesota farmers dropped around 17 percent, to $1,145,000,000, and agricultural authorities in Minnesota estimate that the 1950 gross farm income for the State will be 20 percent less than in 1949. The sharp drop in farm income for Minnesota farmers, which is greater than the national average, is due to the fact that farmers have received as low as $2.70 per hundredweight for their milk and from 20 to 25 cents per dozen for eggs.

The Department of Agriculture has furnished me with the following figures on gross sales of farmers for the Nation. In 1948 the farmers received $30,545,000,000 for the sale of their farm products with a net return after expenses of $16,743,000,000. In 1949 the gross income was stated to be $27,518,000,000 with a net of $13,812,000,000. The Department also estimates that the gross and net incomes for the Nation's farmers for the 1950 crop and farm products will be around 10 percent less than the amount received in 1949. I want to again point out that the Republican Congress was in control in 1948.

On April 12, 1950, after conferring with officials in the Department of Agriculture, I wrote a letter to Mr. Ralph S. Trigg, Administrator of the Production and Marketing Administration in the Department, sending him a copy of the administration's farm plan hand-out, and asking for specific information and a breakdown of the figures in order to ascertain how much money this typical Minnesota farmer would receive in the market for his products, and the amount he would receive from the United States Treasury in production payments under the Brannan plan. I did not receive a reply from Mr. Trigg.

My letter to Mr. Trigg follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., April 12, 1950.

Mr. RALPH S. TRIGG,
Administrator, Production and Marketing Administration, Department of Agriculture, Washington, D. C.

DEAR MR. TRIGG: A few days ago a farmer in my district sent me the enclosed illustration of a Minnesota farm which attempted to give figures showing net income of this farmer under the Agricultural Act of 1948 and the law of 1949, as compared with the net income under the Brannan program. I talked with Mr. Shofner in regard to this matter, as I was informed that he had prepared the illustration. He states that he did not do so, but I assume that someone in the Department prepared the illustration.

I would very much like to receive from you at the earliest possible time, so that I can answer this farmer, a breakdown of the figures showing the net income of the farmer under the Brannan program and the basis for such calculation—showing the net income received by this farmer in the market place and the amount received in production payments from the Government. In other words, I would like all of the details so that I can make an intelligent analysis of the figures.

I also note that a calculation is made under the Hope-Aiken law. The Aiken part of the Hope-Aiken law never went into operation. This portion of the law was repealed by the act of 1949, which became effective on January 1, 1950. The Hope part of the Hope-Aiken law, with the exception of potatoes, was a continuation of the act of 1948.

I would appreciate it if you will inform me if the Department prepared the illustration; and if it did not, whether the Department had anything to do with its preparation.

Trusting that I may hear from you at a very early date in reply to this letter, and with kindest personal regards, I remain,

Sincerely yours,

AUGUST H. ANDRESEN.

I was tempted many times to call Mr. Trigg why I did not receive a reply to my letter of April 12. I was anxious to supply my Minnesota farmer correspondent with specific information from the Department on the administration's farm plan. But I restrained myself and did not call, because I realized how busy thousands of experts in the Department had been since April 7, 1949—the date when the Secretary presented his plan to Congress—in trying to figure out the answers to the Secretary's proposal.

However, after waiting 47 days from the date of my letter to Mr. Trigg, I finally received the following letter from Secretary Charles F. Brannan himself, dated May 29, 1950, attempting to answer my letter to Mr. Trigg:

DEPARTMENT OF AGRICULTURE,
Washington, May 29, 1950.

Hon. AUGUST H. ANDRESEN,
House of Representatives.

DEAR MR. ANDRESEN: The attachment which you sent Mr. Trigg on April 12 about the administration's price support recommendations for a Minnesota farm has been identified as a leaflet which was prepared and distributed by the Democratic National Committee. In the course of preparing similar material for a number of States, the committee asked the Department of Agriculture to furnish it specific statistical information about farms in those States which could fairly be called typical of the type of agriculture in each area. We naturally complied with this request to the best of our ability.

The same general method has been followed and the same assumptions have been made in our calculations of illustrative farm income, including the farm covered by the attachment to your letter. The method provides for the estimation of gross farm income, for each program considered, based upon the quantity of each commodity marketed from the farm. The marketable production does not, of course, always represent the total farm production. The unit prices applied to the marketable production were based upon the latest data available as to the indexes of prices paid and received by farmers, and the level at which mandatory support was provided. Where the program provided for a range in the mandatory support level, in the absence of definite information, the midpoint of the range was used. In the case of a commodity for which support was not mandatory the unit price used was 90 percent of the average price received for the 1949 crop. This assumption was in line with the outlook statements regarding the general level of prices received by farmers.

In arriving at the net income for the Minnesota farm, the gross farm income determined as above for each program was reduced by $11,440, representing actual expenses.

With respect to the administration's price-support recommendations, we have made no attempt to break down the net income for a particular farm into that portion which would be received in the market place, as compared with the amount which would be received as production payments. Similarly, in the case of estimates for other price-support programs, no attempt has been made to compare the income which might have accrued to the farm in the absence of any such program, compared with estimated income under such program.

The editorial material accompanying the description of each typical farm was supplied by the Democratic National Committee, to whom I respectfully refer you for further information about it.

Very truly yours,

CHARLES F. BRANNAN,
Secretary.

As you will note, Secretary Brannan's reply is very evasive and does not give the facts which I requested. However, Mr. Brannan admits that the Department prepared the factual material for the hand-out and that the Democratic National Committee supplied the editorial comment.

In line with the handout on the administration's farm plan, and What's In It For You, the Secretary of Agriculture and his staff assisted the Democratic National Committee in preparing an eight-page illustrated comic supplement entitled "John and Mary Blake and the Brannan Plan." I have a copy of the comic supplement which was prepared for circulation to the farmers of the State of Missouri. I am informed that a similar comic supplement has been prepared for each State in the same manner as the handout which I have heretofore discussed. I feel that the Democratic National Committee will be glad to supply any Member with a comic section for his particular State.

There has been a great deal of controversy over the comic supplement, as you will note from the United Press news story published on April 7 in the Washington News. The Secretary admitted exaggerated claims in the comic book. The news story which I am including as part of these remarks tells the story. The Secretary refers in particular to 38 cents per dozen for eggs. Minnesota farmers are only receiving from 20 to 25 per dozen for their eggs in the market, and the Secretary has fixed a support price on eggs for these farmers of 25 cents per dozen.

[From the Washington News of June 7, 1950]

"COMIC BOOK" EXAGGERATED, HE ADMITS—BRANNAN PLAN SEES DOUBLE

Agricultural Secretary Charles F. Brannan acknowledged today the Democratic National Committee is making exaggerated claims about the benefits farmers and consumers could be certain of under his farm plan.

One piece of committee literature—a comic book—uses the highest permissible Brannan plan level for eggs in an illustration of what farmers would be guaranteed.

Five pages later, in a discussion of how much tax money would have to be spent on subsidy payments to egg producers, the calculations assume that farm income for eggs would be supported at the lowest level.

One hundred thousand comic books and thousands of throw-away sheets explaining the production-payment farm plan have been distributed to farmers and some labor unions.

IMPROPER IDEA?

Mr. Brannan said the comic book titled "John and Mary Blake and the Brannan Plan" tends to oversimplyfy the proposal. In so doing, he said, it may have given some voters an improper impression.

The throw-away, "The Brannan Plan—What's in It for You?" claims erroneously that the minimum support prices for some commodities would have to be 100 percent of the standard. Actually, the plan would guarantee 100 percent supports for only four of the 10 commodities covered.

The comic book quotes Mr. Brannan as saying consumers would save 7 cents a dozen on eggs if his plan were operating today. Mr. Brannan said he never made such a prediction. He said the saving was calculated by his experts on assumed conditions and should be interpreted only as an illustration not as a statement of fact.

DOUBLE FIGURES

Mr. Brannan was asked about this double set of support figures in the comic book:

On page 2, Farmer Blake remarks that he would get a boost of $352 or 45 percent, in net income, if the Brannan plan were operating this year. Although the book doesn't say so, this estimate was calculated on the assumption that supports on all 10 commodities would be set at the maximum. For eggs that would be 44 cents a dozen this year.

On page 7, Mr. Brannan is pictured as saying the tax cost of egg supports under the plan this year would have been 70 cents a year for the average family. But this estimate was made on the assumption that egg supports would be set at 38 cents a dozen—the minimum permitted under the plan.

Mr. Brannan said this was not necessarily unfair.

[From the St. Paul Dispatch of June 7, 1950]

BRANNAN ADMITS DEMOCRATS EXAGGERATE

WASHINGTON.—Secretary of Agriculture Charles F. Brannan acknowledged today that the Democratic National Committee is making exaggerated claims about the benefits that farmers and consumers could be certain of under his farm plan.

One piece of committee literature—a comic book—uses the highest permissible Brannan plan support level for eggs in an illustration of what farmers would be guaranteed.

Five pages later, in a discussion of how much tax money would have to be spent on subsidy payments to egg producers, the calculations assume that farm income for eggs would be supported at the lowest level permitted under the Brannan plan.

One hundred thousand comic books and unascertained numbers of throw-away sheets explaining the production-payment farm plan have been distributed to farmers and some labor unions. The national committee is using them to try to build up support for the Brannan plan in this congressional election year.

Brannan discussed the factual accuracy of the Democratic committee's material in an exclusive interview with the United Press. He made the following points about the educational literature:

1. The throw-aways state falsely that the Brannan plan requires farm-income supports equal to 100 percent of the support standard for eggs, chickens, milk, hogs, sheep, and cattle. Brannan said supports for these six commodities under his plan could be as low as 85 percent of the standard. The only commodities guaranteed 100 percent support are corn, tobacco, wheat, and cotton.

2. The comic book quotes Brannan as saying consumers would save 7 cents a dozen on eggs if his plan were operating today. Brannan said he never made such a prediction. He said the saving was calculated for the committee by his experts on the basis of certain assumed conditions and should be interpreted only as an illustration, not as a statement of fact or a forecast.

Mr. Speaker, it seems rather strange that the Secretary of Agriculture would use his office and scores of experts in the Department of Agriculture, who are being paid by the taxpayers, to devote a large amount of time in preparing and issuing misleading propaganda. I am satisfied that the farmers will not be fooled by this propaganda. That was demonstrated in the Iowa primary election. The farmers are entitled to the truth about any farm program as it involves their future welfare. I insist that a farm program should be free from political manipulation both in the administration and in Congress, and as one member of the Committee on Agriculture who is vitally interested in the future prosperity of American farmers, I will vigorously resist every attempt to deceive the farmers with false and misleading propaganda for political purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LODGE (at the request of Mr. MARTIN of Massachusetts), for this week, on account of official business.

To Mr. ENGLE of California, for June 14 to 19, on account of official business.

EXTENSION OF REMARKS

Mr. MULTER asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. BUCHANAN asked and was given permission to extend his remarks.

Mr. PHILBIN asked and was given permission to extend his remarks in two instances.

Mr. BENNETT of Florida asked and was given permission to extend his remarks and include extraneous matter.

Mr. DAVENPORT asked and was given permission to extend his remarks and include a speech.

Mr. WEICHEL asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks and include a letter from a businessman, a letter from a friend, and an editorial.

Mr. SHORT asked and was given permission to include as a part of the speech he made in the Committee of the Whole today a telegram from St. Louis.

Mr. SHORT asked and was given permission to extend his remarks and include several newspaper articles.

Mr. GWINN asked and was given permission to extend his remarks and include an editorial.

Mr. JENISON asked and was given permission to extend his remarks and include extraneous matter.

Mr. REES asked and was given permission to extend his remarks and include extraneous matter.

Mr. JUDD asked and was given permission to extend his remarks in two instances and include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks and include two newspaper articles.

Mr. BIEMILLER asked and was given permission to extend his remarks and include an editorial.

Mrs. KELLY of New York (at the request of Mr. DOLLINGER) was given permission to extend her remarks.

Mr. ROOSEVELT asked and was given permission to extend his remarks and include extraneous matter.

Mr. YATES asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and include an article showing a tabulation of construction under title 608 of the Federal Housing Act.

Mr. BOYKIN (at the request of Mr. RIVERS) was given permission to extend his remarks in two instances.

Mr. RIVERS asked and was given permission to extend his remarks and include an article, The Forgotten Heroines of World War II.

Mr. RAINS (at the request of Mr. SPENCE) was given permission to extend his remarks and include extraneous matter.

SENATE BILLS AND CONCURRENT RESOLUTIONS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table, and, under the rule, referred as follows:

S. 648. An act to amend title 18, United States Code, section 705, to protect the badge, medal, emblem, and other insignia of auxiliaries to veterans' organizations, and for other purposes; to the Committee on the Judiciary.

S. 819. An act for the relief of Herman L. Weiner; to the Committee on the Judiciary.

S. 846. An act for the relief of Sotirios Christos Roumanis; to the Committee on the Judiciary.

S. 848. An act for the relief of Lorenzo Buira Sarrate; to the Committee on the Judiciary.

S. 920. An act for the relief of Ellen Rodriguez Moreno; to the Committee on the Judiciary.

S. 927. An act to provide that children be committed to the Board of Public Welfare in lieu of being committed to the National Training School for Girls; that the property and personnel of the National Training School for Girls be available for the care of children committed to or accepted by the Board of Public Welfare; and for other purposes; to the Committee on the District of Columbia.

S. 1049. An act for the relief of Amy Alexandrovna Taylor and Myrna Taylor; to the Committee on the Judiciary.

S. 1086. An act for the relief of Dixie Margarine Co., a Tennessee corporation, of Memphis, Tenn.; to the Committee on the Judiciary.

S. 1165. An act to provide relief for the sheep-raising industry by making special quota immigration visas available to certain alien sheepherders; to the Committee on the Judiciary.

S. 1259. An act for the relief of Mr. and Mrs. Lucillo Grassi; to the Committee on the Judiciary.

S. 1276. An act for the relief of Marta Faugno; to the Committee on the Judiciary.

S. 1347. An act for the relief of Jose Da Silva; to the Committee on the Judiciary.

S. 1357. An act for the relief of Gregory Pirro and Nellie Pirro; to the Committee on the Judiciary.

S. 1529. An act for the relief of Amy L. Hefington; to the Committee on the Judiciary.

S. 1654. An act for the relief of Kyra Kite Riddle; to the Committee on the Judiciary.

S. 1777. An act to amend the act entitled "An act to regulate the employment of minors within the District of Columbia," approved May 29, 1928; to the Committee on the District of Columbia.

S. 1792. An act for the relief of Thomas Nicholas Epiphaniades and Wanda Julia Epiphaniades; to the Committee on the Judiciary.

S. 1862. An act to provide refunds of certain deposits made for the purpose of obtaining credit under the Civil Service Retirement Act of May 29, 1930, as amended, for service in the Army, Navy, Marine Corps, or Coast Guard; to the Committee on Post Office and Civil Service.

S. 1900. An act for the relief of Mary Di Rezza; to the Committee on the Judiciary.

S. 1925. An act for the relief of Pejsach Lederman and his wife and stepdaughter; to the Committee on the Judiciary.

S. 1942. An act for the relief of Isabel Alba Casas, Concepcion Garcia Perez, Maria del Carmen Fernandez Matesaenz, Maria Santos Zuniga, Felipa Casado del Blanco, Mercedes Rodriguez Villanueva, Selina Milan Gonzalez, Tereas Duque Saenz, Martina Equiza Garces, and Teresa Baztan Elizalde; to the Committee on the Judiciary.

S. 1963. An act for the relief of Augusto Segre; to the Committee on the Judiciary.

S. 1996. An act for the relief of Eugene Frohlinger; to the Committee on the Judiciary.

S. 2021. An act to provide for the issuance of medals for meritorious service to Federal employees engaged in the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States; to the Committee on the Judiciary.

S. 2035. An act for the relief of John David Logan; to the Committee on the Judiciary.

S. 2047. An act for the relief of Marie C. Araujo, also known as Marie Conceipaco de Brito; to the Committee on the Judiciary.

S. 2092. An act for the relief of Rosa Ottaviani; to the Committee on the Judiciary.

S. 2155. An act to authorize the cancellation or settlement of claims of the District of Columbia against the estates of recipients of old-age assistance; to the Committee on the District of Columbia.

S. 2183. An act for the relief of Nicholas J. Chicouras; to the Committee on the Judiciary.

S. 2231. An act for the relief of Marco Murolo and his wife Romana Pellis Murolo; to the Committee on the Judiciary.

S. 2242. An act for the relief of John E. Dwyer; to the Committee on the Judiciary.

S. 2296. An act for the relief of Maria Cicerelli; to the Committee on the Judiciary.

S. 2297. An act for the relief of the estate of Lee Jones Cardy; to the Committee on the Judiciary.

S. 2348. An act to increase the annual authorization for the appropriation of funds for collecting, editing, and publishing official papers relating to the Territories of the United States; to the Committee on House Administration.

S. 2349. An act for the relief of Ho Paak-Sui; to the Committee on the Judiciary.

S. 2357. An act to amend the act of May 26, 1936, authorizing the withholding of compensation due Government personnel; to the Committee on Expenditures in the Executive Departments.

S. 2397. An act authorizing the Secretary of the Interior to convey certain lands in the State of Minnesota to Signa M. Lodoen and Nels R. Lodoen; to the Committee on Public Lands.

S. 2442. An act for the relief of Yone T. Park; to the Committee on the Judiciary.

S. 2462. An act for the relief of Ruzina Skalova; to the Committee on the Judiciary.

S. 2492. An act for the relief of Maria, Magdalena, Margit, and Martha Mattha; to the Committee on the Judiciary.

S. 2496. An act to authorize contributions to Cooperative for American Remittances to Europe, Inc.; to the Committee on Foreign Affairs.

S. 2510. An act to authorize and direct the Secretary of the Interior to issue to Anson Harold Pease, a Crow allottee, a patent in fee to certain lands; to the Committee on Public Lands.

S. 2526. An act for the relief of Vera Stein; to the Committee on the Judiciary.

S 2551. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.; to the Committee on Public Lands.

S. 2552. An act to authorize the sale of certain allotted land on the Pine Ridge Reservation, S. Dak.; to the Committee on Public Lands.

S. 2565. An act for the relief of Edward E. Duff; to the Committee on the Judiciary.

S. 2575. An act for the relief of Yayoko Kobayashi and June Kobayashi, and for other purposes; to the Committee on the Judiciary.

S. 2604. An act to amend section 5 of the act entitled "An act to authorize the apprehension and detention of insane persons in the District of Columbia, and providing for their temporary commitment in the Government Hospital for the Insane, and for other purposes," approved April 27, 1904, as amended; to the Committee on the District of Columbia.

S. 2609. An act to provide a system for the treatment and rehabilitation of youth offenders, to improve the administration of criminal justice, and for other purposes; to the Committee on the Judiciary.

S. 2620. An act for the relief of Chyon Yong Yun; to the Committee on the Judiciary.

S. 2662. An act for the relief of Evzen Syrovatka and his wife; to the Committee on the Judiciary.

S. 2676. An act for the relief of Kimie Yamada Ina and her daughter, Ritsuko Ina; to the Committee on the Judiciary.

S. 2682. An act for the relief of Naum Ionescu and his wife; to the Committee on the Judiciary.

S. 2723. An act for the relief of Maria del Carmen Moreno-Elorza, Maria Luisa Asin Luri, Rafaela Garcia Casini, Giovanni Importa, and Teresa Campagnoni; to the Committee on the Judiciary.

S. 2735. An act for the relief of Mrs. Vernon B. Rasmussen; to the Committee on the Judiciary.

S. 2741. An act for the relief of Stephania Ziegler, Anna Hagl, and Theresia Tuppinger; to the Committee on the Judiciary.

S. 2745. An act for the relief of Marie De Champourcin, to the Committee on the Judiciary.

S. 2774. An act to amend section 2113 of title 18 of the United States Code in order to include certain savings and loan associations within its provisions; to the Committee on the Judiciary.

S. 2795. An act for the relief of Fortunato Giulio Torre; to the Committee on the Judiciary.

S. 2857. An act to amend section 12 of the Missing Persons Act, as amended, relating to travel by dependents and transportation of household and personal effects; to the Committee on Armed Services.

S. 2866. An act for the relief of Egbert G. Gesell; to the Committee on the Judiciary.

S. 2875. An act to extend for a period of 5 years the time for appropriating and expending funds to carry out the Federal Airport Act; to the Committee on Interstate and Foreign Commerce.

S. 2901. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the district of Delaware; to the Committee on the Judiciary.

S. 2949. An act to authorize the sale of certain allotted inherited land on the Rosebud Indian Reservation, S. Dak.; to the Committee on Public Lands.

S. 2668. An act for the relief of Chen Hua Huang; to the Committee on the Judiciary.

S. 2980. An act to amend the Agricultural Adjustment Act of 1938 with respect to cigar-wrapper type 61 tobacco and cigar-wrapper type 62 tobacco; to the Committee on Agriculture.

S. 2996. An act to authorize loans to make available in any area or region credit formerly made available in such area or region by the Regional Agricultural Credit Corporation; to the Commtitee on Agriculture.

S. 3007. An act for the relief of Stefanie Pfister and Hildegarde Weber; to the Committee on the Judiciary.

S. 3029. An act authorizing the Secretary of the Interior to issue a patent in fee to Wilbur J. Scott; to the Committee on Public Lands.

S. 3068. An act for the relief of Jimmie Franklin Burnett; to the Committee on the Judiciary.

S. 3099. An act to repeal the prohibition against the filling of the vacancy in the office of district judge for the western district of Pennsylvania; to the Committee on the Judiciary.

S. 3128. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; to the Committee on Public Lands.

S. 3130. An act to authorize the sale of certain allotted inherited land on the Winnebago Reservation, Nebr.; to the Committee on Public Lands.

S. 3173. An act to authorize the Administrator of Civil Aeronautics to undertake a project under the Federal Airport Act for the development and improvement of Chatham Field at Savannah, Ga., during the fiscal year 1950; to the Committee on Interstate and Foreign Commerce.

S. 3253. An act for the relief of Lyon F. Hibberd and the estate of George T. Erb; to the Committee on the Judiciary.

S. 3336. An act to provide for the organization of a constitutional government by the people of Puerto Rico; to the Committee on Public Lands.

S. 3380. An act to amend the act of August 9, 1930, to redefine the term "contraband article" with respect to narcotic drugs, and for other purposes; to the Committee on Ways and Means.

S. 3510. An act to amend Public Law 74, Seventy-seventh Congress, as amended, relating to the rate of penalty on the farm marketing excess of corn and wheat; to the Committee on Agriculture.

S. 3527. An act to amend section 14 (b) of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

S. 3545. An act to amend the Tariff Act of 1930 to provide for exemption from duty of certain sound recordings imported by the Department of State, and for other purposes; to the Committee on Ways and Means.

S. 3550. An act to continue for a temporary period certain powers, authority, and discretion for the purpose of exercising, administering, and enforcing import controls with respect to fats and oils (including butter), and rice and rice products; to the Committee on Banking and Currency.

S. 3582. An act to authorize revision of the procedures employed in the administration of certain trust funds administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

S. 3635. An act to enable the governments of Alaska, of Hawaii, of Puerto Rico, and the Virgin Islands to authorize public bodies or agencies to undertake slum clearance, urban redevelopment, and low-rent housing activities, including the issuance of bonds and other obligations, to amend the low-rent housing enabling statutes for Alaska and Hawaii, and for other purposes; to the Committee on Public Lands.

S. 3639. An act providing for an extension of the time during which annual assessment work on mining claims held by location in the United States may be made; to the Committee on Public Lands.

S. Con. Res. 90. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

S. Con. Res. 91. Concurrent resolution favoring the suspension of deportation of certain aliens; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1769. An act to reimburse the Stebbins Construction Co.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On June 8, 1950:

H. R. 5166. An act to extend the laws of the United States, relating to civil acts or offenses consummated or committed on the high seas on board a vessel belonging to the United States, to the Midway Islands, Wake Island, Johnston Island, Sand Island, Kingman Reef, Kure Island, Baker Island, Howland Island, Jarvis Island, Canton Island, and Enderbury Island, and for other purposes; and

H. R. 6406. An act providing procedure for claimants of mining claims in the United States obtaining credit for assessment work performed during the year ending July 1, 1949, under the provisions of Public Law 107, Eighty-first Congress.

On June 12, 1950:

H. R. 4567. An act to amend the Displaced Persons Act of 1948.

On June 13, 1950:

H. R. 87. An act relating to the promotion of veterans of World War II in the field service of the Post Office Department;

H. R. 589. An act for the relief of C. M. Smart;

H. R. 697. An act for the relief of Samuel W. Poorvu;

H. R. 829. An act to authorize the Secretary of Agriculture to accept buildings and improvements constructed and affected by the Buffalo Rapids Farm Association on project lands in the Buffalo Rapids water conservation and utilization project and canceling certain indebtedness of the association, and for other purposes;

H. R. 1047. An act for the relief of the Aero-Bocker Knitting Mills, Inc.;

H. R. 1103. An act for the relief of Miriam Barkle;

H. R. 1110. An act for the relief of Ann Irene Feikema;

H. R. 1124. An act for the relief of Lee Freddie Lambert;

H. R. 1170. An act for the relief of Mrs. John Kaudy (formerly Stella Cappler);

H. R. 1272. An act for the relief of Edward A. Seeley;

H. R. 1275. An act for the relief of Anna Helman;

H. R. 1482. An act for the relief of Frances L. Marshall;

H. R. 1492. An act for the relief of Harold L. Lindquist;

H. R. 1602. An act for the relief of Ben Grunstein;

H. R. 1627. An act for the relief of Filip Nicola Lazarevich;

H. R. 1866. An act for the relief of Honorio Canciller and Nancy Ting Evangelista;

H. R. 2224. An act for the relief of the Winona Machine & Foundry Co., a corporation of Winona, Minn.;

H. R. 2386. An act to provide for the establishment and operation of a rare and precious metals experiment station at Reno, Nev.;

H. R. 3480. An act to authorize the Commonwealth of Kentucky to use for certain educational purposes lands granted by the United States to such Commonwealth for State park purposes exclusively;

H. R. 3527. An act for the relief of Gifford E. Moak;

H. R. 3672. An act for the relief of Mrs. Vera C. A. Freund;

H. R. 3675. An act for the relief of Erik H. Lindman;

H. R. 3996. An act for the relief of Dr. J. Carlyle Nagle;

H. R. 4011. An act for the relief of Stavros Matheos (also known as Steve Matheos or Matheou);

H. R. 4015. An act for the relief of Kate Laursen;

H. R. 4509. An act to amend the act of February 25, 1920 (41 Stat. 452), and for other purposes;

H. R. 4641. An act to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county;

H. R. 4747. An act for the relief of Louise Ahting;

H. R. 4781. An act for the relief of Veronica Jolly;

H. R. 4892. An act to provide for the admission of pay patients to the Home for the Aged and Infirm;

H. R. 4969. An act to direct the Secretary of Agriculture and the Secretary of the Army to transfer and convey certain lands and thereby facilitate administration and give proper cognizance to the highest use of United States lands;

H. R. 4986. An act for the relief of Lonnie M. Abernathy;

H. R. 5017. An act for the relief of Ng Soo Lip and Ng Yut Chee;

H. R. 5103. An act to provide for clerical assistance at post offices, branches, or stations serving military and naval personnel, and for other purposes;

H. R. 5126. An act for the relief of Nathalie E. Cobb;

H. R. 5150. An act for the relief of Ira D. Doyal and Clyde Doyal;

H. R. 5199. An act for the relief of Mr. and Mrs. Thurman L. Bomar;

H. R. 5295. An act for the relief of C. R. Springman;

H. R. 5332. An act to amend section 3 of the act of June 18, 1934, relating to the establishment of foreign-trade zones;

H. R. 5511. An act to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities;

H. R. 5556. An act to make available for Indian use certain surplus property at the Wingate Ordnance Depot, N. Mex.;

H. R. 5581. An act for the relief of Deborah Elizabeth Ebel;

H. R. 5639. An act for the relief of Ivan E. Townsend;

H. R. 5709. An act for the relief of Patrick Cronin;

H. R. 5872. An act to extend the boundaries of the Toiyabe National Forest in the State of Nevada;

H. R. 5913. An act to authorize the exchange of certain lands of the United States situated in Ross County, Ohio, for lands within the Symmes Creek Purchase Unit in Lawrence County, Ohio, and for other purposes;

H. R. 6163. An act for the relief of Dr. Wei Tcheng Liang;

H. R. 6271. An act for the relief of Mrs. Harry Schneider;

H. R. 6344. An act for the relief of Mrs. William Y. Imanaka;

H. R. 6364 An act for the relief of Yoshiko Matsumura;

H. R. 6371. An act for the relief of J. O. Evans;

H. R. 6385. An act for the relief of Louise M. Koch;

H. R. 6414. An act for the relief of Mrs. Chikako Mary Ohori Hori;

H. R. 6462. An act for the relief of Mrs. Sachiko Iwai Higaki;

H. R. 6485. An act for the relief of Jodeene Lehrman;

H. R. 6490. An act for the relief of Margarita Funakura;

H. R. 6521. An act to authorize the sale of certain land on the Pine Ridge Indian Reservation, S. Dak., allotted to Lucy Arapahoe Iron Bear;

H. R. 6552. An act to correct a clerical error in section 2 of the act of January 16, 1883, an act to regulate and improve the civil service of the United States, as amended by Public Law 425, Eighty-first Congress;

H. R. 6577. An act for the relief of Haruko Teramoto;

H. R. 6632. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 6689. An act for the relief of Mitsuko Uemura;

H. R. 6793. An act for the relief of Fujiko Fukuda;

H. R. 6942. An act for the relief of Hisako Nakane;

H. R. 6991. An act for the relief of E. G. Morris;

H. R. 7013. An act for the relief of Mrs. Yae Bennett;

H. R. 7057. An act to amend Veterans Regulation No. 1 (a) with respect to the computation of estimated costs of teaching personnel and supplies for instruction in the case of colleges of agriculture and the mechanic arts and other nonprofit educational institutions;

H. R. 7082. An act for the relief of Mrs. Isamu Tarasawa;

H. R. 7084. An act for the relief of Yoshiko Ishli Teves;

H. R. 7092. An act for the relief of Mrs. Karry Wakefield;

H. R. 7094. An act for the relief of Kazuyo Dohi;

H. R. 7147. An act to change the effective date of the act of June 19, 1948, relating to the Fire Department of the District of Columbia;

H. R. 7173. An act for the relief of Toshiko Ono;

H. R. 7194. An act for the relief of Mrs. Rei Yamada Munns and Edward Lee Munns;

H. R. 7255. An act to provide for the conveyance of certain real property in Hopkins County, Ky., to the estate of James D. Meadors;

H. R. 7256. An act for the relief of Mieko Nishitsuru;

H. R. 7279. An act for the relief of Umeko Stevenson;

H. R. 7283. An act for the relief of Mrs. Jack B. Meyer;

H. R. 7313. An act for the relief of Lucy Teresa Morris;

H. R. 7338. An act for the relief of Asano Teramoto;

H. R. 7410. An act for the relief of Mrs. Kiyoko Tanaka Perez;

H. R. 7427. An act for the relief of Mrs. June Noda Loman;

H. R. 7440. An act to amend veterans' regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service-connection for active pulmonary tuberculosis;

H. R. 7485. An act for the relief of Mrs. Maria Margarite Noe;

H. R. 7560. An act for the relief of Mary Frances Yoshinaga;

H. R. 7609. An act to grant a renewal of patent No. 59,560 relating to the emblem of the Disabled American Veterans of the World War;

H. R. 7700. An act to amend the rice marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended;

H. R. 7708. An act to authorize the Secretary of the Navy to grant to the Monmouth Consolidated Water Co., certain easements and right-of-way within the United States Naval Ammunition Depot, Earle, N. J.;

H. R. 7778. An act for the relief of Miyoko Oishi;

H. R. 7866. An act to amend the Civil Service Retirement Act of May 20, 1930, as amended, so as to provide an order of precedence for lump-sum death payments, and for other purposes;

H. R. 7888. An act to amend the Classification Act of 1949 to make it inapplicable to postal employees of the Panama Canal;

H. R. 7966. An act to amend the act entitled "An act to incorporate the trustees of the Presbyterian congregation of Georgetown," approved March 28, 1806;

H. R. 7984. An act to authorize the conveyance to the city of Miles City, Mont., certain lands in Custer County, Mont., and for other purposes; and

H. R. 8422. An act for the relief of Carmencita von Plettenberg.

ADJOURNMENT

Mr. BYRNE of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 5 minutes p. m.), under its previous order, the House adjourned until Thursday, June 15, 1950, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ENGLE of California: Committee on Public Lands. H. R. 7934. A bill to reduce and revise the boundaries of the Joshua Tree National Monument in the State of California, and for other purposes; with amendment (Rept. No. 2236). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Expenditures in the Executive Departments. H. R. 8706. A bill to provide for the purchase of bonds to cover officers and employees of the Government; without amendment (Rept. No. 2237). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 635. Resolution providing for the appointment of a special committee of the House of Representatives to investigate the campaign expenditures of the various candidates for the House of Representatives, and for other purposes; without amendment (Rept. No. 2238). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 649. Resolution for consideration of S. 2269, an act to provide for the enlistment of aliens in the Regular Army; without amendment (Rept. No. 2239). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 650. Resolution for consideration of H. R. 8083, a bill to amend the Export-Import Bank Act of 1945, as amended (59 Stat. 526, 666; 61 Stat. 130), to vest in the Export-Import Bank of Washington the power to guarantee United States investments abroad; without amendment (Rept. No. 2240). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 4065. A bill to provide for the relinquishment of mineral reservations in the land patent of Thomas Stephens; without amendment (Rept. No. 2235). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. FLOOD:

H. R. 8807. A bill to provide for the award of certain public contracts to bidders from areas of very substantial labor surplus where their bids do not exceed by more than 5 percent the most advantageous bids submitted from other areas; to the Committee on Expenditures in the Executive Departments.

By Mr. FRAZIER:

H. R. 8808. A bill to provide for the abatement of tax of certain trusts, the income and corpus of which are equitably owned by members of the Armed Forces who died on or after December 7, 1941, while in active service as a member of the military or naval forces of the United States or of any of the other United Nations and prior to January 1, 1948; to the Committee on Ways and Means.

By Mr. GOODWIN:

H. R. 8809. A bill to add certain veterans' organizations to the list of veterans' organizations whose proceedings are printed annually for Congress; to the Committee on House Administration.

H. R. 8810. A bill to amend the act entitled "An act to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to lend certain property to national veterans' organizations,

and for other purposes," approved August 1, 1949, so as to include property of the Coast Guard, and by defining "recognized national veterans' organization"; to the Committee on Armed Services.

H. R. 8811. A bill to amend section 705 of title 18, United States Code (relating to badges or medals of veterans' organizations), to make it applicable to certain additional veterans' organizations; to the Committee on the Judiciary.

H. R. 8812. A bill to exempt the personal property of certain veterans' organizations from the District of Columbia personal property tax; to the Committee on the District of Columbia.

By Mr. HART:

H. R. 8813. A bill to amend section 4474 of the Revised Statutes, as amended, relating to the use of petroleum as fuel aboard steam vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. JENNINGS:

H. R. 8814. A bill to amend part II of Veterans Regulation No. 1 (a), relating to the payment of compensation for disability or death incurred during peacetime service; to the Committee on Veterans' Affairs.

By Mr. WELCH:

H. R. 8815. A bill to provide additional incentives for the discovery of a cure for cancer, heart disease, and poliomyelitis; to the Committee on Interstate and Foreign Commerce.

By Mr. COLMER:

H. R. 8816. A bill to provide for the conveyance of certain hospital supplies and equipment of the United States to the city of Gulfport and to Harrison County, Miss.; to the Committee on Armed Services.

By Mr. LANE:

H. R. 8817. A bill to include certain additional veterans' organizations whose accredited representatives and claim agents may assist veterans and their dependents under section 616, National Service Life Insurance Act of 1940, as amended, and section 500, World War Veterans Act of 1924; as amended; to the Committee on Veterans' Affairs.

H. R. 8818. A bill to amend section 200, chapter II, Public Law 346, Seventy-eighth Congress, as added by section 3, Public Law 268, Seventy-ninth Congress; to the Committee on Veterans' Affairs.

H. R. 8819. A bill to amend section 200, title II, Public Law 844, Seventy-fourth Congress, approved June 29, 1936, as amended by Public Law 316, Eightieth Congress, approved August 1, 1947; to the Committee on Veterans' Affairs.

H. R. 8820. A bill to amend section 301, chapter III, Public Law 346, Seventy-eighth Congress; to the Committee on Veterans' Affairs.

By Mr. ENGLE of California:

H. R. 8821. A bill authorizing payment to certain States amounts withheld from grazing fees on public lands; to the Committee on Public Lands.

By Mr. EDWIN ARTHUR HALL:

H. R. 8822. A bill to provide adequate wash-up time for post-office employees; to the committee on Post Office and Civil Service.

By Mr. McMILLAN of South Carolina:

H. J. Res. 488. Joint resolution authorizing the Commissioners of the District of Columbia to permit the importation of milk and cream into the District of Columbia where a shortage exists by reason of any emergency; to the Committee on the District of Columbia.

By Mr. HAND:

H. Con. Res. 221. Concurrent resolution providing for rescinding all tariff agreements negotiated with any foreign country controlled by a Communist Party; to the Committee on Ways and Means.

By Mr. AUCHINCLOSS:

H. Res. 643. Resolution to authorize the Committee on Merchant Marine and Fisheries to investigate the recent explosion at South Amboy, N. J.; to the Committee on Rules.

By Mr. PETERSON:

H. Res. 644. Resolution to amend the Reclamation Project Act of 1939, and for other purposes; to the Committee on Rules.

By Mr. RIBICOFF:

H. Res. 645. Resolution extending best wishes to the members of the Italian-American World War Veterans on the occasion of holding their 1950 national convention in Rome; to the Committee on Veterans' Affairs.

By Mr. EATON:

H. Res. 646. Resolution to authorize the Committee on Merchant Marine and Fisheries to investigate the recent explosion at South Amboy, N. J.; to the Committee on Rules.

By Mr. HOFFMAN of Michigan:

H. Res. 647. Resolution disapproving Reorganization Plan No. 27; to the Committee on Expenditures in the Executive Departments.

H. Res. 648. Resolution disapproving Reorganization Plan No. 24; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, relative to exempting tuna, bass, and other fishing tournaments at which prizes are offered from the provisions of the Federal postal lottery law; to the Committee on Post Office and Civil Service.

Also, memorial of the Legislature of the State of Massachusetts, relative to reinstating certain amputee veterans as permanent postal employees; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHUDOFF:

H. R. 8823. A bill for the relief of J. Hibbs Buckman and A. Raymond Raff, Jr., executors of the estate of A. Raymond Raff, deceased; to the Committee on the Judiciary.

By Mr. DONDERO:

H. R. 8824. A bill for the relief of Tokuko Murayama; to the Committee on the Judiciary.

By Mr. FLOOD:

H. R. 8825. A bill for the relief of William Farrell; to the Committee on the Judiciary.

By Mr. HALE:

H. R. 8826. A bill for the relief of Yaeko Nakajima; to the Committee on the Judiciary.

By Mr. JUDD:

H. R. 8827. A bill for the relief of Mrs. Suzanne Chow Hsia and her son, Sven Erik Hsia; to the Committee on the Judiciary.

By Mr. LICHTENWALTER:

H. R. 8828. A bill for the relief of Dr. Jiri Liska; to the Committee on the Judiciary.

By Mr. McCORMACK:

H. R. 8829. A bill fer the relief of Sisters Pasqualina Bova, Rosa Pellanda, Emilia Dei Rossi, Speranza Zoia, and Domenica Lapadula; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H. R. 8830. A bill for the relief of Robert Rollins Suntay; to the Committee on the Judiciary.

By Mr. JOSEPH L. PFEIFER (by request):

H. R. 8831. A bill for the relief of Mr. Iliano Zerbini; to the Committee on the Judiciary.

H. R. 8832. A bill for the relief of Italo S. Falconieri; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 8833. A bill for the relief of Adolpho Pinedo; to the Committee on the Judiciary.

By Mrs. WOODHOUSE:

H. R. 8834. A bill for the relief of Yamaguchi Michiko; to the Committee on the Judiciary.

By Mr. VURSELL:

H. J. Res. 487. Joint resolution to confirm title in fee simple in Joshua Britton to certain lands in Jefferson County, Ill.; to the Committee on Public Lands.

PETITIONS, ETC.

Under clause 1 of rule XXII,

2195. Mr. DONDERO presented a petition, containing approximately 900 signatures, of the taxpayers and voters of Detroit, Mich., urging the enactment of H. R. 8456, a bill providing for the appointment of regular classified positions in the postal field service of certain former war service indefinite regular carriers, which was referred to the Committee on Post Office and Civil Service.